



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

10/22/23



This Trading Floor Research report contains:

S&P 500 Update

Russell 2000 (IWM) Update

Direxion Small Cap Bear 3X (TZA)

Direxion S&P 500 Bear 3X (SPXS)

2X Long VIX Futures ETF (UVIX)

Greyscale Bitcoin Trust (GBTC)

Russell 2000 (IWM) Update

Friday's **Russell 2000 (IWM)** close was below 170.08, the most significant number on the four-year chart.

170.08 is 50% of the distance from the March 2020 Covid crash low to the November 2021 high.

The January 2020 IWM high before the COVID-19 crash was 170.55, significantly adding to the strength of the 170.08 number.

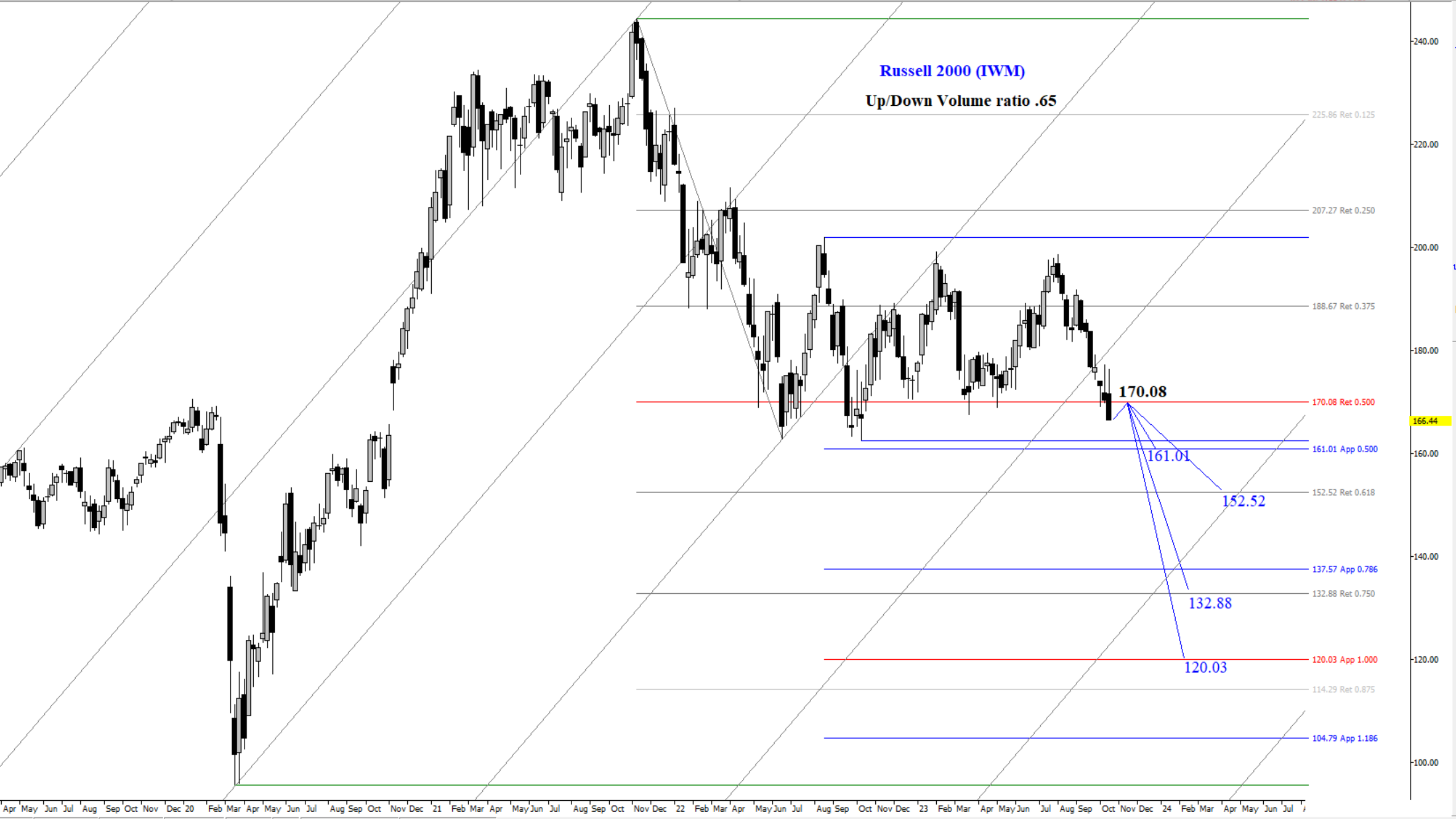
A weekly close below 170.08 should be considered a very bearish development.

The next Fibonacci downside targets on IWM are 162.50-161.01, 155.92-152.52, 132.88 and 120.03.

