



Dudack Research Group

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September 23, 2020

DJIA: 27288.18  
SPX: 3315.57  
NASDAQ: 10963.64

# US Strategy Weekly

## Trump – Biden Tax Proposals

A new week brought new worries for the stock market. Moods were already downcast after the passing of Supreme Court icon Ruth Bader Ginsberg. Throughout her illustrious career Judge Ginsburg was a leader, a role model for working women and a staunch fighter for women's rights. On Tuesday Prime Minister Boris Johnson told the British people to work from home if possible and ordered restaurants and bars to close early to counter a second wave of COVID-19. Johnson stopped short of imposing another full lockdown, as in March, but warned that more measures might be imposed if the virus were not contained. Newswire headlines announced US deaths from coronavirus surpassed 200,000 but failed to mention that the trend in new cases and deaths has decelerated dramatically. President Trump spoke (on video) to the 75<sup>th</sup> annual UN General Assembly and fueled fears of a geopolitical tiff by chiding China for unleashing COVID-19 on the world and stating that China needs to be held accountable for the destruction the plague has wrought by all members of the UN. The US Food and Drug Administration is expected to announce higher standards for an emergency authorization of any coronavirus vaccine, lowering the chances that a vaccine might be cleared before the November 3 election. And last but far from least, the first presidential debate scheduled for September 29<sup>th</sup> at 8:30 pm EST is merely one week away. This debate could become a pivotal factor for the stock market.

We believe last Friday's *Wall Street Journal's* article comparing Joe Biden's and President Trump's tax proposals may have been a contributing factor to the stock market's recent decline. With Biden leading in the polls it is important for all investors to assess the impact a Democratic victory could have on the US economy. There are many factors to look at, but this week we will simplify it to tax policy.

### PRESIDENT DONALD J. TRUMP'S TAX PLAN

President Trump's tax policies are well known. He enacted **tax breaks for individuals and corporations** in 2017 and wants to extend these tax breaks past their current 2025 end date. Trump made it easier for corporations to **bring home foreign profits** and to **deduct capital investment costs**. Trump is currently proposing to **cut the capital gain tax rate from the current 23.8% to 15% or 18.8%**. And he wants to **expand Opportunity Zones which offer capital gains tax breaks for investments in low income areas**.

### VICE PRESIDENT JOSEPH BIDEN'S TAX PLAN

*The Wall Street Journal* article noted that Vice President Biden's spending plans exceed his proposed tax revenue, but Biden explains this as stimulus for the economy. The Biden plan would **raise taxes on individuals and entrepreneurs making more than \$400,000 a year** and would **raise the corporate tax rate to 28%**, impose a new **minimum tax on companies** and **raise taxes on the foreign income** of US based multinationals. His plan also includes **reinstating the individual mandate to purchase health insurance**, which is the proposal included in Obama care that the Supreme Court ruled was a tax on citizens. Mr. Biden proposes to **raise the top individual tax rate of 37% to 39.6%**, **expand the 12.4% Social Security payroll tax** which currently exempts wages above \$137,700, but would **restart the tax again on wages above \$400,000**. The plan also **repeals a 20% deduction for income from pass-through businesses** and impose **new limits on itemized**

[For important disclosures and analyst certification please refer to the last page of this report.](#)

**deductions.** Most importantly, Biden would **raise the capital gains tax rate from 23.8% to 39.6%**, but reportedly only on households with income greater than \$1 million. Nevertheless, this is likely to weaken the stock market prior to the election since many investors are apt to take profits on long-held stocks to avoid the possibility of this tax hike in 2021.

**Millennials should take heed** of structural changes to capital gains rules that Biden is proposing that could significantly impact their inheritances. At present, heirs only pay income taxes on gains in equity value that materializes after the original owner's death and only when they sell the stock. **Biden's proposal would tax all unrealized gains as capital gains at the time of death.** This is unsettling. Unless an heir has considerable liquidity at the time of inheritance this structural change would require an heir to sell much of the portfolio in order to pay taxes, incurring more capital gains taxes and potentially losing a significant amount of the inheritance. The very wealthy may have lawyers and accountants that can find a way around this tax, but Middle America will bear the brunt of this change.

All in all, we find the Biden proposals to be dicey for equities. Raising the capital gains tax rate has historically lowered stock prices in the short run as investors rush to avoid the tax hike and it lowers demand for equities over the longer-term since it raises the bar for speculators. All in all, a Republican sweep suggests more tax cuts while a Democratic sweep would bring increases.

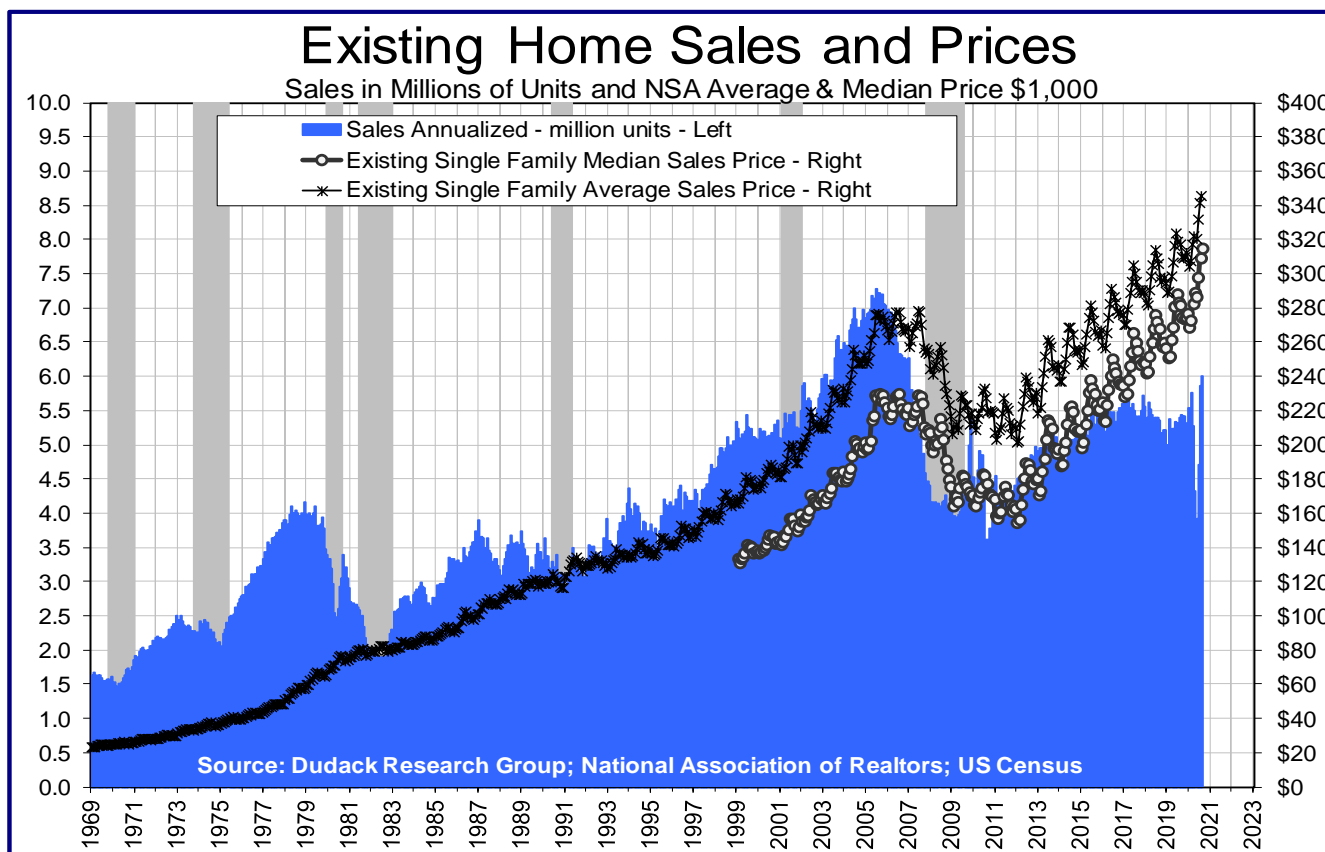
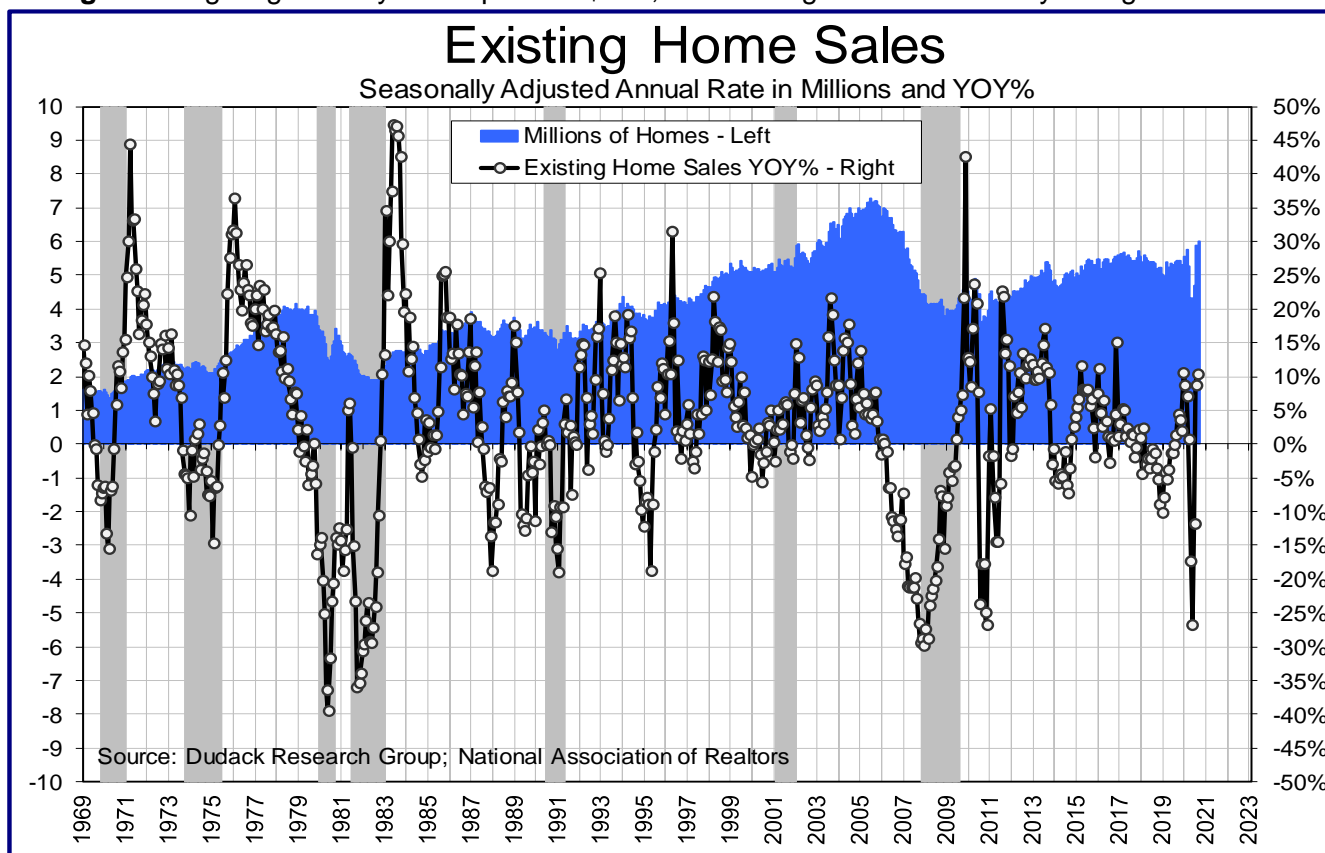
#### KEEP SOME POWDER DRY

Nonetheless, economic data has been strong. Housing data shows existing home sales rose to 6.0 million units in August, a 10.5% YOY increase. The **median** existing single-family home price rose 12% from a year earlier, while the **average** existing single-family home price gained 9% from a year ago. See page 3. August's new home sales will be reported soon, but July's data showed a 36.3% gain in units sold from a year earlier with median and average prices rising in the high single digits. See page 4. Homeownership also jumped from 65.3% in March to 67.9% in June, with the largest regional gain seen in the South where ownership rose from 67.6% to 71.1%. Black homeownership rose 3% to 47% and Hispanic ownership rose 2.5% to a record 51.4% in the second quarter of the year. See page 5. As a result, homebuilder confidence reached record heights in August. See page 6. In August, retail sales also reached a record level on a seasonally adjusted annualized basis and this tends to be a good forecaster of overall GDP. See page 7.

