



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

06/04/23



This Trading Floor Research report contains:

S&P 500 (SPX). Update

Superior Drilling Products Inc. (SDPI)

AXS 1.25X NVDA Bear Daily ETF (NVDS)

Still setting up from last week

Vita Coco Company Inc. (COCO)

Nuvectis Pharma (NVCT)

Market Comments

S&P 500

Friday's rally in the S&P 500 was a major short squeeze.

The S&P 500 came very close to Fibonacci resistance at 4292.07 with a high of 4290.67. The move occurred before a time cycle turn date on Monday as the index rallied into the rising trendline from the October 2022 low.

The price move was so intense that the S&P 500 closed above three standard deviations from the mean. Price trades within three standard deviations 99.7% of the time, and it is infrequent that the S&P 500 trades above three standard deviations.

There is less than a 1% chance price will increase from here over the next few days.

Therefore, I am considering shorting opportunities for a lower move this week. One of those opportunities could be the pullback in the Nvidia (NVDA) trade I highlighted last week.

Once I get confirmation, I will purchase the AXS 1.25X NVDA Bear Daily ETF (NVDS). The trade setup is highlighted in this report.

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



Industry Group & Sector Analysis

This week, I will focus on energy stocks as candidates to purchase.

*The **Energy** sector did not give a buy signal, but the sector got a decent flush.*

The Bullish Percent chart went to 22% last week, signaling a reversal on Friday. The previous six Energy sector flushes got a Bullish percent between 14% and 6% before signaling a reversal. A flush of that magnitude would have set up an extremely high probability trade.

After the recent Energy sector flush, a 22% Bullish Percent reversal can still offer profitable stock trades. I will take the trades and keep the position size smaller.

*Without the help of an Energy sector buy signal, the **Oil & Gas Equipment & Services, Oil & Gas Midstream, and Oil & Gas Drilling** industry groups gave buy signals.*

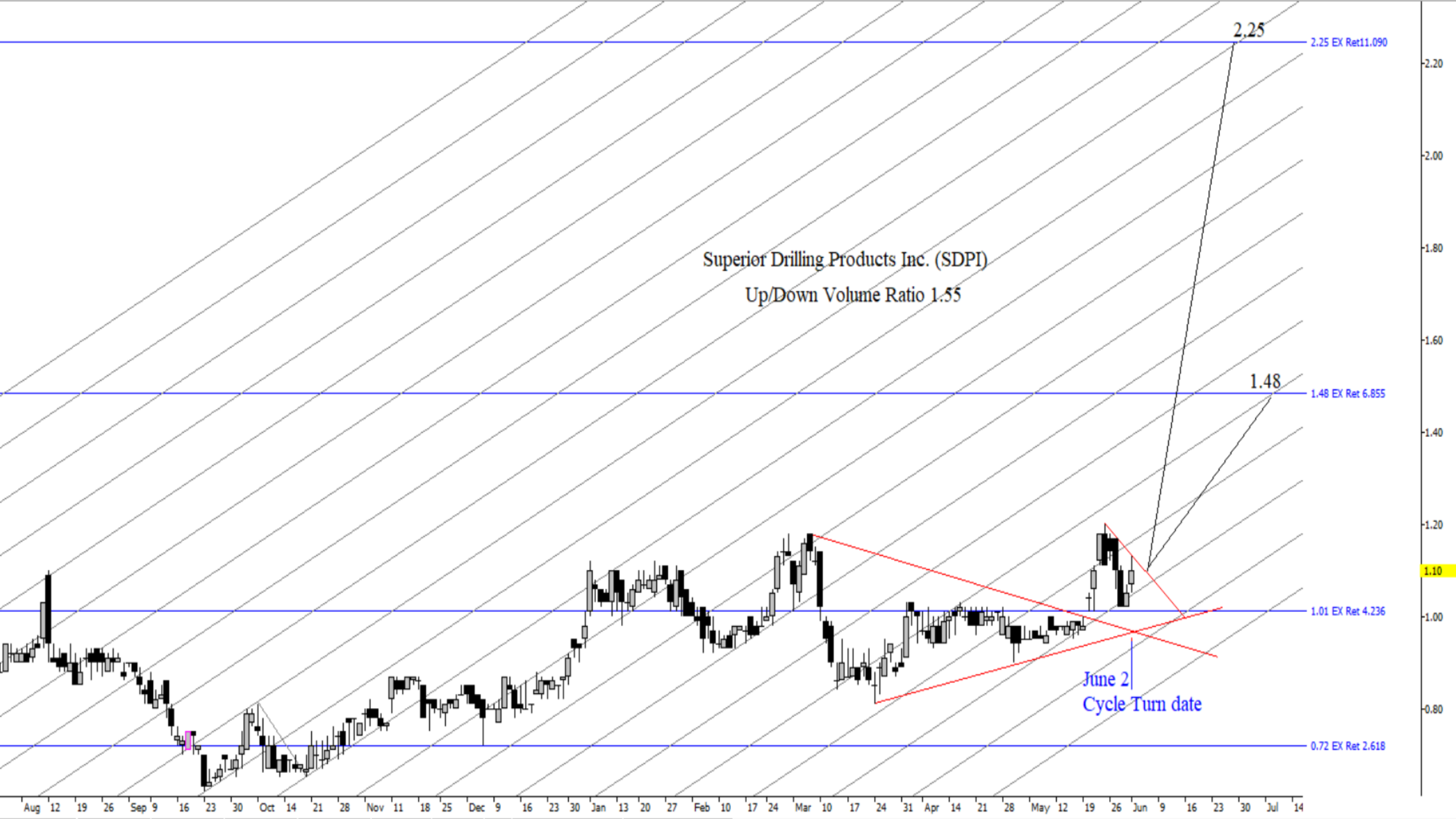
I will focus on leadership stocks within those groups for opportunities.

