



TFR

Trading Floor Research

Welcome to the
— Trading Floor —



This Trading Floor Research report contains:

- S&P 500 (SPX). Update
- Galera Therapeutics (GRTX)
- Trevi Therapeutics (TRVI)
- Sovos Brands (SOVO)
- Vita Coco Company Inc. (COCO)

Still Setting up from last week.

- Direxion Daily Tesla (TSLA) Bear 1X ETF (TSLS)

S&P 500

Friday, the S&P 500 overshot a high probability pattern that was set up for the next impulse move lower. A Throwback into the trendline from the March low was cutting across 50% of the weekly range at 4117.60.

Closing above 4117.60 could lead to more upside and did not justify holding an inverse market position. That is why I recommended taking off the remainder of the ProShares UltraPro Short Dow 30 (SDOW) position on Friday afternoon.

The most significant probability was for the S&P 500 to stop and reverse at the 4117.60 critical number.

If the S&P 500 can close above the substantial 50% number from the bear market high to the bear market low at 4155.10, Friday's move will become a broken pattern.

Broken patterns can become fiercer in the opposite direction than the original pattern. Even if we get a quick move higher, the market will only have a sustained breakout when big up days come with significant volume.

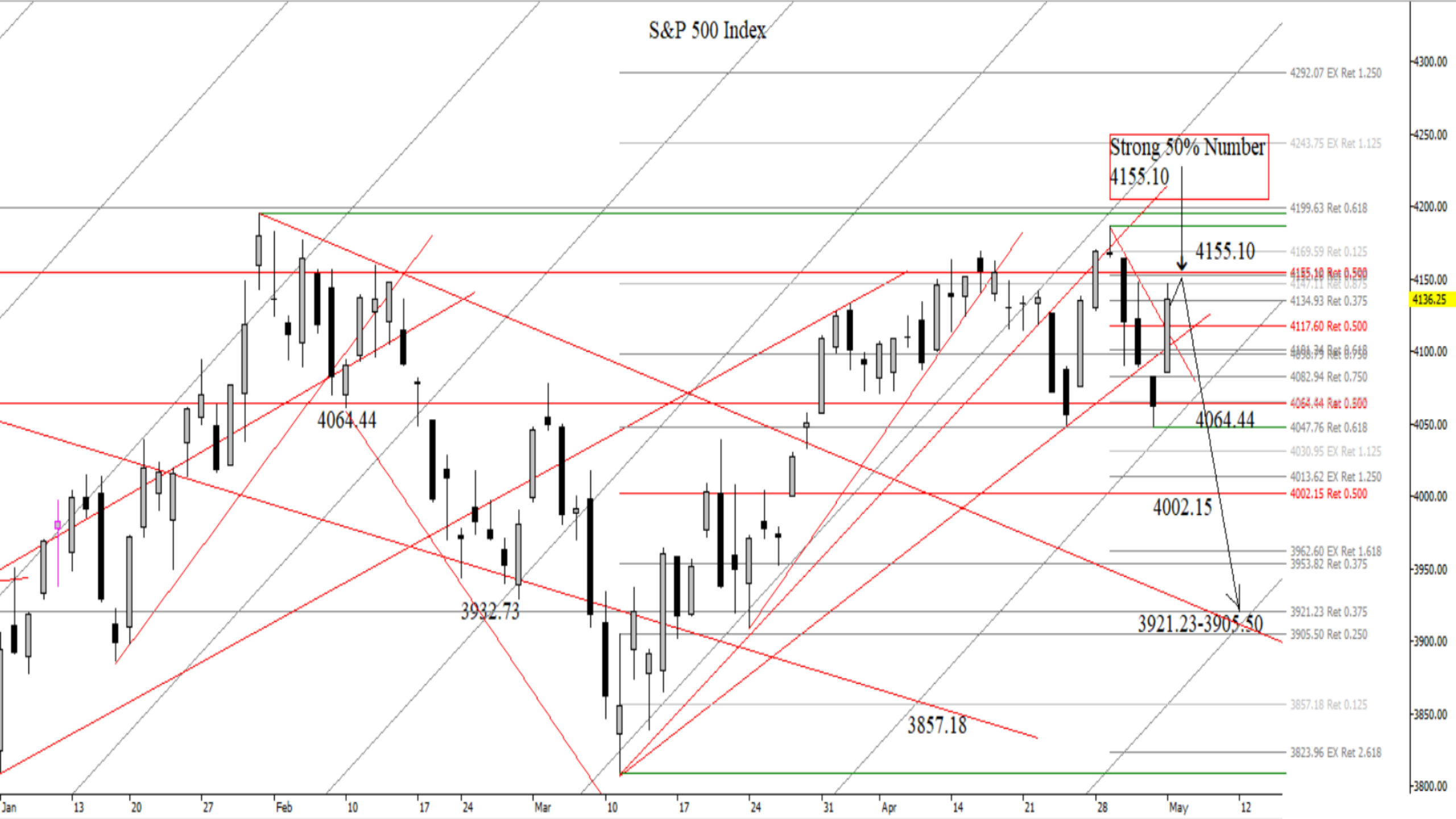
The greater volume last week was on the down days as the S&P 500 tacked on two additional distribution days. The S&P 500 has had five distribution days in the past 12 sessions. Five or more distribution days in this short period have led to significant market declines.

