



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

01/07/24



This Trading Floor Research report contains:

NASDAQ 100 (QQQ) Update

Adagene Inc. (ADAG)

Seenergy Maritime Corp. (SHIP)

Himalaya Shipping Ltd. (HSHP)

NASDAQ 100 (QQQ) & S&P 500 Market Update

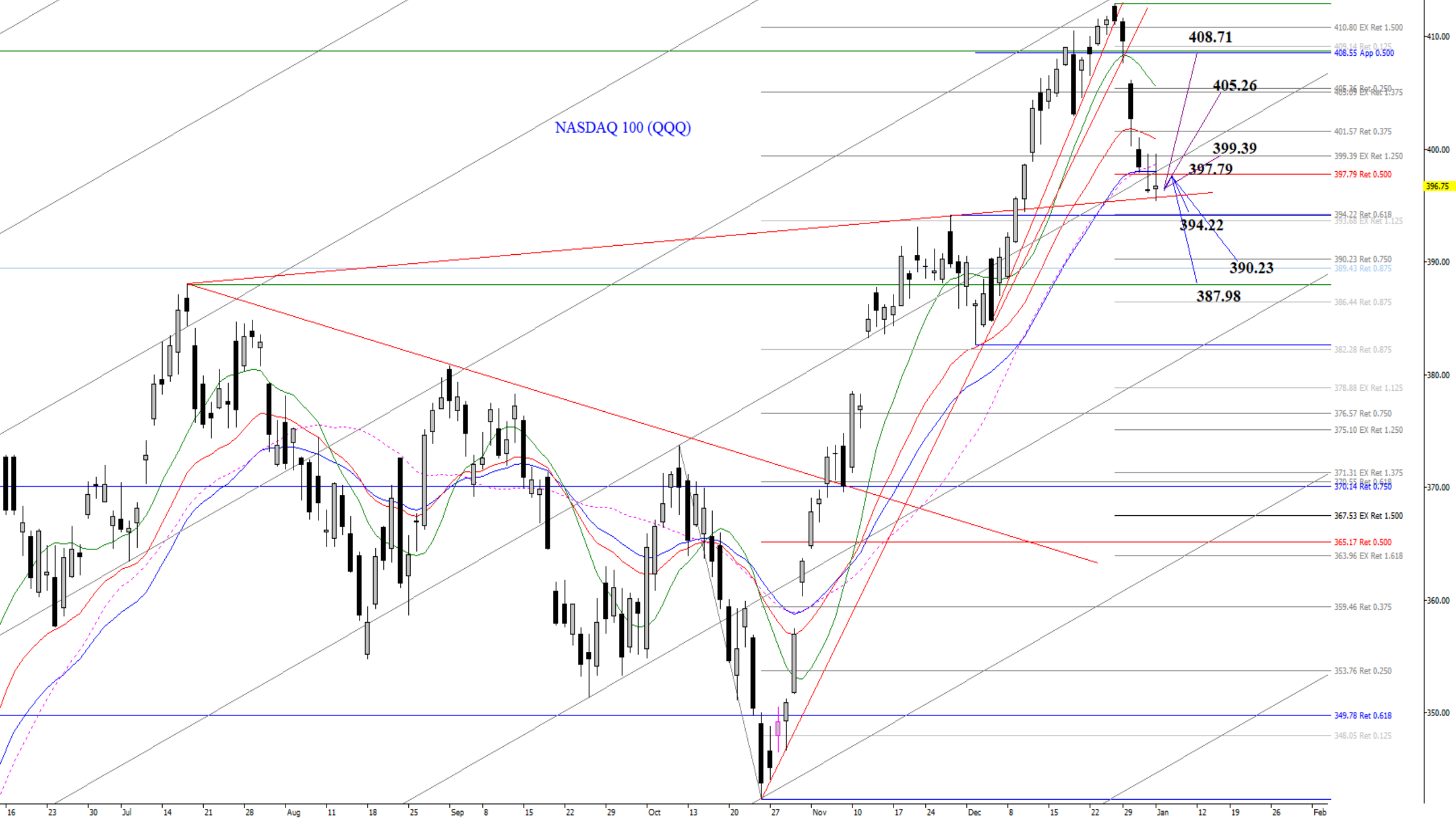
After Tuesday's **NDX Bullish Percent Index** confirmed a sell from a historically high level of 90%, the market continued to plunge for the remainder of the week. A Bullish Percent level at 90% and above has been seen very few times in the NASDAQ 100 over the past 20 years, and a sell confirmation from this level is significant. Typically, a sell confirmation from this level points to a meaningful decline lasting many weeks and is a bearish signal.

