



Viper Hot Stocks

Tom Aspray

July 28, 2022

| | 27-Jul | 2nd | 20 Day | 20 Week | Weekly | Weekly | Weekly | Daily | % Above | % Above | % Above |
|--------|--------|--------|--------|---------|--------|--------|--------|-------|------------|---------|---------|
| Symbol | Close | QPivot | EMA | EMA | starc+ | starc- | A/D | A/D | 20 Day EMA | 20 WK | Starc- |
| SPY | 400.83 | 399.08 | 389.82 | 407.17 | 427.80 | 340.89 | ↓ | ↑ | 2.8% | -1.6% | 15.0% |
| QQQ | 306.81 | 306.29 | 295.34 | 311.08 | 330.91 | 249.31 | ↑ | ↑ | 3.9% | -1.4% | 18.7% |
| IWM | 183.30 | 206.77 | 176.93 | 184.77 | 195.91 | 150.71 | ↑ | ↑ | 3.6% | -0.8% | 17.8% |
| DIA | 322.01 | 346.34 | 315.43 | 324.72 | 341.24 | 282.02 | ↓ | ↑ | 2.1% | -0.8% | 12.4% |
| NYSE | 15,031 | 16,607 | 14715 | 15,367 | 15,972 | 13,170 | ↓↓ | ↑↑ | 2.1% | -2.2% | 12.4% |

In the pre-market action on Wednesday, the positive action in MSFT and GOOGL helped trigger a surge in the futures that carried over to the FOMC announcement. Stocks pushed higher in reaction to the press conference as there were hopes that there would be fewer rate hikes in the future.

The market internals were very strong on the NYSE with 2681 Adv and 552 Dec issues. All of the A/D lines have turned sharply higher but the New High, New Low data is still negative. This sets the stage for many of the weekly A/D lines to turn positive this week as it would take heavy selling the rest of the week to reverse the positive action so far.



The **Spider Trust (SPY)** was up 2.6% closing at \$401.04 as it is closer now to the 38.2% resistance at \$407.12. A move above this level looks likely with the 50% resistance at \$421.08. Tuesday's low was \$389.95 with the rising 20 day EMA at \$389.72. The S&P 500 A/D line has turned sharply higher after breaking the initial downtrend, line c. There is more important resistance at line b, that needs to be broken to signal that the intermediate trend has turned

positive. The WMA on the A/D line is rising which is a positive sign. The NYSE A/D lines show similar positive formations yet the NYSE Stocks Only A/D line is still lagging. There are now

67.8% of S&P stocks above their 50 day MA completing the bottom formation (see chart) Now 35.4% are above their 200 day MA.



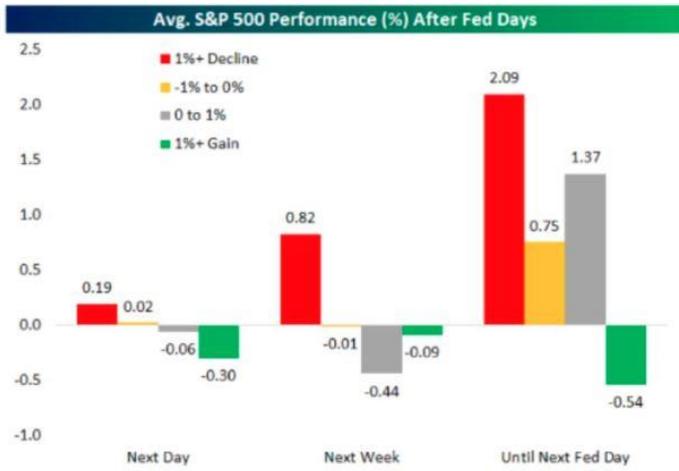
The NYSE Composite and DIA lagged the SPY and QQQ on Wednesday as growth led value stocks. All of the averages are now closer to their 20-week EMAs. The McClellan oscillator has risen to +196 and is in a clear uptrend as the recent high has been surpassed.

