

TFR

# Trading Floor Research

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Trading Floor



12/01/22



This Trading Floor Research report contains:

- S&P 500 (SPX). Update
- ESAB Corporation (ESAB)
- Atour Lifestyle Holdings Limited ADR (ATAT)

## S&P 500

The S&P 500 retested Fibonacci support at 3949.46 in the first half of the week. After one more test of the rising trendline from the October 13 low and 3949.46 on Wednesday morning, the market shot higher on comments from Fed Chairman Jerome Powell and closed above Fibonacci resistance at 4072.82.

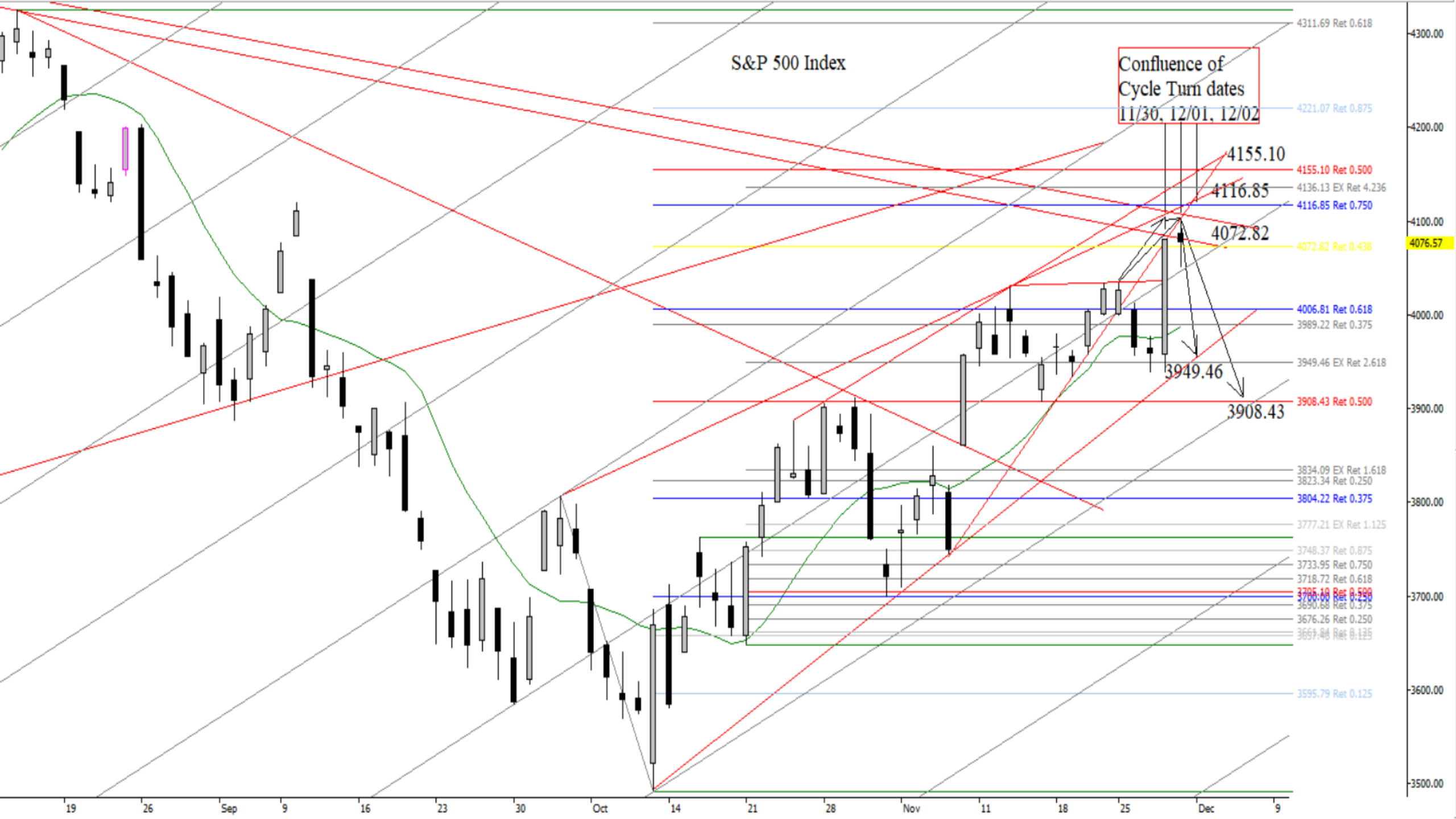
Today the S&P 500 topped at the descending trendline from the January market high and its third retest of the index's most crucial trendline. The other tests have marked the exact high, and a market selloff occurred immediately.

This is happening in the confluence of time cycle turn dates starting on November 30 and ending on December 2 I wrote about in last weekend's newsletter. A close above the trendline would extend the rally and open the way for a move to 4155.10.

