

Tech Talk for Saturday August 24th 2024

The Bottom Line

Responses to Federal Reserve Chairman Powell's Jackson Hole comments triggered significant buying in North American equity markets on Friday. According to Powell, "The time has come to adjust our restrictive monetary policy". His comments implied that the FOMC likely will start to lower its Fed Fund Rate at its next meeting on September 18th. Key equity and sector indices broke to all-time highs on Friday following Powell's comments including Financial SPDRs, Utility SPDRs, Industrial SPDRs and Equal Weight S&P 500 ETF. Also, Healthcare SPDRs and Utilities SPDRs extended their move to all-time highs. Canadian indices quickly followed: TSX Composite Index, S&P/TSE 60 Index, TSX Financials iShares broke to all-time highs.

Economic News This Week

Source: www.investing.com

July Durable Goods Orders released at 8:30 AM EDT on Monday are expected to increase 4.0% versus a drop of 6.6% in June. Excluding transportation orders, July Durable Goods Orders are expected to be unchanged versus a gain of 0.5% in June.

Next estimate of annualized second quarter real GDP released at 8:30 AM EDT on Thursday is expected to show growth at 2.8% versus a gain of 1.4% in the first quarter.

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

July Personal Income released at 8:30 AM EDT on Friday is expected to increase 0.2% versus a gain of 0.2% in June. **July Personal Spending** is expected to increase 0.5% versus a gain of 0.3% in June.

August Michigan Consumer Sentiment released at 10:00 AM EDT on Friday is expected to increase to 67.8 from 66.4 in July.

Selected Earnings News This Week

Source: www.investing.com

Monday: Trip.com

Tuesday: Bank of Montreal, Bank of Nova Scotia, GEHealthcare

Wednesday: Nvidia, Salesforce.com, Royal Bank, CrowdStrike, HP Inc, NetApp, National Bank, Footlock, Victoria's Secret

Thursday: Dell, Marvell, Autodesk, Commerce Bank, Lulu Lemon, Dollar General, Best Buy, Gap Stores, American Eagle Outfitters.

Trader's Corner

Score example using TSX Composite Index

| | Previous Score | New Score |
|---|----------------|-----------|
| Intermediate trend: uptrend extended | 2 | 2 |
| Strength relative to S&P 500: Unchanged at negative | -2 | -2 |
| Above/Below 20 day MA: Unchanged at above | 1 | 1 |
| Momentum (Stochastics, RSI, MACD): turned back up | -1 | 1 |
| Total | 0 | +2 |

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for August 23rd 2024

| Unit | Seasonal | Until | Trend | Relative Strength | 20 Day MA | Momentum | Tech Score | Prev Score |
|-------|----------|---------|---------|-------------------|-----------|----------|------------|------------|
| SPX | Neutral | Nov.8 | Up | Neutral | Above | Down | 2 | |
| TSX | Neutral | Dec.15 | Up | Negative | Above | Up | 2 | 0 |
| DJIA | Neutral | Aug.31 | Up | Negative | Above | Up | 2 | 0 |
| COMPQ | Positive | Sept.15 | Up | Positive | Above | Down | 4 | |
| IYT | Neutral | Sept.9 | Down | Neutral | Above | Up | 0 | -2 |
| AORD | Positive | Aug.31 | Neutral | Negative | Above | Up | 0 | |
| NIKK | Neutral | Nov.8 | Down | Neutral | Above | Up | 0 | |
| IEV | Neutral | Dec.8 | Up | Positive | Above | Up | 6 | 4 |
| FXI | Neutral | Oct.4 | Down | Neutral | Above | Up | 0 | -2 |
| EEM | Neutral | Nov.29 | Neutral | Neutral | Above | Up | 2 | 0 |

