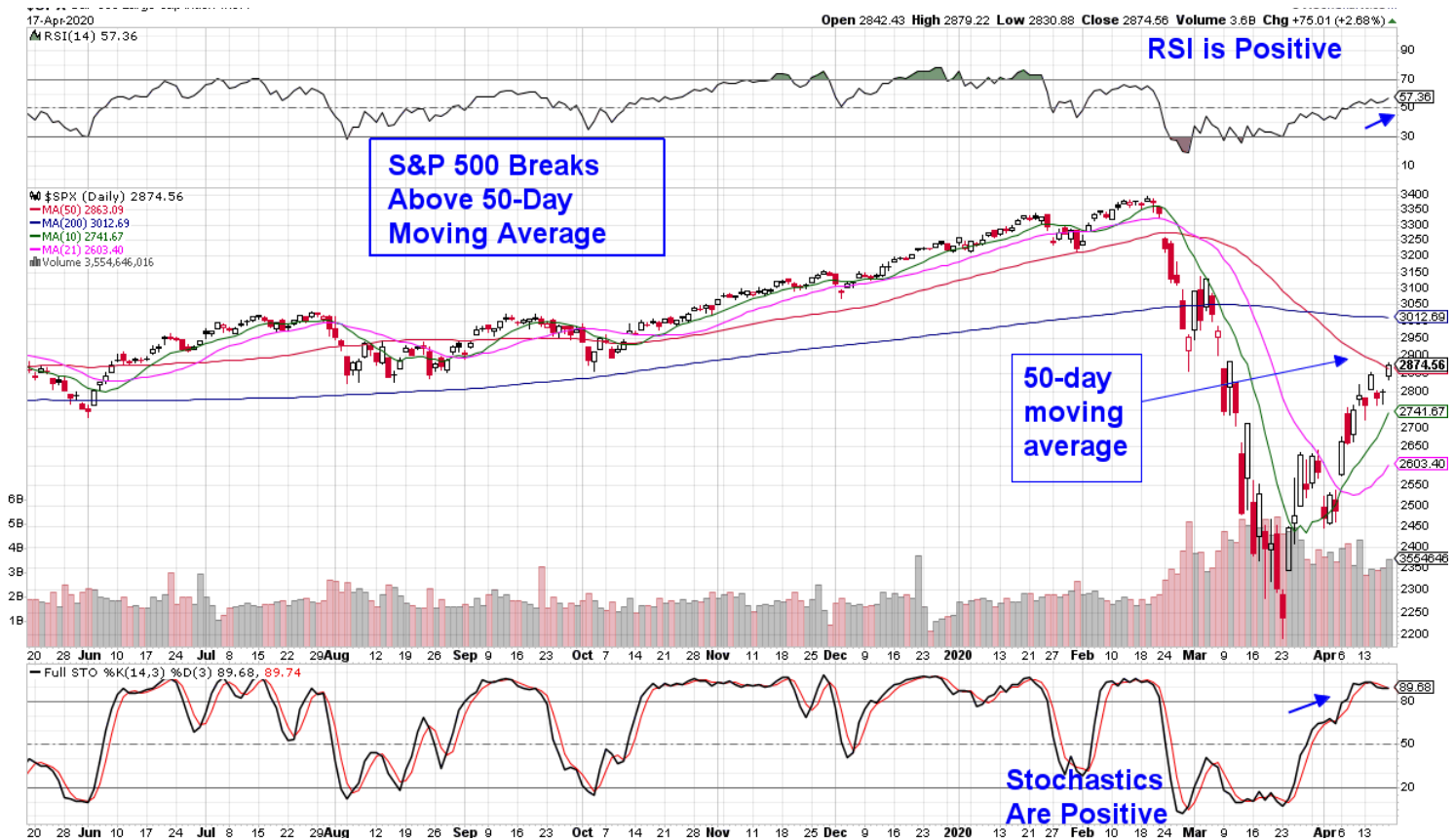




### THIS WEEK'S HIGHLIGHTS

- Positive News Of A Potential COVID-19 Drug Boosts Markets
- March Retail Sales Fall Most On Record Despite Reporting Only ½ Of Month
- China Posts 6.8% Drop In Economic Activity For 1st Quarter
- Existing and New Home Sales For March Due Next Week
- Trump Unveils 3-Phase Renewal Plan To Re-Open The U.S.

## DAILY CHART OF S&P 500 INDEX



The S&P 500 gained 3% for the week in a move that bullishly pushed this Index above its key 50-day moving average. In addition, the RSI and Stochastics remain in positive territory, putting the near-term uptrend on much firmer footing. The weekly chart for the S&P 500 is also shaping up as the RSI and Stochastics are moving closer to being in a positive position.

