



TFR

Trading Floor Research

Welcome to the
— Trading Floor —



This Trading Floor Research report contains:

- S&P 500 (SPX). Update
- Turquoise Hill Resources (TRQ)
- Ero Copper Corp. (ERO)
- Century Aluminum Company (CENX)
- Intuitive Surgical Inc. (ISRG)
- ASML Holdings NV (ASML)

S&P 500

Friday, the S&P 500 rallied into a confluence of Fibonacci resistance between 3989.22 and 4001.78 as it topped out just below the upper range at 4001.48. The index also threw back into a steep rising trendline from the October 13 low.

After bouncing off the critical 2742.02 number on the CPI announcement, a massive two-day rally left the S&P 500 index overbought. (Refer to chart of the TFR trading channel)

The most significant probability is for the index to pull back to key Fibonacci target areas over the next few days. The Fibonacci targets I will be watching are 3949.46 and 3908.43.

If the S&P 500 closes below 3908.43, it will put the bears back in control and indicate that the markets could move lower again. A successful retest of 3949.46 or 3908.43 would allow the S&P 500 to continue the rally to Fibonacci resistance between 4116.85 and 4155.10.

The index will first need to clear 4001.78. This will be a challenging area to break and require more than the short covering we have seen up to this point. Closing above 4001.78 on above-average volume will send the index to the 4116.85-4155.10 level.

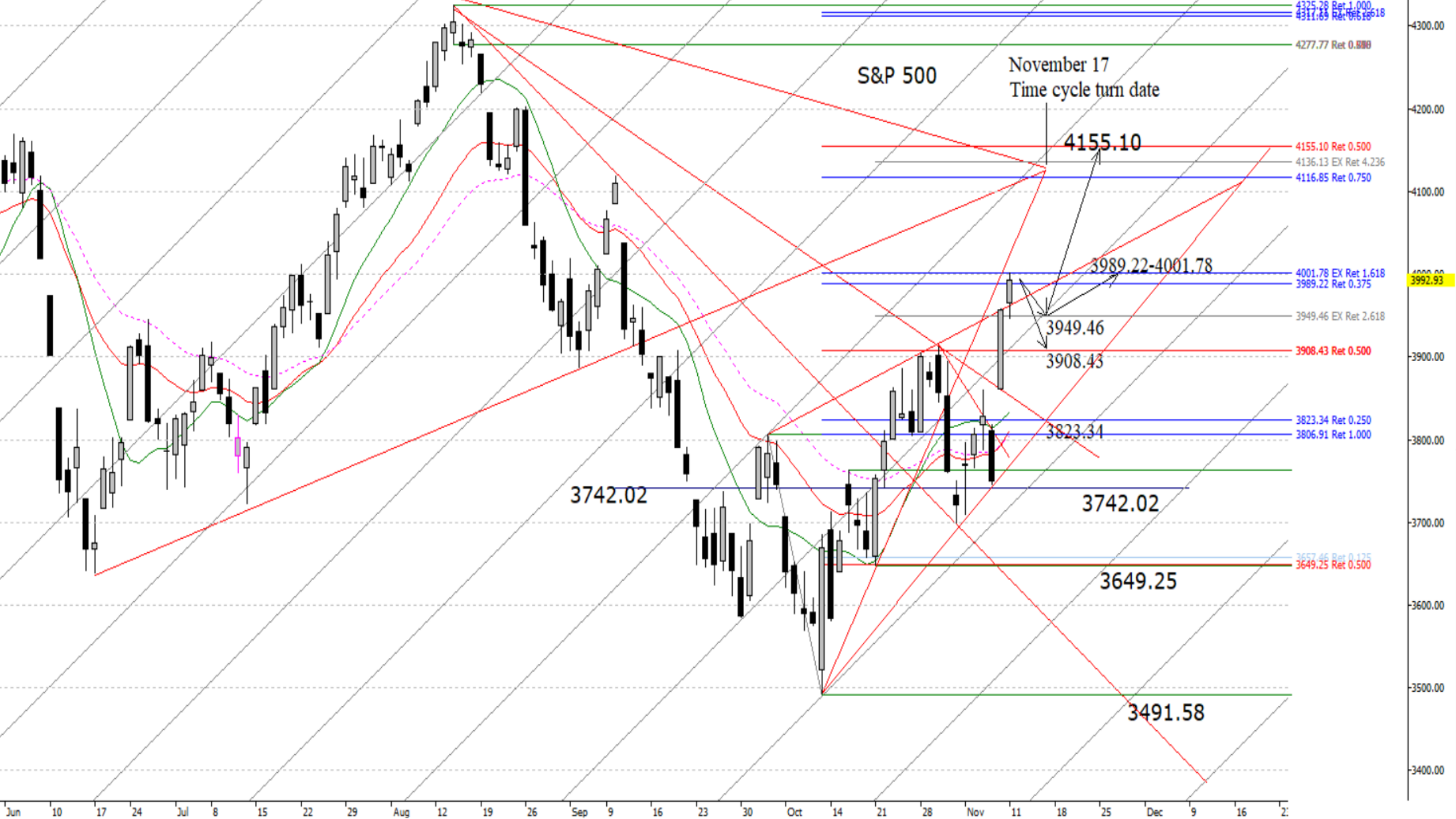
A successful retest to 3949.46-3908.43 is where I will be looking to add highlighted positions in this weekend's newsletter.

