



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

09/24/23



This Trading Floor Research report contains:

S&P 500 Update

Direxion Daily S&P 500 Bear 3x (SPXS)

Energy Sector Update

Direxion Daily Real Estate Bear 3x (DRV)

Direxion Technology Bear 3X (TECS)

Jones Lange LaSalle Inc. (JLL)

S&P 500 Update

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Direxion Daily S&P 500 Bear 3x (SPXS)

*The **S&P 500** broke the neckline of a head & shoulders top on Friday. Friday's afternoon late-day rally was a throwback to the neckline. The resistance at the neckline led to the end-of-day selloff that left the index at the week's lows.*

*Now that the S&P 500 has completed a head & shoulders top, we can apply a swing rule to the pattern and approximate the next drop. **A swing rule of the head & shoulders top indicates a further decline of another 266 points and a target of around 4075.***

Friday's low of 4316.49 is within 5 points of my first Fibonacci target at 4311.69. A Monday morning gap below 4311.69 would open the door for more intense selling than last week.

If the SPX approaches my first Fibonacci target of 4311.69 and finds some buyers, I will watch for a potential bounce. The greatest probability is for the bounce to terminate at the neckline of the head & shoulders top at 4340.39, and it would offer another opportunity to add more shorts.

*I would purchase the **Direxion Daily S&P 500 Bear 3x (SPXS)** to take advantage of the move.*

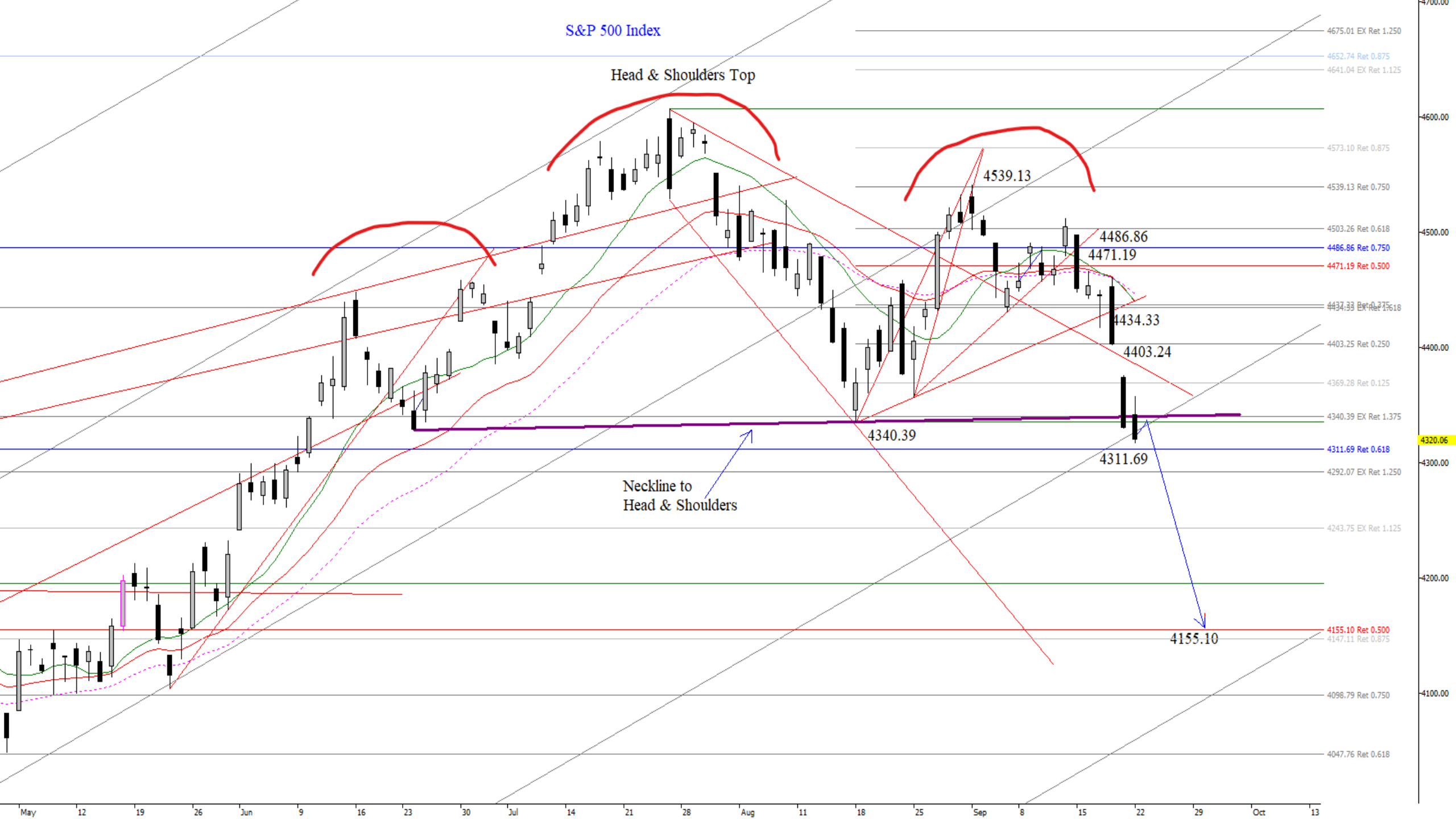
*The **Point & Figure** chart highlights a potentially significant development. It has been bullish and indicating higher levels on the S&P 500 for the entire year.*

