



TFR

# Trading Floor Research

Welcome to the  
— Trading Floor —

05/30/22



This Trading Floor Research report contains:

- Centrais Electricas Brasileiras SA (EBR). A new BUY candidate in the Brazilian Electric Utility industry group.
- NextDecade Corporation (NEXT). A new BUY candidate in the Utility Gas Distribution industry group.
- StealthGas Inc. (GASS). A new BUY candidate in the Oil & LNG Shipping Vessel industry subgroup.
- Falcon Minerals CL A (FLMN). A new BUY candidate in the Mineral Interests industry subgroup.

## Sectors, Industry Groups & Leadership Stocks

*On Wednesday, I said it felt like a short-term rally was brewing. By Friday's close, the **S&P 500** had rallied 6.6%, and the **NASDAQ** had rallied 6.8%. Both indexes gave a follow-through day in the process, indicating that the market has the potential for a higher continued move. Market history also tells us that weekly gains of greater than 6% lead to a high probability of positive market returns in the next few weeks.*

*My target number for an **S&P 500** rally is **4479.48**. Last week's below-average market volume makes any sustainable move questionable. This rally will keep a bear market retracement status unless I start seeing above-average volume and institutional accumulation. (refer to S&P 500 chart)*

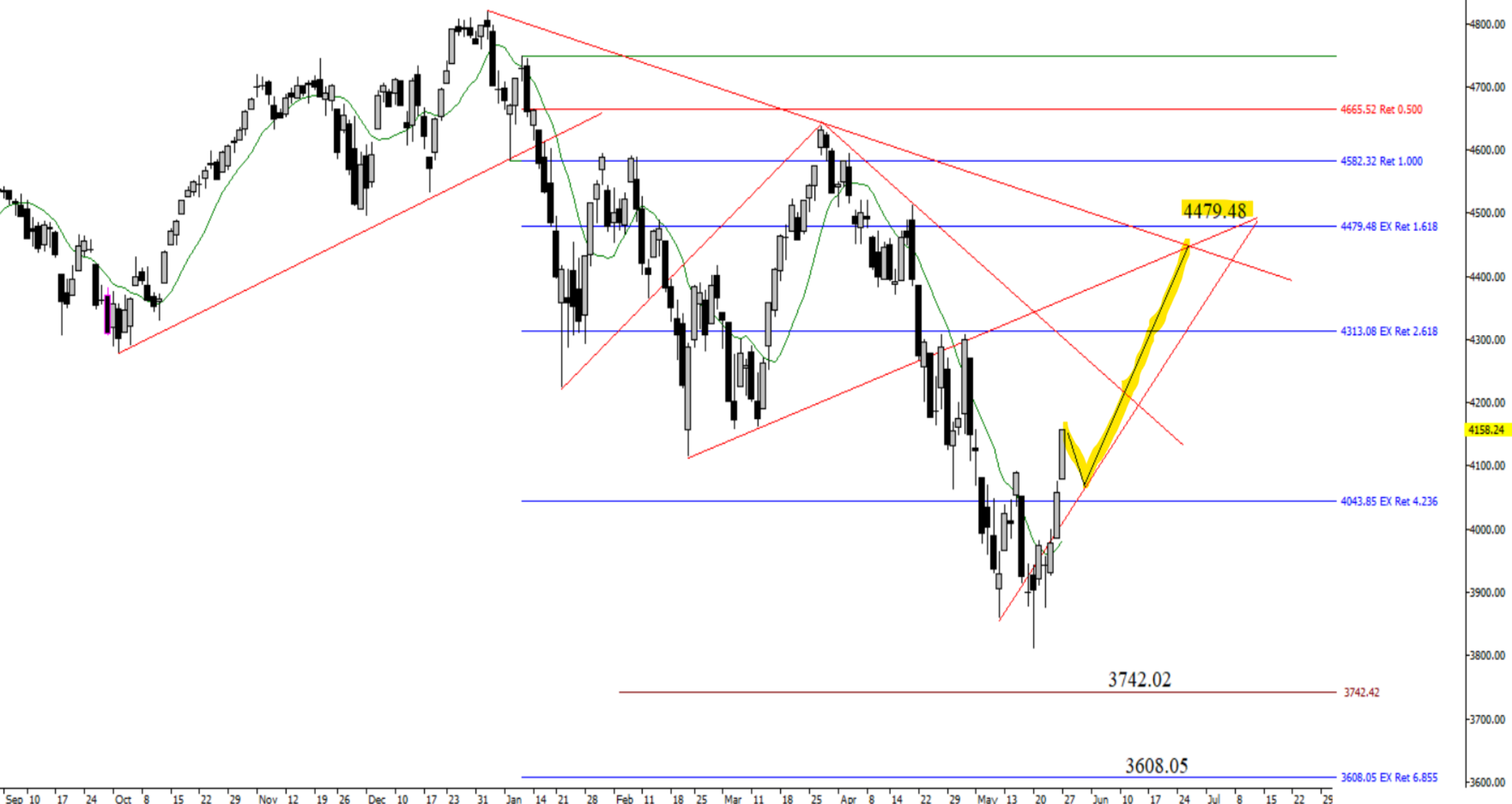
*With the increased probability that the S&P 500 rally could move an additional 300+ points, I am adding more cash to stocks and increasing market exposure to 30%.*

