



TFR

# Trading Floor Research

Welcome to the  
— Trading Floor —



This Trading Floor Research report contains:

- S&P 500 (SPX). Update
- Workday, Inc. (WDAY)
- Bullfrog AI Holdings Inc. (BFRG)
- Terns Pharmaceuticals Inc. (TERN)
- Universal Electronics (UEIC) Long Tail Down Setup
- Trupanion Inc. (TRUP) Long Tail Down Setup

## S&P 500

*The S&P 500 holds at 4064.44 Fibonacci support but has substantial Fibonacci resistance at 4155.10*

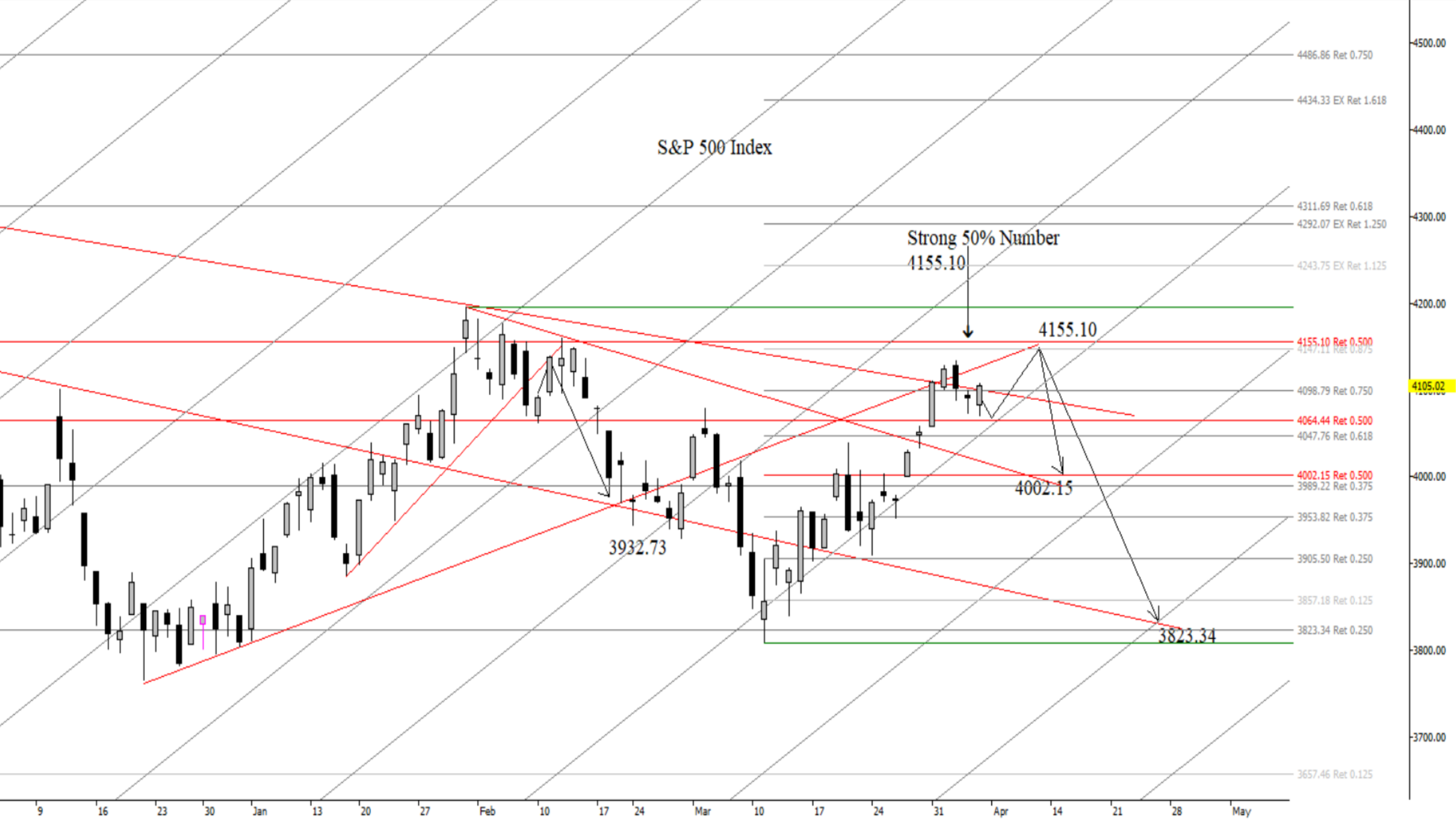
*The S&P 500 is still overbought after last week's pullback that tested strong Fibonacci support at 4064.44. Holding above 4064.44 is crucial as it marks 50% of the range from the April 2022 highs to the October 2022 lows. A close below 4064.44 will send the market to Fibonacci support at 4002.15 and a throwback into the trendline from the February 2 high.*

*Although the volume was below average last week, the pullback left some damage. Wednesday's pullback added another distribution day, and my short-term indicators confirmed a sell signal on the S&P 500 and the NASDAQ 100 (QQQ). The Dow Jones Industrial Average maintained a confirmed buy all week.*

*It has been many weeks since all three major indices have been in sync with a confirmed sell signal. Much of the market's choppy behavior is due to all three indexes being out of sync. If the DJIA confirms a sell signal before the other two indexes confirm a buy, it should play catchup, and the entire market will sell off with a close below 4064.44.*

*Otherwise, I will look for the S&P 500 to test the critical 4155.10 Fibonacci level. 4155.10 marks 50% of the range from the January 2022 high and October 2022 low. There is not a more substantial number in the past 15 months. Last week the S&P 500 could only stretch as high as 4133.13. Closing above 4155.10 for over a day or two will be essential for the S&P 500 to continue higher.*

*I recommend caution and 80% cash in a safe U.S. Treasury money market.*



### S&P 500 Index

Strong 50% Number

4155.10

4155.10

3932.73

4002.15

3823.34

- 4486.86 Ret 0.750
- 4434.33 EX Ret 1.618
- 4311.69 Ret 0.618
- 4292.07 EX Ret 1.250
- 4243.75 EX Ret 1.125
- 4155.10 Ret 0.500
- 4147.11 Ret 0.875
- 4098.79 Ret 0.750
- 4064.44 Ret 0.500
- 4047.76 Ret 0.618
- 4002.15 Ret 0.500
- 3989.22 Ret 0.375
- 3953.82 Ret 0.375
- 3905.50 Ret 0.250
- 3857.18 Ret 0.125
- 3823.34 Ret 0.250
- 3657.46 Ret 0.125

4105.02

9 16 23 30 Jan 13 20 27 Feb 10 17 24 Mar 10 17 24 31 Apr 14 21 28 May

## Industry Group & Sector Analysis

The **Healthcare sector** finished the week with a new buy signal. A few industry groups in the sector were pulled along and emerged with confirmation. The industry group momentum from **Medical Care, Medical Instruments, and Medical Distribution** grew as the week progressed. The most significant move came from the **Major Drug manufacturers**.

