



Dudack Research Group

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December 15, 2021

DJIA: 35544.18  
SPX: 4634.09  
NASDAQ: 15237.64

## US Strategy Weekly

### Monetary Policy Shift Ahead

This week could be pivotal for equity investors since the December Federal Reserve Board meeting is expected to result in a well-telegraphed reversal in monetary policy. The details and timing of quantitative easing and interest rate changes will be most important. Quantitative easing is expected to slow, perhaps more quickly than previously thought, but reversing QE has rarely had a negative impact on equity trends. The crucial part of monetary policy is the raising or lowering of interest rates. History shows that three or more fed funds rate hikes within a 12-month period has been followed by equity declines. The faster the rate hikes are made, the bigger the negative affect on the stock market. Therefore, the real focus this week will be on Chairman Jerome Powell's comments and the possible timing of interest rates increases.

Unfortunately, we believe the Federal Reserve is already behind the curve. More importantly, one could opine that the current wave of inflation is man-made. A combination of historically large fiscal and monetary stimulus during an economic recovery is a perfect recipe for inflation -- as any basic economic textbook would attest. Ironically, this was ignored by most economists, politicians and surprisingly by the Federal Reserve. And though equity investors have ignored soaring inflation numbers for months, recent data has made it more difficult to ignore. In our view, by ignoring inflation, the Fed has allowed it to become more embedded in the system. As a result, it could take more rate hikes to reverse than if it had been addressed earlier this year.

November's inflation numbers were disconcerting. Headline CPI rose 6.8% YOY, the highest pace since the 7.1% YOY recorded in June 1982. Core CPI rose 4.9% YOY, the highest since the 5.0% pace in June 1991. See page 6. Headline PPI rose 13.3% YOY, the highest since October 1980. Core PPI, excluding food & energy, PPI jumped 5.9% YOY, the highest since March 1982 and final demand PPI rose 9.7% YOY, the highest on record. In other words, November's inflation was the highest in thirty years which means many of today's young investors have never dealt with inflation or understand its many repercussions.

Rising prices have spread throughout the economy and although fuel prices are no longer the main driver of US inflation, energy remains one of the most important triggers for future inflation. The good news is that WTI crude oil prices are down 16% from their October 26 peak of \$84.65. The bad news is that WTI is still up 46% year-over-year. Gasoline prices are down a similar 16% from their high of \$2.52 also made on October 26. See page 10.

As we have discussed in previous reports, inflation of 4% or more tends to have a deleterious impact on price earnings multiples. For this reason, it is not surprising to see that many large capitalization technology stocks have encountered selling pressure this week. Technology stocks tend to have high multiples which become a high-risk asset as inflation rises. Also note that the following ten stocks in the Nasdaq 100 composite index represent 63% of the total market capitalization of the index and a significant percent of the S&P 500. During market weakness, or whenever selling pressure creates a liquidity crisis, large cap stocks become the most liquid and therefore bear the brunt of selling pressure.

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

Symbol	Name	Market Cap	Last Sale	Net Change	Percentage Change
AAPL	Apple Inc.	3,022,418,482,200	\$174.33	-1.41	-0.80%
MSFT	Microsoft Corporation	2,465,170,298,983	\$328.34	-11.06	-3.26%
GOOG	Alphabet Inc. Class C	1,924,523,961,844	\$2,899.41	-34.68	-1.18%
GOOGL	Alphabet Inc. Class A	1,910,405,701,691	\$2,878.14	-38.39	-1.32%
AMZN	Amazon.com, Inc.	1,715,087,035,745	\$3,381.83	-9.52	-0.28%
TSLA	Tesla, Inc.	962,597,903,291	\$958.51	-7.9	-0.82%
FB	Meta Platforms, Inc. Class A	940,961,407,764	\$333.74	-0.75	-0.22%
NVDA	NVIDIA Corporation	708,425,000,000	\$283.37	1.76	0.62%

Source: [www.nasdaq.com](http://www.nasdaq.com)

We believe the best strategy for the next several months is avoid high PE stocks and tilt toward stocks with predictable earnings streams, modest PE multiples and dividend yields greater than the current 10-year Treasury bond yield of 1.4%. The recent gains in the consumer staples sector are an example of this transition. We expect a better buying opportunity for large cap technology stocks will appear in the first half of 2022.

#### HOUSEHOLDS BALANCE SHEET AND SENTIMENT

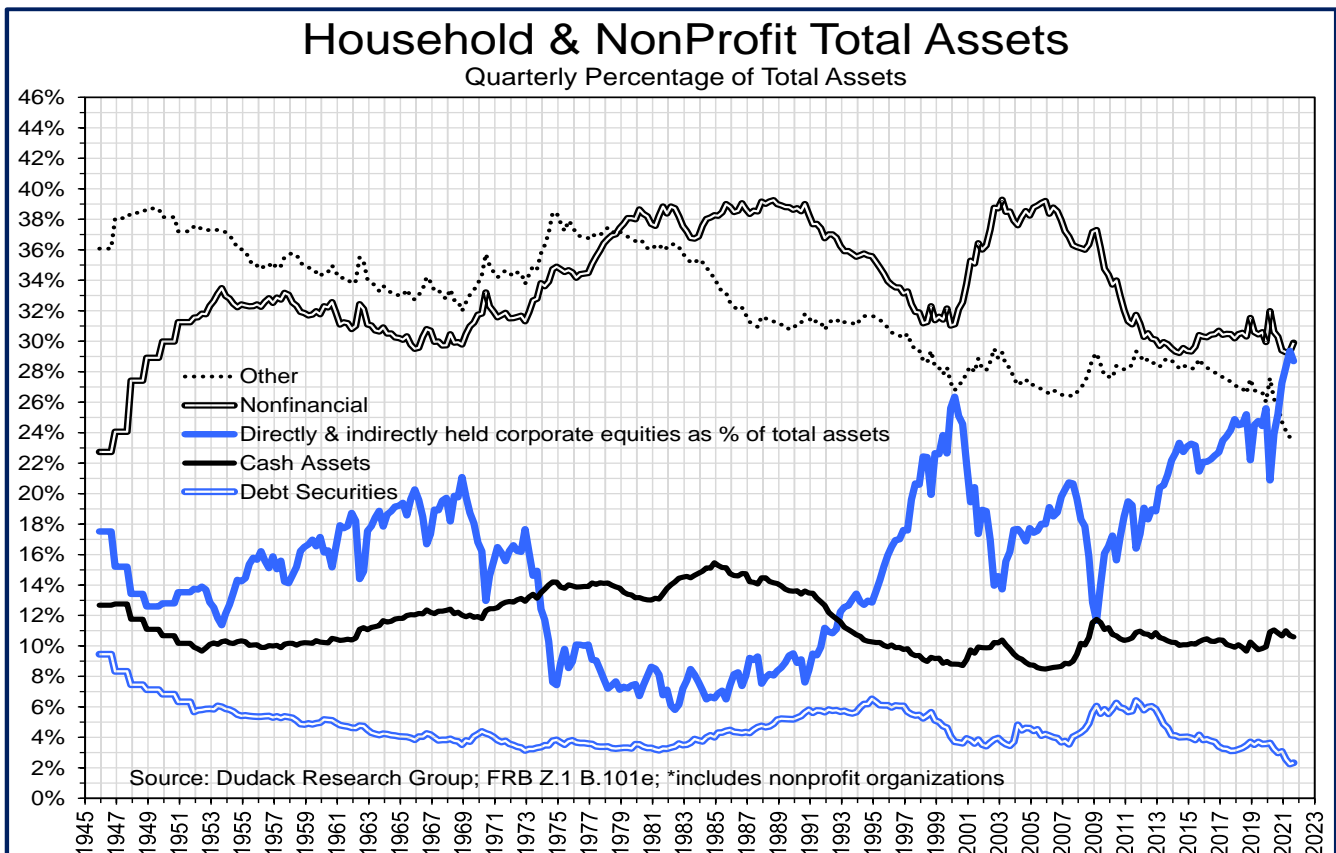
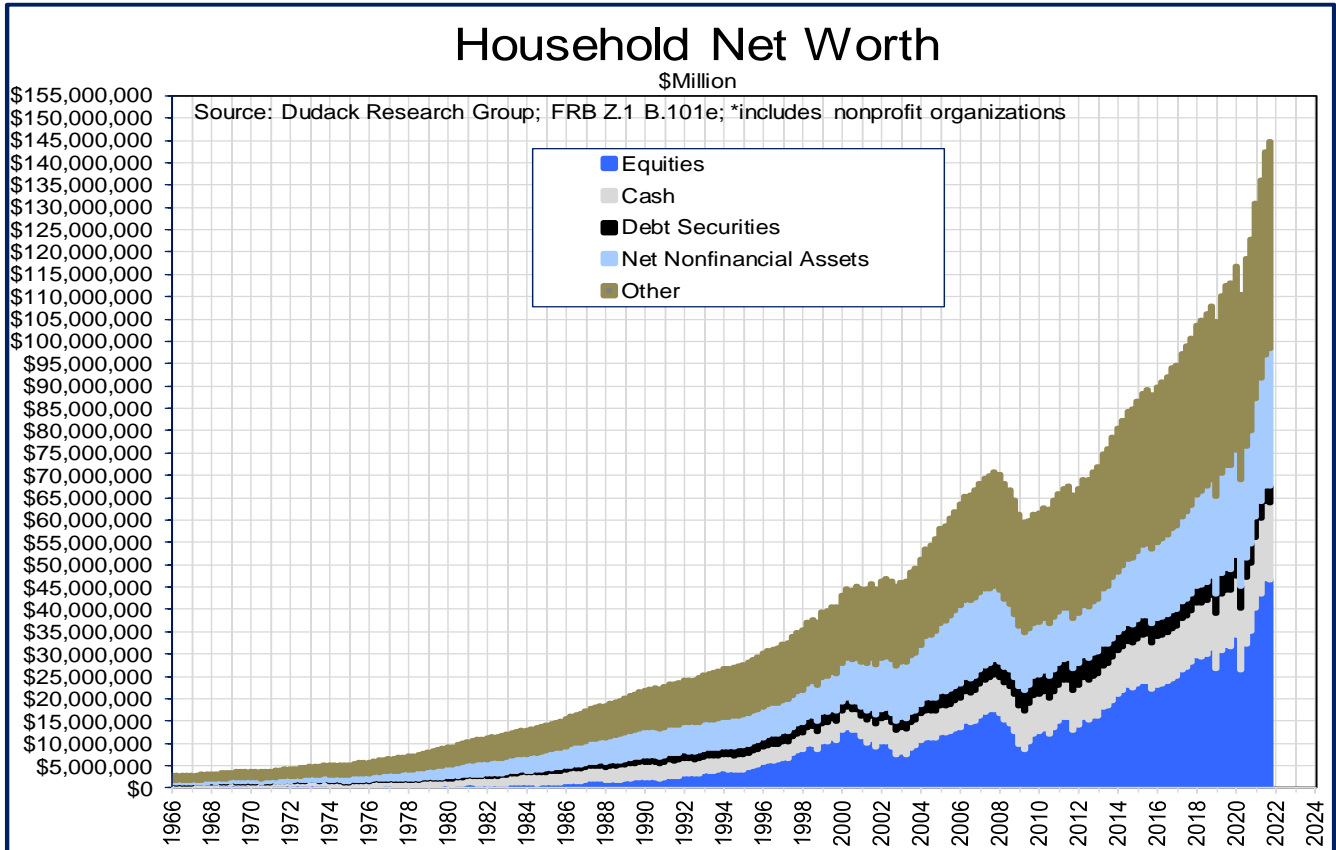
US household net worth rose 1.7% in the third quarter to a record \$144.7 trillion, which was an impressive 10.5% increase year-to-date. During the quarter, nonfinancial assets rose 3.7% and corporate equities fell slightly. Year-to-date, nonfinancial assets rose a sturdy 11.7% versus 15.7% for equities. Equity assets directly held by households, versus indirectly through pension funds for example, rose 18.6% in the first nine months of the year. However, household real estate gained 11.4% this year to date, and owners' equity in real estate rose an impressive 14.7% in the first three quarters reaching 68.8%, the highest level since 1988! This suggests many households benefited from a rise in residential real estate values in 2021. See page 3. It may also explain why Christmas shopping appears to be setting a record this year.

