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The U.S. market remains in a Confirmed Uptrend. The S&P 500 and Nasdaq were up 52bps and 90bps, respectively. Indices have the first level of support at their 10-DMA (5,052/15,925) followed by their 21-DMA (5,003/15,773). The S&P 500 remains near all-time highs while resistance for the Nasdaq is at the November 2021 high (16,212). The distribution day count on each index stands at six.

Most sectors posted a gain yesterday, except Health Care (-0.8%). Basic Material (+1.1%), Technology (+1.1%), and Consumer Cyclical (+0.7%) led, while Utility, Consumer Staple, and Capital Equipment closed almost flat. The best performing industry groups over the past week include Software, Document Management, Data Storage, Consumer Electronics, Building Maintenance, Auto Parts, Food, and Alternative Energy. Underperforming groups included Travel Booking, Hardware, Machinery, Health Care Services, Managed Care, Beverages, Department Stores, and Telecom.

Look for the indices to hold near-term moving average support, should a pullback occur to remain constructive. We recommend investors focus on quality growth ideas from top-ranked groups. Monitor extended ideas rebounding from their short-term moving averages for a secondary entry point, and trim exposure in extended ideas that breach logical levels of price or moving average support.

Sectors: Over the last five sessions, Consumer Cyclical (+1.6%), Basic Material (+1.3%), and Capital Equipment (+0.7%) are leading, while Transportation (-0.4%), Health Care (-1.1%), and Retail (-4.9%) are lagging.

Industry Groups: The best performing industry groups trading above their respective 50- and 200-DMA over the last five sessions include Software, Document Management, Data Storage, Consumer Electronics, Building Maintenance, Auto Parts, Food, Generic Drugs, and Measuring Instruments.

The worst performing groups trading below their respective 50- and 200-DMA over the last five sessions include Machinery, Beverages, Medical Products, Telecom Services, Leisure Products, Water, Medical Supplies, and Diversified Utility.

U.S. Focus List Ideas: New addition: [SQ](#) is breaking out of a stage-one, seven-week cup base with a pivot of \$80.3. **At or Near Pivot Range:** [ABNB](#), [BRBR](#), [COIN](#), [CPRT](#), [FCNCA](#), [FSS](#), [MDB](#), [MORN](#), [MRVL](#), [NXPI](#), [SN](#), [SNPS](#), and [SQ](#). **Setting up:** [BX](#), [MTSI](#), [ONON](#), [TDW](#), and [ZTS](#) are forming the right side of their base and trading less than 6% to pivot. **Under Pressure:** [ADBE](#), [BKNG](#), [DXCM](#), [GLOB](#), [GOOGL](#), [MELI](#), and [NCNO](#) are trading below their respective 50-DMA with declining RS lines. **Extended:** [AMD](#), [AROC](#), [AVGO](#), [CMG](#), [CR](#), [CRM](#), [DECK](#), [ENTG](#), [INTU](#), [ISRG](#), [KNSL](#), [LLY](#), [META](#), [NET](#), [NFLX](#), [NOW](#), [NU](#), [NVDA](#), [NXT](#), [ONTO](#), [SAIA](#), [TDG](#), [TT](#), and [WING](#) are trading above their short-term moving averages and more than 20% above their recent pivot.

Watch List Ideas (New Additions in Bold): [BIRK](#), [DUOL](#), [FTI](#), [IDXX](#), [IOT](#), [IPAR](#), [PATH](#), [PCOR](#), [RYAN](#), [TCOM](#), [TTD](#), [WFRD](#), [XP](#).

Removals from Watchlist: [CELH](#), [SQ](#).

Sector Movement (Rotation Chart): Over the last four weeks, Consumer Cyclical (+5.3%), Technology (+4.4%), and Capital Equipment (+4.3%) are leading, while Retail (+0.3%), Consumer Staple (-0.7%), and Utility (-2.4%) are lagging.

