



# 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)*

- *Warrior Metallurgical Coal Inc. (HCC). A New Buy candidate in the Energy Coal industry group.*
- The CBOE Volatility Index (VIX) and what it is telling us about the next market selloff.
- Petroleo Bras Partners ADR Preferred A (PRB.A) confirmed a buy today.
- Chevron Corp. (CVX) confirmed a buy today.





## Essential Lessons for Stock Market Success.

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 **Energy** and **Financial Services** sectors are in a buy signal.

The solid **Energy Sector** was again the best performing sector, up 2.93%. More stocks in the sector are setting up in constructive bases, and institutional money flow is getting stronger. The stocks are very under-owned. Institutions are very reluctant to buy but will be forced to as the sector gets stronger.

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 Friday, the VIX signaled the market would rally this week after closing below the 31.2 Fibonacci target and giving a 30-minute sell signal.

Today, the VIX closed under the 23.0 Fibonacci target but held up at the trendline just below the target number at 21.96. Closing back above 23.0 in the next couple of days will indicate another market selloff.

If we close below 21.96, the market rally will continue. Watch for the VIX to move lower and hit the 17.70 target number. (Refer to VIX Chart).

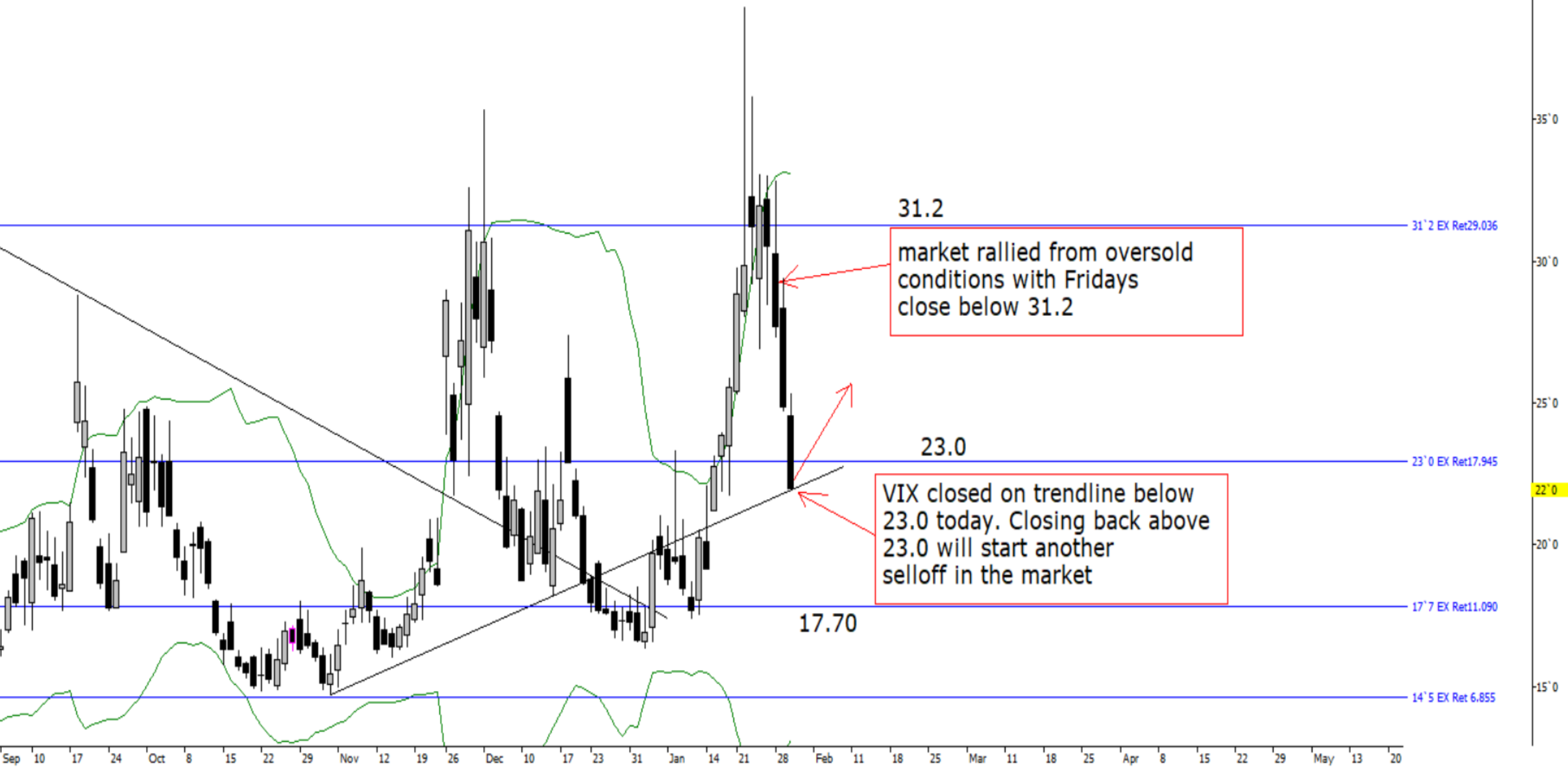
The **NASDAQ market gave a follow-through day yesterday**. This increases the probability that the market has put in a low.

