



# THE MEM EDGE

August 24, 2025 | Weekly Report

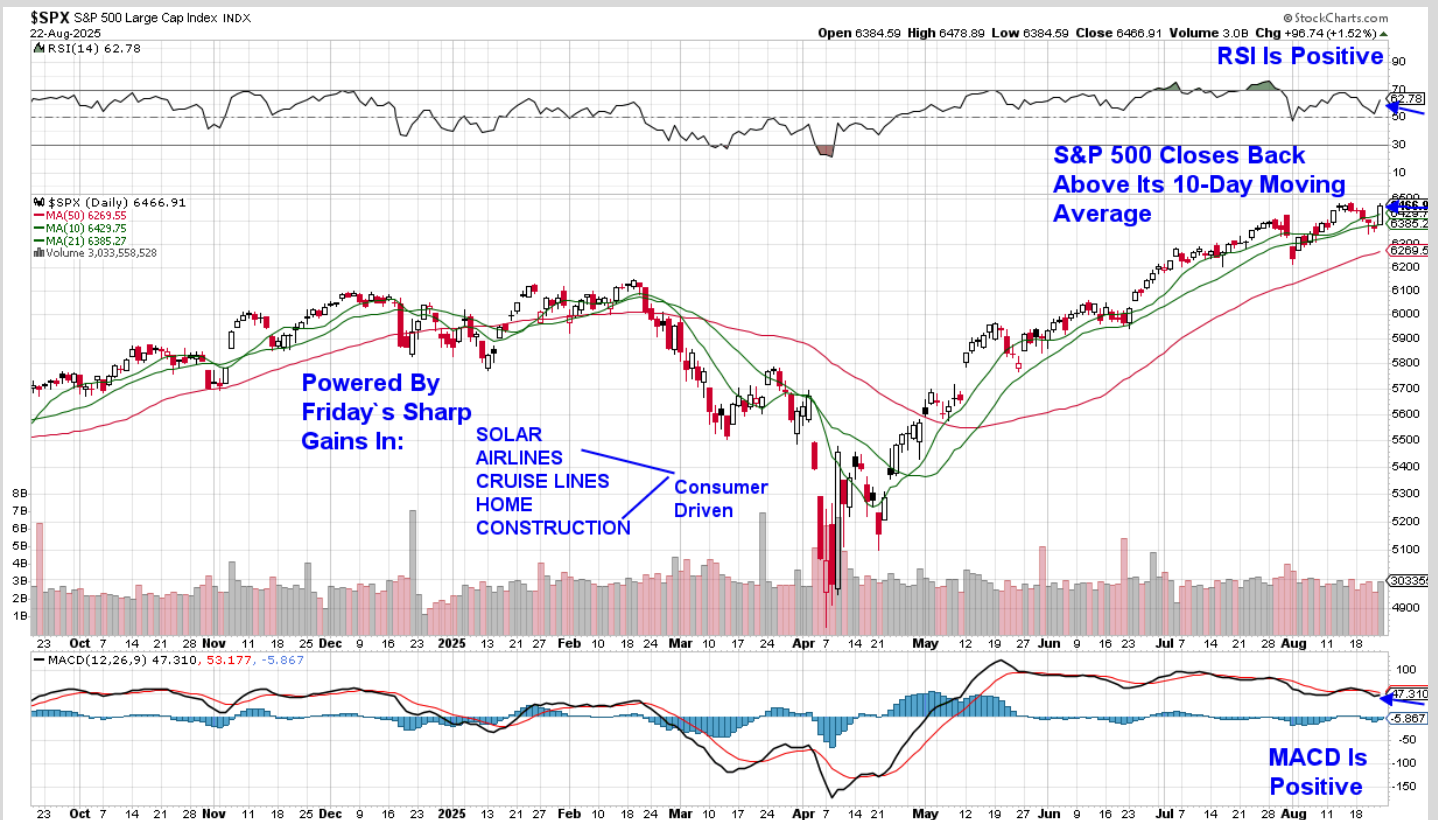
## Impactful News From Last Week

- Dow Jones Industrial Average And The Equal Weighted S&P 500 Index Close At A New High In Price
- Fed Chair Powell Says Rate Cut Is Possible In September
- U.S. Government Takes 10% Stake In Intel In Historic Agreement - Other Chip Firms May Follow
- July FOMC Meeting Notes Show Fed Officials Think Higher Inflation Is A Risk

