



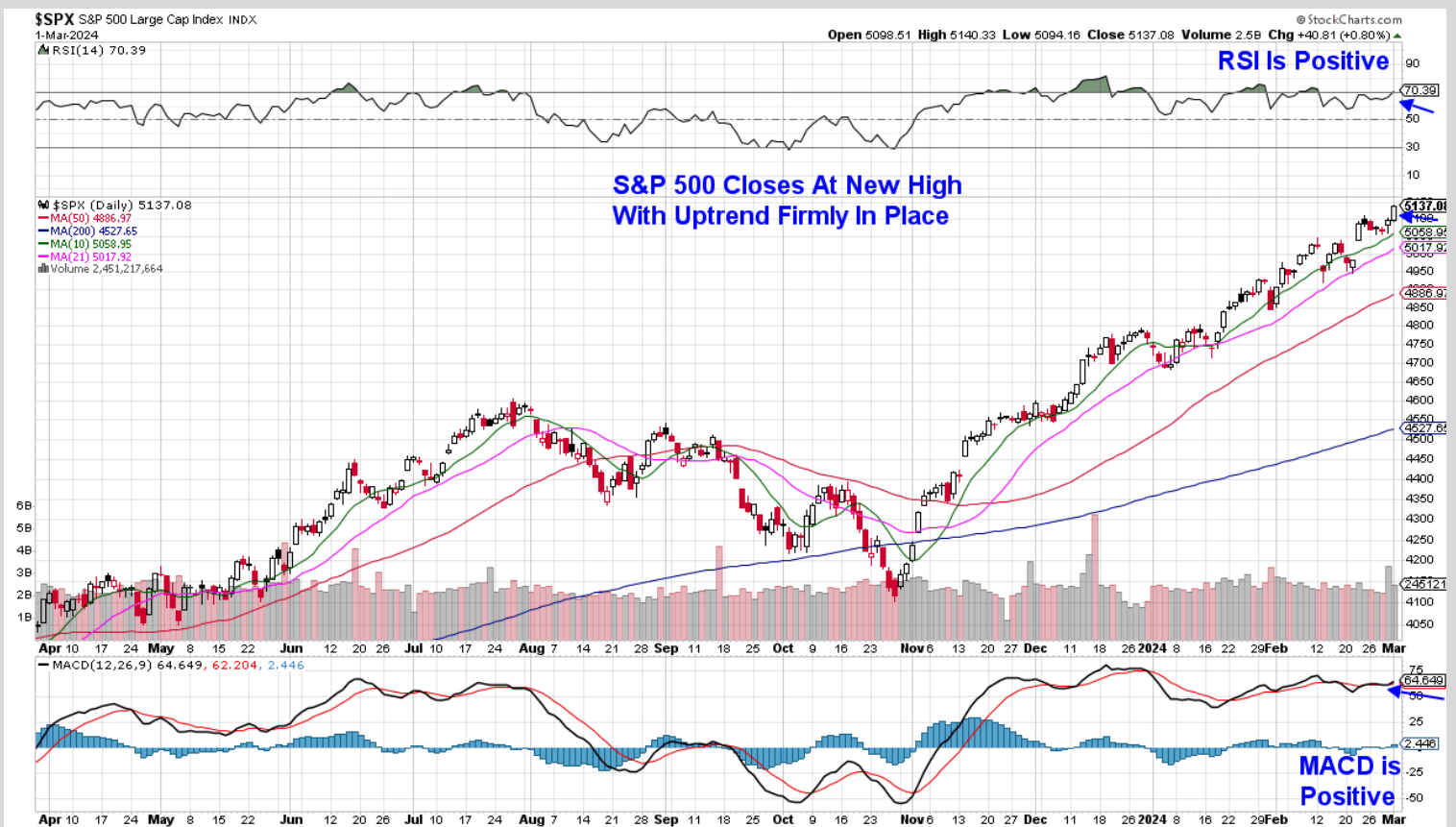
THE MEM EDGE

March 3, 2024 | Weekly Report

This Week's Highlights

- New Home Sales Inch Higher In January
- Consumer Confidence Falls Amid Political Uncertainty
- Q4 GDP Revised To 3.2% - Remains Strong
- Core PCE Data Shows Inflation Is Tame
- Interest Rates Recede
- February Employment Data & Powell Testimony Next Week

Daily Chart of S&P 500



The S&P 500 ended the week with a 1% gain which keeps this Index above its key moving averages. With the RSI and MACD in positive territory, the uptrend in this Index remains in place. On the longer-term weekly chart of the S&P 500, the RSI is very close to 77.

We're keeping a close eye on this metric as historically, an RSI above 80 has preceded a pullback of a longer duration when coupled with a negative MACD crossover occurring as well. We will continue to monitor.

The NASDAQ fared better, with a 1.7% gain that keeps the uptrend in this index in place as well. Last week's rally was led by outperformance in select Magnificent Seven stocks such as those on our Suggested Holdings list. A sharp gain in Semiconductor stocks also provided a boost.

