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Trading Floor Research

Welcome to the
—— Trading Floor ——

08/30/26

This Trading Floor Research report contains:

Basic Materials Sector Update

5E Advanced Materials (FEAM)

Quantum Corp. (QMCO)

ProShares UltraShort Utilities (SDP)

Basic Materials Sector Update

The **basic materials sector** pulled back to the strong Fibonacci 3/4 level on Friday, aligning with a throwback into its descending trendline from the March 3 high. This confluence of technical support provides a strong area for the retracement to end and the powerful uptrend to resume.

Despite Friday's pullback on a distribution day, basic materials remain in a strong accumulation position, with eight accumulation sessions versus just three distribution days over the past twenty trading sessions.

Gold miners, copper miners, and industrial metals continue to demonstrate significant strength within the basic materials sector. Both gold miners and industrial metals groups experienced their first distribution day in the past 20 sessions; for gold stocks specifically, there have been twelve accumulation days over the same period, highlighting their remarkable strength and potential for significantly higher prices.

Aside from Friday, the pullback in **gold miners** has been orderly, with support holding at a confluence of Fibonacci levels and the rising M-1 line—creating a strong area for the uptrend to resume. I continue to maintain my position in **Tower Hill Mines (THM)** and plan to increase my allocation to other gold stocks as new leaders emerge in the coming days.

The **industrial metals group** also saw its first distribution day in twenty sessions, but eight accumulation days during that period keep the group in solid overall accumulation. Friday's pullback found support at the Fibonacci 2.618 expansion and the strong 3/4 level—key zones for the uptrend to resume.

I continue to hold a small position in **IMC Rare Earths (IMC)** and plan to increase it back to a full position once I receive confirmation. Last week, I purchased **5E Advanced Materials (FEAM)**, which shows strong potential to move higher and is highlighted in this report.

Basic Materials Sector



Gold Miners Group



Industrial Metals Group



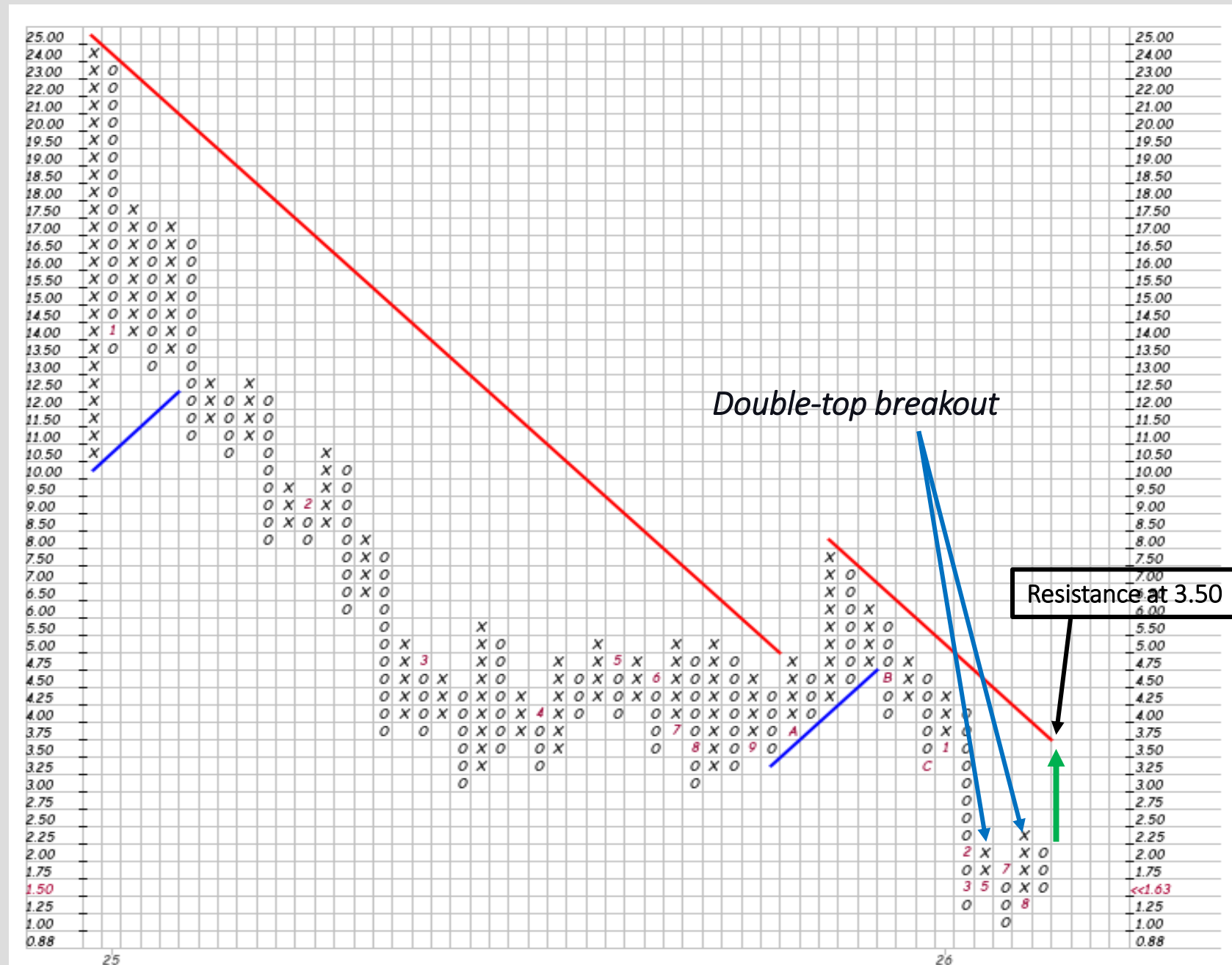
Confirmed Buy: 5E Advanced Materials (FEAM)