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 23rd 2024

| Unit | Seasonal | Until | Trend | Relative Strength | 20 Day MA | Momen tum | Tech Score | Prev Score |
|--------------|----------|---------|---------|-------------------|-----------|-----------|------------|------------|
| CRB Index | Neutral | Feb.12 | Down | Negative | Above | Up | -2 | -6 |
| Gasoline | Neutral | Mar.30 | Down | Negative | Below | Up | -4 | -6 |
| Crude Oil | Neutral | Jan.12 | Neutral | Negative | Above | Up | 0 | -4 |
| Natural Gas | Neutral | Sept.13 | Down | Neutral | Below | Down | -4 | |
| S&P Energy | Neutral | Dec.9 | Down | Negative | Above | Up | -2 | -6 |
| Oil Services | Neutral | Dec.19 | Down | Negative | Below | Up | -4 | -6 |
| Gold | Positive | Sept.4 | Up | Neutral | Above | Up | 4 | 2 |
| Silver | Neutral | Dec.28 | Down | Neutral | Above | Up | 0 | -2 |
| Gold Bug | Positive | Oct.15 | Up | Positive | Above | Down | 4 | |
| Platinum | Neutral | Dec.24 | Down | Negative | Above | Up | -2 | -4 |
| Palladium | Neutral | Nov.28 | Down | Neutral | Above | Up | 0 | -2 |
| Copper | Neutral | Nov.22 | Down | Neutral | Above | Up | 0 | -2 |
| Agriculture | Neutral | Nov.10 | Down | Neutral | Above | Up | 0 | -4 |

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Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for August 23rd 2024

| Unit | Seasonal | Until | Trend | Relative Strength | 20 Day MA | Momentum | Tech Score | Previous Score |
|---------------|----------|---------|---------|-------------------|-----------|----------|------------|----------------|
| XLK | Positive | Aug.28 | Down | Positive | Above | Down | 0 | |
| XLB | Neutral | Oct.1 | Up | Negative | Above | Up | 2 | |
| XLI | Neutral | Oct.27 | Up | Neutral | Above | Up | 4 | 2 |
| XLY | Positive | Jan.3 | Down | Positive | Above | Down | 0 | |
| XLF | Positive | Nov.2 | Up | Neutral | Above | Up | 4 | |
| XLE | Neutral | Dec.9 | Down | Negative | Above | Up | -2 | -6 |
| XLP | Neutral | Feb.16 | Up | Neutral | Above | Up | 4 | |
| XLU | Neutral | Feb.6 | Up | Neutral | Above | Up | 4 | |
| XLV | Neutral | Nov.11 | Up | Neutral | Above | Up | 4 | |
| XLC | Neutral | Jan.8 | Up | Neutral | Above | Up | 4 | |
| XLRE | Neutral | Dec.1 | Up | Neutral | Above | Up | 4 | |
| TSX Financial | Positive | Sept.30 | Up | Neutral | Above | Up | 4 | |
| TSX Energy | Neutral | Dec.11 | Neutral | Negative | Above | Up | 0 | -2 |
| TSX Gold | Neutral | Dec.15 | Up | Positive | Above | Down | 4 | |
| TSX Tech | Neutral | Nov.15 | Up | Positive | Above | Down | 4 | |
| TSX B Metals | Neutral | Oct.4 | Down | Neutral | Above | Up | 0 | |

Green: Increase from previous day

Red: Decrease from previous day

Changes Last Week

| Index | Close | Change | Percent Change |
|-------|-----------|--------|----------------|
| SPX | 5,634.61 | 80.36 | 1.45 |
| TSX | 23,286.08 | 231.47 | 1.00 |
| INDU | 41,175.08 | 515.32 | 1.27 |
| COMPQ | 17,877.79 | 246.0 | 1.40 |
| TRAN | 15,970.45 | 297.68 | 1.90 |
| AORD | 8,249.10 | 59.20 | 0.72 |
| NIKK | 38,464.27 | 301.60 | 0.79 |
| IEV | 57.93 | 1.60 | 2.84 |
| FXI | 26.48 | 0.12 | 0.46 |
| EEM | 43.84 | 0.43 | 0.99 |

Chart of the Day: TSX Composite Index

Technical Score for the TSX Composite Index increased on Friday from 0 to +2 following two technical events: a break to an all-time high on a move above 23,209.68 set on July 31st confirming an intermediate uptrend and a resumed uptrend by daily momentum indicators (Stochastics, RSI, MACD). Seasonal influences currently are neutral.



S&P 500 Momentum Barometers



The intermediate term Barometer added 7.00 on Friday and gained 10.80 last week to 79.80. It remains Overbought. Daily trend remains up.



The long term Barometer added 2.00 on Friday and gained 3.80 last week to 77.60. It remains Overbought. Daily trend remains up.

TSX Momentum Barometers



The intermediate Barometer added 7.95 on Friday and gained 4.43 last week to 72.57. It remains Overbought. Daily uptrend resumed on Friday.



The long term Barometer added 0.88 on Friday and was unchanged last week at 75.66. It remains Overbought.

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

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