



Dudack Research Group

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March 9, 2022

DJIA: 32632.64

SPX: 4170.70

NASDAQ: 12795.55

US Strategy Weekly

A Bear is a Bear is a Bear

With the Nasdaq Composite and Russell 2000 down 20% from their all-time highs and many individual stocks, including most of the FAANG stocks, down much more than 20% (for example, Netflix, Inc. [NFLX - \$341.76] has had a 50% decline), we believe it is only proper to define the current sell-off as a bear market.

The fact that the S&P 500 and the Dow Jones Industrial Average have declined only 13% and 11.3%, respectively, is a mere technicality, in our opinion; and listening to financial news anchors talk about the S&P reaching “correction territory” makes us scratch our head. As history has shown us, the large-capitalization stocks are often the last to fall in a bear market, so the outperformance of the DJIA and the SPX is not unusual or consoling. And unfortunately, we do not believe the lows have yet been found. Neither technical nor fundamental guidelines give us comfort this week, and both sets of indicators suggest there is more downside risk in the market.

In our annual outlook forecasts for 2021 and 2022, we indicated that inflation would be the biggest hurdle facing equity investors in the months and years ahead and this finally became widely accepted late last year. Russia’s invasion of Ukraine is a new factor that could make inflation even more crippling than we anticipated. Although crude oil and energy stocks broke out of major base patterns prior to the Russian invasion, and the energy sector has been the best performing sector all year, WTI has soared an additional 38% on a closing price basis and 50% on an intra-day trading basis in recent days. It is well-known that Russia is a major oil exporter, but Ukraine and Russia are also major exporters of wheat and corn. Russia is a major producer of nickel, palladium, and fertilizer. And as the conflict continues into its second week without any hope of an easy or quick resolution, commodity prices have begun to soar. It now appears that shortages of commodities will be global and will continue well into the future. This is not good news for inflation or most of the world economies. As a result, the Russian invasion appears to be escalating the existing shift in the underlying market from growth to value. However, the conflict is also triggering a shift from technology to energy, commodities, and defense stocks. Last week we noted the shift to defense and aerospace and downgraded the financial sector from overweight to neutral and upgraded the industrial sector from neutral to overweight. We have an overweight recommendation of the staples sector where food-related stocks are found, but the S&P 500 does not include pure commodity plays where many of the breakouts in chart patterns exist. Nevertheless, this week we are upgrading the materials sector from underweight to neutral and downgrading the communication services sector from neutral to underweight. We would not be surprised if there is also a shift in leadership within the technology sector and would emphasize cybersecurity and cyber-defense-related stocks. See page 14.

FUNDAMENTALS ARE NOT ENCOURAGING

Fundamentals are important in a bearish market since they help define levels of value and identify potential lows in both stocks and the indices. With this in mind, we turn to our valuation model where we have a 2022 earnings estimate for the S&P 500 of \$220, a 7% increase. Currently our forecast for inflation suggests prices will decelerate to a 4.4% pace, but recent developments suggest this may be

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

too optimistic. Our interest rate forecasts indicate yields should rise to 0.8% in the 3-month Treasury and 2.2% in the 10-year Treasury note. This combination of inputs results in a forecasted “average” PE multiple of 15.8 times for 2022. Note that a 15.8 multiple is also equal to the average PE seen over the last 75 years. Our \$220 earnings estimate coupled with a 15.8 multiple yields an SPX target of 3476. In short, our model predicts a decline of 27.5% in the SPX would be required to return the broad indices to “fair value.” This is an uncomfortable forecast but reasonable given the number of uncertainties that lie ahead for investors if the Russian/Ukrainian conflict is not resolved soon.

Prior to the Russian invasion, we believed the equity market had begun a correction that would bring prices and PE multiples back in line with traditional fundamental benchmarks. Unfortunately, the Russian invasion has upset the financial and economic landscape and puts even our modest forecasts for earnings, inflation, and interest rates at great risk. For example, higher commodity costs are likely to pressure profit margins and lower revenues for many companies and could make our \$220 earnings estimate too optimistic.

ENERGY

This week both President Biden and several administration officials stated that US energy production is currently at record levels. However, we doubted this was true due to restrictions and regulations placed on the energy sector after the 2020 election. Data from the US Energy Information Administration (EIA) contradicts the administration’s statements. On page 3 we display an EIA chart with annual data that shows the US energy production peaked in 2019. A second chart shows weekly field production of crude oil in the US that confirms US oil production peaked in 2019. Industrial production data from the Federal Reserve Board of St. Louis also confirms that energy production peaked in 2019, fell during the pandemic, recovered, but is still well below 2019 production levels. In short, US production is not at peak levels and there is much more potential for energy production. If this were encouraged, Americans would not have to suffer the extreme prices currently seen at the pump and in energy bills.

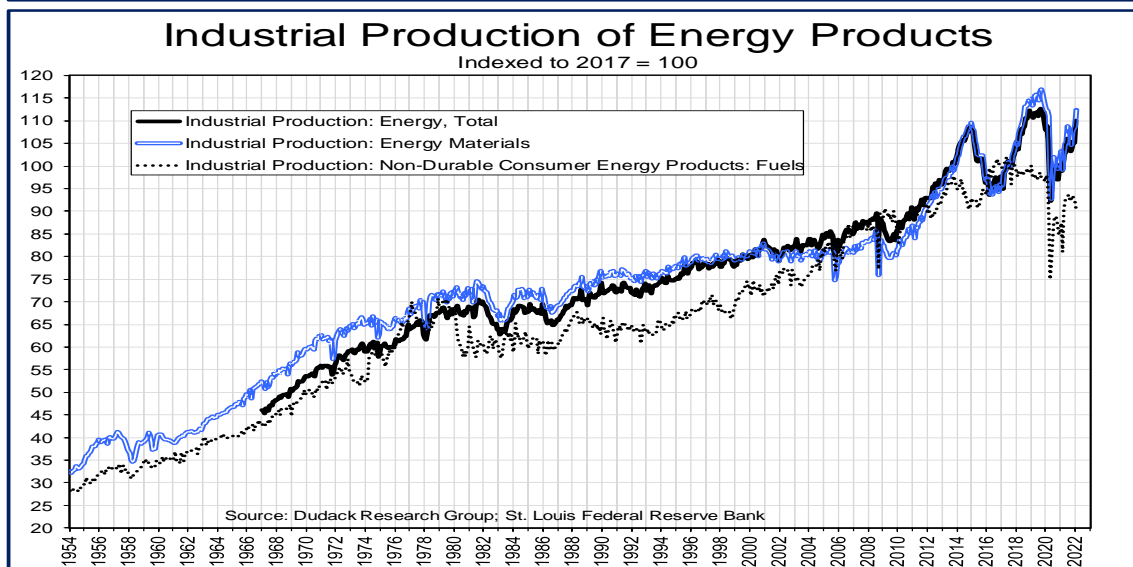
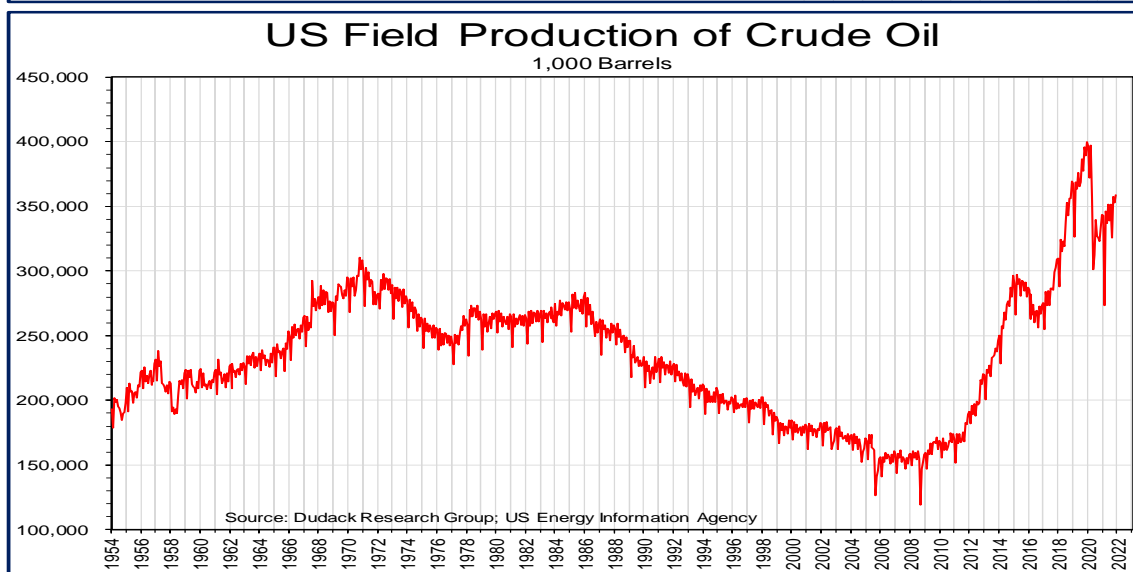
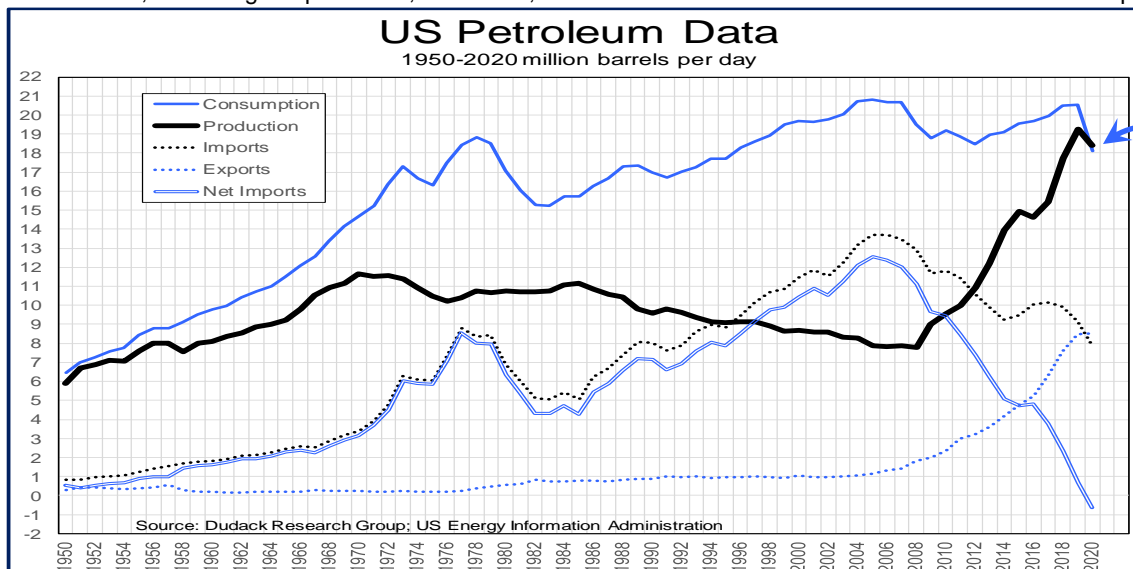
The price of WTI crude oil jumped \$20 this week and briefly touched \$130 a barrel, exceeding the price target of \$110 we noted last week. Some strategists are suggesting prices can move considerably higher, particularly after the Biden administration indicated the US will not buy Russian oil. Regrettably, there was not a simultaneous decision to increase US production. We expect the FOMC will decide to raise rates 25 basis points at the March meeting. And though the 10-year yield rose from 1.7% to 1.82% in the past week, the risk of an inverted yield curve in 2022, and a recession, continues to grow, in our view. See page 7.

