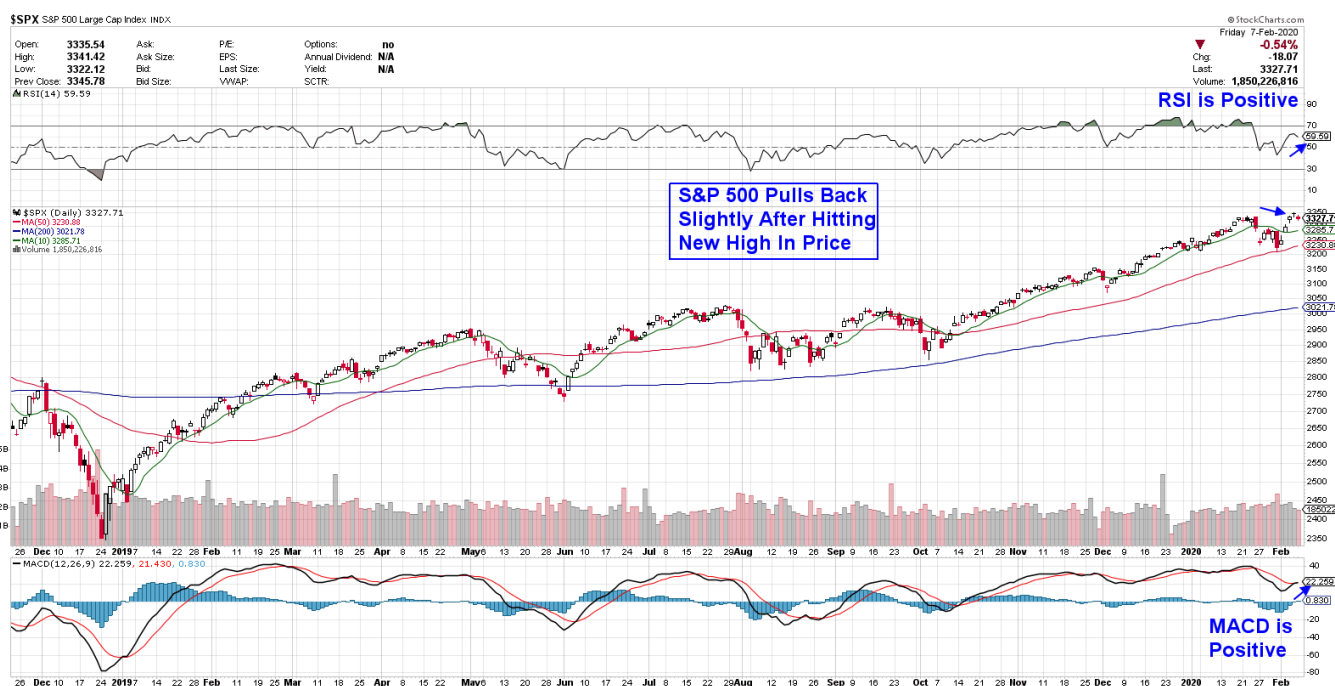




THIS WEEK'S HIGHLIGHTS

- Markets Hit New High After Recording Biggest Week In Six Months
- U.S. Employment Numbers Come In Strong
- China Cuts Tariffs On Select Imports As Planned
- Consumer Price Index, Retail Sales & Consumer Sentiment Report Next Week

DAILY CHART OF S&P 500 INDEX



The S&P 500 posted a 3.2% gain for the week in a move that pushed the Index back above its key 10-day moving average. The RSI and the Stochastics were each pushed into positive territory as well, thereby reclaiming the near-term uptrend for the markets.

The Nasdaq was the big winner last week with a 4% gain led by advances in Semiconductor and Software stocks. A strong rally in Biotechs also helped the Nasdaq, which charged to new highs earlier in the week and continued on higher until Friday's modest pullback.

This move in the Nasdaq confirms the leadership status of this high growth Index which has year-to-date gains that are double the S&P 500 Index. Overall, this strength is bullish for the markets as a move into higher-growth stocks is historically bullish for the sustainability of any uptrend.

Last week's rally in the markets was sparked by China's swift action to stem losses in their stock market while also stepping up their efforts to reduce the spread of the deadly