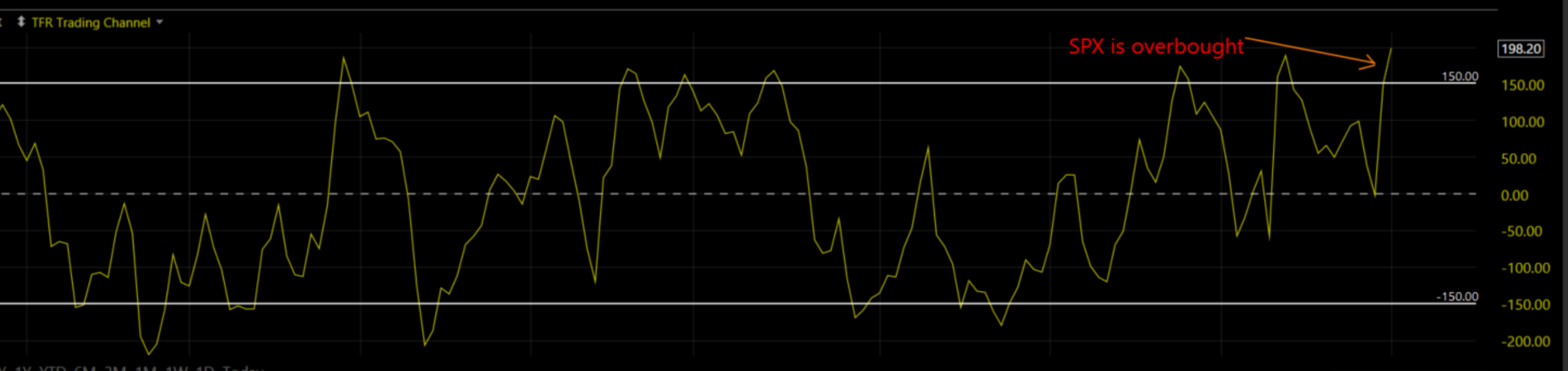
But, after the monster rally on Wednesday, the S&P 500 is overbought as it bumps its head against the critical descending trendline from the January high and Fibonacci resistance at 4072.26. A close below 4072.26 Friday will set the stage for a pullback starting next week. The probability of a market pullback from this time cycle turn date is very high.