However, Fed data on household balance sheets has also shown that when equity ownership exceeds real estate values, the equity market is at risk. This is true currently. Moreover, in June, equities represented 41.5% of total household financial assets and 29.4% of total assets. Both were new record levels that exceeded the previous peaks recorded in early 2000. In short, equity ownership may be reaching an over-owned condition, and this implies caution. See page 5.

Good news in net worth did not translate into an improvement in consumer sentiment. December's preliminary consumer sentiment from the University of Michigan showed small gains in the index, yet the survey lingers only modestly above the 2021 lows. The NFIB small business index edged up 0.2 points to 98.4 in November, but most parts of the survey were little changed. On the other hand, the outlook for general business conditions worsened to negative 38, matching its worst level seen November 2012. All in all, soaring inflation appears to be taking a toll on businesses and consumers.

There has been little change in technical indicators this week. The 10-day average of daily new highs fell to 82 this week and daily new lows are at 186. This combination -- with new lows over 100 per day -- was downgraded from neutral to negative last week. The NYSE advance/decline line's last record high was on November 8, 2021, and it is trading well below this level currently. Volume has been rising on down days and slipping on rally days, which is a worrisome combination. See page 13. The 25-day up/down volume oscillator is at negative 2.5 and approaching an oversold reading which would be a negative omen. And finally, the Russell 2000 index continues to trade below all its moving averages which could be a sign of a trend reversal. All this points to the need to be cautious as 2022 approaches.

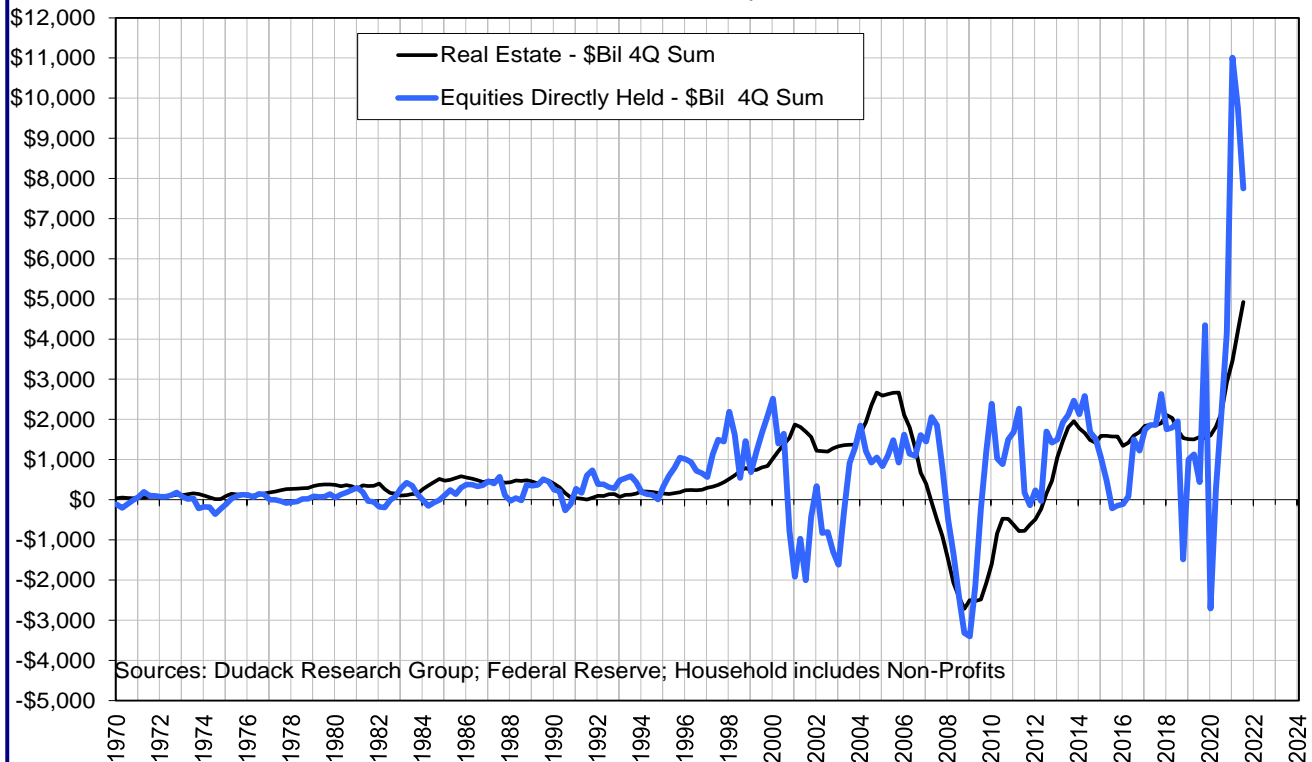
Household net worth rose 1.7% during the third quarter to \$144.7 trillion, a 10.5% increase YTD. In the quarter, nonfinancial assets rose 3.7%, versus corporate equities which were down slightly. Year-to-date, nonfinancial assets rose 11.7% versus 15.7% for equities.



The third quarter was not a stellar period for equities, but many households benefited from a rise in residential real estate values. Equity assets directly held by households rose 18.6% in the first nine months of the year and equities directly and indirectly held increased 15.7%. Real estate gained 11.4% in the same period and owners' equity in real estate was 68.8%, rising an impressive 14.7% in the first three quarters reaching the highest level since 1988.

