



Dudack Research Group

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June 15, 2022

DJIA: 30364.83

SPX: 3735.48

NASDAQ: 10828.34

US Strategy Weekly

Rip Off the Band-Aid!

Our view has been that based upon fundamentals, the equity market begins to find value at the SPX 3850 level. A head and shoulders top formation also implied a downside target of SPX 3800. As a result, SPX 3850 has been our 2022 target for the year. However, now that the SPX is trading below this level, it may be wise to wait for two things to materialize before substantially adding to portfolios. The first factor would be a solid 90% up-volume day that is accompanied by volume that is well above average. This would be an important sign that panic selling is exhausted and that buyers with conviction have reentered the marketplace. Second, we would wait for the results of the Federal Reserve June meeting since this announcement could be a market-moving event.

The recent down leg in prices was triggered by the “bad news” found in last week’s May CPI report coupled with the fear of higher interest rates and a possible recession. In our opinion, it was naïve to think inflation had “peaked” in May. For one thing, **any** inflation rate above the long-term average of 3.4% is destructive to an economy and the stock market. Moreover, a deceleration in the pace of inflation is not the same as saying the problem is solved. For another, next month’s June CPI report is also likely to be disappointing given the current environment. With crude oil currently at \$122, up 65% year over year, with headline PPI up 10.8% year-over-year, with housing and rents (42% of the CPI weighting) on the rise given the recent 16.7% year-over-year gain in single-family median home prices, and with the world facing a probable food shortage this summer due to Russia’s invasion of Ukraine, it is difficult to see how inflation is going to abate significantly in the near-term.

POLICY ERROR

Many investors are worried that the Fed will make a policy mistake in the coming months; however, in our view, the policy mistakes have already been made. Maintaining easy monetary and fiscal policies during the post-pandemic expansion was an Econ 101 textbook recipe for inflation. This may explain why it is important for the Federal Reserve to be a non-partisan independent body that is not driven by political bias or pressures. We are not saying Chairman Powell was being political last year, but he did repeat the administration’s view that inflation would be transitory. This proved erroneous. Regardless, the FOMC has the responsibility to balance the risks of inflation and unemployment and be unimpeded in using its tools of quantitative easing and interest rates to maintain a level-handed strategy. They did not address inflation in 2021. Remember: monetary and fiscal policy mistakes were made well before Russia invaded Ukraine in February of this year.

100 MEANS BUSINESS

In sum, the Fed is way behind the curve in terms of fighting inflation, and equally important, they have lost the confidence of investors. It is time to admit they were wrong and very late regarding inflation and announce a 100-basis point rate hike. Markets have already sent a “lack of faith” message to the Fed by discounting a 75-basis point fed funds rate hike this week; a 100-basis point move may be a shock
For important disclosures and analyst certification please refer to the last page of this report.

to markets, but it could also restore investors' confidence and signal the world that the Fed is serious about taming inflation. The only caveat to a 100-basis point hike would be the responsibility the Fed has to not upset the fixed income markets and to protect the liquidity in these markets. Yet, all things considered, it is time to rip off the band-aid.

Many fear that an increase in interest rates will trigger a recession but we believe a recession is now inevitable. History has shown that when inflation reaches levels as high as today, the end result has always been a recession. This should not be a surprise since inflation requires the Fed to raise interest rates multiple times, or until it significantly reduces consumption. In fact, in the period between 1973 and 1983, there were three recessions in ten years. See page 4. Most of this was due to the multiple tightening cycles enacted by the Fed. In that cycle, headline CPI peaked at 14.6% in March 1980 and the inflationary trend finally turned when Fed Chairman Paul Volcker raised the fed funds rate to 14% in May 1981. See page 6.

Unfortunately, the price moves seen in crude oil, the CPI and the PPI are at or near the peaks seen in 1982. The good news is that neither core CPI nor core PPI is at similar levels. This could be a silver lining for the current cycle in terms of curbing inflation -- if the Fed acts quickly and decisively.

HALFWAY THROUGH A RECESSION

In a recent report ("*HALFWAY THROUGH A RECESSION*," May 3, 2022) we questioned whether or not we are already in a recession. A recession is measured as a minimum of two consecutive quarters of negative GDP growth and is confirmed by the National Bureau of Economic Research (NBER) usually after the fact. As a result, it is not unusual to not know if the economy is undergoing a recession until it is over, or at least half over. However, being in a recession is the good news. Stock markets tend to bottom in the middle of a recession, and this would put the current market weakness in a different light.

What makes us feel a recession will appear sooner rather than later is that higher interest rates are apt to slow the already decelerating housing and auto markets. The average interest rate for a standard 30-year fixed mortgage is now 5.87%, which is an increase of 36 basis points from one week ago. Rates are apt to go even higher and therefore, housing and auto activity, two important segments of the economy, may slow quickly. Moreover, the US is a consumption-driven economy, and the household sector has seen real purchasing power turn negative this year due to soaring inflation.

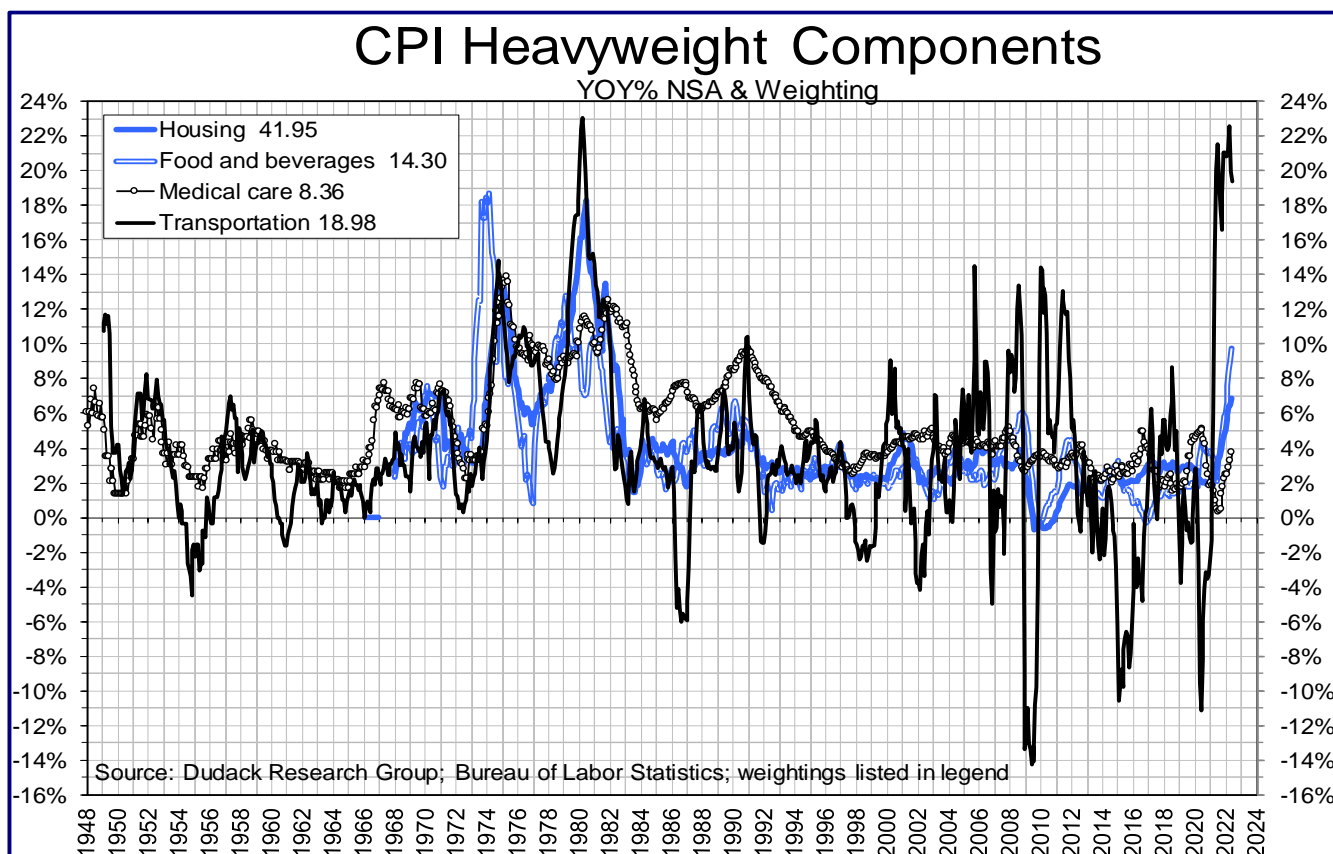
Meanwhile, consumer sentiment is floundering. June's preliminary University of Michigan sentiment index fell to 50.2 from 58.4 and is below the record low set during the 1980 recession. Consumer expectations led the decline, dropping from 55.2 to 46.8, a new cyclical low. Current conditions fell from 63.3 to 55.4 reaching a new record low. The May NFIB Optimism Index fell 0.1 to 93.1, the fifth consecutive month below the 48-year average of 98. Small business owners expecting better business conditions over the next six months decreased four points to a net negative 54%, the lowest level recorded in the 48-year-old survey. Expectations for better business conditions have deteriorated every month since January. In short, there are signs of recession if one dares to look.