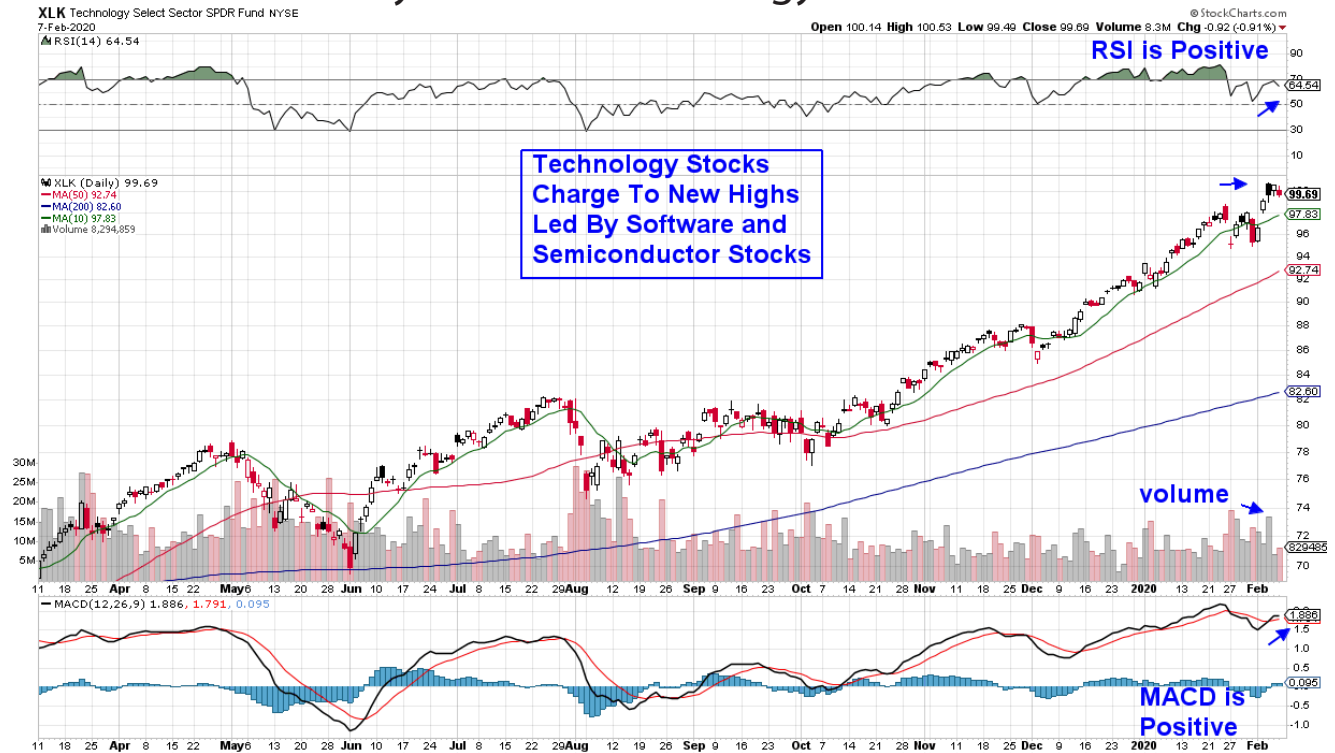
coronavirus. These actions helped create a confidence that allowed investors to turn their focus on healthy economic and earnings reports that point to a healthy U.S. economy that's expanding.

Friday's news from China of an increase in reported virus cases coupled with comments from the Federal Reserve that global growth will be negatively impacted from the disease, brought selling in most every sector of the markets.

The action was a reminder that volatility will remain heightened until we see clear evidence that the coronavirus has been contained. And even more importantly, until we get a more defined sense of the impact on China's economy which is of course, very globally connected.

Many of last week's biggest winners were those that reported strong earnings while the reversal of recently weak areas saw even larger gains. Below we'll review those pockets of strength.

Daily Chart of Technology Sector



Technology Sector Posts Largest Gains

The Tech sector was led by an 8% advance in heavyweight stock Microsoft (**MSFT**) which has been in a strong uptrend since their earnings release 2 weeks ago. The company is seeing continued growth in their cloud computing platform Azure which has analysts raising estimates for this year and next.

MSFT is overbought on every time frame of chart and can be bought on any pullback as the prospects for a continued uptrend is strong.

The next 2 top performers in Software were also on our List with Autodesk (**ADSK**) and Intuit (**INTU**) both up over 5% for the week. While ADSK is a bit extended and can be bought on any pullback, INTU is in a strong buy zone after breaking out of a 3-week base.

Results in other Software stocks were mixed as these relative outperformers were priced for perfection going into earnings. Companies such as Paylocity (**PCTY**) from our List sold off sharply despite strong results. PCTY has recovered however and can be bought with any break back above its 10-day moving average.

Recently added ServiceNow (**NOW**) is in a buy zone while Veeva Systems (**VEEV**) would need to break back above its 200-day moving average before being bought. Top performers Shopify (**SHOP**) and RingCentral (**RNG**) are both due to report earnings next week.

Lastly in Software, we're removing Coupa (**COUP**) from

our List as the stock has been an underperformer that's now poised to break below its key 50 day moving average. Semiconductor stocks gained back a good part of the prior week's fear-induced drop however, Friday's 2.4% selloff on coronavirus fears points to the group's sensitivity to negative China-related headlines.

