

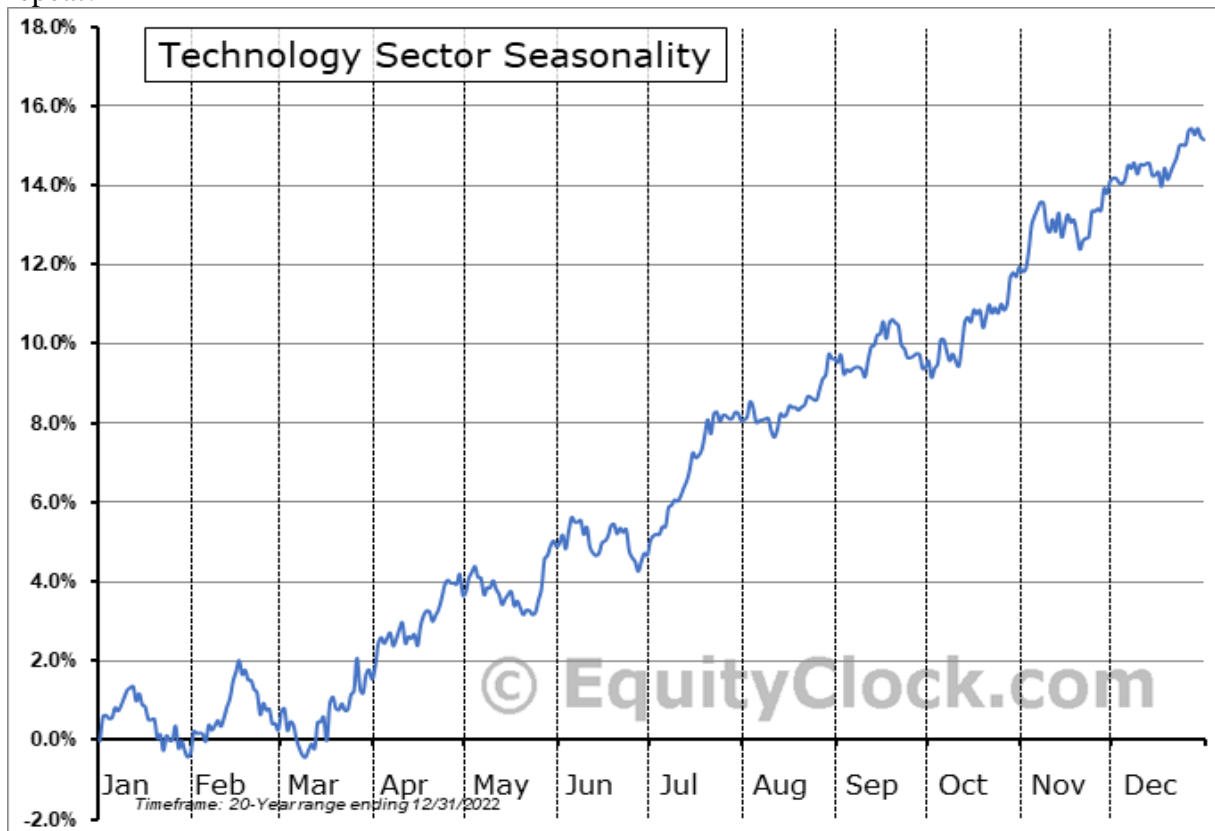
Tech Talk for Saturday June 3rd 2023

The Bottom Line

U.S. and Canadian equity indices and related ETFs ended the week with improving technical profiles, typical of their historic trend to the first week in June. They also have a history of moving lower between now and the last week in June.

News to watch this week! Frequency of corporate earnings reports by major U.S. and Canadian companies quietens. Only six S&P 500 companies are scheduled to report. No TSX companies are scheduled to report. Traders will focus on news from OPEC + announced on Sunday and Monday. Crude oil Production quotas are expected to remain unchanged. Apple's World Wide Developers Keynote presentation on Monday will announce new products. Watch for the focus on Artificial Intelligence (AI).

