



TFR

# Trading Floor Research

Welcome to the  
— Trading Floor —



This Trading Floor Research report contains:

- S&P 500 (SPX). Update
- BMO REX MicroSectors FANG Index 3x Inverse Leveraged ETN (FNGD)
- ProShares UltraPro Short Dow 30 (SDOW)
- Coinbase Global Inc. (COIN)

## S&P 500

### S&P 500 hits Fibonacci resistance at the weekly close

*For the second week, the S&P 500 edged out another 1.5% gain and established a footing at Fibonacci support of 3908.43. Friday's opening low was at 3909.16. Less than a point from Fibonacci support. In the last minute of the day, the index closed at 3971.35, slightly above Fibonacci resistance at 3968.90. Earlier in the hour, the S&P 500 made four unsuccessful attempts to close above this critical resistance and failed. It will take more than a one-minute close above the number to convince me that the index can overcome this formidable resistance.*

*Last week I said, "A close below 3908.43 will send the market tumbling lower." Bouncing off the number on Friday morning told me the bulls were not ready to give up. But the impressive performance did not put the bulls back in control for the week. The S&P 500 closed in the weekly range's lower half, keeping the bears in control.*

*Even if the bulls can push the index past the 3968.90 resistance, there is equally strong resistance at 3997.57, 4064.44, and 4155.10. The probability of breaking these resistance levels with the current distribution amount is very low. The bulls will need to attack these Fibonacci resistance numbers with considerable accumulation. This past week's volume was below last week's, indicating the move was short covering. Short covering will give the market a few good-looking days as the price reverts to the mean. But, without accumulation, look for the bear trend to resume.*

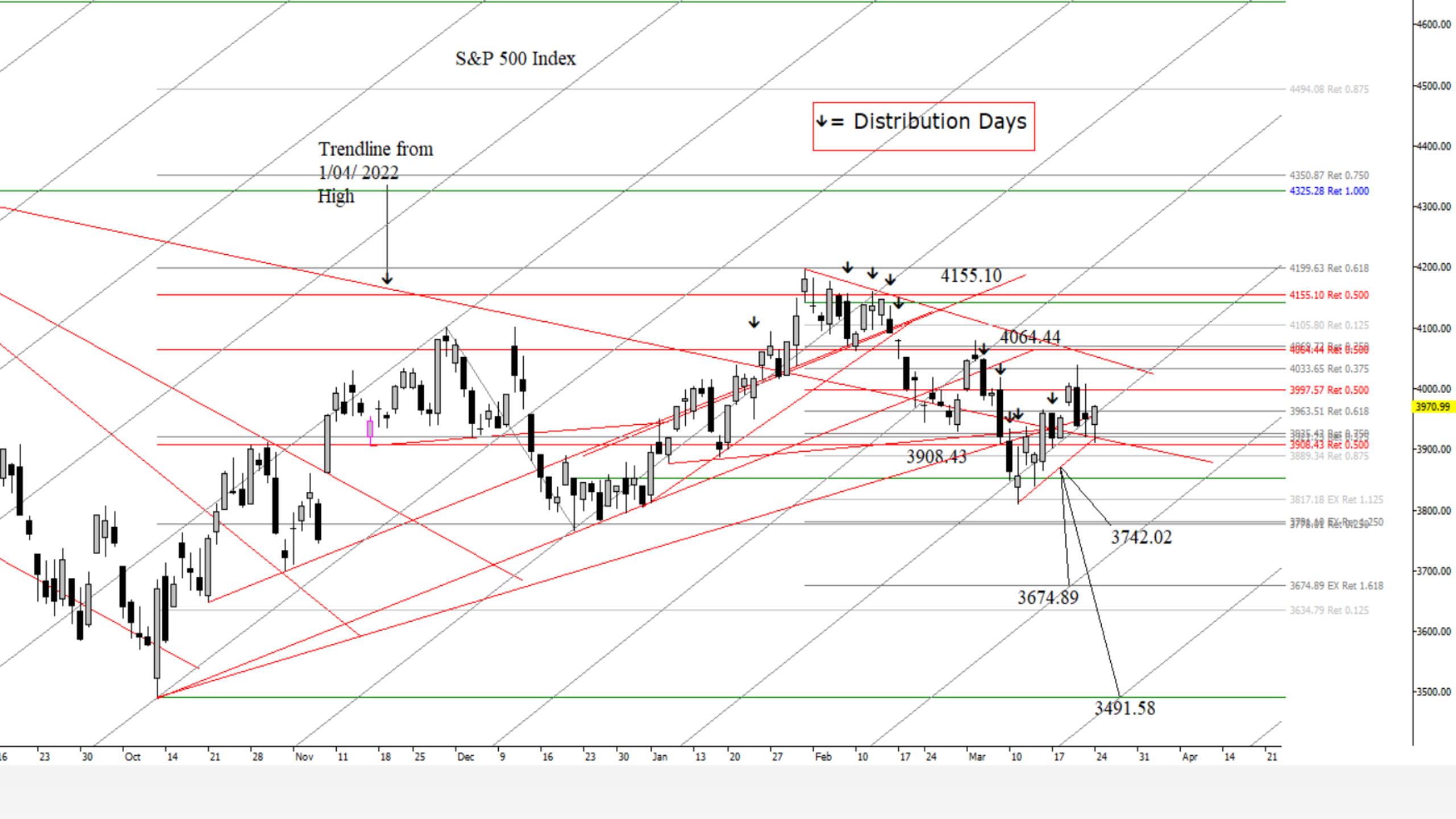
*A close below 3908.43 will send the market tumbling lower, and the next significant Fibonacci targets offering a bounce are 3742.02, 3674.89, and 3491.58.*

