



TFR

# Trading Floor Research

Welcome to the  
— Trading Floor —



08/14/22

This Trading Floor Research report contains:

- ***Clearway Energy Inc. CL C (CWEN)***. **Confirmed a** BUY in the Energy Alternative/Other industry group on Friday.
- **NeoVolta Inc. (NEOV)**. A confirmed BUY in the Energy Solar industry group that gave new confirmation and has revised Fibonacci target numbers.
- **Credo Technologies Group Holding Ltd. (CRDO)**. A confirmed BUY in the Internet Networking Solutions industry group.
- **Vertex Pharmaceuticals Inc. (VRTX)**. A BUY Candidate in the Medical Biomed/Biotech industry group.
- **FTC Solar Inc. (FTCI)**. A new BUY candidate in the Computer Tech Services industry group.
- **Eiger Biopharmaceuticals Inc. (EIGR)**. A new BUY candidate in the Medical Biomed/Biotech industry group.



# Technical Analysis Roadmap for the S&P 500 *Where Does the Market Go From Here*

**Reserve Your Spot NOW!**

**FREE Online Chartered Market Technicians (CMT) Chapter Meeting**

**Register at:**

**<https://cmtassociation.org/events/networking-events/>**

**Wednesday August 18, 2022**

**5:00 PM Central Time**

*The webinar highlights a 50-year model showing the completion of a long-term Bull cycle & the highest probability of bear market lows.*

**David Wozniak, CMT**  
Chief Market Strategist



## Sectors, Industry Groups & Leadership Stocks

Thursday, the market was overextended and held in check at 4227.75. This is the 50% number from the January market high to the June low and the point where the biggest battle of bulls and bears happens. The bull and bear struggle played out as the bears took back control of the index by Thursday's closing bell, but the S&P 500 finished the week with panic buying from the bulls on the lowest volume of the year.

On Friday, the bulls took control on the lowest volume since December 31, 2021. Even though the bulls closed the index above the considerable 50% number, I will need to see a couple more days of holding the bears back at 4227.75 before I am convinced of a bull victory.

:

In the meantime, if the overbought rally extends to the 4300-4308.78 Fibonacci resistance and quickly flips around to close back below 4227.75, it could lead to a nasty selloff. 4299.64 is the 7/8 number of the entire rally from the March 2009 low. It is feeble, but if the price hits a weak number like a brick wall and reverses, it can lead to a quick selloff. I will send a text and recommend buying the **Direxion Daily S&P 500 Bear 3x (SPXS)** as I did in the last selloff.

Until the S&P 500 clears the 4300 level and closes above the declining trendline from the January 2022 market high on substantial volume, I will continue to keep new and existing position sizes small. (Refer to S&P 500 chart)

If the S&P 500 closes below 4275.75, the next significant Fibonacci support is at 4084.48 and 3945.86. (Refer to S&P 500 chart)

If the S&P 500 closes below the 3742.02 Fibonacci number from my long-term chart, the market will resume its downtrend.

Even though I see riskier capital enter the markets,  
*the bears are in control of the Russell 2000 and indicate "Risk-Off" in the markets.*



## Sectors, Industry Groups & Leadership Stocks

### Vertex Pharmaceuticals Inc. VRTX)

The **Healthcare sector** and **Medical Biotech** industry group continue to lead the market higher. When Medical Biotech gave an Early Entry TFR buy signal on June 24, 2022, the group was ranked at 107/197 industry groups. Biotechs are now the 4th strongest group in the market and show incredible relative strength.

The **Direxion Daily S&P Biotech Bull 3X (LABU)** hit its Fibonacci target at 12.53 last week. Fibonacci resistance at 12.53 has held LABU in check for the past four trading sessions allowing the 10-day moving average to catch up to the price.

**Vertex Pharmaceuticals Inc. (VRTX)** first appeared as a buy candidate in the July 17, 2022 newsletter. Since then, it has added a three-week handle to its cup-with-handle base. Breaking out of the handle on Tuesday, the stock gave a new buy signal and spent the rest of the week throwing back into its trendline. It is still slightly overbought and might need a couple more of rest.

