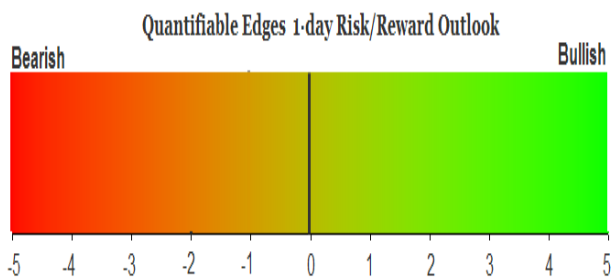
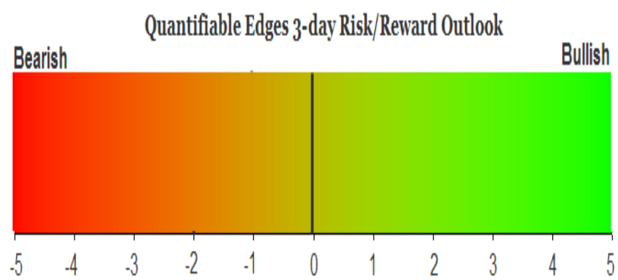
# QUANTIFIABLE EDGES SUBSCRIBER LETTER

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*

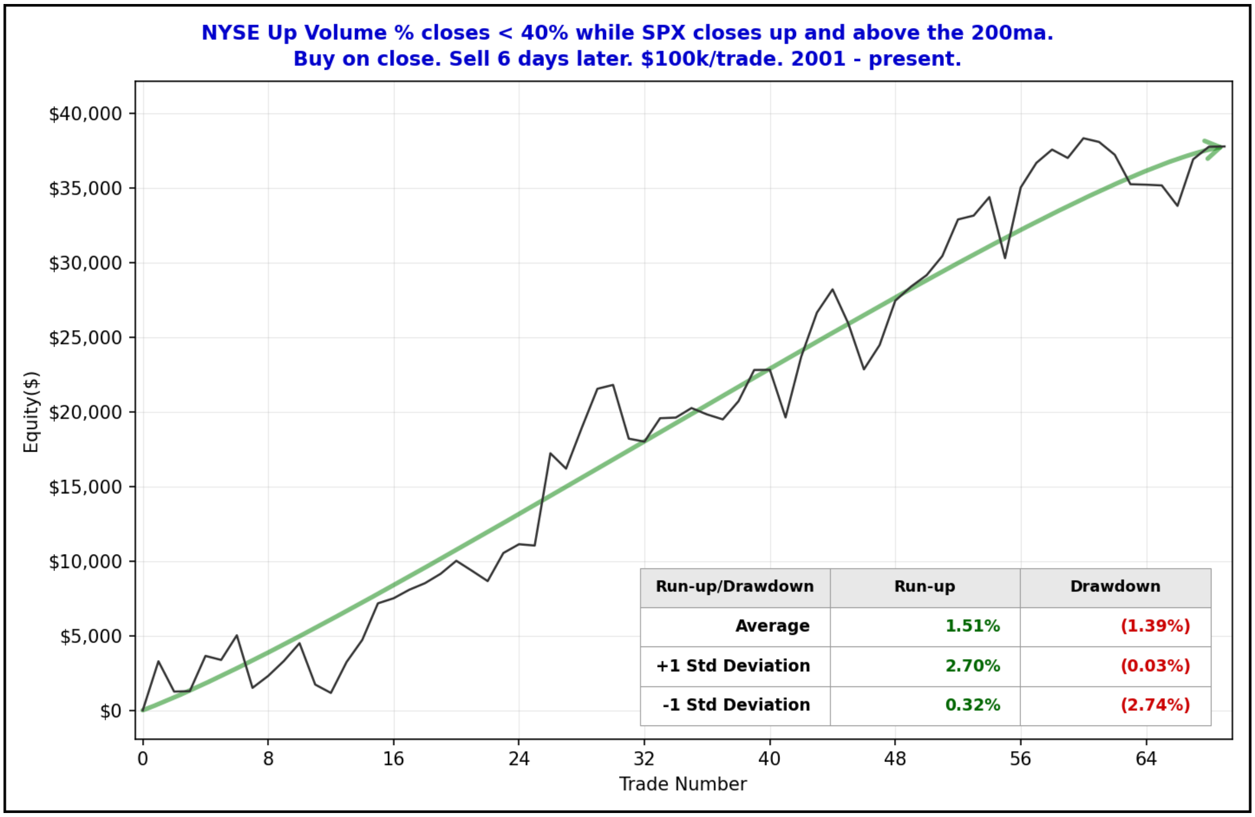
Tuesday was a good day for the market. SPX finished up 0.8%, the NASDAQ gained 1.5%, and the Russell 2000 climbed 0.5%. Breadth was negative as the NYSE Up Issues % closed at 45% and the NYSE Up Volume % posted a 36% reading. NYSE total volume rose from Monday's level.