The **Technology Sector Bullish Percent Index** also confirmed a sell, increasing confidence in the NDX signal on Tuesday. Later in the week, the **S&P Real Estate Sector** and the **S&P Industrials Sector** gave Bullish Percent Index sell signals from historically high levels.

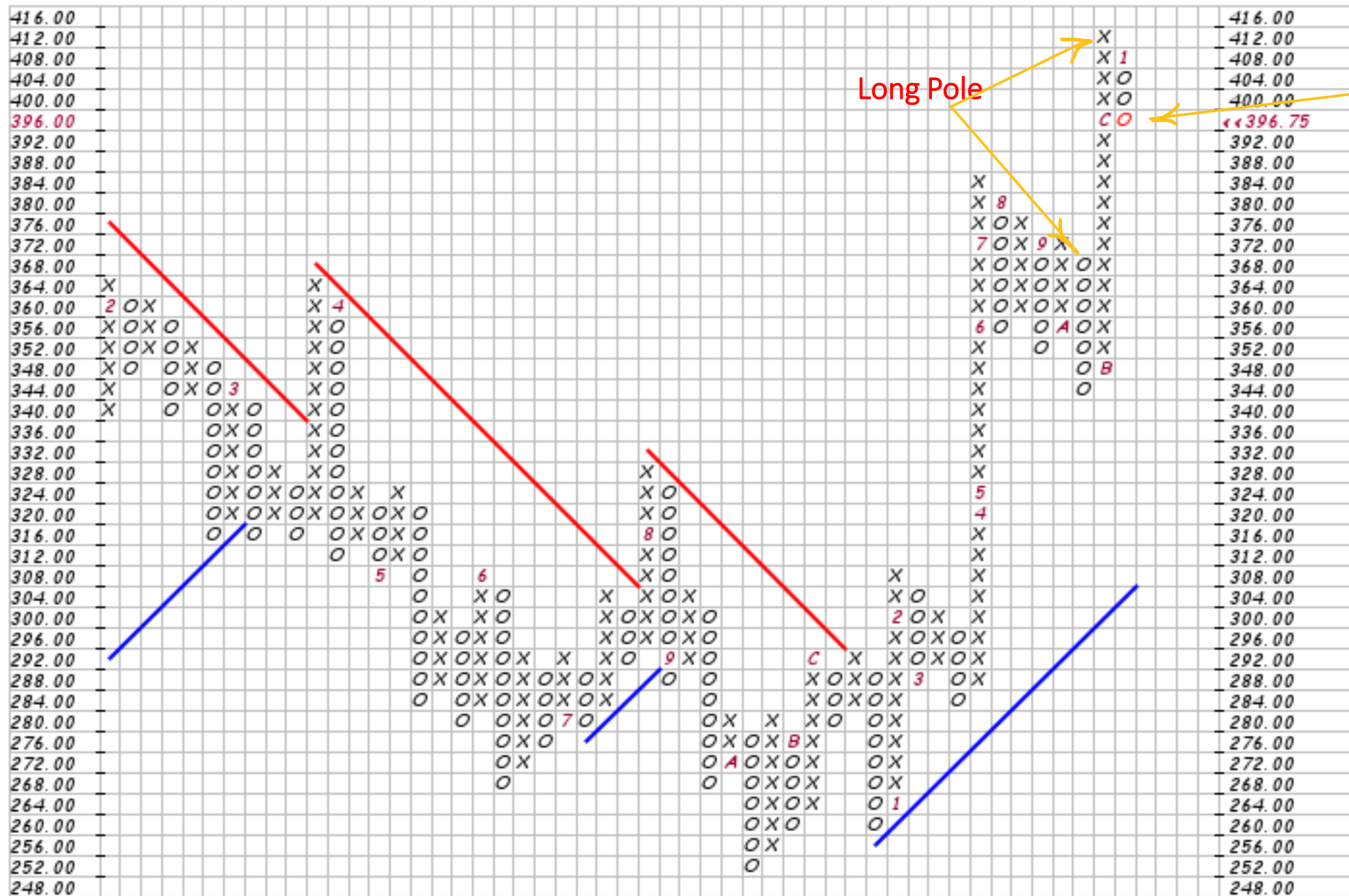
All three Bullish Percent Index sector sell signals indicate tops that will likely not be breached for many weeks. So far, the sell confirmation is on the NDX Bullish Percent Index and the Bullish Percent charts of the three mentioned sectors. Further price confirmation will come with the proper distribution days and breaking Fibonacci support. Typically, when the Bullish Percent Index on sectors or indexes gives sell confirmation from a 90-100% level, it marks the top of a move, and the downturn begins a week or two after the signal. The NDX Bullish Percent Index confirmed a sell from 90% on Tuesday. I take this signal very seriously. It is typically the first shot across the bow.

