

Tech Talk for Saturday January 13th 2024

The Bottom Line

Here come fourth quarter 2023 results by S&P 500 companies! Responses to results released to date have been mixed to slightly negative. Stocks that moved higher last week following release of results included Blackrock, Citigroup and Bank of New York Mellon. Stocks that moved lower included KB Homes, Delta Airlines, UnitedHealth Group, Bank of America, JP Morgan and Wells Fargo.

Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.FactSet.com

Analysts lowered fourth quarter earnings 2023 estimates slightly last week, but maintained their outlook for accelerating gains in 2024

Earnings estimates for the fourth quarter of 2023 were reduced slightly. Fourth quarter earnings are expected to decrease 0.1% on a year-over-year basis (versus previous increase last week of 1.3%). Estimate for fourth quarter revenues was reduced to a gain of 2.8% from a gain of 3.1% last week.

The earnings recovery first surfaces in the first quarter of 2024, but at a slightly lower than previous rate. Consensus for the first quarter on a year-over-year basis calls for an earnings increase of 5.7 % (versus previous increase of 6.0%) and a revenue increase of 4.0% (versus previous increase of 4.1%).

Earnings gains accelerate thereafter to the end of 2024, but at a slower pace. Consensus for the second quarter calls for a 10.2% earnings increase (versus previous increase at 10.6%) and a 5.0% increase in revenues. Consensus for the third quarter calls for an 8.3% increase in earnings (versus previous increase of 8.6%) and a 5.2% increase in revenues (versus previous 5.3% increase). Consensus for the fourth quarter calls for a 19.8% increase in earnings (versus previous increase of 19.0%) and a 6.0% increase in revenues (versus previous increase of 5.8%). For all of 2024, consensus calls for an 11.8% increase in earnings and a 5.5% increase in revenues.

Economic News This Week

Source: www.Investing.com

U.S. equity markets are closed for Martin Luther King Jr. holiday on Monday.

January Empire State Manufacturing Survey released at 8:30 AM EST on Tuesday is expected to improve to -7.10 from -14.50 in December

Canadian December Consumer Price Index is released at 8:30 AM EST on Tuesday

December U.S. Retail Sales released at 8:30 AM EST on Wednesday are expected to increase 0.3% versus a gain of 0.3% in November

December U.S. Capacity Utilization released at 9:15 AM EST on Wednesday is expected to slip to 78.6% from 78.8% in November. **December Industrial Production** is expected to decrease 0.1% versus a gain of 0.2% in November.

Beige Book is released at 2:00 PM EST on Wednesday

December U.S. Housing Starts released at 8:30 AM EST on Thursday

January Philly Fed is released at 8:30 AM EST on Thursday

Canadian November Retail Sales released at 8:30 AM EST on Friday are expected to be unchanged versus a gain of 0.7% in October.

December U.S. Existing Home Sales released at 10:00 AM EST on Friday are expected to remain unchanged from November at 3.82 million units.

January Michigan Consumer Sentiment released at 10:00 AM EST on Friday is expected to slip to 68.8 from 69.7

Selected Earnings News This Week

Source: www.Investing.com

Six percent of S&P 500 companies have reported quarterly results to date. Another 23 S&P 500 companies are scheduled to release results this week (including two Dow Jones Industrial Average companies) No TSX 60 companies are scheduled to report this week.

Tuesday: Morgan Stanley, Goldman Sachs, PNC Financial

Wednesday: Charles Schwab, US Bancorp, Kinder Morgan, Alcoa

Thursday: Taiwan Semiconductor, Fastenal, PPG Industries, JB Hunt, Northern Trust, KeyBanc, American Airlines

Friday: Schlumberger, Travelers, Fifth Third, State Street, Comerica.

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: DJIA score slipped on Friday to $2 - 2 + 1 + 1 = +2$, down from $2 + 0 + 1 + 1 = +4$ when strength relative to the S&P 500 Index turned from neutral to negative on Friday.