TECHNICAL DEATH CROSSES

We are not ardent followers of technical configurations called *golden crosses* or *death crosses*, but they are followed by many technicians and traders and are therefore worth noting. A golden cross occurs when a short-term moving average, such as the 50-day moving average, crosses above a long-term moving average like the 200-day moving average. A death cross is the opposite configuration. The first index to have experienced a death cross in the current bear market was the Russell 2000 index. This was followed by the Nasdaq Composite index, and this week, the Dow Jones Industrial Average is close to joining the group. Even the Wilshire 5000 index has formed a death cross. Interestingly, out of the five FAANG stocks, the only one that does not display a death cross is Apple, Inc. (AAPL - \$157.44). The main reason we are not ardent followers of this technical pattern is that both the death cross and golden cross tend to appear late in a trend. Still, the importance of these death crosses is that the 200-day moving average becomes major long-term upside resistance in each stock and index.

We continue to favor stocks over bonds and believe that stocks with a history of increasing dividends and yields in excess of 2.2% can best weather the volatility that is apt to continue in the first half of the year.

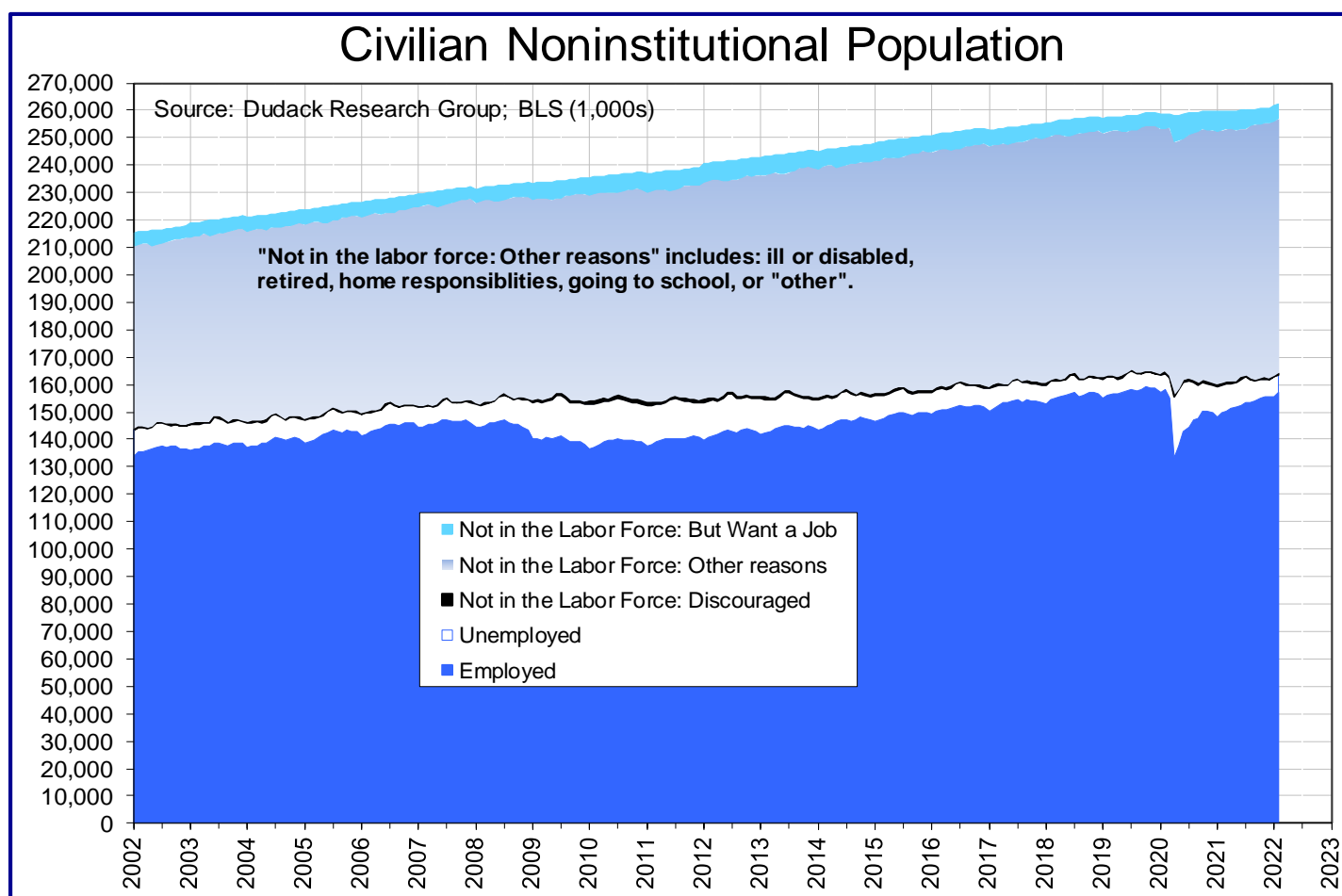
The Biden administration stated multiple times this week that US energy production is currently at record levels, but data from the US Energy Information Administration (EIA) contradicts this. The first EIA chart below shows data through the end of 2020 and shows production peaked in 2019. The middle chart shows weekly data that confirms this peak. Industrial production data also confirms that production peaked in 2019, fell during the pandemic, recovered, but is still well below 2019 levels. There is much more potential!