*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.

Wait for "Risk On" to get aggressive!

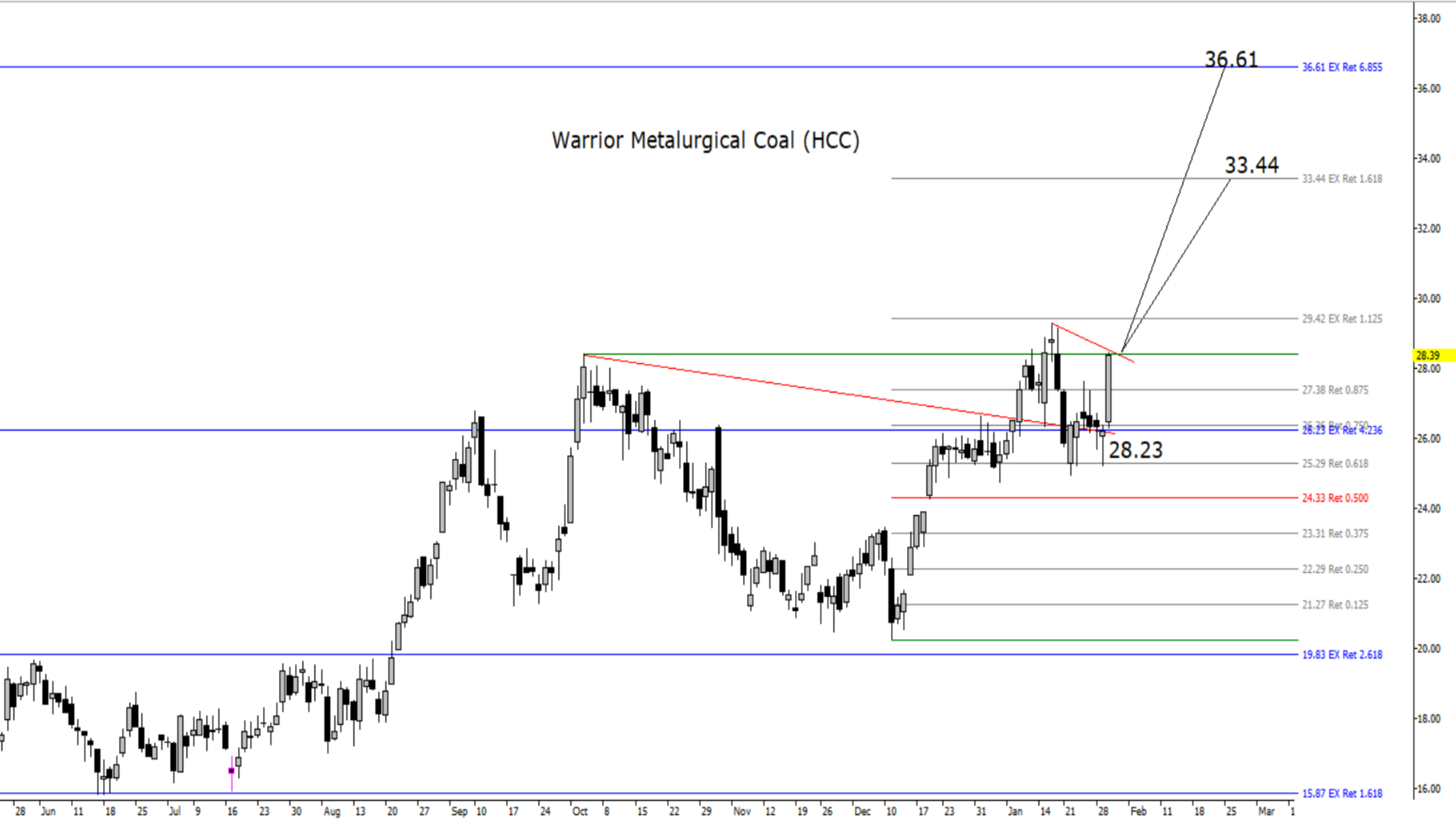
# CBOE Volatility Index (VIX)



