



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

03/19/23



This Trading Floor Research report contains:

- S&P 500 (SPX). Update
- Osisko Gold Royalties Ltd (OR)
- SPDR Gold Trust (GLD)
- ProShares UltraShort Real Estate (SRS)
- Direxion Technology Bear 3x (TECS)

S&P 500

S&P 500 takes a pause before the next move lower.

Although the S&P 500 made slight gains of 1.5% for the week, distribution days keep adding up. By the end of the week, the S&P 500 had added two additional distribution days and is at five over the past ten trading sessions. The close proximity of the extreme institutional selling is another indication of how big money is heading for the exit and how panicky the market is getting.

This past week's buying was nothing more than a reversion to the 20-day moving average. A pullback to the 20-day moving average alleviated short-term oversold conditions. At the top of the reversion move, the S&P 500 was held up at 3968.90 Fibonacci resistance. Friday's close at 3916.64 was held at Fibonacci support at 3908.43.

A close below 3908.43 will send the market tumbling lower.

The weekly Point & Figure chart of the S&P 500 broke its 45-degree trendline from the Covid crash low 2 weeks ago. Last week the index's reversion move threw it back into the 45-degree line. This is very typical market behavior as the market sets the hook.

Every other decline through the 2022 bear market has bounced off the 45-degree significant trendline. Breaking the 45-degree trendline on the weekly chart, as the market did two weeks ago, does not happen often. The last time it happened was the start of the Covid crash.

The S&P 500 is heading towards the 2742.71 target area I highlighted in my long-term charts in August 2022. Hitting this Fibonacci target has been highly probable since the bear market began.

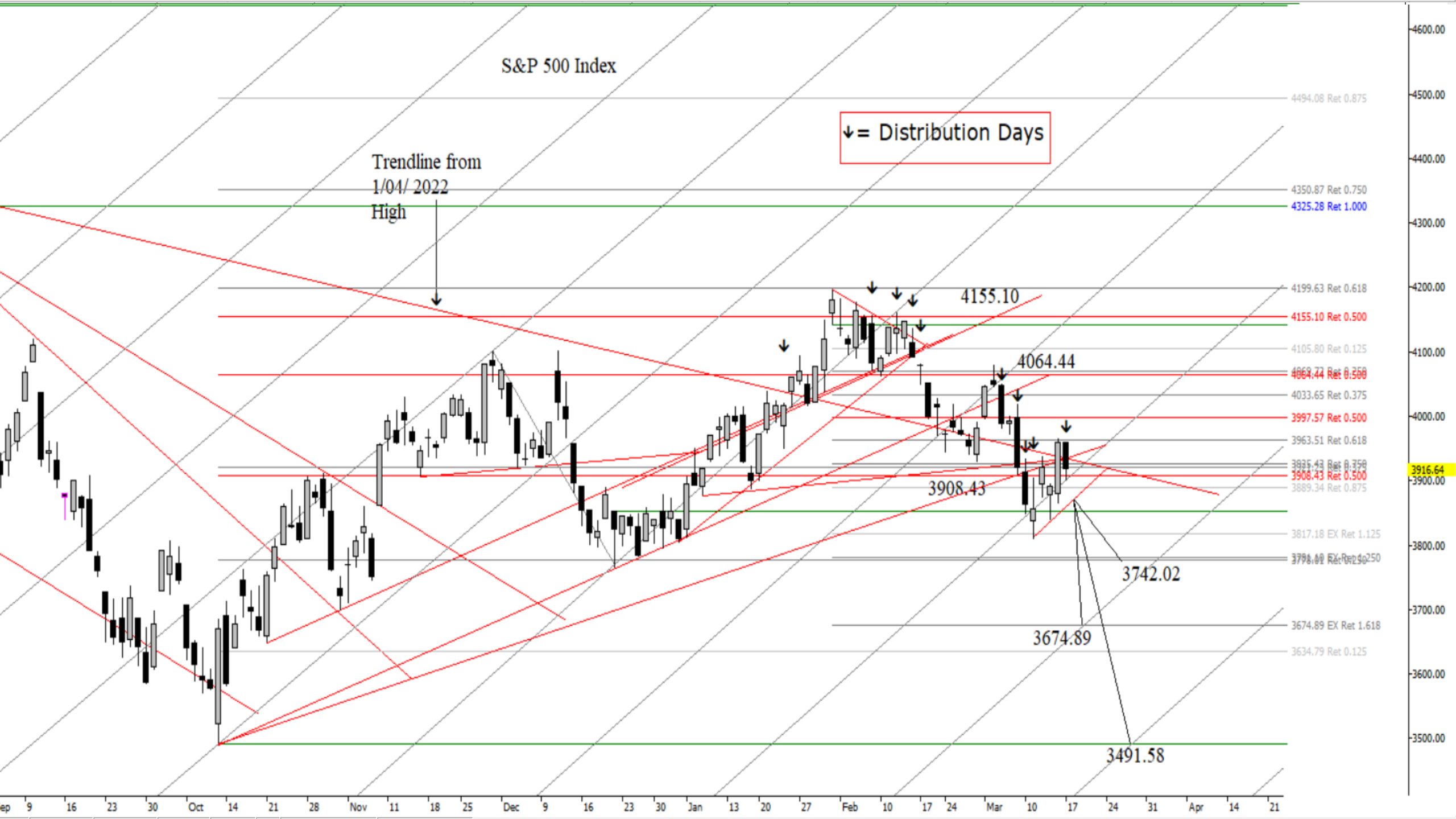
The next significant Fibonacci targets offering a bounce are 3742.02, 3674.89, and 3491.58.

