



# Trading Floor Research

Welcome to the  
Trading Floor



02/13/22

## This Trading Floor Research report contains:

- *Republic First Bancorp. Inc. (FRBK) A new Buy candidate in the Banks Northwest industry group and the Financial Sector.*
- The CBOE Volatility Index (VIX) and what it is telling me about the markets next move.
- *Energy Coal industry group and the potential power it is showing for 2022*
- *Alpha Metallurgical Resources Inc. (AMR) A new Buy candidate in the Energy Coal Industry group.*





# Essential Lessons for Stock Market Success.

Class resumes this Thursday February 17, 2022, at the USW Burns Harbor Career Development Center

A morning and afternoon class will be given:

8:30 am-11:30 am

4:00 pm-7:00 pm

Learn how to identify winning stocks before they move higher and short stocks before they move lower.

Invite a family member or friend

Call Sarah to reserve a seat at 219-787-3101

## Sectors, Industry Groups & Leadership Stocks

**9 of the 11** market sectors are in sell signals. **Energy** was the only sector to make gains on Friday, closing 2.97% higher on the day. The **Financial Services** sector stayed in a buy signal but joined the other sectors with a loss as the market sold off hard on the imminent threat of a Russian invasion into Ukraine.

Our **Energy Sector** stocks continued to act strong. The sector strength pushed **Chevron Corp. (CVX)** and **Petro Bras PFD (PBR/A)** to new highs with an above-average volume on Friday. Chevron's chart confirms the recent highs with relative strength new highs. A concern I shared with you last week. (Refer to CVX Chart)

The CBOE Volatility Index (VIX) continues to provide excellent clues to the beginning and end of each market selloff as the market trends lower. On Friday, the fear index shot up to the 31.2 target number and tailed lower to close below the rising trendline. This sets up the potential for a rally to begin with a 30-minute sell signal and the February 16 cycle turn date next week. I anticipate a continued market selloff early next week, with a potential reversal by mid-week. (Refer to VIX chart)

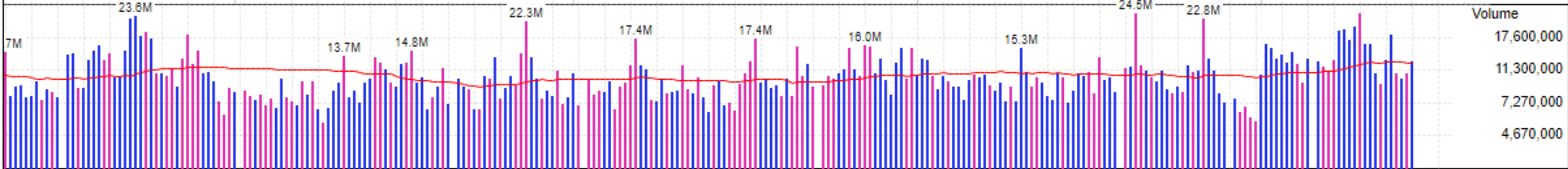
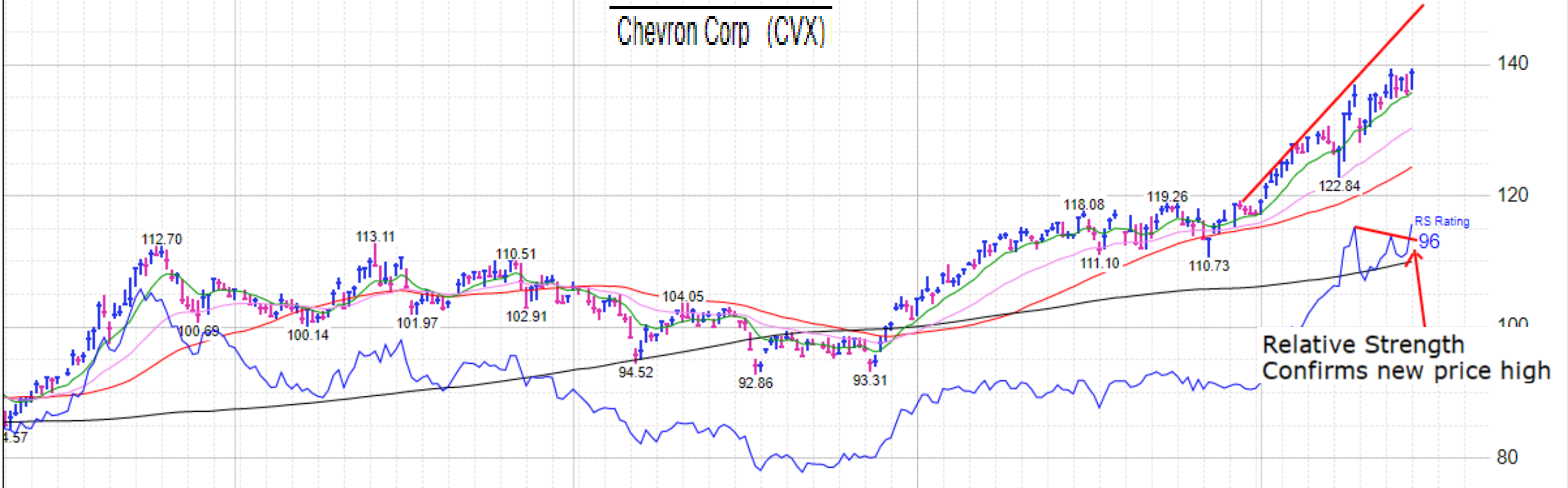
**I continue to avoid technology stocks** until I get new industry group buy signals in the sector.

