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Trading Floor Research

Welcome to the
—— Trading Floor ——

08/15/23



This Trading Floor Research report contains:

NASDAQ QQQ & ProShares UltraPro Short QQQ (SQQQ) Update

SPDR S&P Regional Banking ETF(KRE) & Russell 2000 (IWM) Update

Market Comments

NASDAQ 100 (QQQ) & ProShares UltraPro Short QQQ (SQQQ) Update

In this past weekend's newsletter, I said I was looking for a retracement in the NASDAQ 100 QQQs to the bear market 3/4 number at 370.14 before the market moved lower again.

Yesterday, the NASDAQ rallied and closed .21 cents beyond the 3/4 number.

A casual observer of the NASDAQ might think the bear market 3/4 number at 370.14 was breached on Monday's close. Even though the QQQs closed above 370.14 by .21 in the last two minutes of trading, it was not.

It takes more than a few minutes to close above any Fibonacci number to take it out.

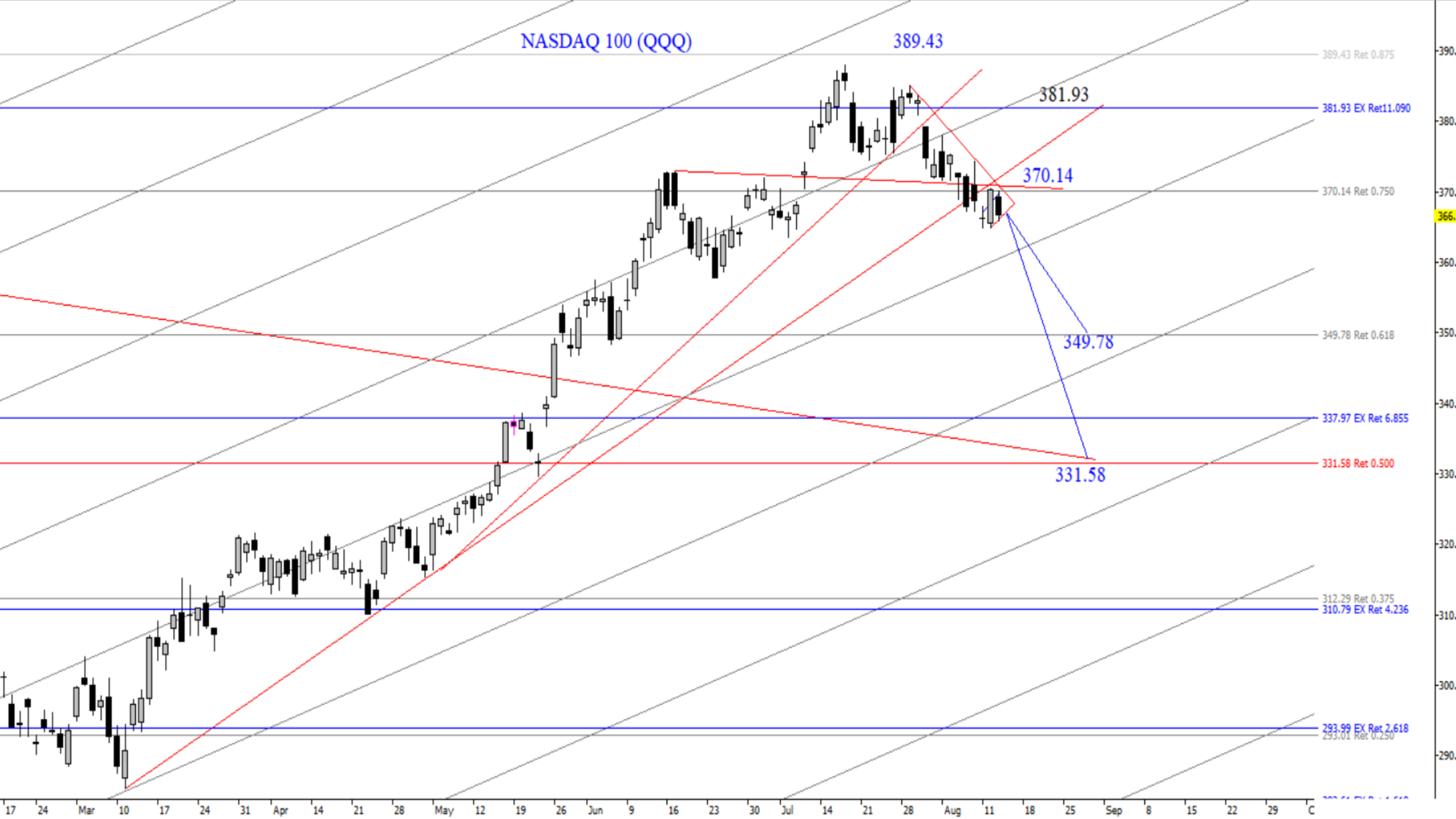
The QQQs were trading below 370.14 for the entire day and went above 370.14 in the last two minutes.

In the context of this morning's trading back below the 3/4 number, the QQQ mapping tells me we reversed lower at the substantial 3/4 number.

