

# Tech Talk for Saturday July 15<sup>th</sup> 2023

## The Bottom Line

**Here come second quarter results!** Early responses to better than consensus reports released last week were encouraging with nice gains recorded by Pepsico, Delta Airlines, UnitedHealth Group and JP Morgan. However, selling pressures appeared on Friday: Selected stocks sold down sharply after reporting less than consensus quarterly results. Notable was weakness in Bank of New York Mellon and State Street.



# Consensus for Earnings and Revenues for S&P 500 Companies

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

**Estimates changed slightly after 6% of S&P 500 companies reported second quarter results last week.** Consensus for the second quarter earnings improved from a drop of 7.2% to a drop of 7.1%. Second quarter revenues are expected to drop 0.4% (versus a drop of 0.3% last week). Consensus for the third quarter calls for an earnings increase of 0.1% (versus a previous estimated gain at 0.3%). Revenues are expected to increase 1.1% (versus 1.2% last week). Consensus for the fourth quarter calls for a 7.6% increase in earnings. Fourth quarter revenues are expected to increase 5.0% (versus previous estimate at 4.9%). For all of 2023, consensus calls for an earnings increase of 0.6% (versus previous estimated gain at 0.8%). Revenues are expected to increase 2.4% (versus previous estimated gain at 2.3%).

**The recovery in earnings continues into 2024.** Consensus for 2024 calls for a 12.4% increase in earnings. Consensus for revenue growth is 5.0% (versus previous estimate at 4.9%).

## Economic News This Week

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

**July Empire Manufacture Survey** released at 8:30 AM EDT on Monday is expected to be unchanged versus a gain of 6.60 in June.

**June U.S. Retail Sales** released at 8:30 AM EDT on Tuesday are expected to increase 0.5% versus a gain of 0.3% in May.

**Canadian June Consumer Price Index on a year-over-year basis** released at 8:30 AM EDT on Tuesday is expected to increase 2.9% versus a gain of 3.7% in May.

**June U.S. Industrial Production** released at 9:15 AM EDT on Tuesday is expected to decline 0.1% versus a decline of 0.2% in May. **June Capacity Utilization** is expected to slip to 79.5% from 79.6 in May.

**May Business Inventories** released at 10:00 AM EDT on Tuesday are expected to increase 0.1% versus a gain of 0.2% in April.

**U.S. June Housing Starts** released at 8:30 AM EDT on Wednesday are expected to slip to 1,450,000 units from 1,631,000 units in May.

**July Philly Fed** released at 8:30 AM EDT on Thursday is expected to improve to -9.7 from -13.7 in June

**June U.S. Existing Home Sales** released at 10:00 AM EDT on Thursday are expected to slip to 4.23 million units from 4.30 million units in May.

**June U.S. Leading Economic Indicators** released at 10:00 AM EDT on Thursday are expected to decline 0.5% versus a decline of 0.7% in May.

**May Canadian Retail Sales** are released at 8:30 AM EDT on Friday

## Selected Earnings News This Week

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

Six percent of S&P 500 companies have reported to date. Another 60 companies are scheduled to report quarterly results this week (including five Dow Jones Industrial Average companies). No TSX 60 companies are scheduled to report this week.

**Tuesday:** Bank of America, Morgan Stanley, Prologis, Lockheed Martin, Charles Schwab, JB Hunt.

**Wednesday:** Tesla, Netflix, IBM, Goldman Sachs, US Bancorp, Kinder Morgan, Halliburton, M&T Bank, United Airlines.

**Thursday:** Taiwan Semiconductor, Johnson & Johnson, Abbot Labs, Philip Morris, CSX, Freeport McMoran, Capital One, DR Horton, Travelers, Newmont Mining, PPG Industries, American Airlines