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% |

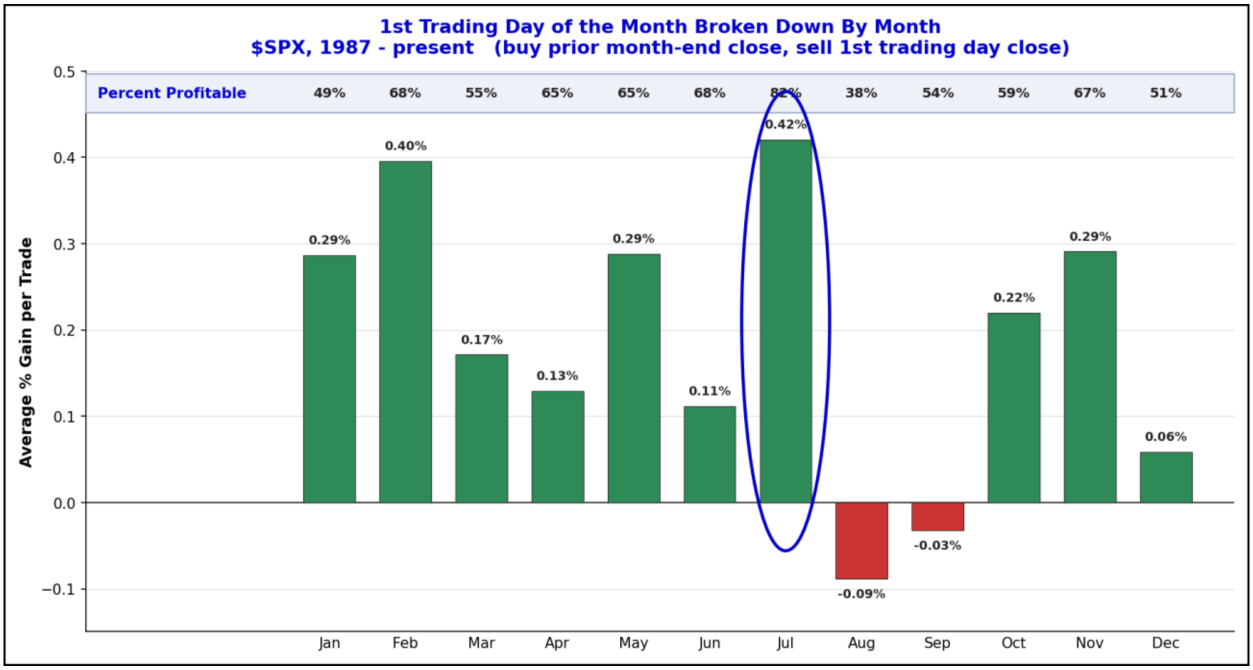
Results continue to look strong. Below is a look at a 6-day profit curve.




| Run-up/Drawdown | Run-up | Drawdown |
|---|---|---|
| Average | 1.51% | (1.39%) |
| +1 Std Deviation | 2.70% | (0.03%) |
| -1 Std Deviation | 0.32% | (2.74%) |