In addition, most market sectors are in sell signals. The only sectors in a buy are Healthcare, Utilities, and Consumer Defensive. The market is likely to go lower after any short-term surge. Closing below Fibonacci support at 4064.44 will send the market lower.

Friday, the SPDR S&P Regional Banking ETF (KRE) shot up to 38.49 at its high and closed at 38.39. The high was two cents above the critical Fibonacci resistance at 38.47. KRE is very weak but still short-term oversold and could take a couple more days before it resumes its downtrend.

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

S&P 500 Index



Industry Group & Sector Analysis

The **Consumer Defensive** sector gave a buy signal on Friday, April 28. The two Consumer Defensive industry groups in buy signals showing the most significant promise for further advance are **Beverages-Soft drinks** and **Packaged Foods**.

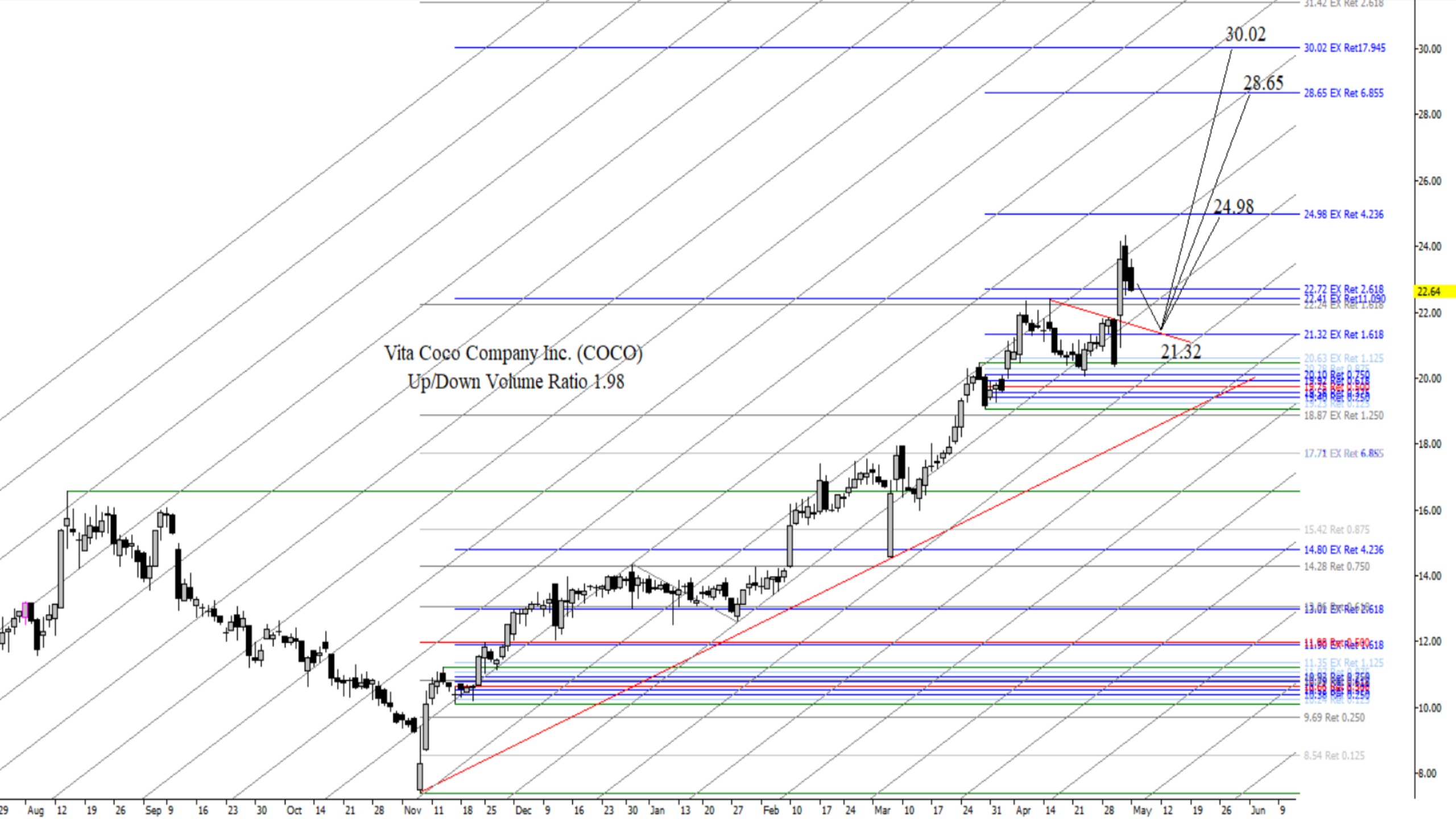
Beverages Soft Drink stocks like **Monster Beverage Corporation (MNST)** and **Coca-Cola Euro Pacific Partners PLC (CCEP)** are leaders but short-term extended.

