

Tech Talk for Saturday December 30th 2023

The Bottom Line

For 2024, look for North American equity markets to follow the U.S. Presidential Election cycle. The Dow Jones Industrial Average in the fourth year of the U.S. Presidential Election years since 1930 has a history of moving higher. Average return per period is 8.0%. However, “Mind the Gap”. The 8% gain also includes a period of weakness averaging 1.8% from January 4th to March 14th. Given current extremely overbought levels (based on Percent of S&P 500 stocks trading above their 50 and 200 day moving averages), probability of a mild correction between January 4th and March 14th this year is high. See Momentum Barometers for S&P 500 and TSX stocks at the end of this report. Weakness into the correction will provide a renewed buying opportunity.

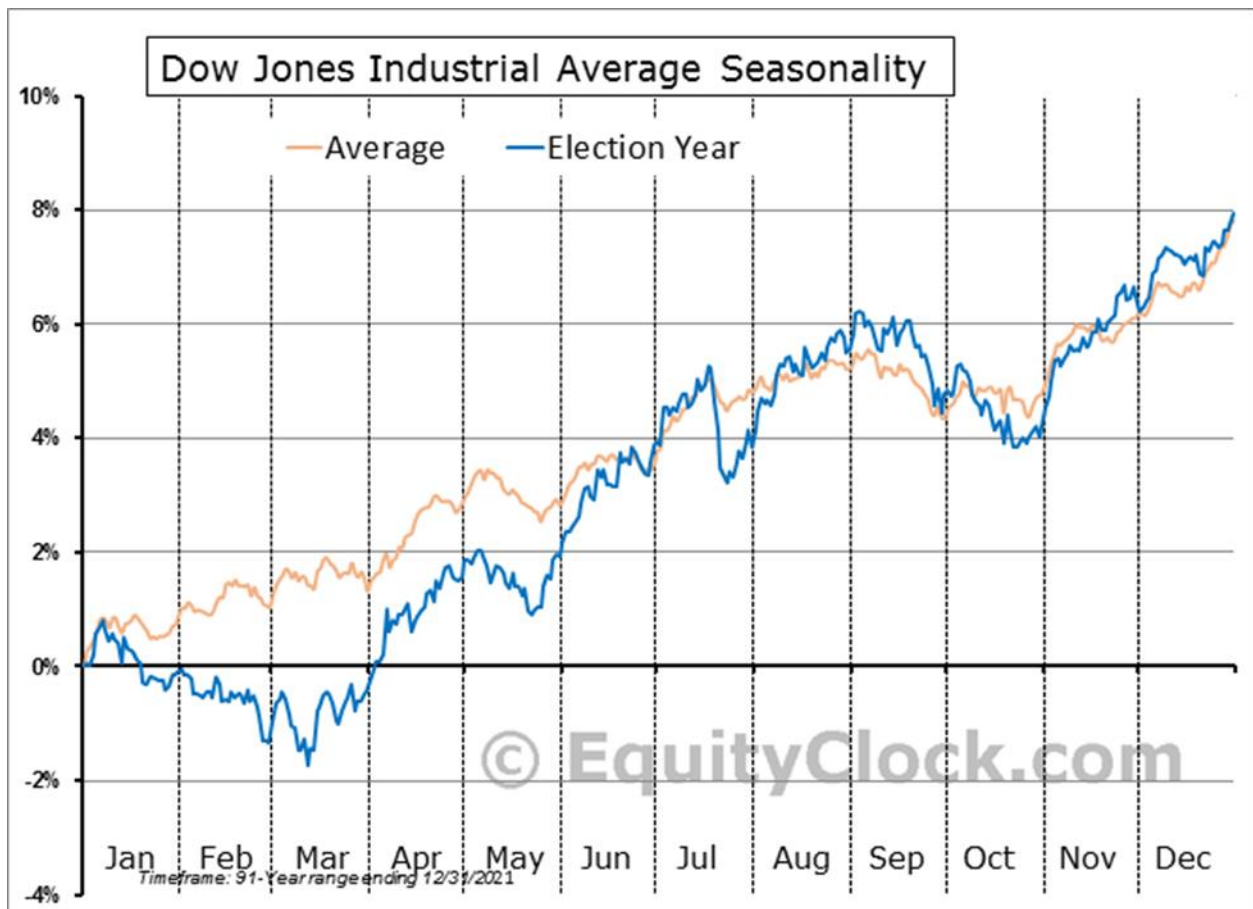


Chart courtesy of www.equityclock.com

Economic News This Week

November Construction Spending released at 10:00 AM EST on Tuesday is expected to increase 0.5% versus a gain of 0.6% in October.

December ISM Manufacturing PMI released at 10:00 AM EST on Wednesday is expected to increase to 47.1 from 46.7 in November

December Non-farm Payrolls released at 8:30 AM EST on Friday is expected to drop to 158,000 from 199,000 in November. **December Unemployment Rate** is expected to increase to 3.8% from 3.7% in November. **December Average Hourly Earnings** are expected to increase 0.3% versus a gain of 0.4% in November. **On a year-over-year basis, December Average Hourly Earnings** are expected to increase 3.9% versus a gain of 4.0% in November.

