



# Trading Floor Research

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12/12/21

## This Trading Floor Research report contains:

- Impinj Inc. (PI). A new Buy candidate in the Electronic Semiconductor Manufacturing industry group.
- Build-A-Bear Workshop (BBW). A new speculative Buy candidate in the Retail Leisure Products industry group.
- Carvana Co. (CVNA) A **short** candidate in the Retail/Wholesale Automotive industry group.

## Sectors, Industry Groups & Leadership Stocks

**10 of the 11 market sectors are in sell signals.** The utility sector is in a buy signal.

Although the **Consumer Defensive, Real Estate, and Basic Materials Sectors** are still in sell signals, their charts are very constructive. I will be watching these areas for potential buy signals next week.

**The S&P 500, NASDAQ, and Russell 2000 remain in sell signals.**

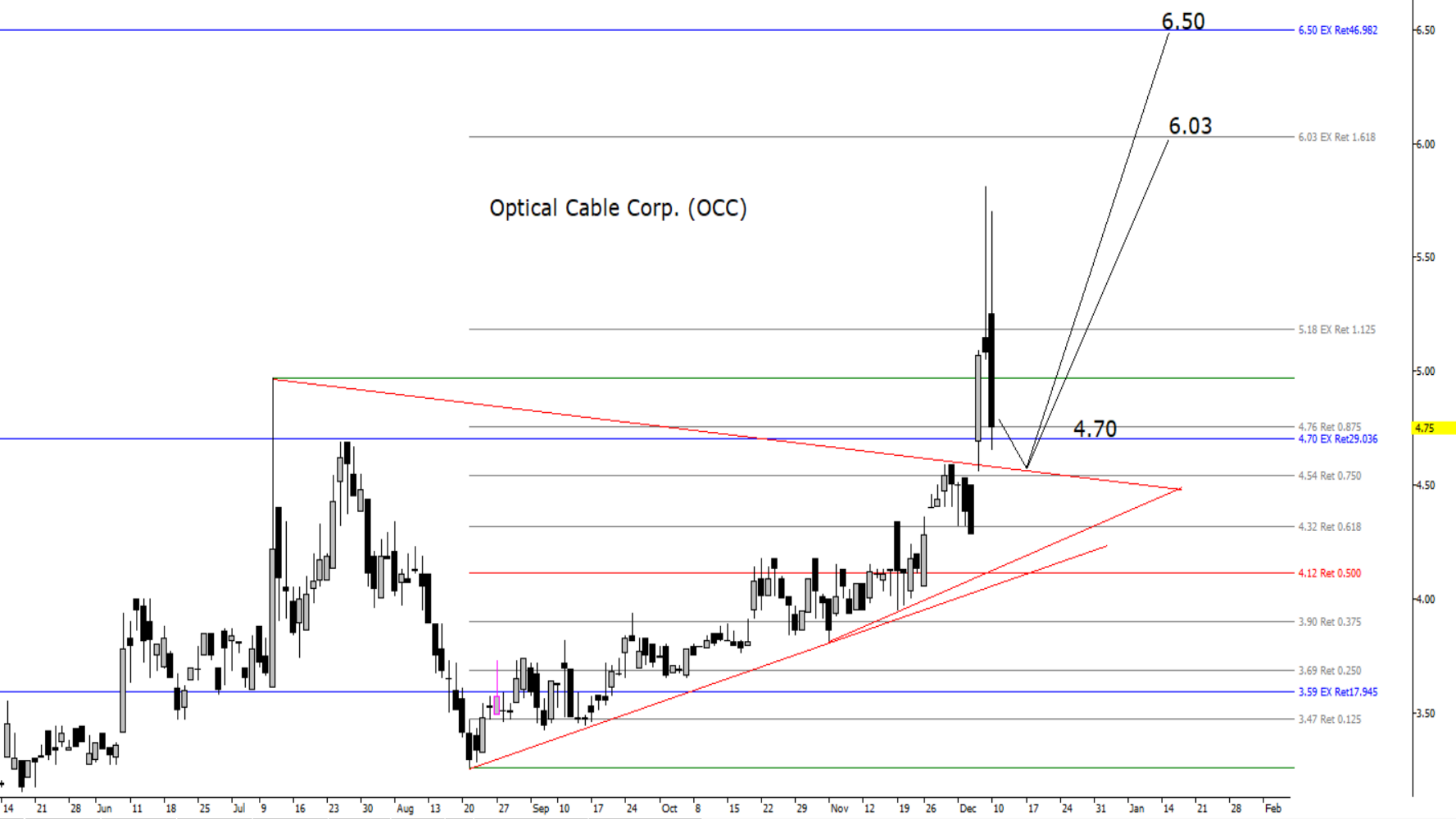
*The small-cap Russell 2000 bounced to 50% of its trading range on Wednesday and trended lower for the rest of the week. The bears are firmly in control of the Russell 2000 and strongly indicate "Risk-Off" in the markets.*