***Superior Drilling Products Inc. (SDPI)** is an Oil & Gas Equipment & Services stock that started setting up last week and is at the top of my list once it gives confirmation. Superior Drilling Products Inc. (SDPI) is featured in this report.*

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

Buy Candidate: Superior Drilling Products Inc. (SDPI)

- **Industry Group: Oil & Gas Machinery & Equipment** . The Oil & Gas Machinery & Equipment industry group ranks as the 91st strongest industry group out of 197 and is down -7.70% YTD and gave a buy signal on Friday.
 - **Superior Drilling Products Inc. (SDPI)** manufactures drill bits for horizontal drilling.
- **Superior Drilling Products Inc. (SDPI)** is setting up in a cup-with-handle pattern that started on March 02. Breaking the handle's downward-sloping trendline and giving 30-minute confirmation should send the stock higher.
- *Superior Drilling Products Inc. (SDPI) will confirm with a 30-minute buy signal at 1.12.*
- *Wait for text confirmation!*
- *Start Position at 2-star(**)*
- *Under institutional accumulation with an Up/Down Volume ratio of 1.55.*
- *Superior Drilling Products Inc. (SDPI) closed at 26.06.*
- *Superior Drilling Products Inc. (SDPI) VWAP is at 1.33.*
- *Sell target prices: 1st target is 1.48; 2nd target is 2.25*
- *Stop sell price: Close below 1.01.*



Buy candidate: AXS 1.25X NVDA Bear Daily ETF (NVDS)

