



Trading Floor Research

Welcome to the
Trading Floor



12/19/21

This Trading Floor Research report contains:

- Viavi Solutions Inc. (VIAV). A new Buy candidate in the Telecommunication Fiber Optic industry group.
- Ciena Corporation (CIEN). A new Buy candidate in the Telecommunication Fiber Optic industry group.
- Biofrontera Inc. (BFRI). A new Buy Candidate in the Medical Ethical Drugs industry group.
- Garmin Ltd. (GRMN) A **SHORT** candidate in the Consumer Product Electronic industry group.

Sectors, Industry Groups & Leadership Stocks

The utility sector is in a buy signal, but the reversal on Friday indicates we have hit a short-term top in the Utility stocks. **10 of the 11** market sectors are in sell signals. All 10 sectors were struggling and did not give buy signals last week.

The S&P 500, NASDAQ, and Russell 2000 remain in sell signals.

The small-cap Russell 2000 showed relative strength to the other indexes on Friday. This is a good sign but very far from a buy signal. The bears are firmly in control of the Russell 2000 and strongly indicate "Risk-Off" in the markets.

*More leadership groups gave sell signals this past week. One of the most significant sell signals came from **Auto Manufactures**. The sell signal in autos indicates that **all EV stocks should be sold**.*

*The **Medical Ethical Drugs** Industry group gave a buy signal on Thursday, and a recent IPO from the group is set up in a cup-with-handle base called **Biofrontera Inc. (BFRI)**.*

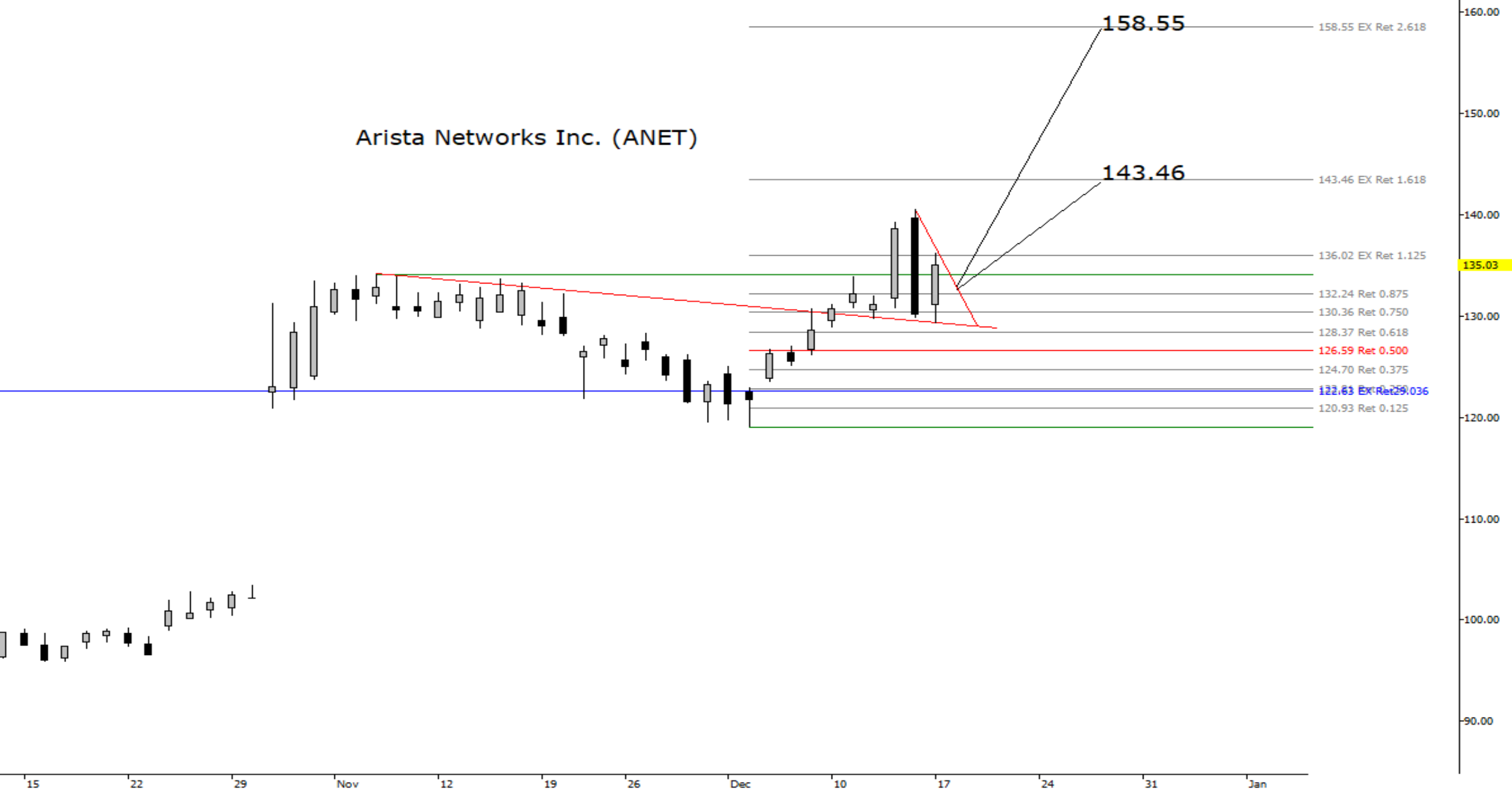
*Telecom Fiber Optics showed incredible strength last week after giving a buy signal on December 9. **Optical Cable Corp (OCC)** was last week's big mover. More stocks in the group are showing institutional accumulation and giving buy signals. I am featuring the Telecom Fiber Optic group with two new buy candidates in this week's report.*