*If the **S&P 500** hits 4300 next week, it will turn the **Point & Figure** chart down with a double bottom breakdown.*

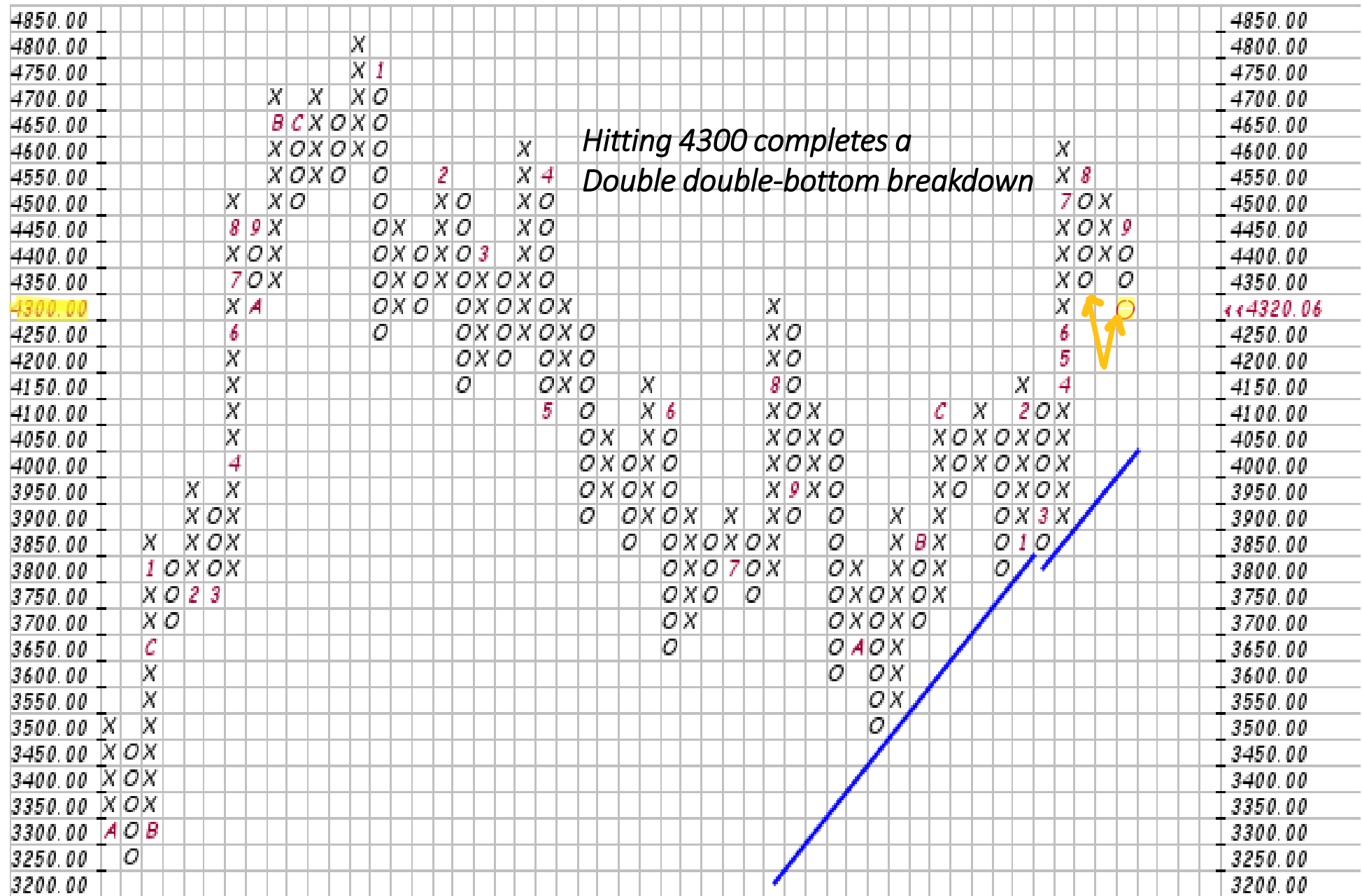
*The S&P 500 **Bullish Percent Index** already gave a sell signal on Friday with a double bottom breakdown and a bearish reading of 43.40. The significance of these sell signals should not be ignored.*

