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# Trading Floor Research

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08/29/21

## This Trading Floor Research report contains:

- An update on the Russell 2000 short trade. A purchase of **Direxion Small Cap Bear 3x (TZA)**.
- Conflicting market messages from technology sector and financial services sector.
- **HIVE Blockchain Technologies Ltd (HVBT)**. A new Buy candidate in the Computer Software Financial industry group.
- **Cleveland Cliffs (CLF)/ Mechel Pao ADS (MTL)**. TFR update on the Steel Producer industry group.



## Essential Lessons for Stock Market Success.

Class 3 is Thursday September 2, 2021, 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

This week we will discuss the importance of volume and market leadership in finding stocks ready to move higher.

Invite a family member or friend for the September 2 class and give them the opportunity to change their financial future

Call Sara to reserve a seat at 219-787-3101

## *Conflicting Market Messages*

I am getting conflicting market messages this weekend. Federal Reserve President Jerome Powell's remarks on Friday sparked a powerful rally in the Russell 2000 and it closed above my target number of 2258.49. When I see rhythm in a chart, it gives me greater conviction that a trade is progressing with high probability. Fridays close above 2258.49 has taken some of the rhythm out of the chart. It can still work as we complete the time cycle period of Tuesday, August 31, 2021, but the Russell 2000 cannot close above 2315.19. This will show that the cycle turn date of August 27, 2021 was a cycle low. Not a cycle high as I previously expected. (Refer to Russell 2000 chart)

If the Russell 2000 closes above 2315.19, I will sell my **Direxion Small Cap Bear 3x TZA** position.



# Russell 2000 Index (RUT)



## *Conflicting Market Messages*

The technology sector has consistently sold off as it has reached its rising trendline (Refer to Chart). Thursday it tailed off its trendline and began its retreat. This set up a reliable pattern that often leads to a high probability move lower. Friday's close above the trendline has the potential of reversing the selloff and the reliable pattern. I refer to this as a "broken pattern." The broken pattern can be more powerful than the initial projected move. (Refer to Chart)

If the technology sector can hold above that rising trendline for the next few days, it has the potential of making a parabolic move higher. This is often the case when charts create a "broken pattern." The potential of a money-making powerful move higher makes this sector worth watching.

Option two for the technology sector is that this may be an exaggerated move higher induced by soothing Fed comments on Friday, and the technology sector has temporarily overshot its rising trendline. This is the greater probability option, but it needs to be watched closely over the next few days.

With the potential of a parabolic move higher in technology stocks, and a strong buy signal in Computer Software Financial industry group, I will highlight a buy candidate in this group. The setup is **HIVE Blockchain Technologies Ltd. HVBT**. It is a blockchain company that should benefit from strength in the Computer Software Financial industry group, and the recent strength in cryptocurrency.

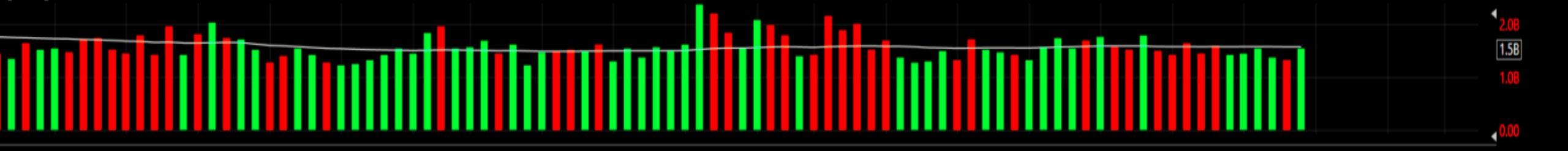
The financial sector has also shown some whipsaw action over the past two days and has set up a potential cup-with-handle pattern for an upside move. If this pattern completes, I will focus on new buy signals in the financial service industry groups (Refer to financial sector chart).