*I recommend caution and 90% cash in a safe U.S. Treasury money market.*

# S&P 500 Index

↓ = Distribution Days

Trendline from  
1/04/ 2022  
High



## Industry Group & Sector Analysis

*All Sectors are still in a sell signal.* Even with Friday's bounce, most sectors finished in the lower half of their weekly range. Completing in the lower half of the weekly range indicates that the bears have a firm grip.

The only sectors to finish in the upper half of the weekly range were **Healthcare, Consumer Defensive, Utilities, and Technology**. Healthcare, Consumer Defensive, and Utilities represent defensive areas and could be attracting assets of portfolio managers moving to less volatile asset classes. Closing in the upper half of the range shows less bearishness, but until these sectors give a buy signal, they should be avoided. Trying to catch a falling knife gets investors bloodied up and leads to inconsistent returns.

After the **Technology** sector gave a sell signal on Friday, March 10, it has moved higher for the past two weeks. But two weeks of edging higher has not led to a buy signal for the Tech sector and has the potential for a reversal move lower this week.

A small group of stocks, including MSFT, NVDA, AAPL, GOOGL, and META, have increased the technology sector. The small group gave a buy signal in the **NYSE MicroSectors FANG Index** on March 16.

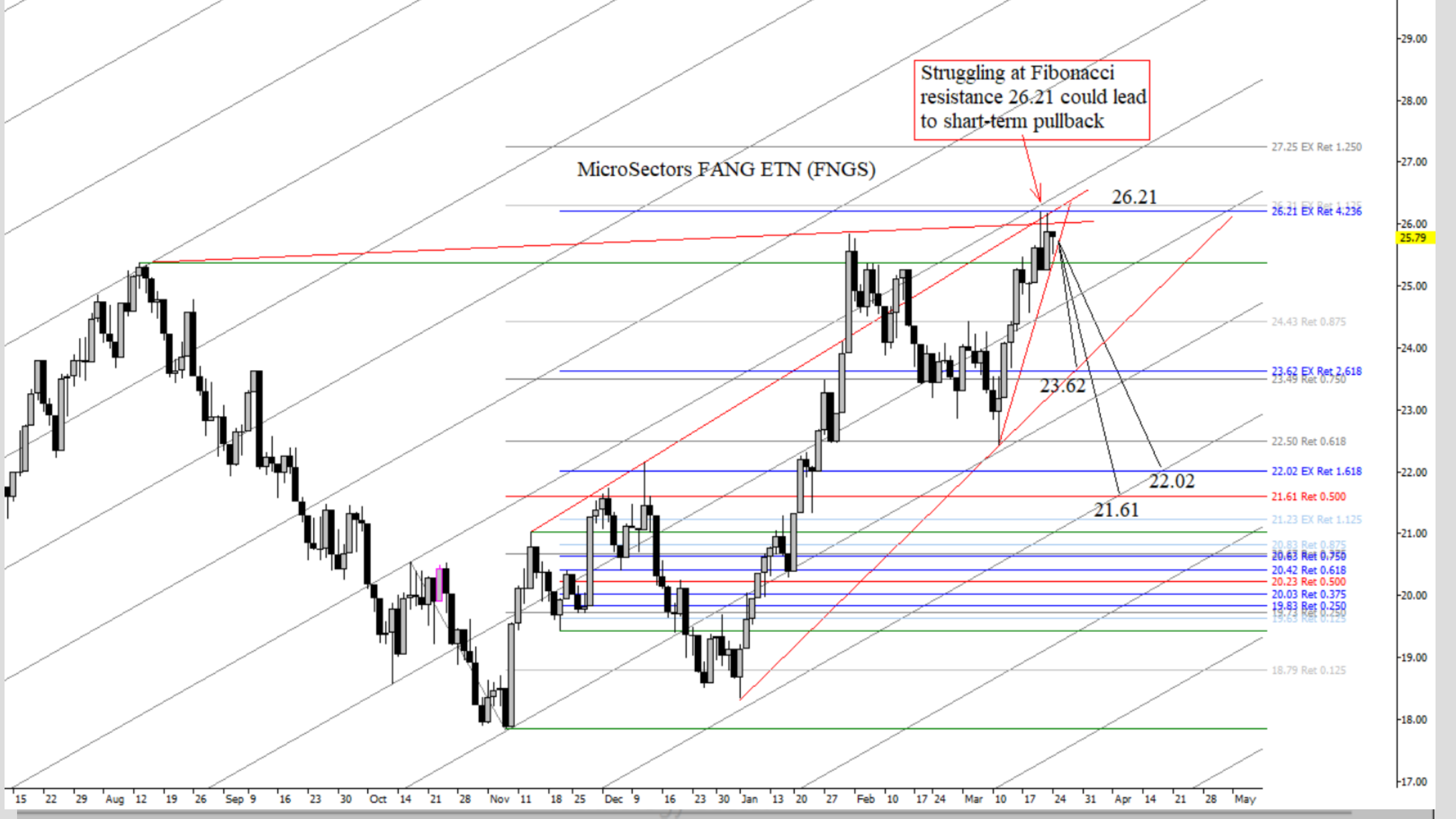
Since the buy signal, the **MicroSectors FANG ETN (FNGS)** has gotten short-term extended and hit Fibonacci resistance on Thursday and Friday at **26.21**. This week, holding up at the significant Fibonacci resistance could lead to a pullback. What appears to be a breakout of a cup-with-handle base could see a retreat of at least 8%. If, after the pullback, the **MicroSectors FANG ETN (FNGS)** can hold at Fibonacci support of **23.62**, it will offer a potential opportunity to go long the MicroSectors FANG ETN (FNGS). At that point, I will look for a reversal to move the FANG stocks higher and recommend the **BMO REX MicroSectors FANG Index 3X Leveraged ETN (FNGU)** to take advantage of the move.

If, on the way down, the **MicroSectors FANG ETN (FNGS)** closes below 23.62, the FANG stocks could completely break down and trend lower. That is why currently, I am looking to purchase the **BMO REX MicroSectors FANG Index 3x Inverse Leveraged ETN (FNGD)** to take advantage of the move to 23.62. Closing below 23.62 could send shares to the next Fibonacci support at 21.61. (Refer to chart of MicroSectors FANG ETN (FNGS)).

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

Buy candidate: BMO REX MicroSectors FANG Index 3x Inverse Leveraged ETN (FNGD)

