



# Trading Floor Research

01/05/23



## This Trading Floor Research report contains:

- S&P 500 (SPX). Update
  
- Borr Drilling Limited (BORR) Update



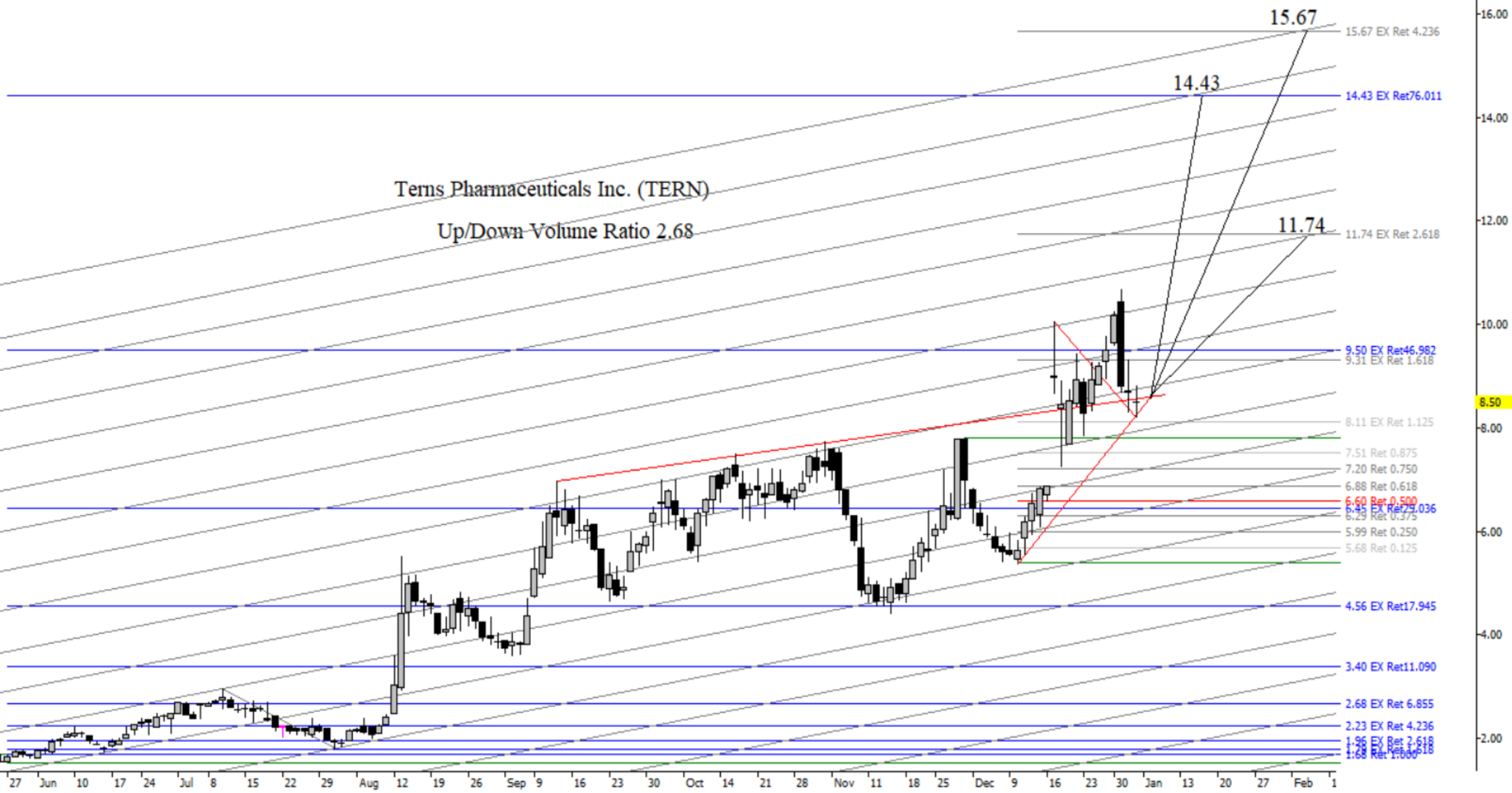
*This Trading Floor Research report is the weekly follow-up:*

