

# Tech Talk for April 22<sup>nd</sup> 2023

## The Bottom Line

**Focus this week is on quarterly reports:** Four of the biggest market cap companies in the U.S. are scheduled: Microsoft and Alphabet on Monday, Meta Platforms on Wednesday and Amazon on Thursday. In addition, six Dow Jones Industrial Average companies are scheduled to report. Most quarterly reports released to date have nicely exceeded consensus. Responses for the most part have been positive (with notable exceptions such as Netflix and Tesla)

**Economic news this week focuses on the March Core PCE Price Index released on Friday at 8:30 AM EDT.** The report is watched closely by FOMC members when determining the Fed Fund Rate and is the last important economic report released prior to the next FOMC announcement on May 3<sup>rd</sup>. Consensus currently calls for another 0.25% increase in the Fed Fund Rate on May 3<sup>rd</sup> to 5.00%-5.25%.

## Consensus for Earnings and Revenues for S&P 500 Companies

Source: [www.Factset.com](http://www.Factset.com)

**Better than expected first quarter reports reported last week prompted analysts to increase slightly their first quarter earnings and revenue estimates:** Eighteen percent of S&P 500 companies have reported to date: 78% reported higher than consensus earnings per share and 63% reported higher than consensus revenues. Consensus calls for a year-over-year drop in first quarter earnings of 6.2% (up from a drop of 6.5% last week) and an increase in first quarter revenues of 2.1% (up from a gain of 2.0% last week).

**Estimates for the remainder of the year were reduced again .**Consensus for the second quarter calls for a drop of 5.0% in earnings (versus a drop of 4.6% last week) and a drop of 0.1% in revenues (unchanged from last week). Consensus for third quarter earnings calls for a 1.5% increase in earnings (down from 1.9% last week) and a 1.4% increase in revenues (down from 1.5% last week). Consensus for the fourth quarter calls for an 8.5% increase in earnings (down from 8.8% last week) and a 3.7% increase in revenues (unchanged from last week). For all of 2023, consensus calls for an increase of 0.8% in earnings (down from 0.9% last week) and a 2.1% increase in revenues (unchanged from last week).

## Economic News This Week

Source: [www.Investing.com](http://www.Investing.com)

**March New Home Sales** released at 10:00 AM EDT on Tuesday are expected to drop to 630,000 from 640,000 in February.

**March Durable Goods Orders** released at 8:30 AM EDT on Wednesday are expected to increase 0.8% versus a decline of 1.0% in February. **Core March Durable Goods Orders** are expected to drop 0.3% versus a decline of 0.1% in February.

**March PCE Price Index ex food & energy** released at 8:30 AM EDT on Friday is expected to increase 0.3% versus a gain of 0.3% in February. On a year-over-year basis, **March core PCE Price Index** is expected to increase 4.5% versus a gain of 4.6% in February.

**March Personal Income** released at 8:30 AM EDT on Friday is expected to increase 0.2% versus a gain of 0.3% in February. **March Personal Spending** is expected to decrease 0.1% versus a gain of 0.2% in February.

**Canada's February GDP** released at 8:30 AM EDT on Friday is expected to increase 0.2% versus a gain of 0.5% in January.

**April Chicago Purchasing Managers Index** released at 10:00 AM EDT on Friday is expected to slip to 43.5 from 43.8 in March.

**April Michigan Sentiment** released at 10:00 AM ED on Friday is expected to remain unchanged from March at 63.5.

## Selected Earnings News This Week

Source: [www.Investing.com](http://www.Investing.com)

**Monday:** Coca Cola, Canadian National Railway, Cadence Design, Whirlpool

**Tuesday:** Microsoft, Alphabet, Visa, Pepsico, McDonalds, Danaher , United Parcel Services, Verizon, Texas Instruments, Raytheon Technologies, General Electric, Chubb, Fiserv, Sherwin Williams, MMM, Chipotle, General Motors, Kimberly Clark, Archer Daniel Midland, Biogen, Dow, Paccar, Illumina, Halliburton, Corning, Northern Trust, PulteHomes,

