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Trading Floor Research

Welcome to the
— Trading Floor —

07/31/22



This Trading Floor Research report contains:

- *Invesco Solar ETF (TAN)*. The ETF tracks the MAC Global Solar Energy Index.
- **Enphase Energy Inc. (ENPH)** A new BUY candidate in the Energy Solar industry group.
- **NeoVolta Inc. (NEOV)** A new BUY candidate in the Energy Solar industry group.



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Essential Lessons for Stock Market Success

Join Our Next Class

In

Burns Harbor, IN

Contact Sara to reserve a seat: 219-787-3101

David Wozniak, CMT

Chief Market Strategist at Trading Floor Research

4th Class meets: Thursday August 4, 2022

Location: Career Development Center Burns
Harbor

Sectors, Industry Groups & Leadership Stocks

The **S&P 500** spent the first couple of days last week pulling back to the strong 3907.19 Fibonacci support I indicated the market would retest in the previous week's newsletter. After the S&P 500 hit a low of 3910.74, the index began to rally. The rally was impressive, with all three days closing higher on above-average volume. Institutions were repurchasing stocks once again. (Refer to S&P 500 chart)

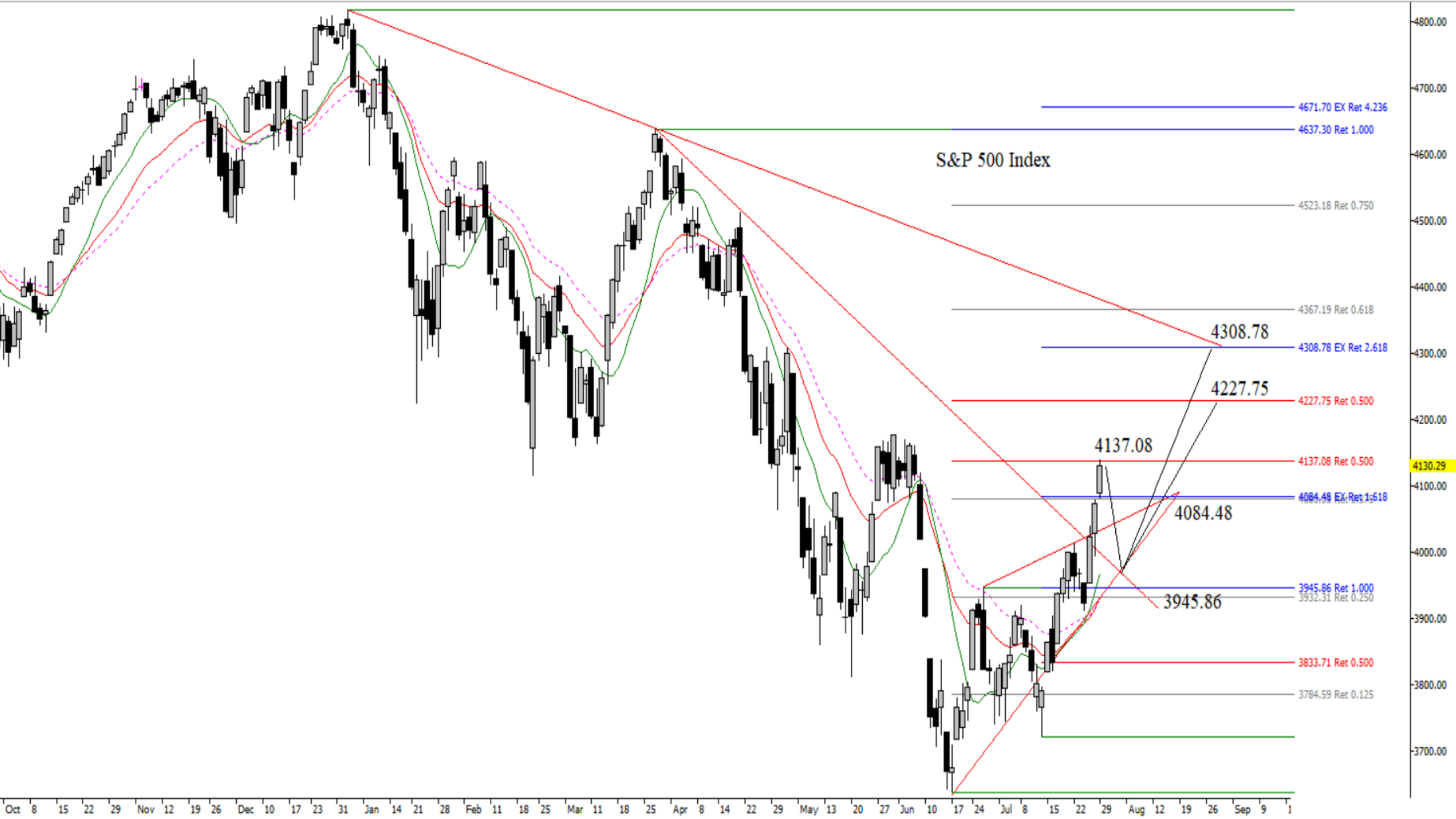
Unfortunately, the S&P 500 is facing a new bull and bear struggle at the 50% number from the March 29, 2022, market high. Bears are in control until the market can close above 4137.08. The index popped above the number on Friday with a high of 4140.15. The 150-point spread between the closing price of the S&P 500 (4130.29) and the 10-day moving average (3980.22) indicates the market is very overbought. Based on the high short-term overbought risk at extreme Fibonacci resistance, I will be looking for a pullback next week. (Refer to S&P 500 chart)

