

# Tech Talk for Saturday February 8<sup>th</sup> 2025

## The Bottom Line

**Despite better than consensus fourth quarter earnings and revenue reports released to date by large cap U.S. and Canadian companies, equity market indices on both sides of the border have stalled below their all-time highs set at the end of January. Analysts have started to take a more cautious stance on strong earnings and revenue gains expected in 2025.**

**Political uncertainty in Canada and the U.S. is expected to remain high in February, dampening investor enthusiasm in the short term.**

As noted on February 4<sup>th</sup> by [www.EquityClock.com](http://www.EquityClock.com), “Looking to become more Neutral in portfolio positioning at this seasonally weak time of year. See: <https://equityclock.com/2025/02/03/stock-market-outlook-for-february-4-2025/>”

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

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

**Fourth quarter results released last week were encouraging:** 62% 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 S&P 500 earnings estimate to a 16.4% year-over-year increase, up from a 13.2% increase last week. Also, consensus for revenue gains increased to 5.2%, up from a 4.8% increase last week.

**For all of 2024**, consensus calls for a 10.1% earnings increase, up from 9.4% last week. Consensus calls for a 5.2% revenue increase, up from a 4.8% increase last week.

**Analyst estimates for earnings and revenue gains for 2025 were lowered again last week.** Consensus for first quarter earnings calls for an 8.7% increase on a year-over-year basis, down from a 10.1% increase last week. Consensus for first quarter revenues slipped to a 4.5% increase down from a 4.8% increase last week. Consensus for second quarter earnings gains dropped to 10.2% from a 10.9% increase last week and consensus for second quarter revenues was lowered to a 4.7% increase, down from a 4.8% increase. Consensus for third quarter earnings dropped to a 14.5% increase, down from a 14.9% increase. Consensus for third quarter revenues dropped to a 5.4% increase, down from a previous 5.5% increase. Fourth quarter earnings are expected to increase 13.3%, down from a previous 16.1% increase. Fourth quarter revenues are expected to increase 6.0%, down from a 6.4% increase last week.

**For all of 2025** earnings are expected to increase 13.0%, down from 14.3% last week and revenues are expected to increase 5.5%, down from a 5.7% gain last week.

**Earnings gains are expected to continue into 2026, albeit at a slightly slower rate than consensus for the second half of 2025.** Consensus calls for a 13.8% earnings increase, up from 13.7% last week. Consensus for revenue gains .remains at 6.4%.

## Economic News This Week

**Federal Reserve Chairman Powell** testifies to the Joint Economic Committee at 10:00 AM EST on Tuesday.

**January U.S. Consumer Price Index** released at 8:30 AM EST on Wednesday is expected to increase 0.3% versus a 0.4% gain in December. Excluding food and energy, consensus calls for a 0.3% increase versus a 0.2% increase in December.

**January U.S. Producer Price Index** is released at 8:30 AM EST on Thursday

**January U.S. Retail Sales** are released at 8:30 AM EST on Friday

**January U.S. Capacity Utilization** and **January Industrial Production** are released at 9:15 AM EST on Friday

**December U.S. Business Inventories** are released at 10:00 AM EST on Friday

## Selected Earnings Reports This Week

**Another 78 S&P 500 companies** are scheduled to report this week (including three Dow Jones Industrial Average companies: McDonald's, Cisco and Coca Cola). **Another thirteen TSX 60 companies** are scheduled to report.

**Monday:** McDonald's

**Tuesday:** Coca Cola, Gilead, Marriott, Door Dash, Dupont, AutoNation

**Wednesday:** Cisco, Alibaba, CVS Health, Trading Desk, Waste Connections, Sun Life Financial, Barrick Gold, Cenovus, Biogen, Restaurant Brands International, West Fraser Timber

**Thursday:** Applied Materials, Deere, Brookfield, Duke Energy, Republic Services, Agnico-Eagle, Ingersoll-Rand, DexCom, Telus, Saputo,

**Friday:** Enbridge, TS Energy, Fortis, Moderna, Magna International

## Trader's Corner

Example showing score for Dow Jones Transportation iShares (IYT)

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

## Equity Indices and Related ETFs

### Daily Seasonal/Technical Equity Trends for February 7<sup>th</sup> 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
SPX	Neutral	Oct.28	Up	Neutral	Above	Down	2	4
TSX	Positive	Mar.3	Up	Neutral	Above	Down	2	
DJIA	Neutral	Sept.20	Neutral	Positive	Above	Down	2	
COMPQ	Neutral	May 18	Negative	Neutral	Below	Down	-4	0
IYT	Neutral	Sept.9	Down	Neutral	Above	Up	0	-6
AORD	Neutral	June 15	Up	Positive	Above	Up	6	4
NIKK	Neutral	Nov.13	Up	Neutral	Below	Down	0	
IEV	Positive	Apr 30	Neutral	Positive	Above	Up	4	
FXI	Neutral	Sept.29	Down	Positive	Above	Up	2	
EEM	Positive	Mar.1	Down	Positive	Above	Up	2	

