



Dudack Research Group

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February 23, 2022

DJIA: 33596.61
SPX: 4304.76
NASDAQ: 13381.52

US Strategy Weekly

Black Swan or Inevitable

Nearly a year ago the US economy was recovering well from the pandemic shutdown. The Fed continued to stimulate an expanding economy and Congress worked on passing more pandemic stimulus. Crude oil prices began to escalate in response to the post-pandemic recovery and the amplified regulations on fossil fuels following the US reentering The Paris Agreement in February 2021. Rising inflation was inevitable, and unlikely to be transitory due to global standards put in place for the reduction of fossil fuels. Earnings were booming in 2021 but estimates for 2022 showed single-digit growth versus difficult comparisons. All in all, it was clear one year ago that inflation would rise but earnings growth would slow in 2022. This combination is a hostile environment for equities and one we expected would translate into both margin compression and lower PE multiples.

In addition, in November 2021, newspapers and new casts displayed satellite photos of Russia mustering troops on the Ukraine border, but NATO said and did nothing. Therefore, the current crisis on the Ukrainian border is also not a revelation. In short, the sell-off that shaved 1392 points off the DJIA in the last four trading sessions should not have come as a surprise to investors.

BLACK SWAN OR INEVITABLE

Investopedia defines a black swan as *"an unpredictable event that is beyond what is normally expected of a situation and has potentially severe consequences. Black swan events are characterized by their extreme rarity, severe impact, and the widespread insistence they were obvious in hindsight."*

Given this definition, we do not believe one could call the Russia/Ukraine border crisis a Black Swan. It was predictable and, in our opinion, the Russia/Ukraine crisis has merely been a catalyst for investors to reassess the inevitable -- that the equity landscape has become increasingly risky, and areas of the market had become quite overvalued. Nevertheless, it does have a negative impact on the global economy. For the US it will mean higher energy costs which will make the job of the Federal Reserve more difficult than ever.

ASSESSING DOWNSIDE RISK

To date, the declines in the Dow Jones Industrial Average, the S&P 500, the Nasdaq Composite, the Russell 2000, and the Wilshire 5000 have been 8.7%, 10.25%, 16.7%, 18.9%, and 11.4%, respectively. The SPX is therefore in correction territory with a 10.25% decline, while the RUT with its 18.9% sell-off is close to bear market territory. Many individual stocks have already had declines of 20% or more. Given the extent of recent price declines we believe we should now start looking for signs of a bottom.

A classic sign of a major low is a high-volume sell-off day, where 90% or more of the volume is in declining stocks and volume may rise to twice the normal daily pace. A major low may have a string of such days, followed by a rebound, and a retest. Typically, this high volume sell-off is due to a sharp rise in margin debt that then triggers margin calls once stock prices begin to decline. However, it is not likely that a margin call washout will occur in the current cycle. We have been monitoring monthly

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

margin debt numbers and they have been declining, not rising as prices peaked in recent months. Combined margin debt in January was \$798.6 billion, down 12.2% from December's \$910.0 billion and unchanged from a year earlier. The 2-month rate of change in margin debt was negative 13.1% in January and as a percentage of total market cap it was 1.4%, down from 1.53% in December and down from 1.7% from a year earlier. In short, the leverage that is usually unwound at the end of bear cycle is simply not as substantial as that seen in previous cycles. See page 7. This being true, the end of the correction may not be as dramatic.

We are monitoring a number of technical charts to assess overall market risk. One of these is the SPX which may be in the process of forming a substantial head and shoulders top pattern. Some technical analysts have already noted this pattern. The important level to watch is the neckline support that is found at the SPX 4300 level on a closing basis and at SPX 4222 on an intra-day basis. The SPX 4300 level is currently being tested. From a technical perspective, a break of the SPX 4300 area creates downside targets of SPX 4000 and SPX 3800. See page 9. Since algo traders use support and resistance levels for intra-day trading, we would expect a drop in the SPX below 4300 would likely trigger more selling.

It intrigues us that a small-capitalization stock index and one of the largest capitalization companies in the S&P 500 have similar chart patterns. And we have already written about the parallels in the charts of Amazon (AMZN - \$3003.95) and the Russell 2000 index. In both charts, the breakdowns from lengthy trading ranges, materialized within days of each other and preceded the decline in the overall market. Since both were leaders in terms of market weakness, we are now monitoring them for signs of stabilization in hope that this would imply a low has been found. To date, there is no confirmation from these charts. See page 10.

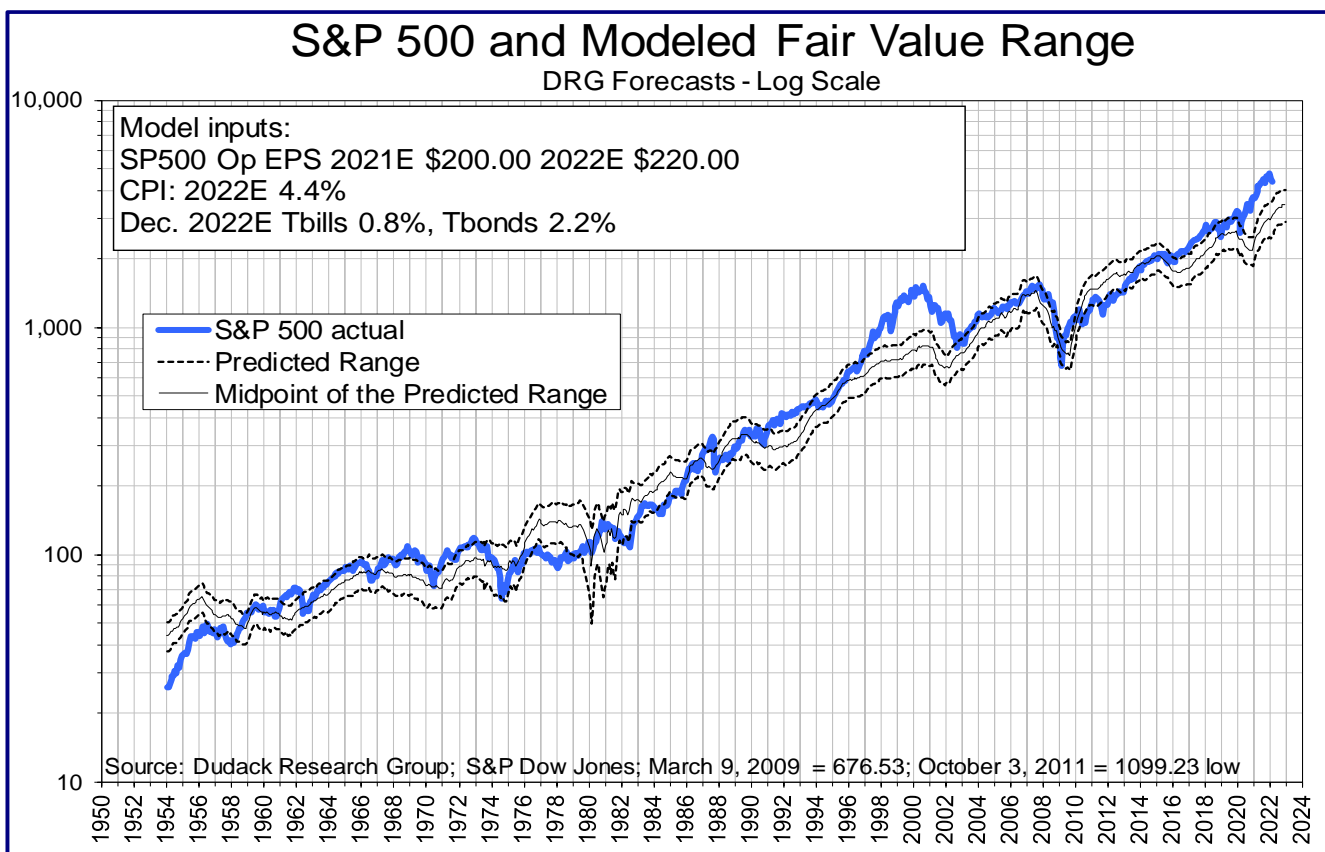
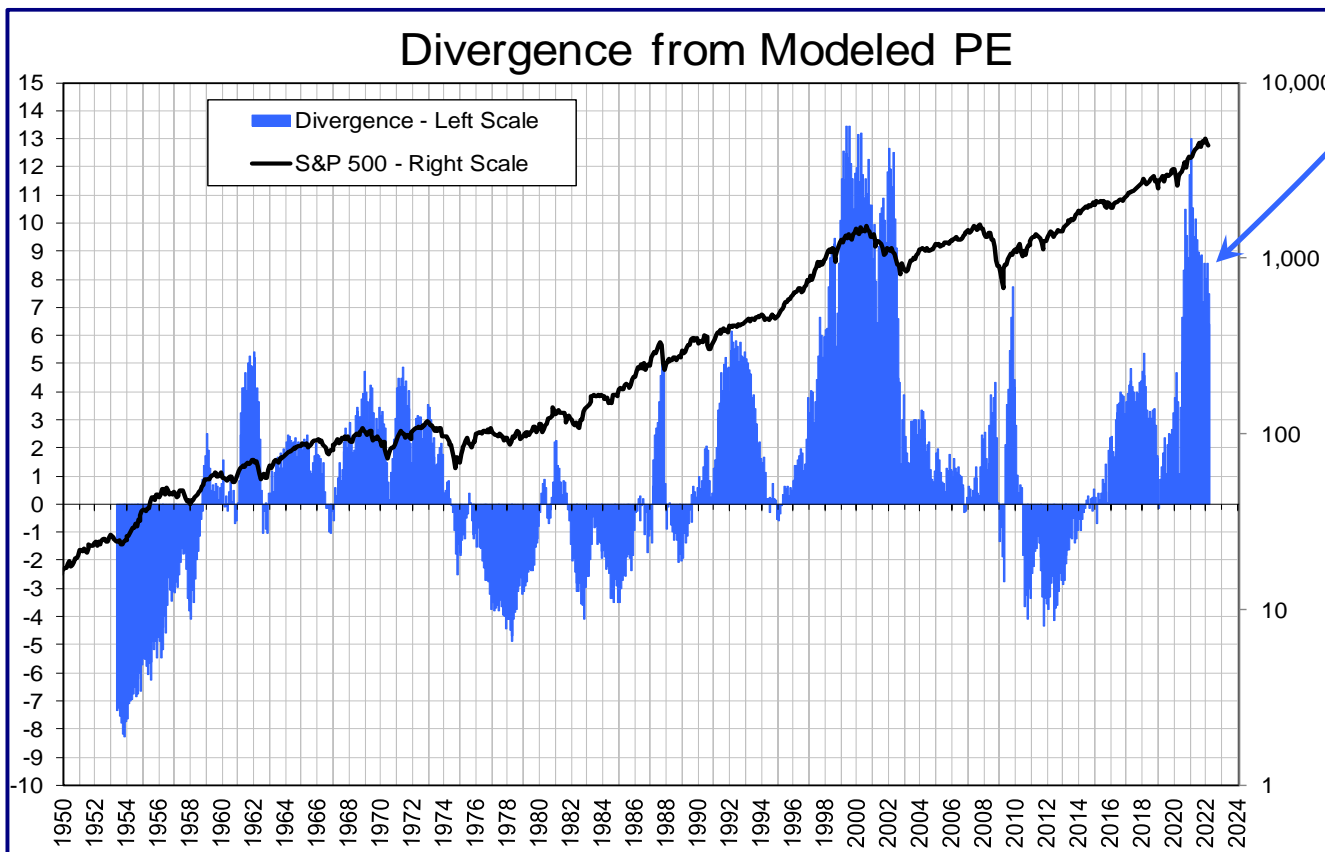
The economy and the equity market face uncertainty as long as inflation continues to trend higher. Therefore, the chart of WTI futures is another risk factor. Unfortunately, once the crude oil future bettered the \$77 level, the technical chart indicated potential targets of \$90, \$100, and \$110. With crude futures now at \$91.91 the risk of inflation continues and will make the Federal Reserve's job more difficult. This implies multiple interest rate hikes in the months ahead. Stabilization in the WTI futures chart would relieve the current certainty of higher inflation, reduce the burden on the Fed, and lower the risk that the yield curve may invert later this year. These are the risks that the Russia/Ukraine border crisis poses to the world – more inflation and its consequences. See page 8.

