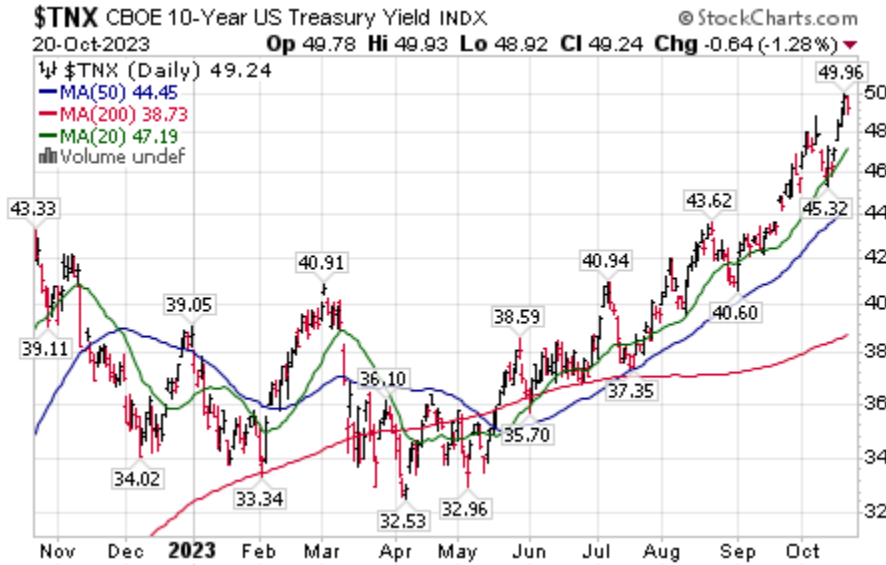


# Tech Talk for Saturday October 21<sup>st</sup> 2023

## The Bottom Line

**Brutal equity markets around the world last week!** Equity markets responded primarily to rising U.S. long term interest rates. Not surprising, the CNN Fear/Greed Index dropped to 26, a level that borders on the Extreme Fear level. See <https://www.cnn.com/markets/fear-and-greed>

### Focus was on an increase in the yield of 10 year Treasuries and their related ETF: TBT



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

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

Consensus earnings estimates for the third quarter of 2023 decreased last week. Consensus for the third quarter on a year-over-year basis is an earnings **decrease of 0.4% (versus a previous increase of 0.4%)**. Third quarter revenues are expected to increase 1.8% (versus previous increase of 1.9%). Fourth quarter earnings are expected to increase 6.7% (versus previous increase of 7.6%) Fourth quarter revenues are expected to increase 3.9% (versus previous increase of 4.0%). For all of 2023, consensus calls for an earnings increase of 0.7% (versus previous 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 8.0 % (versus previous increase of 8.1%. and a revenue increase of 4.6% (versus previous increase of 4.7%). Consensus for the second quarter calls for an 11.7% earnings increase and a 5.3% revenue increase (versus a previous increase of 5.4%). 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](http://www.Investing.com)

**September U.S. New Home Sales** released at 10:00 AM EDT on Wednesday are expected to drop to 679,000 from 675,000 in August.

**Bank of Canada offers a policy statement** at 10:00 AM EDT on Wednesday. Press conference is offered at 11:00 AM EDT. Consensus calls for no change in the Overnight Rate at 5.0%, but with warnings that another increase is possible if economic conditions remain strong.

**Federal Reserve Chairman Powell** is scheduled to comment at 4:35 PM EDT on Wednesday at a previously scheduled speech.

**September Durable Goods Orders** released at 8:30 AM EDT on Thursday are expected to increase 0.6% versus a 0.4% increase in August.

**First estimate of U.S. Third Quarter Real GDP** released at 8:30 AM EDT on Thursday is expected to record annualized growth at 4.1% rate versus a 2.1% rate in the second quarter.

