



TFR

# Trading Floor Research

Welcome to the  
— Trading Floor —

06/26/22



This Trading Floor Research report contains:

- *iShares MSCI China Index Fund (MCHI)*. This ETF is designed to perform in line with the MSCI China Index.
- KraneShares CSI China Internet ETF (KWEB). This ETF is designed to correspond to the price movement of the CSI China Internet Index.
- Chindata Group Holdings Ltd (CD). A new Chinese confirmed BUY in the Internet Networking Solutions industry group that was confirmed on Friday.
- Heartcore Enterprises Inc. (HTCR). A new speculative BUY candidate in the Computer Software Enterprise industry group.

## Sectors, Industry Groups & Leadership Stocks

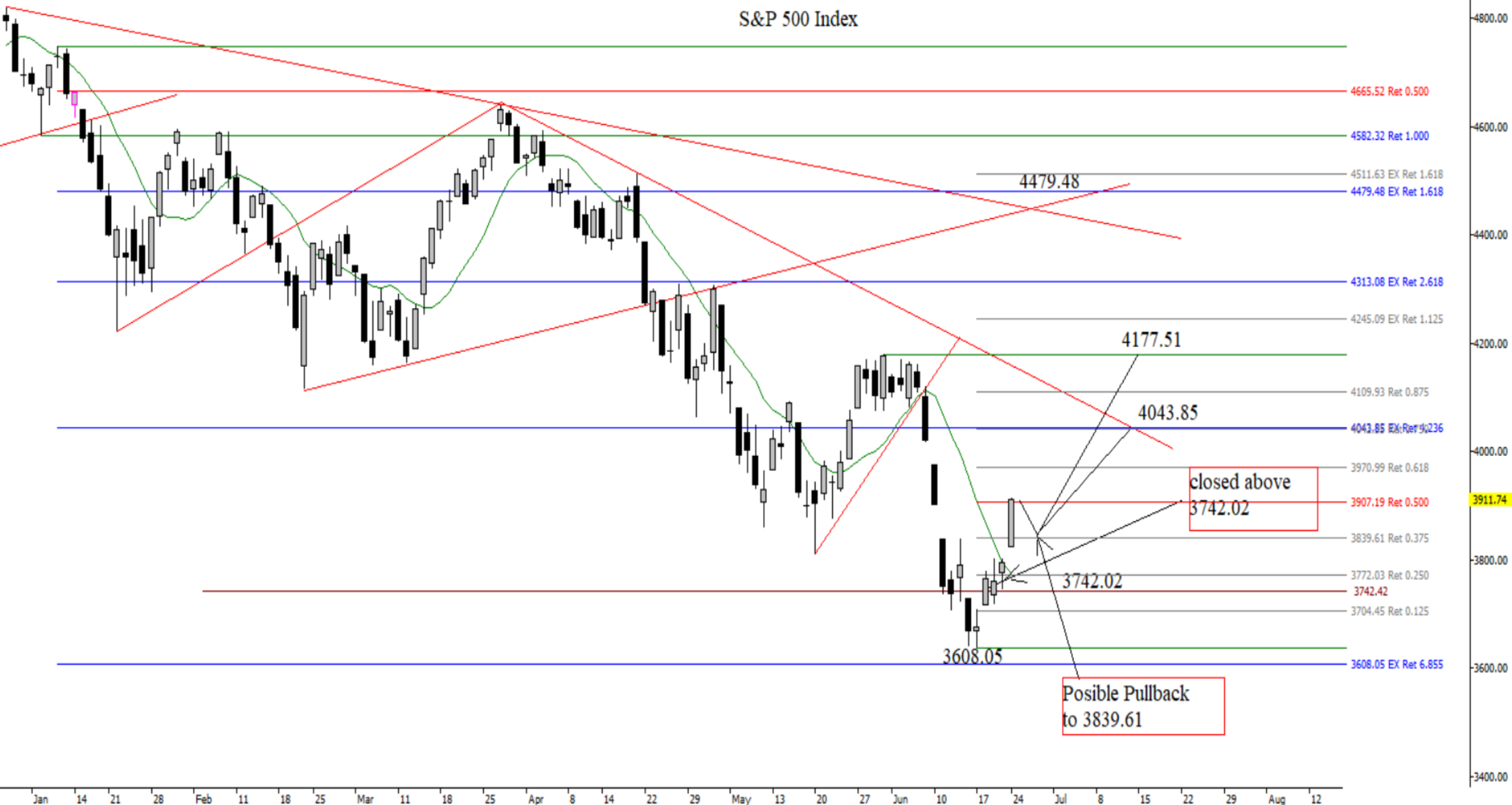
Last week, I planned to trade the **S&P 500** if it closed above the 3742.02 Fibonacci target number. It closed above the number on Tuesday, and after advising to hold back on purchases first thing Wednesday morning, the market charged back above 3742.02. I texted purchasing the **Direxion Daily S&P 500 Bull 3X (SPXL)** position by 9:00 am CDT. The trade has paid off by Friday's close with an 11.59% return. The decisive move in the market and some industry group buy signals tell me the market has further to go. My first target for the S&P 500 is 4043.45, and the second target is 4164.86. (Refer to S&P 500 chart)

