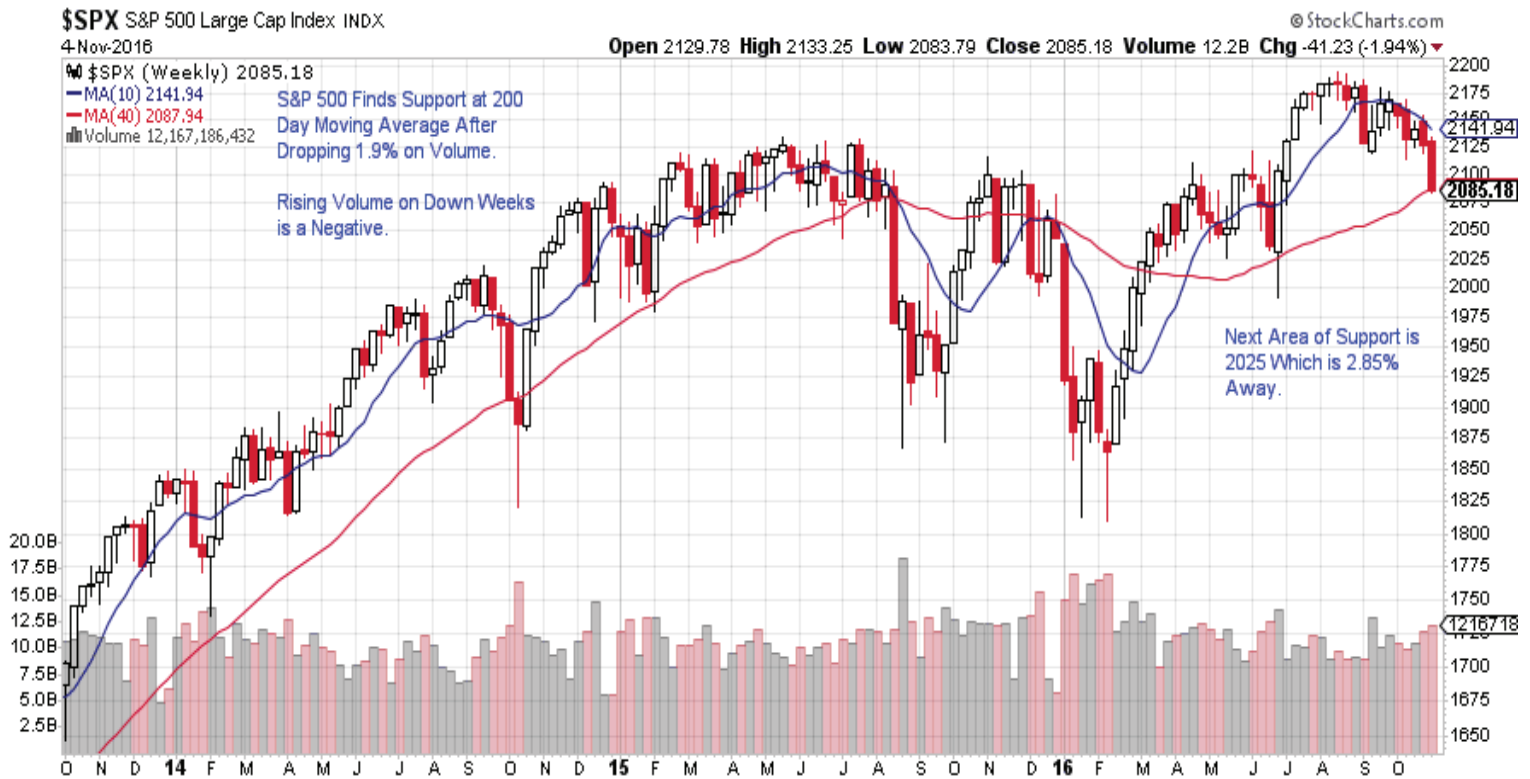




DAILY CHART OF S&P 500



The S&P 500 lost 1.9% last week as election fears continued to overshadow a positive earnings season. Contributing to the drop was a decline in several leadership stocks that posted exceptional earnings but guided lower for next year. Despite the decline, the index remains slightly above its 200-day moving average which is the next area of support.