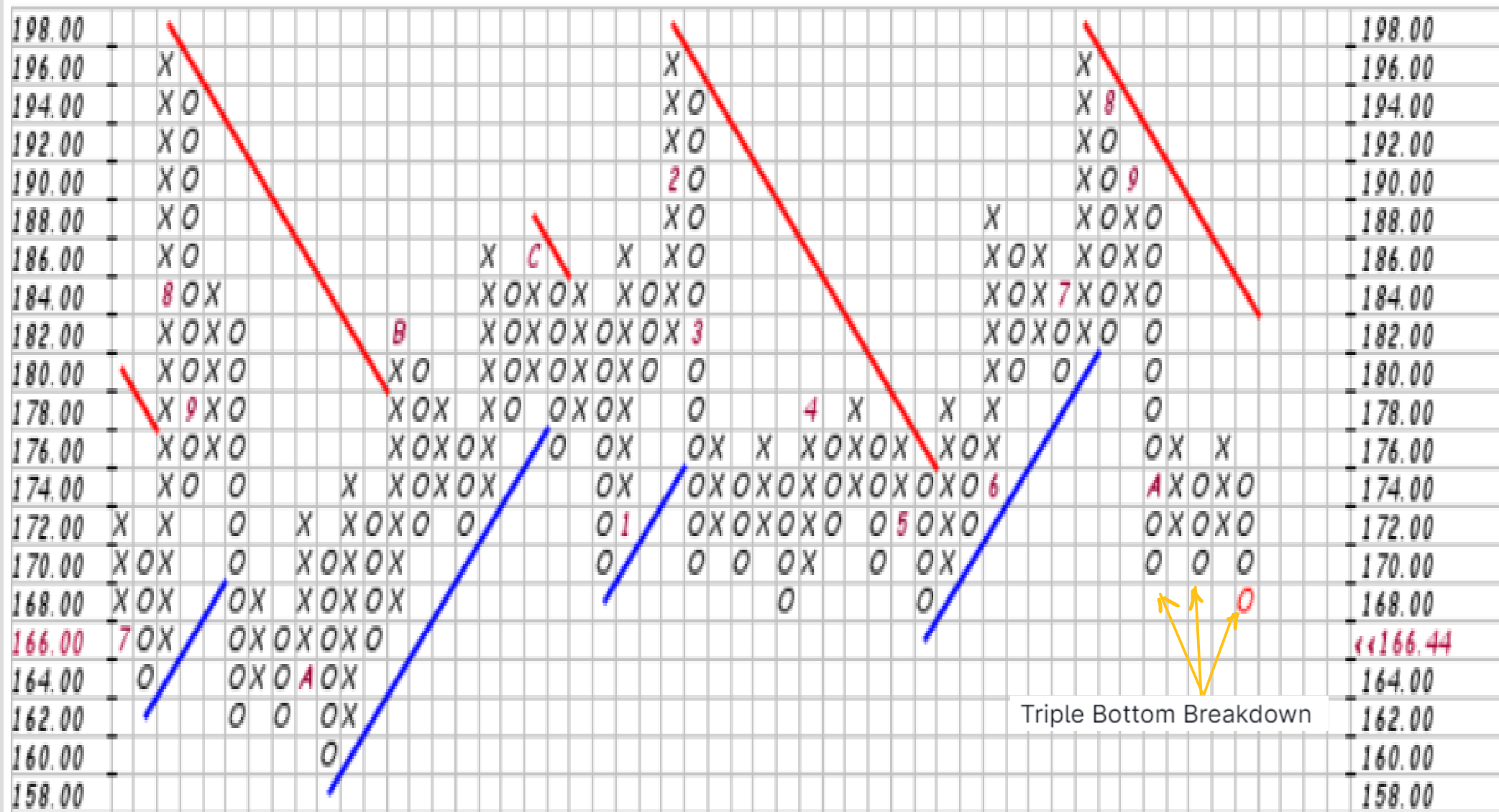
The Russell 2000 is short-term oversold with significant Ichimoku cloud support at 165.11.

A retracement rally from this level is a strong probability. Moving higher to the 170.08 Fibonacci target will be another great place to purchase the **Direxion Small Cap Bear 3X (TZA)** position.

The trade setup is featured in this report.



Russell 2000 (IWM)



Buy candidate: Direxion Small Cap Bear 3X (TZA)

• *Portfolio: Short the Russell 2000. This trade is designed to move 3x the inverse daily performance of the Russell 2000 (IWM).*

• *The Direxion Small Cap Bear 3X (TZA) broke a Spread Double Top Breakout at 36.00 on the Point & Figure chart and was .13 away from breaking a Spread Six Top Breakout at 37.00. TZA is short-term overbought and would like to purchase shares on a pullback to Fibonacci support at 35.26.*

• *The Direxion Small Cap Bear 3X (TZA) will Confirm a Buy with a pullback to 35.26 and a 30-minute buy signal.*

Wait for text confirmation!