*A related group to telecom Fiber Optic that gave a buy signal last week was **Computer Networking**. My favorite in this group is **Arista Networks Inc. (ANET)**. I've included a chart of this week's bonus stock.*

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!

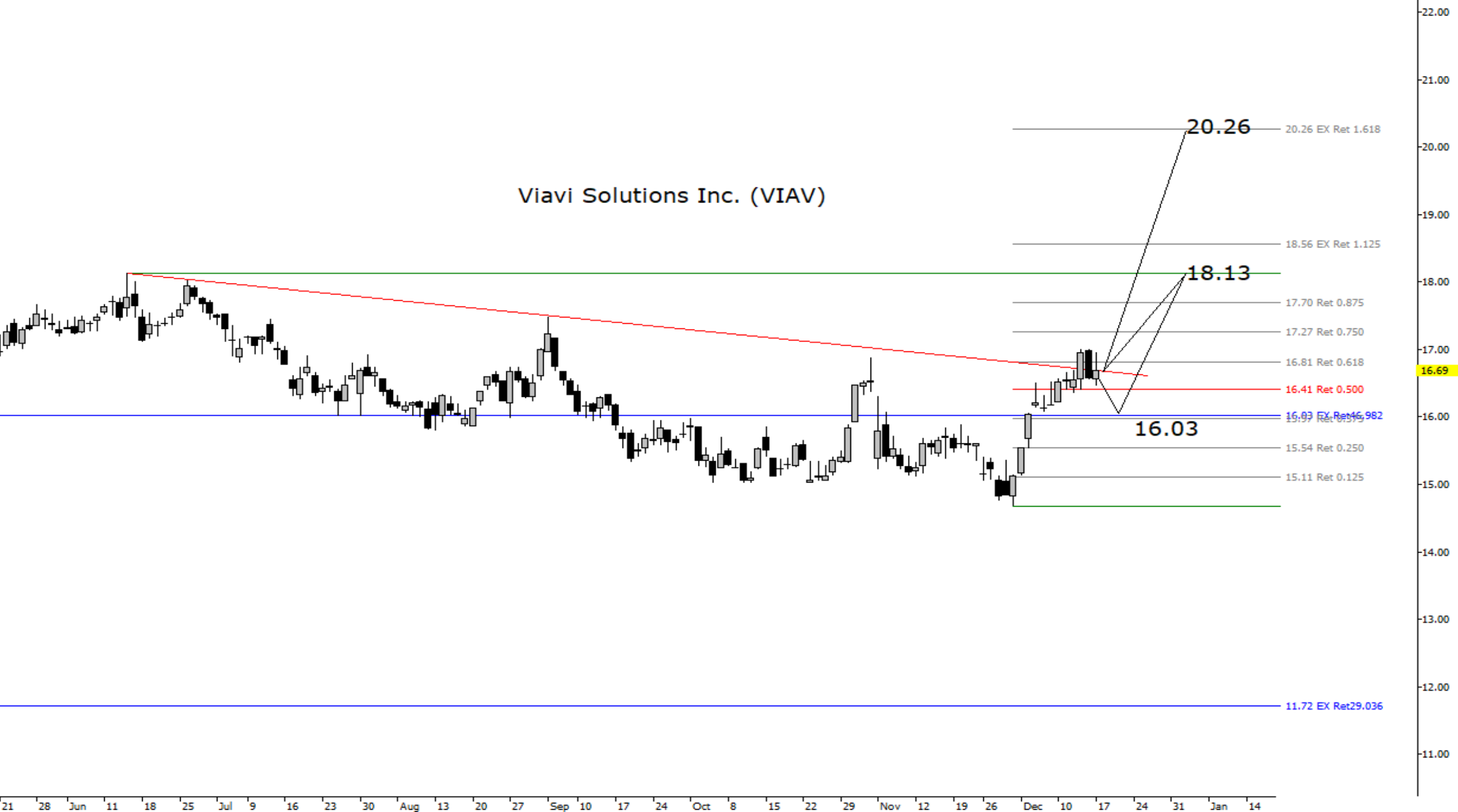
Arista Networks Inc. (ANET)



