Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
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April 27, 2022

DJIA: 33240.18
SPX: 4175.20
NASDAQ: 12490.74

# US Strategy Weekly
## Caution is Advised

Did the Dow Jones Industrial Average actually plunge 1,920 points in the last four trading days without a catalyst? In our opinion, the decline was a long time in coming, but the most obvious answer to this question is that there were many catalysts, but the final straw was first quarter earnings results.

### First Quarter Earnings Season

It has been our long-held view that first quarter earnings season could be a market-moving event. Earnings are always the underpinning of a stock market advance or decline, and as the first quarter of 2022 ended, it seemed like first quarter earnings results were the only hope investors had for good news. There was plenty of bad news. It has been clear for months that interest rates would be moving higher, and this would challenge equities and likely lower PE multiples. The Russia-Ukraine conflict which began in late February does not appear to be coming to a quick resolution. The longer the war persists, the more likely the world will see shortages of energy, grains, and metals, and as a result, more inflation. China is experiencing another COVID variant outbreak and by shutting down Shanghai and Beijing, fears of supply chain shortages are reappearing. The only real positive on the horizon for equities was that corporate America could overcome all these challenges and produce solid earnings results.

Unfortunately, to date, the results are mixed. Global banks reported profit challenges such as a decline in the investment banking business and loan-loss reserves against possible Russian debt defaults. A variety of companies like GE (GE - $80.59), Texas Instruments (TXN - $168.44), Mondelez International (MDLZ - $64.04), United Parcel (UPS - $183.05), and Raytheon Technologies (RTX -$99.19) reported profit challenges from rising inflation, supply chain snarls, and an increasingly cautious consumer. But adding to the market's fears has been the sudden awakening that the Federal Reserve plans to raise rates significantly and quickly. Fed Chairman Jerome Powell has indicated that rates could increase 50 by basis points at each of the next two FOMC meetings. In real terms, this means short-term rates will jump 100 basis points in the next seven weeks! This would be one of the steepest increases in history. And it will take a toll on the economy, particularly on the housing and auto sectors.

### Housing and Interest Rates

Home prices accelerated during the pandemic and newly released data for March showed that they reached all-time highs. The S&P/Shiller Case 10-city composite indicated a 19% YOY gain, and the 20-city composite index climbed over 20% YOY. One of the key underlying supports for home prices has been an extremely low level of supply. Inventory for existing single-family homes rose from 740,000 to 830,000 in March, and months of supply rose from 1.7 to 1.9; however, even with March's increases, these levels remain among the lowest levels in history. See page 3.

And though both new home and existing home prices have been soaring for the last 18 months, the current cyclical peak in sales occurred months ago. In March, existing home sales were 14% below their October 2020 cyclical peak. New home sales in March were 23% below their January 2021 peak. These are significant declines however it is important to note that they appeared prior to the recent rise in mortgage rates. Lower sales imply a decrease in demand, something that could escalate as interest rates rise. See page 4.

The National Association of Realtors (NAR) housing affordability index fell from 143.1 in January to 135.4 in February. Although median family income rose in February, the falloff was due to rising home prices and higher mortgage rates. Note that the average 30-year fixed mortgage rate was 3.83% in February during the NAR survey, and it is currently 5.11%. Moreover, since the Fed plans to raise short-term rates 100 basis points in the next six to eight weeks, rates are apt to climb surprisingly quickly. In sum, due to tightening Fed policy, <u>the housing sector is apt to suffer a meaningful slowdown in 2022</u>. Although this should be expected after such a strong cycle, it will be a substantial hit on the US economy. According to the NAHB, <u>housing contributes 15% to 19% to GDP</u>. See page 5. The preliminary release of first quarter GDP is scheduled for April 28, and it will be an important benchmark for investors. Yet, <u>regardless of how well or poorly the economy performed in the first quarter, economic momentum is apt to slow considerably in the next three quarters</u>.

The angst in the housing sector is not new and has been evident in the NAHB home builder confidence survey all year. In fact, confidence peaked with the cyclical high in new home sales in late 2020 and has been falling somewhat erratically, ever since. See page 6.

### Technical Breakdowns

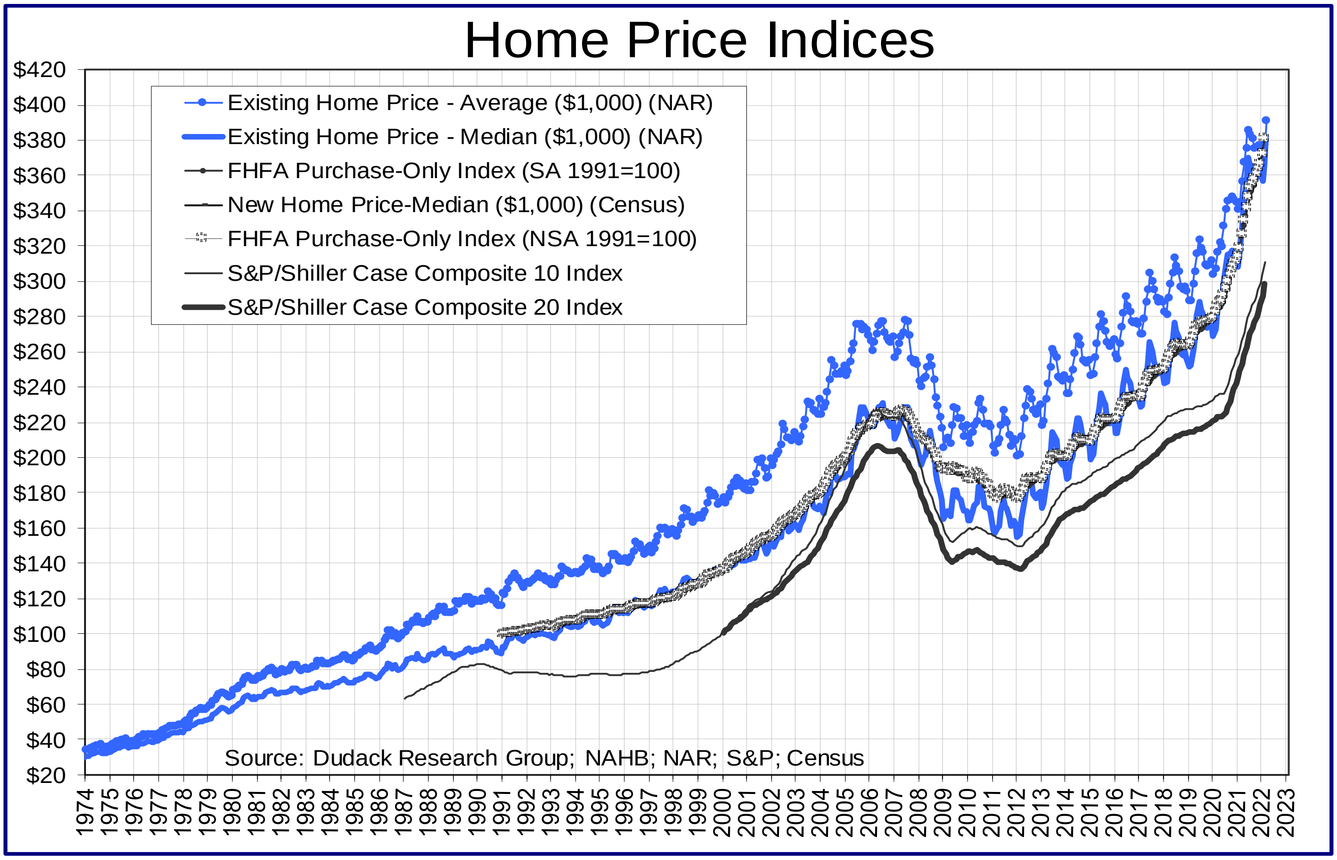
Over the last twelve months, we have noted several technical patterns in the charts of the popular indices we thought had predictive significance. In the fourth quarter of 2021, we remarked on the severe underperformance of the Russell 2000 index and the warning that posed for the overall marketplace. Two weeks ago, we pointed to the convergence of the 50-day, 100-day, and 200-day moving averages in the Dow Jones Industrial Average at 35,000, and how this could be a pivotal level for the index and the broader market. Last week, the DJIA was unable to better the resistance at 35,000 and this foreshadowed the sell-off seen in recent days.

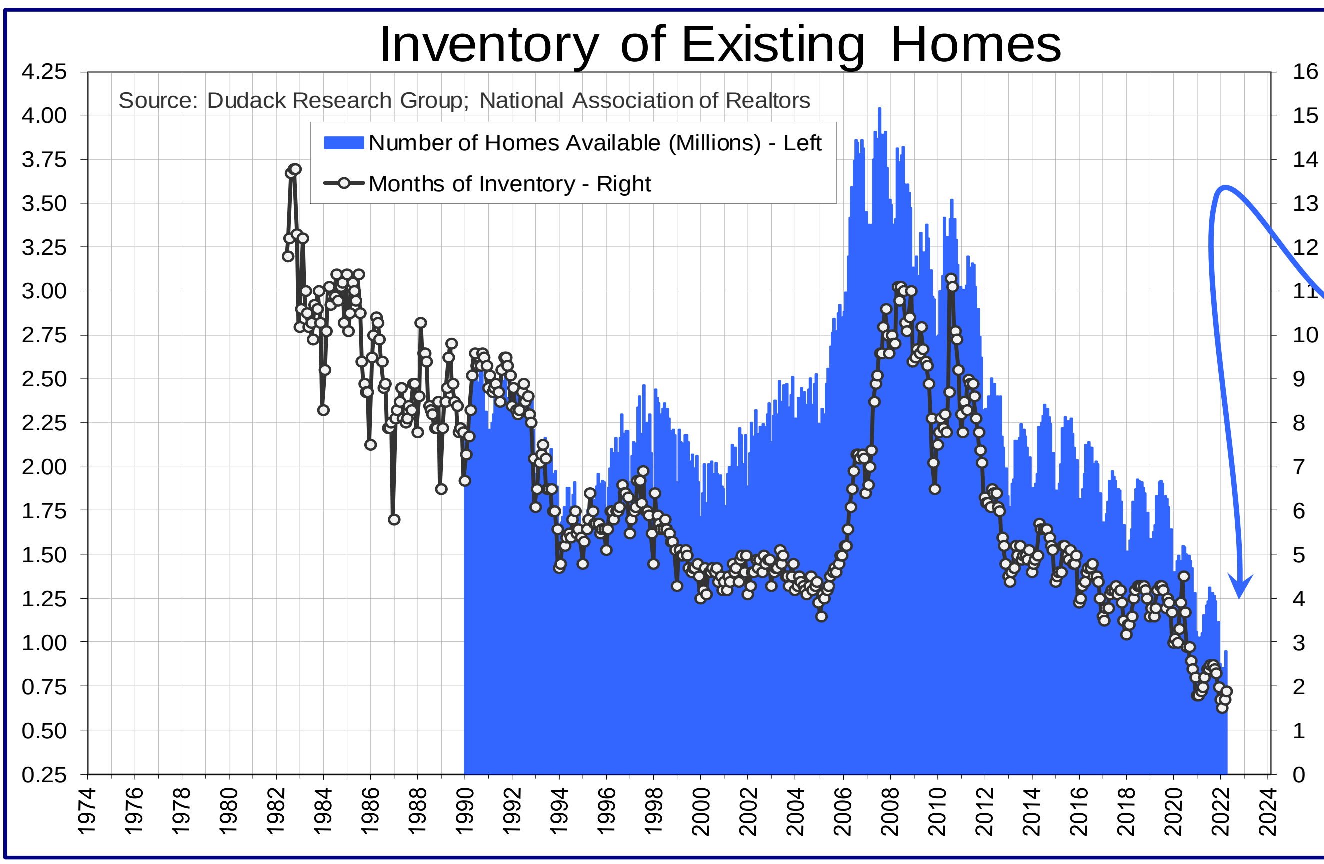
<u>This week we are disturbed by the breaks of support seen in both the Nasdaq Composite Index and the Russell 2000. Both indices broke the lower end of trading ranges that have contained market sell-offs this year. These technical breaks imply a new downdraft in the popular indices should be expected</u>. See page 9.

