

Tech Talk for Saturday March 25th 2023

The Bottom Line

Between a rock and a hard place! That's where the Federal Reserve finds itself. The FOMC raised its Fed Fund rate by another 0.25% to 4.75%-5.00% on Wednesday as anticipated. Efforts to dampen inflation by raising the Fed Fund rates in recent months are working, but selected regional and specialty banks (e.g. Silicon Valley and Signature) are experiencing a severe squeeze on their interest rate spreads. At least six additional regional banks are thought to be on the "watch list" by regulators for default action due to a possible run on their assets. The Federal Reserve now is expected to "wait for additional data points" before deciding its next move. Trader focus is on news from the next FOMC meeting on May 3rd. Next significant data point is released this Friday when February core PCE Price Index is released.

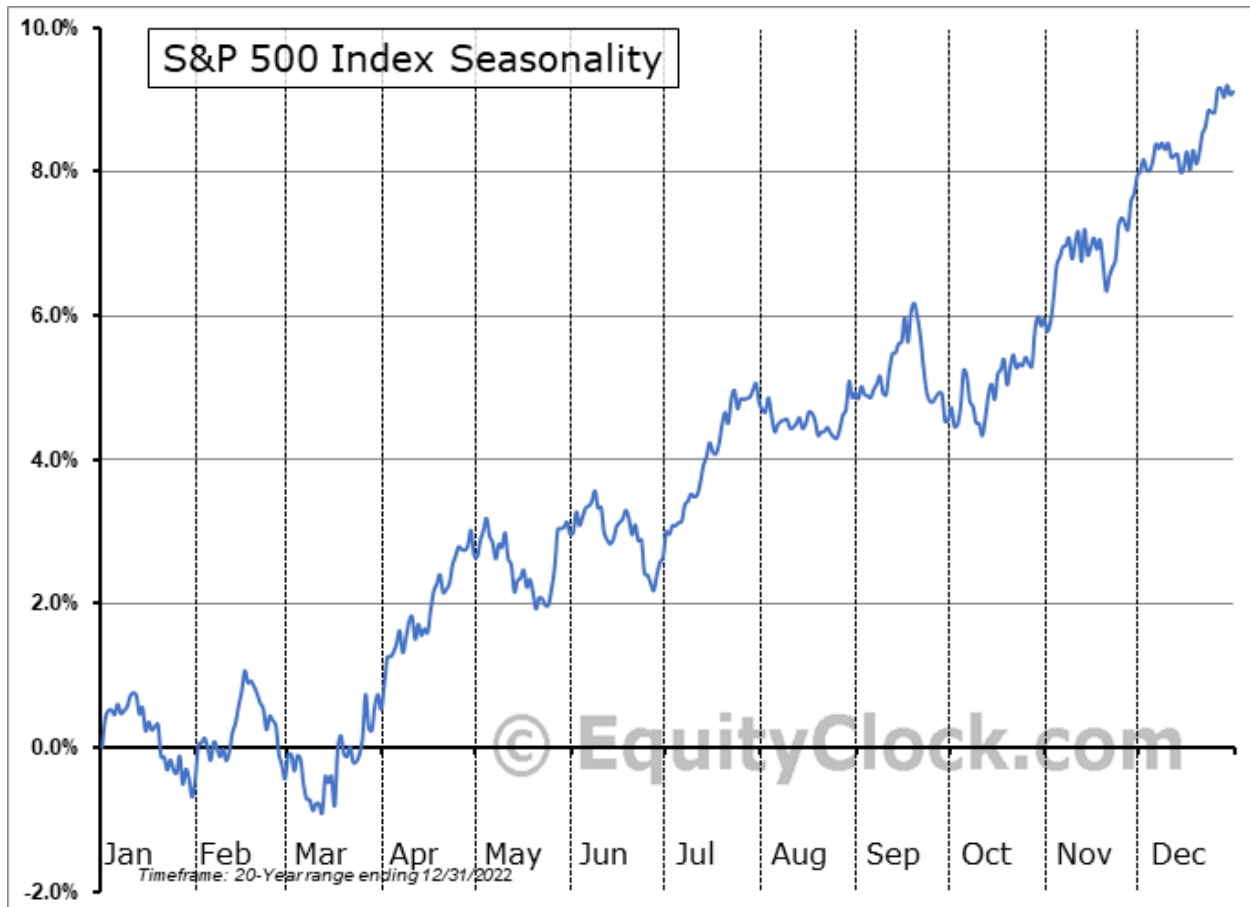
Meanwhile, the VIX Index, a measure of U.S. equity market uncertainty, is likely to remain elevated near 22% until the Federal Reserve offers a more definitive strategy.



