Dudack Research Group
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December 11, 2019

DJIA: 27881.72
SPX: 3132.52
NASDAQ: 8616.18

US Strategy Weekly
A Notable Time

HISTORIC EVENTS

This week can be marked as historic with Democrats from the House of Representatives, led by House Leader Nancy Pelosi, announcing two articles of impeachment, abuse of power and obstruction of Congress, against President Trump. This was long anticipated. But in an odd act of timing, Leader Pelosi followed one hour later with a press conference indicating the House is likely to pass an amended and long-delayed USMCA trade deal. Earlier this week, THE WASHINGTON POST exposed a confidential trove of government documents showing that, throughout an 18-year campaign, senior US officials failed to tell the truth about the war in Afghanistan, made pronouncements they knew were false and hid evidence from the press and the American public that the war had become unwinnable. In short, Washington DC is all abuzz.

This week will continue to be busy since it includes the December FOMC meeting, a December 12th UK parliamentary vote, the results of which could determine the fate of Brexit, EU monetary policy and the debut press conference of the new head of the European Central Bank, Christine Lagarde. Key economic reports on the CPI, PPI, import and export prices and retail sales will also be released. We do not expect any change to monetary policy in December, so the key report of the week is apt to be November's retail sales report. This release should have preliminary data for Black Friday sales, but it will not include Cyber Monday online sales which are reported to have totaled $9.4 billion, up nearly 19% YOY according to Adobe Analytics. Estimates for Black Friday sales are currently $7.4 billion. All in all, these retail sales numbers point to the start of a healthy holiday selling season and it bodes well for the fourth quarter economy.

EMPLOYMENT IS BETTER THAN EXPECTED

November's payroll numbers also suggest the economy is doing better than many economists have been predicting. Job gains for the month surged to 266,000, their best performance since January, while revisions to the two prior months added 41, 000 more jobs. Although the reversal of October's auto strike losses was expected to add 54,000 jobs to the month, payroll gains still exceeded 200,000 in November. This was an impressive increase since the usual holiday lift in retail payrolls failed to materialize. Employment gains in November were strongest in healthcare and professional and technical services. See page 3.

Our favorite job statistic is measuring year-over-year growth in both employment surveys. The establishment survey had a 1.47% YOY increase in jobs in November, slightly below its long-term average of 1.77%. The household survey had a 1.14% YOY increase in jobs, just under its long-term average of 1.5%. In fact, both surveys have exhibited below average growth for most of 2019, even though the pace of employment gains have been positive and steady. Yet slow and steady is much different from a sharp deceleration in the rate of job growth; deceleration is a typical precursor of a pending recession. But this is not a concern today. In the 12-months ended in November there have been 2.2 million new jobs created and this contributed to a 3.5% unemployment rate which matches September 2019. These are the lowest unemployment rates since the 3.4% reported in June 1969. See page 4.

November's participation rate of 63.2% is only slightly above the September 2015 low of 62.4% and this lackluster performance is due to Baby Boomers leaving the labor force. Baby Boomer retirements mean this ratio is unlikely to improve in the years ahead. Conversely, the employment population ratio was 61% in November and has moved steadily higher since its July 2011 low of 58.2%. This is an indication of a strengthening labor market. The fact that the percentage of people who are not in the labor force but want a job was 4.7% in November, close to previous month's all-time low of 4.6%, is another sign of a strong market. See page 5. Historically, a 3-month average of job gains or losses has had a strong correlation with consumer confidence. In November the 3-month average job gain rose from 189,330 to 205,000; confidence is also rising. This relationship has been stronger than that of the unemployment rate and GDP. See page 6. November's average hourly earnings grew 3.7% YOY, an acceleration over the 3.4% YOY rate seen a year ago. Average weekly earnings rose 3.0% YOY in November which is down from the 3.4% YOY pace seen in November 2018. In sum, November marked a deceleration in the pace of weekly earnings growth, but the rate still well above the 2.2% YOY pace seen between 2011 and 2016. See page 7. Based upon this, it is no surprise that consumer confidence is on the rise.

Trade is Better than Expected

Trade data also points to fourth quarter strength. The trade deficit narrowed from $51.1 billion in September to $47.2 billion in October, the second consecutive monthly decline and the fourth decline in the past five months. On an annualized basis, the trade deficit is running at 4% of GDP versus the 4.25% of GDP recorded in 2018. See page 8. Most of this improvement in the deficit is the result of declining trade with China. The US trade deficit with China is running at 1.6% of GDP this year versus 2.04% in 2018. Some of this falloff with China is becoming a boon for other countries. Trade is expanding with countries in the European Union, Japan and Canada; but Mexico has been the biggest beneficiary of the trade war. Imports from Mexico are up 4.5% and exports have declined 2%, year-to-date. As a result, the trade deficit with Mexico is running at 0.48% of GDP versus the 0.39% seen in 2018. Another factor improving US trade is energy. This can be seen by the fact that in the first 10 months of 2019, the US is experiencing a $7.7 billion surplus with OPEC nations. See pages 9-11.

Technical Indicators Continue to be Strong

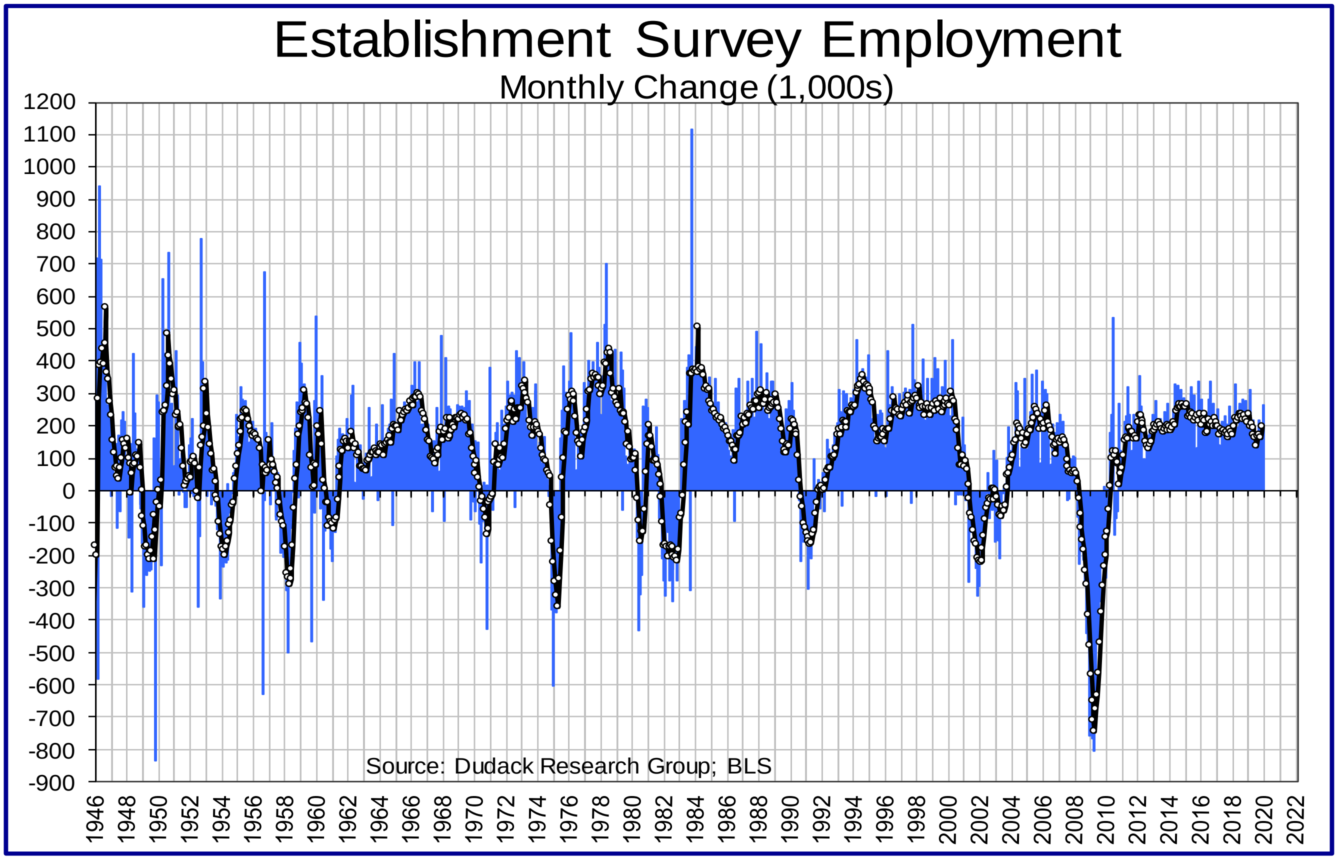
After strong advances from the mid-October lows to December's record highs, the popular indices are consolidating this week. But trends remain favorable and indices are trading above all moving averages. The Russell 2000 index has been our biggest concern in 2019 since it has lagged the larger capitalization indices most of the year. However, the RUT has broken above the 1600 resistance level and it continues to hold above this level which is bullish. See page 13. The 25-day up/down volume oscillator is at 0.83 and is neutral this week. But the last reading in this indicator was a five-day overbought reading, the fifth such reading in 2019, which represents a bullish pattern of solid buying pressure. See page 14. Average daily new highs remain above 100 per day and average daily new lows remain below 100 per day, which is classically bullish. The NYSE cumulative advance decline line made an all-time high on November 27th confirming the new highs in the indices. And last, we are encouraged that sentiment indicators remain in neutral territory even as the market continues to climb to new heights. In short, there are no signs of excessive optimism that tends to mark major bull market peaks.

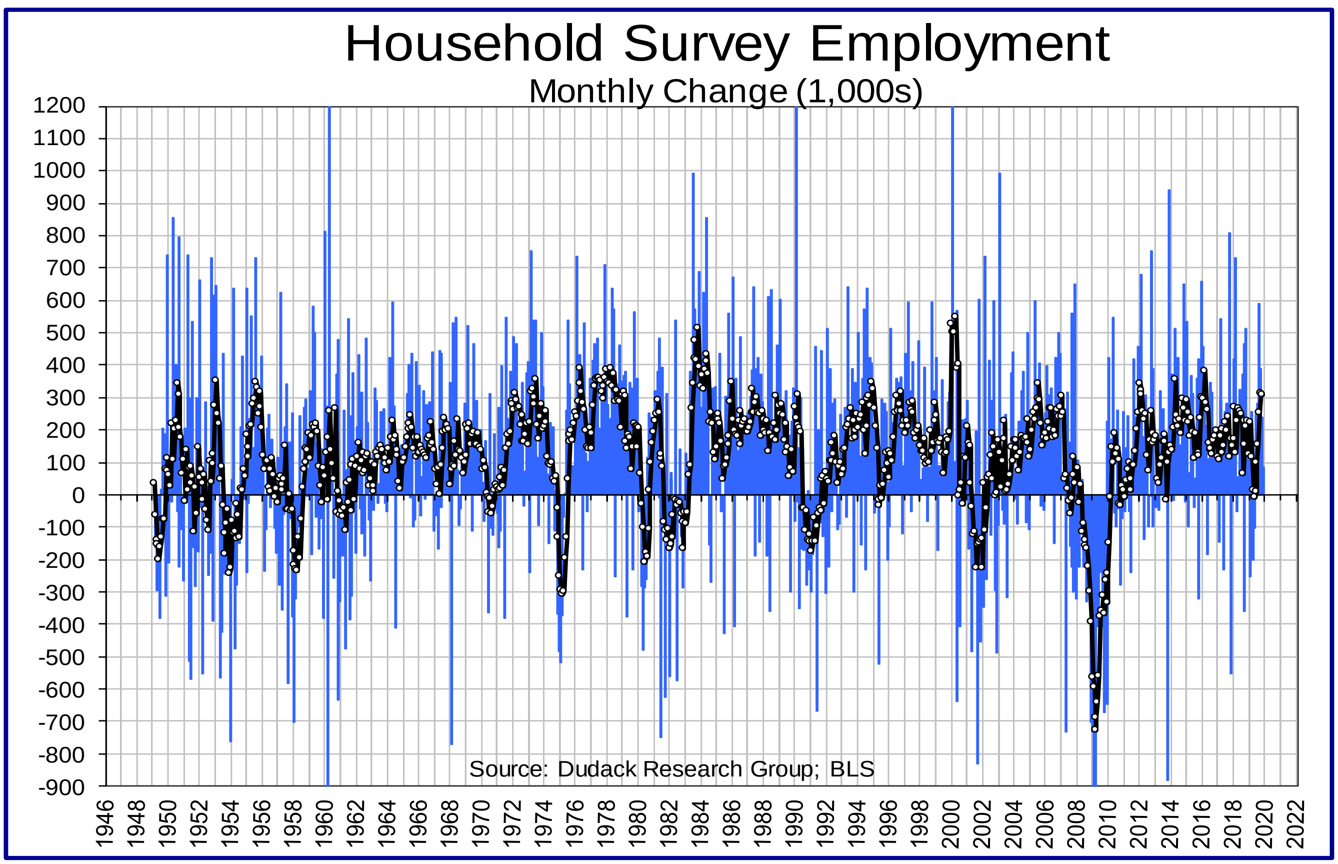
Summary

Economic data including reports on jobs, trade, sentiment, housing, and GDP continue to show a stellar US economy led by a consumer supported by the best job market in years. This bodes well for the fourth quarter economy and for earnings. We continue to believe that our 2020 SPX target of 3300 could prove to be conservative.

Next week we will publish our **Outlook for 2020** on Wednesday December 18th.

November's payroll gain of 266,000 jobs was strikingly strong even after adjusting for the 54,000 job increase attributed to the UAW settlement. Moreover, revisions added 41,000 jobs to the prior two months. The 6-month averages rose to 196,330 in the establishment survey and to 305,830 in the household survey.