*(Please, watch this list closely. If a TFR recommended stock does not appear in this list, it has been sold or was never bought)*

- *Terns Pharmaceuticals Inc. (TERN) Pulled back to its rising trendline on below average volume and is finding significant support at its VWAP. The market is putting pressure on the stock, but it is holding up well. The Biotech industry group is basing above its 10-day moving average and acting strong. (Refer to TERN chart)*
- **Atour Lifestyle Holdings Limited ADR (ATAT)** is basing above Fibonacci support at 18.51 after giving a new buy signal on January 3, 2023. The next Fibonacci target is 20.78. Chinese stocks are very strong, and ATAT will continue to benefit from this strength.

# Terns Pharmaceuticals Inc. (TERN)

Up/Down Volume Ratio 2.68



## S&P 500

*The S&P 500 continues to hold above 3804.22 Fibonacci support. But with today's close at 3808.10, the index is starting to act heavy at Fibonacci support. The bounces are dying out very quickly. When stocks and indexes lose their bounce at critical levels, I look for a break to the downside.*

*I wrote in the weekend newsletter that I was looking for "a shallow rally or a continued pause." At this point, that is too optimistic. If the S&P 500 can still produce a small rally, my targets are 3908.43 and 3949.46 Fibonacci resistance.*

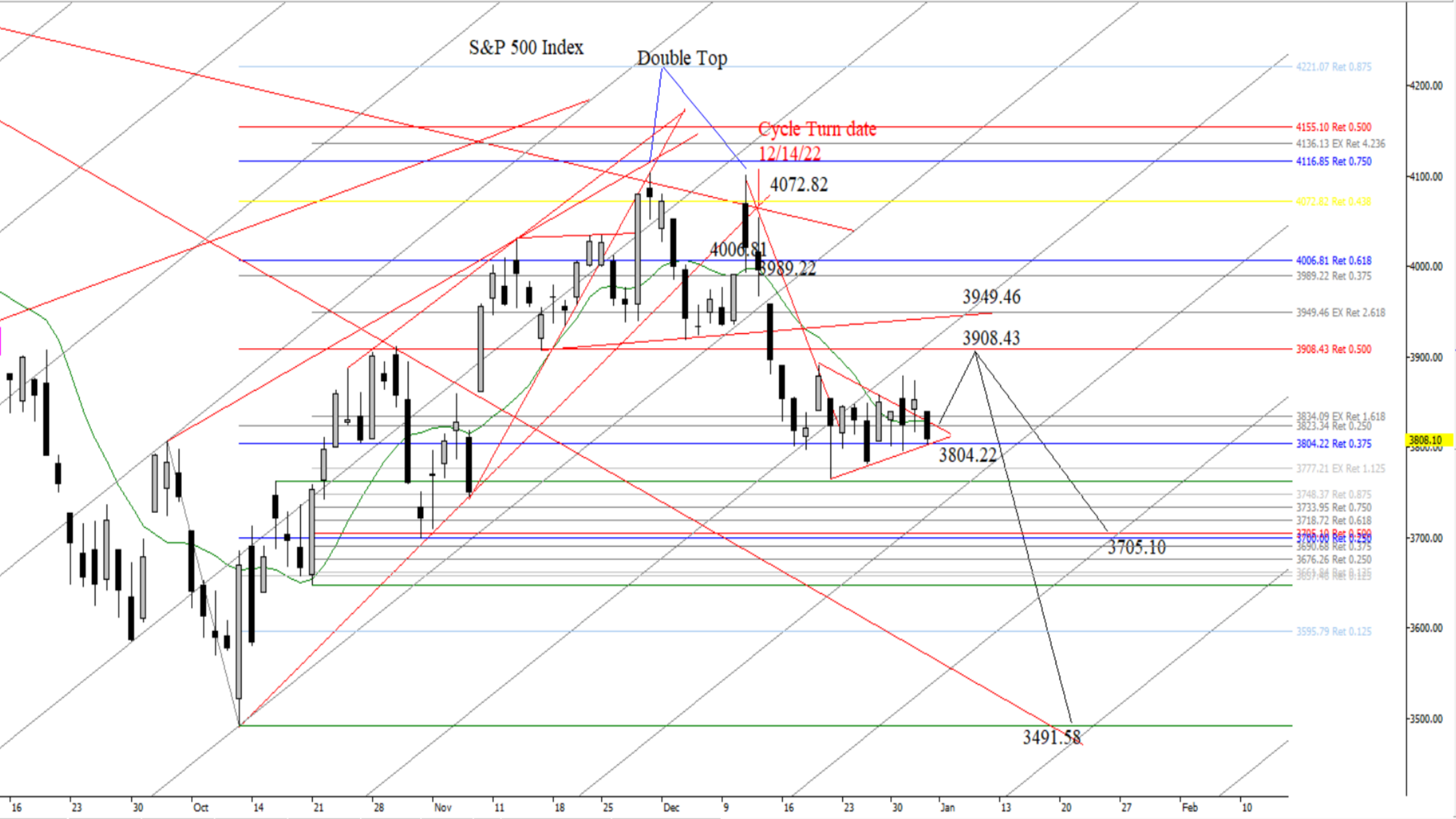
*Volume is very light this week, and the market has not added any additional distribution days. But the Up/Down Volume ratio continues to drop and is currently at .72. Institutional selling is getting worse with each passing day.*

