



Trading Floor Research

Welcome to the
Trading Floor



11/28/21

This Trading Floor Research report contains:

- EVgo Inc. CL A (EVGO). A Buy candidate in the Energy-Alternative/ Other industry group.
- Newegg Commerce Inc. (NEGG). A new Buy candidate in the Retail Internet industry group.
- Enthusiast Gaming Inc. (EGLX). A new Buy candidate in the Computer Software Gaming industry group.

The Russell 2000 “Risk Off”

The Russell 2000 index did not confirm buy candidate status last week. It is always essential to wait for final confirmation. Without my text confirmation, a trade can completely reverse as the Russell 2000 did. The small-cap index closed at a 20-day low on Friday with massive volume. It also closed below 50% of the 9-month trading range. The index has confirmed a sell signal and put the bears back in control. This is a bad sign for the markets and puts the TFR signal back in “Risk Off.”

“Risk-Off,” means we take more risk out of our portfolios by selling underperforming stocks and being more cautious in new trades.

Smaller position sizes, tighter stop limits, shorter trading targets, and greater portfolio cash levels are necessary until a “Risk-On” status returns to the market.

Sectors, Industry Groups & Leadership Stocks

In the last Sunday's TFR newsletter, I informed you that three sectors gave sell signals. They included **Energy**, **Financial Services**, and **Healthcare**. All three sectors lost ground this week and finished near weekly lows.

This past week two different sectors gave confirmed sell signals. They included **Real Estate** and **Consumer Cyclicals**. Individual stock purchases in these sectors should be avoided, and any existing positions should be sold on 30-minute sell signals.

Friday, the **Technology** sector and the **Industrial** sector came very close to sell signals. At this point, most of the sectors are in or very close to sell signals. This is a terrible sign for the market and increases the emphasis on caution and high cash levels.

Charging Station Stocks

Last week, I did not get a confirmed buy signal on Charging station stocks, but they continued a very constructive basing pattern.

Recent price advance has taken them to the 50% Fibonacci number of their base, and they all stayed below 50% this past week. I am continuing to monitor the charging station group. The bears are in control if the charging station stocks trade under 50% of the basing range.

Once the bulls take control, we can expect the stocks to trend higher with greater probability.

My favorite charging station stock is EVgo (EVGO), which I included again in this week's report.

Sectors, Industry Groups & Leadership Stocks

Cyber Monday stocks are set to move higher next week

Cyber Monday stocks seemed to set up well last week and look ready to start their move tomorrow on Cyber Monday.

Internet retailers offering online sales to computer gamers are the Cyber Monday stocks that look strong this year. My favorites are **Newegg Commerce Inc. (NEGG)** in the Retail Internet industry group and **Enthusiast Gaming Inc. (EGLX)** in the Computer Software Gaming industry group.

I include full writeups in this week's newsletter.

Buy candidate: EVgo Inc. (EVGO)

- Industry Group: **Energy-Alternative/ Other**. The group currently ranks as the 10th strongest industry group out of 197 and is up 5.82% YTD. The group gave a buy signal on 10/13/2021 and avoided a sell signal this week.
- EVgo Inc. (EVGO) operates 800 fast-charging networks for electric vehicles in over 65 metropolitan areas across 34 states.
- EVgo Inc. is building a cup-with-handle base that started January 26, 2021. Last week, the base handle went below 50% of the basing range but closed above Fibonacci support at 13.61 on Friday.
- The way EVgo tailed off the 20-day moving average and closed at the high of the day above Fibonacci support signals a bottom of a retracement move.
- EVgo Inc. (EVGO) needs to close above the substantial 50% Fibonacci number 15.76 with above-average volume to confirm the move higher.
- EVgo Inc. continues to show a significant level of institutional buying. The big volume is the fuel needed to put the bulls in control.
- **EVgo Inc. (EVGO) will confirm a buy signal with a 30-minute close above 14.52 on increased volume.**
- **Wait for a text confirmation!**
- Initiate position at 2-star(**)
- **Under massive institutional accumulation** with an Up/Down Volume ratio of 2.5.
- EVgo Inc.(EVGO) closed at 13.69 on Friday.
- EVgo Inc. (EVGO) VWAP is at 14.29
- Sell target prices: 1st target is **25.70**; 2nd target is **34.95**
- Stop sell price: Close below **13.61**.