A confluence of three significant trend lines points to a potential time cycle turn date next week on November 17. I will watch for the market to reverse from the direction price is trending into this date.

I am closely managing all long positions. Watch very closely for my text sell signals of current longs.

The bears are in control of the Russell 2000 and indicate "Risk-Off" in the markets.

I recommend caution and 80% cash



S&P 500

November 17
Time cycle turn date

4155.10

3989.22-4001.78

3949.46

3908.43

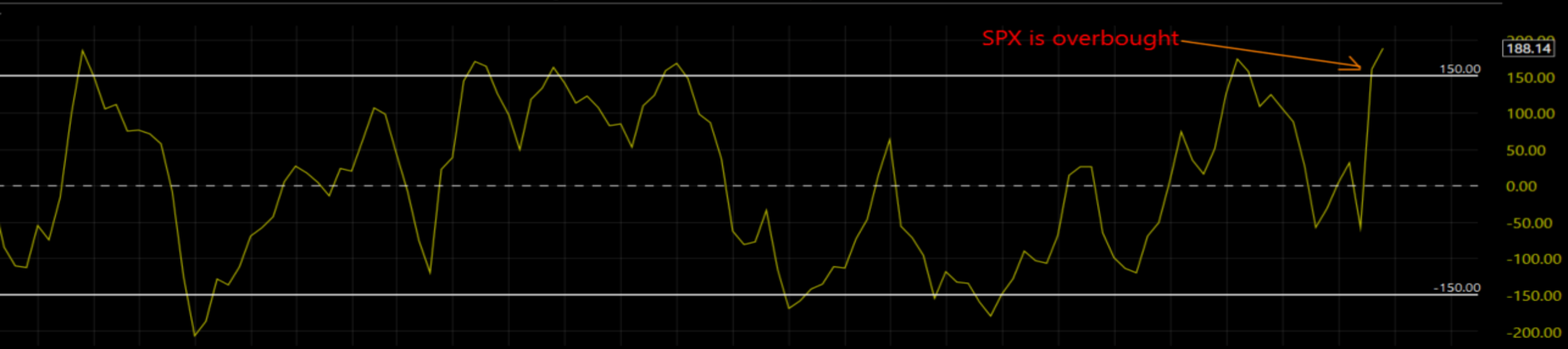
3823.34

3742.02

3742.02

3649.25

3491.58



Sectors, Industry Groups & Leadership Stocks

Last week I emphasized the strength of the **Basic Materials** sector. This week's institutional accumulation of copper, gold, and aluminum told me this is the beginning of a move that could take commodity stocks much higher.

