Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
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April 13, 2022

DJIA: 34220.36
SPX: 4397.45
NASDAQ: 13371.57

US Strategy Weekly
Is Recession Inevitable?

According to Reuters, as soon as Wednesday, President Joe Biden's administration could announce it is extending another $750 million in military assistance for Ukraine's fight against the Russian invasion. Separately, the Pentagon is hosting leaders from eight weapons and defense manufacturers to discuss the industry's capacity to meet Ukraine's needs in case the war with Russia lasts for years.

These announcements are just one indication of how the world, the financial markets, and potentially, our futures have changed in the last two months. There is no denying that energy prices were trending higher well before Russia invaded Ukraine in late February. However, energy, grains, metals, Russia, Ukraine, inflation, financial markets, and politics are now irrefutably intertwined in an inflationary quagmire. This war-induced combination is not really something the Fed has the tools to fix. And in our opinion, this is why the consensus has flipped from optimism to pessimism about the US economy and is worried about a Fed-induced recession. We are too.

Other headlines are also disconcerting: the possibility of Russia using chemical weapons in Ukraine, eurozone banks becoming risk averse and tightening corporate credit, and China shutting down Shanghai due to the spread of a COVID variant. It is a mixed collection of news, but individually and together, it points to substantially weaker growth or potentially a global recession.

Stay Defensive

We contemplated raising cash this week, however, we still believe *select* stocks can do well despite these challenges. In fact, some companies will benefit. Therefore, we remain overweight the energy sector, industrials (with an emphasis on defense stocks), consumer staples, and utilities. Each of these sectors is a direct, or indirect, beneficiary of the current world condition. Utilities are not a direct beneficiary, but they are defensive, can pass on costs to consumers and are preferable to bonds in an era of rising interest rates.

Inflation continues to Roar

The March CPI report was filled with bad news. Headline inflation exceeded expectations showing prices rising 8.5% YOY with core inflation up 6.5% YOY. Both series displayed the highest inflation in 40 years. Energy rose 32.2% YOY, up from 25.7% in February. Food prices rose 8.8% YOY, up from 7.9% in February. Services rose 4.7% YOY, up from 4.4% YOY. Goods inflation "moderated" to 11.7% YOY, down from 12.4% YOY in February. See page 3. The March CPI report indicates why the average household is struggling to keep up with normal expenses even though average weekly earnings rose 4.6% YOY in March. After inflation, the purchasing power of consumers fell nearly 4% YOY in March.

All the large segments of the CPI – housing, food & beverages, medical care, and transportation – have been experiencing escalating price increases over the last six months. See page 4. Many economists, like Larry Summers, are voicing concerns about the probability of a recession in the next two years; and not surprisingly, most strategists fear the Fed will trigger a recession by raising interest rates too much or too fast.

A History Lesson

However, history suggests that today's inflation rate has reached a level that may make a recession inevitable. On page 4, we show a long-term chart of the S&P 500, various inflation benchmarks, and recessions. It shows that the last time inflation began to soar at this pace was during the oil embargo of 1973. That inflation was followed by three recessions in the subsequent ten years.

This era was called the "great inflation" and it began in late 1972 and did not end until the early 1980s. In his book *"Stocks for the Long Run: A Guide for Long-Term Growth"* (1994), our friend Wharton Professor Jeremy Siegel, called it "*the greatest failure of American macroeconomic policy in the postwar period."* This decade-long inflation era has been blamed on many things: oil prices, the end of the gold standard in 1973, funding of The Great Society legislation, greedy businessmen, food shortages due to bad weather, and avaricious union leaders. But, according to Professor Siegel, the root cause of the great inflation was monetary policies that financed massive budget deficits driven by political leaders and their legislation. This should sound familiar.

The great inflation ended with Paul Volcker, Chair of the Federal Reserve from 1979 to 1987. Volker made financial history in March 1980 when he raised the fed funds rate from 14% to 20%, its highest level on record. It was tough love but needed in order to end years of crippling double-digit inflation. Volker also moved the fed funds rate back to 20% in May 1981 when inflation began to creep higher. Although widely criticized at the time, the March 1980 "Volker Shock" is now seen as a courageous and wise act. Both rate hikes to 20% were followed by recessions, but in the end, it finally broke the back of a dangerous inflationary cycle.

Perhaps this was the history lesson discussed at the March FOMC meeting. If so, it would explain why dovish Fed governors like Lael Brainard suddenly become monetary hawks. The current Fed seems determined to enforce tough love on the economy in 2022 by raising interest rates and contracting its balance sheet. We believe both are needed. Unfortunately, it also raises the risk of recession.

Earnings Season

This week kicks off first quarter earnings season, and while all earnings seasons are important, this time analysts will be listening carefully to hear what corporate leaders have to say about revenues and margins. As we show on page 6, inflation is apt to pressure margins this year and we already discussed how inflation will decrease the purchasing power of households. IBES currently is forecasting earnings growth in the first quarter of 6.1% YOY but excluding energy growth falls to 0.6%. Clearly, any disappointments this quarter could tip the balance to negative for the quarter. Again, we would emphasize companies that benefit from the current environment, have predictable earnings streams, and safe dividend yields.

Technical Events

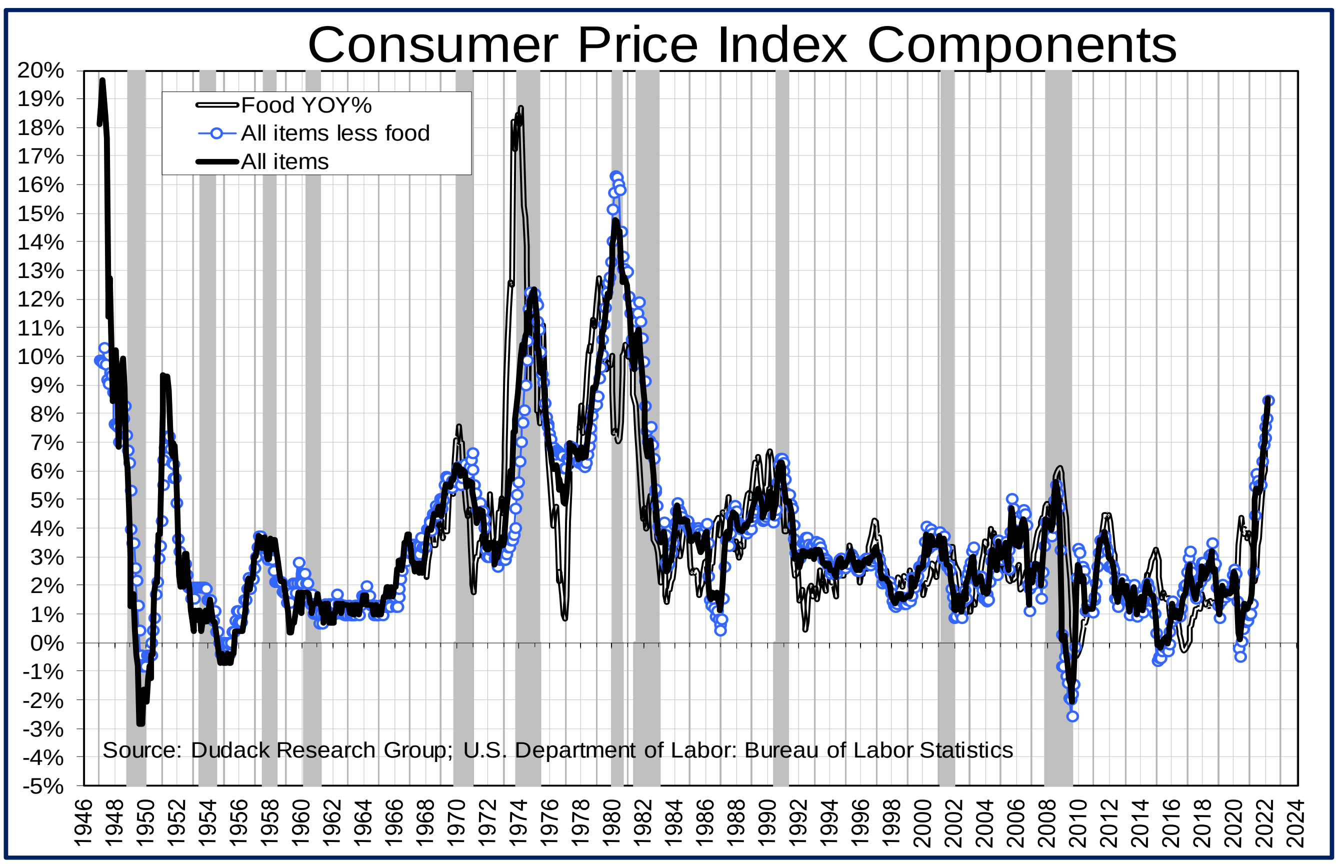
In our view, the most meaningful technical event of the last week was the inability of the DJIA to better the resistance found at 35,000. A convergence of three key moving averages made this a critical point for the index, and the DJIA not only failed to break through but has been noticeably weak in recent sessions. All the popular indices have a similar pattern, but it was most clearly seen in the DJIA. In short, all major indices continue to trade below their 200-day moving averages in a classic bearish pattern.

AAII sentiment has been unusually volatile. Last week, bullish sentiment fell 7.2 points to 24.7% while bearish sentiment jumped 13.9 points to 41.4%. Pessimism has been above 40% for nine of the last 12 weeks. Optimism has been below 27.9% for 10 of the last 13 weeks. Neutral has been above average for the third consecutive week. Overall, the AAII bull/bear spread remains positive.