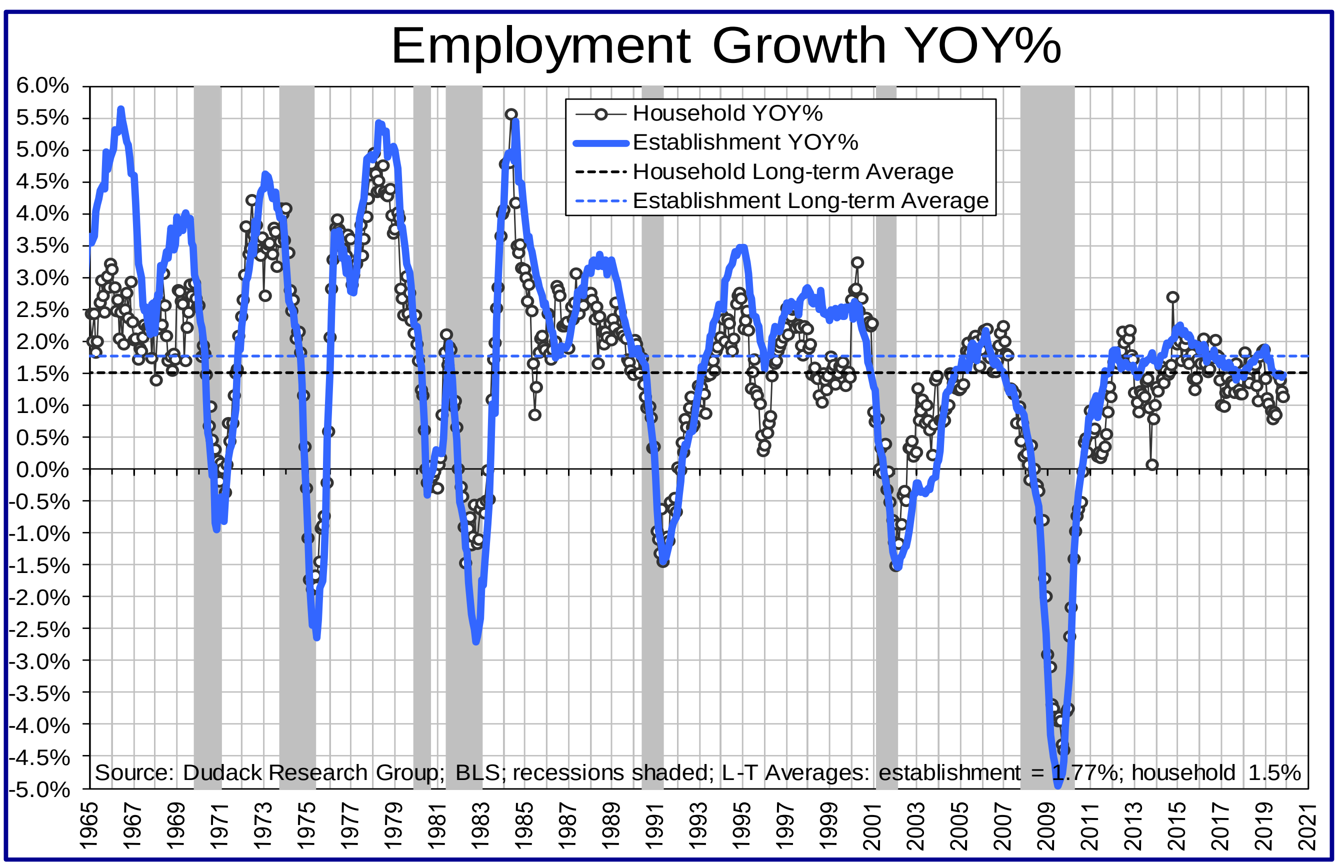


The establishment survey showed a 1.47% YOY increase in jobs in November, which is slightly below its long-term average of 1.77%. The household survey had a 1.14% YOY increase in jobs which was also under its long-term average of 1.5%. Both surveys have displayed below average growth for most of 2019, nevertheless, the paces have been positive and steady. Note in the chart below that a sharp deceleration in the rate of job growth is usually a precursor of a pending recession. In sum, a slow and steady pace is favorable.

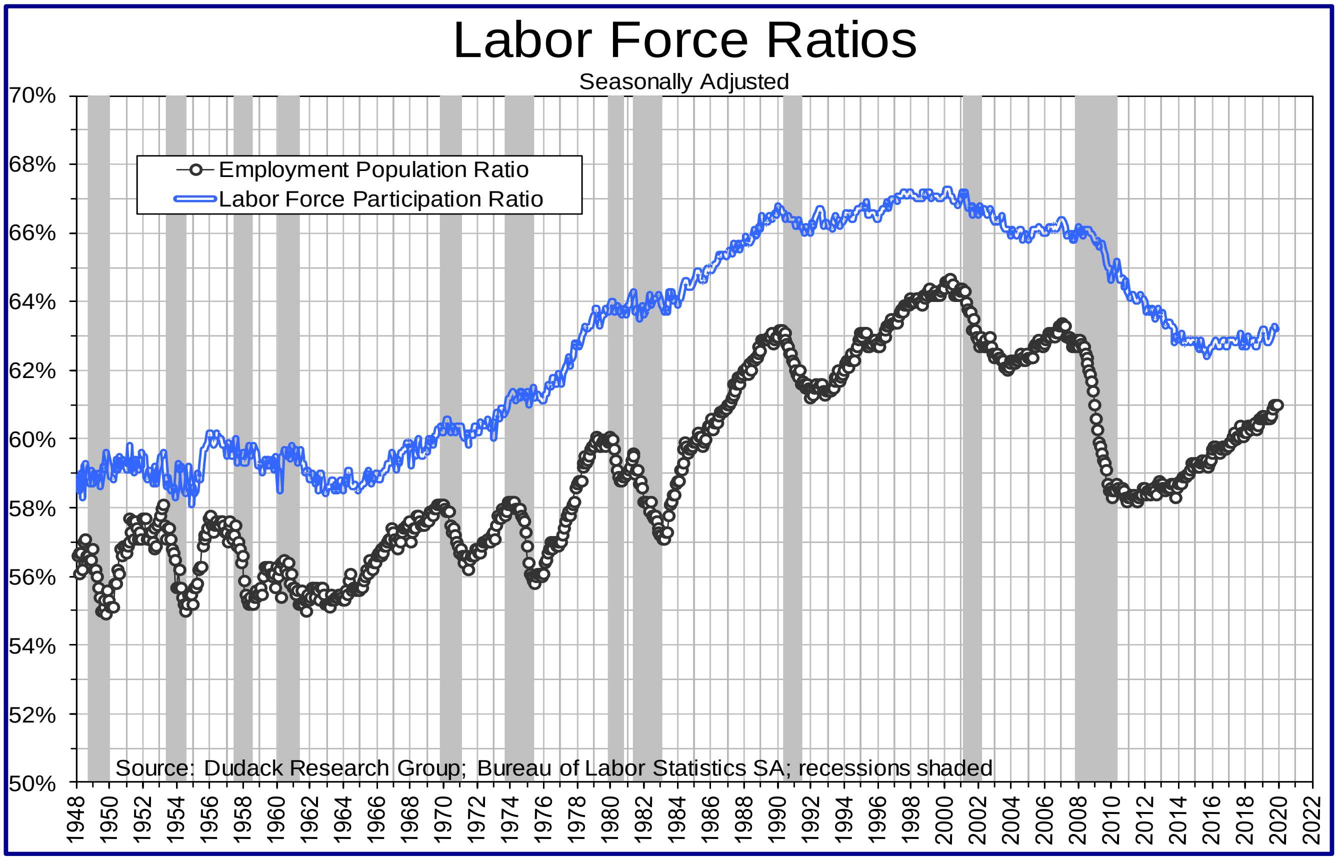
There have been 2.2 million new jobs created in the 12-months ended in November and this has contributed to the unemployment rate falling to 3.5%, matching the September 2019 level and the lowest since the June 1969 reading of 3.4%.

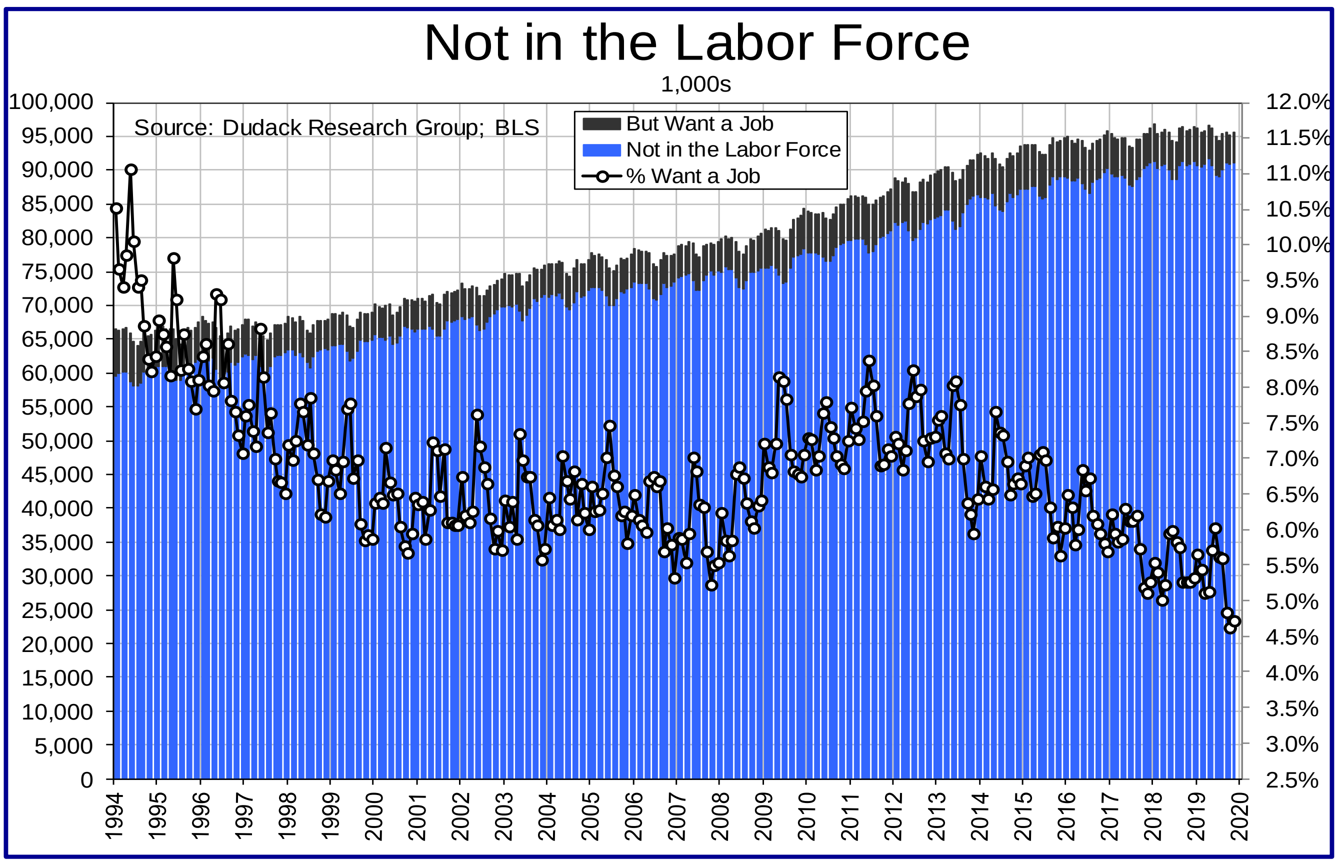
Employment Surveys (1,000s SA)	Nov-19	Oct-19	Change	Nov-18	Yr/Yr
Establishment Survey: NonFarm Payrolls	152,252	151,986	266	150,048	2,204
Household Survey Data (1,000s)					
Employed (A)	158,593	158,510	83	156,803	1,790
Unemployed (B)	5,811	5,855	(44)	6,018	(207)
Civilian labor force [A+B]	164,404	164,365	39	162,821	1,583
Unemployment rate [B/(A+B)]	3.5%	3.6%	-0.03%	3.7%	-0.2%
U6 Unemployment rate	8.9%	7.9%	1.0%	7.6%	1.3%
Civilian noninstitutional population (C)	260,020	259,845	175	258,708	1,312
Participation rate [(A+B)/C]	63.2	63.3	-0.1	62.9	0.3
Employment-population ratio [A/C]	61.0	61	0	60.6	0.4
Not in labor force	95,616	95,481	135	95,886	-270

