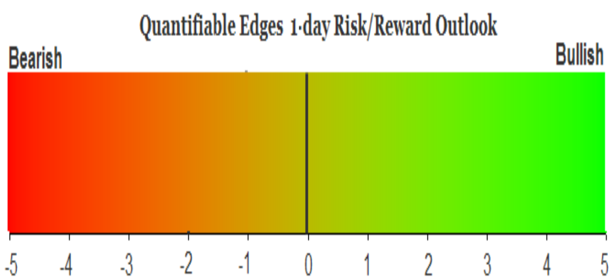
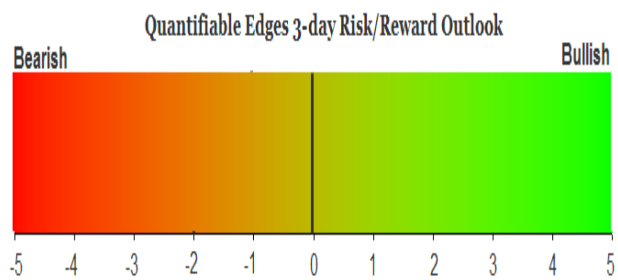
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

June 30, 2026 | Volume 20 Issue 122

Market Overview





Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- After a sharp two-day bounce off a 10-day low, SPY's unfilled gap up and close back above the open showed little additional upside edge over the following week or two.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. I'm inclined to flatten out.

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 29, 2026	SPX down exactly 5 days, > 20-lo & 200ma	1-2 days	Bullish	1.41%	-0.41%	-0.98%
June 24, 2026	SPY gaps below 5-day low, close < open	1-5 days	Bullish	1.92%	-1.40%	-3.04%
Active - Long Term						
June 29, 2026	NASDAQ lagging	int term	weak			
June 18, 2026	SPX -1% while SOX finishes positive	1-17 days	Bullish	5.37%	-2.79%	-5.71%
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 closed higher on Monday. SPX finished up 1.2%, the NASDAQ gained 2.1%, and the Russell 2000 rose 0.01%. Breadth was mildly positive as the NYSE Up Issues % closed at 54% and the NYSE Up Volume % posted a 50% reading. NYSE total volume dropped sharply from Friday's level.

After being squarely oversold the market bounced back quite nicely on Monday. The effect has been to quickly work off the oversold condition and leave several SPX above its 10-day moving average. Had the reversal not been so strong then the current upside potential would be a little better. But since the move was so good, it took out much of the upside edge. I demonstrated this in the 3/6/23 subscriber letter.

There I looked at patterns similar to the current one where SPY made a 10-day intraday low yesterday and then posted an unfilled gap up today along with a close above the open (and above the 200ma). I broke it down by instances that closed above the 10ma versus instances that closed below it. I have updated those tables below.

After making a 10-day intraday low yesterday SPY leaves an unfilled gap up today and closes above the open. It closes < 10ma but > 200ma. Buy on close. Sell X days later. 1/4/1993 - present.

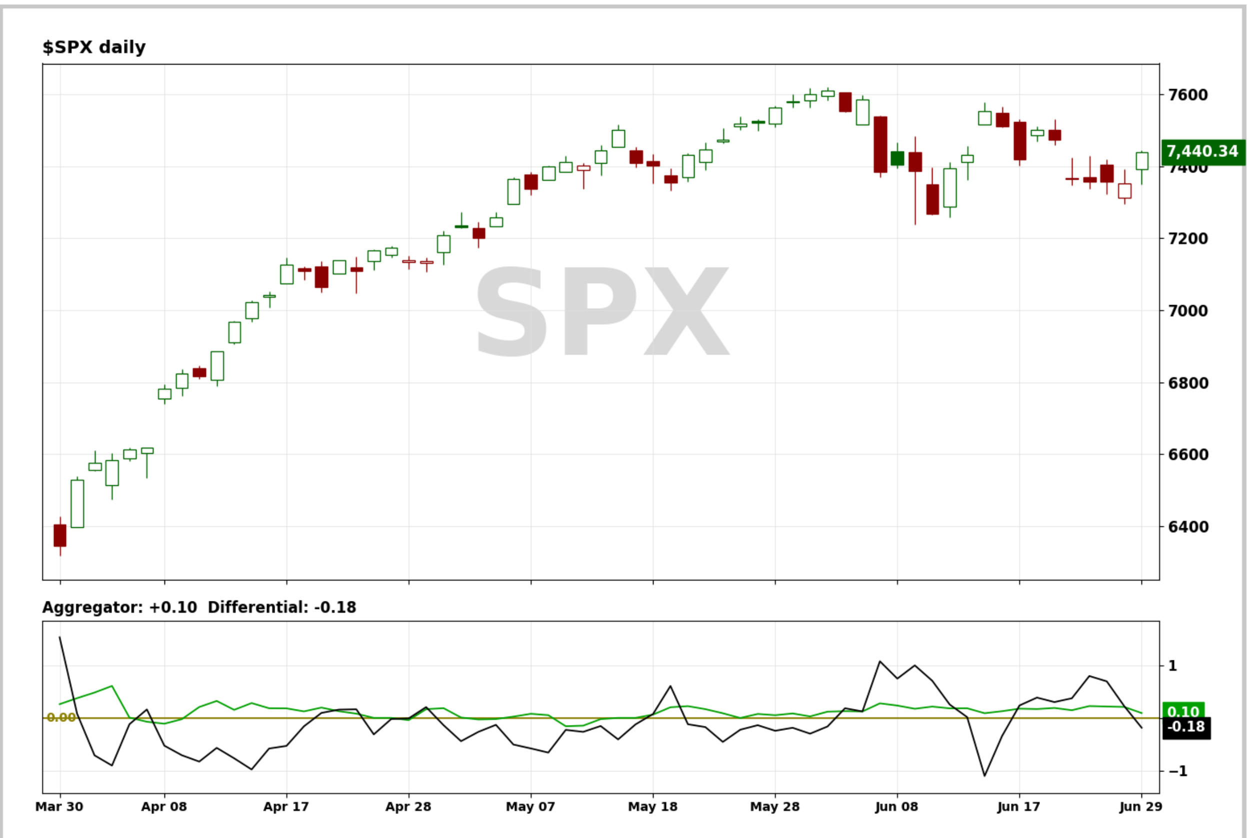
X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
10	85	55	30	64.71%	7.00%	-6.72%	2.33%	2.06%	1.13	2.07	0.781%
9	86	51	35	59.30%	7.17%	-4.95%	2.58%	1.60%	1.61	2.35	0.877%
8	86	55	31	63.95%	6.16%	-5.66%	2.12%	1.59%	1.33	2.35	0.778%
7	87	55	32	63.22%	5.92%	-7.25%	2.01%	1.37%	1.46	2.52	0.764%
6	89	50	39	56.18%	5.96%	-3.99%	1.83%	1.38%	1.32	1.69	0.420%
5	91	55	36	60.44%	4.11%	-5.41%	1.60%	1.53%	1.04	1.60	0.361%
4	96	57	39	59.38%	3.91%	-3.71%	1.45%	1.40%	1.04	1.52	0.295%
3	101	57	44	56.44%	3.92%	-3.08%	1.23%	1.16%	1.06	1.37	0.189%
2	104	60	44	57.69%	3.09%	-3.03%	1.10%	1.23%	0.89	1.21	0.112%
1	104	53	50	50.96%	2.47%	-2.90%	0.80%	0.77%	1.04	1.10	0.038%

