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November 17, 2021

DJIA: 36142.22
SPX: 4700.90
NASDAQ: 15973.86

US Strategy Weekly

The Ghost of Inflation Past

Our 2021 outlook identified inflation as one of the major hurdles facing equities in 2021. We continue to believe this is true, but to date equity investors have ignored the threat of rising prices. President Biden, current Treasury Secretary and former Fed Chairwoman Janet Yellen and current Federal Reserve Chair Jerome Powell, have all given little credence to the relentless rise in price inflation.

The Federal Reserve is important since it plays a pivotal role in fighting inflation. Because its role is so important to the economy it is designed to be an independent non-political body. The seven members of the Board of Governors are nominated by the President and confirmed by the Senate for a term of fourteen years. Terms begin/end every two years, on February 1 of even-numbered years. The length and staggering of the terms of Board members hopefully result in a political balance on the Board while also removing political pressure on each governor since they can only serve for one term. Terms can only be extended if a Governor is appointed Chair or Vice Chair for four years.

However, the political climate is heated this year and by the end of this week, we should know whether Biden will reappoint Chairman Jerome Powell, a Republican and former private equity executive, for a second four-year term, or, as the media suggests he appoints another front runner, Lael Brainard, a Democrat and former Fed economist and political appointee in both Obama and Clinton administrations. Both Powell and Brainard have similar views on inflation and interest rates so it would appear that this decision could be rooted in politics. Either way, the Fed Chair will face some tough decisions in 2022.

The word "stagflation" has become part of the economic discussion in recent weeks and for good reason. GDP slowed to 2% in the third quarter down from a booming 6.7% in the second quarter. This means that the economy has been growing well below its long-term average of 3.4% in recent months. Meanwhile, inflation is on a tear. October's CPI rose from 5.4% YOY to 6.2% YOY (NSA) and most underlying components saw significant increases during the month. At 6.2%, headline CPI now exceeds the level seen in 2008 and is rising at the fastest pace seen since November 1990. And inflation is unlikely to die out any time soon. In fact, if November's monthly CPI increase is zero, the year-over-year headline rate will still be 6.1% YOY next month. However, we believe prices will move higher and therefore inflation could be the worst experienced since 1982. See page 3.

This is important because inflation is a huge burden to the average household, and it increases the cost of non-negotiable necessities like food and shelter. As an example of what families faced in October data shows that food at home rose 5.4% YOY. Household furnishings and operations rose 6.25% YOY. Used car and truck prices rose 26%. Gasoline prices rose 50% YOY. All items less food, shelter and energy rose 5.3% which shows that price increases are not just tied to rising energy and transportation costs or supply chain issues but are broadly based. Anecdotally, our local nail spa just posted a sign indicating an arbitrary $5 increase on all services provided. This increase is not due to higher transportation costs, supply chain problems, or shrinking margins, but due to the fact that all families face a higher cost of living. But more importantly, this is a sign that inflation is becoming engrained in our economic system, and this is serious.

In our view, the Fed is losing the fight against inflation. We agree with Larry Summers, Treasury Secretary under Bill Clinton, director of the National Economic Council under Barack Obama, Chief Economist of the World Bank, and President of Harvard University who said *"Biden's American Rescue Bill made the mistake of pumping up demand too much without taking steps to increase supply. That had resulted in inflation."*

It is not possible to have historically easy monetary policy for an extended period of time, coupled with an historic level of fiscal spending -- during an economic rebound -- without suffering the consequences of inflation.

October's PPI report suggests that the CPI will move even higher than 6.2% in coming months. The PPI for finished goods was up 12.5% YOY in October and final demand PPI rose 8.6% YOY. In short, big price increases are already in the manufacturing pipeline which we believe will push consumer prices higher in coming months.

The most unfortunate part of the current inflation trend is that it now exceeds the increase in weekly nonsupervisory earnings. This means buying power is declining this year which is the exact opposite of what happened between April 2020 and April 2021 when earnings increased much faster than inflation. See page 4. Personal income was also boosted by fiscal stimulus in 2020 and early 2021 and led to both higher savings and higher consumption.

It is also important for investors to take notice that *"inflated earnings"* are worth less than *"real earnings."* For example, a 10% increase in earnings in a 6.3% inflationary environment means earnings growth was really 3.7%. However, the same 10% earnings growth coupled with 1% inflation translates into earnings growth of 9%. Overall, rising inflation will have a negative impact on PE ratios. The Rule of 23 is an easy tool for depicting the impact of inflation on the equity market since it is a simple sum of inflation and trailing earnings. At present, a combination of a trailing PE of 23.7 and inflation at 6.2% sums to 30, which is well above the 23-warning level. However, the market has been trading above 23 for a while, due in large part to the support of easy monetary policy. But sentiment could change if inflation begins to erode margins or if the Fed begins to fight inflation through higher interest rates. See page 5. This implies caution.

Inflation is at levels last seen in 1990, but at that time the 3-month Treasury and 10-year Treasury yields were much higher at 7% and 8.5%, respectively. The S&P earnings yield was 11% and still competitive with fixed income, yet the trailing PE was at 14 times and below the long-term average. Today the 3-month Treasury and 10-year Treasury yields are 0.05% and 1.4%, the earnings yield is 4.2% and the PE is 23.7 times. Stocks are competitive to bonds, but bonds are a wasting asset given the level of inflation. In sum, there is a big disconnect between inflation and the financial markets.

Moreover, the jump in crude oil prices is greater today than it was in 1990 and energy prices are apt to stay higher longer than expected due in large part to political and environmental policies around the world. All in all, it is a disturbing backdrop for the 2022 stock market and for the incoming Fed Chair. See page 6.

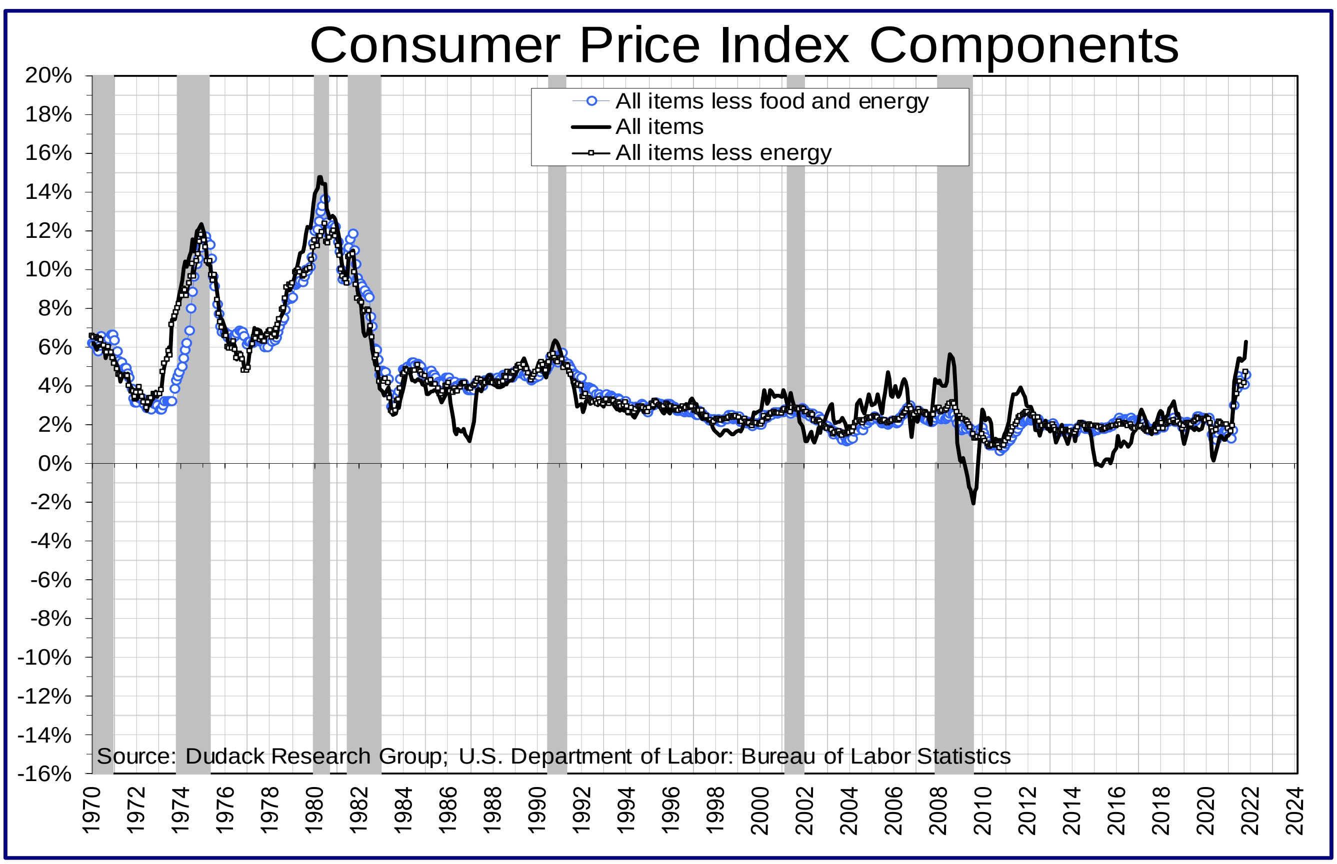
October's retail sales beat expectations, rising 1.7% month-over-month and 16.3% YOY. Adjusted for inflation, retail sales growth drops to 11.3% YOY, but remains in double digits. Part of this rebound in sales was predictable due to October's previously announced increase in unit motor vehicle sales. Census data shows that vehicle dollar sales rose from 8.8% in September to 11.5% in October. See page 7.

In our view, the positive seasonality of November, December, and early January, coupled with the fact that quantitative easing is slowing, but still in place, is positive for equities. But we fear the environment for equities could change quickly in 2022 with inflation stubbornly high, earnings growth decelerating significantly and the boost from more fiscal stimulus dissipating. The technical backdrop of the market is little changed from a week ago and it suggests an aging bull market is in place.

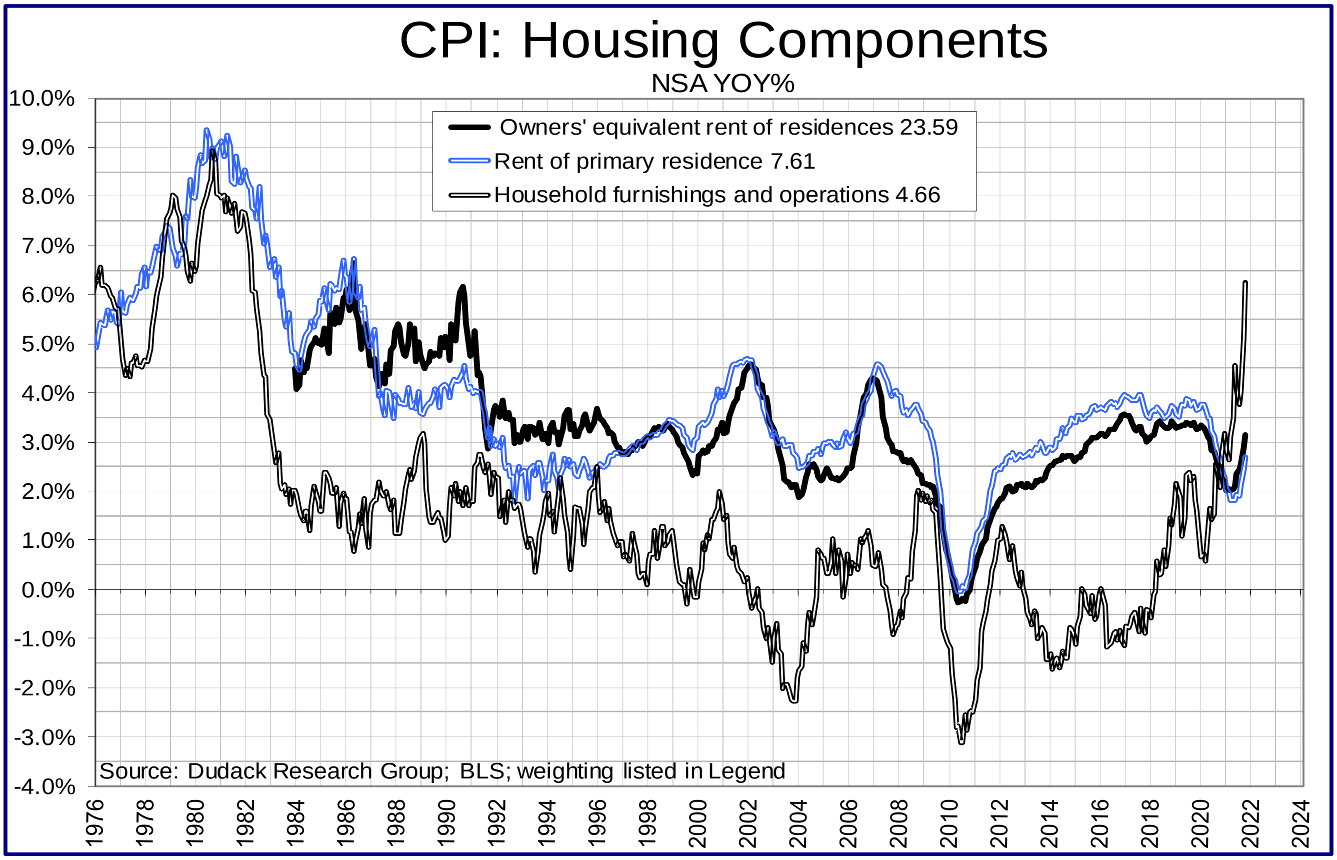
October's CPI rose from 5.4% YOY to 6.2% YOY (NSA) and most underlying components rose for the month. Note that the current inflation rate exceeds what was seen in 2008 and is the highest since November 1990. We believe the CPI will be even higher next month and therefore could be the highest inflation rate since 1982.