- **Leading and/or Improving Industry Groups:**

- **Basic Material**

- **Aggregates** (Knife River ([KNF](#)), Martin Marietta Materials ([MLM](#)))
 - **Chemicals** (Linde ([LIN](#)), WD 40 ([WDFC](#)))

- **Capital Equipment**

- **Aerospace and Defense** (Huntington Ingalls ([HII](#)), TransDigm ([TDG](#)))
 - **Advertising** (The Trade Desk ([TTD](#)), Criteo ([CRO](#)))
 - **Building Maintenance** (Installed Building ([IBP](#)), IES ([IESC](#)))
 - **Electrical** (Nvent Electric ([NVT](#)), Regal Rexnord ([RRX](#)))
 - **Leasing** (United Rentals ([URI](#)), GATX ([GATX](#)))
 - **Machinery** (Graco ([GGG](#)), Pentair ([PNR](#)))
 - **Security Services** (MSA Safety ([MSA](#)), Cadre ([CDRE](#)))

- **Consumer Cyclical**

- **Apparel - Shoes** (ON Holding ([ONON](#)), Crox ([CROX](#)))
 - **Apparel - Clothing** (PVH ([PVH](#)), Ralph Lauren ([RL](#)))

- **Building Products** (Griffon ([GFF](#)), Azek ([AZEK](#)))
- **Mobile Homes** (Rev ([REVG](#)), Patrick Industries ([PATK](#)))
- **Home Builders** (Lennar ([LEN](#)), KB Homes ([KBH](#)))
- **Lodging** (Hyatt Hotels ([H](#)), Marriott International ([MAR](#)))
- **Education** (New Oriental Education & Technology ([EDU](#)), TAL Education ([TAL](#)))
- **Energy**
 - **Coal** (Arch Resources ([ARCH](#)), Warrior Met Coal ([HCC](#)))
- **Financial**
 - **Brokers** (Interactive Brokers ([IBKR](#)), Robinhood ([HOOD](#)))
 - **Insurance - Prop/Cas/Title** (Progressive ([PGR](#)), Kinsale ([KNSL](#)))
 - **Insurance - Diversified** (Palomar ([PLMR](#)), Manulife ([MFC](#)))
 - **Payment Processors** (American Express ([AXP](#)), Wex ([WEX](#)))
- **Health Care**
 - **Biomed/Biotech** (Vertex ([VRTX](#)), Regeneron ([REGN](#)))
 - **Medical Diversified** (Danaher ([DHR](#)), GSK ([GSK](#)))
 - **Medical Research** (Medpace ([MEDP](#)), Charles River ([CRL](#)))
 - **Wholesale Drugs** (Cardinal Health ([CAH](#)), Cencora ([COR](#)))
- **Retail**
 - **Apparel** (Ross Stores ([ROST](#)), American Eagle Outfitters ([AEO](#)))
 - **Auto Parts** (Copart ([CPRT](#)), O'Reilly ([ORLY](#)))
 - **Discount Chains** (Costco ([COST](#)), Walmart ([WMT](#)))
 - **Internet** (Amazon ([AMZN](#)), DoorDash ([DASH](#)))
 - **Restaurants** (Darden Restaurants ([DRI](#)), Texas Roadhouse ([TXRH](#)))
 - **Specialty Retail** (RB Global ([RBA](#)), Ulta Beauty ([ULTA](#)))
 - **Super Markets** (Caseys General Stores ([CASY](#)), Murphy USA ([MUSA](#)))
- **Technology**
 - **Contract Manufacturing** (Celestica ([CLS](#)), Flex ([FLEX](#)))
 - **Database Software** (Commvault Systems ([CVLT](#)), MongoDB ([MDB](#)))
 - **Enterprise Software** (Parsons ([PSN](#)), Samsara ([IOT](#)))
 - **Financial Software** (Guidewire Software ([GWRE](#)), Coinbase ([COIN](#)))
 - **Hardware** (Logitech ([LOGI](#)), Xerox ([XRX](#)))
 - **Internet** (Meta Platforms ([META](#)), Alphabet ([GOOGL](#)))
 - **Semiconductor Equipment** (ASML ([ASML](#)), Entegris ([ENTG](#)))
 - **Semiconductor Fabless** (Broadcom ([AVGO](#)), Advanced Micro Devices ([AMD](#)))
- **Transportation**
 - **Rails** (Canadian Pacific ([CP](#)), CSX ([CSX](#)))
 - **Ships** (Star Bulk Carriers ([SBLK](#)), Kirby ([KEX](#)))

