



TFR

Trading Floor Research

Welcome to the
—— Trading Floor ——

03/23/25



This Trading Floor Research report contains:

S&P 500 & Sector Update

German Market & Trivago (TRVG) Update

Chinese Market and Insurance Industry Group Update

Waterdrop Inc. (WDH)

Hesai Group (HSAI)

S&P 500 Update

*The **S&P 500** has been range-bound after it closed below the critical Fibonacci level of 5679.65 on March 10. The lower end of the range has found support at the Fibonacci 5542.10 target, and the top of the range found resistance at 5679.65. It attempted to break through its strong Fibonacci resistance at 5679.65 three times this past week. The inability to close above 5679.65 for the past ten sessions indicates persistent market sellers, which keep showing up as the index breaks above the 5679.65 plane.*

Most of the distribution has been focused on the Magnificent 7 stocks. The question is whether the limited strength of other market areas can overcome the determined selling of the magnificent 7.

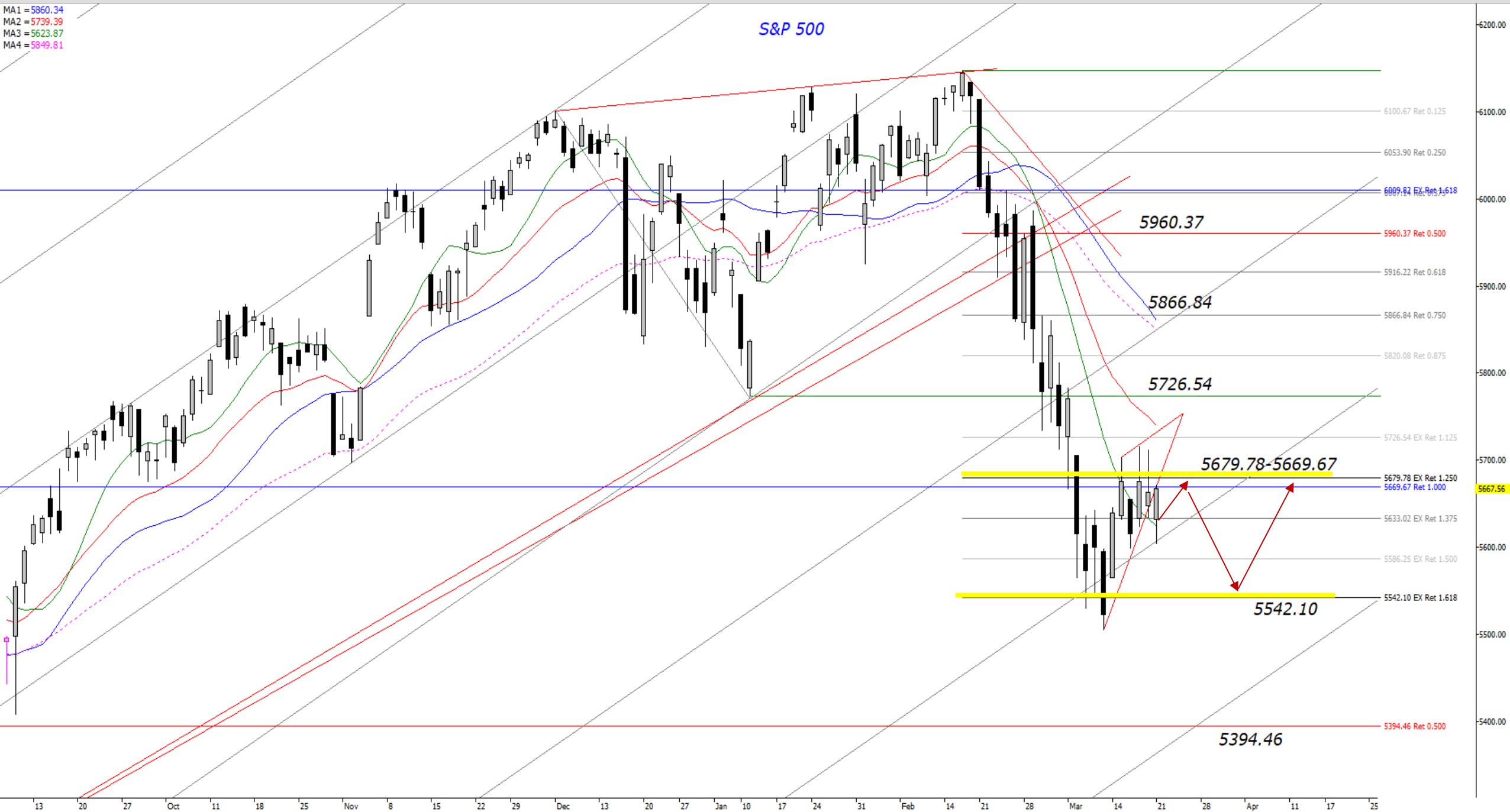
This week, I will focus on the S&P 500's ability to close above 5679.65, likely triggering a market rally. I am also preparing for the next probable selloff if the S&P 500 closes below the bottom of the recent range and breaks Fibonacci support at 5542.10.