In addition, <u>on April 22, 2022, when the DJIA fell 809 points, the NYSE volume data revealed the first extreme 90% down day since June 24, 2020</u>. However, the June 2020 reading was actually the last in a series of 90% down days. The first one appeared in February 2020. In short, the April 22nd 90% down day was the first sign of panic selling, but it is unlikely to be the last. <u>History shows that 90% down days usually come in a series. Typically, after a series of 90% down days, a 90% up day will appear</u>. This would be the first sign that the market may be stabilizing. We will keep you posted.

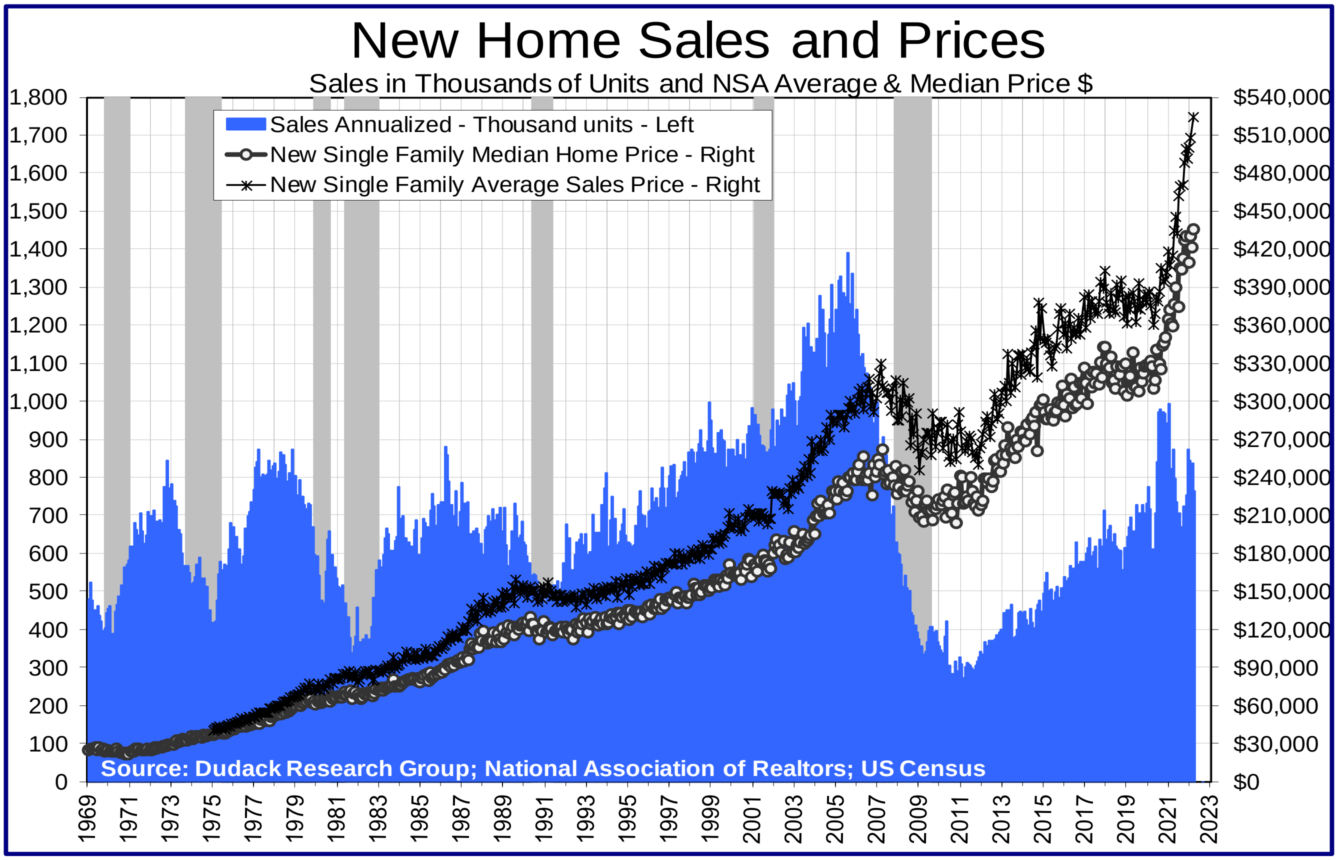
On the positive side of the ledger, <u>AAII bullish sentiment</u> rose 3.0 points to 18.9% this week, but bullishness <u>remained below 20% for the second consecutive week</u>. These were the first two consecutively low bullish readings since May 2016. It is also only the 33rd time in history that bullishness fell below 20%. Extremely low bullishness is positive. Bearish sentiment decreased 4.5 points to 43.9% and has been above 40% for 12 of the last 14 weeks. <u>It would be favorable if bearishness rose above 50% at the same time that bullishness is below 20%</u>. We will see what next week brings. Overall, sentiment readings are favorable. Nonetheless<u>, we would remain very cautious in the near term since the breaks in the Nasdaq and Russell suggest lower prices ahead</u>.

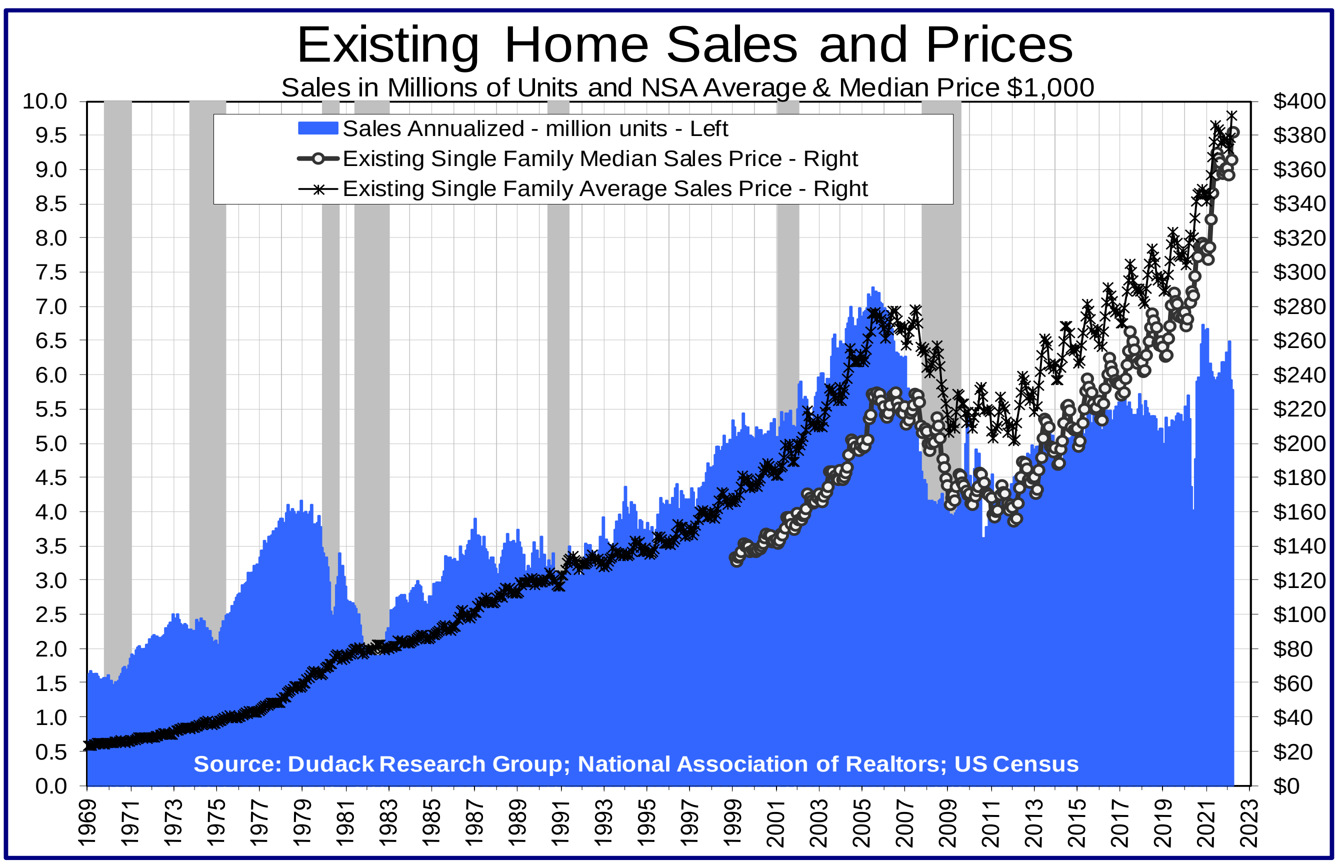
Home prices accelerated during the pandemic and reached new highs in March. The S&P/Shiller Case 10-city composite rose nearly 19% YOY and the 20-city composite index climbed over 20% YOY. One of the main underlying supports for prices has been the lack of inventory. Existing single-family inventory rose from 740,000 to 830,000 in March, and months of supply rose from 1.7 to 1.9; however, these levels still remain historically low.



