



TFR

Trading Floor Research

— Welcome to the
Trading Floor —



This Trading Floor Research report is the weekly follow-up:

(Please, watch this list closely. If a TFR recommended stock does not appear in this list, it has been sold or was never bought)

- *ProShares UltraPro QQQ (TQQQ). A New ETF Buy candidate corresponding to 3X the daily performance of the NASDAQ 100.*
- *Direxion Daily 7–10-year Treasury Bear 3X ETF (TYO) was purchased this morning and finished the day up 2%.*
- *Impinj Inc. (PI) was stopped out last week*
- Tuttle Capital Short Innovation ETF (SARK). The stock traded above my sell target on Monday, and the entire position was sold by the end of the day with an 18% return in 10 trading days.



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(Please, watch this list closely. If a TFR recommended stock does not appear in this list, it has been sold or was never bought)

- *Zendesk Inc. (ZEN). **SHORT** hit its Fibonacci target at 92.93 and the short was covered.*
- *Garmin Ltd. (GRMN) **SHORT**. -After the stock give a new 30-minute sell confirmation that I reported in last weeks newsletter, the put I purchase the next morning made 110% in one day.*



Essential Lessons for Stock Market Success.

Classes start again next week!

Class 2 of the 5-week series is Thursday February 3, 2022, at the USW Burns Harbor Career Development Center.

A morning and afternoon class will be given:

- 8:30 am-10:30 am
- 4:00 pm-6:00 pm

Learn how to identify winning stocks before they move higher and short stocks before they move lower.

Invite a family member or friend

Call Sarah to reserve a seat at 219-787-3101

Sectors, Industry Groups & Leadership Stocks

9 of the 11 market sectors are in sell signals. The utility sector gave a sell signal this week. The **Energy** and **Financial Services** sectors are in a buy signal.

The **Financial Services** Sector came very close to a sell signal on Monday but is still weak buy signal.

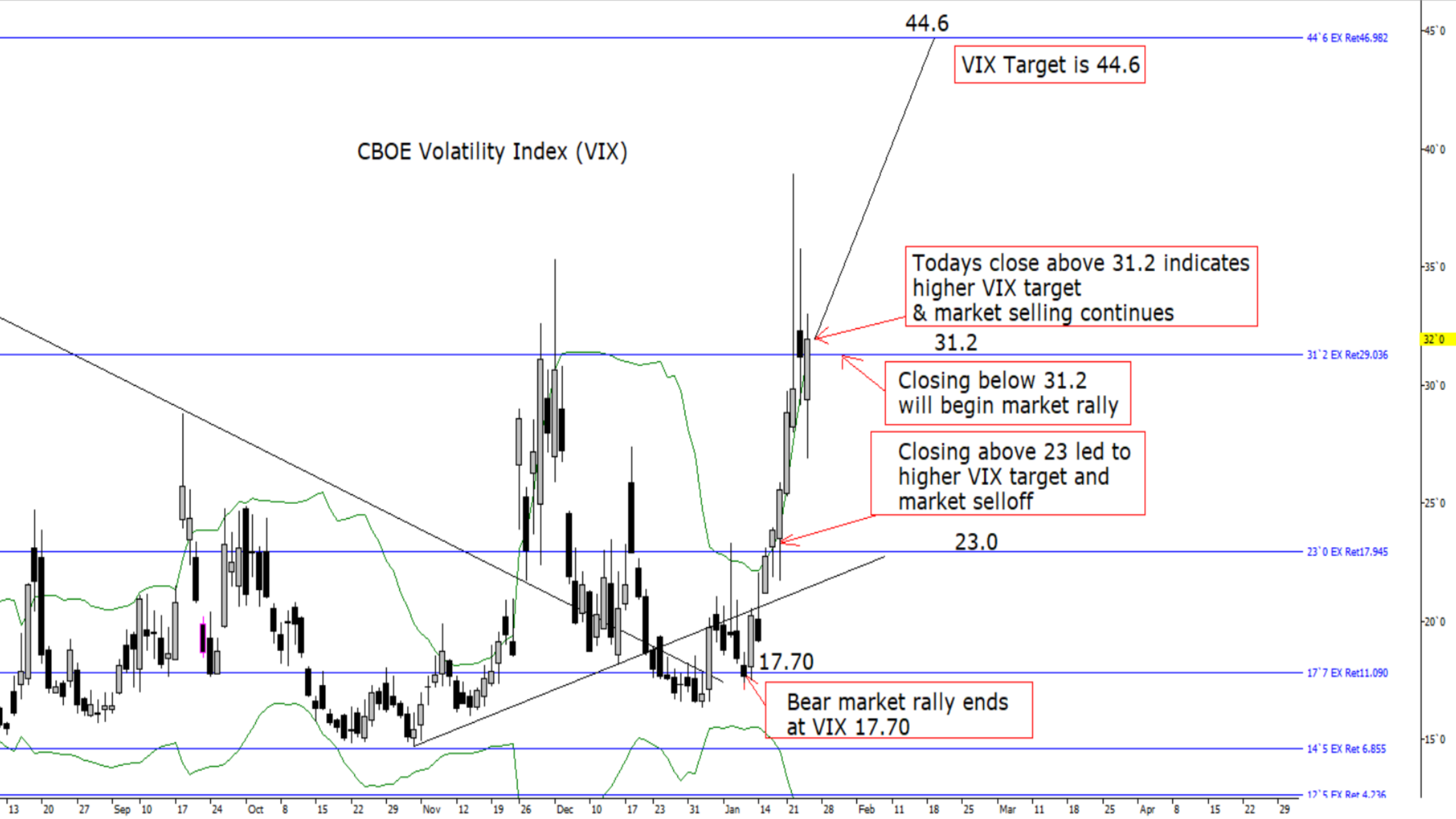
The solid **Energy Sector** is the only sector to close positive today.