Buy candidate: Viavi Solutions Inc. (VIAV)

- Industry Group: Telecom Fiber Optics. The group currently ranks as the 4th strongest industry group out of 197 and is up 51.02% YTD. The group gave a buy signal on 12/09/21 and finished the week retesting the 10-day moving average. Fiber Optic stocks showed the highest relative strength last week.
- Viavi Solutions Inc. (VIAV) makes test measurement instruments for telecom 5G, Fiber providers, and network equipment manufacturers.
- Last week, Viavi Solutions (VIAV) closed above an important trendline that marks its basing period that started on June 16, 2021. It also closed above 50% of the basing range on massive institutional buying and indicates the bulls are firmly in control.
- Viavi (VIAV) could pull back to 16.03-16.41 before going higher. This would be a great place to place the trade.
- Viavi Solutions Inc. (VIAV) will confirm a buy signal with a 30-minute close above 16.95 on increased volume.
- Wait for a text confirmation!
- Initiate position at 1-star(*)
- Under massive institutional accumulation with an Up/Down Volume ratio of 2.1.
- Viavi Solutions Inc. (VIAV) closed at 16.69 on Friday.
- Viavi Solutions Inc. (VIAV) VWAP is at 11.38
- Sell target prices: 1st target is **18.13**; 2nd target is **20.26**
- Stop sell price: Close below **16.03**.

