



UTS Weekly Newsletter

12th Edition

# Undergraduate Trading Society

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Monday		Tuesday		Wednesday		Thursday		Friday
Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open
汽车之家 AUTOMOBILE INC.	NG Energy Partners LP	DICK'S SPORTING GOODS	zoom	Campbell Soup Company	CLOUDERA	SMUCKERS	DocuSign	TIFFANY & CO.
hh	EnerSys	Old Country Store	CROWSTAKE	AMERICAN EAGLE OUTFITTERS	smartsheet	ciena	slack	TRIBUNE PUBLISHING
PROTALIX Biotherapeutics	PROPETRO	BAO ZUN	digital turbine	EXPRESS	elastic	TORO	BROADCOM	
	perceptron	Donaldson	HealthEquity	Vera Bradley	ZUORA	CANTEL	mongoDB	
	C S W C		Ambarella	CINEMARK THE GREAT ESCAPE IN THEATRE	Guidewire	Michaels	Greentree Hospitality Group	
			Medallia	云集 YUNJI	TILLY'S	SecureWorks	pagerduty	
				PXS PWS SERVICES	CHANGE HEALTHCARE	ORION	Gap Inc.	
				OMTECH	GREIF	DULUTH TRADING	yext	
				FOSSIL		NAVISTAR	SAIC	
							DOMO	

http://eps.sh/cal © 2020 Earnings Whispers

Written by Nico Tobon, Jay Ong, Nathan Fagan, Allison Huang, William Gibbons, and John Alvarado May 31st, 2020

Edited by Nico Tobon and William Gibbons

Hello fellow UTS members, welcome to the 12th edition of the UTS Newsletter covering a range of stocks, ideas, and charts that will prepare you for the next week in the markets. This past week in the markets, tensions surrounding U.S.-China relations were put into the spotlight, as Trump closed the market off with a press conference regarding U.S. retaliation to China through threats on U.S. listed China companies, a complete withdrawal of funding to the World Health Organization (W.H.O), and a stance on Hong Kong that deprives it of its complete autonomy. In other news, violent rioting around the nation have arised due to a rise in tensions surrounding police brutality, after George Floyd was murdered by



Minneapolis policemen, forcing several states to begin deploying the National Guard to control riot havoc. A historic launch commandeered by NASA and SpaceX marked a historic moment in American aeronautical history, as SpaceX became the first company to launch NASA astronauts to space. This historic moment is likely to open the door for a continued relationship between private aerospace companies and government space missions which will allow space-seeking companies a market to thrive in. The S&P 500 closed at 304.15, rallying a total of 1.37% after recovering from two 2% declines intra-week. Although the economic outlook looks uncertain, the market has still laid out plenty of opportunities for traders who respect risk management, some of which our trader's have exceptionally executed. The coronavirus continues to develop within the United States and across the globe, bringing the global cases to 6,262,805 and the U.S. number to 1,837,170. That said, some of our members at the Undergraduate Trading Society have our eyes on a couple of ideas. Scroll down to learn more about what we are keeping an eye on this week!



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We are looking forward to working closely with UTS members in the future. Stay tuned for more details and exclusive opportunities for members in the coming UTS newsletters! In the meantime, feel free to contact Janus with any questions via: [info@joinjanus.com](mailto:info@joinjanus.com).



# THIS WEEK'S: Top Stock Picks/ Commentary

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## Jay's Pick's: TSLA, HD

### TSLA



#### A Dormant Beast ready for a move?

So we've probably all heard the news, SpaceX has sent people to the moon. Amazing news but what tickers could this news potentially impact? My look is at TSLA and the following analysis is a technical analysis on the chart. Full Disclaimer: I have a position.

After 3 weeks of consolidation and an anticipation of an explosive move in either direction by a lot of traders, it seems like TSLA has shaken off many short term traders hoping for



the quick dollar. A level that I was watching last week was the 830 level and it managed to break above and close above late on Friday afternoon, hence, I entered into a small speculative position with knowledge that there was the SpaceX launch on Saturday. We see on the chart that it tried to break out on Tuesday and failed but boldly closed above on Friday. The MACD though flat, is showing some signs of life curling upwards which can signal that a move is to come. The consolidation around current levels has also built a base for which it can explosively break out of. My first target is a break of 871, then 900 which clears the runway for a move towards ATH. When TSLA moves, it moves so I would not be surprised to see a break of the 1000s in coming weeks. Current support is 817 and that could be a good entry area if it retests that before exploding higher.

# HD



## A bull and a bear case

Mapped this one out a few weeks ago and noticed a rising channel which it has been respecting. There are two ways that this can be played.