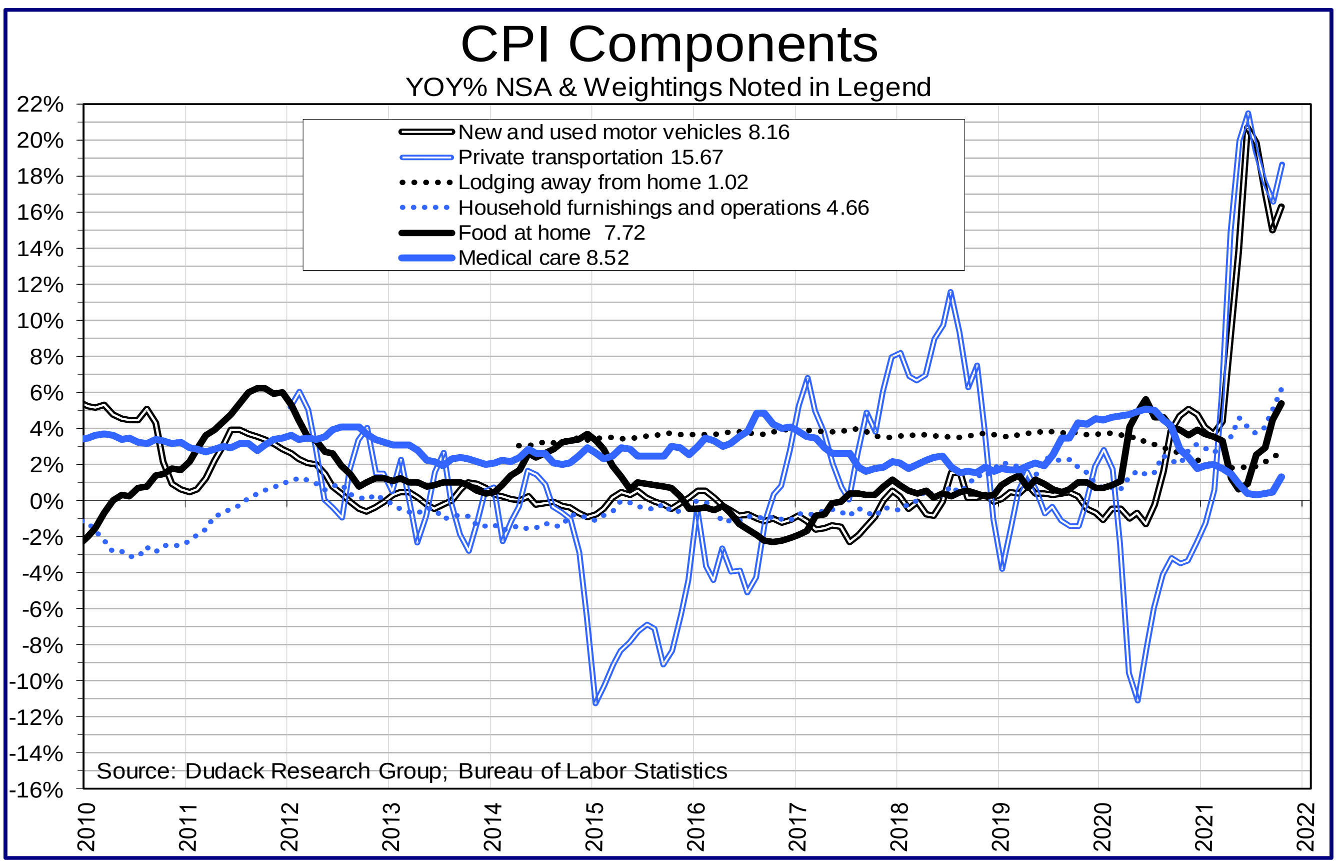
CPI Components Heavy Weights - Not Seasonally Adjusted Data	Component Weight*	Fuel Weight	Price Chg YOY%	Price Chg MOM%
Housing	**41.7%**	**4.5%**	**4.5%**	**0.6%**
Owners' equivalent rent of residences	*0.9%*		*3.1%*	0.5%
Fuels and utilities	**4.5%**		**10.4%**	**1.5%**
Transportation	**16.7%**	**2.8%**	**18.7%**	**2.0%**
Food and beverages	15.0%		5.1%	1.1%
Food at home	*7.7%*		*5.4%*	1.1%
Food away from home	*6.3%*		*5.3%*	0.8%
Alcoholic beverages	*0.0%*		*2.2%*	-0.1%
Medical care	**8.5%**		**1.3%**	**0.5%**
Education and communication	**6.6%**		**1.8%**	**0.1%**
Recreation	**5.7%**		**3.9%**	**0.7%**
Apparel	**2.7%**		**4.3%**	**0.7%**
Other goods and services	**3.1%**		**4.2%**	**0.8%**
Special groups:				
Energy	7.3%		30.0%	2.9%
All items less food and energy	78.7%		4.6%	0.6%
All items	**100.0%**		**6.2%**	**0.8%**

Source: Dudack Research Group; BLS; *July 2021 w eightings; Italics=sub-component; bold = headline;blue>headline