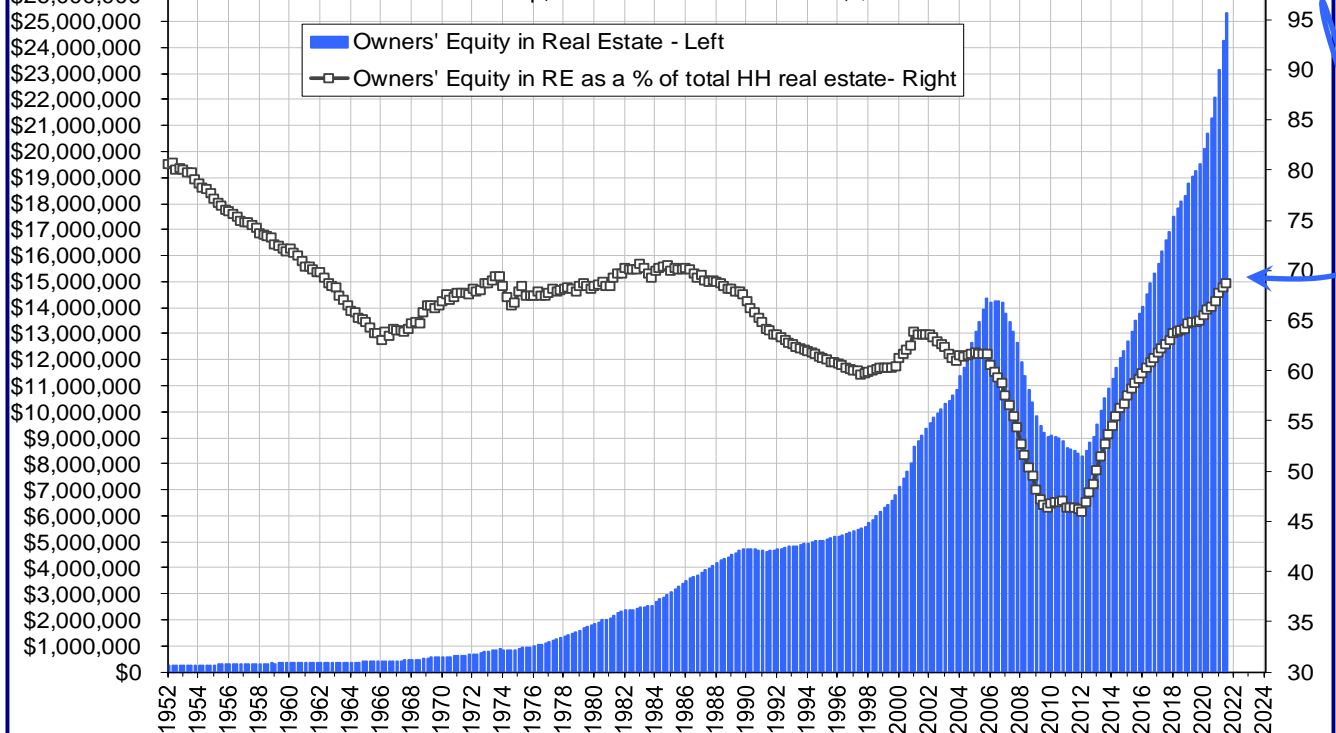
## Change in Household Net Worth

Value of Real Estate & Equities - \$Bil

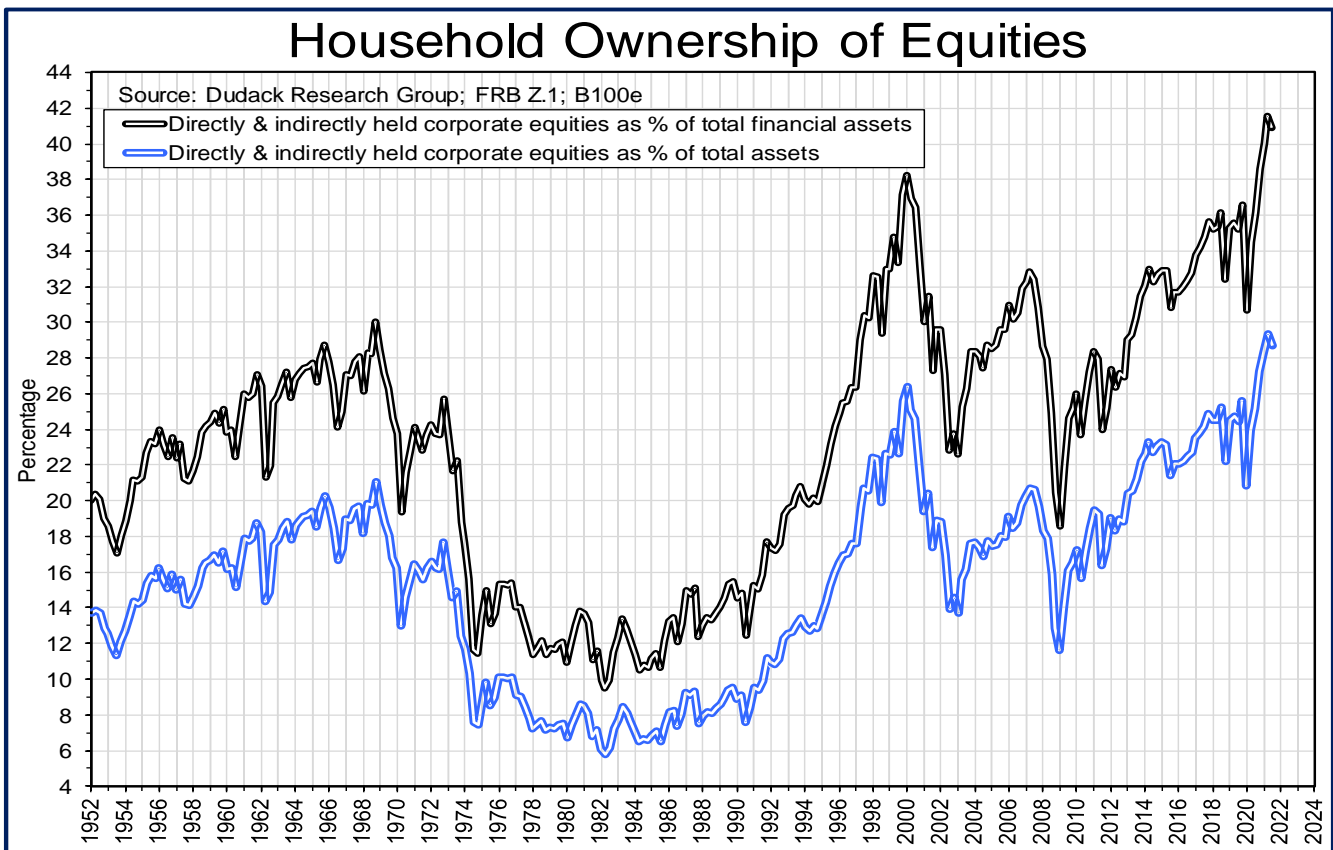
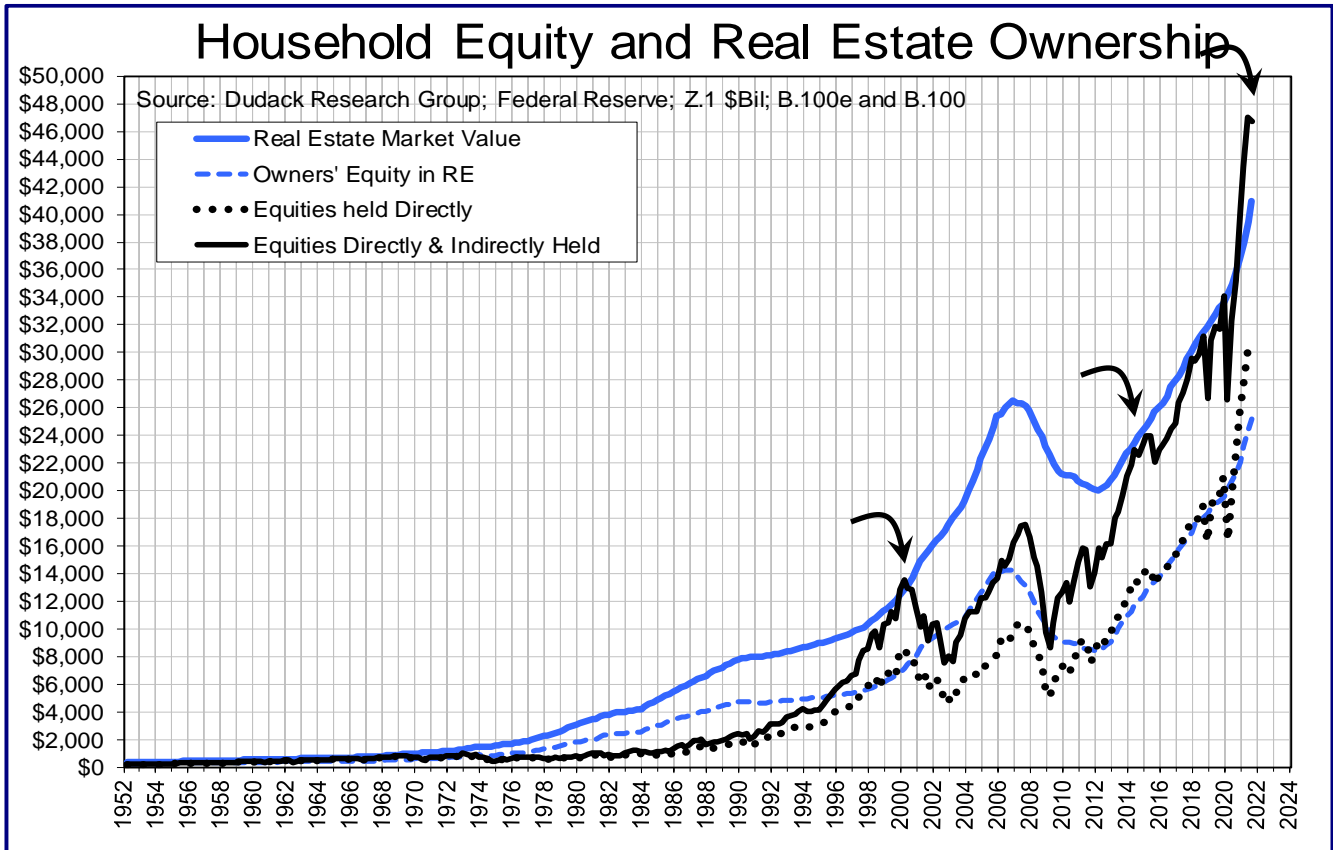


## Owners' Equity in Real Estate

Source: Dudack Research Group; Federal Reserve Z.1 B.101; \$Million



It may be that the pandemic will alter historic trends, but whenever equity ownership has exceeded real estate values in the household balance sheet, a major equity top was a risk. Equity ownership levels are high on most benchmarks which is a sign that equities may be reaching an over-owned level.

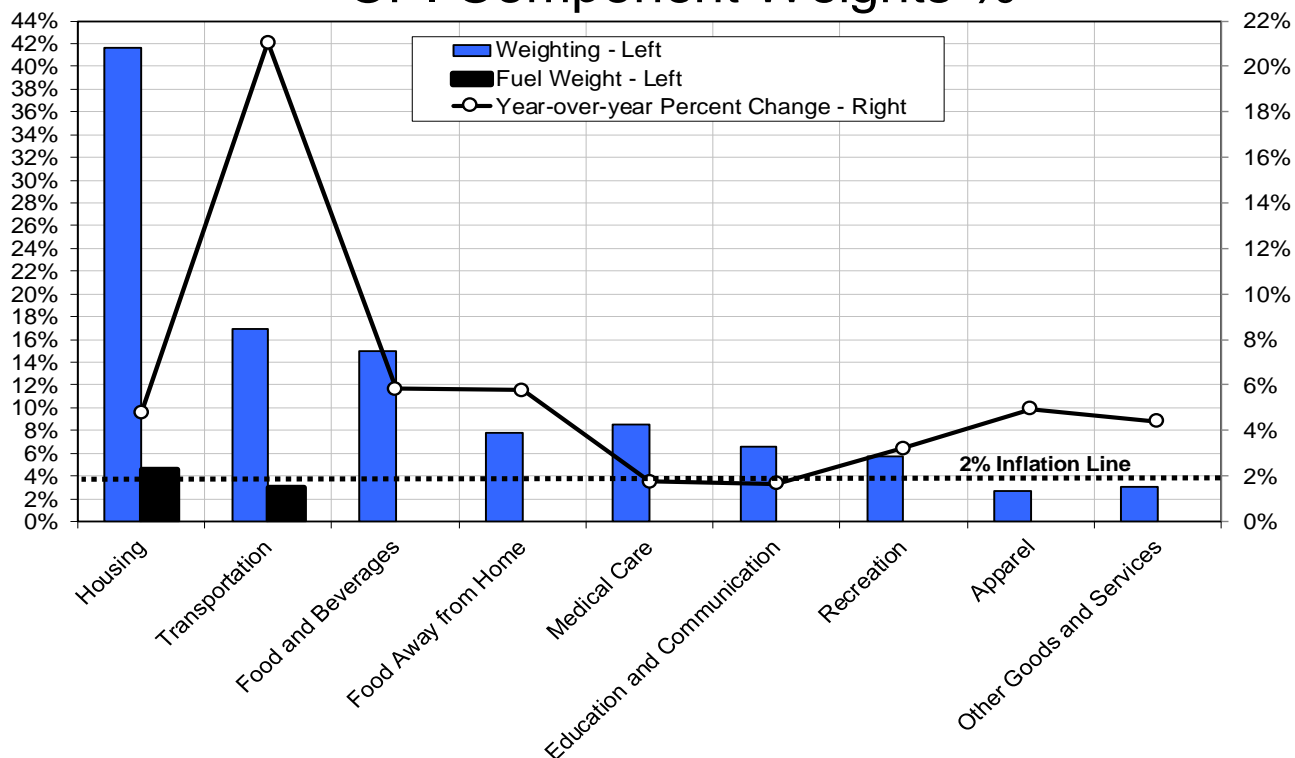


Headline CPI rose 6.8% YOY in November, the highest pace since June 1982 (7.1% YOY). Core CPI rose 4.9% YOY, the highest since June 1991 (5.0% YOY).

CPI Components Heavy Weights - Not Seasonally Adjusted Data	Component Weight*	Fuel Weight	Price Chg YOY%	Price Chg MOM%
<b>Housing</b>	<b>41.6%</b>	<b>4.5%</b>	<b>4.8%</b>	<b>0.3%</b>
<i>Owners' equivalent rent of residences</i>	<i>0.9%</i>		<i>3.5%</i>	<i>0.5%</i>
<b>Fuels and utilities</b>	<b>4.5%</b>		<b>10.0%</b>	<b>0.0%</b>
<b>Transportation</b>	<b>16.9%</b>	<b>2.9%</b>	<b>21.1%</b>	<b>1.9%</b>
<b>Food and beverages</b>	<b>15.0%</b>		<b>5.8%</b>	<b>0.4%</b>
<i>Food at home</i>	<i>7.7%</i>		<i>6.4%</i>	<i>0.3%</i>
<i>Food away from home</i>	<i>6.3%</i>		<i>5.8%</i>	<i>0.6%</i>
<i>Alcoholic beverages</i>	<i>0.0%</i>		<i>1.9%</i>	<i>0.1%</i>
<b>Medical care</b>	<b>8.5%</b>		<b>1.7%</b>	<b>0.2%</b>
<b>Education and communication</b>	<b>6.5%</b>		<b>1.7%</b>	<b>-0.1%</b>
<b>Recreation</b>	<b>5.7%</b>		<b>3.2%</b>	<b>-0.3%</b>
<b>Apparel</b>	<b>2.7%</b>		<b>5.0%</b>	<b>-1.6%</b>
<b>Other goods and services</b>	<b>3.1%</b>		<b>4.4%</b>	<b>0.2%</b>
Special groups:				
Energy	7.5%		33.3%	1.5%
All items less food and energy	78.5%		4.9%	0.4%
<b>All items</b>	<b>100.0%</b>		<b>6.8%</b>	<b>0.5%</b>

Source: Dudack Research Group; BLS; \*Oct. 2021 w weightings; Italics=sub-component; bold = headline; blue>headline

