



TFR

# Trading Floor Research

Welcome to the  
— Trading Floor —

02/26/23



## This Trading Floor Research report contains:

- S&P 500 (SPX). Update
- TaskUs Inc. (TASK)
- Expro Group Holdings NV (XPRO)
- Direxion Energy Bear 2X (ERY)
- ProShares UltraShort Utilities (SDP)

## S&P 500

Technical analysis indicates that the S&P 500 is locked in a trading range to alleviate oversold conditions.

My analysis in last week's newsletter indicated that the S&P 500 issued a new sell signal. As the index traded lower, it used my first Fibonacci target at 3997.57 as support and produced a rally up to 4028.43. Friday's second leg lower got the S&P 500 close to my second target at 3908.43 as the index threw back into the trendline from the January 2022 high. Throwing back into a significant trendline like this should lead to a bounce, especially from the current oversold conditions produced by the 147-point drop in four trading sessions.

But the rally potential could be muted due to Friday's simultaneous close below the trendline from the October low. The upside target of any rally is now a throwback into the October low trendline and Fibonacci resistance between 4016.84 and 4033.65.

When the price gets locked between two broken trendlines, it often leads to sideways action to alleviate the oversold conditions rather than an oversold rally.

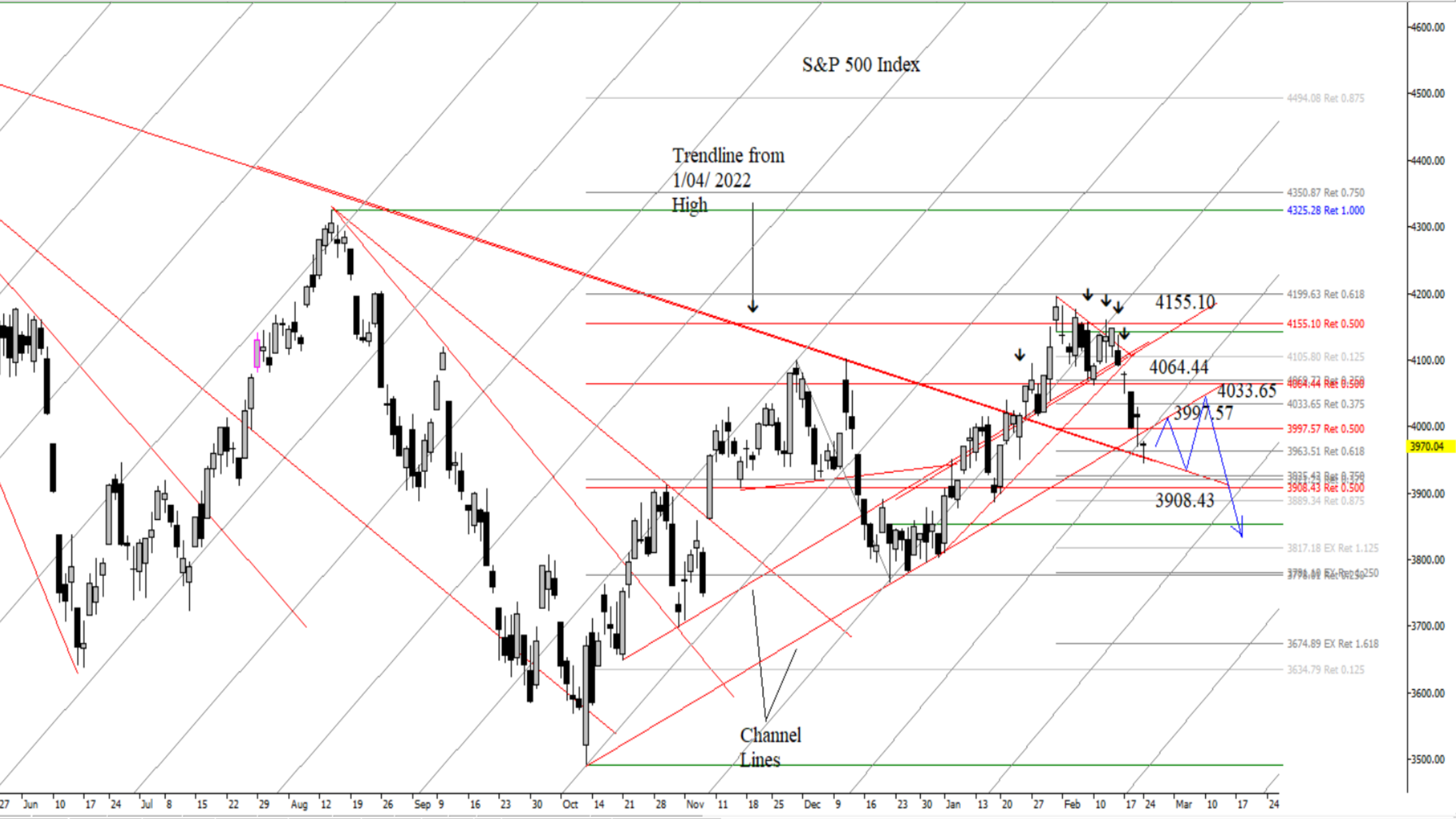
The sideways action could offer potential upside between 4016.84 and 4033.65, 46 to 64 points, and another 62 points of downside as the S&P 500 attempts to hit the 3908.43 Fibonacci target.

