

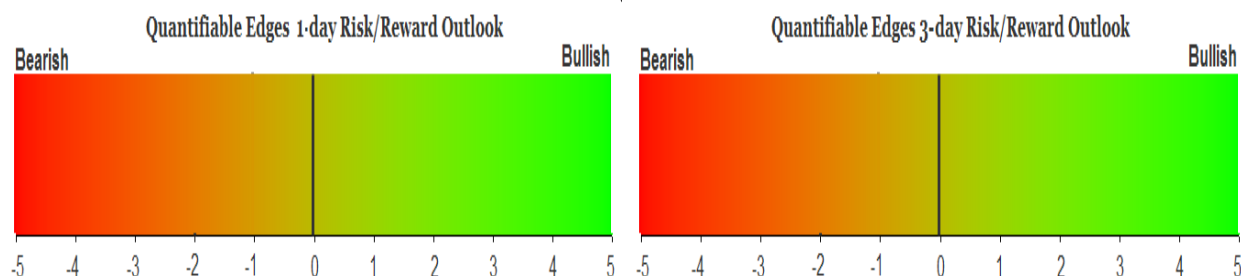
QUANTIFIABLE EDGES SUBSCRIBER LETTER

ASSESSING MARKET ACTION WITH INDICATORS AND HISTORY

July 1, 2026

Volume 20 Issue 123

Market Overview



Signals Overview

Aggregator	CBI Reading
Flat	0

Tonight's Research Points

- When NYSE Up Volume % closes $< 40\%$ while SPX closes up and above the 200ma, there has typically been an upside edge over the following week.
- The first trading day of July has had a bullish history and the first couple of weeks of July have also had a bullish tendency over the years.
- Short-term overbought heading into the end of the month can often kill the first-of-the-month bullish edge.

Short-term Outlook

The Bottom Line

The Aggregator is neutral. That's where I'm at as well.

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						
July 1, 2026	NYSE Up Vol % < 40% w/ SPX up, > 200ma	1-6 days	Bullish	1.51%	-1.39%	-2.74%
Active - Long Term						
June 29, 2026	1st two weeks of July bullish - NDX	1-10 days	Bullish	4.26%	-2.66%	-5.95%
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			