This week, I will focus on the "**January Effect**" indicator. The highs and lows of the first week of the **S&P 500** and **NDX** year are critical. **If these indexes break the first-week S&P 500 low at 4682.11 and the QQQ low of 395.34, they will be considered in a downtrend.** The third week of January is also observed for market highs and lows as additional confirmation. If the lows are broken in both periods, expect a further downtrend for much of the year. The market will be considered in a downtrend until the highs of the two periods are broken. Once a downtrend is confirmed, in many cases, the high prices made in these weeks will be highs for much of the year.

The topping process on the SPX and NDX started on the December 20 selloff, adding the first distribution day. Since then, two distribution days have been added to the NDX and three additional on the S&P 500. Five or more distribution days in 20 trading days point to a likely market top. **It is time for extreme caution as the markets are very close to a price and volume sell signal.**



NASDAQ 100 (QQQ)



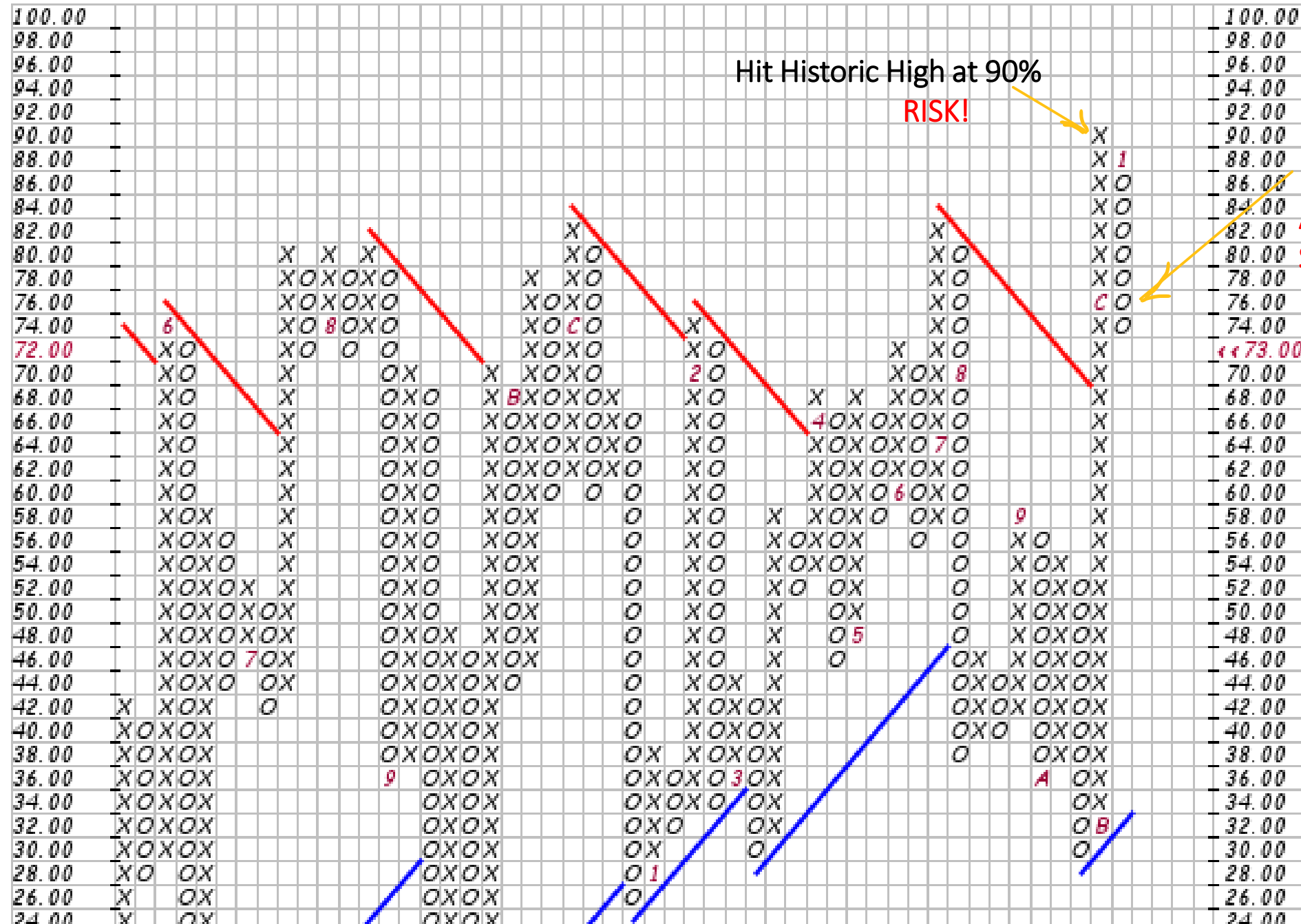
Reversal From Long Pole

Long Pole

23

24

Bullish Percent Index NASDAQ 100



Last weeks
Reversal
And
Sell Confirmation

Industry Group Rotation

Transportation Ships see massive accumulation to start the new year

