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Trading Floor Research

Welcome to the
— Trading Floor —

07/4/22



This Trading Floor Research report contains:

- *Direxion Daily China Bull 3X ETF (YINN). This ETF is designed to perform 3X the FTSE China 50 Index.*
- Direxion Daily S&P Biotech Bull 3X ETF (LABU). This ETF is designed to correspond to 3X the price movement of the S&P Biotechnology Select Industry Index.
- Autohome Inc. (ATHM). A new Chinese BUY candidate in the Internet Content industry group.



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Essential Lessons for Stock Market Success

Join Our Next Class

In

Burns Harbor, IN

Contact Sara to reserve a seat: 219-787-3101

David Wozniak, CMT

Chief Market Strategist at Trading Floor Research

Weekly Class begins: Thursday July 7, 2022
to July 28, 2022

Location: Career Development Center Burns
Harbor

Sectors, Industry Groups & Leadership Stocks

In last week's newsletter, I pointed out that the S&P 500 rallied to 50% of its most recent range and that 50% is a strong Fibonacci number. The index pulled back from the firm number as I anticipated.

The pullback went a little deeper than I had planned. On Thursday, the S&P 500 pulled back to retest the strong Fibonacci support of 3742.02. It spent less than 2 minutes below this significant number. :

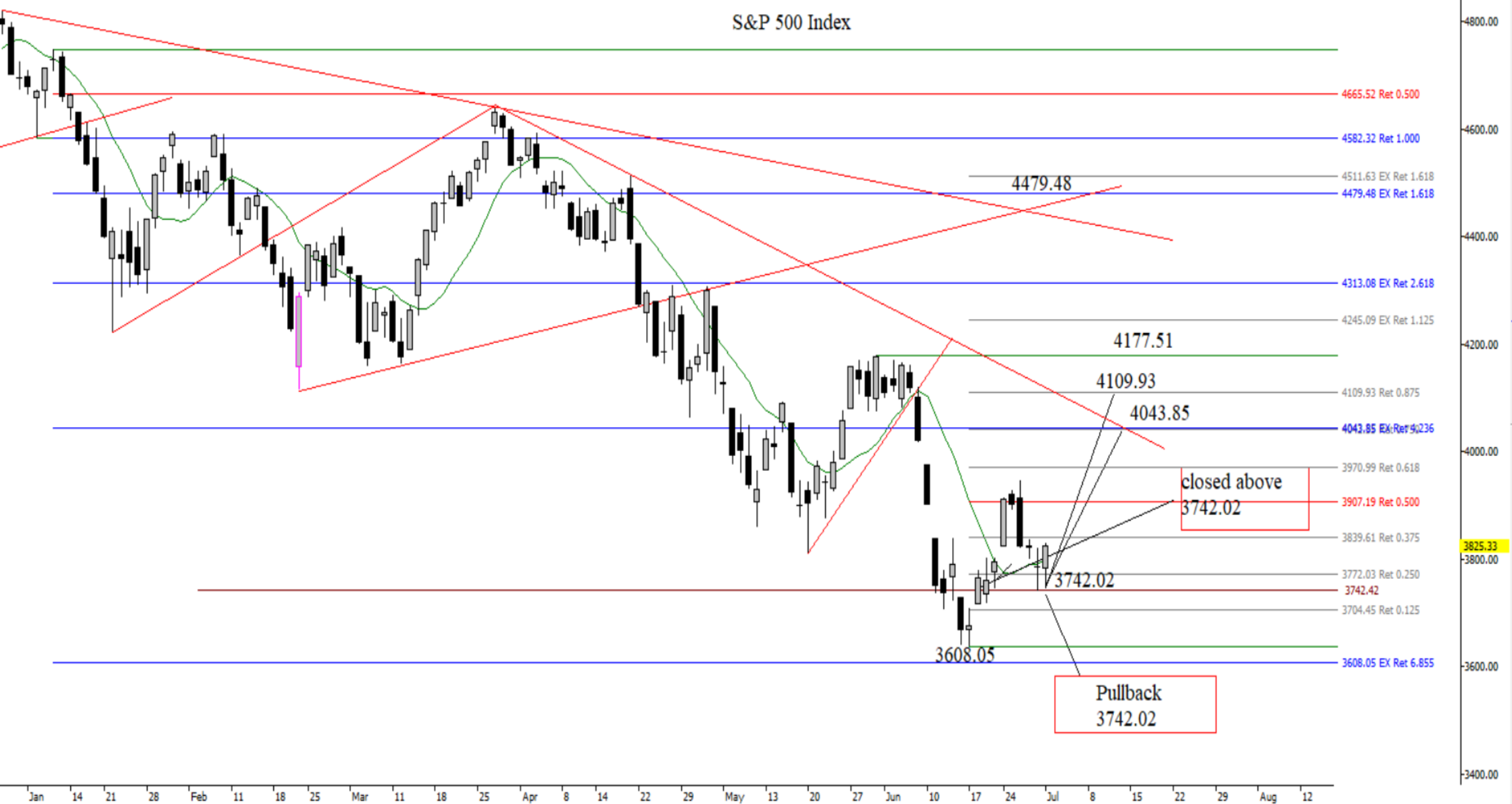
By Friday's close, the S&P 500 had rallied 2.22% off the low. The successful retest sets the market up for further upside this week and another opportunity to add to the **Direxion Daily S&P 500 Bull 3X (SPXL)** position. The first S&P 500 target is 4043.85.

