



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

11/06/22



This Trading Floor Research report contains:

- S&P 500 (SPX). Update
- **InfraCap MLP ETF (AMZA)** A new ETF BUY candidate investing in Midstream Energy Master Limited Partnerships moving inline with the daily performance of the Oil & Gas Transportation/ Pipeline industry group.



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- See what I am currently holding at the price I purchased and its current returns
- A 30-minute chart to view where the confirmed buy signal occurred

S&P 500

In the last update, I said a short-term bounce could develop from the 3742.02 level after a throwback into the trendline. The throwback could take the index as low as 3672. The next day the index threw back into the trendline with a low of 3698.15 and finished the week closing above the critical 3742.02 Fibonacci support.

Throughout the day Friday, the Bulls and bears battled around 3742.02, with the Bulls taking control to finish the week.

A couple of weeks ago, I indicated that the markets would stay strong until after the mid-term election. Tuesday is election day, and the markets look strong enough to rally into Fibonacci resistance between 3806.91 and 3823.34.

If the S&P 500 closes above the 3806.91-3823.34 zone, it could rally further and throw back into the rising trendline from the October 13 bottom. The throw back could take the market as high as 3944.

Once the S&P 500 reaches either of these target areas and gives a 30-minute sell confirmation, I will buy the **Direxion Daily S&P 500 Bear 3x ETF (SPXS)**. Proof that the bear market rally has ended will allow us to reinstate the SPXS position and make money on the downtrend.

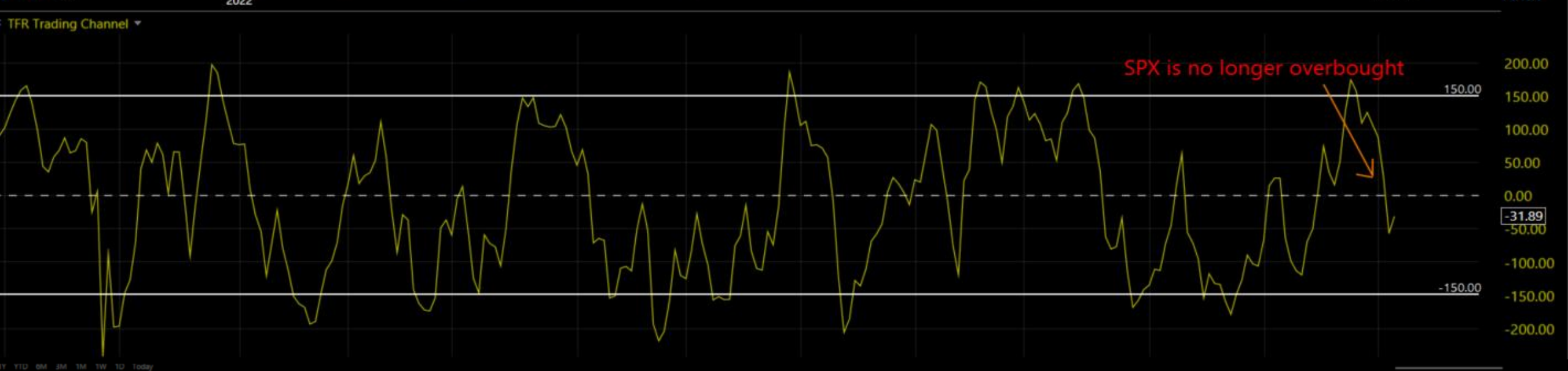
The bear market rally could be ending in the next few days. The S&P 500 is up to four distribution days in the past eight trading sessions. Five distribution days in 20 trading sessions are typically enough for a market sell signal.

Adding one more distribution day and closing below 3742.02 will end the rally. A close below 3649.25 will put the bears back in control of the S&P 500 index. (Refer to S&P 500 chart)

I am closely managing all long positions. Watch very closely for my text sell signals of current longs.

