

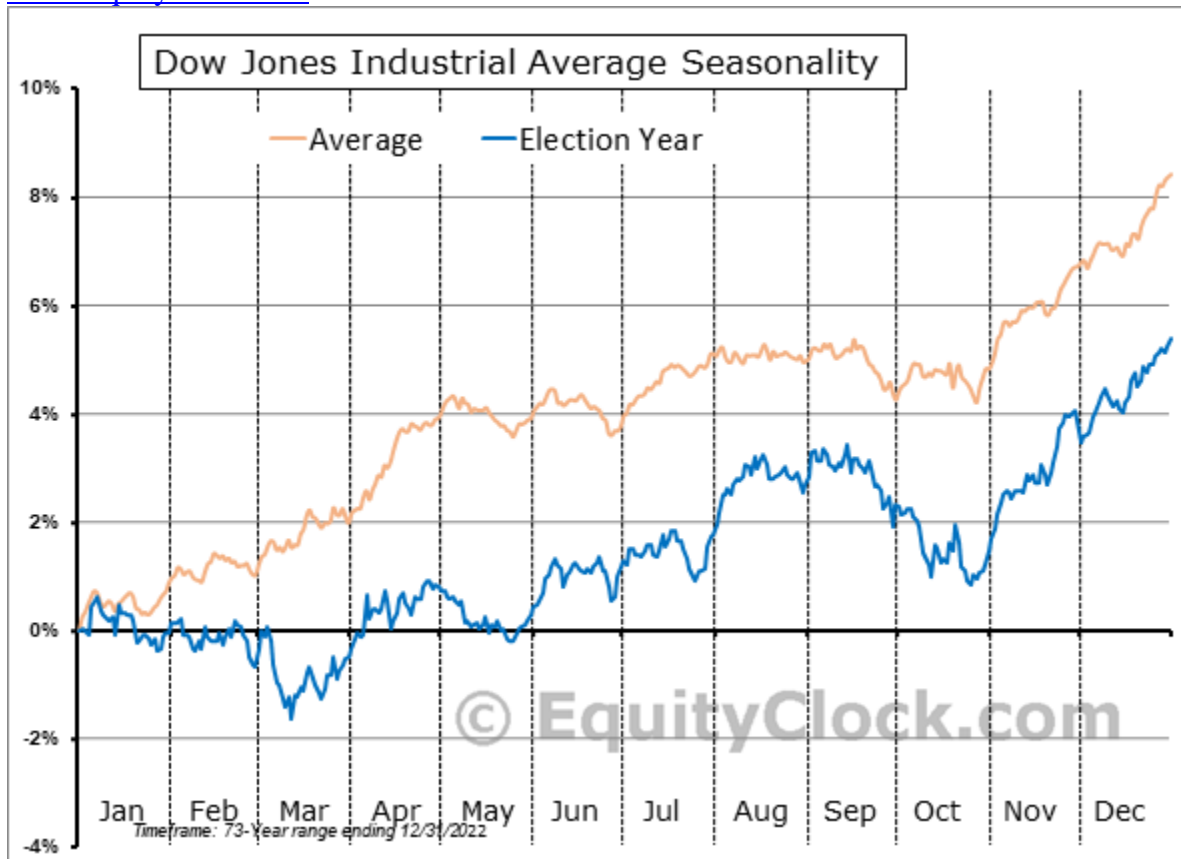
Tech Talk for Saturday August 10th 2024

The Bottom Line

Focus this week is on U.S. inflation and its impact on U.S. interest rates. Growth in Producer and Consumer Prices on a year-over-year basis continues to trend down, but at a lower rate. Traders will watch closely the July PPI report on Tuesday and the July CPI report on Wednesday.

Second quarter results released to date by S&P 500 companies have been a pleasant surprise, nicely exceeding estimates offered since the second week in July. Consensus estimates for the remainder of 2024 were lowered slightly last week, but continue to show accelerating earnings growth beyond the third quarter.

Seasonal influences on U.S. equity markets during U.S. Presidential Election years tend to show modest weakness between August and early October, followed by strength from late October until at least the end of the year regardless of who wins the election. See chart in Tom Bowley's video link below showing seasonality by U.S. equity markets during U.S. Presidential Years since 1950. His chart is identical to the chart offered by www.EquityClock.com



Consensus for Earnings and Revenues for S&P 500 companies

Source: www.factset.com

Reports released last week prompted analysts to lower their quarterly earnings and revenue estimates for 2024. Ninety one percent of companies have reported second quarter results to date: 78% have reported higher than consensus quarterly earnings and 59% have reported higher than consensus revenues. Consensus for second quarter earnings slipped last week to a 10.8% gain (versus a previous 11.5% gain) and consensus for second quarter revenues slipped to a 5.2% gain (versus a previous 5.3% gain).

