



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

01/21/24



This Trading Floor Research report contains:

S&P 500 & Market Sector Update

ProShares UltraShort Utilities ETF (SDP)

S&P 500 & Market Sector Update

The **S&P 500** rallied to the 1.618 Fibonacci resistance from the August 2022 high to the October 2022 low at 4840.51 on Friday. The significant Fibonacci price target occurs on **the important 1.618-time cycle turn date from the bear market high to the low. Possibly a square of price and time.**

The potential time cycle high occurs after a week filled with sector sell signals from **Financial Services, Basic Materials, Utilities, Industrials, Real Estate, and Consumer Cyclical**s.

Technology was the only sector to break into new highs on Friday and was the primary force behind the new high in the S&P 500. Friday looked like panic buying of tech stocks. Price risk didn't concern the buyers as they continued purchasing incredibly overbought tech stocks. With 70% of the market in a sell signal and the Tech stocks extremely overbought on a significant S&P 500 time cycle turn date, I continue to focus on the short side.

This week, I am focused on the weakness of the seven sectors that gave sell signals last week.

The **Utility** sector imploded and could not bounce on Thursday or Friday from its devastating fall. **Utility stocks show the greatest relative weakness.** Utility stocks were crushed so hard that it will take a few days for the charts to set up with a shorting opportunity. In this TFR newsletter, I highlight the **ProShares UltraShort Utilities ETF (SDP)** to take advantage of the next move lower.

The feeble bounces of **Real Estate, Consumer Cyclical, Basic Materials, and Energy** highlight their relative weakness. These sectors could offer the most significant opportunity for relative outperformance on the next downside move.

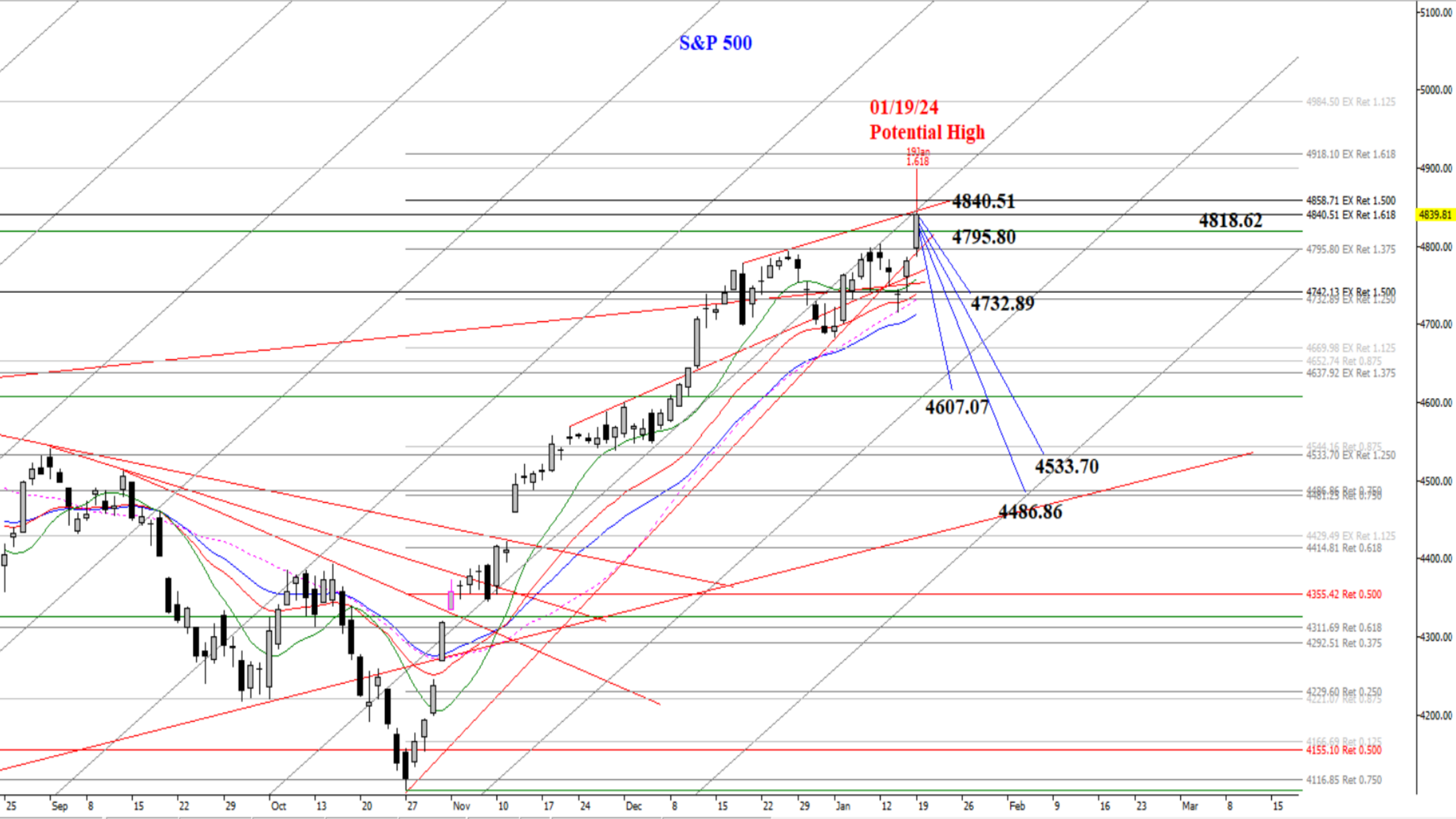
S&P 500 & Market Sector Update
(Continued)