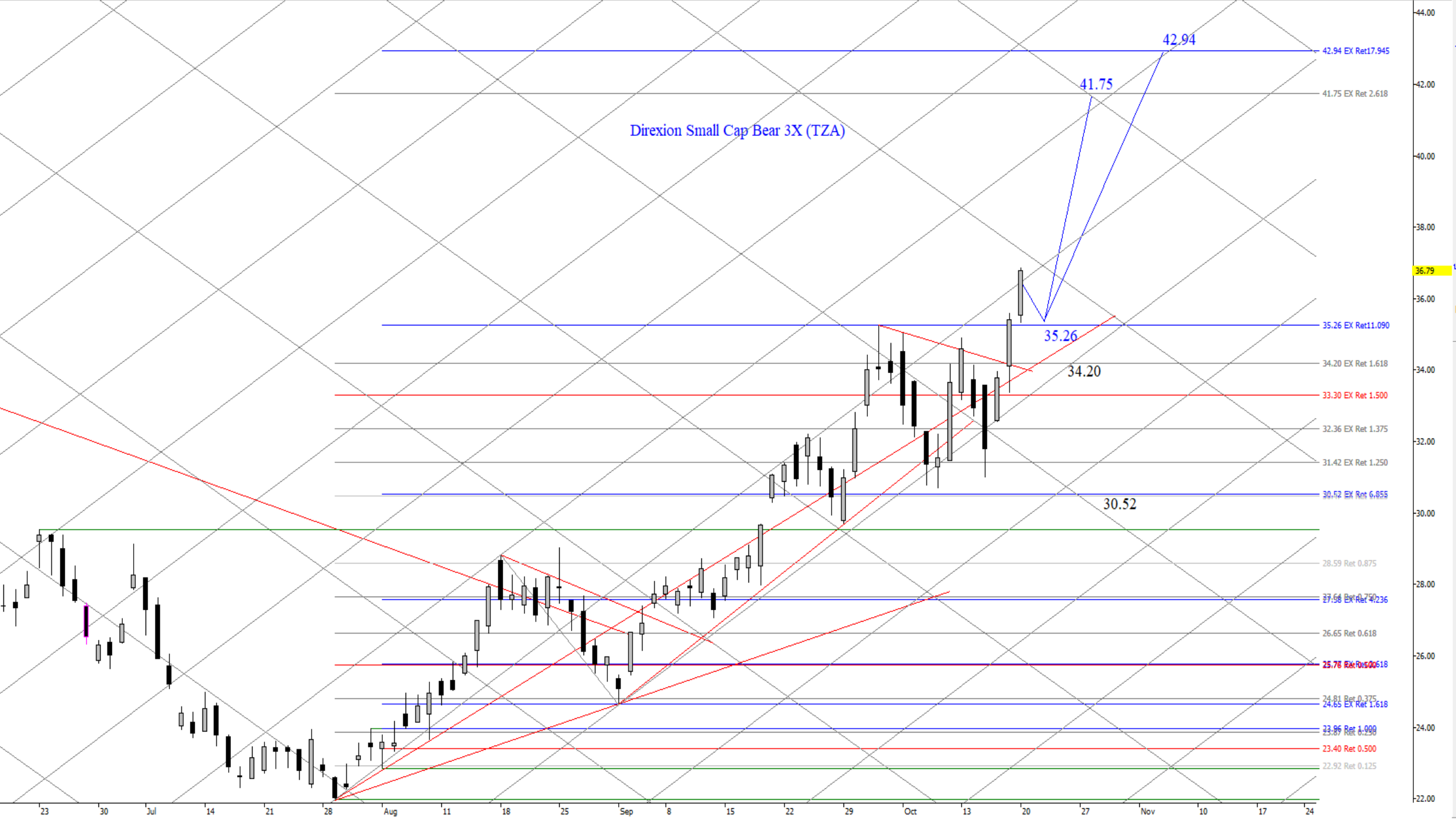
• *Start position at 2-star(**).*

• *Direxion Small Cap Bear 3X (TZA) closed at 36.80.*

• *Direxion Small Cap Bear 3X (TZA) VWAP is at 47.99*

• *Sell target price: 1st target is 41.75; 2nd target is 42.94*

Stop sell price: Close below 34.20.



Direxion Small Cap Bear 3X (TZA)

42.94

41.75

35.26

34.20

30.52

36.79

23 Jul 14 21 28 Aug 11 18 25 Sep 8 15 22 29 Oct 13 20 27 Nov 10 17 24

S&P 500 Update

Thursday's close below significant Fibonacci support at 4311.69 indicates that the **S&P 500** could go considerably lower from here.

The lower closes of the past four trading days have occurred with accelerating downside volume as the **Up/Down Volume ratio approaches 100-day lows at .79**. A sign of heavy institutional selling.

Even though selling intensity has increased, the bulls didn't show any sign of capitulation on Friday. The **CBOE Volatility Index (VIX)** barely budged. It finished the day up +.31 at 21.71. **Market bottoms end with volatility spikes.**

The point and figure chart of the VIX gave a spread quadruple top breakout this past week. The Spread Quadruple Top started in May and encompasses a majority of 2023 trading. **The VIX pattern is a warning of an imminent volatility spike.**

The next Fibonacci VIX targets are at 23.00, 31.20, and 44.70. I will take advantage of the potential volatility spike and purchase the **2X Long VIX Futures ETF (UVIX)** with confirmation. UVIX is highlighted in this TFR report.

