Dudack Research Group
A Division of Wellington Shields & Co. LLC. Member NYSE, FINRA & SIPC
Gail M. Dudack, CMT ● Chief Investment Strategist ● gail@dudackresearchgroup.com ● 212-320-2045
January 13, 2021

DJIA: 31068.69
SPX: 3801.19
NASDAQ: 13078.75

US Strategy Weekly
Sentiment and Inflation Warnings

One of the first warnings signs of the year was the rise in bullish sentiment reported by the Association of American Individual Investors (AAII) in their weekly survey. In the first week of 2021, bullish sentiment rose from 46.1% to 54.0% which means bullish sentiment has remained above the historical average of 38% for nine consecutive weeks. Bullish sentiment is also at its highest level since the November 11, 2020 reading of 55.8% which was a 12-month high. An early preview to current data suggests bullish sentiment may increase again in the current week. Nevertheless, the 8-week Bull Bear spread is negative for the second week in a row which is similar to the warning seen in early 2018. See page 18. As a reminder, 2018 was a roller coaster year of big price swings that ended with a loss of 5.6% in the Dow Jones Industrial Average and 6.2% in the S&P Composite.

It is important to keep in mind that sentiment indicators are not useful for timing market peaks or troughs, however they do provide good discipline for investors who may become too optimistic or pessimistic about equities. With bullish sentiment above 50%, investors should remain alert to other signs of risk in the markets. Nevertheless, most technical indicators are confirming the indices' recent highs. The NYSE cumulative advance decline line made an all-time high on January 12, the 10-day average of daily new highs is robust at 433 and the 10-day average of daily new lows is 28, and well above the 10 or less per day that can appear at the end of a major advance. The one ambivalent technical indicator is the 25-day up/down volume oscillator which is currently neutral at 1.52. This oscillator was in overbought territory for 16 of 19 consecutive trading days between November 23 and December 18 and reached an extreme overbought reading of 5.52 on December 4. This combination was a solid confirmation of the new highs seen at year end. But if we see further gains in stock prices in 2021, we would also like to see an overbought reading to show that price gains are supported by solid buying pressure. See page 11, 12 and 13.

Last week we noted the favorable signal emanating from the Santa Claus rally given the gain during the last five trading days of the year and the first two trading days of the new year. The JANUARY BAROMETER, devised by Yale Hirsch of the STOCK TRADER'S ALMANAC in 1972, is another Wall Street adage that states "as goes January so goes the year." This parable makes sense to us since liquidity, or cash, tends to at its best early in the year as a result of year-end tax-loss selling, year-end bonuses and annual funding of pension funds and IRA's. History also suggests that the first five trading days of January predicts the month of January. On page 7 we show the performance history of the Dow Jones Industrial Average during the first five days of January, the month of January and the full year beginning in 1950. It indicates that the first five trading days of January has predicted the year's action 79% of the time. However, the January Barometer has an even more impressive 95% accuracy in predicting the full year's action if, and only if, January has a positive performance. The Barometer is less accurate when January ends with a loss. As the table shows, there have been 24 instances of losses in early January, 14 years with losses in the full month of January, and eleven years of negative performances for the full year. In short, January losses are far less predictive. But to date, the 1.6% gain in the first five days of January 2021 bodes well for the month and for the overall year. See page 9.

ANYONE FOCUSING ON JOBS?

The ISM manufacturing index increased from 57.5 to 60.7 in December, with most components, except for trade, also rising. Prices paid soared from 65.4 to 77.6. We remain nervous that inflation could be a big risk for equities this year. The nonmanufacturing index rose from 55.9 to 57.2 in December, but the employment index fell from 51.5 to 48.2. With the employment index below the 50 breakeven point, it suggests job growth in the service sector may weaken in coming months. See page 3.

The loss of 140,000 jobs in December did not surprise us given the extended shutdowns of businesses in states like New York and California; so, we are encouraged that Governor Cuomo appears to be ready to ease some restrictions. Still the risk of lengthy shutdowns is that businesses and entrepreneurs have been and will continue to face bankruptcy, which weakens the economy, and foreshadows more jobs losses. In December, the number of people employed was down 6.2% from a year earlier. Typically, any negative growth rate in employment suggests the economy is in the midst of a recession. The US economy has been buoyed by extraordinary fiscal and monetary stimulus for much of 2020, but stimulus cannot solve all problems. The unemployment rate in December was unchanged at 6.7%, but this is still well above the 3.6% seen in December 2019. Plus, when we look at the breakdown of unemployment, we find it is not evenly distributed. Those hurt the most in 2020 were workers with less than a high school degree which means households in the lower end of the job market remain under the greatest pressure. This dilemma is linked to the closure of food and drink establishments, hotels, and all employees tied to business and leisure travel. In our opinion, a weak job market will be another risk factor for the economy, earnings, and investors in 2021. Strangely, politicians seem focused on other matters and are ignoring this fact. See pages 4 and 5.

Small Business Confidence is Crumbling

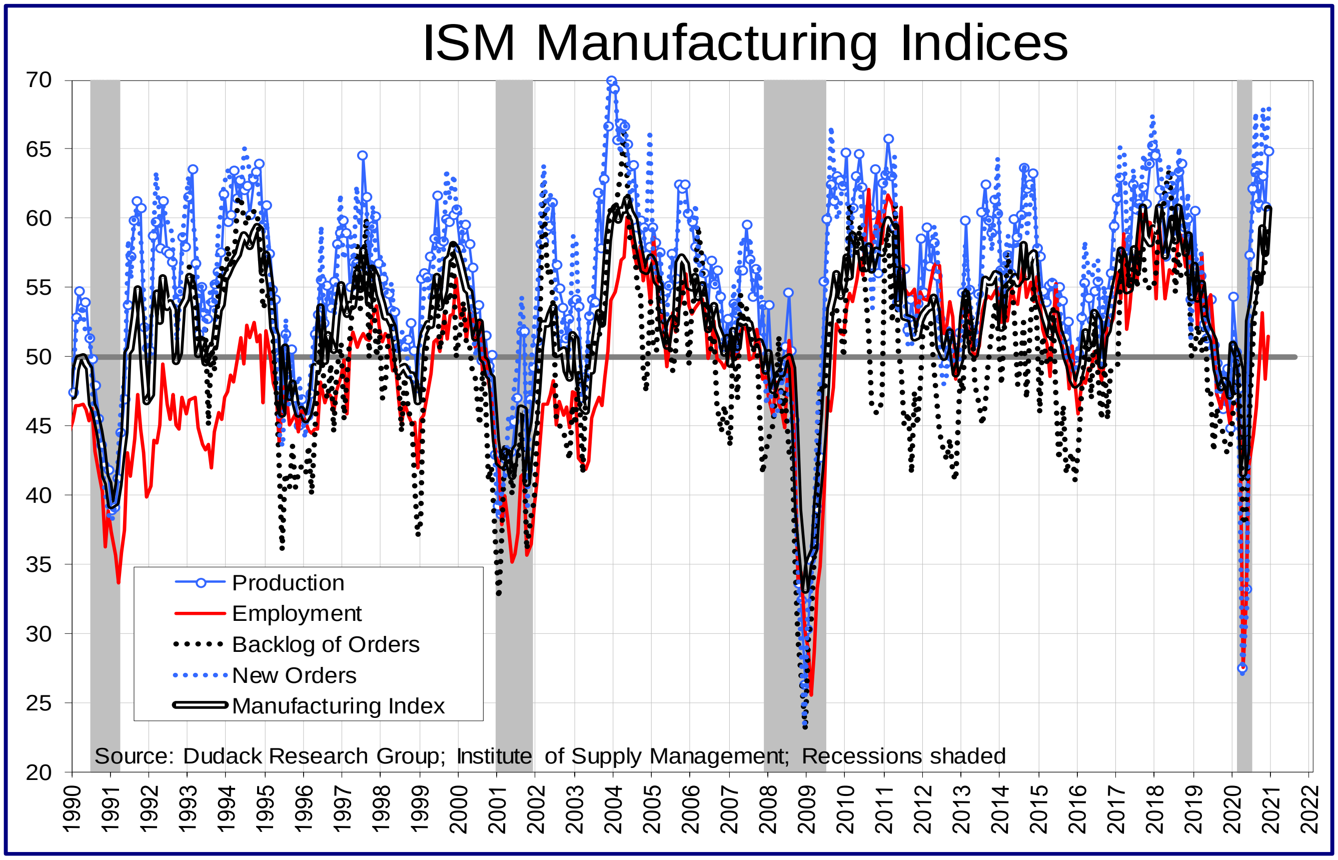
Entrepreneurs and small businesses were feeling the impact of the pandemic at the end of 2020. The NFIB small business optimism index fell 5.5 points in December to 95.9 and all components with the exception of inventory satisfaction were lower. Owners expecting better business conditions over the next six months plummeted 24 points to a net negative 16. Sales expectations for the next three months fell 14 points to a net negative 4. Hiring plans fell 4 to 17, which was down but only to the lower end of the range seen over the last three years. This survey makes it clear that small businesses are concerned about their future in 2021.

