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Weekend Report for Monday, June 15

U.S. stock indices put in a dramatic low on Tuesday and then rallied strongly into Friday. All the major indices closed higher on Friday, with several trading at new all-time highs.The real question is how important that June 9 low will prove to be, regardless of what happens going forward. That low is now extremely significant. Will the indices that failed to reach new highs soon be able to make up the lost ground? Interestingly, it is primarily the SPX and NDX that are lagging. The Dow is not far from a new all-time high, but the SPX and NDX remain considerably further away from their peaks than is typical during a strong broad-market rally. This divergence is worth noting and will sit on the bearish side of the ledger unless and until the NDX and SPX catch up.Next week brings Kevin Warsh's first Fed meeting, which will be critically important. While the expected policy actions are well known, what remains unclear is Warsh's stance on transparency and how the Fed has communicated under

Powell. That is a genuine market issue waiting to be resolved. No one knows how he will address it, and it is very likely to create volatility during Wednesday’s press conference.The bull trend remains intact. There is still no objective signal that it has ended or is ending, but we are gaining clarity on what such a signal would look like. Under any immediate bullish scenario, it is obvious that the June 9 low must hold.

Let's start this week with a slightly deeper dive into the Auction Process and the highest use of the Market Profile graph.

If we look at the chart above, you can see quite a bit going on. Let's start with the drop into the April 2025 low. The market fell approximately 21.53%. It then rallied very strongly, though in a choppy and volatile fashion. There was a brief retracement of about 6% during that period, but the market didn't experience a meaningful pause — one that included balance and retracement — until it was 20.77% higher. It ultimately reached a gain of 42%. The reason I highlight 20.77% is that it matches the magnitude of the rally off the low from March 31st of this year into the recent high. That rally took 43 trade days, whereas in 2025 the same magnitude was reached in just 24 trade days.

This is worth noting: from the high on the 24th trade day — which occurred on May 12, 2025 — to the peak of the rally on October 29, 2025, there were 119 trade days and 171 calendar days. If we assume this current rally will mirror that one exactly — which it won't, but this is purely a thought exercise for perspective — the comparison becomes interesting.

We've just completed a rally of nearly 21%, followed by a 5% retracement. That retracement is by far the largest we've seen since the market took off on March 31st, largest in both time and price. Is it over? Will we see new all-time highs? In fact, the Russell did make new all-time highs on Friday, which I'll address a bit later.

Returning to this chart and the analog we're working with: if the current rally were to match the prior one in both magnitude and time, the next top would fall near November 20th. To equal the second leg of the 2025 rally — 18.39% from the June 2nd, 2026 peak, or 42% from the March 30th low — the index would reach approximately 8,951. That's shown here simply for perspective.