Vertex is my favorite biotech setting up for its next move higher. There are very few biotechs with positive earnings. Vertex Pharmaceuticals' earnings are accelerating and indicate the stock is an undervalued growth stock. The PEG ratio stands at an impressive .388. As a portfolio manager, I would add greater weighting to stocks demonstrating a very low PEG. A PEG less than 1 is growth at a reasonable price (GARP). I highlight VRTX in this TFR report as a stock to own in the powerful Biotech industry group.

**Calculating the PEG Ratio for Vertex Pharmaceuticals (VRTX):**

P/E :  $292.84/14.05 = 20.96X$

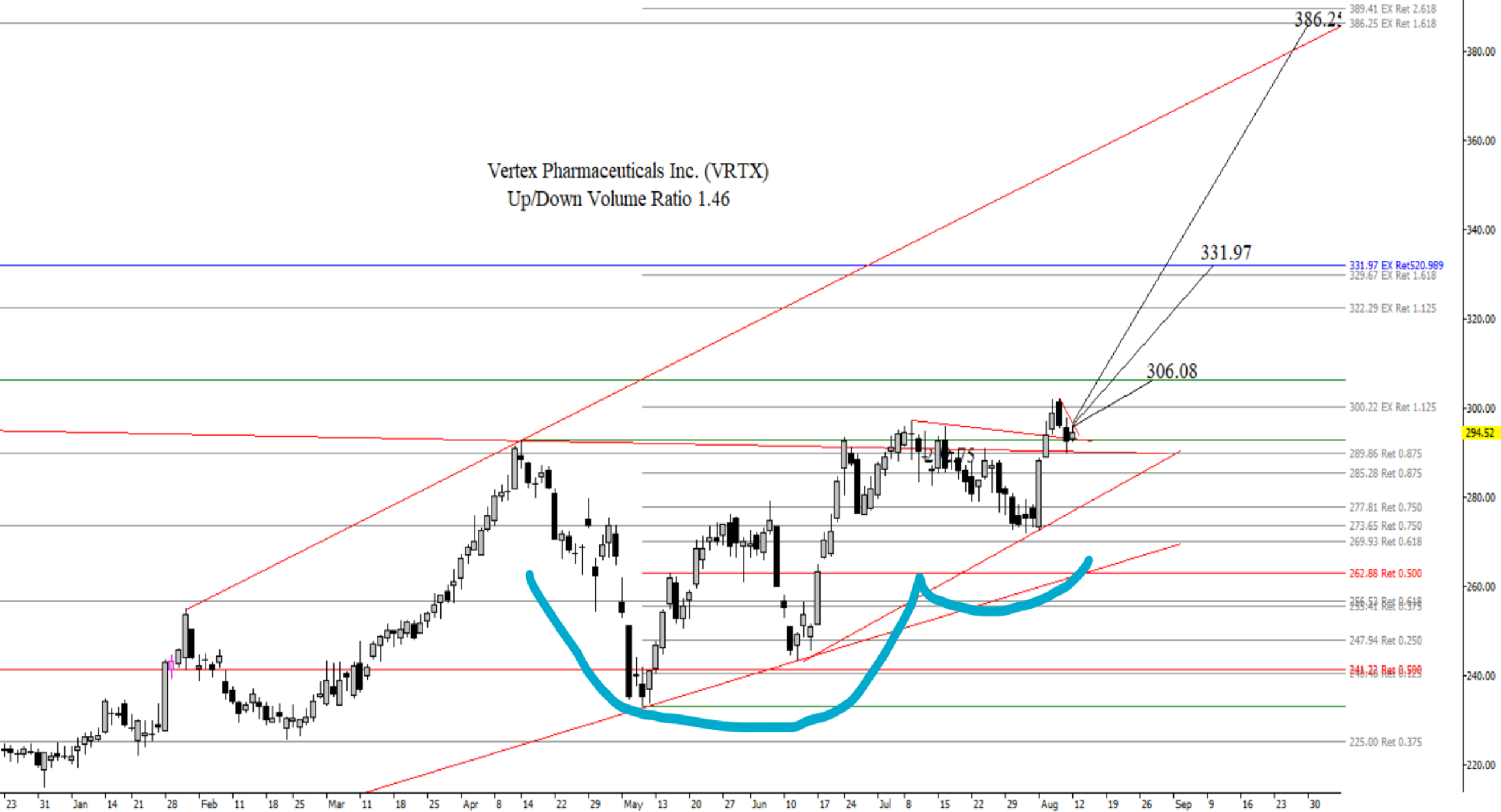
**PEG:**  $21.60/54 = .388$

PEG < 1 = **Growth At a Reasonable Price (GARP)**

## Buy Candidate: Vertex Pharmaceuticals Inc. (VRTX)

- *Industry Group: Medical Biomed/Biotech* . The Medical Biomed/Biotech industry group ranks as the 4<sup>th</sup> strongest industry group out of 197 and is down -16.93% YTD, and is in a buy signal since June 24, 2022