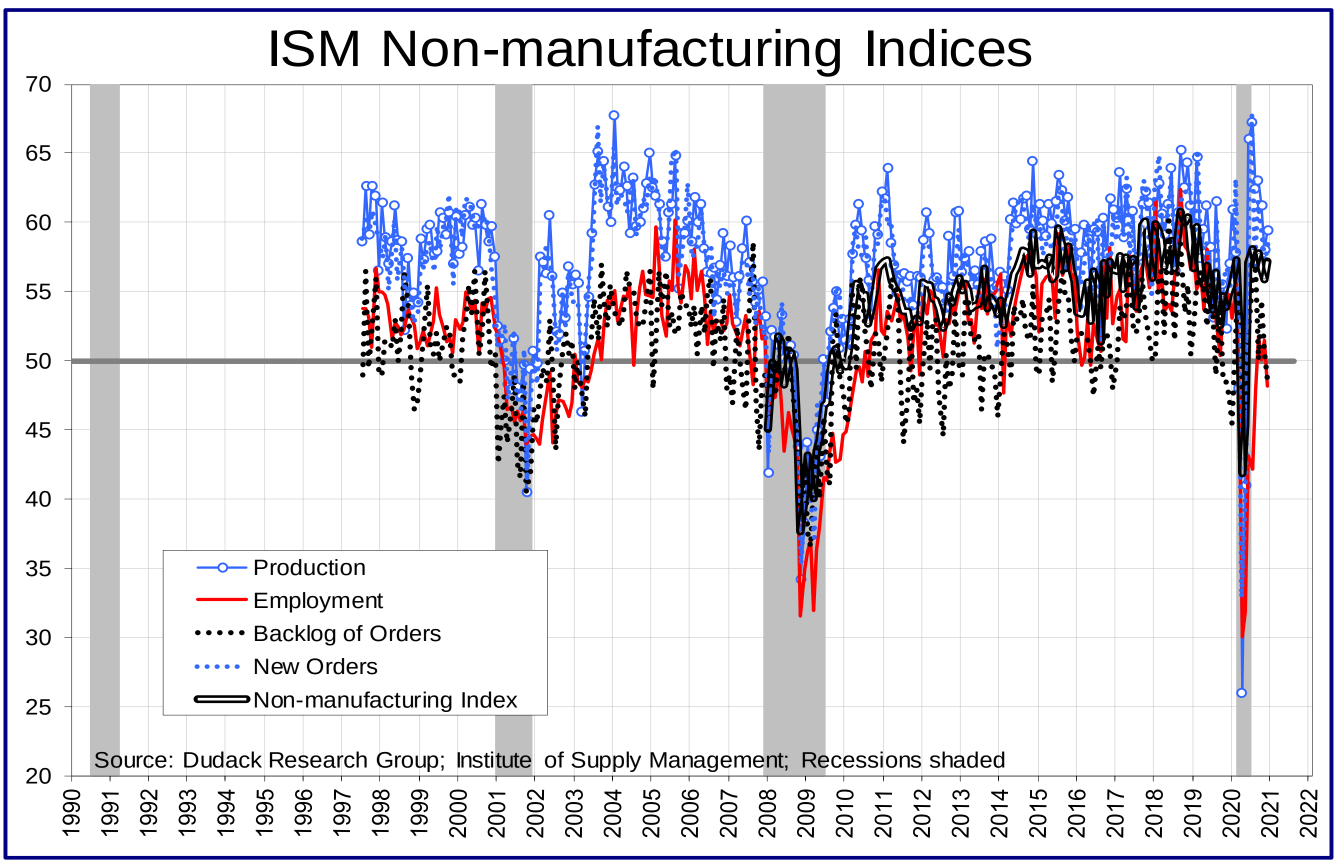
The two areas of strength in the 2020 rebound have been housing and auto. Existing home sales were fairly robust at 6.69 million (SAAR) units in November, down slightly from October, yet up nearly 16% YOY. New home sales were 841,000 in November which was down from 945,000 units in October, but still up 21% YOY. The one warning sign we see for homebuilders is the pending home sales index which fell for the third consecutive month in November to 125.7. See page 7.

Earnings Forecasts are Stabilizing

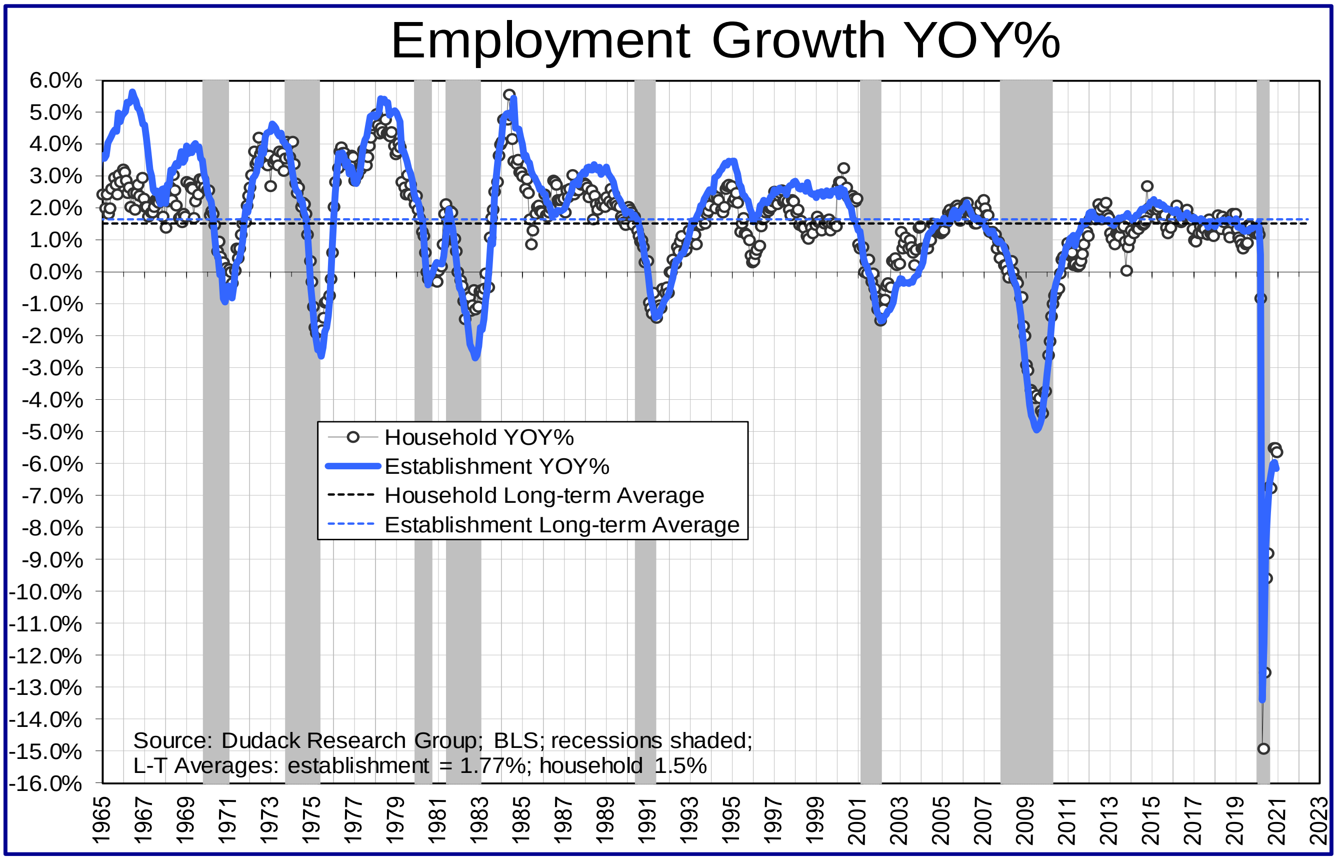
Consensus earnings estimates were revised significantly lower at year end but edged up slightly last week. S&P Dow Jones estimates rose $0.20 for 2020 and $0.17 for 2021 while IBES estimates rose $0.13 for 2020, $0.36 for 2021 and $0.37 for 2022. The S&P Dow Jones and IBES estimates for 2020 are $120.54 and $135.79 and for 2021 they are $164.57 and $167.61, respectively. Keep in mind that PE multiples have expanded dramatically in the last twelve months due in large part to low interest rates and indications from the Federal Reserve that monetary policy will not change before 2023. However, our valuation model indicates that the current low inflation/low interest rate environment translates into a 20 PE multiple. If we apply a 20 PE to the IBES $167.61 estimate for this year it implies a target for the SPX of 3352. In other words, the SPX has a 12% downside risk should optimism regarding earnings, the economy, interest rates or inflation change in the near term.

The ISM manufacturing index rose from 57.5 to 60.7 in December, with most components, except for trade, also rising. Prices paid soared from 65.4 to 77.6. The nonmanufacturing index inched up from 55.9 to 57.2 in December, but the employment index fell from 51.5 to 48.2 and is now below the breakeven 50 benchmark indicating contraction.





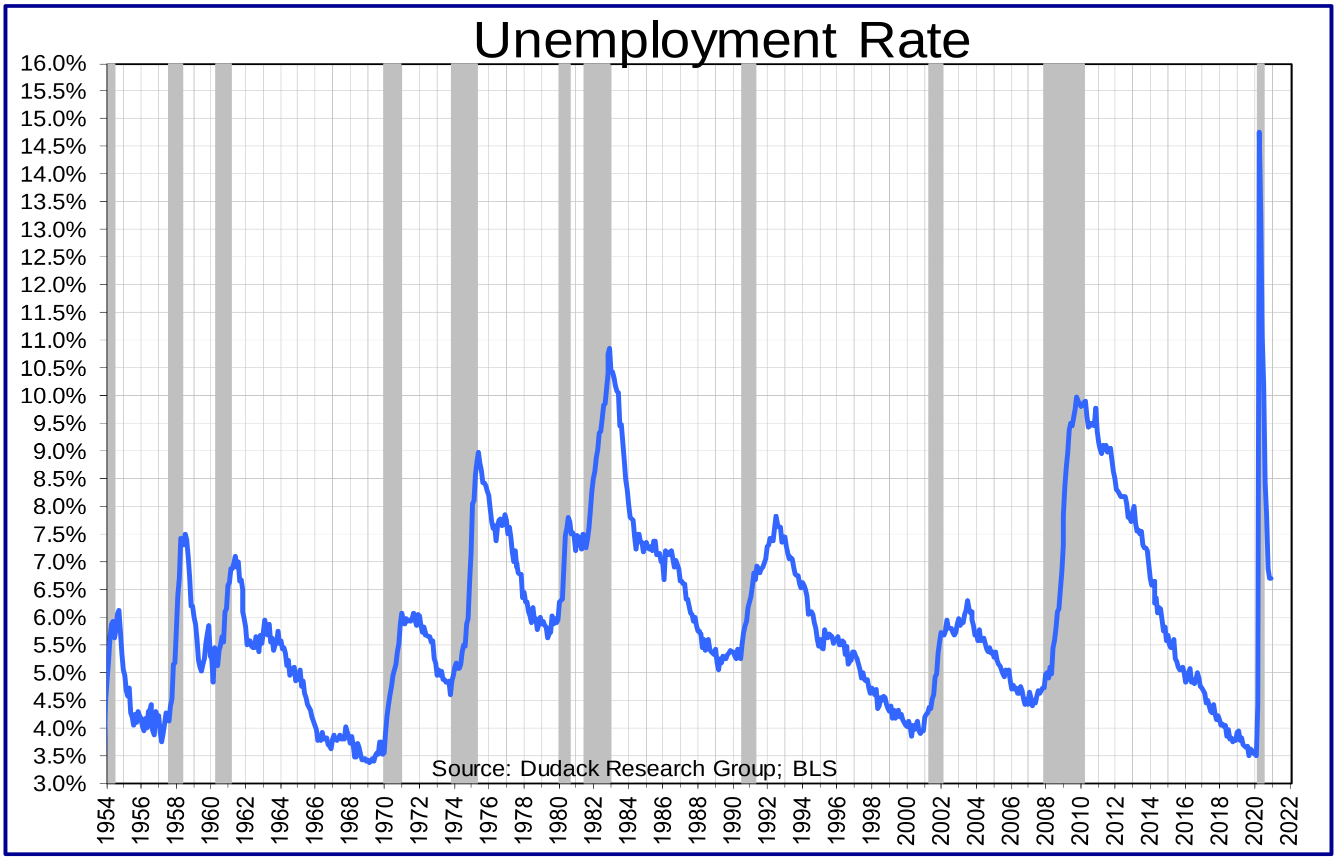
The loss of 140,000 jobs in December was not surprising given the strict shutdowns of businesses in states like New York and California. The risk to these shutdowns is that businesses and entrepreneurs will go bankrupt, weaken the economy, and job losses will increase in coming months. The number of people employed is down 6.2% from a year ago; and typically, any negative number suggests the economy is in a recession. In other words, there is risk in the US economy. The unemployment rate was unchanged at 6.7%, but this remains well above the 3.6% seen in December 2019. Job loss is the major risk factor for 2021 but since Washington DC seems unaware of this fact it is a concern.

