



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

12/29/24



This Trading Floor Research report contains:

S&P 500 Update

Russell 2000 Update

Semiconductor Industry Group Update

Direxion S&P 500 Bear 3x (SPXS)

Direxion Small Cap Bear 3x (TZA)

Arteris (AIP)

SkyWater Technology (SKYT)

S&P 500 Update

Friday's massive selloff in the **S&P 500** bottomed at the Fibonacci support of 5932.68 and clawed its way back to close at 5970.84. A 22-point thrust 14 minutes before the close allowed the bulls to stay in control and finish above 50% of the range at 5966.12.

However, the selling was vicious, and another distribution day was added, bringing the total to six in the past 20 sessions. Five or more in 20 trading days often signals a potential top. As distribution adds, the up/down volume ratio is affected. The ratio is approaching 100-day lows and lower than the distribution level that signaled the December 18 market collapse.

With the mounting distribution, a closing below 5966.12 will put the bears back in control and confirm the next move lower. If that happens, I intend to repurchase the **Direxion S&P 500 Bear 3x (SPXS)** position and capitalize on the next likely move lower.

The S&P 500 continues to deteriorate under the surface as the point & figure bullish percent index broke a descending spread triple bottom and moved to a highly bearish reading of 41.40. The current reading indicates that only 207 of the 500 stocks in the index have a bullish chart. With 293 stocks pointing to lower levels, the probability of further market decline is likely.

Friday's bottom came within a 12-point range of the Fibonacci 5921.02 critical number from my long-term chart. As we approach the end of the month, I continue watching for the potential of a monthly close below 5921.02, which will give the strongest clue of a significant market top.

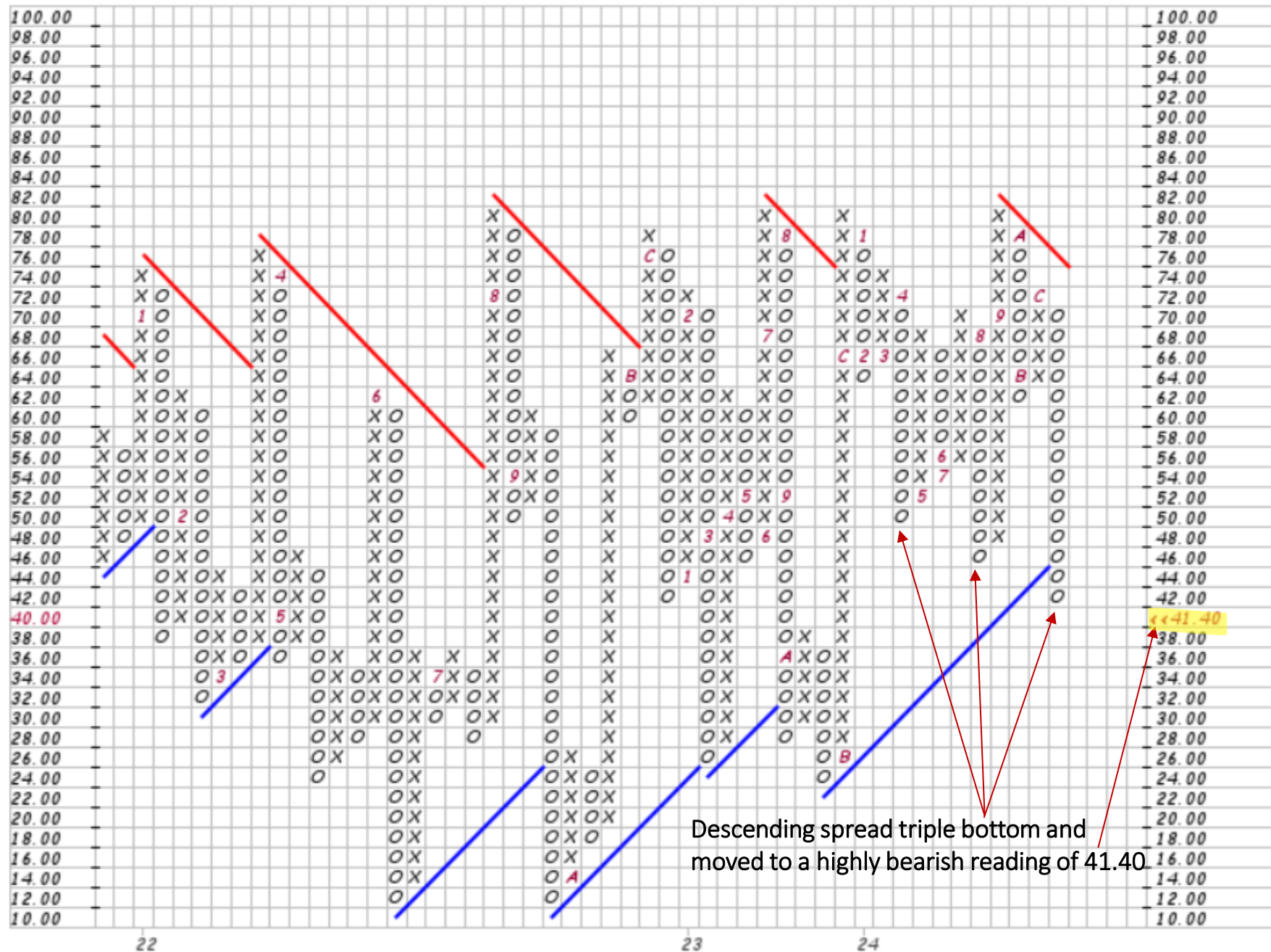
S&P 500 (SPX)

