



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

10/08/23



This Trading Floor Research report contains:

S&P 500 Update

NASDAQ 100 (QQQ) Update

Energy Sector/ Direxion Energy Bear 2X (ERY)

PDD Holdings Inc. (PDD)

CrowdStrike Holdings Inc. (CRWD)

Still setting up:

Direxion Daily S&P 500 Bear 3x (SPXS)

NASDAQ 100 (QQQ) Update

After Friday's reversal, many traders are convinced we have hit bottom.

As impressive as the turnaround was on Friday, it did not signal a bottom on any of my indicators. The quickest buy signals come from my bullish percent indicators.

*Not a single bullish percent indicator gave a confirmation reversal, and many bullish percent indicators moved lower. The **NDX (NASDAQ 100)** and the **S&P 500** were the most notable.*

*Most of my weekend analysis focused on the **NDX (NASDAQ 100)**, as the QQQs showed the most impressive price and volume move.*

So far, the move higher was a 3/8 retracement of the most recent range from the July high to the September low at 365.10. It was also a throwback into the ascending trendline from the January low.

***The QQQs will run into significant Fibonacci resistance between 369.67 and 370.14.** 369.67 is the substantial 1/2 number from the July high to the September low, and 370.14 is the bear market 3/4 number from November 2021 high to the October low.*

Closing above the Fibonacci resistance between 369.67 and 370.14 with above-average volume will indicate that a new bull market has started.

Until then, put me down as skeptical.

Even if I had turned bullish with Friday's reversal on the QQQs, the next question becomes what stocks to buy.

*Only two stocks in the NASDAQ 100 met my strict criteria to qualify as a purchase. **CrowdStrike Holdings Inc. (CRWD)** and **PDD Holdings Inc. (PDD)** are fantastic buy candidates that qualify as potential leaders. The remaining 98% still need to show proper institutional accumulation. I will purchase CrowdStrike Holdings Inc. (CRWD) and PDD Holdings Inc. (PDD) with a pullback to Fibonacci support. They are featured in this report.*

MOVE Index (the VIX of the bond market)

