



TFR

# Trading Floor Research

Welcome to the  
— Trading Floor —

05/01/22



This Trading Floor Research report contains:

- United States Oil Fund ETF (USO) reflecting the daily changes in percentage terms of the spot price of light sweet crude oil.



## Essential Lessons for Stock Market Success.

Class 1 and 2 are Monday and Tuesday May 10-11, 2022, at 501 Kelly Avenue, Akron OH, 44306

Class 1 and 2 are Wednesday and Thursday May 12-13, 2022, at 318 Erie St South, Massillon OH, 44646

A morning and afternoon class will be given:

9:00 am-12:00 am ET

4:00 pm-7:00 pm ET

Learn how to identify winning stocks before they move higher and short stocks before they move lower.

Invite a family member or friend



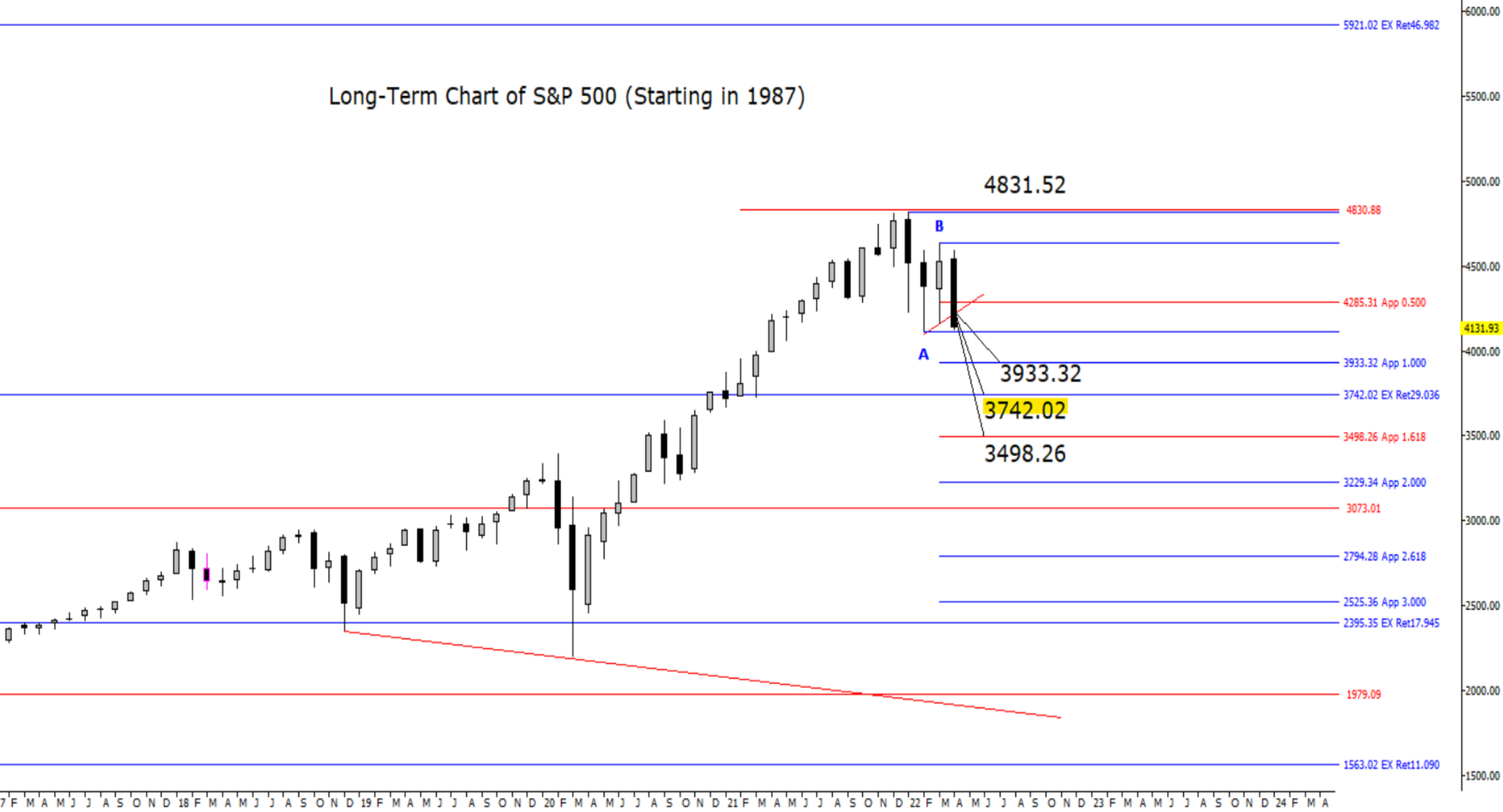
## Sectors, Industry Groups & Leadership Stocks