*A break of Fibonacci support will send the index to the next Fibonacci target of **4155.10**.*

S&P 500 Index



S&P 500



21

22

23

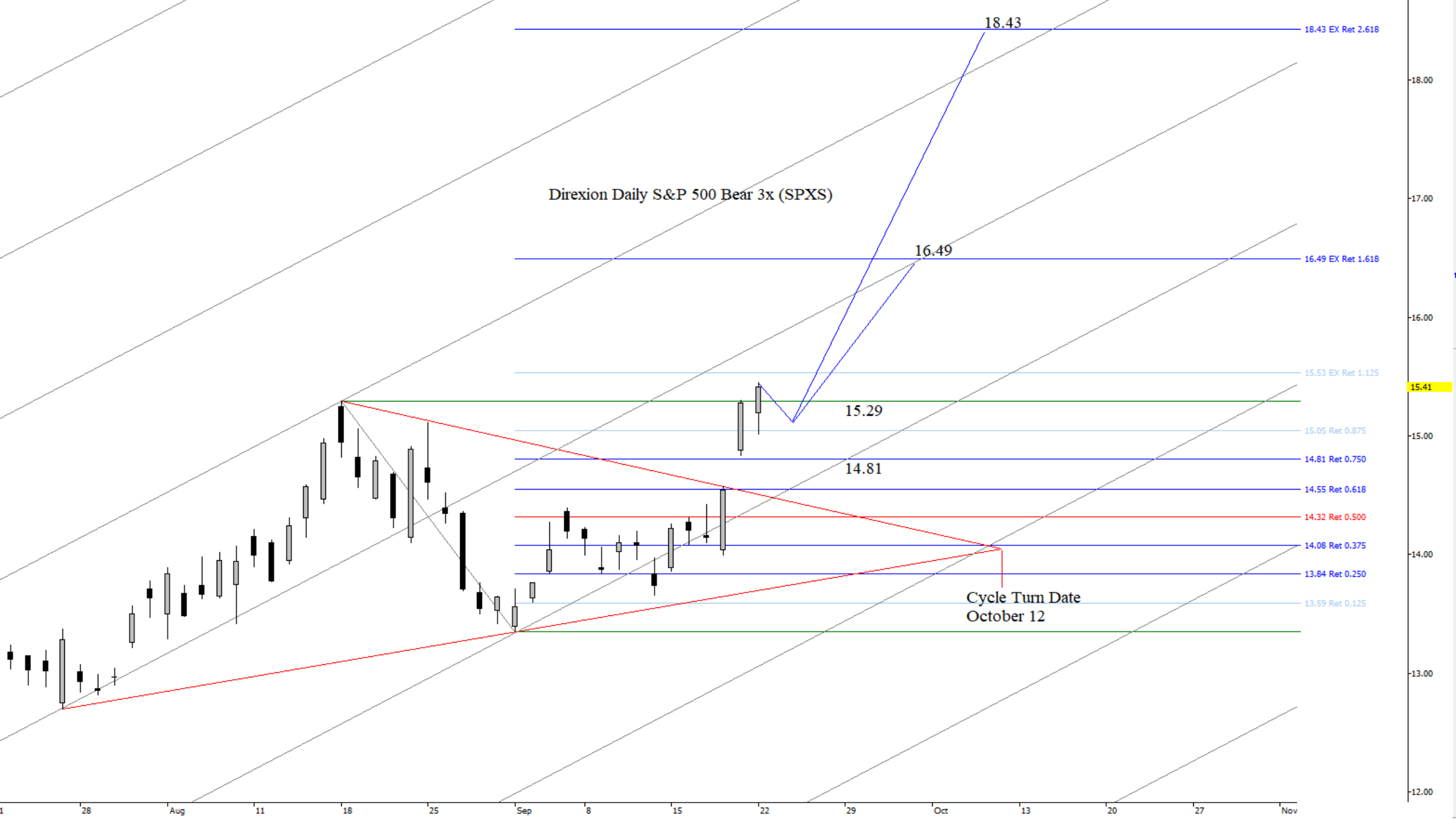
Buy candidate: Direxion Daily S&P 500 Bear 3X (SPXS)