DM Focus List Ideas:

New additions:

Li Auto ([LAAU.HK](#); [2015 HK](#)) broke out of a stage-two 29-week double-bottom base on above average volume.
Sage ([SGE.GB](#); [SGE LN](#)) broke out from a stage-two 10-week flat base on above average volume.

Stocks forming base:

Asahi Intecc ([AS@H.JP](#); [7747 JP](#)) and Nippon Telegraph & Telephone ([NTT.JP](#); [9432 JP](#)) are trading 2-6% below the pivot of their respective stage-one flat bases.
Adidas ([ADSX.DE](#); [ADS GR](#)) is trading 6% to pivot in a stage-one cup base.

RS lines at a new high:

Toyota Motor ([TYMO.JP](#); [7203 JP](#)), Hermes ([RMS.FR](#); [RMS FP](#)), Tokyo Electron ([RG@N.JP](#); [8035 JP](#)), Ferrari ([RACE.IT](#); [RACE IM](#)), Rolls-Royce ([RR.GB](#); [RR/ LN](#)), Aristocrat Leisure ([ALL.AU](#); [ALL AU](#)), and Brunello Cucinelli ([BC.IT](#); [BC IM](#)) are trading 6-12% above their respective 21-DMA with RS lines at new highs.

Stock breaching key moving averages:

Beiersdorf ([BEIX.DE](#); [BEI GR](#)) breached its 50-DMA on more than 5x the average volume. The stock has found support at its 100-DMA (-1%). Next support is around €128 (-4%).

EM Focus List Ideas:

New additions:

Anhui Heli ([AHH.CN](#); [600761 CH](#)) is making the right side of a stage-one cup base.
Havells India ([HVI.IN](#); [HAVL IN](#)) broke out from a stage-one six-week consolidation base.

Recent breakouts:

Acwa Power ([ICF.SA](#); [ACWA AB](#)) broke out from a stage-two nine-week flat base.

Sona BLW Precision Forgings ([SW3.IN](#); [SONACOMS IN](#)) broke out from a stage-one seven-week consolidation base. Data Patterns ([DP1.IN](#); [DATAPATT IN](#)) broke out from a stage-two 25-week cup base with a pivot of INR 2,485. Dixon ([DIX.IN](#); [DIXON IN](#)) broke out from a stage-one 23-week cup-with-handle base.

Still buyable:

Dallah Healthcare ([DAL.SA](#); [DALLAH AB](#)) is trading 5% above a stage-one 23-week cup-with-handle base. Delhivery ([DE2.IN](#); [DELHIVER IN](#)) is trading 4% above a stage-one 21-week flat base.

Stocks forming bases:

Indofood CBP ([FOO.ID](#); [ICBP IJ](#)) is trading 3% below a stage-one flat base. Banco BTG ([BPC.BR](#); [BPAC11 BZ](#)) is trading 6% below a stage-one seven-week flat base. Smartfit ([SED.BR](#); [SMFT3 BZ](#)) is trading 8% below a stage-two flat base. Aspen Pharmacare ([APNJ.ZA](#); [APN SJ](#)) is trading 6% below a stage-one nine-week consolidation base.

RS line at a new high:

Mediatek ([MDT.TW](#); [2454 TT](#)) is trading 15% above its 21-DMA with RS line at a new high. ABB India ([AB.IN](#); [ABB IN](#)) is trading 13% above its 21-DMA with RS line at a new high. ASMedia Technology ([ASM.TW](#); [5269 TT](#)) is trading 16% above its 21-DMA with RS line at a new high. Sona BLW Precision Forgings ([SW3.IN](#); [SONACOMS IN](#)) is trading 9% above its 21-DMA with RS line at a new high.