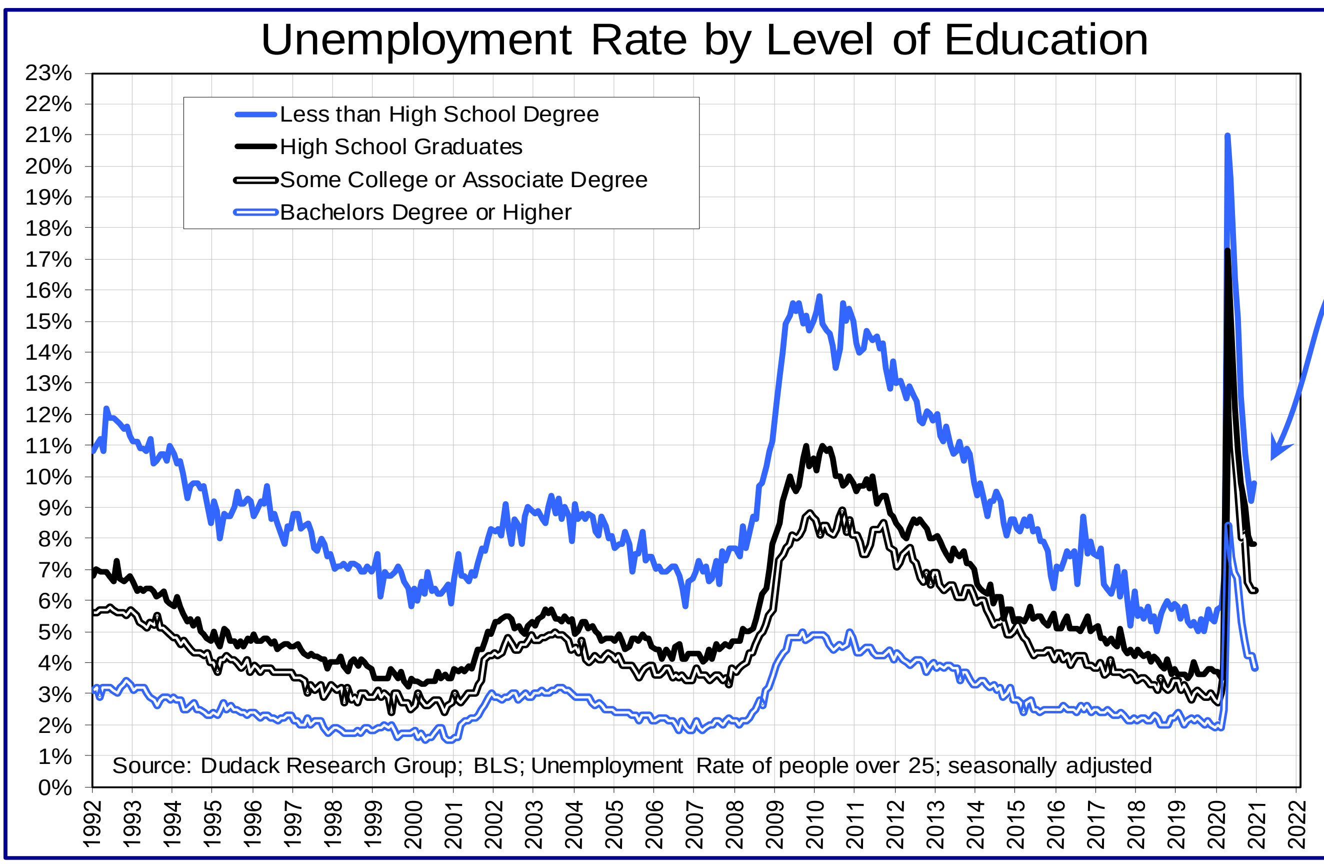


Employment Surveys (1,000s SA)	Dec-20	Nov-20	Change	Dec-19	Yr/Yr
Establishment Survey: NonFarm Payrolls	142,624	142,764	(140)	151,998	(9,374)
Household Survey Data (1,000s)					
Employed (A)	149,830	149,809	21	158,735	(8,905)
Unemployed (B)	10,736	10,728	8	5,844	4,892
Civilian labor force [A+B]	160,566	160,537	29	164,579	(4,013)
Unemployment rate [B/(A+B)]	6.7%	6.7%	0.00%	3.6%	3.1%
U6 Unemployment rate	11.7%	12.0%	-0.3%	6.7%	5.0%
Civilian noninstitutional population (C)	261,230	261,085	145	260,181	1,049
Participation rate [(A+B)/C]	61.5	61.5	0.0	63.3	-1.8
Employment-population ratio [A/C]	57.4	57.4	0.0	61	-3.6
Not in labor force	100,663	100,548	115	95,602	5,061

