



TFR

# Trading Floor Research

Welcome to the  
— Trading Floor —

07/14/24



This Trading Floor Research report contains:

S&P 500 Update

Russell 2000 Update

SelectQuote Inc. (SLQT)

Brightcove Inc. (BCOV)

The Chef's Warehouse Inc. (CHEF)

## S&P 500 Update

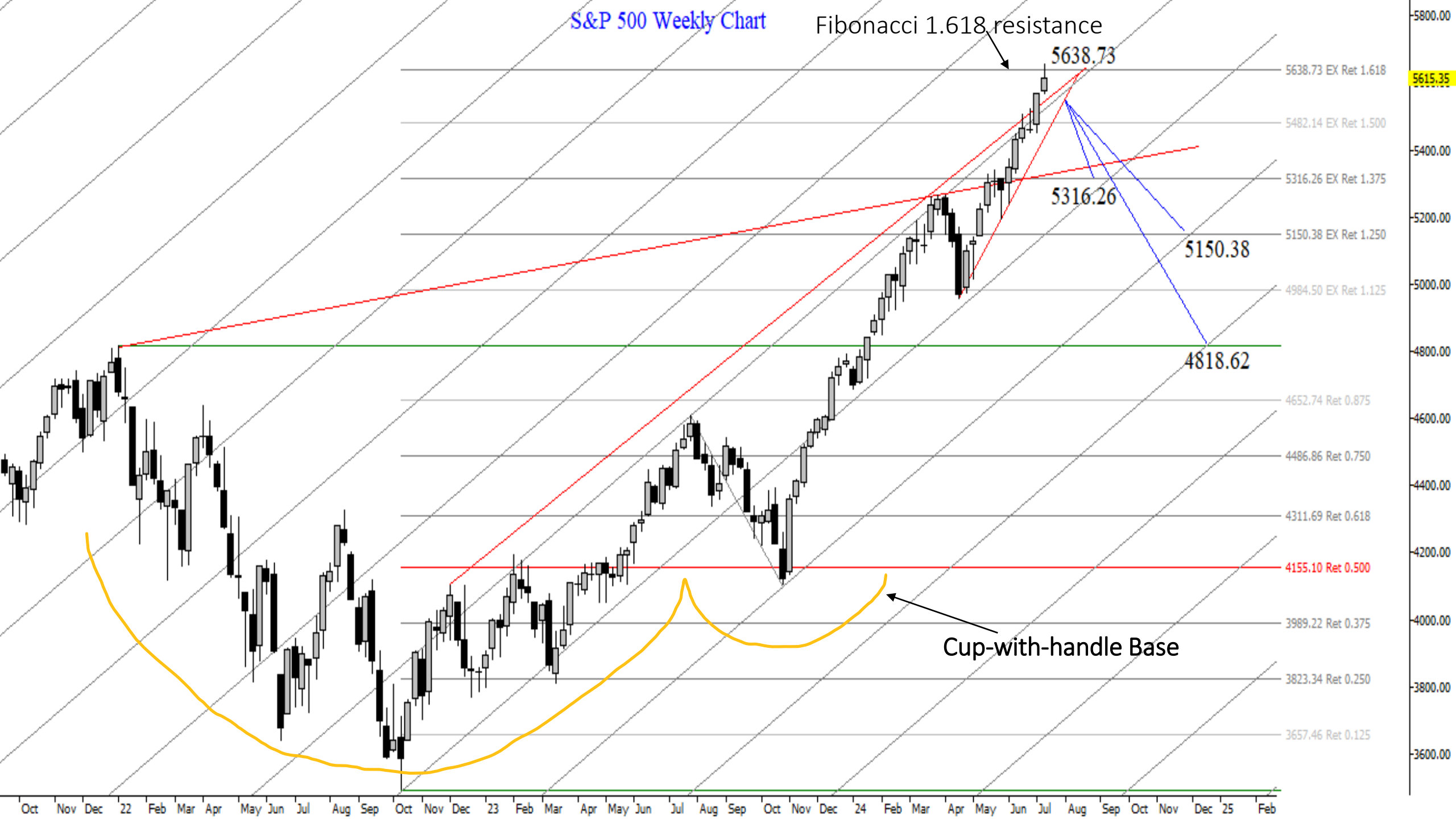
*I sold my **Direxion AAPL Bull 2x Shares (AAPU)** before its next Fibonacci number because of what I saw play out on the **S&P 500**. Thursday, the S&P 500 reversed at its Fibonacci 1.618 expansion from the January-October 2022 range at 5638.73. On Friday, SPX again challenged 5638.73 and traded as high as 5655.56. But in the last half hour, the index collapsed and closed below the critical Fibonacci number at 5615.93.*

