



TFR

Trading Floor Research

Welcome to the
—— Trading Floor ——



This Trading Floor Research report contains:

S&P 500 & Sector Update

Kenvue Inc. (KVUE)

2x Long VIX Futures ETF (UVIX)

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

Youdao Inc. (DAO)

TeraWulf Inc. (WULF)

S&P 500 (SPX) & Sector Update

*Now that the **S&P 500** has closed below critical Fibonacci support at 5807.27, it is likely that a correction has started. Thursday's addition of a seventh distribution day in the past twenty sessions has also increased the probability of a further selloff.*

At this point, I am focusing on managing existing positions as sectors and industry groups give sell signals.

Shorting opportunities should develop over the next few days. Thursday's persistent selloff led to Friday's relief rally, which took the S&P 500 slightly beyond my first Fibonacci retracement target at 5768.71. The high was 5772.52, as the index spent less than four minutes above the critical number. At 11:35 am, the SPX started to sell off and continued lower for the remainder of the day.

*I am focused on two areas this week. The first is an expansion in volatility after the **CBOE Volatility Index** gave a buy signal on Thursday, and the second is **shorting the S&P 500** after last week's sell signal. Once I get confirmation, I will purchase the **2x Long VIX Futures ETF (UVIX)** and the **Direxion Daily S&P 500 Bear (SPXS)** to capitalize on the moves. Both are highlighted in this report. S&P 500 Fibonacci downside targets are 5638.73, 5532.07, and 5394.46.*

The probability of a market top grew by the amount of sector and industry group sell signals generated this past week.

Sectors in a sell now include **Healthcare, Real Estate, Energy, Basic Materials, Consumer Defensive**, and **Consumer cyclicals. Industrials** and **Technology** are very close to a sell signal as distribution has mounted in all the sectors.

“As leaders go, so goes the market.” Charts of leadership are showing signs of cracking as shares are being distributed.

I have moved to a cautious position.

S&P 500 (SPX)