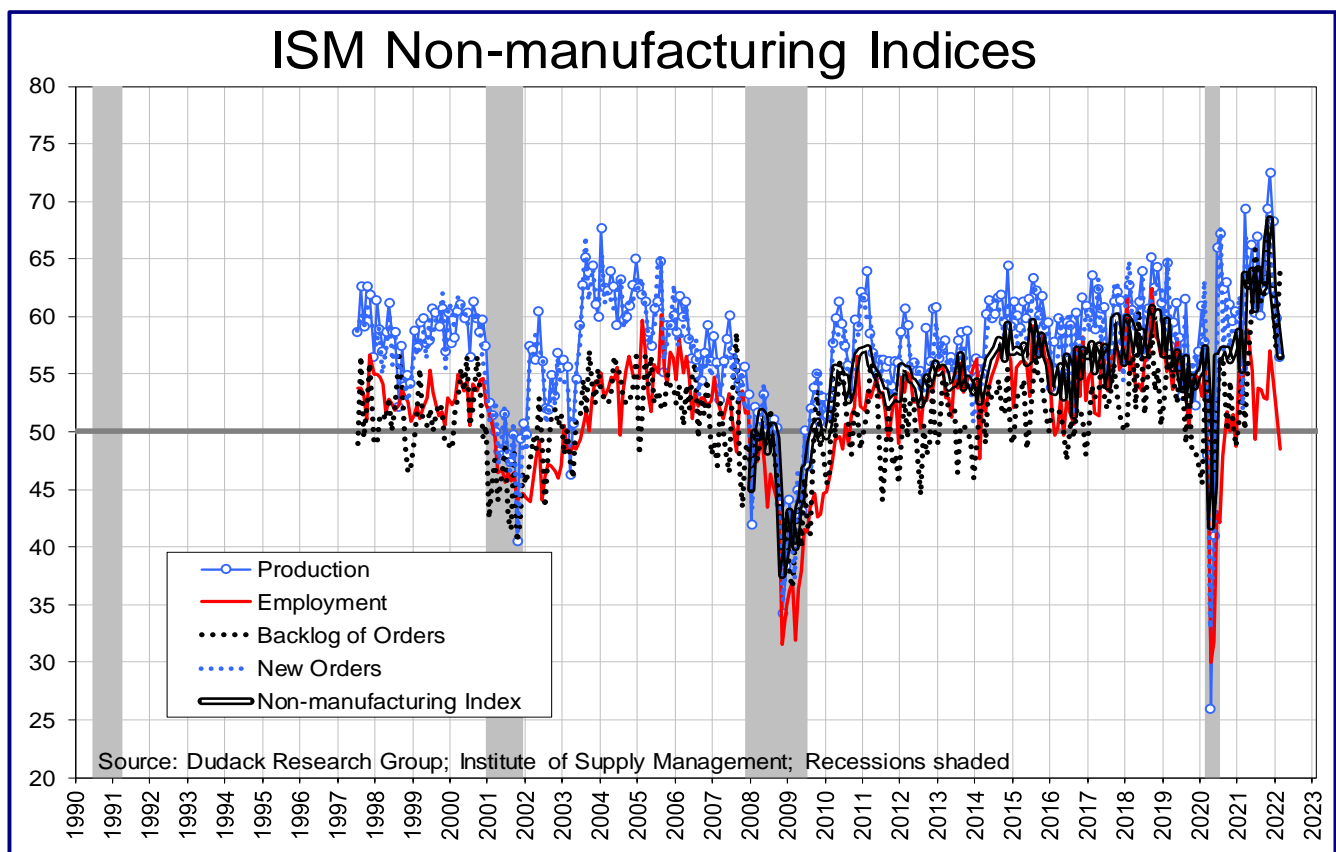
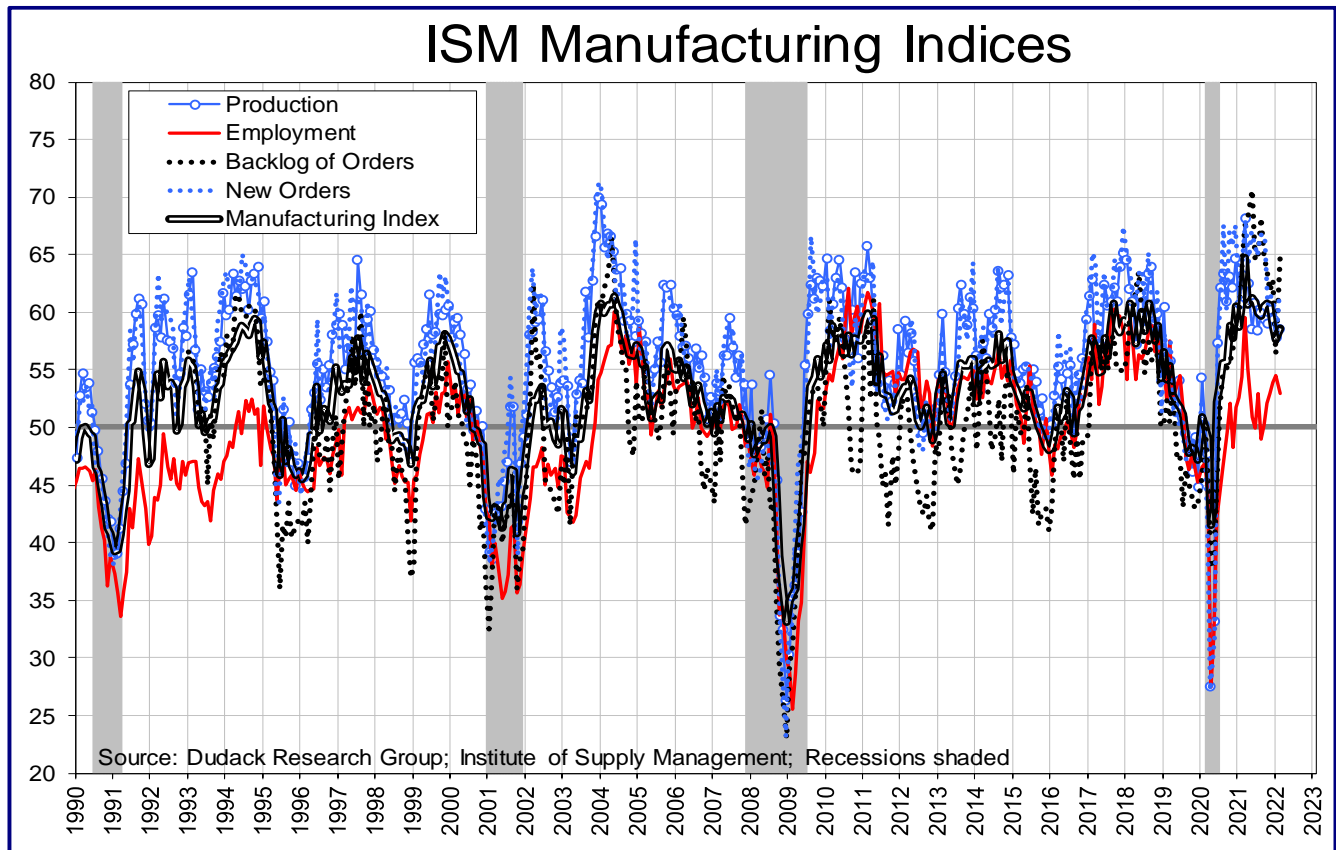
Despite February's job gain of 678,000 workers, there are still 2.1 million fewer people employed currently than at the February 2020 peak. The unemployment rate fell from 4.0% to 3.6% due to a combination of more people employed and 183,000 people leaving the workforce.

Employment Surveys (1,000s SA)	Feb-22	Jan-22	Change	Feb-21	Yr/Yr
Establishment Survey: NonFarm Payrolls	150,399	149,721	678	143,727	6,672
Household Survey Data (1,000s)					
Employed (A)	157,722	157,174	548	150,367	7,355
Unemployed (B)	6,270	6,513	(243)	9,992	(3,722)
Civilian labor force [A+B]	163,992	163,687	305	160,359	3,633
Unemployment rate [B/(A+B)]	3.8%	4.0%	-0.16%	6.2%	-2.4%
U6 Unemployment rate	7.2%	7.1%	0.1%	11.1%	-3.9%
Civilian noninstitutional population (C)	263,324	263,202	122	260,918	2,406
Participation rate [(A+B)/C]	62.3	62.2	0.1	61.5	0.8
Employment-population ratio [A/C]	59.9	59.7	0.2	57.6	2.3
Not in labor force	99,333	99,516	-183	100,560	-1,227

