

# Tech Talk for Saturday May 18<sup>th</sup> 2024

## The Bottom Line

**The “bulls” regained control of U.S. equity markets last week.** S&P 500 Index, Dow Jones Industrial Average and NASDAQ Composite Index broke to all-time highs. Leadership was provided by technology sector: Technology SPDRs (Symbol: XLK) moved above \$212.00 to an all-time high. A speculative spike in the “Meme stocks” also contributed to bullish sentiment.

**The TSX Composite Index also closed at an all-time high on Friday.**

**Strength in U.S. and Canadian equity indices once again was surpassed by strength in key international equity index prices and their related Exchange Traded Funds last week.**

Emerging markets iShares (symbol: EEM) advanced 3.06%, Asia 50 iShares (symbol: AIA) advanced 3.94% and China large cap iShares (symbol: FXI) jumped 5.62%. Europe iShares gained another 1.54%, up 8.96% from its low in mid-April.

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

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

**Higher than consensus first quarter results released to date prompted analysts to increase their first quarter earnings estimates again.** Ninety three 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 5.7% (versus a 5.4% increase last week). Revenues are expected to increase 4.2% (versus 4.1% last week)

**Earnings gains accelerate in the second and third quarters, but at a lower than previous rates.** Consensus for the second quarter calls for a 9.2% earnings increase (versus 9.3% last week) and a 4.6% increase in revenues. Consensus for the third quarter calls for an 8.2% increase in earnings (versus 8.4% last week) and a 4.9% increase in revenues.

**Earnings gains accelerate further in the fourth quarter.** Consensus for the fourth quarter calls for a 17.4% increase in earnings and a 5.5% increase in revenues (versus a 5.4% increase last week).

**For all of 2024,** consensus calls for an 11.1% earnings increase and a 5.0% increase in revenues.

**Estimated gains for fiscal 2025 increased slightly.** Consensus calls for a 14.1% earnings increase (versus a previous 14.0% increase) and a 5.8% revenue increase.

## Economic News This Week

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

**April Canadian Consumer Price Index** is released at 8:30 AM EDT on Tuesday

**April U.S. Existing Home Sales** released at 10:00 AM EDT on Wednesday are expected to slip to 4.18 million units from 4.19 million units in May.

**April U.S. New Home Sales** released at 10:00 AM EDT on Thursday are expected to drop to 680,000 units from 693,000 units in May.

**April Durable Goods Orders** released at 8:30 AM EDT on Friday are expected to drop to 0.5% from 2.6% in March.

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

**May Michigan Consumer Sentiment** released at 10:00 AM EDT on Friday is expected to drop to 67.4 from 77.2 in April.

## Selected Earnings News This Week

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

Seventeen S&P 500 companies are scheduled to report quarterly earnings this week. Focus is on Nvidia's report on Wednesday. In Canada, Toronto Dominion Bank is the first major bank to report fiscal second quarter results.

**Monday:** Palo Alto Networks, Trip.com, Zoom

**Tuesday:** Lowe's, Toll Brothers, Macy's Urban Outfitters.

**Wednesday:** Nvidia, TJX Companies, Analog Devices, Synopsys, Target

**Thursday:** Intuit, Medtronic, Toronto Dominion Bank, Workday, Net Ease, Autodesk, Ross Stores, Dollar Tree

**Friday:** CAE, Big Lots

## Trader's Corner

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

Total scores range from -6 (most bearish) to +6 (most bullish).

	Old Score	New Score
Intermediate term trend: Down: Unchanged	-2	-2
Strength relative to S&P 500: Negative: Unchanged	-2	-2
20 day moving average: Moved above	-1	+1
Daily momentum (Stochastics, RSI, MACD): Moved higher	-1	+1
<b>Total Score</b>	<b>-6</b>	<b>-2</b>

### Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for May 17<sup>th</sup> 2024

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momentum	Tech Score	Prev Score	Score Last Week
SPX	Neutral	Nov.8	Up	Neutral	Above	Up	4		4
TSX	Neutral	Dec.15	Up	Negative	Above	Up	2		4
DJIA	Neutral	Aug.31	Up	Neutral	Above	Up	4		2
COMPQ	Neutral	May 20	Up	Positive	Above	Up	6		4
IYT	Neutral	Aug.27	Neutral	Negative	Above	<b>Down</b>	<b>-2</b>	0	0
AORD	Neutral	June 19	Up	Negative	Above	Up	2		0
NIKK	Neutral	Nov.8	Neutral	Negative	Below	Up	-2		-2
IEV	Neutral	Dec.8	Up	Positive	Above	Up	6		6
FXI	Neutral	Oct.4	Up	Positive	Above	Up	6		6
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](http://www.EquityClock.com)

## Commodities

### Daily Seasonal/Technical Commodities Trends for May 17<sup>th</sup> 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	Down	-2		0
Gasoline	Positive	June 29	Neutral	Negative	Below	Up	-2	-4	-4
Crude Oil	Positive	June 30	Up	Negative	Below	Up	0		0
Natural Gas	Positive	June 29	Up	Positive	Above	Up	6		6
S&P Energy	Positive	June 6	Down	Negative	Above	Up	-2	-4	-4
Oil Services	Neutral	Dec.19	Up	Negative	Above	Up	2		0
Gold	Neutral	July 15	Up	Neutral	Above	Up	4	2	0
Silver	Neutral	Dec.28	Up	Positive	Above	Up	6		4
Gold Bug	Neutral	June 15	Up	Positive	Above	Up	6	4	4
Platinum	Neutral	Dec.24	Up	Positive	Above	Up	6		4
Palladium	Neutral	Nov.28	Down	Neutral	Above	Up	0		-4
Copper	Neutral	Nov.22	Up	Positive	Above	Up	6		2
Agriculture	Neutral	Nov.10	Neutral	Neutral	Above	Up	2		2