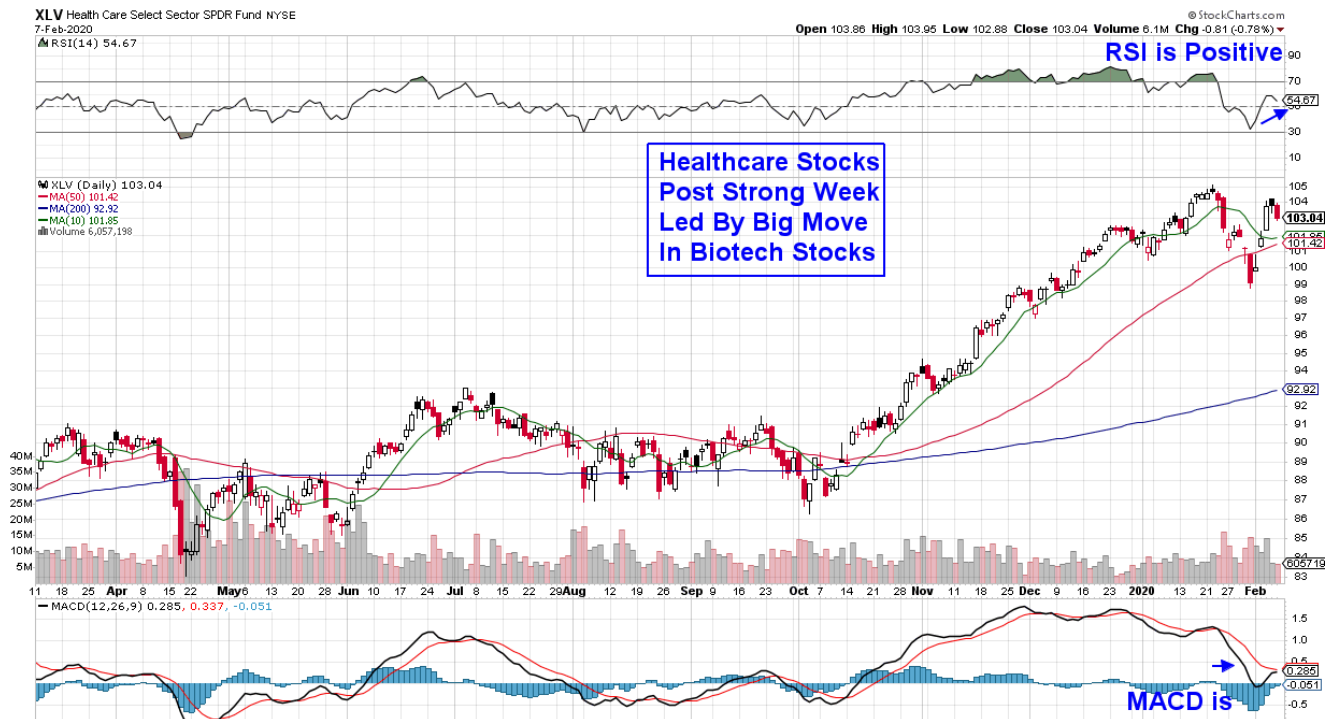
Inphi Corp (**IPHI**) from our List was a big winner after reporting earnings and sales that were ahead of estimates. The company also guided higher as they're seeing continued growth in their cloud computing division. Despite the stock's 8% advance last week, IPHI is still in a buy zone following a pullback to its 10-day moving average.

Nvidia (**NVDA**) was another outperformer last week with a 6.4% advance ahead of the release of their earnings next Thursday. Also Lam Research (**LRCX**) pulled back into a buy zone after hitting a new high earlier in the week. Analysts are raising estimates for both stocks for this year and next.

While these Semiconductor stocks are attractive both technically and fundamentally, we'd be cautious buyers until China's coronavirus situation is fully contained.

Perficient (**PRFT**) had another strong week as analysts raise earnings estimates. The stock can be bought on any pullback to its 10-day moving average.

Daily Chart of Healthcare Sector



Healthcare Stocks Led By Biotech

The Healthcare sector got a boost from outsized returns in Biotech stocks which rallied 7.8% for the week. As you may recall, this was a leadership area out of the October downtrend reversal in the markets before peaking in price in late December (using IBB).

Last week's rally was sparked by positive drug approval related news as well as earnings from heavyweights such as Gilead (GILD) which also raised their dividend.

