



UTS Weekly Newsletter

7th Edition

Undergraduate Trading Society

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Earnings Whispers		Most Anticipated Earnings Releases									
		for the week beginning April 20, 2020									
Monday		Tuesday		Wednesday		Thursday		Friday			
Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close		
Infosys	IBM	The Coca-Cola Company	NETFLIX	DELTA	Sands LAS VEGAS SANDS CORP.		intel	verizon			
HALLIBURTON	EQUIFAX	*****	Snap Inc.	at&t	Lam RESEARCH	SOUTHWEST	AMERICAN EXPRESS				
ally	cadence	PHILIP MORRIS INC.	CHIPOTLE	Biogen	sanofi	Lilly	Capital One	SANOFI			
Bank of Hawaii	ZIONS BANCORPORATION	HCA	TERADYNE	ERICSSON	XILINX	The Harsco Group	Edwards	Barnes GROUP INC.			
M&T Bank	Steel Dynamics, Inc.	SAP	TEXAS INSTRUMENTS	Kimberly-Clark	DISCOVER FINANCIAL SERVICES	DOW	eHealth	SYNOVUS			
OLD NATIONAL BANK	HEXCEL	Comerica	CANADIAN PACIFIC	NEXTERA ENERGY	ALCOA	HERSHEY THE HERSHEY COMPANY	SKECHERS	Autoliv			
Bank of Marin	AGREE REALTY CORPORATION	PROLOGIS	NAVIENT	Nasdaq	CSX	CITRIX	Limelight	IEIX CORPORATION			
PHILIPS	Equity Properties	synchrony	Interactive Brokers	ST	AMERITRADE	Bank of America	E*TRADE	GENTEX			
COMMUNITY BANK SYSTEMS INC.	AMERICAN CAMPUS COMMUNITIES	Snap-on	CHUBB	ThermoFisher SCIENTIFIC	SAMUEL ADAMS	PulteGroup	Mellanox	INDEPENDENT BANK CORP.			
TRUIST	CROWN	TRAVELERS	CARLISLE	Quest Diagnostics	O'Reilly AUTO PARTS	Safehold	Bank OZK	First Hawaiian Bank			

Written by Nico Tobon, Jay Ong, William Gibbons, John Alvarado, Nathan Fagan April 19th, 2020

Edited by Nico Tobon and William Gibbons

Hello fellow UTS members, welcome back to the 7th edition of the UTS Newsletter covering a range of stocks, ideas, and charts that will prepare you for the next week in the markets. Last week, several large-cap's from the banking sector reported earnings such as JPM, BAC, C and gave the market a taste of what the earnings season can expect to bring. It's safe to assume the market is still a coin toss, but the bulls have been fairly rewarded over the past couple weeks as the SPY has blown through overhead supply and passed fibonacci retracements. 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, 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 2,401,379 and the U.S. number to 764,177 last I checked. Earnings season is set to continue next week with some highly- anticipated names such as NFLX, IBM, CMG DAL, LMT, INTC, and DPZ taking the spotlight and likely setting the 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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Nico's Pick: KGC





Kinross Gold Corporation (KGC), is a gold-mining company that has seen quite the consolidation over the past couple days after breaching its previous high and settling in the lower \$6 range. Gold has seen some love these past couple weeks as it made multi-year highs of 1788.8 then pulled-back to 1688.6, where it's subject to a key move upwards from support bounce, or downwards from a support breakdown. I've traded gold-miners long enough to know they are some of the most difficult stocks to call in the short-term, as they often whipsaw, retreat, and breakdown through some of the most tried-and-tested patterns. As one can observe, this looks like the last line of defense for a short-term bullish consideration for /GC, as it has blown through a trendline support, and almost breached



every resistance turned support. I always like to zoom-out and examine where it has come from, and where it is going, and undoubtedly gold has been in a bull market for several years, broken out of a large base during a period of volatility, and is looking to retest support. Taking this thesis into consideration, I shopped around for some gold-miners with favorable risk-rewards setups, and KGC is one that I've decided to pursue. **I am looking to get long KGC above \$6.3 with an initial price target of \$7.15 which would fill a multi-year gap and be a reasonable place to take profits. My stop loss will be below \$6.09, leaving me a favorable 3:1 risk/reward setup.**

Some other stocks of interest: BCRX, TGT, BA, DEO

Jay's Pick's : ROKU, GS, CGC

ROKU



ROKU has had a few excellent days with the price moving up 25% in 3 days. This one is setting up nicely and could break out of its descending pattern soon. Would love to see this one consolidate for a few days and form a bull flag before making a move up as we are already seeing some rotation out of the tech sector. I'm loving how ROKU has been respecting its fib levels and a possible entry price could be at the .618 level, if ROKU reaches that. There is a lot of volume supporting this current level and a move above .786 could be monstrous for this ticker which tends to like to squeeze a lot. Notice also how it has also reached the Alphas Trends Anchored VWAP and that is proving to be a

quasi-resistance. A move above that could signal some lovely gains if executed correctly. Definitely one to watch in the coming days/weeks.

GS



Financials caught a bid on Friday with JPM rallying hard. In the past few weeks, financials have been hit hard but I predict there could be some sector rotation back into financials this week with a few charts setting up nicely. In GS's case, it has been consolidating around a breakout point and as one can see, there is a ton of volume holding price where it is, with failed breakdowns both Thursday and Friday. It is also approaching the Alphatrends Anchored VWAP which if it breaks will be my zone of entry because as you can see, there is a lack of supply in that area until \$200. Another entry point can be if it pulls back towards the \$175 area, as there is significant demand in that zone. As you can see in the chart, there has mainly been volume above the \$173.97 mark with the balloon raindrop candles telling how trading has occurred intraday. The volume on the downtrend from when it first tried to break VWAP has been decreasing however, as you can see by the volume histogram, GS

is catching a bid again with higher volume on the move up than on the move down. Another perspective could be a Cup & Handle pattern forming with the cup successfully formed and the handle about to break out. I think this one could be a good one moving into the next few days. Keep an eye on it!