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

I recommend caution and 80% cash



Sectors, Industry Groups & Leadership Stocks

The Basic Materials sector finished the week with tremendous strength. Even if the broader market starts to crumble, Basic Materials and Energy should offer many opportunities in the next few months.

Copper, steel, and coal stocks led the way on Friday with massive gains and 20-day closing highs on incredible volume.

*Copper stocks were up 10.39%. The leader stock I am watching in the group is **Turquoise Hill Resources (TRQ)**. It is based below Fibonacci resistance at 31.05. If the price can establish above the Fibonacci resistance at 31.05, I will add the stock as a new buy candidate. (Refer to TRQ Chart)*

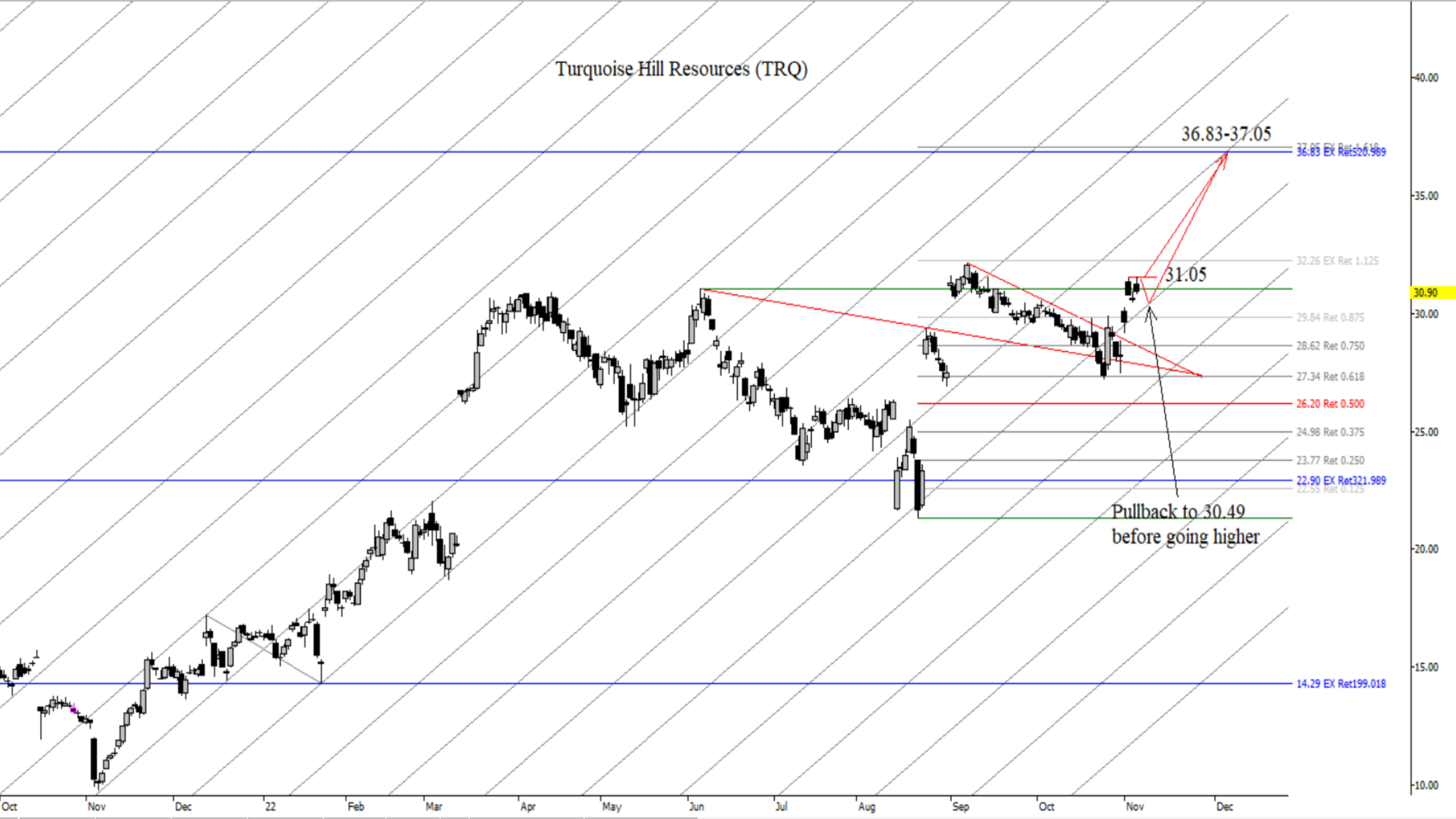
*On Friday, steel stocks were up 7.25%. The leader in the steel industry group is **Huadi International Group Co. Ltd (HUDI)**. It closed at 22.00 on Monday. By Friday, the stock hit a high of 192.88. Up 780% in four trading sessions. I will be watching for any opportunities to take advantage of further moves.*