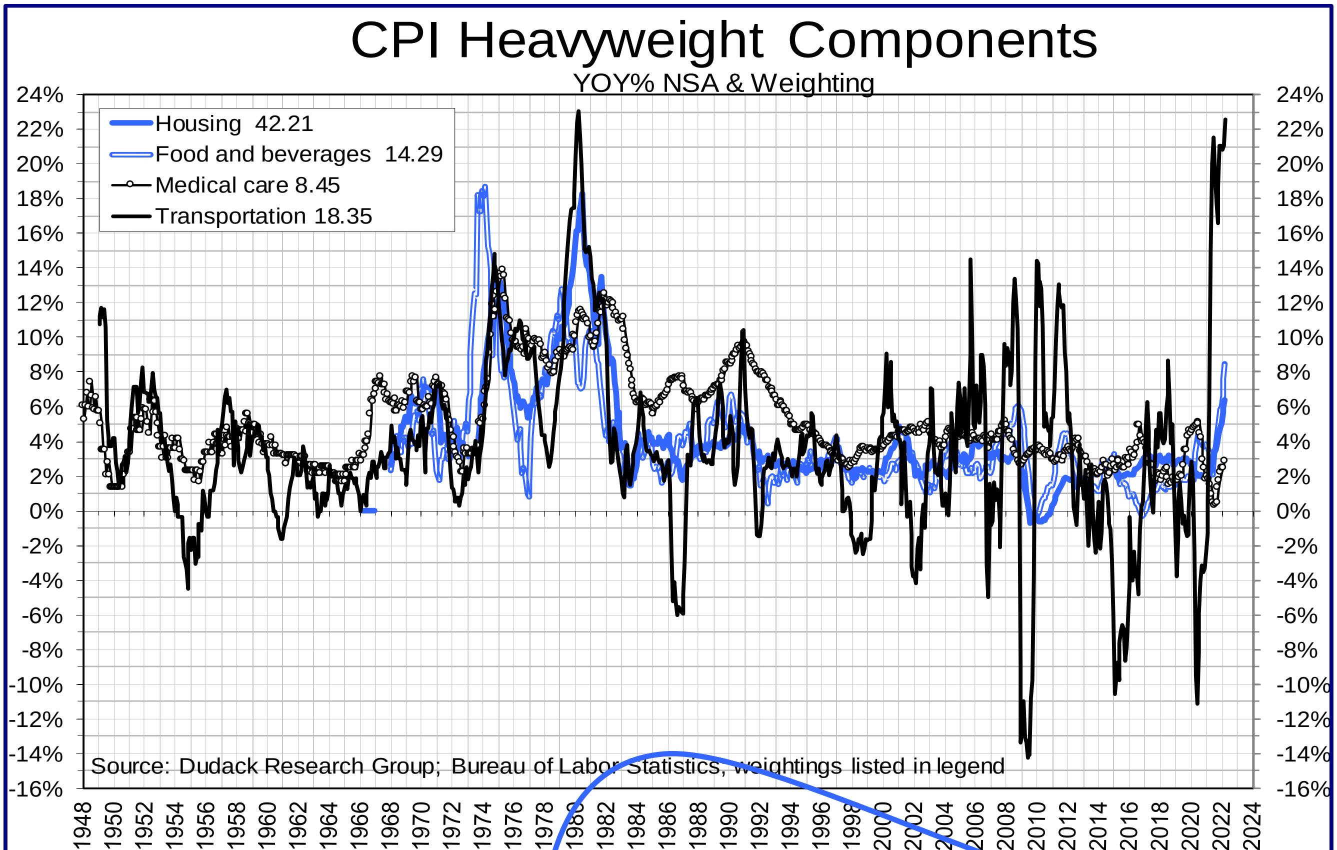
The March CPI report was not good news. Headline inflation exceeded expectations rising 8.5% YOY and core inflation rose 6.5%; both were the highest in 40 years. Energy rose 32.2% YOY, up from 25.7% in February. Food prices rose 8.8% YOY, up from 7.9% in February. Services rose 4.7% YOY, up from 4.4% YOY. Goods inflation "moderated" to 11.7% YOY, down from 12.4% YOY in February.

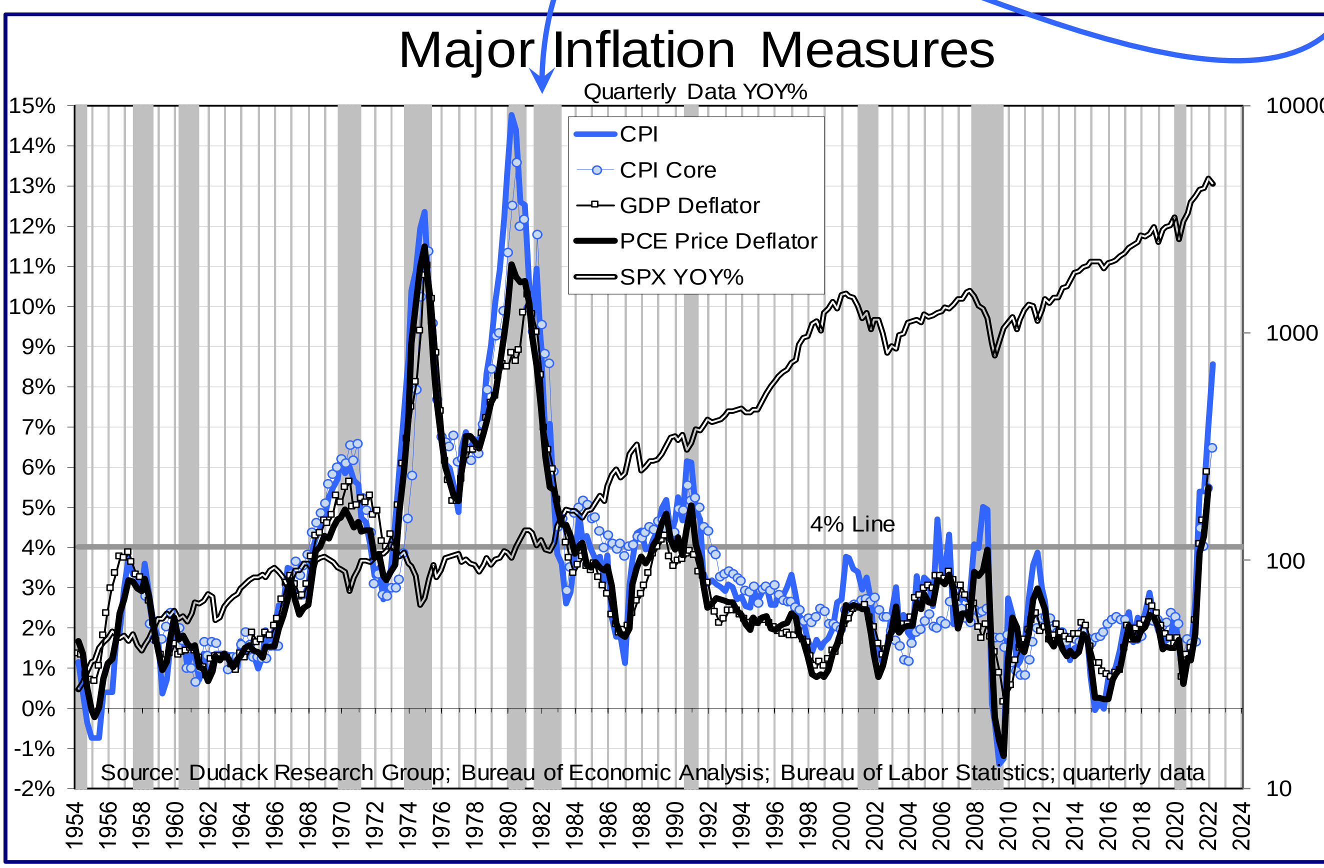
CPI Components Heavy Weights - Not Seasonally Adjusted Data	Component Weight*	Fuel Weight	Price Chg YOY%	Price Chg MOM%
Housing	**42.2%**	**4.7%**	**6.4%**	**0.7%**
Owners' equivalent rent of residences	**24.0%**		*4.5%*	0.4%
Fuels and utilities	**4.7%**		**12.5%**	**1.6%**
Transportation	**18.3%**	**2.9%**	**22.6%**	**4.5%**
Food and beverages	**14.3%**		8.5%	1.6%
Food at home	**8.2%**		*10.0%*	1.5%
Food away from home	**5.2%**		*6.9%*	0.3%
Alcoholic beverages	**0.9%**		*3.7%*	0.5%
Medical care	**8.4%**		**2.9%**	**0.5%**
Education and communication	**6.3%**		**1.5%**	**-0.3%**
Recreation	**5.1%**		**4.8%**	**0.2%**
Apparel	**2.6%**		**6.8%**	**0.8%**
Other goods and services	**2.7%**		**5.5%**	**0.5%**
Special groups:				
Energy	7.5%		32.0%	**11.4%**
All items less food and energy	79.0%		6.5%	0.4%
All items	**100.0%**		**8.54%**	**1.3%**

Source: Dudack Research Group; BLS; *Feb. 2022 w eightings; Italics=sub-component; bold = headline;blue>headline

