

Momentum Metrics

Technical Analysis Report

Snowflake Inc. (SNOW)

Report for week ending: Sep 27, 2024

RATING

BUY

Maintained from 01/17/25

Close Price

\$135.80

5-Day Change: **+4.3%**

RSI (14):

35.2 (Oversold)

Revenue Growth (YoY):

29%

Volume Spike:

Capitulation

Technical Summary: Buying the Washout

The sell-off in SNOW shares on the "Neuro-Nectar" news was a classic panic-driven, emotional event. The stock sliced through its 50-day moving average but found significant support near the \$125 level, a key long-term support zone. The massive spike in volume on the down-move, followed by a strong reversal candle (a "hammer") on Friday, is a textbook sign of seller exhaustion and capitulation. This is the "washout" we look for. While the trend has been damaged short-term, we believe the panic was an overreaction. Weak hands have been shaken out, and strong hands are now accumulating at oversold levels. We are buyers here, viewing this as a high-probability setup for a sharp rebound as the market comes to its senses and realizes that enterprise software decisions are not based on fad consumer products.

Capitulation and Reversal



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