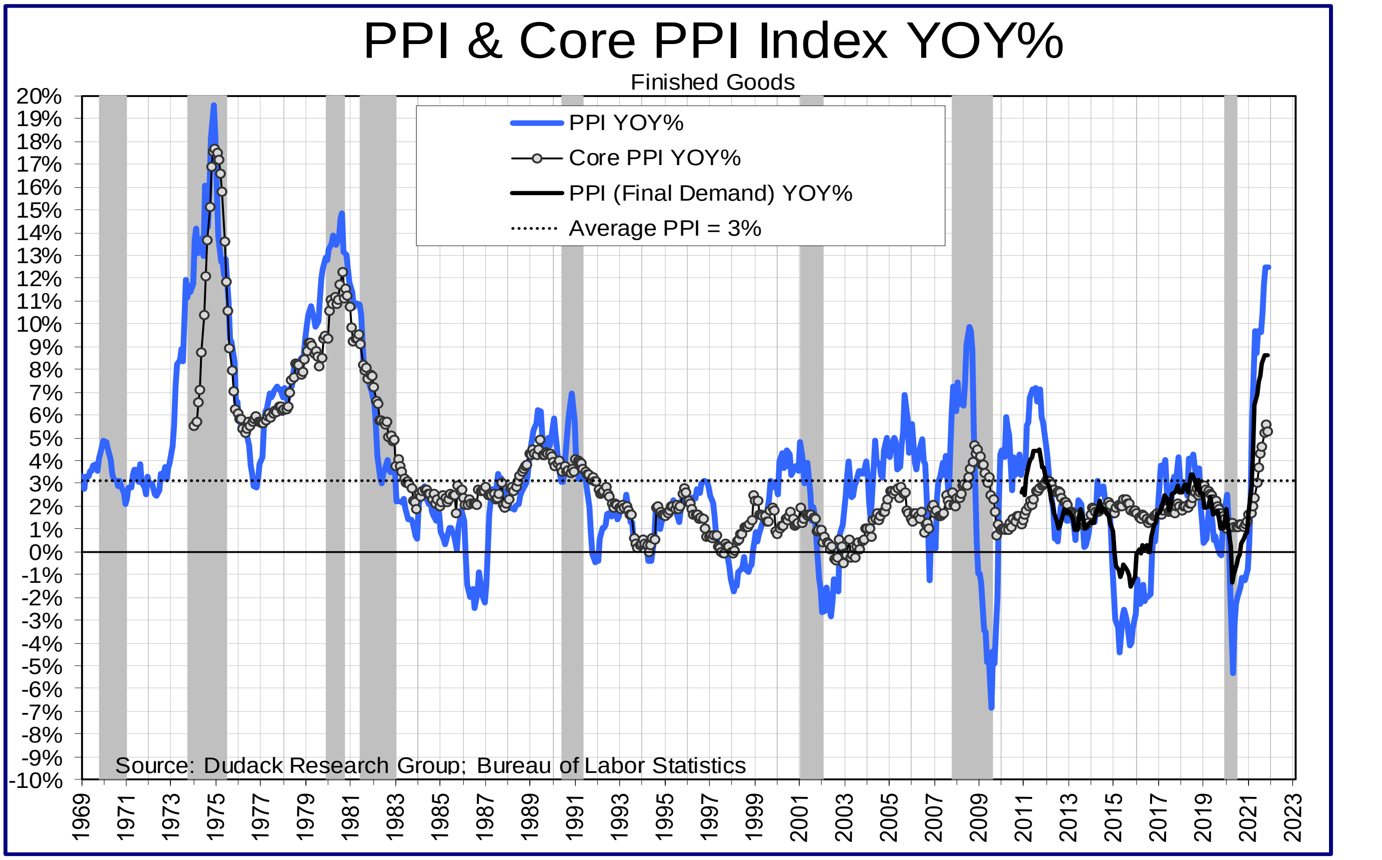


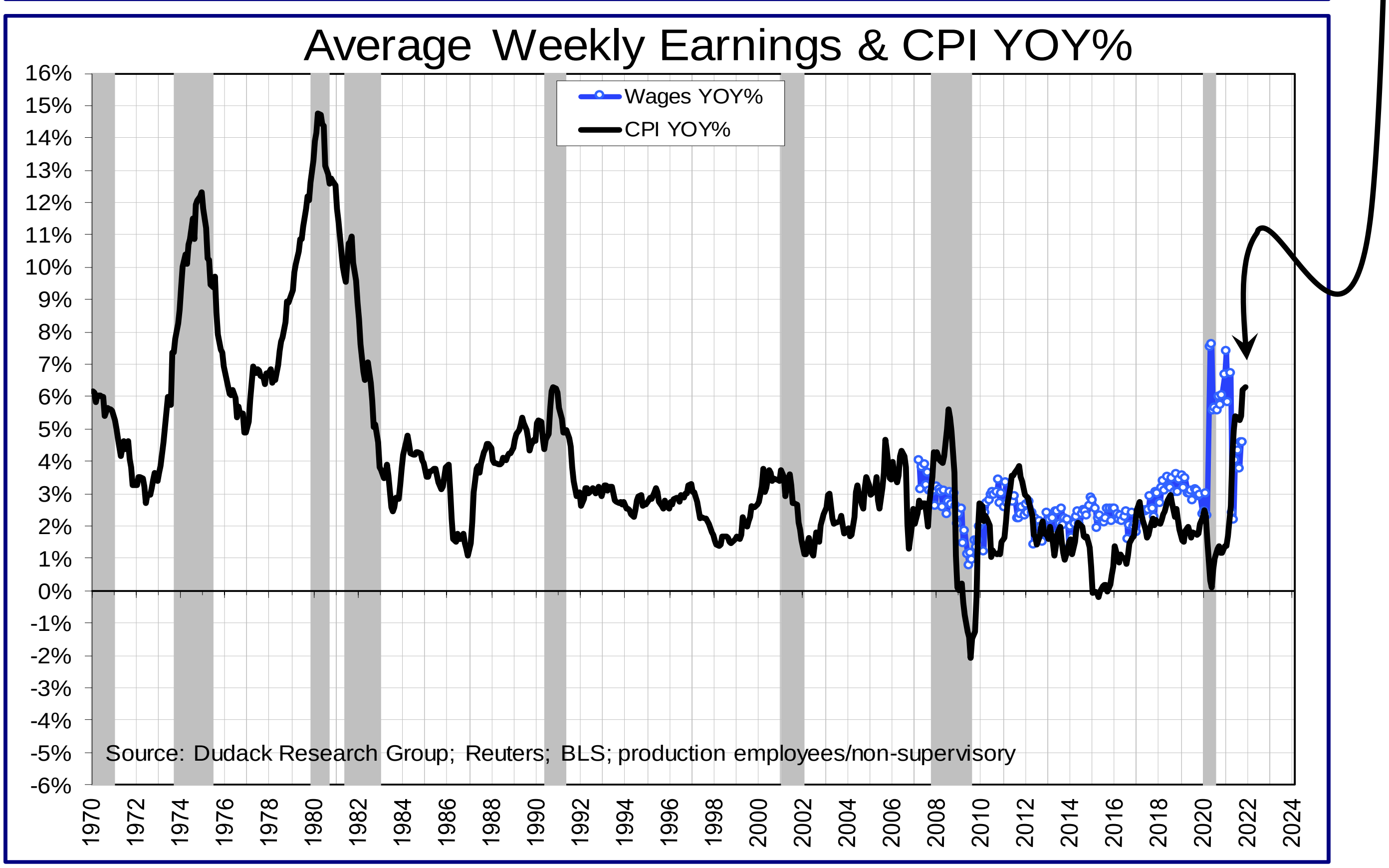
Inflation hurts the average household and increases the cost of necessities like food and shelter. For example, household furnishings and operations rose 6.25% in October and food at home rose 5.4%. Gasoline prices rose 50% YOY, used car & truck prices rose 26%, and all items less food, shelter and energy rose 5.3%.



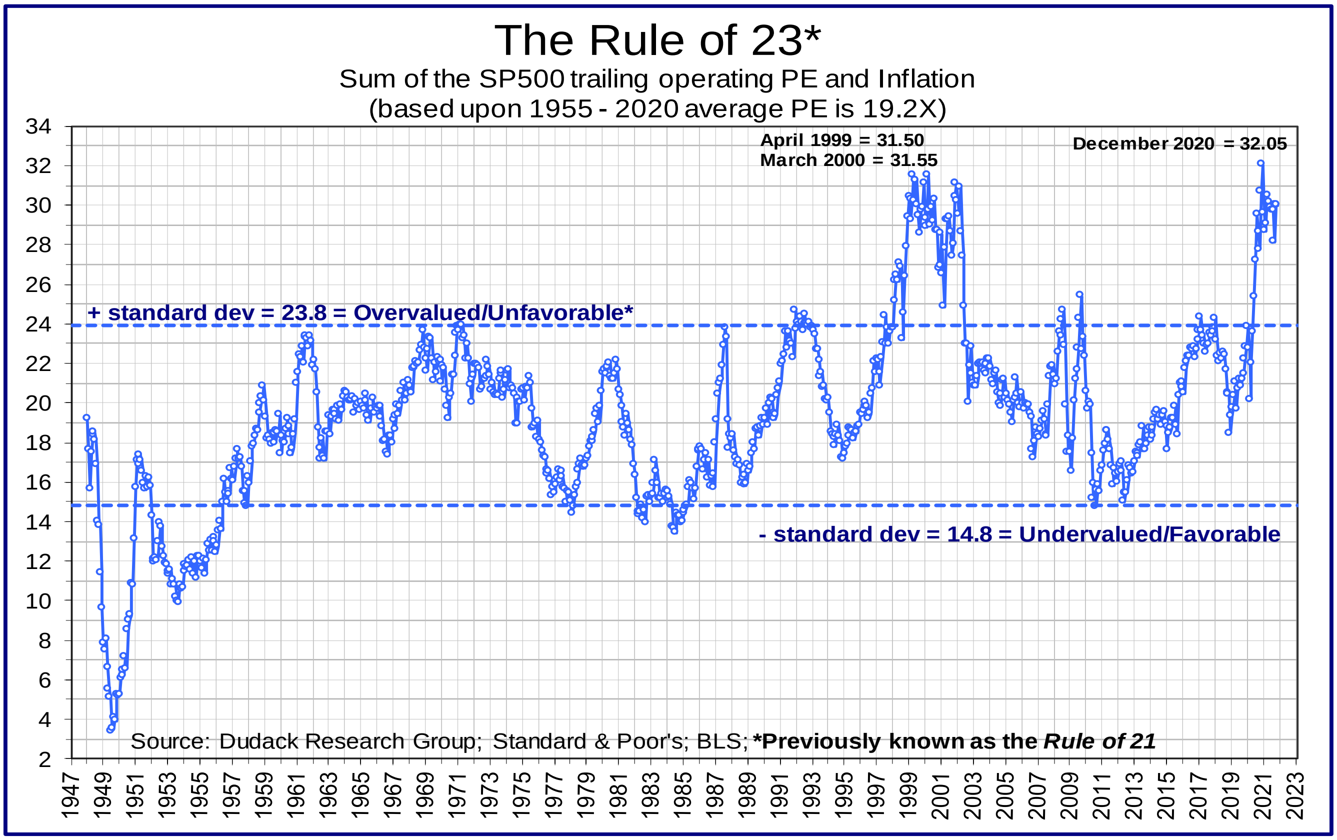


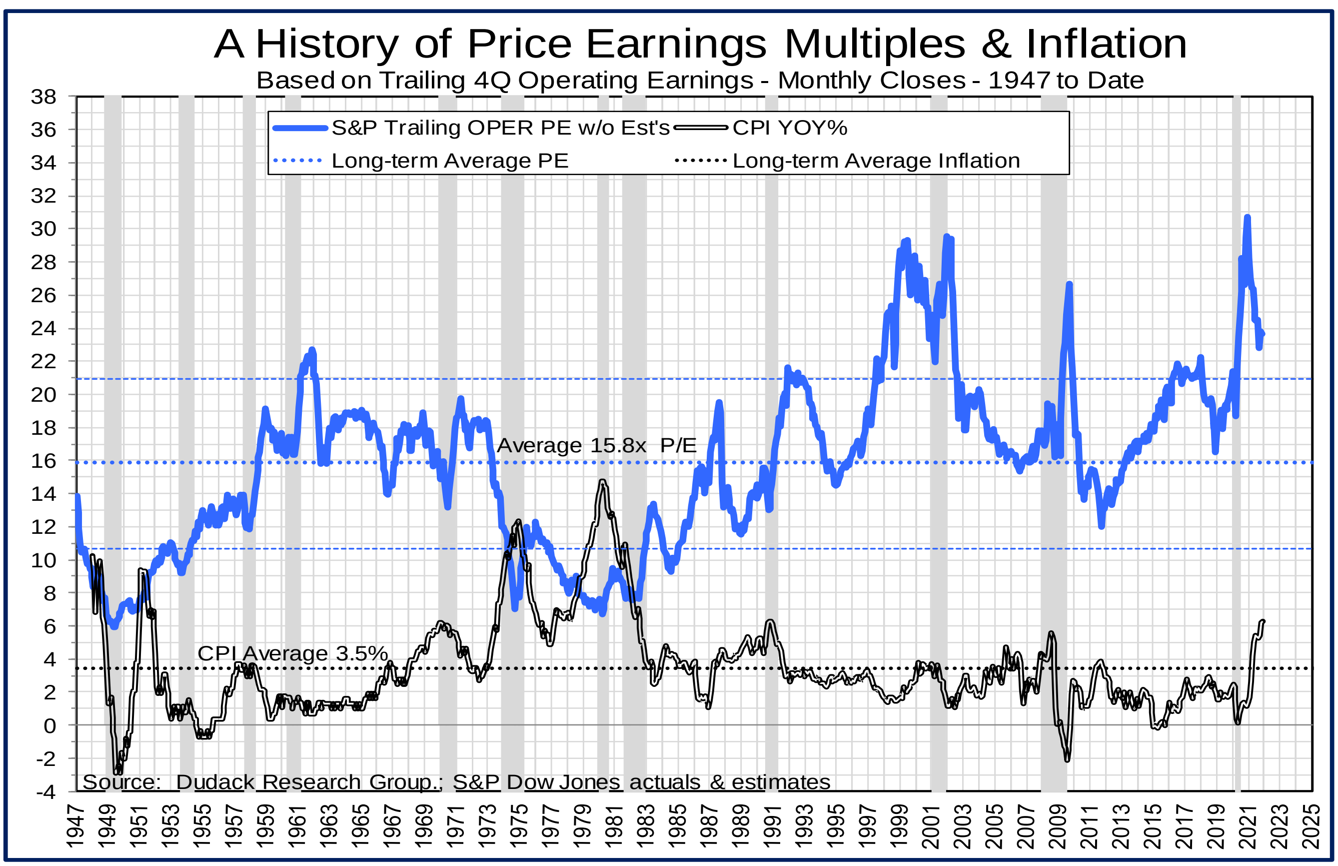
October's PPI data suggests inflation will move even higher in coming months. The PPI for finished goods was up 12.5% YOY in October and final demand PPI rose 8.6% YOY. Unfortunately, inflation now exceeds growth in weekly nonsupervisory earnings which is the opposite of what occurred from April 2020 to April 2021.



