



Dudack Research Group

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October 21, 2020

DJIA: 28308.79

SPX: 3443.12

NASDAQ: 11516.49

US Strategy Weekly

Counting Positives and Negatives

With a little more than two months left to the year, few would deny that 2020 has been an unusual year. The turning point was the historic, unpredictable, and relentless spread of the COVID-19 virus from China to most other countries around the world. It is not the virus, but its aftermath that will have major repercussions for people, companies, and economic trends for years to come. Yet in the face of this challenge, the S&P 500 and Nasdaq Composite Index reached new highs in September and the DJIA, SPX and Nasdaq Composite are currently 4.2%, 3.9% and 4.5%, respectively, from all-time highs.

Some believe the rally in equities reflects a disconnect between the stock market and reality. But as usual, investors face a mix of positive and negative factors. Today is no different, even when putting the political backdrop aside.

The current negatives are obvious. The spread of COVID-19 resulted in mandatory shutdowns of businesses around the world. In the US, some businesses learned to adapt, and this created a division between winners and losers. But the bottom line is that the shutdown put 22.2 million people out of work between February and April, and 10.7 million of those remained unemployed at the end of September. Another negative is a resurgence of the virus in Europe which is generating a new round of restrictions such as curfews and limits on gatherings. This resurgence places a European recovery in the second half of the year on hold. Together, these two events create a third negative which is an enormous pressure on corporate earnings and an increasing risk of small business bankruptcies. As a result, the S&P 500 index is close to peak valuations on a trailing earnings basis and even when based upon forecasted 2021 earnings valuation remains at nosebleed levels. Added to these problems is the fact that the government is challenging the power and influence of the biggest technology companies with concerted anti-trust action. This week the Justice Department sued Google (GOOG.O - \$1555.93) for illegally using its market strength to fend off rivals with distribution agreements that gave its search engine prominent placement on phones and internet browsers. Anti-trust action may prove beneficial to consumers in the long run, but in the shorter run it could pressure the big cap technology stocks that represent a large percentage of the SPX's market capitalization. In short, it could hurt market performance.

The artificial shutdown of most economies was quickly followed by a series of policy measures to keep economies afloat. In short, the positives must begin with the extraordinary stimulative fiscal and monetary policies put into place around the world. As we have noted in the past, the combination of fiscal and monetary ease announced by the US totaled \$5.5 trillion (\$2.55 trillion in three fiscal packages and a \$2.99 trillion expansion in the Fed's balance sheet). This \$5.5 trillion represents 28% of nominal GDP (\$19.53 trillion at the end of the second quarter), or 3.4 months of economic activity. This stimulus went directly to consumers and businesses and it provided a safety net for the broader economy. In addition, another fiscal stimulus package is on the horizon, it is simply a matter of time and politics.

Yet, the biggest positive for investors is how well the economy is doing, particularly the tremendous strength in housing and autos. As of September, the NAHB single-family housing environment survey

For important disclosures and analyst certification please refer to the last page of this report.

has recorded three consecutive months of record readings. Homeownership rates are surging in all regions of the US and reached 67.9% in the third quarter. This represents the highest homeownership rate since the 69.2% seen in 2004. See page 3. Residential building permits recorded a 10-year high in September and existing home prices have been moving steadily upward all year. See page 4. September's retail sales rose 5.2% YOY overall and 3.9% YOY excluding motor vehicles and parts. Autos have been the brightest part of retail sales rising 10.5% YOY in September. Plus, September's retail sales data included many bright spots in the economy with the exception of clothing, electronics and food and beverage establishments. The best part of all these statistics is that it all bodes well for third quarter GDP. See page 5.

Benign inflation is another positive for the equity market since low inflation is favorable for monetary policy, PE multiples and consumers. In September, the CPI rose 1.4% YOY, PPI finished goods fell 1.2% YOY, final demand PPI rose 0.5% YOY, crude oil fell 26% YOY and the PCE deflator gained 1.4% YOY. The decline in energy prices and positive spread between CPI prices and PPI prices is a favorable one for corporate margins. See page 6.

And despite negative US headlines, there is good news regarding virus trends. On October 20th, The NEW YORK TIMES ran a story including charts that showed "new COVID cases" are trending higher in October, but due to the substantial increase in the number of tests taken and diagnosed since early September. Most importantly, US deaths per day have held steady since early September at around 700. See page 7. In general, this implies the spread of the virus and its deadliness is slowly fading. Moreover, therapies for the virus have advanced dramatically in the last six months and a vaccine is expected early in 2021. Overall, we believe all this good news outweighs the bad.

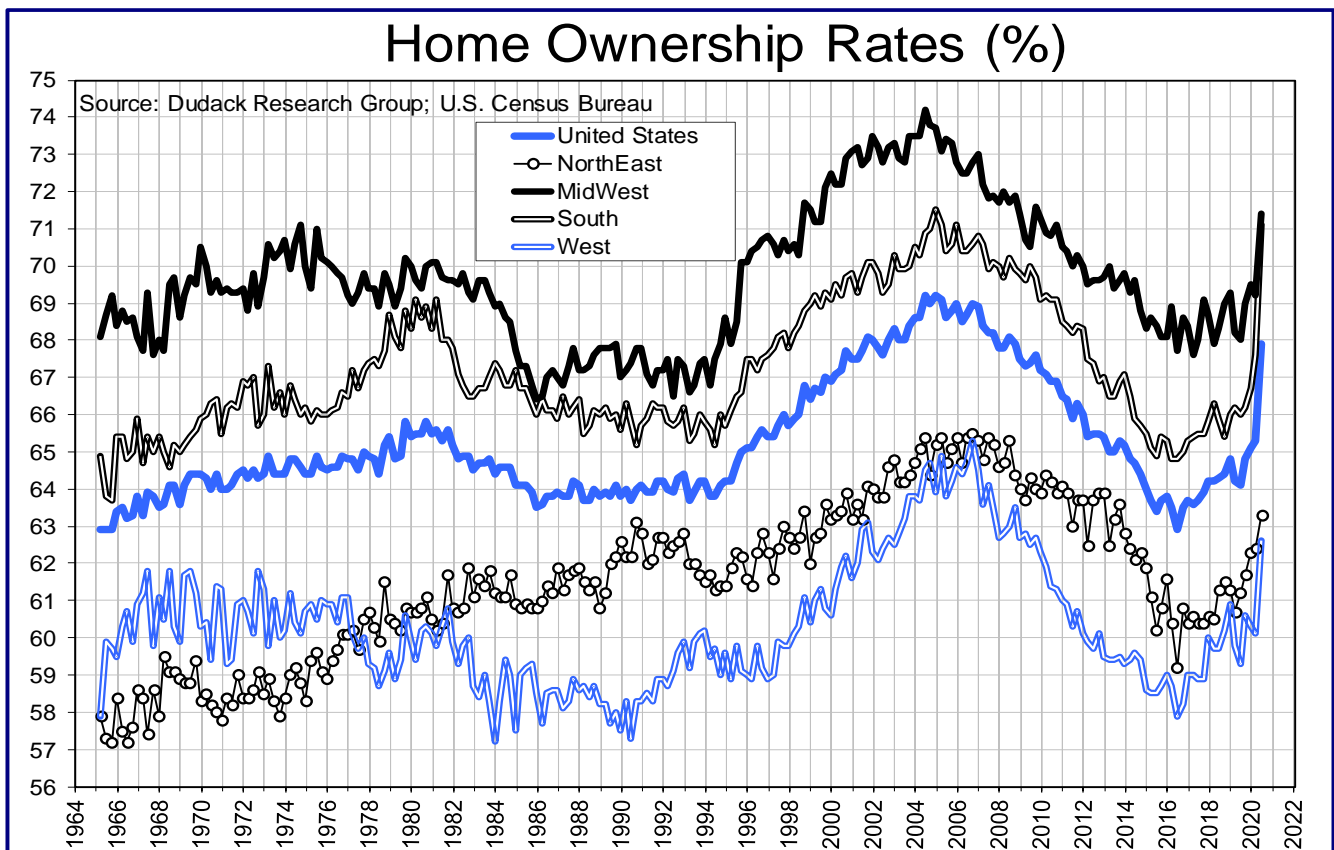
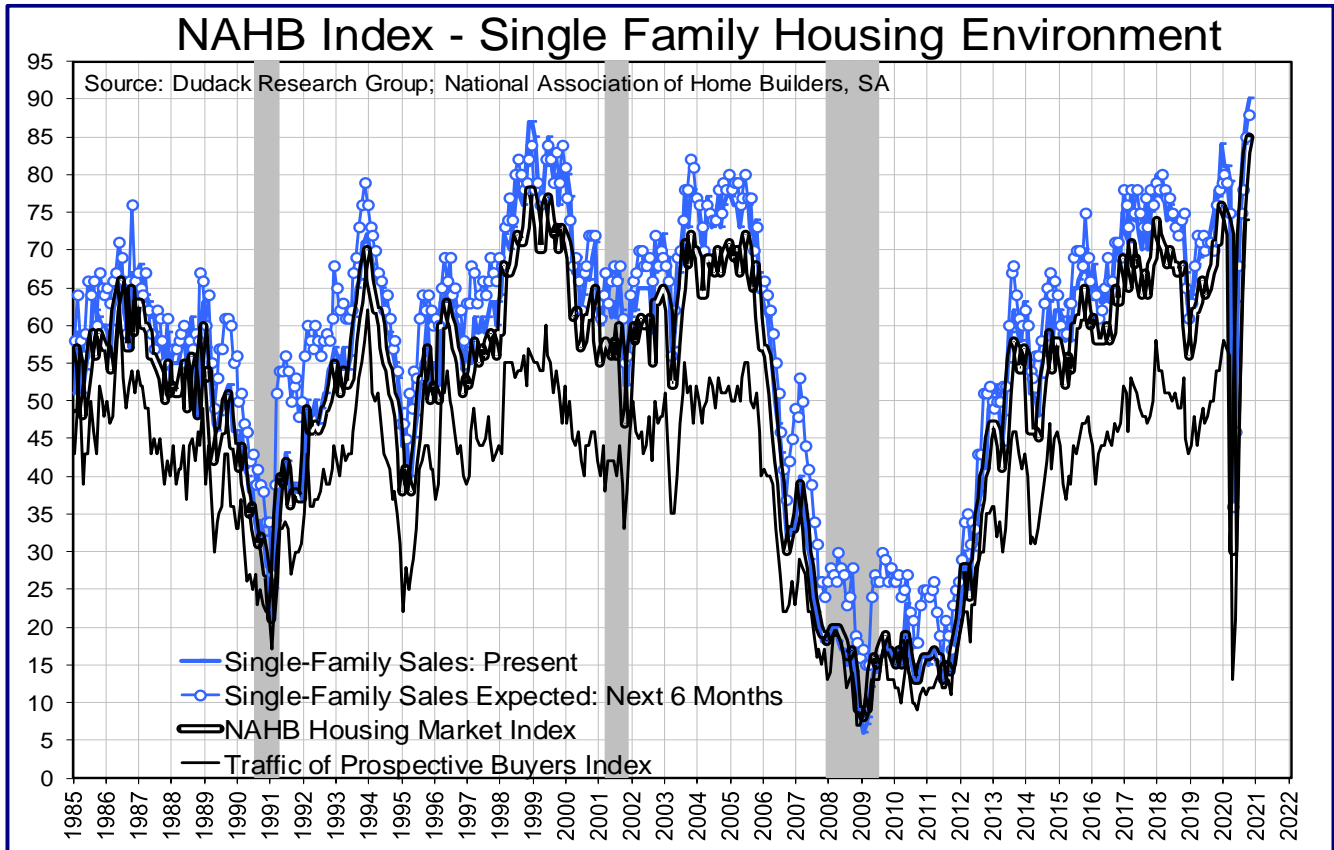
We have noticed that both consensus earnings estimates for 2020 have had unusually large increases in recent weeks. See page 10. IBES indicated that of the 66 companies that reported third quarter earnings to date, 86% beat expectations. Therefore, 2020 consensus forecasts are apt to move even higher. However, stock prices have ignored 2020 and for the last six months have been trading on 2021 earnings. Unfortunately, the 2021 outlook remains uncertain and this brings us to the biggest unknown of 2020 -- the election.

With less than two weeks to go and with early voting taking place at a record pace, election results remain highly uncertain. The polls give former Vice President Biden a sizeable lead, but the race continues to narrow. *Statista* reports that 55% of Americans feel they are better off than they were four years ago and most Americans, particularly Democratic voters, feel this election matters more than previous years. This is an interesting, but inconclusive mix. See page 8. In terms of the election, the market's 3-month performance is showing a gain in the SPX of 5.3% and a gain in the DJIA of 7.1% to date. In past election years gains have foretold of an incumbent victory. On the other hand, one cannot be sure that 2020 is a "typical" year. See page 9.

