

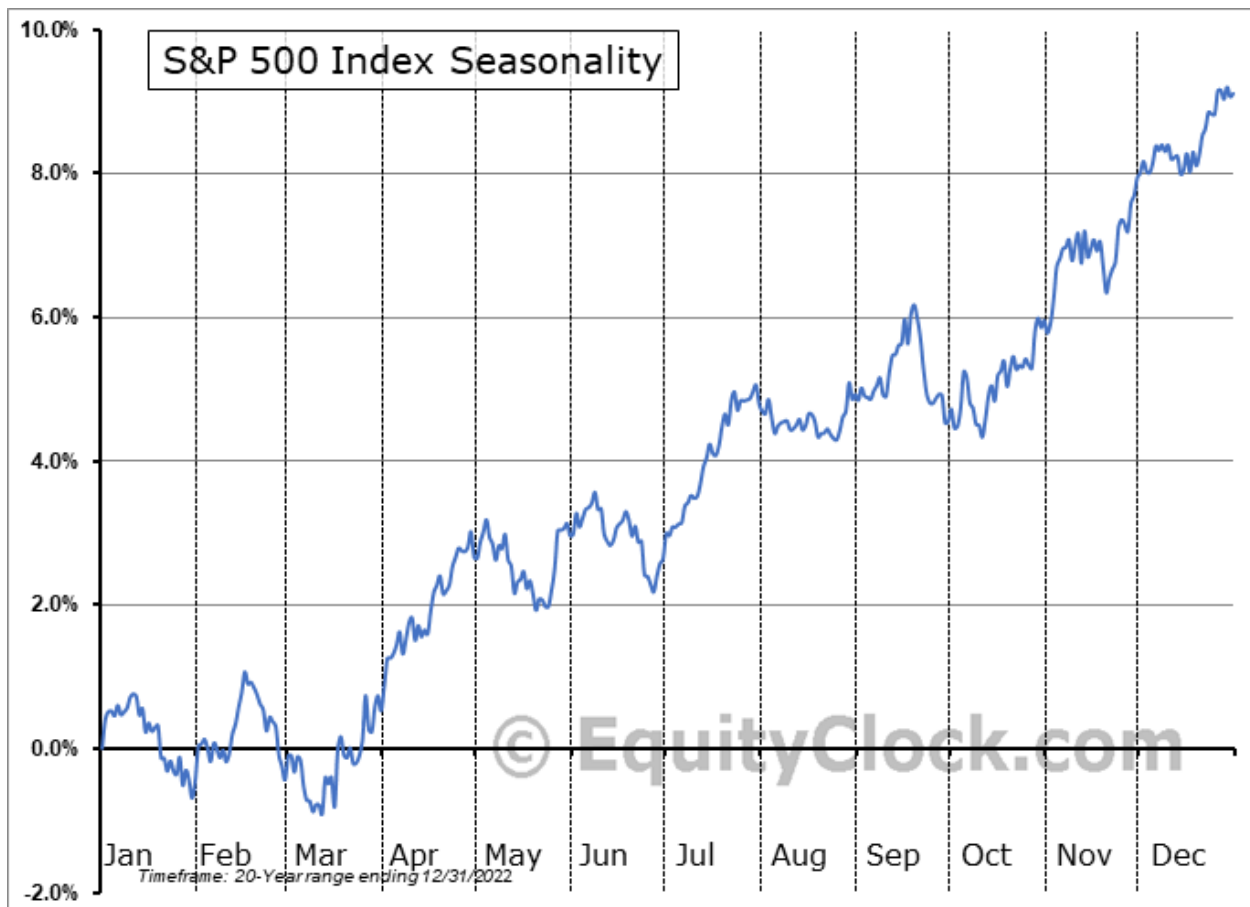
# Tech Talk for Saturday July 22<sup>nd</sup> 2023

## The Bottom Line

**Focus next week is on news released from the FOMC meeting on Wednesday.** Consensus calls for at least another 0.25% increase in the Fed Fund Rate to 5.50%.

**Second quarter results released by S&P 500 companies were mixed at best last week.** Better than consensus results were released by most U.S. money center banks, airline companies and UnitedHealth Group. They were offset by less than consensus forward guidance offered by Tesla, Netflix and American Express. Net result: Analyst once again lowered consensus second quarter earnings estimates.

**Regardless of quarterly corporate results, the S&P 500 Index and Dow Jones Industrial Average extended their summer rally.** Traditionally the rally starts in the last week in June and finishes at the end of July.



