

# Tech Talk for Saturday November 4<sup>th</sup> 2023

## The Bottom Line

**The strongest period of seasonal strength in the year for North American equity indices from October 27<sup>th</sup> to January 5<sup>th</sup> “started with a bang” last week.** The S&P 500 Index jumped % and the TSX Composite Index advanced %. Trigger for the advance was news that the Federal Reserve held the Fed Fund Rate unchanged at 5.25%-5.50% and has no plans to increase the Rate any time soon. Added to the news was release of better than consensus quarterly earnings reports: According to [www.Factset.com](http://www.Factset.com) Eighty two percent of reporting S&P 500 companies released higher than consensus quarterly earnings.

## 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 increased again last week.**

Updated consensus for the third quarter on a year-over-year basis is an earnings increase of 3.7% (versus a previous increase of 2.7%). Third quarter revenues are expected to increase 2.3% (versus previous increase of 3.8%).

**Estimates beyond the third quarter were lowered again.** Fourth quarter earnings are expected to increase 3.9% (versus previous increase of 5.3%). Fourth quarter revenues are expected to increase 3.5% (versus previous increase of 3.8%). For all of 2023, consensus calls for an earnings increase of 0.6% (versus previous increase of 0.9%). Revenues are expected to increase 2.4%.

**The recovery continues into 2024, but at a declining rate from last week.** Consensus for the first quarter on a year-over-year basis calls for an earnings increase of 7.1 % (versus previous increase of 7.6%) and a revenue increase of 4.4% (versus previous increase of 4.5%). Consensus for the second quarter calls for a 10.8% earnings increase (versus previous increase of 11.2%) and a 5.1% increase in revenues (versus previous 5.3%). Consensus for all of 2024 is an increase in earnings of 11.9% and a 5.5% increase in revenues.

**Bottom up target for the S&P 500 Index set by analysts for the next 12 months is 5,051.85.**

## Economic News This Week

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

**September U.S. Trade** released at 8:30 AM EDT on Tuesday is expected to be a deficit of \$60.30 billion versus a deficit of \$58.30 billion in August.

**September Canadian Trade** is released at 8:30 AM EDT on Tuesday. A surplus of \$720 million was reported in August.

**September Wholesale Inventories** released at 10:00 AM EDT on Wednesday is expected to be unchanged versus a decline of 0.1% in August

**November Michigan Consumer Sentiment** released at 10:00 AM EDT on Friday is expected to increase to 65.0 from 63.8 in October.

## Selected Earnings News This Week

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

Eight one percent of S&P 500 companies have reported quarterly results to date. Another 55 S&P 500 companies are scheduled to release quarterly results this week (Including one Dow Jones Industrial Average company: Disney). Another seven TSX 60 companies are scheduled.

**Monday:** Berkshire Hathaway, Brookfield Asset Management

**Tuesday:** Gilead, Uber, Air Products, Occidental Petroleum, DR Horton, Devon Energy, eBay, Mosaic

**Wednesday:** Walt Disney, Suncor, TC Energy, Biogen, Manulife Financial, Franco-Nevada, CGI Group, Wynn

**Thursday:** Johnson Controls, CAE, Krispy Kreme, Wheaton Precious Metals, Lions Gate

**Friday:** Onex

## 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.

### Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for Nov.3<sup>rd</sup> 2023

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momentum	Tech Score	Score Last Week
SPX	Positive	Jan.18	Down	Neutral	Above	Up	0	-4
TSX	Neutral	Dec.12	Neutral	Neutral	Above	Up	2	-4
DJIA	Positive	Nov.17	Down	Neutral	Above	Up	0	-2
COMPQ	Positive	Jan.5	Down	Neutral	Above	Up	0	-6
IYT	Positive	Dec.8	Down	Negative	Above	Up	-2	-6
AORD	Positive	Nov.10	Down	Neutral	Above	Up	0	-2
NIKK	Neutral	Nov.8	Down	Neutral	Above	Up	0	-2
IEV	Neutral	Dec.9	Down	Neutral	Above	Up	0	-4
FXI	Positive	Jan.12	Down	Neutral	Above	Up	0	0
EEM	Neutral	Nov.29	Down	Neutral	Above	Up	0	-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 Nov.3<sup>rd</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	Neutral	Below	Down	0	6
Gasoline	Neutral	Mar.30	Down	Negative	Below	Down	-6	-4
Crude Oil	Neutral	Jan.20	Down	Negative	Below	Down	-6	0
Natural Gas	Neutral	April 1	Up	Positive	Above	Up	6	6
S&P Energy	Neutral	Mar.23	Down	Negative	Below	Up	-4	-2
Oil Services	Neutral	Dec.28	Down	Negative	Below	Up	-4	-4
Gold	Neutral	Dec. 23	Neutral	Neutral	Above	Down	0	4
Silver	Neutral	Nov.29	Down	Neutral	Above	Down	-2	0
Gold Bug	Neutral	Dec.15	Neutral	Neutral	Above	Up	2	2
Platinum	Neutral	Dec.9	Down	Positive	Above	Up	2	2
Palladium	Neutral	Nov.26	Down	Neutral	Below	Up	-2	-2
Copper	Neutral	Nov.22	Down	Neutral	Above	Up	0	2
Agriculture	Positive	Feb.8	Down	Negative	Above	Up	-2	-6