*Coal stocks continue winning as the industry group had the second-best closing high for the year. The TFR pick **NACCO Industries Inc. (NC)** added 5.47%.*

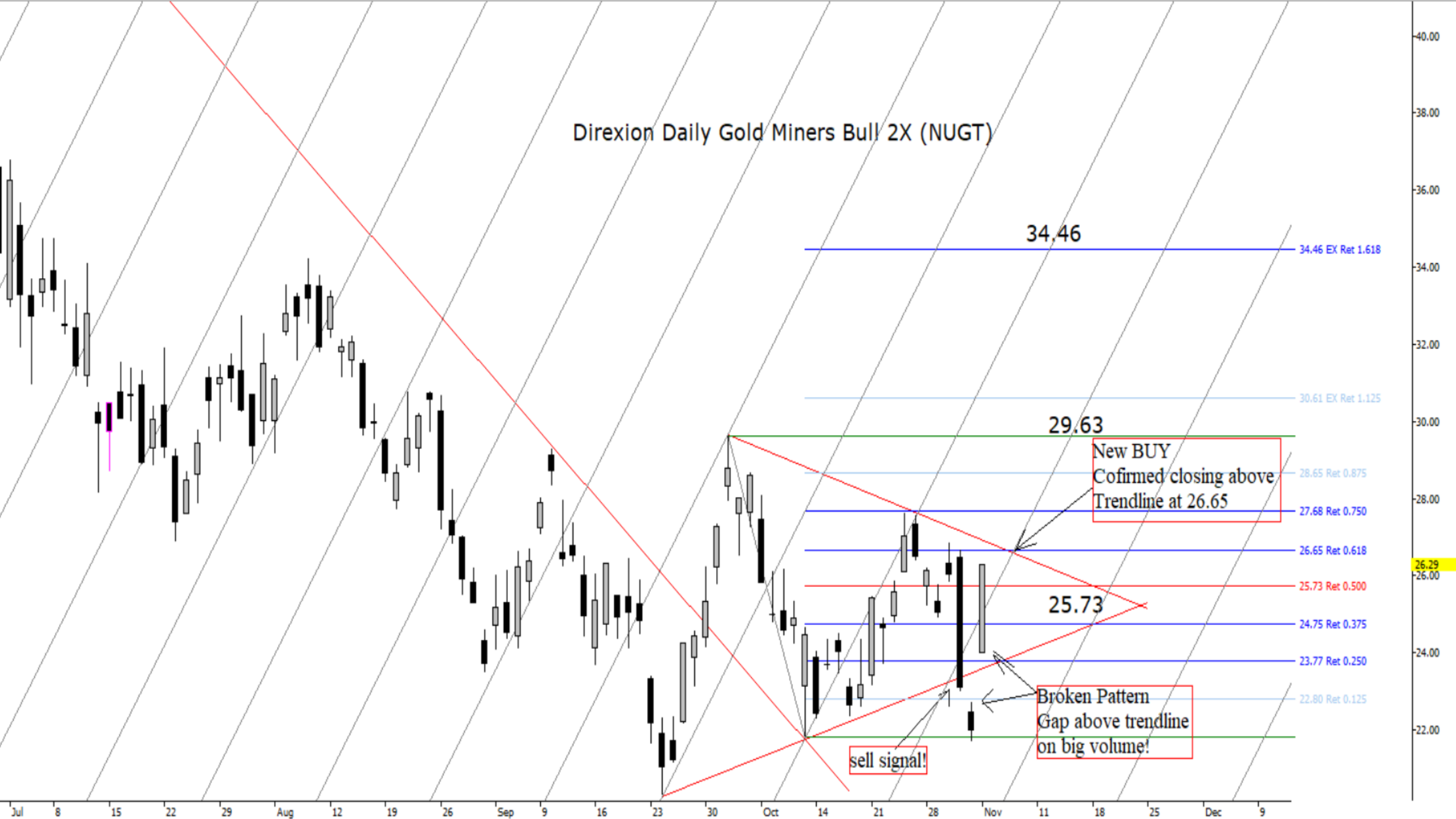
*The Gold stocks were the biggest surprise after giving a sell signal on Wednesday with a high probability pattern suggesting a further downtrend. On Friday, **NUGT** gapped back above the trendline that the ETF closed below two days earlier to set up a broken pattern. Broken patterns can produce a stronger trend than the original pattern.*

