



TFR

Trading Floor Research

Welcome to the
Trading Floor

TFR

Trading Floor Research

Welcome to the
—— Trading Floor ——



10/24/21

This Trading Floor Research report contains:

- Gitlab Inc. CL A (GTLB). A new Buy candidate in the Computer-Tech Services industry group.
- Macy's Inc. (M). A new Buy candidate in the Retail Department Stores industry group.
- CN Energy Group Inc. (CNEY). A new Buy candidate in the Chemicals Specialty Industry group.
- Merus NV (MRUS) . A new Buy candidate in the Medical Biotech industry group.

Still Waiting for Risk-on and a buy signal in the Russell 2000

The Russell 2000 has yet to give a buy signal. Remember that a buy signal in the small-cap index will let me know we have gone back to a "risk-on market." A "risk-on market" is a market that allows me to bulk up on my trades and favors upside momentum stocks. My stock profits can run to higher price target numbers.

The Russell 2000 chart is looking very constructive and could generate a buy signal soon. I will keep you advised with a text alert.

Sectors, Industry Groups & Leadership Stocks

More sectors gave buy signals this past week. They included basic materials and industrials. These sectors will provide industry group leadership, and individual stock buy candidates in the next few weeks.

But it is Financial Services that are showing the greatest strength. As more financial stocks set up in proper bases, I will be adding them to my buy candidate list.

As I anticipated, Energy stocks began a move lower this past week from their overbought conditions. The retracement in energy is likely to last a little longer. I am watching a lot of great-looking energy stocks, but I think we need to give them a little more time to form proper bases before I add them as buy candidates.

Now that the Technology sector gave a buy signal last week, I see some technology industry groups moving higher. My favorite is **Computer Tech Services**. I am focused on a recent IPO in the group called Gitlab Inc. (GTLB). The group gave a buy signal on October 15, 2021.

Sectors, Industry Groups & Leadership Stocks

Retail Department stores gave a fresh buy signal last week after moving lower for almost three months. My favorite department store is Macy's (M). This year's strength in the Retail Department store industry group has been staggering. The group is up 127% YTD, and the way Macy's is acting might give us an opportunity for further gains as we go into the Christmas season.

Commodity stocks continue to move higher, and I want to take advantage of that by adding an IPO from the Chemicals Specialty industry group CN Energy Group Inc. (CNEY). CN Energy is a Chinese manufacturer and supplier of wood-based activated carbon. Activated carbon has uses in the medical field, water purification area, metallurgy, food preparation, and industrial applications. This stock has the opportunity to move higher as these areas heat up in the market.

Finally, I will add a speculative play in the medical biotech industry group Merus NV (MRUS). It is a Netherlands-based developer of bio-specific antibodies to treat and cure cancer potentially. The biotech industry group has not given a buy signal, but the stock I am buying has massive institutional accumulation with a U/D volume ratio of 5.0. It has spent the last two weeks retracing with below-average volume to the 10-day moving average and Fibonacci support.

Buy candidate: CN Energy Group Inc. (CNEY)

- Industry Group: Chemicals Specialty. The group currently ranks as the 30th strongest industry group out of 197 and is up 11.59% YTD. The group gave a buy signal on 10/14/21.

- **CN Energy Group Inc. (CNEY) broke the downward sloping trendline of its IPO base and is pulling back to form the handle of its base.**

- CN Energy (CNEY) is a Chinese manufacturer and supplier of wood-based activated carbon. Activated carbon has uses in the medical field, water purification area, metallurgy, food preparation, and industrial applications. This stock has the opportunity to move higher as these areas heat up in the market. Earnings have increased by 100% for the last two quarters.

- Volume has accelerated as CN Energy (CNEY) has formed the right side of its base over the past two weeks. Stock accumulation like this can lead to big stock moves. (Refer to chart)

- CN Energy (CNEY) is short-term extended and is likely to pull back and form a high handle. If it gives a 30-minute signal, it could send the stock soaring higher. CNEY tailed off its weakest number, 1.125 on Friday, and set up the potential for a big move. (Refer to chart)

- *Two options for a buy signal:*

- **1) CNEY will confirm a buy signal with a 30-minute close above 8.99 on increased volume.**

- **Wait for confirmation!**

- **2) CNEY could throwback to the trendline as it forms the handle of its IPO base at 7.19. I will send a confirmation text!**

- Initiate position with at 3-star(***)

- **Under massive institutional accumulation with an Up/Down Volume ratio of 5.0.**

- CN Energy closed at 8.70 on Friday.

