

Tech Talk for Saturday December 9th 2023

The Bottom Line

Focus this week is on U.S. economic news and its impact on interest rates: November CPI on Tuesday, November PPI on Wednesday, FOMC's Fed Fund Rate on Wednesday and November Retail Sales on Thursday. If consensus holds, the stage is set for the proverbial Christmas Rally from December 15th to January 5th

Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.FactSet.com

Analysts slightly lowered earnings estimates and slightly raised revenue estimates:

Earnings estimates for the fourth quarter of 2023 were reduced slightly. Fourth quarter earnings are expected to increase 2.7% (versus previous increase of 3.0%). Fourth quarter revenues are expected to increase 3.2% (versus previous increase of 3.1%). For all of 2023, consensus calls for an earnings increase of 0.7% (versus previous increase of 0.8%). Revenues are expected to increase 2.3%.

The recovery becomes more apparent in the first quarter of 2024 and accelerates as the year progresses. Consensus for the first quarter on a year-over-year basis calls for an earnings increase of 6.8% and a revenue increase of 4.4% (versus previous increase of 4.2%). Consensus for the second quarter calls for a 10.8% earnings increase (versus previous increase at 10.9%) and a 5.0% increase in revenues (versus a previous increase of 5.1%). Consensus for the third quarter calls for a 9.0% increase in earnings and a 5.2% increase in revenues. Consensus for the fourth quarter calls for an 18.2% increase in earnings and a 5.7% increase in revenues. For 2024, consensus calls for an 11.8% increase in earnings (versus a previous increase of 11.7%) and a 5.5% increase in revenues (versus a previous increase of 5.5%)

Economic News This Week

U.S. November Consumer Price Index released at 8:30 AM EST on Tuesday is expected to remain unchanged versus unchanged in October. On a year-over-year basis, November CPI is expected to increase 3.1% versus a gain of 3.2% in October. Excluding food and energy, November CPI is expected to increase 0.3% versus a gain of 0.2% in October. On a year-over-year basis, core CPI is expected to increase 4.0% versus a gain of 4.0% in October.

U.S. November Producer Price Index released at 8:30 AM EST on Wednesday is expected to increase 0.1% versus a decline of 0.5% in October. Excluding food and energy, November PPI is expected to increase 0.2% versus no change in October.

FOMC announces its Fed Fund rate at 2:00 PM EST on Wednesday. Consensus calls for no change at 5.50%.

November Retail Sales released at 8:30 AM EST on Thursday are expected to slip 0.1% versus a decline of 0.1% in October. Excluding auto sales, November Retail Sales are expected to slip 0.1% versus a gain of 0.1% in October.

October Business Inventories released at 10:00 AM EST on Thursday are expected to increase 0.1% versus a gain of 0.4% in September.

December Empire State Manufacturing Survey is released at 8:30 AM EST on Friday

November Capacity Utilization released at 9:15 AM EST on Friday is expected to increase to 79.1% from 78.9% in October. **November Industrial Production** is expected to increase 0.2% versus a drop of 0.6% in October.

Bank of Canada Governor Maclem is scheduled to speak at 12:25 PM EST on Friday.

