

Tech Talk for Saturday April 29th 2023

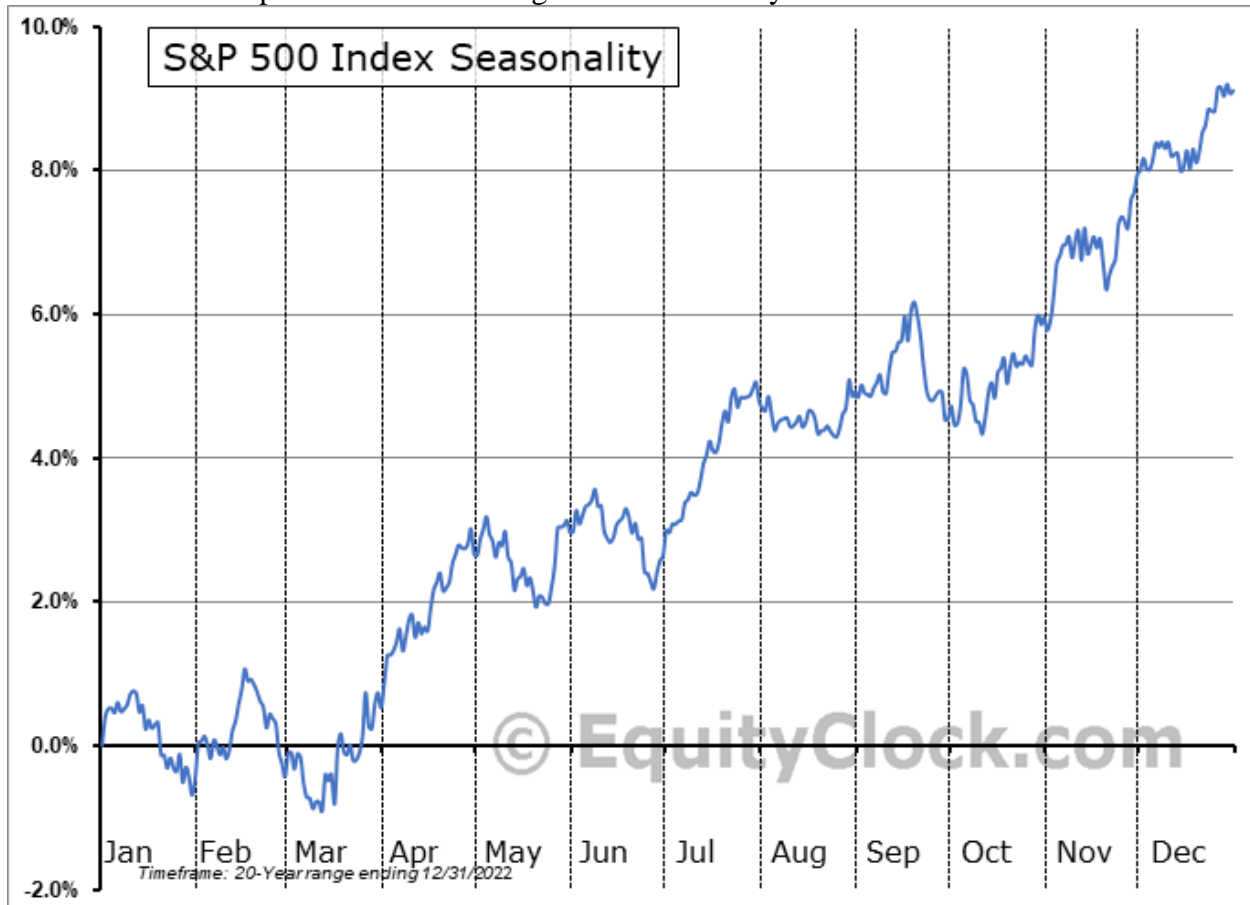
The Bottom Line

Focuses this week are on FOMC's decisions on monetary policy released on Wednesday.

Consensus calls for a 0.25% increase in the Fed Fund Rate to 5.00%-5.25%. Of greater importance is guidance offered on the Committee on future changes to the Rate. The latest economic data point, March core PCE Price Index released on Friday, was "less friendly" to an early reduction in the Fed Fund Rate in 2023. The FOMC likely will "peg" the Fed Fund Rate at the higher rate and will caution that a lowering of the rate is unlikely to occur any time soon.

Responses by the S&P 500 Index and NASDAQ 100 Index to first quarter reports released to date have been a pleasant surprise thanks mainly to higher than consensus results released by key "big cap" S&P 500 companies. .Notable companies reporting "blow out" earnings included McDonalds, Meta Platforms, Microsoft and ExxonMobil. Analysts responded by raising their 2023 estimates. Unfortunately, the majority of remaining reporting companies reported in line or less than consensus results. They responded accordingly: More S&P 500 and NASDAQ 100 stocks broke below intermediate support levels than broke resistance levels.

