



TFR

# Trading Floor Research

Welcome to the  
—— Trading Floor ——



## This Trading Floor Research report contains:

Market and Sector Update

Direxion Daily Utilities Bull 3X (UTSL)

*DiDi Global Inc. (DIDIY)*

*Full Truck Alliance Co. LTD (YMM)*

## Market Update

On Friday, all three indexes, **QQQ**, **SPX**, and **Russell 2000**, tested the underside of the 50-day simple moving average.

Many market observers mischaracterize the 50-day SMA as support and resistance. It is not a measure of price support or resistance. It is a measure of trend and is correctly used by market technicians for crossover signals.

With all three indexes probing the 50-day SMA simultaneously, it becomes a significant test of the market's ability to cross over and resume the bull trend.

However, I have observed that many bear markets will begin with a final test of the 50-day trend before they start their critical fall. The difference in the ability to cross over and confirm the bull trend and failure comes from distribution and accumulation.

The three indexes that rallied to test the underside of the 50-day trend are experiencing significant distribution. A substantial up day like Friday should be accompanied by massive volume. However, all three indexes closed with volume slightly below average, failing to confirm the next move higher. Last week's highest volume days were down days, and on Friday, the S&P 500 Up/Down Volume indicator hit a new 100-day low as the price surged higher.

Given the market's current distribution, a retest of the 50-day trend is likely to result in a downward move. There is always the possibility that volume will confirm a bullish crossover of the 50-day SMA. That is why I am sitting on the sidelines and letting the market tell me the next move. If I receive confirmation of a move lower from this level, I plan to repurchase the **ProShares UltraPro Short QQQ (SQQQ)** and the **Direxion Small Cap Bear 3x (TZA)**, aligning my investment strategy with the market's trend.

MA1:30,Exp,HL,Shift0 = 431.58  
MA2:20,Exp,HL,Shift0 = 430.18  
MA3:10,Simple,HL,Shift0 = 426.31  
MA4:50,Simple,HL,Shift0 = 436.60

NASDAQ 100 (QQQ)

Up/Down Volume Ratio of .93 at 100-day lows





## Sector & Industry Group Update

Industry group buy signals were confirmed last week in **specialty retail, education & training services, and electronic gaming & multimedia.**

The group confirmations were entirely based on the strength of **Chinese** stocks. Specialty retail was the result of emerging leaders that included **JD.com (JD), Alibaba Group (BABA), Baozun Inc. (BZUN), and Dada Nexus (DADA).** The buy signals in **Sohu.com (SOHU)** and **Bilibili Inc. (BILI)** led to the confirmation of Electronic Gaming & Multimedia.

In last Sunday's TFR report, I mentioned the strength I see in the Chinese market. Last week, the strength continued to broaden, and now it includes the **Hang Seng Tech Index** and the **MSCI China Technologies Sub-Industries Select Capped Index.**

