



TFR

Trading Floor Research

Welcome to the
—— Trading Floor ——



This Trading Floor Research report contains:

Market and Sector Update

Cresud ADR (CRESY)

QiFu Technology Inc. (QFIN)

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

MicroSectors Gold 3x ETN (SHNY)

S&P 500 Update and Outline of a Potential Pullback

The **SPX** and **QQQs** are setting up for a potential pullback. Both indexes have continued to rally on below-average volume and have yet to confirm a buy signal. Historically, making new highs on below-average volume has led to many failed breakouts in markets, sectors, industry groups, and individual stocks. Often, stocks will collapse back into the base.

On Thursday, the SPX rallied to significant Fibonacci resistance at 5316.26 and reversed as volume rose at 1:30 pm ET as soon as the price went below the critical level. The SPX finished lower with a shooting star formation slightly above the convergence of two rising trendlines. Both trendlines are drawn from the tops of the SPX daily price bars. The first connects the tops of trading on March 21 and March 28. The second connects multiple tops of trading beginning on April 23. (Refer to SPX Chart).

I will typically draw these trendlines to mark the potential termination targets on trending stock moves. In the rare occurrence that the trendlines are exceeded for more than a few days, a move could go parabolic. That is a possibility with the current market, but if the price closes back below, it often leads to a significant drop.

In this case, both trendlines converged on Friday. The convergence of trendlines usually marks a change of trend.

Friday Afternoon, I received price confirmation and purchased the **Direxion Daily S&P 500 Bear 3x (SPXS)** to capitalize on a likely move lower. There is potential to drop back to 5150.38 on the SPX or an 8.5% gain on the SPXS. Significant SPX notable downside targets include 5219.27 and 5187.03.

MA1:50,Exp,HL,Shift0 = 5125.14
MA2:20,Exp,HL,Shift0 = 5180.32
MA3:10,Simple,HL,Shift0 = 5219.00
MA4:30,Simple,HL,Shift0 = 5133.43

S&P 500 (SPX)



Technology and Healthcare Sectors Confirmed a Buy

The **Technology** and **Healthcare** sectors confirmed buy signals on Tuesday.

Four of nine Healthcare industry groups supported the move with new buy signals, and seven of Fifteen Technology industry groups confirmed new buy signals.

A notable technology industry group buy came from **communication equipment**. I intend to purchase emerging leaders once communication equipment stocks alleviate short-term overbought conditions.

Other tech buys I am watching came from the **software application** and **infrastructure** groups, but only **semiconductor equipment** makers confirmed a buy signal.

The **semiconductor industry group**, which includes **Nvidia (NVDA)**, has yet to confirm.

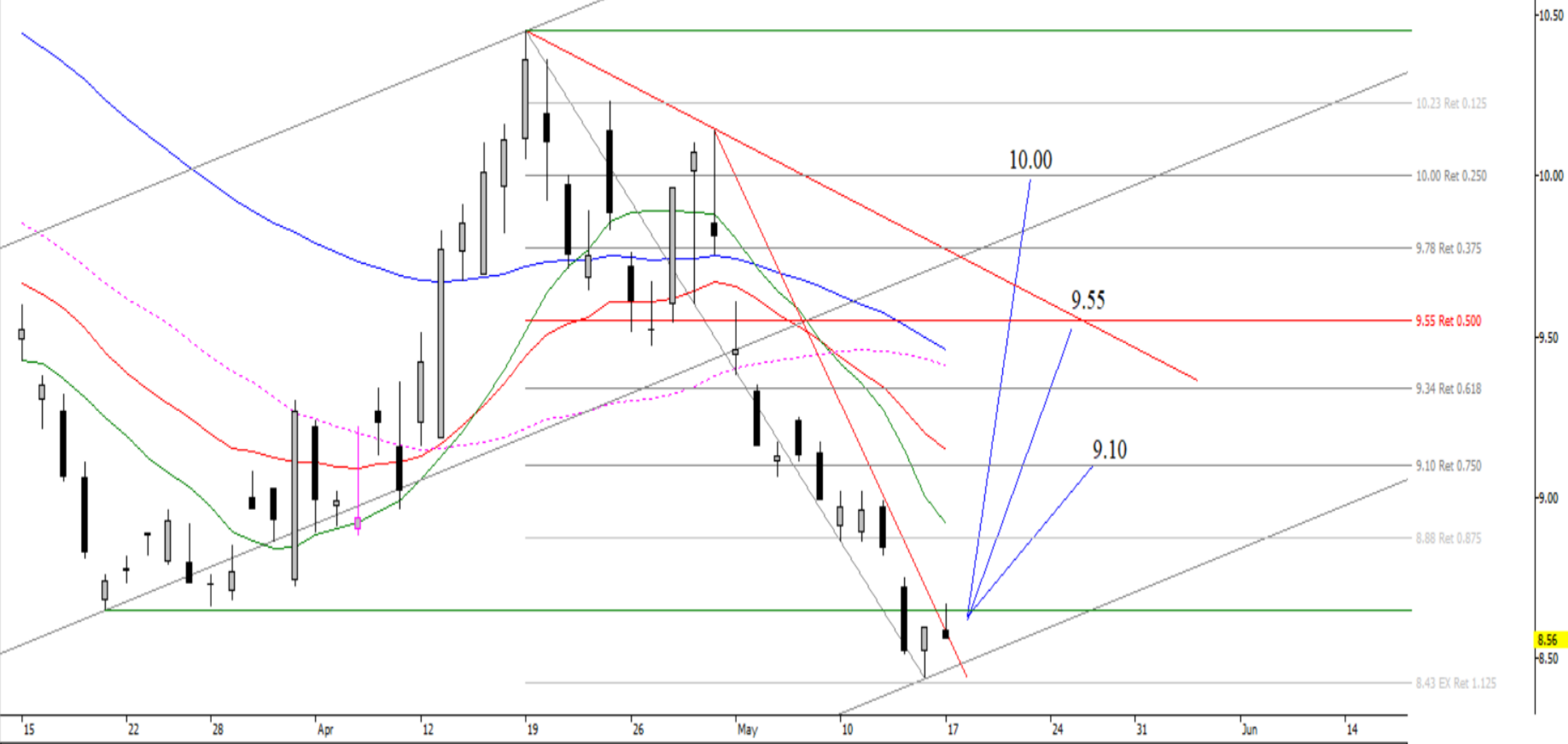
With the semiconductor industry group and Nvidia's inability to confirm a new buy signal, I see downside risk on Wednesday's earnings release. Of course, a new buy signal would change that reading if it happened in the next couple of days.

