



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

10/15/23



This Trading Floor Research report contains:

S&P 500 Update

Russell 2000 (IWM) Update

Applied Therapeutics Inc. (APLT)

Kratos Defense & Security Solutions Inc. (KTOS)

Still setting up:

PDD Holdings Inc. (PDD)

CrowdStrike Holdings Inc. (CRWD)

Russell 2000 (IWM) Update

The **Small Caps** continue to lead on the downside as the **Russell 2000** made the lowest weekly close since the October 14, 2022, bear market low.

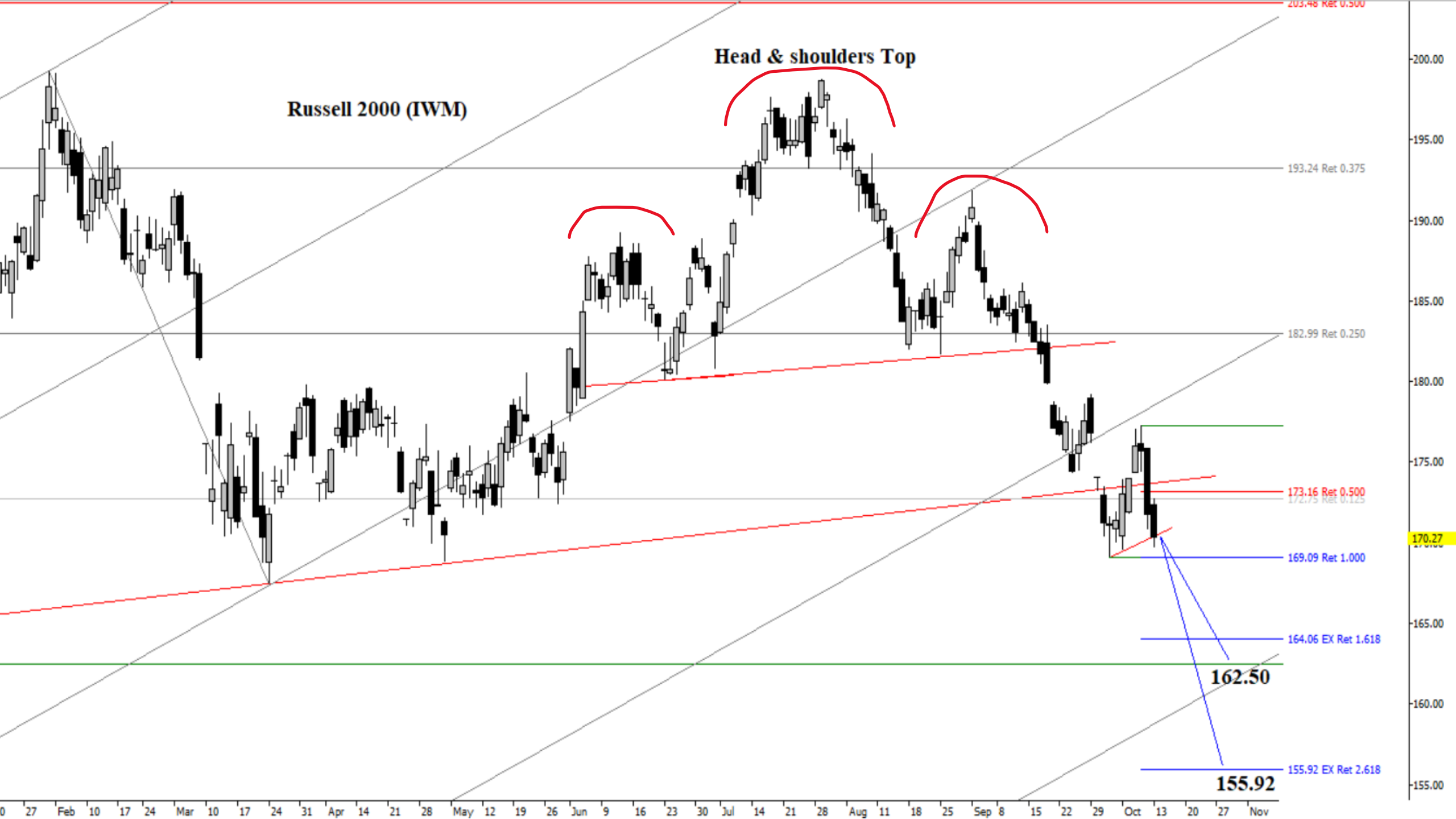
Small Caps are on the verge of total collapse.

The most significant contributor to last week's losses was the **Regional Banks**. The **SPDR S&P Regional Bank ETF (KRE)** topped at 50% of the May 2023 low to the July 2023 high of 42.04 last week.