### Bull Case:

A break above Friday's high of 249.71 can see more upside and target all time highs again. I would have a stop below Friday's low or the lower trend line of the rising channel.

### Bear Case:

A break below the lower trend line which is also supported by an AlphaTrends Anchored VWAP at 243.07 with the first target of 234.75 which is a fib retracement and another Anchored VWAP. A breakdown could also have the possibility of a test of the 220s level as there is a volume gap between the 230s and 220s area.



## Nathan's Pick: ZM, DKNG

### ZM







Top watch tomorrow will be Zoom Communications (ZM). They have obviously been benefited by this pandemic and are now one of the world most well known companies in a matter of months. It is above every major Anchored VWAP and closed Friday just below 181.5 ATHs but actually broke to new all time highs after hours closing at 182.3. Monday I will either be looking for a continuation to new all time highs pushing 190+ in coming days. Secondly, It could be rejected by this 181/182 area and quickly reverse down to the 170s/160s forming something that looks like a triple top. In any case, I will be open minded and trade the price action not my bias. LONG above 182.3, SHORT below 180.



# DKNG

TrendSpider

DKNG, Daily  
May 31, 2020 9:37PM EDT

Alphatrends Anchored VWAP (DKNG,04/03/2020 06:30,ohl4), Daily  
Alphatrends Anchored VWAP (DKNG,27/04/2020 06:30,ohl4), Daily  
Alphatrends Anchored VWAP (DKNG,18/05/2020 06:30,ohl4), Daily  
Alphatrends Anchored VWAP (DKNG,12/03/2020 06:30,ohl4), Daily  
Drawings, Daily





Next trade on watch will be DKNNG, an online gambling company freshly IPOed a few months back. It is in the beginning stages of a parabolic/blow off top move. Essentially I want to be looking for a blow off top move above the 45-50 area. If we get to the 50 area, this will set up to be potentially one of the best trades in recent weeks. Nothing goes straight up, ever. This is a very retail crowded name as Barstool Sports president Dave Portnoy very often promotes this stock. Every newbie retail trader is in the money right now on this name, and every gambler who bought this gambling company stock will hold as long as they can. Of course, when everyone sees this thing first go red they will want to run for the hills with their massive gains on the name. Every short is also currently stuck, perfect storm for blow off top. Once demand drops and supply of people wanting to exit increases this thing will move back down to mid 30s at least and do so very quickly. My broker does not have shorts, so I will play the blow off top with puts. I will also possibly play a long above 40 tomorrow but that would just be a quick scalp for some momentum higher. Real trade is a blow-off top in the 45-50 area and buy some puts in the mid 30s.



