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# Trading Floor Research

Welcome to the  
— Trading Floor —



05/30/23

This Trading Floor Research special report contains:

Market Comments

“Buy the rumor, sell the News.”

- Nvidia Corporation (NVDA)

Nvidia is overbought, and the downside risk of purchasing at this level is high.

In this special report, I look at potential low-risk entry points for Nvidia as it pulls back from its high.

*"Buy the rumor, sell the News."*

*Market Comments*

*The "Sell the News" trade started today after **Technology** stocks blasted higher on the opening and spent the rest of the day fading out to a fractional gain.*

*The Technology sector hit its high 15 minutes into trading slightly below its bear market 50% number. Hitting the substantial 50% number in an overbought condition will typically lead to a reversal, as it did today.*

***Technology** and **Real Estate** finished the day with fractional gains and were the only higher sectors at the close.*

*Ten of eleven sectors are in a sell signal. Almost all sectors in a sell is a bad sign for the market's ability to move higher.*

*Today, I did not get the confirmation I needed to put on the inverse Dow Jones Industrial Average trade back on. Confirmation could come tomorrow.*

*Once I get proper confirmation, I will purchase the **ProShares UltraPro Short Dow 30 (SDOW)** to take advantage of the move lower in the DJIA.*

*Fibonacci resistance on the DJIA is 33201.37, and Fibonacci support is 32806.79.*

*I recommend caution and 90% cash in a safe U.S. Treasury money market.*

## *Nvidia Corporation (NVDA)*

*Nvidia broke out from a base that started in November of 2021 last week.*

*The stock is trading at all-time highs and extended its gains today. Last Thursday, the stock gapped out of its base on earnings news that sent NVDA soaring on massive volume.*

*Fundamentals and technicals are solid, but Nvidia is massively overbought.*

*The risk is high in purchasing Nvidia (NVDA) when it is this extended.*

*I've laid out the potential pullback areas using Fibonacci analysis in this special report.*

### ***Summary of Pullback Targets:***

*1<sup>st</sup> Fibonacci target: 357.12*

*2<sup>nd</sup> Fibonacci target range: 323.60 to 316.72*

*3<sup>rd</sup> Fibonacci target range: 227.48 to 220.72*

## *Nvidia Corporation (NVDA)*

*Nvidia rallied and hit a high of 419.38 this morning. It then reversed and closed below its Fibonacci target at 405.97. Closing below the 405.97 target number increases the probability that the stock started its pullback today.*

*If Nvidia can close back above 405.97, the stock could rally and hit the next Fibonacci target at 493.55.*

### ***Downside targets explained:***

*The highest probability downside target is **357.12**. This **Primary Fibonacci target** on Nvidia is calibrated from the 1998 lows.*

*On Thursday, NVDA gapped above 357.12 on the earnings news. A retest of this number is likely.*

*If Nvidia closes below 357.12, it will move to the **323.60-to-316.72** Fibonacci target range. Hitting this range will close the gap from the earnings news, retest the breakout and throw back into the descending trendline from November 2021 high. (Refer to NVDA Chart)*

*Hitting the **323.60 to 316.72** Fibonacci target should happen very quickly after breaking 357.12. I would expect NVDA to reclaim 357.12 in a matter of days after tagging 323.60-to-316.72.*

*Suppose it can't close back above 357.12 after hitting 323.60-to-316.72. It will move to the next **Primary Fibonacci target** at **220.72**. Just below the 220.72 number is the **50%** number from November 2021 high to October 2022 low at **227.48**.*

*Hitting the 227.48 to 220.72 range would most likely happen only in a market selloff scenario.*

*NVDA is the stock I would look to buy in a market selloff, and the area I would look to enter is between the 227.48 to 220.72 range. Hitting the 227.48 to 220.72 range would offer a fantastic low-risk entry.*