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

**I continue to recommend caution and high cash levels** until the market gives more sector and industry group buy signals.

**Wait for "Risk On" to get aggressive!**

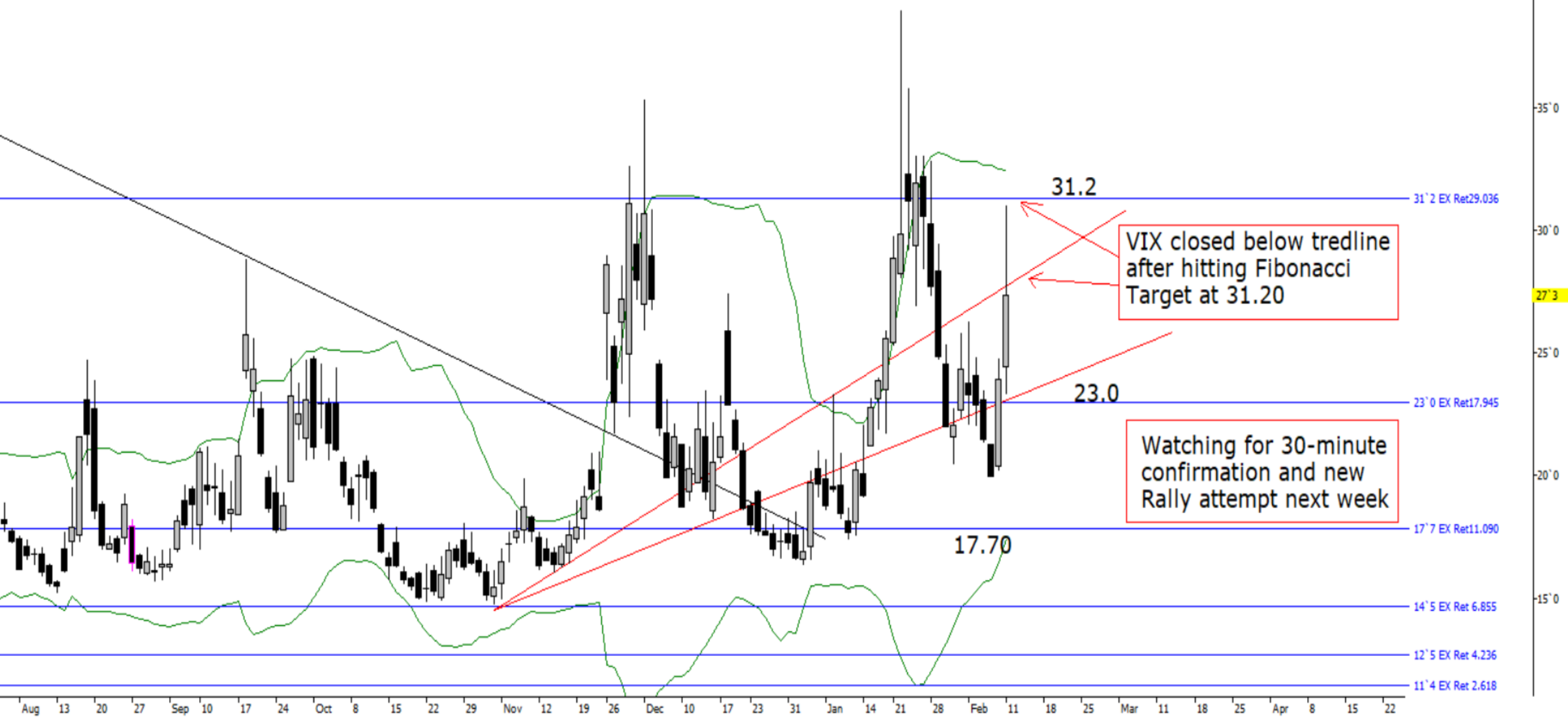
# Chevron Corp (CVX)