VALUATION BENCHMARKS

Technical indicators are often the best tools for defining a market top, but valuation tools can best determine where downside risk is minimized. Our model is forecasting an average PE of 15.8 for year-end 2022 and a PE range of 13.2 times to 18.3 times. These low, mid, and high PEs coupled with our earnings forecast of \$220 (a 7% YOY growth rate) equates to SPX valuation targets of 2904, 3469, and 4026. These are fairly frightening downside SPX targets.

We prefer to use the long-term average PE of 16.5 X as the appropriate multiple given the current level of inflation which creates a worst-case scenario of SPX 3630. Another approach would be the 2000-2022 average PE of 19.5 times to define fair value and probably downside risk. This equates to an SPX target of 4290. In our view, this combination implies that "value" is found directly below the SPX 4000 level. In the interim, energy, financial and staples remain our favorite sectors for the current environment, along with individual stocks that can weather the inflationary environment and have dividends in excess of 2%. Nonetheless, the 2022 sell-off is apt to provide an excellent long-term buying opportunity in the technology stocks so this is a time to have a list of favorite buys on hand if the SPX should fall below the 4000 level. Be cautious but be alert for opportunities.

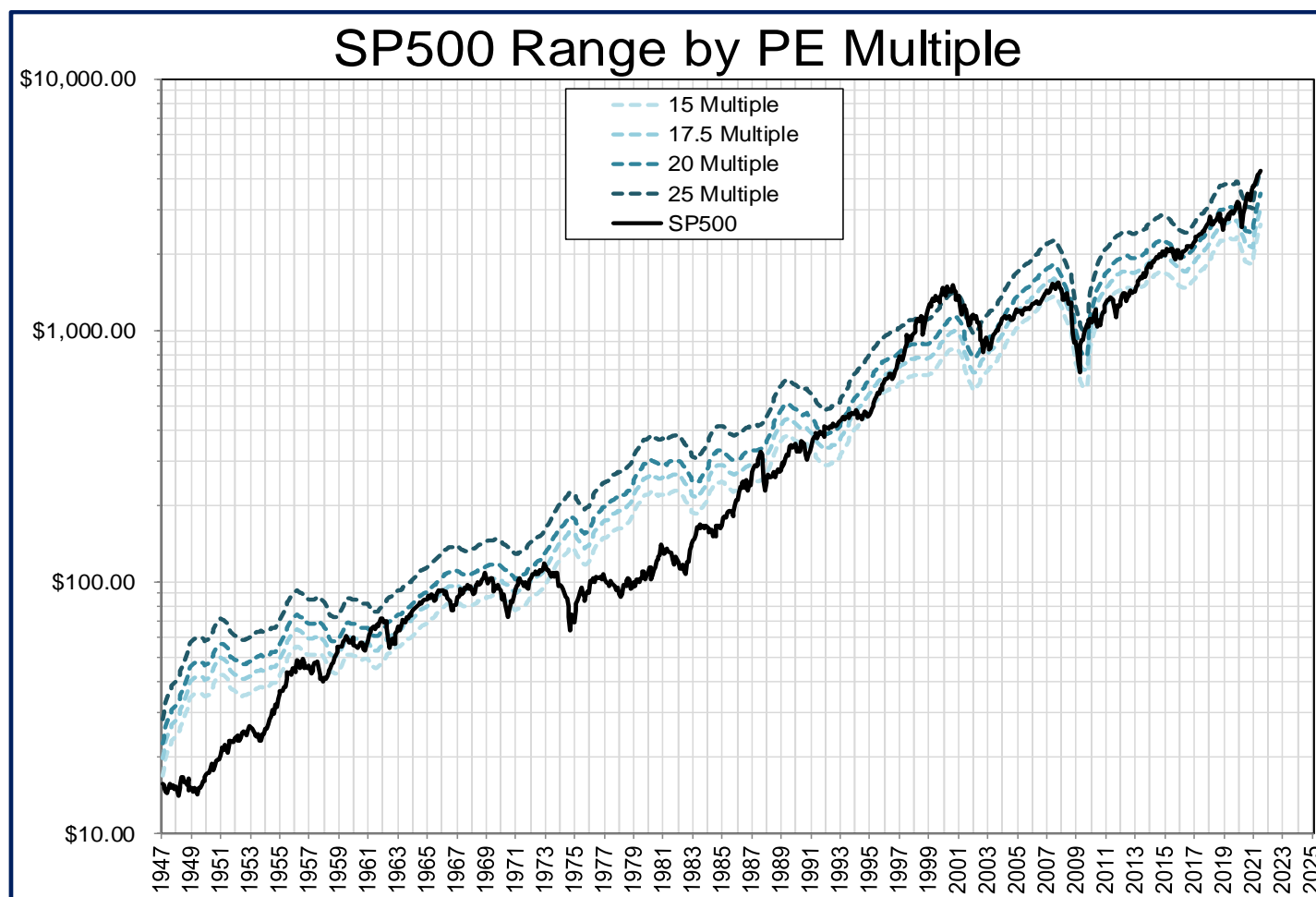
Over the last year, the divergence between the market's PE and our model's forecasted PE has been the greatest seen since the 1998 to 2000 bubble era. And though PE multiples have been contracting over the last year, it is still over 7 points above our model's forecast. The bottom chart depicts our model's forecasted range versus the SPX. Again, the market has been trading at an excessive multiple given the level of inflation.



The first chart below overlays the actual SPX price on the forecasted level of the SPX at various PE multiples coupled with the same earnings trend. Notice that the last 12 to 14 months have been the first time since 1999 that the SPX traded consistently at a PE multiple in excess of 25 times.

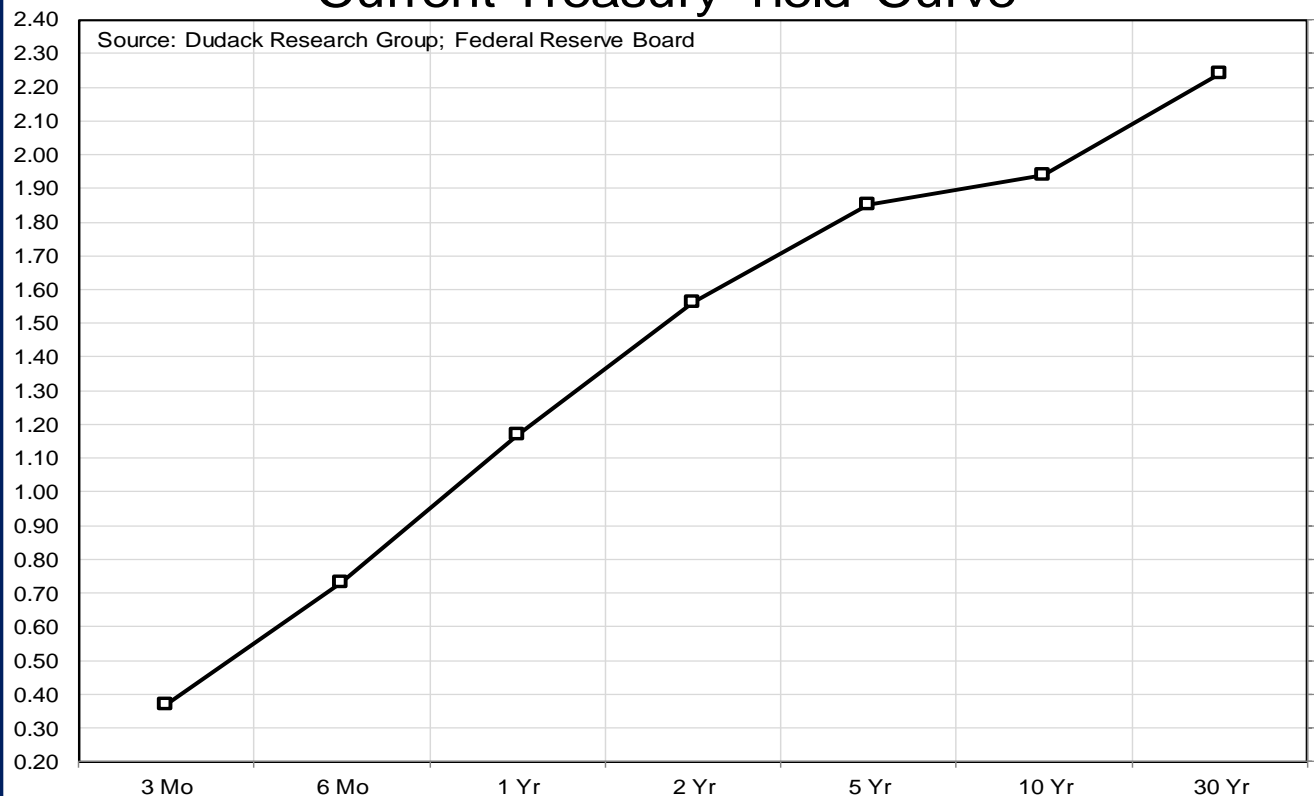
Our model is forecasting an average PE of 15.8 for year end 2022 and a range of 13.2 times to 18.3 times. These low, mid, and high PE's times our earnings forecast of \$220 equates to SPX valuation targets of 2904, 3469, and 4026.