The SPX has had two stairsteps lower from the July 27 high. The second stairstep started with the September 14 high. Each stairstep lower from the July 27 high has been equal distance and orderly.

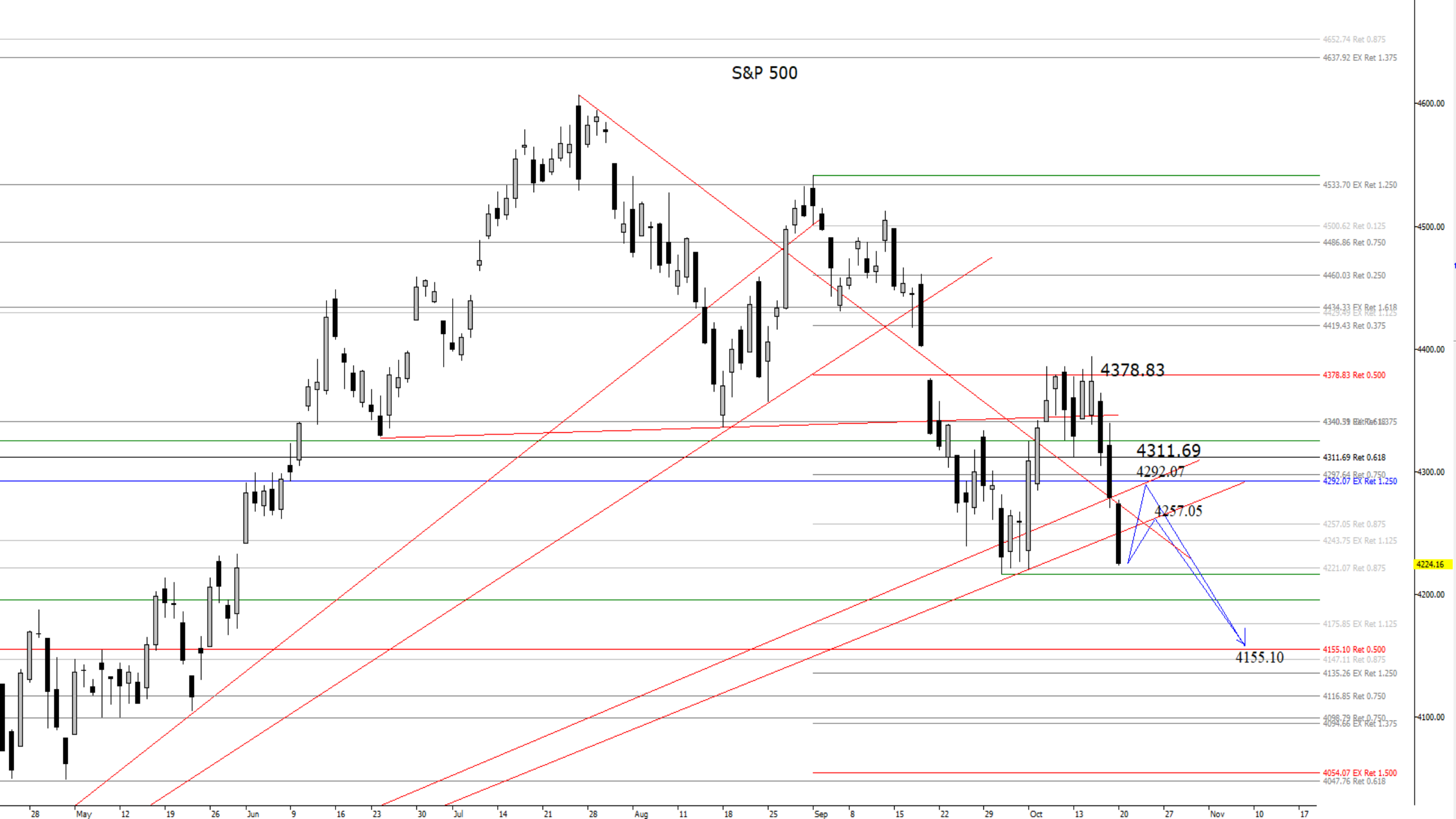
If the market continues the same orderly stairstep pattern, the next downside price target is **4121.81**.

The 4121.81 target is a 0.8% overshoot of the bear market 1/2 number at 4155.10. **The 4155.10 to 4121.81 range is the target range that holds the strongest probability.**

The market is short-term oversold, and we could see a retracement rally this week. Any retracement from here will offer another excellent shorting opportunity.

The Fibonacci retracement targets are 4267.37 and 4305.01- 4311.69. A retracement to Fibonacci resistance will offer a low-risk entry point to purchase the **Direxion S&P 500 Bear 3X (SPXS)** and take advantage of the next potential move lower.

