



TFR

Trading Floor Research

Welcome to the
—— Trading Floor ——



This Trading Floor Research report contains:

S&P 500 & Sector Update

Electronic Components Industry Group Update

Astera Labs Inc. (ALAB)

Zoom Video Communications Inc. (ZM)

Rubrik Inc. (RBRK)

S&P 500 (SPX) & Sector Update

Wednesday's **S&P 500** selloff took the index to its first close below Fibonacci support at 5807.27 in eight sessions. Until then, the SPX used the strong Fibonacci support as a springboard for potentially higher prices.

However, Thursday's bounce was expected after Wednesday's harsh selloff, which tested the ascending trendline from the August 5 low and support at the Ichimoku cloud baseline. The bounce spent most of the day challenging the critical Fibonacci number and closed slightly above it at 5809.86.

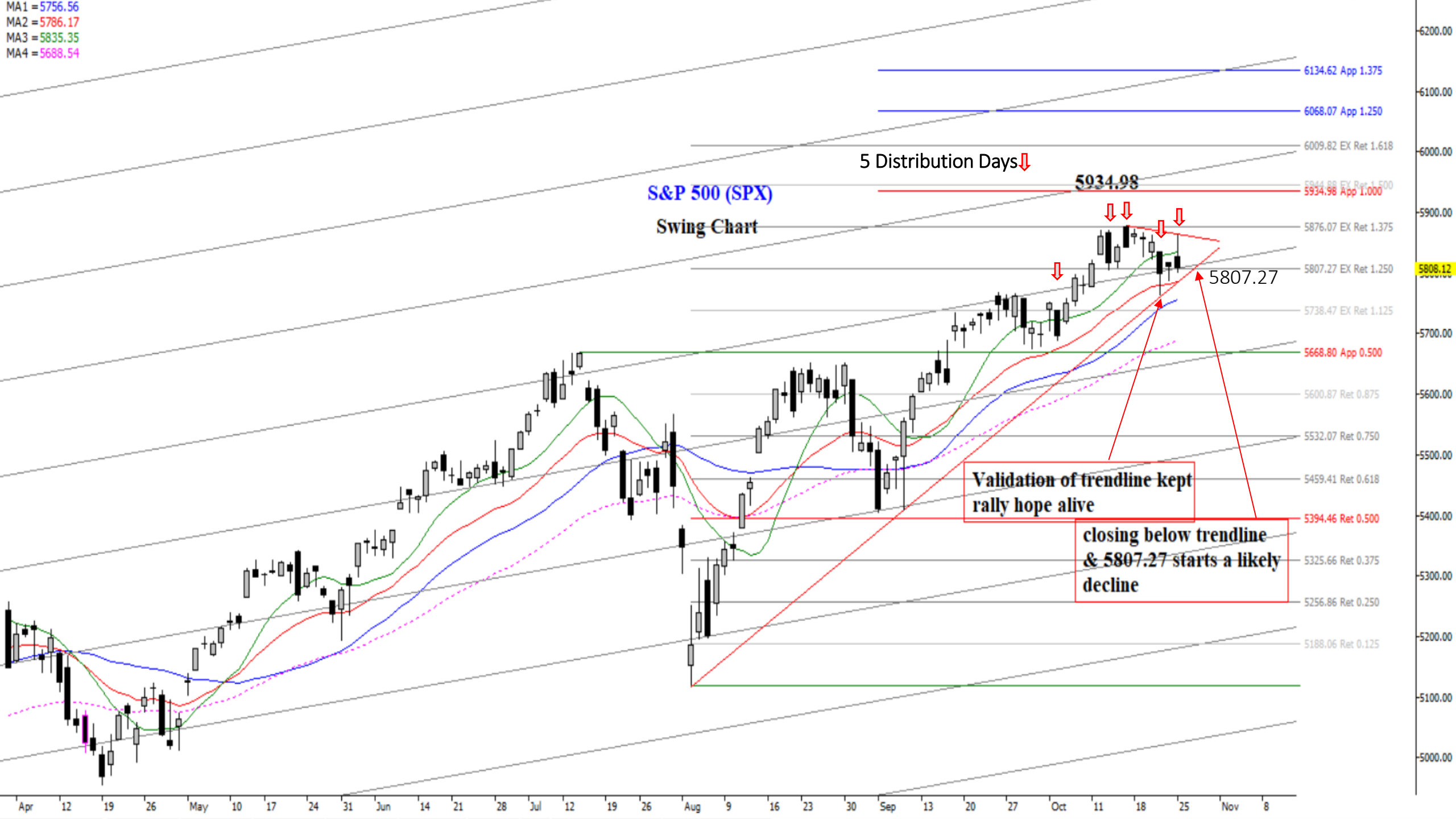
The ability to close back above 5807.27 led to a powerful Friday morning rally that started fading after the first hour of trading. The remaining day's selloff finished the day at 5808.12. Concluding the week with mounting distribution and a close less than a point above the critical Fibonacci support at 5807.27 has put the S&P 500 in jeopardy.