*I will purchase **NUGT** if it confirms a buy signal in the next few days. I know it isn't easy to repurchase a stock when you lose money. But doing it for the right reasons has led to significant gains. (Refer to **NUGT** chart)*

Turquoise Hill Resources (TRQ)



Direxion Daily Gold Miners Bull 2X (NUGT)



34.46

34.46 EX Ret 1.618

29.63

30.61 EX Ret 1.125

New BUY
Cofirmed closing above
Trendline at 26.65

25.73

Broken Pattern
Gap above trendline
on big volume!

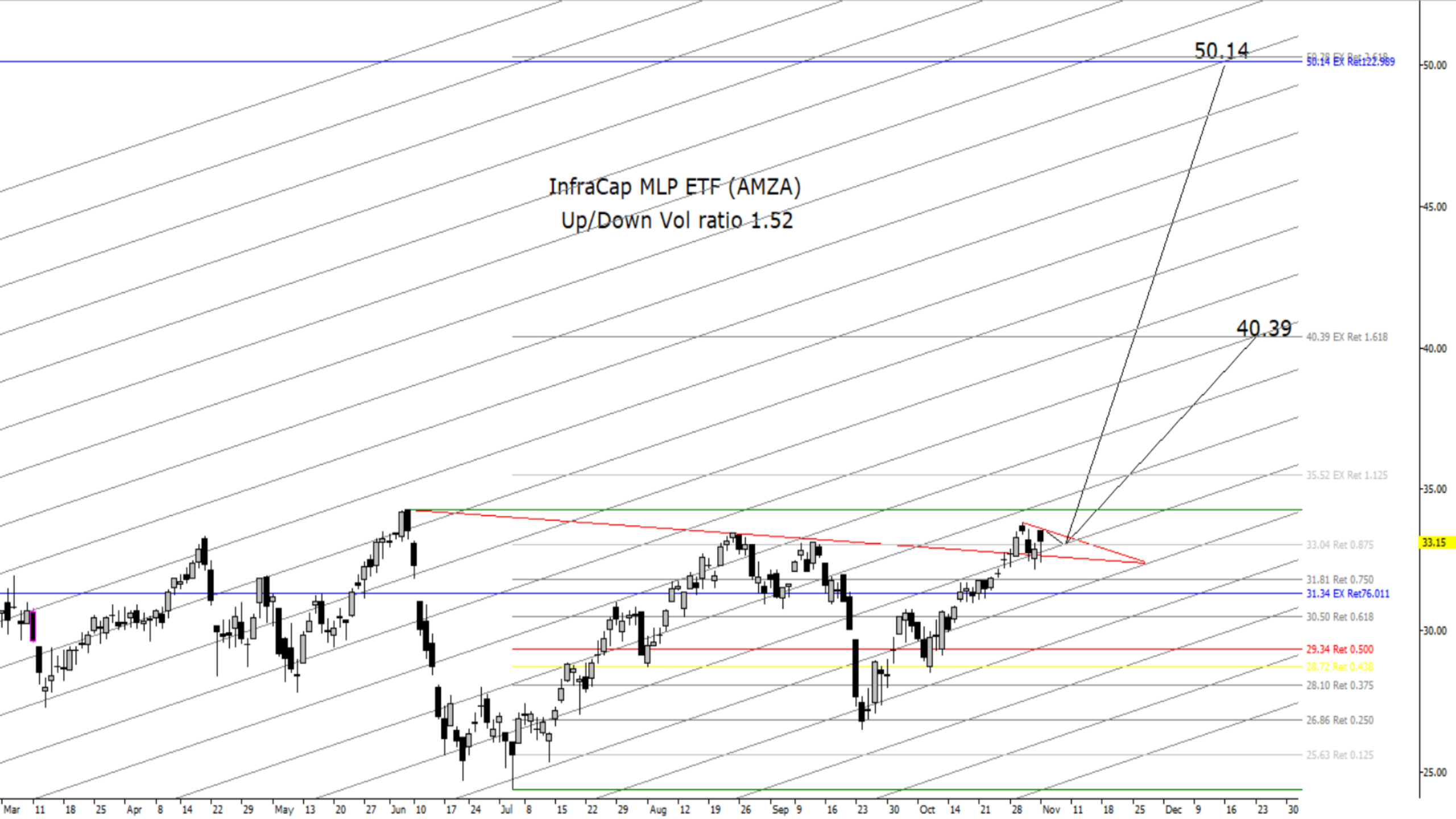
sell signal!

40.00
38.00
36.00
34.00
32.00
30.00
28.00
26.00
24.00
22.00

Jul 8 15 22 29 Aug 12 19 26 Sep 9 16 23 30 Oct 14 21 28 Nov 11 18 25 Dec 9

Buy candidate: InfraCap MLP ETF (AMZA)

- *Industry Group: Oil & Gas Transport/Pipeline industry group. The Oil & Gas Transport/Pipeline industry group ranks as the 3rd strongest industry group out of 197 and is up 28.59% YTD. The industry group confirmed a buy signal on October 31, 2022.*
- *InfraCap MLP ETF (AMZA) is an ETF that reflects the daily changes of the Midstream Energy Master Limited Partnerships. The top three positions in the ETF are Energy Transfer LP (ET), Western Midstream Partners (WES), and Global X MLP & Energy Infrastructure (MPLX). All three show institutional accumulation and charts ready to break out of well-formed bases. An advantage of buying the ETF vs. individual MLPs is not having to deal with a K-1.*
- *InfraCap MLP ETF (AMZA) gave a buy signal on October 31, 2022, and threw back into the trendline from the June high. The retracement was also a retest of the 10-day moving average. The pullback allowed AMZA to alleviate the short-term overbought conditions and set up a low-risk entry.*
- *InfraCap MLP ETF (AMZA) will confirm a BUY with a 30-minute close above 33.60 or another throwback into the trendline at 32.89.*
- *Wait for text confirmation*
- *Start position at 1-star(*).*
- *The up/Down Volume Ratio on AMZA is hitting a 100-day high at 1.52, indicating institutional accumulation of shares.*
- *InfraCap MLP ETF (AMZA) closed at 33.16.*
- *InfraCap MLP ETF (AMZA) VWAP is at 50.32.*
- *Sell target price: 1st target is 40.39; 2nd target is 50.14*
- *Stop sell price: Close below 31.34.*





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