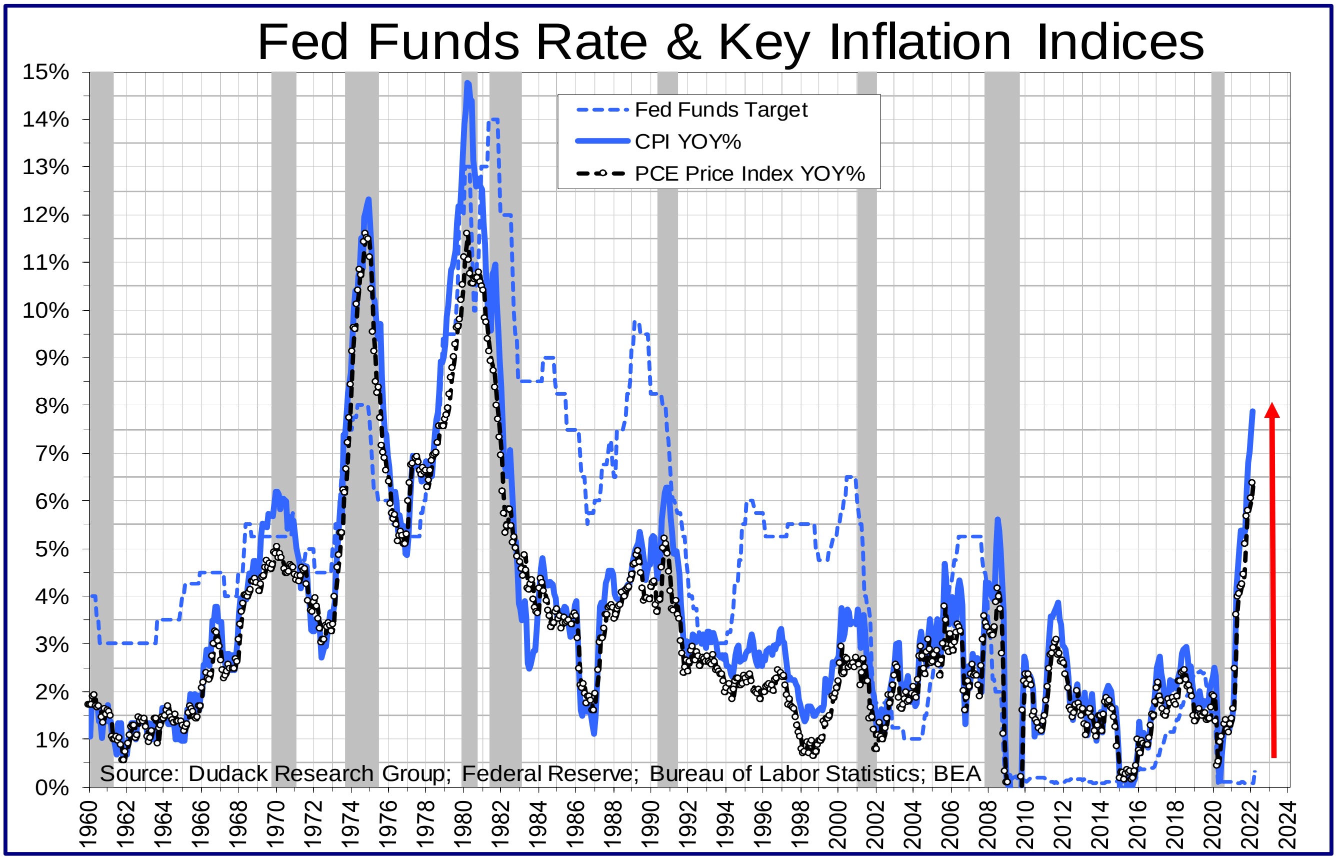


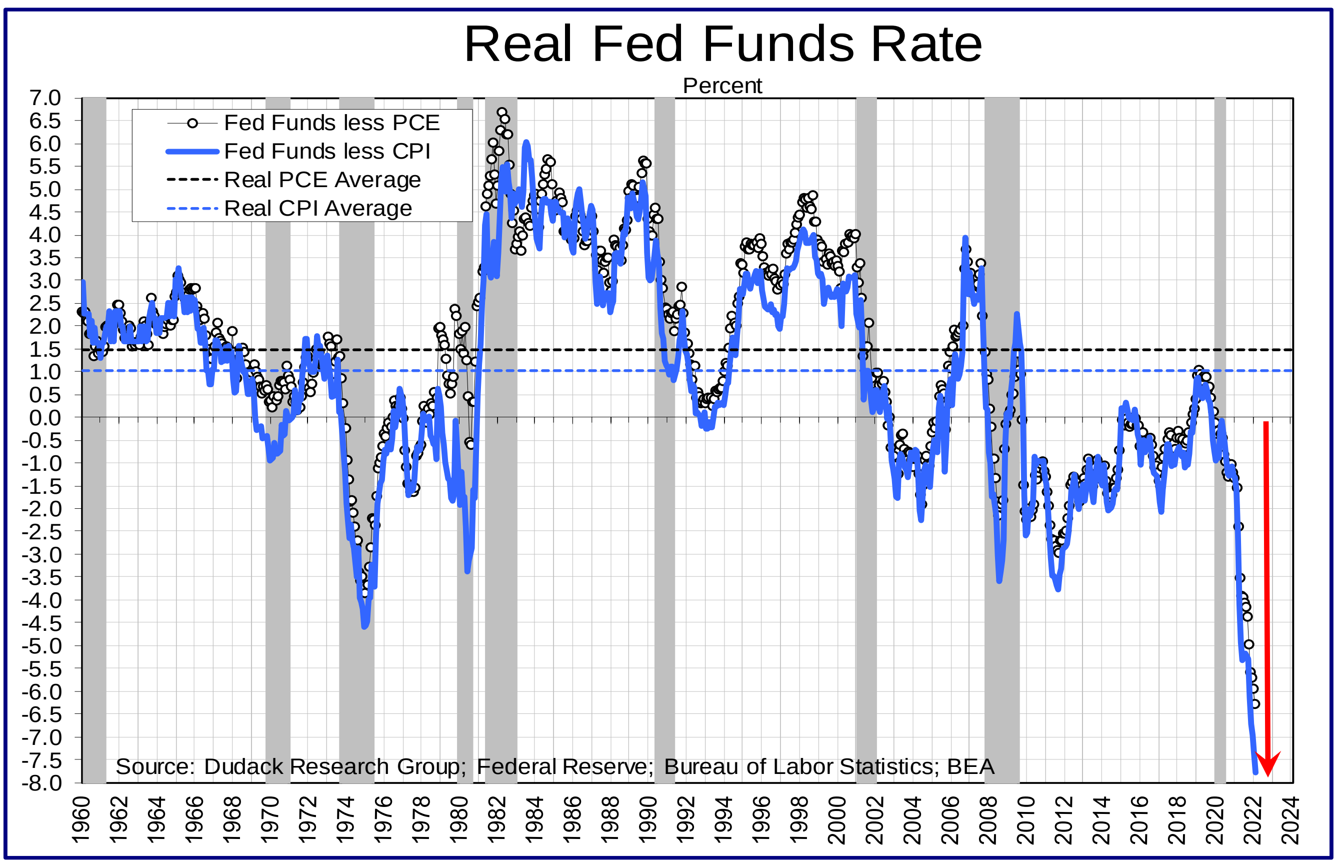
All the large components of the CPI – housing, food & beverages, medical care, and transportation – are experiencing escalating price increases. Many are worried about the Fed triggering a recession by raising interest rates, but the chart below shows that the last time inflation was this high, the economy suffered not just one, but a series of recessions before inflation fell below 4% and came under control.



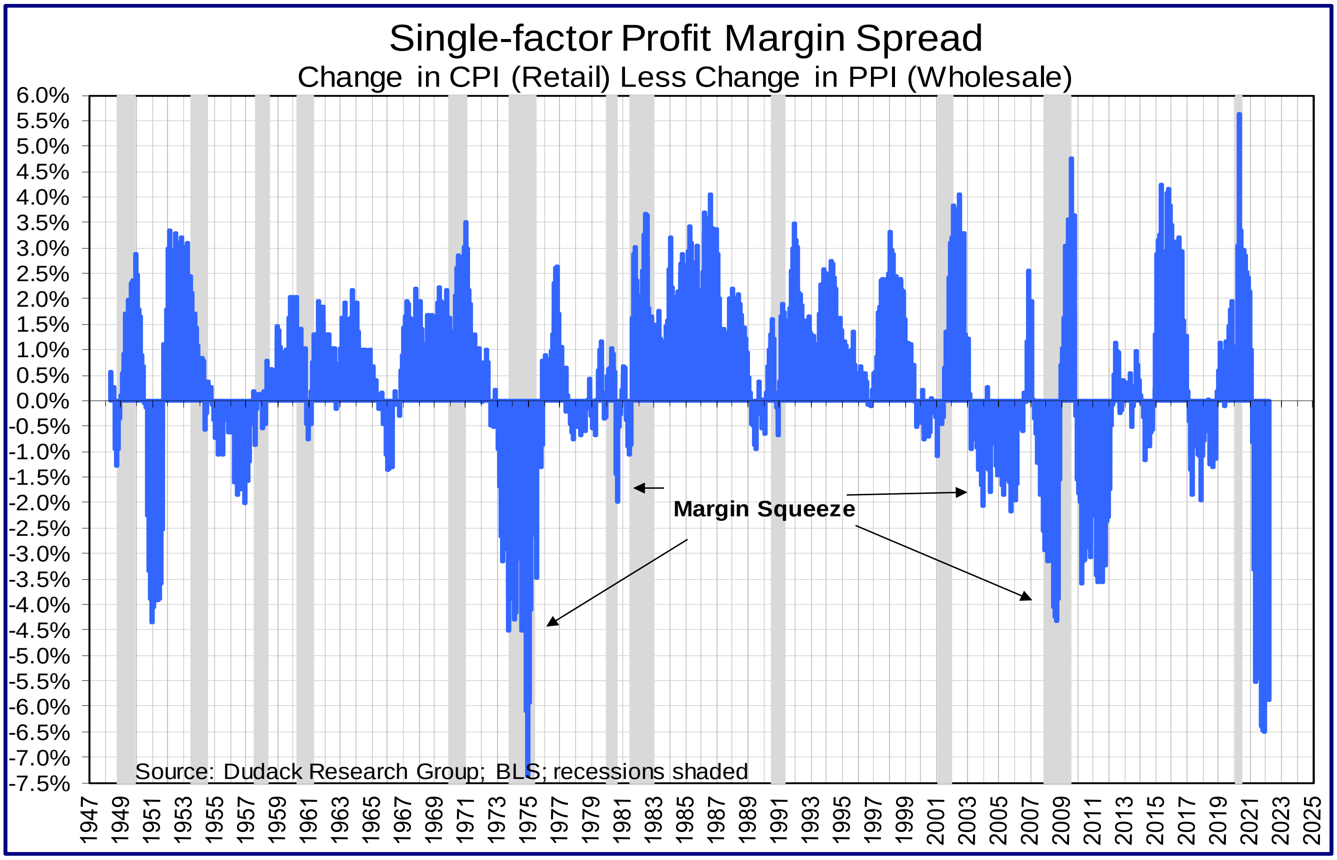


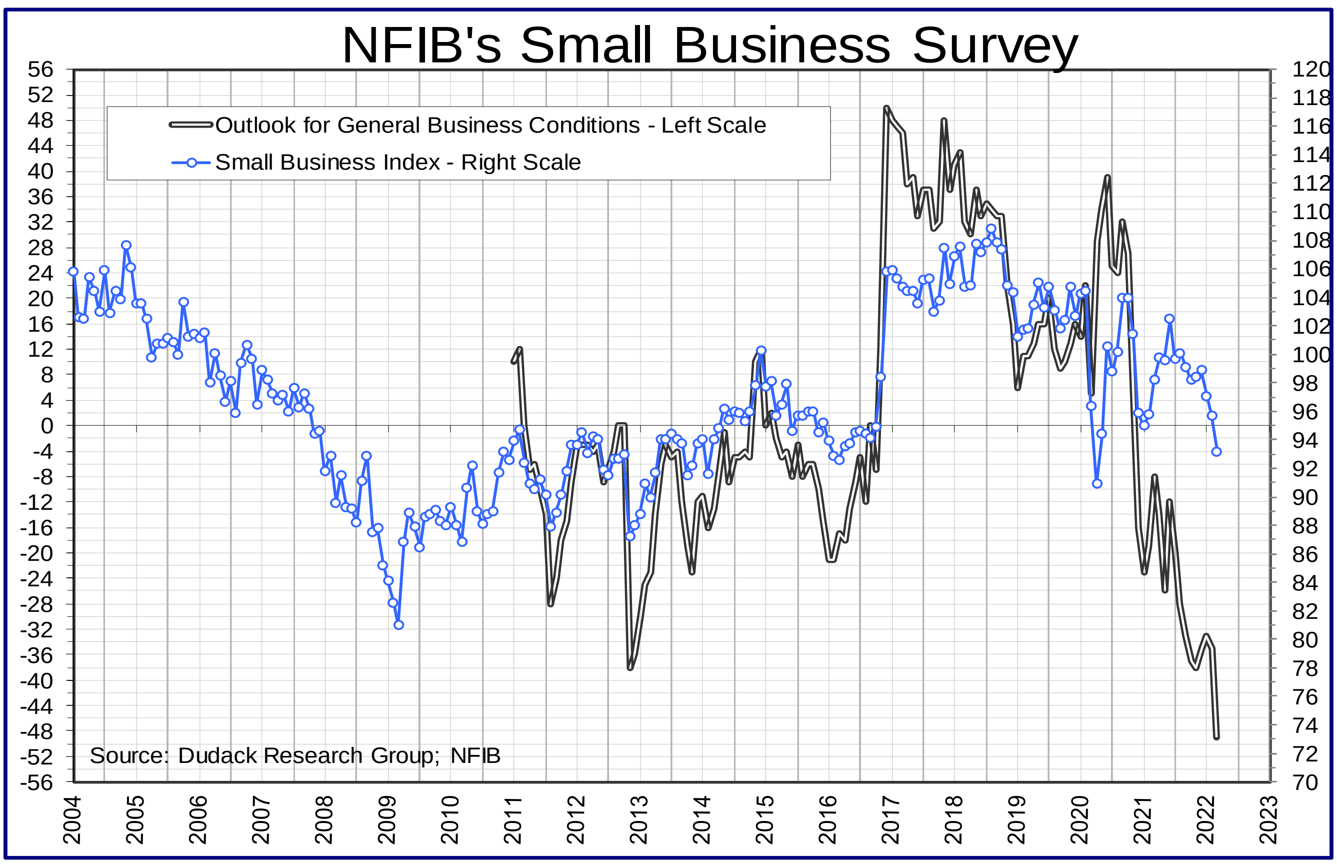
With inflation running at 8.5% and the fed funds rate in a range of 25 basis points to 50 basis points, the Fed has a lot of work to do to get to "normal." It is not surprising that Fed governors have been warning of a 50-basis point rate increase ahead. At today's inflation level, the fed funds rate would have to be 9% to turn the cost of money from negative to positive. The hope is that the expectation of Fed rate hikes will help to calm inflation and reduce the number of hikes needed to reach normal. But this may be wishful thinking.