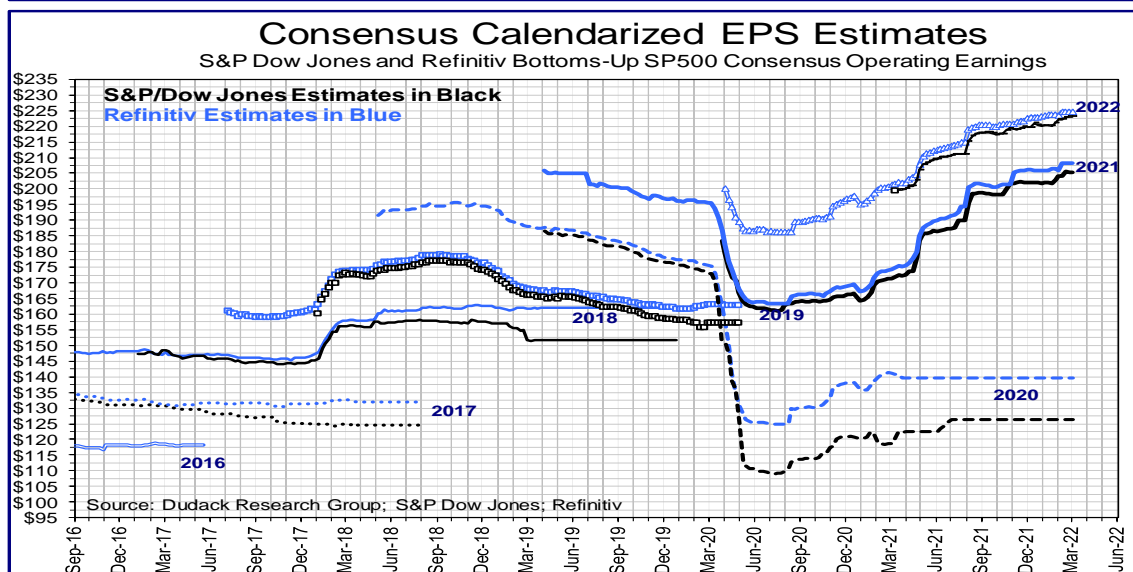
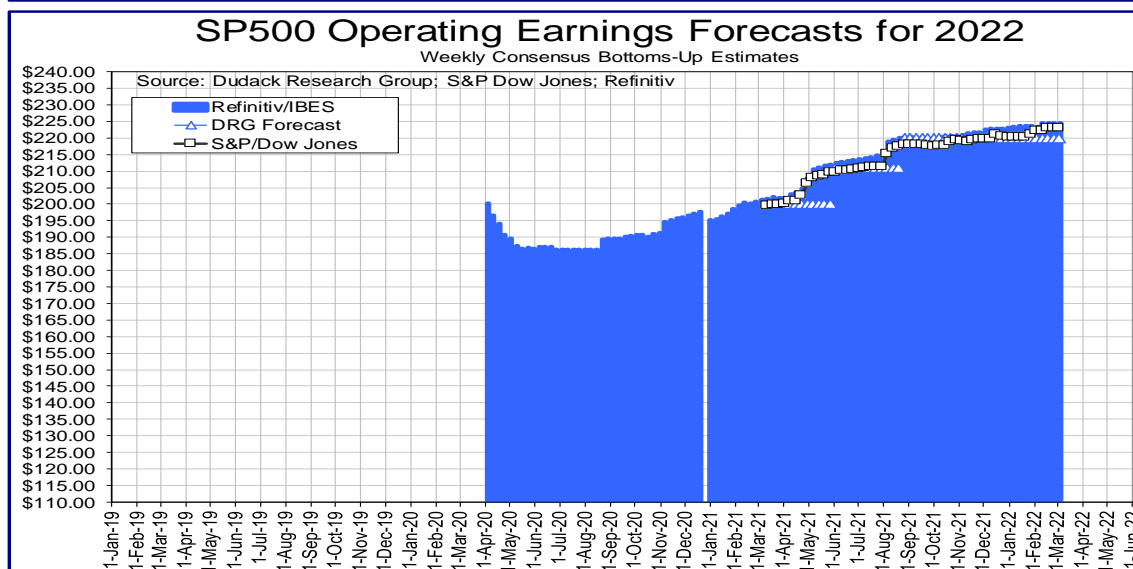
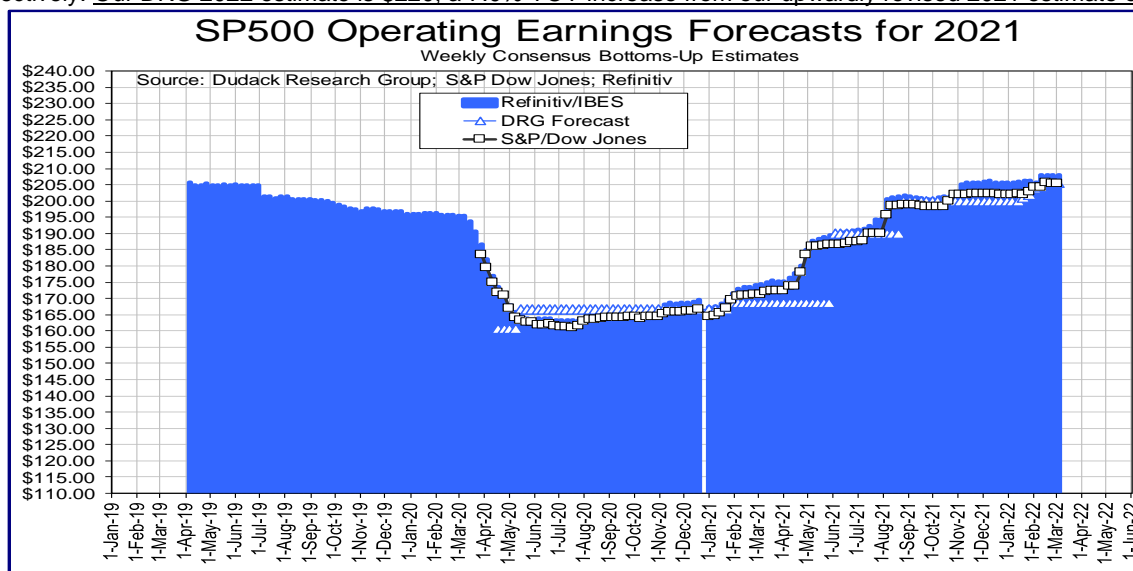
Source: Bureau of Labor Statistics



The ISM manufacturing index for February inched up to 58.6 showing new and backlog orders rose but employment fell. The ISM non-manufacturing index fell 3.4 points to 56.5 and new orders, business activity, and employment fell. Weakness in the service sector is concerning.

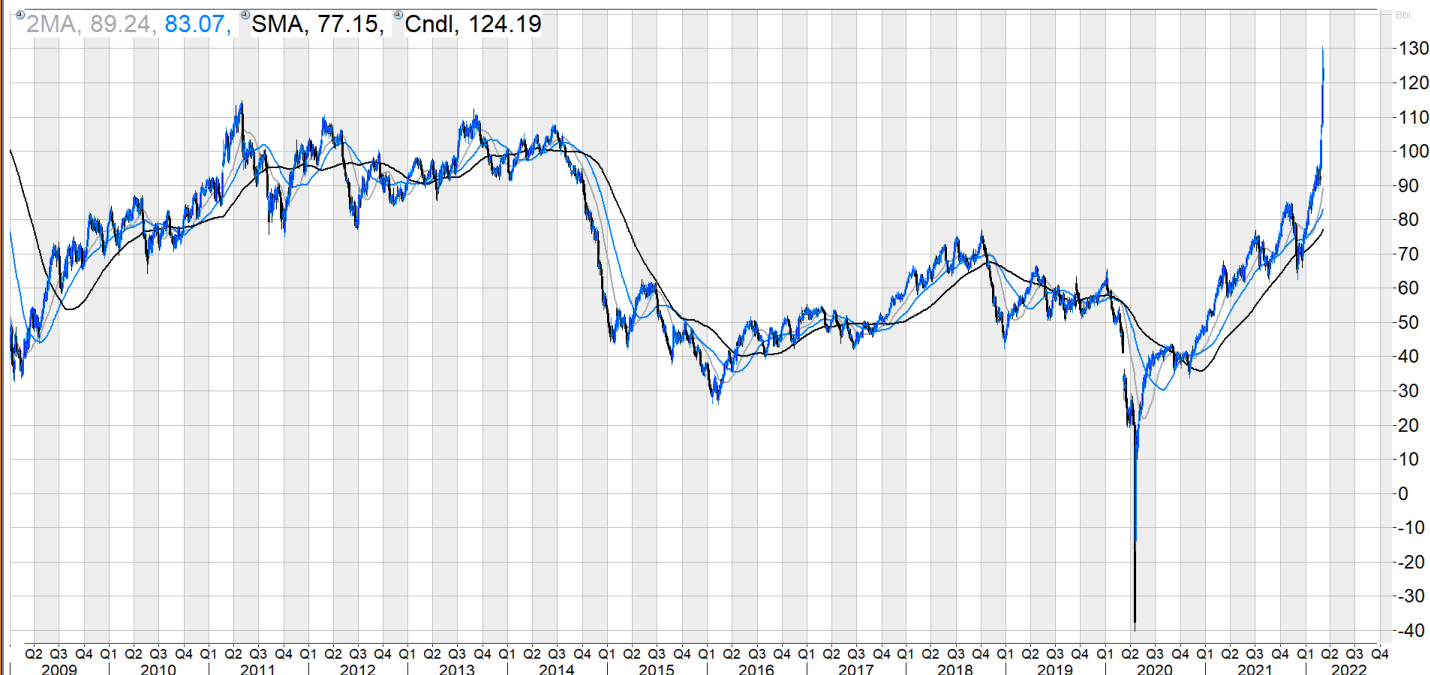


There were no updates for S&P Dow Jones or Refinitiv IBES estimates in the last week. Earnings growth rates for 2022 remain at 8.7% and 8%, respectively. Our DRG 2022 estimate is \$220, a 7.0% YOY increase from our upwardly revised 2021 estimate of \$205.34.

