



UTS Weekly Newsletter

8th Edition

Undergraduate Trading Society

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Earnings Whispers Most Anticipated Earnings Releases for the week beginning **April 27, 2020**

Monday		Tuesday		Wednesday		Thursday		Friday
Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open
Armstrong	APPLIED MATERIALS	SOUTHWEST	AMD	BOEING	TESLA	American Airlines Group	amazon.com	ExxonMobil
Check Point	5 NETWORKS	3M	Alphabet	GE	Microsoft	Twitter	Apple	abbvie
CMS ENERGY	PPG	ups	Starbucks	MasterCard	FACEBOOK	McDonald's	GILEAD	THE CLOROX COMPANY
CNX	Brown-Forman	Pfizer	50th Anniversary	Spotify	TELADOC	Kraft Heinz	UNITED	Chevron
DORMAN	Amkor Technology	Commerce Bancshares, Inc.	dexcom	Hydrex	QUALCOMM	NOKIA	VISA	Honeywell
Advanced Energy Services, Inc.	Keurig DrPepper	PEPSICO	Robot	Anthem	servicenow	COMCAST	Whirlpool	CP
NIC	COGNEX	CATERPILLAR	paycom	Blue Apron	ebay	Altria	Atlassian	66
WASHINGTON TRUST BANCORP, INC.	CN	MERCK	Akamai	Humana	VERTEX	Cigna	MGM RESORTS INTERNATIONAL	IMMUNOGEN
LINCOLN ELECTRIC	CRANE	bp	FireEye	Yum!	align	Six Flags	Western Digital	Andersson
Lexicon PHARMACEUTICALS	K	Harley-Davidson	NXP	AMERICAN TOWER	United Rentals	ABIOMED	US	APOLLO

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Written by Nico Tobon, Jay Ong, Zhiyao Li, Nathan Fagan, William Gibbons April 26th, 2020

Edited by Nico Tobon and William Gibbons

Hello fellow UTS members, welcome back to the 8th 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 diversified sectors reported earnings such as the various airlines, Netflix, and chip-giant Intel and gave the market guidance of what the S&P may look like by the end of this earnings season. 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 but has consolidated fairly in the 270's-280's this past week. In this market, you just gotta say "I have no idea what's going on" and it'll keep your



sanity in check, as oil has dropped to historic lows of negative prices and has traumatized market confidence. 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 2,971,090 and the U.S. number to 965,435 last I checked. Earnings season is set to continue next week with some highly-anticipated names and FAANG giants such as FB, AAPL, AMZN, and GOOG, along with AMD, MSFT, NVDA which will likely set the tone for the market as just these 5 companies (AMZN, FB, AAPL, AMZN, GOOG) make up 20% of the S&P, with AMZN making up 25% of the XLP (Consumer Discretionary) . It's safe to say this next week will be the biggest week for the market's in the year as guidance for several companies has been withdrawn and earnings estimates are unknown. Several of the major indices are resolving at major key levels and are likely to be trending in the next couple of weeks as earnings goes underway, coronavirus policy continues to develop, and the market begins to move past the unknown. 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: FLIR





FLIR Systems (FLIR) is the one coronavirus stock that no one talks about, and they wish they found out earlier. FLIR is an industrial company that provides thermal imaging software that can detect body heat, and thus possibly filter out possible candidates for coronavirus. Assuming the economy wakes up, and people start going to physical workplaces, then worker safety and spread prevention will be the top priority of businesses/communities across the world, and FLIR solutions will likely be implemented in these situations. Now aside from the fundamental speculation, the price action on this stock looks phenomenal. After a hard hit through “rebalancing”, the stock has climbed up quite a bit and formed a bullish wedge consolidation that is ripe to trade. I’m looking to get



in \$40.31 with a stop loss of \$38.00 and an initial price target of \$43.5 putting our risk/reward at 1:2, which is not the ideal trading ratio, but looking longer term, the stock has plenty of room to move upwards with a secondary price target of \$48.72 (the 61.8% Fibonacci Retracement from the all-time high). I will be patient on this stock as next week major players report earnings, and be aware of whipsaws in price that will try to shake me out.