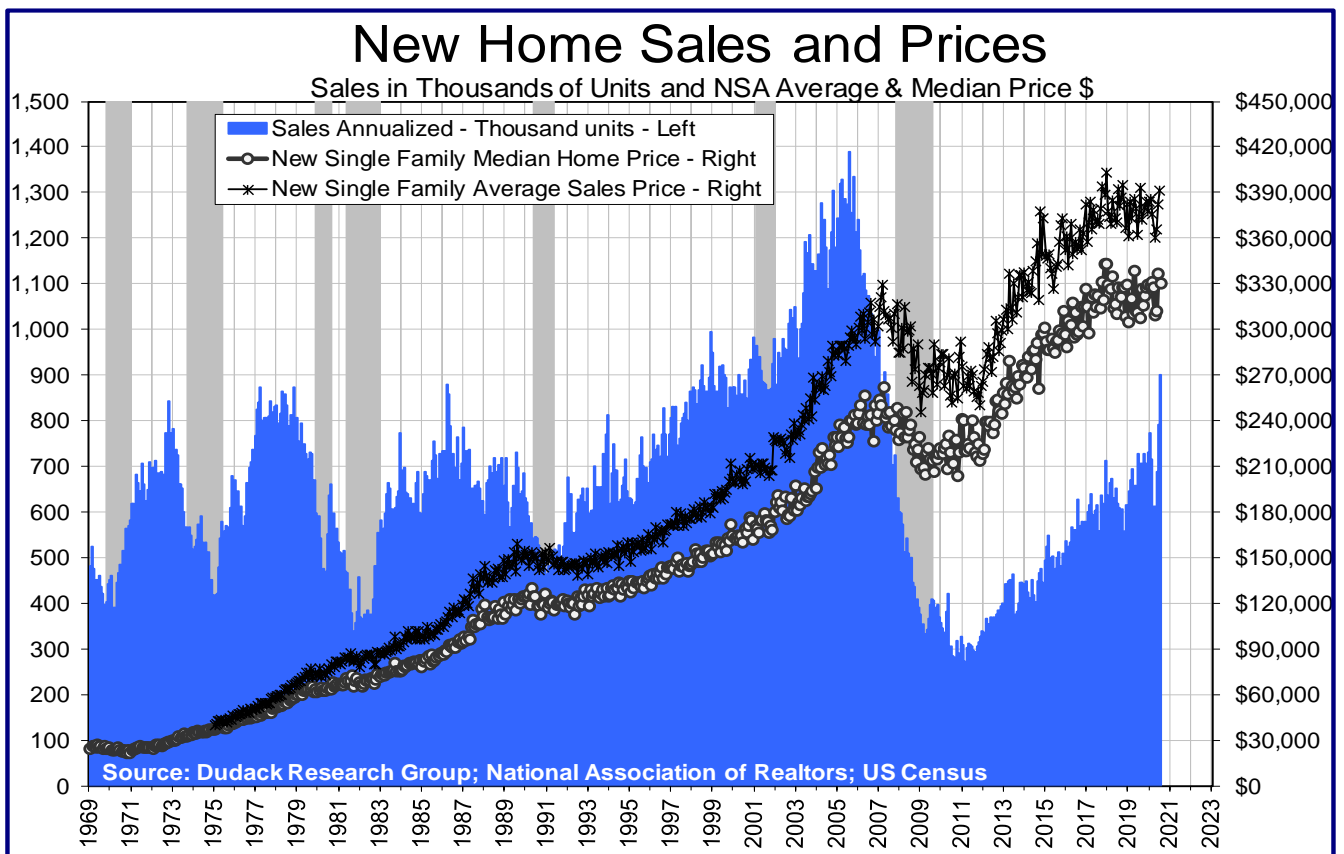
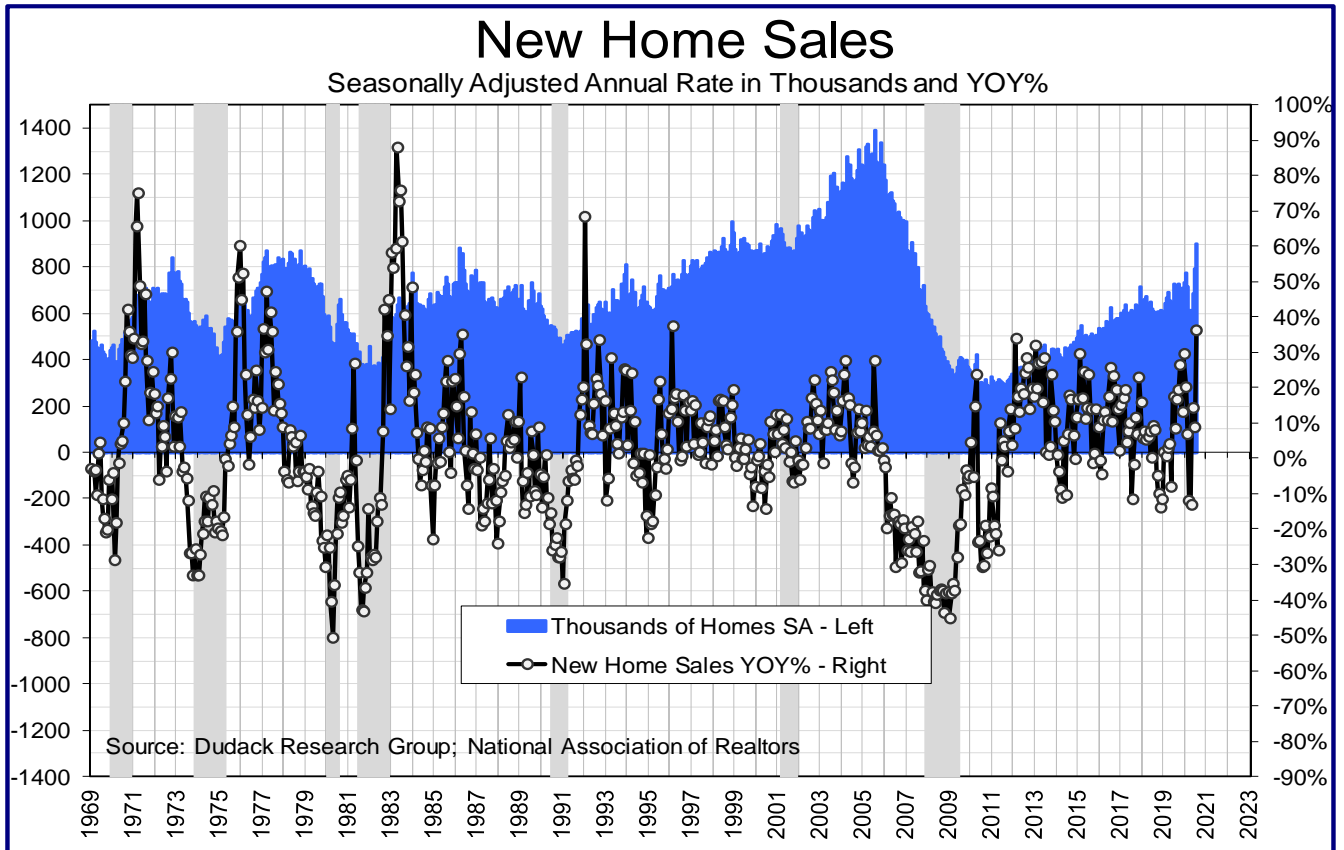
However, fundamental valuations remain stretched even as the Refinitiv/IBES consensus earnings estimate for the S&P 500 index continues to rise. This week's estimate of \$166.62 combined with a 20 PE multiple suggests a fair value level of SPX 3332, but as we show on pages 8-10 this still puts the equity market at the high end of fair value. It is possible that earnings estimates will continue to surprise on the upside, but the political climate is too uncertain to know. It is equally possible that higher corporate taxes would make current forecasts too high for 2021. In short, we remain cautious in the near term.

Technically, we see several important support levels that are worth monitoring. In the Dow Jones Industrial Average and in the Russell 2000 the 100-day and 200-day moving averages are converging. This makes the DJ 26,290 and the RUT 1457 levels crucial to the longer-term outlook. By holding at or near these levels the chart patterns improve. But breaks below these levels are highly likely to generate more selling. Breadth data is also showing some strain. The 10-day average of daily new lows fell to 76 this week and is below the 100 benchmark that characterizes a bull market cycle. The 25-day up/down volume oscillator is at minus 1.29 this week and at its lowest point since April 8, 2020. Corrections within a longer bull market cycle rarely reach a fully oversold reading on minus 3.0 or less; rather, corrections tend to reverse as this level nears. Overall, the risks in the market may only be political, but they are taking a toll on stock prices. We await the presidential debate next week.

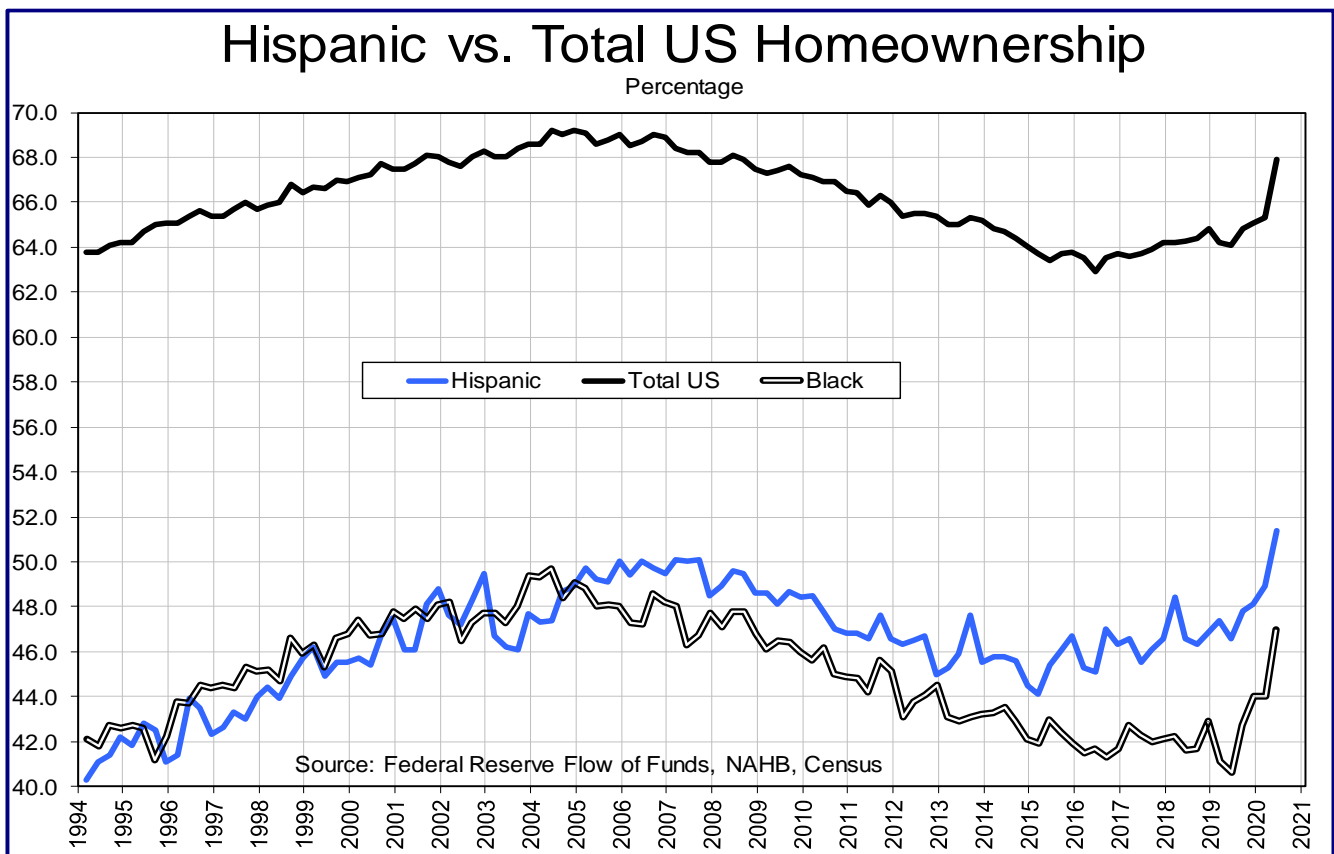
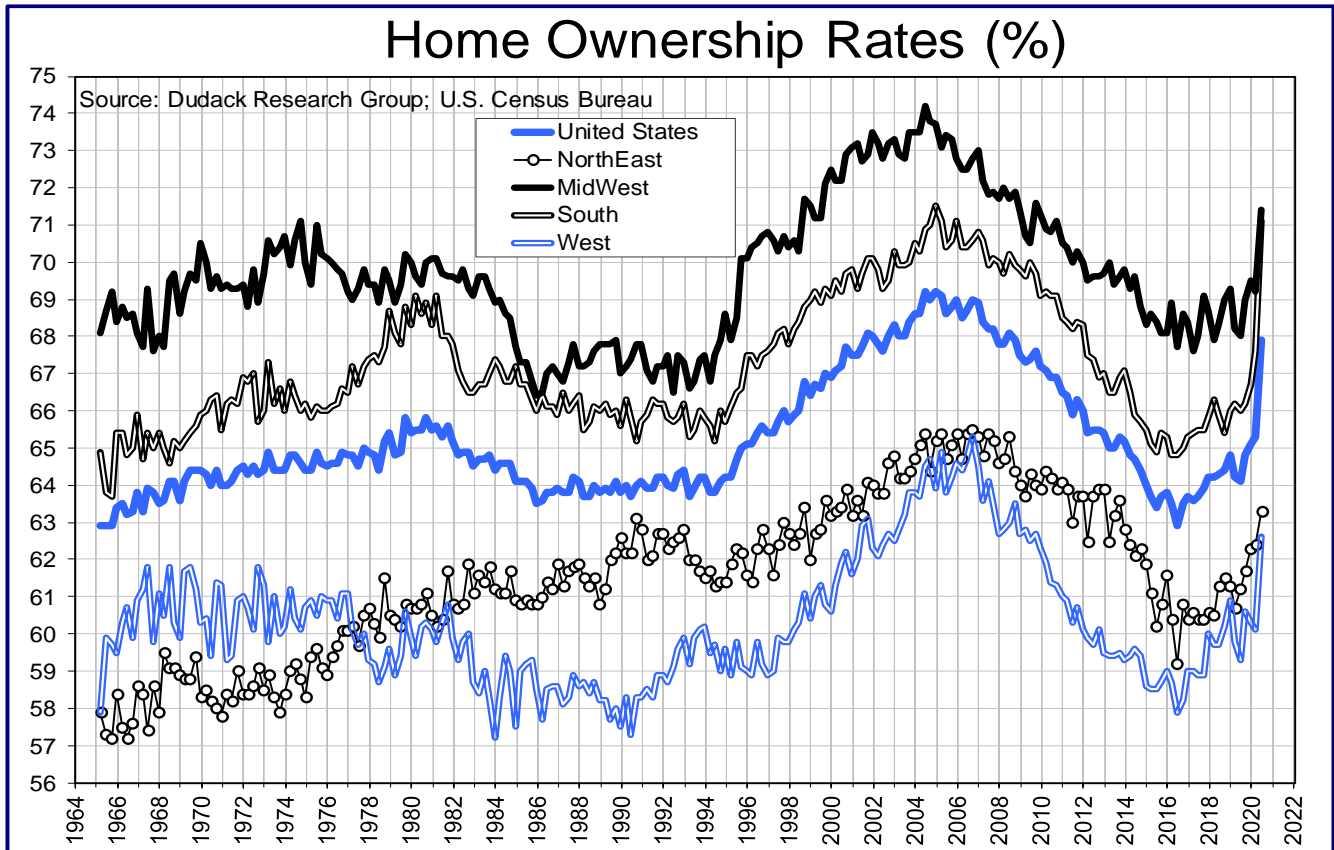
In the month of August, existing home sales rose to 6.0 million units representing an increase of 10.5% YOY. The **median** existing single-family home price of \$315,000 was a gain of nearly 12% from a year earlier, while the **average** existing single-family home price of \$345,700 was a gain of 9% from a year ago.



