

Tech Talk for Saturday May 11th 2024

The Bottom Line

All-time highs at the close on Friday for the Europe, Africa and Far East Index (EAFE Index) and its related ETF: EFA! Strength in the Index was bolstered by an all-time high set by Europe iShares (IEV) and by strength in Chinese and South African equity indices. Honorable mention is given to the TSX Composite Index when it touched an all-time high on Friday.



U.S. equity indices also recorded positive returns thanks mainly to a resurgence of the “Fabulous Four” (i.e. Amazon, Microsoft, Alphabet, Meta)

Focuses this week are on U.S. economic news for April: Producer Prices on Tuesday, Consumer Prices and Retail Sales on Wednesday.

Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.FactSet.com

Higher than consensus first quarter results released to date prompted analysts to increase their first quarter earnings estimates again. Ninety two percent of S&P 500 companies have reported first quarter results to date. Consensus on a year-over-year basis calls for an earnings increase of 5.4% (versus a 5.0% increase last week). Revenues are expected to increase 4.1%.

Earnings gains accelerate in the second and third quarters, but at a lower than previous rate. Consensus for the second quarter calls for a 9.3% earnings increase (versus 9.6% last week) and a 4.6% increase in revenues (versus a 4.5% increase last week). Consensus for the third quarter calls for an 8.4% increase in earnings and a 4.9% increase in revenues (versus a previous 4.8% increase).

Earnings gains accelerate further in the fourth quarter, but at a lower than previous rate. Consensus for the fourth quarter calls for a 17.4% increase in earnings (versus a 17.8% increase last week) and a 5.4% increase in revenues.

For all of 2024, consensus calls for an 11.1% earnings increase (versus previous 11.0% increase) and a 5.0% increase in revenues (versus a 4.9% increase.).

Estimated gains for fiscal 2025 were virtually unchanged. Consensus calls for a 14.0% earnings increase (versus previous 13.9% increase) and a 5.8% revenue increase.

Economic News This Week

Source: www.Investing.com

April U.S. Producer Price Index released at 8:30 AM EDT on Tuesday is expected to increase 0.2% versus a gain of 0.2% in March. April Core April Producer Price Index is expected to increase 0.2% versus a gain of 0.2% in March.

April U.S. Consumer Price Index released at 8:30 AM EDT on Wednesday is expected to increase 0.3% versus a gain of 0.4% in March. Core April Consumer Price Index is expected to increase 0.3% versus a gain of 0.4% in March.

April U.S. Retail Sales released at 8:30 AM EDT on Wednesday are expected to increase 0.4% versus a gain of 0.7% in March.

May Empire State Manufacturing Survey is released at 8:30 AM EDT on Wednesday

March U.S. Business Inventories released at 10:00 AM EDT on Wednesday are expected to be unchanged versus a gain of 0.4% in February.

April U.S. Housing Starts released at 8:30 AM EDT on Thursday are expected to increase to 1.410 million units from 1.321 million units in March.

May Philly Fed Index is released at 8:30 AM EDT on Thursday

April U.S. Industrial Production released at 9:15 AM EDT on Thursday is expected to increase 0.2% versus a gain of 0.4% in March. April U.S. Capacity Utilization is expected to be unchanged from March at 78.4%

Selected Earnings News This Week

Source: www.Investing.com

Seven S&P 500 companies are scheduled to release quarterly results this week (Including three Dow Industrial Average companies: Home Depot, Cisco and Walmart).

No TSX 60 companies are scheduled to release quarterly results this week.

Tuesday: Home Depot, HudBay Minerals

Wednesday: Cisco, JD.com, Macy's

Thursday: Walmart, Applied Materials, Deere, Ross Stores, Under Armour

Trader's Corner

Example of a daily change in technical score for Silver (See chart below)

Total scores range from -6 (most bearish) to +6 (most bullish)	Old Score	New Score
Intermediate trend: Up: unchanged	2	2
Strength relative to S&P 500: Negative to Neutral	-2	0
20 day moving average: Moved above	-1	1
Daily momentum (Stochastics, RSI, MACD): Moved higher	-1	1
Total score	0	4

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for May 10th 2024

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Prev Score	Score Last Week
SPX	Neutral	Nov.8	Up	Neutral	Above	Up	4		0
TSX	Neutral	Dec.15	Up	Neutral	Above	Up	4		0
DJIA	Neutral	Aug.31	Neutral	Neutral	Above	Up	2		2
COMPQ	Neutral	May 20	Neutral	Positive	Above	Up	4		-2
IYT	Neutral	Aug.27	Neutral	Negative	Above	Up	0		-4
AORD	Neutral	June 19	Neutral	Negative	Above	Up	0		-2
NIKK	Neutral	Nov.8	Neutral	Negative	Below	Up	-2	-4	-2
IEV	Neutral	Dec.8	Up	Positive	Above	Up	6		0
FXI	Neutral	Oct.4	Up	Positive	Above	Up	6	4	4
EEM	Neutral	Nov.29	Up	Positive	Above	Up	6		6

