



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

06/12/22



This Trading Floor Research report contains:

- *Houston American Energy Corp. (HUSA). A new BUY candidate in the Oil & Gas International Exploration & Production industry group.*
- Lulus Fashion Lounge Holdings Inc. (LVLU). A BUY candidate in the Retail Internet industry group.

Sectors, Industry Groups & Leadership Stocks

Last week I stated that if the S&P 500 broke its rising trendline and closed below Fibonacci support at 4043.45, I would look for the downtrend to continue. The trendline and 4043.45 were broken on Thursday, and by Friday's close the market was an additional 2.91% lower. My 3742.34 Fibonacci target number is back in play. For this target number to be a substantial bottom the CBOE Volatility Index (VIX) must hit my 44.68 target number. (Refer to S&P500 chart)

Last week I pointed out that Apple Inc.'s downside leadership is what would carry the market lower. Friday, **Apple Inc. (AAPL)** closed below Fibonacci support at 142.33. The next targets are 128.56 and 120.54. The huge market cap weighting of Apple Inc. will offer the downside pressure to get the S&P 500 to 3742.34. (Refer to AAPL chart)

The **Energy Sector** continues to be one of the few bright spots of this market. The **Oil & Gas International Exploration & Production** industry group gave a fresh buy signal on Tuesday June 07, 2022, and **Houston American Energy Corp. (HUSA)** is the leader in the group. The stock is ready to break out of a cup with handle base and is under massive accumulation. It is the featured stock in this weekend's newsletter.

Even with the market crashing, the number of new stocks trading in constructive IPO bases improved once again this week. **Lulus Fashion Lounge Holdings Inc. (LVLU)** pulled back to my target area and should be ready to move higher in the next few days. I provide an update in this report.

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

I recommend caution and an 85% cash position.

S&P 500 Index



Apple Inc. (AAPL)

A close below 142.33
will send AAPL lower.

