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# Trading Floor Research

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01/27/21

- This Trading Floor Research report contains:
- Market comments on today's market collapse, and what the short squeeze in GameStop Corp could be telling us.

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## Maybe they rang the bell at the top

Some believe the market will never ring a bell at the top. I believe the market will ring a bell at meaningful tops. Ringing the bell is commonly thought of as a grand announcement that the market top is in.

The market appears to have rung the bell in the last few days, and this might qualify as a more meaningful top.

What I am talking about is the short squeeze we witnessed on GameStop (GME). I have seen Wall Street sharks swarm when they smell blood. i.e., Long Term Capital Management in 1998. But I have witnessed nothing like this. This is the bell I often wait for. This is evidence of a frenzied market that has taken over.

Let's examine the evidence:

- 1.) Today a Wall Street analyst from B of A Securities raised his price target from 1.60/share to 10/share. That is a bold move increasing a price target 520% in one analyst report. Not so much when the stock is trading over 340/share.
- 2.) GameStop has run up 1726% in 12 trading days on a short squeeze.
- 3.) Elon Musk has weighed in his opinion.
- 4.) This attempt at cornering the market will not work. (The Mortimer's tried this in Frozen Concentrated Orange Juice FCOJ.) The thing these young investors don't realize is the market operates on a greater fool theory. You need new buyers to continue an upward price advance. Once the greatest fool has bought the stock (Hopefully not you), it will fall under its own weight. Scared sellers will quickly follow. (Stock Market 101).

After this historic move in GameStop, watch for GameStop to follow the market lower. All that is left is the crying.

# GameStop Corp. GME

A price break of 255.33 will send the shares lower.

255.33

410.33 EX Ret198.970

255.33 EX Ret122.989

159.49 EX Ret76.011

100.27 EX Ret46.982

63.66 EX Ret29.036

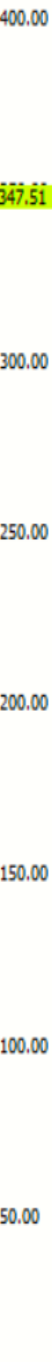
41.04 EX Ret17.945

27.05 EX Ret11.090

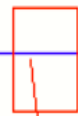
18.41 EX Ret 6.855

13.07 EX Ret 4.736

9.74 EX Ret 2.518



347.51



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## Market Comments

Massive selling added another distribution day to the S&P 500 today. Selling by institutions kept the downside pressure on for most of the day.

My focus was on S&P 500 price at the end of the session. We pierced through my important 3742.02 number and hit a low today of 3732.48 in the last 1/2 hour of trading. By the close we had safely held 3742.02 with a close at 3750.77. This could lead to a short-term bounce tomorrow, but the technical damage is done.

Today's action forced me to cover many of my remaining trading positions in my managed accounts. Even though TTOO pulled back today, I gave that stock a little room and have covered none of my shares. If this market starts moving lower on variant strains of COVID-19, TTOO will soar. Today the market moved lower on Fed comments. Watch for the reasons to change from day to day.

It impressed me with pockets of strength today. Specifically, I liked the price action in EV stocks, and 3-D printing stocks. With the selling on earnings in Tesla tomorrow, EV stocks could join the downward market move.