Friday was the fifth distribution day in the past 20 sessions. Five or more distribution days in twenty trading days is often an alert of a potential top. Closing below the critical 5807.27 level will increase the alert's probability.

So far, only two sectors have moved to sell signals during the market's choppy trading, indicating that the market is still being prepared for a top. The **healthcare sector** has been in a sell signal since October 3. **Consumer cyclical** was the only additional sector sell signal on Wednesday's decline. Although the industrial sector didn't give an official sell signal, it is under distribution. I will watch for a potential sell signal in industrial stocks that could occur this week.

Many might credit the consumer cyclical selling to **McDonald's (MCD)**. But overall, **restaurants** remained in a buy. There needed to be more than the MCD selloff to give the restaurant industry group a sell signal. Yet, **recreational vehicles** gave a vicious sell signal with the biggest decline. Stocks like **Harley Davidson (HOG)**, **Polaris (PII)**, and **Winnebago (WGO)** are in sell signals and leading the group lower. Other consumer cyclical contributors included sell signals from **residential construction, apparel stores, home furnishings, footwear, specialty retail, and apparel manufacturing**.

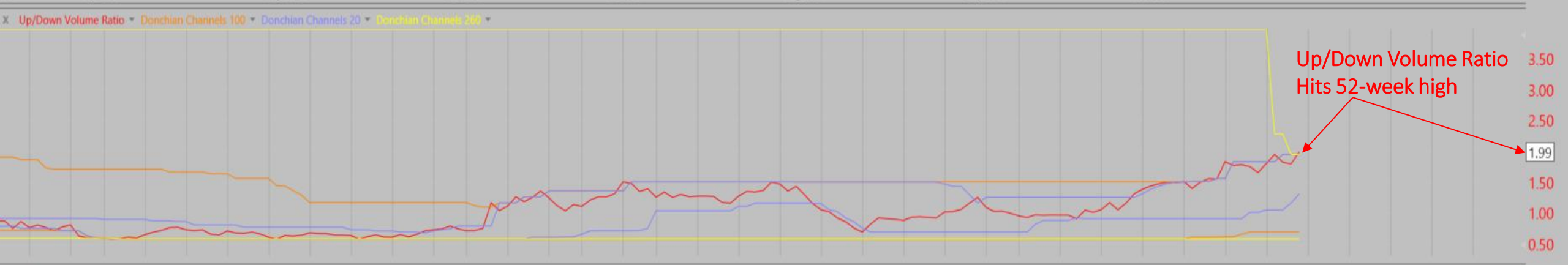
MA1 = 5756.56
MA2 = 5786.17
MA3 = 5835.35
MA4 = 5688.54



Electronic Components Industry Group Update

*The **Electronic Components Industry Group** has the most extensive list of stocks under massive accumulation in the market. Emerging leaders that look like they are ready for another move include **M-tron Industries (MPTI)**, **Graftech Intl (EAF)**, and **Universal Display Corp. (OLED)**.*