The **Vita Coco Company Inc. (COCO)** is a stock setting up at low-risk entry in the group. After a pullback to Fibonacci support at 21.32, it can be bought. (Refer to COCO chart)

The stock is highlighted in today's report. **Sovos Brands (SOVO)** is breaking out of its Primary base in the **Packaged Food** industry group. **Sovos Brands (SOVO)** is featured in today's report.

The **Healthcare sector** is still looking strong since its buy signal on April 5, 2023. The **Biotechnology** industry group is emerging with sector strength as Biotech stocks continue to pop. In this report, I highlight two biotechs, **Trevi Therapeutics (TRVI)** and **Galera Therapeutics (GRTX)**.

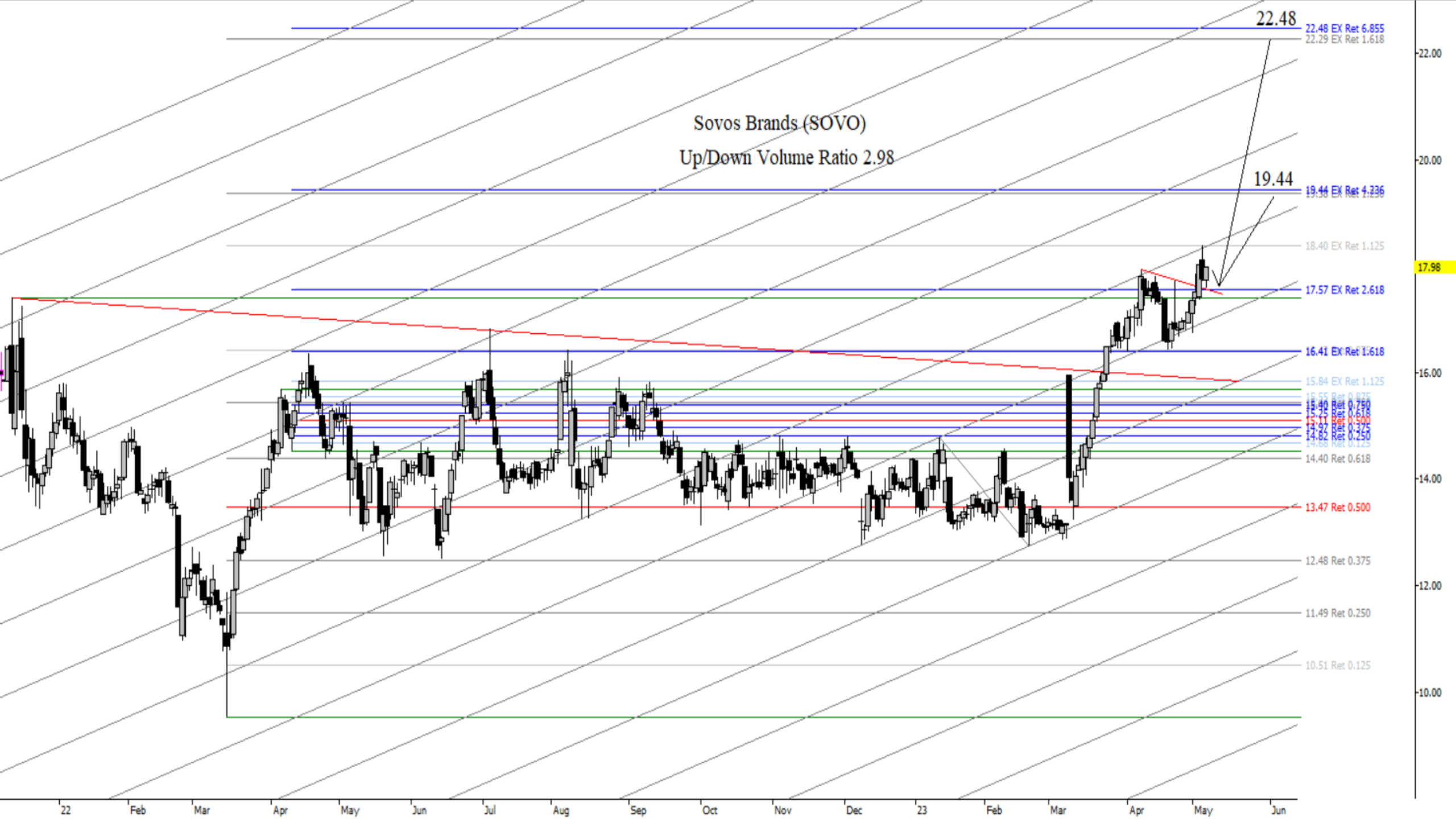
The bears are in control of the Russell 2000 and indicate "**Risk-Off**" in the markets.



