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05/31/21

This Trading Floor Research report contains:

- A hedge play in Tech stocks (Selling the NASDAQ and buying Computer-Networking stocks)
- B.O.S. Better Online Solutions (BOSC). A new buy candidate in Computer-Networking industry group.
- Lantronix Inc. (LTRX). A new buy candidate in Computer-Networking Industry group.
- I hope everyone had a great Memorial Day weekend. Let's get back on the trading floor!

NASQAQ and Computer-Networking hedge trade

The NASDAQ (QQQ) is very close to completing an A-B-C corrective move higher from the impulse move lower that started on April 27, 2021 and ended on May 12, 2021. The QQQ corrective move did a throwback into the trend-line that was broken to the downside on May 10, 2021. (Refer to chart on next slide) You might also notice that the QQQ's have consistently closed below the 334.98 Fibonacci resistance number last week to complete the rally.

Volume continued to weaken as the QQQ's rallied into Fibonacci resistance and the broken trend-line. There was only one day of institutional accumulation in this most recent rally attempt, and the distribution count on the NASDAQ stands at 4. Overall Accumulation/Distribution on the NASDAQ stands at D-. This sets up a potential move lower on the QQQ's this week. (Refer to chart on next slide)

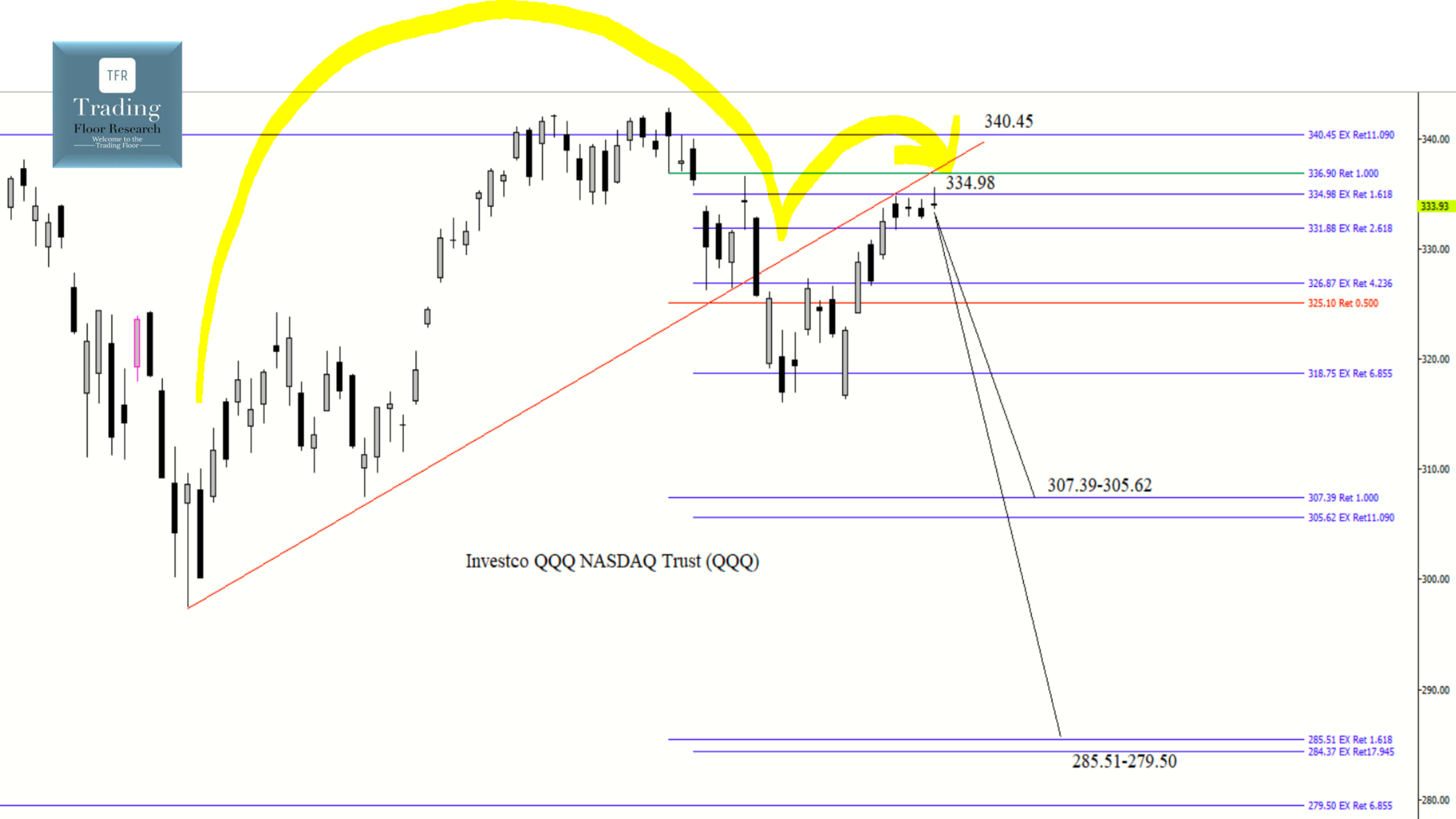
I am playing this move by buying the **ProShares UltraPro Short QQQ (SQQQ)**. This is an ETF that provides 3x the potential move lower in the QQQ's.