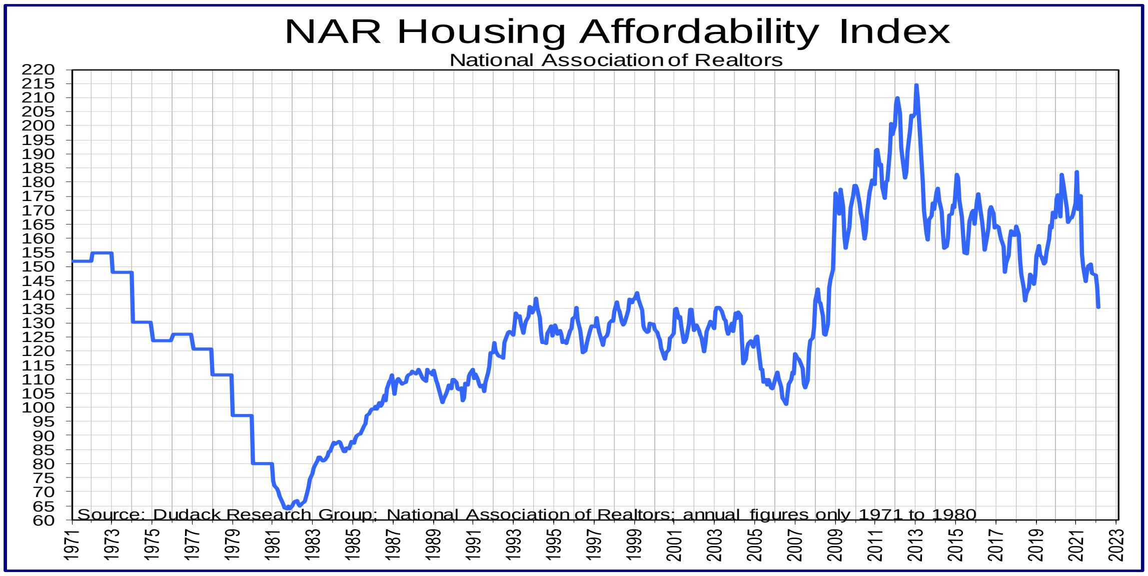



Although both new home and existing home prices have been soaring for the last 18 months, the current cyclical peak in sales occurred months ago. Existing home sales in March were 14% below their October 2020 peak. New home sales in March fell 23% below their January 2021 peak. Keep in mind, these declines appeared prior to the recent rise in mortgage rates.



The National Association of Realtors (NAR) housing affordability index fell from 143.1 in January to 135.4 in February. This was due to rising home prices and rising mortgage rates. The average 30-year fixed mortgage rate was 3.83% in February, but it is currently 5.11%. Since the Fed plans to raise short-term rates 100 basis points in the next six to eight weeks, rates are apt to climb. In sum, housing is apt to suffer a significant slowdown in 2022. This is important since according to the NAHB, housing contributes 15% to 19% to GDP.




**Monthly Mortgage Payments Soar**

| | Median house prices $ ths | Mortgage balance $ ths | Fixed mortgage rate % | Consumer price index Current=100 | Monthly payment $ | Today's $ | Median household income Today's $ ths | Mortgage payment As a % of income |
|---|---|---|---|---|---|---|---|---|
| Current | 389.6 | 311.7 | 5.1 | 100.0 | 1,694 | 1,694 | 65,913 | 30.8 |
| Yr ago | 338.2 | 270.5 | 3.1 | 92.1 | 1,152 | 1,251 | 64,864 | 23.1 |
| 5 yrs ago | 243.8 | 195.0 | 4.2 | 84.8 | 954 | 1,125 | 58,625 | 23.0 |
| 10 yrs ago | 170.2 | 136.1 | 4.0 | 79.5 | 646 | 812 | 50,698 | 19.2 |
| Peak in the housing bubble | 229.7 | 183.8 | 6.1 | 69.2 | 1,110 | 1,604 | 46,443 | 41.4 |

*Notes:*

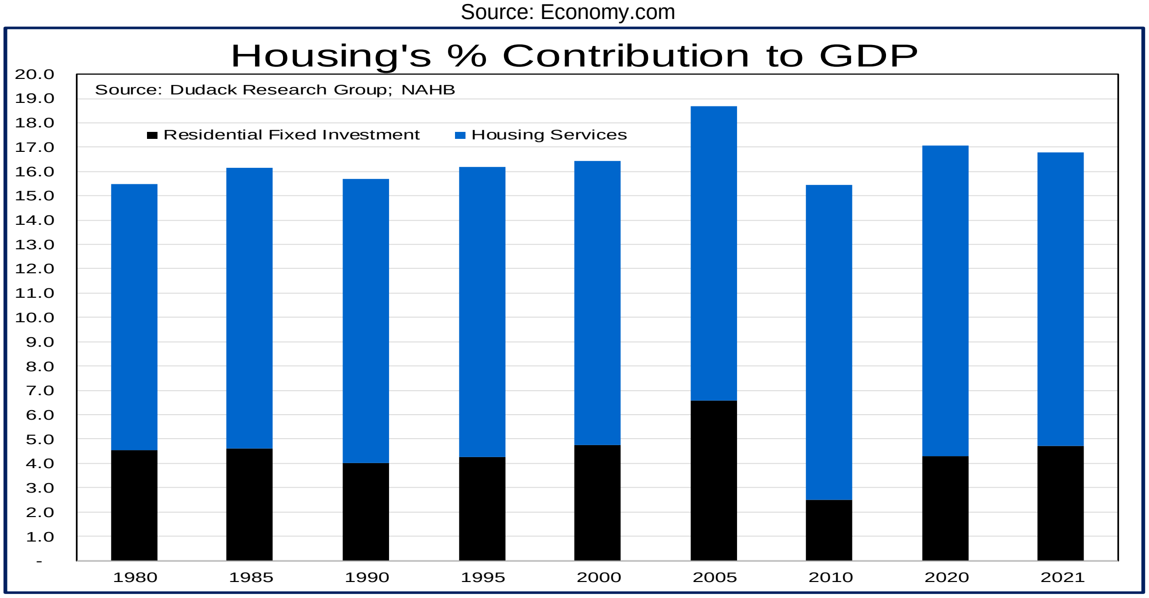
Assumes a 20% downpayment.

House prices peaked in the housing bubble in October 2005.

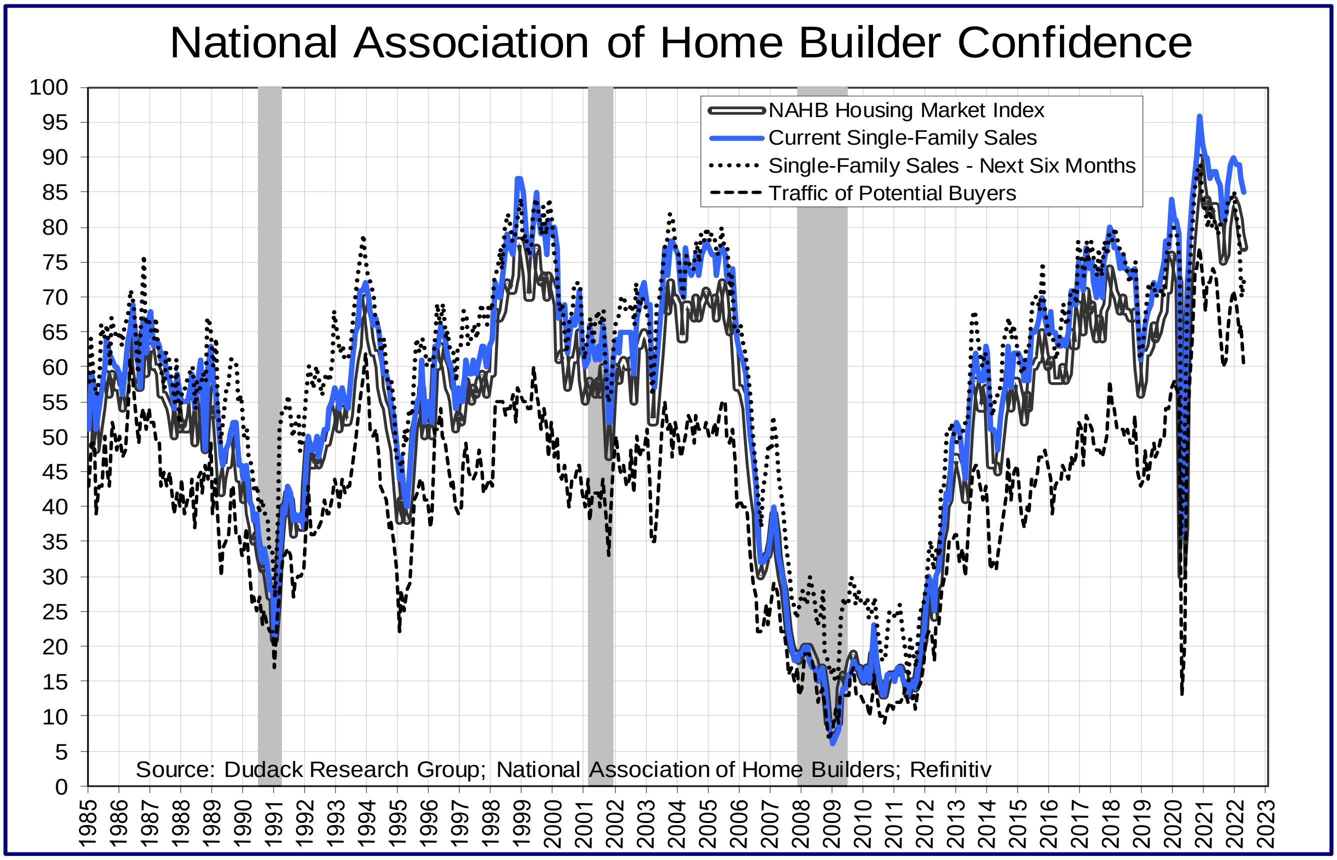
Median income per household is a 12-mo MA.