*The significance of the 1.618 expansion from the two-year cup-with-handle base can not be overstated. When a reversal occurs at this crucial Fibonacci number, it will often lead to a pullback that will likely retrace to the Fibonacci 1.25 number. The S&P 500 Fibonacci 1.25 number is at 5150.38. Very bullish charts will commonly retrace to the 1.25 number after a reversal at 1.618. A close below 5150.38 will indicate a more bearish scenario.*

*Mega-caps got the S&P 500 to the current level and will likely cause a further decline. That is why I sold the remainder of my AAPU position with a 13.4% gain and intend to avoid mega-caps until the pullback has been completed.*

# S&P 500 Weekly Chart

Fibonacci 1.618 resistance



5638.73

5316.26

5150.38

4818.62

Cup-with-handle Base

5615.35

## Russell 2000 & Sector Update

*Despite the previous struggle, the **Russell 2000 (IWM)** closed above its critical half number from the November 2021 high to the October 2023 low at 203.07 on Wednesday, marking a significant positive turn.*

*This ability to close above a substantial number on Wednesday opened the way for Thursday's explosive rally and **confirmed a buy signal in the Russell 2000**. The last buy signal in small caps was in November 2023 and only lasted three months until the Russell 2000 gave a sell signal and five months of sideways action.*

*Even if this current buy signal lasts only three months, it should offer some great small-cap opportunities, as it did from November to January.*

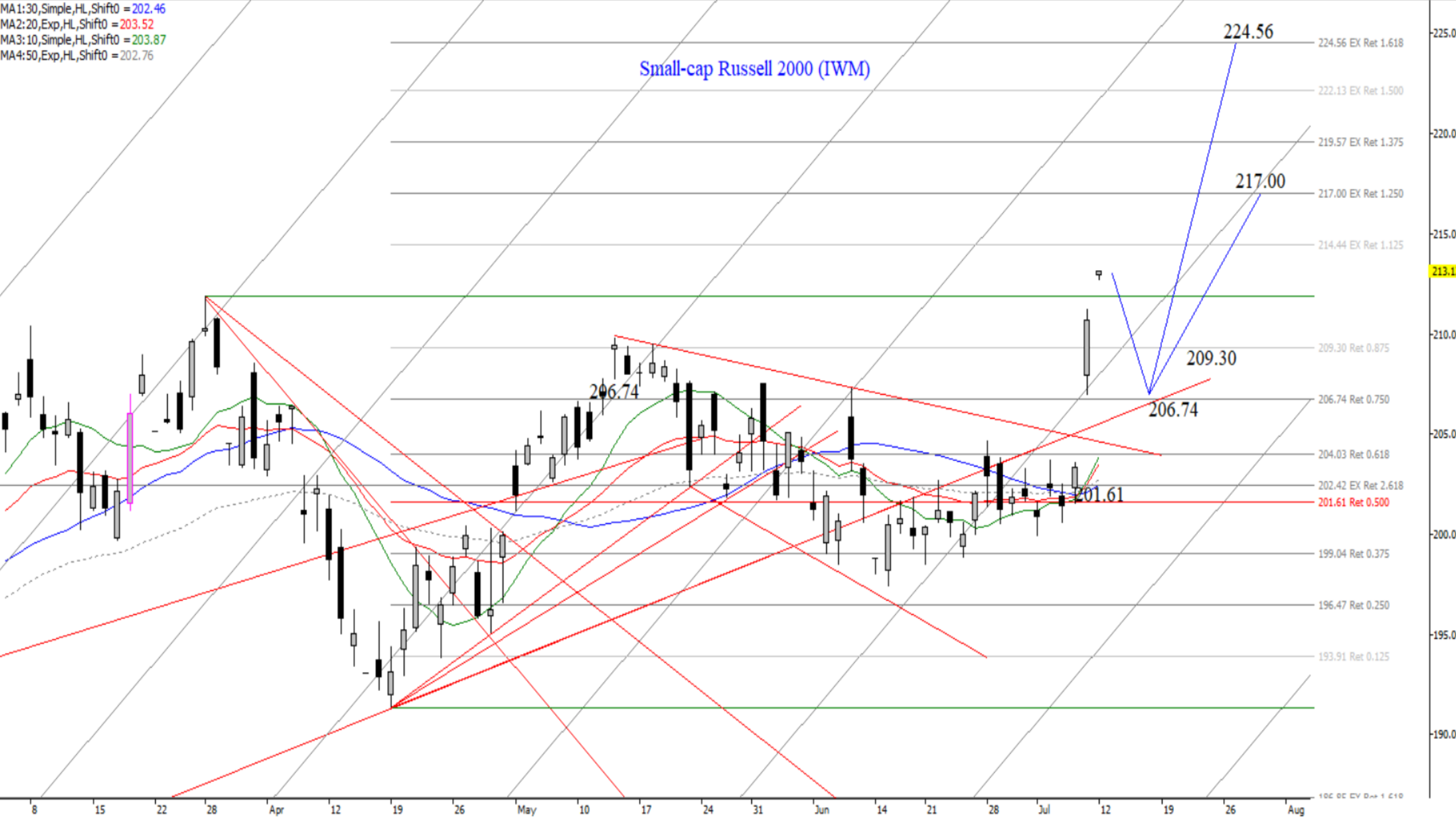
*The Russell 2000 is short-term extended. Likely Fibonacci retracement targets are 209.30 and 206.74.*