Swing Chart

7 Distribution Days ↓

5934.98

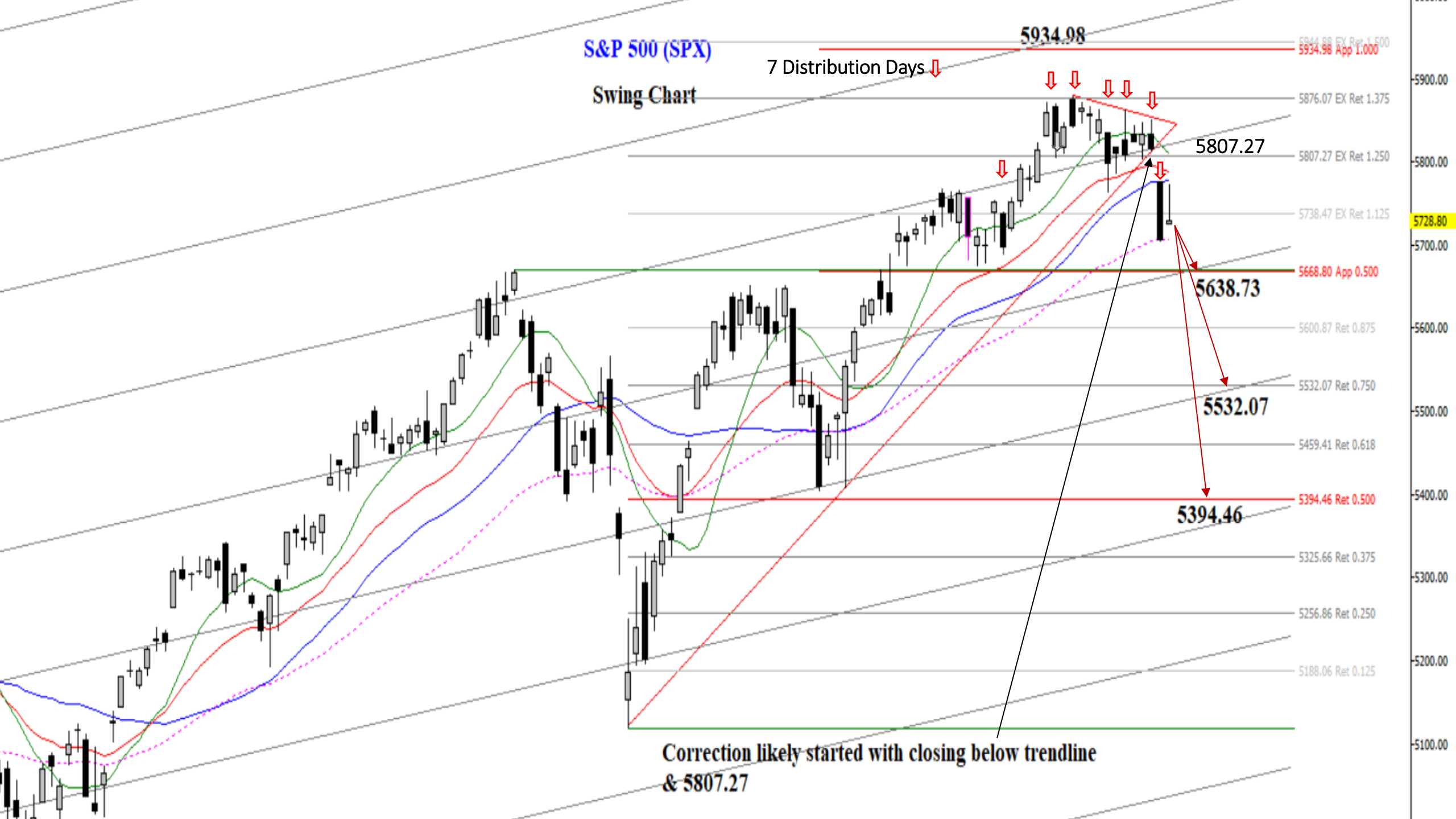
5807.27

5638.73

5532.07

5394.46

Correction likely started with closing below trendline
& 5807.27

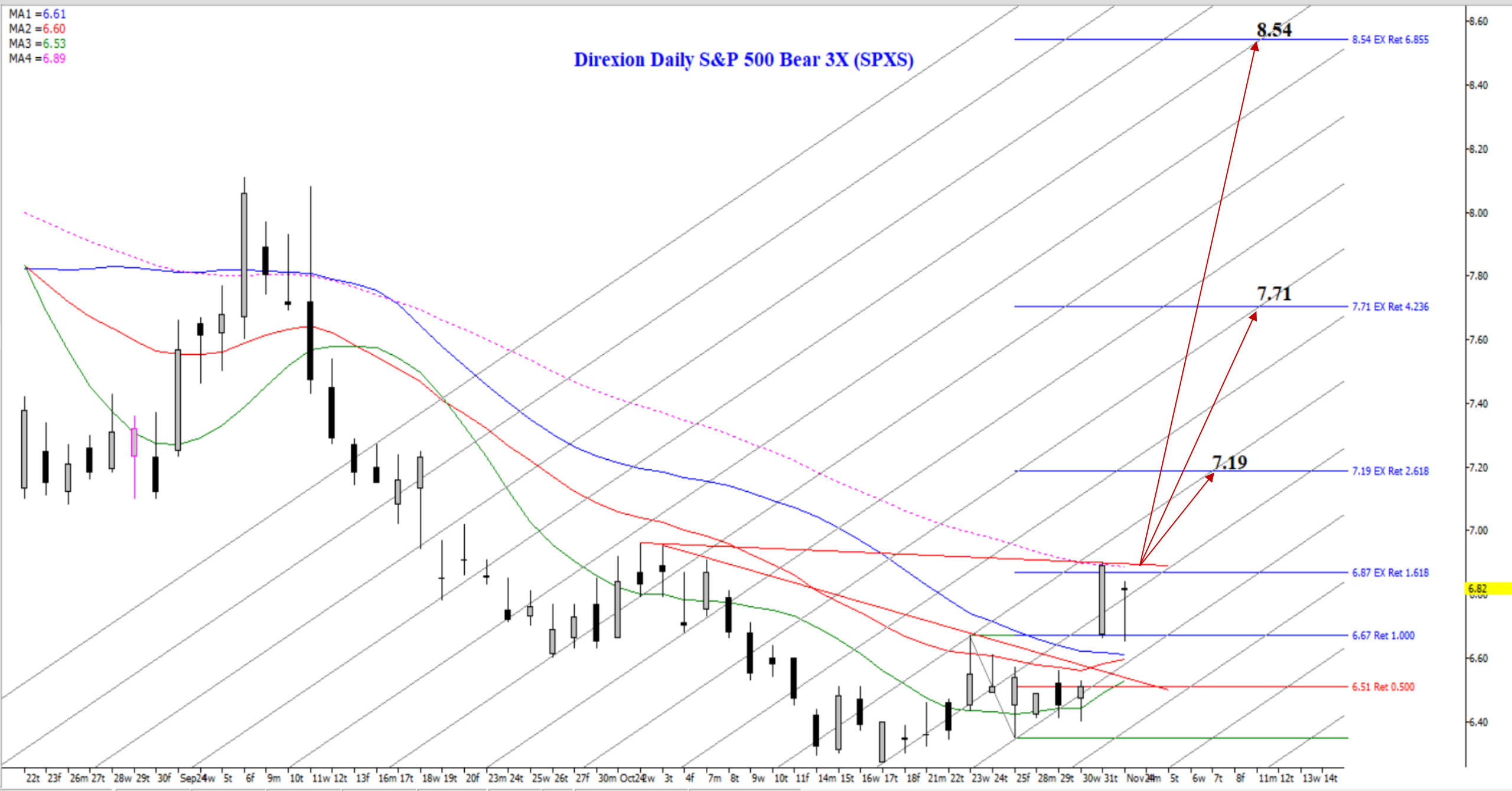


Buy candidate: Direxion Daily S&P 500 Bear 3X (SPXS)

- *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 with a close above Fibonacci resistance at 6.87. Also, a pullback to Fibonacci support at 6.67 will offer low-risk entry.*
- *Wait for text confirmation!*
- *Start position at 2-star(**).*
- *The Up/Down Volume Ratio hit a 100-day high, indicating strong accumulation and higher prices.*
- *Direxion Daily S&P 500 Bear3X (SPXS) closed at 6.82.*
- *Direxion Daily S&P 500 Bear 3X (SPXS) VWAP is at 21.13*
- *Sell target price: 1st target is 7.19; 2nd target is 7.71; 3rd target is 8.54.*
- *Stop sell price: Close below 6.51.*