After sideways action between 4033.65 to 3908.43 has resolved the oversold conditions, the greatest probability points to further decline.

This is due to the significant damage to sectors and industry groups. Most sectors have moved into sell signals, and the Bullish percent charts indicate much more downside to come.

*I recommend caution and 85% cash.*

# S&P 500 Index



Trendline from  
1/04/2022  
High

Channel  
Lines



## Industry Group & Sector Analysis

*The bullish percent charts of every sector got worse last week. The deterioration in the bullish percent charts indicates more selling over the next few weeks and more sector and industry group sell signals.*

*Jesse Livermore said, "As leaders go, so goes the entire market."*

*This week's market selloff led to sector sell signals in Consumer Cyclical, Real Estate, Healthcare, and Basic Materials.*

*These sectors can be added to Utilities, Energy, and Communication services that gave sell signals over the past few weeks.*

*Technology and Financial Services stocks came close to sell signals on Friday but were able to avoid an official sell signal for at least another day. The bullish percent chart on the Technology sector also indicates how close the bears are to taking control, as it finished the week at 50%. Moving the Bullish percent below the key dividing line of 50% will not take much.*

*Although the bullish percentage of most sectors is breaking down, The worst sector collapse this week came from Healthcare and Basic Materials.*

*The Energy sector has taken the bullish percent into bear-market territory, and the **SPDRs Select Sector Energy ETF (XLE)** confirmed a sell signal last week. This week the sector consolidated the losses as it threw back into its trendline.*

*The **Direxion Energy Bear 2X (ERY)** will be used to take advantage of the next move lower in the Energy sector, and it is close to confirmation. This week's report highlights the Direxion Energy Bear 2X (ERY).*

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

*I recommend caution and 85% cash.*

## Industry Group & Stock Analysis

*As bad as the market is, there will always be “one-off” stocks. These Stocks show so much strength that they will move against the downward push of the sector and industry group. Any portfolio allocation to these stocks should be small in a tumbling market, but for the portfolio’s risky assets, their pure strength allows them to be purchased.*

*I am highlighting two of these super-strong stocks in this report.*

*The first is in the **Oil & Gas Field Services** industry group. **Expro Group Holdings NV (XPRO)** was an IPO in 2013 and continued to trend lower after a short three-week rally. It is still setting up a **Primary base breakout (PBO)**. I have watched this stock for the past few weeks as price and volume have indicated the upside potential. Friday, Expro Group Holdings reported an 833% increase in quarterly earnings. The price and volume suggest that this stock can move higher despite the market, and Expro Group Holdings NV (XPRO) is featured in this report.*

*The second stock is in the **Computer Tech Services** industry group. **TaskUs Inc. (TASK)** was a recent IPO in June 2021 at 23.00. The initial impulse moves the stock to 85.49 in three months. Since that point, the stock has crumbled to a low of 13.60. It is still trading below its IPO price as it gains momentum on fantastic price and volume action. TaskUs Inc. (TASK) is highlighted in this report.*

