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The Expiry

How the long-gamma pin finally rolled off, and June round-tripped seventy-six hundred to seventy-two thirty-eight and back

A reported analysis of the June 1 – June 30, 2026 SPX market structure (21 trading sessions)

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Editor's note (July 18, 2026): two figures in the originally published version of this paper have been corrected against the primary per-cycle record. First, the early-July spot reference ("near $6,990 by July 3") was a capture artifact from a derived gamma-profile snapshot; the per-cycle record shows the first July sessions flat near **$7,483**. Second, the "371,000 to 174,000" open-interest contraction spanned a June 26 change in our snapshot breadth (full-chain to near-money); on a like-for-like near-money basis the late-June book thinned from roughly 177,000 to 128,000 before recovering to 174,000, a dip rather than a halving. The affected sentences are corrected in place below, and the wall-geometry and regime findings are unaffected. Full detail in the appendix of The Reload, the fifth paper in this series.

> This is the fourth paper in a continuing series. The prior installment, The Pin That Climbed →, covered the May window and ended by asking the one question this paper answers: whether the pin could fall.

The short version

Our prior three papers tracked a single structure: a long-gamma dealer book that formed at the April V-low, pinned the index through the April 21 ceasefire test, and climbed $600 through May to a fresh high near **$7,580**, the most compressed volatility surface of the entire rally. Each paper ended with the same warning in different words. “The rally is real. It is also unguarded.” “The pin is real. So is its expiry.” “The pin didn't break. It climbed. Its first real fall is still ahead.”

This paper covers the 21 trading sessions of June, and the fall arrived. The index made its cycle high of **`$7,620.67`** intraday on June 2, on the most compressed reading of the year, and on a book our observations already show turning net negative. Three sessions later the May jobs report cracked it, and the slide carried the index to an intraday **`$7,238.76`** by June 9. This time the moves were not absorbed. They were amplified.

The headline: the pin expired. Our per-cycle dealer-regime record shows the book rotating through three states across the month, from **pinned** (the long-gamma damper) to **expand** (the vol-amplifying short-gamma regime that defined March) to **decay** (the roll-off, as open interest came off the board faster than it rebuilt). By the last week of June, the walls had compressed toward spot rather than migrating with it, and near-money open interest sat at the bottom of its June range (a corrected reading; see the editor's note above). June did not trend. It round-tripped, $7,600 to $7,238 and back to $7,499, with none of the one-way absorption that defined April and May. The two-sided volatility is the signature of the pin's absence.

Part 1, Where the prior brief ended, the pin at its peak

“The Pin That Climbed” closed the May window with the index at **$7,579.74**, an intraday high of $7,598.76, the call wall migrated to $7,750, the put wall rebuilt at $7,200, and net dealer gamma positive on every session but one. The volatility surface had compressed to a VIX-equivalent of 15.4, the lowest reading of the entire post-V rally. The paper flagged three June tests: the June 5 May employment report, the June 17–18 FOMC, and the structurally thin zone below $7,350.

It also made the structural argument that matters most for what follows. A pin that is compressed, high, and reliant on a positive-gamma book is a pin whose eventual roll-off carries the most stored energy, because the short-volatility structures that accumulate during a compression sequence (dealer implied-vol selling, 0DTE call-overwriting, leveraged structured-product flow) are tail-suppressors on the way up and tail-amplifiers when the flow reverses. May accumulated more of them than any window before it.

June is where that stored energy released. This paper reconstructs the release in the order it happened: a low-vol top, a catalyst crack, a negative-gamma flush, a reflex, an FOMC, and a slow decay.

Part 2, The low-vol top, June 1 to 2

June opened at the highs. Monday, June 1 closed at **$7,600.25** with an intraday high of $7,617.02; Tuesday, June 2 marked the cycle high, an intraday **$7,620.67** and a $7,610.03 close. Our midday ATM implied-volatility reading on June 2 was approximately **11.4%**, the single most compressed reading in our 2026 record. On the surface, this is the pin at its most serene: a new all-time high on the quietest volatility of the year.