Green: Increase from previous day

Red: Decrease from previous day

### Sectors Daily Seasonal/Technical Sector Trends for May 17<sup>th</sup> 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	Up	Positive	Above	Up	6		0
XLB	Neutral	Oct.1	Up	Negative	Above	Down	0		4
XLI	Neutral	Aug.26	Up	Negative	Above	Down	0		4
XLY	Neutral	Aug.7	Down	Negative	Above	Down	-4		0
XLF	Neutral	July 7	Up	Neutral	Above	Up	4		4
XLE	Positive	June 6	Down	Negative	Above	Up	-2	-6	-6
XLP	Positive	May 24	Up	Negative	Above	Up	2		4
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		0
XLRE	Neutral	Dec.1	Down	Neutral	Above	Up	0		0
TSX Financial	Neutral	July 12	Up	Neutral	Above	Up	4		4
TSX Energy	Neutral	Dec.11	Down	Negative	Above	Up	-2	-6	-2
TSX Gold	Neutral	June 14	Up	Positive	Above	Up	6		6
TSX Tech	Neutral	Nov. 15	Down	Negative	Below	Up	-4		-6
TSX B Metals	Neutral	Oct.4	Up	Positive	Above	Up	6	4	6

Green: Increase from previous day

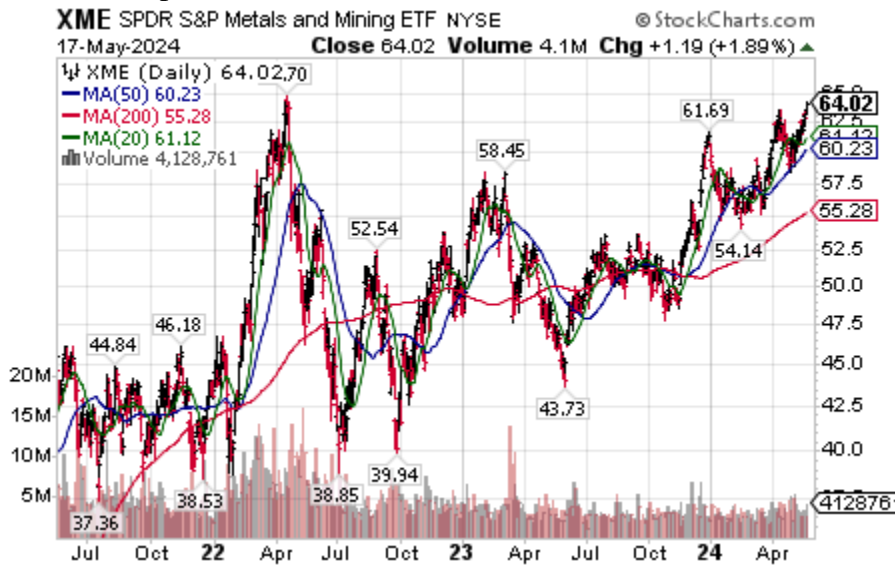
Red: Decrease from previous day

# Technical Notes for Friday

**Silver Bullion iShares \$SLV** moved above \$27.24 and \$27.98 to a 10 year high extending an intermediate uptrend. **TSE Silver Bullion iShares \$SVR.TO** moved above \$Cdn\$14.46 extending an intermediate uptrend.



**Metals and Mining SPDRs \$XME** moved above \$63.59 to a two year high extending an intermediate uptrend.



**Junior Gold Miners ETF \$GDXJ** moved above \$44.70 to a two year high extending an intermediate uptrend.



**Uranium ETF \$URA** moved above \$32.60 to a 10 year high extending an intermediate uptrend. Strength was triggered by banning import of uranium from Russia. Cameco, (Symbols: CCJ in U.S. dollars and CCO.TO in Canadian Dollars) one of the world's largest producers reached a multi-year high.



**U.S. Insurance iShares \$IAK** moved above \$117.60 to an all-time high extending an intermediate uptrend. Strength was led by MetLife on a move above \$74.10 to an all-time high.



**Rio Tinto \$RIO** one of the world's largest base metals producers moved above \$72.10 extending an intermediate uptrend.



**Emera \$EMA.TO** a TSX 60 stock moved above Cdn\$50.27 extending an intermediate uptrend.



**Restaurant Brands International \$QSR.TO** a TSX 60 stock moved below Cdn\$96.11 completing a Head & Shoulders pattern.





# S&P 500 Momentum Barometers



The intermediate term Barometer added 1.40 on Friday and gained 6.00 points last week to 64.00. It changed last week from Neutral to Overbought on a move above 60.00. Daily trend remains up.



The long term Barometer added 0.40 on Friday and gained 1.80 last week to 80.20. It remains Overbought. Daily trend is up.

# TSX Momentum Barometers



The intermediate term Barometer added 1.79 on Friday and gained 5.83 to 69.06 last week to 69.06. It remains Overbought. Daily trend is up.



The long term Barometer added 0.90 on Friday and gained 2.24 last week to 72.20. It remains Overbought. Daily trend is up.

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

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