## Impactful Events Next Week

- Nvidia (NVDA) Due To Report Earnings On Wednesday After Markets Close
- GDP Data On Thursday
- Core PCE Inflation Data Due On Friday

### Daily Chart of S&P 500



The S&P 500 regained losses from earlier in the week, with a rally on Friday that had this Index gaining 0.3%. With a close back above its 10-day moving average and a positive RSI and MACD, the near-term uptrend in this Index is back in place.

The Nasdaq also rallied on Friday, with a close back above its 10-day moving average as well, and a now positive RSI and MACD. This places the near-term uptrend back in place.

Recently, leading AI-related stocks have relatively underperformed, with several of the winning Tech stocks on our List experiencing only tepid buying.

Next week's earnings report from Nvidia may provide a needed boost of confidence for these high-flying stocks.

Friday's recovery rally followed remarks from Fed Chair Powell that opened the door to a possible interest rate cut in mid-September.

Most bullishly impacted from Friday's rally was the Russell 2000 Small Cap Index, which gained almost 4%. The Equal-Weighted S&P 500 also outperformed and closed at a new high in price.

Gains on Friday were driven mostly by consumer-related stocks with housing, autos, and select retail names among the top performers. Lower interest rates stimulate economic growth which often signals a boost to consumer spending power.

While Technology stocks rallied as well, they underperformed slightly on Friday, as concerns from earlier in the week of an overvaluation in AI stocks remained.

Next week's earnings report from Nvidia may bring the zest back to AI stocks, depending on results; however, until then, we would not be a buyer of names such as Palantir (**PLTR**), which fell sharply last week and now has a negative RSI.

Instead, we are on the lookout for a close back above its 10-day moving average in the \$171.5 range, coupled with the RSI turning positive.

On Friday, **NVDA** fell on news they are halting production of their H20 chip for China due to Chinese government restrictions. Last quarter, the company reported a large write-off from lost sales to China; however, **NVDA** readily beat estimates and traded higher.

Reddit (**RDDT**) is another stock that pulled back sharply in response to questions surrounding the profitability of AI technology. However, the stock is in a better position because the decline helped the RSI come out of an overbought position.

In addition, **RDDT** is only 5% below its 10-day moving average with a positive RSI and MACD. A close above the \$229.4 range would put the stock into a buy zone.

Semiconductor stocks regained their uptrend after Friday's rally however, several large-cap AI-related Semis struggled with Broadcom (**AVGO**), Micron Technology (**MU**), and Taiwan Semi (**TSM**) pulling back for the week.

**TSM** managed to regain its 50-day moving average; however, the RSI is in negative territory. We are on the lookout for a close back above its 10-day moving average, coupled with a positive RSI, to put the stock back into a buy zone.

**AVGO** and **MU** are in a more bullish position, as they are under 3% away from a close back above their 10-day moving average with a positive RSI. Bullish results from **NVDA** will clearly boost these stocks and potentially put them into a buy zone.

Smaller Cap Semi stocks outperformed on Friday, led by names such as Tower Semiconductor (**TSEM**), which gained 17% for the week. The stock broke out of a 3-week base on heavy volume and can be bought on a pullback to its 5-day moving average in the \$51 range.

Elsewhere in AI-related names, Nuclear power technology developer Oklo (**OKLO**) regained most of its losses from earlier in the week to close the week with a positive RSI. A close above its 21-day moving average, which is 5% away, would put the stock into a buy zone.

Vertiv (**VRT**) did not fare as well, as the stock pulled back 5.3% for the week in a move that puts the RSI and MACD into negative territory, with the stock remaining below its 50-day moving average. We are removing **VRT** from our Suggested Holdings List.

Bank stocks received a big boost, with a gain on Friday due to the prospect of lower interest rates. (using ETF KRE) Lower rates increase lending activity and help these stocks improve earnings.