# TECHNOLOGY SECTOR

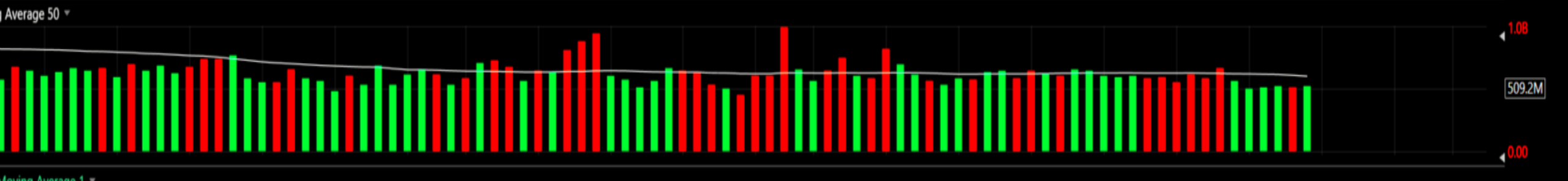
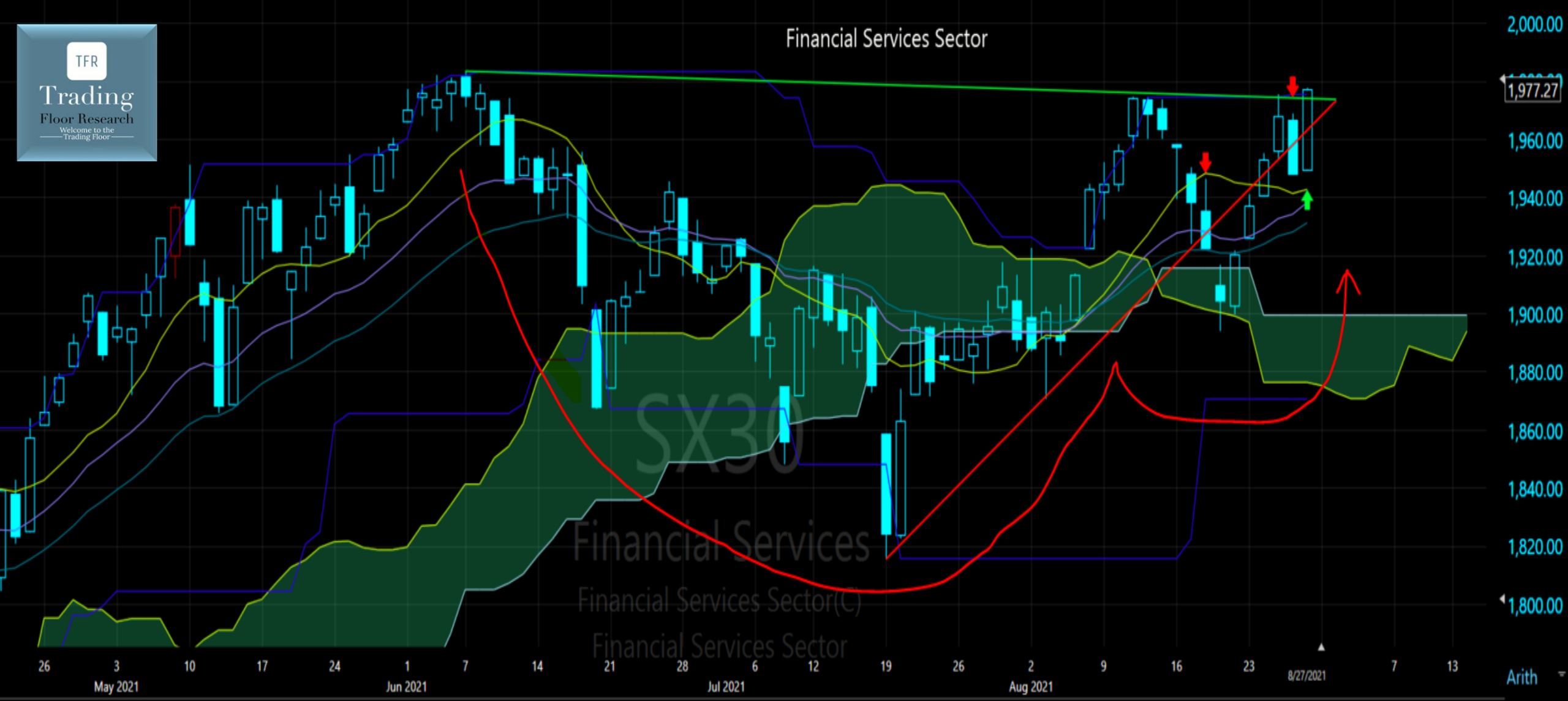