By Friday's close, the S&P 500 rallied to 50% of its most recent range. 50% is a strong Fibonacci number. The index may pull back from the firm number next week. A successful pullback between **3839.61** and **3772.03** will give another opportunity to add to the **Direxion Daily S&P 500 Bull 3X (SPXL)** position.

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

*I will be adding more money to the market after a successful pullback next week.  
I recommend a 75% cash position.*

# S&P 500 Index



## Sectors, Industry Groups & Leadership Stocks

I continue to see strength in Chinese stocks.

Last Wednesday, I added **DAQO New Energy Corp. (DQ)**, a Chinese solar energy stock, to the list of buy candidates. I am still waiting for confirmation.

Another Chinese stock, **Chindata Group Holdings Ltd.(CD)**, confirmed a buy signal on Friday. I am still waiting for a better entry price between 7.75 and 7.83. It is highlighted in today's report.

I recommended **Pingtian Marine Enterprise Ltd. (PME)** a few weeks ago. The stock is under accumulation as it bases above its Fibonacci support at .97.

The strength in the Chinese stocks has me looking closer at Chinese indexes and ETFs. **KraneShares CSI China Internet ETF (KWEB)**, **iShares MSCI China Index Fund (MCHI)**, and **Direxion Daily China Bull 3X (YINN)** are ETFs at the top of my buy list. In this report, I am taking a closer look at the iShares MSCI China Fund (MCHI) & KraneShares CSI China Internet ETF (KWEB). As the charts continue to develop, I will include the more aggressive Direxion Daily China Bull 3X (YINN).

**Biotechs** gave a shocking buy signal this past week. I consider the **Medical Biotech industry group** one of the riskiest groups in the market. Although we have not gone to a "risk-on" in the market, a buy signal in Biotechs gets the market one step closer. As the group strengthens, I will add Biotech names to the TFR reports.

## Sectors, Industry Groups & Leadership Stocks

*The **Computer Software Enterprise** industry group was up 5.2% on Friday and had an immense weekly volume last seen in the first week of July last year.*

***Heartcore Enterprises Inc. (HTCR)** broke the trendline of a coiling formation that started with a buy signal 2 1/2 weeks ago. Since the group's downtrend started, any rally attempt has stopped at the 50-day moving average, which is where it rallied to on Friday.*

*If the group moves higher from here, I will take advantage of the move with this IPO in a low-level base. It is featured for speculative buyers that can move quickly in this market.*

Buy candidate: iShares MSCI China Index Fund (MCHI)

• **Portfolio: Long the S&P 500.** This ETF is designed to perform in line with the MSCI China Index.

• The iShares **MSCI China Index Fund (MCHI)** trade is designed to take advantage of the potential short-term rally in the MSCI China Index. I am looking for MCHI to pull back to Fibonacci support at 53.82 and a rising trendline before it resumes its uptrend. MCHI is trading below its VWAP. The VWAP is an excellent target for short-term rallies along with coinciding Fibonacci target numbers. The VWAP and Fibonacci target converge between 63.25 & 63.34. This is the most likely target price for the trade.