Confirmed Buy: Direxion Daily S&P 500 Bear 3X (SPXS)

- *Portfolio: Short the S&P 500. This trade is designed to move 3x the inverse daily performance of the S&P 500 (SPX).*
- *The **Direxion Daily S&P 500 Bear 3X (SPXS)** trade is designed to take advantage of the following potential move lower in the S&P 500(SPX). SPXS bounced off its weak 1/8 number at 8.43 on Thursday and confirmed a move higher on Friday. Reversals at weak 1/8 numbers can lead to quick, violent moves. The SPXS trade setup is combined with the high probability reversals often occurring at new highs on below-average, as the SPX did this week.*
- *The **Direxion Daily S&P 500 Bear 3X (SPXS)** confirmed a buy at 8.63.*
- *Started position at 1-star(*).*
- *Direxion Daily S&P 500 Bear3X (SPXS) closed at 8.58.*
- *Direxion Daily S&P 500 Bear 3X (SPXS) VWAP is at 25.32.*
- *Sell target price: 1st target is 9.10; 2nd target is 9.34; 3rd target is 9.50; 4th target is 10.00.*
- *Stop sell price: Close below 8.43.*

MA1:50,Exp,HL,Shift0 =9.46
MA2:20,Exp,HL,Shift0 =9.15
MA3:10,Simple,HL,Shift0 =8.92
MA4:30,Simple,HL,Shift0 =9.41

Direxion Daily S&P 500 Bear 3X (SPXS)



China Update

The **Chinese market** continues to show substantial accumulation as prices surge. The **Direxion China Bull 3x (YINN)** position I purchased six trading days ago closed with a 21.8% return.

On Thursday, I added another Chinese stock, **Qifu Technology Inc. (QFIN)**. The Up/Down Volume Ratio is at 1.84, breaking 100-day highs. The powerful accumulation indicates significantly higher prices, and this report highlights it.

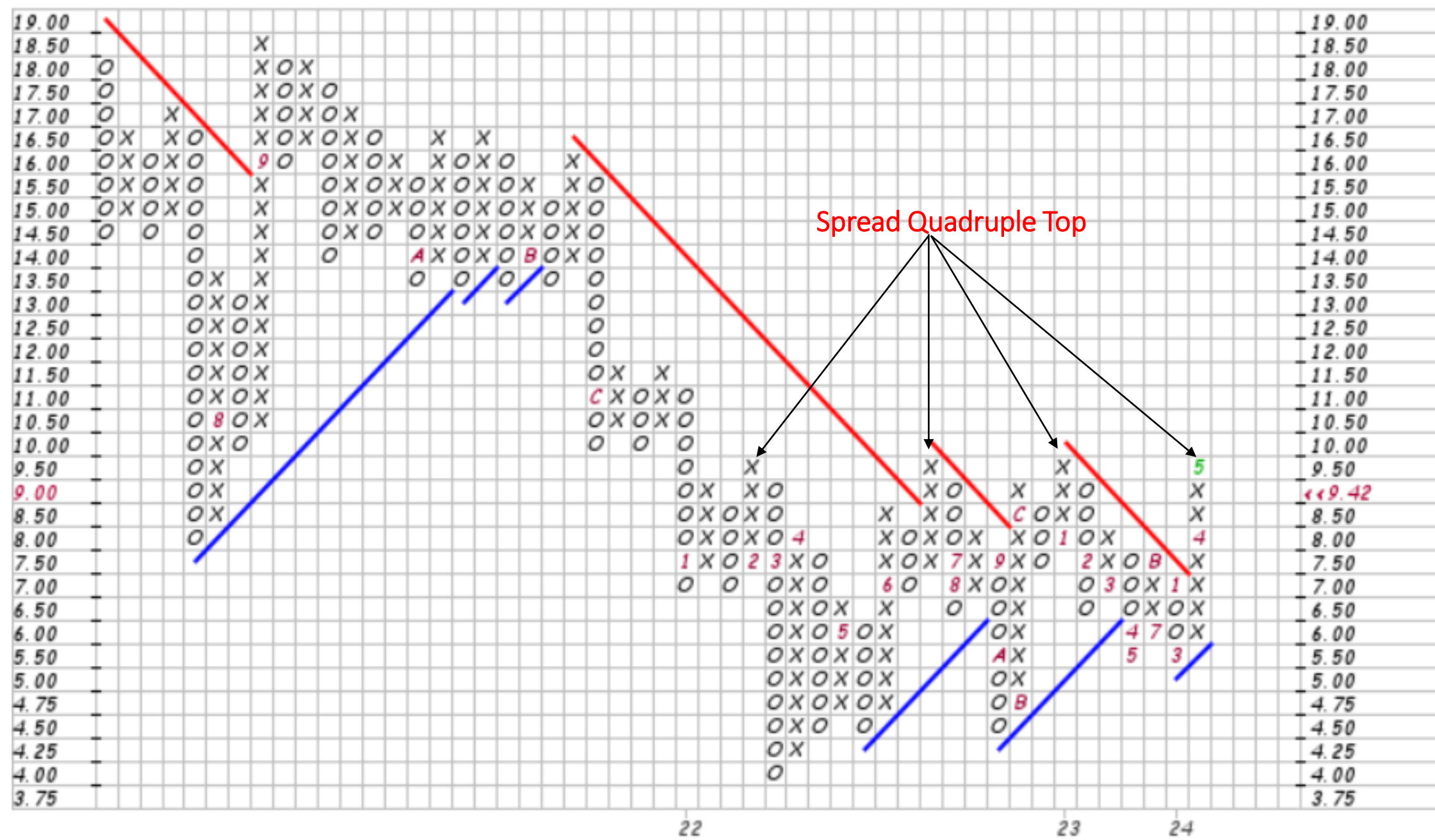
An existing TFR position, **Full Truck Alliance Co. (YMM)**, broke out of its recent base on above-average volume on Thursday and continued its climb on accelerating volume Friday. The Up/Down Volume hit 2.35, the highest level since YMM went public in June 2021. The massive accumulation indicates that intense buying should send YMM remarkably higher. The Point & Figure Chart will break a multiyear Spread Quadruple Top breakout when prices hit 10. The bullish chart indicates that a YMM move is likely in the early stages of where prices could go.