The **CBOE Volatility Index (VIX)** continues to provide excellent clues to the beginning and end of each market selloff as the market trends lower. On Monday and Tuesday, a close below the VIX Fibonacci target of 31.2 pointed to a rally. This morning the market gave us the bear market rally that ended after the Fed announcement. The NASDAQ had rallied as much as 3% before giving it all back by the end of the day. The VIX closed above 31.2. This indicates that the VIX could increase to the following target number of 44, and the market will continue the selloff. (Refer to VIX Chart).

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

The bears are firmly in control of the Russell 2000 and strongly indicate "Risk-Off" in the markets.

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



CBOE Volatility Index (VIX)

VIX Target is 44.6

Today's close above 31.2 indicates higher VIX target & market selling continues

Closing below 31.2 will begin market rally

Closing above 23 led to higher VIX target and market selloff

Bear market rally ends at VIX 17.70

44.6

31.2

23.0

17.70

44' 6 EX Ret46.982

31' 2 EX Ret29.036

23' 0 EX Ret17.945

17' 7 EX Ret11.090

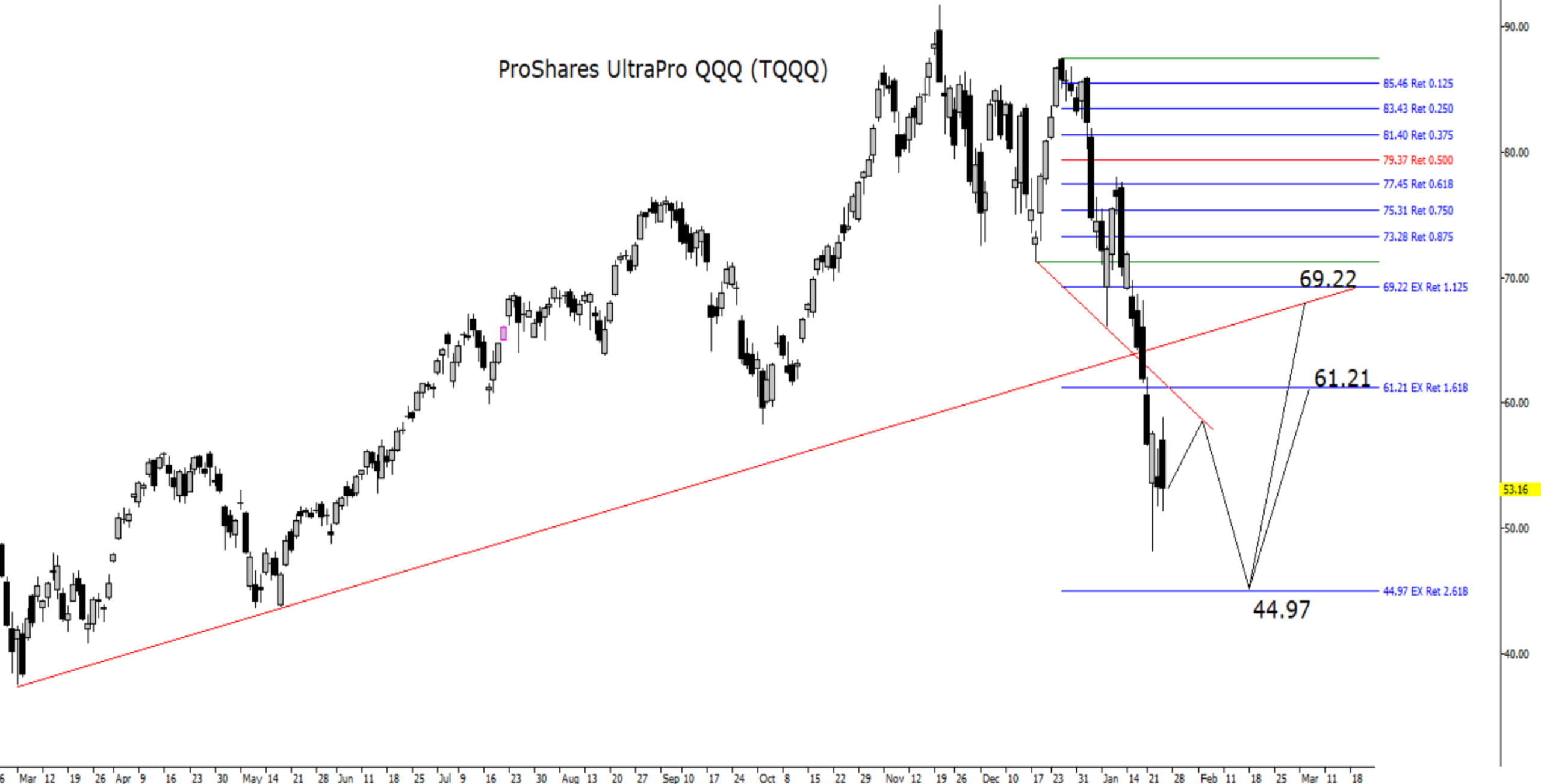
14' 5 EX Ret 6.855

17' 5 FX Ret 4.736

Buy candidate: ProShares UltraPro QQQ (TQQQ)

- Portfolio: Long the NASDAQ 100. This trade is designed to move 3x the daily performance of the NASDAQ 100 (QQQ).
- This trade is designed to take advantage of the short-term rallies in the NASDAQ bear market.
- Every time the VIX has given a buy signal in this bear market, the best-performing index has been the NASDAQ 100 (QQQ). After the last VIX Buy signal and 30-minute confirmation yesterday, buying the TQQQ gave a 9% return today. This is a quick turnaround trade playing the contra move of a bear trend. It will require a quick response to purchase and sell with the text confirmation. Don't try this trade if you can't trade quickly.
- Buy the TQQQ when I get VIX buy confirmation. This could happen at the Fibonacci target of 44.97 on TQQQ.
- Wait for text confirmation!
- Position is at 1-star(*)
- *ProShares UltraPro QQQ (TQQQ)* closed at 53.15.
- *ProShares UltraPro QQQ (TQQQ)* VWAP is at 24.84.
- Buy target price: 1st target is **44.97**

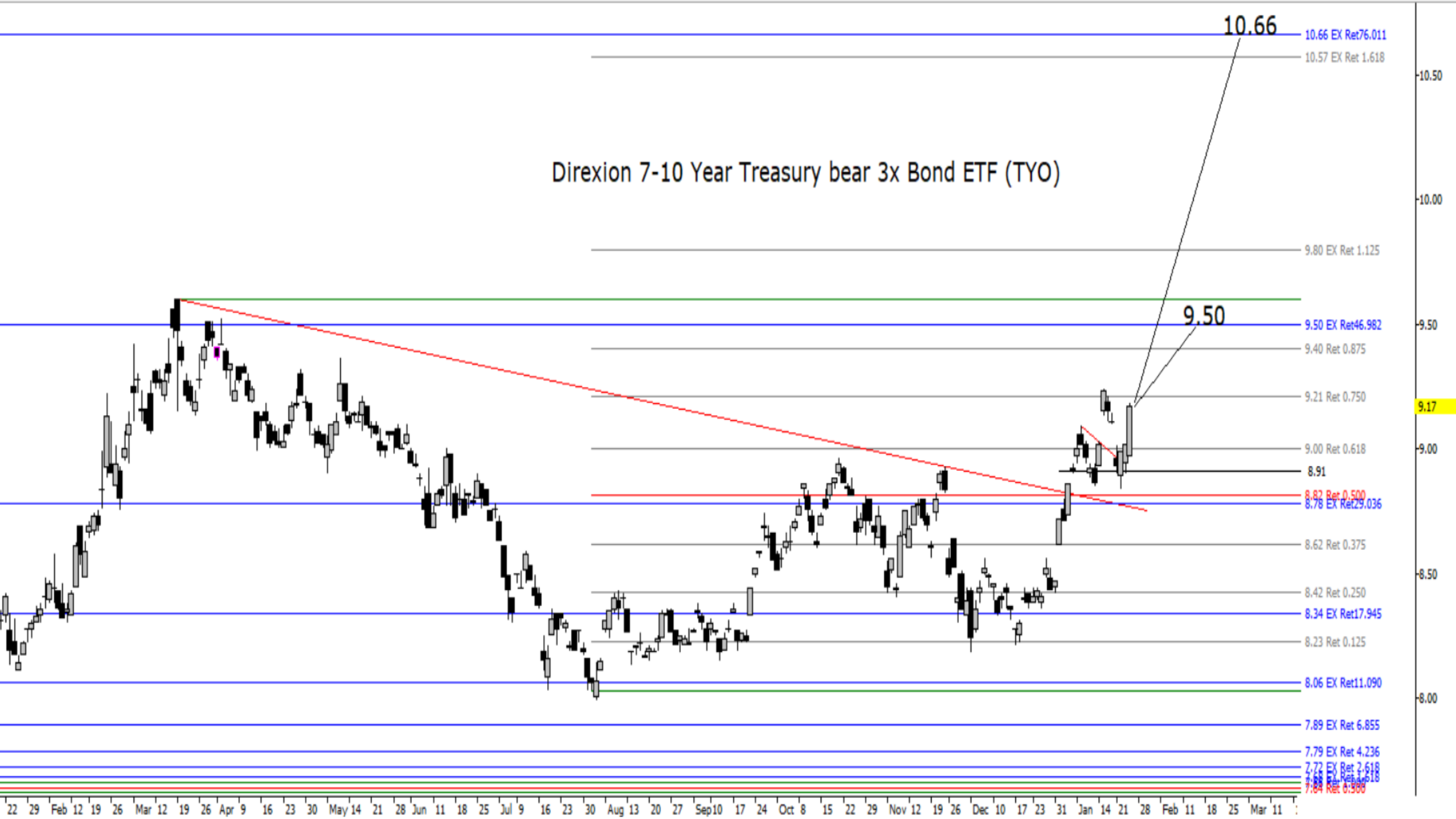
ProShares UltraPro QQQ (TQQQ)