Thursday's notable sector buy signals included **Real Estate, Utilities, Financials, and Communication Services**. Wednesday's buy signal in the **Healthcare** sector opened the way for Thursday's **Biotechnology** industry group buy confirmation.

Combining Biotech and small-cap buy signals often indicates a **risk-on** market and many opportunities. With the potential of a mega-cap pullback, this risk-on environment will likely look very different from what we have seen in the past.

MA1:30,Simple,HL,Shift0 = 202.46  
MA2:20,Exp,HL,Shift0 = 203.52  
MA3:10,Simple,HL,Shift0 = 203.87  
MA4:50,Exp,HL,Shift0 = 202.76

### Small-cap Russell 2000 (IWM)



## SelectQuote Inc. (SLQT) & Insurance Brokers Industry Group

The **financial services** sector experienced strong price performance all week and confirmed a new buy on Thursday.

Insurance stocks were the main contributors to the powerful price move in financial services. Although all six insurance industry groups racked up incredible gains, only **the insurance brokers, insurance life, insurance property & casualty, and insurance specialty** confirmed new buy signals.

**Insurance brokers and insurance life** were the only groups in which massive accumulation supported the buy signals.

The insurance brokers industry group's up/down volume ratio has reached unprecedented levels, currently standing at 5.66. This exceptional reading, coupled with the group's breakout from a cup-with-handle base and the phenomenal accumulation, suggests a potential surge in stock prices.

On Wednesday, I purchased **SelectQuote Inc. (SLQT)**, an emerging leader in the group, to capitalize on the move. Confirmation came with above-average volume as the stock broke out of a cup-with-handle base that started in March. Incredible accumulation was highlighted by an up/down volume ratio at 52-week highs and a reading of 2.27.

It's worth noting that the last time SLQT showed similar accumulation and broke out of a base was in February of 2023. Back then, the stock shot up by a staggering +242% in just a month, providing a reference point for potential future gains.

On Thursday, I sold 1/3 of the SLQT position at the first Fibonacci target with an 8.9% gain. On Friday, I sold another 1/3 position at the second Fibonacci target with a 17.2% gain. Because SLQT could move significantly higher, I will reinstate the position with an orderly retracement.