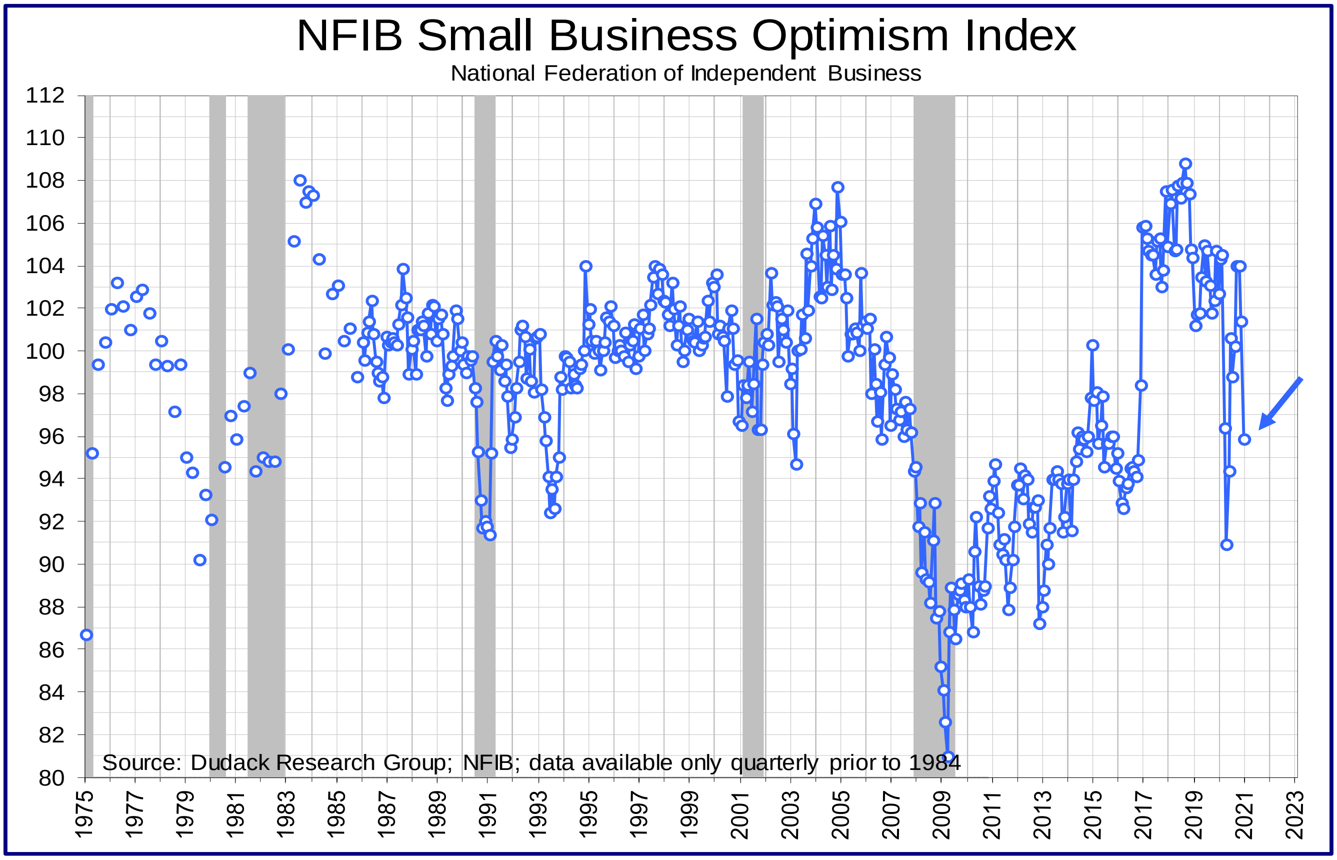
Source: Bureau of Labor Statistics

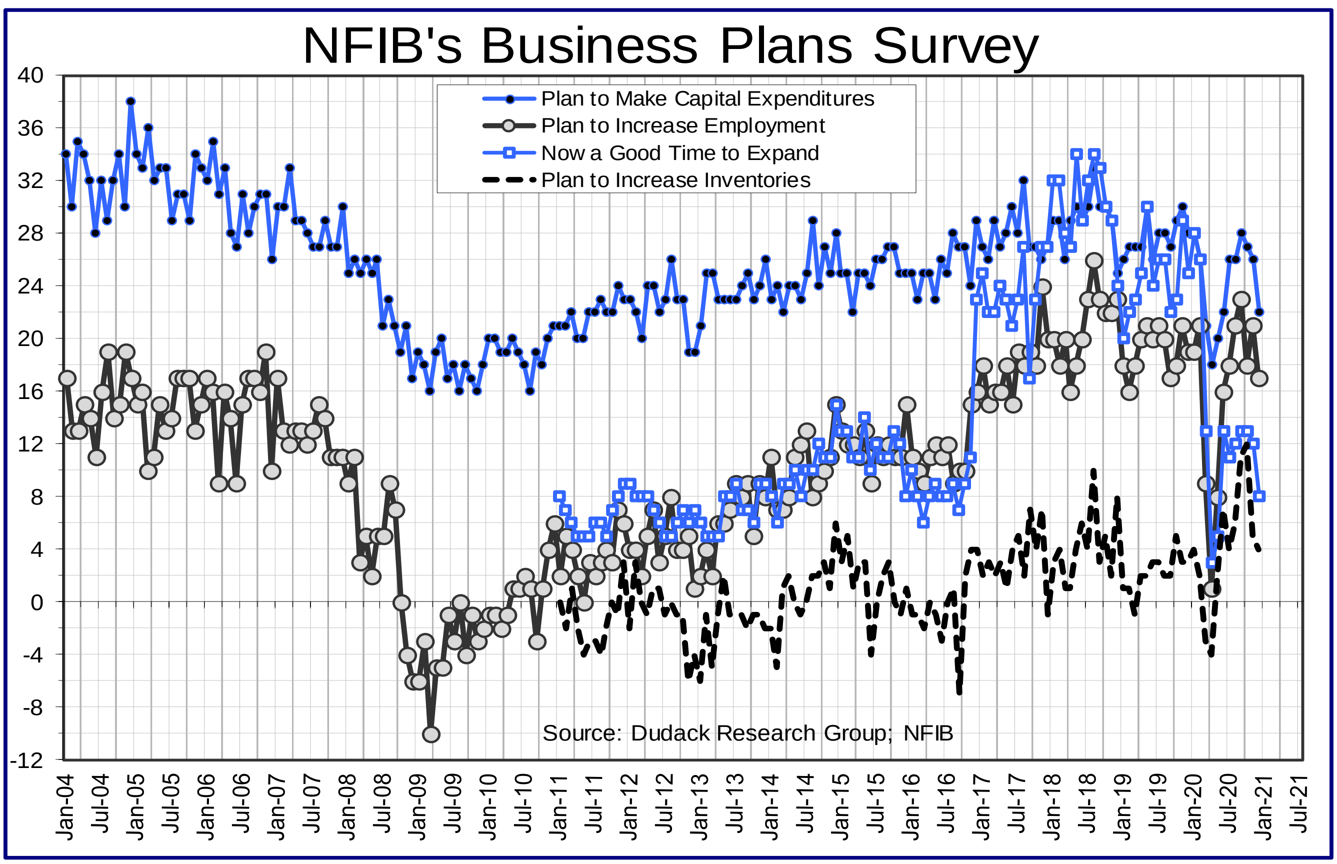
When we look at the breakdown of unemployment, we find it is not evenly distributed. Those hurt the most at year end were workers with less than a high school degree and the lower end of the job market. This is clearly linked to the shutting of food and drink establishments and hotels supported by business and leisure travel.



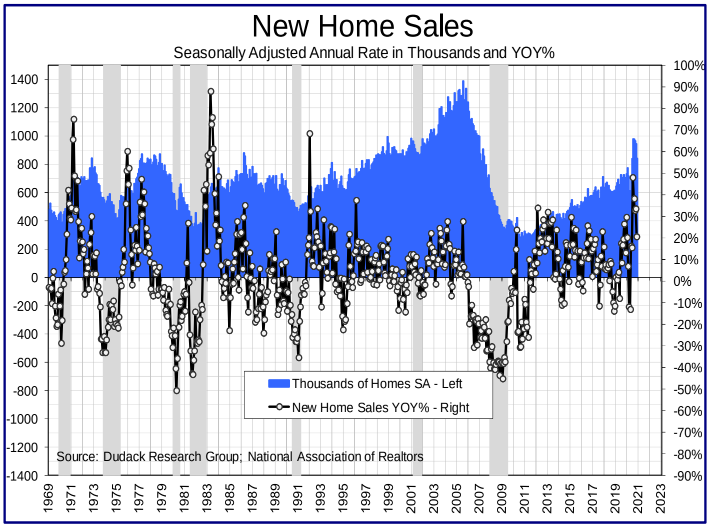


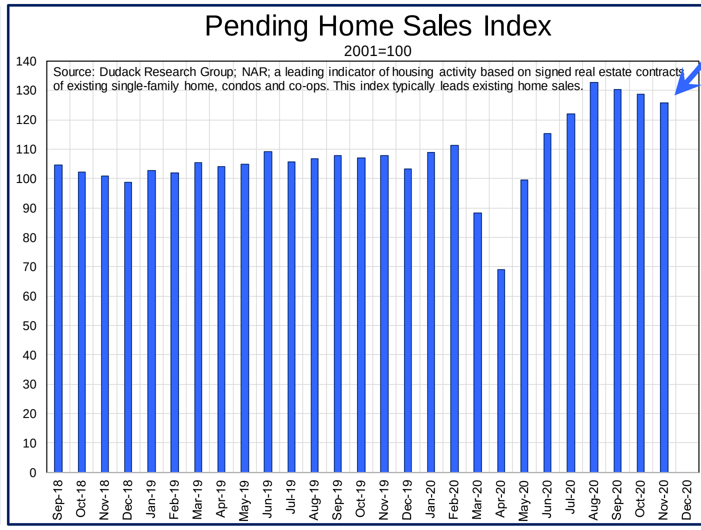
The NFIB small business optimism index fell 5.5 points in December to 95.9. Owners expecting better business conditions over the next six months dropped 24 points to a net negative 16. Sales expectations over the next three months fell 14 points to a net negative 4. Hiring plans fell 4 to 17 and sits at the lower end of the range seen over the last three years.

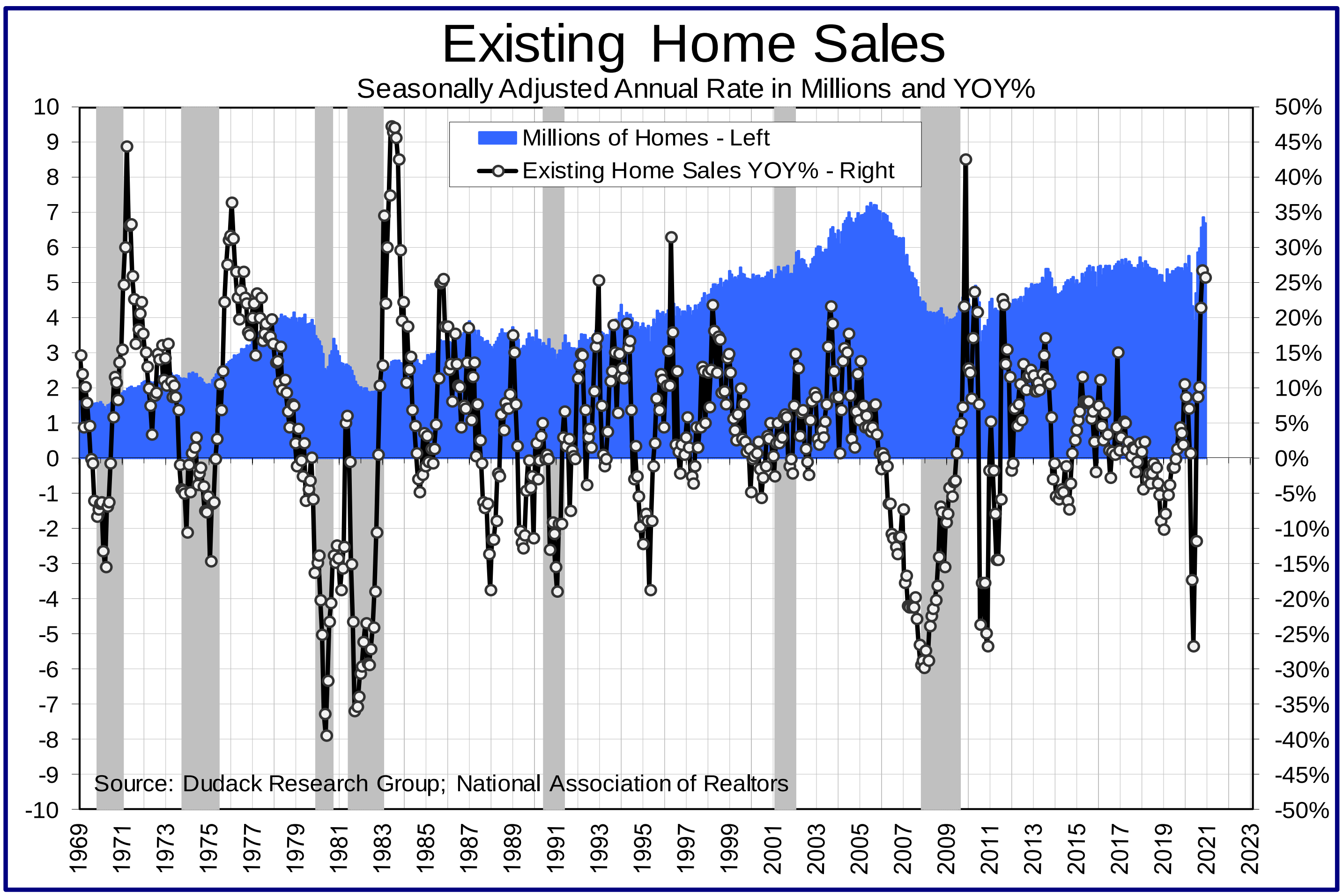




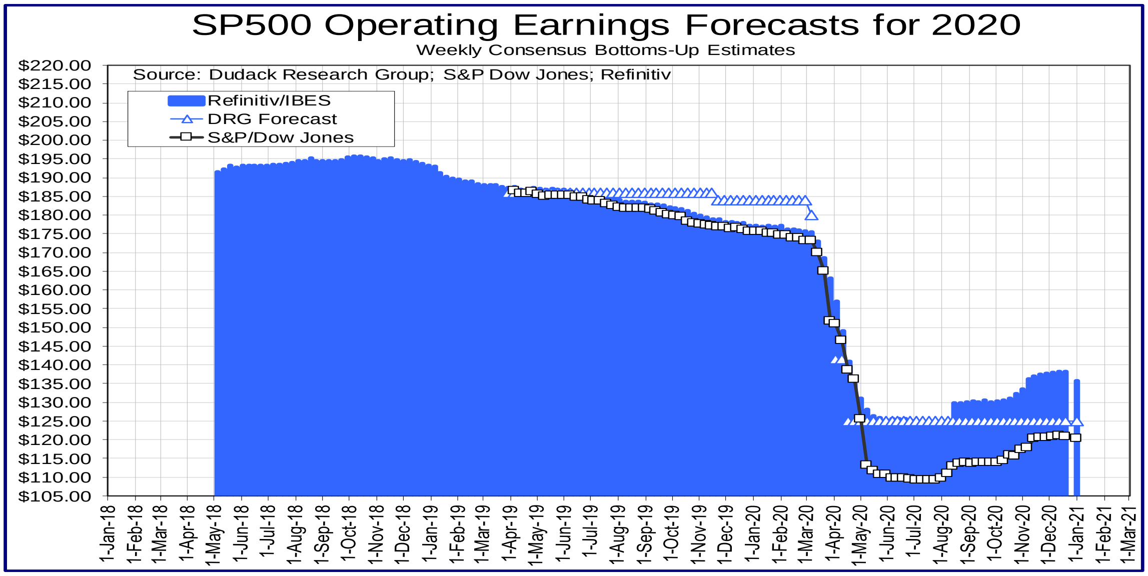
Existing home sales were 6.69 million (SAAR) in November, down slightly from October, yet up nearly 16% YOY. New home sales were 841,000 in November, down from 945,000 in October, but still rising 21% YOY. The warning sign for homebuilders is found in the pending home sales index which fell in November for the third consecutive month down to 125.7.

