

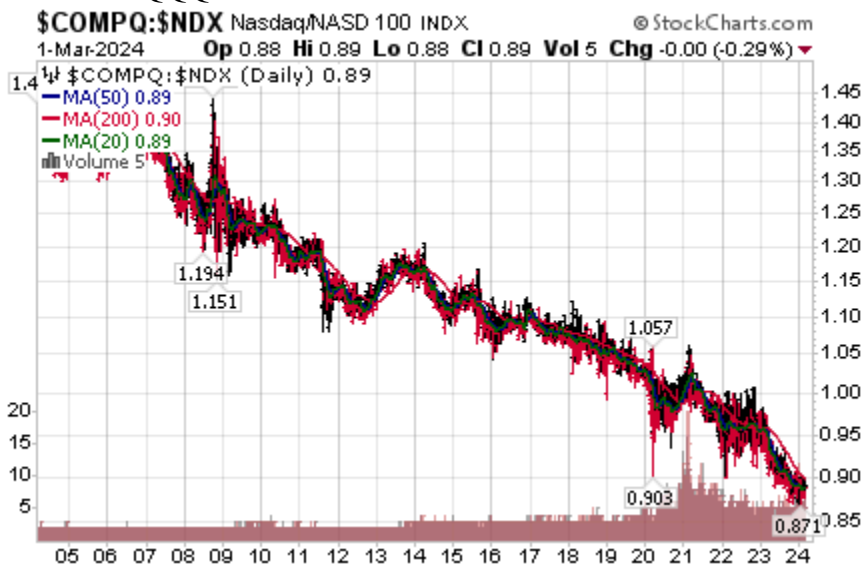
Tech Talk for Saturday March 2nd 2024

The Bottom Line

U.S. equity indices were mixed last week: S&P 500 Index and NASDAQ Composite Index recorded small gains while the Dow Jones Industrial Average and Dow Jones Transportation Average recorded small losses.

The NASDAQ Composite Index led the advance by broadly based U.S. equity indices last week. Most of the gain was recorded by the “Fabulous Four” technology stocks (i.e. Amazon.com, Microsoft, Meta Platforms and Nvidia). Other big cap stocks faltered, notably Apple and Alphabet when they completed double top patterns.

Be careful when proclaiming the NASDAQ Composite Index as “the best way to measure performance of U.S. equity indices”. The Composite Index mainly consists of hundreds of small and mid-cap stocks as well as a small number of big cap stocks. As noted by Carter Worth on CNBC on Friday, favourable performance of the Composite Index relative to the S&P 500 Index and Dow Jones Industrial Average is determined primarily by performance of the top 100 stocks in the Composite Index (i.e. the basket of securities that are part of the NASDAQ 100 Index). Performance of the NASDAQ Composite Index relative to the NASDAQ 100 Index during the past 20 years has consistently been negative. The NASDAQ 100 Index is the backing for the ETF: QQQ.



Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.FactSet.com

Analysts substantially adjusted fourth quarter 2023 earnings estimates higher during the past five weeks. With 97% of S&P 500 companies reported to date, consensus calls for a 4.0% increase on a year-over-year basis (versus an estimated 1.4% decrease on January 26th). In addition, consensus for fourth quarter revenues calls for a 4.2% increase (versus an estimated

increase of 3.2% on January 26th). Most of the additional gains came from higher than consensus results released by the “Fabulous Four” companies (i.e. Microsoft, Alphabet, Meta Platforms and Nvidia)..

Analysts slightly reduced earnings estimates for the first quarter of 2024. Consensus on a year-over-year basis calls for an earnings increase of 3.6% (versus an increase two weeks ago of 3.9%). Revenues are expected to increase of 3.6% (versus a previous 3.9% increase).

