



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

07/19/23



This Trading Floor Research report contains:

S&P 500 NASDAQ QQQ Update

Sector Bullish Percent Chart Update

The TFR weekly follow-up

Market Comments

S&P 500 & NASDAQ Update

The **S&P 500** is once again extremely overbought, and owning stock is risky, with all markets experiencing panic buying.

The strength the S&P 500 showed by gapping above its 3/4 bear market number at 4486.86 last week is pushing markets to nosebleed territory. Gapping above the extremely strong 3/4 number is sending the market into orbit.

I am looking for a pullback once the panic buying has been completed. I saw signs of a possible buying capitulation today. The way the market is acting, a pullback could become something more.

The markets will continue to decline if the S&P 500 retracement closes below 4486.86.

If the retest of 4486.86 holds, the S&P 500 will move higher to the January 2022 highs.

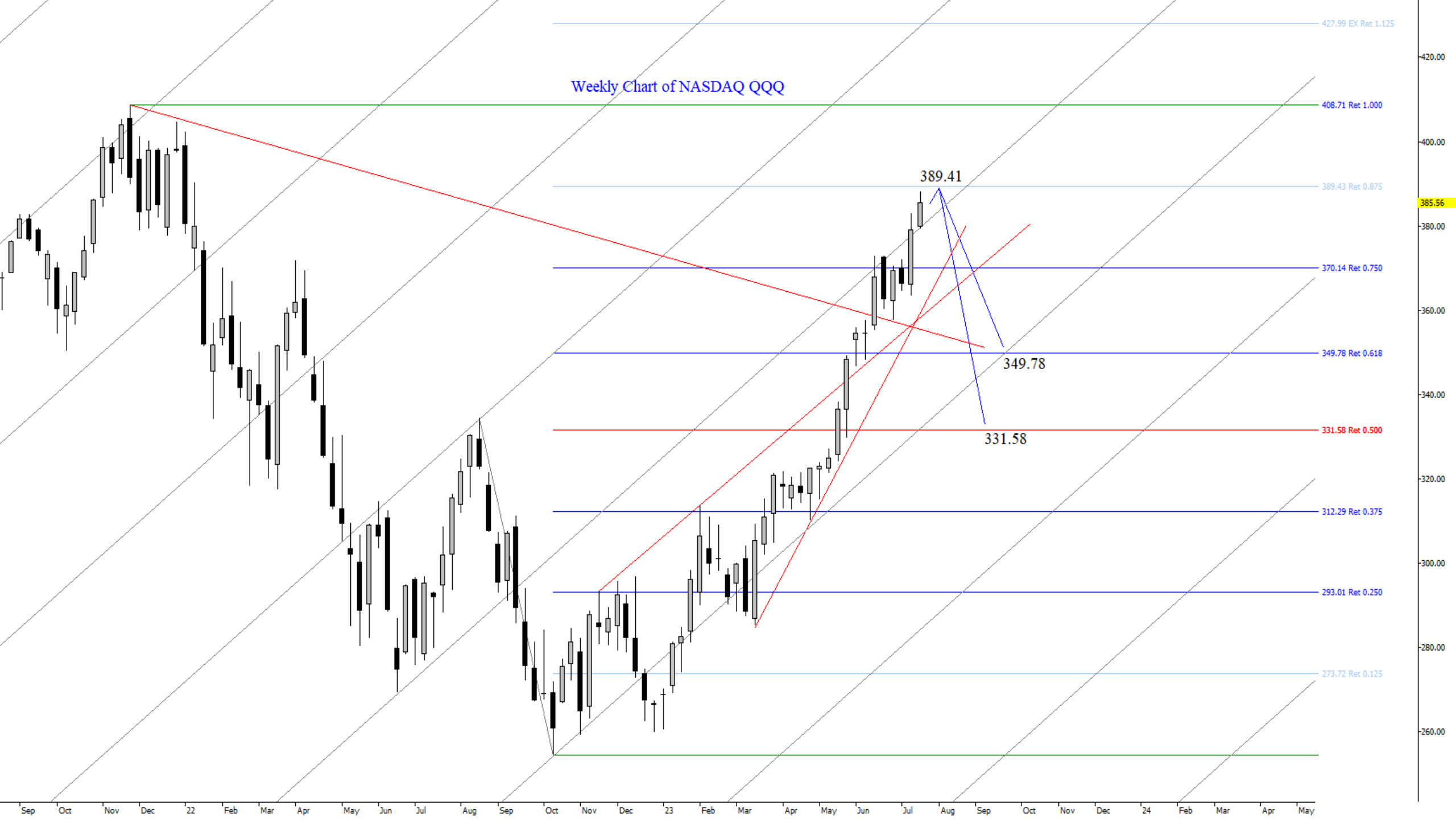
The **NASDAQ QQQs** came very close to their **bear market 7/8** number at **389.41** and reversed today.

