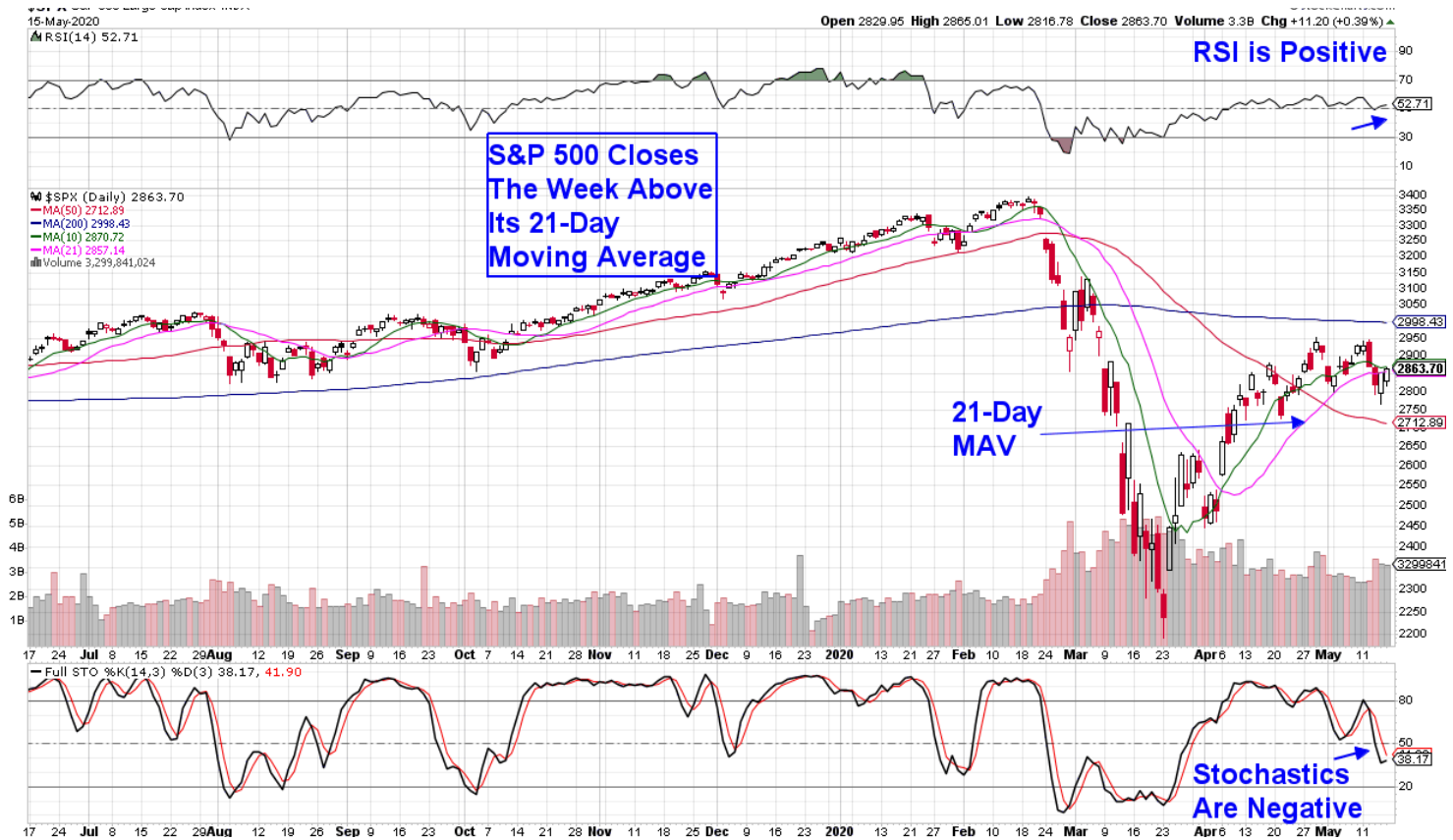




THIS WEEK'S HIGHLIGHTS

- April Retail Sales & Industrial Production Drops Most In History
- Fed Chair Powell Hints At Slow Economic Recovery
- U.S. / China Trade Tensions Resurface
- U.S. Weekly Jobless Claims Are Lowest Since Coronavirus Declared Pandemic
- Housing Starts and Existing Home Sales Next Week

WEEKLY CHART OF S&P 500 INDEX



The S&P 500 Index fell 2.3% for the week in a move that puts the Index just below its 10-day moving average but above its 21-day mav. The RSI remains in positive territory on its daily chart while the Stochastics are currently in negative territory.

The mixed signals on the S&P 500 Index reflect a market that's digesting impactful information at a rapid pace. From optimism surrounding a re-opening economy to fear regarding dire predictions of a prolonged recovery - all mixed in with negative economic data, investors have had to climb a wall of worry

The good news is, a sharp midweek selloff was partially reversed by a late week rally and overall, the near-term uptrend in the markets remains in place.

