

Tech Talk for Saturday March 1st 2025

The Bottom Line

The period of seasonal outperformance by the TSX Composite Index came to an end last week. Contributions into RRSPs until February 28th are a major reason for outperformance relative to the S&P 500 Index.

Technical breakdowns below intermediate support last week by the Dow Jones Industrial Average, S&P 500 Index and NASDAQ Composite Index will require time for technical repair before moving higher into the traditional spring rally period. Broadly based U.S. equity indices have a history of moving lower into mid-March. Concern about reaching an agreement on the U.S. Federal Debt by March 14th adds to short term uncertainties. History is repeating. Patience by traders will be rewarded.

Consensus for Earnings and Revenues for S&P 500 companies

Source: www.factset.com

Fourth quarter results released during the past two weeks prompted analysts to raise quarterly estimates again: 97% of S&P 500 companies have reported quarterly results to date: 75% have reported higher than consensus earnings and 63% have reported higher than consensus revenues. Better than consensus fourth quarter earnings prompted analysts to raise their fourth quarter S&P 500 earnings estimate to a 18.2% year-over-year increase, up from a 16.9% increase two weeks ago. Consensus for revenue gains increased to 5.3% from 5.2%.

For all of 2024, consensus calls for a 10.4% earnings increase, up from 10.2% two weeks ago. Consensus for a revenue increase remained at 5.2%

Analyst estimates for earnings gains for 2025 were lowered again during the past two weeks. Consensus for first quarter earnings calls for a 7.6 % increase on a year-over-year basis, down from an 8.1% increase two weeks ago. Consensus for first quarter revenues slipped to a 4.3% increase, down from a 4.4% increase. Consensus for second quarter earnings gains dropped to 9.8% from a 9.9% increase two weeks ago. Consensus for second quarter revenues remained at a 4.7% increase. Consensus for third quarter earnings dropped to a 14.3% increase, down from a 14.4% increase. Consensus for third quarter revenues growth remained at a 5.5% increase. Fourth quarter earnings are expected to increase 11.6%, down from a previous 12.9% increase. Fourth quarter revenues gains were unchanged at 6.1%.

For all of 2025, earnings are expected to increase 12.1%, down from a 12.7% increase two weeks ago. Revenues gains were unchanged at 5.5%.

Earnings gains are expected to accelerate into 2026. Consensus calls for a 14.0% earnings increase, up from 13.9% two weeks ago. Consensus for revenue gains increased to 6.5% from a previous 6.4%.

Economic News This Week

U.S. January Construction Spending is released at 10:00 AM EST on Monday

February ISM Manufacturing PMI released at 10:00 AM EST on Monday is expected to slip to 50.8 from 50.9 in January

February ISM Non-manufacturing PMI released at 10:00 AM EST on Wednesday is expected to increase to 53.0 from 52.8 in January.

U.S. January Factory Orders are released at 10:00 AM EST on Wednesday

European Central Bank interest rate decision is released at 8:15 AM EST on Thursday

Fourth quarter U.S. Non-farm Productivity released at 8:30 AM EST on Thursday is expected to drop to 1.2% from 2.2% in the third quarter.

January Canadian Trade Balance is released at 8:30 AM EST on Thursday

U.S. January Wholesale Inventories are released at 10:00 AM EST on Thursday

February Non-farm Payrolls released at 8:30 AM EST on Friday are expected to slip to 133,000 from 143,000 in January. **February Unemployment Rate** is expected to remain unchanged from January at 4.0%. **February Average Hourly Earnings** are expected to increase 0.3% versus a 0.5% gain in January.

February Canadian Employment Change and Unemployment Rate are released at 8:30 AM EST on Friday.

Selected Earnings News This Week

Nine S&P 500 companies are scheduled to report this week. Two TSX 60 companies are scheduled to report.

Monday: Okta

Tuesday: CrowdStrike, Autozone, Ross Stores, Best Buy, Macy's, Cracker Barrel

Wednesday: Marvel, JD.com, Campbell Soup

Thursday: Broadcom, Costco, Canadian Natural Resources, Hewlett Packard, DocuSign, Gap

Friday: Constellation Software

Trader's Corner

Example showing score for Energy SPDRs (XLE)

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

Seasonality is positive to April 12th

Equity Indices and Related ETFs

Daily Seasonal/Technical Equity Trends for February 28th 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
SPX	Neutral	Oct.28	Neutral	Neutral	Below	Down	-2	
TSX	Neutral	Dec.14	Up	Positive	Below	Up	4	2
DJIA	Neutral	Sept.20	Down	Neutral	Below	Down	-4	
COMPQ	Neutral	May 18	Down	Negative	Below	Down	-6	
IYT	Neutral	Sept.9	Down	Neutral	Below	Down	-4	
AORD	Neutral	June 15	Up	Neutral	Below	Down	0	
NIKK	Neutral	Nov.13	Down	Negative	Below	Down	-6	0
IEV	Positive	Apr 30	Up	Positive	Above	Down	4	
FXI	Neutral	Sept.29	Neutral	Positive	Above	Down	2	4
EEM	Neutral	Dec.11	Neutral	Neutral	Below	Down	-2	0