Reversing at the 7/8 number is notable because the 7/8 number is very weak and should have no effect on rising prices, especially in a strong market like the NASDAQ.

When a price reversal is made at the soft 7/8 number, the move lower can be harsh. So far, the QQQs have not confirmed a move lower, but price confirmation is something I will be watching as it could send the market considerably lower. Stocks that have reversed at their 7/8 numbers have moved down as low as their 1/2 numbers. In this case, the QQQ **1/2 number is 331.58**. The second most likely target lower is the **5/8 number at 349.78**.

Without price confirmation of a move lower, the QQQs could still move higher through the 7/8 number at 389.43 and head toward a much stronger number at 408.71. (Refer to NASDAQ QQQ Chart)

Weekly Chart of NASDAQ QQQ



389.41

349.78

331.58

427.99 EX Ret 1.125

408.71 Ret 1.000

389.43 Ret 0.875

370.14 Ret 0.750

349.78 Ret 0.618

331.58 Ret 0.500

312.29 Ret 0.375

293.01 Ret 0.250

273.72 Ret 0.125

Sep Oct Nov Dec 22 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 23 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 24 Feb Mar Apr May

Market Comments

Sector Bullish Percent Chart Update

*I am focused on the **Sector's Bullish Percent Charts** as they are in areas where major reversals have happened in the past.*

***Technology, Industrials, Consumer Cyclicals, and Real Estate** sectors stand out as their Bullish Percent charts are at historic highs. The risk of purchasing stocks in these sectors is very high.*

*The **Bullish Percent of Real Estate** turned down on Monday. I didn't get an official sector sell signal, but typically when the Bullish Percent gives a sell signal from a historically high level, a price and volume signal is close.*

*The **Technology** sector has reached a Bullish Percent level that has signaled major tops for the past 30 years. The Bullish Percent at this historically high-level points to the risk of buying technology stocks. A bullish percent reversal and sell signal has not occurred. Until I get the sell signal, technology can still move higher. But when it does give a sell signal on the Bullish Percent charts, it will indicate where the market leadership will begin to move lower. As leaders go, so goes the market.*



This Trading Floor Research report is the weekly follow-up:

(Please, watch this list closely. If a TFR recommended stock does not appear in this list, it has been sold or was never bought)

