



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

11/20/22



This Trading Floor Research report contains:

- S&P 500 (SPX). Update
- Gold Fields Ltd ADR (GFI)
- Allegro Microsystems Inc. (ALGM)
- Aeglea Biotherapeutics (AGLE)

There will be no weekly update newsletter letter this week due to the Thanksgiving day holiday.

S&P 500

Last week, I advised focusing on two critical areas; the Fibonacci target of 3908.43 and the time cycle turn date on November 17. An excerpt from the newsletter says, *“The most significant probability is for the index to pull back to key Fibonacci target areas over the next few days. The Fibonacci targets I will be watching are 3949.46 and 3908.43.”* I stressed that the significance of a close below 3908.43 would put the bears back in control and indicate that the markets could move lower again.

At 10:01 am ET on November 17, the time cycle turn date, the S&P 500 hit a low of 3906.54, and for less than a minute, traded under the Fibonacci 3908.43. After that, the S&P 500 reversed higher for the rest of the week. A confluence of three significant trend lines pointed to a potential time cycle turn date on November 17. Typically, the price changes from the direction it trends into the cycle turn date as it did in this case. 50% of an individual stock’s movements are accounted for by market direction. Knowing short-term market directions will allow you to time all your stock and ETF trades better, especially in volatile markets like these. I recommend keeping these numbers in front of you and setting alerts on your trading devices.

The S&P 500 is still slightly overbought and moving forward it could retest 3949.46 before moving higher and dealing with a confluence of Fibonacci resistance between 3989.22 and 4006.81. This week, the Fibonacci target area held the price in check for three trading sessions on the first attempt. Next week will present a similar challenge.

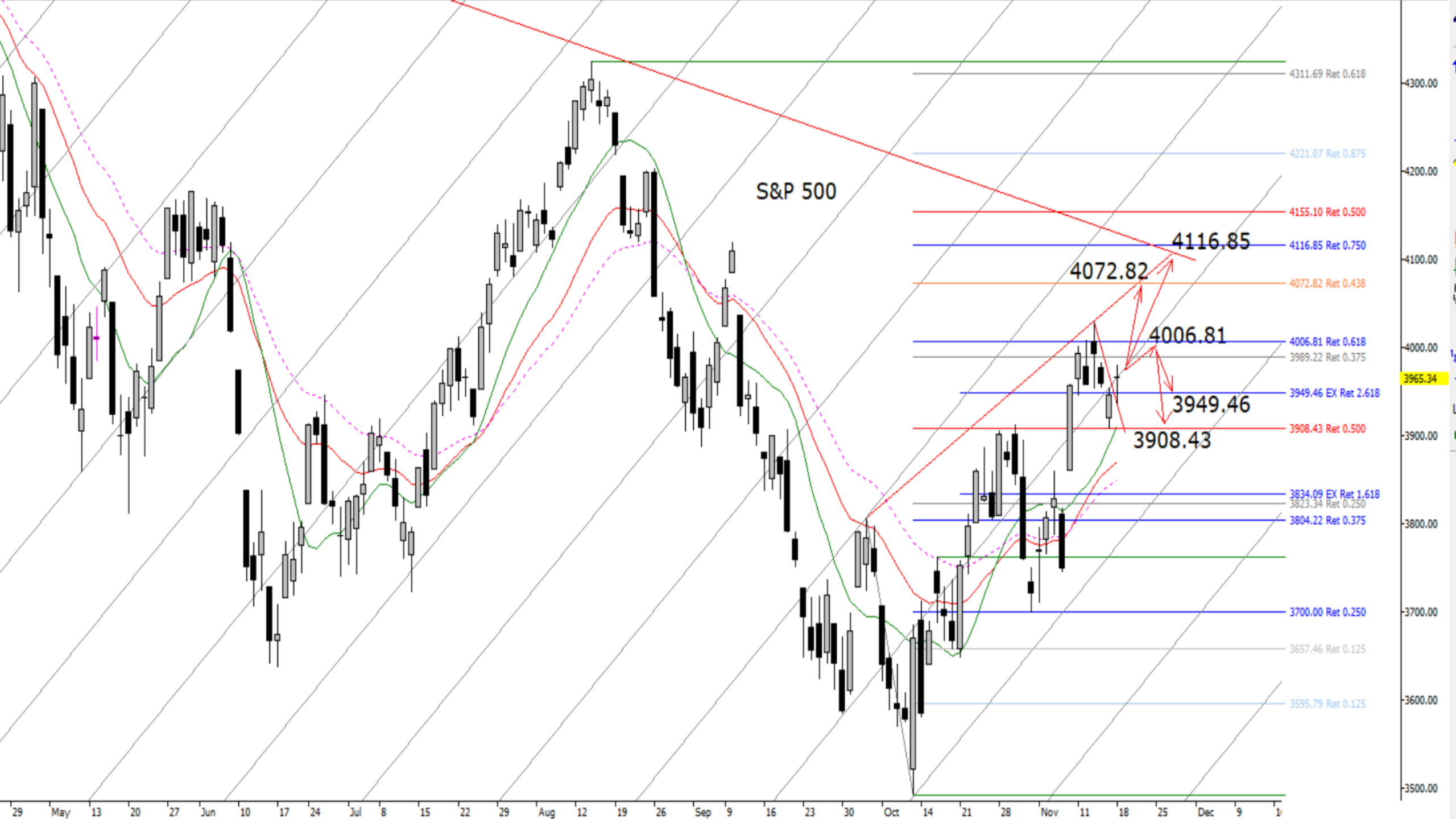
If the S&P 500 can break the 3989.22-4006.81 zone, it will allow the index to climb to 4072.82. 4072.82 is a minor extension of 50% of the range from the January 2022 high to the October low. The minor extension of the critical 50% bull and bear number is where the projection trendline from the recent tops made by the S&P 500 crosses on Wednesday, marking it a likely target for a Thanksgiving rally.

