



# THE MEM EDGE

Midweek Report

Thursday, September 12, 2024

## Economic Data Reported This Week

- Core CPI Shows Inflation Picking Up in August
- Weekly Jobless Claims Inch Higher
- Core PPI Data Signals Slowdown in Inflation
- Adobe (ADBE) Falls After Hours Amid Weak Growth Guidance

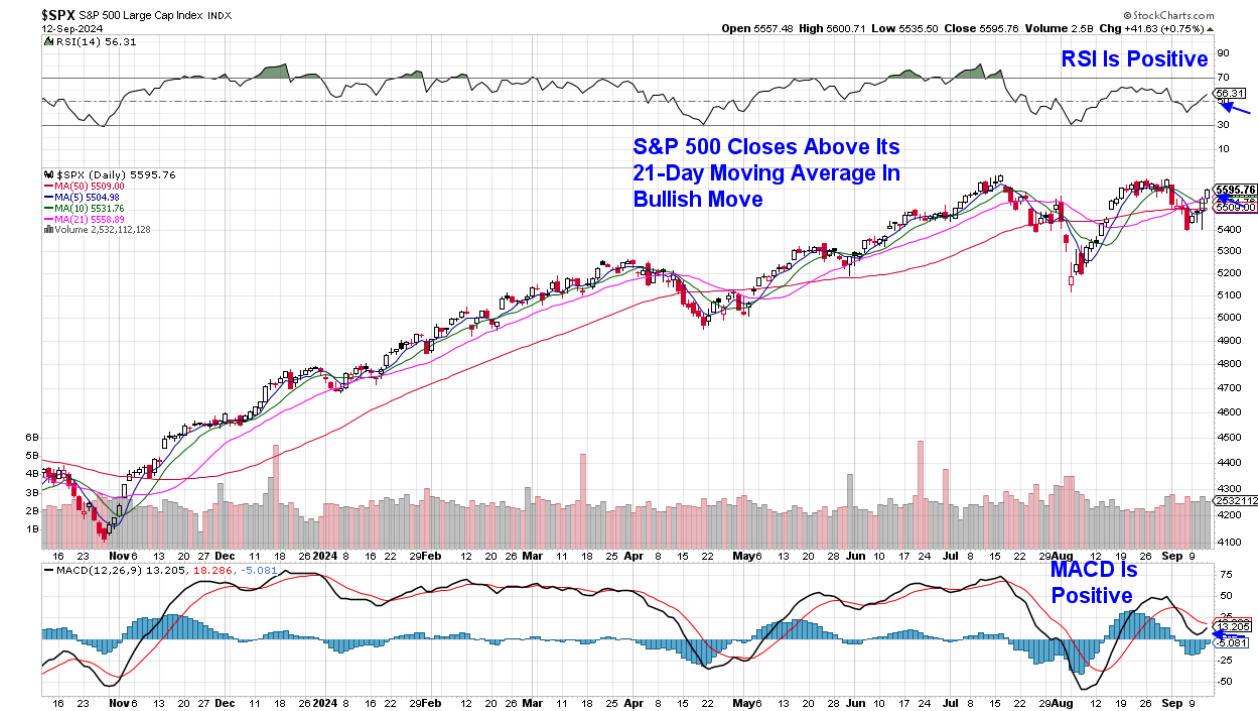
## Market Developments This Week

- Nasdaq Closes Above Its 50-Day Moving Average
- S&P 500 Remains in an Uptrend
- Gold Hits a New High in Price Amid Rate Cut Hopes
- Volatility Index Falls To 17

## Upcoming Economic Data

- Consumer Confidence Report Is Tomorrow
- FOMC Interest Rate Policy Decision Next Wednesday

## DAILY CHART OF S&P 500 INDEX





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The S&P 500 gained another 0.8% today, in a move that puts this Index further above its key 50-day moving average with both the RSI and MACD in positive territory.

The Nasdaq added 1% today which puts this Index back above its 50-day moving average. With the RSI in positive territory, the Nasdaq is now in a near-term uptrend.