Invesco QQQ Trust (QQQ) closed at \$306.81 up 4.2% on Wednesday

but is still below the recent high at \$308.55. a move above the 38.2% Fib resistance at \$322.54 is likely needed to get the market's attention with the 50% resistance at \$339. The daily Nasdaq 100 A/D line after a sharp pullback on Tuesday has turned higher. Still a move above the last high is needed to signal further gains but that is consistent with the weekly A/D line analysis. The week's low has been \$293.54 with the rising 20 day EMA at \$295.29. The % of QQQ stocks above



their 10-day MA closed at 84% and is overbought.



Source: Bespoke Source: Bloomberg

The iShares Russell 2000 was up 2.3% on Wednesday well below the QQQ gain. The Russell 2000 A/D line does look stronger after breaking its downtrend and has moved further above its rising WMA.

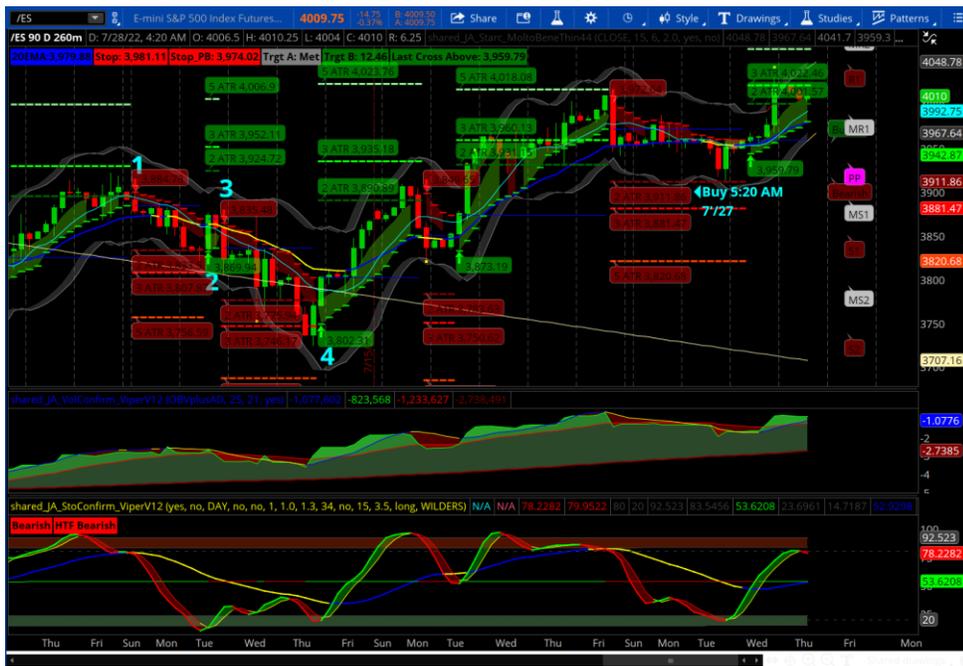
Summary: In the latest AAll survey the bullish % fell to 27.7% from 29.6% while the bearish % was also lower at 40.1% as it was at 42.2% last week. Many are skeptical about the strong

rally on Wednesday. They are looking for a sharply lower close on Thursday to support their view. Recent post-Fed rally data from Bespoke and [Bloomberg](#) is not encouraging but I am not convinced as in my view things are different now than they were a few months ago. Still it is always important to acknowledge differing viewpoints.

I would not be surprised to see some selling in the next two days, especially with the tech earnings and the new data on inflation.

However, the technical indicators do favor more gains and I expect the averages to be higher a week from now.

Interest rates based on the [weekly chart](#) look ready to break important support and that should also be a positive for stocks.



The Asian markets closed mixed Thursday with the Nikkei and Shanghai Composite slightly higher but the Hang Seng was down. The Eurozone markets are mostly lower in early trading.

