

Tech Talk for Saturday January 20th 2024

The Bottom Line

Led by the technology sector, U.S. equity indices (notably S&P 500 Index above 4818.62 and NASDAQ 100 Index above 16,767.86) moved to all-time highs on Friday.



Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.FactSet.com

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

Prompted by lower than consensus results released to date, Earnings estimates for the fourth quarter of 2023 were reduced slightly. Fourth quarter earnings are expected to decrease 1.7% on a year-over-year basis (versus previous decrease last week of 0.1%). Estimate for fourth quarter revenues was reduced to a gain of 2.2% from a gain of 2.8% 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 5.4% (versus previous increase of 5.7%) and a revenue increase of 3.9% (versus previous increase of 4.0%).

Earnings gains accelerate thereafter to the end of 2024, all-be-it at a slower pace. Consensus for the second quarter calls for a 10.0% earnings increase (versus previous increase at 10.2%) and a 4.9% increase in revenues (versus 5.0% last week). Consensus for the third quarter calls for an 8.2% increase in earnings (versus previous increase of 8.3%) and a 5.2% increase in revenues. Consensus for the fourth quarter calls for a 22.1% increase in earnings (versus previous increase of 19.8%) and a 5.9% increase in revenues (versus previous increase of 6.0%).

For all of 2024, consensus calls for an 12.2% increase in earnings (versus previous increase of 11.8%) and a 5.5% increase in revenues.

Economic News This Week

Source: www.Investing.com

December U.S. Leading Economic Indicators are released at 10:00 AM EST on Monday

Bank of Canada's monetary policy statement is released at 10:00 AM EST on Wednesday. The Bank of Canada's lending rate to major Canadian banks is expected to remain unchanged at 5.00%.

European Central Bank releases its interest rate policy at 8:15 AM EST on Thursday. Overnight lending rate for major banks is expected to remain unchanged at 4.5%.

December Durable Goods Orders released at 8:30 AM EST on Thursday are expected to increase 0.5% versus a gain of 5.4% in November.

First estimate of fourth quarter U.S. GDP released at 8:30 AM EST on Thursday is expected to show growth at an annual 1.8% rate versus growth in the third quarter at an annual 4.9% rate.

December U.S. Home Sales released at 10:00 AM EST on Thursday are expected to increase to 650,000 from 590,000 in November.

Core December PCE Price Index released at 8:30 AM EST on Friday is expected to increase 0.2% versus a gain of 0.1% in November.

December U.S. Personal Income released at 8:30 AM EST on Friday is expected to increase 0.3% versus a gain of 0.4% in November. **December U.S. Personal Spending** is expected to increase 0.2% versus a gain of 0.2% in November.

Selected Earnings News This Week

Source: www.Investing.com

Another 75 S&P 500 companies are scheduled to release quarterly results this week. Fifty companies have reported results to date. TSX 60 companies begin to report this week starting with Canadian National Railway on Tuesday.

Monday: United Airlines

Tuesday: Microsoft, Johnson & Johnson, Procter & Gamble, Netflix, Verizon, Texas Instruments, General Electric, Intuitive Surgical, Lockheed Martin, Canadian National Railway, MMM, DR Horton, Archer Daniels Midland, Halliburton

Wednesday: Tesla, ASML, Abbott Labs, IBM, AT&T, Progressive, Lam Research, General Dynamics, CSX, Freeport McMoran, Las Vegas Sands

Thursday: Visa, Intel, T Mobil, Comcast, Union Pacific, Starbucks, Sherwin Williams, KLA Corp, Northrop, Capital One, Dow, Weyerhaeuser, Southwest Airlines, US Steel, American Airlines

Friday: Caterpillar, American Express, Colgate, Norfolk Southern.

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: Score on NASDAQ Composite Index (COMPQ) increased on Friday from 2 +2 +1 -1 +4 to 2 + 2 +1 +1 = +6 when daily momentum indicators (Stochastics, RSI and MACD) turned up.