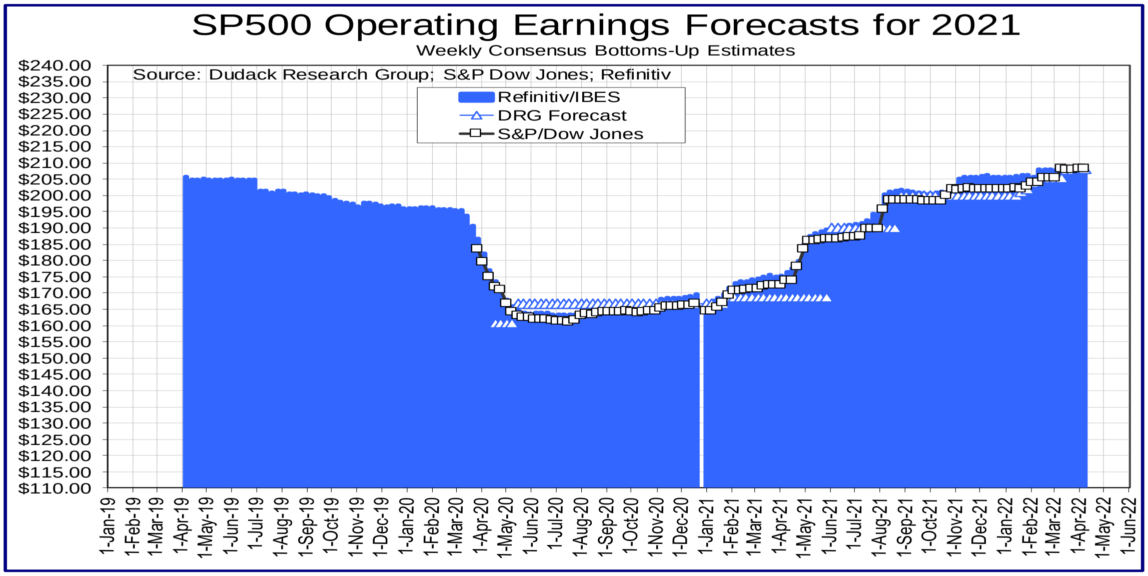


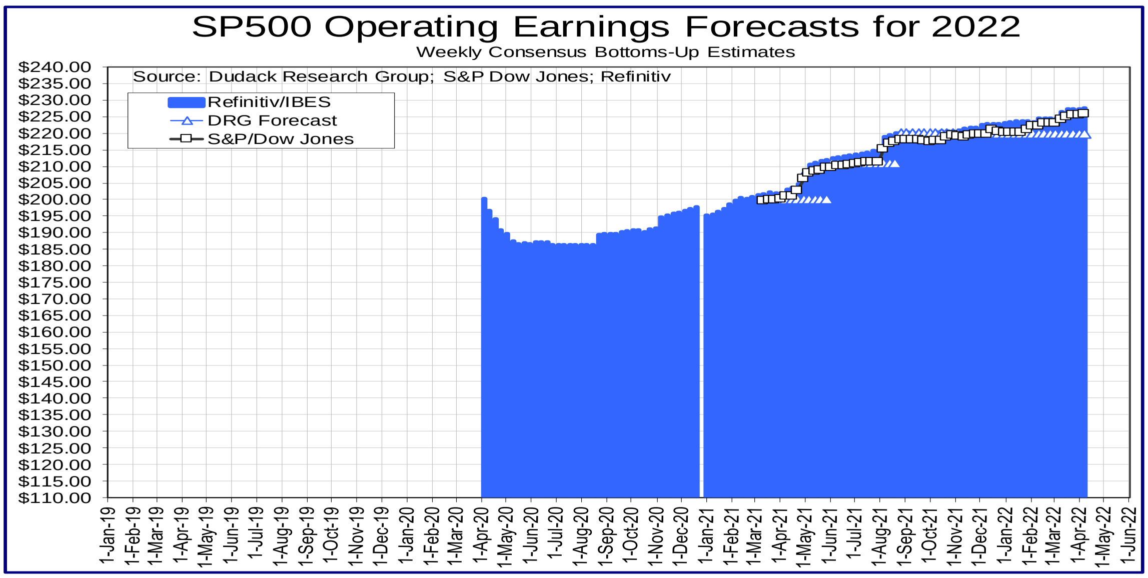
Inflation has many bad side effects, but the one that may trigger negative headlines this earnings season is that it erodes margins. Assuming manufacturers and retailers buy at wholesale (PPI) and sell at retail (CPI), profit margins could experience a negative 6% swing in the first quarter. Not surprisingly, the small business confidence index fell in March to 93.2, its third consecutive decline. Economic expectations fell 13 points to -49, the lowest on record.

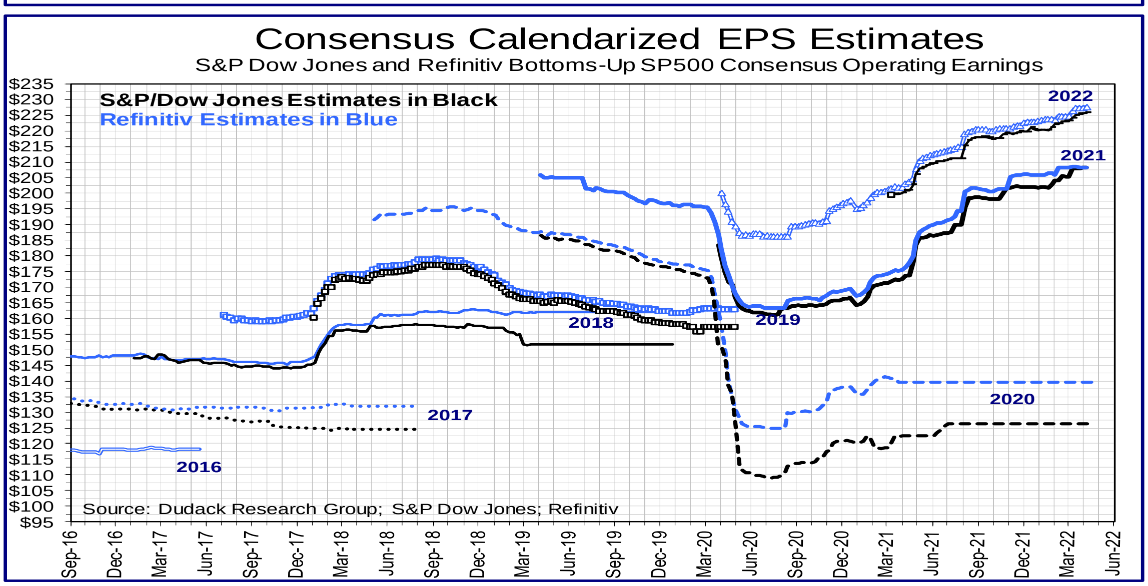




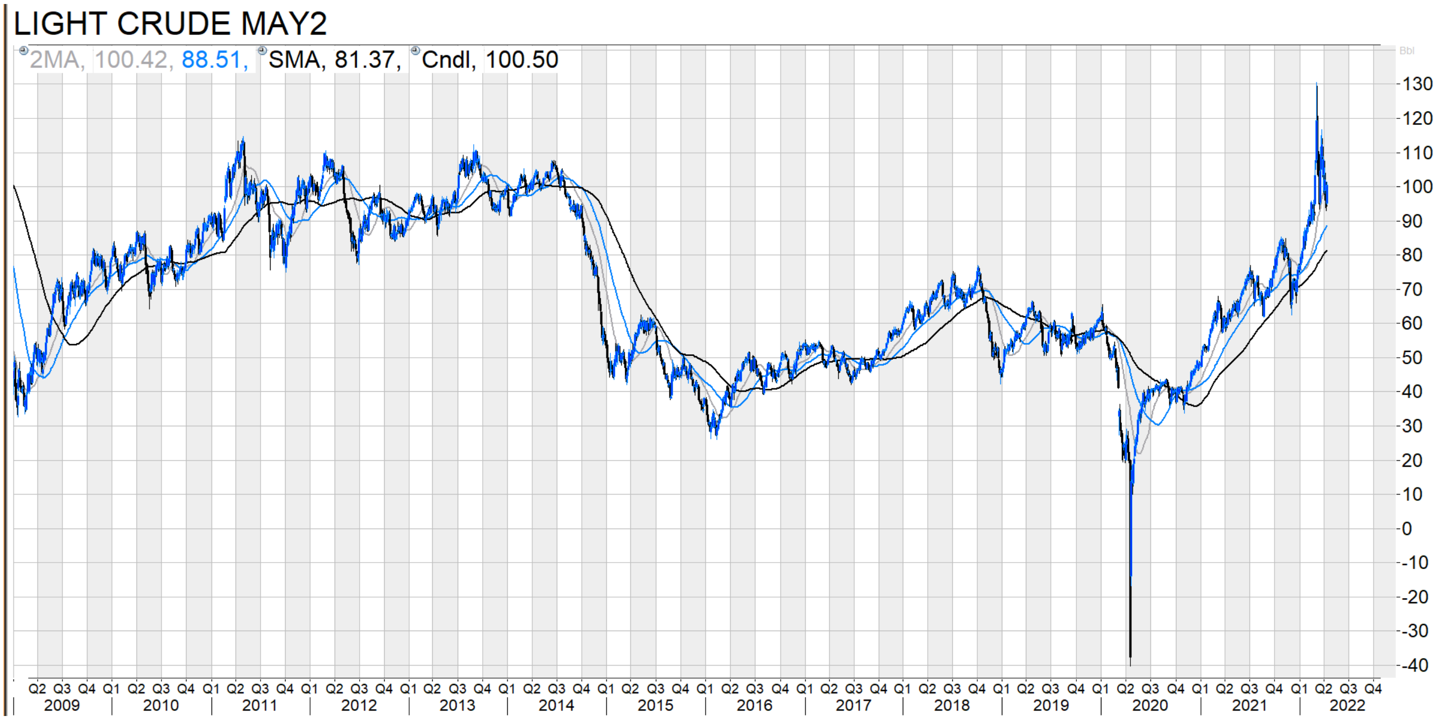
The S&P Dow Jones and Refinitiv IBES consensus earnings estimates for 2022 rose $0.35 and $0.28, respectively, this week, establishing a base EPS level of $225 to $227 in dollar terms. The 2022 earnings growth rates were 8.5% and 9.4%, respectively. *(Note: consensus macro-EPS forecasts may differ from four quarter analysts' forecast sums seen on page 16.)* <u>Our DRG 2022 estimate remains at $220, a 5.7% YOY increase from $208.19 in 2021.</u>

