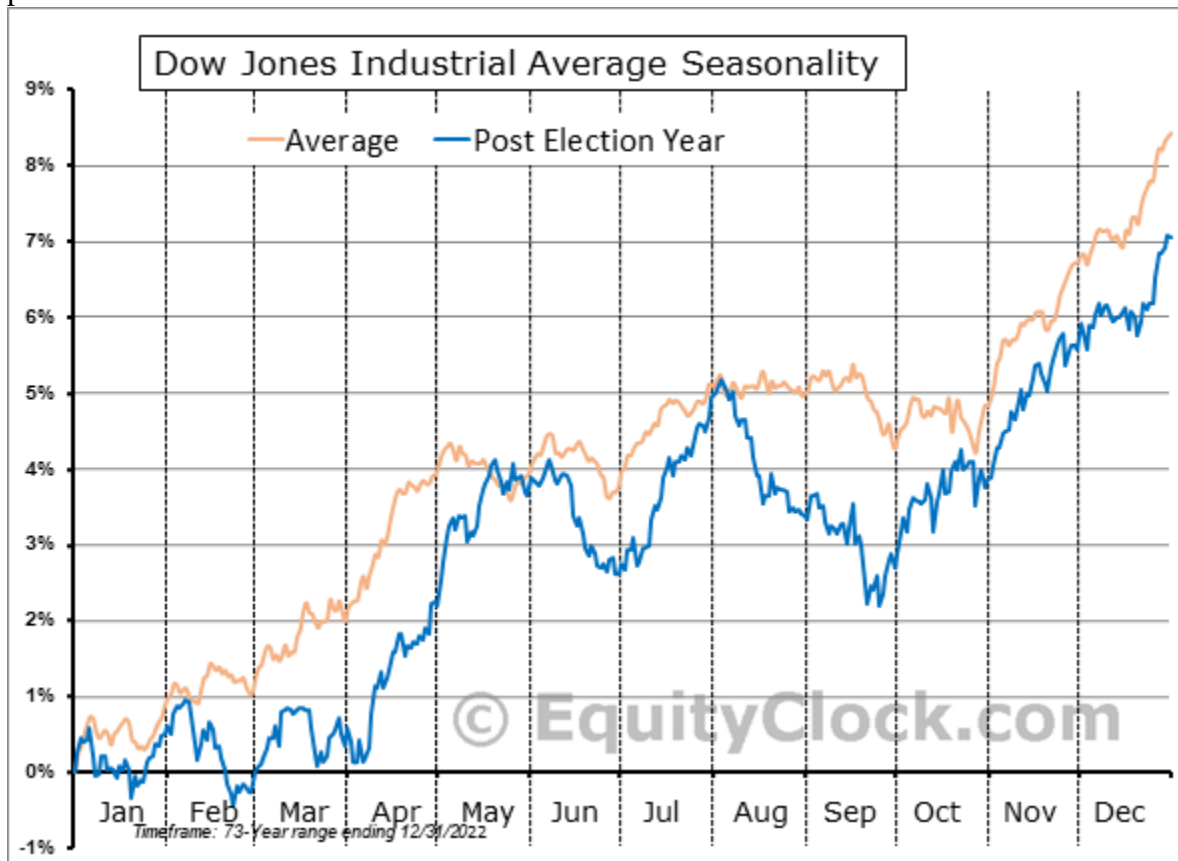


Tech Talk for Saturday May 3rd 2025

The Bottom Line

Sell in May and go away? History of the Dow Jones Industrial Average during Post Presidential Election Years since 1950 (e.g. 2025) shows a shallow period of weakness from mid-May to the end of September (including a brief summer rally to the end of July). Average drop during the period was 2.0%.



Strength during the mid-March to mid-May period depended on:

- Anticipation of encouraging corporate news released at annual meetings normally held following release of first quarter results. CEO's love to offer good news during shareholder meetings.
- Economic growth that normally recovers during the Spring season (including a recovery in economic activity related to the Easter season).

What about this year? Conditions have been exaggerated this year due to President Trump's moves on tariffs. Major U.S. listed companies are reporting significantly higher than consensus first quarter revenues and earnings partially because consumers are buying extra goods (e.g discretionary goods such as autos) prior to implementation of tariffs. Accordingly, first quarter results released to date by major listed companies have been substantially higher than consensus. Analysts have responded by raising consensus for S&P 500 first quarter earnings. However, many companies also have issued warnings about dropping revenue and earnings gains beyond

the first quarter. Analysts have responded by lowering revenue and earnings estimates for the remainder of 2025.

How have equity prices responded to these events? U.S. equity indices have recorded strong gains since the second week in April. Short term (20 days) momentum index for S&P 500 stocks advanced from 2.00% on April 7th to 86.60 % on Friday, a level that is significantly overbought and not sustainable. The stage for a short term correction in U.S. equity indices (i.e. return to the mean) has been set. Technical evidence for a start of the correction as of Friday has yet to appear.