If the S&P 500 closes below 3742.02, the market will resume its downtrend, and I will start raising more cash once again. (Refer to S&P 500 chart)

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

I recommend a 75% cash position.

S&P 500 Index



Sectors, Industry Groups & Leadership Stocks

I continue to see strength in Chinese stocks.

Thursday, I increased the size of **DAQO New Energy Corp. (DQ)**, a Chinese solar energy stock, and **Chindata Group Holdings Ltd. (CD)**, a Chinese internet stock.

Friday, Chindata Holdings (CD) closed 11.73% higher; the first target on the stock is 9.96.

The strength in Chinese stocks is one of the most encouraging areas of the market. The strongest industry group in the Chinese market is the internet. That is why the buy candidate from last weekend's newsletter, **KraneShares CSI China Internet ETF (KWEB)**, was confirmed on Friday. This week, I am highlighting a buy candidate in the **Chinese Internet Content** industry group called **Autohome Inc. CL A ADS (ATHM)**.

The strength in the Chinese market is allowing me to get a little more aggressive this week. I have added the **Direxion Daily China Bull 3X (YINN)** as a new buy candidate. It is featured in this newsletter.

After giving a buy signal on June 24, 2022, the **Medical Biotech's industry group** pulled back to the 10-day moving average and closed out the week at the high end of the most recent range. The strength in the group is reflected in the **Direxion Daily S&P Biotech Bull 3X (LABU)**.

Direxion Daily S&P Biotech Bull 3X is a new buy candidate, and a writeup is included in this newsletter.

Buy candidate: Direxion Daily China Bull 3X ETF (YINN).

• **Portfolio: FTSE China 50 Index.** This trade is designed to move 3x the daily performance of the **FTSE China 50 Index**.

• *The iShares **Direxion Daily China Bull 3X (YINN)** trade is designed to take advantage of the potential short-term rally in the FTSE China 50 Index. YINN could pull back to Fibonacci support at 90.20 before it resumes its uptrend as it completes the handle of its cup-with-handle base.*

• *The **Direxion Daily China Bull 3X (YINN)** will Confirm after a pullback to Fibonacci support at 90.20 or a 30-minute confirmation at 100.50.*

Wait for text confirmation!