*Last week, the **Telecom Fiber Optics** and **Building-Cement/Concrete/Aggregate** industry groups gave buy signals. Both are being bought with a potential flow of government funds from infrastructure.*

*My favorite stock in the Building-Cement/Concrete/Aggregate industry group is **Smith-Midland Corporation (SMID)**. The stock is short-term overbought and needs to pull back to create a low-risk entry. I will be watching this stock closely next week.*

*My Favorite Telecom Fiber-Optic stock is **Optical Cable Corp. (OCC)**. The stock pulled back to Fibonacci support at 4.70 on Friday and is set for a potential buy signal next week.*

**I continue to recommend caution and high cash levels** until the market gives more sector and industry group buy signals.





## *Buy candidate: Impinj Inc. (PI)*

- Industry Group: **Electronic Semiconductor Manufacturing**. The group currently ranks as the 10th strongest industry group out of 197 and is up 26.24% YTD. The group gave a buy signal on 10/28/21 and finished the week pulling back to the 10-day moving average. Semiconductors continue to show exceptional strength in this weak market.
- Earnings estimates for next year have been trending higher and currently stand at a 267% increase over 2021.
- Impinj (PI) Provides Radio Frequency Identification (RFID) solutions for identifying, locating, and authenticating items. Impinj just announced a new generation RFID called RAIN RFID. The market could be buying Impinj based on the ability of these chips to aid in alleviating today's supply chain shortages.
- Impinj (PI) attempts to break out of a cup-with-handle base that started February 11, 2021.
- November 3, 2021, Impinj sold off to form the bottom of its handle on news of a \$225 million convertible bond offering. Impinj shrugged it off the next day and finished this week, ready to break the top of its handle. Dilution news like this can cripple a stock for months. Only the strongest stocks can trade like this.
- Impinj Inc. (PI) will confirm a buy signal with a 30-minute close above 86.78 on increased volume.
- **Wait for a text confirmation!**
- Initiate position at 2-star(\*\*)
- **Under massive institutional accumulation** with an Up/Down Volume ratio of 2.2.
- Impinj Inc. (PI) closed at 85.51 on Friday.
- Impinj Inc. (PI) VWAP is at 31.73
- Sell target prices: 1st target is **103.34**; 2nd target is **127.19**
- Stop sell price: Close below **78.98**.