As cited yesterday, the longer-term uptrend remains in place for both the S&P 500 and the Nasdaq, as the weekly chart has stayed in a positive position.

Magnificent 7 stocks led the markets again today with Microsoft (**MSFT**) regaining its uptrend after a close back above its 50-day moving average. With the RSI in positive territory, we are adding the stock back to our Suggested Holdings List. We would initiate a position and add to it once the MACD turns positive on the daily chart.

Nvidia (**NVDA**) also regained its 50-day moving average today which puts the long-term buy-and-hold candidate into a near-term buy zone.

Today's rally in **NVDA** was on below-average volume however, so we would begin any new positions lightly and add to it once the MACD enters positive territory on the daily chart.

As highlighted in last Tuesday's Alert Report, both Broadcom (**AVGO**) and Monolithic Power (**MPWR**) could be held as their longer-term weekly charts remained positive.

Both stocks are in a buy zone after regaining their near-term uptrends. Ideally, we would like to see the Semiconductor group regain its upward bias which was lost in mid-July. (using ETF SOXX)

The disparity among names in this group is due to the continued strength in sales of AI-related chips which is spurring **AVGO**, **MPWR**, and **NVDA** higher. Semiconductor Equipment stocks such as Lam Research (LRCX) are continuing to decline, as chip sales outside of AI have weakened.

There was a broadening out of the markets today that included areas such as Industrials. This would include General Electric (**GE**) and Eaton (**ETN**) from our Watch List.

Both stocks are now above their 50-day moving average with a positive RSI. We intend to add these names once their MACD turns positive.



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FTAI Aviation (**FTAI**) is now in a strong buy zone after today's close above its 10-day moving average.

Today we are adding Transdigm (**TDG**) to our Suggested Holdings List after the stock closed above its 10-day moving average with a positive RSI and MACD. The company provides parts for nearly all aircraft currently in service for both military and commercial aviation.

**TDG** is in a buy zone as it approaches its \$1370 base breakout level.

Home Builders also outperformed today with Toll Brothers (**TOL**) now in a buy zone after closing above its 10-day moving average.

Software stocks also outperformed today, with the group moving closer to a 10-week base breakout. (using ETF IGV). The group may pullback tomorrow however, after Adobe (ADBE) reported weaker than expected guidance for sales going forward.

Today we are adding monday.com (**MNDY**) back to our Suggested Holdings List after today's close above its 21-day moving average coupled with a positive RSI and MACD. The stock is in a buy zone.

Today, the Volatility Index (\$VIX) fell a bit further with a close at 17. This is quite encouraging as it signals investors' fears are continuing to recede following today's PPI data release that shows inflation is slowing.

At this time, traders are on the lookout for a 0.25% rate decrease at next week's FOMC meeting. Retail Sales and Housing-related data will also be released.

We will of course continue to share any further market developments in our Sunday report.