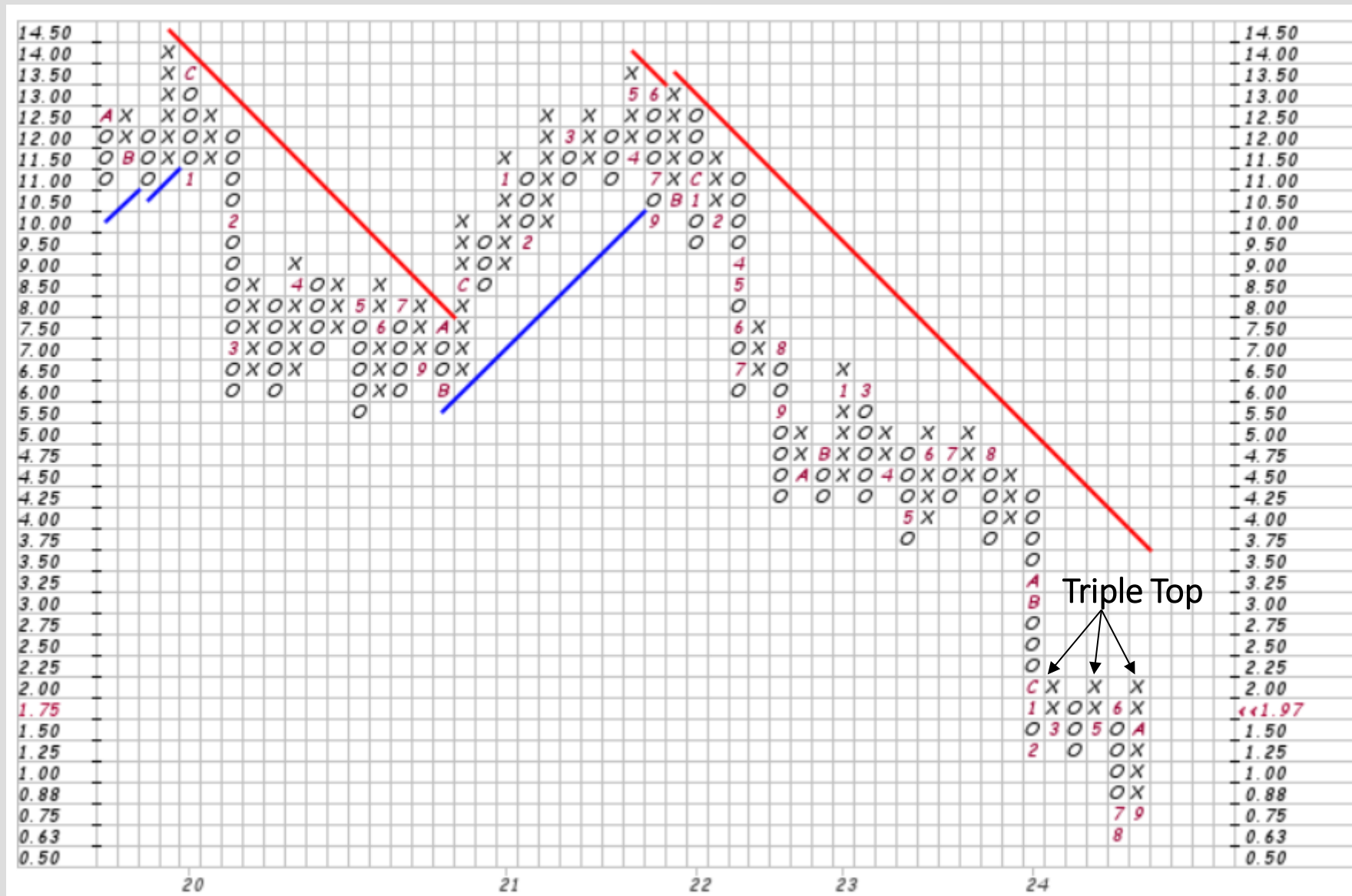
*Other group leaders on the watch list include **Semilux Intl (SELX)**, **Lightbridge Corp. (LTBR)**, and **Acuity Brands (AYI)**.*