We prefer to use the long-term average PE of 16.5 times, appropriate given the current level of inflation, or the 2000-2022 average PE of 19.5 times to determine downside risk. These equate to SPX targets of 3630 and 4290, respectively. Overall, we believe these latter valuation benchmarks imply that "value" is found directly below the SPX 4000 level.

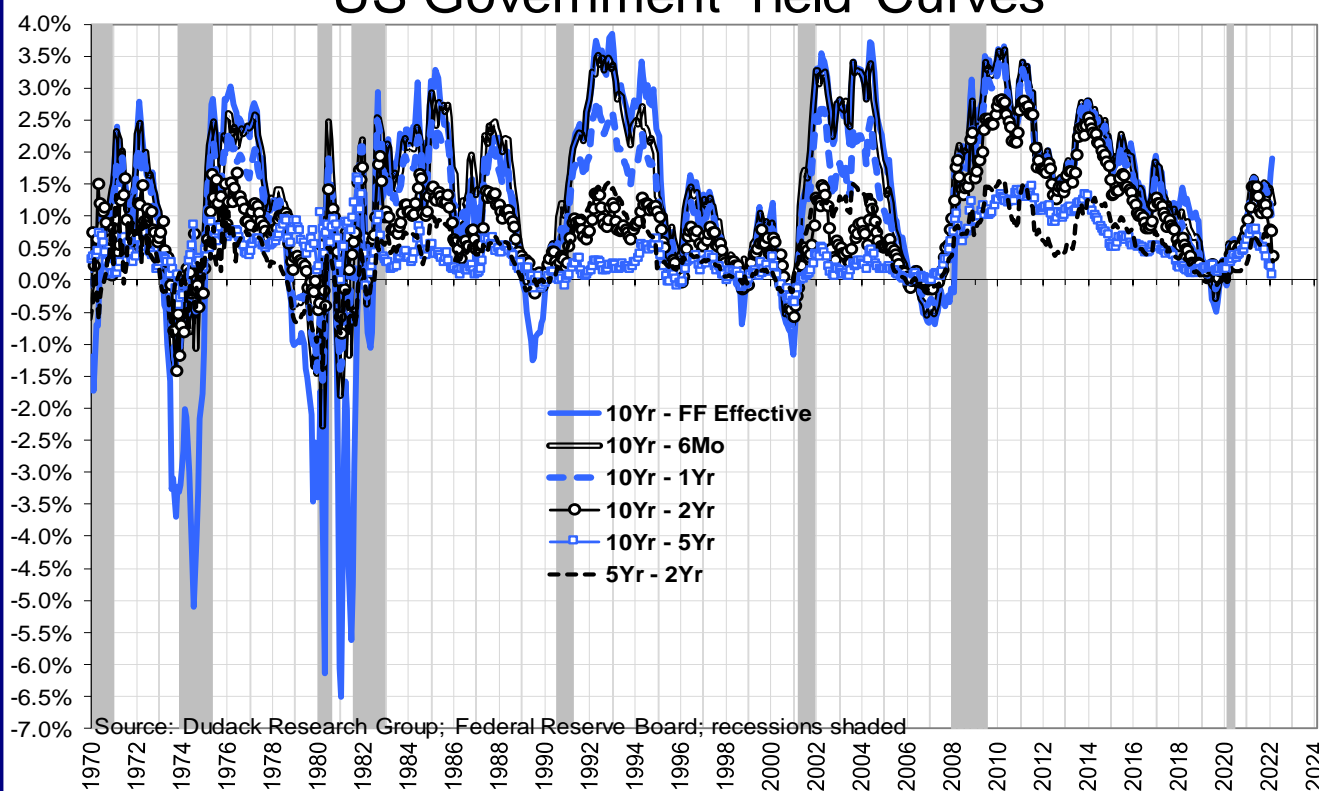


Although Ukraine is stealing the headlines, all eyes will be on the Fed's March meeting. Sentiment is shifting toward a 50-basis point hike at this meeting and some economists are beginning to "forecast" an inverted yield curve. This is more a guess than a forecast, but we will be monitoring the yield curve carefully since an inverted yield curve has accurately predicted most recessions. At present, the curve is normal.

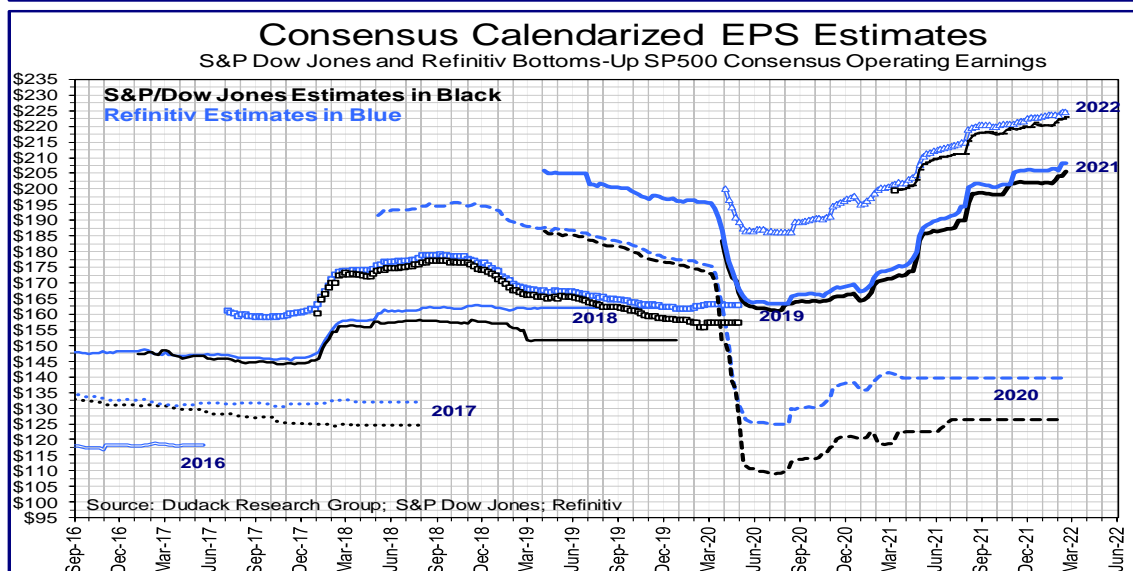
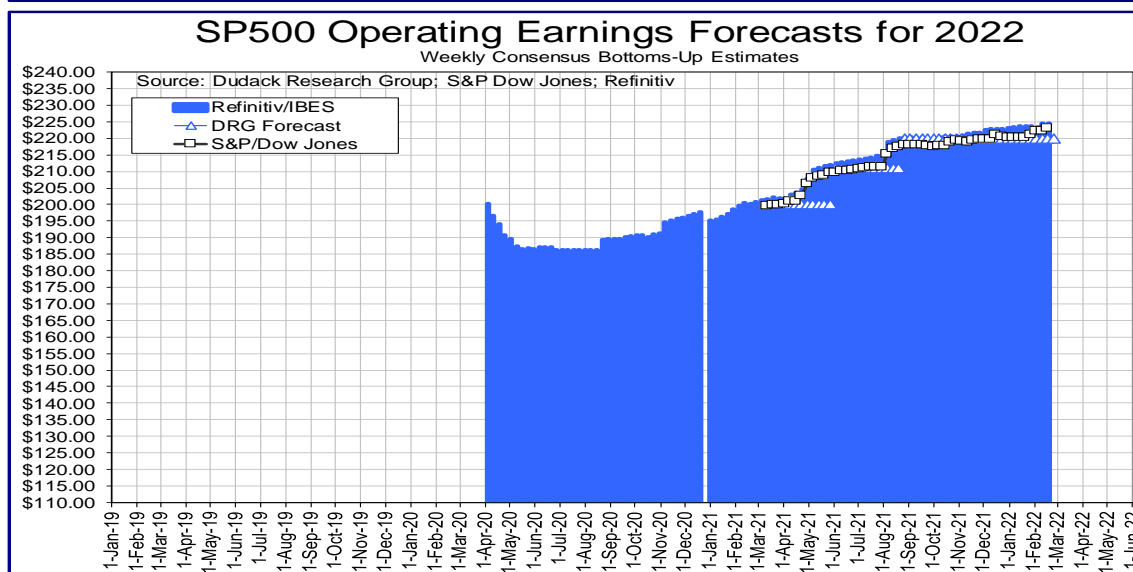
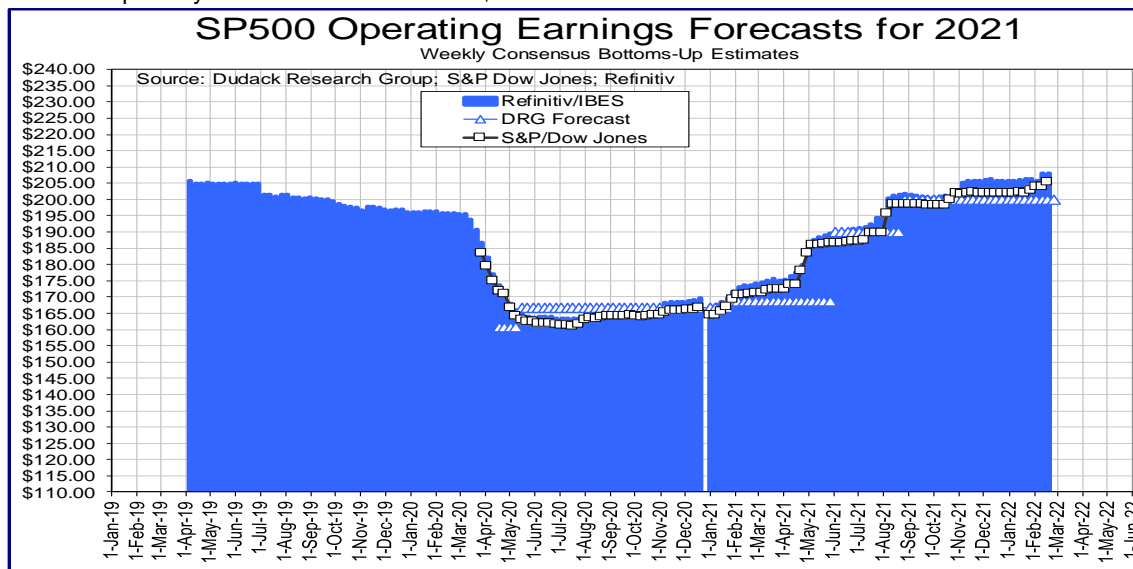
Current Treasury Yield Curve