As mentioned in the past, positive signals from the RSI and Stochastics on a weekly chart often precede a longer-term uptrend when combined with a break back above key areas of potential resistance. We will alert you should this occur

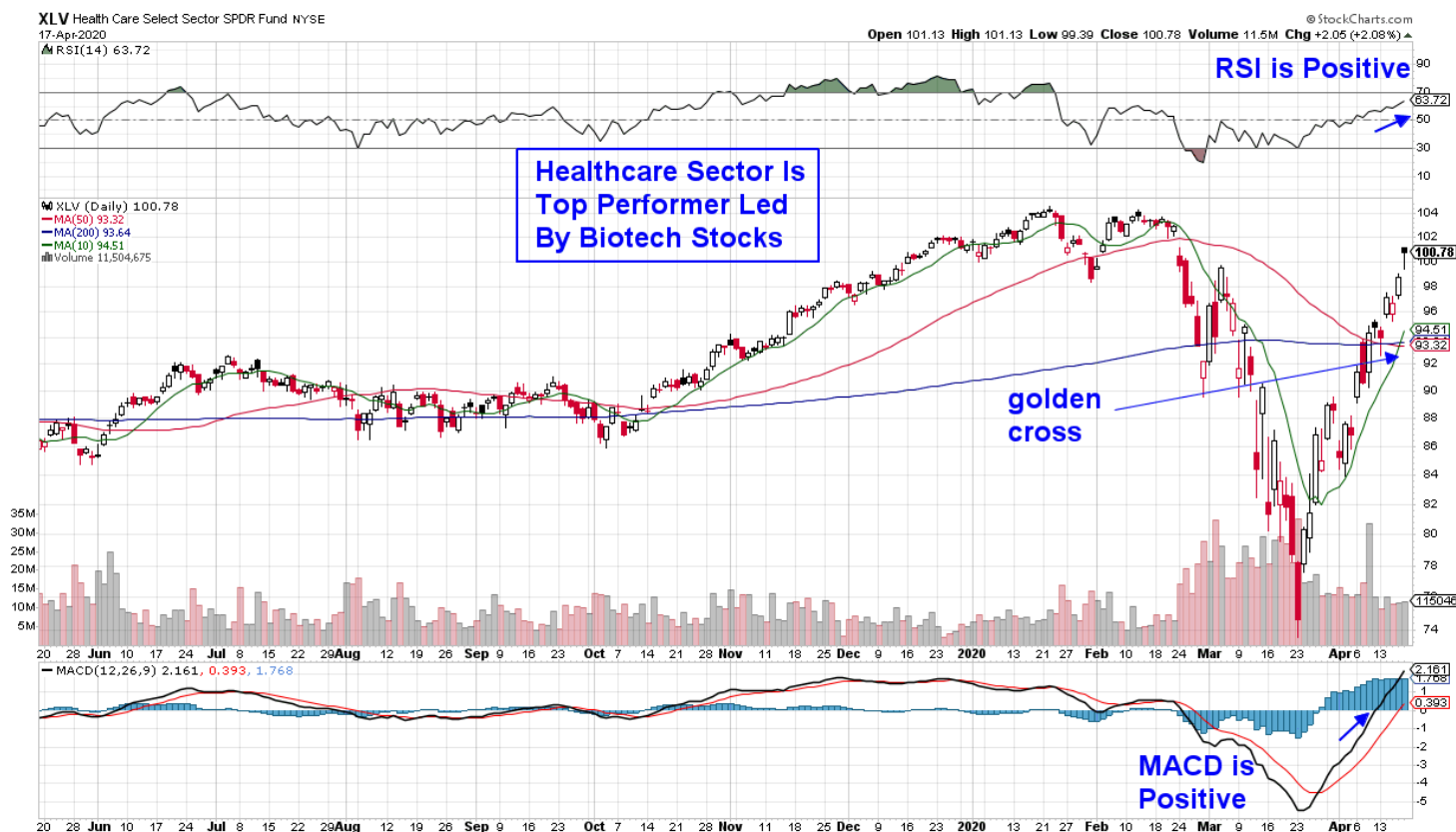
as near-term, the next area of possible upside resistance for the S&P 500 is its 200-day moving average, which is 4.7% away.

The Nasdaq was the big winner last week with a 6.1% gain that was led by Biotech, Software and Semiconductor stocks which had strong rallies while breaking back above key areas of possible resistance. Big moves in heavyweight Nasdaq stocks such as Amazon (AMZN) and Apple (AAPL) from our List, also propelled this Index higher.

Also encouraging was Friday's move back into beaten down Bank, Industrial and Retail stocks which had mostly sat out the rally earlier in the week. The strong gains were on virus-related optimism which helped broaden out what had been a narrowing of participation into growth stocks last week.

Should we see an ongoing broadening of participation in this uptrend that includes select growth stocks as well as depressed areas of the market, we expect a continuation rally at least up to the next possible area of resistance and beyond.

## Daily Chart of Healthcare Sector



### Healthcare Stocks Lead Markets Higher

The Healthcare sector was the best performer last week led by a 9.4% gain in Biotech stocks. Biotechs got a big boost from heavyweight stock Gilead (**GILD**) from our List which rallied sharply following a report of positive patient responses to their experimental drug remdesivir for those suffering severe COVID-19 symptoms.

Other top performers in Healthcare were leadership names Eli Lilly (**LLY**) and Regeneron (**REGN**) from our List with both stocks hitting new highs following gains of 8% and 11% respectively. **GILD**, **LLY** and **REGN** are three of four large companies that are in trial phases with treatments that are aimed at reducing COVID-19 patient's reliance on mechanical ventilators.

While each of these stocks are extended out of buy zones on their daily charts, shorter-term intraday charts point to further near-term upside for **GILD**, **LLY** and **REGN**.

On Wednesday, Eli Lilly announced they'll begin large scale clinical trials later this month using their already approved rheumatoid arthritis drug that was developed with Incyte (**INCY**). Positive results would be a boost for the already strong prospects for **LLY**. The stock broke out of a 10-week base on the news and is extended going into the release of their Q1 earnings on Thursday.