- **Vertex Pharmaceuticals Inc. (VRTX)** is in the Phase 1 trial for people with type 1 diabetes using stem cell replacement research and has commercialized therapies for cystic fibrosis.
- **Vertex Pharmaceuticals Inc. (VRTX)** broke out of a massive cup-with-handle pattern on Tuesday that started in July 2020. The stock pulled back over the last three days and threw back into its trendline. The 10-day moving average needs a couple more days to catch up to the current price.
- *•Vertex Pharmaceuticals Inc. (VRTX) will provide confirmation with a 30-minute close above 295.66.*
- *Wait for text confirmation!*
- *Start Position at 2-star(\*\*)*
- *Under institutional accumulation with an Up/Down Volume ratio of 1.46*
- *Vertex Pharmaceuticals Inc. (VRTX)closed at 294.52.*
- *Vertex Pharmaceuticals Inc. (VRTX) VWAP is at 188.34.*
- *Sell target prices: 1st target is 306.08; 2nd target is 331.97; 3<sup>rd</sup> target is 386.25*
- *Stop sell price: Close below 292.75.*

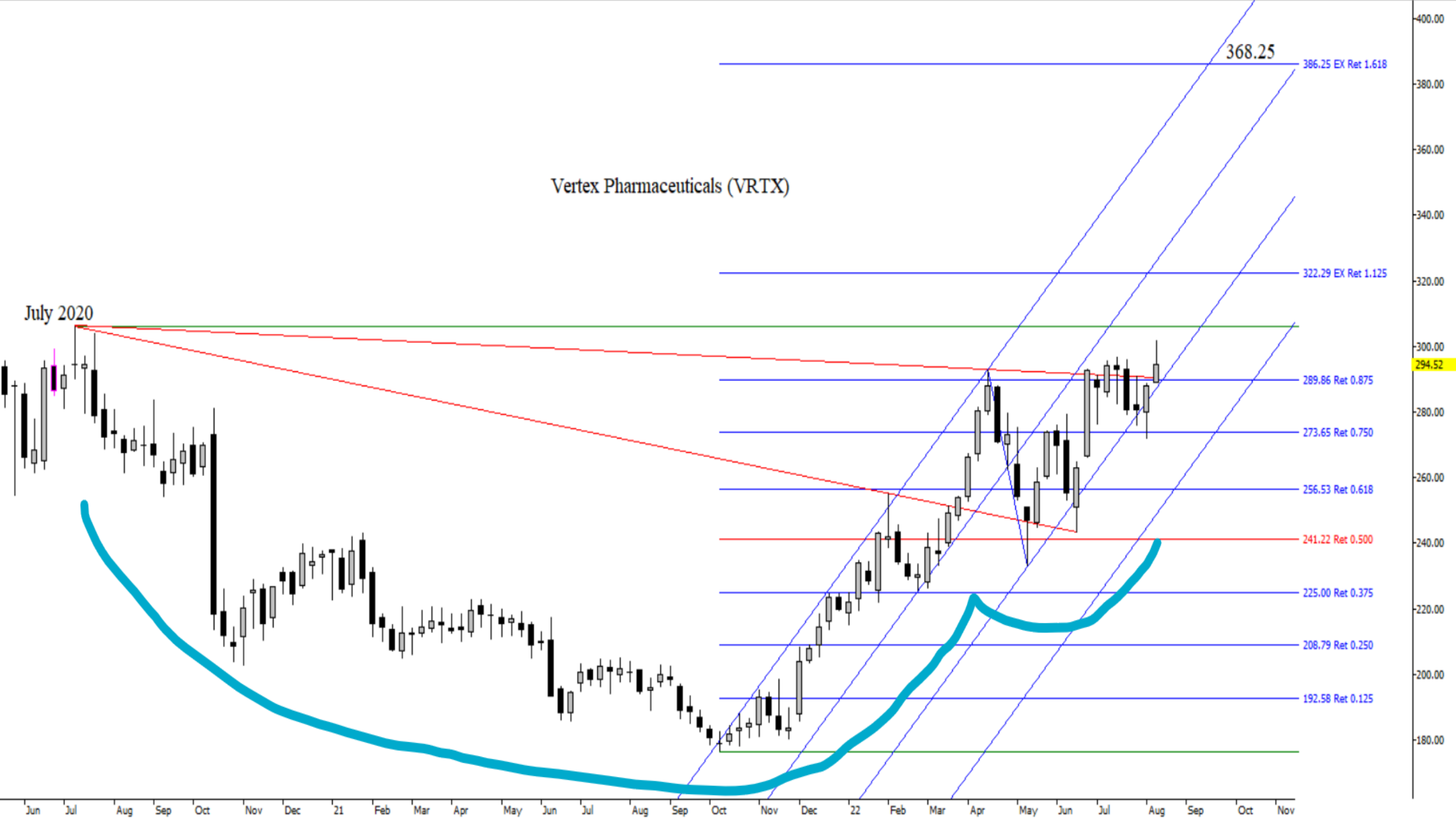
Vertex Pharmaceuticals Inc. (VRTX)  
Up/Down Volume Ratio 1.46