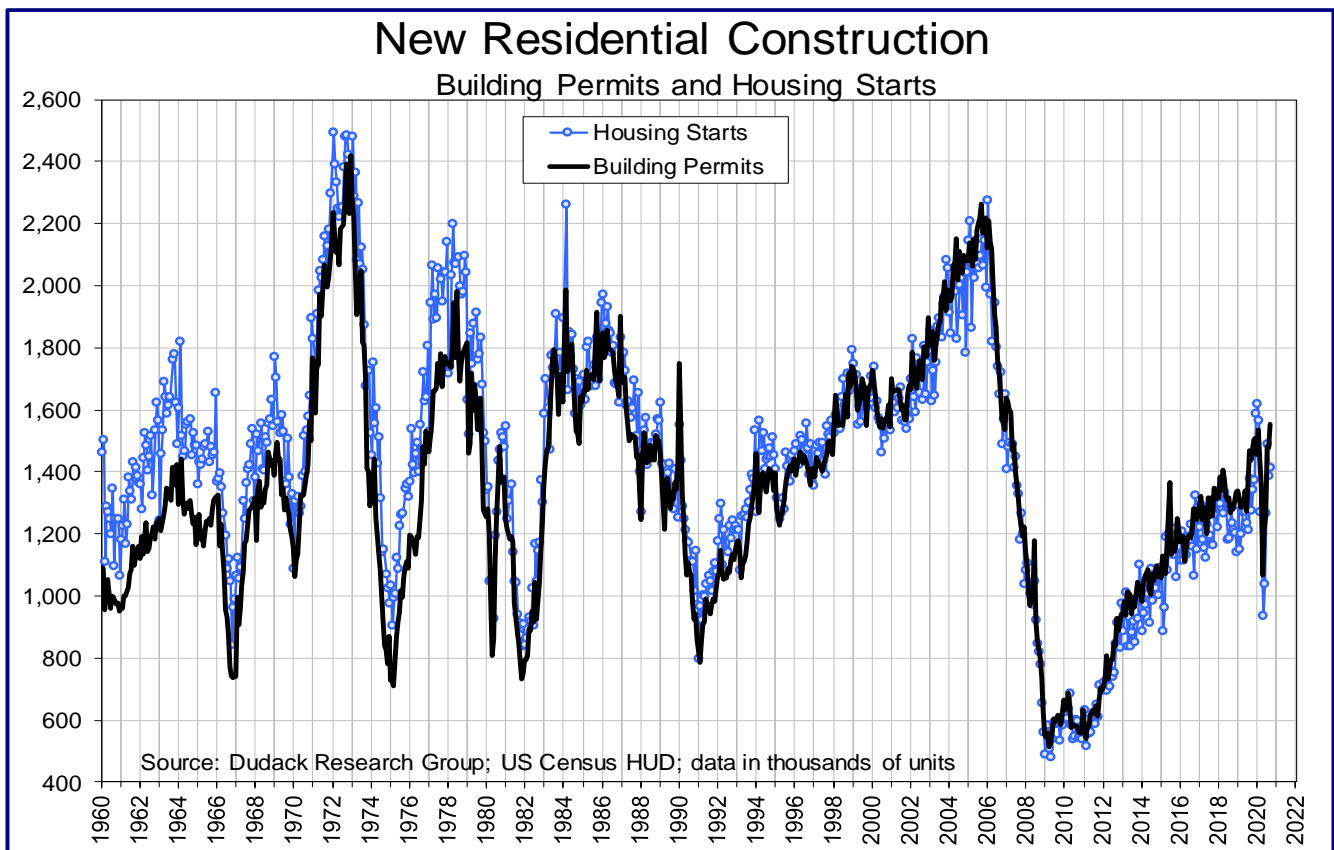
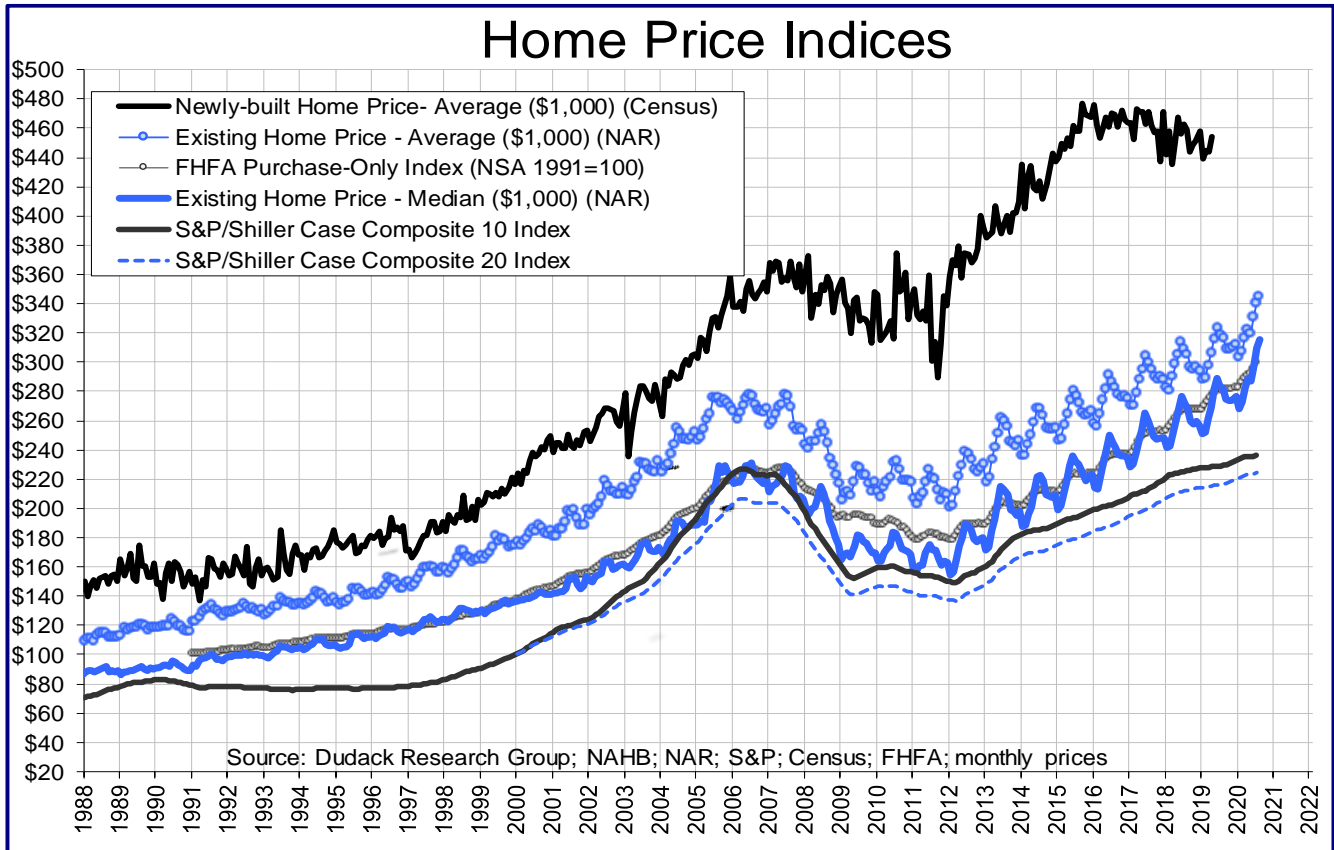
Last but far from least, the charts of the broad indices and technical indicators have turned increasingly bullish in the last two weeks. All the popular indices rallied from important support levels that equated to their 100-day or 200-day moving averages and in particular, the Russell 2000 index began to outperform large cap indices. The advance/decline line reached a record high on October 12 and the new high list continues to expand. Our 25-day up/down volume oscillator is yet to reach a fully overbought reading, but it did record its highest reading earlier this week since August 2020. These are all supporting the bullish case.

We continue to have a long-term bullish bias but would expect the market to be choppy and trendless prior to the election. If there is no clear winner on election night, the uncertainty is likely to create even more volatility. This implies investors should be somewhat cautious near term and focus on companies that will perform well despite the virus and despite an uncertain political backdrop.

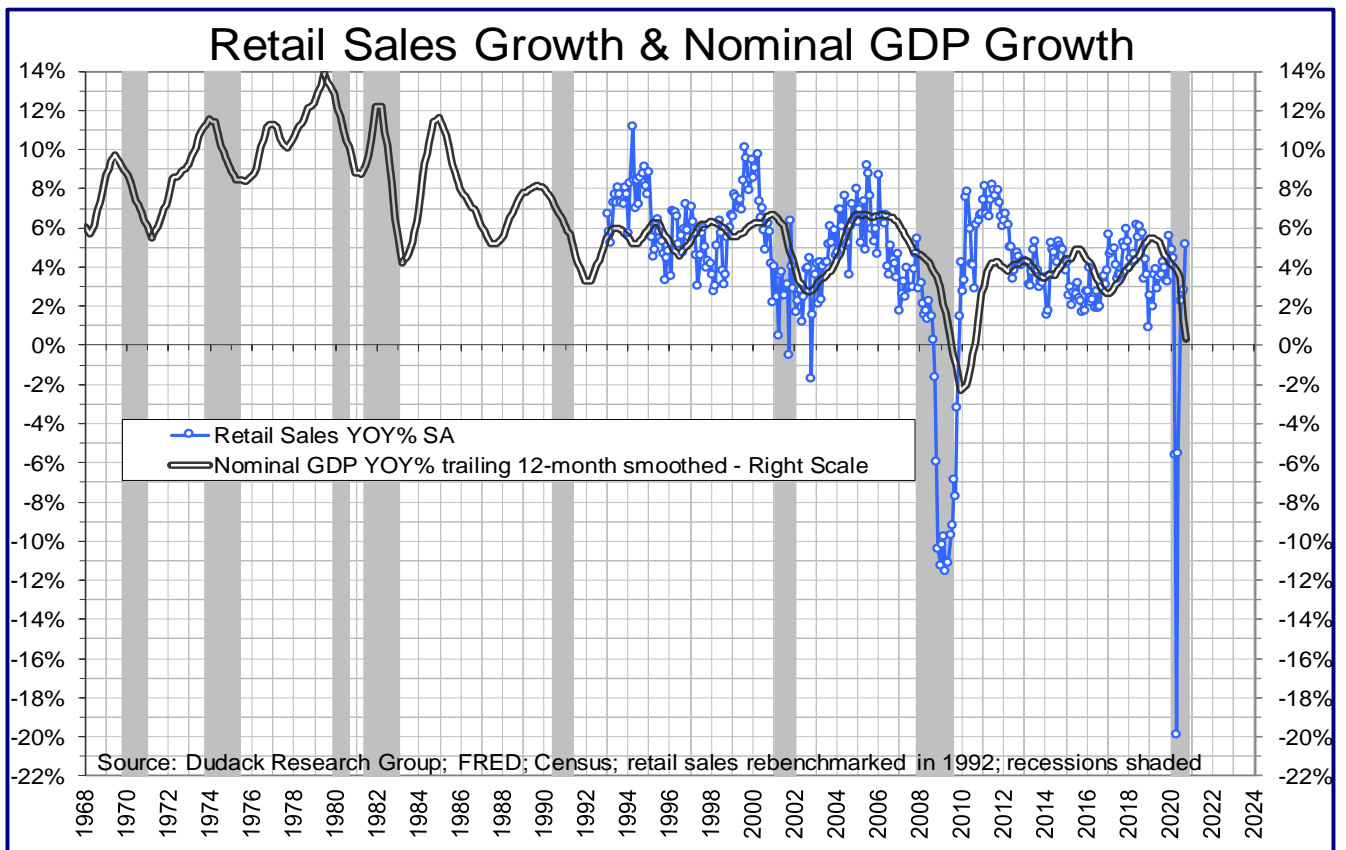
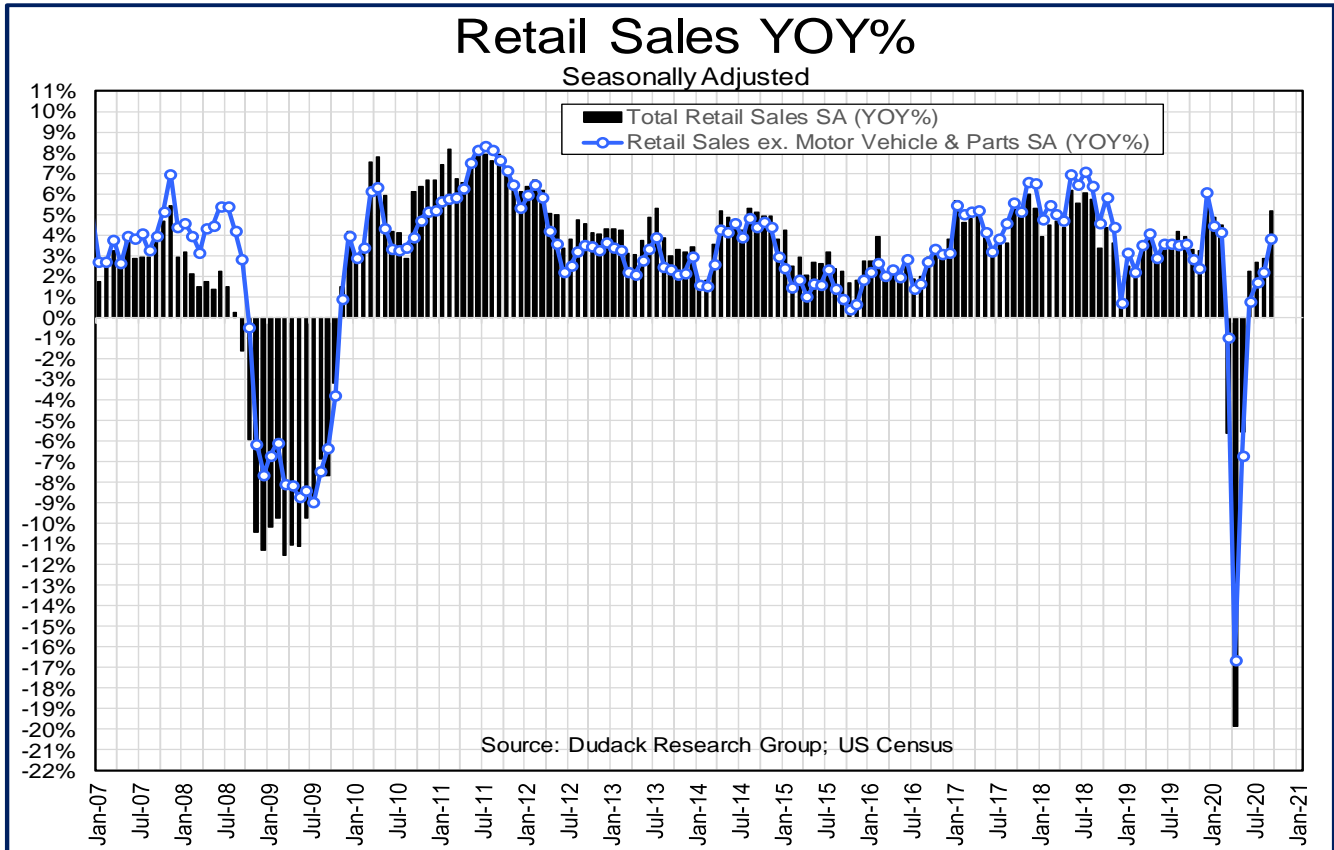
Housing data remains a source of strength and in September, all NAHB survey components hit record highs for the third month in a row. US homeownership rates also jumped in the third quarter to 67.9% versus 69.2% at the 2004 peak. All regions of the US displayed large gains in homeownership.



