



TFR

Trading Floor Research

Welcome to the
— Trading Floor —



03/22/23

This Trading Floor Research report contains:

SPDR S&P Regional Banking ETF (KRE)

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Where do Regional Banks go from here?

The S&P Regional Banks Select Industry Index is best observed using the SPDR S&P Regional Banking ETF (KRE).

The SPDR S&P Regional Banking ETF (KRE) has spent the past two years forming a head and shoulders top. The completion of the pattern came on March 9, 2023, when the price closed below the neckline.

A head & shoulders pattern of this duration indicates a significant top is in place for Regional banks for many months and possibly years to come. A swing rule can be used to measure the distance to the bottom. The first leg down got us to Fibonacci support below the 100% target at 41.88.

Since KRE hit the target eight trading days ago, it has based between the Fibonacci resistance of 46.11 and 41.88, allowing the 10-day moving average to catch up and alleviate oversold conditions. Moving sideways and the inability to bounce highlights the weakness of the Regional banks.

The heavy price behavior at the current level indicates that only half the move lower has been completed. The sideways movement of shares has come with institutional distribution.

Since the price confirmed a sell signal on March 2, KRE has had six distribution days in fifteen trading sessions. That is very intense institutional selling. The Up/Down volume ratio is making 100-day lows and currently stands at .66.

Closing below Fibonacci support at 41.88 will send the SPDR S&P Regional Banking ETF (KRE) to the next significant Fibonacci support at 23.39.

There is no inverse regional banking ETF. Therefore, I will use the **ProShares Ultra Short Financials ETF (SKF)** to take advantage of the move.

SELL candidate: SPDR S&P Regional Banking ETF (KRE)

- **Portfolio:** S&P Regional Banks . The **SPDR S&P Regional Banking ETF (KRE)** corresponds to the daily performance of the **S&P Regional Banks Select Industry Index**.
- *SPDR S&P Regional Banking ETF (KRE) completes a Point & Figure triple bottom when the price hits 42.00. The bar chart indicates that the price must close below 41.88 to trigger the next sell signal. Both sell signals should coincide.*
- *Today, the SPDR S&P Regional Banking ETF (KRE) sold off 5.69%, closed at 43.45 on big volume, and generated another distribution. With the continued pressure on KRE shares, the stock should close below 41.88 in the next couple of days. With a close below 41.88 on KRE, I will purchase the **ProShares Ultra Short Financials ETF (SKF)** to take advantage of the lower next move.*
- *The purchase of **ProShares Ultra Short Financials ETF (SKF)** will Confirm when KRE closes below 41.88*
- *I will send a text confirmation*
- *Start position at 1-star(*).*
- *SPDR S&P Regional Banking ETF (KRE) closed at 43.45.*
- *SPDR S&P Regional Banking ETF (KRE) VWAP is at 56.78*
- *Target prices on (KRE): 1st target is 36.46; 2nd target is 29.57; 3rd target is 23.39*
- *Stop sell price: Close above 46.11.*

SPDR S&P Regional Banking ETF (KRE)