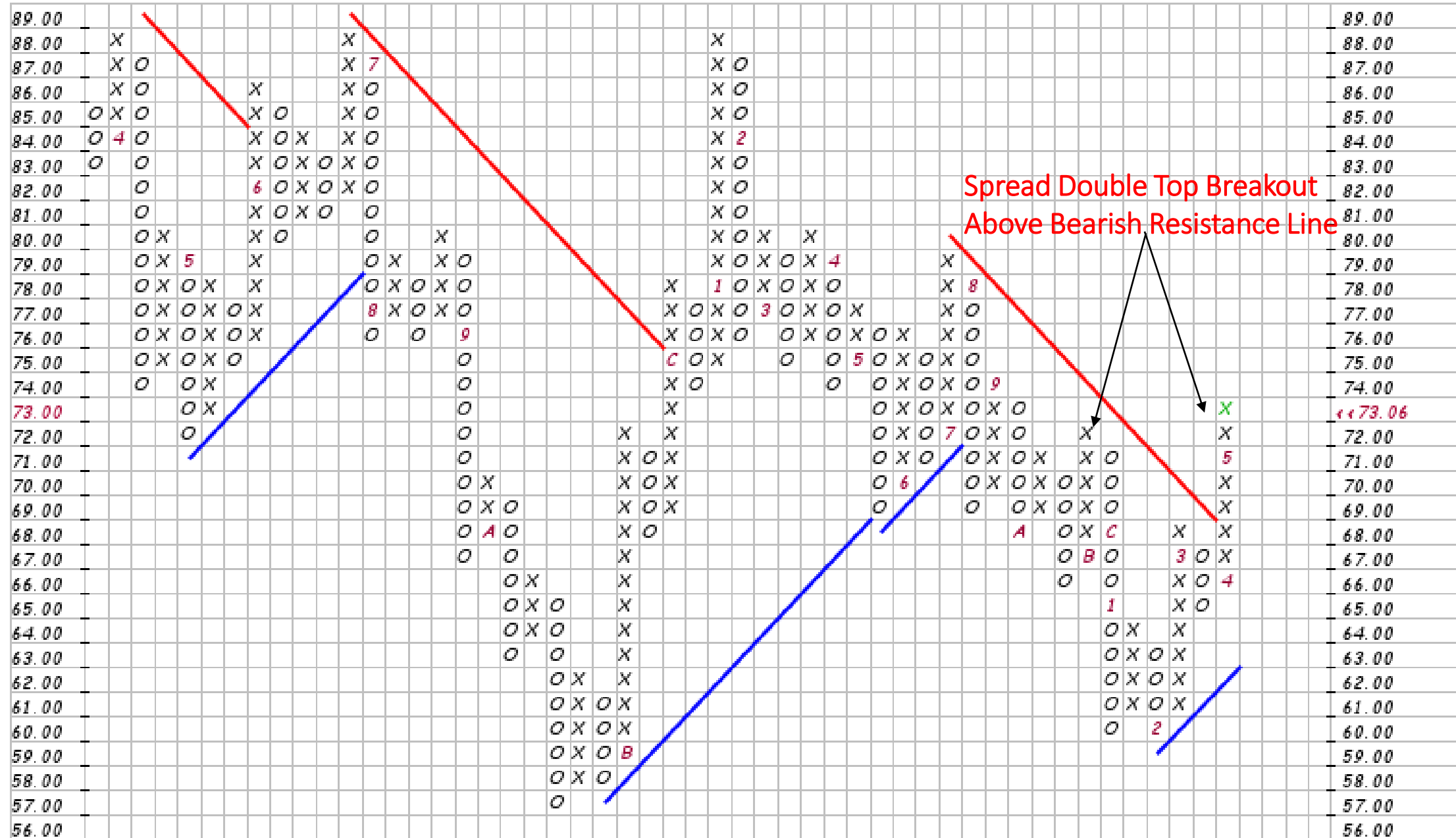
So far, I have purchased **DiDi Global (DIDIY)** and **Full Truck Alliance Co. Ltd (YMM)** to capitalize on China's strength. Many more opportunities should follow in the next few days.

Last week, the **utilities sector** showed the most persistent sector strength and accumulation. I see a strong rotation into it.

Last week, four of five utility industry groups gave a buy signal. **Independent power producers, regulated electricity, regulated water, and diversified power** showed fantastic accumulation. Utility stocks finished the week overbought, and I am looking for a pullback to Fibonacci support over the next few days. The likely pullback should offer low-risk entry.

I am focused on emerging opportunities within the sector and will purchase the **Direxion Utilities Bull 3x (UTSL)** once I get confirmation. UTSL is highlighted in today's report.