Of course, the third option could be more back-and-forth choppy action between the Fibonacci targets.

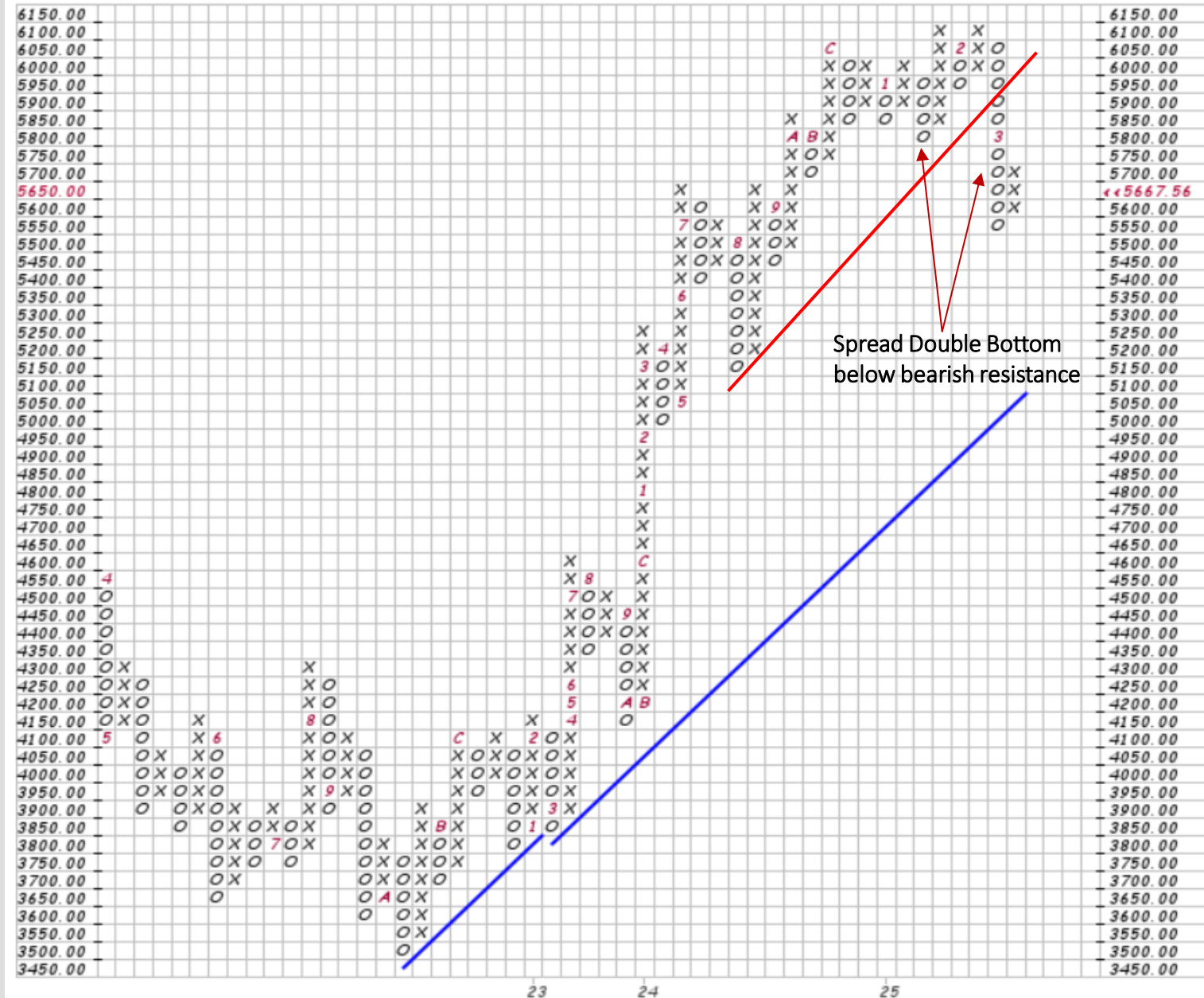
S&P 500 (SPX)

