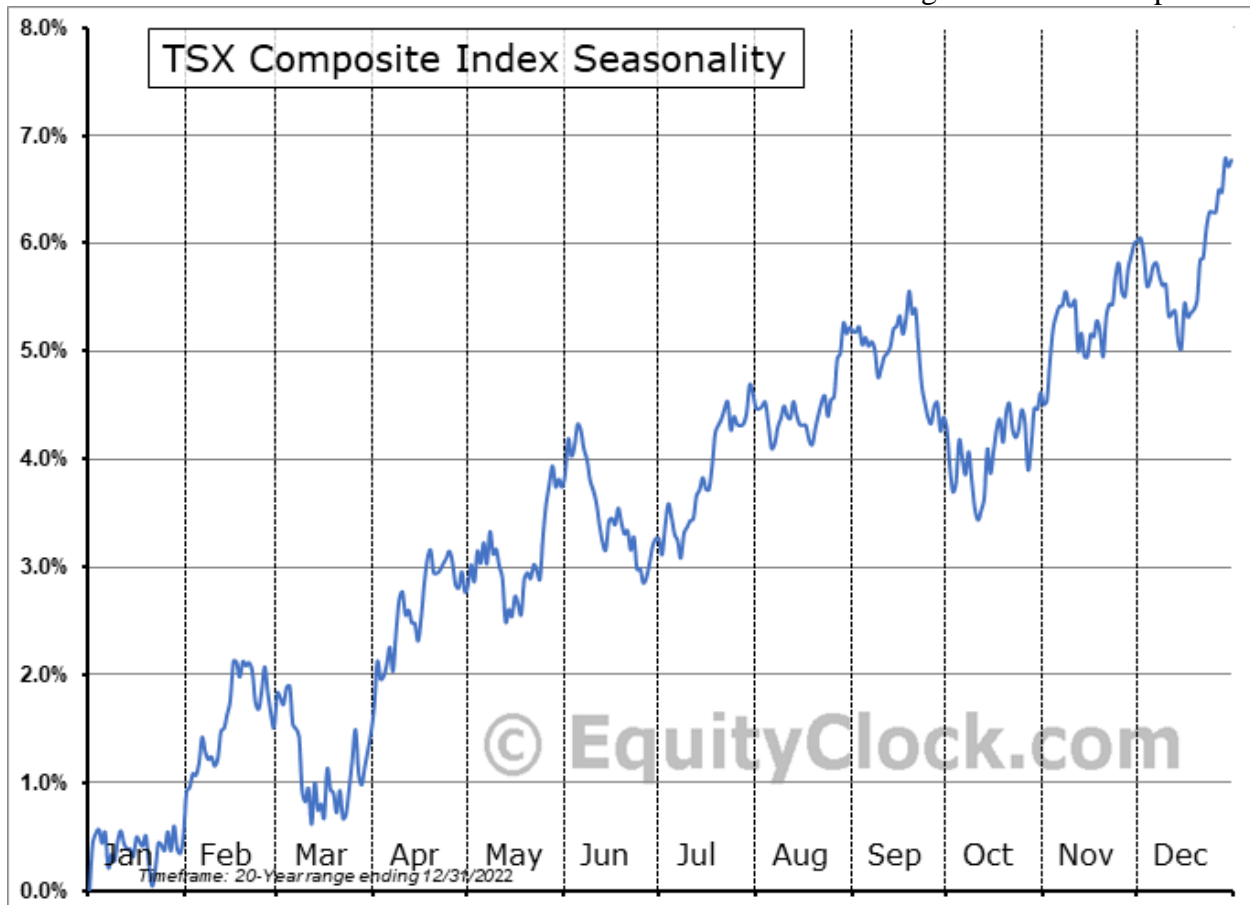


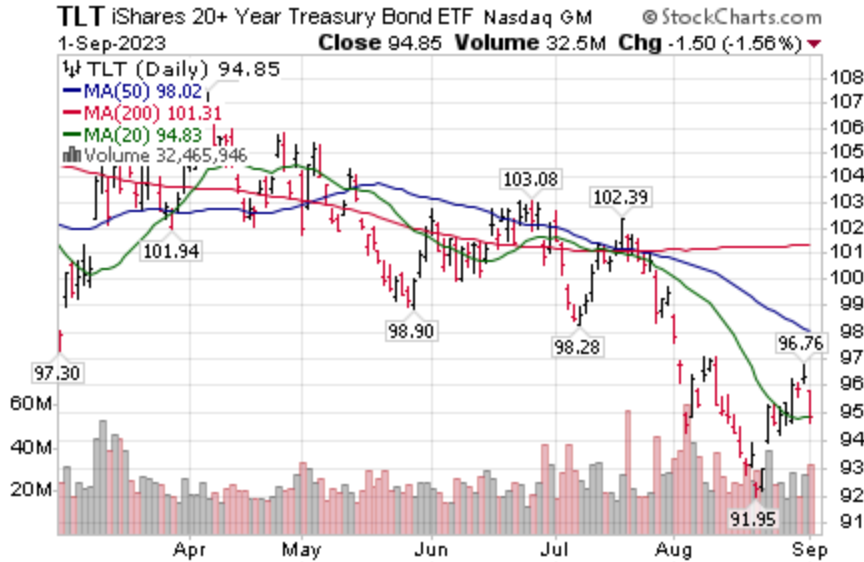
# Tech Talk for Saturday September 2<sup>nd</sup> 2023

## The Bottom Line

**A word of caution!** North American equity indices have a history of reaching a short term peak near the middle of September followed by the weakest period in the year to the second week in October. Charts on the S&P 500 Index and Dow Jones Industrial Average show a similar pattern.



The spike in long term bond yields and drop in price for long term Treasuries on Friday was a reminder that the Federal Reserve intends to maintain high interest rates at current or higher levels into Fall. Focus increasingly is on news from the next FOMC meeting released on September 20<sup>th</sup>.



Increasing long term interest rates on Friday prompted the U.S. Dollar Index to close at 104.19, the highest close since March 9<sup>th</sup>



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

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

**Second quarter results came in slightly better than consensus.** Earnings dropped 4.1% on a year-over-year basis (versus consensus in our last report on August 8<sup>th</sup> for a drop of 5.2%). Revenues increased 0.9% on a year-over-year basis (versus consensus on August 8<sup>th</sup> for a gain of 0.6%).

**Consensus estimates for remainder of 2023 have increased slightly since August 8<sup>th</sup>.