

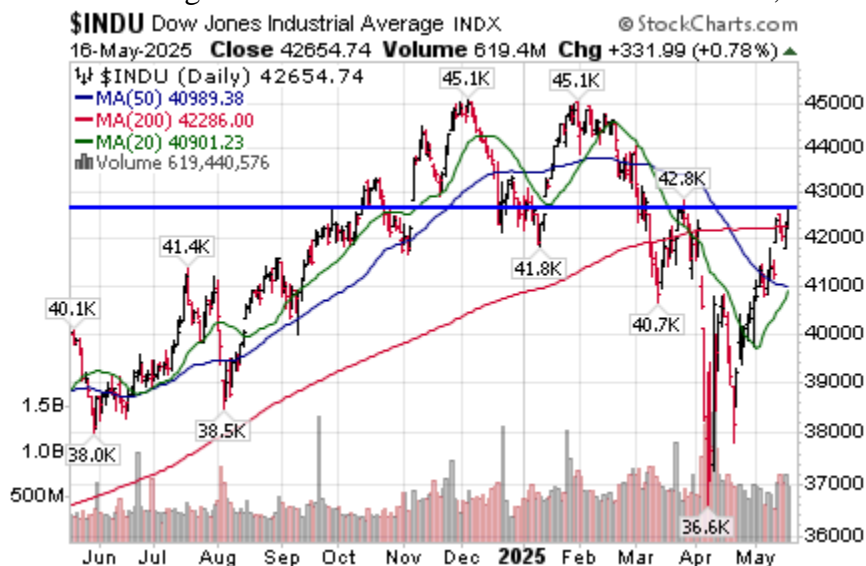
Tech Talk for Saturday May 17th 2025

The Bottom Line

All-time highs by the TSX Composite Index and S&P/TSE 60 Index! The later Index moved above 1,561.25 on Friday.

