

Tech Talk for Saturday January 11th 2025

The Bottom Line

Good news on the economy in December was bad news for U.S. and Canadian equity markets on Friday: Stronger than expected December Non-farm Payrolls in the U.S. and higher Canadian December employment exceeding consensus estimates were reported. In response, government bond yields on both sides of the border spiked higher and the prices of interest sensitive equities moved lower. Notably weaker on both sides of the border were equities in the financial services sector.

Consensus for Earnings and Revenues for S&P 500 companies

Source: www.factset.com

Earnings and revenue gains accelerate in the fourth quarter from the third quarter.

Analyst consensus calls for an 11.7% year-over-year earnings increase (versus an 11.9% increase last week) and a 4.7% revenue increase (versus a 4.6% increase last week).

For all of 2024, consensus calls for a 9.4% earnings increase and a 5.0% revenue increase.

Analyst estimates for earnings and revenues for 2025 changed slightly last week. Consensus for first quarter earnings called for an 11.8 % increase on a year-over-year basis (versus an 11.9% increase last week). Consensus for first quarter revenues was unchanged with a 5.1% increase. Consensus for second quarter earnings was unchanged with an 11.6% increase and consensus for second quarter revenues was unchanged with a 5.0% increase. Third quarter earnings are expected to increase 15.3% (versus a 15.2% increase last week) and revenues are expected to increase 5.7% (versus a previous 5.6% increase). Fourth quarter earnings are expected to increase 17.2% (versus a previous 16.6% increase) and revenues are expected to increase 6.7%. For all of 2025 earnings are expected to increase 14.8% and revenues are expected to increase 5.8%.

Above average earnings growth is expected to continue into 2026, albeit at a slightly lower rate. Consensus calls for a 13.6% earnings increase and a 6.4% revenue increase.

Economic News This Week

December U.S. Producer Price Index released at 8:30 AM EST on Tuesday is expected to increase 0.3% versus a 0.4% increase in November. On a year-over-year basis, consensus calls for a 3.0% increase versus a 3.0% increase in November.

December U.S. Consumer Price Index released at 8:30 AM EST on Wednesday is expected to increase 0.3% versus a 0.3% increase in November.

January Empire State Manufacturing Survey is released at 8:30 AM EST on Wednesday

December U.S. Retail Sales released at 8:30 AM EST on Thursday are expected to increase 0.5% versus a 0.7% increase in November. Excluding auto sales, December Retail Sales are expected to increase 0.4% versus a 0.2% increase in November.

January Philly Fed Index is released at 8:30 AM EST on Thursday

November U.S. Business Inventories released at 10:00 AM EST on Thursday are expected to increase 0.6% versus a gain of 0.1% in October.

December U.S. Housing Starts are released at 8:30 AM EST on Friday

December U.S. Industrial Production released at 9:15 AM EST on Friday is expected to increase 0.2% versus a 0.1% drop in November. **December Capacity Utilization** is expected to increase to 77.6% from 76.8% in November.

Selected Earnings News This Week

Twenty S&P 500 companies are scheduled to release quarterly results this week (including three Dow Jones Industrial Average companies: JP Morgan, Goldman Sachs and UnitedHealth Group).

Monday: KB Homes

Wednesday: JP Morgan Chase, Wells Fargo, Goldman Sachs, Citigroup, Bank of New York Mellon, Synovus

Thursday: Taiwan Semiconductor, UnitedHealth Group, Morgan Stanley, PNC Financial, US Bancor, M&T Bank, PPG Ltd.

Friday: Schlumberger, State Street.

Trader's Corner

Example showing score for S&P Financial SPDRs (XLF)

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

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for January 10th 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
SPX	Neutral	Oct.28	Down	Neutral	Below	Down	-4	0
TSX	Positive	Mar.3	Up	Positive	Below	Down	2	6
DJIA	Neutral	Sept.20	Down	Neutral	Below	Down	-4	-2
COMPQ	Neutral	May 18	Down	Neutral	Below	Down	-4	4
IYT	Neutral	Sept.9	Down	Positive	Above	Up	2	
AORD	Neutral	June 15	Neutral	Positive	Above	Up	4	
NIKK	Neutral	Nov.13	Up	Positive	Below	Down	2	4
IEV	Positive	Apr 30	Down	Neutral	Below	Down	-4	-2
FXI	Positive	Jan.21	Down	Negative	Below	Down	-6	-2
EEM	Positive	Mar.1	Down	Neutral	Below	Down	-4	