44.6

44' 6 EX Ret46.982

### CBOE Volatility Index (VIX)



31.2

VIX closed below trendline after hitting Fibonacci Target at 31.20

23.0

Watching for 30-minute confirmation and new Rally attempt next week

17.70

31' 2 EX Ret29.036

23' 0 EX Ret17.945

17' 7 EX Ret11.090

14' 5 EX Ret 6.855

12' 5 EX Ret 4.236

11' 4 EX Ret 2.618

Aug 13 20 27 Sep 10 17 24 Oct 8 15 22 29 Nov 12 19 26 Dec 10 17 23 31 Jan 14 21 28 Feb 11 18 25 Mar 11 18 25 Apr 8 15 22

## *The Power of the Energy Coal Industry Group in 2022*

After a market decline like we saw in January and February and the market follow-through day we got two weeks ago, my instinct is to focus on market relative strength. That means focusing on Industry groups and stocks in those groups that have held near their highs.

The mistake most investors make is to focus on beaten-down stocks. They claim that the market is handing them a discounted gift of a stock that led the market in the previous rally. The reality is that the market is discounting inventory it couldn't get rid of in the last bull market. It is like a retailer that discounts the orange shirts; they couldn't sell last summer. The retailer will discount the shirt by 25% and see how many takers they get. They will proceed to lower the price until all the inventory is gone. The popular blue shirts sold out at the full price.

The market is a discounting mechanism that works the same way. Stocks use a similar supply and demand curve learned in Microeconomics. Of course, the supply curve for stocks would be a vertical line set by the shares in the float.

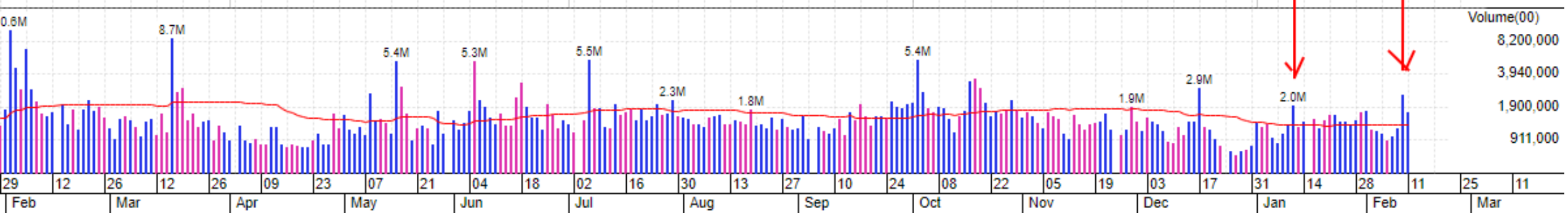
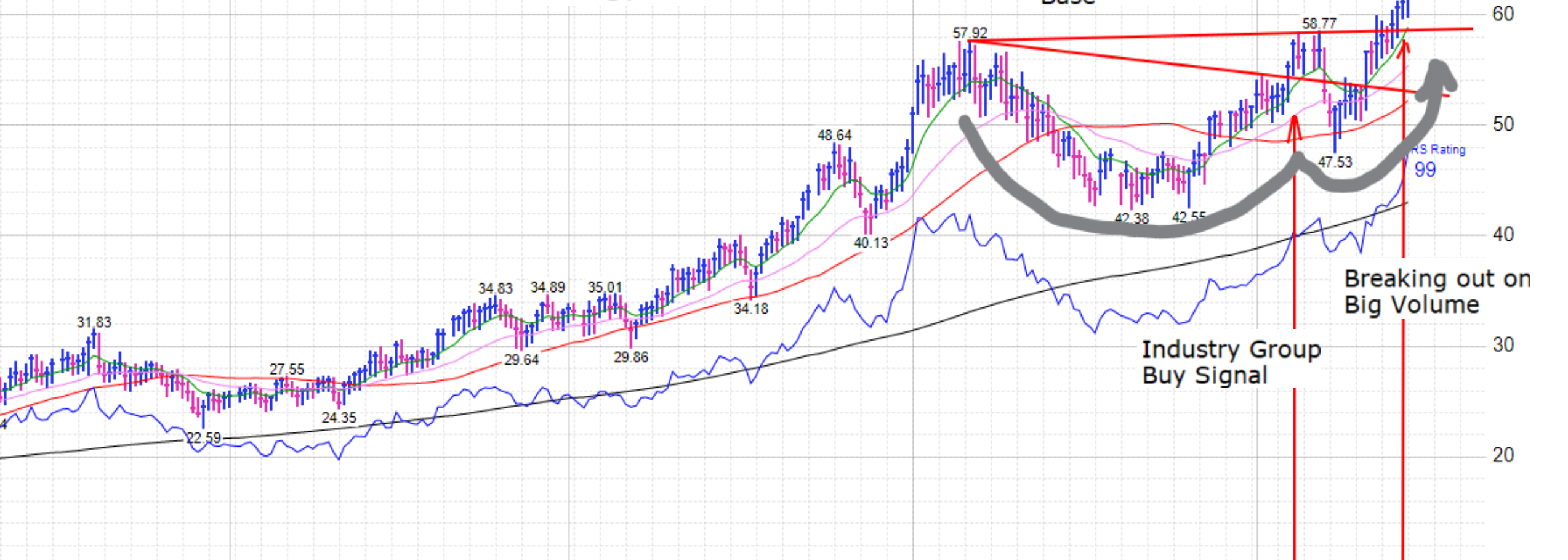
If you want something in demand, get ready to pay for it. The most outstanding stock winners of 2022 will not come from the bottom of the pack; they are the ones where accumulation exceeds supply and demonstrate relative price strength.