Source: Bureau of Labor Statistics

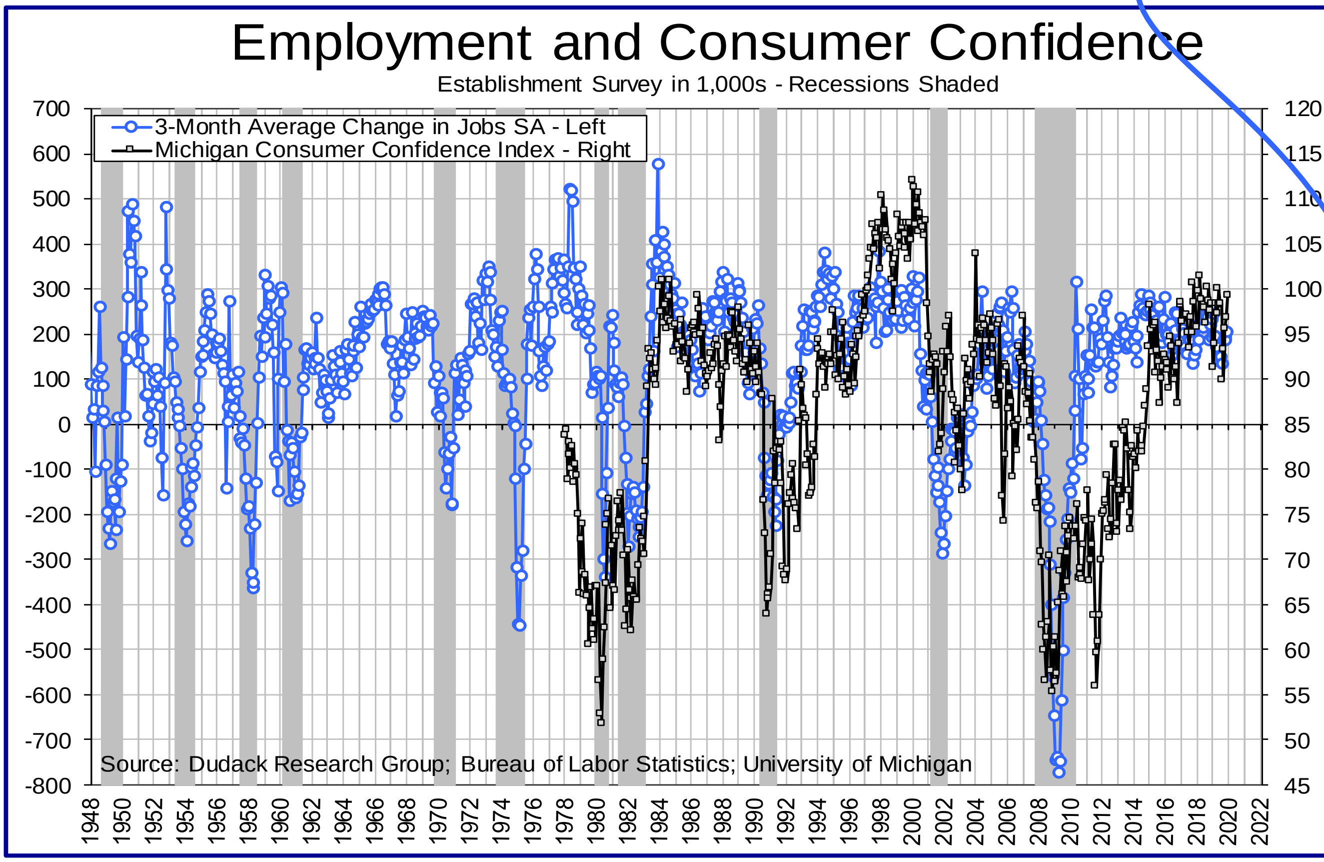


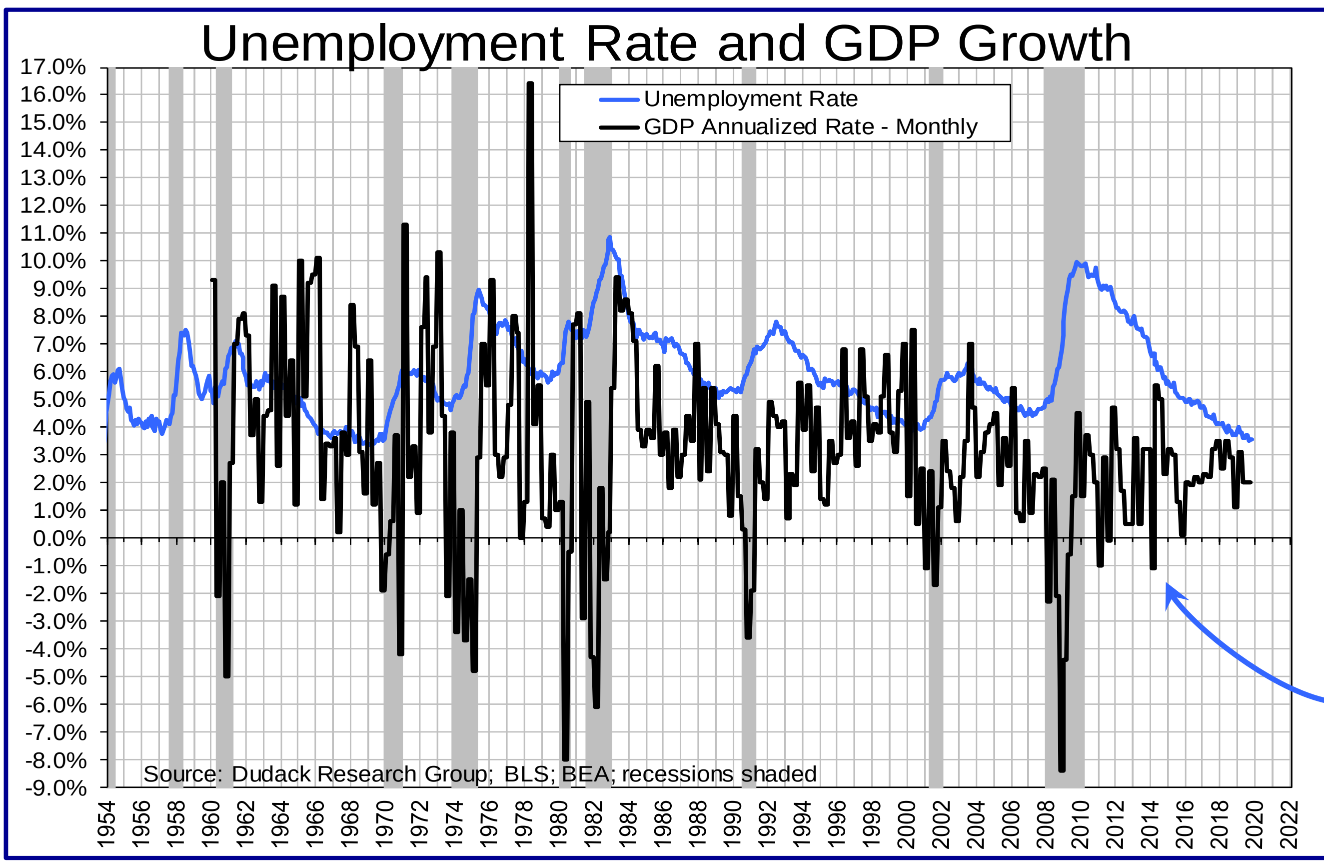
The employment population ratio has moved steadily higher since the July 2011 low of 58.2%. It was 61% in November. November's participation rate of 63.2% was only slightly above September 2015 low of 62.4%. However, the percentage of people not in the labor force but want a job was 4.7% in November, close to previous month's record low of 4.6%.



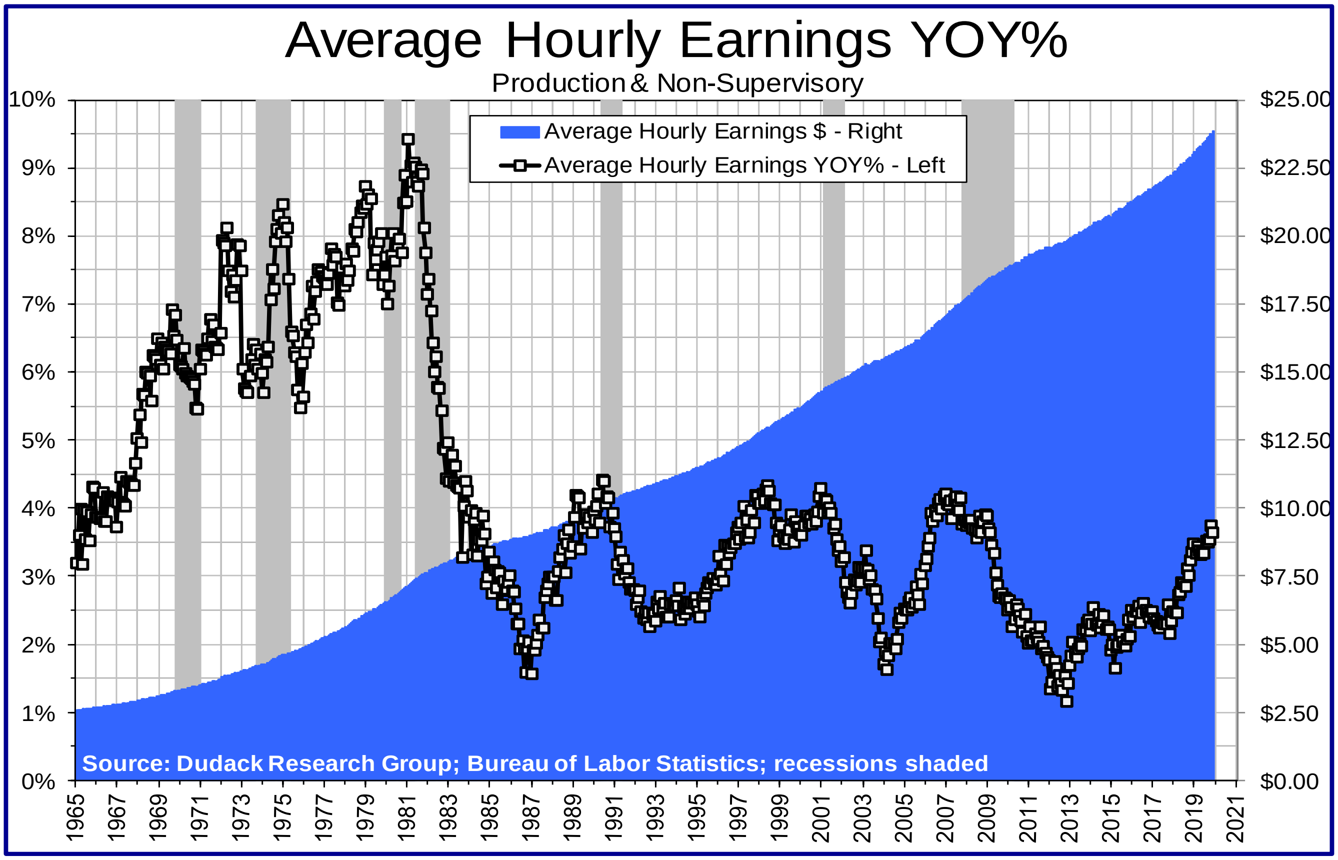


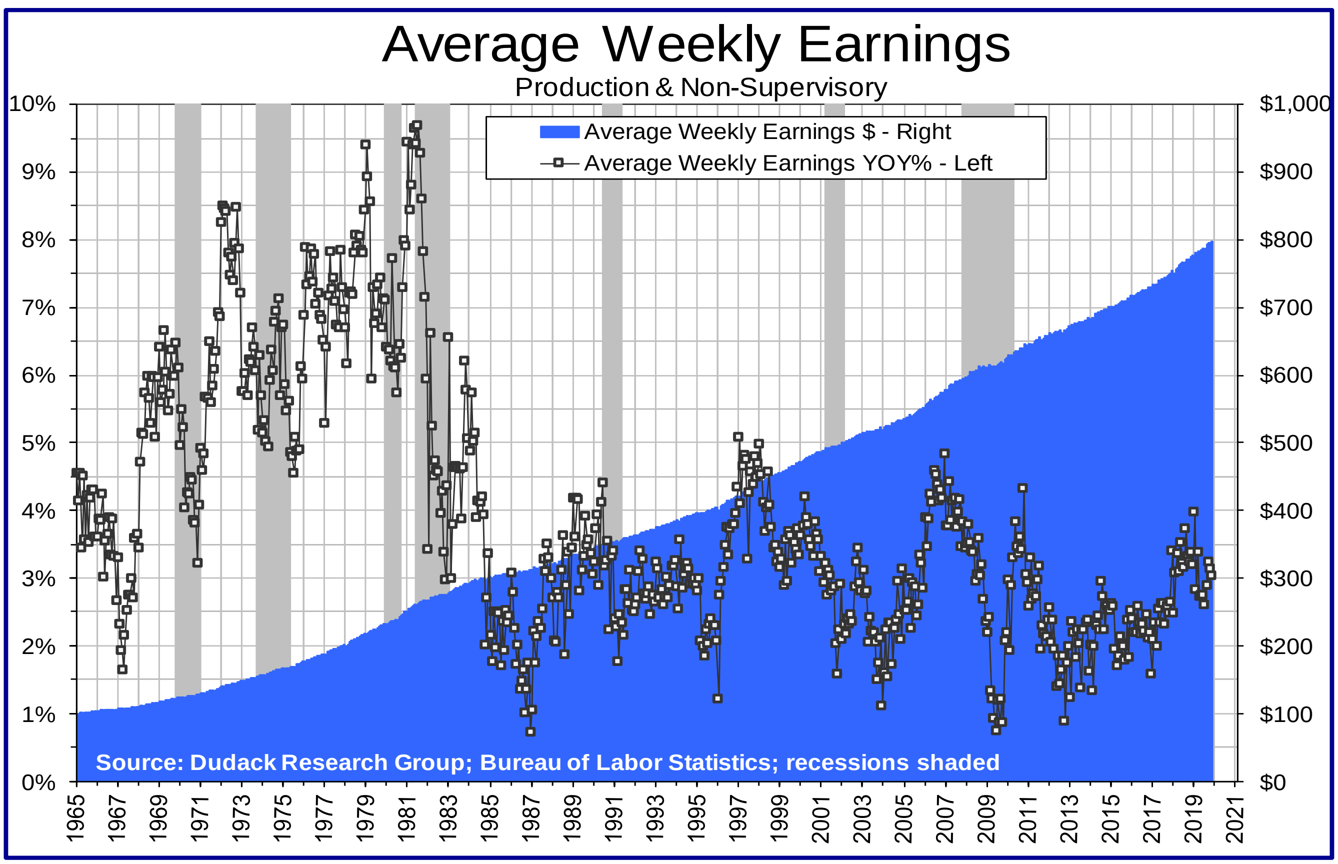
Over time there has been a strong correlation between the average gain or loss in jobs and consumer confidence. It is a far better correlation than that between the unemployment rate and GDP. Note that negative GDP tends to correlate with recessions, but this was not true in 2011 and 2014.