The Nasdaq lost 2.8% for the week driven by declines in Technology and Biotech stocks. While drops in heavyweights Facebook (- 8%) and Apple (- 4%) were a big part of the decline, the sell-off emphasized the current “risk-off” environment.

We expect the current volatility in the markets to remain at least through next week. While the heightened political

uncertainty will be cleared once the election results are in, the next area of uncertainty will surround potential policy changes.

With an eye toward after the election, we have chosen several stocks that have held up well despite the downward pressure on the broader markets. Studies have shown that stocks that exhibit strength in a tough market environment emerge as the strongest names once the markets pressures are relieved.

We are 70% through what has been a very positive earnings season. (see below). While GDP growth has been modest, it is certainly enough to support a continuation of the uptrend that was in place prior to August. That said, we would not be buyers in this market

until a reversal signal is shown. The first sign would be a break back above key support on volume coupled with broad-based market participation.

In addition to the “Watch List” stock, we have highlighted stocks from our buy list that look equally compelling.

THIS WEEK'S HIGHLIGHTS

- Oil prices drop almost 10% for week
- Unemployment down; Wages improve
- Markets Post Longest Daily Losing Streak Since 1980
- Presidential Election This Tuesday
- Quiet Economic Calendar Next Week
- Technology Sector Hit Hardest - Down 2.7%

WEEKLY CHART OF LIGHT CRUDE OIL PRICES

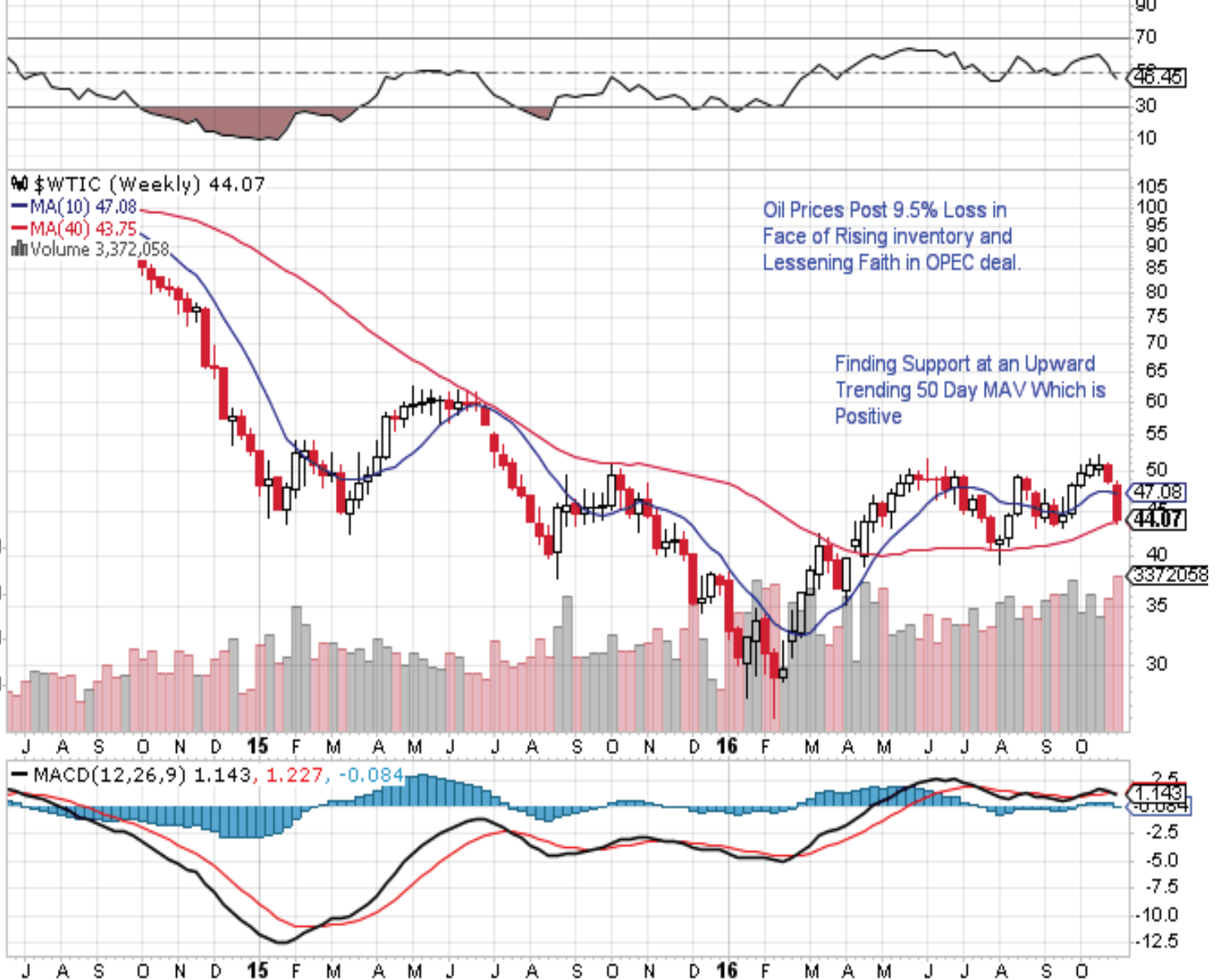
\$WTIC Light Crude Oil - Continuous Contract (EOD) CME

