



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

01/05/25



This Trading Floor Research report contains:

Market Update

Sector Update

Rivian Automotive (RIVN)

Roadzen Inc. (RDZN)

D-Wave Quantum Inc. (QBTS)

Market Update

Friday's rally was broad-based, and gains leaned heavily on the usual mega-cap suspects. However, the **S&P 500** and **NASDAQ 100 (QQQ)** have clearly defined a downtrend of lower highs and lower lows since Thursday's bottom.

The second leg of the defined downtrend occurred during what should have been a bullish period for stocks, the "**Santa Clause rally.**" Even Friday's comeback wasn't enough to push indexes into positive territory for the Santa Clause sessions. The inability to show positive results during the Santa Claus period has historically led to further losses. In addition, Friday's market move was on below-average volume. The absence of accumulation typically highlights a lack of institutional conviction, often affecting sustainable progress.

Thursday, the **S&P 500** opened higher and closed lower for the second session in a row, which is highly negative price behavior. At the same time, another distribution day was added, bringing the total to eight in the past 20 sessions. Typically, five in twenty trading days is enough to signal a market top.

From a sector perspective, the market has alleviated its oversold conditions and looks ready to make its next move lower. The **NASDAQ 100 (QQQ)** and **the consumer cyclical sector** came within a fraction of giving a sell signal Thursday as the **Russell 2000 (IWM)** held above its Fibonacci support at 220.65. However, the sideways behavior of technology, consumer cyclicals, and small caps have alleviated much of the oversold conditions. In addition, the remaining nine sectors have also alleviated oversold conditions over the past few days and have charts with a waterfall look. Once they confirm their next sell, the market should move considerably lower. I intend to use inverse ETFs to capitalize on the move.

Adding more fuel to the fire, 50% of the stocks in the S&P 500 are now trading below their 50-day moving averages. Unfortunately, this doesn't bring buyers looking for a bargain into the current market. When stocks close below their 50-day moving averages, institutions have typically given up on the stock. Many portfolio managers follow buying at the 50-day MA as their only technical rule. A stock trading below the 50-day MA indicates that institutions are no longer defending the stock. It is not a signal to buy but is typically a strong warning of further price decline.

S&P 500 (SPX)

MA1 = 5996.81
MA2 = 5964.02
MA3 = 5936.30
MA4 = 5929.02

S&P 500 (SPX)



S&P 500 (SPX)



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S&P 500 Long-Term Chart Update

*A significant market development was the **S&P 500** closing below the critical Fibonacci target of 5921.02 at the end of the month, a move that carries substantial implications for future market movements.*