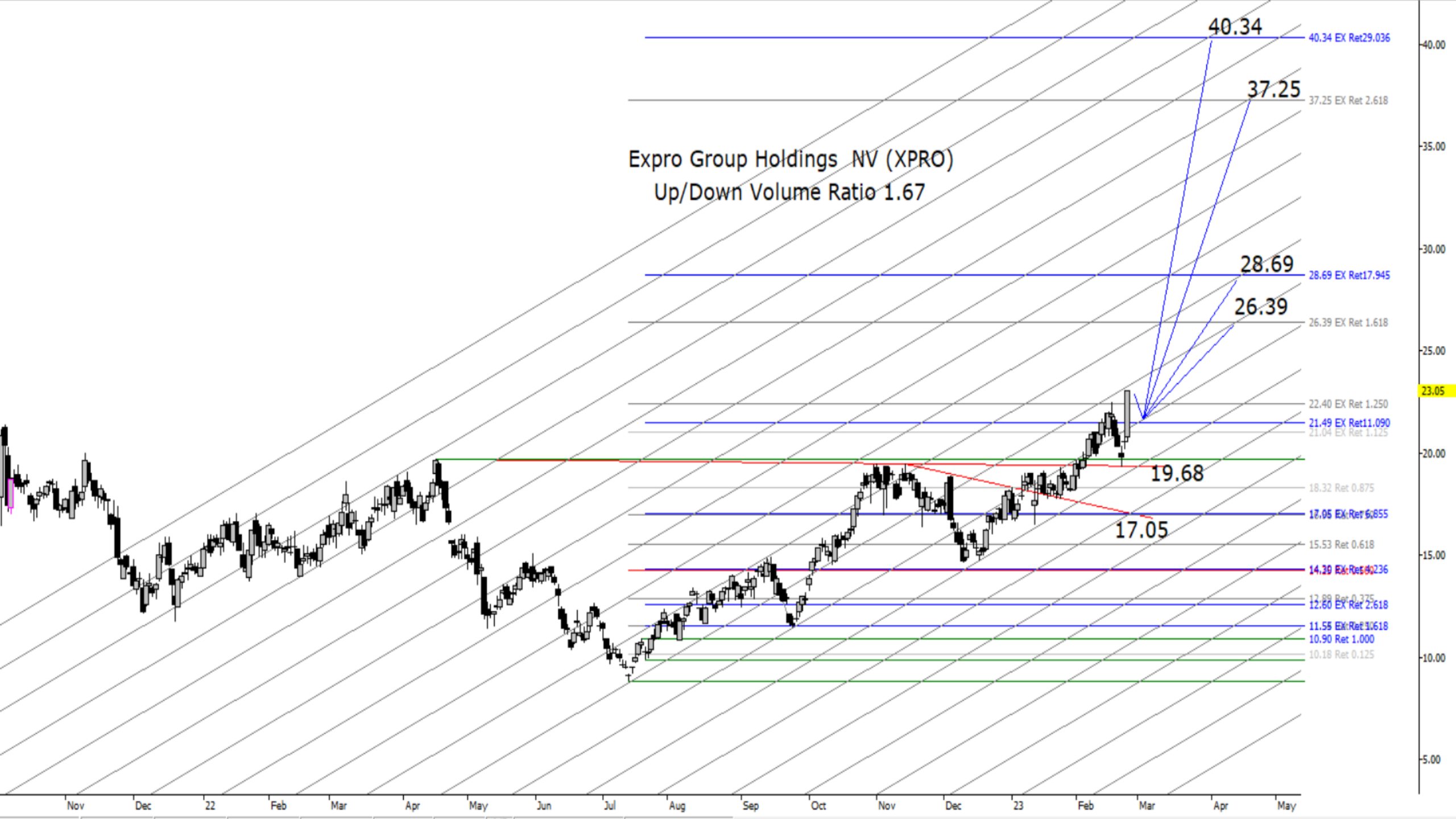
*The bears are in control Of the Russell 2000 and indicate “**Risk-Off**” in the markets.*

***I recommend caution and 85% cash.***

New **Speculative** buy candidate: Expro Group Holdings NV (XPRO)

- Industry Group: **Oil & Gas Field Services**. The Oil & Gas Field Services industry group gave its most recent sell signal on February 17, 2023. The group is down -2.16% YTD and is ranked 3<sup>rd</sup> out of 197. **Expro Group Holdings NV (XPRO)** is showing tremendous strength as a **“One-Off”** despite the industry group’s sell signal.
- **Expro Group Holdings NV (XPRO)** services include well construction, well flow management, subsea well access, and well integrity & intervention.
- **Expro Group Holdings NV (XPRO)** was an IPO in October of 2021 that broke out of its Primary base on huge earnings Friday. The Primary BreakOut occurred as the stock price closed above the previous day’s tail. Closing above a tail strongly indicates a stock ready to move tremendously higher. I will use a pullback to Fibonacci support at 21.49 to purchase shares.
- **Expro Group Holdings NV (XPRO) will confirm with a 30-minute buy on a pullback to Fibonacci support at 21.49.**
- Initiate position with at 1/2-star(\*).
- Under institutional accumulation with an Up/Down Volume ratio of 1.67 at 100-day highs.
- Expro Group Holdings NV (XPRO) closed at **23.05**.
- Expro Group Holdings NV (XPRO) VWAP is at 15.67
- Sell target prices: **Resistance at 26.39; 1<sup>st</sup> target is 28.69; 2<sup>nd</sup> target is 37.25; 3<sup>rd</sup> target is 40.34**
- Stop sell price: **Close** below **19.68**.