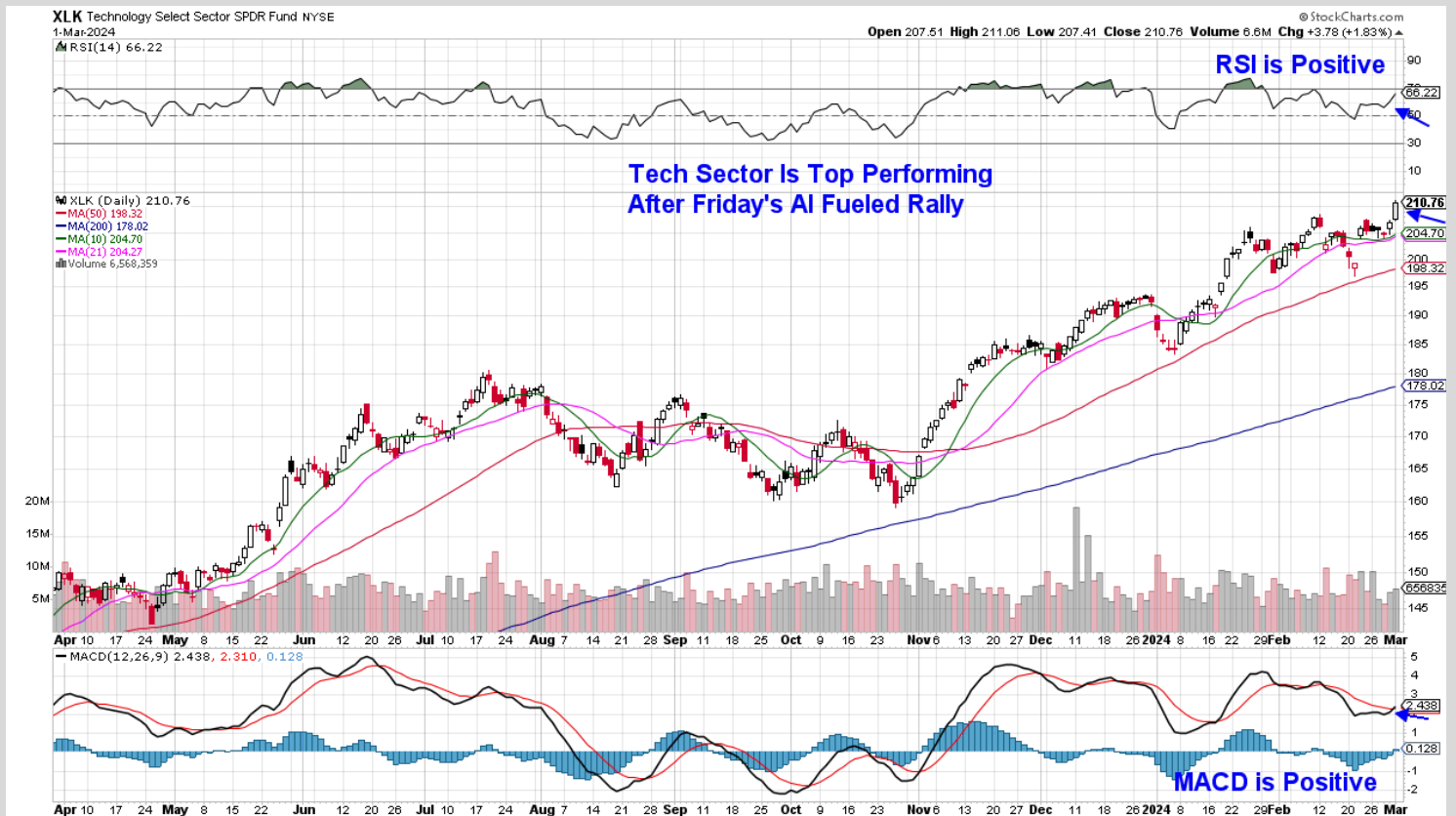
Most notable last week was the release of Personal Consumption Expenditures (PCE) data which was in line with expectations and helped calm the markets as inflation appears to be tapering. Further driving the markets was Dell Technologies (**DELL**) strong quarterly earnings report on Friday, which drove home the fact that the monetization of AI is very real.

A move into Small Cap stocks which broke out last week was another positive, as it points to investors' confidence in the markets and the economy.

Year-to-date, the markets have posted their strongest 2-month period of gains since 2019. In turn, the S&P 500 is currently in an overbought position, however, the near-term uptrend remains in place.



Daily Chart of the Technology Sector (XLK)



Technology Sector Hits New High

The Tech sector was the top performing last week despite underperformance in heavyweight names Apple (**AAPL**) and Microsoft (**MSFT**).

While last week's rally in the markets was relatively broad-based, most of the gains occurred on Friday amid an AI-fueled advance that was sparked by Dell Technologies (**DELL**)'s strong quarterly results that were due to high demand for their AI-related servers.

The news from Dell confirmed what Nvidia's earnings had already revealed and that is, that the monetization of AI-related products is here and that demand is strong.

Within Technology, Semiconductor stocks were the top performing and on our list, Advanced Micro (**AMD**) was the top performer with a 15% gain that took place on above-average volume on Thursday and Friday.

As cited in our Midweek Report, *Advanced Micro (**AMD**) is flat for the week with a positive RSI. a close above the \$178 level in combination with a positive MACD crossover (black line up through the red) would put the stock into a strong buy zone.*

This buy point trigger took place on Thursday's open and **AMD** remains in a strong buy zone.

Broadcom (**AVGO**) was another top performer with most of its 8% gains for the week coming on the heels of Dell's strong earnings. As noted in the past, Broadcom is viewed as the second largest supplier of AI-related chips after Nvidia. **AVGO** is due to report their quarterly results this Thursday after the markets close.

Nvidia (**NVDA**) traded sideways for most of the week until a Friday rally that was in line with other AI-related stocks, pushed it up 4%.

While the stock is poised for further upside, Friday's relatively muted response to strength elsewhere in AI stocks, underscores the overbought conditions in **NVDA** following its year-to-date gains of 65%. We remain on the lookout for further sideways price action that would allow Nvidia to set up for another leg up.

Lam Research (**LRCX**) gained 6% for the week, a move that puts the stock at a new high in price. The company has seen increased demand for their high bandwidth memory which is critical for enabling Advanced AI servers. The stock can be bought on a pullback to the \$945 range at its 5-day simple moving average.

Software stocks closed the week back above their shorter-term moving averages with the RSI now in positive territory. While the group outperformed the broader markets, it was a bumpy week with earnings reports being the primary driver among the biggest winners and losers.

Salesforce (**CRM**) from our List was among the winners with an 8% rally that took place mostly after the company's release of their quarterly results on

Wednesday. **CRM** is in a confirmed uptrend with the rally later in the week taking place on above-average volume which is bullish. The stock is in a buy zone after posting a positive MACD crossover and can be bought in the \$307 range at its 5-day moving average.

Microsoft (**MSFT**) is in a strong buy zone after a late-week rally pushed the stock back above its shorter-term moving averages with the MACD poised for a bullish crossover on the daily chart. (black line up through the red)

Synopsys (**SNPS**) drifted lower for most of the week until a Friday rally triggered a buy signal at the open which we reviewed in our Midweek report. In particular, we cited that:

*The overall uptrend in **SNPS** remains and we suggest using the Intraday/1-hour chart to pinpoint an entry. In particular, a close above the 5 and 13-hour simple moving averages with a positive RSI and a positive MACD crossover, would be an ideal buy point.*

SNPS remains in a buy zone on both its 1-hour and daily price charts.

Intuit (**INTU**) ended the week flat after unimpressive earnings the prior week had analysts lowering their earnings estimates for this year. While the stock remains in an uptrend above its shorter-term moving average, the lack of near-term momentum has us removing the stock from our Suggested Holdings list.

CrowdStrike (**CRWD**) continues to struggle after its gap down in price the prior week due to selling in Cybersecurity Software stocks. **CRWD** is due a

period of consolidation after its 63% advance since last fall, when we added it to our Suggested Holdings List.