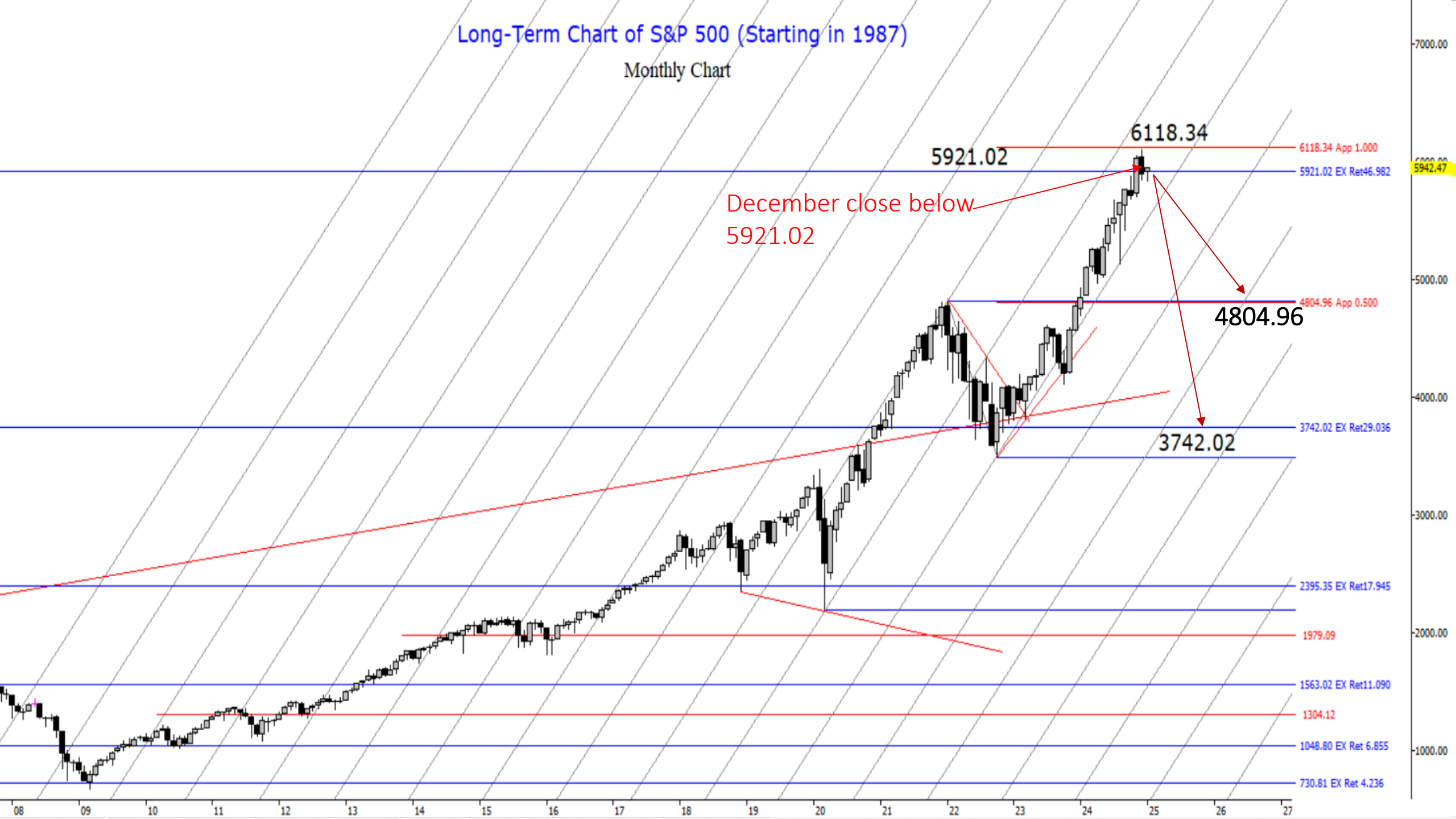
Even with Friday's market rally beyond 5921.02, the long-term chart indicates that the dominant trend remains lower.

Friday's move did not put the Bulls back in control, as the S&P 500 finished below 50% of the recent range. The next significant Fibonacci resistance is 50% of the range at 5966.12. This is a crucial point, as closing above 5966.12 would eliminate an important barrier and the potential for extending the current rally.

In addition, finishing above 5966.12 would likely send the market to the next Fibonacci target of 6033.02. However, a close below 5899.21 will likely start the next leg lower.

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

Monthly Chart



Sector Update

*On Friday, the indexes made gains on lighter volume than the previous day's distribution, but the sector that outperformed the rest by a large margin was once again **technology**. The most significant technology gains came from **semiconductors**, and the biggest gains within semiconductors came from the **fabless group**.*

*My position in **Arteris (AIP)** should continue to benefit from the narrow focus, and I am watching other emerging leaders in the group. The top of the list includes names like **Ambarella (AMBA)**, **WISeKey (WKEY)**, **SEALSQ (LAES)**, and **Mobileye (MBLY)**.*

*The only other group that had notable gains was **auto manufacturers**. Much of that was attributed to the usual suspect **Tesla (TSLA)**.*

*However, I am focused on **Rivian (RIVN)**, a new potential emerging auto manufacturing leader. Price and accumulation indicate that RIVN will likely outperform TSLA over the next few months. Friday, RIVN rallied to its Fibonacci 3/4 number at 16.52. Reversals happen at 3/4 numbers, and I anticipate a pullback that will likely throw back into the descending trendline from the July high and Fibonacci support at 15.28.*

In addition, last week's move on RIVN completed a spread quadruple top breakout above the bearish resistance line on the point & figure chart, highlighting the tremendous demand for shares. Friday's massive volume sent accumulation to 100-day highs, indicating significantly higher prices after an orderly retracement. I intend to purchase shares once I get confirmation following an orderly pullback.