# SPDR S&P China (GXC)



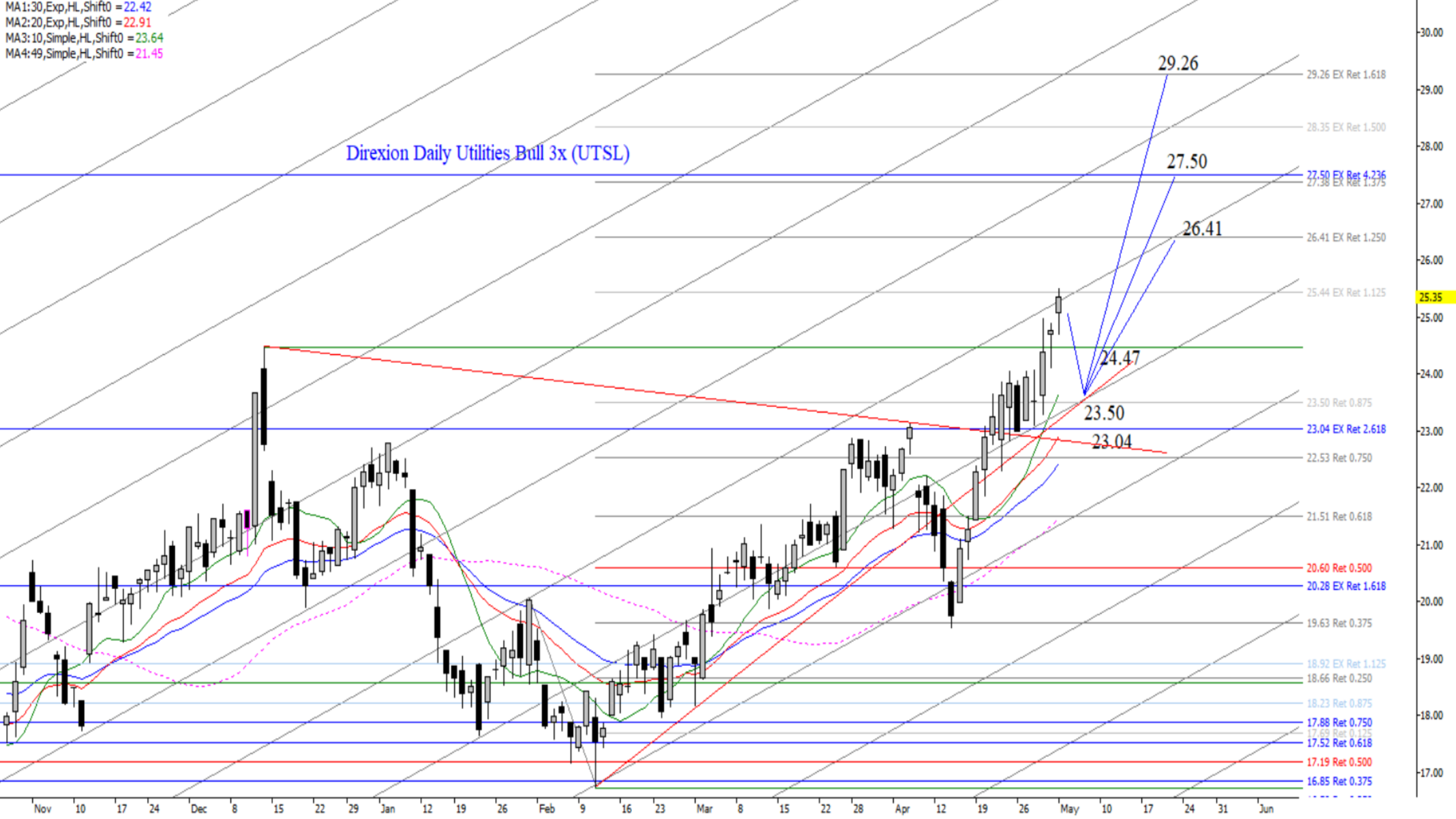
**Buy candidate: Direxion Utilities BULL 3X (UTSL)**

