ALPHAQUERY INTELLIGENCE · TECHNICAL RESEARCH

Catching the Knife That Bounces

NVDA 65-Day Low Reversal Prints: A Rentable Bounce, an Unreliable Bottom

AQI-TR-2026-007 JULY 7, 2026 TICKER: NVDA LOOKBACK: APR 2023 – JUL 2026

S — SITUATION

The Setup

On July 7, 2026, NVIDIA gapped down toward the bottom of its two-month range and reversed to close firmly positive — the archetypal "failed breakdown" that technicians treat as a capitulation tell. The question worth answering is not whether the pattern looks bullish (it always does, by construction), but what it has actually paid. We define the signal precisely: **the open or the intraday low prints below the prior 65-session rolling low, and the stock closes up on the session.** We then measure forward returns at horizons of 1 to 30 trading days across the full BATS daily history from April 2023.

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SIGNAL EVENTS (3 INDEPENDENT EPISODES)

80%
WIN RATE 10–15 DAY HORIZON

20%
WIN RATE 30-DAY HORIZON

+37.6%
30-DAY RETURN, APR 7 '25 THE ONE TRUE BOTTOM

T — TENSION

Every Event Lives in One Regime

The signal fired exactly five times in thirty-nine months of data — January 28, March 4, March 7, March 11, and April 7 of 2025 — the DeepSeek shock through the tariff flush. The three March prints overlap within a single drawdown leg; treated honestly, the sample is **three independent episodes**. NVDA never produced this pattern in 2023–2024 for the simplest of reasons: a stock in a persistent uptrend does not make 65-day lows. The setup is therefore not a general-purpose signal but a regime artifact — it exists only inside drawdowns, and its statistics inherit the character of the one drawdown we have.

> **The honest headline:** the intraday reversal off a fresh 65-day low print has been worth *renting* for two to three weeks (80% win rate at 10–15 days), but in three of four distinct instances it did *not* mark the durable low. The 30-day median return is −5.6%.

EXHIBIT 1 · NVDA VS. PRIOR 65-SESSION ROLLING LOW, SIGNAL EVENTS MARKED

O — OPTIONS

What the Forward Distribution Says

The forward-return term structure has a distinctive hump. Day one is a coin flip with negative drift — the reversal day itself frequently gets faded. The edge concentrates at 10–15 sessions, where the signal beats the unconditional NVDA baseline on win rate (80% vs. ~61%). Then the edge dies: by 20–30 days, the signal cohort *underperforms* a stock that averaged +9.2% per rolling 30-day window over the period. The market's first reversal in a drawdown, in other words, has been a tradeable oversold bounce and a poor bottom-fishing entry.

HORIZON	MEAN	MEDIAN	WIN %	MIN	MAX	BASELINE MEAN
1 day	−0.60%	−1.37%	40%	−5.07%	+6.43%	+0.29%
3 days	+3.00%	+2.72%	60%	−6.92%	+11.88%	+0.86%
5 days	+2.65%	+6.14%	60%	−8.02%	+13.39%	+1.43%
10 days	+3.84%	+2.95%	80%	−0.47%	+10.98%	+2.88%
15 days	+4.45%	+4.06%	80%	−2.67%	+11.66%	+4.38%
20 days	−2.94%	−5.03%	40%	−16.30%	+16.28%	+5.91%
30 days	+0.91%	−5.55%	20%	−14.00%	+37.63%	+9.22%

Baseline = mean forward return across all sessions, Apr 2023 – Jul 2026. n = 5 events; treat every decimal here as illustrative, not inferential.

EXHIBIT 2 · AVERAGE FORWARD PATH VS. UNCONDITIONAL BASELINE (0–30 SESSIONS)

The signal's edge is a hump, not a slope: it front-runs the baseline through day 15, then surrenders the lead as retests arrive.

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Event-by-Event: One Bottom, Three Bounces

EVENT	CONTEXT	+1D	+5D	+10D	+20D	+30D
1/28/25	Post-DeepSeek gap	−4.10	−8.02	+2.95	+1.78	−10.26
3/04/25	Tariff leg one	+1.13	−6.23	−0.47	−5.03	−3.26
3/07/25	Tariff leg one	−5.07	+7.98	+4.46	−16.30	−14.00
3/11/25	Tariff leg one	+6.43	+6.14	+10.98	−11.45	−5.55

▮ EXHIBIT 3 · INDIVIDUAL EVENT PATHS, INDEXED TO SIGNAL CLOSE (0–30 SESSIONS)

Four of five paths sag or break down after session 15. The April 7, 2025 capitulation (gold) is the outlier that carries the mean.

R — RECOMMENDATION

Rent the Bounce, Don't Buy the Bottom

Treat the 65-day-low reversal print as a **tactical oversold-bounce signal with a hard clock**, not a position-initiation signal. The historical playbook: entries on the signal close have been rewarded through roughly session 10–15 with an 80% hit rate and +4–4.5% mean drift; holding past three weeks converted winners into losers in three of four episodes as the drawdown resumed. If July 7, 2026 rhymes, the base-rate question is whether this is the January/March version (bounce, then lower low) or the April version (terminal capitulation). The discriminating features of the one true bottom were *magnitude* — a far larger gap, a wider undercut of the rolling low, and a violent range expansion — none of which today's modest gap exhibits.

M — MECHANICS

Definitions, Caveats, and What Would Change Our Mind

Signal definition. Prior 65-session rolling low computed on daily lows, excluding the current bar. Trigger: session open or session low < prior 65-session low, AND close > prior close. Forward returns measured close-to-close from the signal session.

Sample honesty. Five events, three independent episodes, one regime. Every statistic in this note is descriptive. There is no basis for Kelly-sizing this signal on NVDA alone; the confidence interval on a 20% thirty-day win rate with n=5 spans nearly the entire unit interval. The March cluster also induces overlapping-window contamination in the horizon returns.

Data note. In the BATS daily file, the July 7, 2026 session low (191.14) does not undercut the prior 65-session low (171.17, set April 2, 2026) — nor the June 29 low of 189.80. Today's bar qualifies in spirit (gap down near the range low, positive reversal) but not under the strict definition; readers watching live prints should verify the trigger against their own feed before acting.

Extension path. The natural next step is widening the sample: the same construct across SMH, QQQ, and the top-ten semis would multiply episodes and let us separate "first reversal in a drawdown" (fade-prone) from "reversal after prior failed reversals" (bottom-prone) — the conditional structure the NVDA data hints at but cannot support alone.