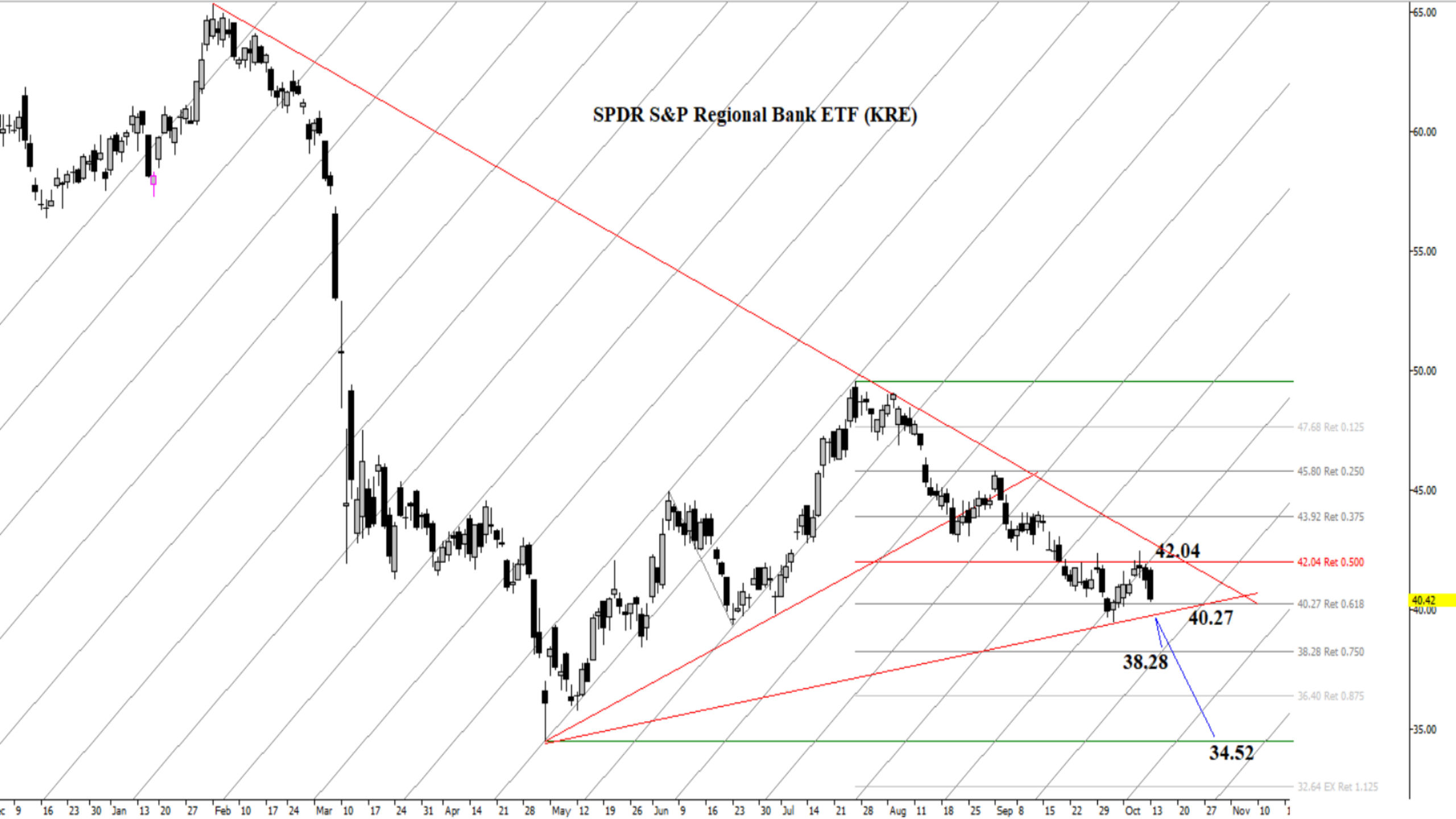
Once the substantial 50% number ended the retracement move, a reversal lower started on Wednesday. On Friday, KRE found support at the 3/8 number of 40.27.

If Regional banks close below 40.27, KRE could retest the May lows at 34.52, which will take the Russell 2000 to new bear market lows.

The next Russell 2000 (IWM) Fibonacci targets are 164.06 and 162.50.



SPDR S&P Regional Bank ETF (KRE)