## Buy Confirmed: SelectQuote Inc. (SLQT)

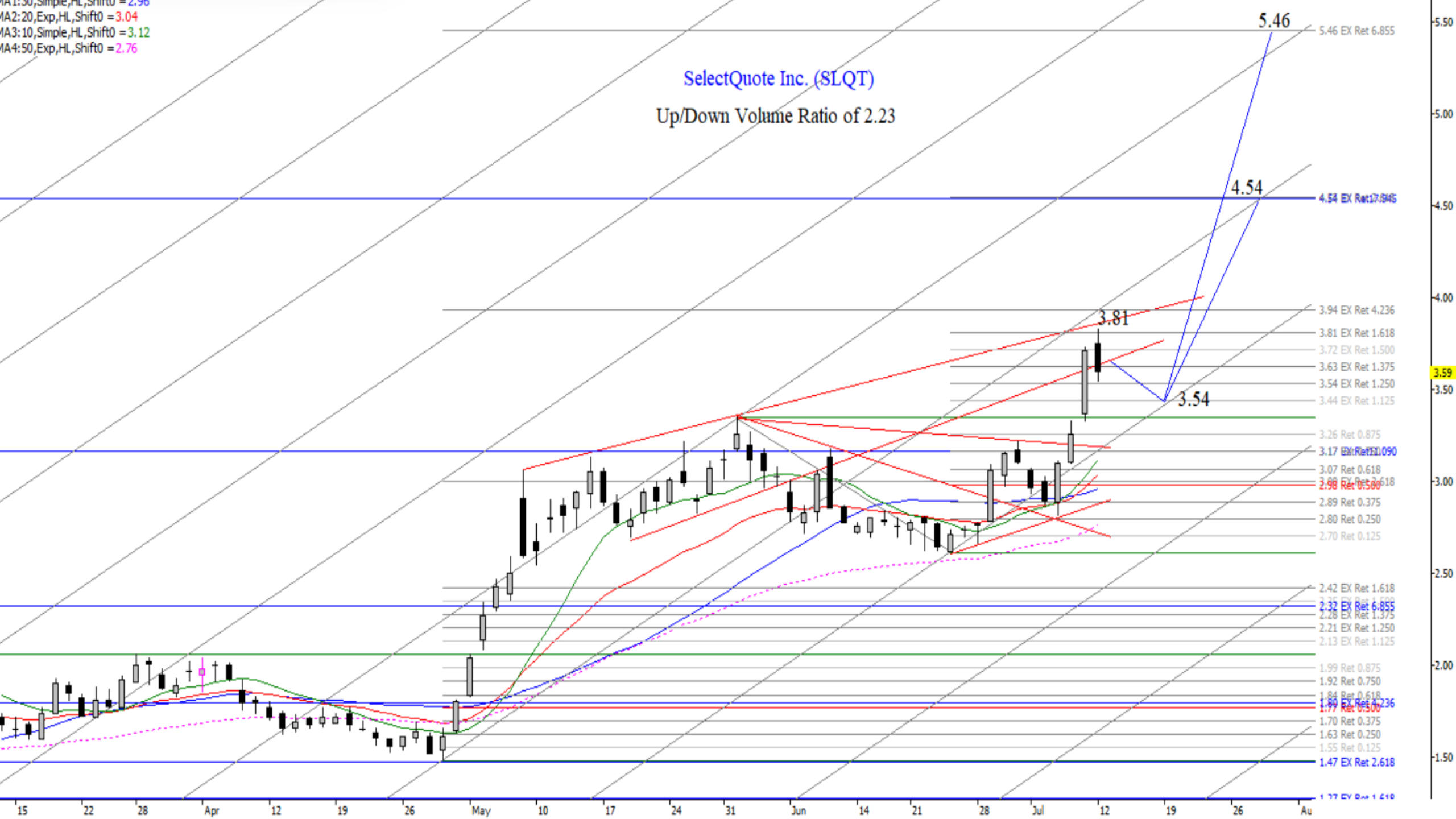
- *Industry Group: Insurance Brokers. The Insurance Brokers Industry Group is up +17.55% YTD.*
- *SelectQuote Inc. (SLQT) brokers insurance products and offers senior health, life, auto, and home insurance policies.*
- *SelectQuote Inc. (SLQT) broke out of a cup-with-handle base that began in March 2023. On Friday, SLQT also broke out of a point-and-figure **Spread Double-Top Breakout** from a **Long Pole Down** formation. The pocket of the long Pole is at 10.00 which indicates significant upside potential.*
- **Position is at 1-star(\*).**
- *SelectQuote Inc. (SLQT) is undergoing significant accumulation, with an Up/Down Volume Ratio of 2.23, after making new 52-week highs.*
- **SelectQuote Inc. (SLQT) closed at 3.61.**
- **SelectQuote Inc. (SLQT) Anchored VWAP is at 9.16.**
- **The Fibonacci sell targets: 1<sup>st</sup> target 3.54; 2<sup>nd</sup> target 3.81; 3<sup>rd</sup> target 3.94; 4<sup>th</sup> target 4.54.**
- **Stop price: Close below 2.98.**