**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 February 7<sup>th</sup> 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	
Gasoline	Neutral	Mar.30	Up	Neutral	Above	Up	4	2
Crude Oil	Positive	Apr.12	Up	Negative	Below	Down	-2	
Natural Gas	Neutral	Sept.3	Up	Neutral	Below	Up	2	4
S&P Energy	Positive	Apr. 12	Neutral	Negative	Below	Up	-2	
Oil Services	Positive	Mar.3	Down	Negative	Below	Down	-6	
Gold	Positive	Apr.27	Up	Positive	Above	Up	6	
Silver	Positive	Feb.23	Neutral	Positive	Above	Up	4	
Gold Bug	Positive	Feb.25	Neutral	Positive	Above	Up	4	
Platinum	Positive	Feb.25	Up	Neutral	Above	Down	2	
Palladium	Positive	Apr.20	Up	Neutral	Below	Down	0	6
Copper	Positive	Feb.28	Up	Positive	Above	Up	6	
Agriculture	Positive	Feb.21	Neutral	Neutral	Below	Down	-2	0

**Green:** Increase from previous day

**Red:** Decrease from previous day

## Sectors

### Daily Seasonal/Technical Sector Trends for February 7<sup>th</sup> 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev. Score
XLK	Neutral	Apr 19	Up	Negative	Above	Up	2	
XLB	Neutral	Sept.27	Down	Neutral	Above	Down	-2	2
XLI	Positive	Feb.20	Down	Neutral	Below	Down	-4	-2
XLY	Neutral	Mar.15	Up	Neutral	Below	Down	0	2
XLF	Neutral	July 7	Up	Positive	Above	Up	6	
XLE	Positive	Apr.12	Neutral	Negative	Below	Up	-2	
XLP	Neutral	Feb.16	Down	Neutral	Above	Up	0	
XLU	Neutral	Feb.15	Down	Neutral	Above	Down	-2	
XLV	Neutral	May 3	Neutral	Positive	Above	Down	2	4
XLC	Positive	June 2	Up	Positive	Above	Up	6	
XLRE	Positive	Apr.3	Down	Neutral	Above	Up	0	
TSX Financial	Neutral	July 12	Up	Neutral	Above	Down	2	0
TSX Energy	Positive	Mar.7	Down	Negative	Below	Up	-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	Neutral	Above	Up	0	-4

Green: Increase from previous day

Red: Decrease from previous day

## Changes last week

Index	Close	Change	Percent Change
SPX	6,025.99	-14.54	-0.24
TSX	25,442.91	-90.19	-0.35
INDU	44,303.40	-241.26	-0.54
COMPQ	19,533.40	-94.04	-0.48
TRAN	16,147.19	-159.65	-0.98
AORD	8,780.30	-9.40	-0.11
NIKK	38,787.02	-785.47	-1.99
IEV	55.61	0.23	0.42
FXI	32.73	0.84	2.65
EEM	43.20	0.48	1.12

# Technical Notes

Base metals equities and their related ETFs are experiencing a belated seasonal upswing that normally occurs from the end of November until the end of February. **Global Metals and Mining Producers iShares \$PICK** moved above \$36.89 completing a double bottom pattern.



**T-Mobile \$TMUS** an S&P 100 stock moved above \$248.15 to an all-time high extending an intermediate uptrend



Much of the technical weakness on Friday can be attributed to breakdowns through support by **Alphabet** and **Nike** extending intermediate downtrends.



# S&P 500 Momentum Barometers



The intermediate term Barometer dropped 1.80 on Friday and slipped 0.60 last week to 50.60. It remains neutral



The long term Barometer slipped 0.60 on Friday and dropped 2.60 last week to 59.40. It changed last week from Overbought to Neutral. Daily trend is down.

The short term (20 day) Barometer peaked at 83.20 on January 27<sup>th</sup> and closed at 54.80 on Friday.

# TSX Momentum Barometers



The intermediate term Barometer dropped 1.81 on Friday, but gained 4.70 last week to 43.44. It changed last week from Oversold to Neutral on a recovery above 40.00.



The long term Barometer dropped 1.38 on Friday and slipped 0.17 last week to 61.99. It remains Overbought.

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

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