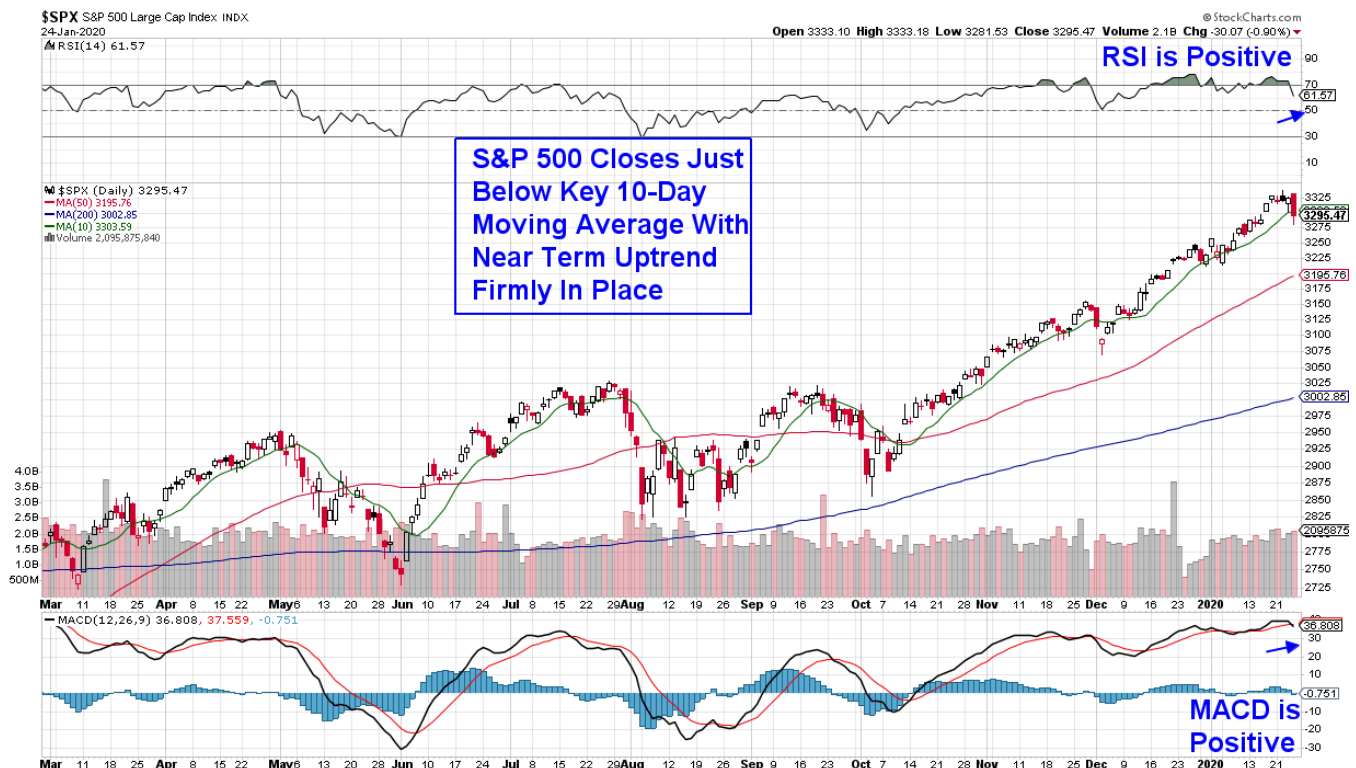




THIS WEEK'S HIGHLIGHTS

- Utility Stocks Outperform Again
- Coronavirus Outbreak In U.S. Gives Pause To Markets
- December Existing Home Sales Higher Than Expected
- New Home Sales, Consumer Confidence, Q4 GDP & Durable Goods Orders Report Next Week
- Upcoming Week Busiest For Q4 Earnings Reports

DAILY CHART OF S&P 500 INDEX



The S&P 500 fell 1% for the week to close just below its 10-day moving average with the RSI and MACD both in positive territory. Last week's decline helped push the RSI out of an overbought position and the near-term uptrend in the markets remains in place.

