



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

08/20/23



This Trading Floor Research report contains:

NASDAQ 100 (QQQ), S&P 500, Russell 2000, Regional Banks Update

Technology sector Update

Remitly Global Inc. (RELY)

Nikola (NKLA)

Still Setting up from last week.

Sprott Physical Uranium (SRUUF)

Dennison Mines (DNN)

Sector Comments

Technology sector Update

*When the **Technology** sector gave a sell signal off the highest Bullish Percent Indicator readings in over 30 years, it was the first indication that the market was topping a few weeks ago. Since then, tech has led the market lower, and I look at the Technology sector to see where the market might go next.*

The Technology sector hit its bear market 1/2 number from November 2021 high to October 2022 low on Thursday.

Friday's weekly close below the 1/2 number indicates a more substantial downside move than most expect.

*The incredible strength of the 1/2 number made a likely place to sell my **Direxion Technology Bear 3X (TECS)** position on Thursday and lock in a 10% gain.*

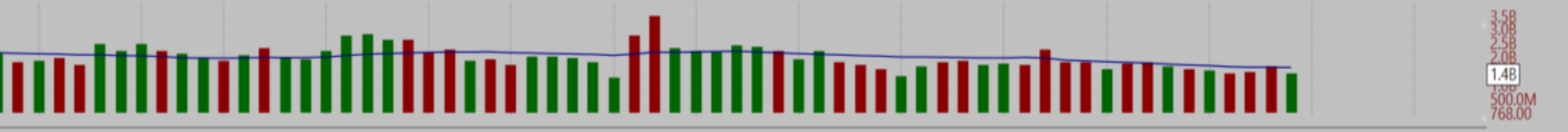
With the Technology sector oversold, I expected a bounce off the substantial 1/2 number and the beginning of a market retracement. But tech stocks gapped below the 1/2 number on Friday. They started moving higher after the first hour of trading, but by the close, the move was not strong enough to push the Technology sector back above the critical 1/2 number.

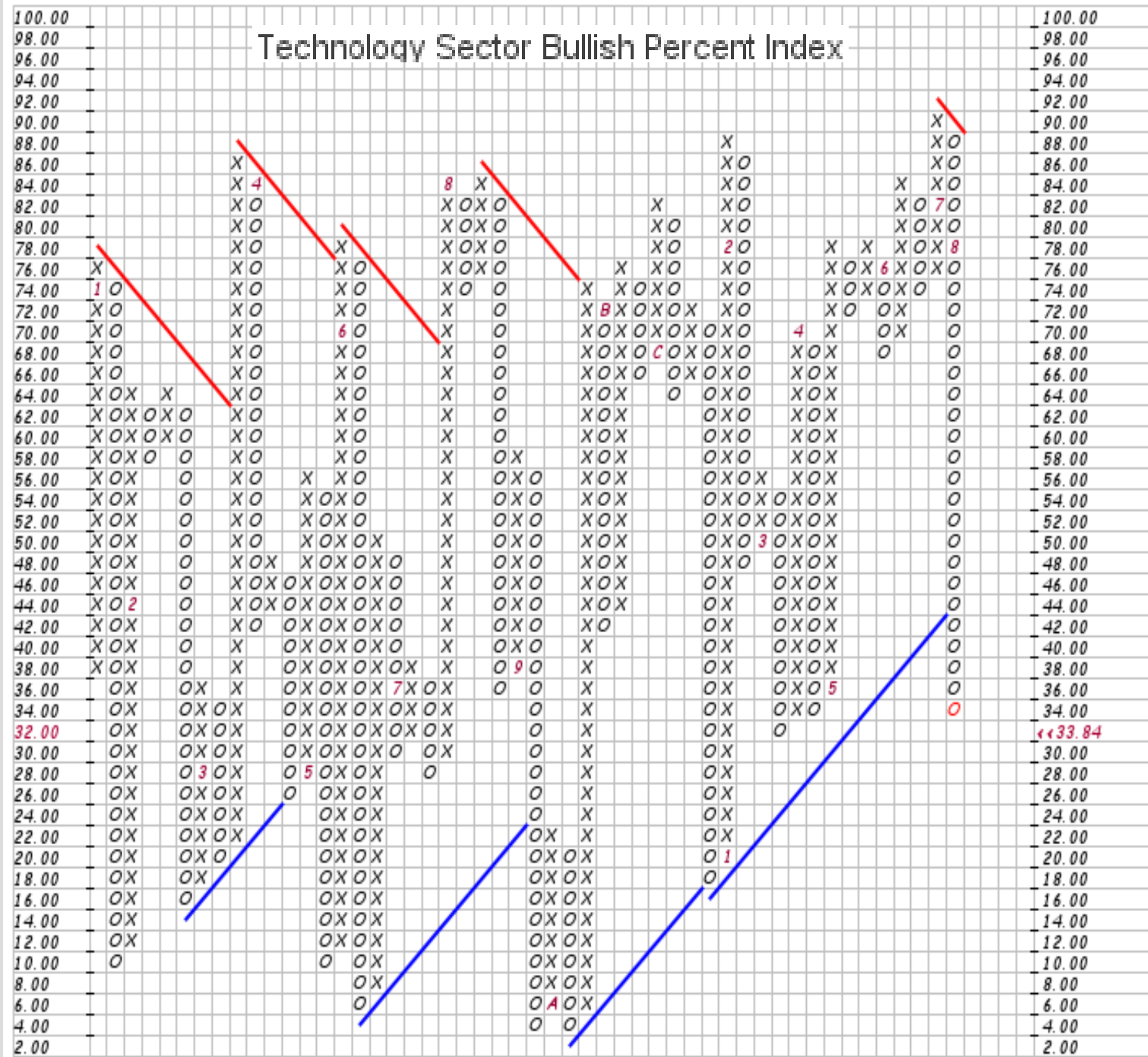
The last time the Technology sector traded under the 1/2 number was June 9, and a weekly close below indicates the weakness in the sector and the overall market.

