



Trading Floor Research

Welcome to the
— Trading Floor —



02/21/22

This Trading Floor Research report contains:

- *A look at the S&P 500 and what the 2007-2008 chart is telling me about the S&P 500 in 2022.*
- *Downside targets for the NASDAQ QQQ*
- *Upside target on the United States Oil Fund (USO)*
- *The CBOE Volatility Index (VIX) and what it is telling me about the markets next move.*
- *Gold and a powerful buy signal in Sprott Physical Gold Trust (PHYS)*



Essential Lessons for Stock Market Success.

Class resumes this Thursday February 24, 2022, at the USW Burns Harbor Career Development Center

A morning and afternoon class will be given:

8:30 am-11:30 am

4:00 pm-7:00 pm

Learn how to identify winning stocks before they move higher and short stocks before they move lower.

Invite a family member or friend

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

Sectors, Industry Groups & Leadership Stocks

9 of the 11 market sectors are in sell signals. The **Energy** and the **Financial Services** sector are still the only sectors in a buy signal, but they both lost ground this past week.

Consumer Defensive and **Basic Materials** were the only sectors to show a gain this past week, but not enough to put the sectors in a buy signal.

A new buy signal in the **Mining Gold industry group** led the move higher in the **Basic Materials sector**. Gold stocks were reinforced by a significant buy signal in **Sprott Physical Gold Trust (PHYS)**. Sprott Physical Gold is under massive accumulation and breaking out of a textbook eleven-year cup-with-handle base that began in March of 2011. This week's report highlights PHYS and the potential move higher in Gold.

Energy stocks were lower on Thursday and Friday as oil prices moved higher. **United States Oil Fund (USO)** made another Lerch higher at its rising trendline on significant volume. It continues to push higher as the trendline acts as resistance against the move. The way USO continues to hug the rising trendline highlights the strength in rising oil prices. USO completed an over-under-over pattern at 64.31 Fibonacci resistance on Friday. The pattern increases the probability that USO will move higher. If USO closes above the rising trendline, I will look for a decisive move higher. Closing above the rising trendline at 66.13 would send the USO to the following target number at 77.22. The Up/Down volume ratio of 1.80 indicates massive buying. (Refer to USO Chart)

Sectors, Industry Groups & Leadership Stocks

The **CBOE Volatility Index (VIX)** continues to provide excellent clues to the beginning and end of each market selloff as the market trends lower. The VIX hit a low of 23.7 on Wednesday, February 16. This was the cycle turn date I mentioned in last week's newsletter. The VIX came close to the 23.0 Fibonacci target before reversing on Thursday. The S&P 500 put a high in on Wednesday (the cycle turn date) and threw back into the rising trendline. This sets up continued selling in the markets next week and the potential for the VIX to take out the 31.2 Fibonacci target and trade to the VIX 44.6 target number. (Refer to VIX chart)

I **continue to avoid technology stocks** until I get new industry group buy signals in the sector. The **Invesco NASDAQ (QQQ)** broke the rising trendline on Friday and is ready to move to the next Fibonacci target at 322.91. The Qs are under massive distribution indicated by the 0.7 Up/Down Volume ratio. (Refer to Chart)

The bears are firmly in control of the Russell 2000 and strongly indicate "Risk-Off" in the markets.

I continue to recommend caution and high cash levels until the market gives more sector and industry group buy signals.

Wait for "Risk On" to get aggressive!



Invesco QQQ NASDAQ Trust (QQQ)



322.91

289.74

341.51

United States Oil Fund (USO)