MA1 = 5997.58
MA2 = 5994.67
MA3 = 5990.24
MA4 = 5933.90

S&P 500 (SPX)



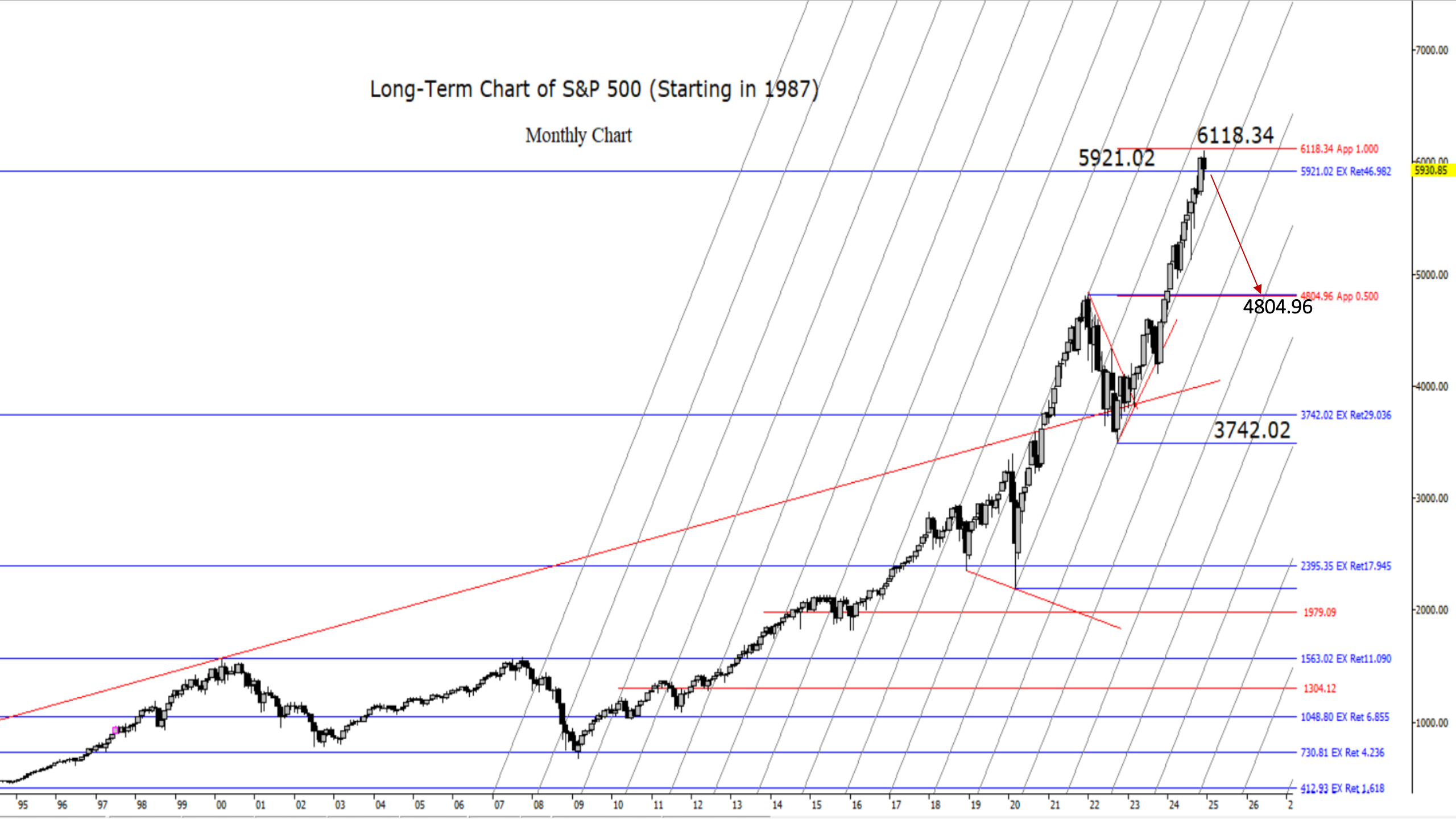
S&P 500 Bullish Percent Index



Descending spread triple bottom and moved to a highly bearish reading of 41.40

Long-Term Chart of S&P 500 (Starting in 1987)