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 substantially again last week after reported results significantly exceeded consensus: 72% of S&P 500 companies have reported to date. Consensus for first quarter earnings now calls for a 12.8% increase on a year-over-year basis, up from 10.1% last week. Consensus for first quarter revenues growth increased to 4.8% from 4.6%.

Analyst estimates for 2025 beyond the first quarter once were reduced significantly again. Analysts are responding to frequent company comments that “**Although first quarter results were better than expected, we are cautious about future quarters**”. Consensus for second quarter earnings gains dropped to 5.7% from 6.4% last week. Consensus for second quarter revenue gains remained at 4.0%. Consensus for third quarter earnings gains dropped to 7.8% from 8.8% last week. Consensus for third quarter revenue growth dropped to 4.7% from 4.8%. Consensus for fourth quarter earnings gains dropped to 7.1% from 8.3% last week. Consensus for fourth quarter revenue gains increased to 5.3% from 5.0%.

For all of 2025, earnings are expected to increase 9.5%, down from 9.7% last week. Consensus for revenue gains remained at 5.0%.

For all of 2026, earnings are expected to increase 11.1%, down from 13.8% last week. Consensus for revenue gains was unchanged at 6.3%.

Economic News This Week

April ISM Non-manufacturing PMI released at 10:00 AM EDT on Monday is expected to slip to 50.6 from 50.8 in March

March U.S. Trade Deficit released at 8:30 AM EDT on Tuesday is expected to increase to \$129.00 billion from \$122.70 billion in February.

March Canadian Trade Balance is released at 8:30 AM EDT on Tuesday

FOMC Interest Rate Decision is released at 2:00 PM EDT on Wednesday Consensus calls for no change in the Fed Fund Rate at 4.50%. Press conference is offered at 2:30 PM EDT.

First quarter Non-farm Productivity is released at 8:30 AM EDT on Thursday

March Wholesale Inventories released at 10:00 AM EDT on Thursday are expected to increase 0.5% versus a 0.3% gain in February.

Canada's April Employment is released at 8:30 AM EDT on Friday April Unemployment Rate

Selected Earnings News This Week

Another 92 S&P 500 companies are scheduled to report this week (including one Dow Jones Industrial Average stock: Disney). **Twelve TSX 60 companies are scheduled to report.**

Monday: Berkshire Hathaway, Palantir, Cummins, Ford, ON Technology, Mattel, Baytex

Tuesday: AMD, Duke Energy, Marriott, **Suncor**, Electronic Arts, Datadog, **Kinross Gold**, Super Micro Computer, Mosaic

Wednesday: Uber, Walt Disney, ARM, Door Dash, Emerson Electric, **Manulife Financial**, **Nutrien**, **Fortis**, CF Industries.

Thursday: Toyota, Anheuser Busch, **Shopify**, ConocoPhillips, McKesson, **Brookfield**, **Canadian Natural Resources**, **Sun Life Financial**. **Restaurant Brands International**, Microchip Technology, **Pembina Pipeline**, **BCE**, Expedia, Molson Coors

Friday: **Enbridge**, **Telus**, **Onex**, **Algonquin Power**

Trader's Corner

Example showing score for Europe iShares (IEV)

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

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for May 2nd 2025

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

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 2nd 2025

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

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for May 2nd 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev. Score
XLK	Positive	Aug.31	Down	Positive	Above	Up	2	
XLB	Neutral	Sept.27	Down	Neutral	Above	Up	0	
XLI	Neutral	Dec.24	Down	Neutral	Above	Up	0	
XLY	Neutral	May 20	Down	Neutral	Above	Up	0	
XLF	Neutral	July 7	Down	Neutral	Above	Up	0	
XLE	Neutral	Dec.8	Down	Negative	Above	Down	-4	
XLP	Positive	May 24	Down	Negative	Above	Down	-4	
XLU	Positive	July 2	Down	Neutral	Above	Up	0	
XLV	Neutral	May 3	Up	Negative	Below	Down	-2	
XLC	Positive	June 2	Down	Neutral	Above	Up	0	
XLRE	Neutral	Nov.22	Down	Neutral	Above	Up	0	
TSX Financial	Neutral	July 12	Neutral	Neutral	Above	Up	2	0
TSX Energy	Positive	June 11	Down	Negative	Above	Down	-4	
TSX Gold	Neutral	Nov.18	Up	Negative	Below	Down	-2	
TSX Tech	Neutral	Oct.28	Down	Positive	Above	Up	2	
TSX B Metals	Neutral	Nov.28	Down	Neutral	Above	Down	-2	