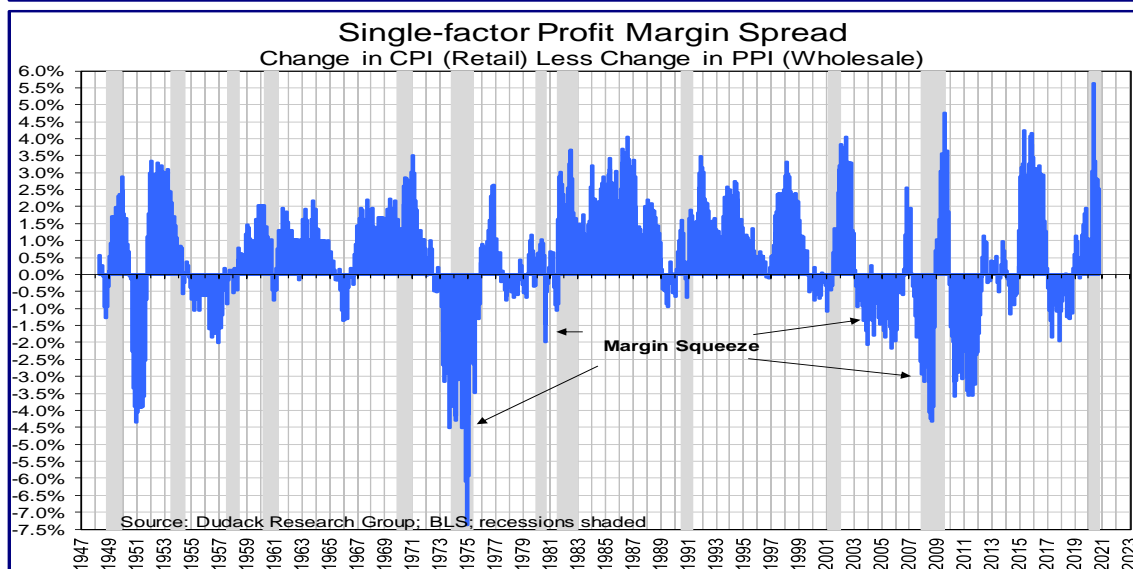
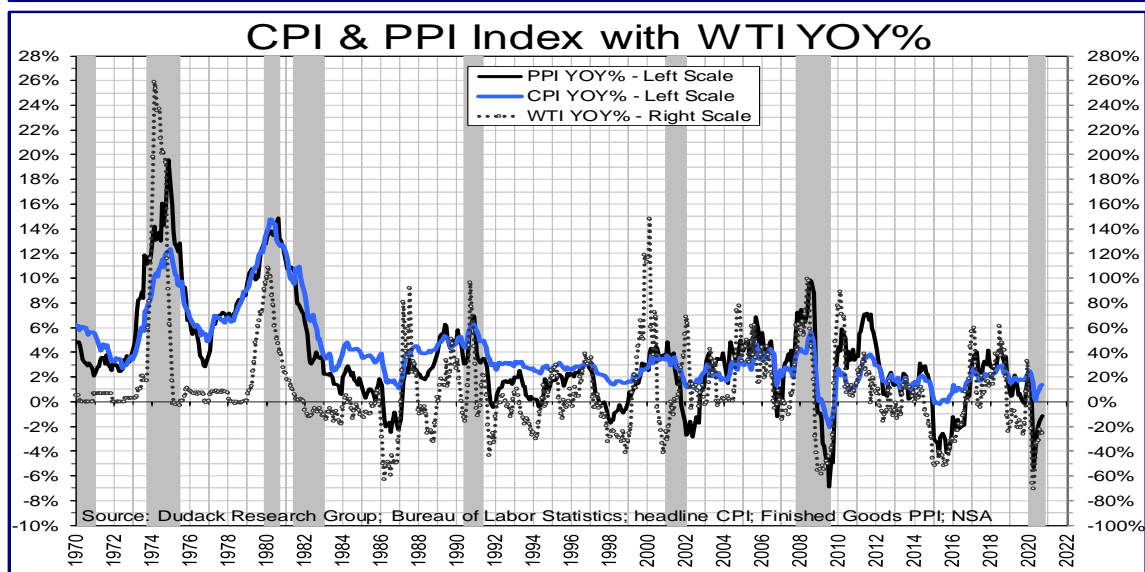
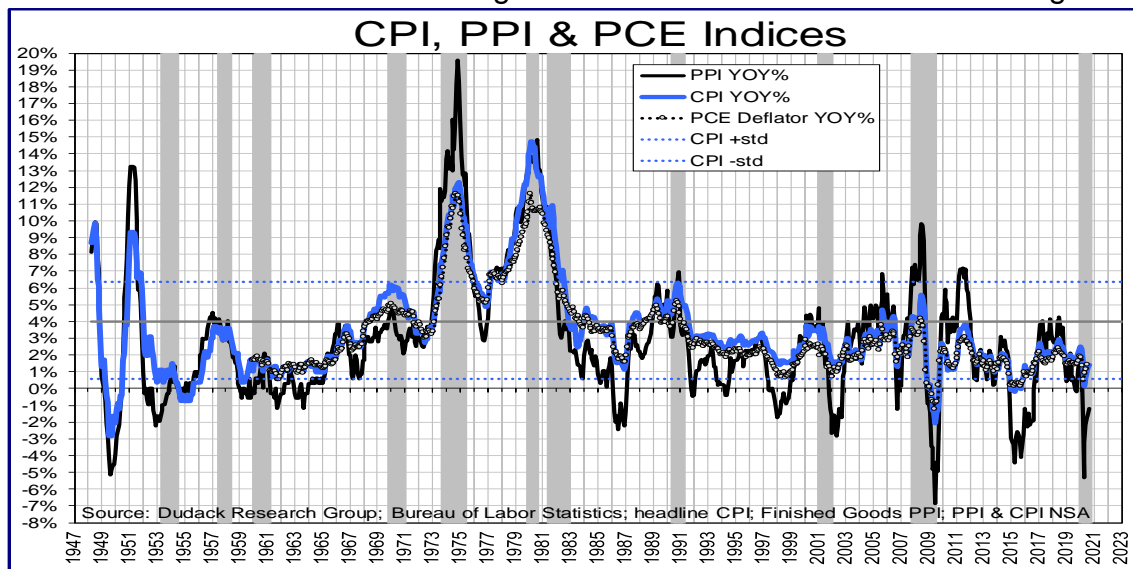
Existing home prices are moving steadily upward this year while newly built home prices have also gained, but remain below 2015 peak levels. Building permits recorded a 10-year high of 1.55 million in September. Housing starts rebounded to 1.45 million but remain below the 1.62 million seen in January.



September's retail sales rose 5.2% YOY overall and 3.9% YOY excluding autos. Autos have been the brightest part of retail sales rising 10.5% YOY in September. This healthy third quarter rebound in retail sales bodes well for GDP in the same quarter.

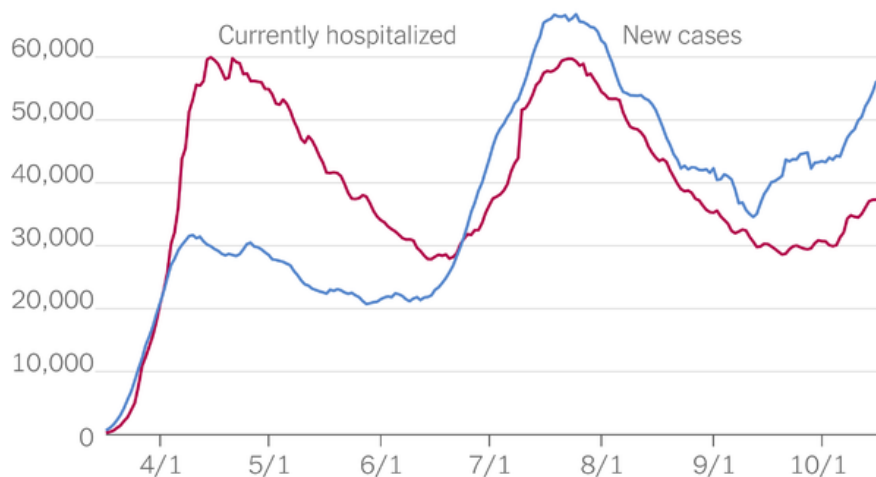


Inflation measures are benign and positive for monetary policy, PE ratios and personal consumption. In September, the CPI rose 1.4% YOY, PPI finished goods fell 1.2%, final demand PPI rose 0.5%, crude oil fell 26% YOY and the PCE deflator gained 1.4% YOY. This combination is good for margins.



These three charts published in the NEW YORK TIMES on October 20th were important in that they show “new COVID cases” are trending higher, but this is due to the substantial increase in tests taken and diagnosed. More importantly, deaths per day have held steady since early September.

Americans currently hospitalized vs. new daily cases

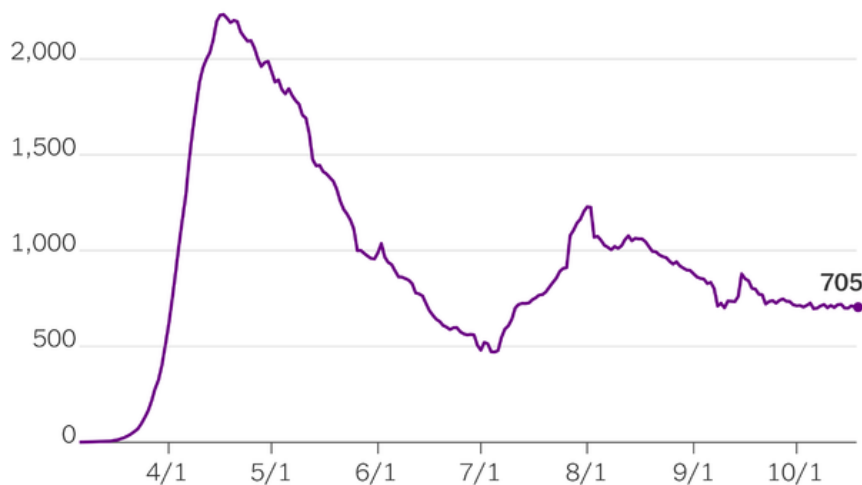


Cases are averaged in rolling 7-day brackets, to reduce noise.
Tests taken and diagnoses made per day in the U.S.