## Buy candidate: Warrior Metallurgical Coal Inc. (HCC)

- Industry Group: **Energy Coal**. The group currently ranks as the 2<sup>nd</sup> strongest industry group out of 197 and is up 7.50% YTD. The group gave a 20-day closing high on 01/12/2022 with above-average volume.
- *Warrior Metallurgical Coal Inc. (HCC)* is a producer and exporter of metallurgical coal in Alabama. Metallurgical coal is used in the production of steel.
- *Warrior Metallurgical Coal Inc. (HCC)* is ready to break out of its IPO base that started in May 2019. IPOs in a strong group offer tremendous profit potential.
- *Warrior Metallurgical Coal Inc. (HCC)* will confirm a buy signal with a 30-minute and daily close above Fibonacci resistance at 28.40 on above-average volume.
- Wait for a text confirmation!
- Initiate position at 2-star(\*\*)
- Under massive institutional accumulation with an Up/Down Volume ratio of 2.19.
- *Warrior Metallurgical Coal Inc. (HCC)* closed at 11.43.
- *Warrior Metallurgical Coal Inc. (HCC)* VWAP is at 21.46.
- Sell target prices: 1st target is **33.44**; 2nd target is **36.61**
- Stop sell price: Close below **28.23**.

# Warrior Metalurgical Coal (HCC)



## Petroleo Bras Partners ADR Preferred A(PBR.A)

- **Industry Group: Oil & Gas Integrated.** The group currently ranks as the 16th strongest industry group out of 197 and is up 11.75% YTD. The group gave a 20-day closing high on 01/11/2022 with above-average volume.
- **Petroleo Bras Partners ADR Preferred A (PRB.A)** is a preferred stock with an 18% dividend of a Brazil-based company engaged in the exploration, refining, production, and distribution of oil and gas. The preferred has more institutional accumulation than the common share PBR and pays a higher dividend. The more significant total return potential is why I chose the preferred stock.
- Petroleo Bras Partners ADR Preferred A(PR.B.A) gave a buy signal on Friday, with a 20-day high on massive volume. The stock is short-term extended and needs to pull back. A pullback in the energy sector will allow this stock to give low-risk entry.
- **Petroleo Bras Partners ADR Preferred A(PR.B.A) confirmed a buy signal today**
- Initiate position at 1-star(\*)
- **Under institutional accumulation** with an Up/Down Volume ratio of 1.81.
- Petroleo Bras Partners ADR Preferred A(PR.B.A) closed at 12.58.
- Petroleo Bras Partners ADR Preferred A(PR.B.A) VWAP is at 9.76.
- Sell target prices: 1st target is **17.68**
- Stop sell price: Close below **11.69**.





## Chevron Corp. (CVX)

- **Industry Group: Oil & Gas Integrated.** The group currently ranks as the 5th strongest industry group out of 197 and is up 11.00% YTD. The group gave a 20-day closing high buy signal with above-average volume on January 4, 2022. (Refer to group chart)

- Chevron Corp. (CVX) reported earnings on Friday that were 2600% higher than last year's fourth quarter. Earnings have been strong and accelerating all last year. With an earning growth rate this year of 23%, the PEG ratio stands at a very cheap .69. The PEG indicates "Growth At a Resalable Price" (GARP). Something that is challenging to find in this market.

- Chevron Corp. (CVX) completed a multiyear double bottom base that started in July 2014. The swing rule out of this massive base indicates Chevron could hit 197.69 in the next few months. (Refer to CVX weekly chart)

- Chevron Corp. (CVX) sold off Friday from overbought conditions on an incredible earnings report. I am looking for the selloff to continue to Fibonacci support at 125.14 and provide low-risk entry sometime this week.

- At its current price, Chevron offers a 4.3% dividend that goes ex-dividend on February 15. That means we will pick up a quick dividend buying sometime in the next week, increasing our overall "total return" potential for the year. We get paid to wait while the stock moves to our "capital appreciation" Fibonacci target number.

- **Chevron (CVX) confirmed a buy today**

- Initiate position at 2-star(\*\*)

- **Under institutional accumulation** with an Up/Down Volume ratio of 1.71.

- **Chevron Corp. (CVX)** closed at 134.79.

- **Chevron Corp. (CVX)** VWAP is at 104.99.

- Target prices: 1st target is **144.80**; 2<sup>nd</sup> target is **176.90**; 3<sup>rd</sup> target is **197.69**

- Stop sell price: Close below **125.14**.

# Chevron Corp. (CVX)





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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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