Although the market continues to slide lower into the new year, the **Transportation Ship industry group** showed exceptional strength, increasing by +6.43% on massive volume. The accumulation coming into Shipping and ports stocks since December 15 is outstanding and indicates that these stocks can move considerably higher.

I've divided the group into two subgroups to stay focused on the leaders as they emerge. The subgroups are **Oil & LNG Shippers** and **Dry Bulk Cargo Shippers**. Past leadership has focused on the Oil & LNG Shippers.

The Dry Bulk Carriers subgroup is now leading the Transportation Shippers higher and saw the most significant accumulation in the recent move. Since the start of the new year, the volume has been accelerating on each consecutive higher close, pushing the Up/Down Volume Ratio at 100-day highs and indicating that the shipping stocks will move considerably higher.

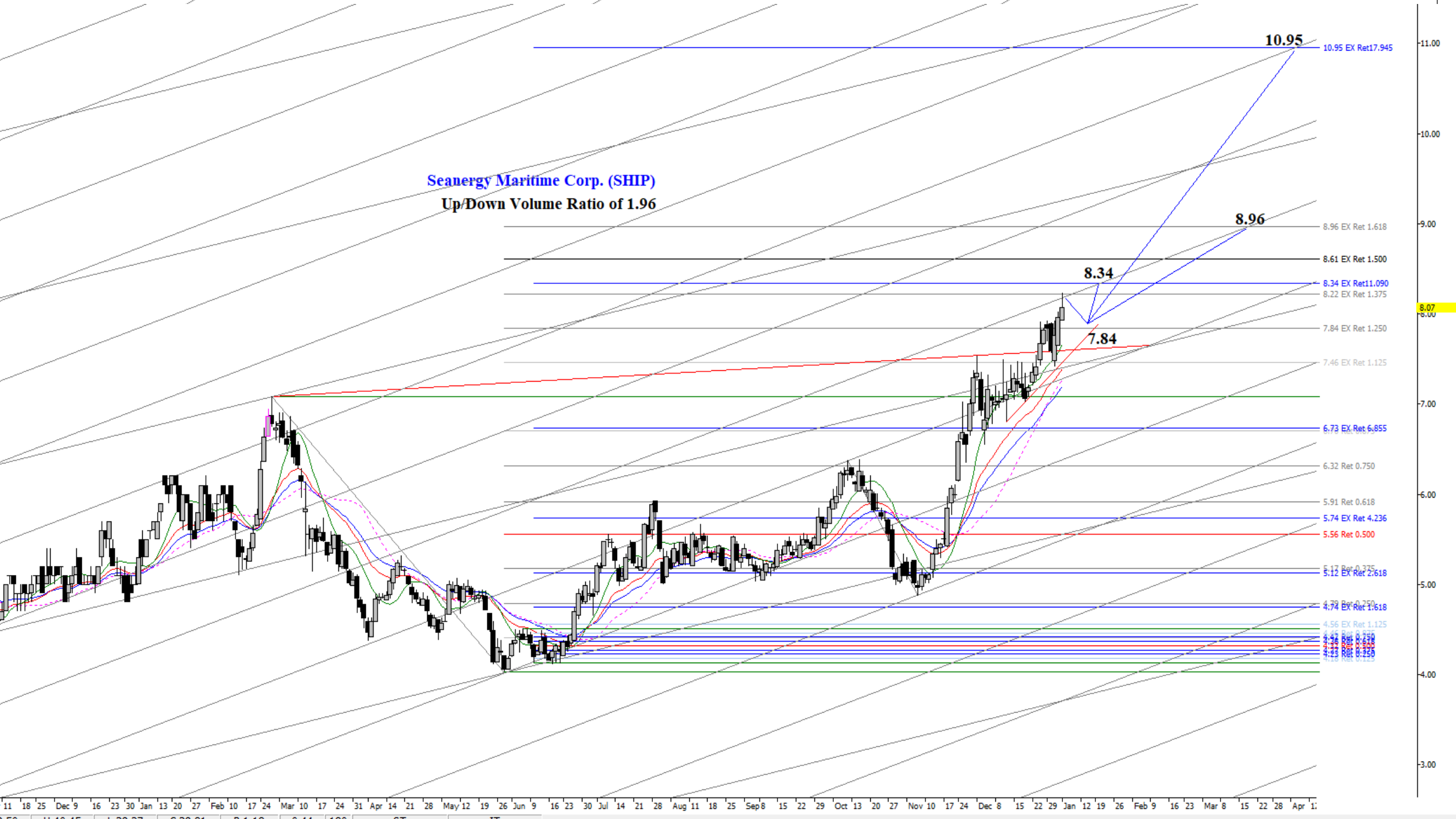
Dry Bulk Cargo Shipping leadership was emerging all week. On Thursday, I purchased a dry goods emerging leader, **Seenergy Maritime Holdings (SHIP)**, and purchased **Himalaya Shipping Ltd (HSHP)** on Friday. Himalaya Shipping Ltd (HSHP) is a recent Dry Bulk Ship IPO breaking out of its primary base under heavy accumulation. Both are featured in today's TFR report.