## CPI Component Weights %

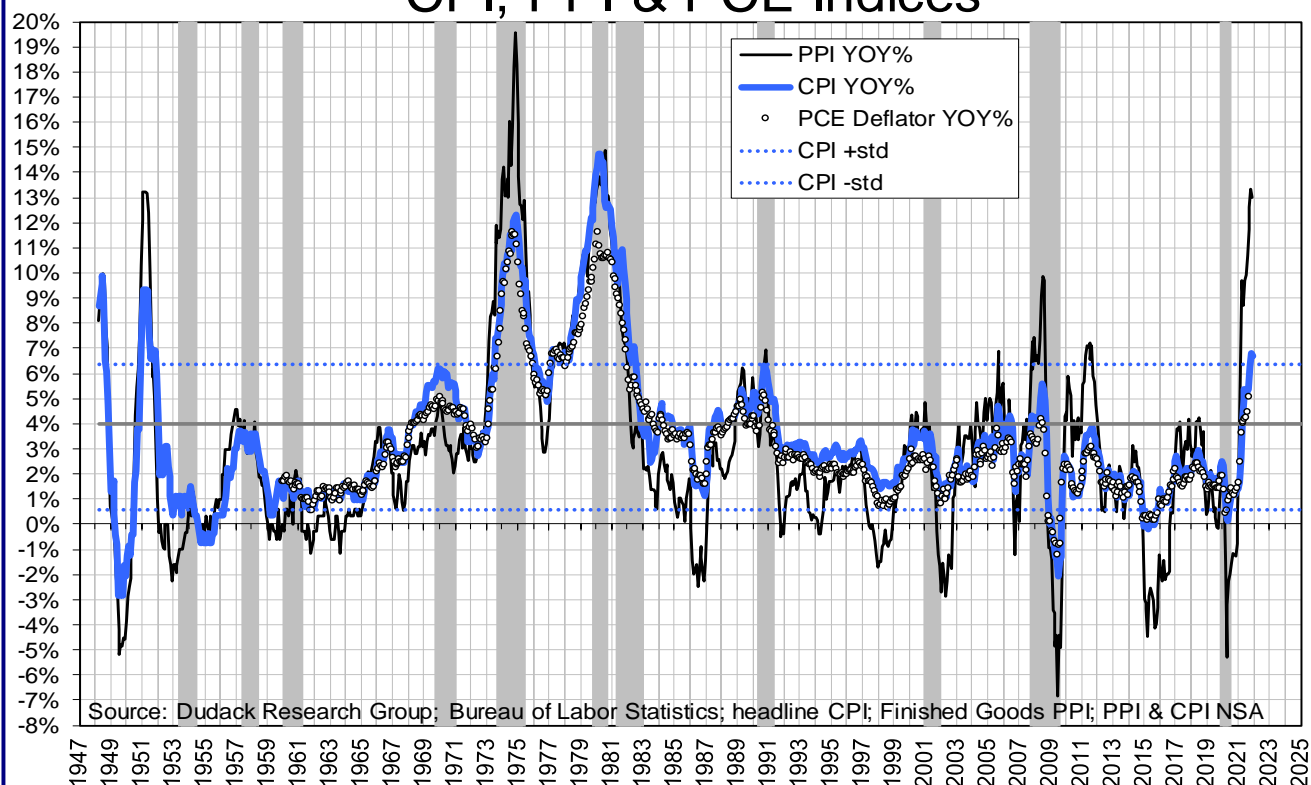


Source: Dudack Research Group; U.S. Department of Labor: Bureau of Labor Statistics



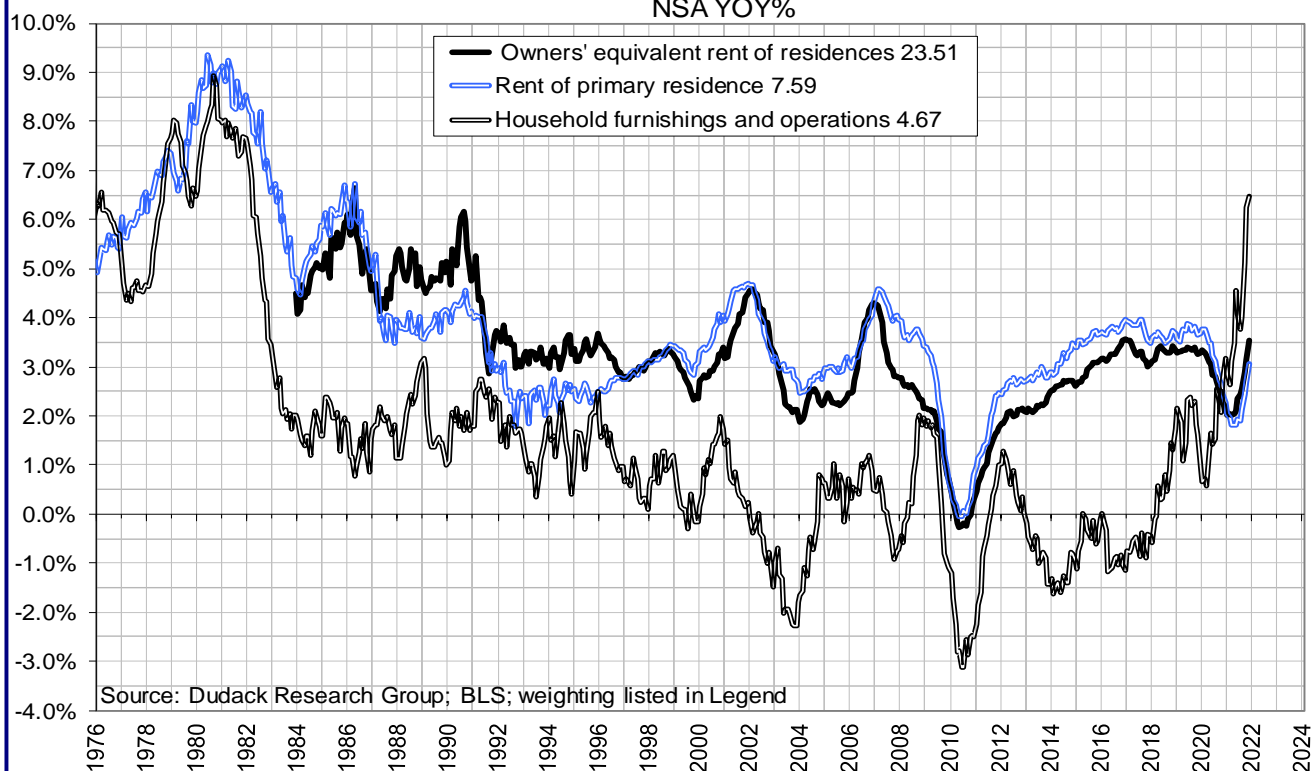
The headline PPI rose 13.3% YOY in November, the highest since October 1980. Excluding food & energy, PPI jumped 5.9% YOY, the highest since March 1982. Final demand PPI rose 9.7% YOY, the highest on record. The PCE deflator rose 5% YOY in October and November will be released later this month. Note the sharp increases in the housing components of the CPI. This will hurt many households and will also impact home ownership if it continues.

## CPI, PPI & PCE Indices

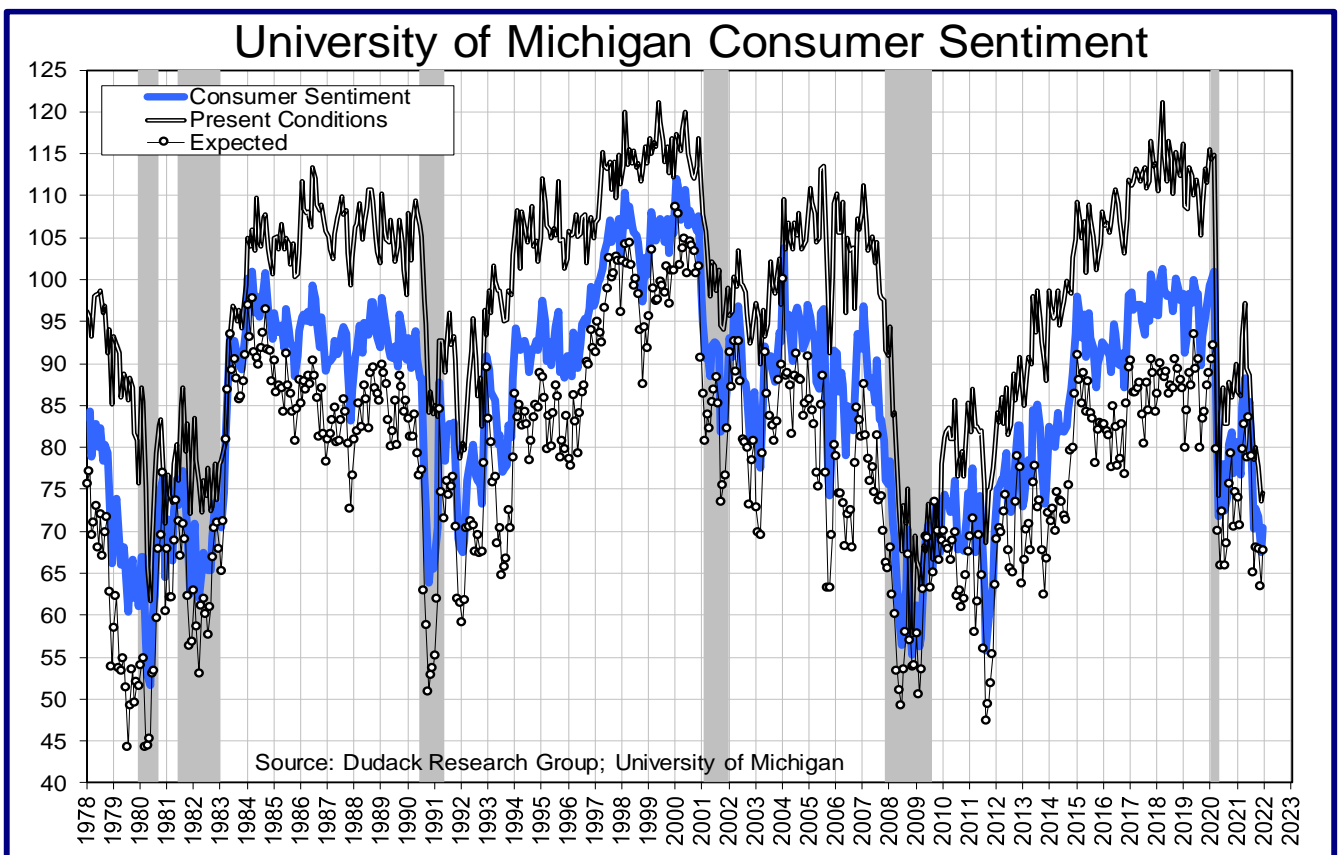
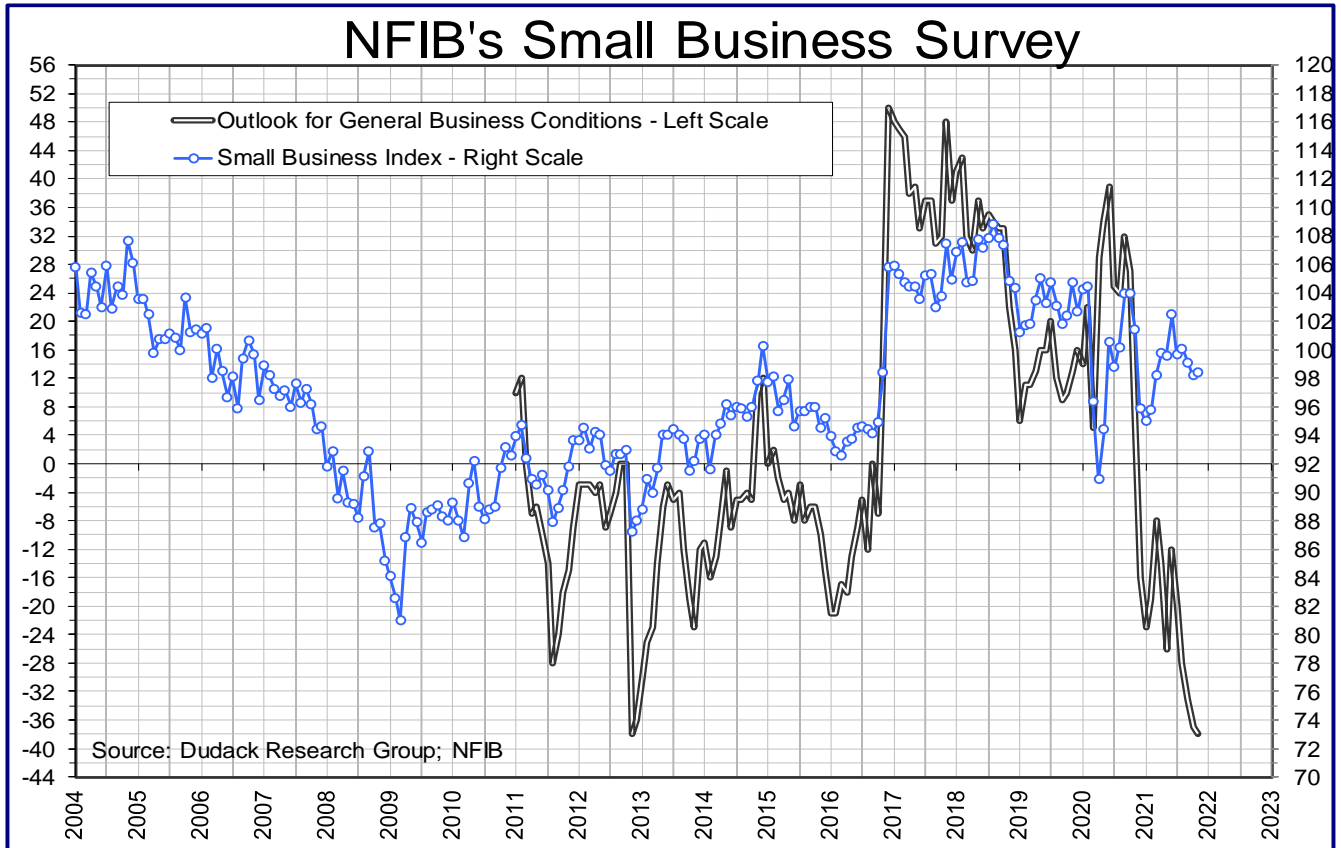