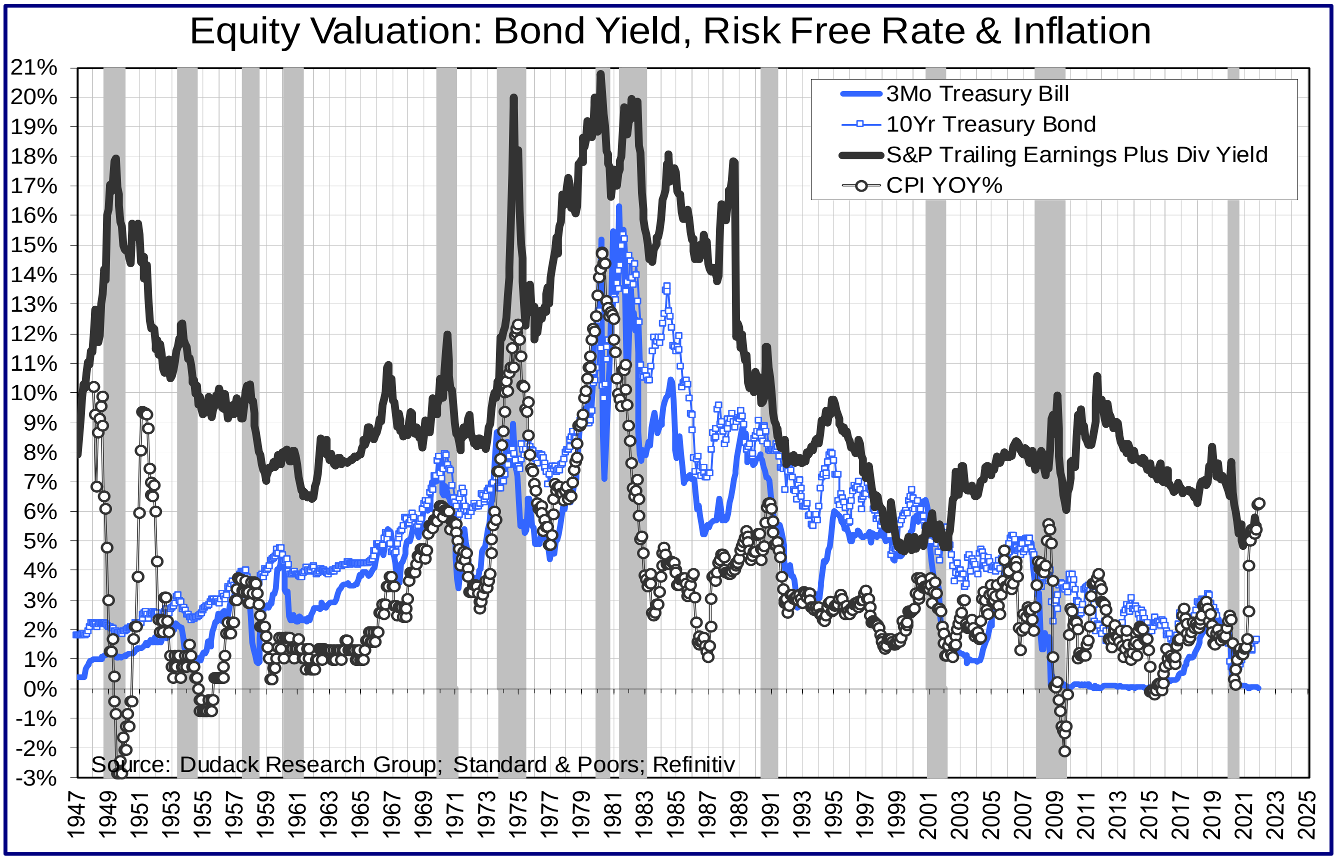


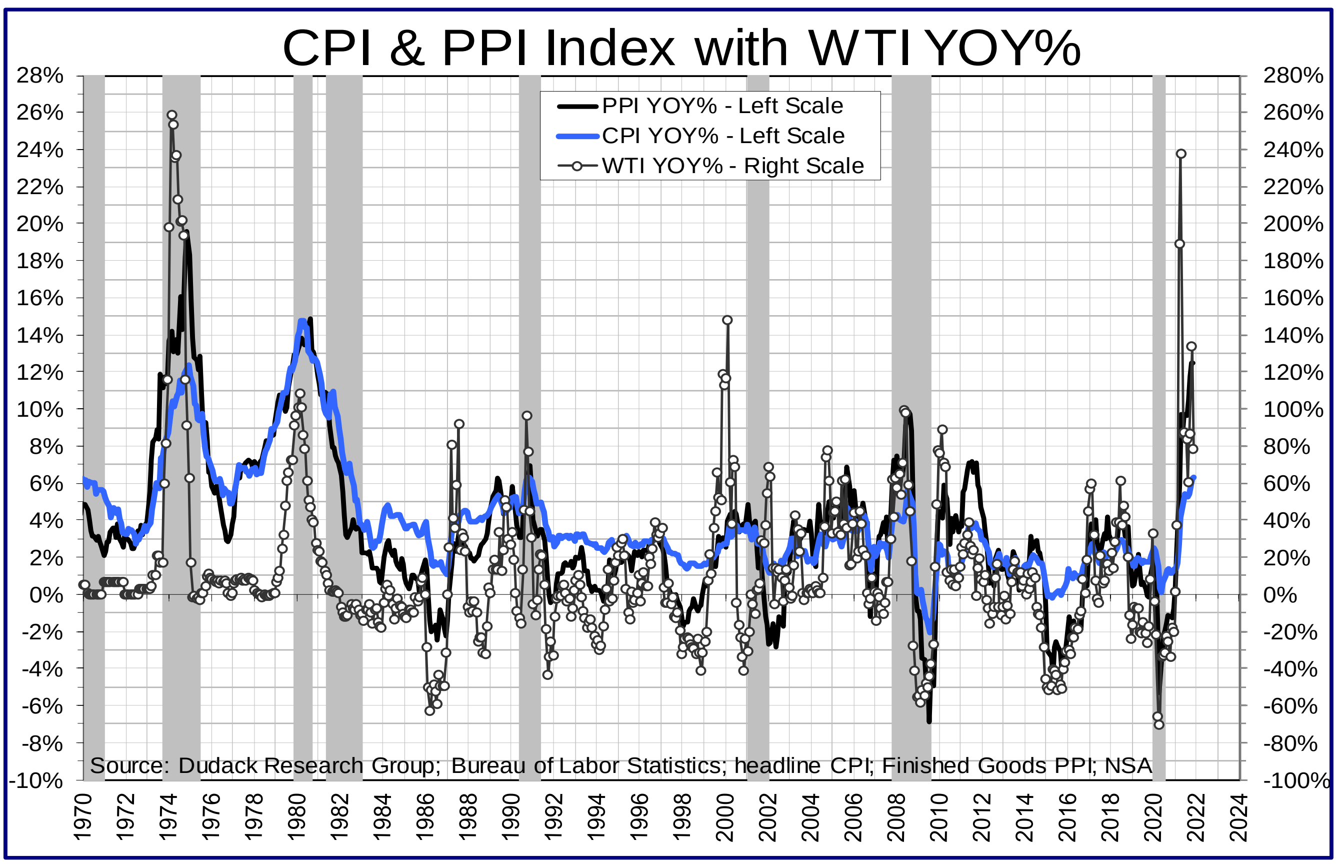
Since inflated earnings are worth less than real earnings, inflation has a negative impact on PE ratios. This is displayed by the Rule of 23 which is a sum of inflation and trailing earnings. Currently this sum is 30, a combination of the trailing PE of 23.7 and inflation of 6.2%, and well above the 23 level. Stocks have been supported by easy monetary policy, not earnings.



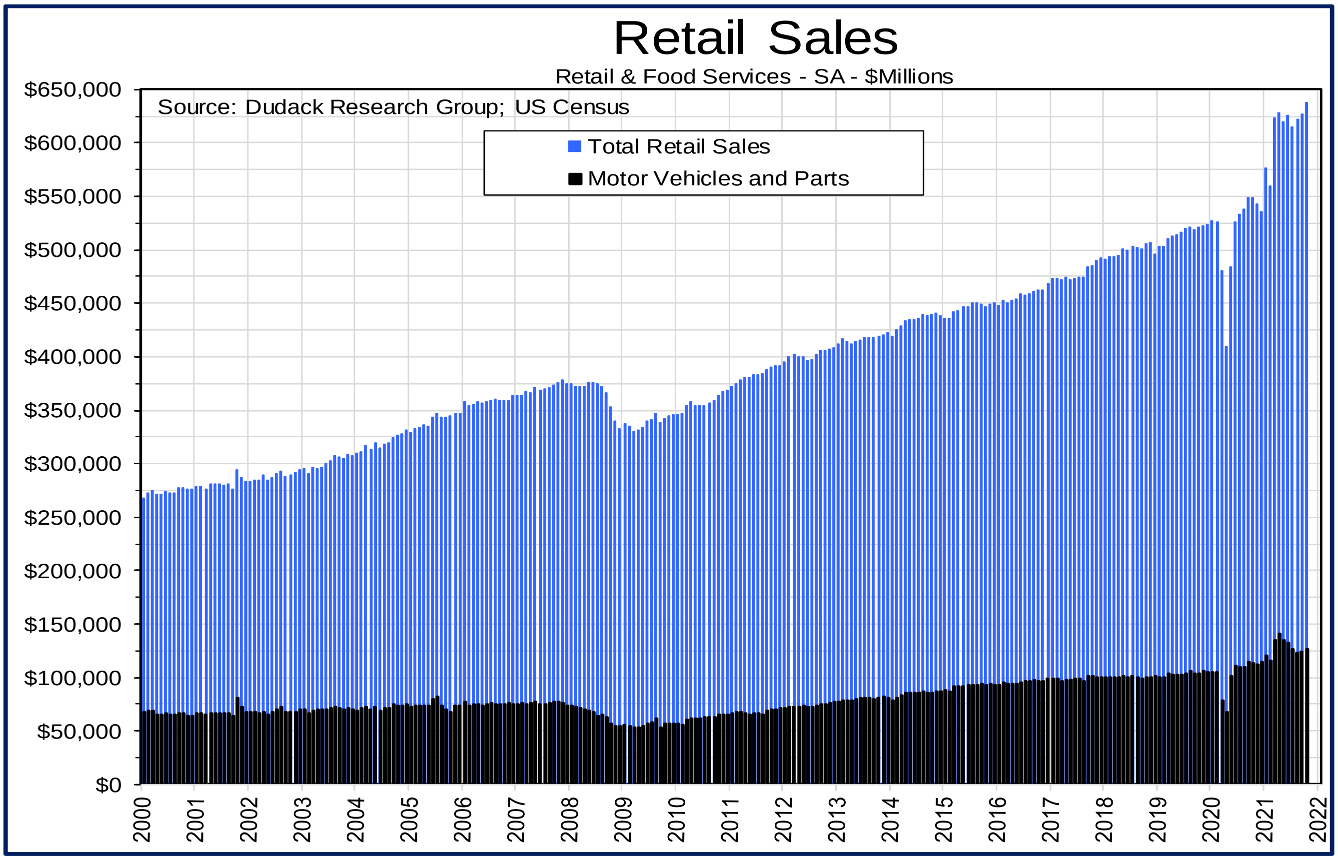


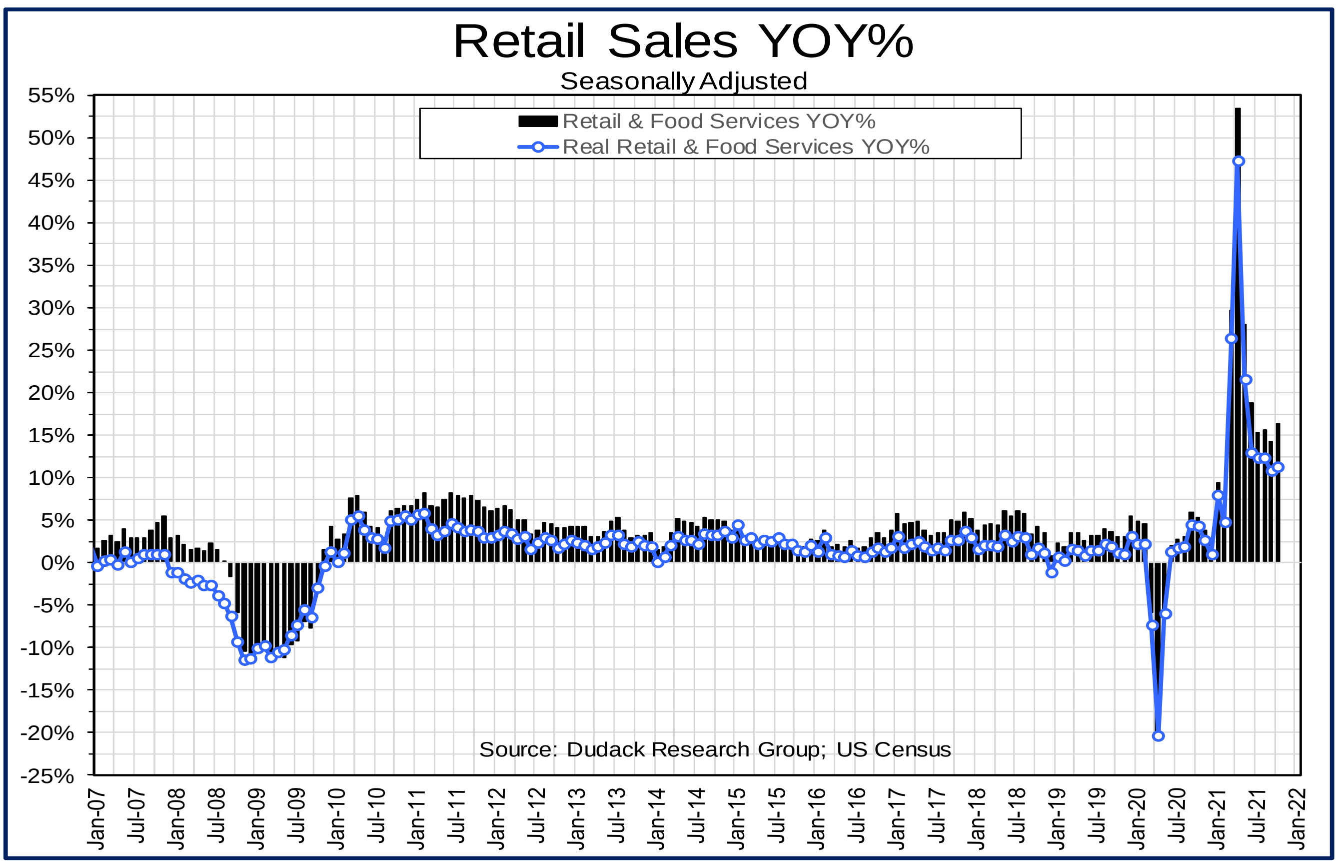
Inflation has returned to 1990 levels but at that time the 3-month and 10-year Treasury yields were 7% and 8.5%, respectively; the S&P earnings yield was 11% and the trailing PE was 14 times. Note that the 3-month and 10-year Treasury yields are now 0.05% and 1.4%, the earnings yield is 4.2% and the PE is 23.7 times. In sum, a big disconnect. Moreover, the jump in crude oil prices is greater than it was in the 1990's and apt to stay higher longer. This is a disturbing mix that suggests a negative backdrop for the 2022 stock market.



