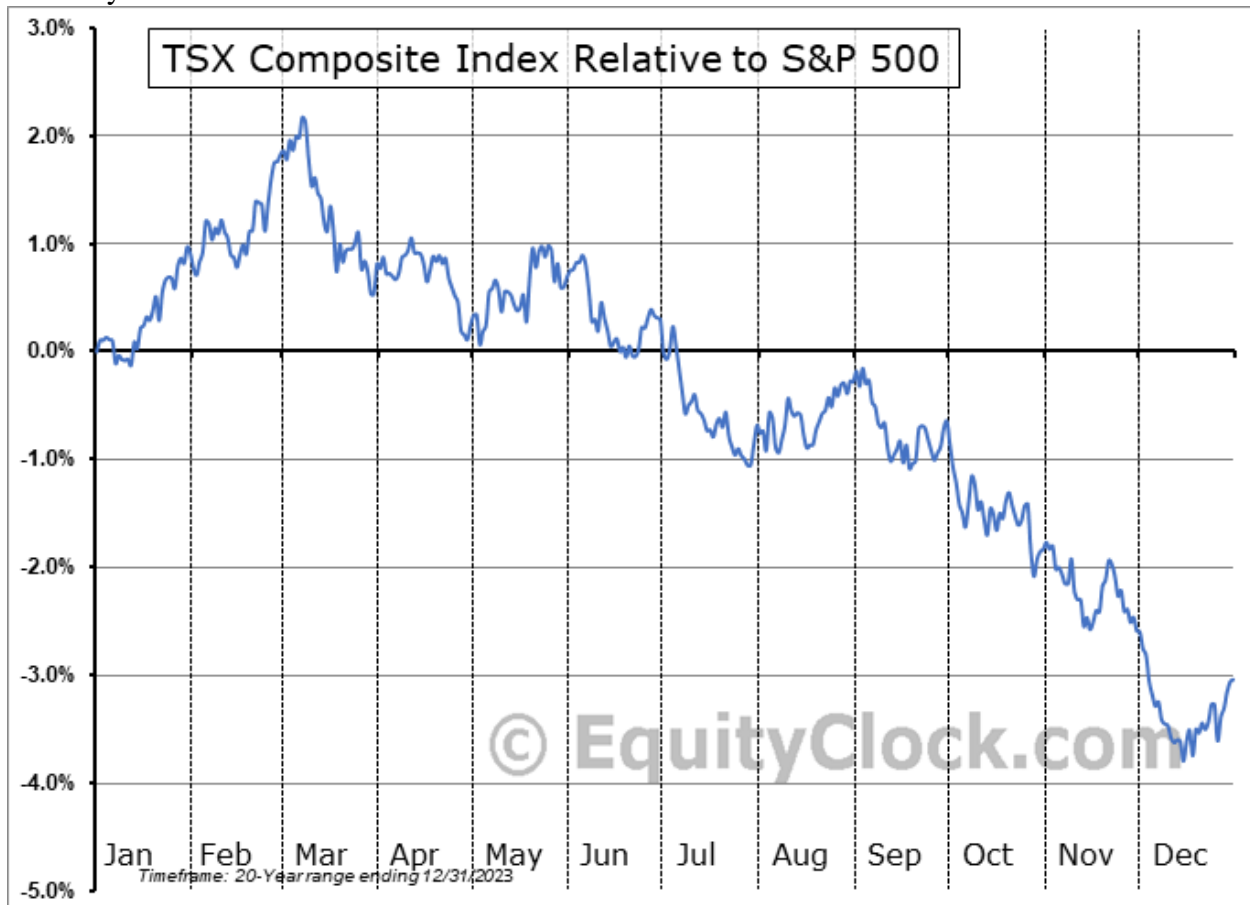


# Tech Talk for Saturday January 4<sup>th</sup> 2025

## The Bottom Line

Technical signs of a short term bottom were recorded by U.S. and Canadian exchange indices last week. TSX Composite Index has started to outperform the S&P 500 Index, typical for this time of year.



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

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

**Earnings and revenue gains accelerate in the fourth quarter.** Consensus by analyst calls for an 11.9% year-over-year earnings increase and a 4.6% revenue increase, unchanged from last week. Earnings estimates were unchanged despite 71 companies lowering earnings guidance and 35 companies raising earnings guidance.