**Friday:** American Express, Schlumberger

## 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.

### Equity Indices and Related ETFs

#### Daily Seasonal/Technical Equity Trends for July 14<sup>th</sup> 2023

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

**Green:** Increase from previous day

**Red:** Decrease from previous day

## Commodities

### Daily Seasonal/Technical Commodities Trends for July 14<sup>th</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	Up	0	0
Gasoline	Neutral	Mar.30	Neutral	Positive	Above	Up	4	2
Crude Oil	Neutral	Jan.20	Up	Positive	Above	Up	6	2
Natural Gas	Neutral	April 1	Up	Negative	Below	Down	-2	1
S&P Energy	Neutral	Mar.23	Down	Neutral	Above	Down	-2	-2
Oil Services	Neutral	Dec.28	Up	Positive	Above	Up	6	6
Gold	Neutral	Dec. 23	Down	Negative	Above	Up	-2	-4
Silver	Neutral	Nov.29	Neutral	Positive	Above	Up	4	-4
Gold Bug	Positive	Sept.3	Down	Positive	Above	Up	2	-6
Platinum	Neutral	Dec.9	Down	Positive	Above	Up	-2	-4
Palladium	Neutral	Nov.26	Down	Negative	Above	Up	-2	-4
Copper	Neutral	Nov.22	Down	Neutral	Below	Up	-2	-4
Agriculture	Neutral	Oct.9	Up	Neutral	Above	Up	4	0

Green: Increase from previous day

Red: Decrease from previous day

## Sectors

### Daily Seasonal/Technical Sector Trends for July 14<sup>th</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	Up	4	2
XLB	Neutral	Oct.1	Up	Neutral	Above	Up	4	2
XLI	Neutral	Aug.26	Up	Neutral	Above	Down	2	4
XLY	Neutral	Aug.7	Up	Positive	Above	Up	6	4
XLF	Positive	Nov.2	Up	Neutral	Above	Up	4	2
XLE	Neutral	Mar.23	Down	Neutral	Above	Down	-2	-2
XLP	Neutral	Jan.6	Up	Neutral	Above	Up	4	0
XLV	Neutral	Nov.3	Down	Negative	Above	Up	-2	-6
XLU	Neutral	Feb.6	Down	Neutral	Above	Up	0	-6
XLC	Neutral	Jan.18	Up	Positive	Above	Up	6	4
XLRE	Neutral	Dec.1	Neutral	Positive	Above	Up	4	2
TSX Financial	Neutral	Jan. 8	Neutral	Neutral	Above	Up	2	0
TSX Energy	Neutral	Dec.22	Down	Neutral	Above	Up	0	0
TSX Gold	Positive	Sept.3	Neutral	Neutral	Above	Up	2	-4
TSX Tech	Neutral	Nov.15	Up	Neutral	Above	Up	4	-4
TSX B Metals	Neutral	Nov. 28	Up	Positive	Above	Up	6	-4

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

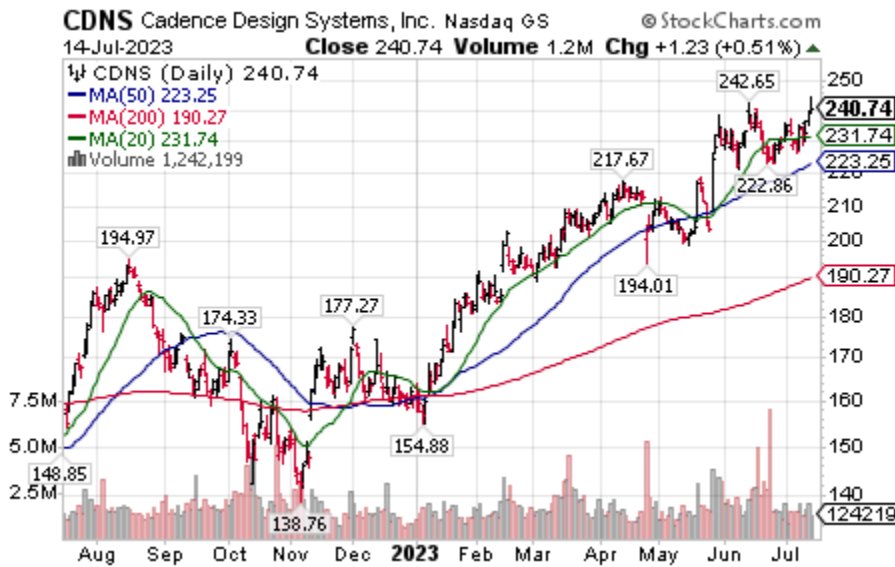
U.S. Broker iShares \$IAI moved above \$93.40 setting an intermediate uptrend.



