



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

06/05/22



This Trading Floor Research report contains:

- Lulus Fashion Lounge Holdings Inc. (LVLU). A new BUY candidate in the Retail Internet industry group.
- Excelerate Energy Inc. (EE). A new BUY candidate in the Oil & LNG Shipping Vessel industry subgroup.
- PROCEPT BioRobotics Corp. (PRCT). A new BUY candidate in the Medical Systems Equipment industry group.

Sectors, Industry Groups & Leadership Stocks

I pointed out last week “that weekly gains of greater than 6% lead to a high probability of positive market returns in the next few weeks.” I didn’t mention the three occurrences where weekly gains of greater than 6% didn’t lead to positive returns. These were years of significant market declines that included 1974, 2000, and 2008. With that said, if the short-term market rally ended this past week, it increases the probability that we could be looking at significant market declines later this year. This was what my analysis predicted with the 2008 S&P 500 overlay I showed in February and March.

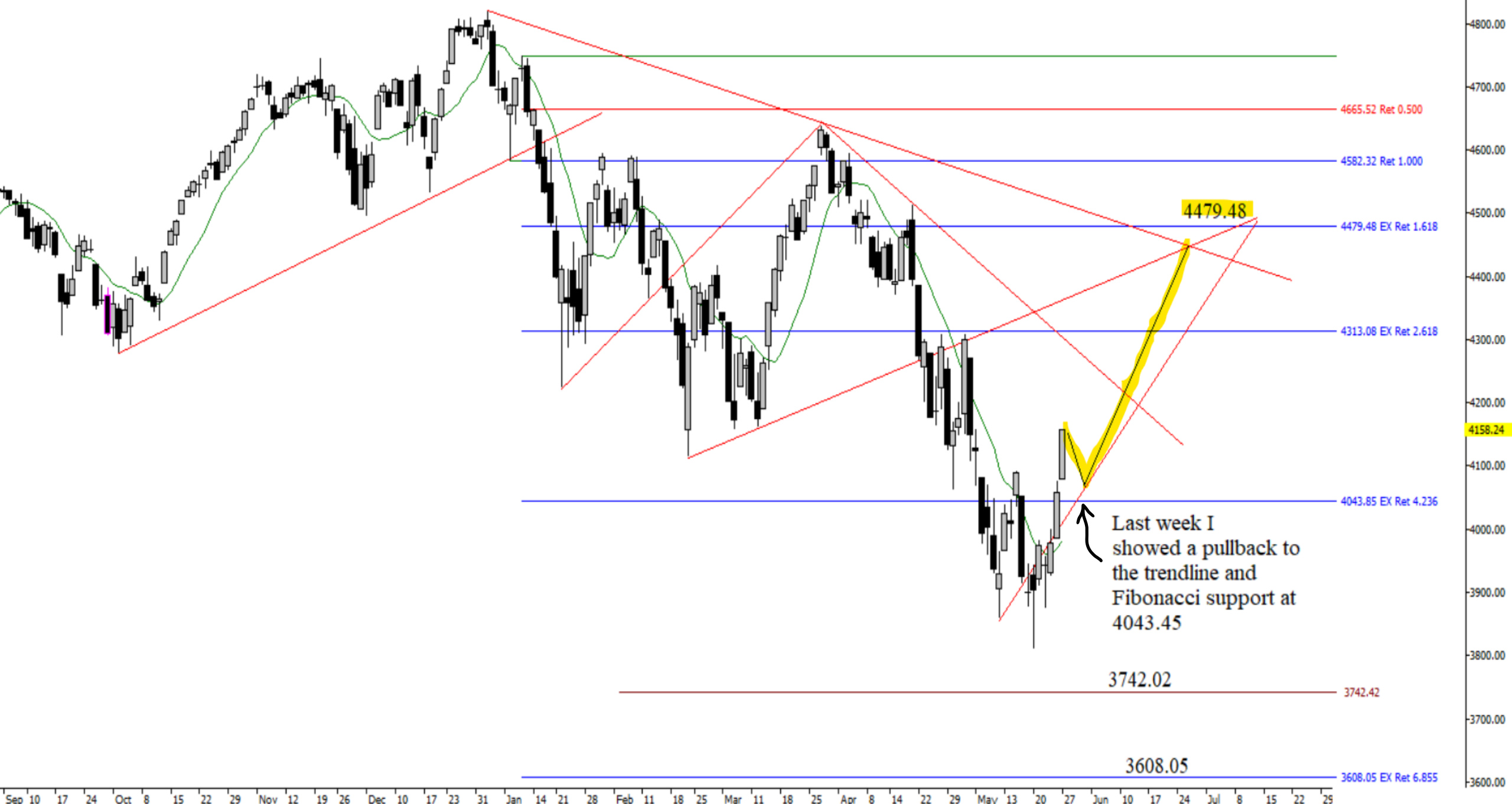
*A quick resumption of the downtrend will increase the probability of this scenario playing out. So far, the **S&P 500 has pulled back to the rising trendline as I diagramed in last Monday’s report. If that trendline and Fibonacci support at 4043.45 is broken, I will look for the downtrend to continue. Otherwise, my target is still 4479.48*** (Refer to S&P 500 chart)