Purchase the SQQQ if the **QQQ closes below 332.87 on a 30-minute chart.** This will trigger a confirmed sell signal on the QQQ's.

The downside target numbers **1st target is 307.39-305.62, 2nd target is 385.51-279.50**.

Stop with daily close on QQQ above 340.45

All ten computer software industry groups, computer hardware, computer integrated systems, computer data storage, and computer tech services continue to be in a sell signal. This is not much different from what I see in the rest of tech including Semiconductors, and Biotech. The continued weakness in almost every technology industry group supports the move lower I lay out for you in the potential move lower of the QQQ's.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340.45
334.98
307.39-305.62
285.51-279.50
Investco QQQ NASDAQ Trust (QQQ)
340.45 EX Ret11.090
336.90 Ret 1.000
334.98 EX Ret 1.618
331.88 EX Ret 2.618
326.87 EX Ret 4.236
325.10 Ret 0.500
318.75 EX Ret 6.855
307.39 Ret 1.000
305.62 EX Ret11.090
285.51 EX Ret 1.618
284.37 EX Ret17.945
279.50 EX Ret 6.855
340.00
333.93
330.00
320.00
310.00
300.00
290.00
280.00

NASQAQ and Computer-Networking hedge trade (Continued)

There is only one technology group that flashed a buy signal last week. It is computer-networking. This could support a move higher in stocks that will benefit from 5G. Until last week, I have seen no stocks that have shown any interest in moving higher based on 5G economic potential.

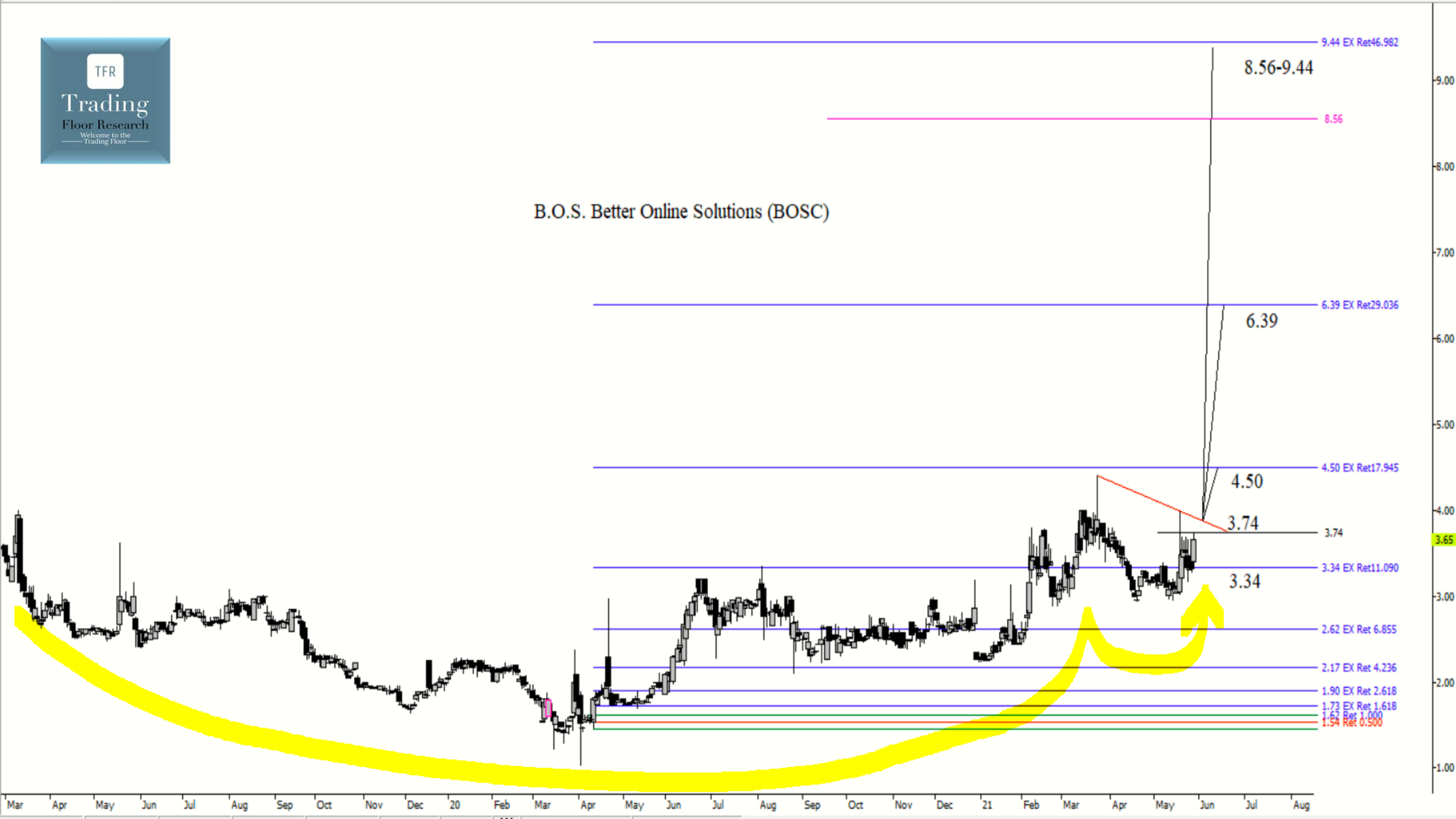
The buy signal in computer-networking and the sell signal in the NASDAQ, have set up a potential hedge position in technology stocks for this coming week.