**Biotechnology** stocks put in a good showing but did not have enough volume to confirm a new buy signal.

Most leadership stocks in the Healthcare sector are overbought with last week's rise, but a constructive retracement should offer a new batch of buy candidates.

Now that the Healthcare sector is showing some strength, My attention is again on **Terns Pharmaceuticals Inc. (TERN)**. The stock wants to move higher and is featured in this report.

Last week I watched for the **NYSE MicroSectors FANG Index ETN (FNGS)** to pull back and successfully retest Fibonacci support at 26.21.

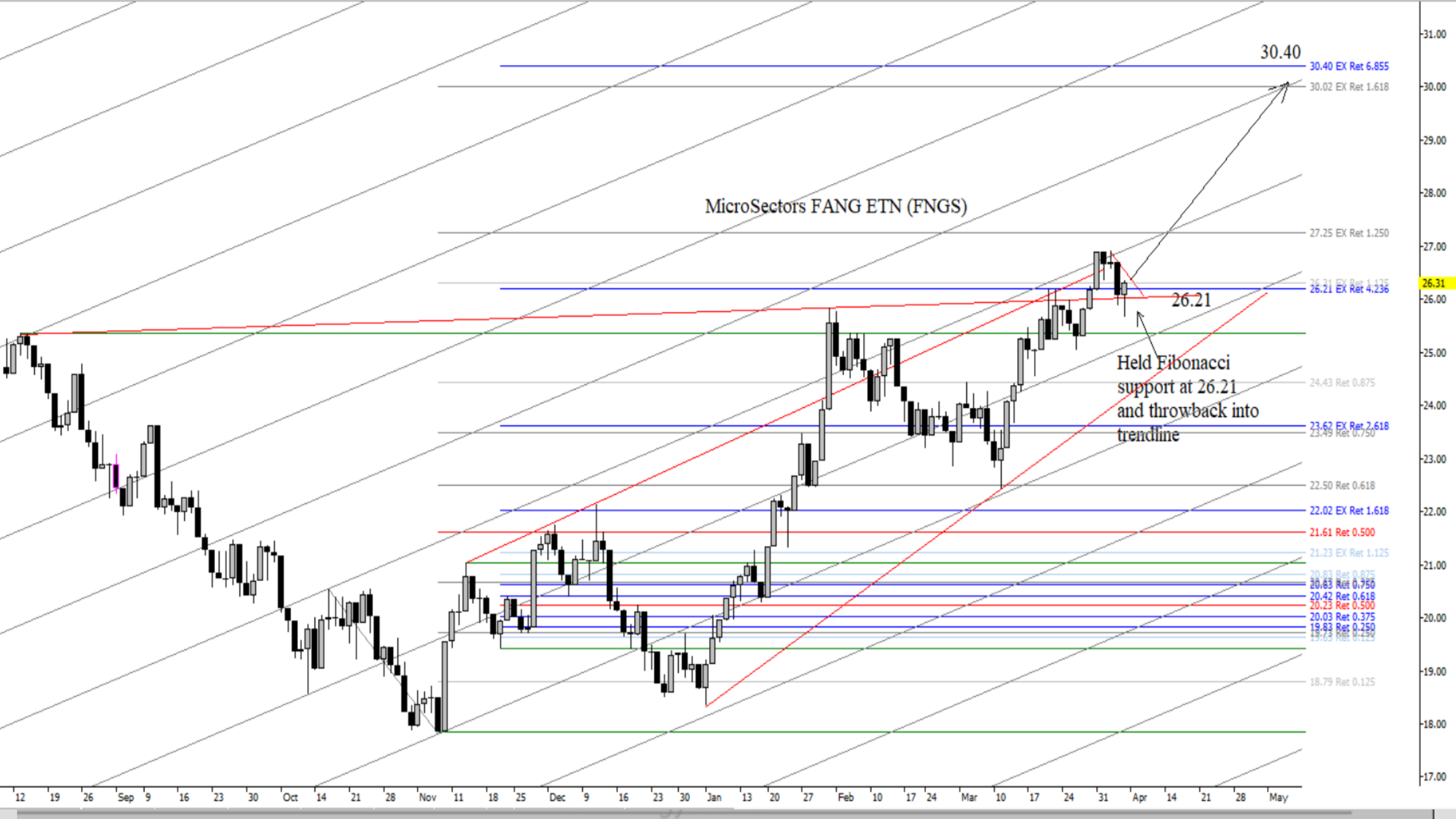
Friday's low had FNGS at 25.69, but by the close, the ETN finished the week at 26.28, back above Fibonacci support. With a 30-minute confirmation, I will purchase the **BMO REX MicroSectors FANG Index 3X Leveraged ETN (FNGU)** to leverage the trade and take advantage of the next potential higher move.

I've included the write-up on the **BMO REX MicroSectors FANG Index 3X Leveraged ETN (FNGU)** in this report.

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

Buy candidate: BMO REX MicroSectors FANG Index 3x Leveraged ETN (FNGU)

- **Portfolio: NYSE MicroSectors FANG Index.** The trade takes advantage of the potential move higher in the NYSE MicroSectors FANG Index. The NYSE MicroSectors FANG Index is best observed using the **MicroSectors FANG ETN (FNGS)** and is what I have used for my analysis.
- **BMO REX MicroSectors FANG Index 3X Leveraged ETN (FNGU)** trade is designed to move higher by 3x the daily price move of the NYSE MicroSectors FANG Index.
- The **MicroSectors FANG ETN (FNGS)** has shown relative strength in the market. It is under heavy accumulation with an Up/Down Volume ratio of 2.11 as it completed a Cup-with-handle pattern. At the same time, the ETF conducts a very bullish Point & Figure Spread Double Top pattern above the 45-degree bearish resistance line. On Friday, FNGS closed back above significant Fibonacci resistance at 26.21. 30-minute confirmation will offer an opportunity to purchase BMO REX MicroSectors FANG Index 3X Leveraged ETN (FNGU).
- **BMO REX MicroSectors FANG Index 3X Leveraged ETN (FNGU)** will confirm with a 30-minute buy at 96.99.
- I will send a text confirmation
- Start position at 3-star(\*\*\*) .
  