- *Portfolio: Short the S&P 500. This trade is designed to move 3x the inverse daily performance of the S&P 500 (SPX).*
- *The Direxion Daily S&P 500 Bear 3X (SPXS) trade is designed to take advantage of the next potential move lower in the S&P 500(SPX).*
- *The Direxion Daily S&P 500 Bear 3X (SPXS) will Confirm a Buy with a pullback to 15.29-14.81 and a 30-minute buy signal.*

Wait for text confirmation!

- *Start position at 2-star(**).*
- *Direxion Daily S&P 500 Bear3X (SPXS) closed at 15.41.*
- *Direxion Daily S&P 500 Bear 3X (SPXS) VWAP is at 30.98*
- *Sell target price: 1st target is 16.49; 2nd target is 18.43*

Stop sell price: Close below 14.81.



Sector Update

Technology sector Sell Signal & Direxion Technology Bear 3X (TECS) Update

Technology stocks have led the market higher in 2023. That leadership gives clues to the market's direction over the coming days.

Thursday, the Technology sector gapped below its bear market 1/2 number and closed at the day's lows on massive volume. The bear market 1/2 number is 50% of the price range from the November 2021 high to the October 2022 low.

In June and twice in August, the tech sector tested the substantial 1/2 number and was able to bounce. A gap below the number puts the bears back in control of technology stocks, which is very significant.

The bulls took control of the Technology sector almost four months ago. The market will move considerably lower if tech stocks can't reclaim the 1/2 number. The Technology sector challenged the 1/2 number on Friday. But the afternoon selloff left the technology sector with the first weekly close below the bear market 50% range since May 26.

Distribution in the Technology sector indicates it will be difficult for tech stocks to sustain a rally.

The **Up/Down Volume Ratio** went to .73 and broke 100-day lows last week. This is the lowest reading since September and October last year. The last time the Up/Down volume ratio made 100-day lows was August last year, as tech stocks were rolling over for a fierce move lower.

I chose not to sell any of my **Direxion Technology Bear 3X (TECS)** position at its first Fibonacci target of 15.65 because of what I see in the tech sector's downward potential.

I purchased TECS on Wednesday at 15:00 and have moved the **stop to a close below 15.65**. On Thursday, TECS completed a Double Top Breakout on the Point & Figure Chart, confirming Wednesday's purchase.

The next **Fibonacci targets** are at 17.60 and 20.70.



Direxion Technology Bear 3X (TECS)



Sector Update

Energy Sector Update

*The **Bullish Percent chart** on the **Energy sector** was at historic highs for the past few weeks as it hit 96, and energy stocks continued to race higher.*

The incredibly high reading indicated that Energy stocks were close to topping.

*Last week, the **Bullish Percent Index** turned lower on the Point & Figure chart, suggesting that the Energy sector has topped.*

Price confirmation has not given a sell signal, and Energy stocks will need to go through a distribution phase before I will short the sector.

*But the strong probability of a Bullish Percent Index reversal from historic highs indicates that it is **time to take profits on Energy stocks**.*

