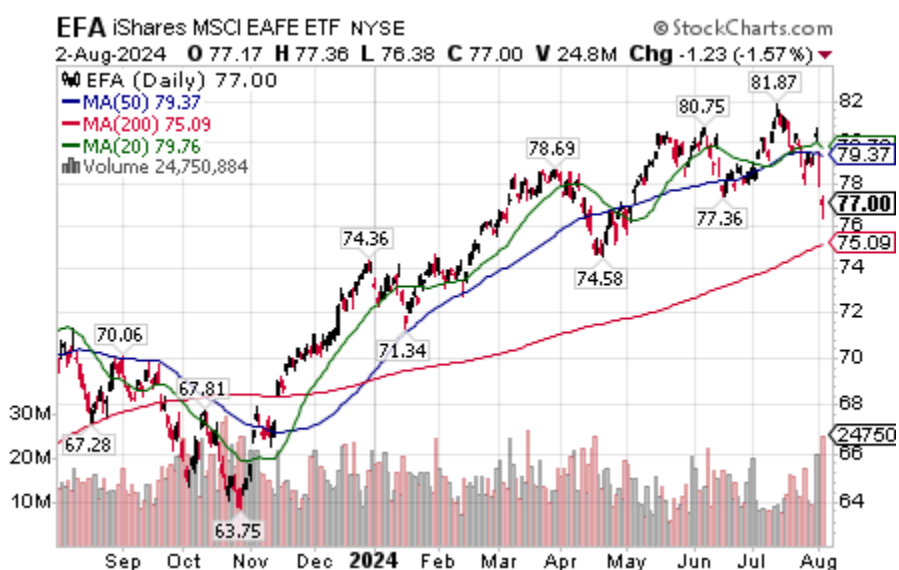


Tech Talk for Saturday August 3rd 2024

The Bottom Line

World equity markets recorded significant technical weakness last week. Weakness on Friday was extended by a disappointing U.S. July Employment report released at 8:30 AM EDT. Breakdowns below intermediate support levels were recorded by North American, European and Far East equity indices and their related Exchange Traded Funds. Best chart to demonstrate is the break down by Europe, Asia, Far East (EAFE) iShares below intermediate support recording a 3.05% drop last week. In addition, the S&P 500 Index dropped 2.06 % last week. Weakness in equity indices was triggered by growing evidence that world economies are about to enter into a recession period. Slowing economic growth is expected to reduce corporate earnings growth.



On Friday, twenty two S&P 100/NASDAQ 100 stock broke support extending an intermediate downtrend and four stocks broke resistance extending an intermediate uptrend: DoorDash, Keurig Dr. Pepper, Johnson & Johnson and Regeneron.

On Friday, three TSX 60 stocks broke intermediate support extending a downtrend (Cameco, Bank of Montreal and Shopify). None broke intermediate resistance.

Consensus for Earnings and Revenues for S&P 500 companies

Reports released last week prompted analysts to raise their second quarter earnings and revenue estimates, but lowered their third quarter estimates. Seventy five 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 increased last week to an 11.5% gain (versus a previous 9.8% gain) and consensus for second quarter revenues increased to a 5.3% gain (versus a previous 5.0% gain). However, Consensus for the third quarter earnings slipped to a 6.1% increase (versus a previous 6.8% increase). Consensus for third quarter revenues dropped to at a 4.9% increase (versus a 5.5% increase last week).

Earnings gains accelerate in the fourth quarter. Consensus calls for a 16.1% increase in earnings (versus a previous 16.7% increase) and a 5.4% increase in revenues (versus previous 5.5% increase)

For all of 2024, consensus calls for a 10.8% earnings increase (versus previous 10.9% increase) and a 5.1% revenue increase.

Earnings gains remain elevated in 2025, but at a lower than previous rate. First quarter earnings are expected to increase 14.8 % on a year-over-year basis (versus 15.1% last week) and revenues are expected to increase 5.9% (versus previous 5.8% increase). Second quarter earnings are expected to increase 13.5% (versus previous 14.7% increase) and revenues are expected to increase 5.9% (versus previous 6.0% increase). For all of 2025 earnings are expected to increase 14.8% and revenues are expected to increase 6.0%.

Economic News This Week

Source: www.Investing.com

July Non-manufacturing ISM PMI released at 10:00 AM EDT on Monday is expected to increase to 51.0 from 48.8 in June.

June U.S. Trade to be released at 8:30 AM EDT on Tuesday is expected to improve to a deficit of \$72.90 billion from a deficit of \$75.10 billion.

June Canadian Trade Balance is released at 8:30 AM EDT on Thursday

July Canadian Employment Change is released at 8:30 AM on Friday.

Selected Earnings Reports This Week

Source: www.Investing.com

Another 79 S&P 500 companies are scheduled to report quarterly results this week (including three Dow Jones Industrial Average companies: Amgen, Caterpillar and Disney). Another eight TSX companies are scheduled to report.

Monday: Berkshire Hathaway, CSX, Simon Properties

Tuesday: Amgen, Caterpillar, Uber, Duke Energy, Suncor, Yum Brands, Fox, Molson Coors

Wednesday: Walt Disney, Shopify, CVX Health, Emerson, Occidental Petroleum, Hilton, Wheaton Precious Metals, Nutrien, CF Industries

Thursday: Eli Lilly, Gilead, Brookfield, Parker Hannifin, Martin Marietta, Restaurant Brands International, Take Two, Pembina Pipeline, Onex, Under Armour

Friday: Constellation Software, Algonquin Power

Trader's Corner

	Previous Score	New Score
Score example using Europe iShares (Symbol: IEV)		
Intermediate trend: changed from Neutral to Down:	0	-2
Strength relative to S&P 500: remained at Neutral	0	0
Above/Below 20 day Moving Average: moved below	+1	-1
Daily Momentum (Stochastics, RSI , MACD): down	-1	-1
Total Score	0	-4

Equity Indices and Related ETFs

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

Green: Increase from previous day

Red: Decrease from previous day

Sectors

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

Green: Increase from previous day

Red: Decrease from previous day

S&P 500 Momentum Barometers



The intermediate term Barometer plunged 8.60 on Friday and dropped 13.80 last week to 56.00. It changed from Overbought to Neutral on a drop below 60.00.



The long term Barometer dropped 5.20 on Friday and fell 8.20 last week to 69.60. It remains Overbought.

TSX Momentum Barometers



The intermediate term Barometer plunged 12.39 on Friday and dropped 17.25 last week to 56.64. It changed from Overbought to Neutral by moving below 60.00.



The long term Barometer dropped 7.08 on Friday and dropped 10.18 last week to 71.68. It remains Overbought. Daily trend is down.

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

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