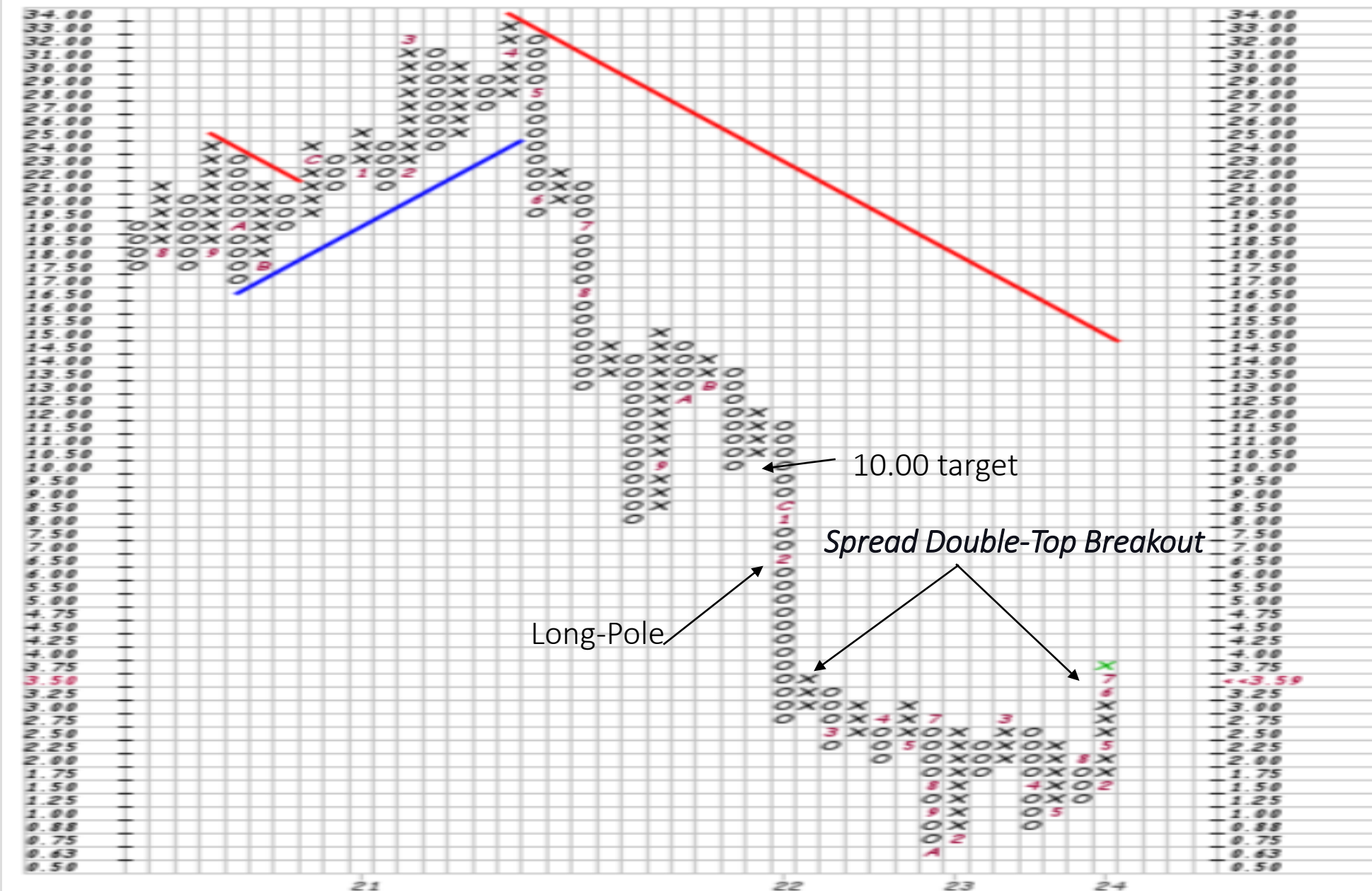
MA: 50, Simple, HL, Shift0 = 2.96  
MA2: 20, Exp, HL, Shift0 = 3.04  
MA3: 10, Simple, HL, Shift0 = 3.12  
MA4: 50, Exp, HL, Shift0 = 2.76