*This week, my focus is on **Apple Inc. (AAPL)** and **Tesla Inc. (TSLA)**, two heavily weighted stocks in the S&P 500 and the NASDAQ. They pushed the market higher in 2021 as 80% of the NASDAQ had already started its correction by June 2021. The long-term charts on Meta (FB), Google (GOOG), and Microsoft (MSFT) were officially turned down earlier this year and have been a weight on the cap-weighted indexes for the past few months. My analysis shows that Apple Inc. and Tesla Inc. may have only started their long-term move lower. This is significant as both stocks have a combined weight of 9% on the S&P 500 and 15% on the NASDAQ 100. Apple Inc. and Tesla Inc could lead the move lower in the back half of the year.*

*A long-term trend change can be identified by the **50-day moving average crossing below the 200-day moving average** known as the **death cross**. A death cross occurred on **Apple Inc. (AAPL)** this past Friday and **Tesla Inc. (TSLA)** last Friday, May 27, 2022. (refer to chart on AAPL)*

The price history of NASDAQ stocks shows that the most significant and most intense move lower usually doesn’t start until after the death cross. Price history would indicate that the worst is yet to come for these past market leaders. The heavy market weighting would suggest that the outlook for the indexes is also grim.

S&P 500 Index



S&P 500 Index



Apple Inc. (AAPL)

A close below 142.33
will send AAPL lower.



Sectors, Industry Groups & Leadership Stocks

The bad news for the indexes may not affect performance in Trading Floor Research portfolios. If you had proper weightings of TFR stock picks, you should have seen your portfolio rise last week as the indexes finished lower.

Price tells me we can buy stock and industry group strength with greater size once again. The field of strength has become smaller, and it will give us fewer choices. But opportunities will exist.

TFR picks were able to make money by focusing on market leadership and buying the right stocks in the first three months of the year.

Staying away from technology is very important. As I said six months ago, “tech is dead!”

Anyone who has taken my classes or has known me over my career knows that my favorite setups come from first-stage IPO bases. I have been encouraged by some IPO breakouts in the past few days. 99% of IPOs in the past year and a half are down at lows and flat on their backs. But a handful is once again working. Quick and intense gains can come from IPO bases that have formed in less than twelve months. Stocks like **Lulus Fashion Lounge Holdings Inc. (LVLU)**, **Excelebrate Energy Inc. (EE)**, and **PROCEPT BioRobotics Corp. (PRCT)** have broken out of IPO bases, and I am watching them for a pullback. They are highlighted stocks in this report.