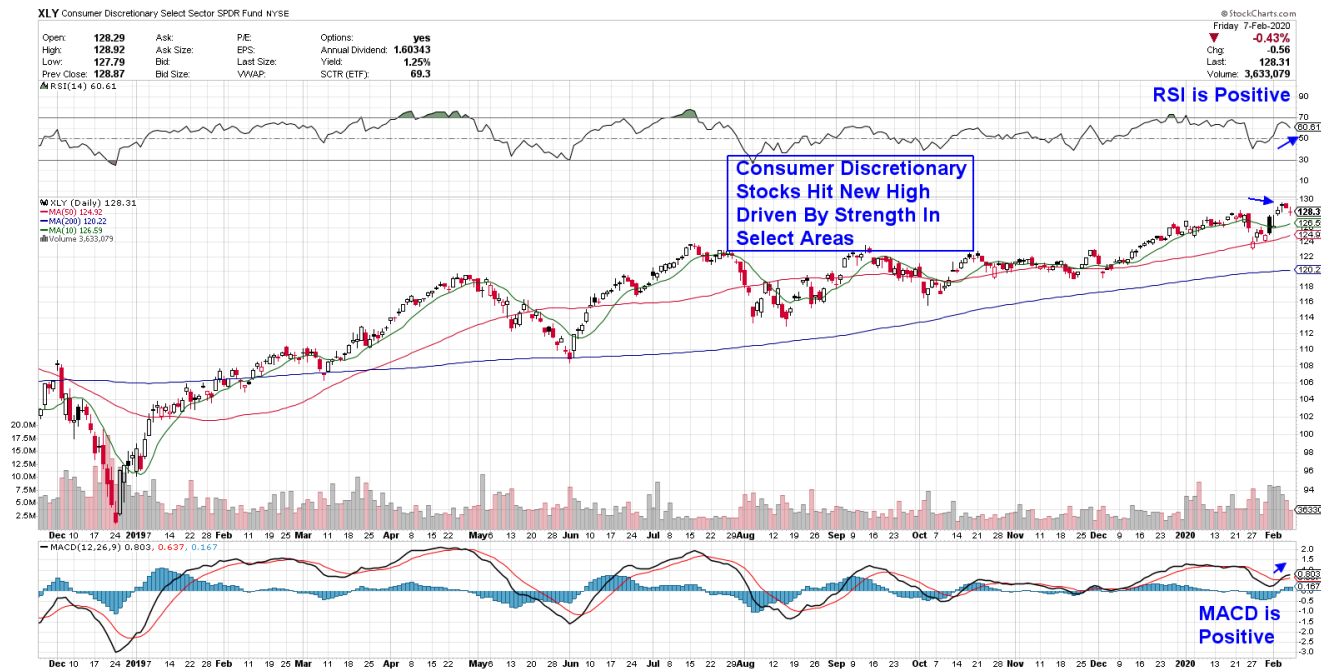
Biotech stock Vertex (VRTX) from our List is in a leadership position as it has the strongest fundamentals of the over 500 stocks in this group with a very attractive chart. VRTX is a leader in the treatment of Cystic Fibrosis and analysts are continuing to raise earnings estimates for this year and

next. The stock can be bought here.

Pharmaceutical stocks were mixed with many reporting results last week. Bristol Myers (BMY) from our List was a winner after reporting earnings well ahead of estimates that caused the stock to gap up in price. The stock is in a buy zone following Friday's pullback.

West Pharmaceutical (WST) and Insulet Corp. (PODD) both remain in uptrends with WST due to report earnings next week while PODD can be bought.

Daily Chart of Consumer Discretionary Sector



Consumer Discretionary Stocks Hit New Highs

While the Consumer Discretionary sector underperformed the broader markets, it did have clear pockets of strength that pushed the group to a new high.

Heavyweight stock Amazon (AMZN) had another positive week with a 3.5% rally which helped push the stock out of a 7-month base on volume. While the company is seeing continued strength in their retail area, it is growth in their cloud computing offerings that has analysts excited. The stock is clearly poised to trade higher and can be bought here.

Select Home Improvement stocks such as Home Depot (HD) from our List outpaced the markets with a 4% gain that came on the heels of a cup with handle breakout. HD is now poised for a 10-week base breakout and the stock can be bought. Last week's action in Costco (COST) pushed this stock out of a base and into a strong buy zone.

While both Chipotle (CMG) and Wingstop (WING) were general underperformers last week, both stocks appear poised for upside as CMG pulled back to its 50 day mav and WING is forming the right side of a base as analysts raise earnings estimates.

Housing stocks have regained momentum in the face of strong housing data as well as positive earnings reports. Historically low interest rates are also adding a boost and we have several candidates on our Watch List that we'll be adding to our Suggested Holdings List as market conditions warrant.

Daily Chart of Communication Services Sector



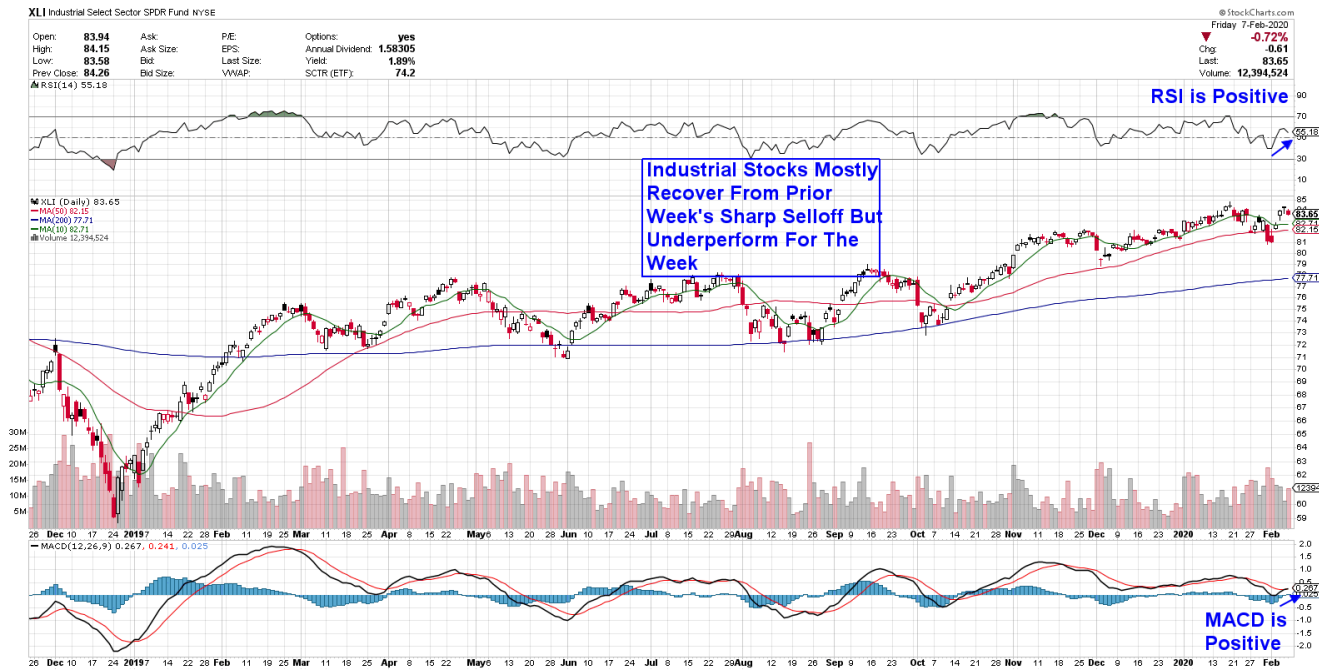
Communication Services Sector Helped By Heavyweights