## CPI: Housing Components

NSA YOY%

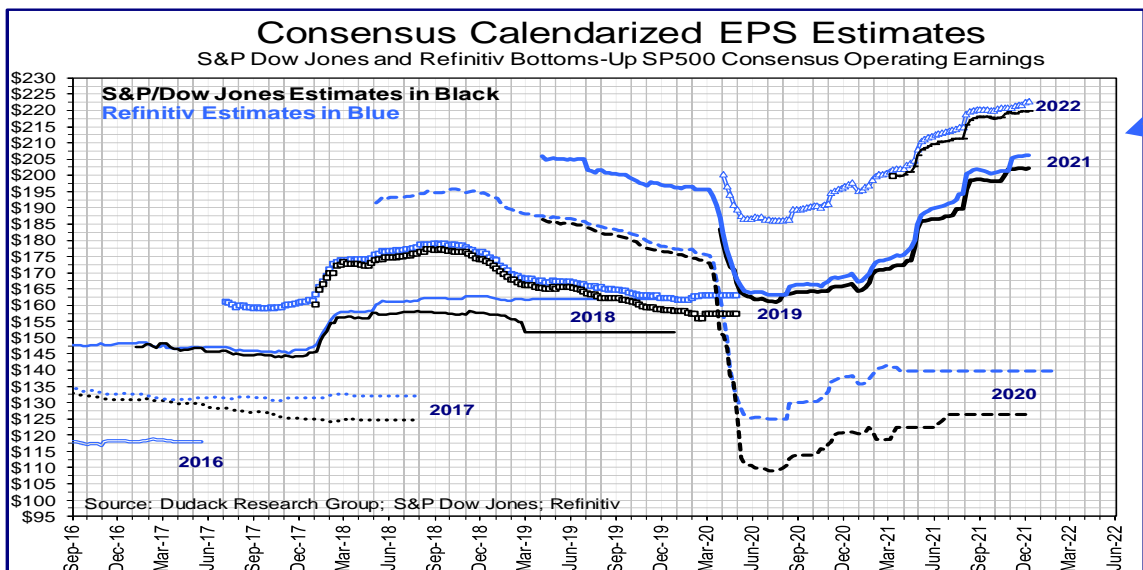
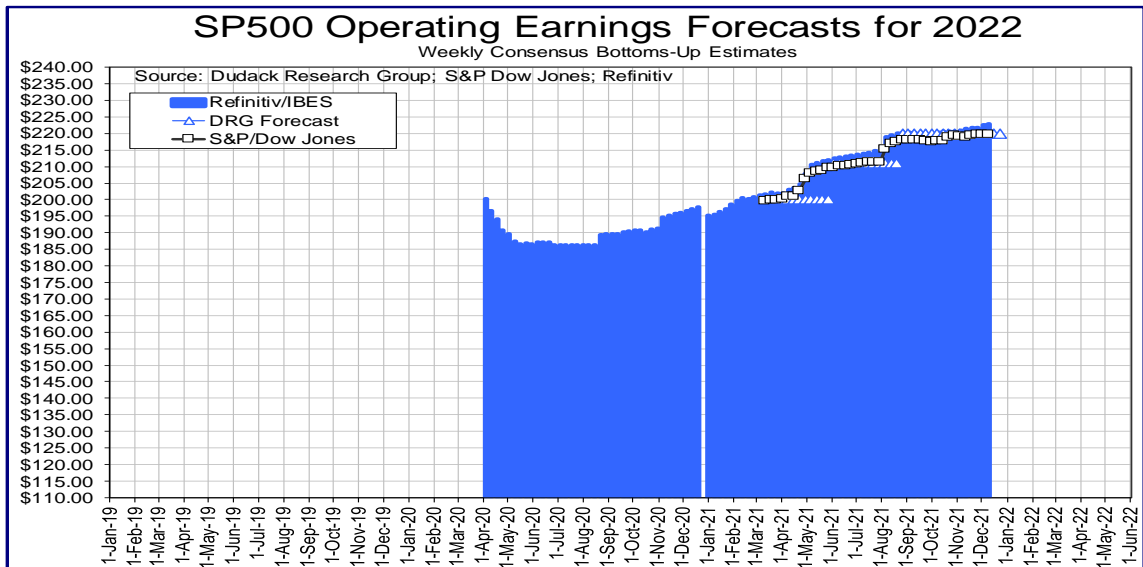
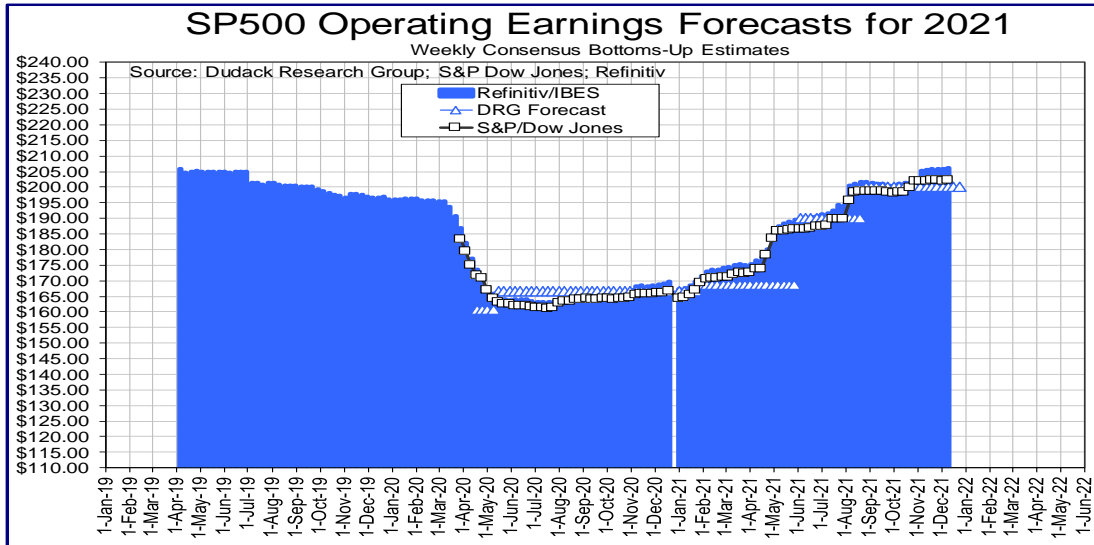


The NFIB small business index edged up 0.2 points to 98.4 in November, but most parts of the survey were little changed. However, the outlook for general business conditions worsened to negative 38, matching its worst level seen November 2012. Preliminary consumer sentiment from the University of Michigan for December showed small gains but remains only modestly above the 2021 lows.



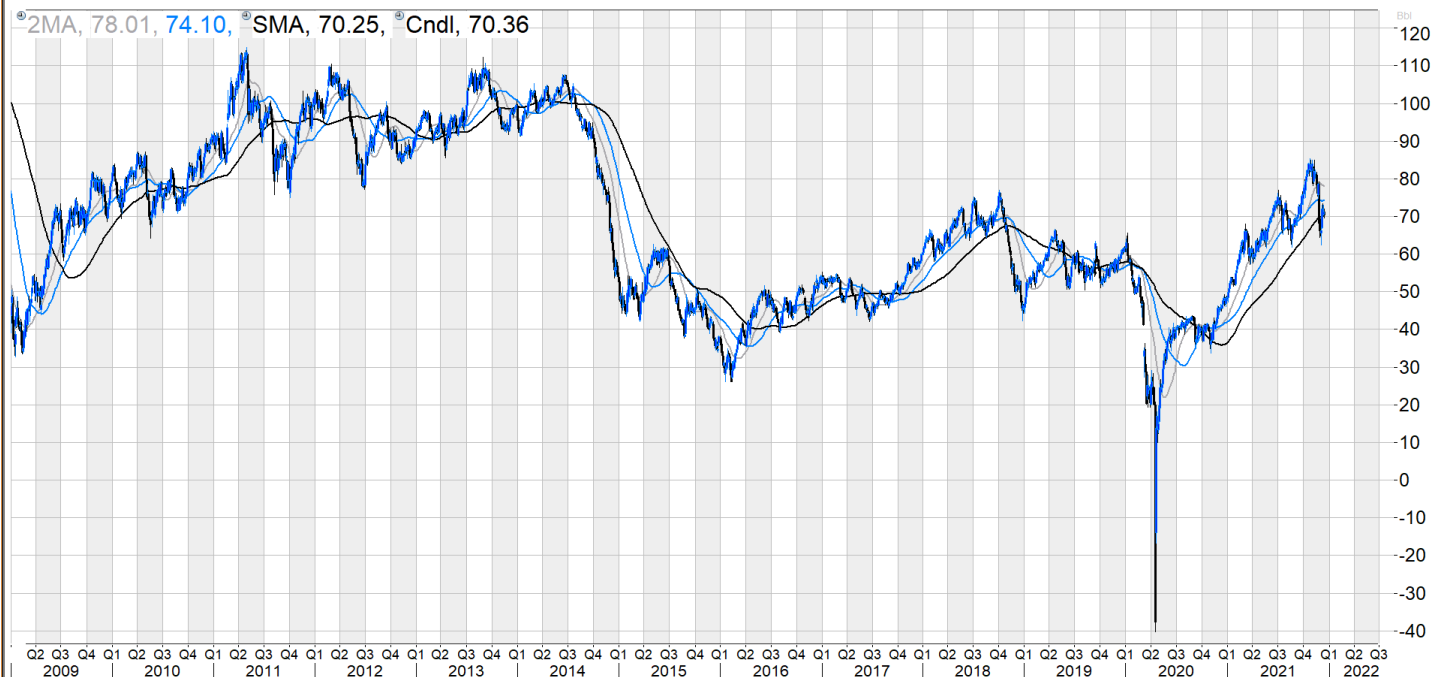


IBES Refinitiv consensus earnings forecasts for 2021 and 2022 ratcheted higher to \$206.31 and \$222.85, respectively, this week. The S&P Dow Jones estimates for 2021 and 2022 were nearly unchanged at \$202.09 and \$219.68, respectively. The IBES and the S&P Dow Jones earnings growth rate forecasts for 2022 were unchanged at 8.0% YOY and 8.7% YOY, respectively.