- *Portfolio: AXS 1.25X NVDA Bear Daily ETF (NVDS).* This ETF corresponds to the move in 1.25X, the inverse move of Nvidia Corporation (NVDA). The *AXS 1.25X NVDA Bear Daily ETF (NVDS)* trade is designed to move higher by 1.25X when Nvidia Corporation (NVDA) moves lower.
- *Nvidia Corporation (NVDA)* rallied back up to the Fibonacci resistance at 405.97 and reversed lower on Friday. The Fibonacci resistance reversed the stock to finish lower at 393.27, as the market finished at the high of the day. Friday's relative weakness makes NVDA a good short candidate as the market pulls back from overbought conditions. The Fibonacci targets are 376.2 and 357.12.
- *AXS 1.25X NVDA Bear Daily ETF (NVDS) will Confirm with a 30-minute buy when Nvidia (NVDA) has a 30-minute close below 390.97.*
- *I will send a text confirmation*
- *Start position at 2-star(**).*

- *AXS 1.25X NVDA Bear Daily ETF (NVDS) closed at 9.33. Nvidia (NVDA) closed at 393.24.*

- *AXS 1.25X NVDA Bear Daily ETF (NVDS) VWAP is at 15.53.*
- *Target prices on Nvidia (NVDA) as it moves lower: 1st target is 376.22; 2nd target is 357.12*
- *Stop sell price: Close above 405.97 on Nvidia (NVDA).*

Nvidia Corporation (NVDA)



Buy Candidate: Vita Coco Company Inc. (COCO)

- **Industry Group: Beverages Non-Alcoholic.** The Beverages Non-Alcoholic industry group ranks as the 7th strongest industry group out of 197 and is up 22.40% YTD and is in a buy signal since February 23, 2022. Innovative drink makers like Monster (MNST), Celsius (CELH), and Vita Coco (COCO) are driving the Beverages Non-Alcoholic Industry group higher.
- **Vita Coco Company Inc. (COCO)** products include coconut water, energy drinks with coconut oil and milk, and protein-infused water.
- **Vita Coco Company Inc. (COCO)** hit a new high after announcing a secondary offering. This is extremely rare for a stock to have the strength needed to do that. When this happens, the stock should be bought. The probability of moving higher is exceptionally significant. In addition, COCO broke out of its Primary Base, offering tremendous upside potential. A potential pullback to Fibonacci support at 24.59 will create a low-risk entry for this Primary Breakout candidate.
- *Vita Coco Company Inc. (COCO) will confirm with a pullback between 25.54-24.59 and a 30-minute buy signal.*
- *Wait for text confirmation!*
- *Start Position at 3-star(***)*
- *Under institutional accumulation with an Up/Down Volume ratio of 1.33.*