### SelectQuote Inc. (SLQT)

Up/Down Volume Ratio of 2.23



# SelectQuote Inc. (SLQT)

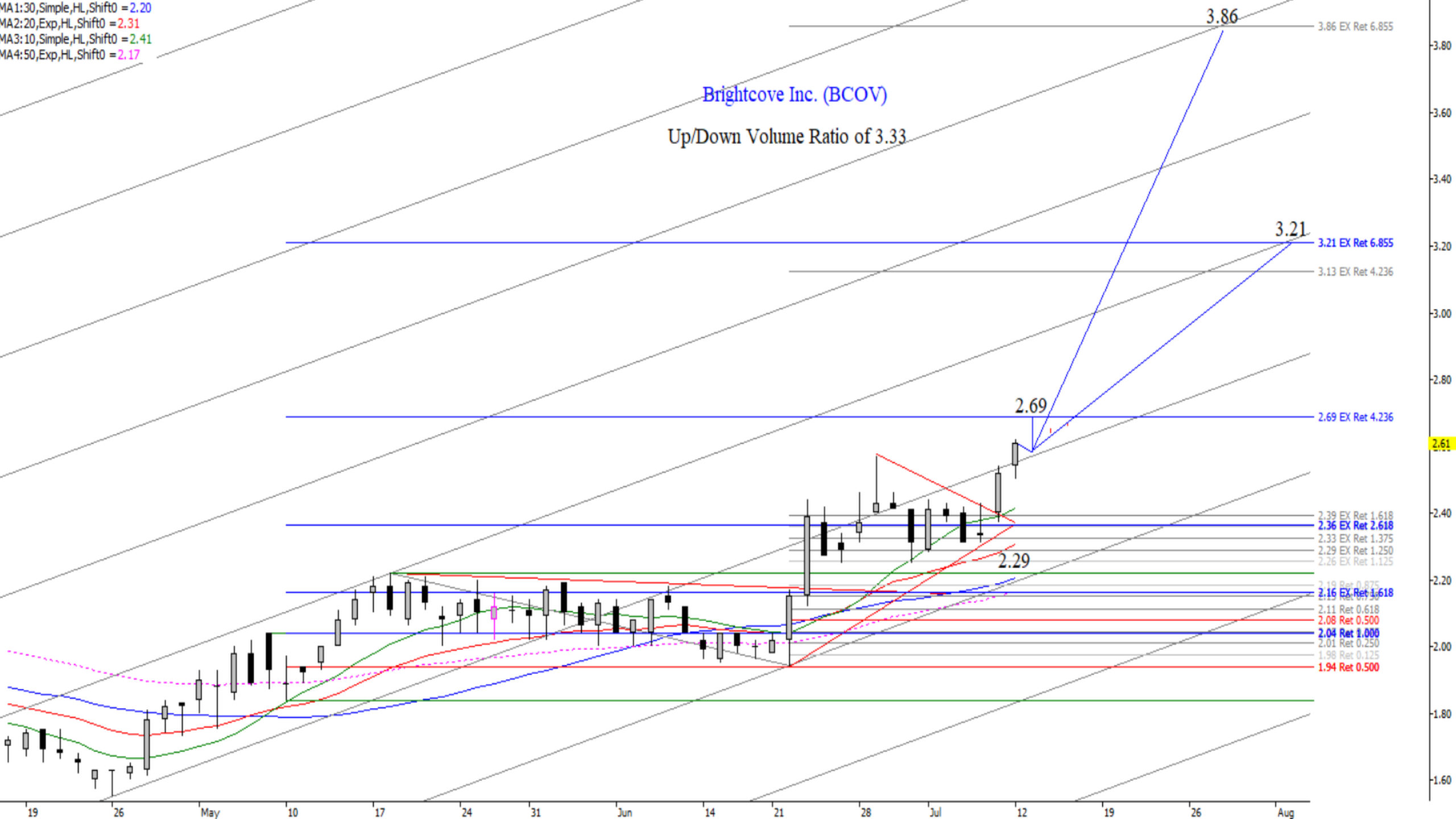


## Buy Confirmed: Brightcove Inc. (BCOV)

- *Industry Group: **Computer Software Application**. The Computer Software Application industry group is up +1.6% YTD.*
- ***Brightcove Inc. (BCOV)** develops cloud-based professional digital media publishing and distribution software.*
- ***Brightcove Inc. (BCOV)** is stepping higher from an all-time low in April. Today, it broke out of its latest box at 2.57. BCOV also completed a three-box reversal from a Long Pole formation that indicates a potential price target at 3.50.*
  
- *Position is at 1-star(\*).*
- ***Brightcove Inc. (BCOV)** is undergoing significant accumulation, with an Up/Down Volume Ratio of 3.33, and making new 52-week highs since June 24.*
- *• **Brightcove Inc. (BCOV)** closed at 2.61.*
- ***Brightcove Inc. (BCOV)** Anchored VWAP is at 9.30.*
  
- ***The Fibonacci sell targets:** 1<sup>st</sup> target 2.69; 2<sup>nd</sup> target 3.21; 3<sup>rd</sup> target 3.86.*
- ***Stop price:** Close below 2.29.*

MA1:30,Simple,HL,Shift0 = 2.20  
MA2:20,Exp,HL,Shift0 = 2.31  
MA3:10,Simple,HL,Shift0 = 2.41  
MA4:50,Exp,HL,Shift0 = 2.17