*I am still looking for a slight bounce in the market, and I have initiated some long positions to take advantage of the bounce. They include **Nikola Corp (NKLA)** and **Remitly Global Inc. (RELY)**. Both are highlighted in today's report.*



X Volume Moving Average 20





An Extreme Bullish Percent reversal has led to a Bullish Percent in Bear market territory at 33.84%

The Technology Sector is in a major decline.

Sector Comments

*As of Friday's close, the only sector left in a buy is **Energy**.*

***Healthcare** gave a sell signal on Thursday.*

***Technology, Consumer Cyclical, and Utilities** gave a sell almost two weeks ago.*

***Real Estate, Industrials, Basic Materials, Financials, and Consumer Defensive** gave sell signals on Monday.*

***Meta Platforms Inc. (META)**, another Magnificent Seven stock, gave a sell signal on Thursday.*

***Amazon.com and Alphabet** are the only two remaining in a buy. The Magnificent Seven is what got the market to its YTD high.*

Moving to a sell signal will drive the market lower.

Market Comments

S&P 500, Russell 2000, Regional Banks Update

The **S&P 500** closed below its bear market 3/4 number at 4486.86 on August 9. With a small rally and retest of 4486.86 on Monday, the S&P 500 reversed lower on Tuesday and gave its first **sell signal** since February.

A break of Fibonacci support at 4434.33 led to the decline that hit Fibonacci support at 4340.39 and reversed higher on Friday. If Fibonacci support holds at 4340.39, the S&P 500 could return to its 4434.33 target, with the outside chance that it retests its 3/4 number at 4486.86.

These are the target areas I will look to initiate **Direxion Daily S&P 500 Bear 3x(SPXS)** position.

The **Russel 2000 (IWM)** gave a sell signal on Tuesday. By Friday, IWM had traded considerably lower and nailed its 1/2 number at 182.25 from the August 2022 high to October 2022 low, and its 1/4 number from November 2021 high to October 2022 low on Friday and started to bounce.

I highlighted this number as a potential downside target in past newsletters. The severe Russell 2000 (IWM) drop allows a more significant bounce than the other indexes. The Fibonacci retracement targets are 186.90, 192.12, and 193.24.

The bounce should coincide with the highly correlated **SPDR S&P Regional Banking ETF(KRE)** bounce.

The Fibonacci retracement targets on KRE are 45.80, and the firm 1/2 number at 46.62. The 1/2 number at 46.62 encompasses the low of 2009 to the high of 2022. A 1/2 number is already substantial.

The 13-year range makes this 1/2 number incredibly significant. If KRE has a retracement move back to 46.62, I will short KRE and some Regional Banks on Moody's downgrade list.