New home sales for August will be released later this week. In July, new home sales rose to 901,000 units on an annualized rate, which is a 36.3% gain from a year earlier. The new single-family median home price was \$330,600 in July, a gain of 7.23% YOY. The new single-family average home price was \$391,300 in July, a gain of 4.8% YOY.

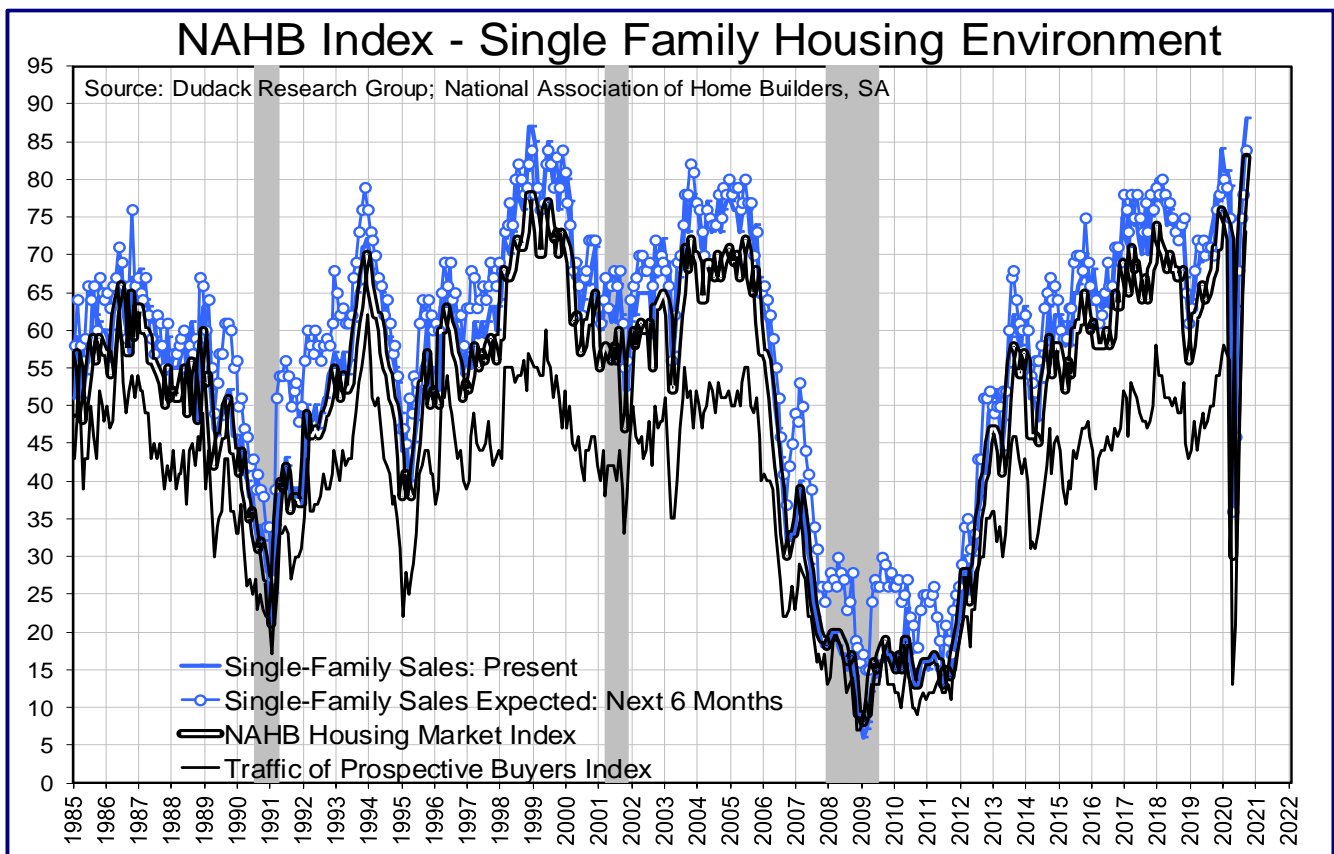
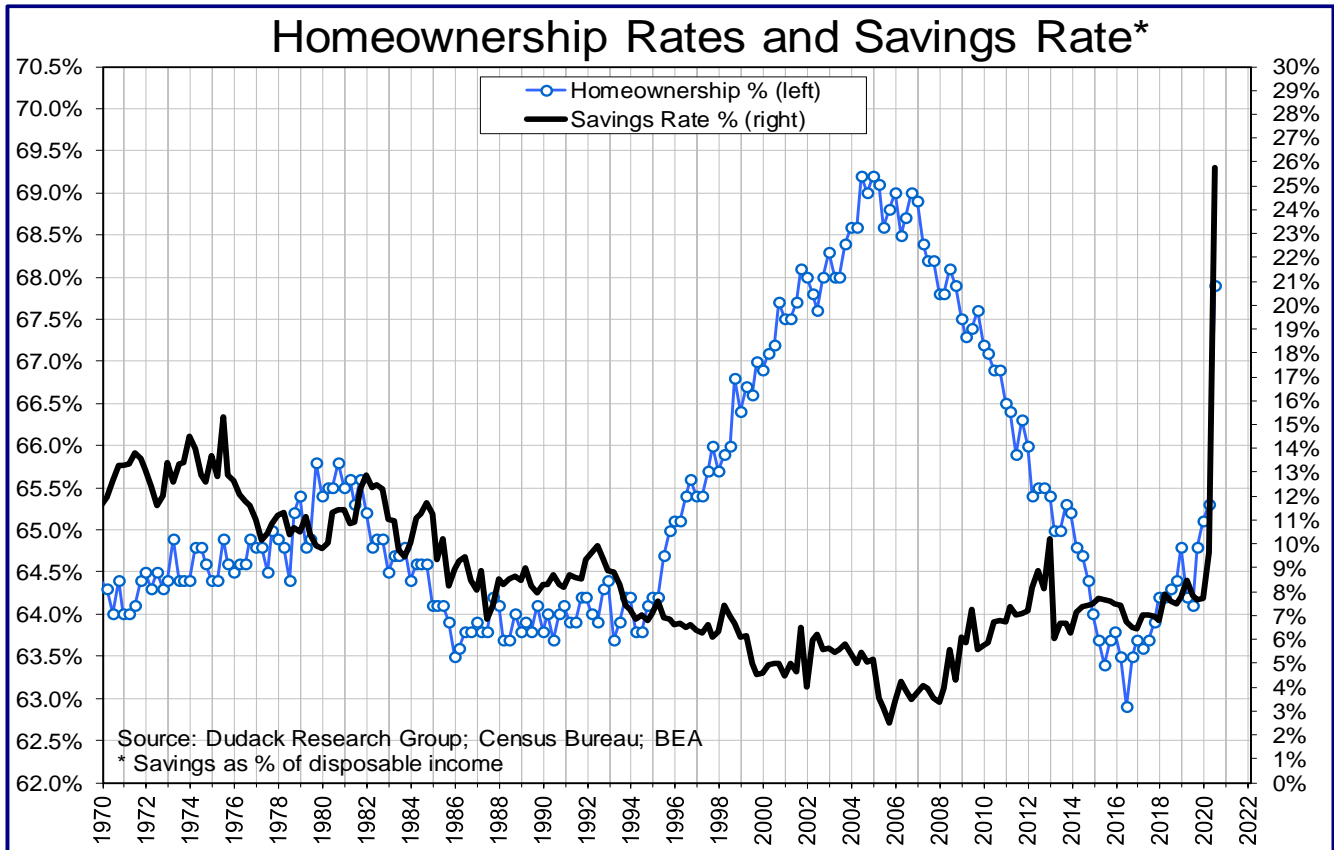


An active residential real estate market produced a large gain in homeownership in the second quarter. Homeownership in the US rose from 65.3% in March to 67.9% in June. The largest regional gain was found in the South where ownership rose from 67.6% to 71.1%. Black homeownership rose 3% to 47% and Hispanic ownership rose 2.5% to a record 51.4%.

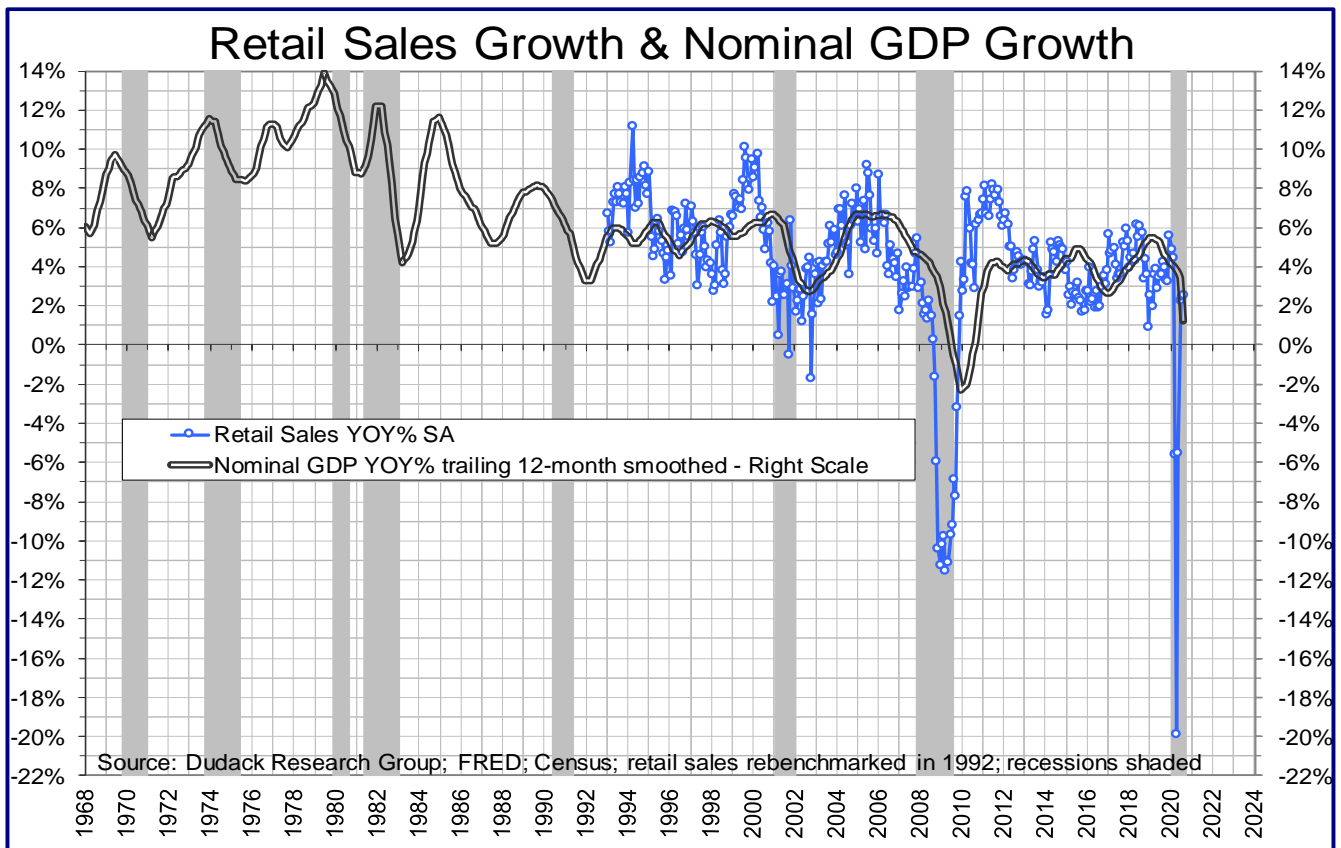
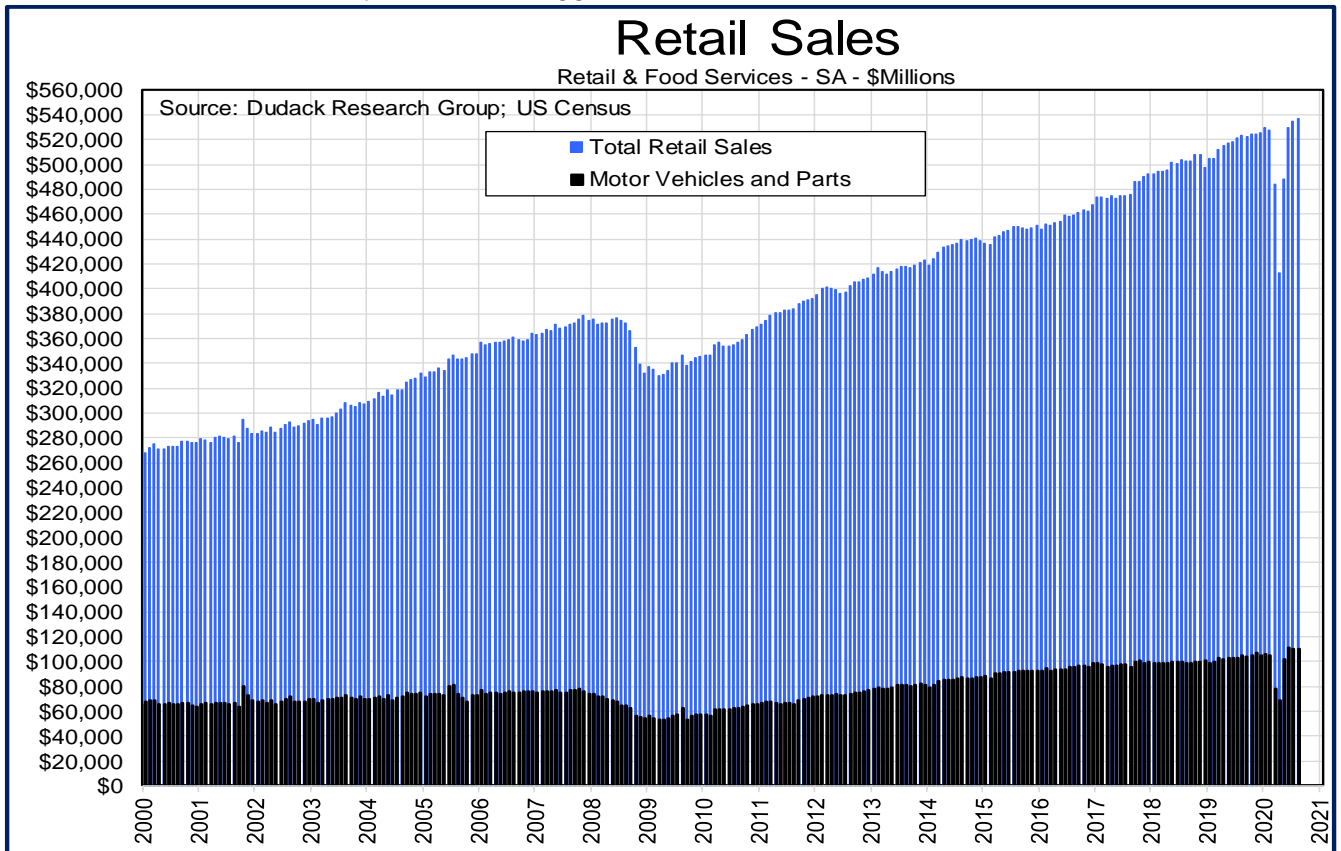




