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Trading Floor Research

Welcome to the
— Trading Floor —



This Trading Floor Research report contains:

Sector Bullish Percent Index Update

KraneShares CSI China Internet ETF (KWEB) Update

Weave Communications (WEAV)

Stronghold Digital Mining Inc. (SDIG)

Ehang Holdings Ltd. (EH)

XIAO-I ADR (AIXI)

Still Setting up from last week.

Sportrader Group (SRAD)

Market Comments

Sector Bullish Percent Index Update

Many **Bullish Percent sector charts** have hit extremes, and some have given sell signals from those extremes.

The **Consumer Cyclical** sector hit an extreme reading of 89 a few days ago. On Thursday, the Consumer Cyclical sector gave a sell signal from the extreme level.

Two weeks ago, the **Technology** sector's Bullish Percent Indicator reached an extreme level that signaled major tops for the past 30 years. But a Bullish Percent sell signal was not confirmed until Tuesday. The Technology sector's confirmation of a Bullish Percent sell signal indicates significant risk for tech stocks.

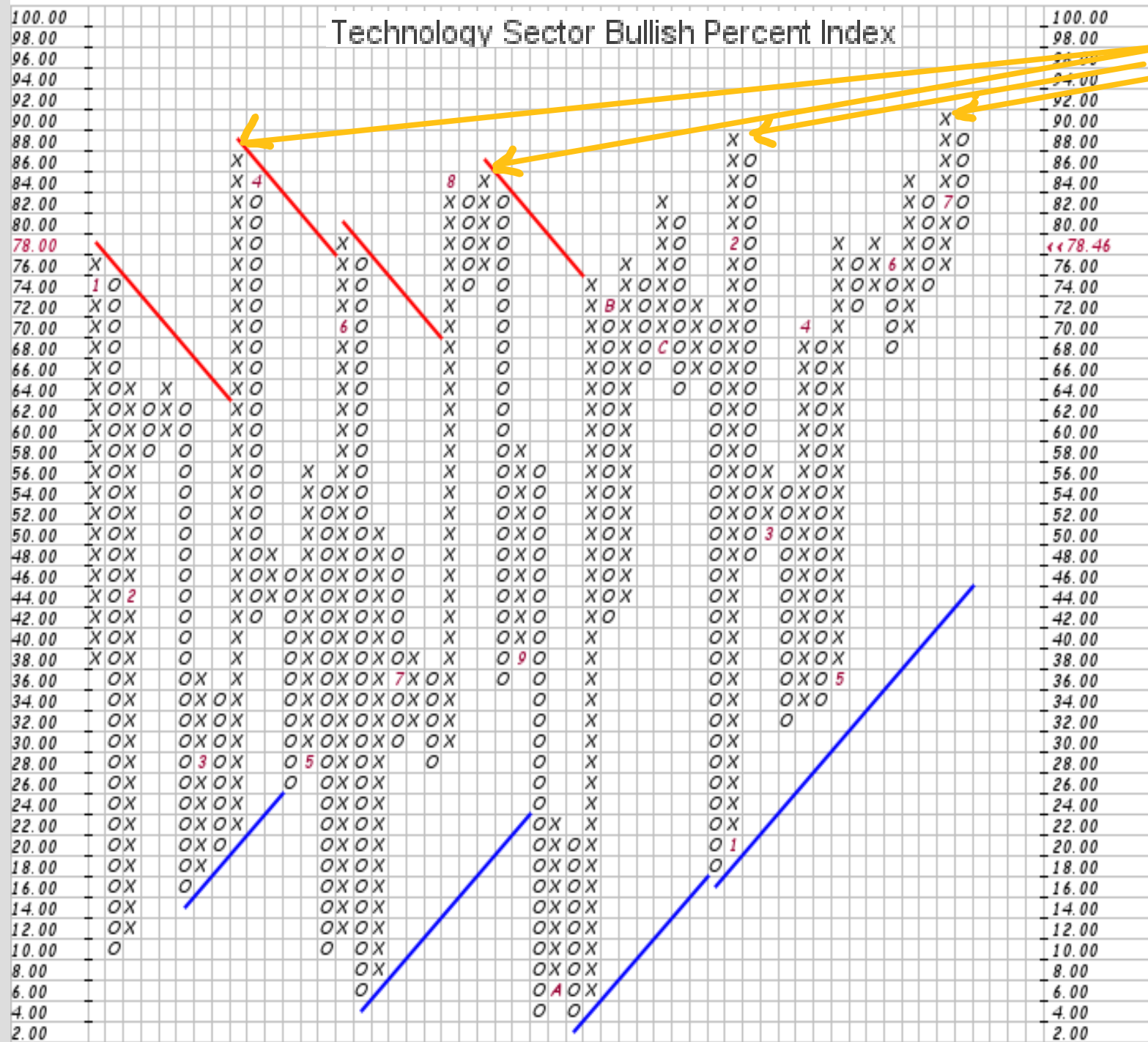
Topping a significant bull run like the one we experienced in the Technology sector is a process that will include many days of distribution. But once an extreme Bullish Percent reading confirms a top, the downside risk during the topping process becomes significant.