The futures are trading at 4007 down 18 points at 6:00 AM. The 260

min analysis had a good run yesterday as it flipped back to positive at 5:20 AM (see chart) at

3962.75 and then hit the first two targets at \$4001.57 and \$4022.46 as the high was 4042.75. A move Wed's high is likely to trigger more short covering. The daily futures analysis is also positive. [There is a one year](#) special offer for the Daily Alert with a limited 30 day money back option. A good week so far for the portfolio and have attached a copy of the daily stock scan.

| 7/27/22 Viper Hot Stocks | | | | | | | | | | | |
|--------------------------|---------------------------|-----------|--------|----------|---------------|------------|---------------|--------------|------------|-----------|------------|
| Symbol | Name | Position | Entry | Date Rec | Current | 20 Day EMA | P/L | Stop | Monthly S1 | Month Piv | Monthly R1 |
| THS | TreeHouse Foods | 50% Long | 39.70 | 6/22 | 44.19 | 42.86 | 11.31% | 43.26 | 38.71 | 40.61 | 43.71 |
| THS | TreeHouse Foods | 50% Long | 39.70 | 6/22 | 43.26 | 42.86 | 8.97% | 43.26 | 38.71 | 40.61 | 43.71 |
| DGII | Digi International | 50% Long | 23.89 | 6/27 | 27.79 | 25.38 | 16.32% | 24.63 | 22.20 | 24.12 | 26.13 |
| DGII | Digi International | 50% Long | 23.89 | 6/27 | 27.44 | 25.38 | 14.86% | 24.63 | 22.20 | 24.12 | 26.13 |
| CDNS | Cadence Design Systems | 50% Long | 153.88 | 7/11 | 176.65 | 161.43 | 14.80% | 150.73 | 138.45 | 151.31 | 162.90 |
| CDNS | Cadence Design Systems | 50% Long | 153.88 | 7/11 | 175.44 | 161.55 | 14.01% | 150.73 | 138.45 | 151.31 | 162.90 |
| CHNG | Change Healthcare | 100% Long | 23.34 | 7/5 | 24.50 | 23.69 | 4.97% | 23.13 | 22.22 | 23.16 | 23.99 |
| AAPL | Apple Inc | 100% Long | 148.48 | 7/14 | 156.65 | 148.84 | 5.50% | 146.33 | 144.84 | 146.39 | 150.54 |
| SIMO | Silicon Motion Technology | 50% Long | 86.96 | 7/18 | 86.36 | 85.28 | -0.69% | 84.53 | 78.09 | 85.99 | 91.59 |
| SIMO | Silicon Motion Technology | 50% Long | 86.96 | 7/18 | 84.53 | 85.10 | -2.79% | 84.53 | 78.09 | 85.99 | 91.59 |
| CP | Canadian Pacific | 100% Long | 73.42 | 7/20 | 76.96 | 72.78 | 4.82% | 70.27 | 65.46 | 70.90 | 75.28 |
| DIS | Walt Disney | 100% Long | 101.30 | 7/26 | 103.30 | 99.18 | 1.97% | 97.37 | 86.66 | 99.75 | 107.50 |

If the current price is in red or blue it is the exit or stopped price. Bold stops indicate a change. For comments or questions email Tom@viperreport.com * Indicates split stop see text



Resources Connection (RGP) was up 2.5% on Wednesday and it looks like the correction is over as it has been testing the [pivot at \$19.84 for a number of days. The breakout level at line a, has been retested. The daily RS is close to moving back above its EMA The OBV has stayed positive during the correction which is a good sign. **Traders go 50% long on the open and 50% long at \$20.11 with a stop at \$19.33 (risk of 4.8%)**



