



TFR

Trading Floor Research

Welcome to the
— Trading Floor —

05/29/23



This Trading Floor Research report contains:

Equal Weight S&P 500 (RSP). Update

Vita Coco Company Inc. (COCO)

Elevation Oncology (ELEV)

Nuvectis Pharma (NVCT)

Still setting up from last week

2X Long VIX Futures (UVIX)

Equal Weight S&P 500 & Sector Analysis

Market Comments

On Thursday, the Healthcare sector became the latest victim of the market's downward pressure. Healthcare gave a sell signal, and the two leading industry groups that carried the sector lower were Medical Devices and Drug Manufacturers. Both industry groups gave sell signals.

Biotech and Medical Instruments went down but avoided a sell signal. Both are still good areas for new stock ideas, but smaller position sizes should be observed.

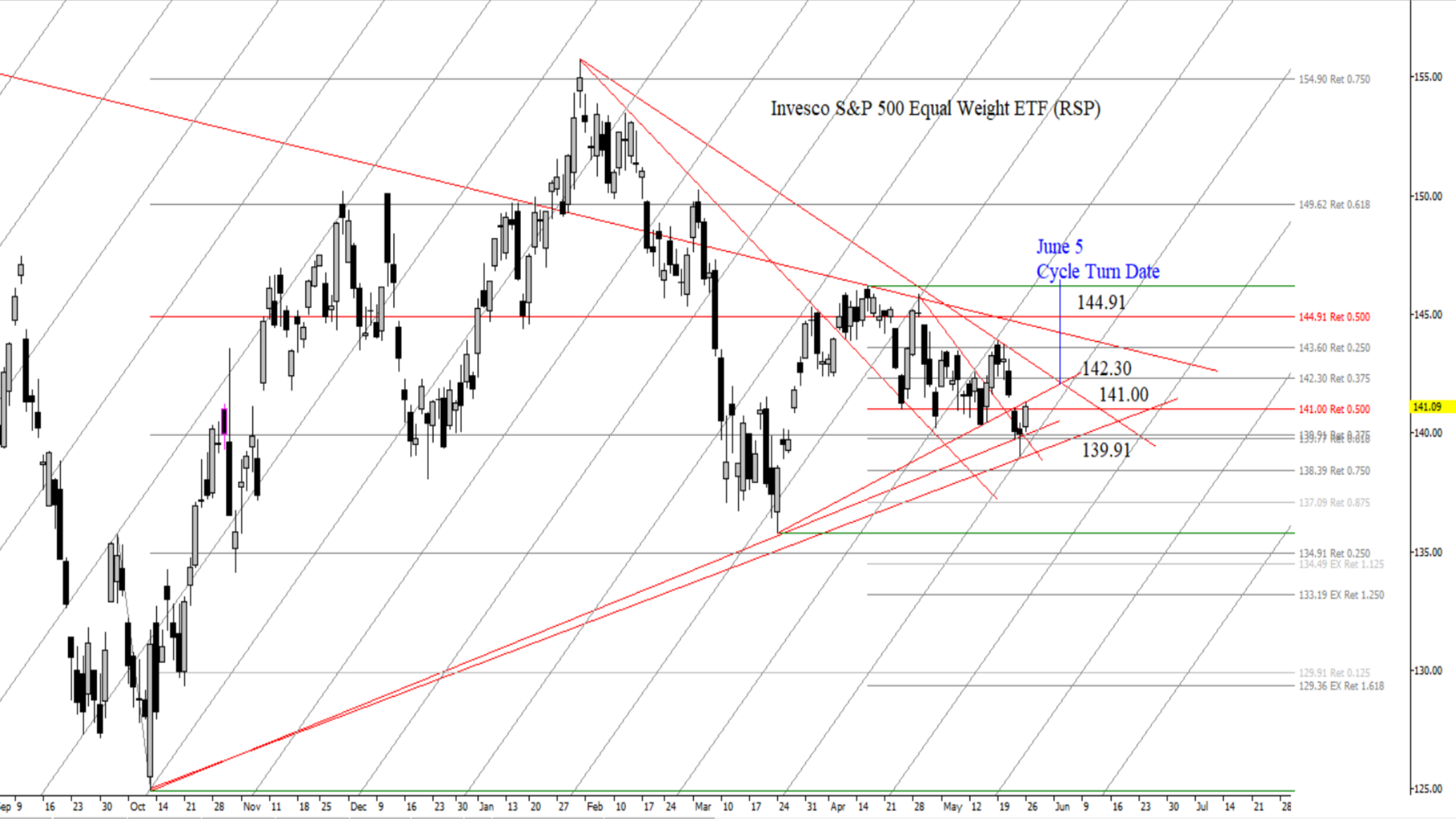
Now that Healthcare has moved to a sell, ten of the eleven market sectors are in a confirmed sell.