Leading Biotech stock Vertex (**VRTX**) executed a base breakout last week and charged to new highs following its 9.8% rally. The stock is extended 2% above a proper buy point on its daily chart however, an intra-day chart shows that the stock is poised for further near-term upside.

Insulet (**PODD**) from our List also had a positive week with a bullish break back above its 50-day moving average. The stock remains in a near-term uptrend and can be bought as it continues to form the right side of base.

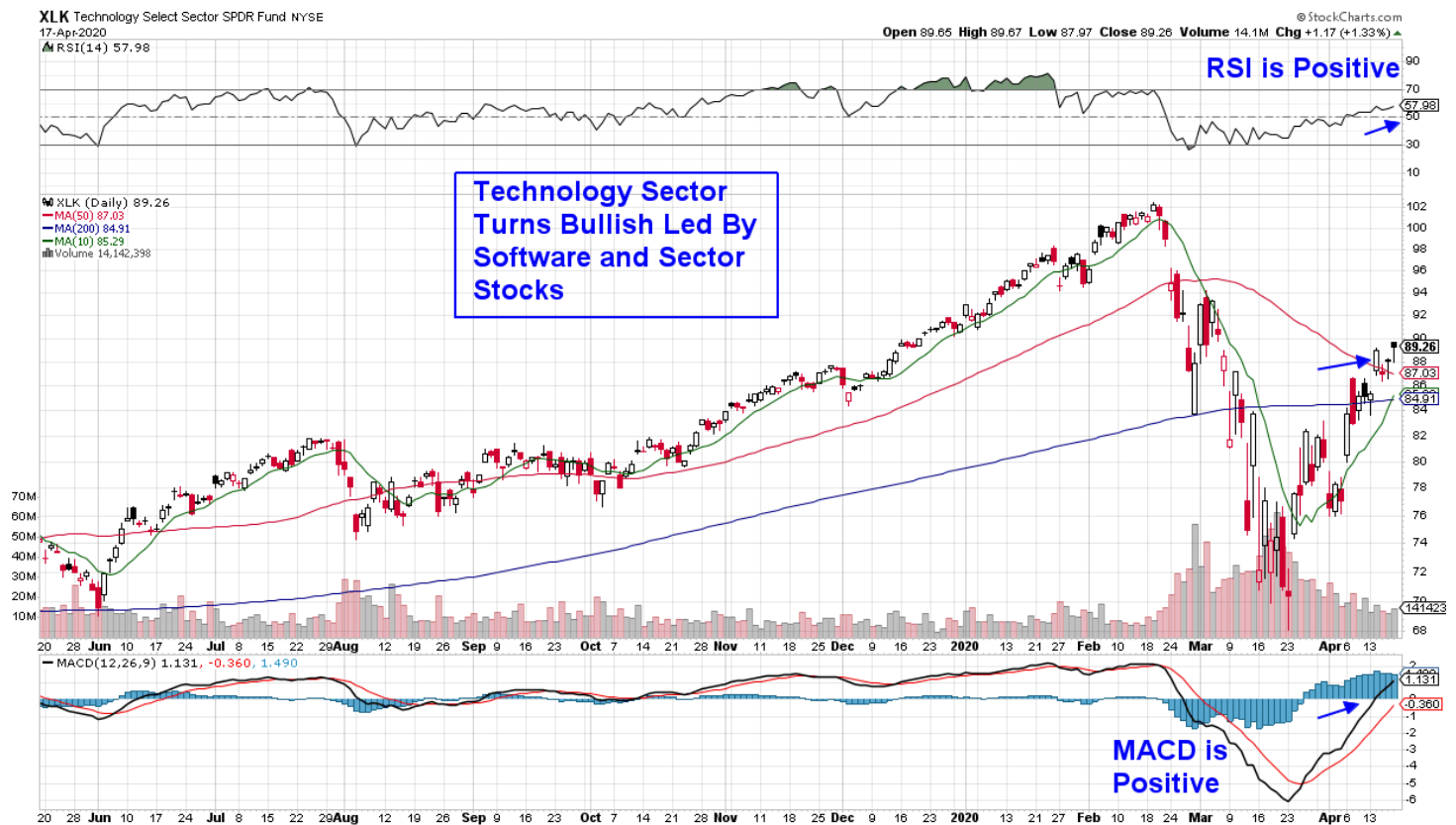
West Pharmaceuticals (**WST**) is also due to report earnings next week. The stock bullishly broke out of a flat base on its way to a possible longer-term breakout and a move above \$176.70 would be even more bullish for this stock ideally - following the release of Q1 results on Thursday.

Amedysis (**AMED**) from our List pulled back sharply on Friday as optimism surrounding a possible treatment for COVID-19 had investors worried that demand for their in-home health care services would decline. AMED pulled back to its 10-day moving average and is in a buy zone.

Biotech ETF (**IBB**) posted a huge gain last week as many of its heavyweight constituents rallied on positive news. The large gain in this Index, as well as many underlying stocks, is reminiscent of their sharp gains out of the 2018 bear market, where 9% weekly gains took place. That early 2019 rally failed however as potential growth prospects fizzled.

Biotechs have entirely different growth dynamics at this time as advances in the treatment of COVID-19 coupled with sped up approval processes, points to continued upside for this group..