Buy candidate: Direxion 7-10 Year Treasury bear 3x Bond ETF (TYO)

- Market: 10-year US Treasury Bond. This trade is designed to move 3x the inverse move of the iShares Barclays 7–10-year US treasury Bond ETF (IEF).
- Direxion 7-10 Year Treasury bear 3x Bond ETF (TYO) is seeking the performance corresponding to three times the inverse of the 7–10-year US Treasury Bond Exchange Traded Fund (IEF).
- 7–10-year US Treasury Bond Exchange Traded Fund (IEF) closed below the handle of the inverse cup-with-handle base that started April 1, 2021. The top of the base is Fibonacci 50% resistance at 118.10, and the handle of the more extensive cup-with-handle base began March 13, 2020.
- **The Direxion 7-10 Year Treasury bear 3x Bond ETF (TYO) gave a buy confirmation this morning after a pullback that erased oversold conditions in the 7–10-year treasury bonds this past week. The confirmation came just ahead of today's Federal Reserve announcement.**
- This year tightening of interest rates by the Federal Reserve will force yields on Treasuries to trend higher. TYO will trend higher with the rising Treasury yields.
- **Under institutional accumulation** with an Up/Down Volume ratio of 1.1.
- Direxion 7-10 Year Treasury bear 3x Bond ETF (TYO) closed at 9.20.
- • Direxion 7-10 Year Treasury bear 3x Bond ETF (TYO) VWAP is at 10.37.
- Sell target price: 1st target is **10.66**
- Stop sell price: Close below **8.78**.

Direxion 7-10 Year Treasury bear 3x Bond ETF (TYO)



Short Garmin Ltd. (GRMN)

- Industry Group: **Consumer Products Electronic**. The group currently ranks as the 191st strongest industry group out of 197 and is down -14.54% YTD. The group gave a 20-day closing low sell signal on July 08, 2021.
- Garmin Ltd. (GRMN) Manufactures and markets hand-held portable/fixed mount GPS systems for Automobile/outdoor/marine/fitness.
- Garmin has been stair-stepping lower in Darvas Boxes since it topped out on August 31, 2021.
- **Garmin Ltd. (GRMN) After a 30-minute sell confirmation last week, GRMN traded 8.6% lower at 120.52. It is on its way to its Fibonacci target at 109.61**
- Position is at 2-star(**).
- Under institutional Distribution with an Up/Down Volume ratio of 0.85.
- Garmin Ltd. (GRMN) closed at 120.52.
- Garmin Ltd. (GRMN) VWAP is at 75.25.
- Buy (Cover Short) target prices: **1st target is 109.61; 2nd target is 105.26**
- Stop buy price: Close above **133.94**.

Garmin Ltd. (GRMN)





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