



Trading Floor Research

12/13/22



This Trading Floor Research report contains:

- S&P 500 (SPX). Update
- Direxion Daily S&P 500 Bear 3X (SPXS) Update
- VIX Short-term Futures ETF (VIXY) Update



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)

- *Allegro Microsystems Inc. (ALGM) was stopped at the firm .75 number at 33.51 last week and again today. As ALGM continues to base, it mustn't close below Fibonacci support at 31.76. Closing below 31.76 will cause a loss of momentum and a potential retest of 28.74. The Semiconductor industry group is powerful, and accumulation in the stock is substantial, with an Up/Down volume ratio of 2.44.*
- *Direxion Daily S&P 500 Bear 3X (SPXS) did a throwback into its descending trendline and hit Fibonacci support at 18.35 first thing this morning. It closed above the Fibonacci resistance at 19.49. A 30-minute buy signal will confirm the purchase of additional shares. (Refer to SPXS chart)*



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- ***RLX Technology Inc. (RLX)** struggles to close above Fibonacci resistance at 2.72, where I sold half my shares. The current base still looks constructive, but a close below Fibonacci support at 2.51 will be a sell off the remainder of my shares.*
- ***Atour Lifestyle Holdings Limited ADR (ATAT)** closed back above Fibonacci resistance at 17.05 today. A close above its first Fibonacci target at 18.51 will send the shares to the 20.78 Fibonacci target. Accumulation is substantial, with an Up/Down Volume ratio of 4.00.*

S&P 500/SPXS/VIXY

The throwback in the S&P 500 I was looking for happened today. In last Wednesday's "Weekly Follow-up," I wrote, "The market's oversold conditions could allow the S&P 500 to rally into the recently broken trendline and Fibonacci resistance at 4006.81 before resuming the downtrend. The throwback into the trendline could serve as another opportunity to add to the Direxion Daily S&P 500 Bear 3X (SPXS) position."

The Direxion Daily S&P 500 Bear 3X (SPXS) did a throwback into its descending trendline and hit Fibonacci support at 18.35 first thing this morning. It closed above the Fibonacci resistance at 19.49. A 30-minute buy signal will confirm the purchase of additional shares. (Refer to SPXS chart)

The S&P 500 went further than the Fibonacci resistance at 4006.81 and topped out .45 points higher than the December first high at 4100.51. A close below the critical Fibonacci support at 3908.43 will complete a double top in the S&P 500. The index also tested the descending trendline from the January high for the fifth time as the price turned lower again. (Refer to S&P 500 chart)

Tomorrow is a time Cycle turn date on the S&P 500. The market tends to reverse price direction going into the date. Since the price has rallied into the date, I would anticipate a decline as we advance from the date.

Closing below 3908.43 and completing a double top will increase the probability of a retest to the 3742.02 Fibonacci target. Overshooting 3742.02 will send the index to the 3647.42 throwback of the descending trendline from the August high.





S&P 500/SPXS/VIXY

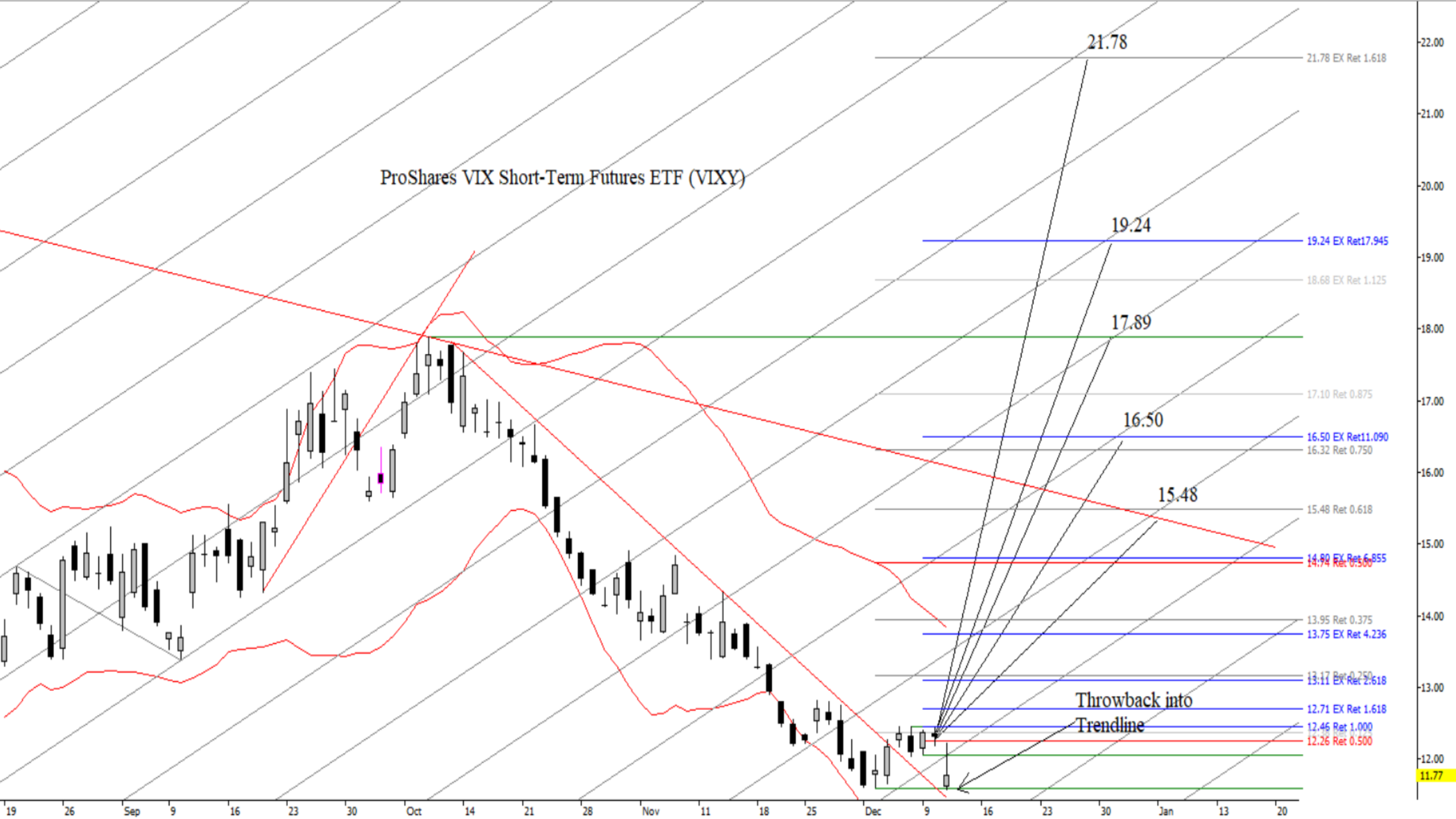
The VIX Short-term Futures ETF (VIXY) did a throwback into its descending trendline today at 11.60. The VIXY broke the descending trendline last week. In the weekend newsletter, I wrote, "The VIXY has been contracting from lack of fear all year, but each short-term expansion has started days after a trendline break and a throwback into the trendline. After a 30-minute buy signal from the VIXY and a close above 23.00 on the CBOE Volatility index, it will confirm adding shares of the VIX Short-term Futures ETF (VIXY). (Refer to VIXY chart)

My cash position is at 90% and watching all long positions very closely.
The bears are in control of the Russell 2000 and indicate "Risk-Off" in the markets.

I recommend caution and 90% cash



ProShares VIX Short-Term Futures ETF (VIXY)





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