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for Jan.12th 2024

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	4
TSX	Positive	Mar.7	Up	Neutral	Above	Down	2	2
DJIA	Neutral	Mar.14	Up	Negative	Above	Up	2	2
COMPQ	Neutral	Mar.14	Up	Neutral	Above	Up	4	4
IYT	Neutral	Aug.27	Neutral	Negative	Below	Up	-2	-2
AORD	Neutral	Mar.14	Up	Neutral	Above	Down	2	2
NIKK	Neutral	Mar.14	Up	Positive	Above	Up	6	6
IEV	Positive	Apr.30	Up	Negative	Below	Down	-2	-2
FXI	Neutral	Sept.26	Down	Negative	Below	Down	-6	-6
EEM	Positive	Mar.1	Up	Negative	Below	Down	-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 Jan 12th 2024

Unit	Seasonal	Until	Trend	Strength Relative To \$SPX	20 Day MA	Momen tum	Tech Score	Score Last Week
CRB Index	Positive	June 11	Down	Neutral	Below	Down	-4	-4
Gasoline	Neutral	Mar.30	Down	Neutral	Above	Up	0	0
Crude Oil	Neutral	Jan.20	Down	Neutral	Above	Up	0	0
Natural Gas	Neutral	April 1	Down	Positive	Above	Up	2	2
S&P Energy	Neutral	Mar.23	Down	Negative	Below	Up	-4	-4
Oil Services	Positive	Apr.24	Down	Negative	Below	Down	-6	-6
Gold	Positive	Apr 27	Up	Negative	Below	Up	0	0
Silver	Positive	Mar.5	Down	Negative	Below	Down	-6	-6
Gold Bug	Positive	Feb.26	Up	Negative	Below	Up	0	0
Platinum	Positive	Mar.1	Up	Negative	Below	Down	-2	-2
Palladium	Positive	Mar.3	Up	Negative	Below	Down	-2	-2
Copper	Positive	Mar. 5	Up	Negative	Below	Down	-2	-2
Agriculture	Positive	Feb.8	Up	Negative	Below	Down	-2	-2

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for Jan.12th 2024

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	Neutral	Oct.1	Up	Negative	Below	Down	-2	-2
XLI	Neutral	Aug.26	Up	Negative	Below	Down	-2	-2
XLY	Neutral	Aug.7	Up	Negative	Below	Up	0	0
XLF	Neutral	July 7	Up	Neutral	Above	Down	2	2
XLE	Neutral	Mar.23	Neutral	Negative	Below	Up	-2	-2
XLP	Positive	May 24	Up	Neutral	Above	Up	4	4
XLV	Positive	Jan. 27	Up	Positive	Above	Up	6	6
XLU	Neutral	Feb.6	Up	Neutral	Below	Down	0	0
XLC	Neutral	Jan.18	Up	Neutral	Below	Down	0	0
XLRE	Positive	Apr.3	Neutral	Neutral	Below	Down	-2	-2
TSX Financial	Positive	Apr.18	Up	Negative	Below	Down	-2	-2
TSX Energy	Positive	Apr.12	Down	Neutral	Above	Up	0	0
TSX Gold	Neutral	June 14	Up	Negative	Below	Up	0	0
TSX Tech	Positive	April 3	Up	Positive	Above	Up	6	6
TSX B Metals	Positive	Feb.17	Up	Neutral	Below	Down	0	0

Green: Increase from previous day

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Cameco \$CCO.TO a TSX 60 stock moved above \$63.12 to an all-time high extending an intermediate uptrend.



Strength in Cameco was the main reason why the **Uranium ETF \$URA** moved to an 11 year high.



BCE \$BCE.TO a TSX 60 stock moved above Cdn\$55.06 extending an intermediate uptrend.



Cenovus Energy \$CVE.TO a TSX 60 stock moved below Cdn\$21.02 extending an intermediate downtrend.



S&P 500 Momentum Barometers



Intermediate term Barometer slipped 0.60 on Friday and dropped 4.20 last week to 84.00. It remains Overbought. Daily trend has turned down.



The long term Barometer slipped 0.20 on Friday and dropped 1.80 last week to 75.60. It remains Overbought. Daily trend has turned down.

TSX Momentum Barometers



The intermediate term Barometer added 4.00 on Friday and gained 5.34 last week to 75.56. It remains Overbought. High was set on December 29th at 76.89.



The long term Barometer added 2.67 on Friday and gained 4.44 last week to 62.22. It changed last week from Neutral to Overbought on a move above 60.00.

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