**Wednesday:** Meta Platforms, Boeing, American Tower, Boston Scientific, Canadian Pacific, Waste Management, VALE, General Dynamics, KLA Tencor, Aflac, Hilton, Waste Connection, Cenovus, Teck Resources, Rogers Communications, eBay, CGI Group, Celestica

**Thursday:** Amazon, MasterCard, Eli Lilly, Merck, AbbVie, Comcast, Bristol-Myers, Harley Davidson, Honeywell, Amgen, Caterpillar, Gilead, Mondelez, Altria, Southern Companies, US Steel, Northrop, Hershey, Keurig Dr. Pepper, Newmont Mining, Capital One, Agnico-Eagle, International Paper, American Airlines, Hasbro,

**Friday:** ExxonMobil, Chevron, Colgate, TC Energy, Cameco, Imperial Oil

## 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 daily score. Color change to green means higher daily score.

### Equity Indices and Related ETFs

#### Daily Seasonal/Technical Equity Trends for April 21<sup>st</sup> 2023

Unit	Seasonal	Until	Trend	Relative Strength To SPX	20 Day MA	Momentum	Tech Score	Score Last Week
SPX	Positive	May 5	Up	Neutral	Above	Down	2	4
TSX	Neutral	Dec. 12	Neutral	Positive	Above	Down	2	4
DJIA	Positive	May. 5	Down	Neutral	Above	Down	-2	0
COMPQ	Positive	May 5	Up	Negative	Above	Down	0	2
TRAN	Neutral	Aug.27	Down	Neutral	Above	Up	0	0
AORD	Neutral	July 15	Neutral	Neutral	Above	Down	0	2
NIKK	Positive	Apr.30	Up	Neutral	Above	Up	4	2
IEV	Positive	Apr.30	Up	Positive	Above	Up	6	6
SSEC	Positive	May 30	Up	Neutral	Below	Down	0	2
EEM	Neutral	Nov.29	Neutral	Negative	Below	Down	-4	2

**Green:** Increase from previous day

**Red:** Decrease from previous day

## Commodities

### Daily Seasonal/Technical Commodities Trends for April 21<sup>st</sup> 2023

Unit	Seasonal	Until	Trend	Relative Strength To SPX	20 Day MA	Momentum	Tech Score	Score Last Week
CRB Index	Positive	June.11	Down	Neutral	Above	Down	-2	2
Gasoline	Positive	June 29	Up	Negative	Below	Down	-2	4
Crude Oil	Neutral	Jan.20	Up	Neutral	Below	Down	0	6
Natural Gas	Positive	June 20	Down	Neutral	Above	Up	0	-4
S&P Energy	Positive	June 11	Down	Neutral	Above	Down	-2	2
Oil Services	Neutral	Dec.28	Down	Neutral	Below	Down	-4	0
Gold	Positive	Apr.27	Up	Negative	Below	Down	-2	2
Silver	Neutral	Nov.29	Up	Neutral	Above	Down	2	4
Gold Bug	Neutral	June 15	Up	Negative	Below	Down	-2	4
Platinum	Neutral	Dec.9	Up	Positive	Above	Up	6	4
Palladium	Neutral	Nov.26	Up	Positive	Above	Up	6	0
Copper	Positive	May 10	Up	Negative	Below	Down	-2	4
Lumber	Neutral	Oct 1	Down	Neutral	Above	Down	-2	0
Agriculture	Neutral	Oct.9	Up	Neutral	Above	Down	2	0

Green: Increase from previous day

Red: Decrease from previous day

## Sectors

### Daily Seasonal/Technical Sector Trends for April 21<sup>st</sup> 2023

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
XLK	Positive	Aug.19	Up	Neutral	Below	Down	0	2
XLB	Neutral	Oct.1	Down	Neutral	Above	Down	-2	0
XLI	Neutral	Aug.26	Down	Neutral	Above	Up	0	-2
XLY	Neutral	Aug.7	Up	Neutral	Above	Down	2	2
XLF	Neutral	July 7	Down	Positive	Above	Up	2	0
XLE	Positive	June11	Down	Neutral	Above	Down	-2	2
XLP	Positive	May 24	Up	Positive	Above	Up	6	0
XLV	Neutral	Nov.3	Down	Neutral	Above	Down	-2	2
XLU	Positive	July 2	Down	Neutral	Above	Up	0	-2
XLC	Positive	June 14	Up	Negative	Below	Down	-2	6
XLRE	Neutral	Dec.1	Neutral	Neutral	Above	Down	0	0
TSX Financial	Neutral	Jan. 8	Neutral	Positive	Above	Up	4	2
TSX Energy	Neutral	Dec.22	Down	Neutral	Above	Down	-2	2
TSX Gold	Neutral	June 14	Up	Neutral	Above	Down	2	4
TSX Tech	Neutral	Nov.15	Up	Positive	Above	Down	4	2
TSX B Metals	Neutral	Nov. 28	Down	Neutral	Below	Down	-4	2