Underneath, the structure had already turned. Our per-strike observations show net dealer gamma **negative** on both June 1 and June 2, at the top, despite the compressed surface. This is the divergence that matters. Through April and May, new highs came with positive gamma, the dealer book long, dampening, and buying dips. At the June top, the index was making highs while the book had quietly flipped short. A compressed volatility surface on a negative-gamma book is not a serene pin. It is a coiled spring: the compression says the market expects nothing, and the negative gamma says that if something arrives, dealers will hedge in the direction of the move rather than against it.

> **The tell that the pin had already begun to expire** was not in the price, which was at an all-time high, and not in the volatility, which was at a low. It was in the gamma sign. The June 1–2 top is the first new-high sequence of the entire rally on which our observations show the dealer book net short gamma. The absorption mechanism that had defined every prior new high was gone before the first down-tick.

Part 3, The crack, June 5, amplified not absorbed

Wednesday, June 3 and Thursday, June 4 drifted, a $7,556.26 close then a $7,584.69 recovery, net gamma still negative, the range widening. Then

Friday, June 5 delivered the crack. The May employment report was the catalyst the prior paper had flagged: a labor print strong enough to price out the rate cut the compressed multiple had been leaning on. The index opened at **$7,537.27**, sold off across the entire session to an intraday low of **$7,369.76**, and closed at **$7,384.65**, down **2.64%**, the largest single-session decline since the March drawdown.

DATE	SPX CLOSE	DAILY %	NET GAMMA	READ
Jun 1	$7,600.25	—	Negative	Opens June at the highs
Jun 2	**$7,610.03**	+0.13%	**Negative**	**Cycle high $7,620.67, ATM IV 11.4%**
Jun 3	$7,556.26	−0.71%	Negative	Range widens
Jun 4	$7,584.69	+0.38%	Negative	Last bounce before the crack
Jun 5	**$7,384.65**	−2.64%	**Negative**	**May jobs report; P/C 1.35; low $7,369.76**

Compare the mechanism to April. On April 21, an 85-point intraday drawdown on ceasefire-expiry day landed on a positive-gamma book, tagged the put wall, and reversed inside the session, the dealers bought the dip because they were long gamma. On June 5, a 168-point intraday drawdown landed on a negative-gamma book and ran the entire session without a reversal, because the dealers were selling into it. Same category of catalyst, opposite structural response. Our put/call volume ratio spiked to roughly **1.35**, the first genuine hedging surge since the April test, and our midday ATM implied volatility jumped from the 11–12% range to roughly 20.9%. The volatility that had compressed all through May expanded in a single session.

This is the moment the pin expired in the tape. The structure had expired a few days earlier, at the negative-gamma top; June 5 is where the market found out.

Part 4, The flush and the negative-gamma amplifier

The next three sessions are the clearest illustration in our 2026 record of the short-gamma amplifier running in reverse. Monday, June 8 bounced weakly to **`$7,405.57`**. Tuesday, June 9 sold off intraday to **`$7,238.76`**, the low of the entire window, before closing at $7,384.57. Wednesday, June 10 closed at **`$7,266.61`**, down 1.60%, on the session low. Our midday ATM implied volatility ran to approximately **`38.5%`** on June 10, roughly 3.4× the June 2 reading two weeks earlier.

The mechanism is the same one that pulled the tape down in March, in reverse of the April–May pin. When net dealer gamma is negative, market-makers hedge by selling into down-moves and buying into up-moves, which mechanically amplifies volatility rather than compressing it. Every prior down-move in the rally had landed on a positive-gamma book and been dampened. The June 5–10 slide landed on a negative-gamma book and was amplified, the dealers' hedging flow added to the selling rather than absorbing it.

DATE	SPX CLOSE	INTRADAY LOW	VIX-EQUIV	READ
Jun 8	$7,405.57	$7,395.52	22.4	Weak bounce
Jun 9	$7,384.57	**$7,238.76**	24.9	**Window low intraday**
Jun 10	$7,266.61	$7,266.61	26.8	Closes on the low, ATM IV ~38%
Jun 11	**$7,391.85**	$7,258.46	23.1	**Reflex +1.72%, gamma flips positive**

From the June 2 intraday high of $7,620.67 to the June 9 intraday low of $7,238.76, the index shed **$381.91, or 5.0%, in five trading sessions**, on a volatility surface that expanded from 11% to nearly 40% at the 0DTE tenor. That is not a correction in the fundamental sense. It is a structural repricing: the compression of May and the negative gamma of the June top together stored the energy, and the jobs report released it into a book positioned to amplify rather than absorb.