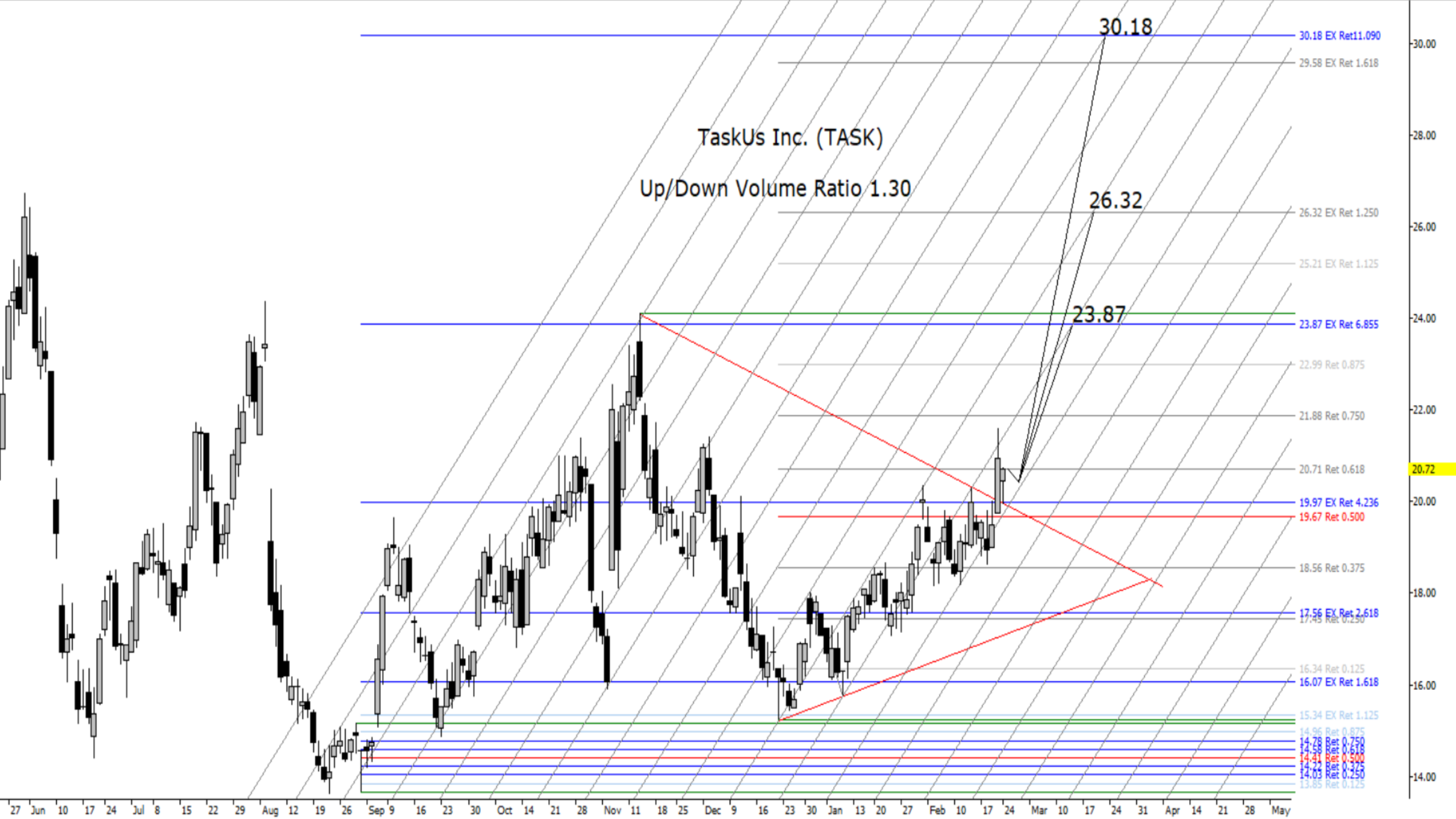
Expro Group Holdings NV (XPRO)  
Up/Down Volume Ratio 1.67