There are so many emerging leaders under massive accumulation in China that I expect Chinese stocks to perform very well over the next few weeks. I intend to initiate additional positions over the coming days.

Since the April 24 buy signal, Chinese stocks have led world markets up 20.1%. In the past four weeks, the Chinese market has increased almost twice as much as the S&P 500 has since the start of the year. That is why I put so much weight on buy signals. Once my five factors are met, the market, sectors, industry groups, and individual stocks tend to outperform significantly. Extreme risk and underperformance are symptoms of stocks that haven't confirmed a buy signal.

It is not a good sign that the S&P 500 and QQQs have yet to confirm a buy signal. At the very least, they will continue to underperform markets like China. The downside risk continues to be the most significant concern.

Full Truck Alliance Co. (YMM)



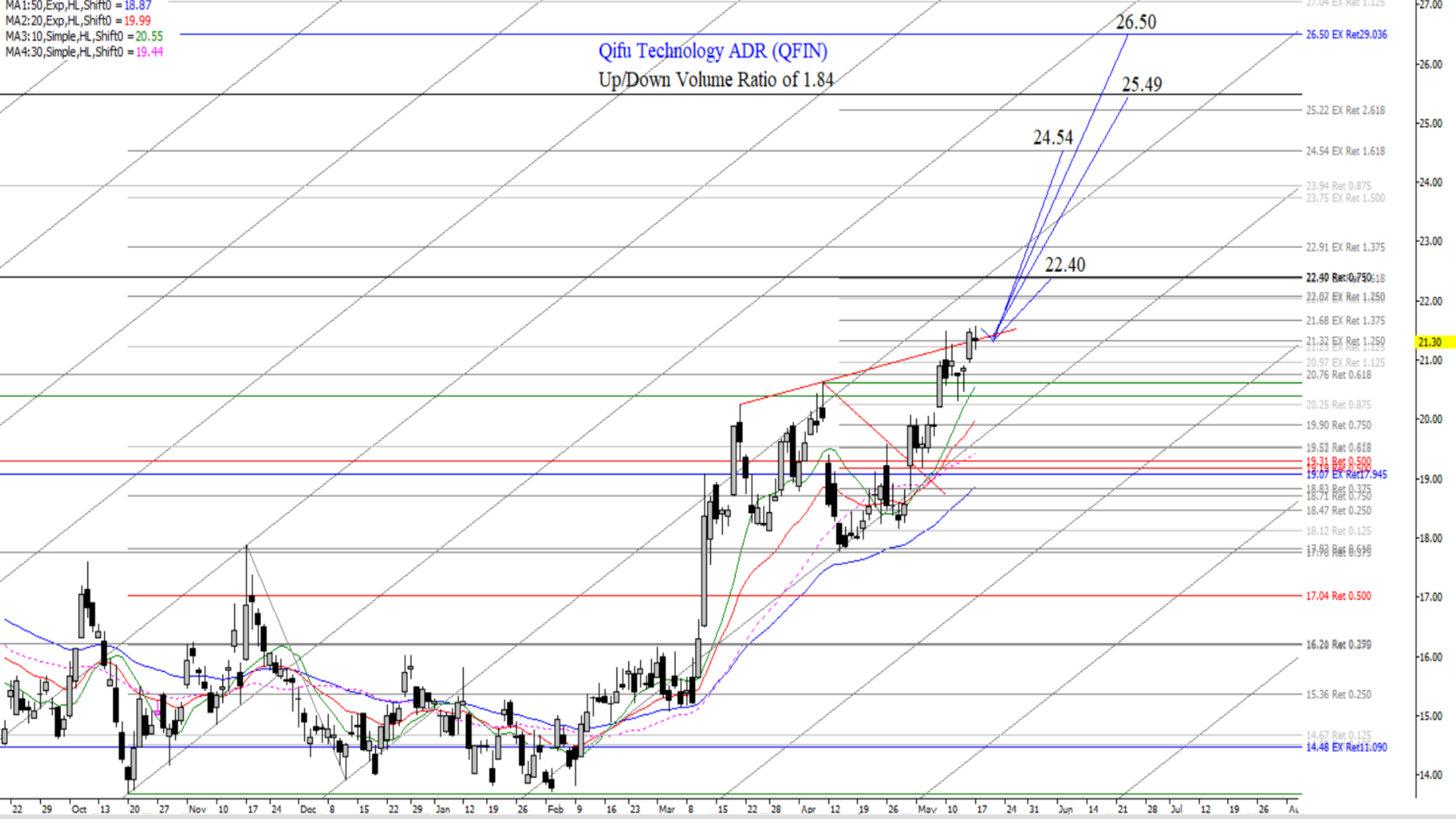
Confirmed Buy: QiFu Technology Inc. (QFIN)