The price and volume of the Technology sector must confirm a move lower before I place a downside bet. When that happens, I will short the tech-heavy NASDAQ with the SQQQ and the Technology sector with TECS.

Other Sectors like **Energy** and **Industrials** have hit Bullish Percent extremes but have not given a Bullish percent sell signal yet. With this many sectors at extremes and confirming reversals from extremes, it is a strong indication of the risk in the market. If the price and volume confirm a sell signal in the sectors at Bullish Percent extremes, it will lead to a downtrend lasting for many weeks.

Thursday's 379-point drop in the Tech heavy NASDAQ 100 from its daily high is an example of the risk we will continue to see in tech stocks. I am looking for the same type of volatility in other sectors with extremely high Bullish Percent reversals.

Technology Sector Bullish Percent Index



Extreme Bullish Percent and reversals have led to substantial declines in the past

Market Comments

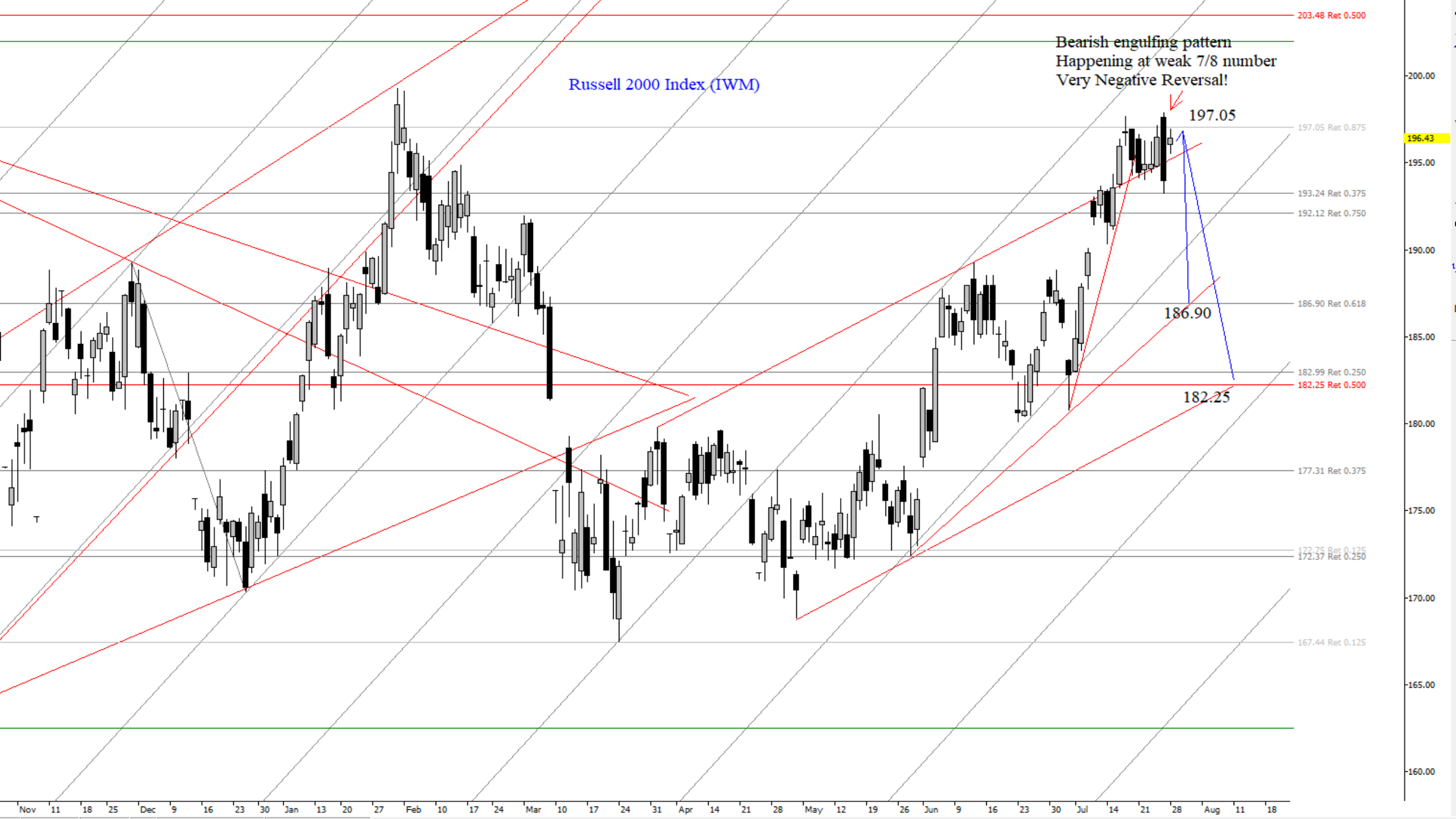
NASDAQ 100 (QQQ) and Russell 2000 (IWM) Update