# Nico's Pick: AAXN





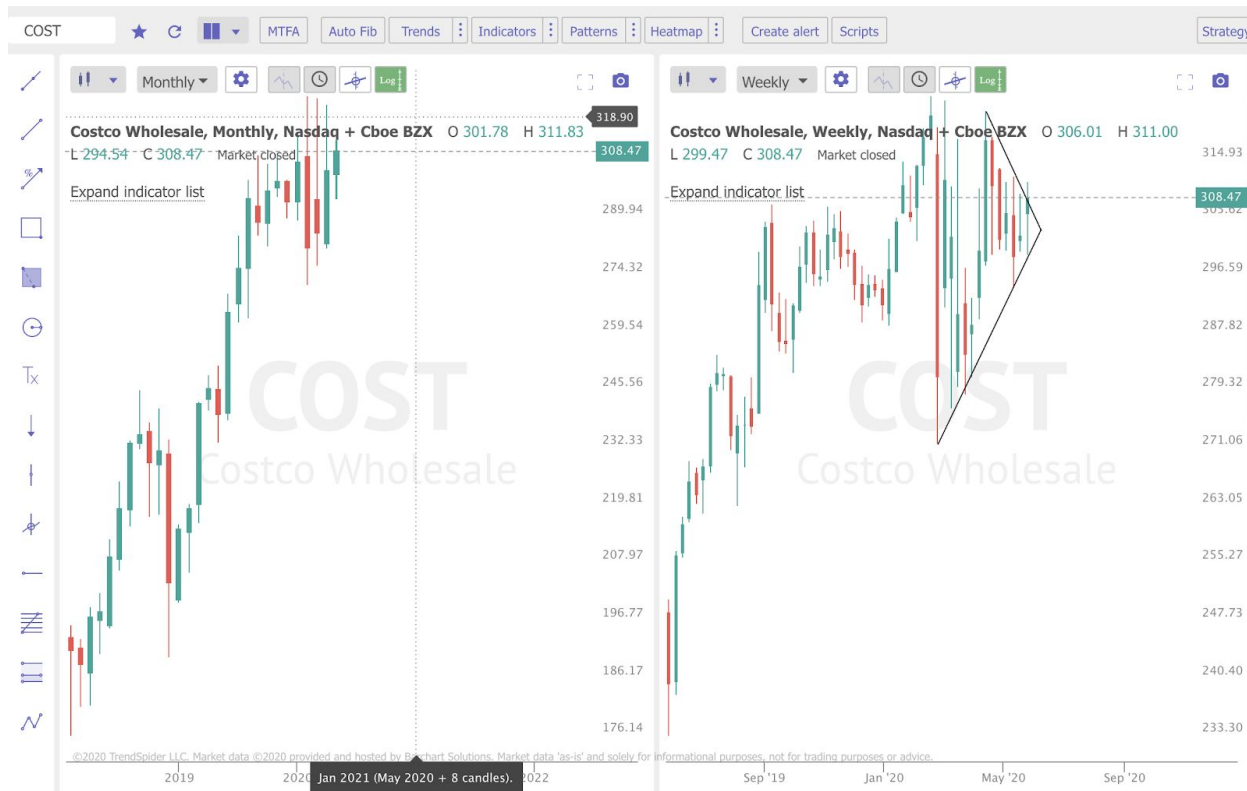


This weekend has turned what was a series of peaceful protests in Minneapolis, to a state of fear, confusion, disagreement, and criminal activity across some of the major cities in the United States. The market can price-in earnings, growth, federal rate cuts, and a list of other important factors that make up price action, but event like these riots are difficult as constant new developments in actions/reactions, resource management, and long-term effects may lead to opportunities in market valuation, which may be trying to communicate to us through one synonymous thing, price action and charts. Like my fellow colleague Zhiyao Li always says, “charts never lie”. I would like to think my open positions will still be



in play come Monday at open, although I must prepare for the potential that the rioting news can take control over the market, and must seek opportunity in relevant news-sensitive stocks. This weekend, I have decided to focus my attention on AAXN, a company providing personal and commercial defense equipment solutions, marketing a network for personal defense along with products such as taser's and police body cams. Price has interested me from a risk/reward standpoint, as it has chopped heavily in the past two weeks and is poised to move past \$77, as price has pierced the level several times in the past 3 months yet has refused to move lower, printing a set of higher highs into a wedge. **A move past \$77 would justify an entry with an initial price target at around \$90, with my maximum risk tolerance under 74.5.** If history repeats itself --referring to the series of protests in Missouri Ferguson in the month of August in 2014-- then price is likely to move higher past and set a secular bull trend in a riot-news/personal-defense name (attached above is a chart of AAXN from August 2014). It also may be worth looking into other possible sensitive names to this news in areas such as gun manufacturers (i.e. AOBC, RGR, VSTO), gun retailers (i.e. SPWH), surveillance-software (i.e. VRNT, NICE), and gold-miners (i.e. GLD, NEM).

