



THE MEM EDGE

Midweek Report

Tuesday, August 13, 2024

Economic Data Released

- Producer Prices (PPI) Increase Less Than Expected At 0.1%
- Year-over-year PPI rose 2.2%

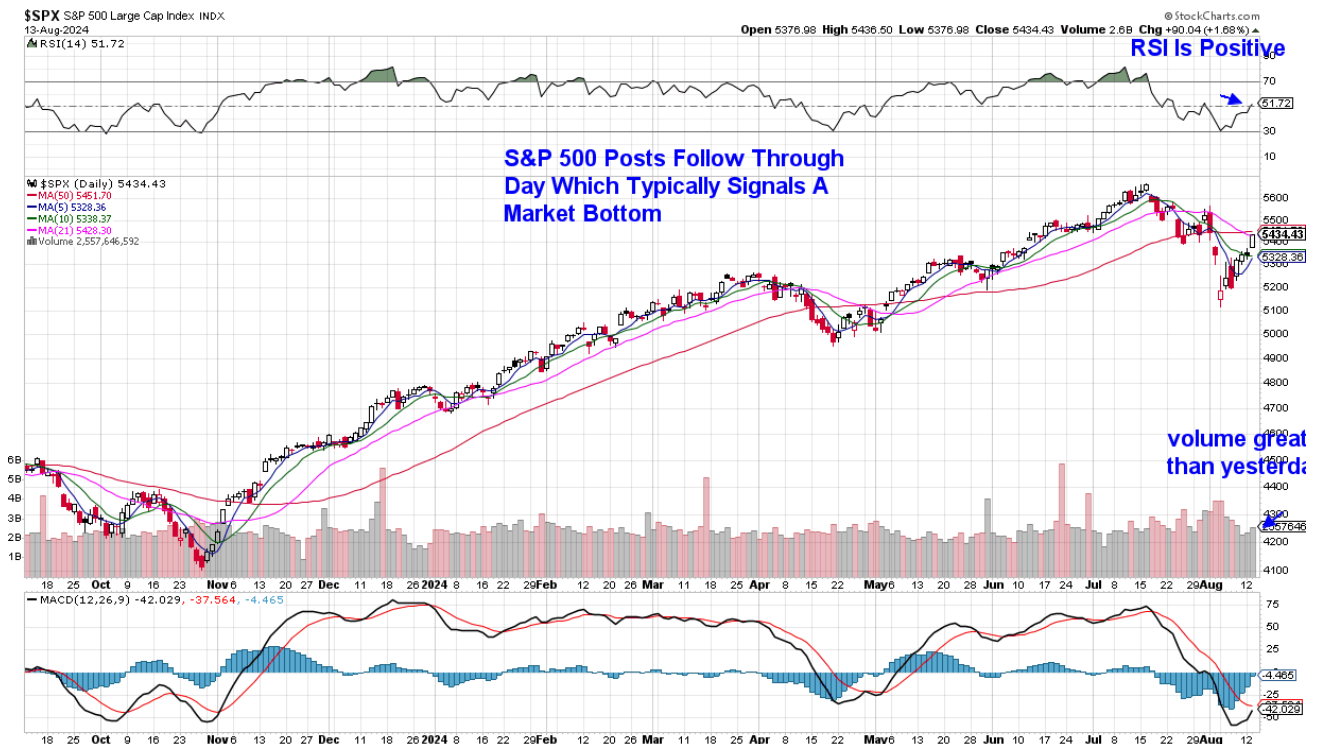
Economic Data Upcoming

- Consumer Price Index (CPI) Data Due Wednesday Before Markets Open
- Retail Sales Due Thursday

Market-Related Developments This Week

- **S&P 500 Index and Nasdaq Post “Follow-Through Day” Signaling Possible Market Bottom**
- Interest Rates Decline With 10-Year Yield At 3.85%
- Volatility Index Closes Below 20 At 18.1
- Atlanta Fed President Bostic Downplays Recession Fears
- Adding **META, AAPL, MPWR, NVDA, CRUS**, and **TSM** To Suggested Holdings List.

DAILY CHART OF S&P 500 INDEX





THE MEM EDGE

Midweek Report

The S&P 500 has gained 1.9% over the past 2 days in a move that's put this Index above its 21-day moving average with the RSI now in positive territory on the daily chart. In addition, today's volume was greater than yesterday's which using the O'Neil methodology, signals that a new uptrend may now be in place.

The system looks for the 4th day out from which a bottom has been put in, where the Index is up over 1% on volume greater than the prior day. This is called a "follow-through" day, and no market bottom has occurred without this taking place.

That said, not all follow-through days go on to mark a bottom however, any failure will usually occur quickly if the markets retest recent lows.