After **Financial Services** gave a sell signal on Tuesday, **insurance** was the only area that emerged with strength and was the main force behind Friday's 1.5% advance. Financial Services retracement moved to the critical 50% Fibonacci number of its recent decline. **Relative weakness** is centered around **big banks** and **regional banks**.

The Industrial sector could not reach the 50% retracement of its recent sell signal and decline. The sector's bounce depended on the strength of **Shipping & Port** stocks (**A favorite of mine**) and **Waste Management** stocks.

Real market strength is emerging from the **Coal** and **Uranium** industry groups. The individual stock charts are not quite ready in these two solid areas and will take longer to form with orderly retracements. Once setups are complete, I will highlight new opportunities.

S&P 500



01/19/24
Potential High

19Jan
1.618

4840.51

4795.80

4732.89

4607.07

4533.70

4486.86

4818.62

4984.50 EX Ret 1.125

4918.10 EX Ret 1.618

4858.71 EX Ret 1.500

4840.51 EX Ret 1.618

4795.80 EX Ret 1.375

4742.13 EX Ret 1.500

4732.89 EX Ret 1.250

4669.98 EX Ret 1.125

4652.74 Ret 0.875

4637.92 EX Ret 1.375

4544.16 Ret 0.875

4533.70 EX Ret 1.250

4486.86 Ret 0.750

4429.49 EX Ret 1.125

4414.81 Ret 0.618

4355.42 Ret 0.500

4311.69 Ret 0.618

4292.51 Ret 0.375

4229.60 Ret 0.250

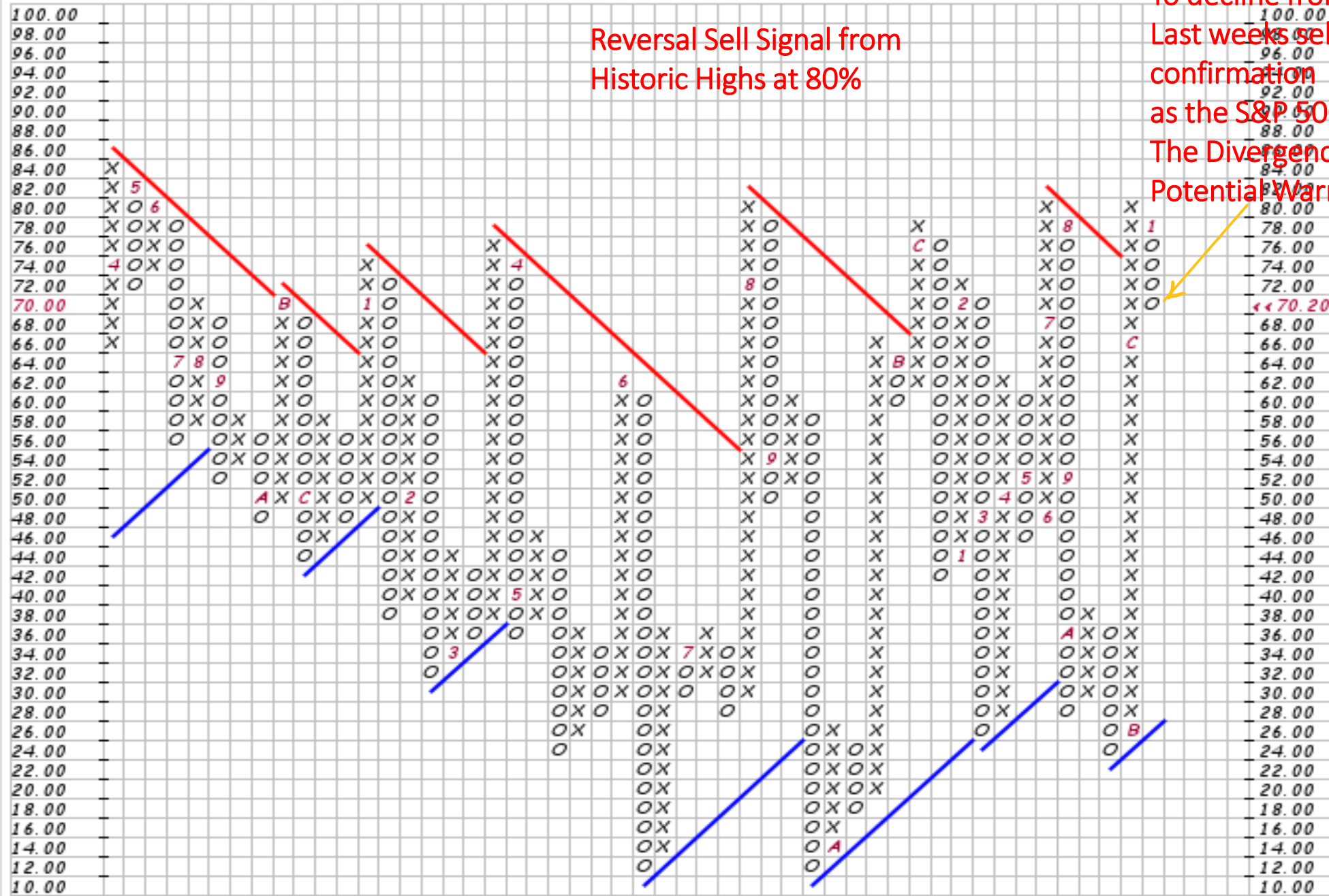
4221.07 Ret 0.875

4166.69 Ret 0.125

4155.10 Ret 0.500

4116.85 Ret 0.750

Bullish Percent Index S&P 500



Reversal Sell Signal from
Historic Highs at 80%

Bullish Percent continued
To decline from
Last weeks sell
confirmation
as the S&P 500 hit new highs.
The Divergence is a
Potential Warning!