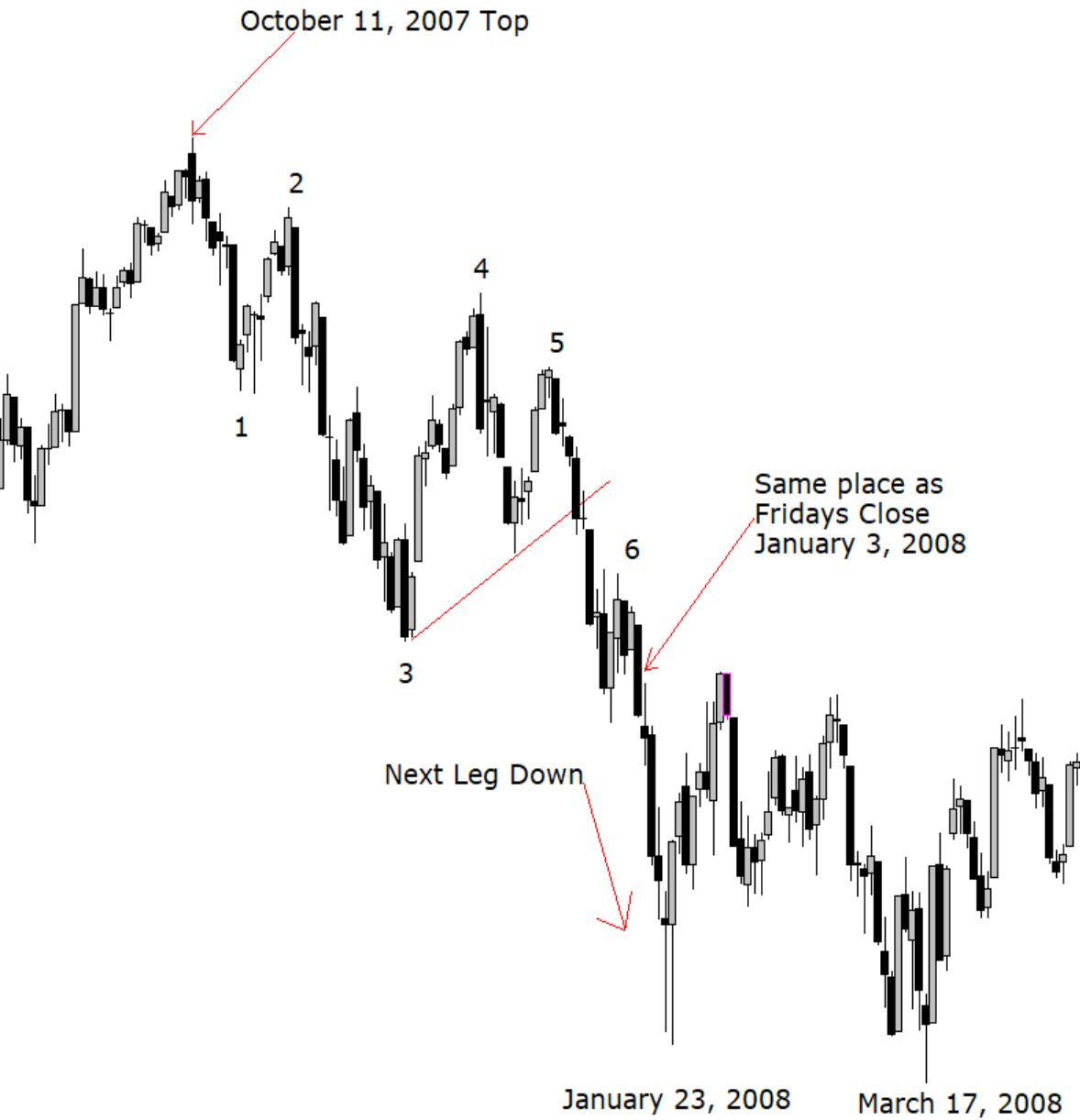
Similarities of 2007 market top and 2022

History has a way of repeating itself when most have forgotten and not paid attention. The following slide compares the October 11, 2007, top in the S&P 500 to the current top on January 5, 2022.

I labeled each of the turning points in charts 1 through 6. The charts are almost identical. You will notice the next leg down the S&P 500 took starting January 3, 2008. It is the same point the S&P 500 is at today.

Unfortunately, the S&P 500 move lower did not end with January 23, 2008, and the March 17, 2008, lows. It was only the beginning. I provided the entire 2008 year in case you forgot.

S&P 500 (2007-2008)



S&P 500 (2022)





Buy candidate: Sprott Physical Gold Trust (PHYS)

- Follows the Price of physical Gold bullion. Gold is up 3.34% YTD.

- **Sprott Physical Gold Trust (PHYS)** is an Exchange-Traded Fund that invests and holds its assets in physical gold bullion and provides a liquid alternative to physical gold bullion.

- The current net asset value of **Sprott Physical Gold Trust (PHYS)** is 15.12. With Friday's closing price of 14.94, it is currently trading at a 1.2% discount to NAV.

- Last week, **Sprott Physical Gold Trust (PHYS)** gave a buy signal breaking the downward sloping trendline of a 19-month handle of an eleven-year cup-with-handle base and closing above 14.87 Fibonacci resistance. This is a breakout of a massive base with significant volume. The next hurdle for PHYS is at 15.05 Fibonacci resistance. A close above 15.05 will send shares higher to the following targets at 16.86 and 19.00.

- **Sprott Physical Gold Trust (PHYS)** will confirm a buy signal with a 30-minute close above **14.94**.

- **Wait for a text confirmation!**

- Initiate position at 2-star(**)

- **Under massive institutional accumulation** with an Up/Down Volume ratio of 2.42.

- **Sprott Physical Gold Trust (PHYS)** closed at 14.94.

- **Sprott Physical Gold Trust (PHYS)** VWAP is at 12.94

- Sell target prices: 1st target is **16.86**; 2nd target is 19.00; 3rd target is 21.96

- Stop sell price: Close below **14.80**.

Sprott Physical Gold (PHYS)
Up/Down Vol Ratio 2.42

Monthly chart
Massive Cup-with-handle base
Starting Aug 2011



Sprott Physical Gold (PHYS) Daily chart of handle





Trading Floor Research

Welcome to the
Trading Floor

¹The 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: The information, opinions and ideas expressed herein are for informational and educational purposes only and are based on research conducted and presented solely by the author. The information presented does not represent the views of the author only and does not constitute a complete description of any investment service. In addition, nothing presented herein should be construed as investment advice, as an advertisement or offering of investment advisory services, or as an offer to sell or a solicitation to buy any security. The data presented herein were obtained from various third-party sources. While the data is believed to be reliable, no representation is made as to, and no responsibility, warranty or liability is accepted for the accuracy or completeness of such information. International investments are subject to additional risks such as currency fluctuations, political instability and the potential for illiquid markets. Past performance is no guarantee of future results. There is risk of loss in all trading. Back tested performance does not represent actual performance and should not be interpreted as an indication of such performance. Also, back tested performance results have certain inherent limitations and differs from actual performance because it is achieved with the benefit of hindsight.



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.

