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# Trading Floor Research

Welcome to the

Trading Floor



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02/23/21

### This Trading Floor Research report contains:

- What changed in today's market selloff
- Industry groups that have gone to sell.
- Oil & Gas Industry groups showed relative strength and look to go higher.
- Mammoth Energy Services (TUSK). Buy candidate in Oil & Gas Field Services industry group.

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“You only find out who is swimming naked when the tide goes out.”

The market might have left you a bit shell-shocked today. It was the kind of day I have been warning you about the last few weeks. The good news is that Fed chairman Powell said enough to ease traders’ tensions on the market, and the market could claw back by the end of the day. The bad news is that it left a lot of wreckage in its wake.

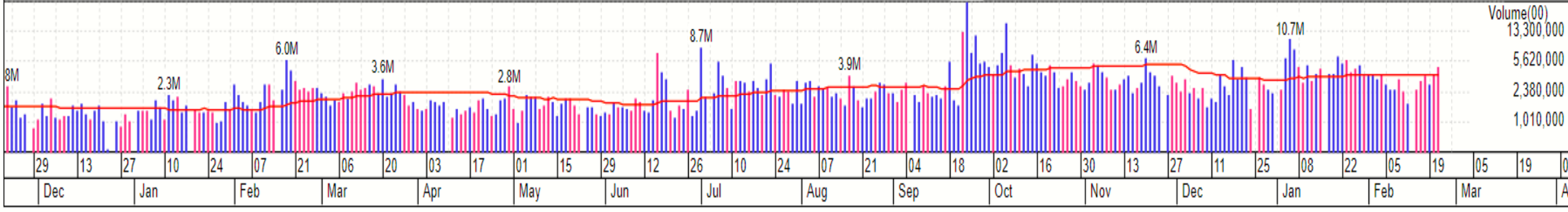
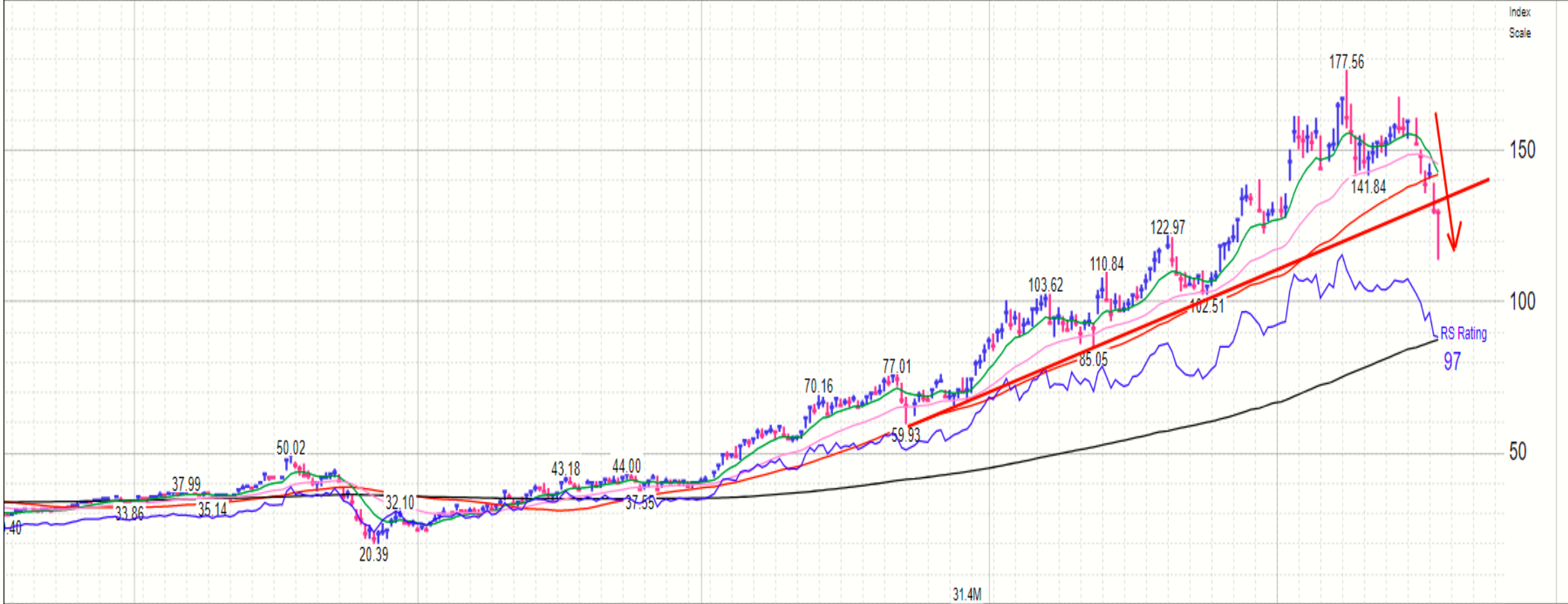
Today’s market made me think of a quote from Warren Buffett. “You only find out who is swimming naked when the tide goes out.” The market exposed many stocks as market laggards. The stocks that have no bathing suites. These stocks should be avoided and should be sold if you own them.

