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Trading Floor Research

Welcome to the Trading Floor

08/16/26

This Trading Floor Research report contains:

Technology Sector Update

Granite Shares 2x Long Dell (DLLL)

IMC Rare Earths (IMC)

Defiance Target 2x Short MSTR ETF (SMST)

<u>Technology Sector Update</u>

The **technology sector** rallied 1.43% and closed above the Fibonacci 3/4 level on Thursday, yet was still unable to generate a new buy signal. Once again, volume remained below average, sending accumulation levels to new lows and reinforcing the persistent trend of weak volume on up days—seen in nine of the last eleven sessions. With no accumulation and two distribution days during the recent advance, there was no confirmation of a new buy signal.

Since the current base began in June, accumulation has sharply declined while my distribution indicator has surged to extreme levels, highlighting a heavy supply environment. Historically, a sharp drop in accumulation during a base rarely precedes a successful breakout and signals elevated risk.

Thursday's rally ultimately stalled at the weak 7/8 Fibonacci level and the M1 line. On Friday, the sector faced resistance at the M1 line and reversed lower at the same weak 7/8 Fibonacci level. A reversal from this area—especially after such a low-volume advance—poses considerable risk. I expect choppy price action between the Fibonacci 3/4 and 7/8 levels this week as the sector consolidates and prepares for its next directional move.

The only industry group within technology to give a buy signal on Thursday was **computer systems**. This created the opportunity to purchase **Granite Shares 2x Long Dell (DLLL)** last week and also opens the door to new opportunities in **quantum computing stocks**, which will remain a key area of focus going forward.

