



09/04/2020 - Respect The Stops, Potential Dip Buys and Trade Alerts

Operators,

Brandon here. We had a wild week in the markets. Friday was nuts. Look no further than TSLA's price action to get a sense of the Friday crazies. Anyway, we've got a lot to cover, including:

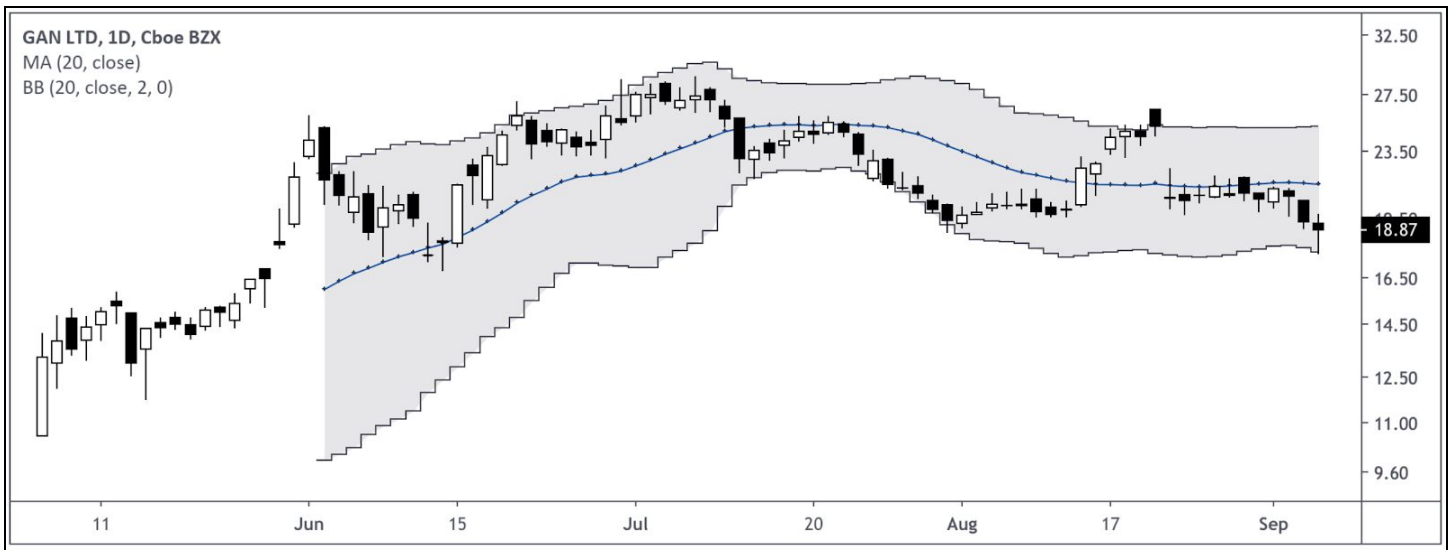
- Stops Hit on GAN and RDVT
- Potential Dip Buys on FTDR and CDLX
- Bullish Setups on NTDOY and NLAB
- RVLV Holding 20MA
- Classical Trade Set-ups

Respect The Stops: GAN & RDVT

This week shook out two of our longs: Gan, LTD (GAN) and Red Violet, Inc. (RDVT). RDVT's stop proved particularly frustrating as the stop hit shortly after adding to our position. We still love the thesis and will keep it on our watchlist. But we must respect our risk management. This was a *very* small loss (see below):



Another position that hit our risk point is GAN. GAN hit our stop on 09/03 and followed with a bearish Friday close. The stock remains below the 20MA and at the lower range of its Bollinger Band (see below):