Heavyweight stock Alphabet (**GOOGL**) from our List was able to overcome a mixed earnings report early in the week as buyers came in on the pullback so that the stock is now poised for a 2-week base breakout to new highs. A break above \$1500 would be very bullish for this stock as analysts raise estimates for next year.

We are adding heavyweight stock Netflix (**NFLX**) to our Suggested Holdings List as the stock is poised to break out of a 7-month base. The company is making strategic moves into higher margin original productions as well as

tightening their belt with announced layoffs that align with this shift. The move has analysts raising earnings estimates for both this year and next.

Daily Chart of Industrial Sector



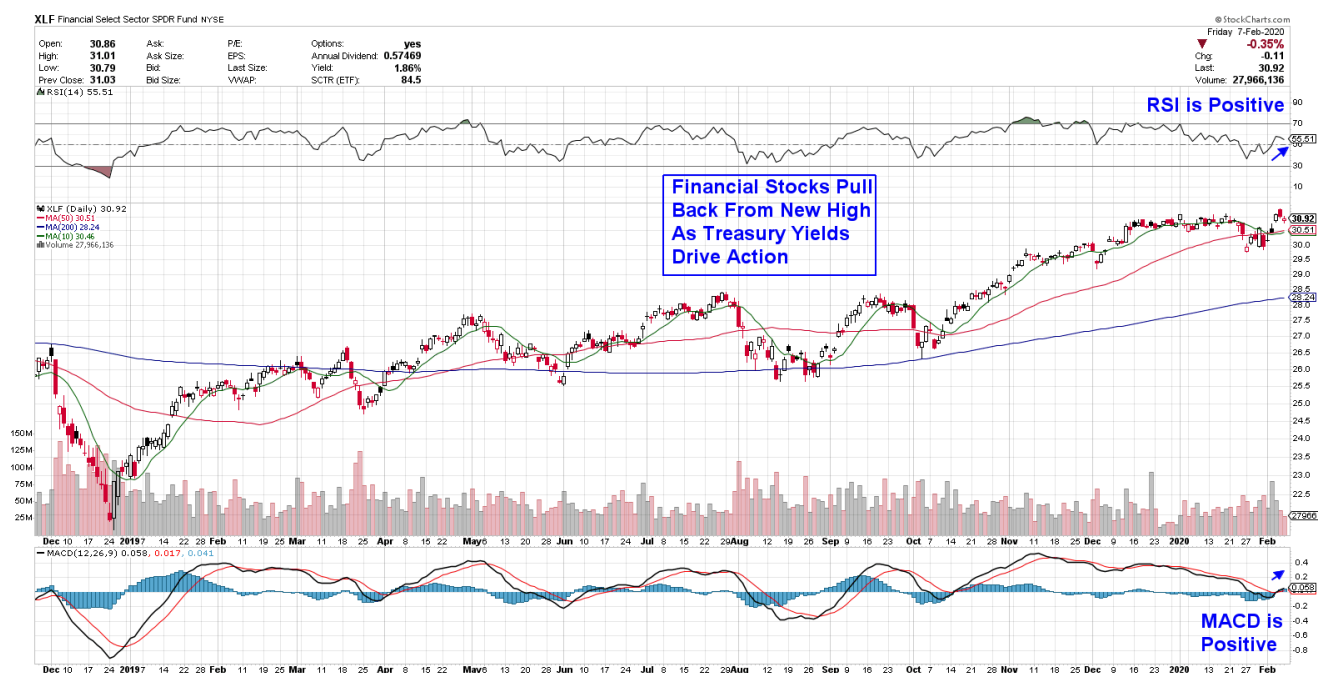
Industrial Sector Mixed With Earnings-Driven Areas Of Strength

Industrials underperformed the broader markets slightly as areas of strength such as Aerospace helped overcome the weakness in globally focused Heavy Construction stocks.

The performance in both these areas was driven by earnings results as companies such as C A E (CAE) gapped up after releasing strong results as demand for their Aerospace training systems propelled sales higher. The stock appears poised for further upside similar to its early January advance and can be bought.