Seasonal influences for U.S. equity indices have a history of reaching an intermediate peak shortly after the end of the first quarter report season. On average during the past 20 years, the S&P 500 Index passed its seasonal high on or about May 2nd.



Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.Factset.com

Better than expected first quarter reports released last week by “big cap” companies prompted analysts to increase their first quarter earnings and revenue estimates again:

Fifty three percent of S&P 500 companies have reported to date: 79% reported higher than consensus earnings per share and 74% reported higher than consensus revenues. Consensus calls for a year-over-year drop in first quarter earnings of 3.7% (down from a drop of 6.2% last week) and an increase in first quarter revenues of 2.9% (up from a gain of 2.1% last week).

Estimates for the remainder of the year increased slightly .Consensus for the second quarter calls for a drop of 5.0% in earnings and a drop of 0.1% in revenues (both unchanged from last week). Consensus for third quarter earnings calls for a 1.7% increase in earnings (up from 1.5% last week) and a 1.4% increase in revenues (unchanged from last week). Consensus for the fourth quarter calls for an 8.8% increase in earnings (up from 8.5% last week) and a 3.6% increase in revenues (down from 3.7% last week). For all of 2023, consensus calls for an increase of 1.2% in earnings (up from 0.8% last week) and a 2.2% increase in revenues (up from 2.1% last week).

Economic News This Week

Source: www.Investing.com

March Construction Spending released at 10:00 AM EDT on Monday is expected to increase 0.1% versus a drop of 0.1% in February.

April ISM Manufacturing PMI released at 10:00 AM EDT on Monday is expected to improve to 46.8 from 46.3 in March.

March Factory Orders released at 10:00 AM EDT on Tuesday are expected to increase 1.5% versus a decline of 0.7% in February.

April ISM Non-manufacturing PMI released at 10:00 AM EDT on Wednesday is expected to improve to 51.7 from 51.2 in March.

FOMC announcement on interest rates is released at 2:00 PM EDT on Wednesday. Consensus calls for another 0.25% increase in the Fed Fund Rate to 5.00%-5.25%.

March U.S. Trade Deficit released at 8:30 AM EDT on Thursday is expected to recover to \$63.80 billion from \$70.05 billion in February.

March Canadian Merchandise Trade released at 8:30 AM EDT on Thursday is expected to improve to a surplus of \$1.80 billion from a surplus of \$0.42 billion in February.

April Non-farm Payrolls released at 8:30 AM EDT on Friday is expected to drop to 178,000 from 231,000 in March. April Unemployment Rate is expected to increase to 3.6% from 3.5% in March. April Hourly Earnings are expected to increase 0.3% versus a gain of 0.3% in March. On

a year-over-year basis, April Hourly Earnings are expected to increase to 4.3% from 4.2% in March.

Canadian March Employment is released at 8:30 AM EDT on Friday. Employment increased 34,700 in February. March Unemployment Rate is expected to remain unchanged from February at 5.0%.

Selected Earnings News This Week

Source: www.investing.com

Another 162 S&P 500 companies (and one Dow Jones Industrial company: Pfizer) are scheduled to release quarterly results this week. Nine TSX 60 companies are scheduled.

Monday: Stryker, Vertex, CF Industries

Tuesday: Pfizer, Advanced Micro Devices, Starbucks, Illinois Tool Works, Thomson Reuters, Franco-Nevada, Clorox, Molson Coors.

Wednesday: QualComm, CVS Health, Este Lauder, Kraft Heinz, MetLife, Yum Brands, Allstate, Ingersoll, Pitney Bowes

Thursday: Apple, Anheuser Busch, ConocoPhillips, Booking, Regeneron, Becton Dickenson, EOG Resources, Shopify, Monster Beverages, Moderna, BCE, Telus, Kellogg, Pembina Pipe.
Open Text

Friday: Enbridge, Magna International, Goodyear

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 28th 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	Up	4	2
TSX	Neutral	Dec. 12	Neutral	Neutral	Above	Down	0	2
DJIA	Positive	May. 5	Down	Neutral	Above	Up	0	-2
COMPQ	Positive	May 5	Up	Neutral	Above	Up	4	0
TRAN	Neutral	Aug.27	Down	Negative	Below	Up	-4	0
AORD	Neutral	July 15	Neutral	Neutral	Above	Down	0	0
NIKK	Neutral	Nov.8	Up	Positive	Above	Up	6	4
IEV	Neutra	Dec.9	Up	Neutral	Above	Up	4	6
SSEC	Positive	May 30	Up	Negative	Below	Down	-2	0
EEM	Neutral	Nov.29	Neutral	Negative	Below	Up	-2	-4