**For all of 2024,** consensus calls for a 9.5% earnings increase and a 5.0% revenue increase.

**Lowering company earnings guidance prompted analysts to reduce 2025 consensus earnings and revenue estimates slightly.** Consensus for first quarter earnings calls for an 11.9% increase on a year-over-year basis (versus a 12.8% increase published two weeks ago). Revenues are expected to increase 5.1% (versus a previous 5.2% increase). Consensus for second quarter earnings calls for an 11.6% increase (versus a previous 12.1% increase) and revenues are expected to increase 5.0% (versus a previous 5.4% increase). Third quarter earnings are expected to increase 15.2% and revenues are expected to increase 5.6% (versus a previous 5.7% increase). Fourth quarter earnings are expected to increase 16.6% (versus a previous 16.9% increase) and revenues are expected to increase 6.7% (versus a previous 6.6% increase). For all of 2025 earnings are expected to increase 14.8% (versus a previous 15.0% increase) and revenues are expected to increase 5.8%.

## Economic News This Week

**November Factory Orders** are released at 10:00 AM EST on Monday

**U.S. November Trade Deficit** released at 8:30 AM EST on Tuesday is expected to increase to \$77.50 billion from \$73.80 billion in October.

**December ISM Non-manufacturing PMI** released at 10:00 AM EST on Tuesday is expected to increase to 53.1 from 52.1 in November.

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

**U.S. November Wholesale Inventories** released at 8:30 AM EST on Thursday are expected to decline 0.2% versus a 0.2% gain in October.

**U.S. December Non-farm Payrolls** released at 8:30 AM EST on Friday are expected to drop to 150,000 from 227,000 in November. **December Unemployment Rate** is expected to remain unchanged from November at 4.2%. **December Average Hourly Earnings** are expected to increase 0.3% versus a 0.4% gain in November. On a year-over-year basis, December Average Hourly Earnings are expected to remain unchanged at a 4.0% increase.

**Canadian December Employment Report** is released at 8:30 AM EST on Friday

**January Michigan Consumer Sentiment** is released at 10:00 AM EST on Friday

## Selected Earnings News This Week

**Thursday:** Constellation Brands, Walgreens Boots, KB Homes

**Friday:** Delta Airlines

## Trader's Corner

Example showing score for S&P Energy SPDRs

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

### Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for January 3<sup>rd</sup> 2024

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

**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 January 3<sup>rd</sup> 2024

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	Up	6	
Crude Oil	Neutral	Jan.12	Neutral	Positive	Above	Up	4	
Natural Gas	Neutral	Sept.3	Up	Positive	Above	Down	4	
S&P Energy	Positive	Apr. 12	Neutral	Positive	Above	Up	4	0
Oil Services	Positive	Mar.3	Down	Positive	Above	Up	2	
Gold	Positive	Apr.27	Neutral	Positive	Above	Up	4	
Silver	Positive	Feb.23	Down	Neutral	Below	Up	-2	
Gold Bug	Positive	Feb.25	Down	Neutral	Below	Up	-2	
Platinum	Positive	Feb.25	Down	Neutral	Above	Up	0	-2
Palladium	Positive	Apr.20	Down	Neutral	Below	Up	-2	-6
Copper	Positive	Feb.28	Down	Neutral	Below	Up	-2	-4
Agriculture	Positive	Jan.30	Down	Negative	Below	Up	-4	-6

**Green:** Increase from previous day

**Red:** Decrease from previous day

## Sectors

### Daily Seasonal/Technical Sector Trends for January 3<sup>rd</sup> 2024

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev. Score
XLK	Neutral	Apr 19	Up	Neutral	Below	Down	0	
XLB	Neutral	Jan.30	Down	Negative	Below	Down	-6	
XLI	Positive	Feb.20	Down	Negative	Below	Up	-4	-6
XLY	Neutral	Mar.15	Up	Negative	Below	Up	0	-2
XLF	Neutral	July 7	Up	Neutral	Below	Up	2	0
XLE	Positive	Apr.12	Neutral	Positive	Above	Up	4	2
XLP	Neutral	Feb.16	Down	Neutral	Below	Down	-4	
XLU	Neutral	Feb.6	Neutral	Neutral	Above	Up	2	0
XLV	Positive	Feb.2	Down	Neutral	Below	Up	-2	-4
XLC	Neutral	Jan.8	Up	Neutral	Below	Up	2	0
XLRE	Positive	Apr.3	Down	Neutral	Below	Up	-2	-4
TSX Financial	Neutral	July 12	Up	Positive	Below	Up	4	
TSX Energy	Positive	Mar.7	Down	Positive	Above	Up	2	
TSX Gold	Positive	Mar.26	Down	Neutral	Below	Up	-2	0
TSX Tech	Positive	April 3	Up	Neutral	Below	Up	2	0
TSX B Metals	Positive	Jan.18	Down	Negative	Below	Up	-4	