Based on 7-day rolling averages.

Covid-19 deaths per day in the U.S.



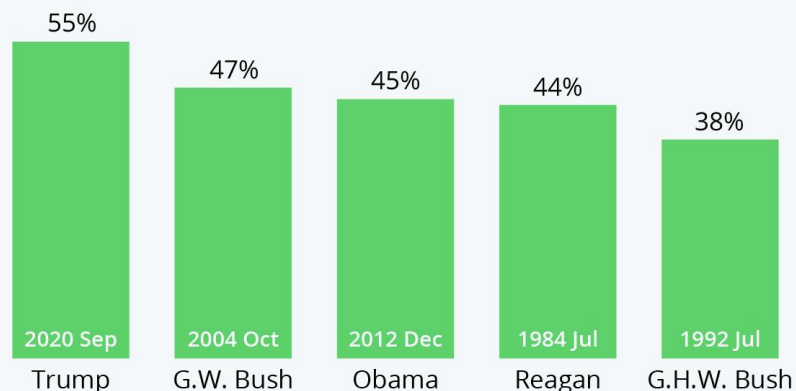
Based on 7-day rolling averages.

The charts below from *statista*, based on data from Gallup, show that 55% of those polled feel they are better off today than four years ago. This favors President Trump. Most Americans, but primarily Democrats polled, state that this election is more important than the one four years ago. This favors former Vice President Biden.

Americans: Better Off Under Trump?



Share of U.S. adults saying they are 'better off' at time of survey than they were four years ago



Full question (varied slightly in 1992): "Would you say you and your family are better off now than you were four years ago, or are you worse off now?"

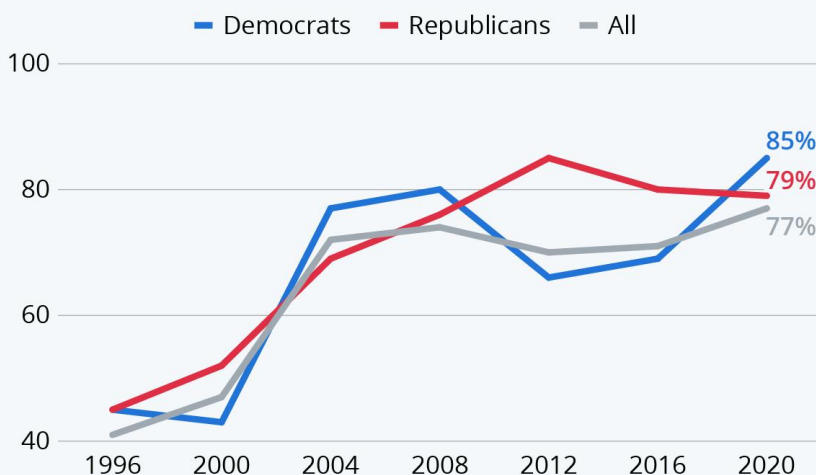
Source: Gallup



statista

2020 Election Matters More Than Previous Years, Voters Say

Percentage of U.S. voters who said each year's presidential election matters more than in previous years



Source: Gallup



2020

statista

Over the last 90 years, the stock market has had a unique ability to predict elections. Looking at monthly and quarterly performance in an election year; the performance of the SPX and the DJIA in the three months prior to each election from 1932 to date has been as good or better at predicting success or failure in keeping control of the White House as professional political polls.

In the last column in the table below, we placed an asterisk if the party in power lost the White House in November. It is rather uncanny at how a loss in the SPX or the DJIA or both, in the three months preceding the election has typically predicted a political upset. There have been few exceptions. In 1932, the equity market rallied strongly even though President Hoover, on the cusp of the Great Recession, lost to FDR. The market declined prior to the successful re-election of Dwight David Eisenhower (DDE) in the post-Korean era of 1956. It rallied prior to Nixon's election in 1968 when President Johnson failed to win the Democratic party's nomination. In sum, these election years were unusual.

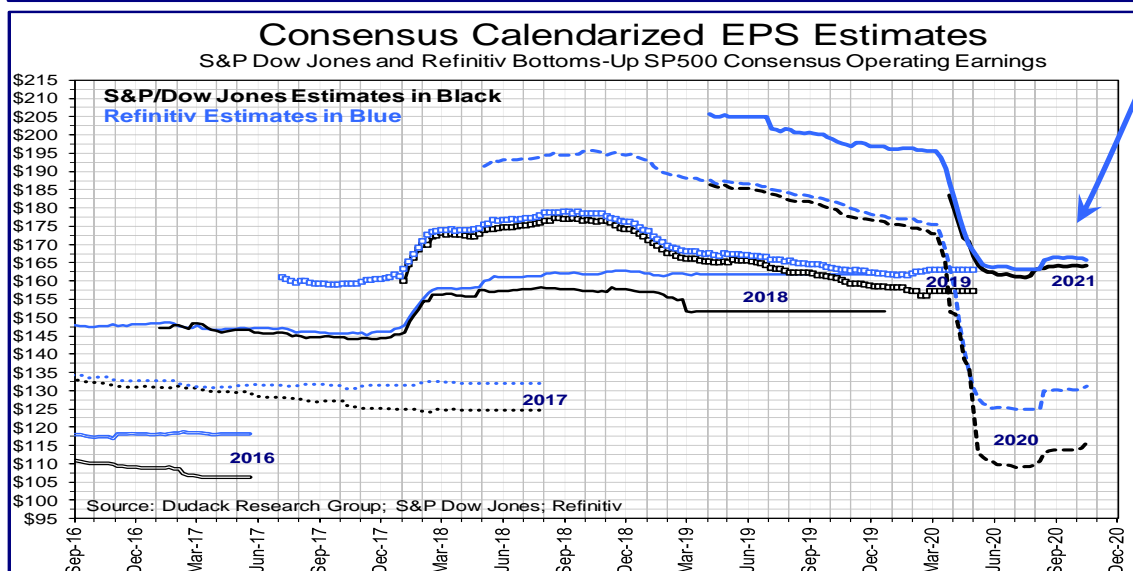
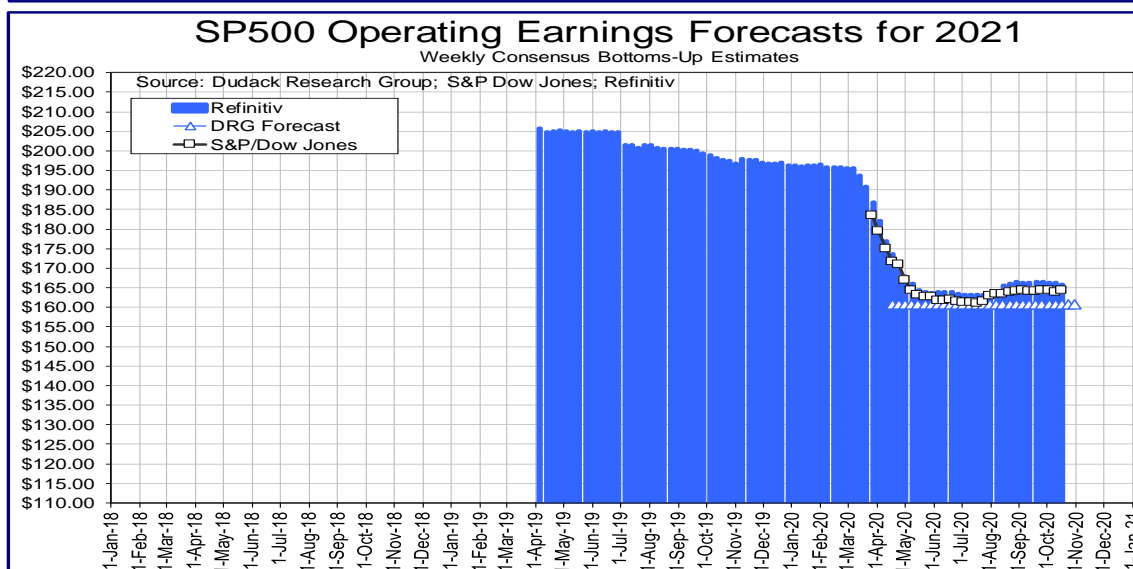
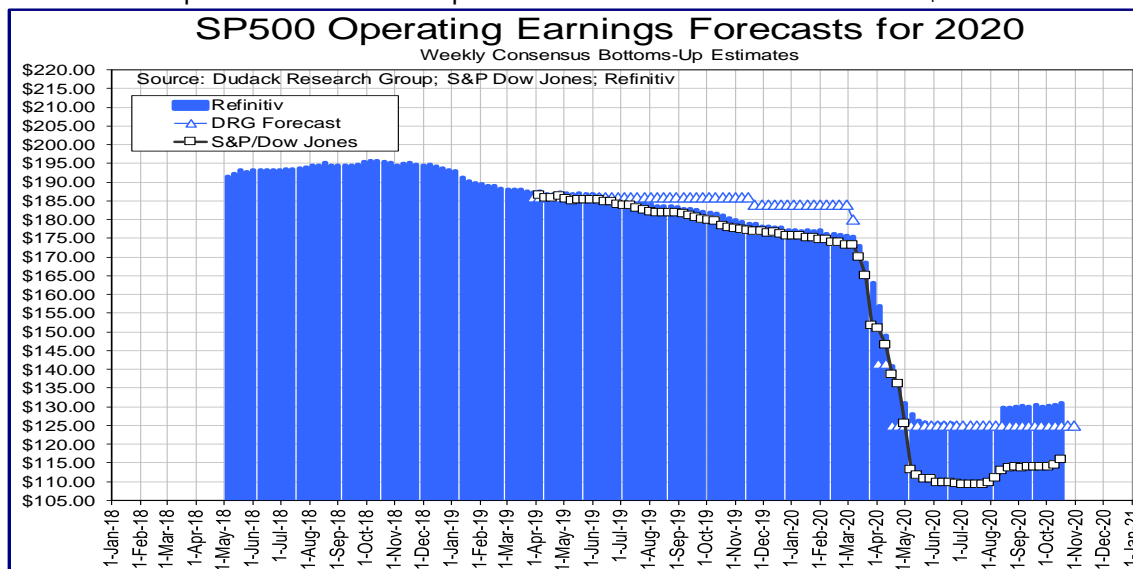
Otherwise, a positive performance from the end of July to the end of October has predicted the party in power would retain the White House. Conversely, a decline in either the SPX or the DJIA or both, was a sign of potential party upset. From this simple perspective, despite the double-digit Biden lead seen in most of the political polls, to date, President Trump appears to be on the cusp of a second term.

