



THE MEM EDGE

Midweek Report

Tuesday January 24, 2023

- Technology Stocks Enter Uptrend Following Today's Rally
- Mega-Cap FAANMG Stocks Continue To Outperform
- Manufacturing & Services PMI Due Tomorrow
- U.S. GDP For Q4 Due Thursday and Core CPE Due Friday
- Removing Astrazeneca (AZN) From Suggested Holdings List

The S&P 500 gained 1.2% today in a move that puts this Index above its 200-day moving average while also placing it above the 4000 level. The move is quite encouraging with the next area of possible upside resistance being its early December high of 4100.

The Nasdaq fared even better with a 2% gain which was fueled by significant outperformance in most of the FAANMG stocks as well as a 5% rally in Semiconductor stocks. The gain puts this Index closer to a move above its 200-day moving average which is now 1.6% away.



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Daily Chart of S&P 500



Among Semiconductor stocks, Nvidia (**NVDA**) which we added to our Suggested Holdings List yesterday was a top performer with a 7.5% gain which pushed the stock out of a 6-week base on heavy volume. The stock is poised for further nearterm upside.

Solar stocks also regained their upside momentum with First Solar (**FSLR**) entering a buy zone today after moving back above its 10-day moving average.

Defensive areas of the markets continued their underperformance with Healthcare stocks flat for the day (using XLV). AstraZeneca from our List fell below its 50-day moving average following news of their offer to purchase CinCor Pharma.



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We had noted weakness in the stock in our Report yesterday and are removing **AZN** from our Suggested Holdings List following its break below key support.

BioMarin (BMRN) from our List posted a bullish day that put the stock back above its 10-day moving average and into a buy zone.

Energy stocks were flat for the day however, Schlumberger (**SLB**) from our List posted a 2nd consecutive down day on above average volume however, its momentum indicators remain positive. Peer stock Halliburton (**HAL**) is due to report earnings tomorrow.

Other big name companies due to report results tomorrow include Microsoft (MSFT) and Intel (INTC) and their results as well as management's guidance is expected to sway the markets. Semiconductor company A S M L (**ASML**) from our List is due to report earnings on Wednesday.

While we remain constructive on the near term prospects for the markets, additional earnings reports from well known companies will be released as the week progresses as well as impactful GDP and PCE data. With this impactful data due, any new positions should be entered lightly until further confirmation that corporate results are being viewed as positive and/or inflation is subsiding.

Warmly,
Mary Ellen McGonagle
Editor, MEM Edge Report