

Tech Talk for Saturday October 14th 2023

The Bottom Line

Third quarter report season is “off to a good start”. Reports released to date generally have recorded higher than consensus results (notably by the U.S. money center banks). Analysts were prompted to raise estimates. Revenue and earnings gains on a year-over-year basis are projected to accelerate in the fourth quarter. The stage is set for a recovery in North American equity markets until at least the beginning of 2024.

Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.FactSet.com

Consensus earnings estimates for the third quarter of 2023 **increased** slightly last week. Consensus for the third quarter on a year-over-year basis is an earnings increase of 0.4% (versus previous **decrease** of 0.3%). Third quarter revenues are expected to increase 1.9% (versus previous increase of 1.7%). Fourth quarter earnings are expected to increase 7.6% (versus previous increase of 7.8%) Fourth quarter revenues are expected to increase 4.0% (versus previous increase of 3.9%). For all of 2023, consensus calls for an earnings increase of 0.9%. Revenues are expected to increase 2.4%.

The recovery continues into 2024, but at a slightly lower rate. Consensus for the first quarter on a year-over-year basis calls for an earnings increase of 8.1 % (versus previous increase of 8.2%. and a revenue increase of 4.7% (versus previous increase of 4.6%). Consensus for the second quarter calls for an 11.7% earnings increase (versus a previous increase of 11.8%) and a 5.4% revenue increase (versus a previous increase of 5.5%). Consensus for all of 2024 is an increase in earnings of 12.2% and a 5.6% increase in revenues (versus a previous increase of 5.5% last week).

Economic News This Week

Source: www.Investing.com

October Empire State Manufacturing Survey released at 8:30 AM EDT is expected to decline 1.50 versus a gain of 1.90 in September.

September Retail Sales released at 8:30 AM EDT on Tuesday are expected to increase 0.2% versus a gain of 0.6% in August. Excluding auto sales, September Retail Sales are expected to increase 0.1% versus a gain of 0.6% in August.

September Canadian Consumer Price Index is released at 8:30 AM EDT on Tuesday.

September U.S. Capacity Utilization released at 9:15 AM EDT on Tuesday is expected to slip from 79.7% to 79.6% **September Industrial Production** is expected to increase 0.1% versus a gain of 0.4% in August.

August U.S. Business Inventories released at 10:00 AM EDT on Tuesday are expected to increase 0.3% versus unchanged in July.

September Housing Starts released at 8:30 AM EDT on Wednesday are expected to increase to 1.404 million units from 1.283 million units in August.

October Philly Fed Index released at 8:30 AM EDT on Thursday is expected to decline 6.8 versus a decline of 13.5 in September.

September U.S. Existing Home Sales released at 10:00 AM EDT on Thursday are expected to drop to 3.94 million units from 4.04 million units in August.

September Leading Economic Indicators released at 10:00 AM EDT on Thursday are expected to drop 0.3% versus a drop of 0.4% in August.

Canadian August Retail Sales are released at 8:30 AM EDT on Friday.

Selected Earnings News This Week

Source: www.investing.com

Six percent of S&P 500 companies have reported quarterly results to date. Another 55 companies are scheduled to report this week. No TSX 60 companies are scheduled to report.

Monday: Rio Tinto, Charles Schwab

Tuesday: Johnson & Johnson, Bank of America, Lockheed Martin, Goldman Sachs, Prologis, Bank of New York Mellon, JB Hunt, United Airlines

Wednesday: Tesla, Procter & Gamble, ASML, Netflix, Abbot Labs, Morgan Stanley, Lam Research, US Bancorp, Kinder Morgan, Travelers, M&T Bank, State Street, Northern Trust, Alcoa

Thursday: Taiwan Semiconductor, Philip Morris, AT&T, Intuitive Surgical, CSX, Freeport McMoran, Fifth Third Bancorp, American Airlines, AutoNation

Friday: American Express, Schlumberger

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

For example, TSX has a score of -4:

Intermediate Trend	Down	-2
Relative Strength	Negative	-2
Above/Below 20 day MA	Below	-1
Daily Momentum	Up	+1

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for Oct.13th 2023

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day Momentum MA	Tech Score	Score Last Week
SPX	Neutral	Oct.28	Down	Neutral	Above Up	0	-2
TSX	Neutral	Dec. 12	Down	Negative	Below Up	-4	-4
DJIA	Positive	Nov.17	Down	Negative	Below Up	-4	-2
COMPQ	Positive	Jan.5	Down	Positive	Above Up	2	2
IYT	Positive	Dec.8	Up	Negative	Below Down	-2	2
AORD	Positive	Nov.10	Down	Neutral	Above Up	0	-2
NIKK	Neutral	Nov.8	Down	Neutral	Above Up	0	-4
IEV	Neutral	Dec.9	Down	Neutral	Below Up	-2	-2
FXI	Positive	Jan.12	Down	Neutral	Above Up	0	-2
EEM	Neutral	Nov.29	Down	Neutral	Below Up	-2	-2