Energy Sector Update

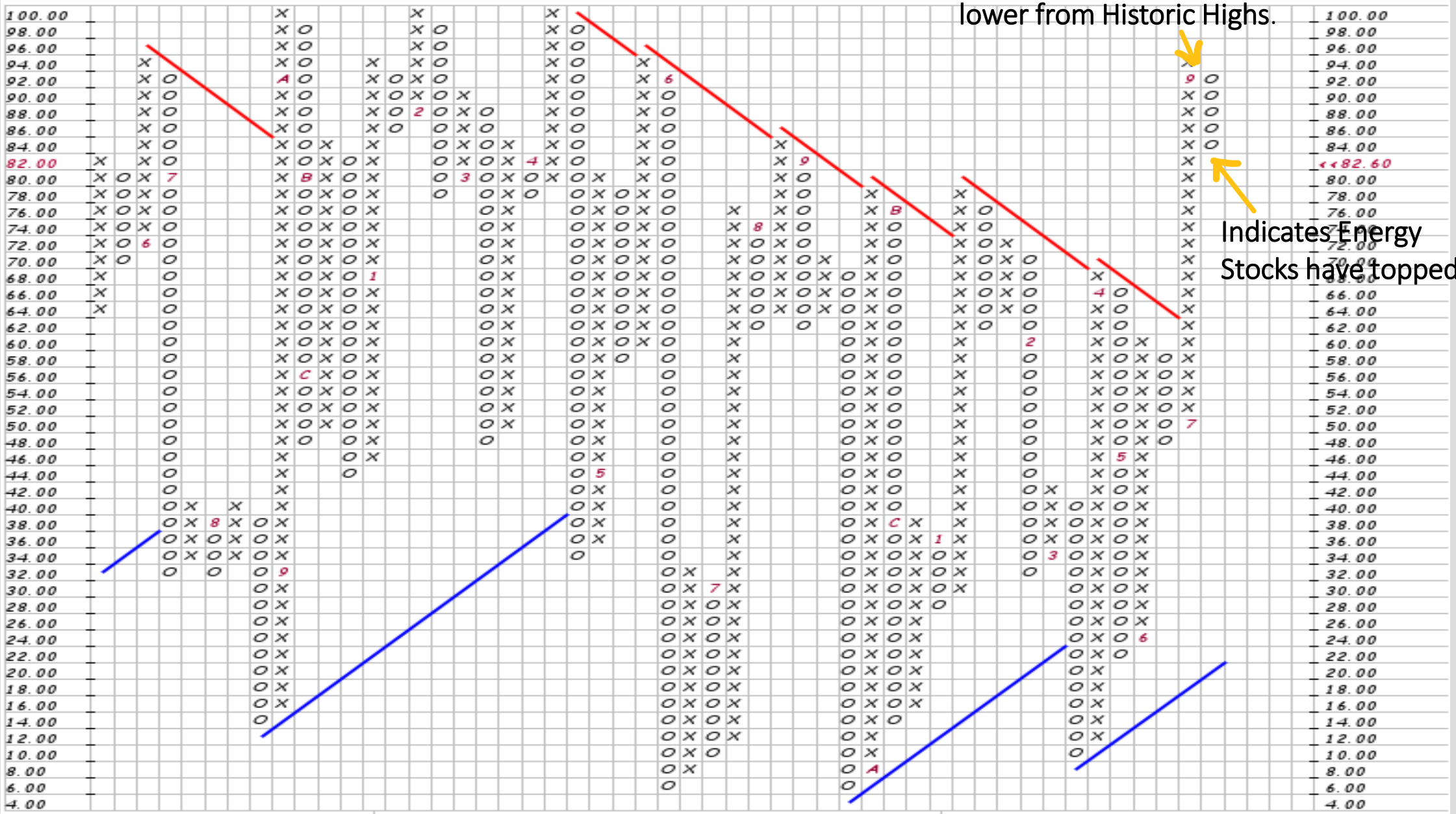
The Bullish Percent Chart

The bullish Percent Index turned

lower from Historic Highs.



Indicates Energy Stocks have topped



Sold Short Jones Lange LaSalle Inc. (JLL) @ 153.37

On September 13, **Jones Lange LaSalle Inc. (JLL)** completed a textbook **Head and Shoulders** top, triggering a sell signal on huge volume.

The **Point & Figure** chart went from bullish to bearish in one day, completing a **Triple Bottom** breakdown below the bullish resistance line. After I initiated a short position at 153.37 on Wednesday, The Point & Figure chart completed a **Catapult** formation to the downside as JLL hit 150.00.

Finishing the catapult sent the stock tumbling to a weekly close of 143.27.

Jones Lange LaSalle Inc. (JLL) shows relative weakness in the Real Estate sector as it trends lower.