The only sector left in a buy is Technology. Technology must do all the heavy lifting from here. In my 34 years in the market, I have never seen a bull market continue higher with one sector in a buy signal. It can work for a short period but will not continue.

A clear picture of what the market is actually doing can be observed by looking at the Invesco S&P 500 Equal Weight ETF (RSP). It is up +1.17% YTD and gave a sell signal on May 5. This past Wednesday, the S&P 500 Equal Weight reconfirmed its sell signal.

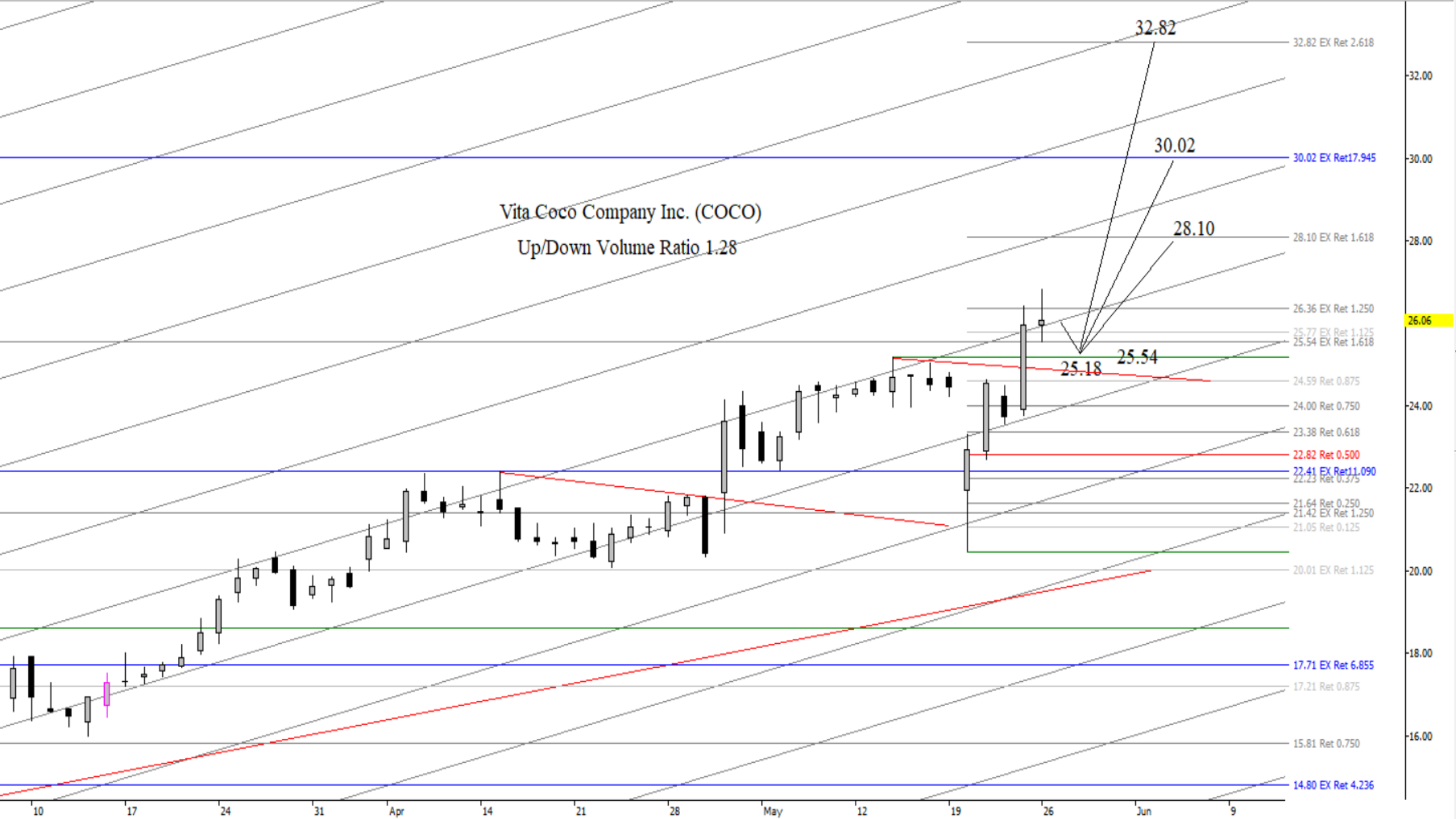
Observance of sector rotation and industry group rotation to find market leaders and laggards has always kept me on the right side of the market. It also tells me where good leadership stocks can be found. Things constantly change in the market, but currently, sector and industry group rotation is telling me to be cautious.