CRWD is due to report their earnings on Tuesday after the markets close. Of note, is that peer software security stock Zscaler (**ZS**) dropped 9.5% on Friday despite reporting earnings that were ahead of estimates. In essence, Cybersecurity Software stocks such as **ZS** and Palo Alto (**PANW**) which have rallied to recent highs going into earnings, are stumbling.

On the other hand, Cybersecurity Software stock Okta (**OKTA**) which is trading well below all-time highs, soared 23% on Thursday after coming in ahead of estimates. **CRWD** is trading close to all-time highs.

We're adding Small Cap provider of data protection systems CommVault Systems (**CVLT**) to our Suggested Holdings List. The company posted one of their best quarterly results ever in late January after seeing subscription revenue gain 29% over last year.

CVLT gapped up in price in response and its four-week period of consolidation allowed the stock to set up for another leg up. **CVLT** is in a buy zone.

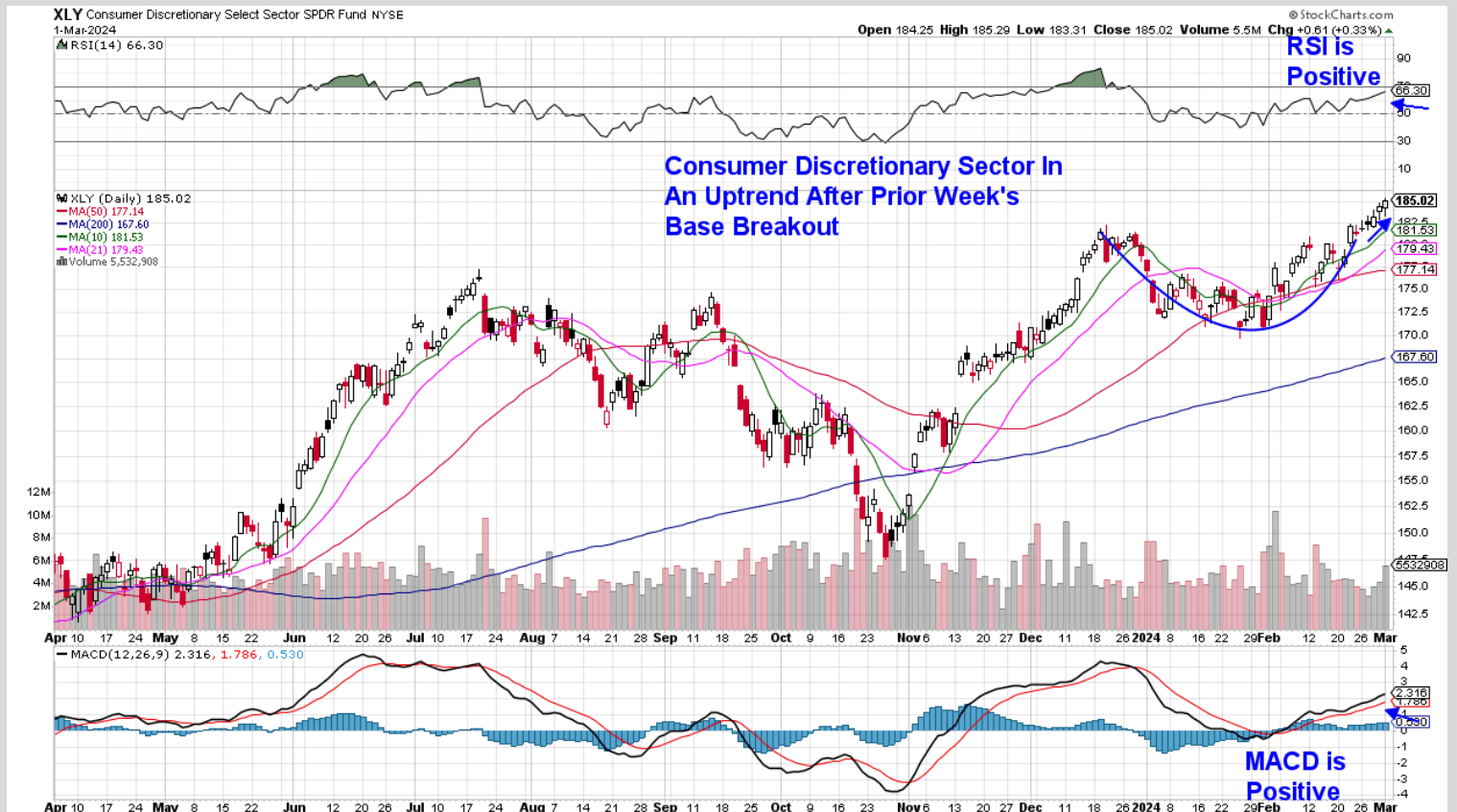
We're also adding Duolingo (**DUOL**) to the Suggested Holdings list after the language learning platform reported better-than-expected earnings and sales along with record profitability for the fourth quarter.

The stock gapped up on heavy volume Thursday after the report and is now very close to a \$245 base breakout. **DUOL** had a similar gap up after their most recent quarterly report and we're using that early November period as precedence. The stock is in a buy zone as the MACD on the daily chart just entered positive territory ahead of its possible base breakout.

We've added data storage company Marvel (**MRVL**) and NetApp (**NTAP**) to our Watch List. **NTAP** gapped up to a new high after reporting strong earnings and sales. We're on the lookout for a period of consolidation and will alert you to any buy points. Semiconductor stock **MRVL** broke out of a 5-week base and is in a buy zone. The company is due to release their earnings on Thursday.



Daily Chart of the Consumer Discretionary Sector (XLY)



Consumer Discretionary Sector Outperforms

The Consumer Discretionary sector outperformed last week led by gains in Home Construction stocks as well as beaten-down retailers that reported quarterly results ahead of estimates.

In response to the rally in retailers, the S&P Retail ETF gained 3.2% for the week. **XRT** remains in a confirmed uptrend as it finds support at its upward-trending 5-day simple moving average. This ETF remains in a strong buy zone with the MACD and RSI trending higher.

Several heavyweight names from this ETF are due to report their earnings next week such as Abercrombie and Fitch (**ANF**), Costco (**COST**), and Nordstrom (**JWM**) which may impact its

performance depending on results. Target (**TGT**) is also due to report results.

Restaurant stocks were given a boost after IPO CAVA Group (**CAVA**) rallied in response to strong earnings. The company is in a growth mode similar to Shake Shack (**SHAK**) from our suggested Holdings List.

SHAK gained 9.5% last week as it continues to climb to new highs while finding support at its upward trending 5-day simple moving average. The game pushed the RSI to 82 while the MACD is in the upper reaches of its possible range.

We anticipate a period of consolidation over the near term and SHAK can be held. Longer-term on the weekly chart, the MACD points to further upside.

