



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

05/22/22



This Trading Floor Research report contains:

- Navigator Holdings Ltd. (NVGS). A new BUY candidate in the Liquefied Natural Gas (LNG) Shipping Vessels industry subgroup.
- ProShares UltraPro Short QQQ (SQQQ). A BUY candidate corresponding to -3X inverse of the daily performance of the NASDAQ 100 (QQQ).

Sectors, Industry Groups & Leadership Stocks

As the market continues to tumble lower, the biggest obstacle facing a tradeable bounce is the lack of fear in the overall market.

Most market participants have been programmed to believe that they should be buying the dips. That has created a very orderly downside move. Buying the dips is a strategy used when the Federal Reserve has your back. This is no longer the case, and when investors come to grips with this, it will lead to prices moving lower very quickly and possible capitulation.

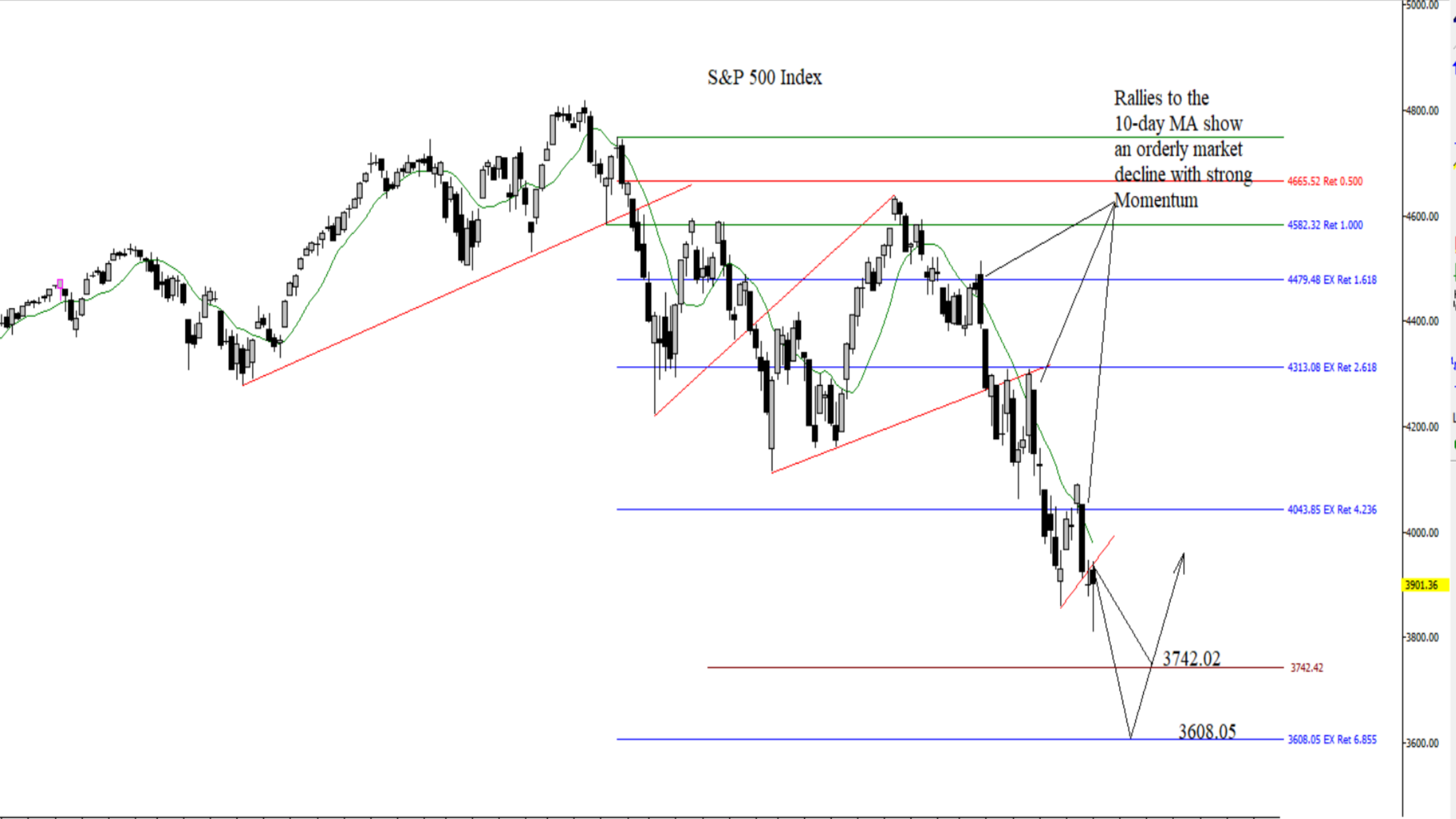
*The **S&P 500** and the **NASDAQ** are in a solid move lower with strong momentum. But price is very orderly as the S&P 500 continues to ride the 10-day moving average down. The price expansion lower away from the 10-day MA of two weeks ago was quickly reconciled by the three-day rally to the 10-day MA that S&P 500 completed earlier this week. Long-term trends are built on this kind of orderliness. (Refer to S&P 500 chart)*

