



THE MEM EDGE

August 17, 2025 | Weekly Report

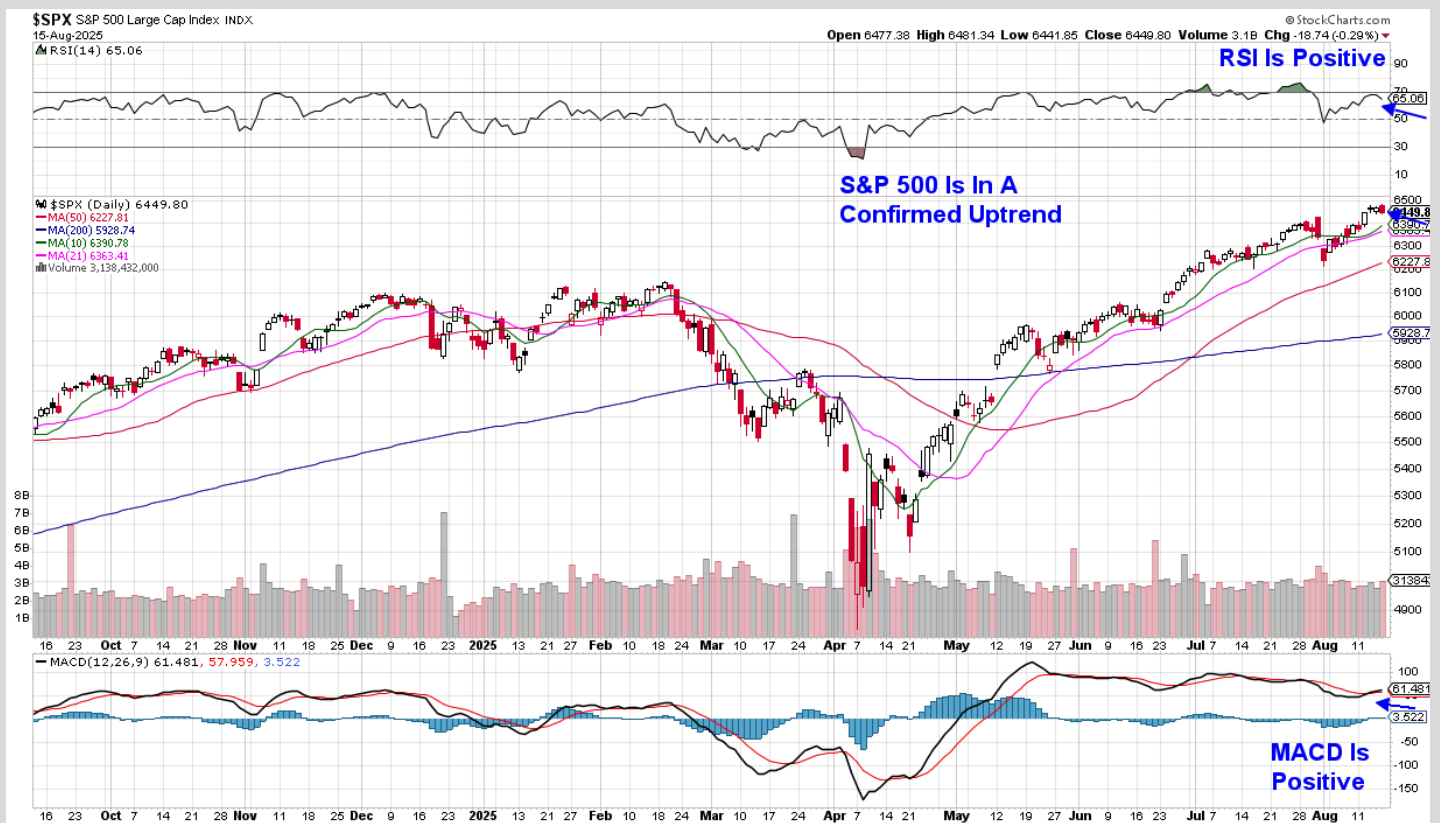
Impactful Events Last Week

- AI-Related Stocks Hit Pause
- Inflation Fears Lower Rate Cut Odds For September
- Value Stocks Outperform Growth Led By Healthcare
- U.S. and China Extend Trade Truce Another 90 Days
- Trump Announces Tariffs On Imported Semiconductors Coming Soon