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

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

**Earnings estimates moved lower again after 15% of S&P 500 companies reported second quarter results.** Consensus for the second quarter earnings calls for a year-over-year drop of 9.0% (versus a drop of 7.2% last week). Second quarter revenues are expected to drop 0.3% (versus a drop of 0.4% last week). Consensus for the third quarter calls for an earnings increase of 0.1%. Revenues are expected to increase 1.2% (versus 1.1% last week). Consensus for the fourth quarter calls for a 7.5% increase in earnings (versus an increase of 7.6% last week). Fourth quarter revenues are expected to increase 3.3% (versus previous estimate at 5.0%). For all of 2023, consensus calls for an earnings increase of 0.1% (versus previous estimated gain at 0.6%). Revenues are expected to increase 2.3% (versus previous estimated gain at 2.4%).

**The recovery in earnings continues into 2024.** Consensus for 2024 calls for a 12.9% increase in earnings (versus previous estimate at 12.4%). Consensus for revenue growth is 5.0%.

## Economic News This Week

**June U.S. New Home Sales** released at 10:00 AM EDT on Wednesday are expected to drop to 722,000 from 763,000 units in May.

**Federal Reserve Decision** on interest rates released at 2:00 PM EDT on Wednesday is expecting the Fed Fund Rate to increase another 0.25% to 5.50%.

**June Durable Goods Orders** released at 8:30 AM EDT on Thursday are expected to increase 1.0% versus a gain of 1.7% in May. Excluding Transportation, June Durable Goods Orders are expected to slip 0.1% versus a gain of 0.6% in May.

**Second quarter core GDP** released at 8:30 AM EDT on Thursday is expected increase 1.8% versus a gain of 2.0% in the first quarter.

**European Central Bank interest rate decision** released at 8:15 AM EDT on Thursday is expected to increase the Bank Rate to 4.25% from 4.00%.

**June Core PCE Price Index** released at 8:30 AM EDT on Friday is expected to increase 0.2% versus a gain of 0.3% in May. On a year-over-year basis, the Index is expected to increase 0.2% versus a gain of 4.6% in May.

**June Personal Income** released at 8:30 AM EDT on Friday is expected to increase 0.4% versus a gain of 0.4% in May. **June Personal Spending** is expected to increase 0.4% versus a gain of 0.1% in May.

**May Canadian GDP** released at 8:30 AM EDT on Friday is expected to be unchanged versus unchanged in April.

**July Michigan Consumer Sentiment** released at 10:00 AM EDT on Friday is expected to remain unchanged from 64.4 in June.

## Selected Earnings News This Week

Another 166 S&P 500 companies are scheduled to report second quarter results this week (including 12 Dow Jones Industrial Average companies).

Nine TSX 60 companies are scheduled to report second quarter results this week.

**Monday:** Cadence Design, Whirlpool

**Tuesday:** Microsoft, Alphabet, Visa, Danaher, Texas Instruments, Verizon, General Electric, Chubb, Canadian National Railway, Sherwin Williams, Waste Management, Southern Copper, Kimberly Clark, Archer Daniels Midland, Nucor, Biogen, Dow, Spotify, Pulte Homes, First Quantum Minerals, Alaska Airlines.

**Wednesday:** Meta Platform, Coca Cola, QualComm, Boeing, Rio Tinto, AT&T, Lam Research, Canadian Pacific, Chipotle, General Dynamics, Ingersoll-Rand, eBay, CGI Inc, Rogers Communications, Mattel, Methanex

**Thursday:** Amazon, MasterCard, AbbVie, McDonalds, Linde, Comcast, T-Mobile, Intel, Honeywell, Bristol-Myers, Mondelez, American Tower, Northrop Grumman, KLA Tencor, Ford, Norfolk Southern, DexCom, Hershey, Keorig Dr. Pepper, Cenovus Energy, Weyerhaeuser, Baxter, Southwest Airlines, Teck Resources,

**Friday:** ExxonMobil, Procter & Gamble, TC Energy, T Rowe Price, 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.

### Equity Indices and Related ETFs

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

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

**Green:** Increase from previous day

**Red:** Decrease from previous day

Source for all positive seasonality ratings: [www.EquityClock.com](http://www.EquityClock.com)

### Commodities

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

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Score Last Week
CRB Index	Neutral	Jan.14	Neutral	Neutral	Above	Up	2	0
Gasoline	Neutral	Mar.30	Up	Positive	Above	Up	6	4
Crude Oil	Neutral	Jan.20	Up	Positive	Above	Up	6	6
Natural Gas	Neutral	April 1	Up	Neutral	Above	Up	4	-2
S&P Energy	Neutral	Mar.23	Down	Neutral	Above	Up	0	-2
Oil Services	Neutral	Dec.28	Up	Positive	Above	Up	6	6
Gold	Neutral	Dec. 23	Down	Negative	Above	Down	-4	-2
Silver	Neutral	Nov.29	Neutral	Positive	Above	Down	2	4
Gold Bug	Positive	Sept.3	Neutral	Positive	Above	Down	2	2
Platinum	Neutral	Dec.9	Down	Neutral	Above	Down	-2	-2
Palladium	Neutral	Nov.26	Down	Neutral	Above	Up	0	-2
Copper	Neutral	Nov.22	Down	Negative	Above	Down	-4	-2
Agriculture	Neutral	Oct.9	Up	Positive	Above	Up	6	4