The **NASDAQ 100 (QQQ)** showed relative weakness to the other indexes last week. On Thursday, the rally had the S&P 500, Dow Jones Industrial Average and Russell 2000 hit new highs before they gave significant reversals in the afternoon. The Nasdaq 100 didn't come close to its high before its Thursday reversal.

The NASDAQ 100 (QQQ) July 19 high at the weak bear market 7/8 number, and last week's relative weakness carries a high probability for a continued move lower to the bear market significant 1/2 number at 331.58.

On Thursday, the **Russell 2000 (IWM)** index showed the most considerable relative weakness, with a 1.3% decline in massive volume. The price and volume action added another distribution day to the Russell 2000 (IWM), closing near the day's lows while engulfing the past six trading sessions.

Opening higher than the past six days and closing lower with a big volume creates a significant reversal. The S&P 500 reversed similarly, but the IWM reversal occurred again at the weak bear market 7/8 number. The probability of reversing at the 7/8 number could take IWM to its bear market 1/2 number at 182.25.



Russell 2000 Index (IWM)

Bearish engulfing pattern
Happening at weak 7/8 number
Very Negative Reversal!

197.05

186.90

182.25

203.48 Ret 0.500

196.43

197.05 Ret 0.875

193.24 Ret 0.375

192.12 Ret 0.750

186.90 Ret 0.618

182.99 Ret 0.250

182.25 Ret 0.500

177.31 Ret 0.375

172.75 Ret 0.125

172.37 Ret 0.250

167.44 Ret 0.125

195.00

190.00

185.00

180.00

175.00

170.00

165.00

160.00

Nov 11 18 25 Dec 9 16 23 30 Jan 13 20 27 Feb 10 17 24 Mar 10 17 24 31 Apr 14 21 28 May 12 19 26 Jun 9 16 23 30 Jul 14 21 28 Aug 11 18

Market Comments

Chinese Market Update

*Chinese stocks had an intense day on Friday as many gave buy signals. Last week the **CSI China Overseas Internet Index (KWEB)** showed the most vital leadership qualities. Friday's buy signal was accompanied by massive volume and a Point & Figure chart reversal that indicates a new uptrend.*