Lockheed Martin (LMT) remains in a strong uptrend and can be bought as analysts continue to raise earnings estimates higher for this 2.2% yielder. The stock posted a bullish outside candle on its weekly chart.

Daily Chart of Financial Sector



Financial Sector Underperforms Slightly

Financial stocks were a bit volatile last week as earlier gains gave way to selling later in the week. Many of the stocks in this group – particularly Bank stocks – are impacted by the move in interest rates and last week was a bumpy ride for Treasury yields as interest in safe-haven bonds ebbed and flowed depending on the latest coronavirus news.

In addition, many larger Banks had been rallying late last year due to news of their ability to expand operations into China, which is now somewhat at risk over the near term.

Mastercard (MA) from our List performed in line with the markets and remains in a strong uptrend. Global Payments (GPN) is in the same Payment Processing group and the company is due to report earnings next week.

Daily Chart of Utilities Sector



Utilities Stocks Underperform For The Week

The Utility sector paused following a 7% advance over the prior 3-week period that had left many of these stocks in overbought positions. The move into growth stocks also took the shine off of these higher yielding, more defensive plays.

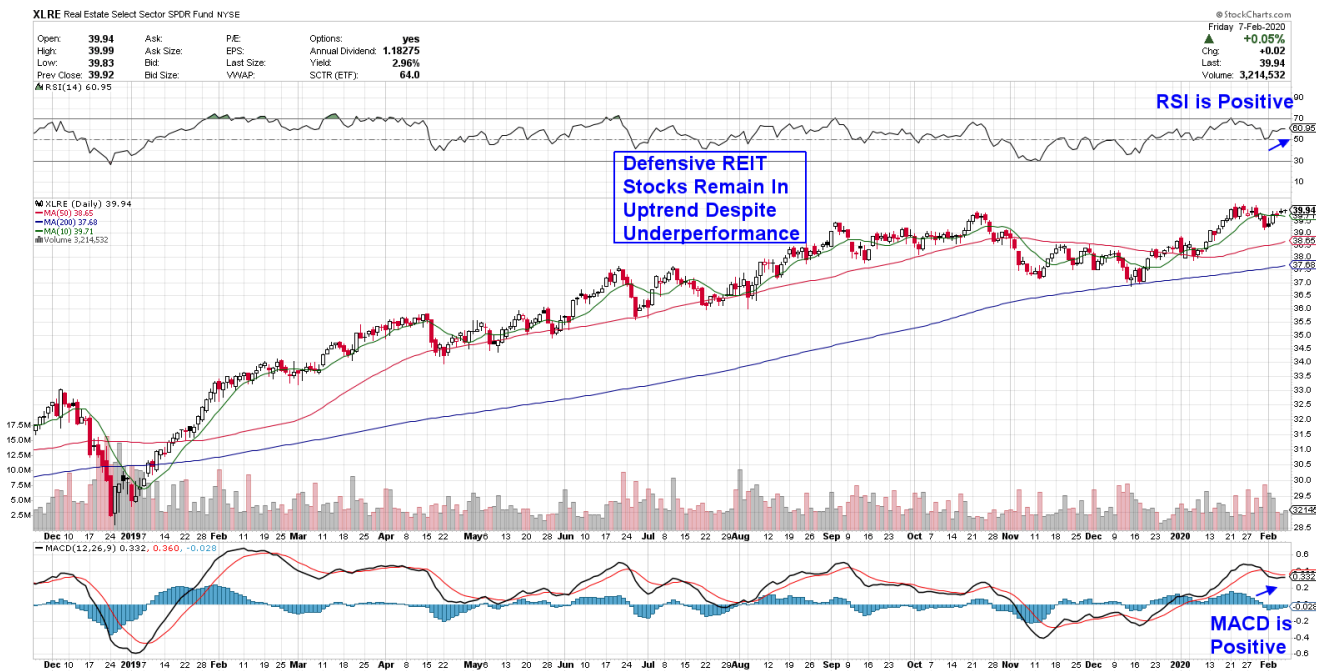
Longer term however, the uptrend in these stocks remains in place – particularly for those companies that have diversified their energy production into cleaner alternative energy sources that are expected to provide higher profit margins over time.

This would include stocks on our List such as Nextera

(NEE) which is the leader in this space with the largest portfolio of alternative energy producing offerings. The stock is poised to break out of a 2 week base following a pullback to its 10 day mav.

Duke Energy (DUK) from our List is due to report earnings next week while recently added Sempra Energy (SRE) is in a trading range however, the stock did fall more than the sector making it less attractive at this point.

Daily Chart of Real Estate Sector



Real Estate Stocks See Biggest Bounce In Oversold Areas

REIT stocks also underperformed the markets overall, however deeply oversold Hotel and Retail REITs did see a bounce. That said, the downtrends in most of these names remains.

Of those stocks on our List in this group, Medical Properties (MPW) was a huge outperformer with a 5.1% gain that pushed the stock to a new high in price. MPW reported a record \$4.5 Bil in acquisitions and a 65% growth rate for 2019 while also revising growth higher for this year and next. The 4.5% yielder is a bit overbought but can be

bought on any pullback.