- *Vita Coco Company Inc. (COCO) closed at 26.55.*

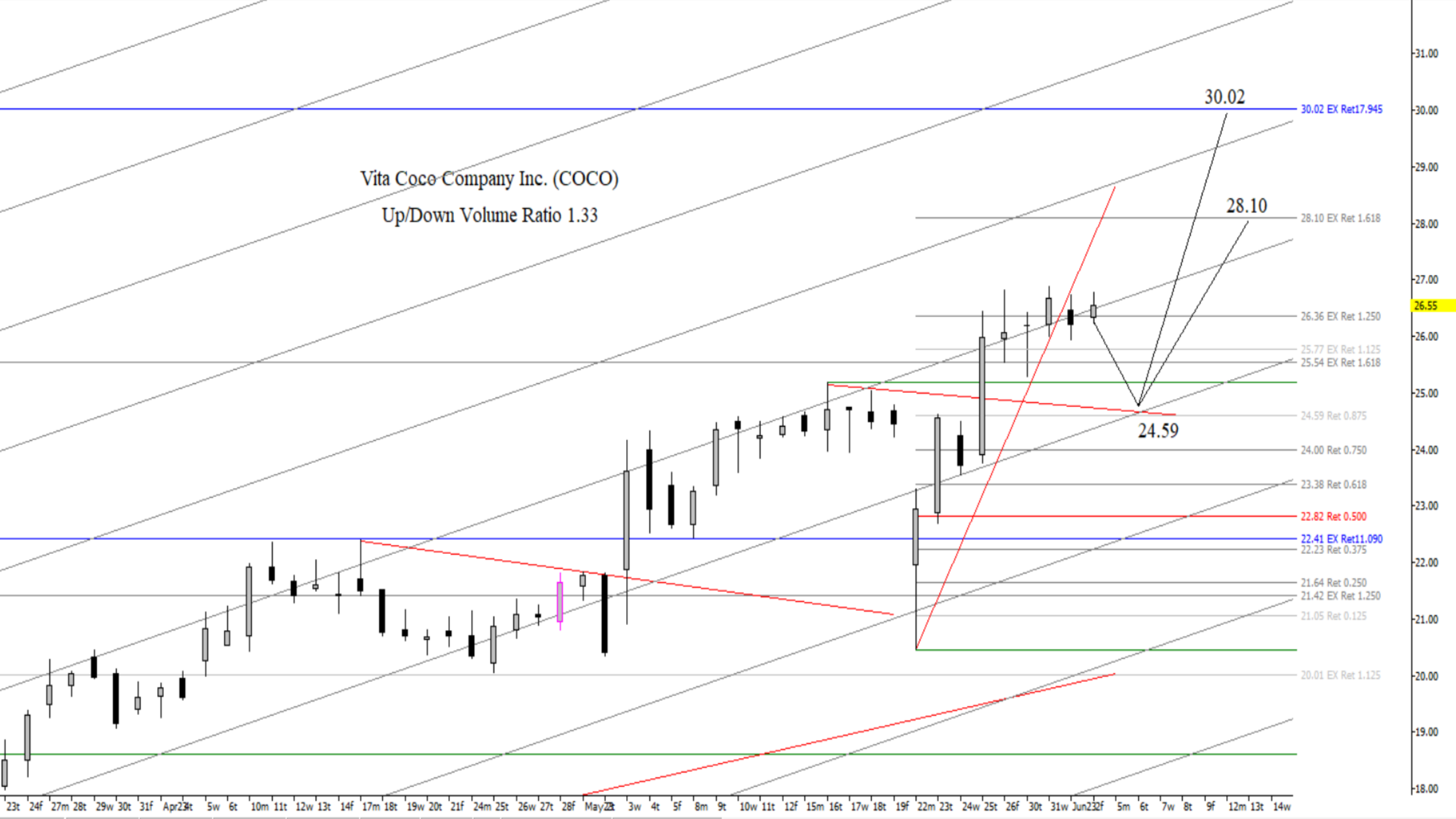
- *Vita Coco Company Inc. (COCO) VWAP is at 14.09.*

- *Sell target prices: 1st target is 28.10; 2nd target is 30.02; 3rd target is 32.82*