Part 5, The reflex and the FOMC

Thursday, June 11 snapped back 1.72% to **`$7,391.85`**. From this session forward our per-cycle dealer-regime record is available, and it labels June 11 as **expand**-dominated (roughly 76% of the session's cycles), with a rising share of **pinned** cycles as the day progressed. The reflex is the mirror of a bear-market rally: a violently oversold, negative-gamma book produces a sharp mechanical bounce as the hedging flow briefly reverses.

The bounce carried. Friday, June 12 closed at $7,431.46 (pinned 91% of cycles, the book briefly re-forming); Monday, June 15 rallied 1.65% to **`$7,554.29`** on a nearly fully **pinned** session. For two sessions it looked as though the pin might reload at the recovered level, the same way it had reloaded after the May 15 roll-off.

The June 17–18 FOMC ended that. The Federal Reserve, on hold since March, held again into a market that had spent two weeks pricing the possibility of a cut, and the dealer regime tells the story cleanly: June 17 was labeled **expand** on approximately 99% of its cycles, the most one-sided vol-expansion reading of the month, and the index fell 1.21% to **`$7,420.10`**. June 18 delivered the reflexive relief bounce, up 1.08% to $7,500.58, but the character had changed. The book was no longer pinning; it was expanding and relieving in alternation.

DATE	SPX CLOSE	DAILY %	DEALER REGIME (DOMINANT)
Jun 11	$7,391.85	+1.72%	expand → pinned (reflex)
Jun 12	$7,431.46	+0.54%	pinned (91%)
Jun 15	**$7,554.29**	+1.65%	**pinned (99%), book briefly re-forms**
Jun 16	$7,511.35	-0.57%	pinned / expand split
Jun 17	**$7,420.10**	-1.21%	**expand (99%), FOMC hold**
Jun 18	$7,500.58	+1.08%	expand → pinned (relief)

The FOMC is the point at which the recovery's structural foundation gave way. A hold is not, in itself, bad news. But a market priced for a dovish pivot on a volatility surface that had only just begun to re-compress had the furthest to fall when the pivot did not arrive, exactly the setup the prior paper named. After June 18, the book stopped trying to pin.

Part 6, The decay regime

The final full week of June is where our dealer-regime record introduces its third state. Through the spring the book had alternated between **pinned** and **expand**, long-gamma damping versus short-gamma amplifying. Starting June 22, a growing share of cycles register as **decay**: the state in which the open interest that anchors the gamma book is rolling off faster than it rebuilds, and neither the damper nor the amplifier is fully in control.

DATE	SPX CLOSE	DAILY %	DEALER REGIME (DOMINANT)
Jun 22	$7,472.79	−0.37%	pinned / decay emerging
Jun 23	**$7,365.46**	−1.44%	**decay (76%)**
Jun 24	$7,358.22	−0.10%	decay (77%)
Jun 25	$7,357.49	−0.01%	decay / expand split
Jun 26	$7,354.02	−0.05%	expand (100%)
Jun 29	$7,440.43	+1.18%	expand → pinned
Jun 30	**$7,499.36**	+0.79%	**pinned (99%), quarter-end**

The June 23 session set the tone: a 1.44% decline to **$7,365.46** on a book that was three-quarters in decay. The macro backdrop into this week included a re-emergence of Iran tensions, the reverse-binary event our April paper had flagged as the risk the post-V book was not hedged for, landing on a book that had rolled off exactly as that paper warned it might. Whether or not the headline was the proximate cause, the structural reality is that the slide from June 22 to June 26 met no absorption: the market ground from $7,473 to $7,354 in four sessions with the dealer book decaying rather than defending.

The June 29–30 bounce to $7,499.36 carried the fingerprints of quarter-end: a return to **pinned** cycles on the last two sessions as rebalancing flow and month-end positioning briefly re-formed a book. It is a mechanical bounce, not a structural repair: the book entered July with no durable pin, and the first July sessions held flat near **$7,483** rather than extending the June trend. (The originally published version of this sentence cited a continuation lower to roughly $6,990 by July 3; that figure was a capture artifact and is retracted, see the editor's note. Our fifth paper, The Reload, reconstructs the July record.)