*The major market indexes will continue to trudge lower without a climax of fear. My favorite fear index **CBOE Market Volatility Index (VIX)** could not get above 33.11 in last week's blistering selloff. The VIX must hit my 44.6-56.08 target to start a meaningful rally. (Refer to VIX chart)*

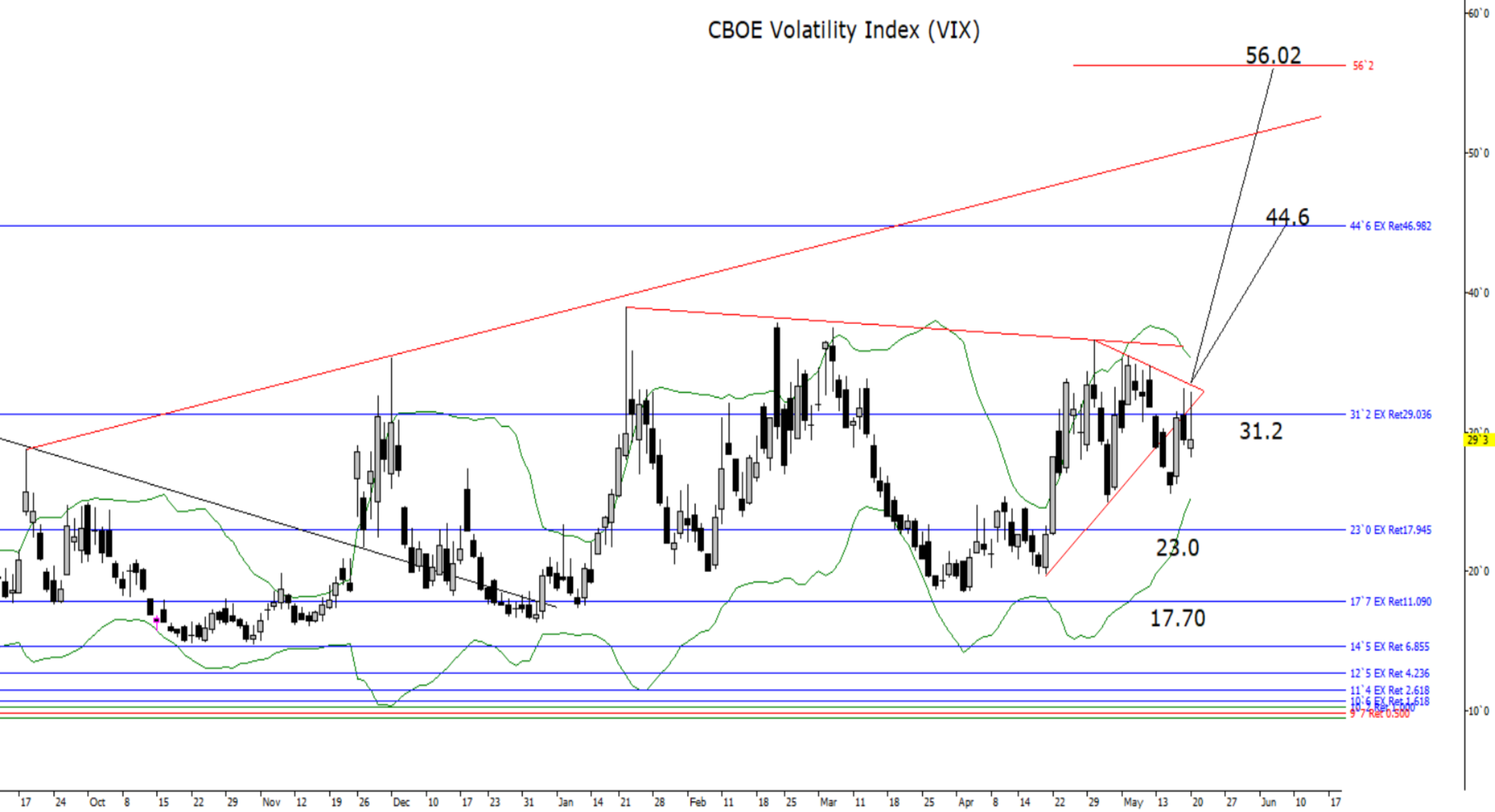
*The highest probability trades in the market continue to favor taking advantage of the trend lower. On Friday, I spotted a trade setting up in the inverse QQQs (**ProShares UltraPro Short QQQ (SQQQ)**). The 30-minute chart showed a cup-with-handle pattern that gave a confirmed buy signal after the price broke the trendline. (Refer to SQQQ 30-minute chart along with report)*