The dynamics that drove this REIT stock higher remain in place for other stocks in this sector as a low interest rate environment allows these companies to add to their portfolios at attractive rates.

Store Capital (STOR) posted a more modest 1.5% gain and remains in an uptrend ahead of the release of their results later this month while Sun Communities (SUI) and Crown Castle (CCI) both remain in uptrends.

SUMMARY: While the broader markets have resumed their near-term uptrend, late week action in the markets was a reminder that volatility will remain until we see containment of the deadly coronavirus. Most central is investor sentiment and any hint of a prolonged recovery period for the Chinese economy may result in another pullback.

At this time, strategists who focus on Asia are anticipating an economic blow that may be painful but short-lived provided production shutdowns in China are restarted this week. If that's the case, the impact on global growth is expected to be nominal.

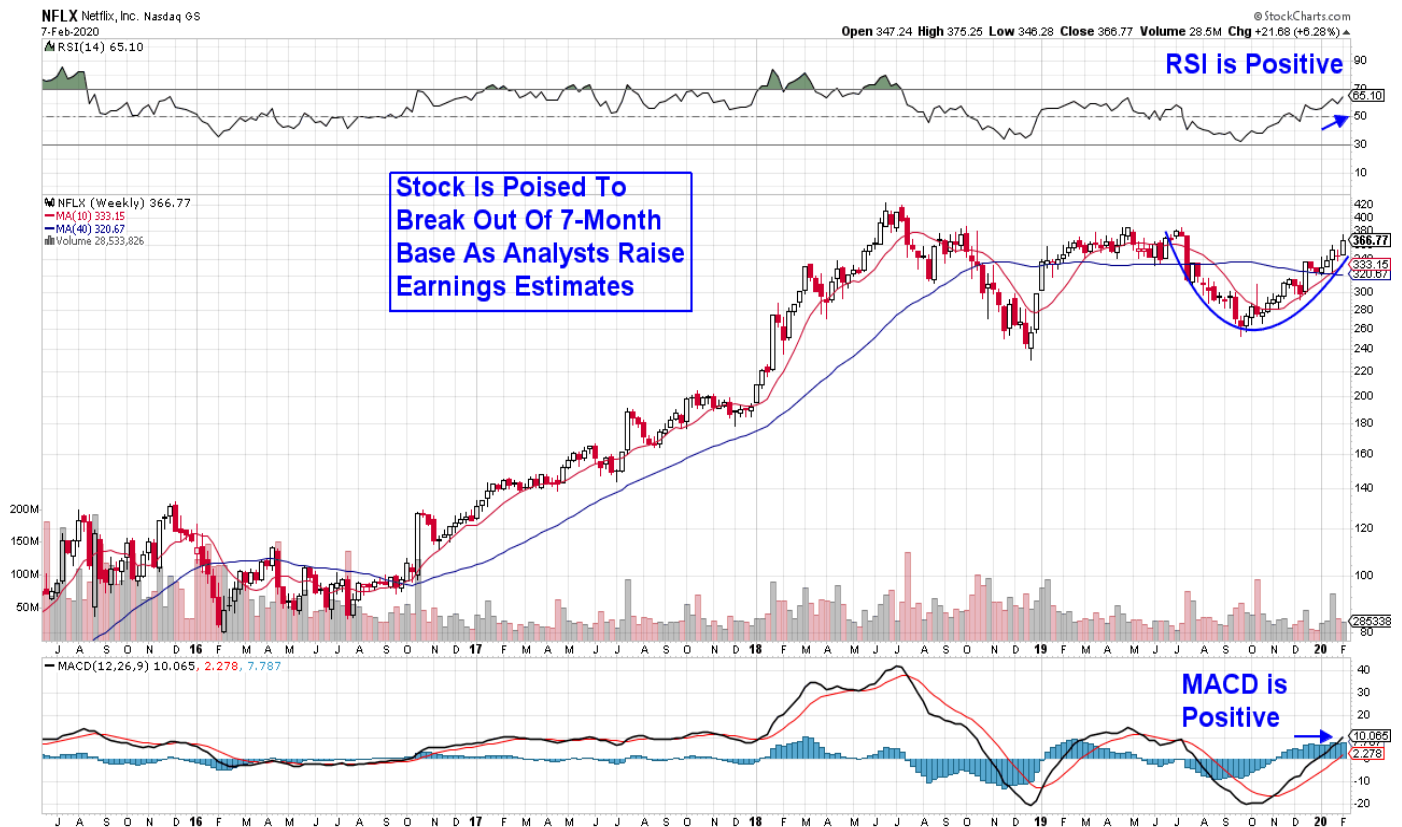
Investor's ability to bullishly focus on growth within the U.S. economy as well as positive earnings reports from corporations has helped buoy the markets. Next week, earnings season will begin to slow down which may reduce the focus there.

While we've highlighted stocks as being in buy zones, purchases of new positions should keep the prospects of a volatile backdrop in mind. While a strong labor market, rising corporate profits and low interest rates create a favorable backdrop for U.S. stocks, headline risks remain.

BUY: NETFLIX INC.

