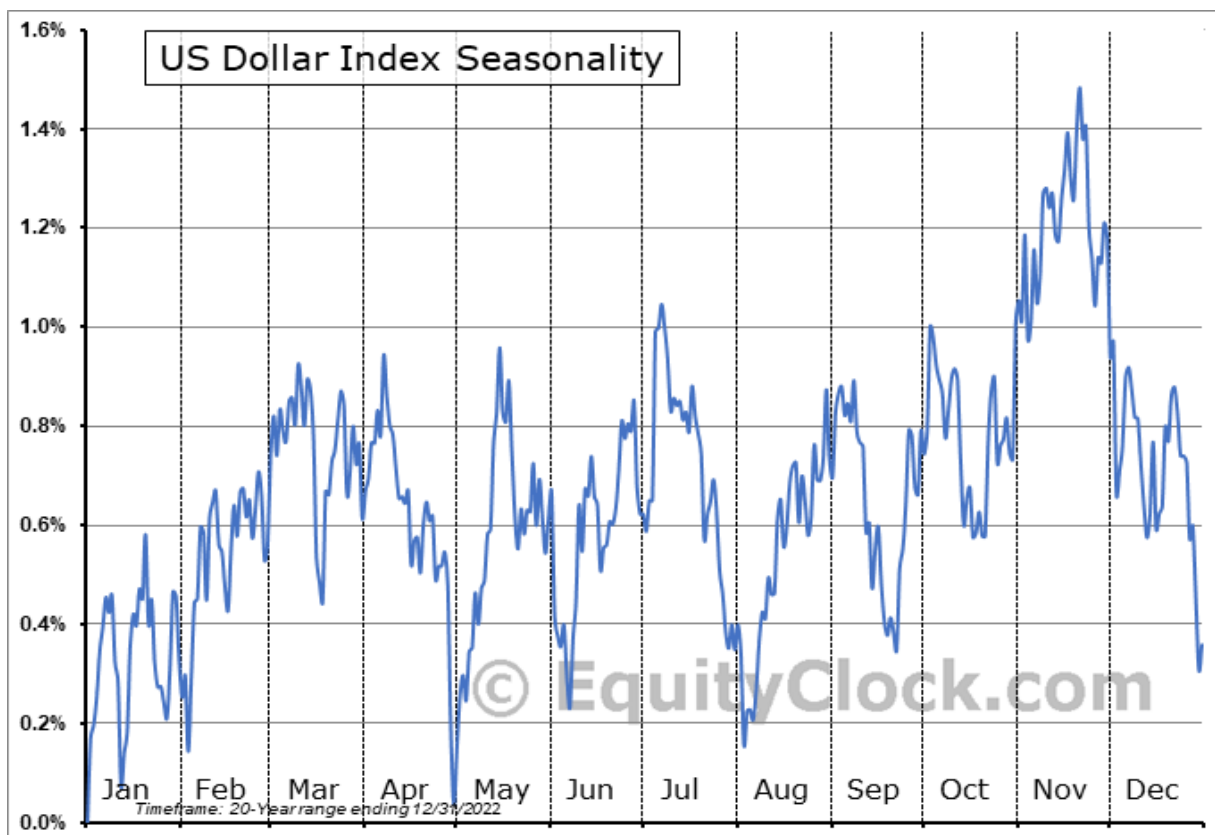


# Tech Talk for Saturday June 24<sup>th</sup> 2023

## The Bottom Line

**Investors are expected to enter into a “holiday mood” this week prior to national holidays on July 1<sup>st</sup> in Canada and July 4<sup>th</sup> in the United States.** Volume in equity markets on both sides of the border typically drops as the week progresses. Price volatility is higher than average. Broadly based North American equity indices have a history of reaching a short term low in the last week in June.

**After the early July holidays, U.S. and Canadian equity markets have a history of moving higher to the end of July.** Strength is related to several recurring events including anticipation of favourable second quarter corporate results and spending on international holiday travel. This year, spending on international holiday travel is booming. People finally are looking past the Pandemic. Most impacted market is the currency market. The month of July is one of the weakest months in the year for the U.S. Dollar Index. .