*The Up/Down Volume Ratio is at **1.86***

• **Position is at 1-star(*).**

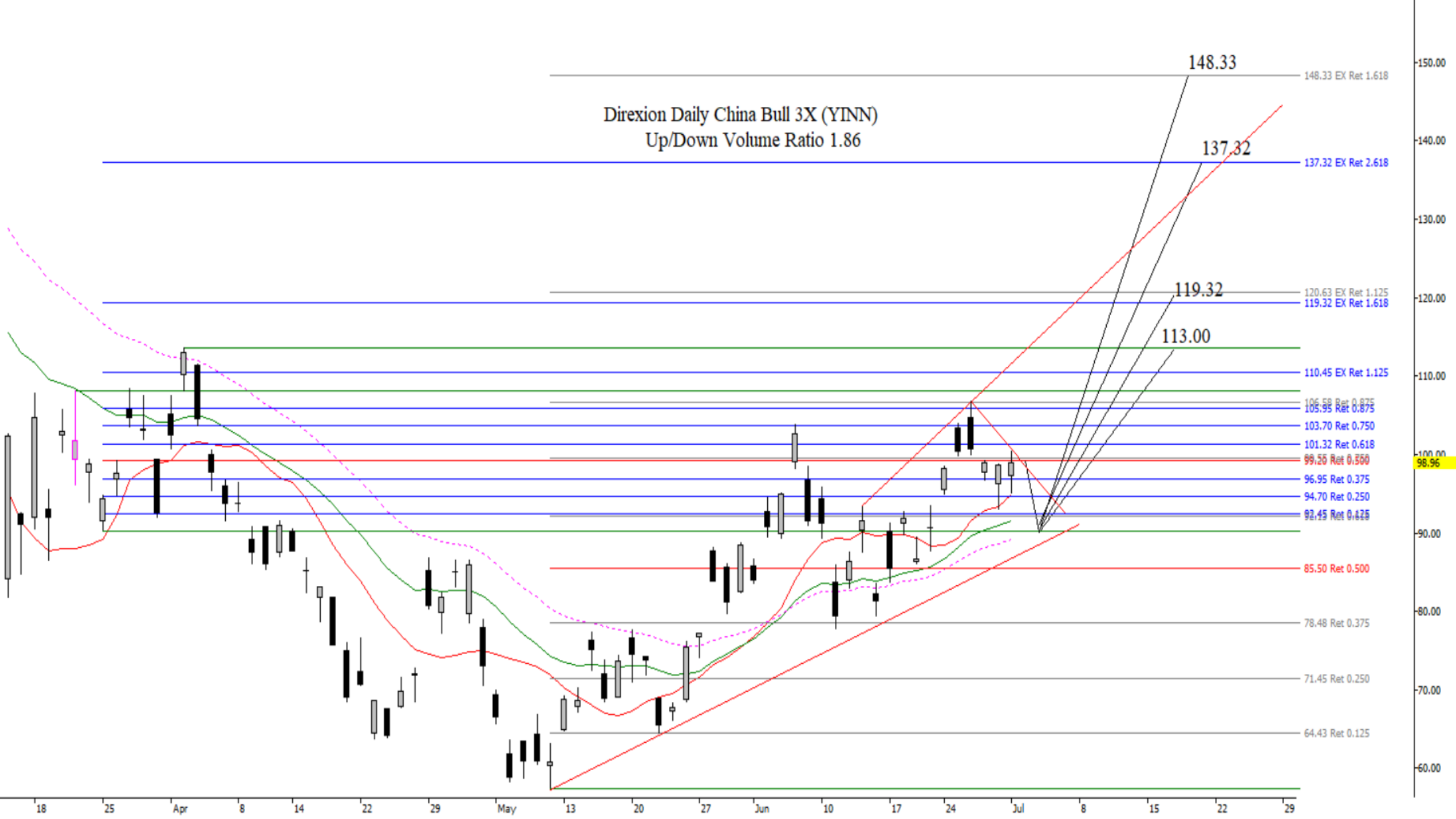
• *Direxion Daily China Bull 3X (YINN) closed at 98.96.*

• *iShares Direxion Daily China Bull 3X (YINN) VWAP is at 252.86.*

• **Sell target price: 1st target is 113.00; 2nd target is 119.32; 3rd target is 137.32; 4th target is 148.33.**

Stop sell price: Close below 85.50.