- CN Energy VWAP is at 6.76

- Sell target prices: **1st target is 10.37; 2nd target is 13.03; 3rd target is 14.25**

- Stop sell price: Close below **6.41.**



CN Energy Group Inc. (CNEY)



Buy candidate: GitLab Inc. CL A (GTLB)

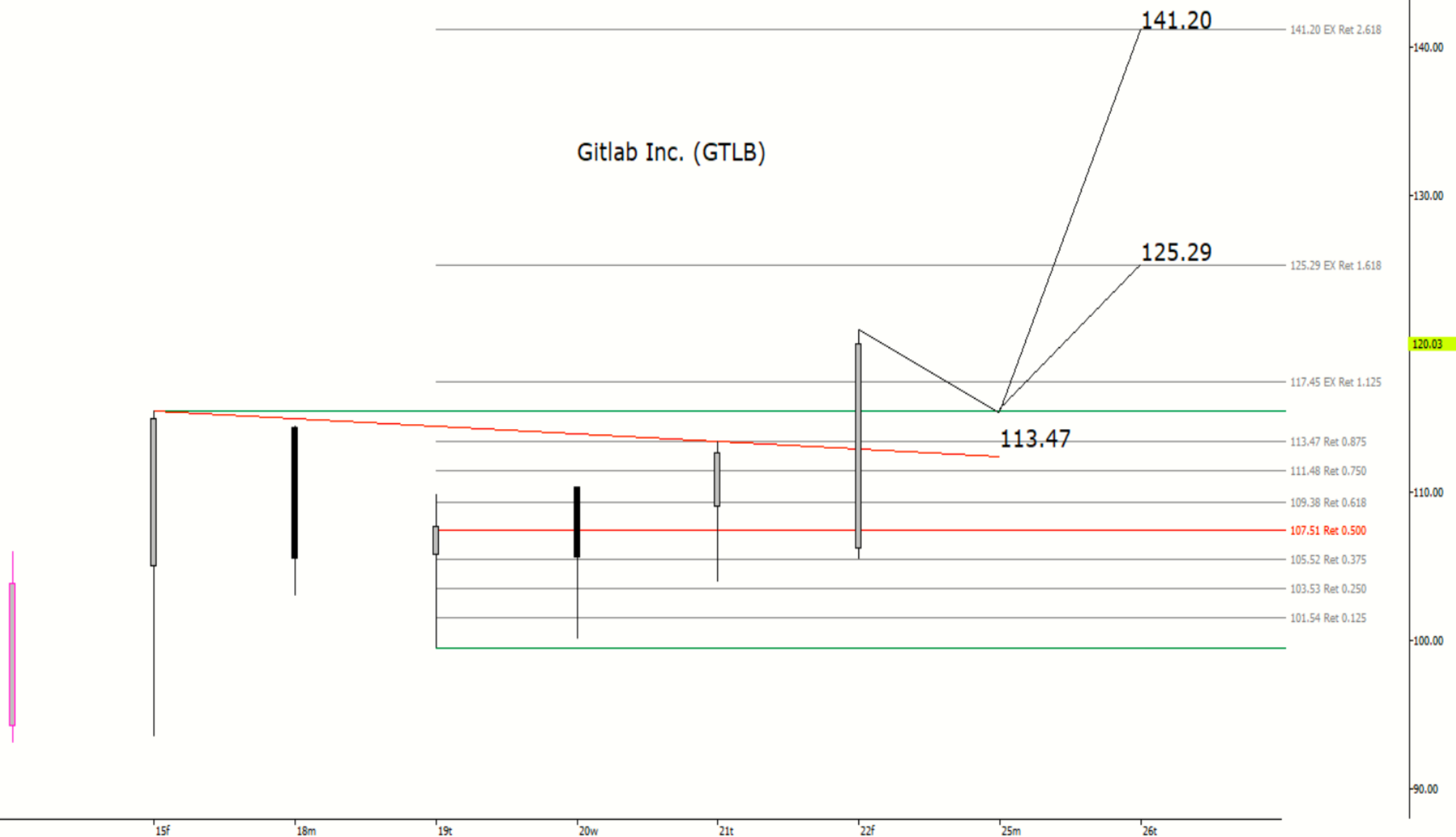
- Industry Group: Computer Tech Services. The group currently ranks as the 12th strongest industry group out of 197 and is up 34.63% YTD. The group gave a 20-day closing high with an above-average volume buy signal on October 15, 2021.
- Gitlab Inc. (GTLB) provides a platform that allows users to build software with a reduced development cycle.
- They will be reporting their first earnings report as a publicly traded company on Friday.
- Gitlab Inc. went public at 77/share and shot to a high of 115 in two trading days. It then went sideways for a week and broke out again on Friday. Gitlab has strong IPO momentum.
- **I am buying Gitlab with a throwback to the trendline and Fibonacci support at 113.47. Wait for text confirmation.**