Copper, gold, and aluminum stocks led the market on Friday with massive gains and 20-day closing highs on incredible volume.

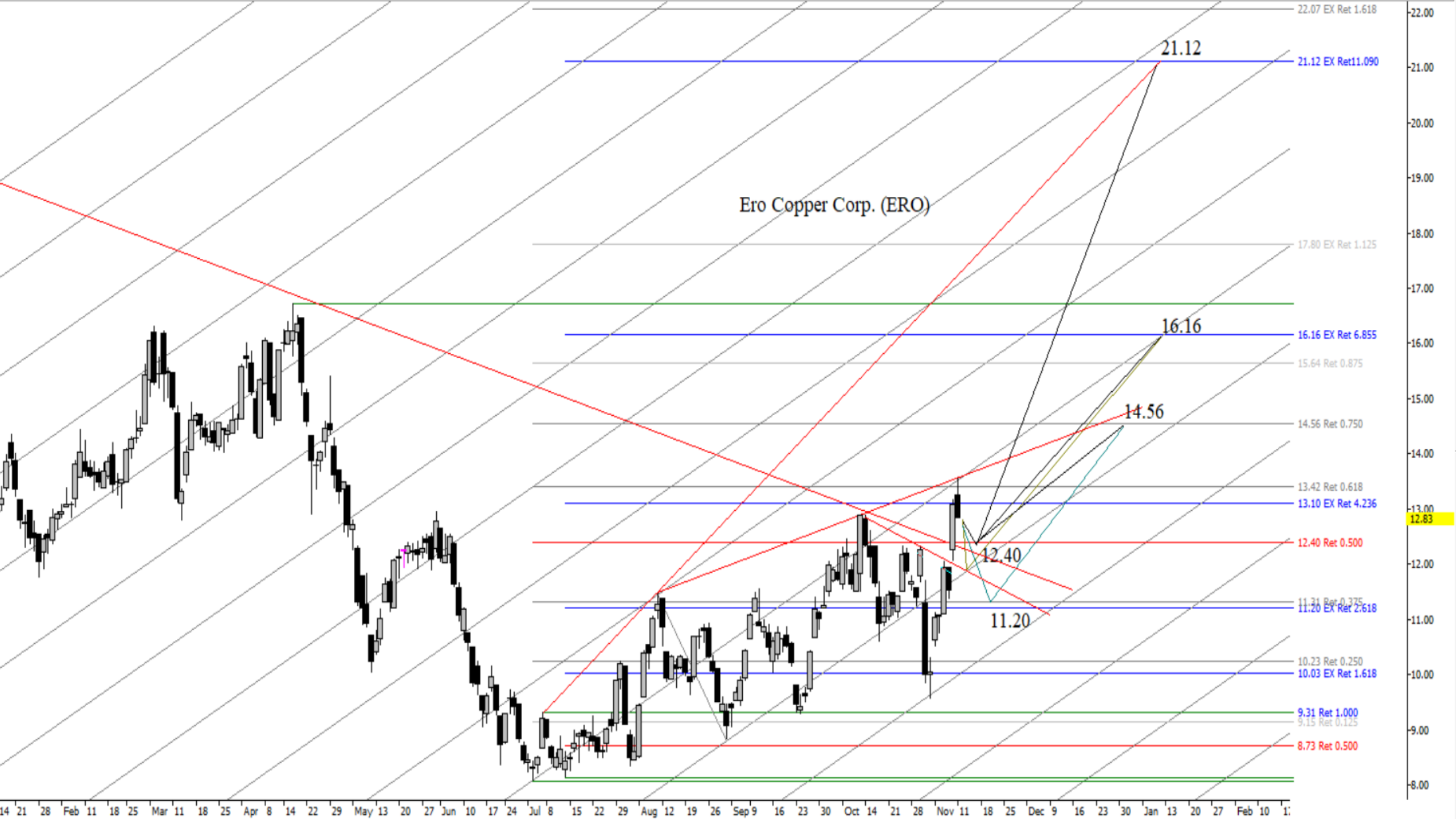
The massive move in copper, aluminum, and gold stocks has left the industry groups short-term overbought, and I will be watching the stocks in those groups for low-risk buying opportunities next week as the market pulls back.