Monthly Chart



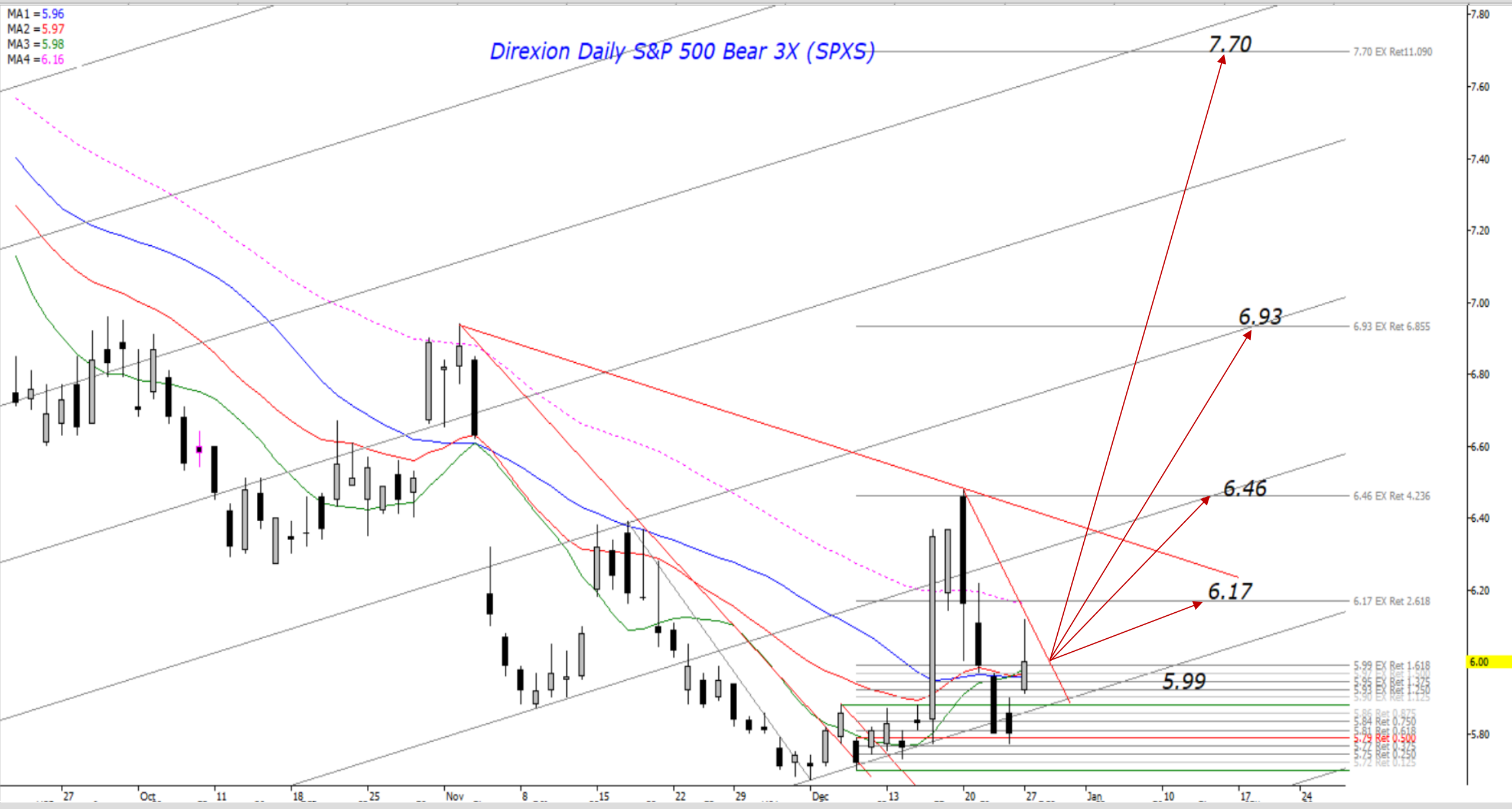
Buy candidate: Direxion Daily S&P 500 Bear 3X (SPXS)

- *Portfolio: Short the S&P 500. This trade is designed to move 3x the inverse daily performance of the S&P 500 (SPX).*
- *The Direxion Daily S&P 500 Bear 3X (SPXS) trade is designed to take advantage of the next potential move lower in the S&P 500 (SPX) to Fibonacci support at 5921.02.*
- *With the mounting distribution, a closing below 5966.12 will put the bears back in control and confirm the next move lower. If that happens, I intend to repurchase the **Direxion S&P 500 Bear 3x (SPXS)** position and capitalize on the next likely move lower.*
- *Wait for text confirmation!*
- *Start position at 2-star(**).*
- *The Up/Down Volume Ratio hit a 20-day high, indicating strong accumulation and higher prices.*
- *Direxion Daily S&P 500 Bear3X (SPXS) closed at 6.00.*
- *Direxion Daily S&P 500 Bear 3X (SPXS) VWAP is at 19.46*
- *Sell target price: 1st target is 6.17; 2nd target is 6.46; 3rd target is 6.93; 4th target is 7.70.*
- *Stop sell price: Close below 5.79.*