Upcoming Events Next Week

- Release Of Minutes From The Latest FOMC Meeting On Wednesday
- Jobless Claims On Thursday
- Powell's Jackson Hole Speech On Friday
- Walmart (WMT) And Other Major Retailers Report Earnings Next Week

Daily Chart of S&P 500



The S&P 500 and Nasdaq both posted gains just under 1% for the week, which keeps their near-term uptrends in place.

We continue to keep an eye on the RSI of the weekly chart of the Nasdaq, as an overbought position has historically preceded a pullback. At this time, the RSI remains just below 70 (above this level is overbought).

Inflation data last week painted a mixed picture, as softer-than-expected CPI figures on Tuesday were countered by a stronger-than-expected PPI reading on Thursday. On balance, the data suggest upward inflationary pressures, leaving investors uneasy ahead of the Federal Reserve's interest rate decision next month.

The markets are currently anticipating a rate cut, and any further signs suggesting otherwise could quickly weigh on stocks. Additional clarity may come from Fed Chair Powell's speech on Friday, as well as the Federal Reserve's July FOMC meeting minutes set to be released on Wednesday.

Whether interest rate-related or not, the markets shifted slightly last week, with many recently hot areas stalling or pulling back.

Over the past four months, AI-related companies have outperformed the broader market, fueled largely by optimism around their growth potential. This earnings season has reinforced that enthusiasm, with many companies reporting strong results that validate the trend.

That said, momentum showed signs of receding last week, as several leading names came under pressure. Applied Materials (**AMAT**), for instance, sold off sharply after issuing weaker-than-expected guidance, citing global economic uncertainty and tariff concerns—particularly those affecting its business in China.

Economic data out of China added to the downside pressure, with Retail Sales and Industrial Production coming in below expectations. Given China's importance as a key market for AI and technology products, the weak reports further weighed on sentiment.

In turn, many of the leading stocks related to AI that are on our Suggested Holdings List underperformed.

All the Technology stocks on our List remain in uptrends, however, with the exception of Roblox (**RBLX**), which fell sharply on Friday following news that the state of Louisiana is suing the company over allegations of child exploitation.

While the company uses AI to enhance their products, the sharp pullback in **RBLX** stems from outside issues. At this time, the stock is finding support at its 50-day moving average; however, with its negative RSI, we would not be a buyer.

Instead, a close above its 10-day moving average coupled with a positive RSI would put **RBLX** back into an uptrend.

Nuclear energy companies critical for AI also pulled back last week, with both Oklo Inc. (**OKLO**) and Vertiv Holdings (**VRT**) falling sharply. A close below their 50-day moving averages would have us removing them from our Suggested Holdings List.

Heavy Construction stocks related to the buildout of data centers needed to train and deploy AI models also pulled back last week. This would include MasTec (**MTZ**), which is finding support at its 50-day moving average. A close below this key level would have us removing the stock from our List.

With earnings season for many AI-related companies behind us, investors' positive response to strong earnings has raised concerns of valuations now being too high. We would add to new positions lightly at this time.

Mortgage-related stocks gave the Financial sector a boost last week, after home loans fell to their lowest level since last October.

On the other hand, banks that focus on global investment management, such as Bank of New York (**BK**) and J P Morgan (**JPM**), were weaker, and both stocks are a hold until they regain their uptrends.

Interactive Broker (**IBKR**) did not recover from Wednesday's sharp drop following news of the company's offering of commission-free trading in Singapore. We are on the lookout for a close above its 10-day moving average to regain its uptrend.

