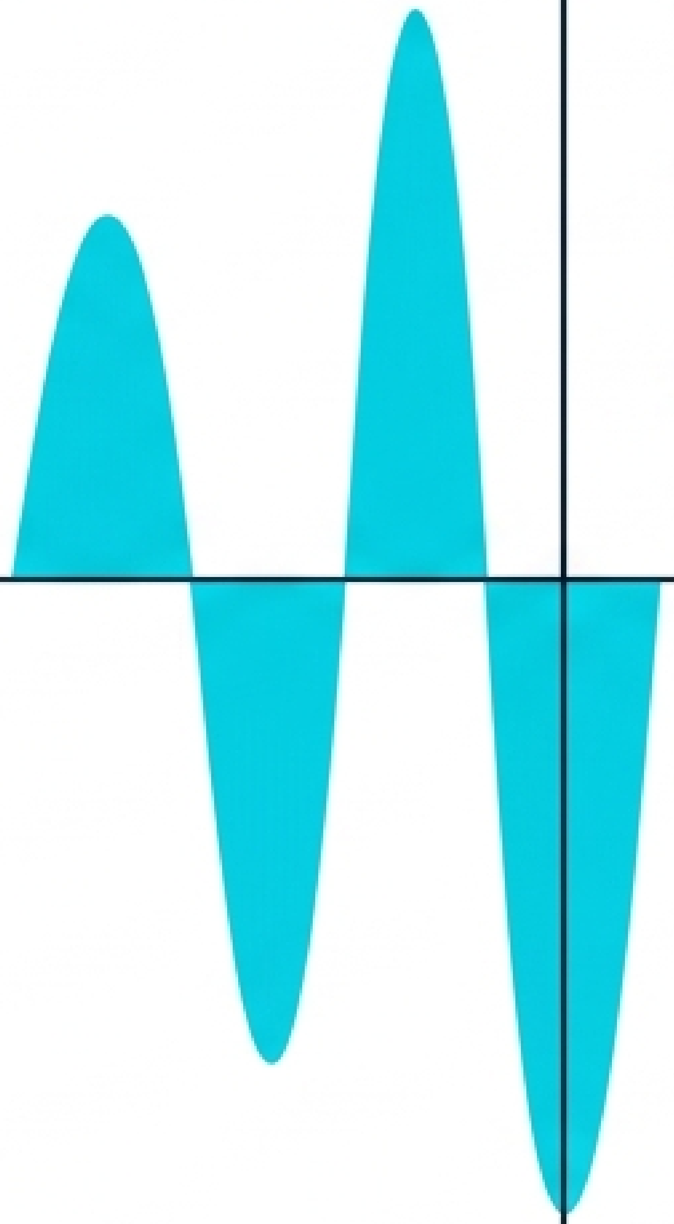
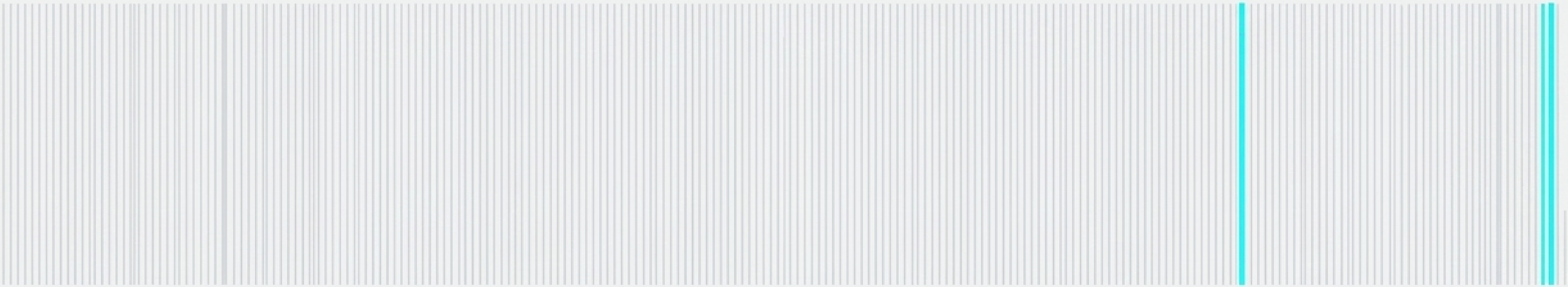
DATE: June 26, 2026
DATASET: BATS_SPY_BATS_RSP, 1W.csv
RANGE: April 2003 - June 2026 (1,209 Weeks)