The leading Nasdaq Index continues to outperform the

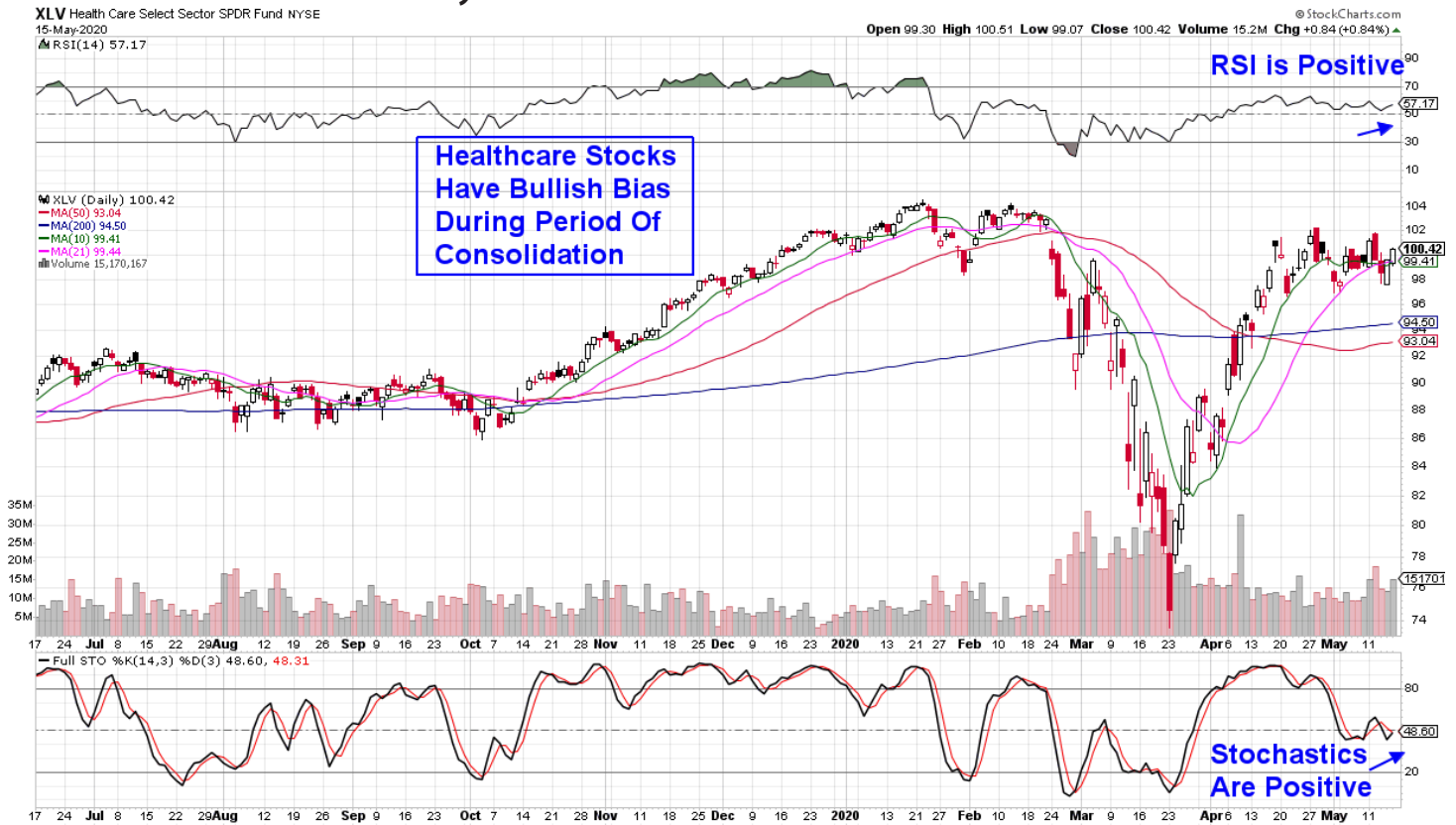
markets with a 1.2% drop that keeps this Index above all key moving averages with a positive RSI and Stochastics that point to further upside.

A 3% move in Biotech stocks boosted this Index as did select growth stocks such as those from our Suggested Holdings List. Four of the top 10 performers from the Nasdaq 100 Index are on our List after they far outpaced the markets.

The Nasdaq staged an even more impressive recovery rally after pulling back as much as 5.9% before ending the week down only 1.2%.

We expect this volatility to continue over the near term and would be buyers of the high-quality growth stocks on our List on any pullback.

Daily Chart of Healthcare Sector



Healthcare Only Sector With Positive Returns

Healthcare stocks gained 1.1% for the week as this defensive area of the markets got a boost from Biotech stocks as well as a move back into large Pharmaceutical stocks.

As mentioned in [last Sunday's report](#), technological advances are smoothing the path for faster discovery of new medical treatments among Biotechnology as well as Pharmaceutical companies. The result is increased growth prospects for companies such as those on our List that are developing new drugs that are being met with high demand.

Leading Biotech firm Vertex (**VRTX**) from our List is a prime example as the company is seeing huge demand for their new cystic fibrosis combo drug which was approved last fall. The landmark approval treats the underlying genetic cause of the disease instead of the actual disease and it's proving to be much more effective.

The cutting-edge company had more breaking news this week as they received a special designation that will expedite the review process for their promising treatment of blood diseases. VRTX partnered with CRISPR Therapeutics (CRSP) who specializes in gene editing therapies.

New advances in COVID-19 related therapies are also being sped up with the help of technology and all of this is putting the Biotechs on track to break out of a 5-year base. Historically, the longer your base breakout, the longer the

advance out of that base so this would be quite bullish.

You can read more about the long-term prospects for this group based on historical precedence [in my article](#) that was published last week.

VRTX is in a confirmed uptrend following last week's 6.3% advance. The stock can be bought on a pullback to its 10-day moving average. Biotech stock Regeneron (**REGN**) from our List broke out of a 1-month base and into a strong buy zone.

Biotech ETF IBB (**IBB**) has also shown that a pullback to its 10-day moving average is a prime buy point. The ETF is extended following its 9% advance over the last two weeks, however IBB is a great way to participate in the expected new uptrend for this area of the markets and can be bought on a pullback.