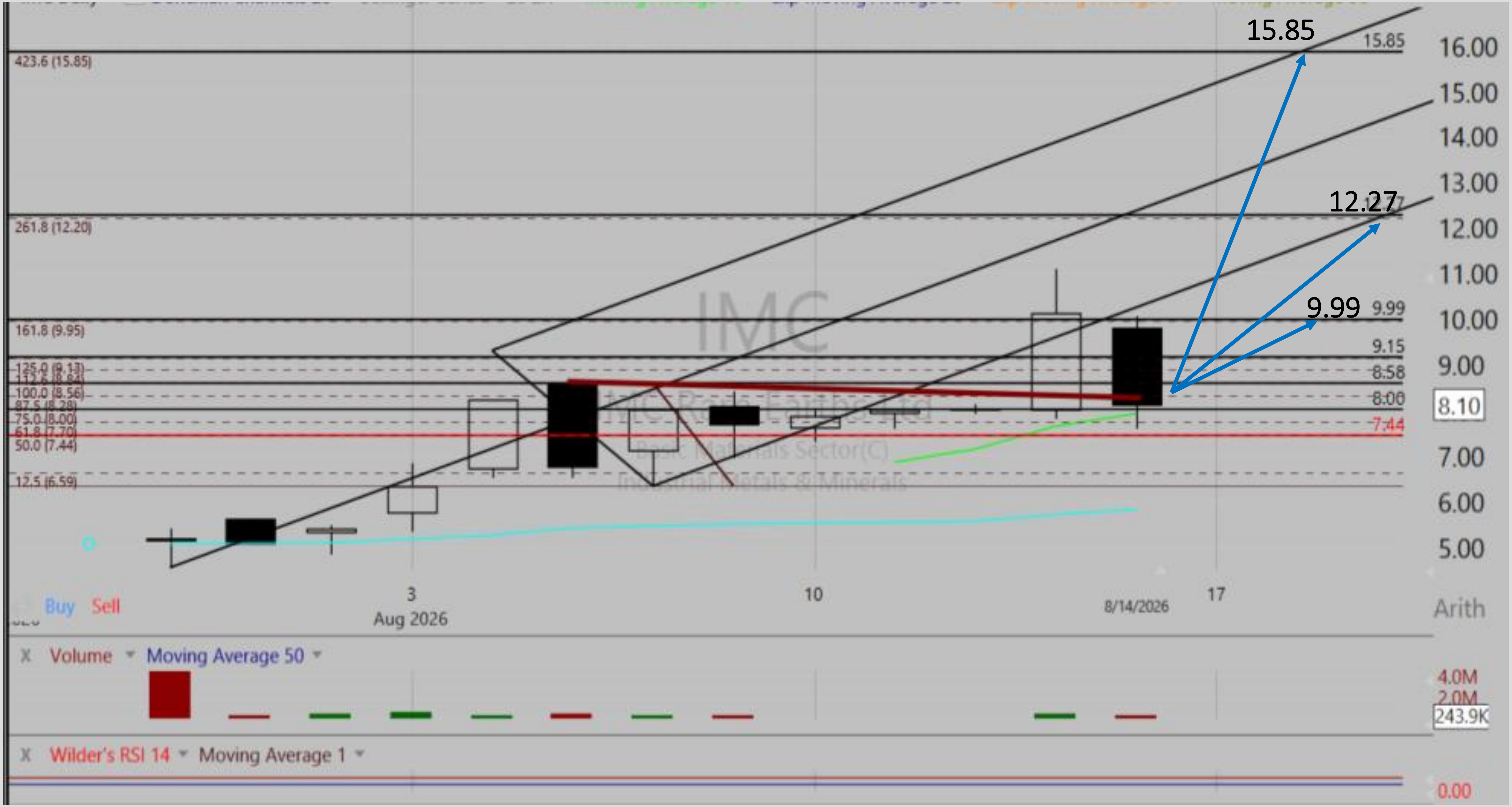
Technology Sector

Confirmed Buy: IMC Rare Earths (IMC)

- ***Sector/ Industry Group: Basic Materials/ Industrial Metals.*** *The* ***basic materials sector*** *is displaying textbook technical strength, offering a clear contrast to the riskier action seen in the technology sector. While tech has rallied without a buy signal and on persistently weak volume, basic materials has confirmed its trend with strong price action and substantial accumulation. Since triggering its buy signal, four out of the last five advancing sessions in basic materials have come on above-average volume. The recent two-day pullback from the Fibonacci 3/4 level developed on decelerating, below-average volume, a hallmark of a healthy, controlled consolidation. On Friday, the sector advanced 0.68%, pushing overall accumulation to a 20-day high. This controlled pullback environment reinforces the case for continued upside momentum. To take advantage of this constructive setup, I bought shares of* ***IMC Rare Earths (IMC),*** *a leader within the industrial metals group, after the stock confirmed its next leg higher.*
- **IMC Rare Earths (IMC)** is headquartered in São Paulo, Brazil, and is a subsidiary of International Mineral Corporation Holdings Ltd. focused on the long-term supply and development of rare earth elements. Its flagship Itarantim Project covers 27 mining exploration licenses spanning approximately 111,700 acres in Bahia and Minas Gerais, Brazil, and the company recently went public with its IPO on July 29, 2026.
- *IMC, a recent IPO, broke out of its primary base on the back of heavy accumulation. The industrial metals group also flashed a buy signal on August 5, and the combined strength from both the group and sector created the right environment for an outsized move in a newly public stock like IMC.*
- *As the session unfolded, IMC surged past its first two Fibonacci targets. I took profits on two-thirds of my position at the second target, locking in a 20.4% gain.*
- *I apologize to subscribers in China and European countries who didn't receive the text alert for this trade and others who received a delayed alert. Severe storms in my area caused major outages and disrupted my service last week. However, Friday's pullback in IMC to its initial entry price presents a renewed opportunity to repurchase a full position once confirmation is received*
- The **IMC Rare Earths (IMC)** position was started at 1/2-star.
- **IMC Rare Earths (IMC)** ***was purchased at 8.30.***
- **IMC Rare Earths (IMC)** *is undergoing significant accumulation, reaching IPO highs.*
- **IMC Rare Earths (IMC) closed at 8.26.**
- **IMC Rare Earths (IMC)** ***has an anchored VWAP of 5.86.***
- ***The Fibonacci sell targets****: 1st target 9.15; 2nd target 9.99; 3rd target is 12.12; 4th target is 15.96.*
- *Stop price: Close below 6.87.*