Green: Increase from previous day

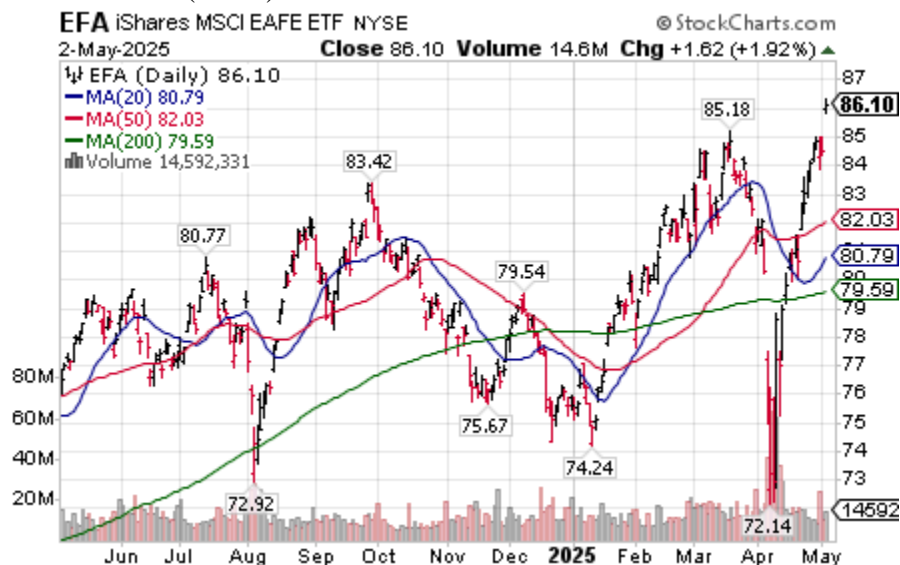
Red: Decrease from previous day

Changes last week

Index	Close	Change	Percent Change
SPX	5,686.67	161.46	2.92
TSX	25,031.51	321.00	1.25
INDU	41,317.43	1,203.93	3.00
COMPQ	17,977.73	594.79	3.42
TRAN	14,077.53	580.48	4.30
AORD	8,456.20	281.10	3.43
NIKK	36,830.69	2,124.95	6.12
IEV	61.19	1.37	2.29
FXI	34.91	0.93	2.74
EEM	45.00	1.55	3.57

Technical Notes

All-time highs were set by iShares tracking equity indices outside of the U.S. included EAFE iShares (EFA), Eurozone iShares (EZU), Europe iShares (IEV), South Africa iShares (EZA) and Canada iShares (EWC)

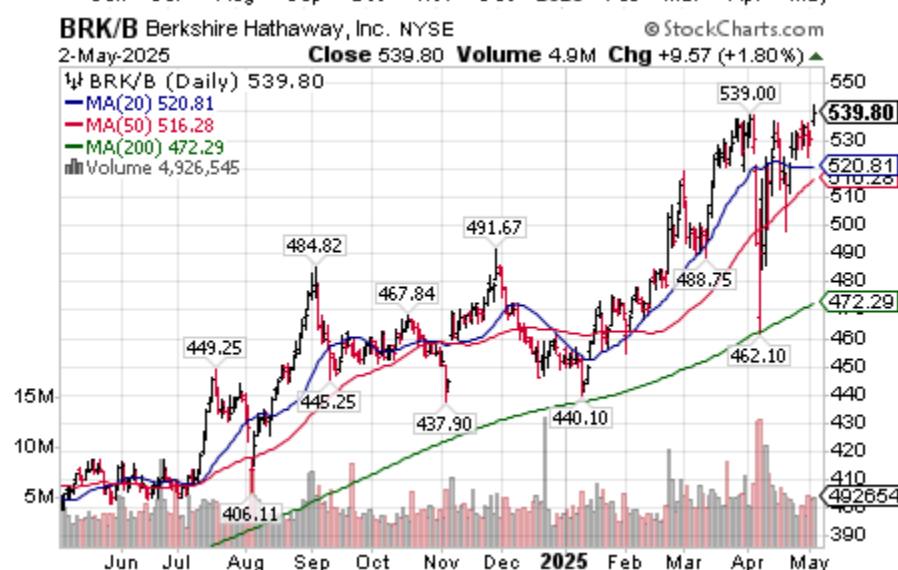




Aerospace & Defense ETFs that broke to all-time highs included ITA and PPA



S&P 100 and NASDAQ 100 stock breakouts on Friday, extending intermediate uptrends, included Travelers, Berkshire Hathaway (BRK.B), Tesla (TSLA) Paychex (PAYX), Cintas (CTAS), DexCom (DXCM), Electronic Arts (EA) and NetEase (NTES). No breakdowns!



S&P 500 Momentum Barometers



The intermediate term Barometer jumped 15.40 to 56.40. It remains Neutral. Daily uptrend was extended.



The long term Barometer added 6.40 to 44.00. It changed from Oversold to Neutral on a move above 40.00.

TSX Momentum Barometers



The intermediate term Barometer added 5.05 to 59.63. It remains Neutral. Daily uptrend was extended.



The long term Barometer added 2.75 to 53.67. It remains Neutral. Daily uptrend was extended.

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.