S&P 500



S&P 500



Double Bottom Breakdown

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

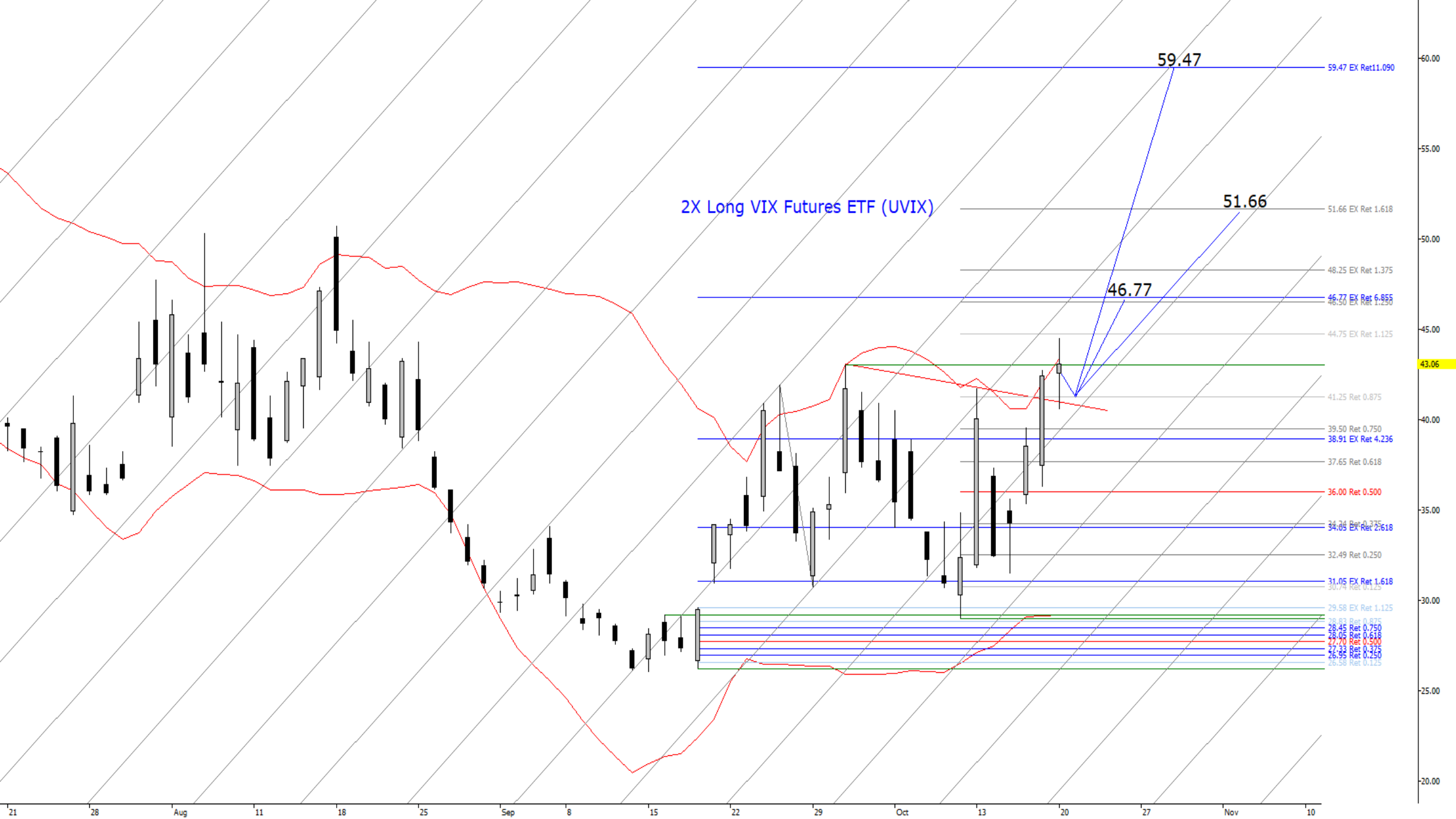
- *Portfolio: VIX Short-term Futures Index.* This ETF corresponds to the move in 2x the S&P VIX Short-Term Futures Index.
- *2X Long VIX Futures ETF (UVIX) trade is designed to expand when the VIX Short-term Futures contract moves higher. The Up/Down Volume ratio making a 100-day high is pointing to the imminent expansion of UVIX.*
- *2X Long VIX Futures ETF (UVIX) will Confirm with a pullback to Fibonacci support at 41.25-39.50 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 1.17 as it hit a 100-day high.*

