



Trading Floor Research

Welcome to the
— Trading Floor —



01/30/22

This Trading Floor Research report contains:

- **Chevron Corp (CVX)** A new Buy candidate in the Oil & Gas Integrated industry group.
- The **CBOE Volatility Index (VIX)** and what it is telling me about the next tradeable bounce.
- *AbbVie Inc. (ABBV)*. A new Buy candidate in the Medical Ethical Drugs industry group.



Essential Lessons for Stock Market Success.

Classes start again this week!

Class resumes this 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 the only sectors in a buy signal.

After coming very close to a sell signal earlier in the week, the **Financial Services** sector gave a 30-minute buy signal on Friday. I will be looking for candidates in this sector this week.

The **Energy Sector** pulled back on Friday but continues to be the most substantial area of the market. This week I am focusing on a stock out of the Oil & Gas Integrated industry group that pulled back Friday on an incredible earnings report. Chevron Corp. (CVX) is on a launchpad base that has taken several years to form. Oil & Gas stocks like Chevron are very under-owned by portfolio managers. The upside potential this creates, along with a strong dividend, provides a “total return” candidate that can be held in your portfolio for many months.

I expect the NASDAQ and S&P 500 to rally this week. 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 closed below the 31.2 Fibonacci target and gave a 30-minute sell signal in the afternoon. At this point, I view the rally as an oversold bear market retracement that should end at The 23.0 Fibonacci target. (Refer to VIX Chart).

The only way next week’s rally will indicate a start of a new bull market is if we get a “Follow-through” day. I will let you know if this happens and what we can purchase.

W.D. Gann’s “January Effect” indicates a bear market trend for many months.

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

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.

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CBOE Volatility Index (VIX)



Buy candidate: 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.

- **I will be purchasing Chevron (CVX) on a retracement to Fibonacci support at 125.14 or giving a 30-minute buy signal with increased volume.**

- **Wait for a text confirmation!**

- Initiate position at 2-star(**)

- **Under institutional accumulation** with an Up/Down Volume ratio of 1.50.

- **Chevron Corp. (CVX)** closed at 130.61.

