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Trading Floor Research

Welcome to the
— Trading Floor —

09/03/23



This Trading Floor Research report contains:

S&P 500 Update

Technology Sector Update

Paymentus Holdings Inc. (PAY)

VTEX (VTEX)

XIAO-I Corp. (AIXI)

Direxion Daily TSLA Bear (TSLS)

Market Comments

S&P 500 Update

*The **S&P 500** finished the week with a 3/4 retracement of its July high.*

The 3/4 number at 4539.13 is the last substantial resistance holding the index back from making YTD highs.

A close above 4539.13 with above-average volume will confirm a new buy signal that could send the index to a confluence of Fibonacci targets between 4820.90 and 4835.10.

Friday's trading action had the S&P 500 trading between Fibonacci support of 4503.26 and Fibonacci resistance of 4539.13. After confirming a move lower, the index closed in the lower half of the range.

If Friday's sell confirmation plays out and the week starts with the S&P 500 trading below Fibonacci support of 4503.26, I will focus on the bear market 3/4 number at 4486.86.

Closing below the substantial 3/4 number at 4486.86 will send the market lower, and Fibonacci support of 4434.33 and 4416.92 will be the next targets.

Technology Sector

The **Technology sector** came close to a buy signal on Thursday and Friday. Selloffs from an early morning surge prevented both days from the necessary price close.

Friday's price surge that topped out in the first five minutes of trading had the technology sector testing its bear market 5/8 number and hitting the descending trendline from the July 19th high.

The confluence of the descending trendline and the 5/8 number offered significant resistance, and two and a half hours later, the technology sector broke down at its rising trendline from the August 25th low. The low was put in at the bear market 1/2 number, which offered a successful test leading to the recent bounce.

The Technology sector has not confirmed a move lower from Friday's technical resistance, but if it does, I look for a pullback in tech stocks that could retest the August 25 low once again.

Despite the disappointing weekly finish in the Technology sector, strength is emerging. **Software stocks look strong.**

The **Software Application** and the **Software Infrastructure** industry groups gave buy signals on Thursday. The next day, Software Infrastructure stocks like **Nutanix Inc. (NTNX)** and **Samsara Inc. (IOT)** broke out on solid earnings.

Samsara Inc. (IOT) is breaking out of its primary base from an IPO in December 2021. Stocks like **Samsara Inc. (IOT)** become leaders and typically outperform following a recent industry group buy signal. I will purchase **Samsara Inc. (IOT)** once it alleviates short-term overbought conditions.

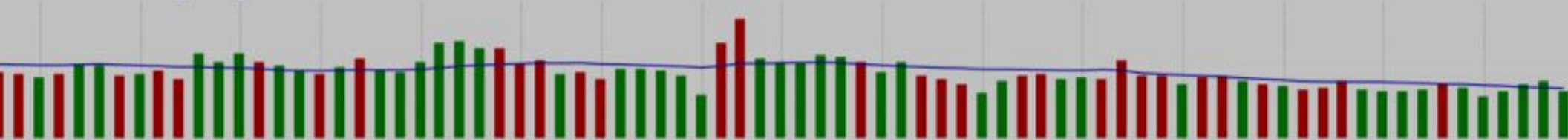
The decisive moves in **NTNX** and **IOT** add confidence to last week's software buy signal. Software has moved to the top of my list, and if the market strength continues after Labor Day, I will be looking for more opportunities in this area.

I highlighted a Software Infrastructure stock, **Paymentus Holdings Inc. (PAY)**, in today's report. I've also included a Software Application stock, **VTEX (VTEX)** and **XIAO-I Corp. (AIXI)**, which I purchased last week.

TECHNOLOGY SECTOR



X Volume Moving Average 20



10,100.00
10,000.00
9,900.00
9,800.00
9,692.32
9,600.00
9,500.00
9,400.00
9,300.00
9,200.00
9,100.00
9,000.00
8,900.00
8,800.00
8,700.00
8,600.00
8,500.00
8,400.00
8,300.00
8,200.00
8,100.00
3.58
3.08
2.58
2.08
1.38
500.0M
768.00

Bought Last Week @ 2.86: XIAO-I ADR (AIXI)