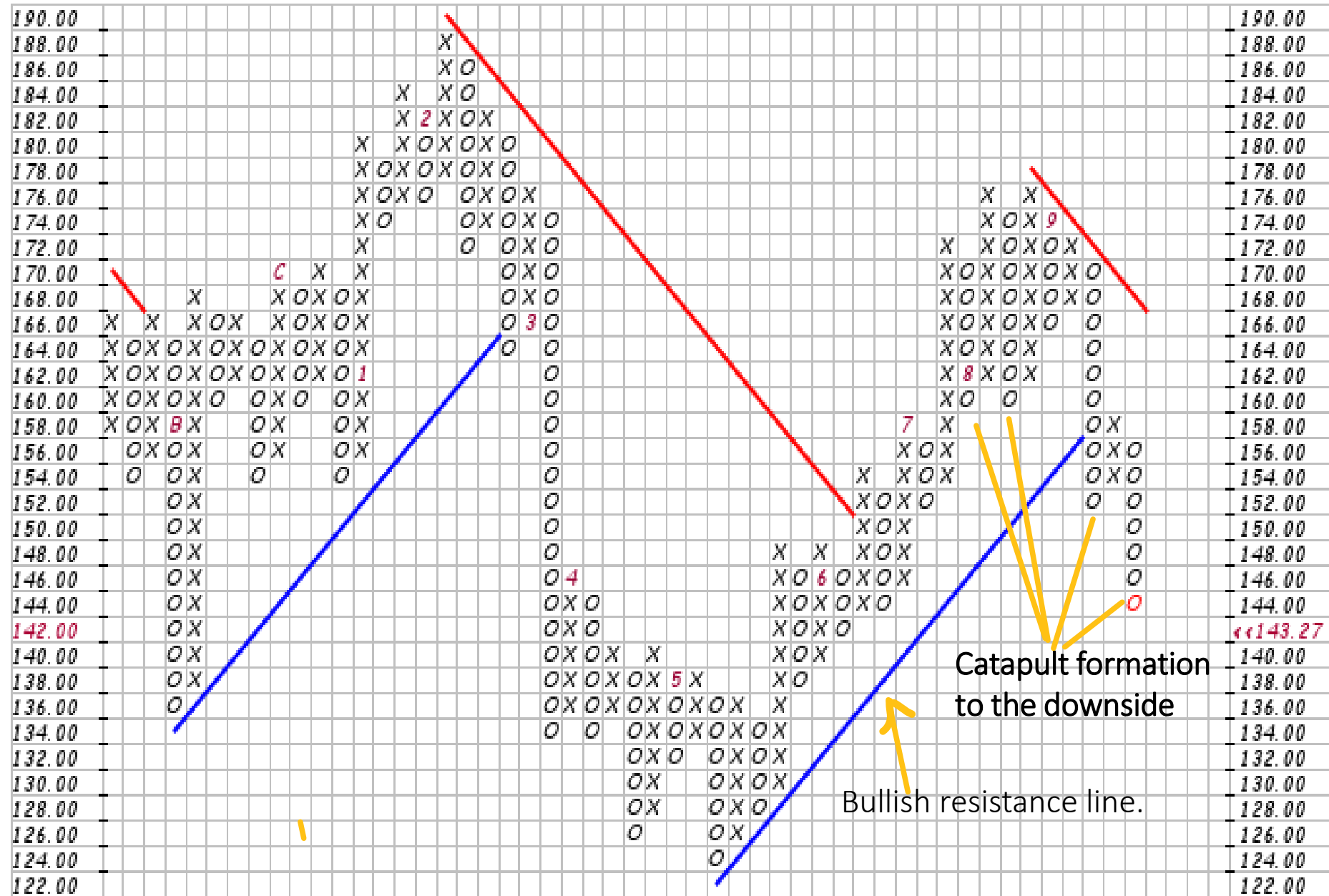
Shares are approaching the first Fibonacci target at 139.40.

Position at 1-star(*)

- Jones Lange LaSalle Inc. (JLL) is under massive distribution with an **Up/Down Volume Ratio** of .76, breaking 100-day highs.
- Jones Lange LaSalle Inc. (JLL) closed at 143.27.

- Jones Lange LaSalle Inc. (JLL) VWAP is at 97.69.
- Fibonacci target prices: 1st target is 139.40; 2nd target is 123.00
- Stop price: Close above 155.80.

Jones Lang LaSalle Inc. (JLL)





Jones Lang LaSalle Inc. (JLL)

head and shoulders

Neck Line

123.00

139.40

143.27

155.80 Ret 0.500

163.55 Ret 0.618

172.21 Ret 0.750

180.41 Ret 0.875

Buy Candidate: Direxion Daily Real Estate Bear 3x (DRV)

- *Portfolio: Short Real Estate sector. This trade is designed to move 3X inverse the daily performance of the Real Estate Sector.*

The Real Estate sector is very weak, as it took its next leg lower last week. Continued selling is the result of mortgage demand stalling.

The selling came with massive volume, taking the Up/Down Volume Ratio to 100-day lows with a distribution reading of .66.