I recommend caution and 90% cash in a safe U.S. Treasury money market.

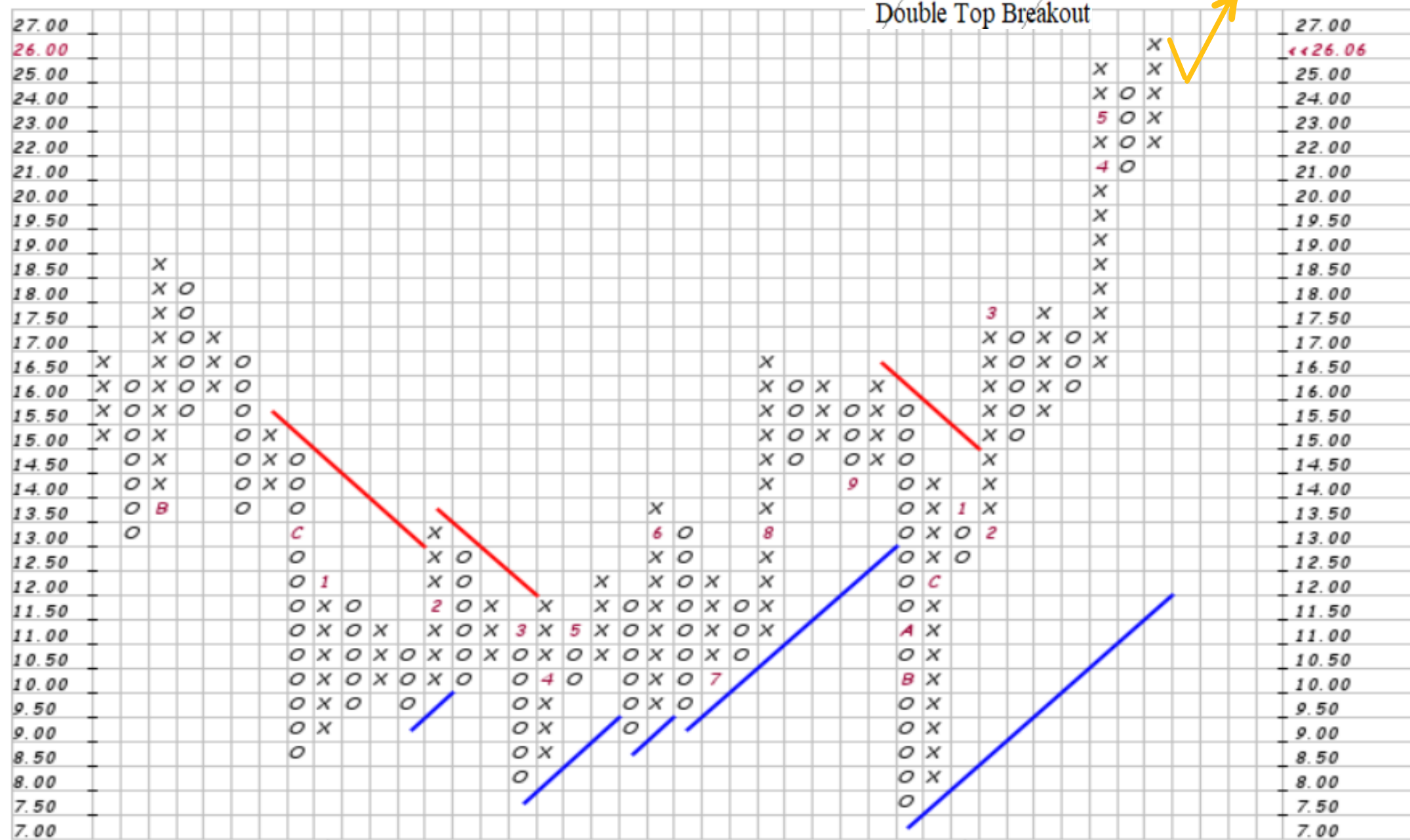


Buy Candidate: Vita Coco Company Inc. (COCO)

- **Industry Group: Beverages Non-Alcoholic.** The Beverages Non-Alcoholic industry group ranks as the 7th strongest industry group out of 197 and is up 22.40% YTD and is in a buy signal since February 23, 2022. Innovative drink makers like Monster (MNST), Celsius (CELH), and Vita Coco (COCO) are driving the industry group higher.
- **Vita Coco Company Inc. (COCO)** products include coconut water, energy drinks with coconut oil and milk, and protein-infused water.
- **Vita Coco Company Inc. (COCO)** hit a new high after announcing a secondary offering on Monday. This is extremely rare for a stock to have the strength needed to do that. When this happens, the stock should be bought. The probability of moving higher is exceptionally significant. In addition, COCO broke out of its Primary Base, offering tremendous upside potential. A potential pullback to Fibonacci support at 25.54 will create a low-risk entry for this Primary Breakout candidate.
- *Vita Coco Company Inc. (COCO) will confirm with a pullback between 25.54-25.18 and a 30-minute buy signal.*
- *Wait for text confirmation!*
- *Start Position at 3-star(***)*
- *Under institutional accumulation with an Up/Down Volume ratio of 1.28.*
- *Vita Coco Company Inc. (COCO) closed at 26.06.*
- *Vita Coco Company Inc. (COCO) VWAP is at 14.09.*
- *Sell target prices: 1st target is 28.10; 2nd target is 30.02; 3rd target is 32.82*
- *Stop sell price: Close below 25.18.*