- **Portfolio: Utilities Sector.** This ETF corresponds to 3x the move in the Utilities Select Sector Index.
- **Direxion Utilities BULL 3X (UTSL)** trade is designed to increase when the Utilities Select Sector Index moves higher. The Utilities sector's Up/Down Volume ratio making a 100-day high indicates higher prices.
- **Direxion Utilities BULL 3X (UTSL)** completed a **Spread Double Top Breakout** on the point-and-figure chart above the bearish resistance line at 25.00.
- **Direxion Utilities BULL 3X (UTSL)** broke its downward-sloping trendline from the December high, and the handle of its cup-with-handle base was above Fibonacci resistance at 23.04. **UTSL finished the week overbought, and I am looking for a pullback to Fibonacci at 24.47, 23.50, or 23.04, where I will purchase at low-risk entry when I get confirmation.**
- **Wait for text confirmation!**
- **Start position at 2-star(\*\*).**
- **The Up/Down Volume of the Utilities Sector is under massive accumulation at 1.94, hitting 100-day highs.**
- **Direxion Utilities BULL 3X (UTSL) closed at 25.35.**
- **Direxion Utilities BULL 3X (UTSL) Anchored VWAP is at 27.41.**
- **Sell target price: 1<sup>st</sup> target is 26.41; 2<sup>nd</sup> target is 27.50; 3<sup>rd</sup> target is 29.26.**

**Stop sell price: Close below 21.84.**

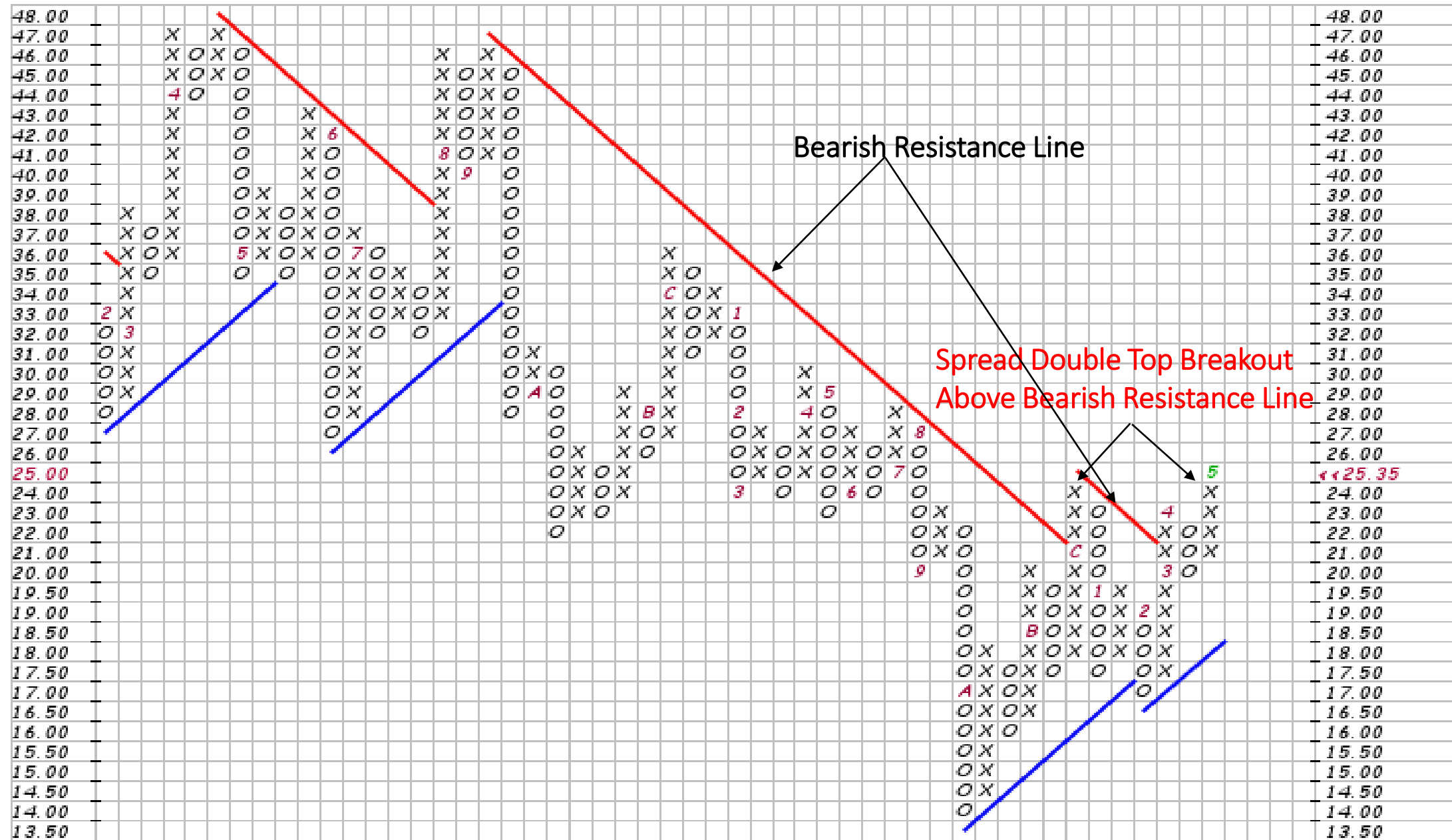
MA1:30,Exp,HL,Shift0 = 22.42  
MA2:20,Exp,HL,Shift0 = 22.91  
MA3:10,Simple,HL,Shift0 = 23.64  
MA4:49,Simple,HL,Shift0 = 21.45