Graftech Intl (EAF)

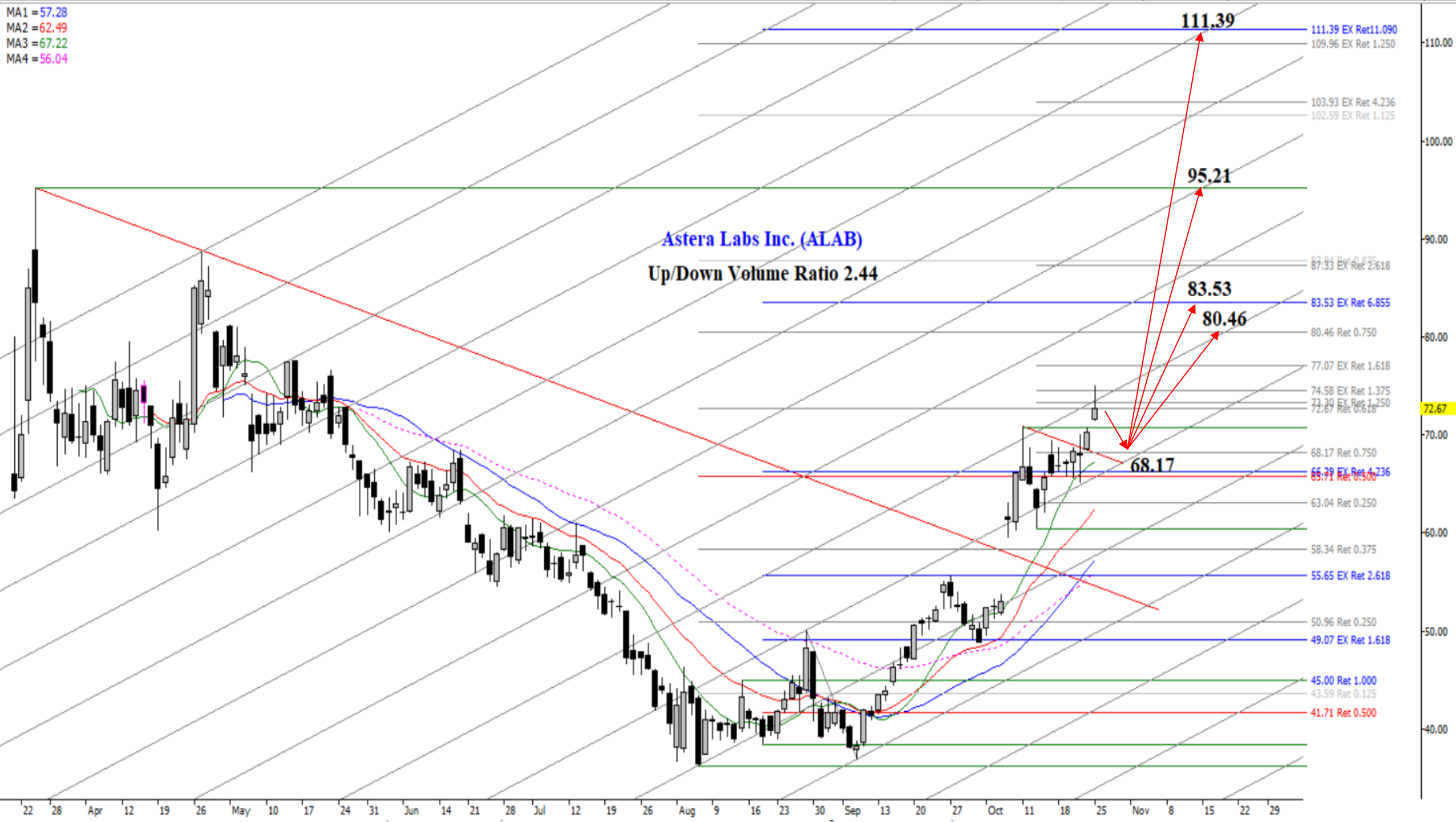


Graftech Intl (EAF)