Equity Performance Three Months Prior to Election

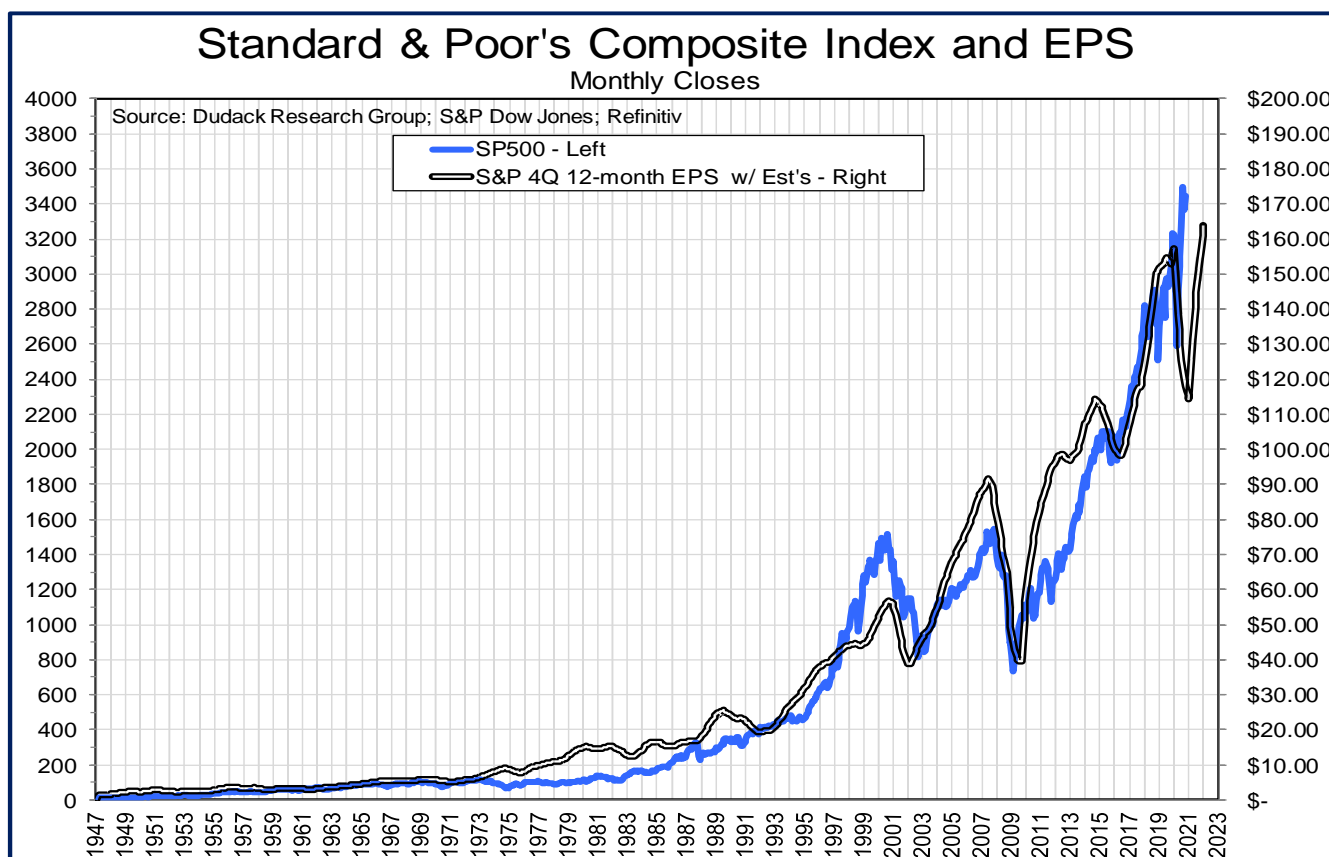
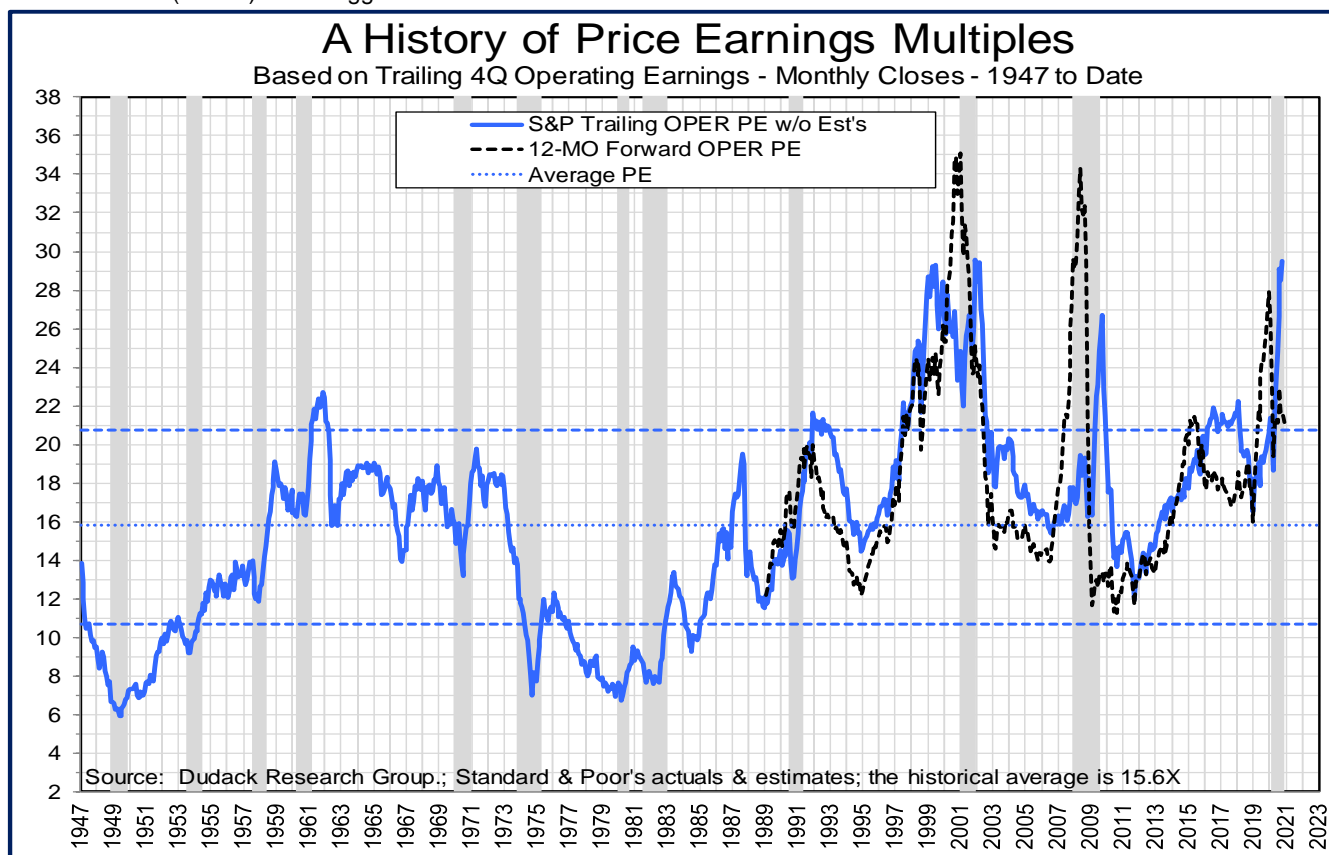
Election Year	Election Winner	SPX	DJIA	Party Upset
1932	FDR	14.1%	14.1%	*
1936	FDR	8.6%	7.5%	
1940	FDR	7.7%	6.7%	
1944	FDR	0.6%	0.3%	
1948	Truman	4.4%	4.0%	
1952	DDE	-3.5%	-3.7%	*
1956	DDE	-7.7%	-7.3%	
1960	JFK	-3.8%	-5.9%	*
1964	JFK	2.0%	3.8%	
1968	Nixon	5.8%	7.9%	*
1972	Nixon	3.9%	3.3%	
1976	Carter	-0.5%	-2.0%	*
1980	Reagan	4.8%	-1.2%	*
1984	Reagan	10.2%	8.3%	
1988	GHW Bush	2.6%	0.9%	
1992	Clinton	-1.3%	-4.9%	*
1996	Clinton	10.2%	9.1%	
2000	GW Bush	-0.1%	4.3%	*
2004	GW Bush	2.6%	-1.1%	
2008	Obama	-23.6%	-18.0%	*
2012	Obama	2.4%	0.7%	
2016	Trump	-2.2%	-1.6%	*
2020	?	5.3%	7.1%	

Source: Refinitive; Dudack Research Group

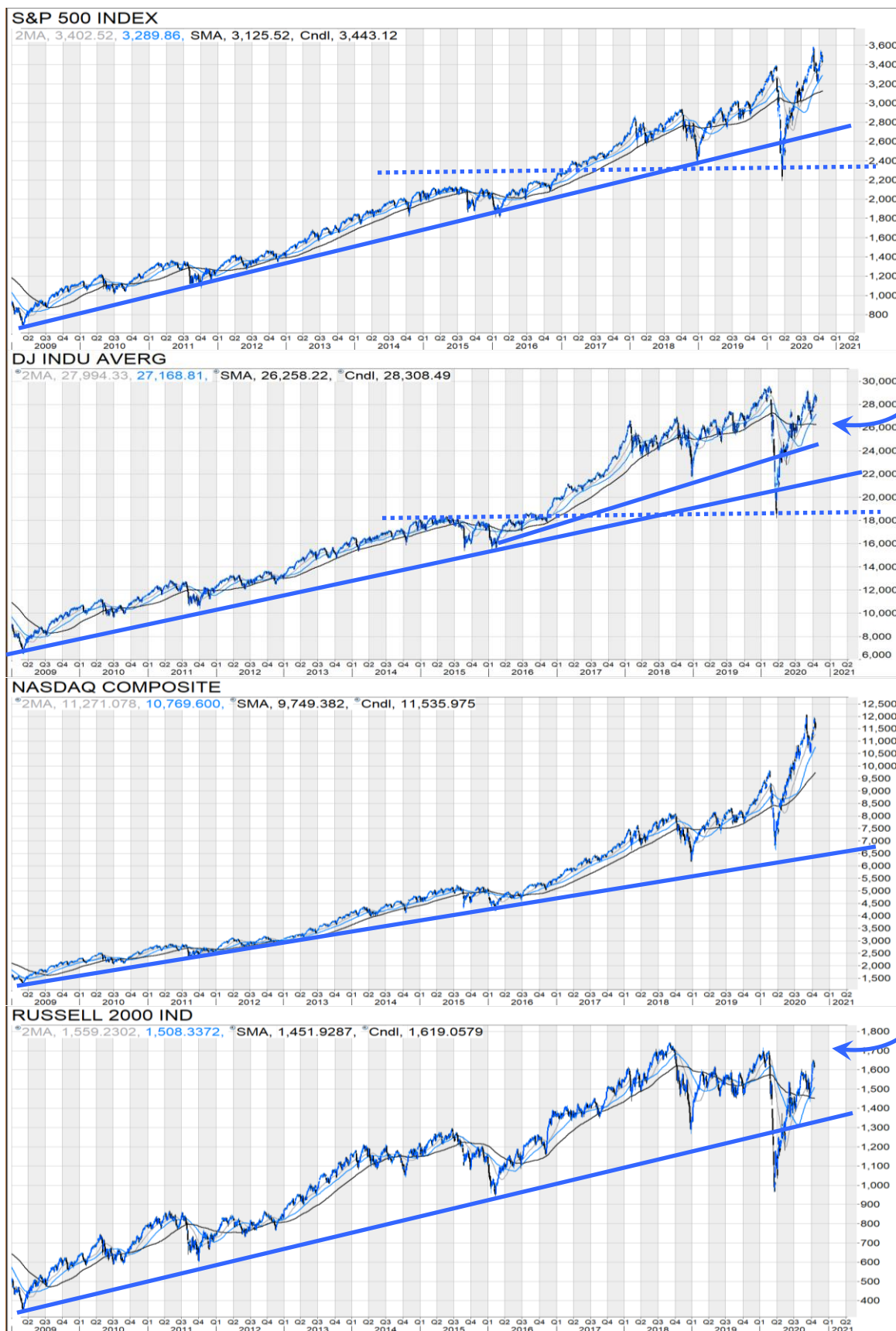
In the week ended Friday, consensus estimates for 2020 rose \$0.69 for Refinitiv/IBES and \$1.46 for S&P Dow Jones; however, 2021 estimates fell \$0.39 for Refinitiv/IBES (\$165.83) and rose \$0.29 for S&P Dow Jones estimate (\$164.22). This displays a fear that corporate tax hikes will impeded 2021 EPS. Our 2021 estimate of \$160.60 is conservative.



The 12-month forward PE ratio for the SPX fell to 21.7 X and the trailing operating PE ratio was 29.5 X as first half EPS and falling stock prices impact PE ratios. The trailing PE multiple is now higher than the trailing multiple seen in June 1999 (29.3 X) but lower than the December 2001 PE (29.6 X). This suggests caution is warranted.



