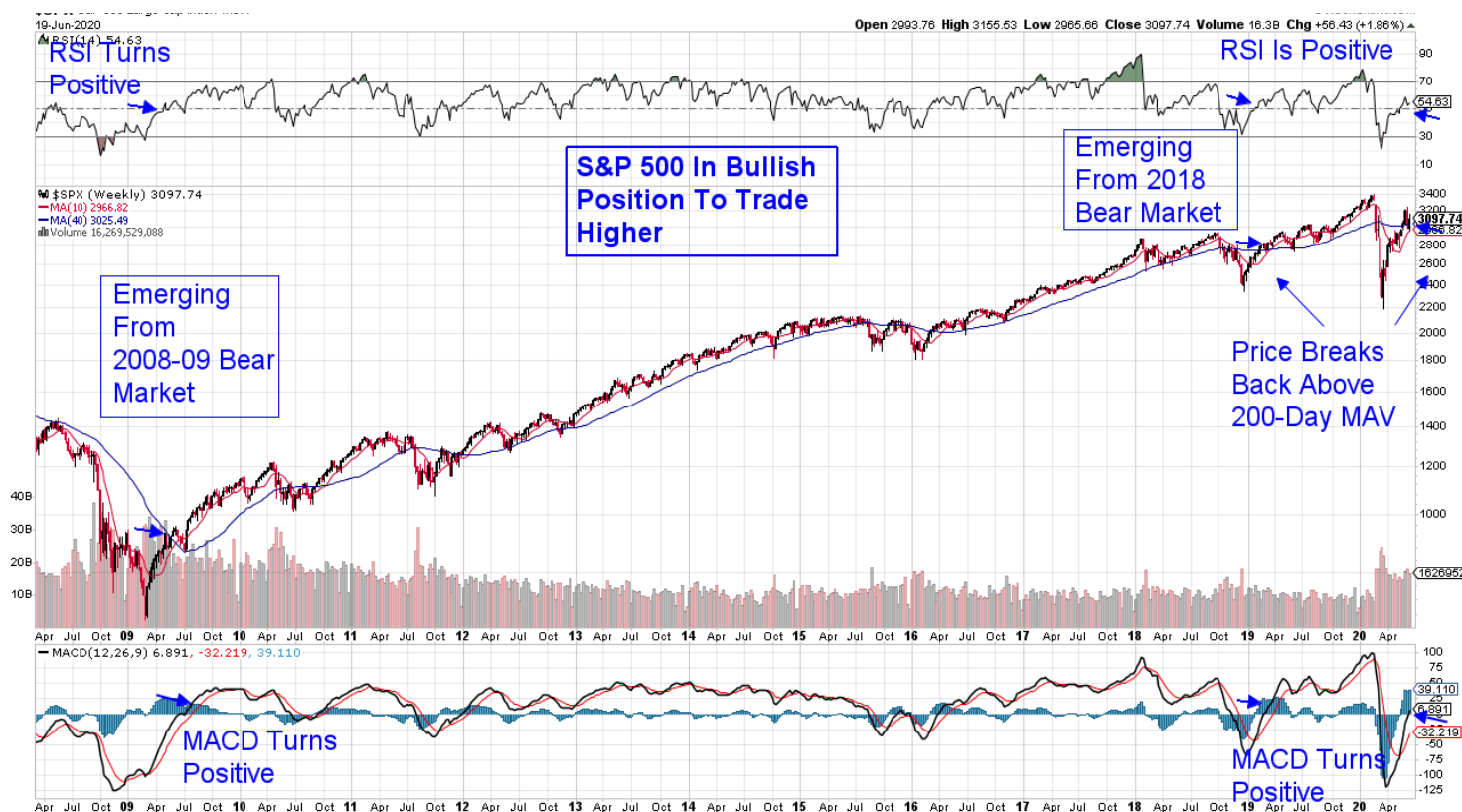




THIS WEEK'S HIGHLIGHTS

- Final Q1 GDP Numbers, New And Existing Home Sales And Consumer Sentiment Report Next Week
- Federal Reserve Bond Buying and Congressional Hearing Comments Bolster Markets
- White House Working On \$1 Trillion Infrastructure Plan
- May Retail Sales Up 17% Over April (Down 6% year over year)
- Spikes In Covid-19 Cases Continues To Emerge – Apple Closing 11 Stores
- 1.5 Million New Filings For Unemployment

DAILY CHART OF S&P 500 INDEX



Following a 1.9% gain, the S&P 500 closed the week above its upward trending 21-day moving average. Both the RSI and Stochastics are in a positive position as well. The move keeps the near-term uptrend for the markets firmly in place.

In the weekly chart above, we've highlighted the position of the RSI and MACD as the market was turning longer-term bullish out of the 2 most recent bear markets for guidance. With the MACD turning positive this week, these same bullish signals are currently lining up with what has historically been the beginning of an extended uptrend.

(We're using the MACD because the faster moving Stochastics give far too many signals to be useful on the weekly chart.)

The price break above the 200-day moving average is also

a factor and we would need to see this condition remain in place as well, to keep the prospects for a longer-term uptrend in place.

Last week, the Nasdaq again outperformed, with returns that were double the S&P 500's. The move was led by a sharp advance in Biotech, Software and Semiconductor stocks as well as outsized gains in the leading FANG stocks. The action underscores the leadership status of the Nasdaq as it hovers around the 10,000 level.

While the markets are in a bullish position, news of a spike in COVID-19 cases held back economically sensitive Financials, Industrials and select Discretionary stocks as they underperformed for the week.

