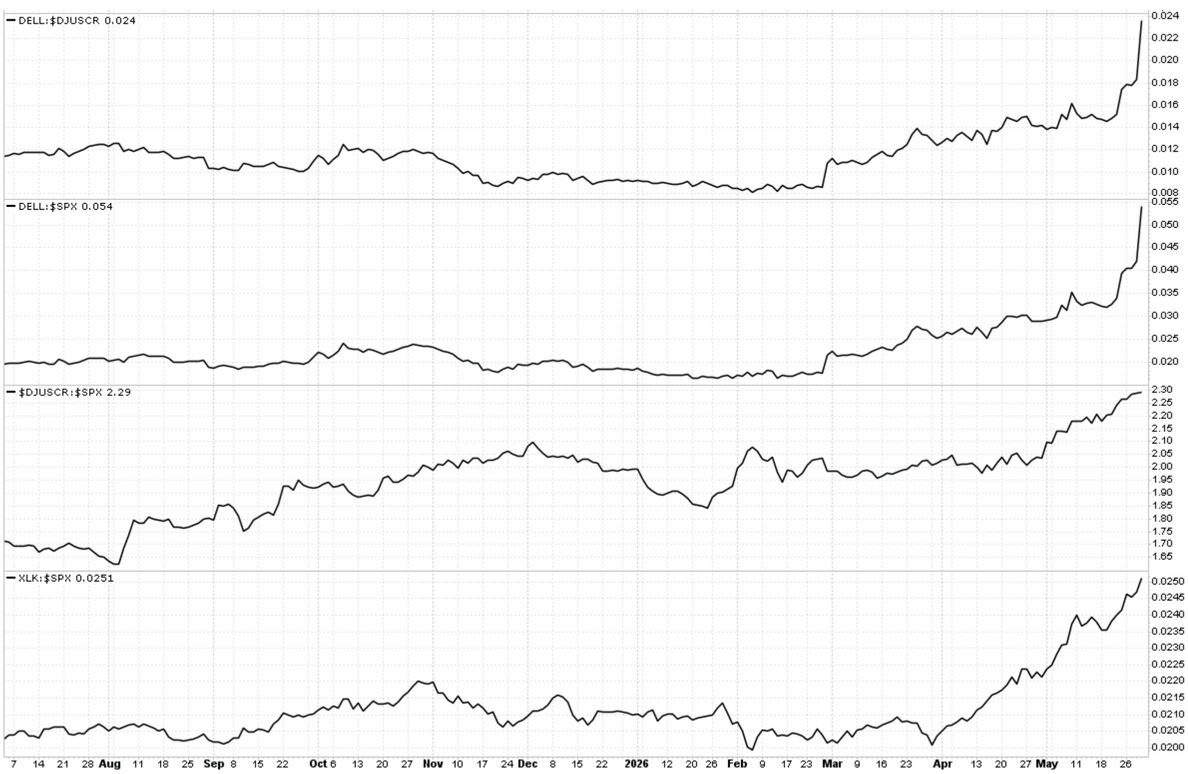
Post earnings analysis – DELL and AEO

Last year, I wrote an article **“How could charts hint towards a post earnings reaction?”** which discussed the possible market reaction after the earning results are announced. Earnings announcements are binary events, and unexpected swings could result, especially for speculative and growth stocks. However, analyzing the charts could hint toward possible market reaction after the results are announced.

Please read it here to get a perspective.

