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# Trading Floor Research

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09/19/21

## This Trading Floor Research report contains:

- Fridays CBOE Market Volatility Index (VIX) buy confirmation signal, and what Fibonacci targets to focus on as the VIX moves higher.
- A look at how market indexes are rolling over.
- Last week's sell signal in the Steel-Producers industry group
- ProQR Therapeutics N.V. (PRQR). A new Buy candidate in the Medical Biotech industry group.



## Essential Lessons for Stock Market Success.

Class 6 is Thursday September 23, 2021, at the USW Burns Harbor Career Development Center.

This is the Final class in this series

A morning and afternoon class will be given:

8:30 am-10:30 am

4:00 pm-6:00 pm

This week we will discuss price retracements & price expansions using Fibonacci numbers

Invite a family member or friend for the September 23 class and give them the opportunity to change their financial future

## *CBOE Market Volatility Index (VIX)*

On Friday, I sent out a text alert of a confirmation buy signal in the CBOE Market Volatility Index (VIX). As I pointed out in last weekend's TFR report, The VIX gave a buy signal. The buy signal in the VIX is triggered by closing above two standard deviations to the mean VIX price. The confirmation on Friday came from a trendline break and a 30-minute buy signal. (Refer to 30-minute VIX Chart).

When volatility expands, the market goes lower. The VIX is a great measure of volatility. As the market moves lower, the VIX is also a great gage of fear. That is why I use the VIX. A buy signal will trigger when a selloff is imminent, and the VIX will hit a Fibonacci target number when fear is at its greatest level. That combined with Fibonacci support levels on the indexes will give me targets in the market to consider long positions.

My Elliot 5 wave impulse trendline on the VIX shows two Fibonacci numbers to watch. The first VIX target number is 25.40. This number is only valid for Monday September 20, 2021. The next number is 31.20. (Refer to VIX Daily Chart)

These are targets of maximum fear and potential areas for the market to reverse and start moving higher.

I bought more VIX Call options on Friday when the VIX confirmed a buy signal, and I plan on selling the calls at the Fibonacci target numbers.