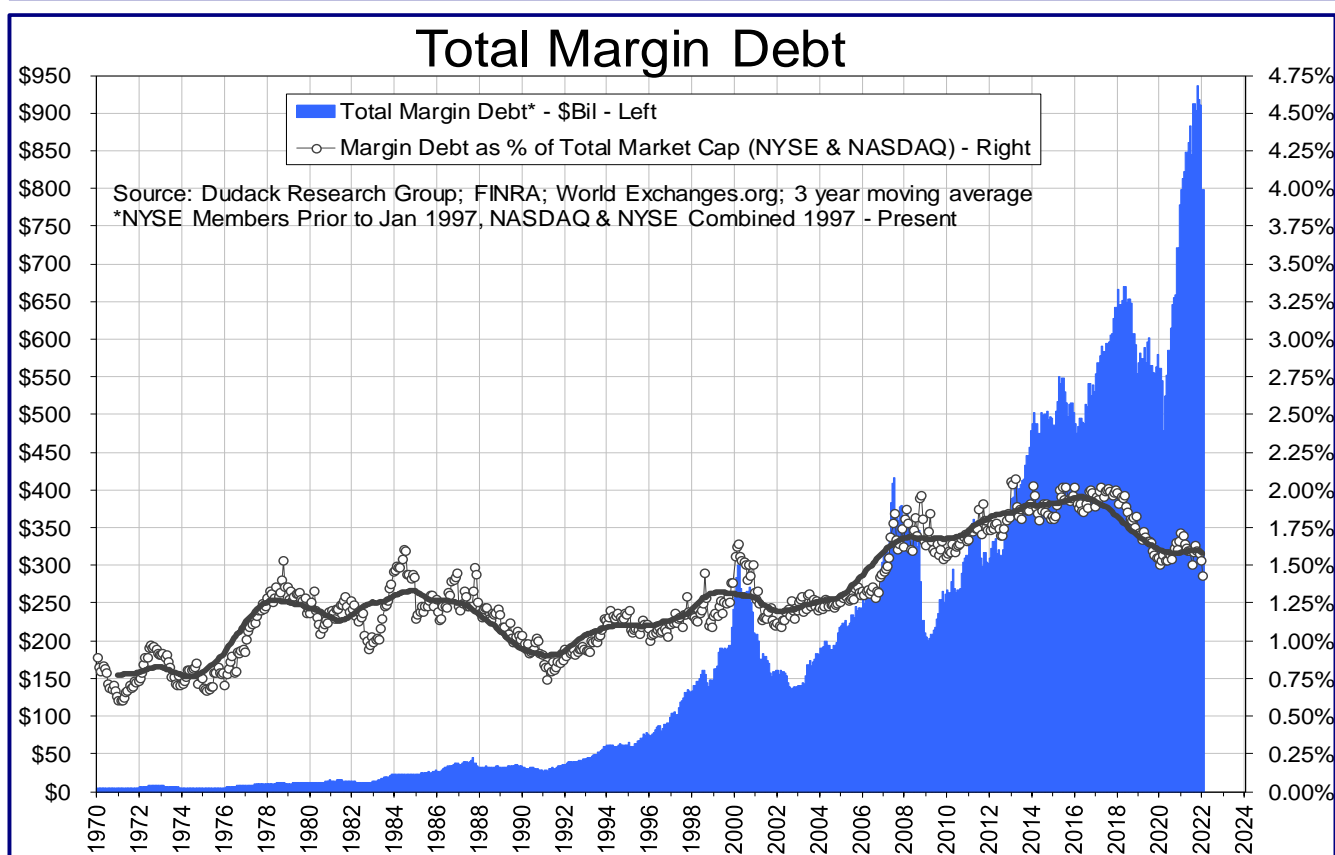
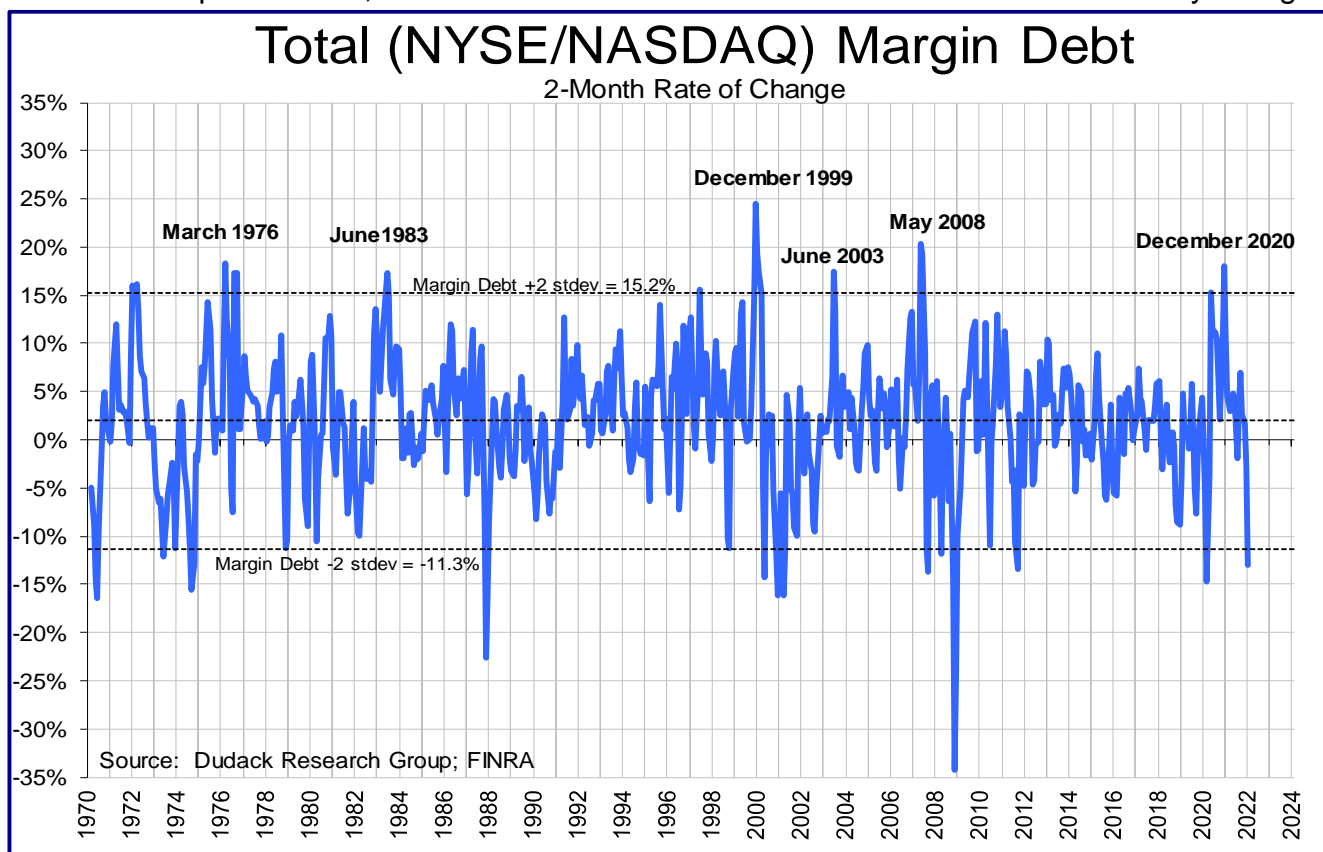
US Government Yield Curves



The S&P Dow Jones earnings estimate for 2021 jumped \$1.43 this week with over 72% of S&P companies reporting. The estimate for 2022 also rose \$0.80, yielding growth rate estimates of 62.6% and 8.5%, respectively. IBES Refinitiv earnings estimates were not updated this week, however EPS growth estimates for 2021 and 2022 are 49% and 8%, respectively. Our DRG 2022 estimate is \$220, a 7.0% YOY increase from our upwardly revised 2021 estimate of \$205.48.