IPOs breaking out of a first stage base after an industry group buy signal can lead to big gains

- Initiate position with at 1-star(*). Before earnings
- Under massive institutional accumulation with an Up/Down Volume ratio of 7.5.
- GTLB closed at 120.03.
- MYFW VWAP is at 104.55
- Sell target prices: **1st target is 125.29; 2nd target is 141.20**
- Stop sell price: Close below **107.51**.



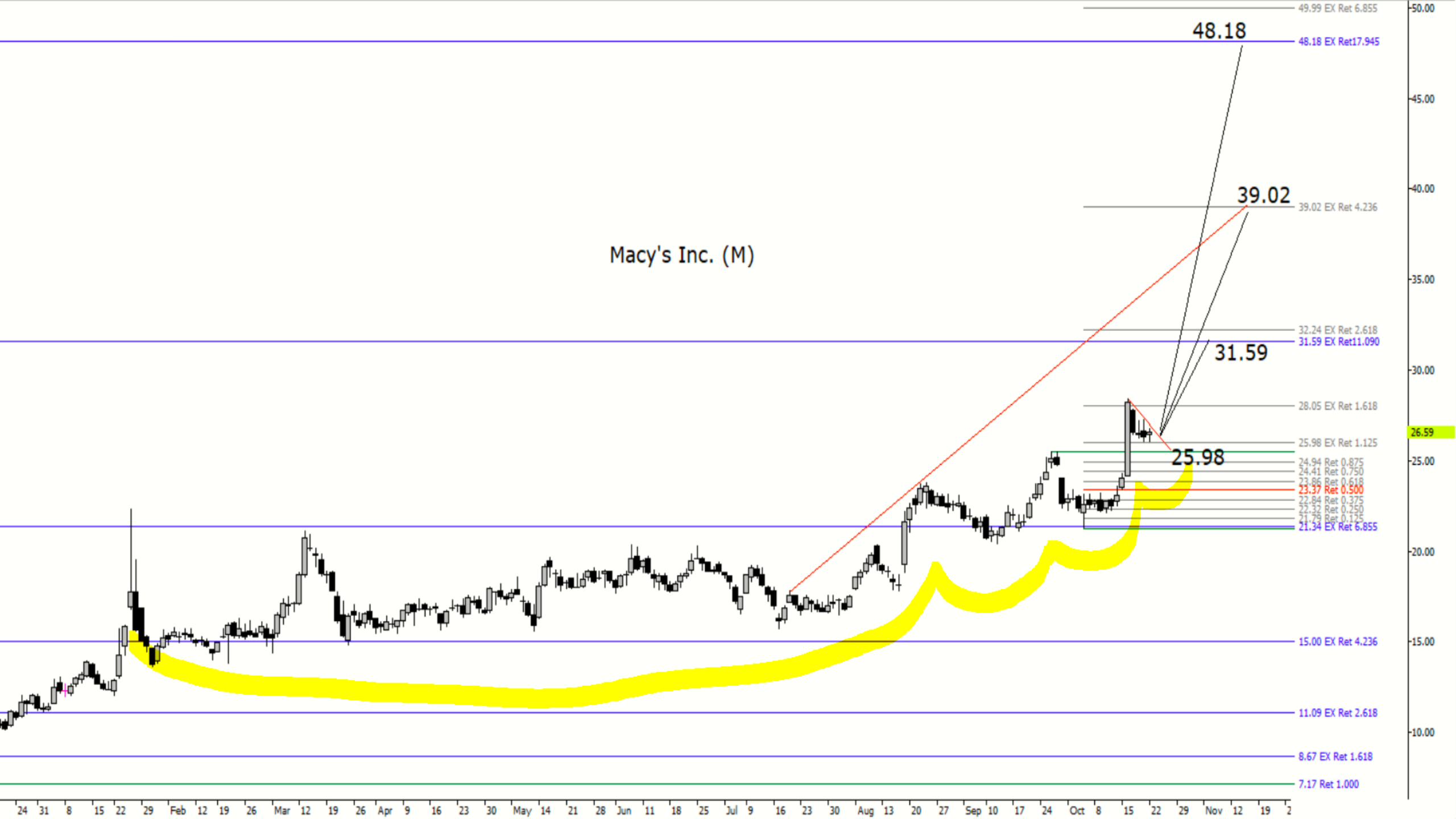
Gitlab Inc. (GTLB)