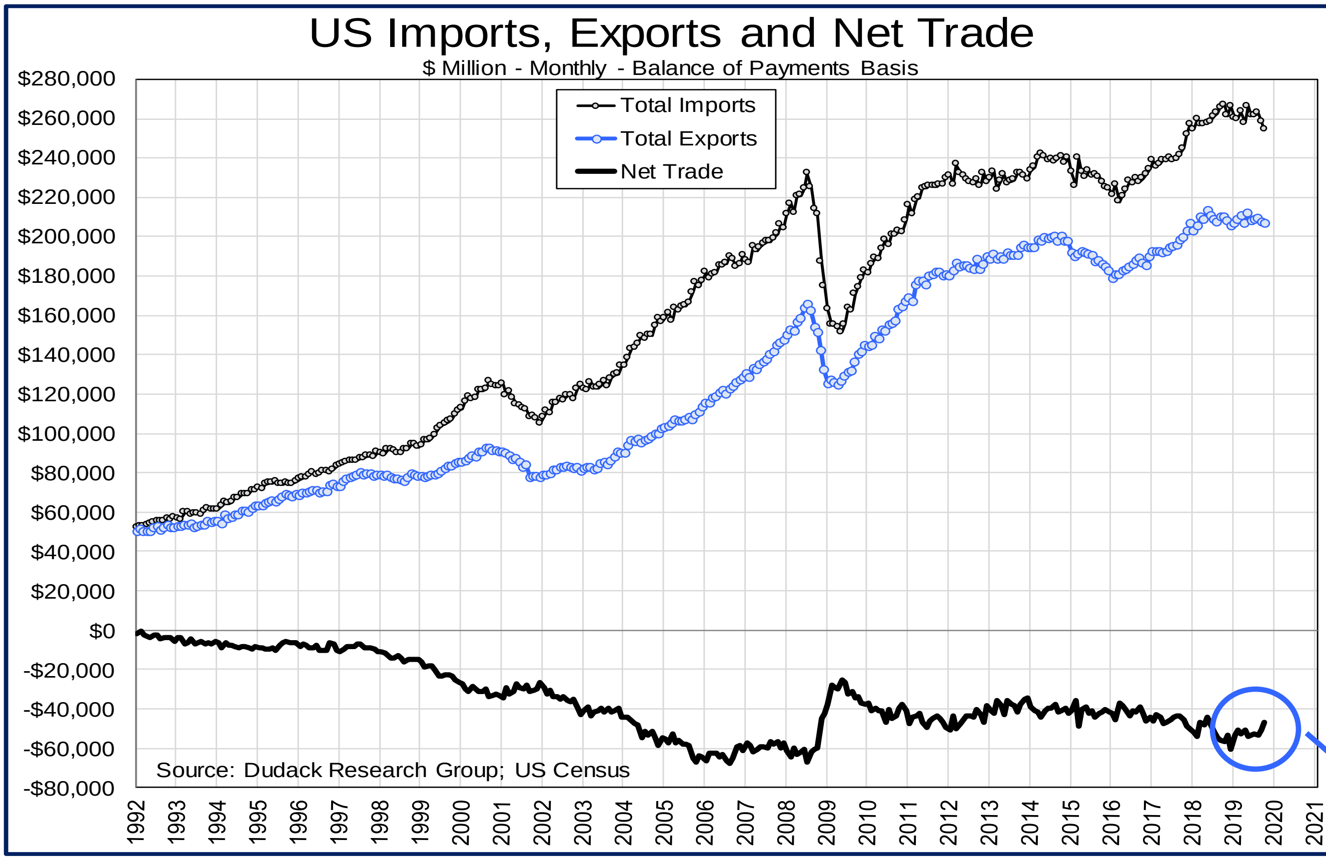


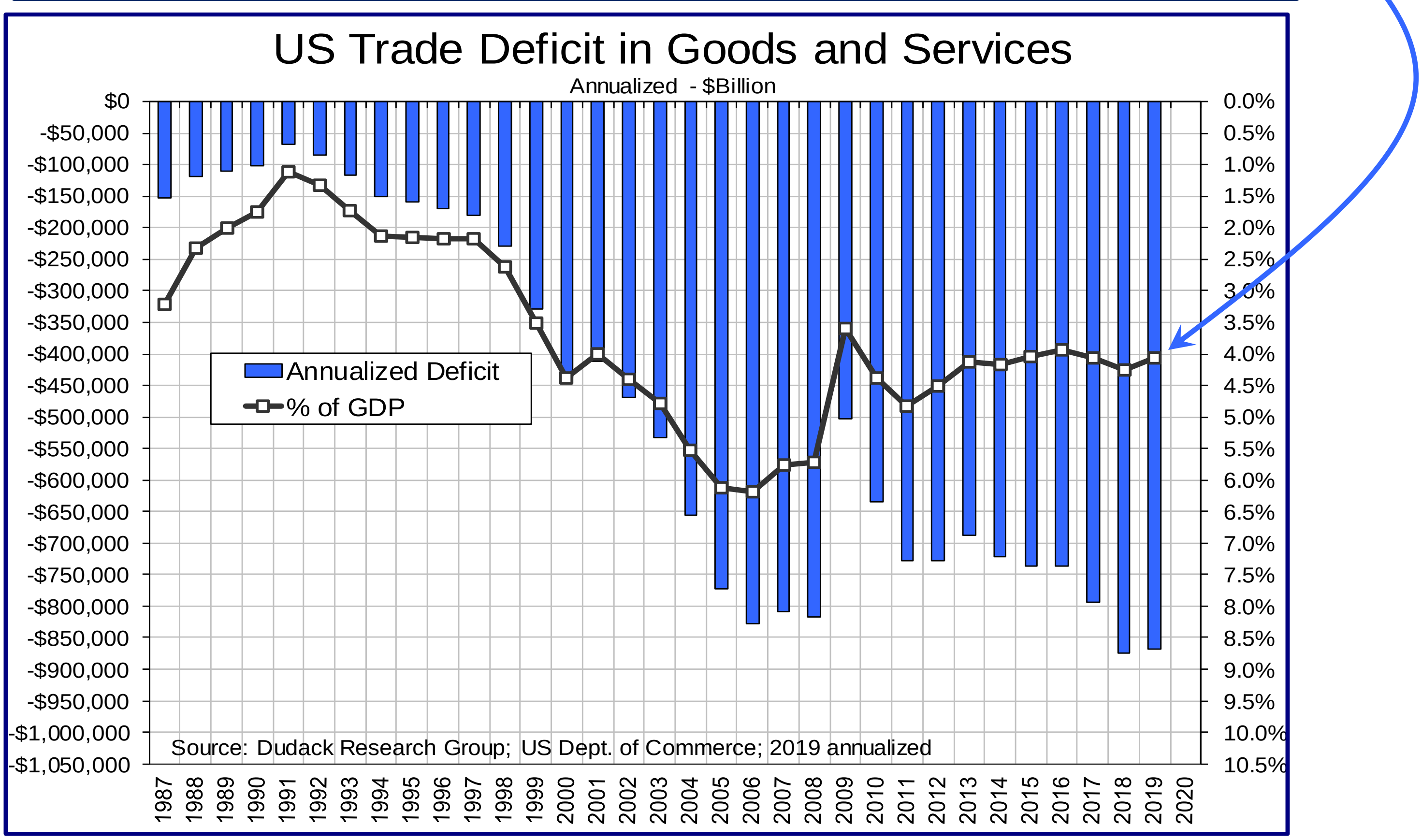
November's average hourly earnings increased to 3.65% YOY versus the 3.37% YOY gain seen November 2018. Average weekly earnings rose 3.0% in November versus the 3.37% YOY seen in November 2018.



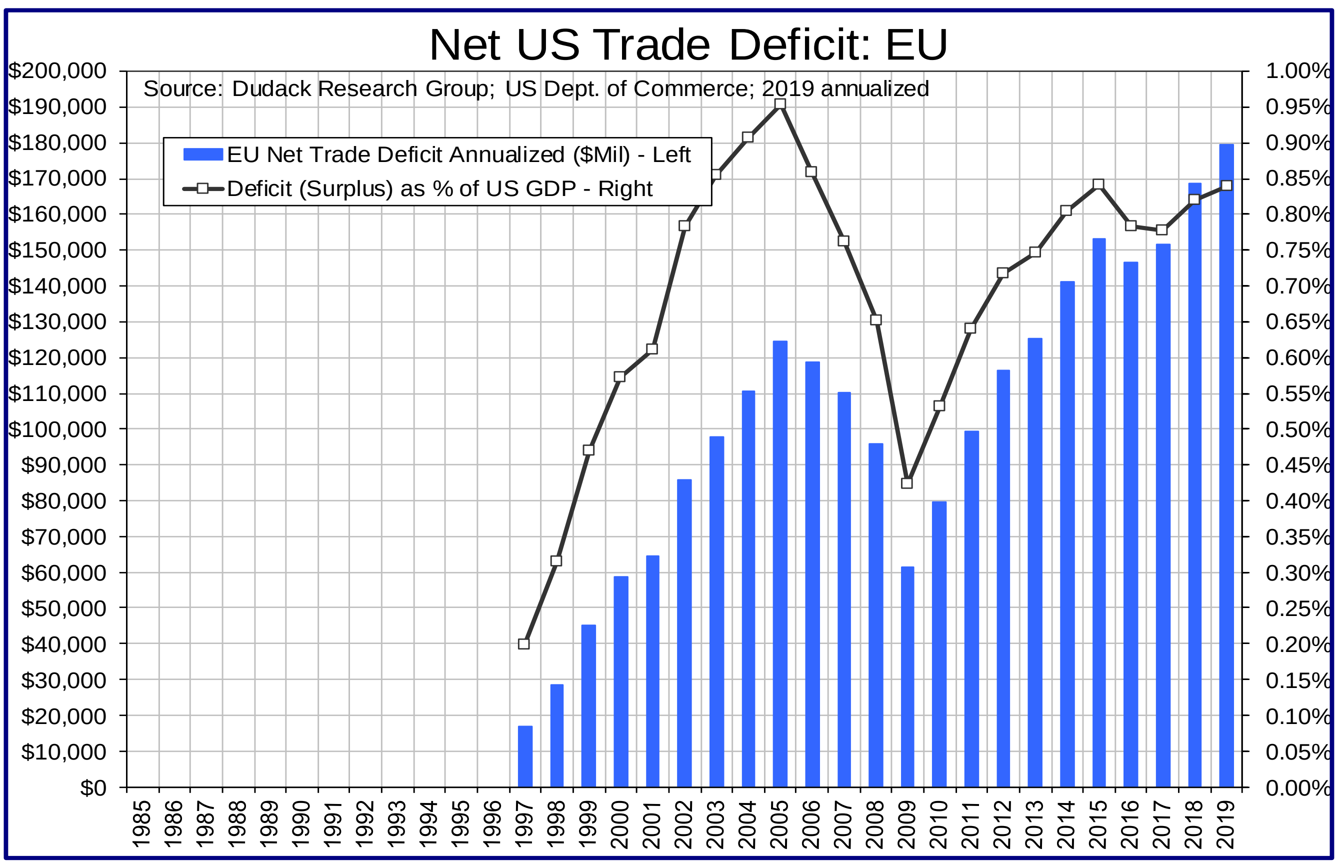


The trade deficit narrowed from $51.1 billion in September to $47.2 billion in October. This was the second consecutive monthly decline and the fourth in the past five months. On an annualized basis, the trade deficit is running at 4% of GDP versus the 4.25% seen in 2018.

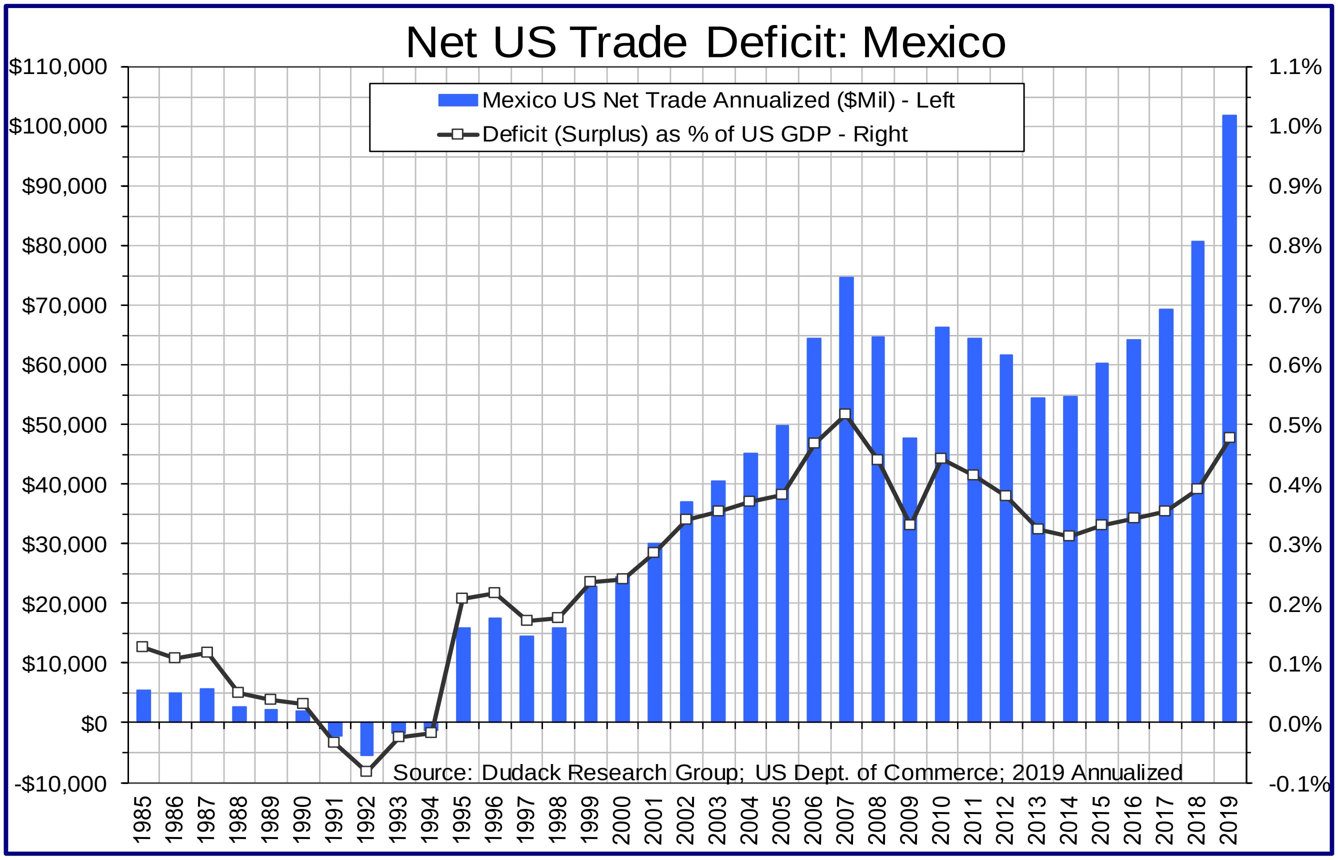


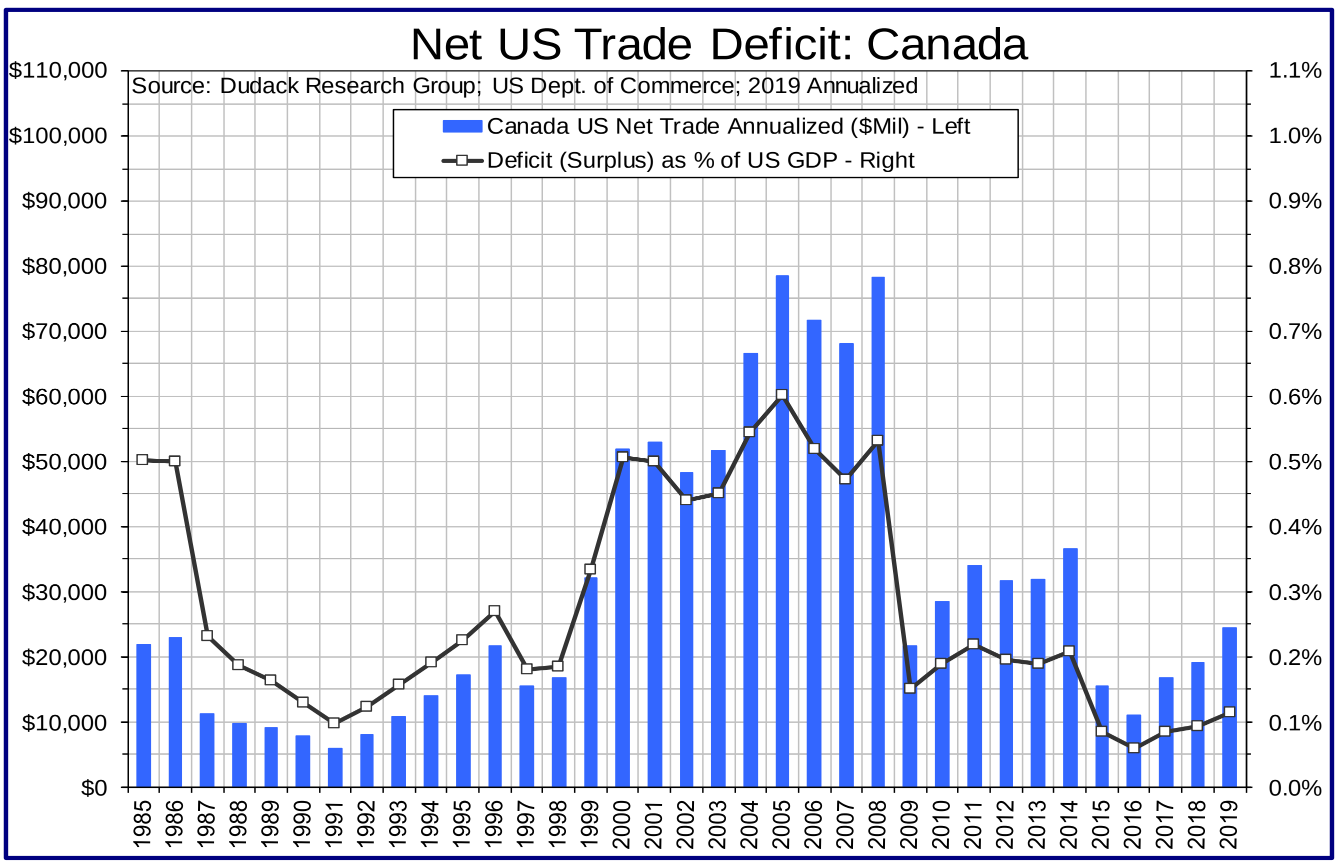


The US trade deficit with China fell to 1.6% of GDP (annualized) this year versus 2.04% last year. Meanwhile, trade is increasing with other countries. For example, The EU's deficit is running at 0.84% versus 0.82% in 2018.

