The Pin That Climbed

How a long-gamma dealer book survived its two flagged tests and migrated three hundred points higher

A reported analysis of the May 9 – May 29, 2026 SPX market structure (14 trading sessions)

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> This is the third paper in a continuing series. The prior installment, After the V →, covered the April 18 – May 8 window and ended by naming the two tests this paper watches pass.

The short version

Our May 9 brief, "After the V," closed the April 18 – May 8 window with the S&P 500 at a fresh all-time high near **$7,399**, the dealer gamma book positive and pinning, and the call-wall concentration migrated to **$7,400-$7,500**. It named two near-term tests of the regime: the April CPI print scheduled for May 13, and the mid-month monthly options expiry on May 13–14.

This paper covers the 14 trading sessions from May 11 through May 29 (Memorial Day, May 25, closed). Both tests passed. The CPI print on May 13 was absorbed on the upside, the index rallied 0.56% to **$7,444**. The monthly expiry on May 14 pushed the index through $7,500 for the first time, a **$7,501.64** close. There was exactly one session in the window on which our observations show the net dealer gamma book turning negative, May 15, the post-expiry roll-off, and it reloaded within days. By the May 29 close, the index sat at **$7,579.74**, with an intraday high of **$7,598.76**, a hair under $7,600.

The headline: the long-gamma pin did not act as a ceiling. It climbed. The call wall migrated from $7,400 on May 11 to $7,750 by May 29, always sitting just above spot, and the put wall rebuilt under each new level. The implied-volatility surface compressed further into the advance, our VIX-equivalent proxy fell from 17.2 to 15.4, the lowest reading of the entire post-V rally. This is the structurally strongest stretch of the move. It is also the most extended: a pin this compressed, this high, and this reliant on a positive-gamma book is a pin whose eventual roll-off carries the most stored energy.

Part 1, Where the prior brief ended

“After the V” described the May 8 close in two lines. Net dealer gamma more positive than at any prior point in 2026, pinning; the call-wall concentration at **$7,400-$7,425** with a secondary cluster at $7,500; the put wall rebuilt at $7,300, $7,250, and $7,200. The paper closed with the line, “The pin is real. So is its expiry,” and named two scheduled tests of whether the regime was structural or transient.

- **May 13, April CPI.** The first inflation print covering a full month after the April 8 ceasefire, the read on whether the war-driven energy passthrough had begun to ease.
- **May 13–14, monthly options expiry.** The mid-month standard expiration cycle, the cleanest test of whether the post-V long-gamma book would reload at the new strike concentrations or reposition away from them.

Both tests are now behind us. This paper covers what our data showed across the 14 sessions that ran through them, and where the dealer book sits at a fresh high $180 above where the prior brief left it.

Part 2, The April CPI test, May 13

The window opened quietly. Monday, May 11 held above the $7,400 wall with a **`$7,413.55`** close; Tuesday, May 12 drifted to $7,402.51 on a 71-point inside range. Our observations show net gamma positive on both sessions, the call wall pinned at $7,400 and a put wall rebuilding at $7,300, the same bracket structure the prior brief described, holding into the print.

Wednesday, May 13 carried the first of the two flagged tests. The April CPI release covered the first full month after the April 8 ceasefire, and it read the way the prior brief's structural setup had assumed it would: the war-driven energy impulse had begun to roll off. Retail gasoline, which had spiked 21% in the March print, eased as the WTI curve normalized; headline year-over-year inflation cooled from the 3.3% March shock back toward the low-3s. A market that had run scared of a second hot CPI got a disinflation read instead.

The tape rallied. The index opened at **`$7,404.59`**, ran to an intraday high of **`$7,459.99`**, and closed at **`$7,444.07`**, up 0.56%. The move is the mirror image of the April 10 CPI absorption the prior papers described. In April, a hot print landed on a positive-gamma book and was compressed inside a quarter-percent range. In May, a soft print landed on the same kind of book and was absorbed on the upside, the long-gamma dealers bought the initial pop and pinned the index just under the migrated call wall, which had already stepped up to **$7,500** by the close. Our midday ATM implied-volatility reading compressed to roughly 13.5%, the lowest intraday reading of the window, on the session with the largest scheduled event risk.

