

Tech Talk for Saturday January 25th 2025

The Bottom Line

Primary focus this week is on central bank news released on Wednesday. The Federal Reserve is expected to maintain its Fed Fund Rate at 4.50% and the Bank of Canada is expected to lower its lending rate to Canada's major banks to 3.00% from 3.25%. Investors will be watching closely for guidance on the direction for future rate changes.

Fourth quarter earnings report season ramps up this week. Results released to date have exceeded consensus. Focuses this week are on reports released on Wednesday by Microsoft, Meta and IBM and on Thursday by Apple and Amazon.

Consensus for Earnings and Revenues for S&P 500 companies

Source: www.factset.com

Fourth quarter results released to date have been encouraging: 16% of S&P 500 companies have reported results: 80% have reported higher than consensus earnings and 62% have reported higher than consensus revenues. Better than consensus fourth quarter earnings results released last week prompted analysts to raise their fourth quarter earnings estimate to a 12.7% year-over-year increase, up from a previous 12.5% increase. Consensus for revenue gains slipped last week to 4.6%, down from a previous 4.7% increase.

For all of 2024, consensus calls for a 9.5% earnings increase (up from 9.4% last week) and a 4.9% revenue increase.

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

Consensus for first quarter earnings called for an 11.3% increase on a year-over-year basis, down from an 11.6% increase last week. Consensus for first quarter revenues slipped to a 5.0% increase from a previous 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 calls for a 15.3% increase, up from a 15.2% increase last week. Consensus for third quarter revenues calls for a 5.6% increase, down from a previous 5.7% increase last week. Fourth quarter earnings are expected to increase 16.6%, down from a previous 16.7% increase. Fourth quarter 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%.

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

Economic News This Week

December U.S. New Home Sales released at 10:00 AM EST on Monday are expected to increase to 670,000 units from 664,000 units in November.

December Durable Goods Orders released at 8:30 AM EST on Tuesday are expected to increase 0.8% versus a 1.1% decline in November.

Bank of Canada's Decision on interest rates is released at 9:45 AM EST on Wednesday. Consensus calls for a 0.25% drop to 3.00%. Press Conference is offered at 10:30 AM EST

FOMC decision on interest rates is released at 2:00 PM EST on Wednesday. Consensus calls for no change in the Fed Fund Rate at 4.50%. Press conference is offered at 2:30 AM EST.

Fourth quarter U.S. GDP is released at 8:30 AM EST on Thursday

December Core PCE Price Index is released at 8:30 AM EST on Friday

December U.S. Personal Income released at 8:30 AM EST on Friday is expected to increase 0.4% versus a 0.3% gain in November. December U.S. Personal Spending is expected to increase 0.4% versus a 0.4% gain in November.

Canada's November GDP released at 8:30 AM EST on Friday is expected to ease 0.1% versus a 0.3% increase in October.

Selected Earnings News This Week

Monday: AT&T, Nucor

Tuesday: SAP, Stryker, Boeing, Lockheed Martin, Starbucks, Chubb, Royal Caribbean, General Motors, PACCAR. Kimberley Clark, Archer Daniel Midland

Wednesday: Microsoft, Meta, ASML, T-Mobile, IBM, QUALCOMM, Danaher, ADP, Lam Research, Waste Management, General Dynamics, Canadian Pacific, Norfolk Southern, Corning, CGI, Celestica, Levi Strass,

Thursday: Apple, Amazon, Visa, MasterCard, BlackRock, Caterpillar, Comcast, United Parcel Services, McCormick, KLA Corp, Intel, Parker Hannifin, Altria, Cigna, Southern Copper, Northrop Grumman, Canadian National Railway, Baker Hughes, Dow, Pulte, Biogen, International Paper, Rogers Communications, Brookfield Infrastructure, US Steel

Friday: Exxon Mobil, AbbVie, Chevron, Colgate, Imperial Oil

Trader's Corner

Example showing score for S&P/TSE Information Technology Index
(Tracked by XIT.TO)

	Previous Score	New Score
Intermediate trend: Changed from neutral to up (to all-time high)	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 positive	1	1
Totals	2	6