# Vertex Pharmaceuticals (VRTX)

July 2020



## Confirmed Buy : Clearway Energy Inc. CL C (CWEN)

- *Industry Group: Energy Alternative/Other. Clearway Energy Inc. CL C (CWEN) is gaining strength from congress's climate, energy, and tax law. The Energy Alternative/Other industry group confirmed a buy signal on July 28, 2022, and currently ranks 3<sup>rd</sup> out of 197. It is up 10.66% YTD.*
- *Clearway Energy Inc. CL C (CWEN) is one of the largest renewable energy owners in the United States. Their assets include wind and solar projects and environmentally sound, highly efficient natural gas generation facilities.*
- *Clearway Energy Inc. CL C (CWEN) broke out of the handle of a cup-with-handle base on Friday and closed above Fibonacci resistance of 38.41. **The stock is a confirmed buy!***
  - **BUY shares of Clearway Energy Inc. CL C (CWEN) between 38.41 and 37.22.**
- *Start Position at 1-star(\*)*
- *Under massive institutional accumulation with an Up/Down Volume ratio of 2.27.*
- *Clearway Energy Inc. CL C (CWEN) closed at 39.30.*
- *Clearway Energy Inc. CL C (CWEN) VWAP is at 22.84.*
- *Sell target prices: 1<sup>st</sup> target is 46.02; 2<sup>nd</sup> target is 53.48*
- *Stop sell price: Close below 34.68.*