If both sides of the trade trigger, we could be long the strong computer-networking group, and short the QQQ's. This hedge would allow us to be long without taking on all the risk of a selloff in the NASDAQ.

I am currently focused on two leaders in the Computer-Networking industry group.

They are B O S Better Online Solutions (BOSC), and Lantronix Inc. (LTRX).

- Buy candidate: **B O S Better Online Solutions (BOSC)**
- Industry Group: Computer-Networking. The group currently ranks as the 109th strongest industry group in the market out of 197 and is up 15.37% YTD. The industry group consists of stocks that will benefit from 5G rollout.
- BOSC is an Israeli provider of robotics, RFID hardware, mobile solutions and supply chain products and services
- BOSC has set up in a Cup-with-handle base since March of 2019.
- BOSC is ready to break the trendline at the top of its base and give a buy at 3.90.
- BOSC will give a 30-minute buy signal and break trendline at 3.74
- **BOSC can be bought with a 30-minute close above 3.74 with above average volume.**
- Start position at 1-star(*)
- Under institutional accumulation with an Up/Down Volume ratio of 2.4.
- BOSC closed at **3.65**.
- **Buy BOSC as close to 3.75 as possible. Do not pay more that 3.90.**
- **Don't chase BOSC in this market. Let it come to you.**
- BOSC VWAP is at 8.56.
- Sell target prices: **1st target 12.43, 2nd target is 14.06**
- Stop sell price: Close below **8.18.**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B.O.S. Better Online Solutions (BOSC)
9.44 EX Ret46.982
8.56-9.44
8.56
6.39 EX Ret29.036
6.39
4.50 EX Ret17.945
4.50
3.74
3.74
3.34 EX Ret11.090
3.34
2.62 EX Ret 6.855
2.17 EX Ret 4.236
1.90 EX Ret 2.618
1.73 EX Ret 1.618
1.62 Ret 1.000
1.54 Ret 0.500
9.00
8.00
7.00
6.00
5.00
4.00
3.65
3.00
2.00
1.00
Mar Apr May Jun Jul Aug Sep Oct Nov Dec 20 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 21 Feb Mar Apr May Jun Jul Aug