Breaching/Retaking key moving averages:

Banco BTG ([BPC.BR](#); [BPAC11 BZ](#)) and Accton Technology ([ACC.TW](#); [2345 TT](#)) breached their 50-DMA on above average volume.

Larsen & Toubro ([LST.IN](#); [LT IN](#)) regained its 50-DMA on lower volume. ABB India ([AB.IN](#); [ABB IN](#)) regained its 50-DMA on above average volume.

FOCUS LIST CHANGES

U.S. Addition

- Block (SQ) – \$49B market cap; \$904M ADV: We added Block to our U.S. Focus List as the stock is breaking out of a stage-one, seven-week cup base with a pivot of \$80.3 and is currently actionable. It is a technology platform company that provides a wide array of payment and point-of-sale solutions to merchants worldwide. The company has successfully expanded its addressable market to more than \$125B by launching new products and expanding further upmarket.

[Fundamental & Technical note](#)
[Datagraph](#)

U.S. Removals

- Clearwater Analytics (CWAN) – \$4B market cap; \$19M ADV: We removed Clearwater Analytics from our U.S. Focus List due to both technical and fundamental reasons. The stock gapped down ~10% and breached support at its 200-DMA (\$18.3; +5%) after the company reported lower-than-expected revenue guidance for FY24, despite reporting better-than-expected Q4 FY23 results. It found support at ~\$16.9 (-3%) near the middle of the previous cup-with-handle base. We expect the stock to chop around the 200-DMA that is acting now as a resistance.

[Fundamental & Technical note](#)
[Datagraph](#)

- Snowflake (SNOW) – \$62B market cap; \$1B ADV: We removed Snowflake from our U.S. Focus list due to technical and fundamental factors. The stock declined ~18% breaching key moving average supports and is under distribution. The company initiated weak FY25 guides in its Q4 FY24 results and expects revenue growth headwinds from product improvements leading to lower spend growth among customers. The stock is likely to base here.

[Fundamental & Technical note](#)
[Datagraph](#)

DM Additions

- Li Auto (LAAU.HK; 2015 HK) – \$40B market cap; \$181M ADV: We added Li Auto to our Developed Markets Focus List as the stock broke out of a stage-two double-bottom base post its strong Q4 results and we recommend that investors add positions here. Li Auto is a premium smart electric vehicle manufacturer in China that focuses on New Energy Vehicles (NEV) within a price range of RMB 200K–500K and has a 16% market share within this category. Increasing market share in the NEV segment, good product positioning, and preservation of automotive margins in the competitive environment are expected to drive growth for the company.

[Fundamental & Technical note](#)
[Datagraph](#)

- Sage (SGE.GB; SGE LN) – \$16B market cap; \$57M ADV: We added Sage to our Developed Markets Focus List as the stock is breaking out of a stage-two 10-week flat base and is actionable. Sage provides accounting, enterprise resource planning, payroll, and human capital management solutions to small and medium businesses globally. A large addressable market, rising share of cloud revenue, and mid-teens earnings growth over the next two years are its growth drivers.

[Fundamental & Technical note](#)
[Datagraph](#)

EM Additions

- Anhui Heli (AHH.CN; 600761 CH) – \$2B market cap; \$26M ADV: We are adding Anhui Heli to our China A Shares Focus List as the stock is trading constructively along its 21-DMA and breaking out of a stage-one base. The company is China's largest forklift manufacturer. We expect it to benefit from the accelerating electrification in China and gain market share overseas. RS line hit an all-time high, with an RS Rating of 97 and an A/D Rating of A-.Actionable.

[Fundamental & Technical note](#)
[Datagraph](#)

- Havells India (HVI.IN; HAVL IN) – \$12B market cap; \$18M ADV: We added Havells India to the Emerging Markets Focus List as the stock broke out of a stage-one cup base on 2–3x the average volume and is actionable here. Havells is a manufacturer of electrical and consumer durable products. It is the third-largest company in the Indian wires and cables industry. Most of the company's products are a part of high growth segments and are expected to benefit from its rural expansion and increased government investments. Its Lloyd brand is the one of the top four air conditioner makers in India and is expected to benefit from the strong market share gains and improved profitability. Consensus expects revenue CAGR of 14% and EPS CAGR of 26% in FY24–26.