> **The structural read:** a positive-gamma book does not care about the sign of the surprise, only its magnitude. It compresses whatever the print delivers. The April 10 hot CPI and the May 13 soft CPI both landed inside quiet ranges for the same mechanical reason. The difference is that the May book was positioned higher and pinned the absorption at a new level rather than a defended one.

Part 3, The OPEX push to $7,500 and the roll-off

Thursday, May 14 was the monthly options expiration, the second flagged test. The index opened at **$7,460.90**, ran straight up to an intraday high of **$7,516.52**, and closed at **$7,501.64**, up 0.77%, the first close above $7,500 in history. The session traded with net gamma positive throughout and the call wall stepped up again, to **$7,600**. The put concentration that anchors an expiry session sat at $7,100, well below spot, the dealer short-put inventory that had cushioned the whole advance.

Friday, May 15 delivered the single most important structural data point of the window: the one session on which our observations show the net dealer gamma book turning negative. This is the post-expiry roll-off. When a monthly cycle expires, the open interest that created the positive-gamma pin comes off the board, and until the book reloads at the next set of strikes, the dampening mechanism is briefly absent. On May 15 that gap was visible in the tape, the index fell 1.23% to **$7,409.62**, the largest single-session decline of the window, and our midday ATM implied-volatility reading popped to roughly 22.1% from the 14% range of the prior two sessions.

DATE	SPX CLOSE	DAILY %	NET GAMMA	READ
May 11	$7,413.55	—	Positive	Holds above the $7,400 wall
May 12	$7,402.51	-0.15%	Positive	Quiet inside day into the print
May 13	**$7,444.07**	+0.56%	Positive	**April CPI absorbed, wall → $7,500**
May 14	**$7,501.64**	+0.77%	Positive	**Monthly OPEX, first close > $7,500**
May 15	**$7,409.62**	-1.23%	**Negative**	**Post-expiry roll-off, the lone gamma-off day**

The roll-off is the mechanism the prior brief flagged as the regime's built-in test: “when the long-gamma book finally rolls off, the absorption disappears with it.” On May 15 it did, briefly. The difference between a transient regime and a structural one is what happens next, whether the book reloads at the new strikes or repositions away from them. It reloaded, as Part 5 shows. But the May 15 session is the cleanest single-day illustration in the dataset of what the absence of the pin looks like: a routine session becomes a 1.2% down day the moment the dampener is switched off.

Part 4, The mid-month dip that held

The roll-off left the book light through the following Monday and Tuesday. Monday, May 18 drifted to **$7,403.60**; Tuesday, May 19 sold off to a close of **$7,354.81**, with an intraday low of **$7,334.23**, the lowest print of the window. Our observations show net gamma still mildly negative through this stretch, the book had not yet fully reloaded after the May 14 expiry, and a modest risk-off impulse (a firmer bond yield and a Middle-East headline that did not stick) had room to run without a dampener.

It ran to the put wall and stopped. The $7,200 put concentration that had been rebuilding since early May sat directly beneath the May 19 low, and the intraday $7,334 print reversed off it inside the session. The put-wall function we described on April 21, dealers structurally a bid for downside hedges at the rebuilt strike, acted the same way here that it acted at $7,050 in April: the low tagged the support zone once and turned.

Wednesday, May 20 confirmed the hold with a 1.06% advance to **$7,432.67**, the largest up day of the window to that point. The two-session dip and one-session snap-back is the same shake-and-recover profile the April 21 test produced, run at a $300-higher range. A regime that gives back 2% into a lightened book on a routine risk-off, finds the rebuilt put wall, and recovers it inside a session is a regime doing the absorbing on both sides, even in the window where its gamma dampener was weakest.

Part 5, The climb to $7,600

From the May 20 recovery through the May 29 close, the index advanced in seven of the eight remaining sessions, a slow structural grind with no 2% day and no single overnight catalyst, the same shape the late-April advance took.

DATE	SPX CLOSE	DAILY %	CALL WALL	READ
May 20	$7,432.67	+1.06%	—	Snap-back off the $7,200 put wall
May 21	$7,445.29	+0.17%	—	Inside day
May 22	$7,473.26	+0.38%	$7,560	Positive gamma reloaded
May 26	$7,520.38	+0.63%	$7,630	First close above $7,500 since OPEX
May 27	$7,521.06	+0.01%	—	Pin day, one-point range on the close
May 28	$7,563.86	+0.57%	—	Grind continues
May 29	**$7,579.74**	+0.21%	**$7,750**	**Month-end, intraday $7,598.76**

The May 22 session is the tell. Our observations show net gamma back to firmly positive, the book had reloaded at the post-expiry strikes, and the call wall had migrated to **$7,560**. From that point the advance carried the structural signature of the April–May pin: dealers long gamma buying into the grind, the call wall stepping up ahead of spot rather than capping it, and each new high pinned just beneath the migrated wall. By May 29 the wall sat at

$7,750 and the index closed at $7,579.74, a hair under $7,600 on an intraday high of $7,598.76.

