



# THE MEM EDGE

Midweek Report

Wednesday, October 30, 2024

## Reported Data This Week

- Consumer Confidence Jumps in October
- Private Sector Adds More Jobs Than Anticipated in October
- 3rd Quarter GDP Posts 2.8% Growth as Economy Remains Strong

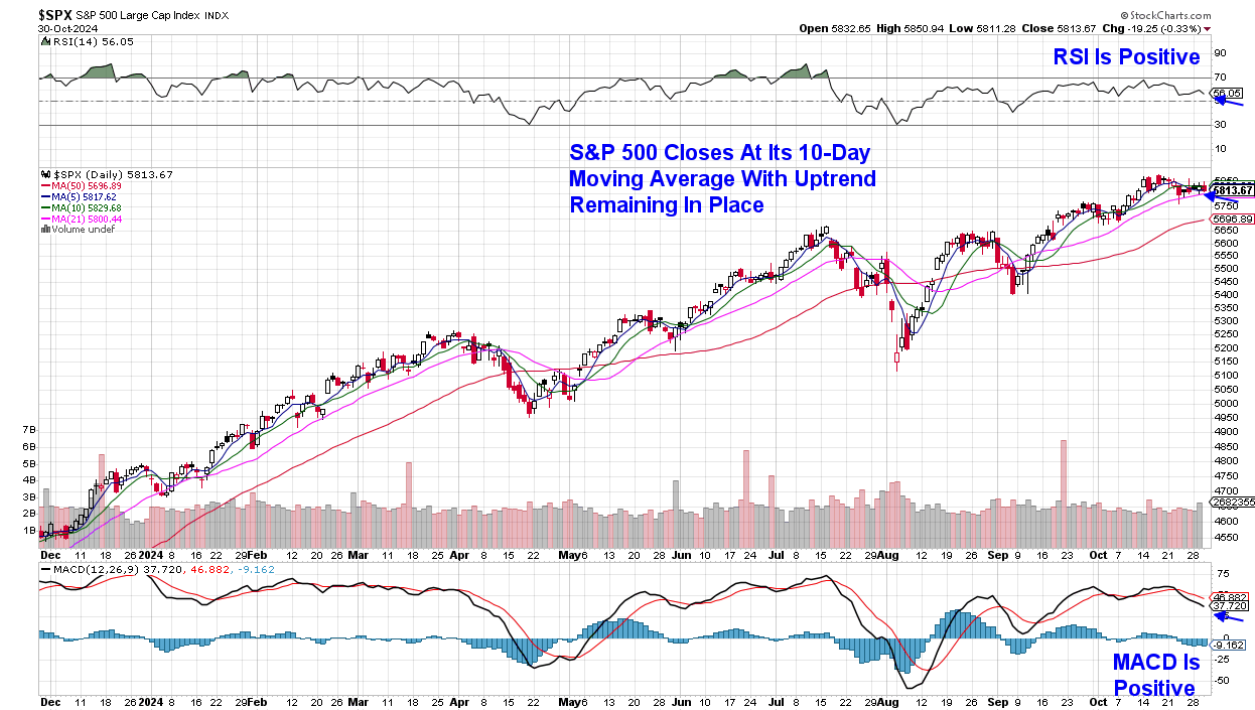
## Economic Data Due This Week and Next

- Personal Consumption Expenditures (PCE) Data Tomorrow
- U.S. Employment Report on Friday
- Next Week - FOMC Interest Rate Decision

## Market Developments This Week

- **GOOGL** Gaps Up in Price After Strong Cloud Computing Results
- **META** and **MSFT** Drop After Hours Due to Disappointing Results
- Apple (**AAPL**) and Amazon (**AMZN**) Due to Report Tomorrow

## DAILY CHART OF S&P 500 INDEX





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The S&P 500 is flat for the week with a close above its 21-day moving average which keeps the near-term uptrend in place as the RSI and MACD are in positive territory.

The Nasdaq fared a bit better with a 0.5% advance that was led by outperformance in Alphabet (**GOOGL**) after better-than-expected earnings. Meta Platforms (**META**) also outperformed going into their results today.

The Nasdaq is in a confirmed uptrend as it is above its 10-day moving average with a positive RSI and MACD.

Earnings reports continue to be the main driver for stocks that are on the move. Among names on our List, Shake Shak (**SHAK**) gained 11% after the company reported earnings and sales that were ahead of estimates.

The gain pushed the stock further out of Monday's base breakout and is now sitting at a new high in price. **SHAK**'s next move will have much to do with the markets, as the early August gap up after earnings faltered as the markets sank.

Based on the weekly chart as well as the high volume on today's gap up, we anticipate further upside for the stock however, we may consolidate over the near term. **SHAK** is in a buy zone.

Heavyweight retailer Amazon (**AMZN**) rallied going into their release of earnings tomorrow before the market's open. The stock gapped up 1% today, due to analysts anticipating a boost similar to Alphabet's strength in cloud computing which was reported today.