Elsewhere in Healthcare, West Pharmaceutical (**WST**) posted a strong 7% advance following an early week pullback to its 10-day moving average. As mentioned in [our Midweek Report](#), this pullback put the stock in an ideal buy zone and we'd be a buyer again with any pullback to its 10-day mav.

Insulet (**PODD**) is continuing to reverse its early week selloff and the stock can be bought on a break back above its 10-day moving average which would be in the \$208 range.

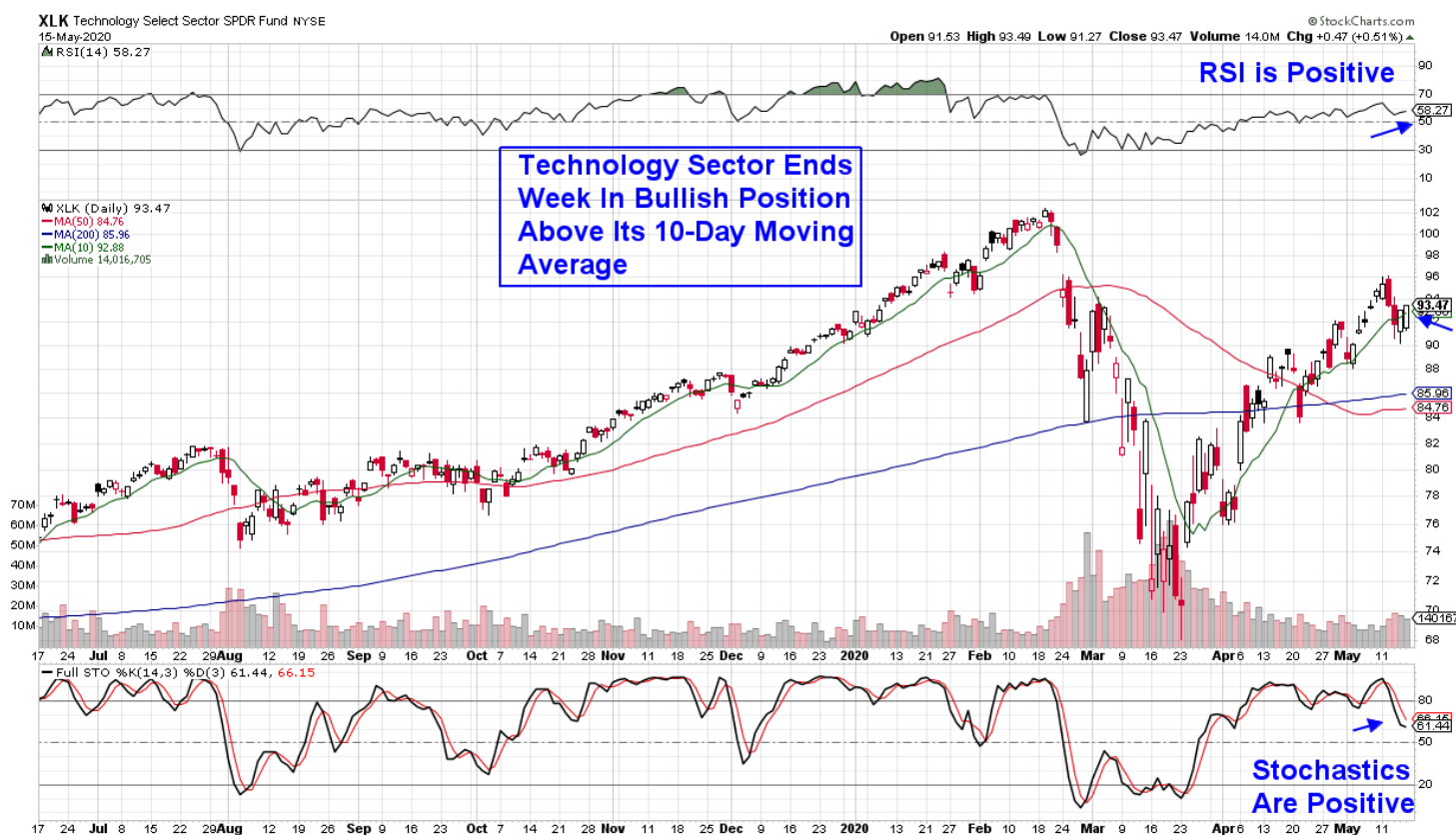
Ely Lily (**LLY**) is in a strong buy zone following last week's FDA approval of their lung cancer treatment. The stock is continuing to form the right side of a base on its way to a 3-week base breakout and LLY is in a strong buy zone.

The Healthcare sector remains in a bullish position as it's a defensive area of the markets with strong growth prospects due to new developments in medical treatments that will be

met with demand regardless of any recession fears.

This week, we're adding Seattle Genetics (**SGEN**) to our List following this week's slight pullback on the heels of reporting exceptional earnings late last month.

Daily Chart of Technology Sector



Technology Sector Outperforms Market Despite Setbacks

The Tech sector fell less than the broader markets as a sharp pullback in Semiconductor stocks was offset by gains in select Software and Networking stocks.

Zoom Communications (**ZM**) from our List was among the bigger winners last week with a 12.5% rally on the heels of the company's announcement of a hiring spree to keep up with increased demand for their services. A Friday upgrade from a major Wall Street firm also boosted shares.

ZM is in a confirmed uptrend and can be bought as the stock continues to form the right side of a base on its way to a 4-week base breakout. Coupa (**COUP**), Shopify (**SHOP**) and Ring Central (**RNG**) are also in confirmed uptrends following average gains above 8% for the week.