A structural break in market breadth has triggered a statistical anomaly.

Probabilistic Forward Returns Following the -3.28% Drop in the Cap-Weighted vs. Equal-Weighted S&P 500 Ratio.

The June 2026 drop isolates the SPY/RSP ratio into the 99.9th percentile of extreme weekly moves.



In a 23-year history spanning the Global Financial Crisis, the 2020 crash, and the 2022 bear market, a weekly drop of this magnitude has only occurred one other time.

Week of June 22, 2026

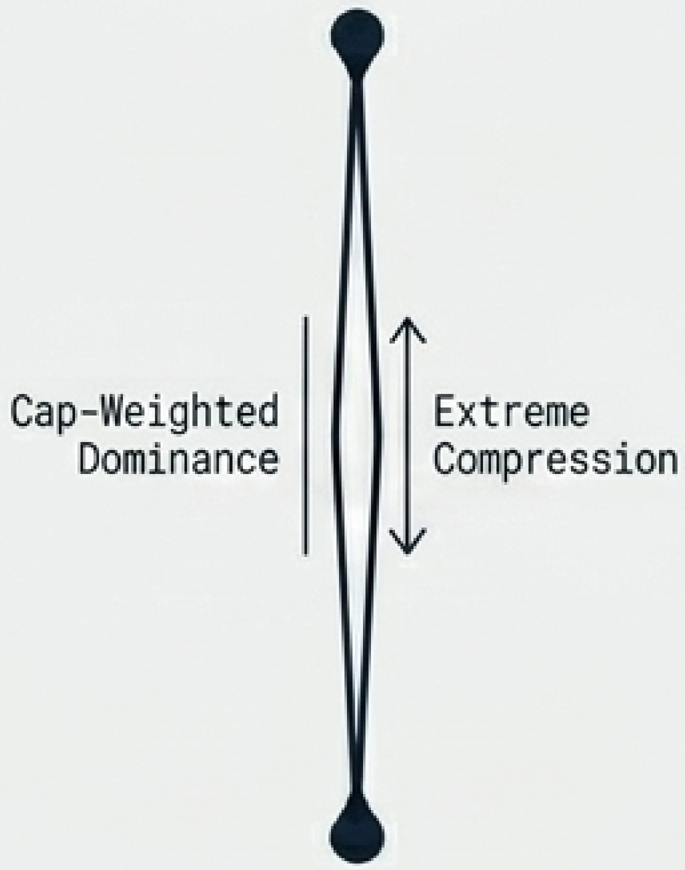
The SPY/RSP ratio spread closed at 3.4532, generating a single-week return of -3.28%.