Homebuilders gained 3% last week amid news that New Home sales increased in January. (using ETF XHB) The group was given a further boost on Friday when interest rates fell after core CPE data on Thursday showed that inflation is not on the rise.

Toll Brothers (**TOL**) was the biggest mover among larger home builders with a 5% advance that followed strong earnings that were reported the prior week. The stock is in a strong buy zone as it continues to find support at its upward-trending 5-day simple moving average.

Decker's Outdoor (**DECK**) gained 2.6% for the week in a move that puts the stock within a hair of a \$904 base breakout level. **DECK** is up almost 5% this weekend after it was announced that they'll be added to the S&P 500 Index.

We are using the late November into December period as precedence as **DECK** rallied then after an early November period of consolidation. This period of consolidation is similar to late February as both times it followed a gap up in price after strong earnings. **DECK** is in a buy zone.

TJX Cos. (**TJX**) posted strong sales numbers in their quarterly release on Wednesday however, the company guided growth estimates a bit lower going forward. The stock pulled back 1% however, it managed to close the week above its 10-day simple moving average and remains in an uptrend.

Peer discount apparel retailers Ross Stores (**ROST**) and Burlington (**BURL**) will be releasing their quarterly results next week, which may impact **TJX**. While **TJX** is in a confirmed uptrend, we would not overweight the stock at this time as its near-term momentum is flat.

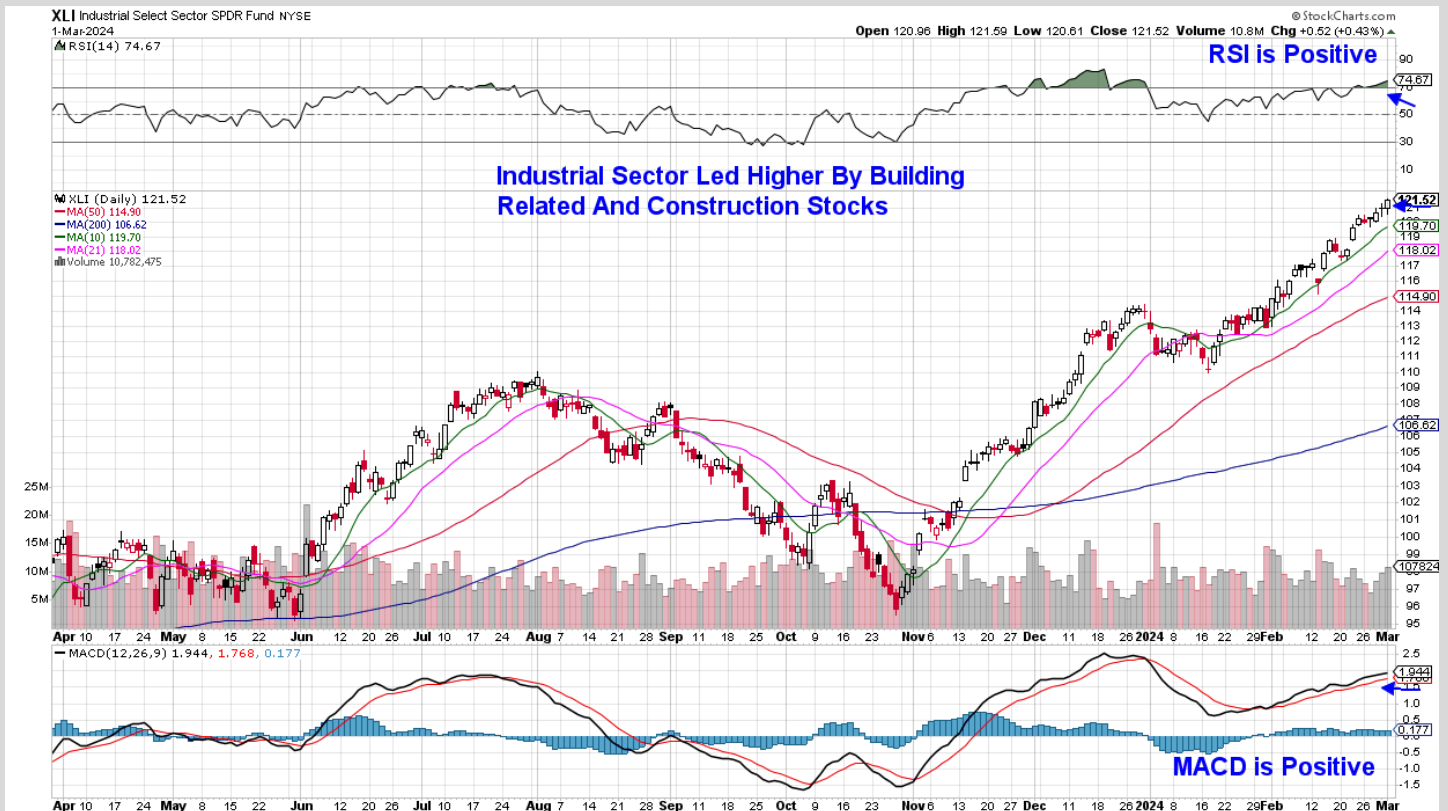
Heavyweight retailer Amazon (**AMZN**) gained 2% last week on the heels of being added to the Dow Jones Industrial Average on Monday. **AMZN** continues to see its estimates revised higher amid growth in their AWS cloud division as well as advertising sales.

AMZN is in a strong buy zone after closing the week above its 5-day simple moving average on above-average volume.

This week, we're adding footwear company Crocs (**CROX**) to our Suggested Holdings List. The company reported earnings ahead of estimates 2 weeks ago and entered an uptrend last week amid analyst upgrades.

The weekly chart for Crocs is particularly compelling as the MACD entered positive territory last week. This bodes well for the longer-term outlook. **CROX** is in a buy zone as it finds support at its upward-trending 5-day simple moving average.

Daily Chart of the Industrial Sector (XLI)



Industrial Sector Remains In A Strong Uptrend

The Industrial sector remains in a confirmed uptrend as gains among building-related stocks continue to provide a boost. Trex (**TREX**) From our list is among this group. The company reported earnings earlier in the week and originally hit a new high in price in response to strong earnings.