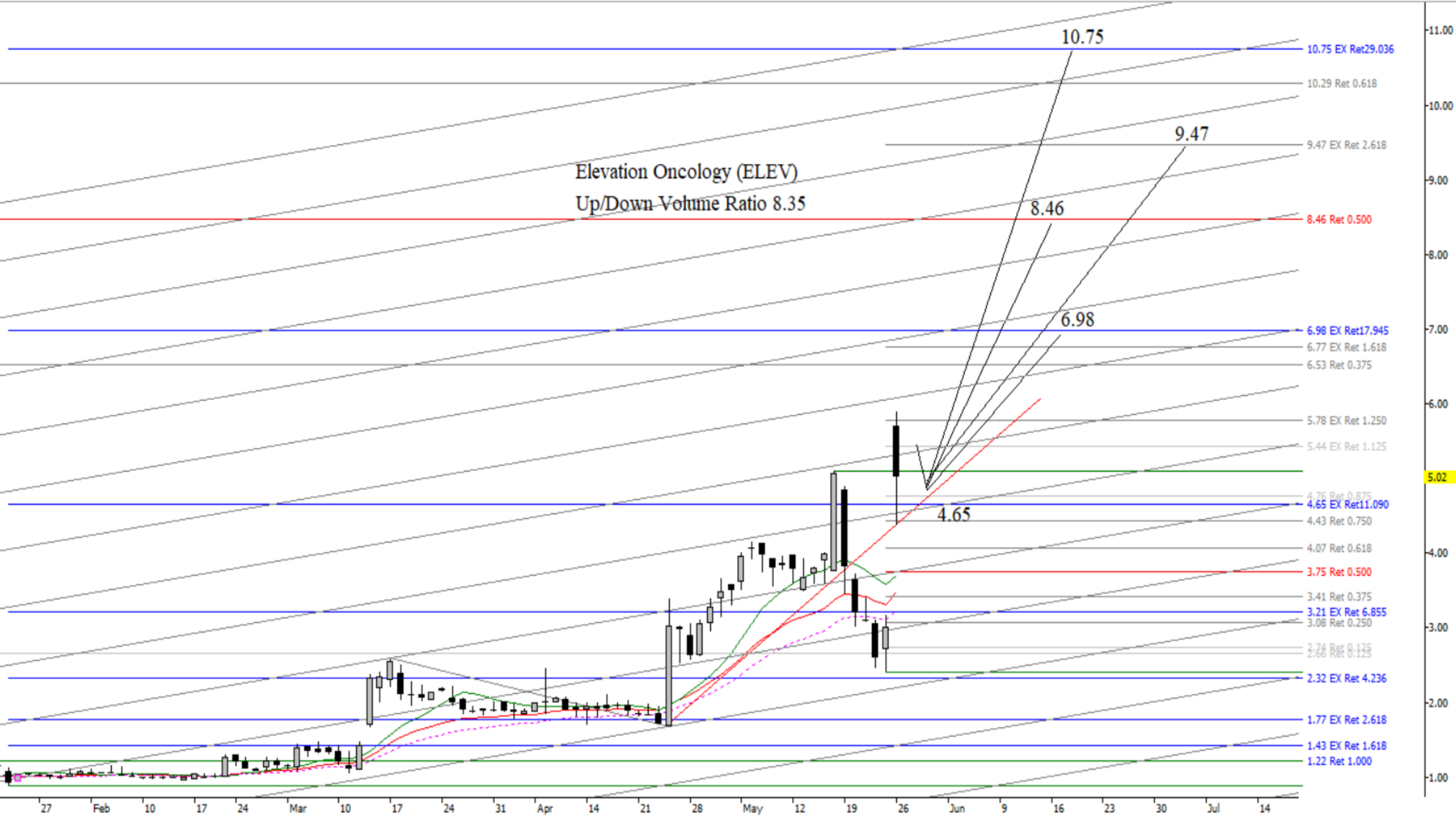


Double Top Breakout



BUY candidate: Elevation Oncology (ELEV)