Some other stocks of interest: TGT, FVRR

Charts of Interest



Jay's Pick's : SPCE





SPCE has a very simple but powerful setup brewing. On the weekly chart, it just completed an inside week, and on the daily chart, it looks to be ready for a breakout of a mini bull flag. This is a name which likes to squeeze hard and fast with historic moves up. My entry will be the break of the flag with the first real challenge coming at the 50dma at \$19.56 and then the previous high of \$21.00. This has the ability to squeeze to the AlphaTrends anchored VWAP of \$23.39 which also coincides with a huge supply which can be seen by looking at the volume by price profile. I will be looking to take advantage of how this moves a big percentage at a time by buying shares to eliminate Theta as well as buying some options if I find a good contract.

Zhiyao's Pick: CSCO



CSCO (Cisco): CSCO's daily chart looks prime as this stock has been consolidating for about 10 trading days. Let's see if Cisco can break out of resistance at around \$42.52 in this coming week. If it does, it has the potential to fill the gap at \$46.8 based on the volume by price. However, CSCO requires more volumes in order to breakout. Stop loss will be under the 20SMA, which is around \$41.6.

Nathan's Pick: TLRY



Main watch going into tomorrow and this whole week will be TLRY. Been in a range and consolidating for a couple weeks. Friday it finally broke out. TLRY has a nearly 80% short float meaning the squeeze and push higher will likely continue in coming days and present good opportunities to get long. Along with TLRY, CGC is another cannabis name breaking out and has the potential to trade much higher in the coming days. Keep an eye on this stock for a move higher this week.



Will's Pick: PEP





Pepsi, despite being the runner up to Coca-Cola, may turn out to be a good trading opportunity. Pepsi reports earnings Tuesday morning this week, and this is the catalyst I will be using for my trade thesis. The thesis of this trade is based around trading a drive upwards into the closing bell. There are 3 factors that make PEP a potential bull: gap fill, technicals, and a 2-3x upward move compared to the market. Last Friday, Pepsi filled a gap from 3 days prior with an upward move of 3.1% which is 2-3x the percent move of the S&P that day. As well, the technicals of RSI and MACD are both pointing upwards which are bullish signs. **I will seek to be long at around \$134.82, the high of the previous day, and my price target will be \$137, the high of the day before the gap. My stop will be \$133.98 because it is just below a natural support and was the high of Thursday, a down day. This gives me around a 1:2.5 risk/reward ratio.** The plan for my trade is that I will go long after it breaks \$134.82 and ride it out until a few minutes before closing as the last few