A test by the U.S. Dollar Index at par (i.e.100.00) is likely. Weakness in the Index has an inverse impact on other currencies, notably the Canadian Dollar.



**Economic focus remains on the Federal Reserve’s Fed Fund Rate.** Consensus following Federal Reserve Chairman Powell’s congressional testimony last week is that the Fed Fund Rate will increase another 0.50 basis points at its next FOMC meeting on July 25<sup>th</sup> -26<sup>th</sup>. Anticipation likely will dampen investor enthusiasm prior to the meeting.

**Also dampening trader enthusiasm prior to July 10<sup>th</sup> is anticipation of second quarter earnings reports by major North American companies.** Consensus for year-over-year earnings per share in the second quarter this year by S&P 500 companies calls for a 6.4% drop. Earnings prospects beyond the second quarter are positive and improving. Traders will watch for market responses to “dreadful” second quarter results. A favourable response will set the stage for a significant upside move by North American equity markets lasting until at least the end of the year.

## Economic News This Week

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

**May Durable Goods Orders** released at 8:30 AM EDT on Tuesday are expected to drop 1.3% versus a gain of 1.1% in April.

**May Canadian Consumer Price Index on a year-over-year basis** released at 8:30 AM EDT on Tuesday is expected to increase 4.2% versus a gain of 4.4% in April.

**May New Home Sales** released at 10:00 AM EDT on Tuesday are expected to drop to 657,000 from 683,000 in April.

**Next estimate of U.S. first quarter real GDP** released at 8:30 AM EDT on Thursday is expected to increase 1.4% versus a gain of 2.6% in the fourth quarter.

**May Core PCE Price Index** is released at 8:30 AM EDT on Friday. The Index gained 0.4% in April. On a year-over-year basis, the Index gained 4.7% in April. Consensus for May is not available.

**May Personal Income** released at 8:30 AM EDT on Friday is expected to increase 0.4% versus a gain of 0.4% in April. **May Personal Spending** is expected to increase 0.2% versus a gain of 0.8% in April.

**April Canadian GDP** is released at 8:30 AM EDT on Friday. GDP was unchange in March.

**June Chicago Purchasing Managers Index** released at 9:45 AM EDT on Friday is expected to increase to 44.0 from 40.4 in May.

**June Michigan Consumer Sentiment** released at 10:00 AM EDT on Friday is expected to increase to 63.9 from 59.2 in May.

## Selected Earnings News This Week

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

**Monday:** Carnival

**Tuesday:** Wallgreens Boots

**Wednesday:** Micron, General Mills, BlackBerry

**Thursday:** Nike, PayChex, McCormick

**Friday:** Constellation Brands

## Trader's Corner

Technical scores range from +6 (Most Bullish) to -6 (Most Bearish). A score of 0 is neutral.

Preferred purchase candidates have a rising technical score. Preferred sell/short candidates have a falling technical score.

Technical scores for Trend and Relative Strength range from +2 to -2. Scores for 20 day moving average and daily momentum range from +1 to -1. Color change to red means lower daily score. Color change to green means higher daily score.

## Equity Indices and Related ETFs

### Daily Seasonal/Technical Equity Trends for June 23<sup>rd</sup> 2023

Unit	Seasonal	Until	Trend	Strength Relative To S&P	20 Day MA	Momentum	Tech Score	Score Last Week
SPX	Neutral	Oct.28	Up	Neutral	Above	Down	2	4
TSX	Neutral	Dec. 12	Down	Negative	Below	Down	-6	0
DJIA	Neutral	Sept.20	Neutral	Negative	Above	Down	-2	0
COMPQ	Neutral	Oct.10	Up	Positive	Above	Down	4	6
TRAN	Neutral	Aug.27	Neutral	Positive	Above	Down	2	4
AORD	Neutral	July 15	Neutral	Negative	Below	Down	-4	0
NIKK	Neutral	Nov.8	Up	Positive	Above	Down	4	6
IEV	Neutral	Dec.9	Up	Negative	Below	Down	-2	2
SSEC	Neutral	Sept.26	Down	Negative	Below	Down	-6	-2
EEM	Neutral	Nov.29	Up	Negative	Below	Down	-2	4