December Canadian Employment Change released at 8:30 AM EST on Friday is expected to increase 13,200 versus a gain of 24,900 in November. **December Unemployment Rate** is expected to increase to 5.9% from 5.8% in November.

November Factory Orders released at 10:00 AM EST on Friday are expected to increase 1.5% versus a drop of 3.6% in October.

December ISM Non-Manufacturing PMI released at 10:00 AM EST on Friday is expected to slip to 52.5 from 52.7 in November.

Selected Earnings News This Week

Thursday: Walgreens Boots, ConAgra

Friday: Constellation Brands

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

Example: TSX score is 2 +0 +1 +1 = 4, up from 2 last week when strength relative to the S&P 500 changed from Negative to Neutral

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for Dec.29th 2023

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momentum	Tech Score	Score Last Week
SPX	Positive	Jan.18	Up	Neutral	Above	Up	4	2
TSX	Positive	Mar.7	Up	Neutral	Above	Up	4	2
DJIA	Positive	Jan. 4	Up	Neutral	Above	Up	4	2
COMPQ	Positive	Jan.5	Up	Positive	Above	Up	6	4
IYT	Neutral	Aug.27	Neutral	Neutral	Above	Down	0	2
AORD	Positive	Jan.4	Up	Positive	Above	Up	6	6
NIKK	Positive	Jan.4	Up	Negative	Above	Up	2	2
IEV	Positive	Apr.30	Up	Neutral	Above	Up	4	4
FXI	Positive	Jan.12	Down	Neutral	Above	Up	0	-6
EEM	Positive	Mar.1	Up	Neutral	Above	Up	4	0

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 Dec.29th 2023

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Score Last Week
CRB Index	Neutral	Jan.14	Down	Negative	Below	Down	-6	-2
Gasoline	Neutral	Mar.30	Down	Neutral	Below	Down	-4	0
Crude Oil	Neutral	Jan.20	Down	Neutral	Below	Down	-4	0
Natural Gas	Neutral	April 1	Down	Neutral	Above	Up	0	-4
S&P Energy	Neutral	Mar.23	Down	Neutral	Above	Down	-2	0
Oil Services	Positive	Apr.24	Down	Neutral	Above	Down	-2	0
Gold	Positive	Apr 27	Up	Neutral	Above	Up	4	2
Silver	Positive	Mar.5	Up	Negative	Below	Down	-2	2
Gold Bug	Positive	Feb.26	Up	Neutral	Above	Down	2	6
Platinum	Positive	Mar.1	Up	Positive	Above	Up	6	6
Palladium	Positive	Mar.3	Up	Positive	Above	Down	4	6
Copper	Positive	Mar. 5	Up	Neutral	Above	Down	2	4
Agriculture	Positive	Feb.8	Up	Positive	Above	Up	6	4

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for Dec.29th 2023

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Score Last Week
XLK	Neutral	Apr.13	Up	Neutral	Above	Down	2	2
XLB	Positive	Jan.1	Up	Positive	Above	Down	4	6
XLI	Neutral	Aug.26	Up	Positive	Above	Up	6	6
XLY	Positive	Jan.3	Up	Neutral	Above	Down	2	4
XLF	Neutral	July 7	Up	Positive	Above	Up	6	4
XLE	Neutral	Mar.23	Neutral	Neutral	Above	Down	0	2
XLP	Neutral	Jan.6	Up	Neutral	Above	Up	4	0
XLV	Positive	Jan. 27	Up	Neutral	Above	Up	4	2
XLU	Neutral	Feb.6	Up	Negative	Above	Up	2	-2
XLC	Neutral	Jan.18	Up	Neutral	Above	Up	4	4
XLRE	Positive	Apr.3	Neutral	Positive	Above	Up	4	2
TSX Financial	Neutral	Jan. 8	Up	Positive	Above	Up	6	6
TSX Energy	Positive	Apr.12	Down	Negative	Below	Up	-4	-4
TSX Gold	Neutral	June 14	Up	Negative	Above	Down	0	4
TSX Tech	Positive	April 3	Up	Negative	Above	Up	2	0
TSX B Metals	Positive	Feb.17	Up	Positive	Above	Down	4	6

Green: Increase from previous day

Red: Decrease from previous day

Technical Notes from Friday

Travelers \$TRV a Dow Jones Industrial Average stock moved above \$190.15 to an all-time high extending an intermediate uptrend.



Loblaw Companies \$L.TO a TSX 60 stock moved above Cdn\$127.82 to an all-time high extending an intermediate uptrend.



S&P 500 Momentum Barometers



The intermediate term Barometer added 0.40 on Friday and was unchanged last week at 90.00. It remains extremely Overbought.



The long term Barometer slipped 0.60 on Friday, but added 2.00 last week to 78.40. It remains Overbought.

TSX Momentum Barometers



The intermediate term Barometer added 1.33 on Friday and was unchanged last week at 74.67. It remains Overbought.



The long term Barometer slipped 0.44 on Friday and dropped 1.34 last week. It remains Overbought.

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