SYMBOL	COMPANY	PRICE	MARKET CAP	INDUSTRY
NFLX	Netflix Inc.	\$366.77	160.94 Billion	Leisure - Movies

Weekly Chart of Netflix Inc. (NFLX)



Netflix, Inc. (NFLX) provides internet entertainment services. The company operates in three segments: Domestic streaming, International streaming, and

Domestic DVD and offers TV series, documentaries, and feature films across various genres and languages. Analysts have been raising their growth guidance for

the company following a bullish earnings report with Goldman putting a \$450 price target on the stock.

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.	2,079.28	1.04 T	12/29/2019	11.00%	Retail - Internet
CMG	Chipotle Mexican Grill	864.22	24.00 B	12/01/2019	6.00%	Retail - Restaurants
COST	Costco Wholesale Corporation	313.63	138.55 B	01/19/2010	3.00%	Retail - Major Chains
HD	The Home Depot Inc.	237.30	258.85 B	01/19/2020	2.50%	Retail - Building Products
LULU	Lululemon Athletica	243.51	31.73 B	09/08/2019	20.00%	Retail - Apparel
WING	Wingstop Inc.	94.72	2.79 B	12/12/2019	8.50%	Retail - Restaurants
INDUSTRIAL						
CAE	CAE Inc.	31.19	8.28 B	11/03/2019	21.50%	Aerospace & Defense
LMT	Lockheed Martin Corp.	439.17	123.88 B	01/05/2020	6.50%	Aerospace & Defense
HEALTHCARE						
BMJ	Bristol-Myers Squibb	66.25	155.30 B	12/08/2019	10.50%	Medical - Drugs
PODD	Insulet Corporation	200.03	12.37 B	1/12/2020	9.50%	Medical Products
VRTX	Vertex Pharmaceuticals	240.06	62.17 B	12/22/2019	9.00%	Biotechnology
WST \$	West Pharmaceutical Services, Inc.	159.09	11.77 B	06/05/2019	35.50%	Medical Supplies
FINANCE						
GPN \$	Global Payments Inc.	200.79	60.35 B	11/10/2019	18.00%	Finance - Payments Processor
MA	Mastercard Inc.	327.00	326.17 B	12/15/2019	10.50%	Finance - Payments Processor
REAL ESTATE						
CCI	Crown Castle International Corp.	150.49	62.57 B	01/15/2020	4.50%	Real Estate - REIT
MPW	Medical Properties Trust, Inc.	23.28	12.05 B	01/15/2020	6.50%	Real Estate - REIT
STOR	Store Capital Corp.	39.84	9.35 B	01/21/2020	3.00%	Real Estate - REIT
SUI	Sun Communities, Inc.	162.38	15.05 B	01/21/2020	3.50%	Real Estate - REIT

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.	320.03	1.40 T	10/06/2019	41.00%	Phones & Hardware
ADSK	Autodesk Inc.	207.01	45.55 B	11/17/2019	28.00%	Computer Software - Design
AMAT \$	Applied Materials Inc.	61.71	56.69 B	02/04/2020	-2.00%	Semiconductor
ASML	ASML Holding NV	304.97	129.43 B	02/05/2020	-0.50%	Semiconductor
COUP	Coupa Software Inc.	157.88	10.07 B	01/05/2020	-1.00%	Software - Enterprise
INTU	Intuit Inc.	294.71	76.72 B	01/08/2020	8.00%	Software - Financial
IPHI	INPHI Corporation	82.39	3.76 B	11/10/2019	14.50%	Semiconductor
LRCX	Lam Research Corp.	315.40	45.91 B	09/08/2019	38.50%	Semiconductor
MSFT	Microsoft Corp.	183.89	1.40 T	06/16/2019	39.00%	Software - Desktop
NOW	ServiceNow, Inc.	341.06	64.44 B	02/06/2020	0.00%	Computer Software-Enterprise
NVDA \$	NVIDIA Corporation	251.59	153.97 B	12/18/2019	9.50%	Semiconductor - Graphics
PCTY	Paylocity Holding Corp.	140.19	7.51 B	12/19/2019	15.50%	Computer Software
PRFT	Perficient Corp.	51.82	1.69 B	06/16/2019	58.50%	Computer - Tech Services
RNG \$	RingCentral Inc.	207.47	17.41 B	01/06/2020	17.00%	Software - Cloud Based
SHOP \$	Shopify Inc.	478.69	55.48 B	12/01/2019	42.00%	Computer Software-Enterprise
VEEV	Veeva Systems Inc.	151.63	22.53 B	02/04/2020	-1.50%	Computer Software - Medical
COMMUNICATION SERVICES						
GOOGL	Alphabet Inc.	1,479.11	1.02 T	07/10/2019	29.50%	Internet - Content

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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
UTILITIES						
DUK	Duke Energy Corporation	96.27	70.55 B	01/19/2020	2.50%	Utilities - Diversified
NEE \$	NextEra Energy Inc.	269.54	131.74 B	01/15/2020	7.00%	Electric Services
SRE	Sempra Energy	158.59	44.71 B	02/02/2020	-1.50%	Utilities - MultiUtilities

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.

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