**September PCE Price Index** released at 8:30 AM EDT on Friday is expected to increase 0.3% versus a gain of 0.4% in August. Excluding food and energy, September PCE Price Index is expected to increase 0.3% versus a gain of 0.1% in August. **This data point is the most important “market moving” event this week**

**September Personal Income** released a 10:00 AM EDT on Friday is expected to increase 0.4% versus a gain of 0.4% in August.

**October Michigan Consumer Sentiment** released at 10:00 AM EDT on Friday is expected to drop to 63.0 from 68.1 in September.

## Selected Earnings News This Week

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

Seventeen percent of S&P 500 companies have reported quarterly results to date. Another 160 companies are scheduled to report this week (including 12 Dow Jones Industrial Average companies). First Quantum Minerals, Agnico-Eagle, Canadian National Railway, Fortis, Shopify and Imperial Oil are the first TSX 60 companies to report.

**Monday:** Nil

**Tuesday:** Microsoft, Alphabet, Coca Cola, Danaher, Texas Instruments, General Electric, Verizon, Chubb, Illinois Toolworks, Waste Management, MMM, General Motors, Archer Daniels Midland, Halliburton, Nucor, Dow, First Quantum Minerals,

**Wednesday:** Meta Platform, T-Mobile, IBM, Boeing, General Dynamics, KLA Inc., Southern Copper, Norfolk Southern, Agnico-Eagle, Whirlpool, Celestica.

**Thursday:** Amazon, MasterCard, Merck, Linde, Comcast, Intel, United Parcel Services, Caterpillar, Honeywell, Bristol-Myers Squibb, Altria, Northrop, VALE, Ford, Hershey, Capital One Financial, DexCom, Newmont Mining, Hasbro, US Steel

**Friday:** ExxonMobil, Chevron, AbbVie, Imperial Oil, Colgate, Fortis

## 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	Neutral	0
Above/Below 20 day MA	Below	-1
Daily Momentum	Down	-1

## Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for Oct.20<sup>th</sup> 2023

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momentum	Tech Score	Score Last Week
SPX	Neutral	Oct.28	Down	Neutral	Below	Down	-4	0
TSX	Neutral	Dec. 12	Down	Neutral	Below	Down	-4	-4
DJIA	Positive	Nov.17	Down	Neutral	Below	Down	-4	-4
COMPQ	Positive	Jan.5	Down	Neutral	Below	Down	-4	2
IYT	Positive	Dec.8	Down	Negative	Below	Down	-6	-2
AORD	Positive	Nov.10	Down	Neutral	Below	Down	-4	0
NIKK	Neutral	Nov.8	Down	Neutral	Below	Down	-4	0
IEV	Neutral	Dec.9	Down	Neutral	Below	Down	-4	-2
FXI	Positive	Jan.12	Down	Negative	Below	Down	-6	0
EEM	Neutral	Nov.29	Down	Negative	Below	Down	-6	-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 October 20<sup>th</sup> 2023

