

# Tech Talk for Saturday September 28<sup>th</sup> 2024

## The Bottom Line

**Greatest influence on equity markets last week was the recovery in China** after the Peoples Bank of China added monetary stimulus to the economy. Chinese equity indices, ETFs and individual equities listed on North American equity markets soared. Sectors influenced by a recovery in China quickly caught the wave: North American gold, base metals, steel, forest product and agribusiness stocks and their related ETFs led the advance. Intermediate overbought U.S. and Canadian equity indices managed to move to new all-time highs.

**Historically, North American equity markets during the first two weeks in October have been volatile with a slight downside bias:** News this week by most major companies normally is quiet prior to release of third quarter results. Events that could influence equity markets this week include:

- Reports on impact of Hurricane Helene,
- A possible port strike on the West Coast starting on Tuesday
- Growing international tensions (particularly in the Middle East)
- Anticipation of a temporary slowdown in corporate earnings growth in the third quarter. See comment below.

## Consensus for Earnings and Revenues by 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. Consensus for third quarter revenues calls for a 4.8% year-over-year increase (versus a 4.7% increase last week).

**Earnings gains accelerate in the fourth quarter.** Consensus calls for a 14.9% increase in earnings (versus a 15.0% increase last week) and a 5.3% revenue increase (versus a 5.2% increase last week).

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

**Earnings gains accelerate in 2025.** First quarter earnings are expected to increase 14.5 % on a year-over-year basis (versus a 14.6% increase last week) and revenues are expected to increase 5.7% (versus a 5.6% gain last week). Second quarter earnings are expected to increase 13.6% (versus a 13.2% gain last week) and revenues are expected to increase 5.5% (versus 5.6% last week). For all of 2025 earnings are expected to increase 15.1% (versus a 15.2% 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)

**Editor's Note:** Estimates were unavailable on Friday

**Chicago Purchasing Managers Index** is released at 9:45 AM EDT on Monday

**August Construction Spending** is released at 10:00 AM EDT on Tuesday

**September ISM Manufacturing PMI** is released at 10:00 AM EDT on Tuesday

**August Factory Orders** are released at 10:00 AM EDT on Thursday

**September ISM Non-Manufacturing PMI** is released at 10:00 AM EDT on Thursday

**U.S. September Non-farm Payrolls, September Unemployment Rate, September Average Hourly Earnings** are released at 8:30 AM EDT on Friday.

**Canada August Trade** is released at 8:30 AM EDT on Friday.

## Selected Earnings News This Week

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

Seven S&P 500 companies are scheduled to report this week (including one Dow Industrial Average stock: Nike). No TSX 60 companies are scheduled to report.

**Monday:** Carnival

**Tuesday:** Nike, Paychex, McKesson

**Wednesday:** Conagra, Levi Strauss

**Thursday:** Constellation Brands

## Trader's Corner

Example showing technical score for Nikkei Average

	Previous Score	New Score
Intermediate trend: Down to Up	-2	2
Strength relative to S&P 500:	2	2
Above/Below its 20 day moving average:	1	1
Daily momentum (Stochastics, RSI, MACD):	1	1
Total	2	6

## Equity Indices and Related ETFs

### Daily Seasonal/Technical Equity Trends for September 27<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	Neutral	Above	Up	4	6
DJIA	Positive	Jan.6	Up	Neutral	Above	Down	2	
COMPQ	Neutral	May 18	Up	Positive	Above	Up	6	
IYT	Positive	Dec.5	Up	Neutral	Above	Up	4	
AORD	Neutral	June 15	Up	Neutral	Above	Up	4	
NIKK	Neutral	Nov.8	Up	Positive	Above	Up	6	2
IEV	Neutral	Dec.8	Up	Neutral	Above	Up	4	
FXI	Neutral	Oct.4	Up	Positive	Above	Up	6	
EEM	Neutral	Nov.29	Up	Positive	Above	Up	6	

**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 27<sup>th</sup> 2024

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

**Green:** Increase from previous day

**Red:** Decrease from previous day

## Sectors

### Daily Seasonal/Technical Sector Trends for September 27<sup>th</sup> 2024

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

**Green:** Increase from previous day

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## Changes Last Week

Index	Close	Change	Percent Change
SPX	5,738.17	35.62	0.62
TSX	23,956.82	89.45	0.37
INDU	42,313.00	249.64	0.59
COMPQ	18,119.59	171.27	0.95
TRAN	16,185.90	430.90	2.74
AORD	8,476.80	39.60	0.05
NIKK	39,829.56	2,105.65	5.58
IEV	58.77	1.48	2.58
FXI	32.17	5.02	18.49
EEM	46.61	3.02	6.93

## Chart of the Day: Agribusiness ETF (Symbol:MOO)

Agribusiness is one of the sectors that benefits from a recovery in China's economy: more fertilizer and agriculture equipment sales, etc. Technical score on Friday changed from 2 to 6:

	Previous Score	New Score
Intermediate trend: Neutral to Up	0	2
Strength relative to S&P 500: Neutral to Positive	0	2
Above/Below 20 day moving average: Remains Above	1	1
Momentum (Stochastics, RSI, MACD: Remains Up	1	1
<b>Total</b>	<b>2</b>	<b>6</b>



# Technical Notes for Friday

**Water Resources ETF \$PHO** moved above \$70.28 to an all-time high extending an intermediate uptrend.



**S&P 100 and NASDAQ 100 stocks breaking resistance on Friday** extending an intermediate uptrend included: Dow \$DOW on a move above \$55.24, Comcast \$CMCDA on a move above \$41.63, Bristol-Myers \$BMY on a move above \$51.19 and Trip.com \$TCOM on a move above \$60.65 (to an all-time high).





**Magna International \$MG.TO** a TSX 60 stock moved above Cdn\$58.26 completing a double bottom pattern.



**Dollarama \$DOL.TO** a TSX 60 stock moved above Cdn\$137.72 to an all-time high extending an intermediate uptrend.





# S&P 500 Momentum Barometers



The intermediate term Barometer added 1.60 on Friday and gained 4.60 last week to 83.60. It remains Overbought.



The long term Barometer added 2.60 on Friday and gained 5.00 last week to 81.80. It remains Overbought. Daily trend is up.

# TSX Momentum Barometers



The intermediate term Barometer slipped 0.45 on Friday, but gained 4.14 last week to 78.48. It remains Overbought. Daily trend remains up.



The long term Barometer was unchanged on Friday, but gained 1.04 last week to 78.03. It remains Overbought. Daily trend remains up.

TechTalk is a free daily report available each business day at [www.timingthemarket.ca](http://www.timingthemarket.ca)

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