## Allison's Pick: COST

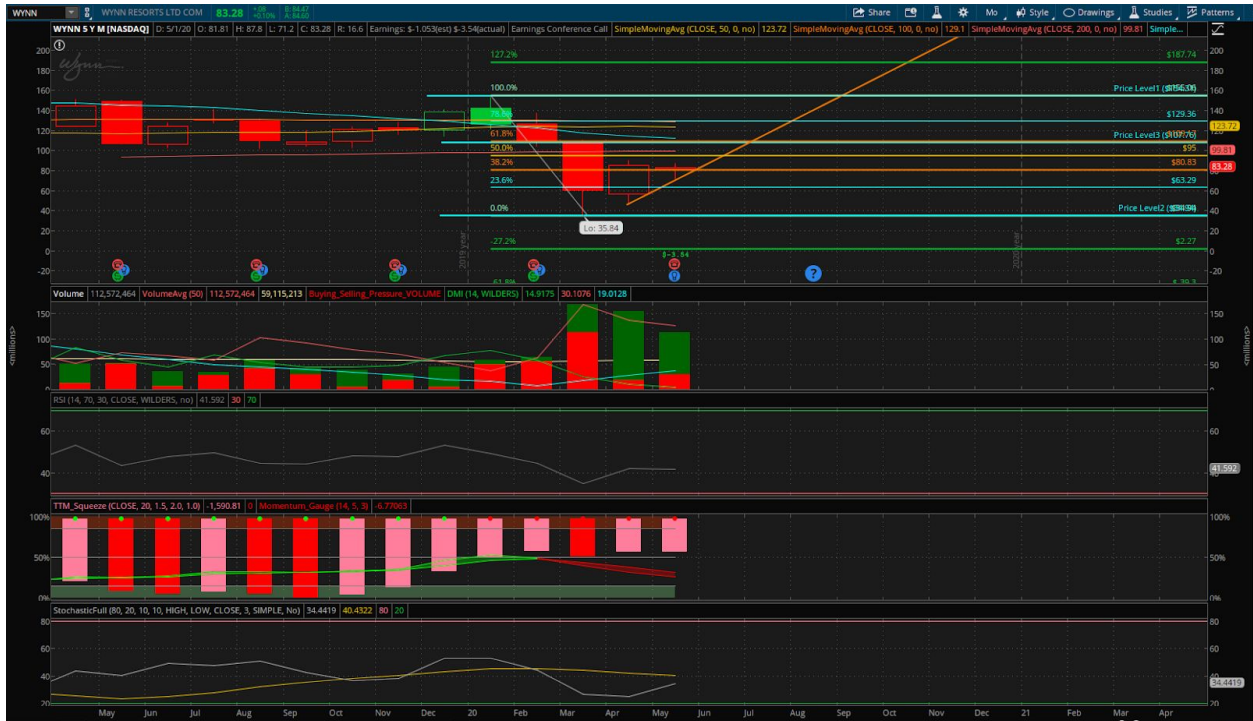


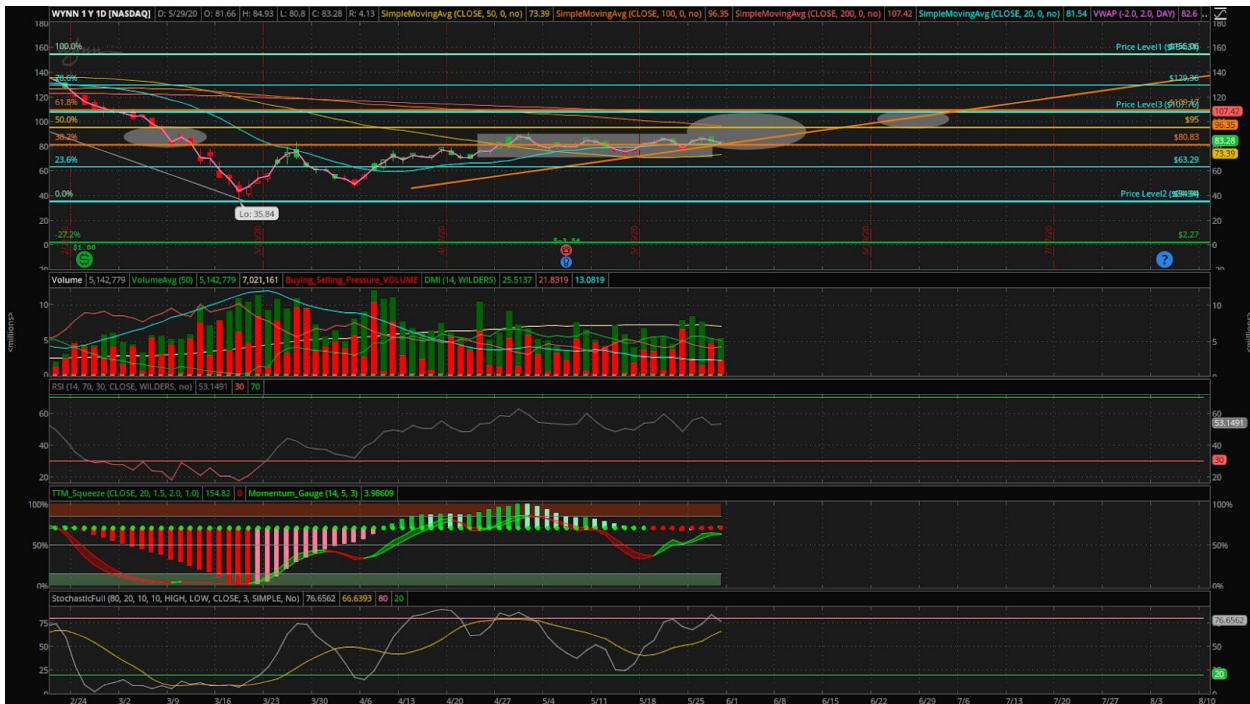
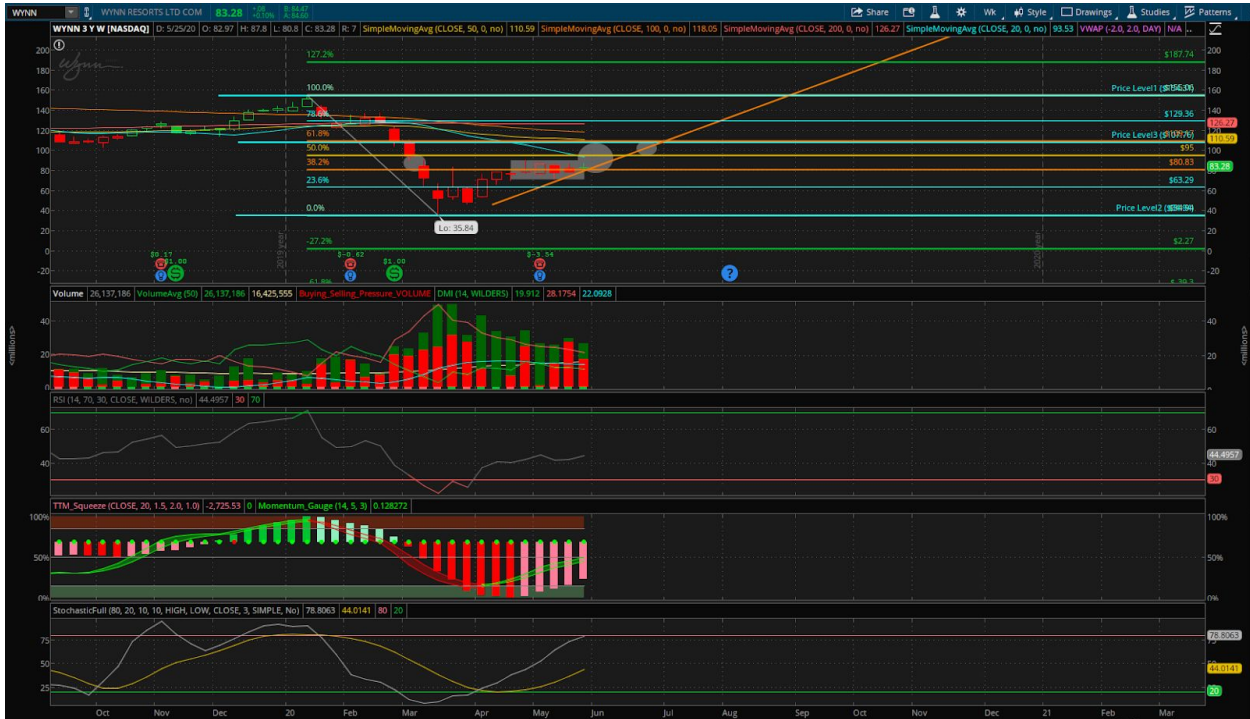
On the left is the monthly chart and on the right is the weekly chart. Although Costco missed their quarter 1 earnings, its weekly chart suggests a breakout from a bullish pennant. The monthly chart is showing a triple bottom, suggesting that the upside potential is huge and is long due for a big break-out. A definitive break over 308.47 can see 322.63, which is where I will take profit and leave the rest to run till ATH.





# Jonathan's Pick: WYNN







Bigger Picture: Market was very bullish Friday after Trump did not mention anything about delisting Chinese stocks. Tons of buying volume and looks like the market is setting up for a push higher next week. Still we always have to tread carefully as anything can happen, especially with the current unfortunate circumstances going on.

Looking at the Monthly WYNN is currently on an uptrend and forming a squeeze indicating a bigger move yet to come when this squeeze fires off. There is also an ascending triangle forming which is bullish. However, the month of May did leave a doji candle so it can go either way, but we are sitting right above a strong support of 80.83. There was also more buying than selling volume.

On the Weekly time frame we can also see the ascending triangle pattern holding with a nice gap fill to 94.18 to possibly 95. I also highlighted the possible breakout points in the highlighted circles. Now on the Daily time frame we can clearly see we have been in consolidation for a little over a month and holding that ascending triangle pattern. There is also a squeeze forming on the daily. Based on the ascending triangle pattern holding, consolidation (which I believe we are seeing accumulation by smart money), high buying volume, and the squeeze forming on the monthly and daily, I am BULLISH on \$WYNN.

We also need to take into consideration we are seeing momentum because of Las Vegas slowly opening up, so as Las Vegas starts to see business we can expect WYNN to pick up faster.