One of the leaders in the **Copper** industry group I mentioned last week is **Turquoise Hill Resources (TRQ)**. It has spent the past two trading sessions based above the Fibonacci resistance at 31.05. It is a new buy candidate and is highlighted in this report.

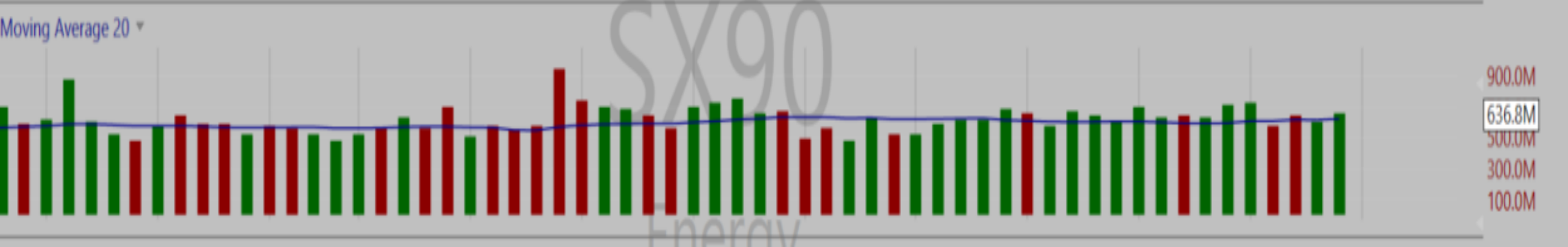
I am also taking a closer look at **Ero Copper Corp. (ERO)**. On Thursday, the stock closed above a long-term descending trendline from May 2021 high and gave a buy signal. It is overbought, but I will watch for low-risk entry if it can pull back over the next few days. The retracement targets are 12.20 and 11.20. (Refer to the chart of ERO)

The **Aluminum** industry group gave back-to-back buy signals on Thursday and Friday. The leader I am focused on, **Century Aluminum Company (CENX)**, gave a powerful buy signal on Friday and showed the best institutional accumulation in many months. The up/down volume ratio indicates massive institutional accumulation as it went to a 100-day high.

Unfortunately, the **Energy** sector broke its ascending trendline from its September 26, 2022, bottom and spent Thursday and Friday throwing back into the trendline. After breaking a trendline, a throwback often allows a trader to sell shares before the price decline. The throwback is happening at the June high in the Energy Sector. The June high 100% Fibonacci resistance is solid. Energy stocks are very overbought after the sharp rise over the past few weeks. Institutional accumulation indicates that energy will be an excellent place for new purchases after a well-needed rest. (Refer to the Energy Sector Chart)



Energy Sector



Sectors, Industry Groups & Leadership Stocks

Strength in each bear market rally this year has focused on large-cap stocks. So far, this rally is using the same playbook.

Most of the large caps moving higher are tech stocks coming off their lows. They need to show the high probability patterns and institutional accumulation I demand in a stock candidate. Bottom-fishing these type of stocks often lead to low-probability stock candidates.

On Thursday and Friday, I spent a great deal of time analyzing stocks in the S&P 500 that satisfied the factors I needed to see that produced the best candidates.

The top candidates on my list are **Intuitive Surgical Inc. (ISRG)** and **ASML Holdings NV (ASML)**.

