



TFR

# Trading Floor Research

Welcome to the  
— Trading Floor —

04/24/22



This Trading Floor Research report contains:

- Direxion Daily Semiconductor Bear 3X (SOXS) A New ETF BUY candidate corresponding to 3X the inverse of the Semiconductor Sector Index (SOX)



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I will be a guest speaker on a **Free** Webinar  
Wednesday, April 27, 2022  
at AIQ Trading Expert Pro.

Signup at: [www.https://aiqeducation.com](https://aiqeducation.com)

Webinar time: 3:30 pm-4:30 pm CT

4:30 pm-5:30 pm ET

I will be going over the importance of industry group rotation, how I determine buy and sell signals, and showing examples of topical industry groups.

Signup before all the open seats are gone

Invite a friend

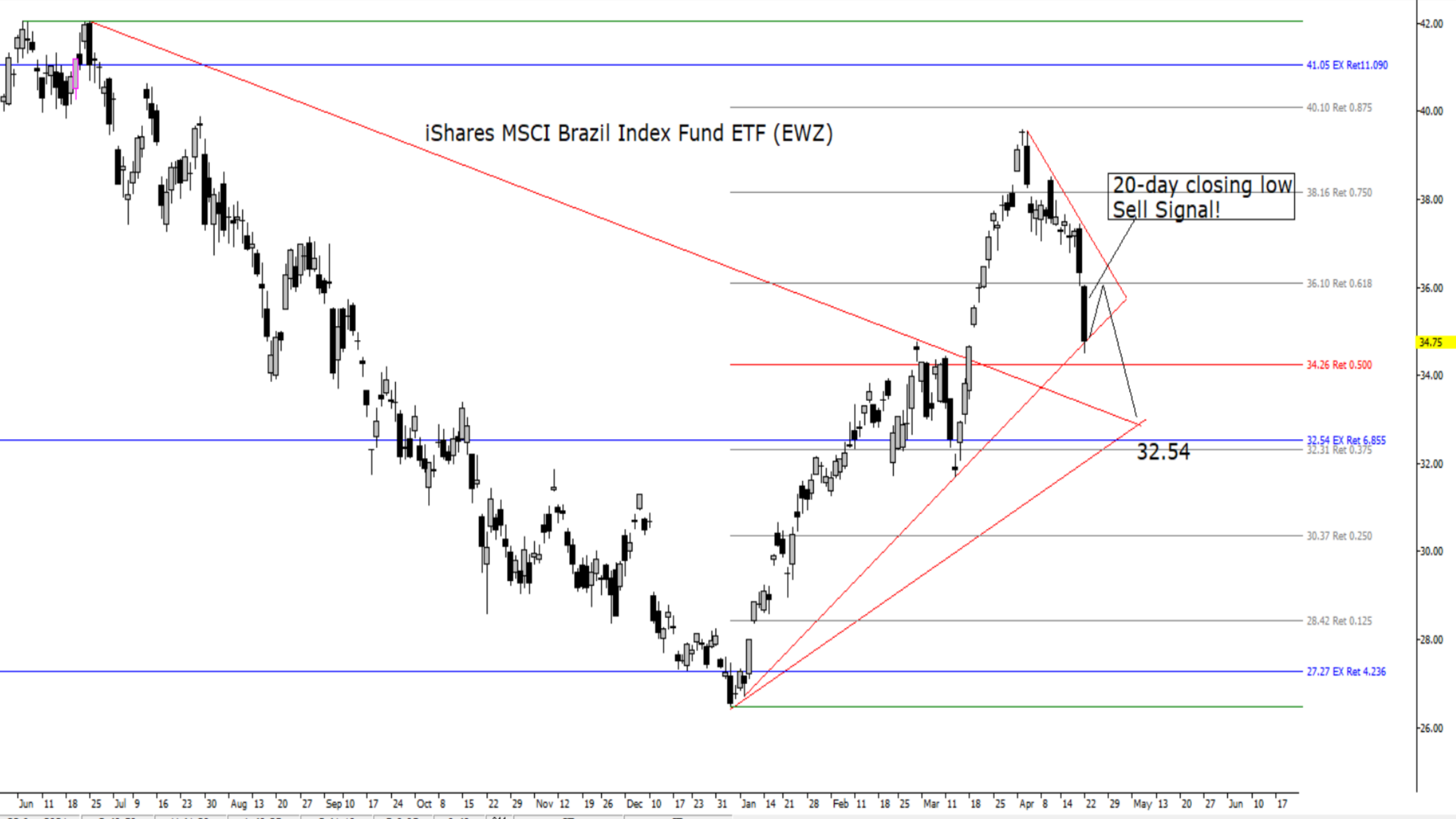
## Sectors, Industry Groups & Leadership Stocks