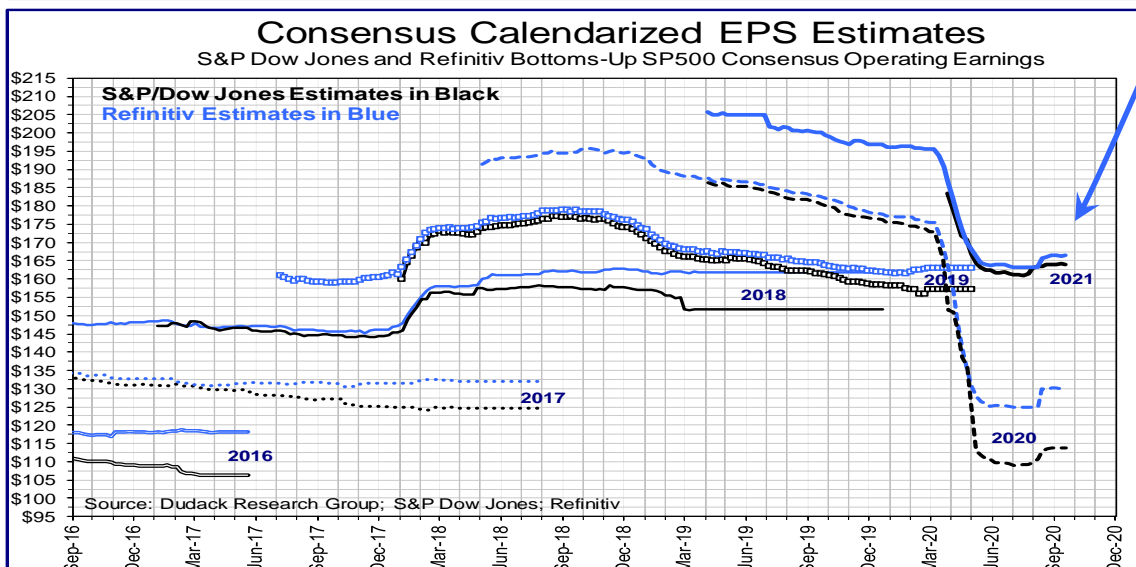
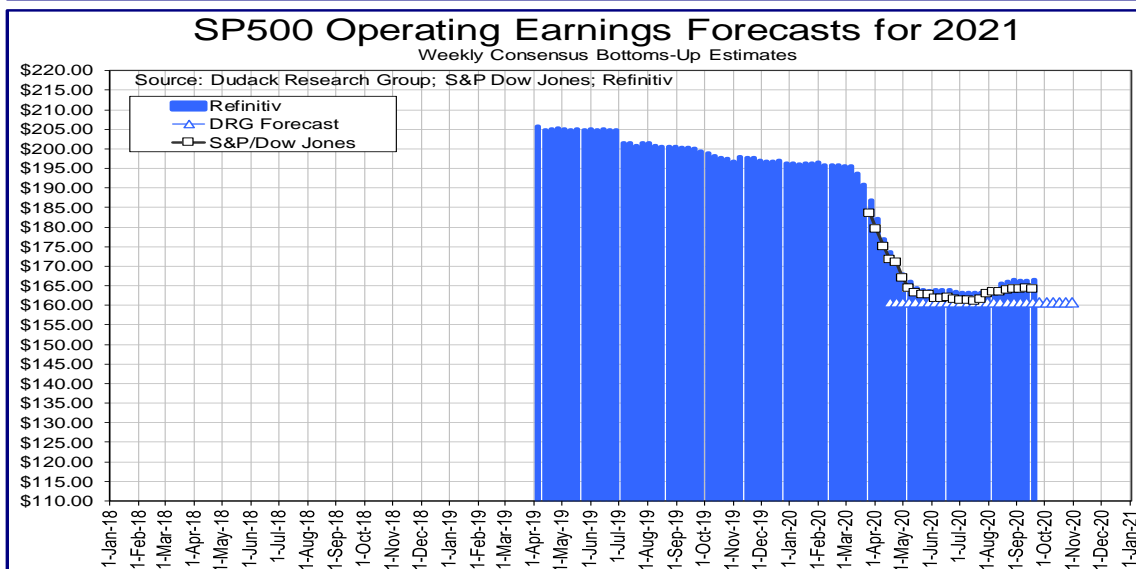
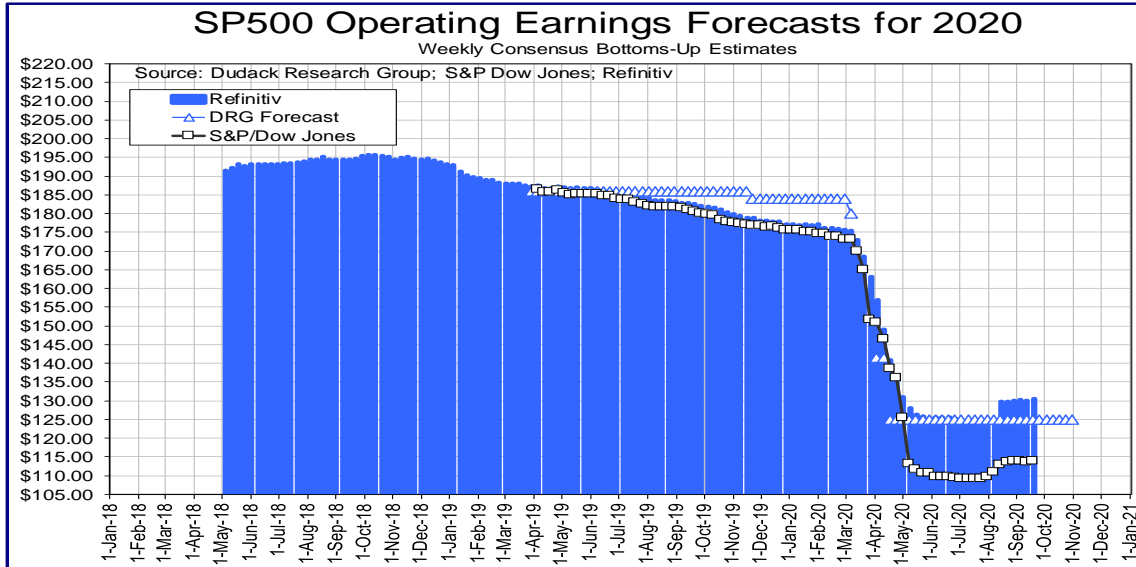
COVID-19 and the fiscal stimulus provided generated a big jump in personal savings. The savings rate was 25.7% in June (peaked at 33.7% in April and fell to 17.8% in July) and contributed to the second quarter jump in homeownership. This in turn impacted the NAHB index where surveys of sales, traffic, and potential traffic each reached all time peaks.



Total retail sales also hit a record high of \$537.5 billion (SAAR) in August, a gain of 2.6% YOY. Motor vehicle and parts dealers had sales of \$109.8 billion (SAAR), a gain of 4.5% YOY. Retail sales tend to be a good forecaster of overall GDP activity; to date, it suggests a nice rebound from the 31.5% decline in 2Q20 GDP.



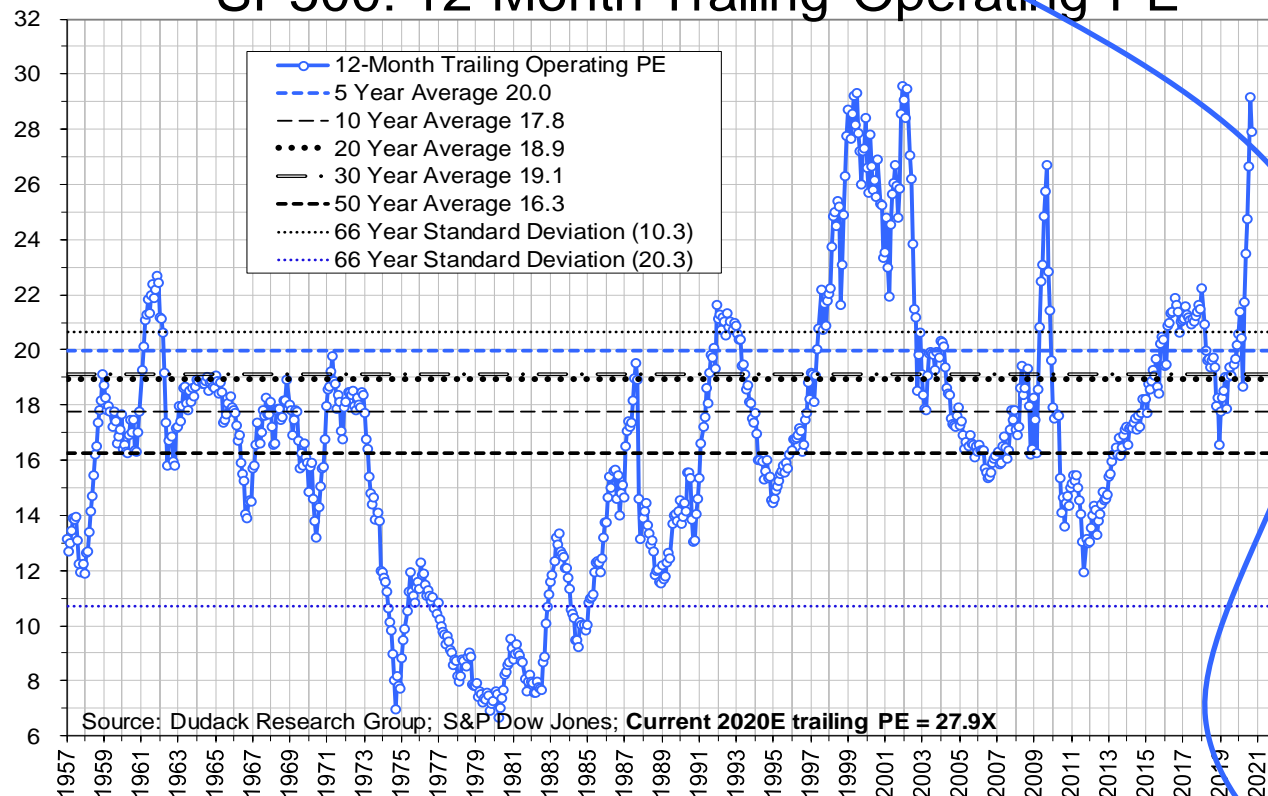
Consensus estimates for SPX 2020 and 2021 earnings continue to rise, particularly for Refinitiv/IBES. The actual Refinitiv/IBES 2021 EPS estimate has increased from \$163.31 to \$166.62 in the last six weeks. The S&P Dow Jones estimate rose from \$160.89 to \$164.04 in the past nine weeks. Both are well above our \$160.65 conservative estimate.