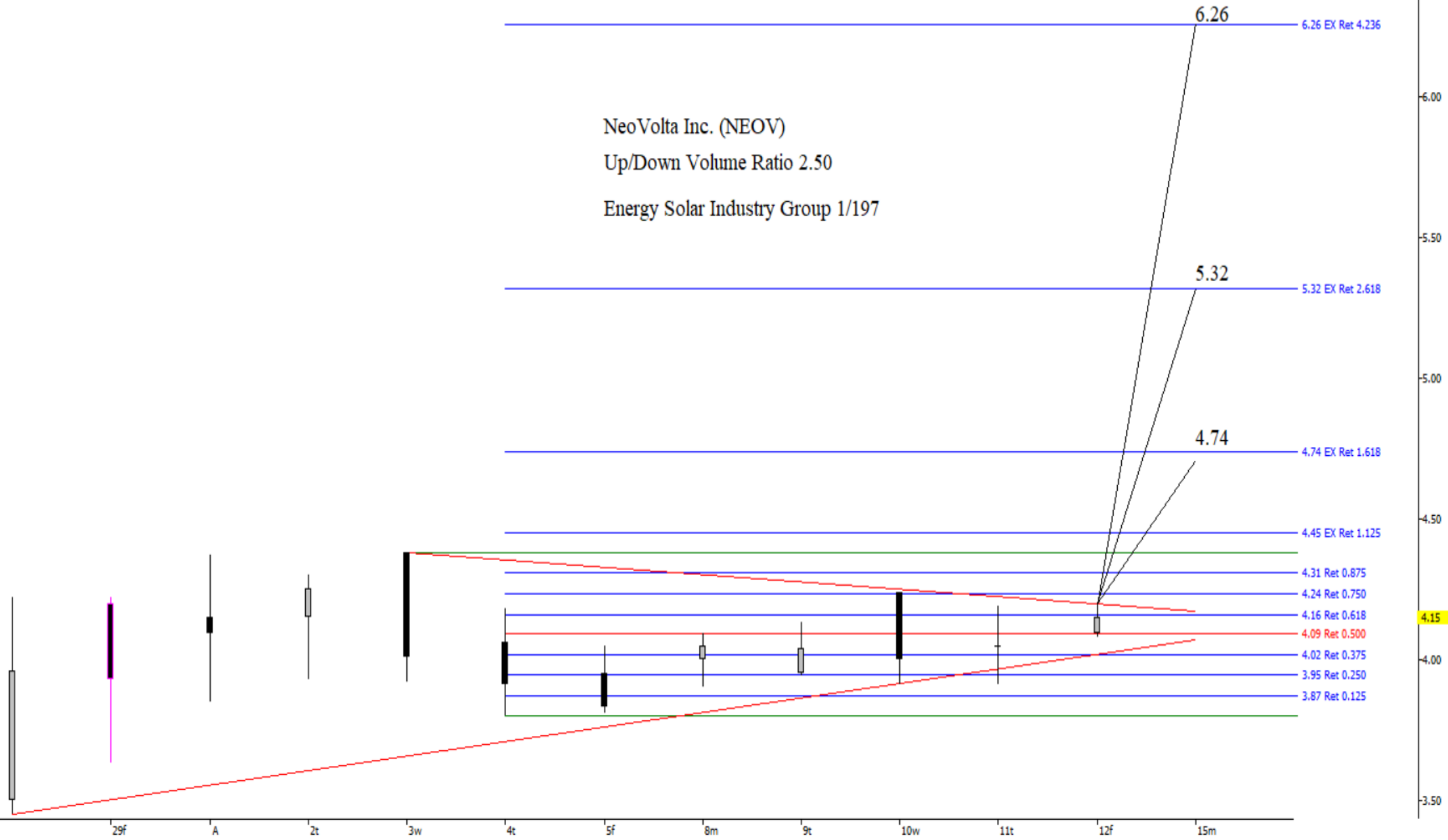
Clearway Energy Inc. CL C (CWEN)  
Up/Down Volume Ratio 2.27  
Energy Alternative/Other



## Confirmed Buy: NeoVolta Inc. (NEOV)

- *Industry Group: Energy Solar.* The Energy Solar industry group confirmed a buy signal on June 06, 2022, and currently is the strongest industry group out of 197. It is up 34.52% YTD
- *NeoVolta Inc. (NEOV) is a designer and manufacturer of lithium iron phosphate batteries that store solar energy.*
- *NeoVolta Inc. (NEOV) is coiling up in a wedge-shaped IPO base. A close above 4.24 will send shares higher. As the IPO base has developed, it has required an update of Fibonacci target numbers.*
- *NeoVolta Inc. (NEOV) gave a second 30-minute confirmation on Friday. The position can be increased to 1 star(\*).*
- *Add to existing position. Increase position to a 1-star(\*).*
- *Under institutional accumulation with an Up/Down Volume ratio of 2.50.*
- *NeoVolta Inc. (NEOV) closed at 4.15.*
- *NeoVolta Inc. (NEOV) VWAP is at 3.87.*
- *Sell target prices: 1<sup>st</sup> target is 4.74; 2<sup>nd</sup> target is 5.32; 3<sup>rd</sup> target is 6.26.*
- *Stop sell price: Close below 3.78.*