Direxion Daily China Bull 3X (YINN)
Up/Down Volume Ratio 1.86



Buy candidate: S&P Biotech Bull 3X ETF (LABU)

- **Portfolio: Long the Biotechnology Select Industry Index.** This ETF is designed to correspond to 3X the price movement of the S&P Biotechnology Select Industry Index.
- **The S&P Biotech Bull 3X ETF (LABU) trade** is designed to take advantage of the potential short-term rally in the S&P Biotechnology Select Industry Index. The Biotech industry group showed tremendous relative strength this week as markets plunged. The group returned to the 10-day moving average after a Buy signal on Friday, June 24. The group closed near weekly highs and is ready to resume its uptrend.
- **The S&P Biotech Bull 3X ETF (LABU) will Confirm a Buy with a pullback to the 30-minute trendline broken Friday afternoon. Wait for confirmation after a pullback early next week. (Refer to 30-minute chart of Biotechs)**
- **Wait for text confirmation!**
- **Position is at 1-star(*)**.

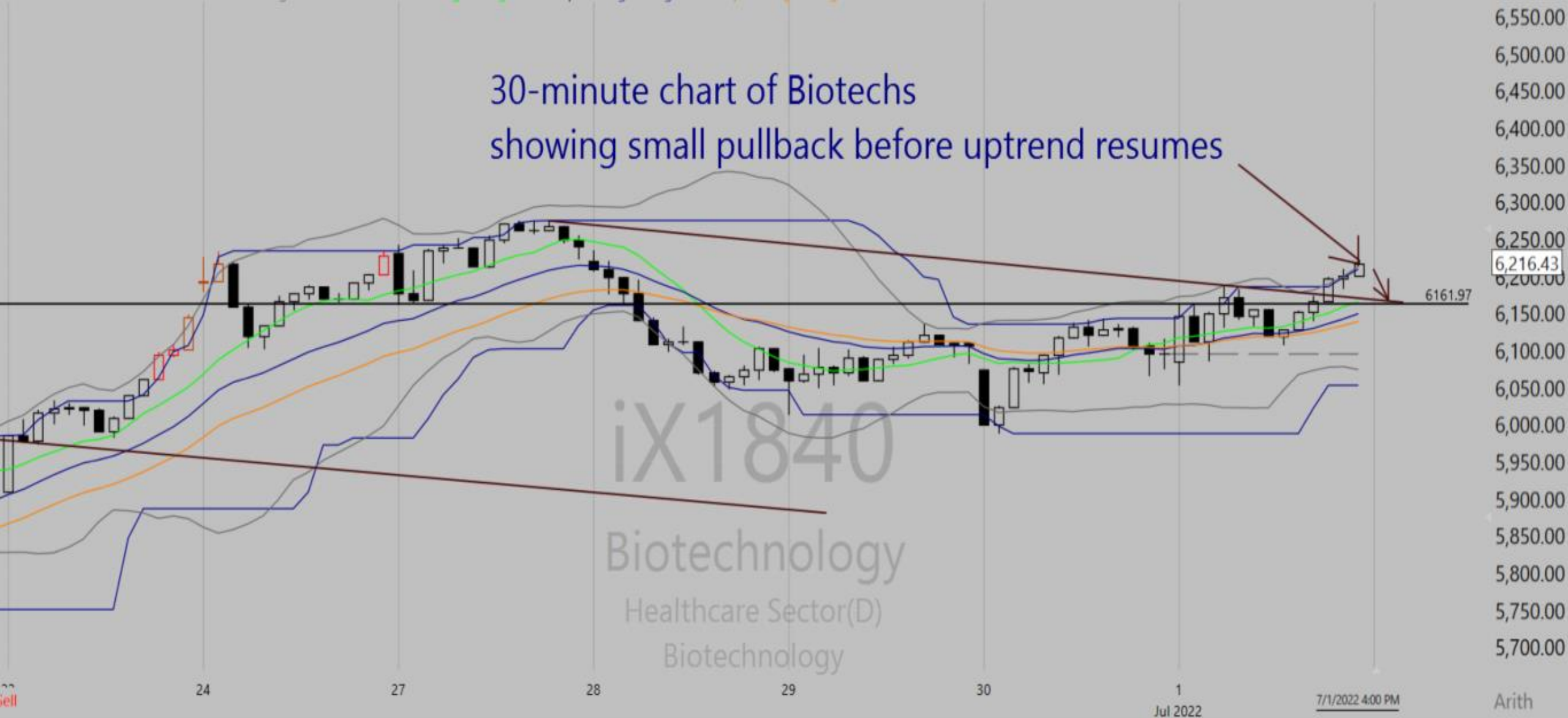
The Up/Down Volume Ratio is at 1.21

- *S&P Biotech Bull 3X ETF (LABU) closed at 7.37.*
- *S&P Biotech Bull 3X ETF (LABU) VWAP is at 29.62*
- **Sell target price: 1st 9.29 target is ; 2nd target is 12.53.**

Stop sell price: Close below 6.05.

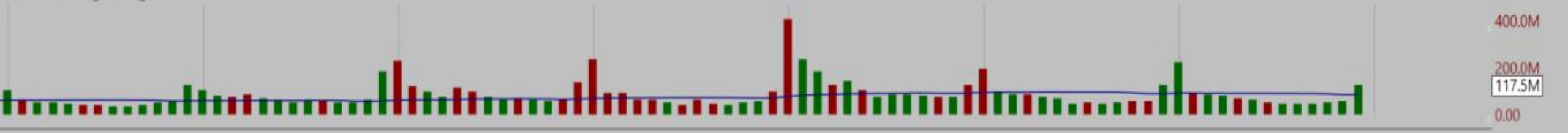


30-minute chart of Biotechs
showing small pullback before uptrend resumes



iX1840
Biotechnology
Healthcare Sector(D)
Biotechnology

Volume Moving Average 50



Buy Candidate: Autohome Inc. (ATHM).

- *Industry Group: **Chinese Internet Content.** Autohome is getting its strength from the strength in the Chinese market in a confirmed uptrend and the Chinese Internet Content industry group in a buy signal. (Refer to China Internet Content chart). The US Internet Content industry group is in a sell signal and currently ranks 164th out of 197. It is down -28.36% YTD.*

- *Autohome Inc. (ATHM) Provides automobile buyers with independent and interactive content.*

*On June 28, 2022, **Autohome Inc. (ATHM)** broke out of its six-month base on massive volume. Since then, the stock has gone sideways allowing the 10-day moving average to catch up to price. That price behavior is demonstrating outstanding relative strength as the markets were crushed this past week. The stock is in low-risk entry and ready to be purchased.*

- ***Autohome Inc. (ATHM) will provide confirmation with a 30-minute close above 39.99.***

- ***Wait for text confirmation!***

- ***Start Position at 2-star(**)***

- *Under massive institutional accumulation with an Up/Down Volume ratio of 1.93*