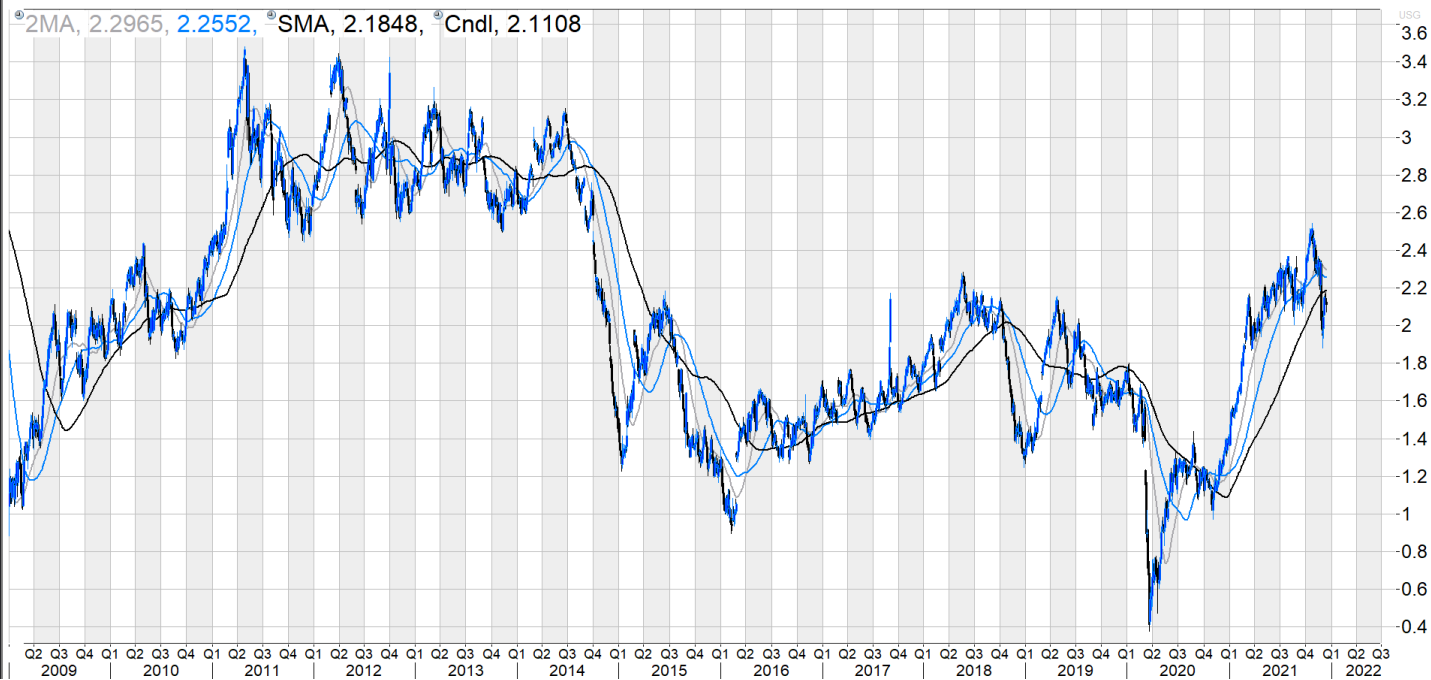


Crude oil prices are down 16% from their peak of \$84.65 on October 26 but are still up 46% year-over-year. Gasoline prices are down a similar 16% from their high of \$2.52 made the same day. Fuel prices are no longer the core of US inflation, but it remains one of the most important drivers of future inflation.

### LIGHT CRUDE JAN2

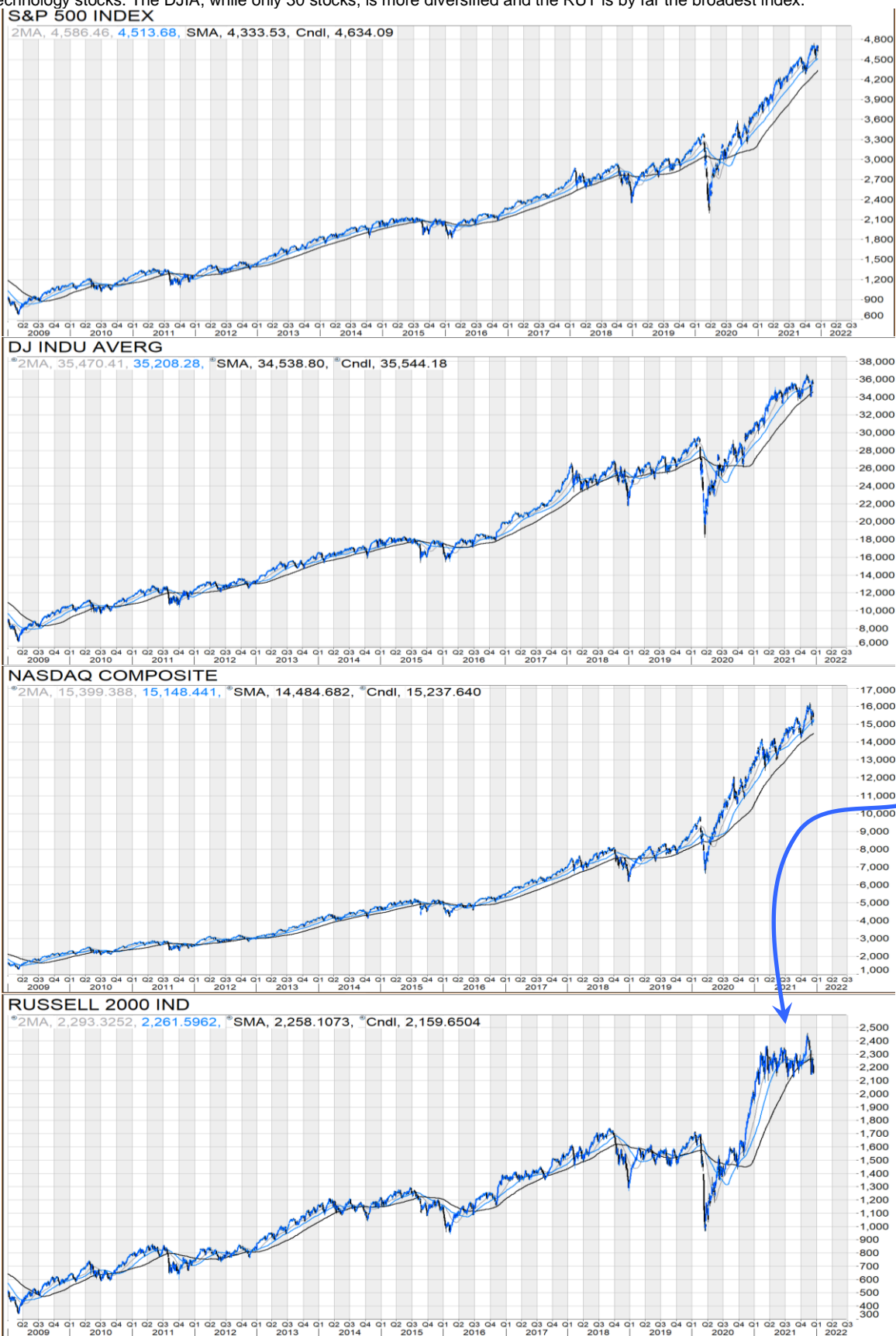


### NY RBOB JAN2



Source: Refinitiv

The SPX and IXIC are the outperformers, bouncing off tests of their 100-day moving averages. The DJIA is next in line rebounding from its 200-day moving average; but the RUT continues to trade below all three of its moving averages. Note that the SPX and IXIC are the indices driven more by large capitalization technology stocks. The DJIA, while only 30 stocks, is more diversified and the RUT is by far the broadest index.



Source: Refinitiv

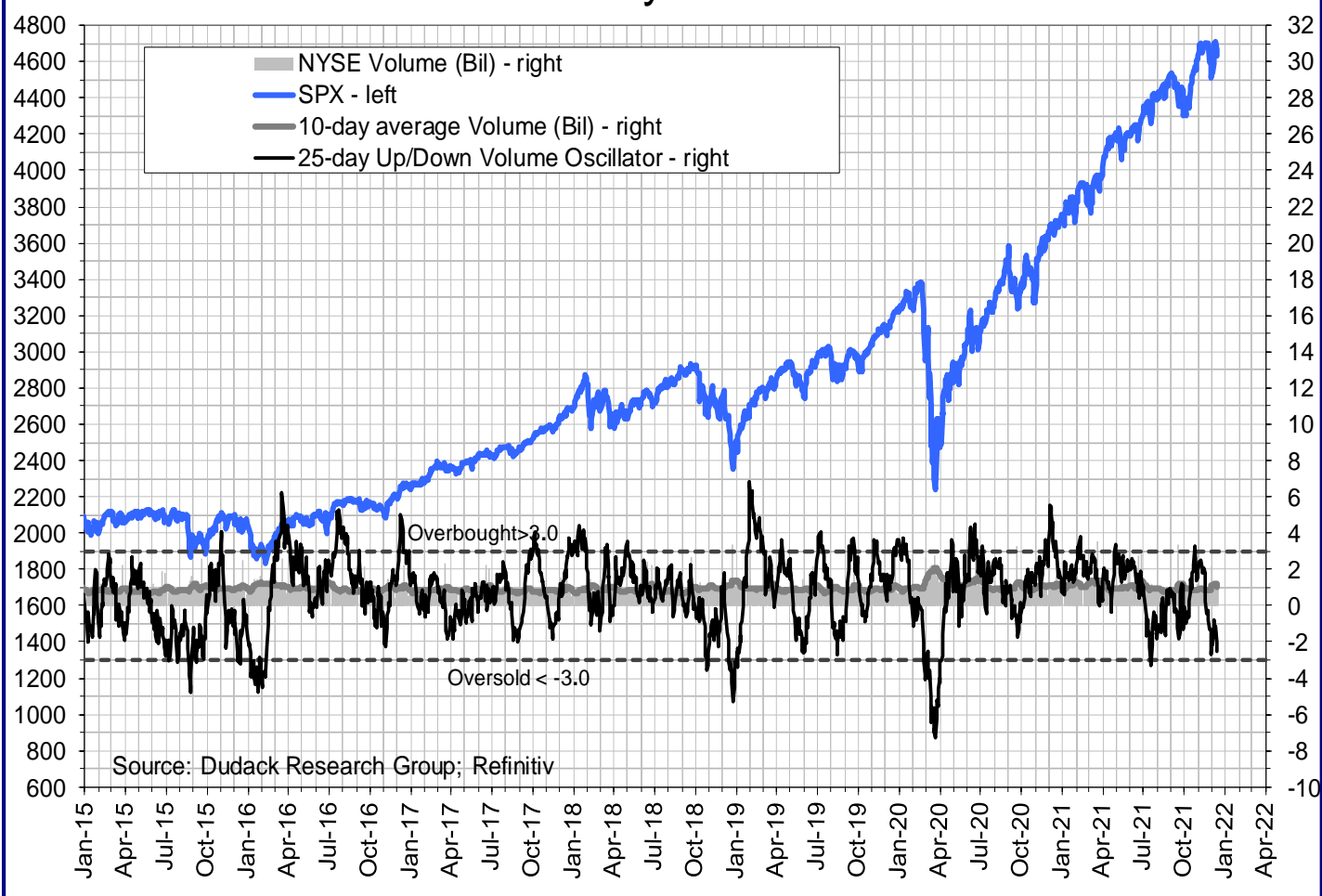
The 25-day up/down volume oscillator is at negative 2.5 this week and drifting back to the bottom of the neutral range. If this oscillator records a solid oversold reading of negative 3.0 or less, after failing to record overbought readings at recent record highs, it would be a signal of a major shift in trend.

The indicator only spent two days in overbought territory on October 25 and 26; but to confirm new highs in the popular indices, this indicator should have remained 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.

