MARKET TREND + FUTURE FORECAST

The meme rally propelled undesirable stocks to new closing highs. A taste of déjà vu, via the Reddit-fueled craze in January '21. Volatility in options has skyrocketed. Investors/traders are positioning themselves for even greater gains effecting the Russell 2000 Index benchmark spread through June '21, climbing positively to 26.3%. Call option trading with the costs being a fraction of the underlying stock magnifies their exposure. While keeping in mind the risk of not reaching stock price level embedded in call options. Where it gives the call option holder the right of buying the stock at a fixed price with a stated expiration time “the risk of option contracts expiring worthless is worth noting”. Fund managers, institutionalists, High Frequency Traders (HFTs) are actively investing in value and selectice growth stocks, where specific issues can benefit from inflation concerns and insulated from the market head winds. The booming US economy is being manifested with major indices climbing for 52 weeks as follows in closing as of 06/03/21: Dow Jones Industrial (^DJI) up 31.7%, Dow Jones Transport (^DJT) up 62.3%, NASDAQ Composite (^IXIC) up 41.6%, S&P 500 (^GSPC) up 34.8%, Russell 2000 (^RUT), up 57.07%

- Arms Index (Short-term trading index) hovering at (0.77-1.03) for both the NASDAQ and NYSE. Market Pulse: Uptrend under pressure, sellers, hitting NASDAQ issues. The “SKEW” for SPX and NDX which measures the difference between the implied volatility of options “calls and puts: 10% out of the money expiring in three (3) months. Lower readings are bullish: SPX Skew at (11.1), NDx skew at (9.8%)

Major indices are set to continue ascending subject to the fundamentals of triple E’s (earnings, earnings, earnings) based on expected P/E on the major indices with replacement earnings.

- Dow Jones (^DJI) @ $1,375.23., P/E of 26: could visit 35,755.98 set a new closing high of 34,600.38 on 06/02/21
- Dow Jones Transport (^DJT) set a new closing high of 15,943.30 set on 05/07/21
- S&P 500 (^GSPC) @ $189.00, P/E of 23: could visit 4,347.00 set a new closing of 4,232.60 set on 05/07/21.
- NASDAQ Composite (^IXIC) set a new closing high of 14,164.66 set on 05/04/21
- Russell 2000 (^RUT) posted a new closing high of 2,360.17 on 03/15/21.

DOW MOMENTUM: (34,100-34,710), S&P 500: (4,108-4,240) NASDAQ COMP: (13,361-14,108).

ACCUMULATE/TAKE POSITIONS IN STRONG ACTING ISSUES: APPLIED MATERL /AMAT/ (139.49), AVERY DENISON /AVY/ (219.69), CARE DX /CDNA/ (80.67), EXPEDITORS INT'L /EXP/ (123.30), GOLDMAN SACHS /GS/ (390.92), SNAP /SNAP/ (61.25), SOUTHERN COPPER /SCCO/ (71.14)
LONG POSITIONS

NVIDIA CORP /NVDA/ “NASDAQ”
TODAY’S PRICE: $703.23
52wk H. 706.44 52wk L. 346.32
Mkt Cap: $438.11B, EPS: 8.46, Beta: 1.37, P/E: 83.12
DIV/YLD: 0.64 (0.10%) 

The operator of visual computing Co. Constructive demand being enhanced toward all of its end markets: automotive, autonomous gaming, Proviz, data center. Reported F/Y Q1-22 EPS: $3.66/shr revenue $5.66B vs. consensus of $2.76/shr revenue of $5.41B respectively. A beneficiary of video gaming and cryptocurrency miners. To split its stock 4-1.
Correction/retraction completed in early March-21. Reversal rocketed from (470-480) area faced with second correction/retraction. Held in primary support at 50-DMA (558-561). Reversal climbed sharply (550-570), gapping up (580-601) to (610-629) to (620-649) to new high of 706.44

Recommended in Shortex issue #591-19 at 207.96 and #599-20 at 529.03 and #604-21 at 524.03. Volatile.

BUYING RANGE: 680-706
NR TERM OBJ: 730
INTERMED OBJ: 785
STOP LOSS: 601

PELOTON INTERACTIVE /PTON/ “NASDAQ”
TODAY’S PRICE: $103.58
52wk H. 171.07 52wk L. 41.26
Mkt Cap: $32.90B, EPS: -2.11

The provider of interactive fitness products: Peloton bike, Peloton tread with touchscreen that streams live on demand classes. Despite the recall on its treadmills and admittance of wrong call challenging CPSC’s warning “inaccurate and misleading” The drop in stock price to the low of (84-86) was over done. Reversal to challenge the upper-leg of its recently formed death cross (113-115) in the offing. Volatile.