Market Comments

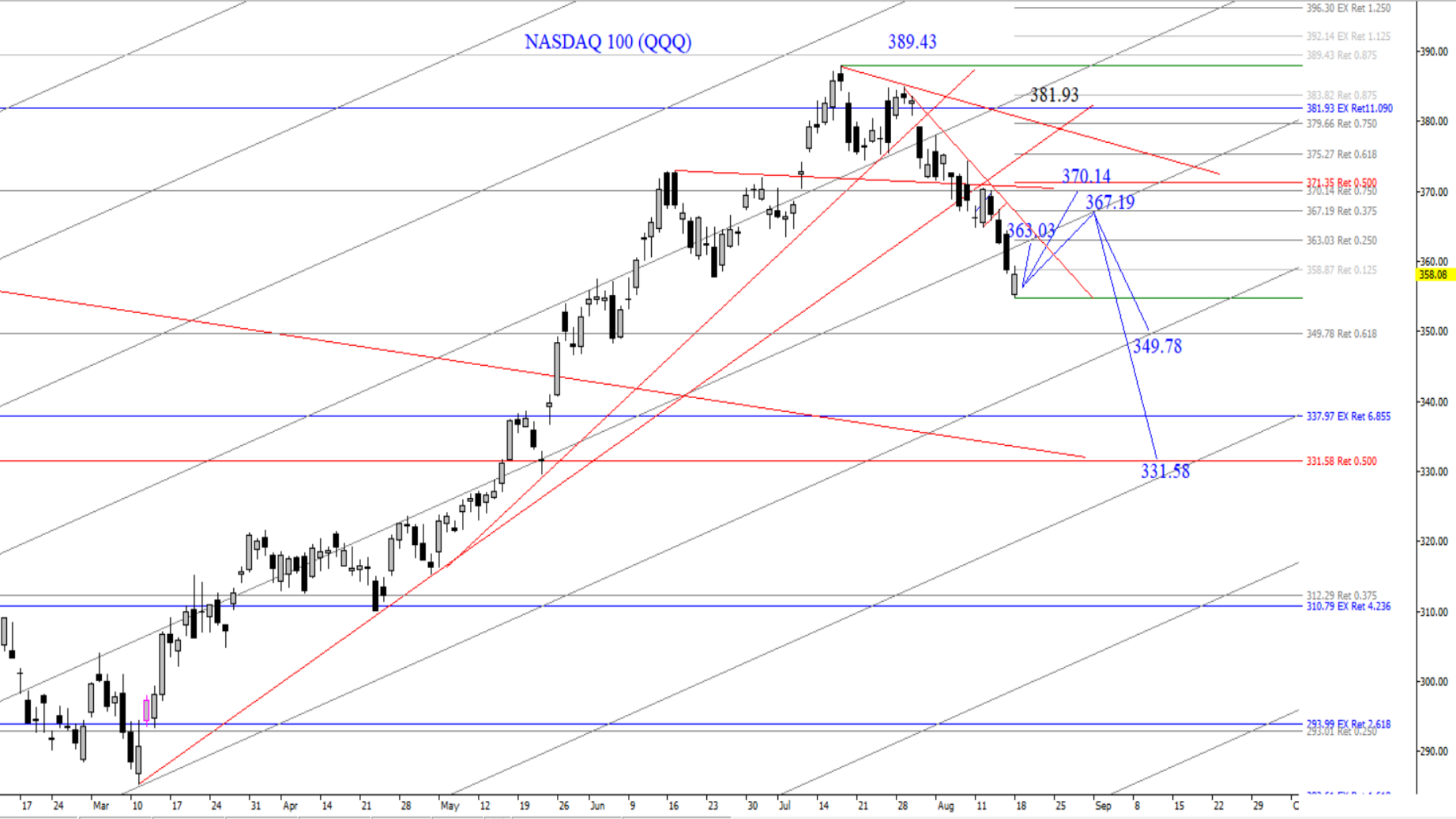
NASDAQ 100 (QQQ) Update

*The **NASDAQ 100 (QQQ)** bounce could be the weakest of the major indexes due to the weakness in the Technology sector.*

