
TFR
Trading
Floor Research
Welcome to the
Trading Floor

10/04/26

This Trading Floor Research report contains:

S&P 500 and Sector Update

Direxion S&P 500 Bear 3x (SPXS) ETF

Industrials Sector (shipping & ports industry group) Update

S&P 500 Update

The S&P 500 closed the month decisively below its critical 7683.38 Fibonacci level, signaling that a market top is likely completing. Early in Wednesday's session, the index rallied to the 1.25 Fibonacci expansion at 7716.66, but was quickly rejected just after noon. Its repeated failure to close above 7716.66 on a 30-minute chart underscored the strength of resistance at that level. In the closing minutes, the SPX fell sharply and ended well below 7683.38 for a second straight day—reinforcing the strength of the month-end signal.

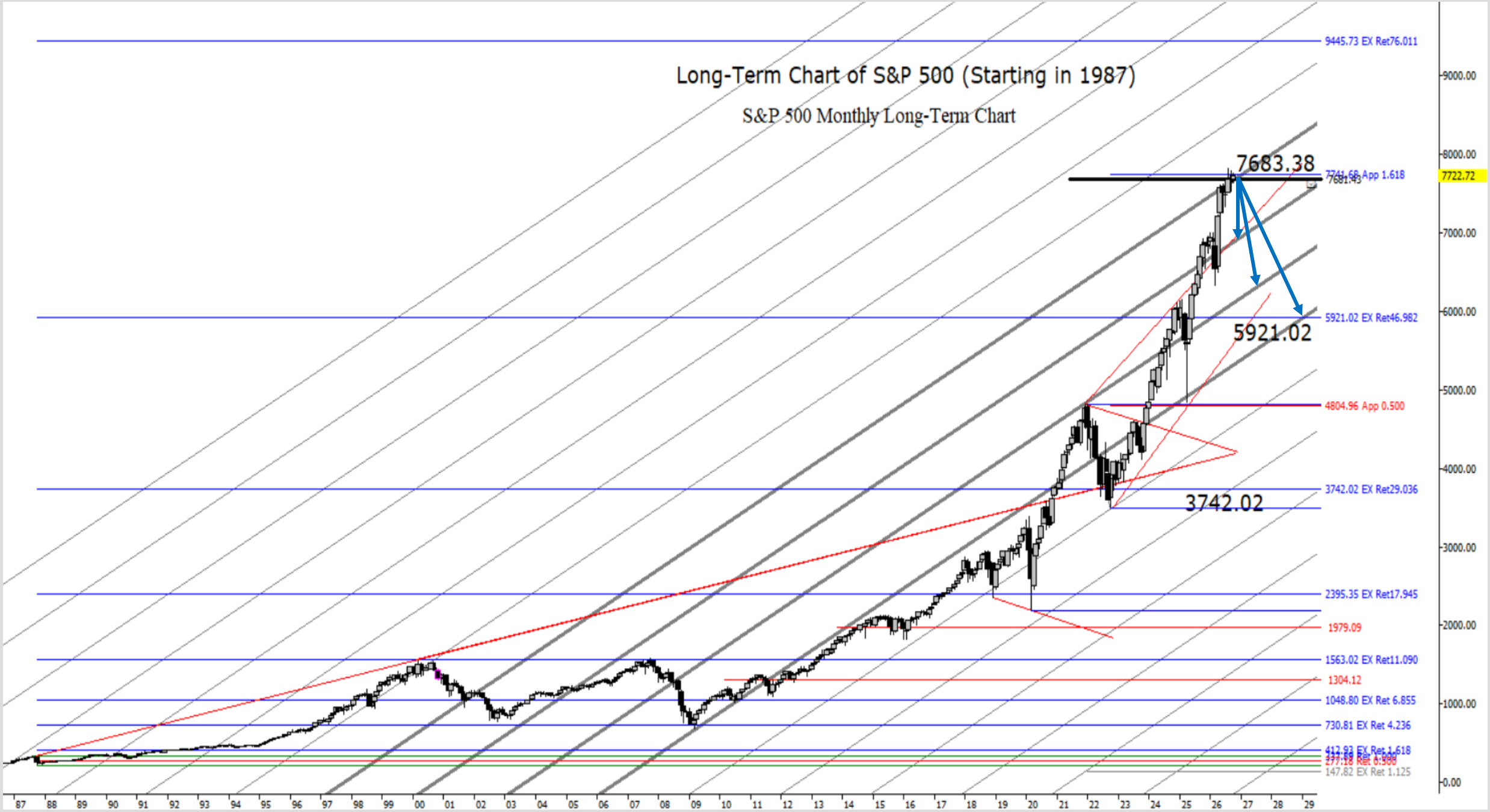
The 7683.38 Fibonacci expansion comes from my long-term monthly S&P 500 chart, which is anchored to the 1987 crash. Over decades, this model has reliably identified major market turning points. Historically, when a sell signal like Wednesday's is generated, the most probable scenario is a retest of the next lower Fibonacci target—in this case, 5921.02. In deep corrections, like those in 2000–2003 and 2007–2008, the index has dropped by two Fibonacci levels. For nearly forty years, when this model has signaled, the odds of a minimum move to the next lower Fibonacci level have been exceptionally high.

