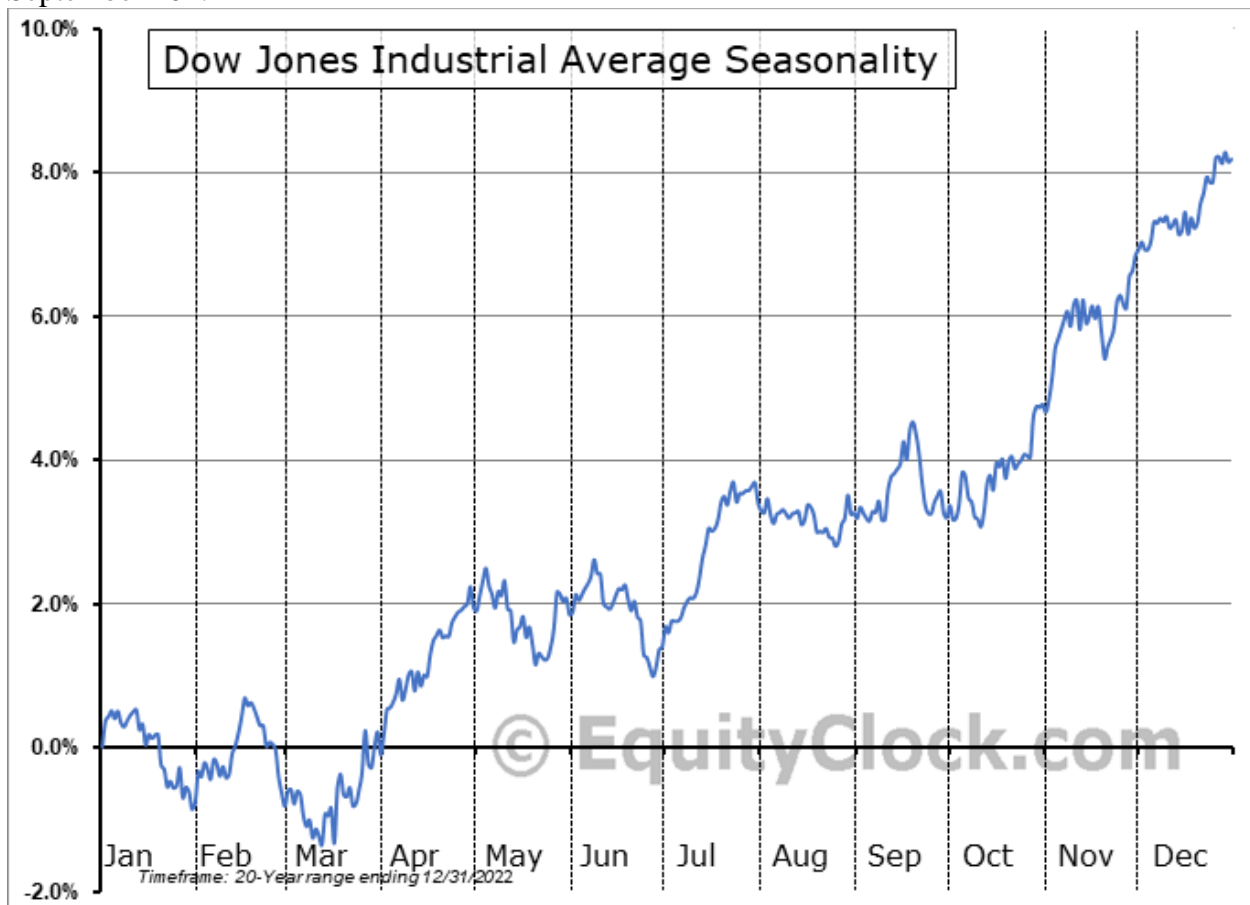


Tech Talk for Saturday May 6th 2023

The Bottom Line

Sell in May and Go Away? Not exactly! The expression is based on expectations that U.S. equity markets peak in the first week in May and bottom at the end of October. The expression is partially true: Most of the gains by the S&P 500 and Dow Jones Industrial Average since 1950 have been realized from November to May: Relative small positive returns and, more important, higher variable returns are realized from May to November, a period known for its greater than average volatility and lower than average volume. Despite lower performance by broadly based U.S. equity indices during the May to November period, seasonal investment opportunities in U.S. sectors and individual equities exist including investments in precious metals, biotech and selected utilities and consumer staples industries. In addition, long term U.S. government bonds have recorded favourable seasonal returns from May 8th to August 28th.

Seasonal influences by the S&P 500 Index and Dow Jones Industrial Average have varied slightly during the past 20 years relative to their history since 1950: The seasonal peak for the Dow Jones Industrial Average has occurred on May 2nd and its seasonal low has occurred on September 20th.



Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.Factset.com

Better than expected first quarter reports released last week by Apple, largest weight stock in the S&P 500 Index, prompted analysts to increase their first quarter earnings and revenue estimates again: Eighty five percent of S&P 500 companies have reported to date: 79% have reported higher than consensus earnings per share and 75% have reported higher than consensus revenues. Consensus calls for a year-over-year drop in first quarter earnings of 2.2% (down from a drop of 3.7% last week) and an increase in first quarter revenues of 3.9% (up from a gain of 2.9% last week).

