



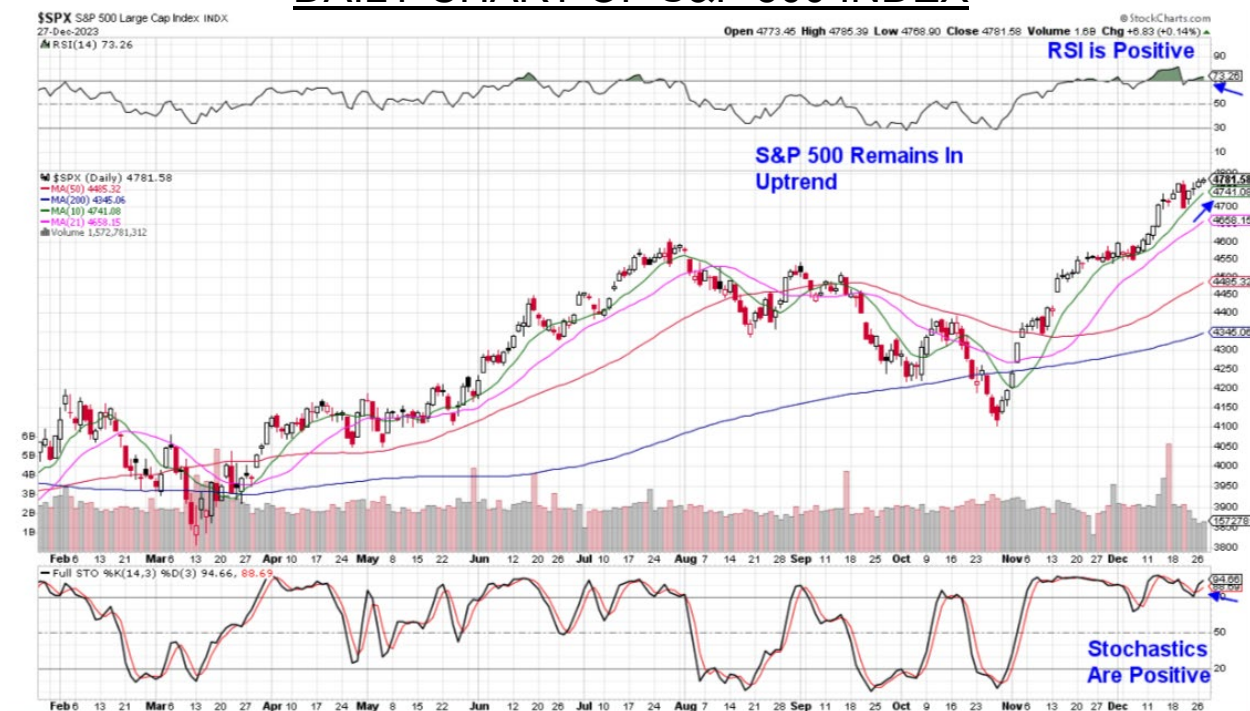
# THE MEM EDGE

Midweek Report

Wednesday, December 27, 2023

- Interest Rates Continue To Decline
- S&P 500 Hovers Around Record Level
- Weekly Jobless Claims and Pending Home Sales Tomorrow
- Removing Airbnb (ABNB) From Suggested Holdings List

## DAILY CHART OF S&P 500 INDEX



The S&P 500 has gained 0.6% over the past two days in a move that keeps the near term uptrend for this Index firmly in place.

The Nasdaq has fared a bit better with a 0.7% gain that was led by outperformance in Biotechnology and Semiconductor stocks as well as select FAANMG names. The rally in the Nasdaq has kept the uptrend in place for this Index.



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Driving price action this week has been a continued decline in interest rates with the yield on the 10-year Treasury now at 3.7%. The move has provided a continued boost to select Homebuilders and Related stocks.

Among names on our Suggested Holdings List, M/I Homes (MHO) has gained 3.5% in a move that keeps its uptrend firmly in place. The stock can be bought on a pullback to the \$135 range at its 5-day moving average.

Bank stocks are also benefiting from reduced rates with Popular (BPOP) gaining 1.7% with a base breakout yesterday that puts the stock into a buy zone.

East West Bancorp (EWBC). State Street (STT) and Schwab (SCHW) are also in a buy zone as they find support at their upward trending 5-day moving averages.

Semiconductor stocks are showing momentum this week led by names such as Advanced Micro (AMD) from our List which has gained 4.5% with a base breakout today that puts the stock into a new uptrend and into a buy zone.

Nvidia (NVDA) remains in a confirmed uptrend and along with Broadcom (AVGO), can be held.

Elsewhere on our List Ark Innovation Fund (ARKK) has reached a near term high in price as the ETF continues to trade higher in a confirmed uptrend.



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Airbnb (ABNB) has pulled back further this week and we're removing the stock from our Suggested Holdings List after its RSI closed in negative territory today.

While volume has been light this week, themes that emerged last week are continuing to take shape with Biotechs and Small Cap names outperforming. ETF's that can help you participate are **IWM** - Russell 2000 for Small Caps and **IBB** for Biotechnology stocks. Both ETF's can be bought on a pullback to their 5-day moving average.

Warmly,

Mary Ellen McGonagle

Editor, MEM Edge Report