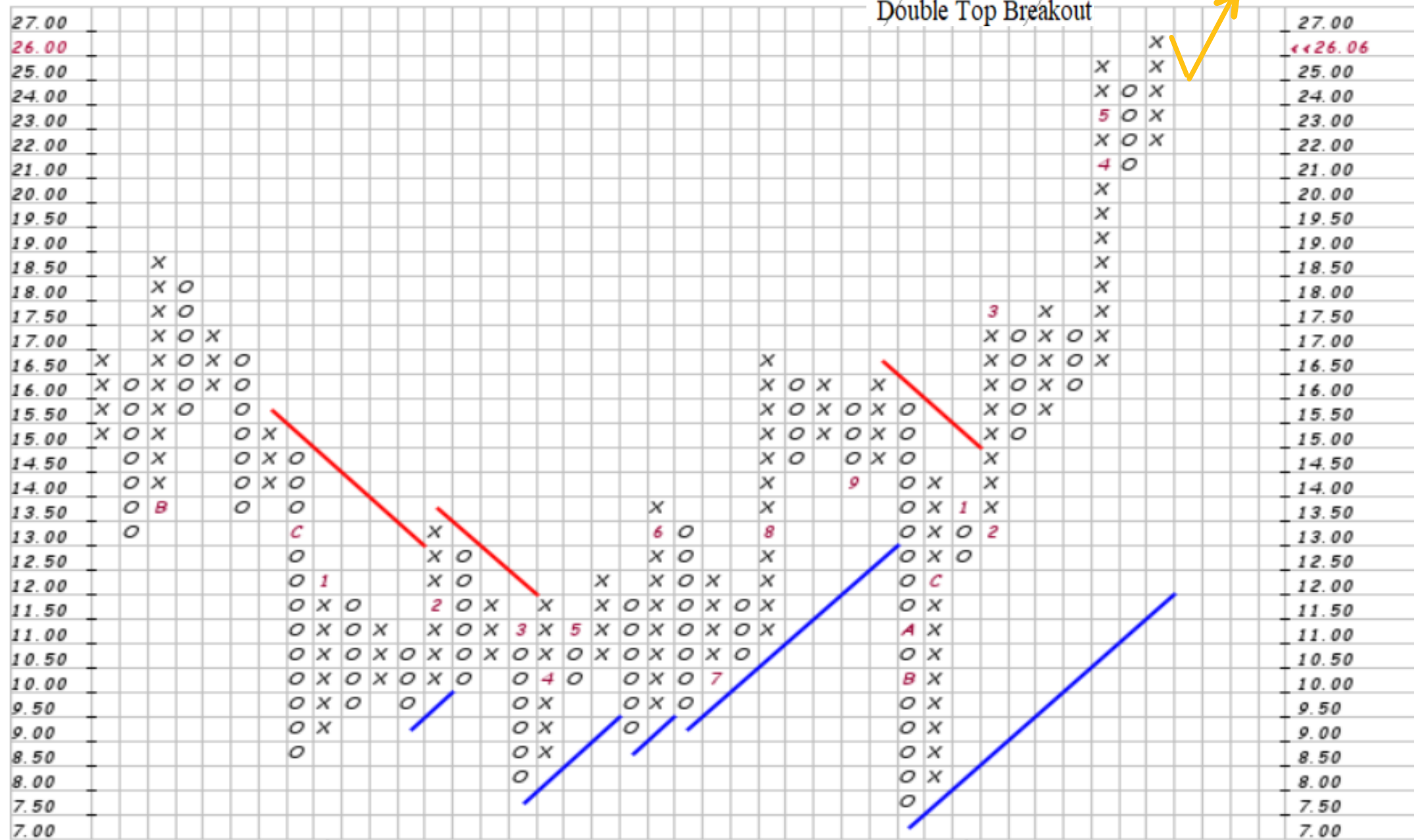
- *Stop sell price: Close below 25.18.*

Vita Coco Company Inc. (COCO)

