IWD Island-Top Analog: New 200-Day Highs into a Weak Close

Scanning 26 years of Russell 1000 Value history for exhaustion candles that fire, then fail — and what the tape did next.

INSTRUMENT IWD — ISHARES RUSSELL 1000 VALUE **WINDOW** 2000-05-26 → 2026-07-08 **SESSIONS** 6,566 **EVENTS** 10

The Setup

On 2026-07-07 IWD printed a fresh all-time high, then closed in the bottom 10.6% of its daily range; the following session gave back −1.03%. That three-part sequence — new high, weak close, downside confirmation — is the operational analog to a classic island-top reversal. I encoded it as follows:

- **Trigger (t0):** intraday high exceeds the prior 200-session high *(new 200-day high)* **and** the close lands in the bottom 20% of the day's range.
- **Confirmation (t+1):** the next session closes `≤ -1%`.

Ten events satisfy all three conditions since 2000. The live 2026-07-07 signal is the most recent — and, notably, a partial re-fire of a 2026-06-16 event just fifteen sessions earlier.

Event Triggers & Forward Returns

Forward returns measured from the t0 close, in percent. The live event is shown in navy; blank cells indicate windows not yet elapsed.

TRIGGER DATE (T0)	CLOSE T0	CLOSE-IN-RANGE	T+1	T+5	T+10	T+20	T+30	T+60
2003-06-06	30.66	12.4%	-1.45	-0.03	+0.33	+1.07	-1.35	+2.76
2006-05-11	47.49	15.3%	-1.32	-3.75	-2.74	-3.94	-4.59	+0.68
2007-05-23	57.72	8.1%	-1.09	+0.28	-2.59	-0.54	-0.44	-6.70
2009-09-23	38.81	6.7%	-1.45	-0.82	-0.63	+1.41	-2.98	+2.02
2010-04-26	44.81	8.5%	-2.64	-0.58	-4.52	-12.14	-12.93	-12.40
2014-04-04	73.95	4.4%	-1.17	-2.62	+0.17	+0.74	+0.75	+5.60
2021-05-10	146.26	2.7%	-1.28	-0.63	-0.66	+0.19	-2.18	-1.05
2021-10-26	151.09	2.9%	-1.37	+0.22	+0.91	+0.13	-0.59	-1.84
2026-06-16	242.96	4.1%	-1.06	-0.81	+0.38	—	—	—
2026-07-07	247.74	10.6%	-1.03	—	—	—	—	—

Forward-Return Distribution

Across the eight events with complete windows. Percent, measured from t0 close.

HORIZON	MEAN	MEDIAN	MIN	MAX	% POSITIVE
t+5	-0.97	-0.63	-3.75	+0.28	22%
t+10	-1.04	-0.63	-4.52	+0.91	44%
t+20	-1.64	+0.16	-12.14	+1.41	62%
t+30	-3.04	-1.77	-12.93	+0.75	12%
t+60	-1.37	-0.18	-12.40	+5.60	50%

The Honest Read

The t+1 column is definitional, not predictive.

Because the −1% drop is baked into the trigger, every event shows a negative t+1 by construction. The actual forecasting content starts at t+5.

A weak, fat-left-tailed signal — not a clean reversal.

Beyond the mechanical t+1 drop, the median path is a shallow drift: median t+20 is slightly *positive* (+0.16%), and 62% of events are green by t+20. What poisons the mean is the tail. The **2010-04-26** event sits directly atop the May 2010 sovereign-debt selloff / flash crash and runs to −12% by t+30–60. Strip that one and the pattern is close to noise. So the trade this pattern warns about isn't a reliable grind lower — it's tail insurance against the roughly 1-in-8 event where the weak close was the first crack.

> **Sample caveats.** n = 10 (only 8 with complete t+60), and two pairs are non-independent — the 2021 pair, and more importantly **2026-06-16 vs 2026-07-07**, which overlap by only ~15 sessions. The current signal is therefore partly a re-fire of one already received three weeks ago; that prior instance went −0.81% at t+5, then recovered to +0.38% by t+10.