Earnings estimates for the remainder of the year eased slightly .Consensus for the second quarter calls for a drop of 5.7% in earnings (versus a drop of 5.0% last week) and a drop of 0.1% in revenues (unchanged from last week). Consensus for third quarter earnings calls for a 1.2% increase in earnings (down from 1.7% last week) and a 1.5% increase in revenues (up from 1.4% 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 (up from 3.6% last week). For all of 2023, consensus calls for an increase of 1.2% in earnings (unchanged from last week) and a 2.4% increase in revenues (up from 2.2% last week).

Economic News This Week

U.S. April Consumer Price Index released at 8:30 AM EDT on Wednesday is expected to increase 0.4% versus a gain of 0.1% in March. On a year-over-year basis, April CPI is expected to increase 5.0% versus a gain of 5.0% in March. Excluding food and energy, April Consumer Price Index is expected to increase 0.4% versus a gain of 0.4% in March. On a year-over-year basis, core April CPI is expected to increase 5.5% versus a gain of 5.6% in March.

U.S. April Producer Price Index released at 8:30 AM EDT on Thursday is expected to increase 0.3 versus a decline of 0.5% in March. On a year-over-year basis, April PPI is expected to increase 2.5% versus a gain of 2.7% in March. Excluding food and energy, core April PPI is expected to increase 0.2% versus a decline of 0.1% in March. On a year-over-year basis, core April PPI is expected to increase 3.3% versus a gain of 3.4% in March.

May Michigan Consumer Sentiment released at 10:00 AM EDT on Friday is expected to slip to 63.0 from 63.5 in April.

Earnings News This Week

Another 32 S&P 500 companies (including one Dow Jones Industrial Average company: Disney) are scheduled to release quarterly results this week. Another 6 TSX 60 companies are scheduled.

Monday: Berkshire Hathaway, PayPal, McKesson, Suncor, Devon Energy

Tuesday: Duke Power, Air BNB, Air Products, Occidental Petroleum, Electronic Arts, Fox, Kinross Gold, Under Armour

Wednesday: Manulife, Nutrien, Wendy's

Thursday: Brookfield Asset Management, SunLife Financial, Fairfax

Friday: Onex

Trader's Corner

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for May 5th 2023

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

Green: Increase from previous day

Red: Decrease from previous day

Commodities

Daily Seasonal/Technical Commodities Trends for May 5th 2023

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momen tum	Tech Score	Prev Score
CRB Index	Positive	June.11	Down	Negative	Below	Down	-6	-6
Gasoline	Positive	June 29	Neutral	Negative	Below	Up	-2	-2
Crude Oil	Neutral	Jan.20	Down	Negative	Below	Up	-4	-2
Natural Gas	Positive	June 20	Down	Neutral	Below	Down	-4	2
S&P Energy	Positive	June 11	Down	Negative	Below	Down	-6	-4
Oil Services	Neutral	Dec.28	Down	Negative	Below	Down	-6	-6
Gold	Neutral	Dec. 23	Up	Neutral	Above	Up	4	0
Silver	Neutral	Nov.29	Up	Positive	Above	Up	6	2
Gold Bug	Neutral	June 15	Up	Positive	Above	Up	6	0
Platinum	Neutral	Dec.9	Up	Neutral	Below	Down	2	4
Palladium	Neutral	Nov.26	Up	Neutral	Below	Up	2	2
Copper	Neutral	Nov.22	Neutral	Negative	Below	Down	-4	-4
Lumber	Neutral	Oct 1	Down	Negative	Below	Up	-4	-6
Agriculture	Neutral	Oct.9	Neutral	Negative	Below	Down	-4	0

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for May 5th 2023

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

Green: Increase from previous day

Red: Decrease from previous day

Source for positive seasonal ratings: www.equityclock.com

Chart of the Day

Berkshire Hathaway recently has been a buyer of selected Japanese equities. The Nikkei Average has been the strongest equity index of major world equity indices during the past two months:

- Intermediate trend is up. The Average just broke to a 16 month high on Friday. Score: 2
- Strength relative to the S&P 500 Index is Positive. Score: 2
- The Average trades above its 20 day moving average. Score: 1
- Daily momentum indicators (Stochastics, RSI, MACD) are trending higher. Score: 1
- Technical score is 2+2+1+1= 6



Technical Notes for Friday

Oracle \$ORCL an S&P 100 stock moved above \$96.74 extending an intermediate uptrend.



Open Text \$OTEX a TSX 60 stock moved above US\$39.75 extending an intermediate uptrend. The company reported higher than consensus fiscal third quarter results.



S&P 500 Momentum Barometers



The intermediate term Barometer added 9.60 on Friday, but dropped 5.40 last week to 52.80. It remains Neutral.



The long term Barometer added 4.60 on Friday, but dropped 6.60 last week to 52.00. It remains Neutral.

TSX Momentum Barometers



The intermediate term Barometer added 8.62 to 55.60, but dropped 2.60 last week. It remains Neutral.



The long term Barometer added 3.88 on Friday, but dropped 0.84 last week. 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