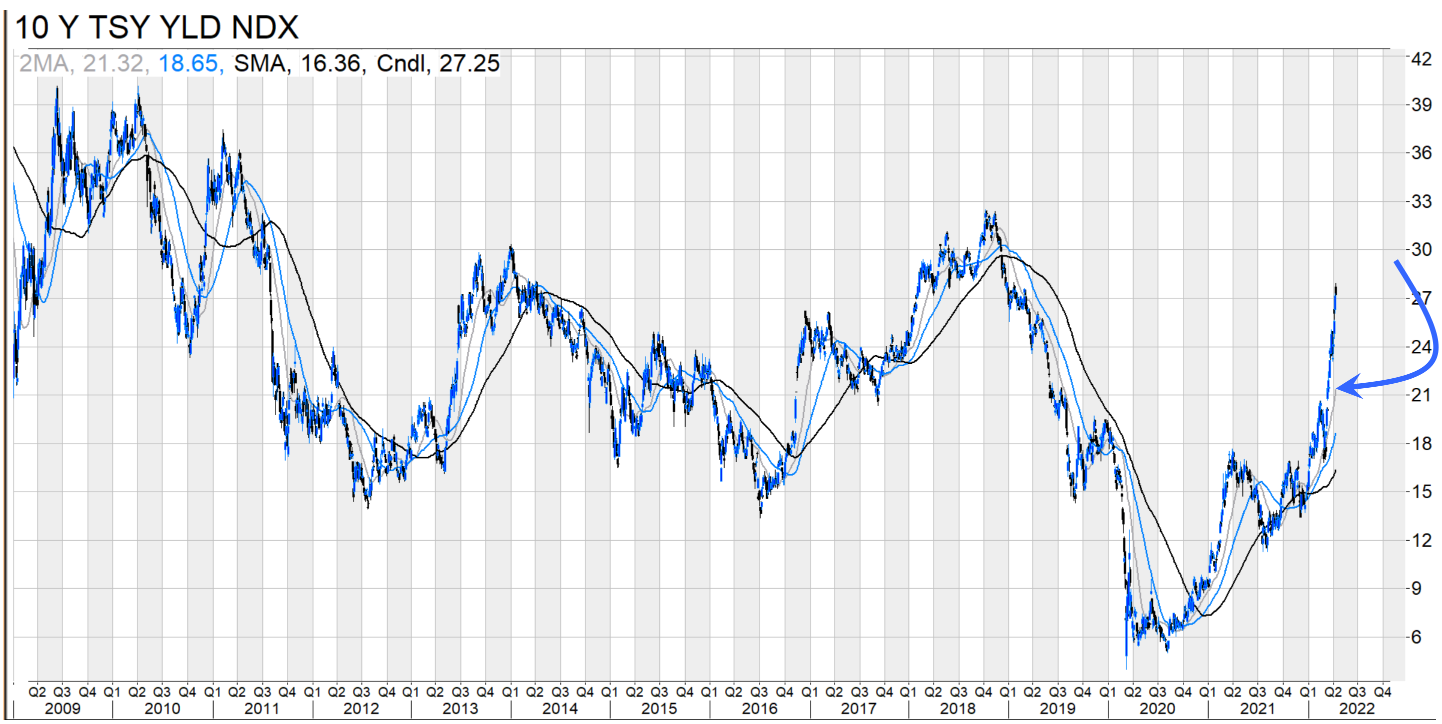






WTI crude oil briefly dipped under $100 a barrel this week due to fears of China's shutdowns and slowing global growth. Nevertheless, oil is up 50% YOY; and we expect a 2022 range of $90 to $130 a barrel to dominate price action. The 10-year note yield rose from 2.56% to 2.78% this week. The technical chart is quite bullish, but resistance in the 2.7% to 3.0% range should slow its advance. And despite gains in long-term interest rates, fears of an inverted yield curve continue. However, given the expectations of seven to nine fed funds rate hikes this year, the risk of an inverted yield curve, and a recession in 2022, is a possibility.





Source: Refinitiv

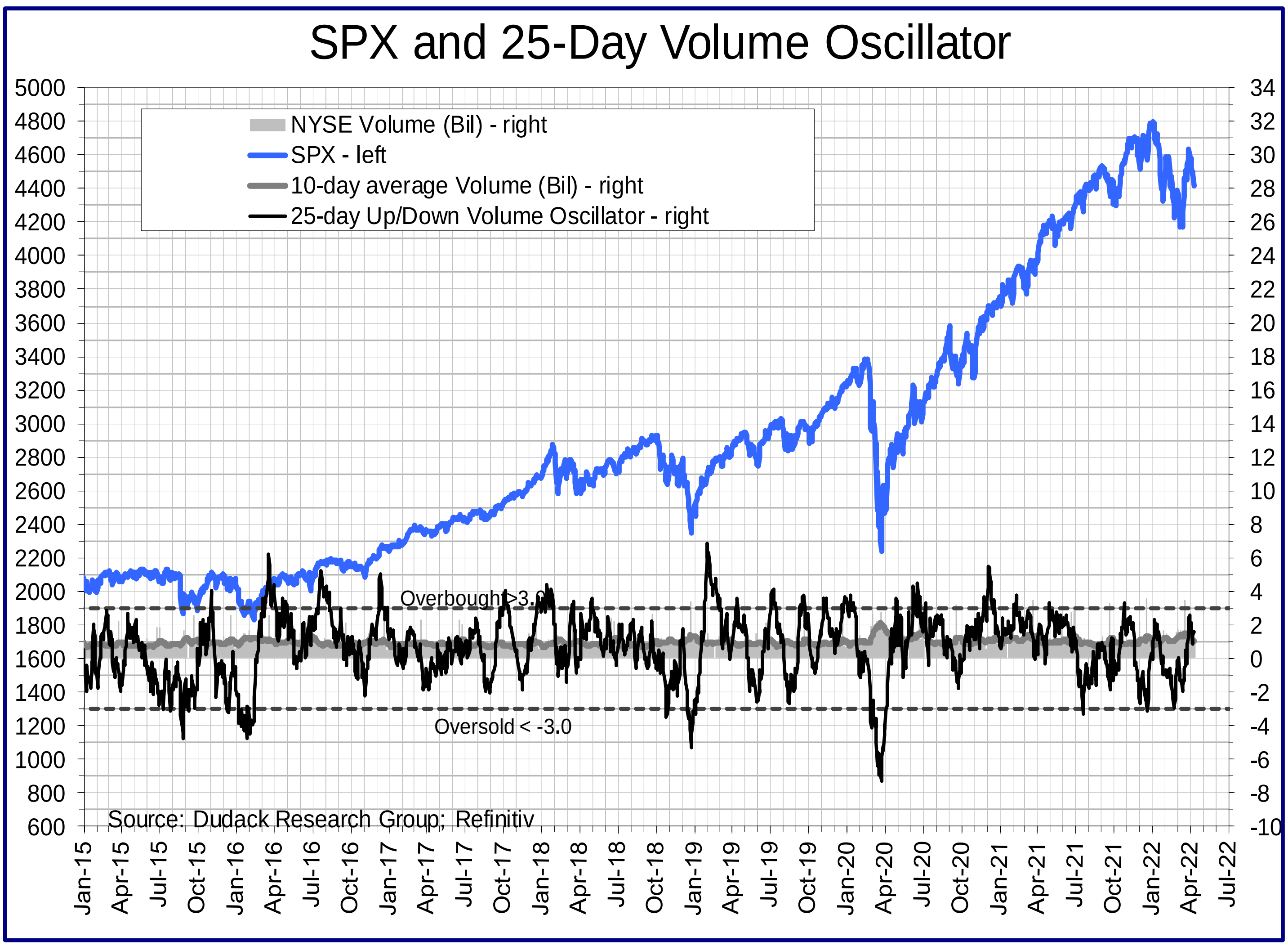
The most meaningful technical event of the last week was the inability of the DJIA to better the resistance found at 35,000. A combination of moving averages made this a critical hurdle, and while all the indices have some form of the same thing, the pattern was most clearly seen in the DJIA. It is a bearish pattern.

Source: Refinitiv

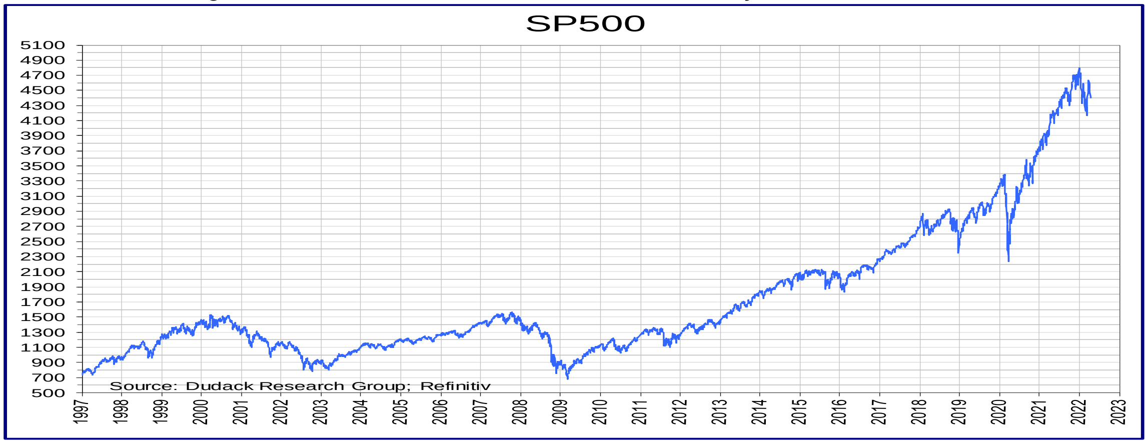
The 25-day up/down volume oscillator is at 1.21 this week, down slightly from a week earlier, and in line with recent price weakness. This oscillator has, to date, failed to move into overbought territory above 3.0, which would define a long-term neutral trading range for the market. A long or extreme overbought reading would suggest the correction is over and a new bullish trend has begun. For over twelve months, this indicator has been in limbo by failing to generate a definitive overbought or oversold reading.

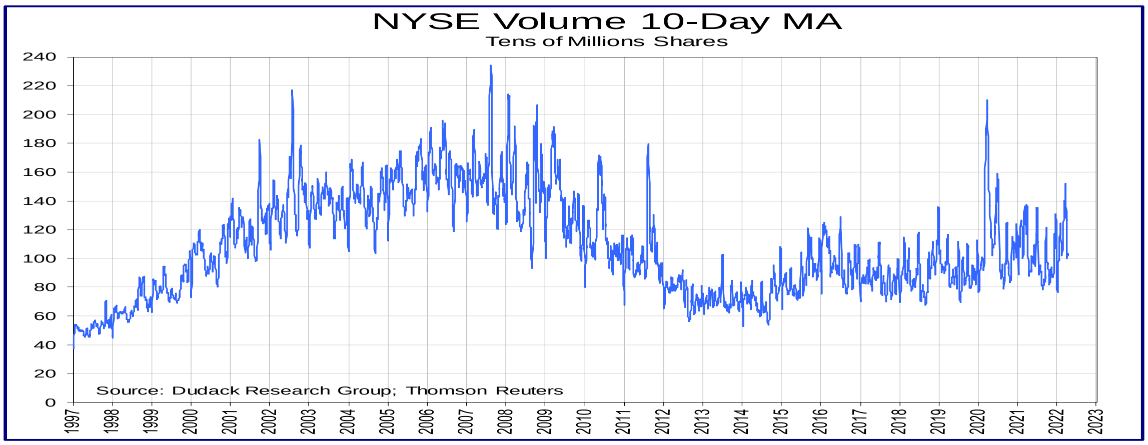
Strangely, the 2022 decline did not had any extreme 90% volume day which would carry this oscillator into oversold territory. At least to date, there has not been any sign of panic selling or washout in the general market despite many key indices already showing a 20% correction from recent highs. In short, this indicator is performing in line with a market that is in a long-term trading range.