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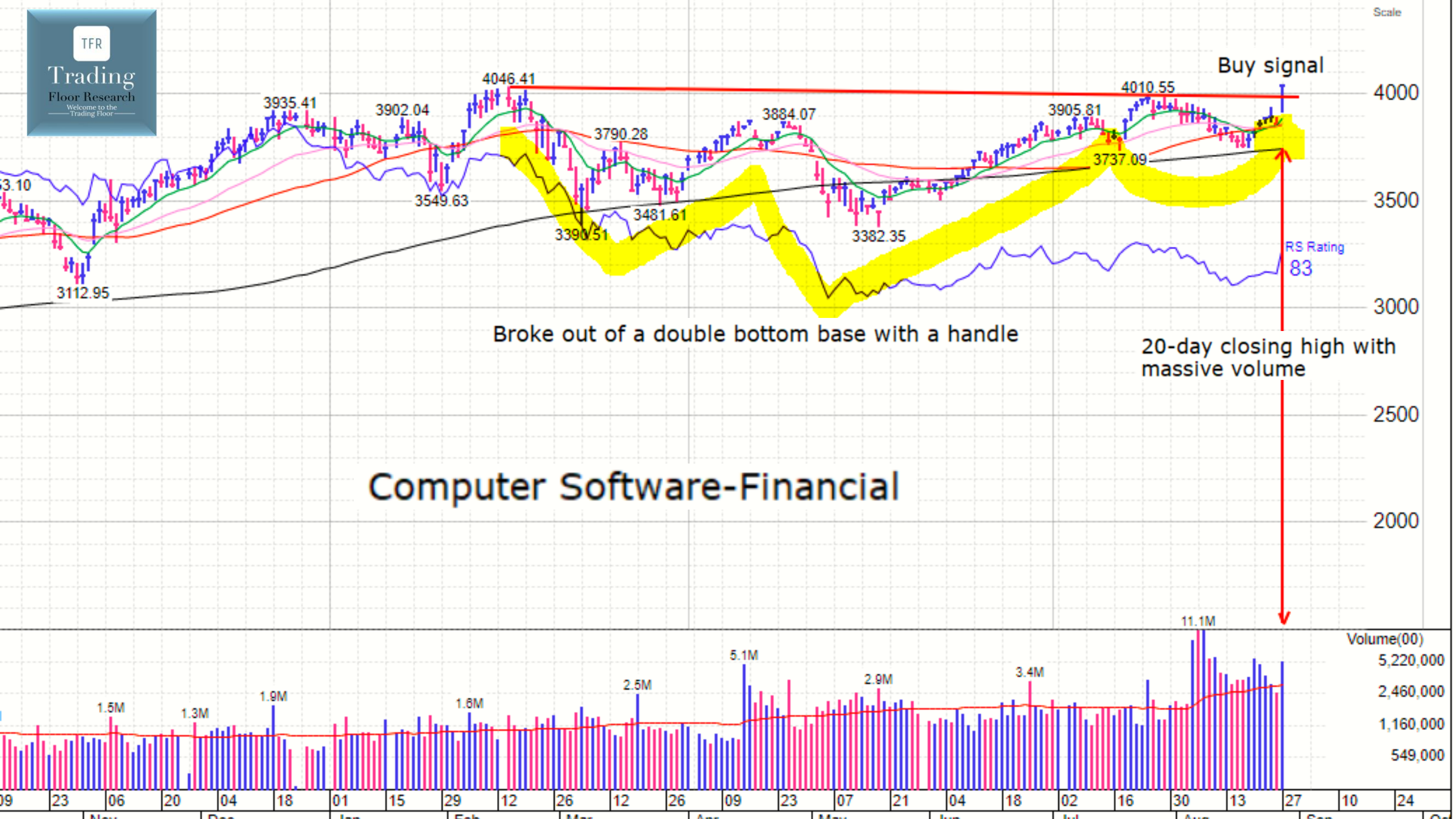
# Financial Services Sector