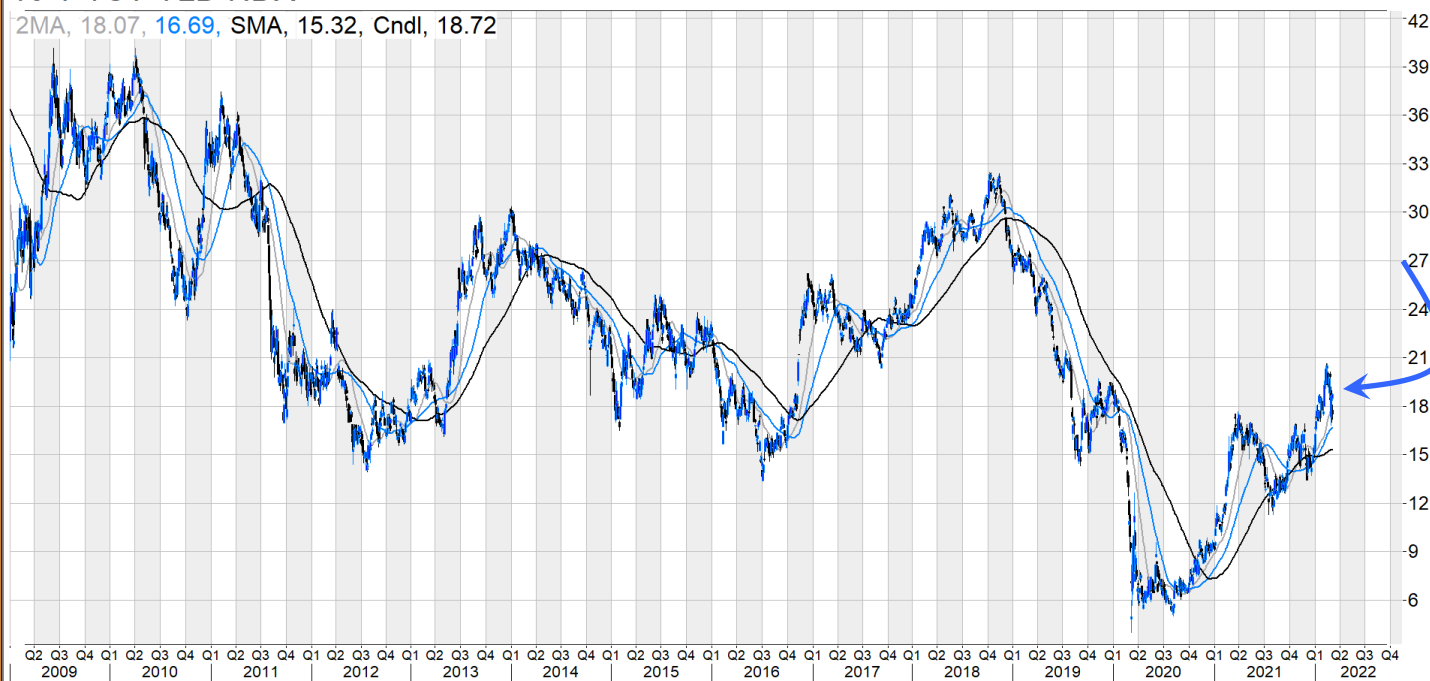


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LIGHT CRUDE APR2



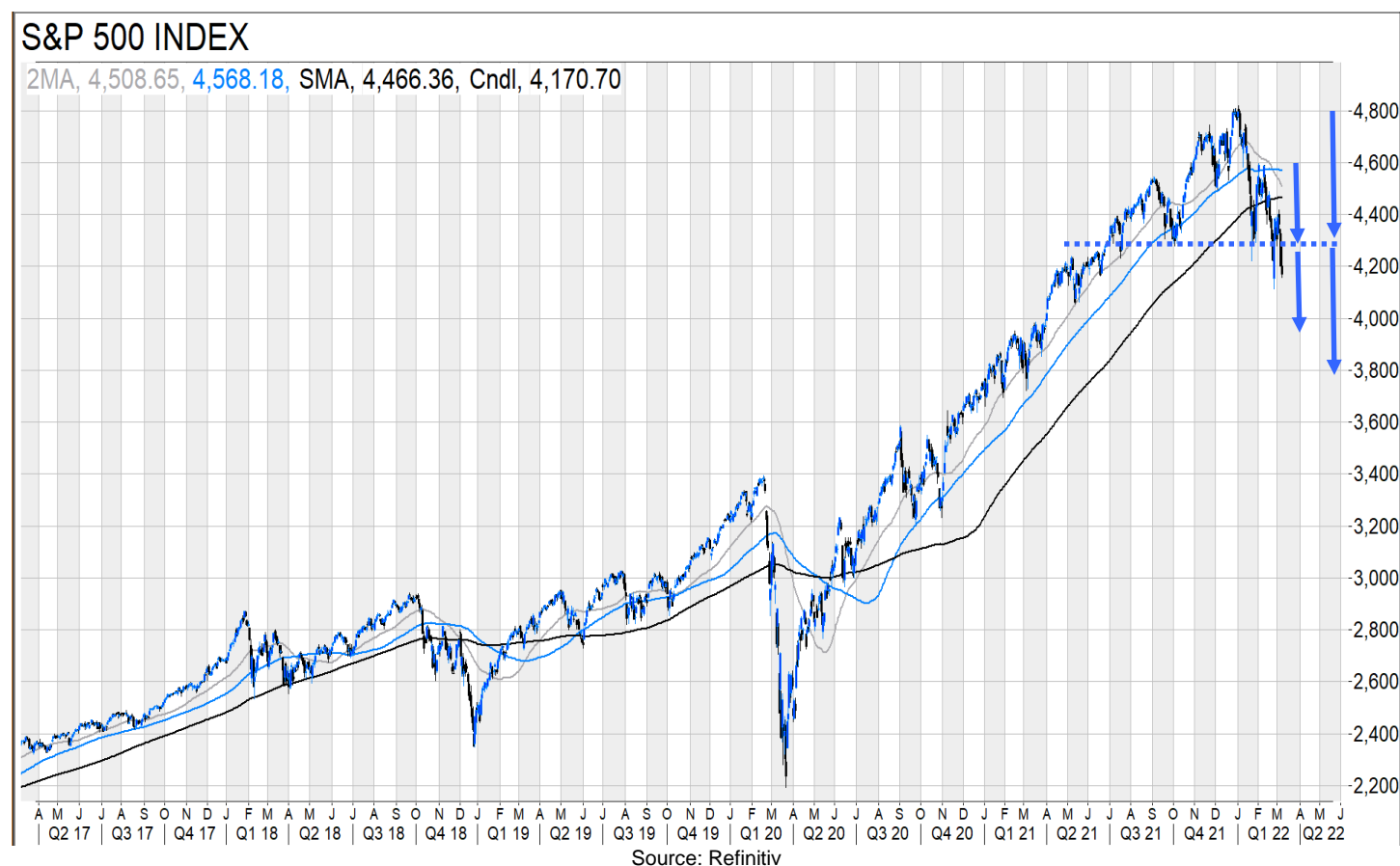
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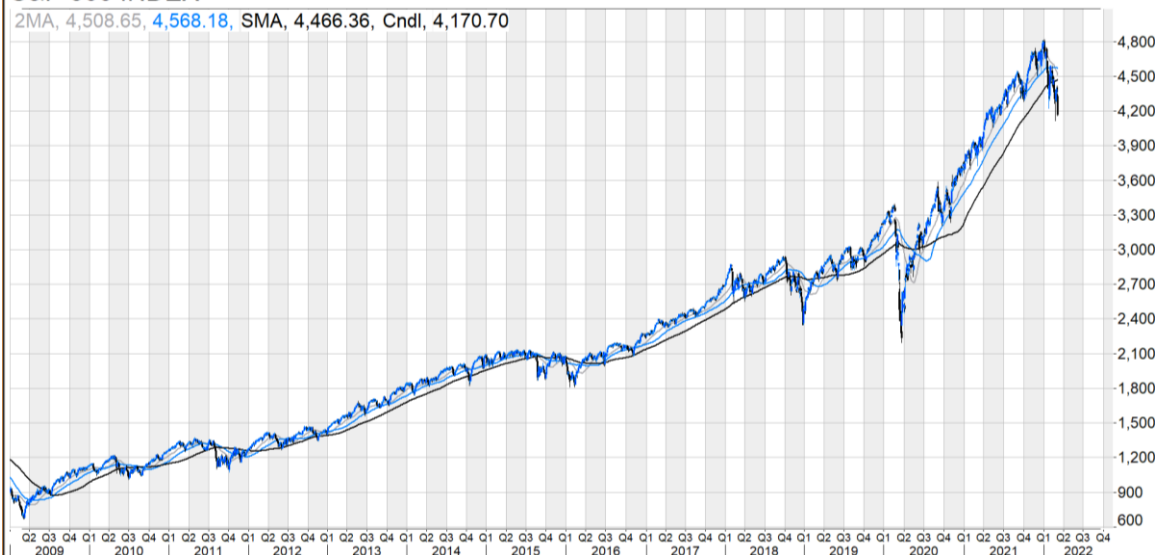
Source: Refinitiv

The major head-and-shoulders top formation in the SPX continues to evolve. The neckline can be drawn at several different levels, but we show the neckline at SPX 4300. A break below a neckline of a head-and-shoulders formation allows for downside targets and this formation has two -- the difference between the height of the shoulder to the neckline and the difference between the head and the neckline.

The first of these downside targets implies a decline to SPX 4000, and SPX 4100 was tested on an intra-day basis, last week. The second downside target is SPX 3800 which equate to a 20% correction. A 20% correction in the S&P appears quite possible given that the Russell 2000 index has already experienced a 20% decline from its record high.



All the indices remain well below all their key moving averages; plus, the 50-day moving average has crossed below the 100-day moving average in each chart, a warning of a potential death cross. This is already seen in the IXIC chart since the 50-day MA fell below the 200-day MA. Moving averages now represent upside resistance.

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

Source: Refinitiv

The charts of the Russell 2000 index (RUT - \$1963.01) and Amazon.com (AMZN - \$2720.29) continue to look ironically similar and both are trading below all key moving averages. The 50-day and 100-day moving averages are trading well below the 200-day MA in a death cross. The rebound in AMZN failed to better the first level of resistance at the 50-day MA (\$3098.64) and this remains a key level to watch on rally days.

However, both charts show that recent lows have been retested, and to date, these tests have been fairly successful. This is favorable and the longer the initial lows hold, the more likely it is that these charts, and perhaps the overall market is beginning to define significant lows. The support levels to monitor are roughly \$2700 in Amazon and \$1900 in the RUT.