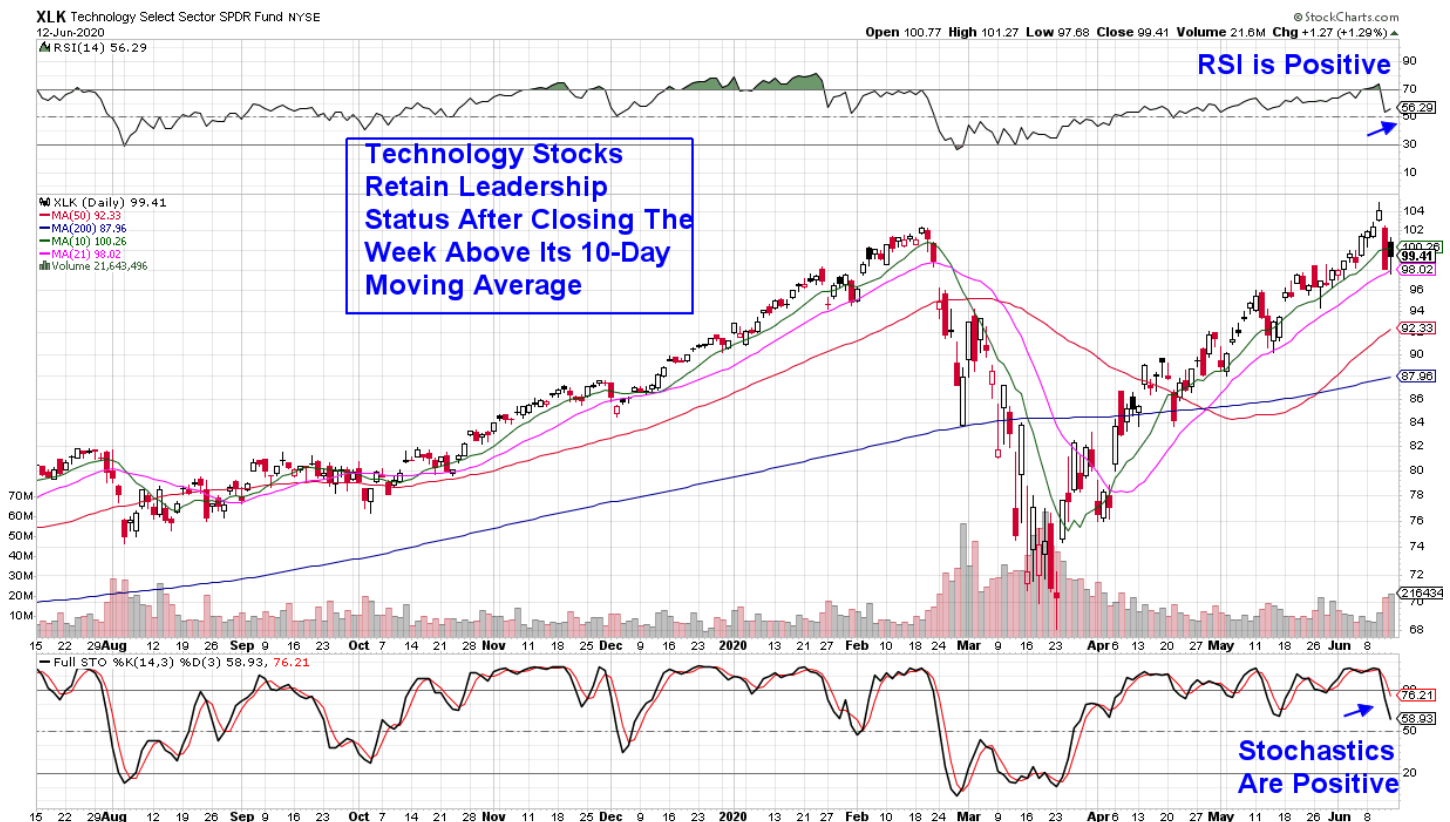
The move mirrors a trend that emerged in the early part of this bear market recovery where growth stocks in select areas that are currently seeing increased demand for their services are in confirmed uptrends, while areas more dependent on the reopening of the U.S. economy are lagging.

The fact that growth stocks are leading the markets higher is a positive as this is the hallmark of a strong bull period. Last week's slowdown in unemployment claims, coupled with a big pickup in retail sales is also constructive as it's helping

build confidence among investors that an economic recovery may be beginning to take shape.

Many of the stocks on our Suggested Holdings List posted impressive returns for the week as they are high-quality companies that provide cutting edge technology or services that are beneficial to the current lockdown conditions and beyond. The rally in these leadership names left some stocks extended out of buy zones while others were pushed into buy zones. We'll review all of this below.

Daily Chart of Technology Sector



Technology Stocks Remain In Leadership Position

The Tech sector outperformed the markets last week led by sharp gains in Software stocks such as heavyweight stock Microsoft (**MSFT**) which gained 4% for the week.

MSFT is a leader in cloud computing which has helped remote workers stay connected and last week they announced an increase in network and data center capacities that will help manage a surge in demand for their products. The bullish news keeps the stock in a confirmed uptrend and **MSFT** can be bought here.

Other shelter at home favorites in Software fared even better with Shopify (**SHOP**) surging 19%. The stock bullishly broke out of a 3-week base on volume as fears of store closures amid an uptick in virus cases reignited interest.

SHOP can be bought on a pullback to the \$844 range.

Zoom Video (**ZM**) also surged to new highs with an 11% gain that puts the stock into an overbought position. **ZM** can be bought on a pullback to the \$230 range.

Coupa Software (**COUP**) is extended following a 15% rally last week. The cloud-based Software company is a provider of spend-management systems that are expected to continue to be in demand as the economy slows down. The stock is due a period of consolidation and can be bought on a pullback.

Leading Software stock Adobe (**ADBE**) is extended after adding 5% to its prior week's advance following the release of strong earnings. **ADBE** can be bought on a pullback.

Autodesk (ADSK), RingCentral (RNG) and Veeva Systems (VEEV) posted strong gains of 5% or more which is in line with the group, and each stock is in a buy zone following late week pullbacks that put them close to their 10-day moving averages.

Semiconductor stocks also outperformed the markets led by chip equipment makers such as Lam Research (LRCX) from our List which rallied 11%. LRCX is a leader in the migration to 5G wireless networks and the stock is in a strong buy zone following its pullback to its 10-day moving average.

A S M L 's (ASML) technology is also crucial to providing chips for these 5G networks and the stock is in a buy zone.

While Monolithic Power (MPWR) posted gains in line with the group, we're removing the stock from our Suggested Holdings List due to relative underperformance coupled with analyst's downgrades last week.

Nvidia (NVDA) is the global leader in visual computing technologies which benefit the growing online gaming industry but their real growth has been in supplying