- *Market: China. Since the April 24 buy signal, Chinese stocks have led world markets and are up 22.1% YTD. In the past two weeks, the Chinese market has surged by 12.2% and has moved more in two weeks than the S&P 500 has since the start of the year.*
- *QiFu Technology Inc. (QFIN)* is a Chinese AI data-driven tech platform that helps financial firms target products to their customers.
- *QiFu Technology Inc. (QFIN) broke out of the handle of a 15-month cup-with-handle base that started in February 2023. It also completed a point-and-figure Rising Spread Triple Top Breakout at 21.00 above the bearish resistance line.*
- Started position at 1-star(*).
- *QiFu Technology Inc. (QFIN) is undergoing massive accumulation, with an Up/Down Volume Ratio of 1.84, at 100-day highs.*
- QiFu Technology Inc. (QFIN) closed at 21.30.
- QiFu Technology Inc. (QFIN) *Anchored* VWAP is at 19.69.
- *The Fibonacci sell targets: 1st target 22.07-22.40; 2nd target 24.54; 3rd target 25.49; 4th target 26.50; 5th target is 27.24.*
- *Stop price: Close below 19.90*

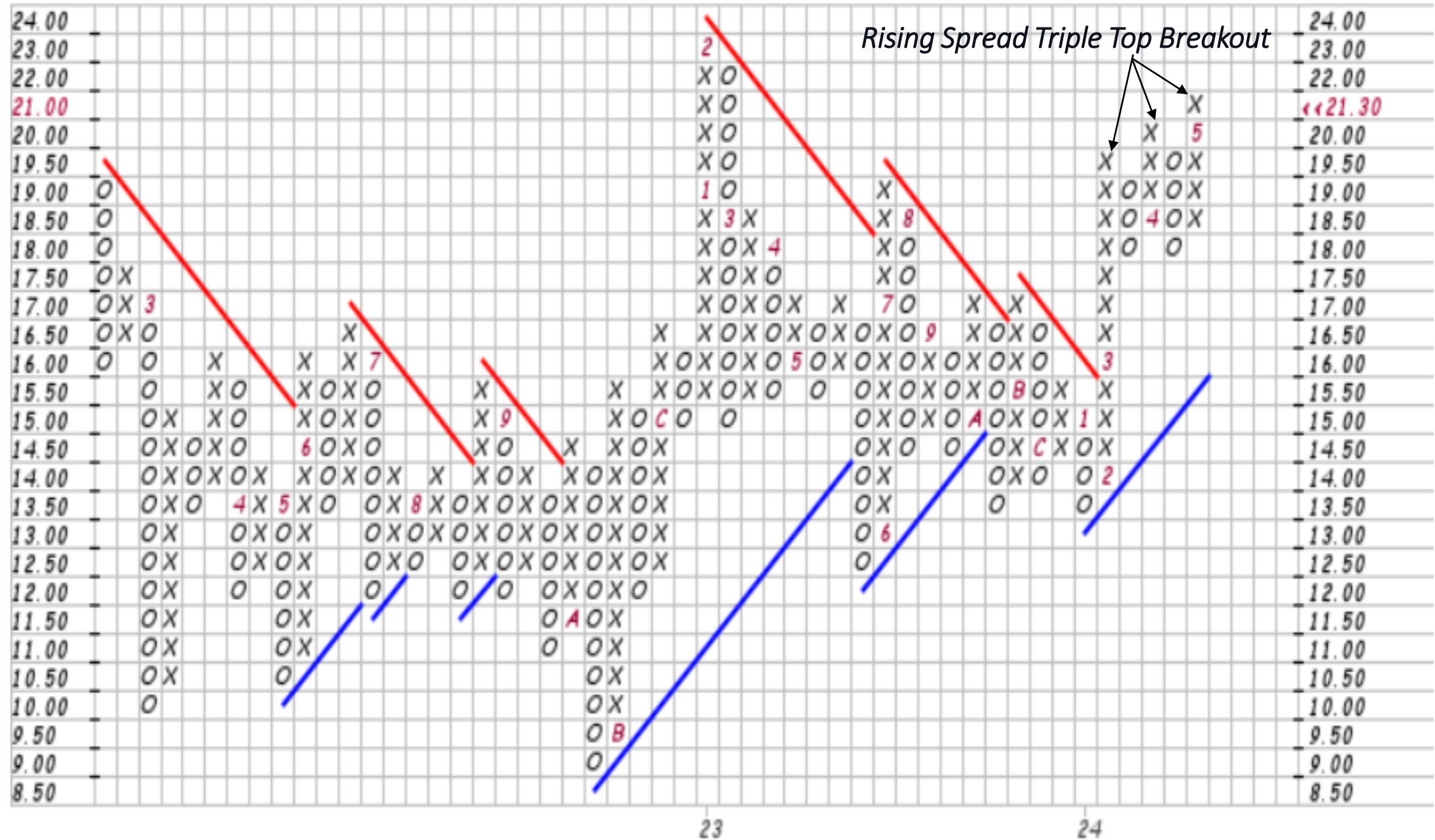
MA1:50,Exp,HL,Shift0 = 18.87
MA2:20,Exp,HL,Shift0 = 19.99
MA3:10,Simple,HL,Shift0 = 20.55
MA4:30,Simple,HL,Shift0 = 19.44