• The iShares MSCI China Index Fund (MCHI) will Confirm after a pullback to Fibonacci support at 53.82. At that point, I will watch for a 30-minute confirmation.

**Wait for text confirmation!**

The Up/Down Volume Ratio is at **1.55**

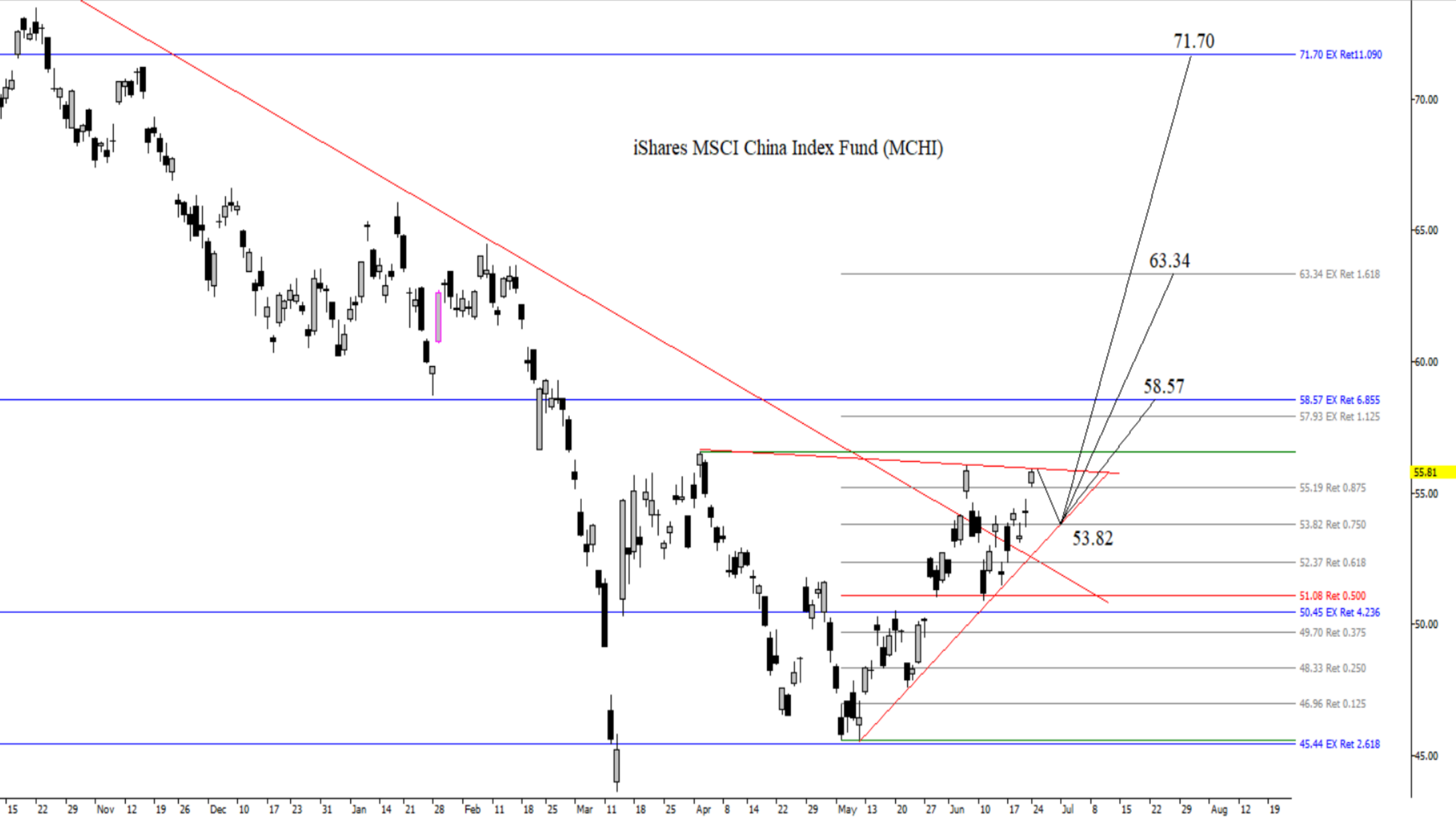
• **Position is at 1-star(\*).**

• iShares MSCI China Index Fund (MCHI) closed at 55.81.

