

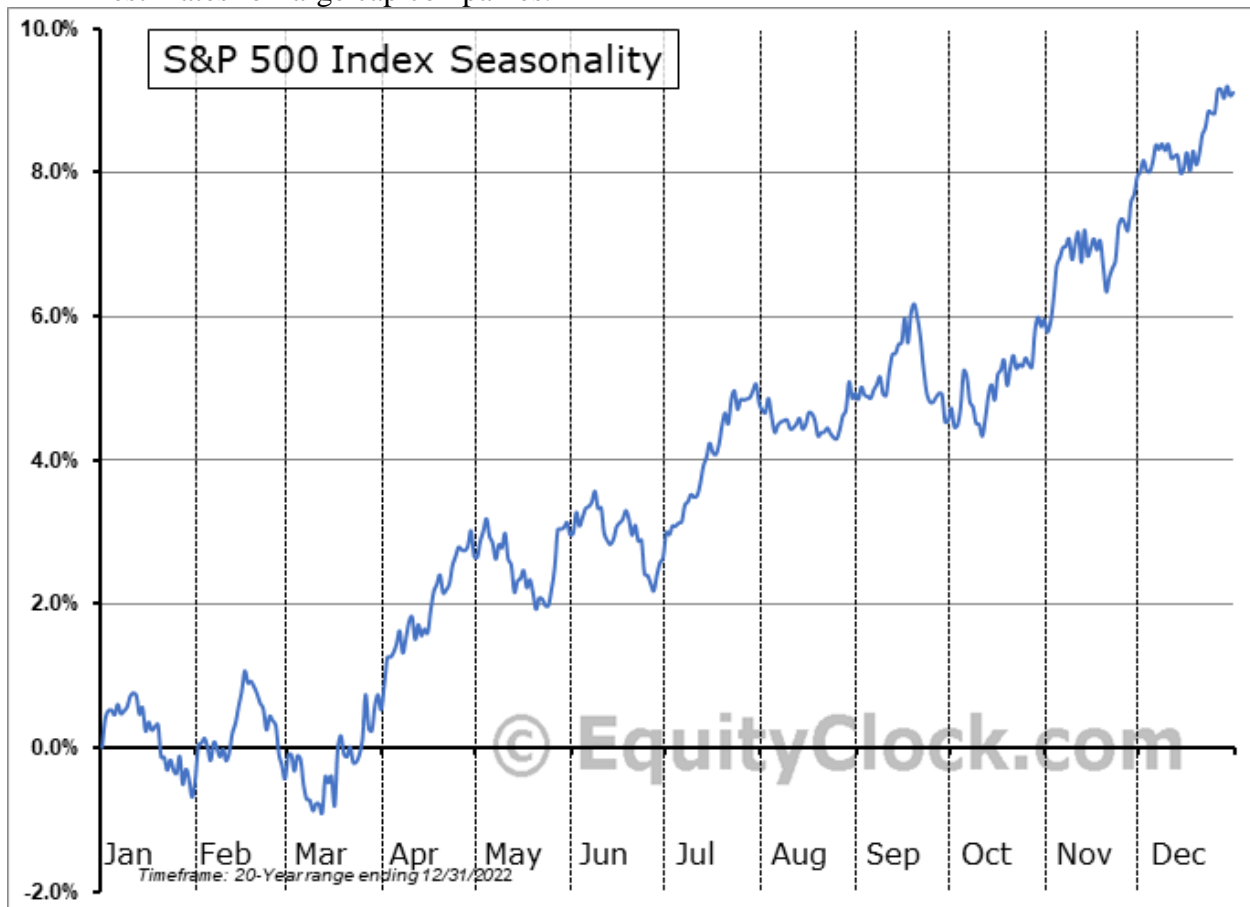
Tech Talk for Saturday May 20th 2023

The Bottom Line

Lots of noise, typical for the month of May and the first three weeks of June! On the positive side, any stock remotely connected to Artificial Intelligence soared last week. The S&P 500 Index and NASDAQ 100 Index briefly touched nine month highs on Friday thanks to their technology equity content connected to AI.

On the other hand,

- Negotiations to extend the U.S. government debt limit were stalled on Friday
- Treasury Secretary Yellen noted on Friday that more U.S. bank mergers “may be necessary”
- Several Federal Reserve officials indicated last week that a reduction in the Fed Fund Rate was unlikely “any time soon” due to “inflation stickiness”,
- Governor for the Bank of Canada offered a similar observation on Thursday on the Bank of Canada’s interest rate for major Canadian Banks
- Financial analysts on both sides of the border continued to lower second quarter earnings estimates for large cap companies.



Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.Factset.com

Frequency of first quarter results continues to wind down. Another 3% of reports were released last week with 95% of S&P 500 companies reporting to date: 78% have reported higher than consensus earnings per share and 76% have reported higher than consensus revenues (up from 75% last week). Consensus calls for a year-over-year drop in first quarter earnings of 2.2% (versus a drop of 2.5% last week) and an increase in first quarter revenues of 4.1% (up from a gain of 4.0% last week).

Earnings estimates for the second quarter eased again. Consensus for the second quarter calls for a drop of 6.4% in earnings (versus a drop of 6.3% last week) and a drop of 0.3% in revenues (versus a drop of 0.4% last week). Consensus for the third quarter calls for a 0.7% increase in earnings and a 1.1% increase in revenues (down from 1.2% last week). Consensus for the fourth quarter calls for an 8.2% increase in earnings (up from 8.1% last week) and a 3.1% increase in revenues (down from 3.4% last week). For all of 2023, consensus calls for an increase of 1.0% in earnings and a 2.4% increase in revenues (up from 2.3% last week).

Economic News This Week

Source: www.investing.com

April U.S. New Home Sales released at 10:00 AM EDT on Tuesday is expected to drop to 660,000 units from 683,000 units in March.

FOMC Meeting Minutes are released at 2:00 PM EDT on Wednesday

First quarter annualize U.S. GDP released at 8:30 AM EDT on Thursday is expected to increase 1.1% versus a gain of 2.6% in the fourth quarter.

April Durable Goods Orders released at 8:30 AM EDT on Friday are expected to drop 1.1% versus a gain of 2.8% in March. Excluding Transportation Orders April Durable Goods Orders are expected to increase 0.3% versus a gain of 0.3% in March.

April Core PCE Price Index released at 8:30 AM EDT on Friday is expected to increase 0.3% versus a gain of 0.3% in March. On a year-over-year basis, core PCE Price Index is expected to increase 4.6% versus a gain of 4.6% in March.

April Personal Income released at 8:30 AM EDT on Friday is expected to increase 0.4% versus a gain of 0.3% in March. April Personal Spending is expected to increase 0.4% versus unchanged in March.

May Michigan Consumer Sentiment released at 10:00 AM EDT on Friday is expected to drop to 57.7 from 63.5 in April.

Selected Earnings News This Week

Source: www.investing.com

Monday: Zoom

Tuesday: Lowes, Intuit, Palo Alto, AutoZone, Agilent, Dick's Sporting Goods, Toll Brothers

Wednesday: Nvidia, Analog Devices, Bank of Montreal, Scotia Bank, Snowflake, Trip.com, Splunk

Thursday: Royal Bank, Toronto Dominion Bank, Commerce Bank, Medtronic, Workday, NetEase, Autodesk, Dollar Tree, HP Inc., Best Buy, Gap Stores

Friday: Marvell, Dell

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 May 19th 2023

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
SPX	Neutral	Oct.28	Up	Neutral	Above	Up	4	
TSX	Neutral	Dec. 12	Neutral	Negative	Below	Down	-4	
DJIA	Neutral	Sept.20	Neutral	Negative	Below	Up	-2	-4
COMPQ	Neutral	Oct.10	Up	Positive	Above	Up	6	
TRAN	Neutral	Aug.27	Down	Negative	Below	Up	-4	-2
AORD	Neutral	July 15	Neutral	Negative	Below	Up	-2	
NIKK	Neutral	Nov.8	Up	Positive	Above	Up	6	
IEV	Neutral	Dec.9	Up	Negative	At	Up	1	-2
SSEC	Positive	May 30	Up	Negative	Below	Down	-2	0
EEM	Neutral	Nov.29	Neutral	Negative	Above	Down	-2	

