



Dudack Research Group

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February 16, 2022

DJIA: 34988.84

SPX: 4471.07

NASDAQ: 14139.76

US Strategy Weekly

Geopolitics Upstaging the Fed

Stocks plunged, then surged. Oil surged, then slipped. It was all a reaction to Russia assembling more than 100,000 troops on the border of Ukraine, threatening to invade and then as a token of appeasement, pulling back some soldiers on Tuesday. However, Western leaders remained skeptical of Putin's de-escalation move since Russian military equipment was left behind. After the pullback, Ukraine was hit by a cyber-attack and blamed it on Russia. From a global perspective, airlines, and the leasing companies, controlling billions of dollars' worth of passenger jets, are by necessity, drawing up contingency plans for a freeze in business with Russia if the standoff on Ukraine's border boils over into a military conflict. Flight paths will also have to be changed if war breaks out. It all is reminiscent of the Cold War we thought was left behind.

Closer to home, Canadian Prime Minister Justin Trudeau employed emergency powers in an attempt to control the trucker-led Freedom Convoy movement that is now in its third week. The convoy, protesting vaccine mandates and other Covid measures, has blocked downtown Ottawa and major bridges and crossings into the US. On day 19 of the protest, the Chief of Police of Ottawa resigned. The convoy has paralyzed Canada's capital city and is having an economic impact on both Canada and the US.

On US soil, Senate action on President Joe Biden's five nominees to the Federal Reserve became stalled after Republicans boycotted a key vote over objections to Sarah Bloom Raskin, the White House's pick to be the central bank's Wall Street regulator. Raskin has been criticized over her past statements expressing support for using financial rules to support and police climate change. Failure to advance these nominations will further delay regulatory changes that have been in limbo since October.

All of this is background noise as the US economy struggles with inflation and the likelihood of higher interest rates. And it is taking a toll on consumers. The preview for February's University of Michigan consumer sentiment readings revealed a series of cyclical lows. The headline index fell 5.5 points to 61.7. The survey on present conditions fell 3.5 to 68.5. The expectations index fell 6.7 points to 57.4, the lowest level since 2011.

INFLATION WOES

Inflation data showed that price increases accelerated in January and the CPI jumped from December's 7.0% YOY to 7.5% YOY. This headline rate was the highest inflation pace in 40 years. And inflation was broadly based, with most CPI sub-indices showing gains well above the Fed's 2% target rate. The only exception was education and communication which rose 1.6% YOY. The greatest price gains were the transportation sector, up 20.8% YOY. Fuels and utilities rose 12%. Prices for food at home rose 7.4% and apparel rose 5.3%. See page 3.

All the heavyweight components of the CPI are trending sharply higher although the transportation segment has been hovering around the 20% YOY level for several months. Housing – which is a significant 42.4% of the CPI weighting -- saw prices rising 5.7% YOY in January. Household furnishings rose 9% and operations increased 4%. See page 4.

At \$91.99 a barrel, WTI futures are up over 50% YOY which denotes future inflation numbers will remain high and worrisome. January's PPI numbers were also higher than predicted with headline rising 12.2% YOY and PPI final demand prices rising 8.5%. December's import prices excluding oil fell but were still up 6.8% YOY. See page 5. Clearly, inflation has become widespread and embedded in the economy.

MONITORING YIELD CURVES

With inflation trends escalating, there is great anticipation for the Federal Reserve's March meeting. We have been expecting a 50-basis point rate hike at this meeting and this is becoming a consensus view. However, it could be that the March meeting will be a lose/lose situation for Chairman Jerome Powell. A 25-basis point hike might be regarded as too little too late, but a 50-basis point rate hike may make the FOMC appear desperate. Already, economists are indicating that they fear the Fed is about to make a mistake that will trigger a recession. For this reason, we have been monitoring the Treasury yield curve to measure financial sentiment. An inverted yield curve has been an accurate precursor of a recession. Although it is worth pointing out that while yield curve inversions have preceded each recession in the last 50 years, the timing is inconsistent and not every inversion has been followed by a recession. Nonetheless, the yield curve is currently normal and that is a godsend. See page 6.

TECHNICAL INDICATORS

At the top of our inflation concerns is the technical chart of WTI futures. After a major breakout at \$77, WTI hit its first upside target of \$90. However, this bullish chart pattern also suggests targets of \$100 and \$110. In our view the Fed's job of controlling inflation is difficult since domestic and global politics are driving fuel prices. This may contribute to the view that the Fed is at risk of triggering a recession. To date, Treasury note yields have lagged the trend in WTI. But the 10-year Treasury note yield recently exceeded the psychological 2.0% level and is apt to move higher. See page 9. In sum, both inflation and higher interest rates are formidable hurdles for equities this year; but investors can insulate portfolios with stocks that have dividend yields of 2% or more and good earnings prospects.

Despite the recent rally, all the popular indices are trading below all important moving averages. The sole exception is the SPX which is trading above its 200-day moving average this week. The Nasdaq Composite, which has had the deepest correction, is the most oversold; but this is not an unusual pattern in a correction. Large cap stocks are often the last to fall. Therefore, the DJIA and SPX are potentially the most vulnerable indices in coming weeks or months. See page 10.

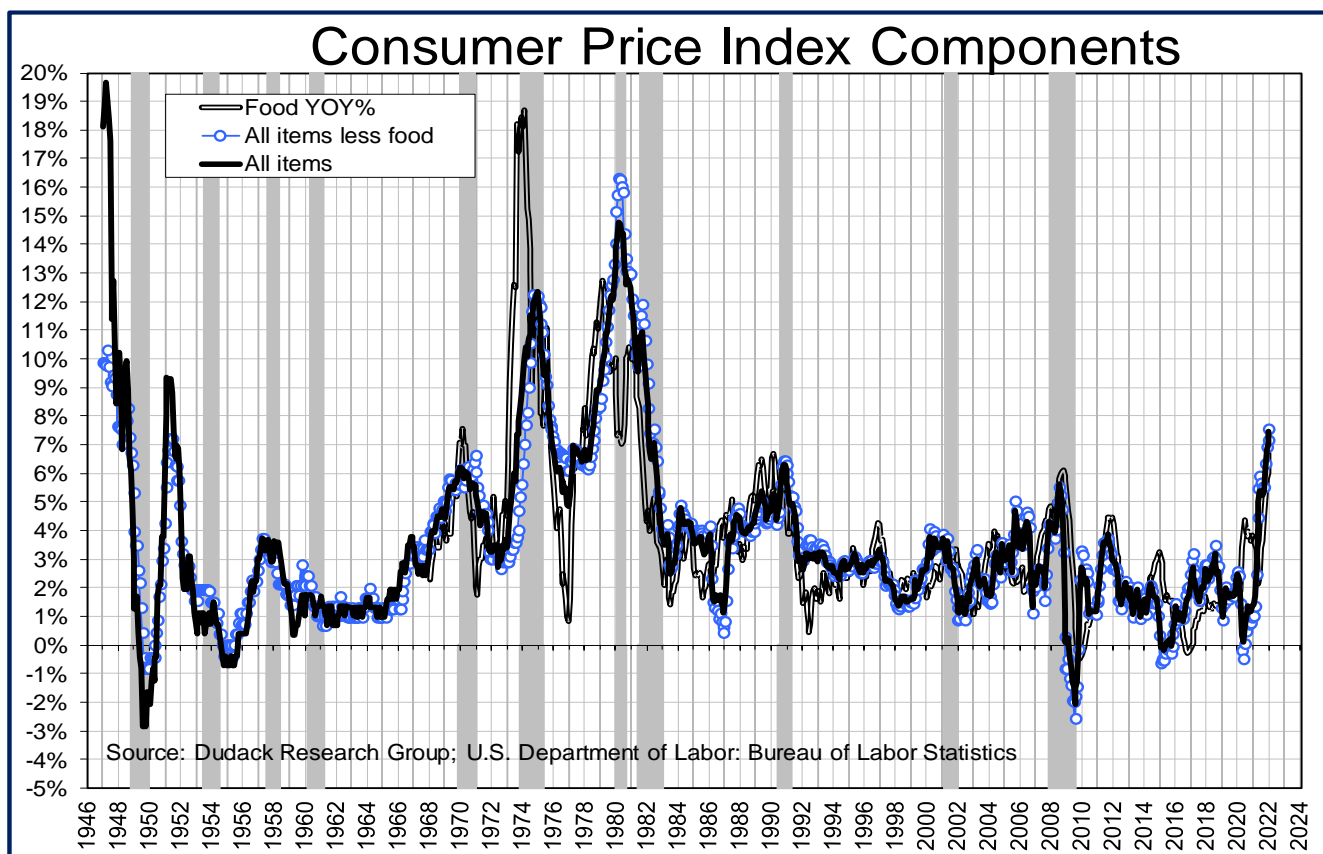
Amazon (AMZN - \$3130.21) which has a chart pattern that resembles the Russell 2000 index, rebounded nicely after its recent swoon, however, it is still trading below all its key moving averages. The first level of resistance is found at \$3223 which is a key level to watch. The rebound in AMZN has created a difference between its pattern and the RUT, nevertheless, these chart patterns remain amazingly similar. We will continue to monitor these charts, watching for a bottoming formation that may show that the worst of the correction is behind us. To date, it appears the market's lows may not have been found.

We remain cautious in the near-term given the unstable situation with Russia/Ukraine and with the upcoming FOMC meeting. But we continue to favor the energy, financial, and staples sectors and stocks with reliable earnings and dividends.