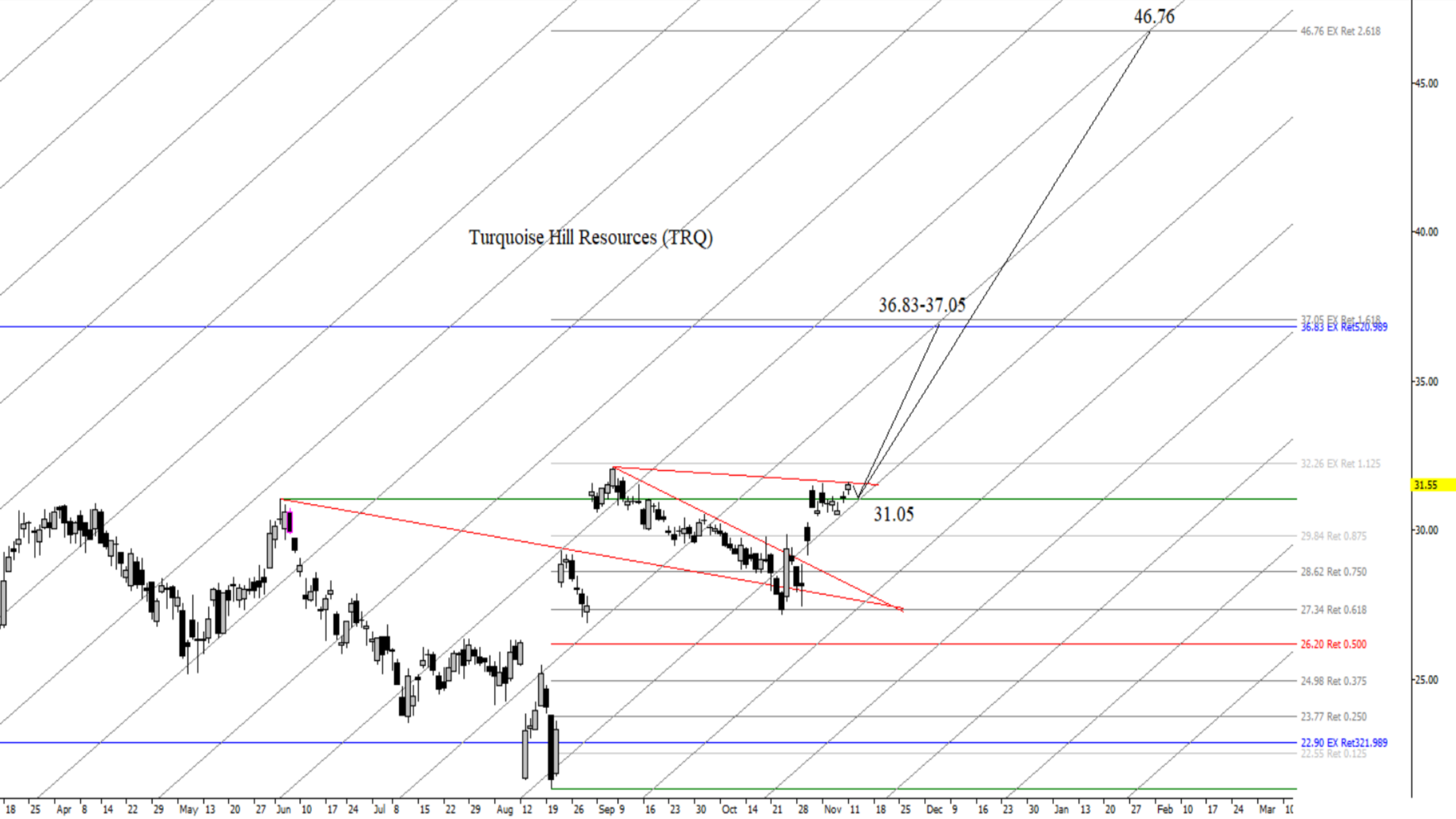
Even though most tech stocks have not met my criteria, the **Semiconductor Equipment** industry group has given a buy signal, and the leader in the group **ASML Holdings N.V. (ASML)**, is breaking out of a fantastic base. After a pullback to the 564.05 to 555.05 range, I can buy the stock with a target of 629.85. (Refer to the ASML Chart)

The **Medical Instruments & Supplies** industry group gave a buy signal on Friday. The group leader **Intuitive Surgical Inc. (ISRG)** is breaking out of a terrific cup-with-handle base. ISRG is short-term overbought, and I will look for a low-risk opportunity to buy shares as the market pulls back. Intuitive Surgical Inc. (ISRG) is featured in this report.