*Market leadership favored the **Energy** and the **Utilities** sectors as the only sectors to confirm a new uptrend last week. All other sectors are in a sell signal.*

*I found new buy signals in the **Oil & Gas Royalty Trust** industry group and a subgroup in the Energy sector holding **Mineral Interests**. The TFR confirmed BUY **Black Stone Minerals LP (BSM)** is a leader in the Mineral Interests industry subgroup. **Falcon Minerals CL A (FLMN)** is ready to break out of a new base and represents emerging leadership in the subgroup. This week's newsletter includes a report on FLMN.*

*Coiled springs can send a stock soaring. **StealthGas Inc. (GASS)** exploded out of its coiled spring pattern with colossal volume and quarterly earnings that rose 1050% above the first quarter of 2021. The move was supported by the **Oil & LNG Shipping Vessel** industry subgroup hitting new highs with massive volume on Friday. StealthGas Inc. has potential and is a featured stock in this week's report.*

# S&P 500 Index



## Sectors, Industry Groups & Leadership Stocks

With the new buy signal in **Utility** stocks and the recent buy signal in Brazilian stocks, I am focused on a **Brazilian Electric Utility** stock called **Centrais Electricas Brasileiras ADS CL A (EBR)**. Brazil was up 6.3% this past week and 27.3% YTD. The Brazil stock market leads the world in performance year-to-date. Centrais Electricas Brasileiras is a highlight in this weekend's report as it prepares to break out in the next few days.

The **Utility Gas Distribution** industry group gave a buy signal this past week, and a potential fast-mover in the group is **NextDecade Corporation (NEXT)**. It is featured in this report.

*The bears are in control Of the **Russell 2000** and indicate “**Risk-Off**” in the markets.*

**I recommend caution and 70% cash.**

## Buy candidate: Centrais Electricas Brasileiras SA (EBR)

- **Industry Group: Utility Electric Power.** The group currently ranks as the 24th strongest industry group out of 197 and is up 2.69% YTD. Added strength comes from the **Brazilian stock market**, which gave a buy signal on Monday, May 23, 2022, and is up 27.3% YTD.
- **Centrais Electricas Brasileiras SA (EBR)** is Brazil's largest power transmission company, with 1/3 of the total capacity for the country.
- **Centrais Electricas Brasileiras SA (EBR)** broke out of a cup-with-handle base early last week and spent the back half of the week throwing back into the base trendline. It found support at the 7/8 grid number. Finding a floor at the weak 7/8 number can lead to an explosive move.
- **Centrais Electricas Brasileiras SA (EBR) will confirm a BUY on a 30-minute close above 9.29 with above-average volume.**
- **Wait for a text confirmation!**
- Start position at 1-star(\*)
- **Under massive institutional accumulation** with an Up/Down Volume ratio of 1.61.
- **Centrais Electricas Brasileiras SA (EBR)** closed at 9.10.
- **Centrais Electricas Brasileiras SA (EBR)** VWAP is at 6.75
- Sell target prices: 1st target is 9.91; 2<sup>nd</sup> target is 12.36; 3<sup>rd</sup> target is 15.39
- Stop sell price: Close below 8.50.

