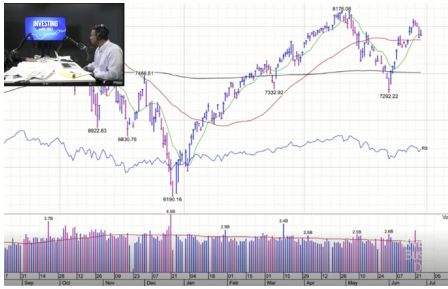


## WHY INMODE DESERVES A SPOT AMONG IBD 50 STOCKS TO WATCH AS IT FORMS A CUP BASE



An IPO stock with truly strong prospects can make a shooting-star-like initial run, then plunge back to earth. That's not all. It can quickly form an authentic new base. That's essentially the 2-1/2-month story of medical aesthetics specialist InMode (INMD), today's IBD 50 Stocks To Watch showcase. The medical technology and plastic surgery play was quite a beauty soon after it debuted on the Nasdaq in August at 14 a share. After rising mildly above that initial public offering price on Day 1, it took just a three-day breather, then vaulted 69% — not a misprint, 69.5%, to be exact — in six sessions, reaching a new high of 23.73.

Then, the small cap tread water for eight sessions. That's truly a very short time for any stock to form an IPO base. But the action was tight. The buy point was clear. On Sept. 4, InMode rushed past a new buy point of 23.83, a dime above that tiny IPO base's high.

### INMODE JOINED LEADERBOARD AS A NEW STOCK IDEA ON THAT DAY.

This breakout worked great — for a while.

Shares jumped nearly 13% on the Sept. 4 breakout. Two weeks later, InMode hit a new high of 29.38, good for a 23% gain from the 23.83 proper buy point. Even though the stock achieved that gain so quickly, one could have been justified in taking profits for two reasons.

First reason: Taking numerous gains at 20% to 25% in your winners can really add up in a portfolio that concentrates on pure growth stocks. Second reason: September was a tough month for stocks in general. Even though the market flashed a follow-through on Aug. 13, confirming a new uptrend, the outlook switched to "uptrend under pressure" the next day on a sharp decline in heavier turnover vs. the prior sessions. Since then, major averages seesawed, and the IBD stock market outlook did as well.

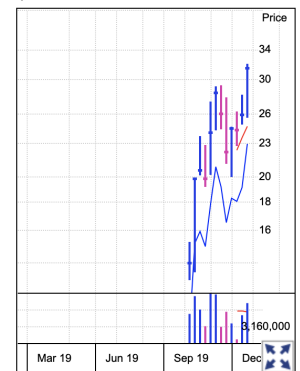
### STOCKS TO WATCH: PREPARE FOR FAST ROUND TRIPS

The choppy action eventually got to InMode. The stock dropped fast in the final two weeks of September and completely gave up all of its luscious gains from the 23.83 entry. Notice, however, that the stock staged a reversal on Sept. 30: It fell 3% but also closed in the upper half of the day's session. Turnover fell from the prior day's big sell-off but was still one of the heaviest in recent weeks. Now, the stock is working on the sixth week of what so far looks to be a cup base. So for now, the correct buy point serves as 29.48, 10 cents above the base's left-side high. Investors should wait for the basing period to run at least six full weeks before looking for a breakout.

The Israeli firm has won praise for its minimally invasive devices that help patients in the fields of cellulose removal, dermatology and gynecology. Celebrity Paula Abdul serves as a brand ambassador, as noted in this recent IBD Stock Of The Day story.

Inmode Ltd (INMD)

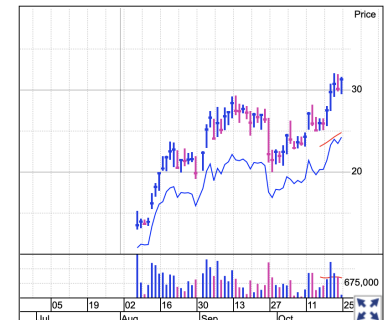
\$31.54 5.59 ↑ 21.5%



Provided by Nasdaq Last Sale Last Update: 01:56 PM EST 10/25/2019

Inmode Ltd (INMD)

\$31.36 1.15 ↑ 3.8%



Provided by Nasdaq Last Sale Last Update: 02:06 PM EST 10/25/2019