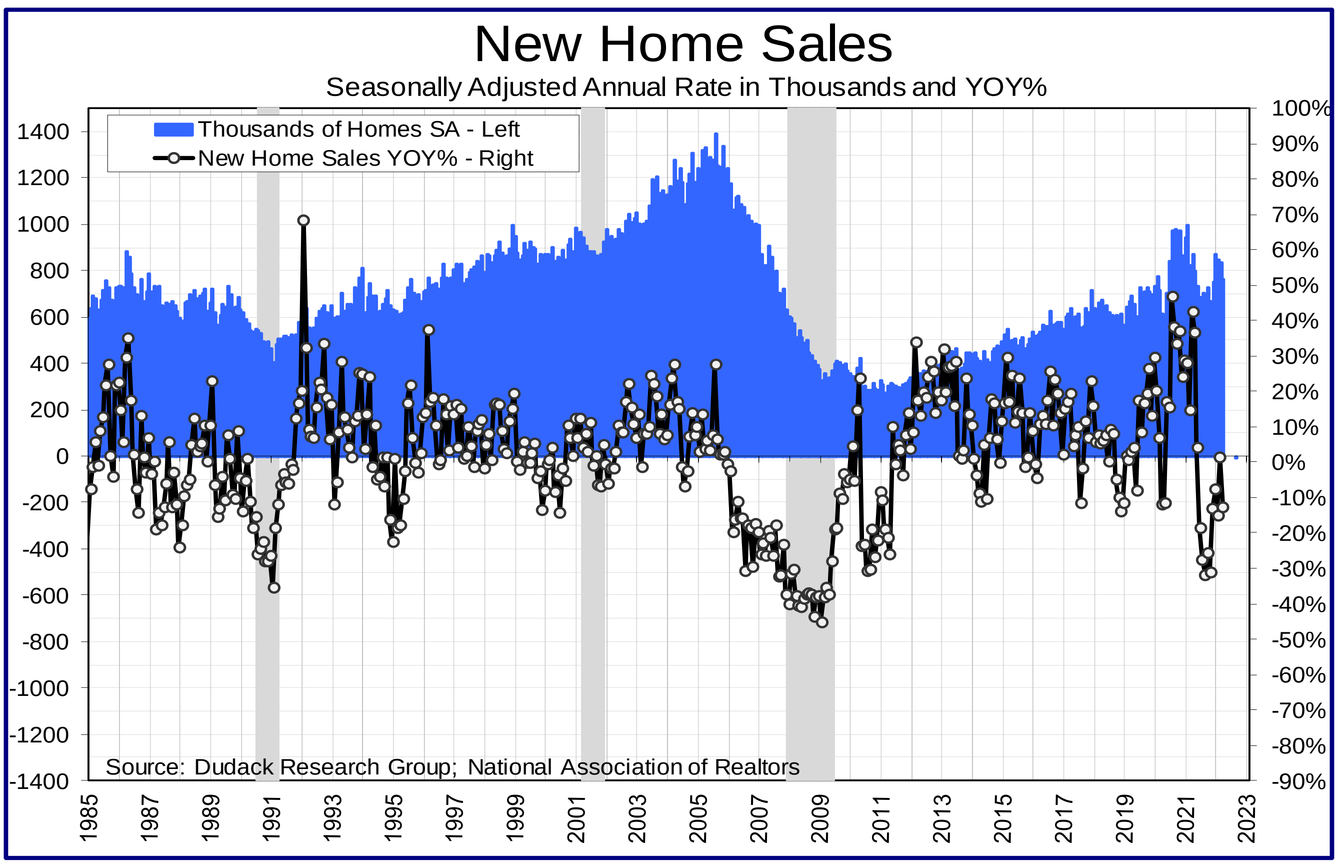
Sources: National Association of Realtors, Freddie Mac, BLS, BEA, Moody's Analytics

Source: Economy.com

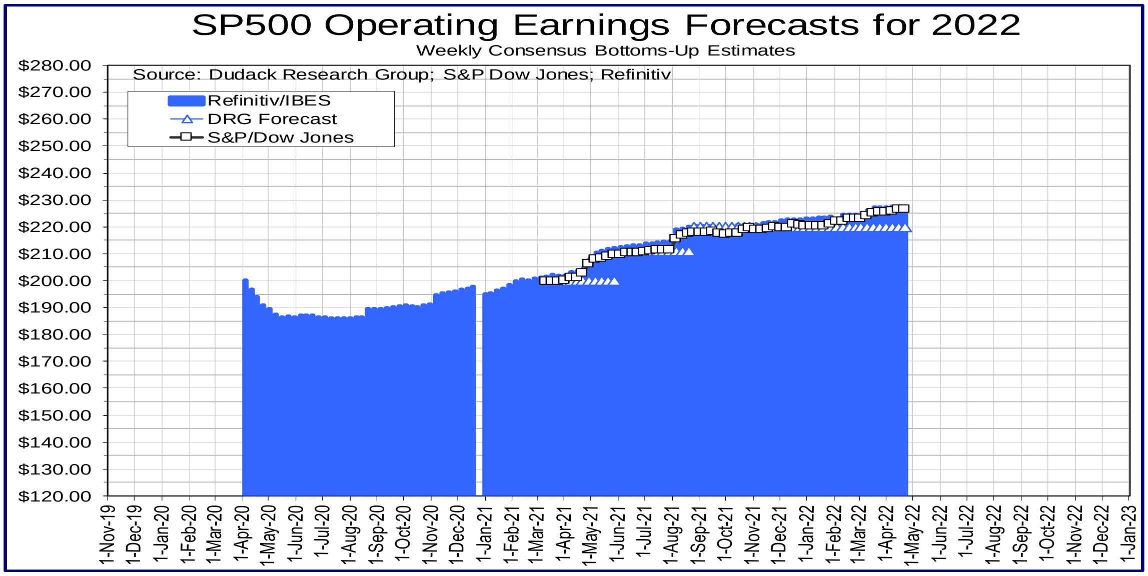


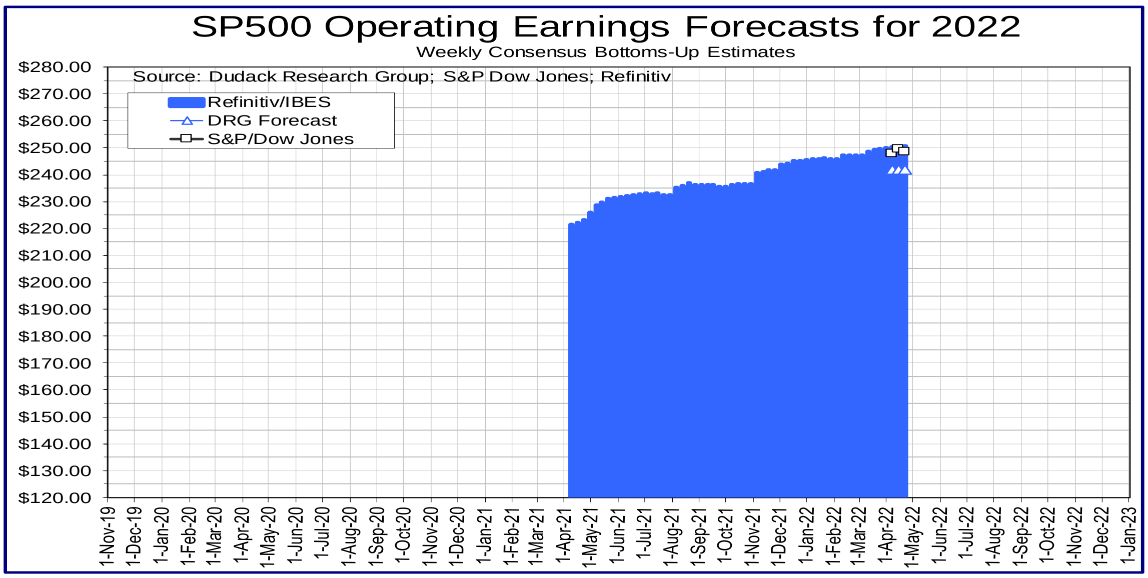
The angst in housing has been evident in the NAHB home builder confidence survey this year. Not surprisingly, confidence peaked with the peak in new home sales in 2020 and has been falling somewhat erratically, ever since.