** Consensus for the third quarter calls for an earnings increase on a year-over-year basis of 0.5% (versus previous estimated gain of 0.2%). Third quarter revenues are expected to increase 1.6% (versus previous estimate at 1.3%). Consensus for the fourth quarter calls for an 8.2% increase in

earnings (versus previous gain of 7.6%). Fourth quarter revenues are expected to increase 3.7% (versus previous gain of 3.4%). For all of 2023, consensus calls for an earnings increase of 1.2% (versus previous gain of 0.8%). Revenues are expected to increase 2.4% (versus previous gain of 2.5%).

**The recovery in earnings continues into 2024.** Consensus for 2024 calls for a 12.0% increase in earnings (versus previous estimate at 12.2%). Consensus for revenue growth calls for a 5.5% increase (versus a previous increase of 5.1%).

## Economic News This Week

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

**Focus this week is on the August Non-Manufacturing ISM PSI report on Wednesday**

**July Factory Orders** are released at 10:00 AM EDT on Tuesday

**July Canadian Trade Balance** is released at 8:30 AM EDT on Wednesday

**July U.S. Trade Deficit** released at 8:30 AM EDT on Wednesday is expected to narrow to \$65.50 billion from \$65.80 billion in June

**August Non-Manufacturing ISM PMI** released at 10:00 AM EDT on Wednesday is expected to slip to 52.6 from 52.7 in July.

**Bank of Canada interest rate decision** is released at 10:00 AM EDT on Wednesday. Overnight lending rate to major banks is expected to remain unchanged at 5.0%.

**August Canadian Employment and Unemployment Rate** is released at 8:30 AM EDT on Friday

**U.S. July Wholesale Inventories** released at 10:00 AM EDT on Friday are expected to slip 0.2% versus a decline of 0.7% in June.