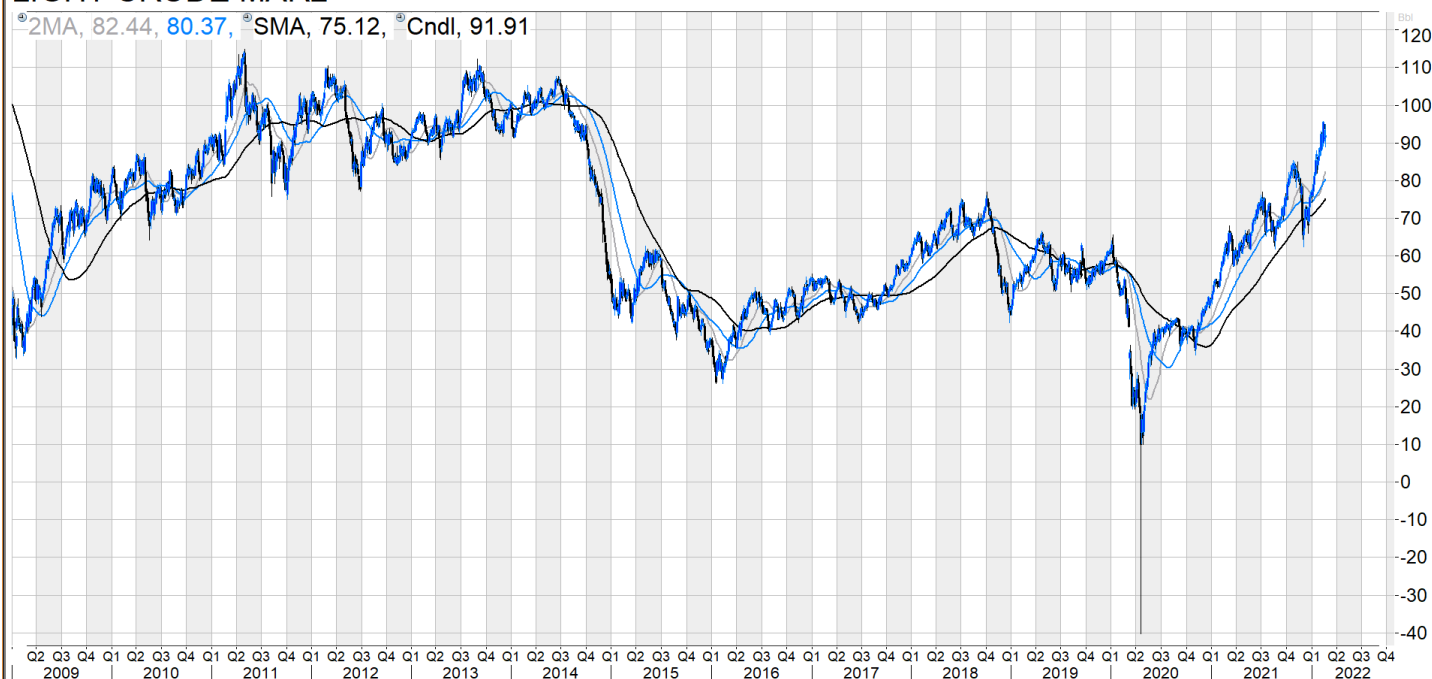


Combined margin debt in January was \$798.6 billion, down 12.2% from December's \$910.0 billion and unchanged from a year earlier. The 2-month rate of change was negative 13.1%. Margin debt as a % of total market cap was 1.4%, down from 1.53% a month earlier and down from 1.7% a year ago.

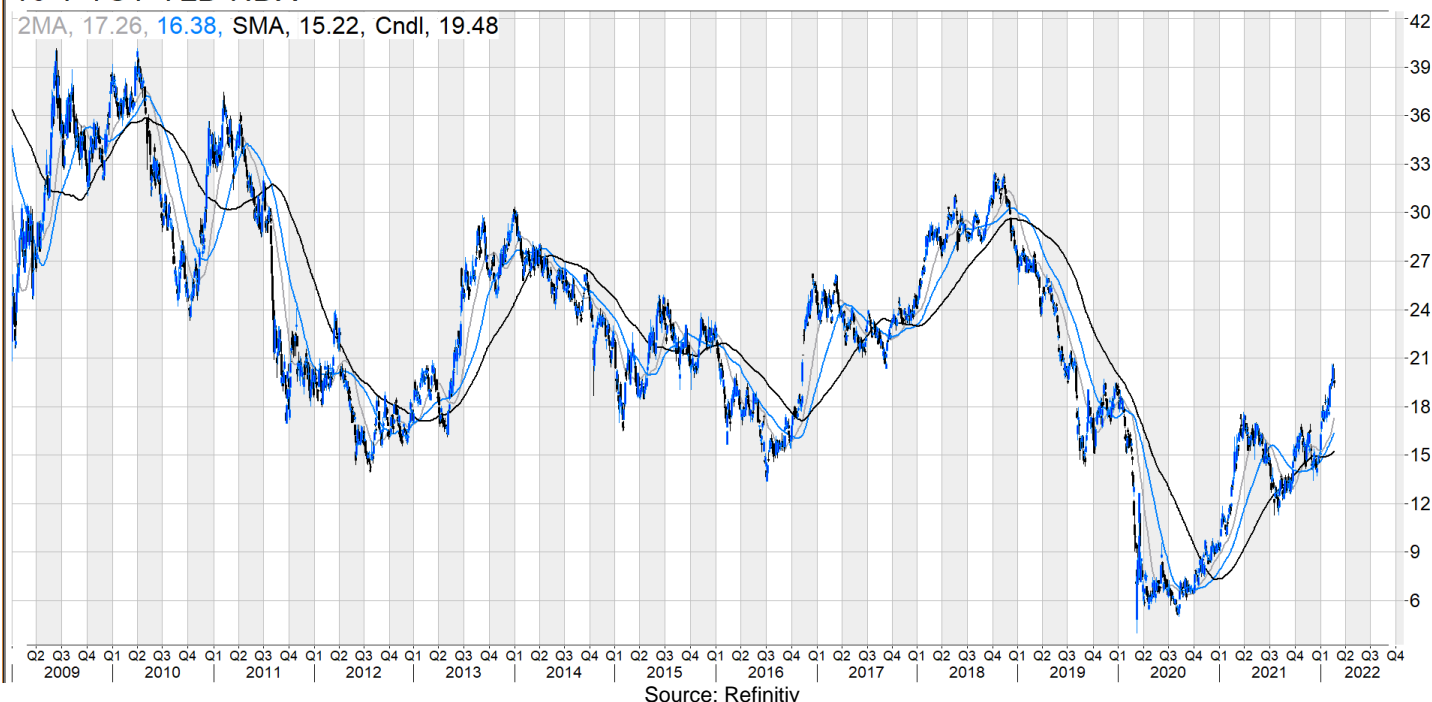


This bullish crude oil chart pattern suggests upside targets of \$100 and \$110 are possible and would make the Fed's job of controlling inflation extremely difficult. Treasury note yields are also rising with the 10-year Treasury note yield exceeding the psychological 2.0% level prior to the Russia/Ukraine crisis. Both inflation and higher interest rates are formidable hurdles for equities; but investors can insulate portfolios with stocks that have dividend yields of 2% or more and good earnings prospects.

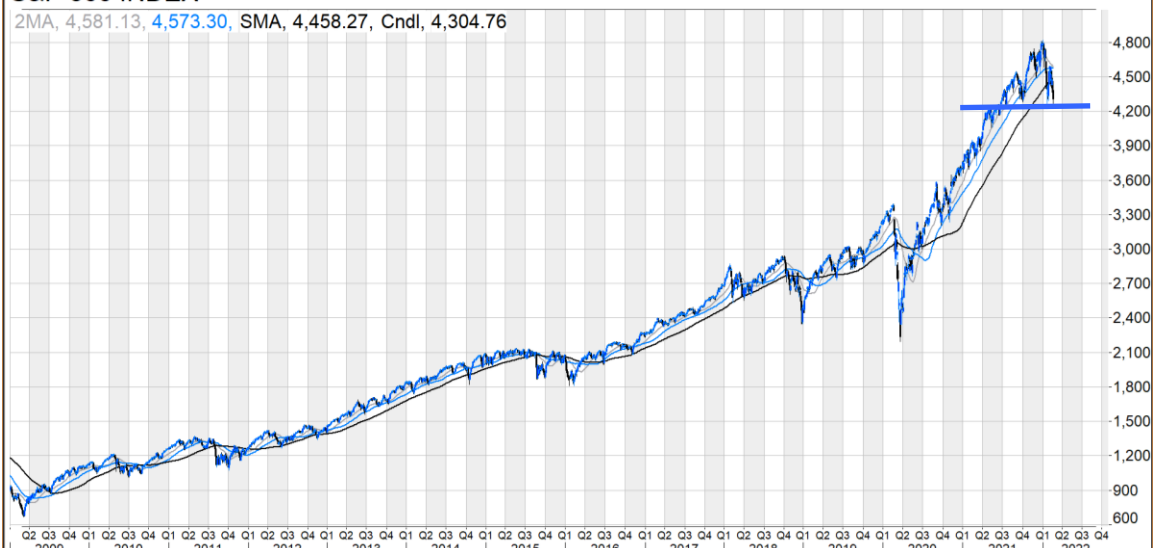
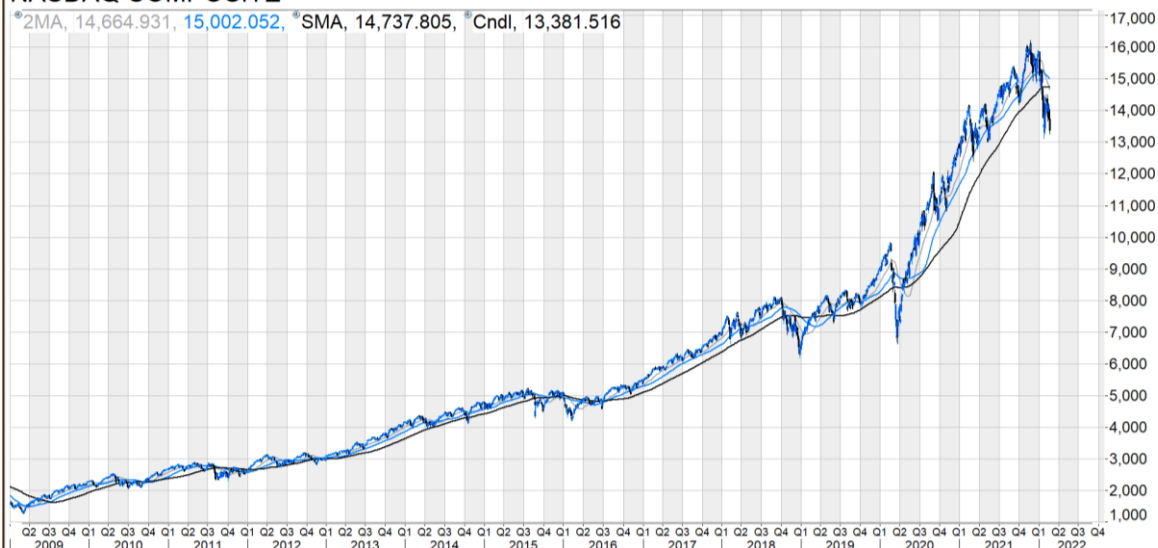
LIGHT CRUDE MAR2