# Direxion Daily Utilities Bull 3x (UTSL)





# Direxion Utilities BULL 3X (UTSL)



## Confirmed Buy: DiDi Global Inc. (DIDIY)

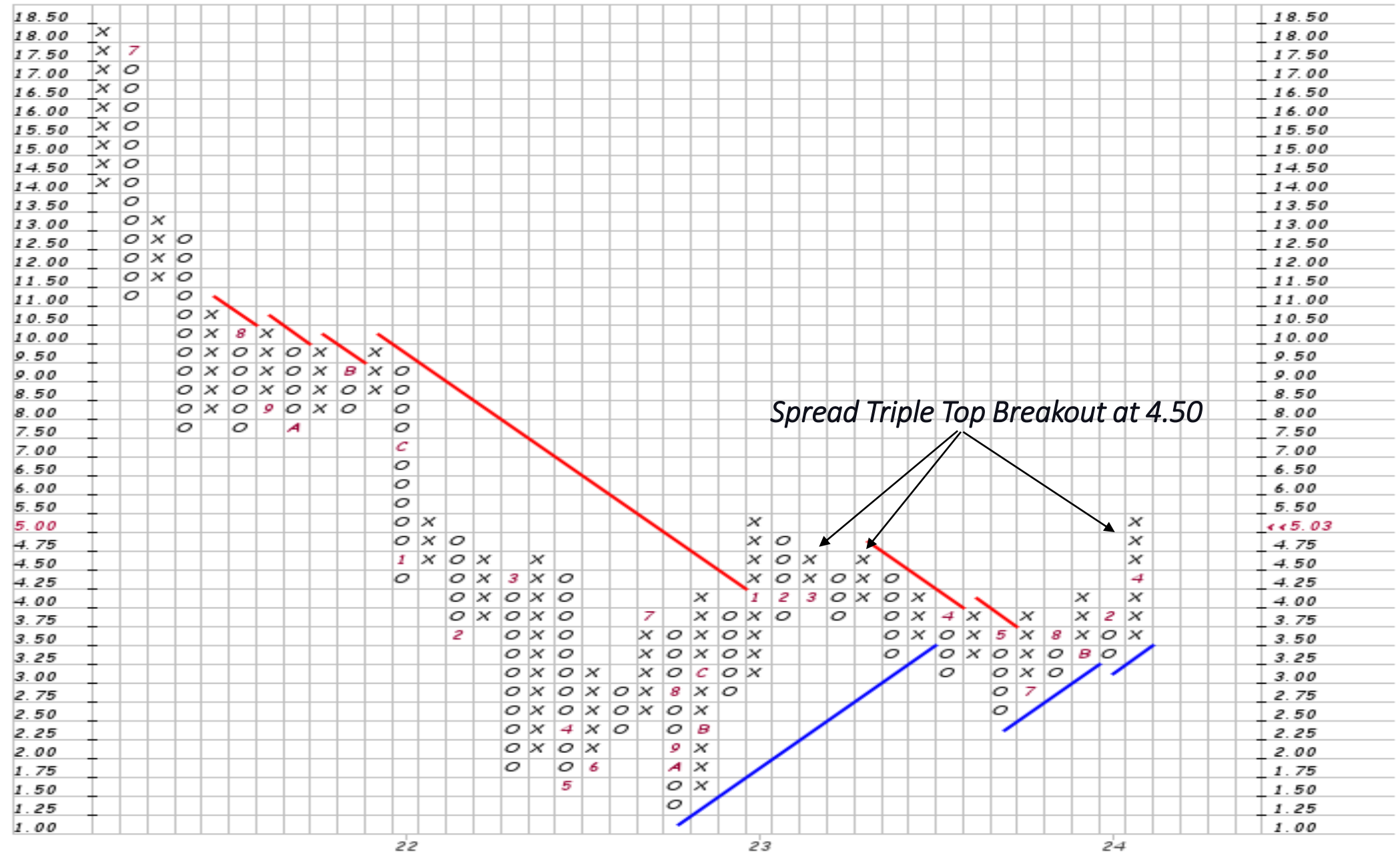
- *Market: China. Last week, Chinese stocks were the leading world markets with a 5.6% gain. China is up 13.7% YTD and confirmed a buy signal of April 24.*
- *DiDi Global Inc. (DIDIY) is Headquartered in China and offers mobility technology for autonomous driving.*
- *DiDi Global Inc. (DIDIY) completed a point-and-figure Spread Triple Top Breakout at 4.50 and will complete another at 5.50, which should set the stock considerably higher. DIDIY was purchased at 5.05 as it confirmed the high handle of a cup-with-handle base that began in March 2023.*
- *The position was started at 1-star(\*).*
- *DiDi Global Inc. (DIDIY) is undergoing massive accumulation, with an Up/Down Volume Ratio of 1.68, at 100-day highs.*
- *DiDi Global Inc. (DIDIY) was purchased at 5.05.*
- *DiDi Global Inc. (DIDIY) Anchored VWAP is at 3.81.*
- *Fibonacci target prices: VWAP Resistance at 5.22; 1st target between 5.75-5.98; 2nd target between 7.77-7.98; 3<sup>rd</sup> target between 11.04-11.18.*
- *Stop price: Close below 4.75.*