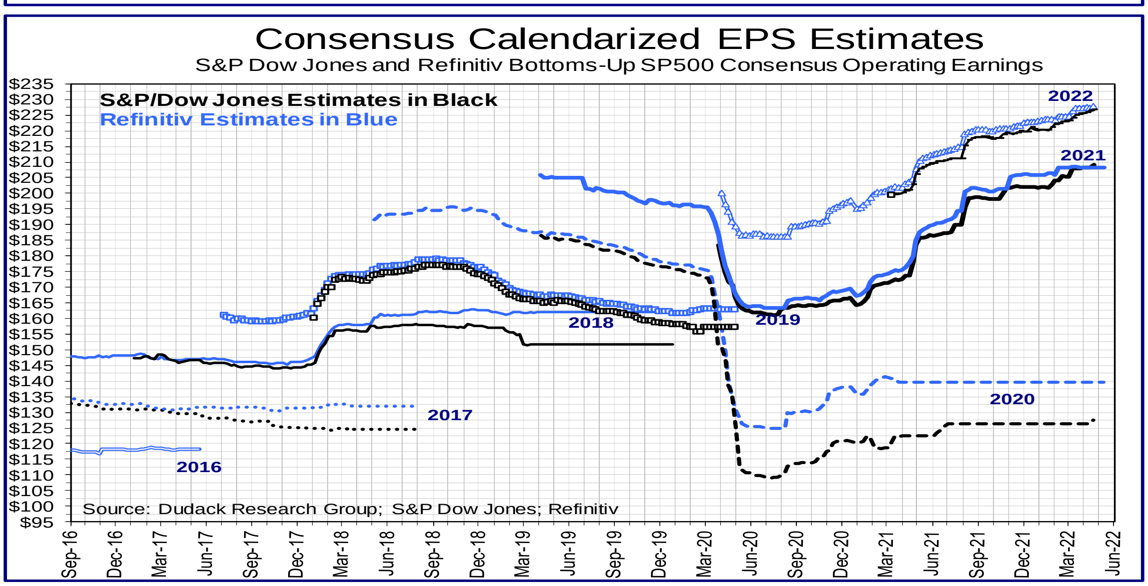


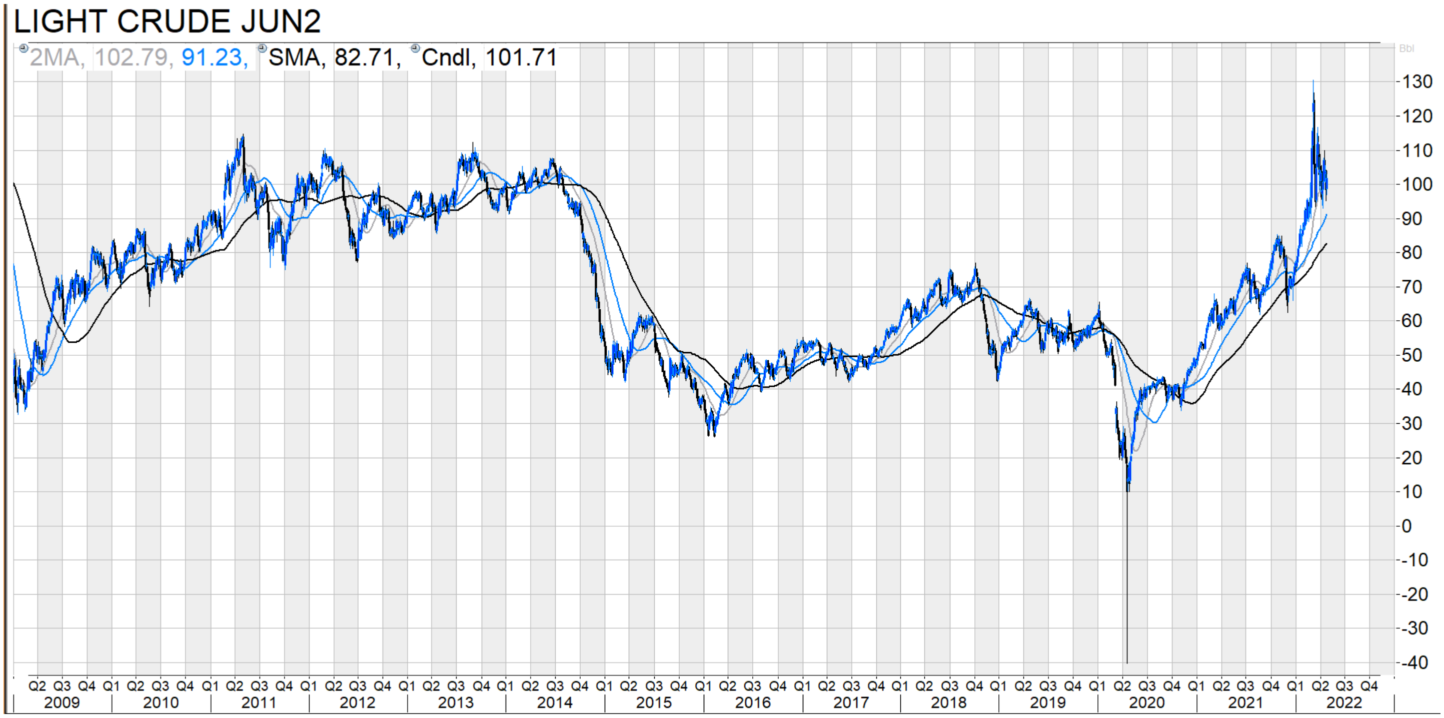
The S&P Dow Jones and Refinitiv IBES consensus earnings estimates for 2022 rose $0.33 and $0.51, respectively, this week. However, nominal earnings are converging in a range of $226 to $227. Earnings growth rates for this year were 8.3% and 9.5%, respectively. *(Note: consensus macro-EPS forecasts may 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>. Most strategists are forecasting a 10% growth rate in 2023.



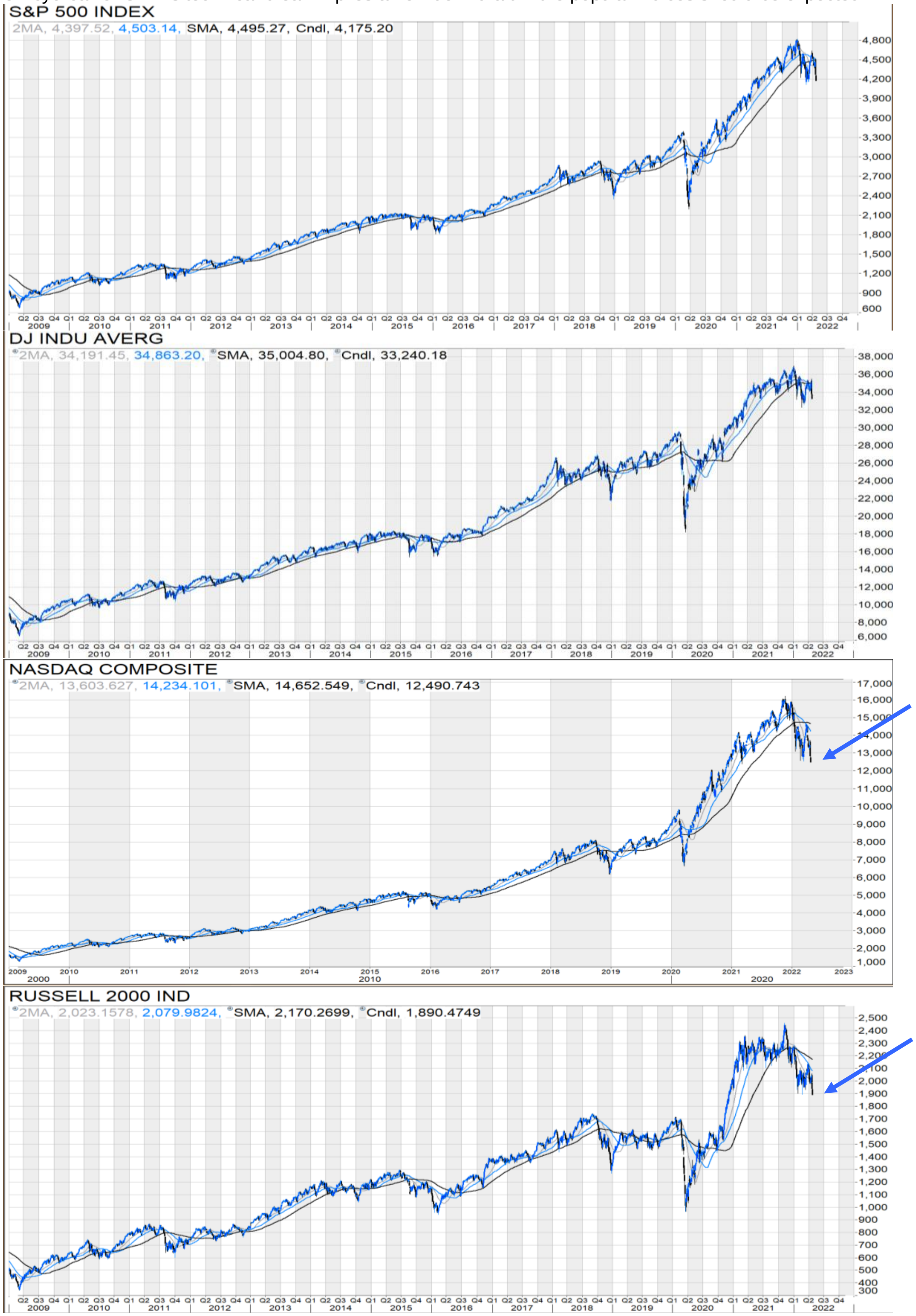
Concerns about more COVID shutdowns in China led energy prices lower in recent sessions and long-term interests rates also stablilized, at least temporarily. But In our view, an environment of a lingering Russia-Ukraine conflict and tightening monetary policy implies both are likely to move higher in coming months.





Source: Refinitiv

Last week, the DJIA was unable to better the resistance at 35,000 created by the convergence of its 50-day, 100-day and 200-day moving averages. This foreshadowed the sell-off seen in recent days. More disturbing are this week's break downs in both the IXIC and RUT which fell to new cyclical lows. This technical break implies a new downdraft in the popular indices should be expected.