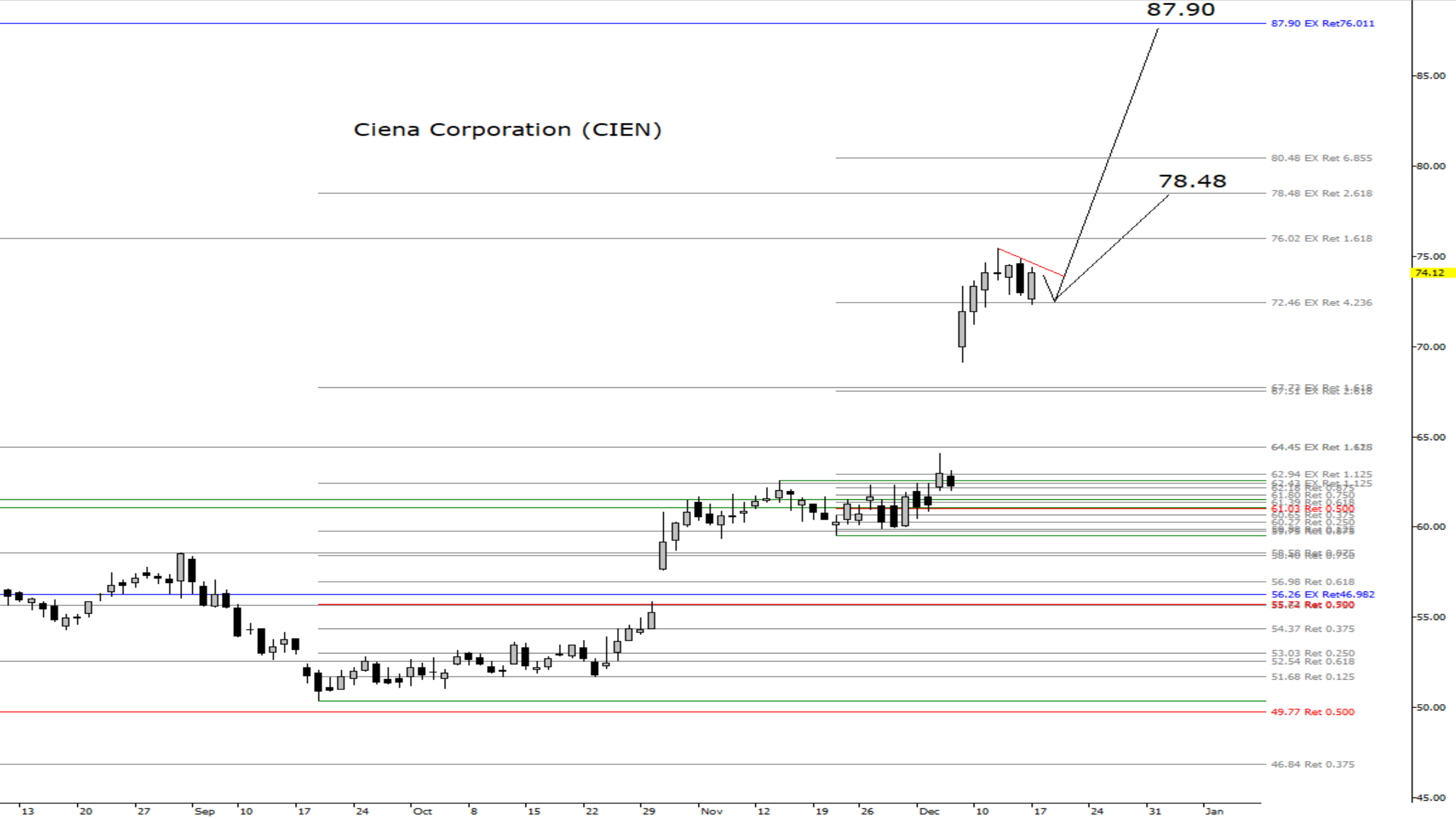
Viavi Solutions Inc. (VIAV)



Buy candidate: Ciena Corporation (CIEN)

- Industry Group: **Telecom Fiber Optics**. The group currently ranks as the 4th strongest industry group out of 197 and is up 51.02% YTD. The group gave a buy signal on 12/09/21 and finished the week retesting the 10-day moving average. Fiber Optic stocks showed the highest relative strength last week.
- Ciena Corporation (CIEN) designs Ethernet switching systems used by telecom and cable service providers in network infrastructure.
- Ciena Corporation (CIEN) gapped out of its cup-with-handle base seven days ago on a quarterly earnings report 42% above the previous year's 3rd quarter results. **The stock is a bit extended and could need a little more time to let the 10-day moving average catch up, and the buy confirmation will take a few more days.**
- Ciena Corporation (CIEN) will confirm a buy signal with a 30-minute close above 86.78 on increased volume.
- **Wait for a text confirmation!**
- Initiate position at 2-star(**)
- **Under institutional accumulation** with an Up/Down Volume ratio of 1.6.
- Ciena Corp (CIEN) closed at 74.12 on Friday.
- Ciena Corp (CIEN) VWAP is at 32.37
- Sell target prices: 1st target is **78.48**; 2nd target is **87.90**
- Stop sell price: Close below **72.46**.