We apologize for being so glum, but we believe it is wise to remain cautious a bit longer, or until the market can produce a convincing 90% up day. The good news is that discussions about the possibility of recession are now on the rise. The bad news is that this has not yet been factored into earnings forecasts. After the market close of SPX 3735.48, the market has dipped within our valuation model's year-end fair value range of SPX 2735-3866. It is only 13% above the mid-range of our model (SPX 3300) which would be a great buying opportunity. See page 7. In short, equity prices are reaching good long-term valuation levels, but prices could still fall a bit more.

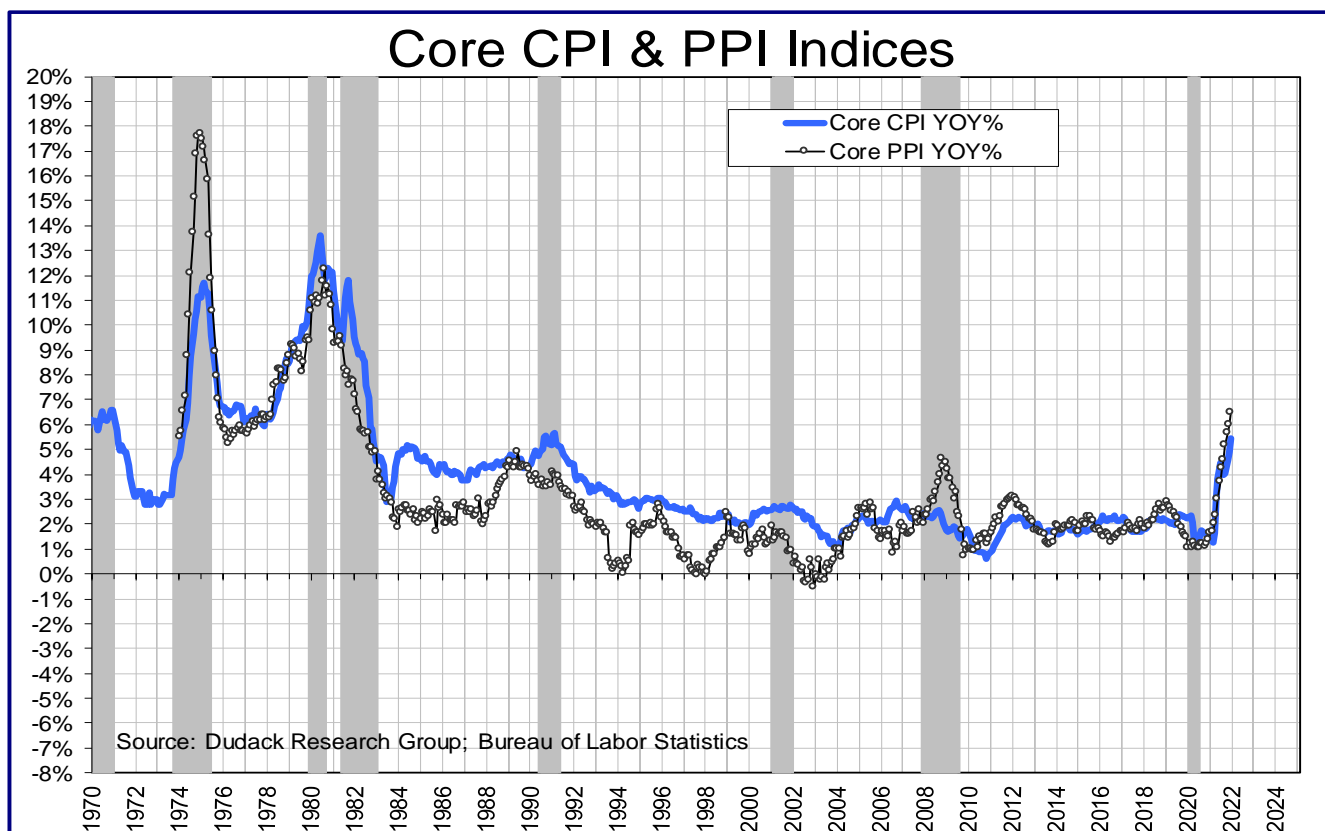
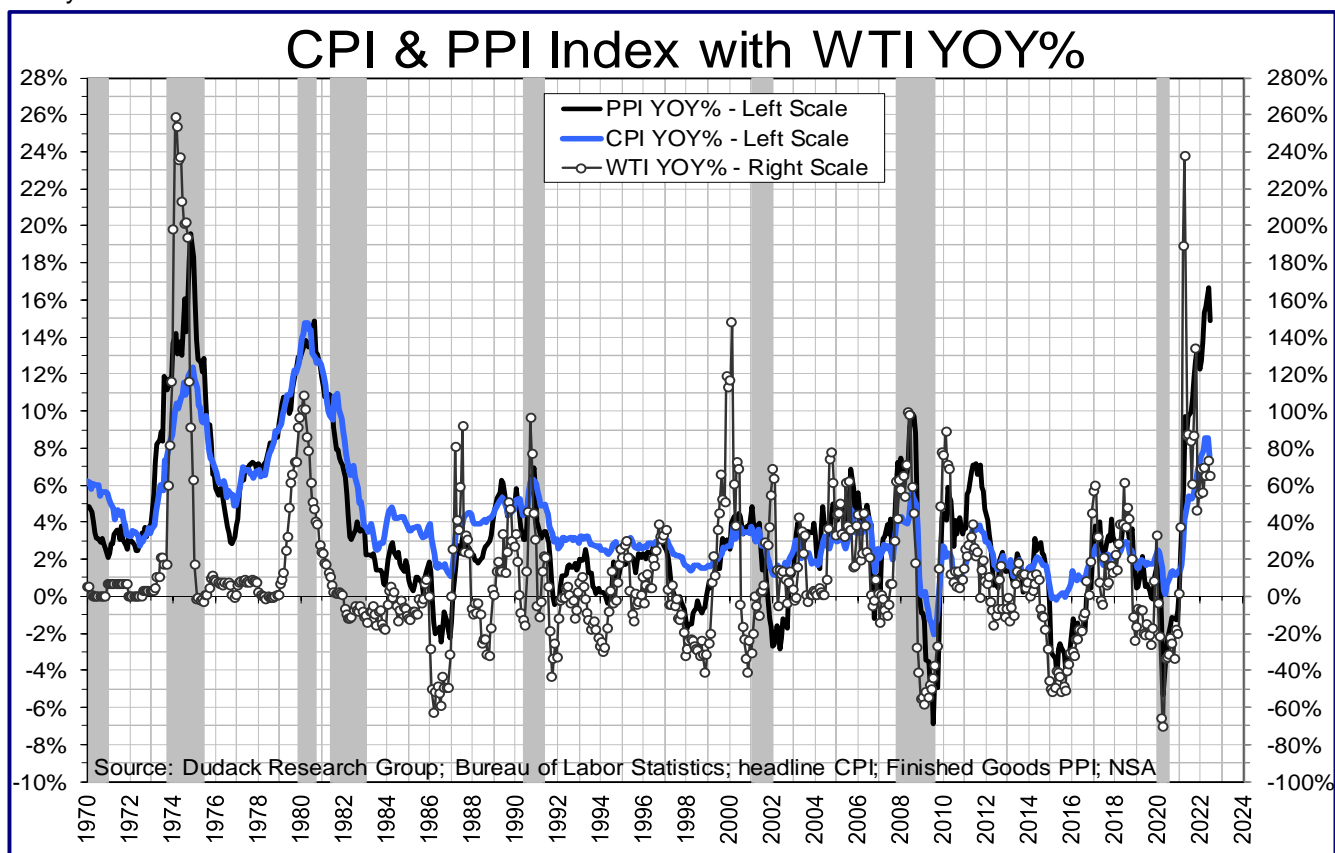
Headline seasonally adjusted CPI rose 8.5% YOY in May. Non-seasonally adjusted headline CPI rose 8.6% YOY. Inflation was led by energy costs rising nearly 35% YOY, but food at home rose nearly 12% YOY and housing – with a weighting of 42% -- rose nearly 7% YOY. Even medical care and apparel, two areas that have offset price gains in other segments of the economy, rose 3.7% and 5%, respectively.