*When the dust had settled from Friday's market shellacking, the most telling sign that the US markets were headed much lower was the close of the strongest market in the world. The Brazil stock market closed -6.7% lower for the week and gave a significant sell signal. The significance of the sell signal should not go unnoticed. When the most robust stock market in the world provides a sell signal, that is a sign that there is nowhere left to hide in stocks. As I stated in Thursday's newsletter, it would be best if you had dramatically cut all your stock position sizes, and outright selling of all positions should be considered at this time. (Refer to Brazil chart (EWZ))*

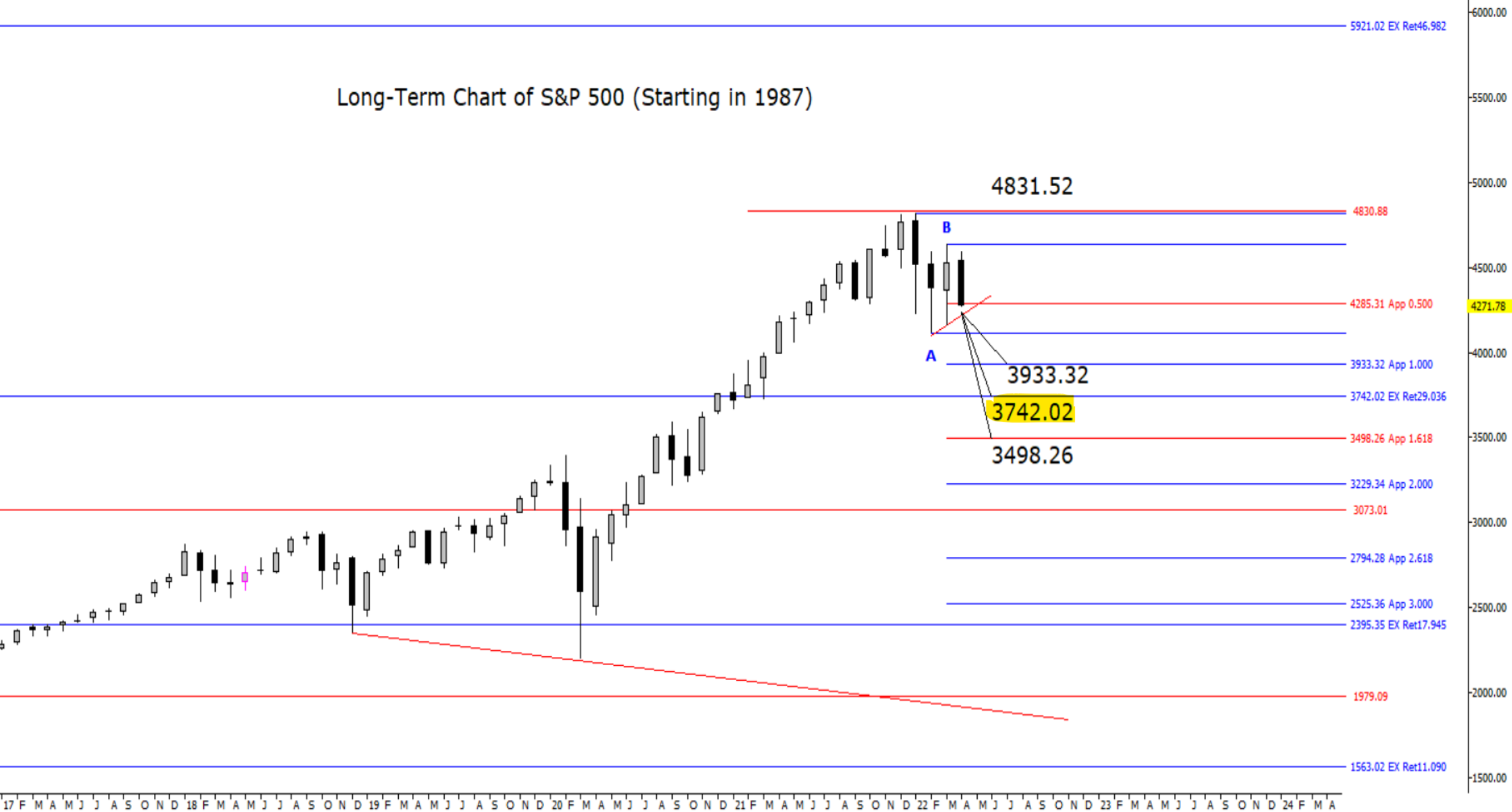
*The **S&P 500** closed below its essential support at 4388.00 and gave a 20-day closing low sell signal close at 4271.78. The bears are in control of all the major US indexes. The S&P 500 could quickly move lower to 3742.02. The 3742.02 S&P 500 target number comes from my long-term chart. The first S&P 500 Fibonacci target is 3933.32. A successful test of 3742.02 could offer an opportunity for another market rally. (Refer to S&P 500 Monthly Chart)*