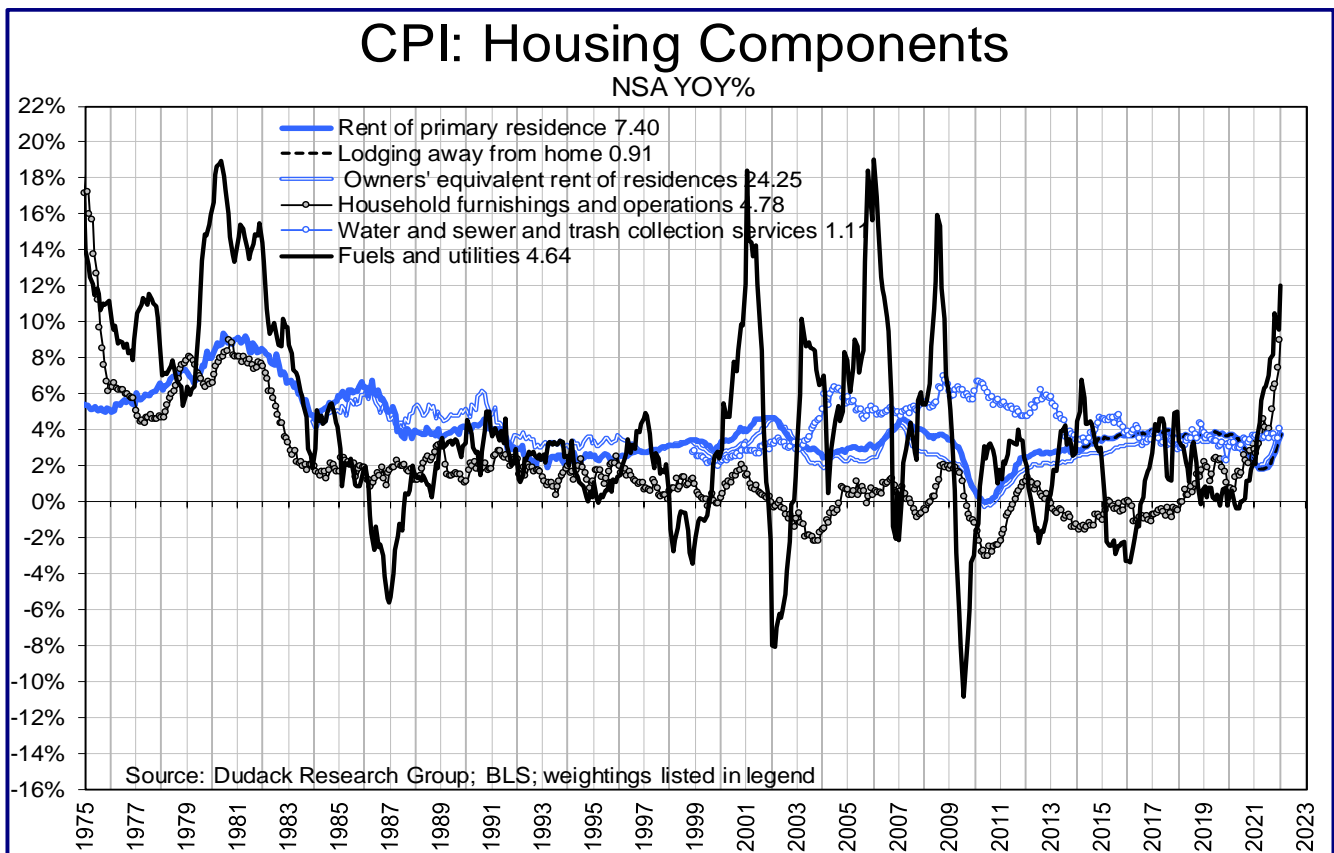
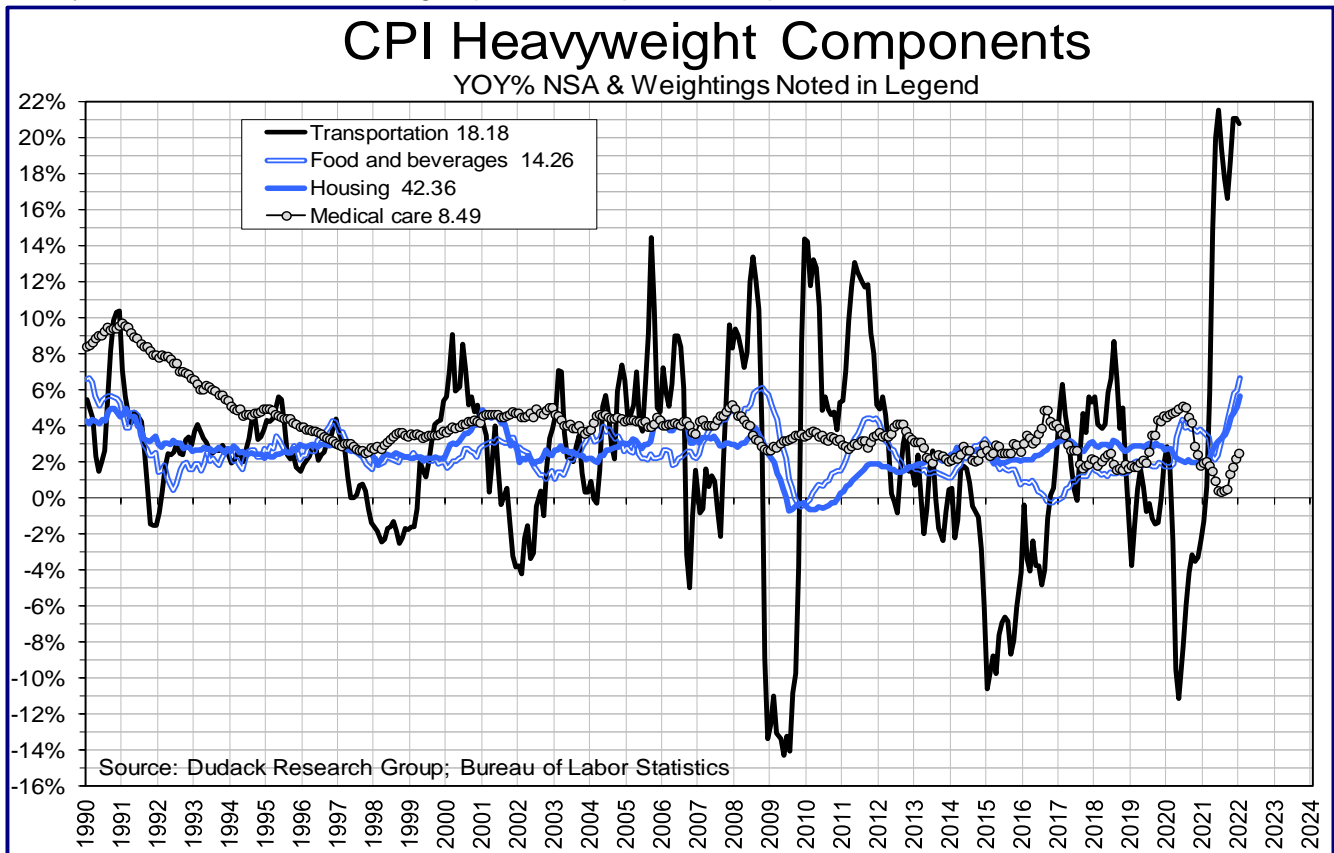
Inflation accelerated in January from December's 7.0% YOY to 7.5% YOY. This headline rate was the highest in 40 years, and it was broadly based, with most CPI sub-indices well above the Fed's 2% target rate. The exception was education and communication (1.6% YOY). The greatest price gains were in the transportation sector, up 20.8% YOY. Food at home rose 7.4% and apparel rose 5.3%.

CPI Components Heavy Weights - Not Seasonally Adjusted Data	Component Weight*	Fuel Weight	Price Chg YOY%	Price Chg MOM%
Housing	42.4%	4.6%	5.7%	0.8%
<i>Owners' equivalent rent of residences</i>	24.3%		4.1%	0.4%
Fuels and utilities	4.6%		12.0%	2.9%
Transportation	18.2%	2.7%	20.8%	0.8%
Food and beverages	14.3%		6.7%	1.2%
<i>Food at home</i>	8.2%		7.4%	1.2%
<i>Food away from home</i>	5.2%		6.4%	0.7%
<i>Alcoholic beverages</i>	0.9%		2.7%	0.5%
Medical care	8.5%		2.5%	0.9%
Education and communication	6.4%		1.6%	0.0%
Recreation	5.1%		4.7%	1.0%
Apparel	2.5%		5.3%	2.5%
Other goods and services	2.7%		4.9%	0.8%
Special groups:				
Energy	7.3%		27.0%	1.7%
All items less food and energy	79.3%		6.0%	0.7%
All items	100.0%		7.48%	0.8%

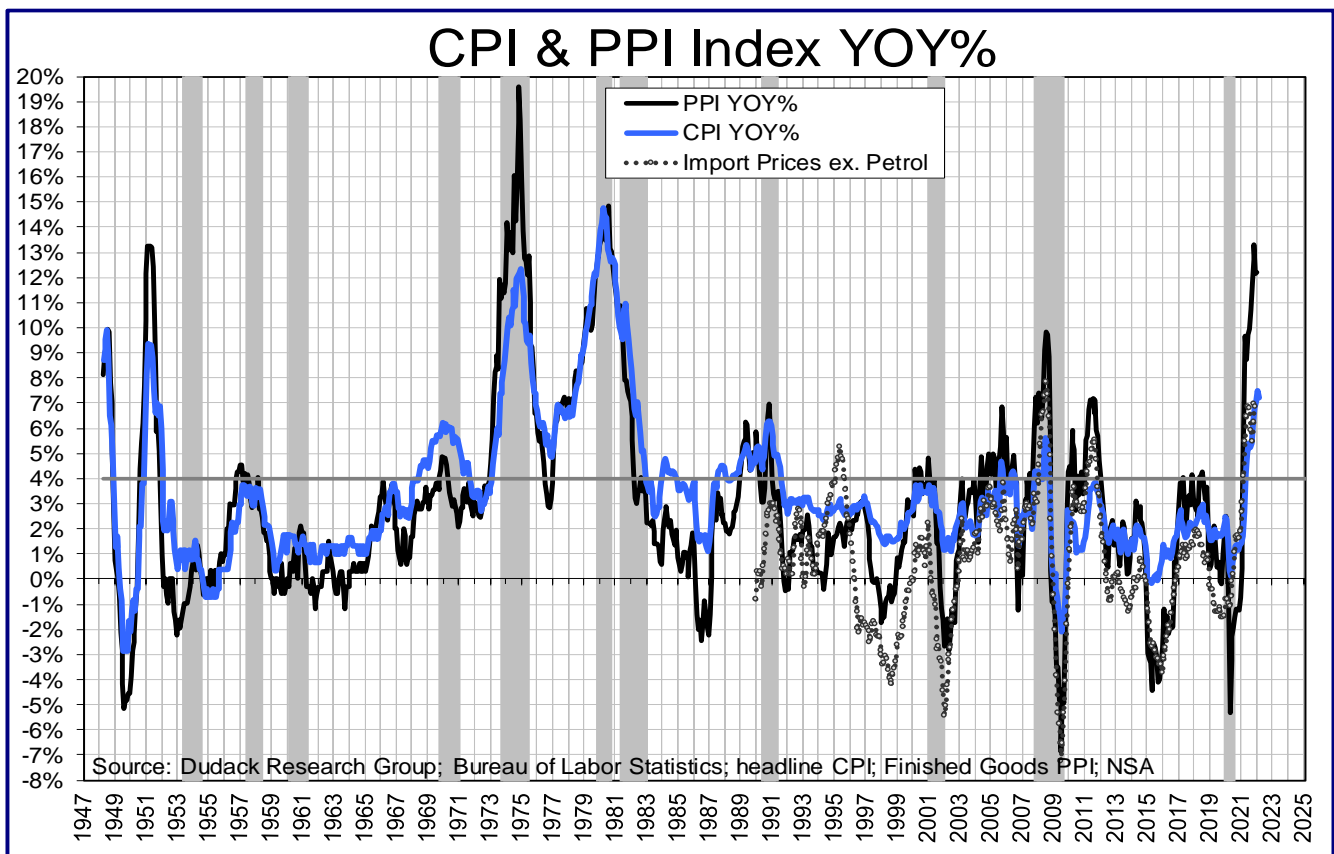
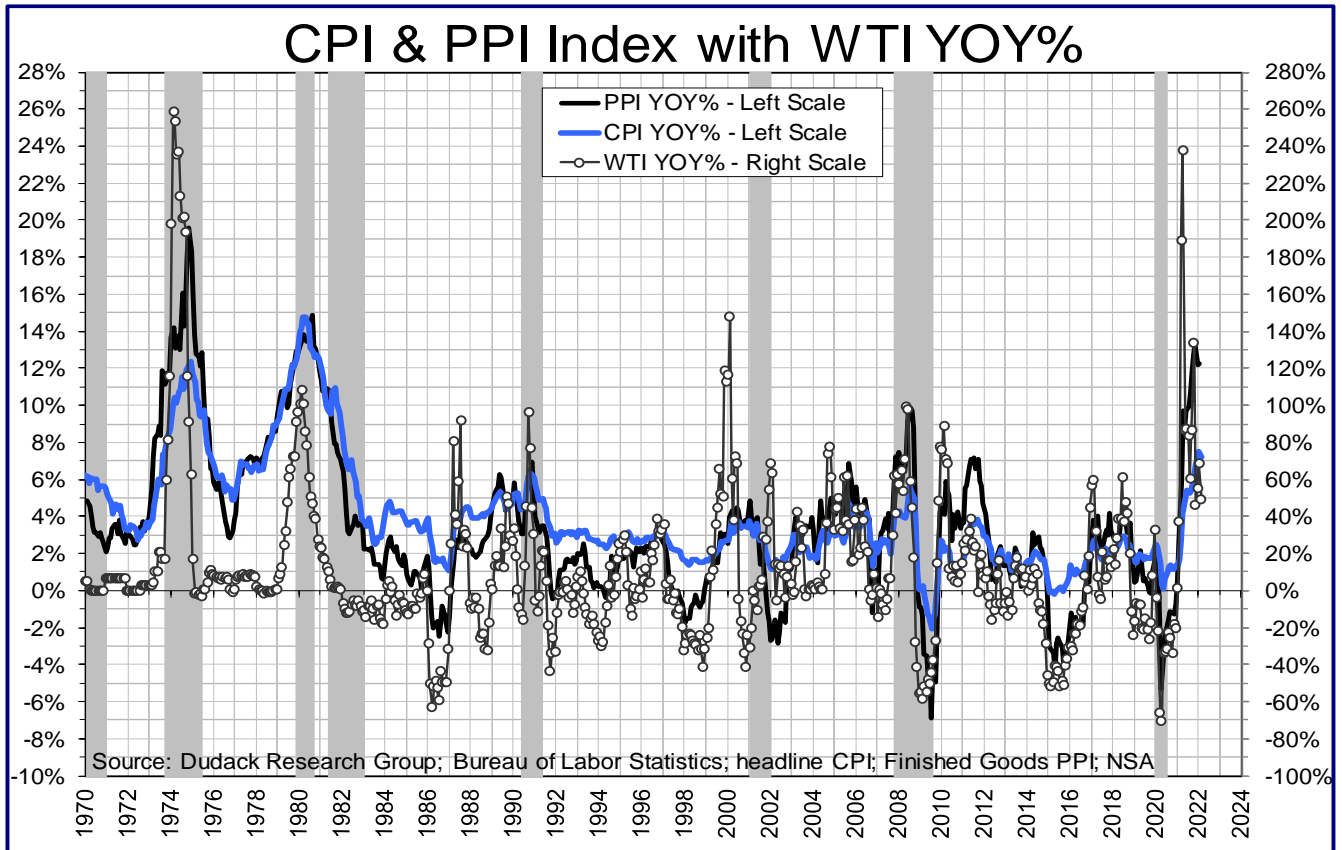
Source: Dudack Research Group; BLS; *Dec. 2021 w eightings; Italics=sub-component; bold = headline;blue>headline