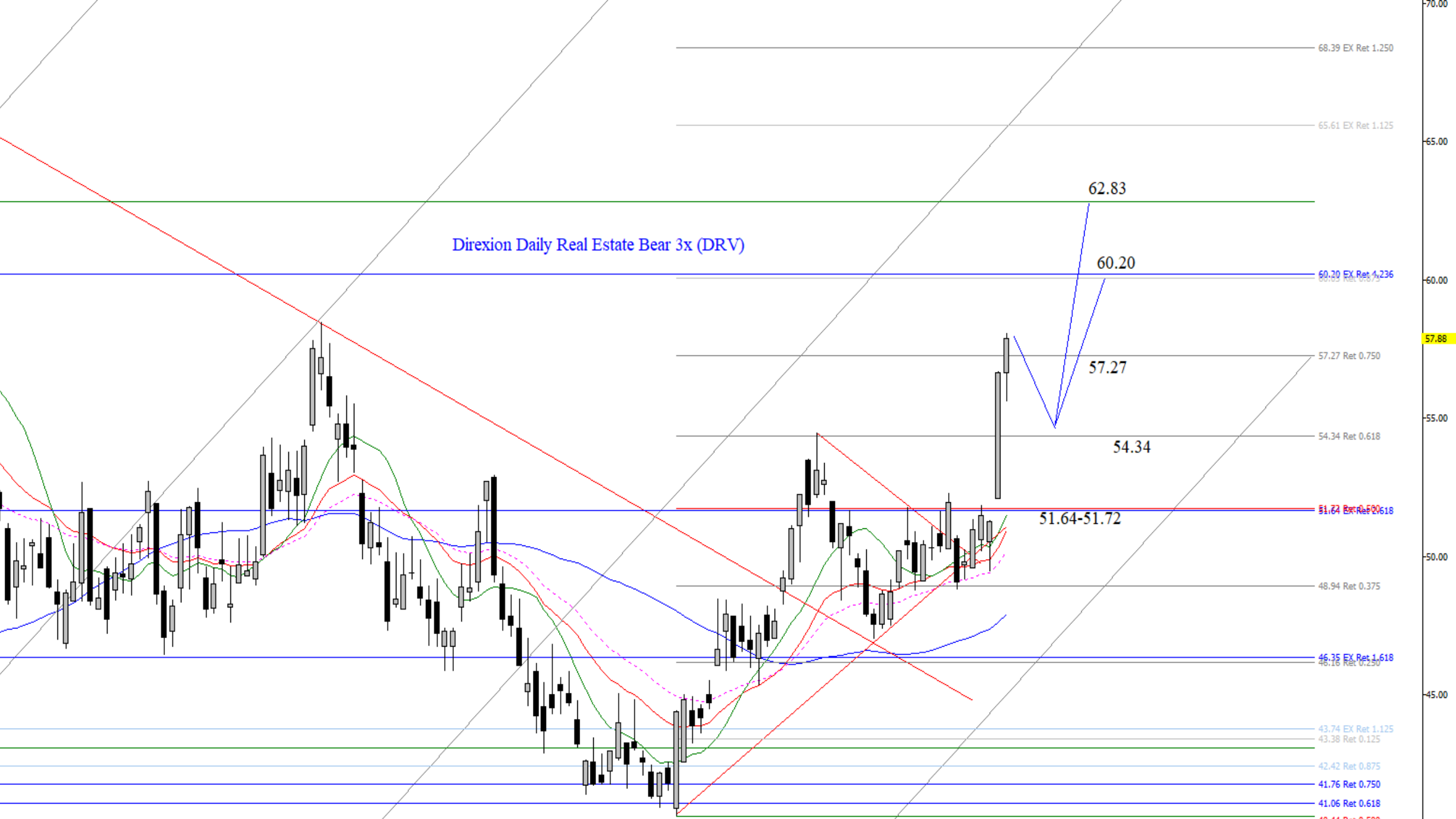
Every industry group in the sector went over a cliff last week.

I will purchase the Direxion Daily Real Estate Bear 3x (DRV) to take advantage of the move.

I intend to purchase DRV with a pullback to Fibonacci support at 57.27 or 54.34.

The Point & Figure Chart on DRV shows the completion of a Spread Triple Top Breakout at 57.00, indicating Real Estate could move much lower and DRV considerably higher.