The industry group that is showing these characteristics the strongest is the Energy Coal group. As the market continued to sell off this week, the Coal group broke out on massive volume. The Coal group used the January selloff to put the handle on a textbook 4-month cup-with-handle base.

The Energy Coal industry group is showing the kind of price behavior that has led to the most significant market leaders in the past. Focus on Coal stocks like Warrior Metallurgical Coal (HCC), Suncoke Energy Inc. (SXC), and Alpha Metallurgical Resources Inc. (AMR) if you are interested in what will make the most outstanding returns in 2022.



# Energy Coal



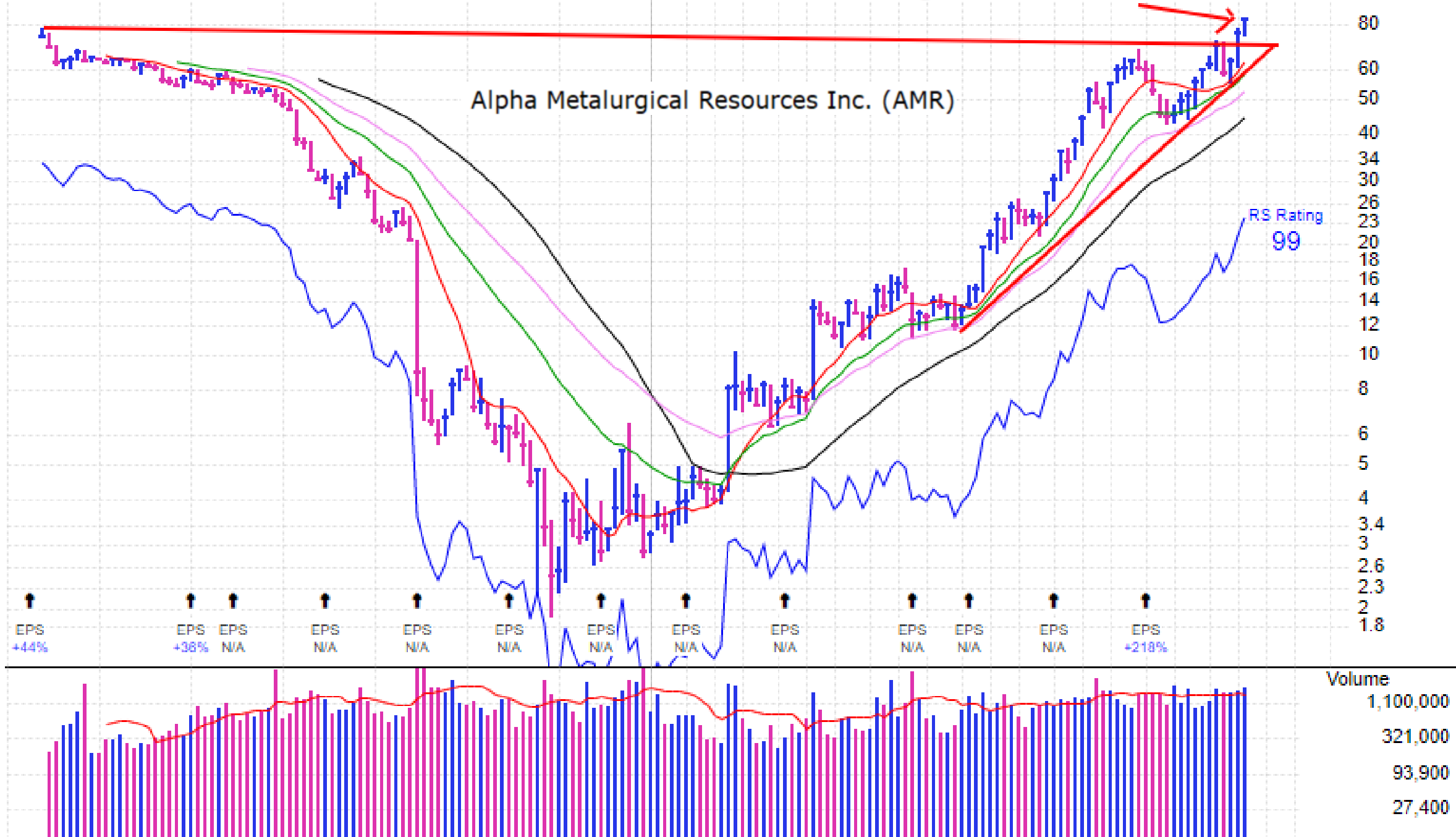


### **Buy candidate: Alpha Metallurgical Resources (AMR)**

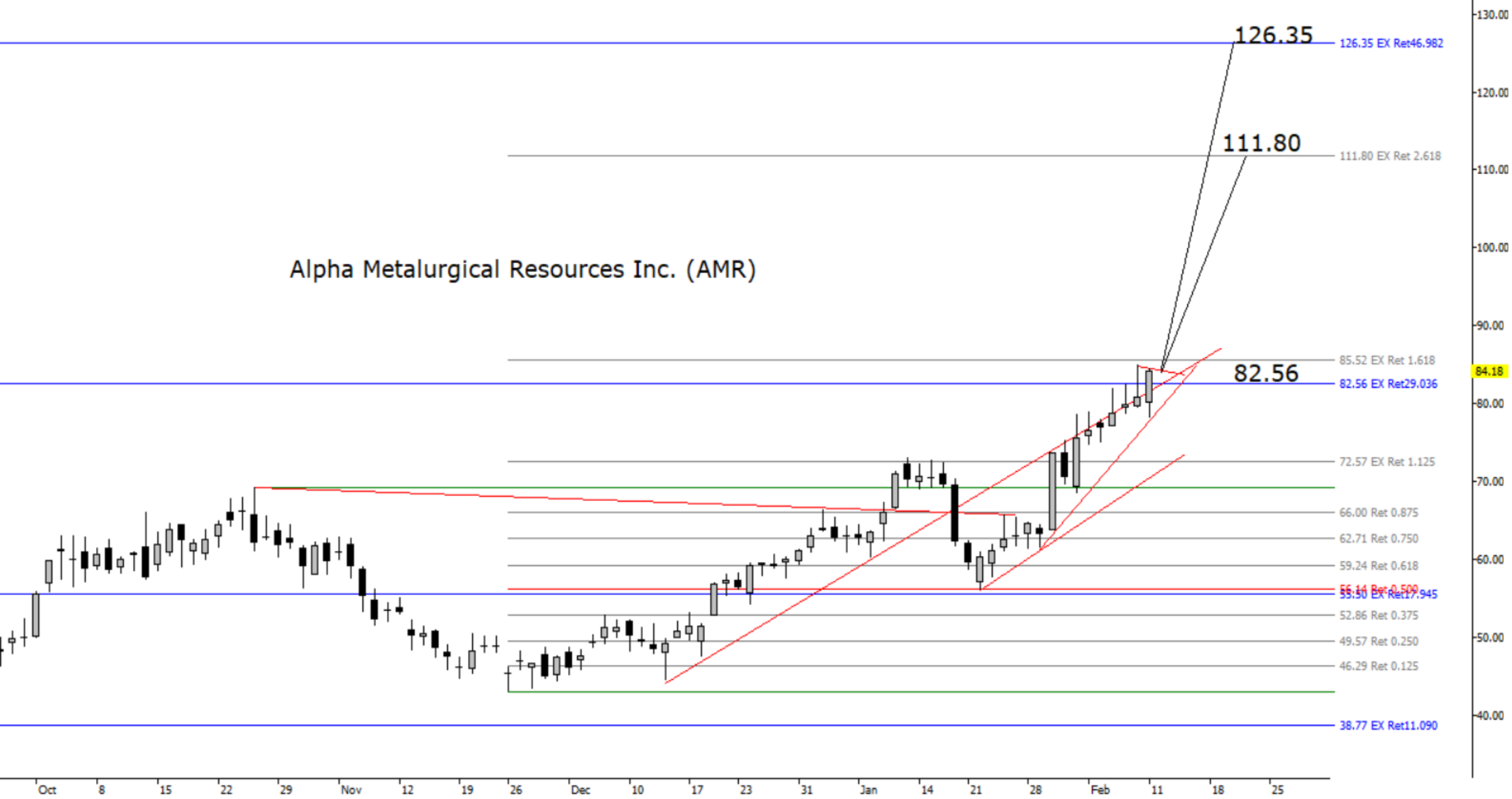
- **Industry Group: Energy Coal.** The group currently ranks as the 3<sup>rd</sup> strongest industry group out of 197 and is up 15.74% YTD. The group gave a 20-day closing high on 01/12/2022 with above-average volume.
- **Alpha Metallurgical Resources (AMR)** Develops metallurgical coal in Pennsylvania, Virginia, and West Virginia. Metallurgical coal is used in the production of steel. Metallurgical coal producers are gaining momentum, and I am expanding my portfolio with another stock in the group.
- Alpha Metallurgical Resources (AMR) broke out of its IPO base last week, closed above Fibonacci resistance at 82.56, and closed at all-time highs. The stock also closed above a rising trendline it struggled with the previous week. Closing above a trendline is rare and frequently leads to a parabolic move higher.
- **Alpha Metallurgical Resources (AMR) will confirm a buy signal with a throwback into its trendline or 30-minute and daily close above 84.57.**
- **Wait for a text confirmation!**
- Initiate position at 2-star(\*\*)
- **Under massive institutional accumulation** with an Up/Down Volume ratio of 2.58.
- Alpha Metallurgical Resources (AMR) closed at 84.18.
- Alpha Metallurgical Resources (AMR) VWAP is at 31.28.
- Sell target prices: 1st target is **111.80**; 2nd target is **126.35**
- Stop sell price: Close below **82.56**.