All the heavyweight components of the CPI are trending sharply higher although the transportation segment continues to hover at the 20% YOY level. Housing -- 42.4% of the CPI weighting -- saw prices rising 5.7% YOY in January, with household furnishings up 9% and operations up 4%.

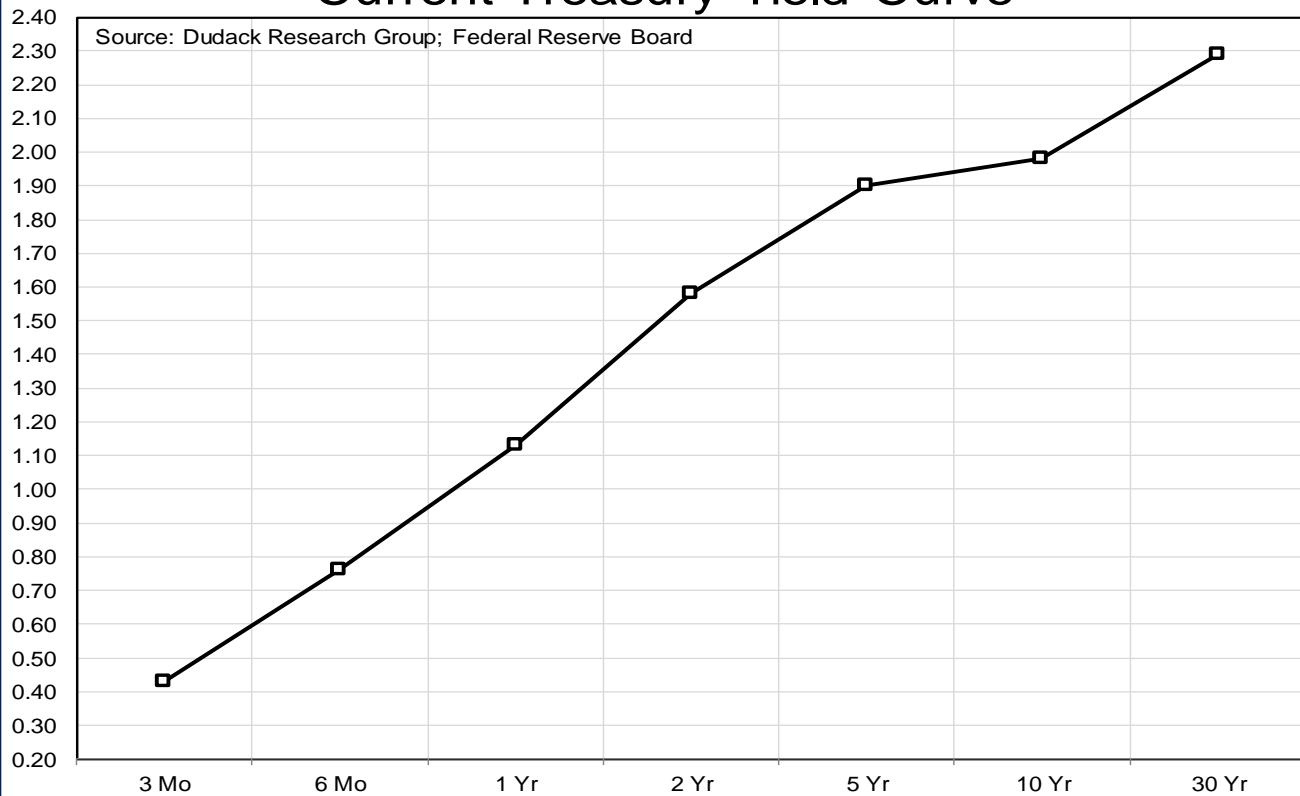


At \$91.99 a barrel, WTI futures are up over 50% YOY which implies future inflation numbers will remain high and troublesome. January's PPI numbers were also higher than expected with headline rising 12.2% YOY and PPI final demand prices rising 8.5%. December's import prices excluding oil fell but were still up 6.8% YOY.

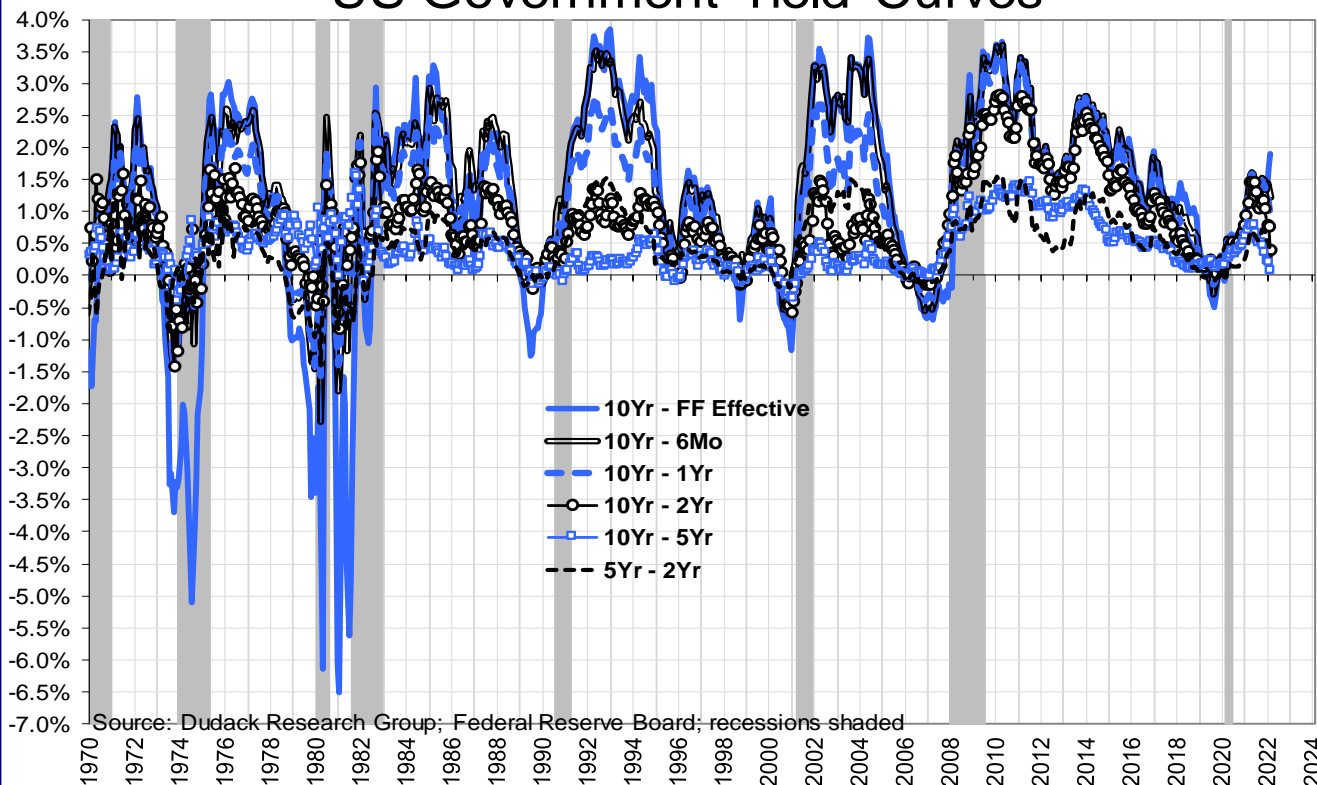


With inflation trends escalating, all eyes will be on the Fed's March meeting. Sentiment is shifting toward a 50-basis point rate hike at the next meeting and some economists are worrying about a Fed misstep that will trigger a recession. For this reason, we will be monitoring the yield curve since an inverted yield curve has been an accurate precursor of a recession. At present, the curve is normal.