MA1 = 6.61
MA2 = 6.60
MA3 = 6.53
MA4 = 6.89

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



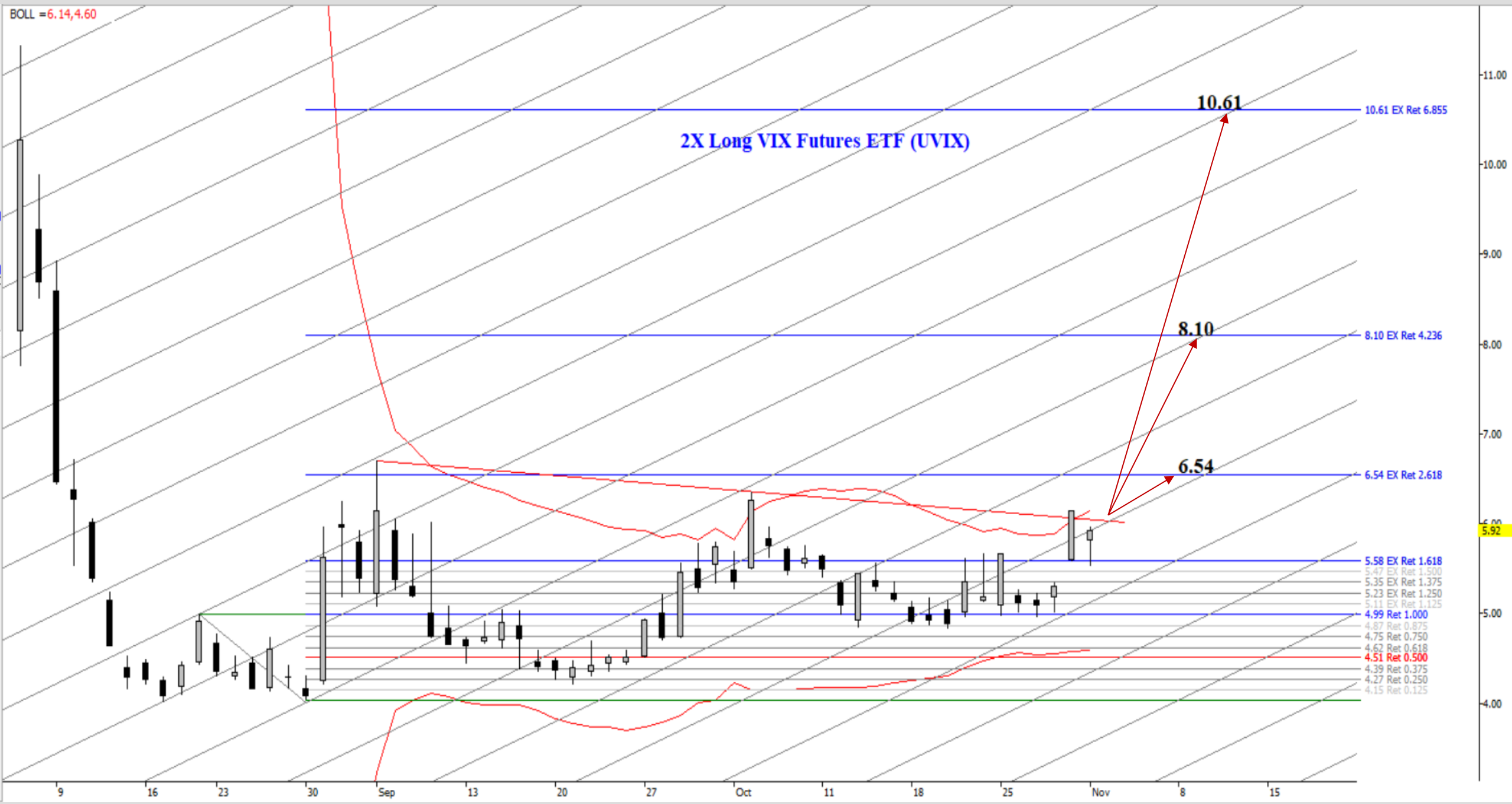
6.82

Buy candidate: 2X Long VIX Futures ETF (UVIX)

- *Portfolio: VIX Short-term Futures Index.* This ETF corresponds to the move in 2x the S&P VIX Short-Term Futures Index.
- *2X Long VIX Futures ETF (UVIX) trade is designed to expand when the VIX Short-term Futures contract moves higher.*
- *The CBOE Volatility Index (VIX) has made a double top breakout on the point & figure chart at 21.00 and will make a spread triple top breakout at 24.00. Its setup indicates massive demand and a potentially enormous VIX expansion. On Friday, UVIX closed above a compressed Bollinger band which often happens before a volatility expansion.*
- *Wait for text confirmation!*
- *Start position at 1-star(*).*
- *Up/Down Volume Ratio on 2X Long VIX Futures ETF (UVIX) hit 1.17 a 100-day high.*
- *2X Long VIX Futures ETF (UVIX) closed at 5.92.*
- *2X Long VIX Futures ETF (UVIX) VWAP is at 16.41.*
- *Sell target price: 1st target is 6.54; 2nd target is 8.10; 3rd target is 10.61.*
- *Stop sell price: Close below 5.58.*