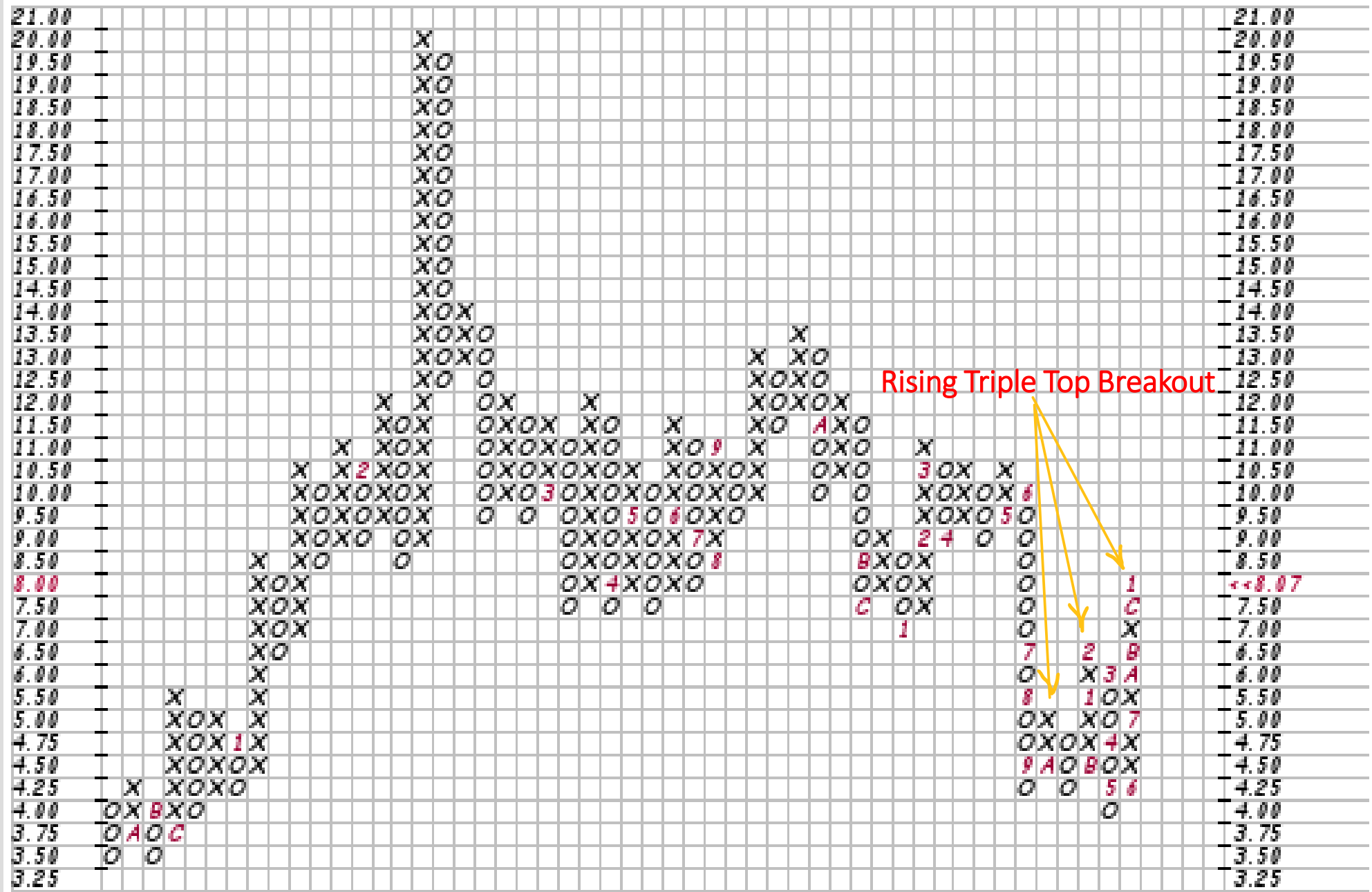
Confirmed BUY: Seanergy Maritime Corp. (SHIP)