A close look at the daily charts for each of these fast-moving stocks shows that currently, they can be bought on any slight

intraday pullback. Shorter-term investors can drill down to a 15-minute chart for more precise entry points

Software stocks Veeva (**VEEV**), Adobe (**ADBE**) and Intuit (**INTU**) have much more defined entry points on their daily charts as historically INTU and ADBE can be bought on a pullback to their 21-day moving average and VEEV can be bought on a pullback to its 10-day mav. Each of these stocks are in confirmed uptrends.

Microsoft is also in a strong buy zone as the stock has broken back above its 10-day moving average and is the area of its recent 10-week base breakout.

Semiconductor stocks were set back last week as increased tensions between the U.S. and China emerged after Trump's efforts to block delivery of chip products to China's largest technology company.

Select Chip stocks were able to side-step the 4.2% selloff in the group (using etf SOXX) due to their focus on growth areas such as much needed data centers and the need for increased bandwidth provided by 5G networks.

Nvidia (**NVDA**) from our List is a prime example following last week's 9% rally. The company had a major announcement regarding their new chip design that's 20X faster in processing cloud-based data. Management stated that all their cloud providers have already taken delivery of this new chip which should have a very positive impact on their earnings next week.

Advanced Micro (**AMD**) is trading above each of its key moving averages and poised to continue to form the right side of a base. The stock has seen recent analyst's upgrades as the company provides chips to each of the growth areas mentioned above as well as the gaming industry which has seen a pickup due to mandated lockdowns.

Lattice Semiconductor (**LSCC**), and Inphi (**IPHI**) both pulled back into strong buy zones with LSCC now back to its recent cup with handle base breakout while IPHI is at its 10-day moving average.

Of the two stocks, IPHI is a stronger candidate as analysts are raising earnings estimates after they recently beat quarterly estimates. The company is seeing increased demand from cloud data centers and telecom operators that are dealing

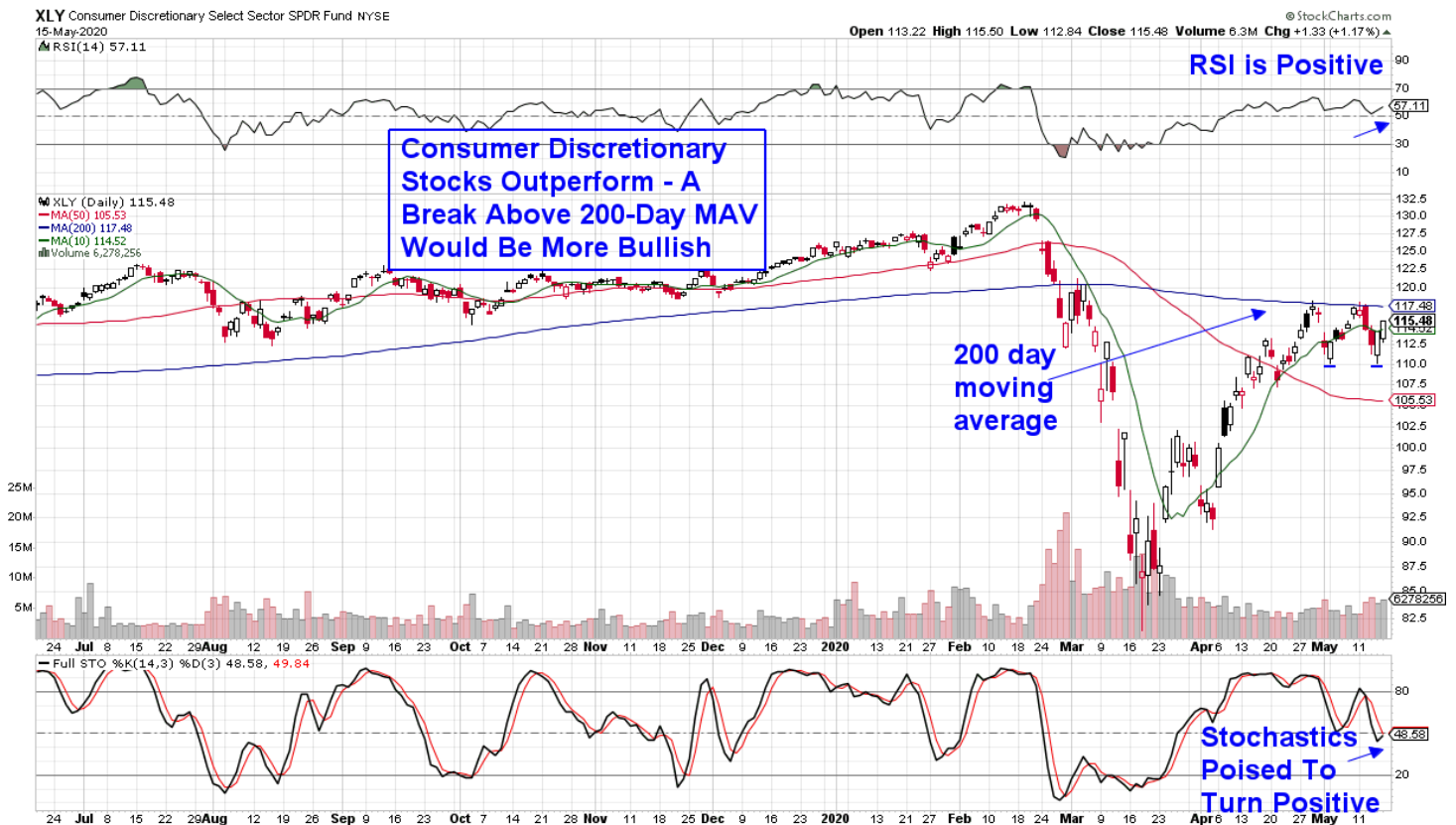
with strained networks from work at home and distance learning demands.