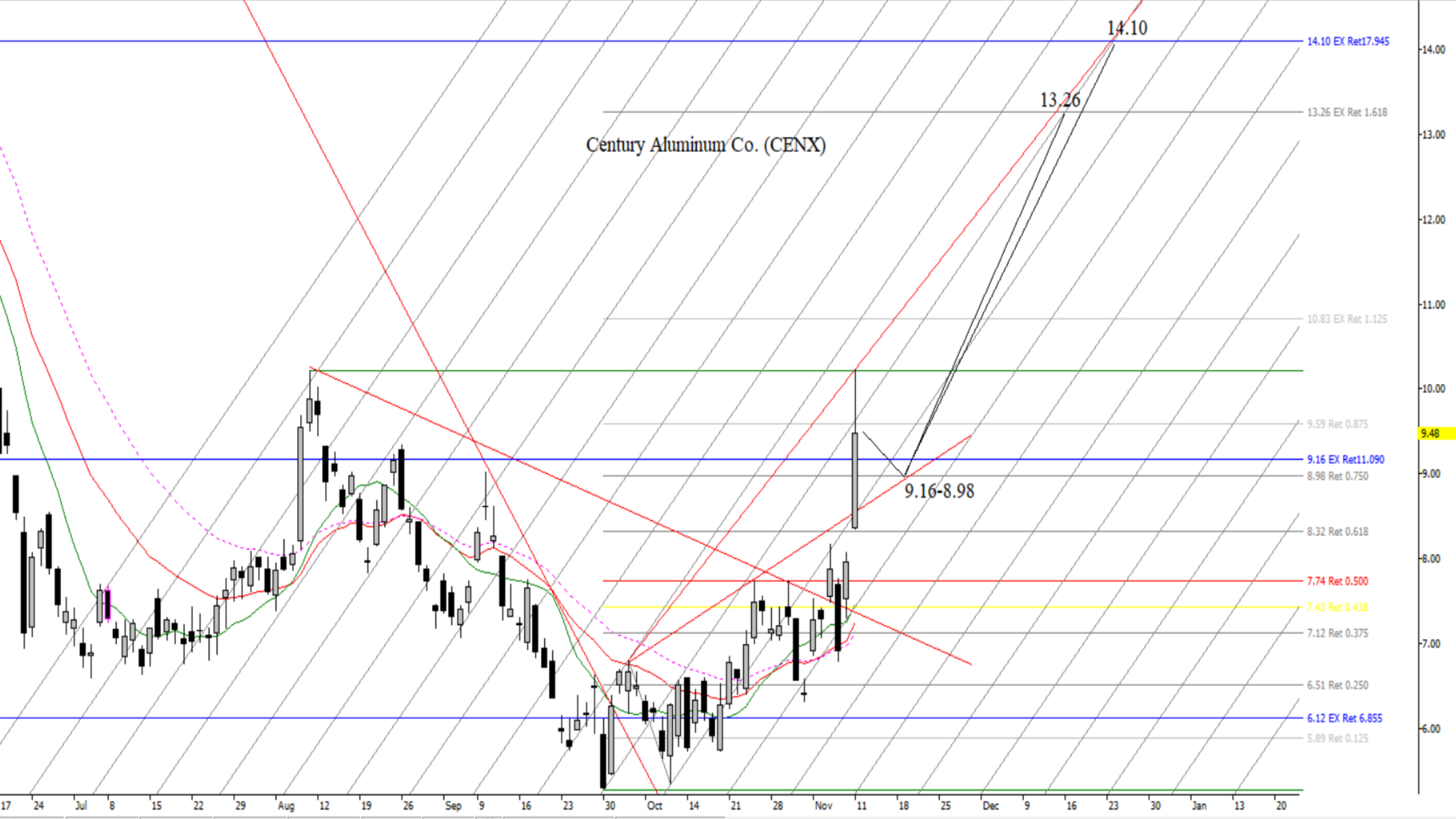
New buy candidate: Turquoise Hill Resources (TRQ)