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### Sectors

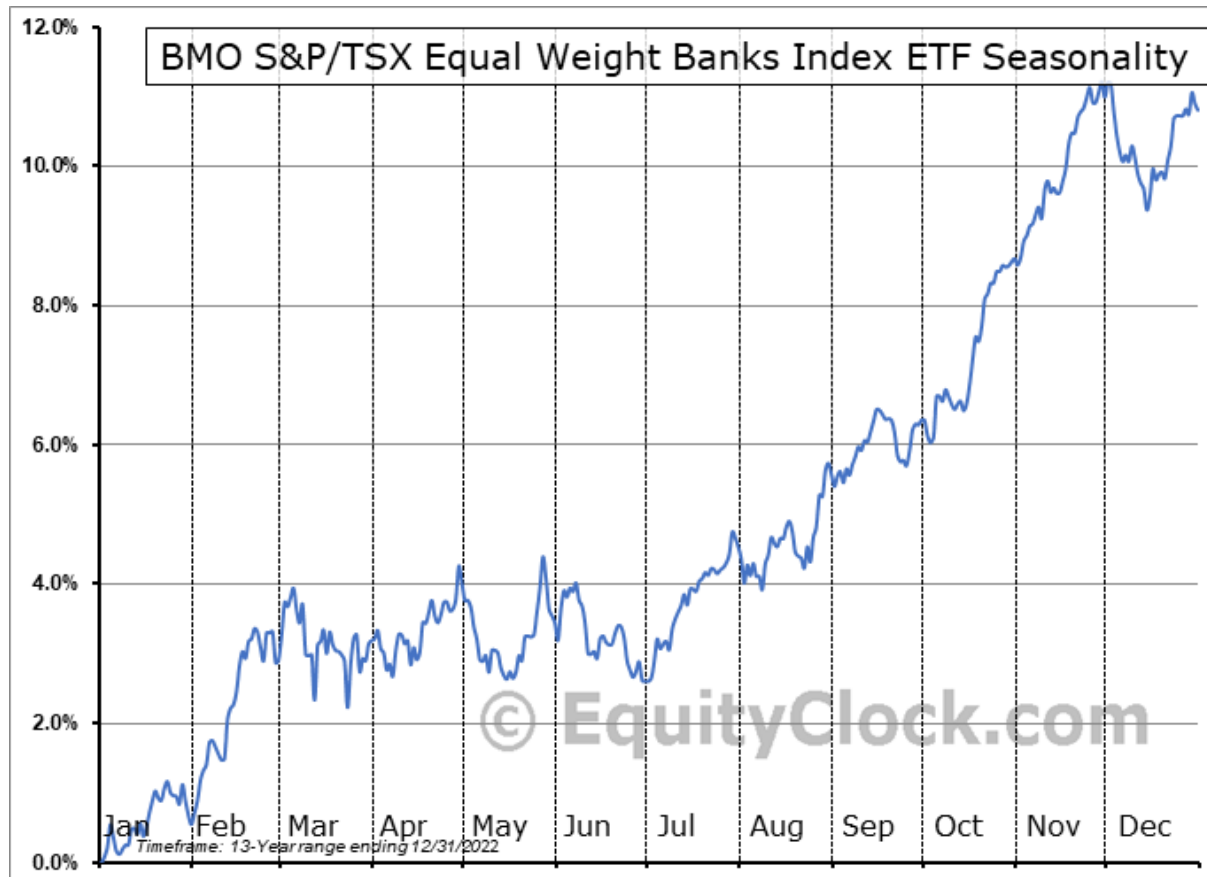
#### Daily Seasonal/Technical Sector Trends for July 21<sup>st</sup> 2023

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Score Last Week
XLK	Positive	Aug.19	Up	Neutral	Above	Down	2	4
XLB	Neutral	Oct.1	Up	Neutral	Above	Up	4	4
XLI	Neutral	Aug.26	Up	Neutral	Above	Up	4	2
XLY	Neutral	Aug.7	Up	Negative	Above	Down	0	6
XLF	Positive	Nov.2	Up	Positive	Above	Up	6	4
XLE	Neutral	Mar.23	Down	Neutral	Above	Up	0	-2
XLP	Neutral	Jan.6	Up	Neutral	Above	Up	4	4
XLV	Neutral	Nov.3	Up	Neutral	Above	Up	4	-2
XLU	Neutral	Feb.6	Neutral	Neutral	Above	Up	2	0
XLC	Neutral	Jan.18	Up	Negative	Below	Down	-2	6
XLRE	Neutral	Dec.1	Neutral	Neutral	Above	Down	0	4
TSX Financial	Neutral	Jan. 8	Up	Positive	Above	Up	6	2
TSX Energy	Neutral	Dec.22	Down	Positive	Above	Up	2	0
TSX Gold	Positive	Sept.3	Neutral	Neutral	Above	Down	0	2
TSX Tech	Neutral	Nov.15	Up	Neutral	Above	Down	2	4
TSX B Metals	Neutral	Nov. 28	Up	Neutral	Above	Down	2	6