Brightcove Inc. (BCOV)  
Up/Down Volume Ratio of 3.33



# Brightcove Inc. (BCOV)



## Buy Candidate: The Chef's Warehouse Inc. (CHEF)

- *Industry Group: Food Miscellaneous Preparation. The Food Miscellaneous Preparation industry group is up +2.61% YTD.*
- *The Chef's Warehouse Inc. (CHEF) distributes over 70,000 specialty foods, basic ingredients and staples in the U.S.*
- *The Chef's Warehouse Inc. (CHEF) broke out of its IPO base and had an orderly but deep pullback this week. It is taking additional time to confirm its next move. Once it completes a potential pennant formation, I will purchase shares. Last week, It also completed a Spread Pentagonal Top breakout on the point-and-figure chart.*
- *Wait for text confirmation.*
- *Start position at 1-star(\*).*
  
- *The Chef's Warehouse Inc. (CHEF) is undergoing significant accumulation, with an Up/Down Volume Ratio of 1.62, and is breaking 52-week highs.*
- *The Chef's Warehouse Inc. (CHEF) closed at 41.59.*
- *The Chef's Warehouse Inc. (CHEF) Anchored VWAP is at 26.00.*
- *The Fibonacci sell targets: 1<sup>st</sup> target 43.35; 2<sup>nd</sup> target 48.38; 3<sup>rd</sup> target 50.39; 4<sup>th</sup> target 57.53.*
- *Stop price: Close below 40.04.*