Part 7, The dealer book as the pin expired

The clearest single measure of the pin's expiry is the wall geometry. Our open-interest snapshots across the last week of June show the wall structure compressing toward spot rather than migrating with it, the exact inverse of the May pattern, on a near-money book that thinned to the bottom of its June range. (One caution on the table below: the June 26 and June 29 rows are a 75-strike near-money capture, while the earlier rows are full-chain, so the total-OI column is not comparable across that boundary, see the editor's note.)

DATE	TOTAL CHAIN OI	CALL WALL	PUT WALL
Jun 23	370,513	$7,665	$7,200
Jun 25	370,825	$7,550	$7,125
Jun 26	227,652	$7,560	$7,225
Jun 29	**174,087**	**$7,520**	**$7,400**

Two things appear to happen at once in that table, and the first needs the correction scoped above. The apparent contraction from roughly 371,000 to 174,000 spans the June 26 capture-breadth change; on a like-for-like near-money basis the book thinned from roughly 177,000 (June 23) to 128,000 (June 25) before recovering to 174,000 (June 29), a dip rather than a halving. The second observation is computed near-money on both sides of the boundary and stands: the call wall descends (from $7,665 toward $7,520) while the put wall rises (from $7,125 toward $7,400): the two walls compress toward spot instead of bracketing it from a distance. A book whose walls migrate up with the index, as May's did, is a book being bought systematically. A book whose walls collapse inward while the near-money book thins is a book rolling off rather than reloading.

Set beside the per-cycle regime record, the picture is unambiguous. The book rotated from **pinned** (the April–May long-gamma damper), through **expand** (the short-gamma amplifier that produced the June 5–10 flush and the June 17 FOMC break), into **decay** (the late-June roll-off). Each state is a phase of the same process: the structure that formed at the April V-low, pinned through two ceasefire tests and a CPI, and climbed $600 through May, came apart in June.

> **The asymmetry the prior papers described has now inverted.** In April and May, the risk was a shock landing on a book that was thin below the pin. In June the pin itself dissolved, and the thin zone is no longer a level, it is the whole book. A near-money book at the bottom of its June range means there is less structural memory in the chain close to spot, fewer walls to define support and resistance, and a wider distribution of possible outcomes around any catalyst. That is the condition in which trends, in either direction, run further than a pinned regime would allow.

Part 8, What to watch into July

The June window closed at $7,499.36 on a quarter-end bounce, into a book with no durable pin and no absorption to lean on in either direction. (The originally published version of this paragraph cited spot near $6,990 by July 3 from a derived gamma-profile snapshot; the primary per-cycle record shows the first July sessions flat near **$7,483**, and the figure is retracted, see the editor's note.) Three indicators rank high on our watchlist.

- **Where a new pin rebuilds.** A negative-gamma, low-open-interest regime does not persist indefinitely; eventually the book reloads at a new level and a new pin forms. The single most important thing to watch is the strike at which total open interest stops contracting and net gamma flips durably positive again. Until it does, down-moves will be amplified rather than absorbed, the same regime that produced the March drawdown.

- **The gamma sign at the next bounce.** The June 11, June 18, and June 29 bounces were all reflexive, sharp rallies off oversold, negative-gamma conditions, none of which re-established a durable pin. The test of whether the next rally is structural or reflexive is the same one that distinguished April's real accumulation from March's short-covering: does open interest grow as price rises, or does it keep contracting?
- **The July inflation and FOMC calendar.** With the Fed having held in June and the disinflation narrative complicated by the June labor strength, the July prints land on a book with no pin to absorb them. The same CPI surprise that was compressed inside a quarter-percent range in April would, on the current structure, move the index multiples of that.

Four papers ago, the story was a war-driven drawdown that a short-gamma amplifier dragged to a capitulation low. The rally that followed was a long-gamma pin that formed at that low, absorbed every test, and climbed for two months. June is the other side of the same mechanism: the pin expired, the amplifier returned, and the market is once again in the regime where moves compound rather than dampen.

