



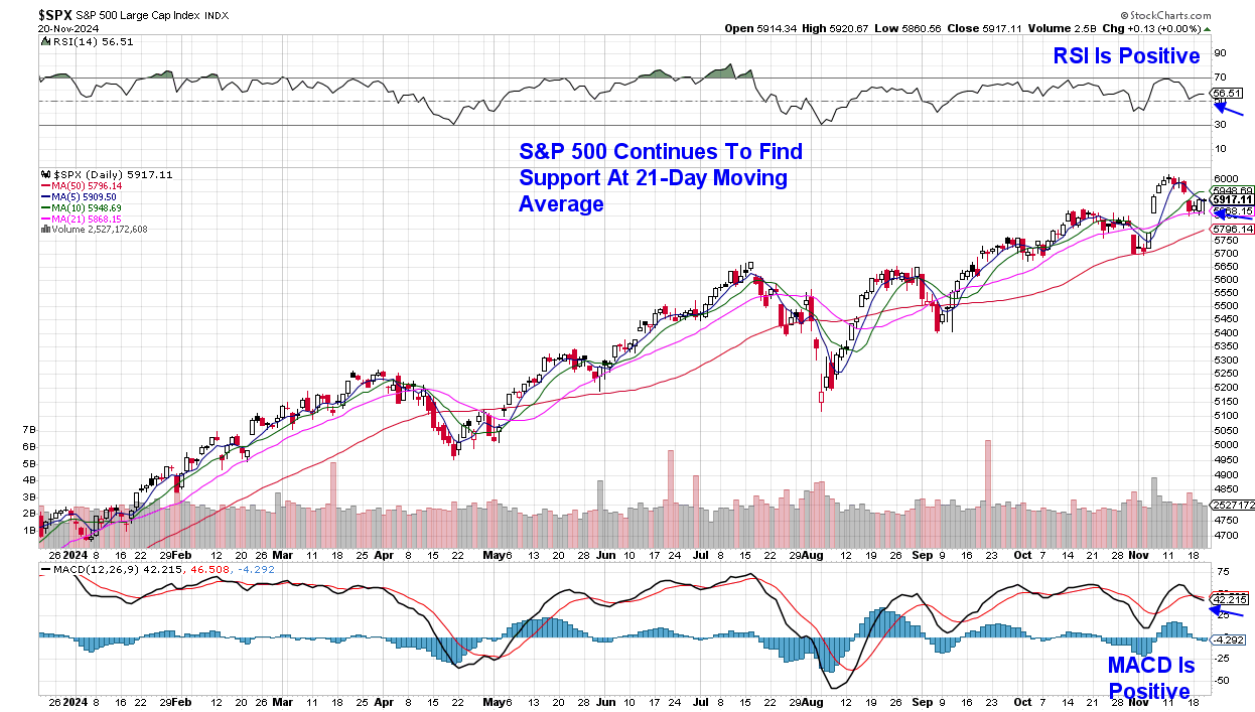
THE MEM EDGE

Midweek Report

Wednesday, November 20, 2024

- New Home Construction Falls Amid High Interest Rates
- Weekly Jobless Claims Report Thursday and Consumer Sentiment Reports on Friday
- Volatility Index (VIX) Increases as Fears Of Russia-Ukraine Conflict As Well As Interest Rate Cuts Questioned

DAILY CHART OF S&P 500 INDEX



The S&P 500 has gained 0.8% in a move that keeps this Index above its 21-day moving average. With a positive RSI and MACD, the near-term uptrend in this Index remains in place.

The Nasdaq fared better, with a 1.5% gain that keeps this Index in an uptrend as well. The Nasdaq received a boost from outperformance in most of the M7 names as well as Software stocks.



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Earnings reports continue to drive price action with Retail stocks falling after Target (TGT)'s sharp earnings miss and gloomy guidance.

Walmart (**WMT**) fared much better with a gap up in price following a strong quarter and a positive growth outlook going forward. **WMT** is in a buy zone as it continues to trend higher.

Amazon (**AMZN**) is flat for the week as it finds support at its 21-day moving average. A close above its 10-day moving average in the \$207 range would put the stock into a buy zone.

Toll Brothers (**TOL**) is clinging to its 50-day moving average with a positive RSI and MACD. The stock's momentum is flat and **TOL** can be held.

Shake Shack (**SHAK**) has pulled back further this week and the stock is now below its 21-day moving average. A close above its 10-day moving average in the \$125 range would put **SHAK** into a buy zone.

Software stocks recovered most of last week's pullback with outperformance in stocks such as Q2 Holdings (**Q TWO**) which has closed above its 10-day moving average and remains in a buy zone.

Fair Isaac (**FICO**) is in a similarly bullish position after regaining its 10-day moving average. The stock is in a buy zone.

Fortinet (**FTNT**) is on the cusp of closing above its 10-day moving average in the \$93 range which would put the stock into a buy zone.

Palantir (**PLTR**) pulled back after its 50%+ gain over the prior 2 weeks. We would add lightly to any positions here as the stock remains overbought with the MACD poised to post a negative crossover.

Nvidia (**NVDA**) is flat in after-hours trade despite reporting strong earnings and sales that were above estimates. The stock is in a buy zone as it is above its shorter-term moving averages. Tomorrow's live market action will provide further clues as the company's guidance for growth going forward may disappoint investors.

Taiwan Semiconductor (**TSM**) is clinging to its 50-day moving average with the RSI and MACD in negative territory. A close above its 10-day moving average in the \$192 range would be bullish.



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Communication Services (XLC) is the top-performing sector led by a 7.3% gain in Netflix (**NFLX**). The stock rallied following news that a live fight shown last weekend garnered 108 million viewers. This boosted Wall Street's outlook for their venture into live sports.

NFLX is overbought with the RSI above 80 and the stock can be bought on a pullback to the \$853 range at its 5-day simple moving average.

Alphabet (**GOOGL**) is in a buy zone as it approaches as a possible cup with handle base breakout at \$182.5.

Financial stocks have been the poorest performer due to a pullback in Bank stocks. Bank of America (**BAC**) remains above its 10-day moving average and is in a buy zone.

Payment Processing stocks are continuing to trend higher led by Affirm Holdings (**AFFM**) which has gained 12.5% as it continues to hit a new near-term high in price. The company dominates the Buy Now, Pay Later space due to its partnerships with many large organizations.

AFFM can be bought on a pullback to its 5-day moving average in the \$58 price range.

Industrial stocks are flat for the week however, each of the stocks on our List have gains. FTAI Aviation (**FTAI**) has rallied 8% and is in a confirmed uptrend. The stock can be bought on a pullback to the \$164 range at its 5-day moving average.

Granite Construction (**GVA**) and EMCOR (**EME**) remain in a buy zone as these stocks are above their 10-day moving averages and in an uptrend.

Healthcare stocks are continuing to underperform this week however, both Intuitive Surgical (**ISRG**) and Boston Scientific (**BSX**) are outperforming the markets with gains that keep them above their 10-day moving averages and in a confirmed uptrend. Both **BSX** and **ISRG** are in a buy zone.

This week, Growth stocks are outperforming Value stocks by a wide margin, led by M7 as well as other AI-related companies that have posted strong results. Tomorrow's response to NVDA's earnings may push recently strong AI stocks lower, however.

Warmly,
Mary Ellen McGonagle
Editor, MEM Edge Report