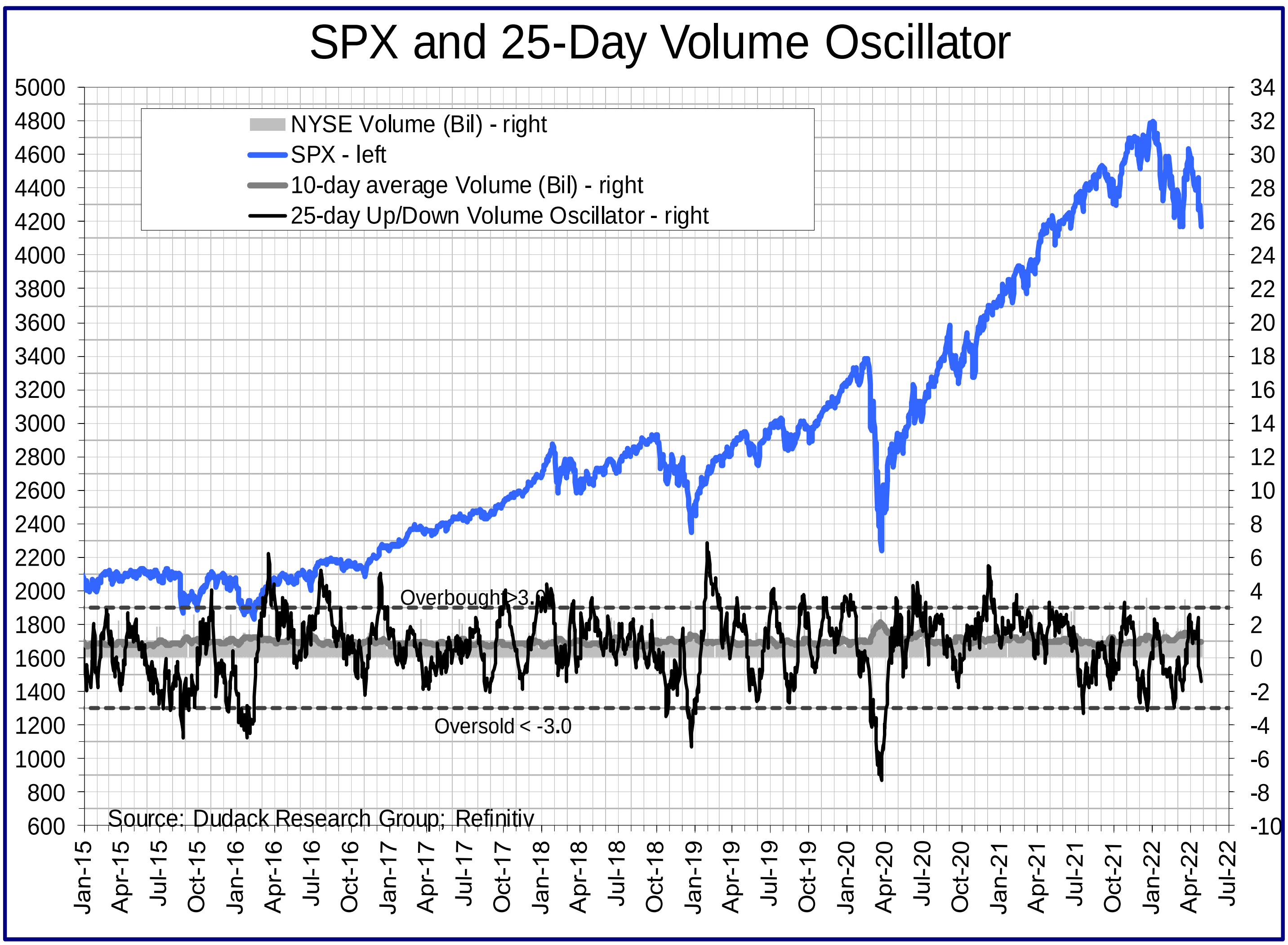



Source: Refinitiv

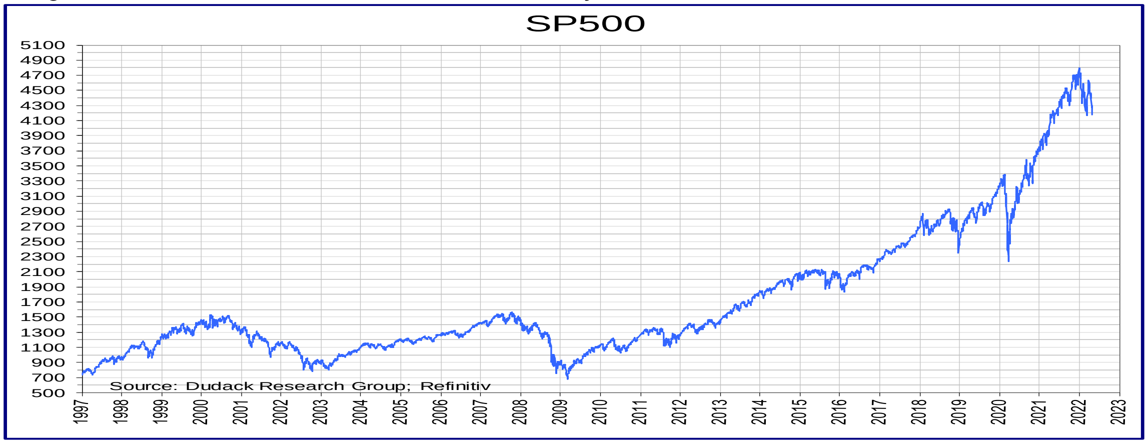
The 25-day up/down volume oscillator dropped to negative 1.55 this week, down from a week earlier, and in line with the market's decline. Nevertheless, to date, this oscillator has failed to move into oversold territory below negative 3.0, which would define a bear market or even a long-term neutral trading range. This is unusual given the declines seen in equities. A long or extreme oversold reading would suggest the bear market is over, or nearly over. For over twelve months, this indicator has been in limbo by failing to generate a definitive overbought or oversold reading.

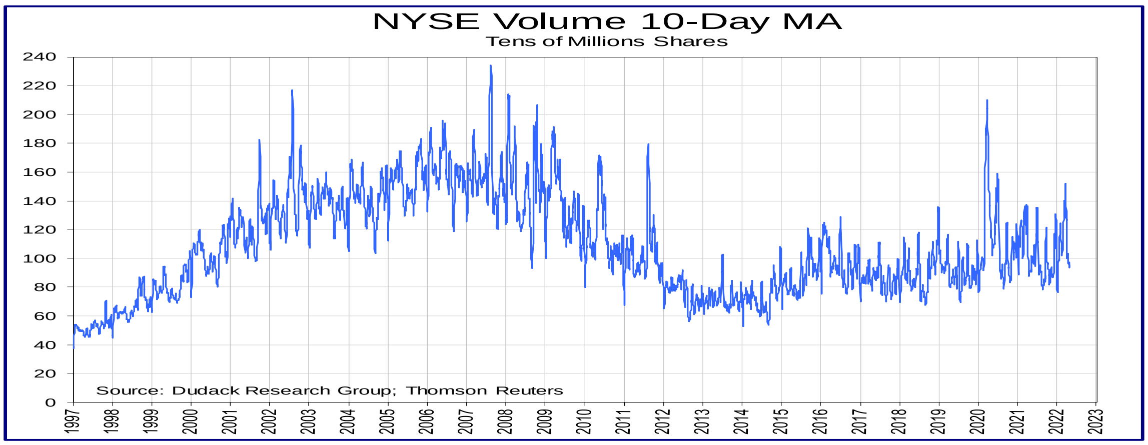
The April 22, 2022 trading session, when the DJIA fell 809 points, was the first extreme 90% down day. This is the first sign of panic selling or washout in the general market. Unfortunately, 90% down days usually come in a series and this suggests investors should be cautious near term.

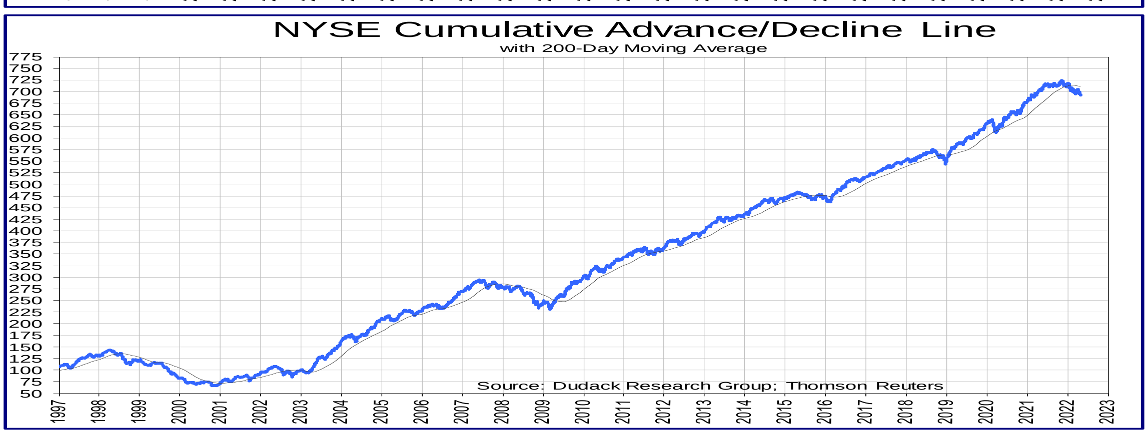
*This 25-day up/down volume oscillator measures buying and selling momentum. New highs should be accompanied by strong and consistent buying pressure which results in long and sometimes extreme overbought readings. An absence of overbought readings at a new high reveals a weakness in the trend and is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

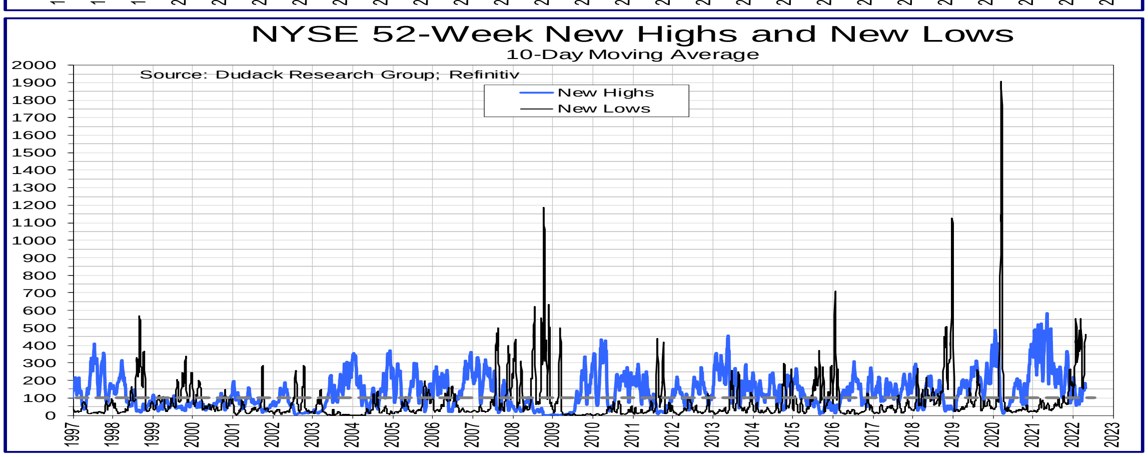


The 10-day average of daily new highs is 155 this week and daily new lows are 462. This combination is neutral-to-negative with both new highs and lows above the 100 benchmark. The advance/decline line's last record high was on November 8, 2021, and it is trading a net 33,000 issues below this level currently.