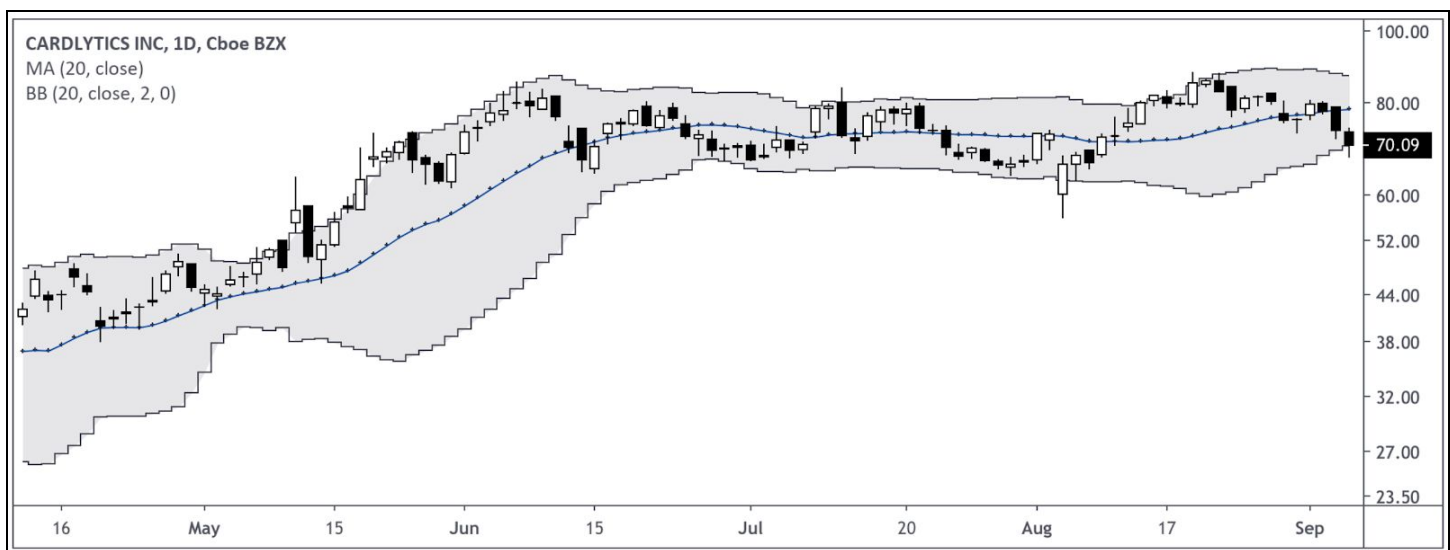


GAN fits our esports/egaming thematic and we're keeping it on the watchlist. A daily close above its 20MA would signal a potential re-entry with a stop below its lower Bollinger Band. We'll alert you if that happens.