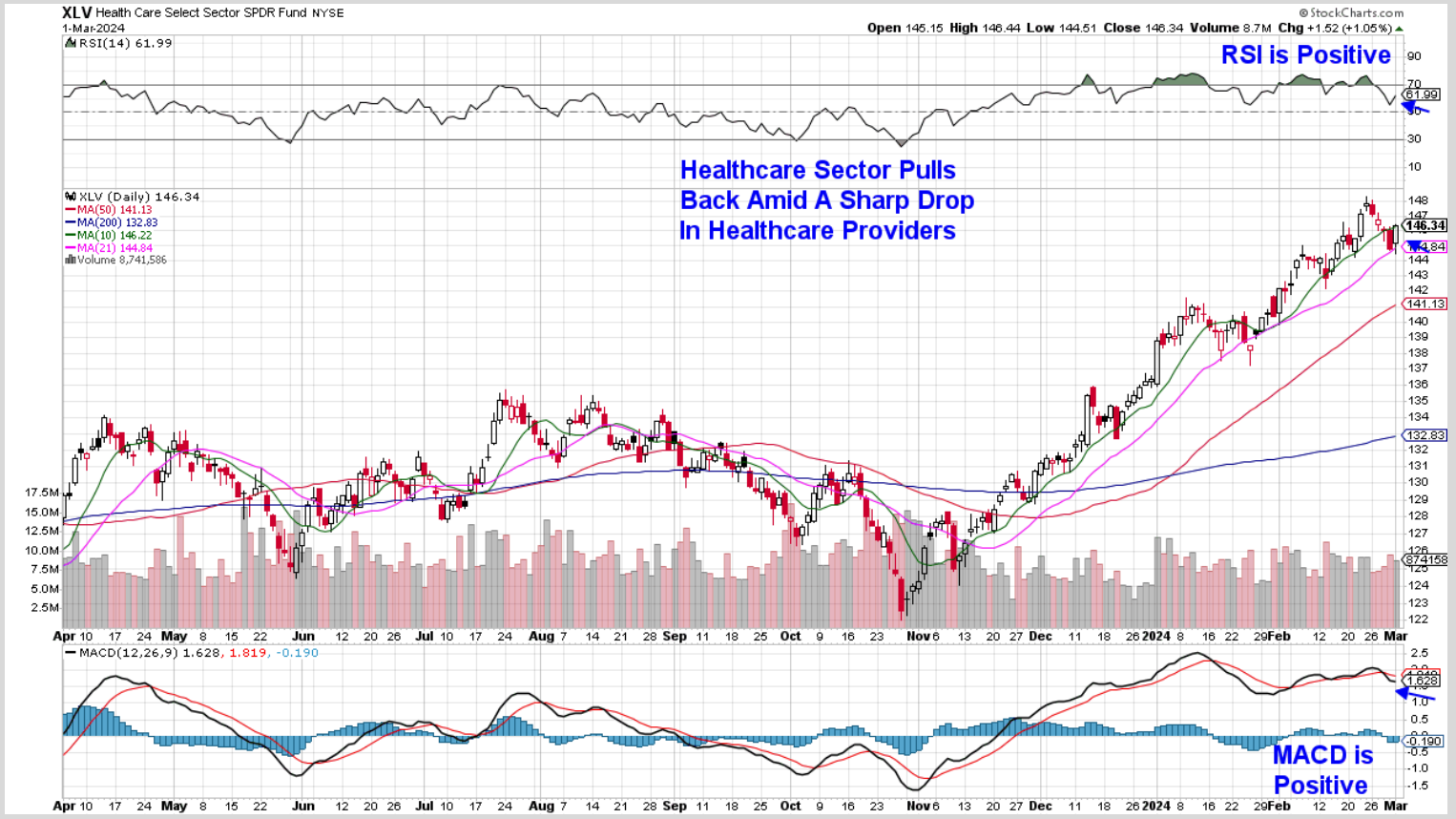
TREX pulled back over the next couple of days before a Friday rally in home construction-related stocks pushed it back into an uptrend with a close above its 5-day simple moving average. **TREX** is in a buy zone amid analyst upgrades to earnings estimates for this year.

TREX posted a bullish engulfing candlestick on Friday where the stock posts a low in price relative to its prior day but closes the day at an intraday high and above the prior day's high.

Eaton Corp (**ETN**) was an outperformer with a 3% gain that puts the stock at a new high. As you may recall, **ETN** provides electrical power equipment and the company has seen increased demand for their products due to the high use of electricity for AI-related activity.

ETN can be bought on a pullback to the \$288 range, at its 5-day simple moving average.

Daily Chart of the Health Care Sector (XLV)



Healthcare Sector Pulls Back But Remains In Uptrend

The Healthcare sector pulled back slightly amid a decline in Managed Care stocks led by a sharp sell-off in UnitedHealth Group (**UNH**) following news of a Cybersecurity attack.

Eli Lilly (**LLY**) is back in a buy zone after regaining its shorter-term moving averages on Friday due to a 3.5% rally. The gain followed a Wall Street upgrade from **BOA** who's on the lookout for a 33% upside to its price.

While **LLY** is seeing growth due to their obesity drugs, the analyst cited additional opportunities for the company in other areas such as heart and liver diseases. If entering a new position, we would not

overweight the stock at this time because of its overbought position on both the daily and weekly charts.

Intuitive Surgical (**ISRG**) was down slightly for the week with an orderly pullback that was in line with Medical Products group (using ETF IHI) however, a Friday rally on above-average volume pushed the stock into a strong buy zone after **ISRG** posted a one-month base breakout.

Shockwave (**SWAV**) posted a 1% gain as the stock continues to consolidate following last month's large gap-up in price in response to strong earnings. Last week's tight trading range on below-average volume is setting the stock up for a possible move higher.

We're on the lookout for a close above the \$266 level as that's the top of this recent tight trading range. This would put **SWAV** into a strong buy zone.