BUY candidate: Sovos Brands (SOVO)

- Industry Group: **Packaged Food**. The Packaged Food group currently ranks as the 89th strongest industry group of 197 and is up 5.46% YTD. **Packaged Food** gave its most recent buy signal on May 01, 2023.
- **Sovos Brands (SOVO)**, headquartered in Louisville, KY, is taking small quality food brands with high growth potential and converting them to market leaders.
- **Sovos Brands (SOVO)** was an IPO on September 23, 2021. Twenty-one months later, it is completing the handle of its primary base. Confirmation of the Primary Breakout (PBO) will happen with a 30-minute close above 18.00. Earnings are in 3 days and add additional risk to the trade.
- **Sovos Brands (SOVO)** is a buy with a 30-minute confirmation at 18.00.
- **Wait for text confirmation!**
- Initiate position with a 2-star(**).
- Under massive institutional accumulation with a Daily Up/Down Volume ratio of 2.98.
- Sovos Brands (SOVO) closed at **17.98**.
- Sovos Brands (SOVO) VWAP is at 14.49
- Sell target prices: **1st target is 19.44; 2nd target is 22.48**.
- Stop sell price: **Close** below **17.57**.

Sovos Brands (SOVO)
Up/Down Volume Ratio 2.98



Buy candidate: Direxion Daily Tesla TSLA Bear 1X ETF (TSLS)

*Portfolio: **Short Tesla Inc. (TSLA)**. This trade is designed to move inverse to the daily performance of Tesla Inc. (TSLA).*

In January and February, Tesla Inc. (TSLA) doubled in price from its lows, and I highlighted the trade as a Long-Tail down pattern in the December 28, 2022, newsletter.