Earnings reports from major retailers will begin next week, with recently added Walmart (**WMT**) joining Target (**TGT**), Home Depot (**HD**), and Lowe's (**LOW**) by reporting their results.

WMT will release their earnings on Thursday before the markets open, and last week's pullback from recent highs would put the stock into a position to trade higher should they report positive results.

Both Ulta Beauty (**ULTA**) and Dollar General (**DG**) will release results later this month. Last week, **ULTA** closed at a new high in price due to analyst earnings upgrades going into their quarterly numbers. The stock is in a strong buy zone.

Netflix (**NFLX**) fully regained a new uptrend after closing above its 50-day moving average with a positive RSI. The stock is in a strong buy zone with a bullish MACD providing further confidence.

The Technology sector was flat last week as Software stocks continue to struggle amid advances in AI (using ETF IGV). Among concerns is that AI tools could lead to faster and cheaper software developments, which would increase competition.

Semiconductor stocks outperformed despite a pullback in heavyweight names Nvidia (**NVDA**) and Broadcom (**AVGO**) following Trump's announcement of upcoming tariffs on imported semiconductors.

Recently added Micron (**MU**) also pulled back on Friday's tariff news; however, the stock remains in a buy zone.

Semi Equipment stocks also came under selling pressure after Applied Materials (**AMAT**) guided their growth prospects lower due to a slowdown in China.

MU gapped up on Monday after raising their growth guidance for the 4th quarter. The move put the stock close to a possible \$130 base breakout; however, Trump's announcement of possible Semiconductor tariffs on Friday pulled the stock lower. Overall, Semiconductor stocks remain in an uptrend (using ETF SOXX).

Palantir (**PLTR**) hit a new high on Tuesday before pulling back into Friday's close. The decline is viewed as profit-taking after the stock's sharp advance, as analysts are concerned about the stock's high valuation.

The stock remains in an uptrend at this time; however, should we see a negative MACD crossover (black line down through the red), we would anticipate further sideways to downside price action over the near term.

Summary

August and September are known for being seasonally weaker months for the stock market, and ongoing inflation concerns could be contributing to investor unease.

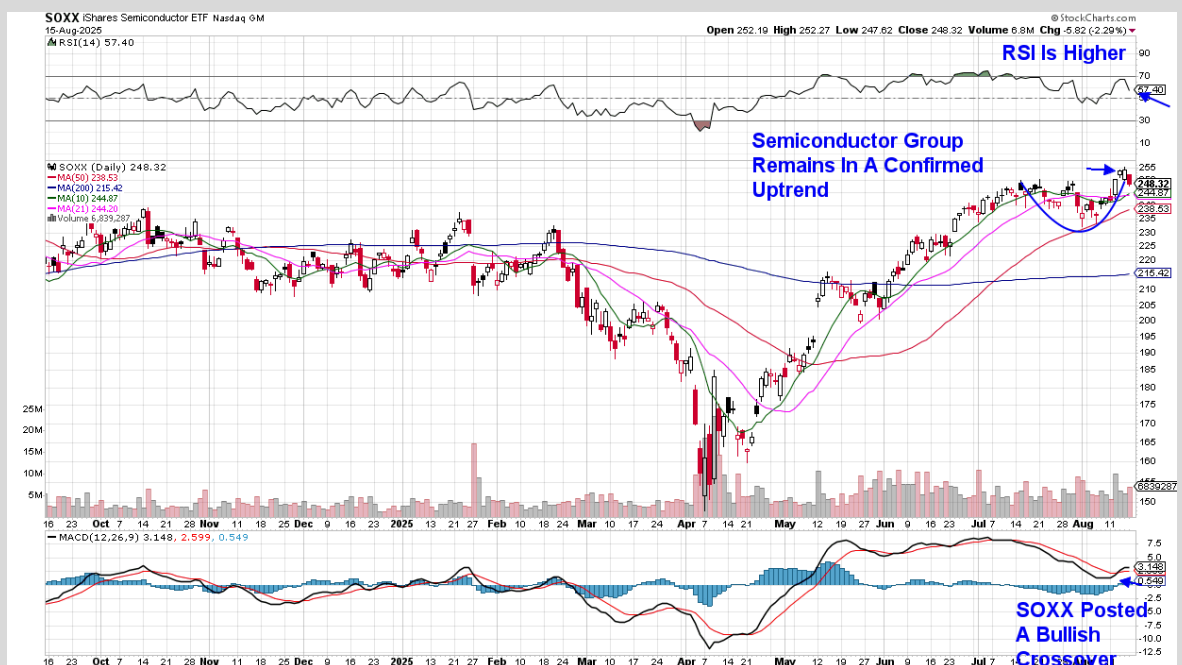
While the timing of interest rate cuts is still unclear, the outlook appears to be shifting toward a more cautious approach, signaling a potential change in tone ahead of Chair Powell's upcoming speech at the Jackson Hole Symposium on August 22.