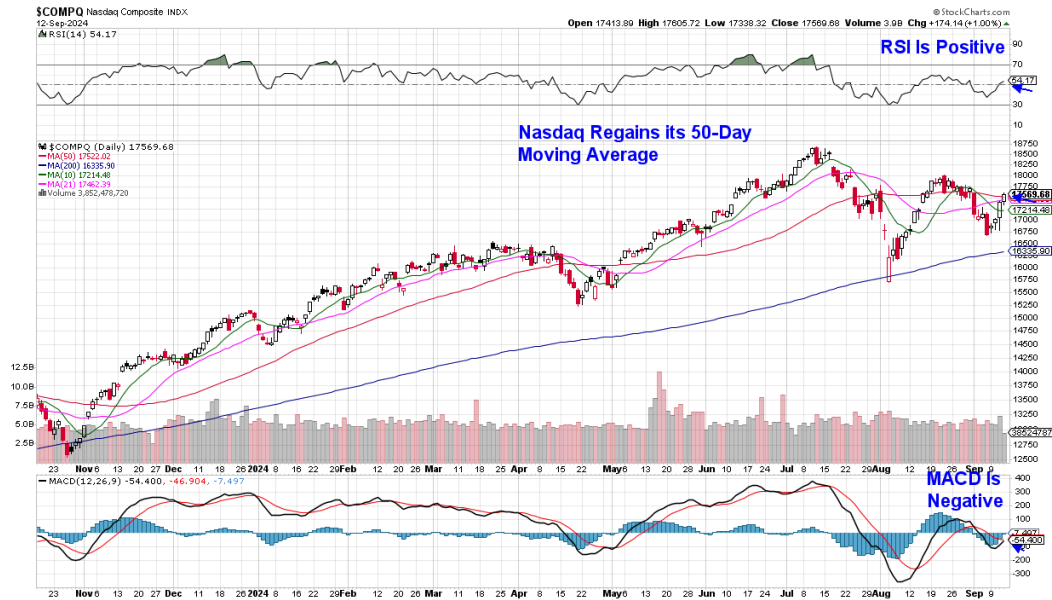
Warmly,  
Mary Ellen McGonagle  
Editor, MEM Edge Report



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### DAILY CHART OF NASDAQ COMPOSITE