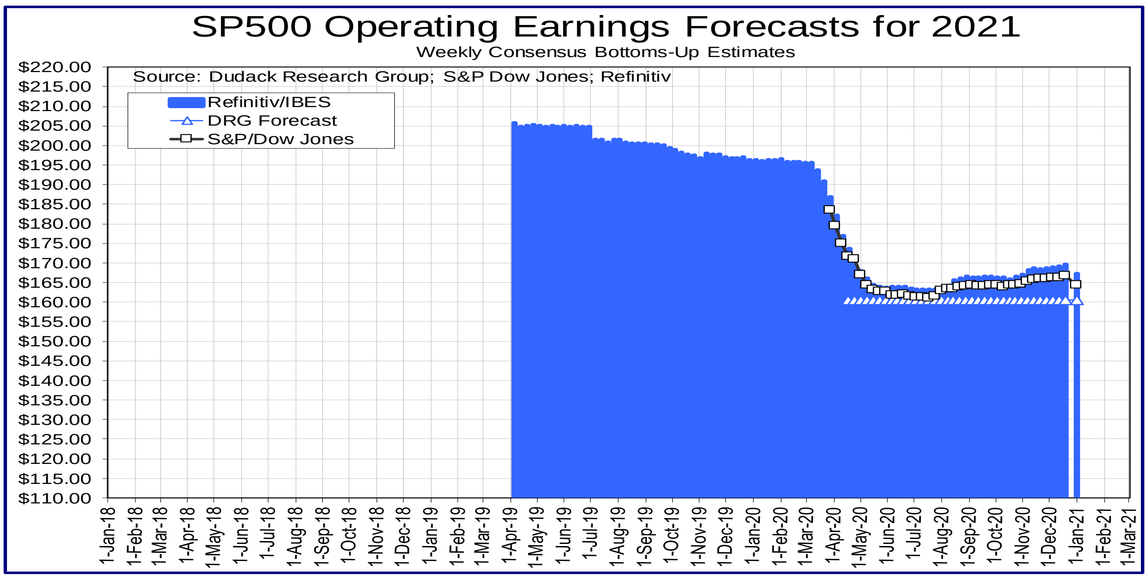


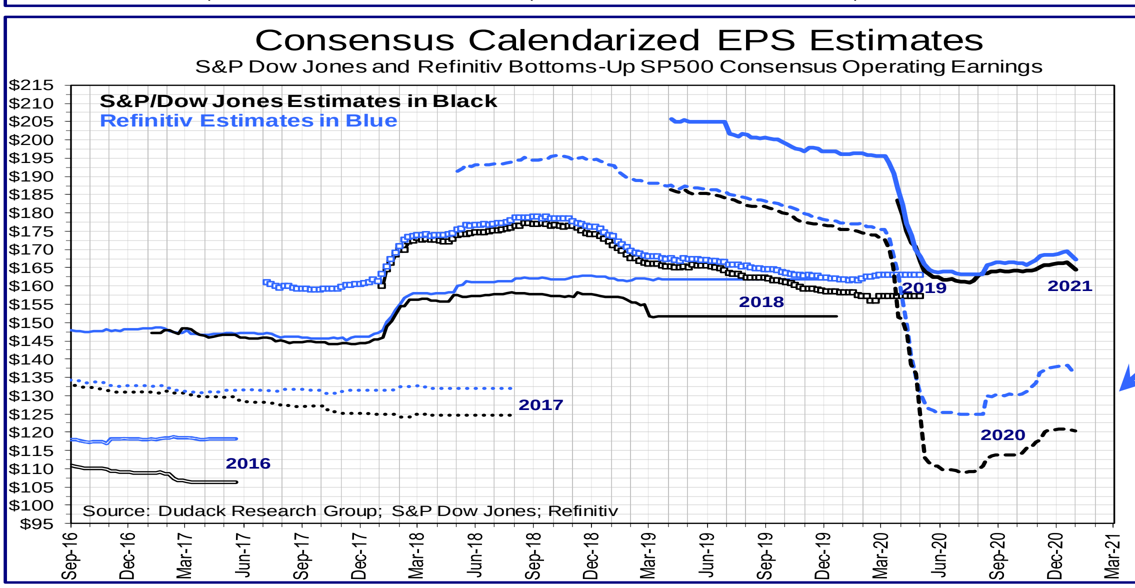




Consensus earnings estimates were revised substantially lower at year end but edged up last week. S&P Dow Jones estimates rose $0.20 for 2020 and $0.17 for 2021. IBES estimates rose $0.13 for 2020, $0.36 for 2021 and $0.37 for 2022. The S&P Dow Jones and IBES estimates are $120.54 and $135.79 for 2020 and $164.57 and $167.61 for 2021.







DJIA Ups - Early January

1950 - 2016	1st Five Days % Performance	January % Performance	Year % Performance
1976	6.5%	14.4%	17.9%
1987	5.6%	13.8%	2.3%
1999	5.0%	1.9%	25.2%
1967	3.5%	8.2%	15.2%
1975	3.1%	14.2%	38.3%
2003	3.0%	-3.5%	25.3%
1979	2.9%	4.2%	4.2%
1983	2.8%	2.8%	20.3%
2006	2.7%	1.4%	16.3%
1973	2.7%	-2.1%	-16.6%
1963	2.7%	4.7%	17.0%
1958	2.5%	3.3%	34.0%
2018	2.3%	5.8%	-5.6%
1972	2.3%	1.3%	14.6%
1951	2.2%	5.7%	14.4%
1984	2.2%	-3.0%	-3.7%
2019	2.0%	7.2%	22.3%
2010	1.8%	-3.5%	11.0%
1994	1.8%	6.0%	2.1%
1966	1.7%	1.5%	-18.9%
2013	1.7%	5.8%	26.5%
2021	1.6%	?	?
1996	1.6%	5.4%	26.0%
1997	1.6%	5.7%	22.6%
1980	1.5%	4.4%	14.9%
1964	1.5%	2.9%	14.6%
1990	1.5%	-5.9%	-4.3%
2012	1.4%	3.4%	7.3%
1989	1.4%	8.0%	27.0%
1961	1.4%	5.2%	18.7%
2004	1.3%	0.3%	3.1%
2002	1.3%	-1.0%	-16.8%
1974	1.3%	0.6%	-27.6%
1992	1.1%	1.7%	4.2%
1965	1.0%	3.3%	10.9%
1950	0.9%	0.8%	17.6%
2011	0.8%	2.7%	5.5%
1959	0.8%	1.8%	16.4%
2020	0.7%	-1.0%	7.2%
1995	0.7%	0.2%	33.5%
2017	0.6%	1.1%	25.1%
2015	0.5%	-3.7%	-2.2%
1968	0.4%	-5.5%	4.3%
1952	0.4%	0.5%	8.4%
2000	0.2%	-4.8%	-6.2%
1954	0.2%	4.1%	44.0%
1970	0.2%	-7.0%	4.8%
1981	0.2%	-1.7%	-9.2%
Up	48	35	37
Average	1.8%	2.4%	10.9%
Min	0.2%	-7.0%	-27.6%
Max	6.5%	14.4%	44.0%

Election years are highlighted in blue

DJIA Declines - Early January

1950 - 2016	1st Five Days % Performance	January % Performance	Year % Performance
1971	-0.2%	3.5%	6.1%
2007	-0.4%	1.3%	6.4%
2009	-0.4%	-8.8%	18.8%
1953	-0.5%	-0.7%	-3.8%
1960	-0.5%	-8.4%	-9.3%
2014	-0.7%	-5.3%	7.5%
1982	-1.0%	-0.4%	19.6%
1957	-1.1%	-4.1%	-12.8%
1986	-1.3%	1.6%	22.6%
1998	-1.3%	0.0%	16.1%
1988	-1.4%	1.0%	11.8%
1993	-1.5%	0.3%	13.7%
2001	-1.5%	0.9%	-7.1%
1985	-1.6%	6.2%	27.7%
2005	-1.7%	-2.7%	-0.6%
1956	-1.8%	-3.6%	2.3%
1977	-2.1%	-5.0%	-17.3%
1955	-2.2%	1.1%	20.8%
1969	-2.4%	0.2%	-15.2%
1962	-3.0%	-4.3%	-10.8%
1991	-4.7%	3.9%	20.3%
2008	-5.1%	-4.6%	-33.8%
1978	-5.6%	-7.4%	-3.1%
2016	-6.2%	-5.5%	-13.4%
Down	24	14	11
Average	-2.0%	-1.7%	2.8%
Min	-6.2%	-8.8%	-33.8%
Max	-0.2%	6.2%	27.7%