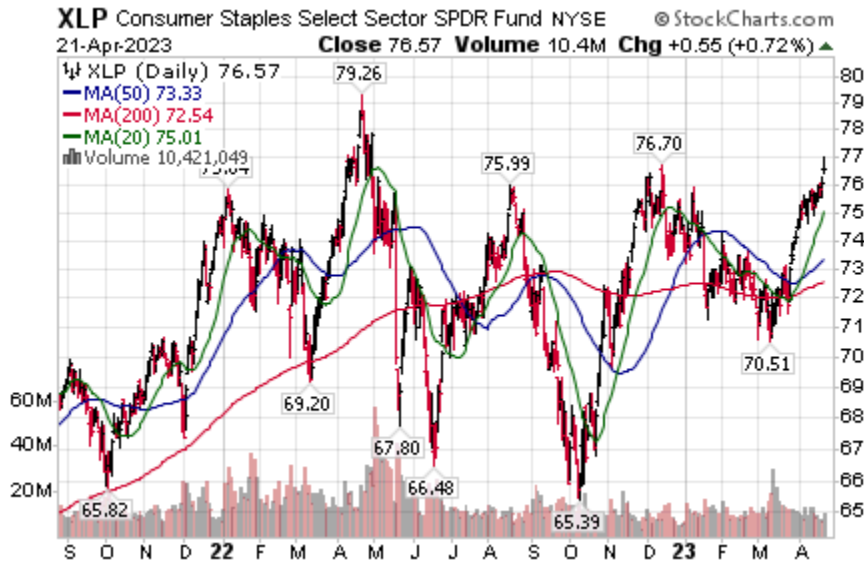
Green: Increase from previous day

Red: Decrease from previous day

Source for positive seasonal ratings: [www.equityclock.com](http://www.equityclock.com)

# Technical Notes for Friday

Consumer Staples SPDRs \$XLP moved above \$101.88 extending an intermediate uptrend.



A major reason for the move by XLP was a breakout by Procter & Gamble following release of higher than consensus fiscal third quarter results. Procter & Gamble, a Dow Jones Industrial Average stock moved above \$152.88 extending an intermediate uptrend.



Platinum ETN \$PPLT moved above \$101.88 extending an intermediate uptrend.



Thomson Reuters \$TRI.TO a TSX 60 stock moved Cdn\$178.99 to an all-time high extending an intermediate uptrend.



Telus \$T.TO a TSX 60 stock moved above Cdn\$28.63 and Cdn\$28.69 extending an intermediate uptrend



Waste Connections \$WCN.TO a TSX 60 stock moved above Cdn\$196.25 to an all-time high extending an intermediate uptrend.



# S&P 500 Momentum Barometers



The intermediate term Barometer was unchanged on Friday and added 2.60 last week to 56.80. It remains Neutral. Daily trend is up.



The long term Barometer slipped 0.60 on Friday and eased 0.80 last week to 59.40. It changed from Overbought to Neutral on a drop below 60.00.



# TSX Momentum Barometers



The intermediate term Barometer added 3.02 on Friday and gained 60.78 last week to 65.52. It remained Overbought. Daily trend remains up.



The long term Barometer slipped 0.86 on Friday and dropped 2.58 last week to 64.66. It remains Overbought. Daily trend has turned down.

Tech Talk is a free report available each business day. Focus is on equity indices, commodities, sectors and large cap individual securities. Link to the daily report is [www.timingthemarket.ca](http://www.timingthemarket.ca)

**Disclaimer:** Seasonality ratings and technical ratings offered in this report and at [www.equityclock.com](http://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