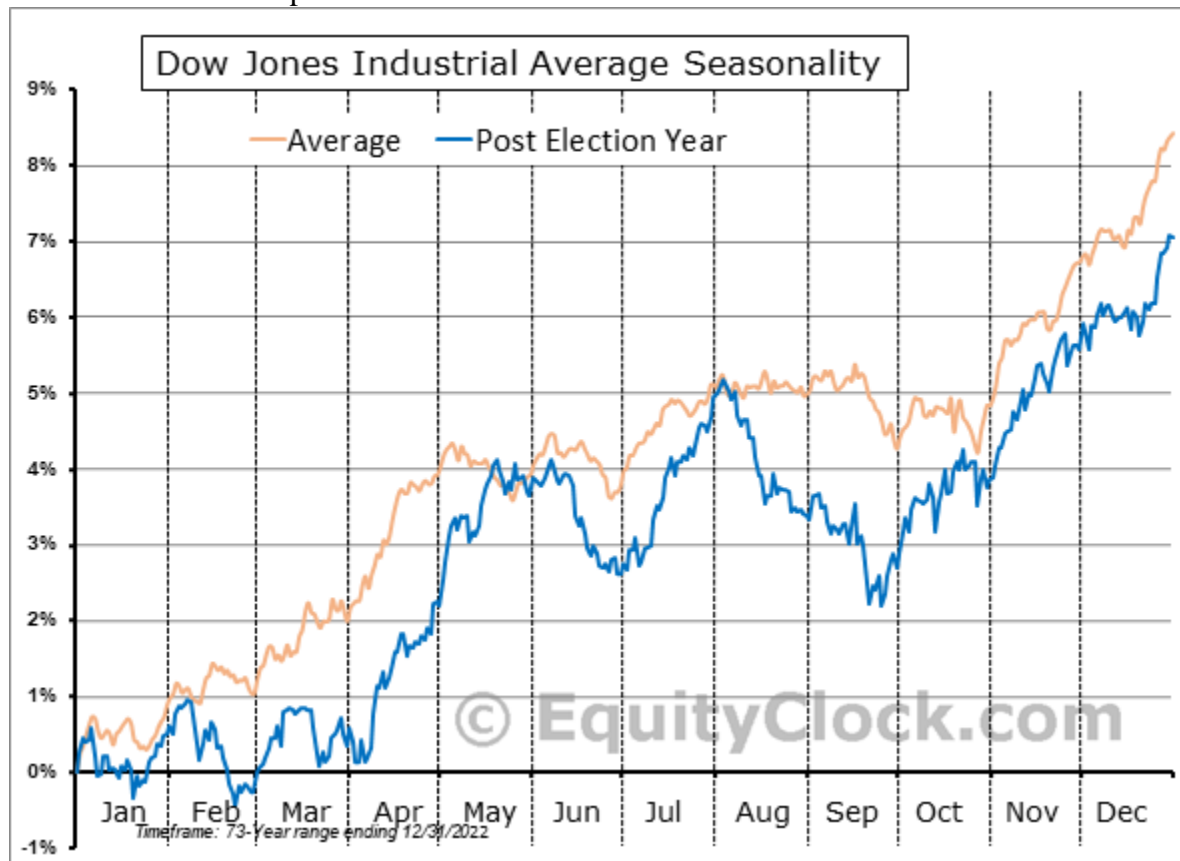


U.S. investors are anticipating resolution of tariff wars after President Trump delayed implementation of punishing tariffs for the next 90 days. Both the S&P 500 Index and the Dow Jones Industrial Average turned positive for the year late last week. The S&P 500 Index moved above its December 31st 2024 close at 5,881.63 on Thursday and the Dow Jones Industrial Average moved above its December 31st close at 42,594.22 on Friday.



And now the caveat! Technically, North American equity markets are overbought and are vulnerable to an intermediate correction. See momentum charts near the end of this report. On a seasonal basis, The S&P 500 Index has a history of reaching an intermediate peak near the middle of May during Post Presidential Election Years. In addition, North American equity

markets have responded favourably to better than expected first quarter corporate earnings and revenues, but have yet to respond to an accelerating decline in earnings and revenue expectations for the remainder of 2025. North American equity markets are vulnerable to an intermediate correction. Caveat emptor!



Consensus for Earnings and Revenues for S&P 500 companies

Source: www.factset.com

Analyst estimates for earnings gains for the first quarter of 2025 increased again last week: 92% of S&P 500 companies have reported to date. First quarter results benefitted from accelerated consumer purchases prior to implementation of tariffs. Consensus for first quarter earnings gains calls for a 13.6% increase on a year-over-year basis, up from 13.4% last week. Consensus for first quarter revenues growth was unchanged at 4.8%.

Analyst estimates for 2025 beyond the first quarter once again were reduced significantly. Analysts responded to additional company updates. More companies withdrew guidance due to growing uncertainty related to proposed tariffs. Consensus for second quarter earnings gains dropped to 4.8% from 5.2% last week. Consensus for second quarter revenue gains slipped to 3.9% from 4.0%. Consensus for third quarter earnings gains dropped to 7.0% from 7.4% last week. Consensus for third quarter revenue growth slipped to 4.6% from 4.7%. Consensus for fourth quarter earnings gains dropped to 6.1% from 6.7% last week. Consensus for fourth quarter revenue gains dropped to 4.9% from 5.2%.

For all of 2025, earnings are expected to increase 9.0%, down from 9.3% last week. Consensus for revenue gains remained at 5.0%.

For all of 2026, earnings are expected to increase 13.4%, down from 13.5% last week. Consensus for revenue gains slipped to 6.2% from 6.3%.

Economic News This Week

Canada's April Consumer Price Index is released at 8:30 AM EDT on Tuesday

U.S. April Existing Home Sales released at 10:00 AM EDT on Thursday are expected to increase to 4.10 million from 4.02 million in March.