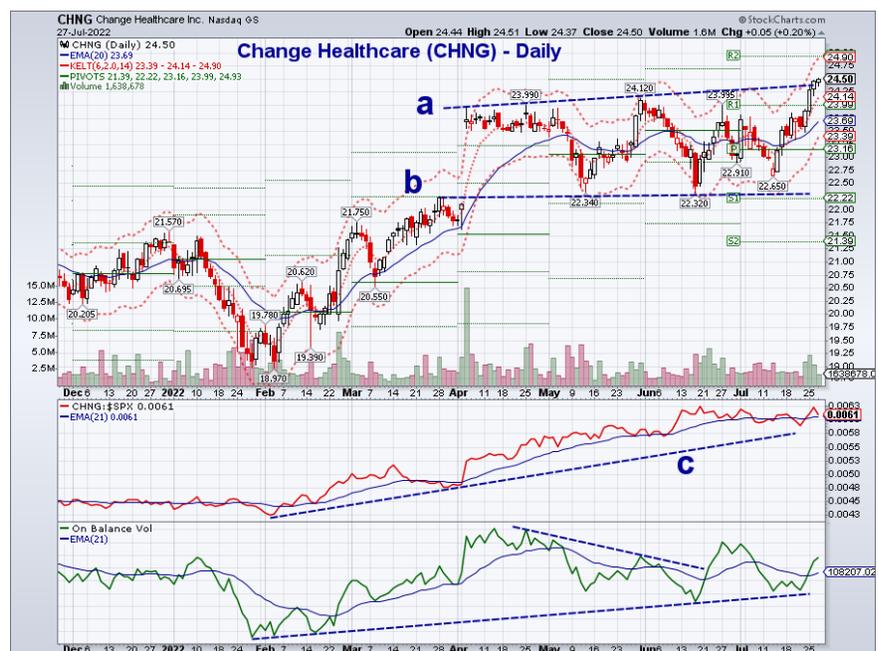
Walt Disney (DIS) was strong Wednesday up 3.73% after a pullback Tuesday to a \$99.56 which was just below the pivot at \$99.79. There is next resistance at \$104.57 and then in the \$112-\$113 area. The daily RS has broke its downtrend and turned up from its EMA. The OBV needs to move above its recent highs to turn positive. **Traders are 50% long at \$102.14 and 50% long at \$100.46 with a stop at \$97.37(risk of 3.9%)**

TreeHouse Foods (THS) reports on 8/7 and had a high of \$45.12 on Monday with a low of \$42.62 on Wednesday. The daily RS is negative but the OBV is still positive. Traders were 50% long from an average price of \$39.70 sold on the open Monday at \$44.19. The 50% long from an average price of \$39.70 was stopped out at \$43.26.



Apple Inc (AAPL) reports on 7/28 and was 3.4% on Wed. as the high at \$156.09 was overcome. The R2 is at \$161.87 with the weekly starc+band above \$169 and the weekly downtrend at \$175. The daily studies are positive and do not indicate the rally is over but earnings Thursday are a wild card. The rising 20 day EMA at \$148.5 and the weekly studies favor giving the long side the benefit of a bounce.

Traders are 100% long from around \$148.48 and use a stop \$146.33. Sell 50% at \$161.24 or better Thursday only.



Change Healthcare (CHNG) reports on 8/3 and is up 2.5% this week as the breakout level at line a, is being challenged. A convincing breakout has initial targets in the \$26-\$27 area. The daily RS has made a new high this week

and the OBV has moved further above its WMA. The 20 day EMA is at \$23.69 with the pivot at \$23.16. Traders are 50% long at \$23.47 and 50% long at \$23.21 with a stop at \$23.13 (risk now of 0.9%)

Silicon MotionTechnology (SIMO) reported earnings on 7/27 and is unchanged for the week as it closed Wed where it opened Monday The technical studies made me nervous last week so decided to reduce the position. **Traders were 50% long SIMO at an average price of \$86.96 sold at \$86.48 or better Monday and 50% long was stopped out \$84.53 (risk of 1%)**

| New Recommendations & Updates | | | | |
|-------------------------------|--------|----------|----------------------|---------|
| Stock | Symbol | Position | Entry | Stop |
| Resource Connection | RGP | Buy 50% | Open | \$19.33 |
| | RGP | Buy 50% | 20.11 | 19.33 |
| Apple | AAPL | Sell 50% | 161.24 OB Thurs Only | |