The pin is gone. The amplifier is back.

Appendix, Data and Methodology

The quantitative claims in this paper rest on three internal data layers: our sub-second SPX options-chain capture (June 1 through June 11), our per-cycle dealer-regime record (June 11 through June 30), and our full-chain open-interest snapshots (late June). Methodology notes follow.

Daily SPX OHLC

For June 1–11, daily open, high, low, and close are derived from our internal sub-second underlying-price record. For June 12–30, the daily path is derived from our per-cycle dealer-regime record, which carries a spot reading on every cycle; the daily figures are the first, maximum, minimum, and last spot of each regular session. Juneteenth (June 19) is a market holiday and is excluded; a stale carry on that date in the underlying record is not treated as a session. All reported closes are cross-referenced against public end-of-day cash-index records.

Dealer-regime record

Our per-cycle dealer-regime classifier labels each observation cycle as **pinned** (net long-gamma damping), **expand** (net short-gamma vol-amplifying), or **decay** (open-interest roll-off). The “dominant regime” column reports the plurality label across a session's cycles, with the approximate share where cited. For June 1–10, prior to the regime record's availability, the gamma-sign characterizations are computed directly from our per-strike gamma and open-interest observations under the standard convention (call open interest positive, put negative), reported in signed terms only.

Open-interest and strike concentrations

The late-June total open-interest figures and wall identifications are computed from our listed open-interest snapshots, summed across strikes with a near-money filter for wall ranking (the same far-out-of-the-money artifact rejection used in our prior papers applies). Correction (July 18, 2026): snapshots through June 25 are full-chain (roughly 250 strikes), while snapshots from June 26 onward capture a 75-strike near-money window, so the originally published ~371,000 to ~174,000 contraction mixed two breadths; the like-for-like near-money series runs ~177,000 (June 23) to ~128,000 (June 25) to ~174,000 (June 29). Intraday 0DTE open interest resets each session and is not used for cross-day growth comparison; only the snapshot series is.

Volatility-surface measurement

The VIX-equivalent column is a 30-day proxy, continuity-anchored to our prior papers and made to track our internal at-the-money implied-volatility series. The ATM IV figures report the midday (11:30–12:30 ET) median at-the-money implied volatility on the front 0DTE chain; these run higher and noisier than a 30-day measure and are used to establish direction and relative magnitude, not absolute level. The expansion signature (compression to ~11% at the June 2 top, expansion to ~38% at the June 10 flush) reproduces across the internal series.

Macro events and timeline

The June 5 May employment report, the June 17–18 FOMC, and the June 19 Juneteenth holiday follow the scheduled calendar. The characterization of the jobs report as a rate-cut-pricing catalyst, and the reference to a late-June re-emergence of Iran tensions, are our interpretation of the tape and the structural record, consistent with the risks our prior papers flagged; this paper makes no novel macro claim, its focus is the dealer-book response.

Prepared by the ZDtE Research Desk. For correspondence on methodology, microstructure derivation, or data access, contact the platform at zdte.ai. Not investment advice; no recommendation, solicitation, or representation of future market behavior is made or implied.

Frequently asked questions

Why did the June 2026 SPX decline get so large?

Our observations show the dealer book had turned net-short gamma at the June 2 top — so when the May jobs report removed rate-cut hopes on June 5, dealer hedging amplified the move instead of absorbing it. The index shed about 5% in five sessions.

What is the decay regime?

The state our per-cycle record labels when the open interest anchoring the gamma book rolls off faster than it rebuilds. In late June the walls compressed toward spot while near-money open interest sat at the bottom of its June range, the pin structurally dissolving. (The originally published 371,000-to-174,000 contraction figure mixed two capture breadths and was corrected on July 18, 2026; see the editor's note in the paper.)

Did the paper predict the decline?

No — and it makes no predictive claims. The prior papers described the conditions (compressed volatility on an increasingly extended long-gamma pin) under which a roll-off would carry the most stored energy. June is the tape resolving that structure; the reconstruction is descriptive, not a forecast.

THE SERIES

This is the fourth paper in a continuing structural series tracking a single dealer-book regime from the April V-low through its June expiry. Start from the beginning:

Read the first paper, The V in 23 Sessions → →

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