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## Sectors

### Daily Seasonal/Technical Sector Trends for November 3<sup>rd</sup> 2023

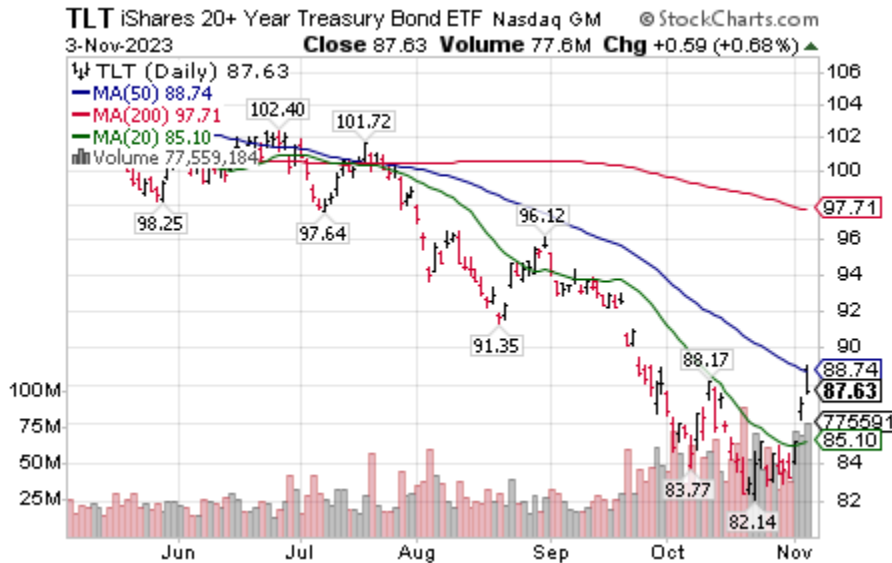
Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Score Last Week
XLK	Neutral	Apr.13	Down	Positive	Above	Up	2	-4
XLB	Positive	Jan.1	Down	Neutral	Above	Up	0	-4
XLI	Positive	Dec.11	Down	Neutral	Above	Up	0	-4
XLY	Positive	Jan.3	Down	Neutral	Above	Up	0	-6
XLF	Neutral	July 7	Down	Positive	Above	Up	2	-4
XLE	Neutral	Mar.23	Down	Negative	Below	Up	-4	-2
XLP	Neutral	Jan.6	Up	Neutral	Above	Up	4	-2
XLV	Positive	Jan. 27	Down	Negative	Below	Up	-4	-4
XLU	Neutral	Feb.6	Down	Positive	Above	Up	2	-6
XLC	Neutral	Jan.18	Down	Negative	Above	Up	-2	-2
XLRE	Neutral	Dec.1	Neutral	Positive	Above	Up	4	-2
TSX Financial	Neutral	Jan. 8	Down	Neutral	Above	Up	0	-4
TSX Energy	Neutral	Dec.22	Up	Neutral	Above	Up	4	0
TSX Gold	Neutral	June 14	Neutral	Neutral	Above	Up	2	2
TSX Tech	Neutral	Nov.15	Down	Positive	Above	Up	2	-6
TSX B Metals	Neutral	Nov. 28	Down	Negative	Below	Up	-4	-4

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# Technical Notes for Friday