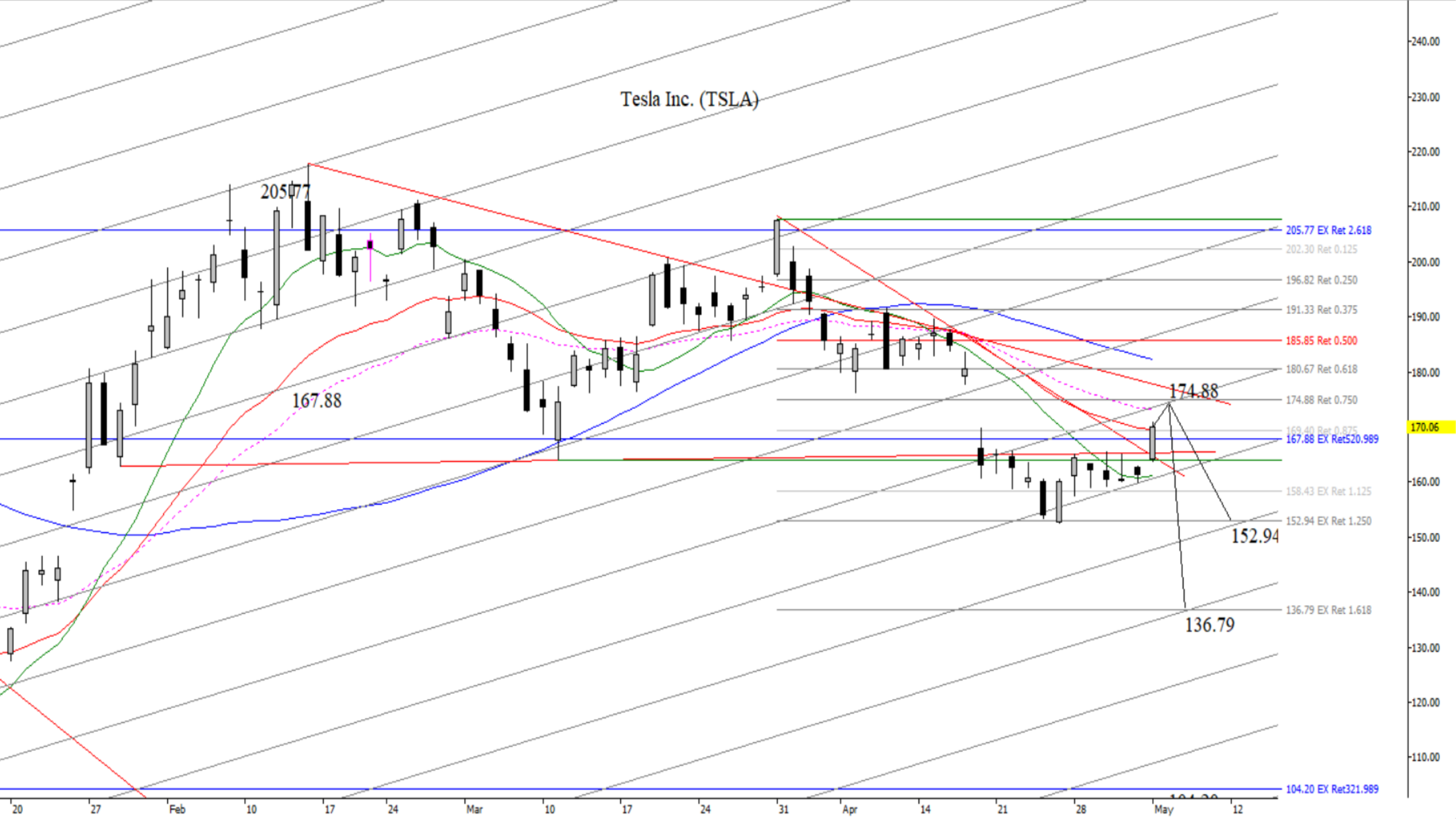
Tesla Inc. chopped around in March as buying pressure and profit takers kept the stock sideways. By April, the stock was under intense distribution. The Up/Down Volume ratio moved from 1.97 to .75. Anything below one indicates distribution. Moving from massive accumulation to distribution in one month is not a good sign for TSLA to continue moving higher.

At the same time, the Point & Figure chart showed a spread triple bottom breakdown at 178 and a break in the 45-degree trendline from the January lows. This is an extremely bearish pattern.

The stock is throwing back into its broken bullish resistance line on the Point & Figure chart and Fibonacci resistance at 167.88.

*After the retracement is complete and I get confirmation on the 30-minute chart, I will short the stock using the new **Direxion Daily Tesla TSLA Bear 1X ETF (TSLS)**. This ETF is designed to take advantage of a lower move in Tesla Inc. by corresponding to 100% of the inverse daily performance of the stock.*

Tesla Inc. (TSLA)



