



# Trading Floor Research

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04/11/21

## This Trading Floor Research report contains:

- Analysis on last weeks market.
- Analysis on Amazon.com.
- Mudrick Capital Acquisition CL A (MUDS). A buy candidate in the SPAC industry group. Setting up after a merger announcement with Topps last week.



# Understanding the Stock Market

## Achieve Better Returns In Your 401K

1<sup>st</sup> Class is Thursday April 15, 2021 at the USW Burns Harbor Career Development Center.

In this class you will learn how to achieve consistent returns by using Fundamental & Technical Analysis.

A morning and afternoon class will be given:

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

Get on the right track with your investments

Invite a family member or friend

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## Industry Groups not giving buy signals is cause for concern.

The indexes clawed their way higher last week after the follow-through day and confirmed uptrend I wrote about on March 28. The way the S&P 500 and the NASDAQ went higher last week was a little troubling. Last week's move seemed to favor the cap weighted stocks in both the indexes. Most other stocks did not participate. Stocks like Amazon, Microsoft, Alphabet were taking the market higher. Being that they have a lot of weighting in a cap weighted index, it only takes a few of these stocks to make things look rosy to a casual observer.

The biggest problem was the lack of volume in all stocks. Confidence in a price move higher must come with increased volume. As the week progressed, the volume disappeared. If this continues stocks will fall on their own weight.

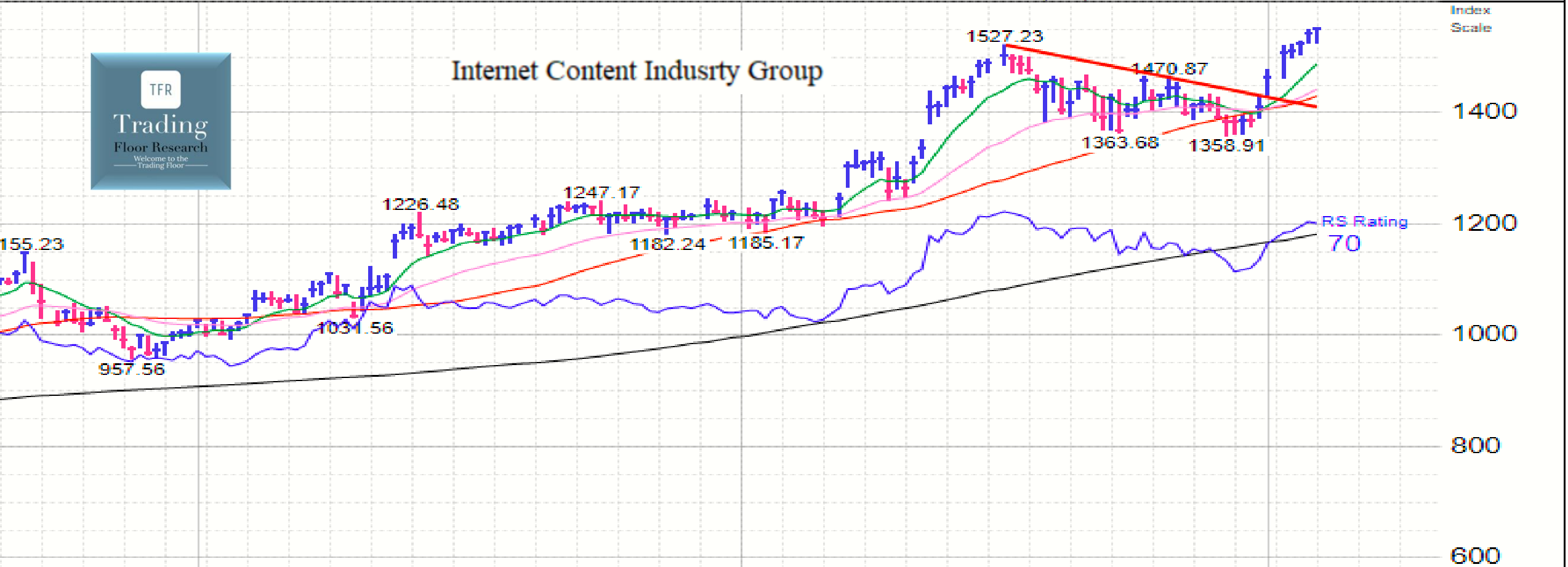
Even though it has been two weeks since the S&P 500 confirmed a new bull market, group leadership has not emerged. This has made it very difficult for me to get excited about buying stocks.

An example of this is the Internet Content industry group. You quickly notice that price has broken out on the chart on the next slide, but volume has not confirmed the move. Volume has declined as price has risen. The two biggest volume days in the last two weeks have been on down days. This is distribution. The move gave the group a 20-day closing high with decelerating volume. Therefore, the move has not triggered a buy signal. I see this price and volume behavior in many stocks and industry groups, and it sets up the potential for whipsaws to happen next week. So, I continue to be cautious.