Qifu Technology ADR (QFIN)

Up/Down Volume Ratio of 1.84



QiFu Technology Inc. (QFIN)



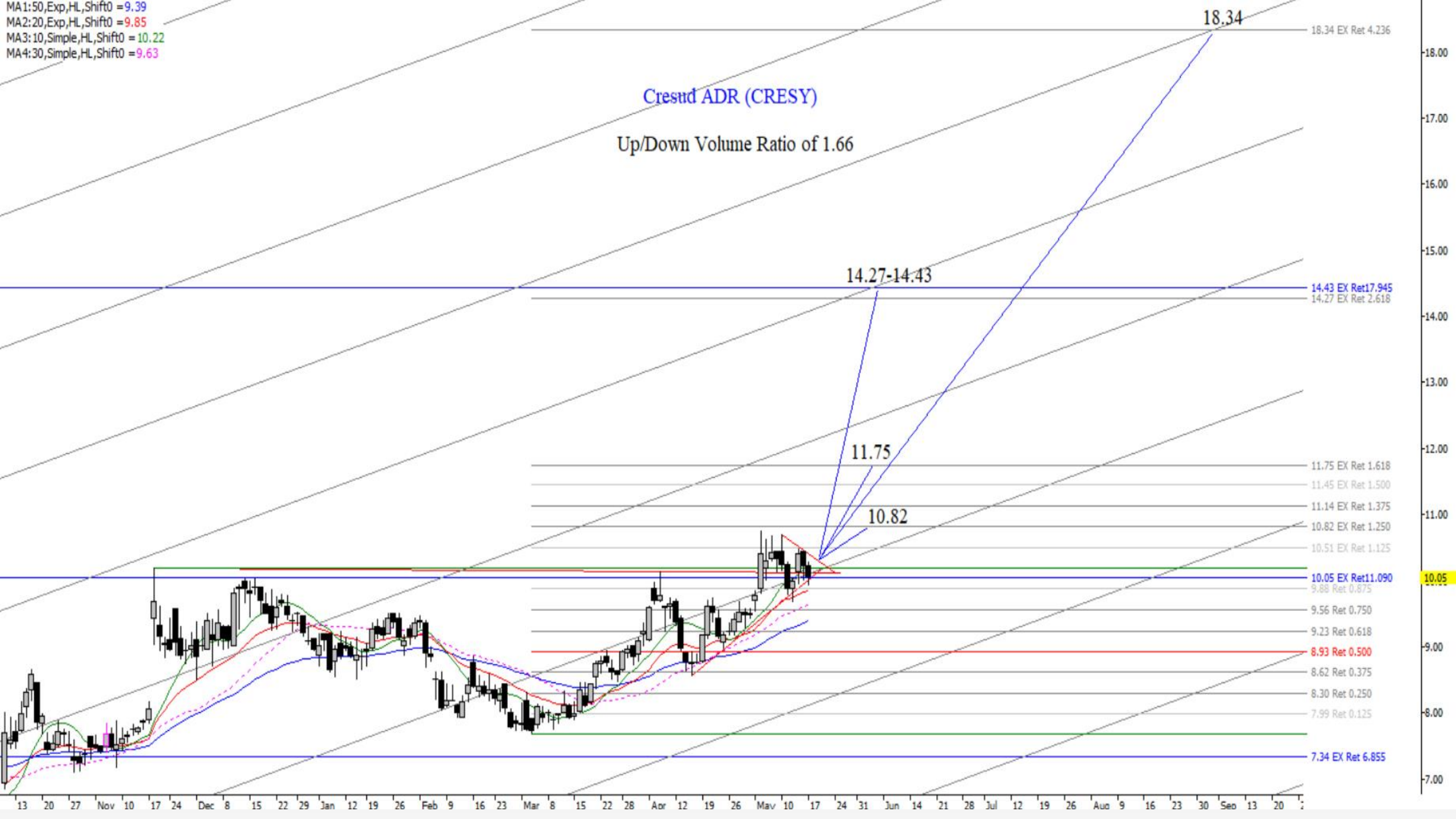
Confirmed Buy: Cresud ADR (CRESY)

