



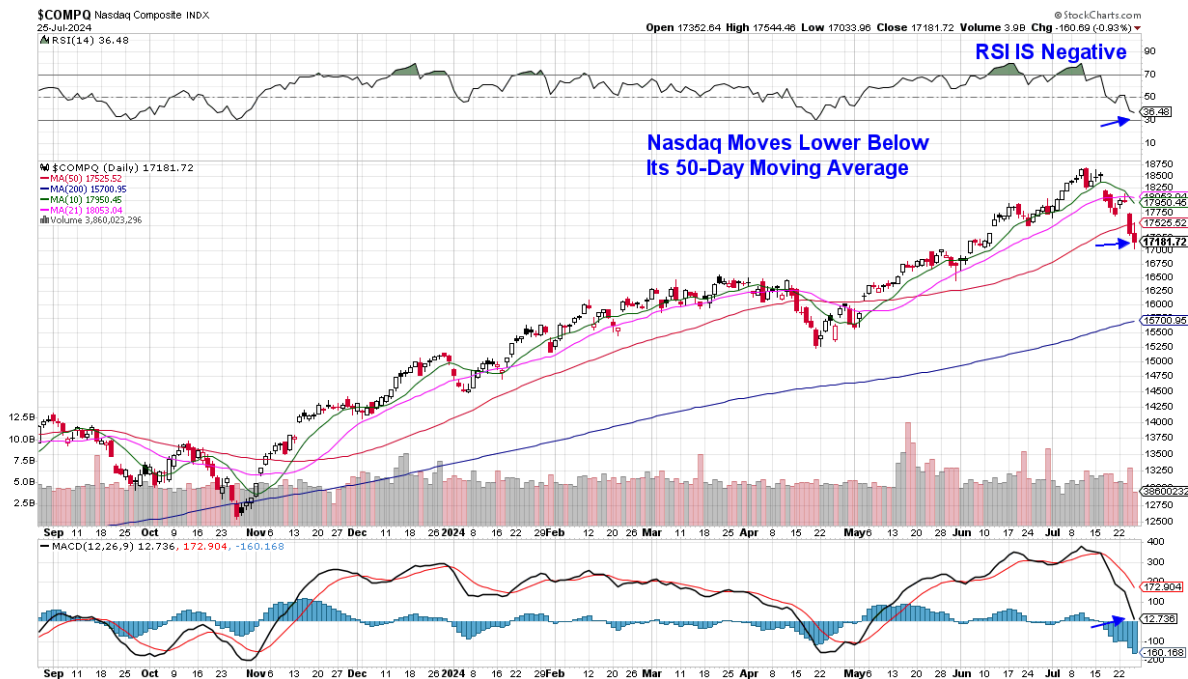
THE MEM EDGE

Midweek Report

Thursday, July 25, 2024

- Nasdaq Slumps Lower Below Key 50-Day MAV
- S&P 500 Closes Below Its 50-Day MAV - Now in Downtrend
- Volatility Climbs Above 18 (\$VIX)
- Q2 GDP Comes in Above Estimates
- Core PCE Data Due Tomorrow

DAILY CHART OF NASDAQ COMPOSITE



The move away from mega-cap growth stocks continued today, with most of the M7 stocks closing lower below their key 50-day moving averages.

In turn, the Nasdaq declined another 1% with losses among Medical Products and Semiconductor stocks adding to the downside pressure.

The weekly chart of both the S&P 500 and Nasdaq remains constructive, as the RSI is above 50.



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Midweek Report

Earnings reports are continuing to jolt the markets with Honeywell (**HON**) from our List falling over 5% after reporting quarterly results above estimates. The selloff took place after management guided profit estimates lower for the remainder of this year. We are removing **HON** from our Suggested Holdings List after today's high volume selling has pushed the stock below its 50-day moving average.

Healthcare stocks faltered today with Eli Lilly (**LLY**) down sharply on news that Viking Therapeutics has sped up the development of their weight loss pill. **LLY** is being removed after closing below its 50-day moving average on volume.

Medical Products stocks also took it on the chin today after Edwards Lifesciences (**EW**) plunged 31% after lowering guidance for their heart valve replacement products.

Boston Scientific (**BSX**) who also creates cardiovascular devices got hit as well with a 4.5% decline in heavy volume. **BSX** is now below its key 50-day moving average and we are removing the stock from our Suggested Holdings List.

Volatility is continuing to rise ahead of tomorrow's PCE data after today's GDP numbers came in stronger than expected. The news slightly lowered trader's confidence in a September rate cut.

We will elaborate further on the markets, as well as, the continued move into Small Caps in our report on Sunday.

Warmly,
Mary Ellen McGonagle
Editor, MEM Edge Report