

Tech Talk for Saturday November 30th 2024

The Bottom Line

Focus this week is on fiscal fourth quarter results released by Canada's largest banks.

Economic News This Week

October U.S. Construction Spending released at 10:00 AM EST on Monday is expected to increase 0.2% versus a 0.1% gain in September.

November ISM Manufacturing PMI released at 10:00 AM EST on Monday is expected to improve to 47.5 from 46.5 in October.

October U.S. Factory Order released at 10:00 AM EST on Wednesday is expected to increase 0.4% versus a 0.5% decline in September.

November ISM Non-manufacturing PMI released at 10:00 AM EST on Wednesday is expected to drop to 55.5 from 56.0 in October.

Beige Book is scheduled for release at 2:00 PM EST on Wednesday

October U.S. Trade released at 8:30 AM EST on Thursday is expected to be a \$78.8 deficit versus \$84.4 billion deficit in September

October Canadian Trade released at 8:30 AM EST on Thursday is expected to be unchanged from September at a \$1.26 billion deficit.

November U.S. Non-farm Payrolls released at 8:30 AM EST on Wednesday is expected to increase to 18,300 from 12,000 in October. **November Unemployment Rate** is expected to remain unchanged at 4.1%. **November Average Hourly Earnings** are expected to increase 0.3% versus a 0.4% gain in October.

November Canadian Employment Report is released at 8:30 AM EST on Friday.

December Michigan Sentiment is released at 10:00 AM EST on Friday.

Selected Earnings News This Week

Tuesday: Salesforce.com, Marvel, Bank of Nova Scotia, Okta

Wednesday: Royal Bank, Synopsys, National Bank, Dollar Tree, Campbell Soup, American Eagle Outfitters

Thursday: Toronto Dominion Bank, Bank of Montreal, Commerce Bank, Lulu Lemon, Hewlett Packard Enterprises, Data General, DocuSign

Trader's Corner

Example showing score for S&P/TSE Gold iShares (XGD.TO)

| | Previous Score | New Score |
|---|----------------|-----------|
| Intermediate trend: Remains down | -2 | -2 |
| Strength relative to S&P 500 Index: Remains negative | -2 | -2 |
| Above/Below 20 day moving average: Moved above | -1 | 1 |
| Daily momentum (Stochastics, RSI, MACD): Turned from down to up | -1 | 1 |
| Totals | -6 | -2 |

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for November 29th 2024

| Unit | Seasonal | Until | Trend | Relative Strength | 20 Day MA | Momentum | Tech Score | Prev Score |
|-------|----------|---------|-------|-------------------|-----------|----------|------------|------------|
| SPX | Positive | Jan.6 | Up | Neutral | Above | Up | 4 | |
| TSX | Neutral | Dec.15 | Up | Positive | Above | Up | 6 | |
| DJIA | Positive | Jan.6 | Up | Positive | Above | Up | 6 | |
| COMPQ | Neutral | May 18 | Up | Neutral | Above | Up | 4 | 2 |
| IYT | Positive | Dec.5 | Up | Positive | Above | Up | 6 | |
| AORD | Neutral | June 15 | Up | Neutral | Above | Up | 4 | |
| NIKK | Positive | Jan.6 | Up | Negative | Below | Down | -2 | |
| IEV | Neutral | Dec.8 | Down | Negative | Above | Up | -2 | -4 |
| FXI | Positive | Jan.21 | Down | Negative | Below | Up | -4 | |
| EEM | Positive | Mar.1 | Up | Negative | Below | 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 November 29th 2024

| Unit | Seasonal | Until | Trend | Relative Strength | 20 Day MA | Momentum | Tech Score | Prev Score |
|--------------|----------|--------|---------|-------------------|-----------|----------|------------|------------|
| CRB Index | Neutral | Feb.12 | Down | Neutral | Below | Down | -4 | |
| Gasoline | Neutral | Mar.30 | Up | Negative | Below | Down | -2 | |
| Crude Oil | Neutral | Jan.12 | Neutral | Negative | Below | Up | -2 | |
| Natural Gas | Neutral | Sept.3 | Neutral | Neutral | Above | Down | 0 | |
| S&P Energy | Neutral | Dec.9 | Up | Neutral | Above | Down | 2 | |
| Oil Services | Neutral | Dec.19 | Up | Neutral | Above | Up | 4 | |
| Gold | Neutral | Dec.23 | Neutral | Negative | Above | Up | 0 | -2 |
| Silver | Neutral | Dec.28 | Neutral | Negative | Below | Down | -4 | |
| Gold Bug | Neutral | Dec.15 | Neutral | Negative | Below | Up | -2 | -4 |
| Platinum | Neutral | Dec.24 | Neutral | Negative | Below | Up | -2 | -4 |
| Palladium | Positive | Apr.20 | Neutral | Negative | Below | Down | -4 | |
| Copper | Positive | Feb.28 | Up | Negative | Below | Down | -2 | |
| Agriculture | Positive | Jan.30 | Neutral | Neutral | Above | Up | 2 | |