- **BMO REX MicroSectors FANG Index 3X Leveraged ETN (FNGU)** closed at 96.66.
- **BMO REX MicroSectors FANG Index 3X Leveraged ETN (FNGU)** VWAP is 117.44.
- Sell the **BMO REX MicroSectors FANG Index 3X Inverse Leveraged ETN (FNGD)** when **MicroSectors FANG ETN (FNGS)** hits: 1st target is 30.40; 2<sup>nd</sup> target is 37.17; 3<sup>rd</sup> target is 48.14.
- Stop sell price: Close below 25.37 on **MicroSectors FANG ETN (FNGS)** .

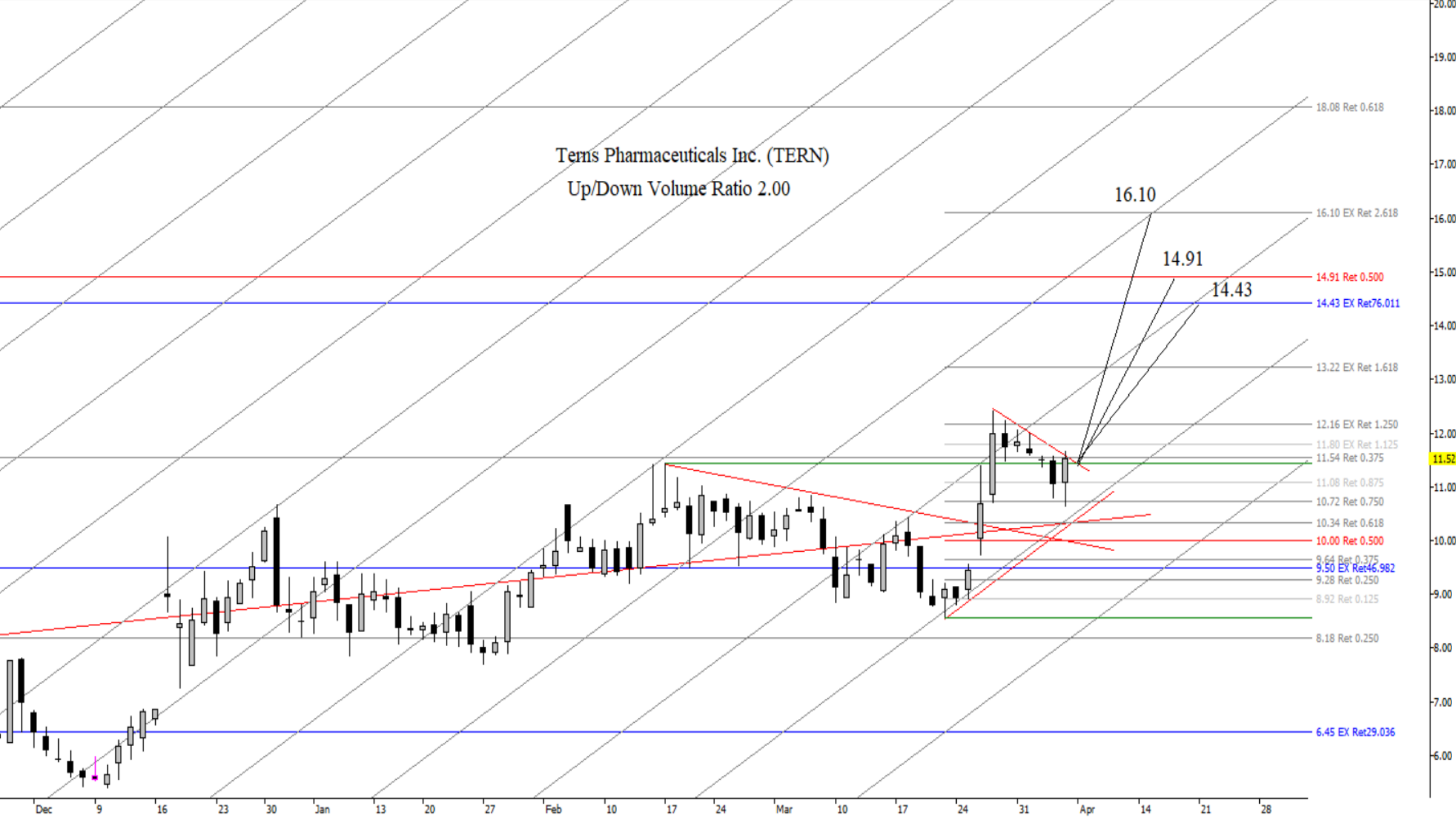


BUY candidate: Terns Pharmaceuticals Inc. (TERN)