Rivian (RIVN) is highlighted in this report.

Arteris (AIP)



Buy candidate: Rivian Automotive (RIVN)

- *Industry Group: Auto Manufacturers.* The Auto Manufacturers industry group's most recent buy signal came on December 5. The group has shown powerful accumulation since the signal as the up/down volume indicator has hit 52-week highs.
- *Rivian Automotive (RIVN) is an Electronic Vehicle manufacturer.*
- *Rivian Automotive (RIVN) completed a spread quadruple top breakout above the bearish resistance line on the point & figure chart, highlighting the tremendous demand for shares. Friday's massive volume sent accumulation to 100-day highs, indicating significantly higher prices after an orderly retracement. I intend to purchase shares once I get confirmation following an orderly pullback from Fibonacci resistance at 16.51.*
- *Rivian Automotive (RIVN) will confirm with a throwback into the descending trendline from the July high and Fibonacci support at 15.28. A potential pullback low could occur at the Ichimoku cloud twist dates between January 13 and 15.*
- *Wait for text confirmation!*
- *Start position at 1-star**
- *Rivian Automotive (RIVN) is under accumulation with an Up/Down Volume Ratio of 1.46, near 100-day highs.*
- *Rivian Automotive (RIVN) closed at 16.44.*
- *Rivian Automotive (RIVN) Anchored VWAP is at 24.32.*
- *Fibonacci resistance at: 16.51-16.85.*
- *Fibonacci target prices: 1st target is 18.85; 2nd target is 21.29; 3rd target is 22.13-22.36, 4th target is 24.63.*
- *Stop price: Close below 14.18.*

Rivian Automotive (RIVN)

Rivian Automotive (RIVN)