If the market breaks free of the 3989.22-4006.81 area, look for the S&P 500 to challenge 4072.82 by midweek. On the other hand, if the index stops at 3989.22-4006.81, watch for it to retest 3949.46-3908.43 for support.

Fridays after Thanksgiving are abbreviated trading sessions on light volume. Most years, they are quiet days, but some have had crazy swings on low volume. If the S&P 500 crosses 4072.82, the next target will be 4116.85.

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

I recommend caution and 80% cash



Sectors, Industry Groups & Leadership Stocks

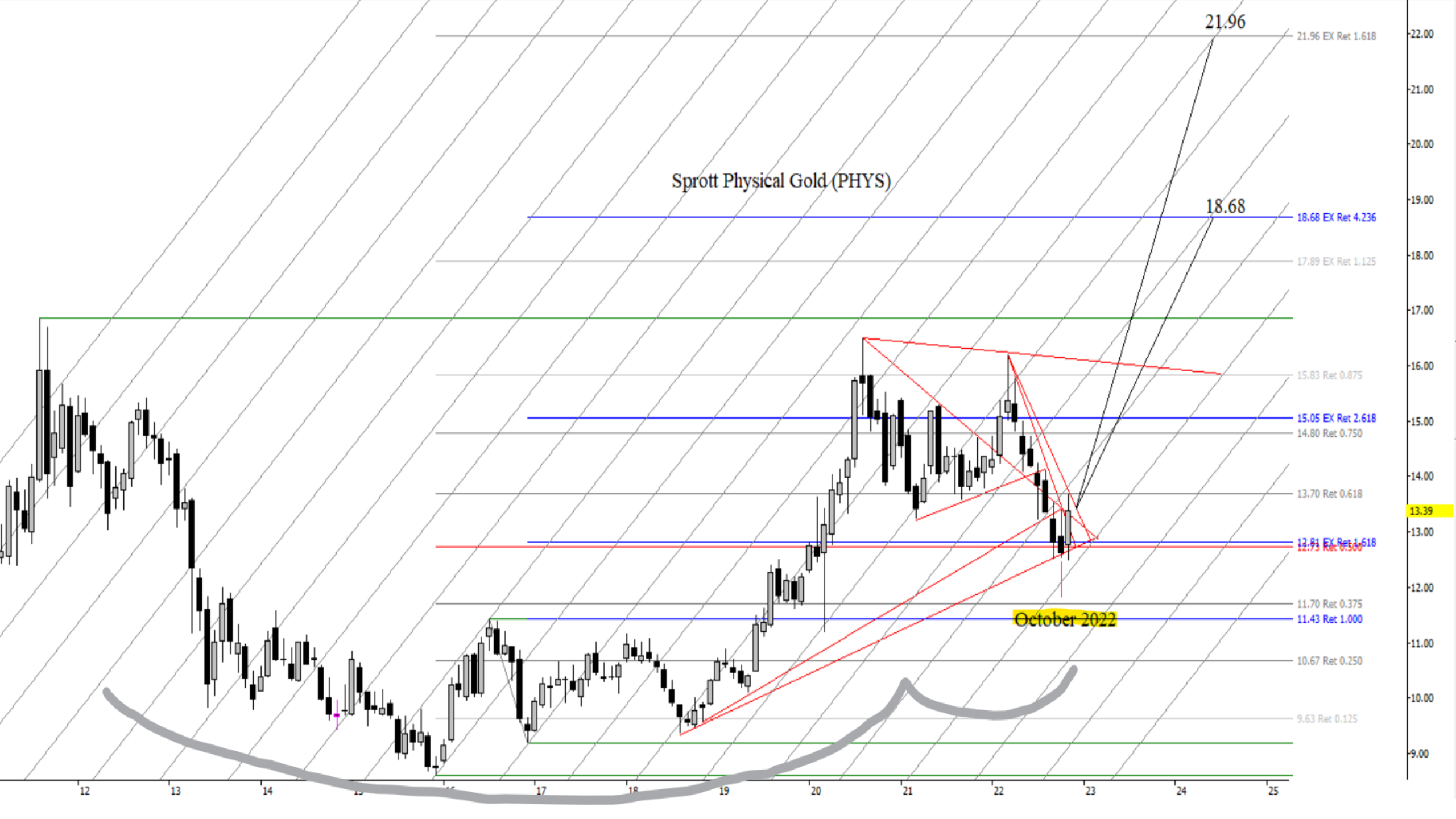
In my investment classes over the past few months, I have discussed the long-term monthly chart of Sprott Physical Gold (PHYS). If you attended one of my classes, you may recognize Sprott Physical Gold's chart in this week's newsletter. This chart has been used to demonstrate a long-term cup-with-handle pattern that started in August 2011. If you look back on class notes, you will notice that I had a time cycle turn date for October 2022. In October, the price was heading down and indicating a low. The low finally occurred on November 3, so the cycle was off by three days. In the overall determination of a low for an eleven-year base, however, three days off is not bad. (refer to Sprott Physical Gold PHSY Monthly Chart)

The chart shows a very rhythmic a-b-c corrective pattern in the handle of the base. The first leg down was almost identical to the second leg lower. The whole move terminated at 50% of the range of the base, following all the rules of a properly formed cup within a cup-with-handle pattern. (Refer to Sprott Physical Gold PHSY Monthly Chart with a-b-c correction highlighted)