*It makes the **QQQs** the most likely to short after a retracement move.*

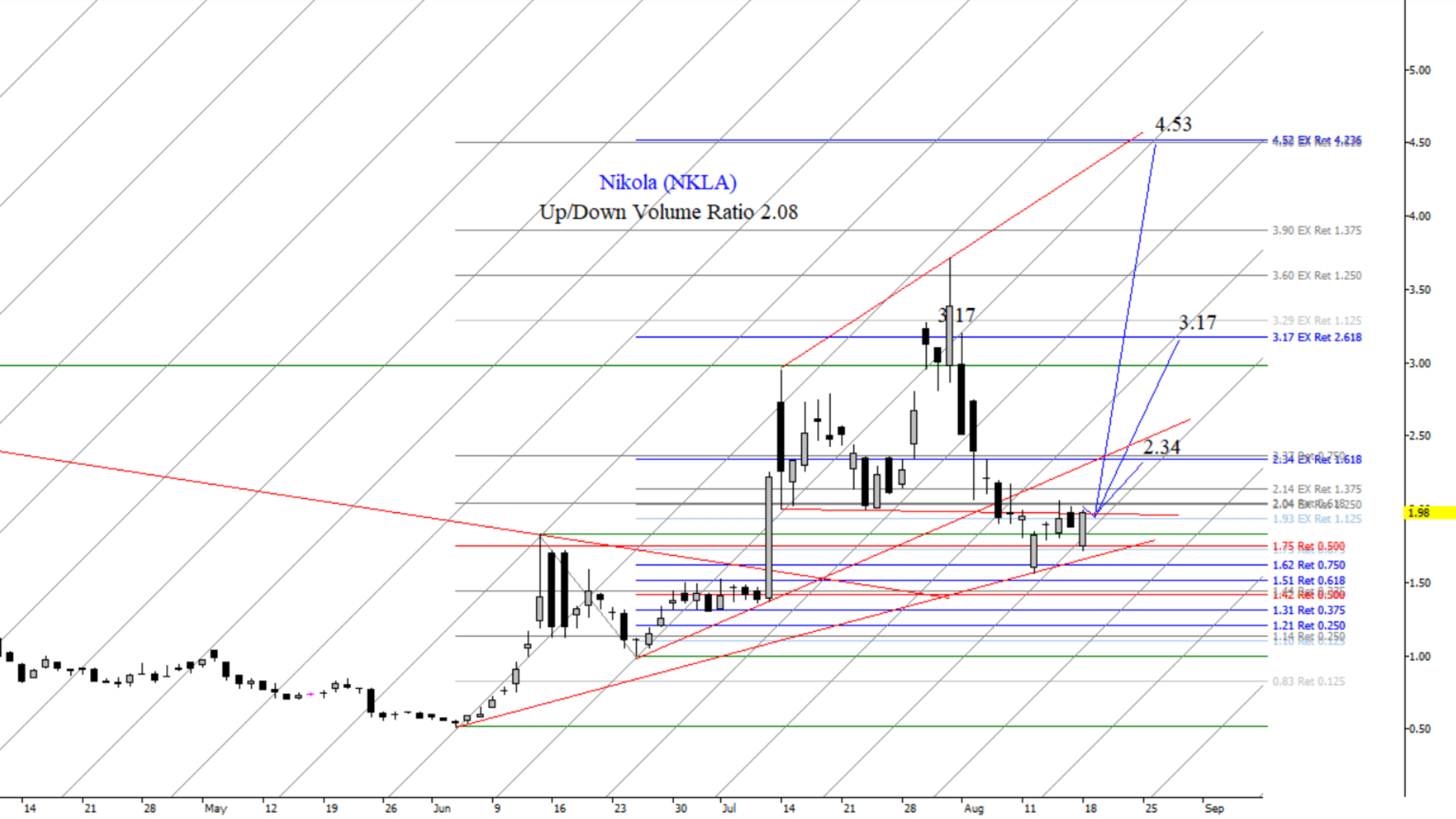
The Fibonacci retracement targets are 363.03, 367.19, and the 3/4 number at 370.14.