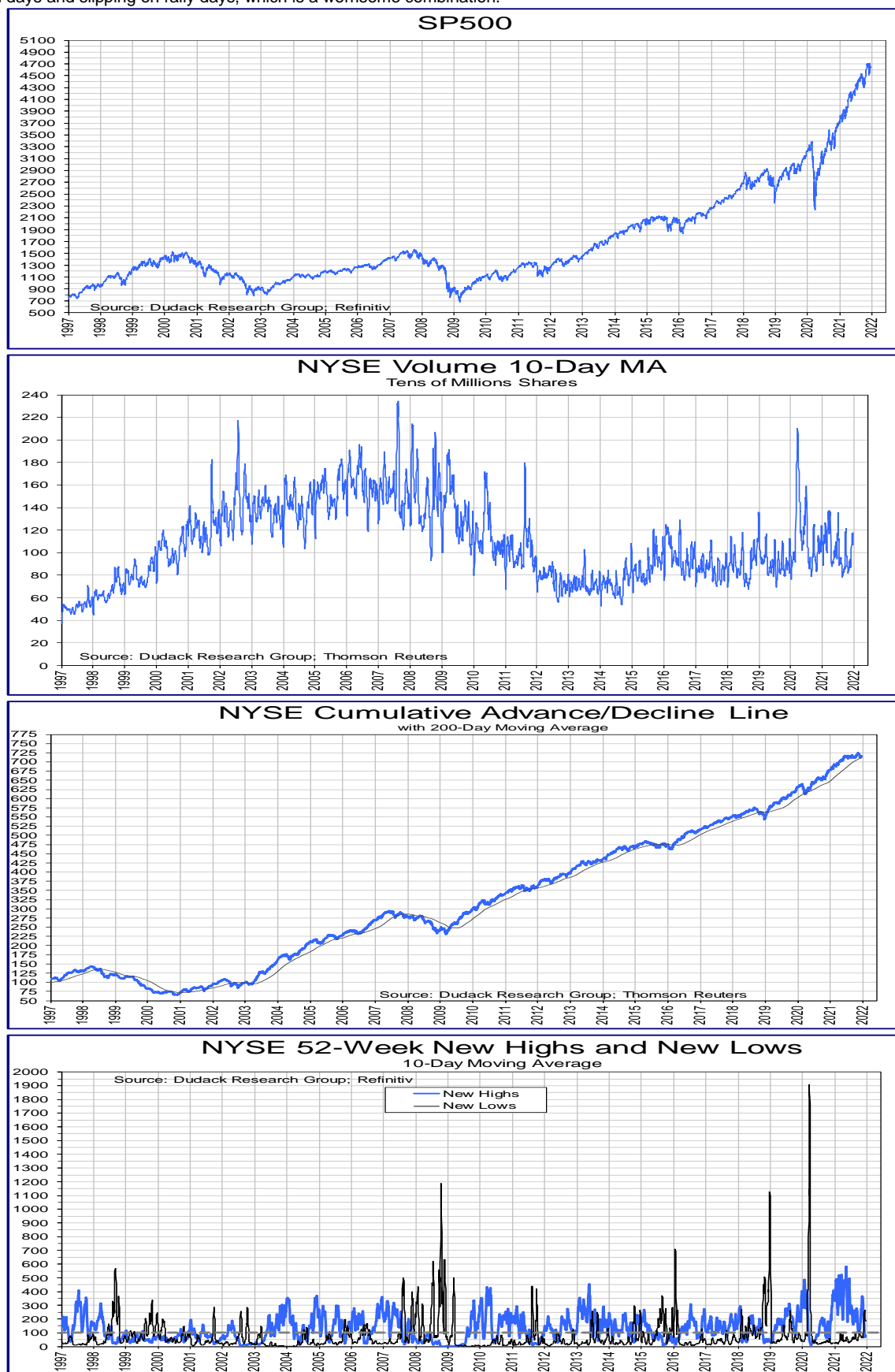
The absence of overbought readings since February, coupled with a one-day oversold reading on July 19 revealed that the advance has not been supported by solid or consistent buying pressure between February and November.

*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.*

## SPX and 25-Day Volume Oscillator

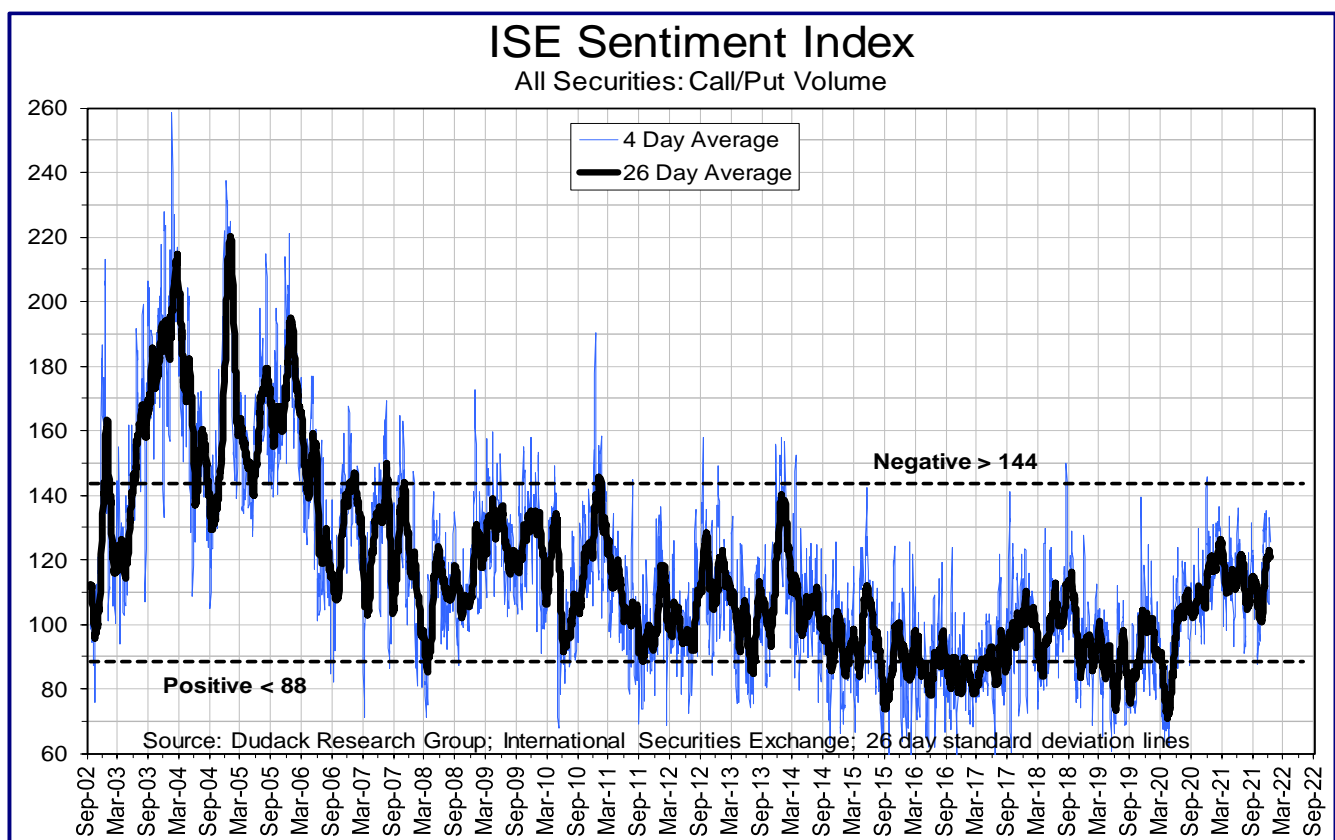
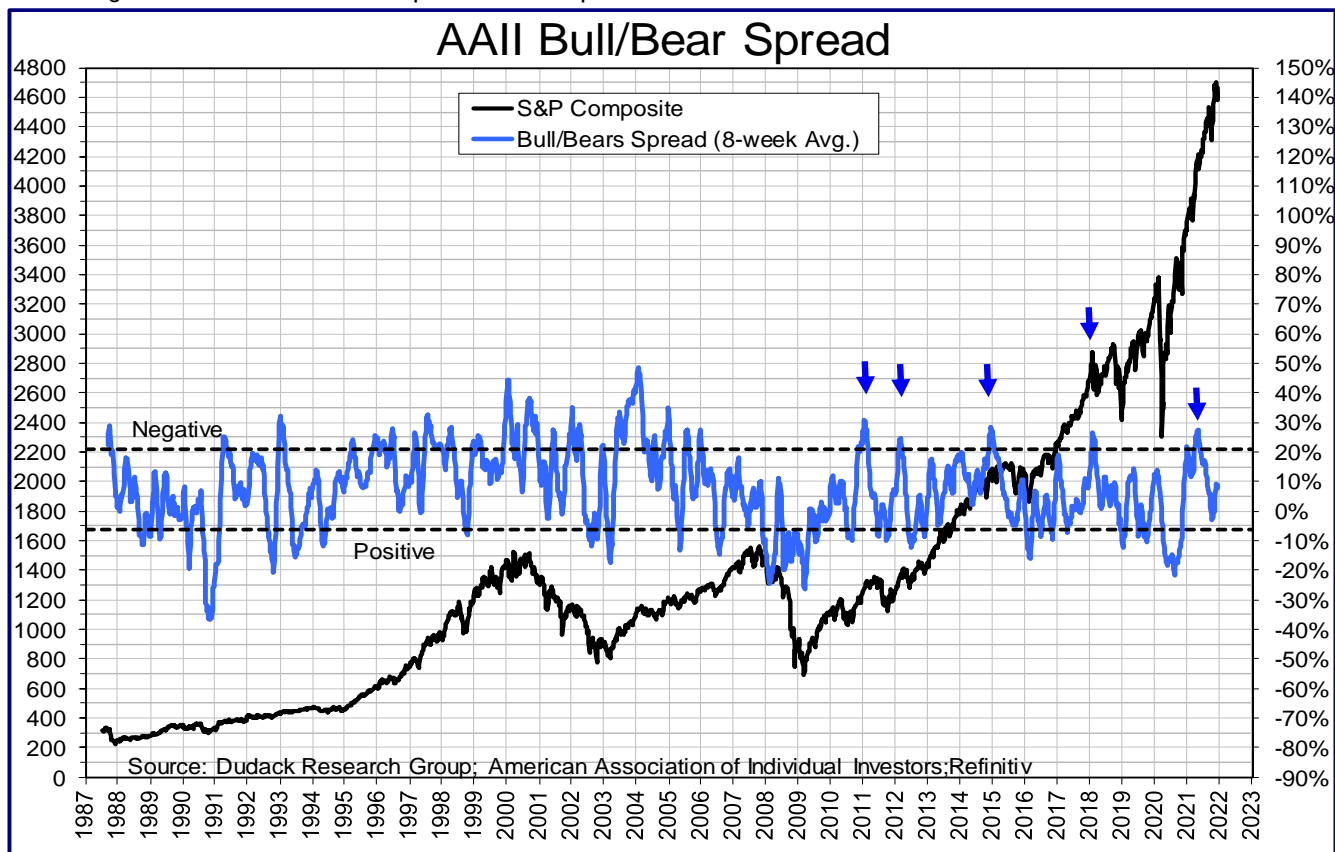


The 10-day average of daily new highs fell to 82 this week and daily new lows is at 186. This combination, with new lows over 100 per day, was downgraded from neutral to negative last week. The A/D line's last record high was on November 8, 2021 and it is trading well below this level currently. Volume has been rising on down days and slipping on rally days, which is a worrisome combination.