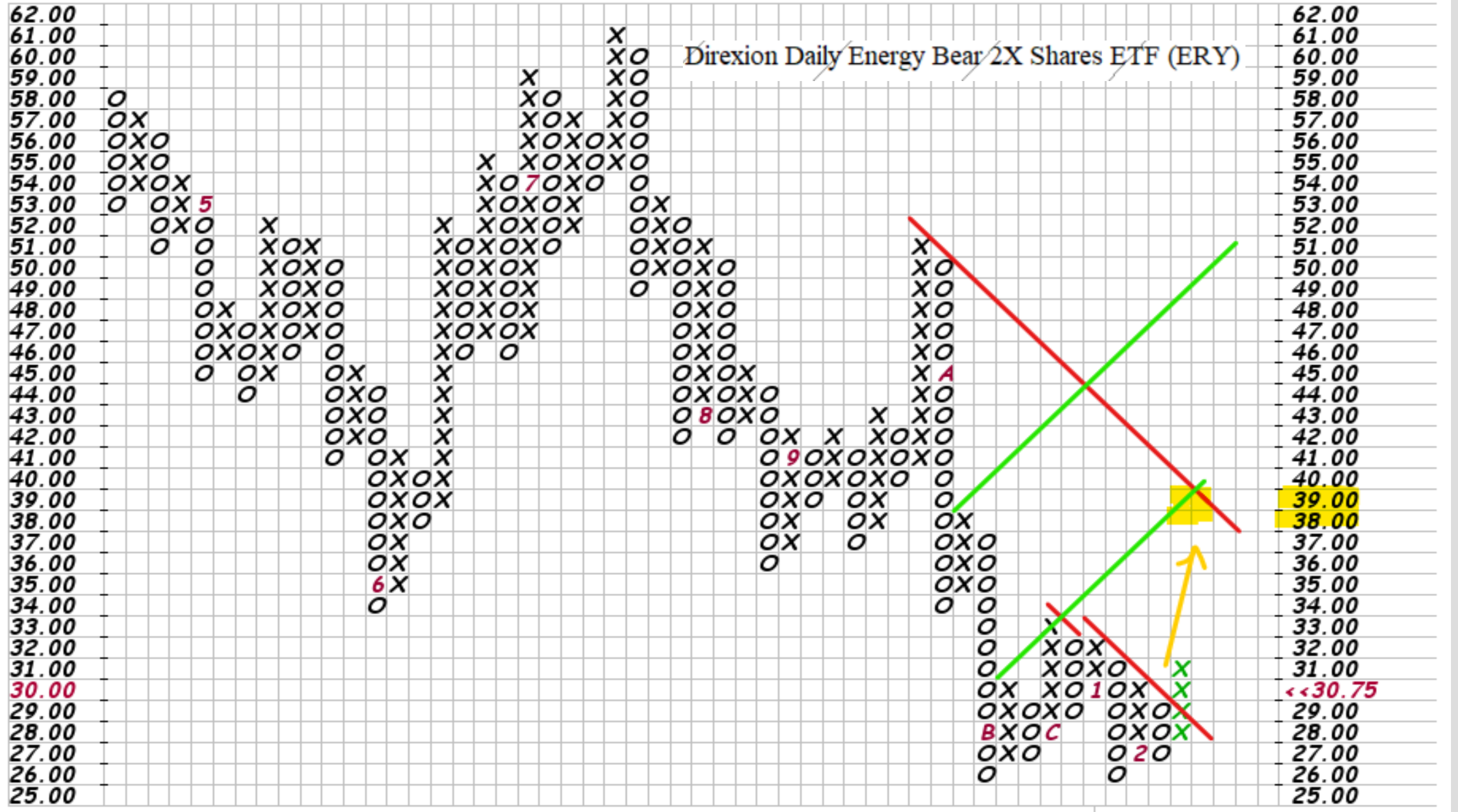
New **Speculative** buy candidate: TaskUs Inc. (TASK)