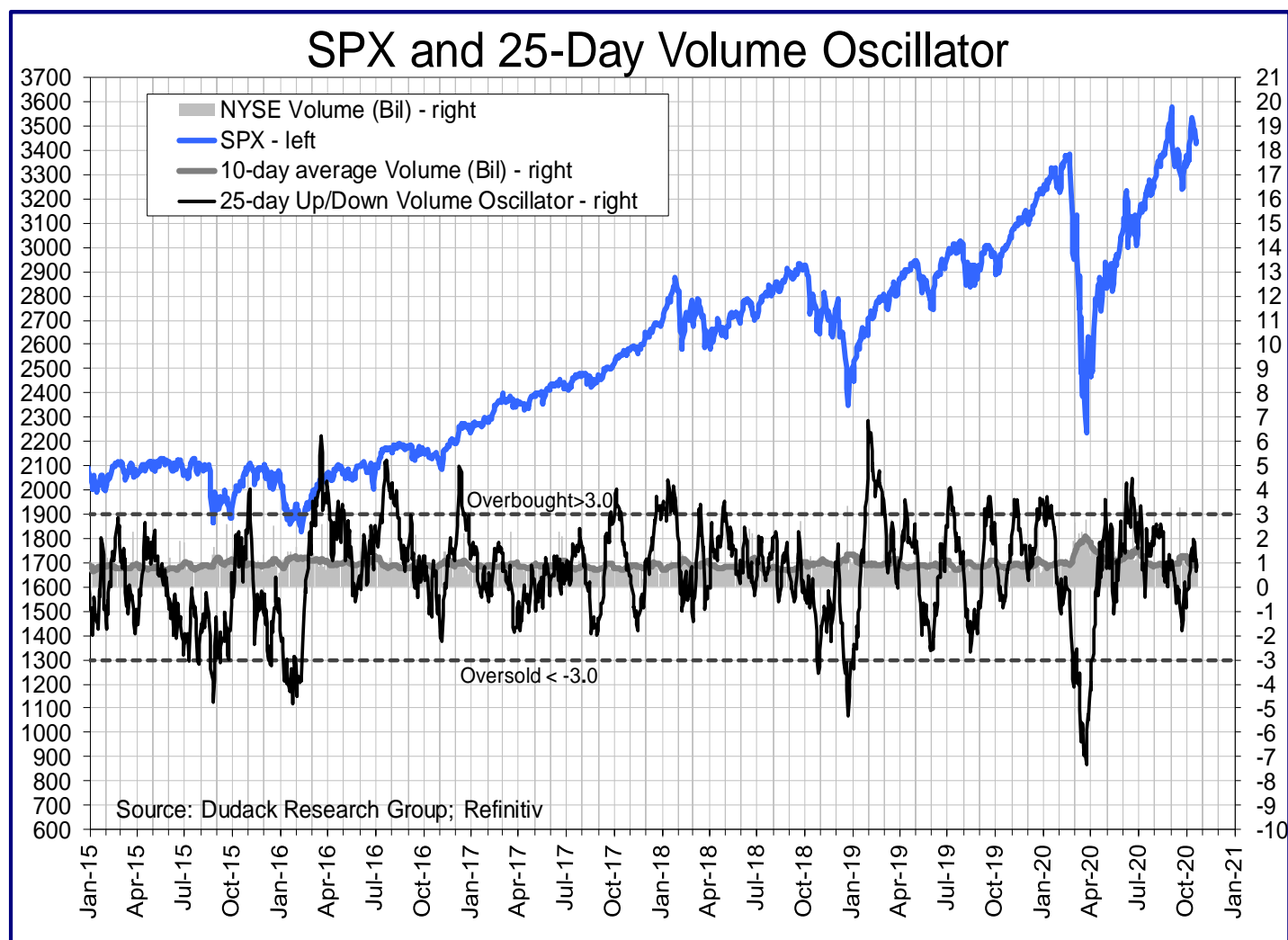
The popular indices tested their 100-day moving average lines and rebounded strongly from these support levels. The DJIA and RUT rallied off the convergence of the 100-day and 200-day moving averages, which was pivotal support. In general, all four charts look positive.



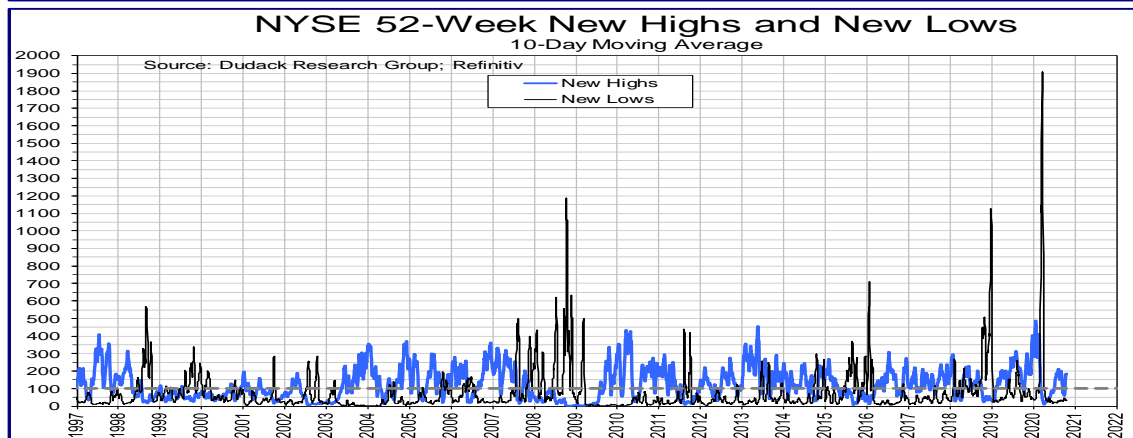
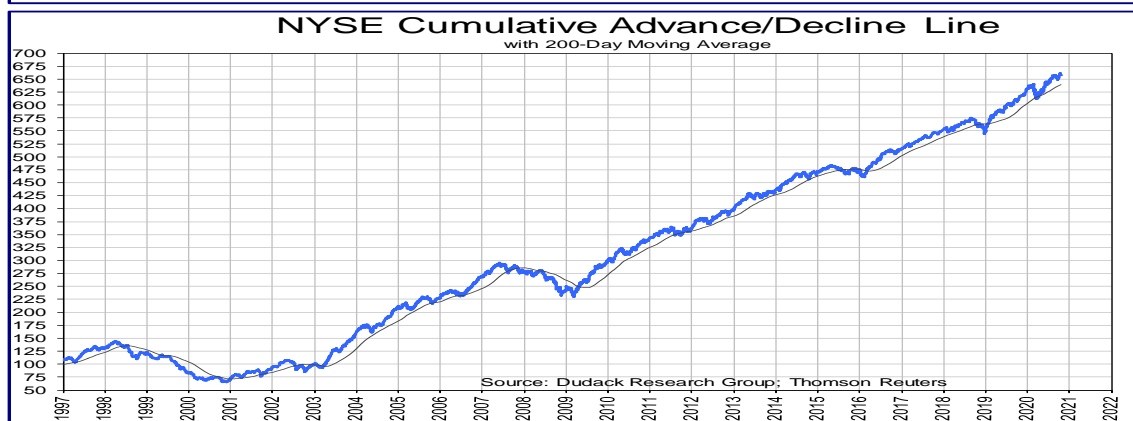
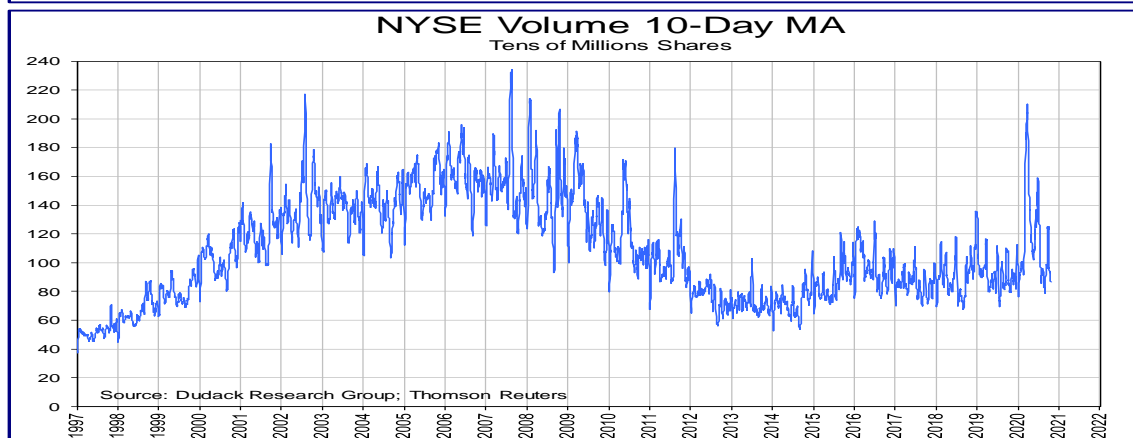
Source: Refinitiv

The 25-day up/down volume oscillator is currently 1.15 (preliminary) and neutral after recently reaching its highest level since August 2020. On September 23, the oscillator hit negative 1.78, its lowest level since April 8, 2020 when the market was recovering from a significant 33% decline in the SPX. And as seen in the chart below, corrections within a longer bull market cycle rarely reach a fully oversold reading of negative 3.0 or less, but rather reverses as this indicator approaches oversold territory. To date, the market indices are rebounding well, this indicator is also rebounding before reaching an oversold reading and both are moving higher. This is favorable.

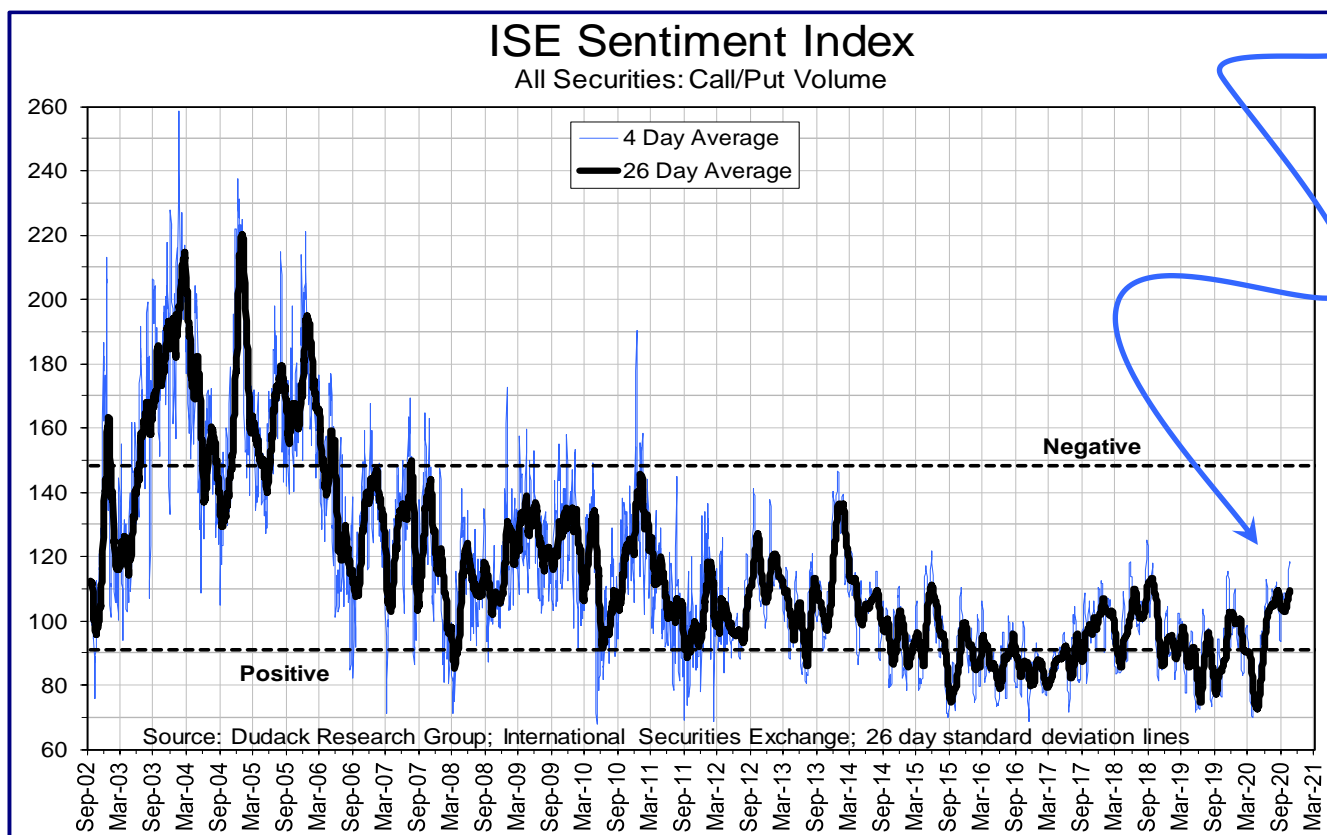
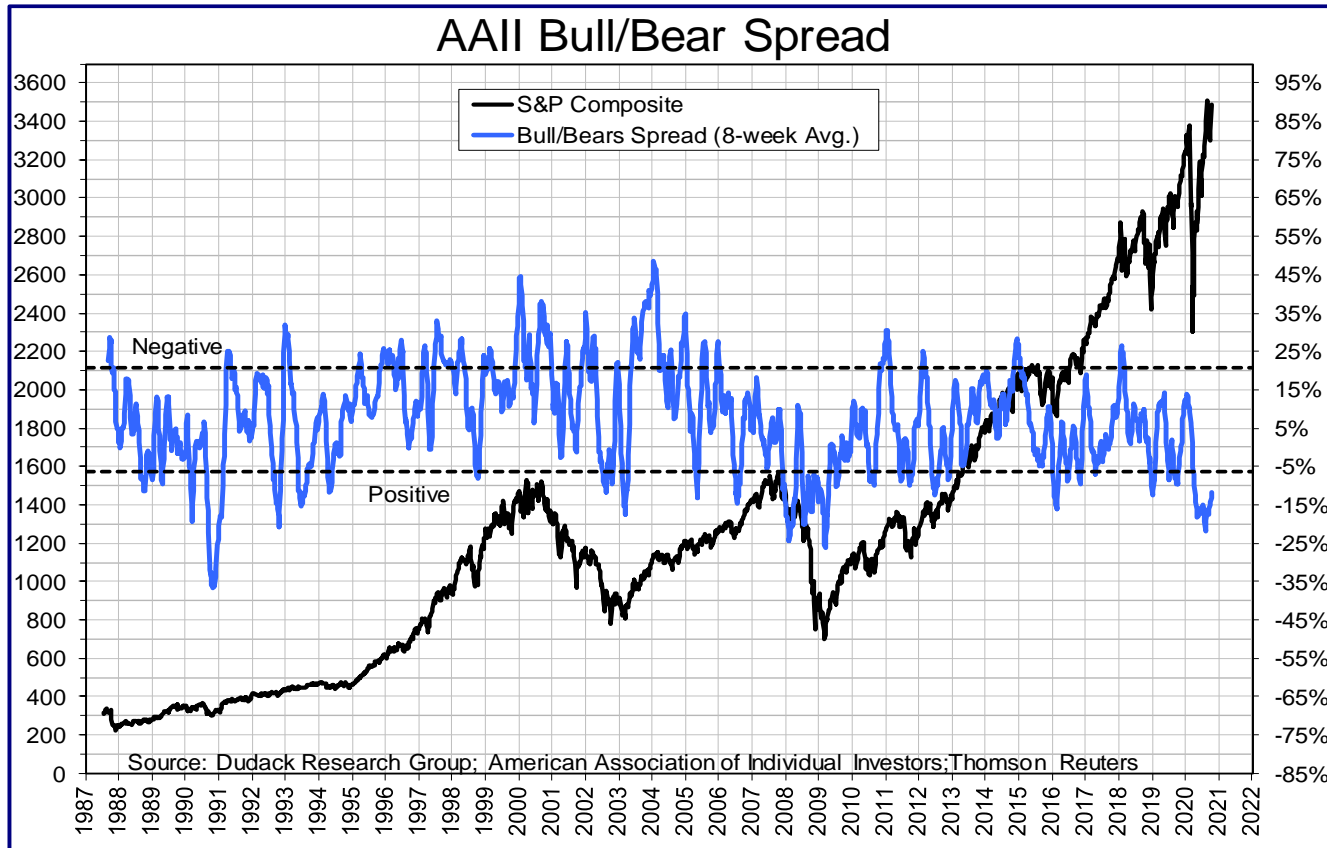
Note however, that the absence of an overbought reading in early September as the SPX and IXIC hit record high prices was a warning sign of a failing rally since it revealed a lack of sustained and solid buying volume. Overall, this indicator is neutral, having not confirmed the September highs and not indicating strong selling pressure on the subsequent sell-off.



