



Tuesday, February 7, 2023

- Powell Comments Today Calm Markets
- Semiconductor Stocks Lead Tech Higher
- Select FAANMG Continue To Outperform
- Adding Meta Platforms (META) To Our Suggested Holdings List

The S&P 500 pulled back to its 10-day moving average yesterday from which it found support before posting a rally today. The higher volume on today's rally vs yesterday's pullback is a positive for the markets as is this Index's ability to remain above the 4100 level.

The Nasdaq pulled back further than the S&P 500 on Monday as Growth stocks pulled back; however, this Tech heavy Index rallied higher today so that it's posting a return that's slightly higher for the week. Outperformance among select FAANMG stocks is boosting this group as is continued strength in Semiconductor stocks.

Today's strength occurred after Fed Chair Powell's comments from a speech were less harsh than anticipated and more importantly, he reiterated that the "disinflationary process has begun".

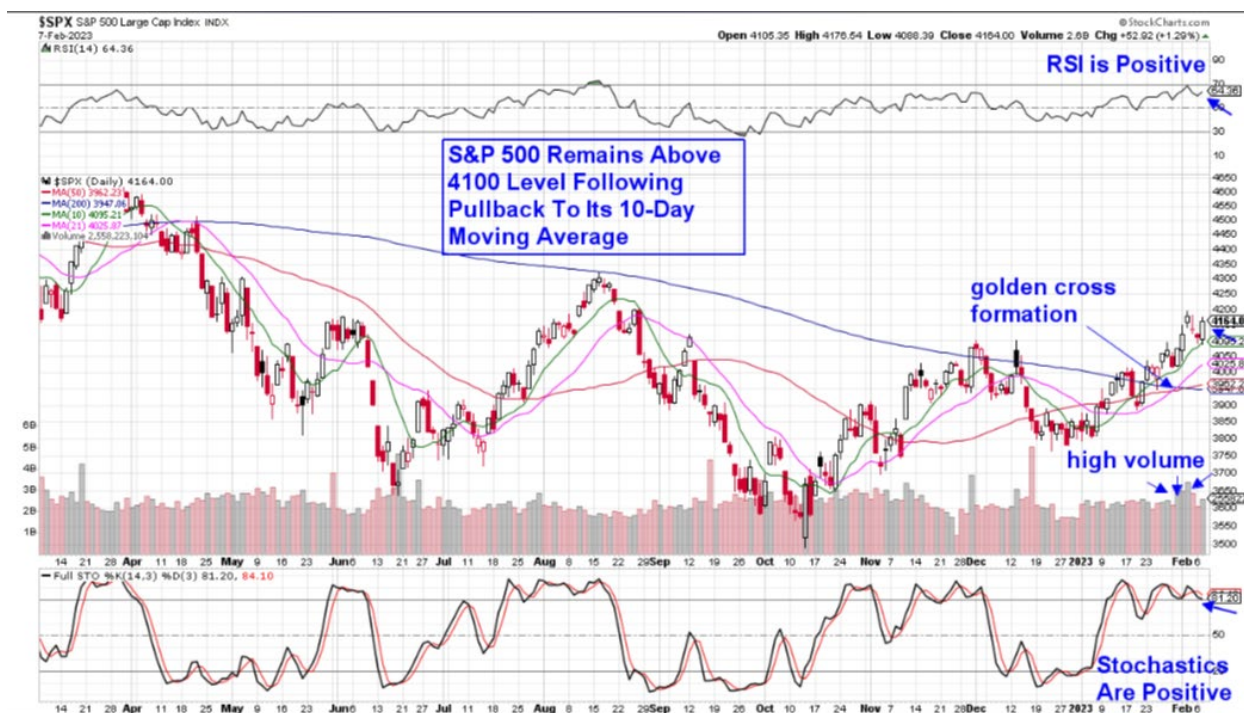


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Midweek Report

Powell's comments as well as the market's reaction, helped the markets regain their bullish bias. Most surprising was the move back into Growth stocks despite an uptick in interest rates.

Daily Chart of SPX



Today, we're adding Meta Platforms (**META**) to our Suggested Holdings List as the stock's ability to retain a presence above last Wednesday's gap up in price despite a difficult period since then is quite constructive. Today's above average volume on its 3% rally is also bullish.

[You can read this article where I highlight other key characteristics of Meta Platforms which was published late Friday.](#)



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Midweek Report

Among stocks on our Suggested Holdings List, Transdigm Group (**TDG**) released earnings ahead of estimates which pushed the stock to a new high in price on heavy volume which points to further upside. The stock is extended and can be bought on a pullback to the \$730 area.

Semiconductor stocks on our List outperformed the group (using SOXX) with A S M L (**ASML**) closing back above its 10-day moving average on above average volume which points to further upside. Nvidia (NVDA) and Lattice Semi (**LSCC**) from our List were the top heavyweight performers and both stocks remain in a confirmed uptrend and in buy zone.

Retailers are struggling this week however, Chewy (**CHWY**) was able to regain its 10-day moving average on above average volume today which is quite bullish. Crocs (**CROX**) is very close to posting a similarly positive move and can be bought on a move above its 10-day moving average.

We'll elaborate further on the markets as well as other stocks on our Suggested Holdings List in our Midweek Report tomorrow.

Warmly,
Mary Ellen McGonagle
Editor, MEM Edge Report