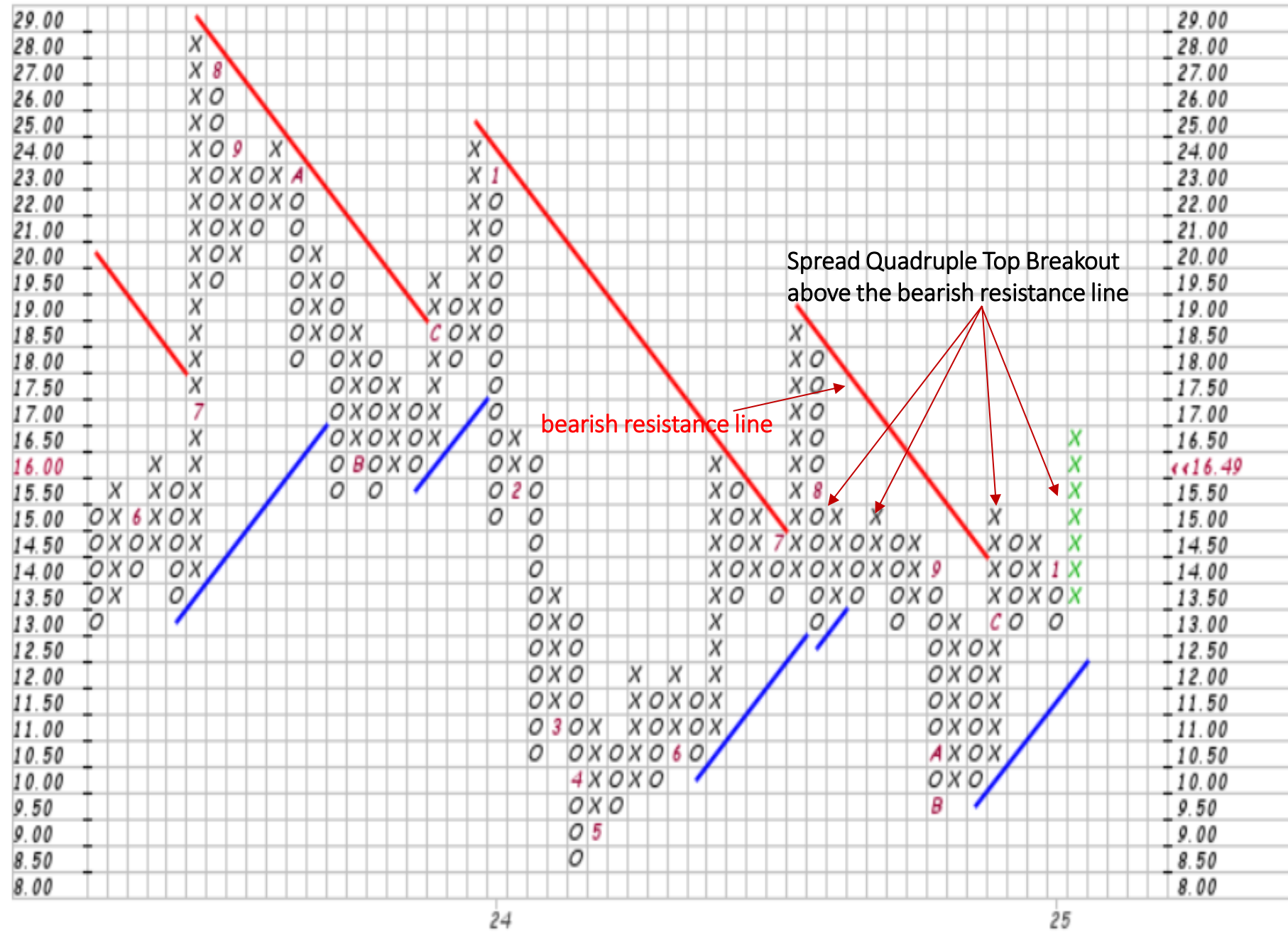
Up/Down Volume Ratio of 1.46



Rivian Automotive (RIVN)



Rivian Automotive (RIVN)