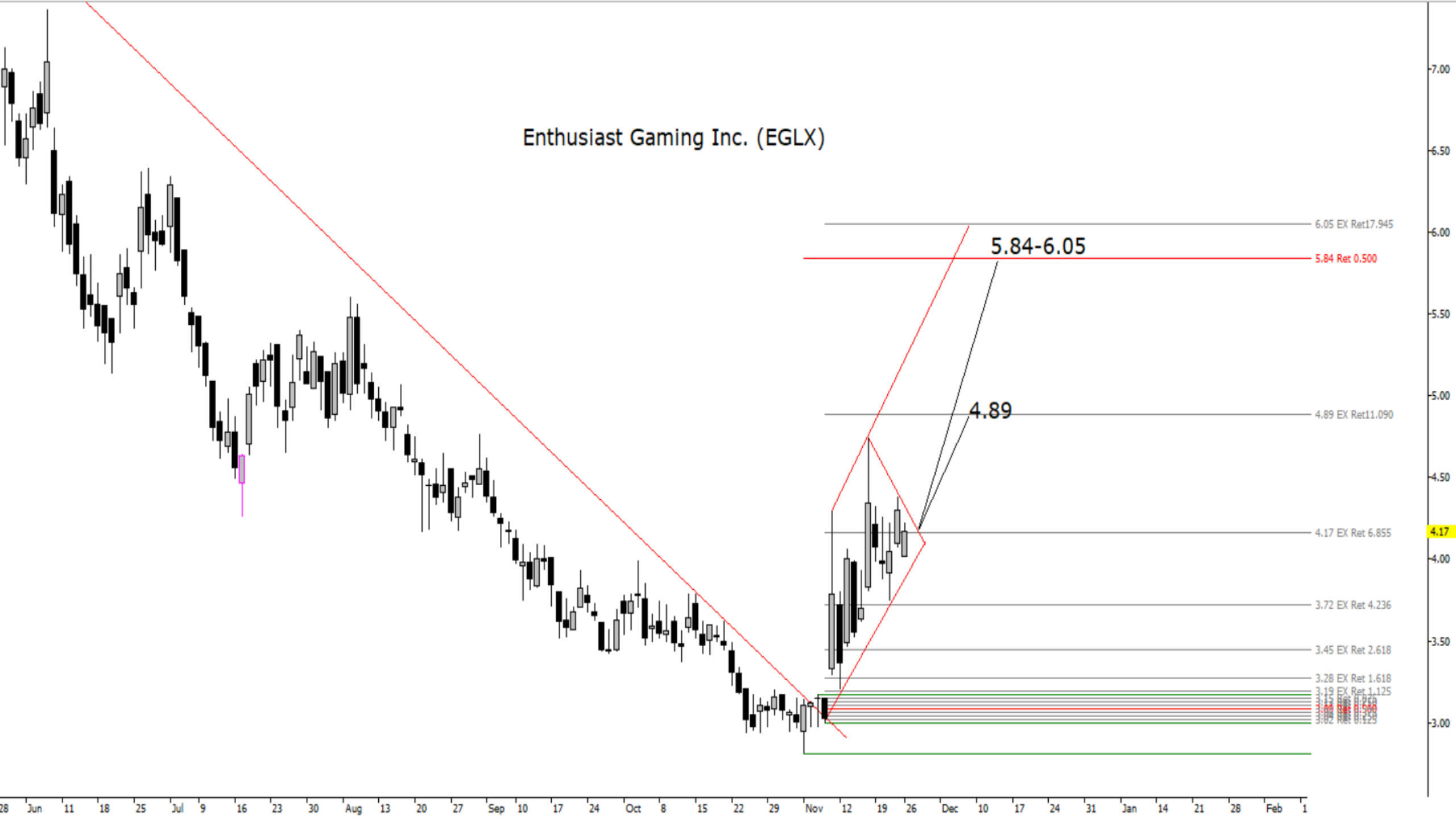
EVgo Inc. CL A (EVGO)



Buy candidate: Enthusiast Gaming Inc. (EGLX)

- Industry Group: **Computer Software Gaming**. The group currently ranks as the 180th strongest industry group out of 197 and is up 4.67% YTD. The group gave a buy signal on October 21, 2021, and reconfirmed the buy signal on November 9 and 12.
- Enthusiast Gaming (EGLX) is a Canadian-based company developing video game software for esports fans to connect and engage worldwide. Esports stocks are under the highest level of institutional buying in the Computer Software Gaming industry group.
- Enthusiast Gaming started trading on the NASDAQ on April 21, 2021, after an IPO in Canada in October 2019. The confluence of resistance acts as a high probability target on EGLX.
- 50% of the Canadian trading range is at 4.96. The substantial 50% number coincides with the Fibonacci target of 4.89 and the VWAP at 4.94.
- Enthusiast Gaming Closed on Fibonacci resistance at 4.17 on Friday. 30-minute closes above 4.17 will create an over-under-over pattern on the 30-minute chart. This high probability pattern should send shares higher.
- **Buy Enthusiast Gaming Inc. (EGLX) with a 30-minute close above 4.17 on increased volume.**
- **Wait for a text confirmation!**
- Initiate position at 2-star(**)
- **Under institutional accumulation** with an Up/Down Volume ratio of 1.60.
- Enthusiast Gaming Inc. (EGLX) closed at 4.17 on Friday.
- Enthusiast Gaming Inc. (EGLX) VWAP is at 4.94
- Sell target prices: **1st target is 4.94; 2nd target is 5.84-6.05**
- Stop sell price: Close below **3.96**.