Anticipation of first quarter earnings reports by major North American companies is unlikely to encourage trader interest during the next four weeks. Consensus for earnings by S&P 500 companies in the first quarter calls for a drop of 6.1% on a year-over-year basis.

Technical action by broadly based U.S. and Canadian equity indices, based on Percent of stocks trading above their 50 and 200 day moving averages, likely bottomed on March 15th, an encouraging sign. See charts at the end of this report.

A low in mid-March fits the seasonal pattern for the North American equity indices. During the past 20 years, the second best period in the year to own North American equities and related indices is between March 15th to May 5th (The best period is from October to early January)



Economic News This Week

Next estimate of fourth quarter annualized real U.S. GDP released at 8:30 AM EDT on Thursday is expected to remain unchanged with growth at a 2.7% rate.

U.S. February Core PCE Price Index released at 8:30 AM EDT on Friday is expected to increase 0.4% versus a gain of 0.6% in January. On a year-over-year basis, February Core PCE Price Index is expected to increase 4.7% versus a gain of 4.7% in January.

U.S. February Personal Income released at 8:30 AM EDT on Friday is expected to increase 0.3% versus a gain of 0.6% in January. **February Personal Spending** is expected to increase 0.3% versus a gain of 1.8% in January.

March Michigan Consumer Sentiment released at 10:00 AM EDT on Friday is expected to remain unchanged from February at 63.4.

Selected Earnings News This Week

Monday: Carnival Corp.

Tuesday: Micron, Lulu lemon, Walgreens Boots, McCormick

Wednesday: Paychex, Cintas

Thursday: BlackBerry

Trader's Corner

Technical scores range from +6 (Most Bullish) to -6 (Most Bearish). A score of 0 is neutral. Preferred purchase candidates have a rising technical score. Preferred sell/short candidates have a falling technical score.

Technical scores for Trend and Relative Strength range from +2 to -2. Scores for 20 day moving average and daily momentum range from +1 to -1. Color change to red means lower score. Color change to green means higher score.

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for March 24th 2023

| Unit | Seasonal | Until | Trend | Relative Strength To SPX | 20 Day Momentum MA | Tech Score | Score Last Week | |
|-------|----------|---------|---------|--------------------------|--------------------|------------|-----------------|----|
| SPX | Positive | May 5 | Up | Neutral | Above | Up | 4 | 2 |
| TSX | Neutral | Dec. 12 | Neutral | Negative | Below | Up | -2 | -4 |
| DJIA | Positive | May. 5 | Down | Negative | Below | Up | -4 | -4 |
| COMPQ | Positive | May 5 | Up | Positive | Above | Up | 6 | 6 |
| TRAN | Neutral | Aug.27 | Down | Negative | Below | Down | -6 | -6 |
| AORD | Neutral | July 15 | Neutral | Negative | Below | Up | -2 | -2 |
| NIKK | Positive | Apr.30 | Neutral | Neutral | Below | Up | 0 | -2 |
| IEV | Positive | Apr.30 | Down | Neutral | Below | Down | -4 | -6 |
| SSEC | Positive | May 30 | Up | Neutral | Below | Up | 2 | 2 |
| EEM | Positive | Apr.6 | Neutral | Neutral | Above | Up | 2 | -2 |

