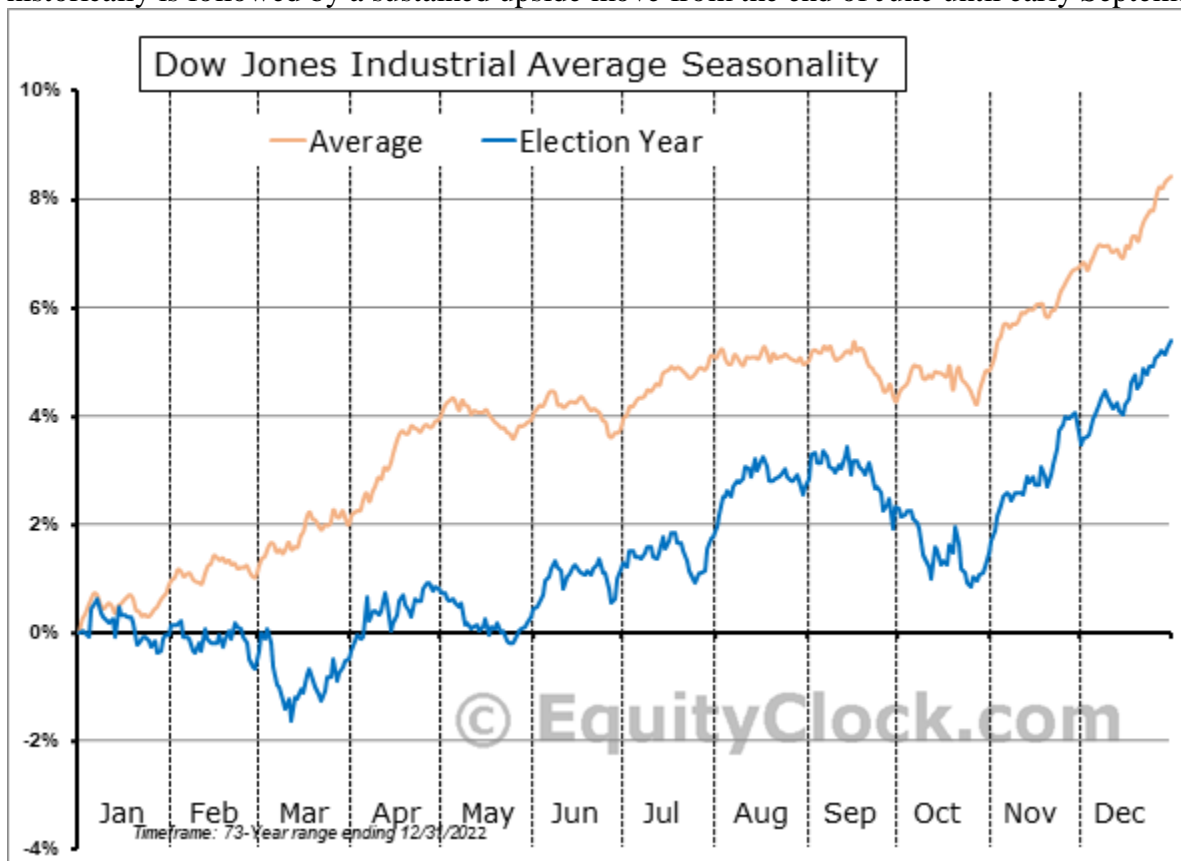


Tech Talk for Saturday May 25th 2024

The Bottom Line

The gain by one stock dominated performances by the S&P 500 Index and NASDAQ Composite Index last week, the 15% price advance by heavily weighted Nvidia following release of its better than expected quarterly results. Other major U.S. equity indices were notably weaker: Dow Jones Industrial Average down 2.33%, Dow Jones Transportation Average dropped 2.70%, Equal Weighted S&P 500 ETF dropped 1.33% and Russell 2000 ETF dropped 1.85%.

Seasonal weakness by broadly based U.S. equity indices frequently appears at this time of year (Sell in May and Go Away?), particularly during U.S. Presidential Election years. The Dow Jones Industrial Average is notable for its weakness in May. However, weakness in May historically is followed by a sustained upside move from the end of June until early September.



Economic focus this week is on the April Core PCE Price Index released on Friday. A significant variation from the March year-over-year report showing a 2.8% increase could have an important impact on U.S. equity indices.

Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.FactSet.com

Higher than consensus first quarter results released to date prompted analysts to increase their first quarter earnings estimates again thanks mainly to release of higher than consensus quarterly results by Nvidia. Ninety six 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 6.0% (versus a 5.7% 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 9.3% earnings increase (versus 9.2% last week) and a 4.7% increase in revenues (versus 4.6% last week). Consensus for the third quarter calls for an 8.3% increase in earnings (versus 8.2% last week) and a 4.9% increase in revenues.