Additionally, Wednesday's selloff came on above-average volume, marking the index's sixth distribution day in the past 20 sessions. Historically, five distribution days within 20 trading sessions have marked many market tops, making this count a powerful warning sign. With accumulation continuing to decline since peaking in June, the 7683.38 level remains a critical inflection point.

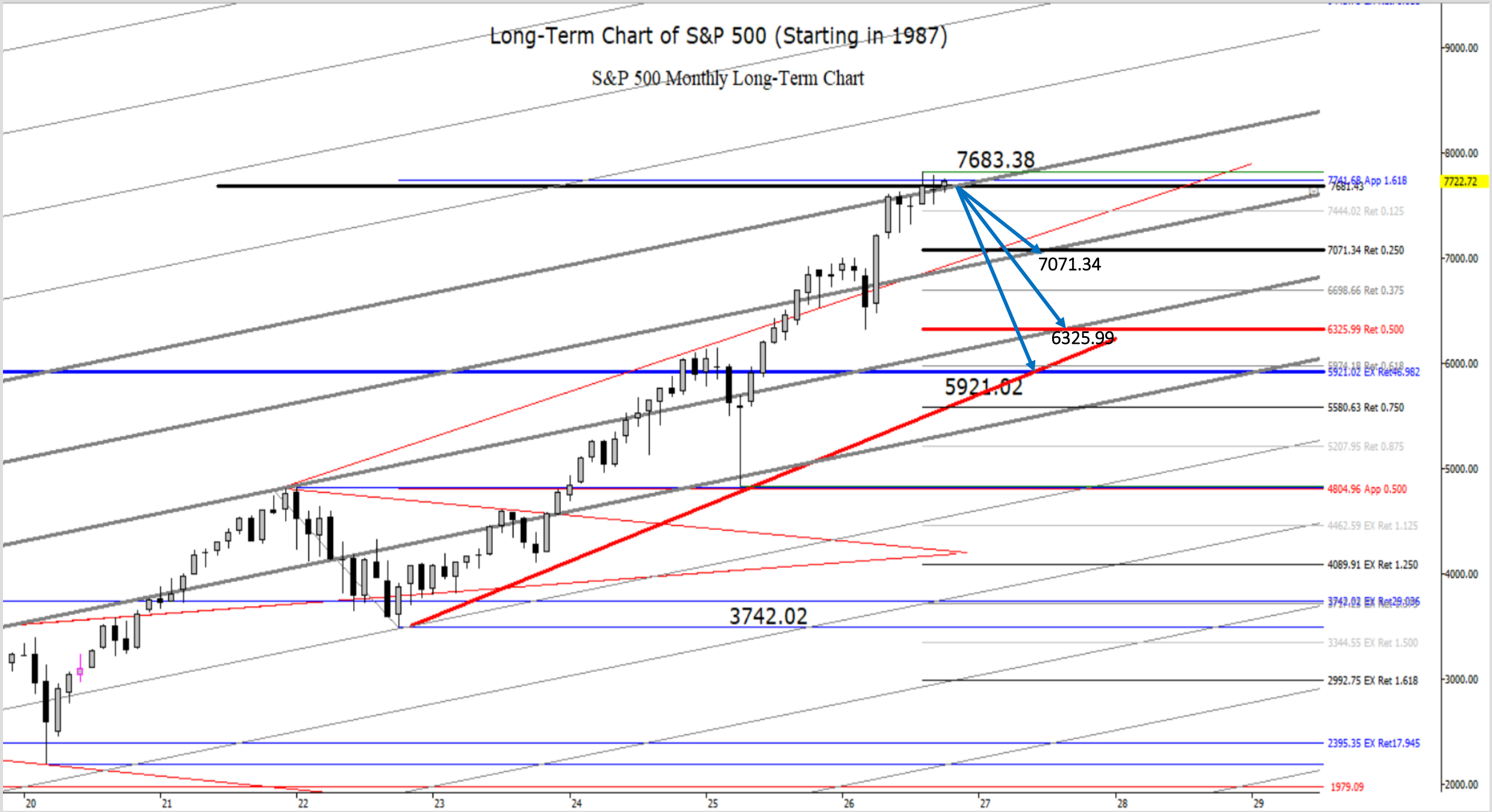
S&P 500


7857.63
7764.54
7716.66
7683.38
7620.90
7525.14
7429.38
7381.49
173.62
7,722.72
9/10/26
Sell Signal
SP-500
Standard & Poors 500
Buy
Sell
Jul 2026
Aug 2026
Sep 2026
10/2/2026
Volume
Moving Average 50
26.8M
Up/Down Volume Ratio
Donchian Channels 100
Donchian Channels 20
Donchian Channels 100
0.93