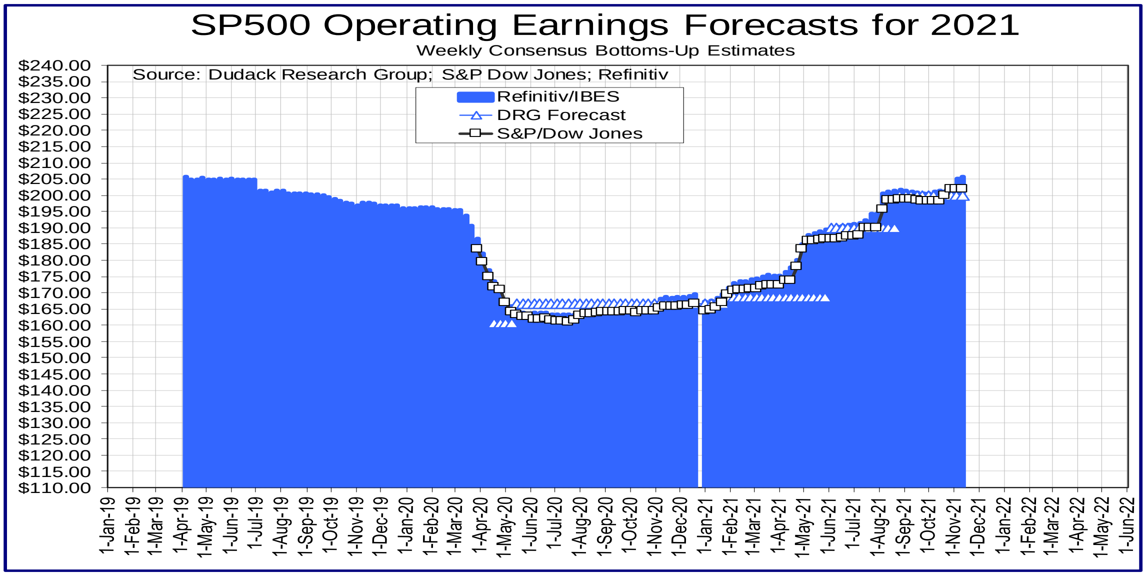


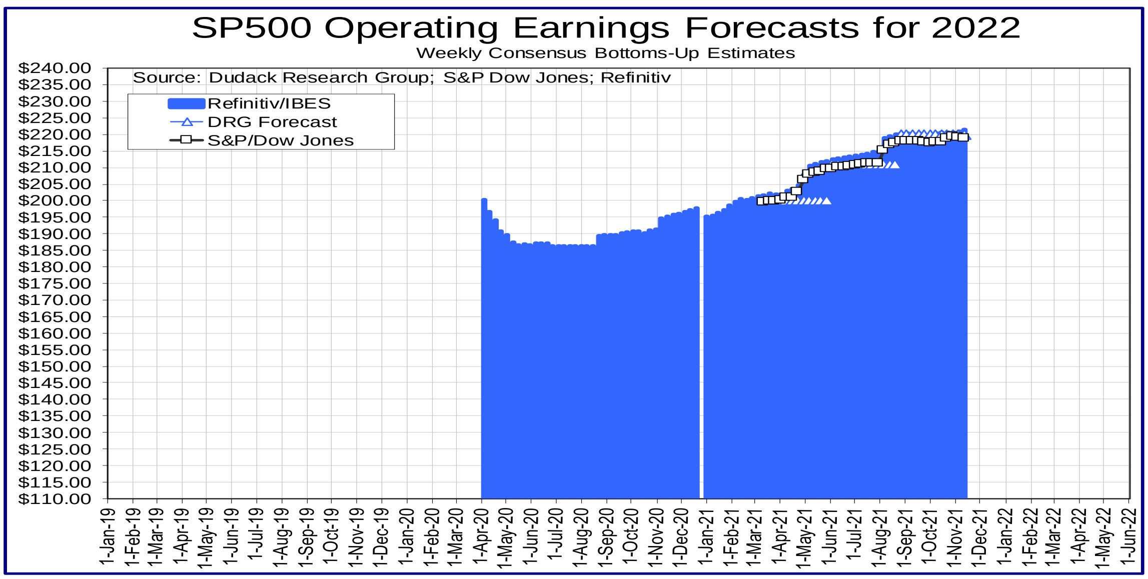
October's retail sales beat expectations, rising 1.7% month-over-month and 16.3% YOY. Adjusted for inflation, growth in retail sales drops to 11.3% YOY but remains in double digits. Part of this rebound in sales was predictable due to October's previously announced increase in unit motor vehicle sales. Census data shows that vehicle dollar sales rose from 8.8% in September to 11.5% in October.

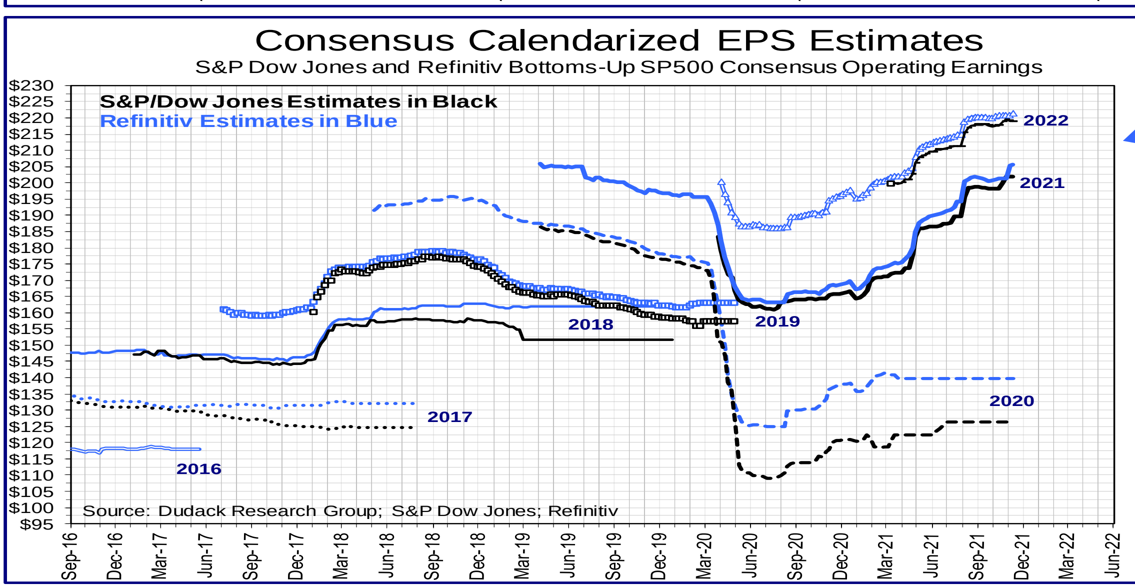




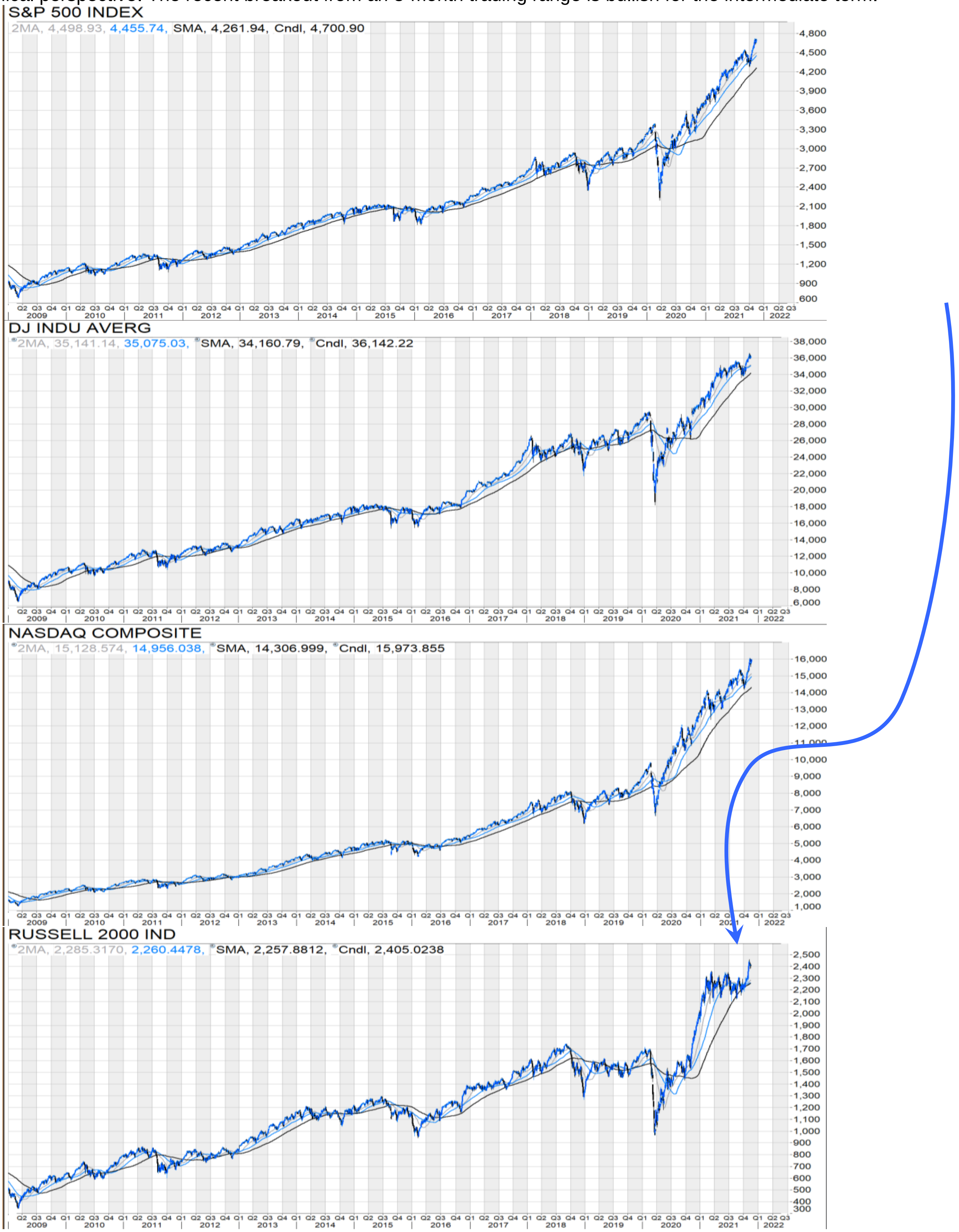
Last week the IBES Refinitiv consensus earnings forecasts for 2021 and 2022 rose $0.51 and $0.52, respectively to $205.72 and $221.35. The S&P Dow Jones estimate for 2021 rose $0.22 to $201.79 but the 2022 estimate fell $0.10 to $218.95. The IBES earnings growth rate forecast for 2022 has declined to 7.6% YOY and the S&P Dow Jones growth rate has ratcheted down to 8.4% YOY.







