



TFR

# Trading Floor Research

Welcome to the  
— Trading Floor —

10/29/23



This Trading Floor Research report contains:

S&P 500 Update

Russell 2000 (IWM) Update

MicroStrategy (MSTR)

Still Setting up:

2X Long VIX Futures ETF (UVIX)

## Russell 2000 (IWM) Update

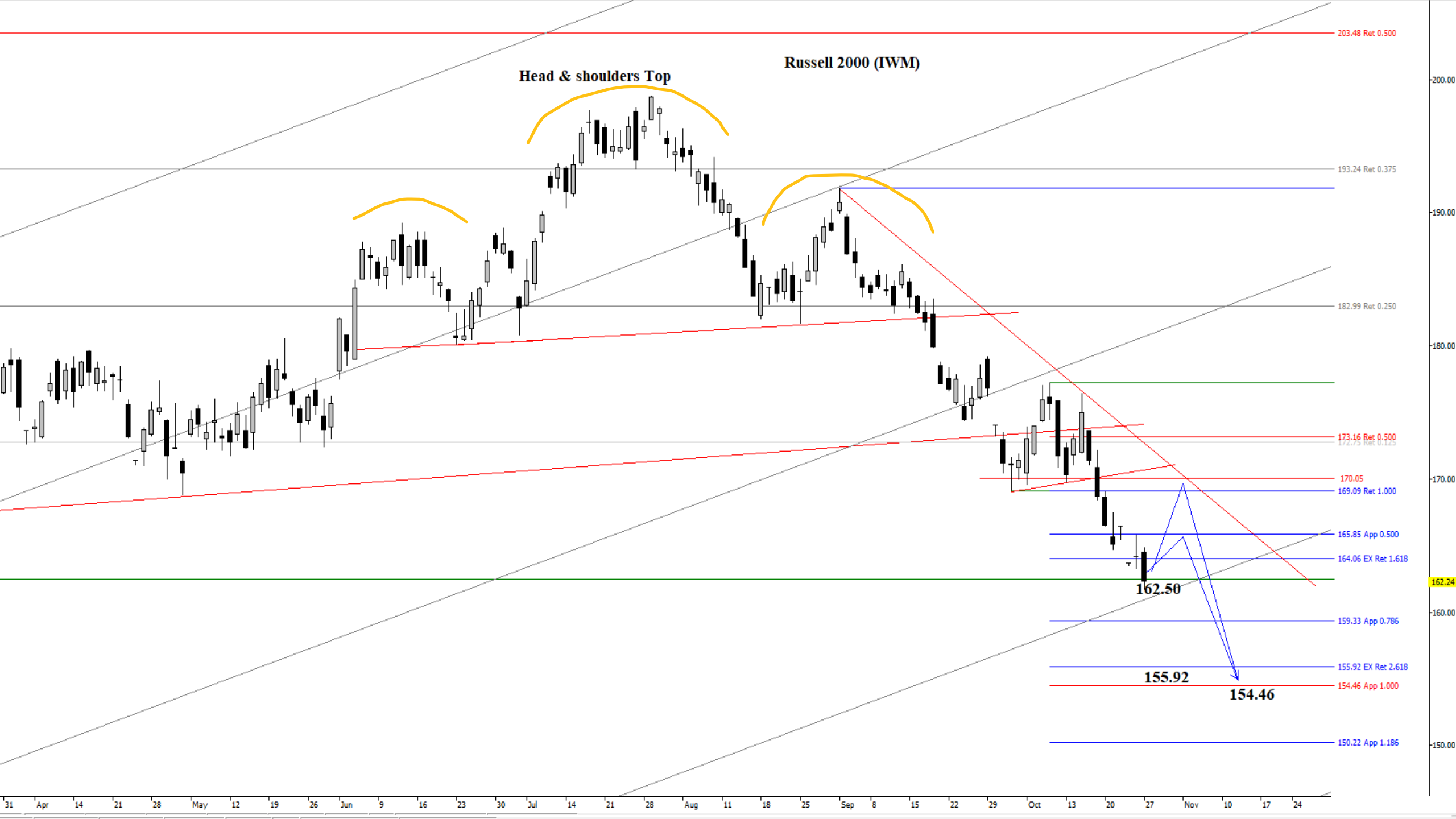
*In last week's newsletter, I saw last Friday's **Russell 2000 (IWM)** close below 170.08 as the most significant close on the four-year chart. I stated, "A weekly close below 170.08 should be considered a very bearish development as 170.08 is 50% of the distance from the March 2020 Covid crash low to the November 2021 high."*

After shaking off the oversold conditions and holding above Ichimoku cloud support at 165.11 for a couple of days, the Russell 2000 continued to crumble to my first Fibonacci downside target between 162.50 and 161.01.