The sell signal the NASDAQ market gave last Wednesday is still in place, and the QQQs reconfirmed a move lower today.

*I am still holding the **ProShares UltraPro Short QQQ (SQQQ)** position.*

The next Fibonacci downside targets on the QQQs are 349.79 and 331.58.



SPDR S&P Regional Banking ETF(KRE) & Russell 2000 (IWM)

After today's market hit, **Healthcare** and **Energy** are the only two sectors still in a buy signal.

Technology, **Consumer Cyclical**, and **Utilities** were in a sell from last week. **Real Estate**, **Industrials**, **Basic Materials**, **Financials**, and **Consumer Defensive** gave fresh sell signals today. The market has quickly turned very negative.

The big story is the **SPDR S&P Regional Banking ETF(KRE)**.

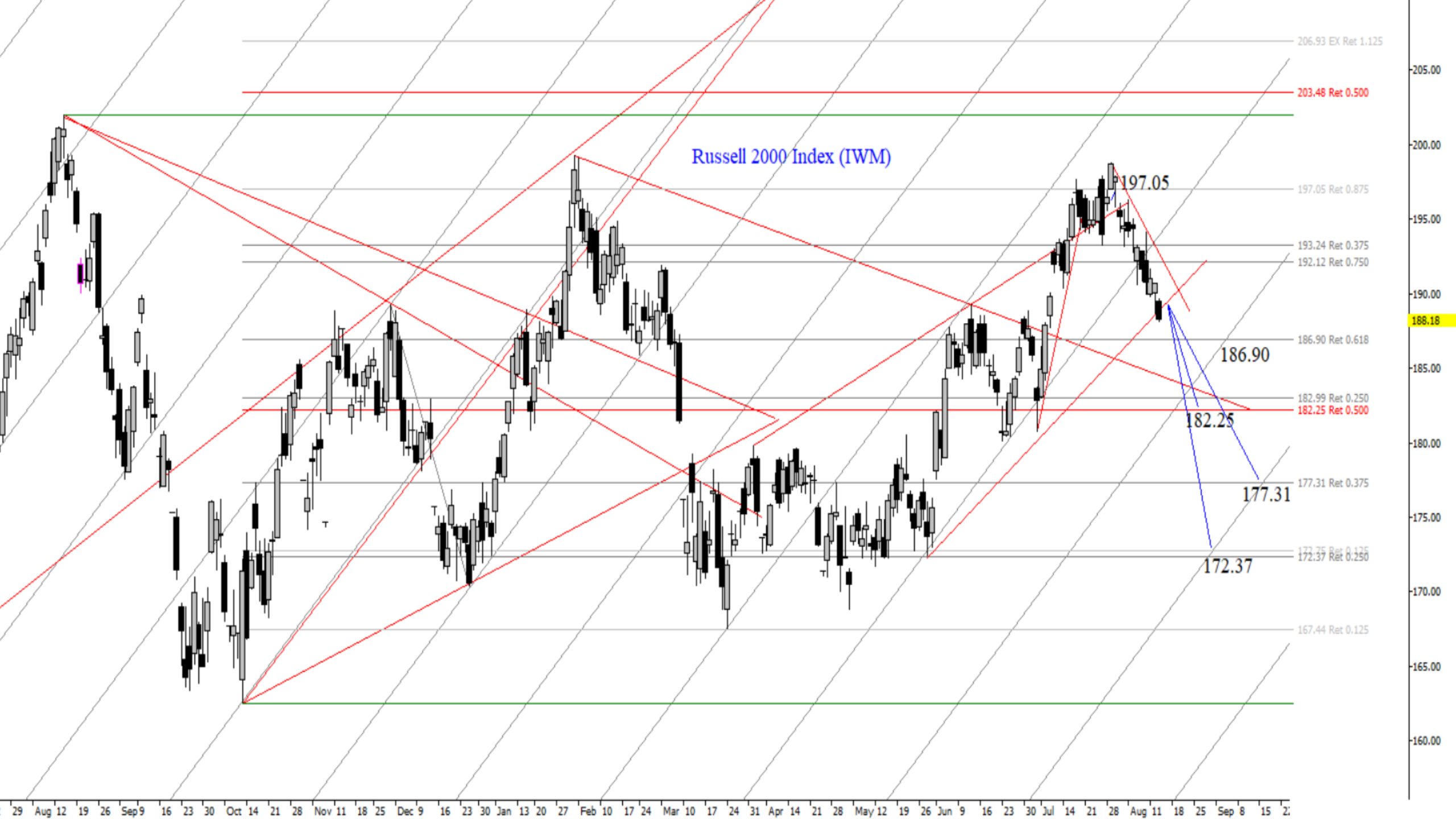
Yesterday, The Regional Bank ETF (KRE) sold off hard on the opening and spent the entire day flat on its back at the critical 1/2 number of 46.62. The highly correlated **Russell 2000 (IWM)** was also down but pulled out of its tailspin at its bear market 5/8 number and avoided a sell signal.