10 Y TSY YLD NDX



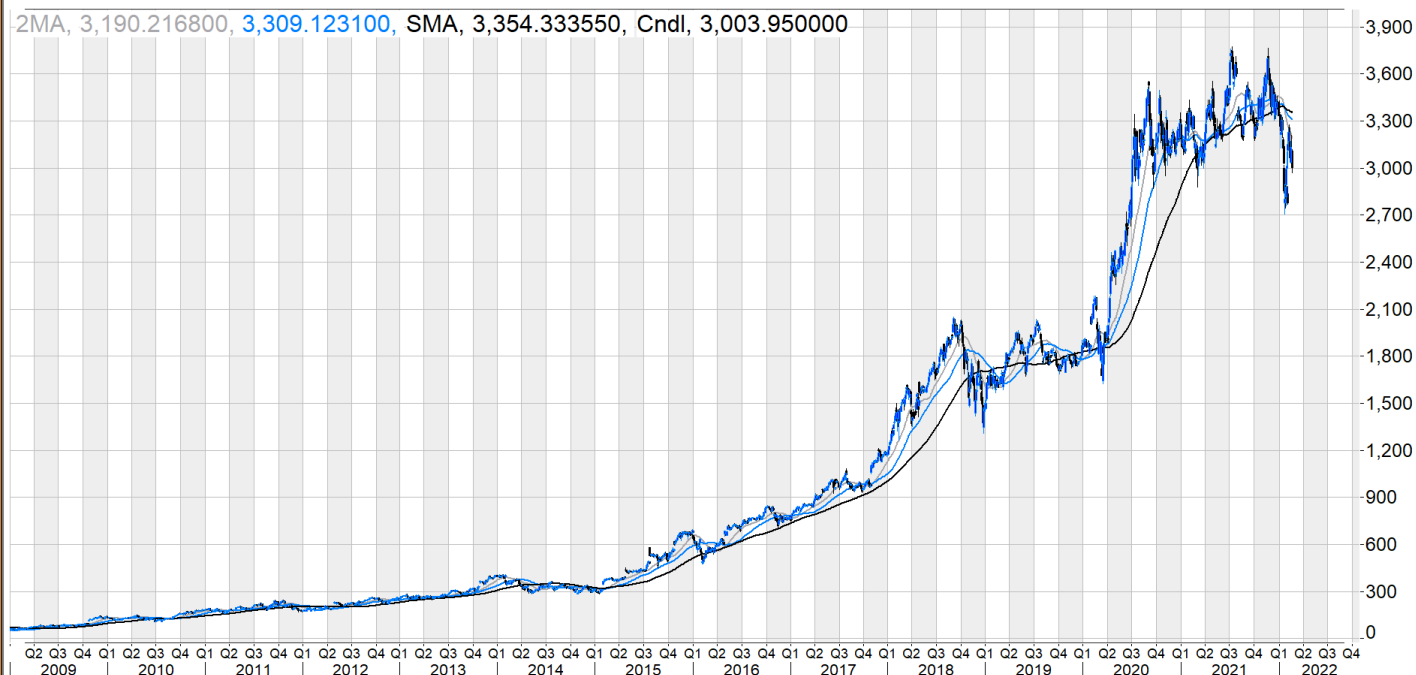
Some well-known technical analysts are discussing the head and shoulders formation in the SPX as a bearish formation that if triggered, could yield downside targets of SPX 4000 and 3850. The trigger point is the neckline support at SPX 4200. We concur with this analysis and would note that the SPX 3850 level also coordinates with a normal PE multiple of 17.5 X with our 2022 earnings estimate of \$220.

DJ INDU AVERG**S&P 500 INDEX****NASDAQ COMPOSITE**

Source: Refinitiv

The charts of Amazon and the Russell 2000 are a bit less similar this week, however, both are still trading below all key moving averages and remain comparable patterns. The rebound in AMZN failed to better the first level of resistance at \$3223 and this remains a key level to watch. We will continue to monitor these charts because they were early predictors of recent weakness and may be lead indicators at a potential bottom. To date, it appears the market's lows may not have been found.

AMAZON COM



RUSSELL 2000 IND

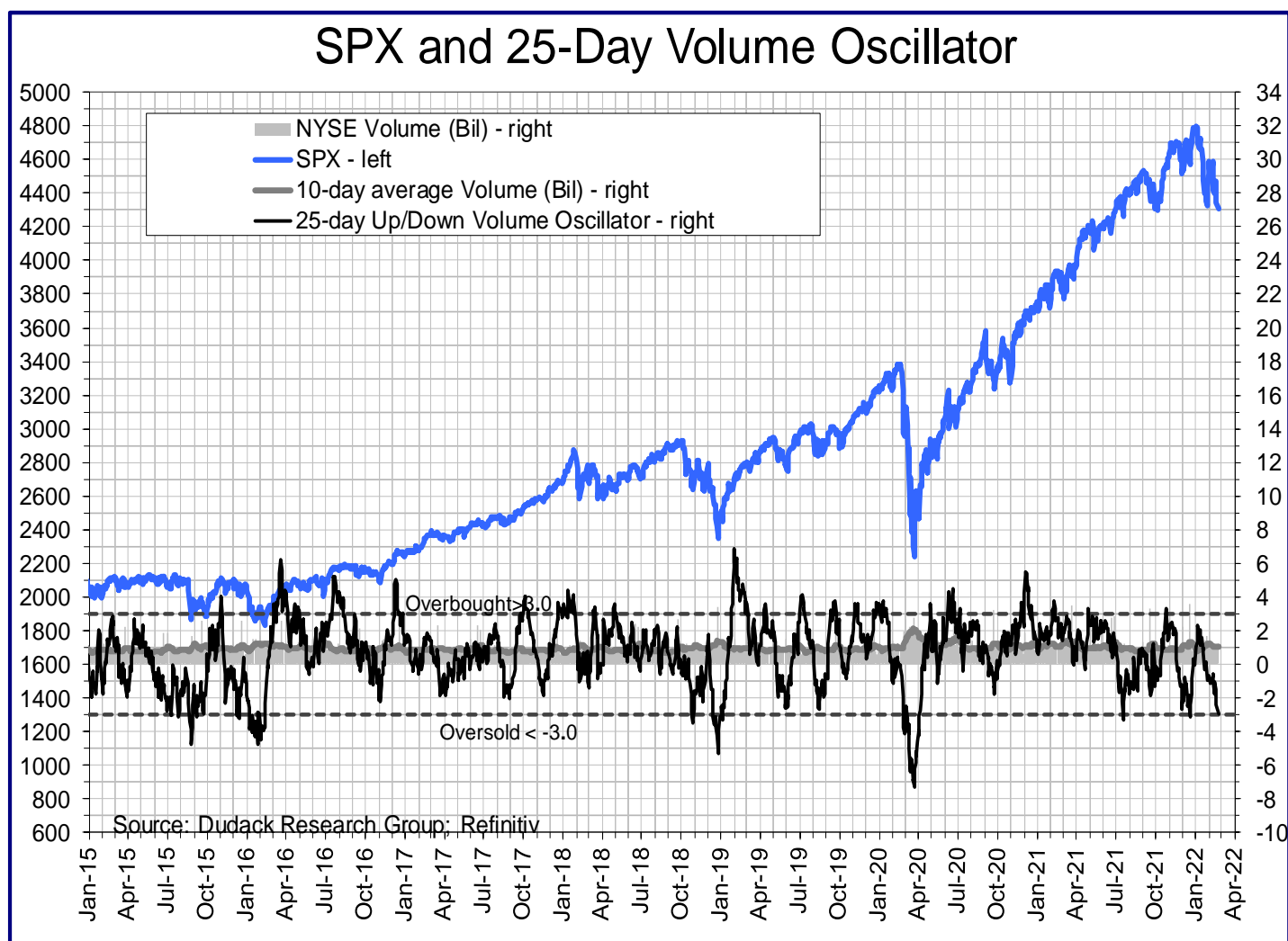


Source: Refinitiv

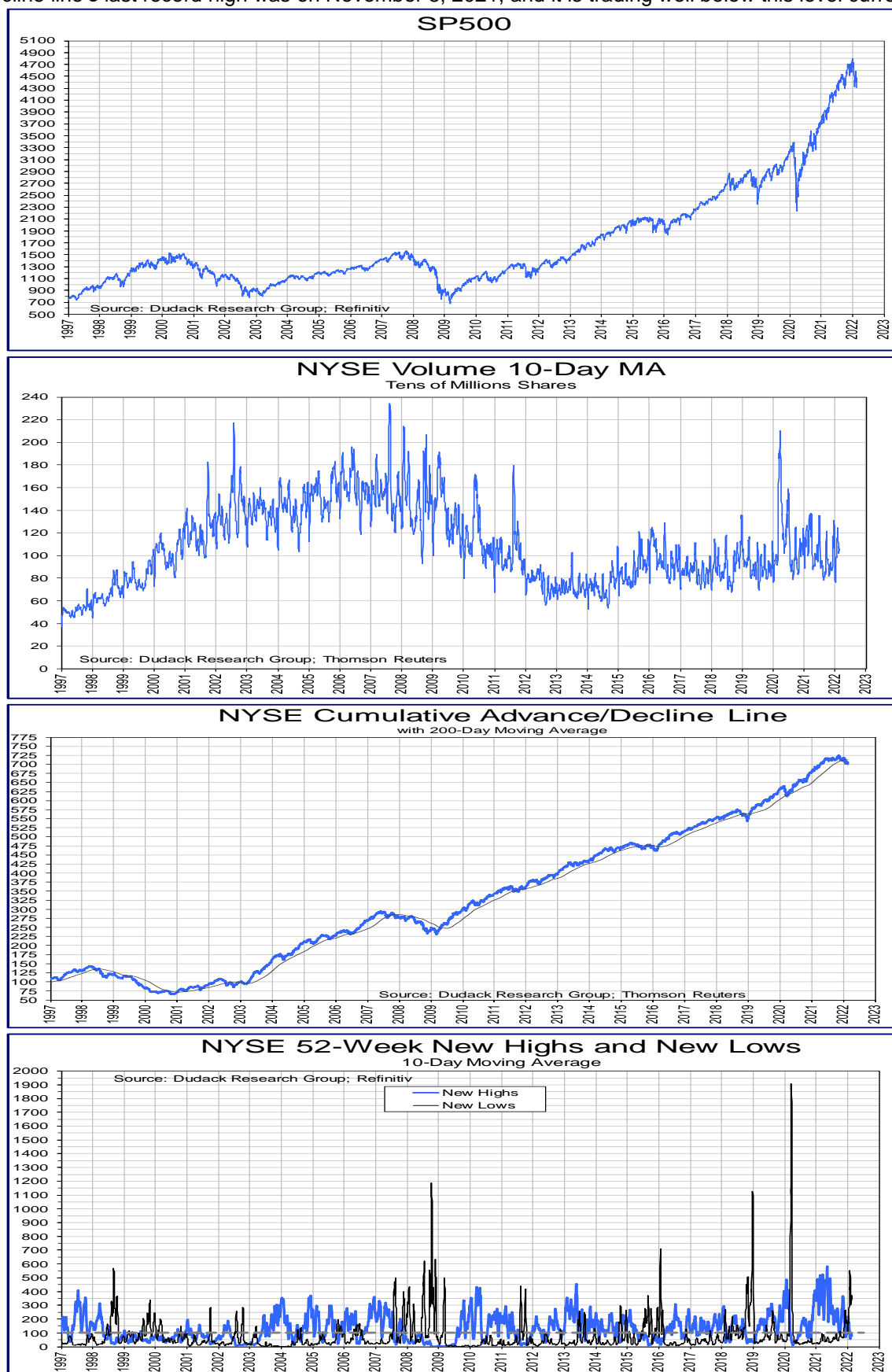
The 25-day up/down volume oscillator is negative 2.96 this week closing in on an oversold reading. This would be the first oversold reading since the one-day oversold reading on December 20, 2021. A five-day reading, or any extreme oversold reading, would confirm a shift in the cycle.