Recently added Monolithic Power (**MPWR**) had a sharp pullback on heavy volume and is giving mixed signals. While MPWR is finding support at its 21-day moving average and is now at the top of its \$193 base breakout level, it may have more near-term downside.

We view select areas of Technology as defensive given the need for their products during this historic pandemic. The increased demand for Cloud Computing Software as well as increased bandwidth to help keep locked-down workers and students connected, is improving the growth prospects of leading stocks such as those on our List.



Daily Chart of Consumer Discretionary Sector



Consumer Discretionary Stocks Have Bright Spots

Select areas helped this sector outperform the broader markets last week led by Home Improvement and Specialty Retailers that are being favored during the current lockdown period.

Each of the stocks on our Suggested Holdings List fit this profile and as mentioned in our Midweek Report, the pullback to the 10-day moving average proved to be an ideal buy point for each of these stocks that averaged gains in the 3% range for the week.

Home Depot (**HD**) from our List broke out of a 1-week base on heavy volume ahead of the release of their earnings next week. Analysts are raising estimates due to consumer's desire to improve their living spaces in the wake of a forced lockdown. The 2.5% yield is due to report earnings on Tuesday.

Athleisurewear maker Lululemon (**LULU**) also bounced off of its 10-day mav after a major Wall Street firm raised their price target to \$280. LULU is one of the few full priced retailers that's seeing increased sales as quarantined clients are favoring comfortable clothing.

Chipotle (**CMG**) also popped last week on a Wall Street

price target raise to \$1,100. The company has seen a pickup in digital sales that's expected to continue beyond the current lockdown.

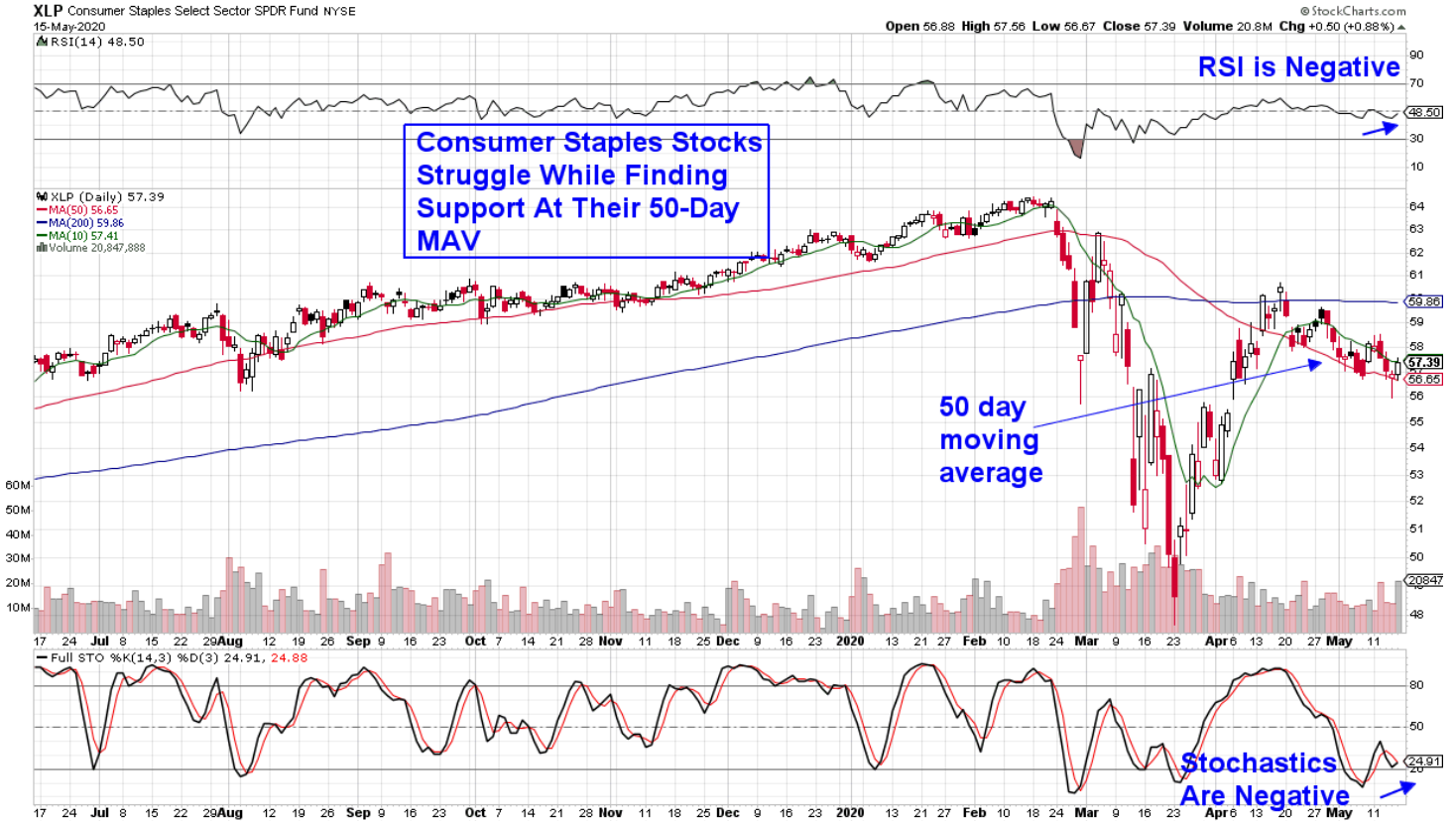
And lastly, Amazon (**AMZN**) is continuing to see analysts raise earnings estimates as the company is securing its position as the leading online retailer. Their announcement late last month to reinvest all of their Q1 capital gains back into the company is helping to improve Wall Street's longer-term outlook for AMZN.