S&P 500


Long-Term Chart of S&P 500 (Starting in 1987)
S&P 500 Monthly Long-Term Chart
7683.38
5921.02
3742.02
9445.73 EX Ret76.011
7741.68 App 1.618
7681.43
5921.02 EX Ret46.982
4804.96 App 0.500
3742.02 EX Ret29.036
2395.35 EX Ret17.945
1979.09
1563.02 EX Ret11.090
1304.12
1048.80 EX Ret 6.855
730.81 EX Ret 4.236
412.93 EX Ret 1.618
277.18 Ret 0.500
147.82 EX Ret 1.125
7722.72
9000.00
8000.00
7000.00
6000.00
5000.00
4000.00
3000.00
2000.00
1000.00
0.00
87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29

S&P 500


Long-Term Chart of S&P 500 (Starting in 1987)
S&P 500 Monthly Long-Term Chart
7683.38
7071.34
6325.99
5921.02
3742.02
7741.68 App 1.618
7681.43
7444.02 Ret 0.125
7071.34 Ret 0.250
6698.66 Ret 0.375
6325.99 Ret 0.500
5921.02 EX Ret46.982
5580.63 Ret 0.750
5207.95 Ret 0.875
4804.96 App 0.500
4462.59 EX Ret 1.125
4089.91 EX Ret 1.250
3344.55 EX Ret 1.500
2992.75 EX Ret 1.618
2395.35 EX Ret17.945
1979.09
7722.72
9000.00
8000.00
7000.00
6000.00
5000.00
4000.00
3000.00
2000.00
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Sector Update

On Thursday, **Healthcare** confirmed a new sell signal, becoming the latest sector to join the wave of broad-based sell signals. The sector's 1.54% drop was driven by steep losses in biotechnology and specialty drug manufacturers, pushing both groups into new sell signals. While medical care didn't fall as sharply, its 0.63% loss was enough to trigger a sell signal as well. As of the weekly close, only **major drug manufacturers** and **diagnostics & research** groups remain in buy signals, though both took heavy losses and are now nearing new sells.

With healthcare now in a confirmed sell, **10 out of 11 sectors have triggered sell signals**. This leaves **technology** as the sole sector still holding a buy signal.

The S&P 500's monthly close below the critical 7683.38 Fibonacci level signals a likely market top and sets up a scenario reminiscent of the 2000 peak, when all sectors but technology were in sell signals, and tech was being driven by **internet stocks**—the dominant new technology of that cycle. Today, the parallel is striking: **AI stocks** are now driving technology, making it the only sector still holding a buy signal.

Given the ongoing broad-based sector weakness and heavy distribution, I remain cautious and plan to re-enter a short position in the S&P 500 using the **Direxion S&P 500 Bear 3x (SPXS)** ETF once I receive a fresh confirmation signal.

Healthcare Sector



Industrials Sector (shipping & ports industry group) Update

Despite the **industrials sector** remaining in a sell signal since July 20 and persistent selling since mid-August, the **shipping & ports** industry group continues to demonstrate notable strength.

Thursday, Ship stocks once again led the industrials sector, advancing 2.90% on strong accumulation. I continue to hold my position in Heidmar Maritime (HMR) and am monitoring other emerging leaders within the group.

Industrials Sector



Shipping & Ports industry group



Heidmar Maritime (HMR)



Buy candidate: Direxion S&P 500 Bear 3x (SPXS) ETF.

- ***Direxion S&P 500 Bear 3x (SPXS) position:*** *This trade is structured to deliver 3x the inverse daily performance of the* ***S&P 500.***
- *On my* ***long-term S&P 500 chart****—anchored to the 1987 crash—only a new buy signal would reverse the monthly call. Daily closes above the monthly 7683.38 signal, like Friday's, are just noise, especially given persistent sector weakness and heavy distribution.*
- *However, Friday's close above two descending trendlines and the Fibonacci 1.25 expansion at 7716.66 suggests the S&P 500 could advance to the 1.618 Fibonacci expansion at 7857.63. This move may be needed to clear out remaining shorts before the index resumes its decline in line with the long-term pattern that completed on Wednesday.*
- As a result, I exited my **Direxion S&P 500 Bear 3x (SPXS) ETF** position at 24.14, taking a small 1.3% loss at Friday's close. I plan to let the market complete its topping process before looking to re-enter for a likely move down to 5921.02.
- The **Direxion S&P 500 Bear 3x (SPXS) ETF** position will be started at 1-star.
- **Direxion S&P 500 Bear 3x (SPXS) ETF** ***was purchased at 24.45 and sold at 24.14 with a -1.3% loss.***
- **Direxion S&P 500 Bear 3x (SPXS) ETF** *is undergoing significant accumulation, hitting 100-day highs.*
- **Direxion S&P 500 Bear 3x (SPXS) ETF closed at 24.11.**
- **Direxion S&P 500 Bear 3x (SPXS) ETF** ***has an anchored VWAP of 80.97.***
- ***The Fibonacci sell targets****: 1st target 25.80; 2nd target is 26.58; 3rd target is 27.31; 4th target is 28.43; 5th target is 31.47; 6th target is 36.36; 7th target is 37.01; 8th target is 44.29.*
- *Stop price: Close below 23.52.*

Direxion S&P 500 Bear 3x (SPXS) ETF (30-minute Chart)



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