

Tech Talk for Saturday August 5th 2023

The Bottom Line

North American equity indices reached an intermediate peak on or about July 27th.

Thereafter, volatility increased significantly as prices moved lower. The period for increased volatility in North American equity markets has arrived. Intermediate downside risks exists between now and mid-October.

Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.Factset.com

Earnings estimates improved again last week after 84% of S&P 500 companies reported second quarter results. Consensus for the second quarter earnings currently calls for a year-over-year drop of 5.2% (versus a drop of 7.3% last week). Second quarter revenues are expected to increase 0.6% (versus a gain of 0.1% last week). Consensus for the third quarter calls for an earnings increase of 0.2%. Third quarter revenues are expected to increase 1.3% (versus a gain of 1.1% last week). Consensus for the fourth quarter calls for a 7.6% increase in earnings (versus a gain of 7.5% last week). Fourth quarter revenues are expected to increase 3.4% (versus a gain of 3.2% last week). For all of 2023, consensus calls for an earnings increase of 0.8% (versus a gain of 0.4% last week). Revenues are expected to increase 2.5% (versus a gain of 2.4% last week).

The recovery in earnings continues into 2024. Consensus for 2024 calls for a 12.2% increase in earnings (versus previous estimate at 12.6%). Consensus for revenue growth calls for a 5.1% increase (versus 5.0% last week).

Economic News This Week

Source: www.investing.com

Canadian June Merchandise Trade Balance is released at 8:30 AM EDT on Tuesday. Balance was a deficit of \$3.44 billion in May.

U.S. June Trade Balance released at 8:30 AM EDT on Tuesday is expected to be a deficit of \$65.70 billion versus a deficit of \$69.00 billion in May.

U.S. July Consumer Price Index released at 8:30 AM EDT on Thursday is expected to increase 0.2% versus a gain of 0.2% in June. Core July CPI is expected to increase 0.2% versus a gain of 0.2% in June. On a year-over-year basis, core CPI is expected to increase 4.7% versus a gain of 4.8% in June.

U.S. July Producer Price Index released at 8:30 AM EDT on Friday is expected to increase 0.2% versus a gain of 0.1% in June. Core July PPI is expected to increase 0.2% versus a gain of 0.1% in June

August Michigan Consumer Sentiment released at 10:00 AM EDT on Friday is expected to slip to 70.9 from 71.6 in July.

Selected Earnings News This Week

Source: www.investing.com

Another 34 S&P 500 companies are scheduled to report quarterly results this week (including one Dow Jones Industrial company: Disney). Another eight TSX 60 companies are scheduled to report quarterly results this week.

Monday: Berkshire Hathaway, ONEOK

Tuesday: Eli Lilly, UPS, Duke, Restaurant Brands International, Sun Life, Franco-Nevada, Take Two, Fox.

Wednesday: Walt Disney, NetEase, ManuLife, Brookfield Asset Management.

Thursday: Alibaba, Wheaton Precious Metals, Ralph Lauren, Canada Goose

Friday: Constellation Software.

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 4th 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	2
TSX	Neutral	Dec. 12	Neutral	Neutral	Below	Down	-2	0
DJIA	Neutral	Sept.20	Up	Positive	Below	Down	2	4
COMPQ	Neutral	Oct.10	Up	Neutral	Below	Down	0	4
TRAN	Neutral	Aug.27	Up	Positive	Above	Down	4	6
AORD	Positive	Nov.10	Up	Positive	Above	Down	4	4
NIKK	Neutral	Nov.8	Down	Neutral	Below	Down	-4	-2
IEV	Neutral	Dec.9	Up	Negative	Below	Down	-2	2
SSEC	Neutral	Sept.26	Up	Positive	Above	Up	6	4
EEM	Neutral	Nov.29	Up	Neutral	Below	Down	0	6