MA1 = 5860.34
MA2 = 5739.39
MA3 = 5623.87
MA4 = 5349.81

S&P 500



S&P 500 (SPX)



S&P 500 (SPX)

Long-Term Chart of S&P 500 (Starting in 1987)

Monthly Chart



German Market & Trivago (TRVG) Update

The **German DAX** continues to power higher with a YTD return of 19.7%, underscoring its strong performance. Once the DAX broke out on January 21, it continued to stairstep higher on mounting accumulation. The **Recon Capital DAX Germany ETF (DAX)** hit a new high on Tuesday and has been pulling back for another stairstep move. The retracement is testing Fibonacci support at 40.21, which could offer another area for entry.

To capitalize on the strong move in the DAX, I repurchased German-based **Trivago (TRVG)** on Wednesday. The first time I bought TRVG was on January 24 to take advantage of the initial breakout in the DAX. I sold my final shares in three weeks with a 95.6% return.

Since then, TRVG has continued basing on accelerating volume as the German market proceeded with its stairstep move. After a five-week base above the weekly Ichimoku cloud, TRVG confirmed its next move. Basing above the weekly cloud for the first time in four years sets the chart up for another surge.

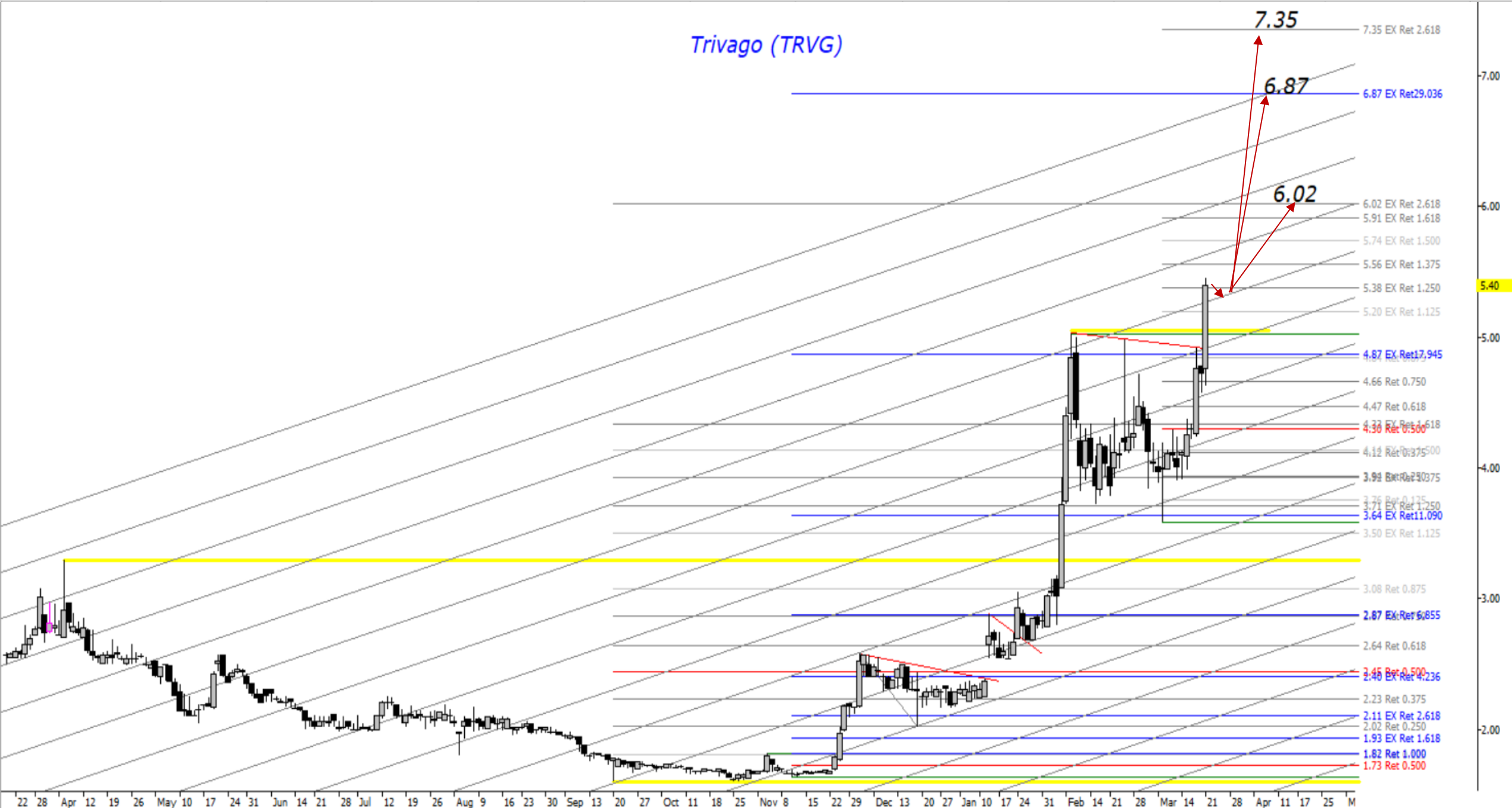
Friday, TRVG hit its Fibonacci target at 5.38, and I sold 1/3 of my position with a 20.1% gain. Friday's closing above 4.87 will likely send shares considerably higher. A swing chart of the January-February move indicates a target of 6.58, highlighting the potential for significant gains in Trivago.

Confirmed Buy: Trivago (TRVG)