## Daily Chart of Technology Sector



### Technology Sector Continues Bullish Uptrend

The Tech Sector continued its bullish bias which began last week when it broke back above its key 50-day moving average. As you may recall, it was one of only 2 sectors to turn bullish with Healthcare being the other.

Within Tech, the Semiconductor and Software groups continue to lead with 6.3% gains that pushed both the Semis (SOXX) and Software (IGV) groups bullishly above their 50-day moving averages while emerging from an oversold position on their weekly charts. As noted in our commentary above, a move out of oversold on a weekly chart can often signal a lengthy upside move.

While not all stocks in these leadership groups participated,

top stocks such as those on our Suggested Holdings List saw outsized returns as their involvement in the need to keep a locked down world connected, has boosted their growth prospects.

Within Software, Shopify (**SHOP**) was the largest gainer again this week with a 41% rally on the heels of bullish traffic comments from their CEO. Management cited Black Friday type conditions occurring on a regular basis as the company adds thousands of new businesses online to their platform. The stock is poised for further upside potential on its way to a 2-month base breakout while emerging from an oversold position on its weekly chart.

Other Software standouts include RingCentral (**RNG**) and Zoom (**ZM**) as both companies provide cloud-based solutions to keep employees and individuals connected during the current quarantine. RNG and ZM bullishly broke back above their key 50-day moving average on Monday and have room to continue to advance above this area of resistance.

In addition, both RNG and ZM are poised to break out of longer term bases and while a bit extended on their daily charts, Intraday RNG is in a strong buy zone.

Akami (**AKAM**) bullishly broke out of a 2-month base on volume as analysts raised earnings estimates going into the release of earnings later this month. The stock is less than 2% above an ideal buy point but is bullishly poised to trade higher.

Veeva Systems (**VEEV**) broke out of an even longer base and is in a strong buy zone after trading slightly above its high from 9 months ago. The longer a base breakout, the longer the potential advance out of that base.

Microsoft (**MSFT**) is also in a buy one after breaking out of a 7-week base while emerging from an oversold position on its weekly chart.

The Semiconductor group is another area where those companies that provide chips to help maintain data centers are faring the best. These centers play a critical role in securing the digital infrastructure needed to keep remote individuals connected by way of cloud based services.

Nvidia (**NVDA**) from our List is a prime example as

the company had been migrating toward providing a computing platform to data centers while also maintaining their strong presence in the gaming business. Last week, the company received approval from China to purchase Mellanox Technologies which will expand their already strong capabilities within the data center industry. The long-anticipated approval has analysts promoting NVDA as a long term buy.

Inphi (**IPHI**) also provides chips to data centers that are seeing a big increase in demand due to cloud computing needs from an isolated workforce. The company specializes in moving big data fast, around the globe, between and inside of data centers.

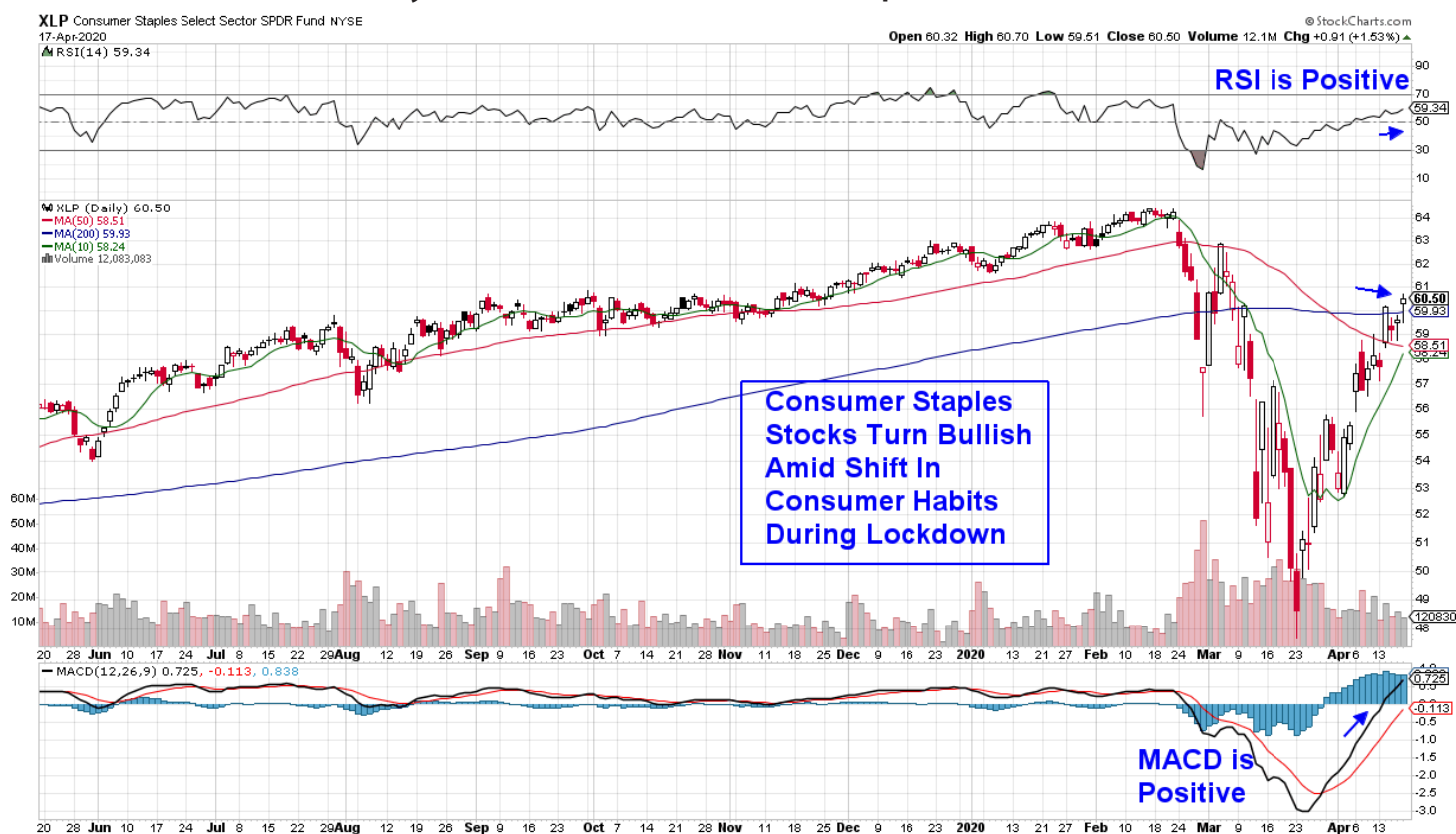
While both stocks are extended on daily charts following rallies in the 11% range, their intraday charts point to further upside with NVDA being particularly interesting.