S&P 500 Update

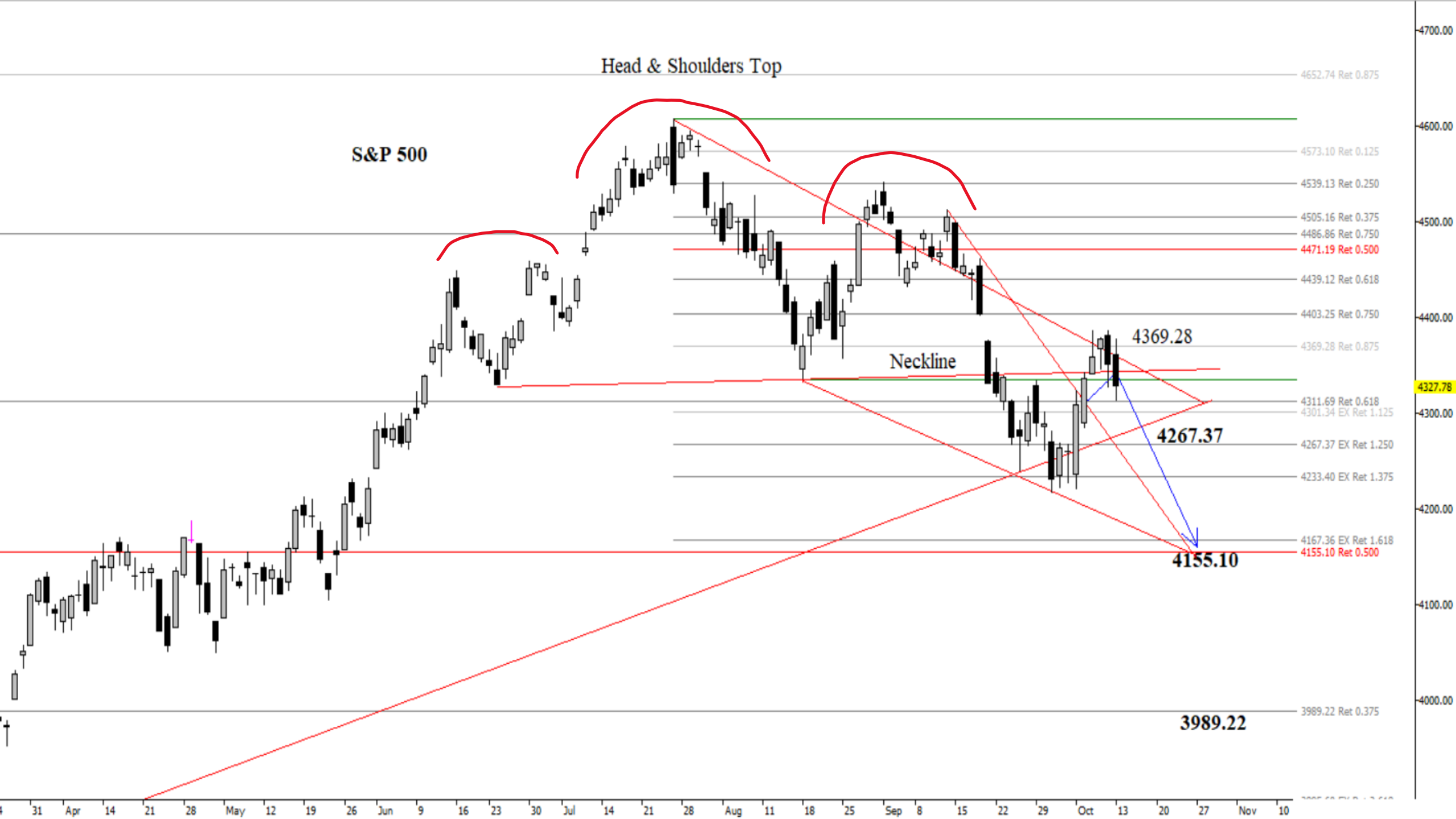
*Last week's **S&P 500** retracement was held at 50% of the most recent impulse move lower.*

A rally to the 50% number at 4378.85 was stopped as the bulls tried to reclaim control of the September 1 to October 3 range.

Two distribution days were added on Thursday and Friday as the bears finished the week with control. The Up/Down volume ratio at .88 indicates continued institutional distribution.

Friday afternoon, the SPX had fallen to the bear market 5/8 number at 4311.69 and found support as it hit a low of 4311.97. After the brutal beating, the S&P 500 should get a bounce off the 5/8 number and build on Friday's potential floor.

Likely targets on an S&P 500 bounce are Fibonacci resistance at 4362.93 and 4378.83. If the S&P 500 Closes below 4311.69, the next impulse move lower should send it to the bear market 1/2 number at 4155.10.



S&P 500



Double Bottom
Sell Signal

Sector Update

Healthcare and Real Estate

*The **Bullish Percent Charts** of the **Healthcare and Real Estate** sectors indicate significant lows were made last week.*

*Currently, the **Real Estate** sector is not showing price and volume confirmation. Neither are the industry groups within the sector. However, the Real Estate sector's Bullish Percent Chart reversed higher from historic lows last week. The signal from an extreme low indicates that a new bull market in the Real Estate sector may have started.*

That is why I covered the last 1/4 of my Jones Lange LaSalle (JLL) short position with a 9.3% gain.

*When I get price and volume confirmation of a new buy signal in the Real Estate sector, I will purchase the **Daily Real Estate Bull 3X (DRN)**.*

*The **Bullish Percent Index** of the **Healthcare** sector also gave bottoming signals. The sector performs well in the early contraction of the economic cycle and could signal where the economy is headed in the next three to six months.*

*The **Medical Care Plans** industry group within the Healthcare sector is showing some promise with a buy signal on Friday.*

