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11/01/21

This Trading Floor Research report contains:

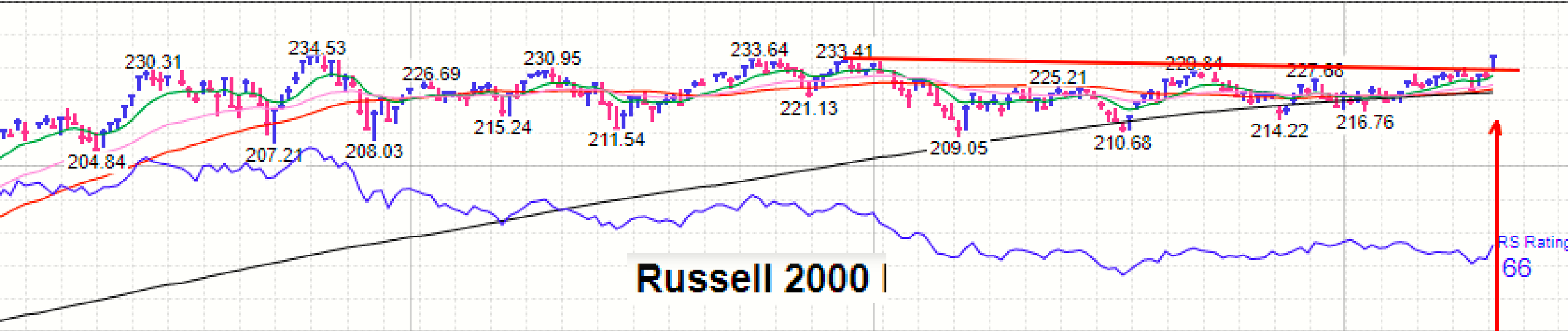
- Merus NV (MRUS) . A new Buy candidate in the Medical Biotech industry group.
- Karuna Therapeutics Inc. (KRTX). A new buy candidate in the Medical Biotech industry group.

Today was a buy signal in the Russell 2000 "Risk-on"!

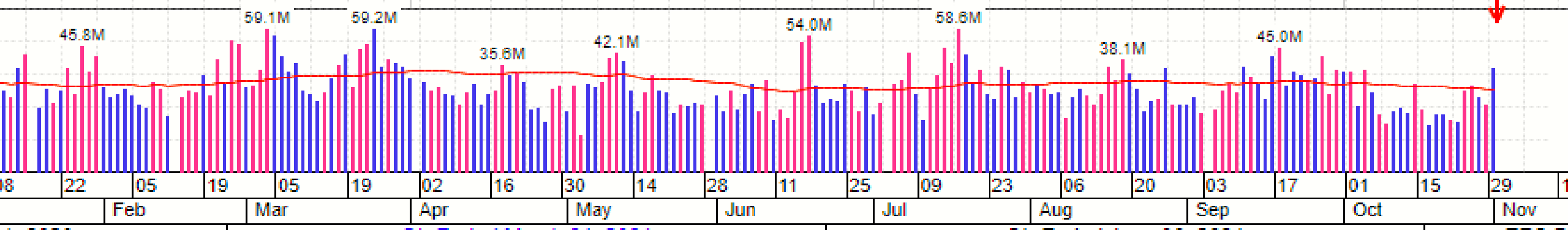
The Russell 2000 gave a buy signal today. A buy signal in the small-cap index lets me know we have gone back to a "risk-on market." A "risk-on market" is a market that allows me to bulk up on my trades and favors upside momentum stocks. My stock profits can run to higher price target numbers.

In addition to the confirmation of the "Risk-on" trade, another significant buy signal happened today. We got a buy signal in Biotech stocks, the ultimate proof that "Risk-on" is back. The Medical Biotech industry group is where some of the best returns happen in the "risk-on" arena.

That is why I sent out a special report today. I have highlighted a couple of my favorite biotech stocks setting up. One of the setups is coming from a stock I mentioned last week.



20-day closing high with increased volume
BUY SIGNAL!



Buy candidate: Karuna Therapeutics Inc. (KRTX)

- Industry Group: Medical Biomed/Biotech. The group currently ranks as the 94th strongest industry group out of 197 and is down -14.92% YTD. The group gave a buy signal today, 11/01/21.

- Karuna Therapeutics Inc. (KRTX) is ready to break the downward sloping trendline of its IPO base that started November 2019. Above the trendline is a Fibonacci resistance number 145.17. The base is a coiled spring. This pattern has led to some of the most significant moves coming out of IPO bases.

- Karuna Therapeutics Inc. (KRTX) develops therapies to address disabling neuropsychiatric conditions like Alzheimer's and Schizophrenia.

Look for Karuna (KRTX) to break its trendline and Fibonacci resistance at 145.17 to confirm a buy.

- Two options for a buy signal:

- 1) KRTX will confirm a buy signal with a 30-minute close above Fibonacci resistance at 145.17 on increased volume.

- Wait for confirmation!

- 2) KRTX could retest Fibonacci support at 135.17. I will send a confirmation text

- Initiate position with at 3-star (***)

- Under massive institutional accumulation with an Up/Down Volume ratio of 2.2.

- Karuna Therapeutics (KRTX) closed at 141.88.