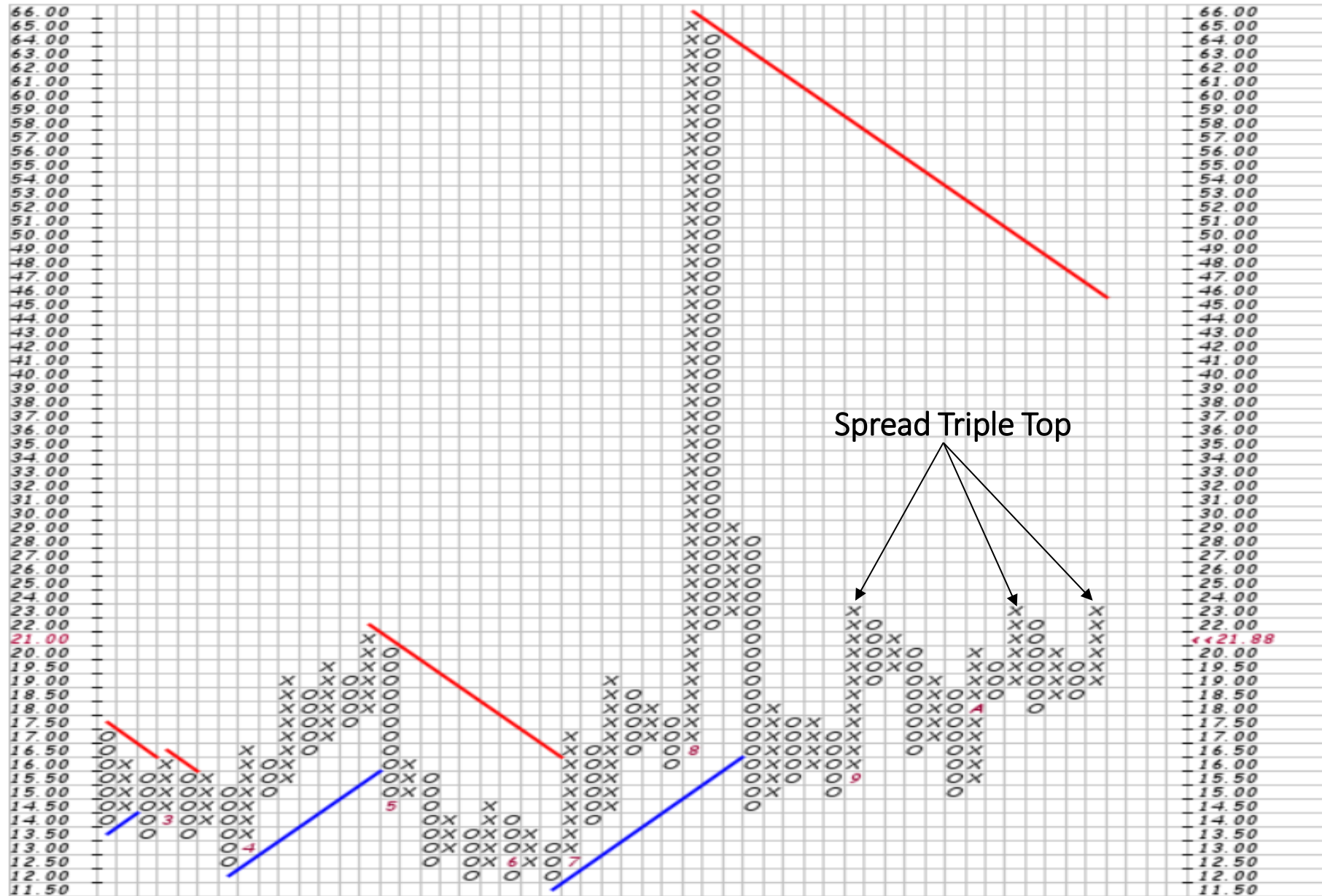
BOLL = 6.14, 4.60

2X Long VIX Futures ETF (UVIX)



11.00
10.00
9.00
8.00
7.00
6.00
5.00
4.00

2X Long VIX Futures ETF (UVIX)



Kenvue Inc. (KVUE)

Even though the **consumer defensive** sector gave a sell signal, a few industry groups within the sector are showing strength. An emerging consumer defensive leader, **Kenvue Inc. (KVUE)**, is setting up a 2-month cup-with-handle base. The handle is forming after a gap that took the price to the top of the daily and weekly Ichimoku cloud.

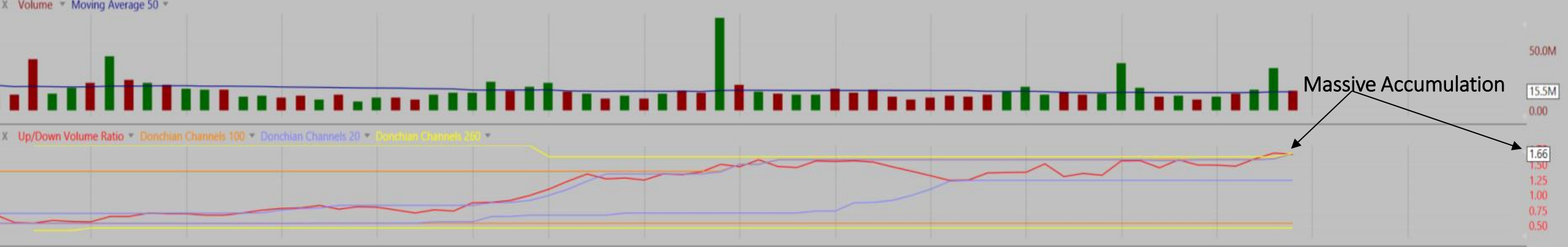
Accumulation is piling into the stock as the aggressive buyers have pushed the up/down volume ratio to 52-week levels for the entire two-month base.