- **Industry Group: Computer Software Enterprise/ Software Application.** The Computer Software Enterprise industry group ranks as the 34th strongest industry group out of 197 and is up +17.26% YTD. Software Application gave a buy signal on Thursday, August 31.
- **XIAO-I ADR (AIXI)** is a Chinese company offering AI, machine learning, and cloud computing services.
- **XIAO-I ADR (AIXI)** was an IPO on March 09, and after a failed breakout from its Primary base, it sold off hard. The extreme selloff created a Long Tail Down pattern on the Point & Figure chart, confirming a reversal last week. The high probability pattern and a fresh buy signal in the Software Application industry group should send the stock higher.
- *XIAO-I ADR (AIXI) will give a follow-up confirmation after a 30-minute buy signal at 2.93.*
- *Wait for text confirmation!*
- *Increase Position to 2-star(**)*
- *The 30-minute chart is under massive accumulation with an Up/Down Volume ratio of 2.03.*

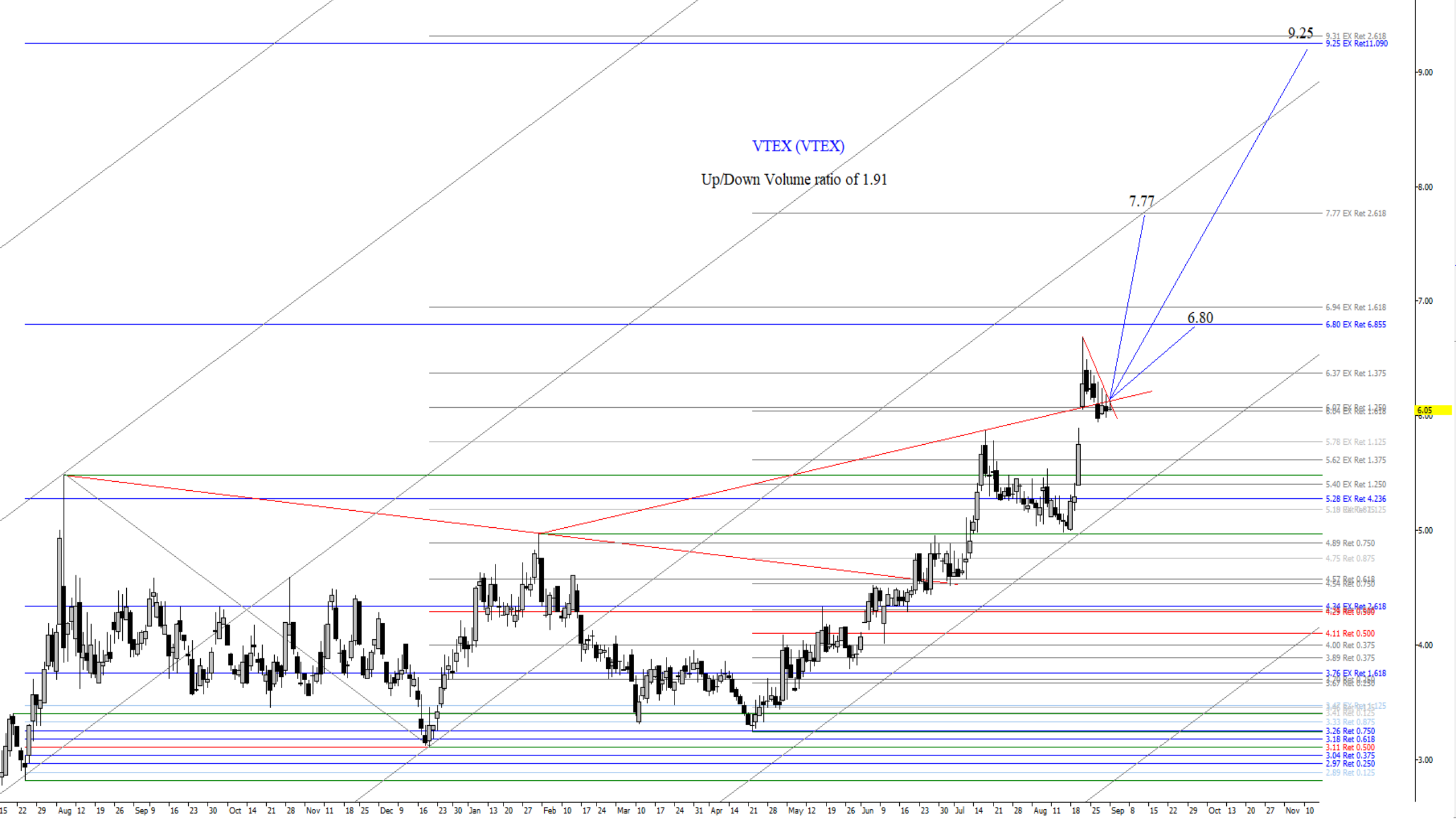
- *XIAO-I ADR (AIXI) closed at 2.83.*

- *XIAO-I ADR (AIXI) VWAP is at 6.13.*

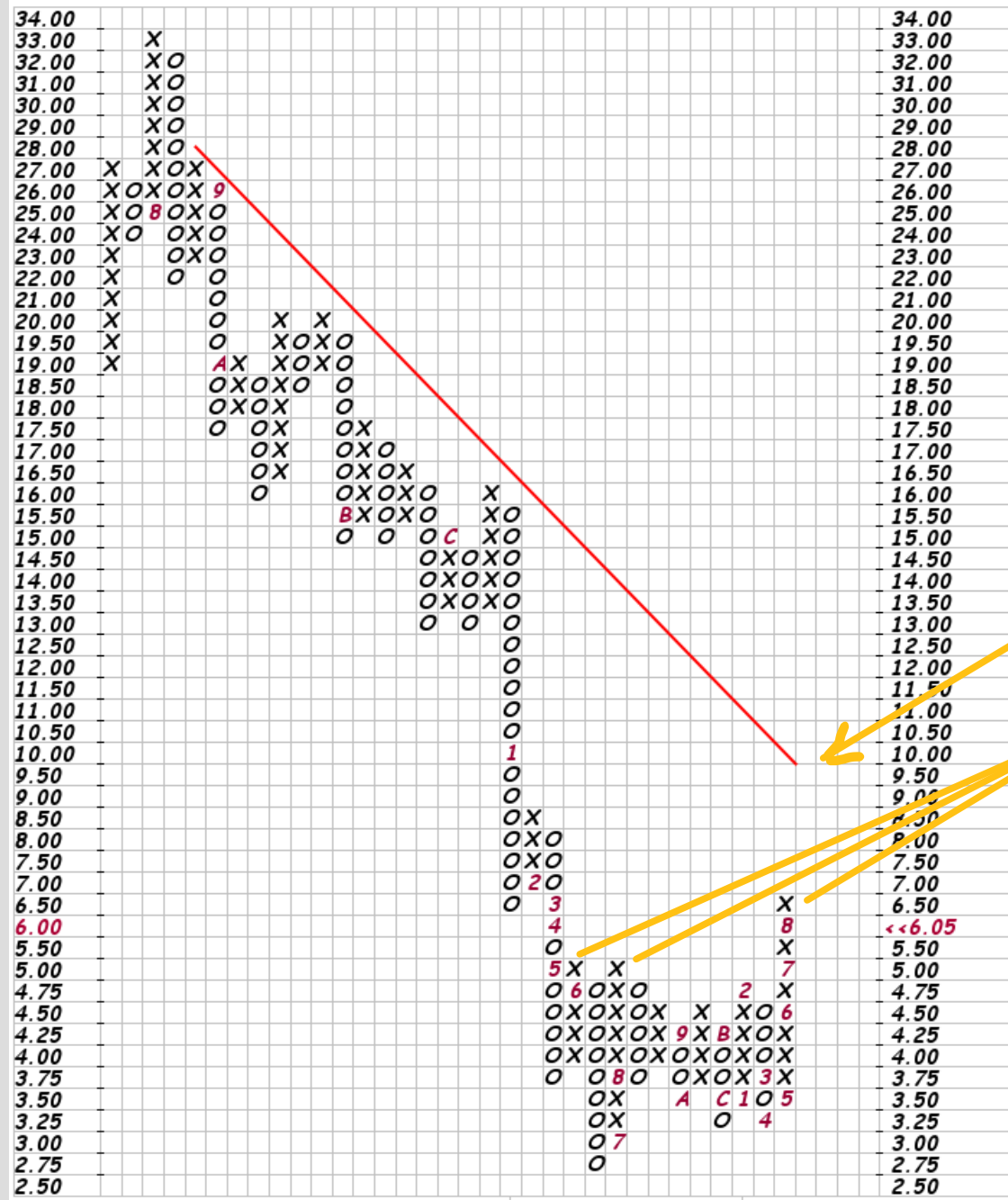
- *Sell target prices: 1st target is 4.23; 2nd target is 5.25; 3rd target is 6.27.*
- *Stop sell price: Close below 2.67.*

