



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

02/21/23



This Trading Floor Research report contains:

- S&P 500 (SPX). Update

02/21/23

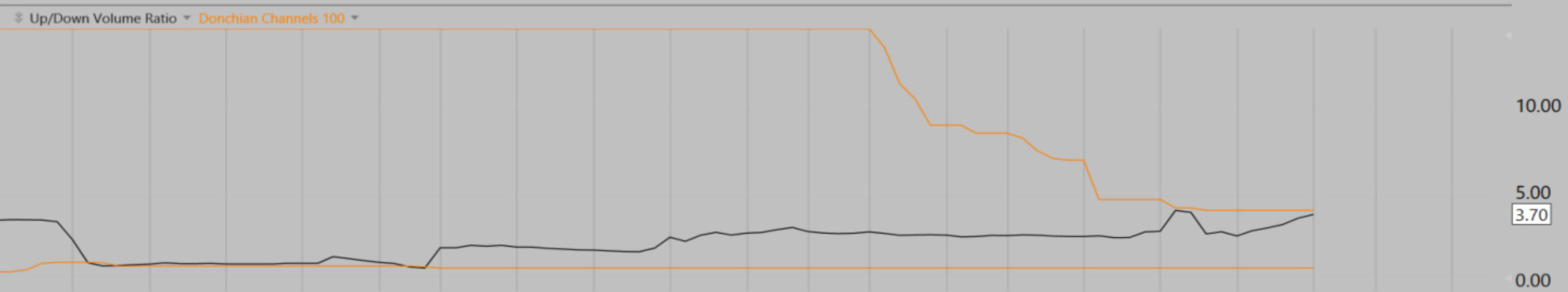
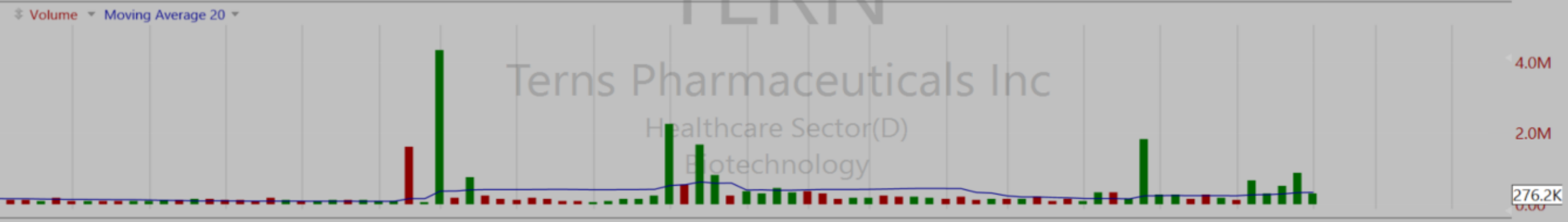


This Trading Floor Research report is the weekly follow-up:

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

- ***Terns Pharmaceuticals Inc. (TERN)*** is an incredibly strong stock. As the market has been getting smoked, TERN is trading above its 10-day moving average and hitting new highs on above-average volume. The market's weight can't pull the stock down to the 10-day moving average. Only the strongest stocks can do this. The Up/Down volume ratio is at 3.70 and hitting 100-day highs, which indicates the stock is under massive accumulation. Breaking out of the Cup-with-handle base and closing above 11.00 has set the stage for TERN to go considerably higher. Today's close at 10.70 was TERN's best since October 2021. The next targets are 14.43 and 15.67. (Refer to TERN Chart)

Terns Pharmaceuticals Inc. (TERN)





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- **Olympic Steel Inc. (ZEUS)** was bought at 40.53 and hit a new high at 50.07 on Friday. Today, the stock got pulled down by the overall weakness in the market. The pullback to the stock is just below the 10-day moving average in a pocket of price support. The Steel Producers and Coal industries are the only groups left in a buy signal from the Basic Materials sector. Olympic Steel will push higher if Steel Producers stay in a buy. The next Fibonacci target is at 52.65.*
- **Borr Drilling Limited (BORR)** hit a new high of 7.30 three days ago. The high was very close to the 7.45 number at the lower range of my target zone. Unfortunately, the **Oil & Gas Drilling** industry group gave a sell signal today. The group's strength kept it from joining the rest of the weak **Energy** sector. But Friday's sell signal in the Energy sector and the bullish percent hitting bear market territory was enough weakness to drag drillers down with the rest of the sector. I sold the remainder of the BORR position today.*



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- *2X Long VIX Futures ETF (UVIX) was up 14.40% today as volatility is expanding again. After the market rally over the next few days concludes, I will add to the UVIX position. I am looking for the CBOE Volatility Index to return to around 21 over the next few days. This is where I will add to the UVIX position.*
- **Direxion Share ETF Trust Daily GOOGL Bear 1X Shares (GGLS)** finished the day up 2.54% as Shares of GOOGL moved in the opposite direction. Today's move lower in GOOGL increased the probability of a winning position in our GOOGL short. I will add to the GGLS position if GOOGL can rally to 92.72. The next time cycle turn date is February 24. Look for price to rally into this date. (Refer to Chart of GOOGL)

Alphabet Inc. CL A (GOOGL)
Up/Down Volume Ratio .86



S&P 500

The S&P 500 closed at its first downside target number today.