Both JP Morgan (**JPM**) and Bank of NY (**BK**) are in a buy zone after closing above each of their moving averages with a now positive RSI and MACD.

Interactive Brokers (**IBKR**) struggled to regain a bullish bias, as it closed below its downward-trending shorter-term moving averages with a negative RSI. A close above \$65 would put the stock into a buy zone.

Last week's 1.5% pullback occurred due to the rotation away from Tech stocks, which is expected to reduce trading activity.

Many retailers have not been participating in the recent rally in the markets; however, things turned last week at the prospect of lower interest rates.

Ulta (**ULTA**) is due to report their earnings on Thursday after the markets close. The company pulled back from a breakout on Friday and closed the week up 1.6% ahead of their quarterly results. Analysts are raising estimates higher going into the report, which is generally bullish.

Dollar General (**DG**) is also set to report earnings on Thursday before the markets open. The stock has been marking time ahead of their release.

Not all retailers fared well with Walmart (**WMT**) closing below its 50-day moving average on volume. In addition, the RSI is in a negative position, and we are removing the stock from our Suggested Holdings List.

**WMT's** decline took place after the company reported quarterly profits that were below estimates, as well as declining operating income. Management cited tariff-related issues and guided growth lower going forward.

Industrial stocks outperformed last week, led by beaten-down Trucking and Delivery Services stocks. Any growth in the economy due to lower interest rates would increase the need to have purchased goods transported.

AI-related construction stocks struggled last week, with MasTec (MTZ) regaining its 50-day moving average; however, its RSI is below 50 and in a negative position. The stock would need to close above \$180 in order to be in a buy zone, which is currently 2% away.

This week, we are adding Caterpillar (**CAT**) to our Suggested Holdings List after a Friday rally pushed the stock back above its 21-day moving average with a now positive RSI.

The MACD is also in positive territory, and a bullish crossover (black line up through the red) would confirm its new uptrend.

**CAT** has received several Wall Street upgrades recently, with a major one last week. Most analysts are anticipating growth in 2026 due to improved growth in their transportation segment, as well as improved trade relations with China. **CAT** is in a buy zone.

We are also adding PNC Financial Services (**PNC**) to the Suggested Holdings List as a Friday rally pushed the stock out of a 2-month base.

Last month, the company reported strong earnings due to robust loan growth, especially in the commercial sector. Several highly regarded firms have upgraded their outlook for the stock with price targets now as high as \$238. **PNC** is in a buy zone.

Uber Technologies (**UBER**) is also being added to the Suggested Holdings List as the stock is a point away from a possible 6-week base breakout. The company recently reported strong growth in both its ride-hailing and Uber Eats bookings, with a report of earnings that were above estimates.

The company is positioning itself as being central for the autonomous vehicle markets, which are continuing to grow. This month, **UBER** announced a \$20 billion stock buyback program, signaling confidence in its future. **UBER** is in a buy zone.

## Summary

While Powell signaled that the Fed is willing to shift rates lower in September, he was clear that they remain in a tough position as inflation will likely rise in the months ahead, while the labor market has shown early signs of cooling.

The rally that followed Powell's comments points to a belief that we will see a rate cut, as interest rate-sensitive areas such as consumer discretionary, industrials, and financials far outpaced the markets.

Unfortunately, the backdrop for a rate cut is not clear-cut. Next week, key inflation data will be released by way of July's PCE data. →

This is the Fed's preferred inflation gauge as it measures the prices paid by consumers for goods and services, excluding volatile food and energy.

Any hint of an uptick in prices will stall investors' exuberance. Nvidia's earnings report will also weigh on the markets.

Below is a marked-up weekly chart of the Equal Weighted S&P 500, and as you will see, the Fed's interest rate policy is a highly impactful element. We suggest wading lightly into the markets until further confirmation of a rate cut is seen.