I recommend caution and 90% cash in a safe U.S. Treasury money market.

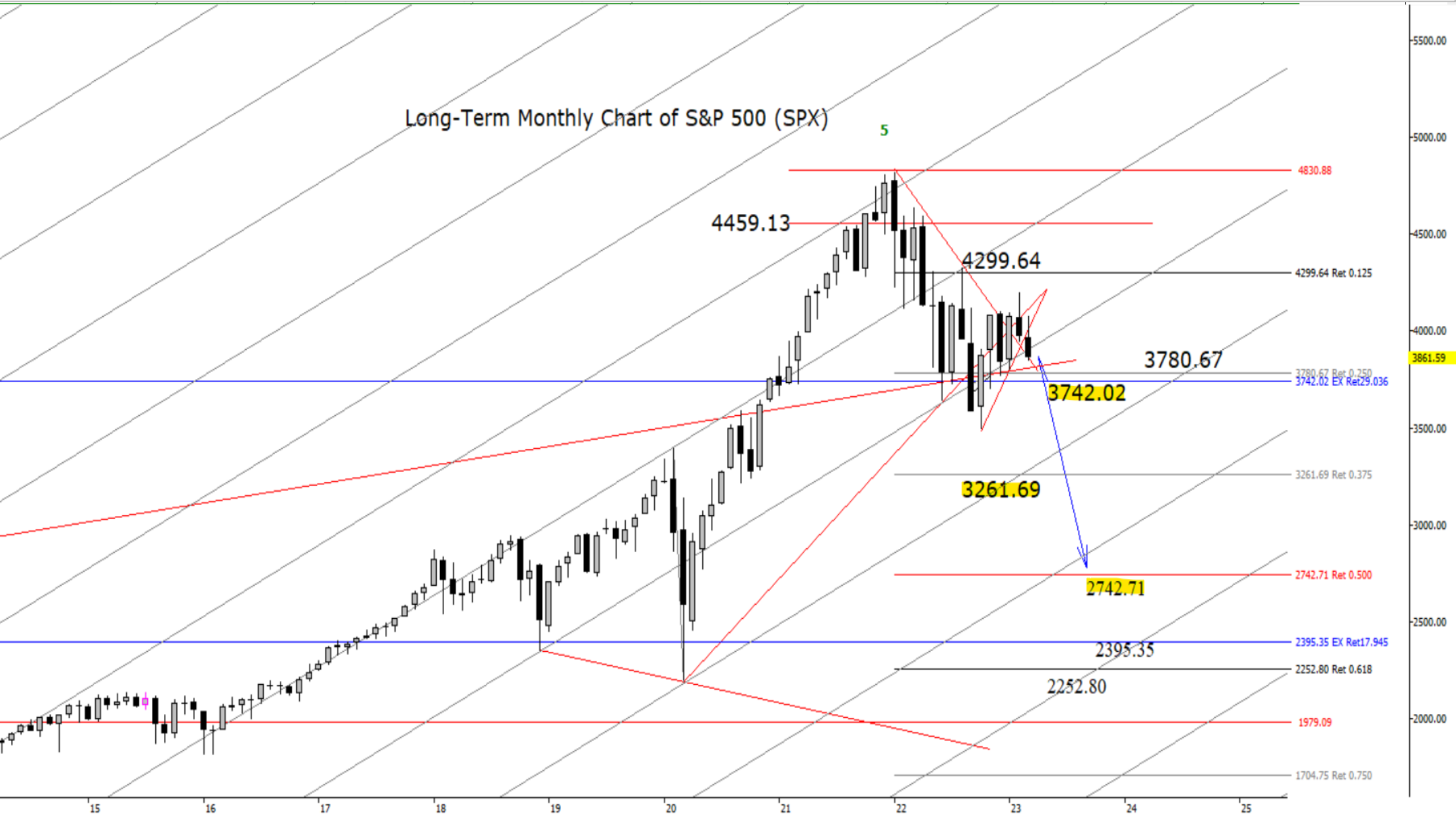
S&P 500 Index

↓ = Distribution Days

Trendline from
1/04/2022
High



Long-Term Monthly Chart of S&P 500 (SPX)