- **Sector/ Industry Group: Basic Materials/ Industrial Metals.** The **basic materials sector** extended its strong run, leading the market higher on both Monday and Wednesday. Last week's breakout to new five-month highs was confirmed by strong accumulation, signaling the potential for much higher prices ahead. **Copper, industrial metals, silver, and gold miners** once again led the advance. To capitalize on this momentum, I added **5E Advanced Materials (FEAM)** after its latest breakout confirmation.
- **5E Advanced Materials (FEAM)** produces boric acid, lithium carbonate, and advanced derivatives like magnet-grade ferroboron—critical for defense, EVs, renewables, and electronics.
- The **industrial metals & minerals group** has triggered five buy signals in the last 15 sessions, driving my **IMC Rare Earths (IMC)** position significantly higher and setting up **5E Advanced Materials (FEAM)** for a potential major move. FEAM's breakout from a cup-with-handle base that began in May came on the highest volume since its direct NASDAQ IPO in March 2022. A powerful double-top breakout on the point-and-figure chart underscores strong demand and signals the potential for substantially higher prices.
- 5E Advanced Materials (FEAM) position was started at 1/2-star.
- 5E Advanced Materials (FEAM) *was purchased at 1.69.*
- 5E Advanced Materials (FEAM) *is undergoing significant accumulation, reaching 100-day highs.*
- 5E Advanced Materials (FEAM) closed at 1.65.
- 5E Advanced Materials (FEAM) *has an anchored VWAP of 13.50.*
- **The Fibonacci sell targets:** 1st target 1.94; 2nd target 2.11; 3rd target is 2.41; 4th target is 2.86; 5th target is 4.07.
- *Stop price: Close below 1.35.*

5E Advanced Materials (FEAM)



5E Advanced Materials (FEAM)