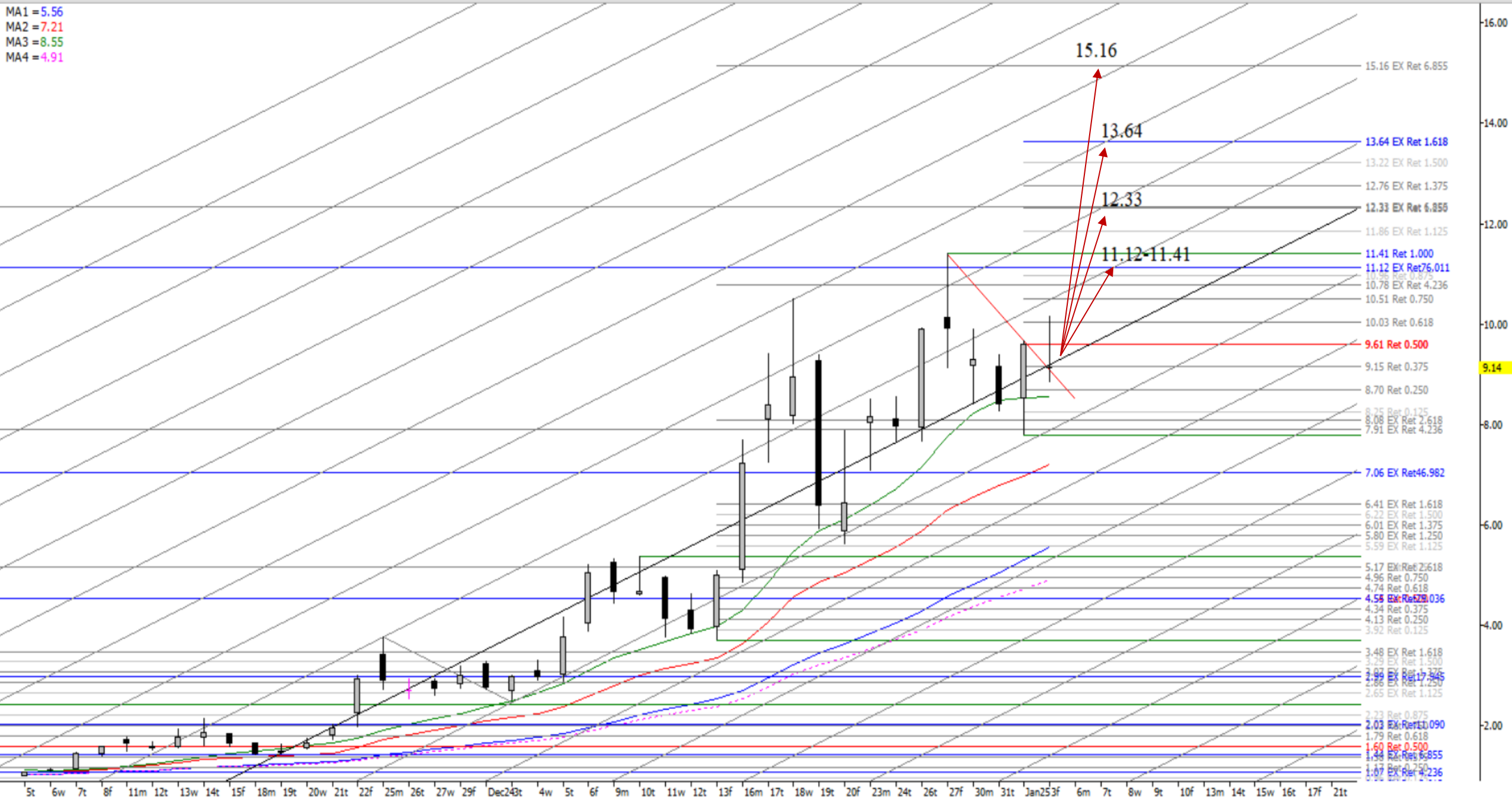


Confirmed Buy: D-Wave Quantum Inc. (QBTS)