RUSSELL 2000 IND

^{a)}2MA, 2,077.6796, [2,182.5476](#), ^{a)}SMA, 2,215.4583, ^{a)}CndI, 1,963.0110

AMAZON.COM

2MA, 3,098.641600, **3,277.770200**, SMA, 3,341.027650, CndI, 2,720.290000

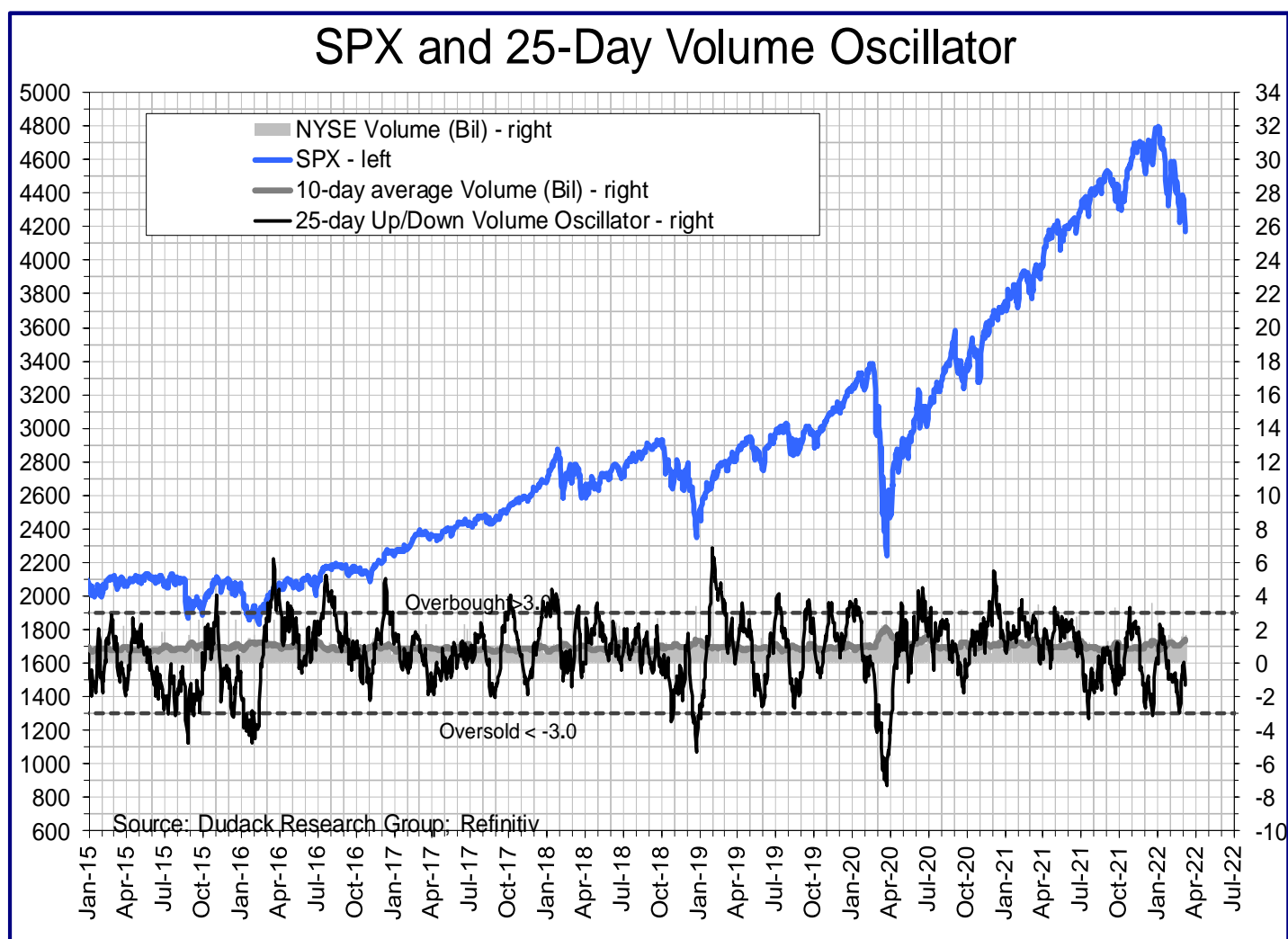


Source: Refinitiv

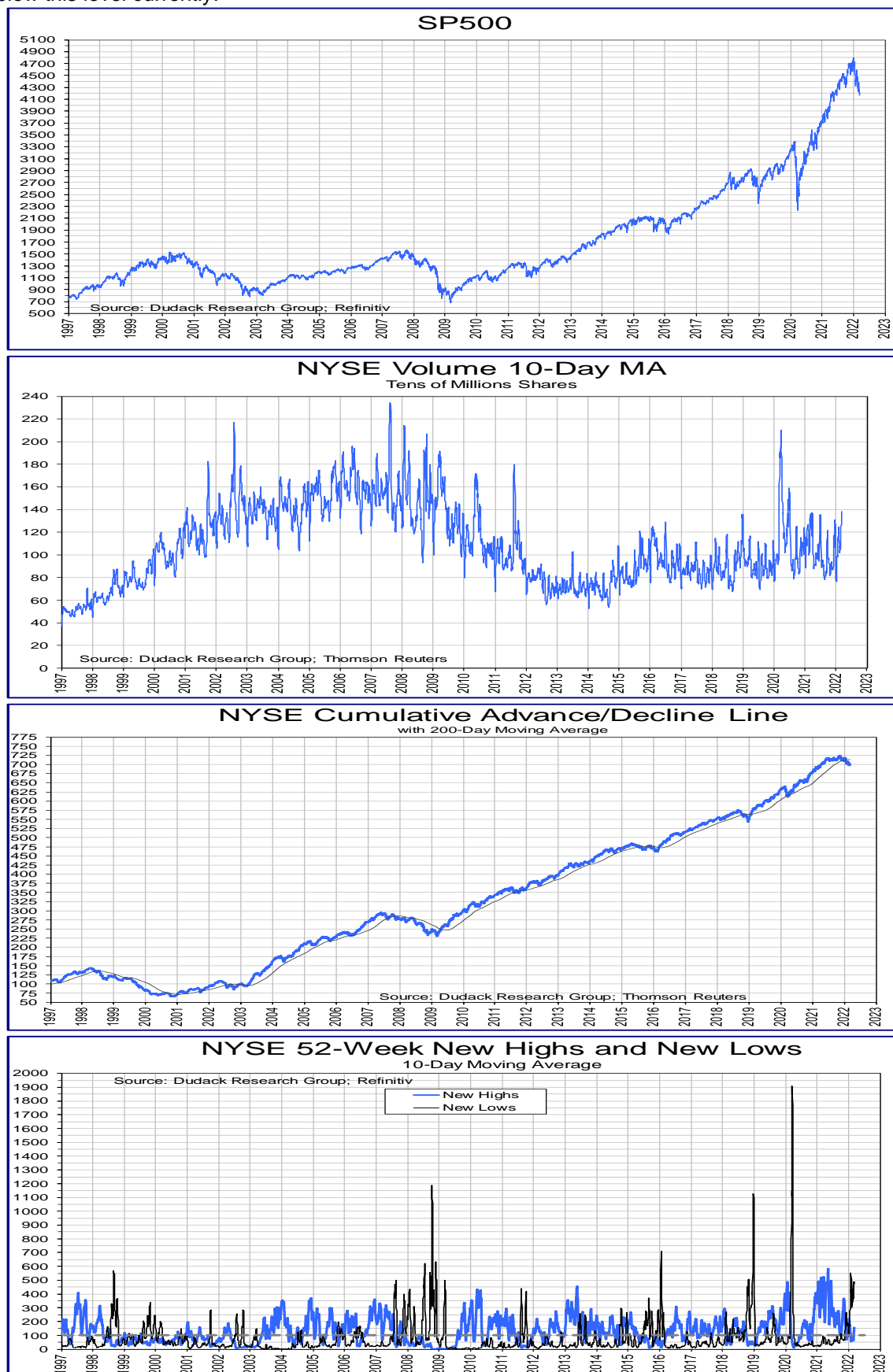
The 25-day up/down volume oscillator is negative 1.32 this week, and relatively unchanged from a week earlier, despite the sharp price decline in the market. This is because the recent correction has not had any extreme 90% volume day which would carry this oscillator into oversold territory. At least to date, there has not been any sign of panic selling or washout in the general market despite many key indices already showing a 20% correction from recent highs.

This oscillator last had a bullish confirming overbought reading in February 2021, and the absence of overbought readings revealed 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.