CPI Components Heavy Weights - Not Seasonally Adjusted Data	Component Weight*	Fuel Weight	Price Chg YOY%	Price Chg MOM%
Housing	42.0%	4.7%	6.9%	0.9%
<i>Owners' equivalent rent of residences</i>	23.8%		5.1%	0.6%
Fuels and utilities	4.7%		15.5%	3.1%
Transportation	19.0%	3.5%	19.4%	2.8%
Food and beverages	14.3%		9.7%	1.3%
<i>Food at home</i>	8.3%		11.9%	1.3%
<i>Food away from home</i>	5.1%		7.4%	0.7%
<i>Alcoholic beverages</i>	0.9%		4.0%	0.3%
Medical care	8.4%		3.7%	0.4%
Education and communication	6.2%		0.8%	-0.1%
Recreation	5.1%		4.5%	0.4%
Apparel	2.5%		5.0%	-0.1%
Other goods and services	2.7%		6.3%	0.5%
Special groups:				
Energy	8.3%		34.6%	6.1%
All items less food and energy	78.3%		6.0%	0.6%
All items	100.0%		8.58%	1.1%

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

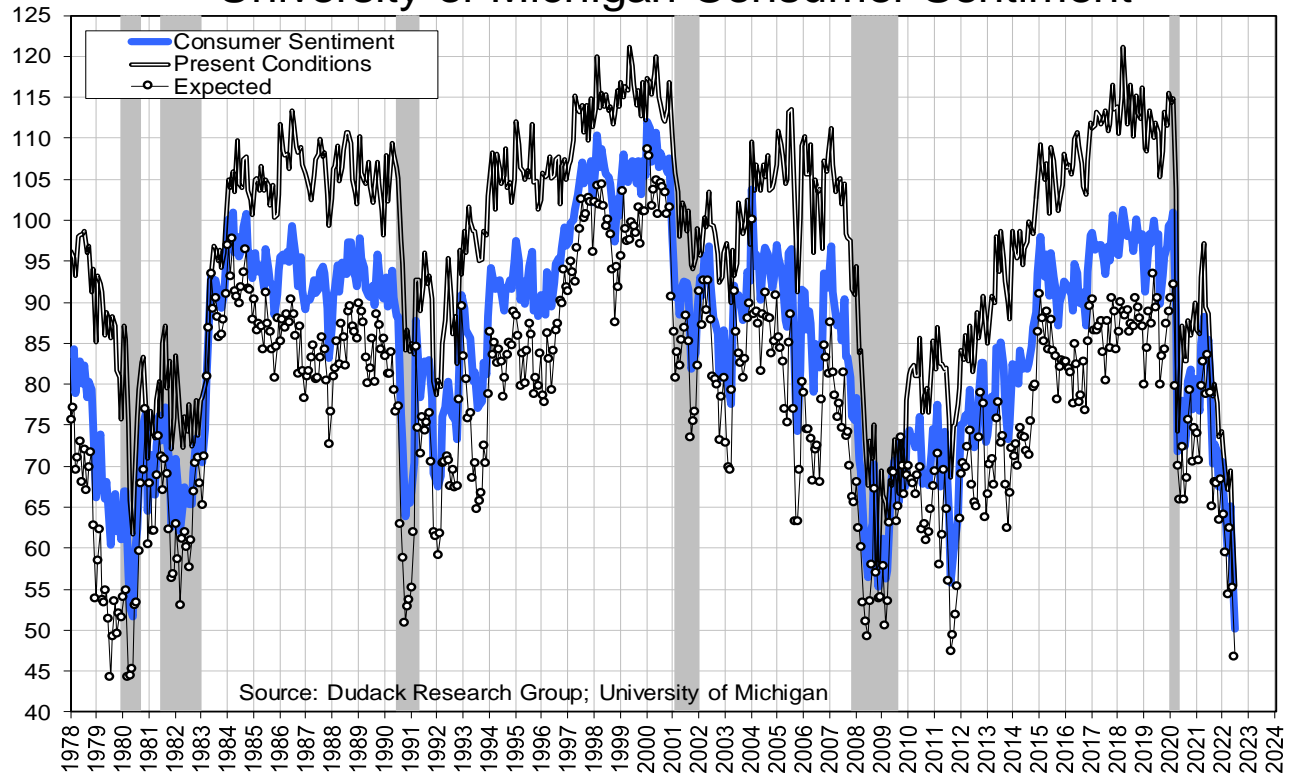


With inflation, both CPI and PPI, at 40-year highs, it is important to look back at the era and see that crude oil prices were a main driver. However, in the ten years between 1973 and 1983, there were three recessions. Core CPI and PPI are also at 40-year highs, but not as extreme as the 1973-1983 era. Perhaps this could allow for a better outcome than the previous inflation cycle.

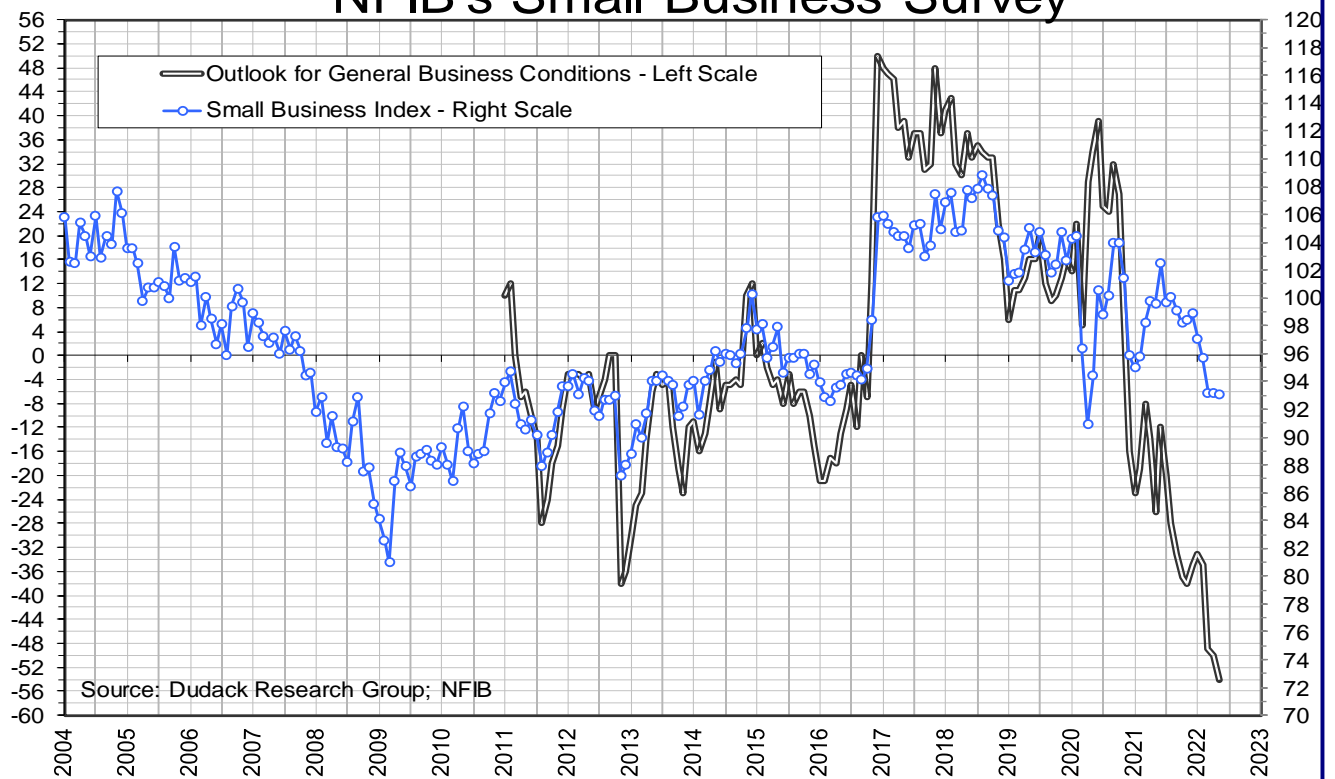


The University of Michigan sentiment index fell to 50.2 from 58.4, and below the record low set during the 1980 recession. Expectations led the decline, dropping from 55.2 to 46.8, a new cyclical low. Current conditions fell from 63.3 to 55.4 reaching a new record low. The May NFIB Optimism Index fell 0.1 to 93.1, the fifth consecutive month below the 48-year average of 98. Owners expecting better business conditions over the next six months decreased four points to a net negative 54%, the lowest level recorded in the 48-year-old survey. Expectations for better business conditions have deteriorated every month since January.

