

Tech Talk for Saturday June 8th 2024

The Bottom Line

Focus this week is on news following the FOMC meeting on Wednesday in response to the stronger than expected U.S. May employment report released last Friday: May Non-farm Payrolls and Average Hourly Earnings came in “hotter” than expected. Under these conditions a reduction in the Fed Fund Rate by the FOMC probably has been delayed until at least the September 17th-18th meeting and more likely until the December meeting. The delay will dampen buying interest in U.S. equities and related products during the quieter summer months when returns normally are lower than average.

The Canadian Dollar came under technical pressure following the Bank of Canada’s decision to lower its lending rate from 5.00% to 4.75% and after release of the hotter than expected U.S. employment report.

Economic News This Week

Source: www.Investing.com

May U.S. Consumer Price Index released at 8:30 AM EDT on Wednesday is expected to increase 0.2% versus a gain of 0.3% in April. On a year-over-year basis, May CPI is expected to increase 3.4% versus a gain of 3.4% in April. Excluding food and energy, May CPI is expected to increase 0.3% versus a gain of 0.3% in April. On a year-over-year basis, core May CPI is expected to increase 3.5% versus a gain of 3.6% in April

FOMC Economic Statement is released at 2:00 PM EDT on Wednesday. Press conference is offered at 2:30 PM EDT. Consensus calls for no change in the Fed Fund Rate at 5.25%-5.50%.

May Producer Price Index released at 8:30 AM EDT on Thursday is expected to increase 0.2% versus a gain of 0.5% in April. On a year-over-year basis, May PPI is expected to increase 2.2% versus a gain of 2.2% in April. Excluding food and energy, May PPI is expected to increase 0.3% versus a gain of 0.5% in April. On a year-over-year basis core May PPI is expected to increase 2.3% versus a gain of 2.4% in April.

June Michigan Consumer Sentiment released at 8:30 AM EDT on Friday is expected to increase to 73.0 from 69.1 in May.

Selected Earnings News This Week

Source: www.Investing.com

Tuesday: Oracle

Wednesday: Broadcom

Thursday: Adobe, Kroger, Jabil Circuit

Trader's Corner

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

Example: Technical score for Gold bullion dropped on Friday from +4 to -2

	Previous Score	NewScore
Intermediate Trend: Up	+2	+2
Strength relative to the S&P 500: Neutral to Negative	0	-2
Below/Above 20 day Moving Average: moved below	+1	-1
Daily momentum (Stochastics, RSI, MACD): turned negative	+1	-1
Total Scores	+4	-2

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for June 7th 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	Negative	Below	Down	-2	0	2
DJIA	Neutral	Aug.31	Up	Negative	Below	Up	0		0
COMPQ	Positive	Sept.15	Up	Positive	Above	Up	6		4
IYT	Neutral	Aug.27	Down	Negative	Below	Up	-4		-4
AORD	Neutral	June 19	Up	Neutral	Above	Up	4	2	-2
NIKK	Neutral	Nov.8	Neutral	Negative	Above	Up	0		-4
IEV	Neutral	Dec.8	Up	Neutral	Above	Up	4		2
FXI	Neutral	Oct.4	Up	Negative	Below	Up	0		-2
EEM	Neutral	Nov.29	Up	Negative	Below	Down	-2	0	-2

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 June 7th 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	Down	Negative	Below	Up	-4		0
Gasoline	Positive	June 29	Neutral	Negative	Below	Up	-2		-4
Crude Oil	Positive	June 30	Down	Negative	Below	Up	-4	-6	-2
Natural Gas	Positive	June 29	Up	Positive	Above	Up	6		4
S&P Energy	Neutral	Dec.9	Down	Negative	Below	Down		-6	-4
Oil Services	Neutral	Dec.19	Down	Negative	Below	Down	-6		-2
Gold	Neutral	July 15	Up	Negative	Below	Down	-2	4	4
Silver	Neutral	Dec.28	Up	Negative	Below	Down	-2	0	4
Gold Bug	Neutral	June 15	Up	Negative	Below	Down	-2	0	4
Platinum	Neutral	Dec.24	Up	Negative	Below	Down	-2		4
Palladium	Neutral	Nov.28	Down	Negative	Below	Up	-4		-6
Copper	Neutral	Nov.22	Up	Negative	Below	Up	0	-2	-2
Agriculture	Neutral	Nov.10	Neutral	Negative	Below	Down	-4	-2	-2

Green: Increase from previous day

Red: Decrease from previous day

Sectors Daily Seasonal/Technical Sector Trends for June 7th 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	Neutral	Above	Up	4		2
XLB	Neutral	Oct.1	Up	Negative	Below	Down	-2	0	4
XLI	Neutral	Aug.26	Up	Negative	Below	Up	0		0
XLY	Neutral	Aug.7	Down	Negative	Above	Up	-2		-4
XLF	Neutral	July 7	Up	Negative	Below	Up	0		-2
XLE	Neutral	Dec.9	Down	Negative	Below	Down	-6		-2
XLP	Neutral	Feb.16	Up	Negative	Above	Up	2		2
XLV	Positive	July 30	Neutral	Neutral	Above	Up	2		-2
XLU	Positive	July 2	Up	Negative	Below	Down	-2		6
XLC	Neutral	Jan.8	Up	Positive	Above	Down	4	6	2
XLRE	Neutral	Dec.1	Down	Neutral	Below	Up	-2	0	0
TSX Financial	Neutral	July 12	Up	Negative	Below	Up	0		2
TSX Energy	Neutral	Dec.11	Down	Negative	Below	Down	-6		0
TSX Gold	Neutral	June 14	Up	Negative	Below	Down	-2	4	0
TSX Tech	Neutral	Nov. 15	Down	Neutral	Above	Up	0	-2	-6
TSX B Metals	Neutral	Oct.4	Up	Negative	Below	Down	-2		0

Green: Increase from previous day

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Technical Notes for Friday

Nike \$NKE a Dow Jones Industrial Average stock moved above \$95.85 completing a double bottom pattern.



Lockheed Martin \$LMT an S&P 100 stock moved above \$470.37 extending an intermediate uptrend.



DocuSign \$DOCU a NASDAQ 100 stock moved below \$49.12 setting an intermediate downtrend.



Saputo \$SAP.TO a TSX 60 stock moved above Cdn\$28.49, Cdn\$28.73 and \$29.18 completing a double bottom pattern.



S&P 500 Momentum Barometers



The intermediate term Barometer slipped 0.60 on Friday and slipped 1.40 last week to 49.20. It remains Neutral.



The long term Barometer dropped 1.60 on Friday and dropped 3.80 last week to 68.80. It remains Overbought.

TSX Momentum Barometers



The intermediate term Barometer plunged 16.22 on Friday and plunged 23.12 last week to 44.59. It changed from Overbought to Neutral on a drop below 60.00.



The long term Barometer dropped 3.60 on Friday and slipped 1.94 last week to 65.77. It remains Overbought.

Tech Talk is a free service available each business day at www.timingthemarket.ca

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