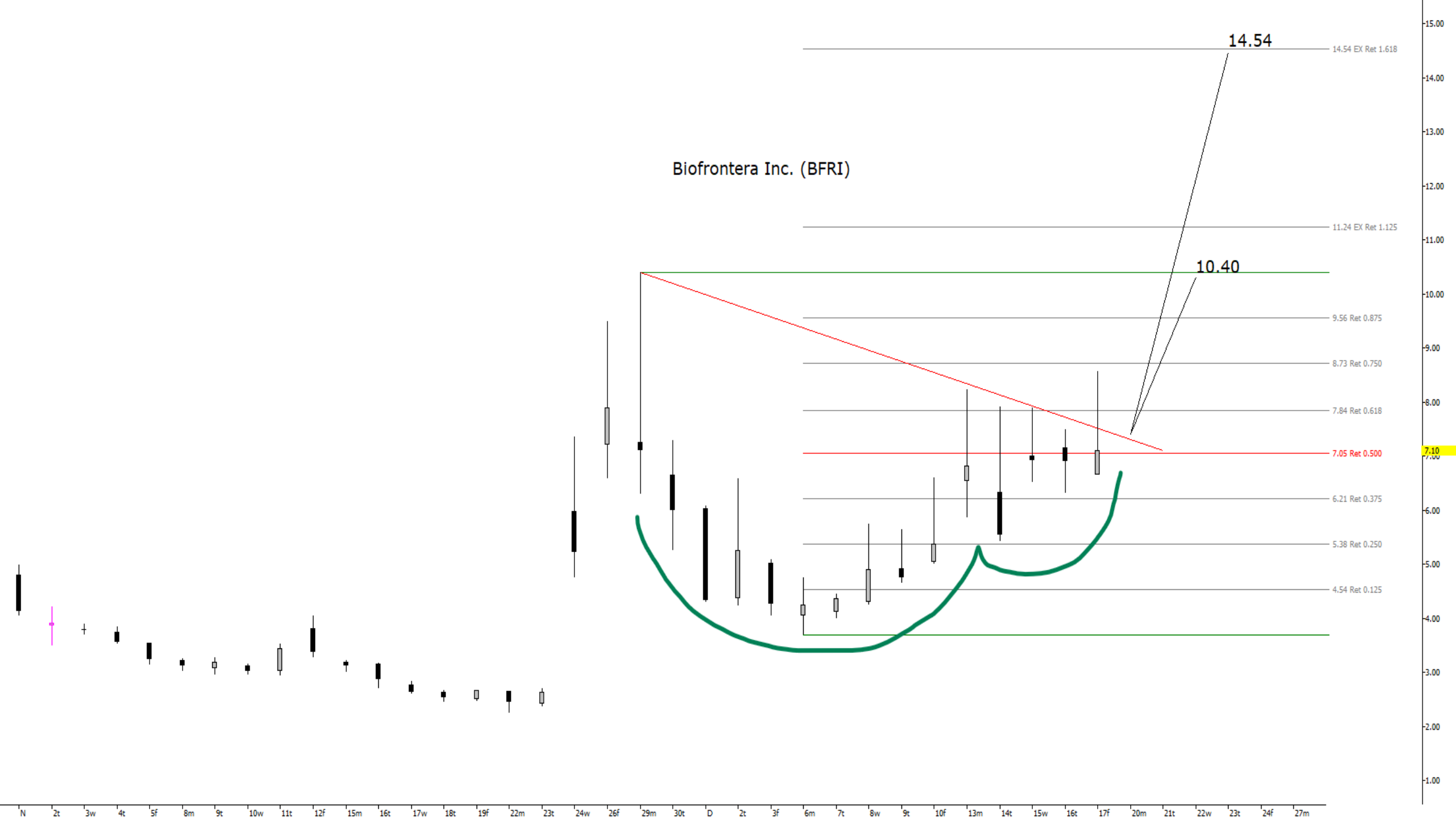
Ciena Corporation (CIEN)



Buy candidate: Biofrontera Inc. (BFRI)

- Industry Group: **Medical Ethical Drugs**. The group currently ranks as the 80th strongest industry group out of 197 and is up 24.11% YTD. The group gave a buy signal on December 15, 2021. The group broke out of a cup-with-handle base that started August 23, 2021
- Biofrontera Inc. (BFRI) develops and markets dermatological drugs and medical cosmetics to treat and care for skin diseases.
- Biofrontera Inc. (BFRI) is completing the handle of an IPO cup-with-handle base that started November 29, 2021. On Friday, the stock broke the downward sloping trendline and threw back into the trendline with Friday afternoons market selloff. It is ready to move higher this week.
- **Biofrontera Inc. (BFRI) will confirm a buy** with increased volume and a **30-minute close above 7.39**.
- **Wait for confirmation text!**
- Initiate position with at 2-star(**).
- Under massive institutional accumulation with an Up/Down Volume ratio of 4.1.
- Biofrontera Inc. (BFRI) closed at 7.10.
- Biofrontera Inc. (BFRI) VWAP is at 6.41.
- Sell target prices: **1st target is 10.40; 2nd target is 14.54; 3rd target is 21.24**
- Stop sell price: Close below **6.41**.

