

TKL

Chart of the Week

Week of January 21st, 2019



In this week's **Chart of the Week**, we look at Netflix (NFLX) after the streaming giant reported earnings last week and failed to break above a key downtrend level. Overall, Netflix's earnings were mediocre and the stock struggled to gain direction throughout trading on Friday until closing the day 4% lower. However, when looking at the technical picture, it is clear that the recent run in NFLX has come to an end and additional upside, as of Friday's close at \$339.10, is limited. NFLX failed to break above downtrend resistance at \$360, the top Bollinger Band was crossed and the stock immediately reversed presenting the same setup as the October 1st high, and the RSI formed a top at 75. We now look to sell NFLX long positions and establish a short position with a 1-2 month time horizon. To the downside, we watch \$335 and \$325 as support levels and look for a drop back to \$300 where the middle Bollinger Band and technical support is strong which creates a trading opportunity a potential 11.5% pullback.

Farewell and Trade Well,

Adam Kobeissi

Founder and Editor-in-Chief

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