The S&P 500 suffered a -2.00% loss on the first day of trading after the bears claimed victory at the critical 4155.10 number.

Today's close landed on the first downside target number at 3997.57. This is a substantial number as it marks 50% of the range from the August 2022 high to the October 2022 low.

The number also coincides with the lower channel line from the October 2022 low, which comes on the cycle turn date of February 21, 2023.

Three days of intense selling has put the S&P 500 in a very oversold position. The TFR Trading Channel indicator is more oversold than the October and December 2022 low.

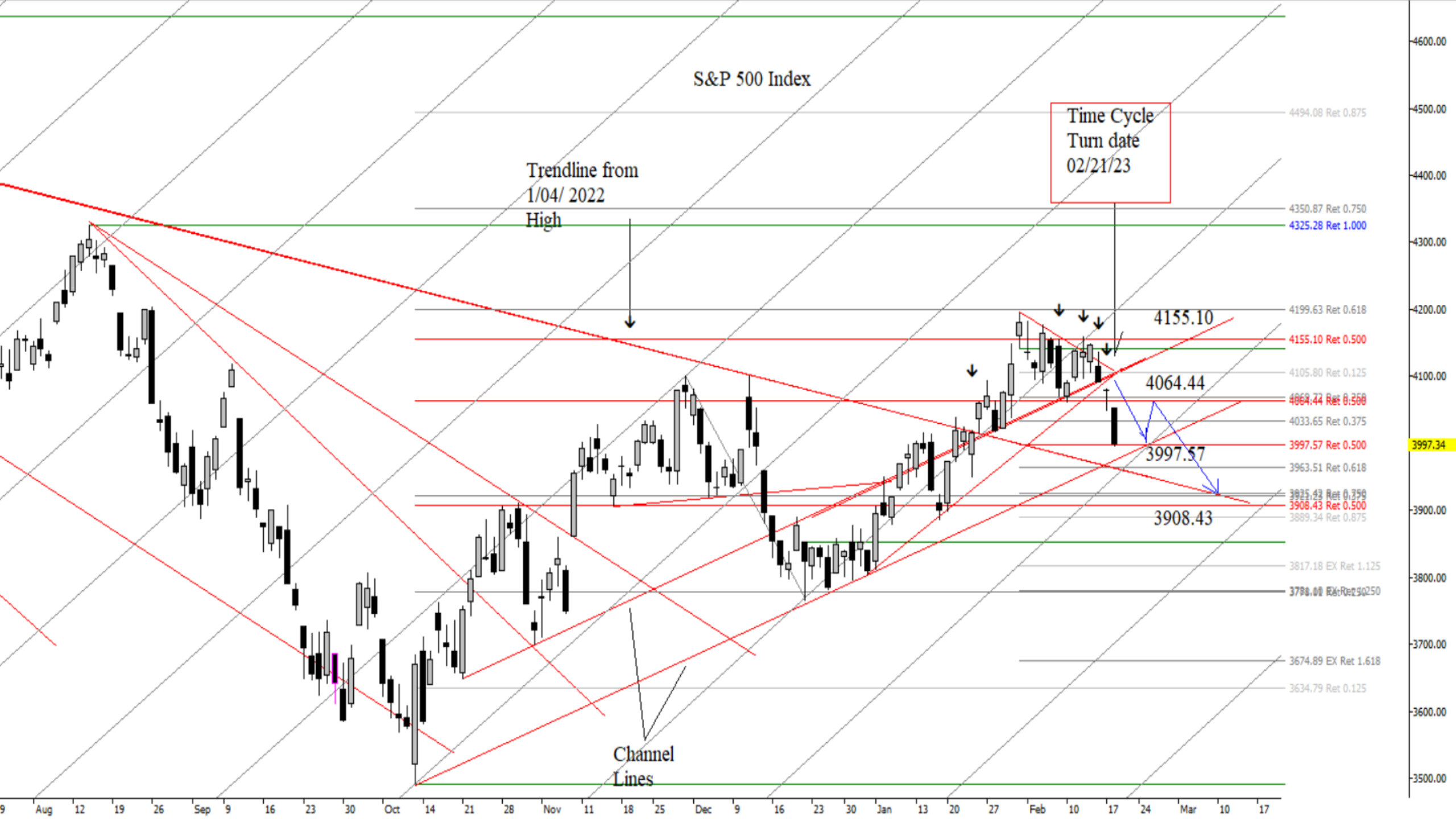
Closing at the 3997.57 target number on a cycle turn date in a very oversold market should provide a bounce for the next few days.

I will be using the bounce to add more inverse ETF positions and add to the **2X Long VIX Futures ETF (UVIX)**. I will add inverse ETFs like the **ProShares UltraPro Short QQQ (SQQQ)** and the **Direxion Daily S&P 500 Bear 3x (SPXS)**. These will be some of the ETFs I will add at the bounce conclusion. A full write-up will be in the weekend newsletter.

The Fibonacci targets on the bounce are **4064.44** and **4105.88**.

I recommend caution and 85% cash

S&P 500 Index



Trendline from
1/04/2022
High

Time Cycle
Turn date
02/21/23

Channel
Lines

4155.10

4064.44

3997.57

3908.43

3997.34



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