



TFR

# Trading Floor Research

Welcome to the  
— Trading Floor —

10/25/23



**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)*

- ***Dirxion Daily GOOGL Bull 1.5X (GGLL) was purchased on September 8.** GGLL was being held in the position accounts for a long-term hold until today. Alphabet Inc. (GOOGL) sold off today on earnings and completed a triple bottom breakdown on the point & Figure chart. The Point & Figure sell signal is a sell on all long-term position accounts.*
- ***Kratos Defense & Security Solutions Inc. (KTOS) was purchased on October 16 @ 16.98.** Since its purchase, it has based above its Anchored VWAP at 17.01, making a new high at 18.01. The stock is holding until the Defense group gives a confirmed buy signal. The Defense stocks were close to confirmation today.*
- ***Iridex Corp (IRIX) was purchased on October 19 @ 3.03.** The stock continues to have massive accumulation, indicated by the Up/Down Volume Ratio hitting 100-day highs at 3.00. Today's market pressure pulled the stock lower, with a close of 2.94. The stop is a close below 2.83.*

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- *Black Stone Minerals LP (BSM) was purchased on October 19 @ 17.92. BSM is a leader in the Oil & Gas Exploration & Production Industry group. Although the market was crushed, Black Stone closed higher by +1.47% as the Oil & Gas Exploration & Production Industry group closed by +.23% higher.*
- *TAL Education Group (TAL) was purchased today @ 10.28. It is highlighted in this report.*



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*This Trading Floor Research report contains:*

*S&P 500 Update*

*Russell 2000 (IWM) Update*

*TAL Education Group (TAL)*

## Market Comments

### S&P 500

The **S&P 500** is quickly approaching its bear market 1/2 number at **4155.10**.

Today's lows reached 4181.42 as the important Fibonacci target came into view.

The selloff is in its third stairstep descending pattern. The third step began with the October 17 highs. As I explained in the weekend newsletter, the SPX has had two previous stairsteps lower from the July 27 high. The second stairstep started with the September 14 high. Each stairstep lower from the July 27 high has been equal distance and orderly.

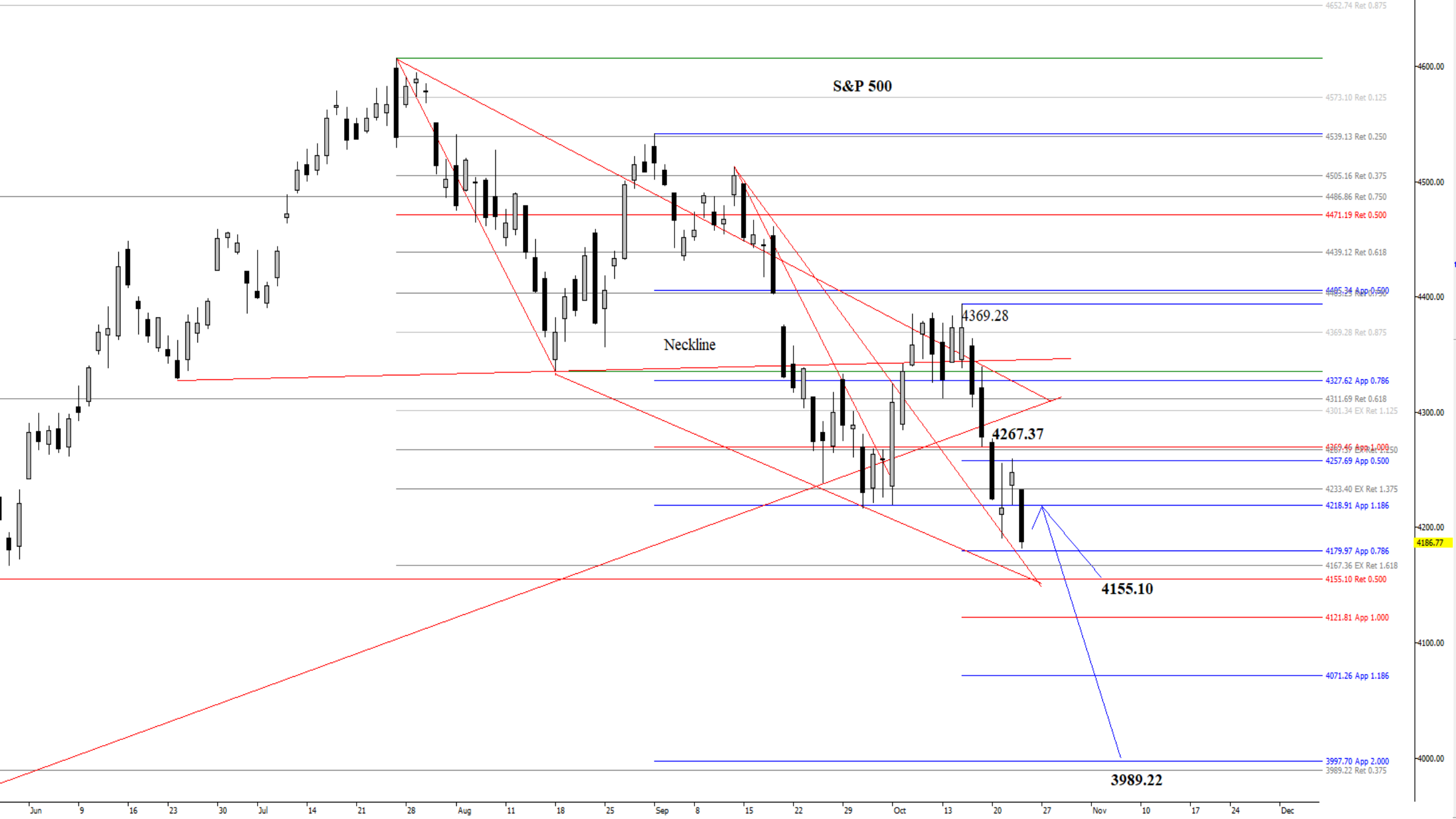
If the market continues the same orderly stairstep pattern, the next downside price target is **4121.81**.