- Buy candidate: **Lantronix Inc. (LTRX)**
- Industry Group: Computer Networking. The group currently ranks as the109th strongest industry group in the market out of 197 and is up 15.37% YTD. The industry group consists of stocks that will benefit from the 5G rollout.
- LTRX makes connectivity servers that provide remote access of electronic devices via the internet.
- LTRX has set up in a double bottom base since August 2018. The handle of the larger double bottom base is a cup-with-handle that started in February 2021.
- LTRX broke the trendline of the handle and gave a 30-minute buy signal on Friday.
- **1) LTRX can be bought on a throwback to 5.50 and a**
- **2) LTRX can be bought with a 30-minute close above Friday's high at 5.57.**
- Start position at 1-star(*)
- Under institutional accumulation with an Up/Down Volume ratio of 1.5.
- LTRX closed at **5.56**.
- **Buy LTRX as close to Fibonacci support at 5.50 as possible. Do not pay more that 9.60**
- **Don’t chase LTRX in this market. Let it come to you.**
- LTRX VWAP is at 6.52.
- Sell target prices: **1st target 6.52, 2nd target is 8.37**
- Stop sell price: Close below **5.50.**

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Lantronix Inc. (LTRX)
8.37
6.52
8.37 EX Ret46.982
6.52
5.50 EX Ret29.036
3.72 EX Ret17.945
2.62 EX Ret11.090
1.95 EX Ret 6.855
1.53 EX Ret 4.236
8.00
7.00
6.00
5.56
5.00
4.00
3.00
2.00
Sep Oct Nov Dec 19 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 20 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 21 Feb Mar Apr May Jun Jul Aug

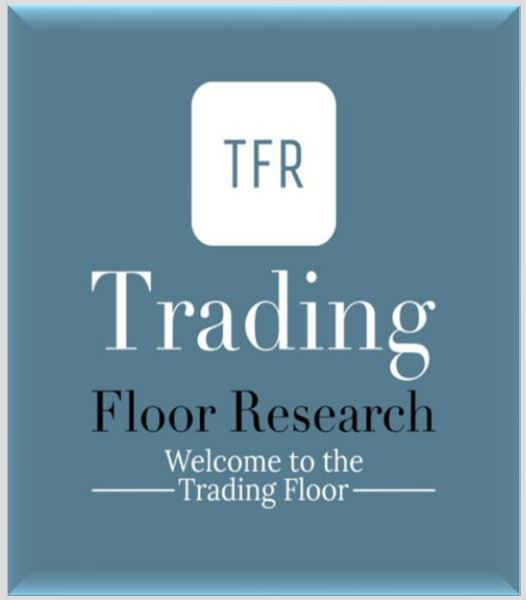
Results of TFR closed positions

XPEV	Sold position	+41.83%
DADA	Stopped out	-12.6%
GPRO	Stopped out	-2.31%
FUV	Sold position	+67.34%
BLNK	Sold position	+76.25%
OPTT	Sold ½ position	+128%
OPTT	Stopped out 1/2 position	+49.13%
BBIO	Sold Position	+21.81%
CVAC	Sold Position	+66.81%
NGMS	Stopped out	-11.22%
EH	Sold Position	+61.78%
UFAB	Sold Position	+43.60%
OTIC	Sold position 12/22/20	+41.80%
BTBT	Sold position 12/30/20	+101.15%
LUNG	Sold position 12/31/20	+41.88%
GBTC	Sold position 01/05/21	+95.29%
ZKIN	Sold ½ position 01/05/21	+28.57%
TGC	Sold position 01/28/21	+309.82%
SNMP	Sold position 01/28/21	+122.58%
GP	Sold position 01/25/21	+41.29%
GMDA	Sold position 01/26/21	-6.87%
TUSK	Sold position 01/27/21	+1.77%
ZKIN	Sold position 01/27/21	+16.17%

Results of TFR closed positions

CLIR	Sold position 01/28/21	+17.44%
VVPR	Sold position 01/27/21	+34.13%
CHNR	Sold position 01/27/21	-18.01%
ARYA	Sold position 02/08/21	+95.26%
USWS	Sold position 02/18/21	+217.90%
ARYA	Sold position 02/27/21	0.00%
NBAC	Sold position 02/26/21	-6.87%
SDPI	Sold position 02/26/21	+8.42%
BRN	Sold position 02/26/21	-14.15%
FURY	Sold position 02/26/21	-22.52%
GHSI	Sold position 02/25/21	-30.33%

Results of TFR closed positions



OGEN	Sold position 02/26/21	0.00%
TTOO	Sold position 02/25/21	+33.85%
THCA	Sold position 02/26/21	-6.14%
XELA	Sold position 02/26/21	-10.29%
AMST	Sold position 02/26/21	+6.45%
TUSK	Sold position 03/19/21	-23.69%
MBII	Sold position 03/24/21	+23.91%
PANL	Sold position 03/24/21	-1.85%

[1]The results are not (or may not be) representative of the performance of all selections made by Trading Floor Research (TFR) newsletter.
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