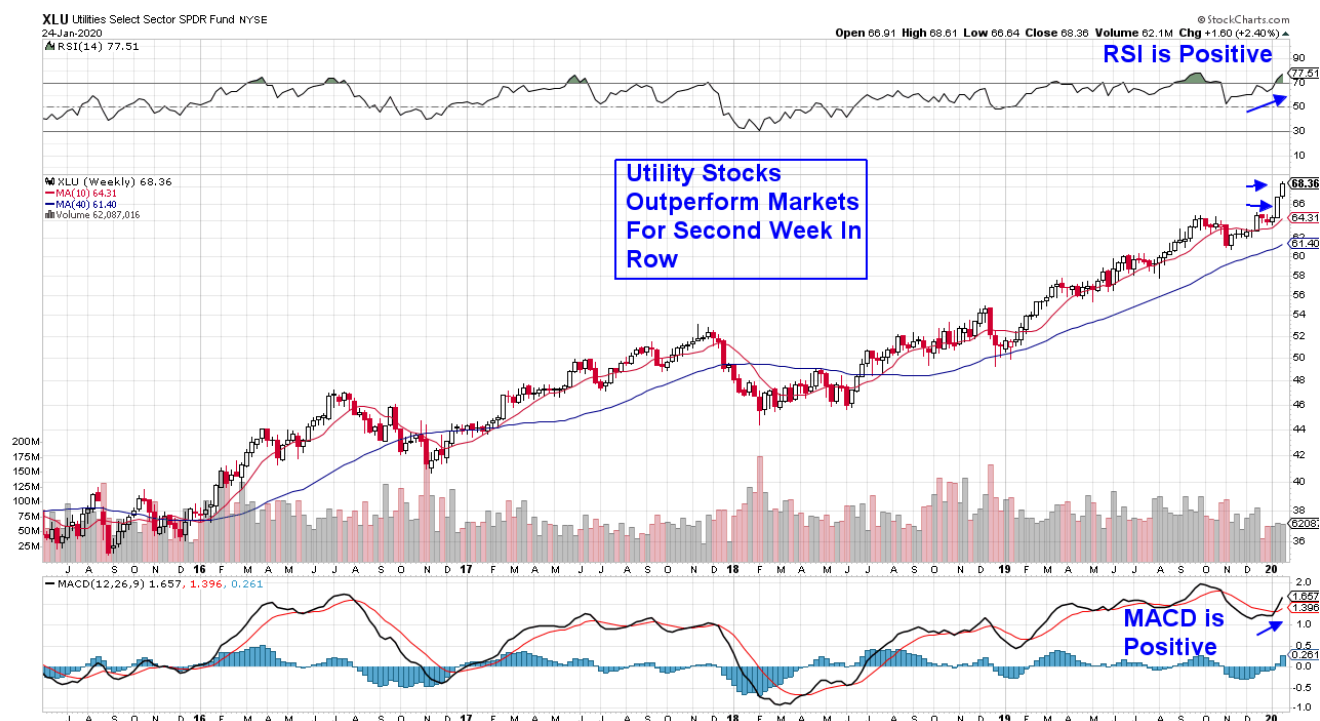
The market action this past week was dominated by headline news surrounding the deadly coronavirus outbreak in China which has since spread to the U.S.. One of the biggest fears relating to the outbreak is the possible impact on the Chinese economy which in turn could hit global growth.

The markets surprisingly were able to focus on positive economic and earnings reports which helped stem some of selling pressures following the news, however the pronounced move into safe-haven bonds as well as defensive Utility and REIT stocks cannot be ignored.

At this juncture, we'd stay with stocks that are continuing to find support at their key moving averages while paring back on those that break support on heavy volume. Using the 2003 SARs outbreak as precedence, we expect any continued coronavirus outbreak to negatively impact the markets with some areas getting hit harder than others as fears rise. We'll review this below.

Next week will be a real test for the markets for other reasons as well as we enter the busiest period of fourth quarter earnings period. In addition to over 400 companies being due to report, heavyweight stocks such as Apple (AAPL), Microsoft (MSFT), Alphabet (GOOGL) and Facebook (FB) will be releasing their numbers. Each of these companies is a top component of the S&P 500.

Weekly Chart of Utilities Sector



Utilities Stocks Shine

Utilities had another strong week with a 2.3% gain. In addition to these higher yielding stocks being defensive, the best performing names in this sector last week provide power with the use of alternative energy. The positive economics of wind, solar and storage has pushed corporate commitments to alternative energy to a record high in 2019 with anticipation for even higher demand in 2020 and beyond.