The Play: I've already entered this play on the long side last Friday. I would buy in at support of 80.83 or buy in on a confirmed pull back. My first target to sell is \$95. We closed at 83.28 and after market pushed to 84.46. Stop loss below support of 80.83. I anticipate a big move due to the squeeze on the Monthly and Daily.



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Please remember to follow your own risk, be patient, never chase, and take profits if you're happy with them. You don't have to wait for a higher target. Greed is an account killer. If there is one thing I've learned in this market is to take your profits quickly and be happy.  
#Bullish

Leave you with this quote: "Continue a trades that show you a profit, end trades that show a loss" - Jesse Livermore



# Important News

SpaceX launch is a success:

<https://www.nytimes.com/2020/05/31/science/spacex-astronauts-arrival.html>

Protests and riots throughout most major cities following the murder of George Floyd:

<https://www.nytimes.com/2020/05/31/us/george-floyd-protests-live-updates.html>

Strained Chinese-US relations:

<https://www.cnbc.com/2020/05/30/us-china-tensions-are-expected-to-rise-and-increasingly-weigh-on-the-technology-sector.html>

Effects of loss of Hong Kong's special treatment:

<https://www.forbes.com/sites/kenrapoza/2020/05/29/imaging-hong-kong-without-its-us-special-status-deal/#6c6771031c9d>

Coronavirus Statistics:

[https://www.worldometers.info/coronavirus/?utm\\_campaign=homeADemocracynow\(2020\)%20dvegas1?](https://www.worldometers.info/coronavirus/?utm_campaign=homeADemocracynow(2020)%20dvegas1?)



# THIS WEEK'S: A Week In Review

# Nico's Trade Review: NVDA, DIS

## NVDA



My move on NVDA during Friday's trading session was contingent on a key resistance break during the daily chart timed with the unprecedented press conference on China that



was scheduled towards market close. I had seen this same setup forming on a 5-day basis two weeks ago right before Trump disclosed the restrictions on Huawei that sent shockwaves in the semi-space. Luckily NVDA was poised to benefit from a move like that, and fueled a rise to new ATH. I am holding NVDA Jun 20 400 C's till price reaches 372 with my stop loss under 338.5

## DIS







With two massive down day's in a row in DIS, in-line with a breakdown on the SPY, I decided to stalk DIS price at the gap fill around \$118 for signs of a mid-day reversal. Having shown relative strength in the past couple days, and moving out of key resistance levels, it gave me confidence that I was getting a good price, and that it would recover off the \$118 lows. I entered around \$118 placed my stop fairly tight below the 50% Fib and moved on with my day. I was stopped out, but the timing, potential for risk/reward, and execution were all in-line with my trading plan which was the simple yet powerful lesson I could take from that trade.

## Nathan's Trade Review's: PENN, Monthly Review

PENN 5/29



Was shorting PENN at 34 looking for the move back to 32/33, ended up being a bit too early then giving up on the still valid idea. Missed the puke lower. Was still able to get some out of it on the backside breakdown of 33!