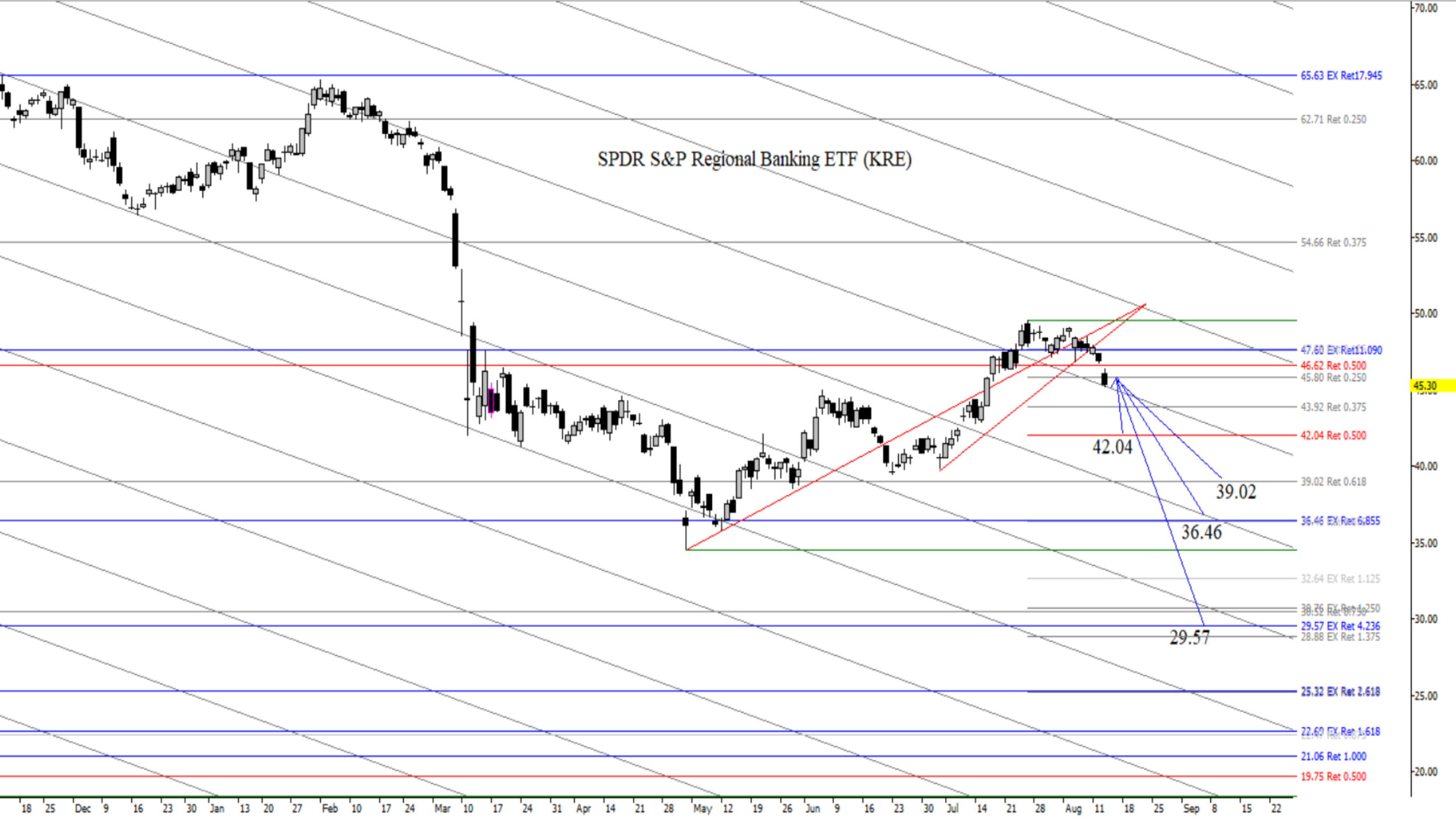
Today was a different story.

The SPDR S&P Regional Banking ETF(KRE) gapped below its 1/2 number at 46.62 on the opening and never recovered, closing near the day's lows. The highly correlated Russell 2000 (IWM) moved lower with the banks again, but this time couldn't recover like yesterday.

KREs closing below 46.62 created downside momentum in the small caps and pushed the Russell 2000 (IWM) into a sell signal. Now that the Russell 2000 (IWM) is in a sell signal, and the SPDR S&P Regional Banking ETF(KRE) is trading below its half number, I am looking to purchase the **Direxion Small Cap Bear 3X (TZA)** to take advantage of the move lower.

Fibonacci downside targets on The Russell 2000 (IWM) are 182.25, 177.31, and 172.37. The stop is a daily close above 192.12.





SPDR S&P Regional Banking ETF (KRE)

42.04

39.02

36.46

29.57

45.30

18 25 Dec 9 16 23 30 Jan 13 20 27 Feb 10 17 24 Mar 10 17 24 Apr 14 21 28 May 12 19 26 Jun 9 16 23 30 Jul 14 21 28 Aug 11 18 25 Sep 8 15 22

70.00
65.00
60.00
55.00
50.00
45.00
40.00
35.00
30.00
25.00
20.00



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