



THE MEM EDGE

Midweek Report

Thursday, August 15, 2024

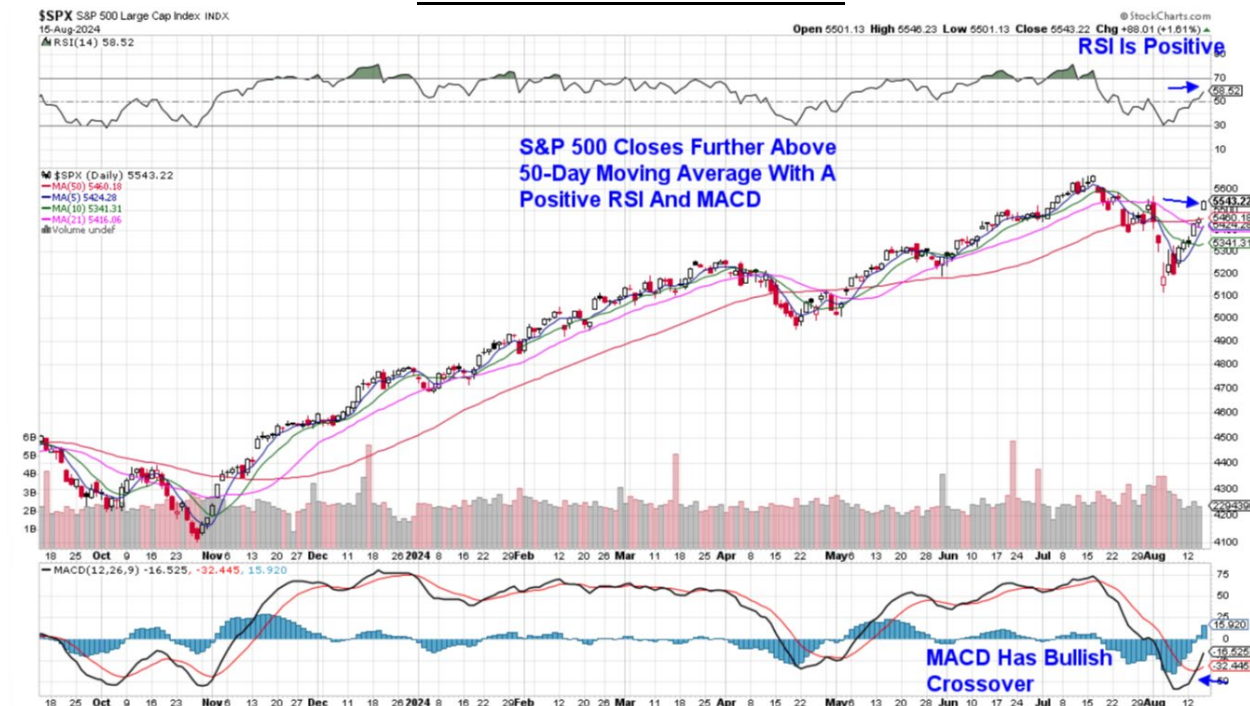
Economic Data Released

- Producer Prices (PPI) Increase Less Than Expected At 0.1%
- Year-over-year PPI rose 2.2%
- YOY Core Consumer Price Index (CPI) Comes In As Expected
- Jobless Claims Drop To Lowest Level In 5 Weeks
- Retail Sales Post Biggest Gain In 18 Months

Economic Data Upcoming

- Housing Related Data Due Friday
- **Minutes From FOMC Meeting Next Wednesday**
- **Powell's Jackson Hole Speech On Friday The 22nd**

DAILY CHART OF S&P 500 INDEX



The S&P 500 rallied 1.6% on volume today in a move that has the S&P 500 closing further above its 50-day moving average with a positive RSI.



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The Nasdaq gained 2.3% led by outperformance in Technology and Retail stocks. The rally pushed the RSI into positive territory with this Index now above its key 50-day moving average. (see chart below)

The bullish price action has pushed the markets into more of a confirmed uptrend so that positions can now be added to more heavily.

Today's positive price action followed news that July Retail Sales posted their largest gain in 18 months. The data diminished fears of a recession, as consumer spending accounts for 70% of the U.S. GDP.

In other positive news, weekly jobless claims fell to their lowest level in 5 weeks.

Among the biggest winners today were Retail stocks with the S&P 500 Retail ETF now back in an uptrend. (using XRT ETF).

Today, we're adding Deckers Outdoor (**DECK**) to our Suggested Holdings List after the stock closed above its 50-day moving average with a positive RSI and a MACD that is a hair away from entering positive territory.

We're also adding Walmart (**WMT**) to our Suggested Holdings List after the retailer posted earnings that were above estimates with management guiding growth prospects higher for the remainder of the year.

Both **DECK** and **WMT** are in a buy zone.

Other economically sensitive areas also rallied today such as Small Cap stocks (using ETF IWM) and Regional Banks (using ETF KRE). Both areas have not regained their uptrends however.

Housing stocks are also struggling after it was reported today that home builders are cutting prices to reduce inventory. Additional housing related data will be released tomorrow.

Within Technology's rally today, Semiconductor stocks were the top performing with the group now posting a positive RSI and a bullish MACD crossover. In addition, the ETF SOXX is now above its 21-day moving average.

Nvidia (**NVDA**) is in a particularly bullish position after closing back above its 50-day moving average with a positive RSI. The stock is in a buy zone.



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We would be a buyer on any pullback in Semiconductor stocks which have gained over 9% for the week so far. Both Monolithic Power (**MPWR**) and Cirrus Logic (**CRUS**) have presented themselves as leadership names after hitting a new high in price.

As noted in yesterday's Midweek Report, next week Fed Chair Powell will be speaking twice which may sway the markets depending on remarks.

While we're seeing a firming up of the markets, not all areas are participating. At this time, we see the highest potential among beaten down Retailers which sold off amid a lack of interest in this area despite posting positive fundamentals.

We'll be looking to add additional names in our Sunday Report.

Warmly,
Mary Ellen McGonagle
Editor, MEM Edge Report

DAILY CHART OF NASDAQ COMPOSITE INDEX

