

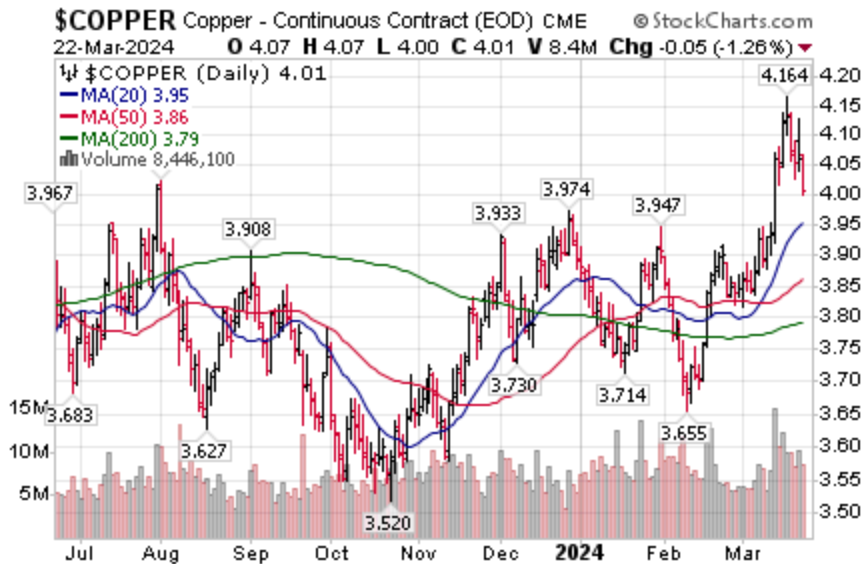
Tech Talk for Saturday March 23rd 2024

The Bottom Line

Responses by North American equity market to FOMC news released last Wednesday were a pleasant surprise. S&P 500 Index and Dow Jones Industrial Average quickly moved to all-time highs. The TSX Composite Index tested its all-time high at 22,213.07 set on April 5th 2022. Responses were triggered by comments by Federal Reserve Chairman Powell implying that inflation pressures are coming down: He predicted that the Fed Fund Rate at 5.25%-5.50% will move lower by the end of the year.

Predictions by the FOMC, that upside inflationary pressures in the U.S. are declining, are pre-mature at best. Despite a gain by the U.S. Dollar Index last week by 1.37 to 104.43, commodity prices, particularly agriculture, lumber and base metals prices continued to stream higher. Efforts by the FOMC and Bank of Canada to lower inflation pressures are far from over, not a scenario that is favourable for higher equity prices.





Other than investment in commodity and commodity stocks, better opportunities are available in equity markets outside of North America where efforts by the FOMC and Bank of Canada to reduce inflation pressures are not an issue. Possibilities include investing in Exchange Traded Funds representing countries and regions outside of North America.

Note that the US 0.55 cent drop by the Canadian Dollar last week to a four month low at US73.47 cents is positive for the earnings of Canadian commodity producers selling products to the U.S.

Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.FactSet.com

Analysts slightly increased estimates for the first quarter of 2024. Consensus on a year-over-year basis calls for an earnings increase of 3.4% (versus a 3.3% increase last week). Revenues are expected to increase 3.6% (versus a 3.5% increase last week).

Earnings gains accelerate thereafter to the end of 2024. Consensus for the second quarter calls for a 9.3% earnings increase (versus a 9.1% increase last week) and a 4.7% increase in revenues (versus a 4.6% increase last week). Consensus for the third quarter calls for an 8.4% increase in earnings (versus a previous 8.3% increase) and a 5.1% increase in revenues. Consensus for the fourth quarter calls for a 17.4% increase in earnings (versus a previous 17.3% increase) and a 5.8% increase in revenues. For all of 2024, consensus calls for an 10.9% increase in earnings (versus a previous increase of 11.0%) and a 5.1% increase in revenues (versus a previous 5.0% increase)

Preliminary estimates were offered for fiscal 2025. Consensus calls for a 13.3% earnings increase (versus previous 13.2% increase) and a 5.9% revenue increase.