5

4459.13

4299.64

3780.67

3742.02

3261.69

2742.71

2395.35

2252.80

4830.88

4299.64 Ret 0.125

3780.67 Ret 0.250
3742.02 EX Ret 29.036

3261.69 Ret 0.375

2742.71 Ret 0.500

2395.35 EX Ret 17.945

2252.80 Ret 0.618

1979.09

1704.75 Ret 0.750

15

16

17

18

19

20

21

22

23

24

25

5500.00

5000.00

4500.00

4000.00

3861.59

3500.00

3000.00

2500.00

2000.00

Industry Group & Sector Analysis

After the **Technology sector** gave a sell signal on Friday, March 10, it spent most of last week moving higher. The chart of the Technology sector shows that the move was nothing more than a throwback into the recently broken rising trendline from the December 22, 2022, bottom. The rising trendline intersects with the declining trendline from February 2, 2023, top this Monday, March 20. The sector has rallied into the intersection of the trendlines, and the meeting creates a cycle turn date. The cycle turn date often reverses the trend leading into the date. I am looking for the tech sector to change direction this week and an opportunity to purchase the **Direxion Technology Bear 3x (TECS) ETF** to take advantage of the next move lower. I introduced this trade in last week's newsletter, and our opportunity to purchase may come as soon as Monday. (Refer to the Technology sector chart)

The **Financial Services Basic Materials** and **Real Estate** sectors showed relative weakness to the other sectors this past week. They also showed the most significant number of distribution days. Institutional selling in all three sectors was intense, with Basic Materials showing five distribution days in the past seven trading sessions. Financial Services and Real estate tied for second with four distribution days in the past seven sessions.

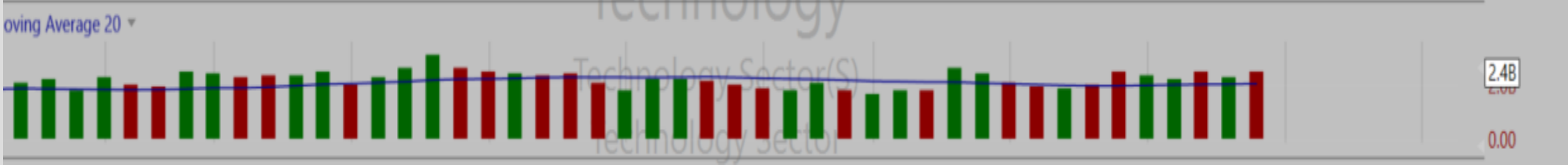
Real Estate & Financial Services are the only sectors that have spent the past seven sessions trading below 50% of their range from the October 2022 low to February 2023 high. This indicates that the bears are firmly in control of the six-month trading range for both sectors.

The Financial Services sector is oversold, and the risk of entering a new short is high. But the sideways movement of the Real Estate sector over the last week has allowed it to alleviate its short-term oversold conditions and opens up an opportunity for a trade. I want to purchase the **ProShares UltraShort Real Estate (SRS) ETF**. It is highlighted in this report.

The bears are in control Of the Russell 2000 and indicate “**Risk-Off**” in the markets.

I recommend caution and 90% cash.

Technology Sector



Industry Group & Sector Analysis

Gold and the **Gold industry** group gave a buy signal on Friday. **The SPDR Gold Trust (GLD)** completed a Double Top breakout above its 45-degree line on the Point & Figure chart.

This is an extremely high probability setup for Gold to be heading higher. I have Fibonacci support at 178.75 and would be a buyer with a pullback to Fibonacci support. The SPDR Gold Trust is highlighted in this report. (Refer to GLD Point & Figure Chart)

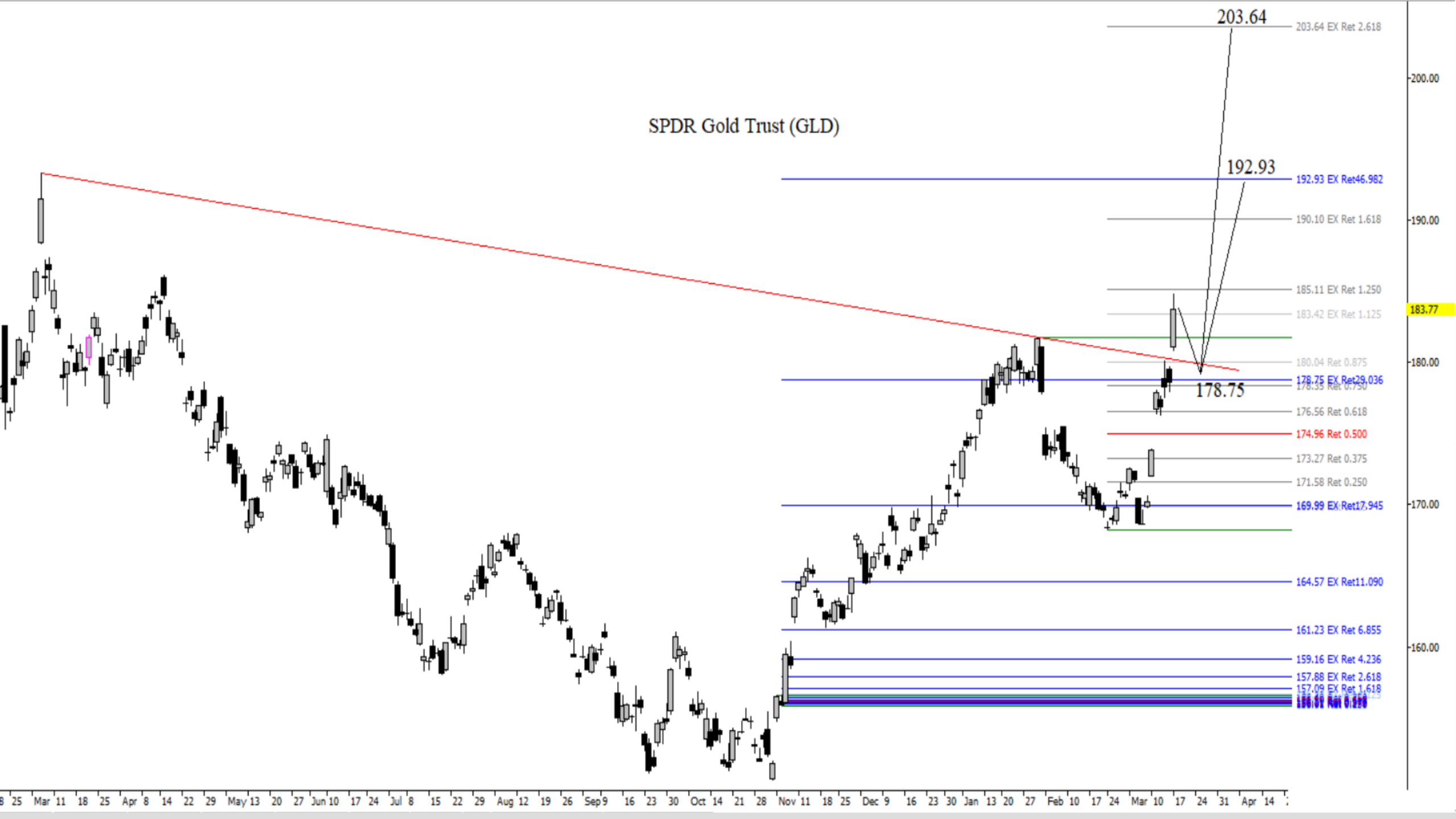
With the Gold industry group confirming a buy signal, I focus on the group leader **Osisko Gold Royalties Ltd (OR)**. Friday, it gave a buy signal from a Primary Base and is a Primary Breakout. A throwback into its trendline will offer a low-risk entry, and Osisko Gold Royalties Ltd (OR) is featured in today's report.