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

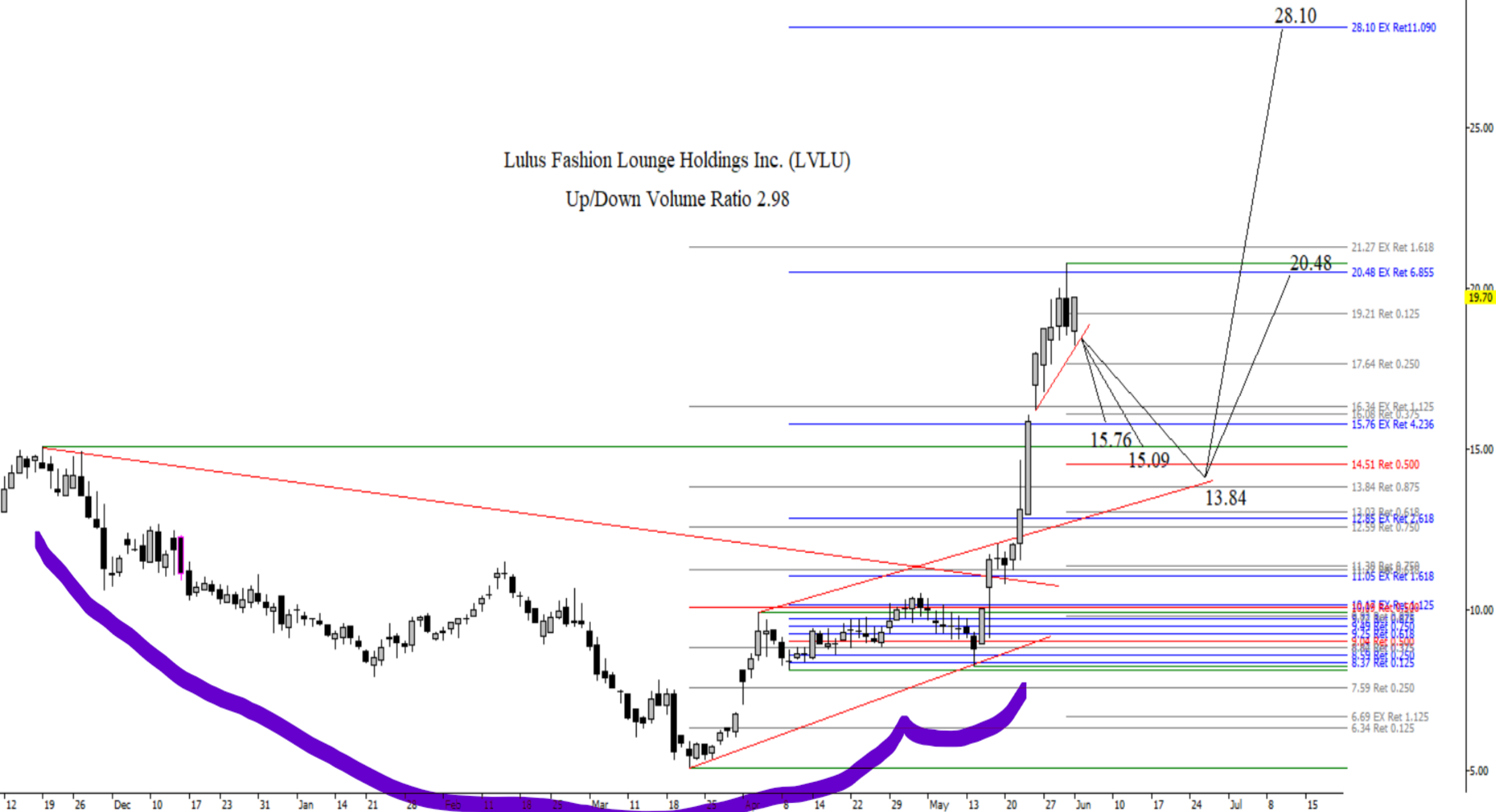
I recommend caution and 70% cash.

Speculative Buy Candidate: Lulus Fashion Lounge Holdings Inc. (LVLU)

- **Industry Group: Retail Internet.** The group is very weak, but the intense individual stock strength makes LVLU a valid candidate. The group is ranked 195th out of 197 and is down -32.92% YTD. The group weakness makes this a speculative trade.
- **Lulus Fashion Lounge Holdings Inc. (LVLU)** buys and designs women's fashion clothing and accessories through its online store at lulus.com.
- **Lulus Fashion Lounge Holdings Inc. (LVLU)** broke out of its 7-month IPO base on May 24, 2022. It quickly shot up 72% on massive volume. Even though its industry group is struggling, this kind of strength in an IPO can not be ignored. The stock is short-term over extended, and I have Fibonacci targets I watch as it pulls back.
- **Lulus Fashion Lounge Holdings Inc. (LVLU) Buy target prices: 1st target is 15.76; 2nd target is 15.09; 3rd target is 13.84 . A 30-minute confirmation will be watched at every target.**
- **Wait for confirmation text!**
- **Initiate position at 1-star(*)**
- **Under massive institutional accumulation with an Up/Down Volume ratio of 2.98.**
- **Lulus Fashion Lounge Holdings Inc. (LVLU) closed at 19.70.**
- **Lulus Fashion Lounge Holdings Inc. (LVLU) VWAP is at 11.47.**
- **Sell target prices: 1st target is 20.48; 2nd target is 28.10.**
- **Stop sell price: Close below (to be determined after purchase).**