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for January 24th 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
SPX	Neutral	Oct.28	Up	Neutral	Above	Up	4	
TSX	Positive	Mar.3	Up	Neutral	Above	Up	4	
DJIA	Neutral	Sept.20	Neutral	Positive	Above	Up	4	
COMPQ	Neutral	May 18	Neutral	Neutral	Above	Up	2	
IYT	Neutral	Sept.9	Down	Positive	Above	Up	2	
AORD	Neutral	June 15	Neutral	Negative	Above	Up	0	
NIKK	Neutral	Nov.13	Up	Negative	Above	Up	2	
IEV	Positive	Apr 30	Neutral	Positive	Above	Up	4	
FXI	Neutral	Sept.29	Down	Neutral	Above	Up	0	
EEM	Positive	Mar.1	Down	Neutral	Above	Up	0	-2

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 24th 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	2
Crude Oil	Positive	Apr.12	Up	Neutral	Above	Down	4	
Natural Gas	Neutral	Sept.3	Up	Neutral	Above	Down	2	
S&P Energy	Positive	Apr. 12	Neutral	Neutral	Above	Down	0	4
Oil Services	Positive	Mar.3	Down	Neutral	Above	Down	-2	
Gold	Positive	Apr.27	Up	Positive	Above	Up	6	
Silver	Positive	Feb.23	Down	Neutral	Above	Up	0	
Gold Bug	Positive	Feb.25	Down	Positive	Above	Up	2	
Platinum	Positive	Feb.25	Down	Neutral	Above	Up	0	
Palladium	Positive	Apr.20	Up	Positive	Above	Up	6	
Copper	Positive	Feb.28	Neutral	Neutral	Above	Down	0	
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 24th 2025

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

Green: Increase from previous day

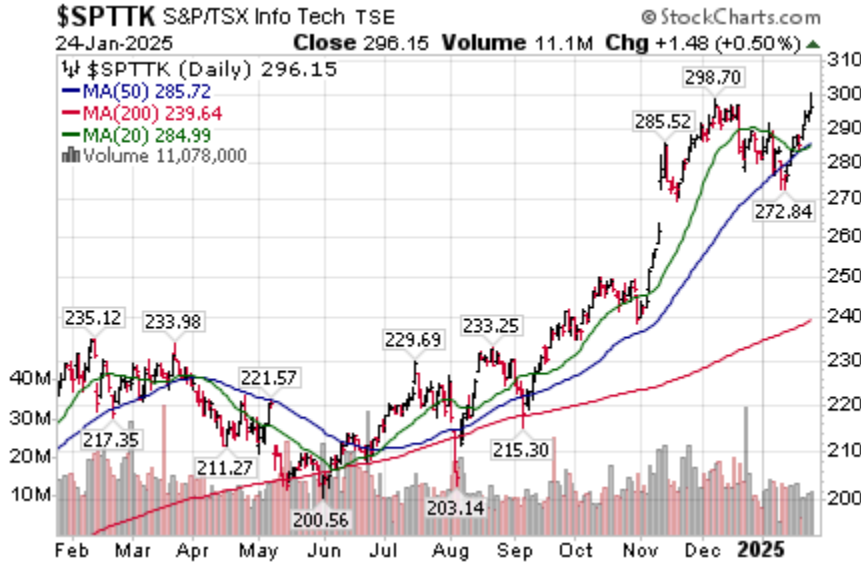
Red: Decrease from previous day

Changes last week

Index	Close	Change	Percent Change
SPX	6,101.24	104.58	1.74
TSX	25,468.49	400.57	1.60
INDU	44,424.25	936.42	2.15
COMPQ	19,954.30	3.24.10	1.65
TRAN	16,605.95	184.69	1.12
AORD	8,660.40	103.00	1.20
NIKK	39,931.98	1,480.52	3.85
IEV	55.26	1.73	3.23
FXI	31.32	0.91	2.99
EEM	42.95	0.86	2.04

Technical Notes for Friday

TSE Information Technology Index moved above Cdn\$298.70 to an all-time high extending an intermediate uptrend.



AstraZeneca \$AZN a NASDAQ 100 stock moved above \$69.00 completing a double bottom pattern. The company announced plans to spend Cdn\$820 million to expand Canadian operations.



S&P 500 Momentum Barometers



The intermediate term Barometer slipped 1.40 on Friday, but gained 9.40 last week to 51.60. It remains Neutral. Daily trend is up.



The long term Barometer slipped 0.20 on Friday, but gained 1.40 last week to 61.80. It remains Overbought.

TSX Momentum Barometers



The intermediate term Barometer slipped 0.45 on Friday, but gained 10.36 last week to 51.80. It remains Neutral. Daily trend is up.



The long term Barometer dropped 1.80 on Friday, but gained 2.26 last week to 66.22.

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

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