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for Jan.19th 2024

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day Momentum MA		Tech Score	Score Last Week
SPX	Neutral	Mar.14	Up	Neutral	Above	Up	4	4
TSX	Positive	Mar.7	Up	Negative	Above	Down	0	2
DJIA	Neutral	Mar.14	Up	Negative	Above	Up	2	2
COMPQ	Neutral	Mar.14	Up	Positive	Above	Up	6	4
IYT	Neutral	Aug.27	Neutral	Negative	Below	Up	-2	-2
AORD	Neutral	Mar.14	Up	Negative	Below	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	Neutral	Negative	Below	Down	-4	-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 19th 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	Above	Up	0	-4
Gasoline	Neutral	Mar.30	Down	Positive	Above	Up	2	0
Crude Oil	Neutral	Jan.20	Down	Neutral	Above	Up	0	0
Natural Gas	Neutral	April 1	Down	Negative	Below	Down	-6	2
S&P Energy	Neutral	Mar.23	Down	Negative	Below	Down	-6	-4
Oil Services	Positive	Apr.24	Down	Negative	Below	Up	-4	-6
Gold	Positive	Apr 27	Up	Negative	Below	Down	-2	0
Silver	Positive	Mar.5	Down	Negative	Below	Down	-6	-6
Gold Bug	Positive	Feb.26	Neutral	Negative	Below	Down	-4	0
Platinum	Positive	Mar.1	Up	Negative	Below	Up	0	-2
Palladium	Positive	Mar.3	Down	Negative	Below	Down	-6	-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.19th 2024

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Previous Score
XLK	Neutral	Apr.13	Up	Positive	Above	Up	6	4
XLB	Neutral	Oct.1	Up	Negative	Below	Down	-2	-2
XLI	Neutral	Aug.26	Up	Negative	Above	Up	2	-2
XLY	Neutral	Aug.7	Up	Negative	Below	Down	-2	0
XLF	Neutral	July 7	Up	Negative	Above	Up	2	2
XLE	Neutral	Mar.23	Down	Negative	Below	Down	-6	-2
XLP	Positive	May 24	Up	Negative	At	Down	-1	4
XLV	Positive	Jan. 27	Up	Neutral	Above	Down	2	6
XLU	Neutral	Feb.6	Down	Negative	Below	Down	-6	0
XLC	Neutral	Jan.18	Up	Positive	Above	Up	6	0
XLRE	Positive	Apr.3	Neutral	Negative	Below	Down	-4	-2
TSX Financial	Positive	Apr.18	Up	Negative	Below	Up	0	-2
TSX Energy	Positive	Apr.12	Down	Negative	Below	Down	-6	0
TSX Gold	Neutral	June 14	Neutral	Negative	Below	Down	-4	0
TSX Tech	Positive	April 3	Up	Positive	Above	Up	6	6
TSX B Metals	Positive	Feb.17	Up	Negative	Below	Down	-2	0

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Technical Notes for Friday

Technology stocks and related ETFs led the advance by U.S. equity indices on Friday. Semiconductor iShares \$SOXX moved above \$583.91 to an all-time high. S&P 100 and NASDAQ 100 stock breakouts included Broadcom, KLA Corp, Cadence Design, Texas Instruments, Lam Research, QUALCOMM, PayPal, Applied Materials, Micron and Autodesk.



KLAC KLA Corp. Nasdaq GS

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19-Jan-2024

Close 612.99 Volume 1.3M Chg +22.99 (+3.90%) ▲

KLAC (Daily) 612.99

MA(50) 556.43

MA(200) 477.55

MA(20) 570.52

Volume 1,295,517



TXN Texas Instruments, Inc. Nasdaq GS

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19-Jan-2024

Close 173.65 Volume 13.0M Chg +6.74 (+4.04%) ▲

TXN (Daily) 173.65

MA(50) 160.20

MA(200) 164.11

MA(20) 167.59

Volume 13,005,350



MU Micron Technology, Inc. Nasdaq GS

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19-Jan-2024

Close 87.51 Volume 17.7M Chg +2.89 (+3.17%) ▲

MU (Daily) 87.51

MA(50) 79.62

MA(200) 69.37

MA(20) 84.12

Volume 17,696,088



S&P 500 Momentum Barometers



The intermediate term Barometer added 2.20 on Friday, but dropped 8.60 last week to 75.40. It remains Overbought. Daily trend is down.



The long term Barometer added 0.20 on Friday, but dropped 4.80 last week to 70.80. It remains Overbought. Daily trend is down.

TSX Momentum Barometers



The intermediate term Barometer added 2.22 on Friday, but dropped 10.23 last week to 65.33. It remains Overbought. Daily trend is down.



The long term Barometer added 3.56 on Friday, but dropped 4.00 last week to 58.22. It changed from Overbought to Neutral on a drop below 60.00. Daily trend is down.

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