Head & shoulders Top

Neckline of Head & shoulders Top

41.88

Closing below 41.88 will send KRE to 23.39

57.47 App 0.500

50.97 App 0.786

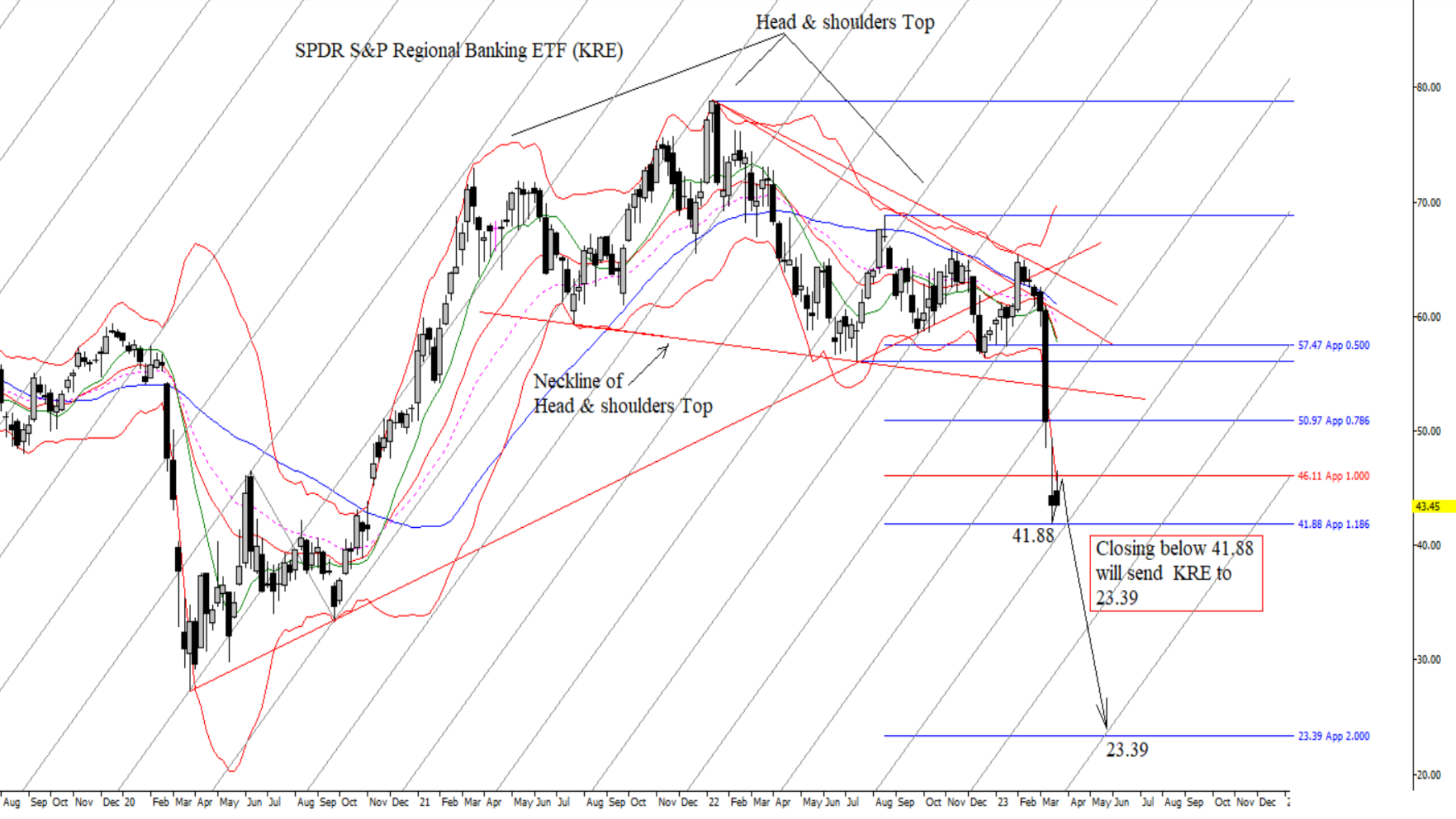
46.11 App 1.000

41.88 App 1.186

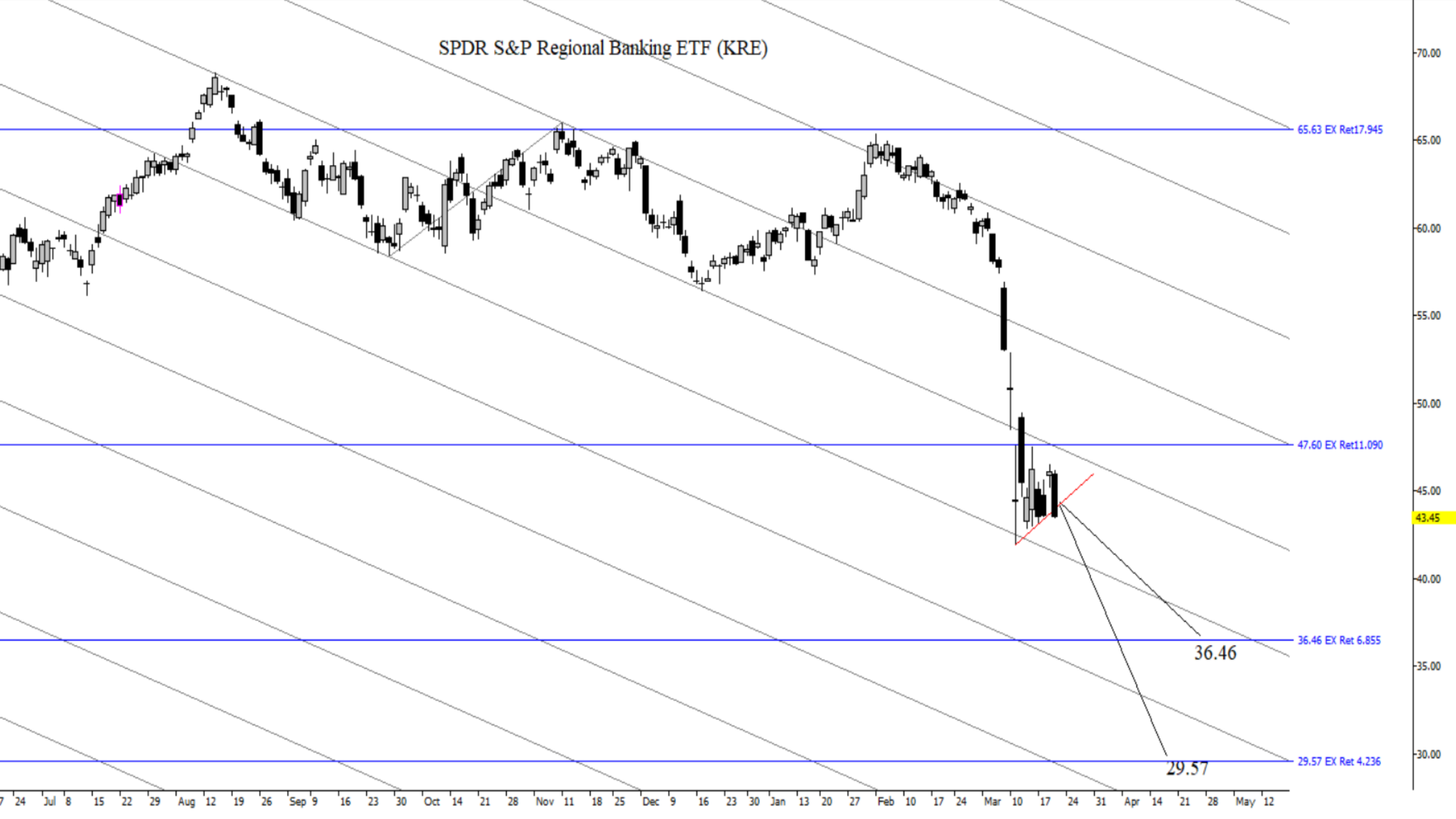
23.39 App 2.000

80.00
70.00
60.00
50.00
40.00
30.00
20.00

