ALPHAQUERY INTELLIGENCE · TECHNICAL RESEARCH

XPH: The Decade Base Resolves

Elongated-consolidation breakouts in SPDR S&P Pharmaceuticals — historical pattern study & forward-return expectancy, weeks 1–8

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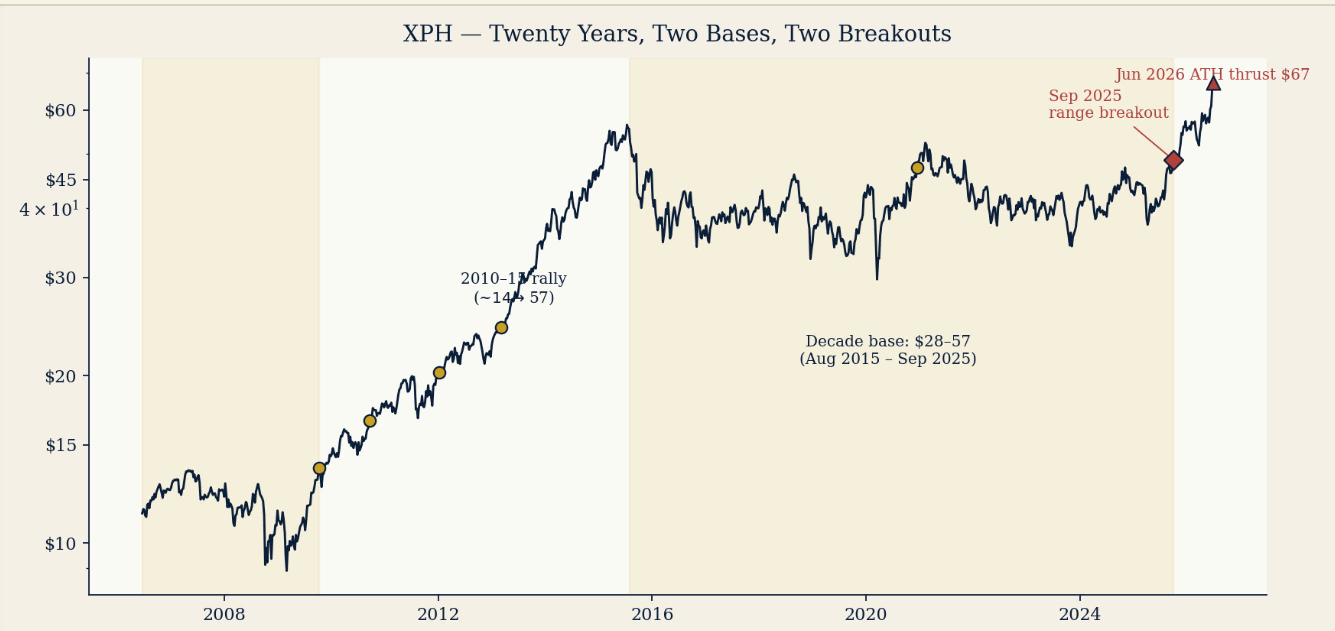
Situation

XPH has closed at **$67.16**, a fresh all-time high, punching decisively through the ceiling of a range that contained the fund for essentially a full decade. From August 2015 through September 2025 the ETF traded inside **$28–57** — 528 weeks without a sustained new high. The escape began quietly with the **September 29, 2025** weekly close above the three-year high at $48.80 (dormancy at signal: 242 weeks), and has now accelerated into a vertical thrust: +37.6% in 39 weeks from that trigger, with the last two weekly bars alone contributing the push from ~$61 to $67.



The Analog You're Remembering

The structural rhyme with the early-2010s launch is real and, on this data, quantitatively legitimate. The split-adjusted series shows the prior great advance running from the **~$14 lows of 2010 to the $57.05 peak of July 2015** — a +308% move (your "15 to 45" in the pre-adjustment tape). That rally was itself born from an elongated base: the 2006–2009 congestion resolved with the October 2009 three-year-high breakout, then re-confirmed with fresh multi-year-high signals in September 2010, January 2012, and March 2013 — each one a staircase landing in a persistent trend. The present setup is, if anything, a *longer* and *flatter* version of that launchpad: ten years of sideways versus roughly three.

Pattern Definition & Historical Census

Signal: **weekly close above the trailing 156-week (3-year) high**, de-duplicated so that episodes are separated by at least 26 weeks. Twenty years of data yield exactly **five prior episodes** — this is a rare fingerprint, in the same census-size territory as the RTY/SPX deep-crush work.

Episode	W1	W2	W3	W4	W5	W6	W7	W8	W26	W52
Oct 2009 — post-GFC 3-yr base	-3.4%	-7.6%	-3.0%	-2.3%	+0.7%	+1.6%	+2.2%	+1.8%	+16.5%	+28.1%
Sep 2010 — launch of the 2010–15 rally	-1.4%	+1.3%	+5.2%	+4.5%	+4.2%	+4.3%	+1.8%	+3.0%	+5.0%	+6.0%
Jan 2012 — mid-rally re-breakout	+0.2%	+0.1%	+1.9%	+0.9%	+2.5%	+5.1%	+6.6%	+5.5%	+12.1%	+14.4%
Mar 2013 — mid-rally re-breakout	+0.6%	+0.8%	+1.6%	+1.5%	+3.8%	+3.8%	+5.5%	+5.7%	+22.9%	+63.0%
Dec 2020 — 5-yr base breakout	+2.1%	+2.9%	+5.5%	+6.1%	+5.9%	+2.6%	+7.1%	+10.6%	+2.8%	-10.2%