This week's selling has continued its orderly pace. However, the market will reach a bottom only when panic sets in. Panic is best viewed by a spike in the **CBOE Volatility Index (VIX)**. The VIX started to move higher with a 12% intraday move. Much more will need to be done for a capitulation bottom.

**The two Fibonacci target numbers indicate a target range between 4155.10 and 4121.81.**

If the market continues an orderly selloff, it will bounce at this level as in the two previous stairstep declines.

If it takes this level out, I expect a panicky selloff leading to market capitulation. **The next Fibonacci target is at 3989.22**



**S&P 500**

Neckline

4369.28

4267.37

4155.10

3989.22

Jun 9 16 23 30 Jul 14 21 28 Aug 11 18 25 Sep 8 15 22 29 Oct 13 20 27 Nov 10 17 24 Dec

4600.00  
4500.00  
4400.00  
4300.00  
4200.00  
4100.00  
4000.00



# S&P 500



Double Bottom Breakdown

7n

## Russell 2000 (IWM) Update

*The retracement rally in the **Russell 2000 (IWM)** was even weaker than I thought possible.*

*Yesterday's high barely touched a 1/4 retracement of the most recent decline from the October 11 high.*

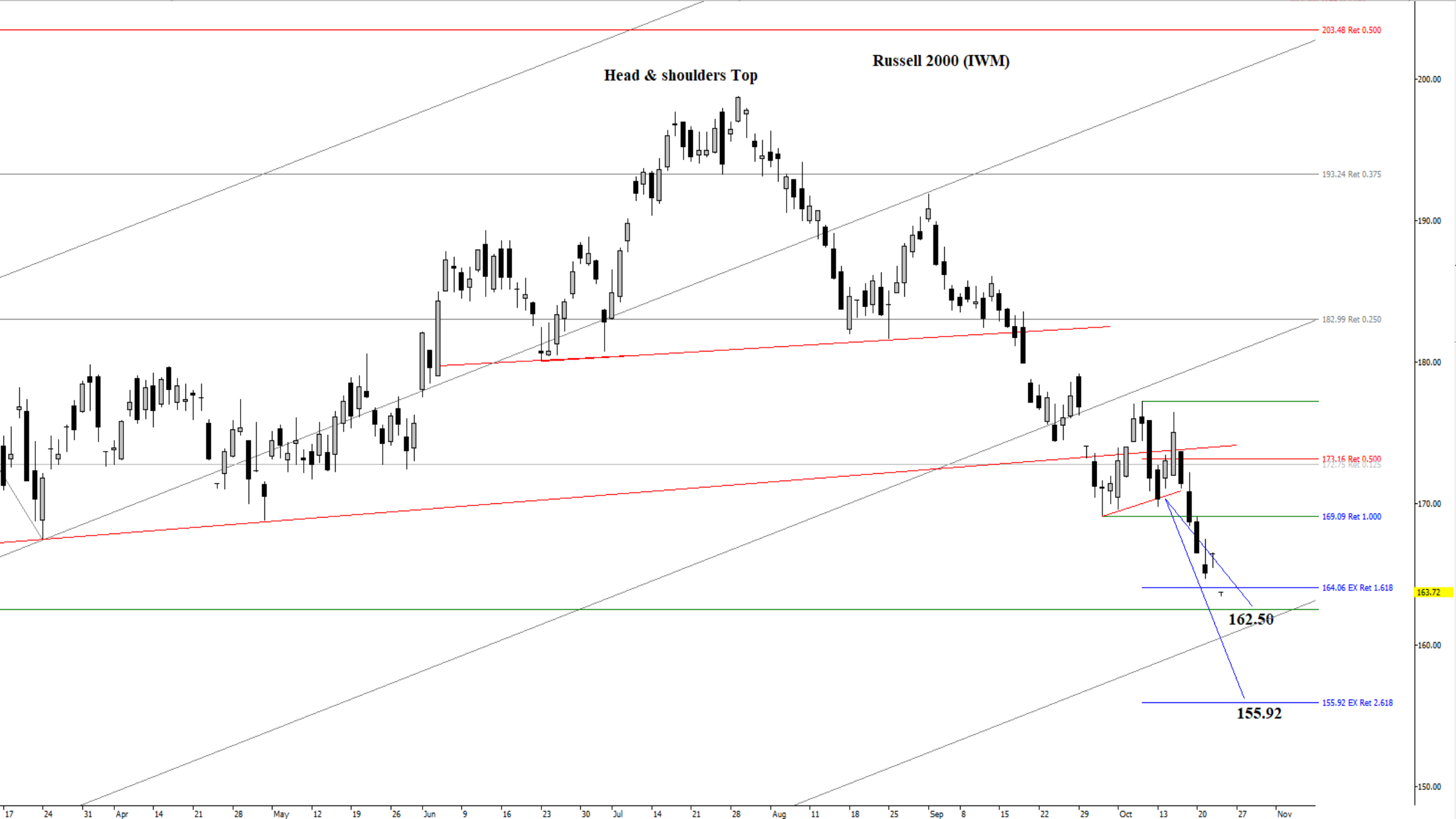
*As oversold and beat up as small caps are, a retracement to the 170.08 Fibonacci target is unlikely.*

*The relentless selling pressure on the **Regional Banks** is not allowing a more significant bounce in the Russell 2000. The SPDR Regional Bank ETF (KRE) has been down for Six days in a row with heavy institutional selling. The Up/Down Volume Ratio is making 100-day lows at .51, indicating massive distribution and much lower prices.*

*The decline in the Russell 2000 continues to be orderly, but the inability to get a decent bounce tells me the subsequent decline could be considerable.*

*Today's close below Ichimoku cloud support at 165.11 will begin the next leg lower. I will take advantage of the potential decline by repurchasing the **Direxion Small Cap Bear 3X (TZA)** with a pullback to 165.11.*