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 February 28th 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev Score
CRB Index	Positive	May 21	Down	Neutral	Below	Down	-4	
Gasoline	Neutral	Mar.30	Down	Neutral	Below	Up	-2	
Crude Oil	Positive	Apr.12	Up	Neutral	Below	Up	2	
Natural Gas	Neutral	Sept.3	Up	Positive	Above	Down	4	
S&P Energy	Positive	Apr. 12	Neutral	Positive	Above	Up	4	0
Oil Services	Neutral	Dec.3	Down	Negative	Below	Down	-6	
Gold	Positive	Apr.27	Up	Neutral	Below	Down	0	2
Silver	Positive	Apr.12	Neutral	Neutral	Below	Down	-2	
Gold Bug	Neutral	June 14	Neutral	Neutral	Below	Down	-2	
Platinum	Neutral	Dec. 9	Up	Neutral	Below	Down	0	
Palladium	Positive	Apr.20	Up	Negative	Below	Down	-2	
Copper	Neutral	Aug.8	Up	Positive	Below	Down	2	4
Agriculture	Neutral	Sept.28	Neutral	Positive	Above	Down	2	4

Green: Increase from previous day

Red: Decrease from previous day

Sectors

Daily Seasonal/Technical Sector Trends for February 28th 2025

Unit	Seasonal	Until	Trend	Relative Strength	20 Day MA	Momentum	Tech Score	Prev. Score
XLK	Neutral	Apr 19	Down	Negative	Below	Down	-6	
XLB	Neutral	Sept.27	Up	Neutral	Below	Down	0	
XLI	Positive	Mar.10	Down	Positive	Below	Up	0	-2
XLY	Neutral	Mar.15	Down	Negative	Below	Down	-6	
XLF	Neutral	July 7	Up	Positive	Above	Up	6	0
XLE	Positive	Apr.12	Neutral	Positive	Above	Up	4	0
XLP	Positive	May 24	Up	Positive	Above	Down	4	
XLU	Positive	July 2	Up	Positive	Above	Down	2	0
XLV	Neutral	May 3	Up	Positive	Above	Up	6	
XLC	Positive	June 2	Up	Neutral	Below	Down	0	
XLRE	Positive	Apr.3	Down	Positive	Above	Up	2	
TSX Financial	Neutral	July 12	Up	Positive	Above	Up	6	4
TSX Energy	Positive	Mar.7	Down	Neutral	Below	Down	-4	
TSX Gold	Positive	Mar.26	Up	Neutral	Below	Down	2	4
TSX Tech	Positive	April 3	Up	Negative	Below	Down	-2	
TSX B Metals	Neutral	Nov.28	Down	Negative	Below	Down	-6	-4

Green: Increase from previous day

Red: Decrease from previous day

Changes last week

Index	Close	Change	Percent Change
SPX	5,954.50	-160.13	-2.62
TSX	25,393.45	-89.88	-0.35
INDU	43,840.91	-705.17	-1.58
COMPQ	18,847.28	-1,179.49	-5.89
TRAN	15,986.49	-620.04	-5.89
AORD	8,403.90	-421.20	-4.77
NIKK	37,155.50	-1,993.93	-5.09
IEV	58.02	0.21	0.36
FXI	35.23	-0.74	-1.98
EEM	43.21	-1.20	-2.70

Technical Notes

India ETF \$PIN moved below \$23.48 extending an intermediate downtrend.



S&P 100 stocks breaking to all-time highs included **MMM \$MMM** on a move above \$154.24 and **Raytheon Technologies \$RTX** on a move above \$131.76



AutoDesk \$ADSK a NASDAQ 100 stock moved below \$279.84 extending an intermediate downtrend.



Broadcom \$AVGO a NASDAQ 100 stock moved below \$196.23 extending an intermediate downtrend



CGI Group \$GIB a TSX 60 stock moved below Cdn\$105.78 and US\$105.28 setting an intermediate downtrend.



Teck Resources \$TECK.B.TO a TSX 60 stock moved below Cdn\$57.15 and Cdn\$57.17 extending an intermediate downtrend.



S&P 500 Momentum Barometers



The intermediate term Barometer added 6.00 on Friday and gained 2.00 last week to 55.20. It remains Neutral.



The long term Barometer added 2.00 on Friday and gained 0.20 last week to 60.00. It remains Neutral.

TSX Momentum Barometers



The intermediate term Barometer added 2.73 on Friday and gained 1.82 last week to 47.73. It remains Neutral.



The long term Barometer added 0.45 on Friday and slipped 0.45 last week to 58.64. It remains Neutral.

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