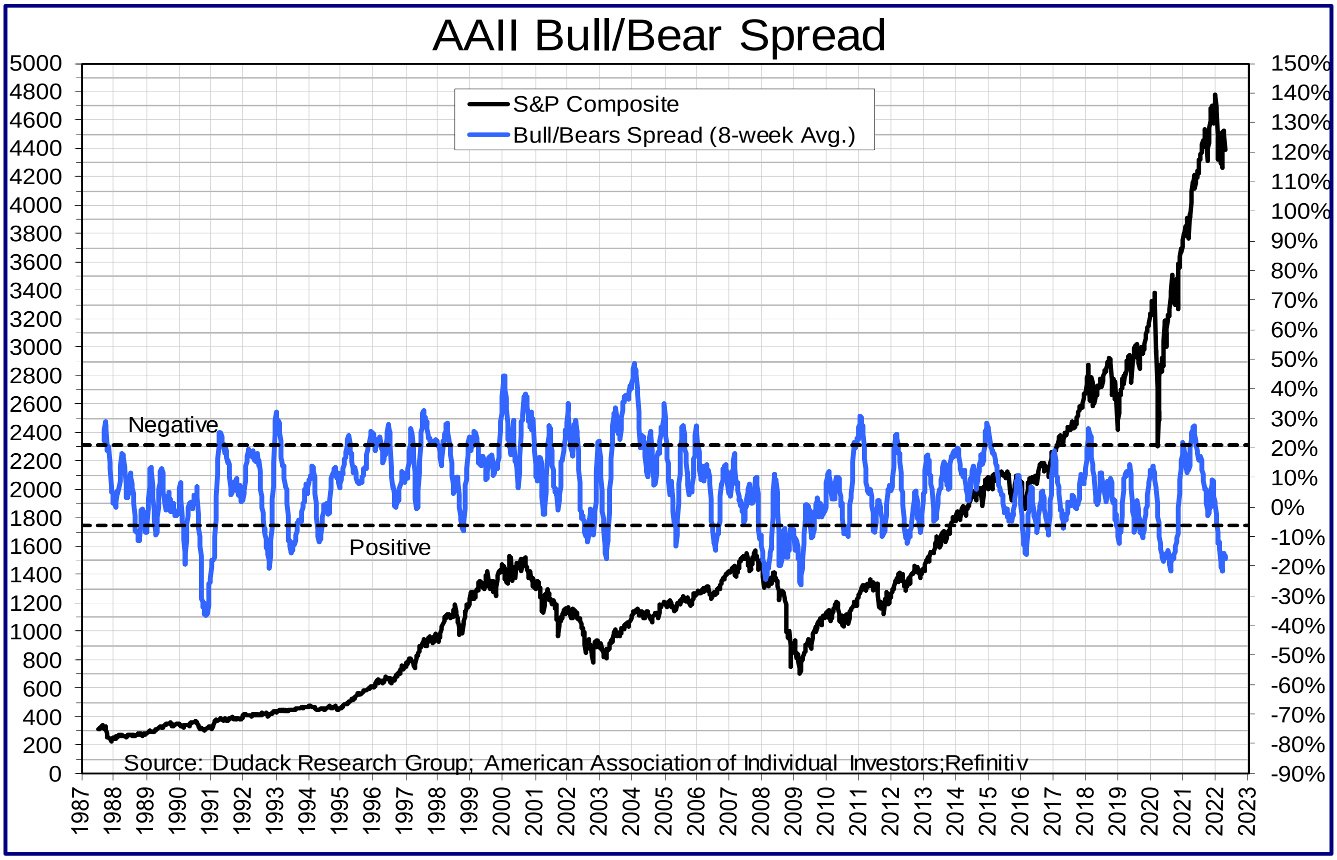


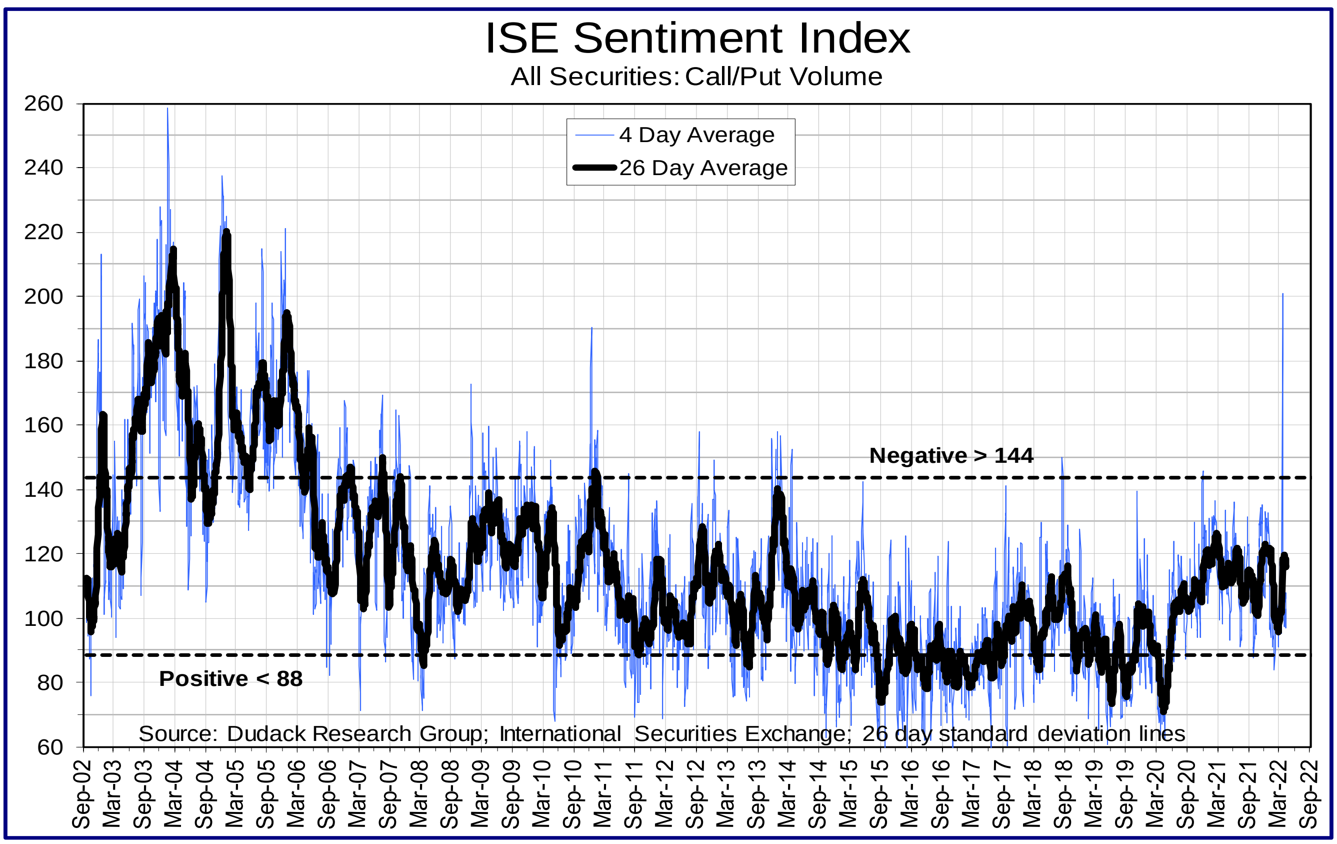



AAII bullish sentiment rose 3.0 points to 18.9% this week, but is below 20% for two consecutive weeks, the first consecutively low reading since May 2016. It is also just the 33rd time in history that bullishness was below 20%. Bearish sentiment decreased 4.5 points to 43.9% but has been above 40% for 12 of the last 14 weeks. Optimism has been below 27.9% for 11 of the last 14 weeks. Neutral has been above average for the 5th consecutive week. The ISE sentiment index remains within its neutral range.

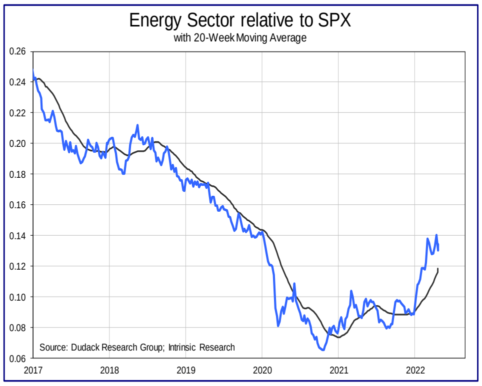


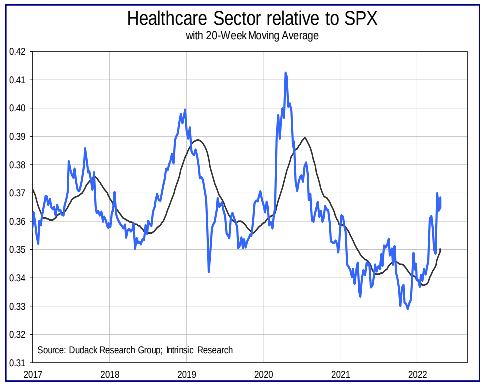



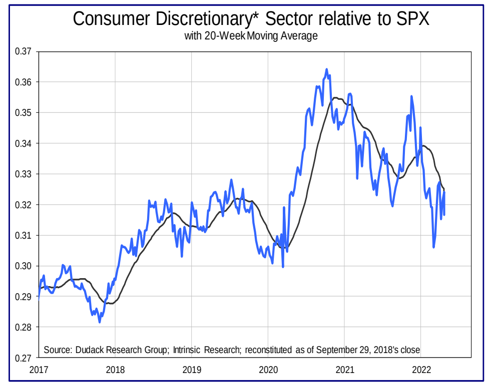
## SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

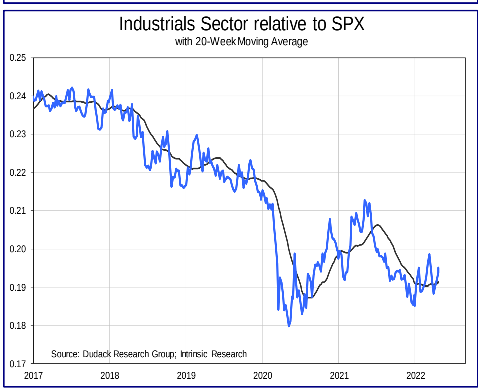
| DRG Recommended Sector Weights | | | | |
|---|---|---|---|---|
| **Overweight** | | **Neutral** | | **Underweight** |
| Energy<br>Industrials<br>Staples<br>Utililties | | Healthcare<br>Technology<br>Materials<br>Financials | | Consumer Discretionary<br>REITS<br>Communication Services |

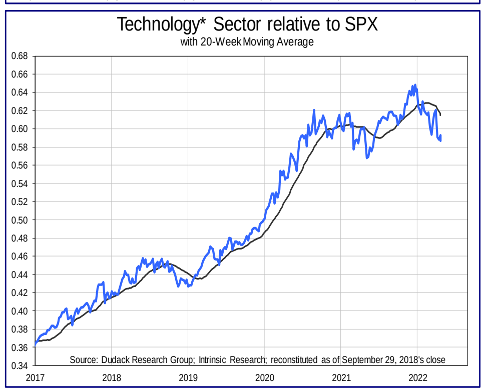
3/8/2022:Materials upgraded from underw eight to neutral/communication service dow ngraded from neutral to underw eight. 3/1/2022 Financials dow ngraded to neutral and Industrials upgraded to overw eight.