**Green:** Increase from previous day

**Red:** Decrease from previous day

## Changes last week

Index	Close	Change	Percent Change
SPX	5,942.47	-28.37	-0.48
TSX	25,073.54	277.14	1.12
INDU	42,732.13	-260.08	-0.60
COMPQ	19,621.68	-100.34	-0.51
TRAN	16,007.02	-23.64	-0.15
AORD	8,511.90	40.40	0.48
NIKK	39,894.54	316.48	0.83
IEV	52.19	-0.22	-0.42
FXI	30.39	-0.46	-1.49
EEM	42.15	-0.16	-0.38

## Chart of the Day: S&P Energy Index (\$SPEN)

Technical score increased from 0 to 4 when units moved above their 20 day moving average and strength relative to the S&P 500 turned positive. Seasonal influences are Positive until April 12<sup>th</sup>. Also trades as an Energy SPDR (XLE) with an almost identical chart.



# Technical Notes for Friday

**Royal Caribbean Cruises** \$RCL a NASDAQ 100 stock moved below \$227.37 and \$224.78 completing a Head & Shoulders pattern.



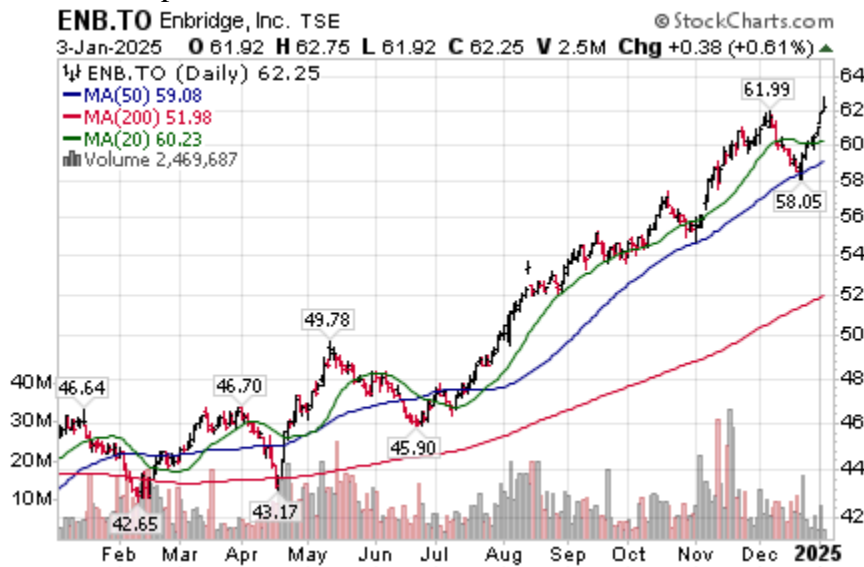
**Colgate Palmolive** \$CL an S&P 100 stock moved below \$90.04 extending an intermediate downtrend.



**Pepsico** \$PEP a NASDAQ 100 stock moved below \$149.85 to a 30 month low extending an intermediate downtrend.



**Enbridge** \$ENB.TO a TSX 60 stock moved above Cdn\$61.99 to an all-time high extending an intermediate uptrend.



# S&P 500 Momentum Barometers



The intermediate term Barometer added 6.00 on Friday, but dropped 2.20 last week to 24.80. It remains Oversold, but showing early signs of bottoming.



The long term Barometer added 1.00 on Friday, but dropped 1.60 last week to 56.00. It remains Neutral, but showing early signs of bottoming.

P.S. Short term (20 day) Barometer bounced 10.00 on Friday and added 7.20 last week to 20.80. The Barometer bottomed on December 19<sup>th</sup> at 7.80.



# TSX Momentum Barometers



The intermediate term Barometer advanced 3.59 on Friday and gained 14.35 last week to 46.19. It changed from Oversold to Neutral on a recovery above 40.00. The Barometer bottomed on December 19<sup>th</sup> at 22.37 and is trending up.



The long term Barometer added 3.59 on Friday and gained 5.83 last week to 67.71. It remains Overbought. Daily trend is up.

P.S. The short term (20 day) Barometer bottomed on December 19<sup>th</sup> at 8.68 and closed on Friday at 47.53

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

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