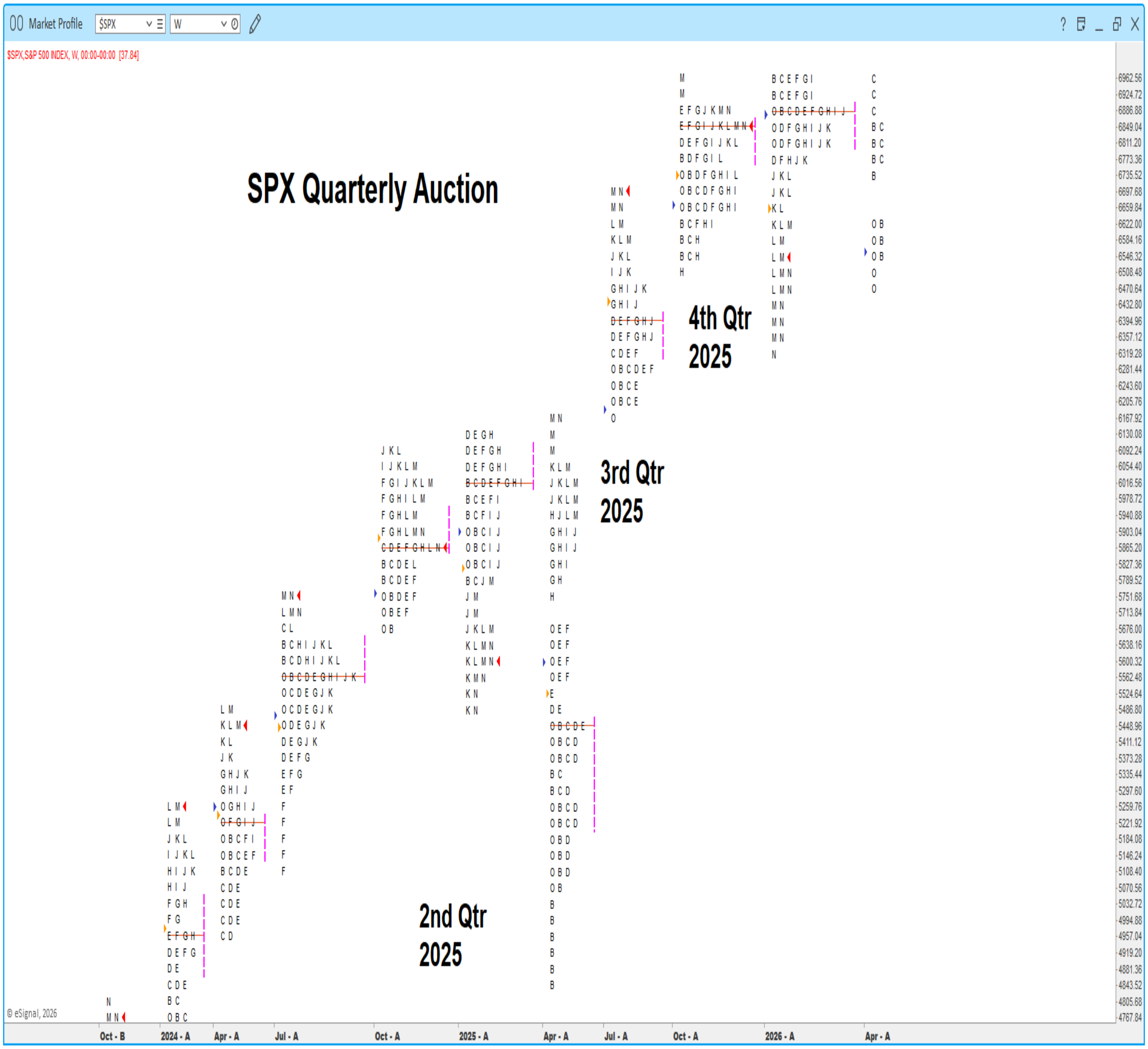
What does this mean in terms of Auction Market Concepts and Market Profile? It isn't obvious from a bar chart, but it becomes crystal clear from an Auction Market perspective — and the Market Profile graph provides a superior visual in this instance.

The Market Profile Perspective

Below are the quarterly Auctions that include the 2nd qtr., 3rd qtr. and 4 qtr. Auctions of 2025. Note the extreme verticality of the 2nd qtr., 2025 Auction. Look familiar? The market traded considerably higher in both the 3rd and 4th qtrs., but look at the rate of change - the compression and overlap - of the continued advance.

Time Regulates Price - Peter Steidylmayer

It was inevitable the rate of change would slow even if the trend continued.


Market Profile
$SPX
W
$SPX,S&P 500 INDEX, W, 00:00-00:00 [37.84]
SPX Quarterly Auction
2nd Qtr
2025
3rd Qtr
2025
4th Qtr
2025
© eSignal, 2026
Oct - B
2024 - A
Apr - A
Jul - A
Oct - A
2025 - A
Apr - A
Jul - A
Oct - A
2026 - A
Apr - A

Present

We have two weeks left in the 2026, 2nd qtr. Auction. The distribution (range) of the Auction is extreme, similar to that of the 2025, 2nd qtr. Auction.

So What?

When we can identify *Auction* Market Condition we have an edge regarding our potential trade strategies and tactics. There isn't *one* strategy or tactic, but regardless of the specifics of your Trade Plan just understanding the "braking" process of "normal" Auction Market Development is itself an edge.

It is a reasonable, probabilistically sound assumption that even if the SPX (and other indices) continue to rally in the same magnitude as we saw in 2025 the character (Market Condition) of that rally has already begun to change - notice the node being formed by a weekly overlap of price range.

Now, look at the graph of the 2025 qtrly. Auctions and how the 3rd and 4th qtr. Auctions played out. Value continued to migrate high, but in a much more rotational manner (normal).