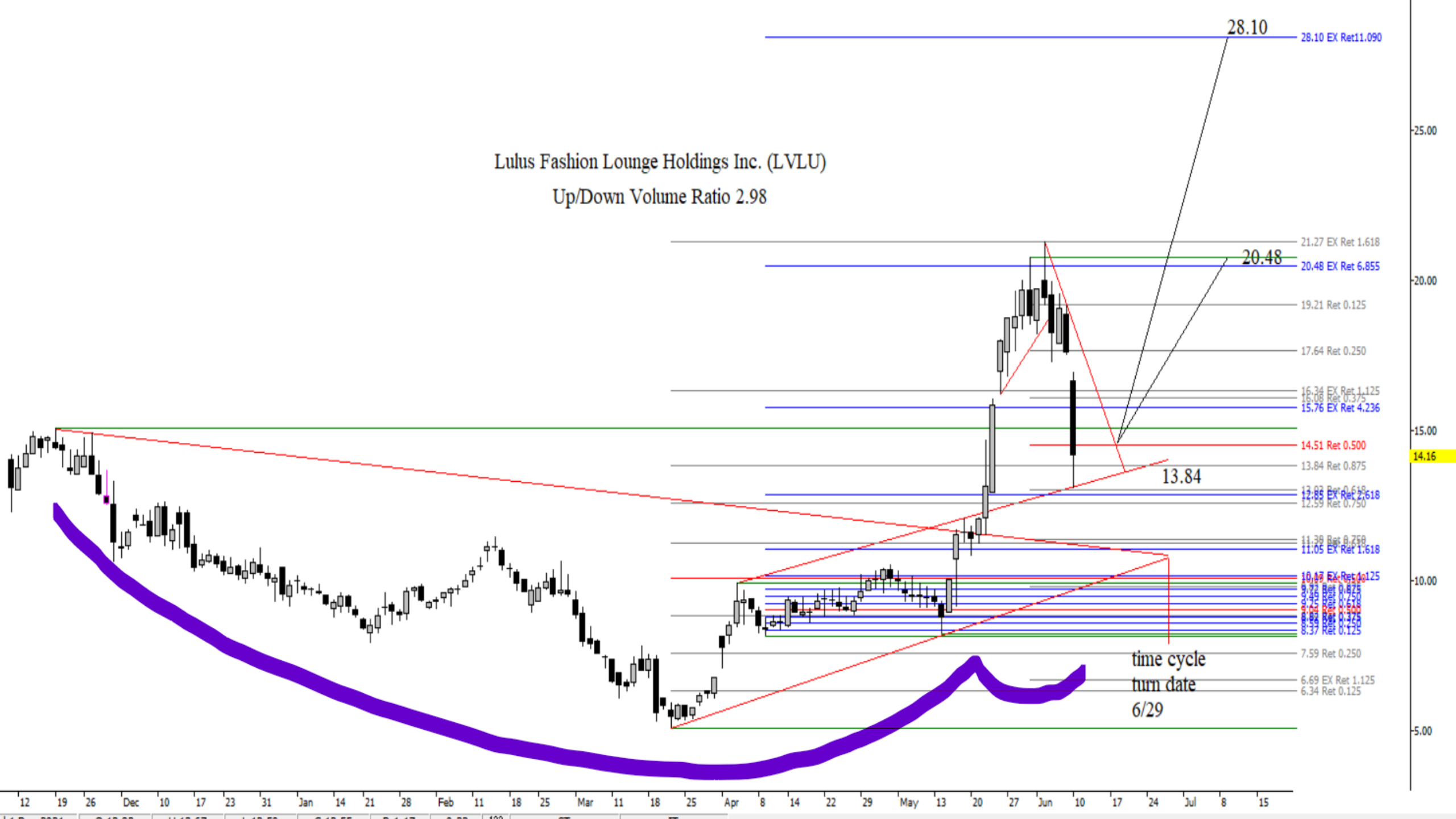


Speculative Buy Candidate: Lulus Fashion Lounge Holdings Inc. (LVLU)

- Industry Group: **Retail Internet**. The group is weak, but the intense individual stock strength makes LVLU a valid candidate. The group weakness makes this a speculative trade. The group is ranked 196 out of 197 and is down -38.21% YTD.
- **Lulus Fashion Lounge Holdings Inc. (LVLU)** buys and designs women's fashion clothing and accessories through its online store at [lulus.com](https://www.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. After being short-term extended, the stock held up at Fibonacci resistance at 20.48 and pulled back to Fibonacci support at 13.84. Even though its industry group is struggling, I can not ignore this kind of strength in an IPO.
- **Lulus Fashion Lounge Holdings Inc. (LVLU)** closed at **14.16**, and after-hours trading closed at **13.85**. The 3rd Fibonacci target is **13.84**. LVLU will confirm a 30-minute Buy with a close above **14.51**.
- Wait for confirmation text!
- Initiate position at 1-star(*)
- Under massive institutional accumulation with an Up/Down Volume ratio of **2.00**.
- **Lulus Fashion Lounge Holdings Inc. (LVLU)** closed at **14.16**.
- **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 **11.47**.

Lulus Fashion Lounge Holdings Inc. (LVLU)

Up/Down Volume Ratio 2.98



Buy Candidate: Houston American Energy Corp. (HUSA)

- Industry Group: **Oil & Gas International Exploration & Production**. The group currently ranks the 5th strongest industry group out of 197 and is up 78.42%% YTD. The industry group gave a buy signal on June 07, 2022.
- **Houston American Energy Corp. (HUSA)** is an oil and gas exploration and production company with activities focused on the US Permian Basin and shore Gulf Coast Region. They have additional development concessions in Columbia, South America.
- **Houston American Energy Corp. (HUSA)** is forming the handle of a well-formed cup-with-handle base. This strong stock needs to break the handle's declining trendline and give buy confirmation. Friday, the stock tailed off the 10-day moving average and closed fractionally higher.
- **Houston American Energy Corp. (HUSA)** will confirm a buy with a 30-minute close above 7.59.
- Wait for confirmation text!
- Initiate position at 2-star(*)
- Under massive institutional accumulation with an Up/Down Volume ratio of 3.44.
- **Houston American Energy Corp. (HUSA)** closed at 7.10
- **Houston American Energy Corp. (HUSA)** VWAP is at 4.96.
- Sell target prices: 1st target is 9.67; 2nd target is 12.25; 3rd target is 16.61
- Stop sell price: Close below 5.65.

Houston American Energy Corp. (HUSA)
Up/Down Volume Ratio 3.44





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