The Russell 2000 is again oversold and could bounce from Fibonacci support between 162.50 and 161.01. Any bounce will find resistance at the Ichimoku cloud of 165.11. If the Russell 2000 can close above 165.11, it could challenge the significant 170.08 Fibonacci resistance.

A close below 161.01 will send the index lower to the following Fibonacci target range of 155.92-154.46.

*Moving higher to the 170.08 Fibonacci target will be another great place to purchase the **Direxion Small Cap Bear 3X (TZA)** position.*





## S&P 500 Update

The **S&P 500** decline closed slightly below my Fibonacci target range between 4155.10 and 4121.81. Closing slightly below the symmetrical staircase move I had outlined in previous newsletters still allows for a bounce.

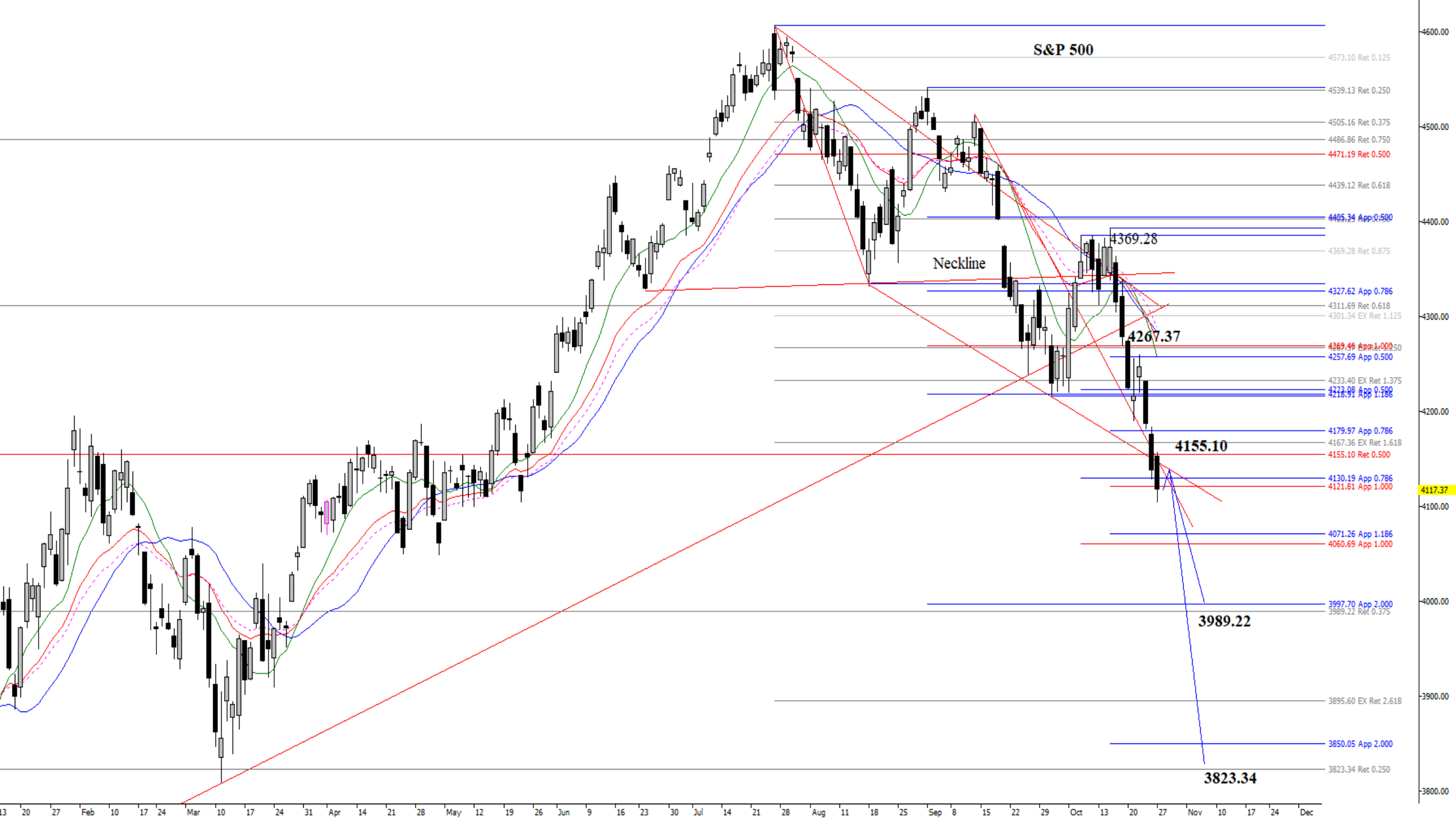
But the big obstacle for any rally attempt is Friday's weekly close below 4155.10. The bulls rechallenged this critical number a few times on Friday but failed to close above 4155.10 for a second day.