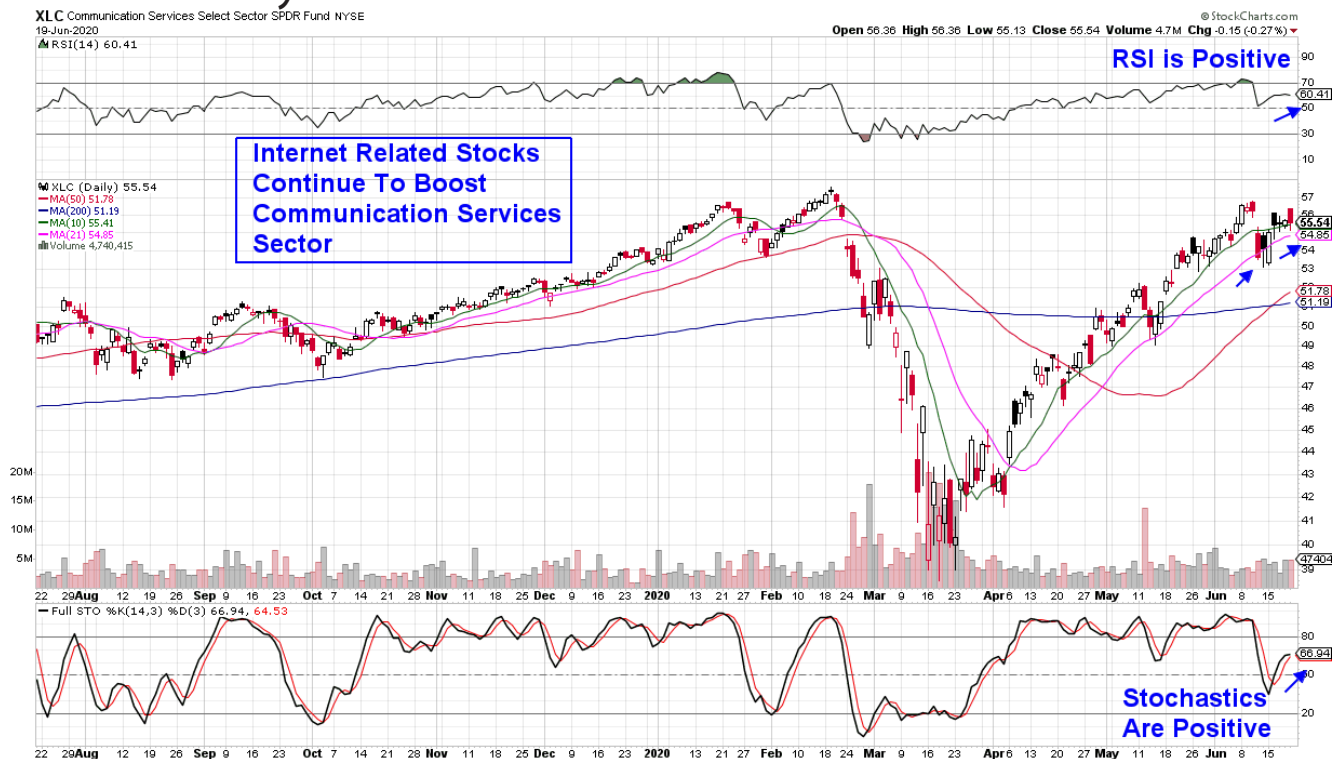
technologies to the much needed data centers which are seeing high demand from remote workers and students alike. NVDA is in a strong uptrend and can be bought.

Lattice Semi (LSCC) also remains in a confirmed uptrend and is in a buy zone as it finds support at its upward trending 10-day moving average. The company provides technologies to power fast growing Data Centers as well as 5G and Artificial Intelligence.

Last month, reports showed an increase in chip sales globally and recent earnings reports from these companies are confirming the growth. As technology evolves to accommodate a new economy, growth in these chip stocks is expected to continue.

Apple (AAPL) will host their anticipated developers conference beginning tomorrow where the company unveils new and upcoming products. The stock rallied over 3% going into the conference and AAPL bullishly held firm on Friday despite the news that they're closing 11 stores located in virus hot-spot states.

Daily Chart of Communications Services Sector



Communications Services Sector Has Bright Spots

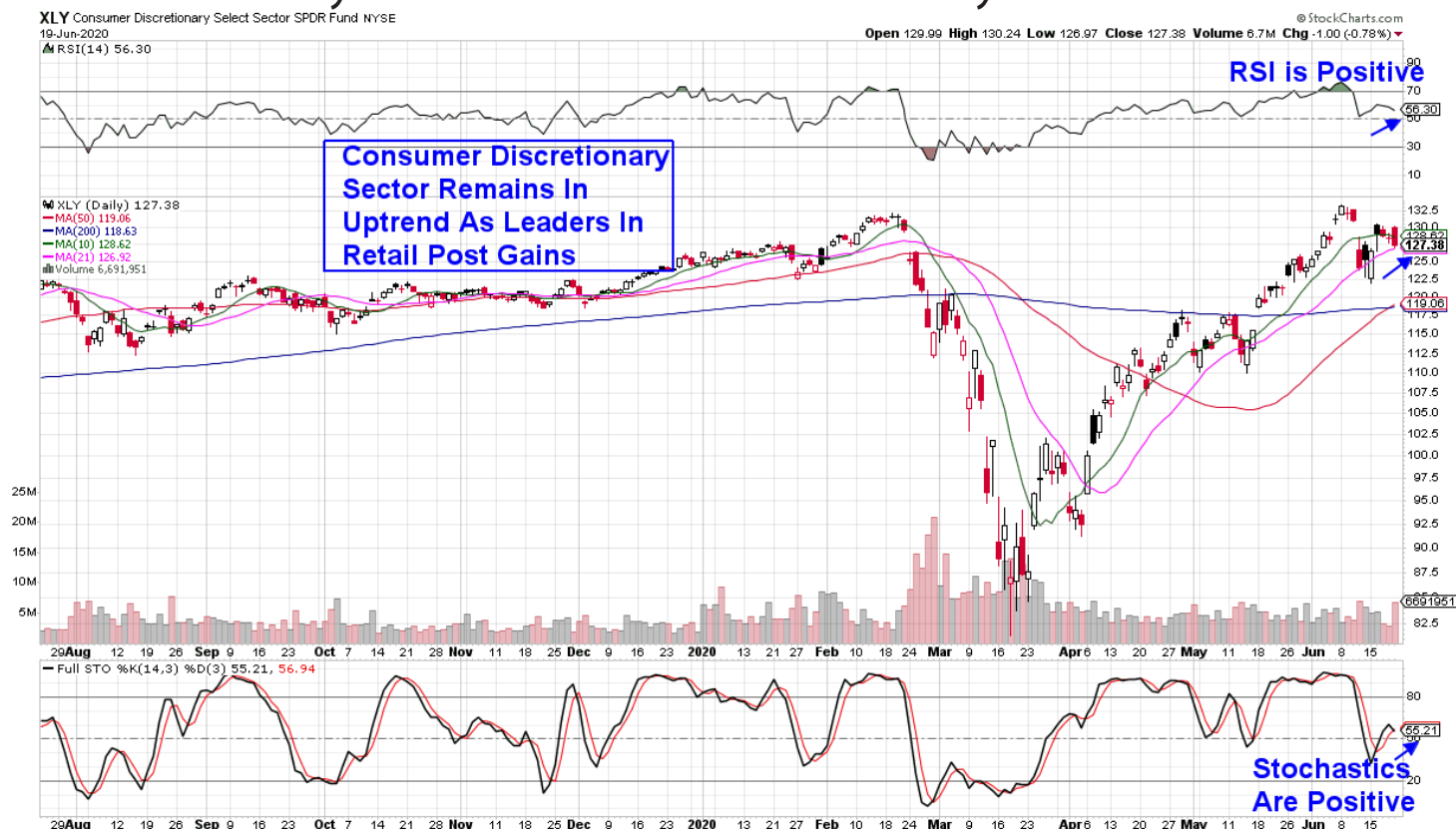
Internet content providers have been critical in keeping a quarantined population entertained and analysts expect these new-found habits to continue.