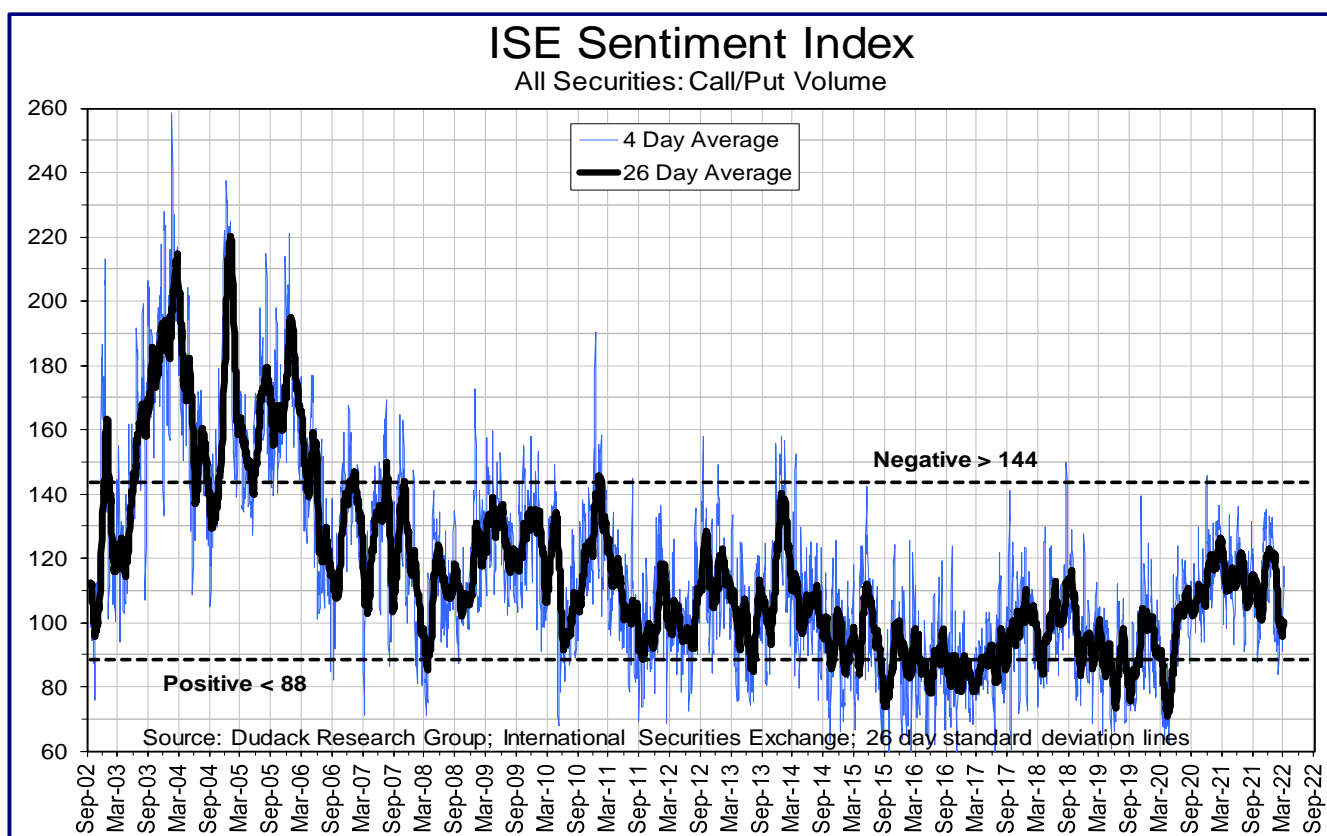
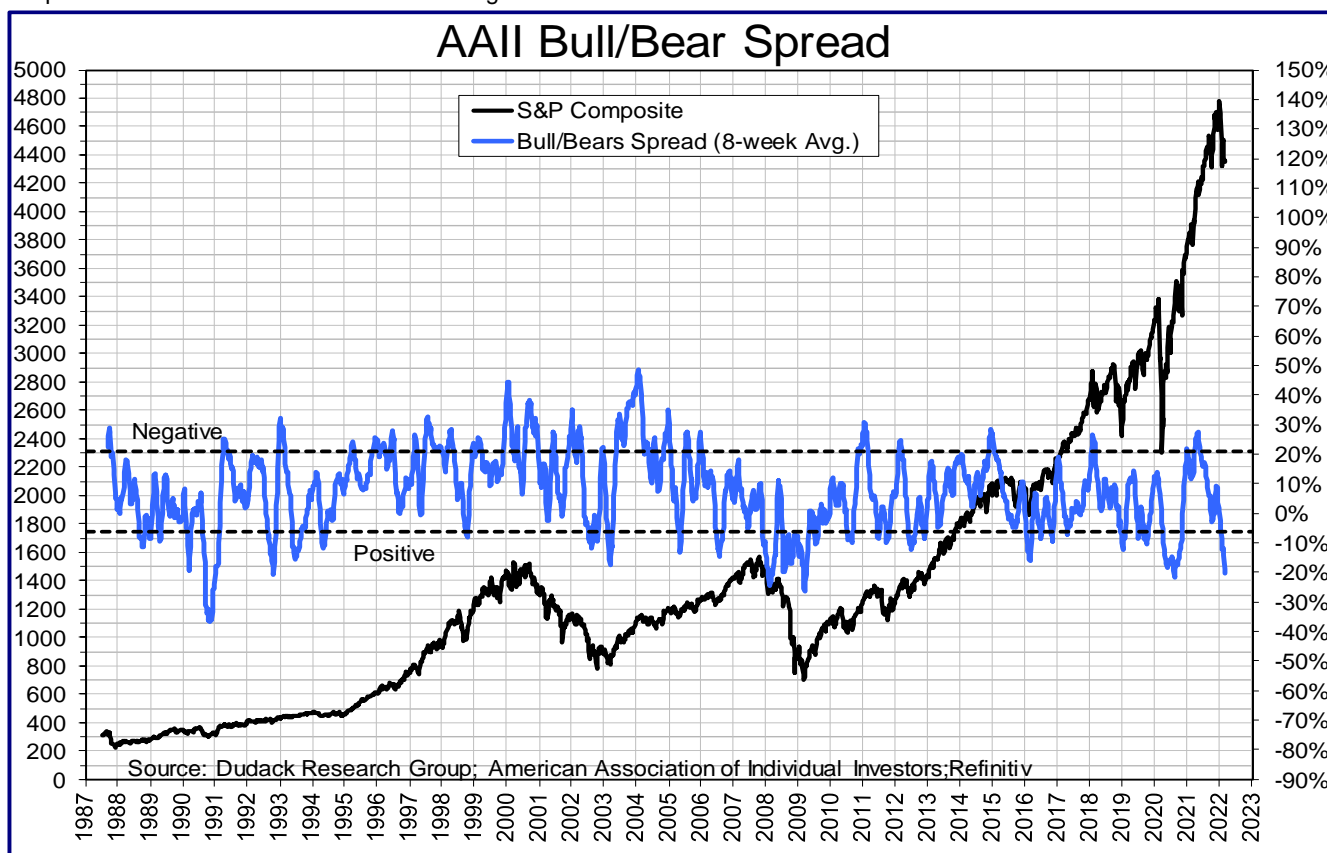
This 25-day up/down volume oscillator measures buying and selling momentum. New highs should be accompanied by strong and consistent buying pressure which results in long and sometimes extreme overbought readings. An absence of overbought readings at a new high reveals a weakness in the trend and is 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 158 this week and daily new lows fell to 489. This combination is an upgrade from last week's negative reading to neutral. The advance/decline line's last record high was on November 8, 2021, and it is trading well below this level currently.



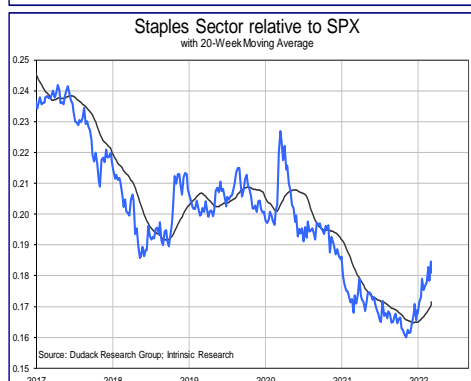
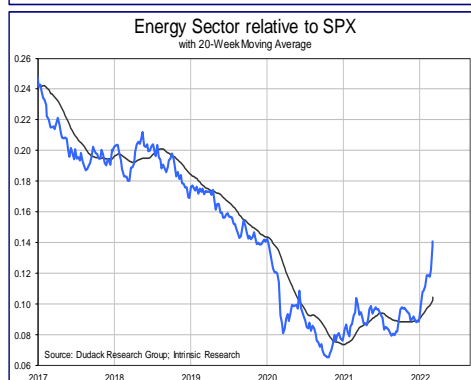
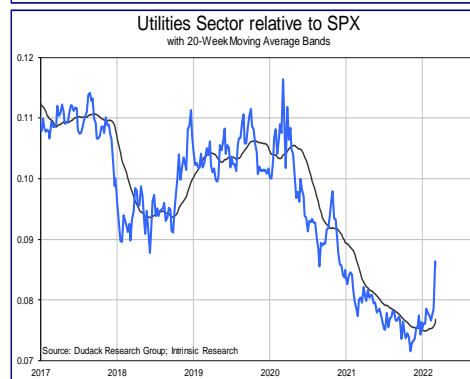
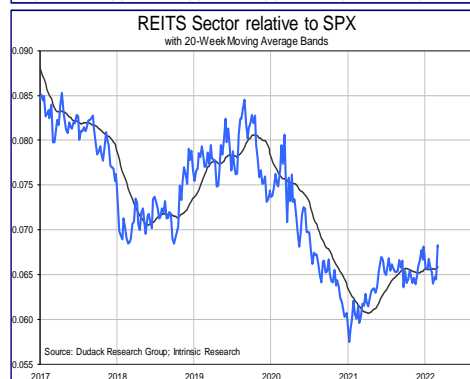
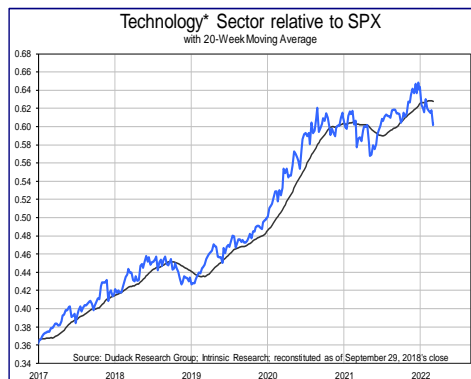
Bullish sentiment rose 7.0 points to 30.4% and is below the historical average of 38.0% for the 15th consecutive week. Bearish sentiment fell 12.3 points to 41.4% and is above the historical average of 30.5% for the 15th consecutive week. The AAI bull/bear spread index remains positive. The ISE Sentiment 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 Industrials Energy Staples		Healthcare REITS Materials Financials	Consumer Discretionary Utilities Communication Services

3/8/2022: Materials upgraded from underweight to neutral/communication services downgraded from neutral to underweight. 3/1/2022 Financials downgraded to neutral and Industrials upgraded to overweight.



