



UTS Weekly Newsletter

3rd Edition

Undergraduate Trading Society

Follow us on Instagram @utsucsd
and check us out at <https://www.utsucsd.com/>

Earnings Whispers Most Anticipated Earnings Releases for the week beginning February 24, 2020

Monday		Tuesday		Wednesday		Thursday		Friday
Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open
KOSMOS ENERGY	SHAKE SHACK	ARMSTRONG	GALECTIC	CHESAPEAKE ENERGY	Square	CRONOS GROUP	BEYOND MEAT	wayfair
Armstrong	COVIDIOMONTOLOGY	macys inc	Salesforce	LOWE'S	Etsy	BEST BUY.	Bai 百度	Foot Locker, Inc.
carter's	TANDEM DIABETES CARE	lendingtree	AMARIN	TDX	TELADOC.	cross	theTradeDesk	AES
SAPIENS	KEYSIGHT TECHNOLOGIES	Denbury	smile	Wendy's	BOOKING HOLDINGS	icpenney	iQIYI 爱奇艺	SPIRIT AEROSYSTEMS
COOPER	intuit.	LUMBER LIQUIDATORS	GW	moderna	NUTANIX	SAGE THERAPEUTICS	OXY	GIBRALTAR
DI NE	GUARDANT	MoneyGram	WW	PAPA JOHN'S	PELLER PETROLEUM COMPANY	ABInBev	workday.	BARINGS
DORMAN.	hp	AMERICAN POWER	planet fitness	IONIS	IP INNOVATIVE Industrial Properties	TD	DELL Technologies	STRAYER EDUCATION INC.
Star	Hertz	Old Country Store	TheRealReal	IONIS	IP INNOVATIVE Industrial Properties	NVE	AUTODESK	VISTRA ENERGY
intersect ENT	KRATOS DEFENSE & SECURITY SOLUTIONS	Scotiabank	E XELIXIS	CARS	NETEASE www.163.com	anaplan	vmware	SUMMIT
http://eps.sh/cal		evolus	Jazz Pharmaceuticals	WYNDHAM DESTINATIONS	CARVANA	Keurig DrPepper	AMC ENTERTAINMENT	Colony Financial, Inc.

© 2020 Earnings Whispers

Written by Nico Tobon, William Gibbons, Jay Ong, Nathan Fagan, Zhiyao Li, and John Alvarado February 23, 2020

Edited by Nico Tobon and William Gibbons

Hello fellow UTS members, as we move into Week 7 of Winter Quarter 2020 we reflect on the events occurred during a stock market pullback/correction. As new developments surrounding the graveness of the coronavirus unfold, we finally see some heavy sell-offs spanning most sectors SPY that gave back the gains from last week's all-time highs. It's important to keep your eye on the news when events like start to take control of the market. Gold and bonds have been rallying in response as many investors see the potential risk and flock to safer assets. In other news, several retailers such as Macy's, J.C. Penny and Home Depot are set to report earnings, which is always an interesting sector to trade. Some of our members at the Undergraduate Trading Society have our eyes on a couple of stocks. Scroll down to learn more about what we are keeping an eye on this week!



THIS WEEK'S TOP PICKS

DISCLAIMER: *The Newsletter is for informational purposes only, you should not construe any such information or other material as legal, tax, investment, financial, or other advice. Nothing contained in this Newsletter constitutes a solicitation, recommendation, or endorsement to buy or sell any securities or other financial instruments. There are risks associated with investing in securities. Investing in stocks, bonds, exchange-traded funds, mutual funds, and money market funds involve risk of loss. Loss of principal is possible. Some high-risk investments may use leverage, which will accentuate gains & losses. Foreign investing involves special risks, including greater volatility and political, economic and currency risks and differences in accounting methods. A security's or a firm's past investment performance is not a guarantee or predictor of future investment performance. In exchange for using the Newsletter, you agree not to hold UTS UCSD, its members or any third party service provider liable for any possible claim for legal or financial damages arising from any decision you make based on information or other Content made available to you through the Newsletter. Please consult a lawyer and/or financial advisor before taking any action in financial markets.*

Nathan's Pick: XLRN



XLRN has been consolidating below ATH's and below a psychological level of \$100 per share. This recent run-up has been due to positive news on one of their drugs in the pipeline. XLRN is scheduled to report earnings on the 27th, after hours Thursday this week. However, the negative market sentiment this week could cause this to break to the downside instead of upside. However, if we get confirmation, that confirmation being a



break and hold above \$96, I will get a long stop below \$96. This kind of trade should work quickly if it does not move up fast and with volume, I will get out. If it fails to break higher, this is also a great short opportunity. I will take a short break and hold the elbow 92.5 area. I do not plan on holding any position through earnings. If they beat earnings, the squeeze can be good, same for a miss, the downside potential is there. XLRN has 92% institutional ownership, meaning any move could come with real big money behind it. Earnings will determine this move in the coming days, keep on watch and alerts set above 96, and below 92.