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 4th 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	Down	4	6
Gasoline	Neutral	Mar.30	Up	Negative	Below	Down	-2	6
Crude Oil	Neutral	Jan.20	Up	Positive	Above	Up	6	6
Natural Gas	Neutral	April 1	Down	Neutral	Below	Down	-4	0
S&P Energy	Neutral	Mar.23	Up	Positive	Above	Up	6	2
Oil Services	Neutral	Dec.28	Up	Positive	Above	Down	4	4
Gold	Neutral	Dec. 23	Neutral	Neutral	Above	Down	0	2
Silver	Neutral	Nov.29	Neutral	Negative	Below	Down	-4	0
Gold Bug	Positive	Sept.3	Neutral	Negative	Below	Down	-4	-4
Platinum	Neutral	Dec.9	Down	Negative	Below	Down	-6	-6
Palladium	Neutral	Nov.26	Down	Neutral	Below	Up	-2	-6
Copper	Neutral	Nov.22	Up	Positive	Above	Down	4	0
Agriculture	Neutral	Oct.9	Up	Positive	Above	Down	4	4

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for August 4th 2023

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

Green: Increase from previous day

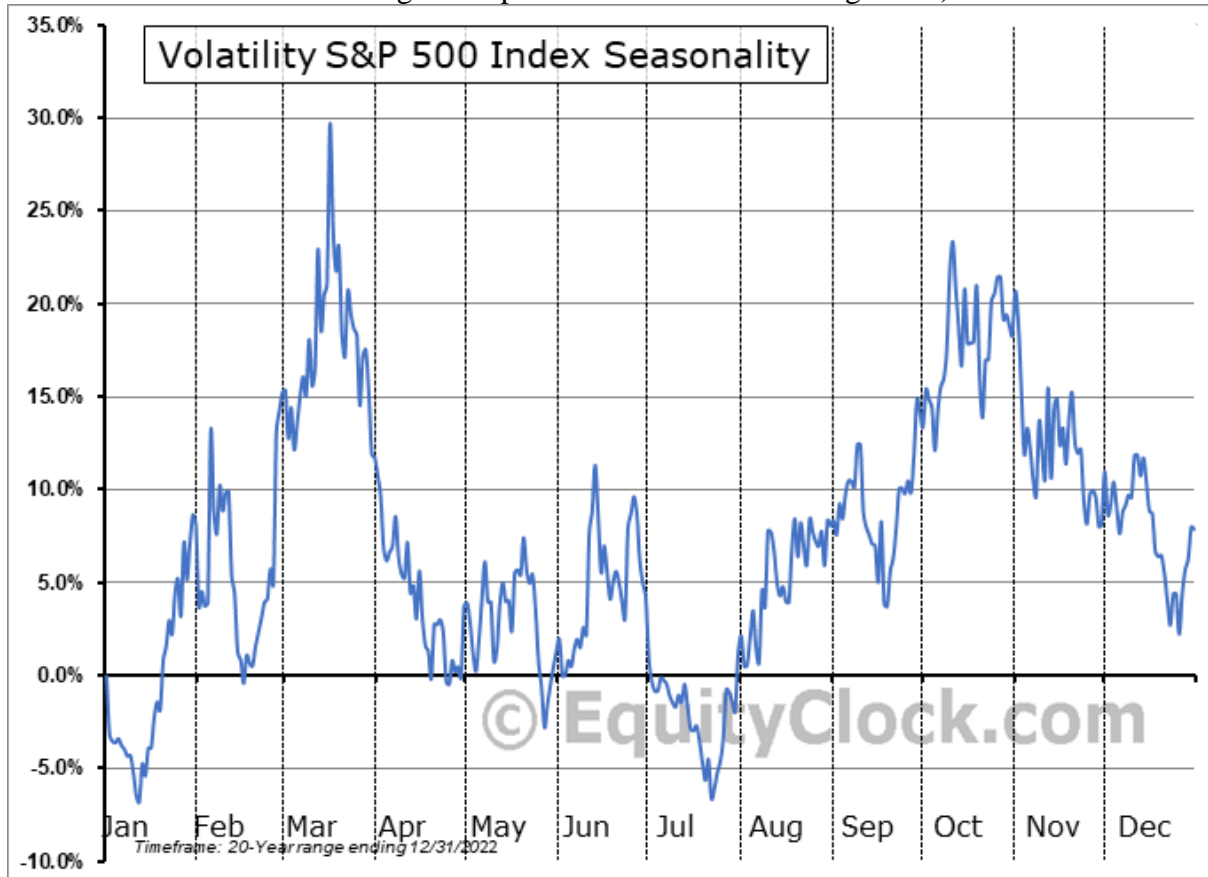
Red: Decrease from previous day

Chart of the Day

The VIX Index (a measure of implied volatility for S&P 500 stocks) spiked higher this week.