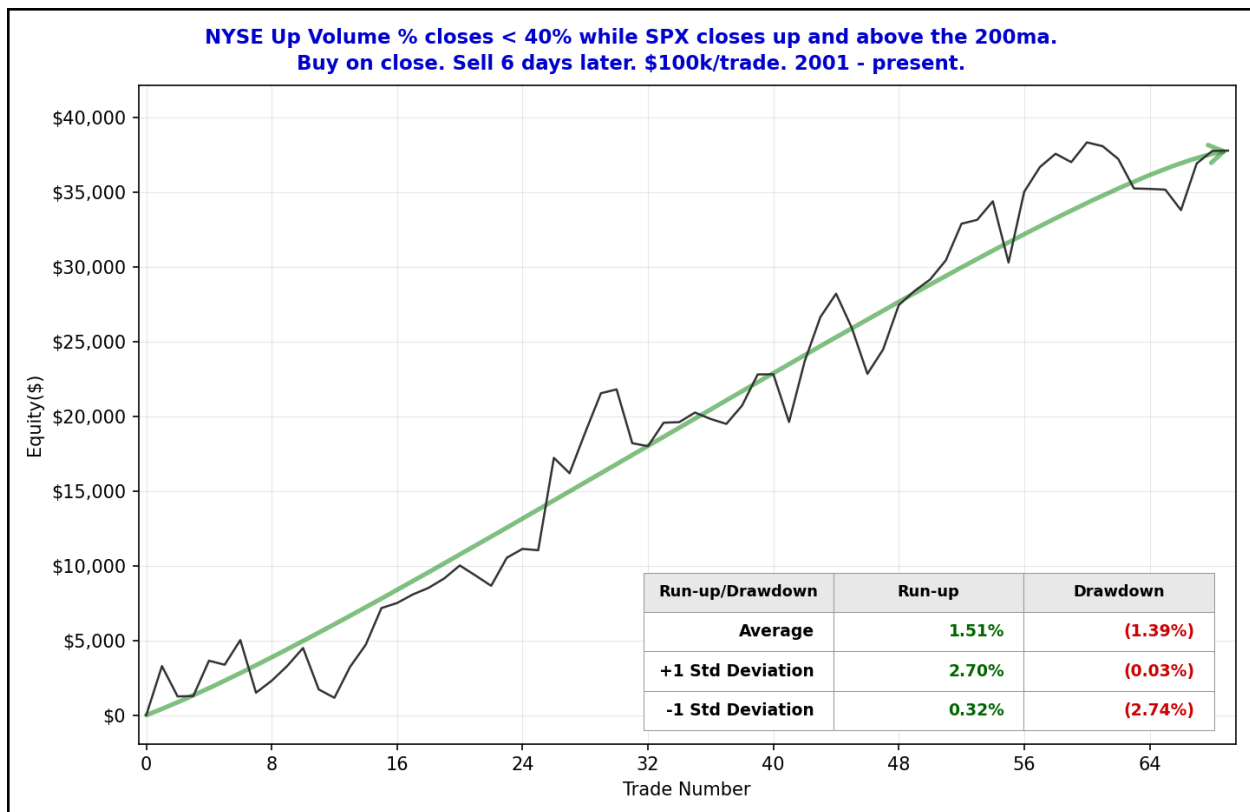
The Evidence

Tuesday was a good day for the market. SPX finished up 0.8%, the NASDAQ gained 1.5%, and the Russell 2000 climbed 0.5%. Breadth was negative as the NYSE Up Issues % closed at 45% and the NYSE Up Volume % posted a 36% reading. NYSE total volume rose from Monday's level.

Breadth was notably weak. In the 11/20/25 letter I looked at occurrences where the NYSE Up Volume % came in under 40% while SPX closed higher during a long-term uptrend. This triggered on Wednesday, and I have again updated the results below.

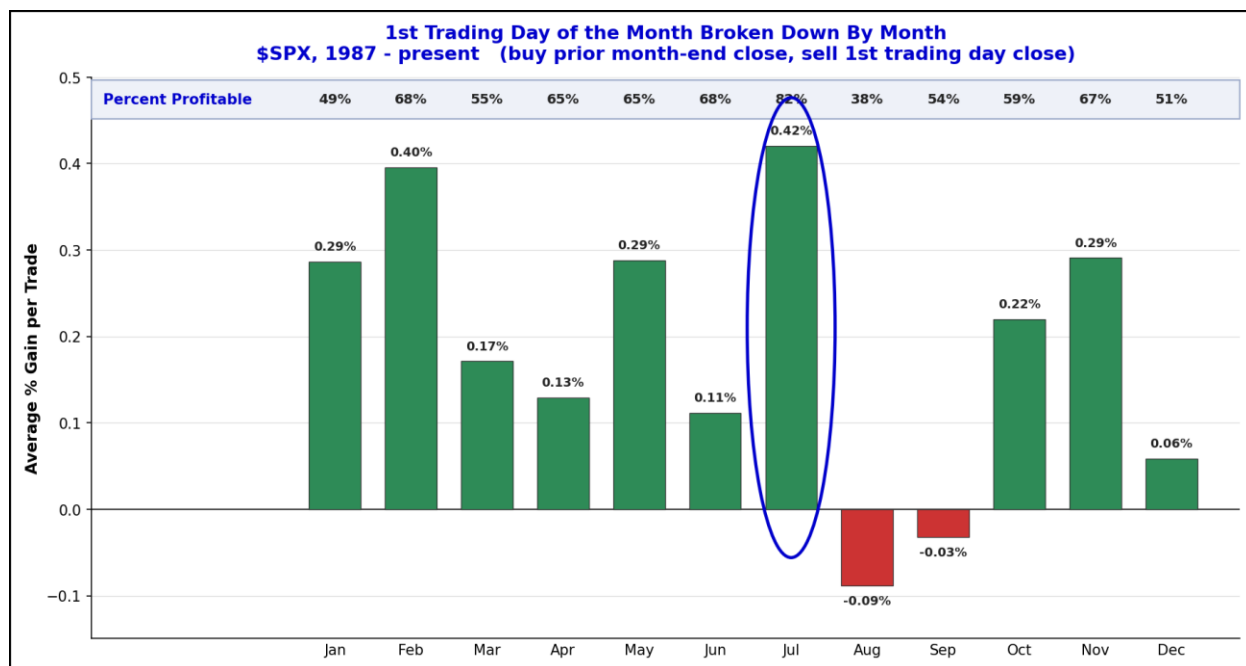
NYSE Up Volume % closes < 40% while SPX closes up and above the 200ma. Buy on close. Sell X days later. 2001 - present.											
X Days	Total Trades	Winning Trades	Losing Trades	Win %	Max Winning Trade	Max Losing Trade	Avg Winning Trade	Avg Losing Trade	Win/Loss Ratio	Profit Factor	Avg Trade
10	60	41	19	68.33%	5.10%	-7.95%	1.94%	1.96%	0.99	2.14	0.707%
9	62	39	23	62.90%	5.43%	-7.65%	1.88%	1.57%	1.20	2.03	0.602%
8	65	43	22	66.15%	4.79%	-6.70%	1.67%	1.53%	1.09	2.14	0.588%
7	68	46	22	67.65%	5.35%	-4.83%	1.59%	1.59%	1.00	2.09	0.562%
6	69	45	24	65.22%	6.18%	-4.09%	1.59%	1.41%	1.13	2.11	0.547%
5	71	44	27	61.97%	4.94%	-5.07%	1.35%	1.44%	0.94	1.52	0.288%
4	73	42	31	57.53%	3.93%	-4.61%	1.12%	1.20%	0.93	1.26	0.132%
3	77	46	31	59.74%	3.72%	-3.41%	0.86%	1.03%	0.84	1.24	0.101%
2	82	51	31	62.20%	2.07%	-3.32%	0.67%	0.82%	0.82	1.35	0.109%
1	87	49	38	56.32%	1.68%	-1.56%	0.48%	0.57%	0.85	1.09	0.023%

