



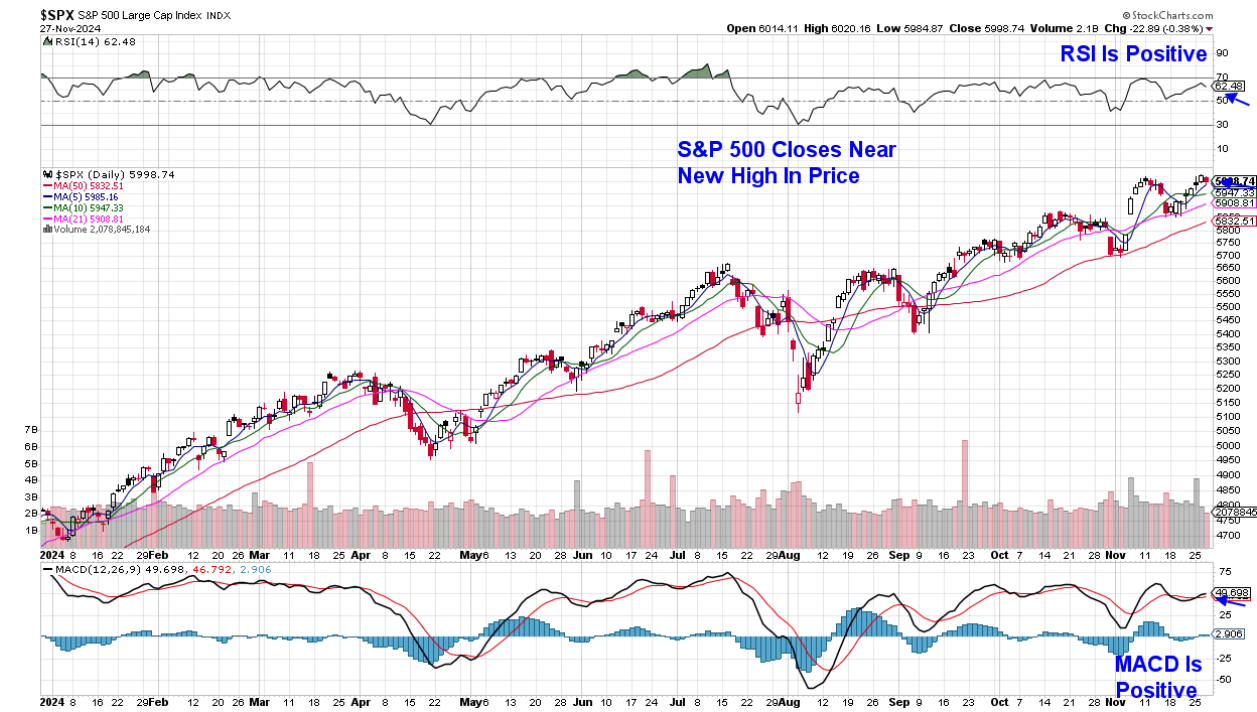
THE MEM EDGE

Midweek Report

Wednesday, November 27, 2024

- Q3 GDP Grew At 2.8% - Unchanged from Initial Estimates
- Consumer Spending Rises Ahead of Holidays
- PCE Shows Inflation Rising for First Time Since Summer
- Markets Closed Tomorrow with Half Day on Friday
- Removing Taiwan Semi (TSM) From Suggested Holdings List

DAILY CHART OF S&P 500 INDEX



The S&P 500 has gained 0.5% over the past 3 days with this Index pulling back slightly from a new high earlier in the week. With the RSI and MACD in positive territory, the near term uptrend in this Index remains in place.

The Nasdaq is up 0.3% amid outperformance in several M7 stocks as well as a rally in Biotech, Retail, and Home Builders. Tech stocks are among the worse performing, led by a decline in Software stocks as well as Nvidia (NVDA) which is down 4.7% for the week.



