



UTS Weekly Newsletter

6th Edition

# Undergraduate Trading Society

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**EARNINGS WHISPERS**  
Most Anticipated Earnings Releases  
for the week beginning  
**April 13, 2020**

Monday		Tuesday		Wednesday		Thursday		Friday
Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open
SPIRIT REALTY	AMARIN	JPMorgan Chase O	J.B. HUNT	Bank of America	BED BATH & BEYOND	RITE AID	INTUITIVE SURGICAL	Schlumberger
XCEL BRANDS		Johnson & Johnson	Washington Federal, Inc.	UnitedHealth Group	Lakeland INDUSTRIES, INC.	Abbott A Promise for Life	MATCH TECHNOLOGY LTD.	
		WELLS FARGO	CORA ACQUING BUCK BAN	citi		tsmc	WESTERN ALLIANCE	STATE STREET
		Conn's	HOWMET AEROSPACE	aphria		BLACKROCK		REGIONS
		FASTENAL		Goldman Sachs		LOVESAC		MURPHY USA
		Infosys		PNC		BNY MELLON		Citizens Financial Group, Inc.
		Commerce Bancshares, Inc.		PROGRESSIVE		KeyBank		IBERIABANK
		FIRST REPUBLIC BANK		usbancorp		SONOCO		小赢科技
		GreenTree Hospitality Group		WIPRO		charles SCHWAB		
				Bladex				

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

Written by **Nathan Fagan, Nico Tobon, Jay Ong, William Gibbons** April 12th, 2020

Edited by **Nico Tobon and William Gibbons**

Hello fellow UTS members, welcome back to the 6th edition of the UTS Newsletter covering a range of stocks, ideas, and charts that will prepare you for the next week in the markets. It's safe to assume no one really knows what's going on, and anyone who tells you otherwise, truly has no idea what's going on. In this market, you just gotta say "I have no idea what's going on" and it'll keep your sanity in check. Although the economic outlook looks uncertain, the market has still laid out plenty of opportunities for traders who respect risk management. The coronavirus continues to develop within the United States and across the globe, bringing the global cases to 1,846,680 last I checked. Earnings season is set to begin next week with the major banks taking the spotlight and likely setting the



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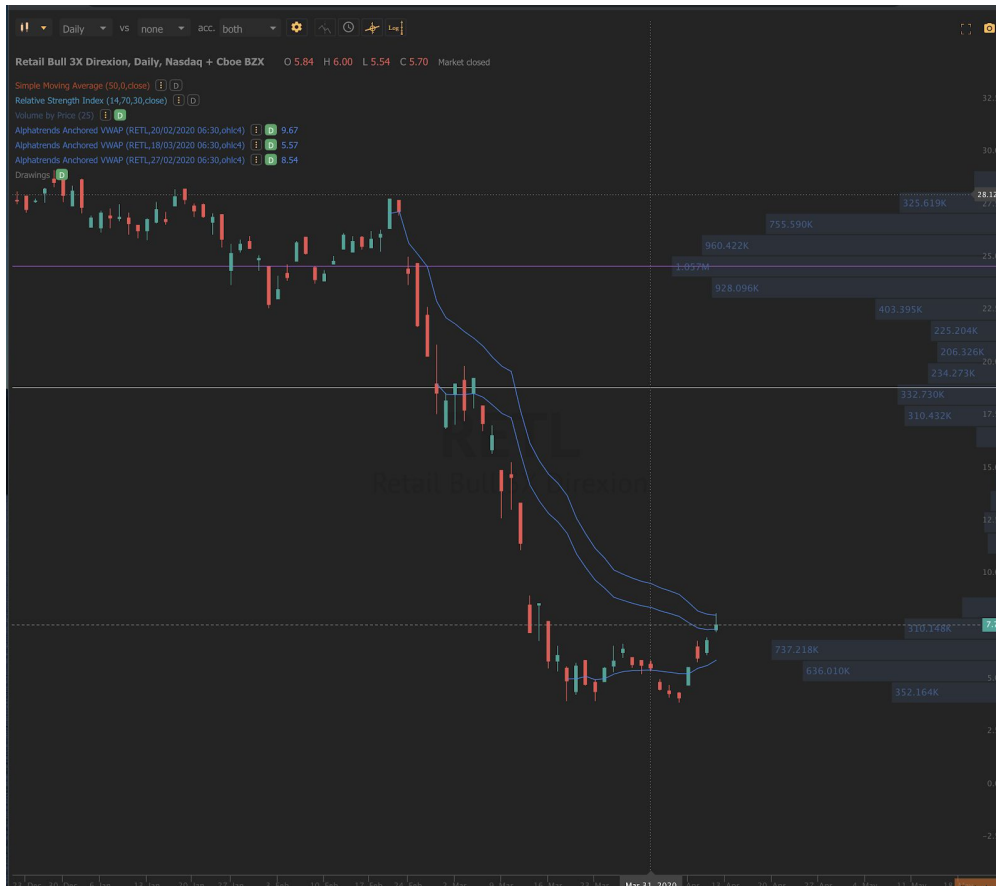
tone for the market. Several of the major indices closed at major key levels and are likely to be resolved in the next couple of weeks as earnings goes underway and coronavirus policy continues to develop. That said, some of our members at the Undergraduate Trading Society have our eyes on a couple of stocks. Scroll down to learn more about what we are keeping an eye on this week!