## PENN 5/26

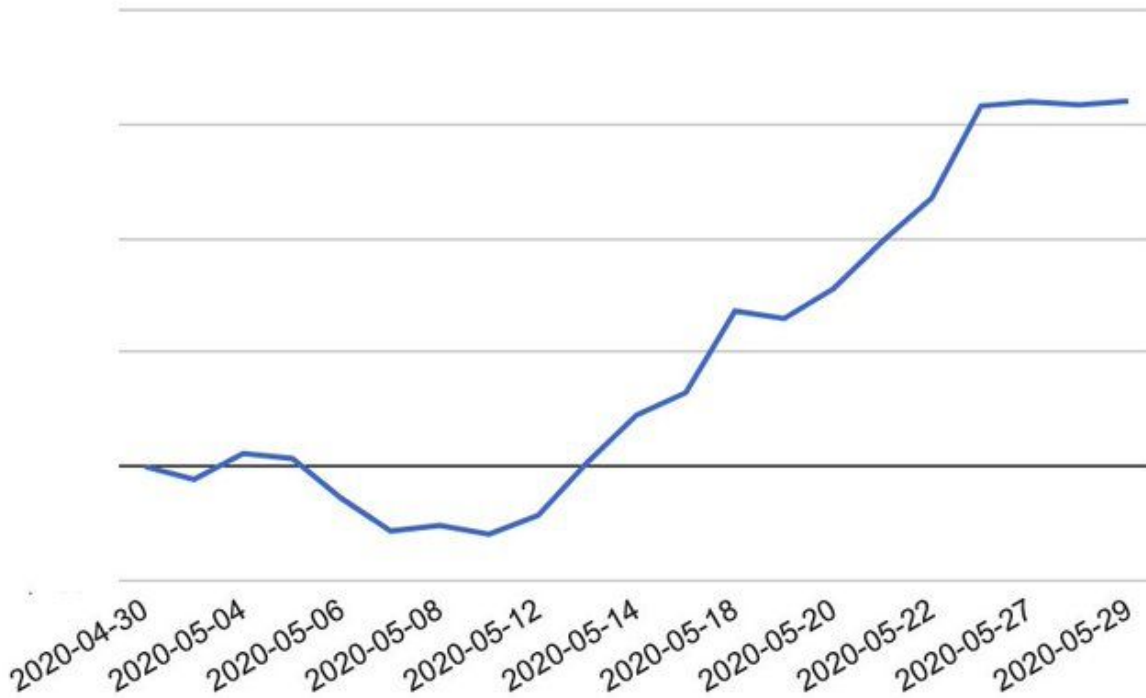


Only dubs today as the market presented a lot of easy opportunities. Great start to the week with a really nice Green Day. First trade was a PENN short/unwind at the open. Called out in our newsletter last night! Next was a PTON short as at home companies get hit as reopening speeds up. I could have traded the VWAP retest better and let it ride all day which would have been great given it fades to 41. Next was a short on SDGR similar setup to PENN unwind and fade to previous days high around 69. Always taking risk off along the way down. Looking forward to tomorrow and more opportunities like today!



## Monthly Trade Review

**Gross Cumulative P&L (last 30 trading days)**



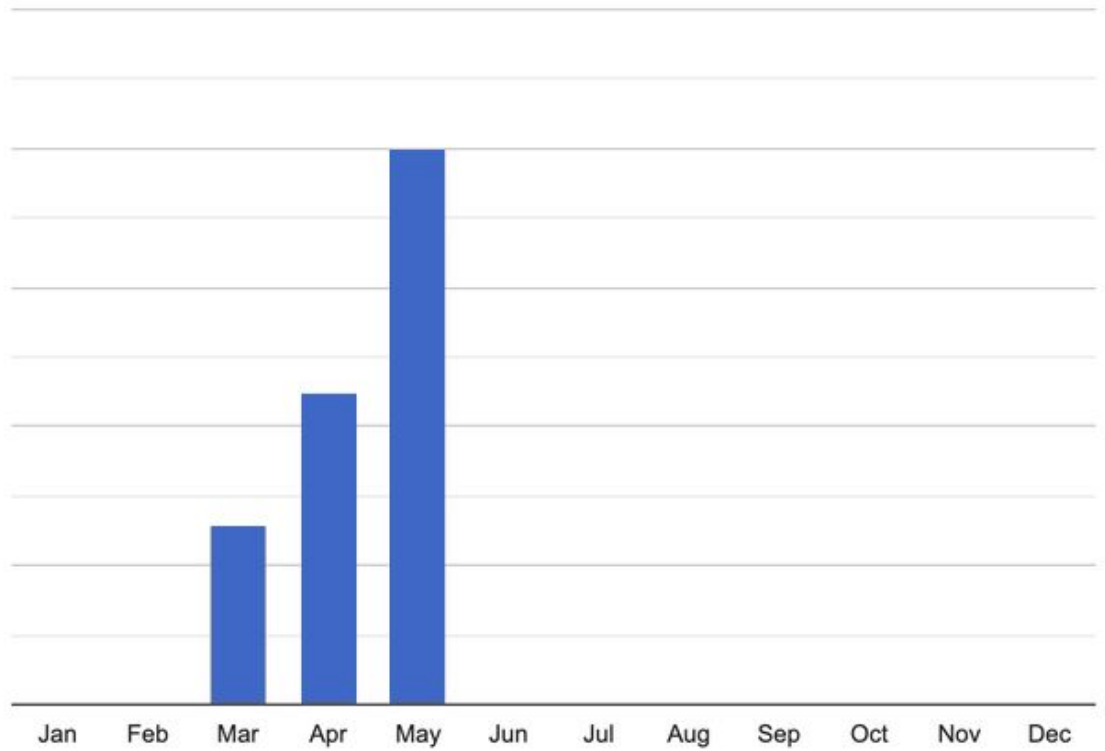


## May

<u>Sun</u>	<u>Mon</u>	<u>Tue</u>	<u>Wed</u>	<u>Thu</u>	<u>Fri</u>	<u>Sat</u>
26	27	28	29	30	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