## CHARTS WE ARE WATCHING

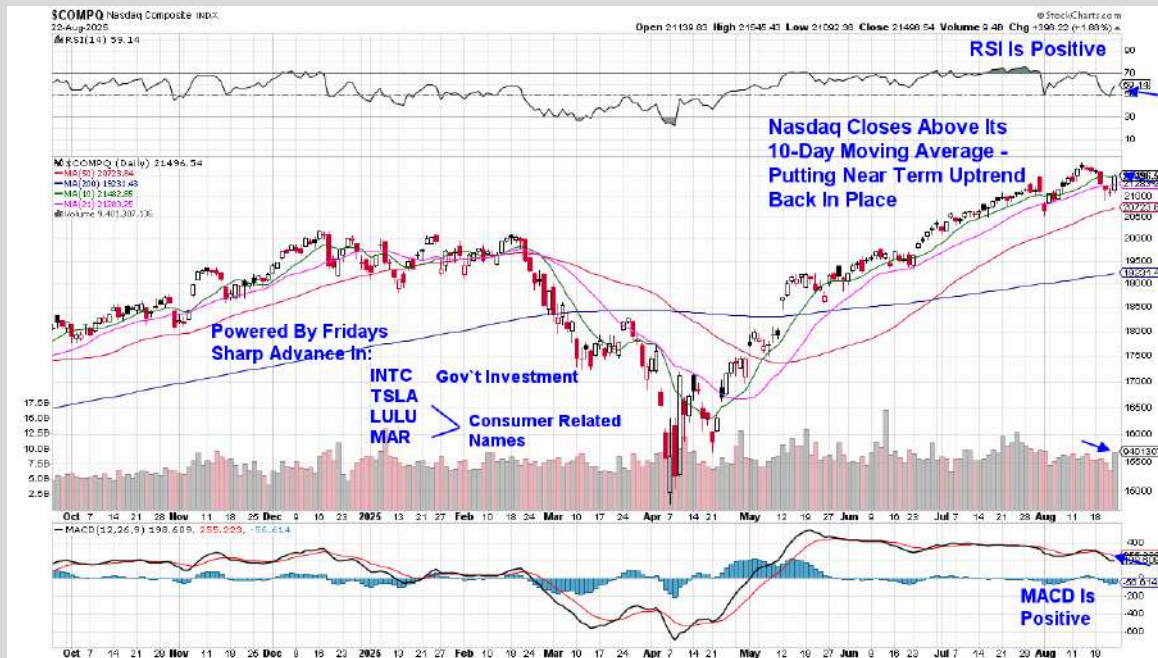
Weekly Chart of S&P 500 Equal Weighted Index (\$SPXEW)