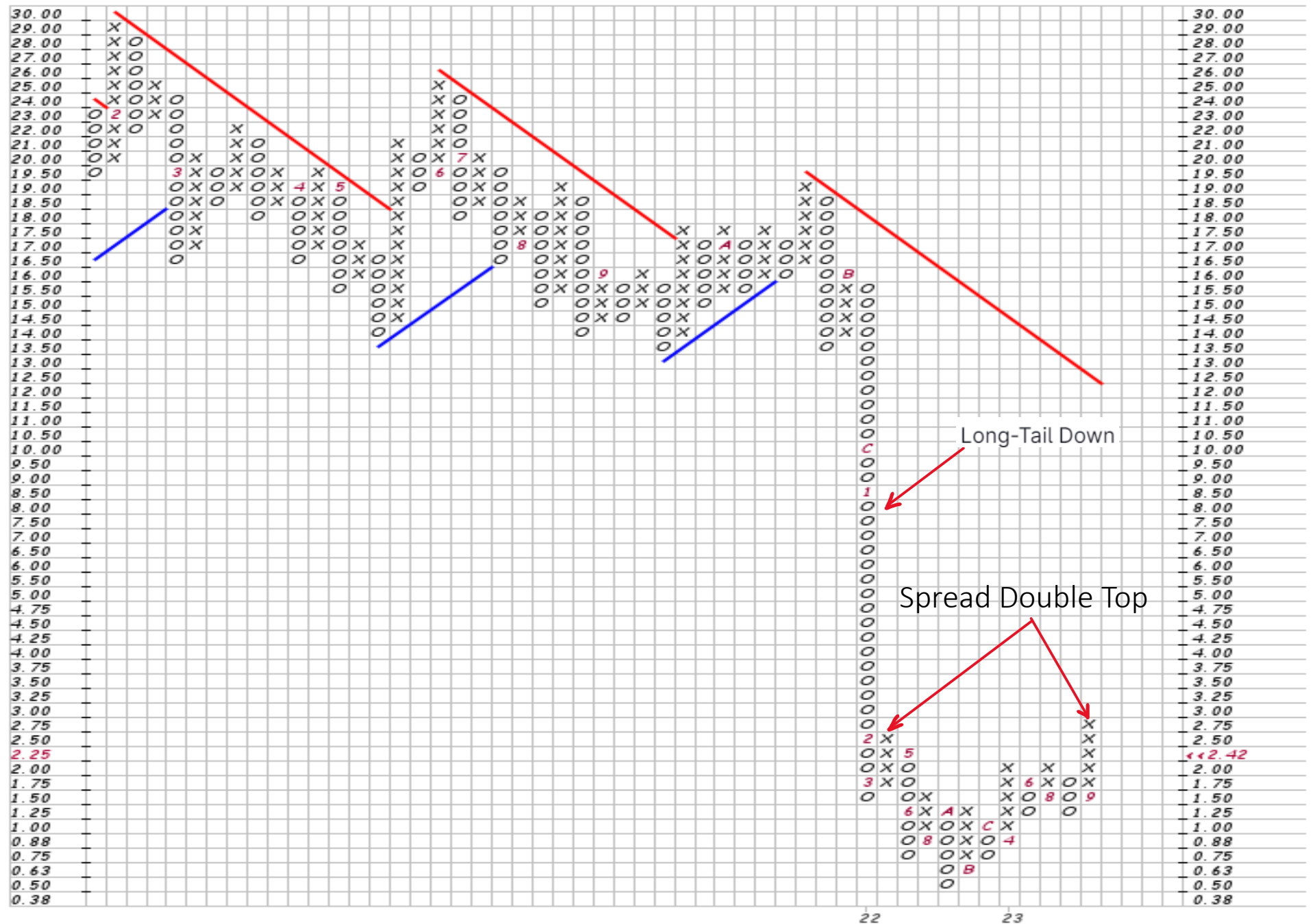
*I also like the way **biotechs** have been popping. The Biotech group has not given a buy signal, but because of the bottoming signal from the Healthcare sector, Biotech looks like a good target.*

*I have included **Applied Therapeutics Inc. (APLT)**, a Biotech buy candidate, in this report.*

Buy Candidate: Applied Therapeutics Inc. (APLT)