Direxion Daily S&P 500 Bear 3X (SPXS)

MA1 = 5.96
 MA2 = 5.97
 MA3 = 5.98
 MA4 = 6.16

Direxion Daily S&P 500 Bear 3X (SPXS)



5.96	0.000	1.618
5.97	0.000	1.375
5.98	0.000	1.250
5.99	0.000	1.125
6.00	0.000	1.000
6.01	0.000	0.875
6.02	0.000	0.750
6.03	0.000	0.625
6.04	0.000	0.500
6.05	0.000	0.375
6.06	0.000	0.250
6.07	0.000	0.125

Russell 2000 (IWM) Update

*I continue to see massive distribution and relative weakness in the **Russell 2000 (IWM)**. Before the Wednesday, December 18, enormous market plunge, IWM had added five distribution days in 20 sessions, signaling that a selloff was probable. Friday's selloff added another, bringing the total to six. Five or more is typically enough to indicate a potential market top.*

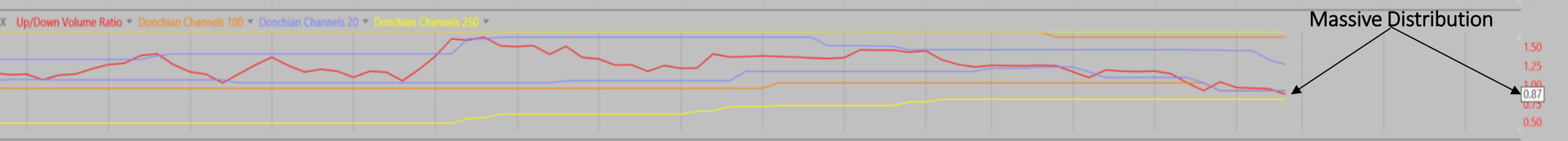
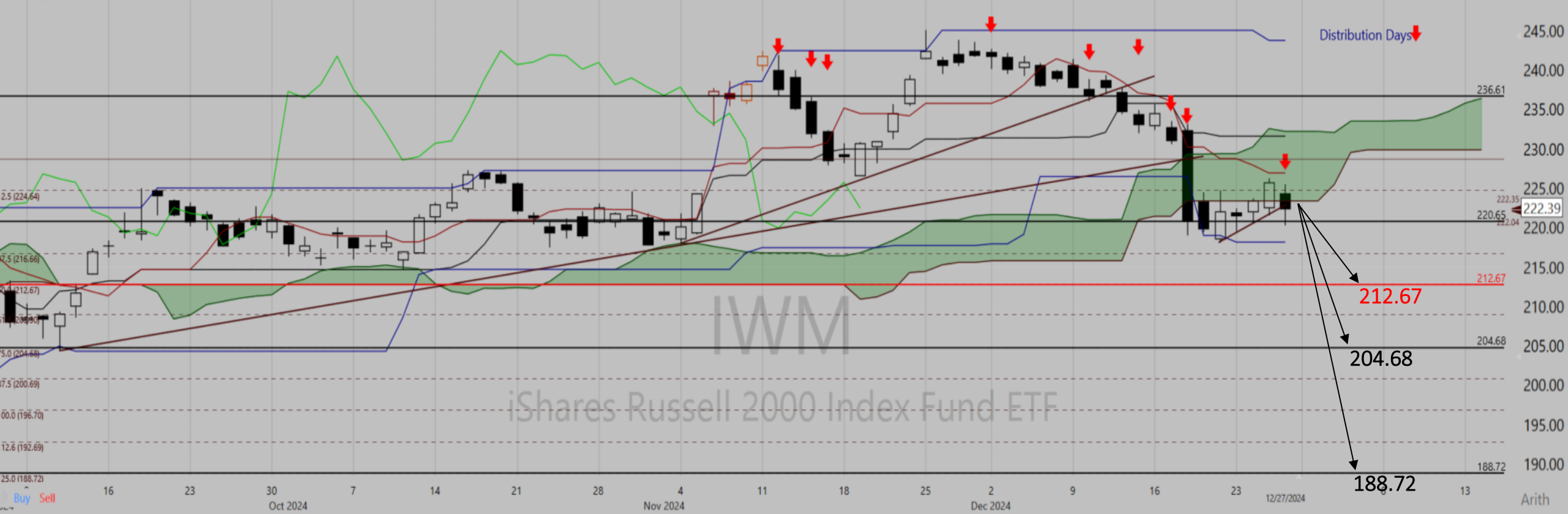
After Wednesday's drop, which gave the small-caps a price and volume sell signal, IWM held at 220.65 Fibonacci support. But it has been unable to bounce like the other indexes. It has alleviated oversold conditions by moving sideways, underscoring small-caps' relative weakness.

So far, any attempt at a bounce has found significant resistance at the Ichimoku cloud. While moving sideways, the up/down volume ratio has been approaching 52-week lows, highlighting mounting distribution and pointing to another drop.