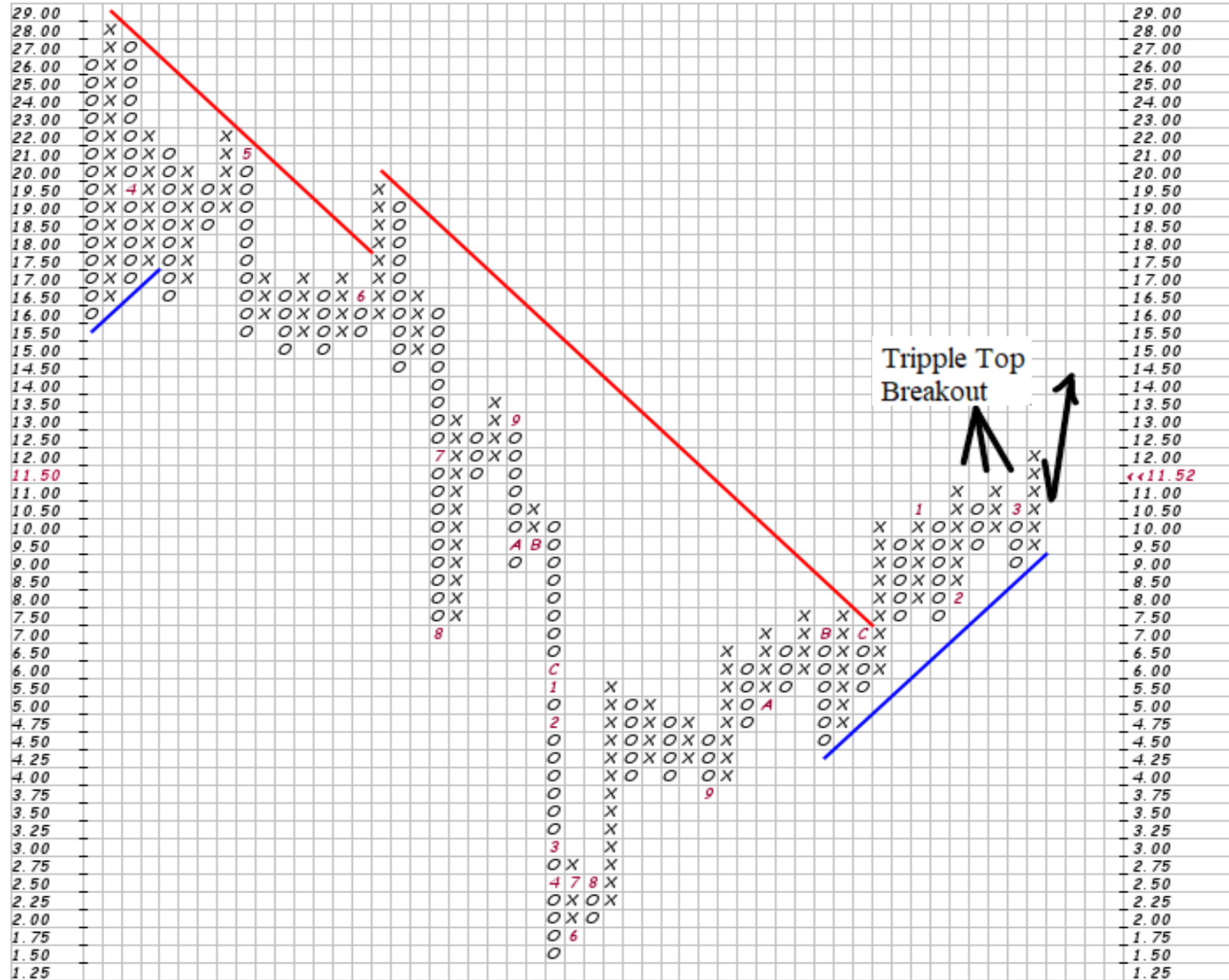
- Industry Group: **Medical Biomed/Biotech**. The group currently ranks as the 42<sup>nd</sup> strongest industry group in the market out of 197 and is down -3.56% YTD. The **Medical sector** gave its most recent buy signal last week, April 05, 2023.
- **Terns Pharmaceuticals Inc. (TERN)** develops molecularly targeted drugs for treating liver disease and cancer.
- **Terns Pharmaceuticals Inc. (TERN)** broke out of a Point & Figure triple top above its 45-degree bearish resistance line. The pattern has a high probability. (Refer to Chart)
- **Terns Pharmaceuticals Inc. (TERN)** gave a 30-minute confirmation on Friday, and I am purchasing with a throwback to the trendline between 11.30 and 11.02.
- **Wait for text confirmation!**
- Initiate position with a 2-star(\*\*).
- Under massive institutional accumulation with a Daily Up/Down Volume ratio of 2.00
- Terns Pharmaceuticals Inc. (TERN) closed at **11.52**.
- Terns Pharmaceuticals Inc. (TERN) VWAP is at 8.26
- Sell target prices: **Resistance at 9.31-9.50; 1<sup>st</sup> target is 14.43; 2<sup>nd</sup> target is 14.91; 3<sup>rd</sup> target is 16.10**
- Stop sell price: **Close** below **9.50**.



Terns Pharmaceuticals Inc. (TERN)  
Up/Down Volume Ratio 2.00



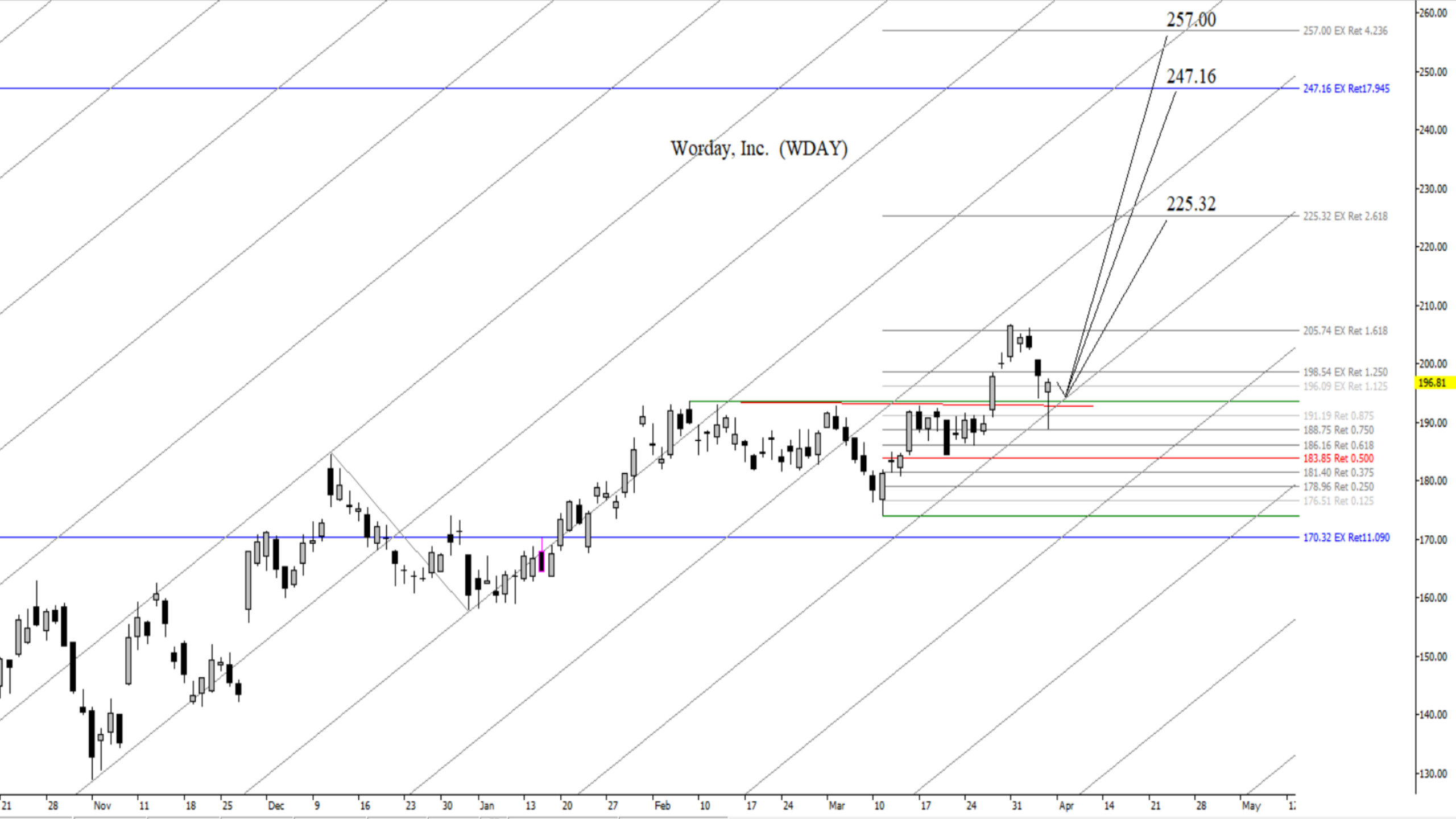
**TERN** Terns Pharmaceuticals Inc.