If the S&P 500 closes below 4084.48, it could go as low as 3945.86. I will hold off all new buying until the pullback is resolved.

The rally in the **small-cap Russell 2000** and **NASDAQ Composite** was much less impressive than the S&P 500. All three days of the market rally occurred with below-average volume in both indexes.

If the S&P 500 closes below the significant 3742.02 Fibonacci number from my long-term chart, the market will resume its downtrend.

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



Sectors, Industry Groups & Leadership Stocks

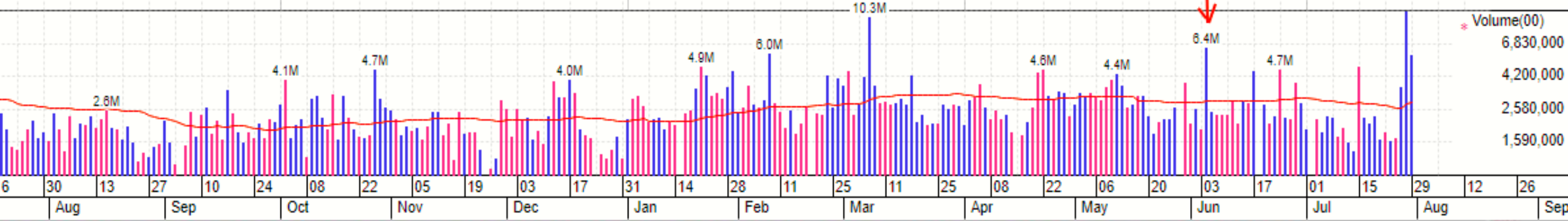
Energy Solar Industry Group

Last week, the most impressive industry group was Energy Solar. In the June 22, 2022, newsletter, I pointed out that the group's buy signal occurred on June 6, 2022. Most stocks did not show much institutional buying at the time, but the stocks held at the top of their ranges as the market continued lower. This past week the group conducted an impressive breakout on significant volume.

Once a new leader like **Enphase Energy Inc. (ENPH)** has rested and retraced from last week's move, I will look to purchase. New leadership has emerged from the group but is short-term extended. Enphase is part of that leadership and is a featured stock in this report.

I also like to focus on new IPOs in a leadership group. Some of the best moves come from IPOs breaking out of first-stage bases in an emerging group. The IPO that caught my attention has only been trading for two days, and I will be focused on its 30-minute chart for a buy signal. The stock is **NeoVolta Inc. (NEOV)** and could give a buy signal much sooner than stocks like Enphase Energy. It is a high-risk stock for traders able to move fast to buy and sell signals and highlight stock in this report.