The 10-day average of daily new highs (174) is back above the 100 that defines a bull market; the 10-day average of daily new lows (30) is below the 100 that defines a bear market. This combination is positive. The A/D line made a new record high on October 12, 2020 as did the DJ Transportation Average.



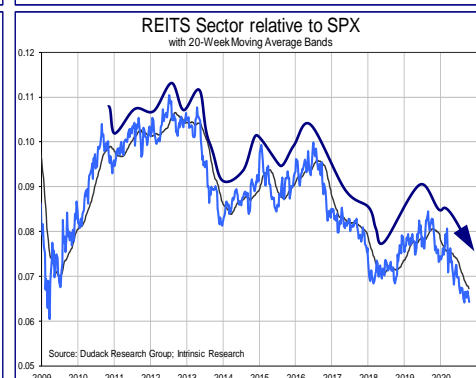
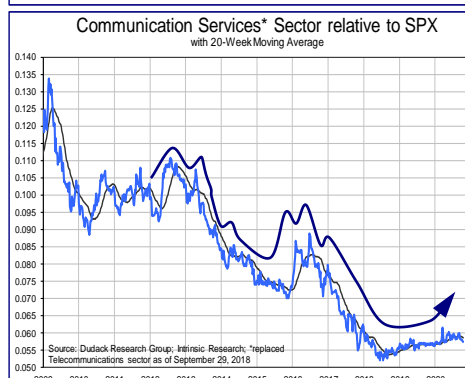
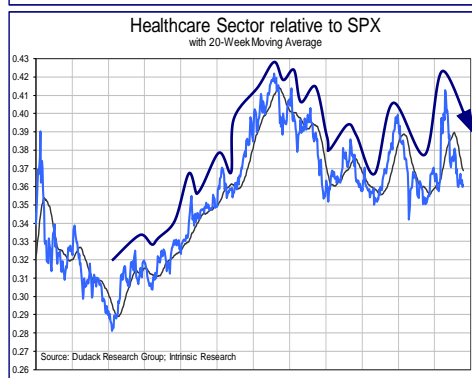
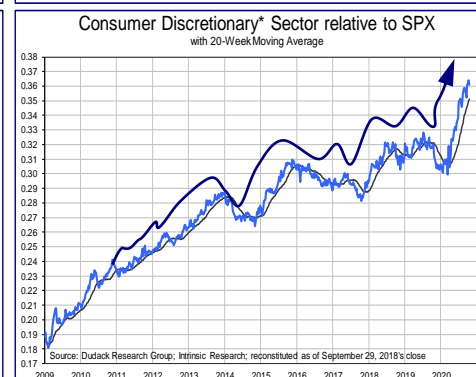
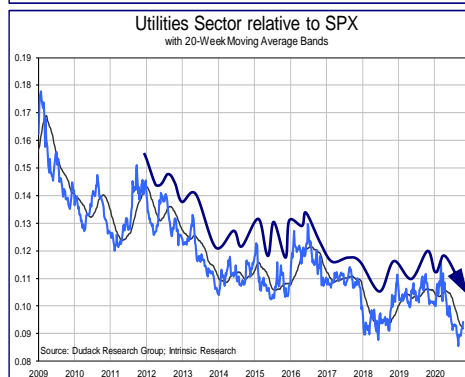
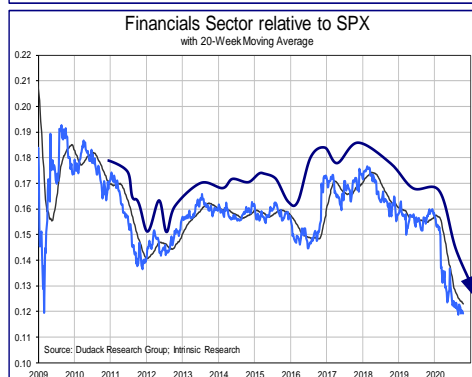
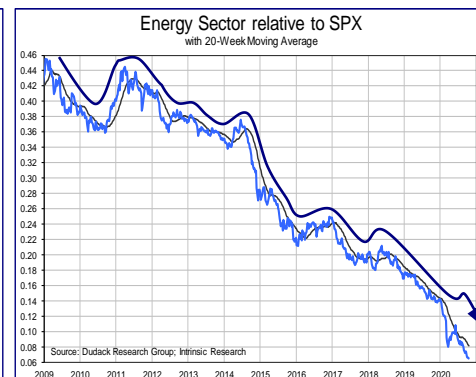
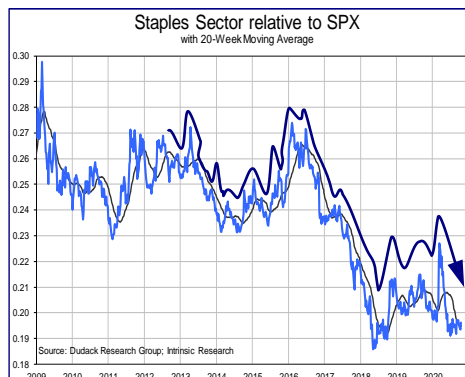
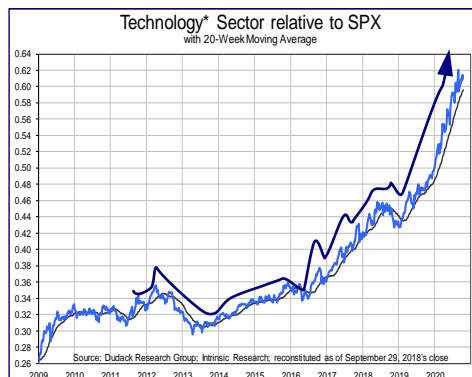
As of October 14, AAll bullish sentiment rose 0.1% to 34.8% and bearish sentiment fell 3.2% to 35.7%. The 8-week spread remains favorable. After 2 months in positive territory, the ISE Sentiment index shifted from positive to neutral on June 1. The ISE all securities reading on April 22 of 72.84 was the lowest on record and reflected great pessimism.



DRG Recommended Sector Weights				
Overweight		Neutral		Underweight
Technology		Staples		Consumer Discretionary
Financials		Utilities		Energy
Healthcare		Communication Services		REITS
Industrials		Materials		

Healthcare upgraded from underweight to overweight; Consumer Discretionary downgraded from overweight to underweight April 14, 2020

SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500



2020 Performance Year-to-Date - Ranked	
SP500 Sector	% Change
S&P INFORMATION TECH	29.8%
S&P CONSUMER DISCRETIONARY	25.5%
S&P COMMUNICATIONS SERVICES	8.2%
S&P MATERIALS	6.6%
S&P 500	6.1%
S&P HEALTH CARE	4.1%
S&P CONSUMER STAPLES	3.9%
S&P INDUSTRIALS	-1.0%
S&P UTILITIES	-1.8%
S&P REITS	-8.4%
S&P FINANCIAL	-20.1%
S&P ENERGY	-50.9%

Source: Dudack Research Group; Refinitiv; Monday closes

GLOBAL MARKETS - RANKED BY YEAR-TO-DATE TRADING PERFORMANCE

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
iShares Silver Trust	SLV	23.92	2.4%	-7.7%	4.3%	38.1%
NASDAQ 100	NDX	11677.84	-3.4%	6.8%	2.3%	33.7%
Technology Select Sector SPDR	XLK	119.31	-2.7%	6.8%	1.2%	30.2%
SPDR S&P Semiconductor ETF	XSD	136.90	-1.1%	13.4%	8.9%	29.3%
Nasdaq Composite Index Tracking Stock	ONEQ.O	447.44	-3.1%	6.9%	3.1%	28.0%
iShares Russell 1000 Growth ETF	IWF	222.25	-3.0%	6.0%	2.5%	26.3%
Gold Future	GCc1	1911.10	0.3%	-2.1%	0.1%	25.8%
SPDR Gold Trust	GLD	179.25	0.9%	-2.2%	1.2%	25.4%
SPDR Homebuilders ETF	XHB	56.54	-1.2%	6.4%	3.4%	24.2%
Consumer Discretionary Select Sector SPDR	XLY	152.18	-2.1%	5.8%	2.2%	21.3%
iShares 20+ Year Treas Bond ETF	TLT	159.25	-1.5%	-2.6%	-2.5%	17.5%
SPDR S&P Retail ETF	XRT	53.79	-1.3%	6.7%	8.3%	16.9%
iShares Nasdaq Biotechnology ETF	IBB.O	136.53	-5.4%	0.2%	0.8%	13.3%
iShares MSCI Taiwan ETF	EWI	46.09	-0.6%	1.7%	2.7%	12.1%
Shanghai Composite	.SSEC	3328.10	-0.9%	-0.3%	1.5%	10.8%
iShares Russell 2000 Growth ETF	IWO	235.48	-2.4%	5.8%	6.3%	9.9%
PowerShares Water Resources Portfolio	PHO	42.42	0.0%	7.8%	6.9%	9.8%
iShares MSCI South Korea Capped ETF	EWY	67.28	-0.2%	1.9%	3.0%	8.2%
iShares Russell 1000 ETF	IWB	192.44	-2.0%	3.8%	2.8%	7.9%
iShares MSCI BRIC ETF	BKF	48.76	0.1%	4.2%	4.9%	7.6%
Materials Select Sector SPDR	XLB	65.65	-0.2%	-0.1%	4.6%	6.9%
SP500	.SPX	3443.12	-2.0%	3.7%	2.4%	6.6%
iShares iBoxx \$ Invest Grade Corp Bond	LQD	134.80	-0.6%	-0.7%	0.1%	5.3%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	0.0%	4.7%
Health Care Select Sect SPDR	XLV	106.35	-1.8%	0.8%	1.2%	4.4%
Silver Future	SLc1	18.54	0.0%	0.0%	0.0%	4.0%
Consumer Staples Select Sector SPDR	XLP	65.24	-1.8%	2.4%	1.2%	3.6%
iShares MSCI Emerg Mkts ETF	EEM	45.93	-0.2%	3.2%	3.2%	2.4%
iShares China Large Cap ETF	FXI	44.28	-0.1%	3.4%	4.2%	1.5%
iShares MSCI Germany ETF	EWG	29.49	-1.3%	-2.6%	0.6%	0.3%
iShares MSCI India ETF	INDA.K	35.04	-0.3%	2.2%	3.5%	-0.3%
iShares MSCI Japan ETF	EWJ	58.98	-0.8%	-0.5%	-0.2%	-0.4%
Industrial Select Sector SPDR	XLI	81.01	0.9%	2.8%	5.6%	-0.6%
SPDR DJIA ETF	DIA	282.95	-1.3%	2.3%	2.0%	-0.8%
DJIA	.DJI	28308.79	-1.3%	2.4%	1.9%	-0.8%
Utilities Select Sector SPDR	XLU	63.84	0.6%	9.1%	6.4%	-1.2%
iShares Russell 2000 ETF	IWM	160.76	-1.2%	4.9%	5.6%	-3.0%
Vanguard FTSE All-World ex-US ETF	VEU	51.73	-0.6%	0.0%	2.5%	-3.8%
iShares MSCI Canada ETF	EWC	28.04	-1.4%	1.2%	2.3%	-6.2%
iShares MSCI Malaysia ETF	EWM	26.65	-0.1%	2.0%	1.8%	-6.5%
iShares MSCI EAFE ETF	EFA	64.82	-0.8%	-0.5%	1.2%	-6.7%
iShares US Telecomm ETF	IYZ	27.33	-2.5%	-1.8%	0.5%	-8.5%
iShares MSCI Australia ETF	EWA	20.56	-1.2%	2.1%	4.3%	-9.2%
iShares MSCI Hong Kong ETF	EWH	21.98	-1.9%	-2.6%	-0.8%	-9.7%
iShares Russell 1000 Value ETF	IWD	122.03	-0.8%	1.4%	3.3%	-10.6%
iShares US Real Estate ETF	IYR	80.94	-2.2%	0.2%	1.4%	-13.0%
iShares Russell 2000 Value ETF	IWN	107.74	0.1%	4.1%	8.5%	-16.2%
Financial Select Sector SPDR	XLF	24.81	-0.8%	0.5%	2.9%	-19.4%
iShares MSCI Singapore ETF	EWS	19.26	-0.9%	2.2%	2.9%	-20.2%
iShares MSCI Mexico Capped ETF	EWX	35.65	1.6%	6.9%	6.9%	-20.8%
iShares MSCI United Kingdom ETF	EWU	25.57	-1.6%	-2.1%	0.3%	-25.0%
iShares MSCI Austria Capped ETF	EWO	15.50	0.8%	1.3%	5.9%	-25.5%
SPDR S&P Bank ETF	KBE	32.76	1.6%	5.5%	10.2%	-30.7%
Oil Future	CLc1	41.51	3.3%	1.0%	7.2%	-32.0%
iShares MSCI Brazil Capped ETF	EWZ	29.38	1.1%	-1.4%	6.2%	-38.1%
Energy Select Sector SPDR	XLE	29.90	-1.6%	-11.0%	3.0%	-50.2%
iShares DJ US Oil Eqty & Services ETF	IEZ	7.45	0.5%	-12.8%	3.3%	-63.4%
United States Oil Fund, LP	USO	29.05	2.1%	0.0%	2.7%	-71.7%