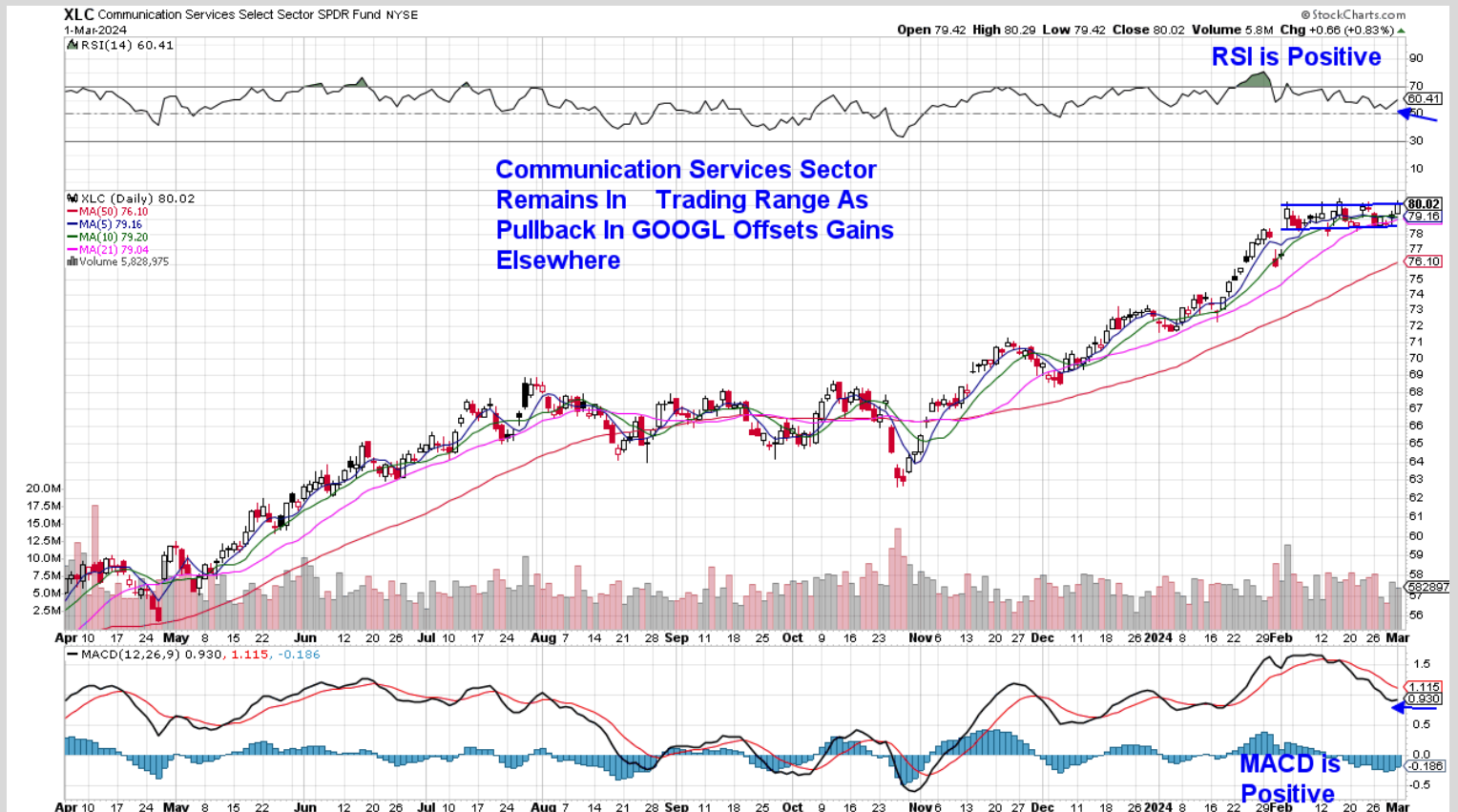
Boston Scientific (**BSX**) has also been marking time over the past week as it ended the week flat following a back-and-fill formation that keeps the stock in an uptrend after closing above its 5-day simple moving average. **BSX** is in a buy zone.

The Biotech group ended the week up over 1% after overcoming a sharp Thursday pullback. The group remains in a confirmed uptrend after closing above its shorter-term moving averages with a positive RSI and MACD.

The use of AI to quickly crunch data and provide a path for new drugs to be developed is providing a boost for this group. The weekly chart of **IBB** is quite compelling as last week's gain pushed the group out of an 8-week base on heavy volume. This bodes well for the longer-term outlook for this group. **IBB** is in a strong buy zone.



Daily Chart of the Communication Services Sector (XLC)



Communication Services Sector Ends The Week Flat

Internet-related stocks are the largest component of the Communication Services sector and their results were mixed last week. On a positive note, both Netflix (**NFLX**) and Meta Platforms (**META**) from this group outperformed the markets.

Netflix (**NFLX**) gained 6% for the week in a move that pushed the stock out of a two-week base on above-average volume. The stock's upward trajectory was sparked by analyst speculation that the company will be raising their subscription rates later this year.

NFLX is in a strong buy zone and the stock can be bought in the \$604 range at its 5-day simple moving average.

Meta Platforms (**META**) posted a 4% rally as analysts continue to revise their earnings estimates higher following the company's strong quarterly report that was posted a month ago. Last week's gains pushed the stock above its recent area of consolidation and into a buy zone. **META** can be bought in the \$490 range at its 5-day simple moving average.

Summary

Last week's gains in the market had February posting their strongest one-month gain since 1980. The good news is, the high performance is for very sound reasons such as a strong fourth-quarter earnings period, robust economic growth, and enthusiasm surrounding the growth possibilities around AI.

In addition to a focus around AI stocks, last week we saw Retail and Small Cap stocks break out amid money flows that signal investor's confidence regarding the sustainability of economic growth. This broadening out of the markets to include economically sensitive areas is a positive as it will **CONTINUED ->**

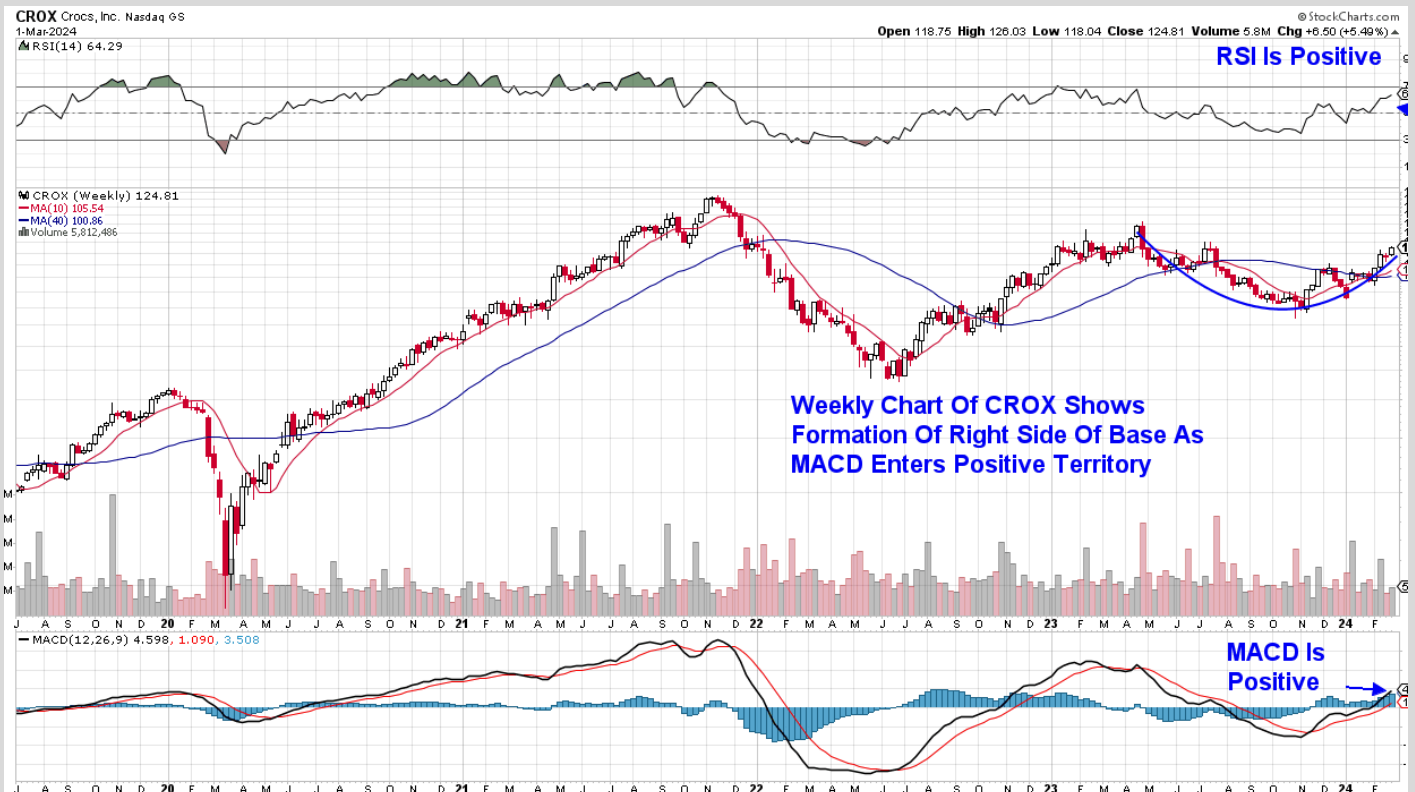
provide a basis from which the markets can continue to trend higher.