Green: Increase from previous day

Red: Decrease from previous day

Commodities

Daily Seasonal/Technical Commodities Trends for April 28th 2023

Unit	Seasonal	Until	Trend	Relative Strength To SPX	20 Day MA	Momen tum	Tech Score	Score Last Week
CRB Index	Positive	June.11	Down	Negative	Below	Down	-6	-2
Gasoline	Positive	June 29	Up	Negative	Below	Down	-2	-2
Crude Oil	Neutral	Jan.20	Up	Negative	Below	Down	-2	0
Natural Gas	Positive	June 20	Down	Positive	Above	Up	2	0
S&P Energy	Positive	June 11	Down	Neutral	Below	Down	-4	-2
Oil Services	Neutral	Dec.28	Down	Negative	Below	Down	-6	-4
Gold	Neutral	Dec. 23	Up	Neutral	Below	Down	0	-2
Silver	Neutral	Nov.29	Up	Neutral	Above	Down	2	2
Gold Bug	Neutral	June 15	Up	Neutral	Below	Down	0	-2
Platinum	Neutral	Dec.9	Up	Positive	Above	Down	4	6
Palladium	Neutral	Nov.26	Up	Neutral	Above	Down	2	6
Copper	Positive	May 10	Neutral	Negative	Below	Down	-4	-2
Lumber	Neutral	Oct 1	Down	Negative	Below	Down	-6	-2
Agriculture	Neutral	Oct.9	Up	Neutral	Below	Down	0	2

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for April 28th 2023

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

Green: Increase from previous day

Red: Decrease from previous day

Source for positive seasonal ratings: www.equityclock.com

Technical Chart of the Day

Technical score for Invesco QQQ units is 4

- Intermediate uptrend confirmed on a move above \$321.63. Score: 2
- Strength relative to the S&P 500 Index: Neutral .Score: 0
- Trades above its 20 day moving average. Score: +1
- Daily momentum indicators (Stochastics, RSI, MACD) turned higher: Score increased from -1 to +1



Technical Notes for Friday

Invesco NASDAQ 100 ETF \$QQQ moved above \$321.63 extending an intermediate uptrend. Strength was led with a move by Micron above intermediate resistance at \$64.16, \$64.21 and \$64.36



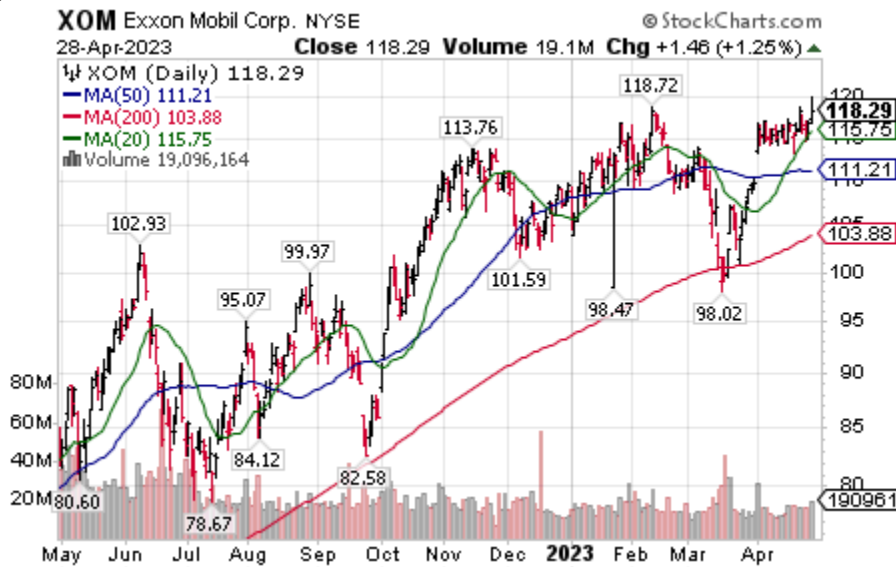
United Kingdom iShares \$EWU moved above \$33.95 to an all-time high extending an intermediate uptrend.



Comcast \$CMCSA an S&P 100 stock moved above \$40.84 extending an intermediate uptrend.



ExxonMobil \$XOM moved above \$118.72 to an all-time high extending an intermediate uptrend.



S&P 500 Momentum Barometers



The intermediate term Barometer advanced 7.00 on Friday and 1.40 last week to 58.20. It remains Neutral.



The long term Barometer gained 5.20 on Friday, but slipped 0.80 to 58.60 last week. It remains Neutral.

TSX Momentum Barometers



The intermediate term Barometer added 4.31 on Friday, but slipped 1.30 last week to 64.22. It remains Overbought.



The long term Barometer added 2.16 on Friday, but slipped 2.59 last week to 62.07. It remains Overbought.

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