

Tech Talk for Saturday May 4th 2024

The Bottom Line

The Fabulous Four (Amazon, Microsoft, Alphabet, Meta) dominated technical action by broadly based U.S. equity indices last week. Higher than consensus quarterly results by these dominant companies prompted analysts to increase significantly first quarter earnings and revenues estimates for the S&P 100 Index and the NASDAQ 100 Index. Their strong earnings gains are expected to continue, but at a lower than previous rate during the remainder of 2024.

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 again to increase significantly their first quarter earnings estimates. Eighty Percent of S&P 500 companies have reported to date. Consensus on a year-over-year basis calls for an earnings increase of 5.0% (versus a 3.5% increase last week). Revenues are expected to increase 4.1% (versus a 4.4% increase last week).

Earnings gains accelerate in the second and third quarters, but at a slower than previous rate. Consensus for the second quarter calls for a 9.6% earnings increase (versus 9.7% last week) and a 4.5% increase in revenues (versus a 4.4% increase last week). Consensus for the third quarter calls for an 8.4% increase in earnings (versus previous 8.6% increase) and a 4.8% increase in revenues (versus a previous 4.9% increase).

Earnings gains continue in the fourth quarter. Consensus for the fourth quarter calls for a 17.8% increase in earnings and a 5.4% increase in revenues (versus previous 4.9%)

For all of 2024, consensus calls for an 11.0% earnings increase (versus previous 10.8% increase) and a 4.9% increase in revenues.

Earnings estimates for fiscal 2025 were lowered. Consensus calls for a 9.5% earnings increase (versus previous 13.9% increase) and a 5.8% revenue increase.

Economic News This Week

Source: www.Investing.com

Canada's April Employment Report is released at 8:30 AM EDT on Friday.

May Michigan Consumer Sentiment is released at 10:00 AM EDT on Friday

Selected Earnings News This Week

Source: www.Investing.com

Fifty six S&P 500 companies are scheduled to release quarterly results this week (including one Dow Jones Industrial Average company: Walt Disney) Six TSX 60 companies are scheduled to release quarterly results

Monday: Berkshire Hathaway, Microchip Technology

Tuesday: Walt Disney, McKesson, Occidental Petroleum, Suncor, Wynn Resorts, Kinross Gold, TripAdvisor, Under Armour

Wednesday: Toyota, Uber, Anheuser Busch, Air BNB, Shopify, Emerson, Manulife Financial, Trade Desk, Nutrient, Brookfield Asset Management

Thursday: Sun Life Financial, Telus

Friday: Enbridge, Constellation Software, Onex, Algonquin Power.

Trader's Corner

Example of a daily change in technical score for NASDAQ Composite (COMPQ)

	Score
Intermediate Trend: Neutral: Unchanged	+0 to +0
Strength relative to S&P 500: Neutral to Positive:	0 to +2
Moved above its 20 day Moving Average:	-1 to +1
Daily Momentum (Stochastics, RSI, MACD) turned higher:	-1 to +1
Total Score	-2 to +4

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for May 3rd 2024

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

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 3rd 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	Negative	Below	Down	-2	-2	4
Gasoline	Positive	June 29	Up	Negative	Below	Down	-2	-2	3
Crude Oil	Positive	June 30	Up	Negative	Below	Down	-2	-2	0
Natural Gas	Positive	June 29	Up	Positive	Above	Up	6	4	6
S&P Energy	Positive	June 6	Down	Negative	Below	Down	-6	-6	2
Oil Services	Neutral	Dec.19	Up	Negative	Below	Down	-2	-2	2
Gold	Neutral	July 15	Up	Neutral	Below	Down	0	0	2
Silver	Neutral	Dec.28	Up	Negative	Below	Down	-2	-2	2
Gold Bug	Neutral	June 15	Up	Neutral	Below	Down	0	0	6
Platinum	Neutral	Dec.24	Up	Neutral	Above	Up	4	0	0
Palladium	Neutral	Nov.28	Down	Negative	Below	Down	-6	-6	-6
Copper	Neutral	Nov.22	Up	Positive	Above	Down	4	4	6
Agriculture	Neutral	Nov.10	Neutral	Neutral	Above	Down	0	-2	0

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Sectors Daily Seasonal/Technical Sector Trends for May 3rd 2024