# Centrais Electricas Brasileiras SA (EBR)

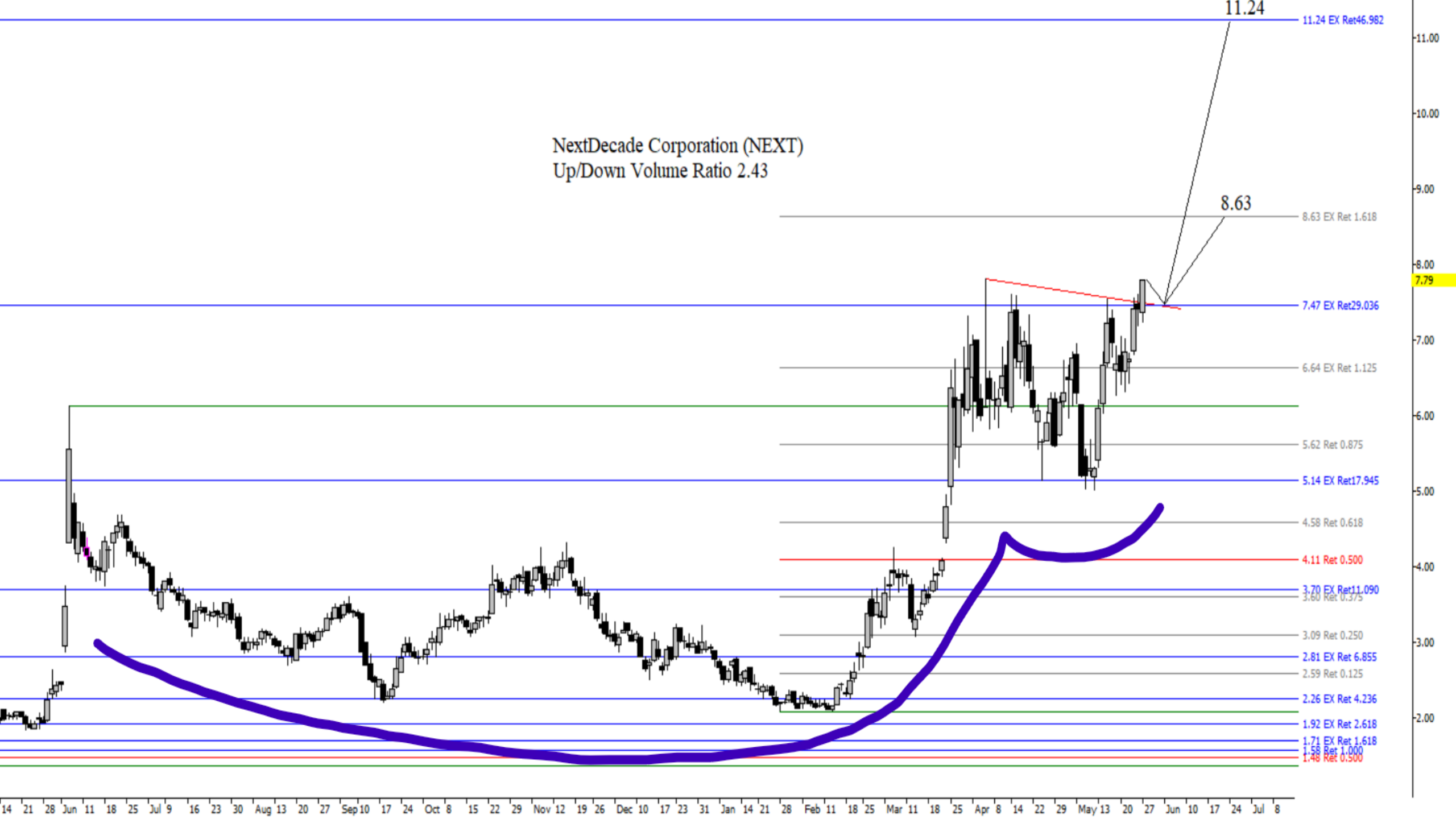


## Confirmed Buy: NextDecade Corporation (NEXT)

- **Industry Group: Utility Gas Distribution.** The group currently ranks the 16th strongest industry group out of 197 and is up 16.64% YTD. Last week, the industry group gave a buy signal on May 25, 2022.
- **NextDecade Corporation (NEXT)** has a proprietary process to lower the cost of utilizing carbon capture and storage and help companies reduce their emissions and achieve clean energy goals.
- **NextDecade Corporation (NEXT)** started as a SPAC in 2015. The stock went south after its SPAC merger until it bottomed in 2020. It is now ready to complete a handle of its IPO base as it trades at 4 ½ year highs. Friday, NEXT broke the trendline of its handle and closed above Fibonacci resistance at 7.47 as it prepares for a breakout from its IPO base.
- **NextDecade Corporation (NEXT) will confirm a BUY with a throwback into its trendline and Fibonacci support at 7.47 or a 30-minute close above 7.80.**
- **Wait for confirmation text!**
- **Initiate position at 2-star(\*)**
- **Under massive institutional accumulation with an Up/Down Volume ratio of 2.43.**
- **NextDecade Corporation (NEXT) closed at 7.79.**
- **NextDecade Corporation (NEXT) VWAP is at 4.41**
- **Sell target prices: 1st target is 8.63; 2<sup>nd</sup> target is 11.24**
- **Stop sell price: Close below 7.47.**