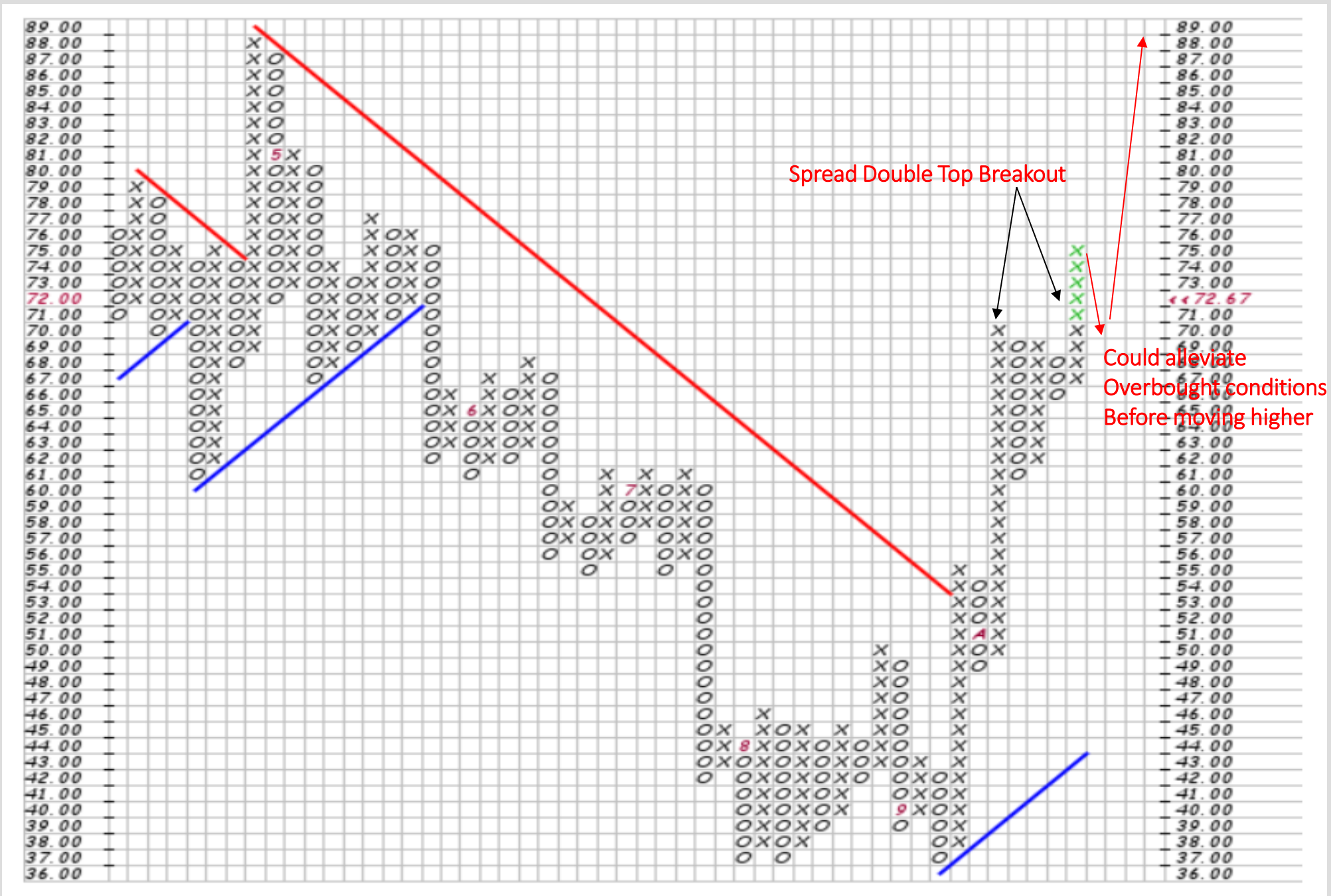


Confirmed Buy: Astera Labs Inc. (ALAB)

