



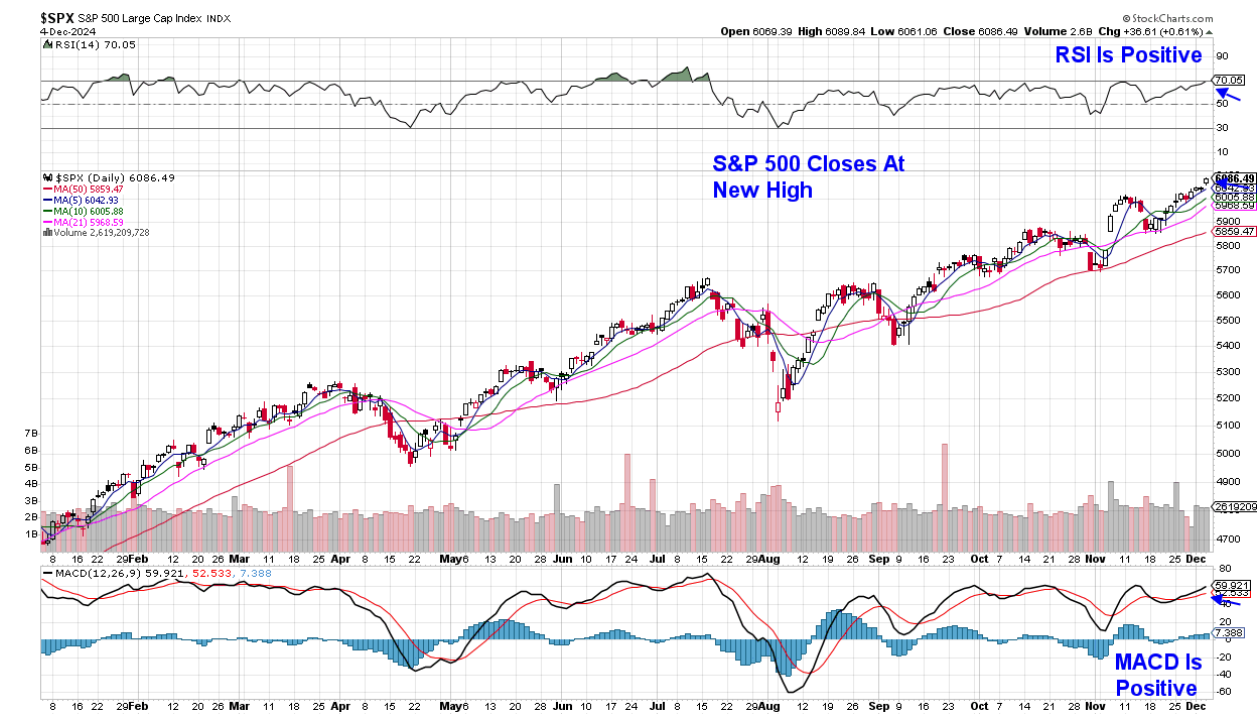
# THE MEM EDGE

Midweek Report

Wednesday, December 4, 2024

- U.S. Jobs Market Points to Stable Economy
- Powell Says Economy Is in Remarkable Shape
- Nasdaq, Dow, and S&P 500 Hit Record Highs
- U.S. Employment Report and Consumer Sentiment Report On Friday

## DAILY CHART OF S&P 500 INDEX



The S&P 500 has gained 0.9% in a move that keeps this Index in a near-term uptrend while closing at a new high in price.

The big winner this week however is the Nasdaq, which posted a 2.7% gain amid a Tech fueled rally and a boost from M7 stocks which have outperformed.

The gains were a follow-through to November's election-related rally, with strong earnings from select Software and Semiconductor stocks also providing a boost to Growth stocks.



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A large part of Nvidia's (NVDA) 5% gain took place today after rival AI chip company Marvel (MRVL) shot up over 20% after reporting strong earnings and guiding growth higher into next year. Investors have been on the lookout for MRVL to benefit from AI chip demand and the company finally delivered.

**NVDA** is in a buy zone and a bullish MACD crossover on the daily chart would put the stock into a strong buy zone.

Several additional Semiconductor stocks have rallied this week in a move that has pushed the RSI into positive territory for Semiconductor ETF SOXX.