NextDecade Corporation (NEXT)  
Up/Down Volume Ratio 2.43

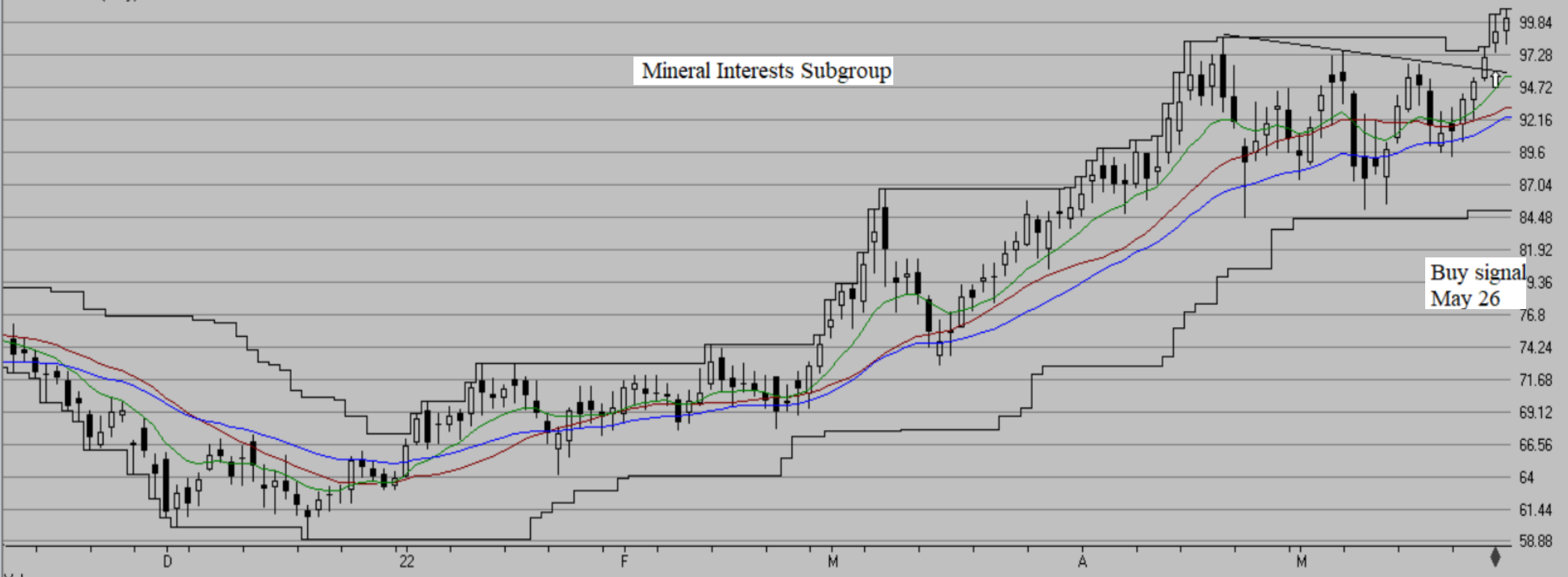


## Confirmed Buy: Falcon Minerals CL A (FLMN)

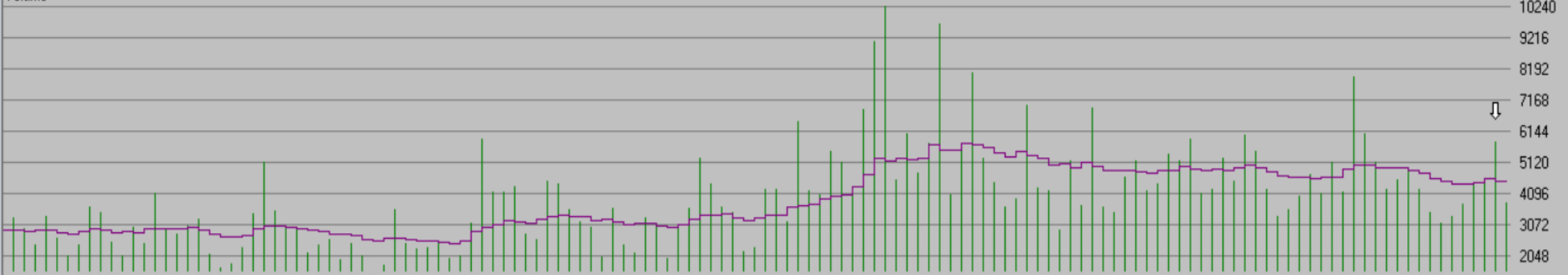
- Industry Group: **Oil & Gas US Exploration & Production**. The group currently ranks as the 5th most substantial industry group out of 197 and is up 48.89% YTD. The industry group gave a buy signal on February 28, 2022, and a new buy signal on May 25, 2022. The subgroup **Minerals Interests** gave a buy signal on Thursday, May 26, 2022. (Refer to chart)
- **Falcon Minerals CL A (FLMN)** is an oil & gas minerals company that owns mineral rights positions in the “core of the core” of the Eagle Ford Shale in south Texas.
- **Falcon Minerals CL A (FLMN)** is in a cup-with high handle base that started in October 2021. It attempted to break the trendline of its handle on Friday. Breaking the trendline will confirm a breakout move higher.
- **Falcon Minerals CL A (FLMN)** will confirm a buy signal with a 30-minute close above 7.50 on above-average volume.
- Wait for confirmation text!
- Initiate position at 2-star(\*)
- Under massive institutional accumulation with an Up/Down Volume ratio of 1.82.
- **Falcon Minerals CL A (FLMN)** closed at 7.48.
- **Falcon Minerals CL A (FLMN)** VWAP is at 6.12
- Sell target prices: 1st target is 8.68; 2<sup>nd</sup> target is 10.00; 3<sup>rd</sup> target is 12.24.
- Stop sell price: Close below 6.99.



Mineral Interests Subgroup



Buy signal  