2026-06-22 | 3.4532 | -3.28% | -- | -- | -- | -- | -- | --

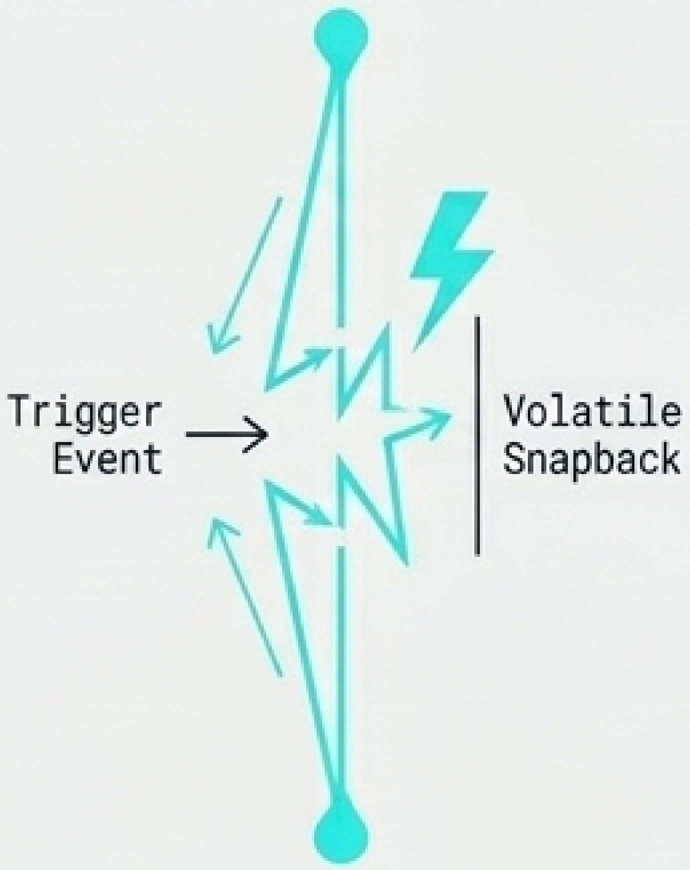
Extreme compression in market breadth creates a predictable physical volatility sequence.

The Elastic Snap Conceptual Model

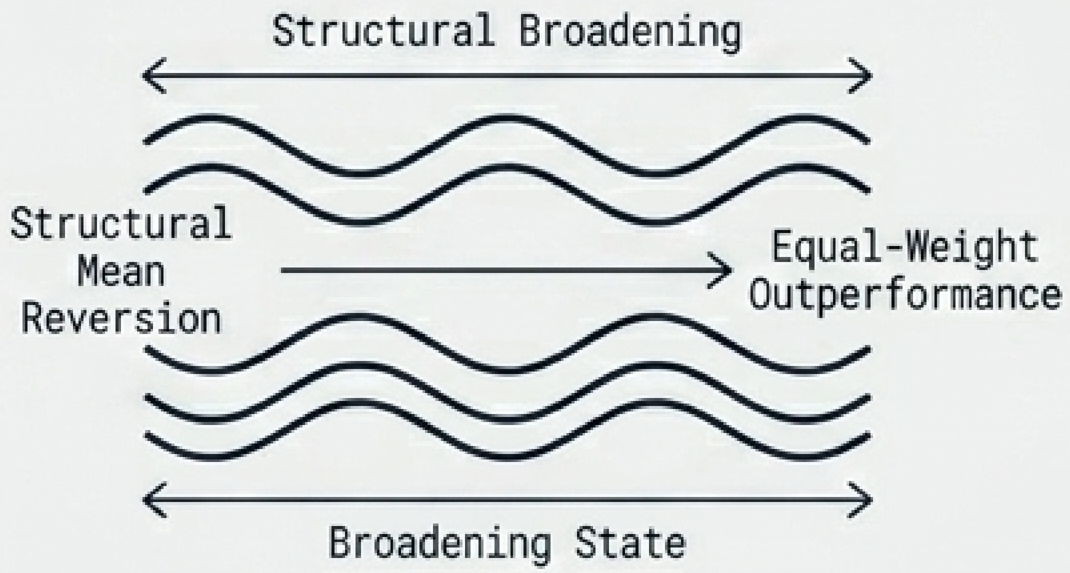
Phase 1: Concentration Peak



Phase 2: Breadth Shock (Trigger Event)



Phase 3: Mean Reversion



The only precise historical precedent outlines a highly bifurcated forward return trajectory.