ASML (**ASML**) from our list reported earnings that were below estimates however, the stock rallied on news that the company is seeing continued demand for their products with no cancellations. The lowered earnings were due to supply chain disruptions and those sales will be pushed out into future quarters. ASML can be bought as the stock continues to form the right side of a base.

Apple (**AAPL**) bullishly broke back above its 50-day moving average last week following news that sales in China surged in March. The stock is in a strong buy zone.



# Daily Chart of Consumer Staples Sector



## Consumer Staples Outperform Broader Markets

Select Staples stocks are seeing a surge in demand for their products as consumers continue to stock up on needed goods during the mandated lockdown. In addition, grocery prices are rising in the face of demand which will improve margins for these companies.

Among packaged foods, Campbell Soup (CPB) and J M Smucker (SJM) from our List are outperforming as their pantry friendly products are seeing increased sales to an already loyal client base. Unlike other food producers, both companies attribute only a nominal percent of sales to now closed restaurants.

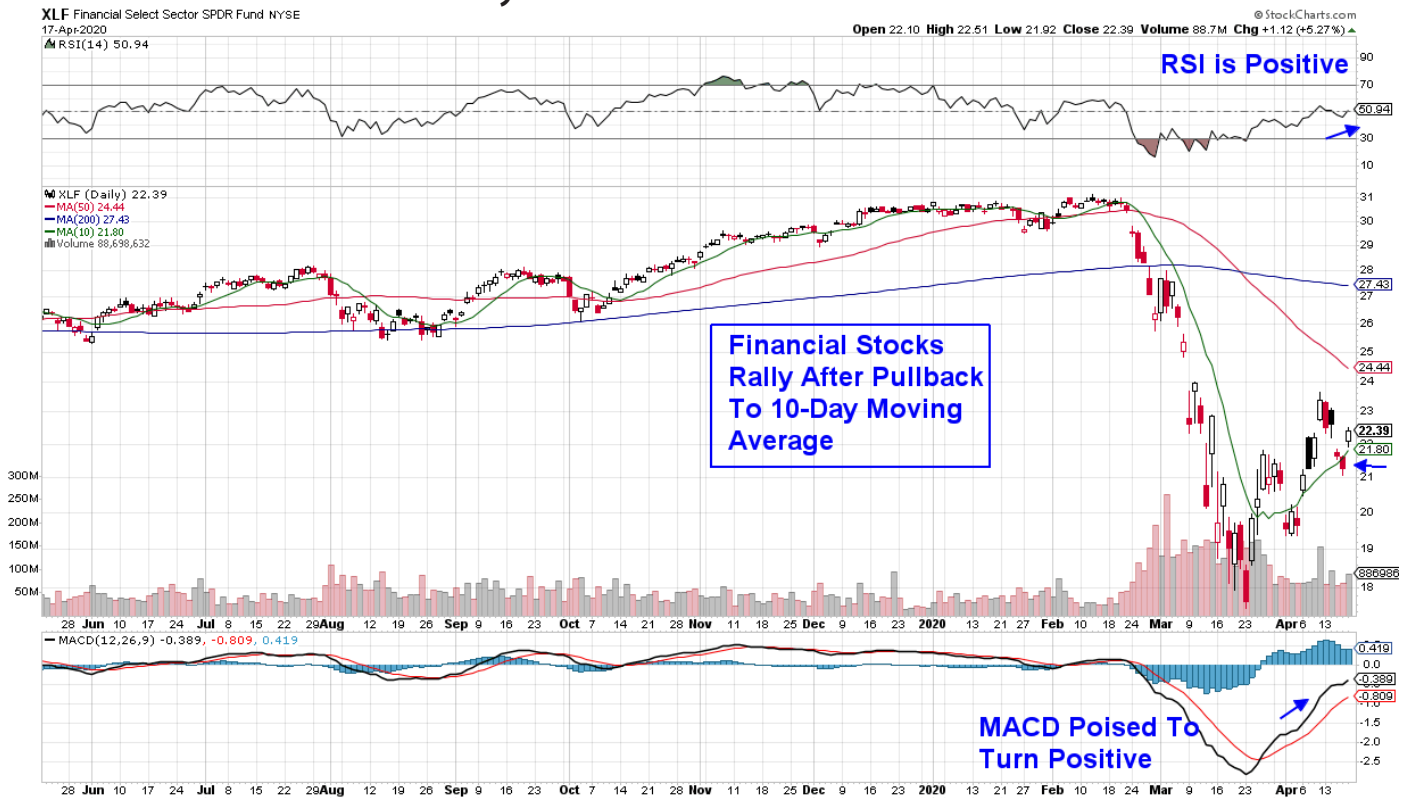
CPB is in a strong buy zone following a pullback to its 10-day moving average while poised to break out of a 2-month yield base. Analysts are raising earnings estimates for this 2.8% yielder which already reported earnings earlier this month.