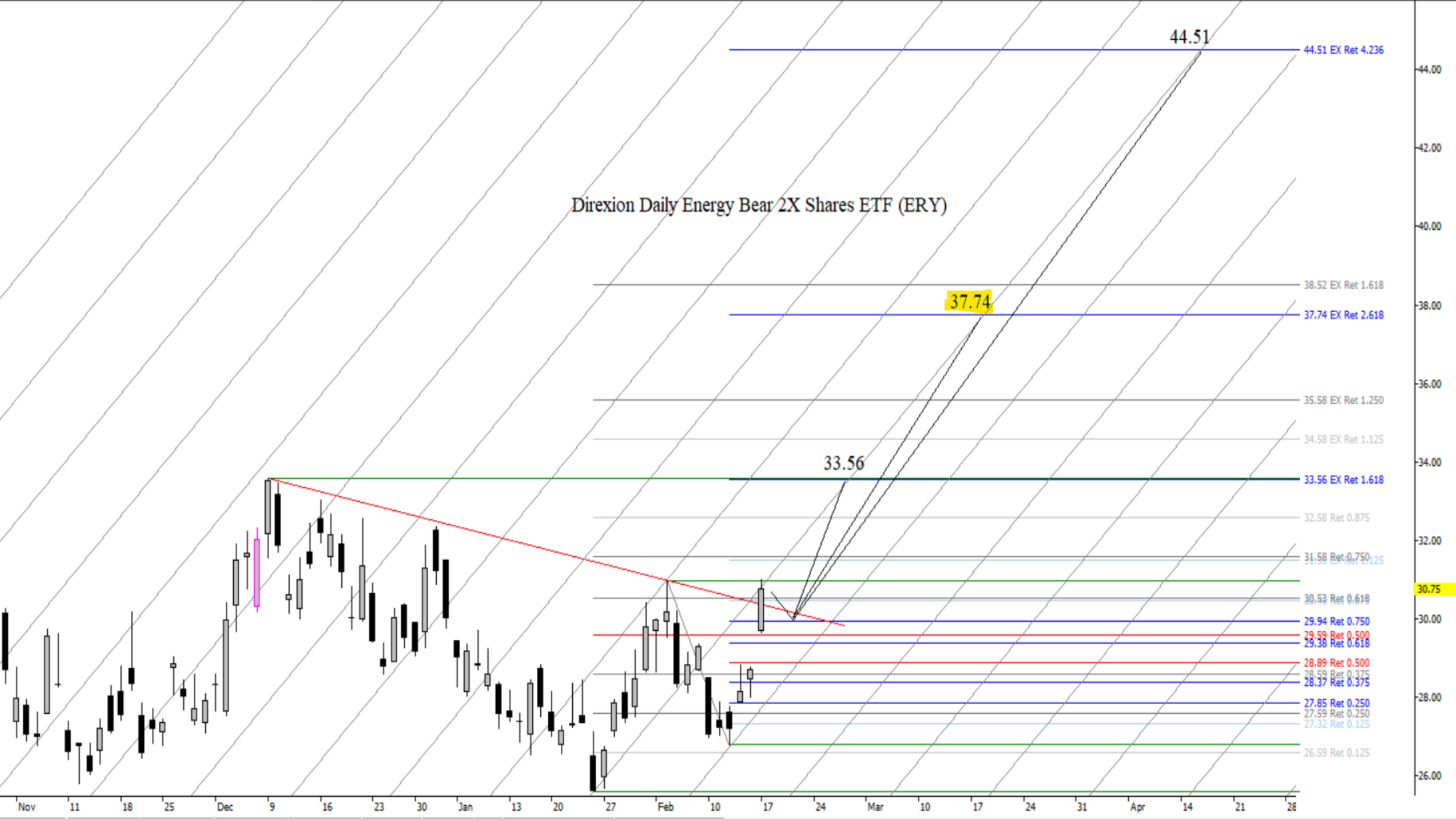
- Industry Group: **Computer Tech Services**. The Computer Tech Services industry group gave its most recent sell signal on Wednesday, February 22, 2023. The group is up +1.95% YTD and is ranked 100th out of 197. **TaskUs Inc. (TASK)** is showing tremendous strength as a **“One-Off”** despite the industry group’s sell signal.
- **TaskUs Inc. (TASK)** provides digital outsourcing services to fast-growing disruptive technology companies to bolster, secure and grow their brands.
- **TaskUs Inc. (TASK)** broke out of the handle of its base and closed above Fibonacci resistance at 19.97 on Thursday. Friday, it retested 19.97 and moved higher into the close. Monday’s earnings release could send the stock higher.
- **TaskUs Inc. (TASK) will confirm with a 30-minute buy on increased volume at 21.58.**
- Initiate position with at 1/2-star(\*).
- I will send a text confirmation
- Under institutional accumulation with an Up/Down Volume ratio of 1.89 at 100-day highs.
- TaskUs Inc. (TASK) closed at **20.72**.
- TaskUs Inc. (TASK) VWAP is at 38.37
- Sell target prices: **Resistance at 23.87; 1<sup>st</sup> target is 29.58-30.18; 2<sup>nd</sup> target is 38.45; 3<sup>rd</sup> target is 40.40**
- Stop sell price: **Close** below **19.67**.



## Buy candidate: Direxion Energy Bear 2X (ERY)

- *Portfolio: Short-Energy Select Sector Index and SPDRs Select Sector Energy ETF (XLE).* This ETF corresponds to the move 2X the inverse move of the Energy Select Sector Index
- *Direxion Energy Bear 2X (ERY) trade is designed to move higher at 2x the Energy Select Sector Index rate moving lower.*
- *The SPDRs Select Sector Energy ETF (XLE) went sideways last week and alleviated most short-term oversold conditions. After a throwback into the trendline, I will initiate the position. (Refer to XLE Chart)*
- *Direxion Energy Bear 2X (ERY) will Confirm a Buy after a pullback 29.94 and 30-minute confirmation.*
- *I will send a text confirmation*
- *Start position at 2-star(\*\*).*
- *Under institutional accumulation with an Up/Down Volume ratio of 1.26, hitting 100-day highs earlier in the week.*
  
- *Direxion Energy Bear 2X (ERY) closed at 30.75.*
  
- *Direxion Energy Bear 2X (ERY) VWAP is at 109.33*
  
- *Sell target price on the Direxion Energy Bear 2X (ERY): 1<sup>st</sup> target is 33.56; 2<sup>nd</sup> target is 37.74; 3<sup>rd</sup> target is 44.51*
  
