Project Update — June 28, 2026

June 5 didn’t clear the bar. Here’s what happened instead — and why the project is further along than if it had.

The May 30 update ended with a commitment: June 5, the data either clears the bar or it doesn’t. I said I’d report which. Out loud. Either way.

It didn’t clear the bar.

Here’s the honest account of what happened instead — and why I think the project is further along than if it had.

WHAT JUNE 5 FOUND

The new capture architecture shipped May 29. The seven-day test ran. The verdict: capture rate too low, stale rate too high. The bot was detecting opportunities and losing them before execution could reach them.

The diagnosis took another two weeks. The root cause turned out to be the queue. Signals were sitting in a first-in-first-out queue for an average of 42 seconds before the executor reached them. By then the spread had closed. The bot was working through a backlog of stale opportunities instead of acting on fresh ones.

The fix: a bounded last-in-first-out queue. Newest signal processed first. Oldest dropped at the cap. The bot now always works on the freshest opportunity, not the one that arrived 42 seconds ago. That fix deployed June 25. The seven-day verdict window closes July 2nd. I committed to the pass/fail criteria before the window opened. I don’t get to peek early.

WHAT THE EQUITY CURVE FOUND

While that was running, something more interesting happened.

I built an equity curve — a daily snapshot of trading P&L; separated from market appreciation. One number, updated daily, that tells the truth about whether the system is earning money through its own decisions rather than riding the market.

The first thing it told me was that one of the strategies was losing money.

Mean reversion — the strategy that bets on price ratios reverting to their average — had generated 487 fills across 83 days. Total trading P&L;: –$186.69. Win rate: 20.7%.

This is paper trading. No real money lost. But the losses were systematic, not random. Every hold duration was negative. Most of the problem came down to one thing: the profitability gate that’s supposed to prevent unprofitable entries was set at 0.05% — less than a third of the 0.16% round-trip fee cost. The gate was passing almost every entry. Every trade started in the hole before the price had time to move.

I wouldn’t have known this without the equity curve. The strategy had been running for months, generating fills that looked like activity, while quietly losing money on every one. The curve surfaced it on day one. The attribution formula was also wrong — the code was booking the ratio reversion, the strategy’s actual edge, as

market movement rather than trading alpha. That's been corrected. The profitability gate fix is queued, with a 14-day observation window and a pre-committed verdict on July 12th.

WHY THIS IS MORE PROGRESS THAN IT LOOKS

The May 30 update said the foundation six weeks ago was hope, and today it's measured. That's still the frame.

What's measured now that wasn't measured in May: a daily equity curve that separates what the system earns from what the market gives it. A capital rotation engine that will move capital toward whichever strategy produces better risk-adjusted return. A flash crash event library that records every extreme volatility event with execution-validated fills. A system running five exchanges and two fully instrumented strategies simultaneously.

More importantly: the system found a problem in one of its own strategies and diagnosed it precisely, before any real capital was exposed to it. That's the transparency thesis doing its job. Not hiding what doesn't work. Reporting it the same way the wins get reported.

The product isn't a number that looks good in a screenshot. The product is execution-validated data clean enough that every claim in it is verifiable — including the claims about what isn't working yet.

WHAT'S BEEN BUILT SINCE MAY 30

XARB queue fix	Bounded LIFO queue deployed June 25 — newest signal processed first. Seven-day verdict window closes July 2nd.
Equity curve	Live from April. 83 days backfilled. Trading P&L; separated from market appreciation daily.
MREV diagnosis	487 fills, –$186.69, 20.7% win rate. Root cause found. Attribution corrected. Profitability gate fix queued, verdict July 12th.
Capital rotation engine	Accumulation mode. Computes risk-adjusted return across strategies weekly. Proposes reallocation automatically when evidence threshold is met.
Flash crash library	Live. Every detected crash event recorded with signature, fills captured, profit. Becomes a publishable dataset over time.
Exchanges active	5 — OKX, Kraken, Crypto.com, Coinbase, Gemini
Documented lessons	151 — every failure turned into a written rule the system won't repeat
Trading revenue · subscribers	$0 · 0 — still paper, still pre-revenue. Exactly where an honestly-run project this age should be.
Infrastructure cost	~$26 / month

THE HONEST ASSESSMENT

Two verdict dates. Both pre-committed before any data is read. Both reported out loud. Either way.

Clean, consistent execution	The foundation ↓ done
XARB queue fix verified	**July 2nd ← we are here**
MREV calibrated and profitable	July 12th
Learning loop fully active	The Perpetual Machine running
Flag flip: live capital	Real money, the switch flips
Execution-proven data published	→ first paying subscriber
Two-year target	$50,000 / month, passive

I'm later to live trading than May predicted. I'm closer to a business that can actually compound to $50,000 / month than I've ever been — because the system is now measuring itself honestly, and finding what needs fixing before real capital is at stake.

The Perpetual Machine is built on one principle: market intelligence you can verify. Every signal executed before it's published. Every number traceable. Every miss reported alongside every win. If it works you'll see it. If it doesn't you'll see that too — and $50,000 / month is still the destination.

Updates to follow. — proofsystems.ai
