

Tech Talk for Saturday April 20th 2024

The Bottom Line

Short term technical action by world markets remains focused on the Israel/Iran conflict. Growing uncertainties had a negative impact on equity markets and a positive impact on commodity prices last week.

First quarter earnings report season ramps up this week. Responses to results released to date have been mixed. Focuses this week are reports by five of the seven “Magnificent Seven” companies. Reports by Exxon Mobil and Chevron on Friday also will be watched closely.

Economic focus this week is on the Core March PCE Price Index released on Friday.

Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.FactSet.com

Analysts slightly adjusted earnings estimates for the first quarter of 2024. Consensus on a year-over-year basis calls for an earnings increase of 0.5% (versus a 0.9% increase last week). Revenues are expected to increase 3.5% (versus a 3.4% increase last week).

Earnings gains accelerate in the second and third quarters. Consensus for the second quarter calls for a 9.6% earnings increase (versus 9.4% last week) and a 4.4% increase in revenues (versus a 4.6% increase last week). Consensus for the third quarter calls for an 8.7% increase in earnings (versus previous 8.6% increase) and a 5.0% increase in revenues (versus a previous 5.1% increase).

Earnings gains for the fourth quarter were reduced significantly. Consensus for the fourth quarter calls for a 10.7% increase in earnings (versus previous 17.7% increase) and a 5.0% increase in revenues (versus previous 5.8%)

For all of 2024, consensus calls for a 10.7% earnings increase (versus previous 10.3% increase) and a 5.0% increase in revenues (versus previous 4.8% increase)

Estimates for fiscal 2025 were reduced slightly. Consensus calls for a 13.8% earnings increase (versus previous 14.0% increase) and a 5.9% revenue increase.

Economic News This Week

Source: www.Investing.com

U.S. March New Home Sales are released at AM EDT on Tuesday

U.S. March Durable Goods Orders are released at 8:30 AM EDT on Wednesday

February Canadian Retail Sales are released at 8:30 AM EDT on Wednesday.

Annualized First Quarter U.S. GDP is released at 8:30 AM EDT on Thursday

U.S. March PCE Price Index is released at 8:30 AM EDT on Friday.

U.S. March Personal Income and **March Personal Spending** are released at 8:30 AM EDT on Friday

April Michigan Consumer Sentiment released at 10:00 AM EDT on Friday is expected to slip to 77.9 from 79.4 in March.

Selected Earnings News This Week

Source: www.Investing.com

Seventy S&P 500 companies (i.e.14%) have reported quarterly reports to date. Another 158 companies (i.e. 31.6%) are scheduled to report this week (including 11 Dow Jones Industrial Average companies)

Five TSX 60 companies are scheduled to report

Monday: Verizon, Nucor, Whirlpool

Tuesday: Alphabet, Tesla, Visa, Pepsico, Danaher, General Electric, Texas Instruments, Philip Morris, United Parcel Services, Lockheed Martin, Chubb, Canadian National Railway, Sherwin Williams, Freeport McMorran, Spotify, General Motors, Kimberly Clark, Halliburton, Baker Hughes, Archer Daniel Midland, Pultegroup, First Quantum Minerals, Mattel, West Fraser Timber

Wednesday: Meta Group, QUALCOMM, IBM, Lam Research, AT&T, Boeing, Boston Scientific, Waste Management, Chipotle, General Dynamics, VALE, Hilton, Ford, United Rental, Waste Connection, Cenovus, Biogen, Rogers Communications, Lundin Mining, Hasbro, Celestica, Methanex

Thursday: Microsoft, Amazon, Merck, AstraZeneca, T Mobile, Caterpillar, Comcast, Intel, Union Pacific, Starbucks, Bristol-Myers, KLA Corp, Southern Copper, Gilead, Altria, Northrop Grumman, Capital One, Newmont Mining, Keurig Dr. Pepper, Dow, Teck Resources, Weyerhaeuser, International Paper, US Steel, Harley Davidson

Friday: Exxon Mobil, AbbVie, Chevron, Colgate Palmolive, AutoNation

Trader's Corner

Example of a daily change in technical score: TSX Composite Index

Intermediate term trend: Up	Score: +2
Strength relative to S&P 500: Positive	Score: +2
Trades below its 20 day moving average	Score: -1
Daily momentum (Stochastics, RSI, MACD) turned higher: from -1 to	Score: +1
Total Score	from +2 to Score +4