I can't stress enough the significance of 4155.10. It marks 50% of the bear market range from the January 2022 high to the October 2022 low and is the most decisive number of the 21-month price range. The bulls should not have given 4155.10 up as quickly as they did. The inability of the S&P 500 to close above the substantial number indicates further market weakness.

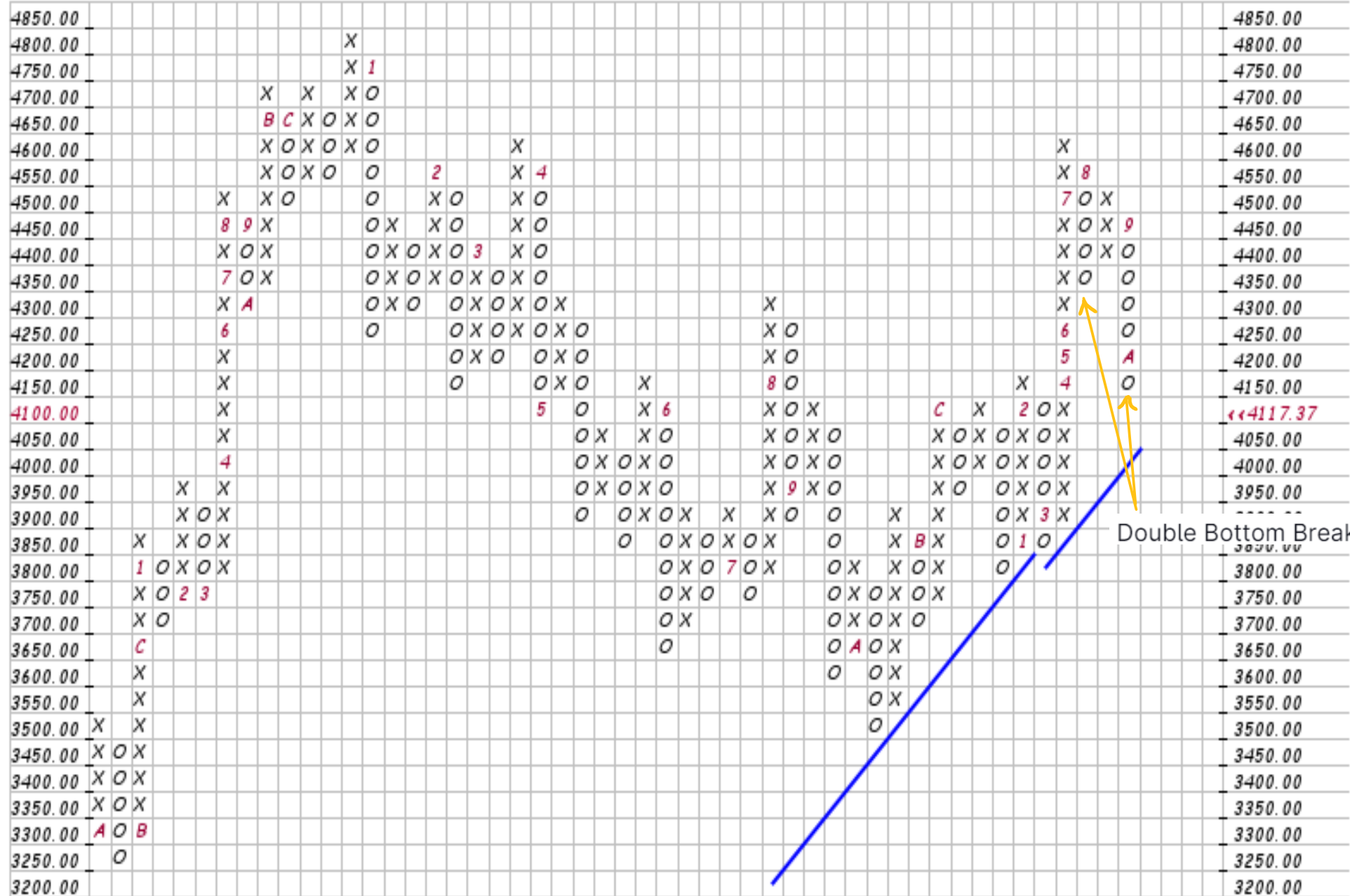
The symmetrical staircase lower to 4121.81 is complete, and the market is oversold. If the S&P 500 can close back above 4155.10, it will lead to a nice bounce. But the longer the S&P 500 stays below 4155.10, it will forecast a market that could move considerably lower from here.