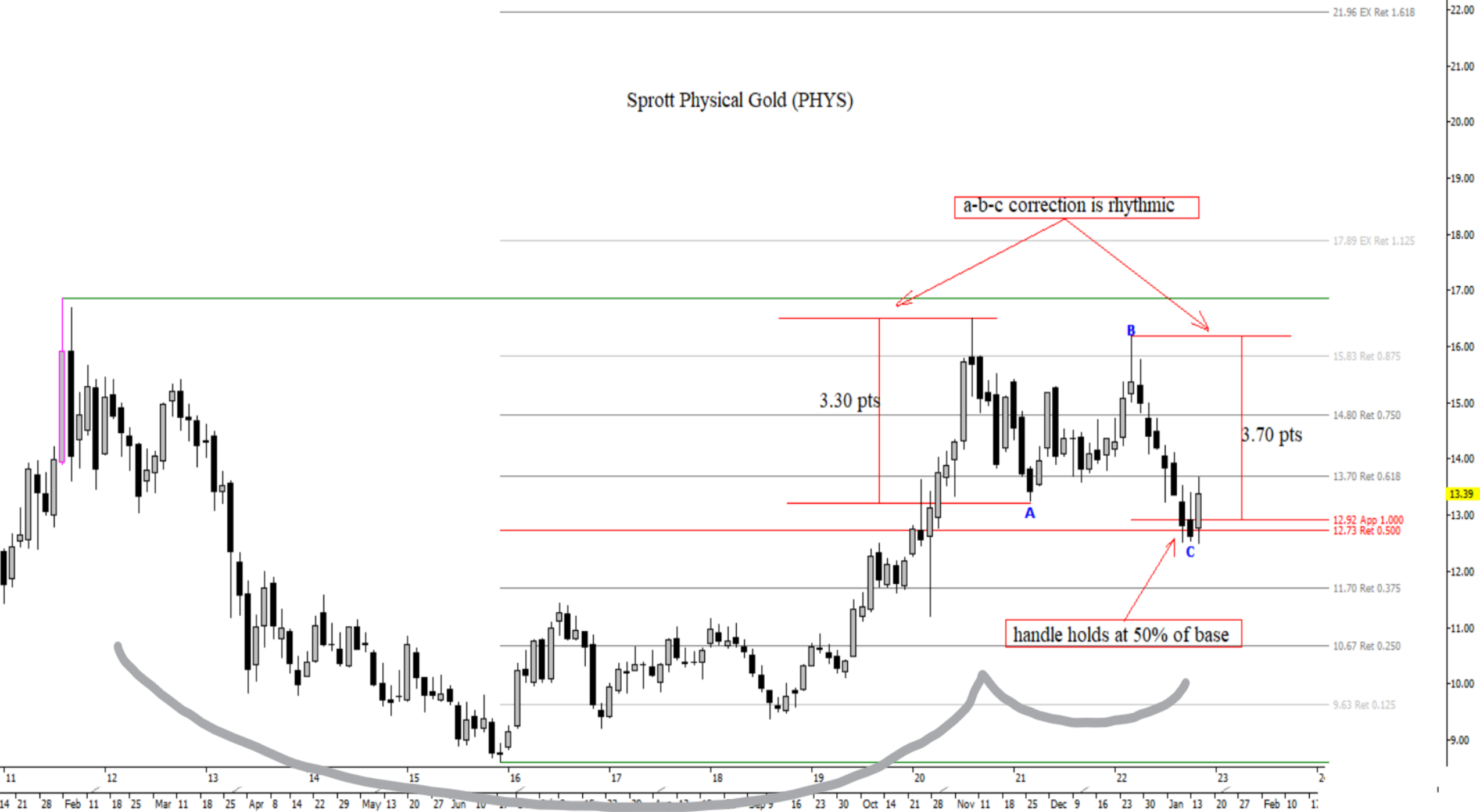
If you recall, in my newsletter two weeks ago, I recommended buying the Direxion Gold Miners Bull 2X ETF (NUGT). Right now, everything is pointing to a massive move higher in gold. The position in NUGT is up 15.38% since the buy signal. The trade is still in its infancy, and I will recommend low-risk entry opportunities to add to the position as they develop.

I currently recommend adding an individual gold stock Gold Fields Ltd ADR (GFI). Two weeks ago, the stock had its first impulse move higher on massive volume. In an indication of unbelievable institutional buying, the Up/Down Volume Ratio eclipsed a 100-day high and hit 2.52.

Gold Fields Ltd ADR (GFI) stock had a very extended price that needed to be watched for a proper retracement. The pullback to the 10-day moving average has alleviated the short-term overbought conditions, and volume tapering off on the decline showed little distribution. The trade setup numbers for Gold Fields Ltd ADR (GFI) are highlighted in this week's report.