(Recommended in Shortex issues #579-20 at 100.47 and #602-21 at 143.05 and #605-21 at 109.09). Volatile.

BUYING RANGE: 95-115
NR TERM OBJ: 128
INTERMED OBJ: 155
STOP LOSS: 88

SIMON PROPERTY GROUP /SPG/ “NYSE”
TODAY’S PRICE: $132.01
52wk H. 135.51 52wk L. 58.86
Mkt Cap: $48.21B, EPS: 3.55, P/E: 36.55
Beta: 1.55, Div/Yld: 5.20 (4.05%) 

The Real Estate Investment Trust (REITs), owner of premier shopping centers of S&P 100 Cos. The REIT’s with one of the most momentum at 123.0%. Trailing 12 months. Despite total revenue falling by 8.4% in Q1-21. Occupancy at 90.8% at its malls and premium outlets. In ascending pattern since Jan-21 (85-89) to (95-101) to (115-120) to (125-128) to new high of 135.55. Trading above 50-DMA a plus. Accumulation intact.

Recommended in Shortex #601-20 at 86.09). Volatile.

BUYING RANGE: 118-135
NR TERM OBJ: 143
INTERMED OBJ: 157
STOP LOSS: 115

ULTA BEAUTY /ULTA/ “NASDAQ”
TODAY’S PRICE: $327.16
52wk H. $351.72 52wk L. 186.01
Mkt Cap: $18.91B, EPS: 8.58, P/E: 40.26, Beta: 1.71

The retailer stores for cosmetics, fragrances, skin care and various beauty products a victim of Covid-19 swung to profit F/Y Q1-21 at $4.10/shr on revenue of $1.9B vs. consensus of $1.93/shr on revenue of $1.64B respectively. Culprit: reopening/economic rebounding. Since the plunge of (346-325) in mid March-21 Has been hovering around its 50-DMA (315-328). Recent upped-gap (329-345) attempting to refill the plunge stated herein. Volatile.

BUYING RANGE: 308-330
NR TERM OBJ: 380
INTERMED OBJ: 401
STOP LOSS: 319
WYNN RESORTS /WYNN/ “NSDAQ”
TODAY’S PRICE: $128.28
52wk H. 143.88 52wk L. 67.44
Mkt Cap: $15.25B, EPS: -18.05, Beta: 2.46

The casino/gaming operator is rebounding due to its comeback in MACAU operation. A boom time for WYNN. Expectancy of reopening of conventions a plus for the gambling stocks such as WYNN. Erratic chart pattern since it topped at 153.41 in March -21. In correction/retraction mode has held well. Hovering around (122-128) at its primary support. Reversal at late could challenge upper-head resistance (136-138)

Recommended in Shortex #598-20 at 87.45 and #601-20 at $108.90. Volatile.

BUYING RANGE: 123-135
NR TERM OBJ: 163
INTERMED OBJ: 189
STOP LOSS: 117

ZSCALER /ZS/ “NSDAQ”
TODAY’S PRICE: $186.38
52wk H. 230.88 52wk L. 96.50
Mkt Cap: $26.4B, EPS: -1.72
Beta: 0.80

The provider of cloud-based security software. Spikes Investors/tracking a recent hacking incident on the Colonial Pipeline ransom demand. Posted F/Y Q3-20 earnings of 15c/shr vs. loss of 43c/shr or $58.5M a year ago. Revenue up 60% to $176.4M ahead of $163.7M expected. Topping at 230 in Feb-21 has been in sinking mode. Secondary support at (163-166) provided the base. Reversal gapped-up (175-194) through 50-DMA (178-181). Challenging secondary resistance (208-211) in the offing. Volatile.

BUYING RANGE: 185-199
NR TERM OBJ: 221
INTERMED OBJ: 249
STOP LOSS: 168

SPECIAL SITUATION

SQUARESPACE /SQSP/ “NSDAQ”
TODAY’S PRICE: $51.34
52wk H. 55.88 52wk L. 42.82
Mkt Cap: $7.16B, EPS, P/E, Beta: N/A

The operator of a platform to build online presence in its IPO bypassing traditional Wall Street, went public through direct listing. A major achievement to convince investors in the present market place vs. other Cos who postponed their IPO debut. The technical picture has not matured as yet. Volatile.