- *Industry Group: **Electronic Semiconductor Fabless**: The **Electronic Semiconductor Fabless** industry group gave a buy signal on September 26 and is up +55.54% YTD.*
- ***Astera Labs Inc. (ALAB)** provides silicon-based hardware connectivity solutions and software for AI and cloud infrastructure.*
- ***Astera Labs Inc. (ALAB)** broke out of a Spread Double top on the Point & Figure chart. The move sent the stock to short-term overbought conditions. This week, a throwback into the trendline at 38.17 could occur to alleviate overbought conditions. As semiconductor equipment stock charts like ASML Holdings (ASML) set up for another leg lower, semiconductor fabless companies like Astera Labs Inc. (ALAB) are breaking higher. Momentum and accumulation have been building after Wednesday's purchase of ALAB. Since the stock went public in March, the up/down volume ratio has soared to the highest level. On Friday, ALAB broke out from the handle of its primary IPO base. Closing above the handle under massive accumulation often sends shares to primary base highs. A Test of the high will occur at 95.21.*
- *Position Started at 2-stars(**).*
- *Astera Labs Inc. (ALAB) was purchased at 68.21*
- *Astera Labs Inc. (ALAB) is undergoing significant accumulation, with an Up/Down Volume Ratio of 2.44.*
- *Astera Labs Inc. (ALAB) closed at 72.67.*
- *Astera Labs Inc. (ALAB) anchored VWAP is at 59.04.*
- *The Fibonacci sell targets: 1st target 80.46; 2nd target 83.53; 3rd target is 95.21; 4th target is 109.96; 5th target is 111.39.*
- *Stop price: Close below 65.71.*



Astera Labs Inc. (ALAB)



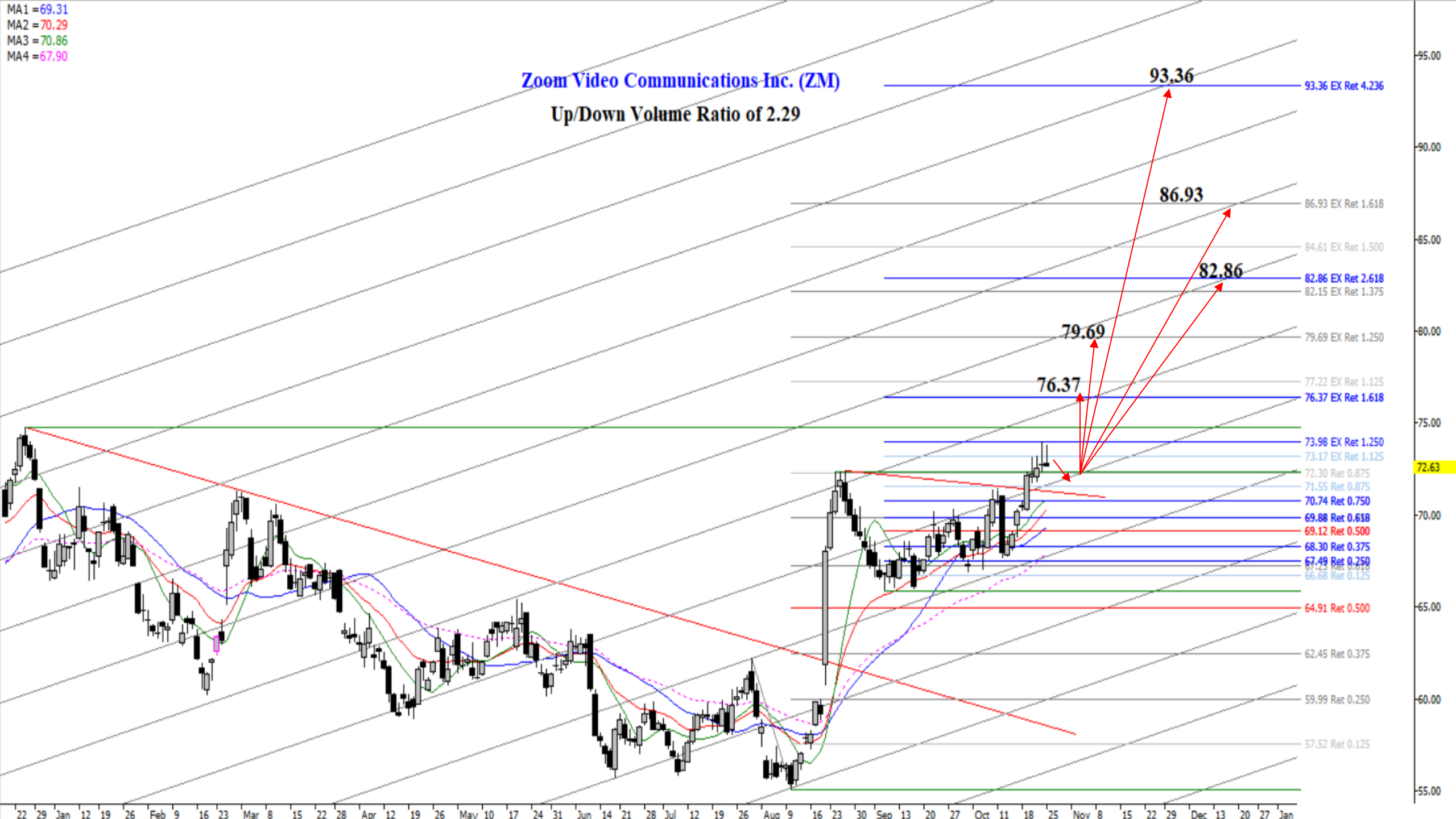
Buy candidate: Zoom Video Communications Inc. (ZM)