Continuing to move lower than the staircase low of 4121.81 will also be very predictive. Until now, the market has seen an orderly decline. Part of the orderliness comes from the symmetrical staircases lower. Continued price expansion below 4121.81 will break the symmetry and point to a market that can come apart very quickly.

The **CBOE Volatility Index (VIX)** would spike, and fear would become the overriding force. Again, I highlight the **2X Long VIX Futures (UVIX)** trade in this week's newsletter to take advantage of a potential VIX expansion.



# S&P 500



Double Bottom Breakdown  
/n

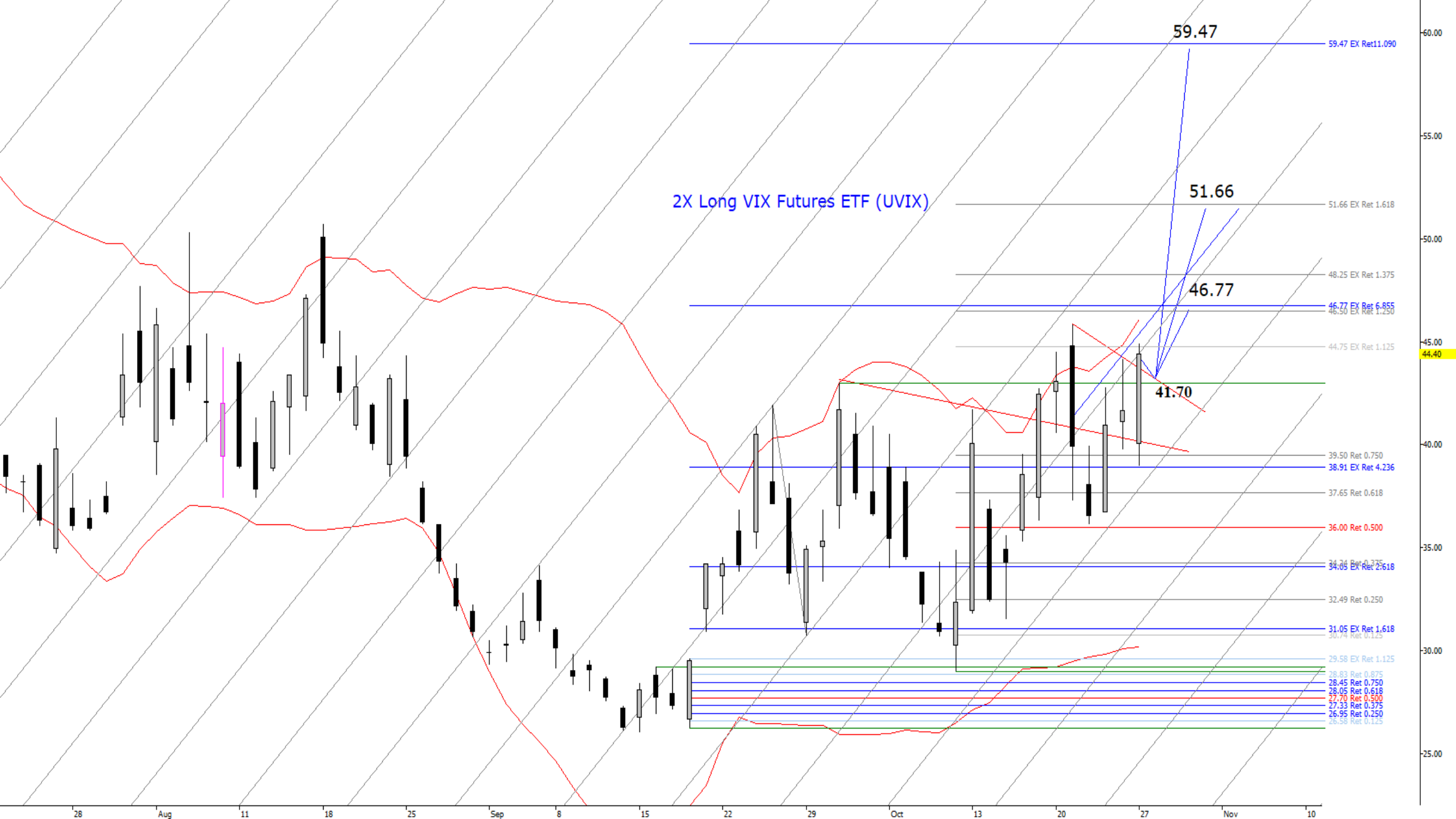




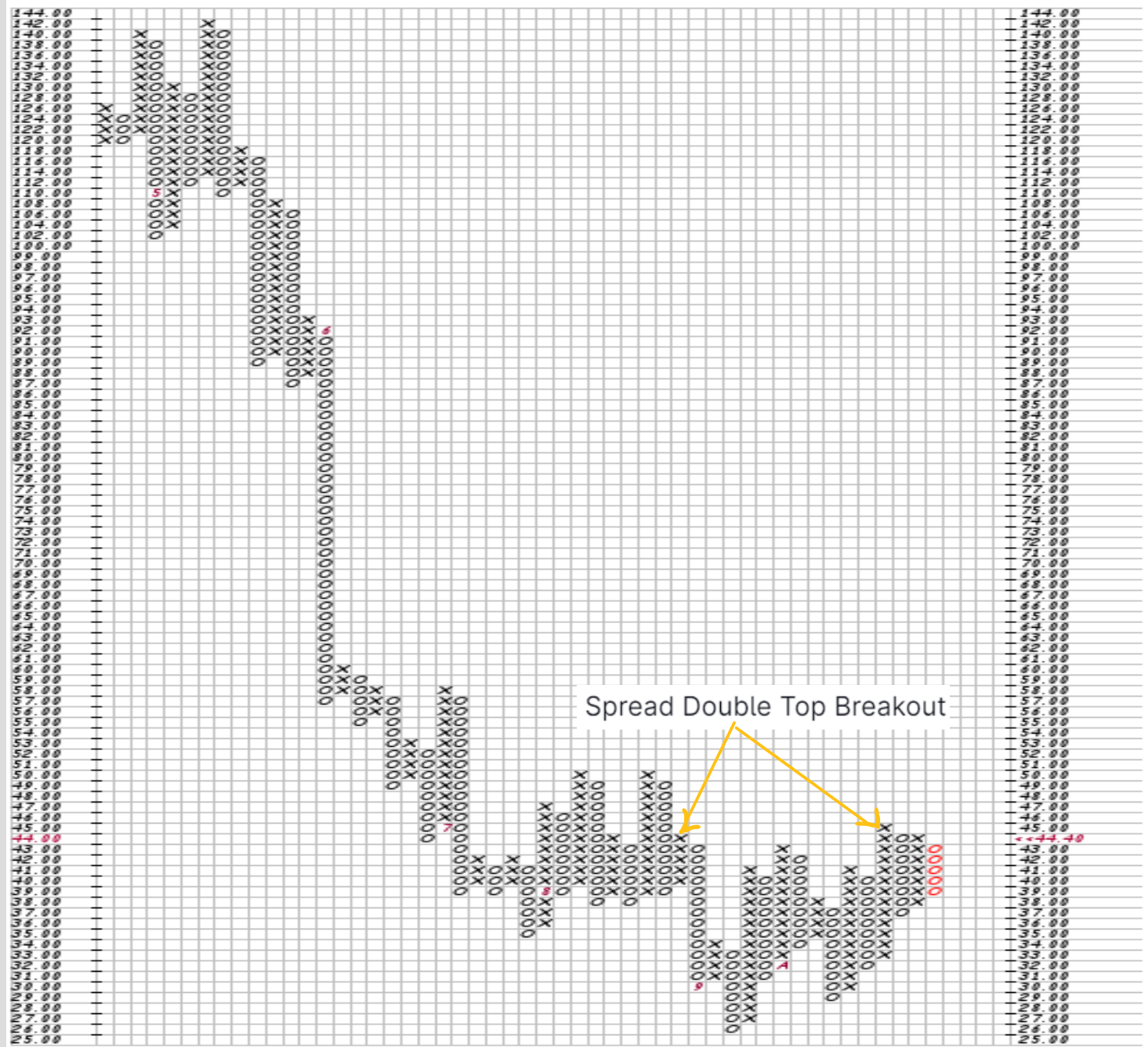
## Buy candidate: 2X Long VIX Futures ETF (UVIX)