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.

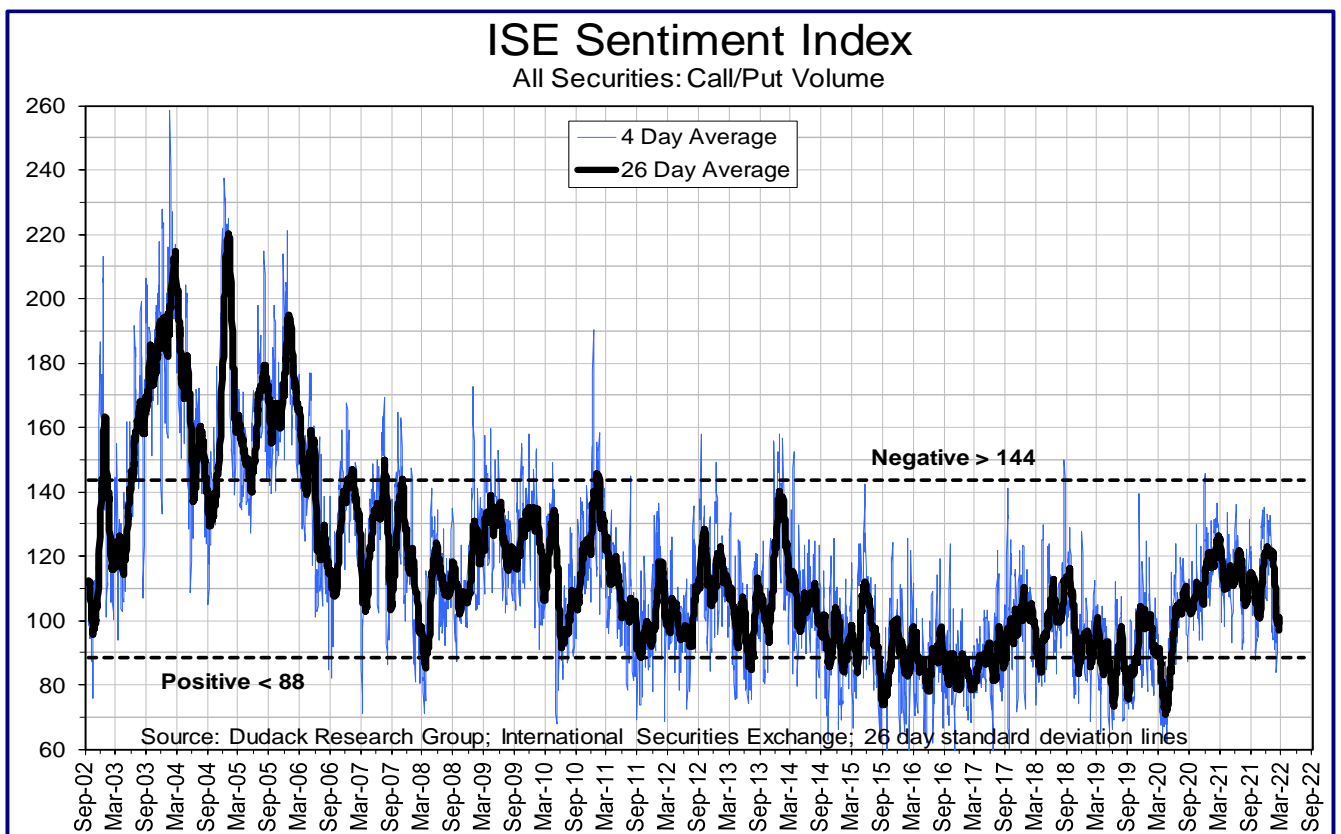
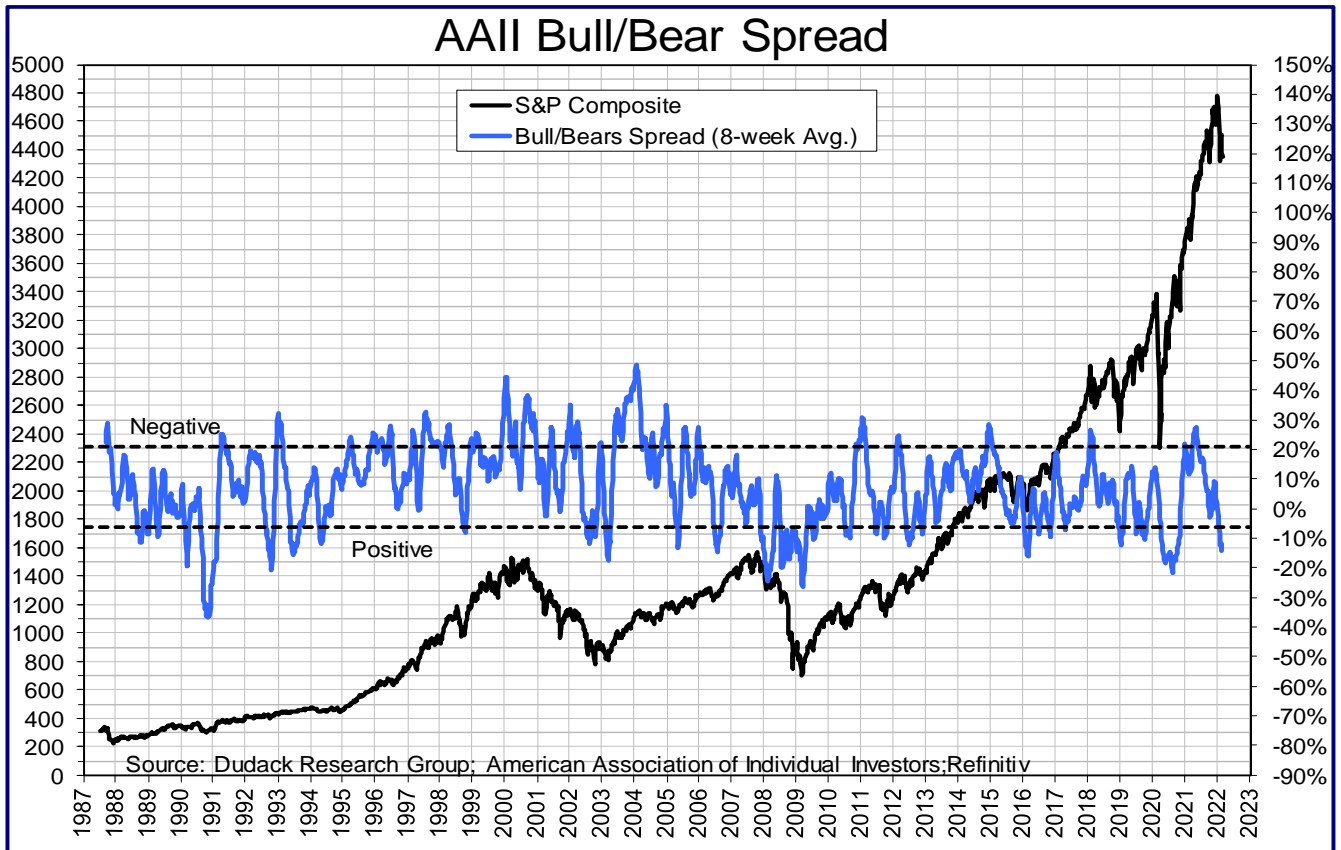
This 25-day up/down volume oscillator measures buying and selling momentum. New highs should be accompanied by strong and consistent buying pressure which results in long and sometimes extreme overbought readings. An absence of overbought readings at a new high reveals a weakness in the trend and is 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 77 this week and daily new lows fell to 370. 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.