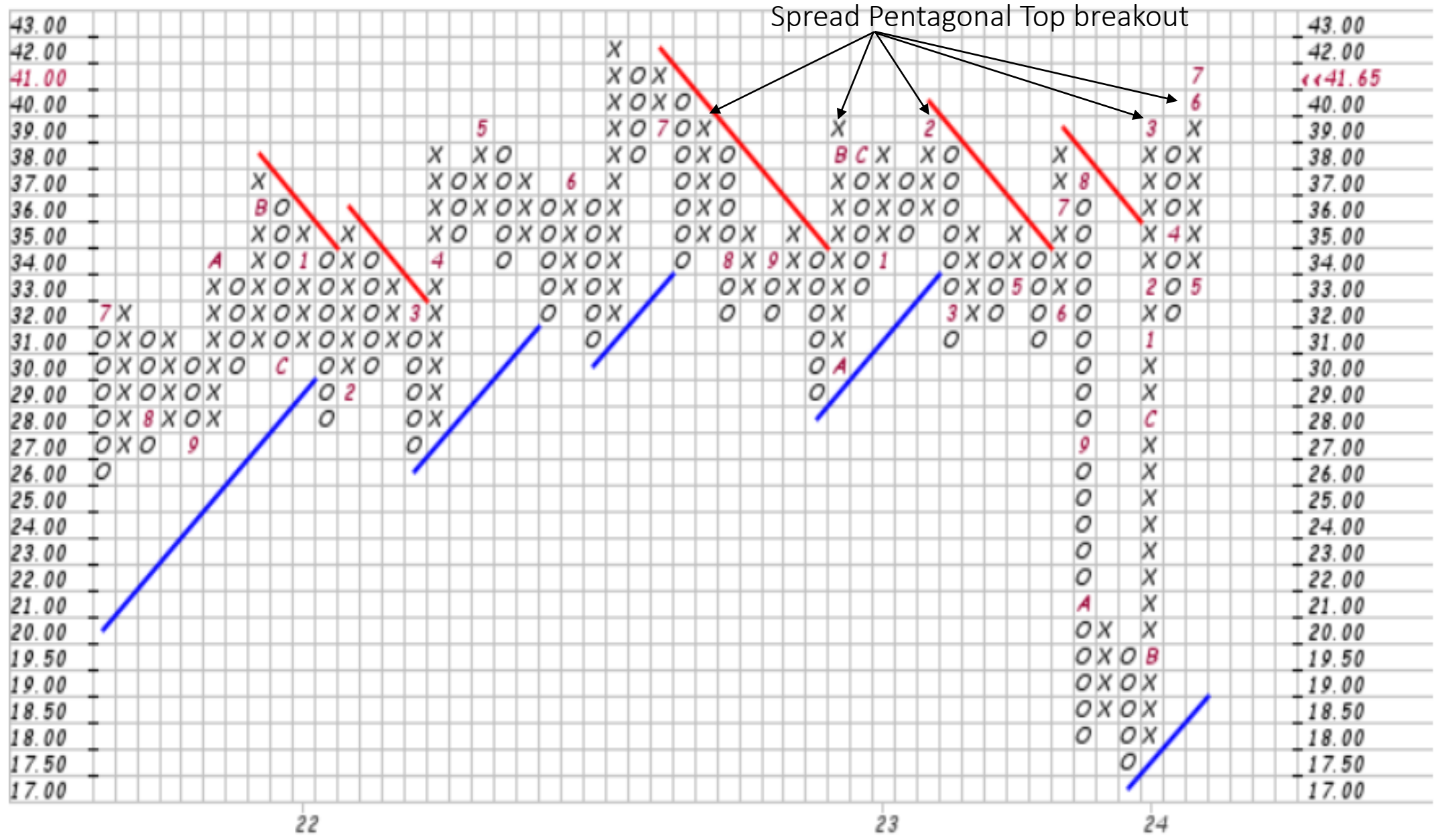
IA1:30,Simple,HL,Shift0 = 39.22  
IA2:20,Exp,HL,Shift0 = 39.74  
IA3:10,Simple,HL,Shift0 = 40.23  
IA4:50,Exp,HL,Shift0 = 38.62

# The Chef's Warehouse Inc. (CHEF)

Up/Down Volume Ratio of 1.62



# The Chef's Warehouse Inc. (CHEF)





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