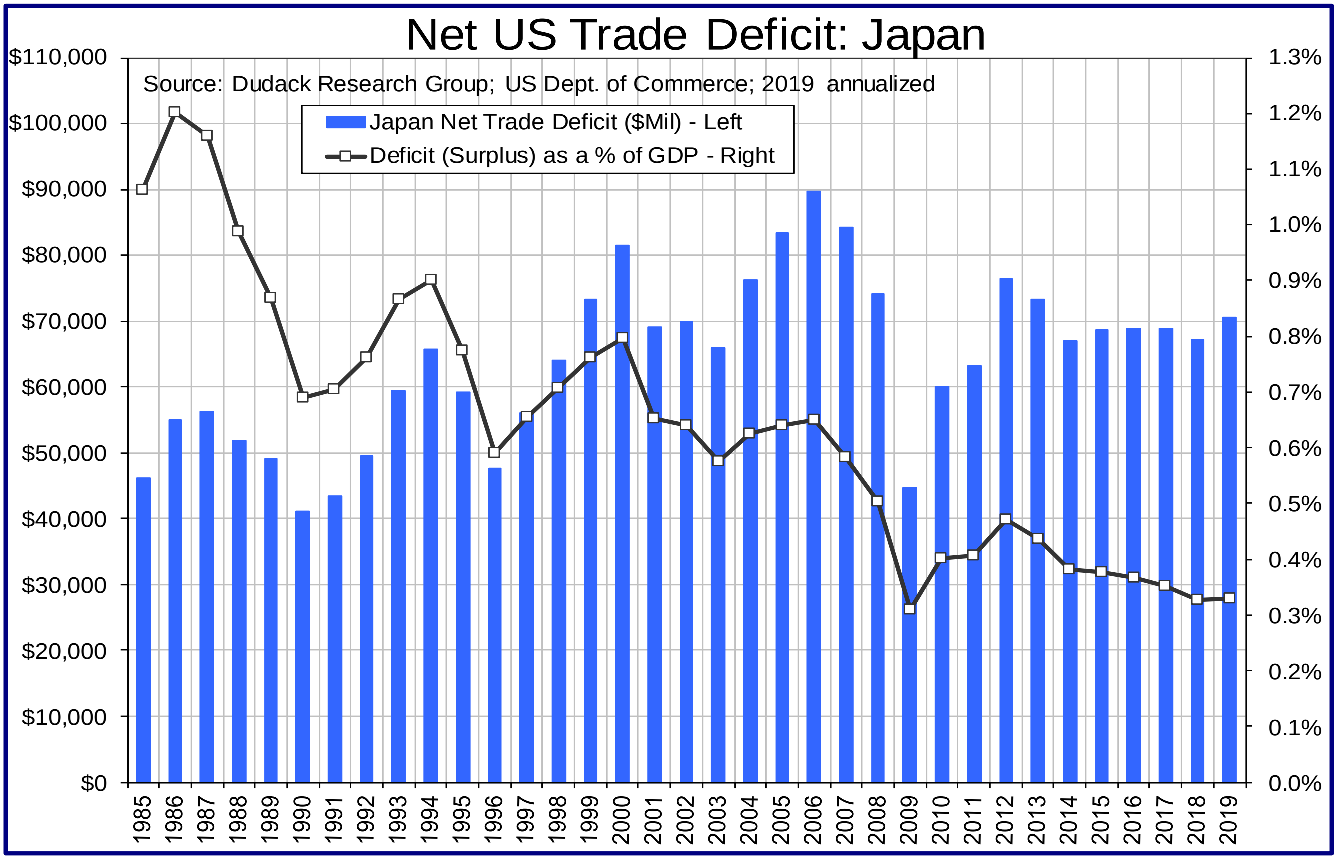


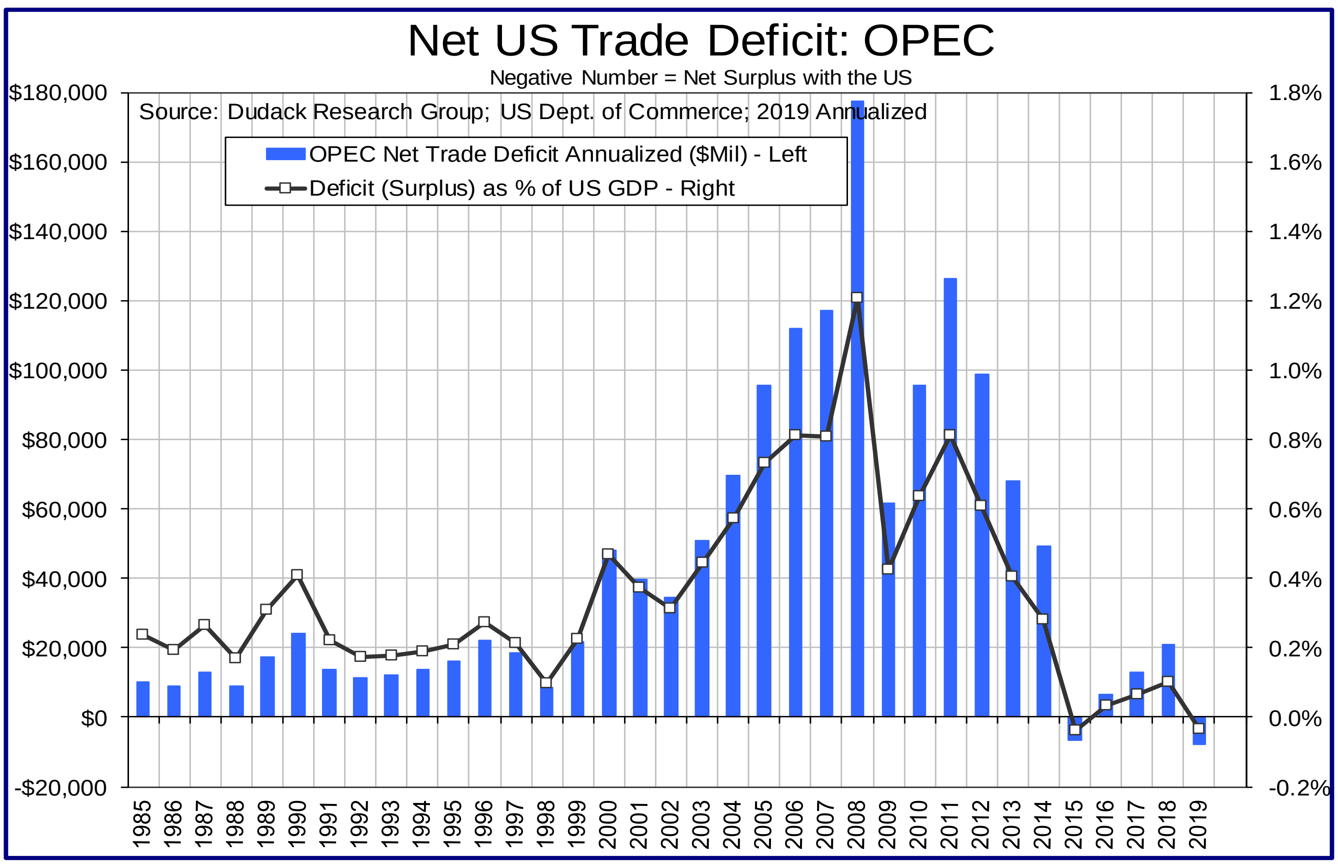
Mexico has been the biggest beneficiary of the trade war with China. Imports from Mexico are up 4.5% and exports are down 2% YTD, lifting the US trade deficit at 0.48% of GDP versus 0.39% in 2018. Canadian imports increased and exports were unchanged year-to-date, increasing the deficit to GDP from 0.09% to 0.11%.



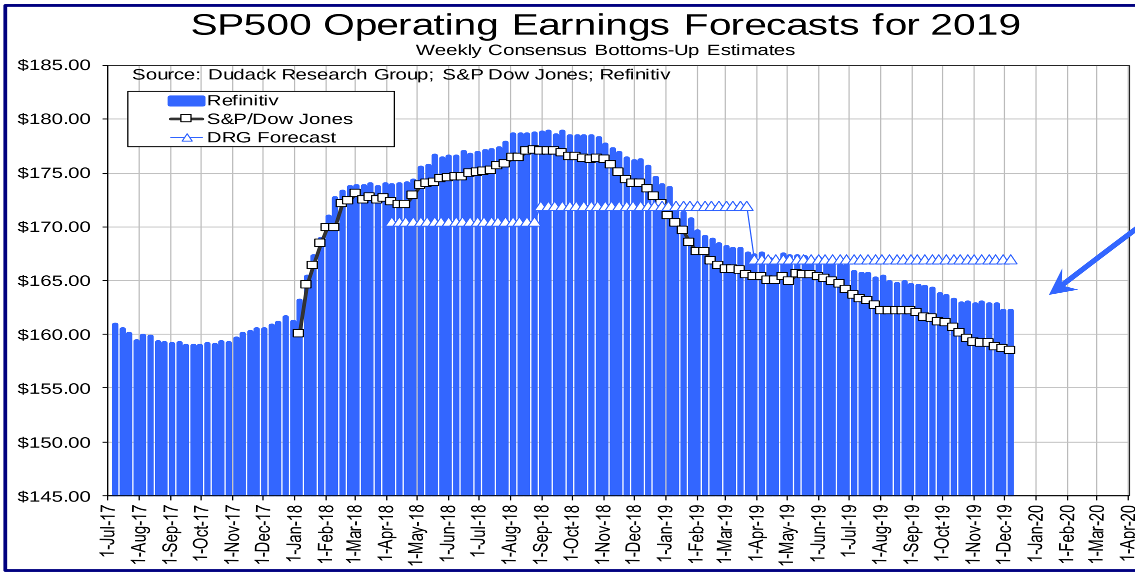


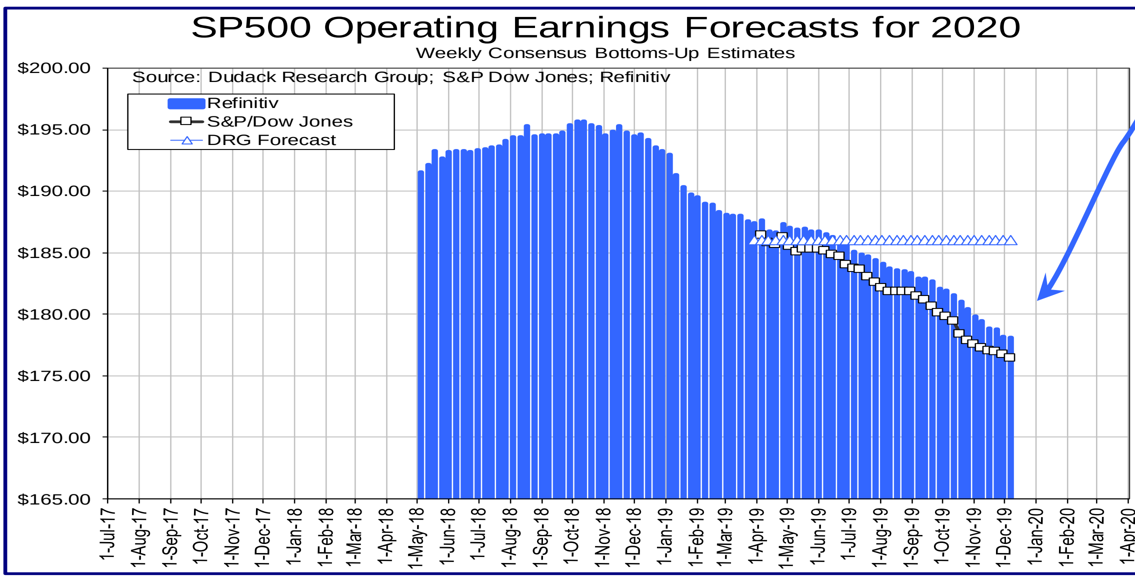
Trade with Japan is little changed this year and the US trade deficit is running at the same 0.3% seen in 2018. However, OPEC is interesting. After years of trade deficits due to the imports of oil, OPEC is running a surplus this year that is running at 0.04% of US GDP. Energy has become a positive for US GDP.