A word of caution! Consensus for the third quarter earnings slipped to a 5.4% increase (versus a previous 6.1% increase). Consensus for third quarter revenues was unchanged at a 4.9% increase.

Earnings gains accelerate in the fourth quarter, but at a lower rate. Consensus calls for a 15.2% increase in earnings (versus a previous 16.1% increase) and a 5.4% increase in revenues.

For all of 2024, consensus calls for a 10.2% earnings increase (versus previous 10.8% increase) and 5.1% revenue increase.

Earnings gains accelerate in 2025, but at a lower than previous rate. First quarter earnings are expected to increase 14.5 % on a year-over-year basis (versus 14.8% last week) and revenues are expected to increase 5.8% (versus previous 5.9% increase). Second quarter earnings are expected to increase 14.0% (versus previous 13.5% increase) and revenues are expected to increase 5.8% (versus previous 5.9% increase). For all of 2025 earnings are expected to increase 14.0% (versus previous 14.8% gain) and revenues are expected to increase 5.8% (versus a 6.0% gain).

Economic News This Week

Source: www.investing.com

July U.S. Producer Price Index released at 8:30 AM EDT on Tuesday is expected to increase 0.1% versus a gain of 0.2% in June.

July U.S. Consumer Price Index released at 8:30 AM EDT on Wednesday is expected to increase 0.2% versus a decline of 0.1% in June. On a year-over-year basis, July CPI is expected to increase 2.9% versus a 3.0% increase in June. Excluding food and energy, July CPI is expected to increase 0.2% versus a gain of 0.1% in June. Excluding food and energy, July core CPI is expected to increase 3.2% versus a gain of 3.3% in June.

July U.S. Retail Sales released at 8:30 AM EDT on Thursday are expected to increase 0.3% versus no change in June.

August Empire State Manufacturing Survey released at 8:30 AM EDT on Thursday is expected to improve to -6.00 from -6.60 in July.

August Philly Fed released at 8:30 AM EDT on Thursday is expected to drop to 7.0 from 13.9 in July.

July U.S. Capacity Utilization released at 9:15 AM EDT on Thursday is expected to slip to 78.6% from 78.8% in June. **July Industrial Production** is expected to increase 0.1% versus a gain of 0.6% in June.

July U.S. Housing Starts released at 8:30 AM EDT on Friday are expected to slip to 1.350 million units from 1.363 million units in June.

August Michigan Consumer Sentiment released at 10:00 AM EDT on Friday is expected to improve to 66.7 from 66.4 in July.

Selected Earnings Report News This Week

Source: www.investing.com

Monday: Barrick Gold, Sun Life Financial

Tuesday: Home Depot, Franco-Nevada

Wednesday: Cisco, JD.com, CAE

Thursday: Wal-Mart, Alibaba, Applied Materials, Deere, Net Ease, Ross Stores

Trader's Corner

Score example using TSX:

	Previous Score	New Score
Intermediate trend: Up	2	2
Strength relative to S&P 500: Positive	2	2
Above/Below 20 day Moving Average: Below	-1	-1
Daily momentum	-1	1
Total Score	+2	+4

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for August 9th 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	Below	Up	2		0
TSX	Neutral	Dec.15	Up	Positive	Below	Up	4	2	2
DJIA	Neutral	Aug.31	Up	Neutral	Below	Up	2	4	2
COMPQ	Positive	Sept.15	Up	Negative	Below	Up	0		-2
IYT	Neutral	Aug.27	Down	Neutral	Below	Up	-2		0
AORD	Positive	Aug.31	Neutral	Neutral	Below	Up	0		6
NIKK	Neutral	Nov.8	Down	Negative	Below	Up	-4		-4
IEV	Neutral	Dec.8	Down	Positive	Below	Up	0		-4
FXI	Neutral	Oct.4	Down	Positive	Below	Up	0		-6
EEM	Neutral	Nov.29	Neutral	Positive	Below	Up	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 August 9th 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	Positive	Below	Up	0		-6
Gasoline	Neutral	Mar.30	Neutral	Positive	Below	Up	2		-2
Crude Oil	Neutral	Jan.12	Neutral	Neutral	Below	Up	0		-4
Natural Gas	Neutral	Sept.13	Down	Neutral	Above	Up	0		-6
S&P Energy	Neutral	Dec.9	Down	Positive	Below	Up	0		0
Oil Services	Neutral	Dec.19	Down	Negative	Below	Up	-4	-2	-2
Gold	Positive	Sept.4	Up	Positive	Above	Up	6		6
Silver	Neutral	Dec.28	Down	Negative	Below	Up	-4		-2
Gold Bug	Neutral	July 27	Up	Neutral	Below	Down	0		2
Platinum	Neutral	Dec.24	Down	Neutral	Below	Up	-2		-2
Palladium	Neutral	Nov.28	Down	Neutral	Above	Up	0		-4
Copper	Neutral	Nov.22	Down	Neutral	Below	Down	-4		-4
Agriculture	Neutral	Nov.10	Down	Neutral	Below	Up	-2	0	0