This commitment was punctuated by Microsoft's recent commitment to reduce their carbon footprint while announcing other green projects as well. This is on the heels of other major corporate announcements of a

similar nature from Alphabet (GOOGL) and Disney (DIS) to name just two.

Nextera (NEE) from our List is a leader in the alternative energy space and the stock rallied 4% for the week helped by the release of Q4 earnings which showed an improved outlook for this year. NEE can be bought.

Duke Energy (DUK) is also heavily engaged in alternative energy and the 3.7% yielder rallied 3% as analysts raised estimates last week. The stock remains in a confirmed uptrend and is very close to a bullish breakout of a 4-month base.

Daily Chart of Real Estate Sector



Real Estate Stocks Rally

Higher yielding REIT stocks gained almost 1% for the week as investor sentiment made these defensive stocks attractive. Also helping the group was a sharp drop in interest rates led by a move into U.S. Treasuries.

Lower interest rates are a positive for REITs as it allows these pools of Real Estate properties to expand their portfolios at lower costs. Of those on our List, Crown Castle (CCI) is the strongest after its 4 ½ month base breakout last week. The 3.2% yielder can be bought.

Sun Communities (SUI) is also in a bullish position and can be bought as it continues to form the right side of a base. Medical Properties Trust (MPW) is consolidating following its prior week's advance while Store Capital (STOR) is currently not exhibiting any strength in its bid to trade higher.

Daily Chart of Technology Sector



Technology Sector Posts Gains

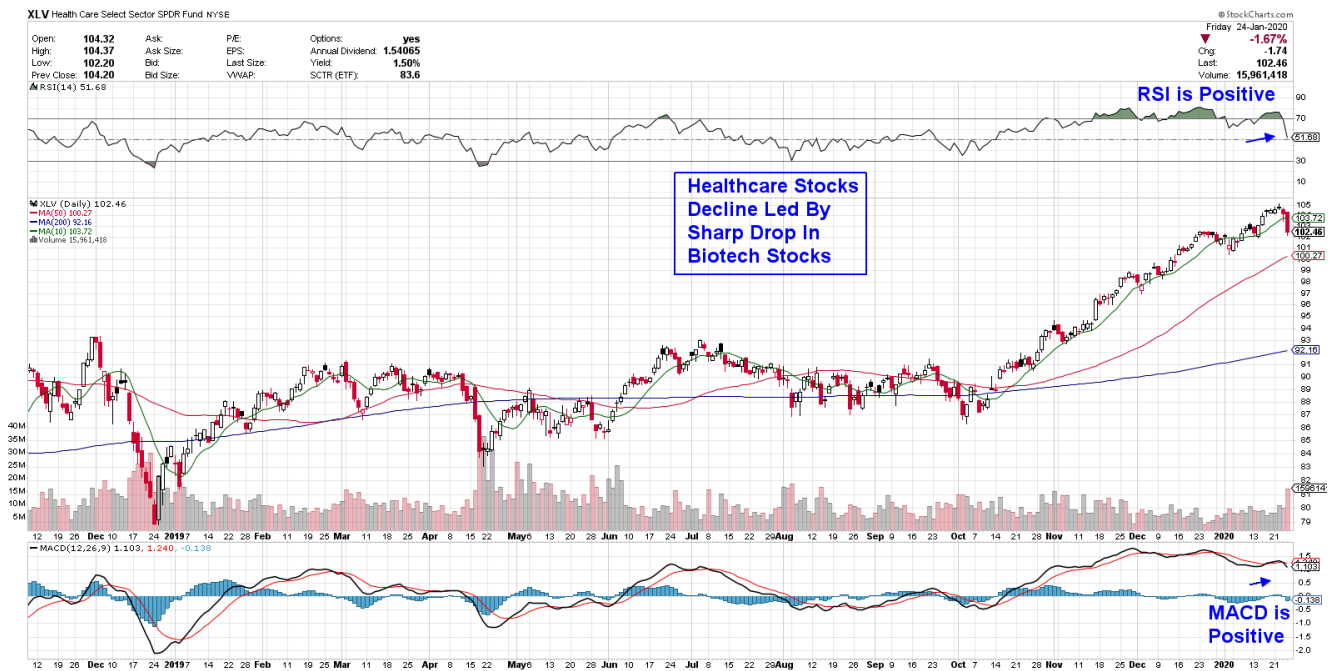
Tech stocks were up 0.3% for the week as strong earnings results in select Semiconductor and Software stocks helped buoy the sector. While these stocks remain in strong uptrends, it's important to keep in mind that they are the most susceptible to global slowdown fears that may persist if the coronavirus outbreak becomes more widespread.