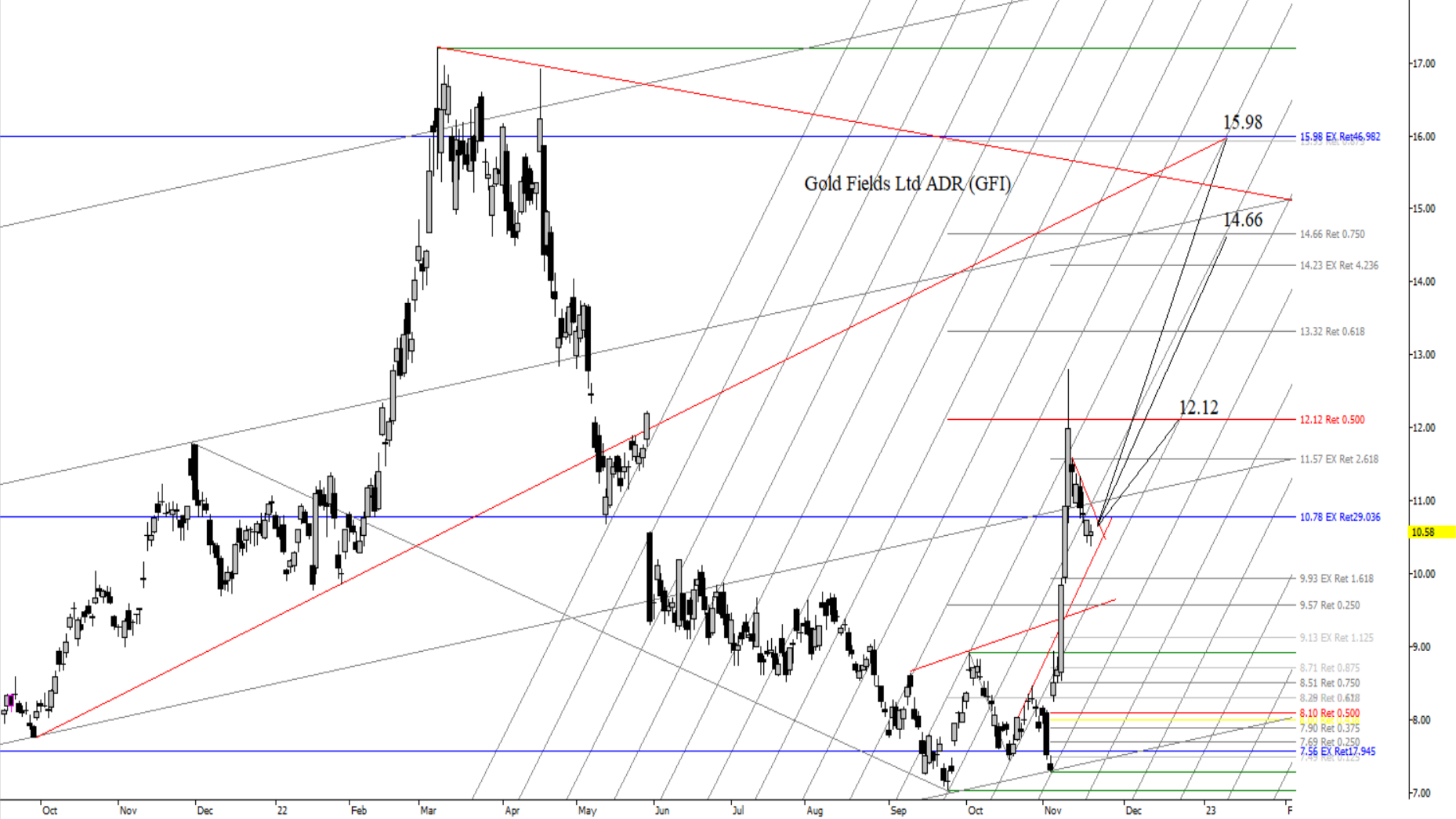


Sprott Physical Gold (PHYS)