Buy Candidate: VTEX (VTEX)

- *Industry Group: Software Application/ Computer Software Specialty Enterprise.* The *Computer Software Specialty Enterprise* industry group ranks as the 25th strongest industry group out of 197 and is up +43.53% YTD. Software Application gave a buy signal on Thursday, August 31.
- *VTEX (VTEX)* is headquartered in the United Kingdom and provides retailers with enterprise software as a solution.
- *VTEX (VTEX)* shares surged higher in August, hitting Fibonacci resistance at 6.80. In the past seven sessions, it has alleviated over-bought conditions with a pullback to Fibonacci support at 6.04.
- *VTEX (VTEX)* gave a spread triple top breakout on the Point & Figure chart. The pattern is very bullish but will run into the bearish resistance line at 9.50, where it could stop upward progress.
- *VTEX (VTEX)* will give a 30-minute price confirmation of a move higher at 6.13.
- *Wait for text confirmation!*
- *Start Position at 2-star(**)*
- *VTEX (VTEX)* is under massive accumulation with an Up/Down Volume ratio of 1.91.
- *VTEX (VTEX)* closed at 6.05.
- *VTEX (VTEX)* VWAP is at 8.53.
- *Sell Fibonacci target prices: 1st target is 6.80-6.94; 2nd target is 7.77; 3rd target is 9.25*
- *Stop sell price: Close below 6.04.*



VTEX (VTEX)



Bearish resistance line at 9.50.

Spread Triple-Top breakout

Direxion Daily TSLA Bear (TSLS)

*Last week, **Tesla Inc. (TSLA)** rallied to its bear market 1/2 number at 258.16 and tried to break it for four days straight. August 31 was a time cycle turn date where TSLA hit its high, indicating a time cycle high.*

Finally, on Friday, Tesla Inc. (TSLA) broke down from 258.16 on seemingly positive news of unveiling a refreshed Model 3 with a more extended range.

The selloff on positive news from a substantial 50% number and time cycle turn date is a bad sign that points to another move lower.

By the close, the stock was down -13.07, breaking its rising trendline from its recent August 18 low.

*With confirmation, I will take advantage of the next potential move lower in Tesla Inc. (TSLA) by purchasing the **Direxion Daily TSLA Bear (TSLS)**.*

The Direxion Daily TSLA Bear (TSLS) Point & Figure chart indicates that TSLS completed a pullback from a double top breakout and will hit a minimum target of 26.00. That is almost a 30% move from Friday's 20.35 close.

The Up/Down Volume Ratio on TSLA points to institutional distribution at .92.

The Fibonacci downside target numbers on TSLA are 219.07, 179.99, and 140.90.

The stop is a close above 258.16



Direxion Daily TSLA Bear (TSLS)

