



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

01/03/24



This Trading Floor Research report contains:

NASDAQ 100 (QQQ) Update

A Weekly Follow-up of current stock positions

NASDAQ 100 (QQQ) Market Update

Yesterday, the **NDX Bullish Percent Index confirmed a sell** from a historically high level of 90%. A Bullish Percent level at 90% and above has been seen very few times in the NASDAQ 100 over the past 20 years, and a sell confirmation from this level is significant. Typically, a sell confirmation from this level points to a meaningful decline lasting many weeks and is a bearish signal.

The **Technology Sector Bullish Percent Index** also confirmed a sell, increasing confidence in the NDX signal on Tuesday.

A continued selloff in the NASDAQ 100 (QQQ) is likely.

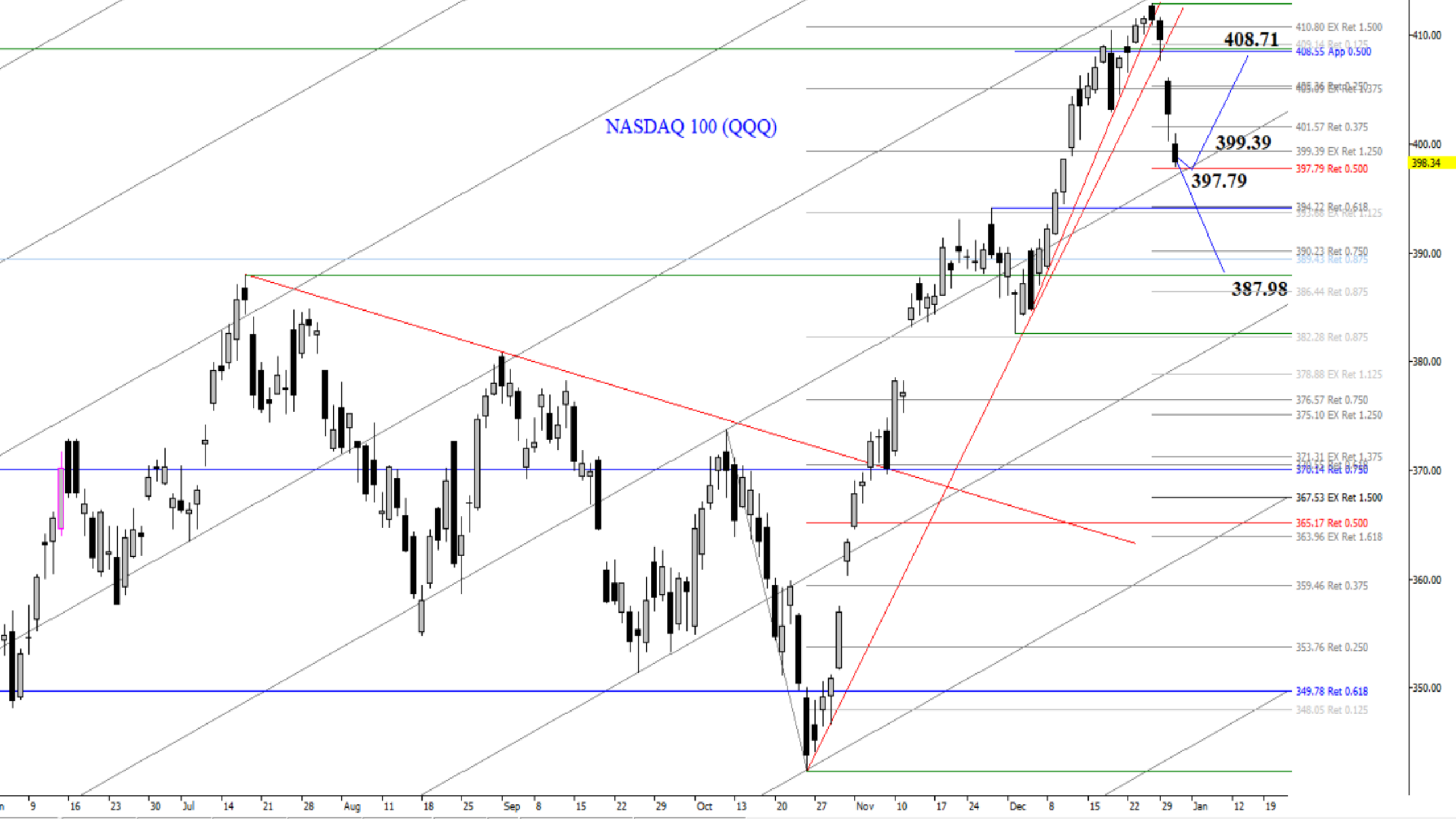
Today's close at 398.33 had the QQQs closing below my first Fibonacci target of 399.39, and the low tested the 1/2 number from the December 4 low to the December 28 high at 397.79.

Closing below the critical Fibonacci level of 397.79 will cap the December rally and confirm the market top reading of the NDX Bullish Percent Index market sell confirmation. A bounce could also develop from the 397.79 level.

If the QQQs close below 397.79, the second Fibonacci target of 387.98 will be in focus and should conclude the first leg lower of the QQQ selloff. I expect a bounce from this level as eager bulls will view this as another buying opportunity.

The topping process on the NDX started on the December 20 selloff, adding the first distribution day. Since then, two distribution days have been added: December 29 and January 2.

The lower volume of today's market decline did not qualify as a distribution day. But the damage done to most stocks should not go unnoticed. Five or more distribution days within 20 trading days strongly indicate a market top and will set the stage for the second, more meaningful decline.





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)

- ***Alamos Gold Inc. (AGI) was purchased on November 9 @ 13.17. AGI hit its first Fibonacci target at 14.96 on December 1, and I sold a 1/3 position with a +13.6% gain. **AGI closed at a 20-day low. The remainder of the position should be sold at tomorrow's opening.*****
- ***Direxion Gold Miners BULL 2X (NUGT) was purchased on November 27 @ 31.44. I have sold 2/3 of my NUGT position after it hit its first Fibonacci target and second Fibonacci target, an 8% and 14.8% gain. **NUGT closed at a 20-day low. The remainder of the position should be sold at tomorrow's opening.*****
- ***MicroSectors Gold 3x Leveraged ETN (SHNY) was purchased on December 27 @ 28.06. It sold off today but avoided a sell by closing at 26.67 slightly above its stop of 26.61.***



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- *Industrial Logistics Properties Trust (ILPT) was purchased on December 27 @ 4.70. Shares closed slightly below the entry price at 4.66 as the market sold off hard for the second day of the new year.*
- *Tencent Music Entertainment Group (TME) was purchased on December 29 @ 8.88. On December 06, I sold 1/3 of the position at the first Fibonacci target with a 6.3% gain. On December 13, SMLR was approaching its second Fibonacci target at 48.37, and I sold another 1/3 of the position at 47.25 with a 14.5% return.*
- *Adagene Inc. (ADAG) was purchased today @ 2.00. Shares closed at 2.13, up 6.5% from today's purchase. A full report will be in this weekend's TFR newsletter.*

Adagene Inc. (ADAG)
Up/Down Volume Ratio of 1.87





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