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Trading

Floor Research

Welcome to the
Trading Floor

05/31/26

This Trading Floor Research report contains:

S&P 500 Update

Market Sector Update

Pattern Group (PTRN)

<u>Market Sector Update</u>

A new buy signal in the ***industrials sector*** *and a sell signal in the* ***consumer staples*** *sector underscore the market's underlying whipsaw nature. Notably, just eight sessions ago, the industrial sector generated a sell signal, and less than two weeks ago, consumer staples flashed a buy.*

Typically, directional sector signals last for several weeks or even months, but the recent quick reversals and false signals are characteristic of low-volume environments—exactly what we're seeing now as market concentration intensifies in technology.

Massive volume inflows into ***technology stocks*** *are drawing traders' attention away from the broader market. Accumulation in the technology sector has reached historically high levels, suggesting the potential for a significant move higher. However, technology is now extremely stretched, increasing the risk of any new purchases.*

Currently, six sectors are in confirmed sell positions, while five are in buy positions. ***Healthcare*** *is the only other sector to recently generate a buy signal, with substantial accumulation emerging from a base. This setup provides low-risk entry opportunities across many healthcare industry groups and individual stocks, so healthcare will remain my primary focus going forward.*

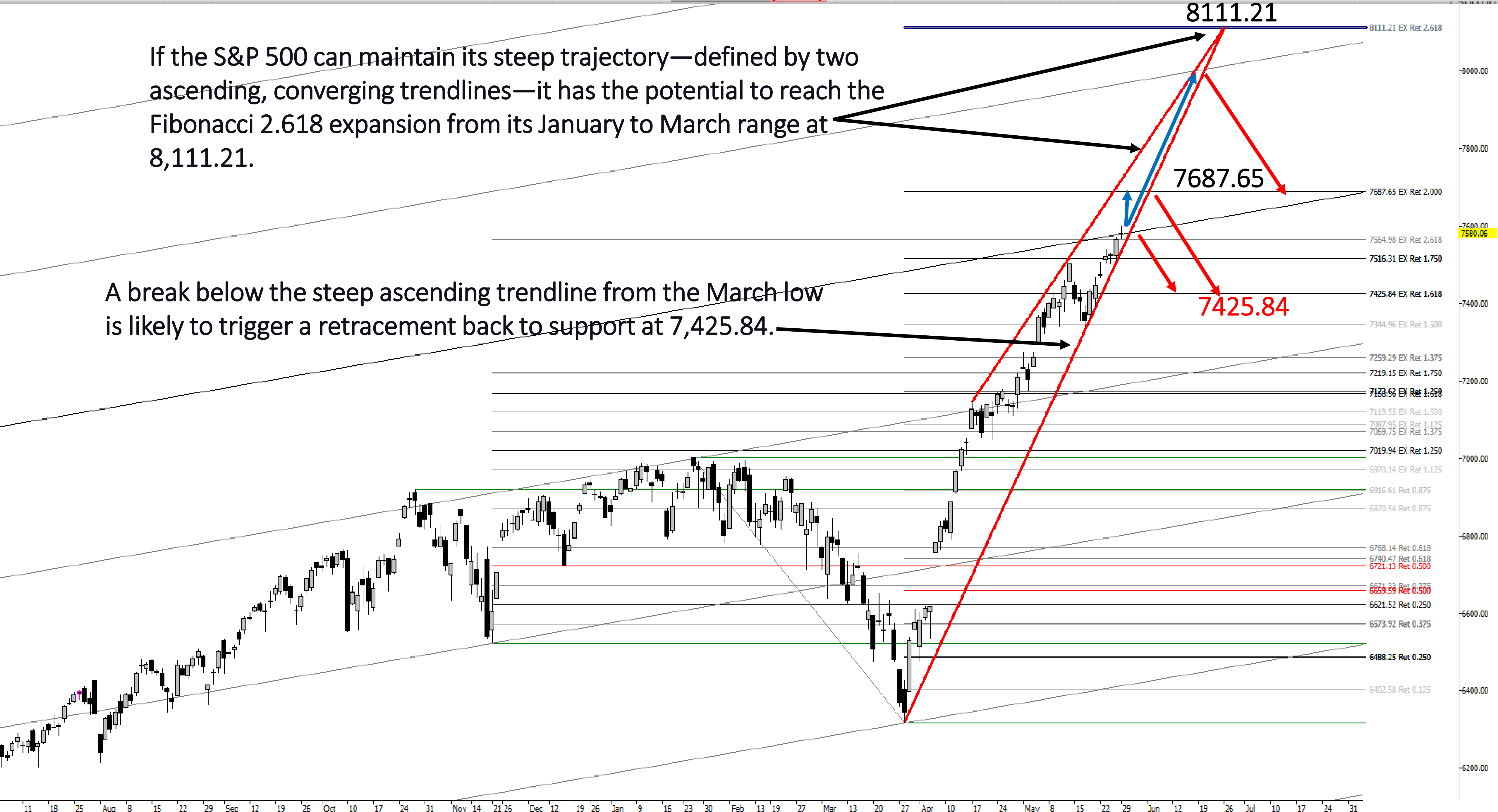
Healthcare Sector

S&P 500 Update

The **S&P 500** has firmly established itself above the significant Fibonacci 1.618 expansion at 7,425.84 for now. If the index can maintain its steep trajectory—defined by two ascending, converging trendlines—it has the potential to reach the Fibonacci 2.618 expansion from its January to March range at 8,111.21. However, the S&P 500 will encounter significant Fibonacci and median line resistance along the way.

On Friday, the index struggled at its median line but managed to hold above Fibonacci support at 7,564.98. A close below this Fibonacci level on Monday would also represent a break below its steep ascending trendline from the March low, likely leading to a retracement back to support at 7,425.84. Conversely, if the S&P 500 can maintain its trajectory above the steep trendline from the March bottom, the next likely target will be a test of the Fibonacci level at 7,687.65.

S&P 500 (SPX)