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 10th 2025

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

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for January 10th 2025

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

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Changes last week

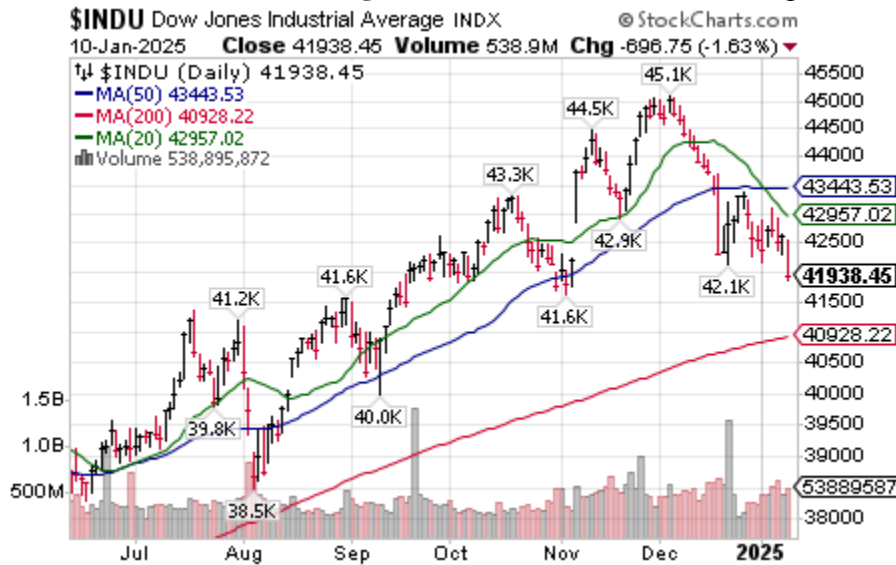
Index	Close	Change	Percent Change
SPX	5,827.04	-115.43	-1.94
TSX	24,767.73	-365.81	-1.46
INDU	41,938.45	-793.68	-1.86
COMPQ	19,161.63	-460.05	-2.34
TRAN	15,923.42	-94.60	-0.52
AORD	8,543.70	31.80	0.37
NIKK	39,190.40	-704.14	-1.77
IEV	52.28	0.09	0.17
FXI	28.65	-1.74	-5.73
EEM	41.09	-1.06	-2.51

Technical Notes for Friday

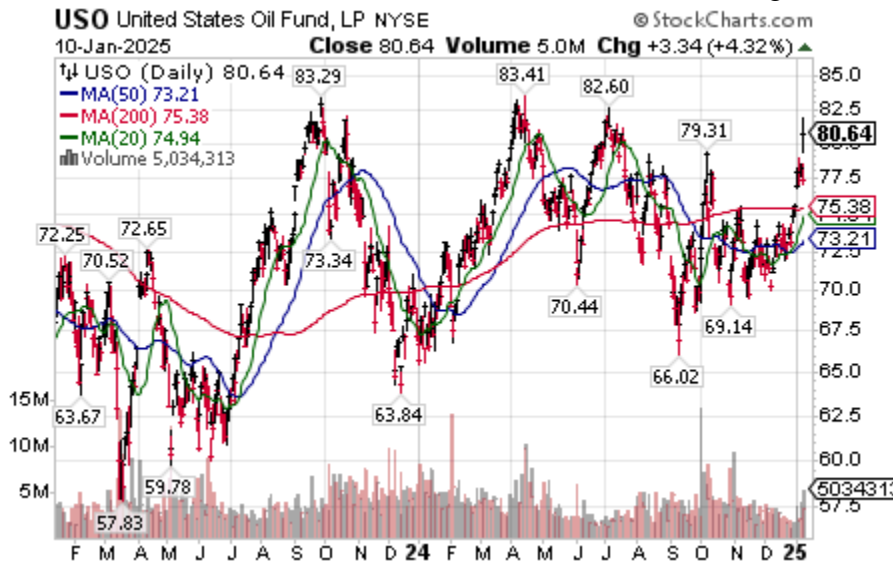
S&P 500 Index moved below 5,832.30 completing a Head & Shoulders pattern.



Dow Jones Industrial Average moved below 42,146.33 setting an intermediate downtrend.



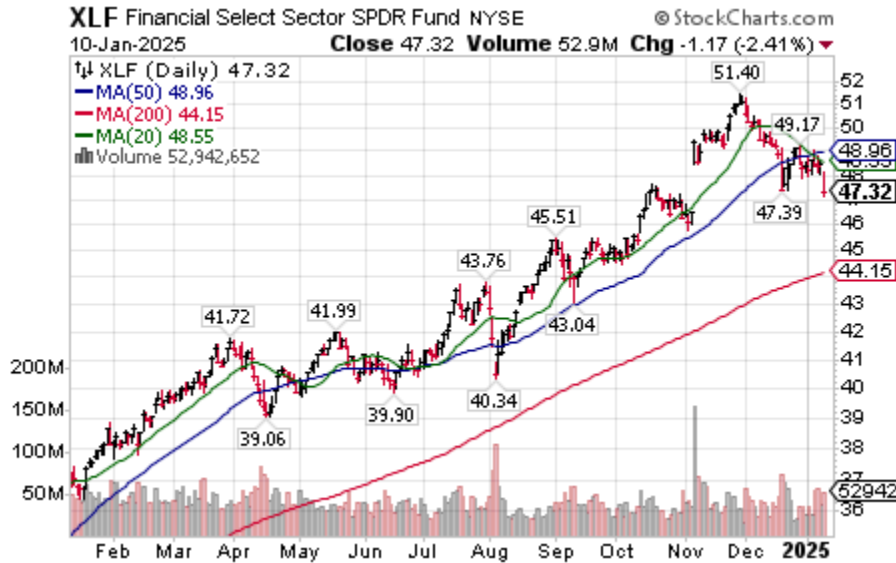
United States Oil Fund \$USO moved above \$79.31 extending an intermediate uptrend.