SJM bullishly broke out of a 1-month base last week however, the stock is extended on a daily chart following its 8% advance for the week. The 2.9% yielder is also seeing estimates revised higher by analysts.

The fact that these companies also offer high yields in addition to growth prospects makes them ideal candidates.



# Daily Chart of Financial Sector



## Financials Are Worst Performers For Week

Bank stocks took a hit last week as fears of loan losses in the face of a locked down economy has investors worried about their prospects. The 9.8% drop in Banks (using etf KRE), was tempered by a sharp rally on Friday as optimism surrounding a potential COVID-19 treatment spread. While the Friday move pushed many banks back above shorter-term resistance, their recent volatility in the face of uncertainty makes them unattractive at this time.

Instead, our focus is on select Payment Processing firms such as Paypal (**PYPL**) which was added to our List last week following their approval by the SBA to distribute stimulus loans to small businesses. In addition to receiving 5% for loans under \$350,000, PYPL is expected to use their involvement as a way to foster client growth. The stock bullishly broke back above its 50 day moving average on its way to forming the right side of a base while emerging from an oversold position on its weekly chart.

**SUMMARY:** Last week's bullish action has us constructive on the near-term prospects for the markets and we would be buyers of those high quality, leadership stocks we've highlighted. While many of these stocks are extended on their daily charts, you'll want to use a 1-hour intraday chart as well to provide entry points.

While this guidance is not in line with our standard approach of entering stocks as they pullback to key support such as their 10-day moving average on a daily chart, history shows that fast moving stocks in a new bullish phase will often just consolidate rather than pullback sharply as long as their uptrend remains in place.

For those who missed my video report from Wednesday's midweek report, I urge you to [view it here](#) as it not only highlights entry and exit points using intraday charts, it provides guidance on how to use daily and weekly charts in conjunction so that you'll have confidence to enter new

positions.

Next week, earnings season will be ramping up as over 100 stocks are due to report their 1st quarter results. In addition to paying attention to past results, trader's will be listening for any insights regarding their full year outlook.

The economic calendar is light with jobless claims being a highlight next week as well as Consumer Sentiment with both areas expected to take a hit.

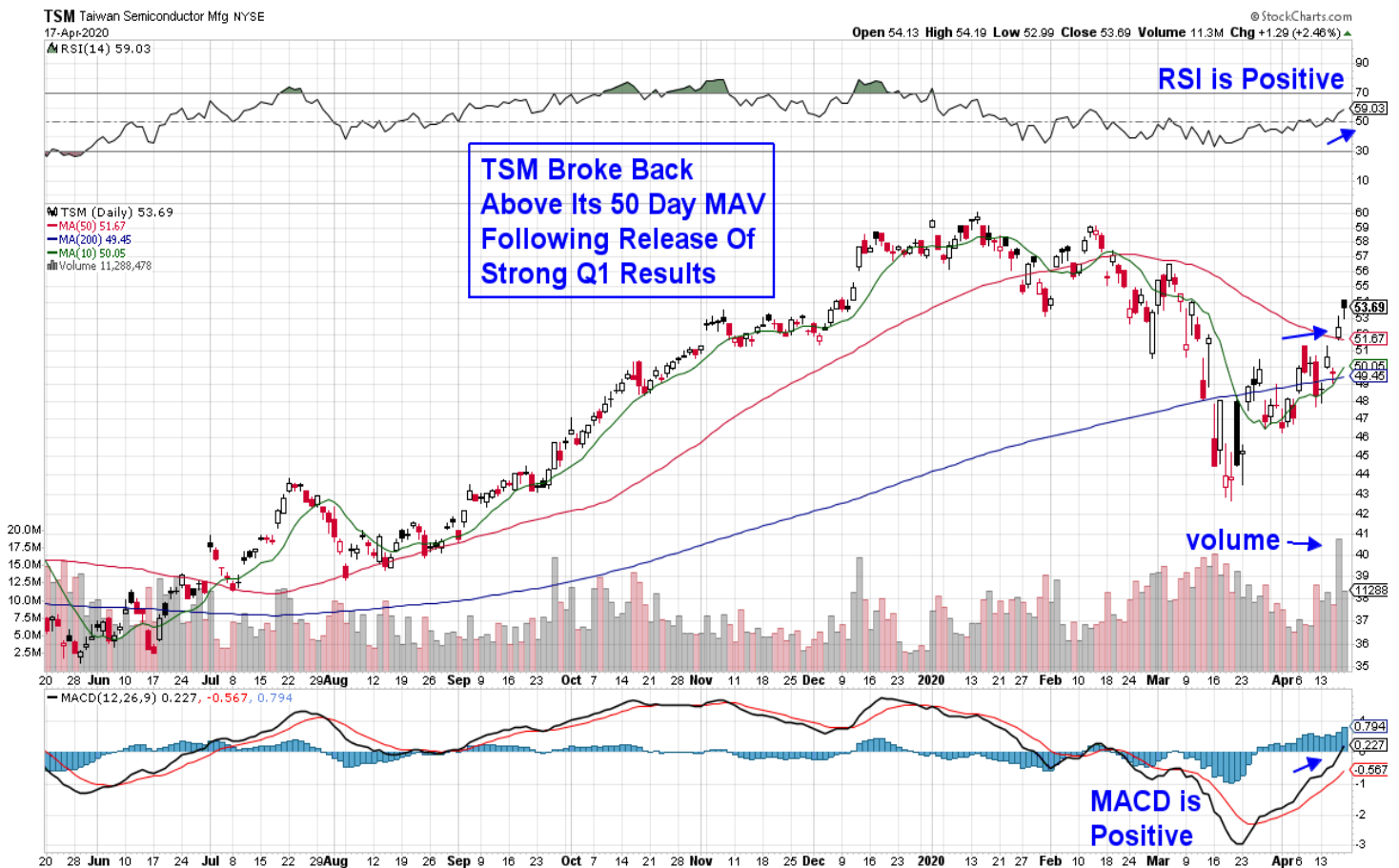
As noted, bullish investor sentiment is driving stocks higher as hints of an end to restrictions has them looking beyond the expected recession. Bullish reports from select leadership names in Healthcare and Technology are also boosting the markets.

