

Good morning, everyone, and welcome to.

Tuesday morning, the first trading day of 2024..

In the pre market this morning, stock.

index futures are trading below fair value..

Dow futures currently down just under 200 points, while commodities are higher..

According to Bloomberg, the TSX 60 is trading down \$4 and change right now..

We closed up over \$2 and change on Friday,.

so not looking for any major damage to the TSX on Tuesday morning..

Now, in today's presentation, we'll start.

off the year with a quick recap of what happened in 2023..

And the TSX did end the year higher..

Most of the gains came in the last nine weeks, and I'll just hold my mouse there,.

but the TSX ended up 8.12%. Compare that to the Nasdaq, which was up over 50%..

And it was really not a very productive year for the TSX..

Most of the gains came when the VIX reversed and generated a sell signal..

And the VIX, or the Fear Index, is something we watch very closely..

When the VIX is trending lower, we want to be bullish on the market..

When it's trending higher, we want to be bearish on the market..

And right now, it's really stopped trending over the last couple of weeks..

So we're still on a weekly sell signal that should be bullish for the market..

But we're not expecting the market to go much higher from here at the present time..

Now, it was a very mixed market..

There was only 126 stocks on the TSX Composite that ended the year higher..

98 were unchanged or lower..

So getting pretty close to 50% of the.

stocks on the TSX composite did not do well last year..

Now, the focus was in the US..

They called it the Magnificent Seven..

We added Shopify to that list for our.

Magnificent Eight, and that's where most of the gains came from..

And those gains were also seen in Canada,.

where the infotech sector was up over 55% on the year, being led higher by Celestica.

on the TSX Composite and Shopify on the TSX 60..

And we also saw Constellation Software up over 50% on the year..

So that's where most of those gains came from..

Now, the biggest and most important sector.

of the canadian stock market, of course, is the financials..

And the financials ended the year pretty close to the gains that we saw from the.

TSX heading up towards the highs of early 2023..

And again, we made most of our gains in the last nine weeks of the year..

At the same time, a couple of the major banks ended the year underwater, and those.

were the bank of Nova Scotia and the TD bank..

And probably the best stock in Canada and.

the Berkshire Hathaway of Canada is Fairfax, which ended the year up over 50%..

So if you have to have one stock in your.

portfolio for a long term investment, it's probably going to be Fairfax..

Now, the marijuana sector was the biggest.

loser, and of course, the TSX itself has taken away the index, and so people aren't.

thinking about this sector as much as they used to..

We're looking at the Horizons.

Marijuana Life ETF, which was down over 20%..

You can see when Bay street gave up on this sector back here in early 2021, and.

we're not expecting it to come back to those levels..

If you are playing this sector, there's still opportunities here..

It's certainly tradable, but your playing.

field has to be the highs from 2023 and the lows of 2022..

That's basically your playing field..

You don't want to be having targets above.

that level because they're very unrealistic..

The whole dynamics of this particular sector has changed and you have to deal.

with being more realistic about your opportunities in this sector..

But certainly there's the possibility of.

10, 20, 30 or 40% gains in this sector if it's going to trend higher in 2024..

Now, looking at commodities starting with.

gold, gold is on a buy signal right now heading up, and it's in a range between.

1875 at the lower end of the range and 2125 at the higher end of the range..

And we're above the midpoint at the moment, so that's looking pretty bullish..

Unfortunately, gold stocks are not totally in sync with the price of gold and they.

ended the year up 2.36%. The biggest winner from the major gold stocks we.

follow, Eldorado, was up over 50% on the year..

Looking at the energy sector..

Well, crude oil ended the year basically unchanged..

Natural gas underwater and energy stocks.

as a whole were down nearly 1% on the year..

The biggest winner in the energy sector was Athabasca..

The biggest loser was Birchcliffe for the year..

Now, if we're going to buy low and sell high, one of the indicators we can look at.

is the percentage of stocks currently trading above x..

And if we look at the percentage of stocks.

currently trading above the 50 day moving average, you can see we're up at the top.

of the range here, and so we're looking at high risk opportunities..

If you want to chase stocks up here, if.

there's new buy signals you're taking on high risk..

This is the time and place..

We want to be looking for sell signals and shorting opportunities and to buy puts.,

depending on which market you're looking at..

And you can see down at the bottom when the percentage of stocks currently trading.

above their 50 day moving average gets down near the 20 and below..

That's when we look for low risk buying opportunities..

And so coming into January, we're at the high risk end of the range and looking for.

the market to pull back here into the month of January..

When we look at the seasonality chart, we look for a tradable high in September..

We look for lows in October, and then we look for a year end rally..

And that's what we got..

Last nine weeks did pretty well..

And coming into January, it's usually.

negative for the canadian stock market with a rise into February..

And of course, February gives us RRSP seasons where people make.

put deposits in, and it's usually in low risk opportunities..

You're talking to your bank teller, of.

course they want to sell you the bank's etfs..

And those etfs, of course, include bank stocks..

So we usually get a nice buying.

opportunity into the end of February and then a pullback into March..

So that's what we're expecting to happen..

Of course, we're going to watch the market.

and see which way the market wants to go in 2024..

Okay, folks, that is all for this morning's presentation..

We're looking for some selling at the open on Tuesday morning..

Have a great day..

Next time you'll hear my voice is on Wednesday morning..