A Few Practical Trading Considerations

The persistent, almost panic bid in the indices, and even more so in individual sectors (SMH was up 79% from 3/30 to 6/3 - some of its components were up even more), is almost certainly over. These stocks may be great long term investments, but if your time horizon is weeks to months the reward to risk at this time is likely not favorable.

Swing trading may be a better strategy as more digestion of the ramp takes place, even if the indices are persistently higher from here.

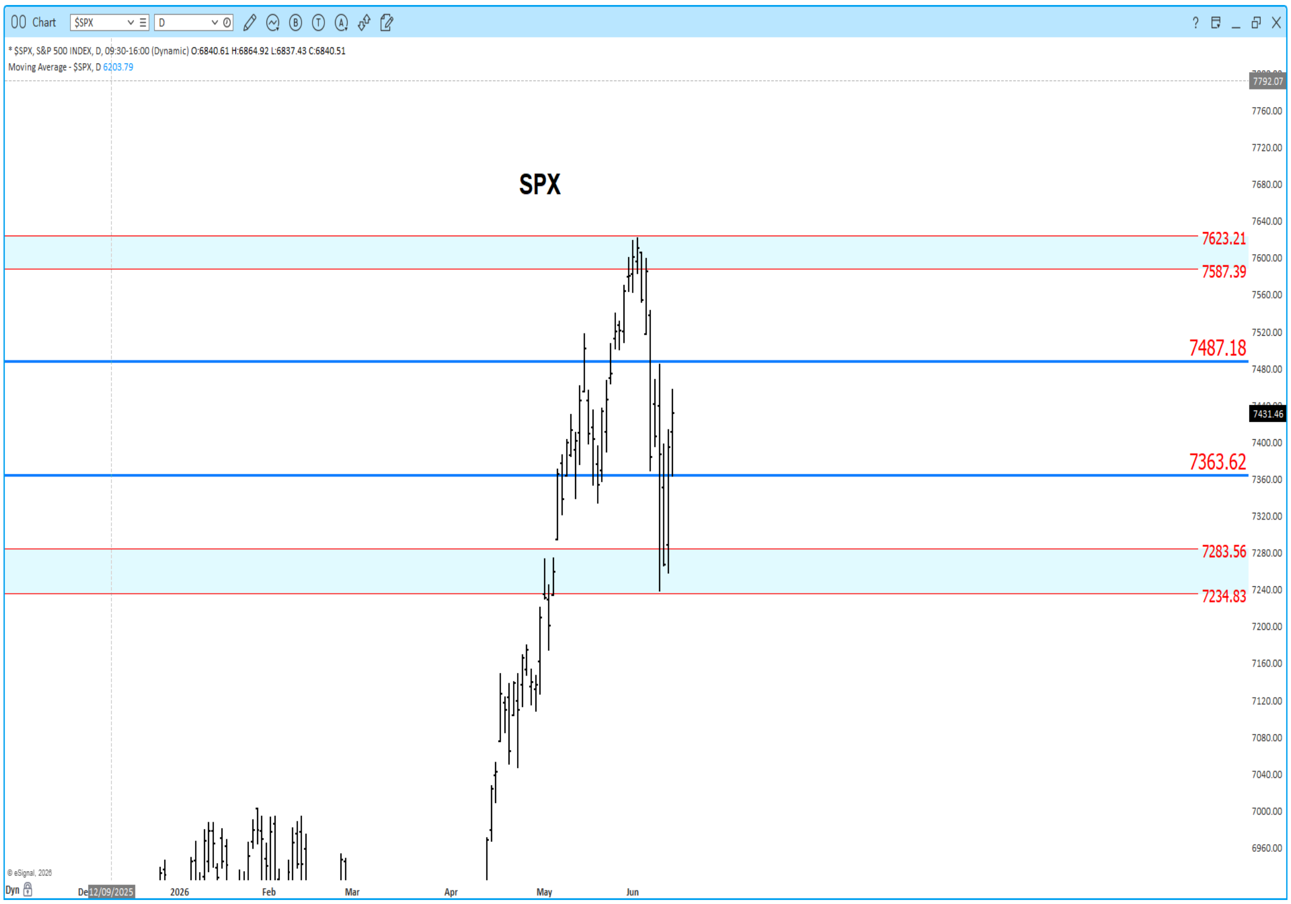
It is unlikely we see the 5-6-7 day streaks of straight up; there is more likely to be more day-to-day rotation and pockets of multi-day Balance - both in the indices and in individual stocks.