The Nasdaq posted an even stronger follow-through day after a 2.4% rally today on volume greater than yesterday. The rally took place on the 5th day from a near-term low in price. The closer to the 4th day that this price action takes place, the higher its success rate.

Given that both Indexes remain below their 50-day moving averages with a negative RSI, we would add lightly to new positions and expand as confirmation of a new uptrend is confirmed.

Today, we are adding stocks from our Watch List with a focus on Growth stocks which have exhibited outsized momentum on today's rally.

Today's rally has taken place following news that Producer Prices came in lower than anticipated which is good news for a September rate cut amid tame inflation.

Tomorrow, the Consumer Price Index (CPI) data will be released and the results may sway the markets if they do not confirm that inflation is under control.

Tomorrow, we will elaborate further as interest rates have declined this week however, rate-sensitive areas of the market are underperforming.

As noted, new positions should be initiated lightly with an eye toward adding to them as confirmation - in the form of the broader markets closing above their 50-day moving averages coupled with positive RSI.

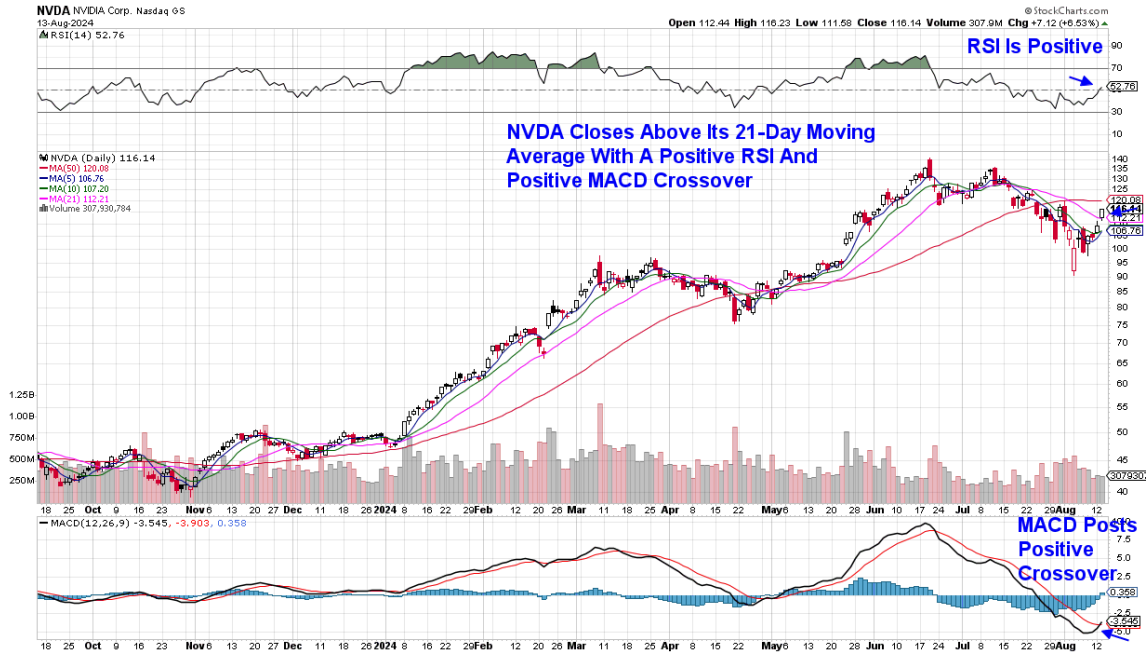
Warmly,
Mary Ellen McGonagle
Editor, MEM Edge Report