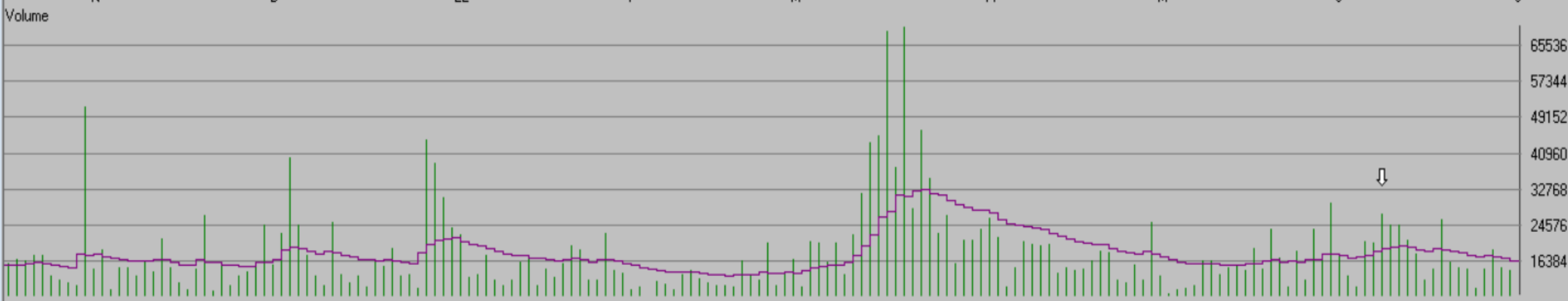
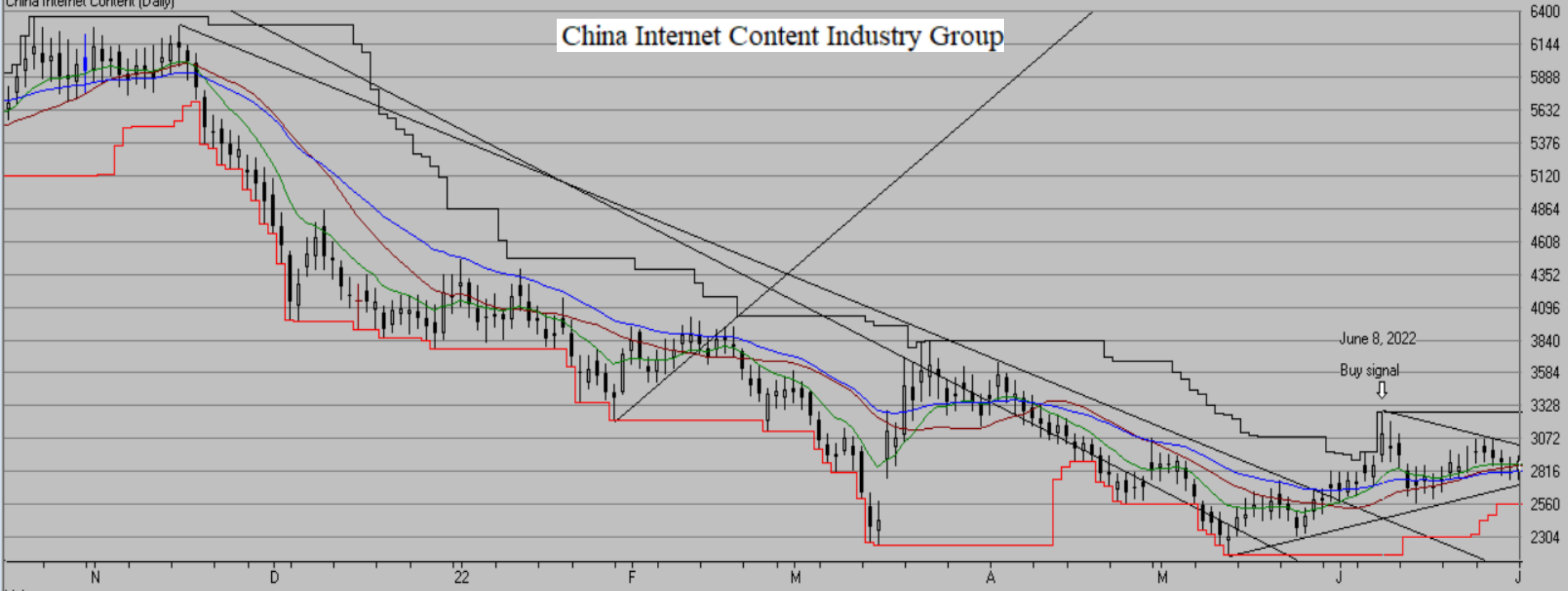
- *Autohome Inc. (ATHM) closed at 39.35.*