Intraday trade is likely to become more predominantly rotational.

It is increasingly likely we see a retracement greater in time and magnitude than any that has occurred since the March low. The 2025 analog is the *best case* scenario.

SPX Daily

It is critical to watch if the SPX can catch up to the other indices that closed at ATHs last week.

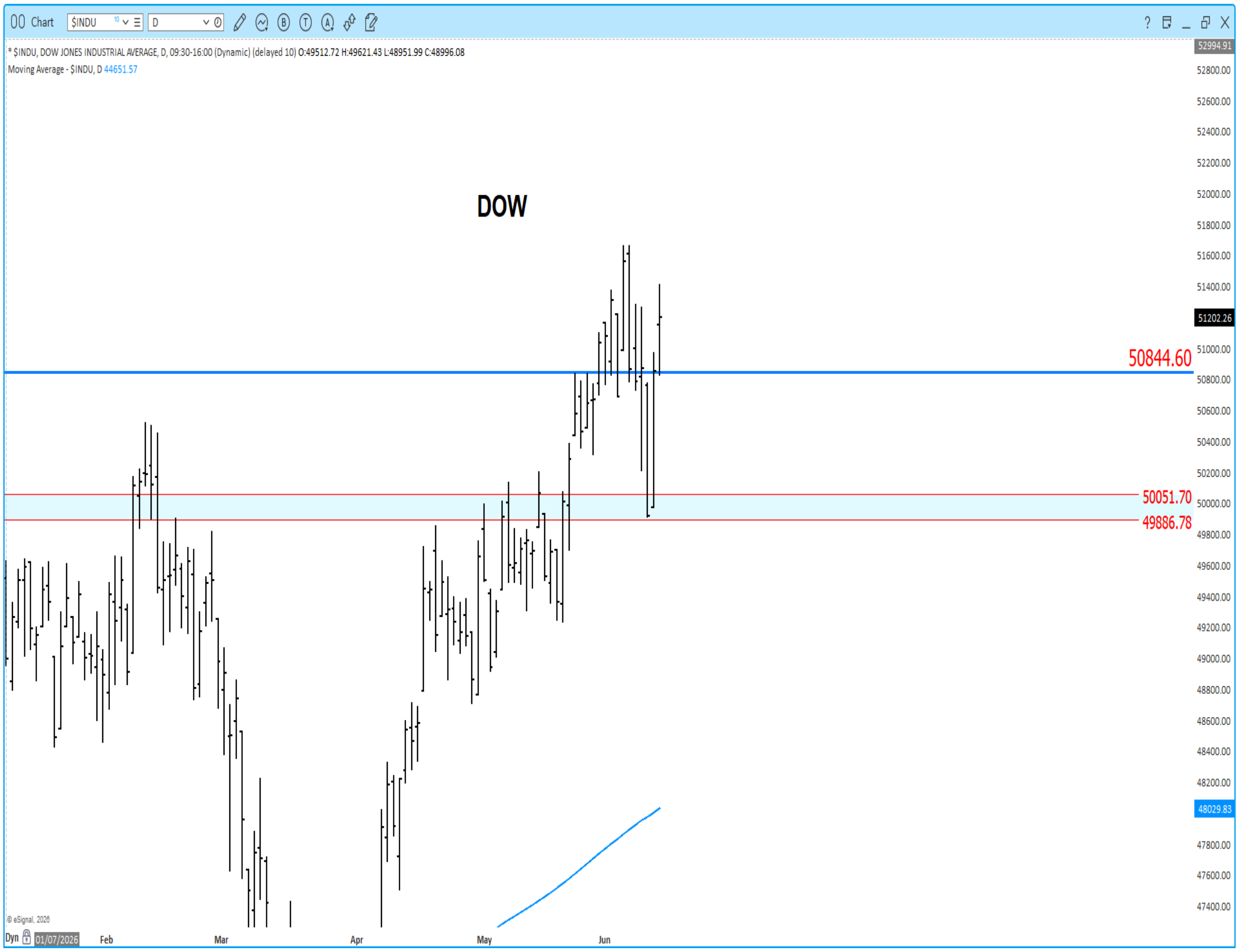


NDX Daily

Same comments as for the SPX.

DOW

The DOW is another watch - it should trade into new ATHs from here without much retracement from current levels under a bullish market assumption.