- *Industry Group: **Transportation Ship**. The Transportation Ship industry group ranks 23rd of 197 and is up +6.43% YTD. The industry group gave a buy signal on December 15 and is under accumulation with an Up/Down Volume Ratio of 1.45 at 100-day highs.*
- *Seanergy Maritime Corp. (SHIP) is a transporter of cry bulk cargoes by owning and operating 16 dry bulk carriers.*
- *Seanergy Maritime Corp. (SHIP) completed a Point & Figure Rising Triple Top Breakout at 7.00. It is also stair-stepping higher from the handle of its cup-with-handle base that started in March.*
- *Seanergy Maritime Corp. (SHIP) was purchased at 7.89 after breaking Fibonacci resistance at 7.84 on Thursday.*
- *The position was started at a 1-star**
- *Seanergy Maritime Corp. (SHIP) is under accumulation with an Up/Down Volume Ratio of 1.96, approaching 100-day highs.*
- *Seanergy Maritime Corp. (SHIP) closed at 8.07. Up 2.3% from its purchase.*
- *Seanergy Maritime Corp. (SHIP) Anchored VWAP is at 11.94.*
- *Fibonacci target prices: 1st target is 8.34; 2nd target is 8.96; 3rd target is 10.95.*
- *Stop price: Close below 7.46.*