*The inability to bounce and significant relative weakness have put the Russell 2000 (IWM) on my radar as a potential short. Friday's selloff managed to once again hold at 220.65 Fibonacci support. Closing below the critical Fibonacci support at 220.65 will likely trigger the next move lower. Once I get confirmation, I intend to short the index using the **Direxion Small Cap Bear 3x (TZA)**.*

Russell 2000 (IWM)

IWM Daily ▾ Ichimoku Cloud ▾ Donchian Channels 20 ▾



Russell 2000 (IWM)



Buy candidate: Direxion Small Cap Bear 3X (TZA)

• *Portfolio: Short the Russell 2000. This trade is designed to move 3x the inverse daily performance of the Russell 2000 (IWM).*

• *The Direxion Small Cap Bear 3X (TZA) completed a Spread Double Top Breakout at 12.50 on the Point & Figure chart. TZA is under massive accumulation highlighted by the up/down volume ratio hitting 52-week highs.*

• *The Direxion Small Cap Bear 3X (TZA) will Confirm a Buy with a close above Fibonacci resistance at 12.92.*

Wait for text confirmation!

• *Start position at 2-star(**).*

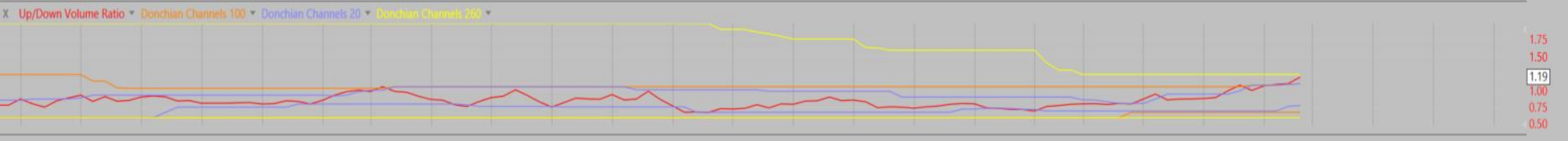
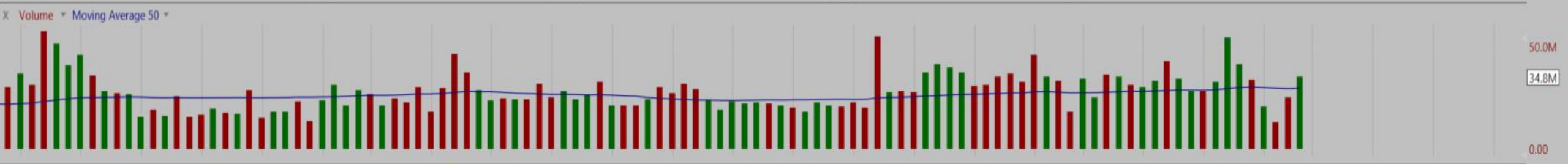
• *Direxion Small Cap Bear 3X (TZA) closed at 12.72.*

• *Direxion Small Cap Bear 3X (TZA) VWAP is at 32.29*

• *The Fibonacci sell targets: 1st target 13.47; 2nd target 13.88; 3rd target is 15.72; 4th target is 16.49; 5th target is 19.35.*

Stop sell price: Close below 11.62.

Direxion Small Cap Bear 3X (TZA)



Direxion Small Cap Bear 3X (TZA)



Semiconductor Industry Group Update

The **semiconductor group** has demonstrated relative strength since the December 13 buy signal and is attempting to break out of a well-formed cup-with-handle base. However, a potential breakout shows risk as the group revealed it is under distribution for the first time since the July-August selloff. Even though the group's up/down volume indicator has slipped to a distribution reading of .98, a few stocks in the semi-group show powerful buy volume.

I purchased **Arteris (AIP)** and **SkyWater Technology (SKYT)** on Thursday as they confirmed their next move. However, risk management indicates that the position size should remain small, with distribution showing up in the semiconductor group.

On Tuesday, **Arteris (AIP)** was completing a high handle to a base that started in May. Yesterday's handle completion sent the stock to new highs on 2x average volume. The up/down volume indicator at 52-week highs validates the move to significantly higher levels.

A point & figure spread catapult formation that started in 2022 is completing above the bearish resistance line. The incredibly bullish formation also points to persistently higher prices.

Purchasing **SkyWater Technology (SKYT)** was Thursday's second confirmation from the semiconductor group that substantiated the group's underlying strength. SkyWater (SKYT) broke out of its base a week and a half ago. The first impulse move out of the base that started in March took the shares to highly overbought conditions on the biggest volume since its IPO in 2022.

After alleviating its overbought conditions SKYT confirmed on volume 71% above average. Accumulation has been at its highest since July 2022, indicating significantly higher levels.