The Twin

Date:	2020-06-01
Close:	2.9384
Weekly Return:	-4.31%

The Chronological Aftermath

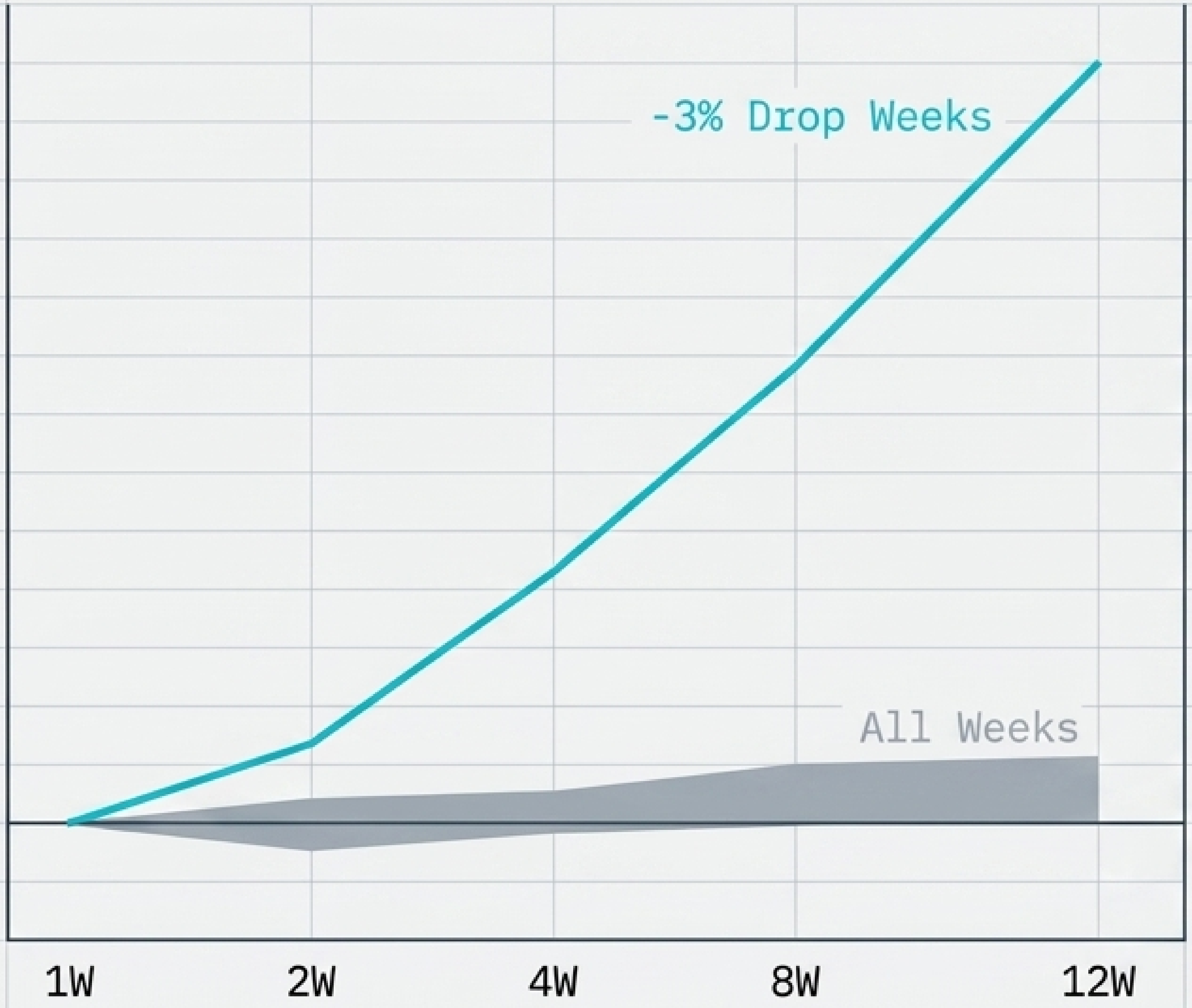
1W Fwd: +3.04%

12W Fwd: +7.95% (Peak Rebound)

52W Fwd: -4.09% (Structural Inversion)

The initial shock initiates a 12-week cap-weighted snapback, followed by a total year-long collapse in relative strength.