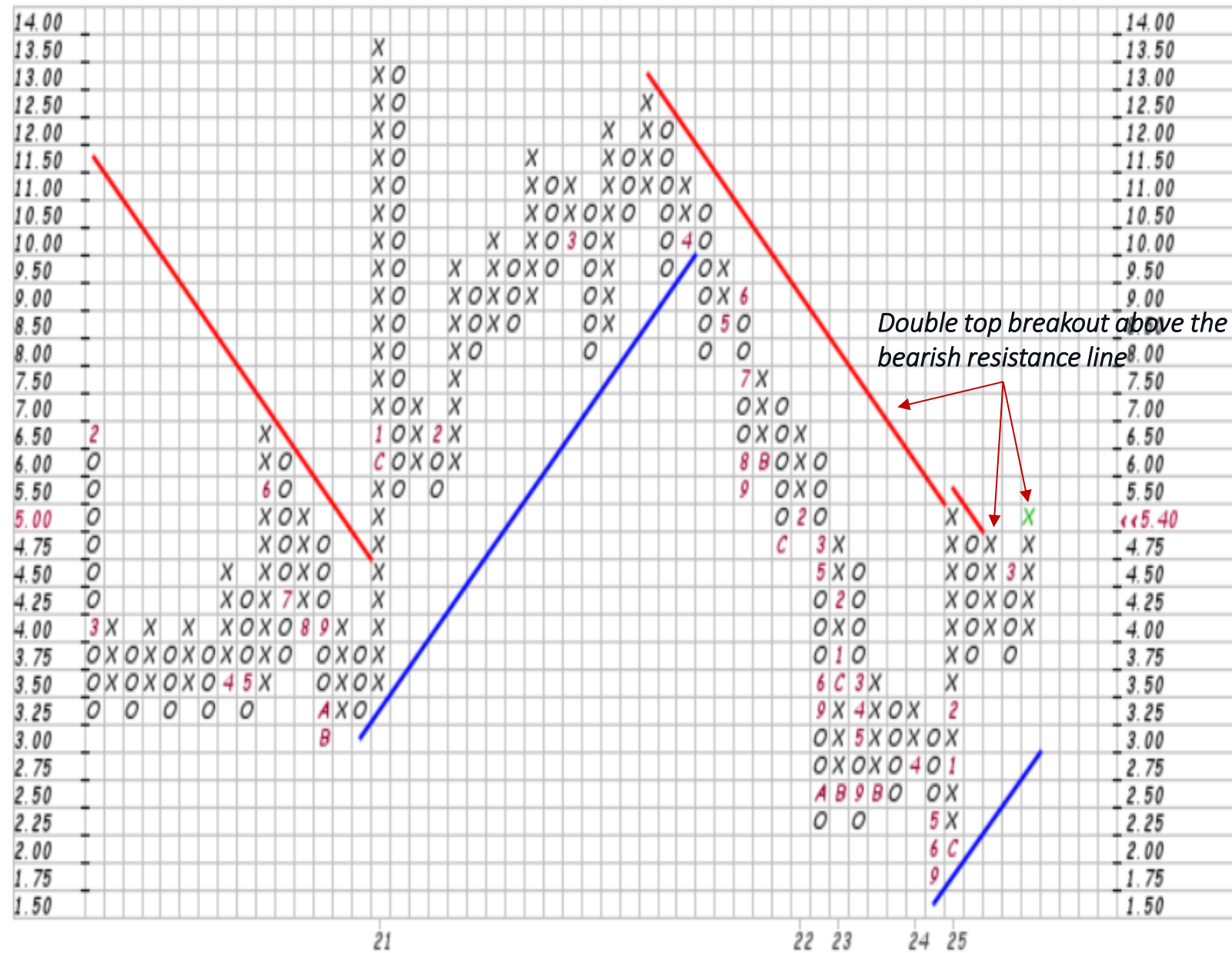
- *Market: **Germany**: The German market confirmed a buy signal on January 21, 2025. Since then, the German DAX has consistently outperformed other world markets, demonstrating a remarkable YTD 19.7% return. This resilience underscores the strength of the German DAX in the current market conditions.*
- ***Trivago (TRVG)** is a German-based internet website that provides hotel bookings for travelers.*
- *Friday, **Trivago (TRVG)** broke out of its recent five-week base on volume 80% above average. A late afternoon price surge and massive accumulation sent shares 14.4% higher into the close. Shares rose to the next Fibonacci target at 5.38, and I locked in 1/3 of my position with a 20.1% gain. The swing chart of the January-February move indicates Friday's close above 4.87 will likely send shares to a 6.58 target. Friday's move also sent the Point & Figure chart to a double top breakout above the bearish resistance line for the first time since 2021. The point & figure chart pattern is highly significant and underscores the massive share demand.*
- *Position Started at 1-star.*
- ***Trivago (TRVG)** was purchased at 4.36.*
- ***Trivago (TRVG)** is undergoing significant accumulation, with an Up/Down Volume Ratio of 2.07, approaching 52-week highs.*
- ***Trivago (TRVG)** closed at 5.40.*
- ***Trivago (TRVG)** anchored VWAP is at 12.55.*
- ***The Fibonacci sell targets:** 1st target 5.38; 2nd target 5.91-6.02; 3rd target is 6.87.*
- ***Stop price:** Close below 3.92.*

Trivago (TRVG)

Trivago (TRVG)



Trivago (TRVG)



Chinese Market and Insurance Industry Group Update

The **Chinese market** pulled back last week. However, many Chinese names were still moving higher. One of those stocks was **Waterdrop (WDH)**, which I purchased following confirmation of its next move. WDH completed a cup-with-handle base that started in May 2024. Its price strength and substantial accumulation come from the Chinese market and the strong **insurance-diversified** group.