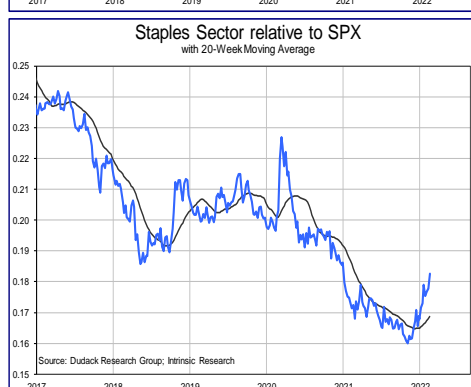
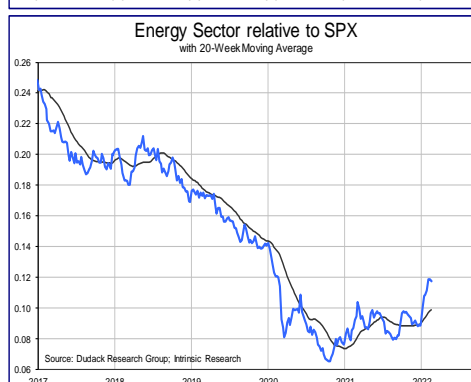
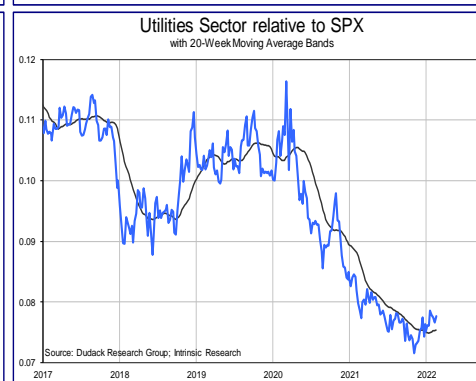
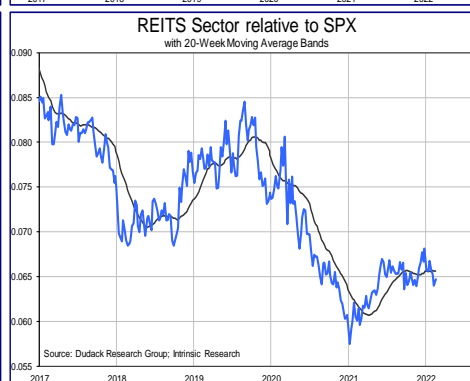
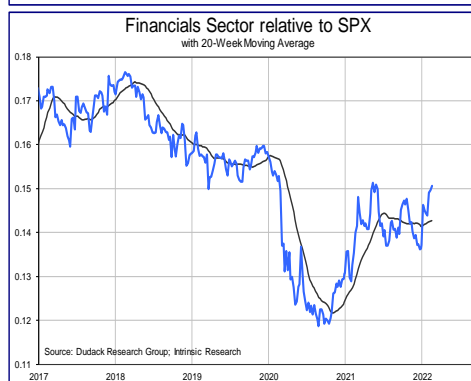
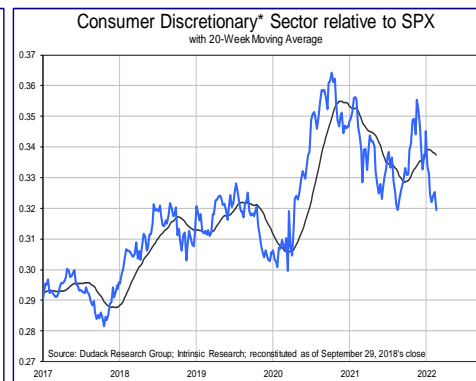
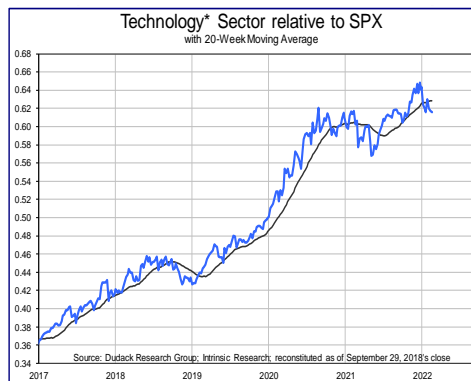
Bullish sentiment fell 5.2 points to 19.2% and is below the historical average of 38.0% for the 13th consecutive week and lowest since May 2016. Bearish sentiment rose 7.7 points to 43.2%, is above the historical average of 30.5% for the 13th consecutive week. The AAIL bull/bear spread index remains 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	19.9%
S&P FINANCIAL	-0.3%
S&P CONSUMER STAPLES	-2.2%
S&P UTILITIES	-7.9%
S&P INDUSTRIALS	-8.1%
S&P MATERIALS	-8.8%
S&P 500	-9.7%
S&P HEALTH CARE	-9.9%
S&P INFORMATION TECH	-13.4%
S&P REITS	-14.1%
S&P CONSUMER DISCRETIONARY	-14.7%
S&P COMMUNICATIONS SERVICES	-15.3%

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	16.15	3.9%	9.0%	25.3%	25.3%
Oil Future	CLc1	91.91	4.3%	8.0%	22.2%	22.2%
Energy Select Sector SPDR	XLE	66.95	1.6%	7.2%	20.6%	20.6%
United States Oil Fund, LP	USO	65.54	4.9%	7.8%	20.6%	20.6%
iShares MSCI Brazil Capped ETF	EWZ	33.45	5.8%	11.8%	19.2%	19.2%
iShares Silver Trust	SLV	23.26	7.3%	-0.3%	3.8%	3.8%
SPDR Gold Trust	GLD	177.49	5.6%	3.7%	3.8%	3.8%
iShares MSCI United Kingdom ETF	EWU	34.09	0.6%	1.2%	2.9%	2.9%
SPDR S&P Bank ETF	KBE	56.09	1.9%	1.8%	2.8%	2.8%
iShares MSCI Hong Kong ETF	EWH	23.73	0.1%	-2.6%	2.3%	2.3%
Gold Future	GCc1	2248.10	0.7%	0.9%	1.6%	1.6%
iShares MSCI Malaysia ETF	EWM	25.41	3.8%	4.1%	1.5%	1.5%
iShares MSCI Singapore ETF	EWS	21.57	2.3%	1.4%	0.8%	0.8%
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%
Financial Select Sector SPDR	XLF	39.02	-0.1%	2.1%	-0.1%	-0.1%
iShares MSCI Mexico Capped ETF	EWX	50.46	3.9%	2.8%	-0.3%	-0.3%
iShares MSCI Emerg Mkts ETF	EEM	48.03	-1.7%	-2.0%	-1.7%	-1.7%
Consumer Staples Select Sector SPDR	XLP	75.44	-0.7%	-0.7%	-2.2%	-2.2%
iShares MSCI Canada ETF	EWC	37.54	-1.7%	-0.2%	-2.3%	-2.3%
iShares China Large Cap ETF	FXI	35.73	-5.8%	-6.6%	-2.3%	-2.3%
iShares MSCI Australia ETF	EWA	24.12	5.6%	2.9%	-2.9%	-2.9%
iShares MSCI Taiwan ETF	EWT	64.70	-0.3%	0.1%	-2.9%	-2.9%
iShares MSCI India ETF	INDA.K	44.35	-3.3%	-3.5%	-3.3%	-3.3%
iShares MSCI BRIC ETF	BKF	43.17	-3.7%	-4.1%	-3.5%	-3.5%
Vanguard FTSE All-World ex-US ETF	VEU	58.87	-1.6%	-2.1%	-3.9%	-3.9%
iShares MSCI Austria Capped ETF	EWO	24.39	-4.0%	-3.4%	-4.2%	-4.2%
iShares Russell 1000 Value ETF	IWD	160.14	-2.3%	-1.0%	-4.6%	-4.6%
Shanghai Composite	.SSEC	3457.15	-1.9%	-1.8%	-5.0%	-5.0%
iShares MSCI EAFE ETF	EFA	74.42	-1.8%	-2.5%	-5.4%	-5.4%
iShares MSCI Japan ETF	EWJ	63.12	-1.5%	-2.6%	-5.7%	-5.7%
iShares 20+ Year Treas Bond ETF	TLT	138.59	-2.7%	-3.5%	-6.5%	-6.5%
iShares MSCI South Korea Capped ETF	EWY	72.77	0.5%	-2.3%	-6.5%	-6.5%
iShares iBoxx \$ Invest Grade Corp Bond	LQD	123.52	-3.3%	-4.2%	-6.8%	-6.8%
iShares Russell 2000 Value ETF	IWN	154.51	-1.2%	0.0%	-6.9%	-6.9%
iShares MSCI Germany ETF	EWG	30.42	-5.0%	-5.3%	-7.2%	-7.2%
SPDR DJIA ETF	DIA	336.01	-4.3%	-1.9%	-7.5%	-7.5%
DJIA	.DJI	33596.61	-4.4%	-2.0%	-7.5%	-7.5%
Utilities Select Sector SPDR	XLU	66.15	-4.5%	-3.9%	-7.6%	-7.6%
Industrial Select Sector SPDR	XLI	97.39	-3.3%	-3.8%	-8.0%	-8.0%
Materials Select Sector SPDR	XLB	82.67	-2.1%	-1.6%	-8.8%	-8.8%
iShares US Telecomm ETF	IYZ	29.81	-3.6%	-2.8%	-9.4%	-9.4%
SP500	.SPX	4304.76	-4.7%	-2.1%	-9.7%	-9.7%
Health Care Select Sect SPDR	XLV	127.19	-3.1%	-1.8%	-9.7%	-9.7%
iShares Russell 1000 ETF	IWB	238.27	-4.5%	-1.8%	-9.9%	-9.9%
iShares Russell 2000 ETF	IWM	196.66	-2.3%	-0.2%	-11.6%	-11.6%
iShares US Real Estate ETF	IYR	100.99	-5.2%	-4.2%	-13.0%	-13.0%
Technology Select Sector SPDR	XLK	151.03	-6.8%	-2.1%	-13.1%	-13.1%
Nasdaq Composite Index Tracking Stock	ONEQ.O	52.19	-6.0%	-2.8%	-14.3%	-14.3%
Consumer Discretionary Select Sector SPDR	XLY	174.75	-5.5%	-3.1%	-14.5%	-14.5%
iShares Russell 1000 Growth ETF	IWF	260.53	-6.6%	-2.8%	-14.7%	-14.7%
NASDAQ 100	NDX	13870.53	-7.1%	-3.9%	-15.0%	-15.0%
iShares Russell 2000 Growth ETF	IWO	245.16	-3.4%	-0.5%	-16.3%	-16.3%
PowerShares Water Resources Portfolio	PHO	50.77	-4.2%	-4.3%	-16.6%	-16.6%
SPDR S&P Retail ETF	XRT	74.85	-8.4%	-3.3%	-17.1%	-17.1%
iShares Nasdaq Biotechnology ETF	IBB.O	124.16	-5.8%	-3.5%	-18.6%	-18.6%
SPDR S&P Semiconductor ETF	XSD	197.54	-3.4%	-0.8%	-18.8%	-18.8%
SPDR Homebuilders ETF	XHB	68.04	-8.6%	-6.6%	-20.7%	-20.7%

Outperformed SP500
Underperformed SP500

Source: Dudack Research Group; Thomson Reuters

Priced as of February 22, 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	~~~~~	\$196.69	\$205.48	\$205.48	67.9%	\$208.12	49.0%	23.2X	1.3%	5.7%	\$1,834.70	-6.0%
2022E		\$212.29	\$222.94	\$220.00	7.1%	\$224.69	8.0%	19.3X	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	\$52.76	\$54.02	\$54.02	41.5%	\$53.63	26.0%	23.2	1.3%	6.9%	NA	NA
2022 1QE*	4304.76	\$48.81	\$51.27	\$55.00	16.0%	\$51.82	5.5%	20.6	NA	NA	NA	NA
2022 2QE		\$52.12	\$54.88	\$55.00	5.7%	\$55.40	5.4%	20.3	NA	NA	NA	NA
2022 3QE		\$54.42	\$57.76	\$55.00	5.7%	\$58.40	8.7%	19.8	NA	NA	NA	NA
2022 4QE		\$56.94	\$59.03	\$55.00	1.8%	\$59.53	11.0%	19.3	NA	NA	NA	NA

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

2/22/2022

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