Earnings gains accelerate thereafter to the end of 2024. Consensus for the second quarter calls for a 9.2% earnings increase (versus a previous 9.0% increase) and a 4.7% increase in revenues (versus a previous 4.6% increase). Consensus for the third quarter calls for an 8.3% increase in earnings (versus a previous 8.0% increase) and a 5.1% increase in revenues (versus a previous 5.0% increase). Consensus for the fourth quarter calls for a 17.4% increase in earnings (versus a previous 17.6% increase) and a 5.7% increase in revenues. For all of 2024, consensus calls for an 11.0% increase in earnings (versus a previous 10.9% increase) and a 5.0% increase in revenues (versus a previous 5.4% increase)

Economic News This Week

Source: www.investing.com

January U.S. Factory Orders are released at 10:00 AM EST on Tuesday

February ISM Non-manufacturing PMI at 10:00 AM EST on Tuesday is expected to slip to 53.3 from 53.4 in January.

Bank of Canada statement on the Bank Rate offered to major Canadian banks is released at 9:45 AM EST on Wednesday. Press conference is offered at 10:30 AM EST. No change in the lending rate at 5.00% for major Canadian banks is expected.

Federal Reserve Chairman Powell testifies at 10:00 AM EST on Wednesday

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

European Central Bank decision on interest rates released at 8:15 AM EST on Thursday is expected to maintain its lending rate to major banks at 4.50%.

January U.S. Trade released at 8:30 AM EST on Thursday is expected to ease to a deficit of \$61.70 billion from a deficit of \$61.20 billion in December

January Canadian Trade Balance is released at 8:30 AM EST on Thursday

February Non-farm Payrolls released at 8:30 AM EST on Friday is expected to drop to 188,000 from 353,000 in January. February Unemployment Rate is expected to remain unchanged from January at 4.7%. February Hourly Earnings are expected to increase 0.2% versus a gain of 0.6% in January.

February Canadian Employment Change is released at 8:30 AM EST on Friday.

Selected Earnings News This Week

Source: www.Investing.com

Tuesday: CrowdStrike, Target, Ross Stores, JD.com. Franco-Nevada

Wednesday: Constellation Software, Campbell Soup, Foot Locker

Thursday: Broadcom, Costco, Oracle, Marvel, Kroger, DocuSign, Gap Stores

Friday: Algonquin Power

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

For example, technical score on Silver improved on Friday from -4 to +2 when relative strength changed from Negative to Neutral, price moved above its 20 day moving average and daily momentum indicators changed from Down to Up. Score increased from $0-2-1-1=-4$ to $0+0+1+1=+2$

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for March 1st 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	Neutral	Above Up	4	4
DJIA	Neutral	Mar.14	Up	Negative	Above Down	0	2
COMPQ	Neutral	Mar.14	Up	Positive	Above Up	6	4
IYT	Neutral	Aug.27	Up	Neutral	Above Down	2	6
AORD	Neutral	Mar.14	Up	Negative	Above Up	2	0
NIKK	Neutral	Mar.14	Up	Positive	Above Up	6	6
IEV	Positive	Apr.30	Up	Neutral	Above Up	4	4
FXI	Neutral	Sept.26	Up	Positive	Above Down	2	6
EEM	Positive	Mar.1	Up	Negative	Above Up	2	6

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 March 1st 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	4
Gasoline	Neutral	Mar.30	Up	Positive	Above	Down	4	4
Crude Oil	Positive	Apr. 12	Up	Neutral	Above	Up	4	2
Natural Gas	Neutral	Apr 1	Down	Neutral	Above	Up	0	-4
S&P Energy	Neutral	Mar.23	Up	Neutral	Above	Up	4	6
Oil Services	Positive	Apr.24	Down	Neutral	Above	Up	0	0
Gold	Positive	Apr 27	Up	Neutral	Above	Up	4	2
Silver	Positive	Mar.5	Neutral	Neutral	Above	Up	2	0
Gold Bug	Neutral	June 15	Down	Negative	Above	Up	-2	-4
Platinum	Positive	Mar.1	Down	Negative	Below	Down	-6	-4
Palladium	Positive	Mar.3	Down	Neutral	Above	Up	0	0
Copper	Positive	Mar. 5	Down	Neutral	Above	Down	-2	0
Agriculture	Neutral	Nov.10	Neutral	Neutral	Above	Up	2	2