University of Michigan Consumer Sentiment

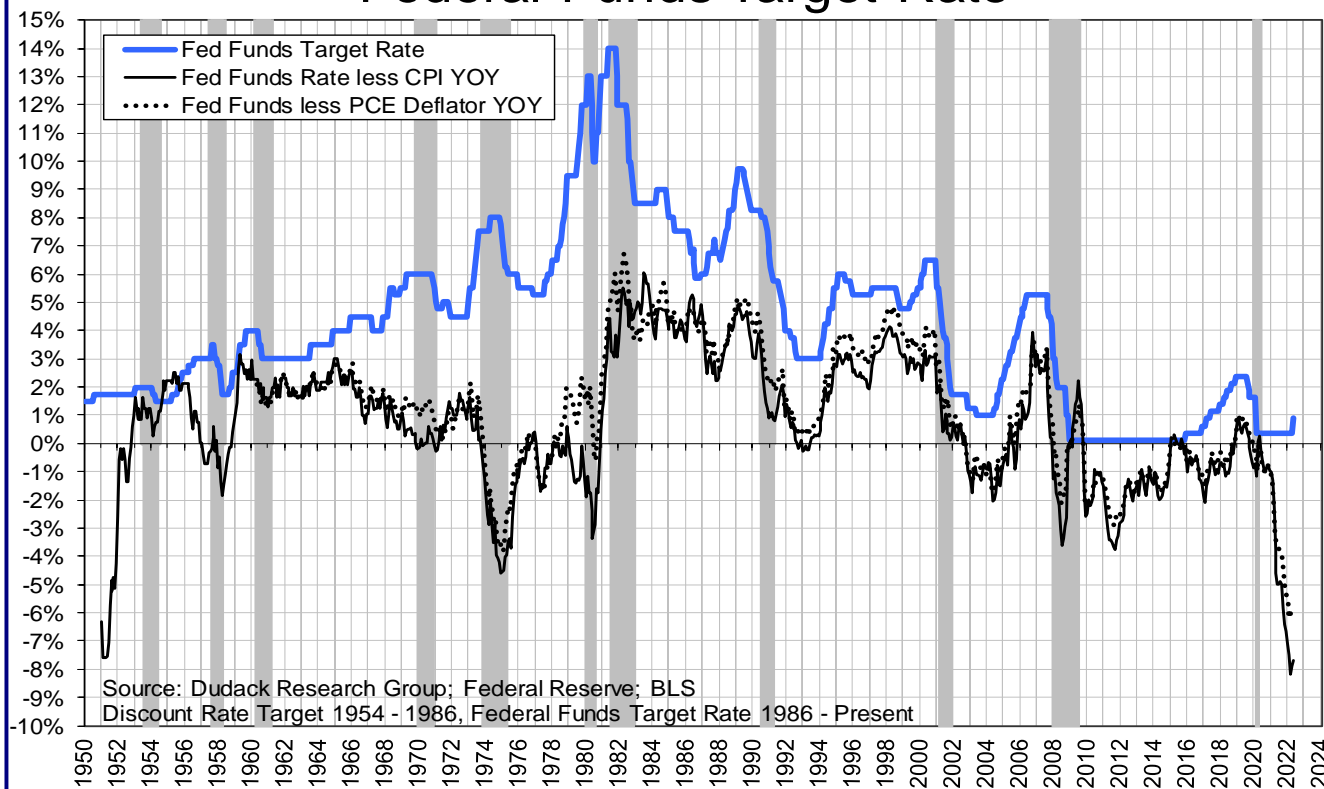


NFIB's Small Business Survey

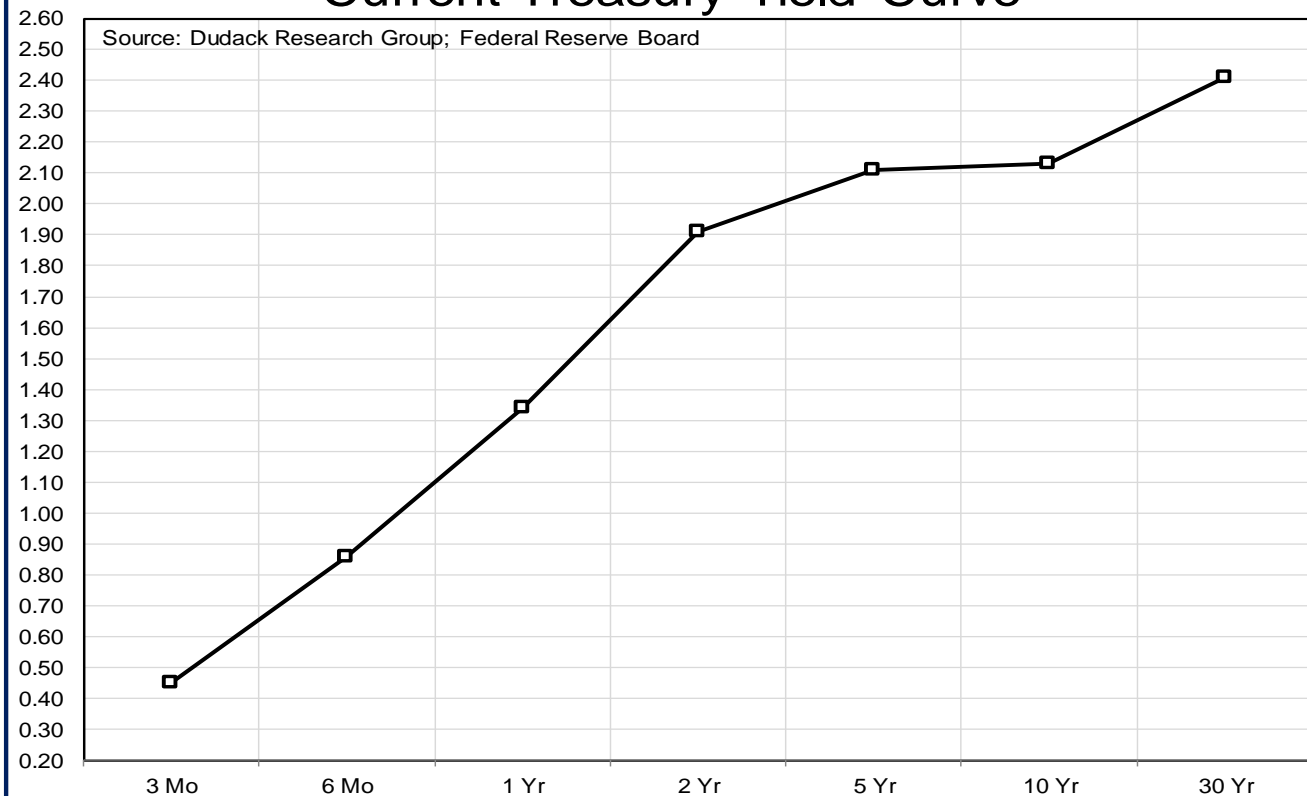


Many investors are focused on the Fed's "terminal" fed funds rate which futures now suggest will be nearly 4%. However, with inflation at 8.6% this still equates to a negative (i.e., easy) fed funds rate. The yield curve has maintained a rather healthy slope, but this may not continue as rate hikes increase the risk of recession.