*A close below 3804.22 will begin the next leg of the downtrend.*

*The only market strength I see comes from Chinese stocks, Oil & Gas Drillers, Biotech, Gold Stocks, and Aerospace & Defense. I will look closely at stock ideas from these industry groups in this weekend's newsletter.*

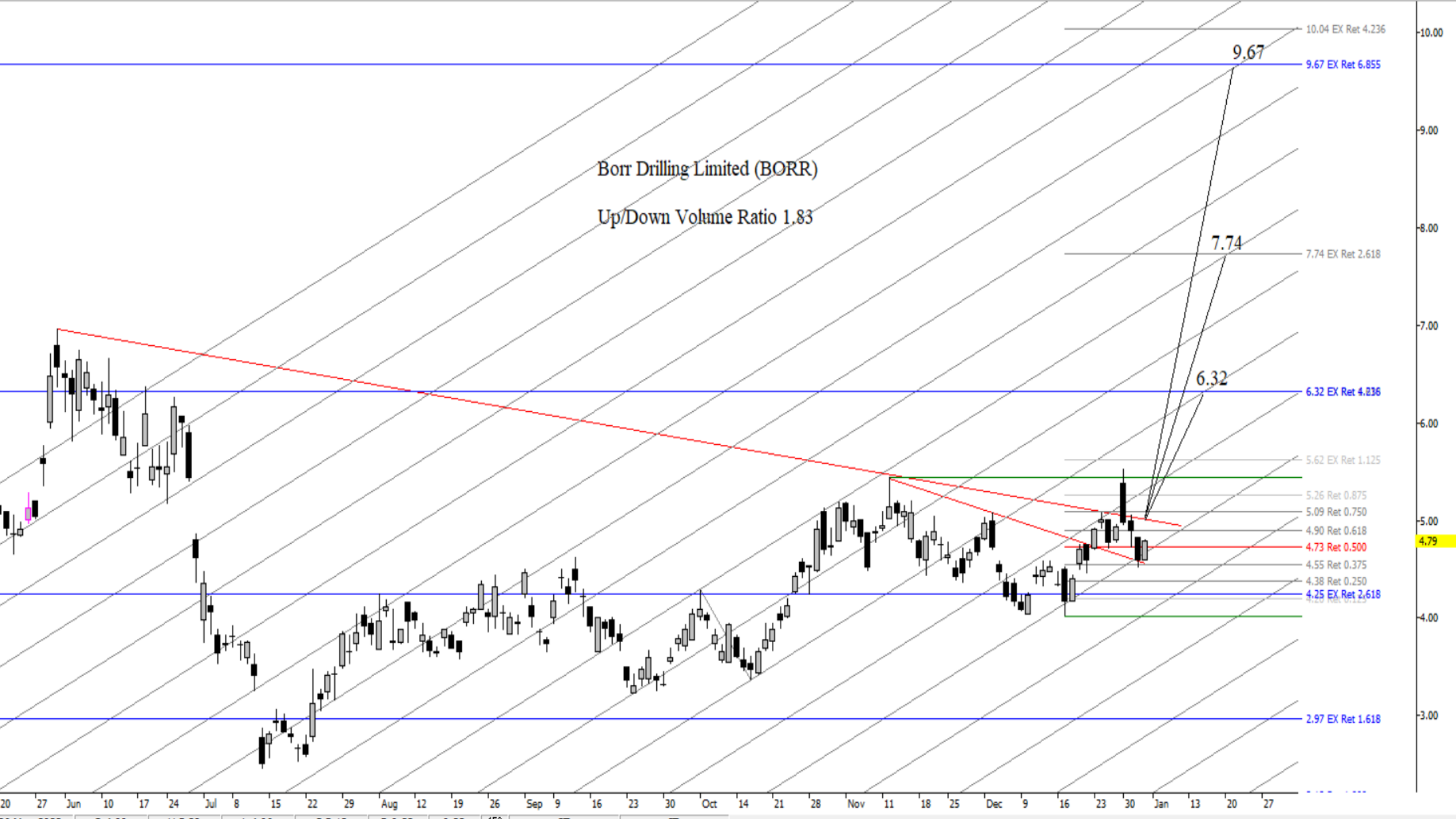
The bears are in control of the Russell 2000 and indicate "Risk-Off" in the markets.

I recommend caution and 90% cash



## New buy candidate: Borr Drilling Limited (BORR)

- Industry Group: **Oil & Gas Drilling** . On November 13, 2022, newsletter, I advised that the Energy sector gave a sell signal but added, “Institutional accumulation indicates that energy will be an excellent place for new purchases after a well-needed rest.” The Energy sector has not given a buy signal, but the **Oil & Gas Drilling** industry group is very close.
- **Oil & Gas Drilling** industry group was up +2.41% today and the 5<sup>th</sup> strongest industry group in the market.
- **Borr Drilling Limited (BORR)** Borr Drilling Limited (BORR) is an offshore oil drilling service company based in Bermuda. On Friday, the stock gapped higher on news of a long-term contract from a Middle-East customer.
- **Borr Drilling Limited (BORR) threw back into its trendline and closed above Fibonacci support at 4.73. the stock is showing tremendous relative strength. The market was selling off into the close, and BORR closed one penny shy of a 30-minute confirmation.**
- **Borr Drilling Limited (BORR) will confirm a buy with a 30-minute close at 4.80 on increased volume.**
- Initiate position with at 1-star(\*).
- Under institutional accumulation with an Up/Down Volume ratio of 1.83.
- Borr Drilling Limited (BORR) closed at **4.79**.
- Borr Drilling Limited (BORR) VWAP is at 2.83.
- Sell target prices: **Resistance at 5.44; 1<sup>st</sup> target is 6.32; 2<sup>nd</sup> target is 7.74; 3<sup>rd</sup> target is 9.67**
- Stop sell price: **Close** below **4.73**.







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