History shows that the technology sector leads strength by U.S. equity indices from late May until the day after the World Wide Developers Keynote presentation. Thereafter, the technology sector leads U.S. equity indices on the downside until the last week in June. The good news is that U.S. equity indices have a history of moving higher during the second quarter earnings season lasting from late June to at least the third week in July. Look for history to repeat!



Trader attention during the next two weeks is on interest rate news from the next FOMC meeting held June 13th and June 14th. Individual members of the Committee hinted last week that they likely will “stand aside” from announcing major changes at the next meeting as they consider relevant economic data points. The latest poll by economists indicated that 70% of participants expect no change in the Fed Fund Rate at the next meeting. Current rate is 5.0%-5.15%. Now, the FOMC Committee has entered the traditional 10 day “quiet period” prior to release of news. The most important data point this week impacting the Fed’s decision is the May ISM Non-manufacturing PMI report released at 8:30 AM EDT on Wednesday.

Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.Factset.com

Frequency of first quarter results continues to wind down. Another 2% of reports were released last week with 99% of S&P 500 companies reported to date: 78% have reported higher than consensus earnings per share and 75% have reported higher than consensus revenues (down from 76% last week). Consensus calls for a year-over-year drop in first quarter earnings of 2.1% and an increase in first quarter revenues of 4.1%.

Earnings and revenue estimates for remainder of the year eased slightly. 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. Consensus for the third quarter calls for an increase of 0.9% in earnings (versus an increase of 1.0% last week) and a 1.2% increase in revenues. Consensus for the fourth quarter calls for an 8.3% increase in earnings (versus an increase of 8.4% last week) and a 3.5% increase in revenues (versus an increase of 3.2% last week). For all of 2023, consensus calls for an increase of 1.2% in earnings (versus a gain of 1.3% last week) and a 2.4% increase in revenues.

Economic News

Source: www.Investing.com

April U.S. Factory Orders released at 10:00 AM EDT on Monday are expected to increase 1.1% versus a gain of 0.4% in March.

May ISM Non-manufacturing PMI released at 10:00 AM EDT on Monday is expected to slip to 51.8 from 51.9 in April.

April Canadian Trade Balance released at 8:30 AM EDT on Wednesday is expected to slip to \$0.20 billion from \$0.97 billion in March.

Bank of Canada announcement on interest rates for Canada’s banks is released at 10:00 AM EDT. Consensus calls for no change at 4.50%, but with a warning that a rate reduction is unlikely to occur any time soon.

April U.S. Wholesale Inventories released at 10:00 AM EDT on Thursday are expected to decrease 0.2% versus unchanged in March.

Canadian May Employment released at 8:30 AM EDT on Friday is expected to slip to 20,000 from 41,400 in April. May Unemployment Rate is expected to increase to 5.1% from 5.0% in April.

Selected Earnings News This Week

Source: www.Investing.com

Tuesday: JM Smucker, Cracker Barrel

Wednesday: Trip.com, Campbell Soup, PayPal

Friday: DocuSign

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 June 2nd 2023

Unit	Seasonal	Until	Trend	Strength Relative To S&P	20 Day Momentum MA		Tech Score	Score Last Week
SPX	Neutral	Oct.28	Up	Neutral	Above	Up	4	4
TSX	Neutral	Dec. 12	Neutral	Negative	Below	Up	-2	-4
DJIA	Neutral	Sept.20	Neutral	Negative	Above	Up	0	-2
COMPQ	Neutral	Oct.10	Up	Positive	Above	Up	6	6
TRAN	Neutral	Aug.27	Down	Negative	Above	Up	-2	-6
AORD	Neutral	July 15	Neutral	Negative	Below	Down	-4	-4
NIKK	Neutral	Nov.8	Up	Positive	Above	Up	6	4
IEV	Neutral	Dec.9	Up	Negative	Below	Up	0	0
SSEC	Neutral	Sept.26	Down	Negative	Below	Up	-4	-6
EEM	Neutral	Nov.29	Neutral	Negative	Above	Up	0	0

Green: Increase from previous day

Red: Decrease from previous day

Commodities

Daily Seasonal/Technical Commodities Trends for June 2nd 2023

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

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for June 2nd 2023

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

Green: Increase from previous day

Red: Decrease from previous day

Source for positive seasonal ratings: www.equityclock.com

Technical Notes for Friday

S&P 500 SPDRs moved above \$426.37 to a 14 month high extending an intermediate uptrend.