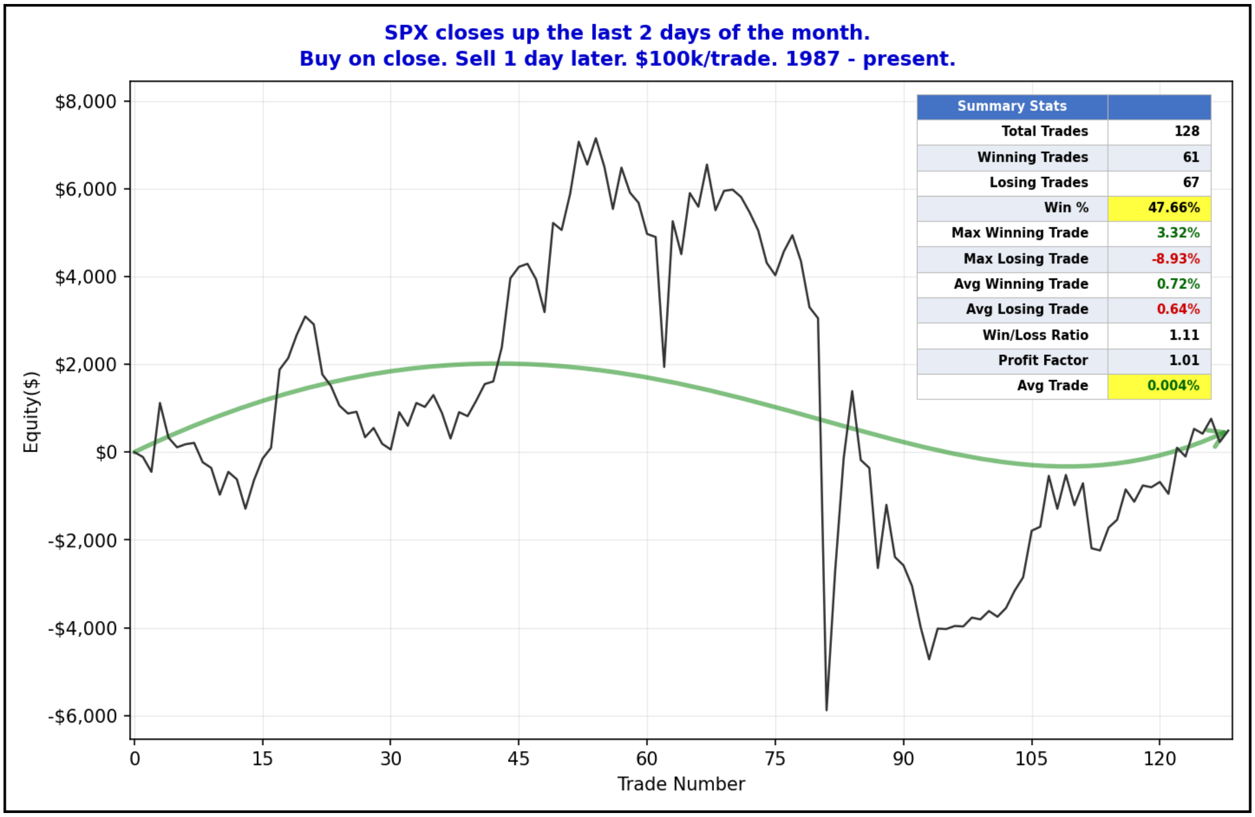
The curve has shown strong upside persistence. These results appear compelling and I have added this study to the short-term active list.

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.



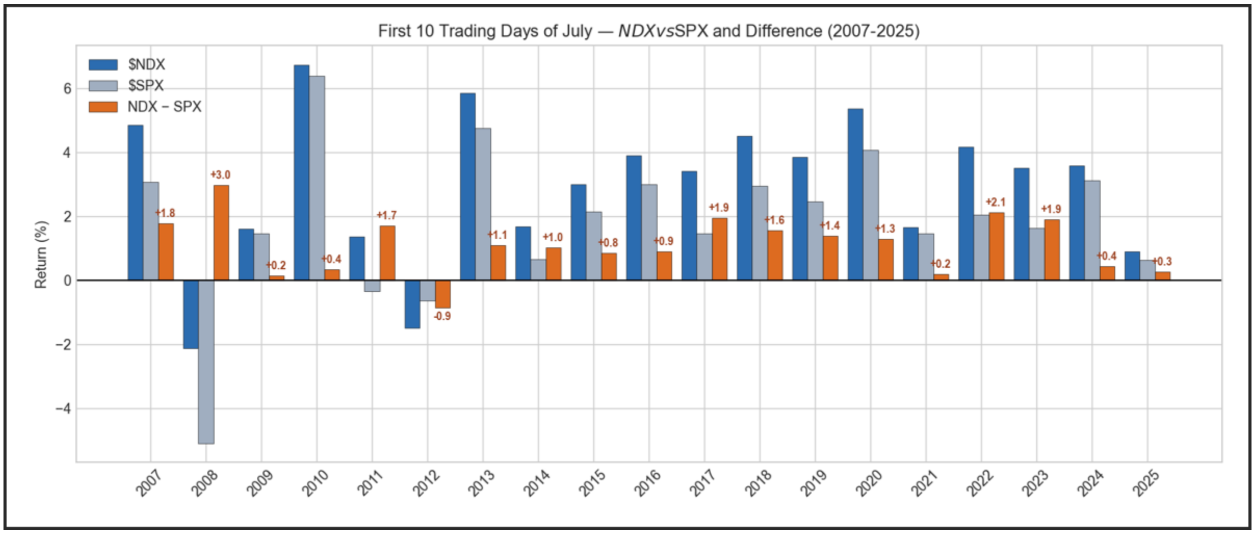

There has been a real lack of consistency when the market has rallied the last two days of the month. For me this dampens my enthusiasm for a bullish turn-of-the-month edge.

