



# Trading Floor Research

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— Trading Floor —

10/06/21

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

- *Lithium Americas Corp. (LAC). added 9/14/21 (because of the strong close it avoids being stopped out today)*
- *The Russell 2000 short position (TZA)*
- *Epsilon Energy Ltd. (EPSN) Sold at 6.63 target last week*
- *Parker Hannifin Corp. (PH) **short sell** added 9/28/21*
- *CBOE Volatility Index (VIX) bought calls 9/28/21*
- *ProQR Therapeutics (PRQR) closed below 7.95 and should be stopped out.*

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Market Summary:

- *All sectors except for Energy continue to be in a sell signal*
- *No industry groups gave a buy signal today.*
- *The Food Confectionary industry group was the only industry group close to a buy signal today. When a defensive group like Food Confectionery gives a buy signal, it isn't good for the markets.*
- *The markets closed today with the second day of not making a new low. At four days, we can start watching for a follow-through day. I will advise when this happens. A follow-through day tells me that the probability of a new bull market starting is high, and stocks can be bought.*

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- **Lithium Americas Corp (LAC)**
- Industry Group: **Mining Metal Ores**. The group currently ranks as the 86<sup>th</sup> strongest industry group in the market out of 197 and is up +16.68% YTD. The industry group has not given a buy signal. That is why the stock is considered a speculative buy. The “Rare Earth” subgroup is in a buy signal, and lithium stocks are part of that subgroup. Rare Earth gave a buy signal on July 7, 2021.
- LAC is a Canadian based company that has two Lithium mines in Argentina and Nevada.
- LAC broke out of its IPO base in July 2020. It has just completed its second stage break out with its recent move higher and broke out of a nine-month base started in January 2021.
- LAC close just below Fibonacci support at 20.19 today. This is the 5<sup>th</sup> test of the 20.30 Fibonacci support in the last 21 sessions.
- **I am not selling LAC as it closed just below 20.30 support. Today it tailed back and avoided closing at a 20-day closing low. Closing below 20.15 would have made the sell conclusive. Because the stock avoided a 20-day low today, I am recommending a continued hold.**
- **If LAC closes below today's tail at 19.55, the stop sell will be executed. I will send a text if LAC should be stopped out.**
- Position is at 2-star(\*\*).
- Under massive institutional accumulation with an Up/Down Volume ratio of 1.7.
- LAC closed at **20.19**.
- LAC VWAP is at 13.80.
- Sell target price: **1<sup>st</sup> target is 25.06, 2<sup>nd</sup> target is 28.77, 3<sup>rd</sup> target is 39.20**
- Stop sell price: End of day **Close** below 19.55.