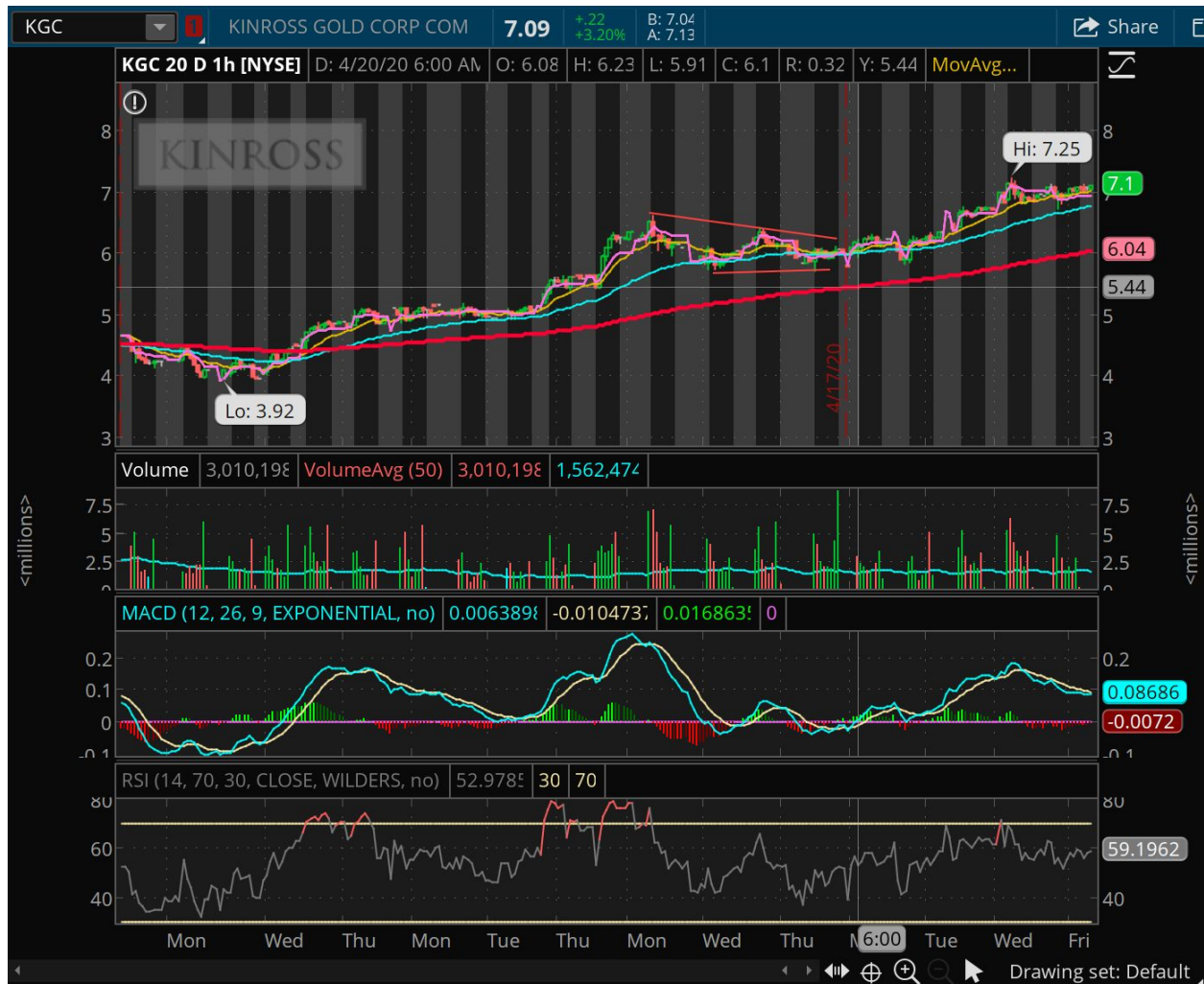


gambler-traders enter into Pepsi ahead of earnings. If for some reason my thesis of a drive into earnings seems to be improbable, I will exit the trade. **I WILL NOT HOLD OVERNIGHT.**



THIS WEEK'S: A WEEK IN REVIEW

Nico's Trade Review: KGC



KGC was a pick I outlined last week in the newsletter which I thought could be due for a move higher due to historical price action, gold's price action/rebound from a pullback, and sector strength, regardless of whatever anyone thinks whether gold is a recessionary investment instrument or not. Price action was clearly showing an opportunity and I hope everyone had the chance to take it. This example showed a prime example of what a whipsaw was designed to do, after it breaks out then crashes below our desired entry, but



not under the pattern, thus not stopping me out of my trade. This is a great example of showing why being patient, trusting in your process, and giving the trade time to develop pays off in the long run, literally. I took initial profits around 6.65, then re -entered on a break of that level as KGC is starting to consolidate in the lower \$7 range and poised to make a second move higher.

Jay's Trade Review: GDX



This is a review of a swing trade that I completed and am still holding going into the next few days. On the break of the flag, I entered into the 5/1 31c and swung my position for that. Gold has been very strong the past few days and many charts in the same sector are looking like that. 32 was a very crucial spot to break, so I took some risk off in the morning and sold my 31c for a further out position to give myself a bit more time and to weed out daily noise and price movements. Once it broke out of 32.20, I was confident to hold the swing for another night which is what I did. I took this trade partly to distance myself from some individual stocks that are impacted by SPY and to focus on more technical setups that I find. As you can also see on the weekly chart, it has also broken out on a weekly level leaving behind a lot of volume clustered around, leaving room to push and squeeze to 35+ which is where I would start to sell some positions barring any big fluctuations or a break of today's low.

Nathan's Trade Review's: CGC, PLCE

CGC



I got long CGC at 15.35 when volume came in, offers were being lifted, and the tape sped up. I took some risk off at 15.8, then got flat after the 16 offers held and a lower high was put in. Tape began getting heavy so I got flat. Tried another entry at 15.8 trying for a possible breakout of 16, that trade did not work and was stopped out for very small risk below 15.8. Overall, great trade low risk high reward setup.

PLCE



PLCE was setting up a typical bearish pattern under VWAP. I got short at 26.7 expecting a rollover risking above 26.8. The trade was assisted by the news of a large deal falling through in another retailer, leading to a sell off in almost every retail name. Took small covers down at 25.5 area, and let the rest ride. As it flushed 25 after moving nearly \$2 from my entry, the trade was now overextended and I got flat down at 25.10cent risk for \$1.8 reward!



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