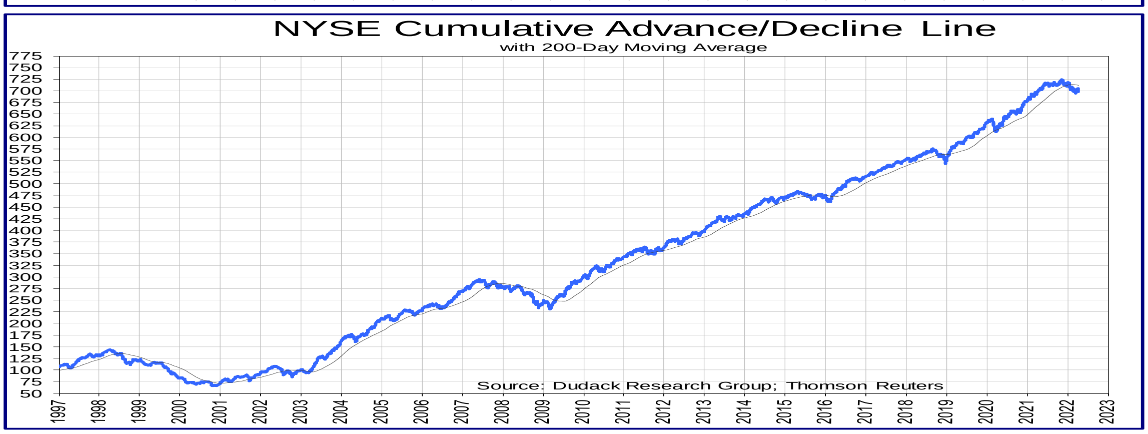
This 25-day up/down volume oscillator measures buying and selling momentum. New highs should be accompanied by strong and consistent buying pressure which results in long and sometimes extreme overbought readings. An absence of overbought readings at a new high reveals a weakness in the trend and is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

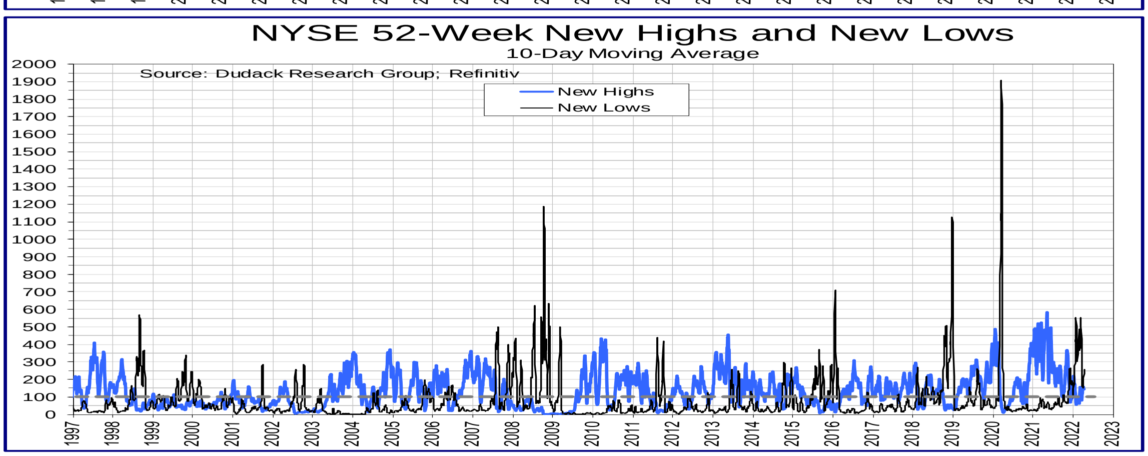


The 10-day average of daily new highs is 142 this week and daily new lows are 258. This combination is neutral-to-slightly-negative with both new highs and lows above the 100 benchmark. The advance/decline line's last record high was on November 8, 2021, and it is trading a net 21,800 issues below this level currently.

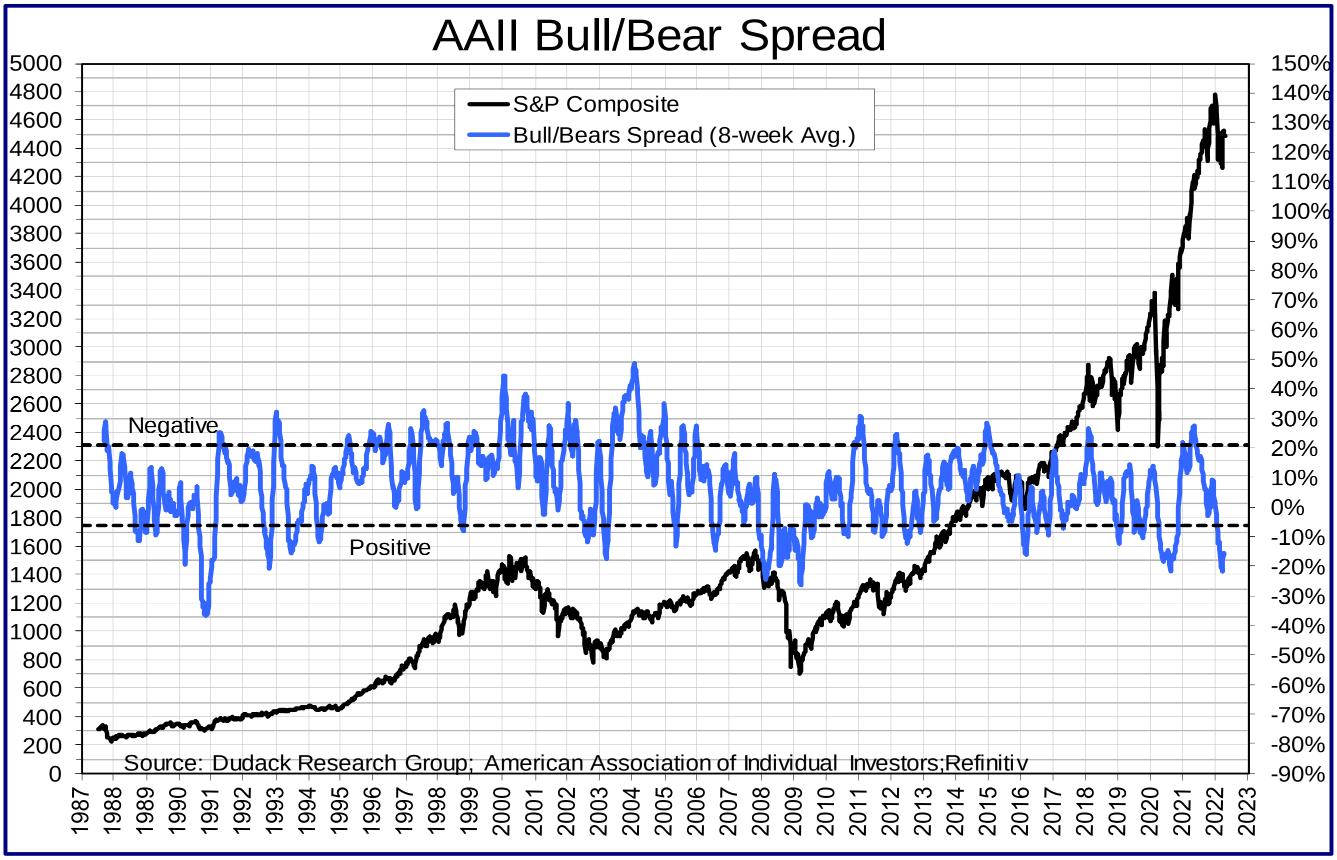


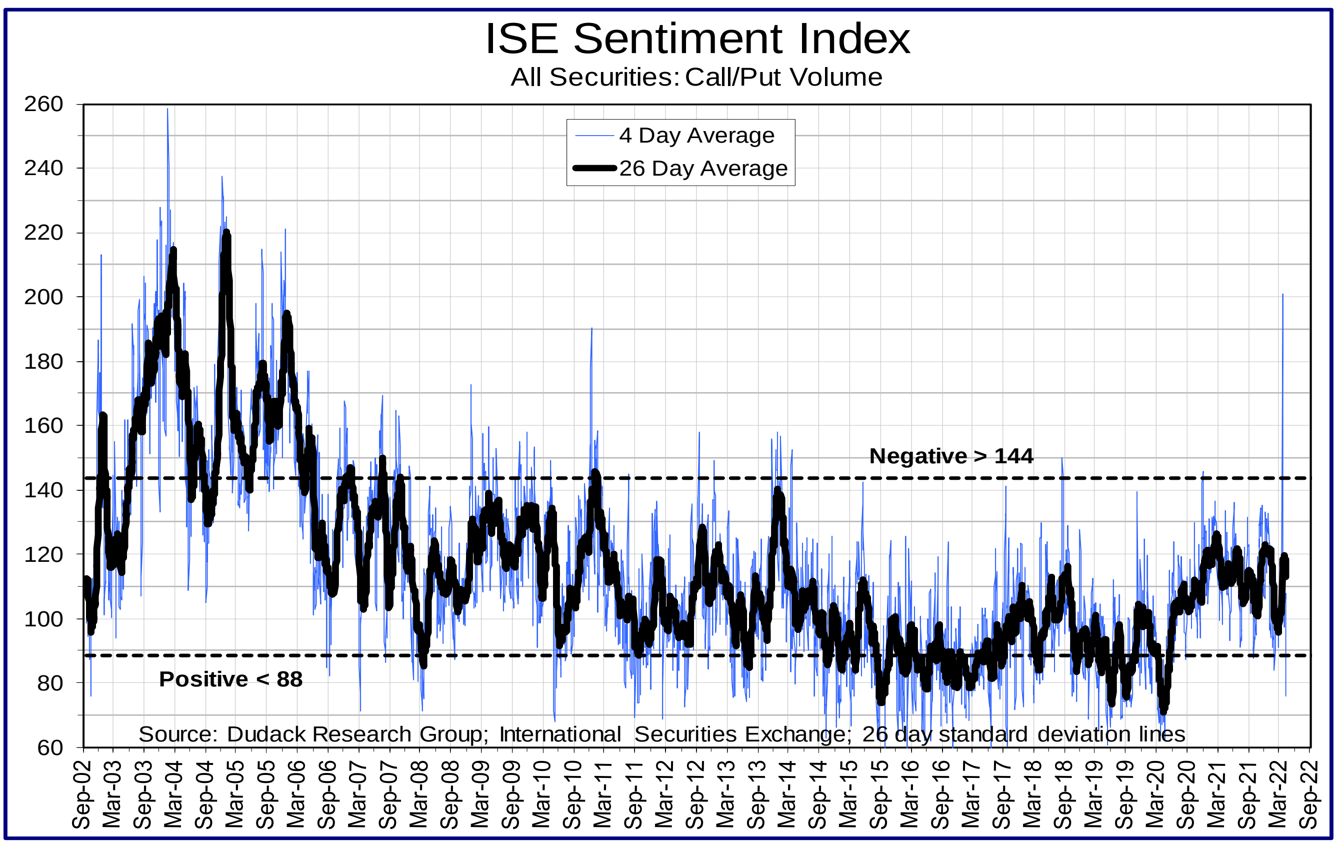






AAII sentiment has been unusually volatile and last week, bullish sentiment fell 7.2 points to 24.7% while bearish sentiment jumped 13.9 points to 41.4%. Pessimism has been above 40% for 9 of the last 12 weeks. Optimism has been below 27.9% for 10 of the last 13 weeks. Neutral has been above average for the 3rd consecutive week. The ISE sentiment index remains within its neutral range.