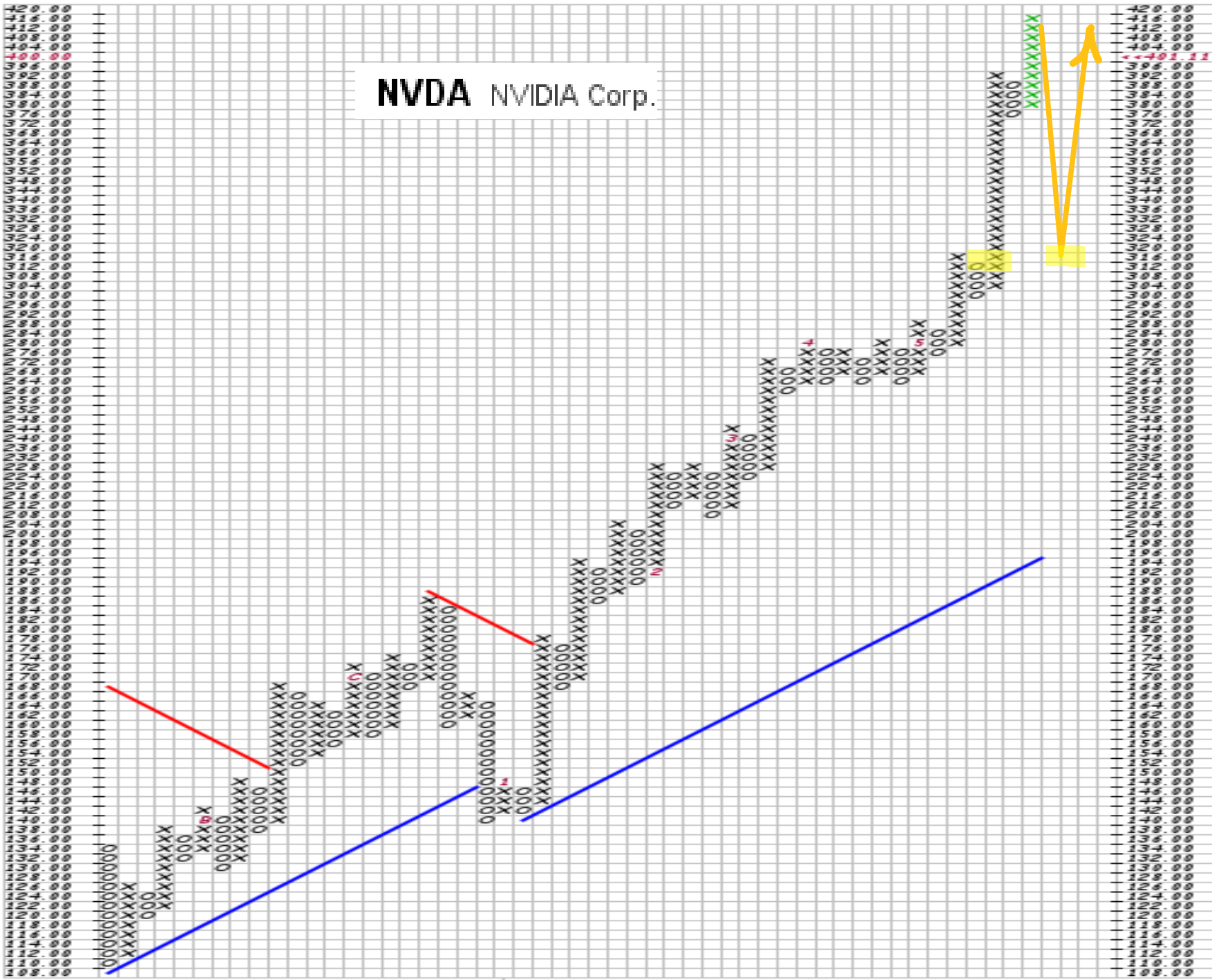
# Nvidia Corporation (NVDA)

- *Industry Group: Electronic Semiconductor Fabless.* The Electronic Semiconductor Fabless industry group ranks as the 19<sup>th</sup> strongest industry group out of 197 and is up 39.01% YTD and is in a buy signal since May 25, 2023.
- **Nvidia Corporation (NVDA)** designs graphic processing units for personal computers, workstations, game consoles, mobile devices, and AI computing.
- **Nvidia Corporation (NVDA)** is overbought as it reversed and closed below Fibonacci resistance at 405.97. The next Fibonacci support is at 357.12.
- *Under institutional accumulation with an Up/Down Volume ratio of 1.77.*
- *Nvidia Corporation (NVDA) closed at 401.11.*
- *Nvidia Corporation (NVDA) VWAP is at 116.57.*
- *Purchase target prices: 1st target is 357.12; 2nd target is 323.60-316.72; 3<sup>rd</sup> target 227.50-220.72*
- *Reversal of strong move higher is at 405.97 and 493.55.*

Nvidia Corporation (NVDA)



# NVDA NVIDIA Corp.







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