Last week, insurance-diversified stocks hit new highs on above-average volume as most of the market struggled. A leader in the group is **Berkshire Hathaway (BRKB)**. It is under massive accumulation and a significant factor pushing the group higher. I am watching the **Direxion BRKB Bull 2x (BRKU)** as it sets up to capitalize on the move.

The six insurance groups I follow remain the only area keeping the financial services sector from total collapse. Every other financial service group is in a sell signal, which includes **money center banks, regional banks, asset management, capital markets, and credit services**. This underscores the strength and resilience of the insurance sector.

I continue to hold my **Skyward Specialty Insurance Group (SKWD)** position. Even though SKWD had closed below its stop for three sessions, it continued to show powerful accumulation in the **strong property & casualty insurance group**. As long as accumulation and group strength remain strong, I typically give my positions more time to prove themselves. SKWD started trading back above its stop last Friday, and on Thursday, it confirmed its next move.

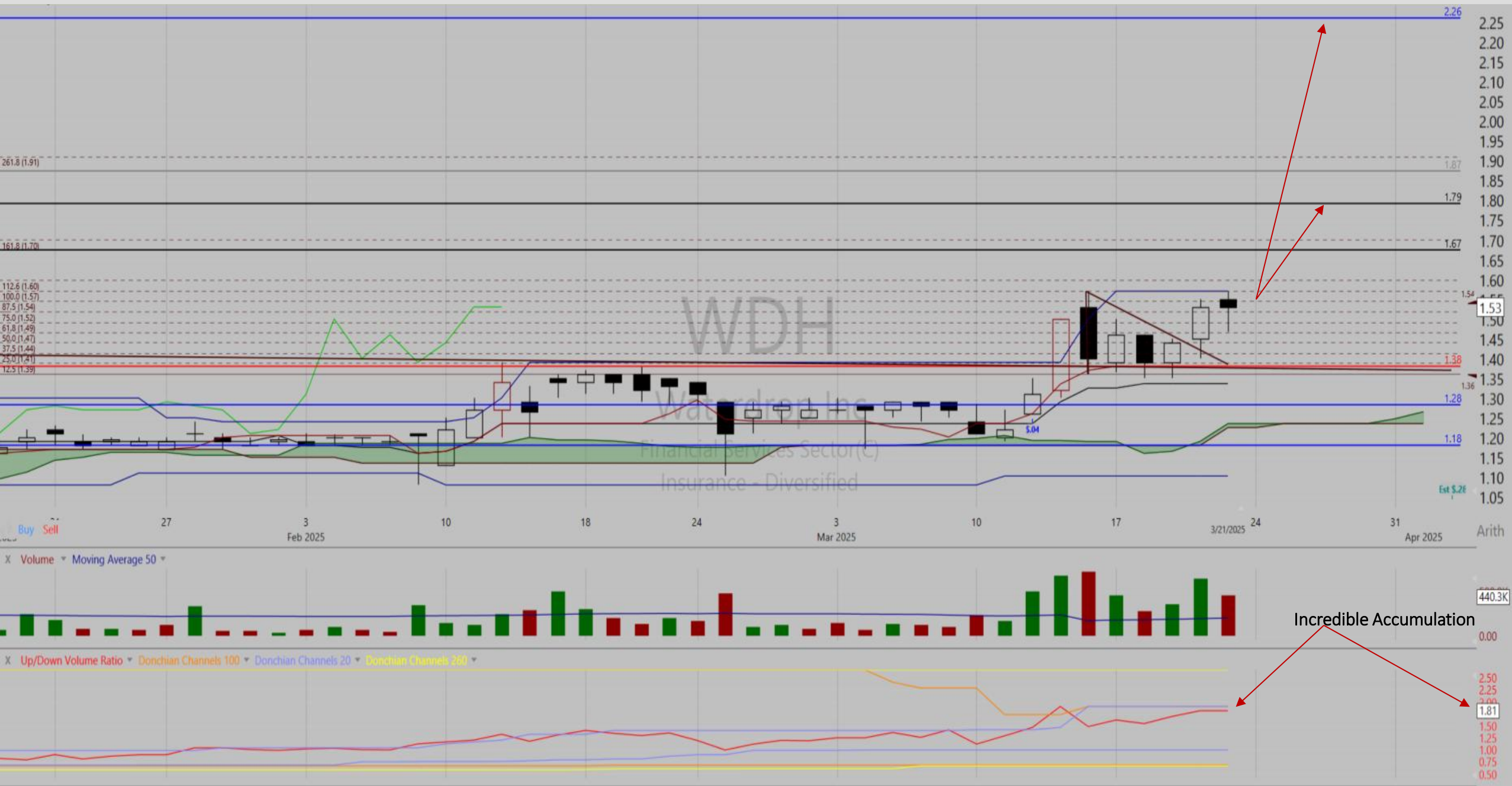
Confirmed Buy: Waterdrop Inc. (WDH)