## Selected Earnings News This Week

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

**Wednesday:** Couche Tard, Copart, American Eagle Outfitters

**Friday:** Kroger, 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 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 September 1<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	Up	4	2
TSX	Neutral	Dec. 12	Neutral	Neutral	Above	Up	2	0
DJIA	Neutral	Sept.20	Up	Negative	Above	Up	2	2
COMPQ	Neutral	Oct.10	Neutral	Positive	Above	Up	4	0
TRAN	Neutral	Aug.27	Up	Negative	Below	Up	0	-2
AORD	Positive	Nov.10	Up	Negative	Above	Up	2	0
NIKK	Neutral	Nov.8	Down	Neutral	Above	Up	0	-2
IEV	Neutral	Dec.9	Up	Negative	Below	Up	0	2
SSEC	Neutral	Sept.26	Down	Negative	Below	Up	-4	-6
EEM	Neutral	Nov.29	Neutral	Neutral	Above	Up	2	-2

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

Green: Increase from previous day

Red: Decrease from previous day

## Sectors

### Daily Seasonal/Technical Sector Trends for September 1<sup>st</sup> 2023

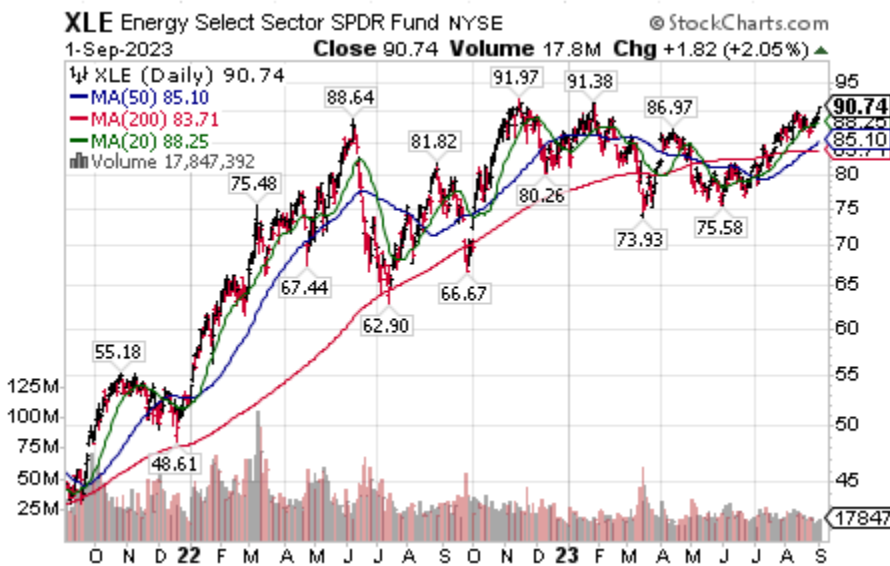
Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Score Last Week
XLK	Neutral	Apr.13	Neutral	Positive	Above	Up	4	0
XLB	Neutral	Oct.1	Up	Neutral	Above	Up	4	0
XLI	Neutral	Aug.26	Down	Negative	Above	Up	-2	-2
XLY	Positive	Jan.3	Up	Neutral	Above	Up	4	0
XLF	Positive	Nov.2	Up	Negative	Below	Up	0	0
XLE	Neutral	Mar.23	Up	Neutral	Above	Up	4	0
XLP	Neutral	Jan.6	Up	Negative	Below	Down	-2	-2
XLV	Neutral	Nov.3	Up	Neutral	Below	Down	0	2
XLU	Neutral	Feb.6	Down	Negative	Below	Down	-6	-2
XLC	Neutral	Jan.18	Up	Neutral	Above	Up	4	2
XLRE	Neutral	Dec.1	Neutral	Neutral	Above	Up	2	0
TSX Financial	Neutral	Jan. 8	Up	Negative	Above	Up	2	-2
TSX Energy	Neutral	Dec.22	Up	Positive	Above	Up	6	4
TSX Gold	Positive	Sept.3	Down	Neutral	Above	Up	0	-2
TSX Tech	Neutral	Nov.15	Up	Positive	Above	Up	6	2
TSX B Metals	Neutral	Nov. 28	Neutral	Positive	Above	Up	4	0

Green: Increase from previous day

Red: Decrease from previous day

# Technical Notes

**Energy equities and related ETFs were notably higher on Friday** extending intermediate uptrends: United States Crude Oil fund moved above \$75.36. Oil and Gas Exploration SPDRs \$XOP moved above \$150.43. Energy SPDRs \$XLE moved above \$90.00. First Trust Natural Gas ETF \$FCG moved above \$26.84. Imperial Oil \$IMO.TO moved above Cdn\$77.72 to an all-time high. ARC Resources \$ARX.TO moved above \$21.00.