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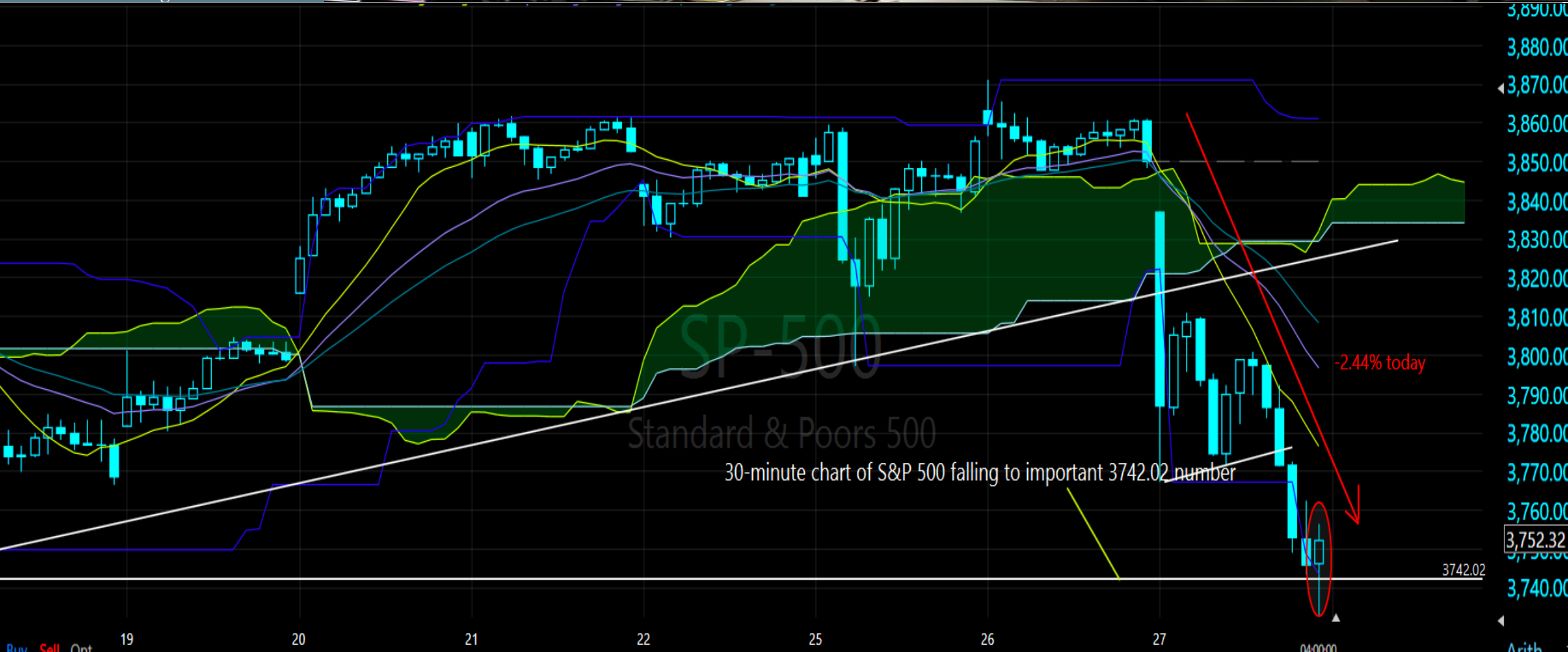
- I've included a 30—minute chart of the S&P 500 that highlights the reversal and candlestick tail at 3742.02. This reversal could lead to a short-term bounce and an opportunity to lighten up more positions. Don't get fooled with market head fakes.
- I've also included a VIX chart showing the upside price break of compressed standard deviations today. The chart also includes target numbers for VIX expansion. I will be watching these numbers for clues to an exhausted downside move, and an opportunity to buy stock.
- If this market doesn't bounce tomorrow morning, and the market closes below my 3742.02 number, watch out for the trap doors to open wide. I hope you have all listened to my warnings over the past few weeks and are in heavy cash positions.

Buckle yourselves in, its going to get a little bumpy!