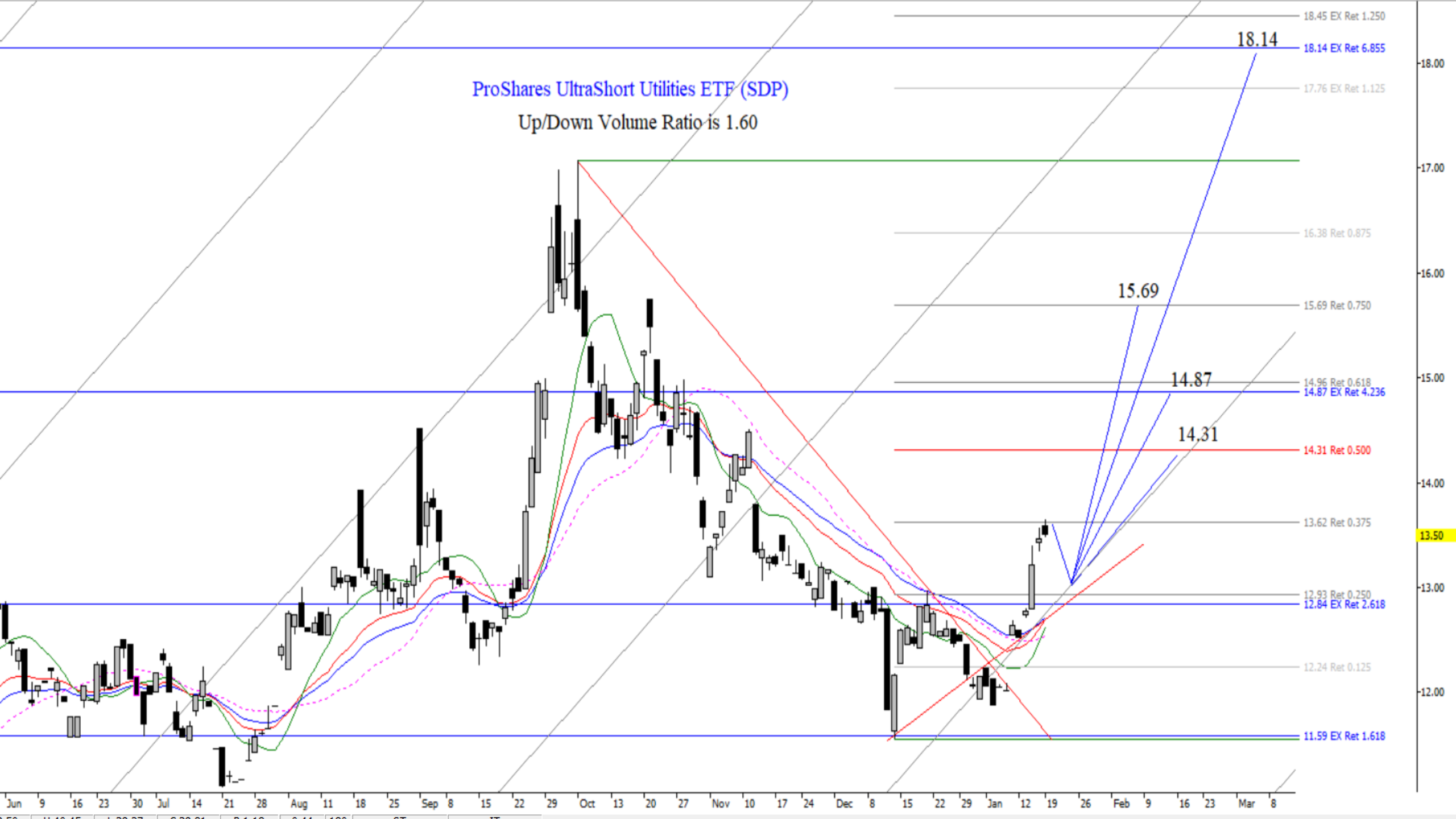
Buy candidate: ProShares UltraShort Utilities ETF (SDP)

- **Portfolio: Utilities Sector.** This ETF corresponds to 2x the inverse move in the Dow Jones Utilities Sector Index.
- **ProShares UltraShort Utilities ETF (SDP)** trade is designed to increase when the Dow Jones Utilities Sector Index moves lower. SDP Up/Down Volume ratio making a 100-day high indicates higher prices.
- **Utilities Select Sector SPDR Fund (XLU)** completed a Double Bottom Breakdown on the Point and Figure chart. A close below the Bullish support line at 60.00 will send shares considerably lower.
- **The ProShares UltraShort Utilities ETF (SDP)** hit Fibonacci resistance at 13.62. A pullback to Ichimoku cloud support at 13.26 may offer low-risk entry.
- **Wait for text confirmation!**
- **Start position at 1-star(*).**
- **Up/Down Volume Ratio on ProShares UltraShort Utilities ETF (SDP)** hit 1.60 with a 100-day high that began on Wednesday, indicating higher prices
- **ProShares UltraShort Utilities ETF (SDP)** closed at 13.50.
- **ProShares UltraShort Utilities ETF (SDP)** Anchored VWAP is at 17.00.
- **Sell target price: 1st target is 14.31; 2nd target is 14.87; 3rd target is 15.69; 4th target is 18.14.**

