

Tech Talk for Saturday July 27th 2024

The Bottom Line

Focus this week is on the FOMC announcement on the Fed Fund Rate at 2:00 PM EDT Wednesday.

Quarterly earnings reports released to date for the most part have been positive. Focuses this week are on reports by Amazon and Apple on Thursday.

Seasonal influences during a U.S. Presidential Election year historically have been positive until mid-August.

Consensus for Earnings and Revenues for S&P 500 Companies

Source: www.FactSet.com

Changes since last week were modest. Forty one percent of companies have reported second quarter results to date: 78% have reported higher than consensus quarterly earnings and 60% have reported higher than consensus revenues. Consensus for second quarter earnings increased last week to a 9.8% gain (versus a previous 9.7% gain) and consensus for second quarter revenues increased to a 5.0% gain (versus a previous 4.9% gain). Consensus for the third quarter earnings slipped to a 6.8% increase (versus a previous 7.7% increase). Consensus for revenues was unchanged at a 5.5% increase.

Earnings gains accelerate further in the fourth quarter. Consensus calls for a 16.7% increase in earnings (versus a previous 17.0% increase) and a 5.5% increase in revenues.

For all of 2024, consensus calls for a 10.9% earnings increase (versus previous 11.0% increase) and a 5.1% revenue increase (versus a previous 5.0% increase).

Earnings gains remain elevated in 2025. First quarter earnings are expected to increase 15.1 % on a year-over-year basis and revenues are expected to increase 5.8% (versus 5.7% increase). Second quarter earnings are expected to increase 14.7% (versus previous 14.5% increase) and revenues are expected to increase 6.0% (versus previous 5.9% increase). For all of 2025 earnings are expected to increase 14.8% (versus previous 14.7% increase) and revenues are expected to increase 6.0%.

Economic News This Week

Canadian May GDP released at 8:30 AM EDT on Wednesday is expected to increase 0.1% versus a gain of 0.3% in April.

FOMC rate decision is released at 2:00 PM EDT on Wednesday. Consensus calls for no change in the Fed Fund Rate at 5.25%-5.50%. Look for guidance on timing of the first reduction in the Rate when Federal Reserve Chairman Powell speaks at his 2:30 PM EDT press conference. Will the FOMC lower the Fed Fund rate for the first time at its next meetings on September 18th, November 6th or December 18th?

U.S. second quarter Non-farm Productivity is released at 8:30 AM EDT on Thursday.

U.S. June Construction Spending is released at 10:00 AM EDT on Thursday

July ISM Manufacturing PMI released at 10:00 AM EDT on Thursday is expected to increase to 48.8 from 48.5 in June

July Non-farm Payrolls released at 8:30 AM EDT on Friday are expected to drop to 185,000 from 206,000 in June. July Unemployment Rate is expected to remain unchanged from June at 4.1%. July Average Hourly Earnings are expected to increase 0.3% versus a gain of 0.3% in June.

U.S. June Durable Goods Orders are released at 10:00 AM EDT on Friday/

U.S. June Factory Orders are released at 10:00 AM EDT on Friday.

Selected Earnings News This Week

Monday: McDonalds, ON Semiconductor

Tuesday: Microsoft, Procter & Gamble, Merck, AMD, Caterpillar, Pfizer, Stryker, Rio Tinto, Mondelez, Canadian Pacific, Illinois Tool Works, PayPal

Wednesday: Meta Platforms, Master Card, QUALCOMM, T-Mobile, Lam Research, Boeing, Altria, Marriott, KraftHeinz, Agnico Eagle, Dupont, eBay, CGI Corp, Cameco, Fortis

Thursday: Apple, Amazon, Intel, Booking, Southern Corp, Canadian Natural Resources, ADP, Moderna, TC Energy, Hershey, Biogen, BCE, ARC Resources, Gildan Activewear,

Friday: ExxonMobil, Chevron, Enbridge, Imperial Oil, Telus, Magna International

Trader's Corner

Score example using TSX Financials iShares (Symbol: XFN.TO)

Score increase on Friday from 4 to 6:

	Previous Score	New Score
Intermediate trend: remains Up.	+2	+2
Strength relative to SPX: remains Up	+2	+2
20 day moving average: remains Above	+1	+1
Momentum (Stochastics, RSI, MACD) changed from down to up	-1	+1
Total Scores	+4	+6

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for July 26th 2024

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momentum	Tech Score	Prev Score Last Week
SPX	Neutral	Nov.8	Up	Neutral	Below	Down	0	0
TSX	Neutral	Dec.15	Up	Positive	Above	Down	4	4
DJIA	Neutral	Aug.31	Up	Positive	Above	Down	4	4
COMPQ	Positive	Sept.15	Up	Negative	Below	Down	-2	-2
IYT	Neutral	Aug.27	Up	Neutral	Below	Down	0	4
AORD	Positive	Aug.31	Up	Positive	Above	Down	4	2
NIKK	Neutral	Nov.8	Up	Negative	Below	Down	-2	2
IEV	Neutral	Dec.8	Neutral	Positive	Below	Down	0	0
FXI	Neutral	Oct.4	Down	Neutral	Below	Down	-4	-4
EEM	Neutral	Nov.29	Up	Negative	Below	Down	-2	-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 July 26th 2024

Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Prev Score	Score Last Week
CRB Index	Neutral	Feb.12	Down	Negative	Below	Down	-6		-4
Gasoline	Neutral	Mar.30	Neutral	Negative	Below	Down	-4		-4
Crude Oil	Neutral	Jan.12	Neutral	Neutral	Below	Down	-2		-2
Natural Gas	Neutral	Sept.13	Down	Negative	Below	Down	-6		-6
S&P Energy	Neutral	Dec.9	Neutral	Positive	Above	Up	4		4
Oil Services	Neutral	Dec.19	Neutral	Positive	Above	Up	4		2
Gold	Positive	Sept.4	Up	Positive	Below	Down	2		4
Silver	Neutral	Dec.28	Down	Negative	Below	Down	-6		-2
Gold Bug	Neutral	July 27	Up	Positive	Above	Down	4		4
Platinum	Neutral	Dec.24	Down	Negative	Below	Down	-6		-2
Palladium	Neutral	Nov.28	Neutral	Negative	Below	Down	-4		-4
Copper	Neutral	Nov.22	Down	Negative	Below	Down	-6		-6
Agriculture	Neutral	Nov.10	Down	Positive	Above	Up	2	0	0

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Red: Decrease from previous day

Sectors

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

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Technical Notes for Friday

Baker Hughes \$BKR a NASDAQ 100 stock moved above \$36.85 and \$37.57 to an all-time high extending an intermediate uptrend.



Power Corp \$POW.TO a TSX 60 stock moved above Cdn\$40.00 to an all-time high extending an intermediate uptrend.



S&P 500 Momentum Barometers



The intermediate term Barometer added 7.00 on Friday and gained 4.60 last week to 69.80. It remains Overbought.



The long term Barometer added 4.40 on Friday and gained 2.80 last week to 77.80. It remains Overbought.

TSX Momentum Barometers



The intermediate term Barometer added 4.87 on Friday, but slipped 0.45 last week to 73.89. It remains Overbought.



The long term Barometer added 1.33 on Friday and gained 0.44 last week to 81.86. It remains Overbought.

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

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