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%** |

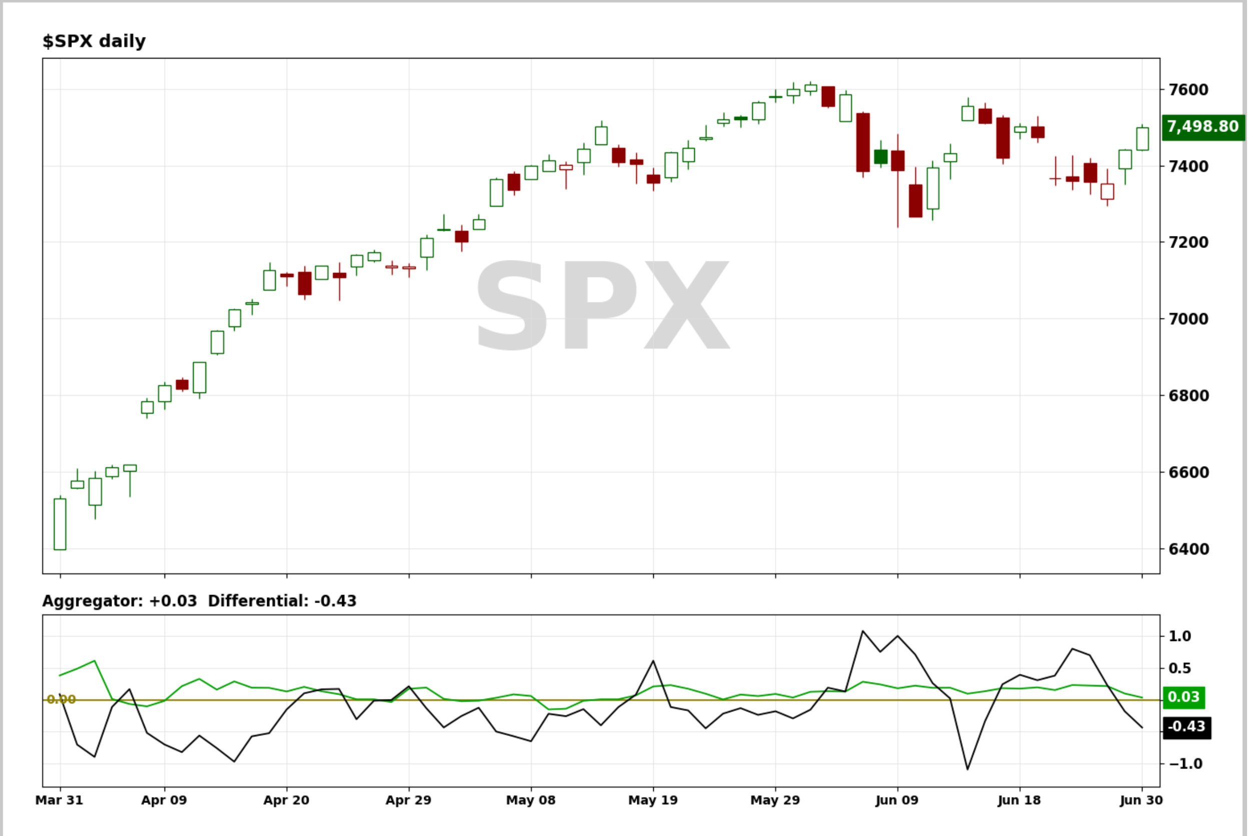
*The numbers above are really impressive for both the NDX and the SPX. Just as impressive to me is the fact that the NDX has so consistently outperformed the SPX. This tendency to outperform has been especially prevalent over the last nineteen years. Below is a bar chart showing each of those years.*




*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 |
|---|---|---|---|---|---|
| ***SPY(1/4)*** | ***6/24/2026*** | ***$733.58*** | ***$741.30*** | ***1.05%*** | ***sold on open*** |
| ***SPY(1/4)*** | ***6/26/2026*** | ***$728.95*** | ***$741.30*** | ***1.69%*** | ***sold on open*** |
| | | | | | |
| | | | | | |