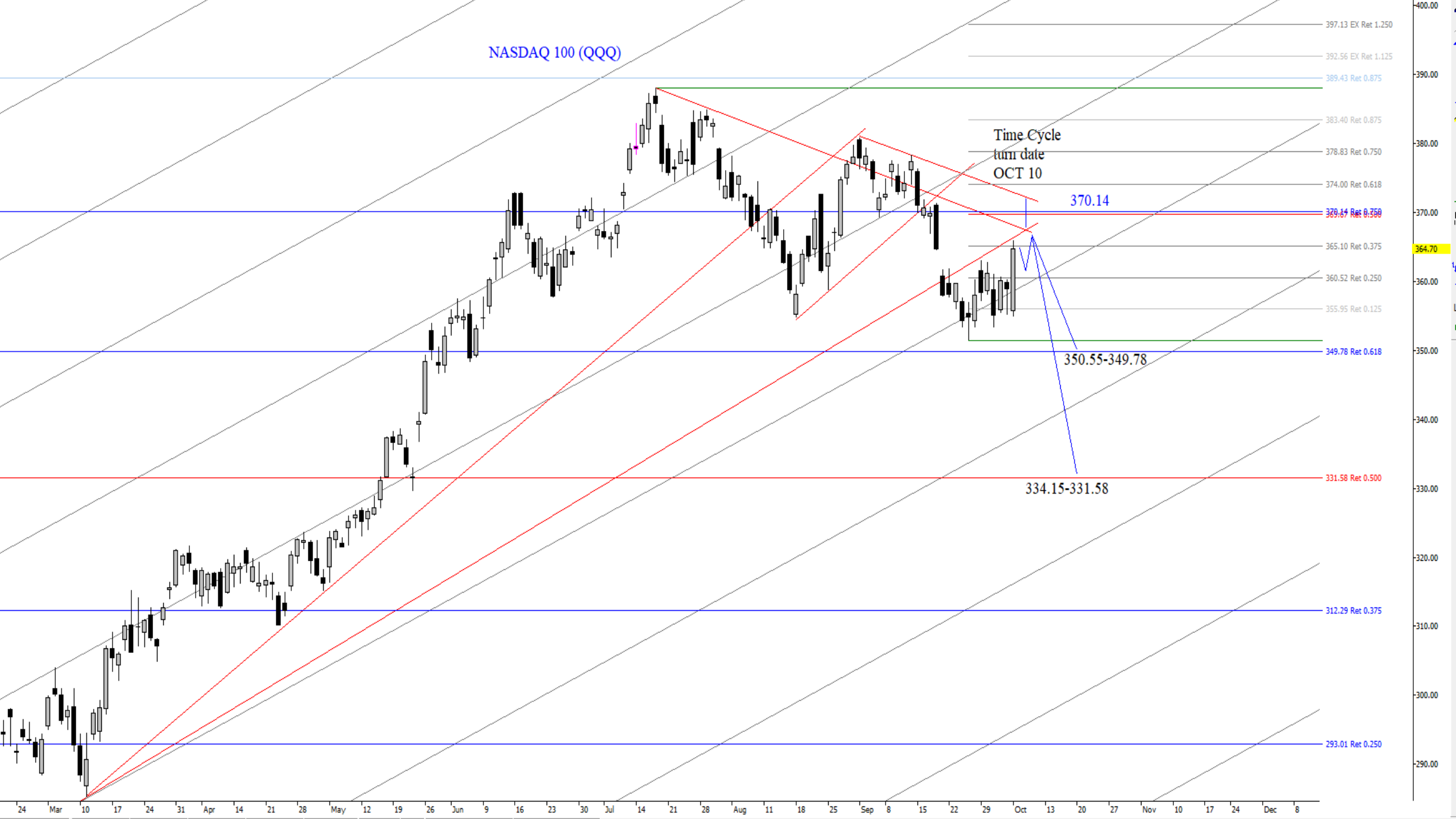
*Another reason I am reluctant to turn bullish is the **MOVE Index** (the VIX of the bond market).*

*The **MOVE Index** is more than one standard deviation from its long-term average.*

Bad things often happen when the Bond market volatility is this elevated and under this much stress.

When risk levels align with the reward, there will be a better time to make money going long in the stock market.

NASDAQ 100 (QQQ)



S&P 500 Update

Wednesday and Thursday, the **S&P 500** had back-to-back inside days where the price was coiling up. Price compression usually resolves with an explosive move, as it did on Friday's volatility expansion.

The inside days were bound by Fibonacci resistance of 4267.37 and Fibonacci support of 4233.40.

Friday's first explosive move was lower on the Jobs report, but the move was held in check at the lower bounds of the inside days at 4233.40 Fibonacci support.

It is why I took profits on my inverse Russell 2000 (+25.4% gain) and Technology sector (+8.9% gain) positions.

The S&P 500 reversed, and 1 1/2 hours later, it closed above Fibonacci resistance at 4267.37. Closing above the upper range of the inside days at 4267.37 indicated higher prices and a Fibonacci target of 4311.69.

That is why I closed the remainder of my inverse positions at 4267.37.

The S&P 500 topped at 4324.10 before reversing to close back below Fibonacci resistance at 4311.69. The strong 4311.69 Fibonacci resistance held.

If the S&P 500 can break 4311.69, it retests the neckline of the **head and shoulders** top and a confluence of resistance between 4343.20 and 4378.85. The neckline was not correctly tested on the last retracement, and the chart may need resolution before moving lower.



S&P 500



Double Bottom
Sell Signal

Buy candidate: Direxion Daily S&P 500 Bear 3X (SPXS)

- *Portfolio: Short the S&P 500. This trade is designed to move 3x the inverse daily performance of the S&P 500 (SPX).*
- *The Direxion Daily S&P 500 Bear 3X (SPXS) trade is designed to take advantage of the next potential move lower in the S&P 500(SPX).*
- *The Direxion Daily S&P 500 Bear 3X (SPXS) will Confirm a Buy with a close above 15.94 on the 30-minute chart.*

Wait for text confirmation!