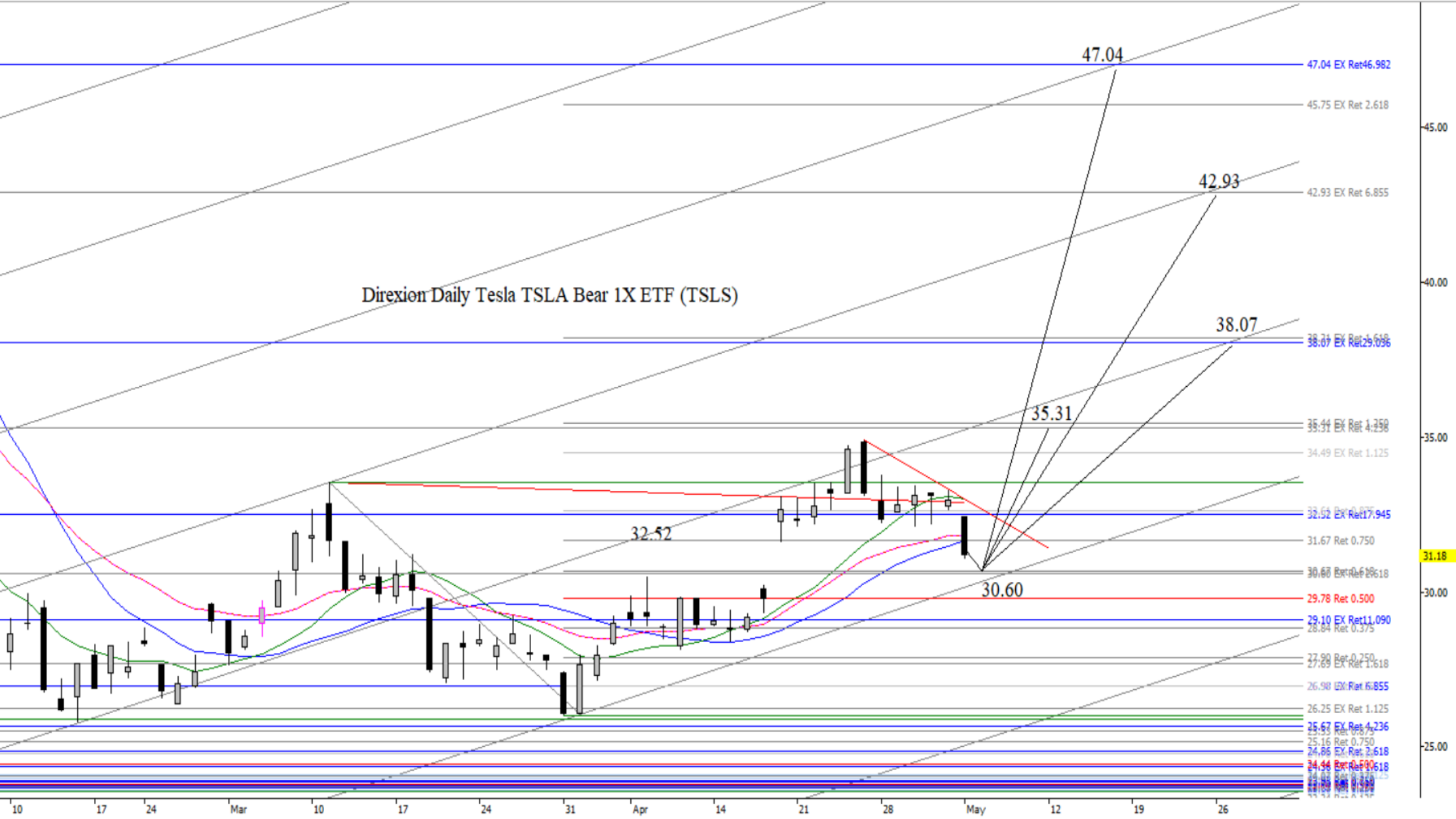


Buy candidate: Direxion Daily Tesla TSLA Bear 1X ETF (TSLS)

- *Portfolio: Short Tesla Inc. (TSLA). This trade is designed to move inverse the daily performance of Tesla Inc. (TSLA).*
- *Tesla Inc. (TSLA) rallied beyond the Fibonacci target at 167.88 on Friday and closed at 170.06. At the same time, the stock rallied into its Bullish resistance line on the Point & Figure chart. Closing back below 167.88 and a 30-minute sell signal will offer a great shorting opportunity. I will short the stock using the Direxion Daily Tesla TSLA Bear 1X ETF (TSLS).*
- *50% of Tesla Inc.'s (TSLA) earnings gap on April 20 is 174.13. The stock could rally to 174.13 before it reverses.*
- *The Direxion Daily Tesla TSLA Bear 1X ETF (TSLS) has its next Fibonacci support at 30.60. I will purchase shares with a 30-minute confirmation.*
- *Wait for text confirmation!*
- *Start position at 2-star(**).*
- *Direxion Daily Tesla TSLA Bear 1X ETF (TSLS) closed at 32.33.*
- *Direxion Daily Tesla TSLA Bear 1X ETF (TSLS) VWAP is at 34.10.*
- *Sell target price: 1st target is 35.31; 2nd target is 38.07; 3rd target is 42.93; 4th target is 47.04.*

Stop sell price: Close below 30.60.