BUY candidate: **Workday, Inc. (WDAY)**

- Industry Group: **Computer Software Enterprise**. The group currently ranks as the 96<sup>th</sup> strongest industry group out of 197 and is down +6.30% YTD. The Technology Sector gave a buy signal on March 31, 2023.
- **Workday, Inc. (WDAY)** provides enterprise cloud-based payroll, workforce management, and analytics applications.
- **Workday, Inc. (WDAY)** broke out of its base on March 29 and rallied to Fibonacci resistance at 205.74. Last week the stock retraced to the top of its base and Fibonacci support at 188.75. At the same time, WDAY broke out of a spread six top Point & Figure base and pulled back into the pocket of the base last week. The pattern sets up a high probability trade.
- Workday, Inc. (WDAY) will confirm with a 30-minute buy signal at 198.32
- **Wait for text confirmation!**
- Initiate position with a 3-star(\*\*\*)
- Under institutional accumulation with a Daily Up/Down Volume ratio of 1.34
- Workday, Inc. (WDAY) closed at **196.81**.
- Workday, Inc. (WDAY) VWAP is at 142.36
- Sell target prices: **Resistance at 205.75; 1<sup>st</sup> target is 225.32; 2<sup>nd</sup> target is 247.16; 3<sup>rd</sup> target is 257.00**
- Stop sell price: **Close** below **188.75**.

# Worday, Inc. (WDAY)

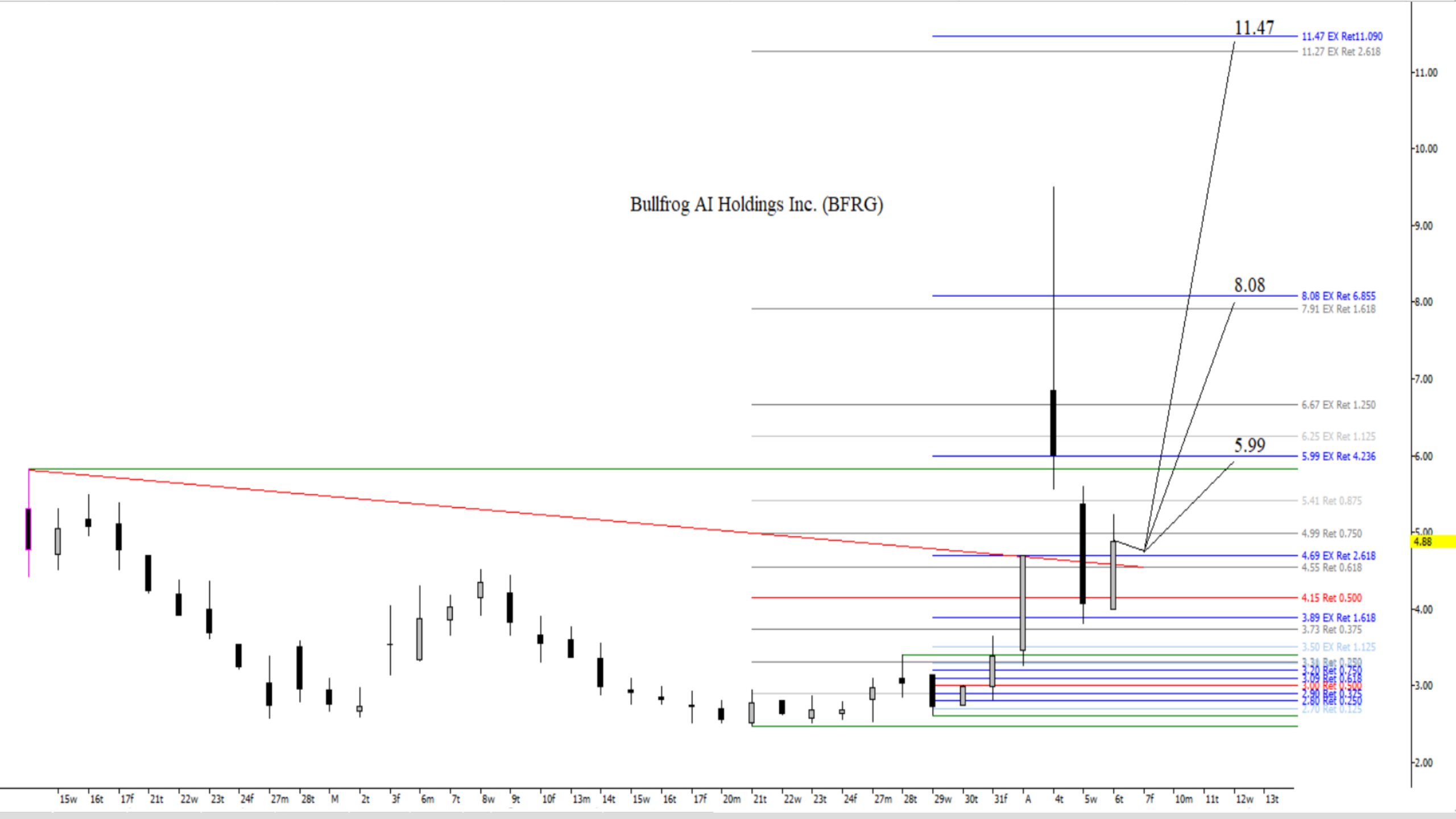




New buy candidate: Bullfrog AI Holdings Inc. (BFRG)