[Fundamental & Technical note](#)
[Datagraph](#)

EM Removal

- Radico Khaitan (RKT.IN; RDCK IN) – \$3B market cap; \$3M ADV: We removed Radico Khaitan from our Emerging Markets Focus List because of technical and fundamental factors. The stock is lagging and has breached its 50-DMA and INR 1,600. Fundamentally, the company reported weak Q3 FY24 results, with lower-than-expected volume growth in its Prestige & Above segment.

[Fundamental & Technical note](#)
[Datagraph](#)

FOCUS LIST UPDATES (see comments in [full Global View](#) note)

U.S.

- Tidewater ([Datagraph](#)): Reported mixed Q4 FY23 results yesterday after market hours. Revenue slightly missed estimates by 2%, while adjusted EPS beat estimates by 3%. The stock is forming the right side of a nine-week consolidation base. Support is at its 50-DMA (-1%), followed by its 100-DMA (-5%). We recommend that investors add positions on a break above \$75.

Emerging Markets

- Acwa Power ([Datagraph](#)): Reported better-than-expected Q4 FY23 results yesterday during market hours. Revenue grew 15% y/y, beating estimates by 6%, while adjusted EPS beat estimates by 17%. The stock broke out of a nine-week flat base. It is trading at an all-time high and is actionable. We recommend that investors accumulate positions within the pivot range of SAR 261.8–274.9.

OTHER SECTOR/REGIONAL/STRATEGY NOTES

APAC Market Update - [Click here for detailed note](#)

Global Laggards - [Click here for detailed note](#)

Global Sector Strategy - [Click here for detailed note](#)

APAC Weekly Summary - [Click here for detailed note](#)

O'Neil TMT Weekly - [Click here for detailed note](#)

O'Neil Health Care Weekly - [Click here for detailed note](#)

O'Neil Financial Sector Weekly - [Click here for detailed note](#)

O'Neil Capital Equipment Sector Weekly - [Click here for detailed note](#)

O'Neil Energy/Material Weekly - [Click here for detailed note](#)

O'Neil Consumer/Retail Weekly - [Click here for detailed note](#)

O'Neil Global Cryptocurrency Weekly - [Click here for detailed note](#)

ACTIONABLE FOCUS LIST IDEAS (click **region** below for minicharts):

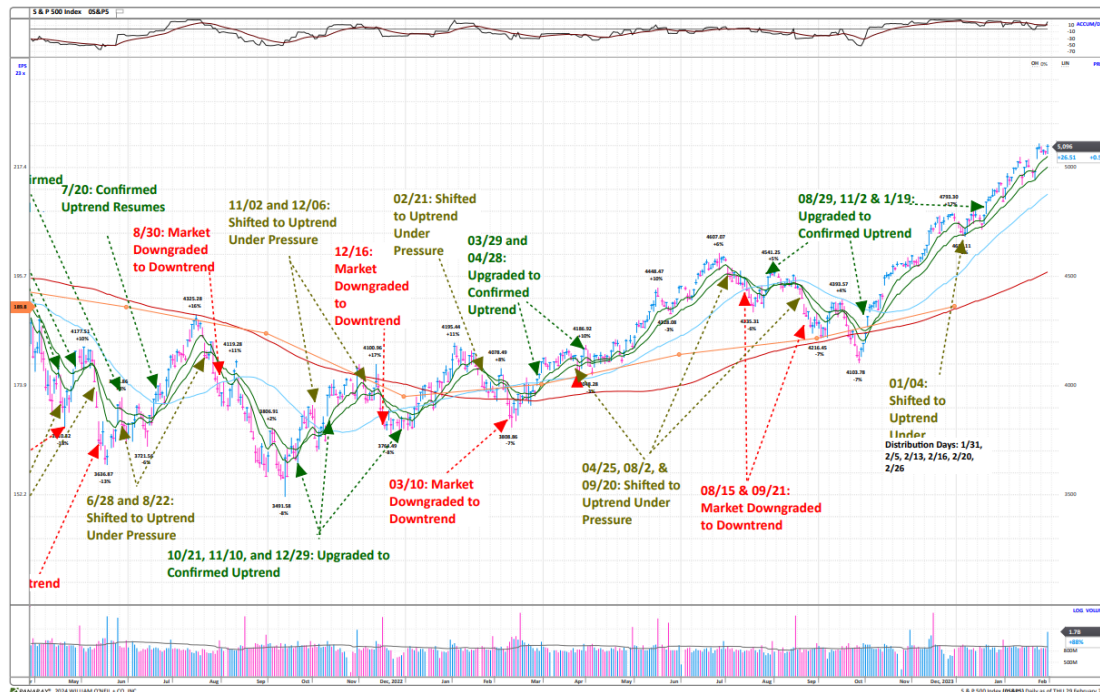
U.S.: Airbnb ([ABNB](#)), Bancorp ([TBBK](#)), **Block** ([SQ](#)), Bellring Brands ([BRBR](#)), Copart ([CPRT](#)), Coinbase ([COIN](#)), First Citizens ([FCNCA](#)), Marvel ([MRVL](#)), MongoDB ([MDB](#)), Morningstar ([MORN](#)), NXP Semiconductors ([NXPI](#)), Quanta Services ([PWR](#)), SharkNinja ([SN](#)), and Synopsys ([SNPS](#)).