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## Seasonality Chart of the Week



**Background: BMO Equal Weight Banks Index ETF (ZEB.TO) holds an equally weighted portfolio of Canada's top six chartered banks.**

### Seasonal Chart Analysis

Analysis of the BMO S&P/TSX Equal Weight Banks Index ETF (TSE:ZEB.TO) seasonal charts above shows that a **Buy Date of July 22** and a **Sell Date of October 24** has resulted in a geometric average return of **2.62%** above the benchmark rate of the S&P 500 Total Return Index over the past 13 years. This seasonal timeframe has shown positive results compared to the benchmark in 13 of those periods. This is an **excellent** rate of success and the return **strongly outperforms** the relative buy-and-hold performance of the stock over the past 13 years by an average of **4.41%** per year.

Technical score for ZEB.TO is 6:

- Intermediate trend is up. Score: 2
- Strength relative to the S&P 500 is Positive: Score: 2
- Units trade above their 20 day moving average: Score: 1
- Daily momentum indicators (Stochastics, RSI, MACD) are trending up. Score: 1
- Score is 2+2+1+1= 6

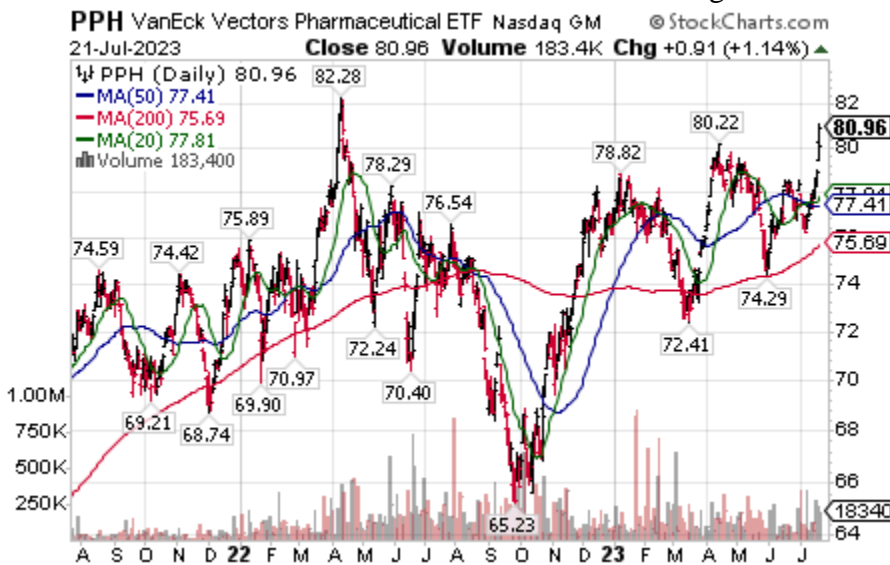


# Technical Notes

S&P 500 Equal Weight ETF \$RSP moved above \$154.27 extending an intermediate uptrend.



Pharmaceutical ETF \$PPH moved above \$80.22 extending an intermediate uptrend.



Medical Devices iShares \$IHI moved above \$57.19 extending an intermediate uptrend.



Texas Instruments \$TXN a NASDAQ 100 stock moved above \$184.88 extending an intermediate uptrend.





Abbot Labs \$ABT an S&P 100 stock moved above \$114.05 extending an intermediate uptrend.



Incyte \$INCY a NASDAQ 100 stock moved above \$64.01 completing a base building pattern.



# S&P 500 Momentum Barometers



The intermediate term Barometer added 0.40 to 88.00. It added 0.40 on Friday and 4.80 last week to 88.00. It remains Overbought. Daily trend is up and extended.



The long term Barometer added 0.60 on Friday and 5.20 last week to 75.00. It remains Overbought. Daily trend is up and extended.

# TSX Momentum Barometers



The intermediate term Barometer added 4.39 on Friday and 7.45 last week to 71.49. It remains Overbought. Daily trend remains up.



The long term Barometer added 1.32 on Friday and 3.95 last week to 62.72. It changed last week from Neutral to Overbought. Daily trend remains up.

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