# Lithium Americas Corp (LAC)



## Russell 2000

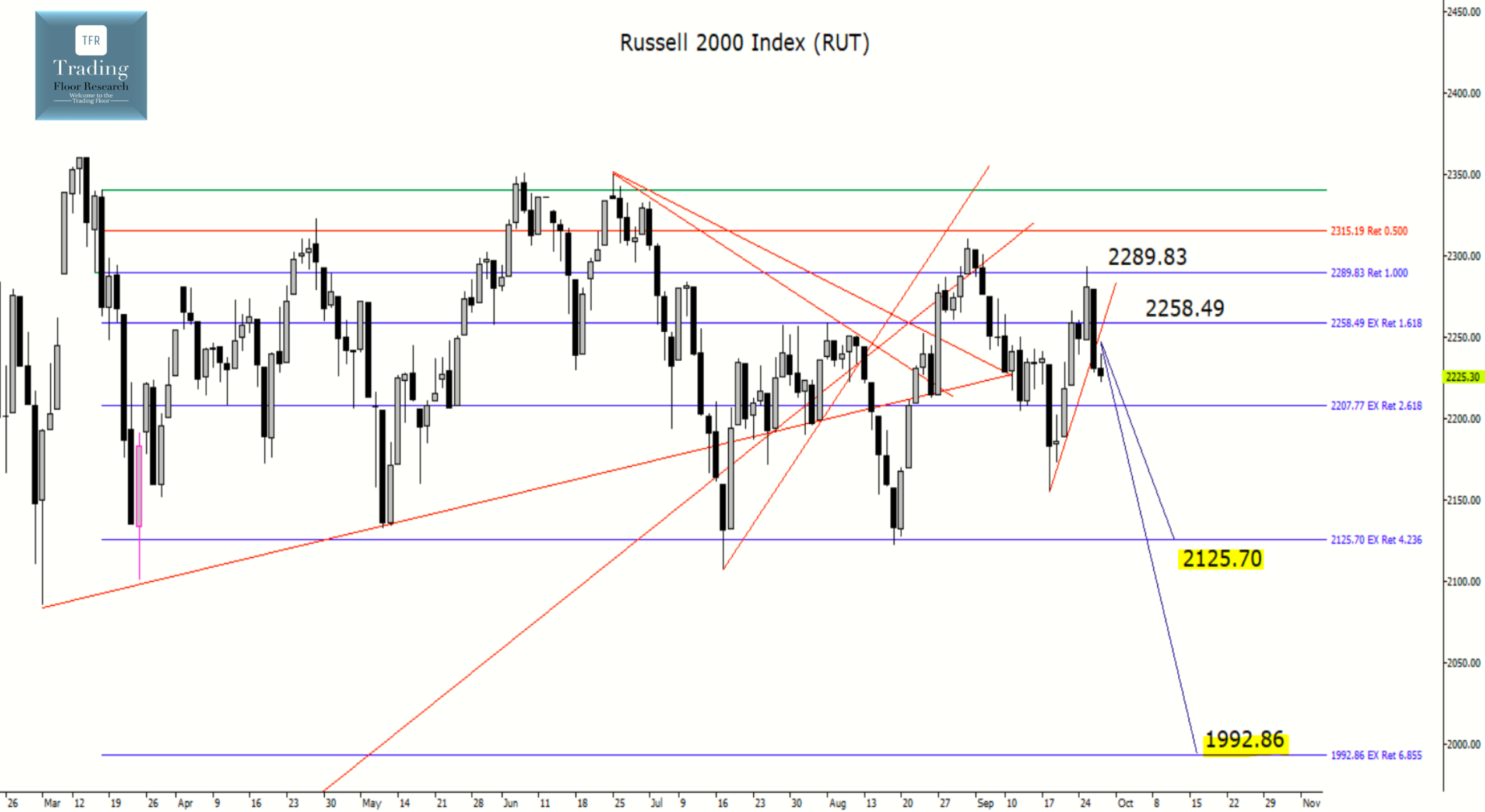
The iShares Russell 2000 ETF (IWM) had an ugly close today back below the 200-day moving average and the 50-day moving average on massive volume. IWM retraced some of its losses but couldn't close the price gap that started today's trading. The selling pressure stayed on small caps for most of the day. This led to another day of institutional selling (distribution day) and a close below 220.87. If the IWM small cap ETF closes below 220.87, the bears stay in control.

**We are continuing to hold our Direxion Small Cap Bear 3x (TZA) position.** This is an ETF that takes advantage of a move lower in the Russell 2000 index and leverages that position 3 times. TZA is a great hedge for long positions in your trading account.

As we go through a seasonally weak period in the markets (September-October), I aim to focus on the weakest index. This appears to be the Russell 2000. The downside targets of this trade are **1992.86 and 1778.07**. The IWM made a cycle High on the October 1, 2021, cycle turn date. This indicates lower prices until the next cycle date.



# Russell 2000 Index (RUT)



## *CBOE Market Volatility Index (VIX)*

The VIX has not been able to close above 23.00 for four sessions in a row and traded in a very tight range. The range is so tight; I have not gotten a 30-minute buy or sell signal.

Enough time has elapsed that my Eliot wave trendline has gone above the 44.60 VIX Fibonacci target number. Breaking this tight range will lead to a massive selloff in the markets if the VIX has a 30-minute close above 24.41 tomorrow. (I will text with a market alert)

If the VIX goes to the 44.60 Fibonacci target number, it will coincide with a breathtaking drop in the market.

Because the VIX has traded in a tight range for four days, a 30-minute close below 20.62 will see the VIX retest 17.70 Fibonacci target and a massive rally in the markets. (I will text with a market alert)

**A rally could finally trigger a confirmation buy signal in the Tesla trade I have been monitoring. (I will text with an alert)**





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