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for April 19th 2024

Unit	Seasonal	Until	Trend	Strength Relative To S&P 500	20 Day MA	Momentum	Tech Score	Score Last Week
SPX	Positive	May 2	Up	Neutral	Below	Down	0	0
TSX	Neutral	Dec.15	Up	Positive	Below	Up	4	2
DJIA	Positive	May 2	Neutral	Positive	Below	Up	2	-4
COMPQ	Positive	Apr.30	Neutral	Negative	Below	Down	-4	2
IYT	Neutral	Aug.27	Neutral	Neutral	Below	Down	-2	-4
AORD	Positive	May 2	Neutral	Positive	Below	Down	0	4
NIKK	Positive	Apr.30	Neutral	Negative	Below	Down	-4	0
IEV	Positive	Apr.30	Neutral	Positive	Below	Down	0	-4
FXI	Neutral	Oct.4	Up	Positive	Below	Down	2	0
EEM	Neutral	Nov.29	Neutral	Neutral	Below	Down	-2	0

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 April 19th 2024

Unit	Seasonal	Until	Trend	Strength Relative To S&P 500	20 Day MA	Momen tum	Tech Score	Score Last Week
CRB Index	Positive	June 11	Up	Positive	Above	Down	4	4
Gasoline	Positive	June 29	Up	Positive	Below	Down	2	6
Crude Oil	Positive	June 30	Up	Positive	Below	Down	2	6
Natural Gas	Positive	June 29	Down	Neutral	Below	Down	-4	2
S&P Energy	Positive	June 6	Up	Positive	Below	Down	2	4
Oil Services	Positive	Apr.24	Up	Neutral	Below	Down	0	0
Gold	Positive	Apr 27	Up	Positive	Above	Up	6	4
Silver	Neutral	Dec.28	Up	Positive	Above	Down	4	4
Gold Bug	Neutral	June 15	Up	Positive	Above	Down	4	4
Platinum	Neutral	Dec.24	Up	Positive	Below	Down	2	6
Palladium	Neutral	Nov.28	Up	Positive	Below	Down	2	6
Copper	Positive	Apr.20	Up	Positive	Above	Up	6	6
Agriculture	Neutral	Nov.10	Neutral	Neutral	Below	Up	0	-2

Green: Increase from previous day

Red: Decrease from previous day

Sectors Daily Seasonal/Technical Sector Trends for April 19th 2024

Unit	Seasonal	Until	Trend	Strength Relative To S&P 500	20 Day MA	Momen tum	Tech Score	Score Last Week
XLK	Positive	Aug.28	Down	Negative	Below	Down	-6	-2
XLB	Neutral	Oct.1	Up	Positive	Below	Down	2	0
XLI	Neutral	Aug.26	Up	Positive	Below	Down	2	0
XLY	Neutral	Aug.7	Negative	Negative	Below	Down	-6	-4
XLF	Neutral	July 7	Up	Positive	Below	Up	4	-2
XLE	Positive	June 6	Up	Positive	Below	Down	2	4
XLP	Positive	May 24	Up	Positive	Below	Up	4	-2
XLV	Positive	July 30	Neutral	Positive	Below	Down	0	-4
XLU	Positive	July 2	Up	Positive	Above	Up	6	0
XLC	Positive	June 2	Up	Positive	Below	Up	4	2
XLRE	Neutral	Dec.1	Down	Negative	Below	Down	-6	-4
TSX Financial	Neutral	July 12	Up	Positive	Below	Above	4	-2
TSX Energy	Neutral	Dec.11	Up	Positive	Above	Down	4	4
TSX Gold	Neutral	June 14	Up	Positive	Above	Down	4	4
TSX Tech	Neutral	Nov. 15	Down	Neutral	Below	Up	-2	-6
TSX B Metals	Neutral	Oct.4	Up	Positive	Above	Down	4	4

Green: Increase from previous day

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Technical Notes for Friday

Consumer Discretionary SPDRs XLY moved below \$169.36 extending an intermediate downtrend.



Apple \$AAPL a Dow Jones Industrial Average stock moved below \$165.24 extending an intermediate downtrend.



Meta Platform \$META an S&P 100 stock moved below \$481.78 and \$476.00 setting an intermediate downtrend.



Netflix \$NFLX an S&P 100 stock moved below \$601.59 and \$592.00 extending an intermediate downtrend.



Eli Lilly \$LLY an S&P 100 stock moved below \$727.62 completing a double top pattern.



ON Semiconductor \$ON a NASDAQ 100 stock moved below \$61.47 extending an intermediate downtrend.



Marvell Technologies \$MRVL a NASDAQ 100 stock moved below \$63.41 completing a Head & Shoulders pattern.



Broadcom \$AVGO an S&P 100 stock moved below \$1,198.91 completing a double top pattern.



S&P 500 Momentum Barometers



The intermediate term Barometer added 6.20 on Friday but dropped 7.40 last week to 37.00. It remains Oversold.



The long term Barometer added 1.80 to 70.80 on Friday, but slipped 1.00 last week to 70.80. It remains Overbought.

TSX Momentum Barometers



The intermediate term Barometer added 1.79 on Friday, but slipped 1.34 last week to 52.23. It remains Neutral.



The long term Barometer added 0.45 on Friday, but dropped 2.68 last week to 65.18. It remains Overbought.

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

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