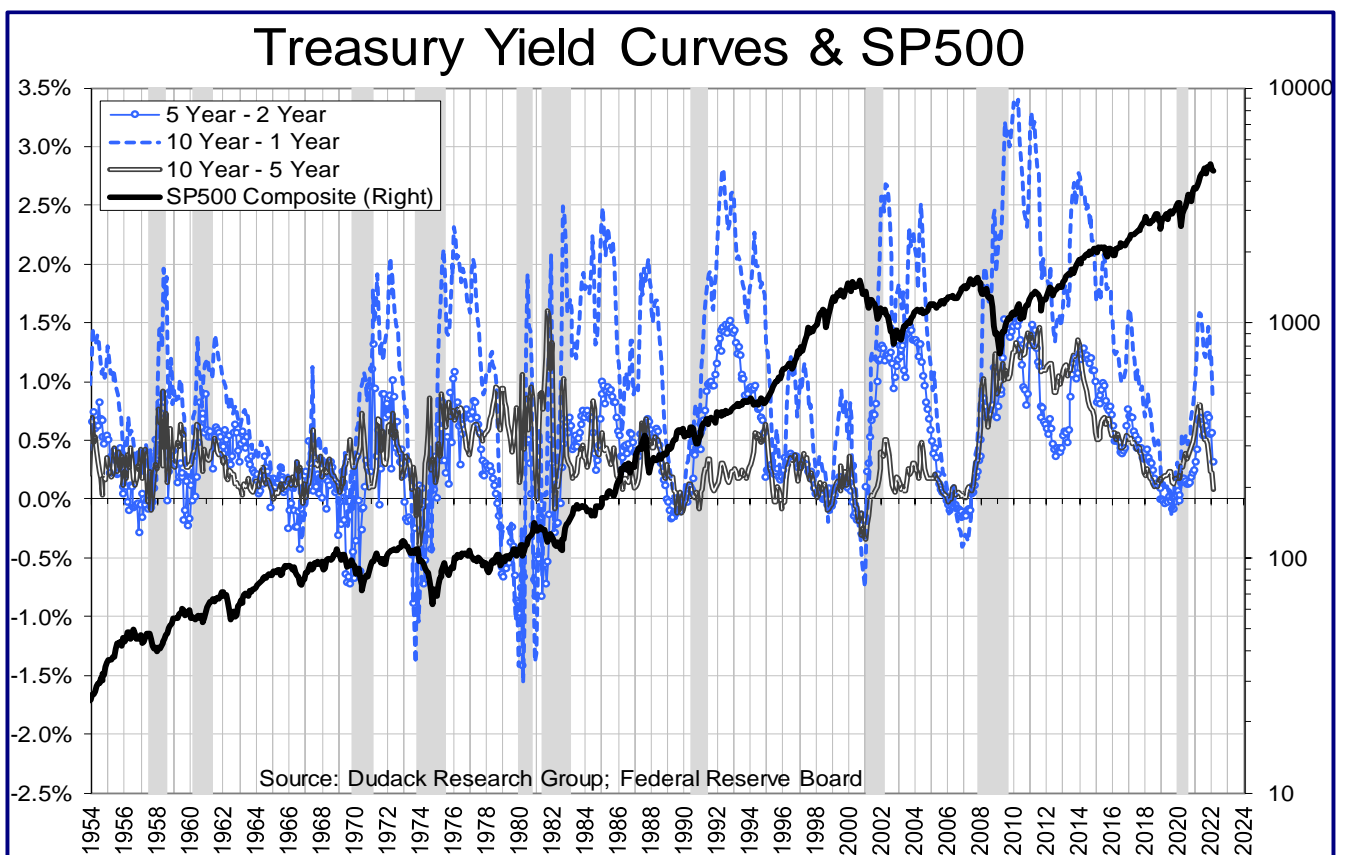
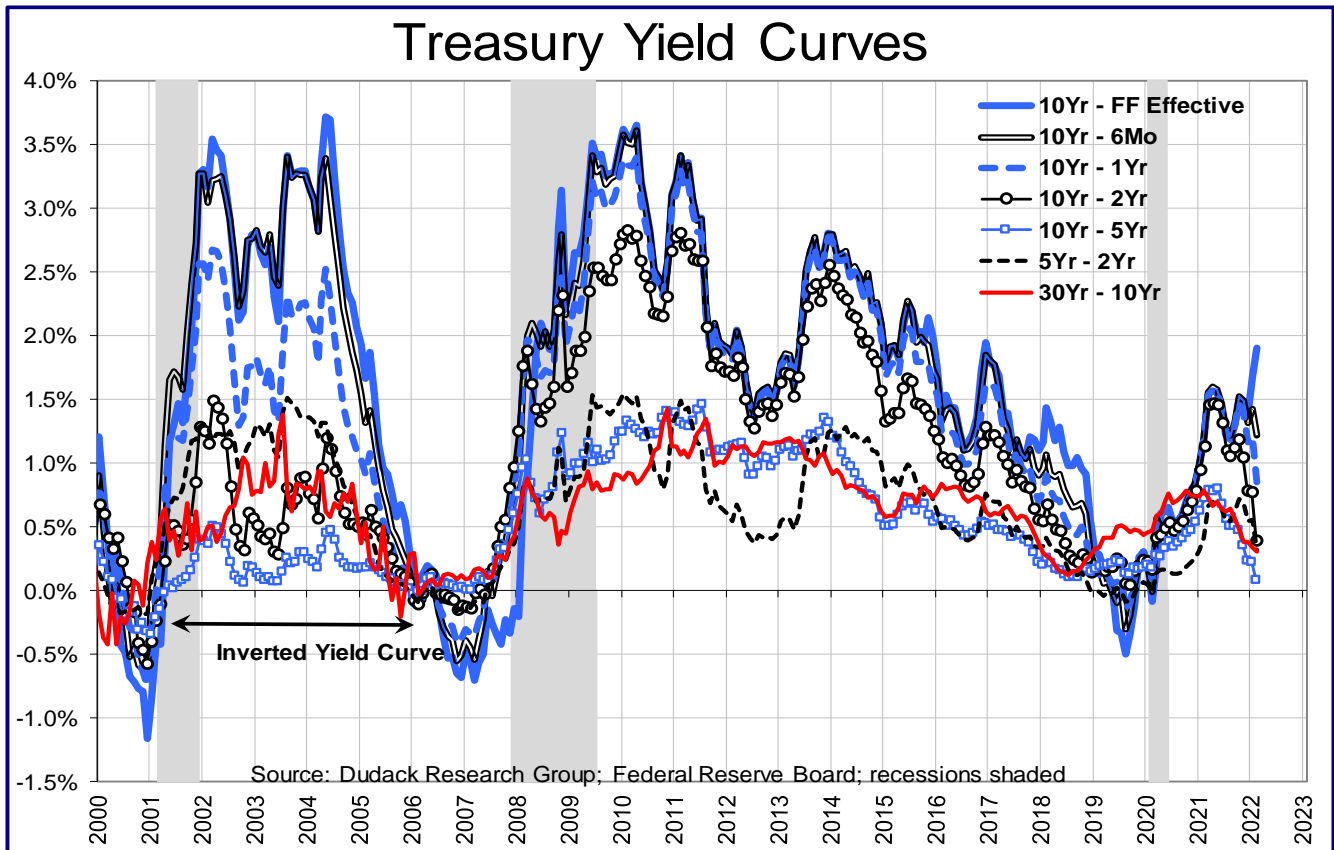
Current Treasury Yield Curve



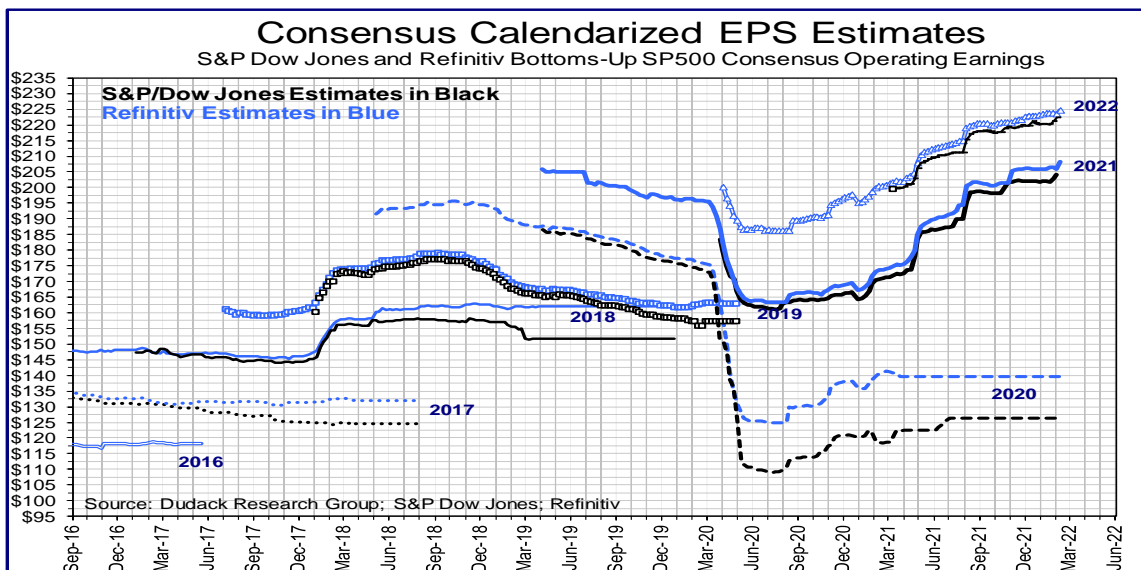
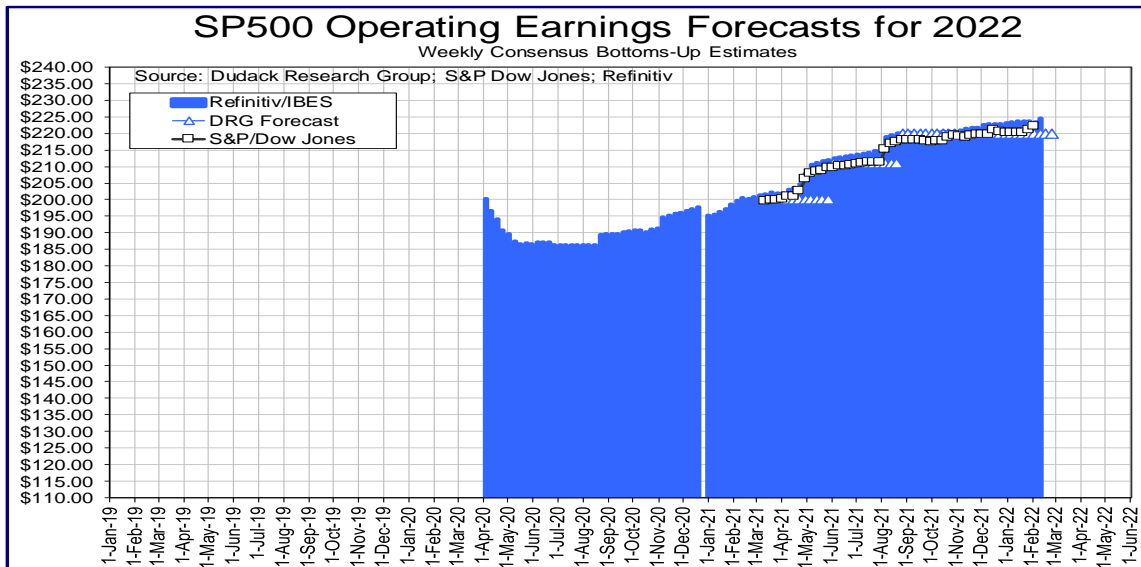
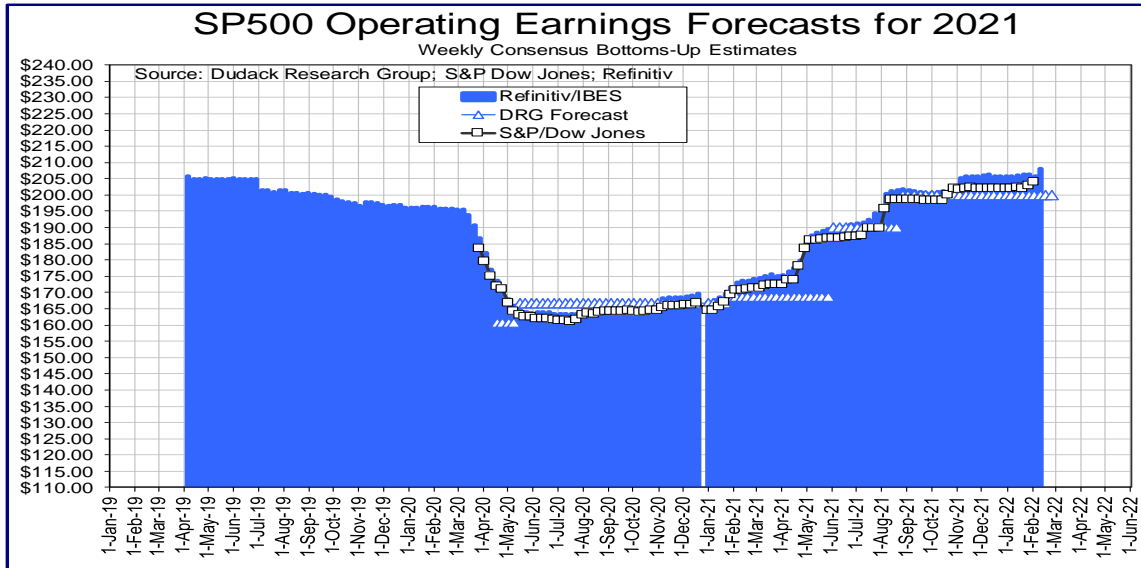
US Government Yield Curves