© StockCharts.com

4-Nov-2016

Open 48.25 High 48.74 Low 43.57 Close 44.07 Volume 3.4M Chg -4.63 (-9.51%) ▼

▲ RSI(14) 46.45



WEEKLY CHART OF FINANCIAL SECTOR

XLF Financial Select Sector SPDR Fund NYSE

© StockCharts.com

4-Nov-2016

Open 19.87 High 19.87 Low 19.40 Close 19.49 Volume 286.2M Chg -0.28 (-1.42%) ▼



DAILY CHART OF VOLATILITY INDEX

\$VIX Volatility Index - New Methodology INDX

© StockCharts.com

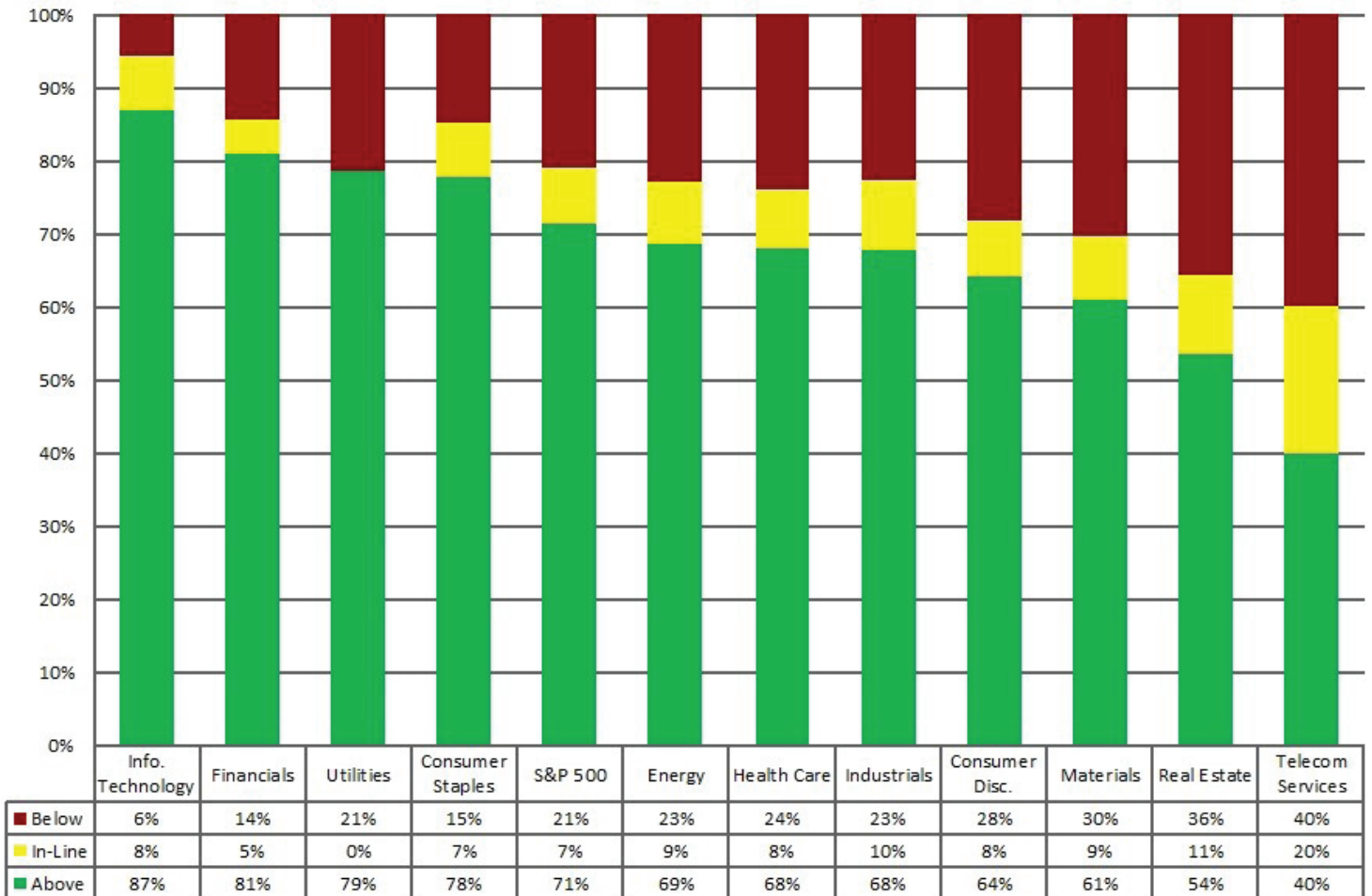
4-Nov-2016

Open 21.86 High 23.01 Low 19.20 Close 22.51 Chg +0.43 (+1.95%) ▲



3RD QUARTER 2016 EARNINGS RESULTS SO FAR

S&P 500 Earnings Above, In-Line, Below Estimates: Q3 2016
(Source: FactSet)



WATCH LIST: NETFLIX, INC.

SYMBOL	COMPANY	PRICE	MARKET CAP	INDUSTRY
NFLX	Netflix, Inc.	\$122.03	\$51 Billion	Entertainment



Netflix, Inc. (NFLX) is a provider of an Internet television network. The Company's subscribers can watch original series, documentaries and feature films on an internet-connected screen. The Company has three operating segments: Domestic streaming, International streaming and Domestic DVD. The Domestic and International streaming segments derive revenues from

monthly membership fees for services consisting of streaming content. The Company's members can watch television shows and movies directly on their televisions, computers and mobile devices. The Company offers streaming service both domestically and internationally. The company recently reported earnings that widely exceeded analyst's estimates. Most of the increase came from a large

pickup in International subscriptions as Netflix continues to target growth in that area. Management expects international growth to continue into next year with original content geared to those markets. Next year, they will be almost doubling the number of hours of original content which has been a main attraction for new growth.

WATCH LIST: CORELOGIC, INC.