Forward-Return Expectancy, Weeks 1–8

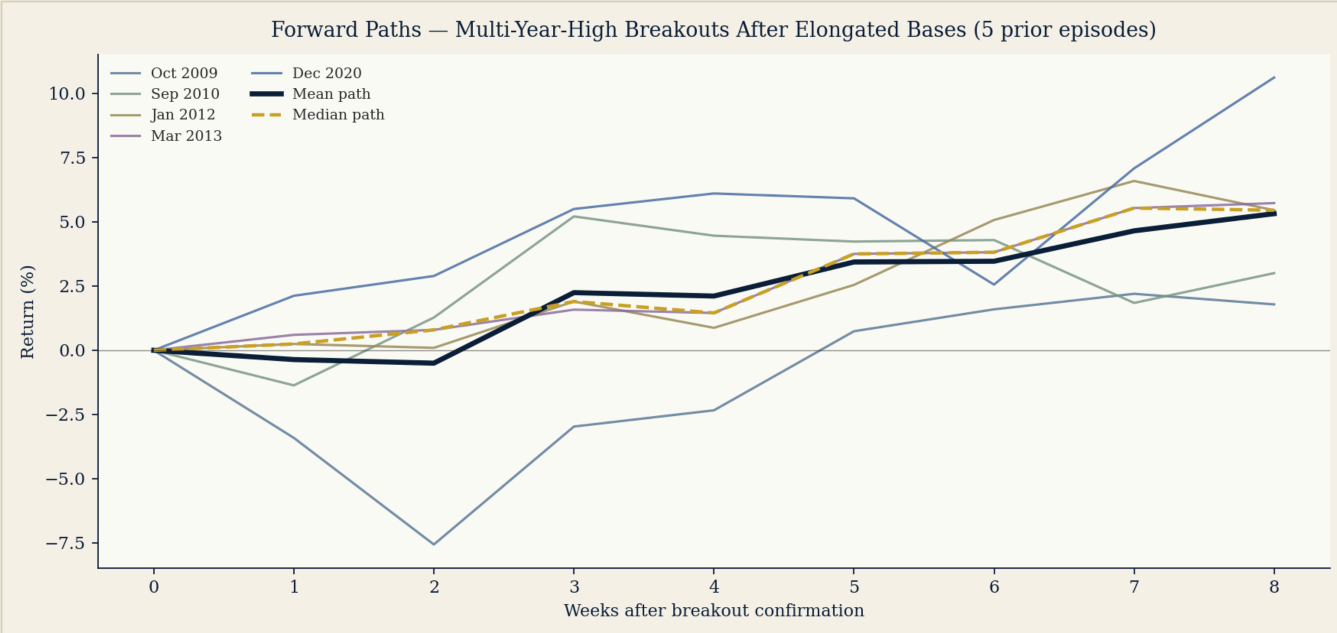
Statistic (n=5)	W1	W2	W3	W4	W5	W6	W7	W8
Mean	-0.4%	-0.5%	+2.2%	+2.1%	+3.4%	+3.5%	+4.7%	+5.3%
Median	+0.2%	+0.8%	+1.9%	+1.5%	+3.8%	+3.8%	+5.5%	+5.5%
Win rate	60%	80%	80%	80%	100%	100%	100%	100%
Best	+2.1%	+2.9%	+5.5%	+6.1%	+5.9%	+5.1%	+7.1%	+10.6%
Worst	-3.4%	-7.6%	-3.0%	-2.3%	+0.7%	+1.6%	+1.8%	+1.8%

+5.3%
MEAN · WEEK 8

5 / 5
POSITIVE · WEEKS 5-8

+11.8%
MEAN · WEEK 26

−3.4%
WORST WEEK-1 DRAW



Reading the Path

- **Weeks 1–2 are noise, frequently red.** Three of five episodes printed a negative first week (worst: −3.4%, Oct 2009; that one was −7.6% at week 2 before resolving higher). The breakout bar itself tends to borrow from the immediate future.
- **Weeks 3–8 are where the drift lives.** Win rate climbs to 80% by week 3 and 100% from week 5 onward. Mean return compounds roughly +65–70bps/week over the window — superlinear persistence rather than mean reversion, consistent with a regime change in the West sense: the system has crossed to a new scaling curve, and early returns feed rather than exhaust the move.
- **The window is an on-ramp, not the trade.** Week-26 mean of +11.8% (5/5 positive) and week-52 mean of +20.3% say the eight-week horizon captures the ignition, not the payload. In the 2010–15 analog, each breakout was followed by another within 12–18 months.

Robustness caveat, stated plainly: the long-base filter is doing real work. A looser cousin of this signal — any 52-week-high breakout from a compressed range, without requiring multi-year dormancy — adds the January 2018, August 2023, and February 2024 episodes, and all three **failed** (−4% to −20% by week 8). The bullish expectancy belongs specifically to breakouts that resolve *elongated, multi-year* bases, which is precisely the current configuration. n=5 remains n=5; treat the table as a prior, not a promise.

Mechanics

- **Position framing:** the historical worst-case drawdown within eight weeks of a qualifying signal was roughly −8% intraweek (Oct 2009 path). A Kelly-fractional entry sized to survive a full retest of the $57–61 breakout shelf keeps the position inside the 3.0–8.5% band without touching the circuit breaker.
- **Invalidation:** a weekly close back inside the old decade range (below ~$57) would negate the pattern — that is the one outcome none of the five bullish analogs produced after their thrust phase began.

- **Timing asymmetry:** history tolerates a red week 1–2; it does not require chasing the $67 print. The median episode offered a pullback entry within the first fortnight.