Green: Increase from previous day

Red: Decrease from previous day

## Commodities

### Daily Seasonal/Technical Commodities Trends for June 23<sup>rd</sup> 2023

Unit	Seasonal	Until	Trend	Strength Relative To S&P	20 Day MA	Momen tum	Tech Score	Score Last Week
CRB Index	Neutral	Jan.14	Down	Neutral	Above	Down	-2	0
Gasoline	Positive	June 29	Neutral	Negative	Below	Down	-4	2
Crude Oil	Neutral	Jan.20	Down	Neutral	Below	Down	-4	-2
Natural Gas	Neutral	April 1	Up	Positive	Above	Up	6	4
S&P Energy	Neutral	Mar.23	Down	Negative	Below	Down	-6	-4
Oil Services	Neutral	Dec.28	Down	Neutral	Below	Down	-4	0
Gold	Neutral	Dec. 23	Down	Negative	Below	Down	-6	0
Silver	Neutral	Nov.29	Down	Negative	Below	Down	-6	0
Gold Bug	Positive	Sept.3	Down	Negative	Below	Down	-6	-2
Platinum	Neutral	Dec.9	Down	Negative	Below	Down	-6	-4
Palladium	Neutral	Nov.26	Down	Negative	Below	Down	-6	-2
Copper	Neutral	Nov.22	Down	Neutral	Above	Down	-2	0
Agriculture	Neutral	Oct.9	Down	Neutral	Above	Down	-2	-2

Green: Increase from previous day

Red: Decrease from previous day

## Sectors

### Daily Seasonal/Technical Sector Trends for June 23<sup>rd</sup> 2023

Unit	Seasonal	Until	Trend	Strength Relative To S&P	20 Day MA	Momen tum	Tech Score	Score Last Week
XLK	Positive	Aug.19	Up	Neutral	Above	Down	2	6
XLB	Neutral	Oct.1	Up	Neutral	Above	Down	2	4
XLI	Neutral	Aug.26	Up	Positive	Above	Down	4	6
XLY	Neutral	Aug.7	Up	Positive	Above	Down	4	6
XLF	Neutral	July 7	Up	Neutral	Above	Down	2	4
XLE	Neutral	Mar.23	Down	Negative	Below	Down	-6	-4
XLP	Neutral	Jan.6	Up	Neutral	Above	Down	2	2
XLV	Neutral	Nov.3	Down	Neutral	Above	Up	0	-2
XLU	Positive	July 2	Down	Negative	Below	Down	-6	-2
XLC	Neutral	Jan.18	Up	Neutral	Above	Down	2	4
XLRE	Neutral	Dec.1	Neutral	Negative	Below	Down	-4	2
TSX Financial	Neutral	Jan. 8	Neutral	Negative	Below	Down	-4	0
TSX Energy	Neutral	Dec.22	Down	Negative	Below	Down	-6	-6
TSX Gold	Positive	Sept.3	Neutral	Negative	Below	Down	-4	-2
TSX Tech	Neutral	Nov.15	Down	Negative	Below	Down	-6	0
TSX B Metals	Neutral	Nov. 28	Down	Neutral	Below	Down	-4	0

Green: Increase from previous day

Red: Decrease from previous day

Source for positive seasonal ratings: [www.equityclock.com](http://www.equityclock.com)

