

# Tech Talk for Saturday September 21<sup>st</sup> 2024

## The Bottom Line

**All-time highs were recorded by the S&P 500 and TSX Composite Index following the FOMC's decision to lower its Fed Fund Rate by 0.50%.** Positive technical action following the decision contributed to strength. "Risk on" sectors (technology, materials, industrials and Consumer Discretionary) led the advance.

**History calls for a volatile/mixed trend for North American equity prices during Presidential Election years from mid-September until mid-October.** Recent polls from key swing states show a "dead heat" for election of the President and control over the Senate and House of Representatives.

**Third quarter results by major U.S. and Canadian companies will add to investor uncertainty between now and mid-October.** Note word of caution below.

## Consensus for Earnings and Revenues for S&P 500 companies

Source: [www.factset.com](http://www.factset.com)

**Earnings and revenue estimates for remainder of 2024 and 2025 were lowered slightly last week**

**A word of caution!** Consensus for third quarter results calls for significantly lower than the 11.3% year-over-year earnings gain recorded in the second quarter. Third quarter earnings on a year-over-year basis are expected to slip to a 4.6% increase (versus a 4.9% increase last week). Consensus for third quarter revenues calls for a 4.7% year-over-year increase (versus a 5.3% increase last week).

**Earnings gains accelerate in the fourth quarter.** Consensus calls for a 15.0% increase in earnings (versus a 15.4% increase last week) and a 5.2% revenue increase (versus a 5.3% increase last week).

**For all of 2024,** consensus calls for a 10.0% earnings increase (versus a 10.2% increase last week) and 5.0% revenue increase (versus a 5.1% increase last week).

**Earnings gains remain elevated in 2025, but at a slightly lower rate.** First quarter earnings are expected to increase 14.6 % on a year-over-year basis (versus a 15.0% increase last week) and revenues are expected to increase 5.6% (versus a 5.8% gain last week). Second quarter earnings are expected to increase 13.2% (versus a 14.1% gain last week) and revenues are expected to increase 5.6% (versus 5.7% last week). For all of 2025 earnings are expected to increase 15.2% (versus a 15.4% increase last week) and revenues are expected to increase 5.9% (versus 6.0% last week)

## Economic News This Week

Source: [www.Investing.com](http://www.Investing.com)

**Bank of Canada Governor Macklem** speaks at 1:00 PM EDT on Tuesday

**U.S. August New Home Sales** released at 8:30 AM EDT on Wednesday are expected to drop to 700,000 from 739,000 in July.

**August Durable Goods Orders** released at 8:30 AM EDT on Thursday are expected to decline 2.8% versus a 9.9% gain in July (impacted by Boeing)

**Next estimate of annualized second quarter real GDP** released at 8:30 AM EDT on Thursday is expected to grow at 3.0% versus a gain of 1.4% in the first quarter.

**August PCE Price Index and Core August PCE Price Index** are released at 8:30 AM EDT on Friday.

**August Personal Income** released at 8:30 AM EDT on Friday is expected to increase 0.4% versus a 0.3% gain in July. August Personal Spending is expected to increase 0.3% versus a 0.5% gain in July.

**July Canadian GDP** released at 8:30 AM EDT on Friday is expected to be unchanged versus unchanged in June.

**September Michigan Consumer Sentiment** released at 10:00 AM EDT on Friday is expected to increase to 69.0 from 67.9 in August.

## Selected Earnings News This Week

Source: [www.Investing.com](http://www.Investing.com)

**Monday:** American Airlines

**Tuesday:** AutoZone, KB Homes

**Wednesday:** Micron, Paychex

**Thursday:** Costco, Carnival

## Trader's Corner

Example showing technical scores for Natural Gas ETN (UNG)	Previous Score	New Score
Intermediate trend: Changed from down to up.	-2	2
Strength relative to S&P 500: Remains positive:	2	2
Above/Below its 20 day moving average: Remains above	1	1
Daily momentum (Stochastics, RSI, MACD): Remains up	1	1
<b>Total</b>	<b>2</b>	<b>6</b>

### Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for September 20<sup>th</sup> 2024

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
SPX	Neutral	Nov.8	Up	Neutral	Above	Up	4	
TSX	Neutral	Dec.15	Up	Positive	Above	Up	6	
DJIA	Positive	Jan.6	Up	Neutral	Above	Up	4	
COMPQ	Neutral	May 18	Up	Positive	Above	Up	6	
IYT	Positive	Dec.5	Up	Neutral	Above	Down	2	6
AORD	Neutral	June 15	Up	Neutral	Above	Up	4	
NIKK	Neutral	Nov.8	Down	Negative	Above	Up	-2	-4
IEV	Neutral	Dec.8	Up	Negative	Above	Up	2	
FXI	Neutral	Oct.4	Up	Positive	Above	Up	6	
EEM	Neutral	Nov.29	Neutral	Neutral	Above	Up	2	

**Green:** Increase from previous day

**Red:** Decrease from previous day

Source for all positive seasonality ratings: [www.EquityClock.com](http://www.EquityClock.com)