- *ProShares VIX Short-term Futures ETF (VIXY) closed at 43.06.*

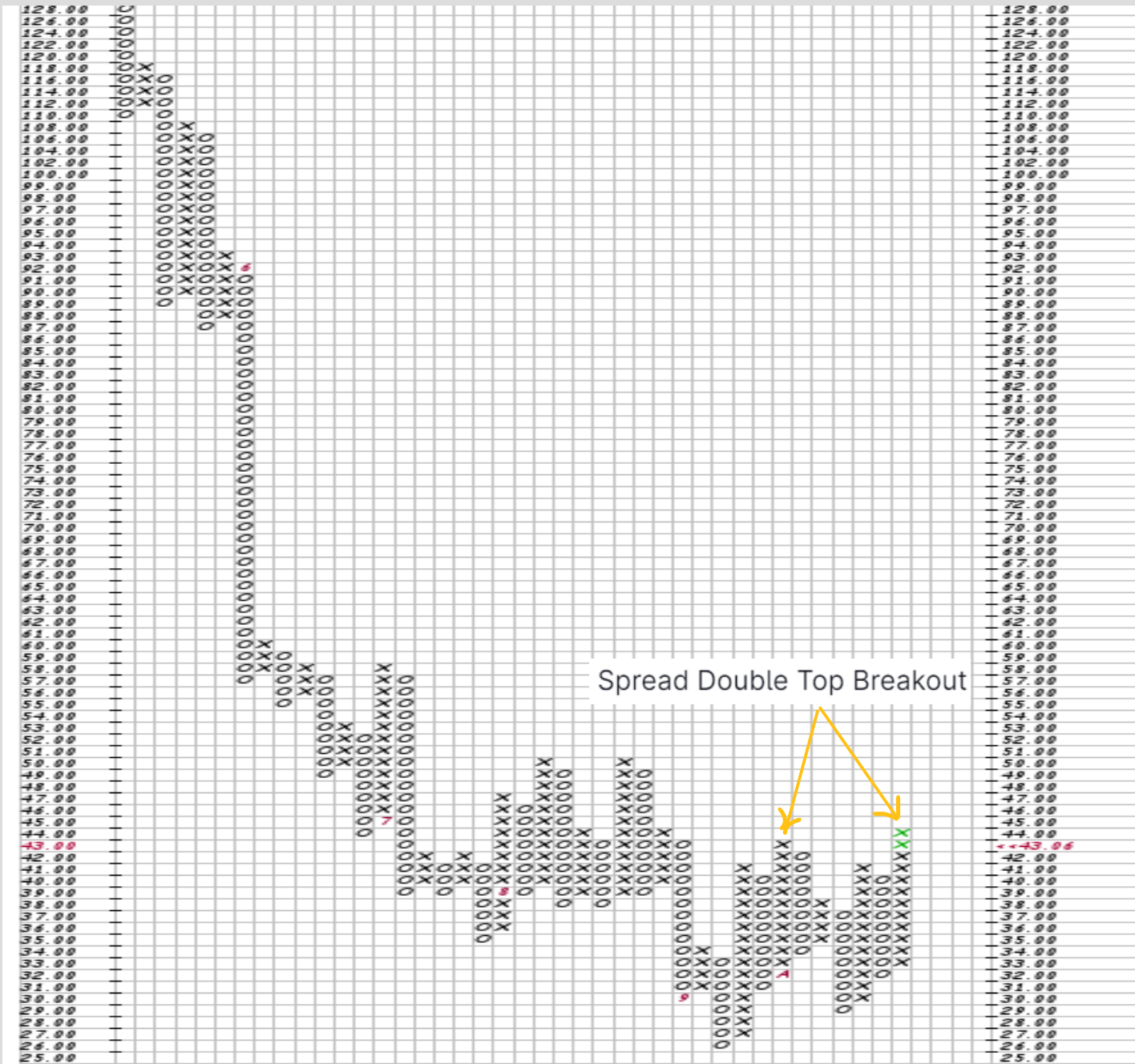
- *ProShares VIX Short-term Futures ETF (VIXY) VWAP is at 40.50.*

- *Sell target price: 1st target is 46.77; 2nd target is 51.66; 3rd target is 59.47.*

Stop sell price: Close below 38.91.



2X Long VIX Futures ETF (UVIX)