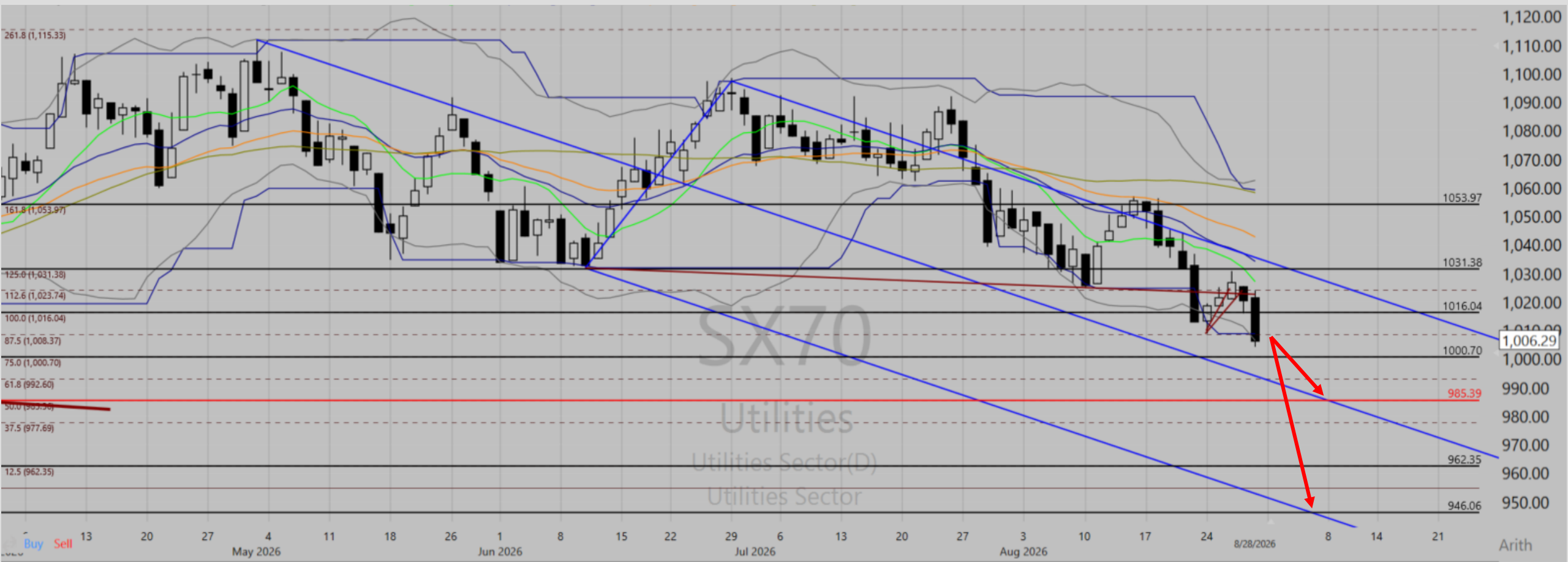
Confirmed Buy: ProShares UltraShort Utilities (SDP)

- **ProShares UltraShort Utilities (SDP) ETF Position:** This trade is structured to deliver twice the inverse daily performance of **the Utilities Sector**, effectively providing 2x downside exposure to Utilities.
- The **utilities sector** has experienced multiple sell signals since its initial signal on March 20, with the most critical occurring on August 21, when the sector closed below the March low and broke its key trendline. A three-session retracement followed, taking price back into the broken trendline before stalling at the critical Fibonacci 1.25 expansion. Last week's close below the 1.25 Fibonacci expansion set the stage for steeper declines, and the inability to reclaim this level increases the probability of further downside. Thursday's distribution confirmed Friday's next leg lower, with selling on both days raising the distribution count to six in the past twenty sessions. Historically, five distribution days in twenty sessions often signals a sector top. Persistent distribution has now driven my accumulation indicator to 18-month lows.
- To capitalize on this setup, I purchased **ProShares UltraShort Utilities (SDP)** after confirmation. SDP broke out of a cup-with-handle base that began on June 1, with accumulation soaring to 19-month highs—clearly reflecting strong demand for SDP, in contrast to the persistent weakness and heavy distribution in the utilities sector.
- The **ProShares UltraShort Utilities (SDP) ETF** position was started at 1/2-star.
- **ProShares UltraShort Utilities (SDP) ETF was purchased at 23.74.**
- **ProShares UltraShort Utilities (SDP) ETF is undergoing significant accumulation, recently breaking to new highs.**
- **ProShares UltraShort Utilities (SDP) ETF closed at 24.37.**
- **ProShares UltraShort Utilities (SDP) ETF has an anchored VWAP of 37.92.**
- **The Fibonacci sell targets:** 1st target 25.28; 2nd target 26.72; 3rd target is 28.18; 4th target is 30.66; 5th target is 37.37
- **Stop price: Close below 22.03.**

ProShares UltraShort Utilities (SDP)