# THIS WEEK'S TOP PICKS

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## Nathan's Pick: RETL



This week I will be keeping an eye on brick and mortar retailers. A dying industry in my opinion. Above chart is RETL, a bull retail ETF. Retailers have been absolutely pummeled from the coronavirus crisis and their stocks show just that. RETL tapped the Anchored VWAP from the high the day before the covid sell off began. SPY and all other Indices are in important areas of interest and will be picking direction in coming days, especially with earnings lining up. Some individual retailers to watch include Kohls (KSS), Nordstrom (JWN), Macys (M), Abrecrombie and Fitch (ANF), American Eagle (AEO), The Children's Place (PLCE) and Gap (GPS). I am short biased on these names coming into this week as all names listed above have had some massive bounces and are all in levels of potential

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resistance and a pullback seems likely/possible. Also keep an eye out for market reaction to big bank earnings this week.



# Nico's Pick: QTS







QTS, a REIT focused on providing real-estate for data centers is part of an industry that is seeing a strong bid in times of uncertainty in the market. Several of the competitors in the industry such as EQIX and DLR (See pictures above) have broken out to new all time highs and it seems QTS is set to give the \$63 all-time high a run for its money. If you really think about it, the data-center REIT story makes perfect sense in a now overly reliant online world, then add quarantining, social distancing, and working from home and you have a good case for a bullish stance on this industry. QTS' price has made higher highs and higher lows, and is consolidating in a wedge. **I will be looking to buy the breakout of the wedge above \$60 with an initial price target of 63.84; if the price breaks down from \$60, I will look to exit below \$55.**





**If price breaks 63.84, the all-time high, then a rally is imminent and will look to reenter with a profit target of \$76.52 which is the 161.8% retracement from the all-time high and recent bottom, placing my stop loss just below \$60.**

Some content I wanted to share with you in light of these U.S.-listed Chinese companies such as LK, TAL, and IQ is a podcast by Quoth the Raven (QTR) and Carson Block of Muddy Waters Research who is responsible for the career-ending investigative report on LK. The part on LK starts around the midway mark, but I highly recommend you listen to some of his other podcasts with some other interesting financial characters.

<https://www.youtube.com/watch?v=zjNRU-oP3pI&t=2s>

## Jay's Pick: AAPL



AAPL has reached the top of the rising channel and this will be on my pick for a short or some put contracts if SPY struggles in the next day or two. We can see that at the 50ema, it was rejected once and was swiftly pushed down from the top of the channel, I expect to see a similar outcome at this top part of the channel, with a stop above the 50ema line. A strong break below 268 will be needed as that is where the majority of volume is holding up. I am mainly bearish on the technology companies as when the indexes were green last week, they struggled relative to the market with a lot of names being red while the indexes were green on Friday. I would check out QQQ to see the relative strength of tech companies in comparison to the market, on Friday, on the weekly chart, it closed just short of the 20wma which corresponds with the a 50% move off the bottom.



Just a general note: I would be careful going into this coming week, Banks start their earnings this week and this will be the first chance to look at concrete numbers and expectations of companies going into the rest of the year and these earnings will be a real test for the stock market's rebound. I lean bearish into the next few weeks but who really knows. :)



# Will's Pick: JPM





JPM is reporting earnings this Tuesday before the market opens which means there is a potential catalyst for a breakout. During the coronavirus sell off, we saw major gaps down for JPM which could be filled if JPM continues to trade higher. JPM has approached its key level of 105 which has served as a line of resistance post-corona sell off, and it served as a support and resistance from 1/29/2018 to 10/14/2019. If JPM breaks 105 after earnings, I will look to go long with price targets of 112.5, top of the gap, and 117, another key level. Because I am writing this before Monday close and Tuesday open, I do not have a set entrance and stop.

## Will's Trade Review: TGT



Target (TGT): 4/8/2020

Entrance: \$102.26 [Stop:101.2/Target: 105.38] (1 share) Exit: \$103.02 (1 share) P/L: .76/.74%

Entrance Strategy: TGT had been experiencing a strong 13% upswing for the past few days then it hit a resistance, 102, that had already been tested 2 times before. For my entrance I used 5day/15min. In the beginning of the day it spiked up breaking the resistance, but the move was quickly squashed. It went down and tested the level 101.2 then had an upswing that broke resistance. I waited to see if it was a false breakout, but after it dropped down, it did not breakdown, so I entered into the position. My stop was at 101.2 because it had



previously tested, so if it broke the trade was done. My first profit target was 105.38 because that was the value of the stock if you added ATR to the day low, and my second was 105.99, a failed retracement. My risk reward ratio for this trade was 1:5.

Hold: The first part of this trade was a simple drive up. Then the third candle (15min) appeared to be a doji, I thought this was just because of lunchtime, but the stock had been rising despite lunch. The next 15min candle was down and it broke 103.25, the low of the last green candle. I viewed this as a signal to get out, but I held. The 5day/5min was telling me to get out because the RSI broke 70 and was sloping downwards while the MACD crossed. I told myself I need to hold because I should let the trade have time, yet I was beginning to be fearful.

Exit: I exited the position after the 5min RSI, which had gone up again, and failed to stay above 70. My mental state was telling me that I need to capture my gain now because the market was going up on the 15min and TGT was going down on the 15min. I also realized I had broken my plan and I needed to stop and leave.

Analysis: Besides the WORK trade, I think this was probably one of the best setups I have played because I entered after price broke the resistance for the second time that day. I was basically given a very tight stop because of the false breakdown which meant my risk:reward ratio was good. Going into the trade, I told myself I would play it like I usually do with day trades, 15min for entrance, and 5min for exit. If I had done this, I would have probably made .50/.49% more which would have put me over the risk I had assigned myself. Looking back I would have made more money if I held through the day, but I do not know if my emotions would have let me hold, so I should have stuck to my strategy and exited using 5min or stayed through the trade to see if I would realize the gain I sought. In hindsight, TGT hit my target at the end of the day this has led me to believe that I may want to hold longer.



Entrance:



Exit:







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