- Industry Group: **Medical Biomed Biotech**. Bullfrog AI Holdings Inc. (BFRG) is part of the Medical Biomed Biotech group within the Healthcare sector. The Medical Biomed Biotech industry group is down -3.56% YTD and is ranked 42<sup>nd</sup> out of 197. Bullfrog AI Holdings Inc. (BFRG) is also part of the Artificial Intelligence subgroup that is getting much attention.
- **Bullfrog AI Holdings Inc. (BFRG)** develops and provides artificial intelligence and machine learning to advance medicines.
- **Bullfrog AI Holdings Inc. (BFRG)** was an IPO on February 15 and is completing a double-bottom primary base. Last week, it broke out of its primary base and pulled back to 50% of the base range. The stock is ready to complete the handle for its Primary Breakout (PBO). There is Fibonacci resistance at 5.99. The Fibonacci targets are 8.08 and 11.47.
- Bullfrog AI Holdings Inc. (BFRG) will confirm a 30-minute buy at 5.23.
- Wait for text confirmation
- Initiate position with at 2-star(\*\*).
- Under heavy accumulation with an Up/Down Volume ratio of 10.10.
- Bullfrog AI Holdings Inc. (BFRG) closed at **4.89**.
- Bullfrog AI Holdings Inc. (BFRG) VWAP is at 5.84
- Sell target prices: **1<sup>st</sup> target is 5.99; 2<sup>nd</sup> target is 8.08; 3<sup>rd</sup> target is 11.47**
- Stop sell price: **Close** below **4.69**.

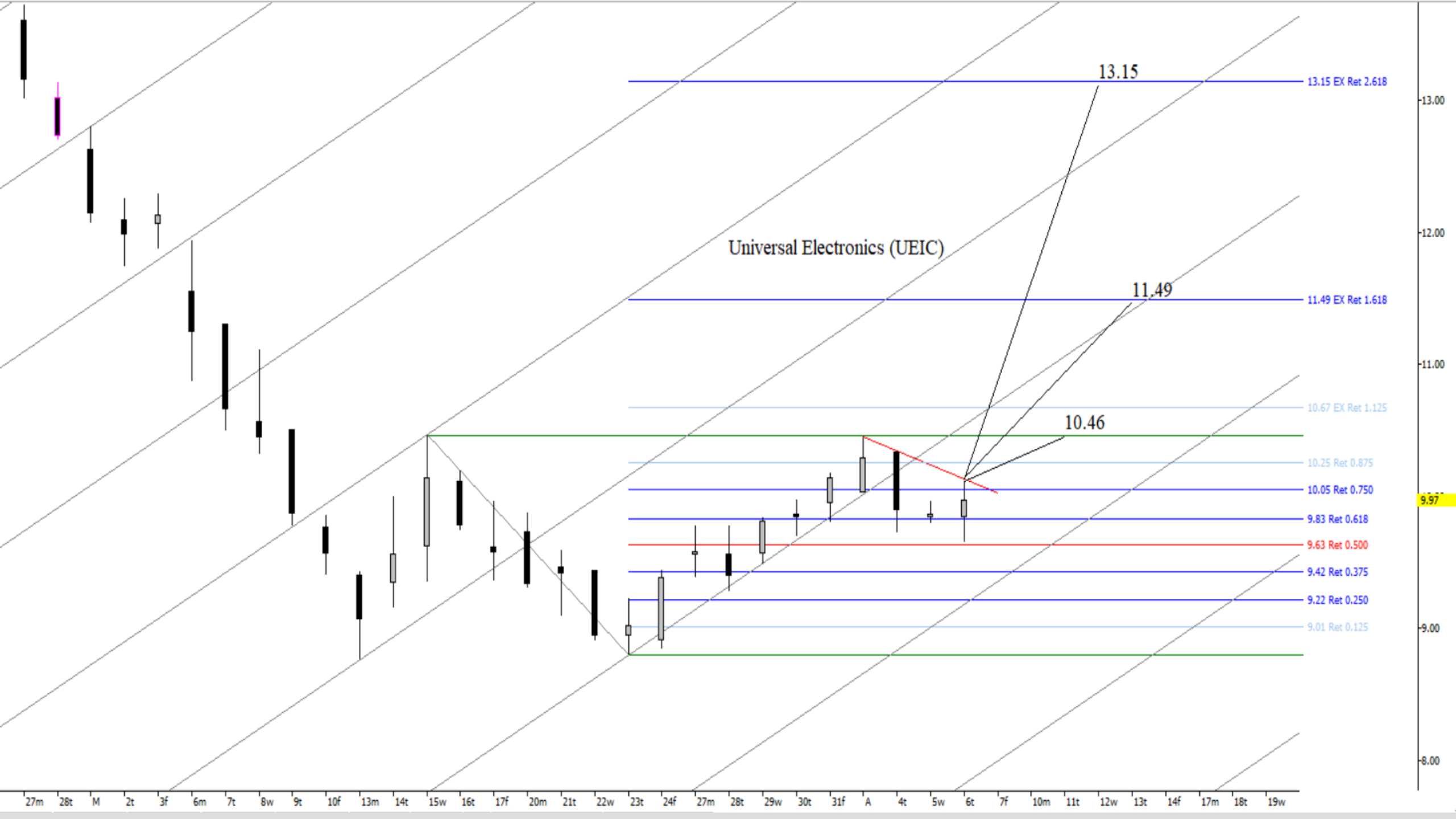
# Bullfrog AI Holdings Inc. (BFRG)