BUYING RANGE: 48-55
NR TERM OBJ: 63
INTERMED OBJ: 78
STOP LOSS: 39
ALIBABA GROUP HOLDING BABA/ “NSDAQ”
TODAY’S PRICE: $218.53
52wk H. $319.32 52wk L. 203.94
Mkt Cap: $579.91, EPS: 8.57, P/E: 24.98, Beta: 0.80


SHORT RANGE: 213-227
COVER SHORT: 178
STOP LOSS: 248

DOOR DASH /DASH/ “NYSE”
TODAY’S PRICE: $146.44
52-wk H. 256.09 52 wk L. 110.13
Mkt Cap: $48.96B EPS, P/E, Beta: N/A

Despite the record breaking business by the food delivery Co. F/Y Q1-22 revenue of $1.1B up from $362M in same Qtr a year ago. The Co incurred a loss of $110M. The waning of pandemic is not a good sign. Topping at 220 in Mid Feb-21. The downtrend has continued below its 50-DMA to new low of 110.13. Recent reversal could have difficulty: Challenging primary resistance at (168-173) and secondary resistance at (196-210). Volatile.

SHORT RANGE: 148-166
COVER SHORT: 108
STOP LOSS: 228

GRAVITY CO LTD /GRVY/ “NSDAQ”
TODAY’S PRICE: $134.35
52-wk H. 239.50 52 wk L. 48.00
Mkt Cap: $916.62M EPS: 9.50, P/E: 13.23 BETA: -0.54

The gaming Co owner of the franchise “Ragnarok” in South Korea. Cost of revenue, increased commission paid for mobile game services causative for the 40%+ drop in its share price. Topping at 230. In declining pattern since Jan-21 with numerous plunges. Trading in (110-130) area below its 200-DMA. A difficult task for its reversal: primary resistance (141-146), secondary resistance (170-180).

Recommended in Shortex #605-21 at 139.89. Volatile.

SHORT RANGE: 130-141
COVER SHORT: 98
STOP LOSS: 176

QUADYS /QLYS/ “NSDAQ”
TODAY’S PRICE: $100.24
52-wk H. 248.84 52wk L. 86.65
Mkt Cap: $3.78B, EPS: 1.79, P/E: 53.85 Beta: 0.59

The provider of cyber security software cloud-based; IT security Co. is being pressured in high valuation of its stock. Falling from 248.84 to current level: the culprit falling outlook and health problems of its Chairman. Sinking with repeated plunges since Feb-21: 1st (145-125), 2nd (125-118), 3rd (117-13), 4th (101-96). Trading below its recently formed death cross. A difficult task to refill the previous plunges.

SHORT RANGE: 95-108
COVER SHORT: 73
STOP LOSS: 121
STAMPS.COM, INC /STMP/ “NSDAQ”
TODAY’S PRICE: $190.58
52wk H. 325.13 52wk L. 159.22
Mkt Cap: $3.43B, EPS: 10.10, Beta: 18.58
Beta: 0.34


SHORT RANGE: 184-194
COVER SHORT: 133
STOP LOSS: 238

ZOOM VIDEO /ZM/ “NSDAQ”
TODAY’S PRICE: $334.36
52wk H. 588.84 52wk L. 196.10
Mkt Cap: $96.40B, EPS: 2.97, P/E: 110.23

The video conferencing posted F/Y Q1-22 revenue of $956.2M up 191% with shrinking margin: 6% above consensus. P/E ratio has plummeted from 246.29 to 110.23. Topping at 588.84. Sinking with multiple correction/retractions. Trading below its recently formed death cross falling from 440 to (285-290) in mid May-21 warrants further P/E reduction.

Recommended in Shortex #602-21 at 354.64. Volatile.

SHORT RANGE: 325-348
COVER SHORT: 256
STOP LOSS: 391

SPECIAL SITUATION

WORKHORSE GROUP /WKHS/ “NSDAQ”
TODAY’S PRICE: $13.11
52wk H. 40.96 52wk L. 2.45
Mkt Cap: $1.15B, EPS: -0.65, Beta: 2.64

The provider of battery electric vehicles and developer of cloud based to fleet operators. A victim of pandemic Covid-19. US Postal Service (USPS) has delayed the pending without the USPS the disappointment may linger on. Topping at 40.96 in Mid-Feb-21. The plunge of (32-16) provided a stunning blow. Exiting rampant causative for the stock approaching low of 2.45. Trading below its formed death cross pattern recent rebounds are too shallow, currently becoming a MEME stock: “caution required”.

Recommended in Shortex #605-21 at 20.34. Volatile.

SHORT RANGE: 10-15
COVER SHORT: 6
STOP LOSS: 32