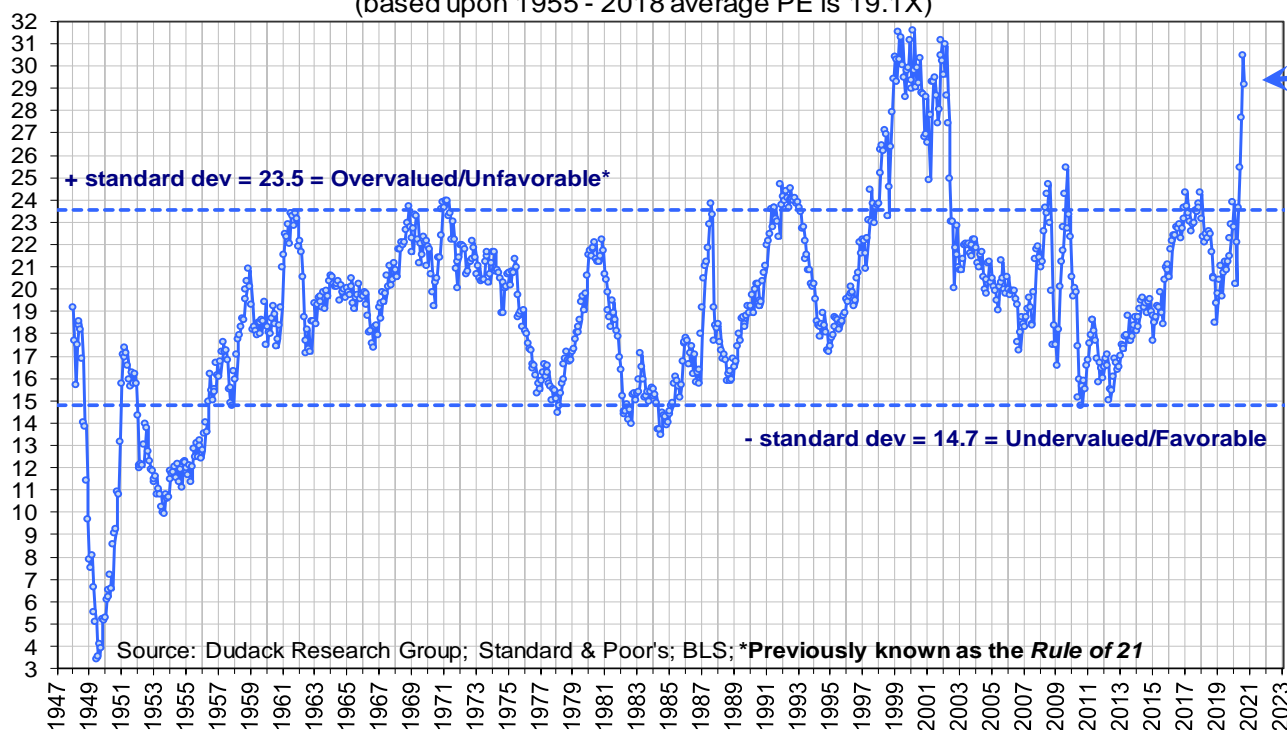
The 12-month forward PE ratio for the SPX is 21.3X and the trailing operating PE ratio is 28.1X down from 29.1X at the end of August. This is not as high as the trailing PE seen in June 1999 (29.3) or December 2001 (29.6), but it is close. And even though inflation is running at a modest 1.2% recently, the combination of the two equals 29.3 which is also rich. In sum, valuations are currently stretched.

## SP500: 12-Month Trailing Operating PE

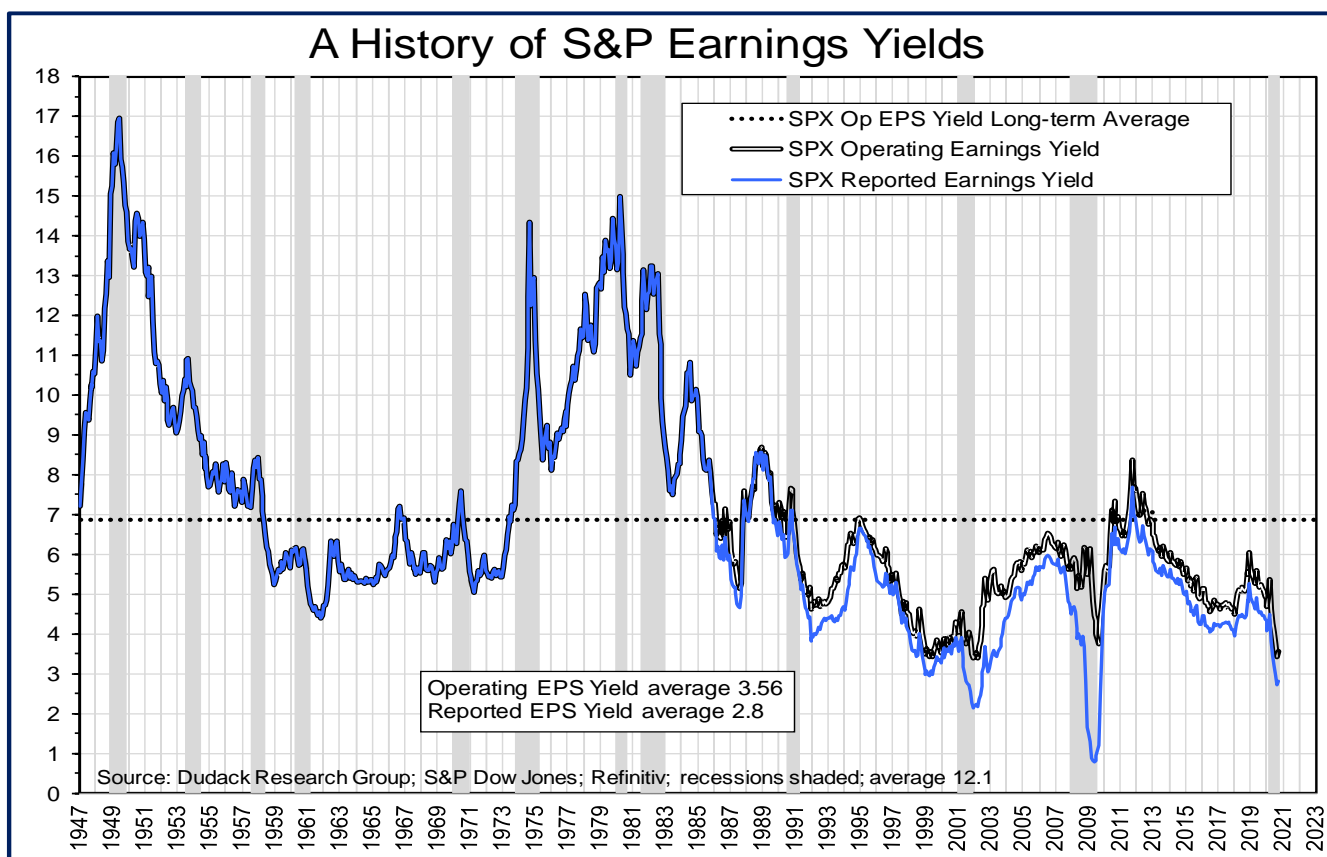
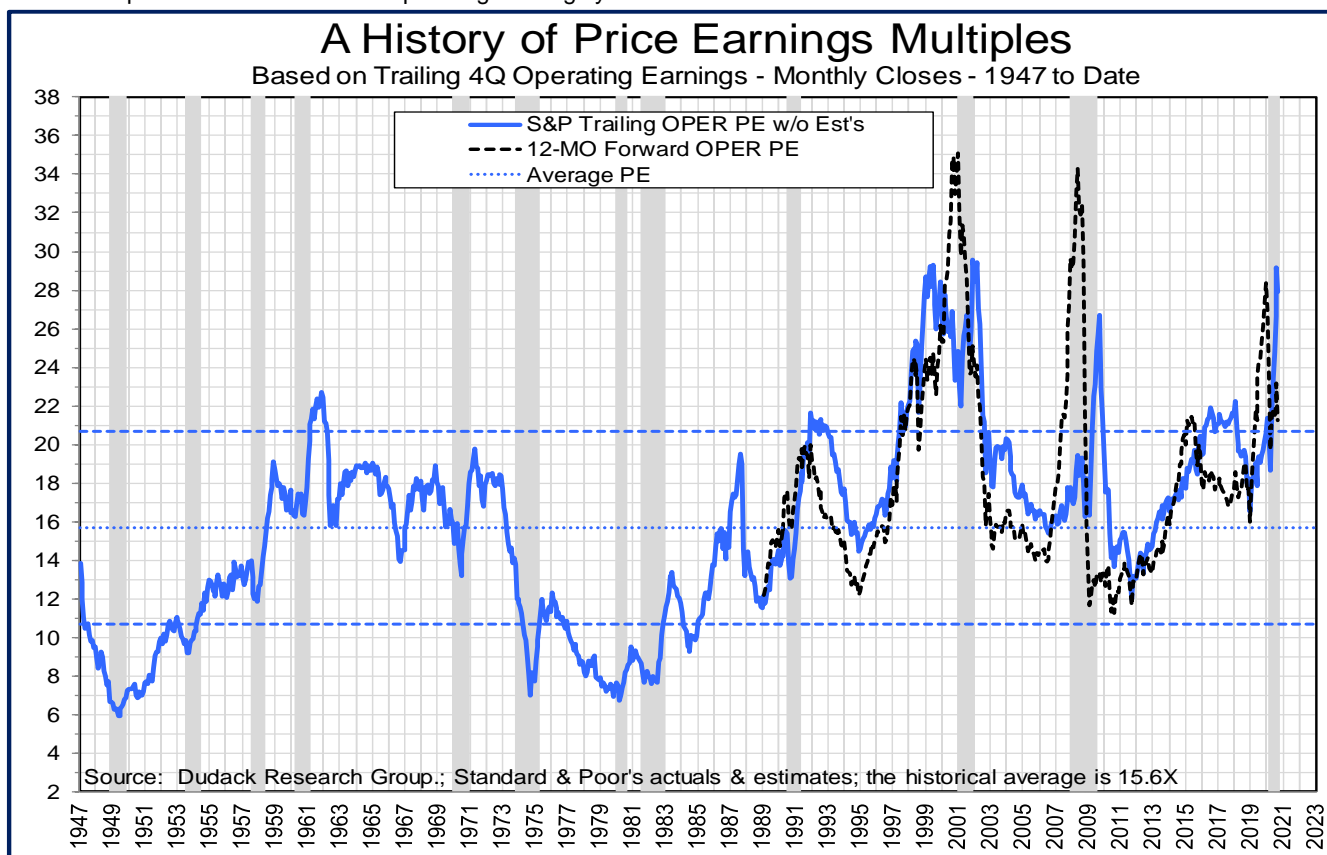


## The Rule of 23\*

Sum of the SP500 trailing operating PE and Inflation  
(based upon 1955 - 2018 average PE is 19.1X)

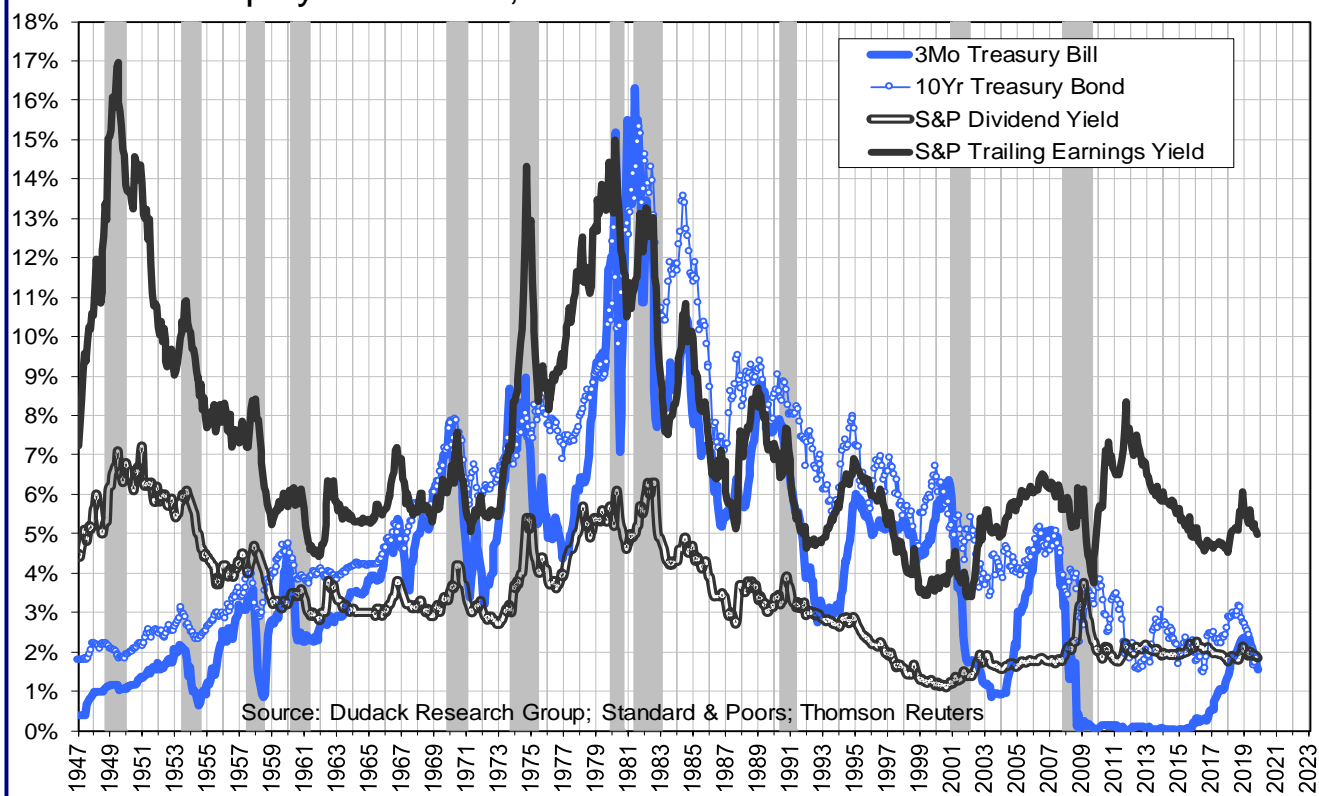


Trailing operating PE multiples are best for assessing downside risk in the stock market, whereas forward PE multiples are best for indicating potential. However, the current forward multiple of 20.15 times is just barely within the fair value range of 10.7 to 20.7 times. What is at 2000 peak levels is the SPX's operating earnings yield of 3.56 which matches the lows seen in 1999 and 2002.