AMZN, CMG, HD and LULU are all in confirmed uptrends with CMG and LULU extended and they can be bought on a pullback to their 10-day moving averages while AMZN can be bought here.

Next week we'll see the beginning of earnings season for many Retailers as heavyweight stocks Walmart (**WMT**) and Target (**TGT**) will report. Both stocks are on our Watch List as they're bullishly positioned ahead of their reports.

Chewy (**CHWY**) is also on our Watch List and the stock will be added once it breaks back above its 50-day moving average as the stock is emerging from an oversold position.

Daily Chart of Consumer Staples Sector



Consumer Staples Stocks Outpace Broader Markets

The coronavirus outbreak has consumers stepping out only for essentials and because the duration of this pandemic is uncertain, they're stockpiling goods. The result is a return to brands with canned and other goods that have a long shelf life as well as comfort foods that were favored years ago.

The move has brand name firms such as General Mills (GM) raising guidance for fiscal year 2020 which is a rare occurrence for an economy that's expected to decline significantly.

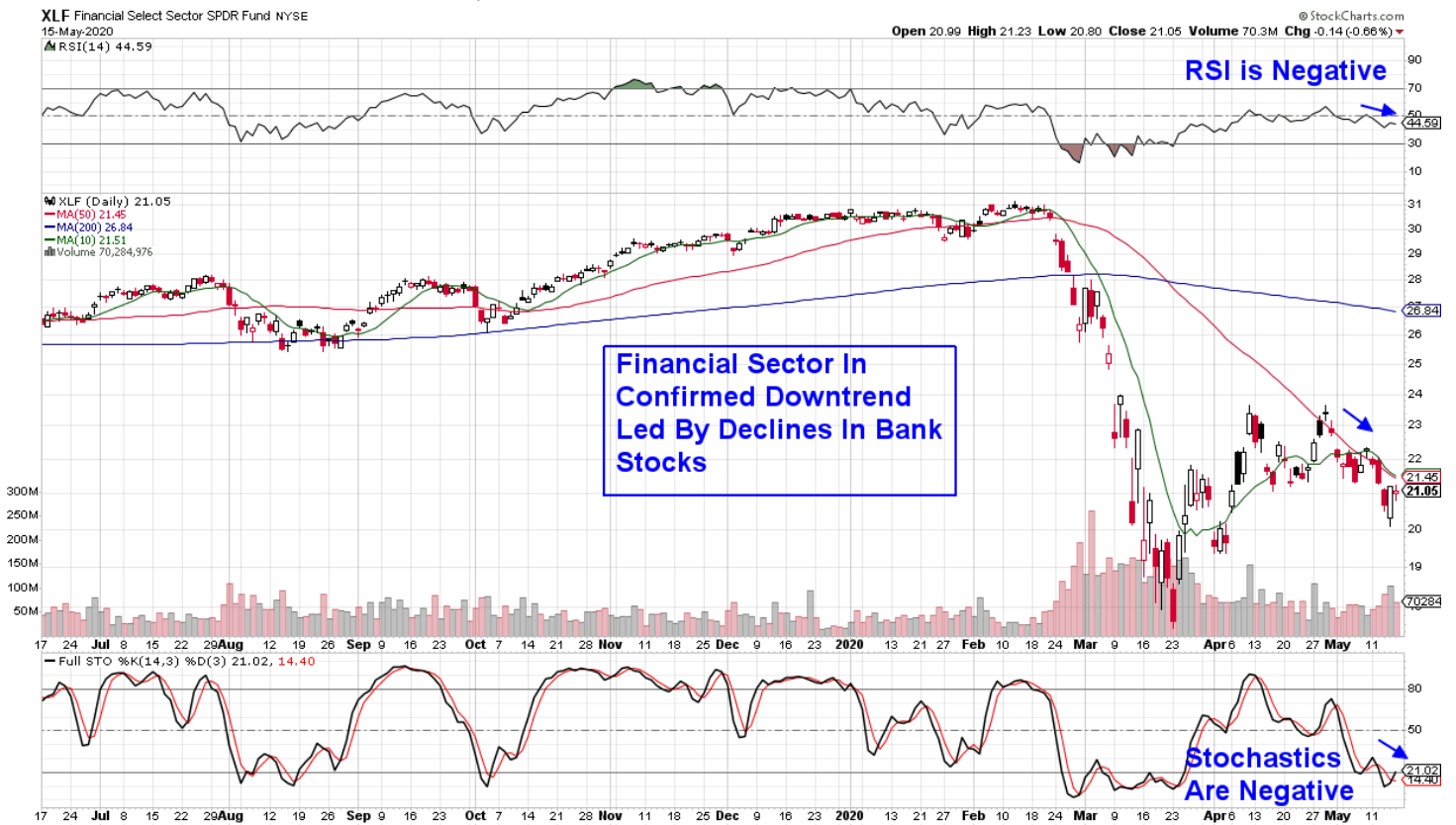
Campbell's (CPB) from our List is also seeing a big pickup in demand for their goods and the 2.5% yielder gained 4.4%

last week. The stock broke out of a 1-month base and appears poised for further upside.