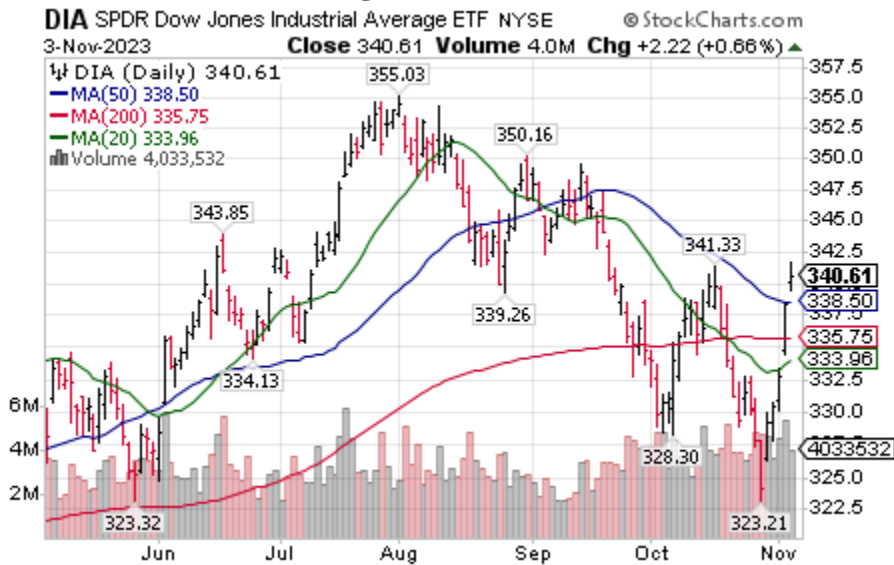
**Long term U.S. Treasury Bond iShares \$TLT moved above intermediate resistance at \$88.17**



**U.S. Dollar ETN \$UUP moved below intermediate support at \$29.61.**



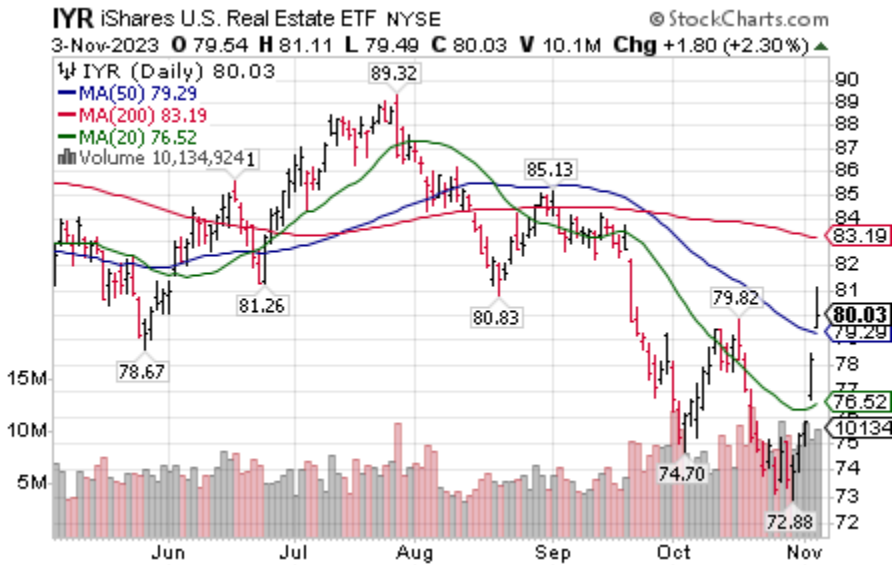
**Dow Jones Industrial Average SPDRs \$DIA moved above intermediate resistance at \$341.33.**