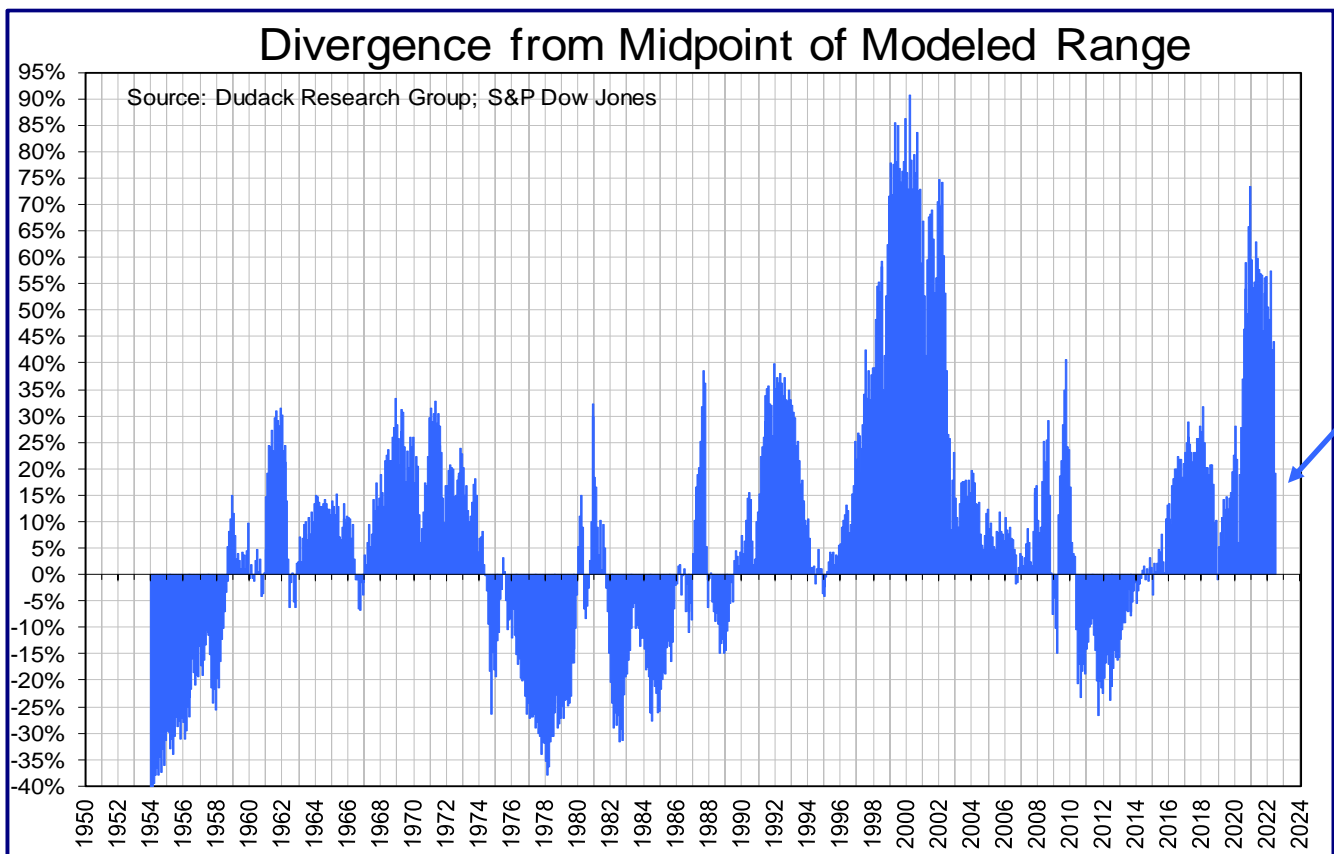
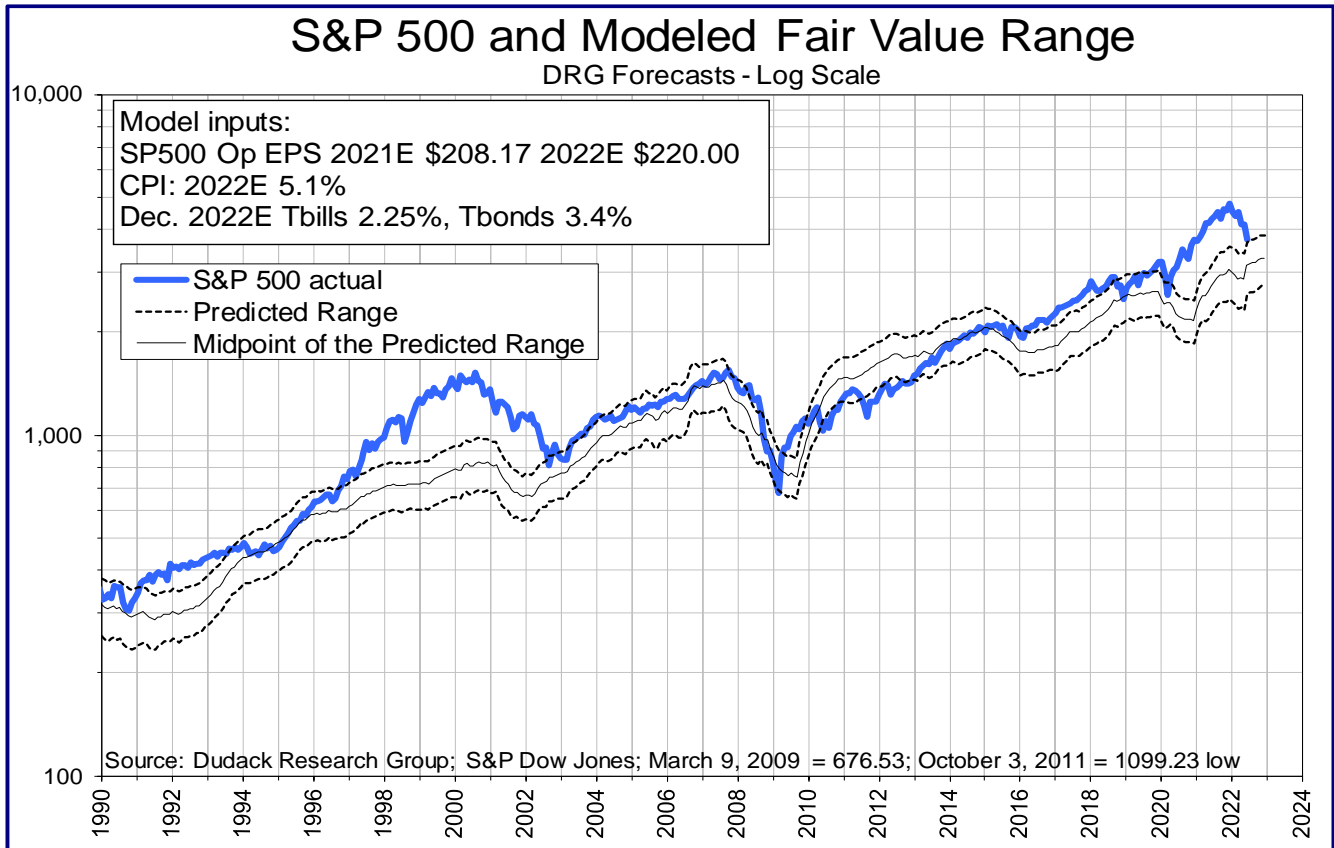
Federal Funds Target Rate



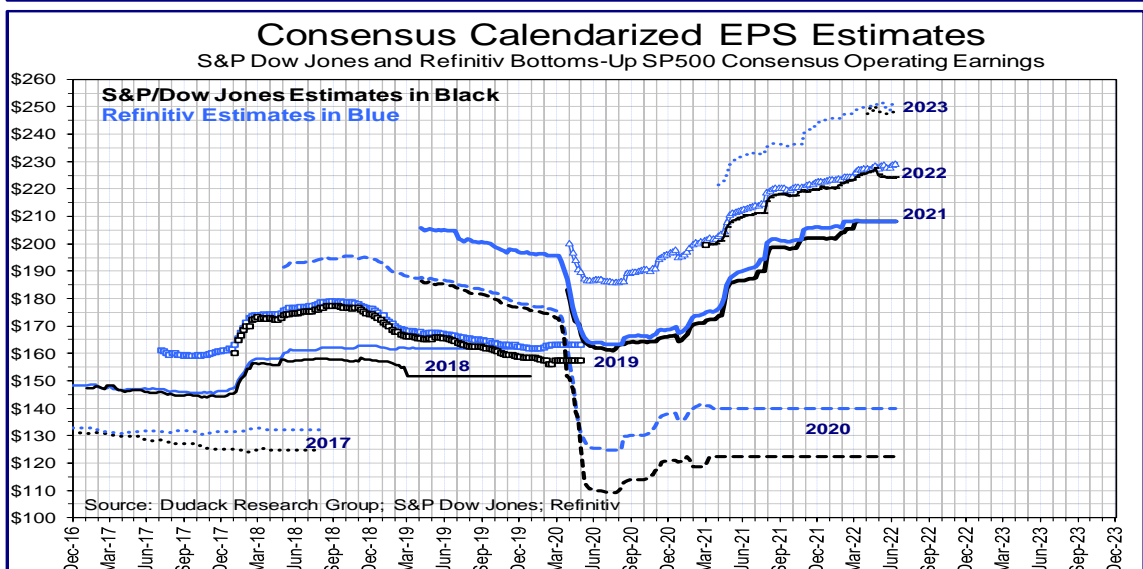
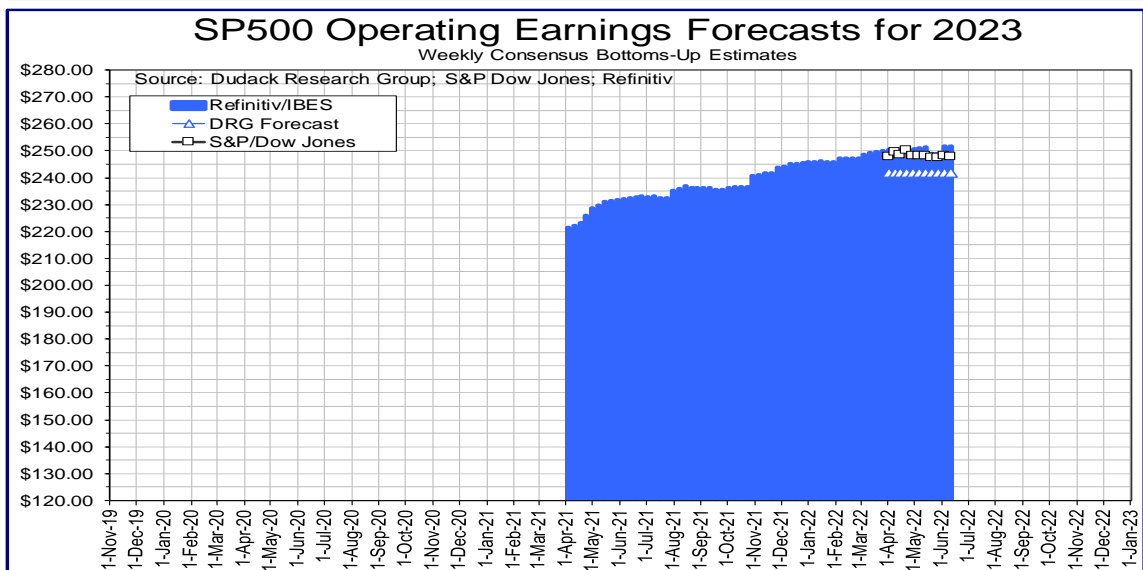
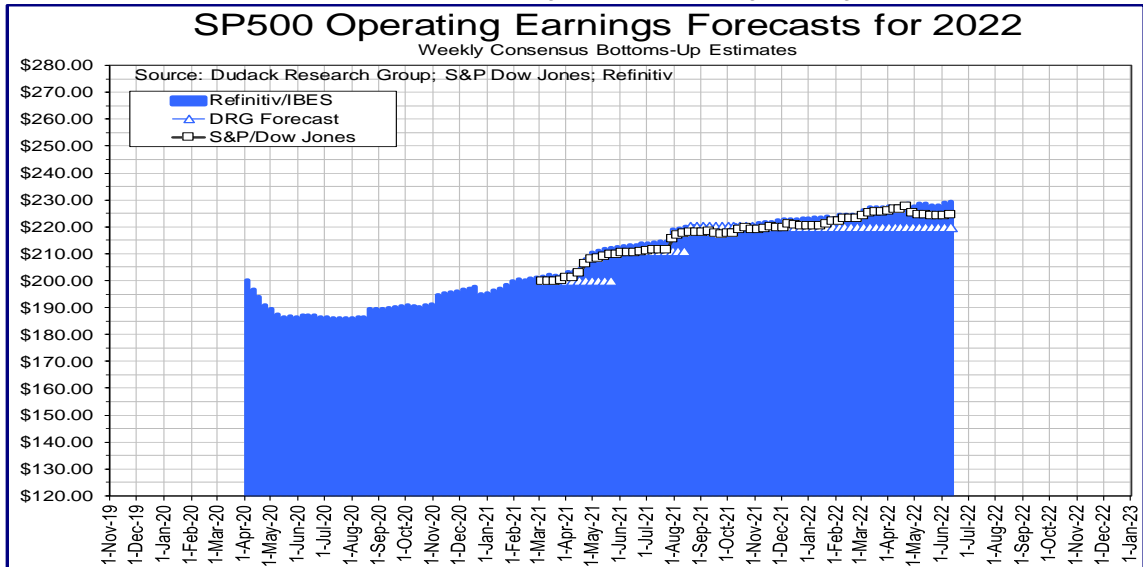
Current Treasury Yield Curve