### Commodities

Daily Seasonal/Technical Commodities Trends for September 20<sup>th</sup> 2024

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momen tum	Tech Score	Prev core
CRB Index	Neutral	Feb.12	Down	Neutral	Above	Up	0	
Gasoline	Neutral	Mar.30	Down	Neutral	Below	Up	-2	-4
Crude Oil	Neutral	Jan.12	Down	Neutral	Above	Up	0	
Natural Gas	Positive	Nov.30	Up	Positive	Above	Up	6	2
S&P Energy	Neutral	Dec.9	Down	Neutral	Above	Up	0	
Oil Services	Neutral	Dec.19	Down	Neutral	Above	Up	0	
Gold	Neutral	Dec.23	Up	Positive	Above	Up	6	4
Silver	Neutral	Dec.28	Up	Positive	Above	Up	6	4
Gold Bug	Positive	Oct.15	Up	Positive	Above	Up	6	4
Platinum	Neutral	Dec.24	Neutral	Neutral	Above	Down	0	2
Palladium	Neutral	Nov.28	Up	Positive	Above	Down	4	
Copper	Neutral	Nov.22	Up	Positive	Above	Up	6	
Agriculture	Neutral	Nov.10	Neutral	Neutral	Above	Up	2	

**Green:** Increase from previous day

**Red:** Decrease from previous day

## Sectors

### Daily Seasonal/Technical Sector Trends for September 20<sup>th</sup> 2024

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

Green: Increase from previous day

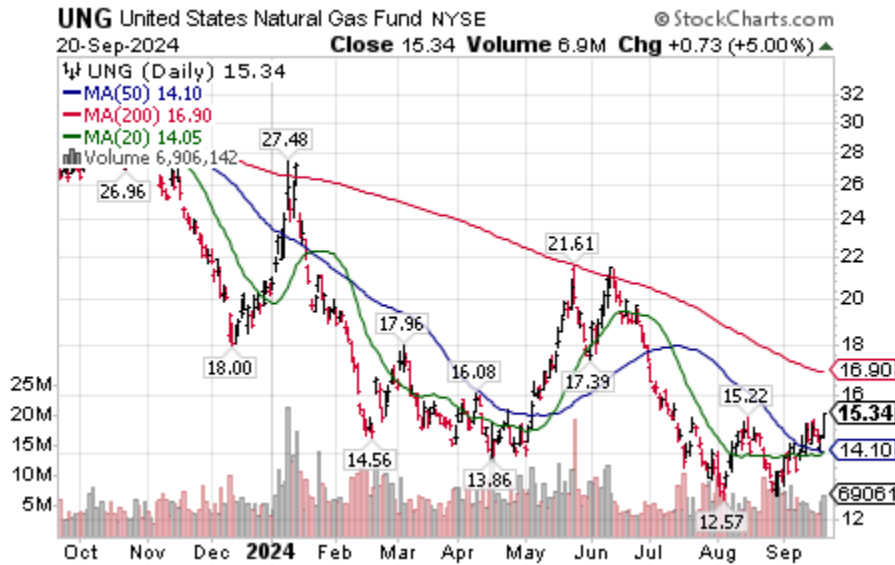
Red: Decrease from previous day

## Changes Last Week

Index	Close	Change	Percent Change
SPX	5,702.55	76.53	1.36
TSX	23,867.37	298.72	1.72
INDU	42,063.36	669.58	1.62
COMPQ	17,948.32	264.34	1.49
TRAN	15,755.00	25.39	0.16
AORD	8,437.20	144.10	1.74
NIKK	37,723.91	890.64	2.42
IEV	57.29	0.21	0.37
FXI	27.15	1.29	4.99
EEM	43.59	0.76	1.80

# Technical Notes for Friday

**Natural Gas ETN \$UNG** moved above \$15.22 completing a double bottom. “Gassy” stocks on both sides of the border were notably stronger. Seasonal influences are favourable to November 30<sup>th</sup>



**Nike \$NKE** a Dow Jones Industrial Average stock moved above \$85.05 extending an intermediate uptrend. The company selected a new Chief Executive Officer.



**FedEx** \$FDX an S&P 100 stock moved below \$272.81 completing a double top pattern. First quarter results were less than consensus. Dow Jones Transportation Average plunged 3.53% following the news.



**Cameco** \$CCJ a TSX 60 stock moved above US\$44.44 completing a double bottom pattern. Energy production from the Three Mile Island nuclear plant is scheduled to resume.



# S&P 500 Momentum Barometers



The intermediate term Barometer dropped 4.40 on Friday but gained 6.20 last week to 79.00. It remains Overbought.



The long term Barometer dropped 2.80 on Friday, but gained 2.40 last week to 76.60. It remains Overbought.

# TSX Momentum Barometers



The intermediate term Barometer dropped 1.77 on Friday, but advanced 1.54 last week to 74.34. It remains Overbought.



The long term Barometer added 0.88 to 76.99. It remains Overbought. Daily trend is up.

Tech Talk is a free service available each business day at [www.timingthemarket.ca](http://www.timingthemarket.ca)

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