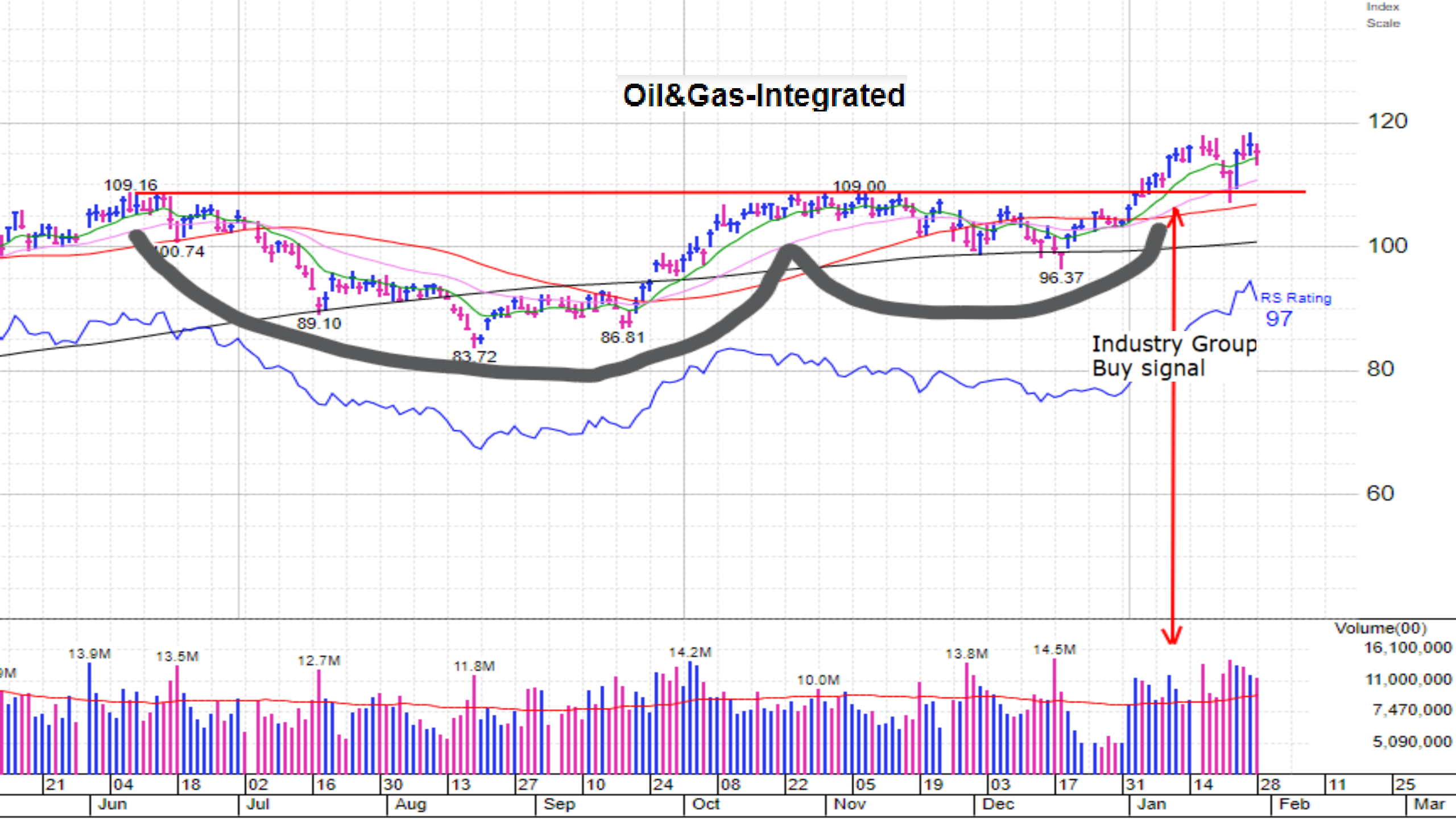
- **Chevron Corp. (CVX)** VWAP is at 104.99.