Selected Earnings News This Week

Monday: Oracle

Tuesday: Adobe, Lennar

Thursday: Costco

Friday: Darden Restaurants

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 Dec.8th 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 | Down | 2 | 2 |
| TSX | Neutral | Dec.12 | Neutral | Neutral | Above | Down | 0 | 2 |
| DJIA | Positive | Jan. 4 | Up | Positive | Above | Down | 4 | 6 |
| COMPQ | Positive | Jan.5 | Neutral | Neutral | Above | Up | 2 | 2 |
| IYT | Neutral | Aug.27 | Neutral | Positive | Above | Down | 2 | 4 |
| AORD | Positive | Jan.4 | Up | Neutral | Above | Up | 4 | 0 |
| NIKK | Positive | Jan.4 | Up | Negative | Below | Down | -2 | 0 |
| IEV | Neutral | Dec.9 | Up | Positive | Above | Down | 4 | 6 |
| FXI | Positive | Jan.12 | Down | Negative | Below | Down | -6 | -6 |
| EEM | Positive | Mar.1 | Up | Negative | Below | Down | -2 | 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.8th 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 | -4 |
| Gasoline | Neutral | Mar.30 | Down | Negative | Below | Down | -6 | -6 |
| Crude Oil | Neutral | Jan.20 | Down | Negative | Below | Down | -6 | -6 |
| Natural Gas | Neutral | April 1 | Neutral | Negative | Below | Down | -4 | -4 |
| S&P Energy | Neutral | Mar.23 | Down | Negative | Below | Down | -6 | -2 |
| Oil Services | Neutral | Dec.28 | Down | Negative | Below | Down | -6 | -6 |
| Gold | Neutral | Dec. 23 | Up | Neutral | Above | Down | 2 | 6 |
| Silver | Positive | Mar.5 | Up | Neutral | Below | Down | 0 | 6 |
| Gold Bug | Neutral | Dec.15 | Up | Neutral | Above | Down | 2 | 6 |
| Platinum | Positive | Mar.1 | Neutral | Negative | Above | Down | -2 | 2 |
| Palladium | Positive | Mar.3 | Down | Negative | Below | Up | -4 | -6 |
| Copper | Positive | Mar. 5 | Down | Neutral | Above | Down | -2 | 2 |
| Agriculture | Positive | Feb.8 | Down | Negative | Below | Down | -6 | -2 |

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Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for Dec.8th 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 | Up | 4 | 4 |
| XLB | Positive | Jan.1 | Neutral | Neutral | Above | Down | 0 | 4 |
| XLI | Positive | Dec.11 | Neutral | Positive | Above | Up | 4 | 4 |
| XLY | Positive | Jan.3 | Neutral | Positive | Above | Up | 4 | 4 |
| XLF | Neutral | July 7 | Up | Positive | Above | Down | 4 | 6 |
| XLE | Neutral | Mar.23 | Down | Negative | Below | Down | -6 | -2 |
| XLP | Neutral | Jan.6 | Up | Negative | Above | Down | 0 | 2 |
| XLV | Positive | Jan. 27 | Neutral | Neutral | Above | Up | 2 | 2 |
| XLU | Neutral | Feb.6 | Up | Neutral | Above | Down | 2 | 4 |
| XLC | Neutral | Jan.18 | Up | Negative | Above | Up | 2 | 0 |
| XLRE | Positive | Apr.3 | Neutral | Positive | Above | Down | 2 | 4 |
| TSX Financial | Neutral | Jan. 8 | Neutral | Positive | Above | Up | 4 | 2 |
| TSX Energy | Neutral | Dec.22 | Down | Negative | Below | Down | -6 | -2 |
| TSX Gold | Neutral | June 14 | Up | Neutral | Below | Down | 0 | 6 |
| TSX Tech | Positive | April 3 | Up | Positive | Above | Down | 4 | 4 |
| TSX B Metals | Positive | Feb.17 | Up | Neutral | Above | Up | 4 | 4 |

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Technical Notes for Friday

S&P 500 Index \$SPX moved above 4,607.07 on Friday to a 21 month high extending an intermediate uptrend.



Regional Bank SPDRs \$KRE moved above \$49.14 extending an intermediate uptrend.



Boeing \$BA a Dow Jones Industrial Average stock moved above \$243.10 to a 32 month high extending an intermediate uptrend.



FedEx \$FDX an S&P 100 stock moved above \$269.19 to a 30 month high extending an intermediate uptrend.



Booking \$BKNG a NASDAQ 100 stock moved above \$3,251.71 to an all-time high extending an intermediate uptrend.



Walmart \$WMT a Dow Jones Industrial Average stock moved below intermediate support at \$151.09



S&P 500 Momentum Barometers



The intermediate term Barometer added 1.20 on Friday but dropped 3.00 last week to 83.00. It remains Overbought.



The long term Barometer gained 2.40 on Friday, but slipped 0.20 last week to 66.40. It remains Overbought.

TSX Momentum Barometers



The intermediate term Barometer added 1.76 on Friday, but slipped 1.76 last week to 71.81. It remains Overbought.



The long term Barometer added 1.76 on Friday, but dropped 5.73 last week to 50.22. It remains Neutral.

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