- Industry Group: **Copper & Mining-Metal Ores**. The group currently ranks as the 56th strongest industry group in the market out of 197 and is down -1.16% YTD. Mining-Metal Ores gave its most recent buy signal on Friday.
- **Turquoise Hill Resources (TRQ)** is engaged in the exploration of copper & gold mines in central Asia.
- **Turquoise Hill Resources (TRQ)** price chart is coiling up at low-risk entry as it closed above significant Fibonacci resistance at 31.05. TRQ is completing a cup-with-handle base that started in May. After a retest of 31.05, I will be looking to purchase shares when they close above the descending trendline from the September 8 high.
- **Turquoise Hill Resources (TRQ)** will confirm with a 30-minute close above **31.61** and the descending trendline.
- Initiate position with at 1-star(*).
- Under institutional accumulation with an Up/Down Volume ratio of 1.13.
- Turquoise Hill Resources (TRQ) closed at **31.55**.
- Turquoise Hill Resources (TRQ) VWAP is at 47.40
- Sell target prices: **1st target is 7.87; 2nd target is 9.10; 3rd target is 9.60**
- Stop sell price: **Close** below **6.63**.



New buy candidate: Century Aluminum Company (CENX)

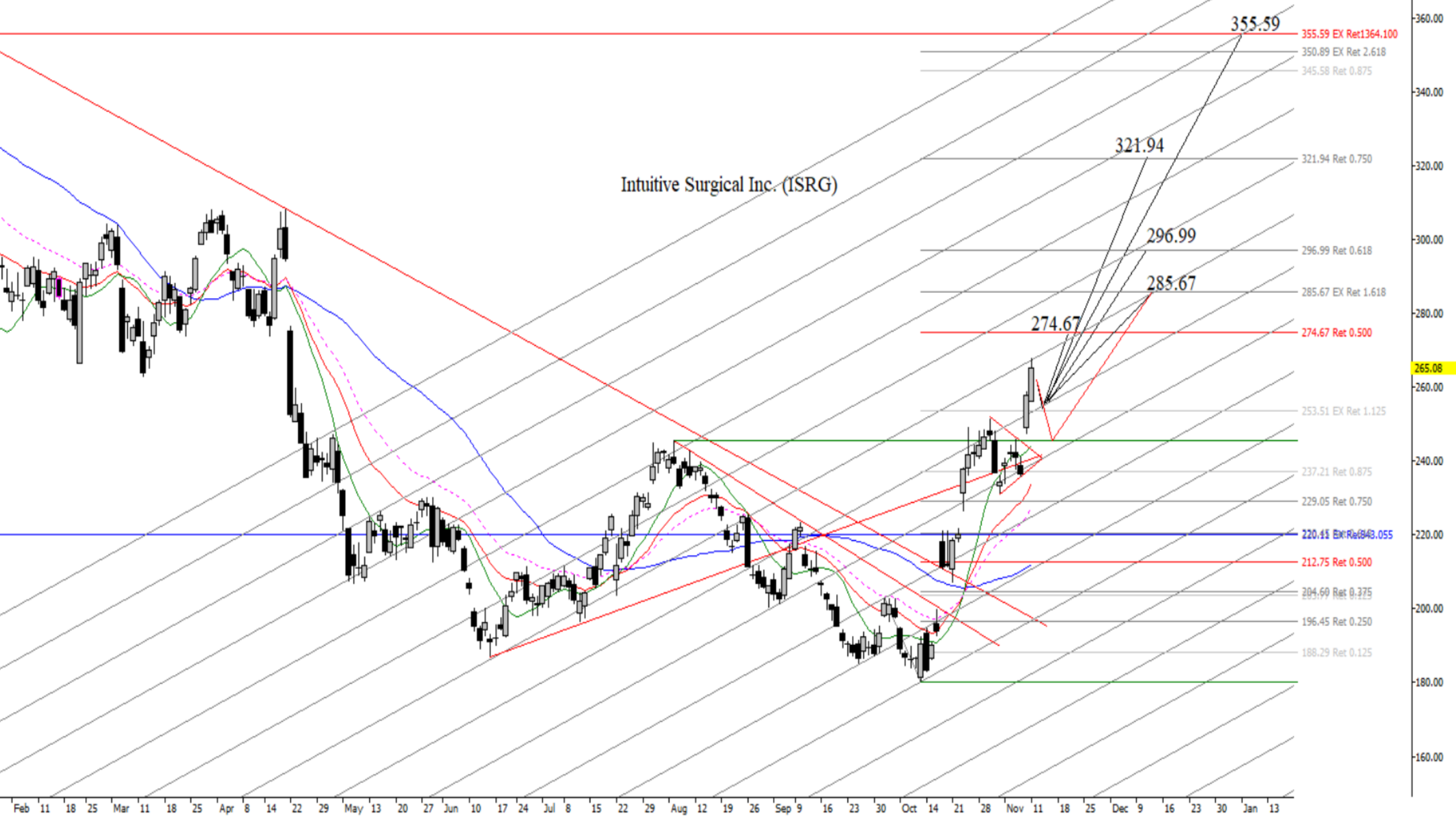
- Industry Group: **Aluminum & Metal Processing & Fabrication**. The Metal Processing & Fabrication group currently ranks as the 22nd strongest industry group out of 197 and is up .35% YTD. Aluminum gave its most recent buy signal on Thursday and Friday.
- **Century Aluminum Company (CENX)** produces a standard-grade primary aluminum used in wire and cable.
- Century Aluminum Company (CENX) tailed off the high of its cup base on Friday as shares pulled back to create a handle. The time spent in a handle will allow the 10-day moving average to catch up to the price and alleviate overbought conditions. I am looking for a retracement to Fibonacci support between 9.16 and 8.98.
- **Century Aluminum Company (CENX) will confirm after a pullback to the 9.16-8.98 range and a 30-minute buy signal.**
- Initiate position with at 1-star(*)
- Up/Down Volume ratio is showing strength as it closed at 1.33 and 100-day highs.
- Century Aluminum Company (CENX) closed at **9.48**.
- Century Aluminum Company (CENX) VWAP is at 12.82
- Sell target prices: **1st target is 13.26; 2nd target is 14.10**
- Stop sell price: **Close** below **7.47**.