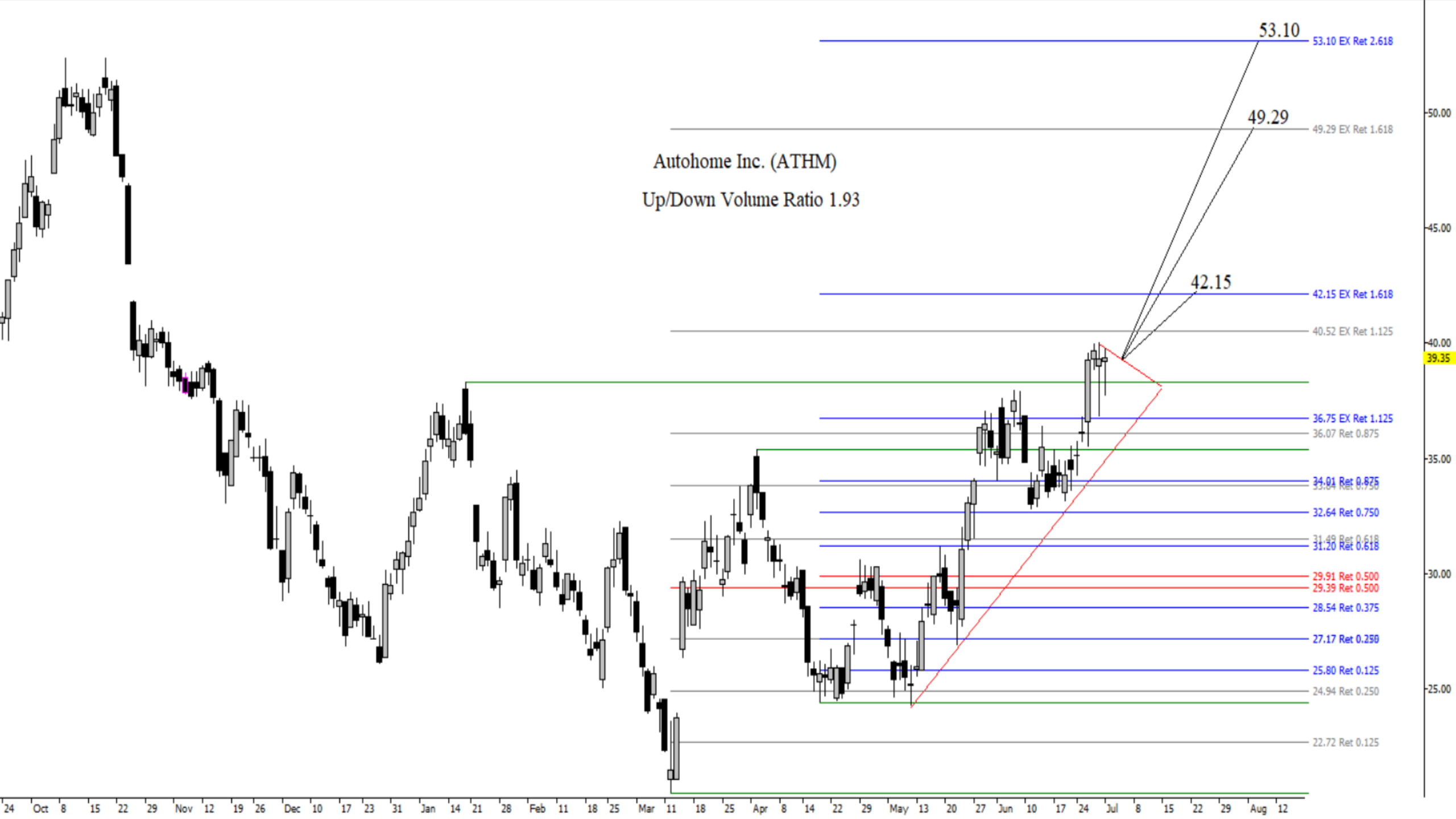
- *Autohome Inc. (ATHM) VWAP is at 66.12.*

- *Sell target prices: 1st target is 42.15; 2nd target is 49.29; 3rd target is 53.10*

- *Stop sell price: Close below 36.75.*

China Internet Content Industry Group







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