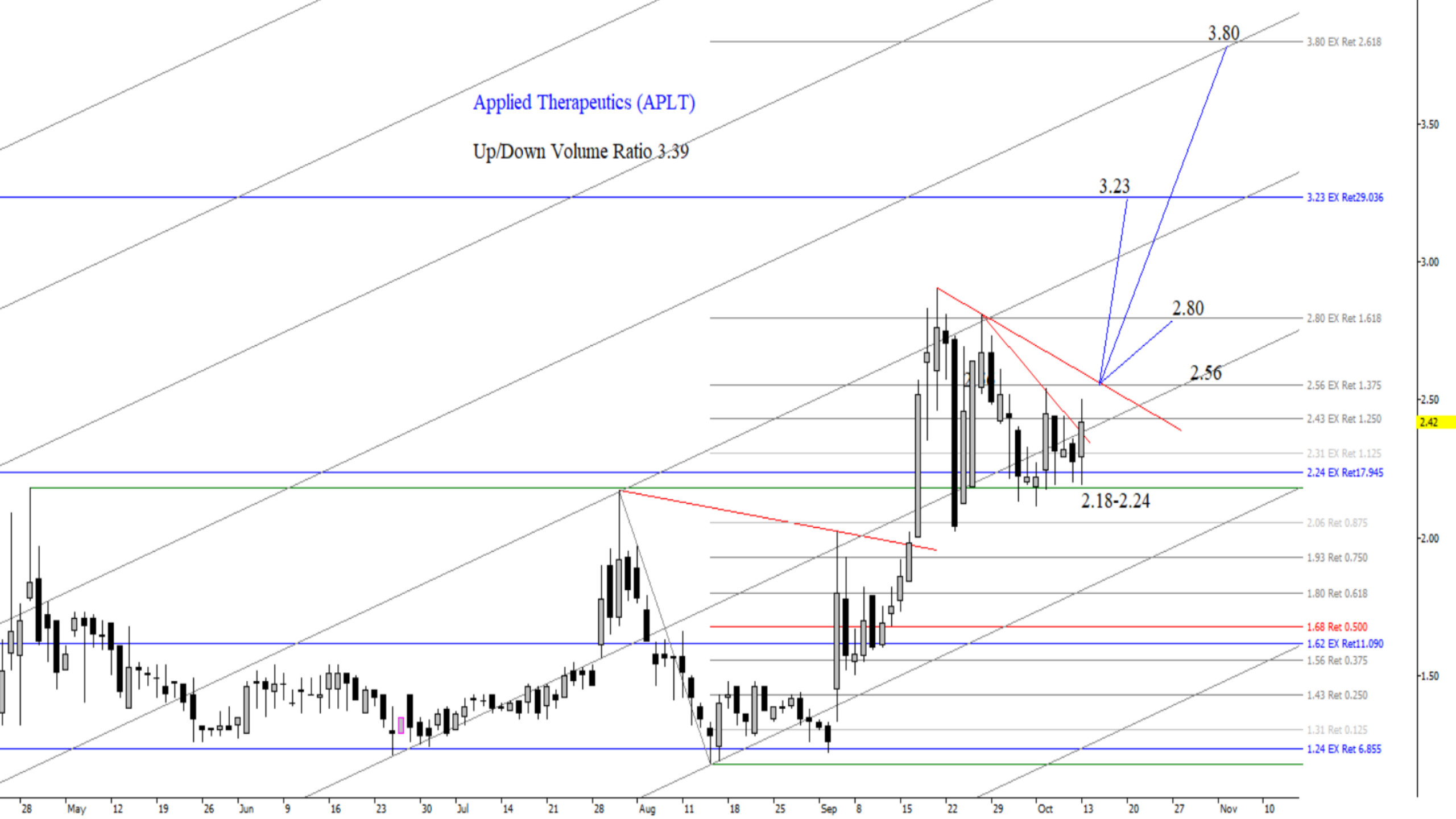
- *Industry Group: **Medical Biomed & Biotech**. The Medical Biomed & Biotech industry group ranks 70th out of 197 and is down - 12.97% YTD. After the Bullish Percent Index of the Healthcare sector gave bottoming signals, Biotech stocks have been seeing nice pops.*
- ***Applied Therapeutics Inc. (APLT)** develops products to target cardiovascular diseases and diabetic complications.*
- ***Applied Therapeutics Inc. (APLT)** a **Spread Double Top** breakout from a **Long Tail Down** pattern on the Point & Figure Chart and completing a double bottom base handle. There is Fibonacci resistance at 2.56*
- *Applied Therapeutics Inc. (APLT) will confirm after a 30-minute buy signal.*
- *Wait for a text Alert!*
- *Start Position at 1-star(*)*
- ***Applied Therapeutics Inc. (APLT)** is under massive accumulation with an **Up/Down Volume Ratio** of 3.39, approaching a 100-day high.*
- *Applied Therapeutics Inc. (APLT) closed at 1.42.*
- *Applied Therapeutics Inc. (APLT) VWAP is at 9.72.*
- *Fibonacci target prices: 1st target is 2.80; 2nd target is 3.23; 3rd target is 3.80.*
- *Stop price: Close below 2.18.*

Applied Therapeutics Inc. (APLT)



Applied Therapeutics (APLT)

Up/Down Volume Ratio 3.39



Buy Candidate: Kratos Defense & Security Solutions Inc. (KTOS)

- *Industry Group: Aerospace & Defense.* The Aerospace & Defense industry group ranks 45th out of 197 and is up +5.53% YTD. Last week, Defense stocks showed strength on news of the Israeli war.
- *Kratos Defense & Security Solutions Inc. (KTOS) provides technology for defense that includes unmanned systems and rocket support services.*
- *Kratos Defense & Security Solutions Inc. (KTOS) completed a Spread Triple top breakout above the bullish resistance line at 17.50 on the Point & Figure Chart and is ready to break out of its cup-with-handle base that started in August.*
- *Kratos Defense & Security Solutions Inc. (KTOS) will confirm after breaking the trendline of its handle and a 30-minute buy signal at 16.97.*
- *Wait for a text Alert!*
- *Start Position at 2-star(**)*
- *Kratos Defense & Security Solutions Inc. (KTOS) is under massive accumulation with an Up/Down Volume Ratio of 1.91, breaking 100-day highs.*
- *Kratos Defense & Security Solutions Inc. (KTOS) closed at 16.95.*