- Industry Group: **Medical Biomed/Biotech**. The group currently ranks as the 10th strongest industry group of 197 and is up .50% YTD. The **Medical sector** gave a sell signal on Thursday, May 25, 2023. Because of the Healthcare sector sell signal, I am keeping the position size small.
- **Elevation Oncology (ELEV)** develops therapeutic medicines for cancer treatment for patients with solid tumors with significant unmet needs.
- **Elevation Oncology (ELEV)** gapped two Fibonacci numbers on Friday on massive volume with no news. The market may know something we don't know about future information. On Friday, ELEV completed a very bullish Double Top Breakout above Bearish Resistance Line on the Point & Figure chart. I would like to see the stock base for a few days above Fibonacci support at 4.65 to alleviate overbought conditions. At that point, I will purchase with a 30-minute confirmation.
- **Elevation Oncology (ELEV) will confirm after a retest at 4.65 and a 30-minute buy signal.**
- **Wait for text confirmation!**
- Initiate position with a 1-star(*).
- Under massive institutional accumulation with a Daily Up/Down Volume ratio of 8.35.
- Elevation Oncology (ELEV) closed at **5.02**.
- Elevation Oncology (ELEV) VWAP is at 4.06
- Sell target prices: **1st target is 6.98; 2nd target is 8.46; 3rd target is 9.47**
- Stop sell price: **Close** below **4.65**.



ELEV Elevation Oncology Inc.