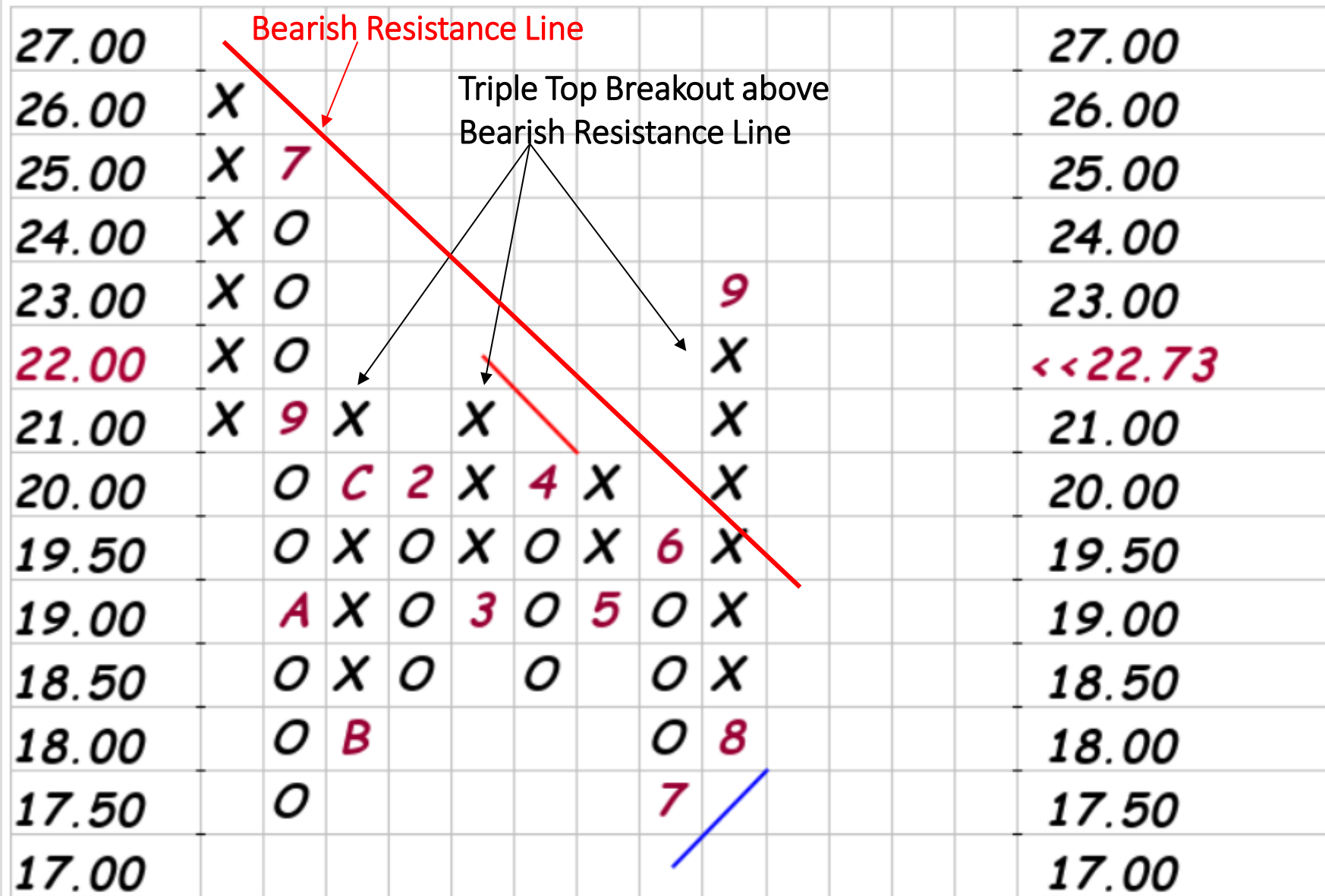
The point & figure chart broke out of a spread triple top above the bearish resistance line. The pattern is one of my favorites and indicates massive demand.

Earnings are on Thursday, and a move could happen on the earnings release based on how KVUE is set up. **Purchasing stock before an earnings release is always risky**, but the strength of the chart is enticing me to buy a few shares.

Fibonacci targets are 24.16, 25.26, 27.80, and 28.05.

Kenvue Inc. (KVUE)





