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Welcome to the
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# This Trading Floor Research report contains:

S&P 500 & Sector Update

UltraShort Consumer Services ETF (SCC)

GraniteShares 2x Short MSTR ETF (MSDD) Update

# S&P 500 Update

*The **S&P 500** has been experiencing an increasing number of distribution days, with eight occurring in the past 20 sessions and four since the index reached its peak eight sessions ago. Having five or more distribution days within a 20-session period suggests a potential market top. The presence of four distribution days in the last eight sessions is a significant warning for the market.*

*Last week, the S&P 500 dropped below the crucial Fibonacci level of 6818.03, and attempts to recover above it were unsuccessful, resulting in declines on Thursday and Friday. Moreover, bears took control after Thursday's close fell below 50% of October's trading range, which also contributed to Friday's decline. Additionally, the bears failed to regain control during Friday's rally attempt, which ended with a closing price of 6728.80.*

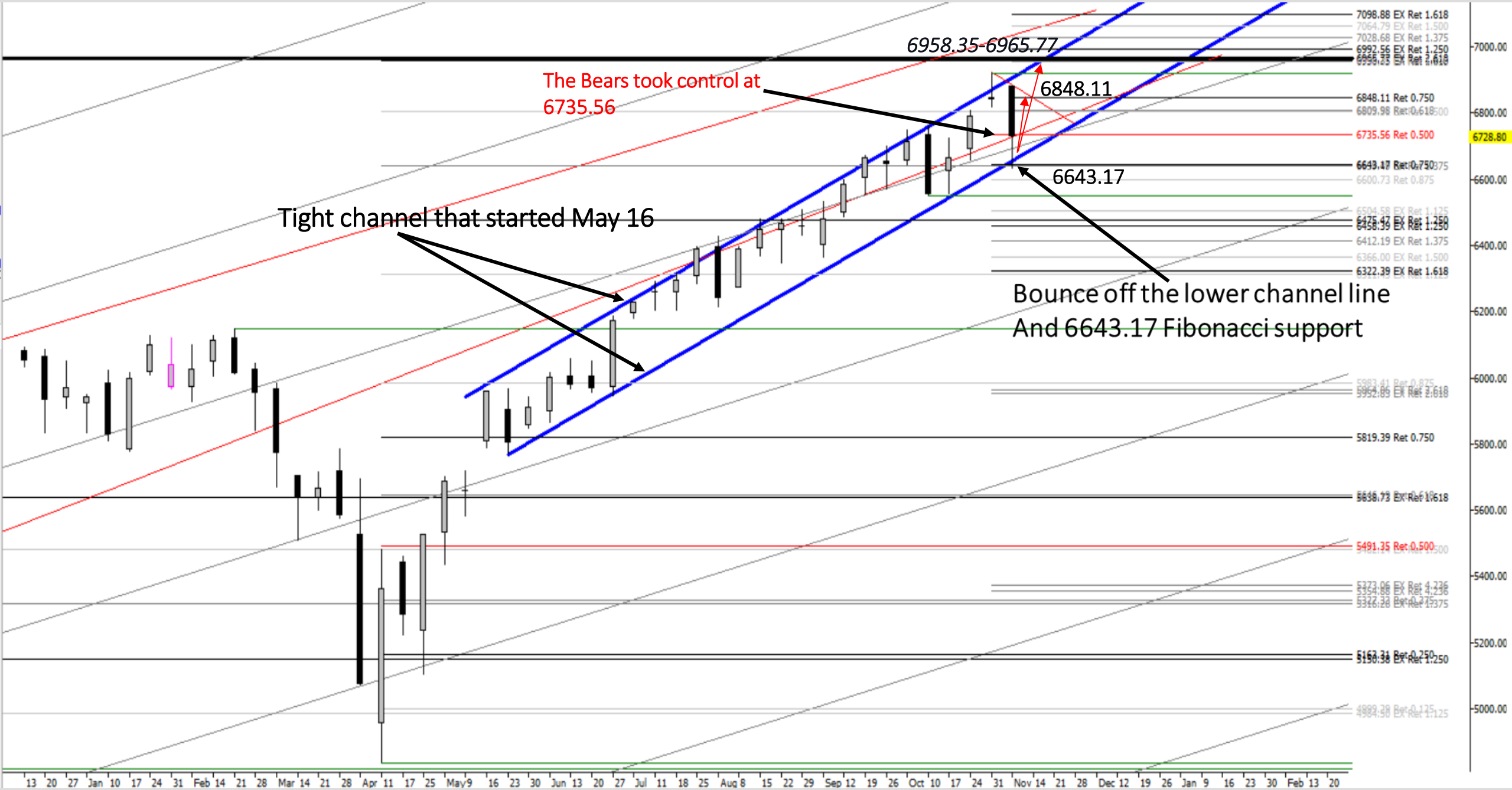
*In Tuesday's newsletter, I discussed the tight trading channel the S&P 500 has been in since May 16. Each time the index reached the upper limit of this channel, it triggered a selloff that then reversed, creating new buying opportunities at the channel's lower end. Most recently, Friday's selloff tested the Fibonacci support level I highlighted in Tuesday's newsletter at 6639.49, coinciding with the bottom of the channel, and the S&P 500 subsequently bounced back.*

