

Tech Talk for Saturday January 18th 2025

The Bottom Line

Focus this week is on fourth quarter earnings reports released by large cap U.S. companies. Results released to date (9% of S&P 500 companies) have exceeded consensus estimates. Just a reminder: U.S. equity markets are closed on Monday.

Consensus for Earnings and Revenues for S&P 500 companies

Source: www.factset.com

Earnings and revenue gains are expected to accelerate in the fourth quarter from the third quarter. Better than consensus fourth quarter results released last week prompted analysts to raise their earnings estimate to a 12.5% year-over-year increase (up from an 11.7% increase) The increase was prompted by higher than consensus quarterly results from major money center banks. Consensus for revenue gains was unchanged last week at 4.7%.

For all of 2024, consensus calls for a 9.4% earnings increase and 4.9% revenue increase (versus a 5.0% revenue increase last week)

Analyst estimates for earnings and revenue gains for 2025 changed slightly last week.

Consensus for first quarter earnings called for an 11.6 % increase on a year-over-year basis (versus an 11.8% 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. Consensus for third quarter earnings increase was a 15.2%, down from a 15.3% increase last week. Consensus for third quarter revenues calls for a 5.7% increase, down from a previous 5.6% increase. Fourth quarter earnings are expected to increase 16.7% (versus a previous 17.2% 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 5.9% (versus a previous 5.8% increase).

Above average earnings gains are expected to continue into 2026, albeit at a slightly slower rate than 2025. Consensus calls for a 13.6% earnings increase and a 6.4% revenue increase.

Economic News This Week

Canada December Consumer Price Index is released at 8:30 AM EST on Tuesday

Canada November Retail Sales are released at 8:30 AM EST on Thursday

December U.S. Existing Home Sales released at 10:00 AM EST on Friday are expected to increase to 4.16 million units from 4.15 million units in November

January Michigan Consumer Sentiment released at 10:00 AM EST on Friday is expected to slip to 73.2 from 74.0 in December.

Selected Quarterly Earnings Reports This Week

Another 43 S&P 500 companies are scheduled to report (including six Dow Jones Industrial Average companies). No TSX 60 companies are scheduled to report.

Tuesday: Netflix, Charles Schwab, MMM, Capital One, DR Horton, United Airlines, FifthThird Bancorp, Keycorp

Wednesday: Procter & Gamble, Johnson & Johnson, Abbot Labs, GE Vernova, Kinder Morgan, Travelers, Halliburton, Steel Dynamics, Alcoa, Levi Strauss

Thursday: Intuitive Surgical, GE Aerospace, Texas Instruments, Union Pacific, Freeport McMoran, Northern Trust, McKesson

Friday: American Express, Verizon, NextEra Energy

Trader's Corner

Example showing score for Dow Jones Industrial Average (DJIA)

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

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for January 17th 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
SPX	Neutral	Oct.28	Down	Neutral	Above	Up	0	
TSX	Positive	Mar.3	Up	Neutral	Above	Up	4	
DJIA	Neutral	Sept.20	Neutral	Positive	Above	Up	4	2
COMPQ	Neutral	May 18	Down	Negative	Above	Up	-2	-4
IYT	Neutral	Sept.9	Down	Positive	Above	Up	2	
AORD	Neutral	June 15	Neutral	Neutral	Above	Up	2	4
NIKK	Neutral	Nov.13	Up	Negative	Below	Down	-2	
IEV	Positive	Apr 30	Down	Neutral	Above	Up	0	
FXI	Positive	Jan.21	Down	Neutral	Above	Up	0	-2
EEM	Positive	Mar.1	Down	Negative	Above	Up	-2	-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 17th 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	
Gasoline	Neutral	Mar.30	Up	Positive	Above	Down	4	6
Crude Oil	Positive	Apr.12	Up	Positive	Above	Up	6	
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	Up	2	
Gold	Positive	Apr.27	Up	Positive	Above	Up	6	
Silver	Positive	Feb.23	Down	Neutral	Above	Up	0	2
Gold Bug	Positive	Feb.25	Down	Neutral	Above	Down	-2	
Platinum	Positive	Feb.25	Down	Neutral	Above	Down	-2	0
Palladium	Positive	Apr.20	Up	Positive	Above	Up	6	
Copper	Positive	Feb.28	Neutral	Positive	Above	Down	2	4
Agriculture	Positive	Jan.30	Down	Positive	Above	Up	2	

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for January 17th 2025

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

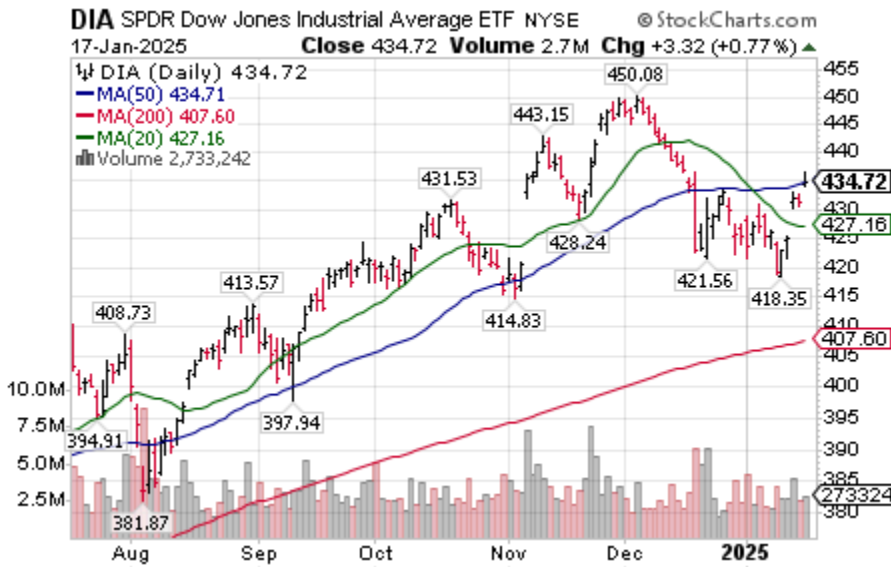
Green: Increase from previous day

Red: Decrease from previous day

Technical Notes

Dow Jones Industrial Average \$INDU moved above 43,373.98 set on December 26th.

Dow Jones Industrial Average SPDRs \$DIA moved above intermediate resistance at \$433.51 set on December 26th.



MMM \$MMM a Dow Jones Industrial Average stock moved above \$139.98 to a 39 month high extending an intermediate uptrend.



Morgan Stanley \$MS an S&P 100 stock moved above \$136.24 to an all-time high extending an intermediate uptrend.



Bank of New York Mellon \$BK an S&P 100 stock moved above \$82.72 to an all-time high extending an intermediate uptrend.



S&P 500 Momentum Barometers



The intermediate term Barometer added another 4.00 on Friday and jumped 26.00 last week to 42.20. It changed from Oversold to Neutral on a move above 40.00.



The long term Barometer was unchanged on Friday and gained 9.60 last week to 60.40. It changed from Neutral to Overbought on a move above 60.00.

TSX Momentum Barometers



The intermediate term Barometer added 5.41 on Friday and gained 2.43 last week to 41.44. It changed from Oversold to Neutral on a recovery above 40.00.



The long term Barometer added 0.90 on Friday, but slipped 0.17 last week to 63.96. It remains Overbought.

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

Disclaimer: Seasonality ratings and technical ratings offered in this report and at 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