- *Start position at 2-star(**).*
- *Direxion Daily S&P 500 Bear3X (SPXS) closed at 15.57.*
- *Direxion Daily S&P 500 Bear 3X (SPXS) VWAP is at 30.98*
- *Sell target price: 1st target is 16.49; 2nd target is 18.43*

Stop sell price: Close below 14.81.



Sector Update

Energy Sector Update

*I warned that the **Energy** sector Bullish Percentage Index confirmed a top three weeks ago, and price and volume confirmed a sell signal on October 2.*

Since then, the Energy sector has fallen off a cliff.

Thursday, Energy stocks started to bounce as they found support at the weak 7/8 number. Weak numbers can create big bounces.

If the bounce follows through, the recent price action indicates a retracement bounce that could throw back into the broken trendline from the June lows.

*Once the retracement is complete, I will repurchase the **Direxion Energy Bear 2X (ERY)** position for the next move lower.*

Buy candidate: Direxion Energy Bear 2X (ERY)

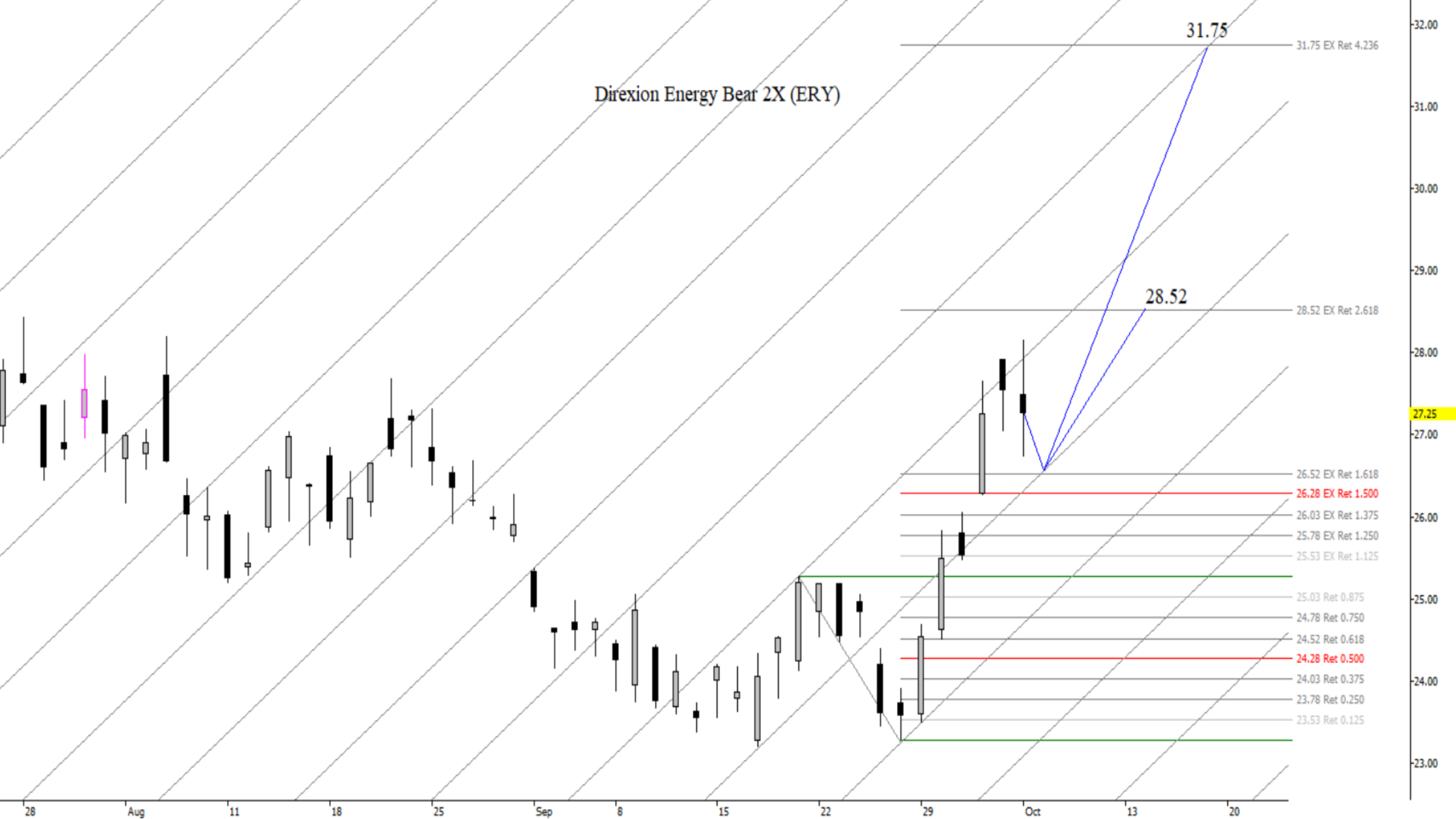
- *Portfolio: Short the Energy Sector. This trade is designed to move 2x the inverse daily performance of the Energy Sector.*
- *The Direxion Energy Bear 2X (ERY) trade is designed to take advantage of the next potential move lower in the Energy Stocks.*
- *The Direxion Energy Bear 2X (ERY) will Confirm after a throwback into the trendline and confirmation on the 30-minute chart.*