Results continue to look strong. Below is a look at a 6-day profit curve.



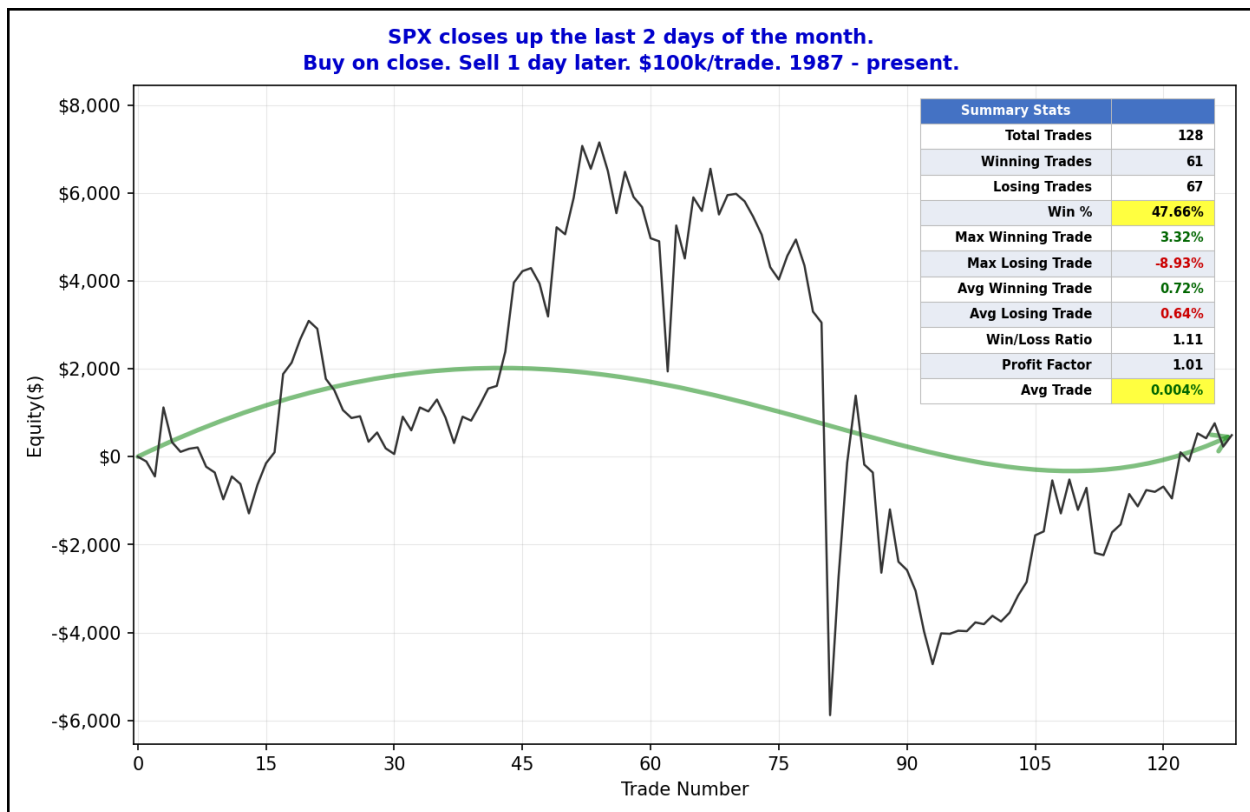
The curve has shown strong upside persistence. These results appear compelling and I have added this study to the short-term active list.