Software stocks overall were flat (using etf IGV) however, most of names on our List showed considerable strength with Autodesk (ADSK) rallying 3% while Shopify (SHOP), RingCentral (RNG) and Intuit (INTU) were up an average of 2%. Each of these stocks remains in a strong uptrend. If you look at the Software group using IGV, you'll see that Software stocks faltered in late July due to global growth fears. At this juncture, strong growth prospects

are overriding any fears and while these stocks can be held, we expect a selloff at some point and would not be a buyer.

Semiconductor stocks were helped by a strong report from heavyweight stock Intel (INTC) which not only had strong earnings, it provided a very bright outlook for 2020. Of the Semi's on our List, most every name is holding support at either its shorter term 10 or 21-day moving averages and can be held. Many of these companies derive income from China and any perceived slowdown in their economy could negatively impact these stocks.

Daily Chart of Healthcare Sector



Healthcare Stocks Hit

The Healthcare sector was down almost 2% for the week led by a steep decline in Biotech stocks. The negative action was in line with a "risk off" market environment in the face of China's quarantine of two cities as coronavirus fears increase.

We're removing Biotech etf IBB (**IBB**) from our Suggested Holdings List as it has broken below its key 50 day moving average on volume. Biotech stock Vertex (**VRTX**) from our List also came under selling pressure however, the stock is finding support at its 21-day moving average and can be held.

Intuitive Surgical (**ISRG**) reported earnings last week that were rather weak. While the stock has found support at its

50-day moving average, we're removing it from our List to make room for healthier growth stocks with more upside potential such as Insulet Corp. (**PODD**) from our List. The stock bullishly broke out of a 2-month base amid triple digit growth prospects for this year.

Bristol-Myers (**BMJ**) had a surprisingly sharp drop on Friday that was on heavy volume. The move was in line with other drug stocks that got hit and casts a shadow over the recently strong industry group. Action next week will tell us if the decline is a buying opportunity but for now, we would not be a buyer.

Daily Chart of Consumer Discretionary Sector



Consumer Discretionary Stocks Falter

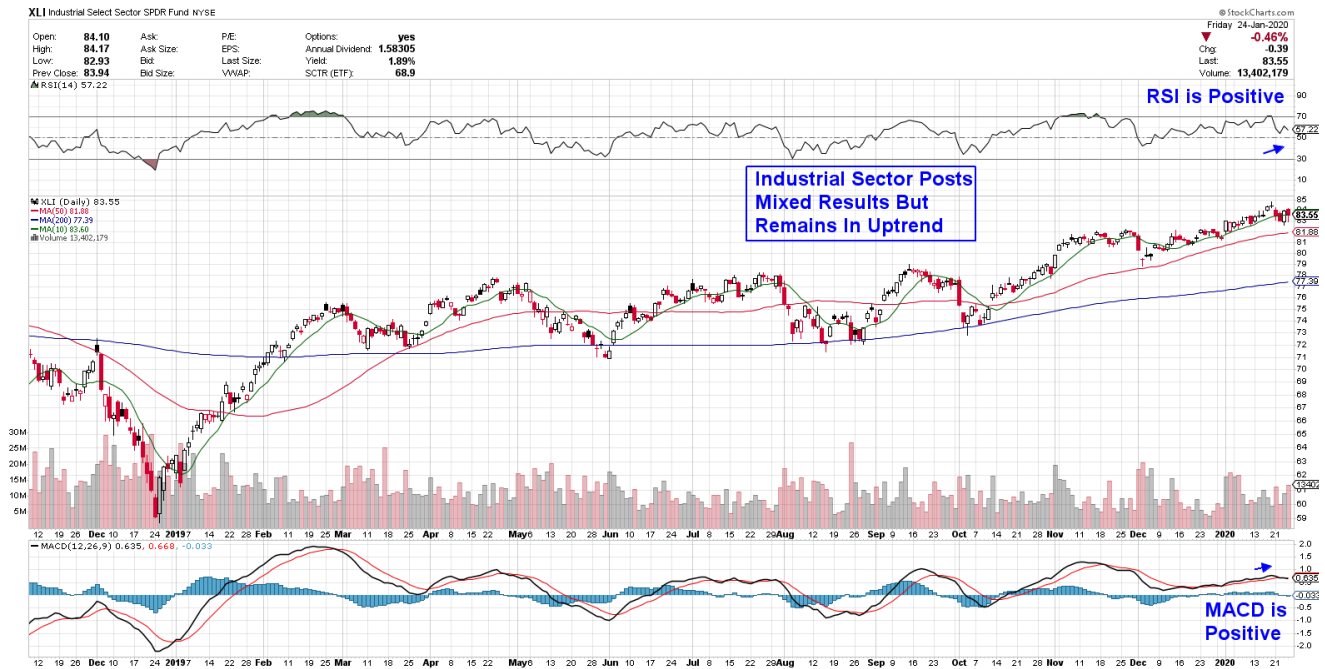
Consumer related stocks were hit the hardest on news of the coronavirus outbreak – particularly travel and hotel related stocks that would be impacted the most from any continued advance of the virus. Gambling stocks with a large presence in China's province of Macau were also hit hard.