Utilities Sector

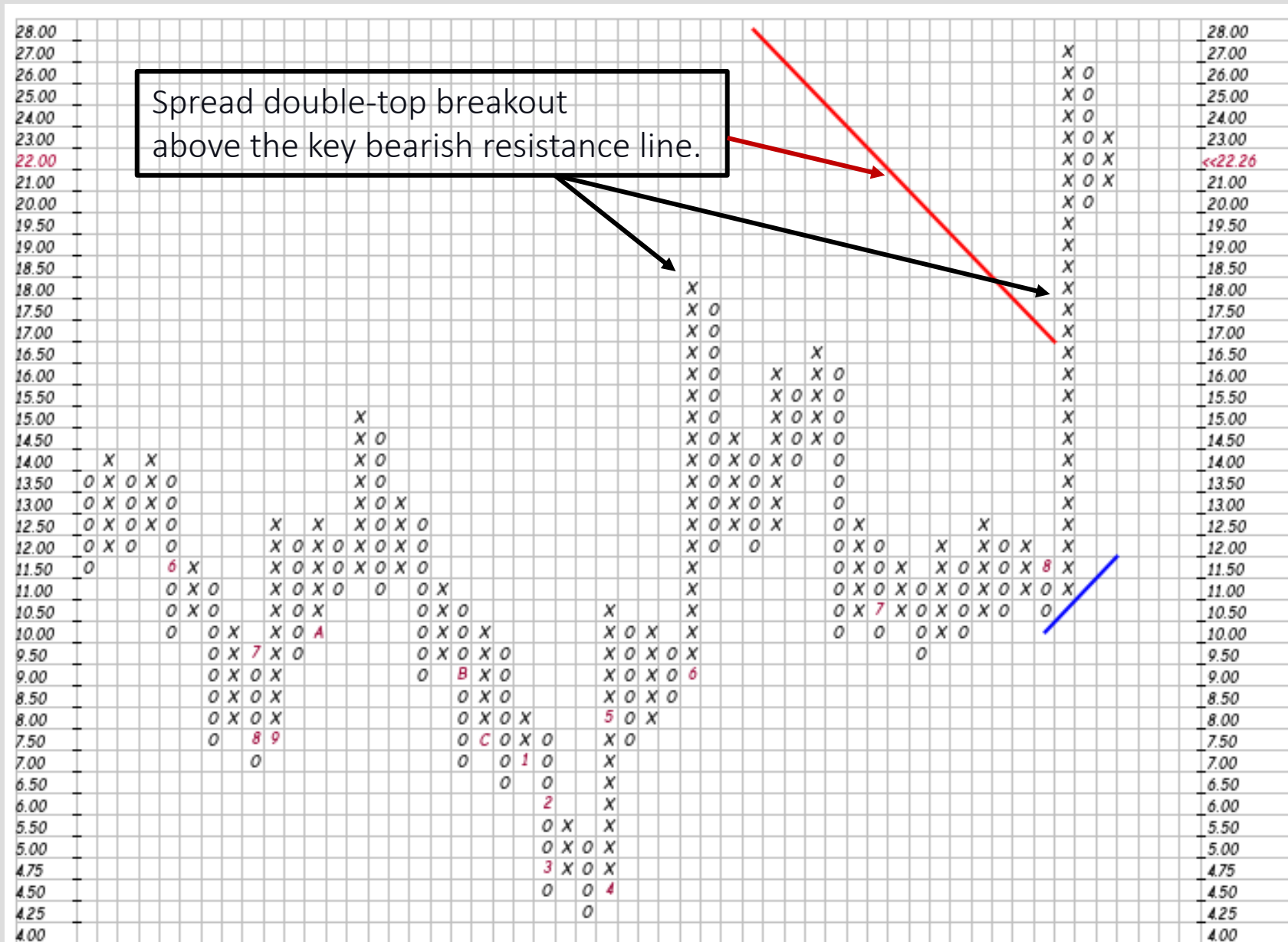


Confirmed Buy: Quantum Corp. (QMCO)