- *Portfolio: VIX Short-term Futures Index.* This ETF corresponds to the move in 2x the S&P VIX Short-Term Futures Index.
- *2X Long VIX Futures ETF (UVIX) trade is designed to expand when the VIX Short-term Futures contract moves higher. The Up/Down Volume ratio making a 100-day high is pointing to the imminent expansion of UVIX.*
- *2X Long VIX Futures ETF (UVIX) will Confirm with a pullback to Fibonacci support at 41.79 and a 30-minute buy signal.*
- *Wait for text confirmation!*
- *Start position at 1-star(\*).*
- *Up/Down Volume Ratio on 2X Long VIX Futures ETF (UVIX) hit 1.23 as it hit a 100-day high.*
  
- *ProShares VIX Short-term Futures ETF (VIXY) closed at 44.38.*
  
- *ProShares VIX Short-term Futures ETF (VIXY) VWAP is at 40.50.*
  
- *Sell target price: 1<sup>st</sup> target is 46.77; 2<sup>nd</sup> target is 51.66; 3<sup>rd</sup> target is 59.47.*

*Stop sell price: Close below 38.91.*

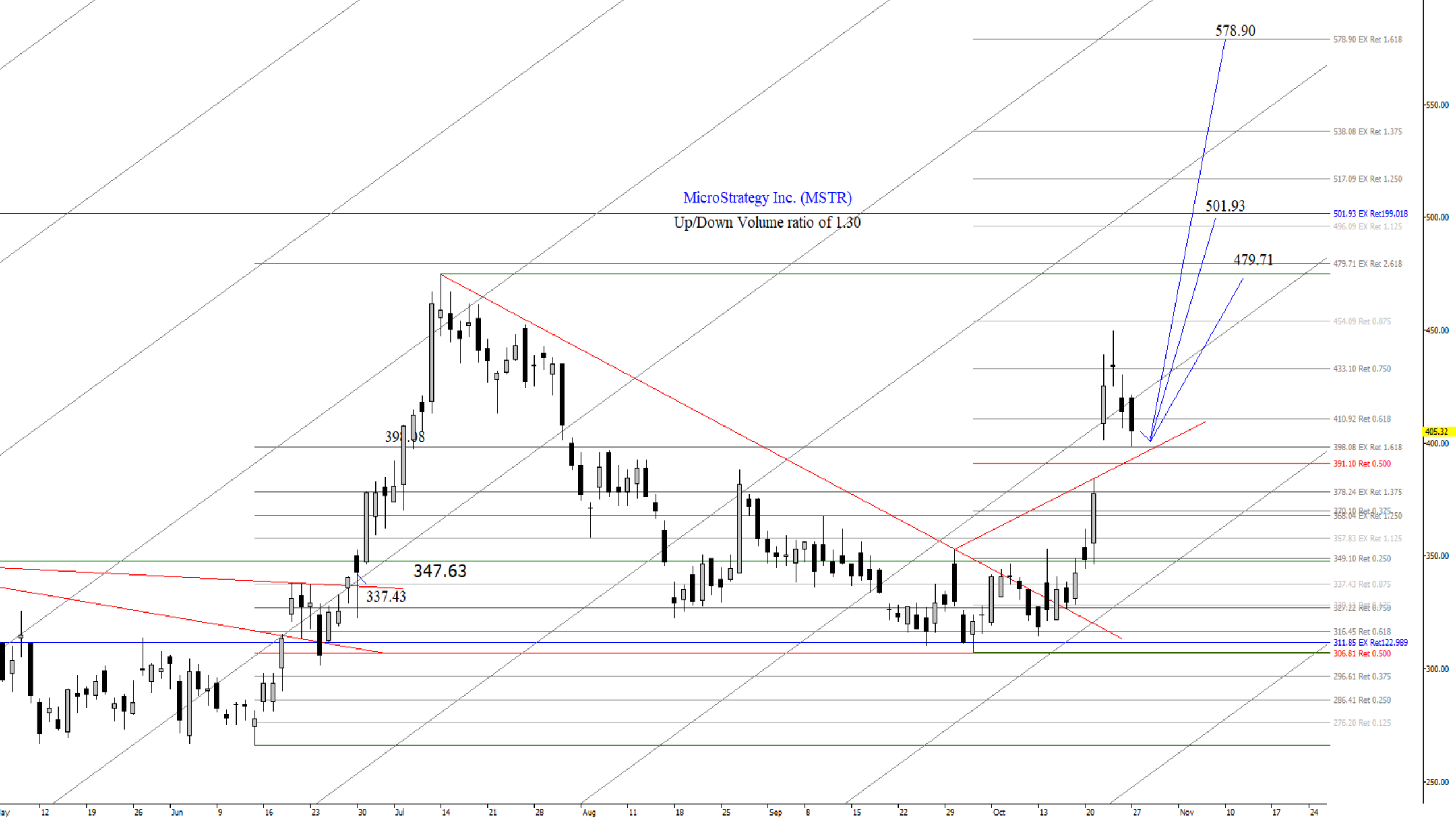


# 2X Long VIX Futures ETF (UVIX)

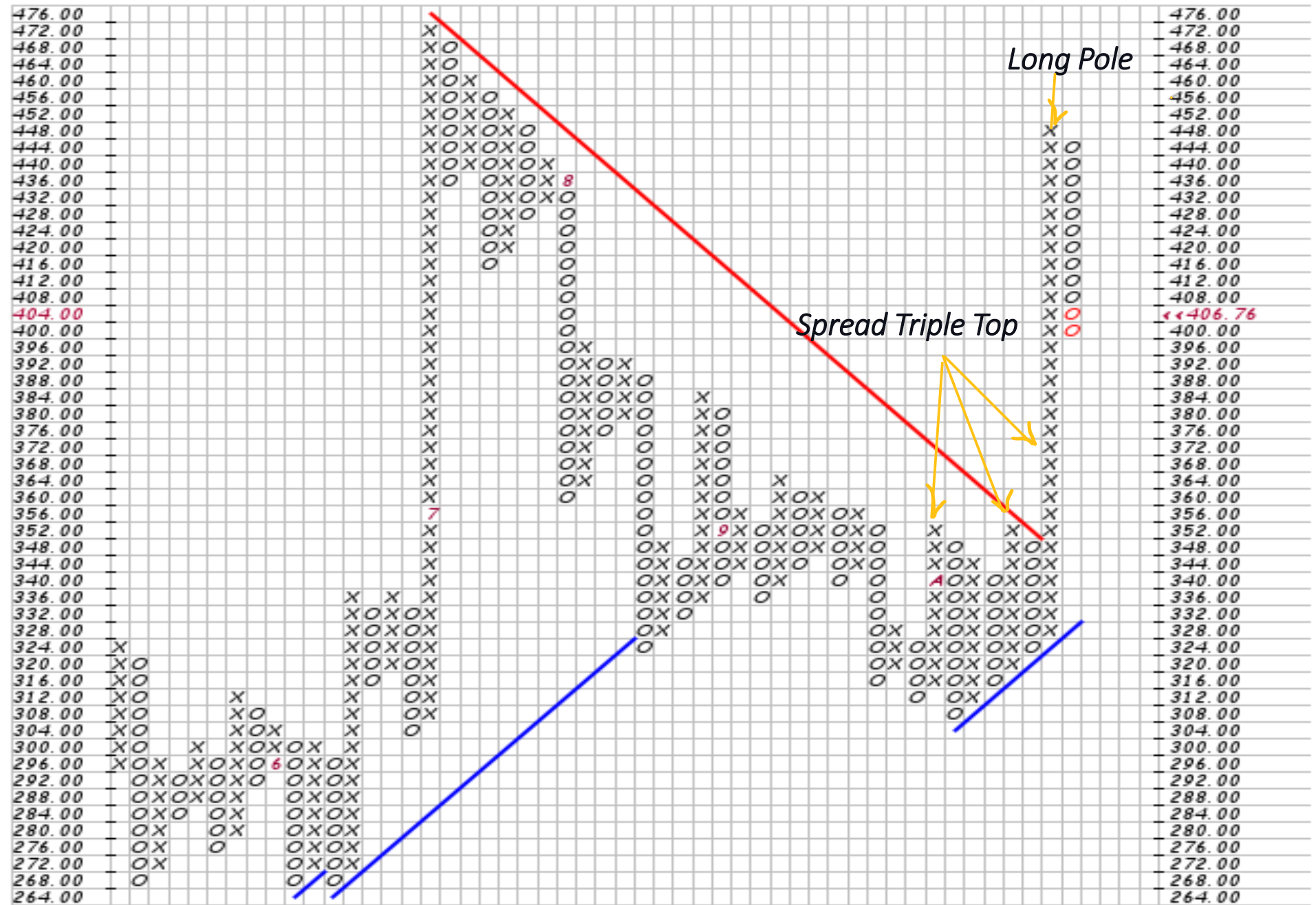


### Buy candidate: MicroStrategy Inc. (MSTR)

- *Industry Group: **Computer Software Database**. The Computer Software Database industry group ranks 12<sup>th</sup> out of 197 and is up 49.43% YTD. The group is in a sell signal, but **MicroStrategy Inc. (MSTR)** is moving higher on the price advance of Bitcoin.*
- ***MicroStrategy Inc. (MSTR)** owns 158,245 bitcoins and holds more bitcoins than any other public company.*
- ***MicroStrategy Inc. (MSTR)** pulls back from a long pole after completing a **Spread Triple Top** breakout pattern above the descending bear resistance line on the Point & Figure Chart. It also completes the handle of a cup-with-handle base that started in July.*
- *MicroStrategy Inc. (MSTR) tested Ichimoku cloud support at 398.34 on Friday. I am anticipating confirmation in the next few days.*
- *Wait for text confirmation!*
- *MicroStrategy Inc. (MSTR) confirmed at 10.28.*
- *Start position at 2-stars\*\**
- *MicroStrategy Inc. (MSTR) is under accumulation with an **Up/Down Volume Ratio** of 1.30, making a 20-day high.*
- *MicroStrategy Inc. (MSTR) closed at 408.90.*
  
- *MicroStrategy Inc. (MSTR) Anchored VWAP is at 391.18.*
- *Fibonacci target prices: 1st target is 10.87; 2nd target is 14.72; 3<sup>rd</sup> target is 19.14.*
- *Stop price: Close below 8.48.*



# MicroStrategy Inc. (MSTR)





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<sup>1</sup>The results are not (or may not be) representative of the performance of all selections made by 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 being given as to 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 of herein and is subject to change without notice.





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