As we move closer to the possibility of the Federal Reserve cutting rates, we anticipate participation in the markets to expand further, so that interest rate-sensitive sectors such as Value stocks will come into favor.

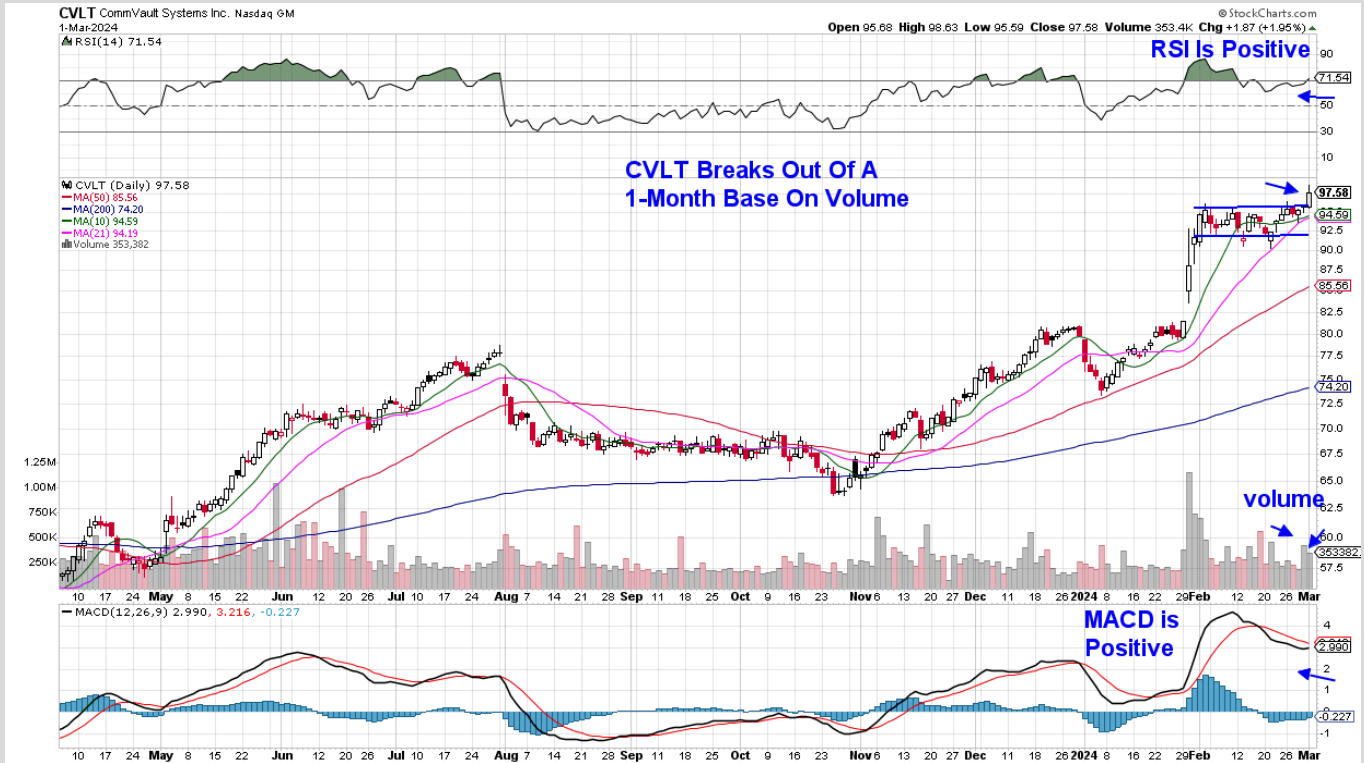
Over the near term, the uptrend in the markets is firmly in place and we will continue to focus on growth areas such as Technology and elsewhere that are in strong favor. Next week employment data for January will come into focus, as will Fed share Powell's testimony in front of Congress.

New Idea Charts:

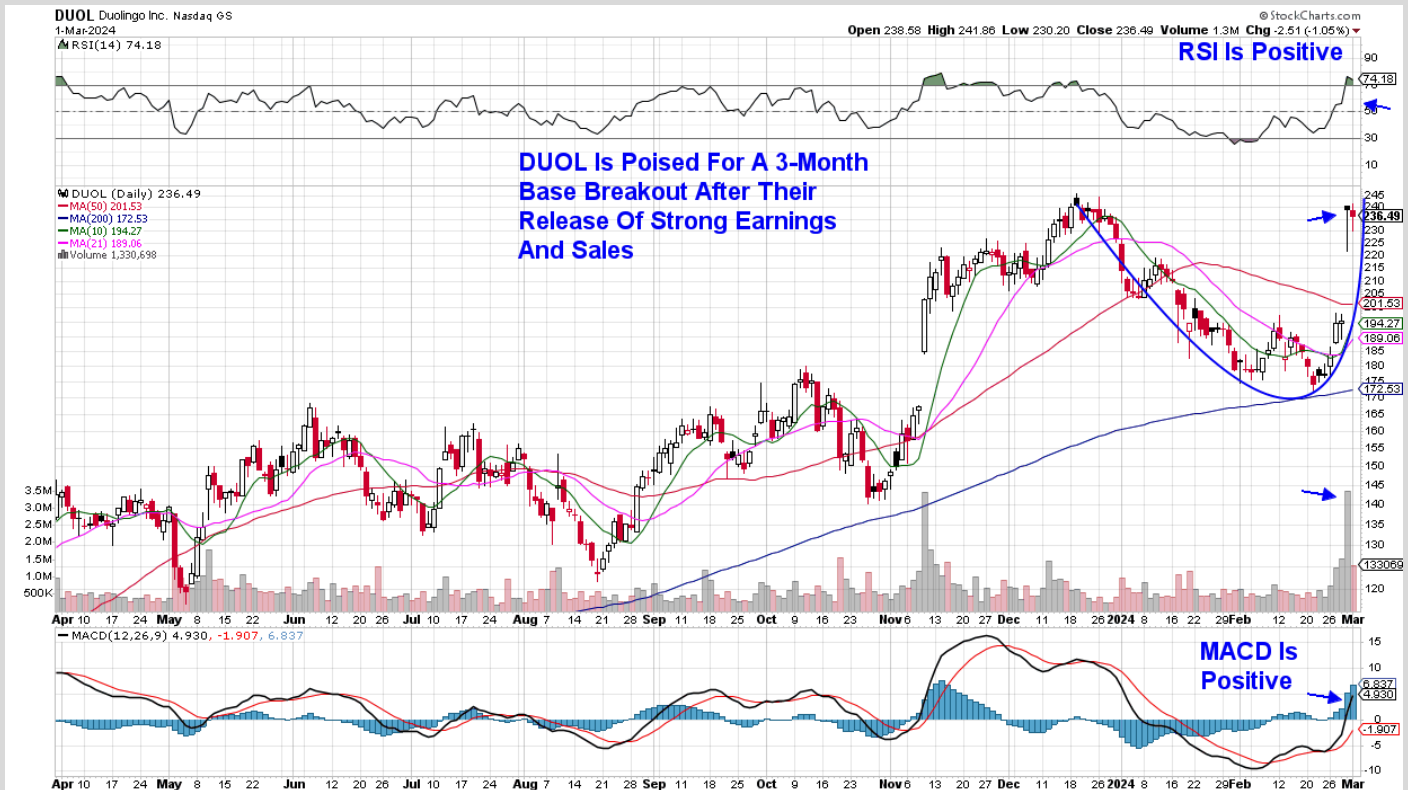
Weekly Chart Crocs, Inc. (CROX)



Daily Chart of CommVault Systems Inc. (CVLT)



Daily Chart of Duolingo Inc. (DUOL)



MEM Edge Report Suggested Holdings

Stocks With Emerging Leadership Characteristics

\$ = Earnings Due	Buy Zone	Strong Buy		Buy on Pullback	Removed From List	
SYMB	COMPANY	PRICE	DATE ADDED	PERFORMANCE	INDUSTRY GROUP	EARNINGS DUE
CONSUMER DISCRETIONARY						
AMZN	Amazon	\$138.60	11/5/2023	29.0%	Retail - Internet	
CROX	Crocs, Inc	\$124.80	3/3/2024			
DECK	Deckers	\$695.91	1/10/2024	27.5%	Retail Apparel Shoe	
TOL	Toll Brothers	\$111.30	2/25/2024	5.0%		
TJX	TJX Corp	\$93.81	1/1/2024	5.0%	Discount Retailer	
SHAK	Shake Shack	\$73.70	1/28/2024	41.00%	Retail - Restaurant	
XRT	S&P Retail ETF	\$72.70	2/11/2024	6.00%		
INDUSTRIAL						
ETN	Eaton Corp	\$260.00	2/4/2024	9.0%	Diversified Operations	
TREX	Trex Co.	\$86.70	2/4/2024	10.0%	Building/Construction	
HEALTHCARE						
BSX	Boston Scientific	\$57.60	1/3/2024	15.0%		
IBB	iShares Biotech ETF	\$138.20	2/25/2024	1.0%		
ISRG	Intuitive Surgical	\$363.70	1/15/2024	9.0%		
LLY	Eli Lilly	\$618.50	1/3/2024	26.5%		
SWAV	Shockwave Medical	\$262.70	2/19/2024	1.0%		
TECHNOLOGY						
AMD	Advanced Micro Devices	\$118.50	11/12/2023	65.0%	Semiconductor	
AVGO	Broadcom	\$944.30	12/10/2023	46.5%	Semiconductor	7-Mar-24
CRM	Salesforce	\$260.00	12/3/2023	22.0%	Software	6-Mar-24
CRWD	Crowdstrike	\$176.70	10/8/2023	63.0%	Software	5-Mar-24
CVLT	CommVault	\$97.60	3/3/2024			
DUOL	Duolingo	\$236.50	3/3/2024			
INTU	Intuit	\$608.50	12/17/2023	9.5%	Software	
LRCX	Lam Research	\$865.00	2/11/2024	7.5%	Semiconductor	
MSFT	Microsoft	\$327.30	10/8/2023	26.0%	Software	
NVDA	Nvidia	\$450.00	11/5/2023	69.5%	Semiconductor	
SNPS	Synopsis	\$552.00	2/4/2024	7.0%	Software	
COMMUNICATION SERVICES						
META	Meta Platforms	\$315.40	10/8/2023	57.0%	Internet-Content	
NFLX	Netflix	\$432.30	11/5/2023	44.5%	Internet-Content	

Glossary of Terms Used From Our Suggested Holdings

Buy Zone

This means the stock is in a confirmed uptrend and is finding support at its upward-trending key moving averages and can be bought. If you own the stock, stay with it.

Strong Buy

This means we have slightly more conviction in the ability of this stock to outperform the markets over the next week. The stock may be poised to break out of a base, it may be in a strong industry group or there may be recent good news. In other words, the stock has some edge that should help propel the stock higher.

Buy on Pullback

In this case, the stock is a bit over-bought (or extended) and may need to come in a little before buying. This is usually following a particularly strong week where the stock was up a lot. We would look for a pullback to the stock's upward-trending 10-day moving average as an optimal entry point.

Not Highlighted

These are stocks that remain positive and can be held if you own them. However, they currently do not appear poised to have an upward move. The stock may be consolidating after a large advance or be in an industry group that is not in favor. The longer-term uptrend remains in place however.

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