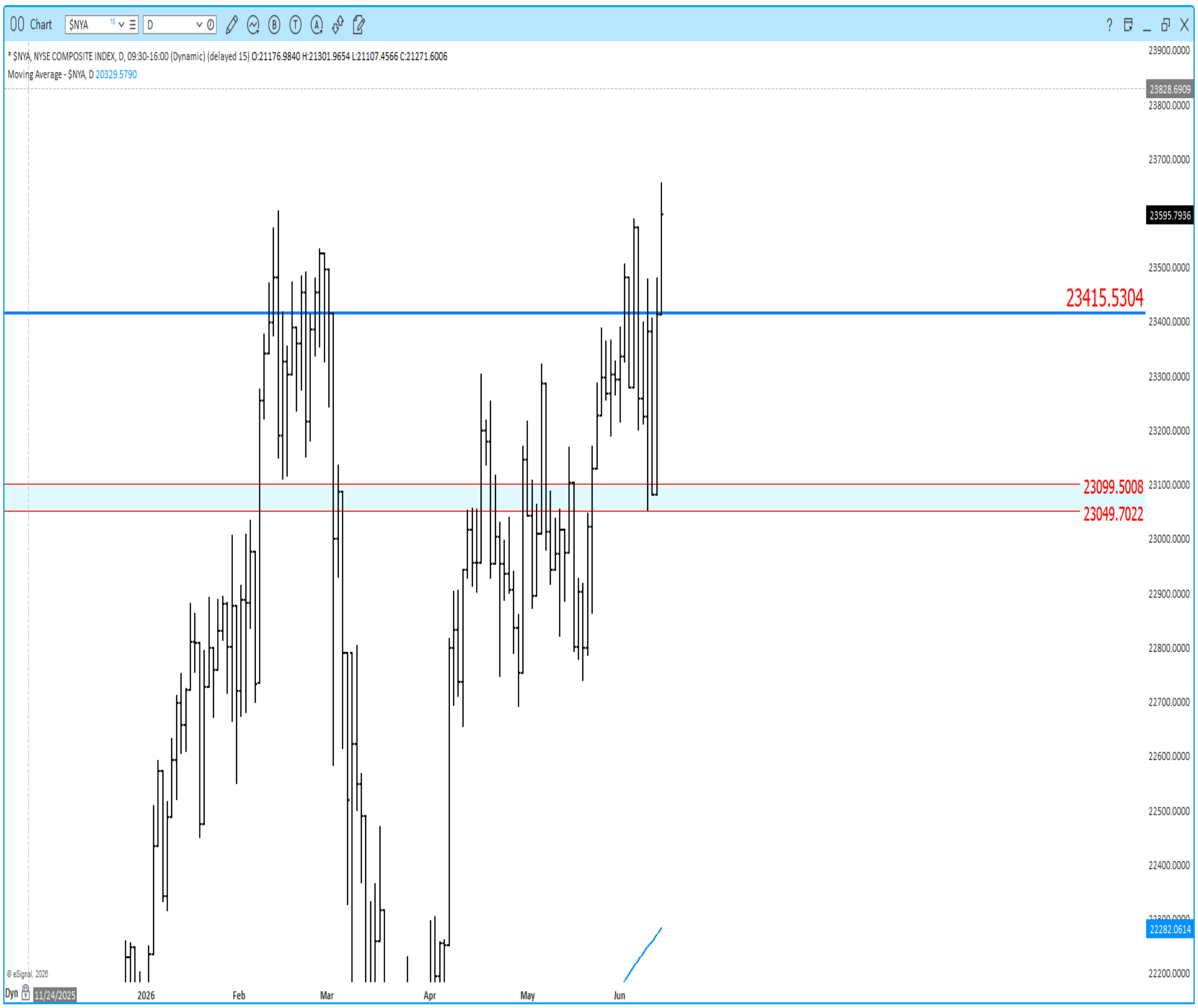


RUT

RUT is leading the market higher. Part of the Great Rotation underway.