- Karuna Therapeutics (KRTX) VWAP is at 87.89

- Sell target prices: 1st target is 176.15; 2nd target is 227.19; 3rd target is 359.85

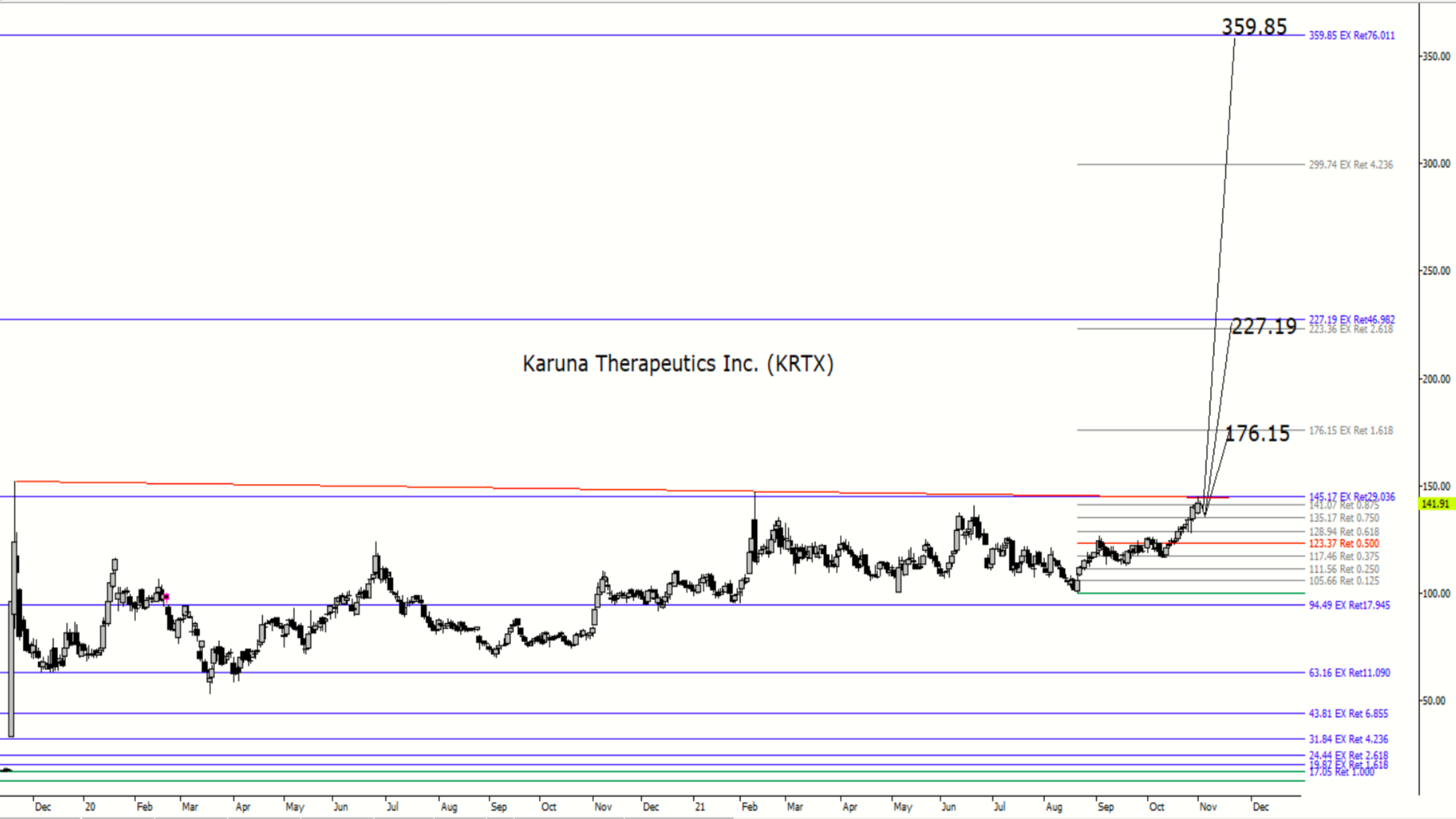
- Stop sell price: Close below 135.17.



Karuna Therapeutics Inc. (KRTX)



Karuna Therapeutics Inc. (KRTX)



Buy candidate: Merus N.V. (MRUS)

- Industry Group: Medical Biomed/Biotech. The group currently ranks as the 94th strongest industry group out of 197 and is down -14.92% YTD. The group gave a 20-day closing high with an above-average volume buy signal today 11/01/21.
- Merus N.V. (MRUS) is a Netherlands-based developer of bio-specific antibody therapeutics to treat and potentially cure cancer in patients.
- Merus N.V. (MRUS) has pulled back from the cup of the cup-with-handle pattern that started forming in January 2021. The cup-with-handle base is part of a much larger IPO cup with a handle base from March 2013. Breaking out of this base could lead to tremendous upside potential.
- Merus could pull back a bit more and completed a throwback to its trendline that started with the top of the base in January 2021.
- **MRUS will confirm a buy signal with a 30-minute close above 29.31 on increased volume.**
- **Wait for confirmation!**

**MRUS will confirm with a throwback to trendline and Fibonacci support at 27.49.
Wait for confirmation!**

- Initiate position with at 3-star(***)
- Under massive institutional accumulation with an Up/Down Volume ratio of 4.4.
- MRUS closed at 29.24.
- MRUS VWAP is at 20.18
- Sell target prices: 1st target is **35.81**; 2nd target is **40.62**; 3rd target is **52.74**
- Stop sell price: Close below **23.71**.







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