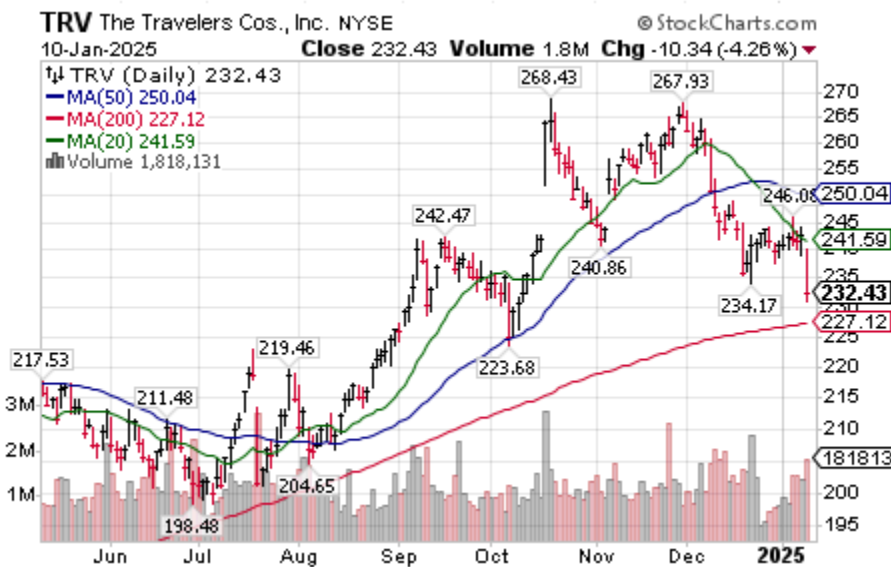
China Large Cap iShares \$FXI moved below \$28.93 setting an intermediate downtrend.



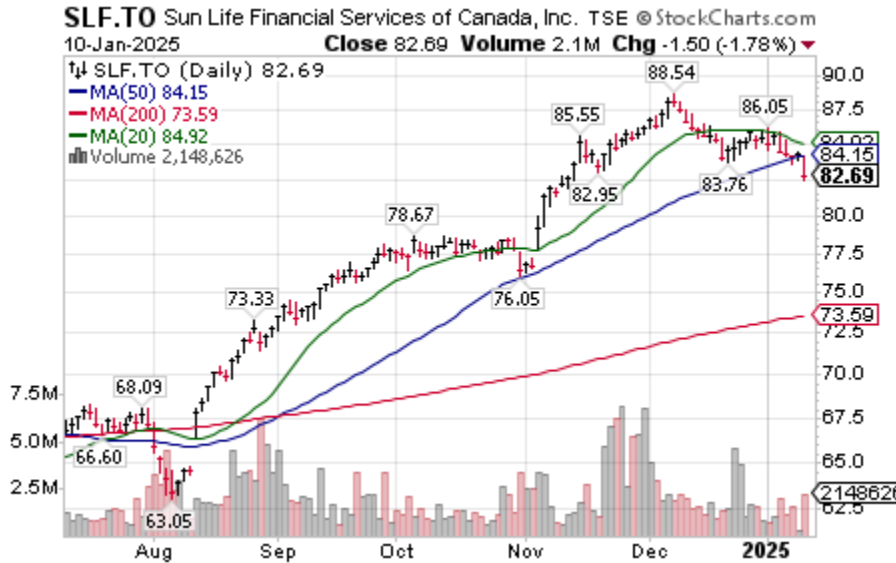
U.S. Financial ETFs moving below support and extending downtrends included Financial SPDRs (XLF), U.S. Insurance iShares (IAK), S&P Bank SPDRs (KBE), U.S. Broker/Dealers (IAI).



S&P 100 and NASDAQ 100 stocks moving below support on Friday setting intermediate downtrends included Blackrock, Berkshire Hathaway, PayPal, Microchip Technology, ON Semiconductor, Take Two, Procter & Gamble, JD.com, Monster Beverages, Travelers, Autodesk, NextEra Energy, Bank of New York Mellon, Regeneron Pharmaceuticals, Duke Energy, McCormick,



TSX 60 stocks moving below support on Friday setting intermediate downtrends included Sun Life Financial, Manulife Financial, Open Text, Royal Bank, Saputo and Restaurant Brands International



S&P 500 Momentum Barometers



The intermediate term Barometer dropped 9.00 on Friday and fell 7.40 last week to 17.20. It remains Oversold. Daily trend is down.



The long term Barometer dropped 4.40 on Friday and fell 5.20 last week. It remains Neutral. Daily trend is down.

TSX Momentum Barometers



The intermediate term Barometer dropped 4.93 on Friday and dropped 7.18 last week to 39.01. It changed from Neutral to Oversold on a move below 40.00.



The long term Barometer dropped 1.35 on Friday and fell 3.58 last week to 64.13. It remains Overbought.

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

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