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Sectors

Daily Seasonal/Technical Sector Trends for August 9th 2024

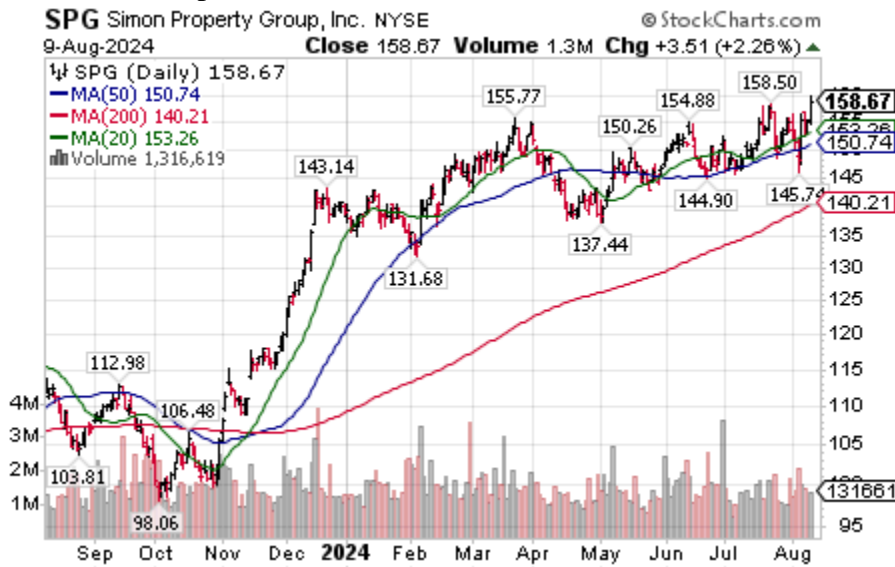
Unit	Seasonal	Until	Trend	Strength Relative To SPX	20 Day MA	Momen tum	Tech Score	Prev Score	Score Last Week
XLK	Positive	Aug.28	Down	Negative	Below	Up	-4		-4
XLB	Neutral	Oct.1	Up	Neutral	Below	Up	2	4	2
XLI	Neutral	Aug.26	Neutral	Positive	Below	Up	2		2
XLY	Neutral	Aug.7	Down	Negative	Below	Up	-4		-2
XLF	Positive	Nov.2	Up	Positive	Below	Up	4		2
XLE	Neutral	Dec.9	Down	Neutral	Below	Up	0		-2
XLP	Neutral	Feb.16	Up	Positive	Above	Up	6		6
XLU	Neutral	Feb.6	Up	Positive	Above	Up	6		6
XLV	Neutral	Nov.11	Up	Positive	Above	Up	6	4	4
XLC	Neutral	Jan.8	Up	Positive	Below	Up	4		6
XLRE	Neutral	Dec.1	Up	Positive	Above	Up	2		2
TSX Financial	Positive	Sept.30	Up	Positive	Below	Down	2		2
TSX Energy	Neutral	Dec.11	Down	Neutral	Below	Up	-2		-4
TSX Gold	Neutral	Dec.15	Up	Neutral	Below	Down	0		4
TSX Tech	Neutral	Nov.15	Neutral	Positive	Above	Up	4	0	-4
TSX B Metals	Neutral	Oct.4	Down	Negative	Below	Up	-4	-6	-6

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Technical Notes for Friday

Simon Properties \$SPG an S&P 100 stock moved above \$158.50 to an all-time high extending an intermediate uptrend.



Changes Last Week

Index	Close	Change	Percent Change
SPX	5,344.16	-2.40	-0.04
TSX	22,311.30	83.67	0.38
INDU	39,497.54	-239.72	-0.60
COMPQ	16,745.30	-30.86	-0.18
TRAN	15,334.53	-46.99	-0.31
AORD	7,990.70	-188.70	-2.30
NIKK	35,025.00	-884.70	-2.44
IEV	54.57	0.17	0.31
FXI	25.45	0.25	0.99
EEM	42.06	0.45	1.08

S&P 500 Momentum Barometers



The intermediate term Barometer added 3.20 on Friday and gained 2.00 last week to 58.00. It remains Neutral.



The long term Barometer slipped 0.80 on Friday and dropped 1.20 last week to 58.40. It remains Neutral.

TSX Momentum Barometers



The intermediate term Barometer slipped 0.88 on Friday and dropped 5.76 last week to 50.88. It remains Neutral.



The long term Barometer was unchanged on Friday, but slipped 1.33 last week to 70.35. 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