Unit	Seasonal	Until	Trend	Strength Strength 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	Down	Neutral	Above	Up	0	-6
Crude Oil	Neutral	Jan.20	Up	Neutral	Above	Up	4	2
Natural Gas	Neutral	April 1	Up	Neutral	Below	Down	0	4
S&P Energy	Neutral	Mar.23	Neutral	Neutral	Above	Up	2	2
Oil Services	Neutral	Dec.28	Neutral	Neutral	Below	Down	-2	2
Gold	Neutral	Dec. 23	Down	Positive	Above	Up	2	2
Silver	Neutral	Nov.29	Down	Positive	Above	Up	2	0
Gold Bug	Neutral	Dec.15	Neutral	Positive	Above	Up	4	2
Platinum	Neutral	Dec.9	Down	Neutral	Above	Up	0	-4
Palladium	Neutral	Nov.26	Down	Negative	Below	Down	-6	-4
Copper	Neutral	Nov.22	Down	Neutral	Below	Down	-4	-4
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 20<sup>th</sup> 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	Below	Down	-2	2
XLB	Positive	Jan.1	Down	Negative	Below	Down	-6	-4
XLI	Positive	Dec.11	Down	Negative	Below	Down	-6	-2
XLY	Positive	Jan.3	Down	Negative	Below	Down	-6	-6
XLF	Positive	Nov.2	Down	Negative	Below	Down	-6	-4
XLE	Neutral	Mar.23	Neutral	Positive	Above	Down	2	0
XLP	Neutral	Jan.6	Down	Neutral	Below	Down	-4	-4
XLV	Neutral	Nov.3	Down	Neutral	Below	Down	-4	0
XLU	Neutral	Feb.6	Down	Neutral	Below	Down	-4	-4
XLC	Neutral	Jan.18	Up	Positive	Below	Down	2	4
XLRE	Neutral	Dec.1	Down	Negative	Below	Down	-6	0
TSX Financial	Neutral	Jan. 8	Down	Negative	Below	Down	-6	-4
TSX Energy	Neutral	Dec.22	Up	Positive	Above	Up	6	2
TSX Gold	Neutral	June 14	Neutral	Positive	Above	Up	4	2
TSX Tech	Neutral	Nov.15	Neutral	Neutral	Below	Down	-2	-2
TSX B Metals	Neutral	Nov. 28	Down	Negative	Below	Down	-6	-6

Green: Increase from previous day

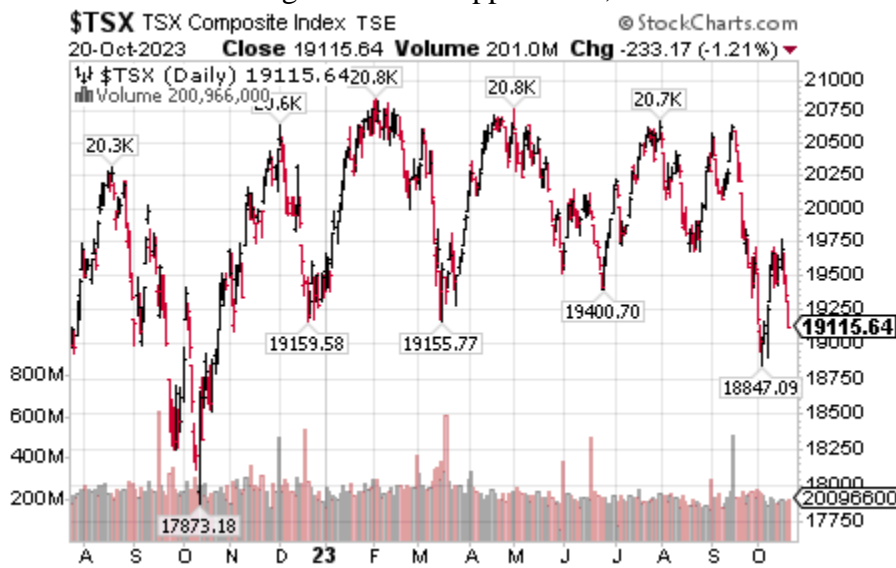
Red: Decrease from previous day

# Technical Notes

On Friday, the S&P 500 Index at 4,216.45 closed just below its 200 day moving average at 4,233.14 and just above the top of a previous trading range at 4,195.44. Will it hold?



The TSX Index is testing short term support at 18,847.09. Will it hold?



# S&P 500 Momentum Barometers



The intermediate term Barometer dropped 10.80 last week to 15.40. The Barometer is deeply Oversold. It currently is testing its intermediate low set on October 5<sup>th</sup> at 8.60.



The long term Barometer dropped 6.60 last week to 32.80, a 12 month low. It remains Oversold, but its daily trend remains downward.

# TSX Momentum Barometers



The intermediate term Barometer dropped 6.17 last week to 28.19. It remains Oversold. The Barometer's October 5<sup>th</sup> low at 11.89 is being tested.



The long term Barometer dropped 4.84 last week to 30.40. It remains Oversold. The October 5<sup>th</sup> low at 28.19 is being tested.

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

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