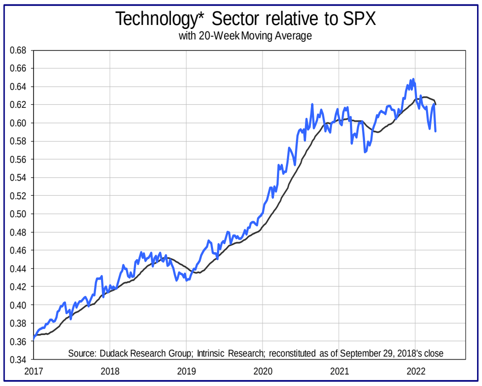


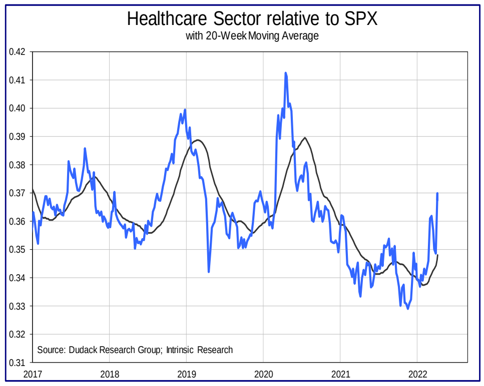


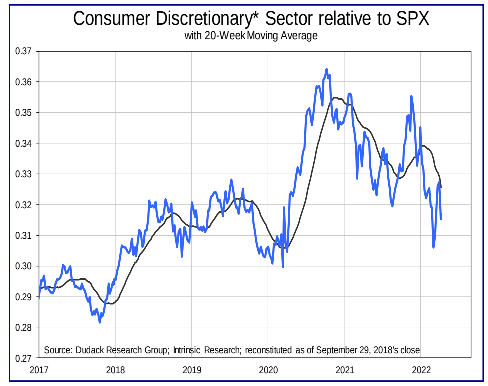
Sector Relative Performance – relative over/under/ performance to S&P 500

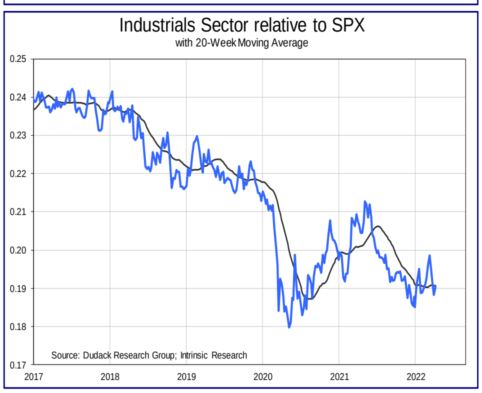
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Energy	Healthcare	Consumer Discretionary
Industrials	Technology	REITS
Staples	Materials	Communication Services
Utililties	Financials	

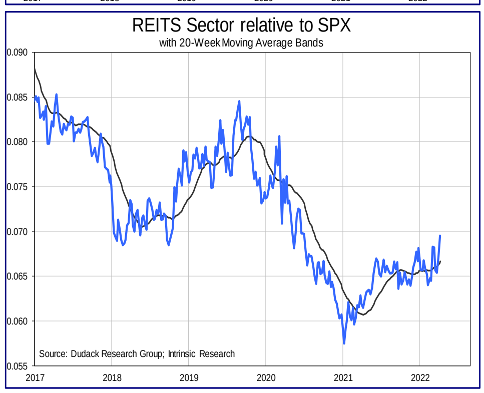
3/8/2022:Materials upgraded from underweight to neutral/communication service downgraded from neutral to underweight. 3/1/2022 Financials downgraded to neutral and Industrials upgraded to overweight.

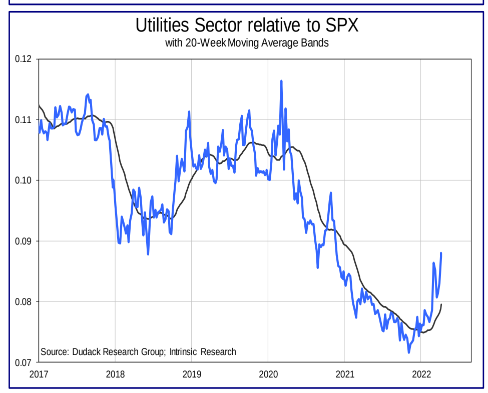


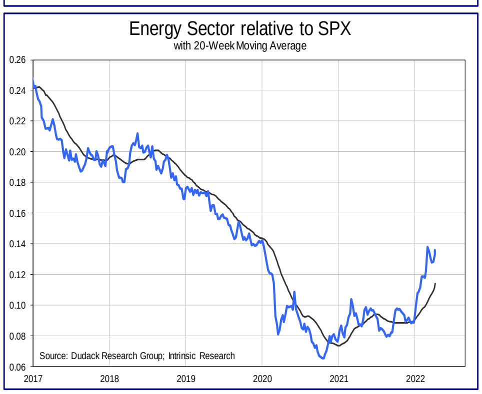


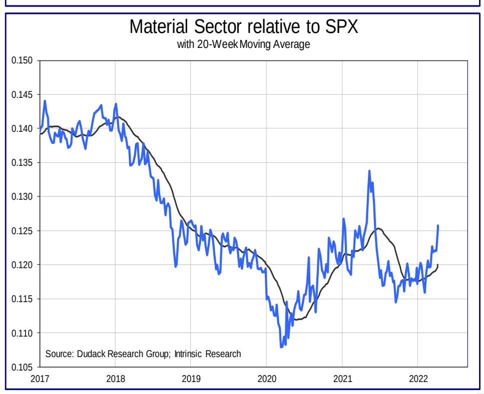


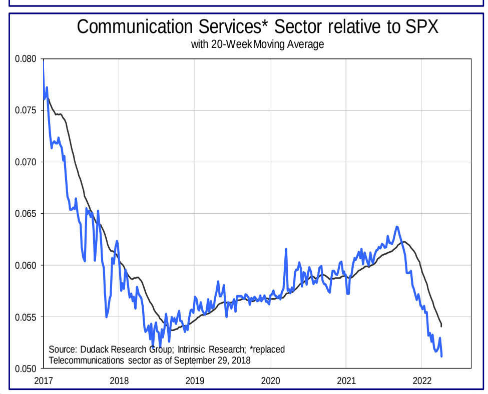


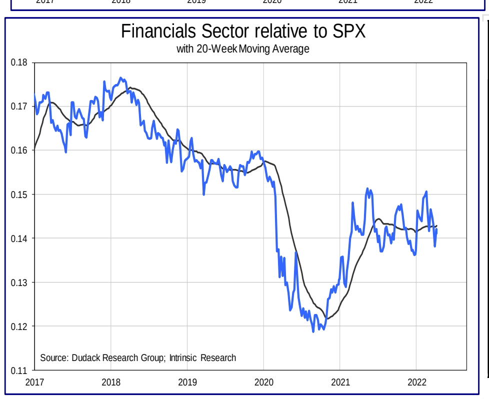












2022 Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	41.2%
S&P UTILITIES	6.4%
S&P CONSUMER STAPLES	1.8%
S&P HEALTH CARE	-1.7%
S&P MATERIALS	-2.9%
S&P FINANCIAL	-4.6%
S&P REITS	-5.9%
S&P INDUSTRIALS	-6.3%
S&P 500	-7.7%
S&P CONSUMER DISCRETIONARY	-13.5%
S&P INFORMATION TECH	-15.0%
S&P COMMUNICATIONS SERVICES	-15.9%