All the popular indices reached record highs on November 8, but it is the Russell 2000 index that is the most impressive from a technical perspective. The recent breakout from an 8-month trading range is bullish for the intermediate term.

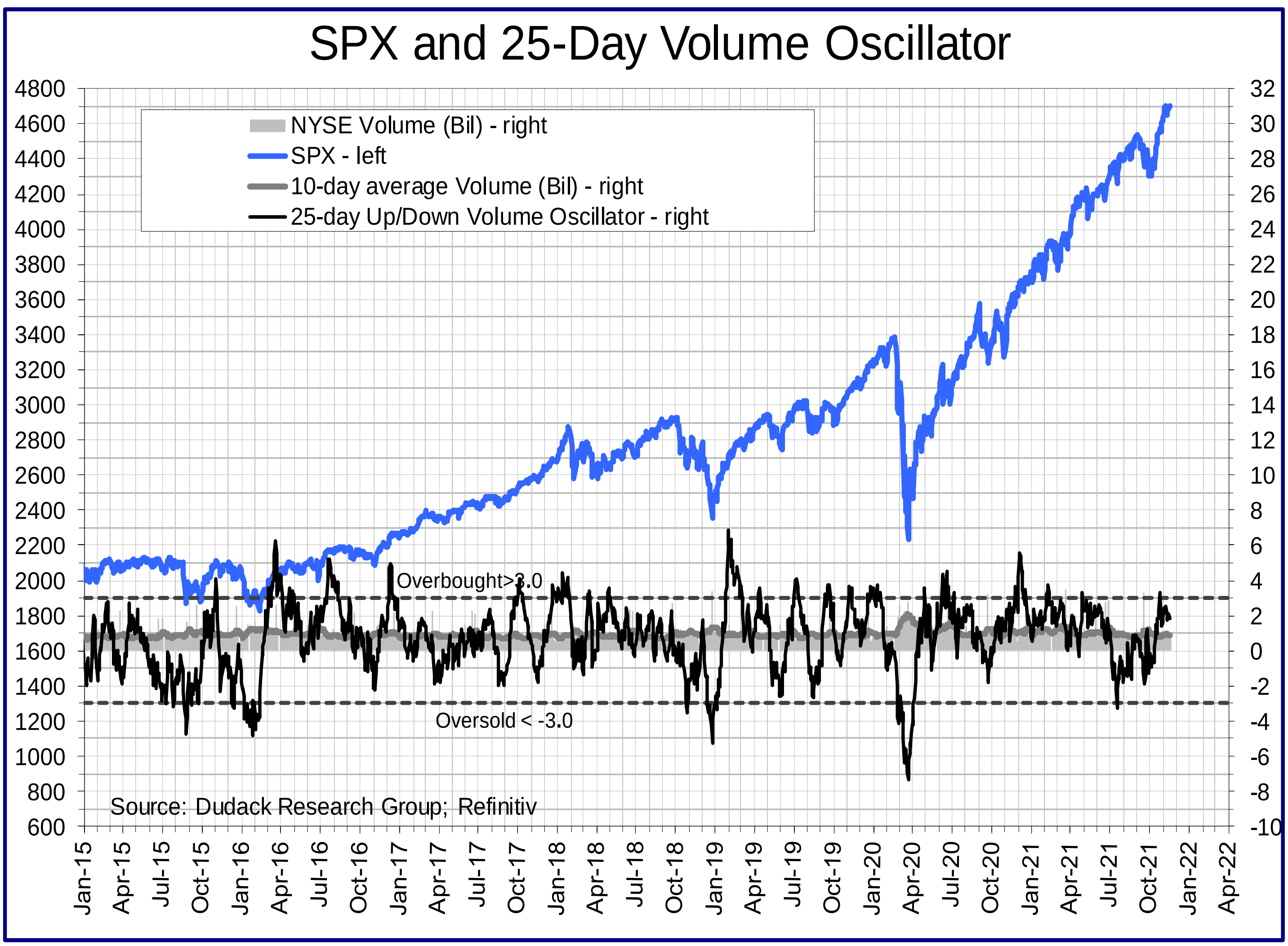


Source: Refinitiv

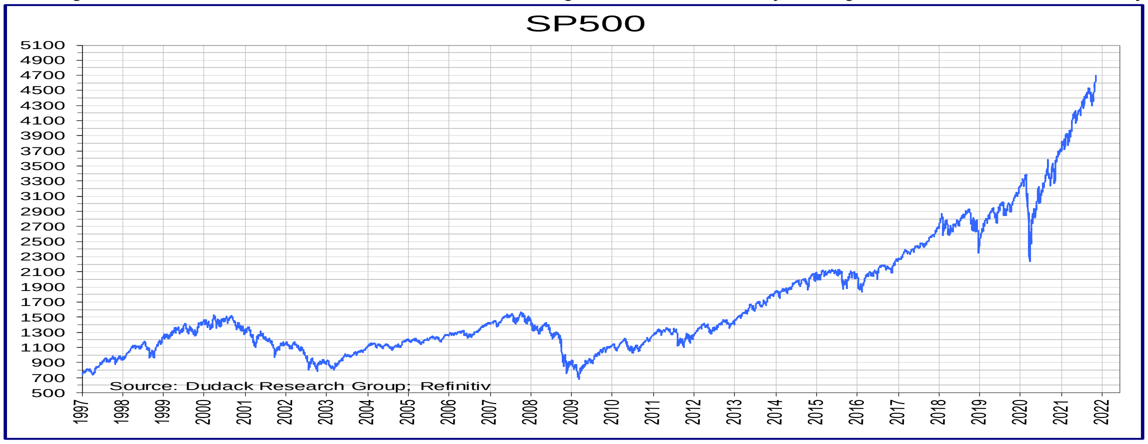
The 25-day up/down volume oscillator is at 1.82 and neutral after spending two days in overbought territory October 25 and 26. To confirm new highs in the popular indices, this indicator should remain in overbought range for a minimum of 5 consecutive trading days. The last time this indicator did this and confirmed new highs in the equity market was between February 4 and February 10 of this year. In sum, in February, when the Russell 2000 recorded its record high, overbought readings in this indicator confirmed the record highs in the broad indices. Since then, there have been no validations of a succession of record highs. Note: while the Russell 2000 made a marginal new high on November 2, there were more declining issues than advancing issues in the session. Volume was also below the 10-day average. In sum, it was not a convincing day from a breadth perspective.

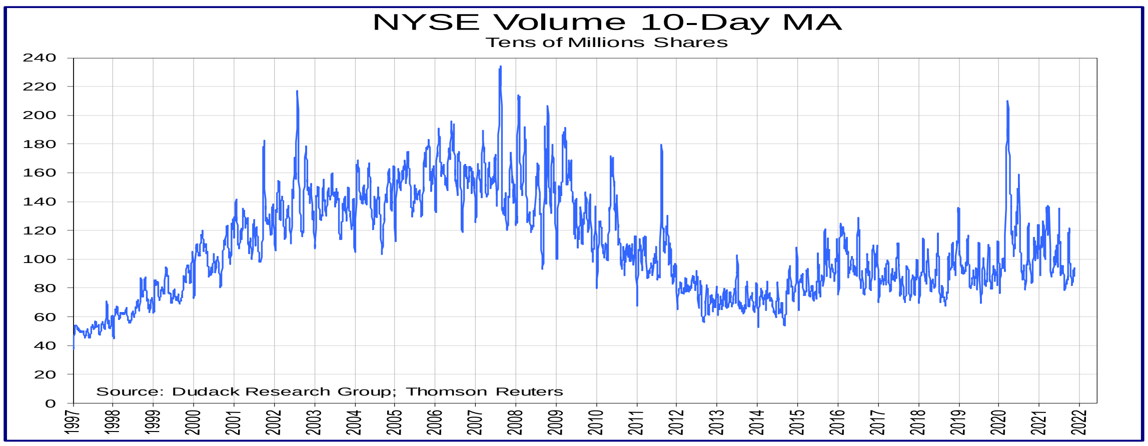
The absence of overbought readings since February, coupled with a one-day oversold reading on July 19 revealed that the advance has not been supported by solid or consistent buying pressure between February and November.

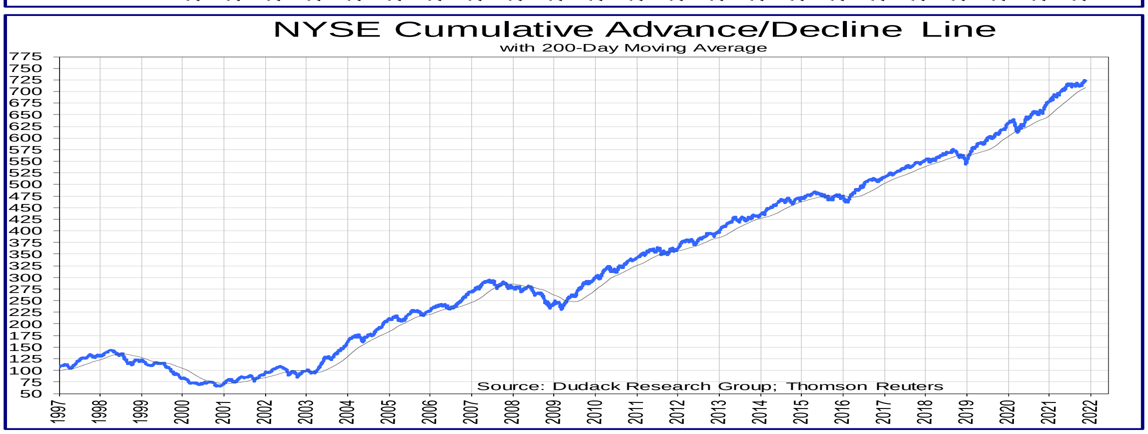
This 25-day up down volume oscillator measures buying and selling momentum. New highs should be accompanied by strong and consistent buying pressure which results in long and sometimes extreme overbought readings. An absence of overbought readings at a new high reveals a weakness in the trend and is a sign of waning demand and/or investors selling into strength. Conversely, significant lows are often accompanied by panic selling. For example, an extreme oversold reading in this indicator, followed by a shallower oversold reading despite a new low in price indicates that selling pressure is fading and the lows are likely in place.

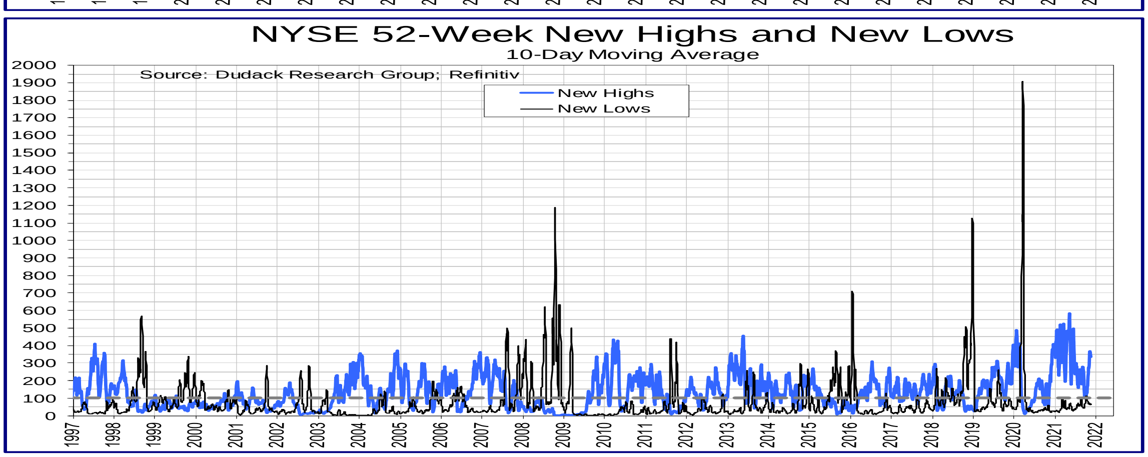


The 10-day average of daily new highs remained high at 335 this week. Daily new lows are 68 and neutral creating a positive combination. The A/D line made a confirming record high on November 8, 2021. Volume has been declining and below the 10-day average for most sessions in this rally.

