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Trading Floor Research

Welcome to the
—— Trading Floor ——

11/02/25



This Trading Floor Research report contains:

S&P 500 and Sector Update

Tuttle Capital 2x Inverse Regional Banks ETF (SKRE)

Hongli Group (HLP)

S&P 500 Update

*Last week, I highlighted the convergence of Fibonacci levels for the **S&P 500** at two key points: the 2.618 expansion from the January 2022 to October 2022 range, at **6965.77**, and the 1.618 expansion from the February 2025 to April 2025 range, at **6958.35**.*

These levels represent a significant upside target and together form a substantial wall of resistance that is likely to be difficult to overcome.

However, last week's progress stalled at a convergence of Fibonacci levels derived from more recent, smaller bases. The 2.618 Fibonacci expansion from the three-day selloff on September 23 held the S&P 500 in check and triggered a reversal, leading to the formation of an evening star on the weekly chart.

*This evening star pattern often signifies a stalemate between bulls and bears. Combined with a reversal happening at the 2.618 Fibonacci expansion level of 6910.35, it usually indicates a higher probability of a continued retracement. For the S&P 500 to move lower, it first needs to close below the 1.25% Fibonacci expansion level at **6818.03**. So far, this level has held as support on Thursday and Friday.*

Conversely, if the S&P 500 closes above 6910.35, we are likely to see a test of the Fibonacci significant upside target between 6958.35 and 6965.77.

S&P 500 Update



Sector Update

*Last week, the **S&P 500** declined, with weakness evident across all sectors I previously identified as having sell signals.*

***Technology** stocks remain the primary factor preventing a complete market collapse. A notable decline in technology shares primarily drove the significant selloff on Thursday. Despite the overall downturn, some sectors demonstrated resilience.*

*The **healthcare sector**, for instance, continues to gain momentum since its buy signal on October 1. It is showing strength in both price and volume, with ongoing accumulation.*

*The only reason the **real estate sector** did not decline for a third consecutive day on Thursday was the strength observed in the **healthcare facilities group**. Nevertheless, I am maintaining two-thirds of my position in the **ProShares UltraShort Real Estate ETF (SRS)**, as I anticipate further sell-offs in the other eight real estate subsectors, which could push the real estate sector even lower.*

*I am also considering the **consumer cyclicals sector** as a potential short. After receiving a sell signal on October 9, consumer cyclicals' two-week consolidation broke its ascending trendline from the October lows. Friday's advance functioned as a throwback to this trendline at a weak 1/8 Fibonacci expansion level. A reversal following a weak Fibonacci number could lead to a rapid and significant decline. Once I receive confirmation, I plan to purchase the **ProShares UltraShort Consumer Services ETF (SCC)** to capitalize on the potential move.*

Consumer Cyclical Sector



real estate sector



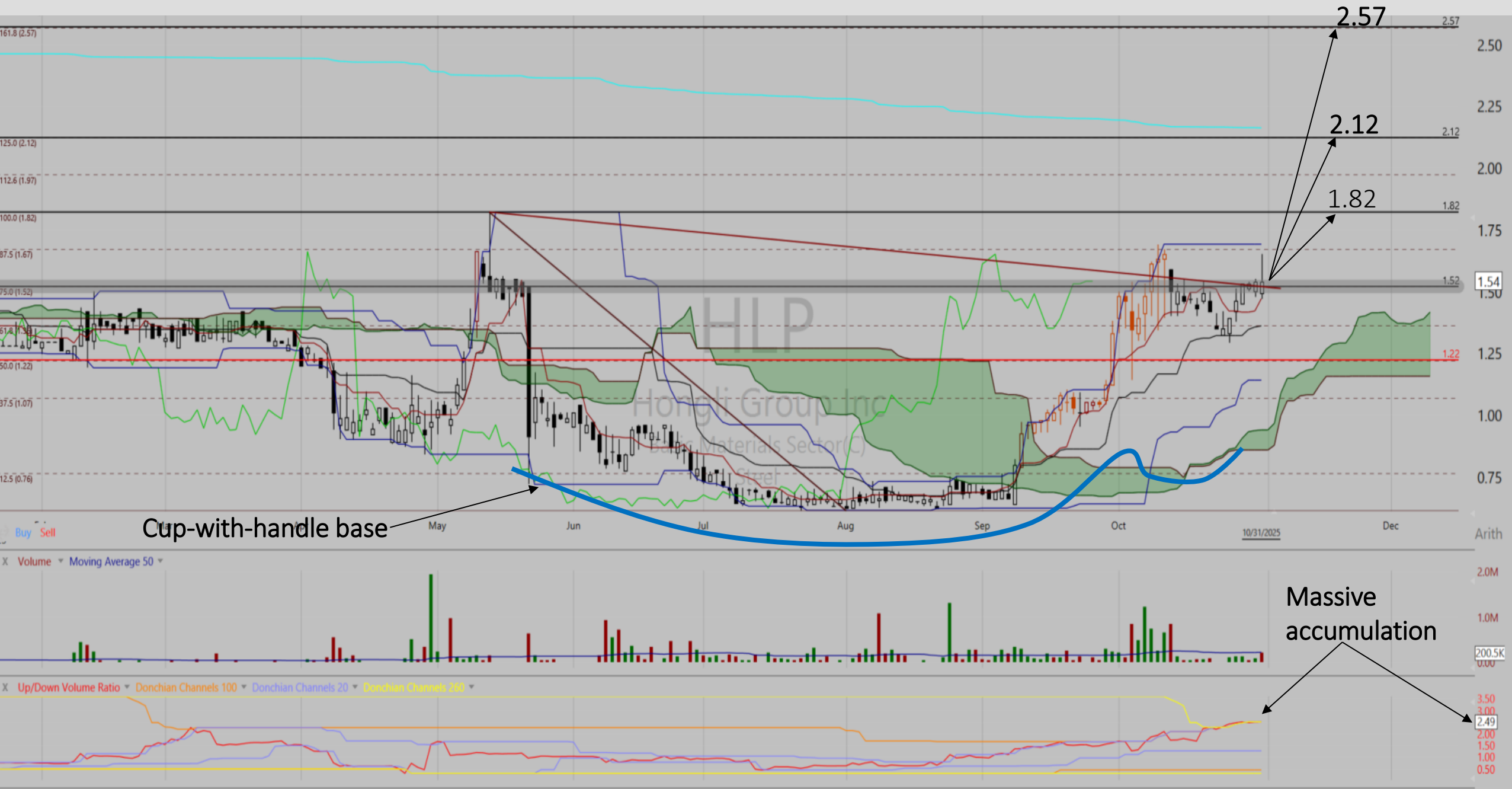
Confirmed Buy: Hongli Group (HLP)