Two high flying industry groups that were a favorite of mine last year gave very conclusive sell signals. They are Auto Manufactures (EV stocks), and Solar-Energy stocks. All stocks in these industry groups are to be avoided until the industry groups give new buy signals. Remember that 60% of an individual stock’s move is because of its industry group. Owning a stock in an out of favor industry group is like paddling against the current. It can be done but with a lot more effort from the individual stock. The probability of a big winner is less likely, and the probability of a loss is more likely until the group gives a new buy signal. I included the charts of both industry groups on the next slides.



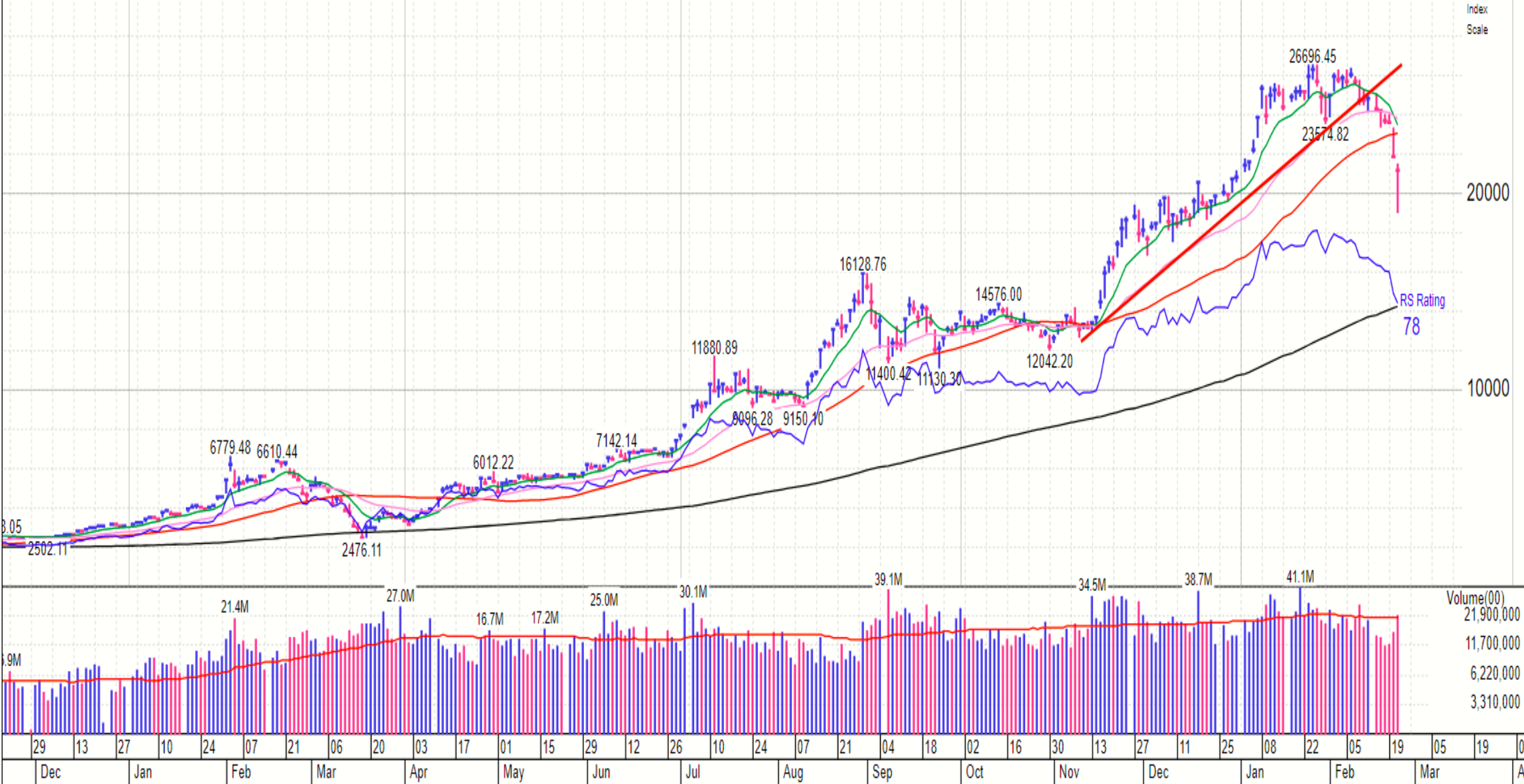
# Energy-Solar

Energy-Solar (G1320) Average Daily Volume 3,884,200 Volume 4,959,600 +26% \$129.70 -0.54 -0.42%



Auto Manufacturers (G3711) Average Daily Volume 21,091,500

Volume 23,044,800 +9% \$21180.46 -693.52 -3.17%



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Another favorite industry group that is on the ropes and is very close to a sell signal is Biotech's. I will avoid new stock buys in this group until I see better accumulation and a new buy signal. I will recommend if we should sell existing TFR positions in this group over the next few days.

Many computer software groups, and internet groups were also left beaten up and should be avoided for now.

3-D printing stocks that moved in January and February gave a conclusive sell signal.

Jesse Livermore said, "As leaders go, so goes the entire market." Leadership is narrowing in this market. This serves as one more sign that the end of this bull run is ending.

I will recommend if we should sell existing TFR positions over the coming days. Most remaining stocks on the TFR list have held very important Fib numbers. Fast changing market conditions can cause this to change quickly. I continue to recommend smaller position sizes, and high levels of cash.



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Today's market also gave me greater conviction as to the market leaders.

Oil & Gas industry groups showed tremendous relative strength. The best relative strength came from the Oil& Gas-Field Service industry group. The stock I purchased today was Mammoth Energy Services. (TUSK). TUSK looked good from early morning trading when it dropped fractionally. As the day progressed TUSK turned positive, broke its trendline to the upside, and gave a 30-minute buy signal.

TUSK reports earnings in 2 days. Earnings can always be a wild card. If you purchase keep the position size small.