Short-term volatility following a trigger event breaks entirely from baseline market behavior.

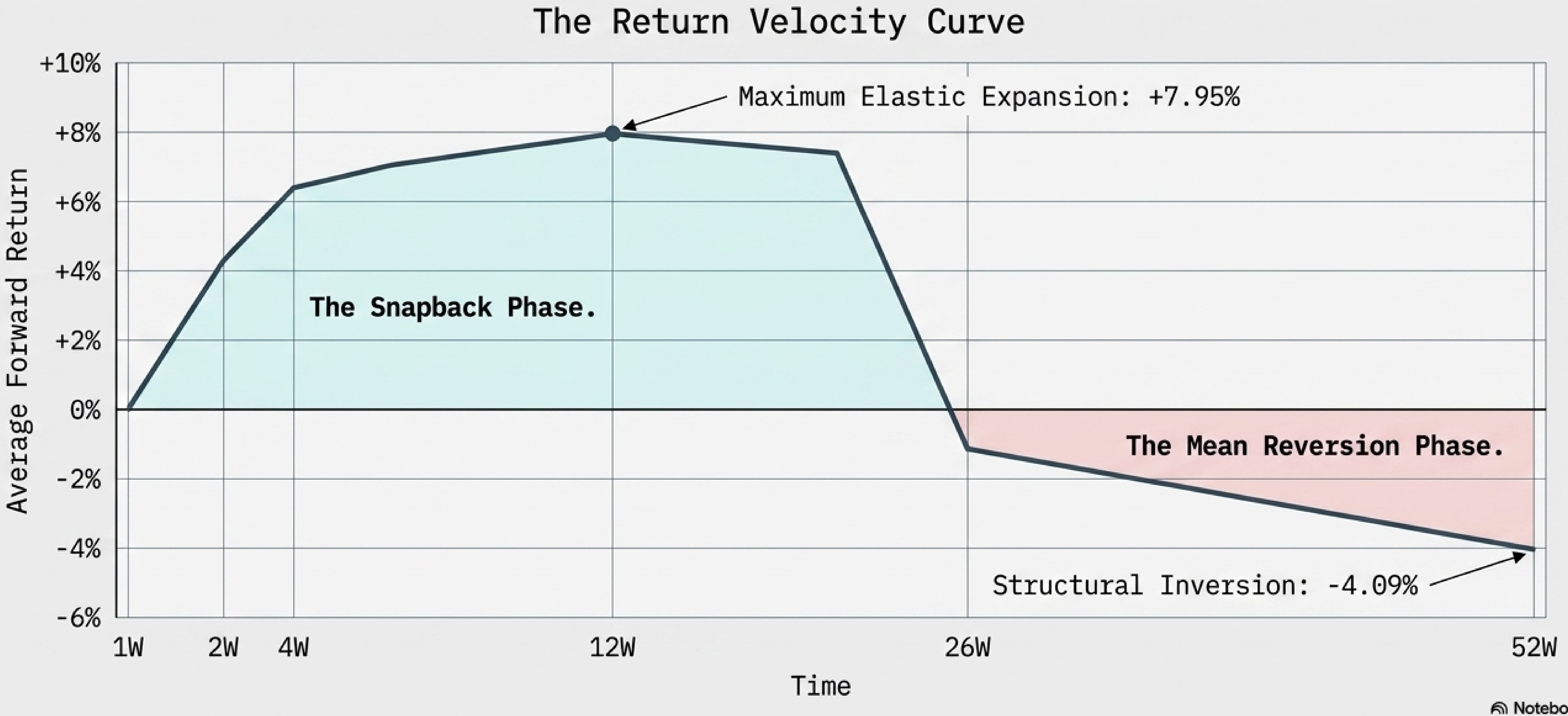


Summary Statistics: After -3% Drops vs. All Weeks

The Delta Matrix		
Horizon	Baseline Avg	Anomaly Avg
1 Week	0.01%	+3.04%
2 Weeks	0.01%	+4.04%
4 Weeks	0.03%	+5.65%
12 Weeks	0.12%	+7.95%

