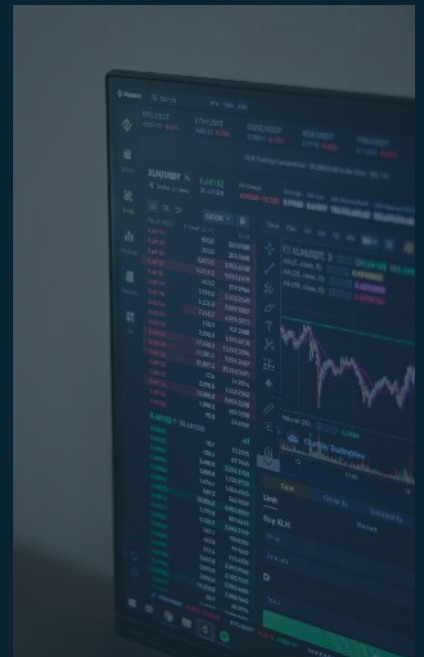


Chart-in-Focus

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A Tech Stock Poised For A Breakout

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Chart-in-Focus: Seagate Technology Holdings, Inc. (STX) (Nasdaq)

In this edition of Chart-in-Focus, we highlight a promising technical setup in Seagate Technology (STX). After a period of consolidation, the stock is displaying strong signs of a potential breakout. With key technical indicators aligning favorably, Seagate's recent price action and improving relative strength suggest it could be poised for significant upside. Read on as we explore the key levels to watch and the potential implications for investors.

Seagate Technology Holdings Plc (STX) operates as a holding company, specializing in the development, production, and distribution of data storage solutions and products. Its portfolio includes hard disk drives (HDDs), solid-state hybrid drives (SSHDS), solid-state drives (SSDs), peripheral component interconnect express (PCIe) cards, serial advanced technology attachment (SATA) controllers, storage subsystems, and computing solutions. The company markets its products through well-known brands such as Backup Plus, Expansion, Maxtor, and LaCie. Founded in 1978, Seagate is headquartered in Fremont, California.



As the second-largest manufacturer of hard disk drives in the United States, Seagate plays a crucial role in providing storage solutions for a wide range of applications. HDDs serve as the primary medium for electronic data storage across various systems, including desktop computers, consumer electronics, and data centers, facilitating information delivery over corporate networks and the Internet. In addition to HDDs, Seagate also produces SSDs and SSHDs to meet evolving data storage needs.

Seagate's vertically integrated operations allow it to maintain internal control over key component suppliers, ensuring efficiency and quality. Its HDDs are specifically designed for mission-critical and nearline applications in enterprise servers and storage systems, as well as edge computing and client-compute solutions. The company's SSD offerings focus on serial-attached SCSI (SAS) and Non-Volatile Memory Express (NVMe) SSDs. Additionally, Seagate's cloud systems and solutions portfolio encompasses modular original equipment manufacturer (OEM) storage systems and scale-out storage servers, further strengthening its position in the electronic data storage industry.

Seagate Technology Holdings, Inc. (STX) (Nasdaq)



Seagate Technology has demonstrated relative outperformance against its benchmarks, the S&P 500 (SPX) and the Nasdaq Composite Index, on both a year-to-date (YTD) and 12-month basis. Specifically, for the YTD period, while the Nasdaq Composite gained 20.71% and the SPX advanced 20.99%, Seagate delivered a stronger return of 31.50%, highlighting its superior performance in the broader market context.

In terms of its Relative Rotation Graph (RRG) positioning, Seagate is currently situated within the weakening quadrant. However, the stock is showing signs of improving relative momentum and is trending towards the leading quadrant, indicating potential future strength as it continues to recover its momentum relative to its benchmarks.

Instead of engaging in a corrective retracement following the double top, the stock has been consolidating within a defined trading range.



Weekly Chart of Seagate Technology Holdings, Inc. (STX) (Nasdaq)

An examination of the weekly charts reveals a promising technical setup for Seagate Technology (STX). From 2020 to early 2020, the stock experienced a significant rally, ascending from approximately \$40 to a peak of \$105.

STX reached the \$105 level in early 2020 but subsequently underwent a corrective decline. Over the past year and a half, the stock has rallied once again, retesting the \$105 mark in July of this year. This price action has resulted in the formation of a classical double top pattern.

Instead of engaging in a corrective retracement following the double top, the stock has been consolidating within a defined trading range. Recent price movements indicate that the stock has retested the high level and appears poised for a potential breakout.

Technical indicators support this optimistic outlook. The weekly Moving Average Convergence Divergence (MACD) shows a positive crossover; it is bullish and positioned above the signal line. Furthermore, the Relative Strength (RS) line against the broader S&P 500 index is in an uptrend and remains above the 50-period moving average.

The On-Balance Volume (OBV) has also formed a new high, indicating accumulation in the stock during its formation and showing strong volume participation during the breakout attempt.

From a risk management perspective, a close below \$90 should be considered a protective stop. This level would help mitigate potential losses in the event of a downward market movement.

The stock is improving its relative momentum against the broad market index (SPX) while still residing within the weakening quadrant. An anticipated move above the current levels could propel the stock higher towards the \$123–\$125 range, representing a potential appreciation of over 15% from its current position.

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