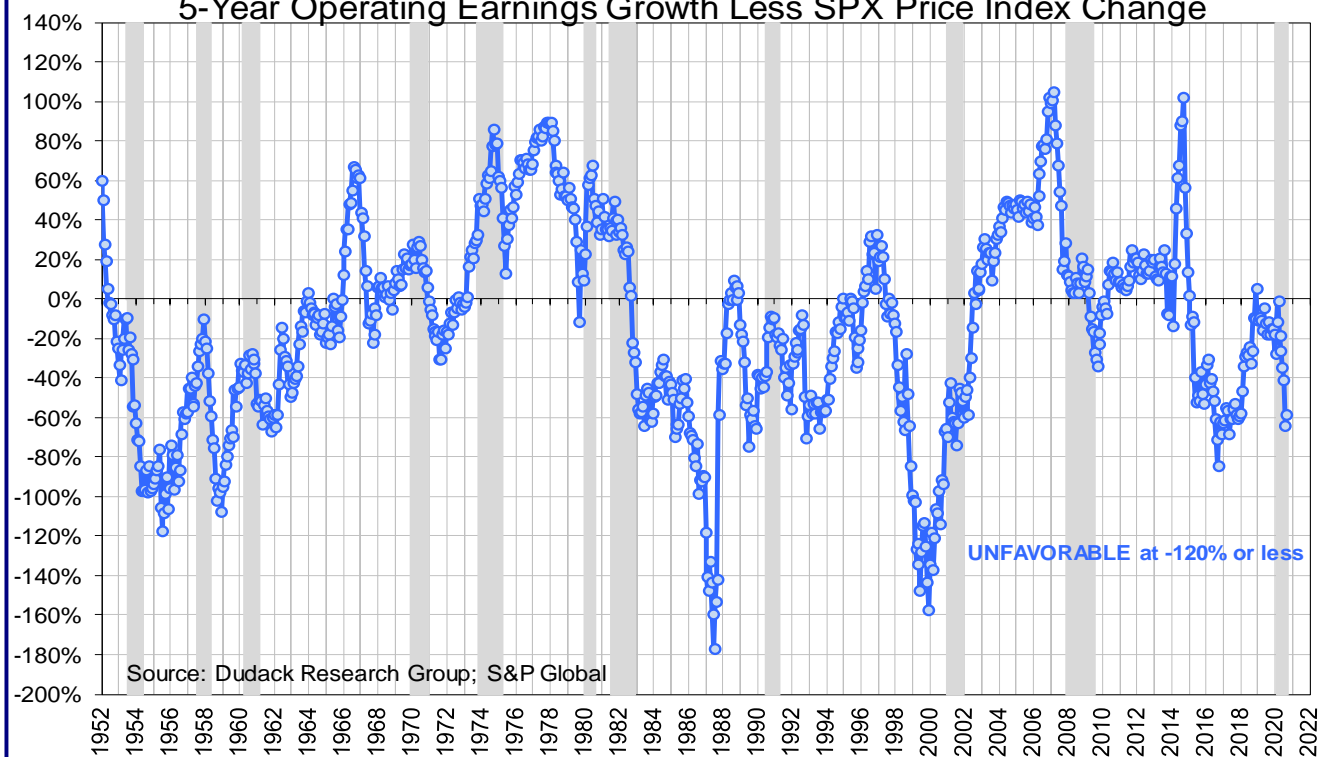
There are a number of counterbalancing issues to 1999 and 2000. The first and most obvious are inflation and interest rates which were much higher and more negative in 1999. The Dot-com bubble of 2000 may seem similar to today's technology-driven advance, but in 2000 many popular "growth" companies had no earnings at all. Today's environment suffers from a lack of earnings but due to a mandatory shutdown. Earnings should rebound in 2021 once a vaccine is approved and global economies can reboot.

### Equity Valuations, Bond Yields and Risk Free Rates

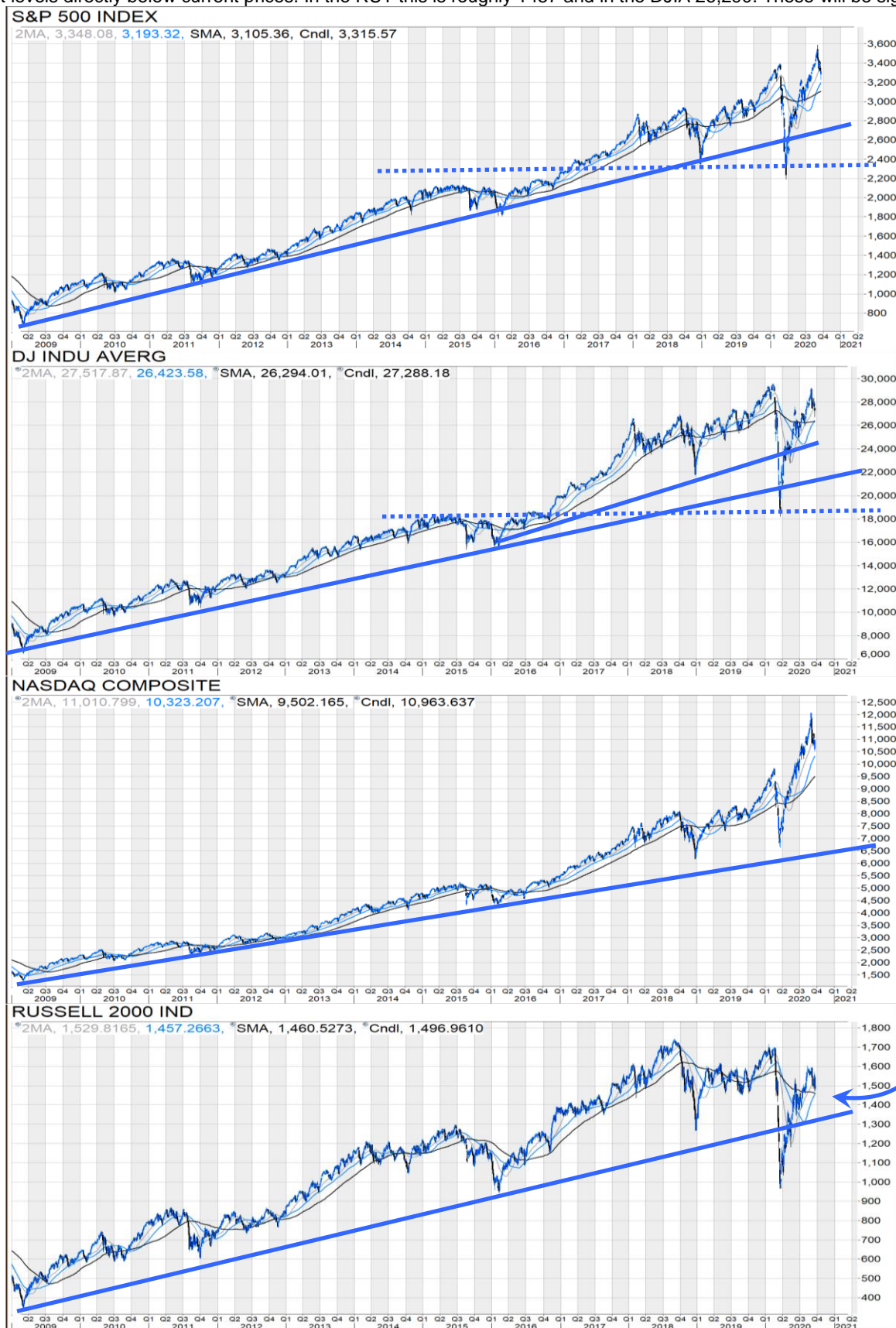


### Spread Between SPX Earnings and Price

5-Year Operating Earnings Growth Less SPX Price Index Change



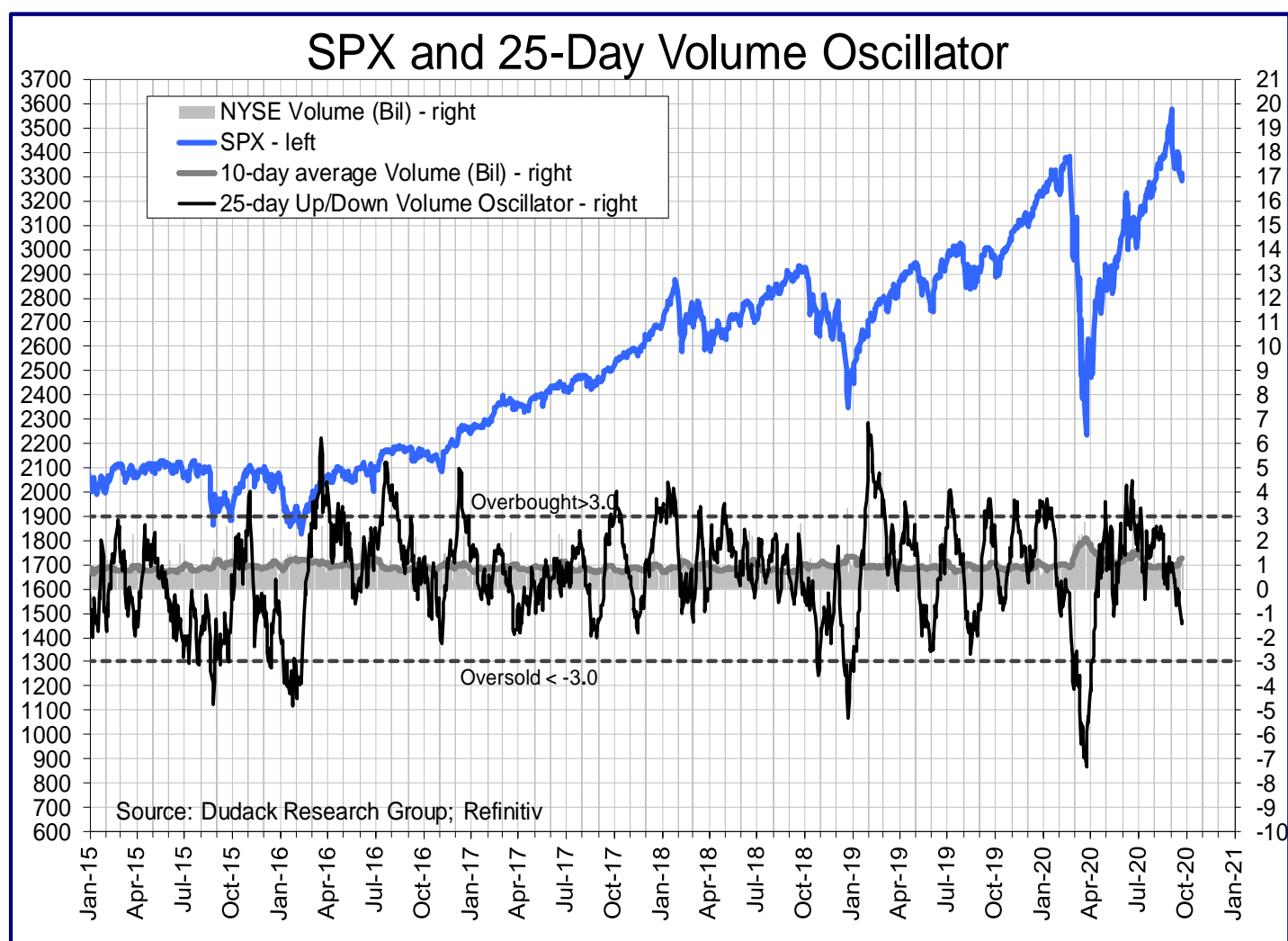
There are several interesting factors to note in the charts below. The SPX and IXIC broke their 50-day moving averages, are about to test the 100-day MA's and are well above their 200-day MA's. However the DJIA and RUT have their 100-day MA and 200-day MA converging at levels directly below current prices. In the RUT this is roughly 1457 and in the DJIA 26,290. These will be significant tests.