MA1:30,Exp,HL,Shift0 = 4.55  
MA2:20,Exp,HL,Shift0 = 4.71  
MA3:10,Simple,HL,Shift0 = 4.88  
MA4:50,Simple,HL,Shift0 = 4.21

DiDi Global Inc. (DIDIY)  
Up/Down Volume Ratio of 1.68



# DiDi Global Inc. (DIDIY)





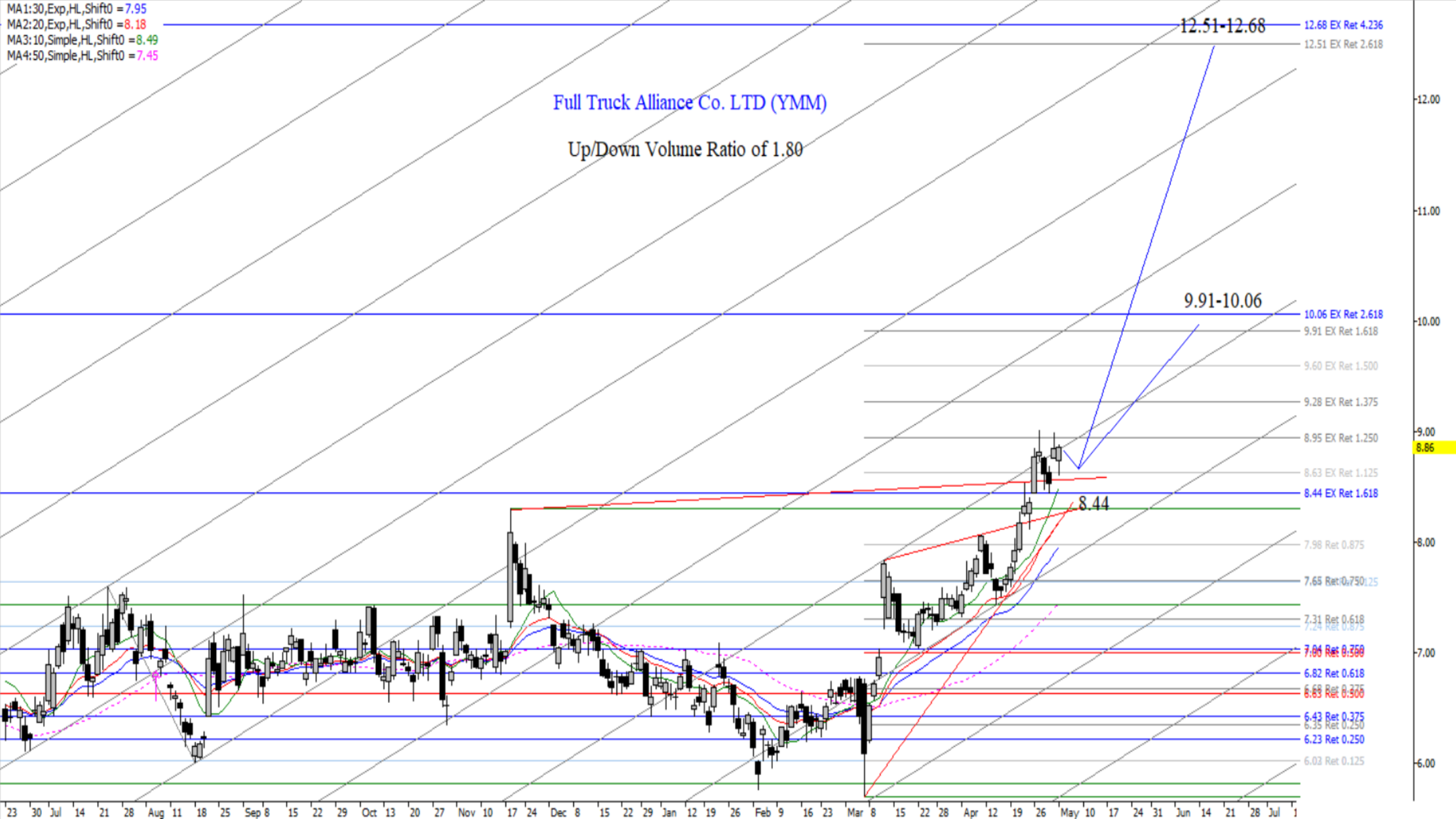
## Confirmed Buy: Full Truck Alliance Co. LTD (YMM)

- Market: **China**. Last week, Chinese stocks were the leading world markets with a 5.6% gain. China is up 13.7% YTD and confirmed a buy signal of April 24.
- **Full Truck Alliance Co. LTD (YMM)** is a Chinese company that provides AI technology for logistics and freight truck services.
- **Full Truck Alliance Co. LTD (YMM) completed a point-and-figure Double Top Breakout above the bearish resistance line at 8.50.** After breaking out of a cup-with-handle base that began in November 2023, YMM pulled back to the weak 1.125 Fibonacci retracement at 8.63 and bounced to confirm its next move higher. Bouncing off weak numbers can lead to explosive moves.
- Started position at 1-star(\*)).
- Full Truck Alliance Co. LTD (YMM) is undergoing massive accumulation, with an Up/Down Volume Ratio of 1.80. It hit a new 100-day high on Friday.
- Full Truck Alliance Co. LTD (YMM) was purchased at 8.77 and closed at 8.87.
- Full Truck Alliance Co. LTD (YMM) **Anchored VWAP** is at 8.19.
- **Fibonacci target prices:** Resistance at 8.95; 1st target at 9.91-10.06; 2nd target at 12.51-12.68; 3<sup>rd</sup> target at 16.71-16.73.
- **Stop price:** Close below 8.44.