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for November 29th 2024

| Unit | Seasonal | Until | Trend | Relative Strength | 20 Day MA | Momentum | Tech Score | Prev. Score |
|---------------|----------|----------|---------|-------------------|-----------|----------|------------|-------------|
| XLK | Neutral | April 19 | Up | Negative | Above | Down | 0 | -2 |
| XLB | Positive | Jan.3 | Neutral | Neutral | Above | Up | 2 | |
| XLI | Positive | Feb.20 | Up | Positive | Above | Up | 6 | |
| XLY | Positive | Jan.3 | Up | Positive | Above | Up | 6 | |
| XLF | Neutral | July 7 | Up | Positive | Above | Up | 6 | |
| XLE | Neutral | Dec.9 | Up | Neutral | Above | Down | 2 | |
| XLP | Neutral | Feb.16 | Neutral | Neutral | Above | Up | 2 | 0 |
| XLU | Neutral | Feb.6 | Up | Positive | Above | Up | 6 | |
| XLV | Positive | Feb.2 | Down | Negative | Above | Up | -2 | |
| XLC | Neutral | Jan.8 | Up | Neutral | Above | Up | 4 | |
| XLRE | Neutral | Dec.1 | Up | Positive | Above | Up | 6 | |
| TSX Financial | Neutral | July 12 | Up | Positive | Above | Up | 6 | |
| TSX Energy | Neutral | Dec.11 | Down | Neutral | Above | Down | -2 | |
| TSX Gold | Neutral | Dec.15 | Down | Negative | Above | Up | -2 | -6 |
| TSX Tech | Positive | April 3 | Up | Positive | Above | Up | 6 | |
| TSX B Metals | Positive | Jan.18 | Neutral | Neutral | Above | Up | 2 | 0 |

Green: Increase from previous day

Red: Decrease from previous day

Changes Last Week

| Index | Close | Change | Percent Change |
|-------|-----------|--------|----------------|
| SPX | 6,003.98 | 34.64 | 0.58 |
| TSX | 25,648.00 | 203.72 | 0.80 |
| INDU | 44,010.65 | 641.14 | 1.45 |
| COMPQ | 19,218.17 | 214.52 | 1.13 |
| TRAN | 17,618.63 | 251.76 | 1.45 |
| AORD | 8,669.60 | 36.50 | 0.42 |
| NIKK | 38,349.06 | 75.21 | 0.17 |
| IEV | 53.96 | 0.94 | 1.77 |
| FXI | 30.27 | 0.58 | 1.91 |
| EEM | 43.28 | 0.00 | 0.00 |

Comments for Wolf and Jack: November 28th 2024

Don Vialoux was a guest on “Wolf on Bay Street” radio show taped last Thursday and released at 7:00 PM EST on Saturday on Corus Radio 640. Following are comments developed prior to the interview:

North American equity markets are following their traditional pattern following election of a new President of the United States: They have a history of moving higher from Election Day to Inauguration Day (scheduled this time on January 20th 2025). Investors are impressed by plans for changes proposed by the new President.

Taxation of security profits and losses are expected to have a significant impact on equity prices between now and mid- December. Most investors have seen the value of their equity portfolios increase significantly in 2024. A prudent strategy is to reduce taxable capital gains by liquidating equity positions before the end of the year that are trading at a loss and are no longer achieving reasons for their purchase. Investors have a history of concentrating liquidation of these securities during the first two weeks in December. Not surprising, the S&P 500 Index and the TSX Composite Index have a history of moving sideways during the first two week in December. This year, tax loss selling is expected to be less intense than usual because fewer equity securities are trading at a loss.