- *ChampionX Corporation (CHX) gave a buy confirmation yesterday at 43.43. It quickly traded to 43.85 and started to pull back. Today the stock attempted to retest Fibonacci support at 33.75 and closed at 43.23. Basing above Fibonacci support at 33.75 is very constructive. The next Fibonacci target is 39.82. The stop is intentionally very tight at 33.75. The market is very overbought, and the risk of owning stocks is very high.*
- **EZGO Technologies Ltd (EZGO)** gave a buy confirmation yesterday at 2.06 and finished the day 6.3% higher at 2.19.
- *The Fibonacci target numbers and stop in the weekend report were incorrect. The correct numbers are given below.*
- *Sell target prices: 1st target is 2.40; 2nd target is 3.08; 3rd target is 3.66.*
- *Stop sell price: Close below 1.96. The stop is intentionally very tight. The market is very overbought, and the risk of owning stocks is very high.*
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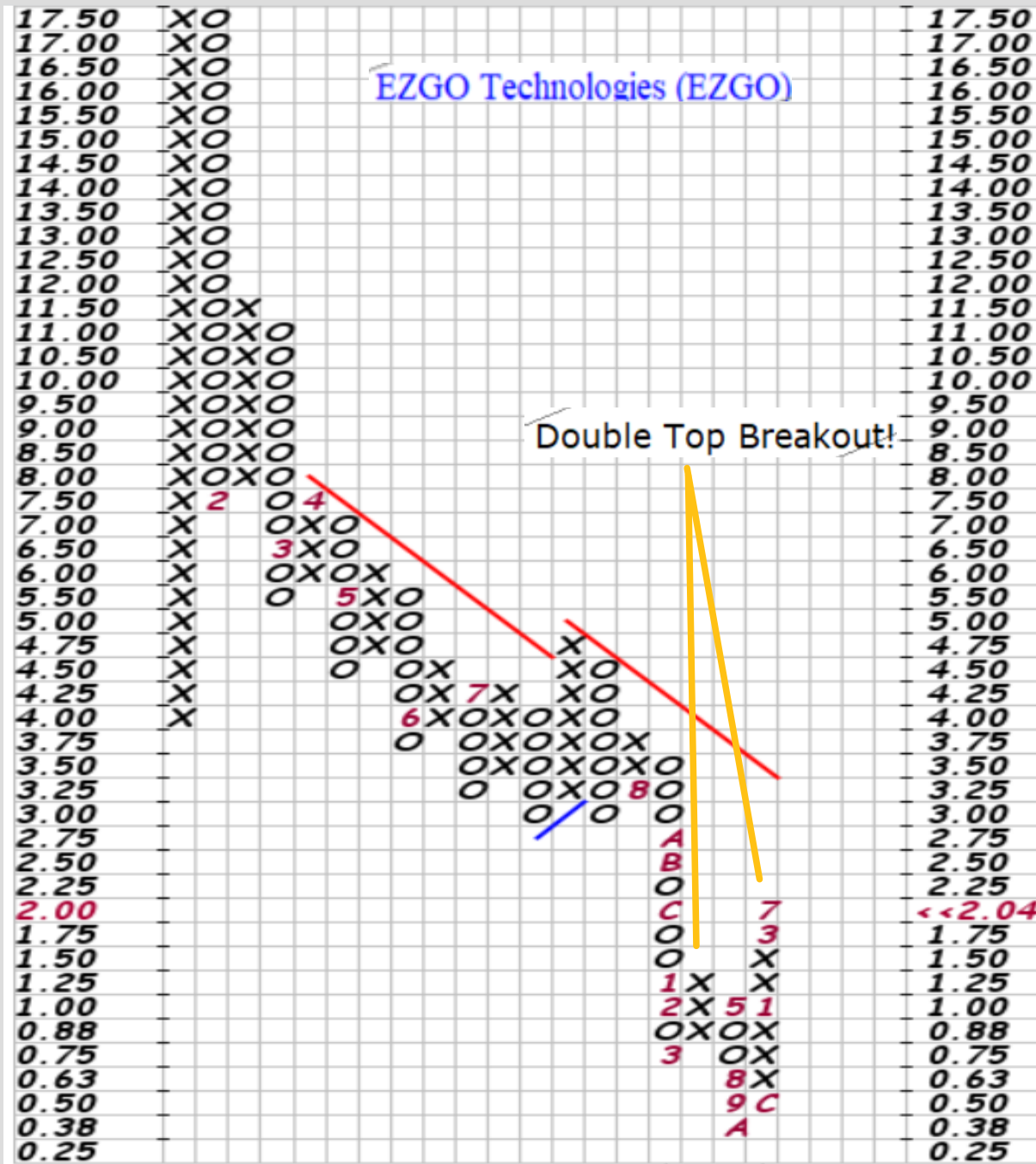
ChampionX Corporation (CHX)



ChampionX Corporation (CHX)









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