The U.S. markets look like they are on the verge of a total collapse this week. When an individual stock chart looks this bad, I firmly believe a waterfall to lower prices is imminent. But I don't have the same conviction with U.S. market indices due to the "President's Working Group on Financial Markets," A.K.A the "Plunge Protection Team." This is a group of bankers, investment house experts, traders, and market technicians. The PPT, who are very market savvy and know the levels of most significant impact to start buying futures contracts to support the major markets, will be very active next week as this market begins to collapse. Combine this with the Federal Reserve interest rate meeting next week, and we could see substantial market swings. As market speculators, it is best to sit this out with a significant cash position.

LAST WEEK, the **S&P 500** closed below its essential support at 4388.00 and gave a 20-day closing low sell signal. With the previous week's close of 4131.93, the S&P 500 quickly moved lower to my 3742.02 target number. The first S&P 500 Fibonacci target is 3933.32. A successful test of 3742.02 could offer an opportunity for another market rally. The bears are in control of all the major US indexes. (Refer to Monthly S&P 500 chart)

The **United States Oil Fund ETF (USO)** is one market segment that could offer upside price potential in the next few days. The chart has based on substantial accumulation since oil topped out on March 8, 2022. The ETF has not given a sell signal during the formation of an impressive wedge that is tightening like a coiled spring. The ETF finished the week at critical Fibonacci support as the price trades above the 10-day moving average. A sign of a strong trend. The consolidation area has allowed the 50-day MA to catch up, and low-risk entry is setting up at elevated oil prices. A constructive consolidation like this after a substantial move higher is typically the halfway point of the entire move. **United States Oil (USO)** is featured in this week's newsletter.

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



## Sectors, Industry Groups & Leadership Stocks

Every sector was lower last week. Most stocks are now participating in the downtrend. Even though **Technology** and the **NASDAQ** are weak, other sectors like **Real Estate, Consumer Cyclicals, and Financials** are playing catch up to technology's overall weakness. When the **NASDAQ** gave a sell signal, TFR bought **Tuttle Capital Short Innovation ETF (SARK)** and **ProShares UltraPro Short QQQ (SQQQ)** and added **Direxion Daily Semiconductor Bear 3X (SOXS)** a couple of days later. Big money continues to flow into these inverse ETFs, and I recommend holding them.

*In this report, I highlight potential points where you can add shares to the inverse ETFs. (Refer to charts)*

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

The counter-trend bear market rally is over. **I continue to recommend caution and cash.**

**Buy candidate: United States Oil Fund ETF (USO)**

- Portfolio: **United States Oil Fund ETF (USO)**. The fund's investment objective is to provide daily investment results corresponding to the daily percentage changes of the spot price of WTI crude oil to be delivered to Cushing, Oklahoma.
- The **United States Oil Fund ETF (USO)** daily changes are measured by the daily percentage changes in the price of the near-month WTI crude oil futures contracts traded on the New York Mercantile Exchange.
- **United States Oil Fund ETF (USO)** broke out of its first stage base in November 2020. From its breakout at 31.20, it topped out on March 8, 2020, at 87.84. The ETF is now set to move higher once again. It has formed a triangle base hugging Fibonacci support at 77.22 and letting the 50-day Moving average catch up with the rapid price movement. (Refer to chart)
- **United States Oil Fund ETF (USO)** rapid price move started on December 2, 2021. The chart formation indicates that the price has reached the halfway point, and a swing measurement can be applied to give a price target for the completion of the move. The swing rule indicates USO can move to 109.41. (Refer to swing rule chart)
- Buy the United States Oil Fund ETF (USO) with a 30-minute close above the declining trendline at 79.68 on above average volume.
- Wait for text confirmation!
- Position is at 2-star(\*\*)
- Up/Down Volume Ratio indicates massive institutional accumulation at **1.68**
- *United States Oil Fund ETF (USO)* closed at 77.17.
- *United States Oil Fund ETF (USO)* VWAP is at 63.59.
- Sell target price on United States Oil Fund ETF (USO) : 1st target is **98.12**. 2<sup>nd</sup> target is **109.41**.
- Stop sell price: Close below **75.27**.





# United States Oil Fund (USO) Swing Rule Target Chart





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<sup>1</sup>The results are not (or may not be) representative of the performance of all selections made by Trading Floor Research (TFR) newsletter.

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