Source: Refinitiv

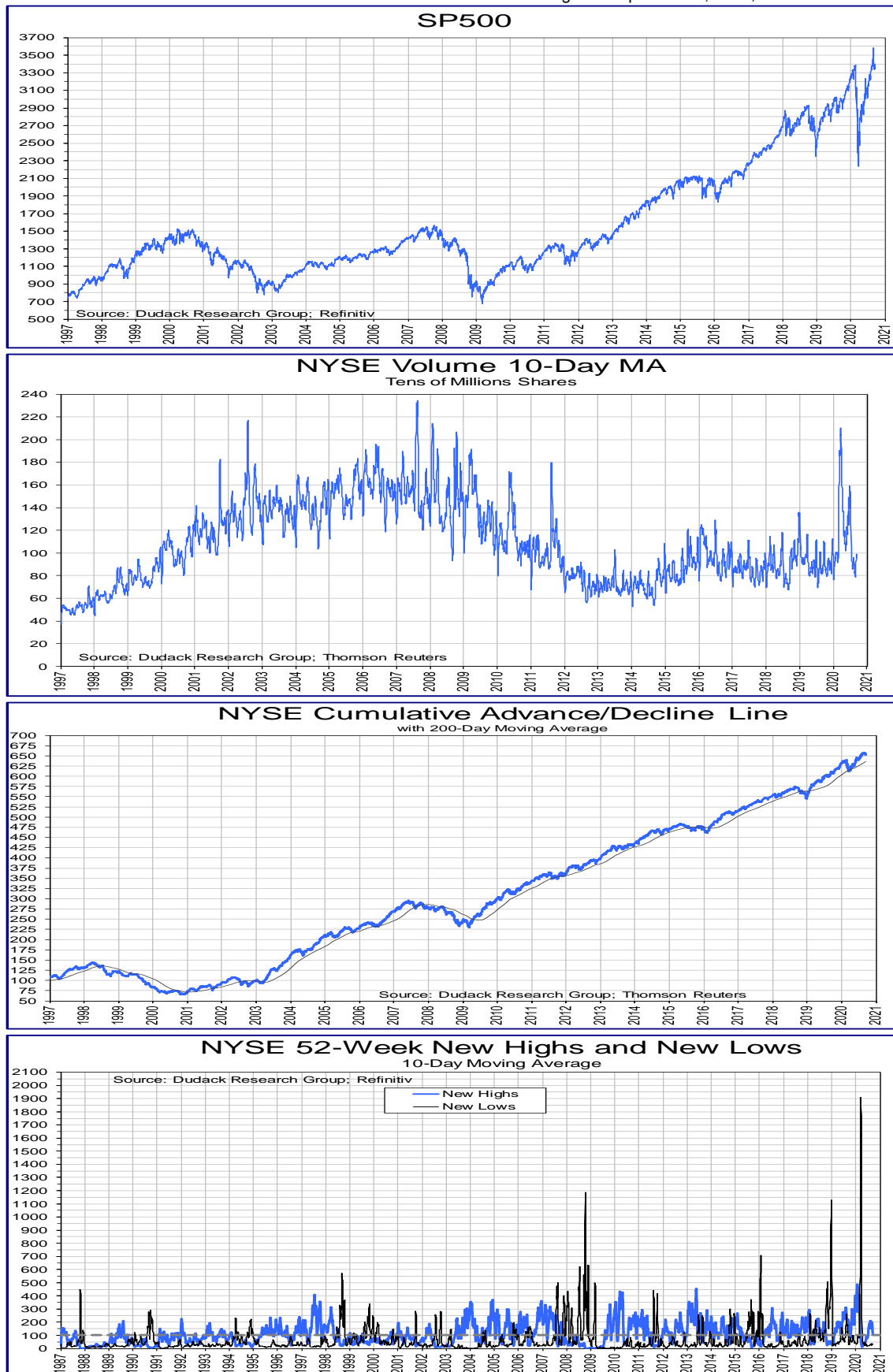
The 25-day up/down volume oscillator is currently minus 1.29 (preliminary) and neutral. Nonetheless, the oscillator is at its lowest neutral level since April 8, 2020 which appeared in the aftermath of a significant 33% decline in the SPX. As seen in the chart below, corrections within a longer bull market cycle rarely reach a fully oversold reading of negative 3.0 or less, but rather reverses as this indicator approaches oversold territory. Watching this indicator as it approaches a minus 3.0 oversold reading will be an important factor to monitor in the trading days ahead.

The absence of an overbought reading as the SPX and IXIC hit record high prices in early September was a warning sign and revealed a lack of sustained and solid buying volume. However, the indicator has been relatively stable in face of a dramatic sell-off in popular growth and technology issues.

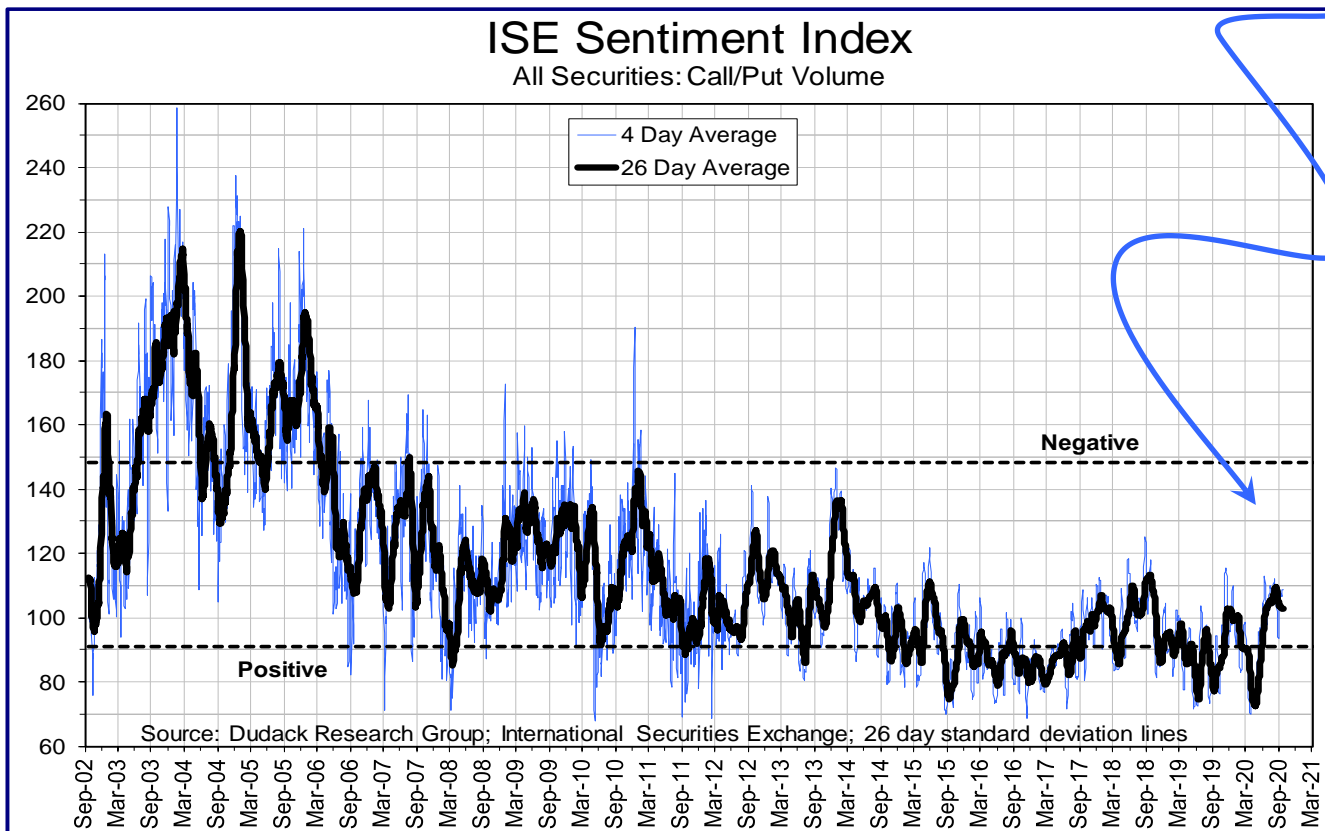
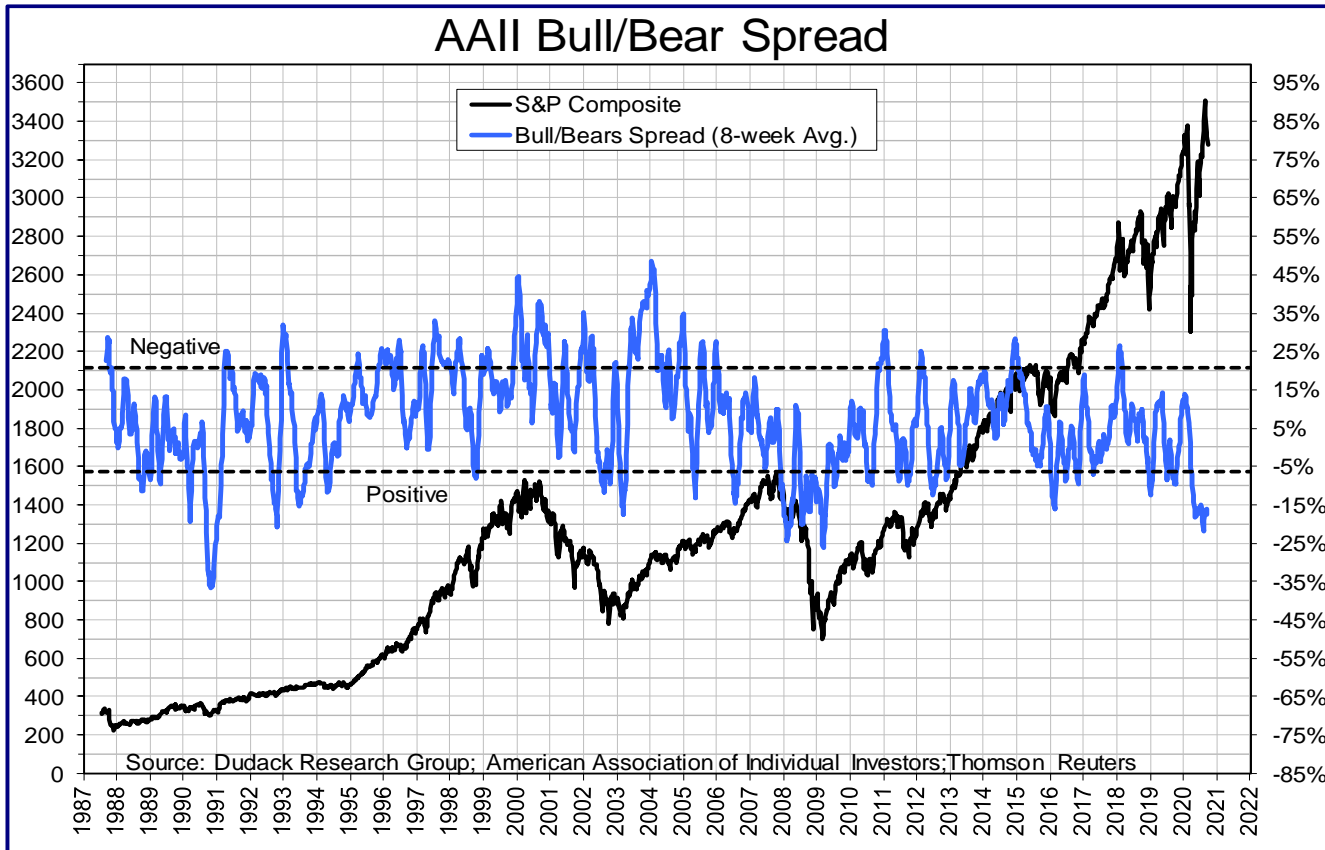




The 10-day average of daily new highs (76) is back below the 100 that defines a bull market; the 10-day average of daily new lows (30) is below the 100 that defines a bear market. This combination is neutral. The A/D line made a new record high on September 2, 2020, in line with the IXIC and SPX.



As of September 16, AAIL bullish sentiment rose 8.3% to 32.0% and bearish sentiment fell 8.1% to a 6-week high of 40.4%. 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.