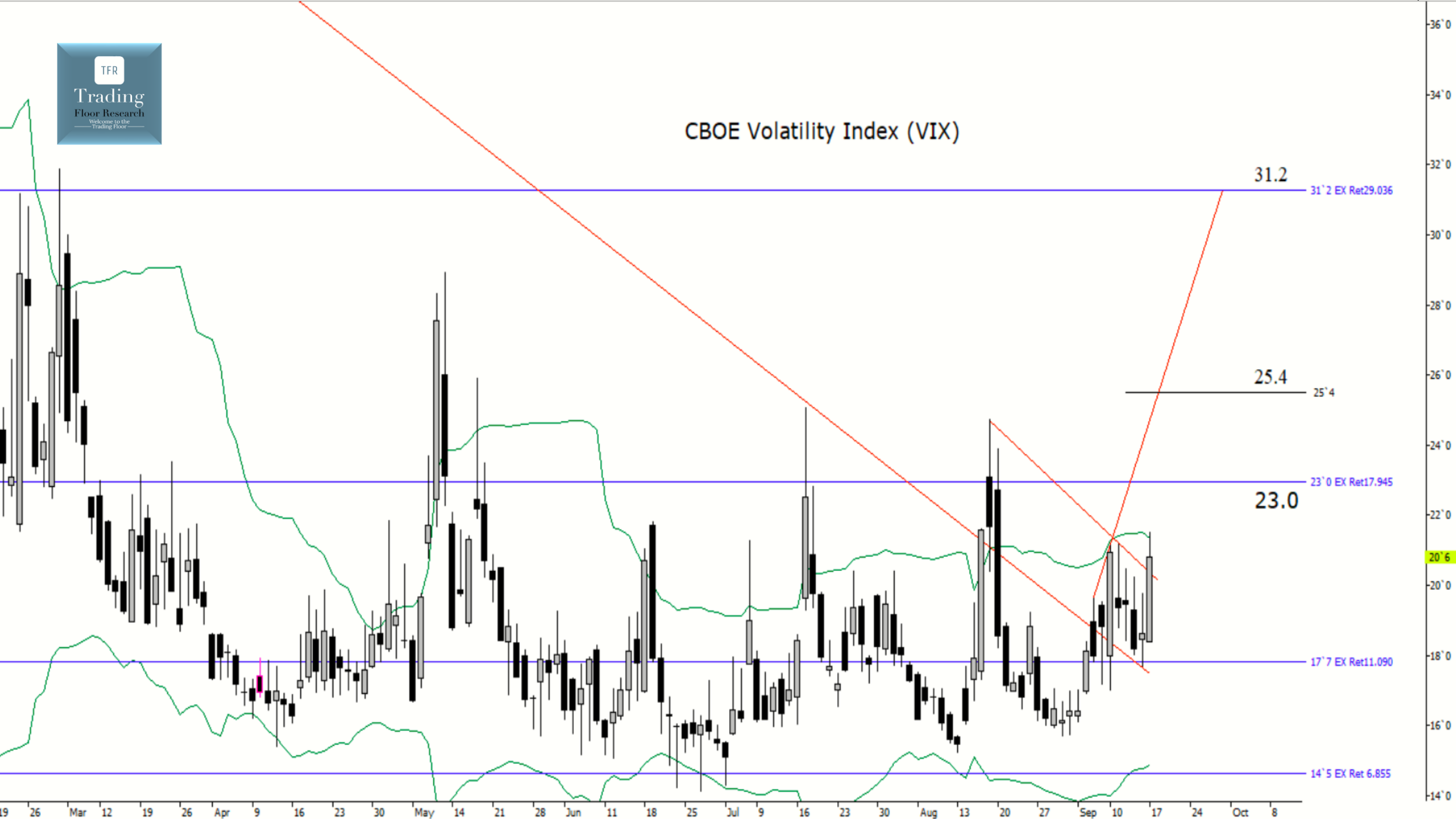


# CBOE Market Volatility Index (VIX) 30-minute chart





# CBOE Volatility Index (VIX)

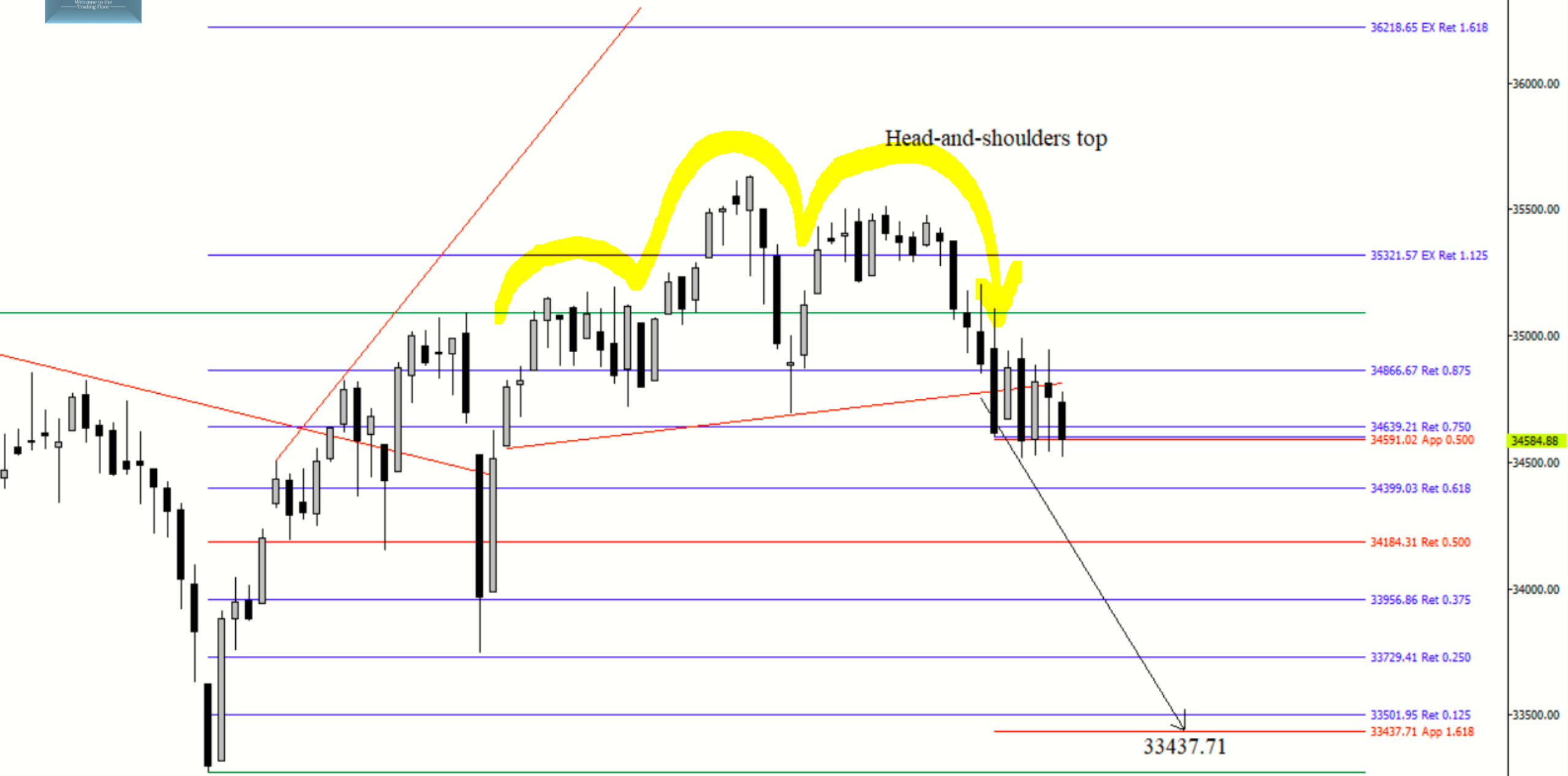


*The Major indexes look very weak.*

**The Dow Jones Industrial Average** completed a head-and -shoulders top this week and gave a 20-day closing low sell signal on September 10, 2021. Using the Head-and -shoulders top, the swing rule would indicate a minimum drop of 941 Dow points. This would get us back to our June lows at 33437.71. At that point, the VIX will give us a better indication if we have realized maximum fear. (refer to Chart)

**The S&P 500** has given over 5 distribution days in the past 20 trading sessions and broken a trendline from March 2021 on Friday to close at an 18-day low. Closing below the 50-day moving average on Friday has put this index in a very vulnerable position. The 50-day MA is where institutional traders are told to buy stock. Closing below the 50-day MA shows that institutions have temporarily given up on the market.

# Dow Jones Industrial Average





## *Steel Producers Sell Signal*

I pointed out in class on Thursday that the Steel Producers industry group gave a sell signal on Tuesday. Friday continued the move lower with a big down day in the Steel Producers and massive institutional distribution. Avoid this industry group for now. (Refer to chart)