NeoVolta Inc. (NEOV)  
Up/Down Volume Ratio 2.50  
Energy Solar Industry Group 1/197



## Buy Candidate: FTC Solar Inc. (FTCI)

• *Industry Group: Computer-Tech Services. FTC Solar Inc. (FTCI) is gaining strength from the buy signal in the Computer-Tech Services and the Energy Solar Industry groups. The **Computer-Tech Services** group confirmed a buy signal on July 28, 2022, and currently ranks 97<sup>th</sup> out of 197. It is down -19.96% YTD. The **Energy Solar** industry group confirmed a buy signal on June 06, 2022, and currently is the strongest industry group out of 197. It is up 34.52% YTD*

• *FTC Solar Inc. (FTCI) provides a next-generation installation and configuration system for solar panels called Solar Tracker. The company also provides software that enhances the efficiency and reliability of Solar Tracker and value-added engineering services.*

• **FTC Solar Inc. (FTCI)** is ready to break a trendline that started on the first day of trading as an IPO on April 28, 2021. (Refer to FTCI chart). Since June, it has set up as a cup-with-handle base and closed above Fibonacci resistance three days ago at 5.21.

• **FTC Solar Inc. (FTCI)** will confirm with a close above its long-term trendline at 5.60.

• *Wait for text confirmation!*

• *Start Position at 1-star(\*)*

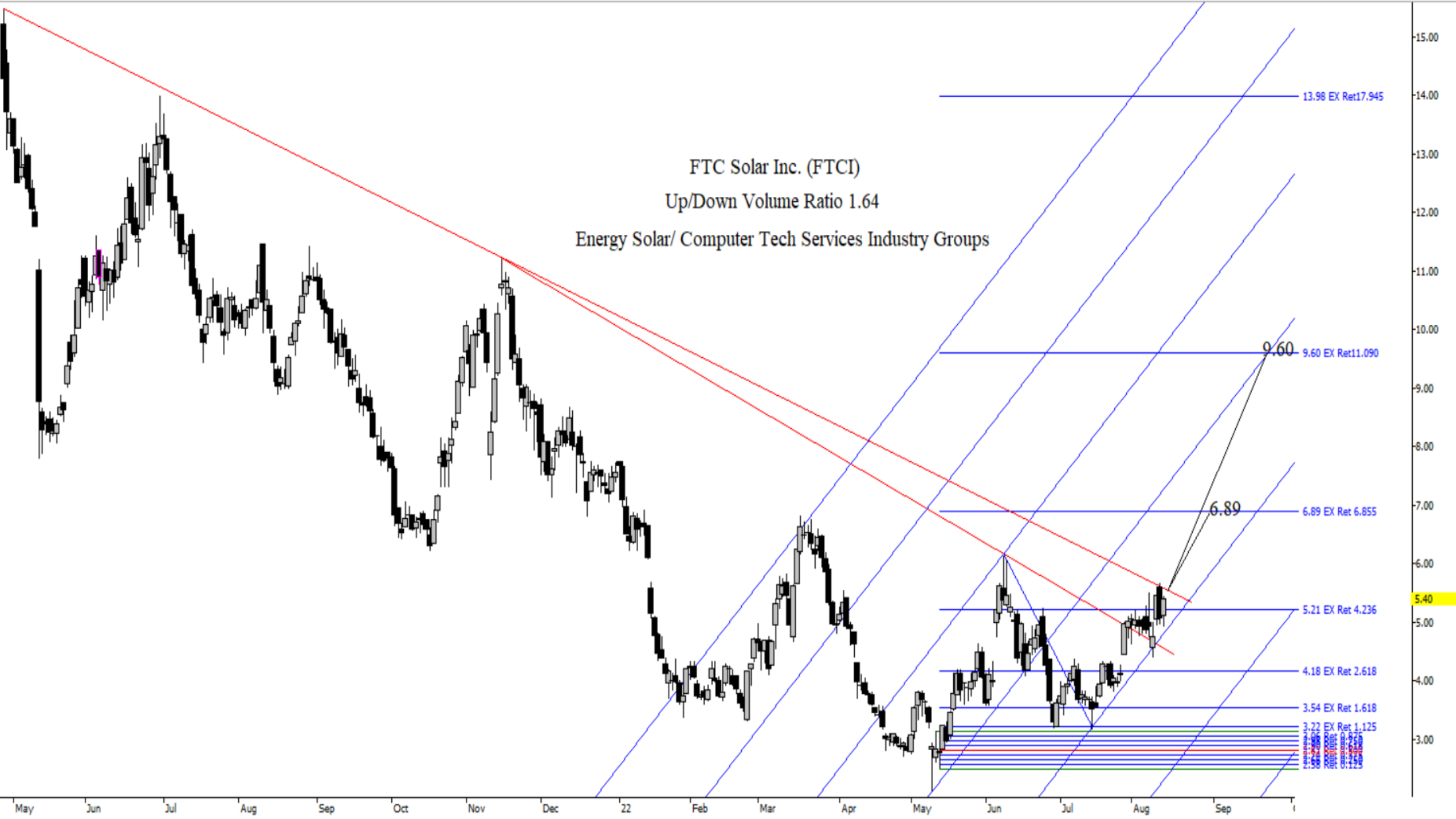
• *Under institutional accumulation with an Up/Down Volume ratio of 1.64.*