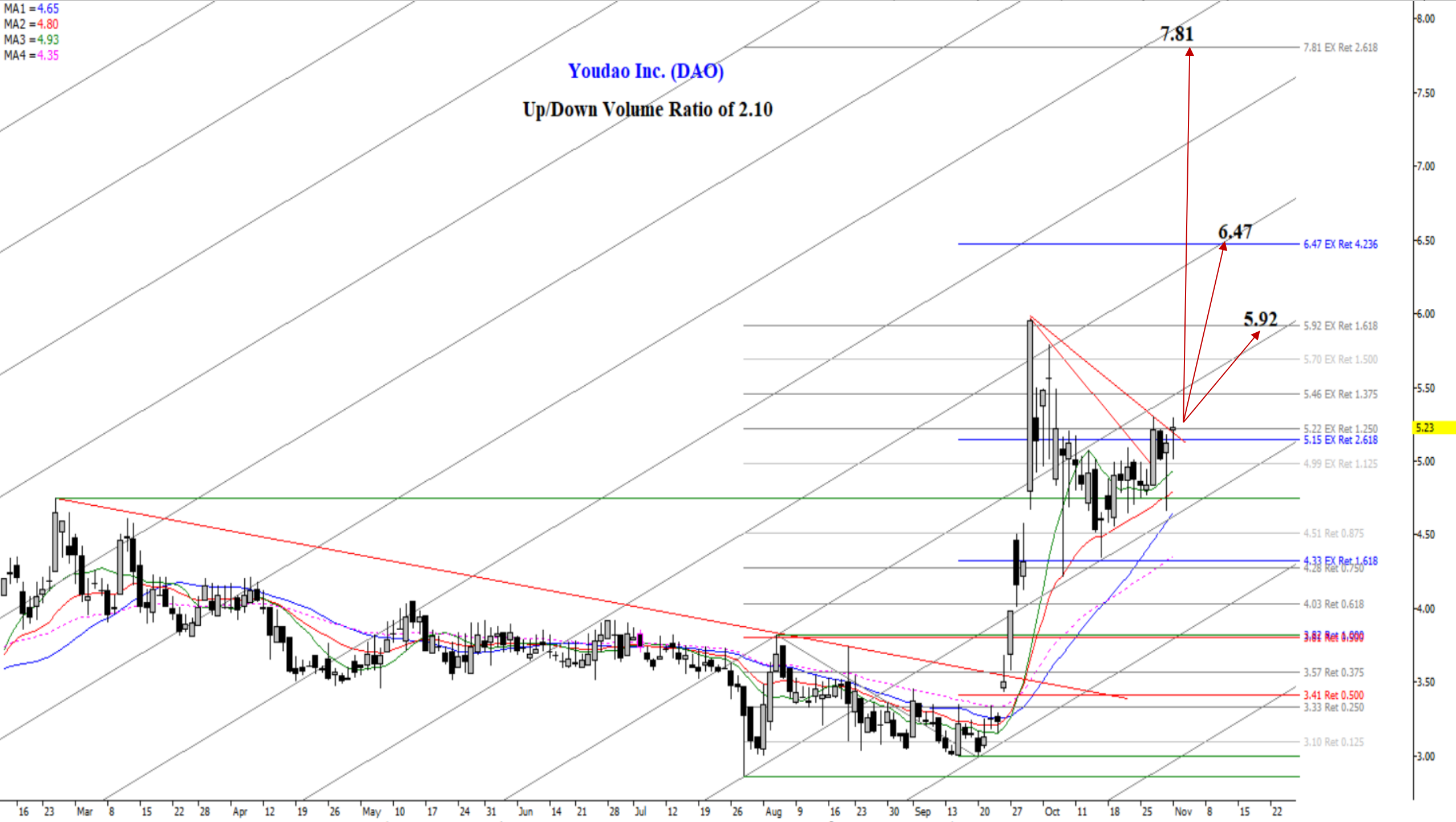
Confirmed Buy: Youdao Inc. (DAO)

- *Industry Group: Low-priced Chinese Stocks: The Chinese market gave a buy signal on Tuesday, September 24. Low-priced Chinese stocks continue to lead the way.*
- *Youdao Inc. (DAO) is a computer software education company providing intelligent learning and online marketing services.*
- *Youdao Inc. (DAO) broke out of a Spread Ascending Triple Top on the Point & Figure chart. I purchased Youdao Inc. (DAO) as it confirmed its next move out of a double-bottom base starting in March. The base's handle is breaking through the weekly Ichimoku cloud with massive accumulation that indicates significant upside potential. The up/down volume ratio is hitting 52-week highs, highlighting the unbelievable pent-up demand for shares as DAO breaks the long sideways base.*
- **Position Started at 1.5 stars.**
- **Youdao Inc. (DAO) was purchased at 4.95.**
- *Youdao Inc. (DAO) is undergoing significant accumulation, with an Up/Down Volume Ratio of 2.10 breaking 52-week highs.*
- *Youdao Inc. (DAO) closed at 5.23.*
- *Youdao Inc. (DAO) anchored VWAP is at 17.13.*
- *The Fibonacci sell targets: 1st target 5.22; 2nd target 5.92; 3rd target is 6.47; 4th target is 7.81*
- *Stop price: Close below 4.33.*

MA1 = 4.65
MA2 = 4.80
MA3 = 4.93
MA4 = 4.35

Youdao Inc. (DAO)