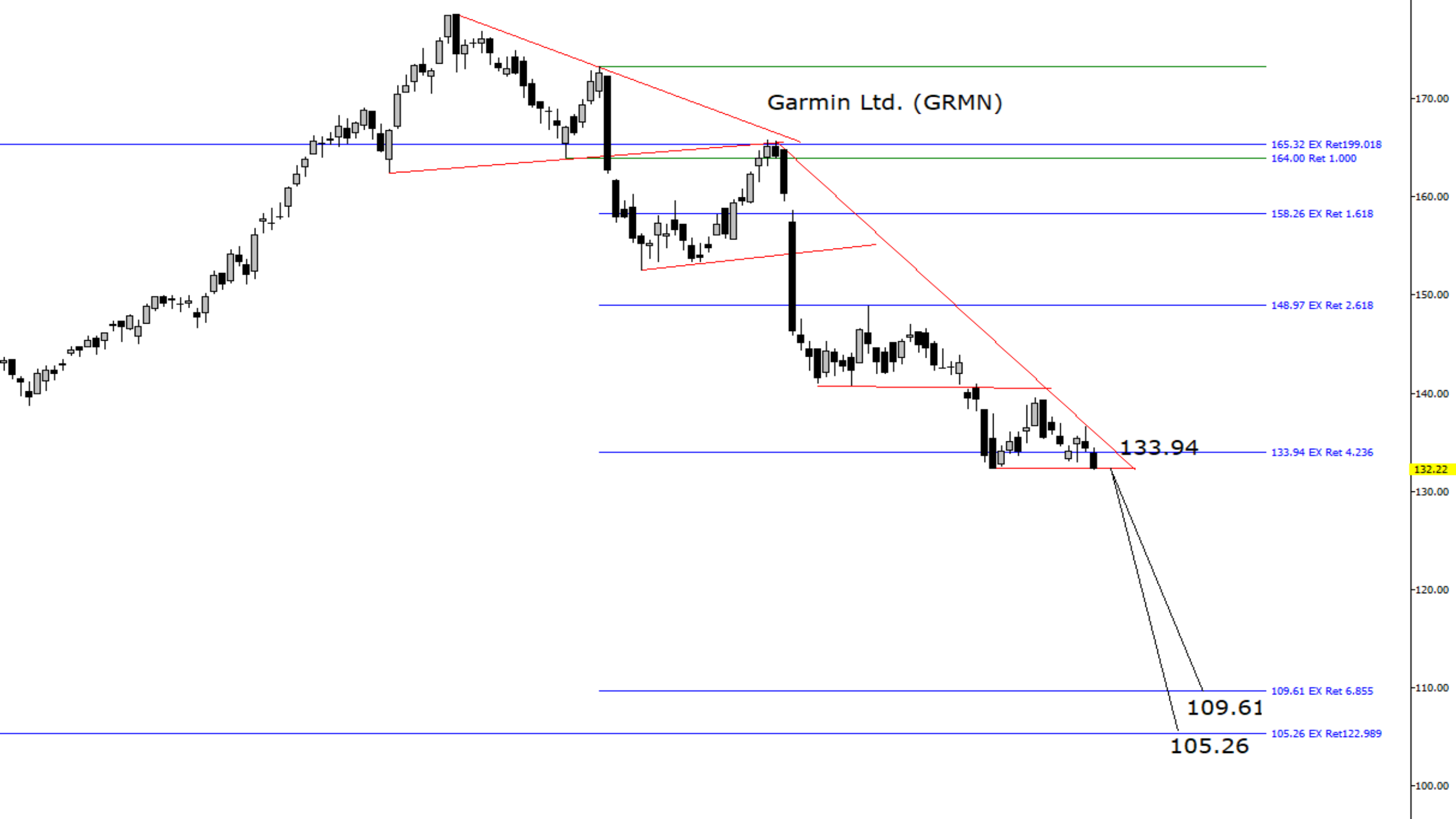
Biofrontera Inc. (BFRI)