DM: Aristocrat Leisure ([ALL.AU](#); [ALL AU](#)), Banco BPM ([BP.IT](#); [BAMI IM](#)), EQT ([EQT.SE](#); [EQT SS](#)), Evolution ([EVOG.SE](#); [EVO SS](#)), Flutter Entertainment ([FLTR.GB](#); [FLTR LN](#)), **Li Auto** ([LAAU.HK](#); [2015 HK](#)), Nippon Steel ([NSSM.JP](#); [5401 JP](#)), **Sage** ([SGE.GB](#); [SGE LN](#)), Sanrio ([SRIO.JP](#); [8136 JP](#)), Shiga Bank ([SHIG.JP](#); [8366 JP](#)), Taiyo Nippon Sano ([TNSC.JP](#); [4091 JP](#)), Takeuchi Manufacturing ([TMCL.JP](#); [6432 JP](#)), TBC Bank ([TBCG.GB](#); [TBCG LN](#)), and Xero ([XRO.AU](#); [XRO AU](#)).

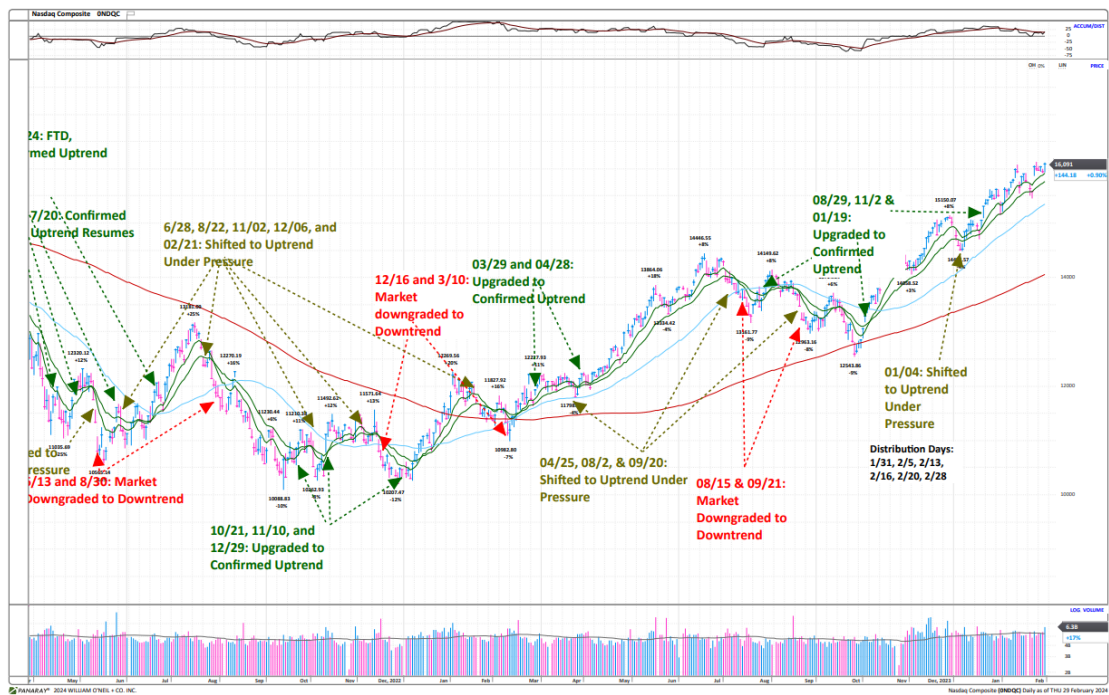
EM: Acwa Power ([ICF.SA](#); [ACWA AB](#)), Al Dawaa Medical ([ADM.SA](#); [ALDAWAA AB](#)), Alsea ([ALE.MX](#); [ALSEA* MM](#)), **Anhui Heli** ([AHH.CN](#); [600761 CH](#)), Aspen Pharmacare ([APNJ.ZA](#); [APN SJ](#)), Chow Tai Seng Jewellery ([TAW.CN](#); [002867 