Of course Wednesday is the first trading day in July. The turn of the month has an overall bullish tendency and because of that it often triggers numerous studies. The study below is one that I have shared several times in the past. It was originally featured in the 7/11/13 blog. It breaks down the first trade day of the month by month.



July has been the strongest month of all. Not only is the average gain at 0.42% the highest, but the 82% win rate easily exceeds all other months.

Unfortunately, when the market has a strong move heading into the end of the month, that can often wipe out the upside potential. The study below is from way back in the 6/1/11 subscriber. The updated stats and curve enforce the point.



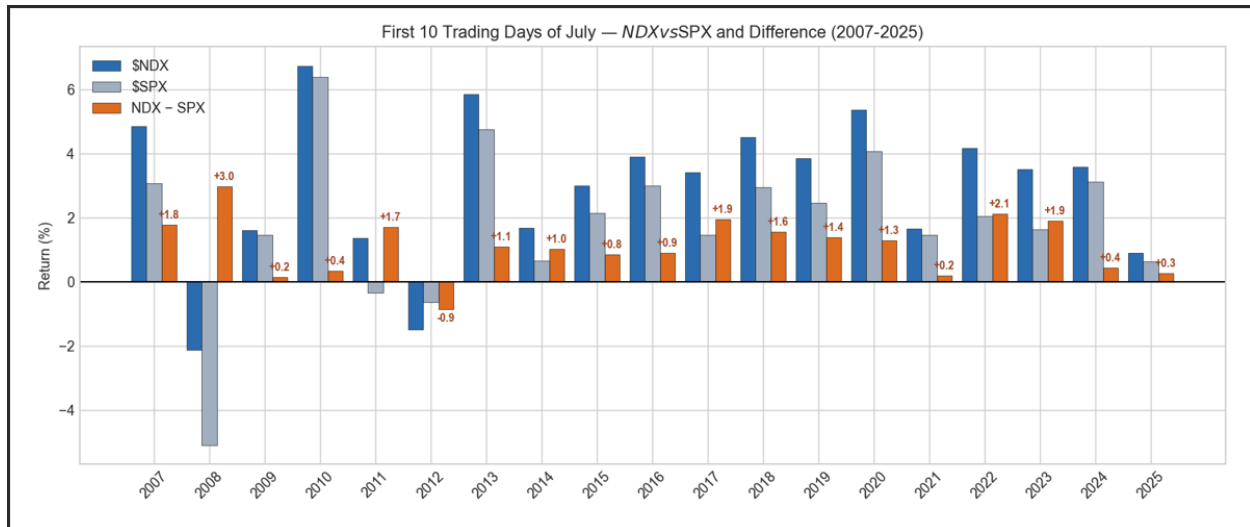
There has been a real lack of consistency when the market has rallied the last two days of the month. For me this dampens my enthusiasm for a bullish turn-of-the-month edge.

But in this weekend's letter I did show statistics for how strong early July has been. I've copied that study below.

Early July has been a strong period over the last several years, especially for the NDX. This weekend I generated the study below, which exemplifies this. It looks back to 1985, which was the inception of the NDX.