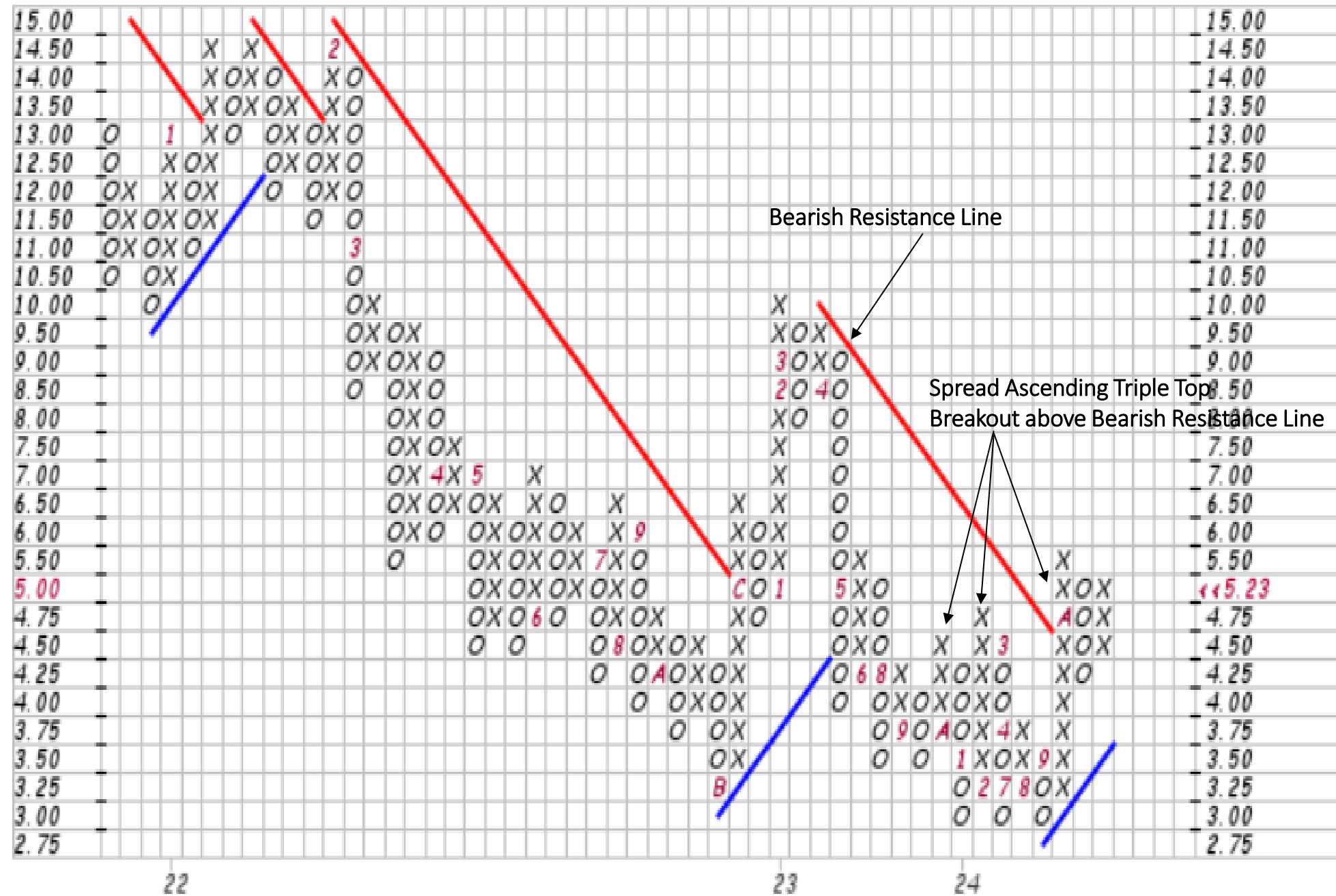
Up/Down Volume Ratio of 2.10



Youdao Inc. (DAO)



Youdao Inc. (DAO)

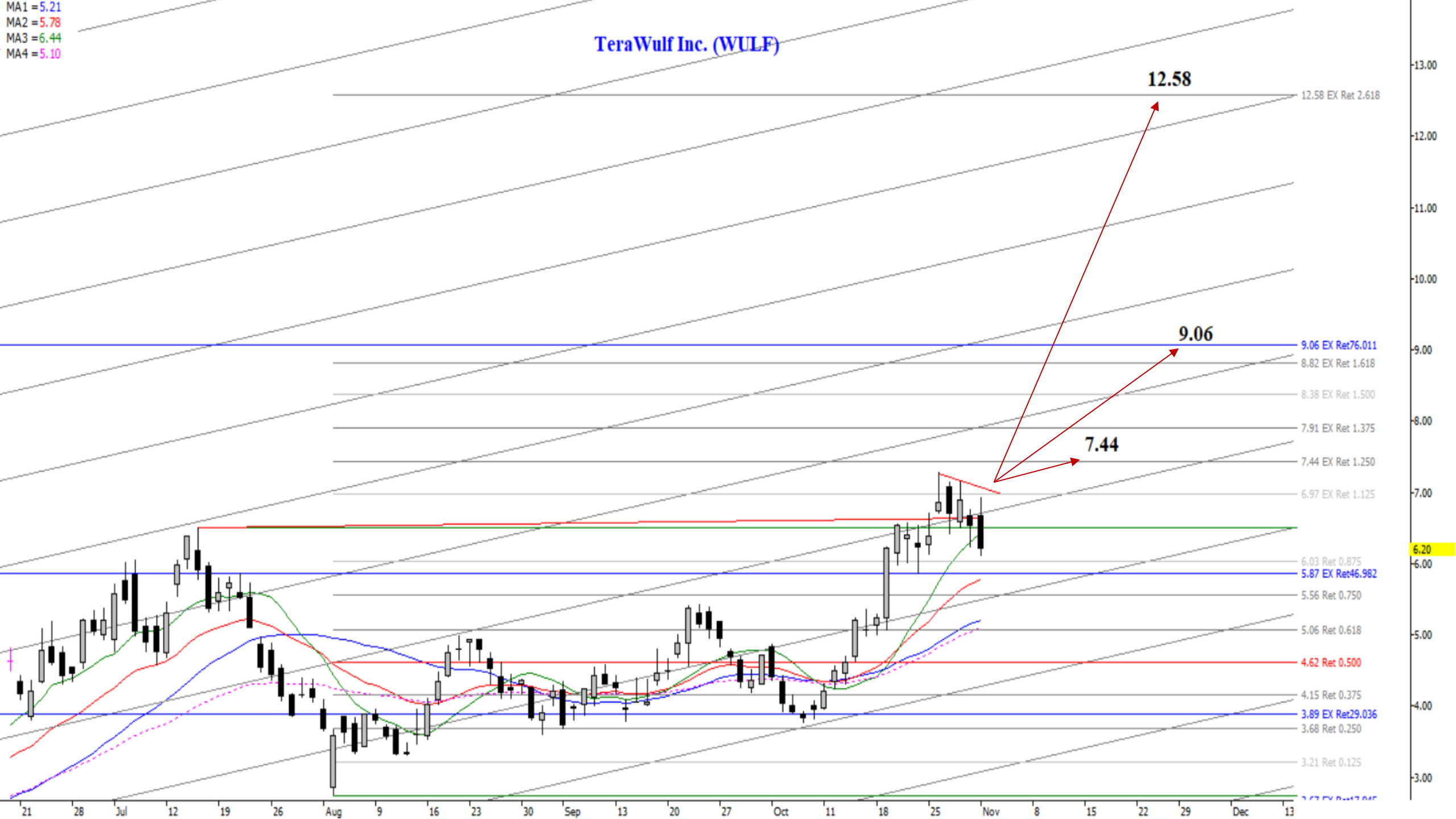


Confirmed Buy: TeraWulf Inc. (WULF)