Within Retailers, those that count the Chinese among their client base were hit the hardest such as Nike (NKE) which dropped 2.4% for the week. The company has highlighted strong sales in China during their past two earnings releases and any slowdown in that marketplace would of course slow growth for Nike. NKE has dipped below its 21-day moving average however, the move was not on high volume which makes it less threatening.

Recently added Costco (COST) and Home Depot (HD) remain in bullish positions as they form the right sides of bases. And U.S. centric Restaurant stocks from our List held support at their 10 day moving averages and can be bought. This includes Wingstop (WING) and Chipotle (CMG). That said, these areas could easily come under distribution.

One bright spot within the Consumer Discretionary sector was Home Building stocks which had a strong rally last week. The low interest rate environment along with continued strong Housing Starts and New Home Sales data is sparking a move into these stocks. K B Homes (KBH) is on our Watch List as the stock broke out of a 3-month base as analysts raise earnings estimates.

Daily Chart of Industrial Sector

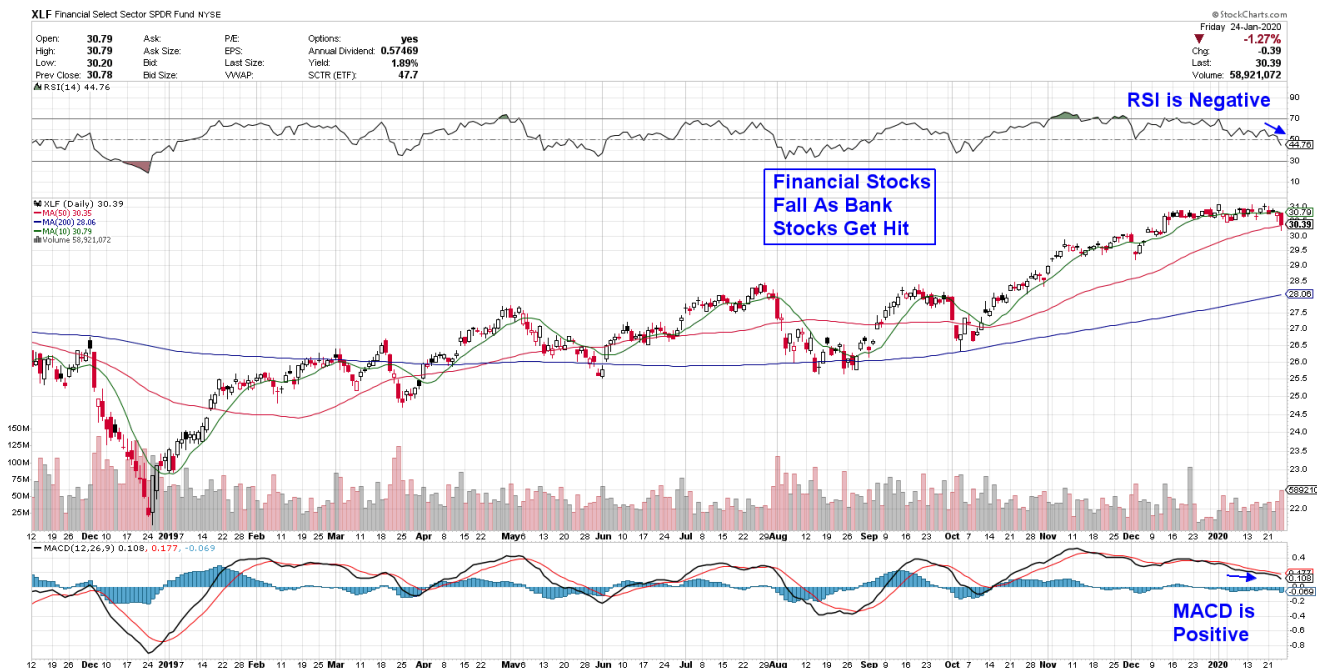


Industrial Sector Trades In Line With Markets

Industrial stocks were mixed with globally focused Heavy Construction companies suffering on the heels of coronavirus fears while Defense related stocks such as Lockheed Martin (LMT) from our List rallying. LMT bullishly broke out to a new high in price ahead of the release of their earnings on Tuesday while analysts are raising estimates going into the report which is a positive. Defense stocks were “awakened” following an uptick in

Mideast tensions earlier this month and their uptrends remain in place as increased military budgets in the U.S. are providing strong growth prospects. C A E Inc. (CAE) from our List bullishly broke back above its 10 day moving average last week and into a strong buy zone.

Daily Chart of Financial Sector



Financial Stocks Drop Most For The Week

Lower interest rates hit Financials hard with many Bank stocks down almost 3% (using etf KRE). The move into safe haven U.S. Treasury bonds pushed the yield on the 10-year Treasury below 1.7% while longer term rates fell as well.