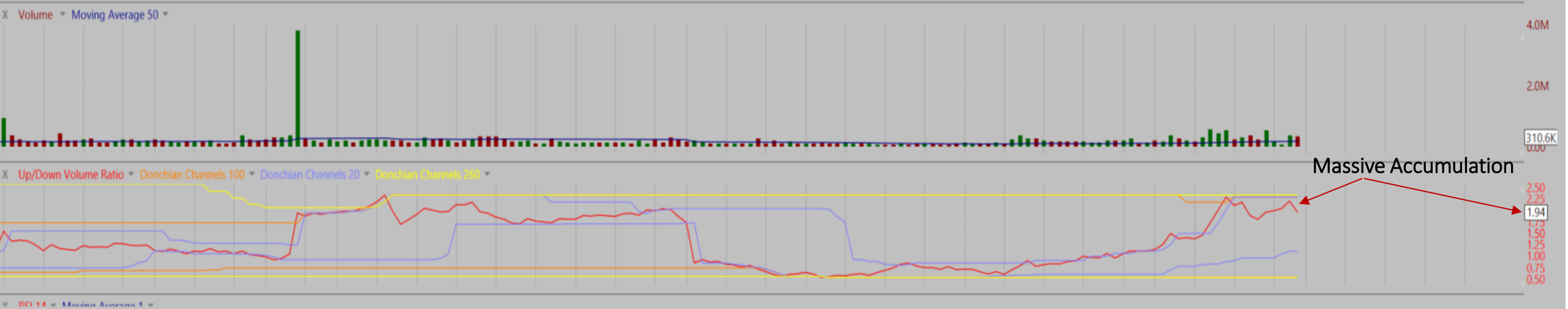
Semiconductor Industry Group



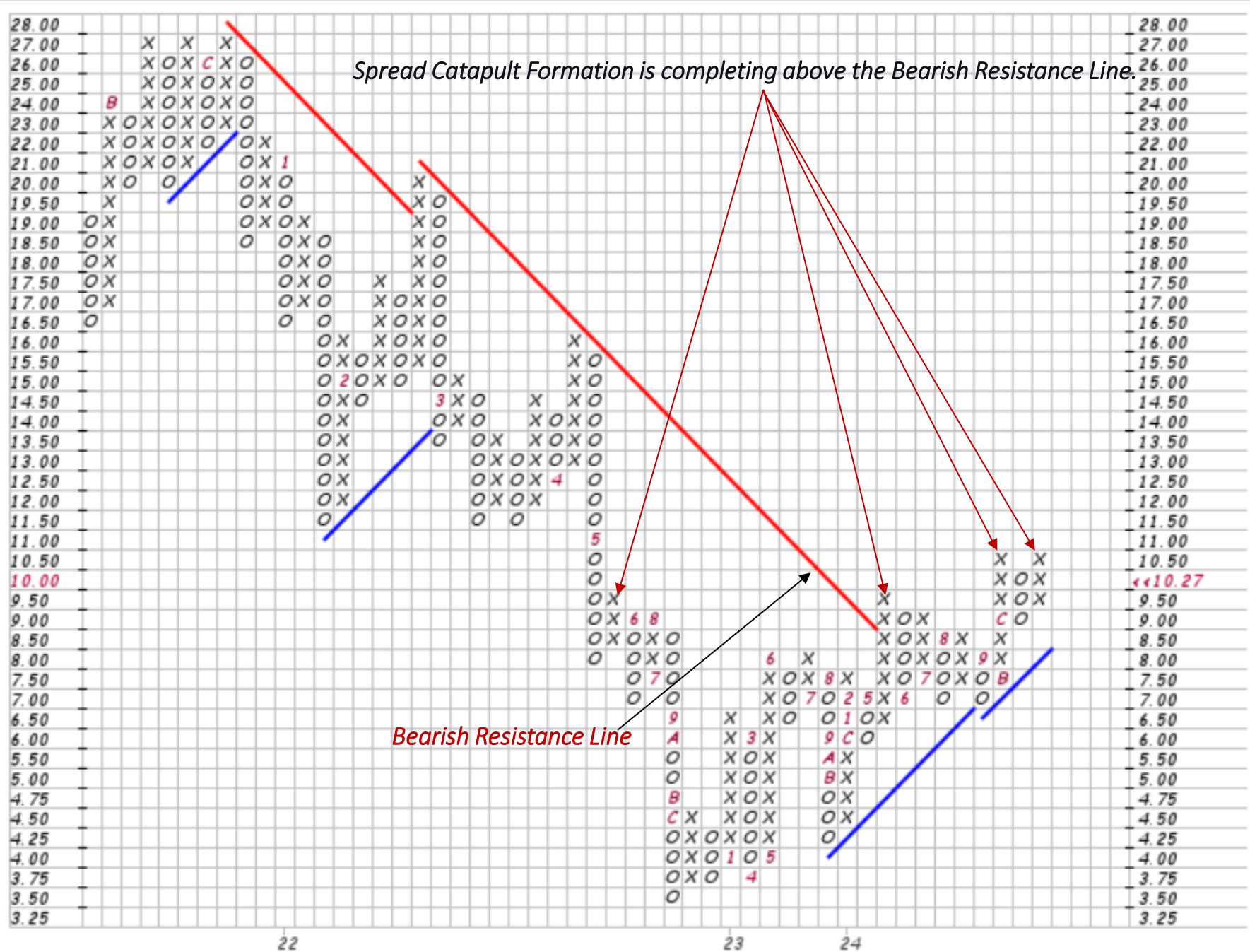
Confirmed Buy: Arteris (AIP)