- *Market: **Chinese Market**. Last week, the MSCI China Index pulled back from a break out of a cup-with-handle base that started on October 7. Even as the Chinese index pulled back, individual Chinese stocks were acting well.*
- ***Waterdrop (WDH)** is a Chinese third-party insurance and healthcare services provider.*
- *I purchased **Waterdrop (WDH)** an emerging Chinese leader, to capitalize on the strength of the Chinese market. Both the Chinese market and WDH are under massive accumulation. WDH completed a cup-with-handle base that started in May 2024. Its price strength and substantial accumulation come from the Chinese market and the strong insurance-diversified group.*
- *Waterdrop (WDH) was purchased at 1.45 and started at 1-star(*).*
- *Waterdrop (WDH) is undergoing significant accumulation, with an up/down Volume Ratio of 1.81, hitting 100-day highs.*
- *Waterdrop (WDH) closed at 1.53.*
- *Waterdrop (WDH) anchored VWAP is at 2.89.*
- *The Fibonacci sell targets: 1st target 1.67; 2nd target 1.77; 3rd target is 1.88; 4th target is 2.26; 5th target is 2.44.*
- *Stop price: Close below 1.38.*

Waterdrop Inc. (WDH)



Waterdrop Inc. (WDH)



Confirmed Buy: Hesai Group (HSAI)

- Market: **Chinese Market**. Last week, the MSCI China Index pulled back from a break out of a cup-with-handle base that started on October 7. Even as the Chinese index pulled back, individual Chinese stocks were acting well.
- **Hesai Group (HSAI)** is a Chinese manufacturer of Light detection and ranging (LiDAR) for auto manufacturers.
- I purchased emerging leader **Hesai Group (HSAI)** as Chinese stocks continued to show strong accumulation. Last week, HSAI broke out of its two-year primary IPO base. HSAI completed the base's handle on massive volume following a strong earnings release and formed a rising three-methods Japanese candlestick pattern. Completing the pattern by closing above 24.18 should send HSAI shares considerably higher. So far, the stock move has been on the strongest accumulation since HSAI went public in February 2023. A catapult formation on the point & figure chart reaffirms recent demand and considerably higher prices.
- Hesai Group (HSAI) was purchased at 21.34 and started at 1-star(*).
- Hesai Group (HSAI) is undergoing significant accumulation after hitting 52-week highs.
- Hesai Group (HSAI) closed at 18.40.
- Hesai Group (HSAI) anchored VWAP is at 12.46.
- **The Fibonacci sell targets:** 1st target 23.58; 2nd target 28.09; 3rd target is 30.35; 4th target is 31.80; 5th target is 36.00.
- **Stop price:** Close below 17.74.

Hesai Group (HSAI)



Hesai Group (HSAI)



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