JM Smucker (SJM) did not fare as well last week despite an analyst's upgrade. The stock pulled back to its 50 day moving average and can be bought on a break back above its 10-day moving average in the \$116 range.

We're adding plant based meat producer Beyond Meat (BYND) to our Suggested Holdings List.

Daily Chart of Financial Sector



Financial Sector Drops Further On Fed Chair Comments

Bank stocks were hit again last week following remarks from Fed Chair Powell that the combination of lower expected earnings and higher debt among corporations could trigger a sizable increase in firm defaults.

We expect these banks to continue to greatly underperform into next quarter which is when we may well see the true impact of the pandemic on corporation's profitability.

Select Payment Processor's in this sector such as Paypal (PYPL) are seeing strong growth by way of new users of

their services. Cash transfer service Venmo has seen a huge pickup in users as no touch, electronic payment usage is soaring. PYPL was also selected to help with the SBA's disbursement of stimulus funds which has also brought new users to their platform.

Paypal is continuing to consolidate following their gap up on earnings and the stock can be bought with an eye toward another leg up.

SUMMARY: The market's ability to bounce from a sharp midweek selloff is very bullish, particularly given the negative implications of Fed Chair Powell's remarks that suggest a prolonged recovery period from the pandemic.

Next Tuesday, Powell will be testifying in front the U.S. Banking Committee which may induce volatility in the markets again, depending on his comments. In addition, FOMC meeting notes from last month will be released on Wednesday which will also be closely watched.

With the near-term uptrend in the markets remaining in place, we will continue to focus on those areas of the

economy that are seeing growth during this historically unprecedented period in the markets.

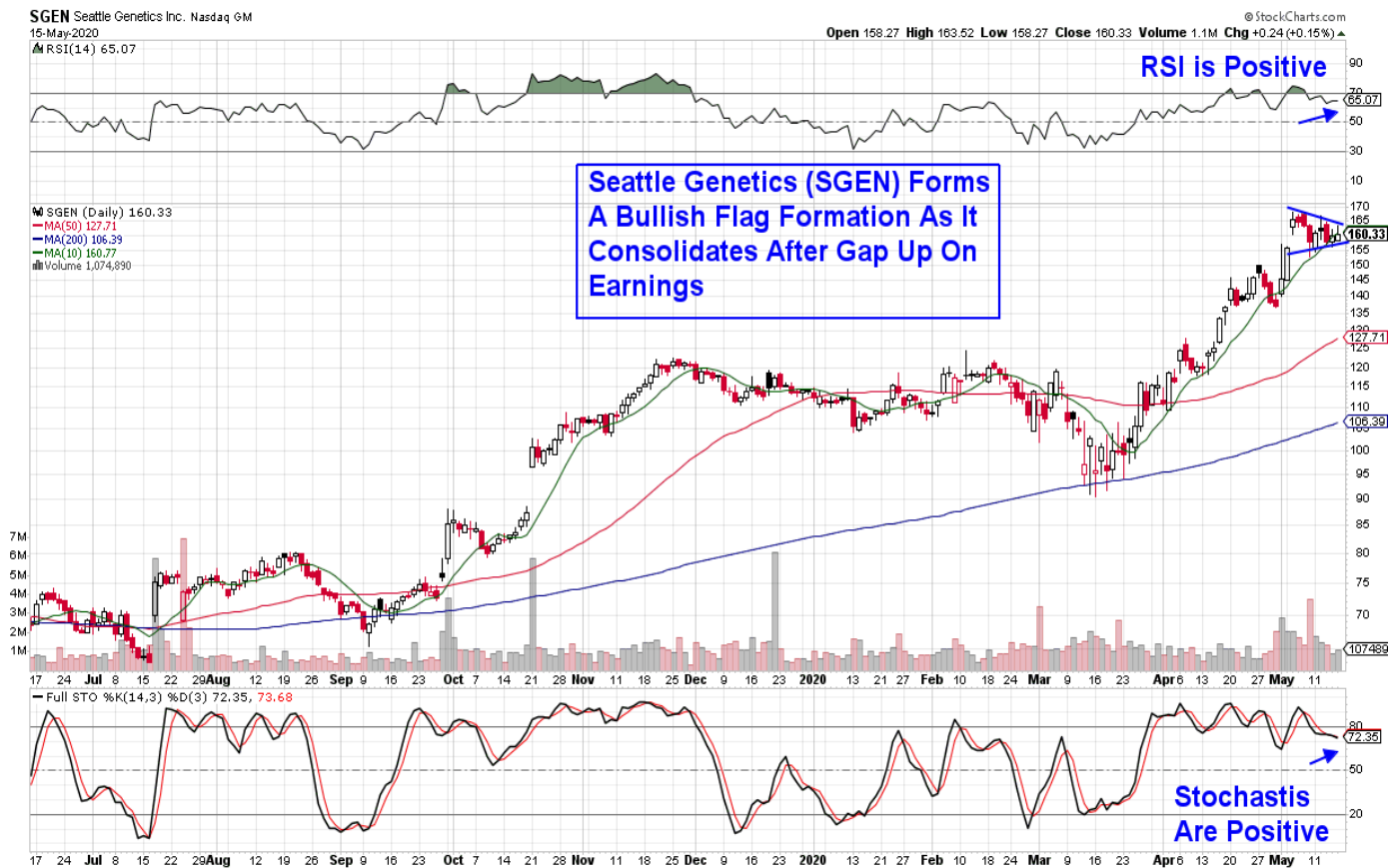
That said, the steep decline in negatively impacted areas such as Financials, Industrials and Energy may at some point pull the rest of the markets down should we see any deterioration in the funneled growth areas that are keeping the markets in an uptrend.