Buy candidate: Macy's Inc. (M)

- Industry Group: Banks **Retail Department Stores**. The group currently ranks as the 8th strongest industry group out of 197 and is up 126.93%% YTD. The group gave a 20-day closing high with an above-average volume buy signal on October 18, 2021.
- Macy's Inc. (M) operates 727 Department stores in 43 states, Washington D.C., Puerto Rico, and Guam.
- Macy's has stair-stepped higher out of a base that started in February. It has retraced back to the 10-day moving average and Fibonacci 1.125 support at 25.98. Fibonacci support is a weak number, but if Macy's goes higher off this weak support number, it could lead to an explosive move. I will be watching for a 30-minute signal that will put the stock in motion.
- Department stores and the leading stock in the group Macy's (M) are giving us an opportunity for further gains as we go into the Christmas season.
- **Macy's (M) will confirm a buy with an increased volume and a 30-minute close above 26.74.**
- **Wait for confirmation text!**
- Initiate position with at 3-star(***)
- Under massive institutional accumulation with an Up/Down Volume ratio of 2.3.
- Macy's Inc. (M) closed at 26.59 on Friday.
- Macy's Inc. (M) VWAP is at 18.87
- Sell target prices: **1st target is 31.59-32.24; 2nd target is 39.02; 3rd target is 48.18**
- Stop sell price: Close below **25.46**.