# New all-time highs out of IPO Base

## Alpha Metalurgical Resources Inc. (AMR)



# Alpha Metallurgical Resources Inc. (AMR)

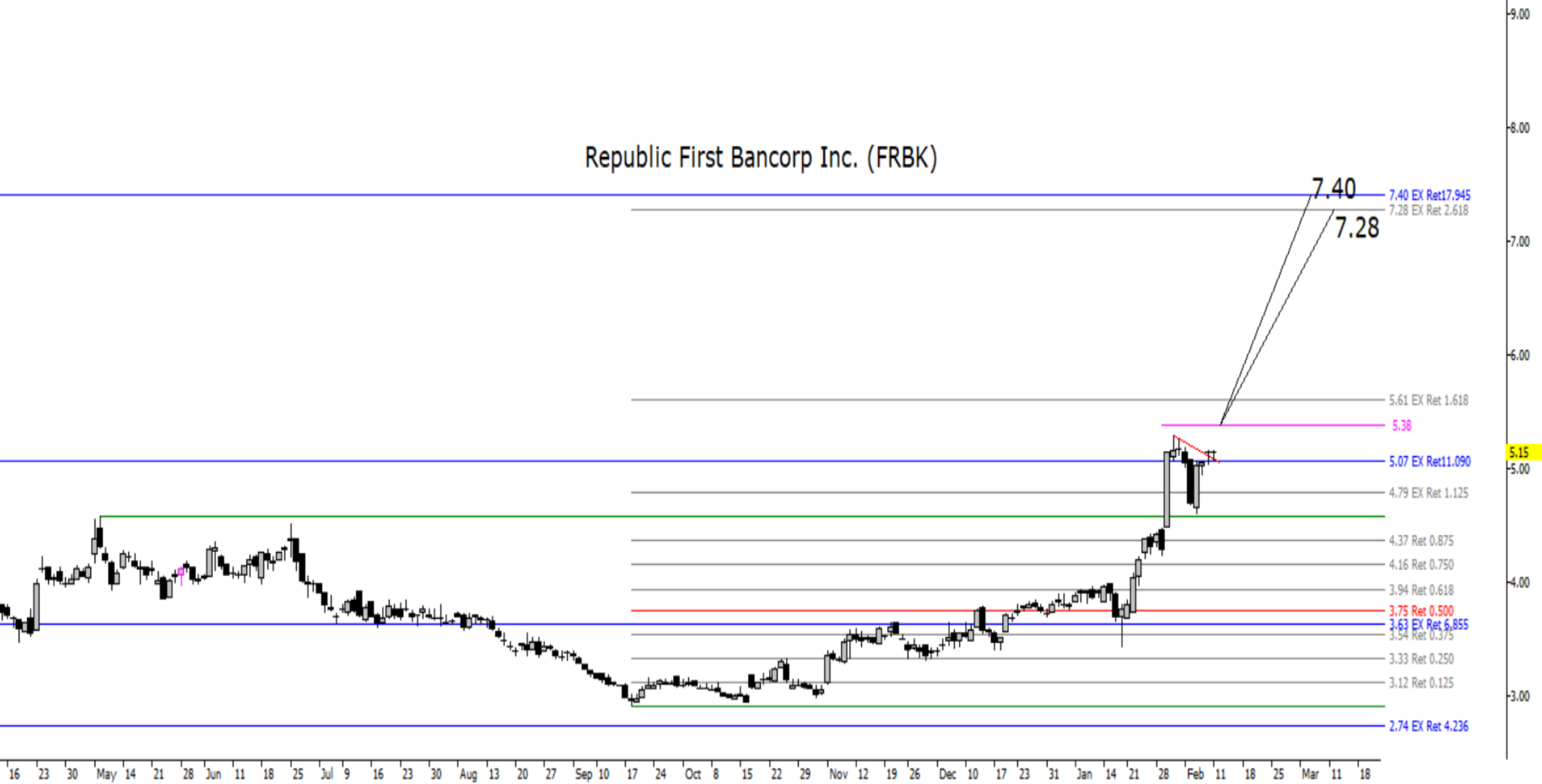


## *Buy candidate: Republic First Bancorp (FRBK)*

- **Industry Group: Banks-Northeast.** The group currently ranks as the 19<sup>th</sup> strongest industry group out of 197 and is up .07% YTD. The group gave a 20-day closing high buy signal on 01/04/2022 with above-average volume.
- **Republic First Bancorp (FRBK)** is a holding company for Republic First Bank operating through 31 offices in Pennsylvania and New Jersey.
- **Republic First Bancorp (FRBK)** broke out of its base two weeks ago and spent last week forming an over-under-over pattern at Fibonacci resistance of 5.07. Holding two days above the number in a weak market and a pullback in the sector points to the strong relative strength and institutional accumulation. The ingredients needed for the stock to push higher.
- **Republic First Bancorp (FRBK)** will confirm a buy signal with a 30-minute close above the VWAP at 5.38 or a pullback to Fibonacci support at 5.07.
- **Wait for a text confirmation!**
- **Initiate position at 2-star(\*\*)**
- **Under massive institutional accumulation** with an Up/Down Volume ratio of 4.37.
- **Republic First Bancorp (FRBK)** closed at 5.15.
- **Republic First Bancorp (FRBK)** VWAP is at 5.38.
- **Sell target prices: 1st target is between 7.28 & 7.40**
- **Stop sell price: Close below 5.07.**



# Republic First Bancorp Inc. (FRBK)





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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.

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