Because of options expiration, Friday's final hour market rally may offer a second chance at the trade. The same trendline that the SQQQs crossed earlier in the day is now providing a target for a throwback. The trade is highlighted in this weekend's report for traders that can be very nimble. I am playing this as a very short-term trade. (Refer to SQQQ 30-minute chart along with report)

S&P 500 Index



CBOE Volatility Index (VIX)



Sectors, Industry Groups & Leadership Stocks

The **Liquefied Natural Gas (LNG) Shipping Vessels** subgroup has remained very strong through last weeks market selloff. Past TFR picks from this group include **Ardmore Shipping Corporation (ASC)** and **SEACOR Marine Holdings Inc. (SMHI)**. Both continue to show strong relative strength and volume accumulation. **Navigator Holdings Ltd. (NVGS)** is new candidate emerging from the group that hit a five year high on Friday. The company will report earnings on Monday after the market close, and will be watched for a close above key Fibonacci resistance on the earnings report. The full analysis is included in this newsletter.

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

I continue to recommend caution and cash.

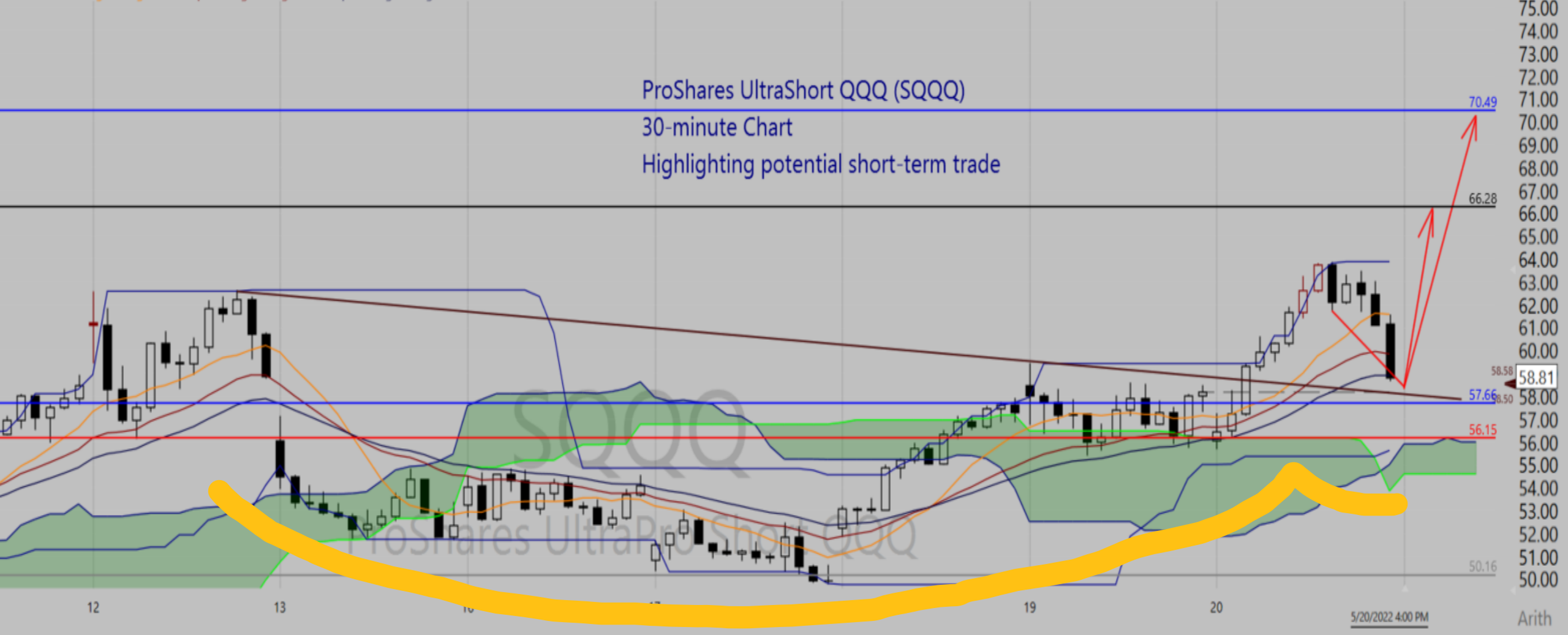
Buy candidate: ProShares UltraPro Short QQQ (SQQQ)