First 10 Trading Days of July, year-by-year (1985-2025)			
Year	NDX	SPX	NDX-SPX
1985	+0.97%	+0.45%	+0.52%
1986	-10.07%	-6.85%	-3.22%
1987	+2.98%	+2.11%	+0.86%
1988	-0.28%	-0.53%	+0.26%
1989	+4.47%	+4.55%	-0.08%
1990	+3.24%	+3.05%	+0.18%
1991	+5.79%	+3.03%	+2.76%
1992	+2.71%	+2.20%	+0.51%
1993	-1.55%	-0.29%	-1.26%
1994	+1.93%	+2.23%	-0.30%
1995	+10.94%	+3.30%	+7.64%
1996	-10.40%	-6.09%	-4.31%
1997	+10.62%	+4.59%	+6.04%
1998	+8.39%	+3.61%	+4.78%
1999	+5.77%	+2.69%	+3.08%
2000	+7.92%	+3.84%	+4.08%
2001	-8.02%	-1.79%	-6.23%
2002	-2.89%	-7.26%	+4.37%
2003	+7.72%	+2.66%	+5.06%
2004	-6.64%	-2.99%	-3.65%
2005	+5.64%	+3.07%	+2.57%
2006	-6.78%	-2.81%	-3.96%
2007	+4.86%	+3.07%	+1.78%
2008	-2.11%	-5.09%	+2.98%
2009	+1.61%	+1.45%	+0.15%
2010	+6.73%	+6.38%	+0.35%
2011	+1.36%	-0.34%	+1.70%
2012	-1.48%	-0.63%	-0.85%
2013	+5.85%	+4.75%	+1.11%
2014	+1.69%	+0.67%	+1.02%
2015	+2.99%	+2.15%	+0.85%
2016	+3.90%	+3.00%	+0.90%
2017	+3.41%	+1.47%	+1.94%
2018	+4.50%	+2.95%	+1.56%
2019	+3.86%	+2.47%	+1.39%
2020	+5.36%	+4.07%	+1.29%
2021	+1.65%	+1.46%	+0.19%
2022	+4.17%	+2.05%	+2.12%
2023	+3.52%	+1.63%	+1.89%
2024	+3.58%	+3.13%	+0.45%
2025	+0.91%	+0.63%	+0.28%
Mean	+2.17%	+1.17%	+1.00%
Median	+3.24%	+2.15%	+0.90%
Win%	75.6%	73.2%	78.0%
Min	-10.40%	-7.26%	-6.23%
Max	+10.94%	+6.38%	+7.64%

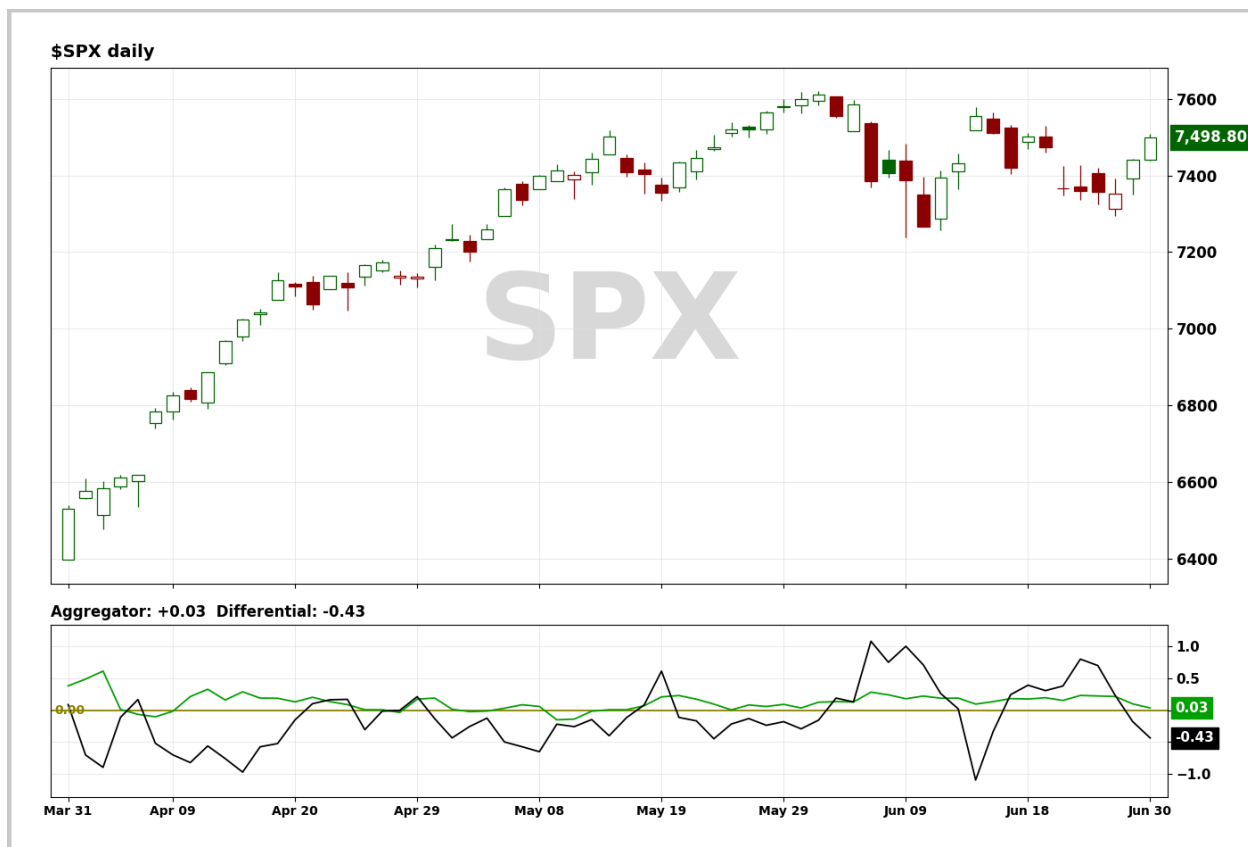
The numbers above are really impressive for both the NDX and the SPX. Just as impressive to me is the fact that the NDX has so consistently outperformed the SPX. This tendency to outperform has been especially prevalent over the last nineteen years. Below is a bar chart showing each of those years.