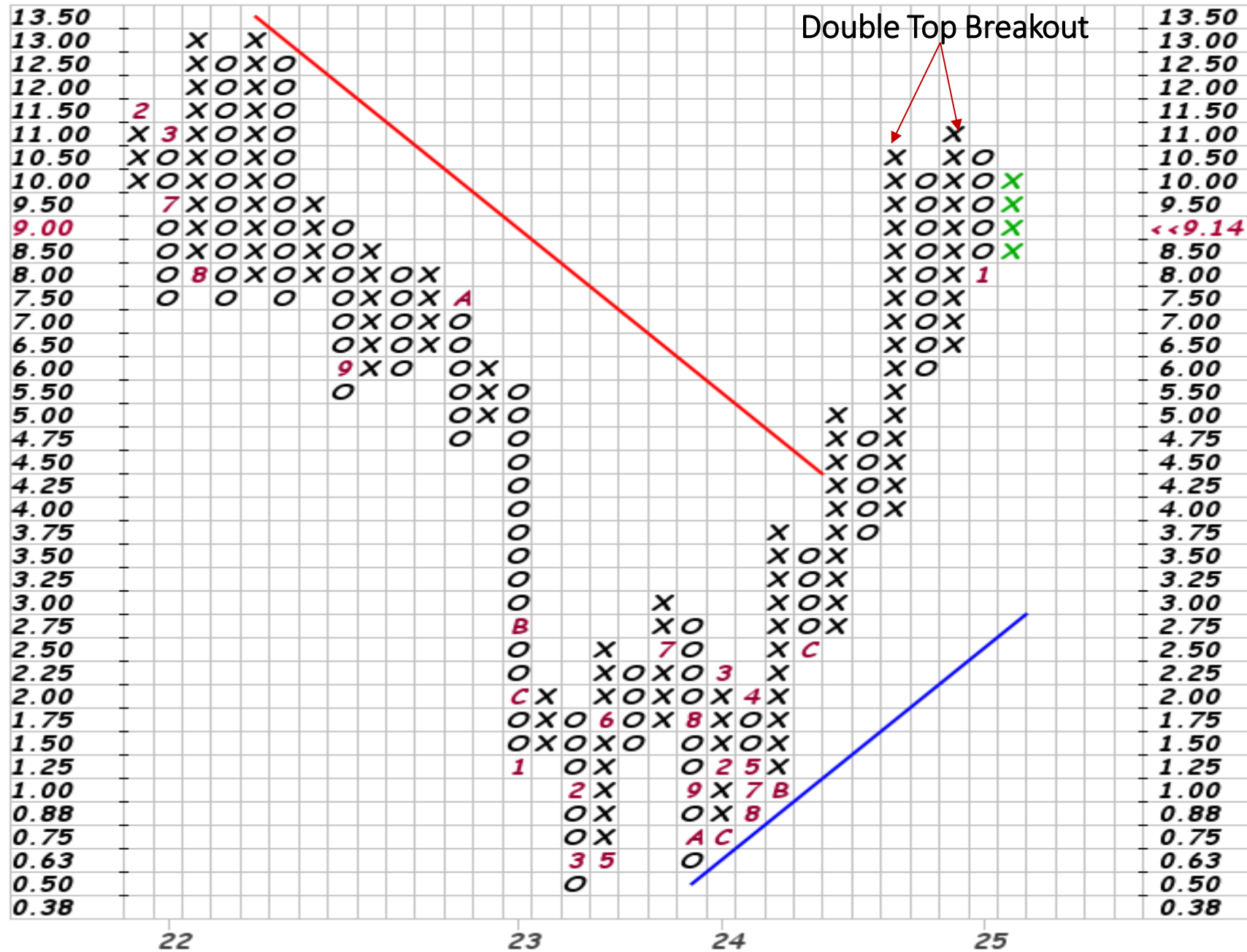
- *Industry Group: **Quantum Computing**: The Quantum Computing group gave a buy signal on October 16. Since then, the group has been stair-stepping higher as accumulation is accelerating. The up/down volume ratio is at 52-week highs, indicating significantly higher levels. Group leaders continue to staircase higher on tremendous accumulation. One of those leaders is **Rigetti Computing Inc. (RGTI)**, which I sold my remaining shares with a 97.3% gain.*
- *D-Wave Quantum Inc. (QBTS) provides application software for quantum computers.*
- *D-Wave Quantum Inc. (QBTS) is completing its fourth staircase retracement with confirmation on Friday. Its orderly ascent continues to be supported by incredible accumulation and one of the strongest industry groups in the market.*
- **Position Started at 1/2 star due to the downward pressure of market risks.**
- **D-Wave Quantum Inc. (QBTS) was purchased at 9.70.**
- *D-Wave Quantum Inc. (QBTS) is undergoing significant accumulation, with an Up/Down Volume Ratio of 2.03, hitting 52-week highs.*
- *D-Wave Quantum Inc. (QBTS) closed at 9.08.*
- **D-Wave Quantum Inc. (QBTS) anchored VWAP is at 4.27.**
- **The Fibonacci sell targets: 1st target 10.78; 2nd target 11.12; 3rd target is 12.33; 4th target is 13.53-13.64; 5th target is 18.43.**
- **Stop price: Close below 8.08.**

D-Wave Quantum Inc. (QBSTS)

MA1 = 5.56
MA2 = 7.21
MA3 = 8.55
MA4 = 4.91



D-Wave Quantum Inc. (QBSTS)



D-Wave Quantum Inc. (QBTS)