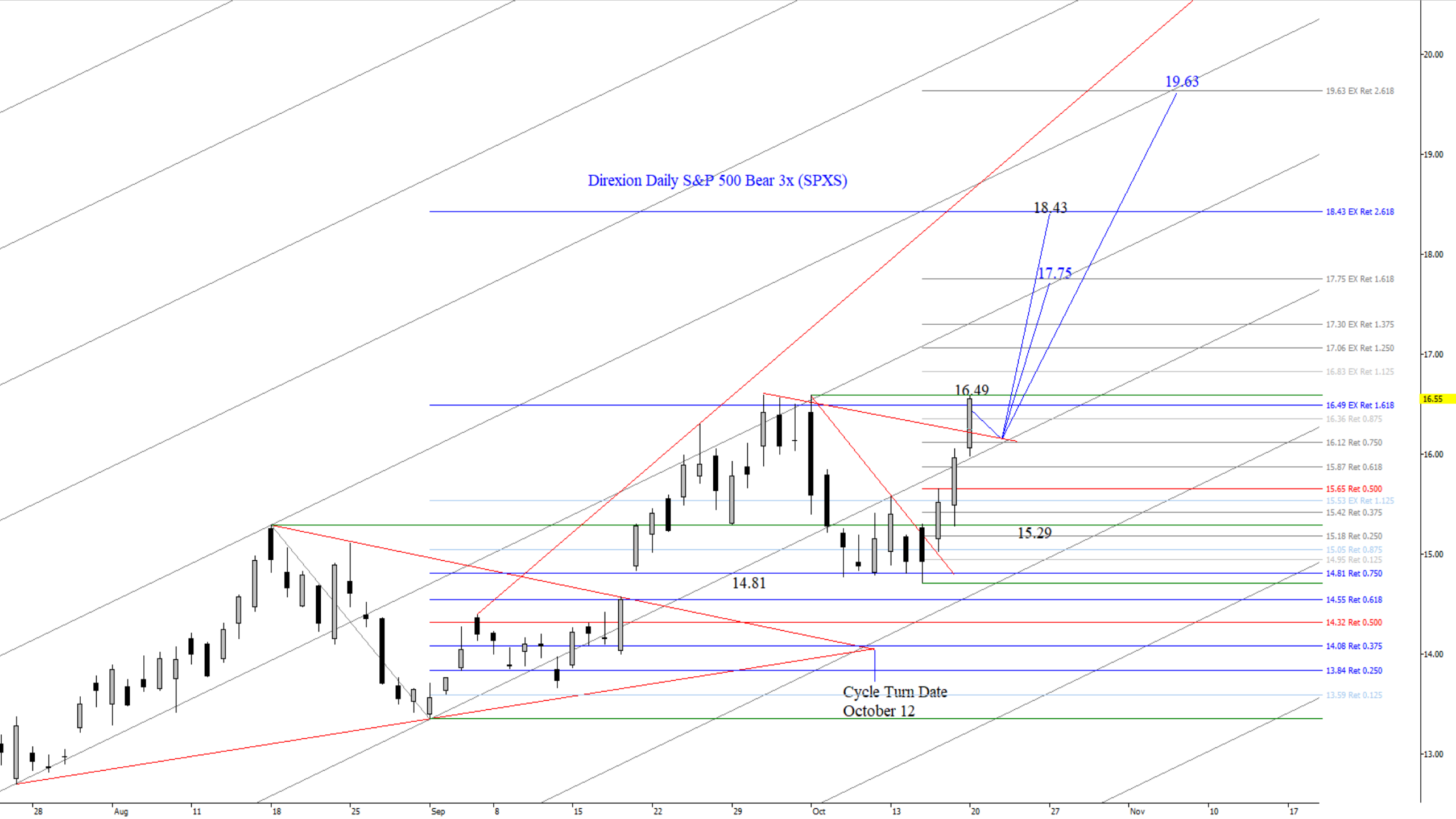


Buy candidate: Direxion Daily S&P 500 Bear 3X (SPXS)

- *Portfolio: Short the S&P 500. This trade is designed to move 3x the inverse daily performance of the S&P 500 (SPX).*
- *The Direxion Daily S&P 500 Bear 3X (SPXS) trade is designed to take advantage of the next potential move lower in the S&P 500 (SPX).*
- *The Direxion Daily S&P 500 Bear 3X (SPXS) closed above Fibonacci resistance at 16.49 and is overbought. SPXS could regain Fibonacci support between 16.12 and 15.87 before resuming its uptrend. A Pullback to 16.12 will offer low-risk entry.*
- *The Direxion Daily S&P 500 Bear 3X (SPXS) will Confirm a Buy with a pullback to 16.12-15.87 and a 30-minute buy signal.*

Wait for text confirmation!

- *Start position at 2-star(**).*
- *Direxion Daily S&P 500 Bear3X (SPXS) closed at 16.55.*
- *Direxion Daily S&P 500 Bear 3X (SPXS) VWAP is at 30.98*
- *Sell target price: 1st target is 17.75; 2nd target is 18.43; 3rd target is 19.63.*
- *Stop sell price: Close below 15.29.*