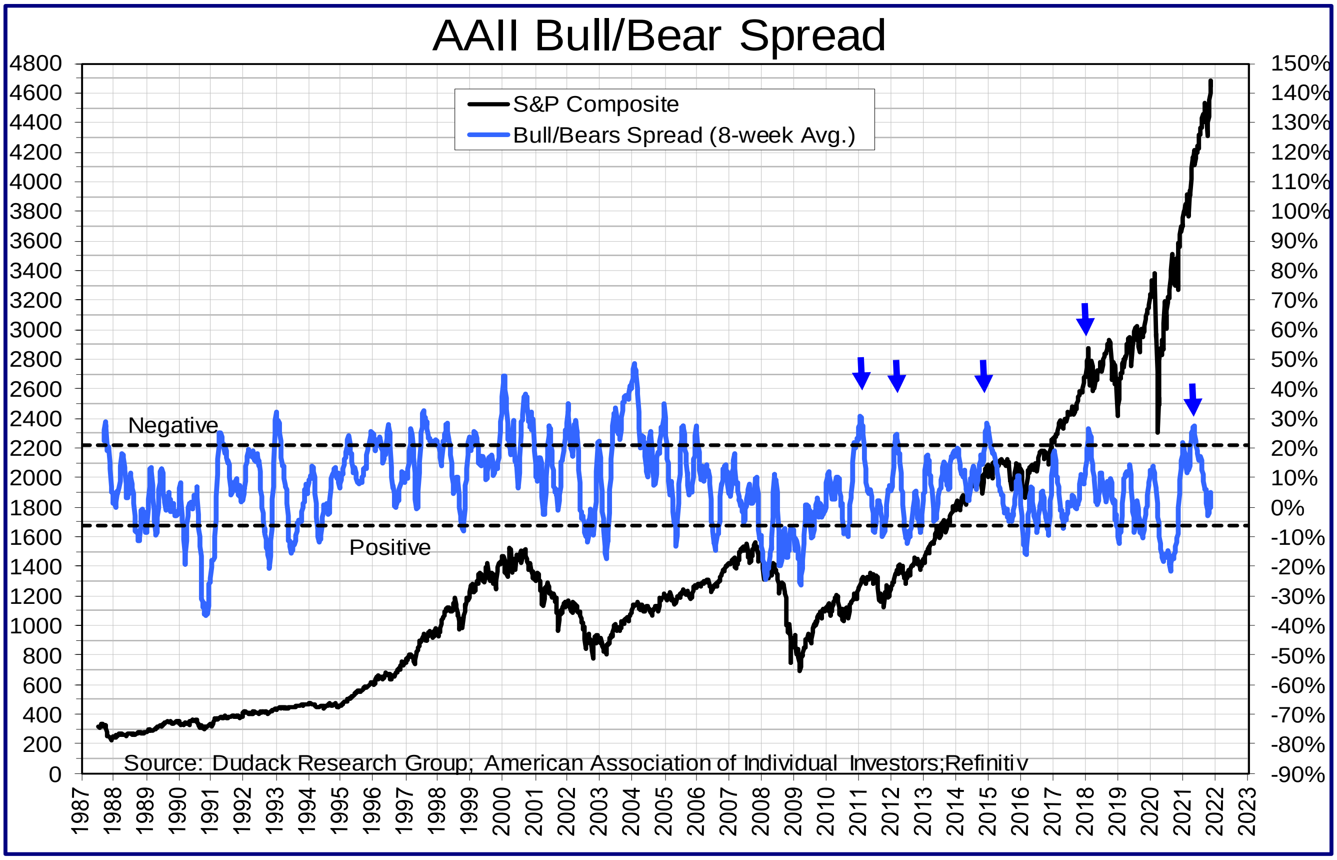


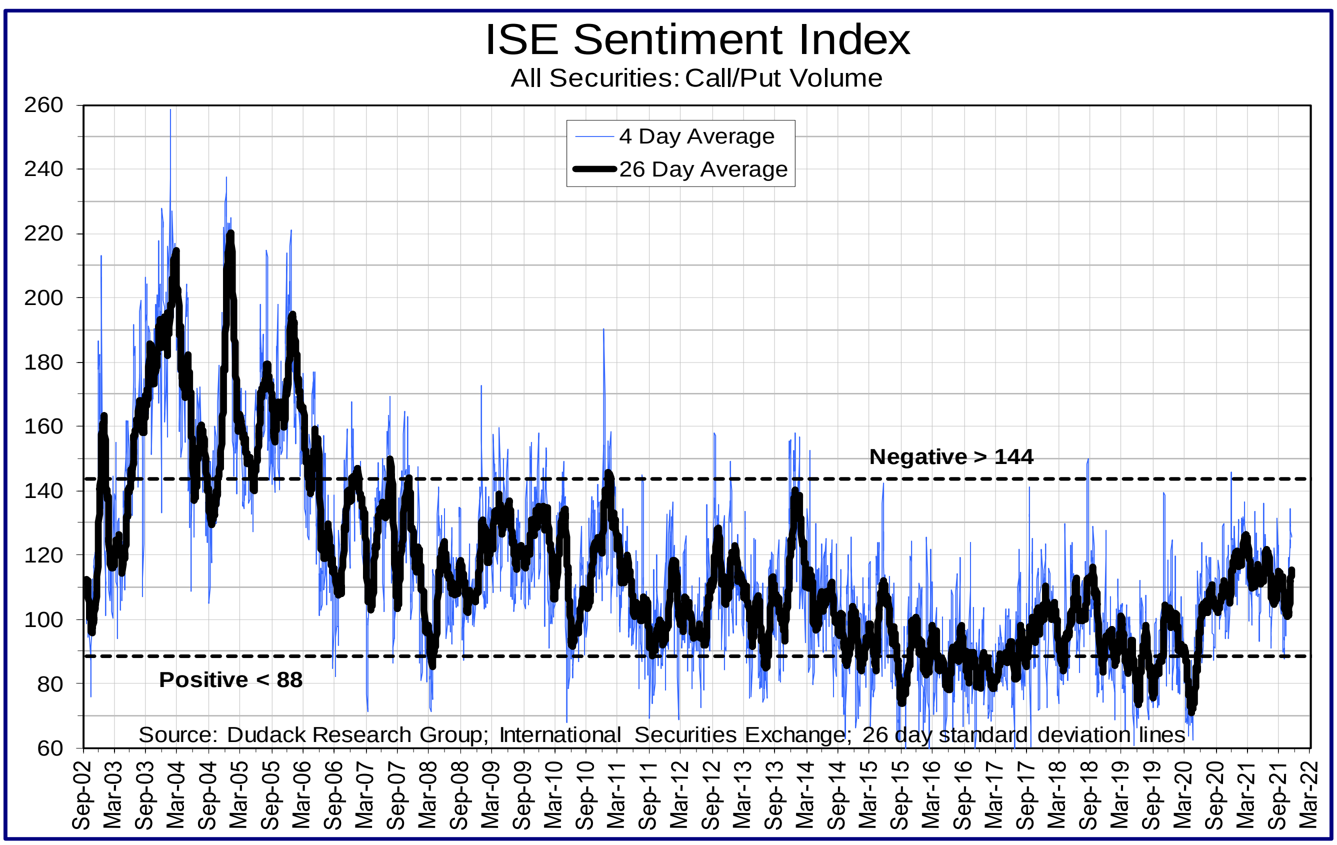




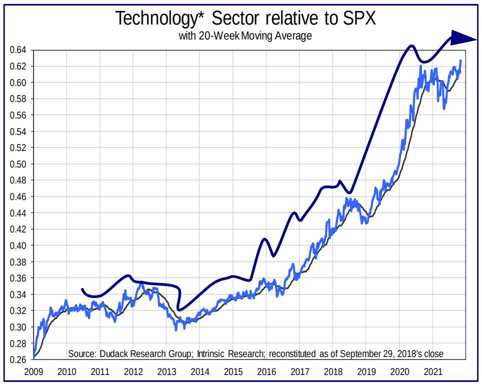


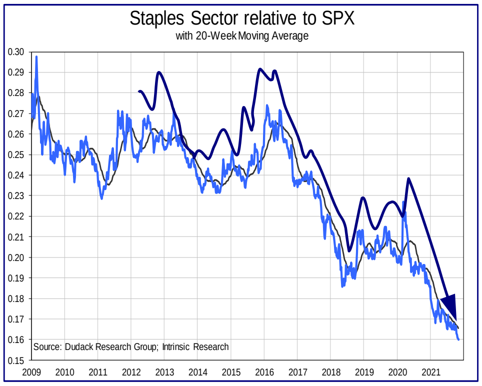
Bullish sentiment rose 6.5 points to 47.0% and remained above the historical average of 38.0% for the fourth time in 9 weeks. Bearish sentiment fell 2.0 points to 24.0% and is below the historical average of 30.5% for the fourth time in 9 weeks. Our 8-week bull/bear spread ticked up but remains close to a positive reading. The ISE Sentiment index remains neutral.

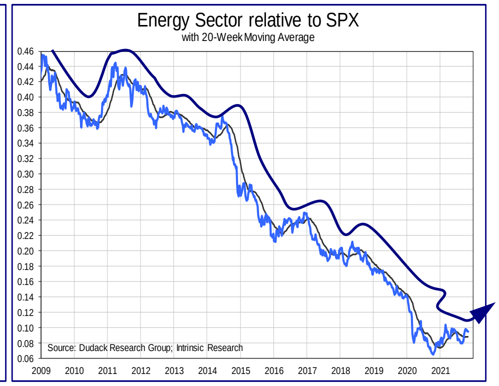


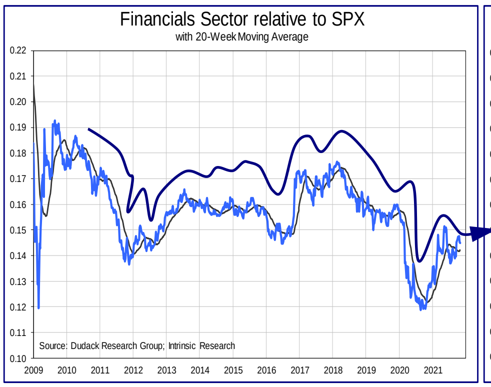


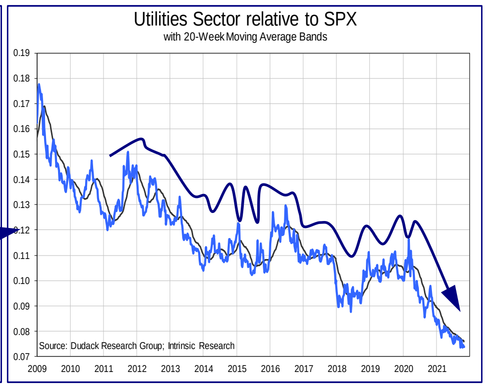
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