## Technical Notes for Friday

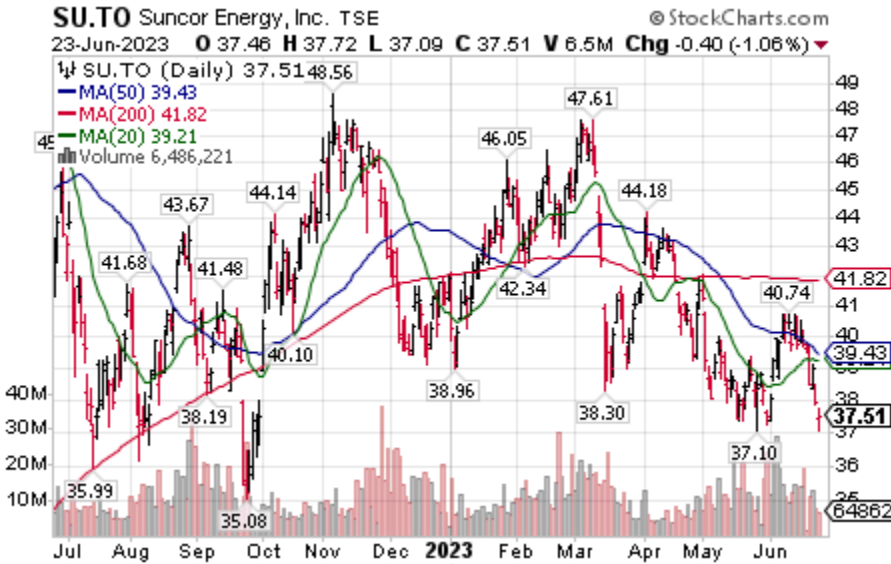
S&P/TSX 60 Index moved below 1,174.38 extending an intermediate downtrend. The Index at 1,170 closed virtually unchanged from its December 31<sup>st</sup> 2022 close at 1,169.



Marvell Technology MRVL a NASDAQ 100 stock moved below \$57.26 completing a double top pattern.



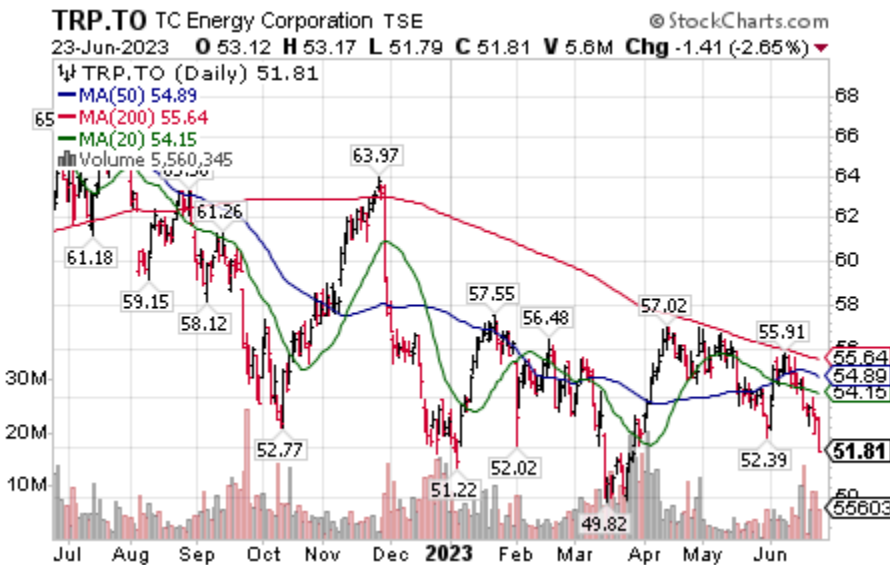
Suncor \$SU.TO a TSX 60 stock moved below \$37.10 extending an intermediate downtrend.



Pembina Pipeline \$PPL.TO a TSX 60 stock moved below \$40.20 and \$40.17 extending an intermediate downtrend.



TC Energy \$TRP.TO a TSX 60 stock moved below \$52.39 extending an intermediate downtrend.



Thomson Reuters \$TRI.TO a TSX 60 stock moved above Cdn\$173.75 to an all-time high extending an intermediate uptrend.



Take Two \$TTWO a NASDAQ 100 stock moved above \$141.96 extending an intermediate uptrend.





# S&P 500 Momentum Barometers



The intermediate term Barometer dropped 6.40 on Friday and 16.80 last week to 53.40. It changed from Overbought to Neutral on a move below 60.00. Daily trend is down.



The long term Barometer dropped 3.80 on Friday and 10.00 last week to 55.60. It changed from Overbought to Neutral on a move below 60.00. Daily trend is down.

## TSX Momentum Barometers



The intermediate term Barometer dropped 5.24 on Friday and 16.97 last week to 20.96. It remains Oversold. Daily trend is down.



The long term Barometer dropped 2.62 on Friday and 11.55 last week to 40.61. It remains Neutral. Daily trend is down.

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

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