- *Market: Argentina. Argentina stocks have led world markets for 2024, are up 23.53% YTD, and have doubled the S&P 500 YTD returns.*
- *Cresud ADR (CRESY) is an Argentina-based company that acquires and develops agricultural properties throughout South America.*
- *Cresud ADR (CRESY) broke out of a cup-with-handle base on May 6 and has since thrown back into the descending trendline from the top of the base. I acquired the stock after providing confirmation from the throwback last week. It also completed a point-and-figure Rising Spread Triple Top Breakout at 10.50 on May 6..*
- *Started position at 2-star(*).*
- *Cresud ADR (CRESY) is undergoing massive accumulation, with an Up/Down Volume Ratio of 1.66, at 100-day highs.*
- *Cresud ADR (CRESY) closed at 10.05.*
- *Cresud ADR (CRESY) Anchored VWAP is at 6.75.*
- *The Fibonacci sell targets: 1st target 10.82; 2nd target 11.75; 3rd target 14.27-14.43; 4th target 18.37.*
- *Stop price: Close below 9.56.*

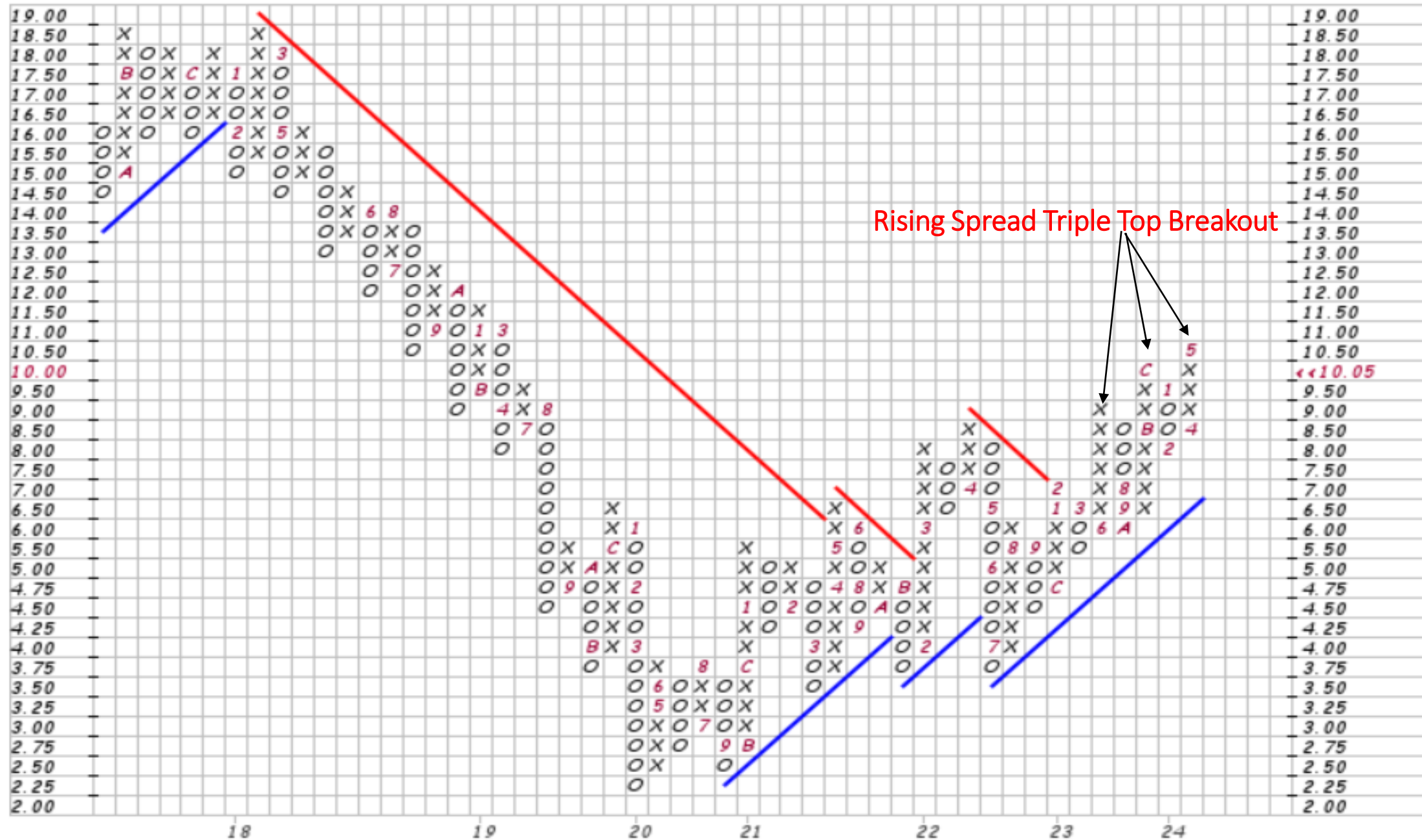
MA1:50,Exp,HL,Shift0 = 9.39
MA2:20,Exp,HL,Shift0 = 9.85
MA3:10,Simple,HL,Shift0 = 10.22
MA4:30,Simple,HL,Shift0 = 9.63

Cresud ADR (CRESY)

Up/Down Volume Ratio of 1.66



Cresud ADR (CRESY)



Basic Materials Gold & Aluminum Update

My attention is on the **Basic Materials sector**, which demonstrated its strength on Friday. The sector is currently at its year-to-date highs and has been steadily climbing since its buy signal on February 29. The best-looking basic material industry group charts are **aluminum** and **gold**.