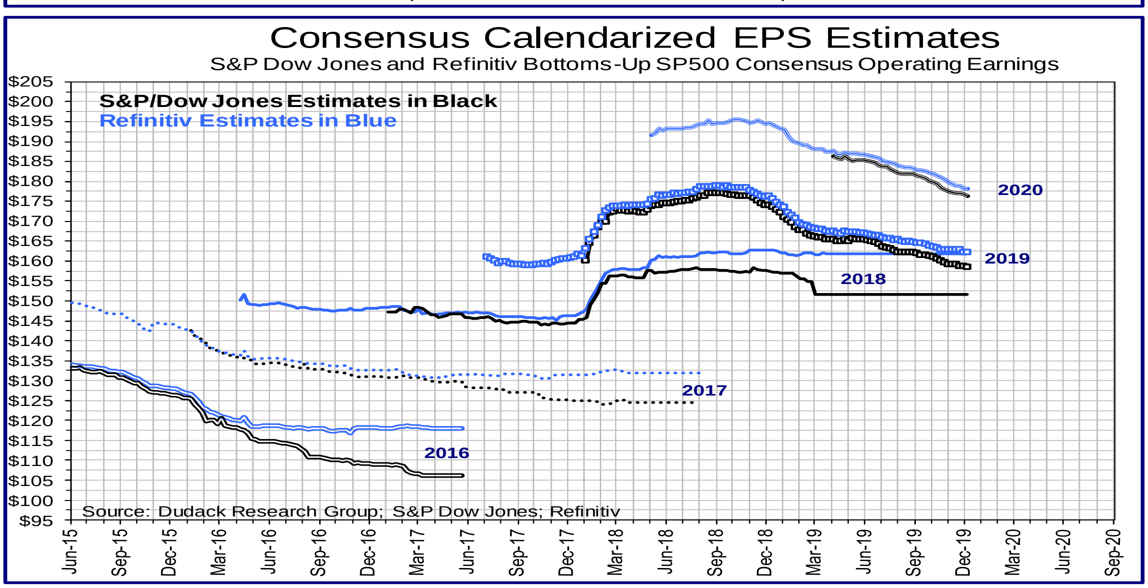




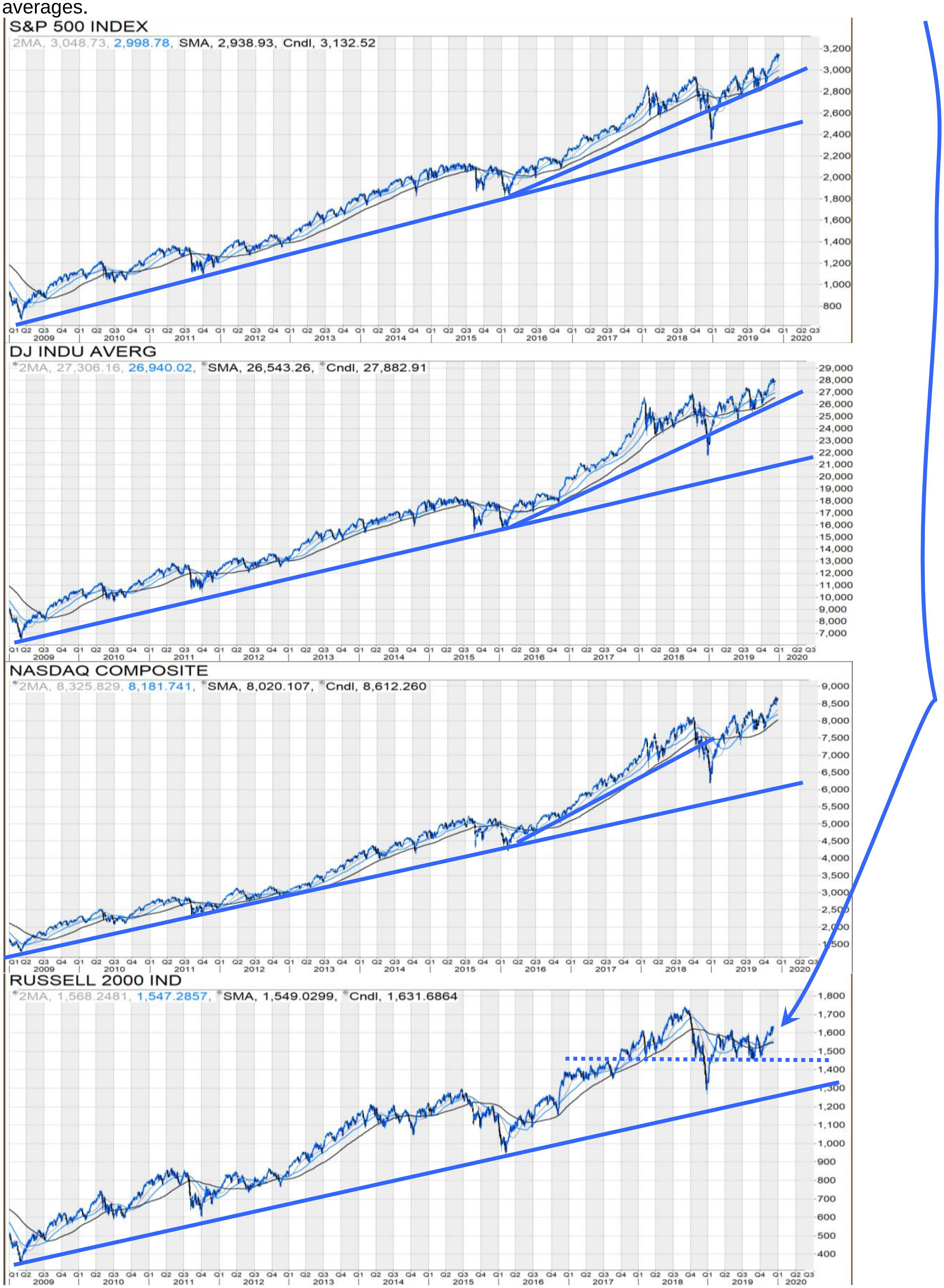
Refinitiv consensus 2019 EPS growth estimate fell from 0.2% to 0.1% this week and the 2020 estimate dipped from 9.9% to 9.8%. The S&P Dow Jones 2019 estimate ratcheted down from 4.7% to 4.6% this week and the 2020 consensus estimate also eased from 11.4% to 11.3%.







The indices are consolidating after a strong advance from the mid-October lows. The RUT has been a laggard, but did break above the 1600 resistance level and continues to hold above this level. This is positive. All indices are above all their key moving averages.

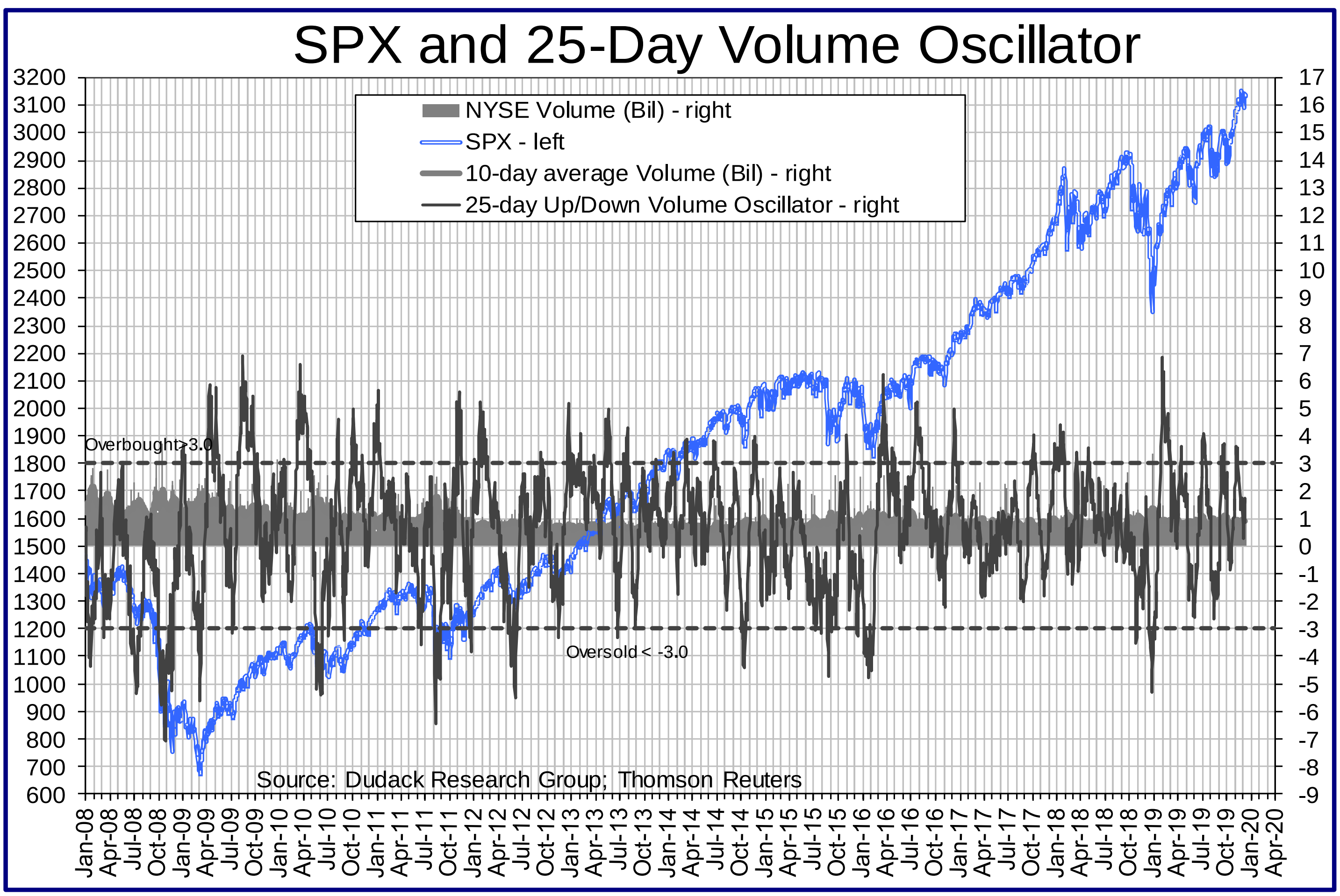


Source: Refinitiv

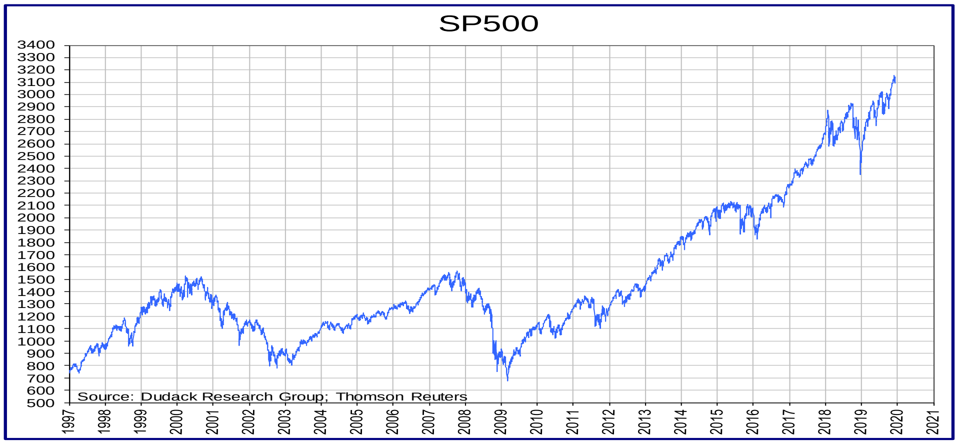
The 25-day up/down volume oscillator is 0.83 (preliminarily) and neutral this week. The last signal from this indicator was the overbought reading seen for five of six trading sessions in early November. This represented the fifth consecutive overbought reading of 2019 and it followed an overbought condition that lasted for eight of ten trading sessions between September 10 and September 23. Consecutive overbought readings denote steady buying pressure and only appear in a bull market cycle. In sum, this is a positive sequence in this indicator.

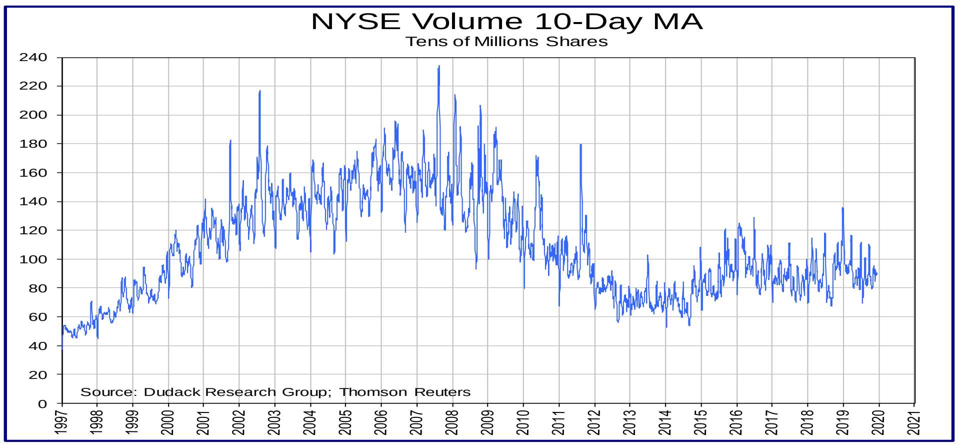
This oscillator's prior signals were July's seven consecutive sessions in overbought territory, which followed a two-day overbought reading on April 11-12. April's reading was preceded by a long 25-consecutive-day overbought reading in January through March. The first quarter 25-day reading was the 4th longest overbought signal since 2008 and the lengthiest overbought condition since the 27 out of 29 consecutive-day overbought reading recorded in May 2009. Note that 2008-2009 marked the end of a bear market and the start of the current bull market cycle and multiple and sustained overbought readings occur uniquely in secular bull market cycles. In sum, this indicator remains characteristically bullish.

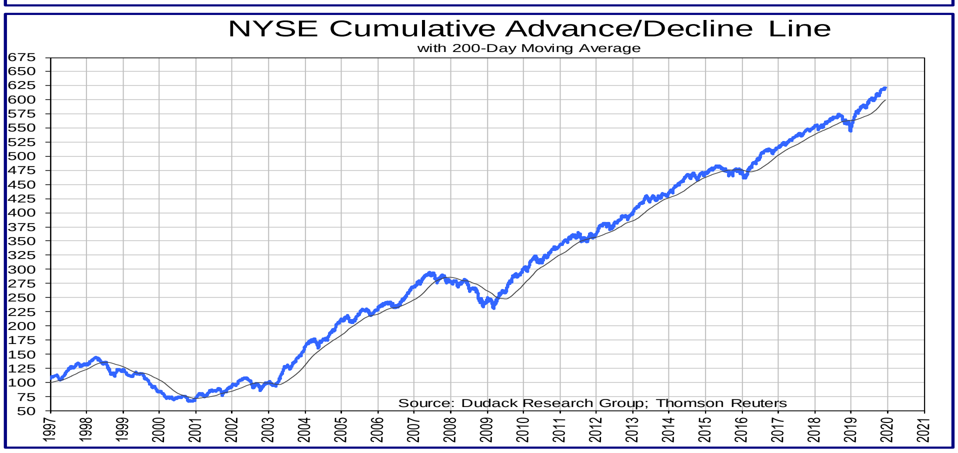
In August, there were three extreme days with downside volume in excess of 90%: August 5 (91%), August 14 (94%), and August 26 (91%). However, on August 16 the trading session recorded an 89% up volume day with just 10% downside volume. This was just shy of the 90% up-day that typically signals that the lows have been found. September 4 recorded upside volume of 87%. Neither of these sessions were classic 90% up days but we do believe they indicate that the downside risk is minimal beyond the August 14 SPX low of 2840.

