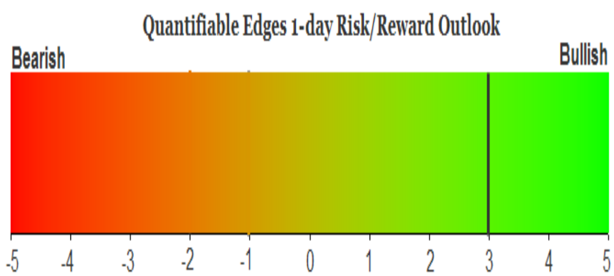
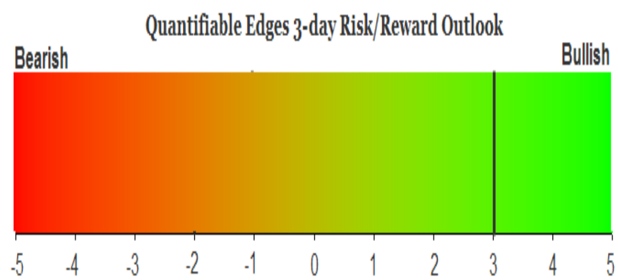
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 26, 2026 Volume 20 Issue 120

Market Overview





Signals Overview

Aggregator	CBI Reading
Long	0

Tonight's Research Points

- SPX making three lower closes on declining NYSE volume is a combination that has frequently been followed by a move up in the next couple of days.

Short-term Outlook

The Bottom Line
The Aggregator is bullish. I again like the long side.

Summary of Recent Active Studies (see Letters from listed dates for details

Study Date	Description	Time span	Bias	Avg Run-up	Avg DrawDn	Avg DrawDn - 1 Std Dev
Active - Short Term						
June 26, 2026	SPX mildest 3-day drop, lowest 5-day volum	1-2 days	Bullish	1.29%	-0.76%	-1.54%
June 25, 2026	SPX down 3rd day, NYSE volume down all 3	1-2 days	Bullish	2.00%	-0.51%	-1.14%
June 24, 2026	SPY gaps below 5-day low, close < open	1-5 days	Bullish	1.92%	-1.40%	-3.04%
June 18, 2026	Fed Day closes lower 2nd day in a row	1-6 days	Bullish	2.20%	-1.52%	-3.11%
Active - Long Term						
June 18, 2026	SPX -1% while SOX finishes positive	1-17 days	Bullish	5.37%	-2.79%	-5.71%
June 15, 2026	NASDAQ lagging	int term	weak			
May 27, 2026	NDX > 18% above 200ma	1-90 days	Bullish	13.80%	-9.37%	-18.64%
May 13, 2026	SPX historically strong 6-week rally	1-12 months	Bullish	18.96%	-8.29%	-10.88%
April 27, 2026	Sell in May 2nd yr Pres Cycle & 5% pullback	1-6 months	Bearish			
December 15, 2025	QE active. Rates dropping. Fed dovish	int term	Bullish			
June 30, 2025	SPX Golden Cross (7/1/25)	int term	Bullish			