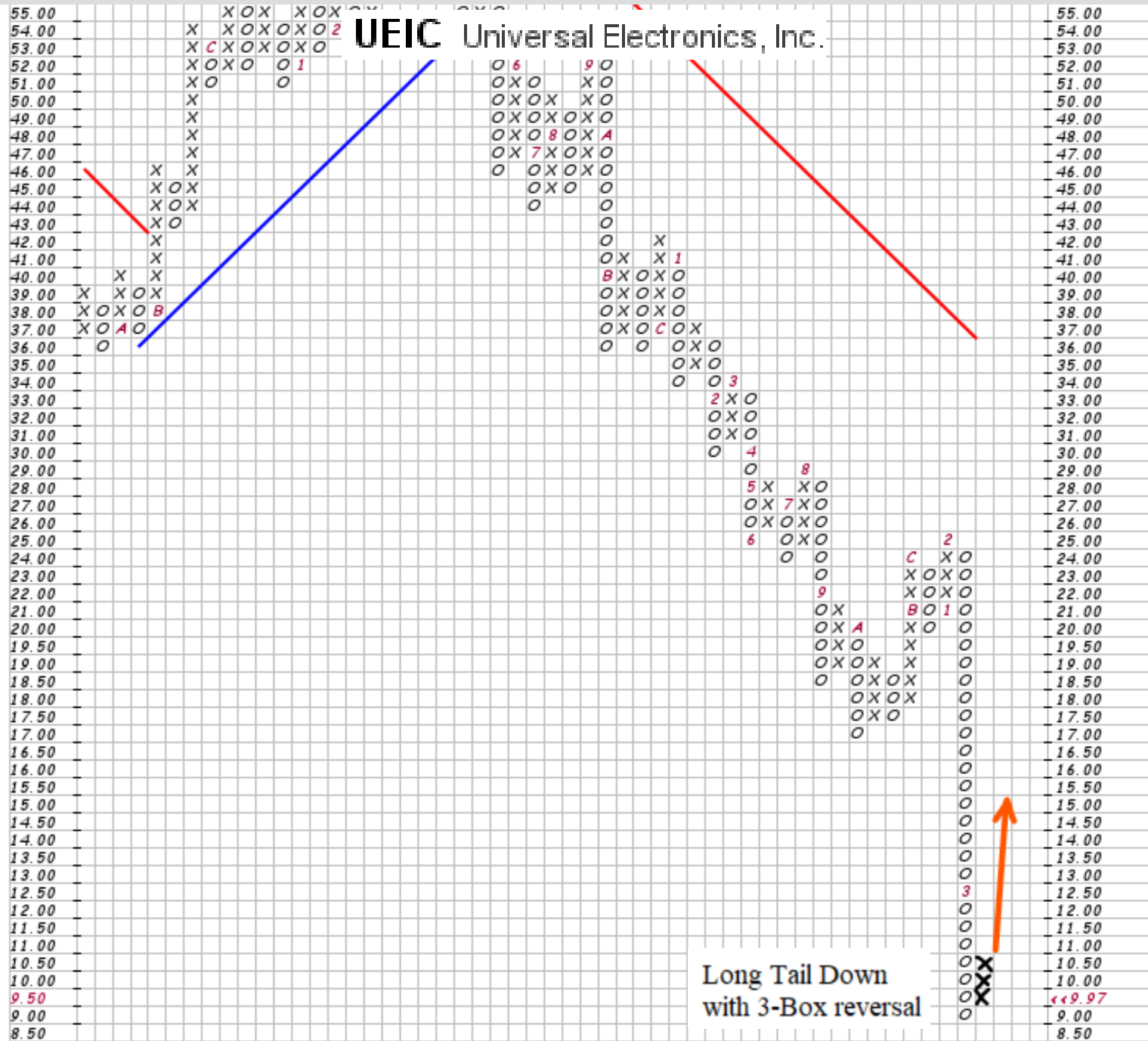


New **Long Tail Down** buy candidate: **Universal Electronics (UEIC)**

- Industry Group: **Consumer Product Electronics**. The Consumer Product Electronics industry group gave a buy signal on March 20, 2023. The Consumer Product Electronics industry group is down -.47% YTD and is ranked 101<sup>st</sup> out of 197.
- **Universal Electronics (UEIC)** markets entertainment, smart home, and climate management controls.
- **Universal Electronics (UEIC)** sold off hard with massive volume on their last earnings report. After almost two months of selling pressure, the stock is ready for a reversion to the mean. The selloff has created a Point & Figure long tail-down pattern. The long tail-down pattern has been one of my favorite patterns in high-volatility markets and best quantifies a buying point on a highly oversold stock.
- **Universal Electronics (UEIC) will confirm with a 30-minute buy on increased volume at 10.09.**
- Initiate position with at 1-star(\*).
- Universal Electronics (UEIC) closed at **9.97**.
- Universal Electronics (UEIC) VWAP is at 38.82.
- Sell target prices: **1<sup>st</sup> target is 11.49; 2<sup>nd</sup> target is 13.15; 3<sup>rd</sup> target is 15.83.**
- Stop sell price: **Close** below **9.63**.