The May 27 close is worth a note on its own: a one-point daily change on a session that opened, ranged 30 points, and closed a single point above the prior day. That is the pin at its most literal, a session where the dampener held spot inside a corridor so tight the close barely moved. It is the visible signature of a book doing exactly what a positive-gamma book does.

Part 6, The dealer book, walls migrating up

The single clearest structural fact of the window is the migration of the call wall. On our per-strike observations it stepped up almost monotonically with spot:

SESSION	SPX CLOSE	DOMINANT CALL WALL	NET GAMMA
May 11	$7,413.55	$7,400	Positive
May 13	$7,444.07	$7,500	Positive
May 14	$7,501.64	$7,600	Positive
May 15	$7,409.62	(roll-off)	Negative
May 22	$7,473.26	$7,560	Positive
May 26	$7,520.38	$7,630	Positive
May 29	**$7,579.74**	**$7,750**	Positive

A call wall that migrates up with the index, rather than acting as a fixed ceiling, is the signature of a market being bought systematically rather than chased speculatively. When spot approaches a fixed wall and the wall holds, the wall is a ceiling; when spot approaches and the wall steps higher, new call open interest is being written above spot as fast as the old is absorbed, and the dealer short-gamma position that would otherwise cap the move is being continuously re-established one strike higher. Across May the wall stepped $350, from $7,400 to $7,750, tracking a $166 advance in spot with room to spare.

The put wall rebuilt in parallel, from $7,300 on May 11 down-anchored to $7,200 by late month, the same structural role the $7,050 strike played on April 21 and the $7,200 strike played at the May 19 low. The book was a two-sided pin: long-gamma dampening above, put-wall support below, and net gamma positive on every session except the May 15 post-expiry roll-off and the light-book dip that followed it.

> **The methodology caveat carries forward.** As in our prior papers, we report the gamma book in signed and ordinal terms, positive versus negative, and rank-ordered strike concentrations, rather than absolute dollar magnitudes. A recurring far-out-of-the-money data artifact (mis-scaled deep-OTM strikes with implausible open interest, most visible on May 15, May 22, and May 29) is filtered to near-money strikes for all wall identifications. The sign-level and rank-level claims above survive that filter; the absolute magnitudes are not claimed.

Part 7, Compression at the new high

The slow signal of the window is what the volatility surface did while the index climbed. Our VIX-equivalent proxy, cross-checked against the internal ATM implied-volatility record, stepped down through the advance:

DATE	VIX-EQUIV	ATM IV (MID)	READ
May 8 (prior paper)	17.19	—	Post-V baseline
May 13	16.4	13.5%	CPI compression
May 14	16.1	14.2%	OPEX, new high, vol pinned low
May 15	18.6	**22.1%**	**Roll-off vol pop**
May 19	18.9	22.1%	Mid-month dip, vol elevated
May 22	16.9	18.0%	Compression resumes
May 26	16.3	—	New high, vol back to 16s
May 29	**15.4**	**15.3%**	**Lowest of the post-V rally**

The compression is the same signature the prior brief described, walking down from 19 in late April, now extended to a 15.4 reading by May 29, below the 16.81 that “After the V” called the first sub-17 print in six weeks. The two interruptions, the 22% ATM readings on May 15 and May 19, both coincide with the negative-gamma window (the post-expiry roll-off and the light-book dip) and both reverted inside days. New highs at compressed implied volatility is the reading the prior brief flagged as structurally hardest, and it is now more extended than it was on May 8.

> **The same trade-off, further along:** compressed volatility at a new high is the regime in which short-volatility structures, dealer implied-vol selling, 0DTE call-overwriting, leveraged structured-product flow, expand mechanically. Each is a tail-suppressor in a quiet regime and a tail-amplifier when the underlying flow reverses. By May 29 that compression is the most extended of the entire rally. We are not calling a reversal. We are noting that the conditions which produce one accumulate quietly, and that the May window accumulated more of them than any window before it.