**Eurozone iShares \$EZU moved above intermediate resistance at \$42.78**

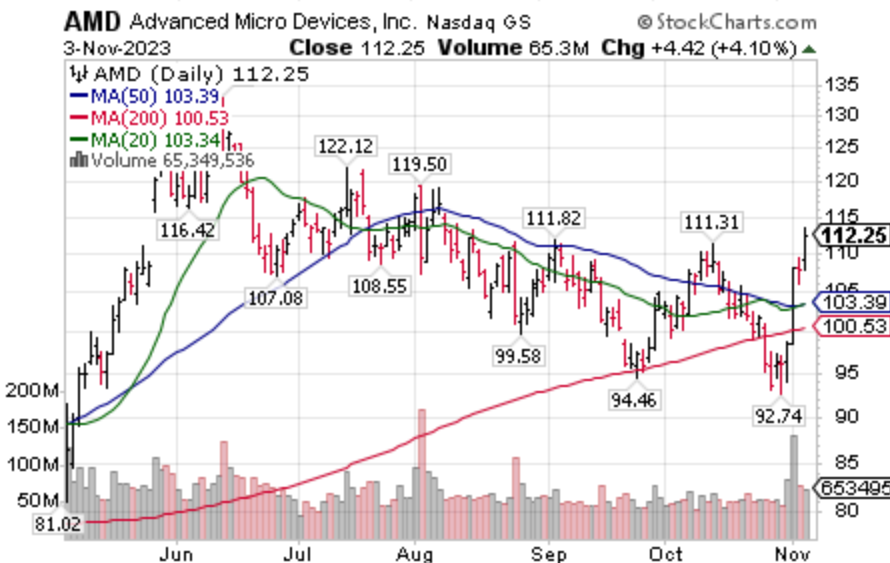


**US Real Estate iShares \$IYR** moved above intermediate resistance at \$79.82. Responded to lower interest rates



**S&P 100 and NASDAQ 100 stocks** breaking above intermediate resistance included Target \$TGT on a move above \$113.19, Dollar Tree on a move above \$115.89, Bank of America on a move above \$28.04, Honeywell on a move above \$188.29, Advanced Micro Devices on a move above \$111.21, Accenture on a move above \$414.75 and NetEase on a move above \$110.24.





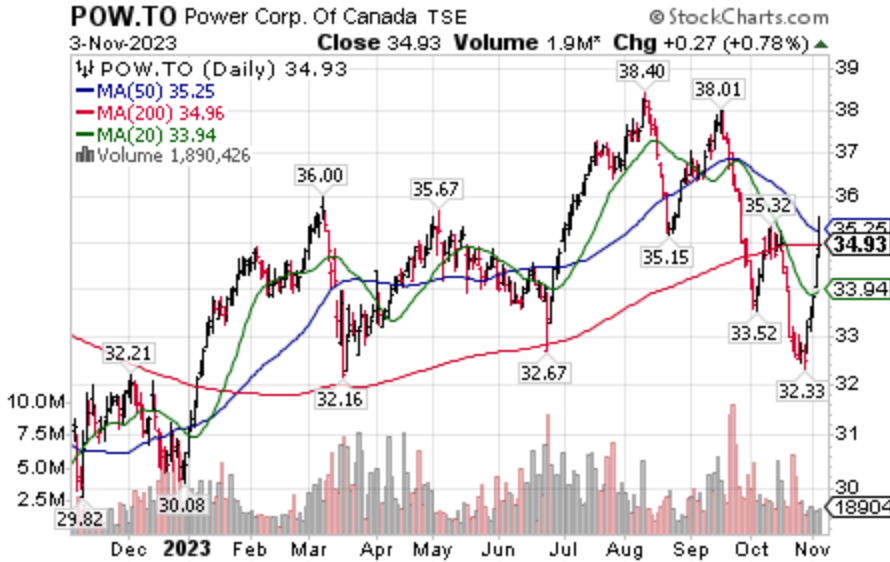
**TSX Cap REIT iShares \$XRE.TO** moved above intermediate resistance at \$15.17. Responding to lower interest rates!



**TSX 60 stocks** breaking above intermediate resistance included Magna International, Pembina Pipelines, Brookfield, Fortis, Gildan Activewear, Kinross Gold, Metro, Power Corp and Telus.







# Technical Chart of the Day

**Lower U.S. interest rates prompted strength in XLRE.** Technical score increased from 0 to 4  
 Intermediate trend changed from Down to Neutral on a move above \$34.97 Score: -2 to 0  
 Strength relative to the S&P 500 changed from Neutral to Positive: Score: 0 to +2  
 20 day moving average: Above Score: +1  
 Daily momentum (Stochastics, RSI, MACD) trending higher: Score: +1  
**Total Score +4**



# S&P 500 Momentum Barometers



The intermediate term Barometer advanced 9.20 on Friday and jumped 39.80 last week to 50.40. It changed from Oversold to Neutral on a recovery above 40.00. Daily trend is up.



The long term Barometer added 3.20 on Friday and jumped 19.20 last week to 43.80. It changed from Oversold to Neutral on a move above 40.00. Daily trend is up.

# TSX Momentum Barometers



The intermediate term Barometer gained 10.13 on Friday and jumped 29.96 last week to 57.71. It changed from Oversold to Neutral on a move above 40.00. Daily trend is up.



The long term Barometer added 3.52 on Friday and jumped 13.22 last week to 41.41. It changed from Oversold to Neutral on a move above 40.00. Daily trend is up.

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

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