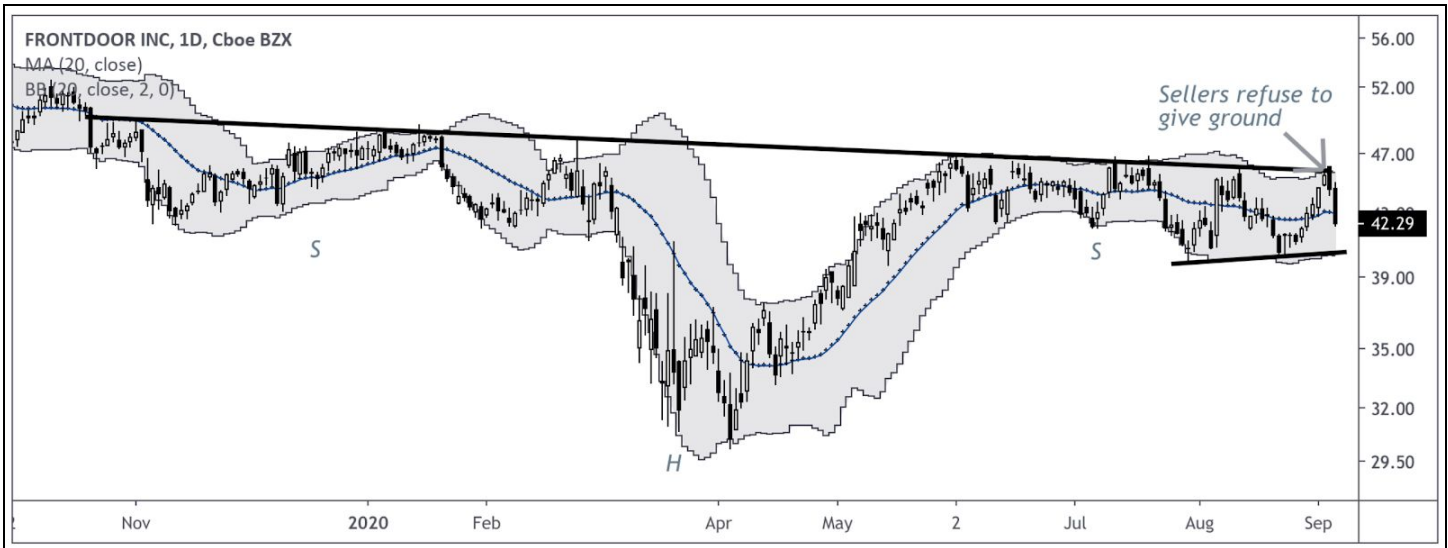
Potential Dip Buys: CDLX and FTDR

CDLX and FTDR fell fast and far during Friday's trading. FTDR closed down 5%. CDLX not far behind at 4.38%. Both stocks remain above our initial risk points. Here's how we're thinking about playing these names next week.

CDLX sits firmly at its lower Bollinger Band. We're looking for a close above its lower BB, preferably with a follow-through day above its 20MA. This would signal risk-on and provide an optimal entry (see below):



FTDR sits at the middle of its BB but closed **below** its 20MA. Price failed to breakout above its inverse H&S, so I'm expecting further sideways action / selling pressure. If we're lucky, we'll see a move down towards the lower BB and technical support. This would give us an excellent chance to add to our position (see below):



Bullish Set-ups: NTDOY & NLAB

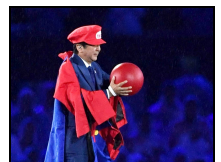
While most stocks lost nearly all their weekly gains, two of our companies stood tall: Nintendo (NTDOY) and Enlabs (ENLAB).

NTDOY was nothing short of a beast this week. The stock is up nearly 10% over the last two weeks. The S&P during the same time? +1%. We initially entered our position based on a monthly chart breakout. The stock now trades above its August bullish candle. Price is almost 20% above the 20MA on the daily chart. We're expecting a shorter-term pullback over the next week giving us consolidation and a new entry point.

Check out the monthly chart below:



Also, what better bullish indicator for NTDOY than former prime minister Shinzo Abe cosplaying as Super Mario (see right)?





Let's shift our focus to another bullish set-up: Enlabs (NLAB). The company's increased activity over the last two weeks. In late August they acquired 54% ownership in Swedish company Global Gaming (GLOBAL). Then yesterday they launched a new live casino in Lithuania.

We're seeing bullish price action in the charts, too. The stock ended the week above the 20MA and formed a small ascending right triangle. Remember, this set-up comes after the weekly inverse H&S breakout (see below):

Weekly Chart



Daily Chart



Holding Strong: RVLV Maintains 20MA, Point72 Adds Stake

RVLV had a wild Friday. At one point the stock traded down -9% only to close -2%. This is important as the stock held its 20MA. Look for that moving average to act as further support (see chart below).



There might've been one heavy buyer during Friday's dip: Steve Cohen. Cohen's Point72 Asset Management disclosed a passive 4.9% stake in RVLV on 08/28. You can read the filing [here](#). We don't actively seek confirmation bias in our long ideas. But it's always nice to see a Wall Street legend back one of our holdings.