Wait for text confirmation!

- *Start position at 2-star(**).*
- *Direxion Energy Bear 2X (ERY) closed at 27.25.*
- *Direxion Energy Bear 2X (ERY) VWAP is at 79.25*
- *Sell target price: 1st target is 28.52; 2nd target is 31.75*

Stop sell price: Close below 25.78.

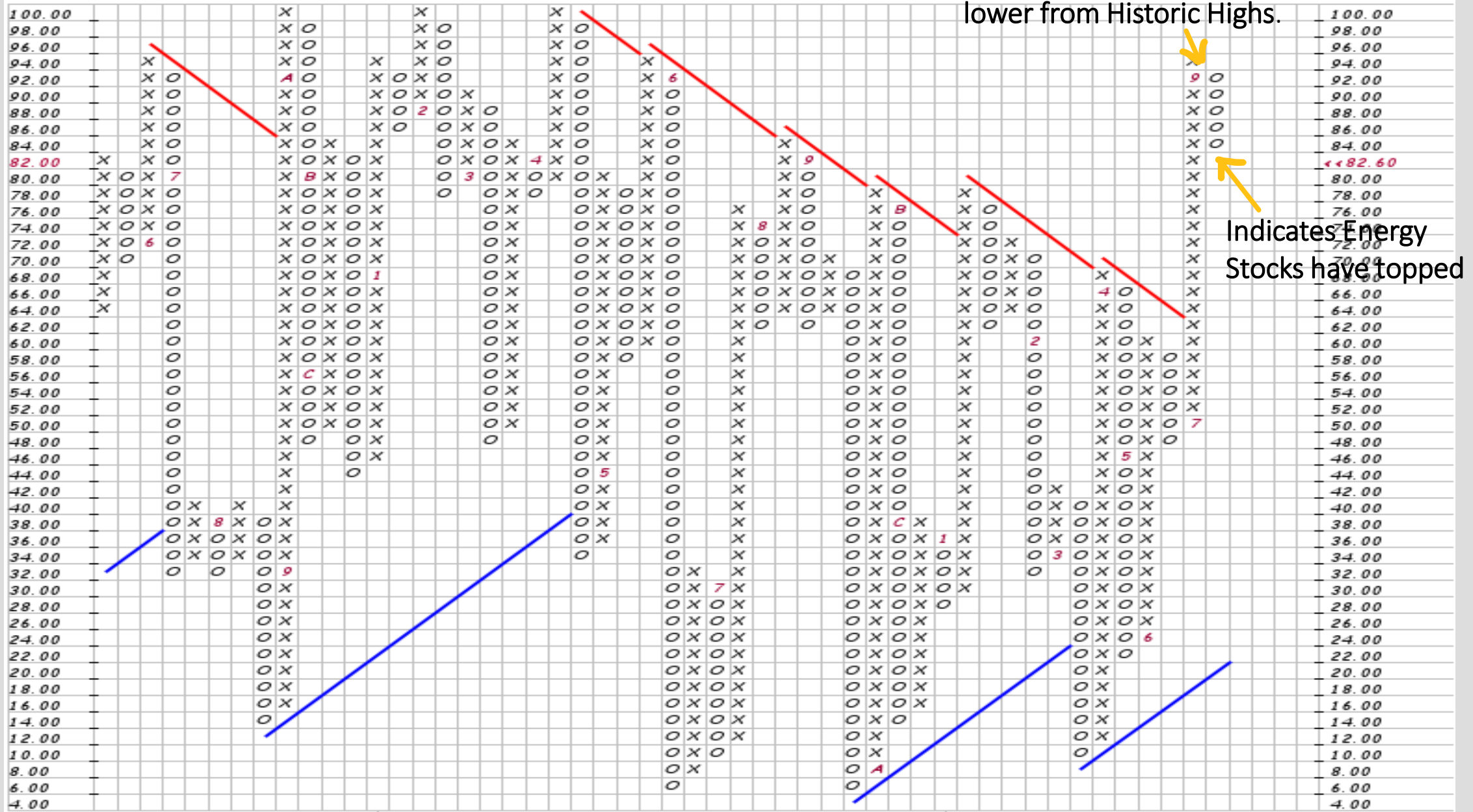
Direxion Energy Bear 2X (ERY)