The area of the Treasury yield curve that is flattening is the 5-year/10-year, but the challenge for the yield curve will come with the March meeting. A long historical chart of Treasury yield curves and the S&P 500 shows that an inversion has always preceded a recession but not all inversions were followed by a recession. Still, it is clear that the environment for equities is getting trickier in 2022.

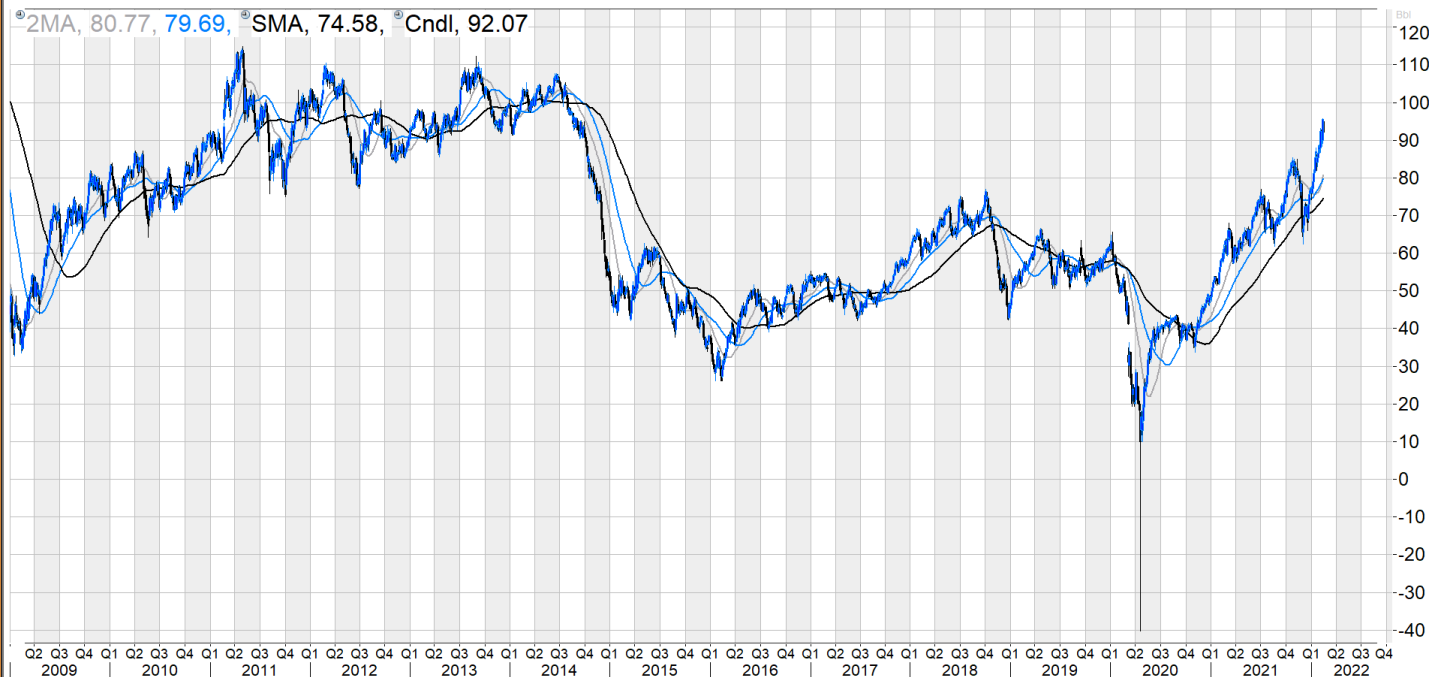


IBES Refinitiv earnings estimate for 2021 jumped \$1.21 this week with over 70% of S&P companies reporting. The estimate for 2022 also rose \$1.05, yielding growth rate estimates of 61.5% and 8.9%, respectively. The S&P Dow Jones earnings estimates were not updated this week. Our DRG 2022 estimate is \$220, a 7.8% YOY increase.

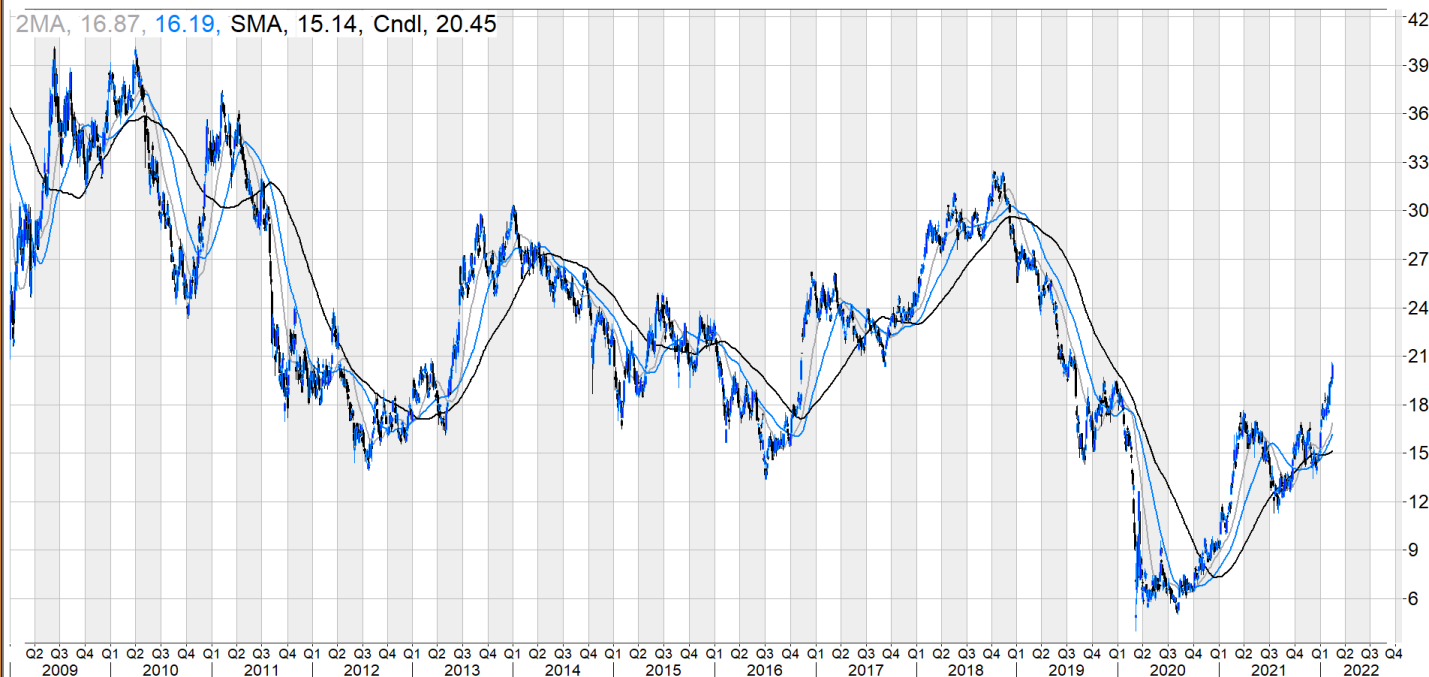


After a major breakout at \$77, WTI has already hit its first upside target of \$90. This bullish chart pattern suggests targets of \$100 and \$110 are also possible, making the Fed's job of controlling inflation challenging in the months ahead. Treasury note yields are also rising with the 10-year Treasury note yield exceeding the psychological 2.0% level. Both inflation and higher interest rates are formidable hurdles for equities this year; but investors can insulate portfolios with stocks that have dividend yields of 2% or more and good earnings prospects.