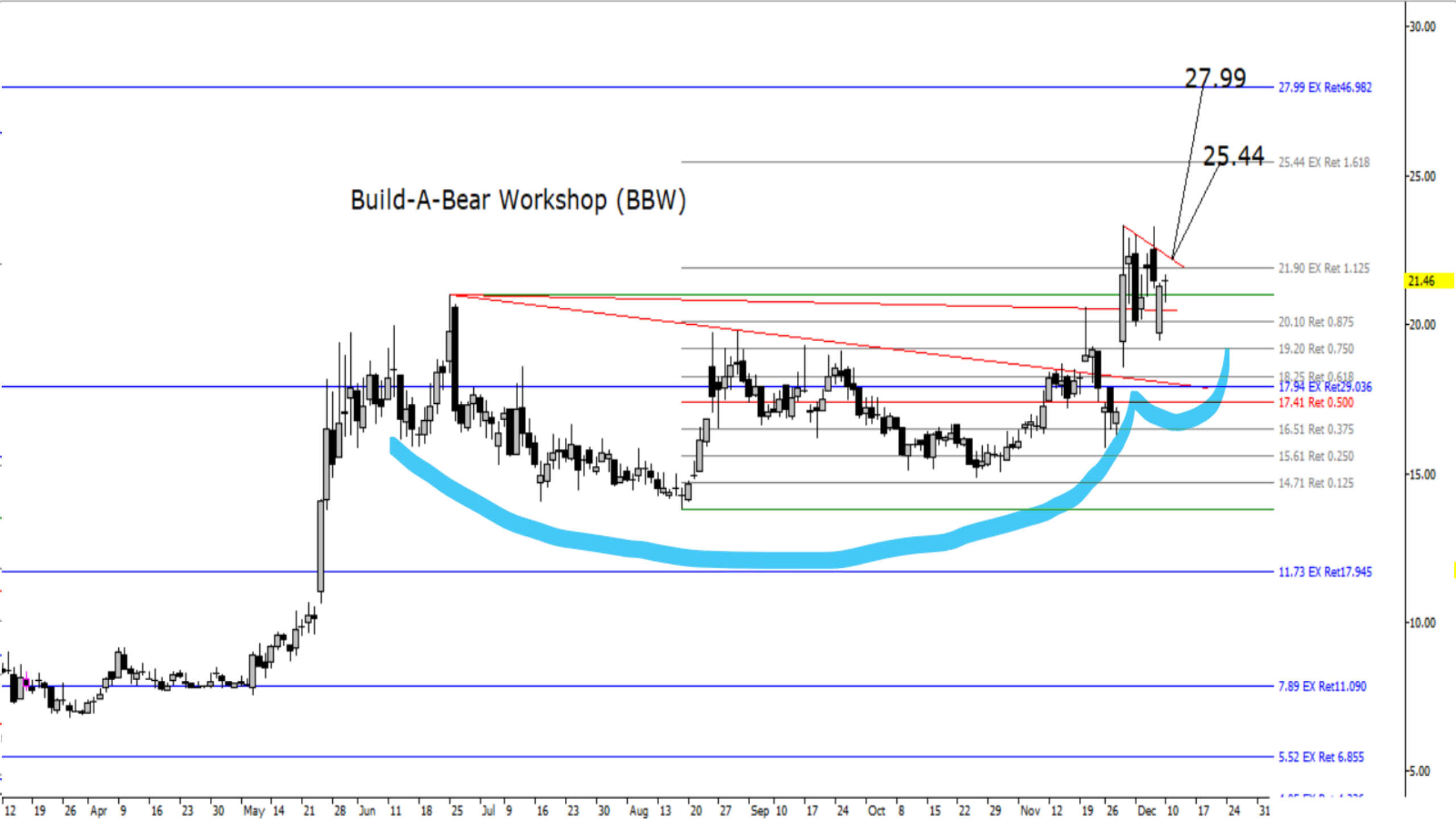
# Impinj Inc. (PI)



## *Speculative Buy candidate: Build-A-Bear Workshop (BBW)*

- Industry Group: **Retail Leisure Products**. The group currently ranks as the 20th strongest industry group out of 197 and is up 57.66% YTD. The group gave a sell signal on December 3, 2021. BBW is considered a speculative buy based on the industry group sell signal.
- Build-A-Bear Workshop (BBW) operates and franchises 425 stores offering custom stuffed animals.
- Build-A-Bear Workshop (BBW) is completing the handle of a cup-with-handle base that started January 23, 2015. A swing rule on the six-year base indicates this stock could double. Acceleration of earnings in the last three quarters shows much higher prices.
- The latest market selloff could not get the stock to retreat to the 10-day moving average. This is a very strong stock.
- **Build-A-Bear Workshop (BBW) will confirm a buy with increased volume and a 30-minute close above 21.67.**
- **Wait for confirmation text!**
- Initiate position with at 1-star(\*).
- Under massive institutional accumulation with an Up/Down Volume ratio of 2.3.
- Build-A-Bear Workshop (BBW) closed at 21.46.
- Build-A-Bear Workshop (BBW) VWAP is at 14.49.
- Sell target prices: **1st target is 25.44; 2nd target is 27.99; 3rd target is 32.63**
- Stop sell price: Close below **19.20**.