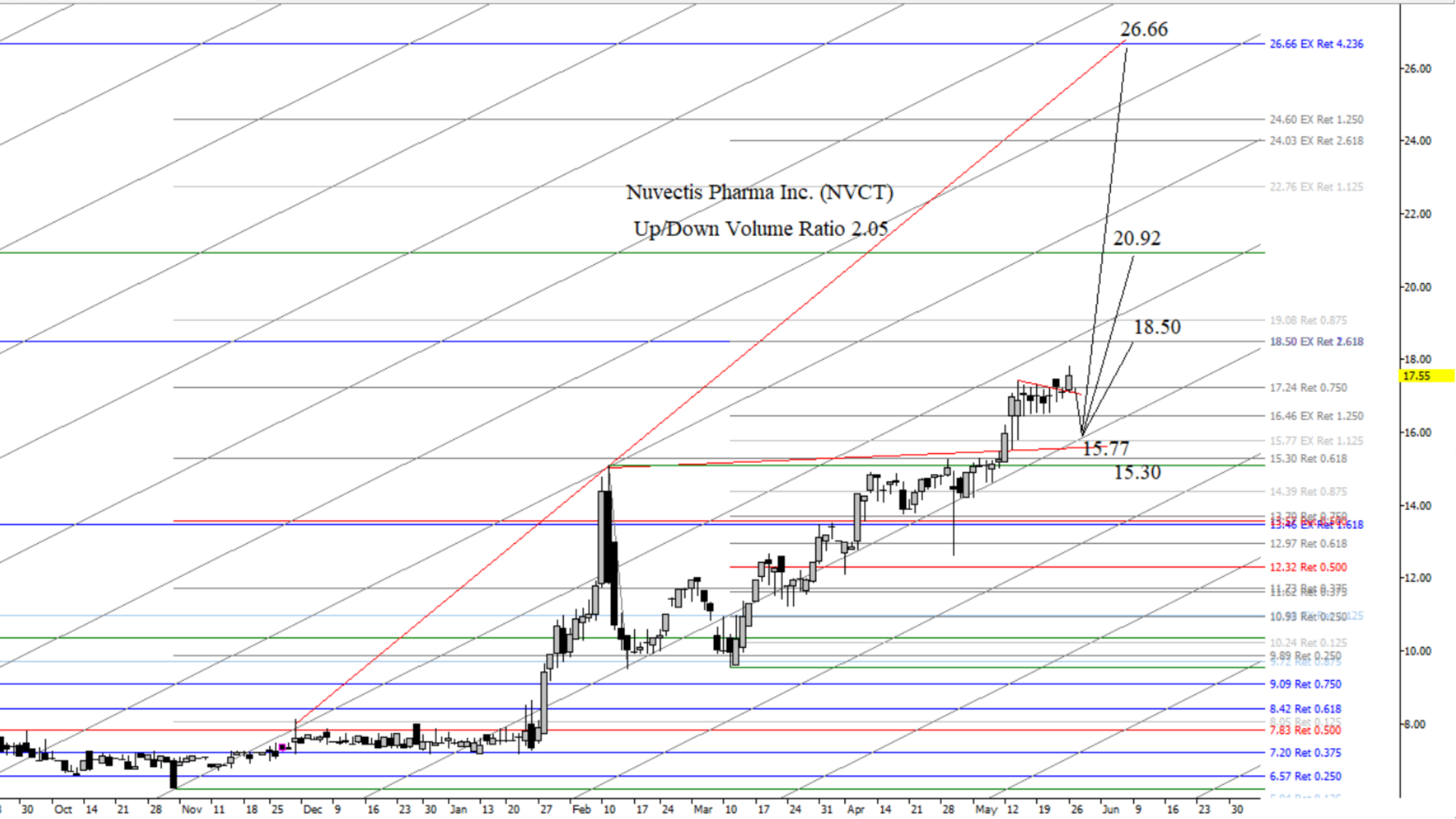


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BUY candidate: Nuvectis Pharma (NVCT)

- Industry Group: **Medical Biomed/Biotech**. The group currently ranks as the 10th strongest industry group of 197 and is up .50% YTD. The **Medical sector** gave a sell signal on Thursday, May 25, 2023. Because of the sector sell signal, I am keeping the position size small.
- **Nuvectis Pharma (NVCT)** develops medicines to treat unmet needs in Oncology.
- **Nuvectis Pharma (NVCT)** ran up to Fibonacci resistance at 17.24 and couldn't get over for the past nine trading sessions. On Friday, the stock closed above the Fibonacci target and is ready to advance. The stock tends to make a quick move lower before advancing. The quick hit could go as low as the 15.77-15.30 zone. Putting limit orders in that area for the next few days could pay off.
- Nuvectis Pharma (NVCT) will confirm with a 30-minute buy signal on a pullback.
- **Wait for text confirmation!**
- Initiate position with a 1-star(*).
- Under institutional accumulation with a Daily Up/Down Volume ratio of 2.05.
- Nuvectis Pharma (NVCT) closed at **17.55**.
