

# Tech Talk for Saturday November 2<sup>nd</sup> 2024

## The Bottom Line

**Focus this week is on results from the U.S. election on November 5<sup>th</sup>.** Consensus calls for a “dead heat” for election of the President and the House of Representative and a narrow win by the Republicans for the Senate. Chances are high that final results will not be determined this week. Multiple recounts are anticipated and will be challenged. Current volatility by U.S. equity indices (based on the VIX Index) is expected to remain elevated until final results become apparent.

**The other important focus this week is on the FOMC update on interest rates released on Thursday.** Consensus calls for a 0.25% decline in the Fed Fund Rate.

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

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

**Frequency of third quarter corporate reports has passed its peak.** Seventy percent (300 companies) have reported to date. Results released to date prompted analysts to raise their earnings and revenue estimates slightly. Consensus calls for a 5.1% year-over-year earnings increase (up from 3.6% last week thanks to higher than consensus results released by Meta Platforms and Amazon) and a 5.2% year-over-year revenue increase (up from 4.9% last week).

**A word of caution!** Consensus for third quarter earnings remains significantly lower than the 11.3% year-over-year earnings gain recorded in the second quarter.

**Earnings and revenue gains accelerate in the fourth quarter, but at a slightly lower rate.** Consensus calls for a 12.7% earnings increase (down from a 13.7% increase last week) and a 4.8% revenue increase (down from 4.9% last week).

**For all of 2024,** consensus calls for a 9.3% earnings increase and 5.0% revenue increase, unchanged from last week.

**Consensus for earnings gains in 2025 remains elevated, but at a slightly lower rate.** First quarter earnings are expected to increase 13.0% on a year-over-year basis (versus a 13.4% increase last week) and revenues are expected to increase 5.3% (versus a 5.4% increase last week). Second quarter earnings are expected to increase 12.2% (versus a 12.6% gain last week) and revenues are expected to increase 5.5% (versus 5.3% 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 5.7% (versus 5.8% last week).

## Economic News This Week

**September U.S. Factory Orders** are released at 10:00 AM EST on Monday

**September U.S. Trade** released at 8:30 AM EST on Tuesday is expected to be a \$71.90 deficit versus a \$70.40 deficit in August.

**September Canadian Trade** is released at 8:30 AM EST on Tuesday

**October ISM Non-Manufacturing PMI** released at 10:00 AM EST on Tuesday is expected to slip to 53.3 from 54.9 in September.

**Third quarter Non-farm Productivity** released at 8:30 AM EST on Thursday is expected to ease to 2.3% from 2.5% in the second quarter.

**FOMC Interest Rate Decision** released at 2:00PM EST on Thursday is expected to lower the Fed Fund Rate by 0.25%. Conference call is offered at 2:30 PM EST.

**October Canadian Employment Change and October Unemployment Rate** are released at 8:30 AM EST on Friday

**November Michigan Consumer Sentiment** released at 10:00 AM EST on Friday is expected to dip to 70.0 from 70.5 in October.

## Selected Earnings News This Week

**Monday:** Berkshire Hathaway, Palantir, Marriot, AIG, Sun Life Financial, Fox, Wynn

**Tuesday:** Emerson, Cummins, Microchip Technology, Yum Brands, DuPont, Fortis

**Wednesday:** Qualcomm, Gilead, CVS Health, McKesson, Manulife Financial, CGI Inc., Franco-Nevada, Nutrien,

**Thursday:** Duke Energy, AirBNB, Air Products, TC Energy, Hershey, Barrick Gold, BCE, Molson Coors

**Friday:** Constellation Software.

## Trader's Corner

Example showing technical score for Natural Gas (UNG)

	Previous Score	New Score
Intermediate trend: Changed from Neutral to Down	0	-2
Strength relative to S&P 500 Index: Remains Negative	-2	-2
Above/Below 20 day moving average: Remains Below	-1	-1
Daily momentum (Stochastics, RSI, MACD): Trend Remains Down	-1	-1
Totals	-4	-6