Aug Sep Oct Nov Dec 20 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 21 Feb Mar Apr May Jun Jul Aug 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

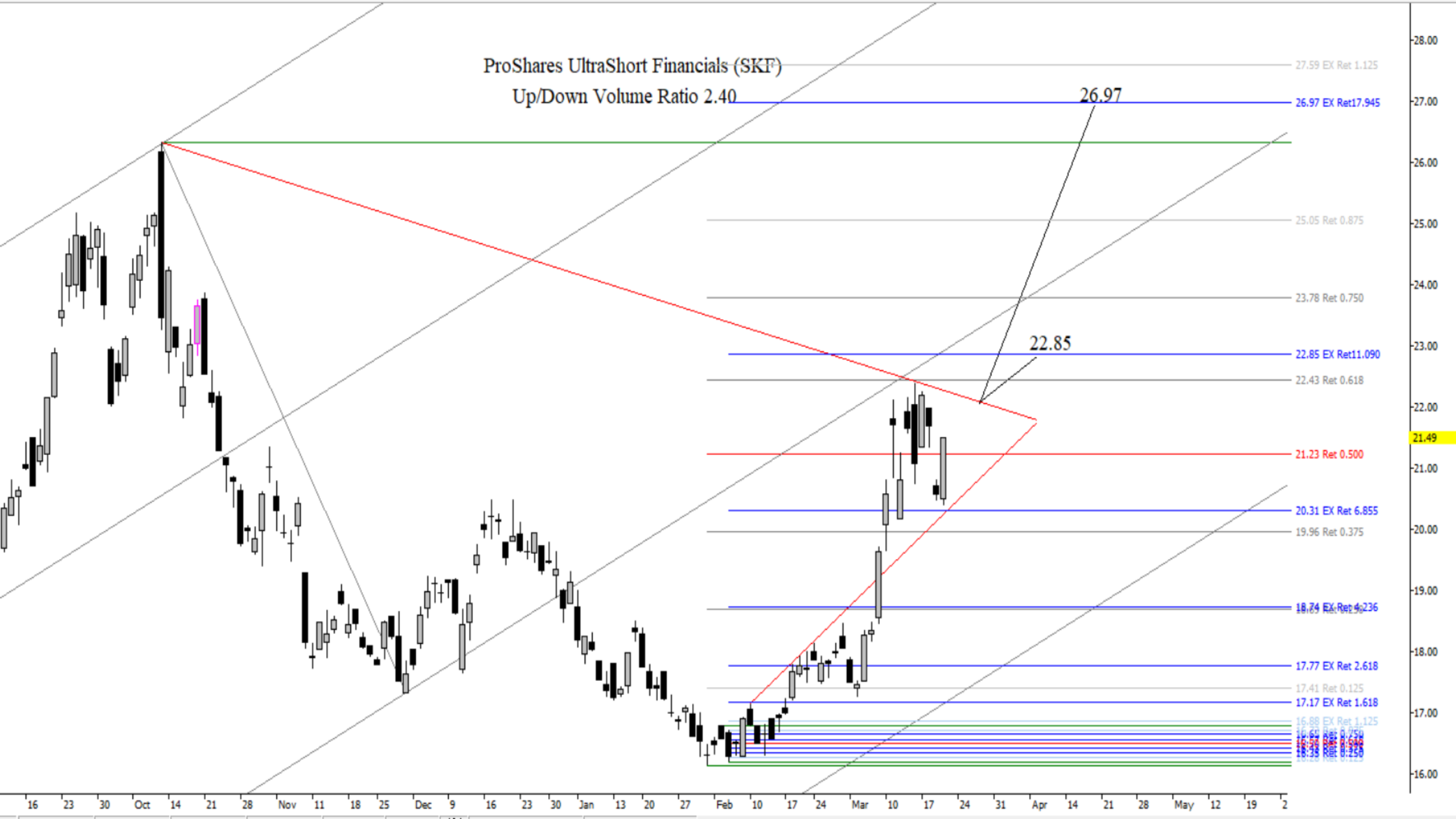


SPDR S&P Regional Banking ETF (KRE)



ProShares UltraShort Financials (SKF)

Up/Down Volume Ratio 2.40





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