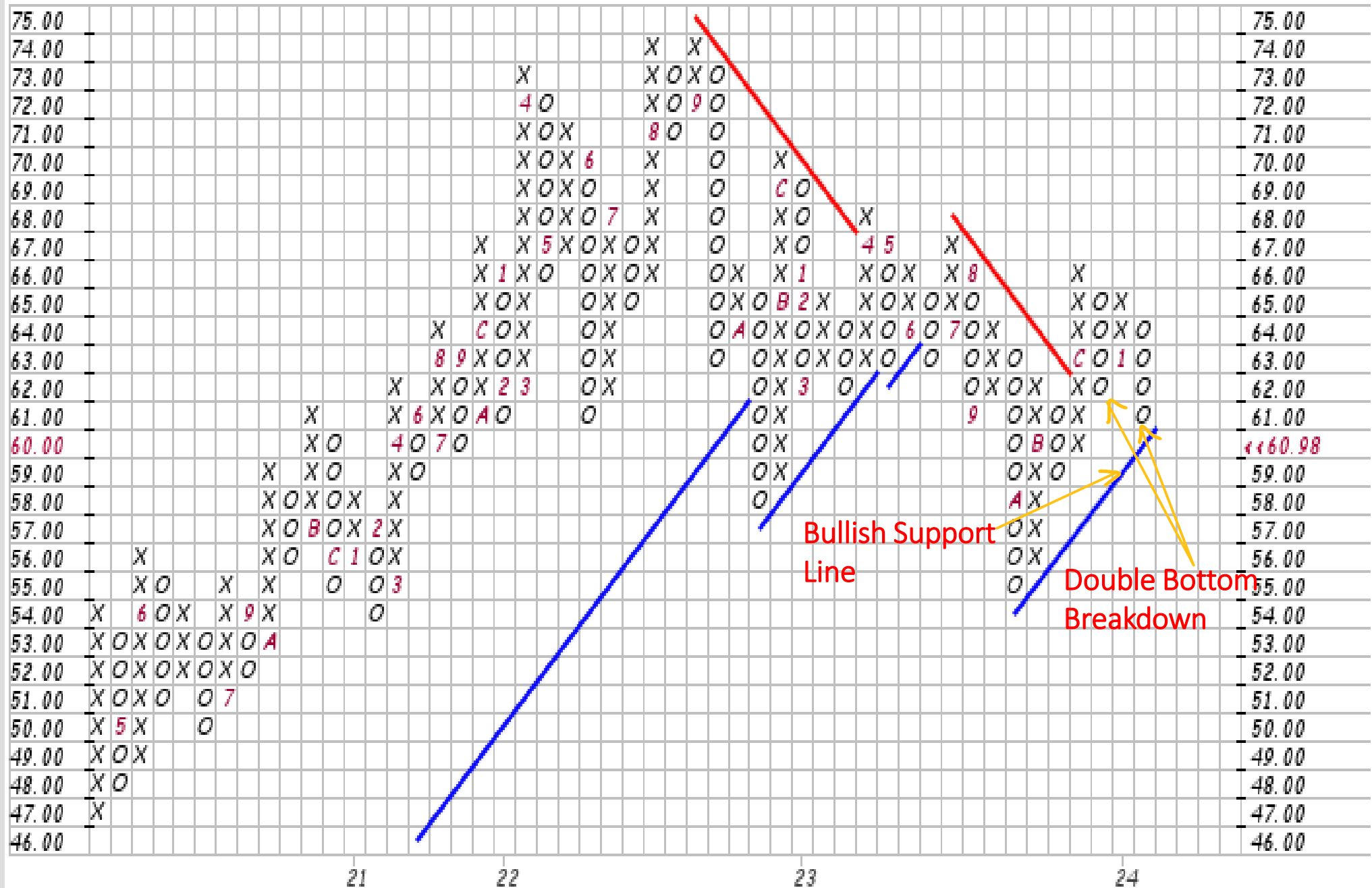
Stop sell price: Close below 12.84.