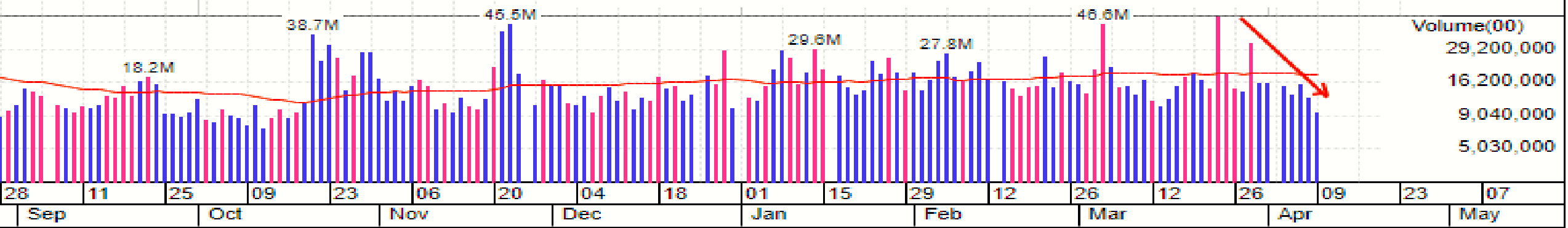




# Internet Content Industry Group



Price moving higher with decelerating volume is not a good thing!



## Amazon.com showed some positive price action last week, but not there yet

A closer look at Amazon shows how traders rallied the stock to the declining trend line that goes back to September 2, 2020. The push came from the unionization news reported on Friday. Amazon made a 20-day closing high with volume and closed above 50% of its base. The bulls are back in control, but Amazon will not confirm a buy signal until it closes above its declining trend line at 3380.25. I've included a chart on the next slide. Amazon is extended from its 10-day moving average and will probably pull back next week. It will try to retest its 50% Fibonacci number at 3210.50. From there I will watch for a constructive handle to form on the base. Continuing to monitor stocks like Amazon will give me clues as to the health of this market.







# Amazon.com Inc. (AMZN)



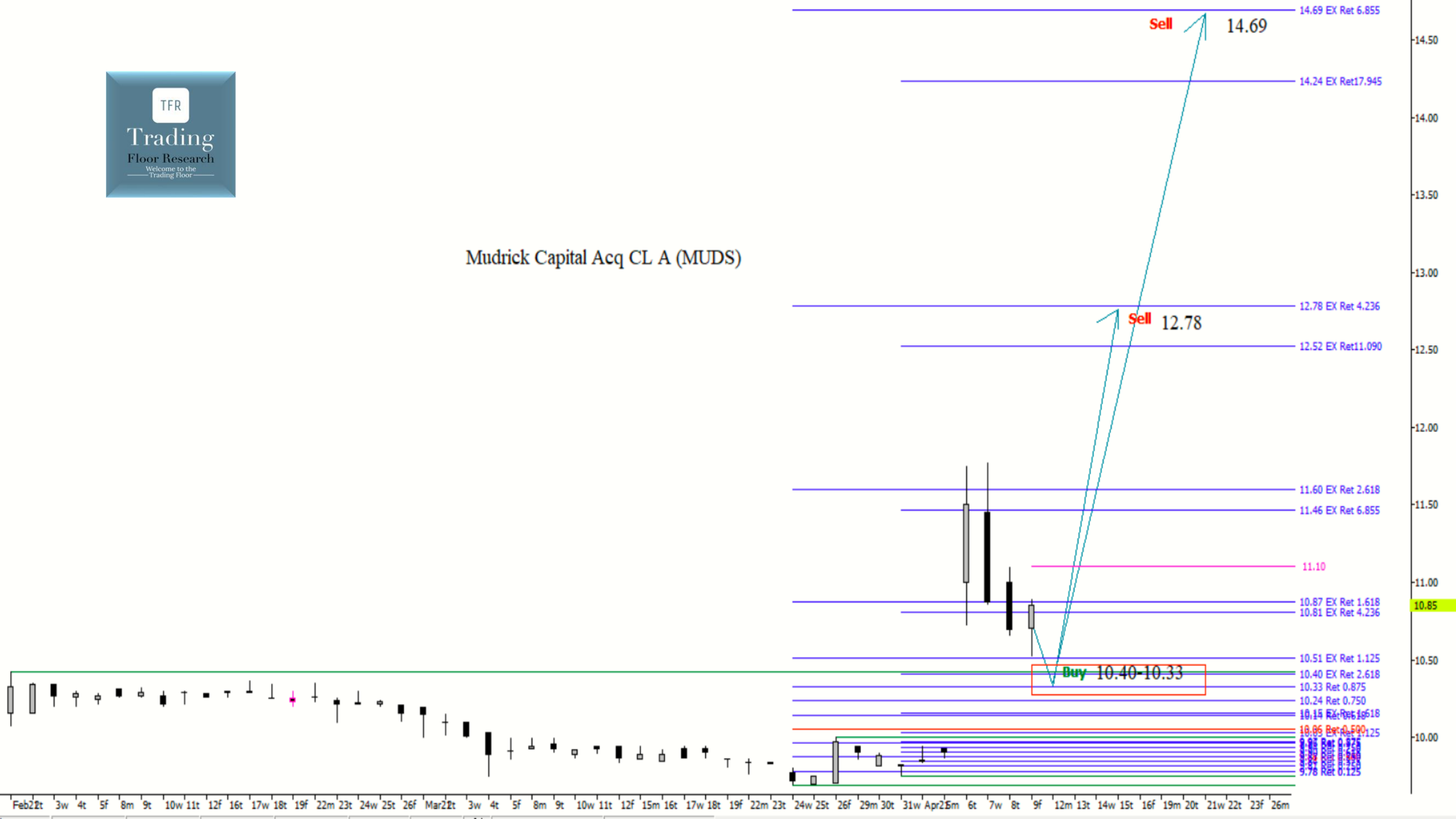
- Buy candidate: **Mudrick Capital Acquisition CL A (MUDS)**
- Industry Group: Special Purpose Acquisition Company (SPAC)/ Finance Blank Check.
- Mudrick Capital Acq (MUDS) is a SPAC that merged with Topps last week.
- MUDS/Topps offers the only stock play to take advantage of the Non-Fungible Token (NFT) craze in the markets. This could lead to sizable gains when blockchain companies break out of their bases.
- MUDS pulled back from its merger announcement on Wednesday last week to bounce off its 1 1/8 number and 10-day MA on Friday. Remember that **1/8's are the weakest number in the grid and bouncing off them can lead to explosive moves.**
- Friday afternoon MUDS started to rally and closed just under its next Fibonacci number at 10.87.
- Topps revenues and earnings are expected to expand with the baseball card market getting more interest through sports gambling and the rise in NFT's.
- Start position at 1-star(\*) (Market concerns)
- Under accumulation with an Up/Down Volume ratio of 2.5.
- MUDS closed at **10.85**.
- **1<sup>st</sup> Buy opportunity is a pullback to 10.40-10.33 range if it doesn't give a 30-minute buy signal at 10.90. That number is 50% of the price gap on the merger announcement day, and the 7/8 number.**
- Don't chase MUDS in this market. Let it come to you. (Expect whipsawing next week.)
- MUDS needs to close above the 11.10 VWAP number to confirm the move.
- Sell target prices: **1<sup>st</sup> target 12.78, 2<sup>nd</sup> target is 14.69.**
- Stop sell price: **Close** below **10.15**.