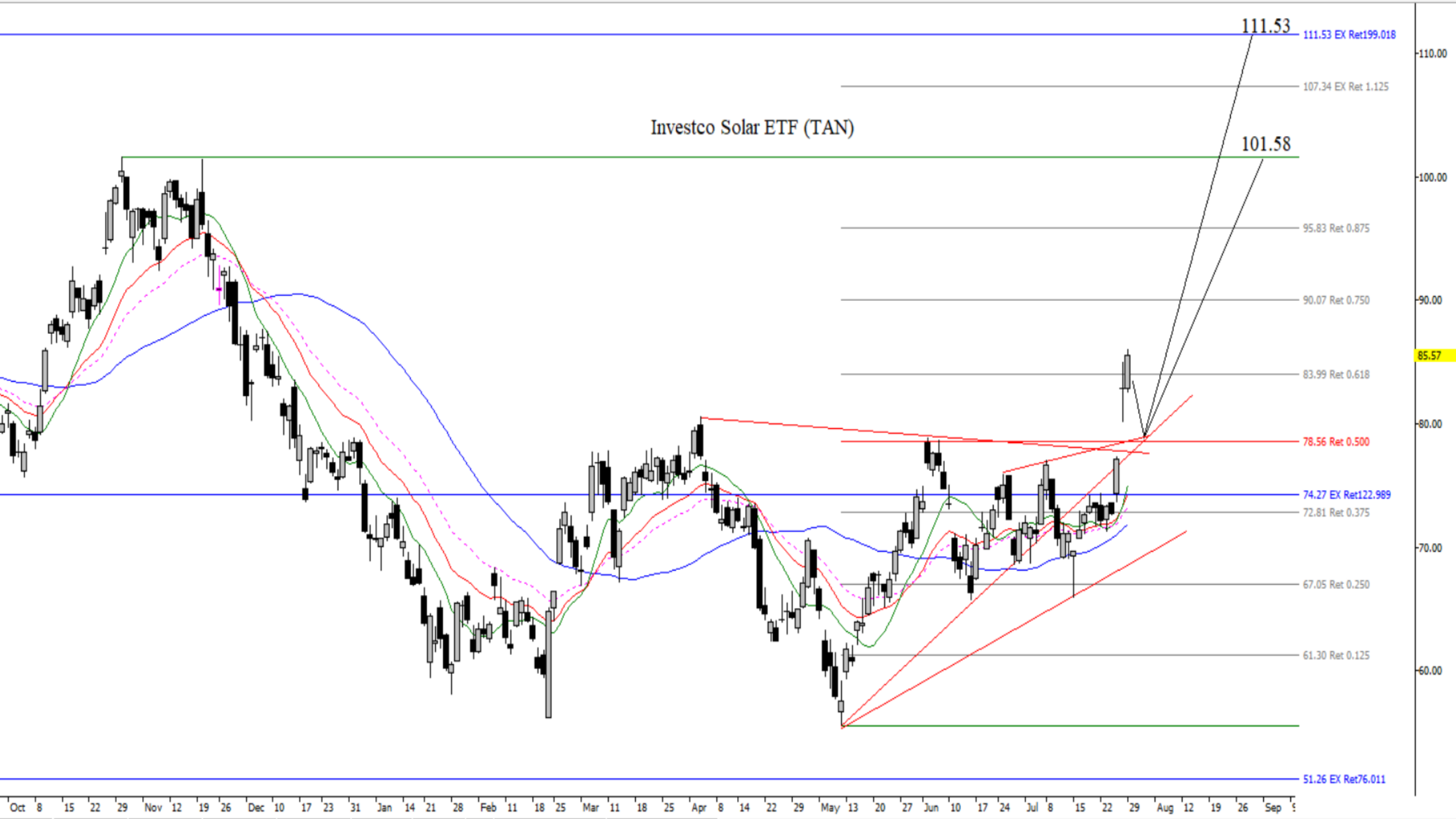
Energy Solar



Buy candidate: Invesco Solar ETF (TAN)

