

SXTC

DILUTION MACHINE

dilution

registered direct offering

reverse split

penny stocks

premarket movers

Nasdaq compliance

China small caps

SXTC Bounces Premarket on Zero News — Anatomy of the Offering That Broke the Stock

July 30, 2026 — 8:39 AM EDT · Report #93 · Free Equity Reports Research

◆ DESK TAKE

Bouncing hard premarket on huge volume with no news — purely structural, an oversold snap after the July 24 offering-day collapse from \$0.33 to \$0.06. Float is 25M with 4.5M fresh offering shares inside it, an open F-3 shelf overhead, and a split history that likely forecloses the next Nasdaq cure period. Watch \$0.08 resistance and the \$0.05 floor into the open; below \$0.05 there's no chart left.

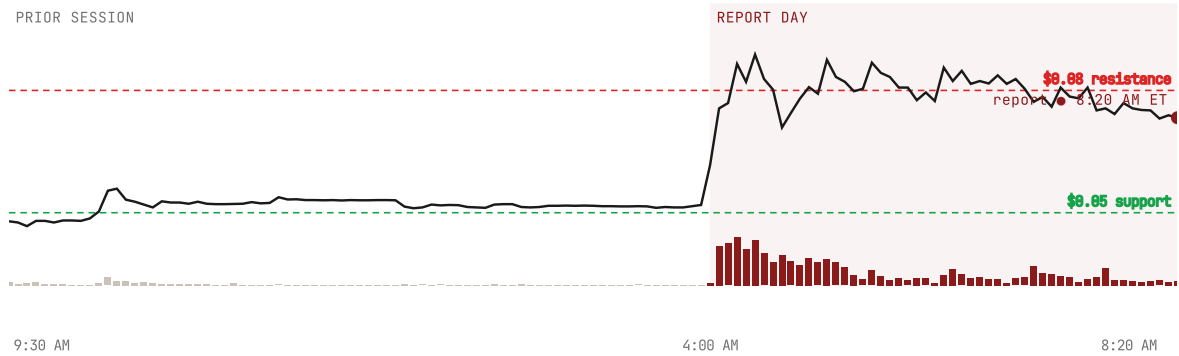
DATA BOX

Price	\$0.07
Change	+34.86%
Volume	271.58M
Float	25.00M
Mkt cap	\$2.28M

MECHANICS

Roughly 32.2M shares outstanding with a 25M float following a \$9M registered direct offering closed July 24, 2026 (4.5M units; each unit one Class A share plus a one-year warrant struck at \$3.20) off an effective F-3 shelf that remains open. Three reverse splits since October 2023 (1:25, 1:8, and 1:150 effective February 3, 2026) put the cumulative two-year ratio far beyond Nasdaq's 250:1 threshold, likely eliminating any future bid-price compliance period. Company reported a ~\$6.2M FY net loss; stock trades well below the \$1.00 minimum bid requirement.

SXTC — PRIOR SESSION → REPORT TIME



DATA BOX — MACHINE-VERIFIED

Data Box — SXTC · as of 8:38 AM ET, 2026-07-30 · Pre-market session

METRIC	VALUE
Price	\$0.07
Previous close	\$0.05
Change	+34.86%
Volume (premarket)	271.58M
Float	25.00M
Shares outstanding	32.22M
Market cap	\$2.28M
52-week range	\$0.05 - \$1,046.98
Avg daily volume (20d)	43.98M
Relative volume	N/A (premarket)

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

China SXT Pharmaceuticals is up sharply in Thursday's premarket on enormous volume — north of ten times its outstanding share count changing hands before the open — and there isn't a single new headline

behind it. Nothing filed, nothing announced. This is a structural bounce off the floor of a stock that lost roughly 85% of its value last week, and if you're trading it, you should understand exactly what broke it in the first place. As of this writing, 8:38 AM ET, that's the whole story: oversold mechanics, not news.

SXTC is a Taizhou, China-based holding company that makes and sells traditional Chinese medicine pieces — directly-oral, after-soaking-oral, fine, and regular TCMP — under the Suxuantang brand. The business isn't why anyone's here this morning. The capital structure is.

How the wipeout happened

On July 23, the company announced a registered direct offering: 4,500,000 units at \$2.00 apiece, each unit one Class A ordinary share plus a warrant exercisable at \$3.20, expiring one year from issuance. The deal ran off the F-3 shelf that went effective December 1, 2025, and closed July 24. Here's the skeptic's question: the stock closed at \$0.33 on July 23. Who pays \$2.00 a unit for a thirty-three-cent stock? Institutions don't hand out 6x premiums as charity — when a structure looks that generous on paper, assume the economics work in ways the press release doesn't spell out. Whatever the mechanism, the tape rendered its verdict fast: Friday July 24, SXTC opened at \$0.26 and closed at \$0.06 on more than 300 million shares. An 80%+ single-day incineration, on the day the money hit the account.

This isn't SXTC's first lap around this track. In January 2026 the company sold 66,666,666 shares at \$0.15 for roughly \$10 million — same shelf, same placement agent — and then executed a 1-for-150 reverse split effective February 3, 2026. Before that, a 1-for-8 split in February 2025 and a 1-for-25 in October 2023. Raise, crater, split, repeat.

The split math nobody's doing

That history isn't just cosmetic. Under Nasdaq rules, a company loses access to a compliance period if it has a cumulative reverse split ratio of 250-to-1 or more over two years. SXTC's last two splits alone are 1,200-to-1. The stock sits at seven cents. When the next bid-price deficiency letter arrives, there may be no cure window — the reverse-split escape hatch is welded shut. Delisting risk here isn't a tail scenario; it's the base case timeline you're trading against.

What the bounce is (and isn't)

No catalyst means this is a supply/demand event: bagholders exhausted, shorts covering (short interest was already trivial — roughly 22,500 shares as of mid-July), and bounce traders playing a washed-out chart. The bracket is clean. Support is the \$0.05 floor that held Friday, Tuesday, and Wednesday — also the 52-week low. Resistance is \$0.08, the high of Monday's first bounce attempt; premarket has already probed above it and faded. Hold above \$0.08 on sustained volume after the open and there's room for a momentum extension; lose \$0.05 and there's no chart below, just air. Size accordingly — a \$2M market cap trades like a coin flip with slippage, and stops on a nickel stock gap through levels rather than filling at them. The 4.5M fresh offering shares are in the float now, and the shelf remains open for more.

This is not investment advice; do your own research and manage your risk.

MECHANICS BOX — THE STRUCTURAL READ

- Shares outstanding: 32.22M · Float: 25.00M
- Dilution-relevant SEC filings (30d): 424B5 (2026-07-24), F-3 (2026-07-07)

- Splits: 1-for-150 reverse (2026-02-03), 1-for-8 reverse (2025-02-25), 1-for-25 reverse (2023-10-05), 1-for-20 reverse (2022-05-19), 1-for-4 reverse (2021-02-22)
- Roughly 32.2M shares outstanding with a 25M float following a \$9M registered direct offering closed July 24, 2026 (4.5M units; each unit one Class A share plus a one-year warrant struck at \$3.20) off an effective F-3 shelf that remains open. Three reverse splits since October 2023 (1:25, 1:8, and 1:150 effective February 3, 2026) put the cumulative two-year ratio far beyond Nasdaq's 250:1 threshold, likely eliminating any future bid-price compliance period. Company reported a ~\$6.2M FY net loss; stock trades well below the \$1.00 minimum bid requirement.

The Setup: This is a [Dilution Machine](#) 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.