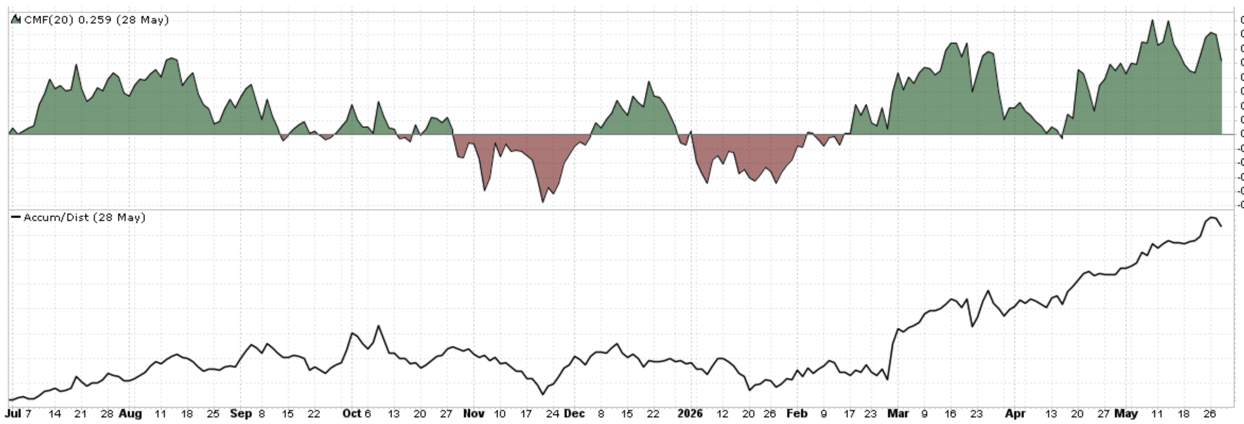
DELL (Dell Technologies Inc.) and AEO (American Eagle Outfitters) both announced their results on May 28, 2026. Post earnings, DELL rose by 29% (was much higher during the pre-market session) while AEO dropped by 13.8% on next market day (5/29). Let’s analyze their charts going into the earnings based on the findings mentioned in the above article.

Chart #1: DELL’s relative strength vs. peers and S&P 500



Going into the earnings, DELL’s relative strength compared to S&P 500 was very high (52 weeks high) and against its peers in the Computer Hardware group ($DJUSCR) as well. Not only this, but the group is also in the Technology sector, which has been very strong during the last one year compared to the Index. On the other hand, $DJUSCR was also at a 52-week high compared to the broader index S&P 500. Chart #2 shows that its A/D (Accumulation / Distribution) line was also at a 52-week high while the Money Flow (Chaikin Money Flow) was in green zone, showing that money was flowing in to the stock and Wall Street was already accumulating its shares in advance in anticipation of a very good report.

Chart #2: DELL's Mone Flow and A/D line



Now compare the same charts for AEO (American Eagle Outfitters) heading into the earnings. Chart #3 shows its relative strength and #4 shows money flow and A/D line:

Heading into the earnings, AEO's relative strength against its peers in the industry group ($DJUSRA) was very weak and coming down while the group's performance itself was weak against the broader index S&P 500. Not only this, group is part of the Discretionary sector XLY, which has also underperformed the index during the last one year. Chart #4 shows Chaikin Money Flow is in red (money was being taken out of the stock) and the A/D line also struggling and coming down. Wall Street was not optimistic about the earnings report and was secretly distributing the shares ahead of the earnings.