- Portfolio: Short the NASDAQ 100. This trade is designed to move 3x the inverse daily performance of the NASDAQ 100 (QQQ).
- The **ProShares UltraPro Short QQQ (SQQQ)** trade is designed to take advantage of the decline in the NASDAQ as it resumes its bear market trend.
- Friday, the NASDAQ 100 (QQQ) hit a new yearly low and rebounded late in the day with a rally tied to monthly options expiration. The **ProShares UltraPro Short QQQ (SQQQ)** broke out of a cup with handle base mid-day and began to trend higher on above-average volume. With 2 hours left in the day, the SQQQs topped out and started their pullback into the trendline of the cup-with-handle base. I am looking for the pullback to continue this week with a target of 57.66-57.39 Fibonacci support.
- The **ProShares UltraPro Short QQQ (SQQQ)** will confirmed a buy with a throwback into the trendline at 57.66-57.39.
- **Wait for a text confirmation!**
- Start position at ½ star(*)
- *ProShares UltraPro Short QQQ (SQQQ)* closed at 58.81
- *ProShares UltraPro Short QQQ (SQQQ)* VWAP is at 104.24.
- Sell target price: 1st target is 66.28. 2nd target is 70.49.
- Stop sell price: Close below 56.15.

ProShares UltraShort QQQ (SQQQ)

30-minute Chart

Highlighting potential short-term trade



70.49

66.28

58.81

57.66

56.15

50.16

75.00
74.00
73.00
72.00
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ProShares UltraPro Short QQQ (SQQQ)