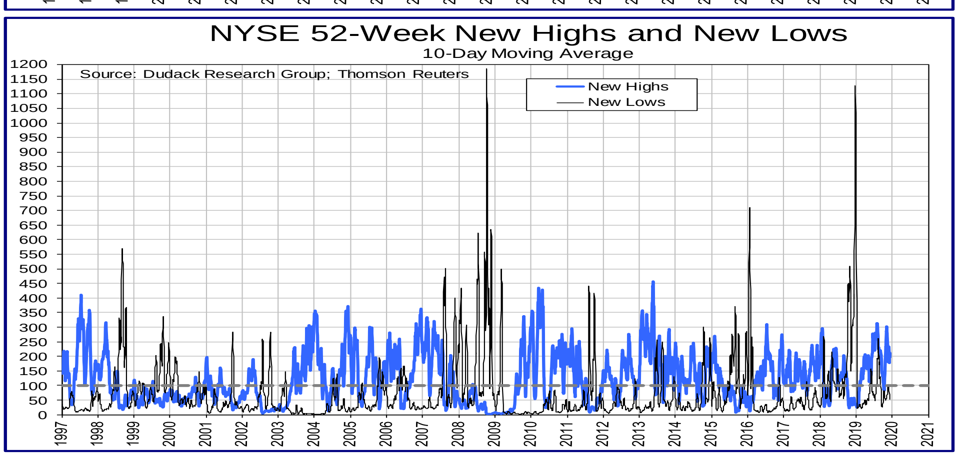


The 10-day average of daily new highs (196) is well above the 100 per day level defined as bullish and the average of daily new lows (53) is below the 100 per day defined as bearish; the combination is positive. The A/D line made a new record high on November 27, 2019 and confirmed the new highs in the broad indices made that week.

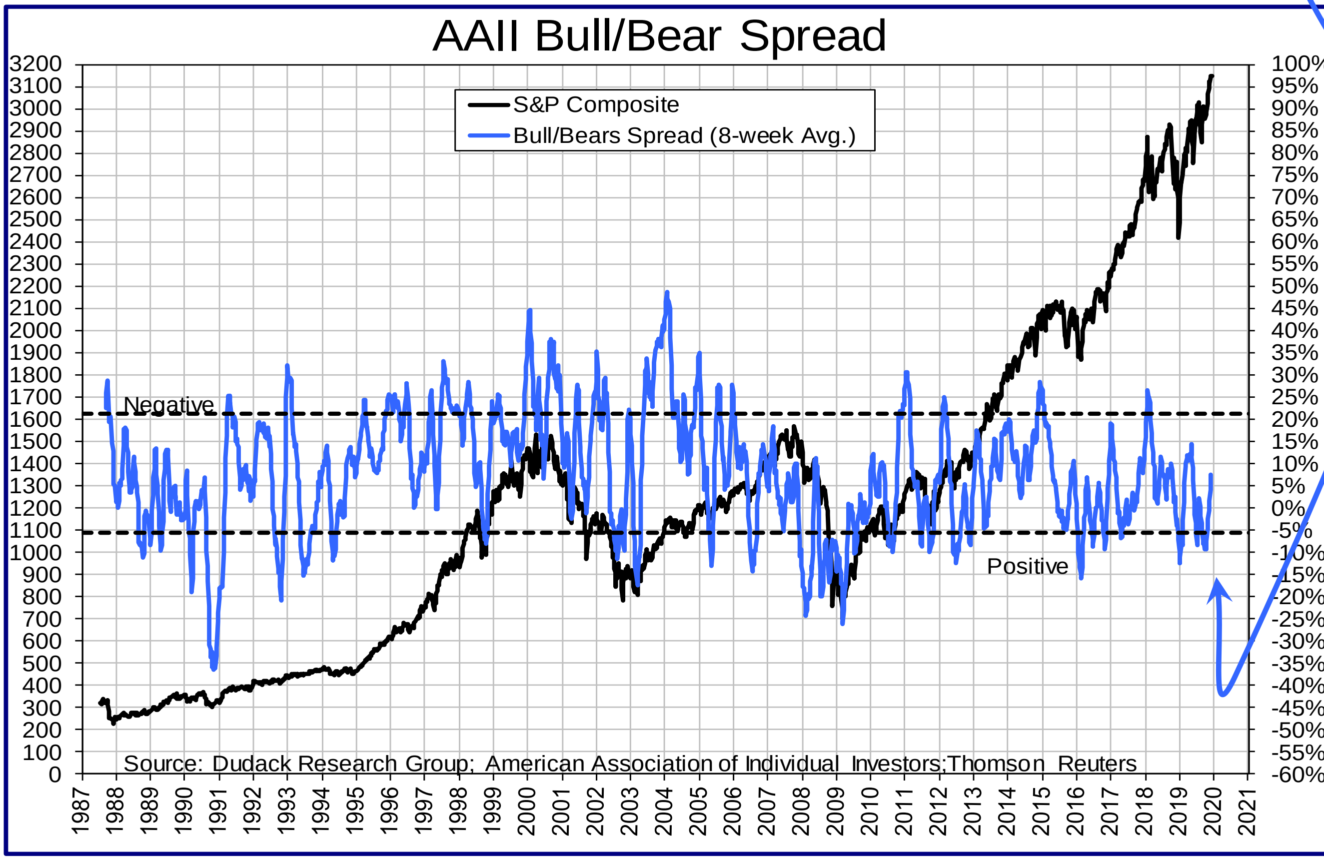


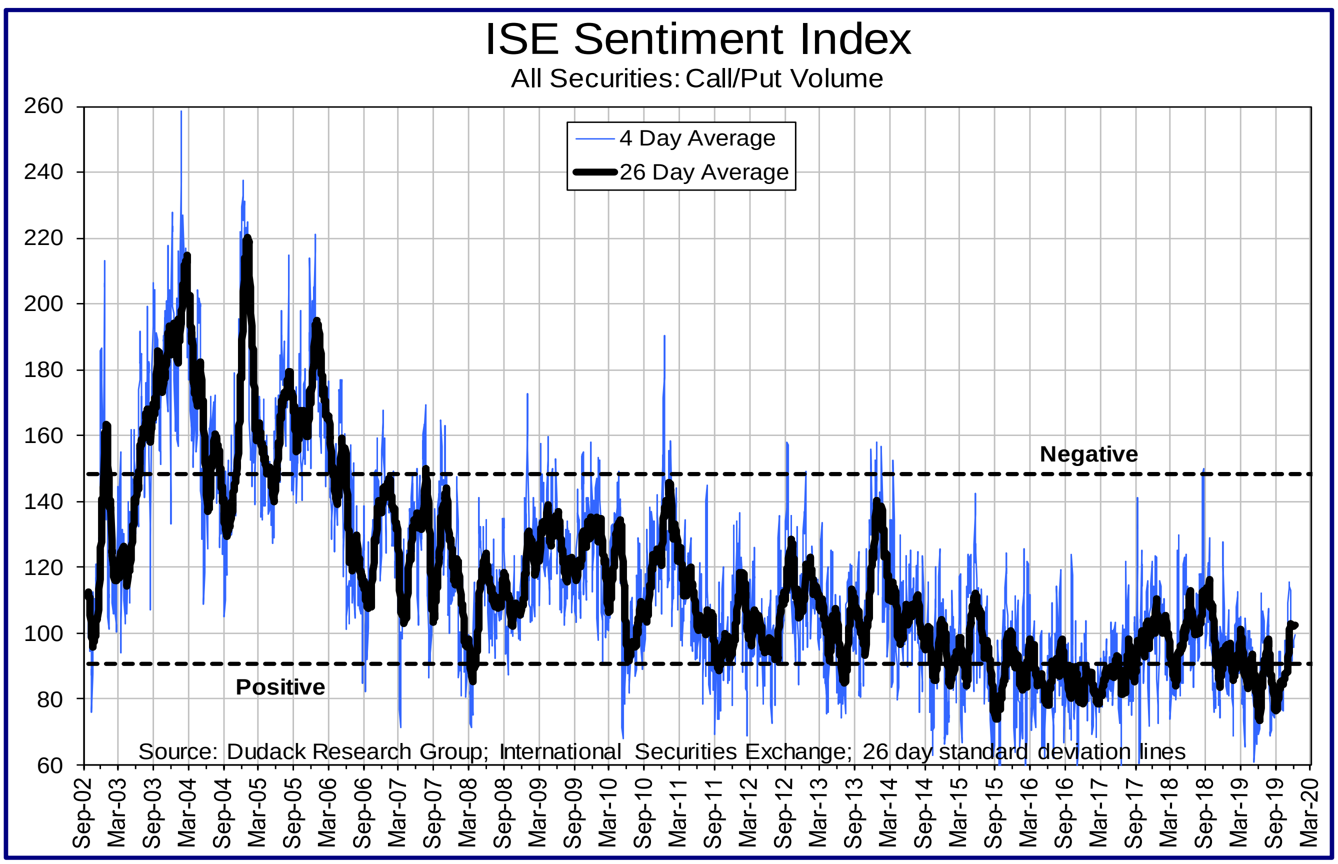






As of December 4, AAII bullish sentiment fell 1.9% to 31.7% and bearish sentiment fell 1.1% to 29.1%. The 8-week bull/bear spread rose but remains neutral. The ISE Sentiment index shifted from positive to neutral in December for the first time since early August. Nonetheless: sentiment indicators remain neutral and are far from unfavorable territory.

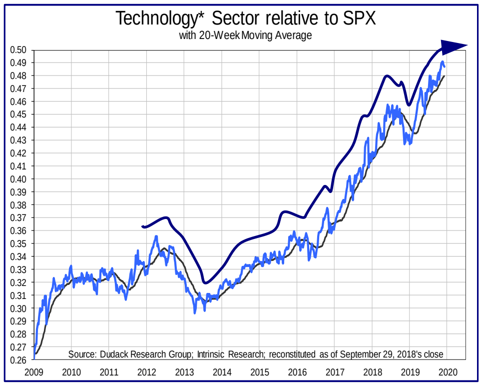


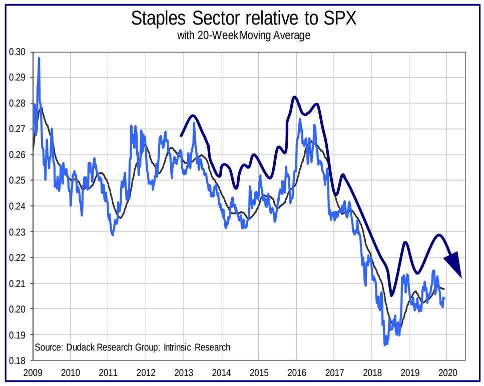


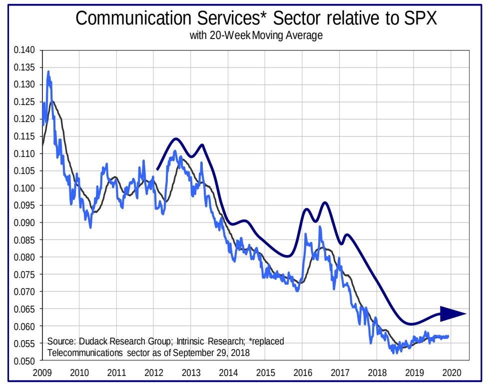
DRG Recommended Sector Weights				
Overweight		**Neutral**		**Underweight**
Technology Healthcare Consumer Discretionary Utilities		Staples Industrials Financials Materials		Communication Services Energy REITS

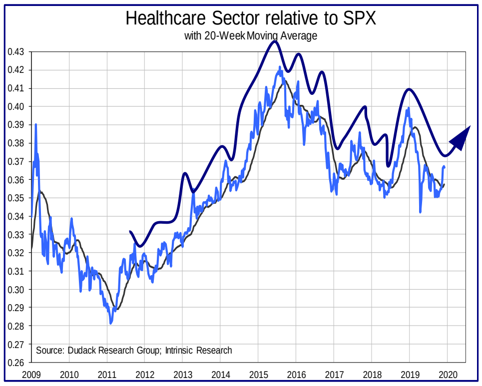
Healthcare, Consumer Discretionary and Utilities upgraded to Overweight; Financials downgraded to Neutral; Energy downgraded to Underweight; Staples upgraded to Neutral 12/13/18

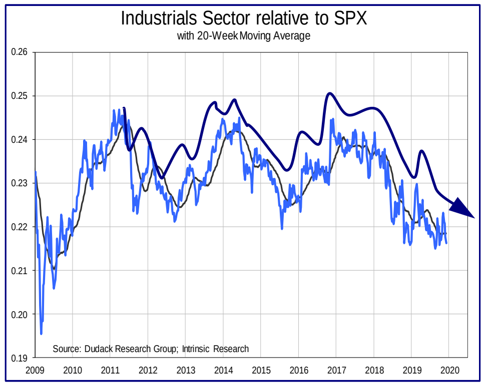
Sector Relative Performance – relative over/under/ performance to SP500 – weekly prices