GLD SPDR Gold Shares

Double top Breakout
Above 45-degree trendline!

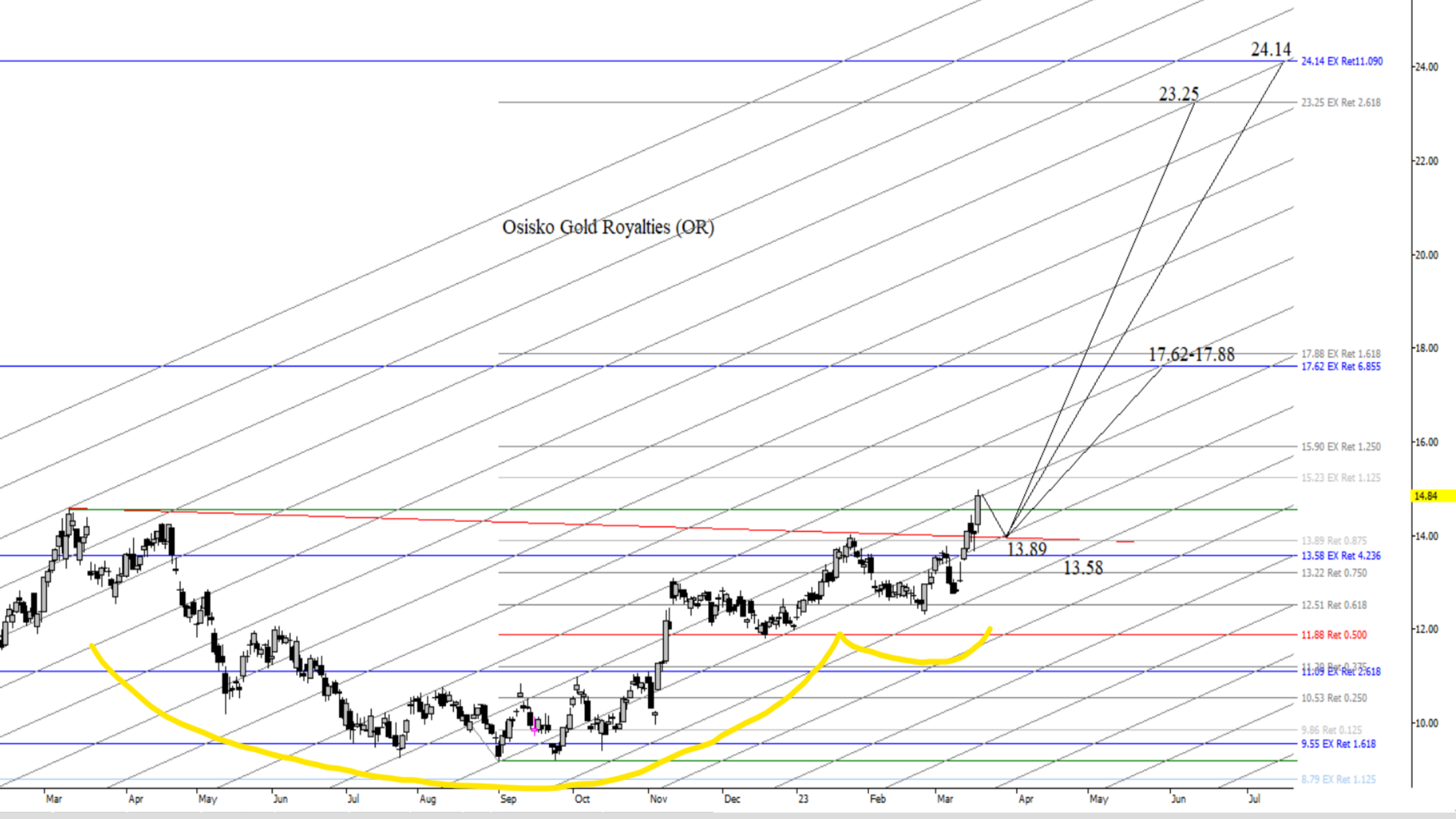


SPDR Gold Trust (GLD)



New buy candidate: Osisko Gold Royalties Ltd (OR)

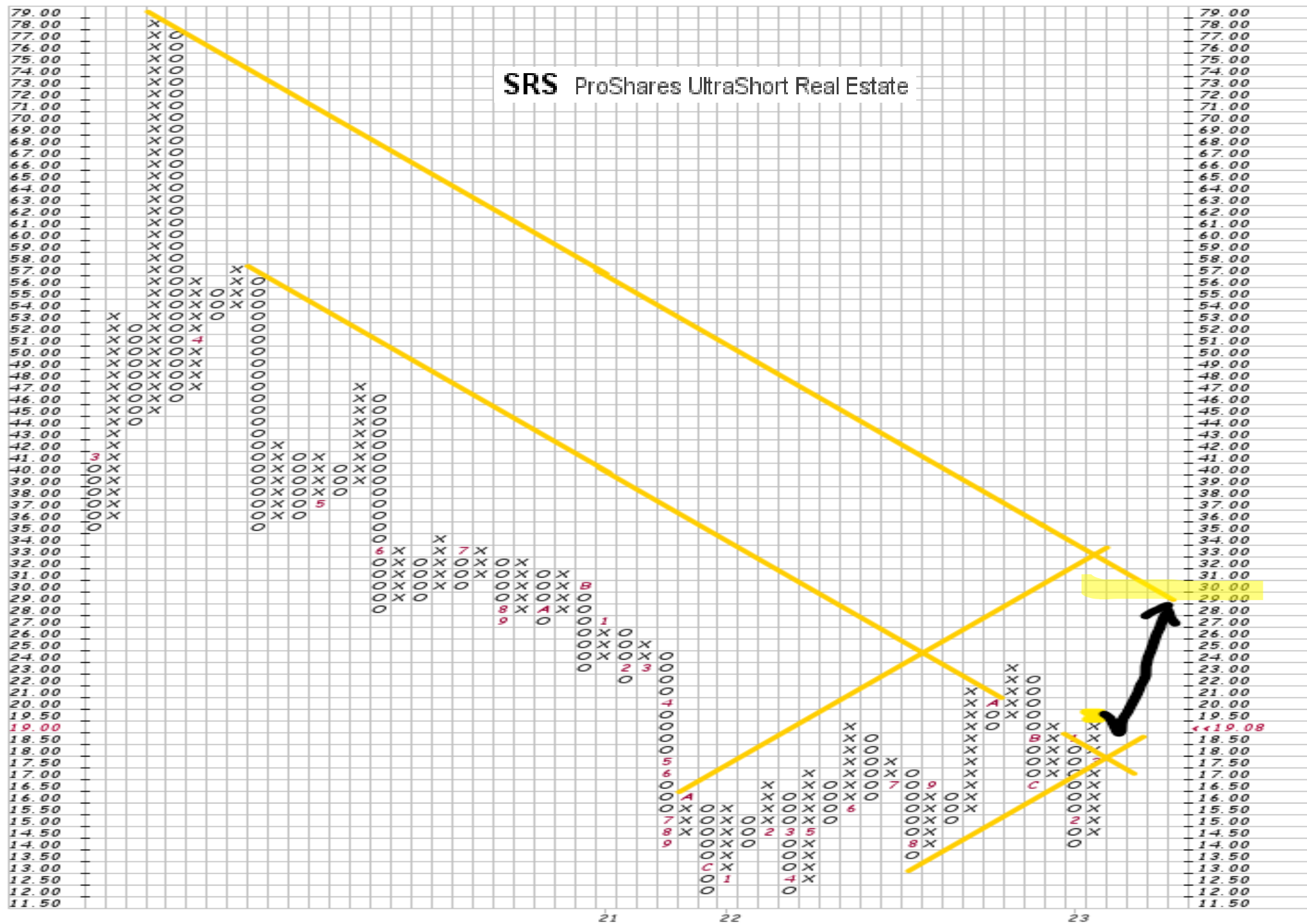
- Industry Group: **Mining-Gold/Silver/Gems**. The Mining-Gold/Silver/Gems industry group gave its most recent buy signal on Friday, March 17, 2023. The group is up +4.71% YTD and is ranked 37th out of 197.
- **Osisko Gold Royalties Ltd (OR)** is a Canadian company that acquires and manages gold royalty assets.
- **Osisko Gold Royalties Ltd (OR)** started trading in the US markets in July 2016. Since then, the stock has traded sideways in a wide range between 4.65 and 15.12. Friday, the stock broke the descending trendline of a one-year cup-with-handle base, initiating a Primary base breakout and a Point & Figure quadruple top breakout. It is short-term overbought, and I am looking to purchase shares with a throwback into its recently broken trendline and Fibonacci support between 13.89 and 13.58.
- **Osisko Gold Royalties Ltd (OR) will confirm with a 30-minute buy on increased volume after a throwback trendline and Fibonacci support between 13.89 and 13.58.**
- Initiate position with at 2-star(**).
- Under institutional accumulation with an Up/Down Volume ratio of 1.45.
- Osisko Gold Royalties Ltd (OR) closed at **14.84**.
- Osisko Gold Royalties Ltd (OR) VWAP is at 11.04
- Sell target prices: **1st target is 17.62-17.88; 2nd target is 23.25; 3rd target is 24.14**
- Stop sell price: **Close** below **13.58**.