Jay's Pick: NVDA



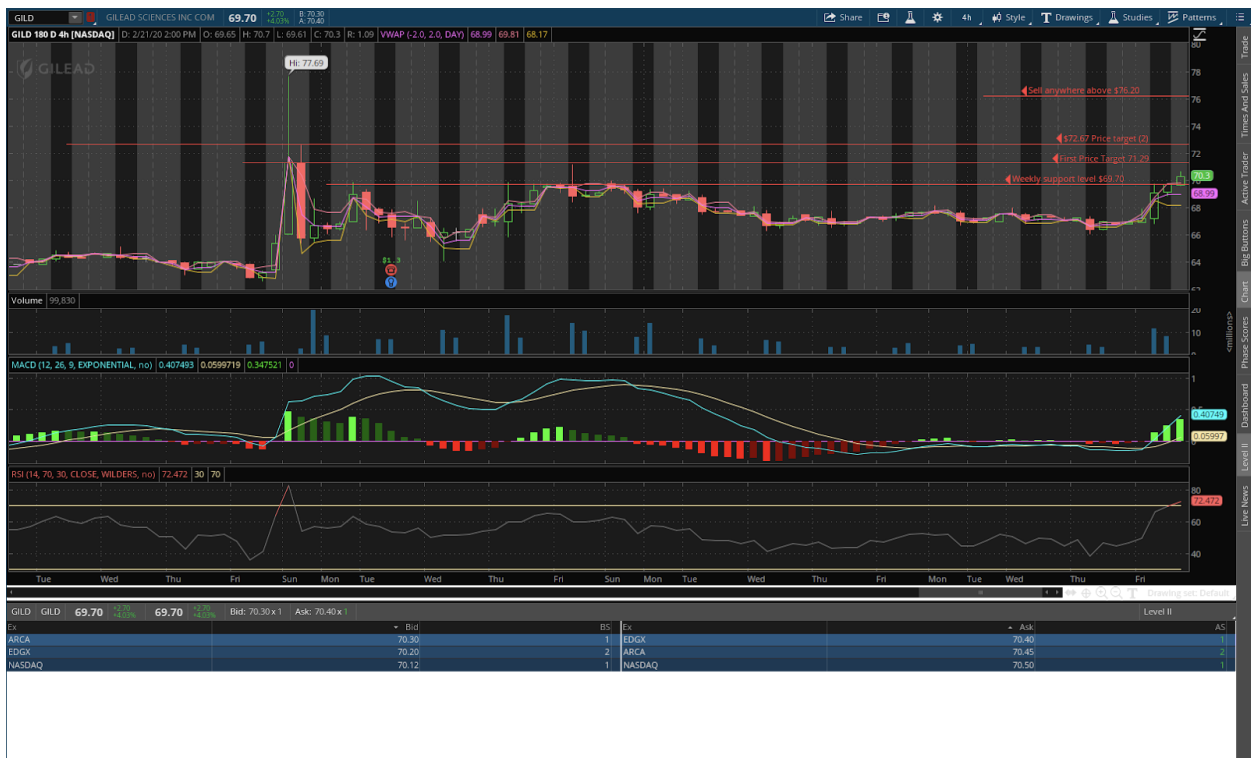
As the market shows signs of weakness, a few more bearish plays are opening up. My pick for this week is NVDA. An entry price for me in this is the start of the gap down. This gap up was previously from their positive earnings report and you can see that there is no volume holding that area. A break of 284.78 which is last Tuesday's low can spell trouble for the stock with a full gap fill downwards being a -4.45% movement on the stock price. At the gap fill level, it will also meet the 20-day exponential moving average (EMA) and could potentially bounce off that level. Failure to do so would push the stock price down to 250 in the coming weeks. This 250 level is where I would go long on this stock. Contributing factors to this analysis is the downwards pointing of the RSI and the downwards start of NVDA's MACD which looks like it could be on its way to a downward crossover. The movement recently has also been supported by heavy volume - you can see that volume



has been above the average traded which makes me confident that a move in either direction could be big.

