

Tech Talk for Saturday June 1st 2024

The Bottom Line

North American equity markets responded favourably to the April core PCE Price Index report released on Friday. Consensus was an increase of 0.3% versus a gain of 0.3% in March. Actual was an increase of 0.2%. On a year-over-year basis, the Index gained 2.8%, in line with consensus. This Index is the Federal Reserves' favoured index for measuring inflation. Economists are guessing that the Fed Fund Rate currently at 5.25%-5.50% could start to decline as early as the FOMC meeting on September 17th -18th .

Other central banks also are contemplating a reduction in their rates . The Bank of Canada is expected to lower its bank rate on Wednesday from 5.00% to 4.75% and the European Central Bank is expected to lower its rate on Thursday from 5.00% to 4.75%.

Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.FactSet.com

Consensus estimates slipped slightly last week:

Ninety eight percent of S&P 500 companies have reported first quarter results to date.

Consensus on a year-over-year basis calls for an earnings increase of 5.9% (versus a 6.0% increase last week). Revenues are expected to increase 4.2%.

Earnings gains accelerate in the second and third quarters. Consensus for the second quarter calls for a 9.2% earnings increase (versus 9.3% last week) and a 4.7% increase in revenues.. Consensus for the third quarter calls for an 8.3% increase in earnings and a 4.9% increase in revenues.

Earnings gains accelerate further in the fourth quarter. Consensus for the fourth quarter calls for a 17.5% increase in earnings (versus 17.6% last week) and a 5.5% increase in revenues.

For all of 2024, consensus calls for an 11.3% earnings increase (versus 11.4% last week) and a 5.0% increase in revenues.

Estimated gains for fiscal 2025 unchanged. Consensus calls for a 14.2% earnings increase and a 5.9% revenue increase.

Economic News This Week

Source: www.Investing.com

April U.S. Construction Spending is released at 10:00 AM EDT on Monday

May ISM Manufacturing PMI is released at 10:00 AM EDT on Monday

April Factory Orders is released at 10:00 AM EDT on Tuesday

Bank of Canada offers its interest rate decision at 9:45 AM EDT on Wednesday. A press conference is offered at 10:30 AM EDT. Consensus calls for a drop in the overnight lending rate for major banks from 5.00% to 4.75%.

May ISM Non-manufacturing PMI is released at 10:00 AM EDT on Wednesday

European Central Bank releases its overnight lending rate decision at 8:15 AM EDT. Consensus calls for a drop in the rate from 5.00% to 4.75%.

April U.S. Trade Balance is released at 8:30 AM EDT on Thursday

May U.S. Non-farm Payrolls is released at 8:30 AM EDT on Friday.

May Canadian Employment is released at 8:30 AM EDT on Friday May unemployment Rate

April Canadian Trade Balance is released at 8:30 AM EDT on Friday

Selected Earnings News This Week

Source: www.Investing.com

Seven S&P 500 companies are scheduled to release quarterly results. No TSX 60 companies are scheduled to release quarterly results.

Tuesday: CrowdStrike, Hewlett Packard

Wednesday: Lululemon, Campbell Soup

Thursday: DocuSign

Trader's Corner

Total scores range from -6 (most bearish) to +6 (most bullish)

Example: Technical score for the TSX Composite Index increased on Friday from -2 to +2

	Previous Score	NewScore
Intermediate Trend: Up	+2	+2
Strength relative to the S&P 500: Negative	-2	-2
Below/Above 20 day Moving Average: moved above	-1	+1
Daily momentum (Stochastics, RSI, MACD): turned positive	-1	+1
Total Scores	-2	+2

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for May 31st 2024

Unit	Seasonal	Until	Trend	Strength Relative To S&P 500	20 Day MA	Momentum	Tech Score	Prev Score	Score Last Week
SPX	Neutral	Nov.8	Up	Neutral	Below	Down	0		2
TSX	Neutral	Dec.15	Up	Negative	Above	Up	2	-2	0
DJIA	Neutral	Aug.31	Up	Negative	Below	Up	0	-2	-2
COMPQ	Positive	Sept.15	Up	Positive	Above	Down	4		4
IYT	Neutral	Aug.27	Down	Negative	Below	Up	-4	-6	-6
AORD	Neutral	June 19	Up	Negative	Below	Down	-2		-2
NIKK	Neutral	Nov.8	Neutral	Negative	Below	Down	-4		-2
IEV	Neutral	Dec.8	Up	Neutral	Above	Down	2		2
FXI	Neutral	Oct.4	Up	Negative	Below	Down	-2		0
EEM	Neutral	Nov.29	Up	Negative	Below	Down	-2		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 May 31st 2024