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 10th 2024

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Prev Score	Score Last Week
CRB Index	Positive	June 11	Up	Negative	Below	Up	0		-2
Gasoline	Positive	June 29	Neutral	Negative	Below	Down	-4		-2
Crude Oil	Positive	June 30	Up	Negative	Below	Up	0		-2
Natural Gas	Positive	June 29	Up	Positive	Above	Up	6		0
S&P Energy	Positive	June 6	Down	Negative	Below	Up	-4		-6
Oil Services	Neutral	Dec.19	Up	Negative	Below	Up	0		-2
Gold	Neutral	July 15	Up	Negative	Below	Up	0		0
Silver	Neutral	Dec.28	Up	Neutral	Above	Up	4	0	-2
Gold Bug	Neutral	June 15	Up	Neutral	Above	Up	4		0
Platinum	Neutral	Dec.24	Up	Neutral	Above	Up	4		4
Palladium	Neutral	Nov.28	Down	Negative	Below	Up	-4		-6
Copper	Neutral	Nov.22	Up	Neutral	Above	Down	2		4
Agriculture	Neutral	Nov.10	Neutral	Neutral	Above	Up	2		0

Green: Increase from previous day

Red: Decrease from previous day

Sectors Daily Seasonal/Technical Sector Trends for May 10th 2024

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Prev Score	Score Last Week
XLK	Positive	Aug.28	Down	Neutral	Above	Up	0		0
XLB	Neutral	Oct.1	Up	Neutral	Above	Up	4		2
XLI	Neutral	Aug.26	Up	Neutral	Above	Up	4		2
XLY	Neutral	Aug.7	Down	Neutral	Above	Up	0		2
XLF	Neutral	July 7	Up	Neutral	Above	Up	4		2
XLE	Positive	June 6	Down	Negative	Below	Down	-6		-2
XLP	Positive	May 24	Up	Neutral	Above	Up	4		6
XLV	Positive	July 30	Neutral	Neutral	Above	Up	2		2
XLU	Positive	July 2	Up	Positive	Above	Up	6		6
XLC	Positive	June 2	Neutral	Negative	Above	Up	0		-2
XLRE	Neutral	Dec.1	Down	Neutral	Above	Up	0		2
TSX Financial	Neutral	July 12	Up	Neutral	Above	Up	4		4
TSX Energy	Neutral	Dec.11	Down	Negative	Above	Up	-2		-6
TSX Gold	Neutral	June 14	Up	Positive	Above	Up	6		0
TSX Tech	Neutral	Nov. 15	Down	Negative	Below	Down	-6		-2
TSX B Metals	Neutral	Oct.4	Up	Positive	Above	Up	6		2