Economic News This Week

Source: www.Investing.com

February U.S. New Home Sales released at 10:00 AM EDT on Monday are expected to increase to 673,000 from 661,000 in January

February Durable Goods Orders released at 8:30 AM EDT on Tuesday are expected to increase 1.0 versus a decline of 6.1% in January.

Updated Annualized Fourth quarter U.S. GDP released at 8:30 AM EDT on Thursday is expected to increase 3.2% versus a gain of 4.9% in the third quarter.

Canada's GDP in January released at 8:30 AM EDT on Thursday is expected to increase 0.4% versus unchanged in December

March Michigan Sentiment released at 10:00 AM EDT on Friday is expected to increase to 77.0 from 76.9 in February.

Selected Earnings News This Week

Source: www.Investing.com

Tuesday: McCormick

Wednesday: Cintas, Paychex, Carnival

Trader's Corner

Example of a change in technical score: Europe ETF (IEV) changed from 4 to 0 (i.e. from +2 +0 +1 +1 = +4 to +2 -2 +1 -1 = 0)

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for March 22nd 2024

Unit	Seasonal	Until	Trend	Strength Relative To S&X	20 Day MA	Momentum	Tech Score	Score Last Week
SPX	Positive	May 2	Up	Neutral	Above	Up	4	2
TSX	Neutral	Dec.15	Up	Neutral	Above	Down	2	4
DJIA	Positive	May 2	Up	Neutral	Above	Up	4	-2
COMPQ	Positive	Apr.30	Up	Neutral	Above	Up	4	-2
IYT	Neutral	Aug.27	Neutral	Negative	Above	Up	0	-2
AORD	Positive	May 2	Up	Negative	Above	Up	2	0
NIKK	Positive	Apr.30	Up	Neutral	Above	Up	4	-2
IEV	Positive	Apr.30	Up	Negative	Above	Down	0	4
FXI	Positive	Apr.15	Up	Neutral	Below	Down	0	2
EEM	Neutral	Nov.29	Up	Negative	Above	Down	0	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 March 22nd 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	6
Gasoline	Neutral	Mar.30	Up	Positive	Above	Down	4	4
Crude Oil	Positive	Apr. 12	Up	Neutral	Above	Down	2	6
Natural Gas	Neutral	Apr 1	Down	Neutral	Above	Up	0	-4
S&P Energy	Positive	June 6	Up	Positive	Above	Up	6	6
Oil Services	Positive	Apr.24	Up	Positive	Above	Up	6	6
Gold	Positive	Apr 27	Up	Neutral	Above	Down	2	4
Silver	Neutral	Dec.28	Neutral	Neutral	Above	Down	0	4
Gold Bug	Neutral	June 15	Neutral	Positive	Above	Down	2	2
Platinum	Neutral	Dec.24	Neutral	Negative	Below	Down	-4	2
Palladium	Neutral	Nov.28	Up	Neutral	Below	Down	0	6
Copper	Positive	Apr.20	Up	Neutral	Above	Down	2	6
Agriculture	Neutral	Nov.10	Neutral	Neutral	Above	Down	0	0