ProShares UltraShort Utilities ETF (SDP)

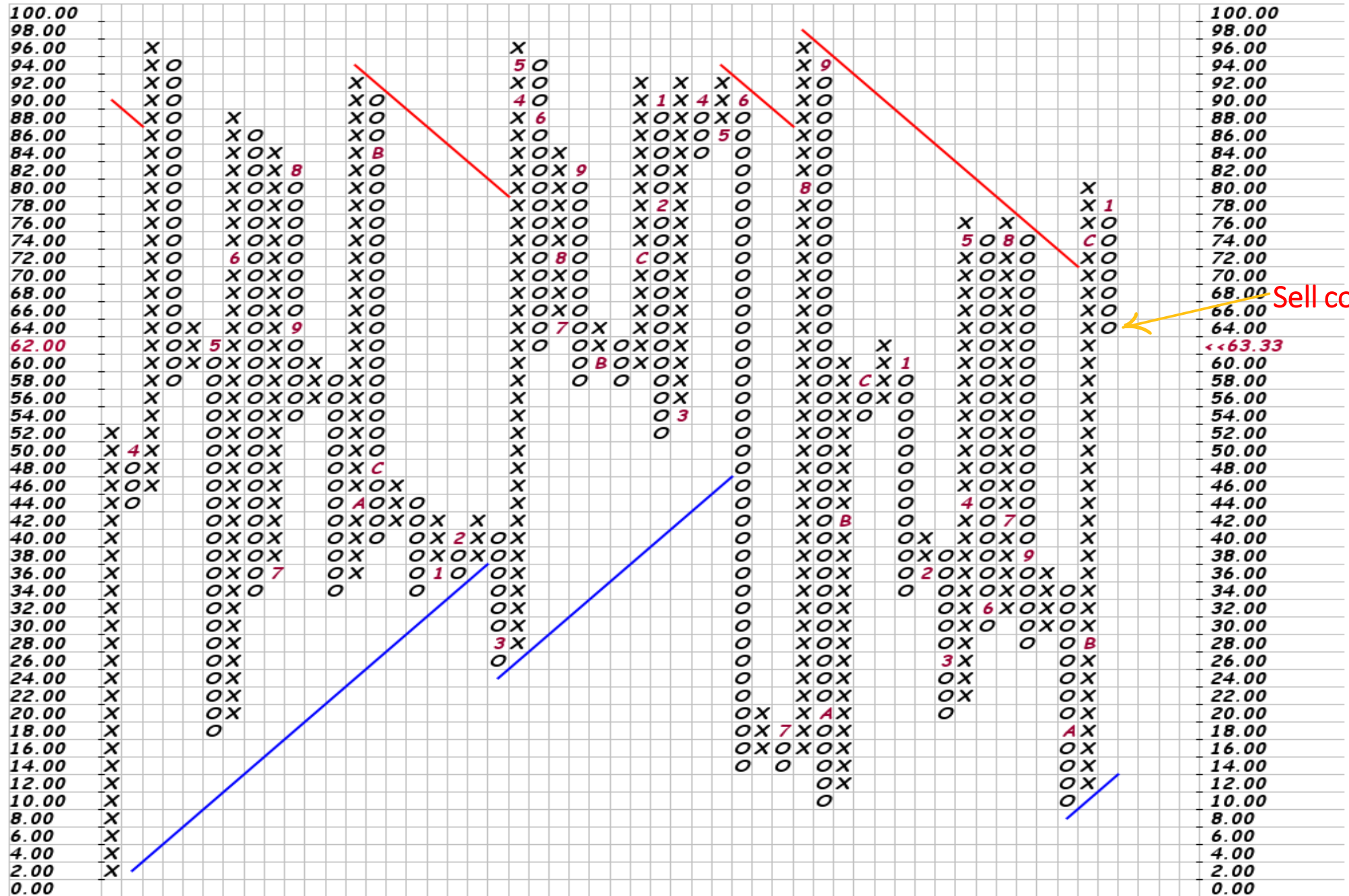
Up/Down Volume Ratio is 1.60



Utilities Select Sector SPDR Fund (XLU)



Bullish Percent Index Utilities Sector



Sell confirmation



<<63.33



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