Lulus Fashion Lounge Holdings Inc. (LVLU)

Up/Down Volume Ratio 2.98



Buy Candidate: Exceleerate Energy Inc. (EE)

• Industry Group: **Utility Gas Distribution**. The group currently ranks the 15th strongest industry group out of 197 and is up 16.58% YTD. The industry group gave a buy signal on May 25, 2022. Additional strength comes from the **Liquefied Natural Gas (LNG) Shipping Vessels** subgroup. The subgroup gave a buy signal on February 24, 2022.

• **Exceleerate Energy Inc. (EE)** has an integrated LNG import terminal that bundles everything needed to access LNG into a single interface. Many European countries are moving away from Russian gas, and Exceleerate Energy offers a simple and quick alternative.

• **Exceleerate Energy Inc. (EE)** stock had its IPO 36 trading days ago. It has already broken out of its IPO base on above-average volume and is under massive accumulation. I am looking for a pullback as it puts in a high handle to its cup base. IPOs breaking out of IPO bases in a strong industry group tend to perform exceptionally well.

• **Exceleerate Energy Inc. (EE)** Buy target prices: 1st target is 28.59; 2nd target is 27.97; 3rd target is 27.35. A 30-minute confirmation will be watched at every target.

• Wait for confirmation text!

• Initiate position at 2-star(*)

• Under massive institutional accumulation with an Up/Down Volume ratio of 2.50.

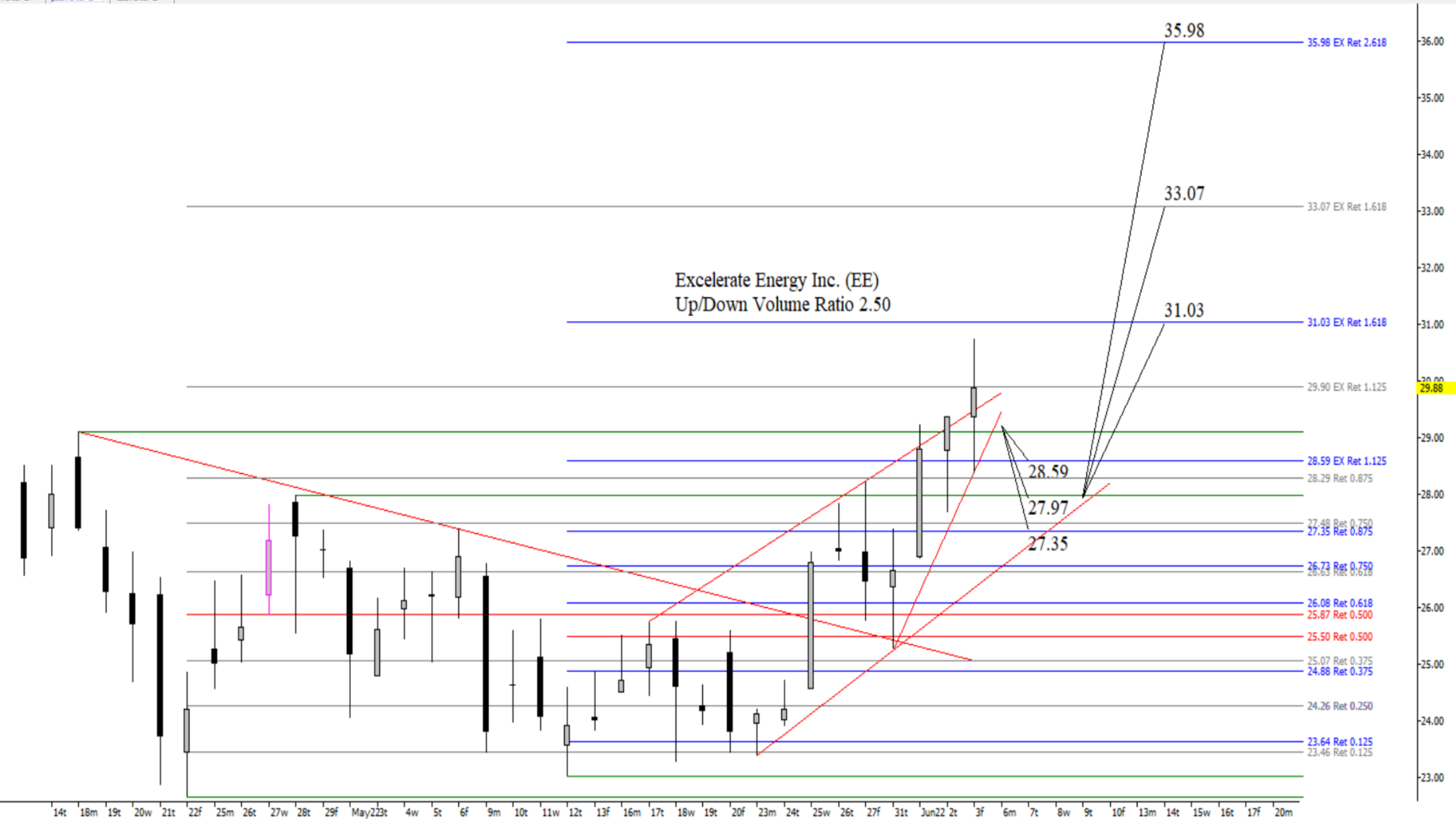
• **Exceleerate Energy Inc. (EE)** closed at 29.88.