### DAILY CHART OF MONDAY.COM LTD (MNDY)

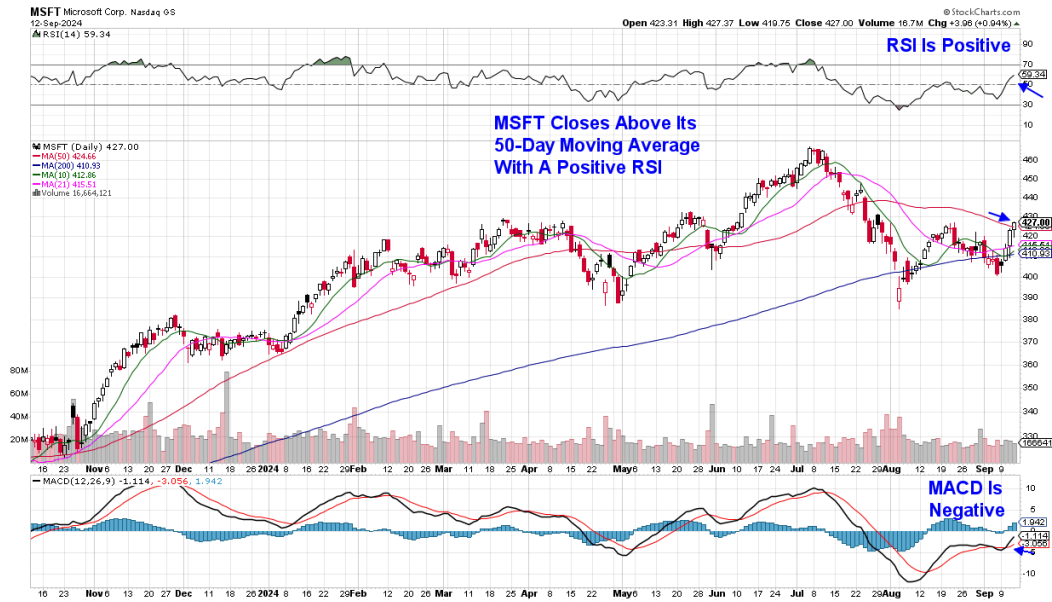




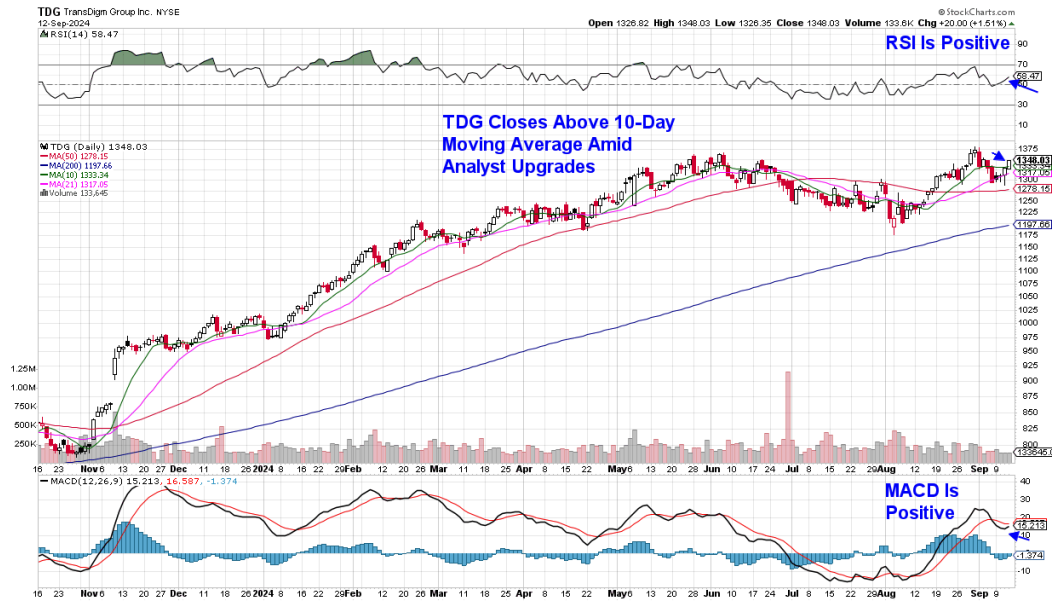
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## DAILY CHART OF MICROSOFT CORP. (MSFT)



## DAILY CHART OF TRANSDIGM GROUP INC. (TDG)

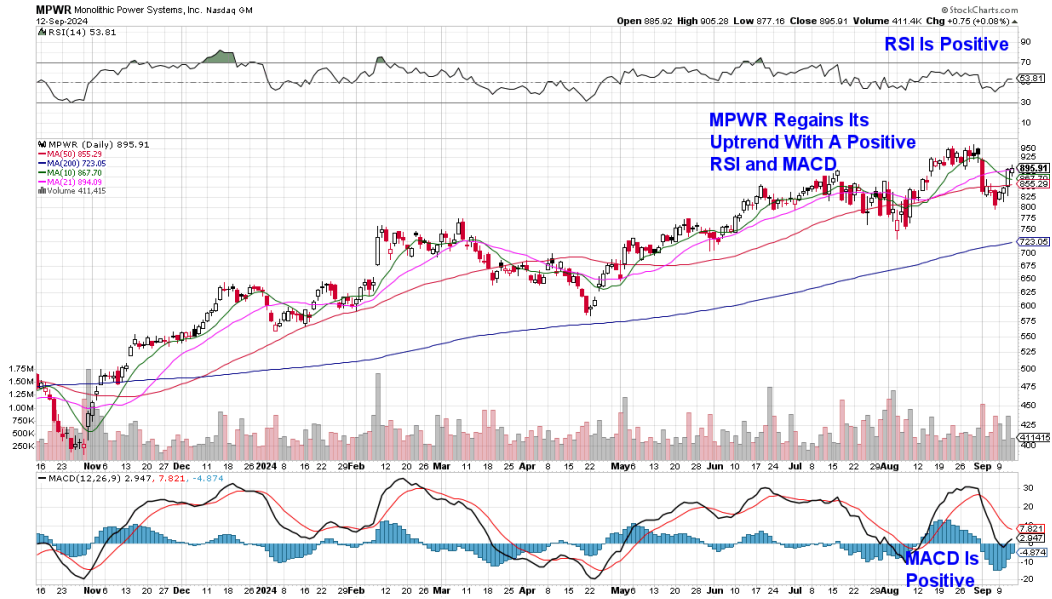




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## DAILY CHART OF MONOLITHIC POWER SYSTEMS, INC. (MPWR)



## DAILY CHART OF BROADCOM INC. (AVGO)