Traditionally, the Santa Claus rally in North American equity securities starts in mid-December and ends in the first week in January. Events triggering the Santa Claus rally during this time include:

- A drop in institutional equity activity and influence on equity markets during the extended holiday period
- An increase in individual equity activity. Individuals are in a hopeful and joyous mood during the holiday. They are significant buyers/not sellers of equity positions
- Receipt by individuals of annual bonuses either just before or just after the holiday season: Bonuses frequently are invested into equity markets. In Canada, annual bonuses also are a prominent source for funding of contributions into Registered Retirement Savings Plans (RRSPs) and Tax Free Savings Accounts (TSFAs).
- Release of “bullish” investment research reports by investment dealers who offer their “top picks for the following year”.

Look out for the “speed bump” for U.S. equity prices after the first week in January 2025! Many investors have significant unrealized equity profits from gains recorded in 2024. They will defer their tax liability by waiting to take trading profits in the New Year. U.S. equity indices have a history of moving flat to slightly lower from early January to mid-March partially due to tax profiting reasons. The dip in U.S. equity prices during this period is particularly notable in the year after a U.S. President is elected: Investors, who were encouraged by promises made by the President before his Inauguration, become less enthusiastic when they discover how the promises are to be fulfilled. Implementation of President elect Trump’s proposals starting in the third week in January following the Inauguration could be interesting. Old Chinese says “May you live in interesting times”!

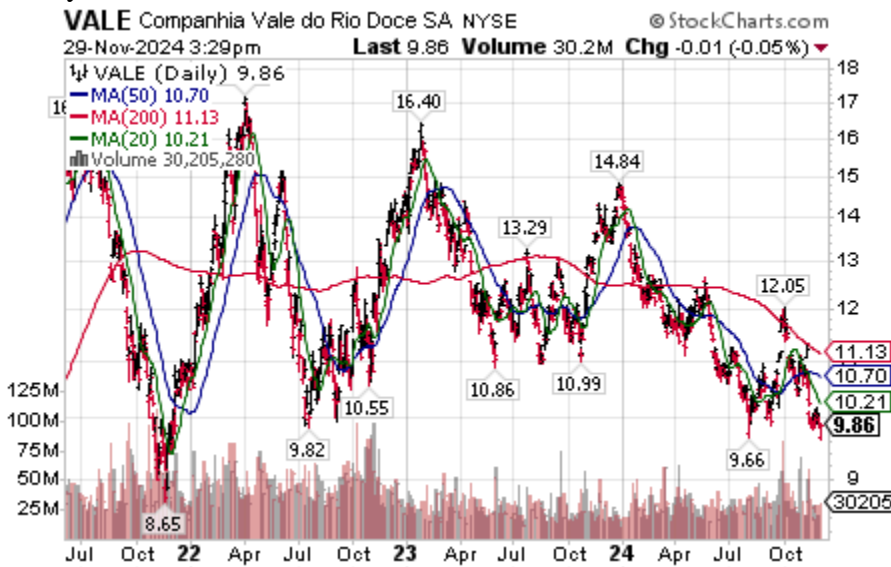
Note that the Canadian equity market has a history of outperforming broadly based U.S. equity indices during the early January/mid-March period. That’s when Canadian investors annually focus on contributing to their RRSP and TFSA plans. Most contributions subsequently are invested into the Canadian equity market, triggering strength in Canadian equity prices.

Technical Notes

Brazil iShares \$EWZ moved below \$26.23 completing a long term Head & Shoulders pattern.



Weakness in Brazil iShares was triggered with a breakdown by **VALE** on a move below \$8.66 to a three year low.



MasterCard \$MA an S&P 100 stock moved above \$534.03 to an all-time high extending an intermediate uptrend.



Shopify \$SHOP.TO a TSX 60 stock moved above \$Cdn161.86 to a three year high extending an intermediate uptrend.



S&P 500 Momentum Barometers



The intermediate term Barometer added 1.40 to 71.00 on Friday and gained 7.80 last week to 71.00. It remains Overbought. Daily uptrend was extended on Friday.



The long term Barometer added 0.20 on Friday and gained 3.80 last week. It remains Overbought.

TSX Momentum Barometers



The intermediate term Barometer added 5.02 on Friday and added 0.91 last week to 64.84. It remains Overbought.



The long term Barometer was unchanged on Friday and last week at 75.34. It remains Overbought.

Tech Talk is a free service offered 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