Streaming entertainment provider Netflix (NFLX) is a prime example as the company has suggested an addition of 7.5 new global subscribers since the start of mandated lockdowns. Wall Street analysts have price targets as high as \$580 which is 28% above current levels. The stock is in a buy zone after bullishly breaking back above its key moving

averages as it forms the right side of a base

Facebook (FB) from our List is also in a buy zone as the stock is poised to break out of a 1-month base. In addition to their What's App keeping people connected, the company recently announced their Shops platform that will assist online retailers in growing their business. FB is touted with having the best structured digital ad program which is expected to integrate well with Shops and boost sales for the company.

Daily Chart of Consumer Discretionary Sector



Consumer Discretionary Has Bright Spots Despite Underperformance

It was a mixed week for Discretionary stocks as those areas that depend on a reopening of the economy suffered such as Hotel and Travel Related stocks while select online retailers that cater to a locked down consumer, far outperformed.

Of note was May's surge in Retail Sales that saw a 17.7% increase over April. The report was well above expectations and boosted shares of select retailers.

Specially Retailer Etsy (**ETSY**) is a prime example as shares of the online retailer of unique goods and DIY kits rose 20% for the week. The company has guided revenue estimates into the 70%-90% range for the 2nd quarter which in turn boosted estimates for the stock. **ETSY** broke out of a 1-month base on heavy volume and the stock is clearly poised for further upside similar to its April advance.

Online pet products company Chewy (**CHWY**) also posted strong gains for the week as analyst's raise their price target to as high as \$65 following the company's report of a surge in sales as at-home pet owners purchased products delivered right to their door.

We had highlighted both **ETSY** and **CHWY** as being in a buy zone last week because of their ability to withstand the prior week's selling pressures and find support at key moving averages. This relative outperformance during a

pullback will point you to stocks that will perform well once the market pressures are lifted.

Amazon shares posted a strong week with a 5% gain that puts the stock above an ideal buy point at its 10-day moving average. In addition to being the top provider of goods to online shoppers, Amazon.com Inc. (**AMZN**) has seen huge growth in their cloud computing platform as well as a pickup in subscribers of their streaming entertainment.

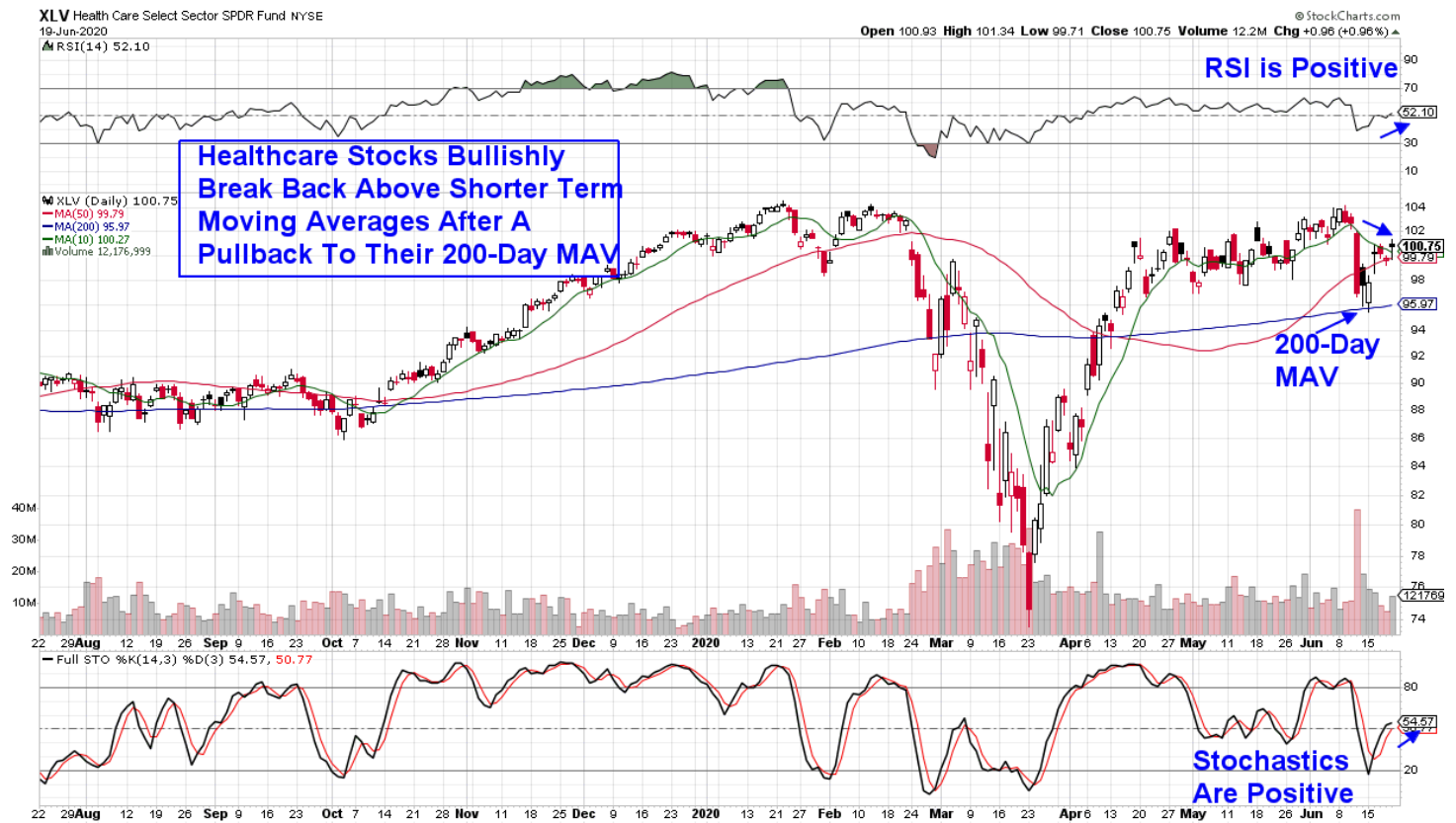
In light of their continued growth in several segments, Wall Street raised their price target to \$3,100 for **AMZN** last week.

Housing stocks faded late in the week despite a pickup in mortgage applications as well as an uptick in home building sentiment. LGI Homes (**LGIH**) from our List is one of the stronger regional builders and the stock is very close to its 21-day moving average which is an ideal buy point.

Next week, new and existing home sales will be reported which may provide a boost depending on results while heavyweight builder Lennar (**LEN**) is due to report earnings.

Lululemon (**LULU**) is continuing to pull back from its recent highs while Chipotle (**CMG**) is continuing to consolidate. Both stocks can be held and we'll alert you to when they exhibit positive buy signals.

Daily Chart of Healthcare Sector



Healthcare Stocks Are Top Performers

The Healthcare sector posted the biggest returns for the week led by gains in Biotech stocks that had been sitting out the market's rally over the past month. Last week's 7.6% rally (using ETF **IBB**), pushed Biotechs out of a 1-month base and to new highs with the stocks on our list gaining even more.

