



UTS Weekly Digest

1st Edition

Undergraduate Trading Society

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Earnings Whispers		Most Anticipated Earnings Releases							
		for the week beginning							
		February 10, 2020							
Monday		Tuesday		Wednesday		Thursday		Friday	
Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	

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Hello fellow traders, U.S. stocks have roared last week. With major indices back at all-time highs, earnings reports next week need to keep the momentum going. While most of the market is giants outside retail have reported, we still have an interesting breadth of reports this following week. Some of our members at 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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LYFT



The bullish case for Lyft comes as it trades right now at \$49.92 and looks to be approaching the 50 200 Day Moving Average (Red Line) which it has respected before. Lyft is set to report earnings on February 11 with a consensus estimate of -\$1.22. This stock is of interest particularly because of the earnings report Uber reported on February 6th and the price action movement that Uber has experienced in the past week. I believe if the earnings report can stimulate the same effect on this stock as Uber. The two stocks have shown the same pattern of a falling wedge which typically is a bullish pattern setup, and Lyft has seemed to escape on the upper end of the channel, which signifies a bullish stance. This may come as an





Action-Reaction-Resolution pattern in which initial action breaks out of the pattern, reacts by consolidating, then may resolve itself by

moving higher. Essentially I want to be long LYFT above the 200 Day Moving Average on the 1Y:1D anytime after earnings, with a price target around \$66. I would like to use active stop loss management and track the trade overtime to manage my loss if need be the case.

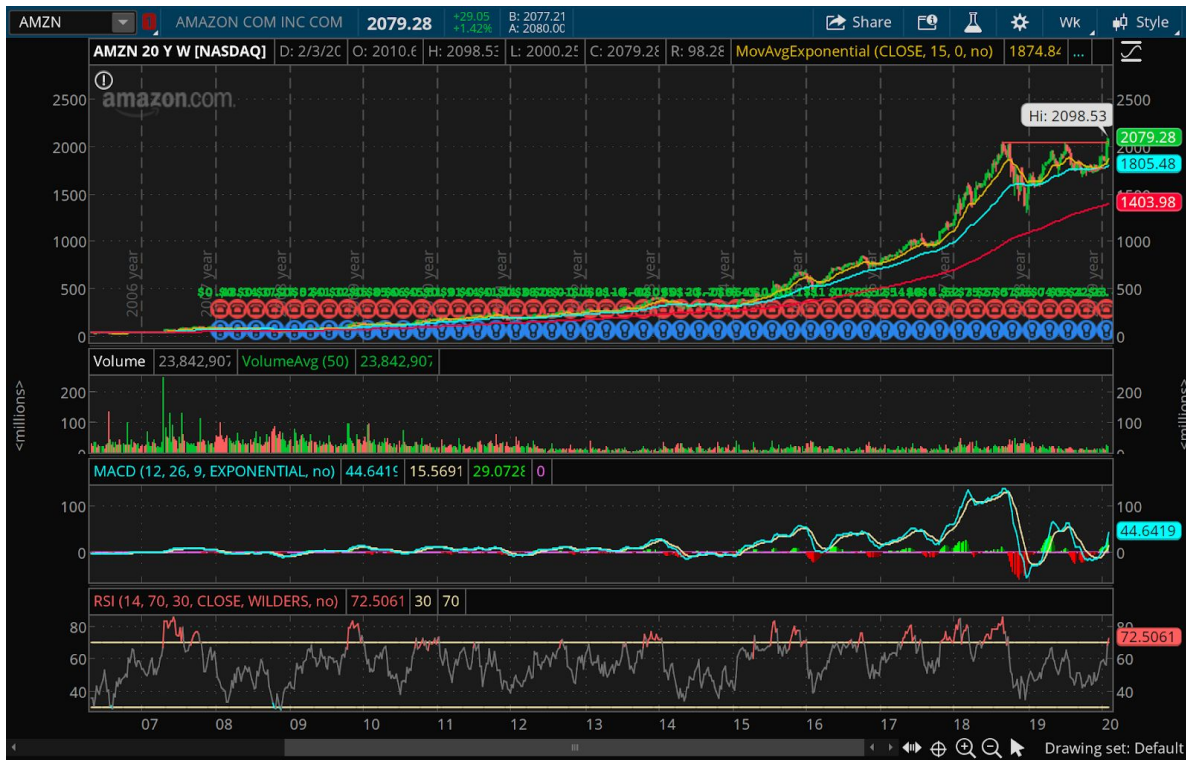
The reason I don't want to buy before earnings is because one can never predict the price reaction due to earnings, no matter how good or how bad they may seem to be. These earnings can become the catalyst to move higher. You can also look towards IPO, an IPO traded ETF with an 11% weight in Uber stock, and 4% weight in Lyft stock that is at all-time highs, and printing a cup-and-handle pattern, signifying price action strength. IPO is printing a cup and handle pattern that is very bullish. We can prove if this thing is going higher than LYFT stock is going to follow higher along.

WORK



As evident from the chart, Slack Technologies (WORK) has a bull flag developing. Besides the chart, there are multiple technical indicators confirming the trade. The volume was high during the pole and has been decreasing during the flag. The MACD is becoming flat which is another indicator showing a proper consolidation. In the RSI, we see that each low, during the consolidation, has been higher and higher which is a bullish sign. **I will be long once the stock breaks out of the flag pattern, and my stop loss will be anywhere slightly below (to avoid volatility whipsaws) upper channel of the bull flag pattern.** Due to this being a bull flag pattern, I am aiming to get 11% or \$2.55 because that was the size of the pole. If this does not occur intraday, I will swing trade in hopes of capturing more of a profit. I will also continue to hold if it breaks \$24.25 because that is a resistance that was tested last month and not broken.

AMZN



Amazon (AMZN) reported earnings on January 30, 2020, reporting both beats in revenue and earnings. The stock reacted by jumping up to all-time highs after passing a previous resistance line of \$2050. Amazon's market-cap also passed 1 trillion dollars, joining the exclusive club of MSFT and AAPL, two stocks that have also been ripping higher and higher, carrying the weight of the market on their back. AMZN's largest weighting is in XLY, the consumer discretionary ETF that tracks companies providing non-essential goods and services to the economy. This ETF/Stock largely monitors the health of the global consumer and makes a bullish case for XLY and SPY. It's important to always monitor the ultra-cap stocks like AMZN, AAPL, and MSFT the leaders of the SPY which can give an overview of the market's direction. **Essentially, I want to be long this stock above \$2050 with a price target of around \$2,400 where the 161.8% extension marks a potential overhead resistance. If the stock breaks below \$2000, I would want to be out of the trade, and stay in cash looking at the overall market for a signal of direction.**



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