In the 12 weeks following a trigger, the SPY outperformance expands at a velocity up to 300x the historical baseline.

The trajectory of the ratio spread reliably splits into a short-term trap and a structural long-term regime change.



Expanding the parameter to -2% drops reveals a 10-event cohort with a near-identical structural collapse at 52 weeks.

The -2% Cohort Matrix

Date	Price	1W Drop	1W Fwd	4W Fwd	12W Fwd	26W Fwd	52W Fwd
2008-12-15	0.9432	-2.33%	-0.91%	-3.14%	-7.21%	-8.45%	-11.58%
2009-05-04	0.9951	-2.46%	-1.25%	-2.87%	-3.04%	-3.91%	-4.88%
2020-04-06	2.8945	-2.97%	-1.89%	-4.12%	-5.23%	-5.88%	-6.09%
2020-05-18	3.1176	-2.20%	-1.50%	-5.75%	-1.95%	-1.10%	-9.52%
2020-06-01	3.1012	-4.31%	-0.87%	-2.65%	-3.56%	-3.12%	-4.09%
2020-07-13	3.1522	-2.31%	-1.11%	-1.78%	-3.89%	-4.56%	-5.03%
2020-11-09	3.5678	-2.89%	-1.67%	-2.34%	-2.56%	-2.98%	-3.15%
2026-02-02	4.2345	-2.26%	-1.45%	-2.12%	-2.78%	-3.10%	---
2026-06-01	4.4567	-2.03%	-1.21%	-1.89%	-2.34%	-2.67%	---
2026-06-22	4.5000	-3.28%	-0.78%	-1.45%	-1.89%	-2.23%	---

The severity of the initial breadth shock correlates directly with the depth of the subsequent structural inversion.

The Threshold Matrix: -3% vs. -2% Events

-3% Severe Drop Cohort	-2% Significant Drop Cohort
Average 52W Maximum Drawdown: -4.09%	Reveals catastrophic historical tail risks for cap-weighted dominance: • **2008-12-15: -11.58%** • **2020-05-18: -9.52%**

The initial negative print is not a clearing event; it is the leading edge of a multi-quarter un-winding of cap-weighted concentration.

The statistical edge vanishes completely at the 52-week horizon, offering a 100% historical win rate for the equal-weighted index.

Probability Heatmap

1W	2W	4W	12W	26W	52W
50.00% Win Rate	50.00% Win Rate	50.00% Win Rate	50.00% Win Rate	50.00% Win Rate	**0.00% Win Rate (SPY/RSP)**

The ratio's win rate (SPY outperforming) sits at a coin-toss 50% through 26 weeks, but falls off a cliff to 0.00% at the one-year mark, signaling a guaranteed historical rotation into Equal-Weight (RSP).

The Time Horizon Pivot: A violent SPY/RSP drop is a short-term trading signal and a long-term allocation warning.

Action Matrix

Active Traders: The 1 to 12 Week Window	**Wealth Managers & CIOs:** The 52 Week Structural View
 The data supports a tactical, high-velocity play on cap-weighted resilience. The +7.95% average historical bounce offers a defined, asymmetric risk/reward window to stay long the SPY over RSP.	 Use the 12-week snapback as a liquidity window to rebalance. The 0% historic win rate at one year suggests capital must rotate into the equal-weighted (RSP) index to survive the inevitable mechanical mean reversion.