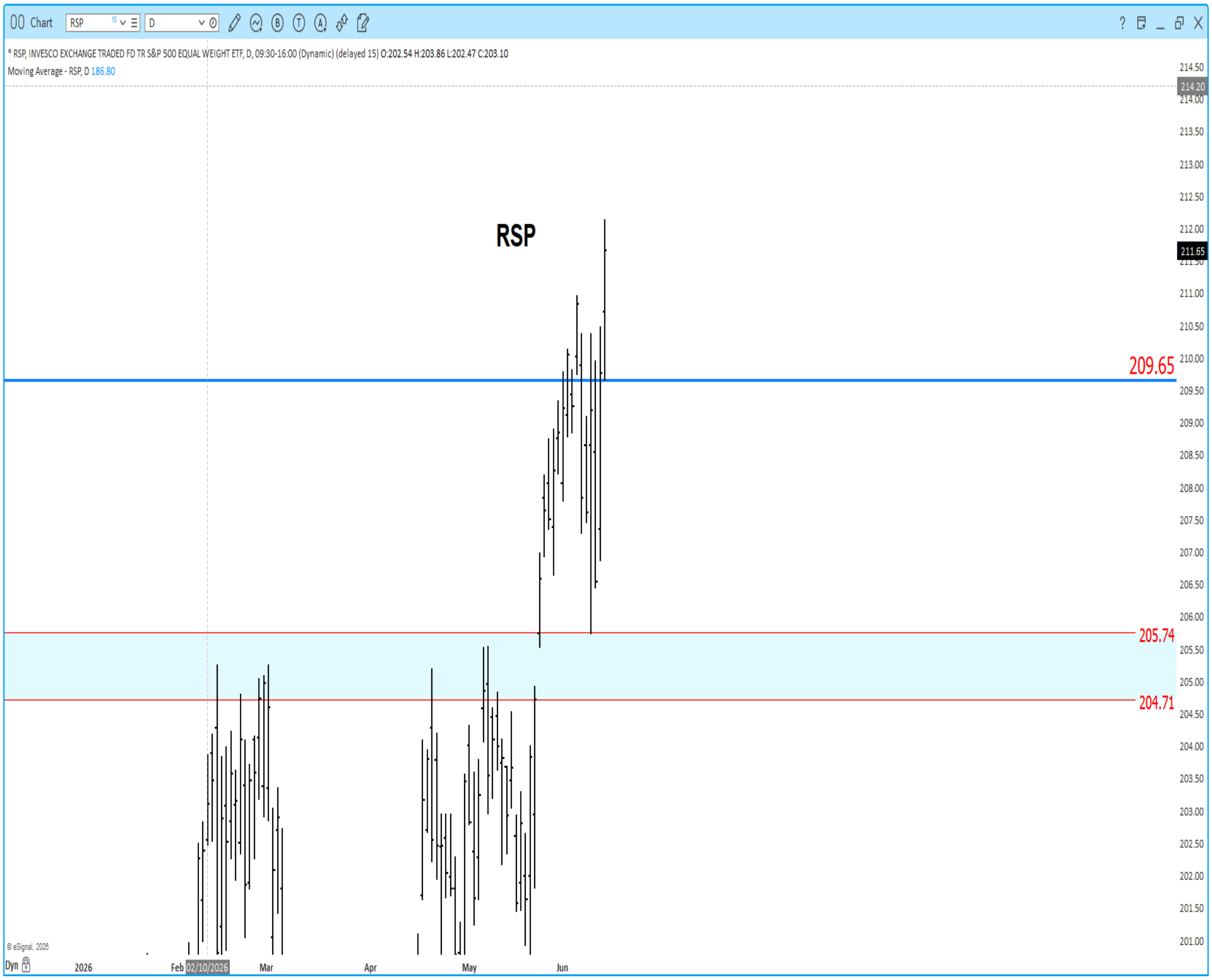
NYA

The NYA, the broadest of the most popular indices, had been lagging for months. It closed the week in new ATHs.