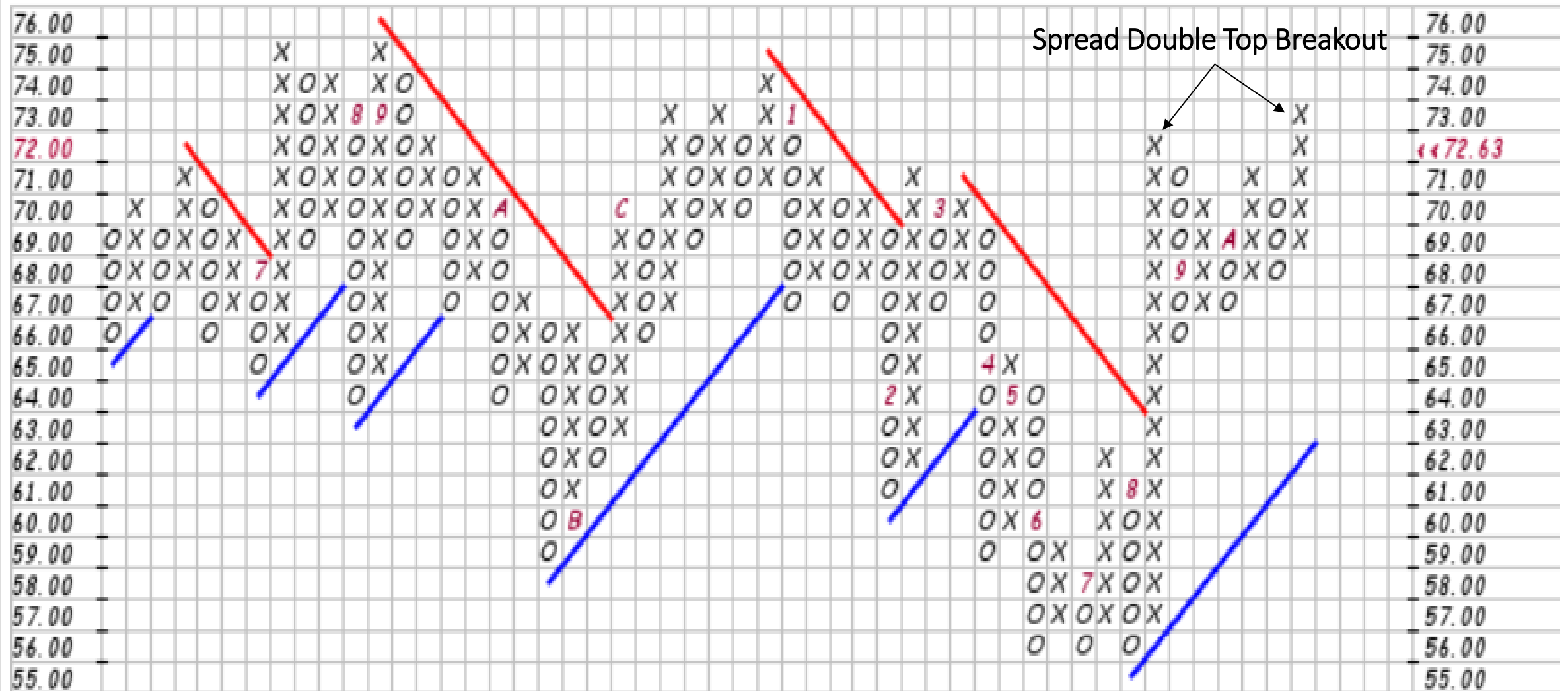
- *Industry Group: Computer Software Enterprise: The Computer Software Enterprise industry group gave a buy signal on October 11 and is up +2.32% YTD.*
- *Zoom Video Communications Inc. (ZM) is a cloud-based software platform for video conferencing.*
- *Zoom Video Communications Inc. (ZM) is completing the handle of a ten-month base that started in December 2023 and broke a Spread Double Top on the Point & Figure chart at 73.00. The two strong technical patterns with massive accumulation indicate significantly higher prices. The strength in software stocks continues to create emerging leaders like ZM.*
- *Wait for text confirmation!*
- *I will likely start the SND position at 2 stars (**).*
- *Zoom Video Communications Inc. (ZM) is undergoing significant accumulation, with an Up/Down Volume Ratio of 2.29 at a 52-week high.*
- *Zoom Video Communications Inc. (ZM) closed at 72.63.*
- *Zoom Video Communications Inc. (ZM) anchored VWAP is at 187.39.*
- *The Fibonacci sell targets: 1st target 76.37; 2nd target 79.69; 3rd target is 82.86; 4th target is 86.93; 5th target is 93.36.*
- *Stop price: Close below 69.12.*