The Evidence

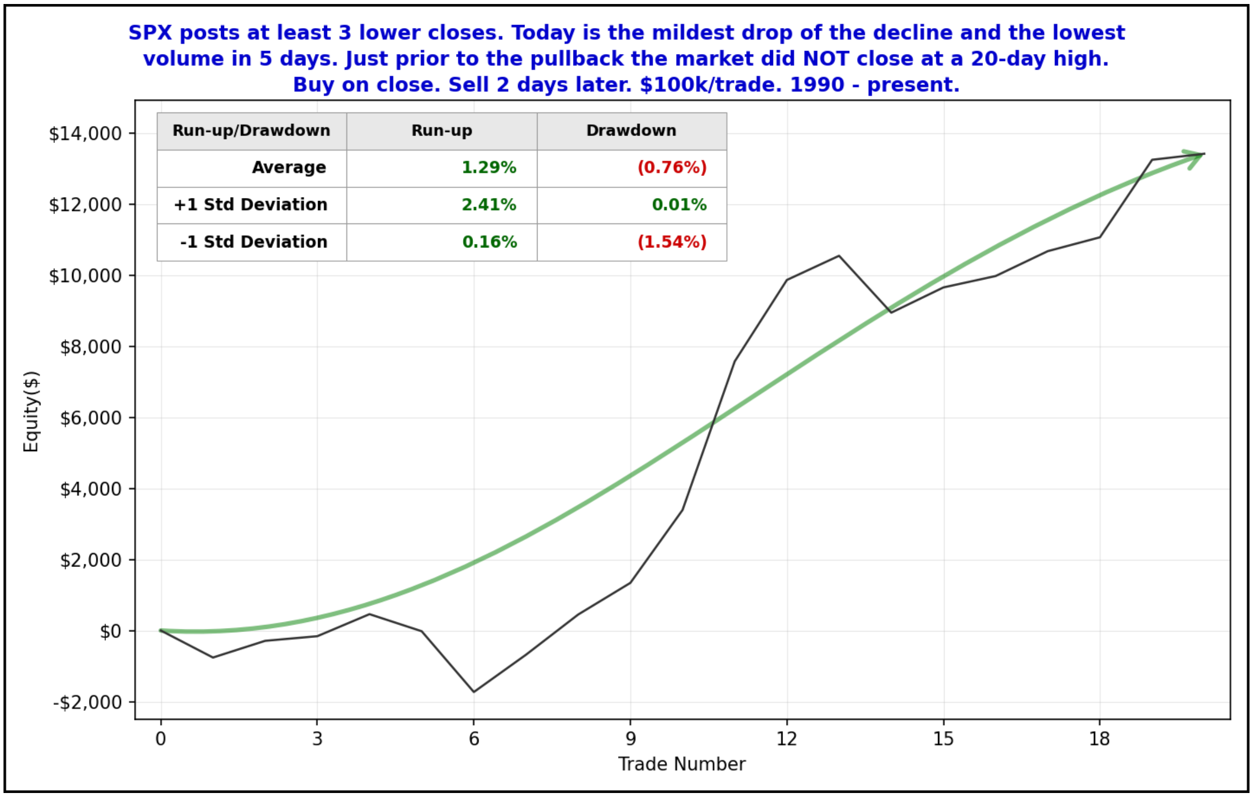
The market was mixed on Thursday. SPX finished down 0.01%, the NASDAQ lost 0.5%, and the Russell 2000 climbed 0.7%. Breadth was moderately positive as the NYSE Up Issues % closed at 56% and the NYSE Up Volume % posted a 57% reading. NYSE total volume declined some from Wednesday's level.

Last night we saw a number of studies emerge that looked at 3+ day pullbacks. And with volume again shrinking, the study below triggered. I actually haven't featured it since way back in the 9/28/2009 letter. Stats below are updated.

SPX posts at least 3 lower closes. Today is the mildest drop of the decline and the lowest volume in 5 days. Just prior to the pullback the market did NOT close at a 20-day high. Buy on close. Sell X days later. 1990 - present.