The recent buy signal from the **aluminum industry group** on Monday has further propelled this upward trend, indicating a potential for growth that traders should be aware of.

Reversing the May 1 sell signal on aluminum stocks has set up a new batch of emerging leaders and a group chart that looks ready to spike higher. I am focused on **Century Aluminum Company (CENX)** as it prepares to lead the aluminum industry group's next potential surge.

The **gold industry group** looks strong, and **Gold stocks** are on a launch pad. Gold had been retracing a powerful move higher that broke out of a 13-year base in March. I played the first move by purchasing the **MicroSectors Gold 3x (SHNY)**. As gold sets up for the next push higher, I intend to repurchase SHNY once I get confirmation. I am also focused on individual gold stock emerging leaders to capitalize on the move. The **MicroSectors Gold 3x (SHNY)** ETF is featured in this report.

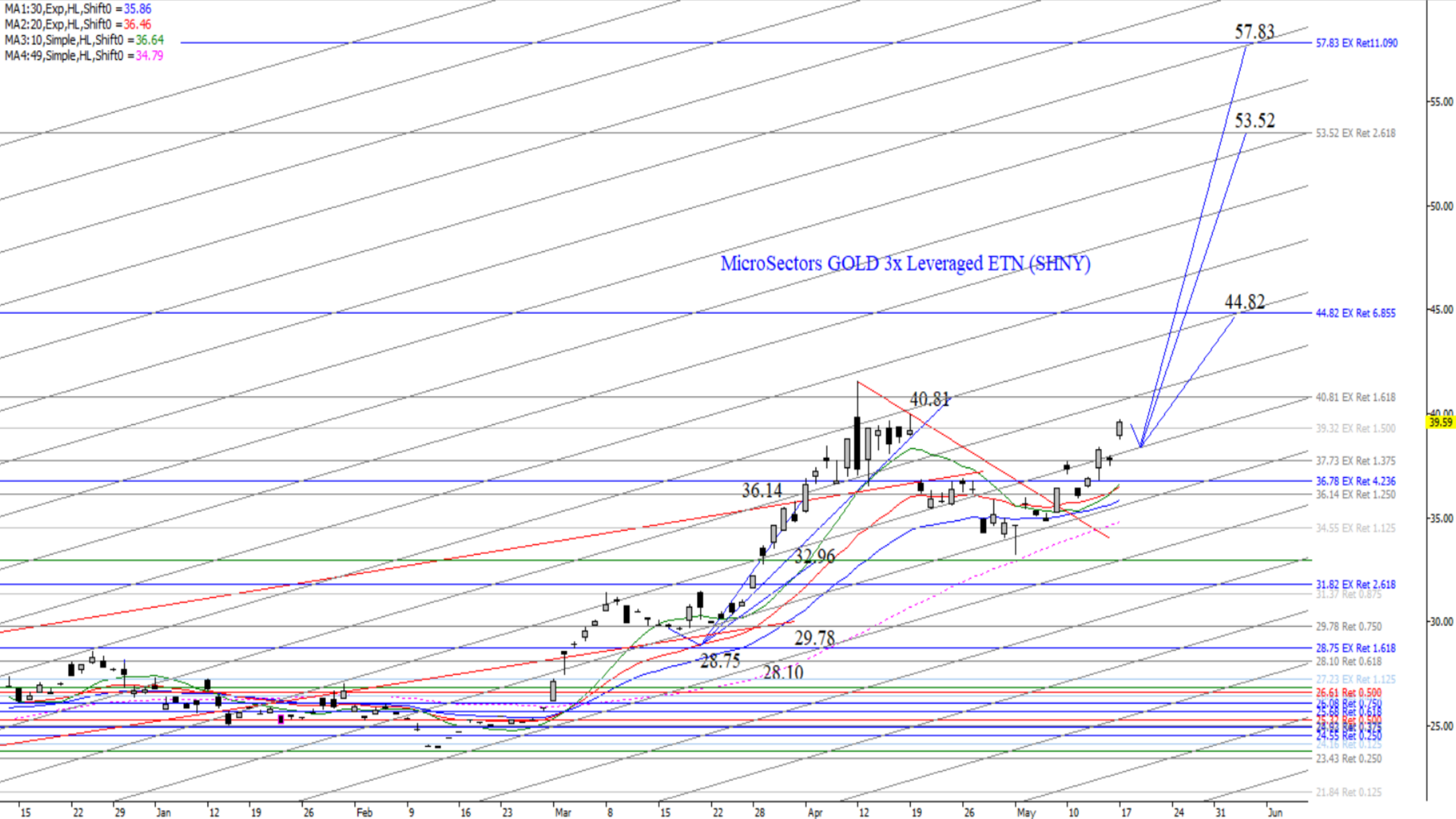
Buy candidate: SPDR Gold Shares (GLD)/

MicroSectors GOLD 3x Leveraged ETN (SHNY)