Green: Increase from previous day

Red: Decrease from previous day

Commodities

Daily Seasonal/Technical Commodities Trends for March 24th 2023

| Unit | Seasonal | Until | Trend | Relative Strength To SPX | 20 Day MA | Momentum | Tech Score | Score Last Week |
|--------------|----------|---------|---------|--------------------------|-----------|----------|------------|-----------------|
| CRB Index | Positive | June.11 | Down | Negative | Below | Up | -4 | -6 |
| Gasoline | Neutral | Mar.30 | Neutral | Neutral | Below | Up | 0 | -4 |
| Crude Oil | Positive | Apr.15 | Down | Negative | Below | Up | -4 | -6 |
| Natural Gas | Neutral | Apr.1 | Neutral | Negative | Below | Up | -2 | -2 |
| S&P Energy | Positive | June 11 | Down | Negative | Below | Up | -4 | -6 |
| Oil Services | Positive | Apr.24 | Down | Negative | Below | Down | -6 | -6 |
| Gold | Positive | Apr.27 | Up | Positive | Above | Up | 6 | 6 |
| Silver | Neutral | Nov.29 | Down | Positive | Above | Up | 2 | 2 |
| Gold Bug | Neutral | June 15 | Neutral | Positive | Above | Up | 4 | 4 |
| Platinum | Neutral | Dec.9 | Neutral | Positive | Below | Up | 2 | 2 |
| Palladium | Positive | Mar. 25 | Down | Neutral | Below | Up | -2 | -4 |
| Copper | Positive | May 10 | Down | Neutral | Above | Up | 0 | -4 |
| Lumber | Neutral | Oct 1 | Up | Neutral | Below | Down | 0 | 6 |
| Agriculture | Neutral | Oct.9 | Down | Negative | Below | Down | -6 | -6 |

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for March 24th 2023

| Unit | Seasonal | Until | Trend | Relative Strength To SPX | 20 Day MA | Momentum | Tech Score | Score Last Week |
|---------------|----------|---------|---------|--------------------------|-----------|----------|------------|-----------------|
| XLK | Neutral | Apr.13 | Up | Positive | Above | Up | 6 | 6 |
| XLB | Neutral | Oct.1 | Down | Negative | Below | Up | -4 | -6 |
| XLI | Neutral | Aug.26 | Down | Negative | Below | Up | -4 | -6 |
| XLY | Neutral | Aug.7 | Up | Neutral | Below | Down | 0 | 2 |
| XLF | Neutral | July 7 | Down | Negative | Below | Down | -2 | -6 |
| XLE | Positive | June11 | Down | Negative | Below | Up | -4 | -6 |
| XLP | Positive | May 24 | Down | Neutral | Below | Down | -4 | 0 |
| XLV | Neutral | Nov.3 | Down | Neutral | Above | Up | 0 | -2 |
| XLU | Positive | July 2 | Down | Neutral | Above | Down | -2 | 2 |
| XLC | Positive | June 14 | Up | Positive | Above | Up | 6 | 6 |
| XLRE | Positive | Apr.3 | Neutral | Negative | Below | Down | -4 | -4 |
| TSX Financial | Positive | Apr.18 | Neutral | Negative | Below | Down | -4 | -4 |
| TSX Energy | Positive | Apr.12 | Down | Negative | Below | Down | -6 | -6 |
| TSX Gold | Neutral | June 14 | Neutral | Positive | Above | Up | 4 | 4 |
| TSX Tech | Positive | Apr.3 | Up | Positive | Above | Up | 6 | 6 |
| TSX B Metals | Neutral | Nov. 28 | Down | Negative | Below | Up | -4 | -6 |

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Source for positive Seasonal ratings: www.equityclock.com