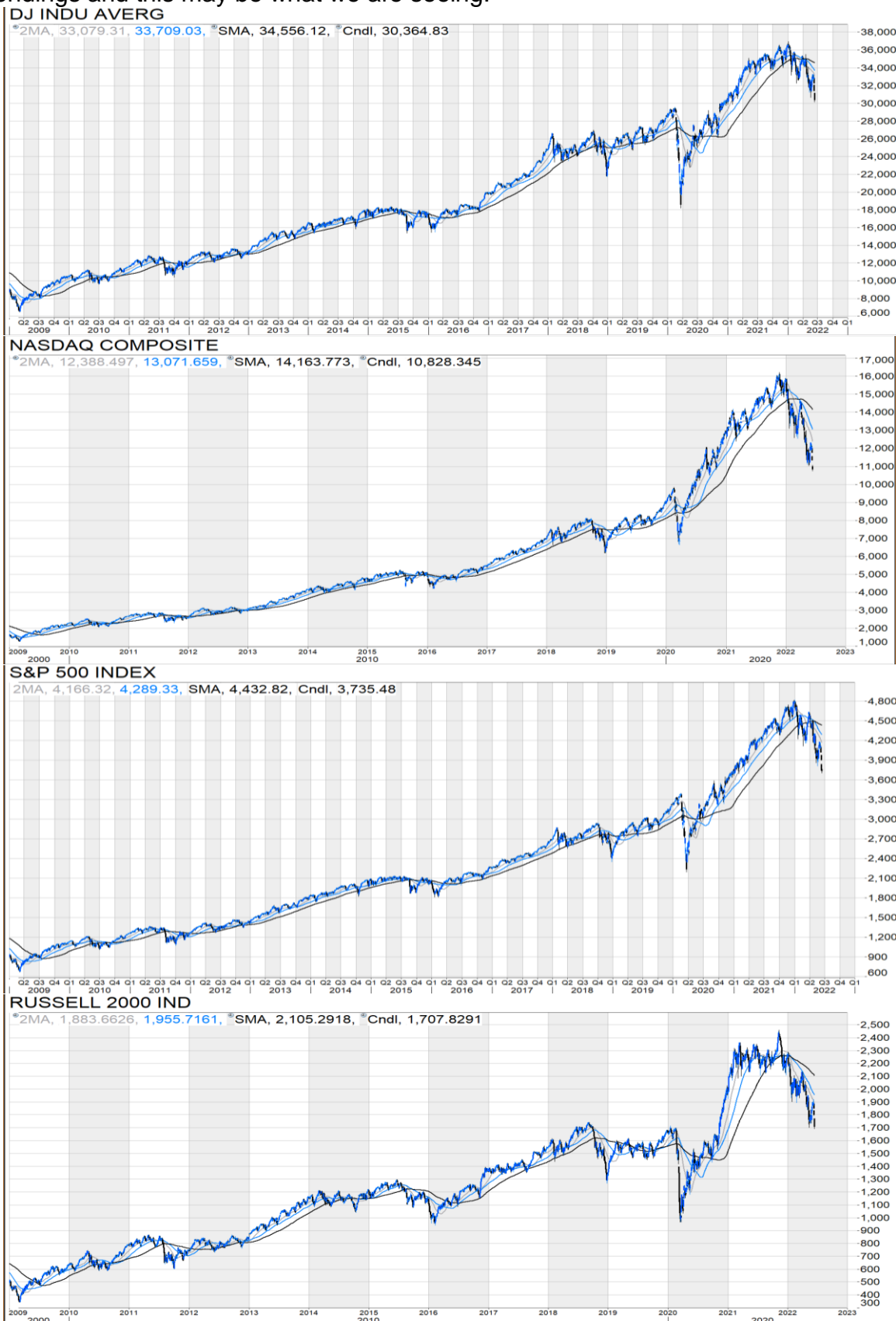
After the recent close of SPX 3735.48, the market has dipped below the top of the year-end fair value range of SPX 2735-3866 indicated by our valuation model and only 13% above the mid-range of our model (SPX 3300). Even if our \$220 EPS estimate for 2022 proves to be low, given current interest rates, value is found below the SPX 3850 level.



The S&P Dow Jones and Refinitiv IBES consensus earnings estimates for 2022 fell \$0.36 and rose \$0.37, respectively, this week but the nominal earnings range remained at \$224 to \$229. Earnings growth rates for this year rose to 7.7% and 10.2%, respectively. (Note: consensus macro-EPS forecasts may differ from four quarter analysts' forecast sums seen on page 16.) Our DRG 2022 estimate remains at \$220, a 5.7% YOY increase from \$208.19 in 2021. Most strategists are forecasting a 10% growth rate in 2023.



These technical charts of the major indices speak for themselves. Major support levels have been broken and the bear market appears to be accelerating. The positive is that bear markets often have dramatic endings and this may be what we are seeing.