Seanergy Maritime Corp. (SHIP)
Up/Down Volume Ratio of 1.96

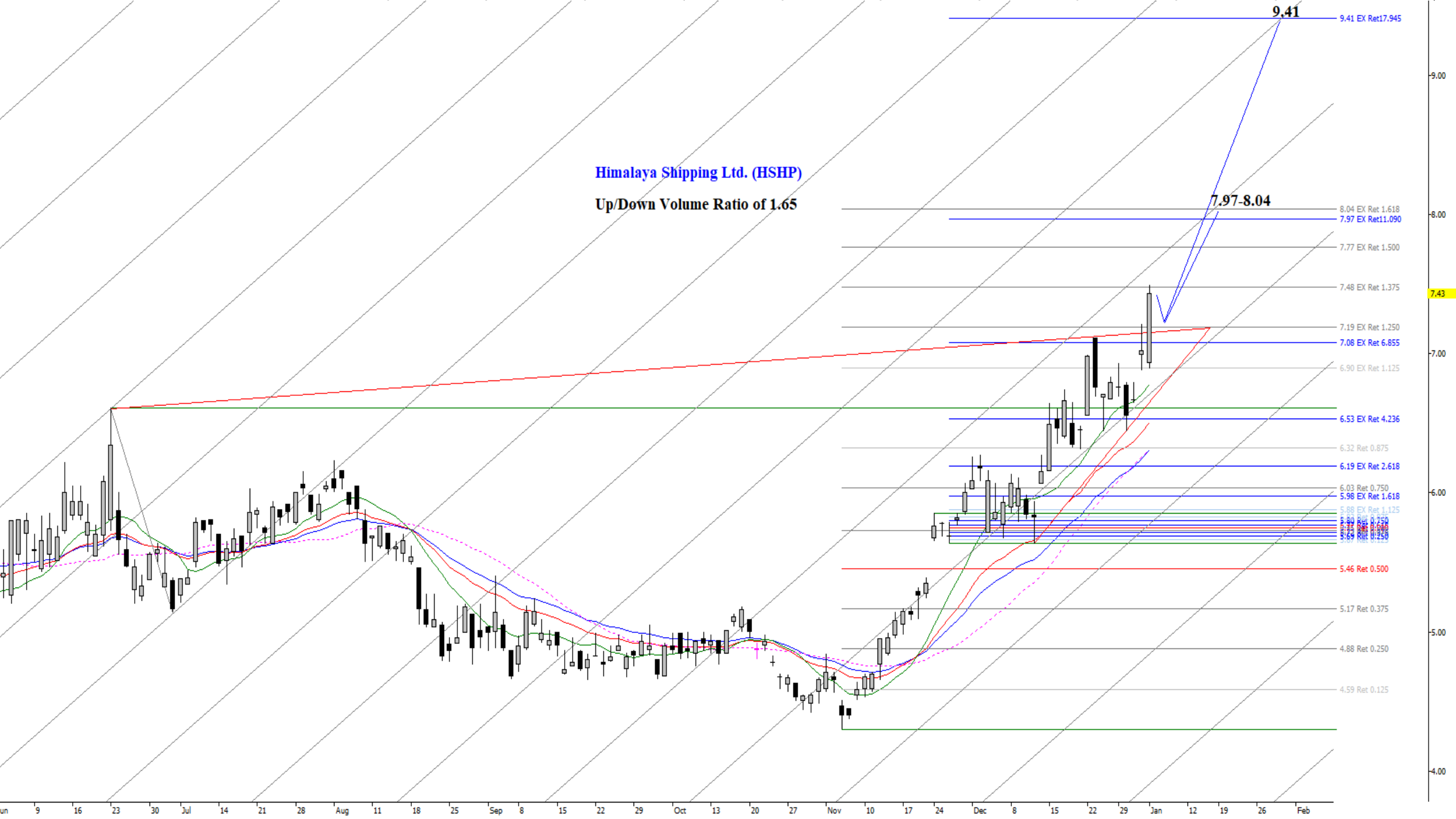


Seanergy Maritime Corp. (SHIP)



Confirmed BUY: Himalaya Shipping Ltd. (HSHP)

- *Industry Group: **Transportation Ship**. The Transportation Ship industry group ranks 23rd of 197 and is up +6.43% YTD. The industry group gave a buy signal on December 15 and is under accumulation with an Up/Down Volume Ratio of 1.45 at 100-day highs.*
- *Himalaya Shipping Ltd. (HSHP) provides tanker transportation for dry bulk cargo with a two-vessel fleet.*
- *Himalaya Shipping Ltd. (HSHP) broke out of an IPO Cup-With-Handle primary base that started in April. It will also complete a Point & Figure Triple Top Breakout at 7.00.*
- *Himalaya Shipping Ltd. (HSHP) confirmed on Friday at 7.20.*
- *The position was started at a 1-star**
- *Himalaya Shipping Ltd. (HSHP) is under accumulation with an Up/Down Volume Ratio of 1.65, making 20-day highs.*
- *Himalaya Shipping Ltd. (HSHP) closed at 7.43. It is up 3.2% from Friday's purchase.*
- *Himalaya Shipping Ltd. (HSHP) Anchored VWAP is at 5.58.*
- *Fibonacci target prices: 1st target is 7.97-8.04; 2nd target is 9.41*
- *Stop price: Close below 6.53.*



Industry Group Rotation

Medical Biotech

The Biotech industry group is powering ahead as the rest of the market systematically moves lower.

Thursday, Biotech stocks led the Healthcare sector higher with a 1.35% gain on massive volume. The Up/Down Volume ratio is incredible at 1.68 and has been making consecutive 100-day highs since early December. The last time accumulation looked this strong was when Biotech's raced higher in 2021.

