

# Tech Talk for Saturday January 27<sup>th</sup> 2024

## The Bottom Line

**Responses to fourth quarter results released last week by S&P 500 companies were mixed with important exceptions.** Notable were responses to reports by key technology companies: Strongest positive responses were recorded by Microsoft, ASML, IBM, Netflix and Lam Research. Strongest negative responses were recorded by Texas Instruments, Tesla, Intel and Visa.

**Once again, the “Super Six” technology stocks** (Tesla figuratively was booted out of the “Magnificent Seven” last week). **led the advance by the S&P 500 Index to an all-time high.** Once again, the equal weight S&P 500 Index and its related ETF: RSP failed to reach an all-time high set three years ago. Indeed, RSP closed on Friday with a small loss since December 29<sup>th</sup>.

## Consensus for Earnings and Revenues for S&P 500 Companies

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

**Analysts slightly raised fourth quarter 2023 earnings and revenue estimates last week, but once again, lowered their outlook for accelerating earnings and revenue gains in 2024.**

**Earnings estimates for the fourth quarter of 2023 were increased slightly.** Fourth quarter earnings are expected to decrease 1.4% on a year-over-year basis (versus a decrease last week of 1.7%). Estimate for fourth quarter revenues is a gain of 3.2% (versus a gain of 2.2% last week).

**An earnings gains turn positive 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 4.6 % (versus previous increase of 5.4%) 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 than previous pace.** Consensus for the second quarter calls for a 9.4% earnings increase (versus previous 10.0% increase last week) and a 4.7% increase in revenues (versus previous 4.9% increase). Consensus for the third quarter calls for a 7.7% increase in earnings (versus previous 8.2% increase) and a 4.9% increase in revenues (versus a 5.2% increase last week). Consensus for the fourth quarter calls for a 21.3% increase in earnings (versus previous 22.1% increase) and a 5.6% increase in revenues (versus previous 5.9% increase). For all of 2024, consensus calls for an 11.6% increase in earnings (versus previous 12.2% increase) and a 5.4% increase in revenues (versus previous 5.5% increase)

## Economic News This Week

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

**Canadian November GDP** released at 8:30 AM EST on Wednesday is expected to increase 0.1% versus no change in October.

**January Chicago Purchasing Managers Index** released at 9:45 AM EST on Wednesday is expected to improve to 47.0 from 46.9 in December.

**FOMC Interest Rate Announcement** released at 2:00 PM EST on Thursday. No change in the Fed Fund Rate at 5.25%-5.50% is expected. Press conference is offered at 2:30 PM EST

**Fourth quarter Non-farm Productivity** is released at 8:30 AM EST on Thursday

**December U.S. Construction Spending** released at 10:00 AM EST on Thursday is expected to increase 0.5% versus a gain of 0.4% in November.

**December ISM Manufacturing Purchasing Managers Index** released at 10:00 AM EST on Thursday is expected to remain unchanged from November at 47.4.

**January Non-farm Payrolls** released at 8:30 AM on Friday are expected to drop to 162,000 from 216,000 in December. **January Unemployment Rate** is expected to remain unchanged from December at 3.7%. **January Average Hourly Earnings** are expected to increase 0.3% versus a gain of 0.4% in December.

**December U.S. Factory Orders** are released at 10:00 AM EST on Friday

**February Michigan Consumer Sentiment** released at 10:00 AM EST on Friday is expected to increase to 78.8 from 69.7 in January.

## Selected Earnings News This Week

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

Twenty five percent of S&P 500 companies have reported quarterly results to date. Another 106 S&P 500 companies are scheduled to report this week (including six Dow Jones Industrial Average companies). Five TSX 60 companies are scheduled to report.

**Monday:** Nucor, Whirlpool, Celestica

**Tuesday:** Microsoft, Alphabet, Advanced Micro Devices, Danaher, Pfizer, UPS, Stryker, Starbucks, Mondelez, Chubb, General Motors, Corning, PulteHomes

**Wednesday:** MasterCard, Alibaba, QUALCOMM, Boeing, Boston Scientific, MetLife, CGI Group

**Thursday:** Apple, Amazon, Merck, Honeywell, Illinois Tool Works, Altria, Southern Copper, Archer Daniels Midland, Dupont, Rogers Communications, International Paper, Open Text, Brookfield Infrastructure

**Friday:** AbbVie, Chevron, Bristol-Myers, Regeneron, Cigna, Imperial Oil

## 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) decreased on Friday from  $2 + 2 + 1 + 1 = +6$  to  $2 + 2 + 1 - 1 = +4$  when daily momentum indicators (Stochastics, RSI and MACD) turned down.