That said, expectations for a rate cut remain high, with the CME FedWatch tool now at an 85% chance of this taking place.

Should Powell's speech on Friday confirm the possibility of a September cut, we anticipate continued strength in recently lagging areas such as Small Caps and Value stocks, as well as renewed strength in Growth stocks.

CHARTS WE ARE WATCHING

Daily Chart of iShares Semiconductor ETF (SOXX)



CHARTS OF NAMES ON OUR SUGGESTED HOLDINGS LIST

Daily Chart of APP



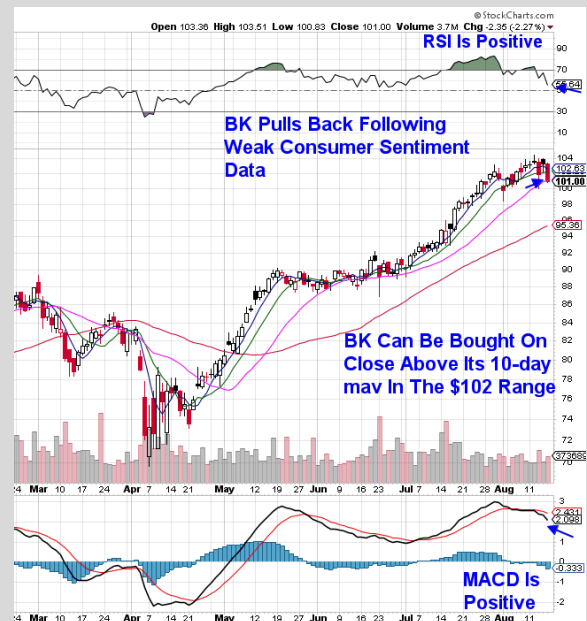
Daily Chart of AVAV



Daily Chart of AVGO



Daily Chart of BK



CHARTS OF NAMES ON OUR SUGGESTED HOLDINGS LIST

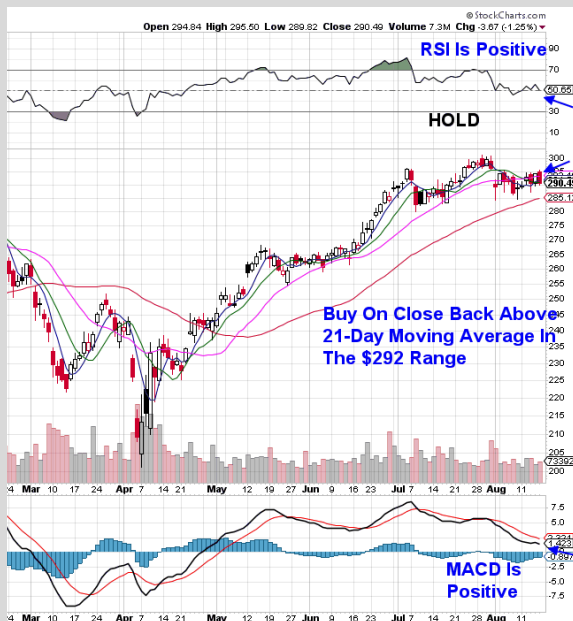
Daily Chart of DG



Daily Chart of IBKR



Daily Chart of JPM

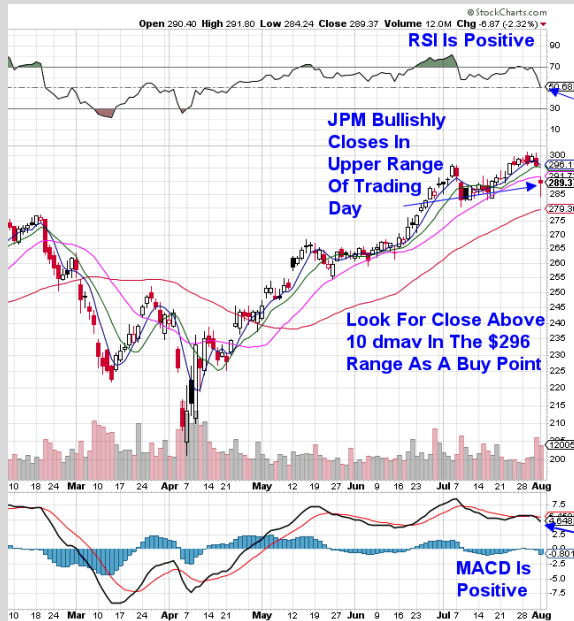


Daily Chart of MTZ

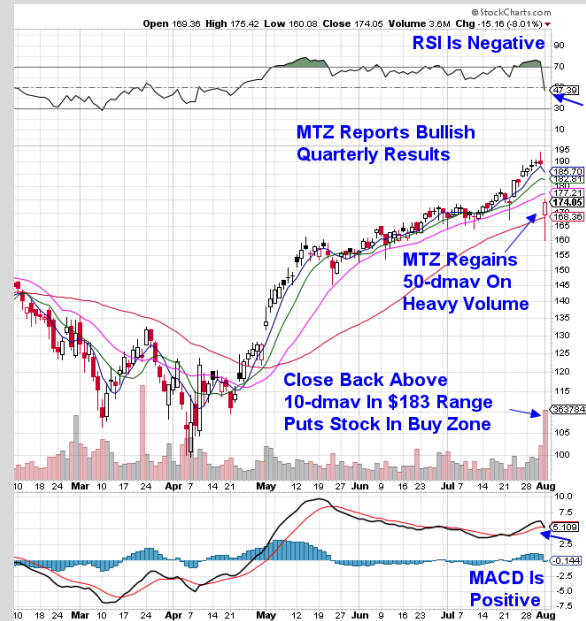


CHARTS OF NAMES ON OUR SUGGESTED HOLDINGS LIST

Daily Chart of JPM



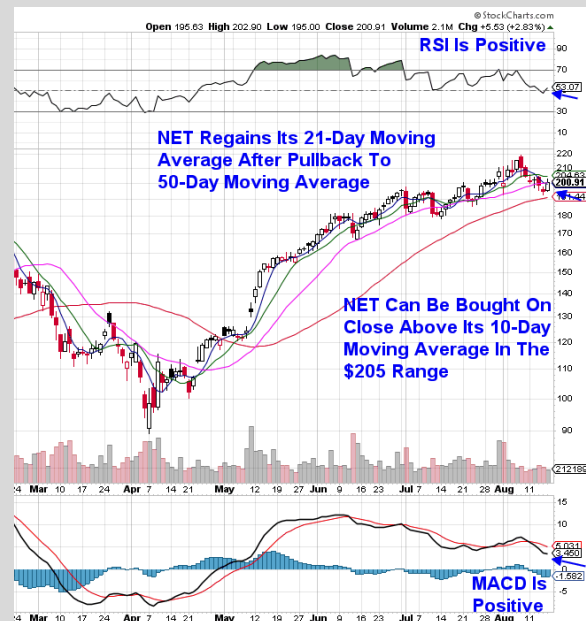