New buy candidate: Intuitive Surgical Inc. (ISRG)

- Industry Group: **Medical-Systems Equipment**. The Medical-Systems Equipment group currently ranks as the 42nd strongest industry group out of 197 and is down -27.85% YTD. Medical-Systems Equipment gave its most recent buy signal on Friday.
- **Intuitive Surgical Inc. (ISRG)** developed robots to improve open and minimally invasive surgery.
- **Intuitive Surgical Inc. (ISRG)** broke out of a cup-with-handle base on Thursday and extended those gains on Friday. ISRG formed the right side of the cup with massive volume, and the breakout was also on excessive volume. The institutional accumulation of a perfect price structure created the best large-cap base in the S&P 500. The stock price is overbought and needs a retracement for a low-risk entry opportunity. I am looking for a pullback to Fibonacci support at 253.51 or 245.36.
- **Intuitive Surgical Inc. (ISRG) will confirm with a 30-minute buy signal after shares retrace between 253.51 and 245.36.**
- Initiate position with at 3-star(***)
- Under institutional accumulation with an Up/Down Volume ratio of 1.40 and making 100-day highs.
- Intuitive Surgical Inc. (ISRG) closed at **265.08**.
- Intuitive Surgical Inc. (ISRG) VWAP is at 184.95
- Sell target prices: **1st target is 274.67; 2nd target is 285.67; 3rd target is 296.99; 4th target is 321.94; 5th target is 355.59**
- Stop sell price: **Close** below **237.21**.

Intuitive Surgical Inc. (ISRG)





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