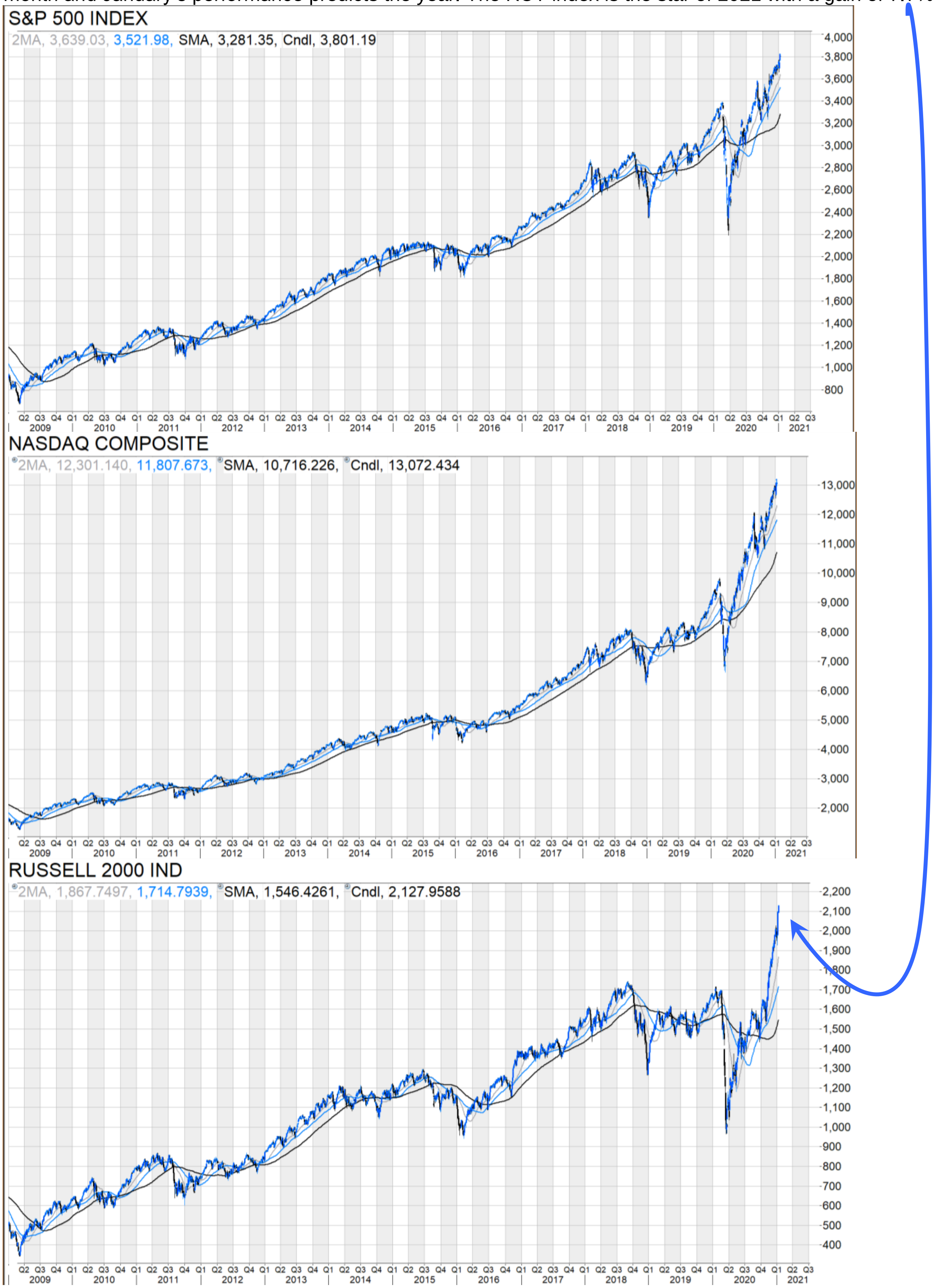
Source: Stock Trader's Almanac; Refinitiv

January Barometer Statistics

79% Early January Gain Predicts the Year's Action

95% January Gain Predicts the Year's Action

The Santa Claus Rally includes the last five trading days of the year and the first two trading days of the new year. It had a small increase this year and is favorable for the next twelve months. Many also believe the first five trading days of January predicts the month and January's performance predicts the year. The RUT index is the star of 2021 with a gain of 7.7%!

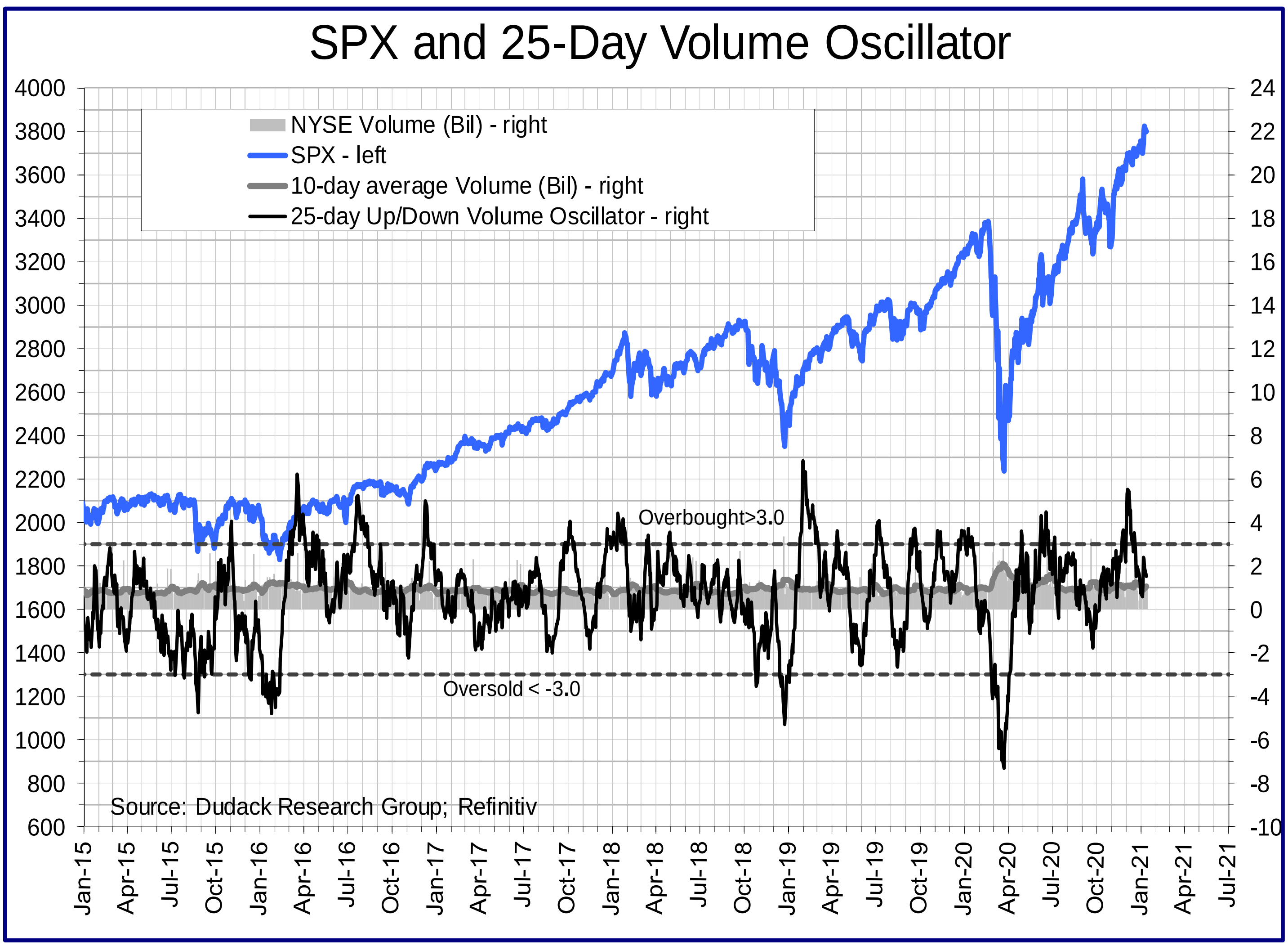


Source: Refinitiv

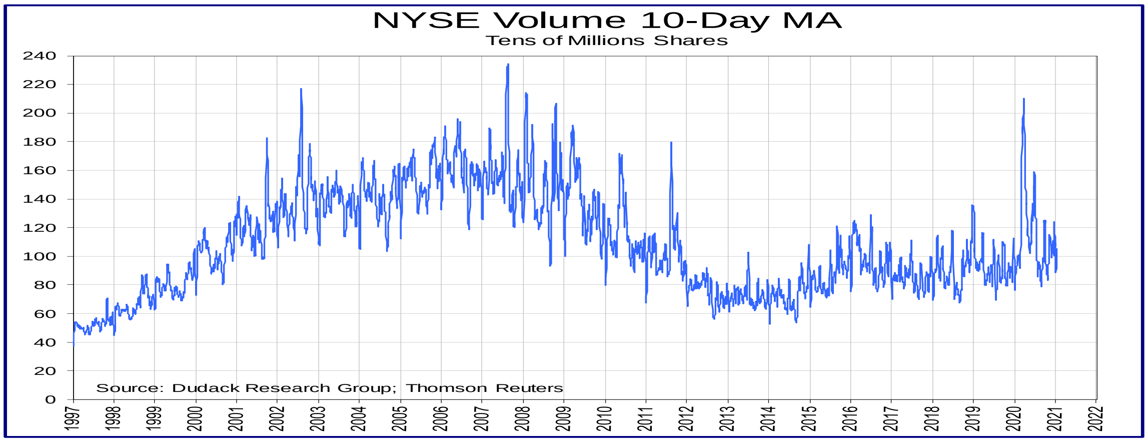
The 25-day up/down volume oscillator is currently 1.52 (preliminary) and neutral despite the new highs in the indices last week. However, the oscillator was in overbought territory for 16 of 19 consecutive trading days between November 23 and December 18. New record highs in the indices should be accompanied by long and often extreme overbought readings to confirm that the advance is accompanied by solid buying pressure. The oscillator's reading in December was confirming but downgraded to neutral/positive this week.

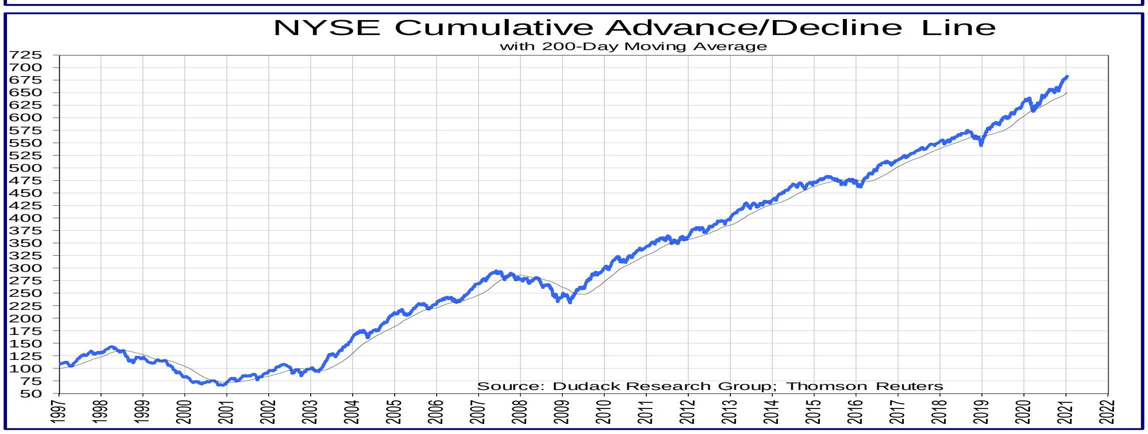
The overbought reading of 5.52 on December 4, 2020 was the best reading since February 2019 and this relieved our concern regarding the lack of any overbought reading in November. What has been unusual about the recent advance is the lack of a 90% up day in volume to indicate strong buying conviction. The new highs made in 2021 have not been accompanied with an overbought reading and if this pattern continues, it could generate a nonconfirmation in coming months.