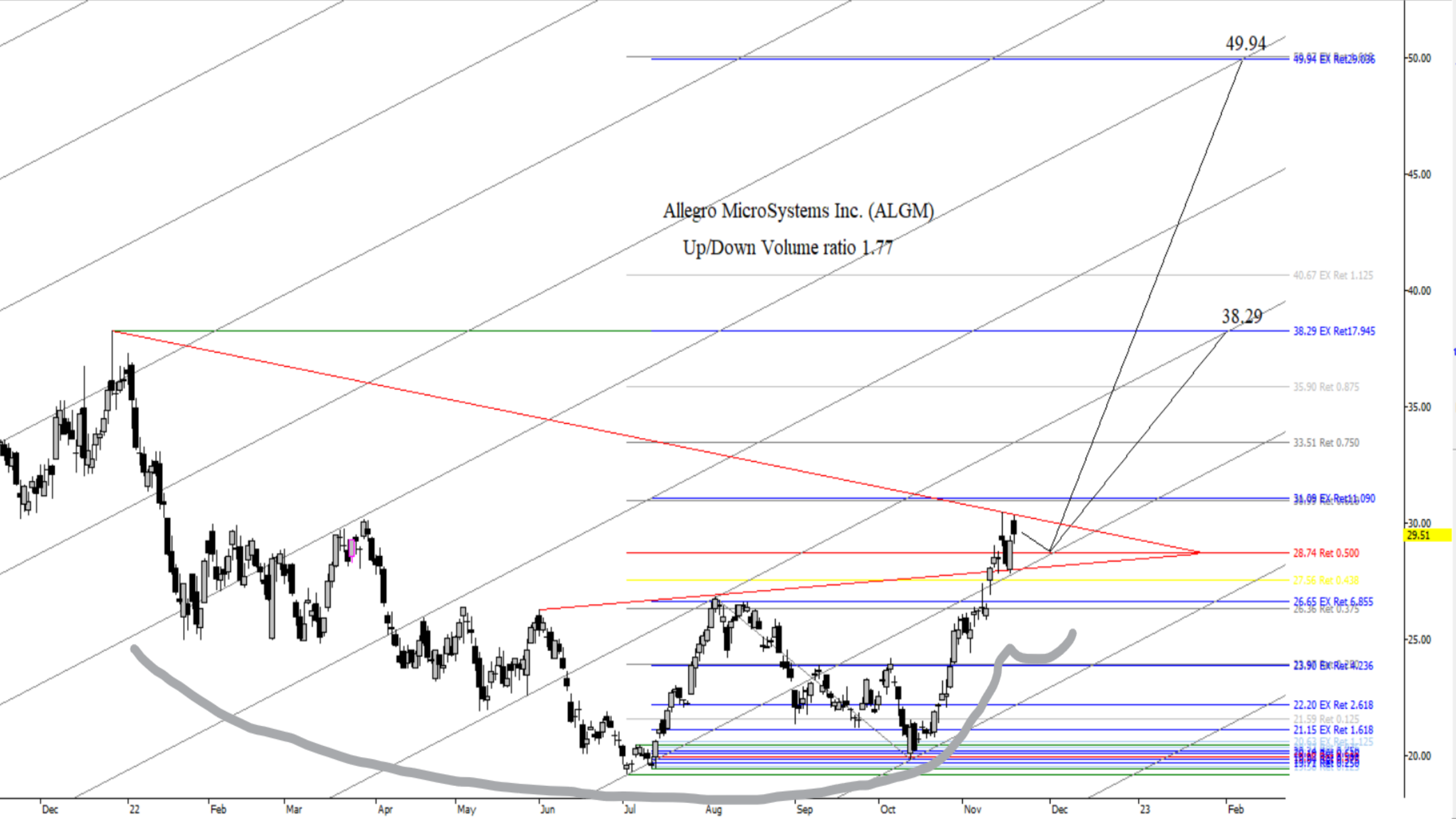
New buy candidate: Gold Fields Ltd ADR (GFI)