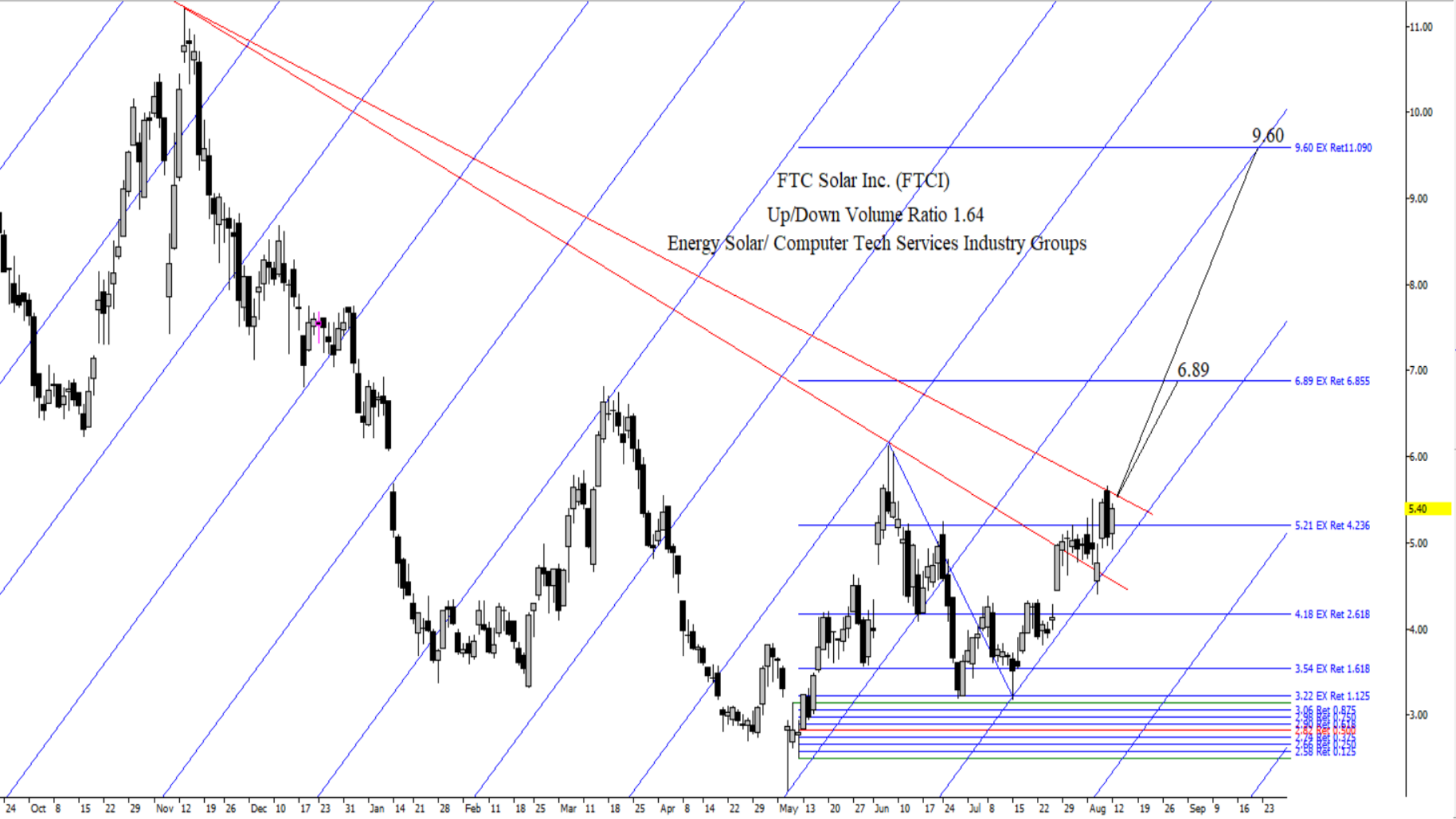
• *FTC Solar Inc. (FTCI) closed at 5.40.*