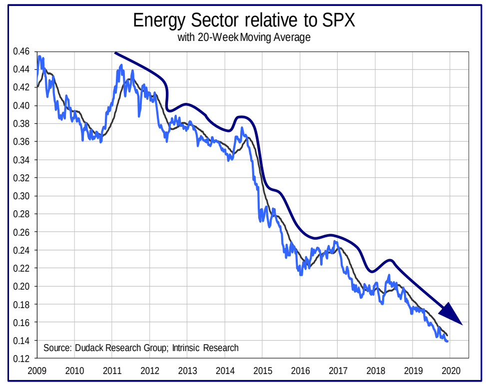


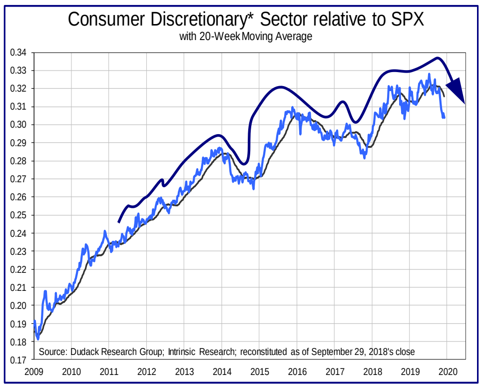


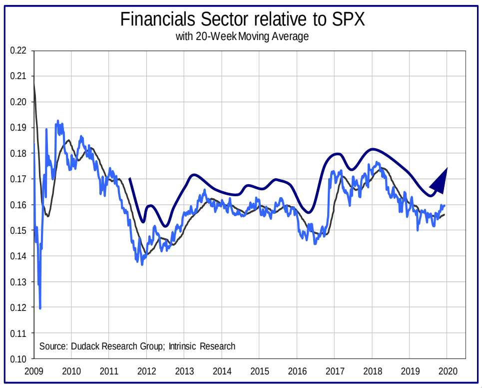


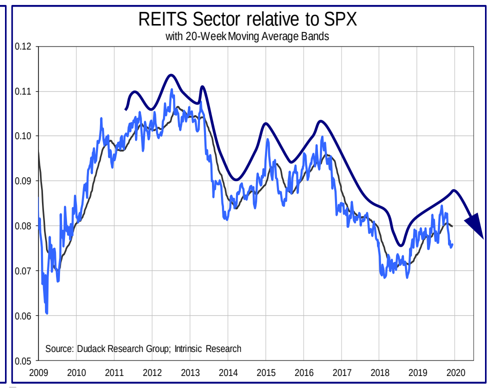


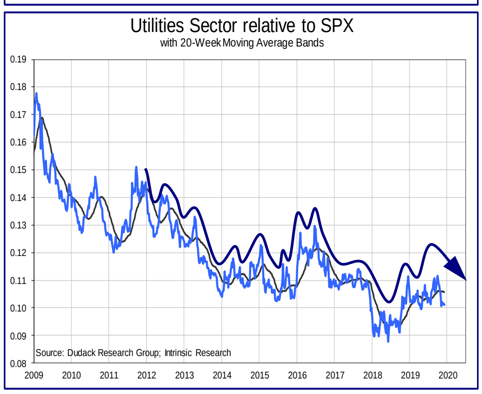


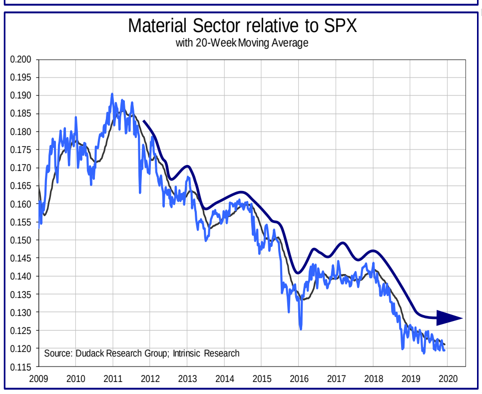












2019 Performance Year-to-Date - Ranked	
SP500 Sector	% Change
S&P INFORMATION TECH	40.5%
S&P COMMUNICATIONS SERVICES	29.0%
S&P FINANCIAL	26.6%
S&P 500	25.2%
S&P INDUSTRIALS	25.2%
S&P REITS	23.8%
S&P CONSUMER STAPLES	22.8%
S&P CONSUMER DISCRETIONARY	22.1%
S&P MATERIALS	18.4%
S&P UTILITIES	18.2%
S&P HEALTH CARE	15.0%
S&P ENERGY	3.0%

Source: Dudack Research Group; Thomson Reuters; Monday closes

Global Markets - Ranked by Last 20-Day Trading Performance

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
Silver Future	SIc1	105.35	5.0%	24.9%	90.3%	582.6%
SPDR Communication Services ETF	XLC	127.74	4.1%	19.7%	64.3%	209.4%
iShares Nasdaq Biotechnology ETF	IBB.O	120.10	0.8%	9.1%	20.7%	24.5%
Health Care Select Sect SPDR	XLV	99.93	1.1%	5.5%	12.0%	15.5%
Oil Future	CLc1	59.34	5.8%	4.4%	10.7%	30.7%
United States Oil Fund, LP	USO	12.39	5.4%	4.2%	9.3%	28.3%
iShares Russell 2000 Growth ETF	IWO	210.48	1.4%	3.8%	9.2%	25.3%
Consumer Staples Select Sector SPDR	XLP	62.52	0.8%	3.0%	1.8%	23.1%
iShares DJ US Oil Eqpt & Services ETF	IEZ	18.67	8.1%	3.0%	6.0%	-8.6%
PowerShares Water Resources Portfolio	PHO	37.63	1.3%	2.7%	2.8%	33.4%
iShares 20+ Year Treas Bond ETF	TLT	138.66	-1.8%	2.7%	-3.1%	14.1%
Utilities Select Sector SPDR	XLU	62.98	0.3%	2.6%	-2.7%	19.0%
iShares Russell 2000 ETF	IWM	162.61	1.8%	2.4%	9.6%	21.4%
iShares Russell 1000 Growth ETF	IWF	170.25	1.0%	2.3%	6.7%	30.1%
Financial Select Sector SPDR	XLF	30.30	2.6%	1.8%	10.5%	27.2%
iShares MSCI Brazil Capped ETF	EWZ	44.41	3.0%	1.8%	5.4%	16.3%
iShares Russell 1000 ETF	IWB	173.90	1.2%	1.7%	5.7%	25.4%
Nasdaq Composite Index Tracking Stock	ONEQ.O	338.94	1.0%	1.7%	7.9%	30.4%
iShares iBoxx $ Invest Grade Corp Bond	LQD	127.65	-0.3%	1.5%	0.1%	13.1%
SP500	.SPX	3132.52	1.3%	1.5%	5.2%	25.0%
Technology Select Sector SPDR	XLK	87.37	1.4%	1.4%	9.5%	41.0%
NASDAQ 100	NDX	8354.29	1.2%	1.4%	7.8%	32.0%
iShares US Real Estate ETF	IYR	92.61	0.2%	1.4%	-1.0%	23.6%
iShares Russell 1000 Value ETF	IWD	134.22	1.5%	1.1%	4.6%	20.9%
iShares MSCI Taiwan ETF	EWT	40.09	1.6%	1.1%	10.3%	26.8%
SPDR S&P Retail ETF	XRT	44.91	3.0%	1.1%	5.8%	9.6%
iShares Russell 2000 Value ETF	IWN	126.29	2.3%	1.0%	5.8%	17.4%
iShares MSCI United Kingdom ETF	EWU	32.93	1.9%	1.0%	4.8%	12.2%
SPDR DJIA ETF	DIA	279.46	1.4%	0.9%	3.8%	19.8%
iShares MSCI Japan ETF	EWJ	60.29	1.3%	0.9%	6.3%	18.9%
SPDR S&P Bank ETF	KBE	46.59	2.9%	0.7%	7.9%	24.7%
DJIA	.DJI	27881.72	1.4%	0.7%	3.6%	19.5%
SPDR Gold Trust	GLD	137.97	-0.8%	0.7%	-0.6%	13.8%
Consumer Discretionary Select Sector SPDR	XLY	121.68	1.2%	0.5%	0.8%	22.9%
iShares MSCI India ETF	INDA.K	34.47	0.3%	0.4%	2.7%	3.4%
Shanghai Composite	.SSEC	2917.32	1.1%	0.3%	-2.3%	17.0%
Vanguard FTSE All-World ex-US ETF	VEU	52.46	1.3%	0.2%	5.1%	15.1%
Gold Future	GCc1	1463.50	-1.0%	0.2%	-1.2%	14.5%
iShares MSCI Canada ETF	EWC	29.48	0.9%	0.1%	3.3%	23.0%
iShares MSCI EAFE ETF	EFA	68.36	1.2%	0.1%	4.8%	16.3%
SPDR Homebuilders ETF	XHB	45.60	1.4%	0.0%	3.4%	40.2%
iShares MSCI Germany ETF	EWG	28.83	0.2%	-0.3%	7.1%	13.7%
Guggenheim BRIC ETF	EEB	37.98	2.4%	-0.5%	8.4%	18.3%
iShares MSCI Emerg Mkts ETF	EEM	43.05	1.7%	-0.7%	6.1%	10.2%
Materials Select Sector SPDR	XLB	59.62	0.9%	-0.8%	2.4%	18.0%
Energy Select Sector SPDR	XLE	59.77	3.0%	-1.0%	3.4%	4.2%
SPDR S&P Semiconductor ETF	XSD	98.07	2.9%	-1.0%	9.2%	51.6%
iShares Silver Trust	SLV	16.16	-2.9%	-1.0%	-3.5%	7.5%
Industrial Select Sector SPDR	XLI	80.70	1.1%	-1.3%	6.5%	25.3%
iShares MSCI Australia ETF	EWA	22.48	0.7%	-1.8%	1.0%	16.8%
iShares China Large Cap ETF	FXI	41.21	1.2%	-2.1%	4.0%	5.5%
iShares US Telecomm ETF	IYZ	29.31	-0.2%	-2.1%	0.4%	11.2%
iShares MSCI Singapore ETF	EWS	24.03	1.1%	-2.4%	3.6%	8.7%
iShares MSCI Mexico Capped ETF	EWW	43.85	2.4%	-2.5%	2.6%	6.5%
iShares MSCI Austria Capped ETF	EWO	20.35	0.6%	-2.7%	5.6%	10.8%
iShares MSCI South Korea Capped ETF	EWY	58.23	1.4%	-3.4%	3.4%	-1.1%
iShares MSCI Hong Kong ETF	EWH	23.29	0.1%	-3.7%	2.6%	3.2%
iShares MSCI Malaysia ETF	EWM	27.64	1.3%	-3.8%	-0.8%	-7.2%

Outperformed SP500
Underperformed SP500

Source: Dudack Research Group; Thomson Reuters

Priced as of close December 10, 2019

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 %	Thomson Consensus Bottom-Up $ EPS**	Thomson Consensus Bottom-Up EPS YOY%	DRG's Op PE Ratio	S&P Divd Yield	GDP Annual Rate	GDP Profits post-tax w/ IVA & CC	YOY %
2002	879.82	$27.59	**$46.04**	$46.04	18.5%	**$46.89**	NA	19.1X	1.8%	1.7%	$714.80	29.8%
2003	1111.92	$48.74	**$54.69**	$54.69	18.8%	**$55.44**	18.4%	20.3X	1.6%	2.9%	$812.60	13.7%
2004	1211.92	$58.55	**$67.68**	$67.68	23.8%	**$67.10**	20.9%	17.9X	1.8%	3.8%	$977.30	20.3%
2005	1248.29	$69.93	**$76.45**	$76.45	13.0%	**$76.28**	13.7%	16.3X	1.8%	3.5%	$1,065.30	9.0%
2006	1418.30	$81.51	**$87.72**	$87.72	14.7%	**$88.18**	15.6%	16.2X	1.8%	2.9%	$1,173.10	10.1%
2007	1468.36	$66.18	**$82.54**	$82.54	-5.9%	**$85.12**	-3.5%	17.8X	1.8%	1.9%	$1,083.50	-7.6%
2008	903.25	$14.88	**$49.51**	$49.51	-40.0%	**$65.47**	-23.1%	18.2X	2.5%	-0.1%	$976.00	-9.9%
2009	1115.10	$50.97	**$56.86**	$56.86	14.8%	**$60.80**	-7.1%	19.6X	2.6%	-2.5%	$1,182.60	14.8%
2010	1257.64	$77.35	**$83.77**	$83.77	47.3%	**$85.28**	40.3%	15.0X	1.9%	2.6%	$1,456.20	23.1%
2011	1257.60	$86.95	**$96.44**	$96.44	15.1%	**$97.82**	14.7%	13.0X	2.0%	1.6%	$1,528.70	5.0%
2012	1426.19	$86.51	**$96.82**	$96.82	0.4%	**$103.80**	6.1%	14.7X	2.1%	2.2%	$1,662.50	8.8%
2013	1848.36	$100.20	**$107.30**	$107.30	10.8%	**$109.68**	5.7%	17.2X	2.0%	1.8%	$1,647.90	-0.9%
2014	2127.83	$102.31	**$113.01**	$113.01	5.3%	**$118.78**	8.3%	18.8X	1.9%	2.5%	$1,712.90	3.9%
2015	2043.94	$86.53	**$100.45**	$100.45	-11.1%	**$118.20**	-0.5%	20.3X	2.1%	2.9%	$1,664.90	-2.8%
2016	2238.83	$94.55	**$106.26**	$106.26	5.8%	**$118.10**	-0.1%	21.1X	2.0%	1.6%	$1,633.90	-1.9%
2017	2673.61	$109.88	**$124.51**	$124.51	17.2%	**$132.00**	11.8%	21.5X	1.8%	2.4%	$1,686.50	3.2%
2018	2506.85	$132.39	**$151.60**	$151.60	21.8%	**$161.93**	22.7%	16.5X	2.1%	2.9%	$1,854.90	10.0%
2019E	~~~~~~	$140.65	**$158.49**	$160.00	5.5%	**$162.17**	0.1%	19.6X	1.9%	NA	NA	NA
2020E		$162.52	**$176.42**	$184.00	15.0%	**$178.11**	9.8%	17.0X	NA	NA	NA	NA
2013 1Q	1569.19	$24.22	$25.77	$25.77	6.3%	$26.74	4.5%	16.0	2.0%	3.6%	$1,622.70	-4.9%
2013 2Q	1606.28	$24.87	$26.36	$26.36	3.7%	$27.40	6.0%	16.2	2.1%	0.5%	$1,642.90	-1.8%
2013 3Q	1681.55	$24.63	$26.92	$26.92	12.2%	$27.63	6.3%	16.5	2.0%	3.2%	$1,646.20	0.2%
2013 4Q	1848.36	$26.48	$28.25	$28.25	22.0%	$28.62	8.7%	17.2	1.9%	3.2%	$1,679.80	3.1%
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 3QP	2976.74	$34.04	$39.96	$40.15	-3.0%	$42.25	-1.0%	19.4	1.9%	2.1%	$1,881.20	0.4%
2019 4QE*	3132.52	$36.66	$40.40	$41.72	19.1%	$40.78	-1.0%	19.8	NA	NA	NA	NA
2020 1QE		$37.13	$40.57	$41.00	7.9%	$40.81	4.2%	19.4	NA	NA	NA	NA
2020 2QE		$40.05	$43.62	$44.00	9.6%	$43.94	6.4%	19.0	NA	NA	NA	NA
2020 3QE		$42.81	$45.92	$50.00	24.5%	$46.26	9.5%	18.4	NA	NA	NA	NA
2020 4QE		$42.53	$46.31	$49.00	17.4%	$46.32	13.6%	17.8	NA	NA	NA	NA

Source: Dudack Research Group; Standard & Poors; Thomson Reuters Consensus estimates; **Thomson quarters may not sum to CY   *12/10/2019

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