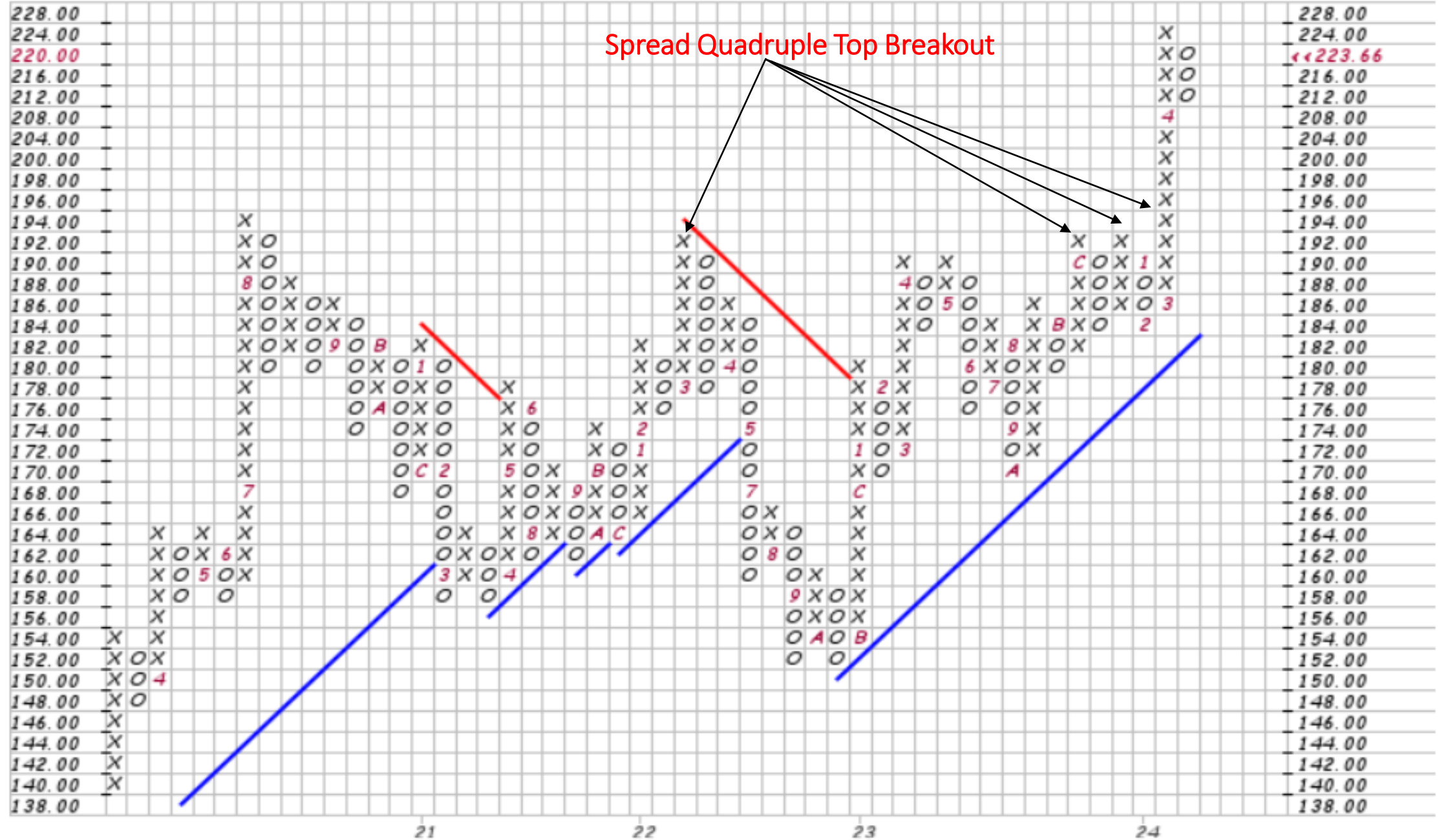
- Portfolio: **SPDR Gold Shares (GLD)**. The MicroSectors GOLD 3x Leveraged ETN (SHNY) trade is designed to move 3X the SPDR Gold Shares (GLD) daily performance.
- *The **SPDR Gold Shares (GLD)** gave a buy signal on March 01, with massive daily volume, and is under significant accumulation as the up/down volume ratio hits 100-day highs.*
- The **MicroSectors GOLD 3x Leveraged ETN (SHNY)** trade is designed to capitalize on the SPDR Gold Shares (GLD) buy signal.
- **SPDR Gold Shares (GLD)** broke the handle of a double bottom base that started on August 6, 2020. The Double bottom base was a handle of a much larger cup-with-handle base that started in September 2011. At 194, the Point & Figure chart broke a spread Quadruple Top and completed a catapult formation. **GLD reconfirmed a buy signal on Friday and is short-term overbought.** Once the retracement is complete, I will purchase the **MicroSectors GOLD 3x Leveraged ETN (SHNY)**.
- Fibonacci Retracement targets for **MicroSectors GOLD 3x Leveraged ETN (SHNY)** are at 37.73, 36.78.
- **Wait for a text confirmation!**
- Start position at 2 stars(**)
- SPDR Gold Shares (GLD) is under accumulation with The Up/Down Volume Ratio at 1.40, and pulling back from 100-day highs
- **MicroSectors GOLD 3x Leveraged ETN (SHNY)** closed at 39.59.
- **MicroSectors GOLD 3x Leveraged ETN (SHNY) Anchored** VWAP is at 30.97.
- Sell target price: 1st target is 44.82; 2nd target is 53.52; 3rd target is 57.83.
- Stop sell price: Close below 36.78.

MA1:30,Exp,HL,Shift0 = 35.86
MA2:20,Exp,HL,Shift0 = 36.46
MA3:10,Simple,HL,Shift0 = 36.64
MA4:49,Simple,HL,Shift0 = 34.79

MicroSectors GOLD 3x Leveraged ETN (SHNY)



SPDR Gold Shares (GLD)



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