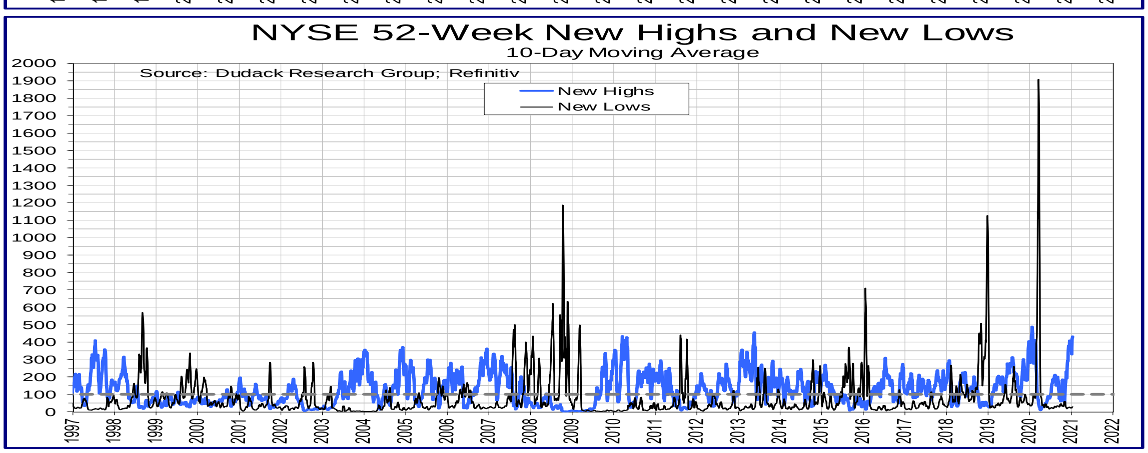
The record highs made in the SPX and the IXIC in September were not accompanied by overbought readings and were followed by October's weakness. Conversely, the sharp decline in October did not move the oscillator below the zero level, which was a sign of weak selling pressure. In short, both the September rally and the October decline were unconfirmed. Further gains in stock prices in 2021 without an overbought reading would also be unconfirmed.



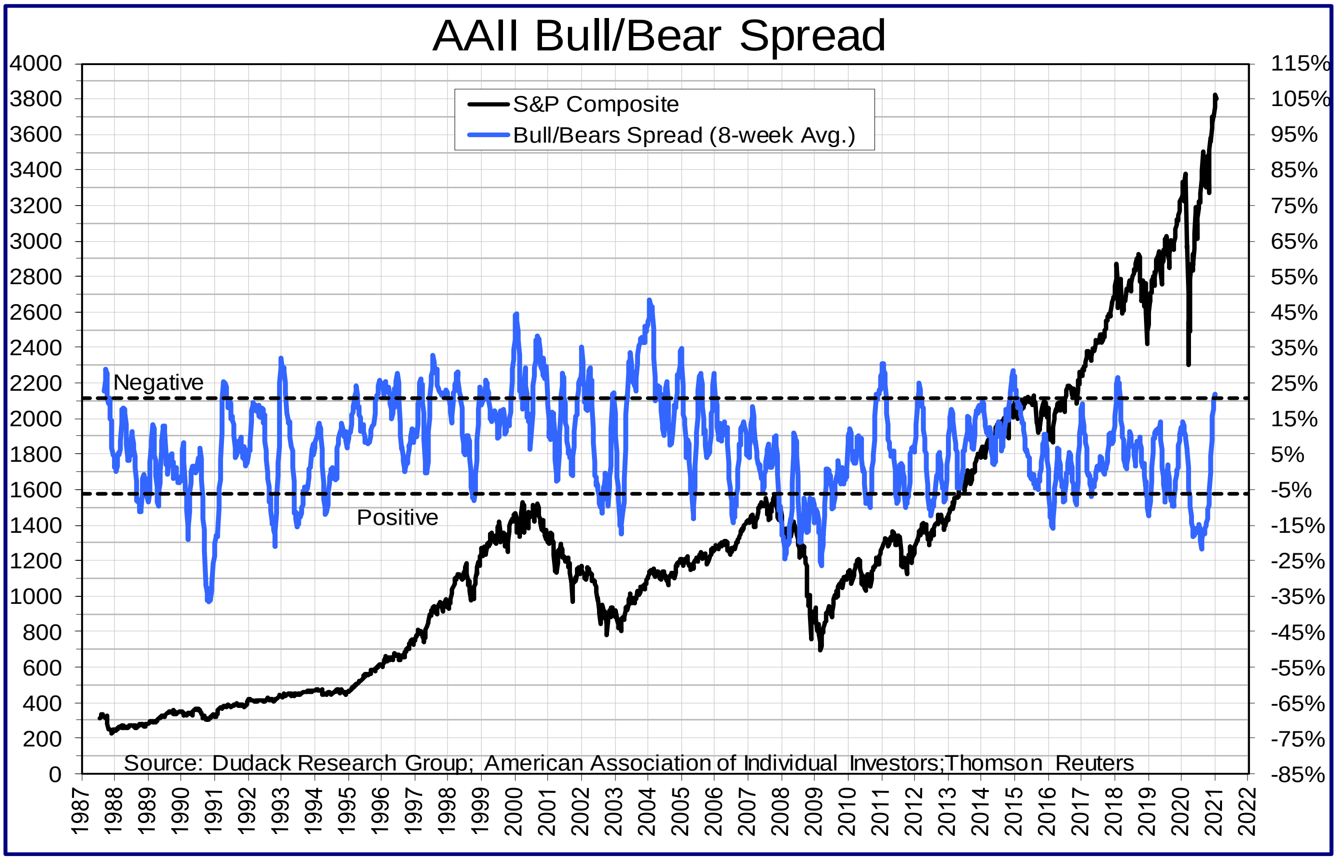
The 10-day average of daily new highs (433) is above the 100 that defines a bull market; the 10-day average of daily new lows (28) is below the 100 that defines a bear market. This combination is positive. The A/D line made a record high on January 12, 2021 in line with the popular averages.

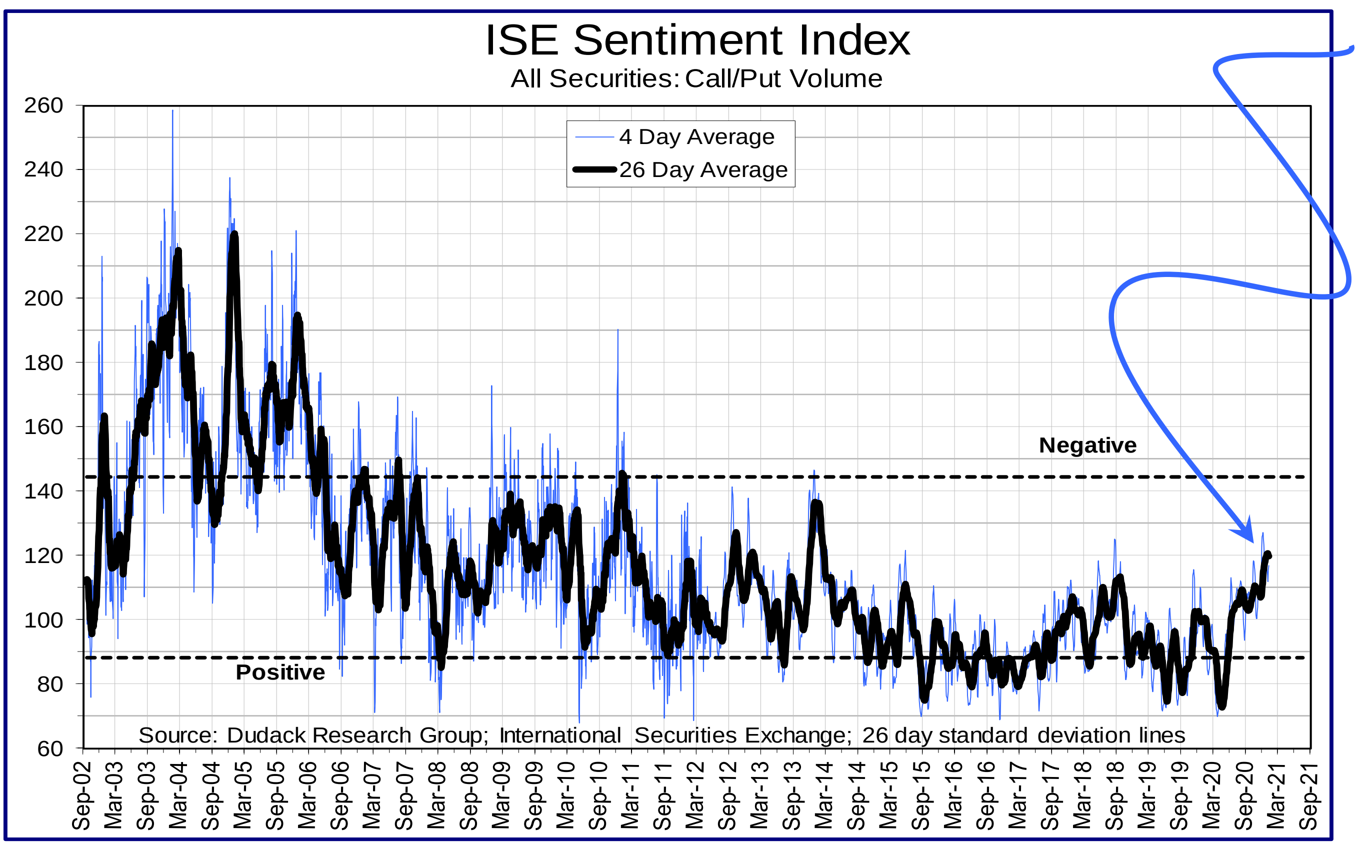






AAII bullish sentiment rose to 54.0% in the first week of 2021 and is at its highest level since November 11, 2020. Bearish sentiment fell to 26.6% in the same week. The 8-week spread rose at year end to 21.8% and is negative for the second consecutive week. The ISE Sentiment index shifted from positive to neutral on June 1 and has been steadily moving upward. While still in neutral territory, the ISE sentiment index is the highest since February 2014.