• iShares MSCI China Index Fund (MCHI) VWAP is at 63.25.

• **Sell target price: 1<sup>st</sup> target is 58.57; 2<sup>nd</sup> target is 63.34; 3<sup>rd</sup> target is 71.70.**

**Stop sell price: Close below 51.08.**





## Buy candidate: KraneShares CSI China Internet ETF (KWEB)

- **Portfolio: Long the CSI China Internet Index.** This ETF is designed to correspond to the price movement of the CSI China Internet Index.

- **The KraneShares CSI China Internet ETF (KWEB) trade is designed to take advantage of the potential short-term rally in the CSI China Internet Index.** KWEB hit its all-time low in Mid March. Since then, the ETF has made higher highs and higher lows with solid accumulation. It is ready to break out of a cup with a handle base. I am looking for a slight pullback and an opportunity to buy shares at Fibonacci support between 31.73 & 30.62.

- **The KraneShares CSI China Internet ETF (KWEB) will Confirm a Buy with a 30-minute confirmation after a pullback early next week.**

**Wait for text confirmation!**

- **Position is at 1-star(\*).**

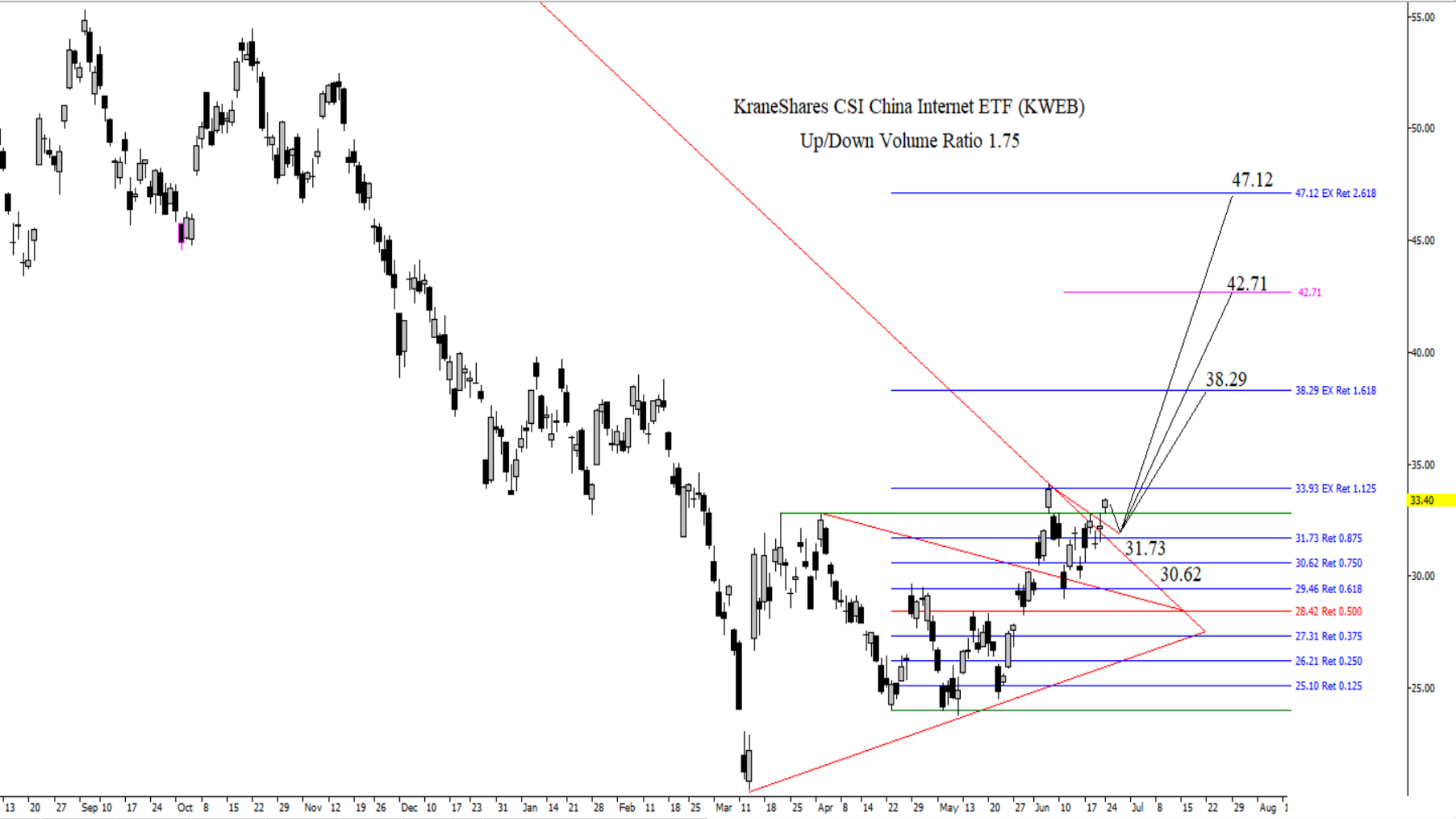
The Up/Down Volume Ratio is at 1.75

- **KraneShares CSI China Internet ETF (KWEB) closed at 33.41.**

- **KraneShares CSI China Internet ETF (KWEB) VWAP is at 42.71**

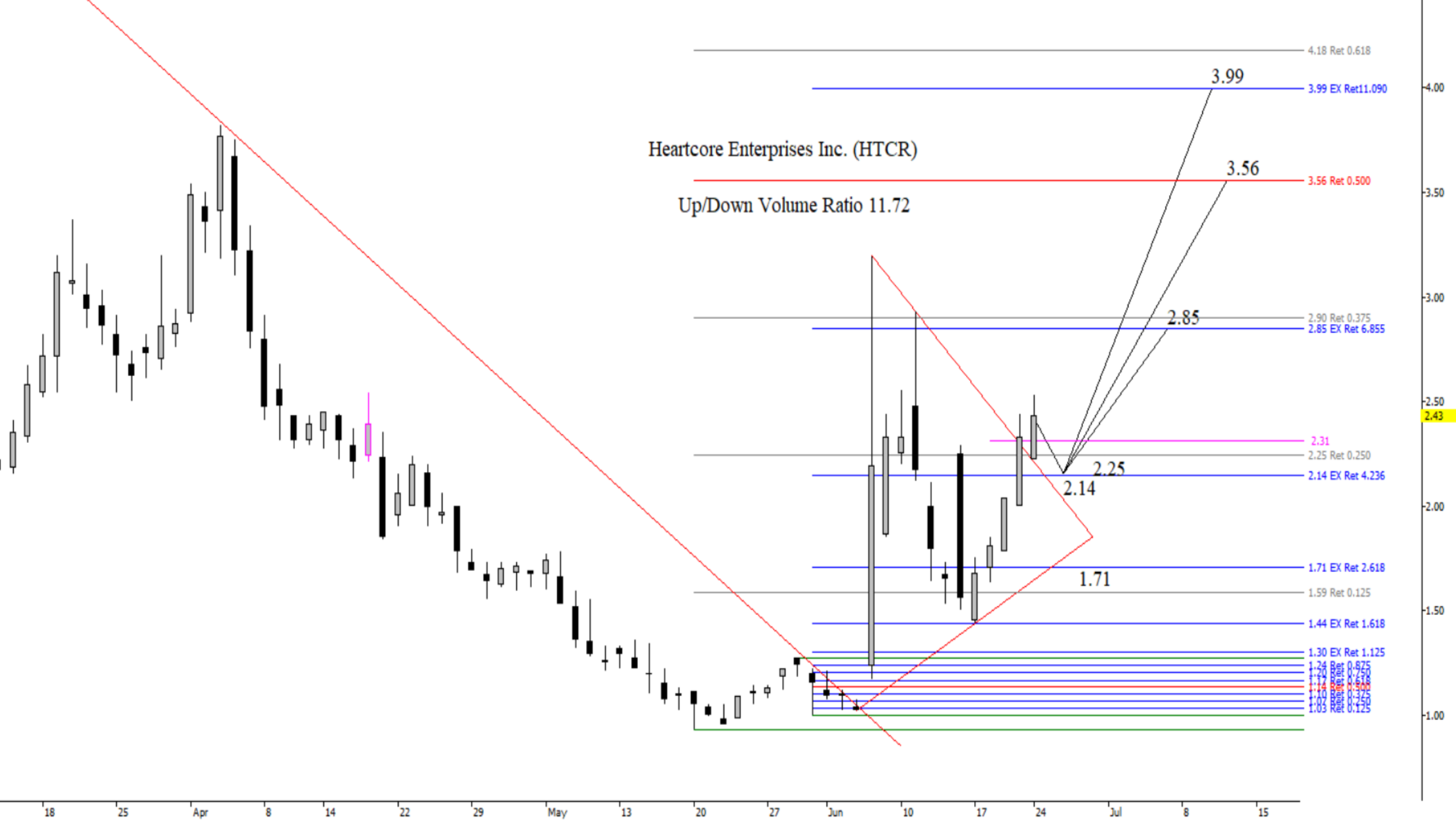
- **Sell target price: 1<sup>st</sup> 38.29 target is ; 2<sup>nd</sup> target is 42.71; 3<sup>rd</sup> target is 47.12.**