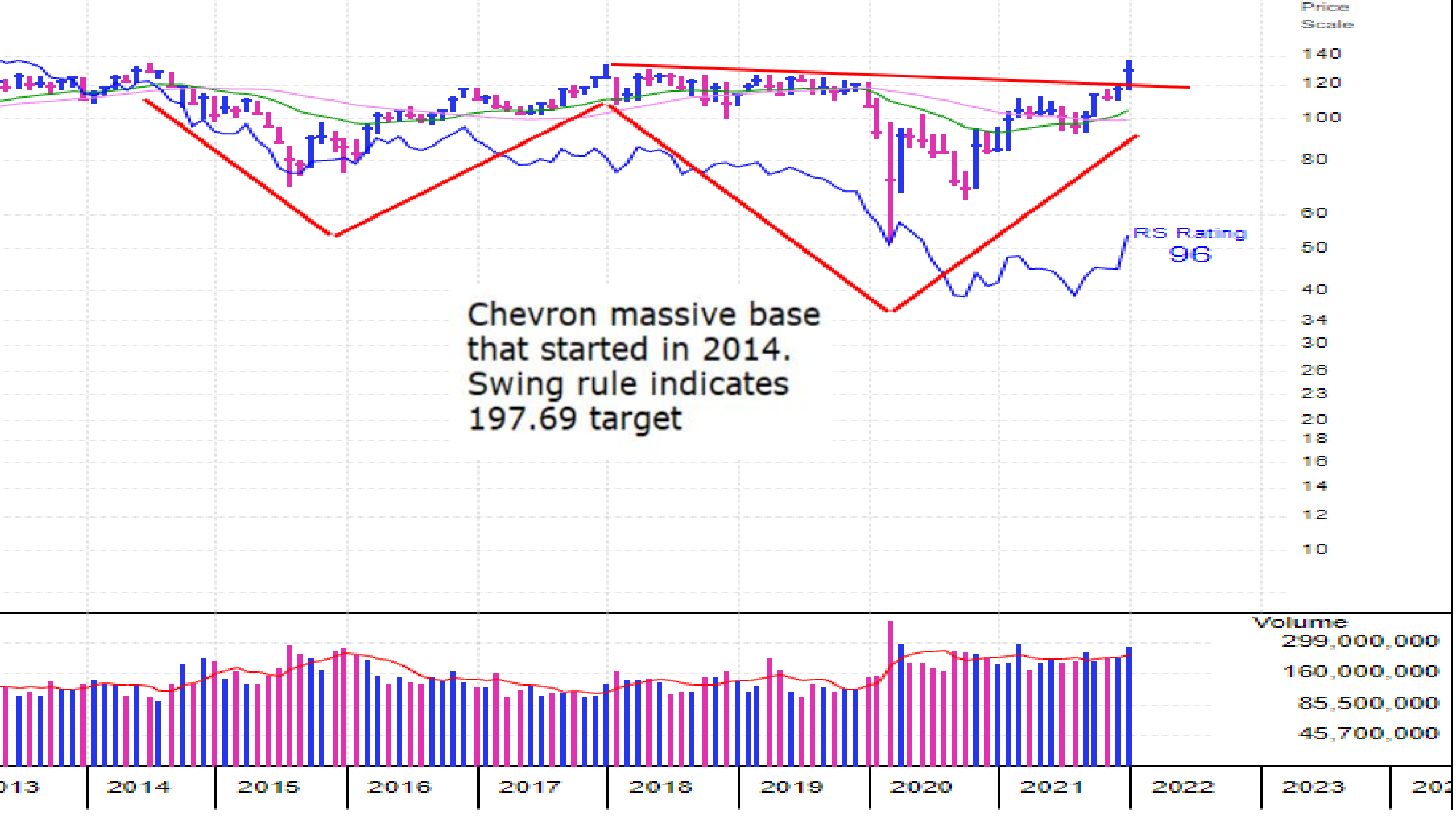
- Target prices: 1st target is **144.80**; 2nd target is **176.90**; 3rd target is **197.69**

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



Oil&Gas-Integrated





Chevron massive base that started in 2014. Swing rule indicates 197.69 target

RS Rating 96

Volume
299,000,000
160,000,000
85,500,000
45,700,000

Buy candidate: AbbVie Inc. (ABBV)

- **Industry Group: Medical Ethical Drugs.** The group currently ranks as the 97th strongest industry group out of 197 and is down -9.12% YTD. The group gave a 20-day closing high buy signal with above-average volume on December 15, 2021.
- **Medical Ethical Drugs** can be broken down into two subgroups (Drug manufactures-Major, and Drug Manufacturers Specialty Generic). AbbVie is part of Drug Manufactures-Major, trading at the top of its range since giving a December buy signal and is under institutional accumulation.
- AbbVie Inc. (ABBV) will report earnings next week, and I plan on taking advantage of any pullback the stock gives on earnings news down to Fibonacci support at 132.93.
- AbbVie Inc. (ABBV) has an earnings growth rate of 22% and a P/E ratio of 11x earnings. The PEG ratio is extremely cheap .5 and indicates a substantial growth in stock value.
- In December, AbbVie broke out of a cup-with-handle base that started in January 2018. The breakout out of a four-year base has come with massive institutional accumulation. • AbbVie stock pays a 4.1% dividend and total return potential as the stock moves higher.
- **I will wait for a pullback to Fibonacci support at 132.93 and a 30-minute buy signal.**
- **Wait for a text confirmation!**
- Initiate position at 2-star(**)
- **Under massive institutional accumulation** with an Up/Down Volume ratio of 2.34.
- **AbbVie Inc. (ABBV)** closed at 137.92.
- **AbbVie Inc. (ABBV)** VWAP is at 86.64.
- Target prices: 1st target is **164.99**; 2nd target is **194.47**
- Stop sell price: Close below **132.93**.





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