As you may recall in last week's report, we had anticipated a move back into Biotechs as select stocks from our List began coming under accumulation. This week, we saw a follow-through of that buying with leading names such as Regeneron (**REGN**), Seattle Genetics, (**SGEN**), Neuocrine Biosciences (**NBIX**) and Vertex (**VRTX**) from our List posting average gains of over 10%.

Most of these stocks have bullishly broken out of bases and to new highs on heavy volume which points to further near-term upside.

Seattle Genetics (**SGEN**) is a leader in developing cancer medicines and last week they announced the beginning of phase 1 trials for an antibody to reduce solid tumors. The bullish news pushed the stock out of a 6-week base and **SGEN** can be bought on a pullback to the \$168 range.

Regeneron (**REGN**) initiated a study on its COVID-19 antibody for the prevention and treatment of COVID-19. In addition, the Friday launch of their newer-technology, injection pens that treat asthma and other diseases, pushed

the stock higher as analysts raised estimates. **REGN** is extended and can be bought on a pullback to the \$622 level.

VRTX announced a label extension for its cystic fibrosis (CF) drug in Europe while also reporting new clinical data for their cutting-edge gene-editing therapy for sickle cell, blood disease. The stock is in a strong buy zone as it's poised to break out of a 5-week base at \$295.5.

NBIX announcing on Tuesday that it inked a \$2 billion pact to license seven drugs from Takeda Pharmaceutical Co. Ltd. (**TAK**). The deal bulks up the Neurocrine pipeline, which is dominated by treatments for movement disorders, women's health and genetic diseases. **NBIX** bullishly broke out of 3-week base and is in a buy zone.

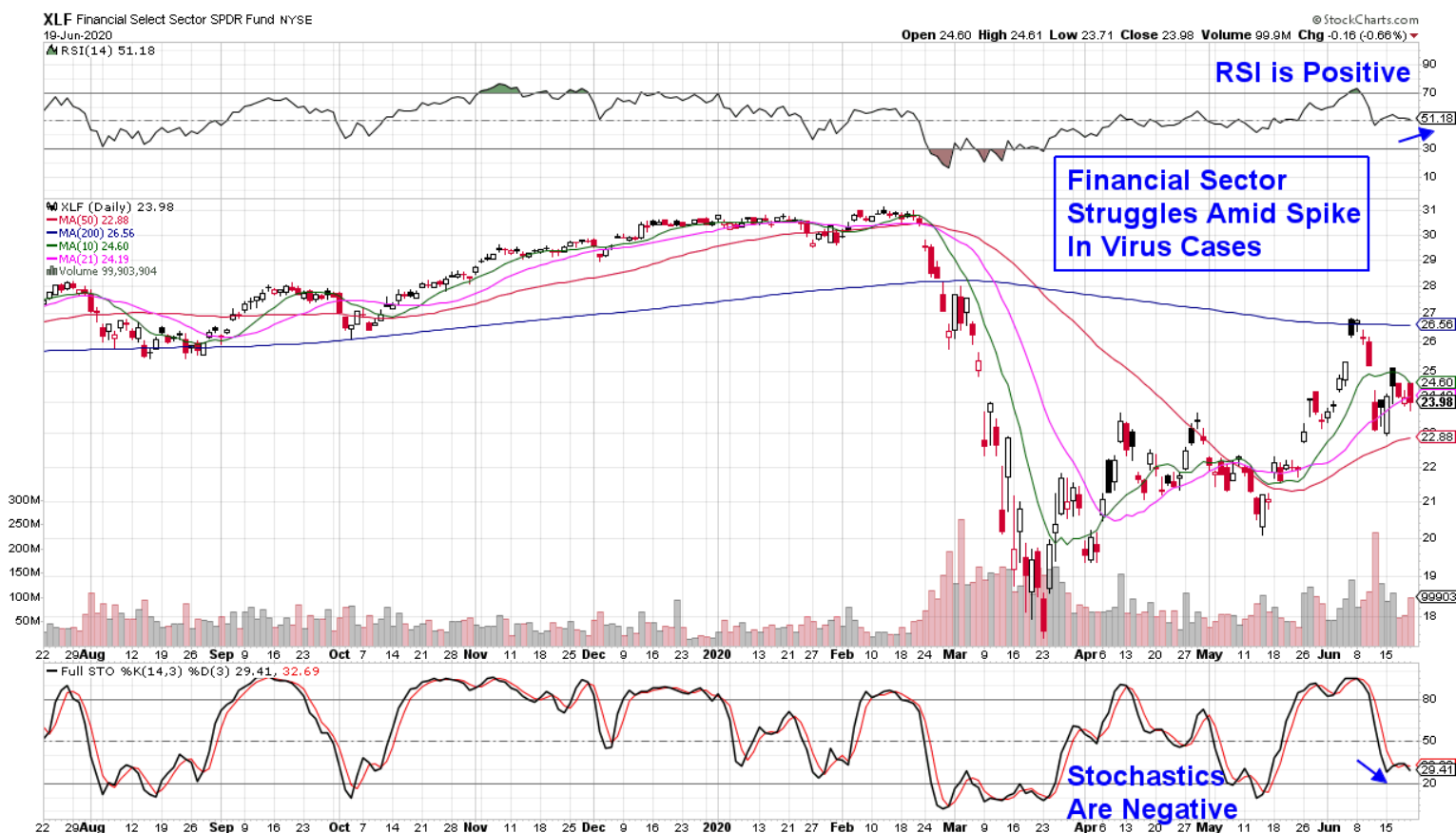
Last week's move back into Biotech stocks puts the group up 2.3% for the month of June and confirms the 5-year base breakout in this group. This is very exciting news as the longer the base from which a group (or stock) breaks out of, the longer the advance out of that base.

A focus on finding treatments for COVID-19 has brought newer technologies to the forefront of drug development which has resulted in advances not seen before. Faster approval times from an accommodative FDA is also speeding up the approval process. All of this bodes well for a continuation rally in these stocks.

Medical products company Quidel (**QDEL**) from our List was the biggest mover in its group with a 22% gain on the heels of analyst's upgrades. **QDEL** is a big player in the fight against COVID-19 and the company is expected to grow earnings 132% this year due to sales of their rapid-result diagnostic tests. The stock is poised for further upside and is very close to a bullish base breakout at \$210.81.

West Pharmaceutical (**WST**) also advanced last week following a pullback to its 50-day moving average. The manufacturer of injectable devices has been growing sales overseas and is in a strong buy zone on its way to a breakout to new highs.