Energy Sector Update

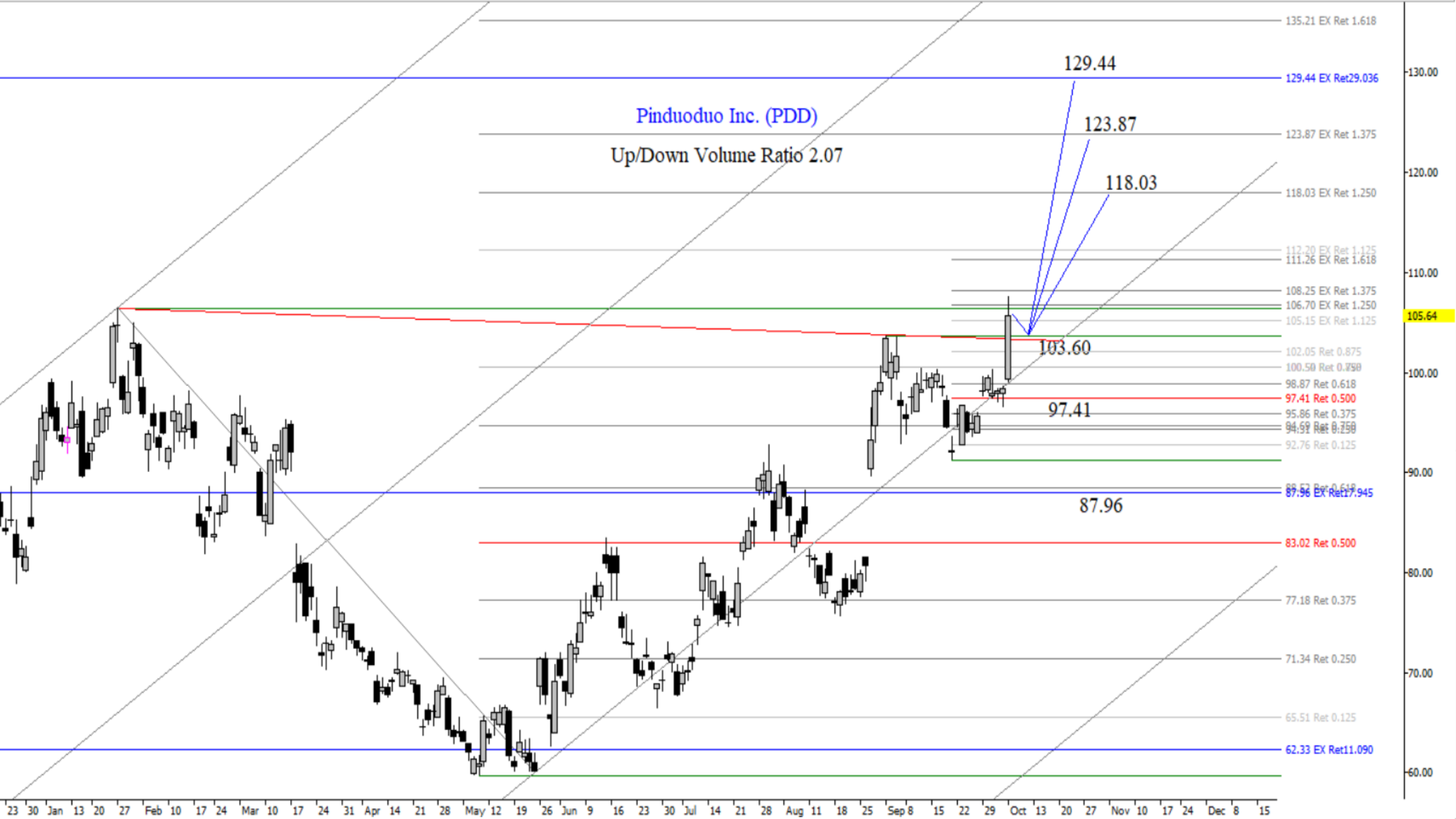
The Bullish Percent Chart

The bullish Percent Index turned lower from Historic Highs.



Buy Candidate: PDD Holdings Inc. (PDD)

- *Index: NDX NASDAQ 100 (QQQ). NASDAQ gave a follow-through day, and PDD Holdings Inc. (PDD) is a leader in the NASDAQ.*
- *PDD Holdings Inc. (PDD) is a provider of third-party mobile e-commerce platforms for buyers.*
- *PDD Holdings Inc. (PDD) will complete a Spread **Triple top** breakout on the Point & Figure Chart. The stock broke out of its cup-with-handle base on Friday at 103.60.*
- *PDD Holdings Inc. (PDD) will confirm after a pullback to 103.60 and a 30-minute buy signal.*
- *Wait for a text Alert!*
- *Start Position at 1-star(*)*
- *PDD Holdings Inc. (PDD) is under massive accumulation with an Up/Down Volume Ratio of 2.07, breaking 100-day highs.*
- *PDD Holdings Inc. (PDD) closed at 105.64.*
- *PDD Holdings Inc. (PDD) VWAP is at 69.06.*
- *Fibonacci target prices: 1st target is 118.03; 2nd target is 123.87; 3rd target is 129.44.*
- *Stop price: Close below 103.60.*



PDD Holdings Inc. (PDD)