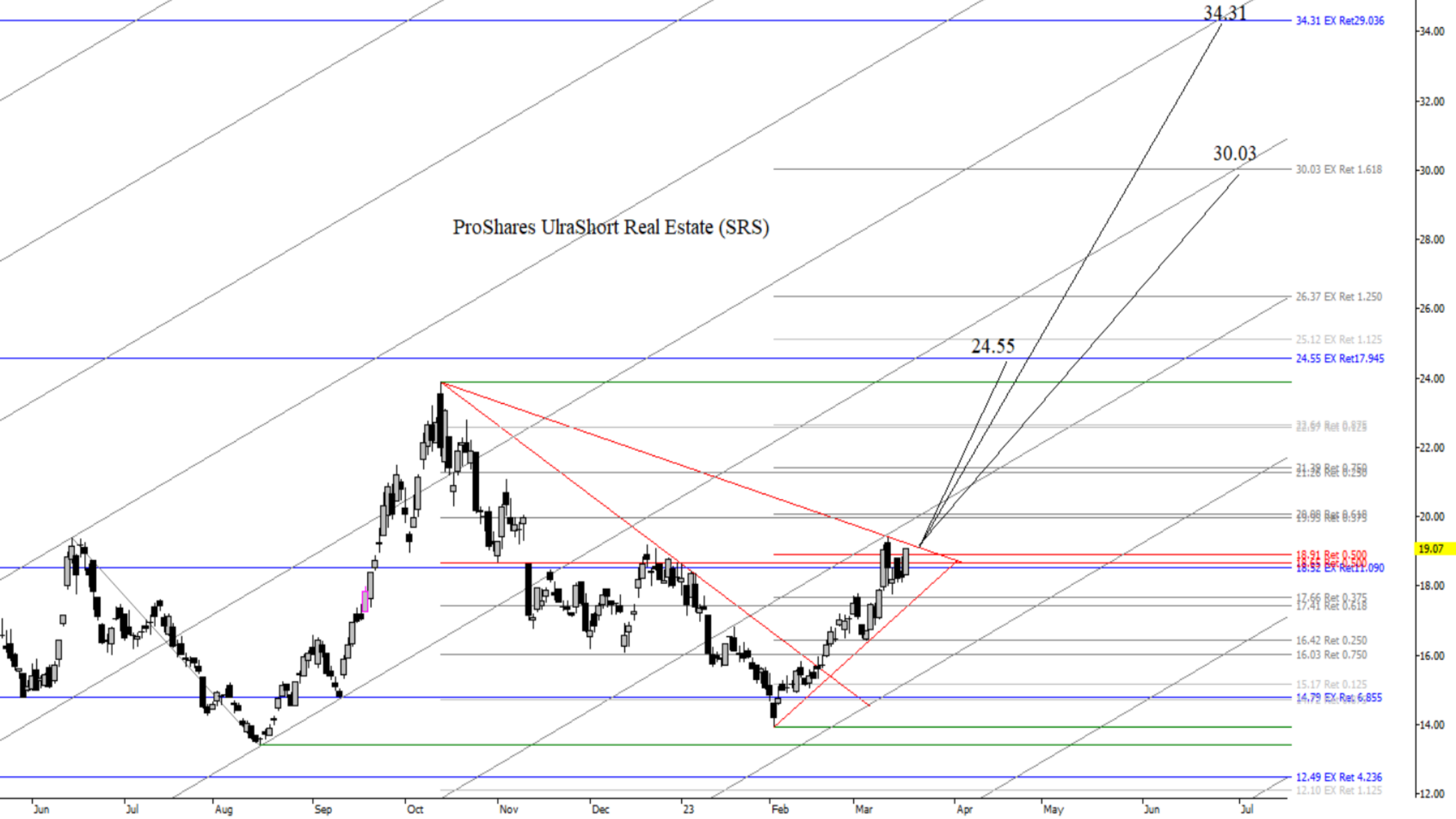


Buy candidate: ProShares UltraShort Real Estate (SRS)