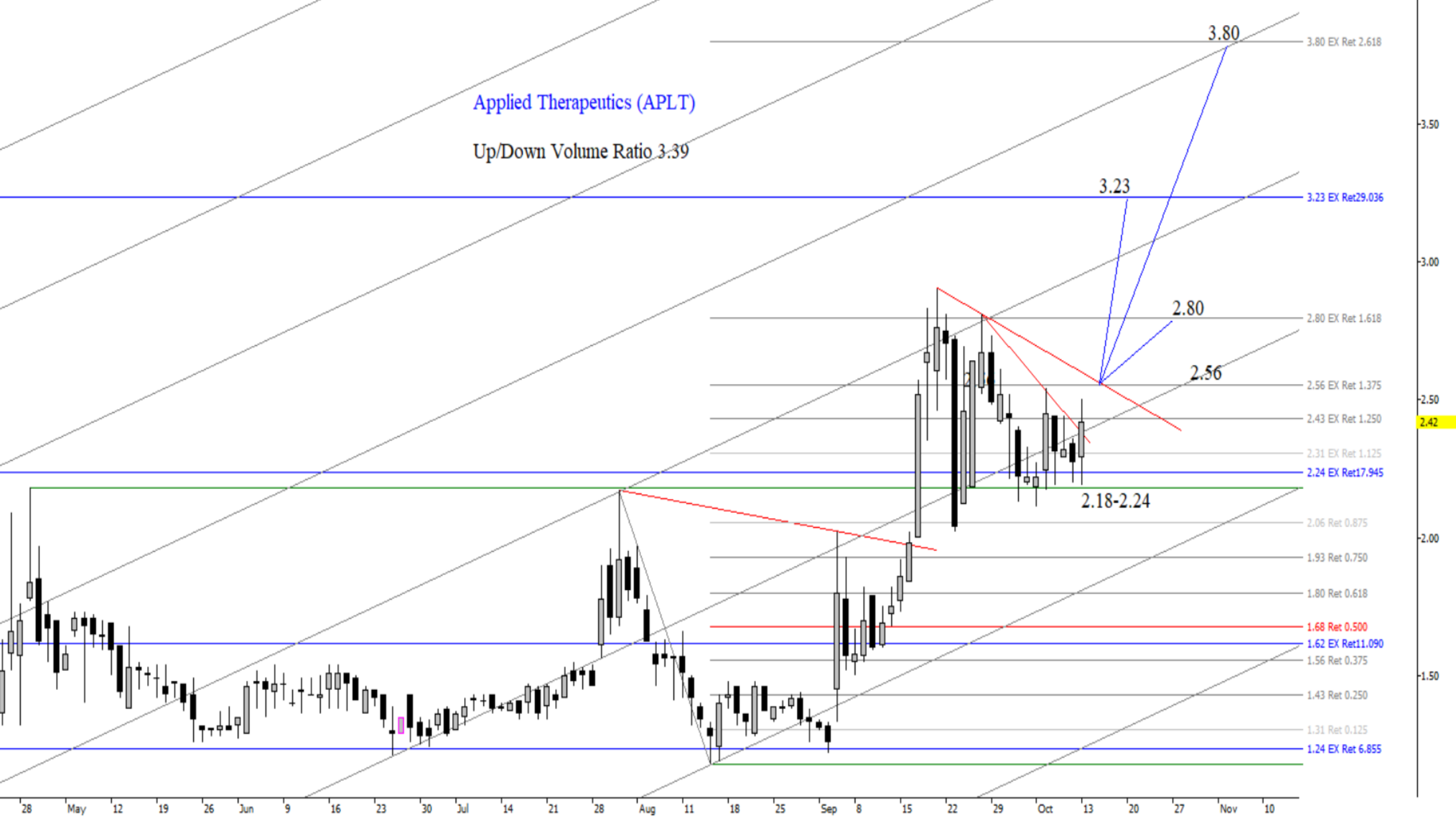
- *Kratos Defense & Security Solutions Inc. (KTOS) VWAP is at 16.95.*
- *Fibonacci target prices: 1st target is 19.37; 2nd target is 22.67.*
- *Stop price: Close below 15.63.*

Kratos Defense & Security Solutions Inc. (KTOS)



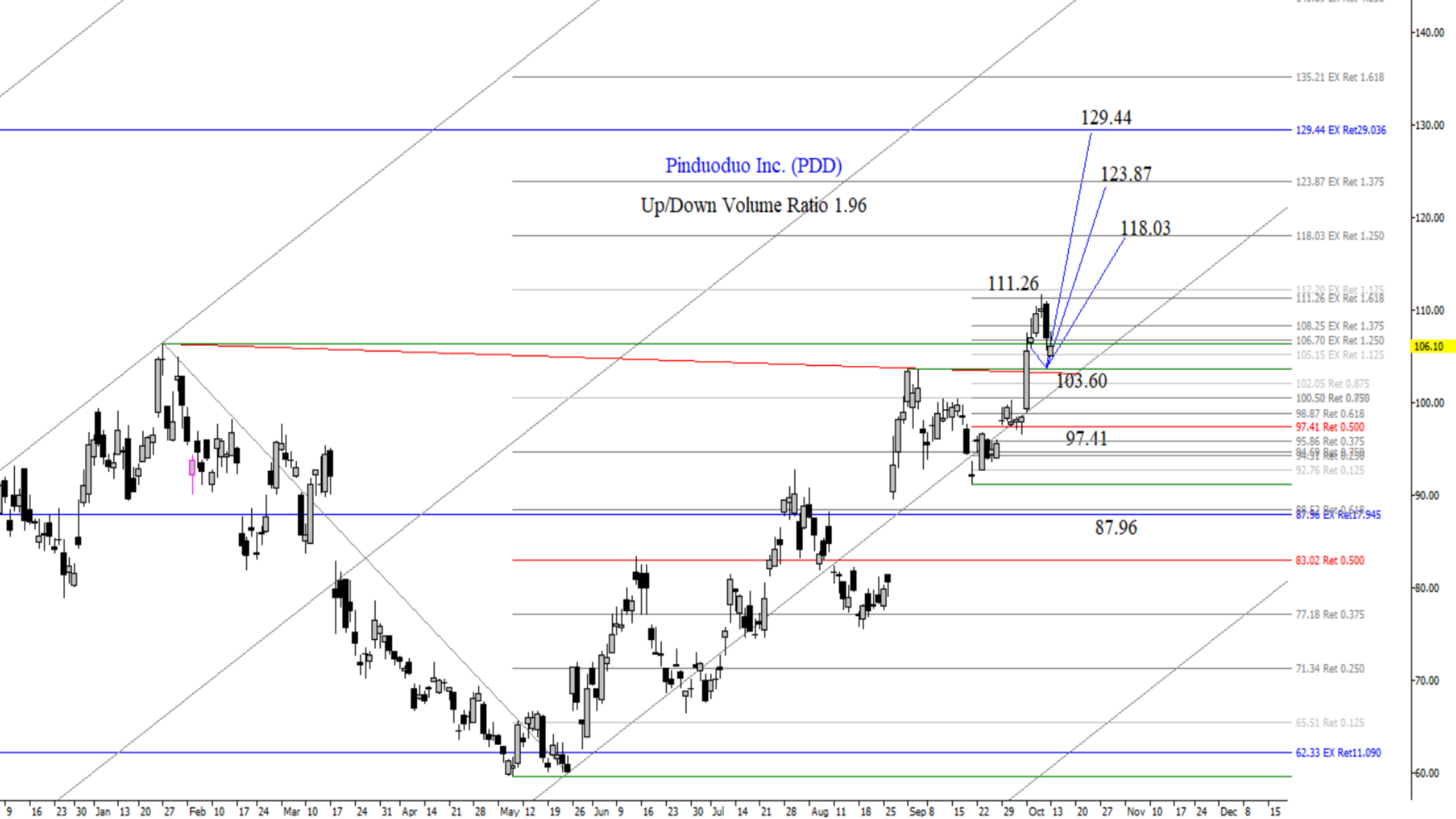
Applied Therapeutics (APLT)