## Equity Indices and Related ETFs

### Daily Seasonal/Technical Equity Trends for November 1<sup>st</sup> 2024

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
SPX	Neutral	Nov.8	Up	Neutral	Below	Down	0	
TSX	Neutral	Dec.15	Up	Neutral	Below	Down	0	
DJIA	Positive	Jan.6	Up	Neutral	Below	Down	0	-2
COMPQ	Neutral	May 18	Up	Positive	Below	Down	2	
IYT	Positive	Dec.5	Up	Positive	Below	Up	6	
AORD	Neutral	June 15	Up	Neutral	Below	Down	0	
NIKK	Neutral	Nov.8	Up	Neutral	Below	Down	0	4
IEV	Neutral	Dec.8	Neutral	Negative	Below	Down	-4	
FXI	Positive	Jan.21	Up	Neutral	Below	Down	0	
EEM	Neutral	Nov.29	Up	Negative	Below	Down	-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 November 1<sup>st</sup> 2024

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

**Green:** Increase from previous day

**Red:** Decrease from previous day

## Sectors

### Daily Seasonal/Technical Sector Trends for November 1<sup>st</sup> 2024

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev. Score
XLK	Neutral	April 19	Neutral	Neutral	Below	Down	-2	
XLB	Positive	Jan.3	Up	Negative	Below	Down	-2	

XLI	Neutral	Oct.27	Up	Negative	Below	Down	-2	
XLY	Positive	Jan.3	Up	Positive	Above	Down	4	0
XLF	Neutral	July 7	Up	Positive	Below	Down	2	
XLE	Neutral	Dec.9	Up	Negative	Below	Down	-2	
XLP	Neutral	Feb.16	Down	Neutral	Below	Down	-4	
XLU	Neutral	Feb.6	Up	Neutral	Below	Down	0	
XLV	Neutral	Nov.11	Down	Negative	Below	Down	-6	
XLC	Neutral	Jan.8	Up	Positive	Above	Down	4	
XLRE	Neutral	Dec.1	Down	Neutral	Below	Down	-4	0
TSX Financial	Neutral	July 12	Up	Positive	Above	Down	4	0
TSX Energy	Neutral	Dec.11	Down	Neutral	Below	Down	-4	
TSX Gold	Neutral	Dec.15	Up	Neutral	Below	Down	2	
TSX Tech	Neutral	Nov.15	Up	Neutral	Below	Down	0	
TSX B Metals	Positive	Jan.18	Down	Neutral	Below	Down	-4	

Green: Increase from previous day

Red: Decrease from previous day

## Changes Last Week

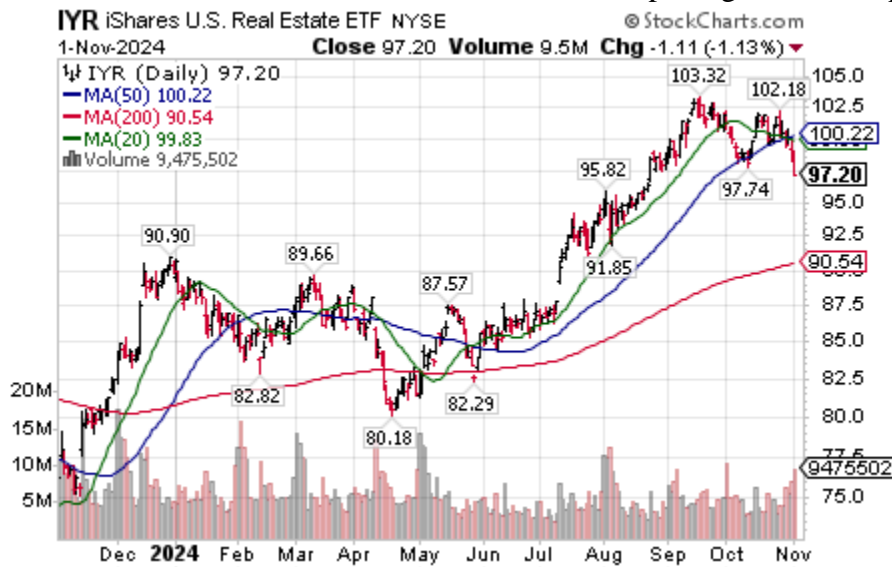
Index	Close	Change	Percent Change
SPX	5,728.90	-79.22	-1.36
TSX	24,255.16	-208.51	-0.85
INDU	42,042.19	-62.21	-0.15
COMPQ	18,239.92	-278.69	-1.50
TRAN	16,351.33	247.14	1.53
AORD	8,379.70	-87.60	-1.03
NIKK	38,053.67	139.75	0.37
IEV	55.27	-1.60	-2.81
FXI	31.68	-0.04	-0.13
EEM	44.49	-1.63	-3.53