- *Direxion Daily Real Estate Bear 3x (DRV) closed at 57.88.*
- *Direxion Daily Real Estate Bear 3x (DRV) VWAP is at 59.27.*
- *Sell target price: 1st target is 60.20; 2nd target is 62.83; 3rd target is 68.39*
- *Stop sell price: Close below 48.94.*



Direxion Daily Real Estate Bear 3x (DRV)

62.83

60.20

57.27

54.34

51.64-51.72

68.39 EX Ret 1.250

65.61 EX Ret 1.125

60.20 EX Ret 1.236

57.27 Ret 0.750

54.34 Ret 0.618

51.64 EX Ret 0.618

48.94 Ret 0.375

46.35 EX Ret 1.618

43.74 EX Ret 1.125

43.38 Ret 0.125

42.42 Ret 0.875

41.76 Ret 0.750

41.06 Ret 0.618

40.44 Ret 0.500

65.00

60.00

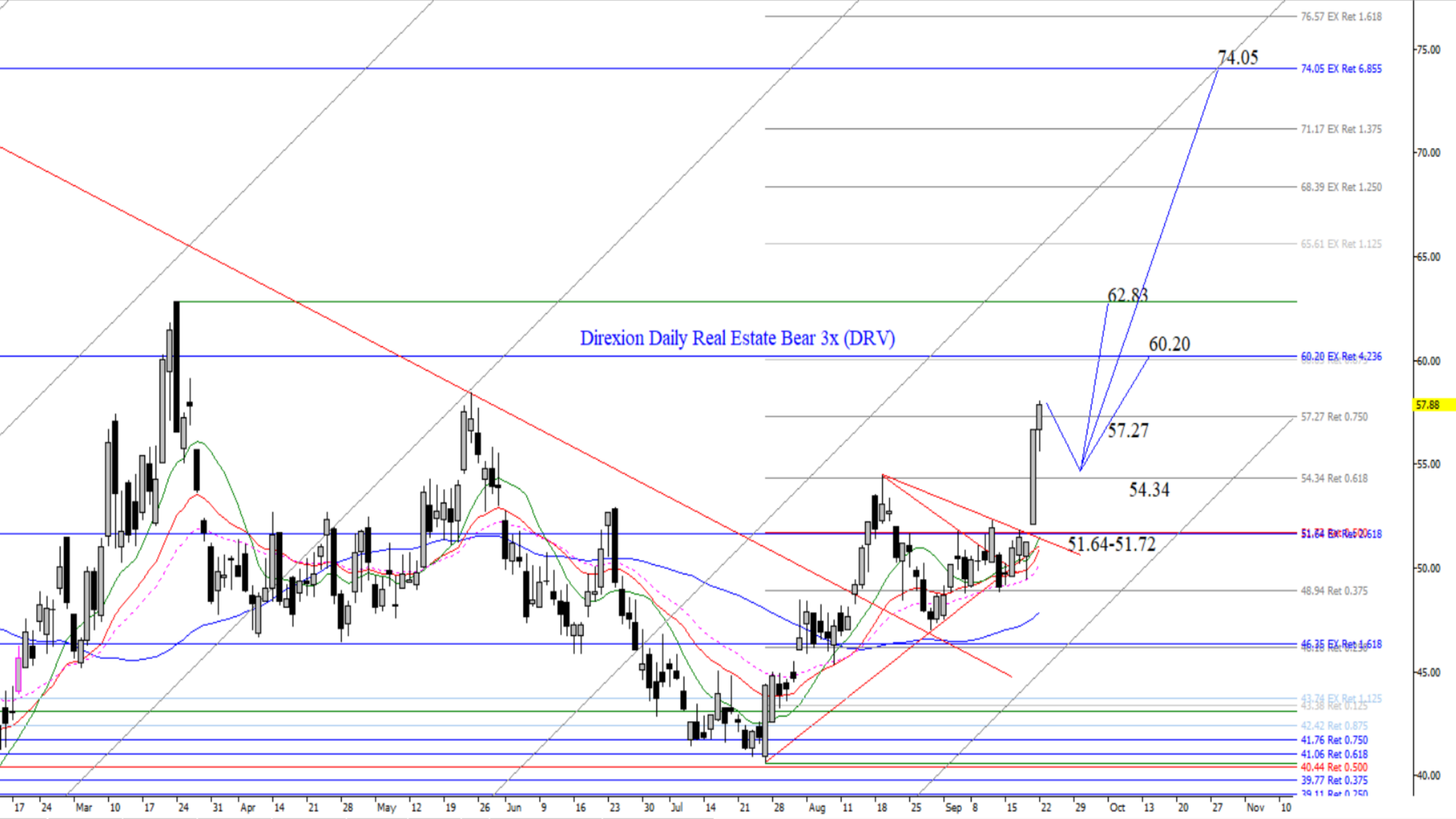
57.88

55.00

50.00

45.00

70.00





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