Up/Down Volume Ratio 3.39

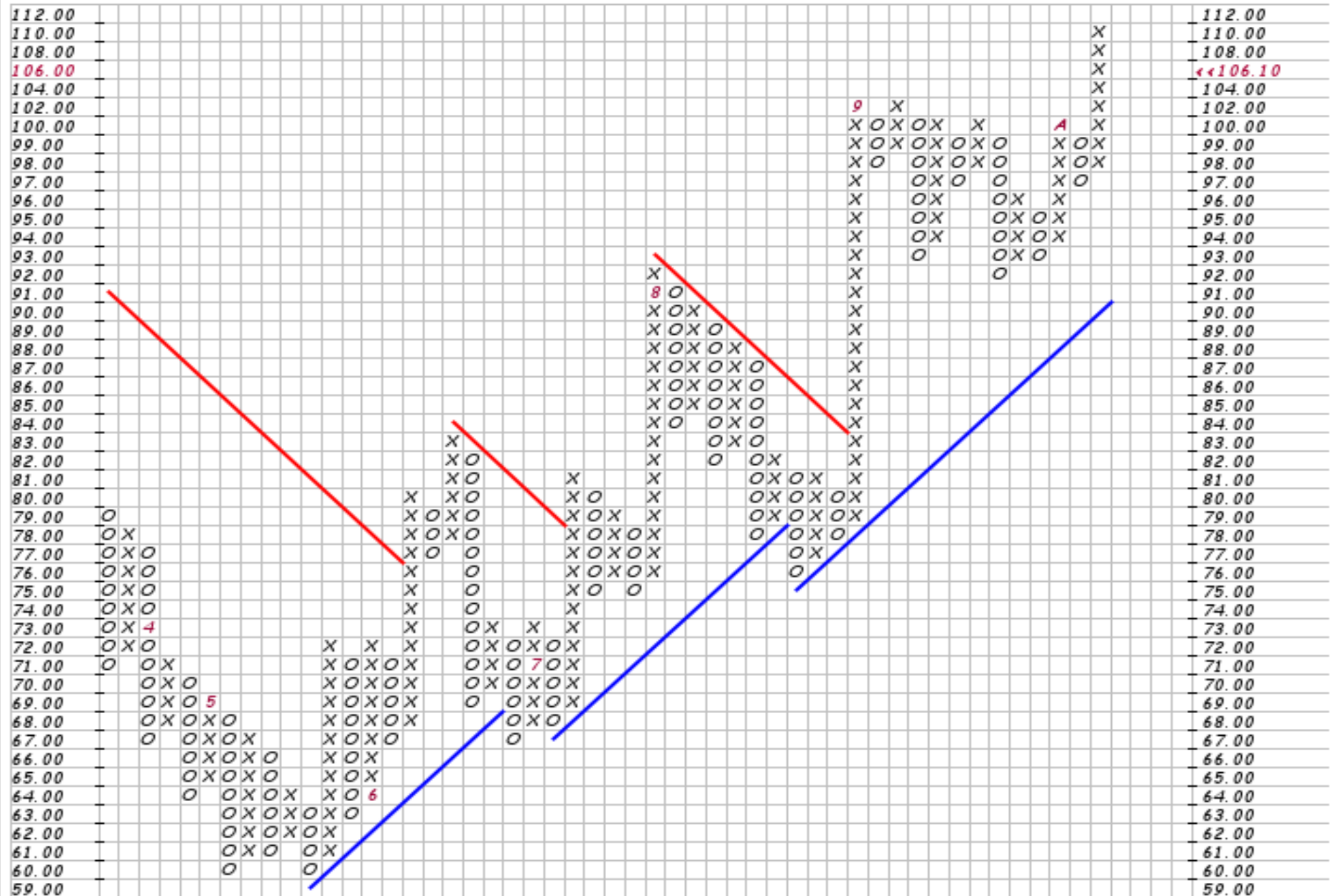


Buy Candidate: PDD Holdings Inc. (PDD)

