

RETO

FLOAT SQUEEZE

low-float

momentum

reverse-split

dilution-risk

China-small-cap

premarket-movers

RETO's 676% Day Had No News Behind It — Here's the Float Math That Made It Possible

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◆ DESK TAKE

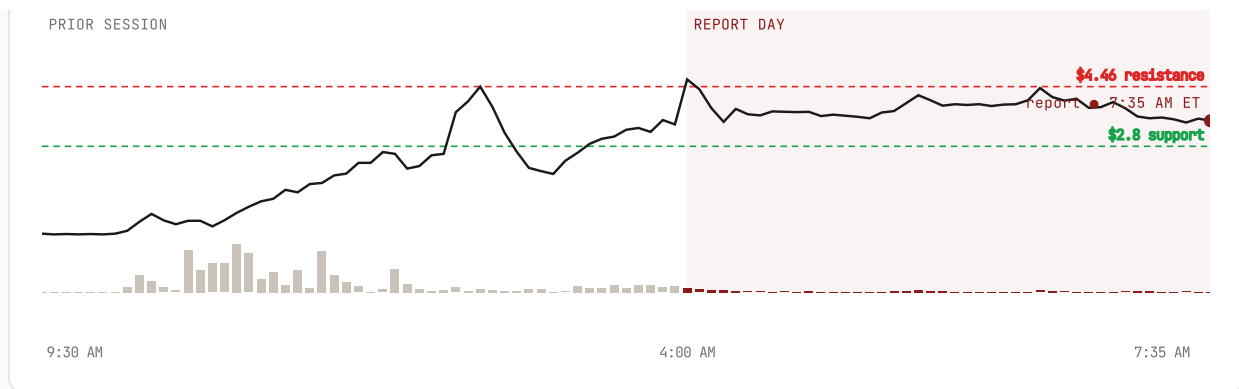
Ran 676% Tuesday on no news — a structural low-float momentum move, not a catalyst play, and it's extending premarket after fading from an overnight probe of the mid-\$5s. Float read is two-sided: May's 4-for-1 split tightened supply, but the share count has doubled since and a \$36M prepaid financing plus \$300M shelf sit overhead. Watch \$4.46 resistance and \$2.80 support into Wednesday's open.

DATA BOX

Price	\$3.56
Change	+27.16%
Volume	16.05M
Float	N/A
Mkt cap	\$30.16M

MECHANICS

Roughly 8.5M shares outstanding; a May 2026 4-for-1 reverse split reduced Class A shares to about 3.27M, and the count has since more than doubled via a June \$3.8M debt-to-equity conversion and related issuance. A two-year \$36M pre-paid securities financing (August 2026) and a \$300M mixed securities shelf (June 2026) are on file, alongside a May CEO change, June auditor replacement, and a September 11 SEC staff action on EDGAR.



DATA BOX — MACHINE-VERIFIED

Data Box — RETO · as of 7:50 AM ET, 2026-09-16 · Pre-market session

METRIC	VALUE
Price	\$3.56
Previous close	\$2.80
Change	+27.16%
Volume (premarket)	16.05M
Float	N/A
Shares outstanding	8.47M
Market cap	\$30.16M
52-week range	\$0.35 - \$28.40
Avg daily volume (20d)	12.01M
Relative volume	N/A (premarket)

All figures machine-sourced from market data APIs at publication time.

RETO didn't need a headline to close up 676% on Tuesday, September 15 — and understanding *why* it didn't is more valuable than the number itself. As of 7:50 AM ET Wednesday, the stock is extending in premarket on heavy volume, having probed the mid-\$5s overnight before fading back into the

mid-\$3s. The open decides whether Tuesday was the whole show or just act one.

Why “no catalyst” is the catalyst

Start with the honest answer: there’s no news. A clear company-specific catalyst wasn’t verifiable for Tuesday’s move — no operating update, earnings release, or contract announcement appeared alongside the surge, making a momentum-driven spike the most plausible explanation. Volume ran roughly 44.6 times above average — Tuesday’s tape rotated the entire share count dozens of times over. That’s a structural move, not a fundamental one.

The company itself is a Beijing-based maker of ecological and intelligent equipment — solid waste treatment systems, mining equipment, and smart craft-beer machines. Trailing twelve-month revenue sits at \$3.37 million, against a full-year net loss north of \$12 million. The business isn’t what moved; the share structure is.

How the float got this tight

Here’s the lesson worth keeping. In May, the board approved a 4-for-1 share combination that cut outstanding Class A shares from roughly 13.1 million to about 3.27 million, leaving a tight share base after the consolidation.

Reverse splits shrink tradable supply — and when the momentum crowd piles into a shrunken float, price discovery gets violent. Short interest was negligible into this (under 20,000 shares at the end of August), so this isn’t shorts covering. It’s pure supply/demand.

Now the other side of the ledger. The share count has more than doubled since that split, and the paperwork explains it: a \$3.8 million debt-to-equity conversion in June, a \$300 million mixed securities shelf filed in late June, and a two-year \$36 million pre-paid securities financing secured in August. Pre-paid financings are the piece to understand: the investor has already paid for shares to be delivered later, and those deliveries land on the tape as sell pressure — usually into strength, exactly like this. Add a new CEO named in May and an auditor swap in June, plus an SEC staff action logged on EDGAR September 11 with no detail attached, and you have a file worth watching for fresh 6-Ks all week.

The levels

- **\$4.46** — Tuesday's regular-session high. Premarket already traded above it and got sold; reclaiming and *holding* it after the open is the continuation tell.
- **\$2.80** — Tuesday's close. Lose it and the back half of the move unwinds fast.
- **Premarket VWAP** sits in the low \$4s — trading below it into the bell says sellers own the early tape.
- **\$0.35–\$0.42** — last week's base, and the round-trip scenario. These setups do round-trip.

Risk framework: this ticker was halted news-pending as recently as mid-May, so halt risk is live — size accordingly, and a stop below Tuesday's close is the clean line for anyone playing day-two continuation. Second acts do happen when a gap holds above the prior close on real volume, but every spike here is also an invitation for financing paper to come out. Watch for

any pricing or delivery notice under the \$36 million facility — that filing, more than any level, changes the picture.

This is independent research, not investment advice; do your own diligence before trading.

MECHANICS BOX — THE STRUCTURAL READ

- Shares outstanding: 8.47M · Float: N/A
- Dilution-relevant SEC filings (30d): none found in the last 30 days
- Splits: 1-for-4 reverse (2026-05-18), 1-for-5 reverse (2025-11-03), 1-for-10 reverse (2025-03-07), 1-for-10 reverse (2024-03-01), 1-for-10 reverse (2023-05-15)
- Roughly 8.5M shares outstanding; a May 2026 4-for-1 reverse split reduced Class A shares to about 3.27M, and the count has since more than doubled via a June \$3.8M debt-to-equity conversion and related issuance. A two-year \$36M pre-paid securities financing (August 2026) and a \$300M mixed securities shelf (June 2026) are on file, alongside a May CEO change, June auditor replacement, and a September 11 SEC staff action on EDGAR.

The Setup: This is a Float Squeeze play — read the pattern guide to learn how these setups typically unfold.

This report is for informational purposes only and does not constitute investment advice. Always conduct your own due diligence before making any investment decision.