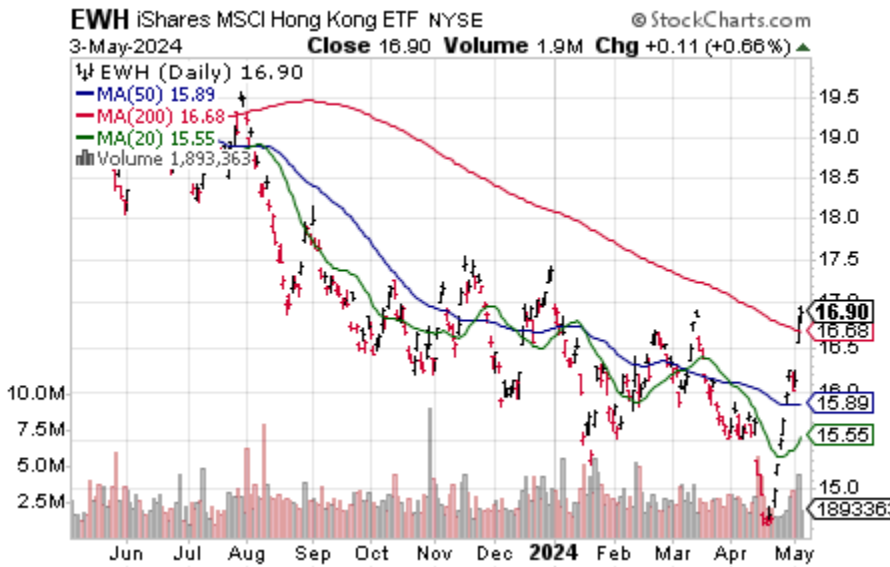
Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Prev. Score	Score Last Week
XLK	Positive	Aug.28	Down	Neutral	Above	Up	0	-6	-4
XLB	Neutral	Oct.1	Up	Neutral	Below	Up	2	0	0
XLI	Neutral	Aug.26	Up	Neutral	Above	Down	2	0	2
XLY	Neutral	Aug.7	Down	Positive	Above	Up	2	0	-2
XLF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

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Technical Notes for Friday

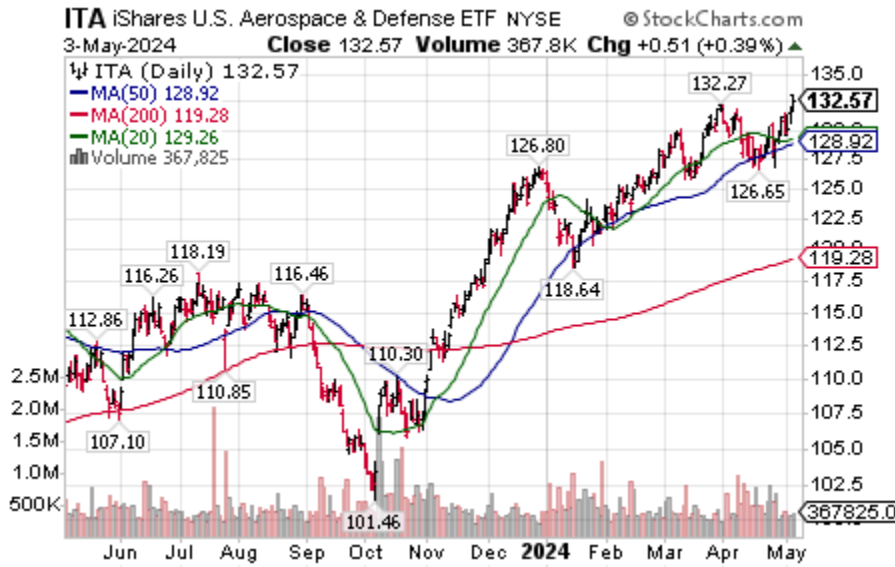
Far East equity indices and related ETFs continue moving higher. **Hong Kong iShares \$EWH** moved above intermediate resistance at \$16.92,



Corn ETN \$CORN moved above \$20.44 and \$20.69 completing a double bottom pattern. Soybean and Wheat prices also moved significantly higher during the week.



U.S. Aerospace & Defense iShares \$ITA moved above \$132.27 to an all-time high extending an intermediate uptrend.



Apple \$AAPL a Dow Jones Industrial Average stock moved above \$178.36 and \$178.67 resuming an intermediate uptrend.



Telus \$T.TO a TSX 60 stock moved above Cdn\$22.42 completing a double bottom pattern.



Magna International \$MG.TO a TSX 60 stock moved below Cdn\$63.32 extending an intermediate downtrend. The company announced less than consensus first quarter results and lowered guidance for 2024.



S&P 500 Momentum Barometers



The intermediate term Barometer added 2.20 on Friday, but dropped 3.40 last week to 43.40. It remains Neutral.



The long term Barometer added 1.20 on Friday, but dropped 1.80 last week. It remains Overbought

TSX Momentum Barometers



The intermediate term Barometer added 4.91 on Friday and gained 5.35 last week to 60.71. It changed from Neutral to Overbought on a recovery above 60.00.



The long term Barometer slipped 0.45 on Friday and eased 0.44 last week. It remains Overbought.

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

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