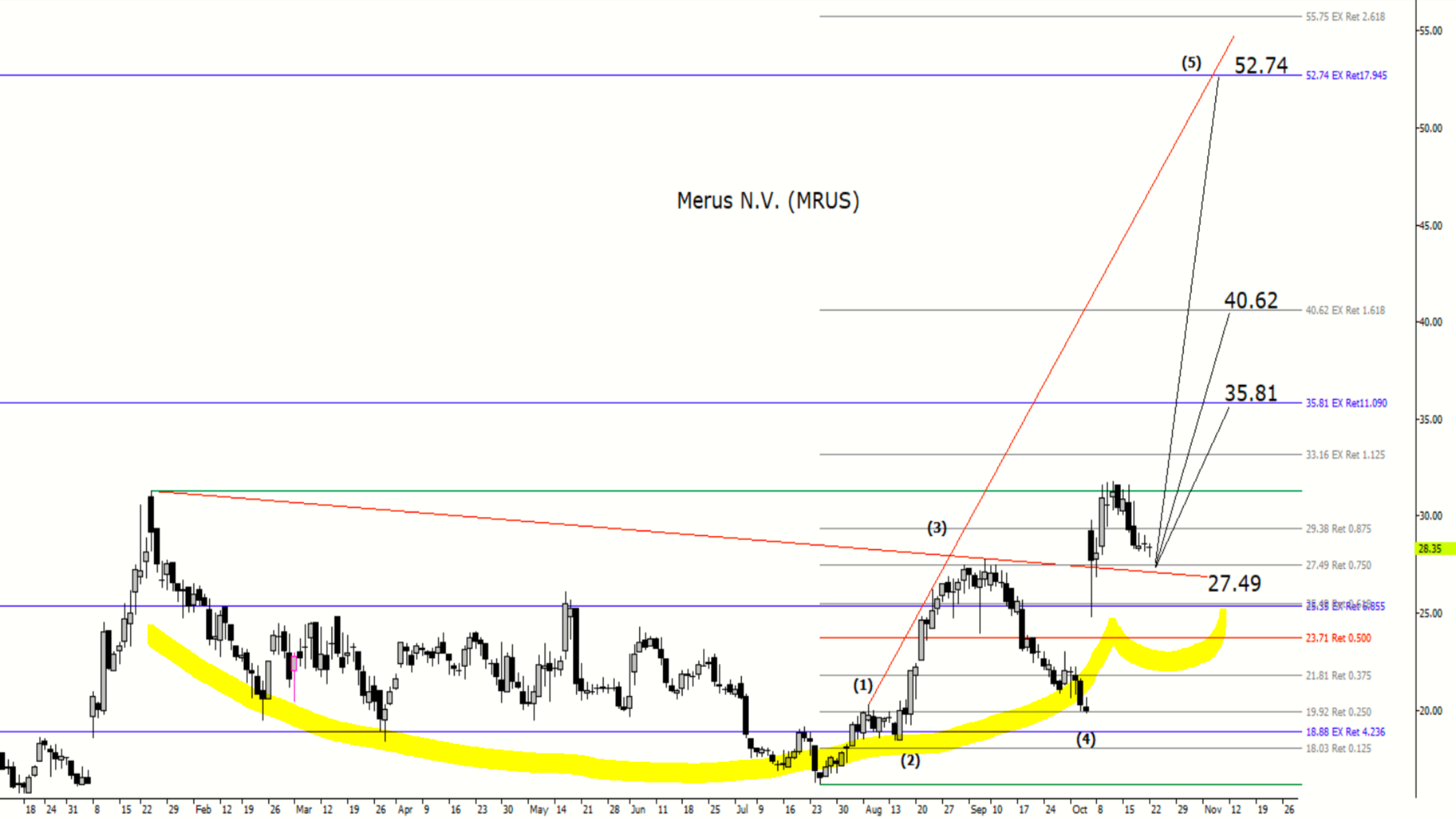




Speculative Buy candidate: Merus N.V. (MRUS)

- Industry Group: Medical Biomed/Biotech. The group currently ranks as the 73rd strongest industry group out of 197 and is down -15.86% YTD. The group did not give a 20-day closing high with an above-average volume buy signal. Trades are market speculative without group strength.
- Merus N.V. (MRUS) is a Netherlands-based developer of bio-specific antibody therapeutics to treat and potentially cure cancer in patients.
- Merus N.V. (MRUS) has pulled back from the cup of the cup-with-handle pattern that started forming in January 2021. The cup-with-handle base is part of a much larger IPO cup with a handle base from March 2013. Breaking out of this base could lead to tremendous upside potential.
- Merus could pull back a bit more and complete a throwback to its trendline that started with the top of the base in January 2021. **The target number to buy the stock in the retracement move would be 27.49.**
- **Two options for a buy signal:**
 - 1) MRUS will confirm a buy signal with a 30-minute close above 28.79 on increased volume.
- **Wait for confirmation!**
- 2) MRUS could throwback to the trendline as it forms the handle of its base at 27.49.
- **Wait for confirmation text!**
- Initiate position with at 1-star(*). Speculative buy without industry group strength
- Under massive institutional accumulation with an Up/Down Volume ratio of 5.0.
- MRUS closed at 28.35.
- MRUS VWAP is at 20.18
- Sell target prices: 1st target is 35.81; 2nd target is 40.62; 3rd target is 52.74
- Stop sell price: Close below 23.71.







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.