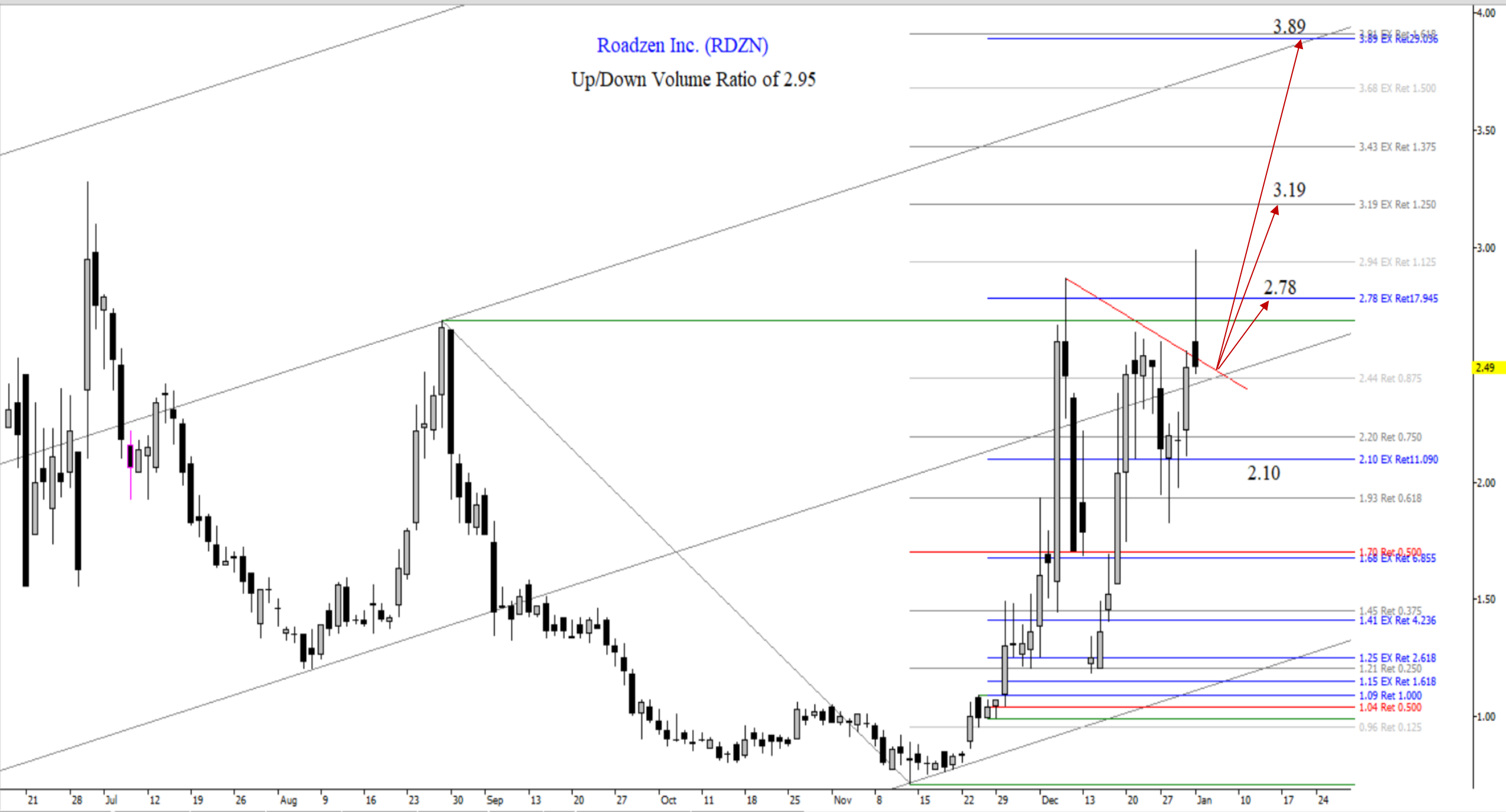


Confirmed Buy: Roadzen Inc. (RDZN)