Green: Increase from previous day

Red: Decrease from previous day

Commodities

Daily Seasonal/Technical Commodities Trends for May 19th 2023

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
CRB Index	Positive	June.11	Down	Negative	Below	Up	-4	
Gasoline	Positive	June 29	Neutral	Neutral	Above	Up	2	
Crude Oil	Neutral	Jan.20	Down	Negative	Below	Up	-4	
Natural Gas	Positive	June 20	Up	Neutral	Above	Up	4	
S&P Energy	Positive	June 11	Down	Negative	Below	Up	-4	
Oil Services	Neutral	Dec.28	Down	Negative	Below	Up	-4	
Gold	Neutral	Dec. 23	Neutral	Negative	Below	Down	-4	
Silver	Neutral	Nov.29	Neutral	Negative	Below	Down	-4	
Gold Bug	Neutral	June 15	Neutral	Negative	Below	Down	-4	
Platinum	Neutral	Dec.9	Up	Negative	Below	Down	-2	
Palladium	Neutral	Nov.26	Up	Neutral	Above	Down	2	-2
Copper	Neutral	Nov.22	Down	Negative	Below	Up	-4	
Lumber	Neutral	Oct 1	Down	Negative	Below	Up	-4	
Agriculture	Neutral	Oct.9	Down	Negative	Below	Down	-6	

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for May 19th 2023

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

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Source for positive seasonal ratings: www.equityclock.com

Technical Notes for Friday

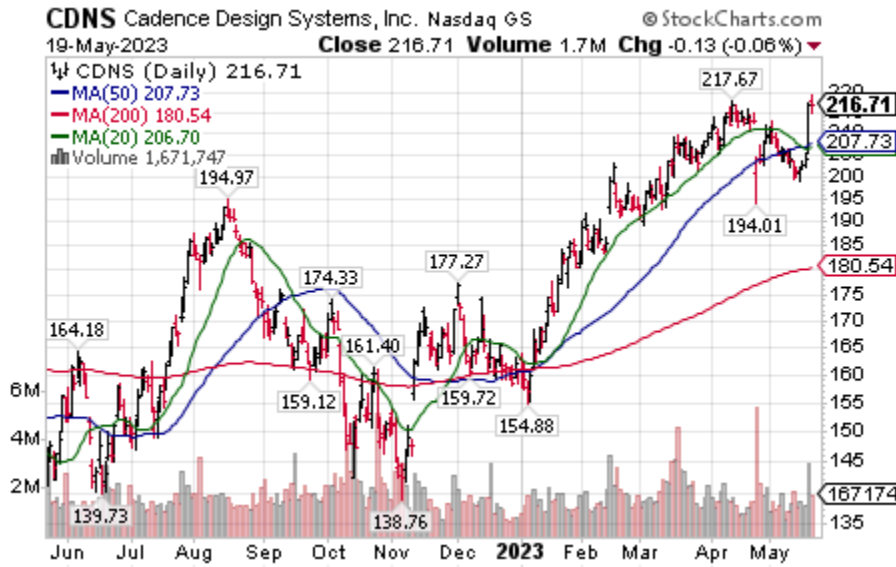
Apple \$AAPL a Dow Jones Industrial Average stock moved above \$175.13 extending an intermediate uptrend.



Accenture \$ACN an S&P 100 stock moved above \$288.65 completing a base building pattern.



Cadence \$CDNS a NASDAQ 100 stock moved above \$217.67 to an all-time high extending an intermediate uptrend.



Ross Stores \$ROST moved below \$99.68 extending an intermediate downtrend.



Restaurant Brands International \$QSR.TO a TSX 60 stock moved above Cdn\$99.21 to an all-time high extending an intermediate uptrend.