LIGHT CRUDE MAR2

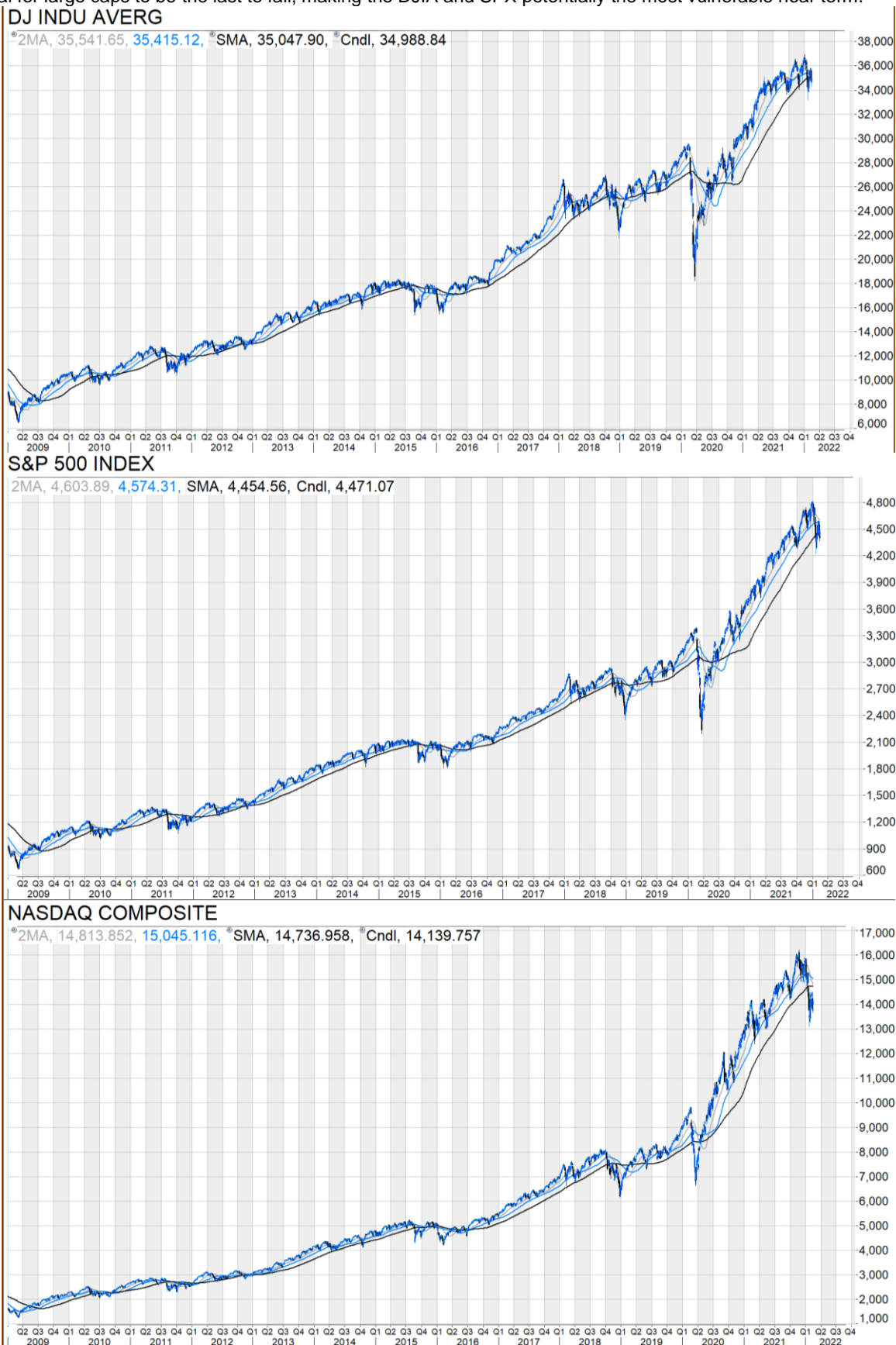


10 Y TSY YLD NDX



Source: Refinitiv

Despite a recent rebound, all the indices are trading below all significant moving averages except for the SPX which is currently trading above its 200-day moving average. The Nasdaq Composite has had the deepest correction and is the most oversold. But note, it would not be unusual for large caps to be the last to fall, making the DJIA and SPX potentially the most vulnerable near term.



Source: Refinitiv

Amazon (AMZN - \$3130.21) rebounded nicely from its recent low, however, it is still trading below all its key moving averages. The first level of resistance is found at \$3223 which is a key level to watch. The rebound in AMZN has created a difference between its pattern and the RUT, nevertheless, these chart patterns remain amazingly similar. We will continue to monitor these charts, watching for a bottoming formation that may show that the worst of the correction is behind us. To date, it appears the market's lows may not have been found.

AMAZON COM



RUSSELL 2000 IND

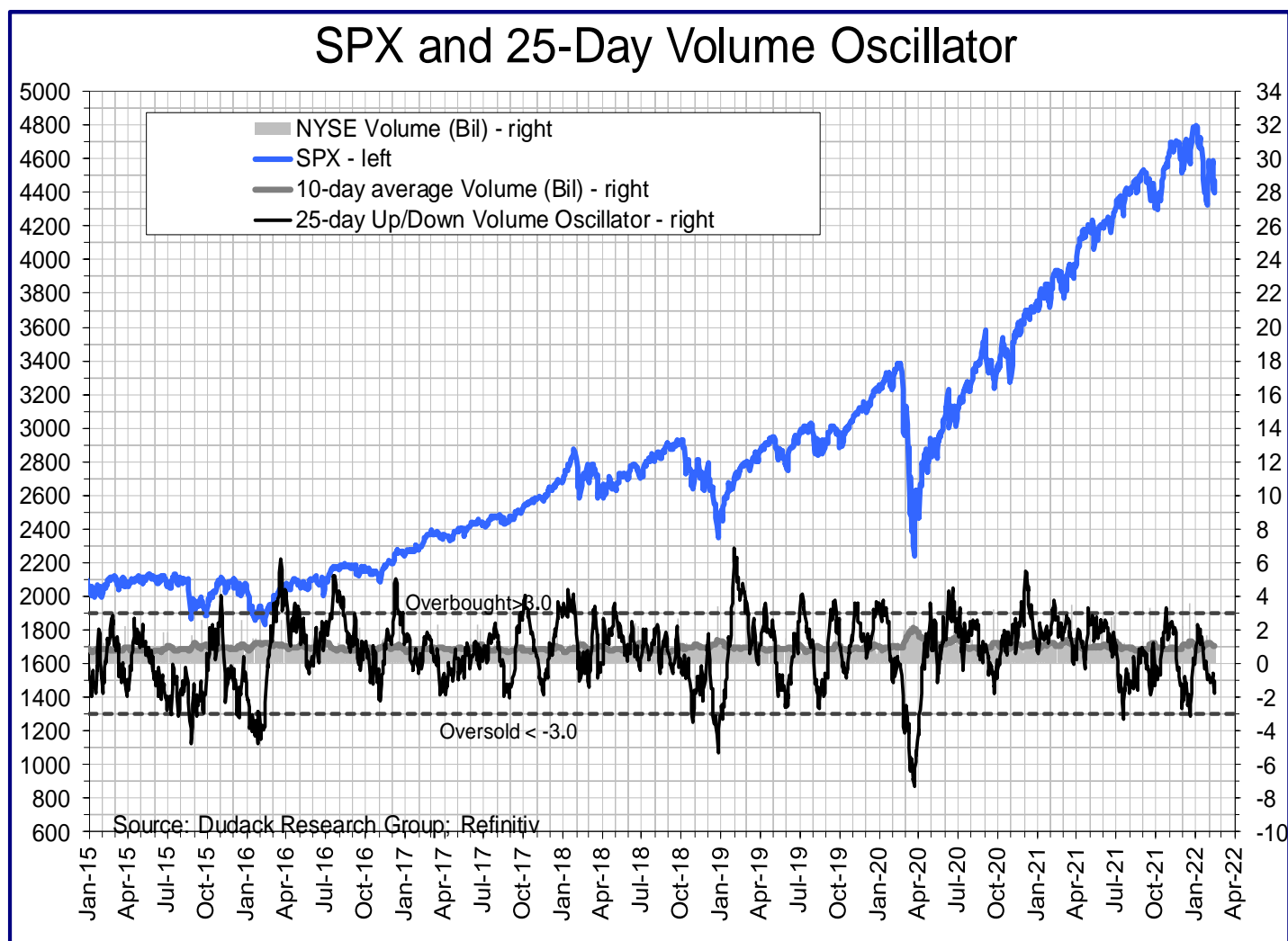


Source: Refinitiv

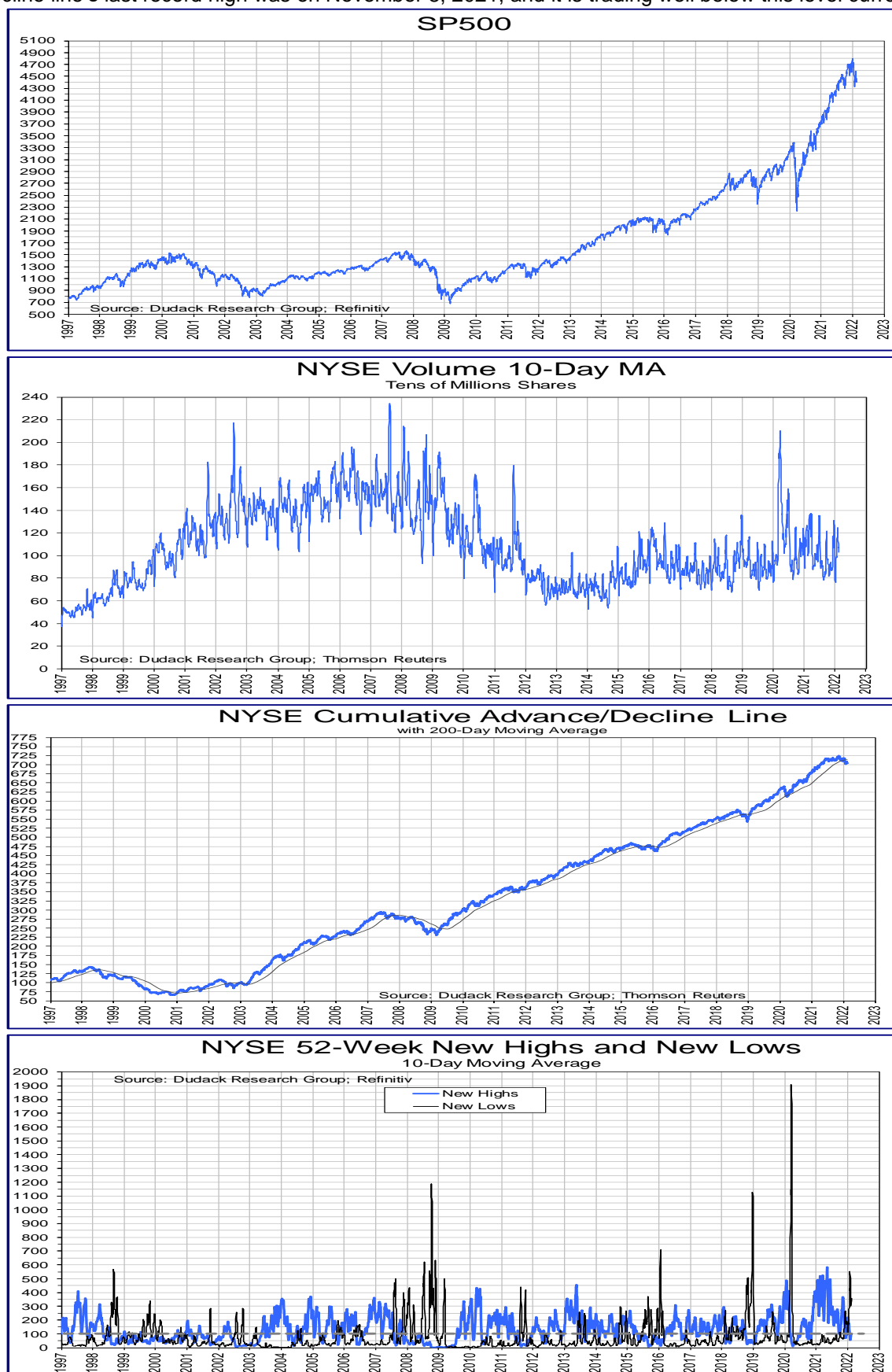
The 25-day up/down volume oscillator is negative 1.01 this week and below the midpoint of the neutral range.

This oscillator last had a bullish confirming overbought reading in February 2021. This demonstrated the underlying weakness in the advance from February 2021 to January 2022. Had this indicator recorded five consecutive days in oversold in January, it would have signaled a major shift in trend, but this has not materialized.