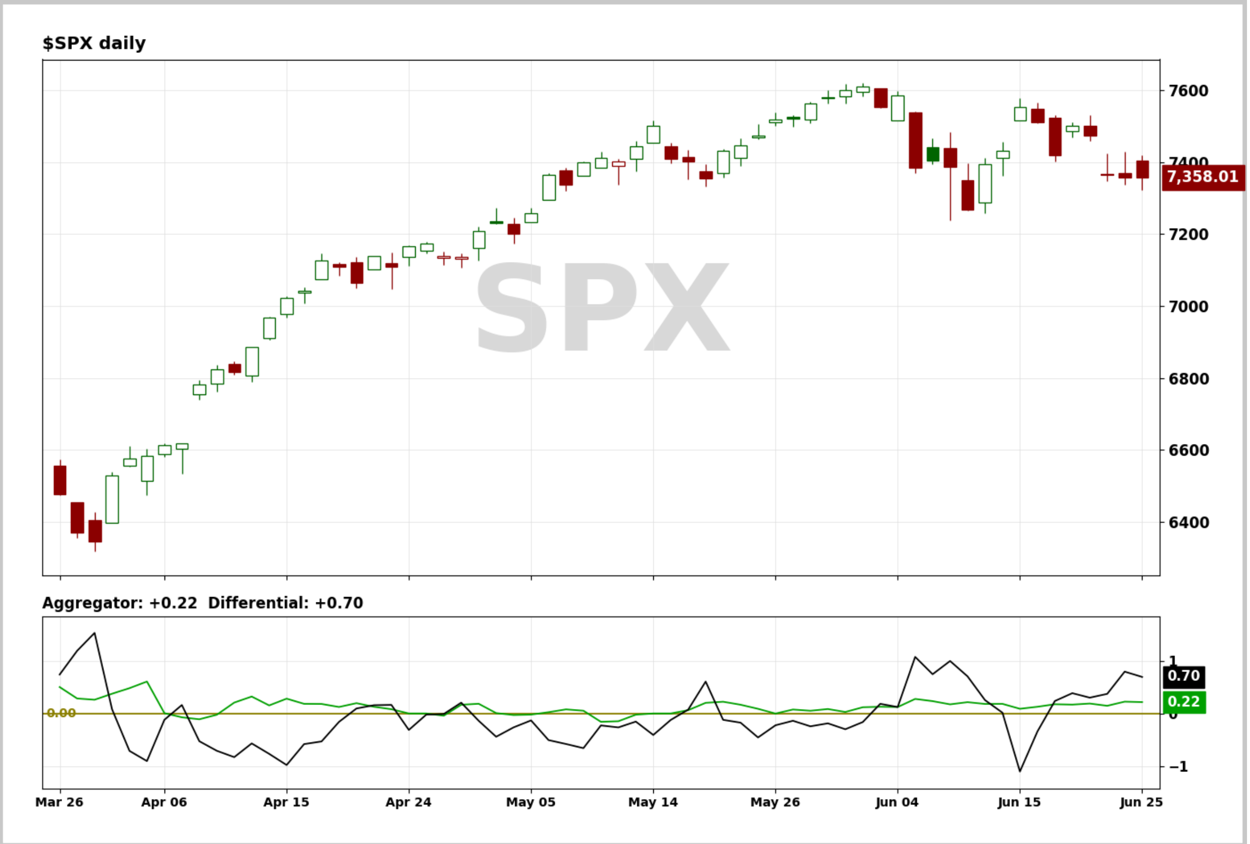
X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
5	20	12	8	60.00%	6.30%	-2.28%	2.11%	0.95%	2.21	3.31	0.883%
4	20	13	7	65.00%	4.11%	-2.09%	1.63%	1.27%	1.28	2.38	0.612%
3	20	13	7	65.00%	3.98%	-6.70%	1.38%	1.58%	0.87	1.62	0.345%
2	20	16	4	80.00%	4.18%	-1.71%	1.12%	1.14%	0.99	3.95	0.671%
1	20	12	8	60.00%	2.63%	-1.62%	0.87%	0.70%	1.24	1.87	0.242%

A 16-4 record over the next 2 days is impressive. Below is a look at the profit curve.



The curve did not start great but 13 of the last 14 instances have seen gains. This study seems worthy of some consideration. I have added it to the active list tonight.

I have updated the Aggregator chart below.



With tonight's evidence considered, the green Aggregator Line remained above zero. Positive readings mean net expectations are for upside over the next few days. The black Differential Line also held above zero. The positive Differential Line reading means that SPX is oversold versus recent expectations. So expectations are positive and SPX is oversold. This is considered a bullish configuration. Bullish configurations are visible on the chart whenever both lines close above zero. Therefore, the Aggregator formation stayed long at the close.

Based on the current list of active studies, expectations are set to remain positive on Friday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7403.56. That is 0.6% above Thursday's close. Therefore, SPX will need to close up at least 0.6% on Friday in order to flip from oversold to overbought versus recent expectations.

So the Aggregator is bullish. I like the long side, and currently have some index exposure to take advantage of a possible bounce. I may look to add another lot if SPY offers a favorable entry with a decent sized gap down or close lower on Friday. Details in the Trade Ideas section down below.

Intermediate-term Outlook (2 weeks – 2 months) – updated 6/22 – bullish

Catapult and Capitulative Breadth Statistics

[Catapult & CBI Presentation Link]

Open Catapult Triggers

None

***Broad Market Large Cap CBI* – 0**

Additional New Trade Ideas

SPY – Buy ¼ index position @ $732.00 LIMIT ON OPEN. If not filled on open, cancel order and then look to enter @ $733.00 LIMIT ON CLOSE. Based on the Short-Term outlook above, I will look add to my position if SPY gaps down a sizable amount or closes a bit lower on Friday.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(1/4)	6/24/2026	$733.58	$734.30	0.10%	Aggregator