Technical Notes for Friday

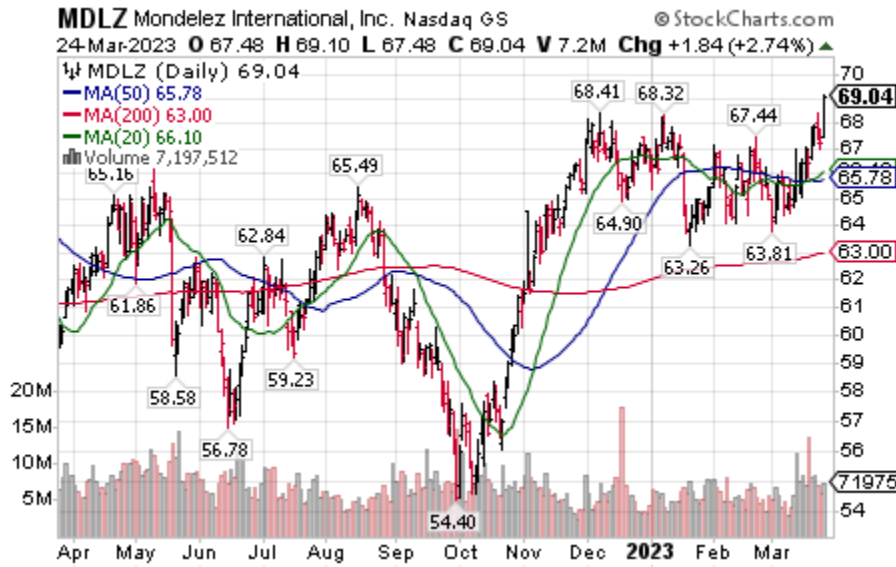
The S&P 500 Index moved above its 20 and 200 day moving averages on Friday



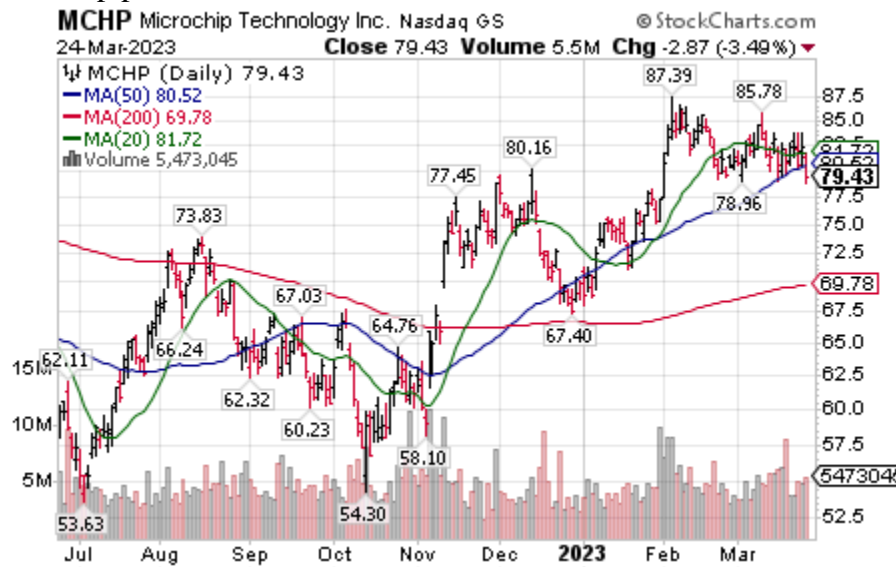
Water Resources ETF \$PHO moved below intermediate support at \$50.32



Mondelez \$MDLZ an S&P 100 stock moved above \$68.41 to an all-time high extending an intermediate uptrend.



Microchip Technologies \$MCHP a NASDAQ 100 stock moved below \$78.96 completing a double top pattern.



Activision Blizzard \$ATVI a NASDAQ 100 stock moved above \$46.50 extending an intermediate uptrend. The takeover by Microsoft took another legal step forward.



American International Group \$AIG an S&P 100 stock moved below \$46.50 extending an intermediate downtrend.



S&P 500 Momentum Barometers



The intermediate term Barometer added 4.20 on Friday and 2.60 last week to 23.00. It remains Oversold, but shows early signs of passing a seasonal low.



The long term Barometer added 1.40 on Friday and 3.80 last week to 42.80. It changed last week from Oversold to Neutral on a recovery above 40.00.

TSX Momentum Barometers



The intermediate term Barometer added 2.14 on Friday and 0.98 last week to 30.77. It remains Oversold, but shows early signs of passing a seasonal low.



The long term Barometer added 0.85 on Friday and 2.78 last week to 52.14. It remains Neutral.

Disclaimer: Seasonality ratings and technical ratings offered in this report and at www.equityclock.com are for information only. They should not be considered as advice to purchase or to sell mentioned securities. Data offered in this report is believed to be accurate, but is not guaranteed