- Nuvectis Pharma (NVCT) VWAP is at 7.09.
- Sell target prices: **1st target is 18.50; 2nd target is 20.92; 3rd target is 26.66**
- Stop sell price: **Close** below **17.24**.





Buy candidate: 2X Long VIX Futures (UVIX)

- *Portfolio: 2X Long VIX Futures (UVIX).* This ETF corresponds to the move in 2X the VIX Futures Index and CBOE Volatility Index (VIX)

Be aware that the 2X Long VIX Futures (UVIX) ETF generates a K-1 for tax purposes.

- *2X Long VIX Futures (UVIX) trade is designed to expand when the VIX Futures contract moves higher. The UVIX is highly correlated to the CBOE Volatility Index (VIX) move but is not an exact two-beta relationship.*

*The CBOE Volatility Index (VIX) reclaimed a substantial Fibonacci number at 17.70 on Tuesday and shot up to 20.81 on Wednesday. Closing above the compressed Bollinger Band at 19.40 set up a high probability trade. The VIX pulled back and retested 17.70 on Friday. Fridays close above 17.70 and a buy signal on Friday in the **Move-X (Bond Volatility Index)** indicates we could see further volatility expansion this week. I am going long Volatility with the 2X Long VIX Futures ETF (UVIX) when UVIX gives confirmation.*