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score	Score Last Week
CRB Index	Positive	June 11	Up	Neutral	Below	Down	0		0
Gasoline	Positive	June 29	Neutral	Negative	Below	Down	-4		-4
Crude Oil	Positive	June 30	Up	Negative	Below	Down	-2		-2
Natural Gas	Positive	June 29	Up	Positive	Above	Down	4		6
S&P Energy	Positive	June 6	Down	Negative	Below	Up	-4		-6
Oil Services	Neutral	Dec.19	Up	Negative	Below	Down	-2		-2
Gold	Neutral	July 15	Up	Neutral	Above	Up	4		-2
Silver	Neutral	Dec.28	Up	Positive	Above	Down	4	6	4
Gold Bug	Neutral	June 15	Up	Neutral	Above	Up	4		2
Platinum	Neutral	Dec.24	Up	Positive	Above	Down	4	6	2
Palladium	Neutral	Nov.28	Down	Negative	Below	Down	-6	-4	-4
Copper	Neutral	Nov.22	Up	Negative	Below	Down	-2	2	2
Agriculture	Neutral	Nov.10	Neutral	Negative	Below	Up	-2	-4	-4

Green: Increase from previous day

Red: Decrease from previous day

Sectors Daily Seasonal/Technical Sector Trends for May 31st 2024

Unit	Seasonal	Until	Trend	Strength Relative To S&P 500	20 Day MA	Momentum	Tech Score	Prev Score	Score Last Week
XLK	Positive	Aug.28	Up	Neutral	Above	Down	2	4	4
XLB	Neutral	Oct.1	Up	Neutral	Above	Up	4	-2	0
XLI	Neutral	Aug.26	Up	Negative	Below	Up	0	-2	0
XLY	Neutral	Aug.7	Down	Negative	Below	Up	-4	-6	-6
XLF	Neutral	July 7	Up	Negative	Above	Up	2	-2	0
XLE	Positive	June 6	Down	Negative	Above	Up	-2	-6	-6
XLP	Neutral	Feb.16	Up	Negative	Above	Up	2	-2	0
XLV	Positive	July 30	Neutral	Negative	Below	Up	-2	-4	0
XLU	Positive	July 2	Up	Positive	Above	Up	6	2	2
XLC	Positive	June 2	Neutral	Positive	Above	Down	2	0	0
XLRE	Neutral	Dec.1	Down	Neutral	Above	Up	0	-4	-6
TSX Financial	Neutral	July 12	Up	Negative	Above	Up	2	-2	2
TSX Energy	Neutral	Dec.11	Down	Neutral	Above	Up	0		-4
TSX Gold	Neutral	June 14	Up	Neutral	Below	Down	0	2	2
TSX Tech	Neutral	Nov. 15	Down	Negative	Below	Down	-6		-4
TSX B Metals	Neutral	Oct.4	Up	Neutral	Below	Down	0	2	2

Green: Increase from previous day

Red: Decrease from previous day

Technical Notes for Friday

DoorDash a NASDAQ 100 stock moved below \$109.06 setting an intermediate downtrend.



Datadog a NASDAQ 100 stock moved below \$110.34 extending an intermediate downtrend.



AT&T an S&P 100 stock moved above \$17.86 extending an intermediate uptrend.



Technical score for TSX Composite Index increased on Friday from -2 to +2 when the Index moved above its 20 day moving average and its daily momentum indicators (Stochastics, RSI, MACD) turned higher. Also, note the momentum barometers on the TSX Composite offered below.



S&P 500 Momentum Barometers



The intermediate term Barometer jumped 8.60 on Friday and gained 1.00 last week to 50.60. It remains Neutral.



The long term Barometer jumped 5.00 on Friday, but slipped 0.40 last week to 72.80. It remains Overbought.

TSX Momentum Barometers



The intermediate term Barometer jumped 5.83 on Friday and added 0.89 last week to 59.19. It remains Neutral.



The long term Barometer advanced 3.59 on Friday, but slipped 0.45 last week to 67.71. It remains Overbought.

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