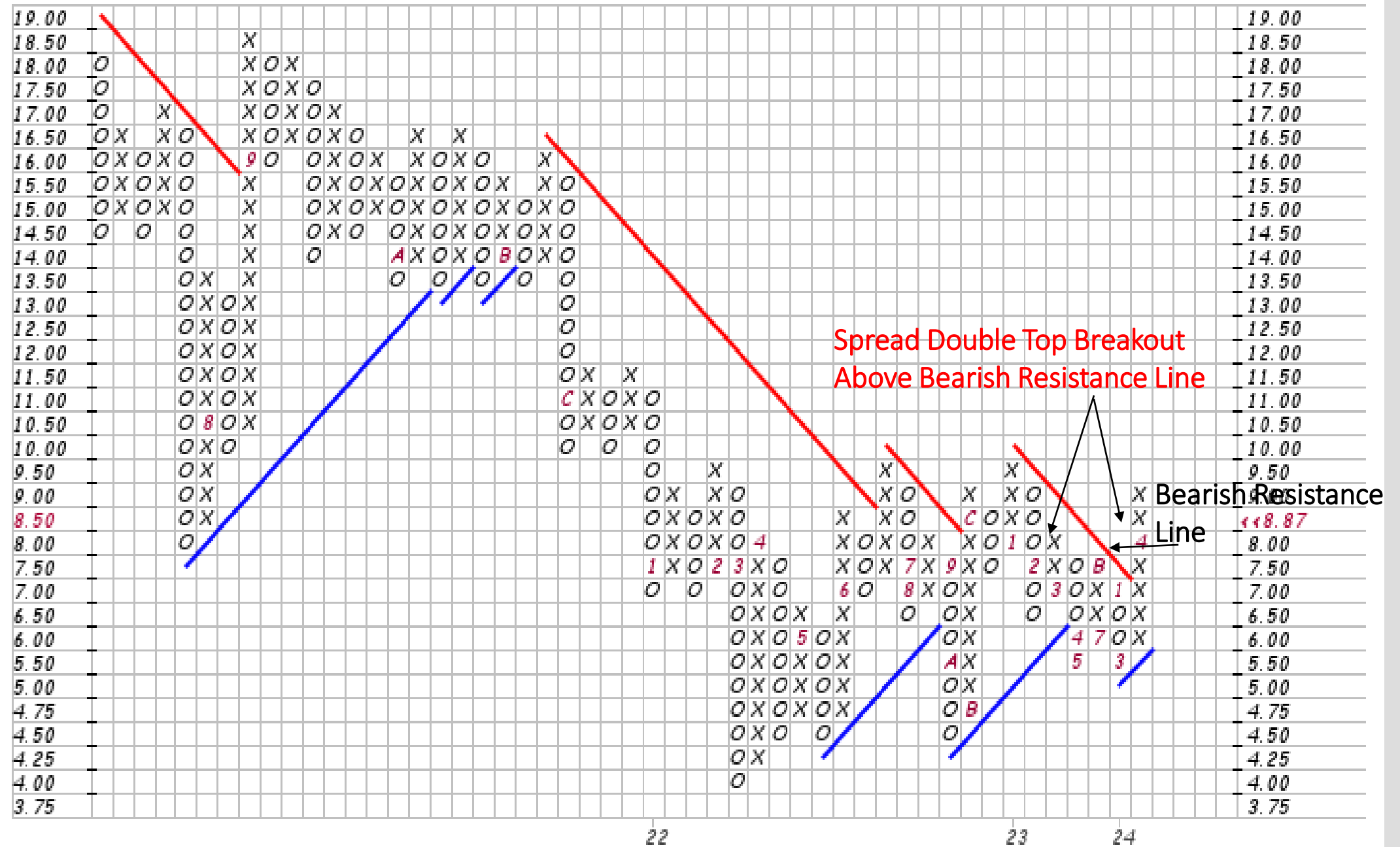
MA1:30,Exp,HL,Shift0 = 7.95  
MA2:20,Exp,HL,Shift0 = 8.18  
MA3:10,Simple,HL,Shift0 = 8.49  
MA4:50,Simple,HL,Shift0 = 7.45

Full Truck Alliance Co. LTD (YMM)

Up/Down Volume Ratio of 1.80



# Full Truck Alliance Co. LTD (YMM)



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