• **Exceleerate Energy Inc. (EE)** VWAP is at 26.62

• Sell target prices: 1st target is 31.03; 2nd target is 33.07; 3rd target is 35.98

• Stop sell price: Close below 26.62.

Excelerate Energy Inc. (EE)
Up/Down Volume Ratio 2.50

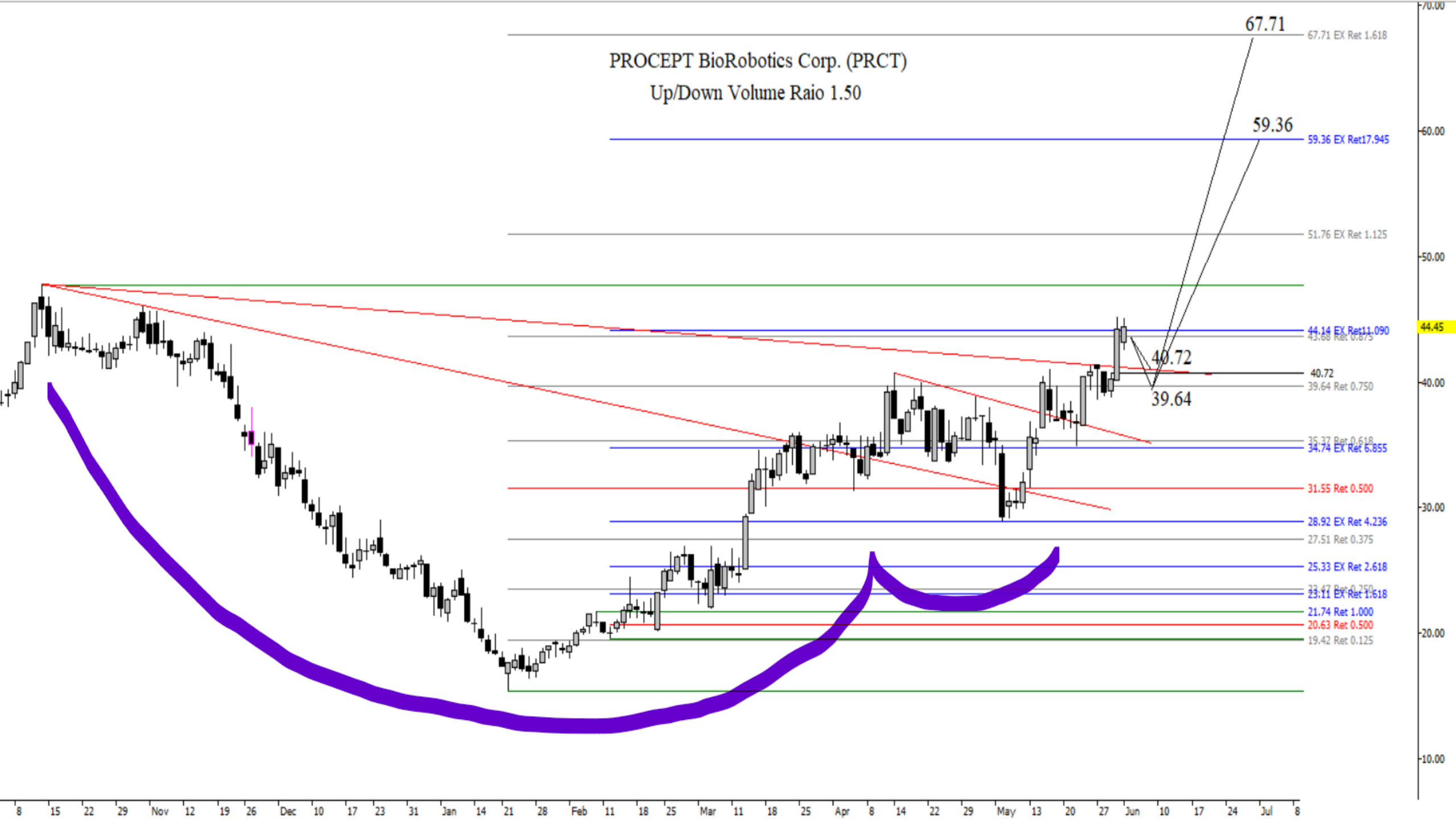


Speculative Buy candidate: PROCEPT BioRobotics Corp. (PRCT)

- Industry Group: **Medical Systems Equipment**. The **Medical Systems Equipment** industry group ranks the 93rd out of 197 and is down 30.57% YTD. The group is weak, but the recent accumulation of the stock makes PRCT a valid candidate.
- **PROCEPT BioRobotics Corp. (PRCT)** has an image-guided surgical robotic system that combines real-time, multidimensional imaging and heat-free waterjet ablation to remove prostate tissue.
- Thursday, **PROCEPT BioRobotics Corp. (PRCT)** broke out of a nine-month IPO cup-with-handle base on the most considerable advancing volume since its IPO. It rallied to Fibonacci resistance at 44.14 and will be watched for a pullback over the next few days.
- **PROCEPT BioRobotics Corp. (PRCT)** will confirm a buy signal with a throwback to the trendline and Fibonacci support between 40.72 & 39.64.
- Wait for a text confirmation!
- Start position at 1/2-star(*).
- Under institutional accumulation with an Up/Down Volume ratio of 1.5.
- **PROCEPT BioRobotics Corp. (PRCT)** closed at 2.73.
- **PROCEPT BioRobotics Corp. (PRCT)** VWAP is at 32.69.
- Sell target prices: 1st target is 59.36; 2nd target is 67.71.
- Stop sell price: Close below 38.59.

PROCEPT BioRobotics Corp. (PRCT)

Up/Down Volume Raio 1.50





Trading Floor Research

Welcome to the
Trading Floor

¹The 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. TFR is providing information on this resource to you subject to the TFR "Terms and Conditions of Service" disclaimer.

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.



Trading Floor Research

Welcome to the
Trading Floor