Outperformed SP500
Underperformed SP500

Source: Dudack Research Group; Thomson Reuters

Priced as of close October 20, 2020

Blue shading represents non-US and yellow shading represents commodities

US Asset Allocation

	Benchmark	DRG %	Recommendation
Equities	60%	70%	Overweight
Treasury Bonds	30%	20%	Underweight
Cash	10%	10%	Neutral
	100%	100%	

Source: Dudack Research Group; raised equity and lowered cash 5% on November 9, 2016

DRG Earnings and Economic Forecasts

	S&P 500 Price	S&P Reported EPS	S&P Operating EPS	DRG Operating EPS Forecast	DRG EPS YOY %	Refinitiv Consensus Bottom-Up \$ EPS**	Refinitiv Consensus Bottom-Up EPS YOY %	S&P Op PE Ratio	S&P Divd Yield	GDP Annual Rate	GDP Profits post-tax w/ IVA & CC	YOY %
2003	1111.92	\$48.74	\$54.69	\$54.69	18.8%	\$55.44	18.4%	20.3X	1.6%	1.7%	\$812.60	13.7%
2004	1211.92	\$58.55	\$67.68	\$67.68	23.8%	\$67.10	20.9%	17.9X	1.8%	2.9%	\$977.30	20.3%
2005	1248.29	\$69.93	\$76.45	\$76.45	13.0%	\$76.28	13.7%	16.3X	1.8%	3.8%	\$1,065.30	9.0%
2006	1418.30	\$81.51	\$87.72	\$87.72	14.7%	\$88.18	15.6%	16.2X	1.8%	3.5%	\$1,173.10	10.1%
2007	1468.36	\$66.18	\$82.54	\$82.54	-5.9%	\$85.12	-3.5%	17.8X	1.8%	2.9%	\$1,083.50	-7.6%
2008	903.25	\$14.88	\$49.51	\$49.51	-40.0%	\$65.47	-23.1%	18.2X	2.5%	1.9%	\$976.00	-9.9%
2009	1115.10	\$50.97	\$56.86	\$56.86	14.8%	\$60.80	-7.1%	19.6X	2.6%	-0.1%	\$1,029.70	-9.8%
2010	1257.64	\$77.35	\$83.77	\$83.77	47.3%	\$85.28	40.3%	15.0X	1.9%	-2.5%	\$1,182.60	14.8%
2011	1257.60	\$86.95	\$96.44	\$96.44	15.1%	\$97.82	14.7%	13.0X	2.0%	2.6%	\$1,456.20	23.1%
2012	1426.19	\$86.51	\$96.82	\$96.82	0.4%	\$103.80	6.1%	14.7X	2.1%	1.6%	\$1,528.70	5.0%
2013	1848.36	\$100.20	\$107.30	\$107.30	10.8%	\$109.68	5.7%	17.2X	2.0%	2.2%	\$1,662.50	8.8%
2014	2127.83	\$102.31	\$113.01	\$113.01	5.3%	\$118.78	8.3%	18.8X	2.2%	1.8%	\$1,647.90	-0.9%
2015	2043.94	\$86.53	\$100.45	\$100.45	-11.1%	\$118.20	-0.5%	20.3X	2.1%	2.5%	\$1,712.90	3.9%
2016	2238.83	\$94.55	\$106.26	\$96.82	-3.6%	\$118.10	-0.1%	21.1X	1.9%	3.1%	\$1,664.90	-2.8%
2017	2673.61	\$109.88	\$124.51	\$124.51	28.6%	\$132.00	11.8%	21.5X	1.8%	1.7%	\$1,633.90	-1.9%
2018	2506.85	\$132.39	\$151.60	\$151.60	21.8%	\$161.93	22.7%	16.5X	1.9%	2.3%	\$1,686.50	3.2%
2019	3230.78	\$139.47	\$157.12	\$157.12	3.6%	\$162.93	0.6%	20.6X	2.3%	2.4%	\$1,854.90	10.0%
2020E	~~~~~	\$90.50	\$115.71	\$125.00	-20.4%	\$131.13	-19.5%	29.8X	NA	NA	NA	NA
2021E	~~~~~	\$145.19	\$164.22	\$160.60	28.5%	\$165.83	26.5%	21.0X	NA	NA	NA	NA
2014 1Q	1872.34	\$24.87	\$27.32	\$27.32	6.0%	\$28.18	5.4%	17.2	1.9%	-1.1%	\$1,563.80	-3.6%
2014 2Q	1960.23	\$27.14	\$29.34	\$29.34	11.3%	\$30.07	9.7%	17.5	1.9%	5.5%	\$1,712.40	4.2%
2014 3Q	1972.29	\$27.47	\$29.60	\$29.60	10.0%	\$30.04	8.7%	17.2	2.0%	5.0%	\$1,792.70	8.9%
2014 4Q	2058.90	\$22.83	\$26.75	\$26.75	-5.3%	\$30.54	6.7%	18.2	1.9%	2.3%	\$1,782.70	6.1%
2015 1Q	2108.88	\$21.81	\$25.81	\$25.81	-5.5%	\$28.60	1.5%	18.9	2.0%	3.2%	\$1,713.10	9.5%
2015 2Q	2166.05	\$22.80	\$26.14	\$26.14	-10.9%	\$30.09	0.1%	20.0	2.0%	3.0%	\$1,683.70	-1.7%
2015 3Q	1920.03	\$23.22	\$25.44	\$25.44	-14.1%	\$29.99	-0.2%	18.4	2.2%	1.3%	\$1,673.20	-6.7%
2015 4Q	2043.94	\$18.70	\$23.06	\$23.06	-13.8%	\$29.52	-3.3%	20.3	2.1%	0.1%	\$1,589.70	-10.8%
2016 1Q	2059.74	\$21.72	\$23.97	\$23.97	-7.1%	\$26.96	-5.7%	20.9	2.1%	2.0%	\$1,649.00	-3.7%
2016 2Q	2098.86	\$23.28	\$25.70	\$25.70	-1.7%	\$29.61	-1.6%	21.4	2.1%	1.9%	\$1,624.30	-3.5%
2016 3Q	2168.27	\$25.39	\$28.69	\$28.69	12.8%	\$31.21	4.1%	21.4	2.1%	2.2%	\$1,621.30	-3.1%
2016 4Q	2238.83	\$24.16	\$27.90	\$27.90	21.0%	\$31.30	6.0%	21.1	2.0%	2.0%	\$1,641.00	3.2%
2017 1Q	2362.72	\$27.46	\$28.82	\$28.82	20.2%	\$30.90	14.6%	21.3	2.0%	2.3%	\$1,672.50	1.4%
2017 2Q	2423.41	\$27.01	\$30.51	\$30.51	18.7%	\$32.58	10.0%	20.9	1.9%	2.2%	\$1,693.90	4.3%
2017 3Q	2519.36	\$28.45	\$31.33	\$31.33	9.2%	\$33.45	7.2%	21.2	1.9%	3.2%	\$1,683.70	3.8%
2017 4Q	2673.61	\$26.96	\$33.85	\$33.85	21.3%	\$36.02	15.1%	21.5	1.8%	3.5%	\$1,696.00	3.4%
2018 1Q	2640.87	\$33.02	\$36.54	\$36.54	26.8%	\$38.07	23.2%	20.0	1.9%	2.5%	\$1,844.70	10.3%
2018 2Q	2718.37	\$34.05	\$38.65	\$38.65	26.7%	\$41.00	25.8%	19.4	1.9%	3.5%	\$1,833.80	8.3%
2018 3Q	2913.98	\$36.36	\$41.38	\$41.38	32.1%	\$42.66	27.5%	19.4	1.8%	2.9%	\$1,873.90	11.3%
2018 4Q	2506.85	\$28.96	\$35.03	\$35.03	3.5%	\$41.18	14.3%	16.5	2.1%	1.1%	\$1,867.10	10.1%
2019 1Q	2834.40	\$35.02	\$37.99	\$37.99	4.0%	\$39.15	2.8%	18.5	1.9%	3.1%	\$1,791.40	-2.9%
2019 2Q	2941.76	\$34.93	\$40.14	\$40.14	3.9%	\$41.31	0.8%	19.0	1.9%	2.0%	\$1,857.50	1.3%
2019 3Q	2976.74	\$33.99	\$39.81	\$39.81	-3.8%	\$42.14	-1.2%	19.5	1.9%	2.6%	\$1,963.40	4.8%
2019 4Q	3230.78	\$35.53	\$39.18	\$39.18	11.8%	\$41.98	1.9%	20.6	1.8%	2.4%	\$1,998.90	7.1%
2020 1Q	2584.59	\$11.88	\$19.50	\$19.50	-48.7%	\$33.13	-15.4%	18.6	2.3%	-5.0%	\$1,779.50	-0.7%
2020 2QE	3100.29	\$17.83	\$26.79	\$30.50	-24.0%	\$27.98	-32.3%	24.7	1.9%	-31.4%	\$1,589.40	-14.4%
2020 3QE	3363.00	\$29.26	\$33.37	\$36.00	-9.6%	\$34.02	-19.3%	28.3	1.7%	NA	NA	NA
2020 4QE*	3443.12	\$31.53	\$36.05	\$39.00	-0.5%	\$36.36	-13.4%	29.8	NA	NA	NA	NA
2021 1QE		\$31.86	\$37.14	\$25.35	30.0%	\$37.36	12.8%	25.8	NA	NA	NA	NA
2021 2QE		\$36.23	\$40.15	\$39.65	30.0%	\$40.37	44.3%	23.5	NA	NA	NA	NA
2021 3QE		\$38.11	\$42.27	\$46.08	28.0%	\$42.70	25.5%	22.1	NA	NA	NA	NA
2021 4QE		\$38.98	\$44.66	\$49.52	27.0%	\$44.93	23.6%	21.0	NA	NA	NA	NA

Source: Dudack Research Group; S&P Dow Jones; Refinitiv Consensus estimates; **Refinitiv quarters may not sum to CY

*10/20/2020

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