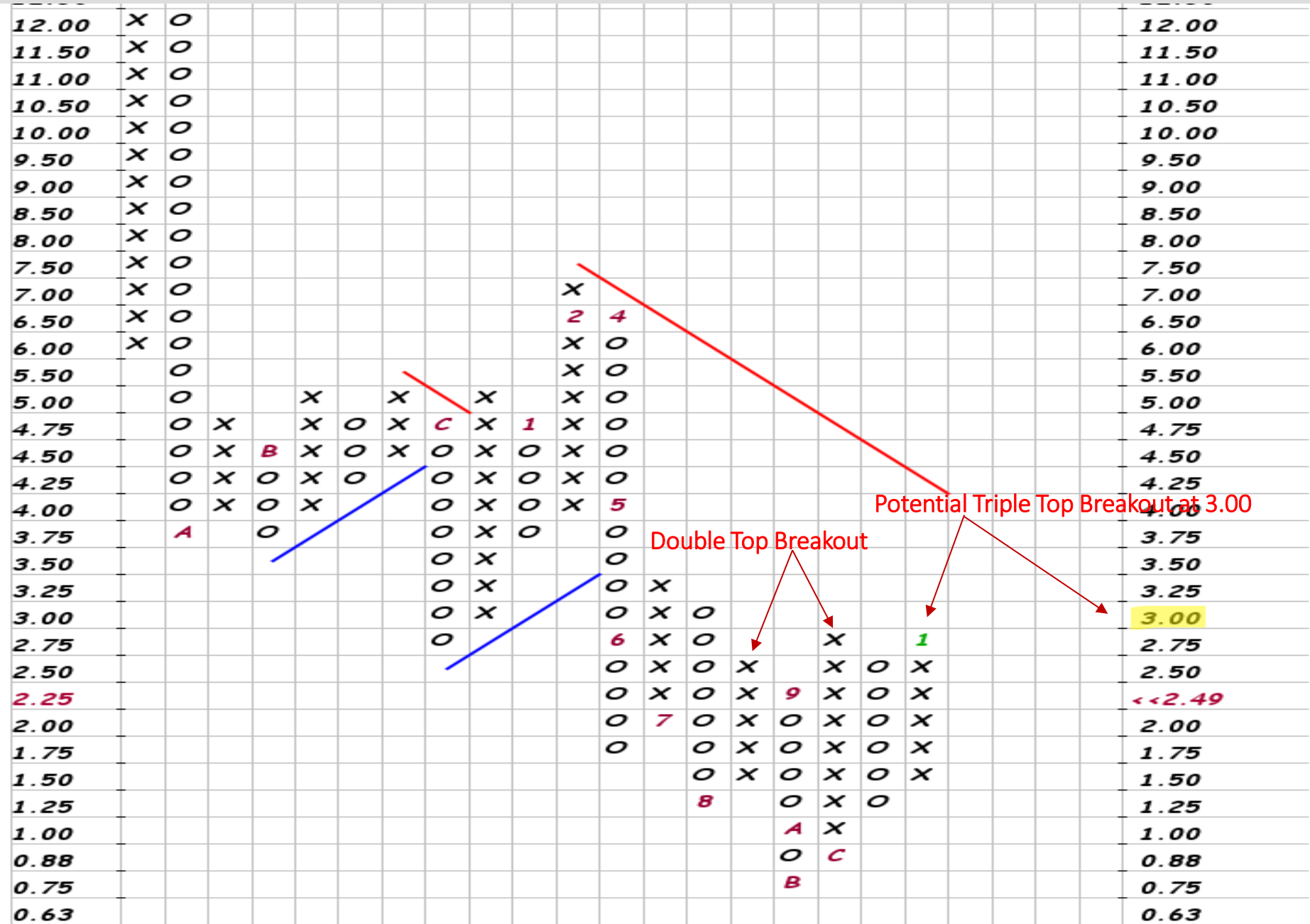
- *Industry Group: Software Application: The Software Application industry group is still in a buy from the November 6 signal. However accumulation has been decreasing from the 52-week high on that day. Friday was a strong accumulation day.*
- *Roadzen Inc. (RDZN) is an insurance software technology company that provides auto insurance powered by advanced AI.*
- *Roadzen Inc. (RDZN) completed a high handle to base that started in August. A point-and-figure double-top breakout could turn into a triple-top breakout at 3.00. The completion of a triple top would indicate higher prices. By the close, the stock had returned to the descending trendline from the December 11 high. The setup indicates that RDZN could retrace back to Fibonacci support between 2.20 and 2.10 before it resumes its uptrend. Additional support is at the Ichimoku conversion line of 2.37.*
- **Position Started at 1/2 star due to the downward pressure of market risks.**
- **Roadzen Inc. (RDZN) was purchased at 2.70.**
- *Roadzen Inc. (RDZN) is undergoing significant accumulation, with an Up/Down Volume Ratio of 2.95, hitting 20-day highs.*
- *Roadzen Inc. (RDZN) closed at 2.49.*
- *Roadzen Inc. (RDZN) anchored VWAP is at 3.65.*
- *Fibonacci resistance is at 2.78.*
- *The Fibonacci sell targets: 1st target 3.19; 2nd target 3.89; 3rd target is 5.69.*
- *Stop price: Close below 2.10.*

Roadzen Inc. (RDZN)

Roadzen Inc. (RDZN)
Up/Down Volume Ratio of 2.95



Roadzen Inc. (RDZN)



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