During this recent 19-year run the NDX averaged 3.0% in the early-July window, the SPX averaged 1.9%. And there was only one year when the NDX did not outperform the SPX, which was 2012. So not only do we seem to be entering a strong seasonal period but, if the outperformance holds true again this year, then once more we could see our NASDAQ/SPX Relative Leadership Indicator flip back to a leading NASDAQ.

I took a closer look tonight at the shorter-term charts are a bit choppy – though recent years have flourished. Overall, a lot of the gains came in on day one or towards the end of the last two weeks. Still, the edge appears prominent and I have added it to the intermediate-term 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. Meanwhile the black Differential Line is now well 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 stayed flat at the close.

Based on the current list of active studies, expectations are set to remain positive on Wednesday. This could change if compelling new bearish evidence emerges. Meanwhile, the Differential Pivot will be 7400.76. That is 1.3% below Tuesday's close. Therefore, SPX will need to close down at least 1.3% on Wednesday in order to flip from overbought to oversold versus recent expectations.

So the Aggregator is neutral. There is some evidence pointing higher, but after the ramp of the last two days, the market is plenty overbought short-term. I am content to remain sidelined with regards to my short-term index exposure until the next favorable reward/risk opportunity emerges.

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
<i>SPY(1/4)</i>	<i>6/24/2026</i>	<i>\$733.58</i>	<i>\$741.30</i>	<i>1.05%</i>	<i>sold on open</i>
<i>SPY(1/4)</i>	<i>6/26/2026</i>	<i>\$728.95</i>	<i>\$741.30</i>	<i>1.69%</i>	<i>sold on open</i>

DISCLAIMER: PAST PERFORMANCE, WHETHER ACTUAL OR TESTED, DOES NOT GUARANTEE FUTURE RESULTS, PROFITABILITY, OR CORRELATION TO ANY LISTED SECURITY OR TRADE IDEA.

This publication is produced by Quantifiable Edges, LLC (QE), and is intended solely for informational and educational purposes. It is a regularly issued impersonal financial research commentary, and should not be construed as personalized investment advice, a solicitation to buy or sell securities, or a recommendation tailored to any individual's financial circumstances. Data provided by Tradestation and Norgate Data. The information presented herein is believed to be accurate at the time of publication, but QE makes no representation or warranty as to its completeness or reliability. Opinions, data and analyses are subject to change without notice. Readers are encouraged to conduct their own due diligence and consult with a qualified financial professional before making investment decisions. There is a high degree of risk in trading and simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading or the results of a specific account or group of accounts. Because these trades may not have been executed, results could misrepresent the effects of market factors like liquidity. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve results like those shown. QE, its officers and employees do not accept responsibility for any direct or consequential loss resulting from the use of this information.

Mr. Robert Hanna, author of the publication, is separately affiliated with Eastsound Capital Advisors, LLC (ECA), doing business as Capital Advisors 360. ECA is registered as an investment adviser with the Securities and Exchange Commission (SEC). ECA provides individual client services only in states in which it is filed, or which an exemption or exclusion from such filing exists. Registration with the SEC does not imply a certain level of skill or training. Although ECA clients utilizing the approaches developed by Mr. Hanna incidentally receive the QE Gold Subscription at no charge, ECA does not sponsor, endorse or validate its content. Mr. Hanna and/or his clients may hold positions in securities (including derivatives) mentioned herein; however, such holdings are not intended as endorsements and may change without notice and/or differ from published study indications at the sole discretion of Mr. Hanna. No part of this publication may be reproduced, redistributed, or republished without prior written consent from QE.

Copyright © 2026 Quantifiable Edges, LLC.