

Tech Talk for Saturday February 3rd 2024

The Bottom Line

Exceptional price gains on Friday by Meta Platform (Up 20.32%) and Amazon (Up 7.87%) after their release of better-than-consensus quarterly results significantly distorted performance of the S&P 500 Index relative to the Equal Weighted S&P 500 Index and its related ETF: RSP. Since December 28th the S&P 500 Index has gained 3.66% while RSP has declined 0.13%.

Results released by Meta Platforms and Amazon significantly boosted analyst earnings estimates for S&P 500 companies for the fourth quarter of 2023. Note: Analysts did not change significantly their estimates for 2024.

Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.FactSet.com

Earnings estimates for the fourth quarter of 2023 were increased significantly on Friday following release of Meta Platform and Amazon quarterly results. Fourth quarter earnings now are expected to increase 1.6% on a year-over-year basis (versus a decrease last week of 1.4%). Estimate for fourth quarter revenues was increased to a gain of 3.5% from a gain of 3.2% last week.

A significant earnings recovery by S&P 500 companies 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 4.5% (versus previous increase of 4.6%) and a revenue increase of 3.6% (versus previous increase of 3.9%).

Earnings gains accelerate thereafter to the end of 2024, all-be-it at a slower pace. Consensus for the second quarter calls for a 9.4% earnings increase and a 4.8% increase in revenues. Consensus for the third quarter calls for an 8.1% increase in earnings (versus previous 7.7% increase) and a 5.0% increase in revenues (versus a 4.9% increase last week). Consensus for the fourth quarter calls for a 19.0% increase in earnings (versus previous 21.3% increase) and a 5.6% increase in revenues. For all of 2024, consensus calls for an 11.2% increase in earnings (versus previous 11.6% increase) and a 5.4% increase in revenues.

Economic News This Week

Source: www.Investing.com

January ISM Non-manufacturing PMI released at 8:30 AM EST on Monday is expected to increase to 52.0 from 50.6 in December

Bank of Canada Governor Macklem speaks at 1:00 PM EST on Tuesday

December U.S. Trade Deficit released at 8:30 AM EST on Wednesday is expected to improve to -\$62.20 billion from -\$63.20 billion in November

December Canadian Trade report is released at 8:30 AM EST on Wednesday

Canadian December Employment Change released at 8:30 AM EST on Friday is expected to increase to 20,000 from 100 in November. December Unemployment Rate is expected to remain unchanged from November at 5.8%.

Selected Earnings News This Week

Source: www.Investing.com

Another 104 S&P 500 companies are scheduled to report this week (including four Dow Jones Industrial Average companies). Another nine TSX 60 companies are scheduled to report.

Monday: McDonalds, Caterpillar, Vertex, Air Products, Simon Properties, ON Technologies

Tuesday: Eli Lilly, Toyota, Linde, Amgen, Gilead, Chipotle, Ford, Spotify.

Wednesday: Alibaba, Walt Disney, Uber, McKesson, PayPal, Emerson Electric, Hilton, Allstate, Yum Brands, Sun Life Financial, Fox. Brookfield Asset Management.

Thursday: Philp Morris, ConocoPhillips, DexCom, Hershey, BCE, Take Two, Illumina, Harley Davidson, Goodyear, Bombardier, Under Armour

Friday: PepsiCo, Enbridge, Telus, Fortis, Magna International, ARC Resources, CAE

Trader's Corner

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for Feb.2nd 2024

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momentum	Tech Score	Score Last Week
SPX	Neutral	Mar.14	Up	Neutral	Above	Down	2	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	Neutral	Above	Down	2	4
IYT	Neutral	Aug.27	Neutral	Negative	Above	Down	-2	2
AORD	Neutral	Mar.14	Up	Neutral	Above	Up	4	2
NIKK	Neutral	Mar.14	Up	Neutral	Above	Down	2	4
IEV	Positive	Apr.30	Up	Negative	Above	Down	0	2
FXI	Neutral	Sept.26	Down	Negative	Below	Down	-6	-2
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 Feb.2nd 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	Down	2	4
Gasoline	Neutral	Mar.30	Up	Negative	Below	Down	-2	6
Crude Oil	Positive	Apr. 12	Up	Negative	Below	Down	0	6
Natural Gas	Neutral	Apr 1	Down	Negative	Below	Down	-6	-6
S&P Energy	Neutral	Mar.23	Down	Neutral	Above	Down	-2	0
Oil Services	Positive	Apr.24	Down	Negative	Below	Down	-6	0
Gold	Positive	Apr 27	Up	Neutral	Above	Up	4	-2
Silver	Positive	Mar.5	Down	Negative	Below	Down	-6	-4
Gold Bug	Positive	Feb.26	Neutral	Negative	Below	Up	-2	-2
Platinum	Positive	Mar.1	Up	Negative	Below	Down	-2	0
Palladium	Positive	Mar.3	Down	Neutral	Below	Down	-4	-4
Copper	Positive	Mar. 5	Up	Negative	Above	Down	0	4
Agriculture	Positive	Feb.8	Neutral	Negative	Below	Up	-2	-2

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Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for Feb.2nd 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	4
XLB	Neutral	Oct.1	Up	Negative	Above	Up	2	0
XLI	Neutral	Aug.26	Up	Neutral	Above	Up	4	2
XLY	Neutral	Aug.7	Up	Negative	Above	Up	2	-2
XLF	Neutral	July 7	Up	Neutral	Above	Down	2	4
XLE	Neutral	Mar.23	Down	Neutral	Above	Down	-2	0
XLP	Positive	May 24	Up	Neutral	Above	Up	4	2
XLV	Positive	Feb.2	Up	Neutral	Above	Up	4	-2
XLU	Neutral	Feb.6	Down	Negative	Below	Up	-4	-4
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	Below	Down	-2	2
TSX Energy	Positive	Apr.12	Down	Negative	Below	Down	-6	-2
TSX Gold	Neutral	June 14	Neutral	Negative	Below	Up	-2	-2
TSX Tech	Positive	April 3	Up	Positive	Above	Down	4	6
TSX B Metals	Positive	Feb.17	Up	Negative	Below	Down	-2	2

Green: Increase from previous day

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Technical Notes for Friday

Aerospace & Defense ETF \$PPA moved above \$92.37 to an all-time high extending an intermediate uptrend.



Apple \$AAPL an S&P 100 stock moved below \$180.17 completing a double top pattern.



Charter Communications \$CHTR an S&P 100 stock moved below \$357.41 extending an intermediate downtrend.



Target \$TGT an S&P 100 stock moved above 144.50 extending an intermediate uptrend.



Wal-Mart \$WMT a Dow Jones Industrial Average stock moved above \$169.31 to an all-time high extending an intermediate uptrend.



Canadian Natural Resources \$CNQ.TO a TSX 60 stock moved below Cdn\$82.34 extending an intermediate downtrend.



S&P 500 Momentum Barometers



The intermediate term Barometer dropped 6.60 on Friday and 10.20 last week to 66.40. It remains Overbought. Daily trend is down. Note: Data is equal weighted.



The long term Barometer dropped 4.40 on Friday and 1.20 last week to 72.20. It remains Overbought.

TSX Momentum Barometers



The intermediate term Barometer dropped 4.89 on Friday and 6.66 last week to 62.67. Daily trend turned down on Friday.



The long term Barometer dropped 1.79 to 63.11 on Friday, but gained 1.78 last week to 63.11. It remains Overbought

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