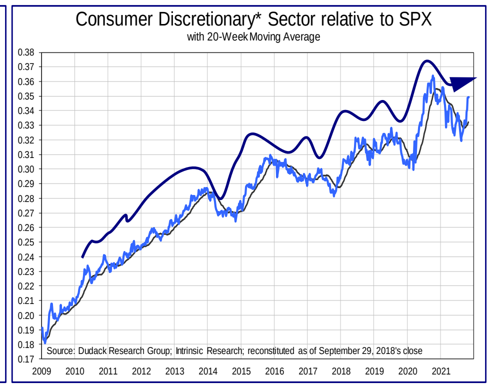


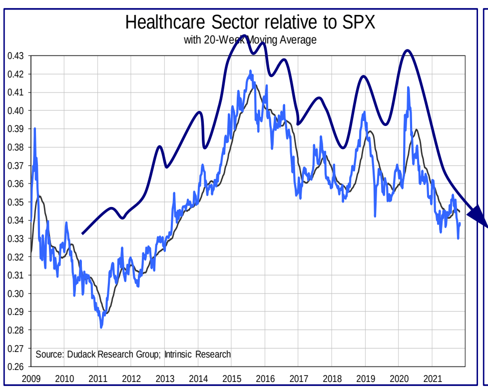


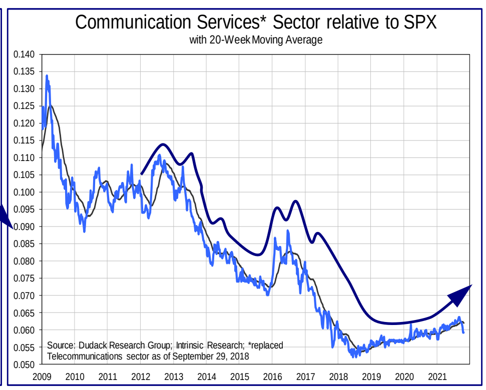


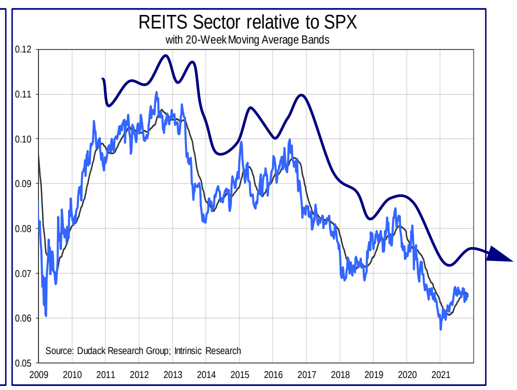


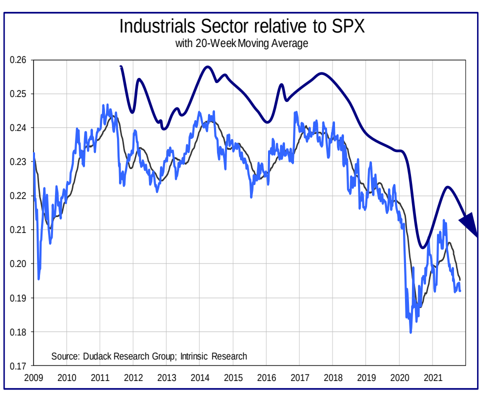


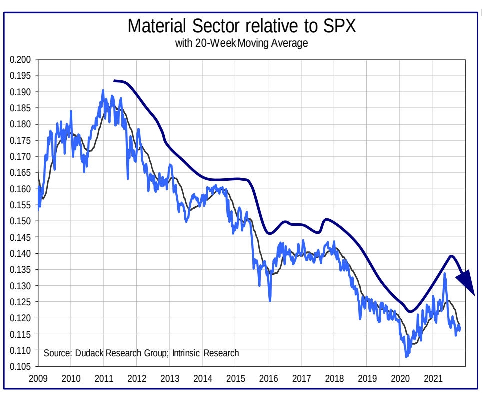












2021 Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	53.3%
S&P FINANCIAL	35.7%
S&P REITS	31.9%
S&P INFORMATION TECH	29.4%
S&P CONSUMER DISCRETIONARY	25.4%
S&P 500	25.2%
S&P COMMUNICATIONS SERVICES	24.7%
S&P MATERIALS	23.1%
S&P INDUSTRIALS	20.7%
S&P HEALTH CARE	17.4%
S&P CONSUMER STAPLES	8.6%
S&P UTILITIES	6.6%

Source: Dudack Research Group; Refinitiv; Monday closes

GLOBAL MARKETS - RANKED BY 2021 TRADING PERFORMANCE

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
United States Oil Fund, LP	USO	56.20	-3.1%	-1.7%	6.9%	70.3%
Oil Future	CLc1	80.76	-4.0%	-1.8%	6.4%	66.4%
SPDR S&P Retail ETF	XRT	104.16	1.6%	13.6%	15.3%	61.9%
Energy Select Sector SPDR	XLE	58.12	-1.5%	1.4%	11.6%	53.4%
SPDR Homebuilders ETF	XHB	83.73	2.6%	12.1%	16.7%	45.3%
SPDR S&P Semiconductor ETF	XSD	245.02	2.4%	21.0%	23.8%	43.5%
SPDR S&P Bank ETF	KBE	57.56	0.5%	4.1%	8.8%	37.6%
Financial Select Sector SPDR	XLF	40.11	0.2%	1.5%	6.9%	36.1%
iShares Russell 2000 Value ETF	IWN	174.66	-0.5%	5.4%	9.0%	32.6%
iShares MSCI Austria Capped ETF	EWO	25.94	-2.4%	0.0%	4.3%	30.8%
Technology Select Sector SPDR	XLK	168.90	1.0%	8.3%	13.1%	29.9%
iShares MSCI Canada ETF	EWC	39.82	-0.1%	2.1%	9.7%	29.1%
Consumer Discretionary Select Sector SPDR	XLY	206.83	1.2%	9.4%	15.3%	28.6%
PowerShares Water Resources Portfolio	PHO	59.68	0.9%	6.2%	9.1%	28.5%
iShares US Real Estate ETF	IYR	110.04	-0.2%	2.7%	7.5%	28.5%
iShares DJ US Oil Eqpt & Services ETF	IEZ	14.29	-5.4%	-7.0%	4.4%	27.1%
iShares Russell 1000 Growth ETF	IWF	306.23	0.8%	7.4%	11.7%	27.0%
NASDAQ 100	NDX	16309.77	0.6%	7.7%	11.0%	26.5%
SP500	.SPX	4700.90	0.3%	5.1%	9.1%	25.2%
iShares MSCI India ETF	INDA.K	50.26	0.0%	-0.5%	3.2%	25.0%
iShares Russell 1000 ETF	IWB	264.13	0.4%	5.0%	9.3%	24.7%
Nasdaq Composite Index Tracking Stock	ONEQ.O	62.10	0.4%	7.2%	10.5%	23.8%
iShares MSCI Taiwan ETF	EWT	65.60	0.8%	6.0%	5.8%	23.6%
Materials Select Sector SPDR	XLB	89.44	0.1%	6.3%	13.1%	23.6%
iShares Russell 1000 Value ETF	IWD	166.83	-0.1%	2.5%	6.6%	22.0%
iShares Russell 2000 ETF	IWM	238.99	-0.9%	6.1%	9.3%	21.9%
Industrial Select Sector SPDR	XLI	107.12	0.0%	4.1%	9.5%	21.0%
SPDR DJIA ETF	DIA	361.93	-0.4%	2.6%	7.0%	18.4%
DJIA	.DJI	36142.22	-0.5%	2.4%	6.8%	18.1%
Health Care Select Sect SPDR	XLV	133.54	0.3%	4.4%	4.9%	17.7%
iShares MSCI United Kingdom ETF	EWU	33.40	-0.4%	-1.0%	3.6%	14.0%
iShares MSCI Singapore ETF	EWS	24.13	-0.1%	0.8%	6.0%	12.3%
iShares Russell 2000 Growth ETF	IWO	321.35	-1.4%	6.9%	9.5%	12.1%
iShares MSCI Mexico Capped ETF	EWW	48.01	-3.7%	-4.1%	-0.5%	11.7%
Gold Future	GCc1	2182.10	0.2%	1.0%	1.5%	11.3%
iShares MSCI EAFE ETF	EFA	81.05	-0.7%	1.3%	3.9%	11.1%
Vanguard FTSE All-World ex-US ETF	VEU	63.35	-0.2%	1.0%	3.9%	8.6%
iShares MSCI Australia ETF	EWA	25.94	-1.3%	-0.8%	4.5%	8.3%
Consumer Staples Select Sector SPDR	XLP	72.73	0.1%	2.7%	5.7%	7.8%
iShares US Telecomm ETF	IYZ	32.58	-0.6%	1.3%	0.4%	7.8%
Utilities Select Sector SPDR	XLU	67.21	1.0%	2.3%	5.2%	7.2%
iShares MSCI Germany ETF	EWG	34.04	-1.2%	1.2%	3.4%	7.1%
Shanghai Composite	.SSEC	3521.79	0.4%	-1.4%	-3.3%	4.7%
iShares MSCI Japan ETF	EWJ	69.88	0.2%	1.2%	-0.5%	3.4%
iShares Nasdaq Biotechnology ETF	IBB.O	154.06	-0.9%	-1.9%	-4.7%	1.7%
iShares MSCI Emerg Mkts ETF	EEM	51.90	1.4%	-0.1%	3.0%	0.4%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	0.0%	0.0%
Silver Future	SIc1	18.54	0.0%	0.0%	0.0%	0.0%
iShares MSCI Hong Kong ETF	EWH	24.57	0.9%	0.4%	2.5%	-0.3%
SPDR Gold Trust	GLD	172.92	1.0%	4.6%	5.3%	-3.1%
iShares MSCI BRIC ETF	BKF	49.88	2.9%	-0.8%	3.5%	-4.5%
iShares iBoxx $ Invest Grade Corp Bond	LQD	131.75	-2.3%	-1.1%	-1.0%	-4.6%
iShares Silver Trust	SLV	23.93	2.0%	6.5%	12.0%	-6.3%
iShares MSCI South Korea Capped ETF	EWY	79.70	0.8%	-0.8%	-1.2%	-7.4%
iShares 20+ Year Treas Bond ETF	TLT	145.11	-3.9%	0.1%	0.5%	-8.0%
iShares China Large Cap ETF	FXI	41.63	5.5%	2.3%	6.9%	-10.3%
iShares MSCI Malaysia ETF	EWM	25.46	0.0%	-4.9%	0.5%	-11.6%
iShares MSCI Brazil Capped ETF	EWZ	30.13	-0.9%	-9.4%	-6.2%	-18.7%

Outperformed SP500

Underperformed SP500

Source: Dudack Research Group; Thomson Reuters Priced as of November 16, 2021

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 %
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	1.8%	2.2%	$1,960.10	16.2%
2020	3756.07	$94.14	**$122.38**	$122.38	-22.1%	**$139.72**	-14.2%	30.7X	1.6%	-3.5%	$1,951.80	-0.4%
2021E	~~~~~~~	$191.30	**$202.00**	$200.00	63.4%	**$205.72**	47.2%	23.3X	1.3%	NA	$1,834.70	-6.0%
2022E		$205.26	**$218.95**	$220.00	10.0%	**$221.35**	7.6%	21.5X	NA	NA	NA	NA
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%	-5.1%	$1,924.00	7.4%
2020 2Q	3100.29	$17.83	$26.79	$26.79	-33.3%	$27.98	-32.3%	24.7	1.9%	-31.2%	$1,701.50	-8.4%
2020 3Q	3363.00	$32.98	$37.90	$37.90	-4.8%	$38.69	-8.2%	27.3	1.7%	33.8%	$2,135.10	8.7%
2020 4Q	3756.07	$31.45	$38.19	$38.19	-2.5%	$42.58	1.4%	30.7	1.6%	4.5%	$2,111.90	5.7%
2021 1Q	3972.89	$45.95	$47.41	$47.41	143.1%	$49.13	48.3%	26.4	1.5%	6.3%	$2,207.70	14.7%
2021 2Q	4297.50	$48.39	$52.03	$52.10	94.5%	$52.58	87.9%	24.5	1.3%	6.7%	$2,440.60	43.4%
2021 3QP	4307.54	$50.21	$52.10	$48.51	28.0%	$53.59	38.5%	22.7	1.6%	2.0%	NA	NA
2021 4QE*	4700.90	$46.75	$50.46	$51.98	36.1%	$51.08	20.0%	23.3	1.6%	NA	NA	NA
2022 1QE		$51.88	$51.42	$53.50	12.8%	$51.92	5.7%	22.8	NA	NA	NA	NA
2022 2QE		$49.35	$54.29	$54.00	3.6%	$54.80	4.2%	22.6	NA	NA	NA	NA
2022 3QE		$51.50	$56.29	$55.00	13.4%	$56.96	6.3%	22.1	NA	NA	NA	NA
2022 4QE		$52.52	$56.95	$57.50	10.6%	$57.61	12.8%	21.5	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 11/16/2021

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