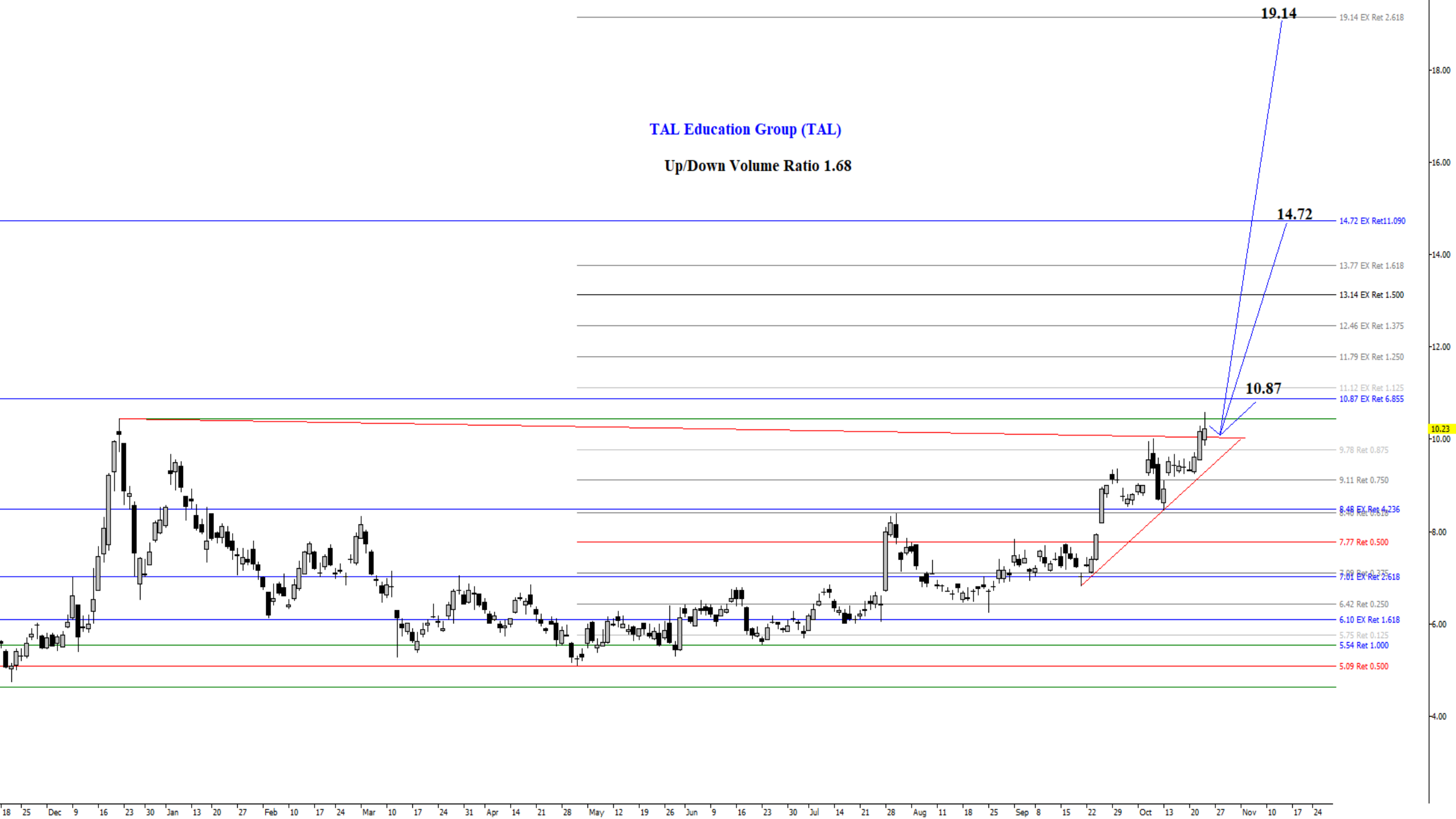


## Buy Confirmed: TAL Education Group (TAL)

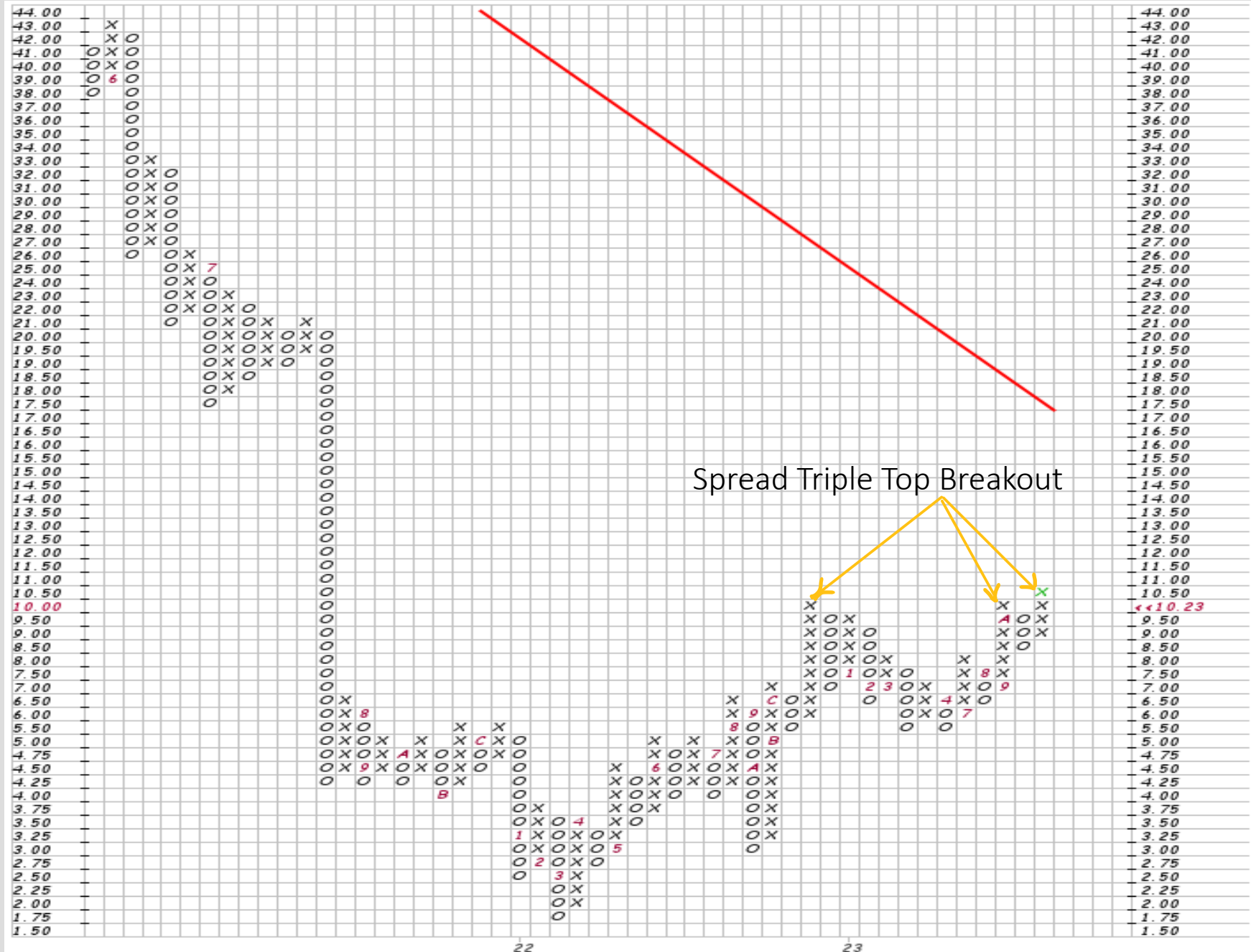
- *Industry Group: **Consumer Services Education**. The Consumer Services Education industry group ranks 47<sup>th</sup> out of 197 and is up 6.06% YTD. The group confirmed a buy signal on October 10. Very few groups have given industry group buy signals.*
- *TAL Education Group (TAL) provides K-12 after-school tutoring for 3.9 million students in 871 learning centers.*
- *Today, TAL Education Group (TAL) completed a **Spread Triple Top** breakout pattern on the Point & Figure Chart. As most stocks struggled, TAL made new highs on massive volume.*
- *TAL Education Group (TAL) confirmed at 10.28.*
- *Position was started at 2-stars\*\**
- *TAL Education Group (TAL) is under massive accumulation with an **Up/Down Volume Ratio** of 1.68, making a 100-day high.*
- *TAL Education Group (TAL) closed at 10.23.*
  
- *TAL Education Group (TAL) Anchored VWAP is at 20.31.*
- *Fibonacci target prices: 1st target is 10.87; 2nd target is 14.72; 3<sup>rd</sup> target is 19.14.*
- *Stop price: Close below 8.48.*

# TAL Education Group (TAL)

Up/Down Volume Ratio 1.68



# TAL Education Group (TAL)





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<sup>1</sup>The results are not (or may not be) representative of the performance of all selections made by Trading Floor Research (TFR) newsletter.

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