2022 Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	38.8%
S&P UTILITIES	-1.8%
S&P CONSUMER STAPLES	-6.2%
S&P INDUSTRIALS	-8.5%
S&P FINANCIAL	-9.0%
S&P HEALTH CARE	-9.7%
S&P MATERIALS	-12.2%
S&P 500	-12.5%
S&P REITS	-12.5%
S&P INFORMATION TECH	-17.7%
S&P COMMUNICATIONS SERVICES	-18.5%
S&P CONSUMER DISCRETIONARY	-20.1%

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%
Oil Future	CLc1	123.70	40.3%	40.3%	64.5%	64.5%
United States Oil Fund, LP	USO	85.43	36.7%	36.7%	57.2%	57.2%
iShares DJ US Oil Eqpt & Services ETF	IEZ	19.71	26.8%	26.8%	52.9%	52.9%
Energy Select Sector SPDR	XLE	77.54	17.6%	17.6%	39.7%	39.7%
iShares MSCI Brazil Capped ETF	EWZ	33.24	5.1%	5.1%	18.4%	18.4%
iShares Silver Trust	SLV	25.48	17.5%	17.5%	13.8%	13.8%
SPDR Gold Trust	GLD	191.51	13.9%	13.9%	12.0%	12.0%
Gold Future	GCc1	2258.10	1.1%	1.1%	2.0%	2.0%
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 Malaysia ETF	EWM	24.76	1.1%	1.1%	-1.1%	-1.1%
Utilities Select Sector SPDR	XLU	70.70	2.1%	2.1%	-1.2%	-1.2%
iShares MSCI Canada ETF	EWC	37.69	-1.3%	-1.3%	-1.9%	-1.9%
iShares MSCI Australia ETF	EWA	23.91	4.7%	4.7%	-3.7%	-3.7%
SPDR S&P Bank ETF	KBE	51.63	-6.2%	-6.2%	-5.4%	-5.4%
iShares MSCI Mexico Capped ETF	EWX	47.88	-1.4%	-1.4%	-5.4%	-5.4%
iShares MSCI United Kingdom ETF	EWU	31.17	-8.0%	-8.0%	-5.9%	-5.9%
Consumer Staples Select Sector SPDR	XLP	72.48	-4.6%	-4.6%	-6.0%	-6.0%
iShares Russell 1000 Value ETF	IWD	157.15	-4.1%	-4.1%	-6.4%	-6.4%
iShares Russell 2000 Value ETF	IWN	155.25	-0.7%	-0.7%	-6.5%	-6.5%
iShares 20+ Year Treas Bond ETF	TLT	137.77	-3.2%	-3.2%	-7.0%	-7.0%
iShares MSCI Hong Kong ETF	EWH	21.46	-9.5%	-9.5%	-7.5%	-7.5%
Industrial Select Sector SPDR	XLI	97.10	-3.6%	-3.6%	-8.2%	-8.2%
iShares iBoxx \$ Invest Grade Corp Bond	LQD	121.41	-5.0%	-5.0%	-8.4%	-8.4%
Financial Select Sector SPDR	XLF	35.66	-8.7%	-8.7%	-8.7%	-8.7%
Health Care Select Sect SPDR	XLV	127.55	-2.8%	-2.8%	-9.5%	-9.5%
Shanghai Composite	.SSEC	3293.53	-6.5%	-6.5%	-9.5%	-9.5%
SPDR DJIA ETF	DIA	326.53	-7.0%	-7.0%	-10.1%	-10.1%
DJIA	.DJI	32632.64	-7.1%	-7.1%	-10.2%	-10.2%
iShares MSCI Taiwan ETF	EWT	59.72	-8.0%	-8.0%	-10.3%	-10.3%
iShares MSCI India ETF	INDA.K	40.92	-10.8%	-10.8%	-10.7%	-10.7%
iShares US Telecomm ETF	IYZ	29.10	-5.9%	-5.9%	-11.6%	-11.6%
iShares MSCI Emerg Mkts ETF	EEM	43.09	-11.8%	-11.8%	-11.8%	-11.8%
Materials Select Sector SPDR	XLB	79.77	-5.5%	-5.5%	-12.0%	-12.0%
iShares US Real Estate ETF	IYR	101.83	-4.5%	-4.5%	-12.3%	-12.3%
iShares MSCI Singapore ETF	EWS	18.75	-11.1%	-11.1%	-12.3%	-12.3%
Vanguard FTSE All-World ex-US ETF	VEU	53.71	-10.2%	-10.2%	-12.4%	-12.4%
iShares Russell 2000 ETF	IWM	194.79	-3.2%	-3.2%	-12.4%	-12.4%
SP500	.SPX	4170.70	-7.6%	-7.6%	-12.5%	-12.5%
iShares Russell 1000 ETF	IWB	230.48	-7.6%	-7.6%	-12.8%	-12.8%
iShares MSCI Japan ETF	EWJ	58.18	-9.2%	-9.2%	-13.1%	-13.1%
iShares MSCI South Korea Capped ETF	EWY	67.58	-6.6%	-6.6%	-13.2%	-13.2%
iShares MSCI EAFE ETF	EFA	67.42	-11.1%	-11.1%	-14.3%	-14.3%
iShares China Large Cap ETF	FXI	31.27	-17.6%	-17.6%	-14.5%	-14.5%
Technology Select Sector SPDR	XLK	143.57	-11.4%	-11.4%	-17.4%	-17.4%
iShares MSCI BRIC ETF	BKF	36.88	-17.7%	-17.7%	-17.6%	-17.6%
Nasdaq Composite Index Tracking Stock	ONEQ.O	49.96	-10.0%	-10.0%	-18.0%	-18.0%
iShares Russell 2000 Growth ETF	IWO	239.43	-5.6%	-5.6%	-18.3%	-18.3%
SPDR S&P Retail ETF	XRT	73.76	-9.8%	-9.8%	-18.3%	-18.3%
PowerShares Water Resources Portfolio	PHO	49.60	-6.4%	-6.4%	-18.5%	-18.5%
iShares Russell 1000 Growth ETF	IWF	248.51	-10.9%	-10.9%	-18.7%	-18.7%
NASDAQ 100	NDX	13267.61	-11.1%	-11.1%	-18.7%	-18.7%
Consumer Discretionary Select Sector SPDR	XLY	163.53	-11.6%	-11.6%	-20.0%	-20.0%
iShares Nasdaq Biotechnology ETF	IBB.O	120.32	-8.8%	-8.8%	-21.2%	-21.2%
SPDR S&P Semiconductor ETF	XSD	191.55	-6.4%	-6.4%	-21.2%	-21.2%
iShares MSCI Germany ETF	EWG	25.67	-19.8%	-19.8%	-21.7%	-21.7%
iShares MSCI Austria Capped ETF	EWO	19.51	-23.2%	-23.2%	-23.3%	-23.3%
SPDR Homebuilders ETF	XHB	65.67	-11.8%	-11.8%	-23.4%	-23.4%

Outperformed SP500
Underperformed SP500

Source: Dudack Research Group; Thomson Reuters

Priced as of March 8, 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	~~~~~	\$195.22	\$205.34	\$205.34	67.8%	\$208.12	49.0%	23.2X	1.3%	5.7%	\$1,834.70	-6.0%
2022E		\$208.60	\$223.14	\$220.00	7.1%	\$224.69	8.0%	18.7X	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 3Q	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 4QP	4766.18	\$51.29	\$53.88	\$53.88	41.1%	\$53.63	26.0%	23.2	1.3%	7.0%	NA	NA
2022 1QE*	4170.70	\$47.34	\$51.16	\$55.00	16.0%	\$51.82	5.5%	19.9	NA	NA	NA	NA
2022 2QE		\$50.89	\$54.92	\$55.00	5.7%	\$55.40	5.4%	19.7	NA	NA	NA	NA
2022 3QE		\$54.21	\$57.85	\$55.00	5.7%	\$58.40	8.7%	19.1	NA	NA	NA	NA
2022 4QE		\$56.14	\$59.21	\$55.00	2.1%	\$59.53	11.0%	18.7	NA	NA	NA	NA

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

3/8/2022

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