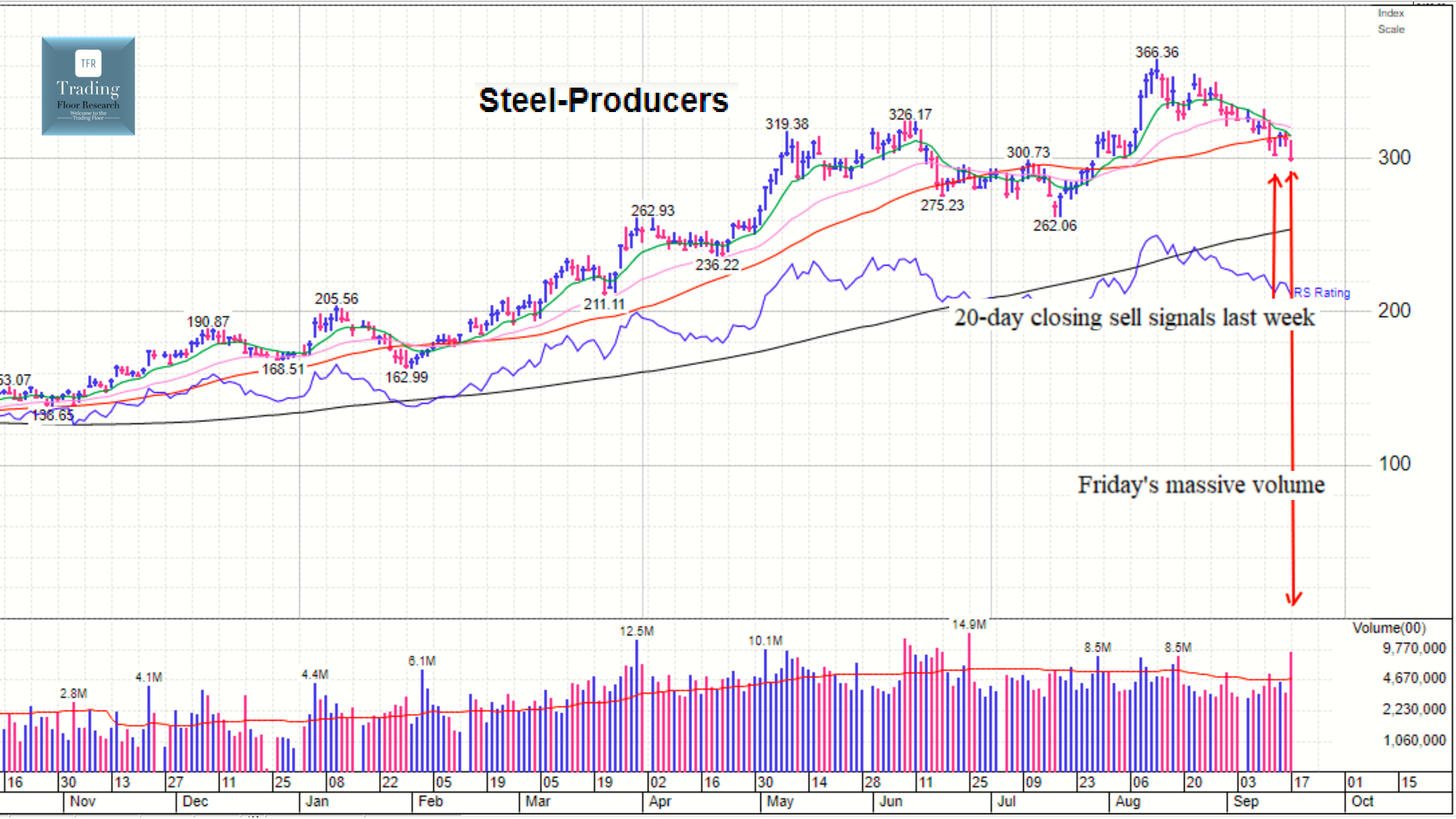
**Cleveland Cliffs (CLF)** Closed below Fibonacci support of 22.48-22.70 on Friday with massive volume. The next Fibonacci support is at 18.81. (Refer to chart)