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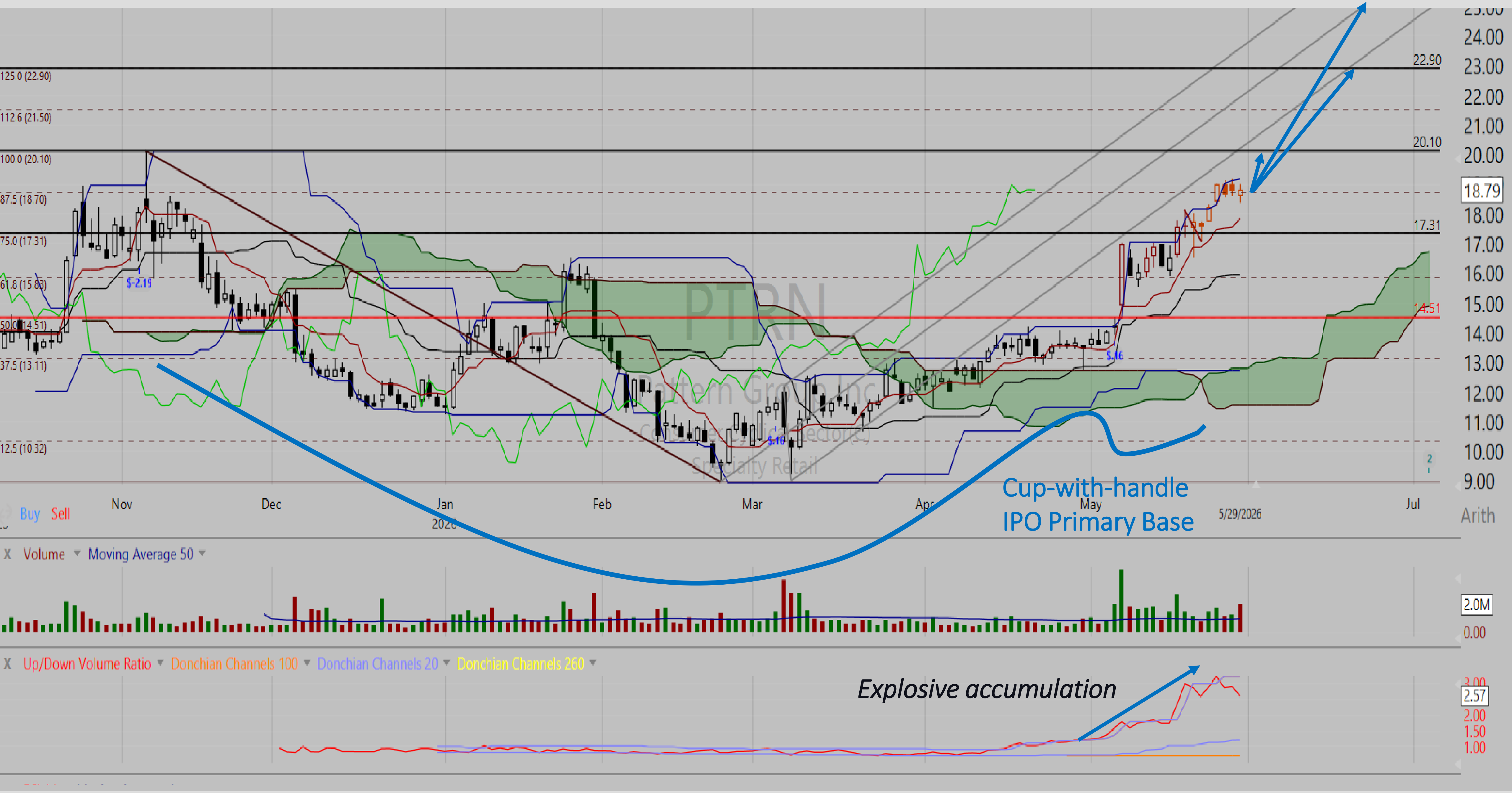
A break below the steep ascending trendline from the March low is likely to trigger a retracement back to support at 7,425.84.
8111.21
7687.65
7425.84
8111.21 EX Ret 2.618
7687.65 EX Ret 2.000
7564.98 EX Ret 2.618
7516.31 EX Ret 1.750
7425.84 EX Ret 1.618
7344.96 EX Ret 1.500
7259.29 EX Ret 1.375
7219.15 EX Ret 1.750
7019.94 EX Ret 1.250
6916.61 Ret 0.875
6870.54 Ret 0.875
6768.14 Ret 0.618
6740.47 Ret 0.618
6721.13 Ret 0.500
6659.59 Ret 0.500
6621.52 Ret 0.250
6573.92 Ret 0.375
6488.25 Ret 0.250
6402.58 Ret 0.125

Confirmed Buy: Pattern Group (PTRN)