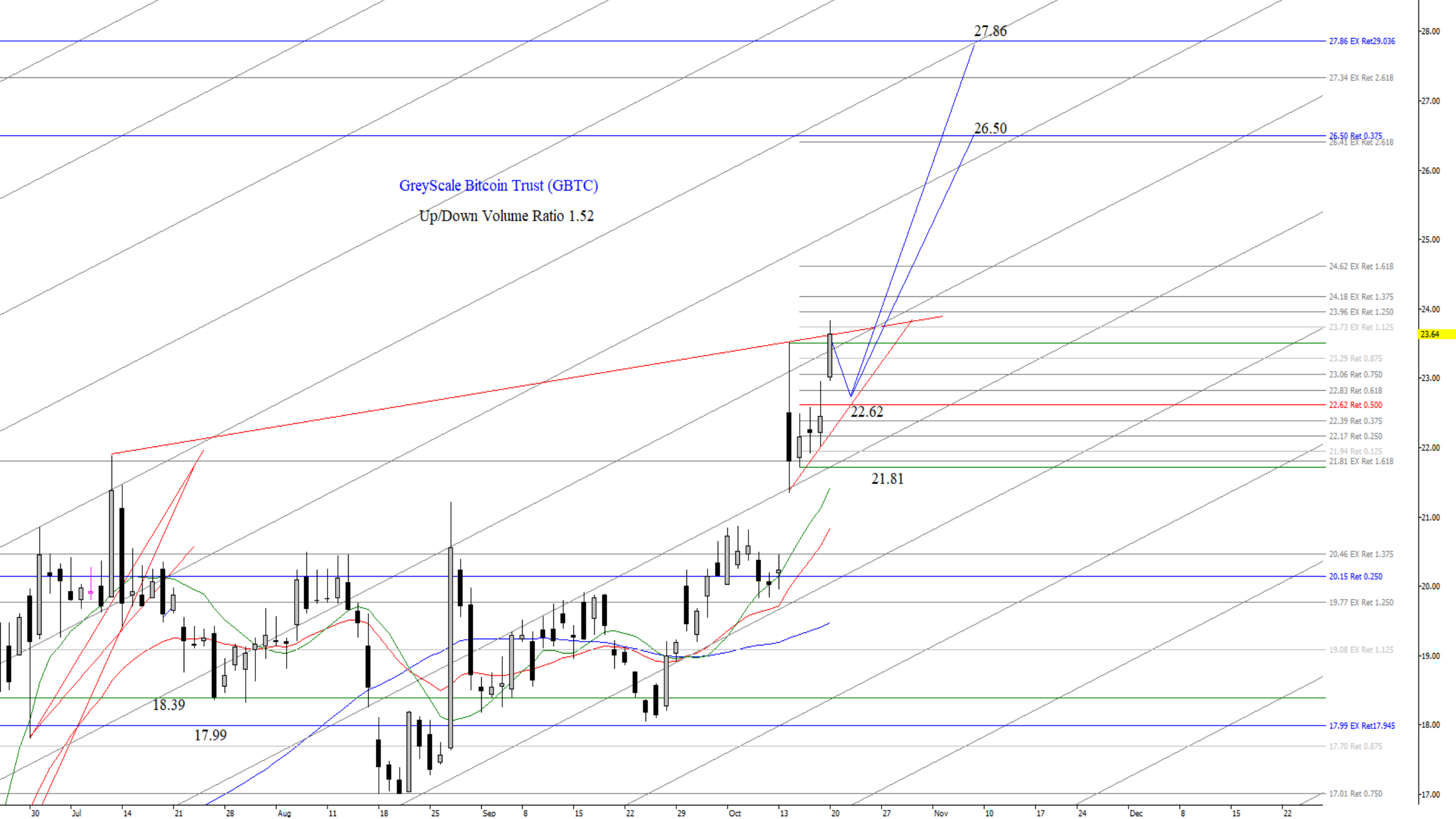
Direxion Daily S&P 500 Bear 3x (SPXS)

Cycle Turn Date
October 12

20.00
19.00
18.00
17.00
16.00
15.00
14.00
13.00

Buy Candidate: Greyscale Bitcoin Trust (GBTC)

- *Greyscale Bitcoin Trust (GBTC) is an open-ended grantor trust that tracks the movement of Bitcoin.*
- *Last week, Grayscale Bitcoin Trust (GBTC) continued to move higher following the bullish Triple Top signal on the Point and Figure chart at 22.00. Monday, GBTC gapped above Fibonacci resistance at 21.88 on massive volume. A pullback to Fibonacci support at 22.62 and the Anchored VWAP at 22.52 will offer low-risk entry to purchase shares. The 30-minute Ichimoku cloud is 22.47, creating a more significant support band.*
- *Greyscale Bitcoin Trust (GBTC) will confirm after a pullback to 22.52 and a 30-minute buy signal.*
- *Wait for a text Alert!*
- *Start Position at 1-star(*)*
- *Greyscale Bitcoin Trust (GBTC) Is under massive accumulation with an Up/Down Volume Ratio of 1.53, breaking 100-day highs.*
- *Greyscale Bitcoin Trust (GBTC) closed at 23.64.*
- *Greyscale Bitcoin Trust (GBTC) AVWAP is at 22.52.*
- *Fibonacci target prices: 1st target is 24.62; 2nd target is 26.50; 3rd target is 27.86.*
- *Stop price: Close below 21.81.*



Sector Update

Energy Sector

This past week's Energy sector buy signal left oil and gas stocks overbought.

*The signal included a buy from **Oil & Gas Integrated** companies and a push higher from the previous leadership of **Midstream and Exploration & Production** stocks.*

Thursday and Friday's pullback was expected and allowed strong energy stocks a chance to catch their breath.

*I took advantage of the pullback and bought **Black Stone Minerals (BSM)** following confirmation at 17.92.*

*Black Stone Minerals (BSM) is emerging as a strong **Oil & Gas US Exploration & Production** Industry group leader. With the completion of the Energy sector pullback, other leaders should give confirmation.*





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