Disclaimer: The information, opinions and ideas expressed herein are for informational and educational purposes only and are based on research conducted and presented solely by the author. The information presented does not represent the views of the author only and does not constitute a complete description of any investment service. In addition, nothing presented herein should be construed as investment advice, as an advertisement or offering of investment advisory services, or as an offer to sell or a solicitation to buy any security. The data presented herein were obtained from various third-party sources. While the data is believed to be reliable, no representation is made as to, and no responsibility, warranty or liability is accepted for the accuracy or completeness of such information. International investments are subject to additional risks such as currency fluctuations, political instability and the potential for illiquid markets. Past performance is no guarantee of future results. There is risk of loss in all trading. Back tested performance does not represent actual performance and should not be interpreted as an indication of such performance. Also, back tested performance results have certain inherent limitations and differs from actual performance because it is achieved with the benefit of hindsight.



Trading Floor Research

Welcome to the
Trading Floor

Disclaimer

Before using this site, please make sure that you note the following important information:

Do your Own Research

Our content is intended to be used and must be used for informational purposes only. It is very important to do your own analysis before making any investment based on your own personal circumstances. You should take independent financial advice from a professional in connection with, or independently research and verify, any information that you find on our Website and wish to rely upon, whether for the purpose of making an investment decision or otherwise.

The content of this email is confidential and intended for the recipient specified in message only. It is strictly forbidden to share any part of this message with any third party, without a written consent of the sender. If you received this message by mistake, please reply to this message and follow with its deletion, so that we can ensure such a mistake does not occur in the future.