Canadian March Retail Sales released at 8:30 AM EDT on Friday are expected to increase 0.7% versus a 0.4% decline in February.

U.S. April New Home Sales released at 10:00 AM EDT on Friday are expected to drop to 700,000 from 724,000 in March.

Selected Earnings News This Week

Another 18 S&P 500 companies are scheduled to report this week (including one Dow Jones Industrial Average company: Home Depot). Focuses are on reports by major retail companies. In Canada, Toronto Dominion Bank is expected to launch fiscal second quarter results for Canada's major banks.

Tuesday: Home Depot, Palo Alto, Toll Brothers

Wednesday: TJX Companies, Lowe's, Medtronic, Target, Zoom, Best Buy, Urban Outfitters, Macy's, American Eagle Outfitters

Thursday: Intuit, Toronto Dominion Bank, Analog Devices, Workday, Autodesk, Ross Stores, Dollar Tree

Trader's Corner

Example showing score for Industrial SPDRs (XLI)

	Previous Score	New Score
Intermediate trend: Changed from neutral to up	0	2
Strength relative to S&P 500: Remains positive	2	2
Above/Below 20 day moving average: Remains above	1	1
Daily momentum (Stochastics, RSI, MACD): Remains up	1	1
Totals	4	6

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for May 16th 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
SPX	Neutral	Oct.28	Neutral	Neutral	Above	Up	2	
TSX	Neutral	Dec.14	Up	Negative	Above	Up	2	
DJIA	Neutral	Sept.20	Up	Negative	Above	Up	2	
COMPQ	Neutral	May 18	Neutral	Positive	Above	Up	4	
IYT	Neutral	Sept.9	Neutral	Positive	Above	Up	4	
AORD	Neutral	June 15	Neutral	Negative	Above	Up	0	
NIKK	Neutral	Nov.13	Neutral	Negative	Above	Down	-2	0
IEV	Neutral	Feb. 8	Up	Negative	Above	Up	2	
FXI	Neutral	Sept.29	Up	Neutral	Above	Down	2	4
EEM	Neutral	Dec.11	Up	Neutral	Above	Up	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 16th 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
CRB Index	Positive	May 21	Up	Negative	Above	Down	0	
Gasoline	Neutral	Dec.18	Up	Negative	Above	Down	0	
Crude Oil	Neutral	Jan.12	Down	Negative	Above	Down	-4	
Natural Gas	Neutral	Sept.3	Down	Negative	Below	Down	-6	
S&P Energy	Neutral	Dec.8	Up	Negative	Above	Up	2	
Oil Services	Neutral	Dec.3	Up	Neutral	Above	Down	2	4
Gold	Neutral	Dec.23	Up	Negative	Below	Down	-2	
Silver	Neutral	Dec.23	Up	Negative	Below	Down	-2	
Gold Bug	Neutral	July 27	Down	Negative	Below	Down	-6	
Platinum	Neutral	Dec. 9	Neutral	Negative	Above	Up	0	
Palladium	Neutral	June 28	Down	Negative	Below	Down	-6	
Copper	Neutral	Aug.8	Down	Negative	Below	Down	-6	-4
Agribusiness	Neutral	Sept.28	Up	Negative	Above	Up	2	0

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Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for May 16th 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev. Score
XLK	Positive	Aug.31	Neutral	Positive	Above	Up	4	
XLB	Neutral	Sept.27	Down	Negative	Above	Up	-2	-4
XLI	Neutral	Dec.24	Up	Positive	Above	Up	6	4
XLY	Neutral	May 20	Neutral	Positive	Above	Up	4	
XLF	Neutral	July 7	Neutral	Neutral	Above	Up	2	
XLE	Neutral	Dec.8	Up	Negative	Above	Up	2	
XLP	Positive	May 24	Down	Negative	Above	Up	-2	-4
XLU	Positive	July 2	Up	Negative	Above	Up	2	-2
XLV	Positive	Aug.22	Down	Negative	Below	Up	-4	-6
XLC	Positive	June 2	Neutral	Neutral	Above	Up	2	
XLRE	Neutral	Nov.22	Down	Negative	Above	Up	-2	-4
TSX Financial	Neutral	July 12	Up	Neutral	Above	Up	4	
TSX Energy	Positive	June 11	Up	Neutral	Above	Down	2	
TSX Gold	Neutral	Nov.18	Up	Negative	Below	Down	-2	
TSX Tech	Neutral	Oct.28	Neutral	Positive	Above	Up	4	
TSX B Metals	Neutral	Nov.28	Up	Neutral	Above	Down	2	4