- New buy candidate: **HIVE Blockchain Technologies Ltd (HVBT)**
- Industry Group: **Computer Software-Financial**. The group currently ranks as the 33<sup>rd</sup> strongest industry group in the market out of 197 and is up +4.95% YTD. The industry group gave a buy signal on Friday August 27, 2021 with massive volume. This is one of the best industry group buy signals I have seen in a while. (refer to Computer Software Financial chart)
- HVBT is a Canadian Blockchain company that owns a state-of-the-art green energy-powered data center.
- HVBT has formed a cup-with-handle base since its listing date on the NASDAQ July 01, 2021. This cup-with-handle base is a small part of the massive cup-with-handle base that has formed since its IPO on Canadian Securities Exchange 9/22/17.
- HVBT has formed an **over-under-over pattern** in its handle and is ready to break out of the handle in the next few days.
- HVBT had a cycle turn date on August 27, 2021.
- **HVBT will confirm a buy signal with a 30-minute close above 3.17 on increased volume. Wait for confirmation!**
- Initiate position with at 2-star(\*\*). Market concerns
- Under institutional accumulation with an Up/Down Volume ratio of 1.7.
- HVBT closed at **3.12 on Friday**.
- HVBT VWAP is at 1.93.
- Sell target price: **1<sup>st</sup> target is 3.46, 2<sup>nd</sup> target is 4.28, 3<sup>rd</sup> target is 5.59**
- Stop sell price: End of day **Close** below 2.96.