Buy Candidate: CrowdStrike Holdings Inc. (CRWD)

- Index: **NDX NASDAQ 100 (QQQ)**. NASDAQ gave a follow-through day, and CrowdStrike Holdings Inc. (CRWD) is a leader in the NASDAQ.
- CrowdStrike Holdings Inc. (CRWD) develops and operates security software solutions.
- CrowdStrike Holdings Inc. (CRWD) completed a Spread **Triple top** breakout above the bullish resistance line at 174.00 on the Point & Figure Chart. The stock broke out of its cup-with-handle base on Friday at 172.35.
- CrowdStrike Holdings Inc. (CRWD) will confirm after pulling back to the trendline at 172.63 and a 30-minute buy signal.
- **Wait for a text Alert!**
- **Start Position at 1-star(*)**
- CrowdStrike Holdings Inc. (CRWD) is under massive accumulation with an **Up/Down Volume Ratio** of 1.63, approaching 100-day highs.
- CrowdStrike Holdings Inc. (CRWD) closed at 176.69.

- CrowdStrike Holdings Inc. (CRWD) VWAP is at 145.79.
- Fibonacci target prices: 1st target is 181.92; 2nd target is 195.36-196.96.
- Stop price: Close below 169.68.

CrowdStrike Holdings Inc. (CRWD)





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