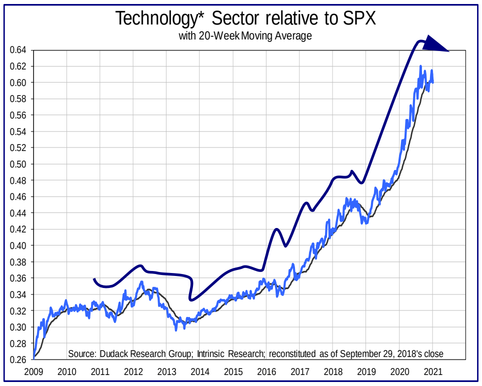


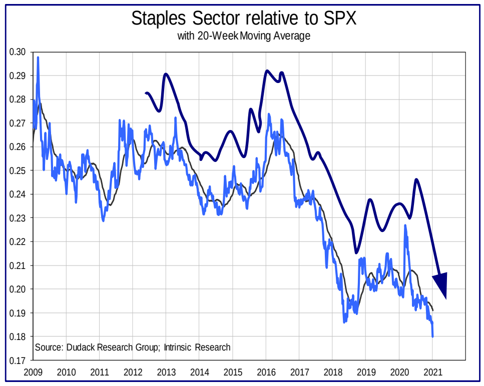


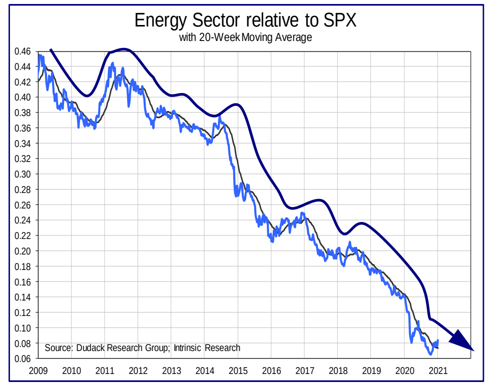
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Technology Financials Healthcare Industrials	Staples Utililties Communication Services Materials	Consumer Discretionary Energy REITS

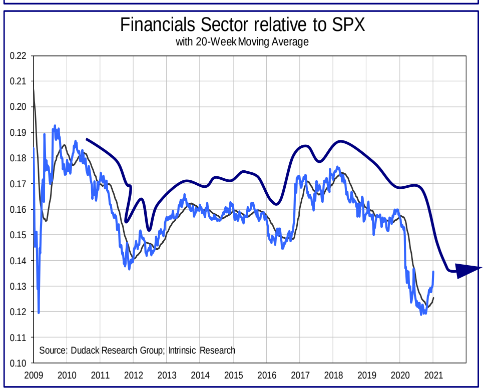
Healthcare upgraded from underw eight to overw eight; Consumer Discretionary dow ngraded from overw eight to underw eight April 14, 2020

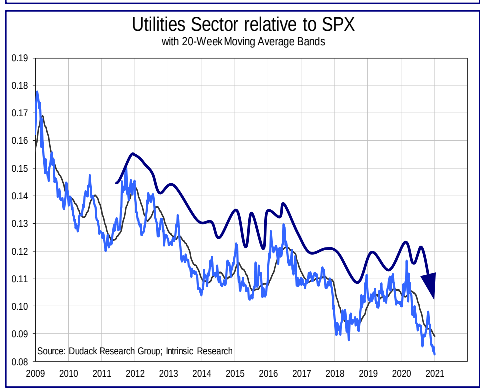
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

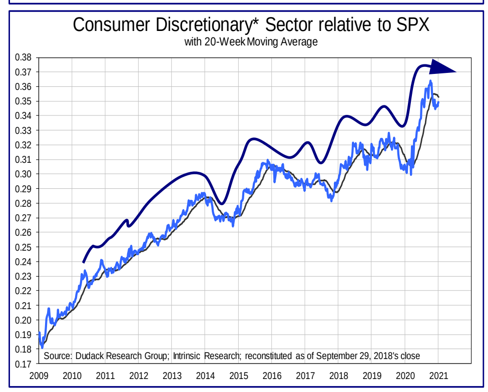


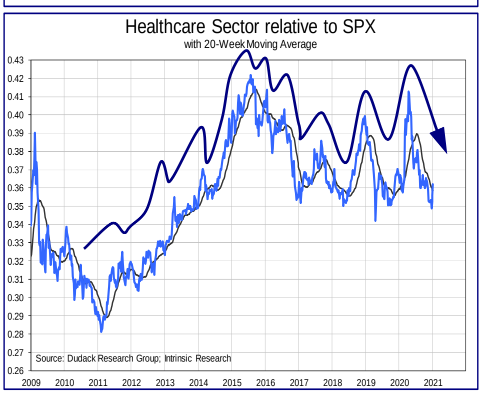


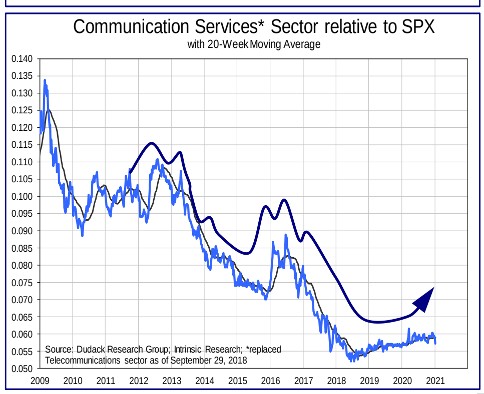


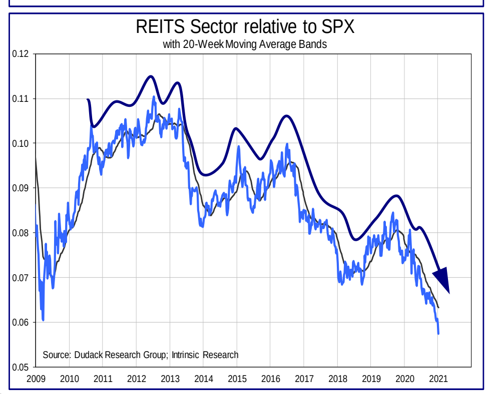


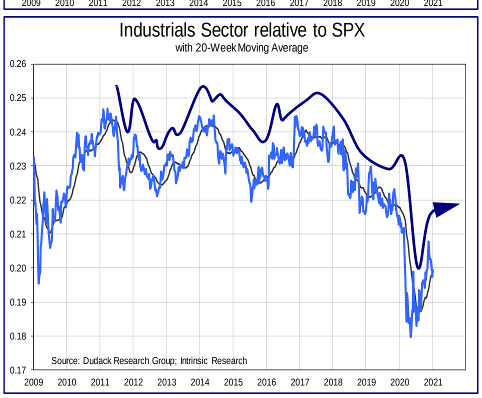


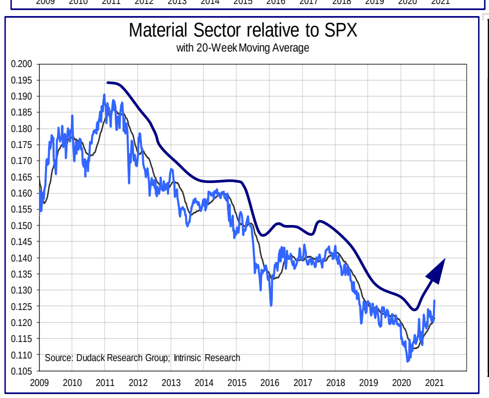












2021 Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	11.1%
S&P MATERIALS	5.7%
S&P FINANCIAL	5.1%
S&P HEALTH CARE	3.9%
S&P CONSUMER DISCRETIONARY	1.9%
S&P 500	1.2%
S&P INDUSTRIALS	1.0%
S&P INFORMATION TECH	-0.5%
S&P UTILITIES	-1.6%
S&P CONSUMER STAPLES	-1.9%
S&P COMMUNICATIONS SERVICES	-2.0%
S&P REITS	-4.2%

Source: Dudack Research Group; Refinitiv; Monday closes

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%
2020P	~~~~~~~	$95.22	**$120.53**	$124.91	-20.5%	**$135.79**	-16.7%	31.2X	NA	NA	NA	NA
2021E	~~~~~~~	$150.06	**$164.57**	$166.60	33.4%	**$167.61**	23.4%	23.1X	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 2Q	3100.29	$17.83	$26.79	$26.79	-33.3%	$27.98	-32.3%	24.7	1.9%	-31.4%	$1,589.40	-14.4%
2020 3QP	3363.00	$32.98	$37.90	$37.90	-4.8%	$38.69	-8.2%	27.3	1.7%	33.4%	$2,018.50	2.8%
2020 4QE	3756.07	$32.53	$36.34	$40.72	3.9%	$36.92	-12.1%	31.2	NA	NA	NA	NA
2021 1QE*	3801.19	$33.93	$37.07	$31.00	59.0%	$37.64	13.6%	27.5	NA	NA	NA	NA
2021 2QE		$36.42	$39.74	$34.83	30.0%	$40.45	44.6%	25.2	NA	NA	NA	NA
2021 3QE		$39.42	$43.41	$51.25	35.2%	$44.22	14.3%	24.3	NA	NA	NA	NA
2021 4QE		$40.29	$44.35	$49.52	21.6%	$45.28	22.6%	23.1	NA	NA	NA	NA

Source: Dudack Research Group; S&P Dow Jones; Refinitiv Consensus estimates; **Refinitiv quarters may not sum to CY *1/12/2021

Regulation AC Analyst Certification

I, Gail Dudack, hereby certify that all the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific views contained in this report.

IMPORTANT DISCLOSURES

RATINGS DEFINITIONS:

Sectors/Industries:
"Overweight": Overweight relative to S&P Index weighting
"Neutral": Neutral relative to S&P Index weighting
"Underweight": Underweight relative to S&P Index weighting

Other Disclosures
This report has been written without regard for the specific investment objectives, financial situation or particular needs of any specific recipient, and should not be regarded by recipients as a substitute for the exercise of their own judgment. The report is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell securities or related financial instruments. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. The report is based on information obtained from sources believed to be reliable, but is not guaranteed as being accurate, nor is it a complete statement or summary of the securities, markets or developments referred to in the report. Any opinions expressed in this report are subject to change without notice and Dudack Research Group division of Wellington Shields & Co. LLC. (DRG/Wellington) is under no obligation to update or keep current the information contained herein. Options, derivative products, and futures are not suitable for all investors, and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results, and yield from securities, if any, may fluctuate as a security's price or value changes. Accordingly, an investor may receive back less than originally invested. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report.

DRG/Wellington relies on information barriers, such as "Chinese Walls," to control the flow of information from one or more areas of DRG/Wellington into other areas, units, divisions, groups, or affiliates. DRG/Wellington accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this report.

The content of this report is aimed solely at institutional investors and investment professionals. To the extent communicated in the U.K., this report is intended for distribution only to (and is directed only at) investment professionals and high net worth companies and other businesses of the type set out in Articles 19 and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001. This report is not directed at any other U.K. persons and should not be acted upon by any other U.K. person. Moreover, the content of this report has not been approved by an authorized person in accordance with the rules of the U.K. Financial Services Authority, approval of which is required (unless an exemption applies) by Section 21 of the Financial Services and Markets Act 2000.
Additional information will be made available upon request.

Dudack Research Group a division of Wellington Shields & Co. LLC.
Main Office:
Wellington Shields & Co. LLC
140 Broadway
New York, NY 10005
212-320-3511
Research Sales: 212-320-2046

Florida office:
549 Lake Road
Ponte Vedra Beach, FL 32082
212-320-2045

Prices as of January 12, 2021 close