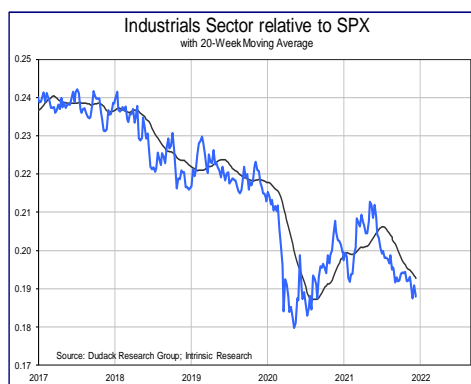
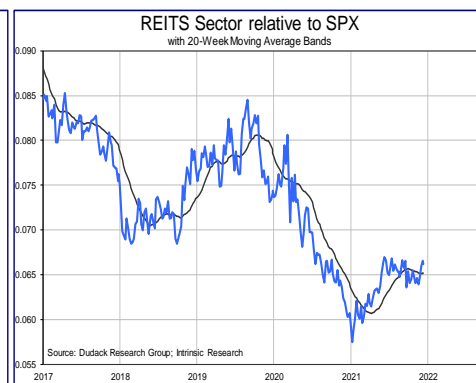
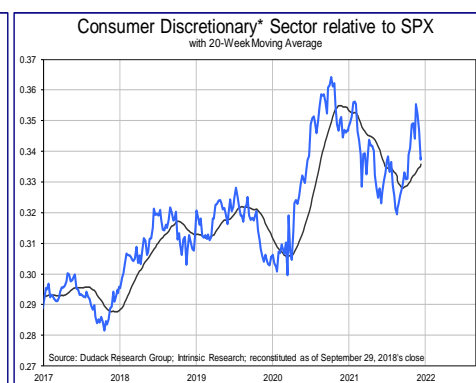
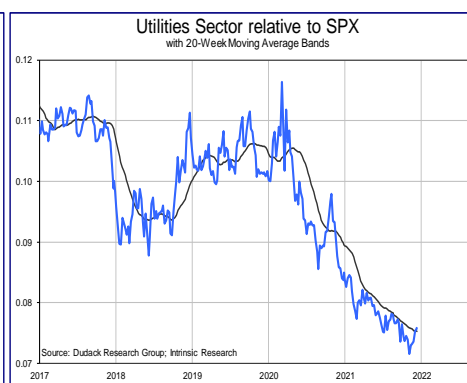
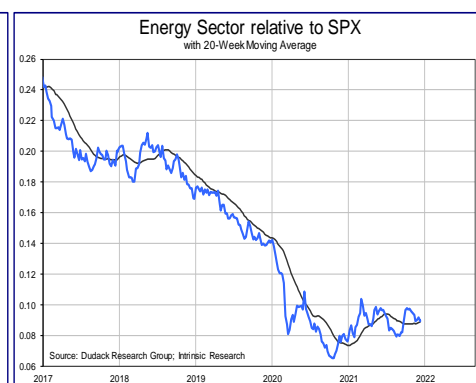
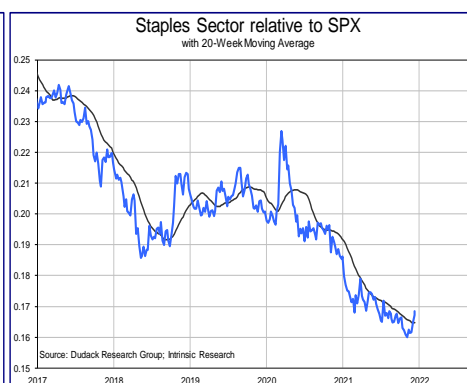
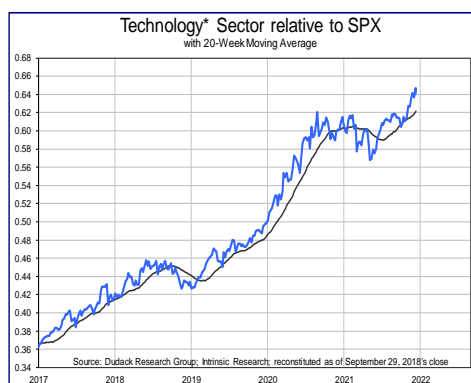




Bullish sentiment increased 3.1 points this week to 29.7% and is now well below the historical average of 38.0%. Bearish sentiment plummeted 11.9 points to 30.5% and now matches the historical average of 30.5%. However, the sentiment spread index remains within the normal range. The 8-week bull/bear spread ticked up but remains neutral. 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	45.8%
S&P REITS	34.6%
S&P FINANCIAL	31.4%
S&P INFORMATION TECH	29.6%
S&P 500	23.4%
S&P MATERIALS	20.4%
S&P CONSUMER DISCRETIONARY	20.2%
S&P HEALTH CARE	18.7%
S&P COMMUNICATIONS SERVICES	18.5%
S&P INDUSTRIALS	16.2%
S&P CONSUMER STAPLES	12.0%
S&P UTILITIES	10.1%

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	50.92	-1.3%	-9.0%	-3.1%	54.3%
Energy Select Sector SPDR	XLE	55.42	-3.2%	-3.7%	6.4%	46.2%
Oil Future	CLc1	70.73	-1.8%	-12.5%	-6.8%	45.8%
SPDR Homebuilders ETF	XHB	83.57	-2.1%	1.4%	16.5%	45.0%
SPDR S&P Retail ETF	XRT	89.37	-5.6%	-12.8%	-1.1%	38.9%
SPDR S&P Semiconductor ETF	XSD	233.85	-5.8%	-2.8%	18.1%	36.9%
Financial Select Sector SPDR	XLF	38.86	-1.1%	-3.2%	3.5%	31.8%
Technology Select Sector SPDR	XLK	169.45	-1.8%	1.3%	13.5%	30.3%
SPDR S&P Bank ETF	KBE	53.70	-2.4%	-6.5%	1.5%	28.4%
iShares US Real Estate ETF	IYR	109.89	-1.6%	-0.1%	7.3%	28.3%
PowerShares Water Resources Portfolio	PHO	58.33	-2.1%	-2.1%	6.6%	25.6%
iShares MSCI Austria Capped ETF	EWQ	24.55	-3.8%	-5.8%	-1.3%	23.8%
Consumer Discretionary Select Sector SPDR	XLY	198.55	-3.9%	-2.6%	10.6%	23.5%
NASDAQ 100	NDX	15914.90	-2.5%	-1.8%	8.3%	23.5%
SP500	.SPX	4634.09	-1.1%	-1.0%	7.6%	23.4%
iShares Russell 1000 Growth ETF	IWF	297.49	-2.1%	-2.0%	8.6%	23.4%
iShares Russell 1000 ETF	IWB	257.18	-1.5%	-2.2%	6.4%	21.4%
iShares Russell 2000 Value ETF	IWN	159.85	-3.6%	-8.6%	-0.2%	21.3%
Materials Select Sector SPDR	XLB	87.68	-0.2%	-2.7%	10.8%	21.1%
iShares MSCI Taiwan ETF	EWT	63.61	-5.3%	-2.6%	2.6%	19.8%
Health Care Select Sect SPDR	XLV	135.30	1.9%	1.1%	6.3%	19.3%
iShares Russell 1000 Value ETF	IWD	162.94	-0.9%	-2.4%	4.1%	19.2%
iShares MSCI Canada ETF	EWC	36.74	-5.2%	-8.1%	1.2%	19.1%
Nasdaq Composite Index Tracking Stock	ONEQ.O	59.47	-2.7%	-3.6%	5.9%	18.5%
Industrial Select Sector SPDR	XLI	103.27	-1.6%	-3.4%	5.5%	16.6%
SPDR DJIA ETF	DIA	356.17	-0.4%	-1.4%	5.3%	16.5%
DJIA	.DJI	35544.18	-0.5%	-1.5%	5.0%	16.1%
iShares DJ US Oil Eqpt & Services ETF	IEZ	12.82	-4.2%	-9.7%	-6.4%	14.1%
Gold Future	GCc1	2201.10	0.2%	1.0%	2.4%	12.2%
Consumer Staples Select Sector SPDR	XLP	75.21	3.0%	3.3%	9.3%	11.5%
iShares MSCI India ETF	INDA.K	44.78	-6.7%	-11.8%	-8.0%	11.3%
Utilities Select Sector SPDR	XLU	69.58	0.9%	4.4%	8.9%	11.0%
iShares Russell 2000 ETF	IWM	214.18	-4.4%	-10.6%	-2.1%	9.2%
iShares MSCI Mexico Capped ETF	EWX	46.85	-1.4%	-4.0%	-2.9%	9.0%
Shanghai Composite	.SSEC	3661.53	1.8%	3.6%	0.5%	8.9%
iShares MSCI United Kingdom ETF	EWU	31.78	-4.1%	-5.2%	-1.5%	8.5%
iShares MSCI EAFE ETF	EFA	76.58	-3.6%	-5.9%	-1.8%	5.0%
Vanguard FTSE All-World ex-US ETF	VEU	60.71	-1.9%	-4.5%	-0.4%	4.0%
iShares US Telecomm ETF	IYZ	31.35	-0.3%	-4.1%	-3.4%	3.7%
iShares MSCI Germany ETF	EWG	32.25	-2.1%	-5.5%	-2.0%	1.5%
iShares MSCI Australia ETF	EWA	24.20	-3.7%	-7.2%	-2.5%	1.0%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	0.0%	0.0%
Silver Future	SLc1	18.54	0.0%	0.0%	0.0%	0.0%
iShares MSCI Japan ETF	EWJ	66.81	-3.1%	-4.7%	-4.9%	-1.1%
iShares Russell 2000 Growth ETF	IWO	282.27	-5.3%	-12.5%	-3.9%	-1.5%
iShares Nasdaq Biotechnology ETF	IBB.O	148.62	-1.6%	-3.5%	-8.1%	-1.9%
iShares MSCI Singapore ETF	EWS	20.97	-7.3%	-13.0%	-7.9%	-2.4%
iShares iBoxx \$ Invest Grade Corp Bond	LQD	132.79	-0.6%	-0.1%	-0.2%	-3.9%
iShares 20+ Year Treas Bond ETF	TLT	150.70	-0.2%	2.3%	4.4%	-4.5%
iShares MSCI Hong Kong ETF	EWH	23.20	-3.2%	-4.5%	-3.3%	-5.8%
iShares MSCI Emerg Mkts ETF	EEM	48.48	-3.2%	-6.8%	-3.8%	-6.2%
SPDR Gold Trust	GLD	165.44	-0.8%	-5.2%	0.7%	-7.2%
iShares MSCI South Korea Capped ETF	EWY	77.68	-4.1%	-2.6%	-3.7%	-9.7%
iShares MSCI BRIC ETF	BKF	45.00	-3.6%	-10.1%	-6.6%	-13.8%
iShares Silver Trust	SLV	21.16	-2.5%	-13.3%	-1.0%	-17.2%
iShares MSCI Malaysia ETF	EWM	23.56	-5.0%	-7.9%	-7.0%	-18.2%
iShares China Large Cap ETF	FXI	37.68	-2.6%	-9.0%	-3.2%	-18.8%
iShares MSCI Brazil Capped ETF	EWZ	28.14	-8.4%	-8.8%	-12.4%	-24.1%

Outperformed SP500  
Underperformed SP500

Source: Dudack Research Group; Thomson Reuters

Priced as of December 14, 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	~~~~~	\$191.23	\$202.08	\$200.00	63.4%	\$206.31	47.7%	22.9X	1.3%	NA	\$1,834.70	-6.0%
2022E		\$207.42	\$219.68	\$220.00	10.0%	\$222.85	8.0%	21.1X	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	\$49.64	\$52.15	\$48.51	28.0%	\$53.89	39.3%	22.7	1.6%	2.0%	NA	NA
2021 4QE*	4634.00	\$47.25	\$50.49	\$51.98	36.1%	\$51.14	20.1%	22.9	1.6%	NA	NA	NA
2022 1QE		\$51.44	\$51.40	\$53.50	12.8%	\$52.12	6.1%	22.5	NA	NA	NA	NA
2022 2QE		\$49.90	\$54.31	\$54.00	3.6%	\$55.08	4.8%	22.2	NA	NA	NA	NA
2022 3QE		\$52.31	\$56.61	\$55.00	13.4%	\$57.53	6.8%	21.8	NA	NA	NA	NA
2022 4QE		\$53.77	\$57.36	\$57.50	10.6%	\$58.35	14.1%	21.1	NA	NA	NA	NA

Source: DRG; S&amp;P Dow Jones; Refinitiv Consensus estimates; \*\*quarterly EPS may not sum to official CY estimates

12/14/2021

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