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Sectors

Daily Seasonal/Technical Sector Trends for March 1st 2024

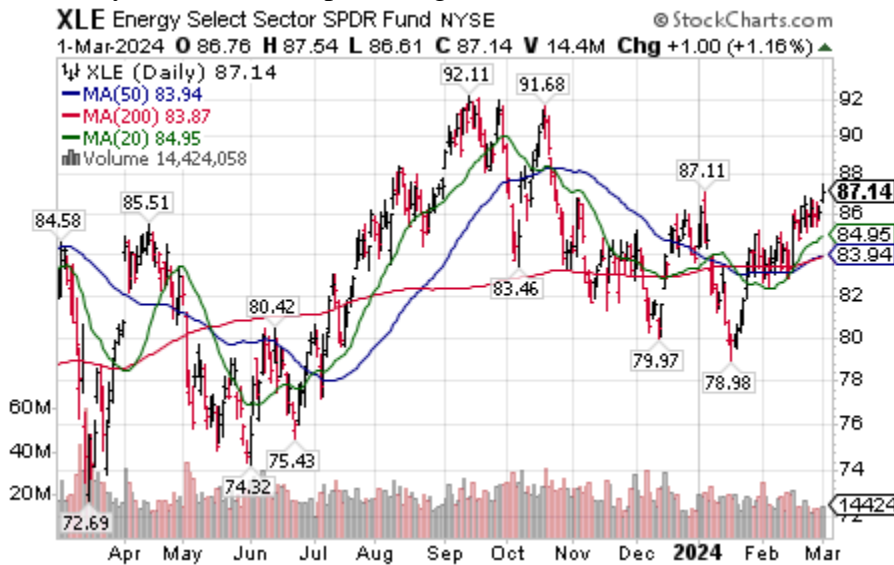
Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Score Last Week
XLK	Neutral	Apr.13	Up	Neutral	Above	Up	4	2
XLB	Neutral	Oct.1	Up	Positive	Above	Up	6	6
XLI	Neutral	Aug.26	Up	Positive	Above	Up	6	6
XLY	Neutral	Aug.7	Up	Positive	Above	Up	6	6
XLF	Neutral	July 7	Up	Positive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

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Technical Notes for Friday

Energy SPDRs \$XLE moved above \$87.11 extending an intermediate uptrend. Responding to a breakout by WTI crude oil prices higher above US\$79.29 and US\$79.60 per barrel!



Oil and Gas Exploration SPDRs \$XOP moved above \$153.62 extending an intermediate uptrend.



BMO Equal Weight Canadian Energy ETF \$ZEO moved above Cdn\$67.63 to an all-time high extending an intermediate uptrend.



Industrial Commodities iShares \$GSG moved above \$21.26 and \$21.30 extending an intermediate uptrend (includes a 55% weight in energy commodities).



First Trust Auto ETF \$CARZ moved above \$57.75 and \$59.20 extending an intermediate uptrend.



BMO Emerging Markets ETF \$ZEM.TO moved above Cdn\$19.62 extending an intermediate uptrend.



Apple \$AAPL a NASDAQ 100 stock moved below \$179.02 completing a double top pattern



UnitedHealth Group \$UNH a Dow Jones Industrial Average stock moved below \$479.00 extending an intermediate downtrend.



S&P 500 Momentum Barometers



The intermediate term Barometer added 1.60 on Friday and gained 1.60 last week to 69.20. It remains Overbought.



The long term Barometer slipped 0.80 on Friday and dropped 1.00 last week to 75.60. It remains Overbought

TSX Momentum Barometers



The intermediate term Barometer advanced 8.89 on Friday and gained 8.88 last week to 60.44. It changed from Neutral to Overbought on a move above 60.00.



The long term Barometer advanced 5.78 on Friday and gained 5.78 last week to 64.00. It changed from Neutral to Overbought on a move above 60.00.

Tech Talk is a free service available each business day at www.timingthemarket.ca

Disclaimer: Seasonality ratings and technical ratings offered in this report and at www.equityclock.com are for information only. They should not be considered as advice to purchase or to sell mentioned securities. Data offered in this report is believed to be accurate, but is not guaranteed