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	19.81	27.4%	27.4%	27.4%	53.7%
Energy Select Sector SPDR	XLE	78.42	19.0%	19.0%	19.0%	41.3%
United States Oil Fund, LP	USO	75.98	21.6%	21.6%	21.6%	39.8%
iShares MSCI Brazil Capped ETF	EWZ	37.55	18.8%	18.8%	18.8%	33.8%
Oil Future	CLc1	100.60	14.1%	14.1%	14.1%	33.8%
iShares Silver Trust	SLV	24.47	12.9%	12.9%	12.9%	9.2%
SPDR Gold Trust	GLD	183.77	9.3%	9.3%	9.3%	7.5%
Utilities Select Sector SPDR	XLU	76.20	10.0%	10.0%	10.0%	6.5%
iShares MSCI Australia ETF	EWA	26.36	15.4%	15.4%	15.4%	6.2%
iShares MSCI Mexico Capped ETF	EWW	53.12	9.4%	9.4%	9.4%	5.0%
Gold Future	GCc1	2283.10	2.2%	2.2%	2.2%	3.2%
iShares MSCI Canada ETF	EWC	39.40	3.2%	3.2%	3.2%	2.5%
iShares MSCI Malaysia ETF	EWM	25.63	4.7%	4.7%	4.7%	2.4%
Consumer Staples Select Sector SPDR	XLP	78.42	3.2%	3.2%	3.2%	1.7%
iShares MSCI United Kingdom ETF	EWU	33.67	-0.6%	-0.6%	-0.6%	1.6%
Silver Future	SIc1	18.54	0.0%	0.0%	0.0%	0.0%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	0.0%	0.0%
Health Care Select Sect SPDR	XLV	138.63	5.6%	5.6%	5.6%	-1.6%
iShares MSCI India ETF	INDA.K	45.09	-1.7%	-1.7%	-1.7%	-1.6%
iShares Russell 1000 Value ETF	IWD	164.87	0.6%	0.6%	0.6%	-1.8%
Materials Select Sector SPDR	XLB	88.06	4.3%	4.3%	4.3%	-2.8%
Financial Select Sector SPDR	XLF	37.31	-4.5%	-4.5%	-4.5%	-4.5%
iShares MSCI Hong Kong ETF	EWH	22.03	-7.1%	-7.1%	-7.1%	-5.0%
SPDR DJIA ETF	DIA	342.22	-2.5%	-2.5%	-2.5%	-5.8%
DJIA	.DJI	34220.36	-2.6%	-2.6%	-2.6%	-5.8%
iShares MSCI Singapore ETF	EWS	20.12	-4.6%	-4.6%	-4.6%	-5.9%
iShares Russell 2000 Value ETF	IWN	155.78	-0.4%	-0.4%	-0.4%	-6.2%
Industrial Select Sector SPDR	XLI	99.12	-1.6%	-1.6%	-1.6%	-6.3%
iShares US Real Estate ETF	IYR	108.39	1.7%	1.7%	1.7%	-6.7%
SP500	.SPX	4397.45	-2.6%	-2.6%	-2.6%	-7.7%
iShares Russell 1000 ETF	IWB	242.55	-2.8%	-2.8%	-2.8%	-8.3%
Vanguard FTSE All-World ex-US ETF	VEU	56.17	-6.1%	-6.1%	-6.1%	-8.3%
iShares MSCI EAFE ETF	EFA	71.58	-5.6%	-5.6%	-5.6%	-9.0%
iShares MSCI Emerg Mkts ETF	EEM	44.23	-9.4%	-9.4%	-9.4%	-9.5%
SPDR S&P Bank ETF	KBE	49.15	-10.7%	-10.7%	-10.7%	-9.9%
iShares US Telecomm ETF	IYZ	29.32	-5.2%	-5.2%	-5.2%	-10.9%
iShares Russell 2000 ETF	IWM	197.16	-2.0%	-2.0%	-2.0%	-11.4%
Shanghai Composite	.SSEC	3213.33	-8.8%	-8.8%	-8.8%	-11.7%
iShares MSCI South Korea Capped ETF	EWY	68.52	-5.3%	-5.3%	-5.3%	-12.0%
iShares MSCI Taiwan ETF	EWT	58.59	-9.7%	-9.7%	-9.7%	-12.0%
iShares iBoxx $ Invest Grade Corp Bond	LQD	116.14	-9.1%	-9.1%	-9.1%	-12.4%
Consumer Discretionary Select Sector SPDR	XLY	176.54	-4.5%	-4.5%	-4.5%	-13.6%
iShares MSCI Japan ETF	EWJ	57.73	-9.9%	-9.9%	-9.9%	-13.8%
iShares Russell 1000 Growth ETF	IWF	262.55	-5.9%	-5.9%	-5.9%	-14.1%
iShares China Large Cap ETF	FXI	31.39	-17.3%	-17.3%	-17.3%	-14.2%
Nasdaq Composite Index Tracking Stock	ONEQ.O	52.19	-6.0%	-6.0%	-6.0%	-14.3%
PowerShares Water Resources Portfolio	PHO	52.08	-1.7%	-1.7%	-1.7%	-14.4%
NASDAQ 100	NDX	13940.24	-6.6%	-6.6%	-6.6%	-14.6%
Technology Select Sector SPDR	XLK	147.91	-8.7%	-8.7%	-8.7%	-14.9%
iShares MSCI BRIC ETF	BKF	37.97	-15.3%	-15.3%	-15.3%	-15.2%
iShares Nasdaq Biotechnology ETF	IBB.O	129.27	-2.0%	-2.0%	-2.0%	-15.3%
SPDR S&P Retail ETF	XRT	75.49	-7.6%	-7.6%	-7.6%	-16.4%
iShares Russell 2000 Growth ETF	IWO	244.49	-3.6%	-3.6%	-3.6%	-16.6%
iShares 20+ Year Treas Bond ETF	TLT	122.97	-13.6%	-13.6%	-13.6%	-17.0%
iShares MSCI Germany ETF	EWG	27.06	-15.5%	-15.5%	-15.5%	-17.4%
iShares MSCI Austria Capped ETF	EWO	20.55	-19.1%	-19.1%	-19.1%	-19.3%
SPDR S&P Semiconductor ETF	XSD	180.20	-11.9%	-11.9%	-11.9%	-25.9%
SPDR Homebuilders ETF	XHB	61.58	-17.3%	-17.3%	-17.3%	-28.2%

Outperformed SP500
Underperformed SP500

Source: Dudack Research Group; Thomson Reuters

Priced as of April 12, 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%	3.9%	$1,010.80	20.3%
2005	1248.29	$69.93	**$76.45**	$76.45	13.0%	**$76.28**	13.7%	16.3X	1.8%	3.5%	$1,108.90	9.7%
2006	1418.30	$81.51	**$87.72**	$87.72	14.7%	**$88.18**	15.6%	16.2X	1.8%	2.8%	$1,216.10	9.7%
2007	1468.36	$66.18	**$82.54**	$82.54	-5.9%	**$85.12**	-3.5%	17.8X	1.8%	2.0%	$1,141.40	-6.1%
2008	903.25	$14.88	**$49.51**	$49.51	-40.0%	**$65.47**	-23.1%	18.2X	2.5%	0.1%	$1,029.90	-9.8%
2009	1115.10	$50.97	**$56.86**	$56.86	14.8%	**$60.80**	-7.1%	19.6X	2.6%	-2.6%	$1,182.90	14.9%
2010	1257.64	$77.35	**$83.77**	$83.77	47.3%	**$85.28**	40.3%	15.0X	1.9%	2.7%	$1,456.50	23.1%
2011	1257.60	$86.95	**$96.44**	$96.44	15.1%	**$97.82**	14.7%	13.0X	2.0%	1.5%	$1,529.00	5.0%
2012	1426.19	$86.51	**$96.82**	$96.82	0.4%	**$103.80**	6.1%	14.7X	2.1%	2.3%	$1,662.80	8.8%
2013	1848.36	$100.20	**$107.30**	$107.30	10.8%	**$109.68**	5.7%	17.2X	2.0%	1.8%	$1,648.10	-0.9%
2014	2127.83	$102.31	**$113.01**	$113.01	5.3%	**$118.78**	8.3%	18.8X	2.2%	2.3%	$1,713.10	3.9%
2015	2043.94	$86.53	**$100.45**	$100.45	-11.1%	**$118.20**	-0.5%	20.3X	2.1%	2.7%	$1,664.20	-2.9%
2016	2238.83	$94.55	**$106.26**	$96.82	-3.6%	**$118.10**	-0.1%	21.1X	1.9%	1.7%	$1,661.50	-0.2%
2017	2673.61	$109.88	**$124.51**	$124.51	28.6%	**$132.00**	11.8%	21.5X	1.8%	2.3%	$1,816.60	9.3%
2018	2506.85	$132.39	**$151.60**	$151.60	21.8%	**$161.93**	22.7%	16.5X	1.9%	2.9%	$2,023.40	11.4%
2019	3230.78	$139.47	$157.12	$157.12	3.6%	**$162.93**	0.6%	20.6X	1.8%	2.3%	$2,065.60	2.1%
2020	3756.07	$94.14	$122.38	$122.38	-22.1%	**$139.72**	-14.2%	30.7X	1.6%	-3.4%	$1,968.10	-4.7%
2021P	~~~~~~~	$197.87	$208.17	$208.17	70.1%	**$208.11**	48.9%	22.9X	1.3%	5.7%	$2,424.60	23.2%
2022E		$209.82	$225.84	$220.00	5.7%	**$227.70**	9.4%	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%	3.3%	$1,706.90	9.2%
2015 2Q	2166.05	$22.80	$26.14	$26.14	-10.9%	$30.09	0.1%	20.0	2.0%	2.3%	$1,689.20	-1.4%
2015 3Q	1920.03	$23.22	$25.44	$25.44	-14.1%	$29.99	-0.2%	18.4	2.2%	1.3%	$1,675.60	-6.6%
2015 4Q	2043.94	$18.70	$23.06	$23.06	-13.8%	$29.52	-3.3%	20.3	2.1%	0.6%	$1,585.20	-11.1%
2016 1Q	2059.74	$21.72	$23.97	$23.97	-7.1%	$26.96	-5.7%	20.9	2.1%	2.4%	$1,664.90	-2.5%
2016 2Q	2098.86	$23.28	$25.70	$25.70	-1.7%	$29.61	-1.6%	21.4	2.1%	1.2%	$1,624.20	-3.8%
2016 3Q	2168.27	$25.39	$28.69	$28.69	12.8%	$31.21	4.1%	21.4	2.1%	2.4%	$1,649.90	-1.5%
2016 4Q	2238.83	$24.16	$27.90	$27.90	21.0%	$31.30	6.0%	21.1	2.0%	2.0%	$1,707.00	7.7%
2017 1Q	2362.72	$27.46	$28.82	$28.82	20.2%	$30.90	14.6%	21.3	2.0%	1.9%	$1,772.60	6.5%
2017 2Q	2423.41	$27.01	$30.51	$30.51	18.7%	$32.58	10.0%	20.9	1.9%	2.3%	$1,789.20	10.2%
2017 3Q	2519.36	$28.45	$31.33	$31.33	9.2%	$33.45	7.2%	21.2	1.9%	2.9%	$1,829.30	10.9%
2017 4Q	2673.61	$26.96	$33.85	$33.85	21.3%	$36.02	15.1%	21.5	1.8%	3.8%	$1,875.10	9.8%
2018 1Q	2640.87	$33.02	$36.54	$36.54	26.8%	$38.07	23.2%	20.0	1.9%	3.1%	$1,983.30	11.9%
2018 2Q	2718.37	$34.05	$38.65	$38.65	26.7%	$41.00	25.8%	19.4	1.9%	3.4%	$1,981.40	10.7%
2018 3Q	2913.98	$36.36	$41.38	$41.38	32.1%	$42.66	27.5%	19.4	1.8%	1.9%	$2,033.10	11.1%
2018 4Q	2506.85	$28.96	$35.03	$35.03	3.5%	$41.18	14.3%	16.5	2.1%	0.9%	$2,095.90	11.8%
2019 1Q	2834.40	$35.02	$37.99	$37.99	4.0%	$39.15	2.8%	18.5	1.9%	2.4%	$1,999.80	0.8%
2019 2Q	2941.76	$34.93	$40.14	$40.14	3.9%	$41.31	0.8%	19.0	1.9%	3.2%	$2,083.20	5.1%
2019 3Q	2976.74	$33.99	$39.81	$39.81	-3.8%	$42.14	-1.2%	19.5	1.9%	2.8%	$2,090.30	2.8%
2019 4Q	3230.78	$35.53	$39.18	$39.18	11.8%	$41.98	1.9%	20.6	1.8%	1.9%	$2,089.20	-0.3%
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	-3.8%
2020 2Q	4397.35	$17.83	$26.79	$26.79	-33.3%	$27.98	-32.3%	35.1	1.9%	-31.2%	$1,701.50	-18.3%
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	2.1%
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	1.1%
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 4Q	4766.18	$53.94	$56.71	$56.71	48.5%	$53.95	26.7%	22.9	1.3%	6.9%	$2,527.40	19.7%
2022 1QE	4530.41	$47.45	$50.93	$51.00	7.6%	$51.46	4.7%	21.4	NA	NA	NA	NA
2022 2QE*	4397.45	$51.48	$55.66	$56.00	7.6%	$55.95	6.4%	21.0	NA	NA	NA	NA
2022 3QE		$54.90	$58.89	$58.00	11.5%	$59.36	10.5%	20.4	NA	NA	NA	NA
2022 4QE		$56.00	$60.36	$55.00	-3.0%	$61.00	13.1%	20.1	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 4/12/2022

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