*Once the **QQQs** have confirmed a move lower from the retracement levels, I will reinstate the **ProShares UltraPro Short QQQ (SQQQ)** to take advantage of the next move lower.*



Bought on Wednesday, August 16 @ 1.91: Nikola (NKLA)

- *Industry Group: Auto Manufacturers/ Electric Vehicles.* The **Auto Manufacturers** industry group ranks as the 5th strongest industry group out of 197 and is up 59.95% YTD and has been in a buy signal since May 22.
- *Nikola (NKLA) manufactures hydrogen-electric vehicles.*
- *Nikola (NKLA) is setting up for a move higher and is in a great position to take advantage of a market relief rally.*
- *Nikola (NKLA) confirmed is move higher on Wednesday and I picked up a small position. With additional confirmation at 1.99, I will increase my position to 1-star.*
- *Wait for text confirmation to increase the position!*
- *Start Position at 1/2-star(*)*
- *Under massive institutional accumulation with an Up/Down Volume ratio of 2.08 hitting 100-day highs.*
- *Nikola (NKLA) closed at 1.96.*
- *Nikola (NKLA) VWAP is at 13.16.*
- *Sell Fibonacci target prices: 1st target is 2.14; 2nd target is 2.34; 3rd target is 3.17; 4th target is at 4.53.*
- *Stop sell price: Close below 1.83.*



Bought on Friday, August 18 @ 23.34: Remitly Global Inc. (RELY)

- *Industry Group: Financial Services Specialty.* The *Financial Services Specialty* industry group ranks as the 76th strongest industry group out of 197 and is up 12.25% YTD and has been in a buy signal since July 11.
- *Remitly Global Inc. (RELY) provides cross-border remittance and banking services for immigrants.*
- *Remitly Global Inc. (RELY) broke Fibonacci resistance at 23.59 and a wedge formation on Friday. Closing above Fibonacci resistance at 24.27 will send the stock to its next Fibonacci target at 28.11*
- *Remitly Global Inc. (RELY) completed a Point & Figure Triple Top Breakout in August.*
- *Remitly Global Inc. (RELY) confirmed a 30-minute buy signal at 23.34 on Friday.*

- *Started Position at 1-star(*)*
- *Under massive institutional accumulation with an Up/Down Volume ratio of 1.68, hitting a 100-day on August 8th.*

- *Remitly Global Inc. (RELY) closed at 23.99.*

- *Remitly Global Inc. (RELY) VWAP is at 15.64.*

- *Sell target prices: 1st target is 27.18; 2nd target is 28.11; 3rd target is 30.15.*
- *Stop sell price: Close below 22.58.*



Remitly Global Inc. (RELY)



Industry Group Comments

Uranium Industry Group & Sprott Physical Uranium (SRUUF)

Uranium moved higher on Friday and continues to show strength. Uranium and Uranium stock **Dennison Mines (DNN)** could confirm a higher move early this week.

Sprott Physical Uranium Trust (SRUUF) broke its descending trendline from the April 2022 top after spending the past nine trading sessions, basing above its 1/2 number from April 2022 high to July 2022 low.

Reclaiming the 17-month 1/2 number and giving a buy signal on Monday has put Uranium in a position to move higher.

After the August 7 alert, Sprott Physical Uranium (SRUUF) returned to its recently broken trendline.

Once I get confirmation, I will purchase Sprott Physical Uranium (SRUUF) to take advantage of the move.

Fibonacci targets on Sprott Physical Uranium (SRUUF) are 14.84, 15.74, and 16.65.

The stop is a daily close below 13.03.

The best price and volume action from the **Uranium stocks industry group** comes from Canadian companies. **Dennison Mines (DNN)** is a Canadian uranium miner pulling out as the leader.

It is once again featured in the newsletter.

Buy Candidate: Dennison Mines (DNN)

- *Industry Group: Mining Metal Ores.* The **Mining Metal Ores** industry group ranks as the 144th strongest industry group out of 197 and is up +3.87% YTD, and the Uranium subgroup gave a buy signal on August 07.

Dennison Mines (DNN) is a Canadian uranium miner with mines in Canada, Mongolia, and Zambia.

- Last week, **Dennison Mines (DNN)** broke out of the handle of a cup-with-handle base that began in February and is ready to break the trendline and Fibonacci resistance at 1.37.
- **Dennison Mines (DNN)** pulled back from a Point & Figure chart Triple Top Breakout. Moving higher from here would create a catapult formation.
- *Dennison Mines (DNN)* will confirm with a 30-minute buy signal at 1.37.
- *Wait for text confirmation!*
- *Start Position at 1-star(*)*
- *Under institutional accumulation with an Up/Down Volume ratio of 1.60 and breaking 100 days highs last week.*

- *Dennison Mines (DNN) closed at 1.37.*

- *Dennison Mines (DNN) VWAP is at 1.24.*

- *Sell target prices: 1st target is 1.53; 2nd target is 1.67; 3rd target is 1.94.*
- *Stop sell price: Close below 1.28.*





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