Bank of America (**BAC**) and J P Morgan (**JPM**) both broke below their key 50 day moving averages on volume despite strong earnings reports earlier this month. Both stocks are being removed from our List as their breaks occurred on heavy volume.

Payment Processing stocks Mastercard (**MA**) and Global Payments (**GPN**) both remain in strong uptrends with MA due to report earnings on Wednesday.

Daily Chart of Communications Sector



Communication Services Sector Pulls Back

Two of this sector's largest holdings are due to report earnings next week and both stocks are trading at new highs. Alphabet (GOOGL) reports Friday and Facebook (FB) on Wednesday but with both stocks trading at a new

high in price, the reports would have to be exceptional to expect further upside.

SUMMARY: As the weekend has progressed, more news is being revealed regarding the true extent of the coronavirus's impact with over 2,000 cases now being reported and 56 deaths confirmed. In addition, medical experts are expecting the death toll to rise much higher as containment efforts withing China may be too little too late.

All of this points to a market that will most likely sell off rather sharply in the coming days since, historically, fear is a much faster and bigger driver within the markets.

Should stocks such as those on our list begin to break key support, shorter term investors may want to move to cash with an eye toward re-entering high-quality growth stocks at a later date while longer term investors may want to pare back on lower quality stocks.

While any type of sharp pullback is always uncomfortable, we can use history as a guide to help

gauge what to expect. During the 2002-2003 SARS outbreak, the market's selloff lasted 3 months while the outbreak lasted a total of 6 months. The depth of the selloff coincided with the highest number of reported cases.

We do not expect as sharp or pronounced of a selloff at this time.

Of note is the fact that the initial 2002 SARS outbreak coincided with the end of the tech bubble bear market so while the coronavirus outbreak's reaction may not be as prolonged, the downtrend reversal signals that flashed in March of 2003 remain as the main key signs that the markets are healthy again.

This of course would only be relevant should we see as sharp of a reaction this time around. We will of course keep you updated throughout the week to any sentiment shifts.

