

Tech Talk for Saturday February 1st 2025

The Bottom Line

Fourth quarter results released to date by S&P 500 companies have been impressive. They prompted analysts to raise their consensus fourth quarter earnings estimate for the S&P 500. On the other hand, analyst also lowered their consensus S&P 500 earnings estimates for 2025. Robust earnings growth is expected in 2025, but at a slightly lower rate.

Earnings focuses this week are on Meta on Tuesday and Amazon on Thursday

After the close on Friday, President Trump confirmed that a **25% tariff** on Mexican and Canadian imports into the U.S. initially will become effective on February 1st. Full implementation and impact on equity markets have yet to be determined.

Consensus for Earnings and Revenues for S&P 500 companies

Source: www.factset.com

Fourth quarter results released last week were encouraging: 36% of S&P 500 companies have reported results to date: 77% have reported higher than consensus quarterly earnings and 63% have reported higher than consensus quarterly revenues. Better than consensus fourth quarter earnings prompted analysts to raise their fourth quarter earnings estimate to a 13.2% year-over-year increase, up from a 12.7% increase last week. Consensus for revenue gains also increased to 4.8%, up from a 4.6% increase last week.

For all of 2024, consensus calls for a 9.4% earnings increase and a 5.1% revenue increase.

Analyst estimates for earnings and revenue gains for 2025 were lowered slightly last week. Consensus for first quarter earnings called for a 10.1 % increase on a year-over-year basis, down from an 11.3% increase last week. Consensus for first quarter revenues slipped to a 4.8% increase down from the previous 5.0% increase. Consensus for second quarter earnings gains dropped to 10.9% from an 11.6% increase last week and consensus for second quarter revenues was lowered to a 4.8% increase from a 5.0% increase. Consensus for third quarter earnings dropped to a 14.9% increase, down from a 15.3% increase last week. Consensus for third quarter revenues dropped to a 5.5% increase, down from a previous 5.6% increase last week. Fourth quarter earnings are expected to increase 16.1%, down from a previous 16.6% increase. Fourth quarter revenues are expected to increase 6.4%, down from 6.7% last week.

For all of 2025 earnings are expected to increase 14.3%, down from 14.8% last week and revenues are expected to increase 5.7%, down from a 5.9% gain last week.

Above average earnings gains are expected to continue into 2026, albeit at a slightly lower rate than consensus for the second half of 2025. Consensus calls for a 13.7% earnings increase, up from 13.6% last week. and a 6.4% Consensus for revenue gains .remains at 6.4%.

Economic News This Week

December U.S. Construction Spending is released at 10:00 AM EST on Monday

January ISM Manufacturing PMI is released at 10:00 AM EST on Monday

December U.S. Factory Orders are released at 10:00 AM EST on Tuesday.

December U.S. Trade Balance is released at 8:30 AM EST on Wednesday

December Canadian Trade Balance is released at 8:30 AM EST on Wednesday

January ISM Non-manufacturing PMI is released at 10:00 AM EST on Wednesday

January U.S. Non-farm Payrolls is released at 8:30 AM EST on Friday. Also **January Unemployment Rate** and **January Average Hourly Earnings** are released.

January Canadian Employment is released at 8:30 AM EST. Also, **January Canadian Unemployment Rate** is released.

February Michigan Consumer Sentiment is released at 10:00 AM

Selected Earnings News This Week

Monday: Palantir, Clorox

Tuesday: Alphabet, Merck, Pepsico, Advanced Micro Devices, Pfizer, Amgen, Spotify, Chipotle, PayPal

Wednesday: Walt Disney, QUALCOMM, Arm, Boston Scientific, McKesson, Illinois Tool Works, MetLife, Aflac, Allstate, Yum Brands, Harley Davidson

Thursday: Amazon, Eli Lilly, AstraZeneca, Linn, Philip Morris, Honeywell, ConocoPhillips, Bristol-Myers, Becton Dickinson, Suncor, Hershey, Expedia, BCE, Illumina, Open Text

Friday: ARC Resources, CAE, Newell

Trader's Corner

Example showing score for Australia All Ordinaries Index (AORD)

	Previous Score	New Score
Intermediate trend: Changed from neutral to up	0	2
Strength relative to S&P 500: Changed from neutral to positive	0	2
Above/Below 20 day moving average: Remains above	1	1
Daily momentum (Stochastics, RSI, MACD): Remains up	1	1
Totals	2	6

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for January 31st 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
SPX	Neutral	Oct.28	Up	Neutral	Above	Down	2	
TSX	Positive	Mar.3	Up	Positive	Above	Down	4	6
DJIA	Neutral	Sept.20	Neutral	Positive	Above	Down	2	4
COMPQ	Neutral	May 18	Negative	Neutral	Above	Down	-2	
IYT	Neutral	Sept.9	Down	Neutral	Below	Down	-4	-2
AORD	Neutral	June 15	Up	Positive	Above	Up	6	2
NIKK	Neutral	Nov.13	Up	Neutral	Above	Down	2	
IEV	Positive	Apr 30	Neutral	Positive	Above	Down	2	4
FXI	Neutral	Sept.29	Down	Positive	Above	Up	2	
EEM	Positive	Mar.1	Down	Neutral	Above	Up	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 January 31st 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
CRB Index	Neutral	Feb.12	Up	Neutral	Below	Down	0	2
Gasoline	Neutral	Mar.30	Up	Neutral	Below	Down	0	
Crude Oil	Positive	Apr.12	Up	Negative	Below	Down	-2	
Natural Gas	Neutral	Sept.3	Up	Negative	Below	Down	-2	
S&P Energy	Positive	Apr. 12	Neutral	Negative	Below	Down	-4	0
Oil Services	Positive	Mar.3	Down	Negative	Below	Down	-6	
Gold	Positive	Apr.27	Up	Positive	Above	Up	6	
Silver	Positive	Feb.23	Down	Positive	Above	Up	2	
Gold Bug	Positive	Feb.25	Neutral	Positive	Above	Up	4	
Platinum	Positive	Feb.25	Up	Positive	Above	Up	6	4
Palladium	Positive	Apr.20	Up	Positive	Above	Up	6	4
Copper	Positive	Feb.28	Neutral	Neutral	Above	Down	0	
Agriculture	Positive	Jan.30	Neutral	Positive	Above	Up	4	