CGC



CGC's chart looks amazing with heavy volume consolidating at this current channel looking prime for a breakout. Look how it has been trading in a range between the two Anchored VWAPs. This is a volatile name and a volatile sector which can cause big short squeezes so if you trade this name, don't be thrown off by the big movements that can occur. My buy for this is either a pullback to 14.50 or the break of the above VWAP. A break above could trigger a violent short squeeze to the \$18 range signalled by the volume by price indicator. As I have anchored the volume by price from the start of the coronavirus sell off, this is where the stock could encounter the next big resistance as this volume by price pattern



signals where there is supply and demand for the stock. At this \$18 area, these are people who bought the stock on the first pullback of the sell-off and once price returns to this area, it is their break-even zone where they can look to sell to break even. This is also the point where people who are buying in this current area can look to take some profit off so I think that this next zone of resistance will be quite large meaning it can be a good short candidate in the \$18 area. RSI also looks very nice and it could go on a run sitting in the middle.



Will's Pick: PTON





PTON is the ticker of Peloton, an indoor biking company, which has seen increased interest on Wall Street for its potential to survive/thrive during the quarantine. From the chart, I believe there seems to be a bull flag forming. There are other technicals confirming this trade with the RSI slightly rising while the MACD has just crossed. OBV, on balance volume, at the peak of 38.08 is far greater than the last peak at 37.02; this is a bullish sign. There is potential for a short squeeze with the short interest being 43.16%, and the shorts are suffering right now. The pole was a 32% move from 28.53 to 38.08 which means those shorts are *really* suffering. My stop is 31.98 because on Friday there was huge selling in the first few minutes, but the price snapped back within that trading minute. I checked institutional ownership and there are no quant funds, so I am not as worried about crazy moves happening again. **I will seek to be long at around 34, volume must confirm, and my first price target will be 38, top of pole, and my second price target will be 43.5, textbook bull flag. This gives me an initial 1:2 risk/reward ratio.**



THIS WEEK'S: A WEEK IN REVIEW

Nico's Trade Review: DLR



This week, I jumped into DLR, as I outlined last week the move in Data-Center/Cell-Tower REITS with my stock pick QTS, which I unfortunately missed due to a gap up. I decided to follow the breadcrumbs into DLR, which services the same types of properties, and was showing the same signs of an imminent breakout with a breach to all-time highs, and a bullish consolidation. I entered at the bottom of the triangle at \$139, and placed my stop



just under \$138, and stayed patient until the pattern resolved. It broke up to the upside and is approaching the all-time highs of 152.59 which is where I will look to take profits.

Jay's Trade Review: AAPL



The first circle represents my first entry into an AAPL put contract after it crossed the moving average on the 5 minute chart. My plan was to swing this play into the next day, so I averaged down on my contracts throughout the day. Overnight, GS downgraded AAPL to a sell rating and I benefited from the morning dump. The second circle represents my exit of the put because the price failed to break under a crucial support level. I re-entered into a later put contract at the 3rd circle once the support and low of yesterday was broken and the play was working out very well until the end of day pump caused me to take a small loss (due to theta) on the contract, exiting in the last circle before AAPL pumped into closing. Overall, I'm happy with this trade but I should look to have taken profits at the first dump with the first contract losing 20% of the value by the time I sold it at the second circle even though it was at a similar price.

John's Trade Review: BA



This was a nice clean swing trade. The chart shown above has price levels of the buy and sell. At the end of the day I recognized the W or double bottom forming on BA 4/16/20. I bought right at the bottom before the close. I also noticed bullish activity with call options which made me more confident to enter the trade. Aftermarket, BA had good news that made BA breakout early completing the W the next day premarket 4/17/20. I sold at open, closing a nice planned trade. Had BA broken the support, I would have sold covering risk/minimizing losses. This was probably the easiest trade for me this week. I probably could have held a little longer for more profit, but a rule of mine is to always sell at open for a gap up or gap down.

Nathan's Trade Review's: M, BA, MRNA

M



First trade was a short on Macy's (M) after a decent squeeze into resistance. I got short two lots risking above 6.4 and was simultaneously shorting SPY at 275. Got a nice move. Took half off at 6.2 then the rest at 6.23 as we pushed over VWAP, deciding to just lock in the win.

BA



Boeing released their Q1 delivery numbers showing 150 cancelled 737 max orders. This is terrible news for an already badly beaten down name. I missed the breaking news short and then tried to get in front of the turn BAD! First photo shows my execution trying to catch the reversal but it never came as I expected. It pushed all the way back to VWAP, which was \$6 away. Took some losses on those early entries but then re-entered with some extra size at VWAP, and finally caught the turn making back my losses (Second photo). Had I just been patient and waited for the VWAP retest to begin with I could have had a nice trade. I also covered too early which was another error. Did not trade so well today, but I kept my risk in check and finished with a very small red day, essentially flat for the day.

MRNA



Best trade of the week goes to my short on Moderna (MRNA) today. MRNA gapped up 20% on news of almost \$500 million in funding from us gov for a covid vaccine. I was patient and waited for the setup to come to me. Shorted against the major 48 level with an avg of 47.8. I was risking 20 cents for a \$1.5 reward. That's a good RR ratio! Covered risk along the way down in small tiers and then got flat around 46.2 area.



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