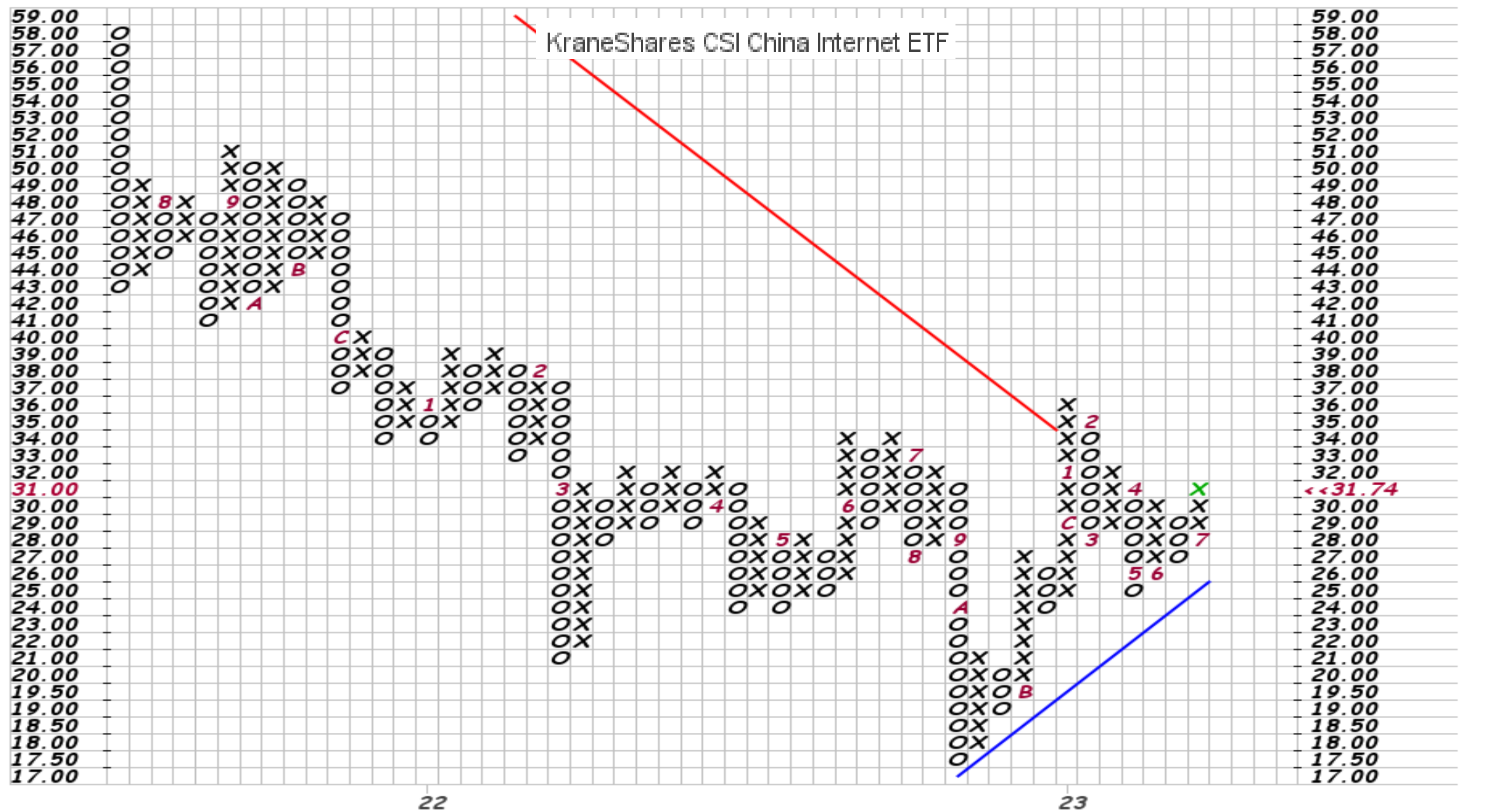
*The **FTSE China 50 index (FTX)** had a similarly strong move, but the Point & Figure chart did not confirm the action, and the **MSCI China Index (MCHI)** volume didn't offer the confirmation I like to see. Without all the indexes confirming, Chinese stocks have not given the all-clear, but many came out of the gate strong. With Friday's move, I will focus more on Chinese leadership names.*

After Friday's big move, Chinese stocks are overbought and, after alleviating overbought conditions, should offer good buying opportunities in the next few days.

*This report highlights **XIAO-I ADR (AIXI)** in the **Computer Software Enterprise** industry group and **Ehang Holdings ADR (EH)** in the **Aerospace & Defense** industry group.*

KraneShares CSI China Internet ETF (KWEB)





Market Comments

Grayscale Bitcoin Trust (GBTC) Update

The orderly pullback in Grayscale Bitcoin Trust (GBTC) continued Friday, hitting Fibonacci support at 18.39. It is now in the Fibonacci target range between 18.39 and 17.99.

Hitting Fibonacci support at 17.99 should give a bounce to the Grayscale Bitcoin Trust (GBTC) and offer good buying opportunities for Bitcoin miners.

Stronghold Digital Mining (SDIG) shows the most significant relative strength as we approach the 17.99 Fibonacci target on Grayscale Bitcoin Trust (GBTC), and Stronghold Digital Mining (SDIG) is highlighted in this report.