Should we see a pronounced shift in this confidence, which would be signaled by a price break back below the 50-day moving average coupled with a lack of base breakouts, we will alert you.

# BUY: TAIWAN SEMICONDUCTOR MANUFACTURING

SYMBOL	COMPANY	PRICE	MARKET CAP	INDUSTRY
TSM	Taiwan Semiconductor Manufacturing	\$53.69	253.00 Billion	Semiconductor Manufacturing

## Daily Chart of Taiwan Semiconductor Manufacturing (TSM)



**Taiwan Semiconductor (TSM)** provides high-performance computing components used by cloud-computing companies. They are also a primary chipmaker for Apple and Huawei Technologies. The world's largest chipmaker reported

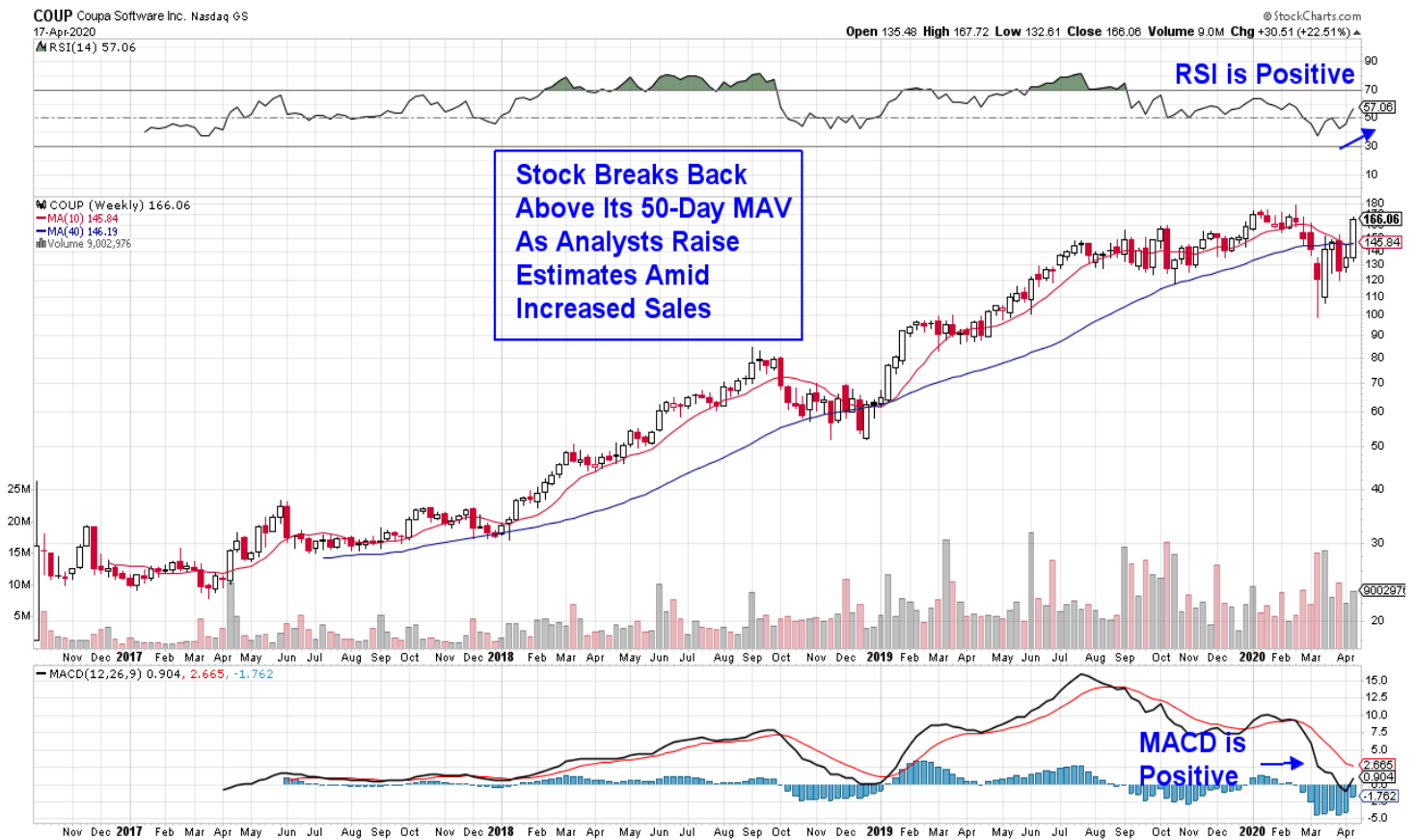
strong earnings last week after seeing strong demand among cloud computing as well as the continued ramp up of 5G smartphones. TSM lowered their outlook for the year only slightly as they expect demand from new product launches in