Earnings gains accelerate further in the fourth quarter. Consensus for the fourth quarter calls for a 17.6% increase in earnings (versus 17.4% last week) and a 5.5% increase in revenues.

For all of 2024, consensus calls for an 11.4% earnings increase (versus 11.1% last week) and a 5.0% increase in revenues.

Estimated gains for fiscal 2025 increased slightly. Consensus calls for a 14.2% earnings increase (versus a previous 14.1% increase) and a 5.9% revenue increase (versus 5.8% last week).

Economic News This Week

Source: www.Investing.com

U.S. equity markets are closed today for a holiday

Beige Book is released at 2:00 PM EDT on Wednesday. More information about “dot plots” on the Fed Fund Rate supplied by FOMC members will be revealed.

Updated estimate of U.S. annualized first quarter 2024 real GDP released at 8:30 AM EDT on Thursday is expected to grow 1.6% versus a gain of 3.4% in the fourth quarter of 2023.

April PCE Price Index is released at 8:30 AM EDT on Friday

April Personal Income released at 8:30 AM EDT on Friday is expected to increase 0.3% versus a gain of 0.5% in March. April Personal Spending is expected to increase 0.3% versus a gain of 0.8% in March.

Canadian March and first quarter GDP is released at 8:30 AM EDT on Friday.

May Chicago Purchasing Managers Index released at 9:45 AM EDT on Friday is expected to increase to 40.0 from 37.9 in April.

Selected Earnings News This Week

Source: www.Investing.com

Nine S&P 50 companies and one Dow Jones Industrial Average company (Salesforce.com) are scheduled to report quarterly results this week.

Focuses in Canada are reports by Canada's five major banks.

Focuses in the U.S. are reports by major retailers including Costco, Lululemon, Dollar General, Best Buy, Gap Stores, Kohl's and Foot Locker.

Tuesday: Scotia Bank

Wednesday: Salesforce.com, Bank of Montreal, Agilent, HP Inc., National Bank, Dick's Sporting Goods

Thursday: Costco, Royal Bank, Dell, Marvell, Commerce Bank, Lululemon, Dollar General, NetApp, Best Buy, Gap, Kohl's, Foot Locker

Trader's Corner

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

Example: Technical score on the TSX Composite Index was unchanged last week at 0:

	Score
Intermediate trend: Up	+2
Strength relative to the S&P 500: Negative	-2
Above/Below 20 day Moving Average: Above	+1
Daily momentum (Stochastics, RSI, MACD): moving lower	-1
Total	0

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for May 24th 2024

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momentum	Tech Score	Prev Score	Score Last Week
SPX	Neutral	Nov.8	Up	Neutral	Above	Down	2		4
TSX	Neutral	Dec.15	Up	Negative	Above	Down	0		2
DJIA	Neutral	Aug.31	Up	Negative	Below	Down	-2		4
COMPQ	Positive	Sept.15	Up	Positive	Above	Down	4		6
IYT	Neutral	Aug.27	Down	Negative	Below	Down	-6		-2
AORD	Neutral	June 19	Up	Negative	Below	Down	-2	0	2
NIKK	Neutral	Nov.8	Neutral	Negative	Above	Down	-2		-2
IEV	Neutral	Dec.8	Up	Neutral	Above	Down	2		6
FXI	Neutral	Oct.4	Up	Neutral	Down	Down	0	2	6
EEM	Neutral	Nov.29	Up	Neutral	Above	Down	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 May 24th 2024

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

Green: Increase from previous day

Red: Decrease from previous day

Sectors Daily Seasonal/Technical Sector Trends for May 24th 2024

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

Green: Increase from previous day

Red: Decrease from previous day

Technical Notes for Friday

Canadian Global Agriculture iShares \$COW moved below \$62.78 setting an intermediate downtrend.



ExxonMobil \$XOM a Dow Jones Industrial Average stock moved below \$113.21 extending an intermediate downtrend.



Workday \$WDAY a NASDAQ 100 stock moved below \$241.14 extending an intermediate downtrend.



AbbVie \$ABBV an S&P 100 stock moved below \$157.65 extending an intermediate downtrend.



S&P 500 Momentum Barometers



The intermediate term Barometer added 3.80 on Friday, but plunged 14.40 last week to 49.60. It changed from Overbought to Neutral on a drop below 60.00. Daily trend is down.



The long term Barometer added 0.40 on Friday, but plunged 7.20 last week to 73.00. It remains Overbought. Daily trend is down.

TSX Momentum Barometers



The intermediate term Barometer added 3.59 on Friday, but plunged 10.76 last week to 58.30, It changed from Overbought to Neutral on a drop below 60.00. Daily trend is down.



The long term Barometer added 0.45 on Friday, but dropped 4.04 points to 68.16 last week. It remains Overbought. Daily trend is down.

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