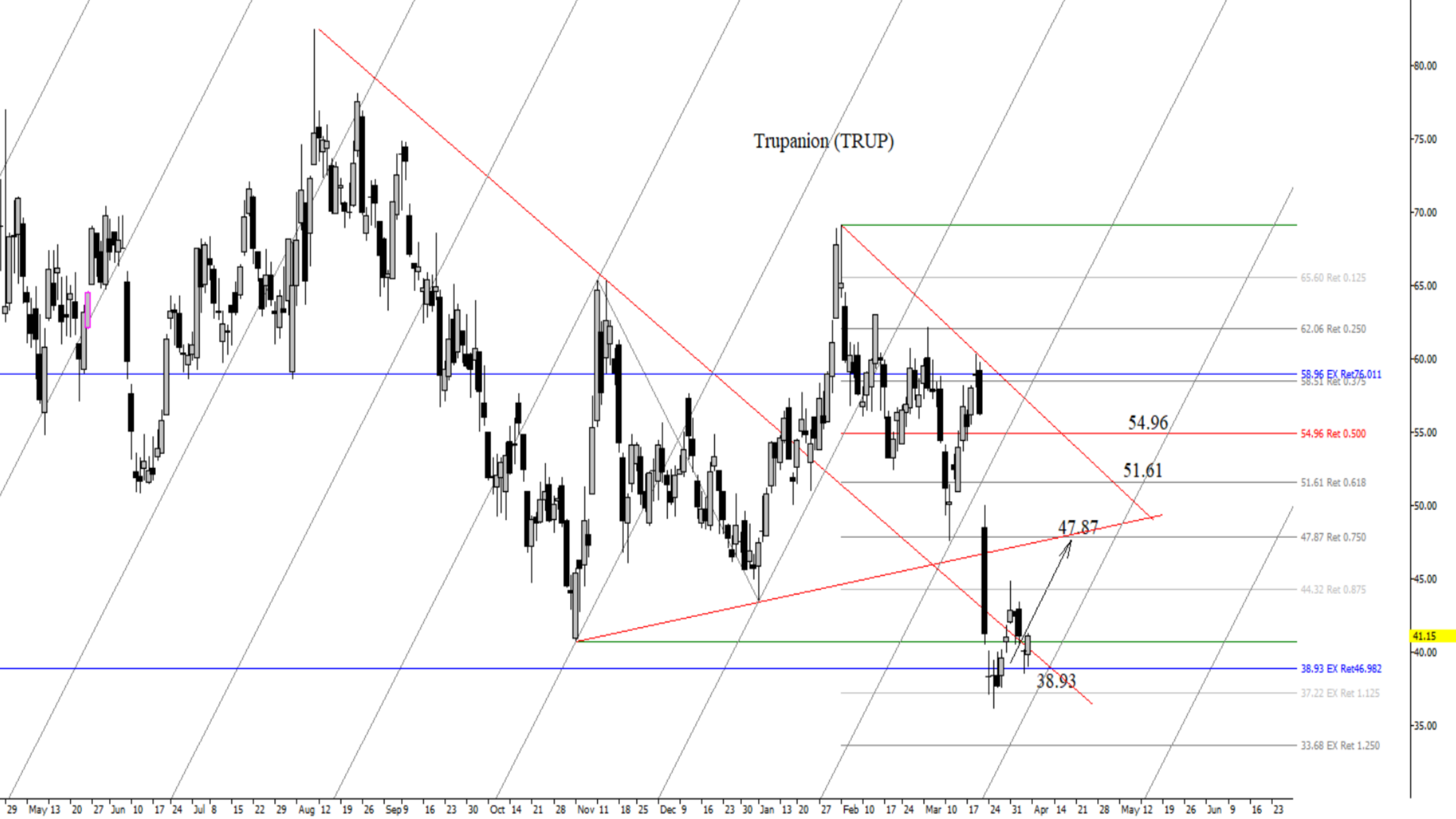




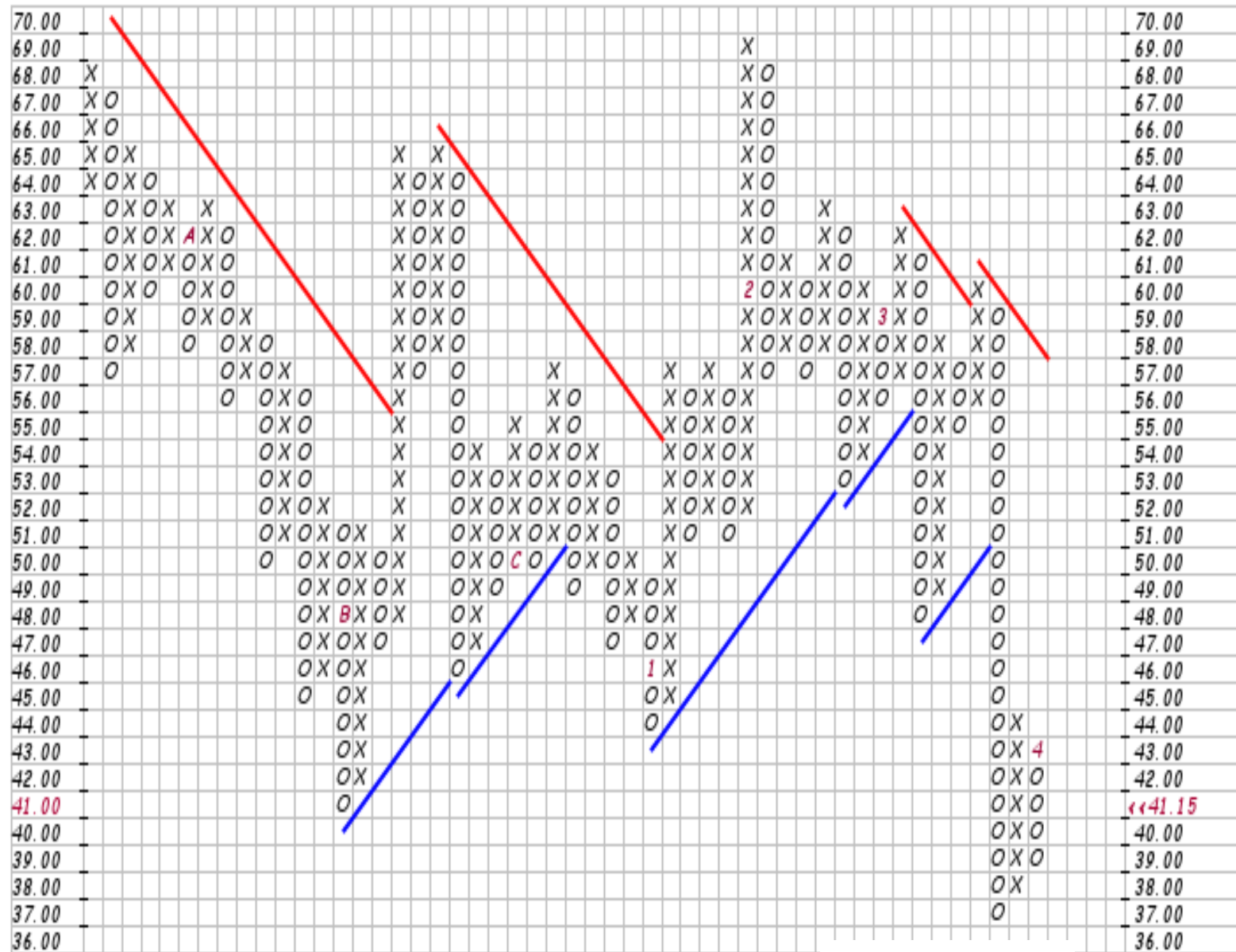
New **Long Tail Down** buy candidate: Trupanion Inc. (TRUP)

- Industry Group: **Insurance Accident & Health**. The Insurance Accident & Health industry group is down -7.00% YTD and is ranked 166<sup>th</sup> out of 197.
- **Trupanion Inc. (TRUP)** offers monthly medical plans for cats and dogs.
- **Trupanion Inc. (TRUP)** sold off hard on news of the termination of directors at the company that, included the CFO and the Executive Vice President. The selloff has created a Point & Figure long tail-down pattern. The long tail-down pattern has been one of my favorite patterns in high-volatility markets and best quantifies a buying point on a highly oversold stock.
- **Trupanion Inc. (TRUP)** will confirm as shares break the descending trendline with a 30-minute buy on increased volume at **41.28**.
- Initiate position with at 1-star(\*).
- Trupanion Inc. (TRUP) closed at **41.15**.
- Trupanion Inc. (TRUP) VWAP is at 57.19.
- Sell target prices: **1<sup>st</sup> target is 47.87; 2<sup>nd</sup> target is 51.61; 3<sup>rd</sup> target is 54.96**.
- Stop sell price: **Close** below **38.93**.

Trupanion (TRUP)



# TRUP Trupanion, Inc.



Long Tail Down with 3-Box reversal



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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. We look for investment resources and inform you of these resources, which you may choose to use in making your own investment decisions. **Past performance is no guarantee of future results. Inherent in any investment is the potential for loss.** This material is being provided for informational purposes only and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. No recommendation or advice is being given as to whether any investment is suitable for a particular investor. It should not be assumed that any investments in securities, companies, sectors or markets identified and described were or will be profitable. All information is current as of the date of herein and is subject to change without notice.



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