**FCG First Trust Natural Gas ETF NYSE** © StockCharts.com  
 1-Sep-2023 **Close 27.10 Volume 204.9K Chg +0.58 (+2.19%) ▲**



**IMO.TO Imperial Oil Ltd. TSE** © StockCharts.com  
 1-Sep-2023 **Close 78.81 Volume 796.9K Chg +2.08 (+2.71%) ▲**



**ARX.TO ARC Resources Ltd. TSE** © StockCharts.com  
 1-Sep-2023 **O 20.80 H 21.26 L 20.78 C 21.22 V 1.9M Chg +0.61 (+2.96%) ▲**



Visa \$V a Dow Jones Industrial Average stock moved above \$248.55 to an all-time high extending an intermediate uptrend.



IBM \$IBM a Dow Jones Industrial Average stock moved above \$147.62 to an all-time high extending an intermediate uptrend.





Utilities SPDRs XLU moved below intermediate support at \$62.66 in response to higher long term interest rates.



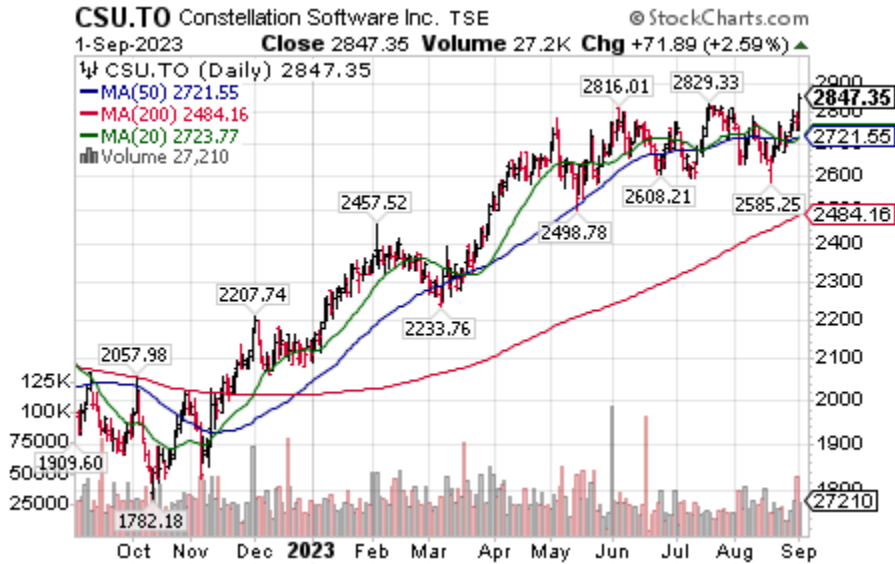
Southern Companies \$SO an S&P 100 stock and a major holding in XLU moved below \$68.81 extending an intermediate downtrend.



TSX Information/Technology iShares \$XIT.TO moved above \$47.76 extending an intermediate uptrend.



Constellation Software \$CSU.TO a TSX 60 stock and a major holding in XIT.TO moved above \$2,829.33 to an all-time high extending an intermediate uptrend.



# S&P 500 Momentum Barometers



The intermediate term Barometer added 2.80 to 47.80 on Friday and added 13.40 last week to 47.60. It changed from Oversold to Neutral on a recovery above 40.00.



The long term Barometer added 2.00 on Friday and added 7.00 last week to 59.00. It remains Neutral.

# TSX Momentum Barometers



The intermediate term Barometer added 6.61 on Friday and jumped 17.62 last week to 58.59. It remains Neutral.



The long term Barometer added 0.88 on Friday and 7.05 last week to 54.63. It remains Neutral.

Tech Talk is a free report issued each business day at [www.timingthemarket.ca](http://www.timingthemarket.ca)

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