- *Industry Group: Electronic Semiconductor Fabless: The Semiconductor industry group gave a buy signal on December 13.*
- *Arteris (AIP) develops Network-on-Chip (NoC) semiconductor intellectual property deployment technology.*
- *Arteris (AIP) completed a high handle to an eight-month base, sending the stock to new highs on 2x average volume. The up/down volume indicator at 52-week highs validates the move to significantly higher levels. A point & figure spread catapult formation that started in 2022 is completing above the bearish resistance line. The incredibly bullish formation also points to persistently higher prices*
- **Position Started at 1 star.**
- **Arteris (AIP) was purchased at 10.03.**
- *Arteris (AIP) is undergoing significant accumulation, with an Up/Down Volume Ratio of 1.94, hitting 52-week highs.*
- *Arteris (AIP) closed at 10.27.*
- *Arteris (AIP) anchored VWAP is at 8.60.*
- *The Fibonacci sell targets: 1st target 11.34; 2nd target 14.28-14.62; 3rd target is 19.03.*
- *Stop price: Close below 9.52.*

Arteris (AIP)



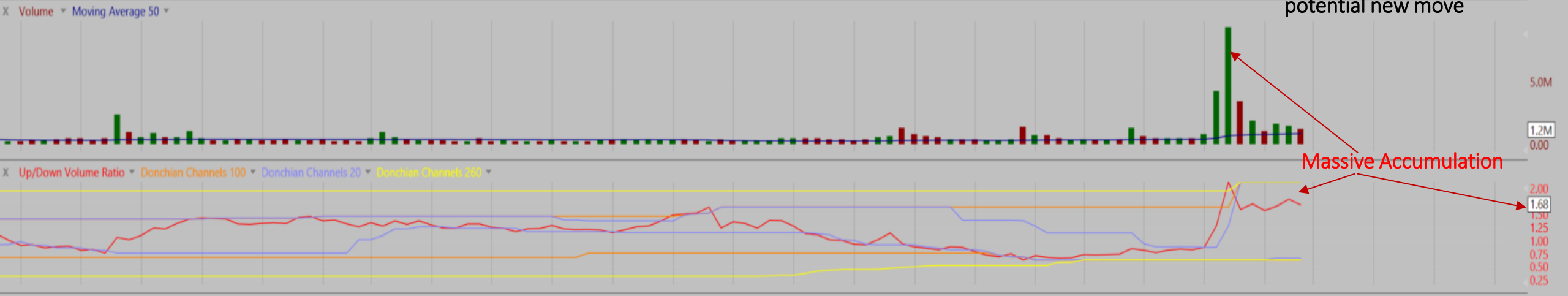
Arteris (AIP)



Confirmed Buy: SkyWater Technology (SKYT)

- *Industry Group: Electronic Semiconductor Manufacturing: The Semiconductor industry group gave a buy signal on December 13.*
- *SkyWater Technology (SKYT) technology as a service business model streamlines the path to production with development services and volume manufacturing.*
- *SkyWater Technology (SKYT) broke out of its base a week and a half ago. The first impulse move out of the base that started in March took the shares to highly overbought conditions on the biggest volume since its IPO in 2022. After alleviating its overbought conditions SKYT confirmed on volume 71% above average. Accumulation has been at its highest since July 2022, indicating significantly higher levels. An Ichimoku cloud twist on Monday indicates the potential start of SKYT's next move.*
- **Position Started at 1 star.**
- **SkyWater Technology (SKYT) was purchased at 15.51.**
- *SkyWater Technology (SKYT) is undergoing significant accumulation, with an Up/Down Volume Ratio of 1.68, hitting 52-week highs.*
- *SkyWater Technology (SKYT) closed at 14.91.*
- *SkyWater Technology (SKYT) anchored VWAP is at 12.91.*
- *The Fibonacci sell targets: 1st target 17.25-17.76; 2nd target 20.75; 3rd target is 23.32; 4th target is 24.98-25.20.*
- *Stop price: Close below 13.76.*