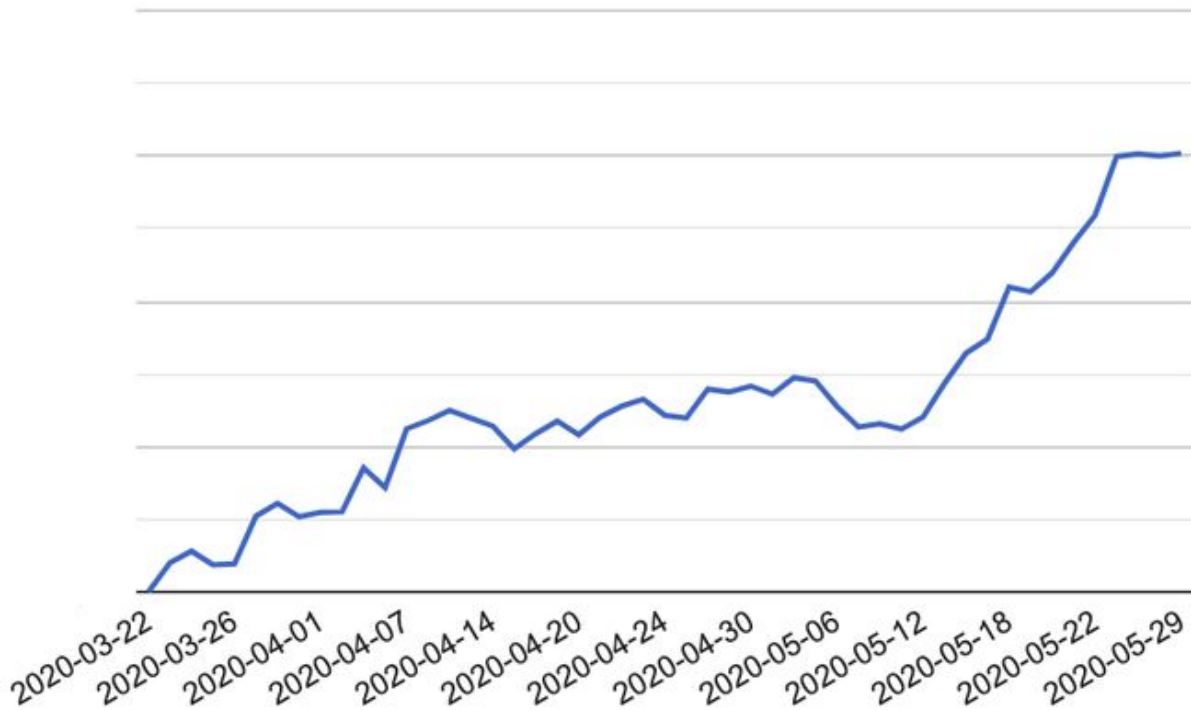


### Performance by Month





### Gross Cumulative P&L (last 60 trading days)



Best month so far. First week was tough but I came back and found a groove. Successfully sized up 2.5x from March and April. Significantly underperformed this week given the immense opportunities surrounding me. Was a bit burnt out I believe. Still, really happy with my journey!



# Will's Trade Review: MS









Morgan Stanley (MS) 5/26/2020-5/28/2020

Entrance: 42.12 [Stop:40.84/Target: 46.92] Exit: 46.17 P/L: 4.05/9.6%

Entrance Strategy: Morgan Stanley had been forming an ascending triangle for over two months, and seemed poised to breakout. The overall market was also bullish going into 5/26, and I expected that to have a major effect on financial institutions. On 5/26, MS gapped up and approached the key level of 42; this gap was equal to MS' ATR. I allowed it to test then pullback before entering at 42.12. RSI was bullish, because it was trending upwards, and it was not close to 70. MACD was semi-bullish on both the weekly and daily though MACD was not a major technical indicator in this trade. I set my stop right below premarket lows, because my thesis was it either pops, or it is a false breakout. My first target was 46.92, a failed retracement level, which gave me a 1:3.75 risk/reward ratio.



Hold: The first day, the stock was moving up consistently throughout the day. The second day, there was a gap up by the end of the day the stock had hit my profit target. I decided to stay in, because I thought MS could higher due to the high volume pushing the stock to that price.

Exit: After gapping up on the third day, MS began selling off. I was expecting buyers to come in, because I was still bullish. The tape was not showing me that, so I exited at 46.17.

Analysis: Despite leaving money on the table, I am proud of this trade. I traded a good setup, and I put on a good amount of size for my account. There is one thing I would like to have changed about this trade. First, I should have exited once my target was hit. Greed has been a problem in my past few trades, and I think my continued rationalization to stay in is the major problem. I should be taking profits when I can.



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