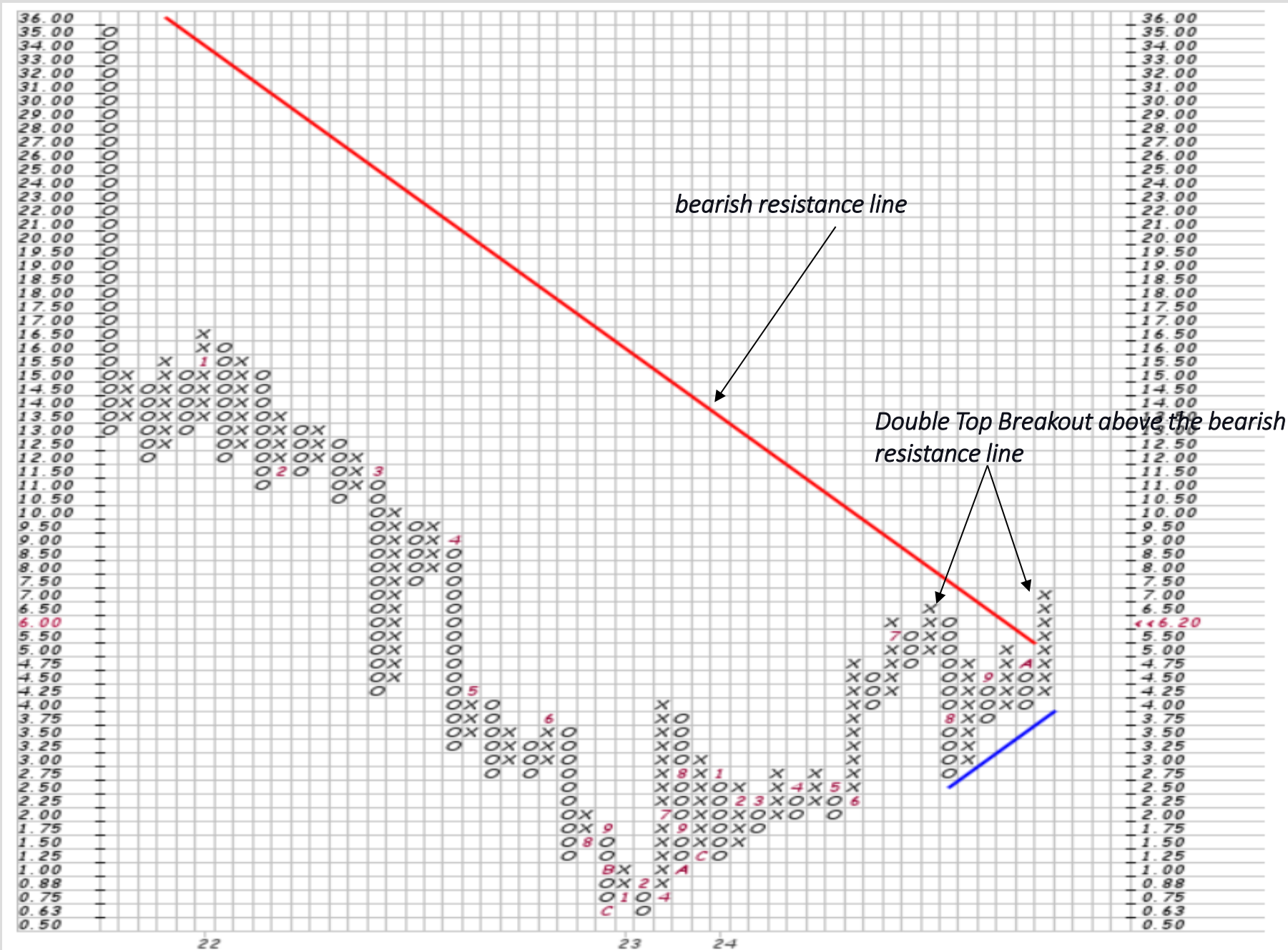
- *Industry Group: Bitcoin Miners. The Bitcoin Miners industry group gave a buy signal two weeks ago.*
- *TeraWulf Inc. (WULF) is a Bitcoin miner that uses 91% zero-carbon energy powered by nuclear, hydro, and solar energy.*
- *TeraWulf Inc. (WULF) has been basing above its weekly Ichimoku cloud for several. Every Bitcoin Miner that has moved considerably higher has started by closing above the weekly cloud. The Point & Figure chart gave a Spread Double Top Breakout above the bearish resistance line. The pattern often indicates substantially higher prices.*
- **Position Started at 1 star.**
- **TeraWulf Inc. (WULF) was purchased at 7.01**
- *TeraWulf Inc. (WULF) is undergoing accumulation, with an Up/Down Volume Ratio that hit a 52-week high last week.*
- *TeraWulf Inc. (WULF) closed at 6.22.*
- **TeraWulf Inc. (WULF) anchored VWAP is at 3.14.**
- **The Fibonacci sell targets: 1st target 7.44; 2nd target 8.82; 3rd target is 9.06; 4th target is 12.58; 5th target is 111.39.**
- **Stop price: Close below 6.03.**

MA1 = 5.21
MA2 = 5.78
MA3 = 6.44
MA4 = 5.10

TeraWulf Inc. (WULF)



TeraWulf Inc. (WULF)



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