*The positive move on Friday suggests a potential rebound that could lead to a test of the significant Fibonacci targets between 6958.35 and 6965.77. Before that can happen, however, the index must close above the descending trendline from the October 26 peak and the Fibonacci resistance at 6848.11.*

*If the S&P 500 bounce occurs next week without sufficient accumulation to offset the distribution that led to the recent decline, it is likely to trigger another drop that could test the bottom of the trading channel.*

*A close below this lower boundary will indicate a continuation of last week's selloff, with the next primary downside target being the 1.25 Fibonacci expansion level at 6475.47.*

# S&P 500 (Weekly Chart)



# Sector Update

*The market continues to show signs of broadening weakness. The latest sector to confirm a sell signal is* **Basic Materials**, *with a surprising sell signal coming from the* **industrial miners group** *on Tuesday.*

*In July, August, and September, I executed three highly profitable trades with industrial miner* **Critical Metals (CRML).** *However, at this point, I will refrain from making any new acquisitions in industrial mining stocks. Currently,* **gold, silver,** *and* **industrial miners** *are in a sell mode, contributing to the overall downtrend in basic materials.*

*The* **steel group**, *on the other hand, is still maintaining a buy signal in the basic materials sector, but I have noticed a decline in overall group accumulation levels. Despite the group's declining accumulation levels, new leadership continues to emerge in stocks like* **Arcelor Mittal (MT)** *and* **Grupo Simec (SIM),** *which are showing exceptional accumulation.*

*I am continuing to hold my position in the steel producer* **Hongli Group (HLP),** *which has been trading sideways since my purchase. In contrast to the broader group, HLP's accumulation remains strong. The stock displayed impressive resilience during Friday's market sell-off, bouncing back to close at the top of its range. Friday's close above the weekly cloud, along with above-average weekly trading volume, increases the probability of a breakout this week from its seven-month cup-and-handle base.*

# *Steel Group*


5114.03
5,000.00
4749.38
4,500.00
4,453.54
4384.74
4020.09
4,000.00
Trendline throwback
at strong Fibonacci support
Steel
Basic Materials Sector(C)
Steel
Aug 2025
Sep 2025
Oct 2025
11/7/2025
Volume
Moving Average 50
250.0M
200.0M
150.0M
100.0M
42.5M
0.00
A decline in accumulation could slow group progress
Up/Down Volume Ratio
Donchian Channels 100
Donchian Channels 20
Donchian Channels 260
1.50
1.14
1.00
0.75
0.50

# Arcelor Mittal (MT)

# *Hongli Group (HLP)*

# Hongli Group (HLP) Weekly Chart

# GraniteShares 2x Short MSTR ETF (MSDD) Update

*On Friday, I realized a 53% gain by selling my remaining position in the* ***GraniteShares 2x Short MSTR ETF (MSDD).*** *Shortly after selling my shares at the market opening, the price reversed at my fourth Fibonacci target.*

*The selloff on Friday erased all of the day's gains, closing down an additional 4.11%.*

*However, this decline in MSDD may present another opportunity to re-enter the position. I anticipate that Bitcoin will continue to decline, and since* ***Strategy (MSTR)*** *has significant Bitcoin holdings, the inverse two-beta position of MSDD will benefit from a continued drop in Bitcoin, enhancing the overall return.*

# GraniteShares 2x Short MSTR ETF (MSDD) Update

# *Confirmed Buy: UltraShort Consumer Services ETF (SCC)*

- *Position: Short the Consumer Cyclicals. This trade is designed to move 2x the inverse daily performance of the S&P Consumer Discretionary Select Sector Index.*

- *I increased my short market exposure on Tuesday by purchasing the* ***ProShares Ultrashort Consumer Services ETF (SCC).*** *In last week's newsletter, I highlighted the consumer cyclicals sector as a potential short opportunity. The recent sell confirmation in this sector suggests a likely continuation of the downtrend that began with the October 9 sell signal.*
- *On November 3, the market experienced an advance that served as a throwback to an ascending trendline originating from the low on October 10. This throwback coincided with a weak 1/8 Fibonacci expansion level. Typically, a reversal following a weak Fibonacci number can lead to a rapid and significant decline.*

- ***The position was purchased at 14.50*** *and started at* ***1-star(*).***

- *ProShares Ultrashort Consumer Services ETF (SCC) closed at 14.90.*
- *ProShares Ultrashort Consumer Services ETF (SCC) is undergoing significant accumulation with an up/down volume ration of 1.54, hitting 100-day highs.*
- ***The Fibonacci sell targets****: 1st target 16.31; 2nd target 17.00; 3rd target is 18.87; 4th target is 21.60.*
- *Stop sell price: Close below 14.07.*

# ProShares Ultrashort Consumer Services ETF (SCC)

# *Consumer Cyclicals*

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