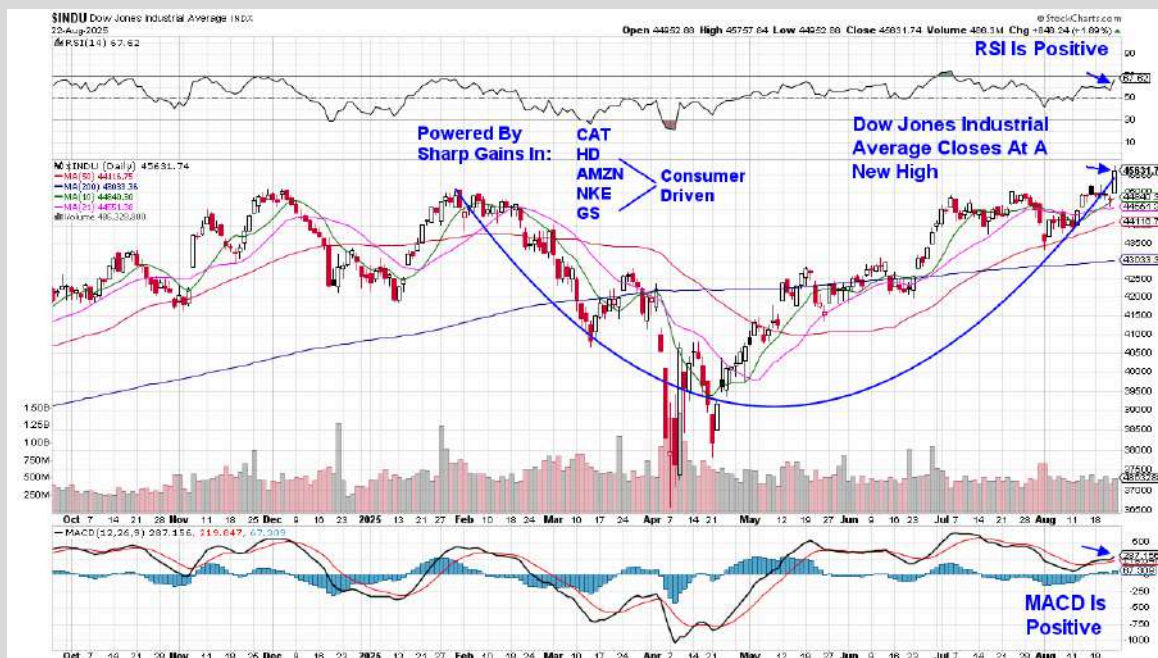


## CHARTS WE ARE WATCHING

### Daily Chart of Nasdaq Composite (\$COMPQ)



### Daily Chart of Dow Jones Industrial Average (\$INDU)



## NEW BUY IDEAS

### Daily Chart of Caterpillar, Inc. (CAT)



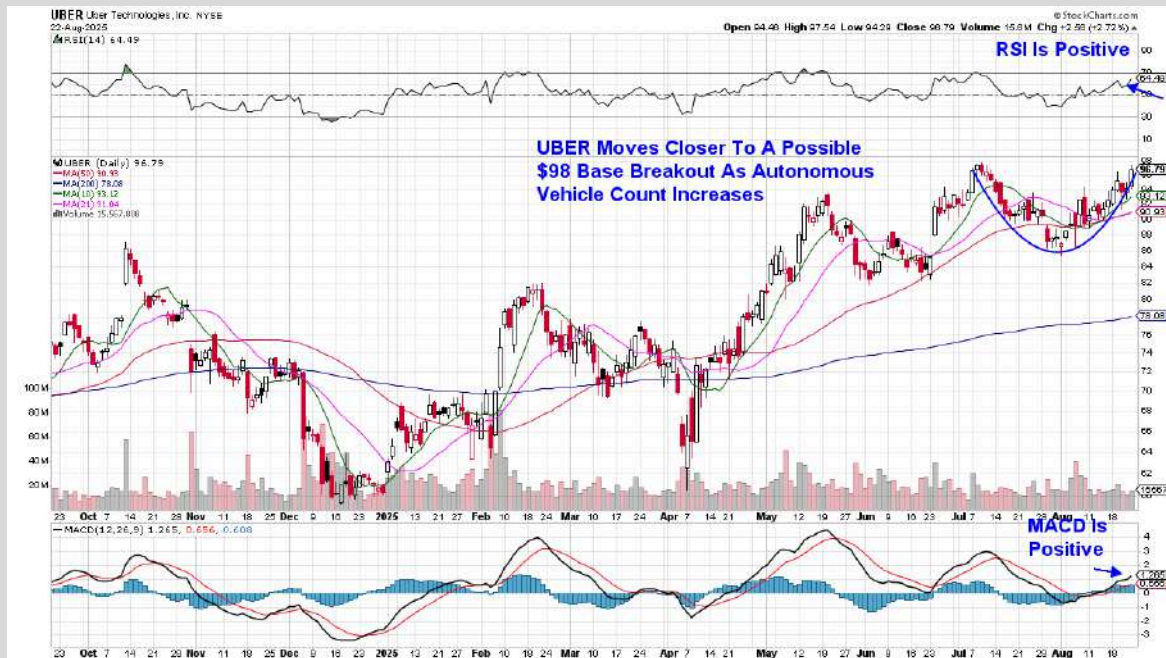
### Daily Chart of PNC Financial Services Gr (PNC)