SharkNinja (**SN**) is also due to report before the market's open tomorrow. A MACD crossover on the daily chart on any gains due to positive results would put the stock into a strong buy zone.

Homebuilders are continuing to struggle amid elevated interest rates as well as a weak earnings report from builder DR Horton (DHI). Toll Brothers (**TOL**) is down less than its peers however, the stock has closed below its 50-day moving average with a negative RSI.

Shorter-term investors may want to lighten up on the stock while longer term, the weekly chart remains constructive.

Ferrari (**RACE**) pulled back today ahead of the release of their earnings next Tuesday. The stock remains in an uptrend ahead of their report.



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Walmart (**WMT**) can be held as it has pulled back to its 21-day moving average. A close above its 10-day mav on volume in the \$82 range would put the stock into a buy zone.

The Technology sector is pulling back after a 1.6% decline in Nvidia (**NVDA**) who joined other Semiconductors that pulled back following weaker-than-expected AI-related results from Advanced Micro (AMD).

**NVDA** is down after hours following Monolithic Power's (MPWR) sharp drop despite earnings above estimates which were reported after hours. **NVDA** remains in a confirmed uptrend as it is trading at its 10-day moving average with positive RSI and MACD.

Taiwan Semi's (**TSM**) woes are also weighing on AI-related chips following news that they are discontinuing chip delivery to Chinese companies due to trade restrictions.

**TSM** remains in an uptrend as it is above its upward-trending 21-day moving average with a positive RSI and MACD. A close above its 10-day moving average in the \$200 range would put the stock into a buy zone.

Broadcom (**AVGO**) rallied yesterday on news that they are working with OpenAI to develop a new AI chip. Look for a bullish MACD crossover on the daily chart (black line up through the red) to confirm a new uptrend and put the stock into a strong buy zone.

For now, the Semiconductor stocks on our List can be held as we continue to receive further news regarding AI chip demand from M7 names that are reporting results.

Software stocks are outperforming after a march to new highs following a rally in beaten-down names that are reporting positive results. (using ETF IGV)

Among names on our List, Q2 Holdings (**QTWO**) remains in a confirmed uptrend after this week's 2.7% rally keeps the stock above its upward trending 10-day moving average. The stock is in a buy zone ahead of the release of their earnings next Wednesday.

Fair Isaac (**FICO**) is also due to report earnings next Wednesday and the stock is in a bullish position similar to prior periods where the stock hits a new high (earlier this month) and then consolidates before another leg up. **FICO** is in a buy zone.

Monday.com (**MNDY**) is continuing to find support above its upward-trending 5-day moving average which keeps the stock in a buy zone.



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Fortinet (**FTNT**) now has a negative RSI after pulling back this week. The weakness is taking place amid a decline in other Software Security stocks. **FTNT** will be reporting results later next week. For now, the stock can be held.

Arista Networks (**ANET**) is trending sideways in line with other networking stocks however, analysts are bullishly raising earnings estimates going into their report next Thursday. The stock can be added to lightly.

Industrial stocks are flat for the week after disappointing results from heavyweight Caterpillar (CAT).

Among names on our List, EMCOR (**EME**) is rallying ahead of the release of their earnings tomorrow. A close above its 10-day moving average coupled with a positive RSI on any positive news, would put EME into a buy zone.

FTAI Aviation (**FTAI**) reported results today after the market's close however, management will not be holding their earnings call until tomorrow morning before the market's open.

It's been reported that **FTAI** posted a strong 3rd quarter and today's close above its 5-day simple moving average puts the stock into a strong buy zone.

TransDigm (**TDG**) is continuing to struggle with a pullback to its 50-day moving average ahead of the release of their earnings next Thursday. A close below \$1322 would have us removing the stock as that's its 50-day moving average and the RSI is now in negative territory.

Granite Construction (**GVA**) is also due to report results before the market's open and the stock is in a position to trade higher on any positive results as it is above its 10-day moving average with a positive RSI and MACD.

M7 stock Meta Platforms (**META**) released quarterly results after the market's close today and the stock is falling despite reporting record revenues.

The decline is taking place amid news of slower digital sales as well as plans to increase spending due to an acceleration of infrastructure expense growth for next year.

**META** closed today in a bullish position however, a move below its 10-day moving average may put the stock back into a near-term downtrend. A close above this mav in the \$578 range would put **META** into a buy zone.



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Netflix (**NFLX**) continues to consolidate after its gap up in price following positive results earlier this month. The stock is forming a high tight flag formation and a close above its recent high of \$773, would put **NFLX** into a strong buy zone. For now, the stock is in a buy zone.

Microsoft (**MSFT**) is also pulling back after hours after the company reported earnings above estimates however, cloud growth fell short.

Next up will be Apple (**AAPL**) who will be reporting results after the markets close tomorrow.

*While earnings reports have been key to providing insights into corporate growth, tomorrow's inflation data will be closely watched as will Friday employment data. Both reports may set the pace for the FOMC's interest rate decision next week.*

Warmly,

Warmly,  
Mary Ellen McGonagle  
Editor, MEM Edge Report