At this time, most of the stocks on our Suggested Holdings List are continuing to show upward momentum coupled with improved growth prospects and these stocks can be bought.

BUY: SEATTLE GENETICS, INC.

SYMBOL	COMPANY	PRICE	MARKET CAP	INDUSTRY
SGEN	Seattle Genetics Inc.	\$160.33	27.75 Billion	Medical - Biotech

Daily Chart of Seattle Genetics, Inc. (SGEN)



Seattle Genetics, Inc. (SGEN) is a biotechnology company that develops and commercializes therapies for the treatment of cancer. The company reported quarterly results in late April that were ahead of estimates

and recent announcements have analysts raising estimates for the remainder of the year. In addition to their potential bladder cancer treatment being fast-tracked by the FDA for approval, the company received

EU approval for several cancer fighting drugs last week. SGEN is poised to break out of a bullish flag formation and can be bought here.

BUY: BEYOND MEAT INC.

SYMBOL	COMPANY	PRICE	MARKET CAP	INDUSTRY
BYND	Beyond Meat Inc.	\$134.16	8.30 Billion	Food - Meat Products

Daily Chart of Beyond Meat Inc. (BYND)



Beyond Meat, Inc. (BYND) is a food company that engages in the provision of revolutionary plant-based meats globally. It offers its products in plant-based platforms of beef, pork, and poultry in

ready-to-cook and ready-to-heat formats. The company reported stellar quarterly earnings earlier this month and a recent report showing that plant based food purchased have improved 200%

year over year has analysts raising estimates going forward. BYND is in a confirmed uptrend and can be bought here.

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.	2,409.78	1.20 T	12/29/2019	29.00%	Retail - Internet
CMG	Chipotle Mexican Grill	971.75	27.10 B	04/26/2020	10.00%	Retail - Restaurant
HD \$	Home Depot Inc.	239.33	257.07 B	05/10/2020	2.00%	Retail - Building Products
LULU	Lululemon Athletica Inc.	247.09	32.17 B	05/10/2020	4.00%	Retail - Apparel
CONSUMER STAPLES						
SJM	J.M. Smucker Co.	114.73	13.08 B	04/05/2020	2.00%	Food - Packaged
CPB	Campbell Soup Co.	53.53	16.15 B	04/05/2020	8.00%	Food - Packaged
FINANCIALS						
PYPL	Paypal Holdings Inc.	145.51	170.83 B	04/12/2020	37.50%	Payment Processor
HEALTHCARE						
GILD	Gilead Sciences Inc.	76.26	95.66 B	03/18/2020	-4.00%	Biotechnology
IBB	Biotechnology Index	132.25	8.43 B	03/04/2020	8.50%	Biotechnology
LLY	Eli Lilly and Co.	159.23	152.39 B	03/04/2020	13.50%	Pharmaceuticals
PODD	Insulet Corporation	203.98	12.87 B	1/12/2020	11.50%	Medical Products
REGN	Regeneron Pharmaceuticals	576.72	64.89 B	3/29/2020	22.00%	Biotechnology
VRTX	Vertex Pharmaceuticals	288.69	74.85 B	03/04/2020	17.50%	Biotechnology
WST	West Pharmaceutical Services, Inc.	214.17	15.76 B	03/26/2020	47.00%	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
TECHNOLOGY						
AAPL	Apple Inc.	307.71	1.33 T	04/06/2020	17.00%	Phones & Hardware
ADBE	Adobe Inc.	365.30	176.00 B	04/26/2020	6.00%	Computer Software-Desktop
ADSK	Autodesk Inc.	180.72	39.61 B	04/19/2020	0.00%	Computer Software-Design
AKAM	Akamai Technologies	98.09	15.92 B	04/05/2020	3.00%	Computer Software-Enterprise
AMD	Advanced Micro Devices, Inc.	54.20	63.48 B	05/11/2020	-3.00%	Semiconductors
ASML	ASML Holding NV	292.54	119.10 B	04/08/2020	5.00%	Semiconductors
CDNS	Cadence Design Systems Inc.	82.07	22.91 B	04/29/2020	0.00%	Computer Software - Design
COUP	Coupa Software Inc.	212.61	14.17 B	04/19/2020	28.00%	Computer Software-Enterprise
INTU	Intuit Inc.	284.39	74.13 B	04/29/2020	4.00%	Computer Software-Financial
IPHI	Inphi Corporation	105.11	5.07 B	04/06/2020	20.00%	Semiconductors
LSCC	Lattice Semiconductor	22.11	2.98 B	04/29/2020	-1.00%	Semiconductors
MPWR	Monolithic Power Systems	193.01	8.64 B	04/29/2020	-5.00%	Semiconductors
MSFT	Microsoft Corp.	183.16	1.39 T	06/16/2019	38.50%	Software - Desktop
NVDA \$	NVIDIA Corporation	339.63	208.92 B	12/18/2019	48.00%	Semiconductor - Graphics
RNG	RingCentral Inc.	285.85	25.13 B	01/06/2020	61.50%	Software - Cloud Based
SHOP	Shopify Inc.	767.00	82.42 B	12/01/2019	128.00%	Computer Software-Enterprise
TSM	Taiwan Semiconductor	49.80	242.90 B	04/19/2020	-7.00%	Semiconductors
VEEV	Veeva Systems Inc.	200.43	29.99 B	4/12/2020	23.50%	Computer Software-Medical
ZM	Zoom Video Communications Inc.	174.83	49.29 B	4/13/2020	28.50%	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.

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