Up/Down Volume Ratio 1.33

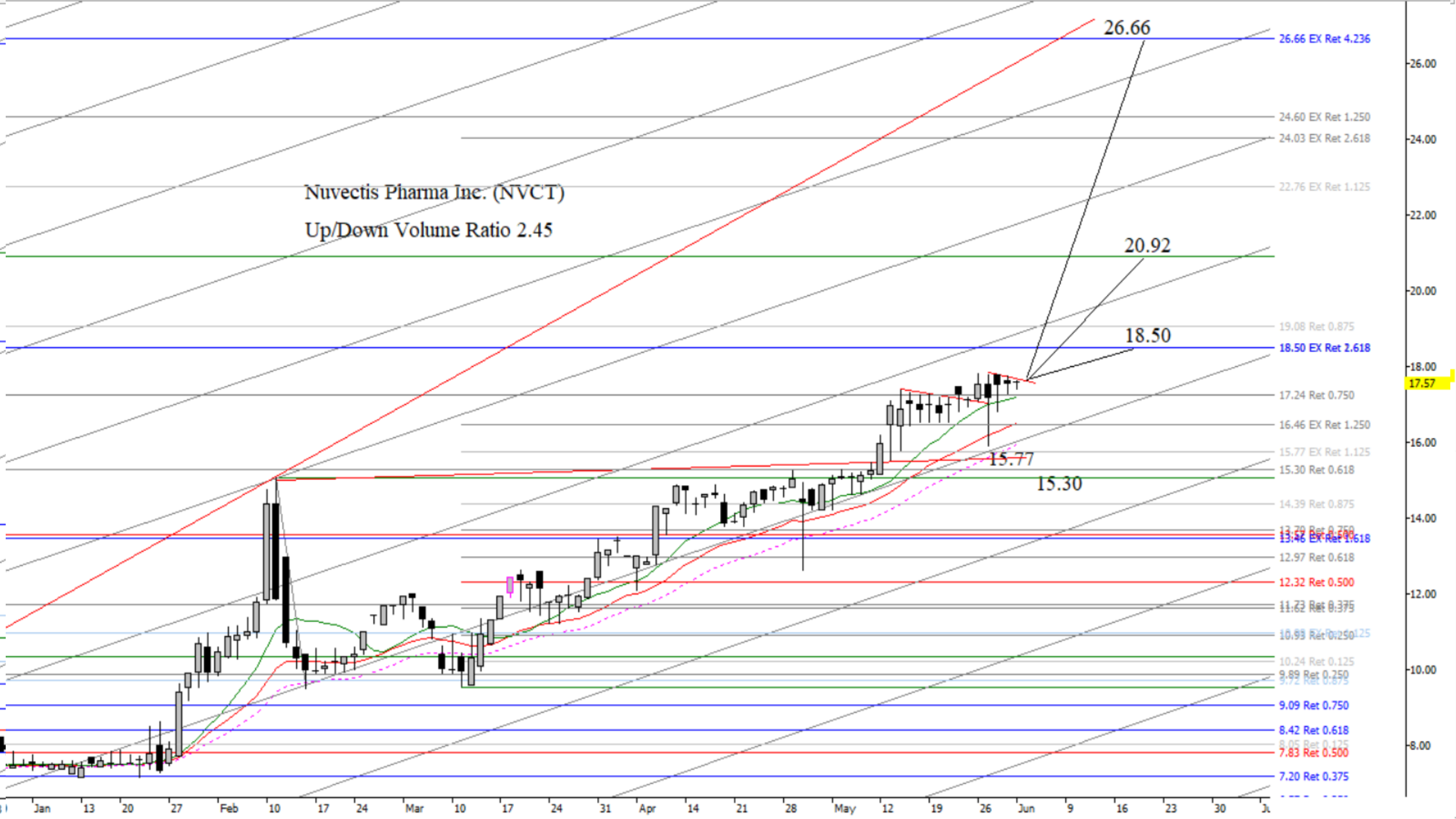


Double Top Breakout



BUY candidate: Nuvectis Pharma (NVCT)

- Industry Group: **Medical Biomed/Biotech**. The group currently ranks as the 10th strongest industry group of 197 and is up .50% YTD. The **Medical sector** gave a sell signal on Thursday, May 25, 2023. Because of the sector sell signal, I am keeping the position size small.
- **Nuvectis Pharma (NVCT)** develops medicines to treat unmet needs in Oncology.
- **Nuvectis Pharma (NVCT)** ran up to Fibonacci resistance at 17.24 and couldn't get over for the past nine trading sessions. Last week, the stock closed above the Fibonacci target and is ready to advance. The stock tends to make a quick move lower before advancing.
- Nuvectis Pharma (NVCT) will confirm with a 30-minute buy at 17.72.
- **Wait for text confirmation!**
- Initiate position with a 1-star(*).
- Under institutional accumulation with a Daily Up/Down Volume ratio of 2.45.
- Nuvectis Pharma (NVCT) closed at **17.58**.
- Nuvectis Pharma (NVCT) VWAP is at 7.09.
- Sell target prices: **1st target is 18.50; 2nd target is 20.92; 3rd target is 26.66**
- Stop sell price: **Close** below **17.24**.



NVCT Nuvectis Pharma Inc.





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