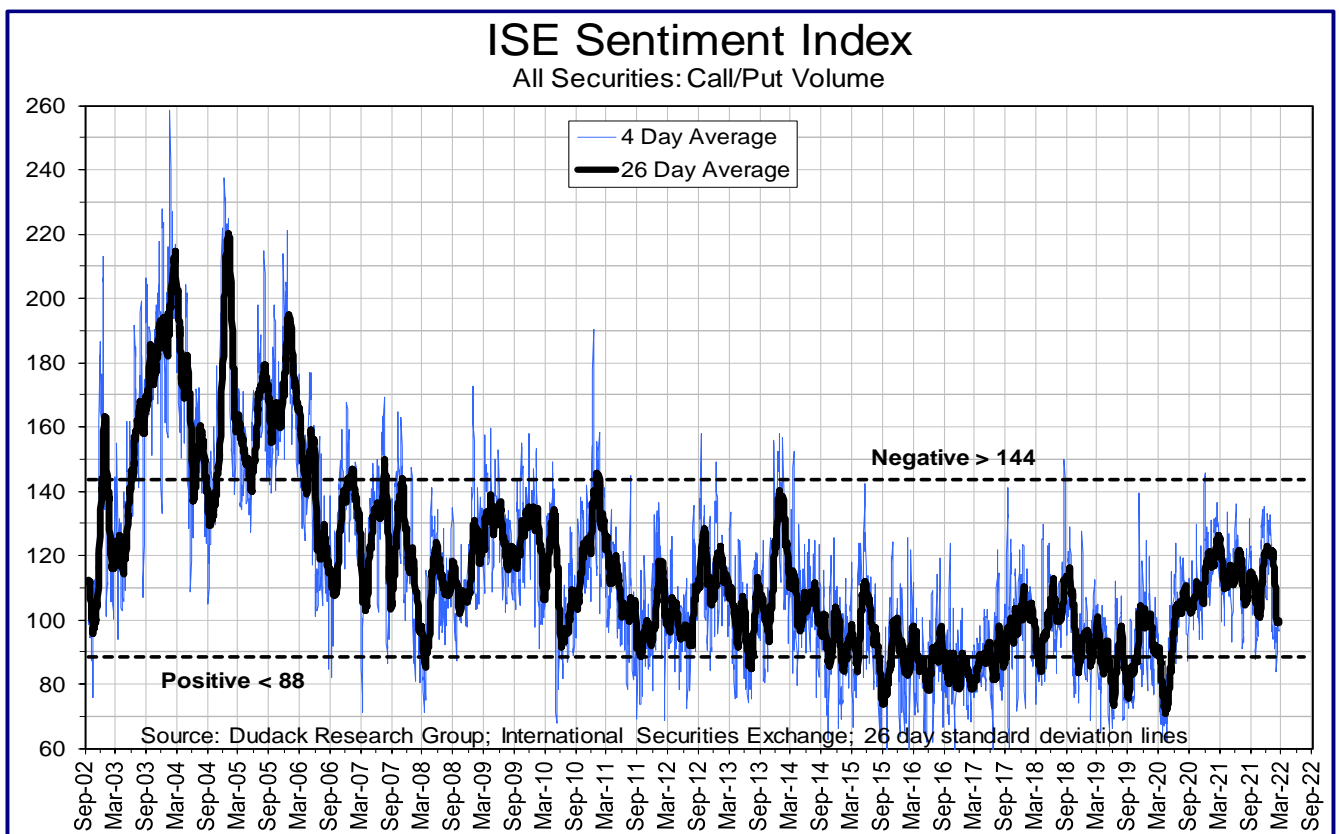
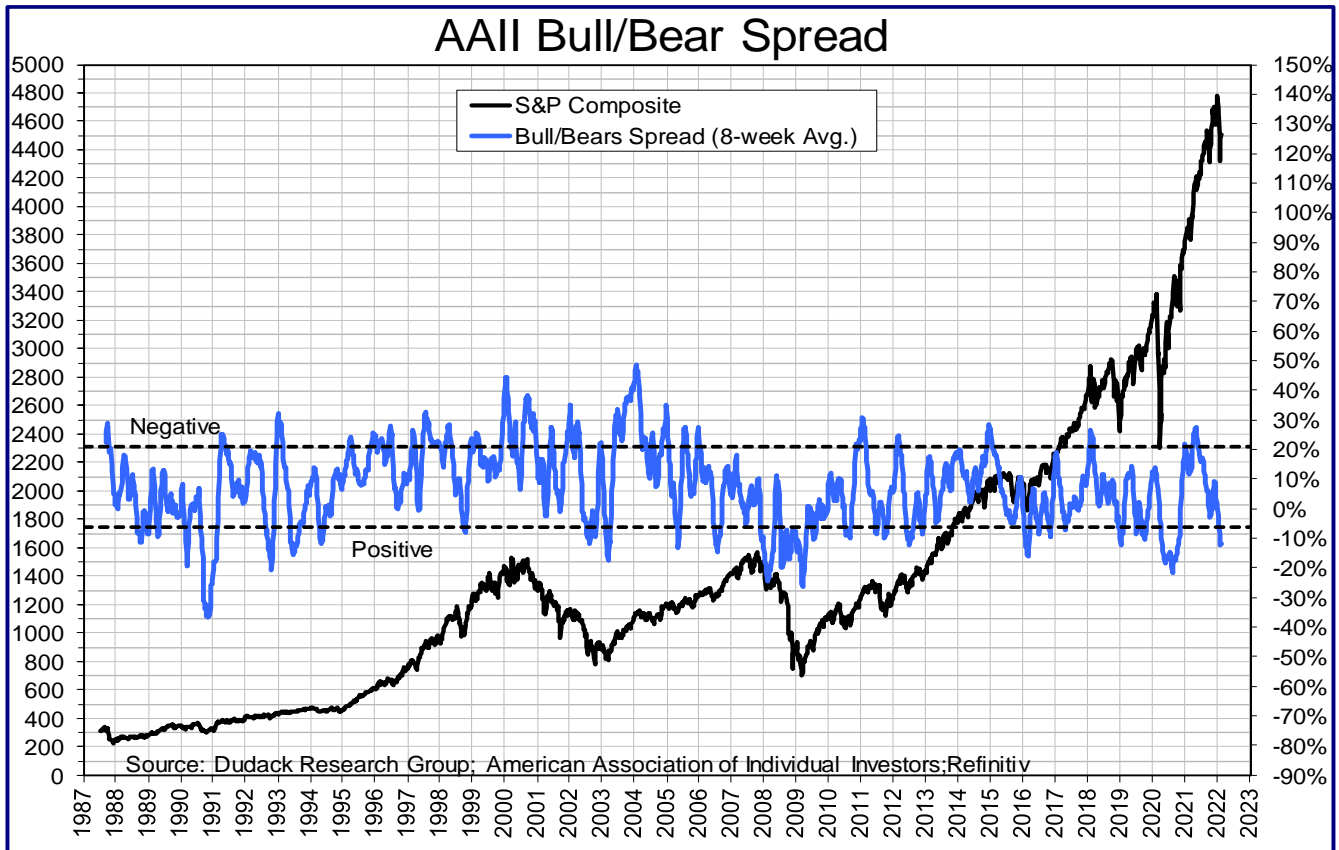
This 25-day up/down volume oscillator measures buying and selling momentum. New highs should be accompanied by strong and consistent buying pressure which results in long and sometimes extreme overbought readings. An absence of overbought readings at a new high reveals a weakness in the trend and is 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 is 97 this week and daily new lows fell to 359. This combination is clearly negative. The advance/decline line's last record high was on November 8, 2021, and it is trading well below this level currently.



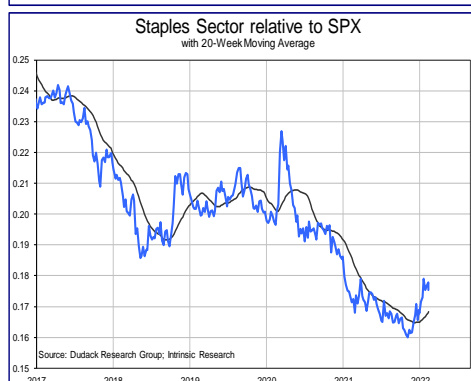
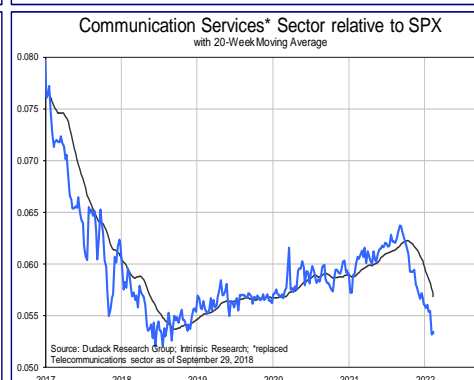
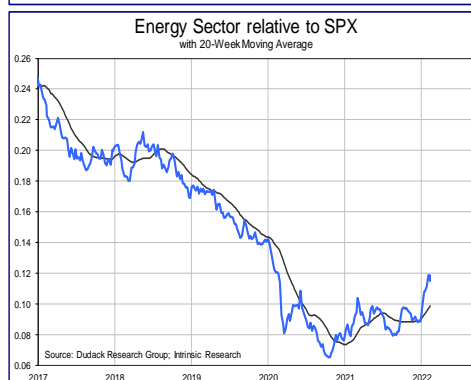
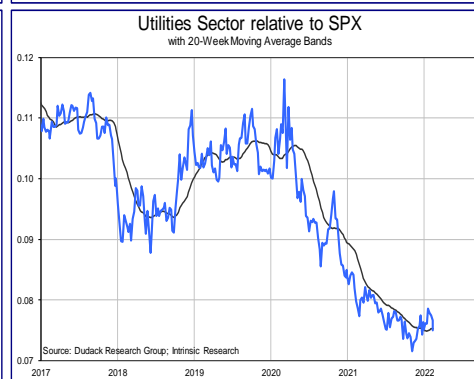
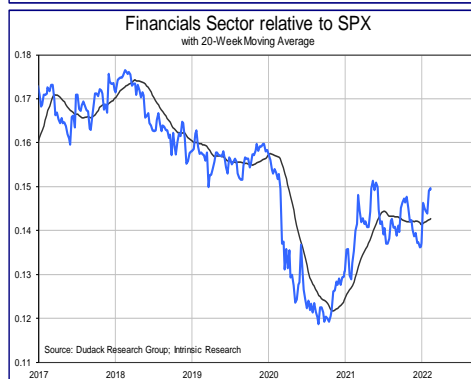
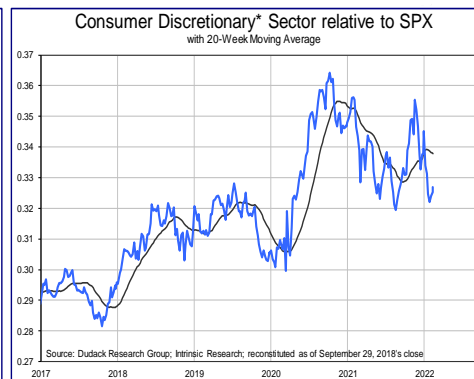
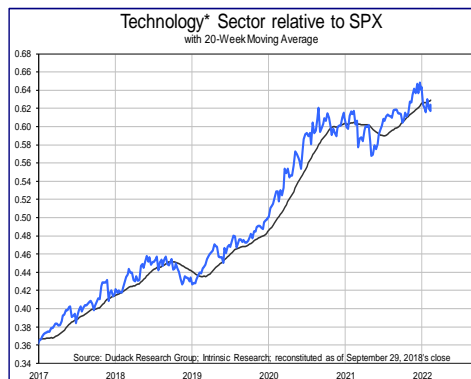
Bullish sentiment fell 2.1 points to 24.4% and is below the historical average of 38.0% for the 12th consecutive week. Bearish sentiment fell 8.2 points to 35.5%, is above the historical average of 30.5% for the 12th consecutive week. Neutral rose 10.3 to 40.2%, the highest in two years. The AAI bull/bear spread index remains positive. The ISE Sentiment index is falling but remains neutral.