Daily Chart of MTZ



Daily Chart of MU



Daily Chart of NET

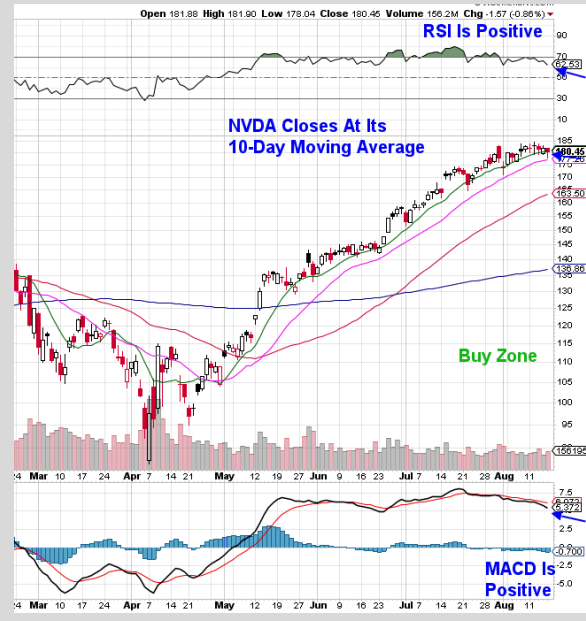


CHARTS OF NAMES ON OUR SUGGESTED HOLDINGS LIST

Daily Chart of NFLX



Daily Chart of NVDA



Daily Chart of OKLO

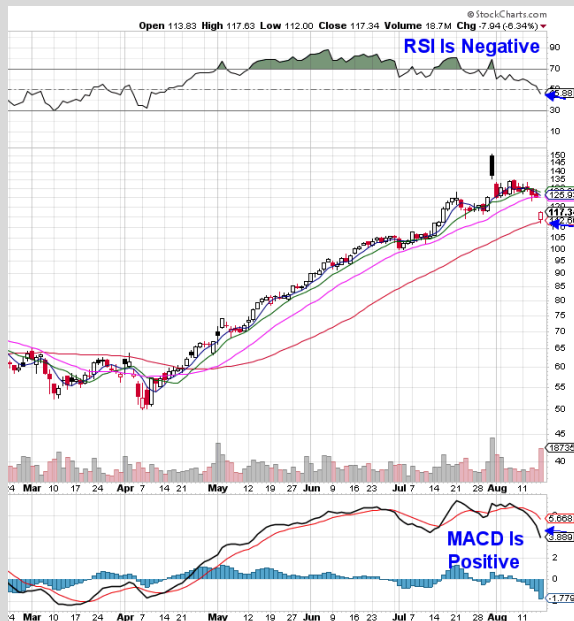


Daily Chart of PLTR

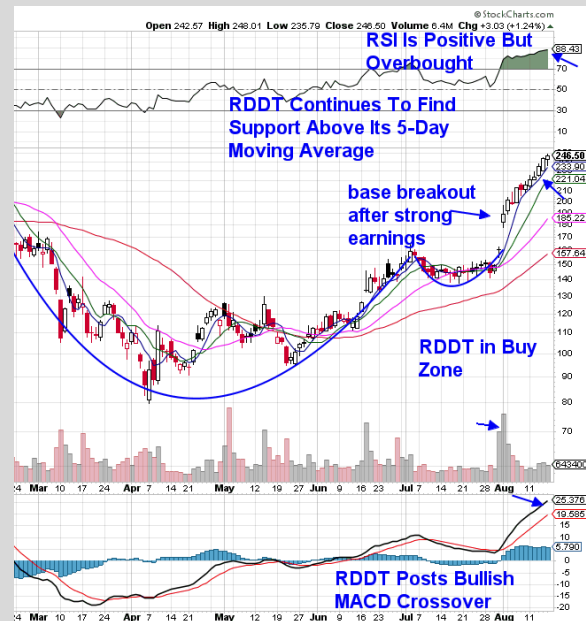


CHARTS OF NAMES ON OUR SUGGESTED HOLDINGS LIST

Daily Chart of RBLX



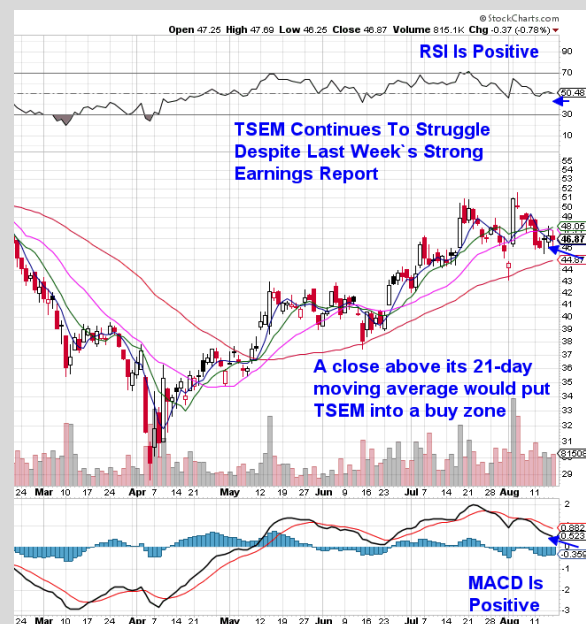
Daily Chart of RDDT



Daily Chart of RMBS

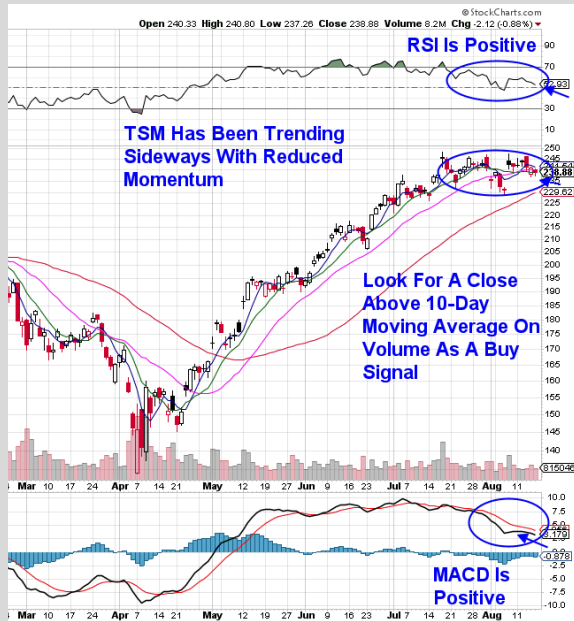


Daily Chart of TSEM

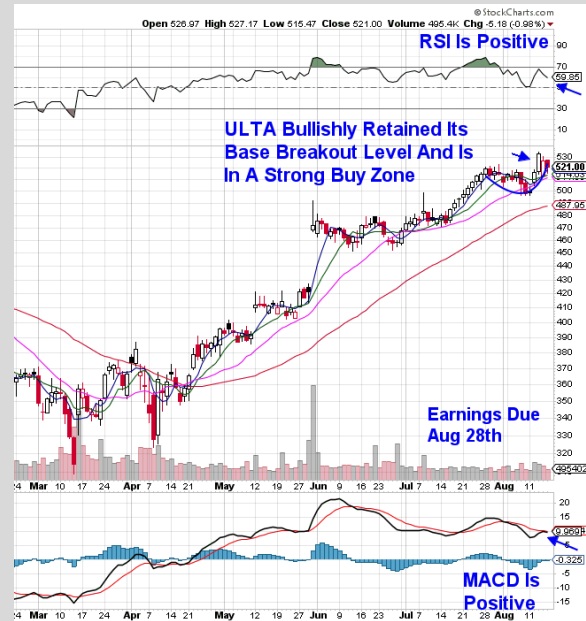


CHARTS OF NAMES ON OUR SUGGESTED HOLDINGS LIST

Daily Chart of TSM



Daily Chart of ULTA



Daily Chart of VRT



Daily Chart of WMT



MEM EDGE REPORT SUGGESTED HOLDINGS LIST

Stocks With Emerging Leadership Characteristics

\$ = Earnings Due	Buy Zone	Strong Buy	Buy on Pullback	Removed From List	
SYMB	COMPANY	PRICE	DATE ADDED	PERFORMANCE	EARNINGS DUE
