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## Software and Health Care Stocks Break Out; Lululemon Dives

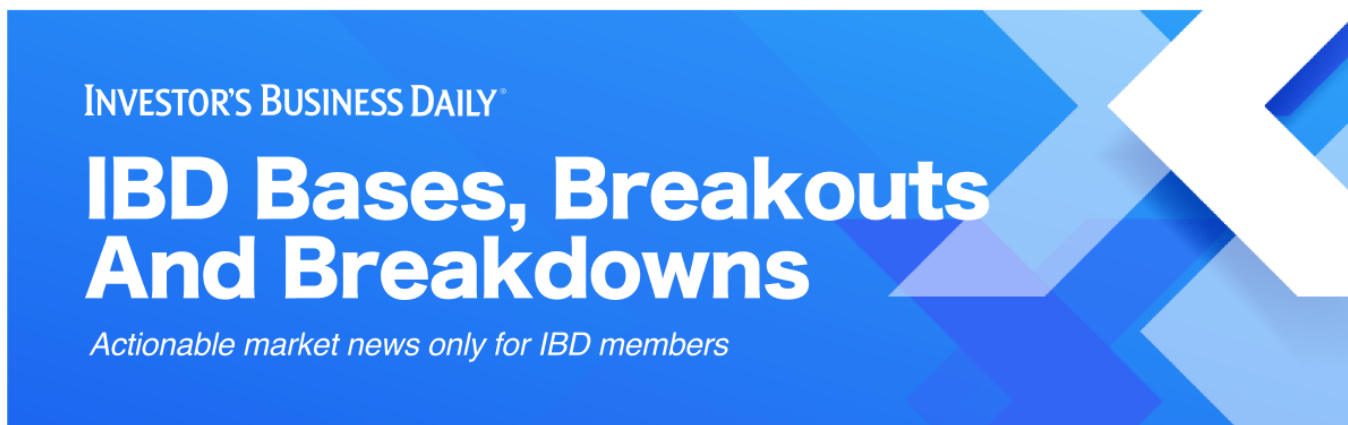
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**IBD Bases, Breakouts and Breakdowns** <reply@email.investors.com>

Wed, Jan 31, 2024 at 12:18 PM

Reply-To: Investor's Business Daily &lt;reply-fe88167776630c7b73-222\_HTML-240180551-100016628-6009@email.investors.com&gt;

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## Software and Health Care Stocks Break Out; Lululemon Dives

**Quick Links:** [Current Market](#) [Stock Lists](#) [Stock Screener](#) [Stock Checkup](#) [How To Invest](#)

### BASES AND BREAKOUTS

**MANHATTAN ASSOCIATES** ([MANH](#))**Buy Point:** 230.61 | **Buy Zone:** 230.61 - 242.14

**Current Action:** Manhattan Associates gapped up and broke out of its [flat base](#) to an all time high after earnings. The stock trimmed some of its opening gains is in buy range past a proper buy point of 230.61. The higher volume is lending strength to the action after the cloud-based

supply management software provider reported fourth quarter results late Tuesday. The relative strength line is at a new high as well and the combination has earned the stock [a blue dot](#) on [IBD MarketSmith](#).

### CARDINAL HEALTH ([CAH](#))

**Buy Point:** 108.39 | **Buy Zone:** 108.39 - 113.81

**Current Action:** Another stock that is at a correct buy point after an earnings gap up is Cardinal Health. The action shows that investors are bullish on the company's agreement to buy multispecialty group Specialty Networks for \$1.2 billion in cash. Cardinal Health's [chart also shows](#) four weeks of tight trading in the handle, a bullish sign of institutional support. Big money has been lending support in recent weeks, going by the [Accumulation/Distribution Rating](#) of B+. Cardinal Health makes and distributes drugs and lab products to health care facilities.

## BREAKDOWNS

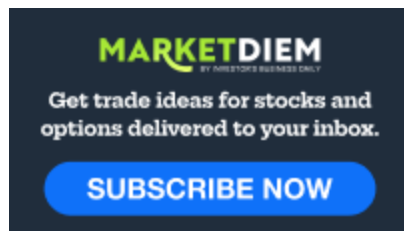
### ROCKWELL AUTOMATION ([ROK](#))

**Current Action:** Rockwell Automation triggered a sell signal by plunging below its [50-day moving average](#) in heavy volume Wednesday. And there are additional red flags on the chart. The stock is at risk of undercutting its forming base. Fiscal first-quarter sales growth tapered to 4% while earnings declined 17%, as the company missed profit estimates. Lastly, many leading stocks have been outpacing Rockwell shares over the past 12 months, resulting in a 64 [Relative Strength Rating](#).

### LULULEMON ([LULU](#))

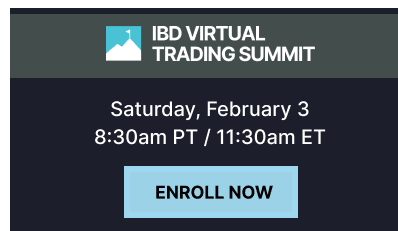
**Current Action:** Sellers sent LULU sharply below the 50-day line as well Wednesday, with volume tracking more than 100% above average. LULU stock fell to the 50-day line in mid-January, after the company raised the [current quarter guidance slightly on Jan. 8](#). The stock had been trying to garner support at the key level for two weeks but finally succumbed to selling pressure. [According to reports](#), Yipit, a research firm, sees a slowdown in consumer spending that will hurt apparel stocks. But the RS line uncovered the stock's weakening action earlier as it sloped downwards starting early January.

## TODAY'S SPOTLIGHT



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