# Computer Software-Financial

Broke out of a double bottom base with a handle

20-day closing high with massive volume

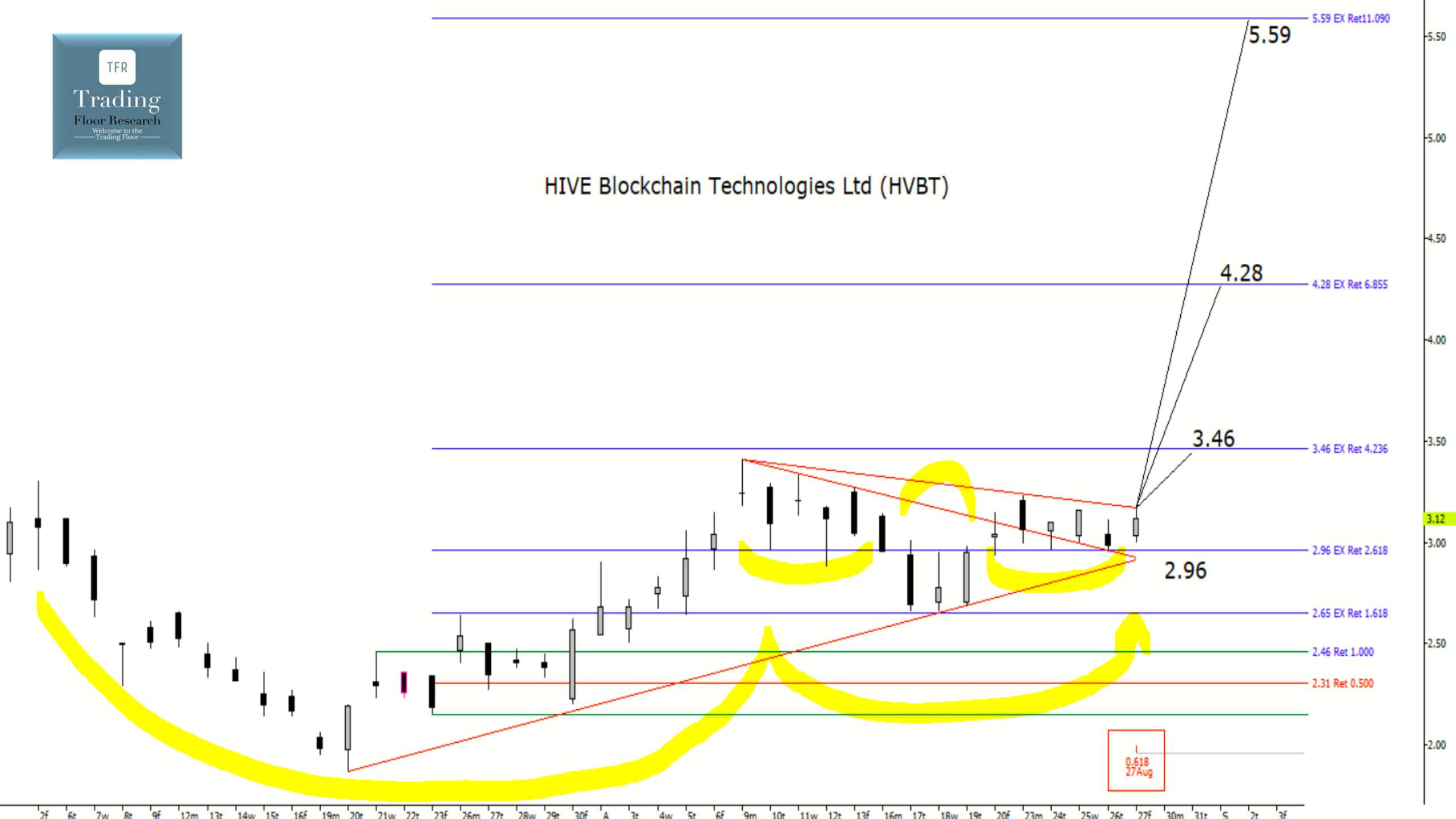
Buy signal

RS Rating 83

Volume(00)  
5,220,000  
2,460,000  
1,160,000  
549,000

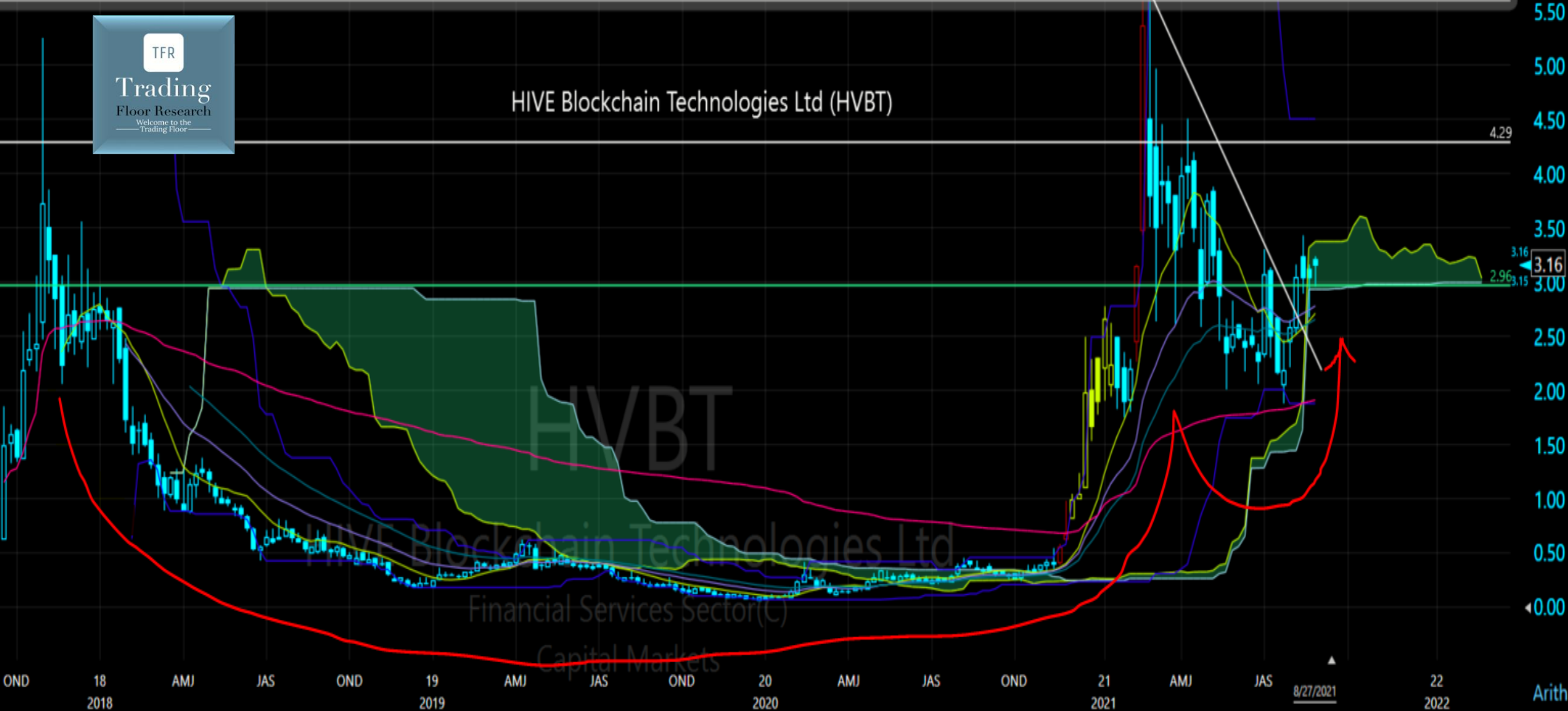


# HIVE Blockchain Technologies Ltd (HVBT)





# HIVE Blockchain Technologies Ltd (HVBT)



### *Cleveland Cliffs Inc./Steel-Producers*

Friday, I was asked if I could provide an updated technical opinion on Cleveland Cliffs Inc. Since I know this is a stock with a lot of interest for many of my readers, I am including commentary in this report.

The Steel-Producers/Cleveland Cliffs report includes a stock I had on my buy list in the June 3, 2021, newsletter called Mechel Pao ADS (MTL). You can pull the complete research report up by going to the “Newsletter library” at [tfrtrader.com](http://tfrtrader.com). The Steel Producer stock is a Russian manufacturer of steel. They are also a miner of iron ore and coke. Mechel Pao ADS (MTL) should benefit from the metallurgical coal miner's strength I wrote about in the August 8, 2021, newsletter. Check it out at [tfrtrader.com](http://tfrtrader.com).

- **Cleveland Cliffs Inc. (CLF)/ Mechel Pao ADS (MTL)**
- Industry Group: **Steel-Producers**. The group currently ranks as the 3<sup>rd</sup> strongest industry group in the market out of 197 and is up +97.48% YTD. The industry group gave a buy signal July 29,2021. seven days later the group broke out of a cup-with-handle base.
- Over the past 2 weeks the industry group has pulled back and is resting on the 10-day moving average. The group is showing strength on the pullback.