- *Sector and Industry Group: **Basic Materials/ Steel**. On October 8, a buy signal for **steel stocks** led to a surge in the group, driven by a cup-with-handle chart pattern that started forming in April 2024. The positive momentum in the basic materials sector is benefiting the steel group, even as **silver, gold, and industrial miners** experience declines. This week, steel stocks have reached their highest levels in 19 months, supported by significant accumulation, which suggests a potentially strong upward trend.*
- ***Hongli Group (HLP)** is a Chinese company that manufactures and sells customized, cold-rolled steel for use in various industries like mining, construction, agriculture, and transportation*
- *I purchased shares of the emerging leader **Hongli Group (HLP)** on Friday to capitalize on the upward trend in steel stocks. HLP is breaking out of a cup-and-handle pattern that began in May, supported by significant accumulation that has exceeded its 52-week highs. The weekly accumulation levels are particularly strong, reaching their highest point since HLP went public in the US market. On Friday, HLP closed at the top of its weekly cloud after attempting to break out for the past four weeks. This marks the first time since its IPO that it has tried to close above the weekly cloud, which often signals clear skies ahead and can set the stage for a significant price move. Due to recent market instability, I initiated a small position size. However, if HLP continues to perform well, I may consider adding more to my swing trade.*
- *Position Started at 1/4-star.*
- ***Hongli Group (HLP)** was purchased at 1.55.*
- *Hongli Group (HLP) is undergoing significant accumulation with an Up/Down Volume Ratio at 2.49, after hitting 52-week highs.*
- *Hongli Group (HLP) closed at 1.54.*
- *Hongli Group (HLP) has an anchored VWAP of 2.16*
- ***The Fibonacci sell targets:** 1st target 1.82; 2nd target 2.12; 3rd target is 2.57; 4th target is 3.77.*
- *Stop price: Close below 1.22.*

Steel Industry Group



Hongli Group (HLP)



Hongli Group (HLP)



Confirmed Buy: Tuttle Capital 2x Inverse Regional Banks ETF (SKRE)

- **Position: Short the Regional Banks.** This trade is designed to move 2x the inverse daily performance of the SPDR S&P Regional Banking ETF (KRE).
- Since the sell signal for the **Financial Services sector** on October 10, it has been trading sideways and has accumulated five distribution days over the past 13 sessions. Tuesday's distribution session caused accumulation levels to drop to their 100-day lows, indicating that further selling is likely. On Tuesday, the **global bank group** was the only segment to post a slight gain, although it occurred on below-average volume. In contrast, all seven **insurance groups** experienced substantial losses amid heavy distribution. **Insurance brokers** and **reinsurance stocks** were particularly affected, with losses of -2.33% and -3.30%, respectively.
- I have been focusing on **regional banks in the financial services sector**, which triggered an initial sell signal on October 2. The subsequent selloff was marked by increasing distribution. An eight-session retracement from the lows did not result in any accumulation days, suggesting that once the reversion was complete, a new downtrend was likely to follow. Additionally, the retracement failed to regain the $\frac{1}{2}$ Fibonacci level, keeping the bears in control. Tuesday, the group broke its ascending trendline from the October 16 low, confirming another likely downward move. In response, I purchased shares of the **Tuttle Capital 2x Inverse Regional Banks ETF (SKRE)** to capitalize on this anticipated decline.
- **The position was purchased at 10.55 and started at 1-star(*).**
- **On Friday, I sold 1/3 of my SKRE position at the first Fibonacci target and locked in a 9.7% gain.**
- **Tuttle Capital 2x Inverse Regional Banks ETF (SKRE) closed at 10.91.**
- **Tuttle Capital 2x Inverse Regional Banks ETF (SKRE) is undergoing significant accumulation, with accumulation approaching 52-week highs while confirming its buy signal on October 16.**
- **The Fibonacci sell targets: 1st target 11.57; 2nd target 12.37; 3rd target is 13.18; 4th target is 14.36.**
- **Stop sell price: Close below 9.96.**

Regional Banking ETF (KRE)



Tuttle Capital 2x Inverse Regional Banks ETF (SKRE)



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