# Technical Notes

**U.S. Natural Gas ETN \$UNG** moved below \$12.57 to an all-time low extending an intermediate downtrend.



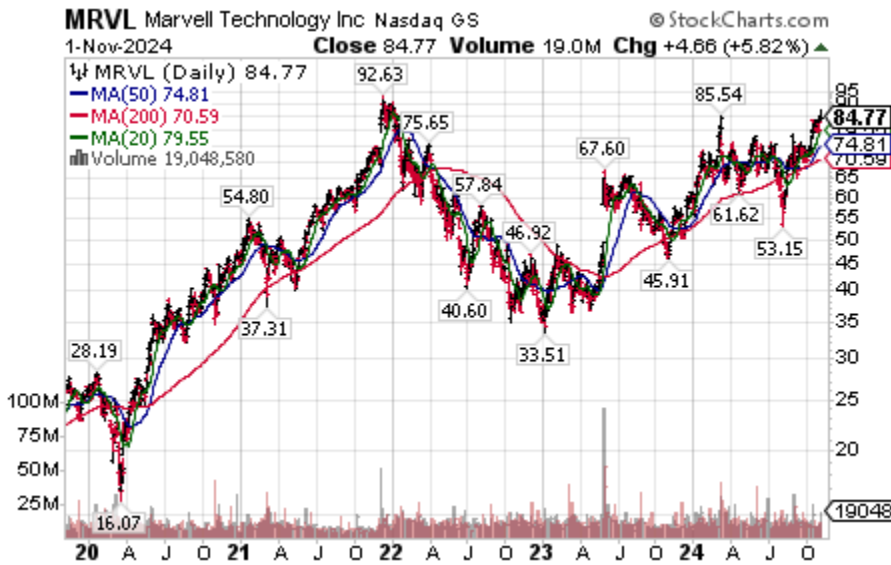
**U.S. REIT iShares \$IYR** moved below \$97.74 completing a double top pattern.



**Chevron** \$CVX an S&P 100 stock moved above \$152.75 extending an intermediate uptrend.



**Marvell Technology** \$MRVL a NASDAQ 100 stock moved above \$85.54 extending an intermediate uptrend.



**Starbucks \$SBUX** a Dow Jones Industrial Average stock moved above \$99.51 extending an intermediate uptrend.



**Workday \$WDAY** a NASDAQ 100 stock moved below \$233.33 setting an intermediate downtrend.



## Changes in Dow Jones Industrial Average announced late Friday

Nvidia and Sherwin Williams are added on November 8<sup>th</sup>, replacing Intel and Dow Holdings

# S&P 500 Momentum Barometers



The intermediate term Barometer added 3.36 on Friday, but dropped 8.20 last week to 49.20. It remains Neutral. Daily downtrend was extended.



The long term Barometer added 0.40 on Friday, but dropped 2.60 last week to 69.60. It remains Overbought. Daily downtrend was established.



# TSX Momentum Barometers



The intermediate term Barometer slipped 0.90 on Friday, but plunged 13.20 last week to 56.31. It changed last week from Overbought to Neutral on a drop below 60.00. Daily downtrend was extended.



The long term Barometer was unchanged on Friday, but dropped 5.51 last week to 72.97. It remains Overbought. Daily downtrend was established.

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

**Disclaimer:** Seasonality ratings and technical ratings offered in this report and at [www.equityclock.com](http://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