Short candidate: Garmin Ltd. (GRMN)

- Industry Group: **Consumer Products Electronic**. The group currently ranks as the 189th strongest industry group out of 197 and is up 6.87% YTD. The group gave a 20-day closing low sell signal on July 08, 2021.
- Garmin Ltd. (GRMN) Manufactures and markets hand-held portable/fixed mount GPS systems for Automobile/outdoor/marine/fitness.
- Garmin has been stair-stepping lower in Darvas Boxes since it topped out on August 31, 2021. The stock will break another box with a close below 132.23.
- Each Darvas Box break has taken Garmin an average of 11 points lower in four trading days.
- Lower prices on Garmin (GRMN) are the most significant probability next week.
- **Garmin Ltd. (GRMN) will confirm a sell with a 30-minute close below 132.23**
-
- **Wait for confirmation text!**
- Initiate position with at 2-star(**).
- Under massive institutional Distribution with an Up/Down Volume ratio of 0.5.
- Garmin Ltd. (GRMN) closed at 132.23.
- Garmin Ltd. (GRMN) VWAP is at 75.25.
- Buy (Cover Short) target prices: **1st target is 109.61; 2nd target is 105.26**
- Stop sell price: Close below **133.94**.

Garmin Ltd. (GRMN)



165.32 EX Ret 199.018

164.00 Ret 1.000

158.26 EX Ret 1.618

148.97 EX Ret 2.618

133.94 EX Ret 4.236

109.61 EX Ret 6.855

105.26 EX Ret 122.989

132.22

109.61

105.26



Trading Floor Research

Welcome to the
Trading Floor

¹The results are not (or may not be) representative of the performance of all selections made by Trading Floor Research (TFR) newsletter.

We look for investment resources and inform you of these resources, which you may choose to use in making your own investment decisions. TFR is providing information on this resource to you subject to the TFR "Terms and Conditions of Service" disclaimer.

Past performance is no guarantee of future results. Inherent in any investment is the potential for loss. This material is being provided for informational purposes only and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. No recommendation or advice is being given as to whether any investment is suitable for a particular investor. It should not be assumed that any investments in securities, companies, sectors or markets identified and described were or will be profitable. All information is current as of the date of herein and is subject to change without notice.



Trading Floor Research

Welcome to the
Trading Floor

Disclaimer: The information, opinions and ideas expressed herein are for informational and educational purposes only and are based on research conducted and presented solely by the author. The information presented does not represent the views of the author only and does not constitute a complete description of any investment service. In addition, nothing presented herein should be construed as investment advice, as an advertisement or offering of investment advisory services, or as an offer to sell or a solicitation to buy any security. The data presented herein were obtained from various third-party sources. While the data is believed to be reliable, no representation is made as to, and no responsibility, warranty or liability is accepted for the accuracy or completeness of such information. International investments are subject to additional risks such as currency fluctuations, political instability and the potential for illiquid markets. Past performance is no guarantee of future results. There is risk of loss in all trading. Back tested performance does not represent actual performance and should not be interpreted as an indication of such performance. Also, back tested performance results have certain inherent limitations and differs from actual performance because it is achieved with the benefit of hindsight.



Trading Floor Research

Welcome to the
Trading Floor

Disclaimer

Before using this site, please make sure that you note the following important information:

Do your Own Research

Our content is intended to be used and must be used for informational purposes only. It is very important to do your own analysis before making any investment based on your own personal circumstances. You should take independent financial advice from a professional in connection with, or independently research and verify, any information that you find on our Website and wish to rely upon, whether for the purpose of making an investment decision or otherwise.

The content of this email is confidential and intended for the recipient specified in message only. It is strictly forbidden to share any part of this message with any third party, without a written consent of the sender. If you received this message by mistake, please reply to this message and follow with its deletion, so that we can ensure such a mistake does not occur in the future.