RSP

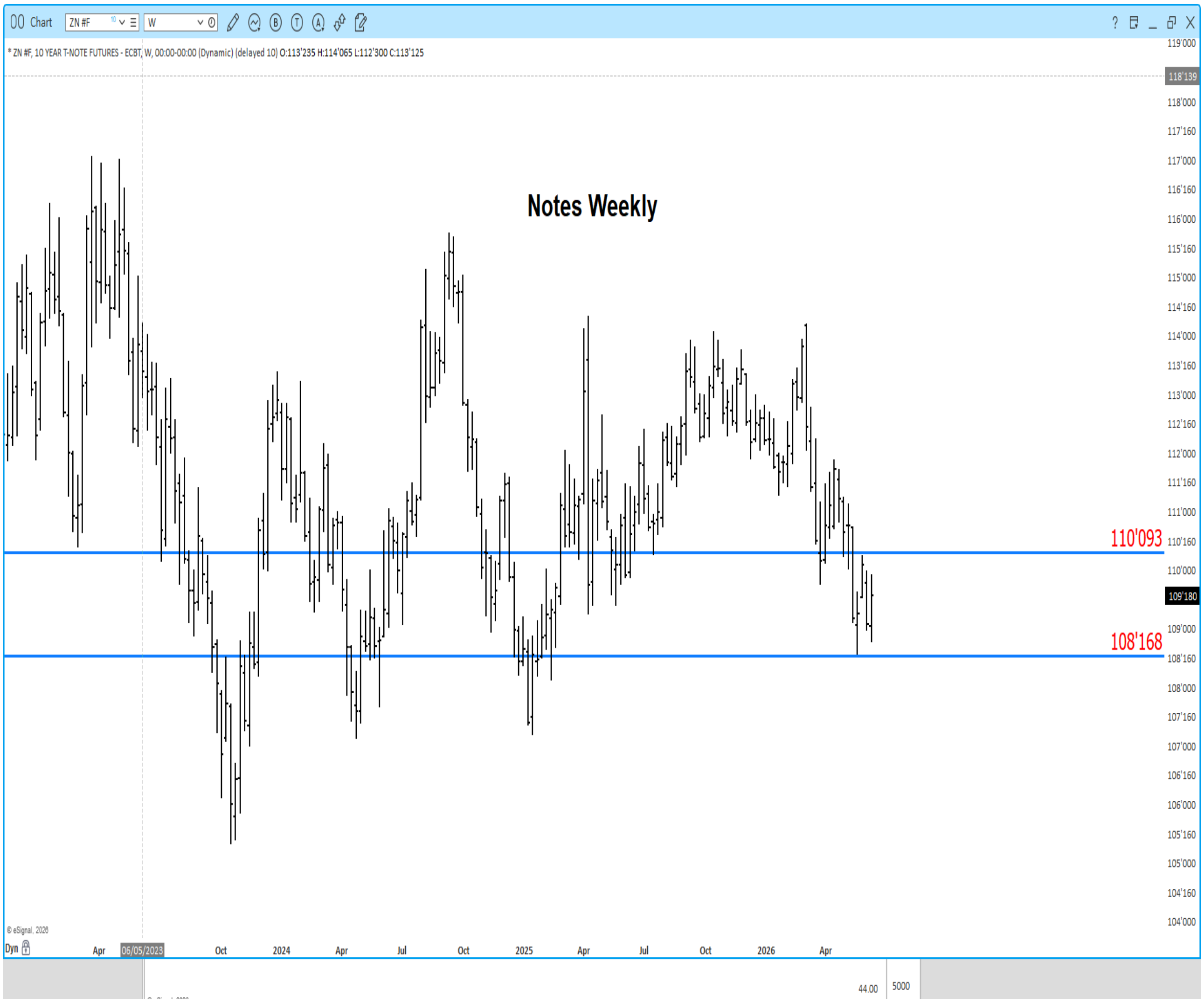
The equal weight S&P 500 ETF, RSP, closed in new ATH ground.



US Dollar Weekly

No change: The Dollar is in an increasingly mature Balance Area intermediate-term.

US 10-yr Notes Weekly



Gold


Chart
GC #F
D
* GC #F, GOLD FUTURES, D, 00:00-00:00 (Dynamic) (delayed 10) O:4001.0 H:4043.1 L:3971.3 C:4014.0
Gold
4097.9
5800.0
5752.9
5700.0
5600.0
5500.0
5400.0
5300.0
5200.0
5100.0
5000.0
4900.0
4800.0
4700.0
4600.0
4500.0
4400.0
4300.0
4239.9
4200.0
4100.0
4000.0
3900.0
3800.0
3700.0
3600.0
© eSignal, 2026
Dyn
11/03/2025
Dec
2026
Feb
Mar
Apr
May
Jun

Crude Daily

Crude is testing a critical downside level. Is it forecasting an end to the Iran conflict?

Bitcoin

I am seeing fewer of the laser eye bitcoin avatars these days. Funny how that works…