Chart #3 – AEO

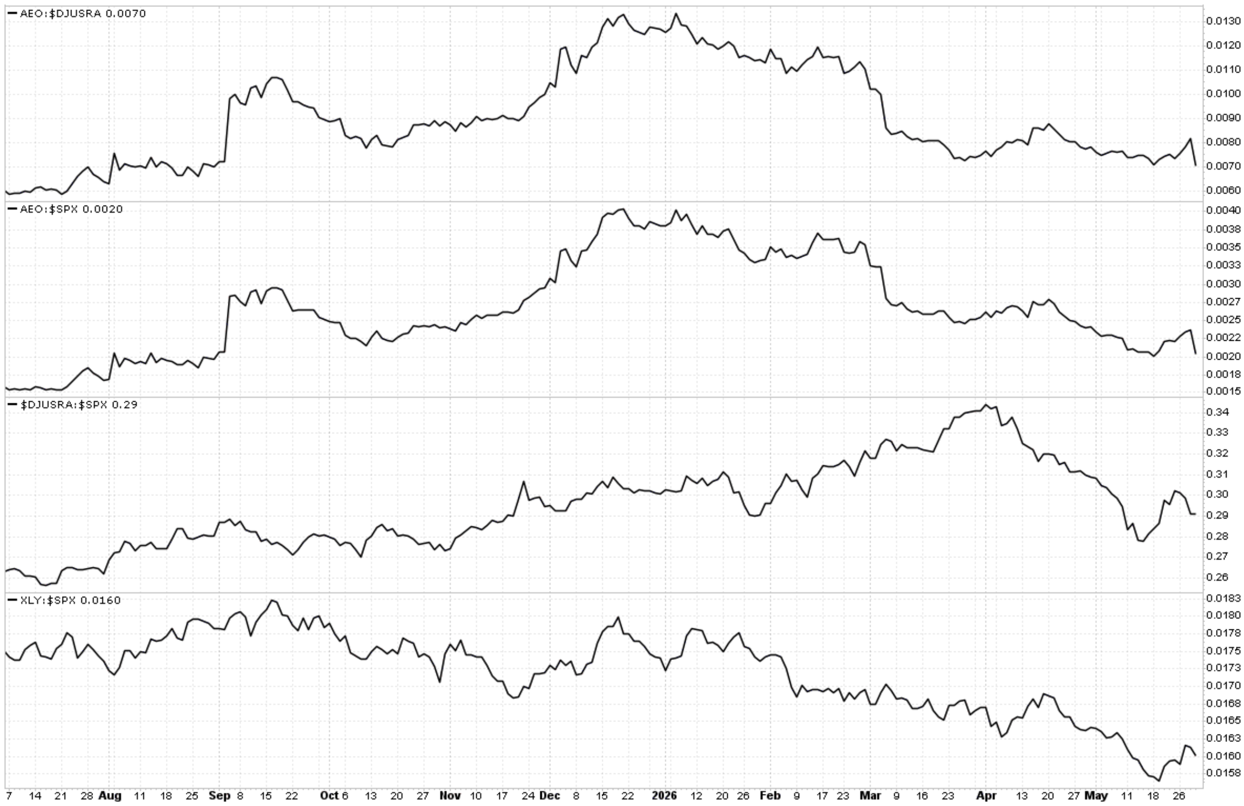
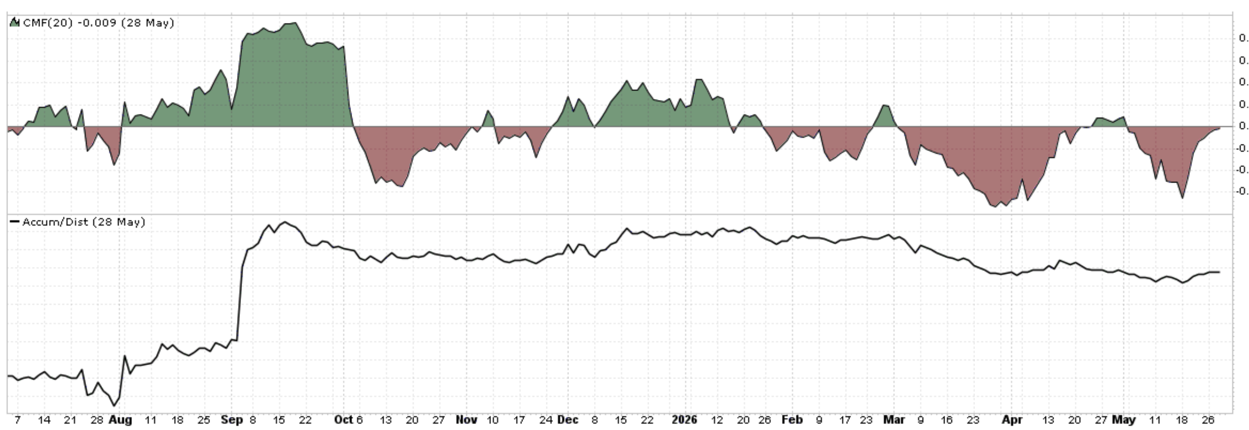


Chart #4 – Chaikin Money Flow and A/D Lines



Once again, it is not guaranteed every time, but a combination of these factors at the time of earnings could hint how Wall Street pros are expecting from the upcoming results and hence traders could increase the success probabilities of their strategies while taking measured risk.