Classical Trade Set-ups:

Here's what went down this week:

- Nearly every breakout failed

America Mobil SAV (AMX): Descending Right Triangle

rockvuecap published on TradingView.com, September 05, 2020 16:45:22 EDT
 BATS:AMX, 1D 12.18 ▲ +0.07 (+0.58%) O:12.18 H:12.30 L:11.98 C:12.18



TradingView

- 3% Breakdown: \$11.69



- 1.50% Breakdown: \$11.87
- Stop-Loss: \$12.70
- Profit Target: \$9.40
- Reward/Risk: 2.65x

Guidewire Software (GWRE): Inverse H&S

rockvuecap published on TradingView.com, September 05, 2020 16:49:09 EDT
 BATS:GWRE, 1W 115.61 ▼ -2.03 (-1.73%) O:112.88 H:122.40 L:111.23 C:115.61



TradingView

- 3% Breakout: \$127.09
- 1.50% Breakout: \$125.24
- Stop-Loss: \$108.17
- Profit Target: \$174.84
- Reward/Risk: 2.91x



Davita, Inc. (DVA): Ascending Right Triangle

rockvuecap published on TradingView.com, September 05, 2020 16:52:52 EDT
 BATS:DVA, 1W 87.06 ▼ -0.43 (-0.49%) O:86.22 H:90.60 L:86.01 C:87.06

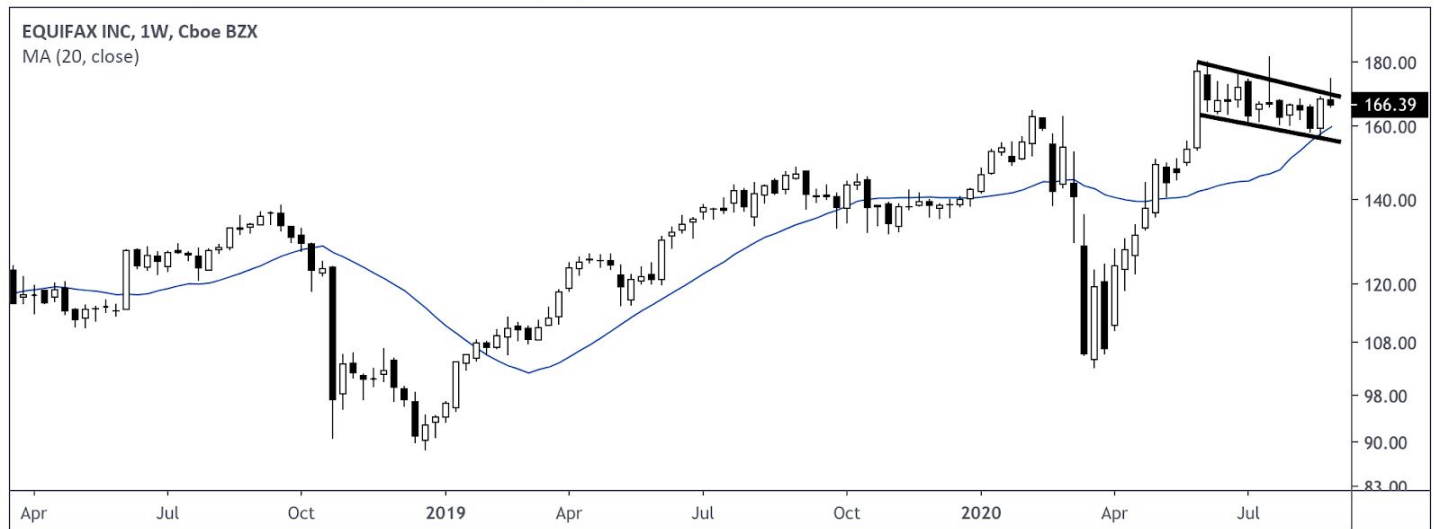


TradingView

- 3% Breakout: \$92.08
- 1.50% Breakout: \$90.74
- Stop-Loss: \$85.03
- Profit Target: \$114.90
- Reward/Risk: 4.23x

Equifax, Inc. (EFX): Bull Flag

rockvuecap published on TradingView.com, September 05, 2020 16:54:50 EDT
 BATS:EFX, 1W 166.39 ▼ -2.46 (-1.46%) O:168.21 H:174.72 L:165.60 C:166.39



TradingView

- 3% Breakout: \$174.53
- 1.50% Breakout: \$171.99



- Stop-Loss: \$156.60
- Profit Target: \$196.08
- Reward/Risk: 1.57x