## NEW BUY IDEAS

### Daily Chart of Uber Technologies, Inc (UBER)





## CHARTS OF NAMES ON OUR SUGGESTED HOLDINGS LIST

Daily Chart of APP



Daily Chart of AVGO



Daily Chart of BK



Daily Chart of DG



## CHARTS OF NAMES ON OUR SUGGESTED HOLDINGS LIST

Daily Chart of IBKR



Daily Chart of JPM



Daily Chart of MTZ



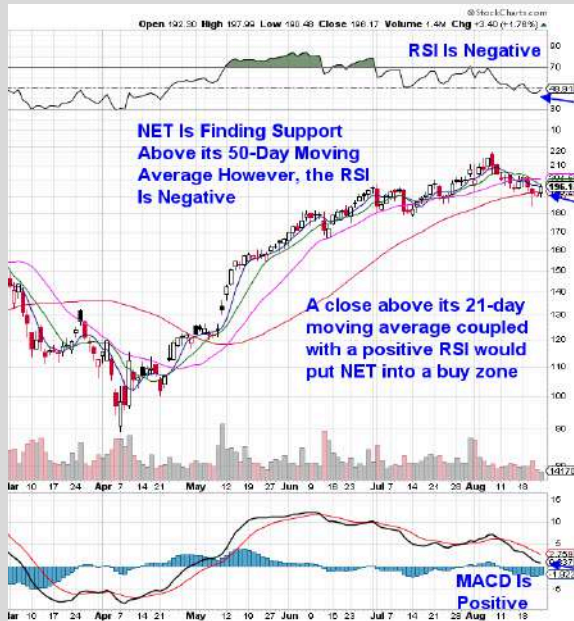
Daily Chart of MU



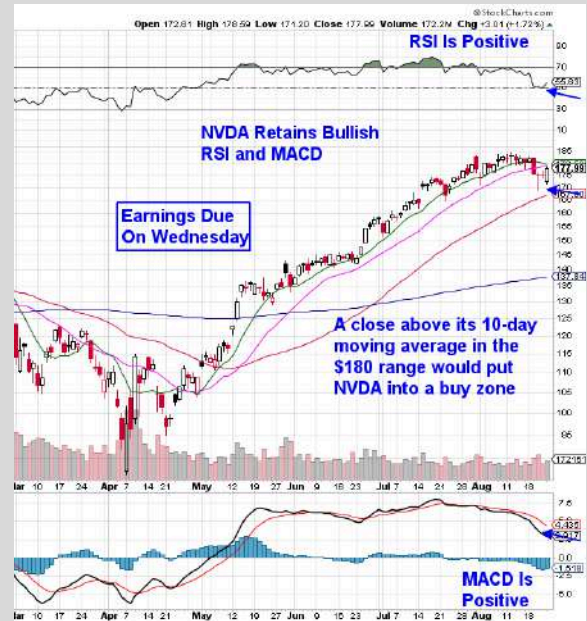


## CHARTS OF NAMES ON OUR SUGGESTED HOLDINGS LIST

Daily Chart of NET



Daily Chart of NVDA



Daily Chart of OKLO

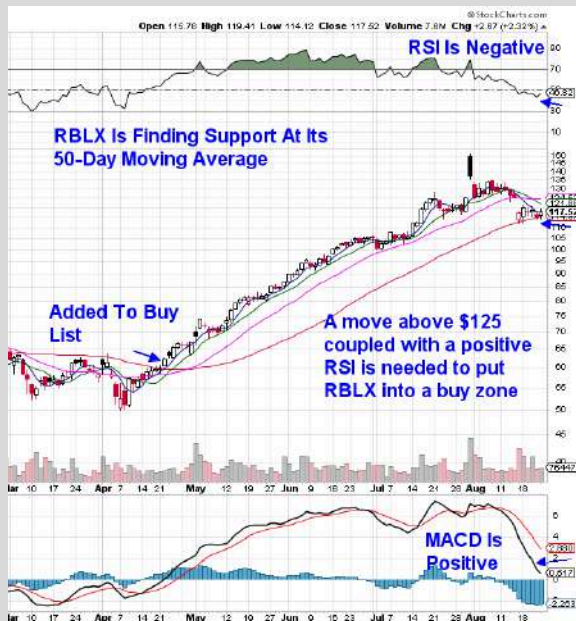


Daily Chart of PLTR



## CHARTS OF NAMES ON OUR SUGGESTED HOLDINGS LIST

Daily Chart of RBLX



Daily Chart of RDDT



Daily Chart of RMBS



Daily Chart of TSEM



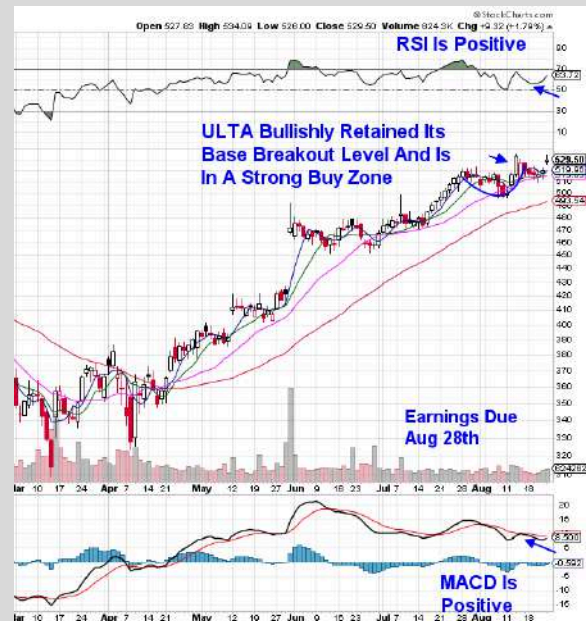


## CHARTS OF NAMES ON OUR SUGGESTED HOLDINGS LIST

Daily Chart of TSM



Daily Chart of ULTA



Daily Chart of VRT



Daily Chart of WMT



## MEM EDGE REPORT SUGGESTED HOLDINGS LIST

## Stocks With Emerging Leadership Characteristics

\$ = Earnings Due	Buy Zone	Strong Buy		Buy on Pullback	Removed From List
SYMB	COMPANY	PRICE	DATE ADDED	PERFORMANCE	EARNINGS DUE
CONSUMER DISCRETIONARY					
DG	Dollar General	\$113.30	8/7/2025	-1.0%	Aug-28
UBER	Uber Technologies	\$96.80	8/24/2025		
ULTA	Ulta Beauty	\$477.80	7/6/2025	4.5%	Aug-28
WMT	Walmart	\$103.70	8/10/2025	-6.5%	already reported
TECHNOLOGY					
APP	AppLovin	\$446.30	8/13/2025	-1.0%	
AVGO	Broadcom	\$190.30	4/27/2025	51.5%	Sep-4
MU	Micron	\$124.30	8/13/2025	-5.0%	Sep-25