After making a 10-day intraday low yesterday SPY leaves an unfilled gap up today and closes above the open. It closes > 10ma and > 200ma. Buy on close. Sell X days later. 1/4/1993 - 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
10	48	28	20	58.33%	5.45%	-9.34%	2.02%	2.68%	0.75	1.06	0.063%
9	48	29	19	60.42%	3.92%	-13.02%	1.78%	2.40%	0.74	1.13	0.126%
8	48	29	19	60.42%	3.69%	-6.34%	1.75%	2.21%	0.79	1.21	0.180%
7	49	30	18	61.22%	3.81%	-6.00%	1.68%	1.99%	0.84	1.40	0.295%
6	50	30	20	60.00%	3.68%	-4.66%	1.51%	1.61%	0.94	1.41	0.264%
5	50	28	22	56.00%	3.50%	-4.52%	1.38%	1.36%	1.01	1.29	0.174%
4	50	29	21	58.00%	3.83%	-3.12%	1.11%	0.98%	1.14	1.57	0.235%
3	50	24	26	48.00%	3.73%	-3.31%	1.13%	1.03%	1.10	1.01	0.007%
2	50	25	23	50.00%	3.28%	-2.32%	0.92%	0.94%	0.98	1.07	0.029%
1	50	23	26	46.00%	2.49%	-2.64%	0.54%	0.58%	0.93	0.83	-0.052%

So the current situation falls into the 2nd category. Most of the stats are basically breakeven. Had we not bounced so much, we would have upside odds over the next couple of weeks. As is, the study does not appear to be suggesting a substantial edge. No new studies are being added to the active list tonight.

I have updated the Aggregator chart below.



Without any new studies being added, the green Aggregator Line remained above zero. Positive readings mean net expectations are for upside over the next few days. Meanwhile the black Differential Line fell below zero. The negative Differential Line reading means that SPX is overbought versus recent expectations. So expectations are positive but SPX is overbought. This is considered a neutral configuration. Neutral configurations are visible on the chart whenever both lines close on opposite sides of zero. Therefore, the Aggregator formation turned flat at the close.

Based on the current list of active studies, expectations are set to remain positive on Tuesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7401.76. That is 0.5% below Monday's close. Therefore, SPX will need to close down at least 0.5% on Tuesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. While we could see additional upside, the move up on Monday was strong enough to flip SPX to short-term overbought. Seems like a good time to take short-term profits and wait for the next favorable entry opportunity.

Intermediate-term Outlook (2 weeks – 2 months) – updated 6/29 – slightly bullish

Catapult and Capitulative Breadth Statistics

Catapult & CBI Presentation Link

Open Catapult Triggers

None

***Broad Market Large Cap CBI* – 0**

Additional New Trade Ideas

None tonight.

Current Open Trade Ideas

Symbol	Entry Date	Entry Price	Current Price	% Gain/Loss	Notes
SPY(1/4)	6/24/2026	$733.58	$741.00	1.01%	*sell on open*
SPY(1/4)	6/26/2026	$728.95	$741.00	1.65%	*sell on open*