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

*I recommend caution and 80% cash*



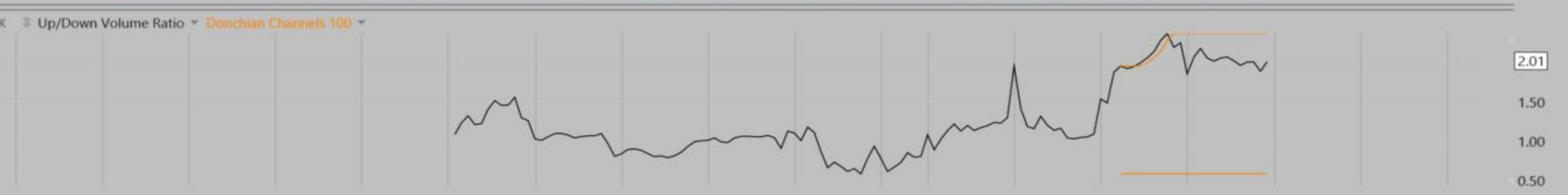


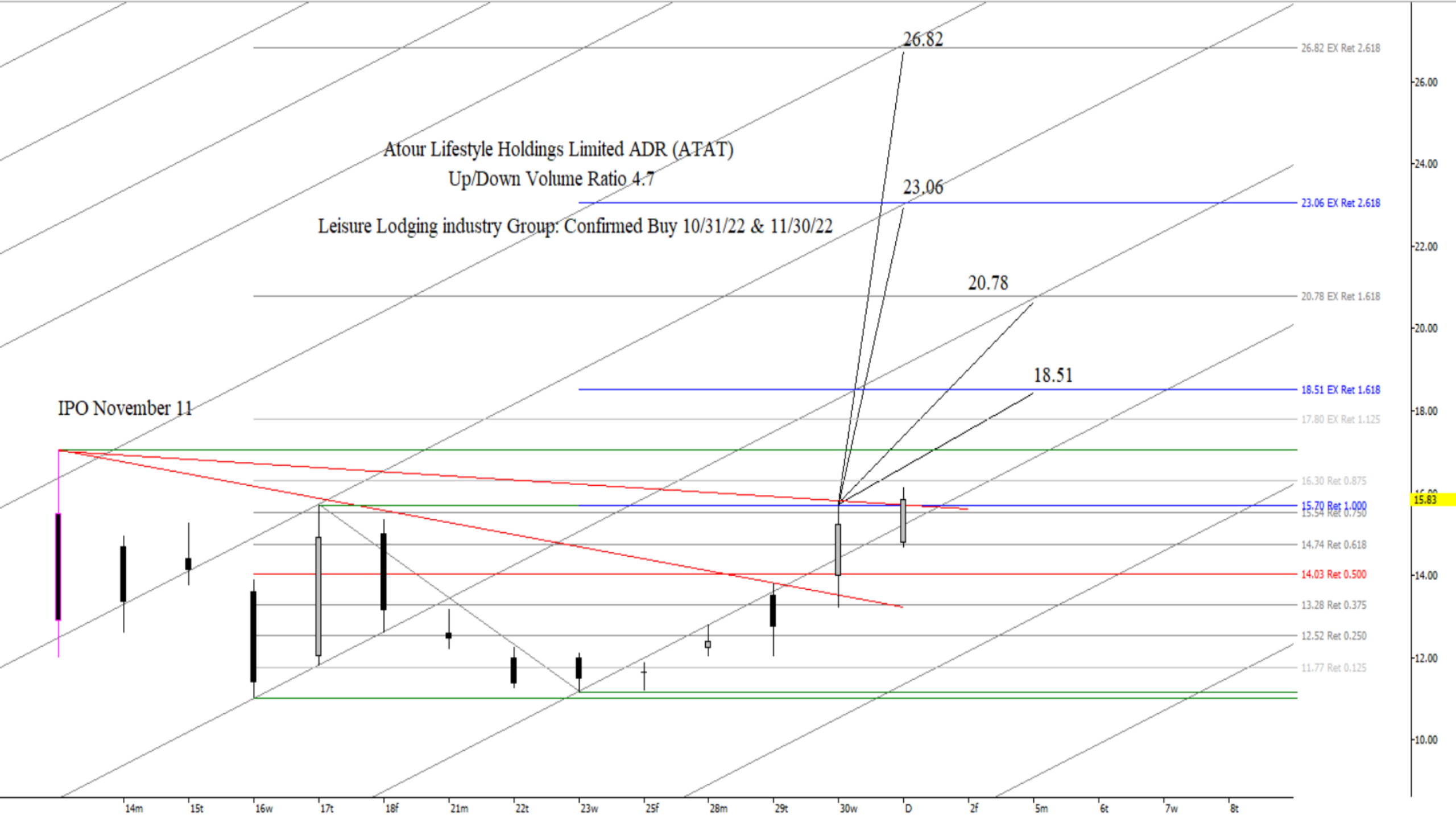


New buy candidate: Atour Lifestyle Holdings Limited ADR (ATAT)

- Industry Group: **Leisure-Lodging**. The group currently ranks as the 118th strongest industry group in the market out of 197 and is down -7.09% YTD. **Leisure-Lodging** gave its most recent buy signal on November 30, 2022.
- **Atour Lifestyle Holdings Limited ADR (ATAT)** is a Chinese franchisor and operator of 523 Atour hotels. Chinese stocks are showing tremendous strength in the past few days, and this recent IPO offers upside potential with no resistance.
- **Atour Lifestyle Holdings Limited ADR (ATAT)** was an IPO four days ago and is setting up a good Primary BreakOut Cup-with-handle base on its 30-minute chart. With the strength of the industry group and the Chinese market, recent IPOs offer tremendous upside potential.
- **Atour Lifestyle Holdings Limited ADR (ATAT)** will confirm with a 30-minute close above 16.12 with above-average volume.
- Initiate position with at 1-star(\*).
- Under institutional accumulation with a Daily Up/Down Volume ratio of 4.70, and a 30-minute Up/Down Volume Ratio of 2.01
- Atour Lifestyle Holdings Limited ADR (ATAT) closed at **15.83**.
- Atour Lifestyle Holdings Limited ADR (ATAT) VWAP is at 13.77
- Sell target prices: **1<sup>st</sup> target is 17.05; 2<sup>nd</sup> target is 20.78; 3<sup>rd</sup> target is 23.06; 4<sup>th</sup> target is 26.82**
- Stop sell price: **Close** below **14.03**.

