

Tech Talk for Saturday August 17th 2024

The Bottom Line

Focus this week is news from the Jackson Hole Symposium starting on Friday. Federal Reserve chairman Powell is expected to offer an outlook on U.S. inflation rates, employment rates and timing of a possible reduction in the Fed Fund Rate.

Consensus for Earnings and Revenues for S&P 500 companies

Source: www.factset.com

Quarterly earnings and revenue estimates were adjusted modestly last week. Ninety three percent of companies have reported second quarter results to date: 79% have reported higher than consensus quarterly earnings and 60% have reported higher than consensus revenues.

Consensus for second quarter earnings advanced slightly to a 10.9% year-over-year gain (versus a previous 10.8% gain) and consensus for second quarter revenues remained at a 5.2% gain.

A word of caution! Consensus for the third quarter earnings slipped again to a 5.2% increase (versus a previous 5.4% increase). Consensus for third quarter revenues was unchanged at a 4.9% increase.

Earnings gains accelerate in the fourth quarter. Consensus calls for a 15.5% increase in earnings (versus a previous 15.2% increase) and a 5.6% increase in revenues (versus a previous 5.4% increase).

For all of 2024, consensus calls for a 10.1% earnings increase (versus previous 10.2% increase) and 5.1% revenue increase.

Earnings gains remain elevated in 2025. First quarter earnings are expected to increase 14.4 % on a year-over-year basis (versus 14.5% last week) and revenues are expected to increase 5.9% (versus previous 5.8% increase). Second quarter earnings are expected to increase 13.9% (versus previous 14.0% increase) and revenues are expected to increase 5.8%. For all of 2025 earnings are expected to increase 15.3% (versus previous 14.0% gain) and revenues are expected to increase 6.0% (versus a previous 5.8% gain).

Economic News This Week

Source: www.Investing.com

July U.S. Leading Economic Indicators released at 10:00 AM EDT on Monday are expected to drop 0.3% versus a 0.2% decline in June.

Canadian July Consumer Price Index released at 8:30 AM EDT on Tuesday is expected to increase 0.3% versus a 0.1% decline in June.

U.S. July Existing Home Sales released at 10:00 AM EDT on Thursday are expected to increase to 3.89 million units from 3.39 million units in June.

Jackson Hole Symposium starts on Friday.

Canadian June Retail Sales released at 8:30 AM EDT on Friday are expected to increase 0.1% versus a 0.8% decline in May.

July U.S. New Home Sales released at 10:00 AM EDT on Friday are expected to increase to 630,000 from 617,000 in June.

Selected Earnings reports this week

Source: www.Investing.com

Monday: Palo Alto, Este Lauder

Tuesday: Lowe's, Medtronic, Toll Brothers

Wednesday: TJX Companies, Analog Devices, Synopsys, Target Stores, Autodesk, Agilent, Zoom, Macy's, Urban Outfitters

Thursday: PDD Holdings, Intuit, **Toronto Dominion Bank**, Net Ease, Ross Stores, Baidu

Trader's Corner

Score example using Materials SPDRs (XLB)

	Previous score	New Score
Intermediate trend: Up	+2	+2
Strength relative to S&P 500: Negative	-2	-2
Above/Below 20 day MA: Moved above	-1	+1
Momentum (Stochastics, RSI, MACD):	+1	+1
Totals	0	+2

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for August 16th 2024

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
SPX	Neutral	Nov.8	Up	Neutral	Above	Up	4	
TSX	Neutral	Dec.15	Up	Neutral	Above	Up	4	
DJIA	Neutral	Aug.31	Up	Neutral	Above	Up	4	
COMPQ	Positive	Sept.15	Up	Neutral	Above	Up	4	
IYT	Neutral	Aug.27	Down	Neutral	Above	Up	0	
AORD	Positive	Aug.31	Neutral	Neutral	Below	Up	0	-2
NIKK	Neutral	Nov.8	Down	Neutral	Below	Up	-2	-4
IEV	Neutral	Dec.8	Down	Neutral	Above	Up	0	
FXI	Neutral	Oct.4	Down	Neutral	Above	Up	0	
EEM	Neutral	Nov.29	Neutral	Neutral	Above	Up	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 August 16th 2024

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

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for August 16th 2024

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Previous Score
XLK	Positive	Aug.28	Down	Positive	Above	Up	2	
XLB	Neutral	Oct.1	Up	Negative	Above	Up	2	0
XLI	Neutral	Aug.26	Neutral	Neutral	Above	Up	2	
XLY	Positive	Jan.3	Down	Negative	Above	Up	-2	
XLF	Positive	Nov.2	Up	Neutral	Above	Up	4	
XLE	Neutral	Dec.9	Down	Neutral	Above	Up	2	
XLP	Neutral	Feb.16	Up	Neutral	Above	Up	4	
XLU	Neutral	Feb.6	Up	Neutral	Above	Up	4	
XLV	Neutral	Nov.11	Up	Neutral	Above	Up	4	
XLC	Neutral	Jan.8	Up	Neutral	Above	Up	4	
XLRE	Neutral	Dec.1	Up	Neutral	Above	Up	4	
TSX Financial	Positive	Sept.30	Up	Neutral	Above	Up	4	
TSX Energy	Neutral	Dec.11	Neutral	Positive	Above	Up	4	
TSX Gold	Neutral	Dec.15	Up	Neutral	Above	Up	4	
TSX Tech	Neutral	Nov.15	Up	Positive	Above	Up	6	
TSX B Metals	Neutral	Oct.4	Down	Negative	Below	Up	-4	-2

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Changes Last Week

Index	Close	Change	Percent Change
SPX	5,554.25	210.09	3.93
TSX	23,054.61	743.31	3.33
INDU	40,659.76	162.22	0.41
COMPQ	17,631.72	886.42	5.29
TRAN	15,672.77	338.24	2.21
AORD	8,189.90	199.20	2.49
NIKK	38,062.67	3,037.67	8.67
IEV	56.33	1.76	3.23
FXI	26.36	0.91	3.58
EEM	43.41	1.35	3.21

Technical Notes for Friday

Aerospace & Defense ETF \$PPA moved above \$110.25 to an all-time high extending an intermediate uptrend.



iShares gold bullion CGL.TO moved above Cdn\$19.74 to an all-time high extending an intermediate uptrend. Gold bullion SPDRs \$GLD moved above US\$229.65 to an all-time high.



Barrick Gold \$ABX.TO a TSX 60 stock moved above Cdn\$26/58 extending an intermediate uptrend.



Open Text \$OTEX a TSX 60 stock moved above US\$31.94 completing a double bottom pattern.



S&P 500 Momentum Barometers



The intermediate term Barometer added 2.20 on Friday and gained 11.00 last week to 69.00. It changed from Neutral to Overbought on a move above 60.00. Daily trend is up.



The long term Barometer added 0.20 on Friday and gained 5.40 last week to 73.80. It remains Overbought. Daily trend is up.

TSX Momentum Barometers



The intermediate term Barometer slipped 0.44 on Friday, but gained 17.26 last week to 68.14. It changed from Neutral to Overbought on a move above 60.00. Daily trend is up.



The long term Barometer slipped 0.89 on Friday, but gained 5.31 points last week. It remains Overbought. Daily trend is up.

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

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