• *FTC Solar Inc. (FTCI) VWAP is at 6.95.*

• *Sell target prices: 1<sup>st</sup> target is 6.89; 2<sup>nd</sup> target is 9.60*

• *Stop sell price: Close below 5.21.*







## Buy Candidate: Eiger BioPharmaceuticals Inc. (EIGR)

- *Industry Group: Medical Biomed/Biotech. The Medical Biomed/Biotech industry group confirmed a buy signal on June 24, 2022, and currently ranks 4th out of 197. It is down -16.93% YTD.*
- *Eiger Biopharmaceuticals (EIGR) develops therapies for rare diseases with high unmet needs. They just received European approval for the first and only drug to treat a rare, rapid aging disease.*
- *Eiger Biopharmaceuticals (EIGR) is completing the handle of a cup-with-handle base that started in March. Completing the handle will mean closing above the VWAP at 9.37. After tailing away from the VWAP on August 5, the stock has challenged the VWAP three additional times.*
- *Eiger Biopharmaceuticals (EIGR) will confirm with a daily close above 9.38 on above-average volume.*
- *Wait for text confirmation!*
- *Start Position at 1-star(\*)*
- *Under institutional accumulation with an Up/Down Volume ratio of 1.77.*
- *Eiger Biopharmaceuticals (EIGR) closed at 9.15.*
- *Eiger Biopharmaceuticals (EIGR) VWAP is at 9.37.*
- *Sell target prices: 1<sup>st</sup> target is 10.02; 2<sup>nd</sup> target is 11.46; 3<sup>rd</sup> target is 13.20.*
- *Stop sell price: Close below 8.46.*

Eigr BioPharmaceuticals Inc. (EIGR)  
Medical Biomed/Biotech Industry Group



## Buy Candidate: Credo Technologies Group Holding Ltd. (CRDO)

- *Industry Group: Internet Networking Solutions. The Internet Networking Solutions industry group currently ranks 182<sup>nd</sup> out of 197. It is down -27.93% YTD.*
- *Credo Technologies Group Holding Ltd. (CRDO) delivers high-speed solutions to break bandwidth barriers on every wired connection to the data infrastructure market.*
- **Credo Technologies Group Holding Ltd. (CRDO)** is completing the handle of an IPO cup-with-handle base that started on January 28. This is a textbook IPO base and frequently is the start of significant stock moves.
- **Credo Technologies Group Holding Ltd. (CRDO)** confirmed this past week at 15.98.
- *Position is at 1/2-star(\*)*
- *Under institutional accumulation with an Up/Down Volume ratio of 1.40.*
- *Credo Technologies Group Holding Ltd. (CRDO) closed at 15.46.*
- *Credo Technologies Group Holding Ltd. (CRDO) VWAP is at 13.50.*
- *Sell target prices: 1<sup>st</sup> target is 19.71; 2<sup>nd</sup> target is 23.80; 3<sup>rd</sup> target is 26.02.*
- *Stop sell price: Close below 13.31.*

# Credo Technology Group Holding Ltd. (CRDO)





# Trading Floor Research

Welcome to the  
Trading Floor

<sup>1</sup>The 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

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.*