Soybean ETN \$SOYB moved above \$28.19 extending an intermediate uptrend.



Selected NASDAQ 100 stock moved above intermediate resistance extending uptrends. Align moved above \$368.87. Adobe moved above \$518.74. Cadence Design Systems moved above \$242.65 to an all-time high.



Insurance stocks were under technical pressure. Allstate \$ALL moved below \$102.35 extending an intermediate downtrend. Travelers \$TRV moved below \$167.28 extending an intermediate



AT&T \$T an S&P 100 stock moved below \$14.59 extending an intermediate downtrend. The stock was downgraded by JP Morgan Chase.

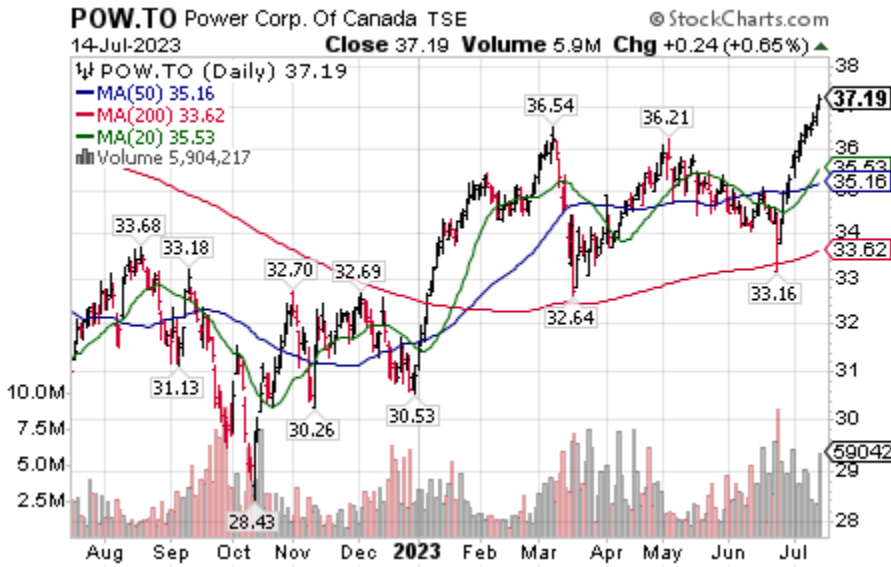


Telus \$T.TO a TSX 60 stock moved below Cdn\$25.21 extending an intermediate downtrend.





Power Corp \$POW.TO a TSX 60 stock moved above Cdn\$36.54 extending an intermediate uptrend.



The Canadian Dollar unexpectedly recorded a sharp sell off on Friday.



# S&P 500 Momentum Barometers



The intermediate Barometer slipped 1.80 on Friday, but gained 10.20 last week to 83.20. It remains Overbought. Daily trend remains up.



The long term Barometer dropped 3.40 on Friday, but gained 5.40 last week to 69.80. It remains Overbought. Daily trend remains up.

# TSX Momentum Barometers



The intermediate term Barometer added 1.75 on Friday and 10.53 last week to 64.04. It changed from Neutral to Overbought on a move above 60.00. Daily trend remains up.



The long term Barometer was unchanged on Friday and added 5.26 last week. It remains Neutral. Daily trend remains up.

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

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