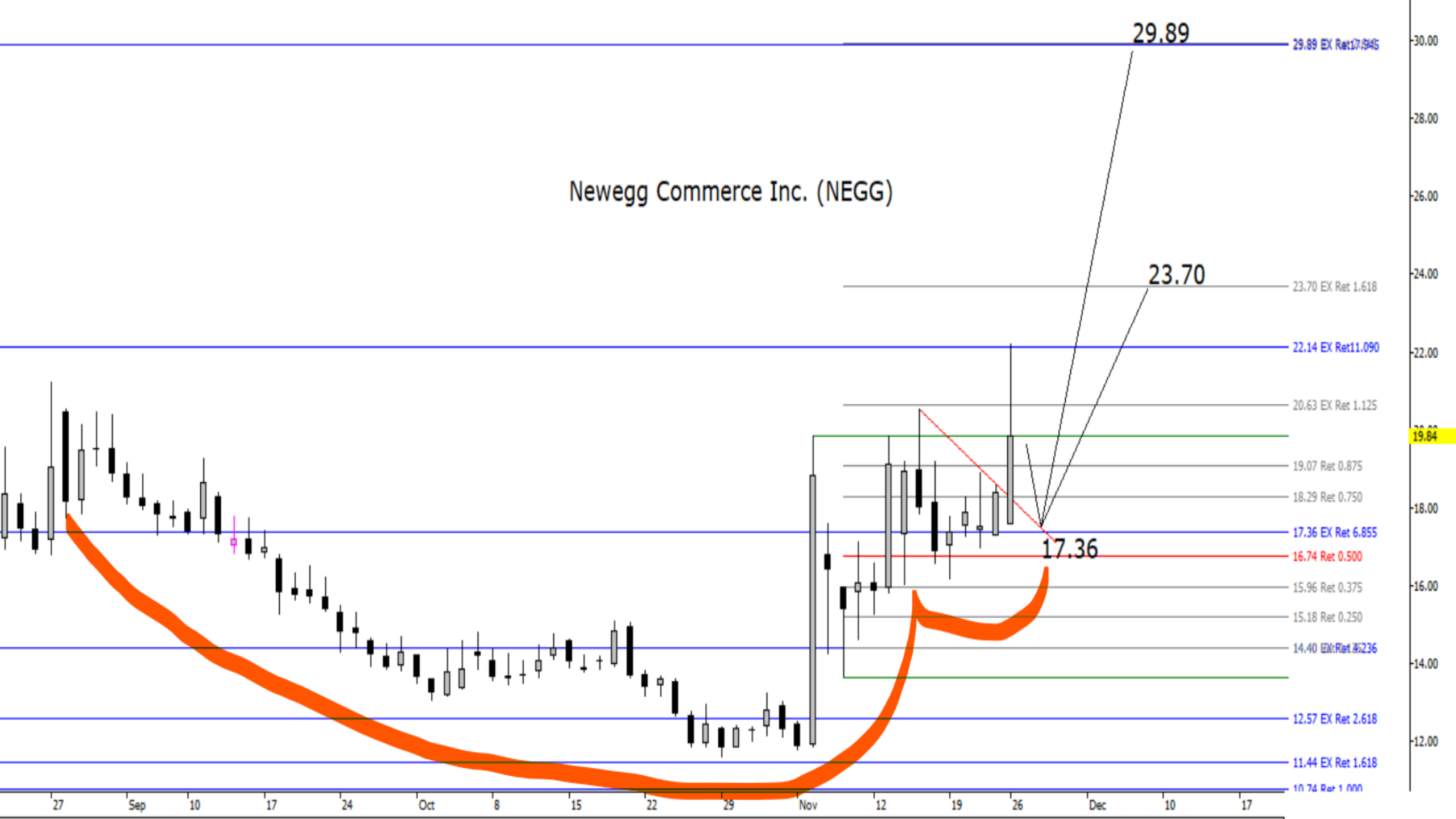
Enthusiast Gaming Inc. (EGLX)



Buy candidate: Newegg Commerce Inc. (NEGG)

- Industry Group: **Retail Internet**. The group currently ranks as the 93rd strongest industry group out of 197 and is up 12.83% YTD. The group gave a buy signal on November 9, 2021.
- Newegg Commerce Inc. (NEGG) is an online retailer of items, including computer hardware, consumer electronics, and computer gaming accessories.
- Friday, Newegg (NEGG) closed at the highest level since it started its cup-with-handle base on August 27, 2021. The close is very significant with the stock's above-average volume and the backdrop of a substantial market decline.
- Newegg broke a downward sloping trendline on Friday and hit Fibonacci resistance at 21.33. The stock closed just under Fibonacci resistance at 19.85.
- **Buy Newegg Commerce Inc. (NEGG) with a throwback to the trendline between 18.29 and 17.36.**
- **Wait for a text confirmation!**
- Initiate position at 1-star(*)
- Under institutional accumulation with an Up/Down Volume ratio of 1.8.
- Newegg (NEGG) closed at 19.84 on Friday.
- Newegg (NEGG) VWAP is at 19.80
- Sell target prices: **1st target is 23.70; 2nd target is 29.89**
- Stop sell price: Close below **17.36**.

Newegg Commerce Inc. (NEGG)





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