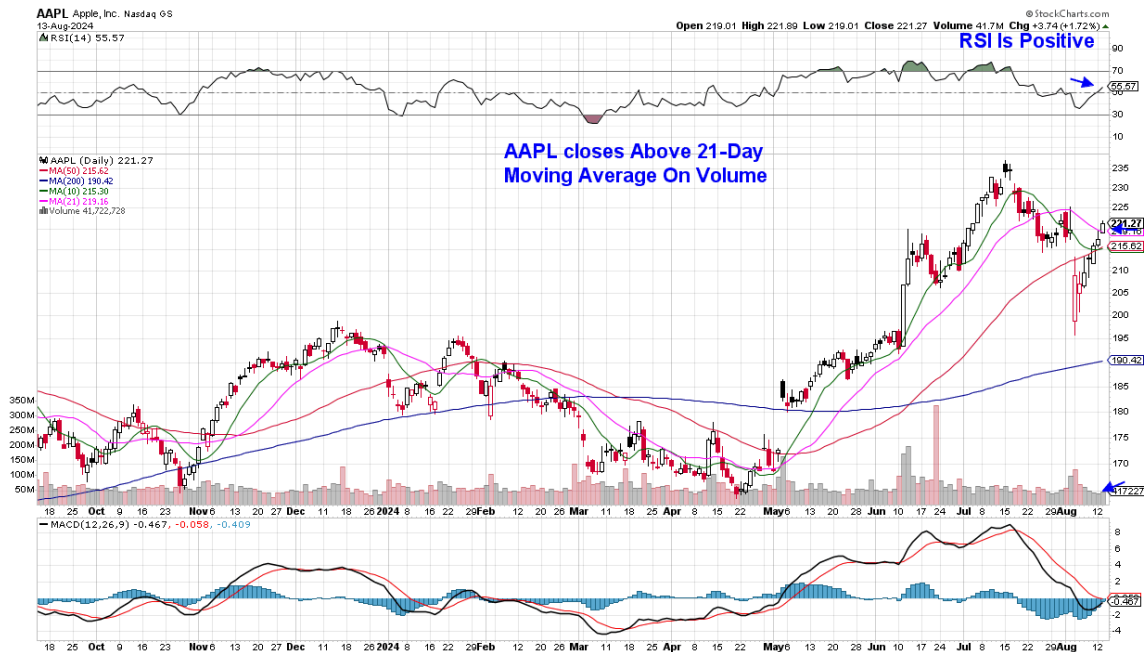
THE MEM EDGE

Midweek Report

DAILY CHART OF NVIDIA (NVDA)



DAILY CHART OF APPLE (AAPL)