### Mudrick Capital Acq CL A (MUDS)





## Results of TFR closed positions

XPEV	Sold position	+41.83%	OTIC	Sold position 12/22/20	+41.80%
DADA	Stopped out	-12.6%	BTBT	Sold position 12/30/20	+101.15%
GPRO	Stopped out	-2.31%	LUNG	Sold position 12/31/20	+41.88%
FUV	Sold position	+67.34%	GBTC	Sold position 01/05/21	+95.29%
BLNK	Sold position	+76.25%	ZKIN	Sold ½ position 01/05/21	+28.57%
OPTT	Sold ½ position	+128%	TGC	Sold position 01/28/21	+309.82%
OPTT	Stopped out 1/2 position	+49.13%	SNMP	Sold position 01/28/21	+122.58%
BBIO	Sold Position	+21.81%	GP	Sold position 01/25/21	+41.29%
CVAC	Sold Position	+66.81%	GMDA	Sold position 01/26/21	-6.87%
NGMS	Stopped out	-11.22%	TUSK	Sold position 01/27/21	+1.77%
EH	Sold Position	+61.78%	ZKIN	Sold position 01/27/21	+16.17%
UFAB	Sold Position	+43.60%			

## Results of TFR closed positions



CLIR	Sold position 01/28/21	+17.44%
VVPR	Sold position 01/27/21	+34.13%
CHNR	Sold position 01/27/21	-18.01%
ARYA	Sold position 02/08/21	+95.26%
USWS	Sold position 02/18/21	+217.90%
ARYA	Sold position 02/27/21	0.00%
NBAC	Sold position 02/26/21	-6.87%
SDPI	Sold position 02/26/21	+8.42%
BRN	Sold position 02/26/21	-14.15%
FURY	Sold position 02/26/21	-22.52%
GHSI	Sold position 02/25/21	-30.33%



## Results of TFR closed positions

OGEN	Sold position 02/26/21	0.00%
TTOO	Sold position 02/25/21	+33.85%
THCA	Sold position 02/26/21	-6.14%
XELA	Sold position 02/26/21	-10.29%
AMST	Sold position 02/26/21	+6.45%
TUSK	Sold position 03/19/21	-23.69%
MBII	Sold position 03/24/21	+23.91%
PANL	Sold position 03/24/21	-1.85%





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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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