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Changes last week

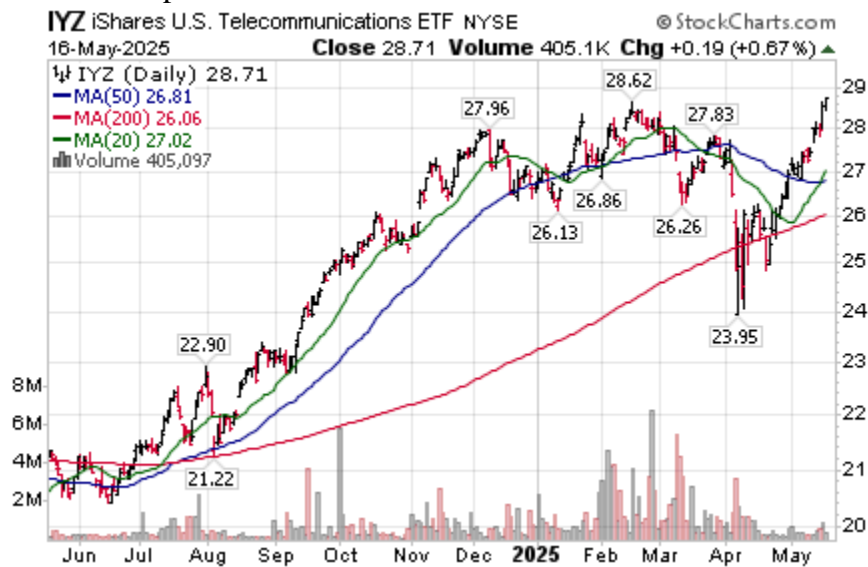
Index	Close	Change	Percent Change
SPX	5,958.38	298.47	5.27
TSX	25,971.93	614.19	2.42
INDU	42,654.74	1,405.36	3.41
COMPQ	19,211.10	1,282.18	7.15
TRAN	15,159.32	1,119.01	7.97
AORD	8,529.80	67.20	0.79
NIKK	37,755.51	252.18	0.67
IEV	62.01	0.95	1.56
FXI	35.64	0.81	2.33
EEM	46.26	1.35	3.01

Technical Notes

Industrial SPDRs \$XLI moved above \$143.35 to an all-time high extending an intermediate uptrend.



U.S. Telecommunications iShares \$IYZ moved above \$28.62 to a three year high extending an intermediate uptrend.



Alphabet \$GOOG an S&P 100 stock moved above \$168.24 completing a double bottom pattern.
\$GOOGL moved above \$166.10 completing a double bottom pattern.



Bank of New York Mellon \$BK an S&P 100 stock moved above \$89.78 to an all-time high extending an intermediate uptrend.



S&P 500 Momentum Barometers



The intermediate term Barometer advanced 5.80 on Friday and 16.80 last week to 79.00. It remains Overbought. Daily uptrend was extended.



The long term Barometer added 2.80 on Friday and 14.60 last week to 58.40. It remains Neutral. Daily uptrend was extended.

TSX Momentum Barometers



The intermediate term Barometer was unchanged on Friday and gained 3.03 last week to 77.88. It remains Overbought



The long term Barometer added 0.92 on Friday and gained 4.89 last week to 65.90. It remains Overbought.

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.