Green: Increase from previous day

Red: Decrease from previous day

Sectors Daily Seasonal/Technical Sector Trends for March 22nd 2024

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Score Last Week
XLK	Neutral	Apr.13	Up	Negative	Above	Up	2	-2
XLB	Neutral	Oct.1	Up	Positive	Above	Up	6	4
XLI	Neutral	Aug.26	Up	Positive	Above	Up	6	2
XLY	Neutral	Aug.7	Up	Negative	Above	Up	2	-2
XLF	Neutral	July 7	Up	Neutral	Above	Down	2	2
XLE	Positive	June 6	Up	Positive	Above	Up	6	6
XLP	Positive	May 24	Up	Neutral	Above	Down	2	2
XLV	Positive	July 30	Up	Negative	Below	Up	0	-2
XLU	Positive	July 2	Neutral	Neutral	Above	Up	2	-2
XLC	Positive	June 2	Up	Positive	Above	Up	6	-2
XLRE	Positive	Apr.3	Neutral	Negative	Below	Down	-4	-2
TSX Financial	Neutral	July 12	Up	Neutral	Above	Down	2	2
TSX Energy	Positive	Apr.12	Up	Positive	Above	Up	6	6
TSX Gold	Neutral	June 14	Neutral	Positive	Above	Down	2	2
TSX Tech	Positive	April 3	Up	Neutral	Above	Down	2	4
TSX B Metals	Neutral	Oct.4	Up	Positive	Above	Up	6	6

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Technical Notes for Friday

FedEx \$FDX an S&P 100 stock moved above \$284.09 extending an intermediate uptrend. Responded to better than consensus quarterly results!



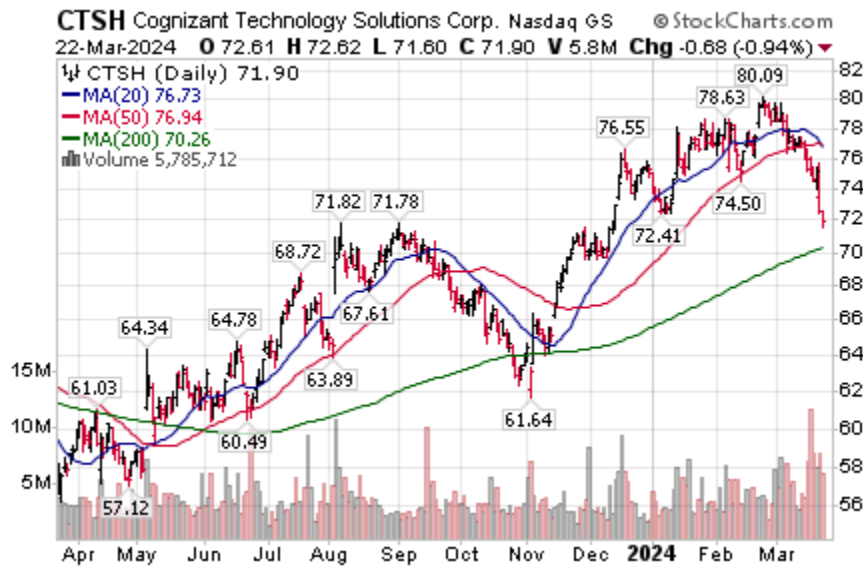
Nike \$NKE a Dow Jones Industrial Average stock moved below \$97.06 extending an intermediate downtrend. Responded to lower than consensus guidance!



Lululemon \$LULU a NASDAQ 100 stock moved below \$440.26 extending an intermediate downtrend. Responded to lower than consensus first quarter guidance!



Cognizant \$CTSH a NASDAQ 100 stock moved below \$72.41 setting an intermediate downtrend



Verisign \$VRSN a NASDAQ 100 stock moved below \$188.44 extending an intermediate downtrend.



Dollarama \$DOL.TO a TSX 60 stock moved below Cdn\$101.76 completing a double top pattern.



S&P 500 Momentum Barometers



The intermediate term Barometer dropped 4.00 on Friday, but gained 6.20 last week to 76.80. It remains Overbought.



The long term Barometer dropped 1.40 on Friday, but gained 2.80 last week to 80.80. It remains Overbought.

TSX Momentum Barometers



The intermediate term Barometer dropped 4.91 on Friday, but gained 5.63 last week to 68.30. It remains Overbought.



The long term Barometer dropped 0.89 on Friday, but gained 2.98 last week to 70.09. It remains Overbought.

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

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