NET	Cloudflare Inc.	\$132.30	5/11/2025	50.0%	already reported
NVDA	Nvidia	\$135.30	5/14/2025	28.5%	Aug-27
PLTR	Palantir	\$100.80	4/23/2025	64.5%	already reported
RBLX	Roblox	\$65.70	4/24/2025	70.5%	already reported
RMBS	Rambus	\$68.20	7/20/2025	9.0%	already reported
TSM	Taiwan Semiconductor	\$202.40	6/4/2025	18.0%	already reported
TSEM	Tower Semiconductor	\$46.40	7/6/2025	23.0%	already reported
FINANCIAL					
BK	Bank Of New York Mellon	\$85.90	5/11/2025	20.5%	already reported
IBKR	Interactive Brokers Group	\$53.90	6/29/2025	15.5%	already reported
JPM	JP Morgan Chase	\$275.00	6/22/2025	6.0%	already reported
PNC	PNC Financial Services	\$201.70	8/24/2025		
INDUSTRIAL					
CAT	Caterpillar	\$435.70	8/24/2025		
MTZ	MasTec	\$140.90	5/4/2025	25.5%	already reported
COMMUNICATION SERVICES					
NFLX	Netflix	\$1,211.60	12/8/2024	0.0%	already reported
RDDT	Reddit	\$138.10	6/22/2025	50.5%	already reported
UTILITIES					
OKLO	Oklo Inc.	\$64.30	7/16/2025	10.5%	already reported
VRT	Vertiv	\$141.60	8/3/2025	-10.0%	already reported

## Longer Term Hold Candidates That Were Removed From Suggested Holdings List

SYMB	COMPANY NAME	CURRENT STATUS
SNOW	Snowflake	HOLD

These stocks were removed due to short term downtrends after breaks below key support. However, their longer term weekly charts remain constructive and these stocks can be held.

# Glossary of Terms Used From Our Suggested Holdings

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## **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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