- **Portfolio: Short- NYSE MicroSectors FANG Index.** The trade takes advantage of the potential move lower in the NYSE MicroSectors FANG Index. The NYSE MicroSectors FANG Index is best observed using the **MicroSectors FANG ETN (FNGS)** and is what I have used for my analysis.
- *BMO REX MicroSectors FANG Index 3X Inverse Leveraged ETN (FNGD) trade is designed to move higher by 3x the inverse daily price move of the NYSE MicroSectors FANG Index.*
- *The **MicroSectors FANG ETN (FNGS)** has shown relative strength to the market and is under heavy accumulation with an Up/Down Volume ratio of 1.96. But FNGS is overbought and struggling at Fibonacci resistance at 26.21. A 30-minute sell signal and break of the rising trendline could lead to a short-term gain in the **BMO REX MicroSectors FANG Index 3X Inverse Leveraged ETN (FNGD)** of 20% if FNGS retreats to 23.62. If FNGS closes below 23.62, the cup-with-handle pattern would be broken, indicating a new downtrend in FANG stocks. Otherwise, I will be looking to reverse the trade and go long at 23.62.*
- *BMO REX MicroSectors FANG Index 3X Inverse Leveraged ETN (FNGD) with a 30-minute confirmation and break of the trendline.*
- *I will send a text confirmation*
- *Start position at 1-star(\*)*
  
- *BMO REX MicroSectors FANG Index 3X Inverse Leveraged ETN (FNGD) closed at 21.06.*
  
- *BMO REX MicroSectors FANG Index 3X Inverse Leveraged ETN (FNGD) VWAP is at 55.89*
- *Sell the BMO REX MicroSectors FANG Index 3X Inverse Leveraged ETN (FNGD) when MicroSectors FANG ETN (FNGS) hits: 1st target is 23.62; 2<sup>nd</sup> target is 22.02; 3<sup>rd</sup> target is 21.61.*
- *Stop sell price: Close below 26.21 on MicroSectors FANG ETN (FNGS) .*