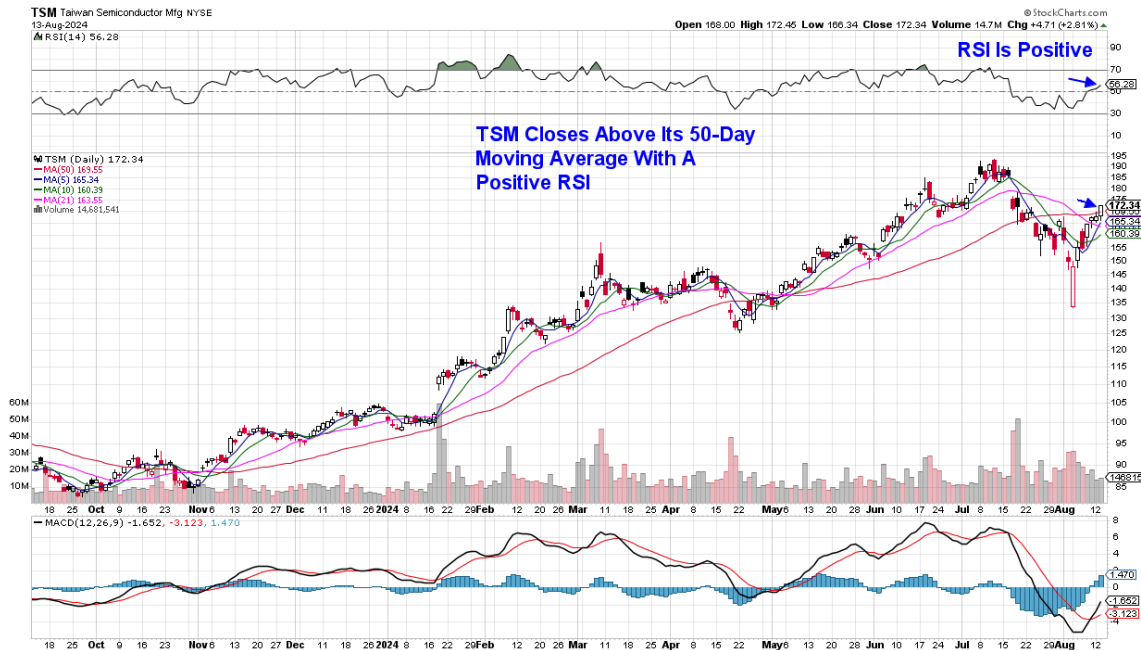




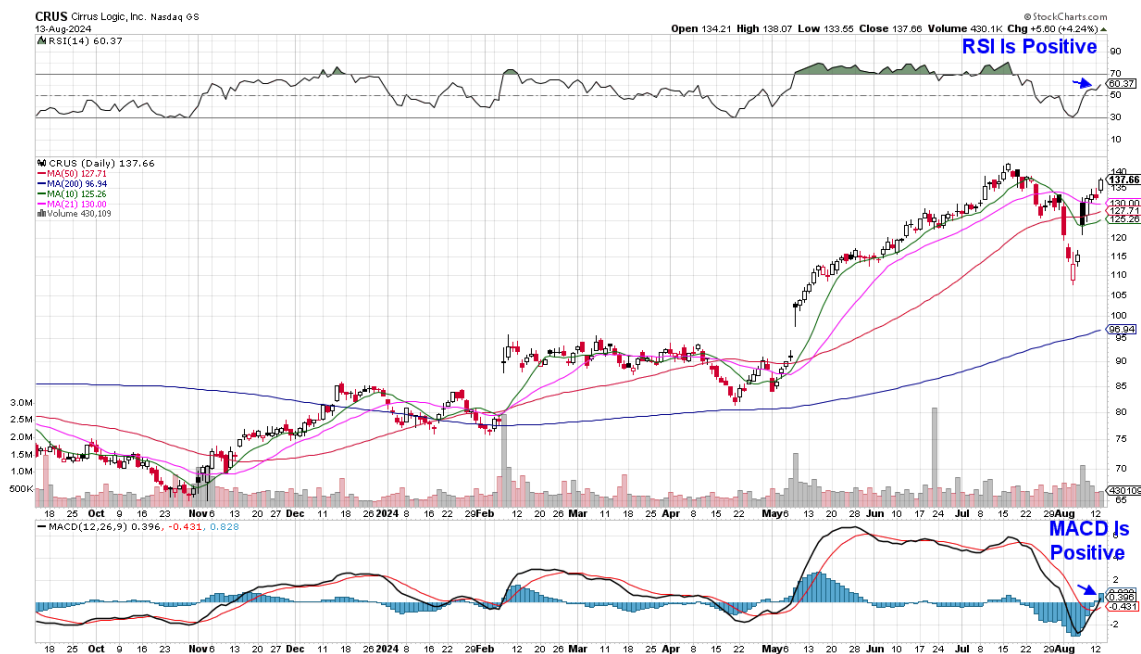
THE MEM EDGE

Midweek Report

DAILY CHART OF TAIWAN SEMI (TSM)



DAILY CHART OF CIRRUS LOGIC (CRUS)

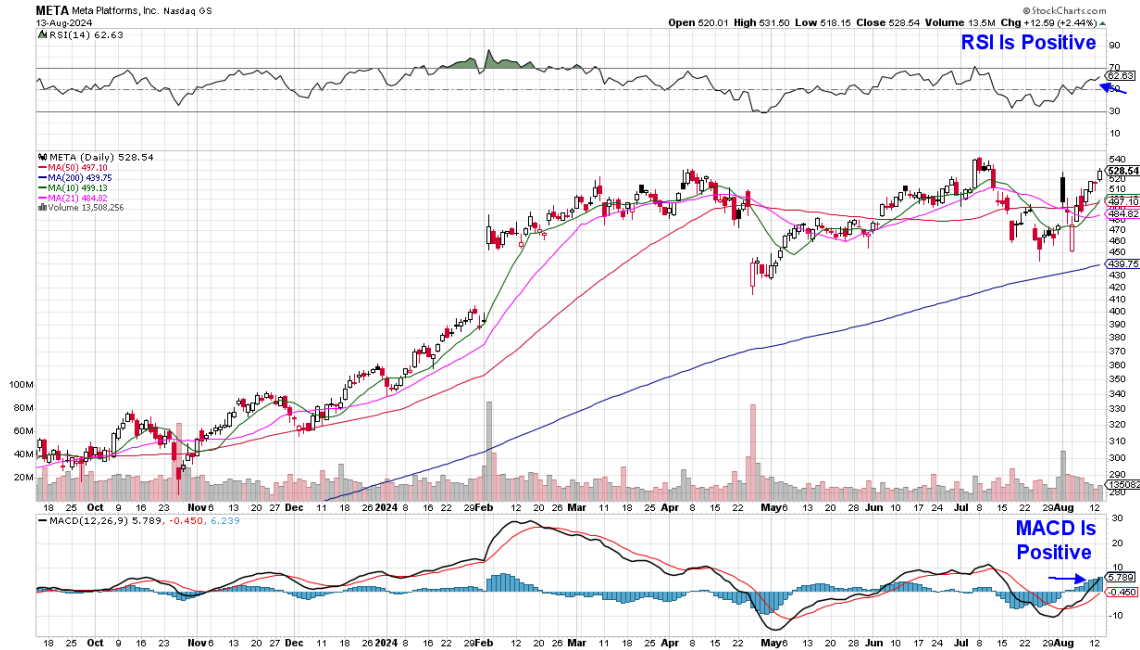




THE MEM EDGE

Midweek Report

DAILY CHART OF META PLATFORMS (META)



DAILY CHART OF MONOLITHIC POWER (MPWR)