- Industry Group: **Gold & Mining-Gold/Silver/Gems**. The group currently ranks as the 159th strongest industry group in the market out of 197 and is down -16.62% YTD. Mining-Gold/Silver/Gems gave its most recent buy signals on November 8 & 10.
- **Gold Fields Ltd ADR (GFI)** is headquartered in South African and engaged in the exploration and extraction of mines in South Africa, Ghana, Australia, and Peru.
- The day after gold put a low in on November 3, **Gold Fields Ltd ADR (GFI)** shot up 75% in five days on massive volume. The stock has spent the past six days retracing 1/3 of the move on decelerating volume and very little distribution. GFI has alleviated the overbought conditions and is trading below Fibonacci resistance at 10.78. A close back above 10.78 on increased volume will get the stock moving higher again.
- **Gold Fields Ltd ADR (GFI) will confirm with a 30-minute close above 10.74 and a daily close above 10.78.**
- Initiate position with at 1-star(*).
- Under institutional accumulation with an Up/Down Volume ratio of 1.76. The ratio hit a 100-day high on November 4 and soared to 2.50.
- Gold Fields Ltd ADR (GFI) closed at **10.58**.
- Gold Fields Ltd ADR (GFI) VWAP is at 7.34
- Sell target prices: **1st target is 12.12; 2nd target is 14.66; 3rd target is 15.98**
- Stop sell price: **Close** below **9.93**.



New buy candidate: Allegro Microsystems Inc. (ALGM)

- Industry Group: **Electronic Semiconductor Manufacturing**. The **Electronic Semiconductor Manufacturing** group currently ranks as the 122nd strongest industry group out of 197 and is down -26.77% YTD. Semiconductors gave the most recent buy signals on November 10, 11, and 15. Three signals in a short period are very powerful.
- **Allegro Microsystems Inc. (ALGM)** designs sensor integrated circuits for the automotive industry. Quarterly earnings have accelerated this past year, and estimates are for a 50% increase next year.
- **Allegro Microsystems Inc. (ALGM)** was an IPO in October 2020 and is completing the handle of a cup-with-handle in its primary base. A buy signal out of the handle will create a Primary BreakOut opportunity.
- **Allegro Microsystems Inc. (ALGM)** will confirm with a close above the handle trendline and a 30-minute buy signal at 30.31 on increased volume.
- Initiate position with at 1-star(*).
- The up/Down Volume ratio shows strength as it closed at 1.77 and 100-day highs. strength as it closed at 1.77 and 100-day highs.
- Allegro Microsystems Inc. (ALGM) closed at **29.51**.
- Allegro Microsystems Inc. (ALGM) VWAP is at 27.11
- Sell target prices: **1st target is 38.29; 2nd target is 49.94.**
- Stop sell price: **Close** below **27.11**.



New **Speculative** buy candidate: **Aeglea Biotherapeutics (AGLE)**

- Industry Group: Medical Biotech. The Medical-Biotech group currently ranks as the 16th strongest industry group out of 197 and is down -23.63% YTD. Medical-Biotech is in a sell signal making this trade speculative.
- **Aeglea Biotherapeutics (AGLE)** specializes in rare metabolic disorders. They currently have a medication for Arginase 1 Deficiency in Phase-3 trials awaiting FDA approval.
- In the past few weeks, many low-priced Biotechs are coming off their bottoms and giving immediate buy signals. They proceed to double, triple and quadruple in a matter of days. I have taken advantage of a few of these after they set up at Fibonacci target numbers. **Aeglea Biotherapeutics (AGLE)** is setting up a recurring pattern that has led to significant gains on other Biotech's. The trade is very speculative, and I have used only high-risk cash with a small position size.
- **Aeglea Biotherapeutics (AGLE) will confirm with a 30-minute buy signal at 1.25 and a daily close above 1.30 on increased volume.**
- Initiate position with at 1/2-star(*).
- Aeglea Biotherapeutics (AGLE) is Under massive accumulation with an Up/Down Volume ratio of 11.00 and making 100-day highs.
- Aeglea Biotherapeutics (AGLE) closed at **1.21**.
- Aeglea Biotherapeutics (AGLE) VWAP is at 3.82
- Sell target prices: **1st target is 1.85-2.04; 2nd target is 2.75-3.05; 3rd target is 3.80; 4th target is 4.20**
- Stop sell price: **Close** below **0.95**.





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