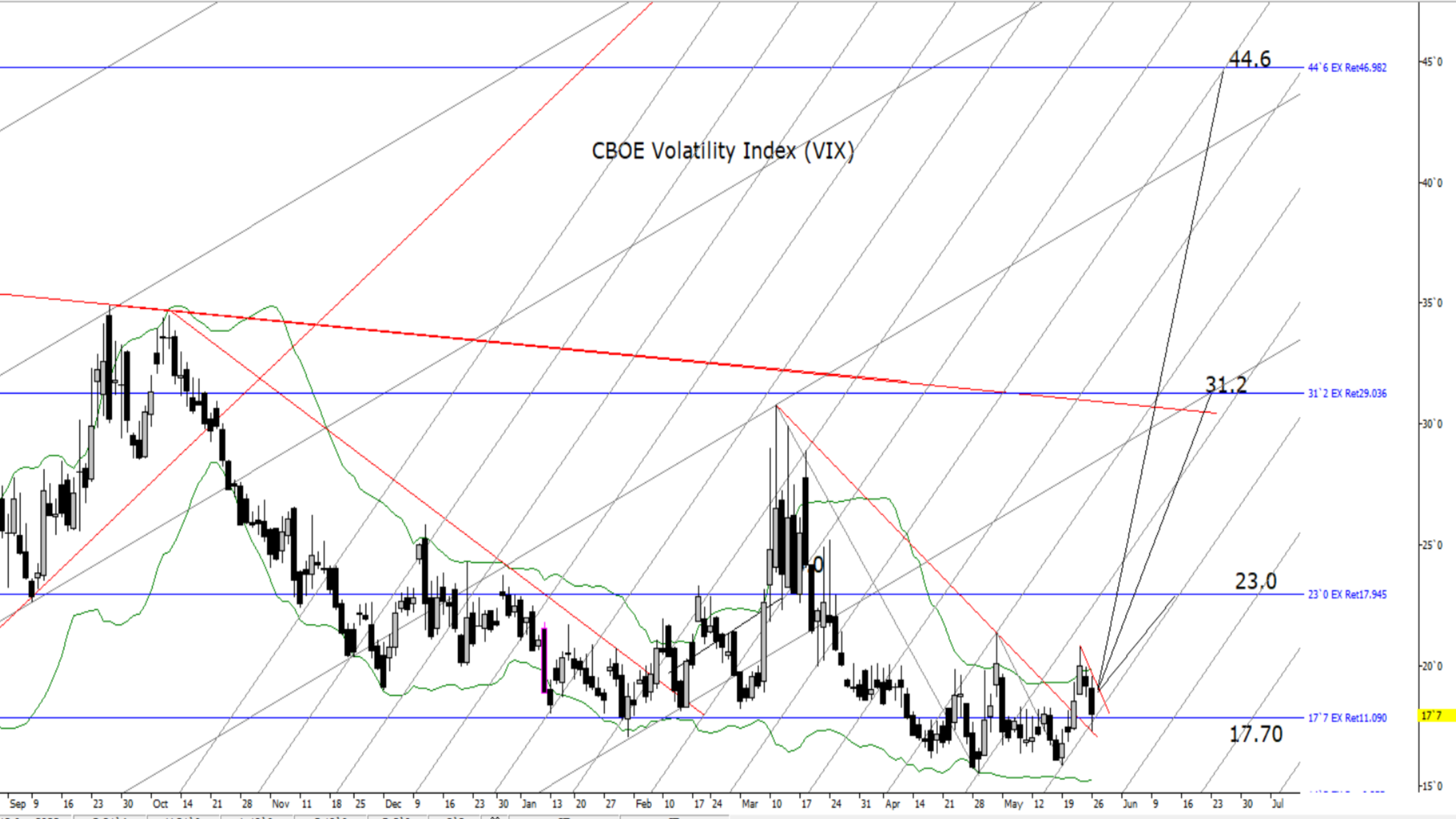
- *2X Long VIX Futures (UVIX) will Confirm with a 30-minute confirmation at 10.48.*
- *I will send a text confirmation*
- *Start position at 2-star(**).*

- *2X Long VIX Futures (UVIX) closed at 9.40. The CBOE Volatility Index (VIX) closed at 18.01.*

- *2X Long VIX Futures (UVIX) VWAP is at 49.56.*

- *Sell target price on CBOE Volatility Index (VIX): 1st target is 23.00; 2nd target is 31.20; 3rd target is 44.60*
- *Stop sell price: Close below 17.70 on the CBOE Volatility Index (VIX).*

CBOE Volatility Index (VIX)





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