- *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) completed a Spread **Triple top** breakout on the Point & Figure Chart at 104. The stock broke out of its cup-with-handle base last week and is throwing back into the base trendline.*
- *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 1.96, breaking 100-day highs.*
- *PDD Holdings Inc. (PDD) closed at 106.10.*
- *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)

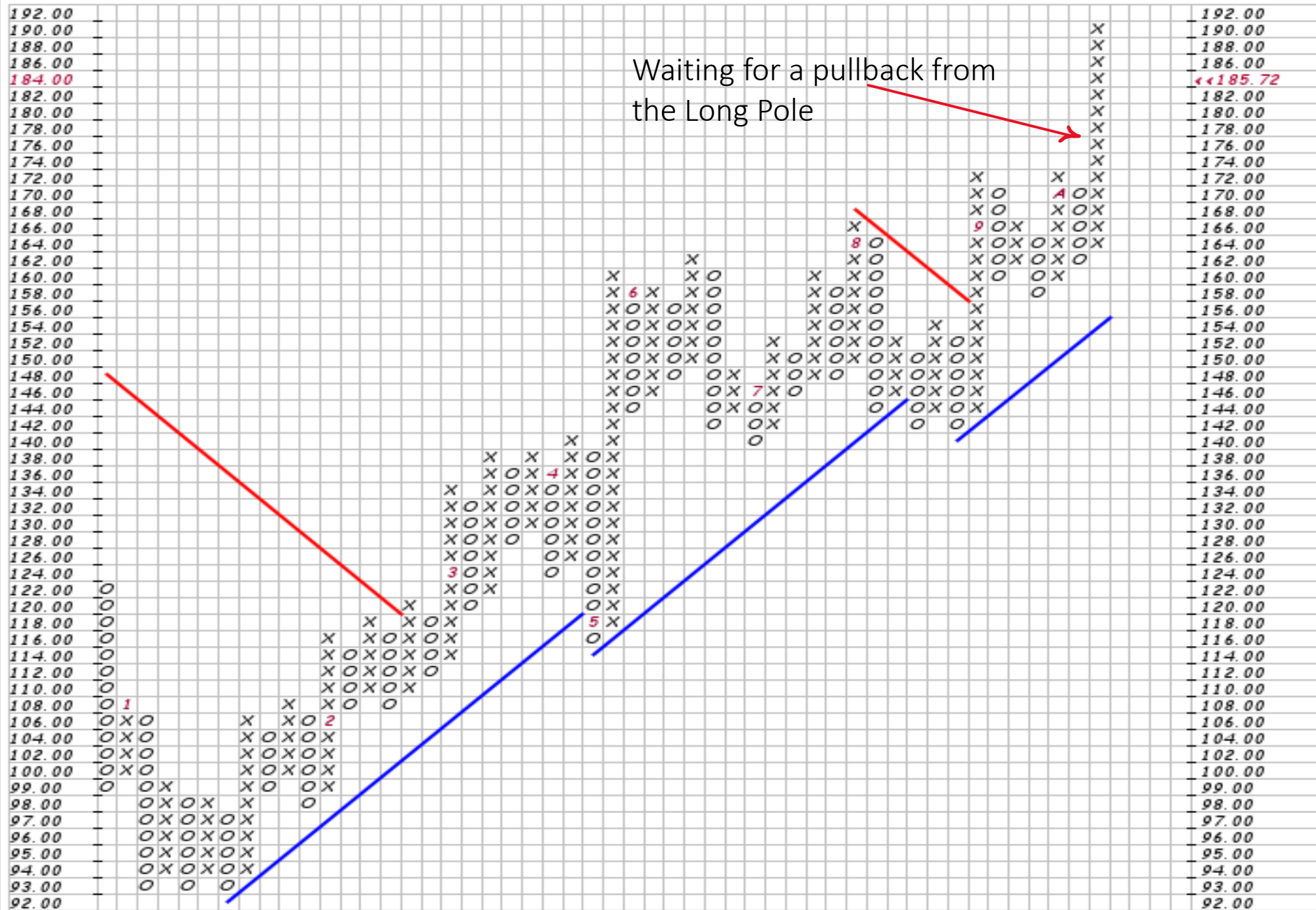
- *Index: NDX NASDAQ 100 (QQQ). NASDAQ gave a follow-through day, and CrowdStrike Holdings Inc. (CRWD) is a leader in the NASDAQ.*
- *CrowdStrike Holdings Inc. (CRWD) develops and operates security software solutions.*
- *CrowdStrike Holdings Inc. (CRWD) completed a Spread **Triple top** breakout on the Point & Figure Chart. After shooting up to 190.00, it has formed a Long Pole. I am waiting for a pullback from the Long Pole to purchase at low-risk entry. The pullback Fibonacci targets are 181.92 and 178.27.*
- *CrowdStrike Holdings Inc. (CRWD) will confirm after a potential pullback to the ascending trendline at 178.27 and a 30-minute buy signal.*
- *Wait for a text Alert!*
- *Start Position at 2-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 185.72.*
- *CrowdStrike Holdings Inc. (CRWD) VWAP is at 145.79.*
- *Fibonacci target prices: 1st target is 195.36-196.96; 2nd target is 219.69.*
- *Stop price: Close below 169.68.*

CrowdStrike Holdings Inc. (CRWD)

Up/Down Volume Ratio 1.62



CrowdStrike Holdings Inc. (CRWD)





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