IMC Rare Earths (IMC) 30-Minute Chart

IMC Rare Earths (IMC)

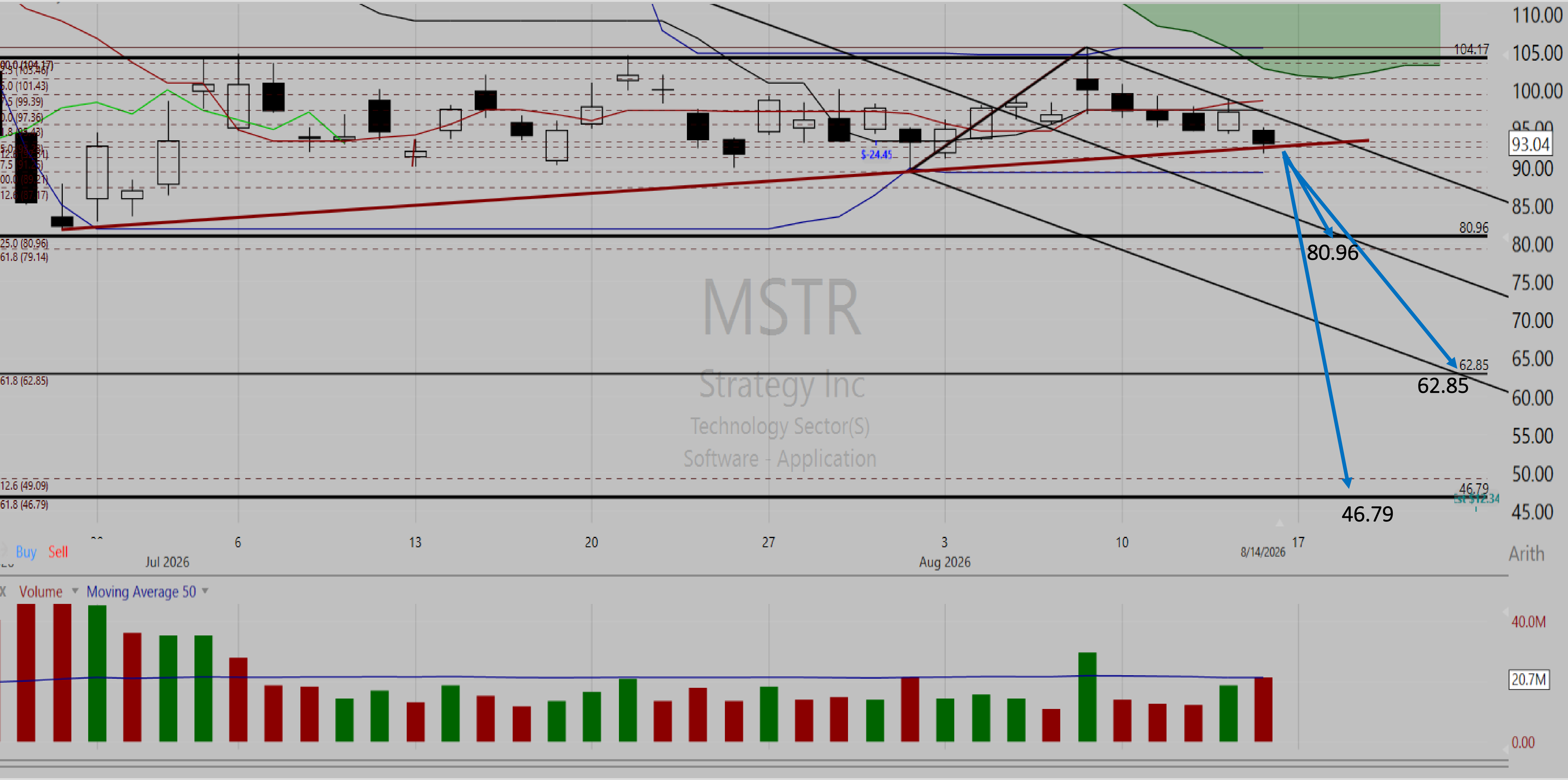


<u>Confirmed Buy: Defiance Target 2x Short MSTR ETF (SMST) ETF</u>

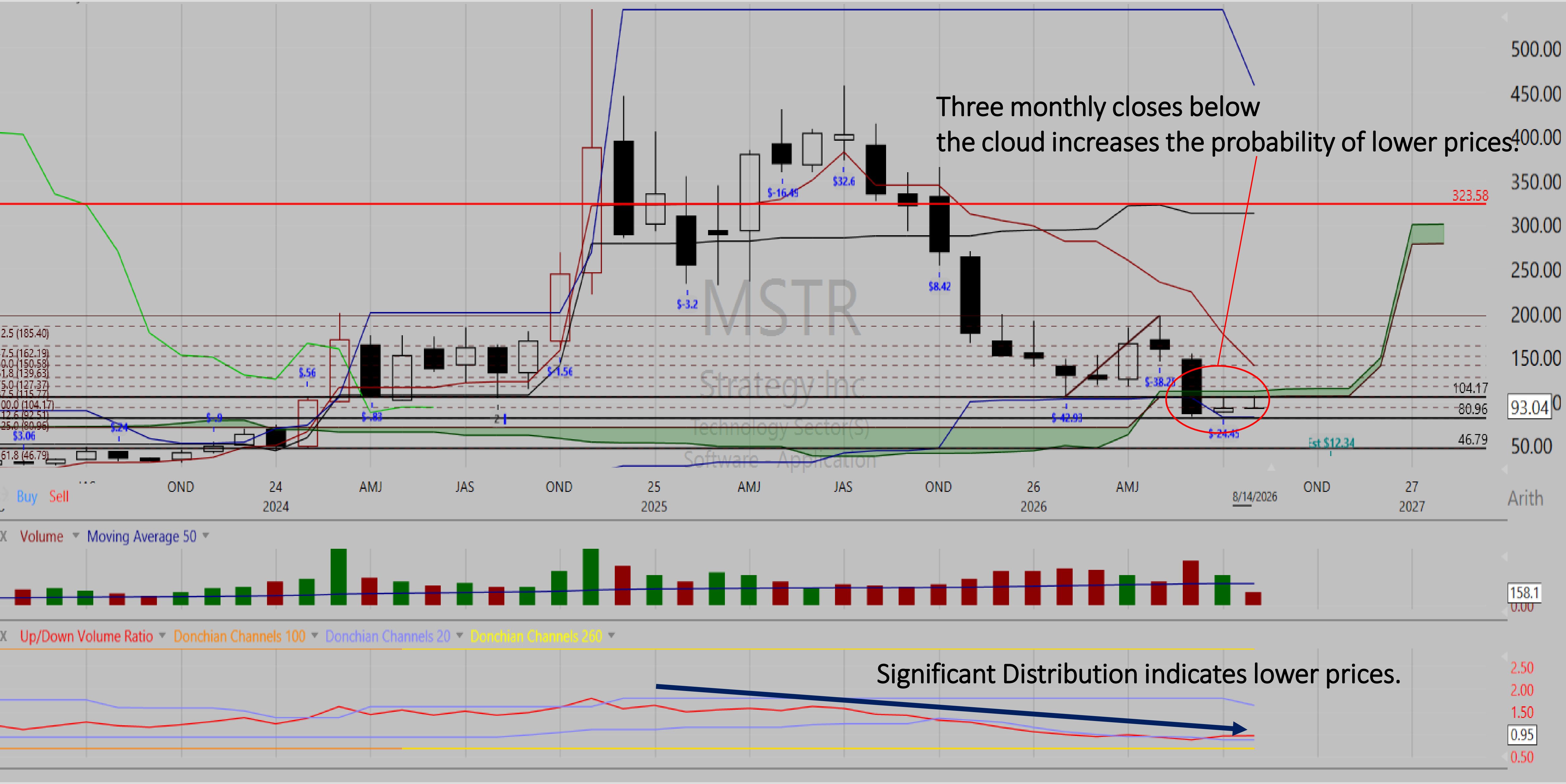
- ***Defiance Target 2x Short MSTR ETF (SMST) ETF Position: This trade is structured to deliver twice the inverse of Strategy (MSTR) daily performance, effectively providing 2x short exposure to MSTR.***
- *Capitalizing on the continued sell signal in both the technology sector and bitcoin-related stocks like* ***Strategy (MSTR),*** *I initiated a position in the* ***Defiance Target 2x Short MSTR ETF (SMST)*** *after confirmation of its next leg lower. Distribution in MSTR has been exceptionally heavy, causing a sharp deterioration in accumulation, which is now at its lowest level in years.*
- *Strategy has also closed below its monthly cloud for three consecutive months, firmly establishing resistance at 104.50. The last time MSTR broke below its monthly cloud, it led to a major multi-week decline. The persistent downtrend, coupled with surging distribution and weakening accumulation, strongly indicates the potential for materially lower prices ahead.*
- *My next downside Fibonacci target for MSTR is 80.95; a decisive close below this level would likely open the door for a test of the 1.618 Fibonacci expansion at 46.78.*
- The **Defiance Target 2x Short MSTR ETF (SMST) ETF** position was started at 1/2-star.
- Defiance Target 2x Short MSTR ETF (SMST) ETF ***was purchased at 57.89.***
- Defiance Target 2x Short MSTR ETF (SMST) ETF *is undergoing significant accumulation, recently breaking to new highs.*
- Defiance Target 2x Short MSTR ETF (SMST) ETF closed at 58.79.
- Defiance Target 2x Short MSTR ETF (SMST) ETF ***has an anchored VWAP of 61.45.***
- ***The Fibonacci sell targets****: 1st target 64.31; 2nd target 70.58; 3rd target is 74.71; 4th target is 76.49; 5th target is 83.11.*
- *Stop price: Close below 48.12.*