CONSUMER DISCRETIONARY					
DG	Dollar General	\$113.30	8/7/2025	-0.5%	Aug-28
ULTA	Ulta Beauty	\$477.80	7/6/2025	3.0%	Aug-28
WMT	Walmart	\$103.70	8/10/2025	-3.5%	Aug-21
TECHNOLOGY					
APP	AppLovin	\$446.30	8/13/2025	-2.0%	Aug-28
AVGO	Broadcom	\$190.30	4/27/2025	55.5%	
MU	Micron	\$124.30	8/13/2025	-2.5%	already reported
NET	Cloudflare Inc.	\$132.30	5/11/2025	52.5%	
NVDA	Nvidia	\$135.30	5/14/2025	30.0%	Aug-27
PLTR	Palantir	\$100.80	4/23/2025	74.5%	already reported
RBLX	Roblox	\$65.70	4/24/2025	70.5%	already reported
RMBS	Rambus	\$68.20	7/20/2025	9.5%	already reported
TSM	Taiwan Semiconductor	\$202.40	6/4/2025	20.5%	already reported
TSEM	Tower Semiconductor	\$46.40	7/6/2025	6.5%	already reported
FINANCIAL					
BK	Bank Of New York Mellon	\$85.90	5/11/2025	19.0%	already reported
IBKR	Interactive Brokers Group	\$53.90	6/29/2025	17.0%	already reported
JPM	JP Morgan Chase	\$275.00	6/22/2025	4.0%	already reported
INDUSTRIAL					