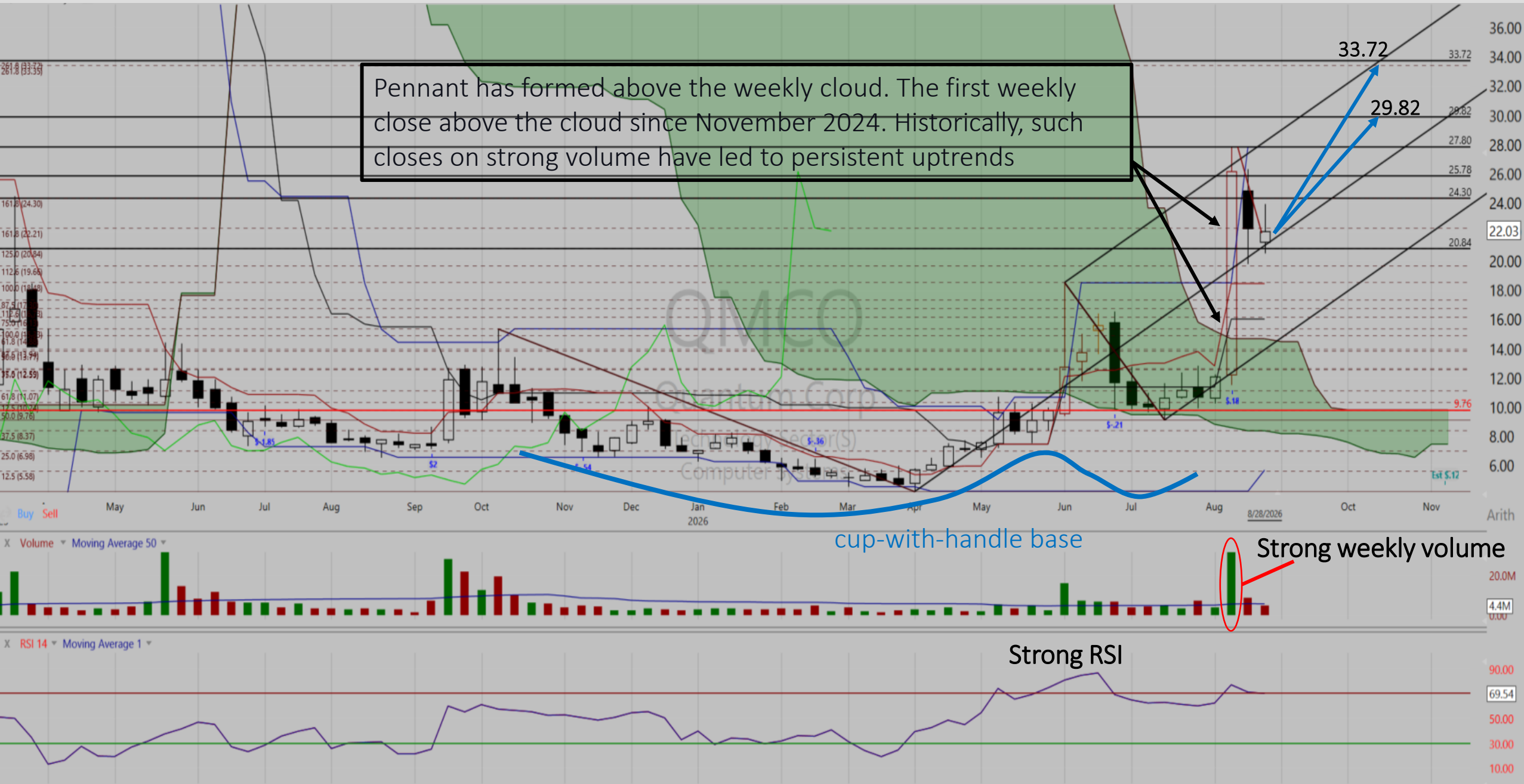
- **Industry Group: Computer Systems.** While the technology sector remains under a sell signal, most of its current strength is coming from the computer systems group, which confirmed a buy signal on August 13. On Wednesday, the group led the technology sector higher with a 2.68% advance, triggering its next move from the handle of a cup-with-handle base that has been forming since June 22. Accumulation is supporting the move, though additional strength in the indicator would be ideal. To capitalize on the group strength, I purchased **Quantum Corp. (QMCO)** after its breakout confirmation.
- **Quantum Corp. (QMCO)** provides storage solutions for capturing, protecting, and archiving unstructured data. Over the past 40 years, it has evolved from traditional hard drives to advanced, multi-tier storage architectures tailored for the AI era.
- QMCO broke out of an extended cup-with-handle base that began in October 2025, with massive volume driving accumulation to four-year highs. Over the past three weeks, QMCO has formed a pennant to relieve overbought conditions, and Wednesday's confirmation from this setup points to the potential for substantially higher prices. Notably, the pennant has formed above the weekly cloud—QMCO's first weekly close above the cloud since November 2024. Historically, such closes on strong volume have led to persistent uptrends; the last break above the cloud in November 2024 resulted in a 421% gain in five weeks. A spread double-top breakout above key bearish resistance on the point & figure chart underscores the surge in demand and the increased likelihood of higher prices.
- On Thursday, **Quantum Corp. (QMCO)** reached its first Fibonacci target at 23.76, prompting me to sell one-third of my position for a 7.0% gain.
- The **Quantum Corp. (QMCO)** position was started at 1/2-star.
- **Quantum Corp. (QMCO) was purchased at 22.21.**
- **Quantum Corp. (QMCO) is undergoing significant accumulation and is approaching 52-week highs.**
- **Quantum Corp. (QMCO) closed at 22.03.**
- **Quantum Corp. (QMCO) has an anchored VWAP of 17.81.**
- **The Fibonacci sell targets:** 1st target 23.76; 2nd target 24.30; 3rd target is 25.78; 4th target is 27.80; 5th target is 29.82; 6th target is 33.72.
- **The Stop price is a Close below 20.84.**

Quantum Corp. (QMCO)





Quantum Corp. (QMCO) Weekly Chart



Computer Systems



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