Defiance Target 2x Short MSTR ETF (SMST)

Strategy (MSTR)



Strategy (MSTR) Monthly Chart

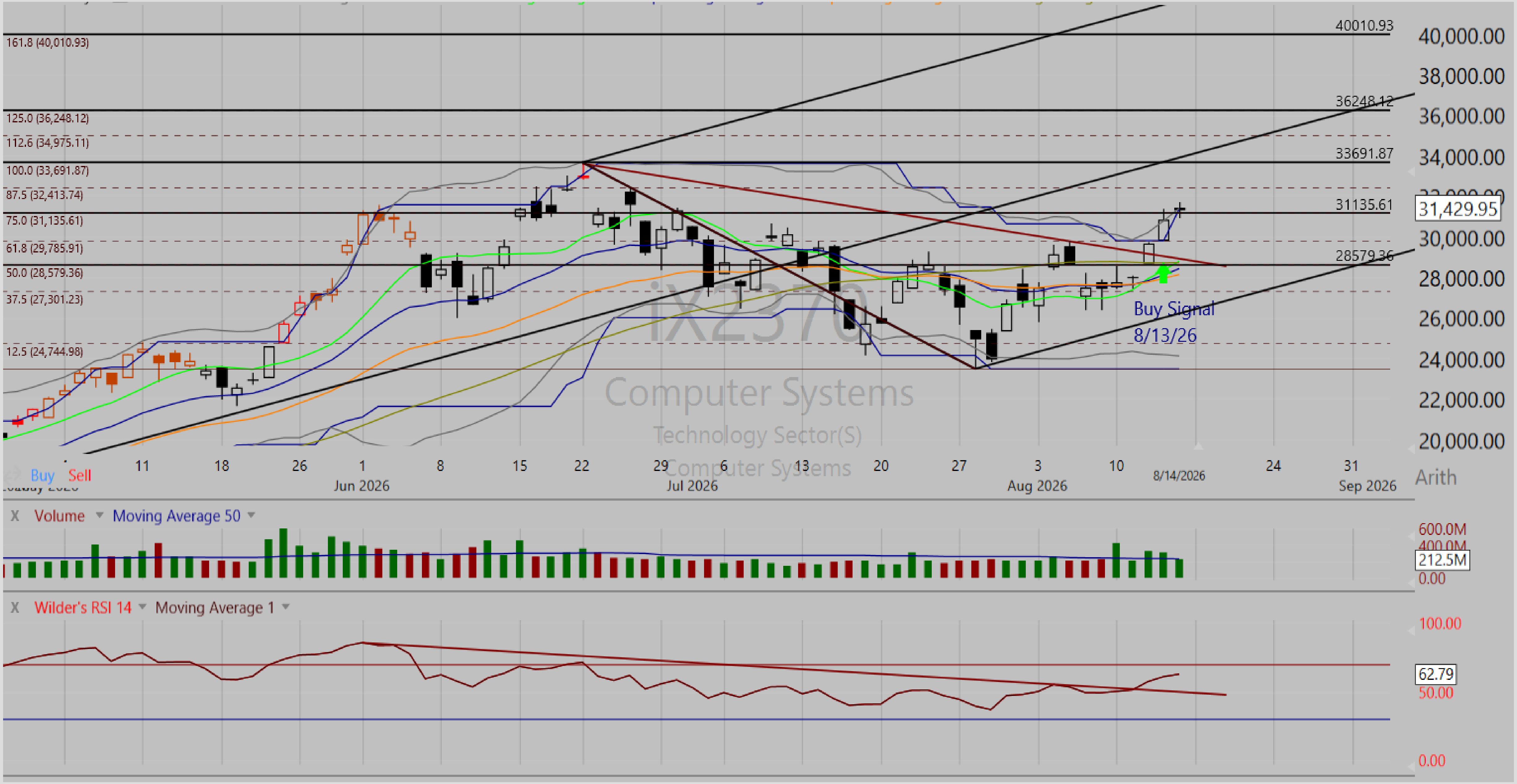


Confirmed Buy: Granite Shares 2x Long Dell (DLLL) ETF

- ***Granite Shares 2x Long Dell (DLLL) ETF Position:*** *This trade is structured to deliver twice the daily performance of* ***Dell Computer (DELL),*** *effectively providing 2x exposure to* ***DELL.***
- *The only industry group within* ***technology*** *to signal a buy last week was* ***computer systems****, creating an opportunity to purchase* ***Granite Shares 2x Long Dell (DLLL).***
- *From March to June,* ***Dell Computer (DELL)*** *posted a substantial rally, then spent the next two months consolidating that move and forming a double bottom base. Last week, DELL broke out of the base handle, triggering a new buy signal. I entered a position in Granite Shares 2x Long Dell (DLLL) ahead of a quick surge to its second Fibonacci target, where I sold a third of my shares for a 10% gain. With accumulation building, DELL looks well-positioned for another leg higher. The breakout was confirmed by a spread double-top pattern on the point-and-figure chart, signaling strong demand.*
- The **Granite Shares 2x Long Dell (DLLL) ETF** position was started at 1/2-star.
- **Granite Shares 2x Long Dell (DLLL) ETF *was purchased at 28.01.***
- **Granite Shares 2x Long Dell (DLLL) ETF** *is undergoing significant accumulation, recently breaking to new highs.*
- **Granite Shares 2x Long Dell (DLLL) ETF closed at 29.51.**
- **Granite Shares 2x Long Dell (DLLL) ETF *has an anchored VWAP of 11.77.***
- ***The Fibonacci sell targets****: 1st target 30.62; 2nd target 31.03; 3rd target is 34.31; 4th target is 35.50; 5th target is 39.74; 6th target is 47.63; 7th target is 54.49.*
- *Stop price: Close below 23.24.*

Granite Shares 2x Long Dell (DLLL)

Computer Systems Industry Group



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