Among them was Taiwan Semiconductor (**TSM**), which has reversed its recent downtrend with a close above its 50-day moving average coupled with a now bullish MACD and a positive RSI. We are adding **TSM** back to our Suggested Holdings List.

Software stocks are also on the move higher with much of the gains in the group following today's strong earnings report from Salesforce (CRM).

Among Software stocks on our List, Q2 Holdings (**QTWO**) has gained over 5% amid analyst upgrades due to the company's growth within the banking industry. The stock posted a 1-week base breakout on heavy volume and is in a buy zone.

Palantir (**PLTR**) is continuing its winning ways with a 4% gain for the week following news that the federal government gave the company a higher rating for their secure cloud services. The U.S. government accounts for nearly 60% of **PLTR**'s revenues. **PLTR** is in a buy zone.

Fortinet (**FTNT**) has gained over 3% with most of the gains taking place today amid a rally in Software Security stocks. Today's gap up in price puts the stock into a buy zone with a base breakout at \$100 putting the stock into a strong buy zone

Fair Isaac (**FICO**) is in a buy zone after today's close above its 10-day moving average.

Consumer Discretionary stocks were given a boost from Amazon's (**AMZN**) 5% gain following news of plans for a massive AI supercomputer made up of its in-house Tranium 2 chips.

**AMZN** gapped up into a 3-week base breakout today which pushed the MACD into a bullish crossover. This puts **AMZN** into a strong buy zone with any pullback to the \$216 level being an ideal buy point.



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Walmart (**WMT**) is continuing to move higher as it finds support above its upward-trending 5-day moving average. We would not overweight the stock at this time, as the RSI is above 85 and overbought on the weekly chart.

Shake Shack (**SHAK**) is consolidating after last week's sharp gain. A move above \$135 would put the stock into a base breakout and a strong buy zone.

Housing stocks were hit this week following a WSJ article that cited the group's vulnerability to possible deportations and new tariffs. Toll Brothers (**TOL**) fell further than the group with most of its losses taking place today.

We would not be a buyer on this pullback but instead are on the lookout for a close above its 10-day moving average in the \$160 range.

Financial stocks are pulling back this week however, payment processor Affirm (**AFRM**) continues to climb higher while finding support above its 5-day moving average. The stock is in a buy zone.

Bank stocks are pulling back this week with Bank of America (**BAC**) finding support at its upward-trending 21-day moving average. A close above its 10-day moving average in the \$47 range would put **BAC** into a buy zone.

Blue Owl (**OWL**) has also found support at its 21-day moving average. A close above \$24 would put the stock into a buy zone.

Industrial stocks are pulling back this week however, Vertiv (**VRT**) has gained 2.5%. A close above its 10-day mav in the \$132 range would put the provider of data center infrastructure into a buy zone.

EMCOR (**EME**) also provides construction-related services to AI-related companies such as Utilities. The stock is in a buy zone after closing back above its 10-day moving average.

FTAI Aviation (**FTAI**) is posting an orderly pullback to its 21-day moving average. A close above \$169 would put the stock into a buy zone.

Granite Construction (**GVA**) is in a buy zone as it is a hair away from a 2-week base breakout. The stock's overbought condition would have us not overweighting the stock at this time.



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Healthcare stocks overall are continuing to struggle however, Intuitive Surgical (**ISRG**) is in a buy zone following a rally on Morgan Stanley's upgrade to overweight for the stock.

Boston Scientific (**BSX**) is in a period of consolidation and the stock can be held.

Netflix (**NFLX**) is outperforming the markets as the stock continues to find support above its upward-trending 5-day moving average. The stock is in a buy zone however, given its overbought condition with the RSI above 75, we would not overweight the stock at this time.

This week's continuation rally in the markets has been driven primarily by gains in Growth stocks - led by M7 and Tech names. The Vanguard Growth ETF (VUG) has gained 2.9% relative to their Value ETF (VTV), which is down 1.5%.

Next up for the markets will be Friday's employment data and should we see numbers similar to today's private company employment report that showed stabilization, we expect the markets to continue to trade higher.

Warmly,  
Mary Ellen McGonagle  
Editor, MEM Edge Report





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## DAILY CHART OF TAIWAN SEMICONDUCTOR (TSM)