Green: Increase from previous day

Red: Decrease from previous day

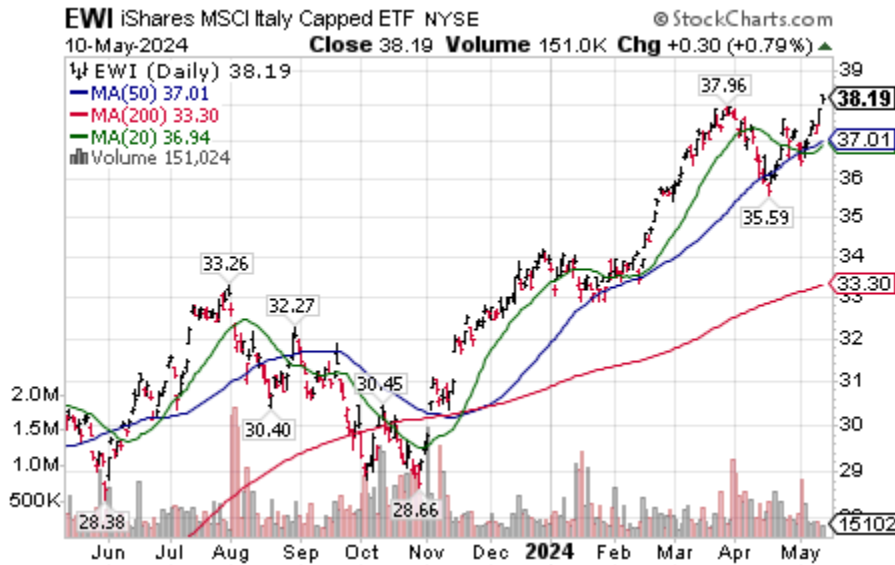
Technical Score for Silver

Score changed on Friday from $(2-2-1+1)=0$ to $(2+0+1+1)=+4$ on Friday



Technical Notes for Friday

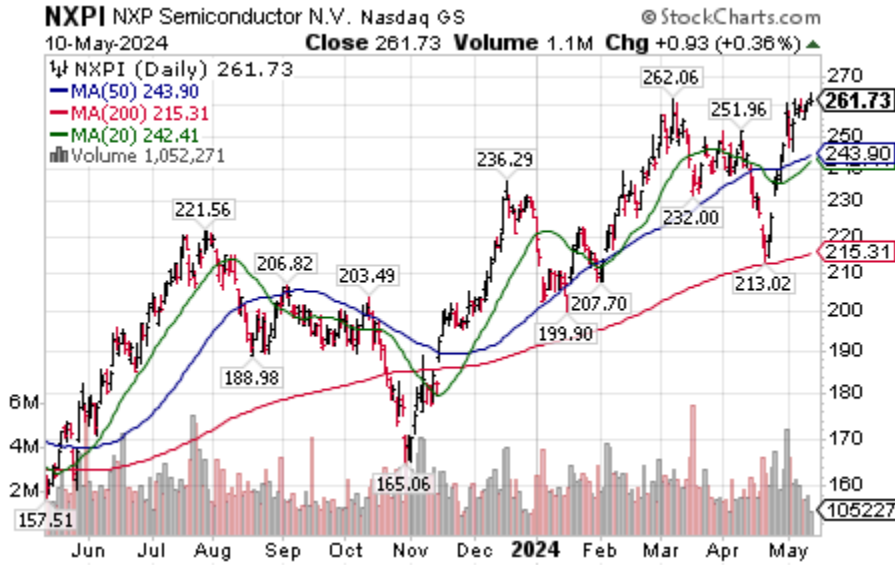
Italy iShares \$EWI moved above \$35.59 to an all-time high extending an intermediate uptrend.



South Africa iShares \$EZA moved above \$17.42 extending an intermediate uptrend.



NXP Semiconductor \$NXPI a NASDAQ 100 stock moved above \$262.06 to an all-time high extending an intermediate uptrend.



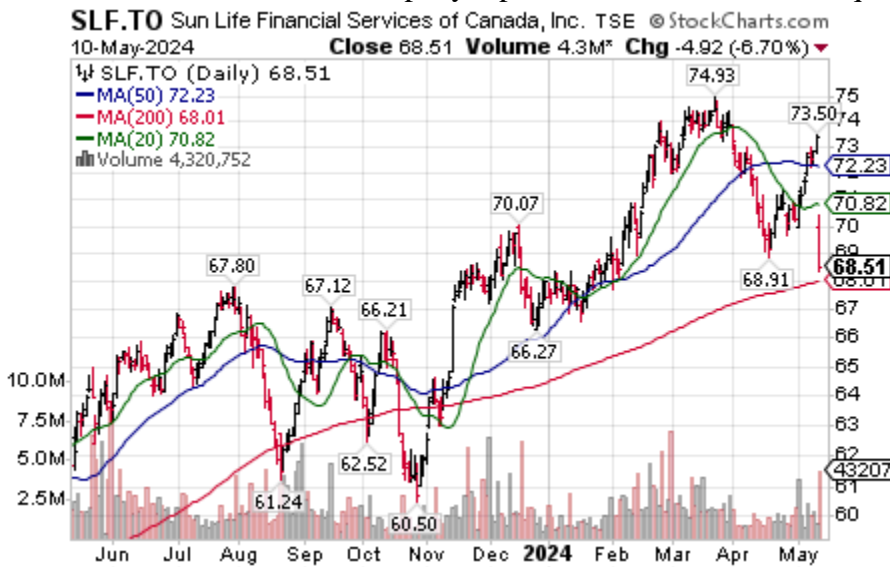
Costco \$COST an S&P 100 stock moved above \$785.82 to an all-time high extending an intermediate uptrend.



Coca Cola \$KO an S&P 100 stock moved above \$63.25 to an all-time high extending an intermediate uptrend.



Sun Life Financial \$SLF.TO a TSX 60 company moved below Cdn\$68.91 extending an intermediate downtrend. The company reported less than consensus quarterly results.



S&P 500 Momentum Barometers



The intermediate term Barometer added 0.80 on Friday and gained 14.60 last week to 58.00. It remains Neutral. Daily trend is up.



The long term Barometer added 0.80 on Friday and gained 5.80 last week to 78.40. It remains Overbought.

TSX Momentum Barometers



The intermediate term Barometer dropped 2.69 on Friday, but gained 2.52 last week to 63.23. It remains Overbought.



The long term Barometer slipped 0.45 on Friday, but gained 3.44 last week to 69.96. 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