CH](#)), Coca-Cola Femsa ([KFB.LM](#); [KOFUBL MM](#)), Dallah Healthcare ([DAL.SA](#); [DALLAH AB](#)), Data Patterns ([DP1.IN](#); [DATAPATT IN](#)), Delhivery ([DE2.IN](#); [DELHIVER IN](#)), **Dixon** ([DIX.IN](#); [DIXON IN](#)), GPO Finance Banorte ([GTB.MX](#); [GFNORTEO MM](#)), Gruma ([GRM.MX](#); [GRUMAB MM](#)), Grupo Comercial Chedraui ([CHD.MX](#); [CHDRAUIB MM](#)), **Havells India** ([HVI.IN](#); [HAVL IN](#)), ICICI Bank ([ICG.IN](#); [ICICIB IN](#)), Jamjoom Pharma ([JAP.SA](#); [JAMJOOMP AB](#)), Mediatek ([MDT.TW](#); [2454 TT](#)), National Agricultural Development ([NAD.SA](#); [NADEC AB](#)), Poly Medicure ([POE.IN](#); [PLM IN](#)), Saudia Dairy & Foodstuff ([SAC.SA](#); [SADAFCO AB](#)), Sona BLW Precision Forgings ([SW3.IN](#); [SONACOMS IN](#)), United International Transportation ([UIT.SA](#); [BUDGET AB](#)), and Zhongji Innolight ([ZZE.CN](#); [300308 CH](#)).