'Tis the season for volatility to spike higher between late July and early October (Particularly when the S&P 500 is Overbought and price momentum is trending down).



Technical Notes for Friday

Solar ETF \$TAN moved below \$62.97 extending an intermediate downtrend.



Amazon.com \$AMZN a NASDAQ 100 stock moved above \$136.65 extending an intermediate uptrend. The company reported higher than consensus second quarter results.



Apple \$AAPL a Dow Jones Industrial Average stock moved below \$191.23 and \$186.60 setting an intermediate downtrend.



CSX \$CSX a NASDAQ 100 stock moved below \$31.83 completing a double top pattern.



Southern Companies \$SO an S&P 100 stock moved below \$68.59 extending an intermediate downtrend.



Electronic Arts \$EA a NASDAQ 100 stock moved below intermediate support at \$122.75.



Monster Beverage \$MNST a NASDAQ 100 stock moved below \$55.28 extending an intermediate downtrend.



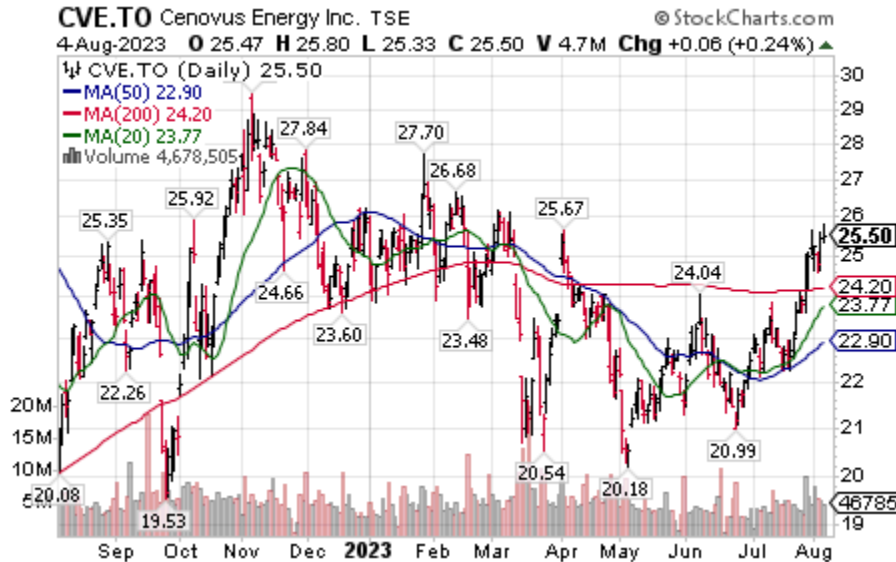
Open Text \$OTEX a TSX 60 stock moved below Cdn\$52.35 and US\$39.54 completing a double top pattern.



CCL Industries \$CCL.B.TO a TSX stock moved below \$60.89 extending an intermediate downtrend.



Cenovus Energy \$CVE.TO a TSX 60 stock moved above Cdn\$25.67 extending an intermediate uptrend. The stock responded to higher Western Canadian crude oil prices.



S&P 500 Momentum Barometers



The intermediate term Barometer dropped 4.40 on Friday and 19.40 last week to 61.80. It remains Overbought. Daily trend is down.



The long term Barometer dropped 3.40 on Friday and 9.20 last week to 63.80. It remains Overbought. Daily trend is down.

TSX Momentum Barometers



The intermediate term Barometer added 5.96 on Friday, but dropped 7.20 last week to 58.15. It changed from Overbought to Neutral on a drop below 60.00. Daily trend is down.



The long term Barometer added 2.43 on Friday, but dropped 9.42 last week to 53.30. It changed from Overbought to Neutral on a drop below 60.00. Daily trend is down.

Disclaimer: Seasonality ratings and technical ratings offered in this report and at 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