Grayscale Bitcoin Trust (GBTC)



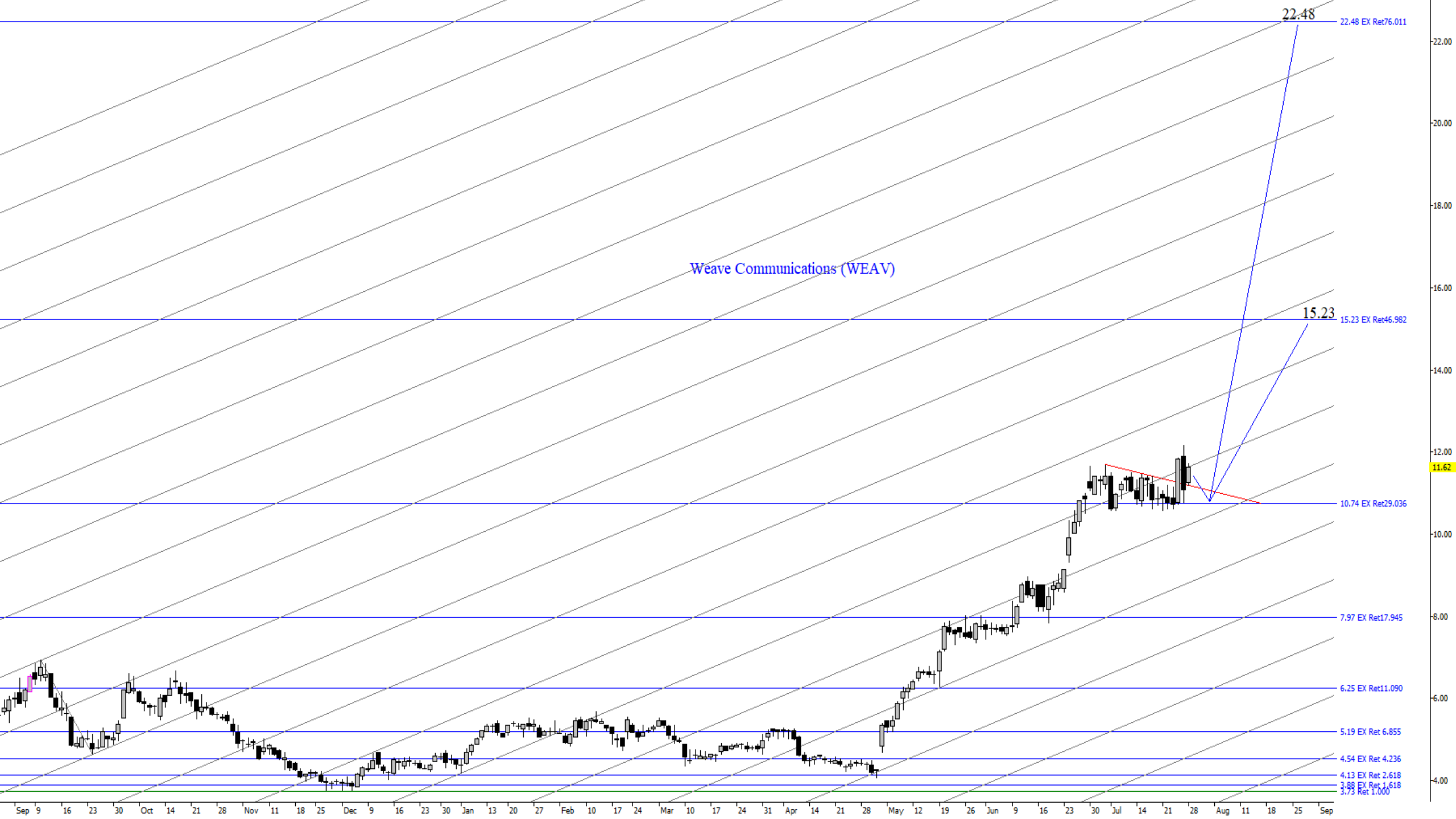
Buy Candidate: Weave Communications (WEAV)

- *Industry Group: Internet Content.* The **Internet Content** industry group ranks as the 5th strongest industry group out of 197 and is up 59.85% YTD and has been in a buy signal since June 15.
- *Weave Communications (WEAV) develops customer interaction software for small businesses.*
- *Weave Communications (WEAV) is stair-stepping higher and is basing above key Fibonacci support at 10.74*
- *Weave Communications (WEAV) Point & Figure chart indicates risk on earnings. Based on the Long Pole, there is a potential downside risk before the earnings report. However, following the earnings report's release, there may be a great buying opportunity. I would like to purchase at Fibonacci support of 10.74 or 7.97 after the earnings release. Earnings are this week, August 2.*
- *Weave Communications (WEAV) will confirm with a 30-minute buy signal after pullback to 10.74 or 7.97 following earning release.*
- *Wait for text confirmation!*
- *Start Position at 2-star(**)*
- *Under institutional accumulation with an Up/Down Volume ratio of 1.55.*