- **Portfolio: Short-Real Estate Sector.** The UltraShort Real Estate (SRS) ETF corresponds to two times the inverse move in the Dow Jones U.S. Real Estate Index. The Bullish percent chart of the Real Estate sector tells us that the bears are in control. The Bullish percent chart of the S&P Real Estate Sector is at 33.33%, and hitting 28% will give a double-bottom breakdown in bearish territory. The current bullish Percentage indicates that the sector is in bad shape and is likely to worsen.
- **ProShares UltraShort Real Estate (SRS) closed above 50% of the range from October 13, 2022, high to February 3, 2023, low and will complete a double top breakout when the shares hit 19.50. Breaking 50% of the spectrum tells us that the bears control the Real Estate sector, and breaking the descending trendline from the February high and hitting 19.50 will send shares higher.**
- **ProShares UltraShort Real Estate (SRS) will confirm with a 30-minute buy signal breaking the descending trendline.**
- **Wait for text confirmation!**
- **Start position at 1-star(*).**
- **Accumulation is strong with an Up/Down Volume Ratio of 1.20**
- **ProShares UltraShort Real Estate (SRS) closed at 19.08.**
- **ProShares UltraShort Real Estate (SRS) VWAP is at 27.80.**
- **Sell target price: 1st target is 24.55; 2nd target is 30.03; 3rd target is 34.31**
- **Stop sell price: Close below 18.32.**