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Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for January 31st 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev. Score
XLK	Neutral	Apr.19	Up	Negative	Below	Down	-2	
XLB	Neutral	Jan.30	Down	Positive	Above	Up	2	
XLI	Positive	Feb.20	Down	Positive	Above	Down	0	
XLY	Neutral	Mar.15	Up	Neutral	Above	Up	4	
XLF	Neutral	July 7	Up	Positive	Above	Up	6	
XLE	Positive	Apr.12	Neutral	Negative	Below	Down	-4	0
XLP	Neutral	Feb.16	Down	Neutral	Above	Up	0	
XLU	Neutral	Feb.6	Down	Neutral	Above	Down	-2	
XLV	Positive	Feb.2	Neutral	Positive	Positive	Up	4	
XLC	Positive	June 2	Up	Positive	Above	Up	6	
XLRE	Positive	Apr.3	Down	Neutral	Above	Down	-2	0
TSX Financial	Neutral	July 12	Up	Positive	Above	Up	6	
TSX Energy	Positive	Mar.7	Down	Negative	Below	Down	-6	-4
TSX Gold	Positive	Mar.26	Neutral	Positive	Above	Up	4	
TSX Tech	Positive	April 3	Up	Positive	Above	Up	6	
TSX B Metals	Positive	Feb.18	Down	Negative	Below	Up	-4	

Green: Increase from previous day

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Changes last week

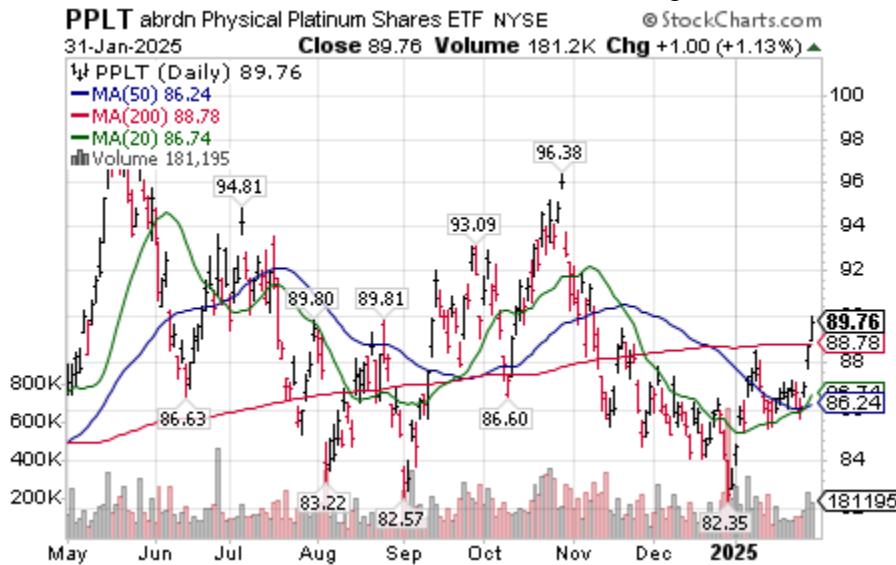
Index	Close	Change	Percent Change
SPX	6,040.53	-60.71	- 1.00
TSX	25,533.10	64.61	0.25
INDU	44,544.66	120.41	0.27
COMPQ	19,627.44	-326.86	-1.64
TRAN	16,306.84	-299.11	-1.80
AORD	8,789.70	129.30	1.49
NIKK	39,572.49	-359.49	-0.99
IEV	55.38	0.13	0.24
FXI	31.89	0.57	1.82
EEM	42.72	-0.23	-0.52

Technical Notes for Friday

Australia All Ordinaries Index \$AORD moved above 8,771.30 to an all-time high extending an intermediate uptrend.



Platinum ETN \$PPLT moved above \$88.59 extending an intermediate uptrend.



S&P 500 Momentum Barometers



The intermediate term Barometer dropped 5.80 on Friday and slipped 0.60 last week. After briefly moving above 60.00 to Overbought, it returned to Neutral at the end of the week.



The long term Barometer dropped 2.00 on Friday, but gained 0.20 last week. It remains Overbought.

TSX Momentum Barometers



The intermediate term Barometer dropped 8.56 on Friday and 13.06 last week to 38.74. It changed on Friday from Neutral to Oversold on a move below 40.00.



The long term Barometer dropped 6.31 on Friday and dropped 4.06 last week to 62.16. It remains Overbought.

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

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