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

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

12/15/2021: Energy upgraded from under to over weight; Staples upgraded from neutral to over weight; Healthcare and Industrials downgraded from over weight to neutral; Materials downgraded from neutral to under weight.



2022 Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	21.9%
S&P FINANCIAL	2.7%
S&P CONSUMER STAPLES	-2.6%
S&P INDUSTRIALS	-5.1%
S&P 500	-6.2%
S&P MATERIALS	-6.4%
S&P HEALTH CARE	-7.6%
S&P UTILITIES	-7.8%
S&P INFORMATION TECH	-8.7%
S&P CONSUMER DISCRETIONARY	-9.3%
S&P COMMUNICATIONS SERVICES	-10.9%
S&P REITS	-12.9%

Source: Dudack Research Group; Refinitiv; Monday closes

GLOBAL MARKETS AND COMMODITIES - RANKED BY 2022 TRADING PERFORMANCE

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
iShares DJ US Oil Eqpt & Services ETF	IEZ	16.49	6.0%	4.9%	27.9%	27.9%
Energy Select Sector SPDR	XLE	68.03	3.2%	5.5%	22.6%	22.6%
Oil Future	CLc1	92.07	4.4%	9.8%	22.4%	22.4%
iShares MSCI Brazil Capped ETF	EWZ	33.31	5.3%	14.4%	18.7%	18.7%
United States Oil Fund, LP	USO	64.28	2.9%	7.2%	18.2%	18.2%
SPDR S&P Bank ETF	KBE	58.20	5.8%	-3.7%	6.7%	6.7%
iShares MSCI Hong Kong ETF	EWK	24.49	3.3%	2.3%	5.6%	5.6%
iShares MSCI United Kingdom ETF	EWU	34.48	1.7%	-0.3%	4.0%	4.0%
iShares China Large Cap ETF	FXI	37.86	-0.2%	-0.7%	3.5%	3.5%
iShares MSCI Singapore ETF	EWS	22.04	4.5%	2.0%	3.0%	3.0%
Financial Select Sector SPDR	XLF	40.20	2.9%	-1.5%	2.9%	2.9%
iShares MSCI Malaysia ETF	EWM	25.74	5.1%	2.6%	2.8%	2.8%
iShares MSCI Austria Capped ETF	EWO	26.14	2.9%	-1.1%	2.7%	2.7%
Gold Future	GCc1	2244.10	0.5%	0.9%	1.4%	1.4%
SPDR Gold Trust	GLD	173.08	3.0%	2.0%	1.2%	1.2%
iShares MSCI Emerg Mkts ETF	EEM	49.43	1.2%	-1.4%	1.2%	1.2%
iShares MSCI Canada ETF	EWK	38.85	1.7%	-0.7%	1.1%	1.1%
iShares MSCI BRIC ETF	BKF	45.22	0.9%	-0.8%	1.0%	1.0%
iShares Silver Trust	SLV	22.54	4.0%	2.0%	0.6%	0.6%
iShares MSCI Mexico Capped ETF	EWX	50.72	4.5%	-1.1%	0.2%	0.2%
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%
Vanguard FTSE All-World ex-US ETF	VEU	60.57	1.3%	-2.3%	-1.2%	-1.2%
iShares MSCI Taiwan ETF	EWT	65.72	1.3%	-2.5%	-1.3%	-1.3%
iShares MSCI Germany ETF	EWG	32.17	0.5%	-3.5%	-1.9%	-1.9%
iShares MSCI India ETF	INDA.K	44.92	-2.1%	-6.5%	-2.0%	-2.0%
iShares Russell 1000 Value ETF	IWD	164.47	0.3%	-3.0%	-2.1%	-2.1%
Consumer Staples Select Sector SPDR	XLP	75.17	-1.1%	-2.4%	-2.5%	-2.5%
iShares MSCI EAFE ETF	EFA	76.57	1.0%	-3.1%	-2.7%	-2.7%
iShares MSCI Australia ETF	EWA	24.10	5.5%	-2.0%	-2.9%	-2.9%
iShares MSCI Japan ETF	EWJ	64.67	0.9%	-3.8%	-3.4%	-3.4%
SPDR DJIA ETF	DIA	350.22	-0.2%	-2.5%	-3.6%	-3.6%
DJIA	.DJI	34988.84	-0.4%	-2.6%	-3.7%	-3.7%
iShares Russell 2000 Value ETF	IWN	159.72	2.2%	-4.1%	-3.8%	-3.8%
Industrial Select Sector SPDR	XLI	100.48	-0.3%	-5.1%	-5.0%	-5.0%
Shanghai Composite	.SSEC	3446.09	-2.2%	-3.1%	-5.3%	-5.3%
SP500	.SPX	4471.07	-1.0%	-4.1%	-6.2%	-6.2%
iShares Russell 1000 ETF	IWB	247.92	-0.6%	-3.8%	-6.2%	-6.2%
Materials Select Sector SPDR	XLB	84.84	0.5%	-4.5%	-6.4%	-6.4%
iShares MSCI South Korea Capped ETF	EWY	72.80	0.6%	-5.8%	-6.5%	-6.5%
iShares iBoxx \$ Invest Grade Corp Bond	LQD	123.11	-3.6%	-4.7%	-7.1%	-7.1%
iShares US Telecomm ETF	IYZ	30.54	-1.3%	-5.7%	-7.2%	-7.2%
iShares Russell 2000 ETF	IWM	206.06	2.4%	-3.8%	-7.4%	-7.4%
Health Care Select Sect SPDR	XLV	130.37	-0.7%	-2.8%	-7.5%	-7.5%
Utilities Select Sector SPDR	XLU	66.15	-4.5%	-4.7%	-7.6%	-7.6%
Technology Select Sector SPDR	XLK	158.91	-1.9%	-4.1%	-8.6%	-8.6%
iShares 20+ Year Treas Bond ETF	TLT	134.98	-5.2%	-5.0%	-8.9%	-8.9%
Consumer Discretionary Select Sector SPDR	XLY	185.57	0.3%	-5.6%	-9.2%	-9.2%
SPDR S&P Retail ETF	XRT	81.66	-0.1%	-2.4%	-9.6%	-9.6%
Nasdaq Composite Index Tracking Stock	ONEQ.O	55.07	-0.8%	-5.1%	-9.6%	-9.6%
iShares Russell 1000 Growth ETF	IWF	274.99	-1.5%	-4.6%	-10.0%	-10.0%
NASDAQ 100	NDX	14620.82	-2.1%	-6.3%	-10.4%	-10.4%
iShares Russell 2000 Growth ETF	IWO	260.97	2.9%	-3.6%	-10.9%	-10.9%
iShares US Real Estate ETF	IYR	102.86	-3.5%	-5.9%	-11.4%	-11.4%
SPDR S&P Semiconductor ETF	XSD	210.79	3.1%	-7.0%	-13.3%	-13.3%
PowerShares Water Resources Portfolio	PHO	52.01	-1.8%	-5.8%	-14.5%	-14.5%
iShares Nasdaq Biotechnology ETF	IBB.O	129.98	-1.4%	-6.5%	-14.8%	-14.8%
SPDR Homebuilders ETF	XHB	71.96	-3.3%	-8.8%	-16.1%	-16.1%

Outperformed SP500
Underperformed SP500

Source: Dudack Research Group; Thomson Reuters

Priced as of February 15, 2022

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%	2.0%	\$1,083.50	-7.6%
2008	903.25	\$14.88	\$49.51	\$49.51	-40.0%	\$65.47	-23.1%	18.2X	2.5%	0.1%	\$976.00	-9.9%
2009	1115.10	\$50.97	\$56.86	\$56.86	14.8%	\$60.80	-7.1%	19.6X	2.6%	-2.6%	\$1,029.70	-9.8%
2010	1257.64	\$77.35	\$83.77	\$83.77	47.3%	\$85.28	40.3%	15.0X	1.9%	2.7%	\$1,182.60	14.8%
2011	1257.60	\$86.95	\$96.44	\$96.44	15.1%	\$97.82	14.7%	13.0X	2.0%	1.5%	\$1,456.20	23.1%
2012	1426.19	\$86.51	\$96.82	\$96.82	0.4%	\$103.80	6.1%	14.7X	2.1%	2.3%	\$1,528.70	5.0%
2013	1848.36	\$100.20	\$107.30	\$107.30	10.8%	\$109.68	5.7%	17.2X	2.0%	1.8%	\$1,662.50	8.8%
2014	2127.83	\$102.31	\$113.01	\$113.01	5.3%	\$118.78	8.3%	18.8X	2.2%	2.3%	\$1,647.90	-0.9%
2015	2043.94	\$86.53	\$100.45	\$100.45	-11.1%	\$118.20	-0.5%	20.3X	2.1%	2.7%	\$1,712.90	3.9%
2016	2238.83	\$94.55	\$106.26	\$96.82	-3.6%	\$118.10	-0.1%	21.1X	1.9%	1.7%	\$1,664.90	-2.8%
2017	2673.61	\$109.88	\$124.51	\$124.51	28.6%	\$132.00	11.8%	21.5X	1.8%	2.3%	\$1,633.90	-1.9%
2018	2506.85	\$132.39	\$151.60	\$151.60	21.8%	\$161.93	22.7%	16.5X	1.9%	2.9%	\$1,686.50	3.2%
2019	3230.78	\$139.47	\$157.12	\$157.12	3.6%	\$162.93	0.6%	20.6X	1.8%	2.3%	\$1,960.10	16.2%
2020	3756.07	\$94.14	\$122.38	\$122.38	-22.1%	\$139.72	-14.2%	30.7X	1.6%	-3.4%	\$1,951.80	-0.4%
2021E	~~~~~	\$194.39	\$204.05	\$204.05	66.7%	\$208.12	49.0%	23.4X	1.3%	5.7%	\$1,834.70	-6.0%
2022E		\$219.87	\$222.12	\$220.00	7.8%	\$224.69	8.0%	20.1X	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	\$52.03	94.2%	\$52.58	87.9%	24.5	1.3%	6.7%	\$2,440.60	43.4%
2021 3QP	4307.54	\$49.59	\$52.02	\$52.02	37.3%	\$53.72	38.8%	22.7	1.4%	2.3%	\$2,522.70	18.2%
2021 4QE	4766.18	\$50.46	\$52.59	\$52.59	37.7%	\$53.63	26.0%	23.4	1.3%	6.9%	NA	NA
2022 1QE*	4471.07	\$50.74	\$51.48	\$55.00	16.0%	\$51.82	5.5%	21.5	NA	NA	NA	NA
2022 2QE		\$53.92	\$54.78	\$55.00	5.7%	\$55.40	5.4%	21.2	NA	NA	NA	NA
2022 3QE		\$55.96	\$57.51	\$55.00	5.7%	\$58.40	8.7%	20.7	NA	NA	NA	NA
2022 4QE		\$59.25	\$58.35	\$55.00	4.6%	\$59.53	11.0%	20.1	NA	NA	NA	NA

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

2/15/2022

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