**Stop sell price: Close below 30.62.**



## *Speculative Buy Candidate Heartcore Enterprises Inc. (HTCR)*

- Industry Group: **Computer Software Enterprise** . The group is in a sell but showed price strength with huge volume this past week. The group is ranked 183 out of 197 and is down -42.02% YTD.
- **Heartcore Enterprises Inc. (HTCR)** is a Japanese company that develops, sells, and maintains, solutions that support digital transformation in content management, customer experience management, and robotics process automation.
- **Heartcore Enterprises Inc. (HTCR)** is setting up an IPO base that started in February. It broke the trendline of a coiled spring pattern that began three weeks ago—looking for a throwback into the trendline between 2.25 and 2.14.
- I am waiting for a 30-minute confirmation on Heartcore Enterprises Inc. (HTCR) after a throwback into the trendline at 2.14.
- Position is at 1/2-star(\*)
- Under massive institutional accumulation with an Up/Down Volume ratio of **11.72**.
- Heartcore Enterprises Inc. (HTCR) closed at 2.43.
- Heartcore Enterprises Inc. (HTCR) VWAP is at 2.31.
- Sell target prices: 1st target is **2.85**; 2<sup>nd</sup> target is **3.56**; 3<sup>rd</sup> target is **3.99**.
- Stop sell price: Close below **1.71**.



## Buy Candidate: Chindata Group Holdings Ltd (CD)

• **Industry Group: Internet Networking Solutions.** Chindata is picking up most of its strength from the strength in the Chinese market. The group currently ranks as the 190th strongest industry group out of 197 and is down -34.90% YTD. Most of the stocks in the industry group are under pressure, but a few stocks have been standouts in recent weeks.

- Chindata Group Holdings Ltd (CD) Provides data center solutions in China and India.

Friday, **Chindata Group Holdings Ltd (CD)** completed the handle of its base and closed above Fibonacci resistance at 7.75 on above-average volume. It is slightly extended from its 10-day moving average and may pull back to the 7.75 to 7.60 range. The up/down volume ratio is at the highest point since the stock went public in 2020, indicating massive accumulation.

• After a pullback to Fibonacci support at 7.75, Chindata Group Holdings Ltd (CD) will offer low-risk entry after buy confirmation on Friday.

- Start Position at 1-star(\*)

• Under massive institutional accumulation with an Up/Down Volume ratio of 2.51

• Chindata Group Holdings Ltd (CD) closed at 8.01.

• Chindata Group Holdings Ltd (CD) VWAP is at 10.57.

• Sell target prices: 1st target is 9.96; 2nd target is 10.57; 3<sup>rd</sup> target is 13.53

• Stop sell price: Close below 6.86.





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