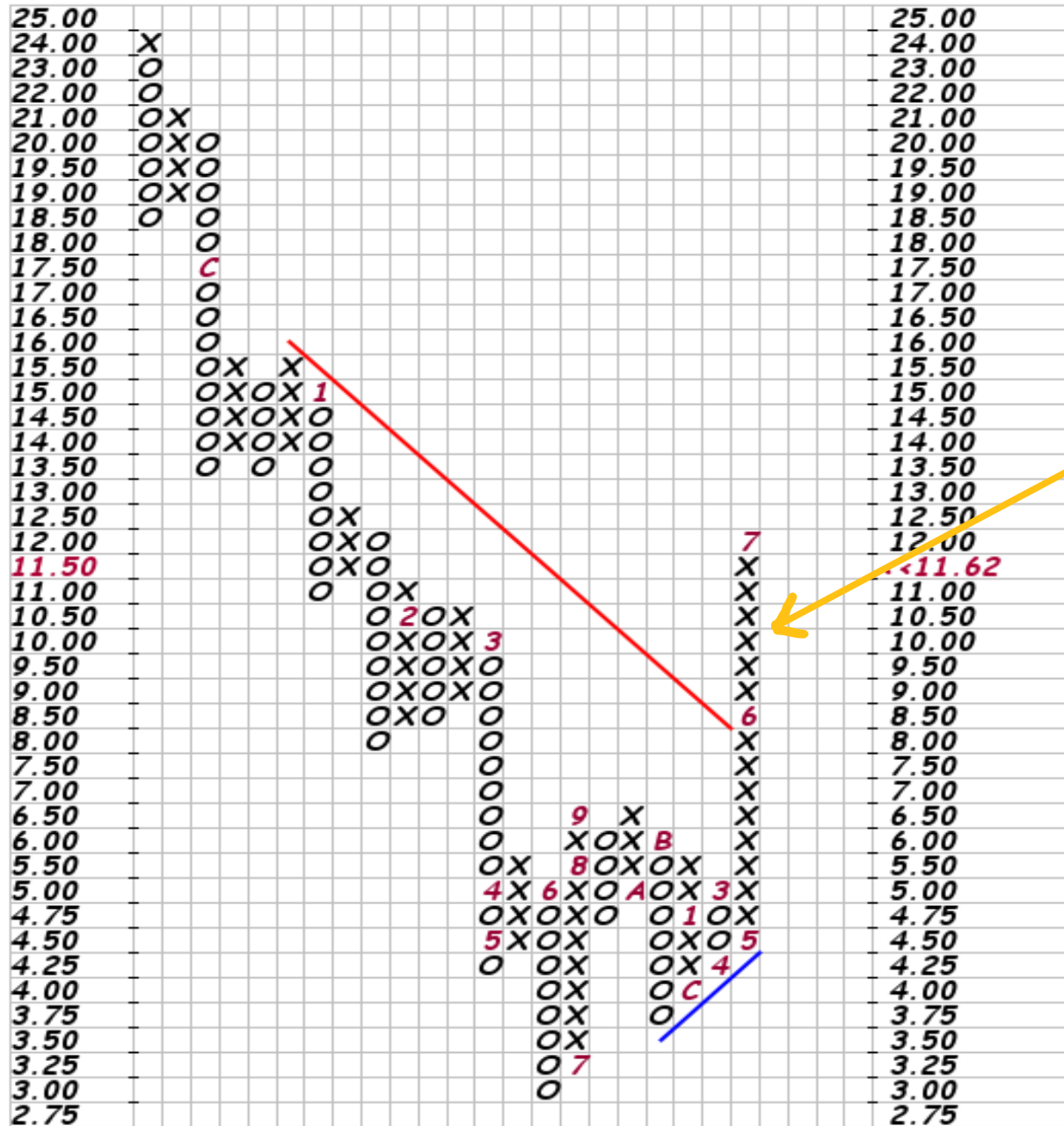
- *Weave Communications (WEAV) closed at 11.62.*

- *Weave Communications (WEAV) VWAP is at 8.04.*

- *Sell target prices: 1st target is 15.23; 2nd target is 22.48.*
- *Stop sell price: Close below 10.74.*



Weave Communications (WEAV)



Based on the Long Pole, there is a potential downside risk before the earnings report. However, following the release of the earnings report, there may be a great buying opportunity.

