

Tech Talk for Saturday August 12th 2023

The Bottom Line

Now is the time for intermediate swing traders to become patient!

Led by the “Magnificent Seven” big cap technology stocks, U.S. equity indices came under short term trading profit taking pressures last week. Intermediate term and long term momentum data available at the end of this report shows that the S&P 500 Index is overbought and has started to trend down.

Carter Worth from CNBC noted the following:

- Intermediate trend for the S&P 500 is up and within a well-defined channel.
- The Index has started to retreat from the top of its channel
- Downside risk within the channel is to 4,200 implying short term downside potential of another 6%.
- The Index recently has entered into a short term corrective phase within an intermediate uptrend. Weakness by the Index to near the 4,200 level during the typically volatile late July/mid- September period will provide an opportunity to buy favoured U.S. indices, equities and ETFs on short term weakness.



Economic News Next Week

Source: www.investing.com

August Empire State Manufacturing Survey is released at 8:30 AM EDT on Tuesday July survey was reported at 1.10.

July U.S. Retail Sales released at 8:30 AM EDT on Tuesday are expected to increase 0.4% versus a gain of 0.2% in June.

July Canadian Consumer Price Index released at 8:30 AM EDT on Tuesday on a year-over-year basis is expected to increase 2.7% versus a gain of 2.8% in June.

June Business Inventory released at 10:00 AM EDT on Tuesday are expected to increase 0.1% versus a gain of 0.2% in May.

July U.S. Housing Starts released at 8:30 AM EDT on Wednesday are expected to increase to 1.440 million units from 1.434 million units in June.

July U.S. Capacity Utilization released at 9:15 AM EDT on Wednesday is expected to increase to 79.2% from 78.9% in June. **July U.S. Industrial Production** is expected to increase 0.3% versus a decline of 0.5% in June.

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

August Philly Fed Index released at 8:30 AM EDT on Thursday is expected to increase from -13.5 to -10.0.

July Leading Economic Indicators are released at 10:00 AM EDT on Thursday. They dropped 0.7% in June.

Selected Earnings News This Week

Source: www.investing.com

Focus is on retail stocks: Home Depot, Target, Walmart

Tuesday: Home Depot, Suncor, Agilent

Wednesday: Cisco, Synopsys, Target, JD.com

Thursday: Walmart, Applied Materials, Tapestry

Friday: Deere, Este Lauder, Palo Alto

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 sell candidates have a falling technical score.

Technical score ranges are:

Trend:	-2 to +2
Strength relative to S&P 500:	-2 to +2
Above/Below 20 day moving average:	-1 to +1
Daily momentum indicators (Stochastics, RSI, MACD):	-1 to +1
Minimum/Maximum scores	-6 to +6

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for August 11th 2023

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

Green: Increase from previous day

Red: Decrease from previous day

Source for all positive seasonality ratings: www.EquityClock.com

Commodities

Daily Seasonal/Technical Commodities Trends for August 11th 2023

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

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for August 11th 2023

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

Green: Increase from previous day

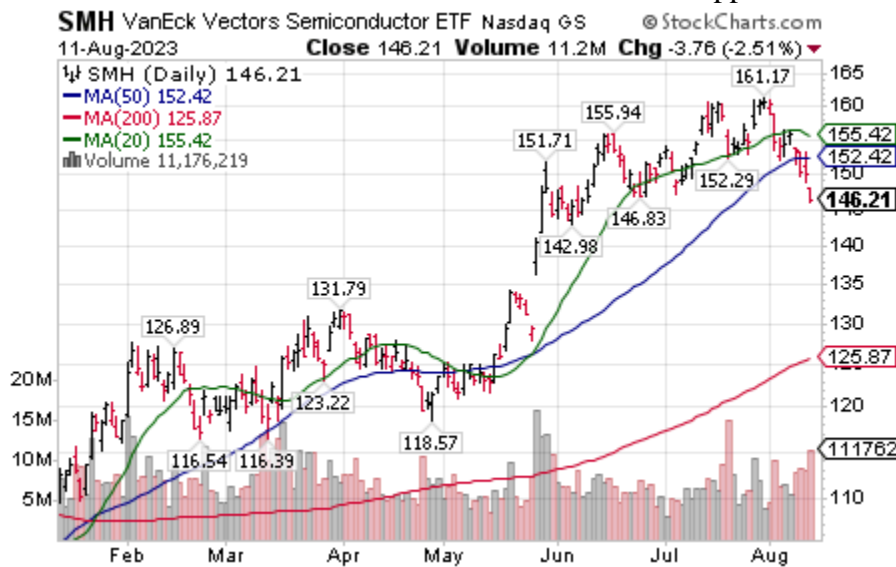
Red: Decrease from previous day

Technical Notes for Friday

Technology SPDRs \$XLK moved below intermediate support at \$167.32.



Semiconductor ETF \$SMH moved below intermediate support at \$146.83.



Taiwan iShares \$EWT moved below \$45.74 completing a double top pattern.



Tesla \$TSLA a NASDAQ 100 stock moved below intermediate support at \$240.70.



S&P 500 Momentum Barometers



The intermediate term Barometer dropped 3.20 on Friday and plunged 6.40 last week to 55.40. It changed from Overbought to Neutral on a drop below 60.00. Daily trend is down.



The long term Barometer slipped 0.20 on Friday and was unchanged last week at 63.60. It remains Overbought. Daily trend is down.

TSX Momentum Barometers



The intermediate term Barometer added 1.76 on Friday and gained 1.76 last week to 59.91. It remains Neutral.



The long term Barometer added 0.88 on Friday and gained 3.97 last week to 57.27. It remains Neutral.

Tech Talk is available free each business day at www.timingthemarket.ca

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