Daily Chart of Financial Sector



Financial Sector Lags Broader Markets

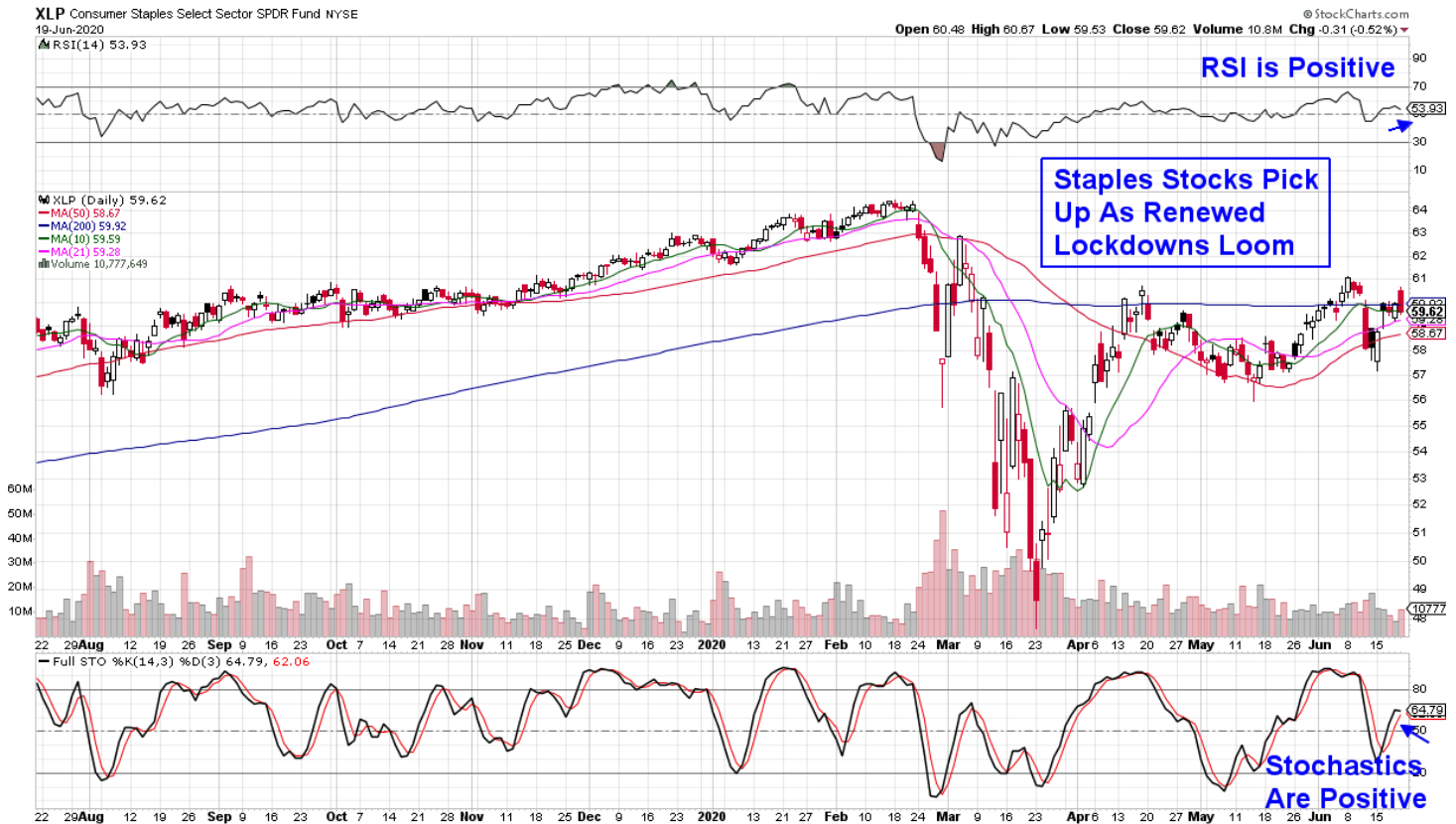
Bank stocks struggled as a pickup in COVID-19 cases brought back fears of loan defaults from businesses unable to open. That said, select banks that generate revenue from asset management divisions taking advantage of the recent stock market rally fared better.

This would include SVB Financial Group (**SIVB**) from our List which gained 6.4% for the week while bullishly breaking back above its 10-day moving average. A major Wall Street firm boosted their price target to \$260 on the heels of another target upgrade earlier this month to \$330. **SIVB** is in a strong

buy zone.

Payment processing stocks also posted a strong week with companies such as Paypal (**PYPL**) rallying 5%. Digital payments have picked up considerably during the coronavirus crisis which has analysts raising their estimates for Paypal. The company has generated a large number of new users after being selected to assist with government stimulus disbursements. **PYPL** is a bit extended and can be bought on any pullback to the \$160 level.

Daily Chart of Consumer Staples Sector



Consumer Staples Stocks Briefly Rally

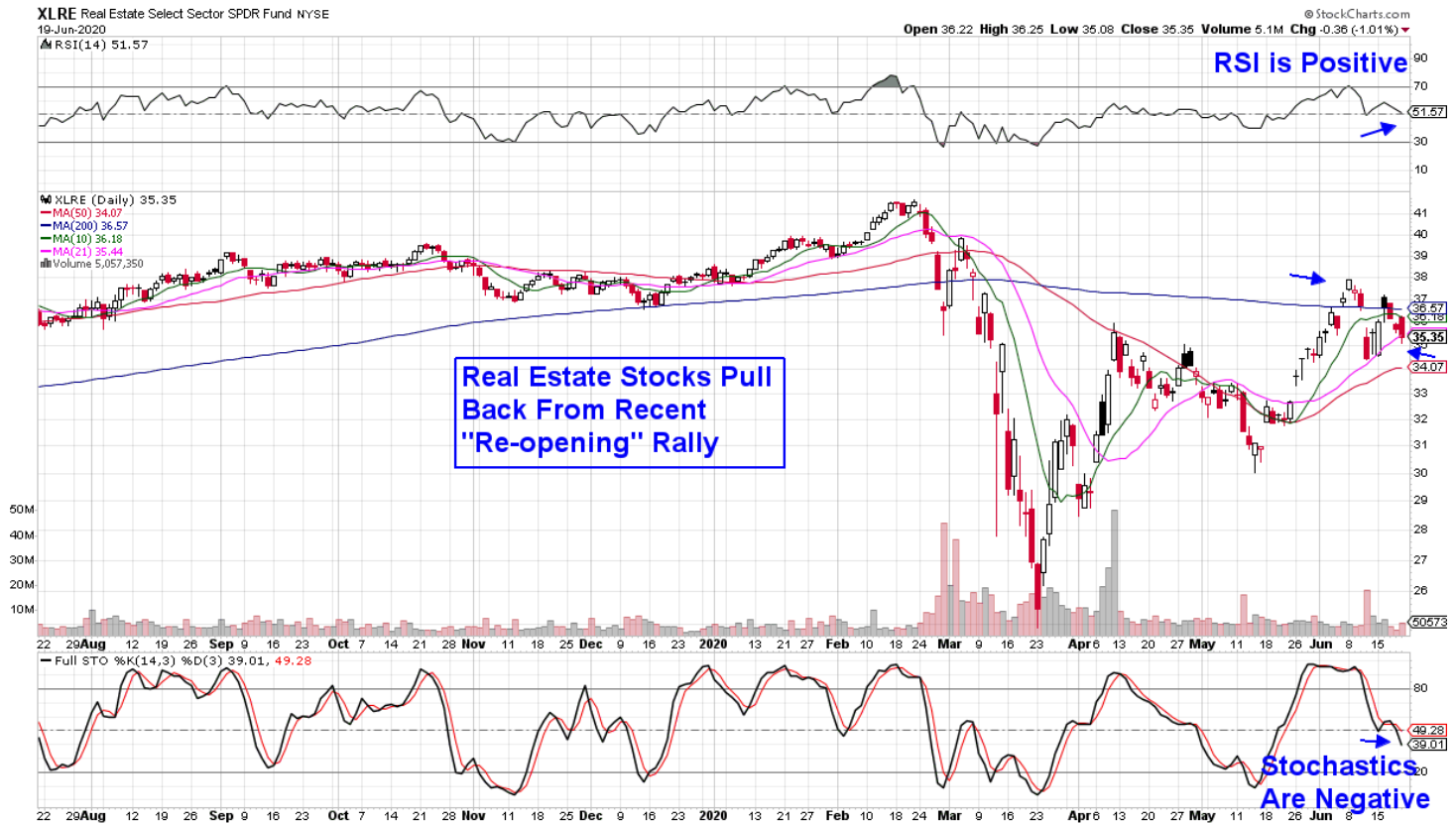
Staples stocks saw a bit of renewed buying on fears from a spike in coronavirus cases. Cleaning and soap related products such as Clorox (CLX) were among the winners.