May 26

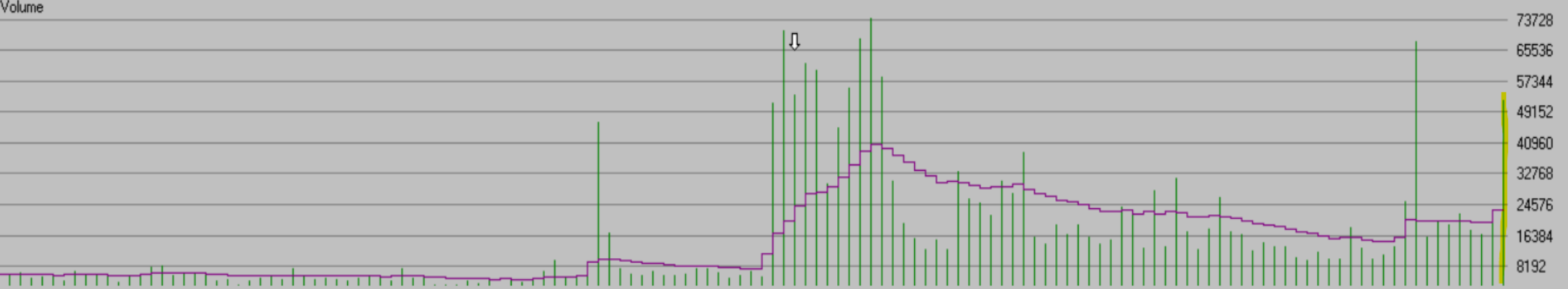


## Buy candidate: StealthGas Inc. (GASS)

- Industry Group: **Oil & Gas Transportation Pipeline**. The **Oil & Gas Transportation Pipeline** industry group ranks the 10th strongest industry group out of 197 and is up 25.20% YTD. Additional strength comes from the **Liquefied Natural Gas (LNG) Shipping Vessels** subgroup. The subgroup gave a buy signal on February 24, 2022, and Friday broke out of a one-month consolidation on huge volume. (Refer to chart)
- **StealthGas Inc. (GASS)** is China's largest US-listed marine services company. The company engages in ocean fishing with many self-owned vessels.
- Friday, **StealthGas Inc. (GASS)** broke out of a coiled spring base that started in May 2021 with massive volume. The stock is under intense accumulation with an Up/Down volume ratio of 3.24 and could move higher with LNG shipping vessels.
- **StealthGas Inc. (GASS)** will confirm a buy signal with a throwback to the trendline of 2.64 or a daily close above 2.82.
- Wait for a text confirmation!
- Start position at 1-star(\*).
- Under massive institutional accumulation with an Up/Down Volume ratio of 2.14.
- **StealthGas Inc. (GASS)** closed at 2.73.
- **StealthGas Inc. (GASS)** VWAP is at 3.04
- Sell target prices: 1st target is 3.28; 2<sup>nd</sup> target is 3.53
- Stop sell price: Close below 2.59.



Shipping Vessels Oil & Natural Gas (Daily)





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