- The best performing stock in the Steel Producers industry group is a stock I had as a buy in the June 3, 2021, newsletter called Mechel Pao ADS (MTL). You can get the specifics on the trade by going to the Newsletter library at [tfrtrader.com](http://tfrtrader.com). The stock has gone sideways for almost 3 months. Monday MTL gapped out of its base on massive volume. On Friday, the stock continued to go higher reporting an earnings increase of 1000%. It closed 28% higher for the week.
- MTL is short-term overbought, but after a pullback to Fibonacci support at 2.55 it can be bought. The move is just getting started after a long base. (Refer to Chart)
- Cleveland Cliffs is going sideways after the Steel Producers buy signal on July 29,2021. Friday it closed above its 10-day moving average. A sign of price strength. Volume strength is absent. It needs more institutional accumulation to get the stock moving.
- CLF pulled back to Fibonacci support at 22.70-22.40 seven trading sessions ago and started to move higher early last week on its cycle turn date August 23, 2021.
- **Monday CLF needs to break it's trendline and give a 30-minute buy signal at 24.90 with big volume to send the stock higher.**
- A new buy signal on CLF will take the stock to its next Fibonacci resistance at 28.48



- Cleveland Cliffs Inc. (CLF)
- CLF should be sold with a close below 22.40.
- CLF is under very little institutional accumulation with an Up/Down Volume ratio of 1.1. In order to break through the 28.48 Fibonacci target, CLF will need more institutional accumulation.
- I would underweight CLF in portfolios until we see greater institutional accumulation
- CLF closed at 24.37 on Friday.
- CLF VWAP is at 10.20.
- Sell target price: **target is 28.48**
- Stop sell price: End of day **Close** below 22.40.





### Mechel Pao ADS (MTL)



1.54	Ret 0.875
1.34	Ret 0.750
1.43	Ret 0.670
1.33	Ret 0.500
1.36	Ret 0.325
1.26	Ret 0.250
1.32	Ret 0.125





# Cleveland-Cliffs Inc. (CLF)





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<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.

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