- *Stop sell price: Close below 28.89.*

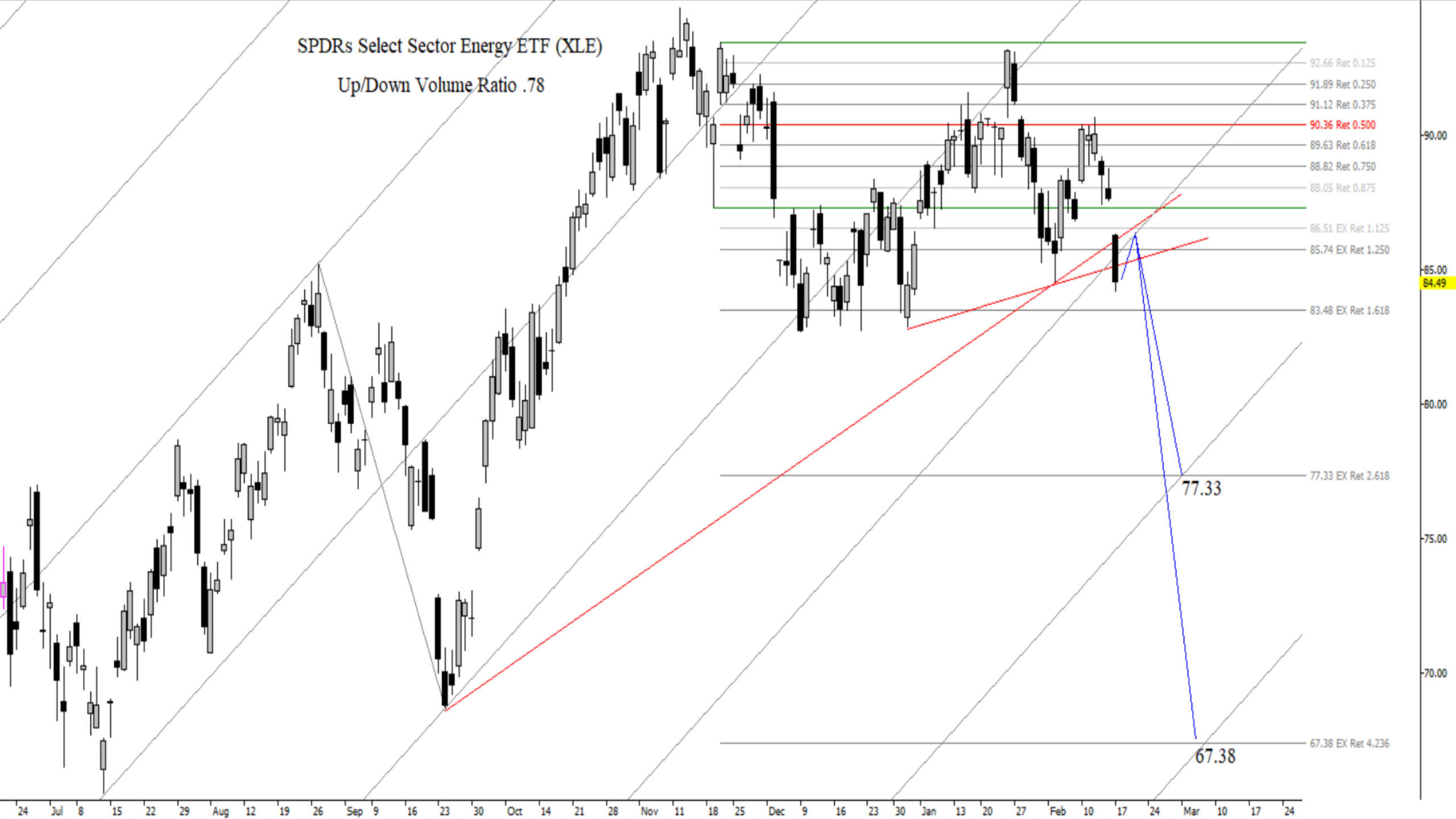






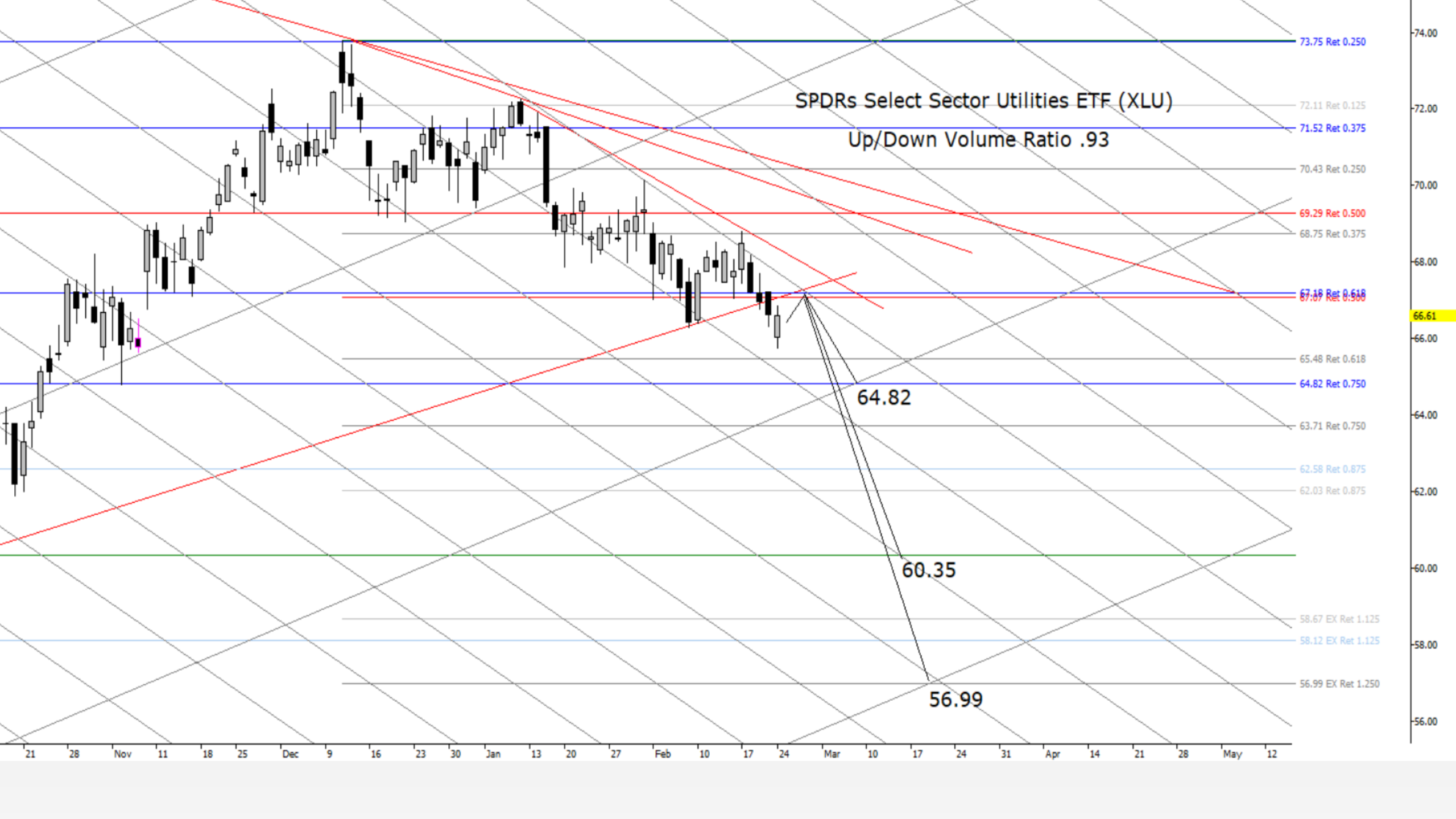
# SPDRs Select Sector Energy ETF (XLE)

Up/Down Volume Ratio .78



## Buy candidate: ProShares UltraShort Utilities (SDP)

- *Portfolio: Short-Utilities Select Sector Index and SPDRs Select Sector Utilities ETF (XLU).* This ETF corresponds to the move 2X the inverse move of the Utilities Select Sector Index
- *ProShares UltraShort Utilities (SDP) trade is designed to move higher at 2x the Utilities Select Sector Index rate moving lower.*
- *The SPDRs Select Sector Utilities ETF (XLU) is short-term oversold after last week's move lower. I will initiate the position after a move higher to Fibonacci resistance 67.09. A confluence of Fibonacci numbers is at the resistance level, including 50% of the most recent trading range. (Refer to XLU Chart)*
- *ProShares UltraShort Utilities (SDP) will Confirm a 30-minute sell signal on the SPDRs Select Sector Utilities ETF (XLU).*
- *I will send a text confirmation*
- *Start position at 2-star(\*\*).*
- *The ProShares UltraShort Utilities (SDP) is Under institutional accumulation with an Up/Down Volume ratio of 1.66.*
  
- *ProShares UltraShort Utilities (SDP) closed at 12.13.*
- *SPDRs Select Sector Utilities ETF (XLU) closed at 66.61.*
  
- *Target prices on SPDRs Select Sector Utilities ETF (XLU): 1<sup>st</sup> target is 64.82; 2<sup>nd</sup> target is 60.35; 3<sup>rd</sup> target is 56.99*
  
- *Stop price on SPDRs Select Sector Utilities ETF (XLU): Close above 69.29.*



# SPDRs Select Sector Utilities ETF (XLU)

Up/Down Volume Ratio .93

64.82

60.35

56.99

66.61



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