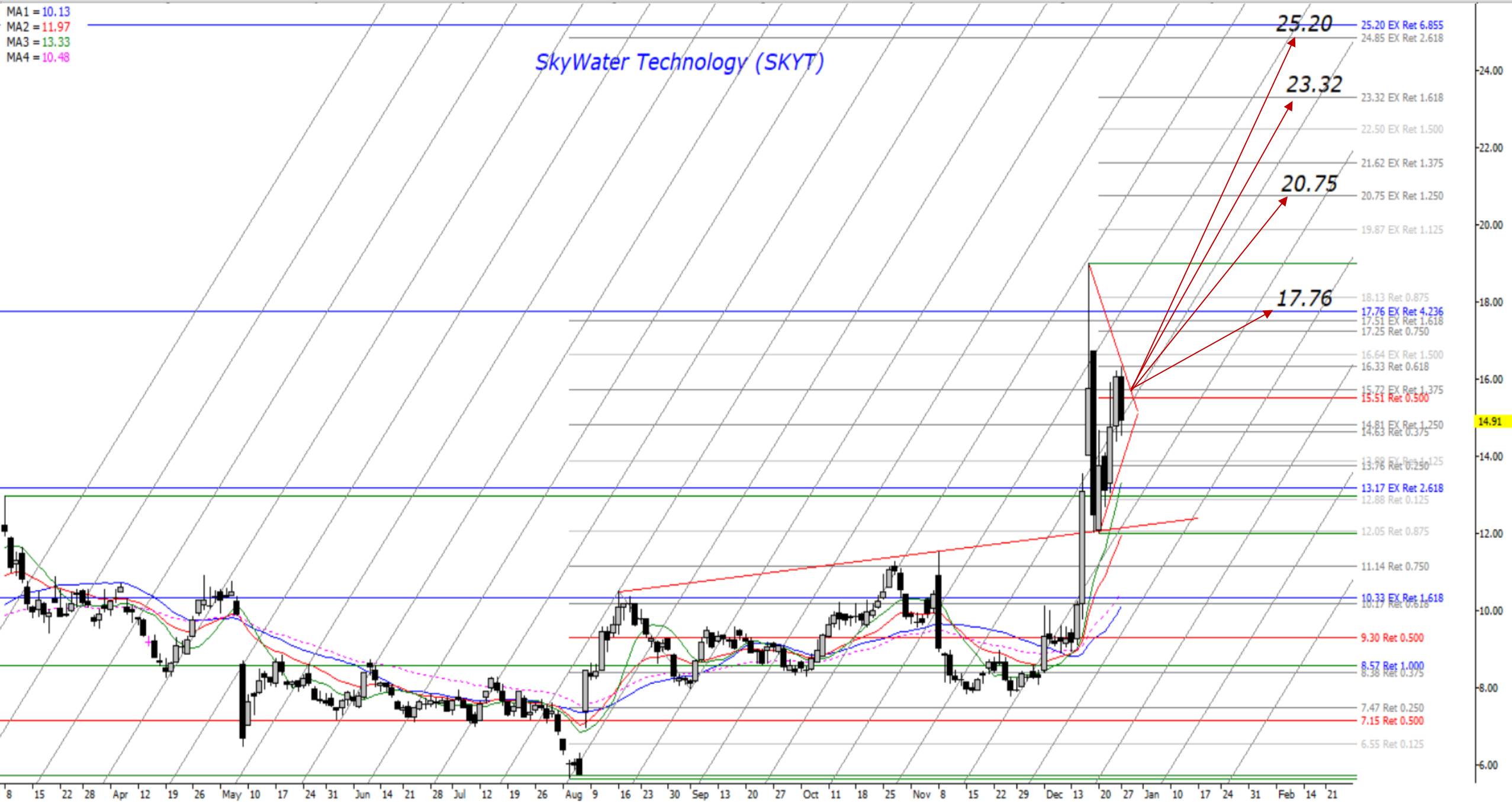
SkyWater Technology (SKYT)



SkyWater Technology (SKYT)

MA1 = 10.13
MA2 = 11.97
MA3 = 13.33
MA4 = 10.48

SkyWater Technology (SKYT)



SkyWater Technology (SKYT)



23

24

Disclaimer

Before using this site, please make sure that you note the following important information:

Do your Own Research

Our content is intended to be used and must be used for informational purposes only. It is very important to do your own analysis before making any investment based on your own personal circumstances. You should take independent financial advice from a professional in connection with, or independently research and verify, any information that you find on our Website and wish to rely upon, whether for the purpose of making an investment decision or otherwise.

The content of this email is confidential and intended only for the recipient specified in the message. It is strictly forbidden to share any part of this message with any third party without the written consent of the sender. If you received this message by mistake, please reply to this message and follow with its deletion so that we can ensure such a mistake does not occur in the future.



The results do not represent the performance of all selections made by the Trading Floor Research (TFR) newsletter.

We look for investment resources and inform you of these resources, which you may choose to use in making your own investment decisions. **Past performance is no guarantee of future results. Inherent in any investment is the potential for loss.** This material is being provided for informational purposes only, and nothing herein constitutes investment, legal, accounting, or tax advice or a recommendation to buy, sell, or hold a security. No recommendation or advice is given on whether any investment is suitable for a particular investor. It should not be assumed that any investments in securities, companies, sectors, or markets identified and described were or will be profitable. All information is current as of the date herein and is subject to change without notice.