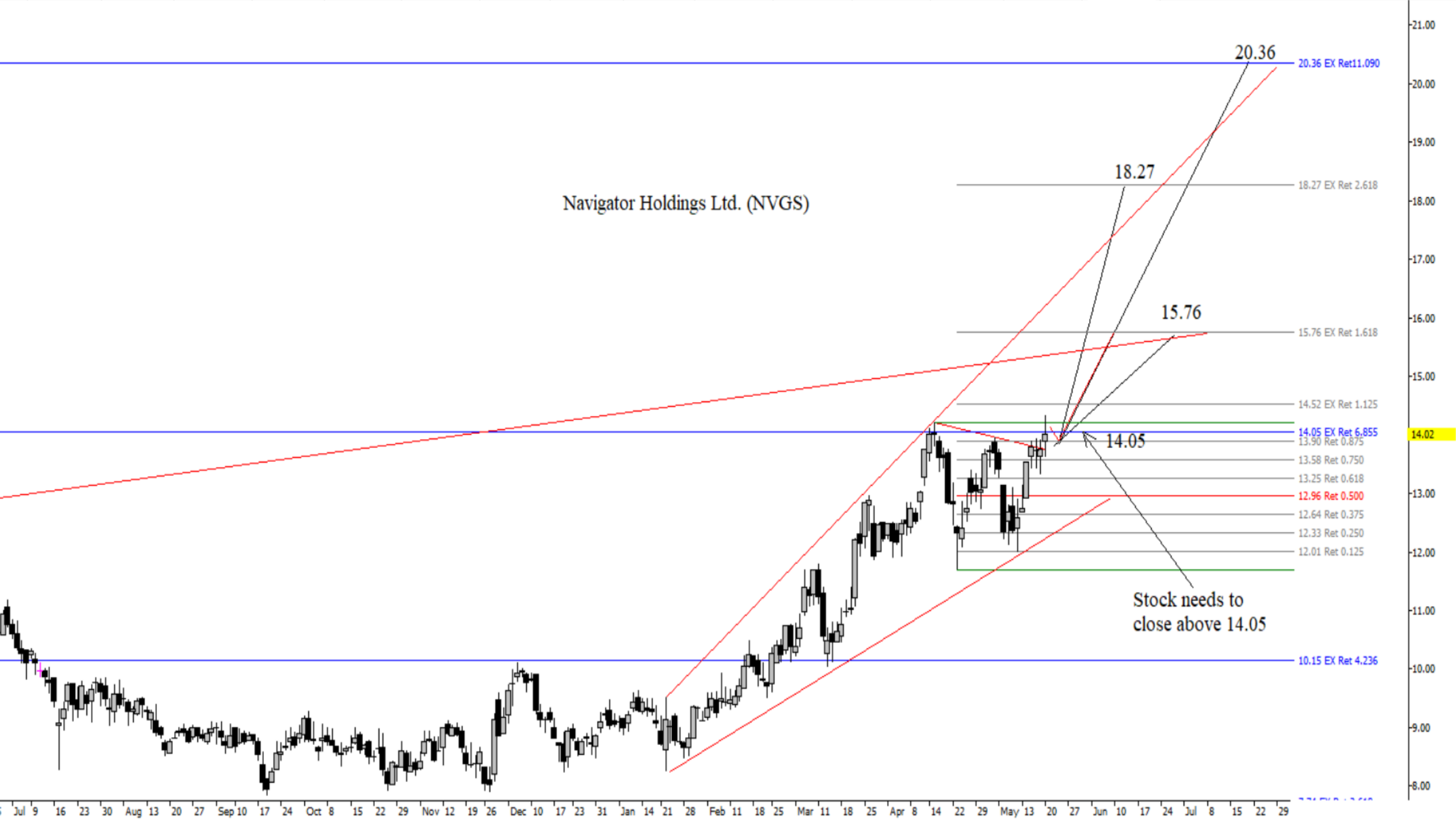
Buy candidate: Navigator Holdings Ltd. (NVGS)

- Industry Group: **Oil & Gas Transportation Pipeline**. The Oil & Gas Transportation Pipeline industry group ranks as the 13th strongest industry group out of 197 and is up 18.28% YTD. Additional strength comes from the **Liquefied Natural Gas (LNG) Shipping Vessels subgroup**. The subgroup gave a buy signal on February 24, 2022, and is ready to break out of a one-month consolidation. (Refer to chart)
- **Navigator Holdings Ltd. (NVGS)** transports LNG internationally with a fleet of 55 tankers.
- **Navigator Holdings Ltd. (NVGS)** gave a 20-day closing high buy signal on Friday as it completed a five-year base that started in 2017. A swing rule of the 5-year base indicates a target of 24.20. A cup-with-handle base that began in December 2019 was also completed last week.
- **Navigator Holdings Ltd. (NVGS)** will confirm a buy signal with a daily close above Fibonacci resistance at 14.05.
- Wait for a text confirmation!
- Start position at 1/2-star(*)
- Under massive institutional accumulation with an Up/Down Volume ratio of 1.70.
- **Navigator Holdings Ltd. (NVGS)** closed at 14.02.
- **Navigator Holdings Ltd. (NVGS)** VWAP is at 13.80.
- Sell target prices: 1st target is 15.76; 2nd target is 18.27; 3rd target is 20.36 4th target is 24.20
- Stop sell price: Close below 12.96.