# Atour Lifestyle Holdings (ATAT)

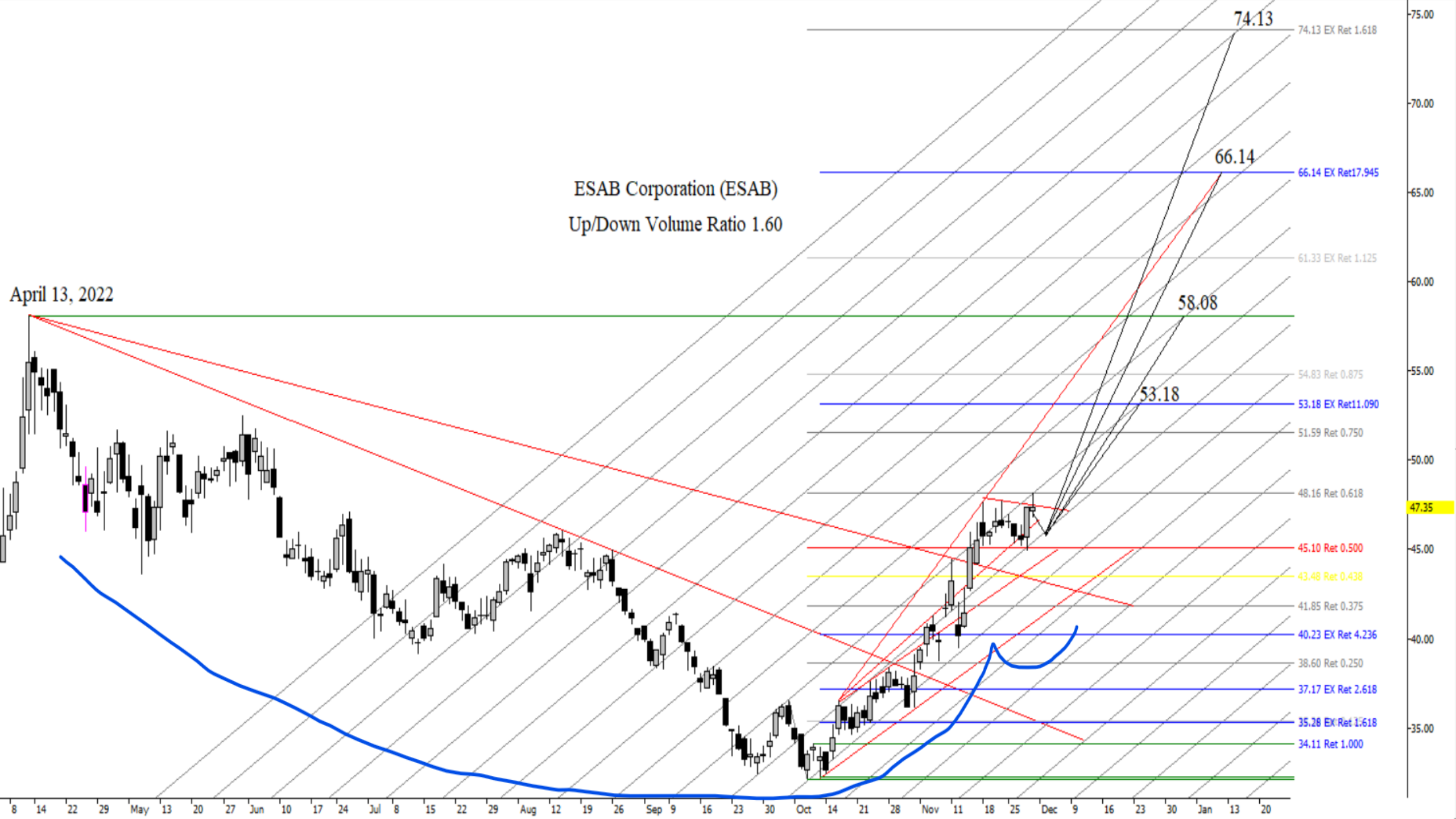






## New buy candidate: ESAB Corporation (ESAB)

- Industry Group: **Machine Gen Industrial**. The **Machine Gen Industrial** group currently ranks as the 32<sup>nd</sup> strongest industry group out of 197 and is down -11.09% YTD. Machine Gen Industrial gave its most recent buy signal on November 10, 2022.
- **ESAB Corporation (ESAB)** produces welding and cutting equipment.
- **ESAB Corporation (ESAB)** is a recent IPO ready to break out of a cup-with-handle primary base. It triggered the buy signal on November 16, a few days after the industry group buy signal. It has spent the past eleven days attaching a handle to the base above the critical 50% Fibonacci bull and bear line at 45.10. The Up/Down Volume ratio indicates strong institutional buying.
- **ESAB Corporation (ESAB) will confirm with a 30-minute buy signal after one more pullback to 45.10 or the Andrew Pitchfork line.**
- Initiate position with at 2-star(\*\*).
- Under institutional accumulation with an Up/Down Volume ratio of 1.70 and making 100-day highs.
- ESAB Corporation (ESAB) closed at **47.35**.
- ESAB Corporation (ESAB) VWAP is at 43.97
- Sell target prices: **1<sup>st</sup> target is 53.18; 2<sup>nd</sup> target is 58.08; 3<sup>rd</sup> target is 66.14; 4<sup>th</sup> target is 74.13**
- Stop sell price: **Close** below **43.97**.





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