BENCHMARK DATAGRAPHSTM

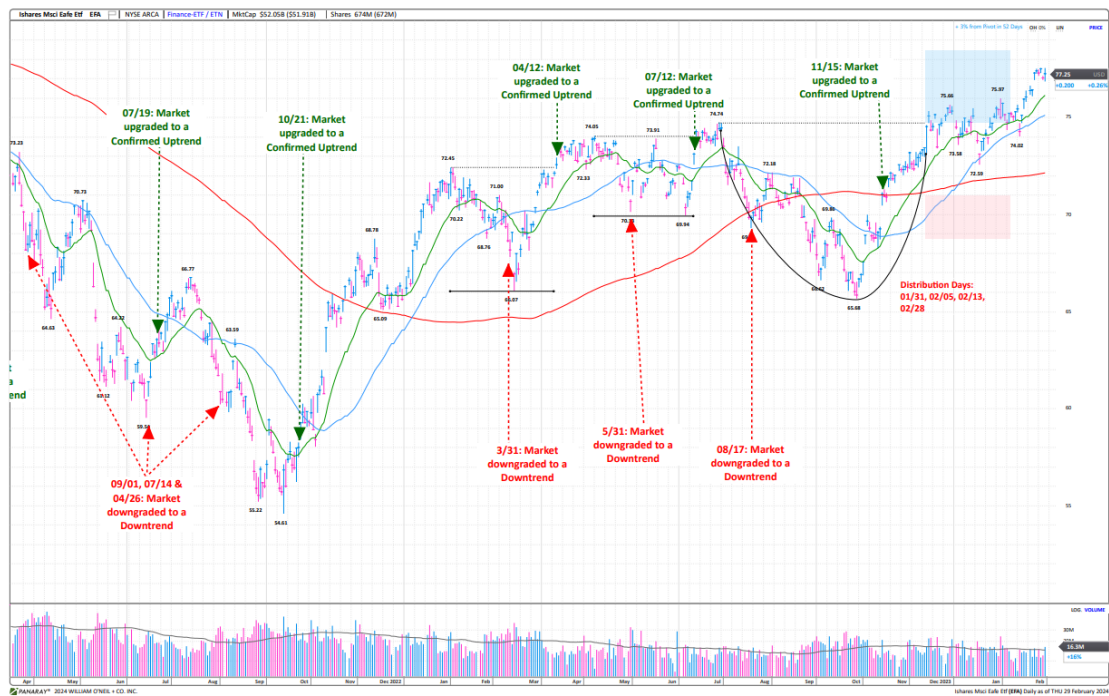
S&P 500



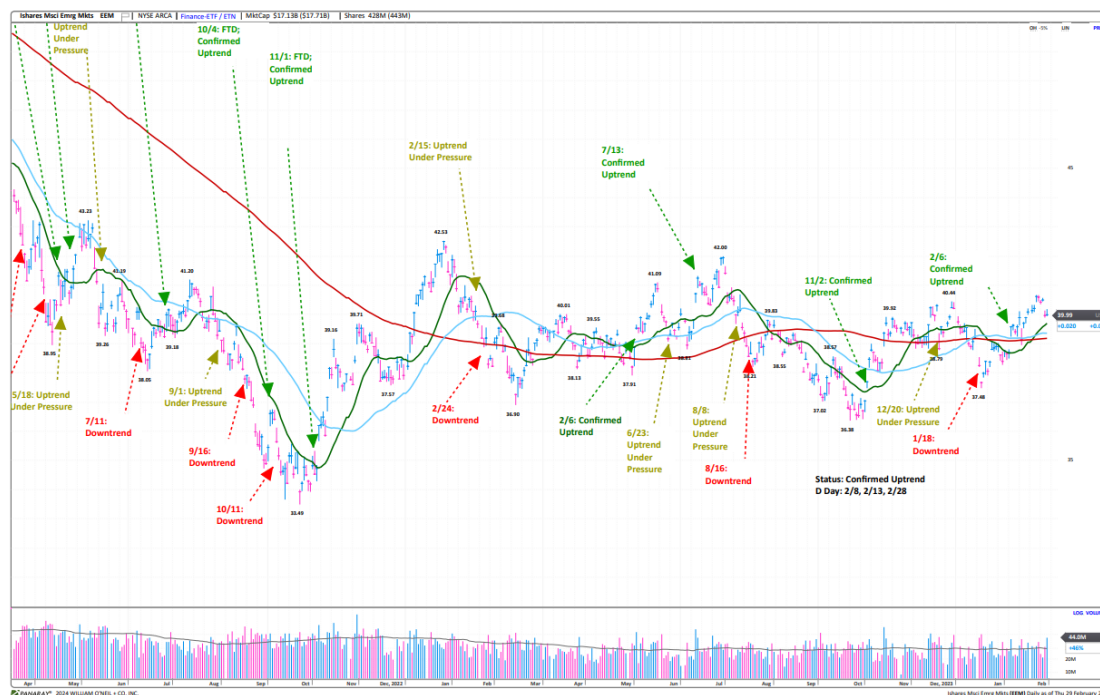
Nasdaq Composite



iShares EFA



iShares EEM



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