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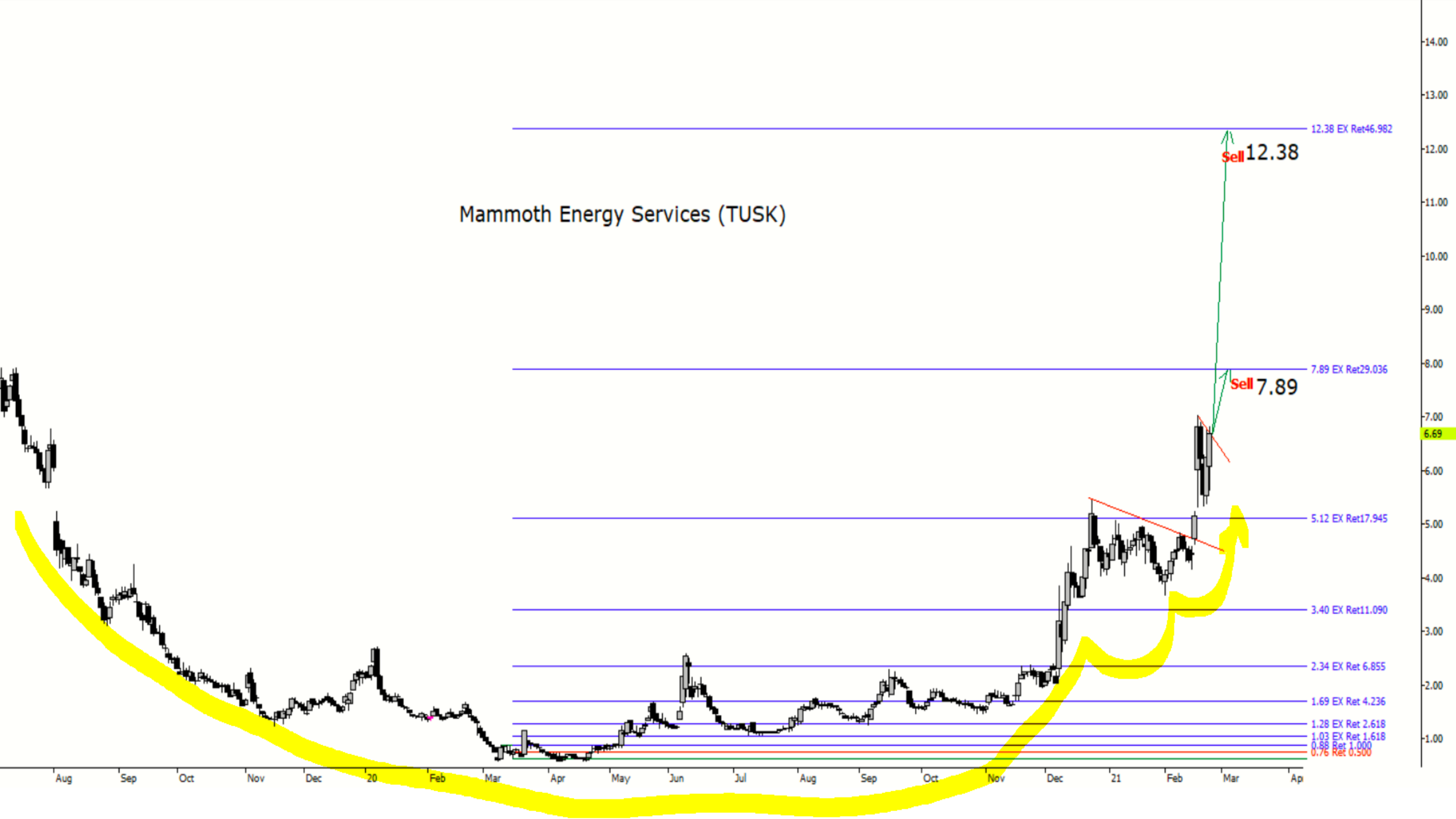
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- Buy candidate: **Mammoth Energy Services (TUSK)**
- Industry Group: Oil & Gas Field Services industry group
- TUSK provides pressure pumping services known as hydraulic fracturing to exploration and production companies.
- TUSK reports earnings in 2 days. Last quarter TUSK reported a profit of .07 cents per share. This was the first quarterly profit since March 2019. If they can post 2 quarterly profits in a row, institutional interest will grow. This could send the stock considerably higher.
- TUSK broke out of a cup with handle base last week. It has based above its important Fib number of 5.12 since. Today on a bad market day it broke to the upside again on increased volume.
- Start position at 2-star(\*\*)
- Under heavy accumulation with an Up/Down Volume ratio of 1.8.
- TUSK closed at **6.71**.
- 1<sup>st</sup> Buy TUSK between **6.71 and 6.89**.
- 2<sup>nd</sup> Buy is on throwback to trendline at **6.60**
- Sell target prices: **7.89 and 12.38**.
- IPO VWAP at **14.74**.
- Stop sell price: **Close** below **5.12**.



# Mammoth Energy Services (TUSK)





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