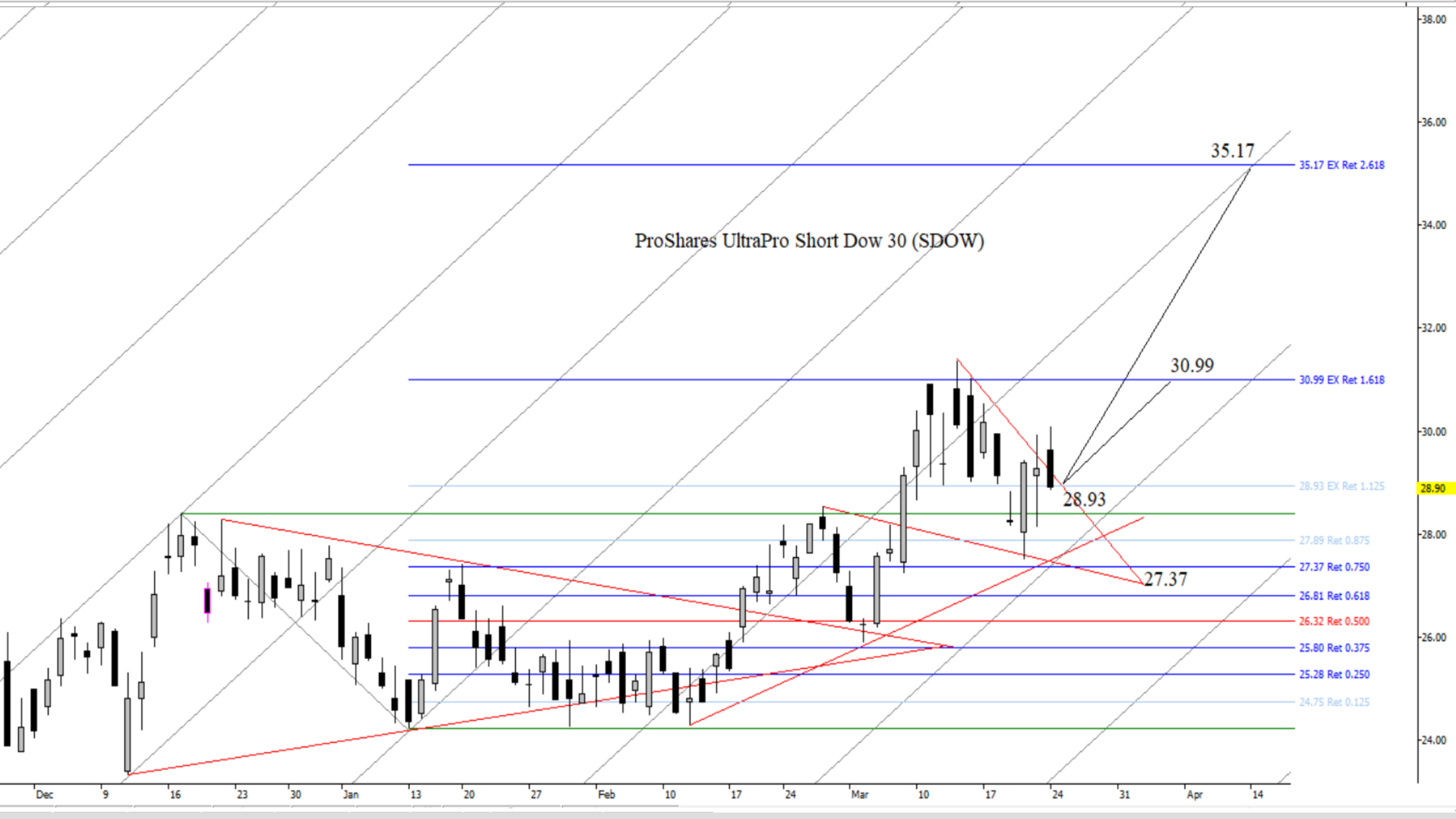


## Buy candidate: ProShares UltraPro Short Dow 30 (SDOW)

- *Portfolio: Short- Dow Jones Industrial Average (DJIA).* This ETF corresponds to the move 3X the inverse move of the Dow Jones Industrial Average Index
- *ProShares UltraPro Short Dow 30 (SDOW) trade is designed to move higher at 3x the Dow Jones Index rate moving lower.*
- *The Dow Jones Industrial Average continues to show relative weakness to the other indexes, and it is time to reinstate our SDOW position to take advantage of the next move lower.*
- *ProShares UltraPro Short Dow 30 (SDOW) completes the throwback into the 30-minute trendline while the Point & Figure chart pulls back into the pocket from a double top breakout. SDOW closed pennies below the 1/8 number at 28.93. If SDOW uses the weak 1/8 number as support and moves higher, watch for an explosive move next week. I will buy with a 30-minute confirmation.*
- *I will send a text confirmation*
- *Start position at 3-star(\*\*\*)*.
  
- *ProShares UltraPro Short Dow 30 (SDOW) closed at 28.87.*
  
- *ProShares UltraPro Short Dow 30 (SDOW) VWAP is at 52.07*
- *Sell target price on the ProShares UltraPro Short Dow 30 (SDOW): Resistance at 30.99; 1st target is 35.15*
- *Stop sell price: Close below 27.37.*