MEM Edge Report Suggested Holdings

Stocks With Emerging Leadership Characteristics

\$ = Earnings Due

Buy Zone

Strong Buy

Buy on Pullback

Removed From List

SYMB	COMPANY	PRICE	MKT CAP	DATE ADDED	PERFORMANCE	INDUSTRY GROUP
CONSUMER DISCRETIONARY						
AMZN	Amazon.com Inc.	1,861.64	923.00 B	12/29/2019	-0.50%	Retail - Internet
CMG	Chipotle Mexican Grill	869.71	24.41 B	12/01/2019	7.00%	Retail - Restaurants
COST	Costco Wholesale Corporation	310.51	127.17 B	01/19/2010	2.00%	Retail - Major Chains
HD	The Home Depot Inc.	232.00	253.07 B	01/19/2020	0.00%	Retail - Building Products
LOW	Lowe's Companies, Inc.	120.23	92.15 B	09/05/2019	5.00%	Retail - Home Improvement
LULU	Lululemon Athletica	240.35	31.32 B	09/08/2019	18.50%	Retail - Apparel
NKE	Nike, Inc.	102.03	126.76 B	12/08/2019	5.00%	Apparel - Shoes
WING	Wingstop Inc.	92.82	2.73 B	12/12/2019	6.50%	Retail - Restaurants
INDUSTRIAL						
CAE	CAE Inc.	29.71	7.89 B	11/03/2019	16.00%	Aerospace & Defense
LMT \$	Lockheed Martin Corp.	432.50	122.00 B	01/05/2020	4.50%	Aerospace & Defense
HEALTHCARE						
BMJ	Bristol-Myers Squibb	64.16	150.40 B	12/08/2019	7.00%	Medical - Drugs
IBB	iShares NASDAQ Biotechnology Index	116.88	7.65 B	11/10/2019	6.00%	Biotechnology Index
ISRG	Intuitive Surgical Inc.	589.20	68.10 B	10/27/2019	7.50%	Medical Systems
PODD	Insulet Corporation	192.56	11.90 B	1/12/2020	5.50%	Medical Products
VRTX	Vertex Pharmaceuticals	229.06	58.90 B	12/22/2019	4.00%	Biotechnology
WST	West Pharmaceutical Services, Inc.	155.75	11.52 B	06/05/2019	32.50%	Medical Supplies
CONSUMER STAPLES						
LFTN	LifeVantage Corp.	15.25	213.18 M	09/22/2019	9.50%	Cosmetics - Personal Care
FINANCE						
BAC	Bank of America Corp.	33.54	296.36 B	11/24/2019	1.00%	Money Center Bank
GPN	Global Payments Inc.	198.77	59.74 B	11/10/2019	16.50%	Finance - Payments Processor
JPM	JP Morgan Chase	133.15	417.62 B	09/18/2019	11.00%	Money Center Bank
MA \$	Mastercard Inc.	323.67	322.84 B	12/15/2019	9.50%	Finance - Payments Processor

Continued on next page

MEM Edge Report Suggested Holdings

Stocks With Emerging Leadership Characteristics

\$ = Earnings Due

Buy Zone

Strong Buy

Buy on Pullback

Removed From List

SYMB	COMPANY	PRICE	MKT CAP	DATE ADDED	PERFORMANCE	INDUSTRY GROUP
TECHNOLOGY						
AAPL \$	Apple Inc.	318.31	1.40 T	10/06/2019	40.00%	Phones & Hardware
ADSK	Autodesk Inc.	199.19	43.83 B	11/17/2019	23.00%	Computer Software - Design
AMAT	Applied Materials, Inc.	62.005	56.76 B	09/05/2019	23.00%	Semiconductor
ASML	ASML Holding N.V.	295.83	125.51 B	07/28/2019	28.00%	Semiconductor
COUP	Coupa Software Inc.	163.70	10.44 B	01/05/2020	2.50%	Software - Enterprise
INTU	Intuit Inc.	288.08	74.99 B	01/08/2020	5.50%	Software - Financial
IPHI	INPHI Corporation	82.98	3.79 B	11/10/2019	15.00%	Semiconductor
JBL	Jabil Inc.	42.85	6.52 B	10/06/2019	21.50%	Contract Manufacturing
LRCX \$	Lam Research Corp.	306.54	44.47 B	09/08/2019	34.50%	Semiconductor
MSFT \$	Microsoft Corp.	165.04	1.26 T	06/16/2019	24.50%	Software - Desktop
NVDA	NVIDIA Corporation	250.48	153.29 B	12/18/2019	9.00%	Semiconductor - Graphics
PCTY	Paylocity Holding Corp.	138.67	7.42 B	12/19/2019	14.50%	Computer Software
PRFT	Perficient Corp.	49.62	1.62 B	06/16/2019	52.00%	Computer - Tech Services
RNG	RingCentral Inc.	197.34	16.56 B	01/06/2020	11.50%	Software - Cloud Based
SHOP	Shopify Inc.	465.48	53.95 B	12/01/2019	38.00%	Computer Software-Enterprise
SWKS	Skyworks Solutions Inc.	122.31	20.84 B	01/14/2020	-1.00%	Semiconductor
TSM	Taiwan Semiconductor Mfg.	57.73	289.58 B	12/12/2019	-1.50%	Semiconductor
COMMUNICATION SERVICES						
DIS	Walt Disney Co.	140.08	252.88 B	11/07/2019	5.00%	Entertainment
GOOGL	Alphabet Inc.	1,466.17	1.01 T	07/10/2019	28.50%	Internet - Content