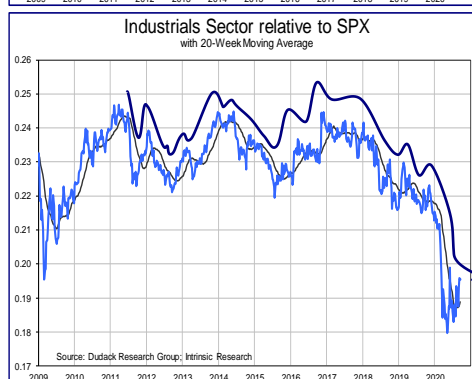
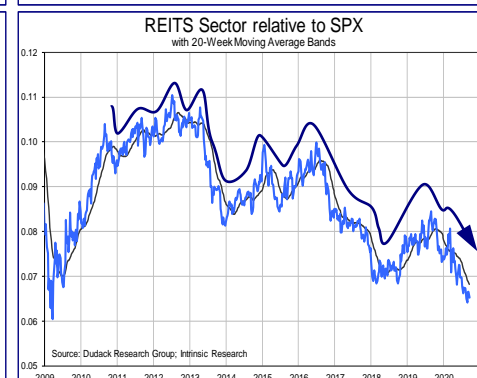
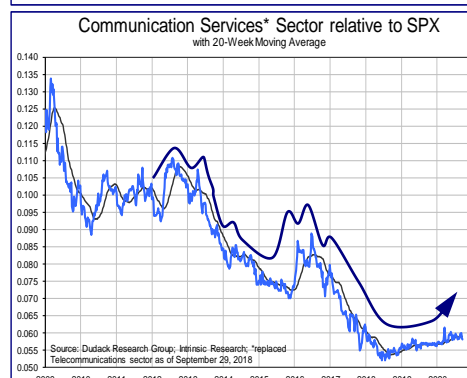
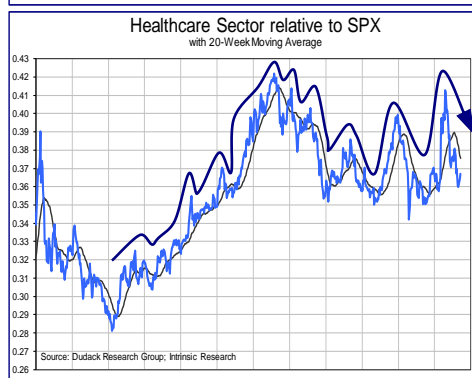
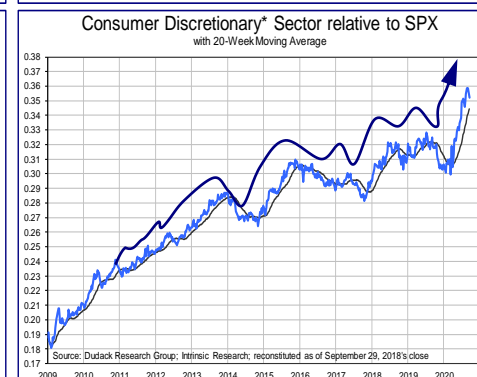
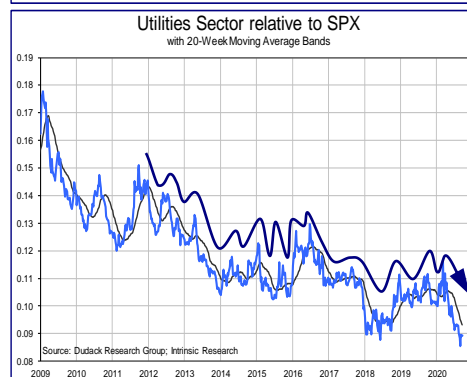
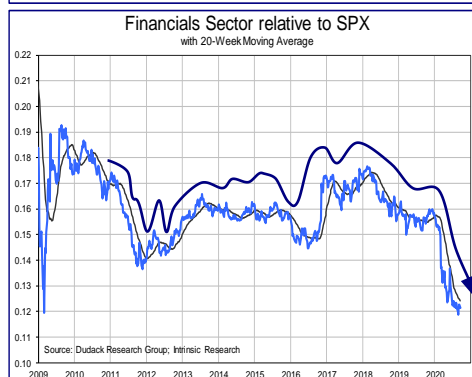
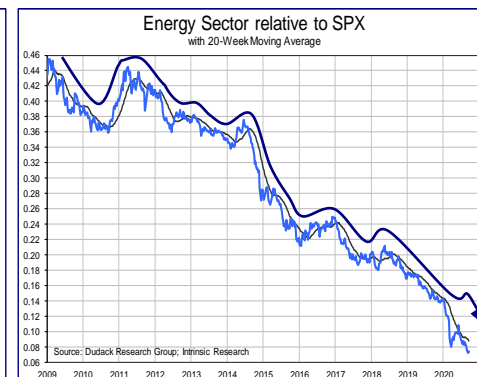
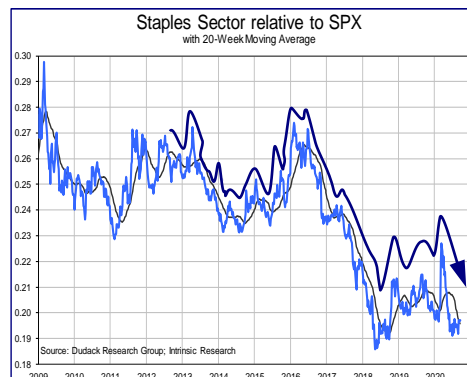
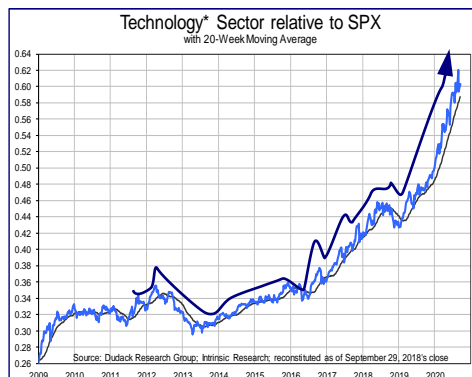


## DRG Recommended Sector Weights

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&amp;P 500



2020 Performance Year-to-Date - Ranked	
SP500 Sector	% Change
S&P INFORMATION TECH	22.8%
S&P CONSUMER DISCRETIONARY	17.2%
S&P COMMUNICATIONS SERVICES	5.1%
S&P MATERIALS	3.1%
S&P 500	1.6%
S&P HEALTH CARE	1.3%
S&P CONSUMER STAPLES	-0.1%
S&P INDUSTRIALS	-6.7%
S&P UTILITIES	-10.7%
S&P REITS	-10.9%
S&P FINANCIAL	-22.1%
S&P ENERGY	-46.9%

Source: Duda 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	23.65	-9.8%	-8.4%	34.1%	36.5%
NASDAQ 100	NDX	11186.37	-2.2%	-3.2%	10.1%	28.1%
Gold Future	GCC1	1913.10	-2.8%	-1.1%	6.7%	25.9%
SPDR Gold Trust	GLD	178.65	-2.6%	-1.9%	6.7%	25.0%
Technology Select Sector SPDR	XLK	114.22	-1.9%	-3.2%	9.3%	24.6%
Nasdaq Composite Index Tracking Stock	ONEQ.O	426.40	-2.3%	-3.6%	9.0%	22.0%
iShares 20+ Year Treas Bond ETF	TLT	164.27	0.1%	-1.2%	0.2%	21.3%
iShares Russell 1000 Growth ETF	IWF	213.17	-2.0%	-2.5%	11.1%	21.2%
SPDR Homebuilders ETF	XHB	53.09	-0.5%	-1.2%	20.9%	16.7%
Consumer Discretionary Select Sector SPDR	XLY	144.50	-2.9%	-1.1%	13.1%	15.2%
SPDR S&P Semiconductor ETF	XSD	120.75	-3.1%	-1.7%	7.9%	14.0%
iShares Nasdaq Biotechnology ETF	IBB.O	133.84	-1.6%	0.9%	-2.1%	11.1%
SPDR S&P Retail ETF	XRT	50.62	-0.4%	-2.6%	18.1%	10.0%
Shanghai Composite	.SSEC	3274.30	-0.6%	-3.1%	8.2%	9.0%
iShares MSCI Taiwan ETF	EWT	44.73	-2.0%	0.9%	11.2%	8.8%
iShares iBoxx \$ Invest Grade Corp Bond	LQD	135.68	-0.1%	-0.6%	0.9%	6.0%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	3.9%	4.7%
Silver Future	SLC1	18.54	0.0%	0.0%	0.0%	4.0%
iShares Russell 1000 ETF	IWB	185.25	-2.4%	-2.0%	7.9%	3.8%
iShares MSCI South Korea Capped ETF	EWY	64.45	-3.2%	2.7%	12.8%	3.6%
Materials Select Sector SPDR	XLB	63.33	-4.5%	2.3%	12.4%	3.1%
<b>SP500</b>	<b>.SPX</b>	<b>3315.57</b>	<b>-2.5%</b>	<b>-2.4%</b>	<b>6.9%</b>	<b>2.6%</b>
iShares Russell 2000 Growth ETF	IWO	219.84	-1.3%	-2.6%	6.3%	2.6%
iShares MSCI BRIC ETF	BKF	46.10	-2.6%	-1.1%	10.8%	1.7%
Health Care Select Sect SPDR	XLV	102.96	-3.1%	-3.6%	2.9%	1.1%
PowerShares Water Resources Portfolio	PHO	38.92	-2.2%	-2.3%	7.1%	0.8%
Consumer Staples Select Sector SPDR	XLP	63.20	-2.7%	-1.7%	7.8%	0.3%
iShares MSCI Japan ETF	EWJ	58.56	-1.1%	1.6%	6.6%	-1.1%
iShares MSCI Germany ETF	EWG	28.97	-4.7%	-1.7%	6.9%	-1.5%
iShares MSCI Emerg Mkts ETF	EEM	43.78	-2.9%	-1.1%	9.5%	-2.4%
iShares China Large Cap ETF	FXI	42.09	-2.6%	-4.6%	6.0%	-3.5%
SPDR DJIA ETF	DIA	272.81	-2.8%	-2.3%	5.8%	-4.3%
DJIA	.DJI	27288.18	-2.5%	-2.3%	5.7%	-4.4%
iShares MSCI India ETF	INDA.K	33.44	-2.8%	1.1%	15.2%	-4.9%
Industrial Select Sector SPDR	XLI	76.62	-2.7%	0.2%	11.5%	-6.0%
Vanguard FTSE All-World ex-US ETF	VEU	50.25	-3.8%	-1.8%	5.5%	-6.5%
iShares US Telecomm ETF	IYZ	27.53	-2.3%	-4.7%	-0.1%	-7.9%
iShares MSCI Canada ETF	EWG	27.52	-2.3%	-3.2%	6.3%	-7.9%
iShares MSCI EAFE ETF	EFA	63.46	-3.2%	-1.5%	4.3%	-8.6%
iShares MSCI Malaysia ETF	EWEM	25.99	-2.0%	-5.0%	3.1%	-8.8%
iShares Russell 2000 ETF	IWM	149.06	-2.8%	-3.6%	4.1%	-10.0%
iShares MSCI Hong Kong ETF	EWH	21.85	-4.3%	-1.9%	2.2%	-10.2%
Utilities Select Sector SPDR	XLU	58.02	-3.5%	-2.4%	2.8%	-10.2%
iShares MSCI Australia ETF	EWA	19.86	-3.0%	-3.6%	3.1%	-12.3%
iShares Russell 1000 Value ETF	IWD	117.87	-2.8%	-1.6%	4.7%	-13.6%
iShares US Real Estate ETF	IYR	79.46	-5.1%	-2.3%	0.8%	-14.6%
iShares Russell 2000 Value ETF	IWN	99.23	-4.3%	-4.6%	1.8%	-22.8%
Financial Select Sector SPDR	XLF	23.73	-4.0%	-2.4%	2.5%	-22.9%
iShares MSCI Singapore ETF	EWS	18.44	-2.2%	-2.8%	-1.8%	-23.6%
iShares MSCI United Kingdom ETF	EWU	25.29	-4.2%	-4.6%	-1.8%	-25.8%
iShares MSCI Mexico Capped ETF	EWX	32.31	-5.3%	-4.9%	1.3%	-28.2%
iShares MSCI Austria Capped ETF	EWAO	14.74	-5.8%	-3.5%	-1.4%	-29.2%
Oil Future	CLC1	39.55	3.0%	-6.6%	0.7%	-35.2%
iShares MSCI Brazil Capped ETF	EWZ	29.06	-6.0%	-2.0%	1.0%	-38.8%
SPDR S&P Bank ETF	KBE	28.86	-7.4%	-7.3%	-8.5%	-39.0%
Energy Select Sector SPDR	XLE	31.64	-3.0%	-12.2%	-16.4%	-47.3%
iShares DJ US Oil Eqpt & Services ETF	IEZ	7.90	-5.6%	-12.3%	-8.2%	-61.1%
United States Oil Fund, LP	USO	28.17	2.4%	-6.7%	0.4%	-72.5%

Outperformed SP500

Underperformed SP500

Source: Dudack Research Group; Thomson Reuters

Priced as of close September 22, 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%	2.9%	\$1,664.90	-2.8%
2017	2673.61	\$109.88	\$124.51	\$124.51	28.6%	\$132.00	11.8%	21.5X	1.8%	1.6%	\$1,633.90	-1.9%
2018	2506.85	\$132.39	\$151.60	\$151.60	21.8%	\$161.93	22.7%	16.5X	1.9%	2.4%	\$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	~~~~~	\$87.04	\$113.84	\$125.00	-20.4%	\$130.46	-19.9%	27.2X	NA	NA	NA	NA
2021E	~~~~~	\$142.49	\$164.04	\$160.60	28.5%	\$166.62	27.7%	20.2X	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%	\$28.13	-31.9%	24.7	1.9%	-32.9%	\$1,569.20	-15.5%
2020 3QE*	3315.57	\$27.49	\$32.05	\$36.00	-9.6%	\$32.69	-22.4%	28.2	1.9%	NA	NA	NA
2020 4QE		\$29.84	\$35.50	\$39.00	-0.5%	\$36.10	-14.0%	29.1	NA	NA	NA	NA
2021 1QE		\$31.59	\$36.90	\$25.35	30.0%	\$37.33	12.7%	25.3	NA	NA	NA	NA
2021 2QE		\$35.74	\$39.95	\$39.65	30.0%	\$40.30	43.3%	23.0	NA	NA	NA	NA
2021 3QE		\$37.10	\$42.30	\$46.08	28.0%	\$42.70	30.6%	21.4	NA	NA	NA	NA
2021 4QE		\$38.06	\$44.89	\$49.52	27.0%	\$45.20	25.2%	20.2	NA	NA	NA	NA

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

\*9/22/2020



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