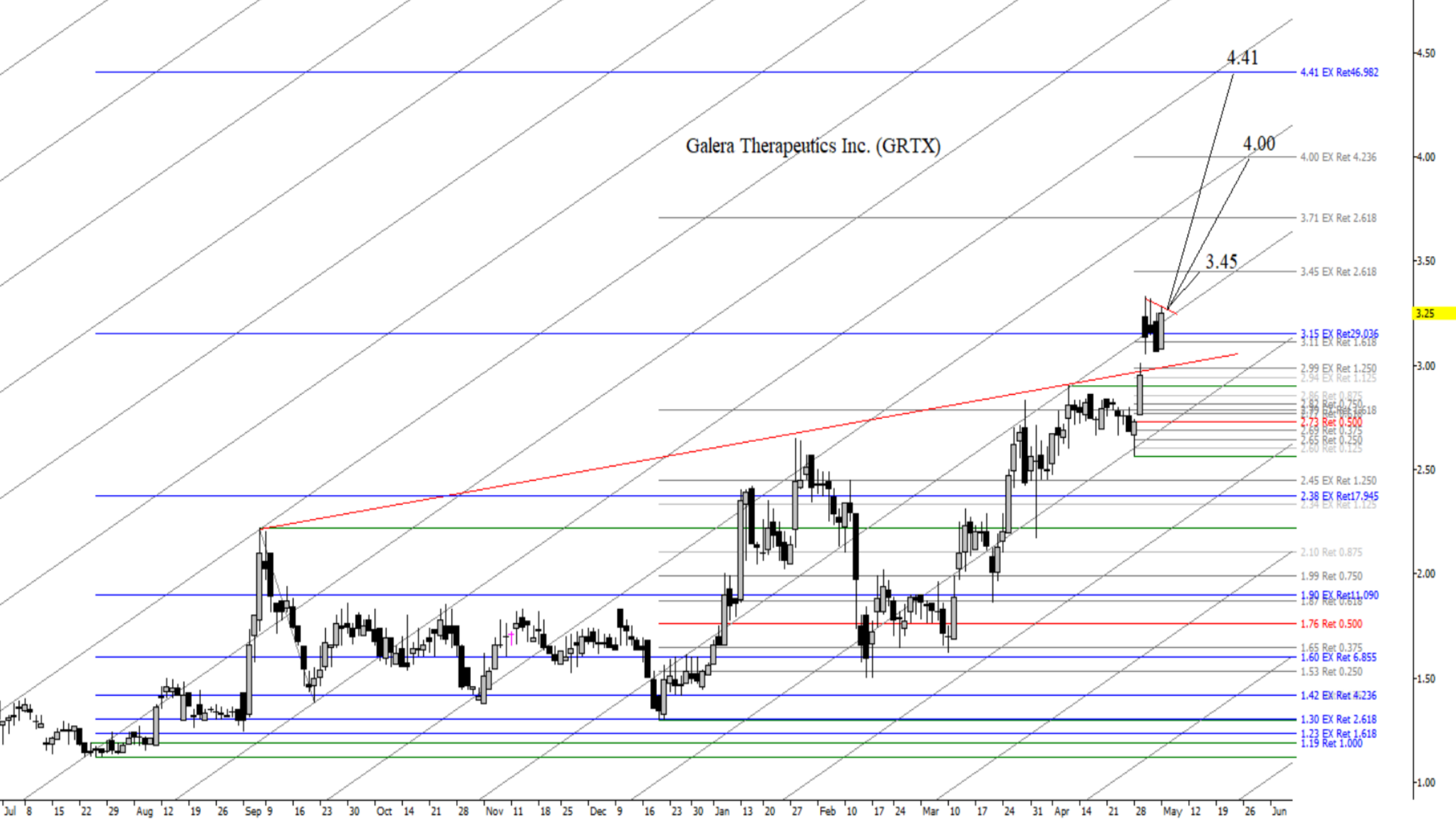
Direxion Daily Tesla TSLA Bear 1X ETF (TSLS)



BUY candidate: Galera Therapeutics (GRTX)

- Industry Group: **Medical Biomed/Biotech**. The group currently ranks as the 17th strongest industry group of 197, up 3.26% YTD. The **Medical sector** gave its most recent buy signal on April 05, 2023, and the Biotech industry group gave a buy signal on Thursday, April 13.
- **Galera Therapeutics (GRTX)** develops novel therapies to improve treatment and outcomes for patients with cancer.
- **Galera Therapeutics (GRTX)** gapped above Fibonacci resistance above 3.15 last week. Basing above 3.15 sets the stage for the stock to move to the next Fibonacci target at 4.41. There is resistance from the VWAP at 3.39.
- **Galera Therapeutics (GRTX) will confirm with a break of the 30-minute trendline at 3.28.**
- **Wait for text confirmation!**
- Initiate position with a 2-star(**).
- Under institutional accumulation with a Daily Up/Down Volume ratio of 1.60.
- Galera Therapeutics (GRTX) closed at **3.25**.
- Galera Therapeutics (GRTX) VWAP is at **3.39**
- Sell target prices: **1st target is 4.41**
- Stop sell price: **Close** below **3.15**.