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 October 13th 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	Neutral	Above	Up	4	-2
Gasoline	Neutral	Mar.30	Down	Negative	Below	Up	-6	-6
Crude Oil	Neutral	Jan.20	Up	Neutral	Below	Up	2	-2
Natural Gas	Neutral	April 1	Up	Positive	Above	Down	4	6
S&P Energy	Neutral	Mar.23	Neutral	Neutral	Above	Up	2	-4
Oil Services	Neutral	Dec.28	Neutral	Neutral	Above	Up	2	-4
Gold	Neutral	Dec. 23	Down	Positive	Above	Up	2	-6
Silver	Neutral	Nov.29	Down	Neutral	Above	Up	0	-6
Gold Bug	Neutral	Dec.15	Down	Positive	Above	Up	2	-4
Platinum	Neutral	Dec.9	Down	Negative	Below	Up	-4	-4
Palladium	Neutral	Nov.26	Down	Negative	Below	Up	-4	-6
Copper	Neutral	Nov.22	Neutral	Negative	Below	Down	-4	-2
Agriculture	Positive	Feb.8	Down	Negative	Below	Down	-6	-6

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for October 13th 2023

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Score Last Week
XLK	Neutral	Apr.13	Down	Positive	Above	Up	2	2
XLB	Positive	Jan.1	Down	Negative	Below	Up	-4	-2
XLI	Positive	Dec.11	Down	Neutral	Below	Up	-2	-4
XLY	Positive	Jan.3	Down	Negative	Below	Down	-6	-4
XLF	Positive	Nov.2	Down	Negative	Below	Up	-4	-4
XLE	Neutral	Mar.23	Neutral	Neutral	Below	Up	0	-4
XLP	Neutral	Jan.6	Down	Negative	Below	Up	-4	-6
XLV	Neutral	Nov.3	Down	Neutral	Above	Up	0	0
XLU	Neutral	Feb.6	Down	Negative	Below	Up	-4	-6
XLC	Neutral	Jan.18	Up	Positive	Above	Down	4	6
XLRE	Neutral	Dec.1	Down	Neutral	Above	Up	0	-6
TSX Financial	Neutral	Jan. 8	Down	Negative	Below	Up	-4	-4
TSX Energy	Neutral	Dec.22	Neutral	Neutral	Above	Up	2	-2
TSX Gold	Neutral	June 14	Down	Positive	Above	Up	2	-4
TSX Tech	Neutral	Nov.15	Neutral	Negative	Below	Up	-2	0
TSX B Metals	Neutral	Nov. 28	Down	Negative	Below	Down	-6	-4

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Technical Notes

JP Morgan \$JPM a Dow Jones Industrial Average stock moved above intermediate resistance at \$149.15. The stock responded to a better than consensus third quarter report.



Regeneron \$REGN a NASDAQ 100 stock moved above \$847.50 to an all-time high extending an intermediate uptrend.



Gilead \$GILD a NASDAQ 100 stock moved above \$77.73 completing a double bottom pattern.



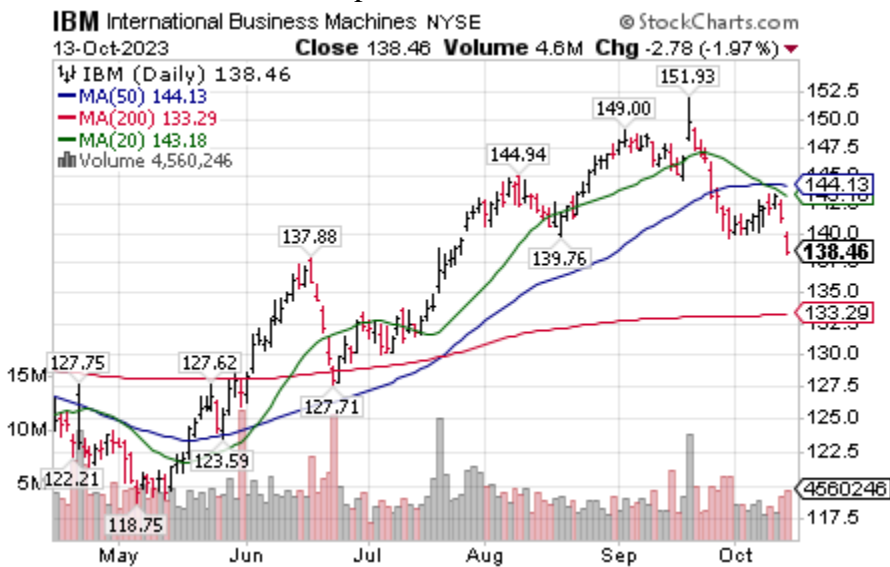
Allstate \$ALL an S&P 100 stock moved above \$116.12 extending an intermediate uptrend.



ConocoPhillips an S&P 100 stock moved above \$125.40 extending an intermediate uptrend.



IBM a Dow Jones Industrial Average stock moved below \$139.76 and \$139.61 completing a short term Head & Shoulders pattern.



FedEx \$FDX an S&P 100 stock moved below \$246.05 completing a double top pattern.



eBay \$EBAY a NASDAQ 100 stock moved below \$41.99 and \$41.78 setting an intermediate downtrend.



S&P 500 Momentum Barometers



The intermediate term Barometer dropped 1.20 on Friday, but added 8.80 last week to 26.20. It remains Oversold. A bottom was reached a week ago at 8.60.



The long term Barometer dropped 1.00 on Friday, but added 1.00 last week to 39.40. It remains Oversold. Early signs of a bottom have appeared.

TSX Momentum Barometers



The intermediate term Barometer added 4.41 on Friday and gained 16.22 last week to 34.36. It remains Oversold. The bottom was reached a week ago at 11.89.



The long term Barometer slipped 0.88 on Friday, but added 1.61 last week to 35.24. It remains Oversold. The bottom likely was reached a week ago at 28.19.

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