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NVDA's decline began on Monday, following news that the company has met with Chinese officials despite President-elect Trump's plans to escalate trade tensions. The stock is also continuing to retreat after last week's earnings report where growth estimates were "good" but not great.

NVDA closed just above its 50-day moving average today however, the RSI is in negative territory with the MACD poised to turn negative as well. This paints a negative outlook for the near term and we would not be a buyer in this pullback.

A close back above its 10-day moving average coupled with a positive RSI, would shift our sentiment for **NVDA** to near-term positive.

Other Semiconductor stocks are pulling back as well, with the group down 1.7% and in a downtrend with a negative RSI and MACD. (using SOXX)

Taiwan Semi (**TSM**) - which we had highlighted on Sunday as being in a position to possibly re-enter an uptrend, has faltered with a 4.7% decline amid tariff fears. We are removing the stock from our Suggested Holdings List as it's below its 50-day moving average with a negative RSI and MACD.

Software stocks are also pulling back this week due to a sharp drop in companies reporting disappointing earnings such as Autodesk (ADSK), Workday (WDAY), and CrowdStrike (CRWD).

Among names on our List, Q2 Holdings (**QTWO**) has pulled back 1.8% after hitting a new high in price yesterday. The stock remains in an uptrend.

Palantir (**PLTR**) has gained 2.6% and the stock remains in a confirmed uptrend above its 5-day moving average. The stock is poised to trade higher and is in a buy zone.

Fortinet (**FTNT**) and Fair Isaac (**FICO**) are also in a buy zone as they're above their 5-day moving average with a positive RSI and MACD.

Consumer Discretionary stocks are outpacing the markets led by heavyweight Amazon (**AMZN**) which has gained 4.4% due to their strong start to the holiday shopping season. The stock is in a buy zone after moving above its 10-day moving average today.

Major Retailer Walmart (**WMT**) is also posting gains and the stock is in an uptrend and can be bought on a pullback to the \$91 range at its 5-day moving average.



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Homebuilders received a boost after Trump's Treasury pick of Bessent. The former hedge fund manager is viewed as pro-growth and it positively impacted other areas as well.

Toll Brothers (**TOL**) is in a very bullish position from which to trade higher after Monday's gap up in price has since been supported with a move a bit higher. **TOL** is in a buy zone.

Shake Shack (**SHAK**) entered a buy zone on Monday after closing above its 21-day moving average. The stock remains in an uptrend and can be bought in the \$128 range at its 5-day moving average.

Bank stocks are flat for the week with Bank of America (**BAC**) outperforming with a 1.6% gain. The stock is poised to trade higher as it remains in a confirmed uptrend.

Affirm (**AFRM**) is continuing to trend higher as well and the stock is in a buy zone above its upward trending 5-day moving average.

Blue Owl Capital (**OWL**) has pulled back to its 10-day moving average which keeps the stock in an uptrend. The stock is in a buy zone.

Industrial stock FTAI Aviation (**FTAI**) appears to be consolidating after its recent advance. The MACD on the daily chart is poised to turn negative which would confirm at least a pause. A pullback to the 21-day moving average has been an ideal buy point for this stock in the past. **FTAI** can be held.

Vertiv Holdings (**VRT**) has pulled back to its 21-day moving average. A close above its 10-day mav in the \$132 range would put VRT into a buy zone.

Both EMCOR (**EME**) and Granite Construction (**GVA**) are trending sideways above key support. Both stocks can be held.

Healthcare stocks are mixed with Boston Scientific (**BSX**) in a buy zone as it is finding support at its upward trending 5-day moving average. Intuitive Surgical (**ISRG**) on the other hand is pulling back slightly and now trending sideways. Both stocks are in a buy zone.

Netflix (**NFLX**) has pulled back into a buy zone as it's finding support above its 10-day moving average.



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The markets continue to be impacted by political nominations and earnings reports as we head into tomorrow's holiday. Overall, we remain in a confirmed uptrend with interest rates trending lower.

Warmly,
Mary Ellen McGonagle
Editor, MEM Edge Report