Buy Candidate: Stronghold Digital Mining Inc. (SDIG)

- *Industry Group: Financial Services Specialty.* The **Financial Services Specialty** industry group ranks as the 96th strongest industry group out of 197, is up 14.95% YTD, and has been in a buy signal since July 11.

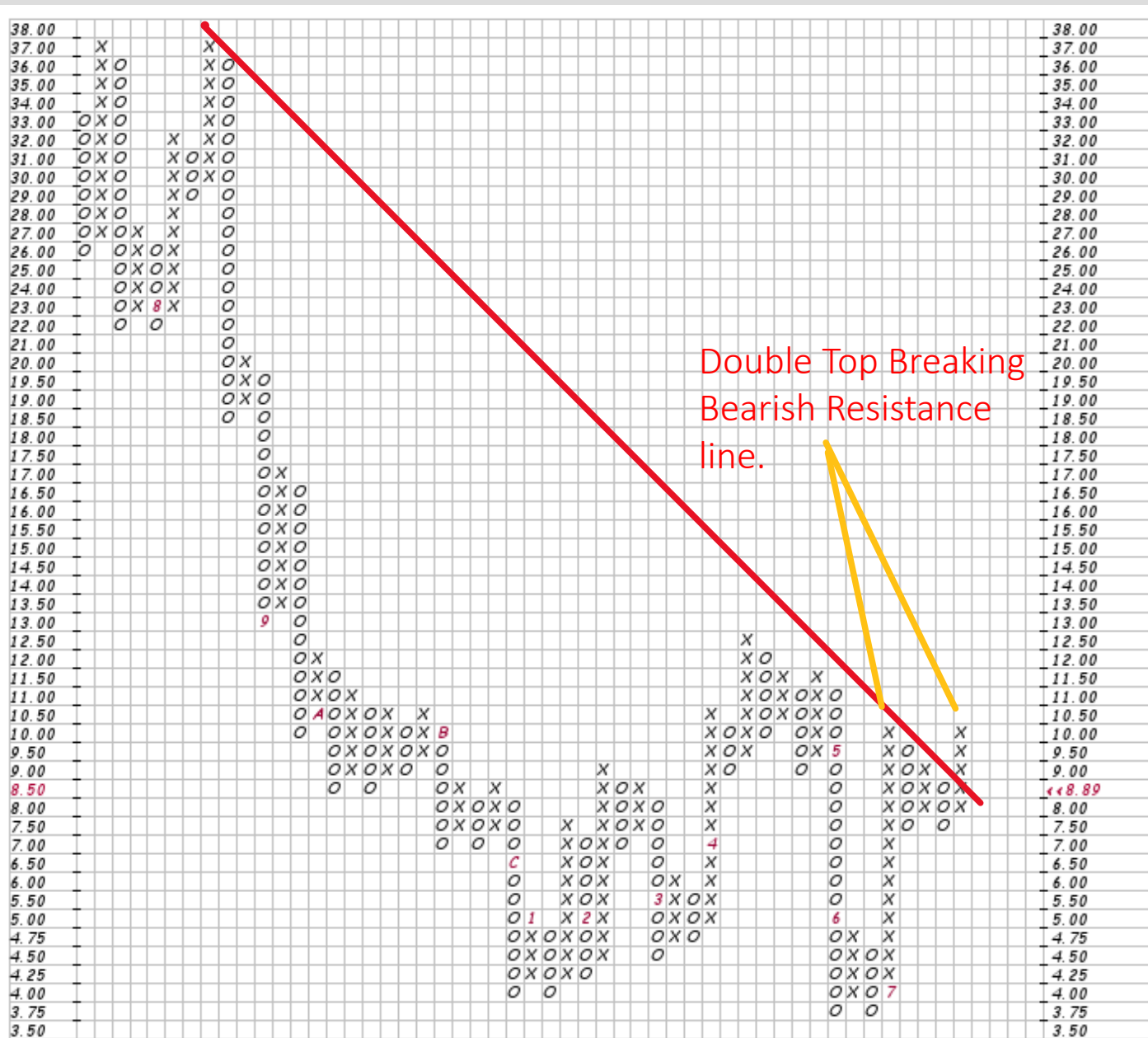
- **Stronghold Digital Mining Inc. (SDIG)** is getting additional strength as Bitcoin is trending higher.
- *Stronghold Digital Mining Inc. (SDIG) is a Bitcoin miner with a power generation facility.*
- **Stronghold Digital Mining Inc. (SDIG)** completed a Cup-with-handle base as it broke the handles trendline and threw back into the trendline on Friday. It has been building the handle above Fibonacci support at 8.11
- **Stronghold Digital Mining Inc. (SDIG)** completed a Point & Figure Double Top Breakout above the major bearish resistance line.
- *Stronghold Digital Mining Inc. (SDIG) will confirm with a 30-minute buy signal at 9.25.*
- *Wait for text confirmation!*
- *Start Position at 2-star(**)*
- *Under institutional accumulation with an Up/Down Volume ratio of 1.30*