# Build-A-Bear Workshop (BBW)

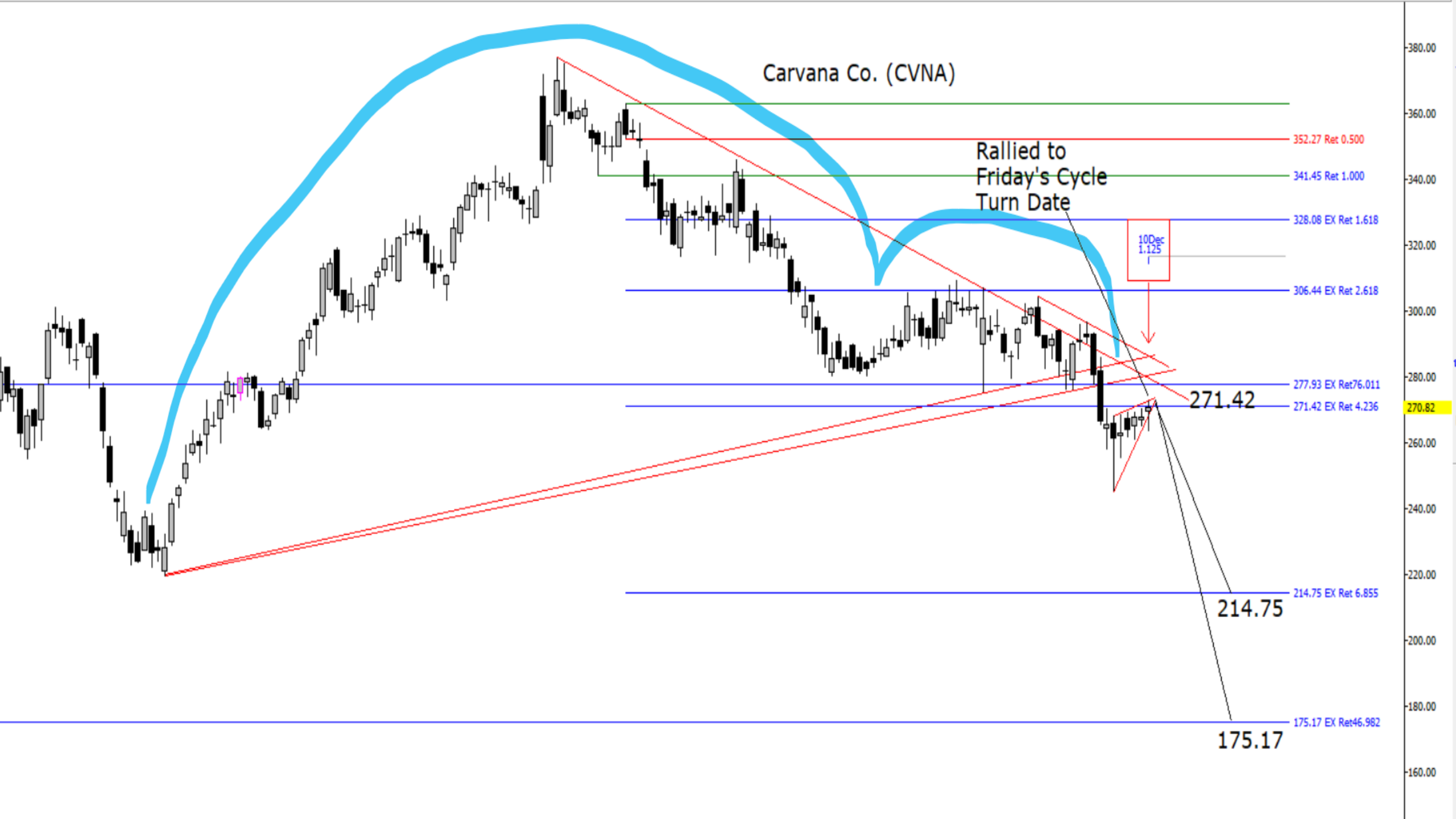




## Short candidate: Carvana Co. CL A (CVNA)

- Industry Group: **Retail/Wholesale-Automobile**. The group currently ranks as the 81st strongest industry group out of 197 and is up 18.19% YTD. The group gave a 20-day closing low with an above-average volume sell signal on November 17, 2021.
- Carvana Co. CL A (CVNA) Sells used cars through an e-commerce platform at Carvana.com.
- Since Carvana's IPO on 4/28/2017, the stock has run up 4600% and recently broke down from a fifth stage base. The base count of five is very high, and it is significantly extended.
- Last week, Carvana (CVNA) broke an inverted cup-with-handle base to the downside that started 5/13/21. **Friday, it returned to its Fibonacci resistance at 271.24 on the cycle turn date of December 10, 2021. This is referred to as squaring time and price and could mark a cycle high.**
- Lower prices on CVNA are the most significant probability next week.
- **Carvana Co. (CVNA) will confirm a sell with a 30-minute close below 263.50**.
- **Wait for confirmation text!**
- Initiate position with at 2-star(\*\*).
- Under massive institutional Distribution with an Up/Down Volume ratio of 0.5.
- Carvana Co. (CVNA) closed at 267.87.
- Carvana Co. (CVNA) VWAP is at 118.80.
- Buy (Cover Short) target prices: **1st target is 214.75; 2nd target is 175.17**
- Stop sell price: Close below **277.93**.

# Carvana Co. (CVNA)





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