MA1 = 69.31
MA2 = 70.29
MA3 = 70.86
MA4 = 67.90

Zoom Video Communications Inc. (ZM)

Up/Down Volume Ratio of 2.29





Confirmed Buy: Rubrik Inc. (RBRK)

- *Industry Group: **Computer Software Security**: The **Computer Software Security** industry group gave a buy signal on Thursday, October 10, and is down -2.65% YTD.*
- ***Rubrik Inc. (RBRK)** is cloud-based security software that protects data, monitors data risk, and recovers data and applications from cyberattacks.*
- ***Rubrik Inc. (RBRK)** is completing the handle of a Primary base cup-with-handle formation. The breakout is occurring with the highest up/down volume ratio since going public. The massive accumulation indicates a successful primary base breakout and substantially higher prices. RBRK also breaks out of a Spread Double top on the Point & Figure chart. The pattern often leads to powerful moves out of an IPO Primary base.*
- *Position Started at 1-star(*).*
- *Rubrik Inc. (RBRK) was purchased at 40.08.*
- *Rubrik Inc. (RBRK) is undergoing significant accumulation, with an Up/Down Volume Ratio of 2.07 at all-time highs.*
- *Rubrik Inc. (RBRK) closed at 39.40.*
- *Rubrik Inc. (RBRK) anchored VWAP is at 33.96.*
- *The Fibonacci sell targets: 1st target 41.73; 2nd target 42.92; 3rd target is 47.21; 4th target is 49.53 5th target is 36.91*
- *Stop price: Close below 36.91.*

MA1 = 35.02
MA2 = 37.10
MA3 = 39.13
MA4 = 35.20

Rubrik Inc. (RBRK)

Computer Software Security

Up/Down Volume Ratio of 2.07



Rubrik Inc. (RBRK)

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