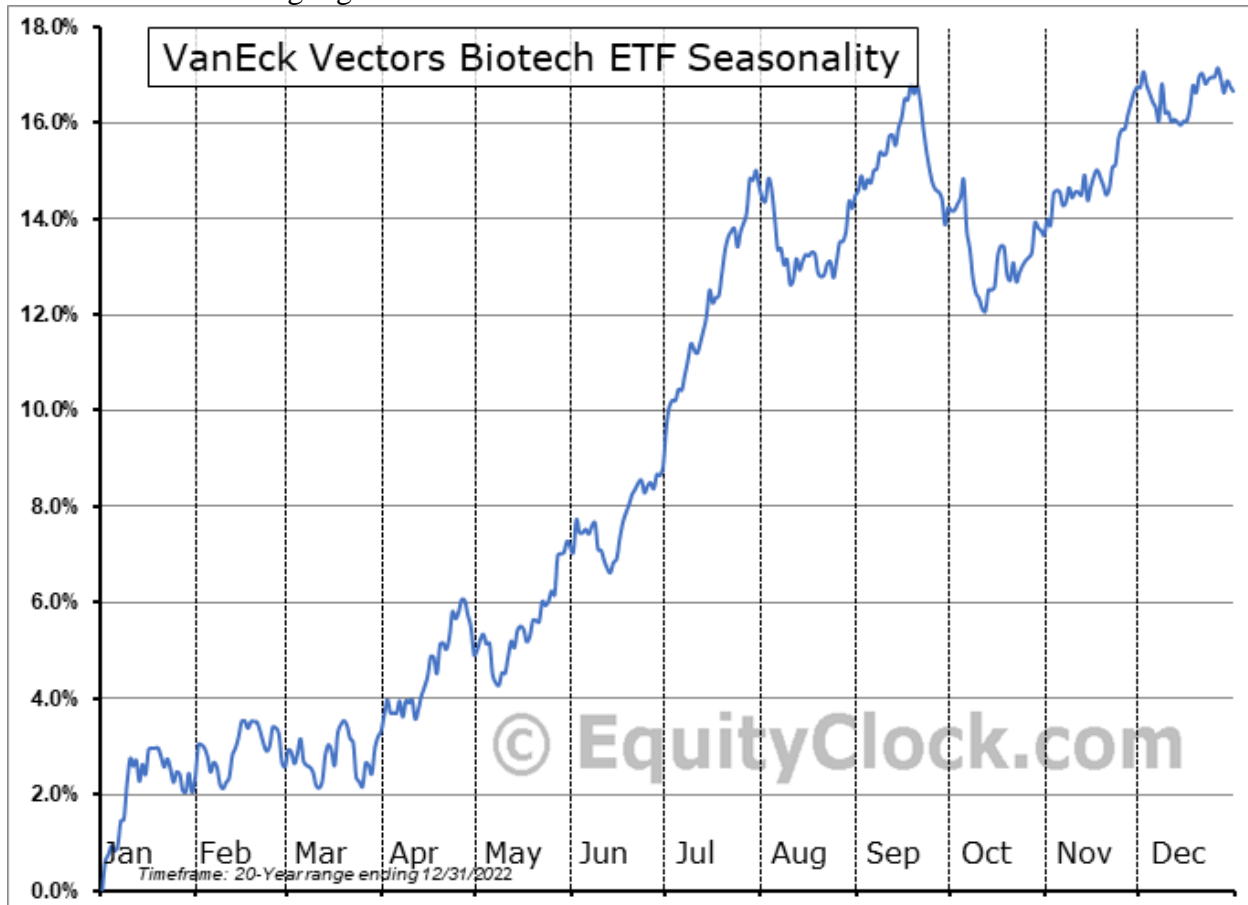
Turkey iShares \$TUR moved below \$29.09 completing a double top pattern.



Seasonal Chart of the week

The biotech sector and related ETFs have a history of moving higher between now and late August partially due to news on new biotech drugs released at a series of Healthcare conferences. Best known conference is the American Society of Clinical Oncologist (ASCO) held each June in Chicago. This year the conference is held from June 2nd to June 6th.

Available ETFs include IBB, BBH, FBT and XBI. On the charts, all reached a low in mid-March and have been trending higher.



Seasonal Chart Analysis

Analysis of the VanEck Vectors Biotech ETF (NASDAQ:BBH) seasonal charts above shows that a **Buy Date of May 8** and a **Sell Date of August 4** has resulted in a geometric average return of **7.14%** above the benchmark rate of the S&P 500 Total Return Index over the past 20 years. This seasonal timeframe has shown positive results compared to the benchmark in 17 of those periods. This is a **very good** rate of success and the return **strongly outperforms** the relative buy-and-hold performance of the stock over the past 20 years by an average of **2.66%** per year.

S&P 500 Momentum Barometers



The intermediate term Barometer added 0.40 on Friday and 3.00 last week to 50.60. It remains Neutral.



The long term Barometer slipped 1.40 on Friday, but added 1.20 last week to 50.00. It remains Neutral.

TSX Momentum Barometers



The intermediate term Barometer added 3.88 on Friday and 0.43 last week to 52.59. It remains Neutral.



The long term Barometer slipped 0.43 on Friday and dropped 3.88 last week. It remains Neutral.

Free Tech Talk reports are available each business day at www.timingthemarket.ca

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