Part 8, What to watch into the June FOMC

Three indicators rank high on our watchlist for June, in order of immediacy.

- **The June 5 May employment report.** The first-Friday payroll print is the first hard read on whether the disinflation the May 13 CPI began is arriving alongside a labor market strong enough to keep the Fed on hold. A hot labor print on a compressed vol surface is precisely the combination that removes the rate-cut support the multiple has been leaning on.
- **The June 17–18 FOMC.** The Federal Reserve has been on hold since the March 18 hawkish-in-war hold. A June hold on a vol surface this compressed is the setup most capable of ending the pin, not because a

hold is bad news, but because a market priced for a dovish pivot has the furthest to fall if it does not arrive.

- **The thin range below $7,350.** The walls are stacked to $7,750 above; the structurally thin zone is now below the $7,334 mid-month low. An exogenous shock that carries spot below $7,350 lands on a book as thin beneath it as the April-18 book was below $6,800. The dip on May 19 tested $7,334 with the book still light and held. A larger shock on a book that has rolled off would not have the same cushion.

The pin climbed through every test May put in front of it. The one thing it has not yet been asked to do is fall. June is where that question gets answered.

The pin didn't break. It climbed. Its first real fall is still ahead.

Appendix, Data and Methodology

The quantitative claims in this paper rest on our internal SPX options-chain capture across every regular trading session from May 11 through May 29, supplemented by the daily cash-index path. Methodology notes follow.

Daily SPX OHLC

Daily open, high, low, and close are derived from our internal sub-second underlying-price record, captured across the regular session (approximately 06:30 PT / 09:30 ET to 13:00 PT / 16:00 ET). Reported figures are cross-referenced against public end-of-day cash-index records; where the two disagreed by more than $3 we deferred to the public source. No such case occurred in this window.

Gamma sign, dealer positioning, and strike concentrations

Net dealer gamma is computed from our per-strike gamma and open-interest observations under the industry-standard convention (call open interest contributes positively, put open interest negatively), and is reported in signed and ordinal terms only, positive versus negative, and rank-ordered strike concentrations, not absolute dollar magnitudes. Call-wall and put-wall identifications use per-strike open interest with a near-money filter. A recurring deep-OTM data artifact (mis-scaled far-out-of-the-money strikes) is rejected by that filter; it was most visible on May 15, May 22, and May 29.

Volatility-surface measurement

The VIX-equivalent column is a 30-day proxy, continuity-anchored to the May 8 reading reported in our prior paper and made to track our internal at-the-money implied-volatility series, which we measure directly. The ATM IV column reports the midday (11:30–12:30 ET) median at-the-money implied volatility on the front 0DTE chain; the 0DTE readings run higher and noisier than a 30-day measure, so they are used to establish the direction and relative magnitude of the compression, not the absolute level. The compression signature (steady step-down into the highs, interrupted only by the May 15 and May 19 negative-gamma sessions) reproduces in both series.

Macro events and timeline

The May 13 April CPI release date and the May 13–14 monthly options-expiration cycle follow the scheduled calendar; the characterization of the CPI as a disinflation read is our interpretation of the tape's response, consistent with the energy-passthrough easing our prior paper anticipated. This paper makes no novel macro claim; its focus is the dealer-book response to a known event window.

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

Did the May 13 CPI break the rally?

No. The April CPI read as disinflation and the index rallied 0.56% to $7,444 with the call wall stepping up to $7,500. A positive-gamma book compresses whatever the print delivers — the same mechanism that absorbed the hot April print worked on the soft May one.

What does a migrating call wall mean?

When the largest call-open-interest strike steps up with the index instead of capping it, new call interest is being written above spot as fast as the old is absorbed — the signature of systematic buying rather than a fixed ceiling. Across May the wall migrated from $7,400 to $7,750.

Was there any warning sign in May?

One: the May 15 post-expiry session, the lone day our observations show net dealer gamma turning negative. It produced the largest single-session decline of the window (−1.23%) — a clean illustration of what the absence of the pin looks like.

THE SERIES

This is the third paper in a continuing structural series. The prior installment covered the April 18 – May 8 window; the next covers June, where the pin described here is finally asked to fall.

Read the next paper, The Expiry → →

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