SRS ProShares UltraShort Real Estate

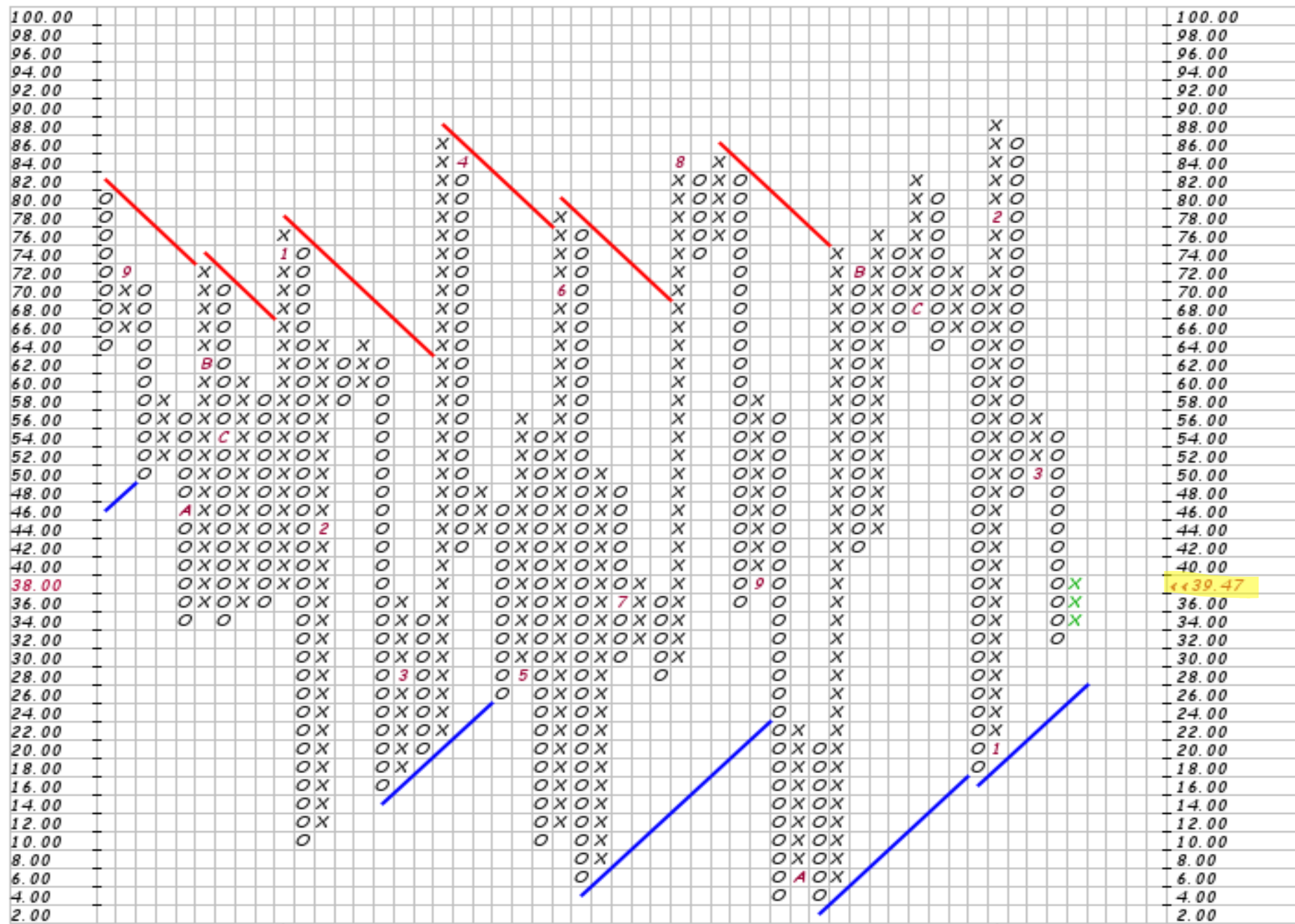




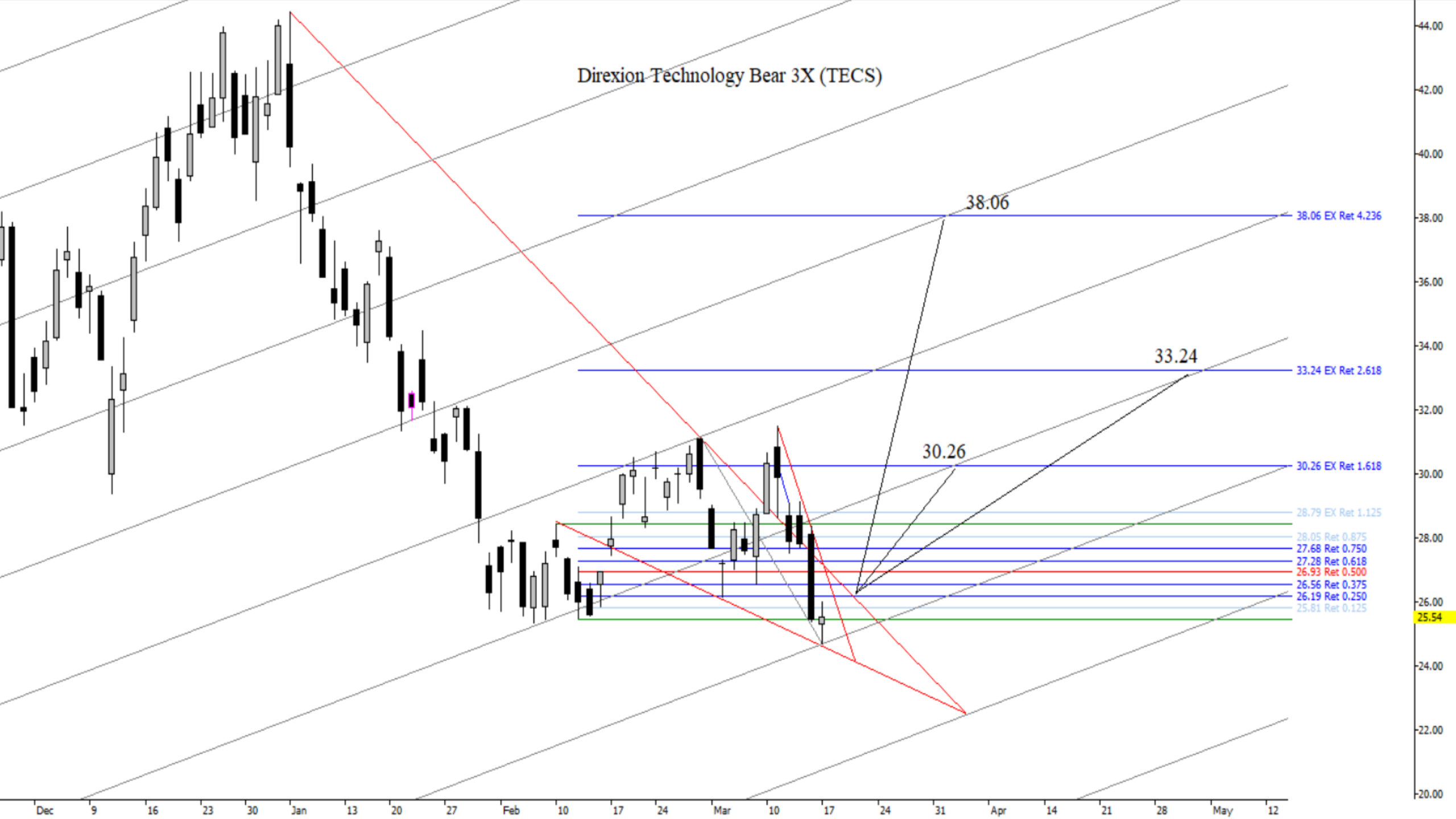
Buy candidate: Direxion Technology Bear 3x (TECS)

- *Portfolio: Short-Technology Sector. This trade is designed to move three times the inverse of the daily performance of S&P's Technology Sector.*
- The **Technology Sector** gave a sell signal on Friday, March 10, as the Bullish percent chart completed a double bottom sell and moved to a 38.15% bearish reading. Last week's rally in tech stocks got the bullish percent back to 39.47%. The great-looking rally barely moved the needle. The bears are in control of tech stocks, and the sector is in a sell. (Refer to P&F Bullish Percent chart)
- *Direxion Technology Bear 3x (TECS) trade is designed to take advantage of the next potential move lower in the Technology Sector.*
- *Direxion Technology Bear 3x (TECS) pulled back to Fibonacci support at 25.53*
- *Direxion Technology Bear 3x (TECS will confirm with a 30-minute confirmation at 26.46*
- *Wait for text confirmation!*
- *Start position at 1-star(*).*
- *Accumulation is substantial, with an Up/Down Volume Ratio of 1.07*
- *Direxion Technology Bear 3x (TECS) closed at 25.58.*
- *Direxion Technology Bear 3x (TECS) VWAP is at 281.42*
- *Sell target price: 1st target is 30.26; 2nd target is 33.24; 3rd target is 38.06*
- *Stop sell price: Close below 25.53.*

Technology Sector Bullish Percent Index



Direxion Technology Bear 3X (TECS)





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