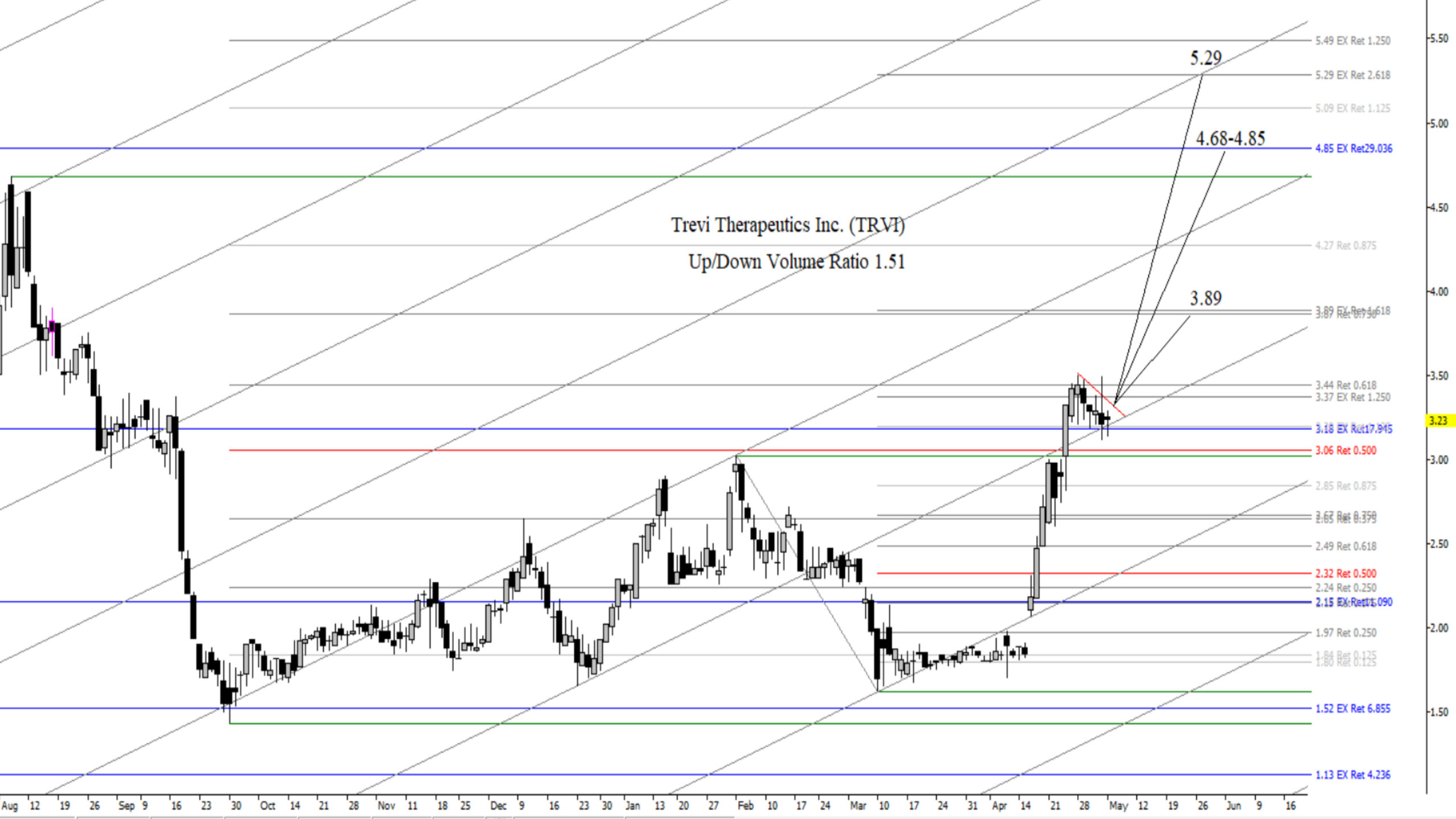
Galera Therapeutics Inc. (GRTX)





BUY candidate: Trevi Therapeutics (TRVI)

- Industry Group: **Medical Biomed/Biotech**. The group currently ranks as the 17th strongest industry group of 197, up 3.26% YTD. The **Medical sector** gave its most recent buy signal on April 05, 2023, and the Biotech industry group gave a buy signal on Thursday, April 13.
- **Trevi Therapeutics (TRVI)** develops treatments for chronic cough.
- **Trevi Therapeutics (TRVI)** has been basing above its Fibonacci support at 3.18 for the past eight sessions. The basing has allowed the 10-day moving average to catch up and alleviate overbought conditions. The pattern is also the completion of a cup-with-handle base that started in August last year.
- **Trevi Therapeutics (TRVI) will confirm with a 30-minute buy signal at 3.29.**
- **Wait for text confirmation!**
- Initiate position with a 2-star(**).
- Under institutional accumulation with a Daily Up/Down Volume ratio of 1.51.
- Trevi Therapeutics (TRVI) closed at **3.23**.
- Trevi Therapeutics (TRVI) VWAP is at 2.43
- Sell target prices: **1st target is 3.89; 2nd target is 4.68-4.85; 3rd target is 5.29**
- Stop sell price: **Close** below **3.06**.







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