

# TKL

## Chart of the Week

Week of May 3rd, 2021



In this week's **Chart of the Week**, we look at Twitter (TWTR) after the stock plunged last week on weak guidance and monthly active users missing expectations. According to CNBC, Twitter's total number of monetizable daily users grew by 7 million from the fourth quarter to 199 million but fell shy of analysts' expectations of 200 million. Furthermore, Twitter guided that it is expecting revenue between \$980 million and \$1.08 billion in the second quarter, below expectations of \$1.06 billion. As much of this earnings miss now appears to be priced in, we turn to the chart above which is suggesting that further downside is limited. A longer-term symmetrical triangle formation appears to have formed, with TWTR set to bounce off the bottom end of that triangle in the \$54.50-\$55.00 range. Furthermore, a long term upward trending channel marks the bottom end of that triangle, therefore the stock technically remains in an uptrend despite Friday's plunge. We see TWTR trading well below its daily bottom Bollinger Band, which stands at \$59.91, and the daily RSI is now at ~29, which marks the third test of oversold RSI territory since March 2020. Each of these factors were observed at the previous higher low formations and we believe that bulls have an opportunity to form another higher low here which opens for \$60.00, as long as the stock can hold \$52.00 if tested. A rebound to \$60.00 would allow for a retest of the March 26th low, which now serves as resistance, and also opens for ~\$64.00 if broken. Overall, the trend is still up and all key technical indicators are suggesting that TWTR is due for an immediate bounce after Friday's drop.

**Farewell and Trade Well,**

The Kobeissi Letter Team

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