SYMBOL	COMPANY	PRICE	MARKET CAP	INDUSTRY
CLGX	Corelogic, Inc.	\$41.32	\$3.5 Billion	Property Management



CoreLogic, Inc. (CLGX) is a provider of property information, analytics and data-enabled services. It operates through two segments: Property Intelligence and Risk Management and Work Flow. Its Property Intelligence segment and Risk Management and Work Flow segment owns or licenses real property, mortgage

and consumer information. Its valuation solutions provide a range of real estate valuation services. Its credit and screening solution has access to consumer and business databases, which enables them to provide credit and income verification services. The company recently reported earnings that were above estimates

while also reporting their strongest quarter of operating margins to date. Management attributes these strong numbers to a continued move away from their core mortgage related markets and into insurance and geospatial as well as improving growth outside of the U.S.

WATCH LIST: EAGLE MATERIALS, INC.

SYMBOL	COMPANY	PRICE	MARKET CAP	INDUSTRY
EXP	Eagle Materials, Inc.	\$82.07	\$4 Billion	Construction



Eagle Materials Inc. (EXP) is a supplier of construction products, building materials and materials used for oil and natural gas extraction. The Company's construction products are used in residential, industrial, commercial and infrastructure construction, and include cement, slag, concrete and aggregates. Its building materials include gypsum wall-

board. Its basic material used for oil and natural gas extraction include frac sand and oil well cement. It sells cement in over six regional markets, including northern Nevada and California, the greater Chicago area, the Rocky Mountain region, the Central Plains region and Texas. The company just report earnings that were double the same quarter last year. Con-

struction spending is driving results at the moment, enabling the company to raise prices which should improve revenues. Construction related sales are more than offsetting weaker sales to oil-related customers. However, with oil prices improving this year, it is setting the oil market share of their business up for a recovery,

MEM Edge Report Suggested Holdings

Stocks With Emerging Leadership Characteristics

*** = Earnings Due**

Bold Italics Are In Buy Zones

Buy on Pullback Only

Being Removed From The List.

<u>SYMB</u>	<u>COMPANY</u>	<u>PRICE</u>	<u>MKT CAP</u>	<u>DATE ADDED</u>	<u>PERFORMANCE</u>	<u>INDUSTRY GROUP</u>
ADBE	Adobe Systems Incorporated	106.2	92.40 B	03/27/2016	22.00%	Software
AMZN	Amazon.com, Inc.	755.05	683.38 B	05/08/2016	15.00%	E-Commerce
FB*	Facebook, Inc.	120.75	105.13 B	03/20/2015	46.00%	Technology-Social Media
<i>HAL</i>	<i>Haliburton Company</i>	<i>46.38</i>	<i>41.00 B</i>	<i>10/23/2016</i>	<i>-3.00%</i>	<i>Oil and Natural Gas</i>
ISBC	Investors Bancorp, Inc.	12.15		10/30/2016	-1.00%	Banking
LFL	Latam Airlines Group	9.14	2.8 B	10/16/2016	3.00%	Air Transportation
LRCX	Lam Research Corporation	95	93.05 B	08/07/2016	4.50%	Semiconductor
<i>MS</i>	<i>Morgan Stanley</i>	<i>32.78</i>	<i>61.00 B</i>	<i>10/04/2016</i>	<i>2.50%</i>	<i>Investment Management Group</i>
NTES	NetEase, Inc.	243.43	153.40 B	05/15/2016	65.00%	E-Commerce/Web Services
<i>PYPL</i>	<i>PayPal Holdings, Inc.</i>	<i>40.9</i>	<i>3.00 B</i>	<i>10/30/2016</i>	<i>-2.00%</i>	<i>Payment Solutions</i>
RF	Regions Financial Corporation	10.52	13.00 B	10/23/2016	-1.00%	Finance
RTN	Raytheon Company	132.97	133.61 B	06/05/2016	2.00%	Defense

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