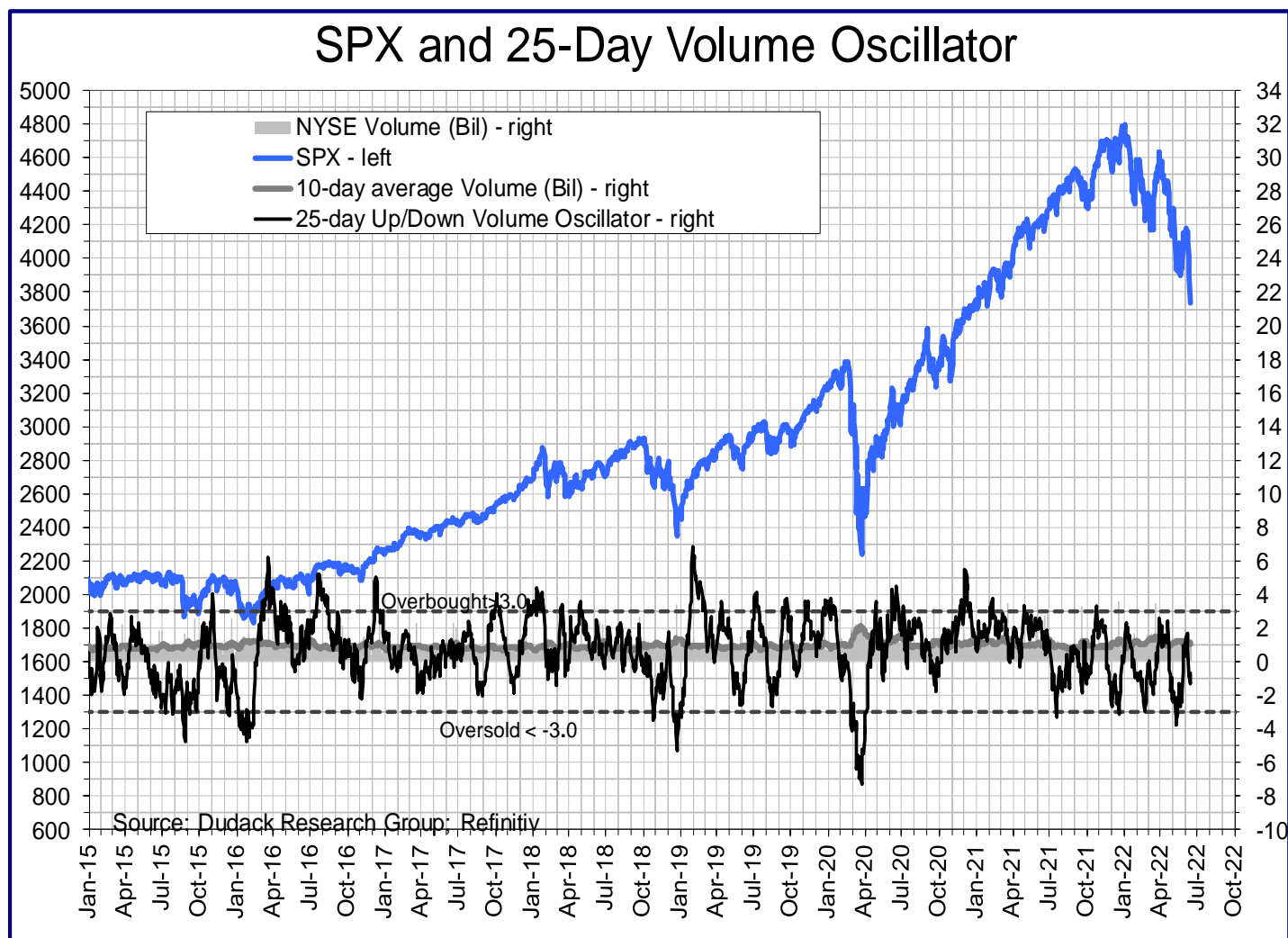


Source: Refinitiv

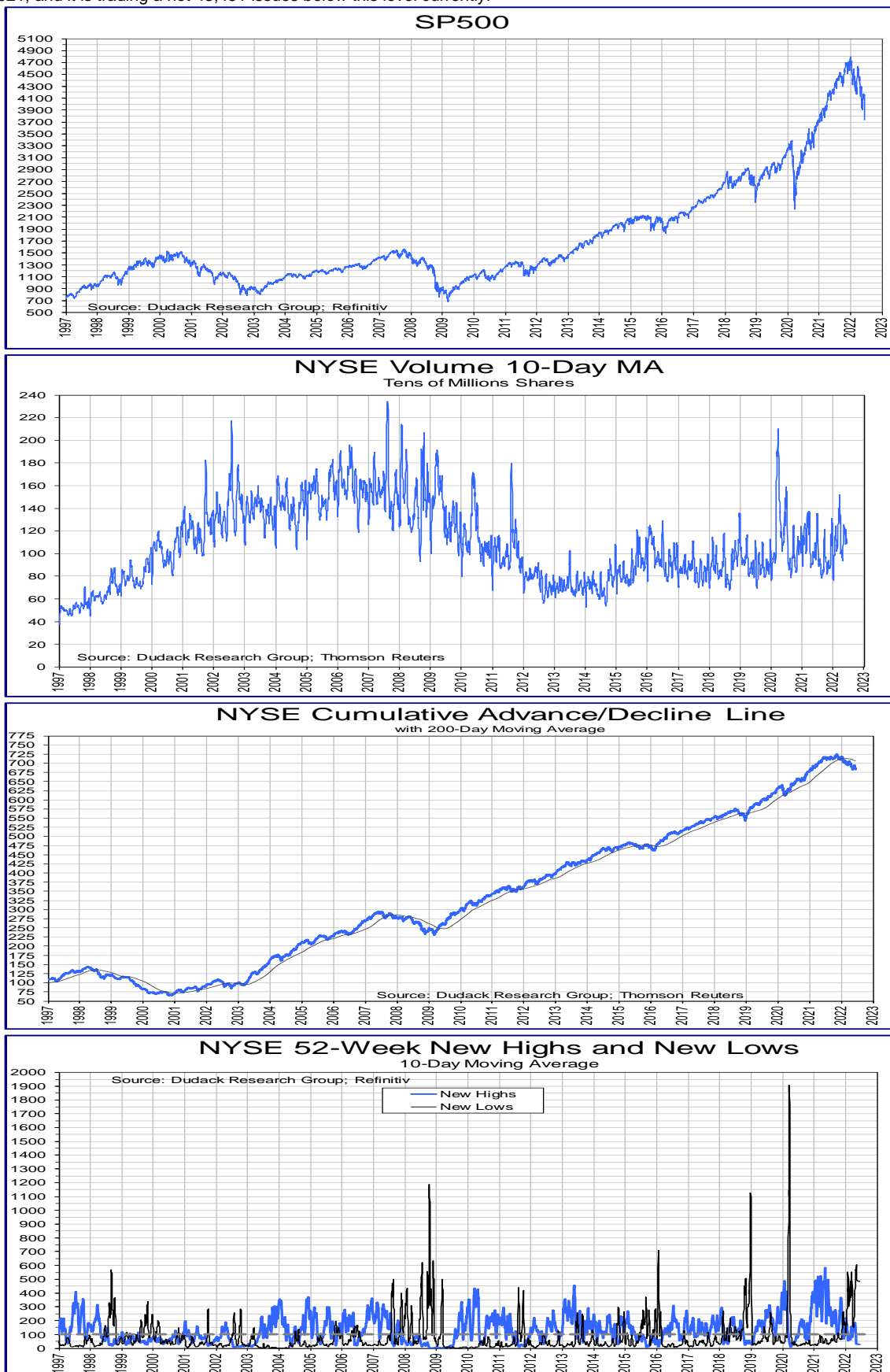
The 25-day up/down volume oscillator fell to negative 0.71 this week, after recording two 90% down days on June 9 (93%) and June 13 (98%). However, the oscillator remains in neutral range. The May 10 reading of minus 3.8 was the most oversold reading recorded since April 1, 2020; however, in March and April of 2020, the market was in oversold territory for 25 of 28 consecutive trading sessions.

There were four previous 90% down days (April 22: 90%; May 5: 93%; May 9: 92%; May 18 93%) and as often noted, history suggests that extreme down days usually come in a series. A series of 90% down days reflects panic selling and is characteristic of the end of a bear market cycle. The first sign of selling exhaustion emerges when a 90% up day materializes. A 92% up day did appear on May 13 which we believe signals an exhaustion in selling pressure and the beginning of the final phase, but not necessarily the final low, of a bear market. Not surprisingly, this 90% up day appeared after the SPX slipped below the 4000 level, where investors can begin to find and define “value” in the broader marketplace. We would like to see another 90% up day in coming sessions to indicate that downside risk is minimized.