Even better performing were Beyond Meat (BYND) and Freshpet (FRPT) which have seen growth amid the pandemic and posted average gains of 8.5% last week. **BYND** is in a strong buy zone as it hugs its upward trending 10-day moving average. The company will be introducing cheaper pricing for their plant-based meat products which analysts

believe will increase sales further. This is in addition to their recent expansion into China.

FRPT offers refrigerated, natural pet food which has seen a pickup in demand as pet owners dote on their stay at home companions. The company boasts a loyal customer base and they've reiterated guidance for the remainder of the year despite a tough economic environment.

Daily Chart of Real Estate Sector



Real Estate Sector Posts Loss For The Week

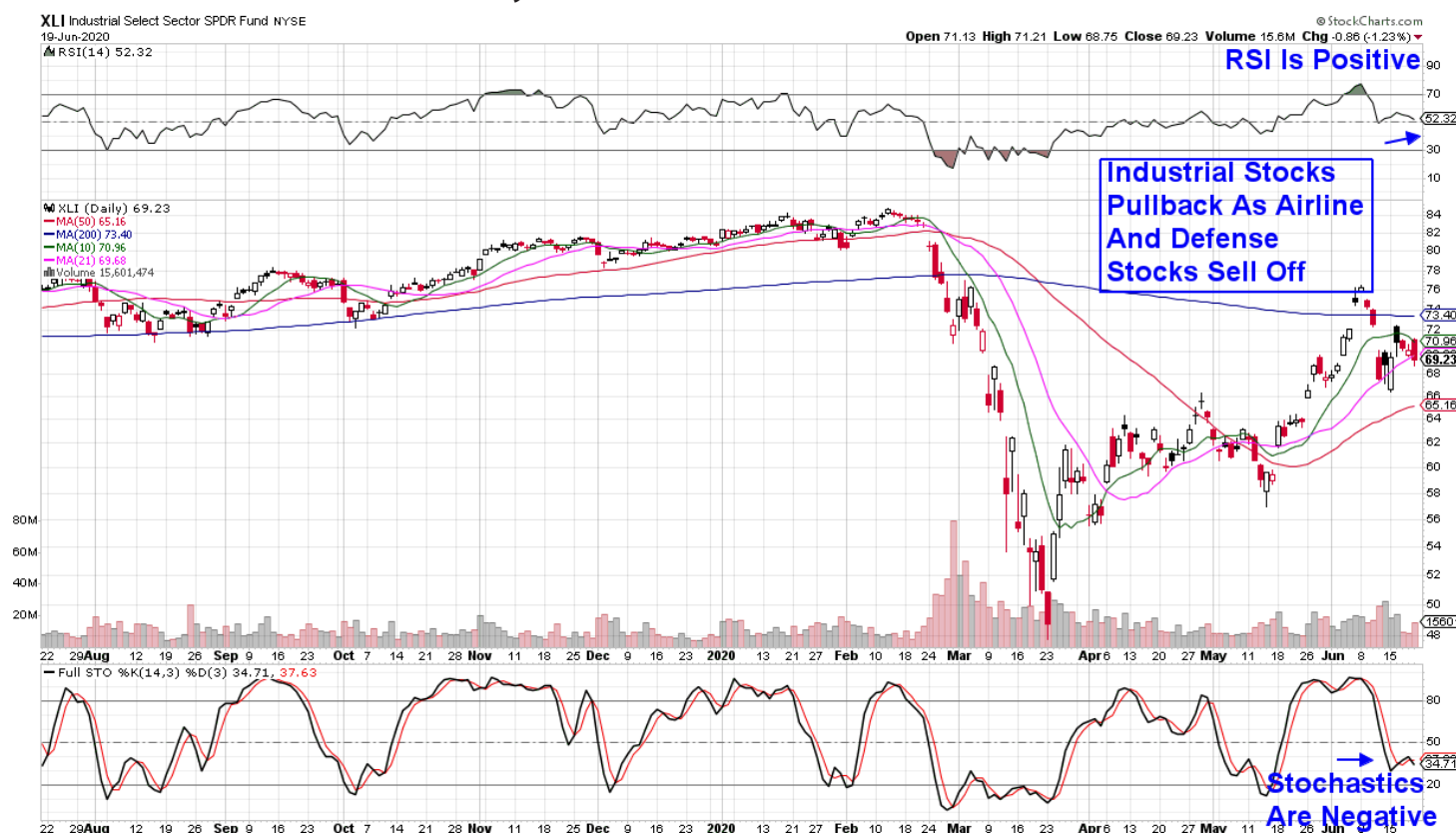
Real Estate stocks were dragged down by Hotel and Retail REITs that faltered on fears of a slowdown in the reopening of the U.S. economy.

Select REITs such as Crown Castle (CCI) from our List withstood the selling pressure as CCI leases telecom tower space to companies involved in efforts to expand access to 5G networks. Crown Castle is in a strong buy zone as the 2.8% yielder bullishly broke back above its 10 day moving

average after a pullback to its 50-day.

Store Capital (STOR) from our List also gained 4% last week despite being in the Retail space. The company leases outdoor Retail space to essential businesses such as grocers and pharmacies. While not as attractive as CCI, the stock can be bought on its pullback to its 10-day moving average.