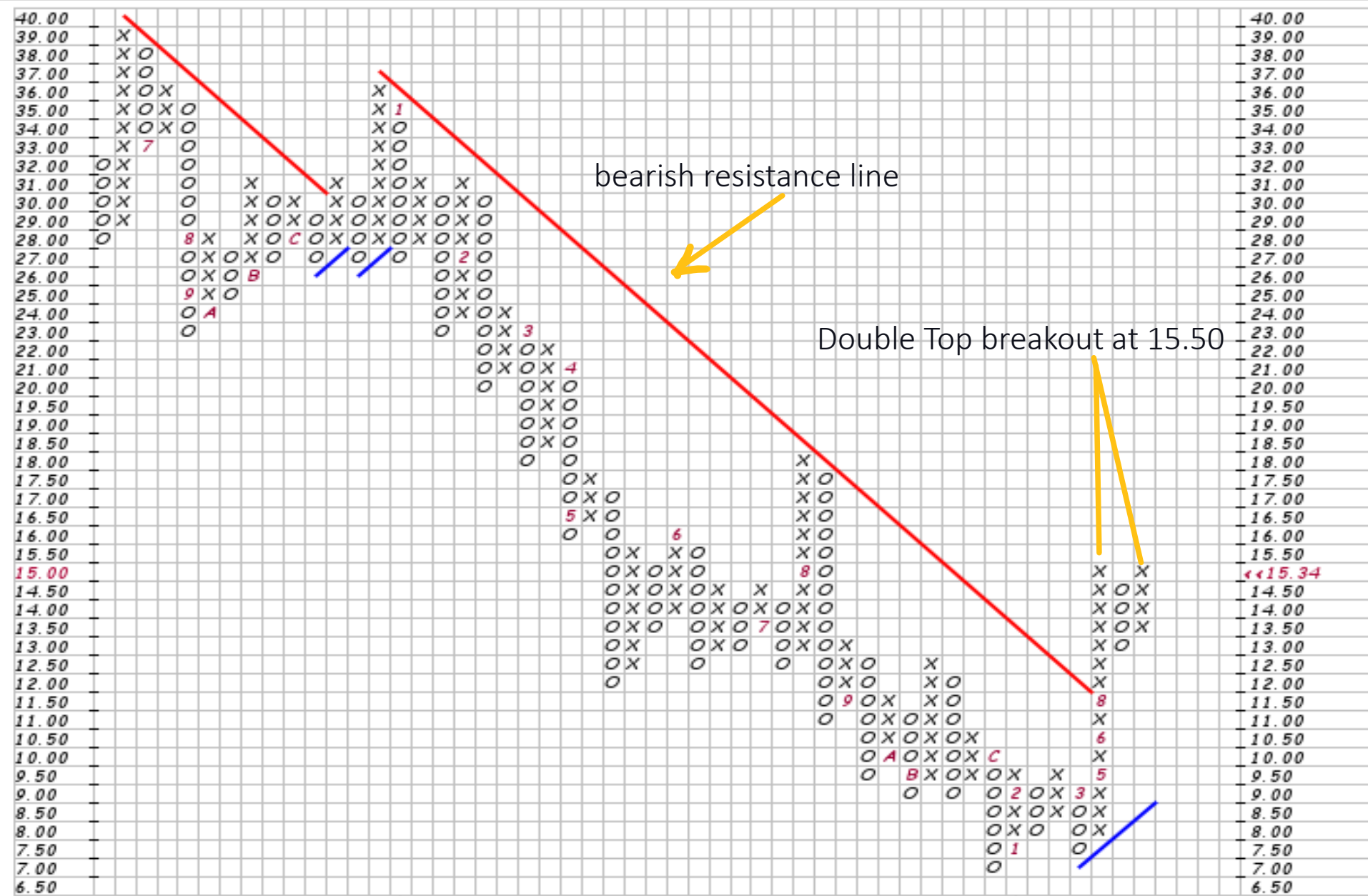


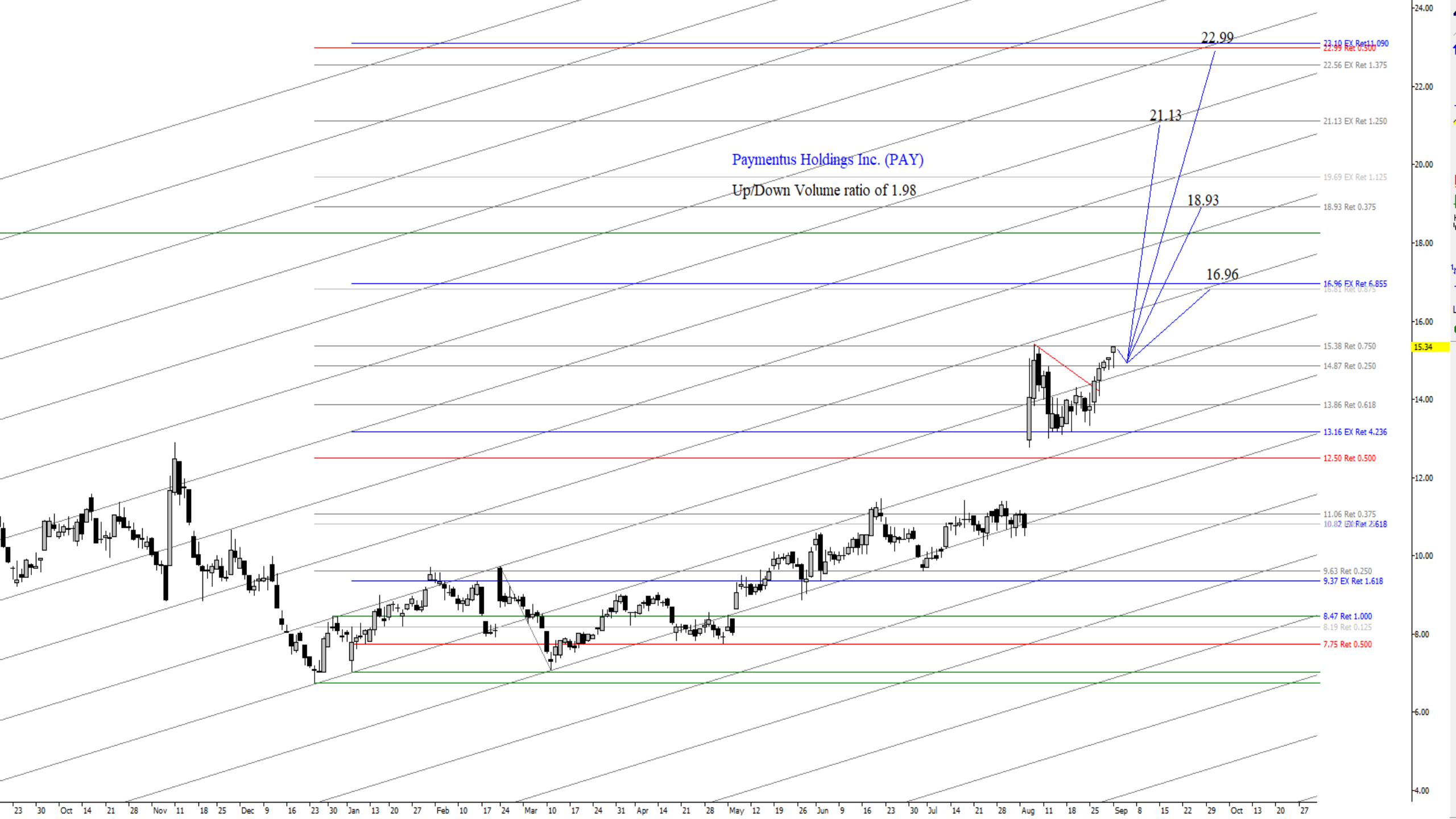
Pullback from a double-top breakout

Buy Candidate: Paymentus Holdings Inc. (PAY)

- *Industry Group: Software Infrastructure /Finance Credit Card & Payment Processing.* The *Finance Credit Card & Payment Processing* industry group ranks as the 95th strongest industry group out of 197 and is up +.1040% YTD. *Software Infrastructure confirmed a buy signal on Thursday, August 31.*
- *Paymentus Holdings Inc. (PAY)* is a cloud-based bill payment technology company.
- *Paymentus Holdings Inc. (PAY)* gapped 31% higher after its earnings release on August 8, where it ran into Fibonacci resistance at 14.87. It spent the next 14 trading days alleviating short-term over-bought conditions as it continued to trade under 14.87. PAY closed above 14.87 on Wednesday, based above 14.87 for the past three sessions, and is ready to use the Fibonacci level to springboard higher.
- *Paymentus Holdings Inc. (PAY)* will complete a Double Top breakout at 15.50 above a bearish resistance line. The bullish Point and figure pattern is highly likely to increase the stock price once triggered.
- *Paymentus Holdings Inc. (PAY)* to give a buy signal with a 30-minute price confirmation above 15.38.
- *Wait for text confirmation!*
- *Start Position at 1-star(*)*
- *Paymentus Holdings Inc. (PAY)* is under massive accumulation with an Up/Down Volume ratio of 1.98
- *Paymentus Holdings Inc. (PAY)* closed at 15.34.
- *Paymentus Holdings Inc. (PAY)* VWAP is at 20.71.
- *Sell Fibonacci target prices: 1st target is 16.96; 2nd target is 18.93; 3rd target is 21.13; 4th target is 22.99*
- *Stop sell price: Close below 14.87.*

Paymentus Holdings Inc. (PAY)





Paymentus Holdings Inc. (PAY)

Up/Down Volume ratio of 1.98



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