### ProShares UltraPro Short Dow 30 (SDOW)

35.17

35.17 EX Ret 2.618

30.99

30.99 EX Ret 1.618

28.93

28.93 EX Ret 1.125

27.37

27.37 Ret 0.750

26.81 Ret 0.618

26.32 Ret 0.500

25.80 Ret 0.375

25.28 Ret 0.250

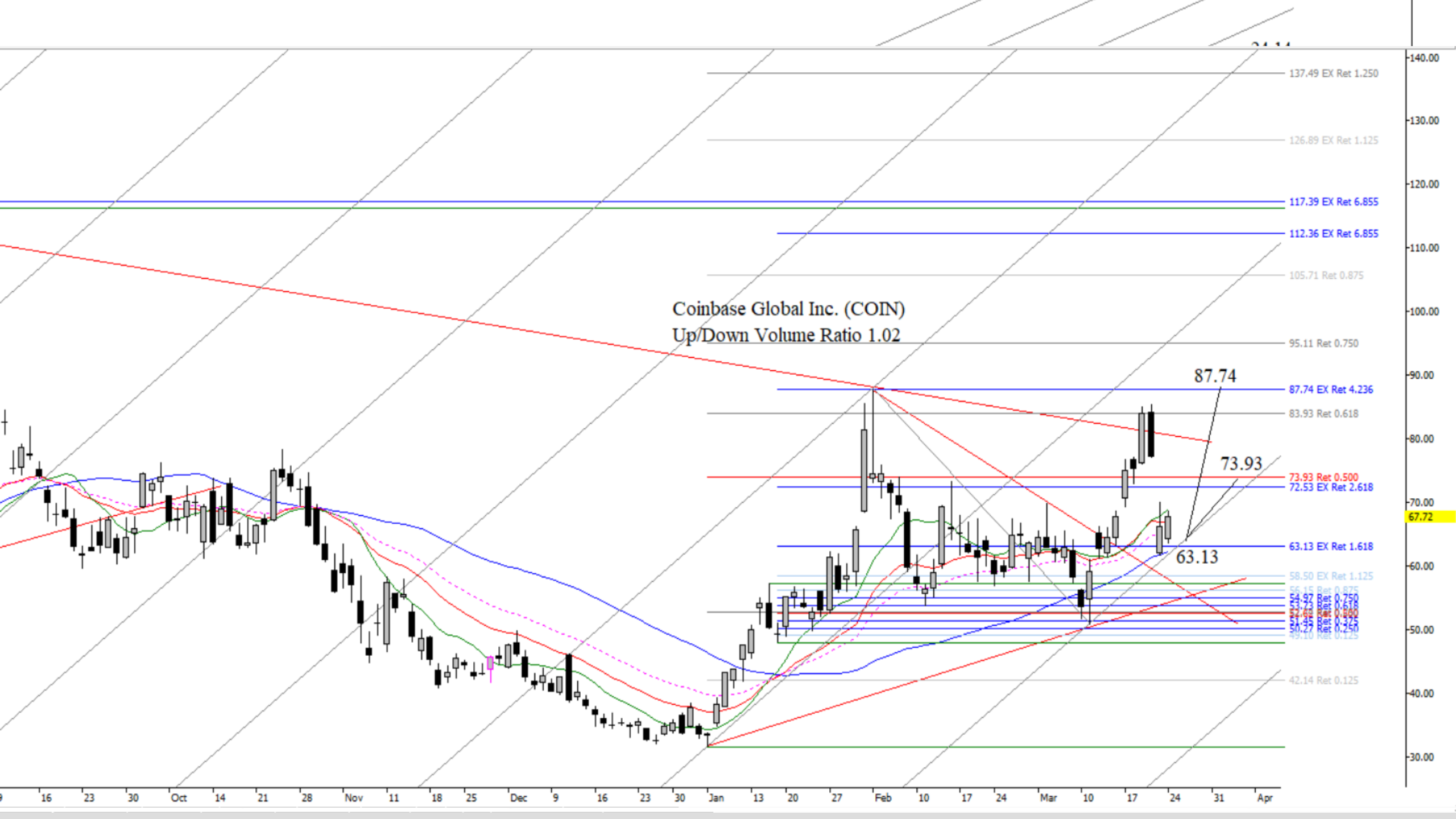
24.75 Ret 0.125

38.00  
36.00  
34.00  
32.00  
30.00  
28.00  
26.00  
24.00

Dec 9 16 23 30 Jan 13 20 27 Feb 10 17 24 Mar 10 17 24 31 Apr 14

## New buy candidate: Coinbase Global Inc. (COIN)

- Industry Group: **Computer Software Financial**. The Computer Software Financial industry group gave its most recent sell signal on March 10, 2023. The group is up +6.96% YTD and is ranked 25<sup>th</sup> out of 197. Even though the group is in a sell, the strong relative strength comes from members of the group moving with cryptocurrencies as they move higher.
- **Coinbase Global Inc. (COIN)** offers a platform for retail and institutional users to invest in cryptocurrencies.
- **Coinbase Global Inc. (COIN)** was moving higher with cryptocurrencies until concerns hit the tape that the company would face charges from the SEC. The stock threw back into the recently broken trendline and held at Fibonacci support of 63.13. It also set up a longtail pattern on the Point & Figure chart, giving a 3-box reversal buy signal on Friday. I am looking to purchase shares for a trade to Fibonacci resistance at 73.93 or 87.74.
- **Coinbase Global Inc. (COIN) will confirm with a 30-minute buy on increased volume at 68.73.**
- Initiate position with at 1-star(\*)
- Under institutional accumulation with an Up/Down Volume ratio of 1.02.
- Coinbase Global Inc. (COIN) closed at **67.83**.
- Coinbase Global Inc. (COIN) VWAP is at 118.21.
- Sell target prices: **1<sup>st</sup> target is 73.93; 2<sup>nd</sup> target is 87.74.**
- Stop sell price: **Close** below **63.13**.







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