Daily Chart of Industrial Sector



Industrial Stocks Lag As Airlines Related Stocks Get Hit

This is another sector that pulled back as optimism surrounding the reopening of the U.S. economy was tempered. Surprisingly, Defense stocks such as Lockheed Martin (LMT) pulled back despite being awarded several large contracts last week.

LMT appears to be dropping in sympathy with companies that sell to the ailing Airline industry and last week's drop pushed this stock negatively below its 50-day moving average. Despite the company's growth prospects, we'll be

removing it from our List this week.

CAE Inc. (CAE) which does provide services directly to the airlines dropped even further and despite the stock closing above its key 50-day moving average, we'll be removing it from our List as well.

Trucking stocks had a healthy week with names such as J B Hunt (JBHT) gained 3% despite a pullback from a base breakout. The stock can be held.

SUMMARY: As the markets continue to respond to an increase in coronavirus cases worldwide, stocks of companies that have seen a pandemic related pickup in demand for their products or services are continuing to trade higher as their growth prospects remain intact.

That said, any sharp pullback in the markets will impact all areas as evidenced by June 11th's virus-related decline that pushed the broader Indices down with even the leading Nasdaq dropping 5%.

At this time, we would be a buyer on any pullback in the leading growth stocks we've identified on our List. Also, we will use the opportunity to add new stocks from our

Watch List that are currently sitting near new highs and would be more attractive on a pullback to key support. Most of these stocks are in the leading Software and Semiconductor space.

The good news is, according to research from Bloomberg, once the market has risen more than 25% from its bear market low, the markets not only do not retest those lows, they also have an average of 3 pullbacks with an average loss of 7%.

Of course each bear market recovery is going to be different but for now, the near and longer term uptrends for the market are firmly in place.

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.	2,675.01	1.33 T	12/29/2019	43.00%	Retail - Internet
CHWY	Chewy Inc.	50.30	20.20 B	05/25/2019	17.50%	Retail - Internet
CMG	Chipotle Mexican Grill	1,010.83	28.19 B	04/26/2020	14.50%	Retail - Restaurant
ETSY	Etsy, Inc.	95.39	11.32 B	05/31/2020	18.00%	Retail - Internet
HD	Home Depot Inc.	246.65	265.28 B	05/10/2020	5.00%	Retail - Building Products
LGIH	LGI Homes, Inc.	87.59	2.20 B	05/31/2020	5.00%	Home Builder
LULU	Lululemon Athletica Inc.	297.38	38.72 B	05/10/2020	25.00%	Retail - Apparel
CONSUMER STAPLES						
BYND	Beyond Meat Inc.	158.28	9.85 B	04/17/2020	18.00%	Food - Meat Substitute
FRPT	Freshpet, Inc.	85.06	3.43 B	05/31/2020	10.00%	Food - Packaged
FINANCIALS						
MS	Morgan Stanley	46.93	73.95 B	05/27/2020	0.00%	Money Center Bank
PYPL	Paypal Holdings Inc.	164.36	192.99 B	04/12/2020	55.50%	Payment Processor
SIVB	SVB Financial Group	221.84	11.43 B	06/03/2020	1.00%	Bank Holding Company
HEALTHCARE						
IBB	Biotechnology Index	137.85	9.19 B	03/04/2020	13.50%	Biotechnology
NBIX	Neurocrine Biosciences	128.83	11.96 B	05/25/2020	3.00%	Medical - Biotechnology
QDEL	Quidel Corporation	210.38	8.84 B	05/31/2020	20.00%	Medical - Diagnostic
REGN	Regeneron Pharmaceuticals	643.92	72.46 B	03/29/2020	36.00%	Biotechnology
SGEN	Seattle Genetics Inc.	169.91	29.41 B	04/17/2020	6.00%	Medical- Biotechnology
VRTX	Vertex Pharmaceuticals	293.27	76.04 B	03/04/2020	19.50%	Biotechnology
WST	West Pharmaceutical Services, Inc.	216.59	15.94 B	03/26/2020	49.00%	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.	349.72	1.52 T	04/06/2020	33.00%	Phones & Hardware
ADBE	Adobe Inc.	428.01	206.22 B	04/26/2020	24.50%	Computer Software-Desktop
ADSK	Autodesk Inc.	237.82	53.13 B	04/19/2020	31.50%	Computer Software-Design
AMD	Advanced Micro Devices Inc.	54.23	63.51 B	06/09/2020	-4.00%	Semiconductors
ASML	ASML Holding NV	360.67	154.34 B	04/08/2020	29.50%	Semiconductors
CDNS	Cadence Design Systems Inc.	91.90	25.66 B	04/29/2020	12.00%	Computer Software - Design
COUP	Coupa Software Inc.	258.86	17.36 B	04/19/2020	56.00%	Computer Software-Enterprise
IPHI	Inphi Corporation	110.65	5.34 B	04/06/2020	26.50%	Semiconductors
LRCX	LAM Research Corp.	315.25	45.76 B	06/07/2020	3.50%	Semiconductor Equipment
LSCC	Lattice Semiconductor	27.60	3.72 B	04/29/2020	23.50%	Semiconductors
MPWR	Monolithic Power Systems	221.84	9.93 B	04/29/2020	9.00%	Semiconductors
MSFT	Microsoft Corp.	195.15	1.48 T	06/16/2019	47.50%	Software - Desktop
NVDA	NVIDIA Corporation	370.45	227.83 B	12/18/2019	61.50%	Semiconductor - Graphics
QCOM	QUALCOMM Inc.	88.81	99.90 B	06/07/2020	0.50%	Semiconductor
RNG	RingCentral Inc.	276.17	24.28 B	01/06/2020	56.00%	Software - Cloud Based
SHOP	Shopify Inc.	881.00	103.27 B	12/01/2019	161.50%	Computer Software-Enterprise
VEEV	Veeva Systems Inc.	226.67	34.03 B	4/12/2020	40.00%	Computer Software-Medical
ZM	Zoom Video Communications Inc.	243.48	68.96 B	4/13/2020	79.00%	Software - Communications
REAL ESTATE						
CCI	Crown Castle International	170.45	71.04 B	05/27/2020	4.50%	REIT
STOR	Store Capital Corp.	24.50	5.99 B	06/03/2020	7.50%	REIT
INDUSTRIALS						
CAE	CAE Inc.	16.50	4.38 B	06/03/2020	-5.00%	Aerospace
JBHT	J.B. Hunt Transport Services	117.60	12.40 B	06/07/2020	-2.50%	Transportation - Truck
LMT	Lockheed Martin Corporation	372.20	104.38 B	05/27/2020	-6.00%	Aerospace - Defense

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
COMMUNICATION SERVICES						
FB	Facebook, Inc.	238.79	680.34 B	05/27/2020	1.50%	Internet - Content
NFLX	Netflix, Inc.	453.72	199.55 B	06/09/2020	4.50%	Internet - Entertainment

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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