### Equity Indices and Related ETFs

#### Daily Seasonal/Technical Equity Trends for Jan.26<sup>th</sup> 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	Up	2	0
DJIA	Neutral	Mar.14	Up	Negative	Above	Up	2	2
COMPQ	Neutral	Mar.14	Up	Positive	Above	Down	4	6
IYT	Neutral	Aug.27	Neutral	Neutral	Above	Up	2	-2
AORD	Neutral	Mar.14	Up	Negative	Above	Up	2	-2
NIKK	Neutral	Mar.14	Up	Positive	Above	Down	4	6
IEV	Positive	Apr.30	Up	Negative	Above	Up	2	-2
FXI	Neutral	Sept.26	Down	Neutral	Below	Up	-2	-6
EEM	Positive	Mar.1	Neutral	Negative	Below	Up	-2	-4

**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 Jan 26<sup>th</sup> 2024

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Score Last Week
CRB Index	Positive	June 11	Up	Neutral	Above	Up	4	6
Gasoline	Neutral	Mar.30	Up	Positive	Above	Up	6	2
Crude Oil	Positive	Apr. 12	Up	Positive	Above	Up	6	0
Natural Gas	Neutral	Apr 1	Down	Negative	Below	Down	-6	-6
S&P Energy	Neutral	Mar.23	Down	Neutral	Above	Up	0	-6
Oil Services	Positive	Apr.24	Down	Neutral	Above	Up	0	-4
Gold	Positive	Apr 27	Up	Negative	Below	Down	-2	-2
Silver	Positive	Mar.5	Down	Negative	Below	Up	-4	-6
Gold Bug	Positive	Feb.26	Neutral	Negative	Below	Up	-2	-4
Platinum	Positive	Mar.1	Up	Negative	Below	Up	0	0
Palladium	Positive	Mar.3	Down	Negative	Below	Up	-4	-6
Copper	Positive	Mar. 5	Up	Neutral	Above	Up	4	-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.26<sup>th</sup> 2024

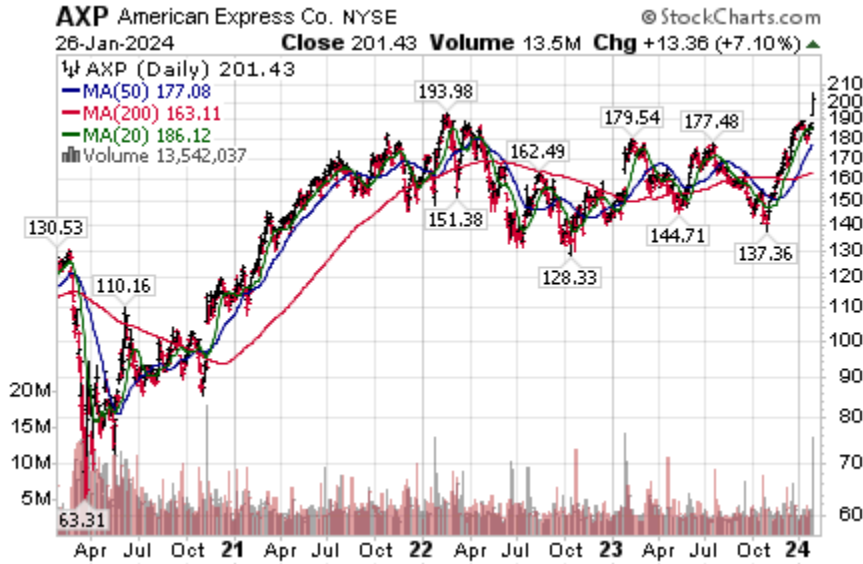
Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Score Last Week
XLK	Neutral	Apr.13	Up	Positive	Above	Down	4	6
XLB	Neutral	Oct.1	Up	Negative	Below	Up	0	-2
XLI	Neutral	Aug.26	Up	Negative	Above	Up	2	2
XLY	Neutral	Aug.7	Up	Negative	Below	Down	-2	-2
XLF	Neutral	July 7	Up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

Green: Increase from previous day

Red: Decrease from previous day

# Technical Notes for Friday

**American Express \$AXP** a Dow Jones Industrial Average stock moved above \$193.98 to an all-time high extending an intermediate uptrend.



**Capital One Financial \$COF** an S&P 100 stock moved above \$134.26 extending an intermediate uptrend.



**CSX** \$CSX a NASDAQ 100 stock moved above \$35.07 extending an intermediate uptrend.



**Intel** \$INTC a Dow Jones Industrial Average stock moved below \$45.24 completing a double top pattern.



# S&P 500 Momentum Barometers



The intermediate term Barometer slipped 1.80 on Friday, but added 1.20 last week to 76.60. It remains Overbought. Daily trend is down.



The long term Barometer added 1.20 on Friday and gained 2.60 last week. It remains Overbought.

# TSX Momentum Barometers



The intermediate term Barometer slipped 2.22 on Friday, and eased 1.47 last week to 69.33. It remains Overbought



The long term Barometer was unchanged on Friday, but dropped 9.47 last week to 61.23. It remains Overbought.

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