The NASDAQ Composite Index moved above 13,181.09 to a 14 month high extending an intermediate uptrend.



Caterpillar \$CAT a Dow Jones Industrial Average stock moved above \$221.96 completing a double bottom pattern.



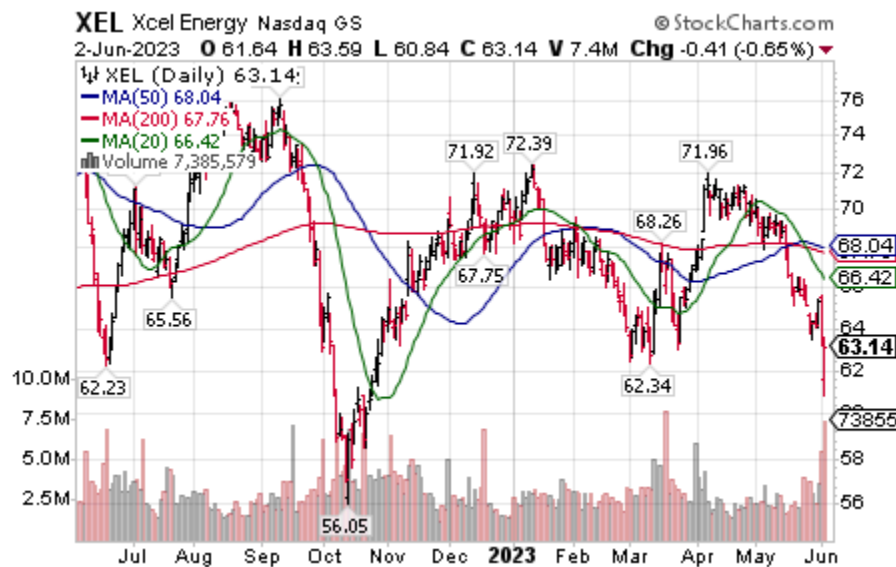
American Express \$AXP a Dow Jones Industrial Average stock moved above intermediate resistance at \$166.55



IBM \$IBM a Dow Jones Industrial Average stock advanced above \$130.83 completing a double bottom pattern.



Xcel Energy \$XEL a NASDAQ 100 stock moved below \$62.34 extending an intermediate downtrend.



T-Mobile \$TMUS a NASDAQ 100 stock moved below \$129.55 extending an intermediate downtrend. Weakness in the telecom sector was related to news that Amazon may enter the wireless industry.



Telus \$T.TO a TSX 60 stock moved below \$25.61 extending an intermediate downtrend.



Technical Chart of the Day

Technology SPDRs (Symbol: XLK) has recorded an exceptional move since the beginning of 2023. Technical score currently is $(2+2+1+1) = 6$:

Intermediate trend is up. Score: 2

Strength relative to S&P 500: Positive: Score: 2

Trades above its 20 day moving average: Score: 1

Daily momentum indicators (Stochastics, RSI, MACD) are trending up. Score: 1

Note that daily momentum indicators are overbought and showing early signs of rolling over



S&P 500 Momentum Barometers



The intermediate term Barometer advanced 16.80 on Friday and 16.80 last week to 52.40. It changed from Oversold to Neutral on a recovery above 40.00.



The long term Barometer advanced 10.00 on Friday and 9.00 last week to 53.00. It remained Neutral.

TSX Momentum Barometers



The intermediate term Barometer advanced 11.64 on Friday and 3.88 last week to 42.24. It changed from Oversold to Neutral on a recovery above 40.00.



The long term Barometer added 3.45 on Friday and 2.59 last week to 53.02. It remained Neutral.

Tech Talk is a free service 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