Disclaimer: I am not in this stock yet but I will be looking to play this if the levels are broken.

John's Pick: GILD



GILD Broke out of weekly resistance \$69.70. Now sitting right about the new support level.

Broke out aftermarket on Friday. Needs to stay above new support of \$69.70. If support holds, the first target is \$71.29. If it breaks through this price level, the next target will be \$72.67. If it breaks through that, then I'm expecting to make its way to its previous high of \$77.69. My theory behind this breakout is its dividend payout. If you look at the 180/4hr time frame, there is always a bullish run leading up to the day of the dividend payout.

Entry: If it holds support level, buy above support at \$70.80. or wait to enter at \$71.35.

Exit: Potential of going to previous high, but be ready to exit anywhere after \$76.20.

Risk: Sell if it breaks below support of \$69.70.



Profit: As mentioned before sell above \$76.20 or if you percentage goal is met. Stick to your plan. If a large spike occurs, sell at the top. It will pull back and provide another buying entry.

Disclaimer: This is all speculation and this can definitely go the other way. Market conditions can change, plans change. This is only for educational purposes, so I highly recommend forming your own thesis and plan. I am not responsible for any losses or profits that occur. You are your own trader and you make the trade on your final decision.

Also note, I am already in this trade, I entered Friday. Holding a \$70 call option, EXP. Feb 28,2020.

Zhiyao's Pick: WMT



Walmart looks solid in both the short and long term. Walmart went up 0.78% on a bloody Friday due to the virus outbreak. Walmart went over Thursday's high on Friday, and showed signs of continuation as MACD crossed and pointed upward. Also, volume on Friday was above average. On the other hand, consumer products are usually less volatile compared to the rest of the sectors in the market. Because people do need foods and drinks regardless of the virus.

Entered at: \$118

Short term target: \$120

Long term: \$125



Nico's Pick: REAL





I'm going to keep it REAL, and with earnings reports for retailers becoming the theme for this week, along with weak breadth of stocks advancing in the S&P, I'm looking closely at the outliers specifically in the retail which I believe will get hammered this week. Usually, there are a few countertrend stocks that tend to outperform the entire sector regardless of overall sector strength and market. In this case, I think \$REAL's unique online business focusing on luxury consignment is a move towards the deterioration of brick-and-mortar and the birth of contemporary shopping. REAL is currently trading at 16.13, just having just passed through former support of 15.50. REAL is expected to report earnings on February 25th (this Tuesday) after the bell and has had several analyst upgrades since last earnings. I typically do not trade a stock before earnings because reports are impossible to predict and trade consistently in the market, thus I wouldn't enter until after Tuesday. I like the 200 EMA (Red line) as the stock price is clearly showing it has tested that boundary and needs somewhere to run along with a high level of interest showing the amount of stock traded in this past Friday. I also checked out IBUY, the Sector ETF with the highest holding of REAL and it broke out to new all-time highs last week.

I will look to be long this stock above \$17 as early as this Wednesday with an initial price target of \$18.13. My stop loss will be placed at \$16.8 to avoid whipsaws triggers if the price retests. If the trade reaches my target, I will monitor the price for a possible reentry to the upside and set up a second trade which I will update UTS on.

Other notable stocks of interest: SBGL, YNDX, SGH, AVYA, ZUO, OKE

William's Pick: CDE



Last week Coeur Mining had a huge selloff of around 18% because of poor earnings. It created a support line at 5.3 and has begun consolidating at 5.53 which was a previous support on 1/29/20. CDE is a silver and gold mining company and gold mining ETFs have been rising from fears of economic slowdown caused by the coronavirus. This I believe makes the stock prime for a reversal or a strong retracement. On the 5 day / 15 min, the RSI is trending upwards while the MACD has crossed the signal line, a bullish sign. I will be looking to go long if the stock breaks 5.53 with strong volume and continues the bullish trends in MACD and RSI. My stop loss will be slightly below 5.3, the past support. My first profit target will be 6, 200 day SMA, which will be a 1:2 risk/reward ratio. My second profit target will be 6.49, the peak before the earnings sell-off. If it breaks 6.49, I may decide to increase my position size as long as the RSI and MACD confirm.



UTS Weekly Digest 3rd Edition



Undergraduate Trading Society
UC San Diego