

# Tech Talk for Saturday July 6<sup>th</sup> 2024

## The Bottom Line

**The Summer Stock Market Rally from late June until at least the end of July has started.**

**Corporate focuses this week** are on second quarter results released on Friday by U.S. money-centered banks (including JP Morgan Chase, Wells Fargo, Citigroup and Bank of New York Mellon): According to [www.FactSet.com](http://www.FactSet.com) “*Bank earnings season begins on Friday, July 12, and in the broad contours, is apt to look remarkably similar to the first quarter*” when earnings by the sector increased 4.9% on a year-over-year basis”

**Another important focus this week** is on Federal Reserve Chairman Powell’s testimony before Congressional Finance Committees on Tuesday and Wednesday. His comments about possible timing of the first decline in the Fed Fund Rate below its current 5.25%-5.50% rate will be watched closely. U.S. and Canadian June labour reports released on Friday are expected to set the stage for the FOMC and Bank of Canada to lower rates sooner than previously anticipated.

## Consensus for Earnings and Revenues for S&P 500 Companies

Source: [www.FactSet.com](http://www.FactSet.com)

**Changes since our last report on June 24<sup>th</sup> have been slight. Earnings gains accelerate from a year-over-year earnings increase of 5.9% recorded in the first quarter.** Consensus for the second quarter remained at an 8.8% earnings increase and a 4.6% revenue increase. Consensus for the third quarter calls for an 8.1% earnings increase (versus previous 8.2%) and a 4.9% revenue increase.

**Earnings gains accelerate further in the fourth quarter.** Consensus calls for a 17.3% increase in earnings (versus previous 17.6% increase) and a 5.6% increase in revenues (versus previous 5.5% increase).

**For all of 2024,** consensus calls for an 11.3% earnings increase (versus previous 11.2% increase) and a 5.0% revenue increase.

**Earnings gains remain elevated in 2025.** First quarter earnings are expected to increase 15.2% on a year-over-year basis (versus previous 15.4% increase) and revenues are expected to increase 5.9% (versus 5.8% increase). Second quarter earnings are expected to increase 15.6% (versus previous 15.5% increase) and revenues are expected to increase 5.9%. For all of 2025 earnings are expected to increase 14.4% (versus previous 14.3% increase) and revenues are expected to increase 6.0%.

## Economic News This Week

Source: [www.Investing.com](http://www.Investing.com)

**Federal Reserve Chairman Powell's** first testimony before Congress at 11:00 AM EDT on Tuesday. Second testimony is on Wednesday.

**May U.S. Wholesale Inventories** released at 10:00 AM EDT on Wednesday are expected to increase 0.6% versus a gain of 0.1% in April.

**June U.S. Consumer Price Index** released at 8:30 AM EDT on Thursday is expected to increase 0.1% versus no change in May. Excluding food and energy, June CPI is expected to increase 0.2% versus a gain of 0.2% in May.

**June U.S. Producer Price Index** released at 8:30 AM EDT on Friday is expected to increase 0.1% versus a decline of 0.2% in May. Excluding food and energy, June PPI is expected to increase 0.2% versus unchanged in May.

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

## Selected Earnings News This Week

Source: [www.Investing.com](http://www.Investing.com)

**Thursday:** Pepsico, Progressive, Delta Airlines, Conagra

**Friday:** JP Morgan, Wells Fargo, Citigroup, Bank of New York Mellon, Fastenal

## Trader's Corner

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for July 5<sup>th</sup> 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	Above	Up	4		2
TSX	Neutral	Dec.15	Neutral	Negative	Above	Up	0		0
DJIA	Neutral	Aug.31	Up	Neutral	Above	Up	4		2
COMPQ	Positive	Sept.15	Up	Positive	Above	Up	6		4
IYT	Neutral	Aug.27	Down	Neutral	Above	Down	-2	0	0
AORD	Positive	Aug.31	Up	Negative	Above	Up	2	0	2
NIKK	Neutral	Nov.8	Neutral	Positive	Above	Up	4		2
IEV	Neutral	Dec.8	Neutral	Negative	Above	Up	0	-4	-4
FXI	Neutral	Oct.4	Up	Neutral	Below	Up	2	4	-2
EEM	Neutral	Nov.29	Up	Positive	Above	Up	6		2