*On Thursday, I pointed out how the aluminum, copper, and steel stocks gave sell signals. By Friday, the sell signal in a few metal stock industry groups had spread to the entire **Basic Materials** sector. The sell signal in a vital sector like Basic Materials is another sign that there is nowhere to hide in stocks for the next couple of weeks, and you should consider serious cash.*

*Even though **Energy** stocks did not give a sell signal, I did see considerable outflows in the sector on Friday's drop of -2.68%. Cutting TFR energy stock positions back to ½ positions on Thursday was the right thing to do. More cutbacks in the next few days might be necessary.*



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



## Sectors, Industry Groups & Leadership Stocks

**Technology** and the **NASDAQ** are leading the way lower. The NASDAQ gave a 20-day closing low sell signal on Thursday. Friday, **Tuttle Capital Short Innovation ETF (SARK)** was up +1.68%, and **ProShares UltraPro Short QQQ (SQQQ)** was up +8.00%. As measured by the Up/Down volume ratio, institutional accumulation hit new highs in both ETFs. Big money flowing into these inverse ETFs is an indication that they could move considerably higher.

The bears are in control of the **Russell 2000** and indicate "**Risk-Off**" in the markets.

The counter-trend bear market rally is over. **I continue to recommend caution and cash.**

## Buy candidate: Direxion Daily Semiconductor Bear 3X (SOXS)

- Portfolio: Short the Semiconductor Sector Index (SOX). This trade is designed to move 3x the inverse daily performance of the Semiconductor Sector Index (SOX). The VanEck Vectors Semiconductor ETF (SMH) is used for analysis and Fibonacci price projections. (Refer to SMH chart)
- The **Direxion Daily Semiconductor Bear 3X (SOXS)** trade is designed to take advantage of the decline in the **VanEck Vectors Semiconductor ETF (SMH)** as it resumes its bear market trend.
- The shorting opportunity on the **VanEck Vectors Semiconductor ETF (SMH)** began with completing a head & shoulders top on January 20, 2022. Since then, the VanEck Vectors Semiconductor ETF (SMH) has made three attempts at the 50-day moving average. All three attempts have been met by institutional selling. Friday, the Semiconductor index closed at a 20-day closing low sell signal.
- Buy the **Direxion Daily Semiconductor Bear 3X (SOXS)** with a retracement cack to 240.5 on the VanEck Vectors Semiconductor ETF (SMH) or a 30-minute buy signal on the **Direxion Daily Semiconductor Bear 3X (SOXS)**.
- Wait for text confirmation!
- Position is at 1-star(\*)
- *Direxion Daily Semiconductor Bear 3X (SOXS)* closed at 54.68. The **VanEck Vectors Semiconductor ETF (SMH)** closed at 234.73
- *VanEck Vectors Semiconductor ETF (SMH)* VWAP is at 51.73.
- Sell target price on **Direxion Daily Semiconductor Bear 3X (SOXS)** : 1st target is 56.95. 2<sup>nd</sup> target is 62.30. 3<sup>rd</sup> target is 71.99
- Stop sell price: Close below **47.65**.



Head & Shoulders Top

Van Eck Vectors Semiconductor ETF  
Up/Down Vol Ratio .60



Rally to the 50-day MA  
Institutional Selling

Neckline of Head & Shoulders Top

240.5

194.3

194'3 EX Ret 6.855

240'5 EX Ret 4.236

269'2 EX Ret 2.618

287'0 EX Ret 1.618

297'7 Ret 1.000

306'6 Ret 0.500

24 Oct 8 15 22 29 Nov 12 19 26 Dec 10 17 23 31 Jan 14 21 28 Feb 11 18 25 Mar 11 18 25 Apr 8 14 22 29 May 13 20 27 Jun 1

330'0  
320'0  
310'0  
300'0  
290'0  
280'0  
270'0  
260'0  
250'0  
240'0  
234'6  
230'0  
220'0  
210'0  
200'0  
190'0

Direxion Daily Semiconductor Bear 3X  
Up/Down Vol Ratio 1.54





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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.

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