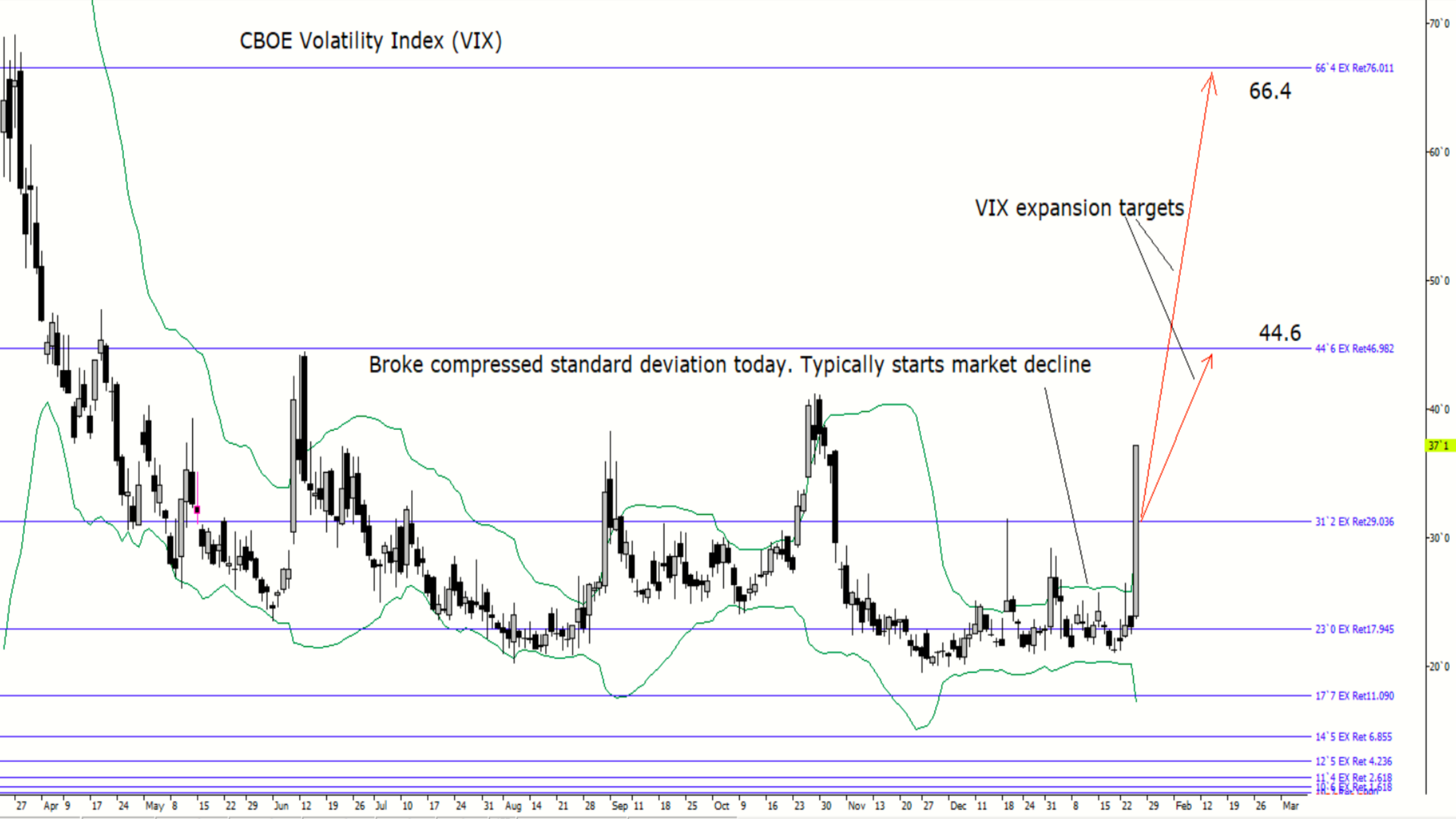
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# CBOE Volatility Index (VIX)



Broke compressed standard deviation today. Typically starts market decline

VIX expansion targets

66.4

44.6

37.1

66'4 EX Ret76.011

44'6 EX Ret46.982

31'2 EX Ret29.036

23'0 EX Ret17.945

17'7 EX Ret11.090

14'5 EX Ret 6.855

12'5 EX Ret 4.236

11'4 EX Ret 2.618

10'6 EX Ret 1.618

10'0 EX Ret 1.000





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## Results of TFR closed positions as of 01/28/2021:

XPEV	Sold position	+41.83%
DADA	Stopped out	-12.6%
GPRO	Stopped out	-2.31%
FUV	Sold position	+67.34%
BLNK	Sold position	+76.25%
OPTT	Sold ½ position	+128%
OPTT	Stopped out 1/2 position	+49.13%
BBIO	Sold Position	+21.81%
CVAC	Sold Position	+66.81%
NGMS	Stopped out	-11.22%
EH	Sold Position	+61.78%
UFAB	Sold Position	+43.60%



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Results of TFR closed positions as of 01/28/2021:

OTIC	Sold position 12/22/20	+41.80%
BTBT	Sold position 12/30/20	+101.15%
LUNG	Sold position 12/31/20	+41.88%
GBTC	Sold position 01/05/21	+95.29%
ZKIN	Sold ½ position 01/05/21	+28.57%





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