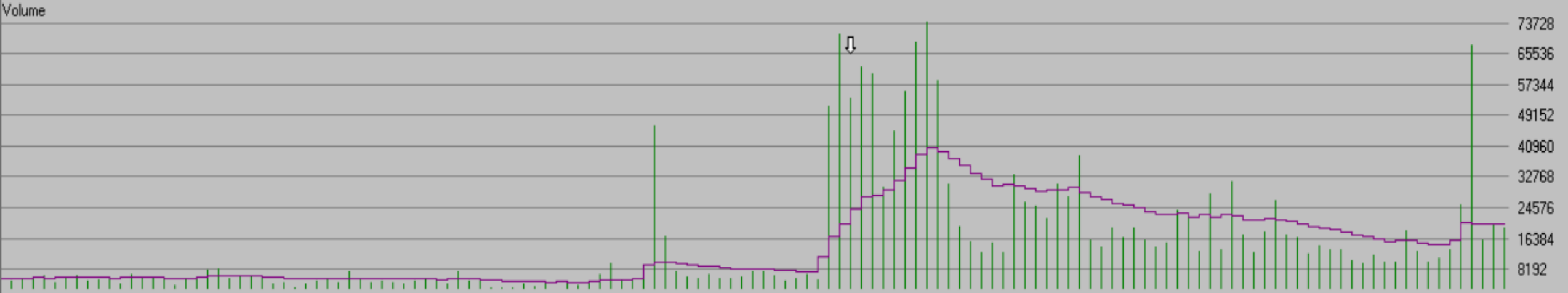
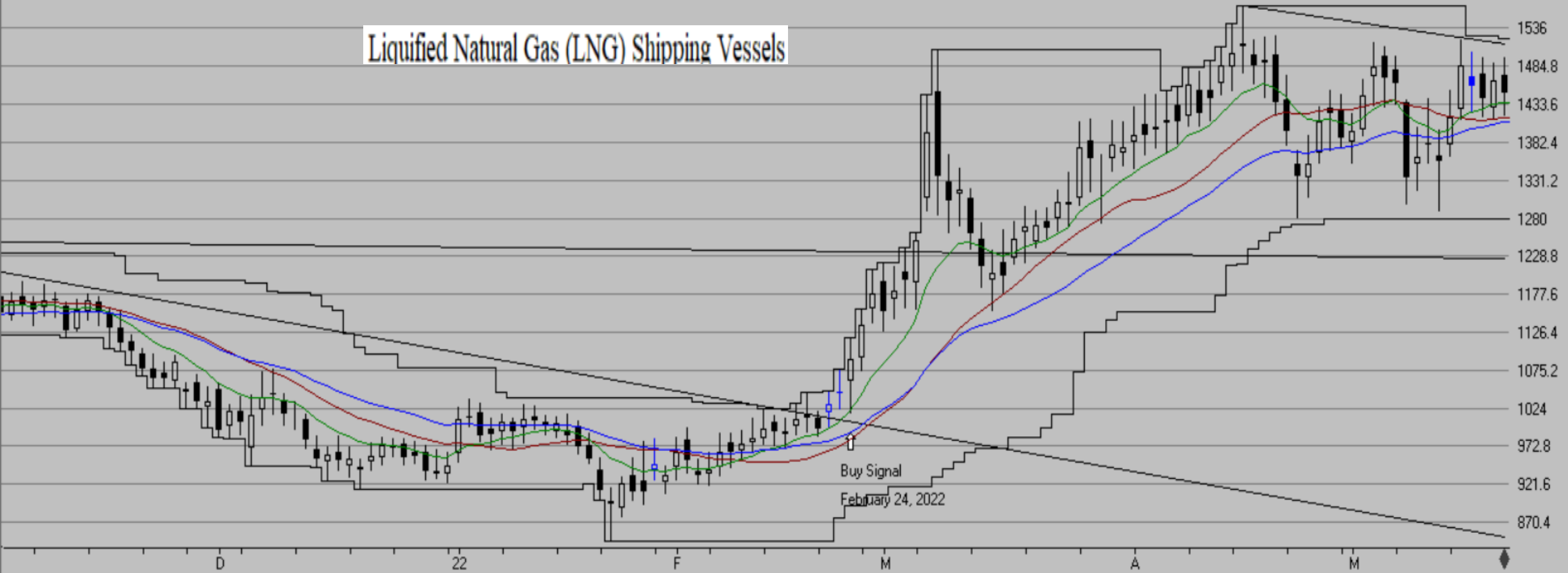
Navigator Holdings Ltd. (NVGS)



Navigator Holdings Ltd. (NVGS)



Liquefied Natural Gas (LNG) Shipping Vessels





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