**Mechel Pao ADS (MTL)** is headed back to Fibonacci support at 3.34.

**Arcelor Mittal (MT)** is headed lower and may trade to its next Fibonacci support at 28.43.

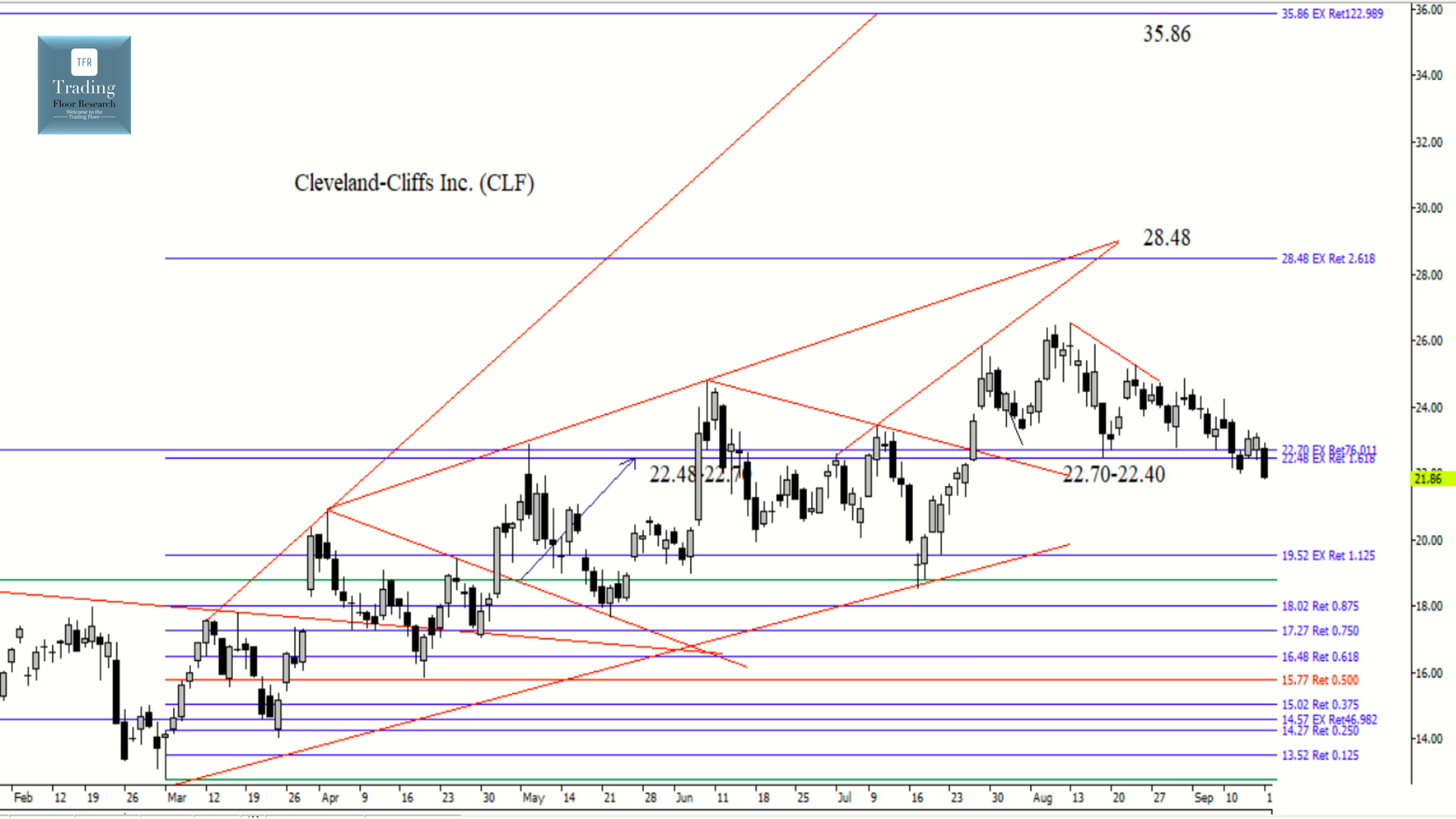


# Steel-Producers





# Cleveland-Cliffs Inc. (CLF)



*ProQR Therapeutics N.V. (PRQR)*

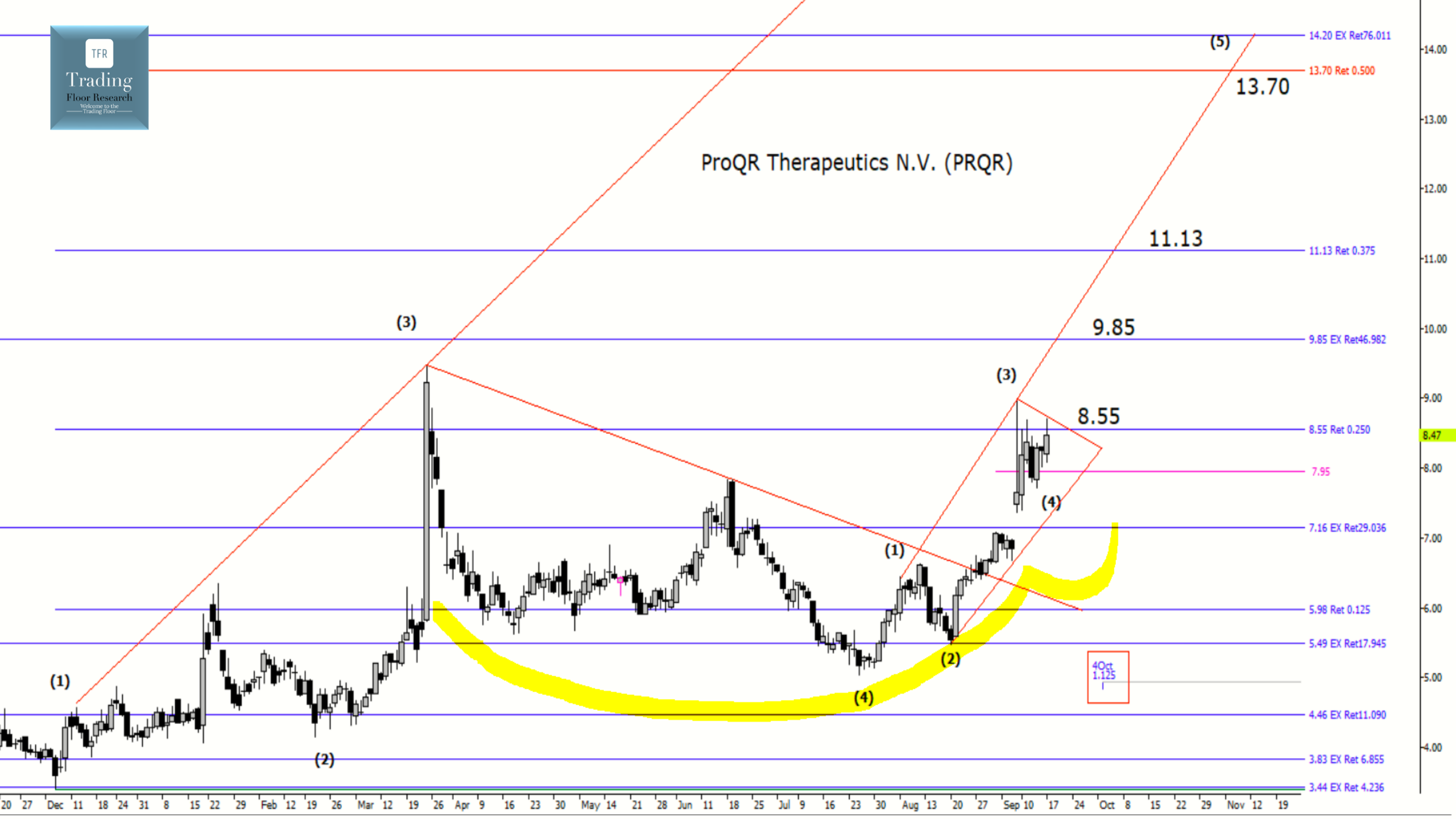
Amid all this negative, I spotted a biotech stock that could move higher next week. The stock looks so good; I had to include it in this weekend's report. Considering market conditions, I would keep position size small. The stock is ProQR Therapeutics N.V. The full report is on the next slide.

- New speculative buy candidate: **ProQR Therapeutics N.V. (PRQR)**
- Industry Group: **Medical Biotech**. The group currently ranks as the 50<sup>th</sup> strongest industry group in the market out of 197 and is down -7.32% YTD. The industry group has not given a buy signal. That is why the stock is considered a speculative buy.
- PRQR is a Netherlands based company that develops RNA therapies to stop or reverse vision loss. They focus drug development on a group of blinding disorders affecting the retina, called inherited retinal disease.
- PRQR recently announced a global licensing and research collaboration with Eli Lilly. The companies will use ProQR's proprietary Axiomer RNA editing platform to progress new drug targets toward clinical development.
- On Friday PRQR broke the trendline of the cup in a six-month cup-with-handle base. The six-month base started on March 25, 2021.
- On Friday PRQR gave a confirmation buy with a 30-minute signal but closed below Fibonacci resistance at 8.55.
- PRQR has a cycle turn date on October 4, 2021.
- **PRQR needs a 30-minute close back above 8.55 to confirm the signal. This will complete an over-under-over pattern on the 30-minute chart.**
- **Wait for text confirmation!**
- Initiate position with at 1-star(\*). Market concerns
- Under massive institutional accumulation with an Up/Down Volume ratio of 3.2.
- PRQR closed at **8.47 on Friday**.
- **PRQR VWAP is at 7.95. A close below the VWAP will end the upward momentum**
- Sell target price: **1<sup>st</sup> target is 9.85, 2<sup>nd</sup> target is 11.13, 3<sup>rd</sup> target is 13.70**
- Stop sellprice: End of day **Close** below 7.95.





# ProQR Therapeutics N.V. (PRQR)





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<sup>1</sup>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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