- *Stronghold Digital Mining Inc. (SDIG) closed at 8.89.*

- *Stronghold Digital Mining Inc. (SDIG) VWAP is at 31.43.*

- *Sell target prices: 1st target is 10.81; 2nd target is 12.50; 3rd target is 15.17; 4th target is 22.23.*
- *Stop sell price: Close below 8.11.*





Buy Candidate: Ehang Holdings Ltd. (EH)

- *Industry Group: Aerospace & Defense.* The Aerospace & Defense industry group ranks as the 63rd strongest industry group out of 197 and is up 6.44% YTD and has been in a buy signal since June 21.
- *Ehang Holdings Ltd. (EH) is a Chinese company that produces and sells autonomous aerial vehicles.*
- *Ehang Holdings Ltd. (EH) broke out of a cup-with-handle base on Friday. Looking for a pullback Fibonacci support at 20.14*
- *Ehang Holdings Ltd. (EH) gave a Point & Figure Triple Top Breakout on Friday.*
- *Ehang Holdings Ltd. (EH) will confirm with a pullback and 30-minute buy signal.*
- *Wait for text confirmation!*
- *Start Position at 2-star(**)*
- *Under institutional accumulation with an Up/Down Volume ratio of 1.56.*

- *Ehang Holdings Ltd. (EH) closed at 21.61.*

- *Ehang Holdings Ltd. (EH) VWAP is at 32.15.*

- *Sell target prices: 1st target is 23.53; 2nd target is 29.34; 3rd target is 34.14.*
- *Stop sell price: Close below 17.84.*





Buy Candidate: XIAO-I ADR (AIXI)

- *Industry Group: **Computer Software Financial**.* The Computer Software Financial industry group ranks as the 19th strongest industry group out of 197 and is up +21.34% YTD and is in a buy signal since July 20.

- XIAO-I ADR (AIXI) is a Chinese company that offers services in AI, machine learning and cloud computing..
- XIAO-I ADR (AIXI) was an IPO on March 09, and is ready to break out of its Primary Base after a pullback to Fibonacci support at 6.52.
- XIAO-I ADR (AIXI) gave a Point & Figure chart Double Top Breakout on Friday.
- XIAO-I ADR (AIXI) will confirm after a pullback and 30-minute confirmation.
- *Wait for text confirmation!*
- *Start Position at 1-star(*)*
- *Under massive institutional accumulation with an Up/Down Volume ratio of 2.51.*

- XIAO-I ADR (AIXI) closed at 7.02.

- XIAO-I ADR (AIXI) VWAP is at 6.00.

- *Sell target prices: 1st target is 7.36; 2nd target is 8.00; 3rd target is 8.72.*
- *Stop sell price: Close below 6.15.*



Buy Candidate: Sportrader Group (SRAD)

- *Industry Group: Leisure Gaming Equipment.* The Leisure Gaming Equipment industry group ranks as the 101st strongest industry group out of 197 and is up 21.15% YTD and has been in a buy signal since July 12.
- *Sportrader Group (SRAD) is a Swiss company that provides technology for sports betting.*
- *Sportrader Group (SRAD) is ready to break the handle of a cup-with-handle base that started in August of 2022. The handle has based on Fibonacci support at 14.52, which it successfully tested on Thursday.*
- *Sportrader Group (SRAD) gave a Point & Figure Spread Double Top Breakout.*
- *Sportrader Group (SRAD) will confirm with a 30-minute buy signal at 15.15.*
- *Wait for text confirmation!*
- *Start Position at 2-star(**)*
- *Under institutional accumulation with an Up/Down Volume ratio of 1.86.*
- *Sportrader Group (SRAD) closed at 14.90.*
- *Sportrader Group (SRAD) VWAP is at 15.41.*
- *Sell target prices: 1st target is 17.08; 2nd target is 18.36; 3rd target is 24.57.*
- *Stop sell price: Close below 14.52.*







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