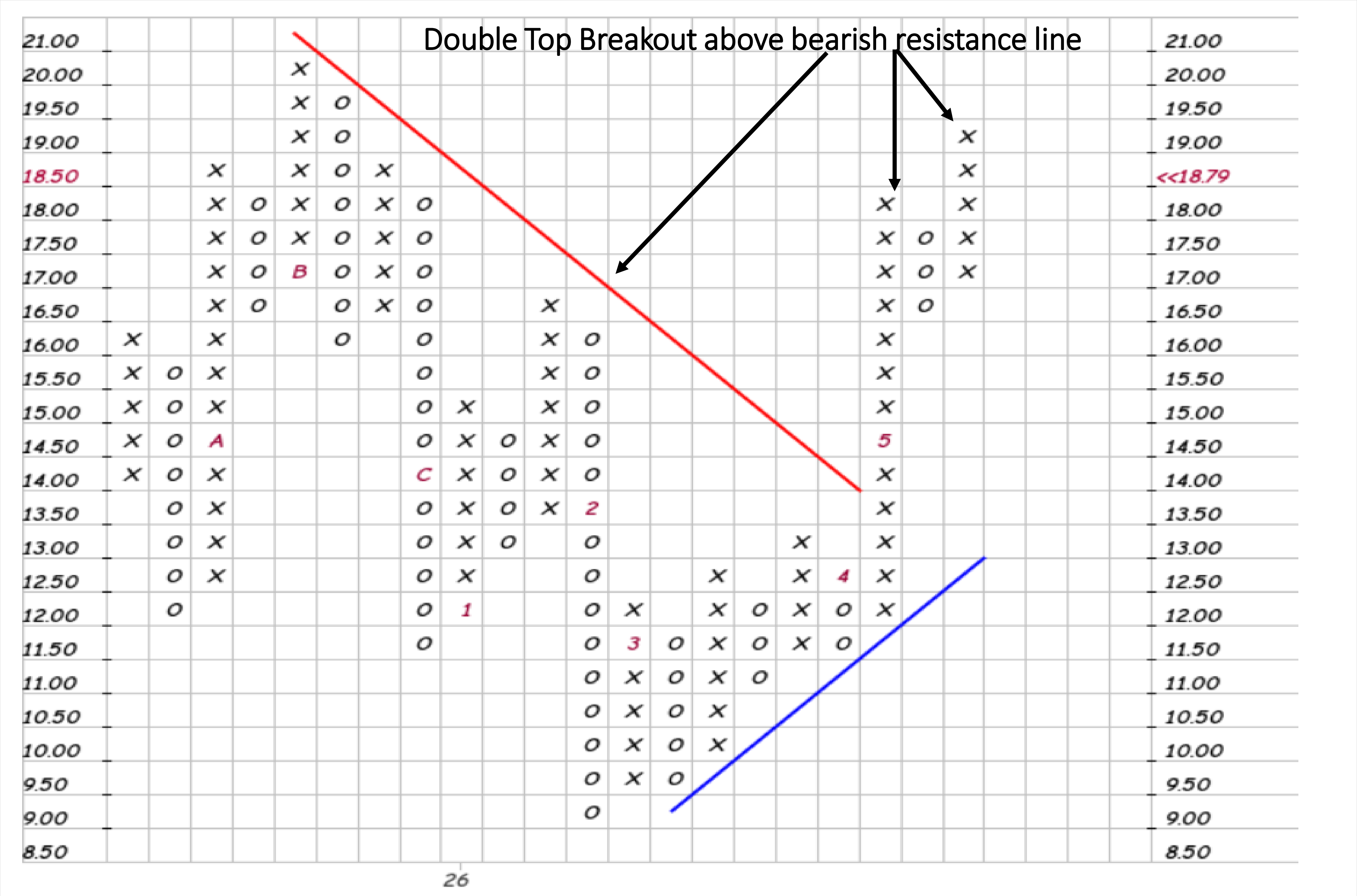
Industry Group: Specialty Retailers. *Tuesday, I purchased **Pattern Group (PTRN)** after confirming its next move higher. Its group strength is driven by a combination of **specialty digital marketplace retailers** and **AI-driven platforms**. While the **specialty retailers** industry group is currently in a buy signal and experiencing considerable accumulation, the strongest momentum is coming from companies leveraging AI-driven platforms.*

- **Pattern Group (PTRN)** operates as an e-commerce accelerator that combines proprietary technology, artificial intelligence, and data science to drive online marketplace growth for consumer brands
- ***Pattern Group (PTRN)*** *is breaking out from its IPO primary base, a setup that has historically given some of my highest-probability, oversized gains—especially when the stock belongs to a strong industry group. Tuesday's confirmation came after a quick two-week handle formed from a cup base that started in November. The brief handle consolidation has served as a launchpad, and accumulation is now going parabolic as PTRN prepares to break out of its primary base. What's particularly compelling is that the explosive accumulation is underscored by the broader strength within the AI-driven platform group. This powerful combination is setting PTRN up for a potential outsized move. Supporting this bullish technical picture, PTRN's point & figure chart broke its bearish resistance line in April and just completed a double-top breakout on Tuesday. The technical breakout, surging accumulation, and industry tailwinds position PTRN for a potentially explosive advance coming from its IPO base.*
- The **Pattern Group (PTRN)** position was started at 1/2-star.
- Pattern Group (PTRN) ***was purchased at 18.30.***
- Pattern Group (PTRN) *is undergoing significant accumulation, hitting all-time highs as it surges higher.*
- Pattern Group (PTRN) closed at 18.79.
- Pattern Group (PTRN) ***has an anchored VWAP of 13.99.***
- ***The Fibonacci sell targets****: 1st target 20.10; 2nd target 20.82; 3rd target is 22.90; 4th target is 27.01.*
- *Stop price: Close below 15.83.*

Pattern Group (PTRN)



Pattern Group (PTRN)



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