



Short Trading Week Sees Slight Bullishness

This past week was a relatively quiet week, only trading 3 ½ days during the week. Equities were able to move up slightly after a week of consolidation. The move higher might be attributed to comments from Federal Reserve members and information in the Fed minutes. Fed minutes appeared to indicate the majority of the Federal Reserve members are expecting the pace of rate hikes to slow in the future. Black Friday's sales strength was not readily apparent by Friday's market close but more clarity should be seen at the beginning of the week.

THE WEEK AHEAD:

Next week has very few major economic reports. Despite only a few key indicators, Non-Farm Payroll will be reported which will likely have an impact on equities and the expectations of future fed rate decisions. In addition to employment data, reports on retail sales via Black Friday and Cyber Monday will influence investors' sentiment.

Monday 11/28: none

Companies Reporting Before: PDD

Companies Reporting After: none

Tuesday 11/29: Consumer Confidence

Companies Reporting Before: HPE

Companies Reporting After: INTU, WDAY, CRWD, NTAP

Wednesday 11/30: ADP Non-Farm Employment Change, Preliminary Gross Domestic Product (GDP), Job Openings Labor Turnover Survey (JOLTS), Fed Chair Powell Speaks, Pending Home Sales

Companies Reporting Before: HRL

Companies Reporting After: CRM, SNPX, SPLK, PVH

Thursday 12/01: Institute of Supply Management Manufacturing Purchasing Managers Index (ISM PMI)

Companies Reporting Before: DG, KR

Companies Reporting After: ULTA, ZS

Friday 12/02: Average Hourly Earnings, Non-Farm Employment Change, Unemployment Rate

Companies Reporting Before: MRVL, DOCU

Companies Reporting After: none

Forecast:

Historic data would show that December generally finishes the year flat to up slightly. With the expectations of a slowed pace of rate hikes from the Fed, equities should continue to move higher during the next 4 weeks. If retail sales disappoint, we will likely see consolidation rather than growth.

Profit Harvester Trade Rules:

- 1- Watchlist High Liquidity: 500k shares a day and penny increment options**
- 2- Signal: Big move on Friday: 2.5% or more up (or down)**
- 3- Signal Confirmation: Single Deviation breakout based on 20 days (using a 20-day Bollinger with a single deviation as confirmation to the 2.5% breakout move.**
- 4- Entry Price: Confirmed intraday distribution entry at OB or OS pullback - This is a Time Price Opportunity chart (monkeybar) distribution projection. It generally means it needs to pull back to within 20% of the mid-price of Friday's large candle.**
- 5- Target is a "fair price" or projected 50% level on the new distribution for the next day. (I hand calculated this on Friday after close)**

For the Profit Harvester Trade recommendations below, be sure to follow the entry and exit rules especially the entry prices.

Profit Harvester Trade Recommendations:

(The following is intended for education purposes only. Investors should research for due diligence and understand their own risk tolerance. Investors must recognize that investing holds no guarantees—you could lose money.)

The previous week's Profit Harvester, BSX filled the order price and hit the target by Tuesday. COF triggered the trade and triggered the stop. For next week, we are looking at BA for a bullish trade and APA for a bearish trade.

For all Profit Harvester examples, if the trade does not trigger within the first two trading days of next week, the trade is canceled.

Boeing CO (BA)

Step 1, the Setup:

Buy BA long or buy a call option with a 70 delta for 7-14 days, when price is anywhere between \$177.45 and \$176.25

Step 2, the stop loss:

Set a stop loss price \$2.50 below the entry price

Step 3, the profit target:

Consider taking profit if BA rises \$1.50 per share higher.

Probabilities: For the initial target from the entry provides a 63% probability of a win.



APA Corporation (APA)

Step 1, the Setup:

Sell APA short or buy a put option with a 70 delta for 7-14 days, when price is anywhere between \$46.60 and \$47.00

Step 2, the stop loss:

Set a stop loss price \$1.00 above the entry price

Step 3, the profit target:

Consider taking profit if APA falls \$0.50 per share lower.

Probabilities: For initial target from the entry provides a 67% probability of a win.



Worthwhile Reading from the Past Week:

<https://www.reuters.com/markets/asia/no-easy-fix-china-economy-slows-more-than-expected-2022-11-11/> (Bearish)

<https://www.bloomberg.com/news/articles/2022-11-10/stocks-to-extend-rally-in-asia-on-inflation-relief-markets-wrap?srnd=markets-vp> (Bullish to Neutral)

<https://www.investing.com/news/stock-market-news/futures-point-to-fresh-gains-on-wall-street-2941562> (Bullish)

-Blake Young