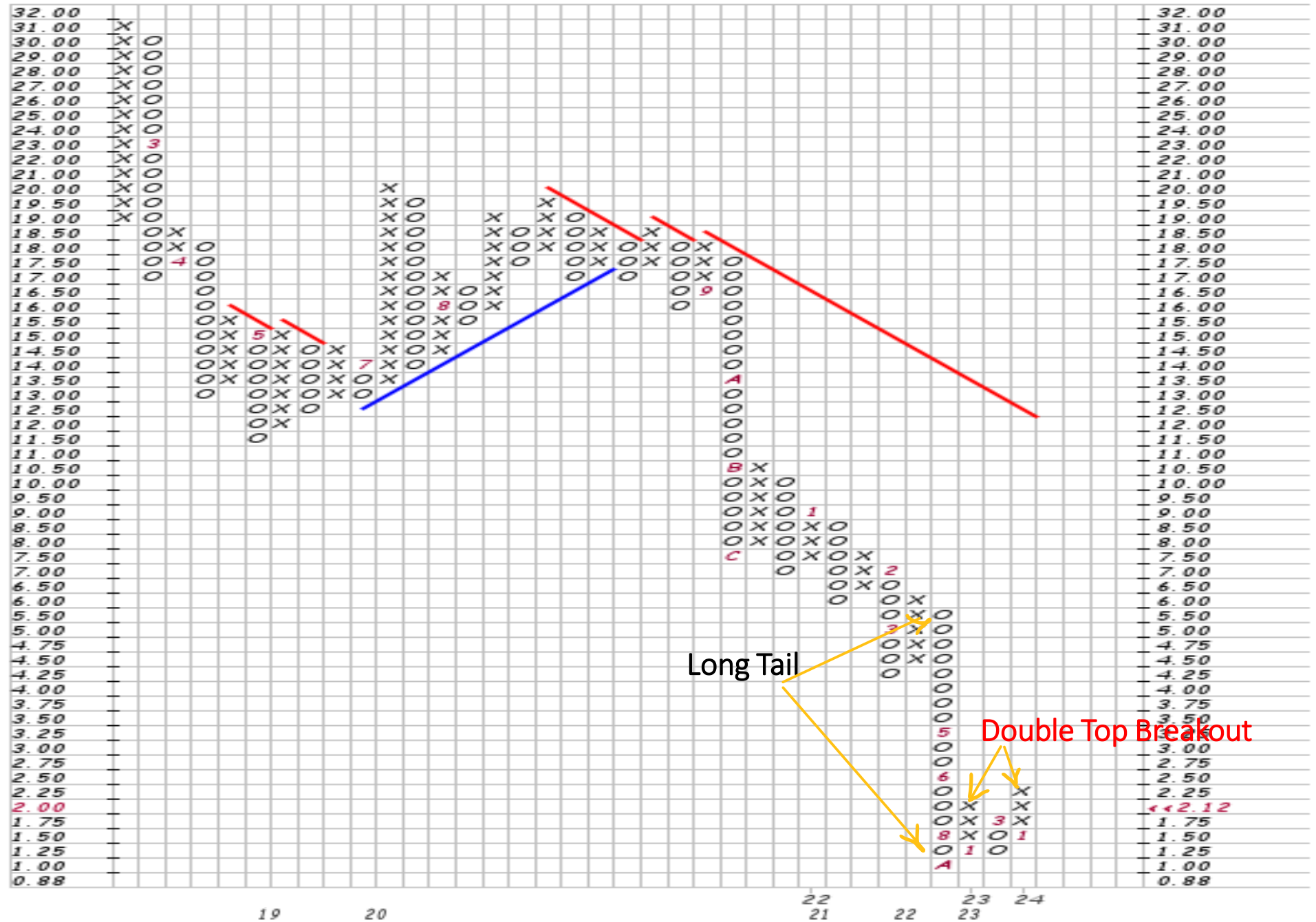
Many biotechs are on my watchlist, and I intend to make new purchases over the next few days. I purchased Adagene ADR (ADAG) on Wednesday to utilize the Biotech strength. It is highlighted in this TFR report.

Confirmed BUY: Adagene ADR (ADAG)

- *Industry Group: **Medical Biotech**. The Medical Biotech industry group ranks 8th out of 197 and is up +0.08% YTD. The **Medical Biotech** industry group gave a buy signal on December 1 and is under accumulation with an Up/Down Volume Ratio of 1.68.*
- *Adagene ADR (ADAG) develops antibody therapeutics for cancer treatment.*
- *Adagene ADR (ADAG) completed a **Point & Figure Double Top Breakout** at 2.25 from a **Long Tail** down. The pattern indicates a move that could go to 4.25. It also **broke out of a base that started in February**.*
- *Adagene ADR (ADAG) was purchased at 2.00 after breaking Fibonacci resistance at 1.93 on Wednesday.*
- *The position was started at a **1-star****
- *Adagene ADR (ADAG) is under massive accumulation with an **Up/Down Volume Ratio** of 2.32.*
- *Adagene ADR (ADAG) closed at 2.12.*
- *Adagene ADR (ADAG) **Anchored VWAP** is at 10.41.*
- *Fibonacci target prices: 1st target is 5.56; 2nd target is 2.72; 3rd target is 3.59.*
- *Stop price: Close below 1.85.*



Adagene ADR (ADAG)





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