AVAV	AeroVironment Inc.	\$147.60	4/20/2025	61.0%	already reported
MTZ	MasTec	\$140.90	5/4/2025	26.0%	already reported
COMMUNICATION SERVICES					
NFLX	Netflix	\$1,211.60	12/8/2024	2.5%	already reported
RDDT	Reddit	\$138.10	6/22/2025	62.5%	already reported
UTILITIES					
OKLO	Oklo Inc.	\$64.30	7/16/2025	11.5%	already reported
VRT	Vertiv	\$141.60	8/3/2025	-5.0%	already reported

Longer Term Hold Candidates That Were Removed From Suggested Holdings List

SYMB	COMPANY NAME	CURRENT STATUS
SNOW	Snowflake	HOLD

These stocks were removed due to short term downtrends after breaks below key support. However, their longer term weekly charts remain constructive and these stocks can be held.

Glossary of Terms Used From Our Suggested Holdings

Buy Zone

This means the stock is in a confirmed uptrend and is finding support at its upward-trending key moving averages and can be bought. If you own the stock, stay with it.

Strong Buy

This means we have slightly more conviction in the ability of this stock to outperform the markets over the next week. The stock may be poised to break out of a base, it may be in a strong industry group or there may be recent good news. In other words, the stock has some edge that should help propel the stock higher.

Buy on Pullback

In this case, the stock is a bit over-bought (or extended) and may need to come in a little before buying. This is usually following a particularly strong week where the stock was up a lot. We would look for a pullback to the stock's upward-trending 10-day moving average as an optimal entry point.

Not Highlighted

These are stocks that remain positive and can be held if you own them. However, they currently do not appear poised to have an upward move. The stock may be consolidating after a large advance or be in an industry group that is not in favor. The longer-term uptrend remains in place however.

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