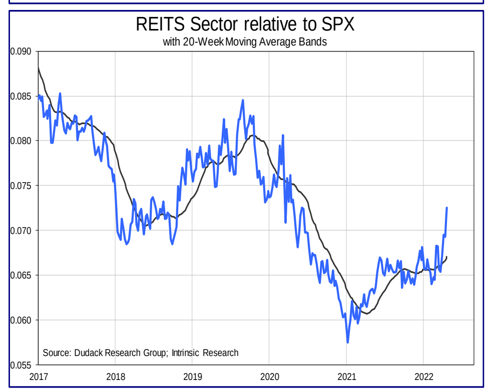


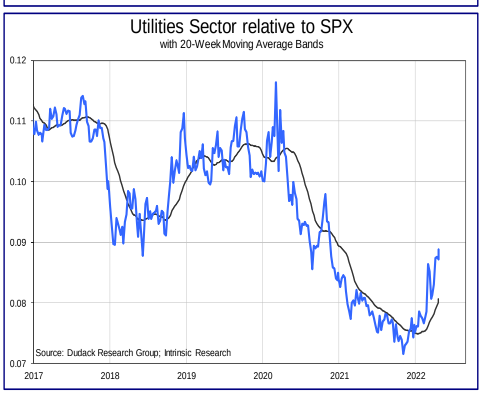



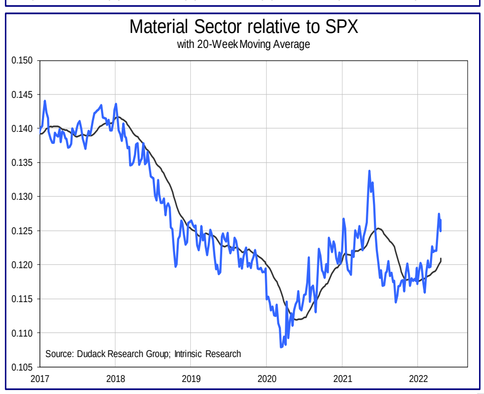



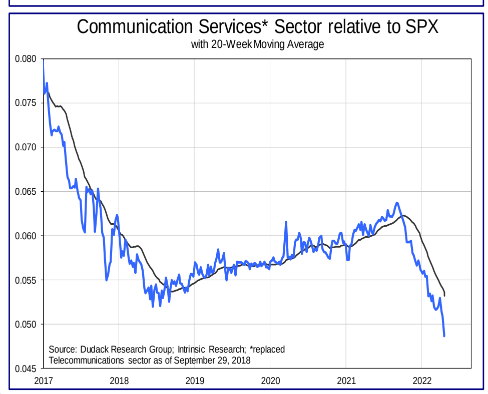



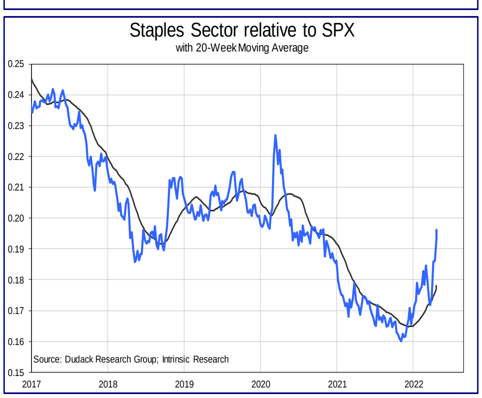



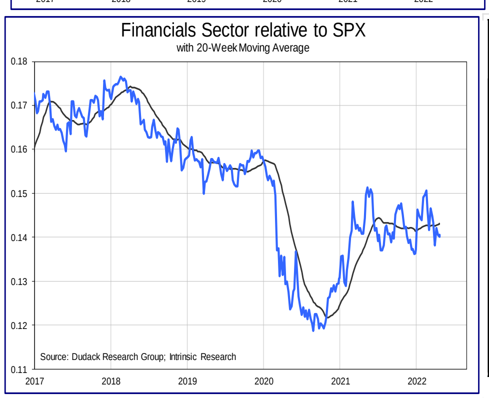




| 2022 Performance - Ranked | |
|---|---|
| SP500 Sector | % Change |
| S&P ENERGY | 32.7% |
| S&P UTILITIES | 1.9% |
| S&P CONSUMER STAPLES | 1.8% |
| S&P HEALTH CARE | -6.4% |
| S&P REITS | -6.8% |
| S&P MATERIALS | -7.2% |
| S&P INDUSTRIALS | -9.0% |
| S&P FINANCIAL | -9.7% |
| S&P 500 | -12.4% |
| S&P CONSUMER DISCRETIONARY | -17.9% |
| S&P INFORMATION TECH | -19.8% |
| S&P COMMUNICATIONS SERVICES | -24.1% |

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% |
|---|---|---|---|---|---|---|
| Silver Future | SIc1 | 26.54 | 43.1% | 43.1% | 43.1% | 43.1% |
| United States Oil Fund, LP | USO | 76.46 | 22.4% | 22.4% | 22.4% | 40.7% |
| iShares DJ US Oil Eqpt & Services ETF | IEZ | 18.05 | 16.1% | 16.1% | 16.1% | 40.0% |
| Oil Future | CLc1 | 101.70 | 15.4% | 15.4% | 15.4% | 35.2% |
| Energy Select Sector SPDR | XLE | 73.78 | 11.9% | 11.9% | 11.9% | 32.9% |
| iShares MSCI Brazil Capped ETF | EWZ | 32.58 | 3.0% | 3.0% | 3.0% | 16.1% |
| SPDR Gold Trust | GLD | 177.32 | 5.5% | 5.5% | 5.5% | 3.7% |
| Gold Future | GCc1 | 2292.10 | 2.6% | 2.6% | 2.6% | 3.6% |
| Utilities Select Sector SPDR | XLU | 73.00 | 5.4% | 5.4% | 5.4% | 2.0% |
| Consumer Staples Select Sector SPDR | XLP | 78.36 | 3.1% | 3.1% | 3.1% | 1.6% |
| iShares Silver Trust | SLV | 22.59 | 4.2% | 4.2% | 4.2% | 0.8% |
| SPDR Communication Services ETF | XLC | 56.15 | 0.0% | 0.0% | 0.0% | 0.0% |
| iShares MSCI Mexico Capped ETF | EWW | 50.41 | 3.8% | 3.8% | 3.8% | -0.4% |
| iShares MSCI Malaysia ETF | EWM | 24.60 | 0.5% | 0.5% | 0.5% | -1.7% |
| iShares MSCI Australia ETF | EWA | 24.40 | 6.8% | 6.8% | 6.8% | -1.7% |
| iShares MSCI Canada ETF | EWC | 37.01 | -3.1% | -3.1% | -3.1% | -3.7% |
| iShares MSCI United Kingdom ETF | EWU | 31.75 | -6.3% | -6.3% | -6.3% | -4.2% |
| iShares MSCI India ETF | INDA.K | 43.86 | -4.4% | -4.4% | -4.4% | -4.3% |
| iShares Russell 1000 Value ETF | IWD | 158.67 | -3.2% | -3.2% | -3.2% | -5.5% |
| Health Care Select Sect SPDR | XLV | 132.20 | 0.7% | 0.7% | 0.7% | -6.2% |
| Materials Select Sector SPDR | XLB | 84.18 | -0.3% | -0.3% | -0.3% | -7.1% |
| iShares US Real Estate ETF | IYR | 107.41 | 0.8% | 0.8% | 0.8% | -7.5% |
| SPDR DJIA ETF | DIA | 332.45 | -5.3% | -5.3% | -5.3% | -8.5% |
| DJIA | .DJI | 33240.18 | -5.4% | -5.4% | -5.4% | -8.5% |
| iShares MSCI Hong Kong ETF | EWH | 21.12 | -10.9% | -10.9% | -10.9% | -8.9% |
| Industrial Select Sector SPDR | XLI | 96.28 | -4.4% | -4.4% | -4.4% | -9.0% |
| iShares Russell 2000 Value ETF | IWN | 150.59 | -3.7% | -3.7% | -3.7% | -9.3% |
| Financial Select Sector SPDR | XLF | 35.32 | -9.6% | -9.6% | -9.6% | -9.6% |
| iShares MSCI Singapore ETF | EWS | 19.09 | -9.5% | -9.5% | -9.5% | -10.8% |
| SPDR S&P Bank ETF | KBE | 47.91 | -12.9% | -12.9% | -12.9% | -12.2% |
| **SP500** | **.SPX** | **4175.20** | **-7.5%** | **-7.5%** | **-7.5%** | **-12.4%** |
| iShares Russell 1000 ETF | IWB | 230.18 | -7.8% | -7.8% | -7.8% | -13.0% |
| Vanguard FTSE All-World ex-US ETF | VEU | 53.19 | -11.1% | -11.1% | -11.1% | -13.2% |
| iShares MSCI EAFE ETF | EFA | 68.17 | -10.1% | -10.1% | -10.1% | -13.4% |
| iShares iBoxx $ Invest Grade Corp Bond | LQD | 114.62 | -10.3% | -10.3% | -10.3% | -13.5% |
| iShares Russell 2000 ETF | IWM | 187.74 | -6.7% | -6.7% | -6.7% | -15.6% |
| iShares MSCI Emerg Mkts ETF | EEM | 41.15 | -15.7% | -15.7% | -15.7% | -15.8% |
| iShares MSCI Japan ETF | EWJ | 56.05 | -12.5% | -12.5% | -12.5% | -16.3% |
| iShares US Telecomm ETF | IYZ | 27.53 | -11.0% | -11.0% | -11.0% | -16.3% |
| iShares MSCI South Korea Capped ETF | EWY | 65.13 | -10.0% | -10.0% | -10.0% | -16.4% |
| iShares MSCI Taiwan ETF | EWT | 55.38 | -14.7% | -14.7% | -14.7% | -16.9% |
| iShares 20+ Year Treas Bond ETF | TLT | 122.41 | -14.0% | -14.0% | -14.0% | -17.4% |
| Consumer Discretionary Select Sector SPDR | XLY | 168.13 | -9.1% | -9.1% | -9.1% | -17.8% |
| PowerShares Water Resources Portfolio | PHO | 49.30 | -6.9% | -6.9% | -6.9% | -19.0% |
| Technology Select Sector SPDR | XLK | 139.82 | -13.7% | -13.7% | -13.7% | -19.6% |
| iShares Russell 1000 Growth ETF | IWF | 245.63 | -12.0% | -12.0% | -12.0% | -19.6% |
| Nasdaq Composite Index Tracking Stock | ONEQ.O | 48.79 | -12.2% | -12.2% | -12.2% | -19.9% |
| NASDAQ 100 | NDX | 13009.71 | -12.9% | -12.9% | -12.9% | -20.3% |
| iShares MSCI Austria Capped ETF | EWO | 20.23 | -20.4% | -20.4% | -20.4% | -20.5% |
| SPDR S&P Retail ETF | XRT | 71.71 | -12.3% | -12.3% | -12.3% | -20.6% |
| Shanghai Composite | .SSEC | 2886.43 | -18.1% | -18.1% | -18.1% | -20.7% |
| iShares MSCI Germany ETF | EWG | 25.84 | -19.3% | -19.3% | -19.3% | -21.2% |
| iShares Nasdaq Biotechnology ETF | IBB.O | 119.39 | -9.5% | -9.5% | -9.5% | -21.8% |
| iShares China Large Cap ETF | FXI | 28.56 | -24.7% | -24.7% | -24.7% | -21.9% |
| iShares Russell 2000 Growth ETF | IWO | 228.63 | -9.9% | -9.9% | -9.9% | -22.0% |
| iShares MSCI BRIC ETF | BKF | 34.74 | -22.5% | -22.5% | -22.5% | -22.4% |
| SPDR Homebuilders ETF | XHB | 61.49 | -17.4% | -17.4% | -17.4% | -28.3% |
| SPDR S&P Semiconductor ETF | XSD | 170.81 | -16.5% | -16.5% | -16.5% | -29.8% |

**Outperformed SP500**
Underperformed SP500

Source: Dudack Research Group; Thomson Reuters    Priced as of April 26, 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 % |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2005** | 1248.29 | $69.93 | **$76.45** | $76.45 | 13.0% | **$76.28** | 13.7% | 16.3X | 1.8% | 3.5% | $1,108.90 | #REF! |
| **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% |
| **2021** | 4766.18 | $197.87 | $208.17 | $208.17 | 70.1% | **$208.12** | 49.0% | 22.9X | 1.3% | 5.7% | $2,424.60 | 23.2% |
| **2022E** | ~~~~~ | $213.29 | $226.62 | $220.00 | 5.7% | **$227.80** | 9.5% | 18.4X | NA | NA | NA | NA |
| **2023E** | ~~~~~ | $235.29 | $248.30 | $242.00 | 10.0% | **$250.54** | 10.0% | 16.8X | 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 | $47.96 | $51.27 | $51.00 | 7.6% | $51.99 | 5.8% | 19.7 | NA | NA | NA | NA |
| **2022 2QE*** | 4175.20 | $52.46 | $55.76 | $56.00 | 7.6% | $55.94 | 6.4% | 19.4 | NA | NA | NA | NA |
| **2022 3QE** | | $55.34 | $59.12 | $58.00 | 11.5% | $59.41 | 10.6% | 18.7 | NA | NA | NA | NA |
| **2022 4QE** | | $57.53 | $60.47 | $55.00 | -3.0% | $60.95 | 13.0% | 18.4 | NA | NA | NA | NA |

**Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates** 4/26/2022

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