- Portfolio: Short the *MAC Global Solar Energy Index*. This trade is designed to move with the daily performance of the *MAC Global Solar Energy Index*.
- The **Invesco Solar ETF (TAN)** trade is designed to take advantage of the buy signal in the Energy Solar industry group. A new bill presented last week in congress modifies and extends tax credits for solar energy. It is the spark that has sent the industry group higher.
- **Invesco Solar ETF (TAN)** broke out of its base last week but is short-term over bought. A throwback into the trendline at the strong 50% Fibonacci support of 78.56 will offer and opportunity for low-risk entry into the trade.
- The Invesco Solar ETF (TAN) will confirm a buy with a pullback to Fibonacci support at 78.56 and new 30-minute confirmation..
- Wait for a text confirmation!
- Start position at 3 star(***)
- The Up/Down Volume Ratio is 1.62
- *Invesco Solar ETF (TAN)* closed at 85.57
- *Invesco Solar ETF (TAN)* VWAP is at 71.46.
- Sell target price: 1st target is **101.58** ; 2nd target is **111.53**.
- Stop sell price: Close below **78.56**.

Investco Solar ETF (TAN)



Buy Candidate: Enphase Energy Inc. (ENPH)

• **Industry Group: Energy Solar.** *Enphase Energy Inc. (ENPH)* is gaining strength from the confirmed buy signal in the Energy Solar industry group. The Energy Solar industry group confirmed a buy signal on June 06, 2022, and currently ranks 1st out of 197. It is up 20.43% YTD.

- *Enphase Energy Inc. (ENPH) designs, develops, and sells solar panels and storage batteries for home energy use.*
- **Enphase Energy Inc. (ENPH)** broke out of a cup-with-handle base last week on massive volume. It finished the week at the top of its base and Fibonacci resistance at 282.45. A potential pullback to Fibonacci support and a rising trendline at 261.33 will offer another chance for a low-risk entry.
- **Enphase Energy Inc. (ENPH) will confirm with a pullback to 261.33 and a new 30-minute buy signal.**
- *Wait for text confirmation!*
- *Start Position at 2-star(**)*
- *Under massive institutional accumulation with an Up/Down Volume ratio of 1.91*
- *Enphase Energy Inc. (ENPH) closed at 284.18*
- *Enphase Energy Inc. (ENPH) VWAP is at 72.47.*
- *Sell target prices: 1st target is 324.69; 2nd target is 386.87*
- *Stop sell price: Close below 261.33.*

Enphase Energy Inc. (ENPH)
Up/Down Volume Ratio 1.91
Energy Solar Industry Group



Confirmed Buy: NeoVolta Inc. (NEOV)

- *Industry Group: Energy Solar.* The Energy Solar industry group confirmed a buy signal on June 06, 2022, and currently is the strongest industry group out of 197. It is up 20.43% YTD
- *NeoVolta Inc. (NEOV) is a designer and manufacturer of lithium iron phosphate batteries that store solar energy.*
- *NeoVolta Inc. (NEOV) is setting up a 30-minute IPO base. The base may need a few more days to develop as the industry group pulls back from overbought conditions. Currently, the most profitable moves come from 30-minute IPO bases in solid industry groups. The movement develops very quickly. You need to be able to react to the buy and sell confirmation within minutes. If you can't do this, don't even attempt this trade.*
- *NeoVolta Inc. (NEOV) will confirm with a 30-minute close above 4.22.*
- *Wait for text confirmation!*
- *Position is at a 1-star(*)*
- *Under intense institutional accumulation with an Up/Down Volume ratio of 4.60*
- *NeoVolta Inc. (NEOV) closed at 3.93.*
- *NeoVolta Inc. (NEOV) VWAP is at 3.87.*
- *Sell target prices: 1st target is 4.58; 2nd target is 5.17; 3rd target is 6.13.*
- *Stop sell price: Close below 3.78.*

NeoVolta Inc. (NEOV)

30-minute Chart



me Moving Average 50





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