high-performing computing to outweigh reduced demand for mobile phones. The stock currently offers a 2.3% yield.

# BUY: COUPA SOFTWARE INC.

SYMBOL	COMPANY	PRICE	MARKET CAP	INDUSTRY
COUP	Coupa Software Inc.	\$166.06	11.07 Billion	Computer Software - Enterprise

## Weekly Chart of Coupa Software Inc. (COUP)



**Coupa Software Incorporated (COUP)** provides a cloud-based business spend management platform. The company recently reported 1st quarter revenues that improved 46% year over

year driven by robust sales of the company's Business SpendManagement software as well as continued growth in their Coupa Pay offerings. Analysts raised estimates for the company

last week with a price target of \$182.00 as sales are improving during the current lockdown period.



# BUY: AUTODESK, INC.

SYMBOL	COMPANY	PRICE	MARKET CAP	INDUSTRY
ADSK	Autodesk, Inc.	\$180.94	39.72 Billion	Computer Software - Design

## Daily Chart of Autodesk, Inc. (ADSK)



**Autodesk, Inc. (ADSK)** operates as a design software and services company worldwide. The company offers AutoCAD, a professional design, drafting, detailing, and visualization software; AutoCAD Civil 3D, a surveying, design, analysis,

and documentation solution for civil engineering, including land development, transportation, and environmental projects. The stock rallied last week on news that they're investing in an infrastructure software company that will deepen the

company's offerings in road construction projects funded by the government.

## 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
<b>CONSUMER DISCRETIONARY</b>						
AMZN	Amazon.com Inc.	2,375.00	1.18 T	12/29/2019	27.00%	Retail - Internet
<b>CONSUMER STAPLES</b>						
SJM	J.M. Smucker Co.	121.58	13.86 B	04/05/2020	8.00%	Food - Packaged
CPB	Campbell Soup Co.	50.34	15.19 B	04/05/2020	1.50%	Food - Packaged
<b>FINANCIALS</b>						
PYPL	Paypal Holdings Inc.	111.85	131.19 M	04/12/2020	5.50%	Payment Processor
<b>HEALTHCARE</b>						
AMED	Amedisys Inc.	198.57	6.42 B	04/12/2020	3.50%	Medical - Outpatient Care
GILD	Gilead Sciences Inc.	83.99	105.74 B	03/18/2020	5.50%	Biotechnology
IBB	Biotechnology Index	124.64	7.88 B	03/04/2020	2.50%	Biotechnology
LLY \$	Eli Lilly and Co.	157.29	150.53 B	03/04/2020	12.00%	Pharmaceuticals
PODD	Insulet Corporation	199.34	12.57 B	1/12/2020	9.00%	Medical Products
REGN	Regeneron Pharmaceuticals	568.79	62.58 B	3/29/2020	20.00%	Biotechnology
VRTX	Vertex Pharmaceuticals	270.46	70.12 B	03/04/2020	10.00%	Biotechnology
WST \$	West Pharmaceutical Services, Inc.	169.98	12.55 B	03/26/2020	17.00%	Medical Supplies

*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
<b>TECHNOLOGY</b>						
AAPL	Apple Inc.	282.80	1.24 T	04/06/2020	7.50%	Phones & Hardware
AKAM	Akamai Technologies	105.35	17.12 B	04/05/2020	10.50%	Computer Software-Enterprise
ASML	ASML Holding NV	295.65	125.60 B	04/08/2020	6.00%	Semiconductors
IPHI	Inphi Corporation	96.13	4.43 B	04/06/2020	10.00%	Semiconductors
MSFT	Microsoft Corp.	178.60	1.36 T	06/16/2019	35.00%	Software - Desktop
NVDA	NVIDIA Corporation	292.32	179.04 B	12/18/2019	27.50%	Semiconductor - Graphics
RNG	RingCentral Inc.	236.51	20.60 B	01/06/2020	33.50%	Software - Cloud Based
SHOP	Shopify Inc.	590.39	68.93 B	12/01/2019	75.50%	Computer Software-Enterprise
VEEV	Veeva Systems Inc.	181.12	27.03 B	4/12/2020	11.50%	Computer Software-Medical
ZM	Zoom Video Communications Inc.	150.06	41.87 B	4/13/2020	10.50%	Software - Communications

#### 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.**