Continued on next page

MEM Edge Report Suggested Holdings

Stocks With Emerging Leadership Characteristics

\$ = Earnings Due

Buy Zone

Strong Buy

Buy on Pullback

Removed From List

REAL ESTATE

CCI	Crown Castle International Corp.	149.90	60.39 B	01/15/2020	4.00%	Real Estate - REIT
MPW	Medical Properties Trust, Inc.	22.40	11.59 B	01/15/2020	2.50%	Real Estate - REIT
STOR	Store Capital Corp.	38.45	9.03 B	01/21/2020	-0.50%	Real Estate - REIT
SUI	Sun Communities, Inc.	158.06	14.65 B	01/21/2020	0.50%	Real Estate - REIT

UTILITIES

DUK	Duke Energy Corporaiton	96.28	70.55 B	01/19/2020	2.50%	Utilities - Diversified
NEE \$	NextEra Energy Inc.	263.72	128.90 B	01/15/2020	5.00%	Electric Services

Glossary of Terms Used From Our Suggested Holdings List

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.

Disclaimer: This publication "MEM Edge Report" is published by MEM Investment Research, LLC, and is both proprietary and intended for the sole use of subscribers. No license is granted to any subscriber, except for the subscriber's personal use. No part of this publication or its contents may be copied, downloaded, stored in a retrieval system, further transmitted, or otherwise reproduced, stored, disseminated, transferred, or used, in any form or by any means, except as permitted under the subscription agreement or with the prior written permission of MEM Investment Research, LLC. Any further disclosure or use, distribution, dissemination or copying of this publication, message or any attachment is strictly prohibited. MEM Investment Research, LLC is a financial publisher who publishes information about markets, stocks, industries, sectors and investments in which it believes sub-scribers may be interested. The information in this letter is not intended to be personalized recommendations to buy, hold or sell investments. MEM Investment Research, LLC is not permitted to offer personalized trading or investment advice to subscribers. Employees of MEM Investment Research, LLC may own positions in stocks mentioned or highlighted in THE MEM Edge Report. The information, statements, views and opinions included in this publication are based on sources (both internal and external sources) considered to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Such information, statements, views and opinions are expressed as of the date of publication, are subject to change without further notice and do not constitute a solicitation for the purchase or sale of any investment referenced in this publication. By using the information in THE MEM Edge Report, or from MEM Investment Research, LLC, or www.meminvestmentresearch.com, you assume full responsibility for any and all gains and losses, financial, emotional or otherwise, experienced, suffered or incurred by you. **SUBSCRIBERS SHOULD VERIFY ALL CLAIMS AND DO THEIR OWN RESEARCH BEFORE INVESTING IN ANY INVESTMENTS REFERENCED IN THIS PUBLICATION. INVESTING IN SECURITIES AND OTHER INVESTMENTS, SUCH AS STOCKS, OPTIONS AND FUTURES, IS SPECULATIVE AND CARRIES A HIGH DEGREE OF RISK. SUBSCRIBERS MAY LOSE MONEY TRADING AND INVESTING IN SUCH INVESTMENTS.**