**Green:** Increase from previous day

**Red:** Decrease from previous day

Source for all positive seasonality ratings: [www.EquityClock.com](http://www.EquityClock.com)

## Commodities

### Daily Seasonal/Technical Commodities Trends for July 5<sup>th</sup> 2024

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Prev Score	Score Last Week
CRB Index	Neutral	Feb.12	Neutral	Neutral	Above	Up	2	0	-2
Gasoline	Neutral	Mar.30	Neutral	Positive	Above	Up	4		4
Crude Oil	Neutral	Jan.12	Neutral	Positive	Above	Up	4		4
Natural Gas	Neutral	Sept.13	Down	Negative	Below	Down	-6		-6
S&P Energy	Neutral	Dec.9	Down	Neutral	Above	Up	0		0
Oil Services	Neutral	Dec.19	Down	Neutral	Above	Down	-2	2	2
Gold	Neutral	July 15	Up	Neutral	Above	Up	4	2	-2
Silver	Neutral	Dec.28	Up	Positive	Above	Up	6	4	-2
Gold Bug	Neutral	July 27	Up	Positive	Above	Up	6	4	-2
Platinum	Neutral	Dec.24	Up	Positive	Above	Up	6	4	4
Palladium	Neutral	Nov.28	Neutral	Positive	Above	Up	4		0
Copper	Neutral	Nov.22	Up	Positive	Above	Up	6	4	-2
Agriculture	Neutral	Nov.10	Down	Negative	Below	Up	-4		-4

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Red: Decrease from previous day

### Sectors Daily Seasonal/Technical Sector Trends for July 5<sup>th</sup> 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	Up	6		2
XLB	Neutral	Oct.1	Down	Negative	Below	Up	-4		-2
XLI	Neutral	Aug.26	Neutral	Negative	Below	Down	-4		-2
XLY	Neutral	Aug.7	Up	Positive	Above	Up	6		6
XLF	Positive	Nov.2	Up	Neutral	Above	Up	4		0
XLE	Neutral	Dec.9	Down	Neutral	Above	Down	-2	0	0
XLP	Neutral	Feb.16	Up	Negative	Above	Up	2	-2	-2
XLV	Positive	July 30	Neutral	Negative	Below	Down	-4		0
XLU	Neutral	Feb.6	Up	Negative	Below	Up	0	-2	-2
XLC	Neutral	Jan.8	Up	Positive	Above	Up	6	2	4
XLRE	Neutral	Dec.1	Up	Neutral	Above	Up	4		4
TSX Financial	Neutral	July 12	Down	Negative	Above	Down	-4	-2	-2
TSX Energy	Neutral	Dec.11	Down	Neutral	Above	Down	-2	0	-2
TSX Gold	Neutral	Dec.15	Up	Positive	Above	Up	6	4	2
TSX Tech	Neutral	Nov. 15	Neutral	Neutral	Above	Up	2	4	2
TSX B Metals	Neutral	Oct.4	Neutral	Neutral	Above	Up	2		-2

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# Technical Notes on Friday

**Emerging Markets iShares \$EEM** moved above \$43.57 to a 30 month high extending an intermediate uptrend. Canadian equivalent **BMO Emerging markets ETF** moved above Cdn\$21.40 to a 30 month high.



**South Korea iShares \$EWY** moved above \$68.20 to a 27 month high extending an intermediate uptrend.



**Internet ETF \$FDN** moved above \$208.31 to a 30 month high extending an intermediate uptrend.



**Meta Platform \$META** a NASDAQ 100 stock moved above \$530.96 to an all-time high extending an intermediate uptrend.



**Agnico-Eagle Mines \$AEM.TO** a TSX 60 stock moved above Cdn\$95.79 to a 33 month high extending an intermediate uptrend.



# S&P 500 Momentum Barometers



The intermediate term Barometer slipped 1.20 on Friday and dropped 3.20 last week to 45.60. It remains Neutral.



The long term Barometer slipped 1.20 on Friday and dropped 4.20 last week to 65.40. It remains Overbought.

# TSX Momentum Barometers



The intermediate term Barometer dropped 7.96 on Friday but gained 8.85 last week to 54.87. It returned to Neutral on Friday after moving below 60.00.



The long term Barometer dropped 3.98 on Friday but gained 1.33 last week to 67.70. It remains Overbought.

Tech Talk is a free service available each business day at [www.Timingthemarket.ca](http://www.Timingthemarket.ca)

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