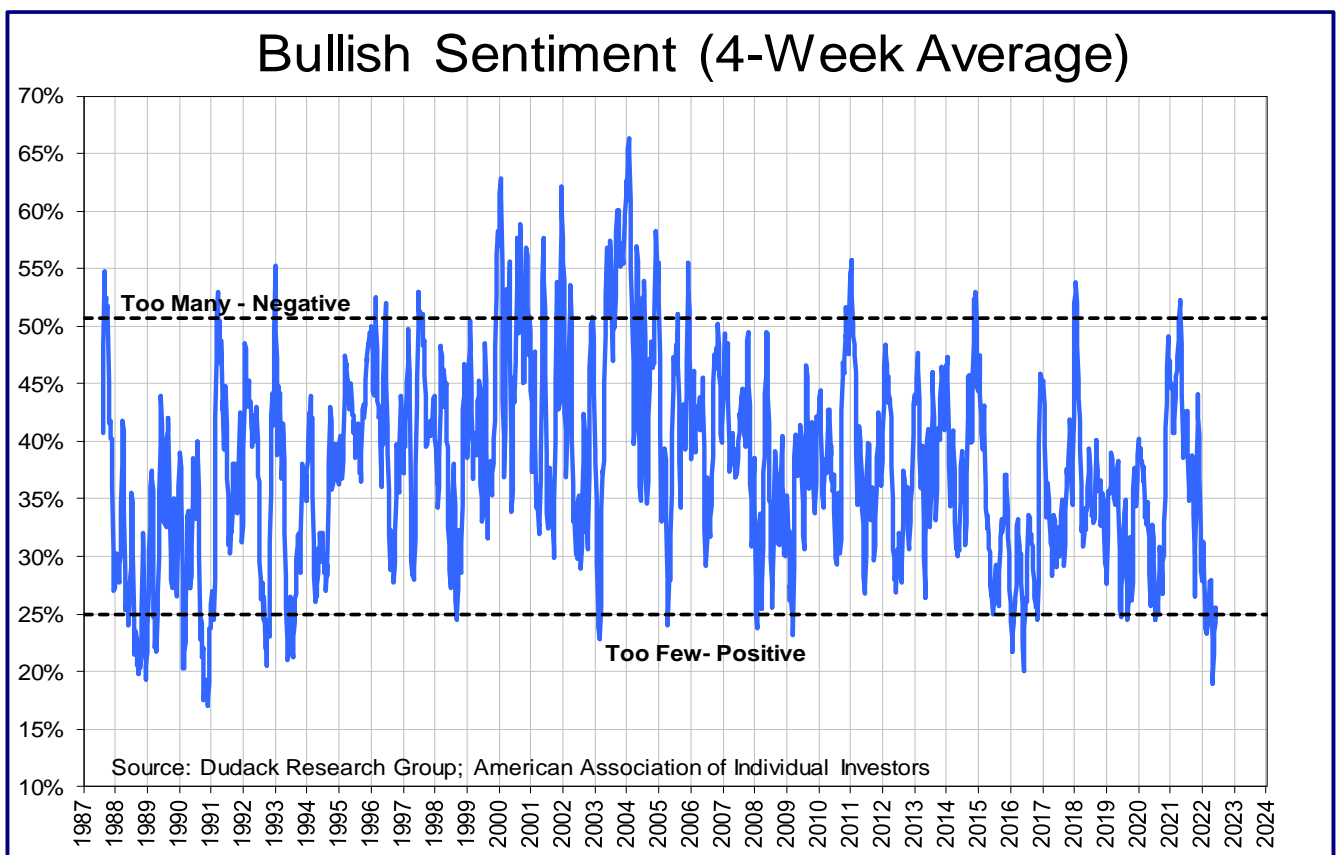
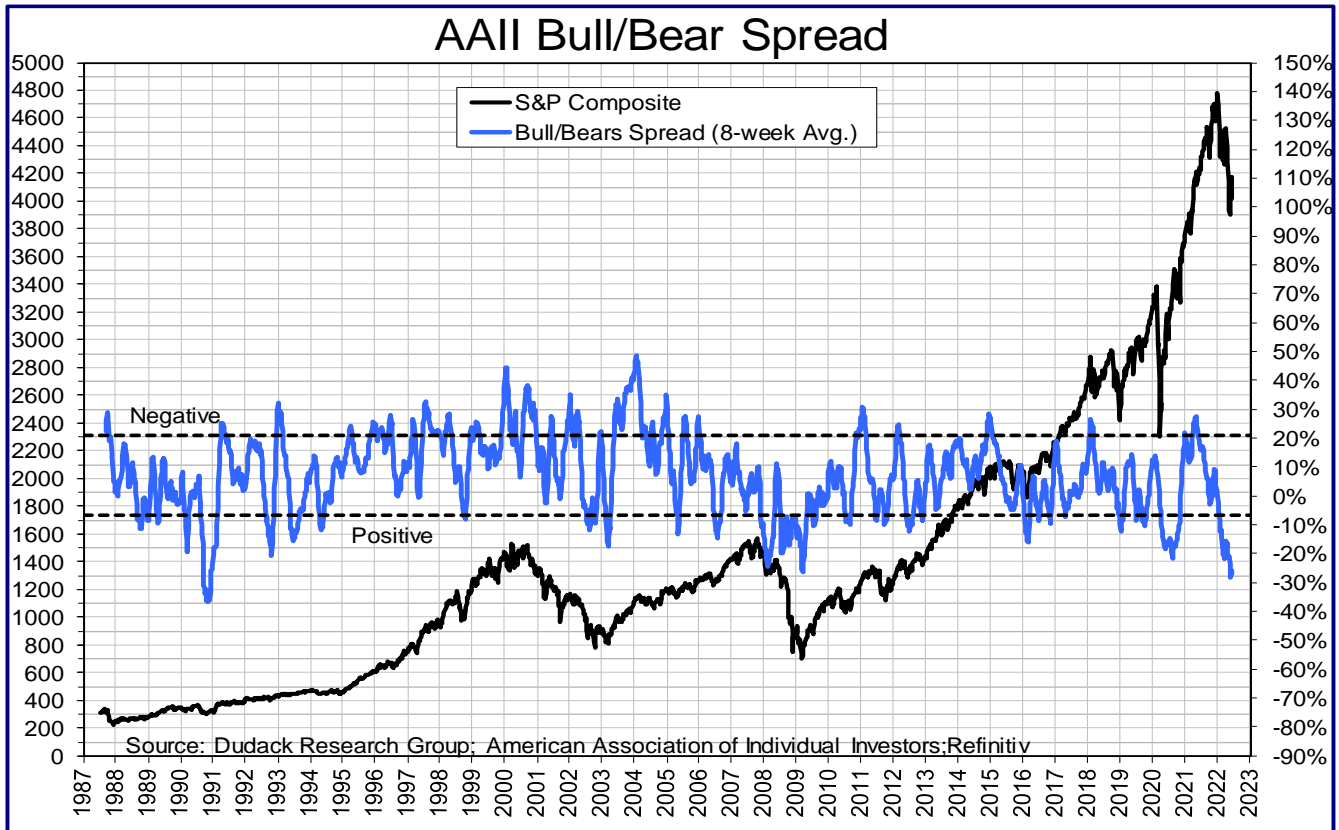
This 25-day up/down volume oscillator measures buying and selling momentum. New highs should be accompanied by strong and consistent buying pressure which results in long and sometimes extreme overbought readings. An absence of overbought readings at a new high reveals a weakness in the trend and is 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 28 this week and daily new lows are 486 This combination is negative with new highs below 100, and new lows above the 100 benchmark. However, note that 10-day average new lows peaked at 604 in early May. The advance/decline line's last record high was on November 8, 2021, and it is trading a net 43,451 issues below this level currently.



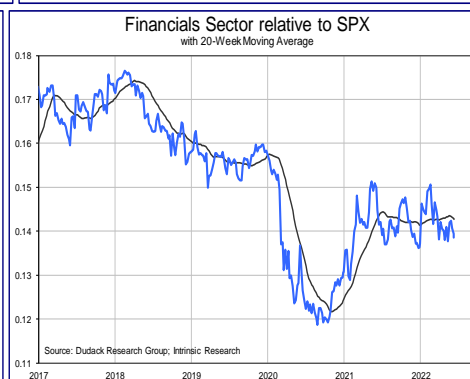
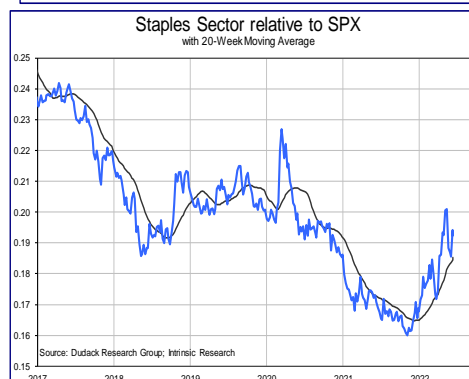
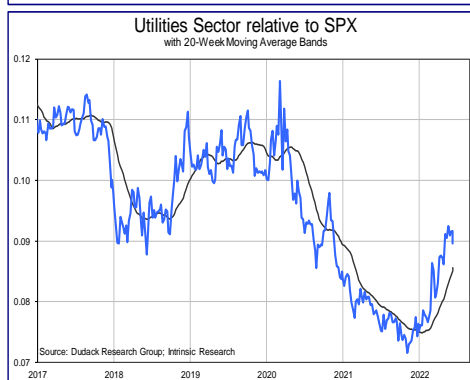
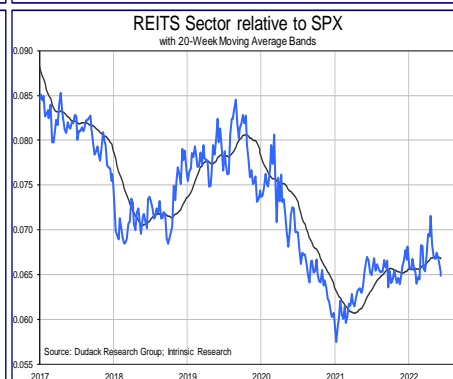
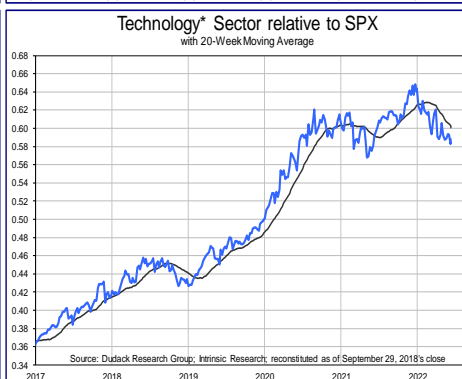
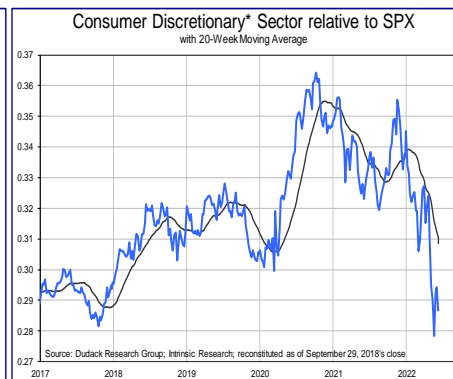
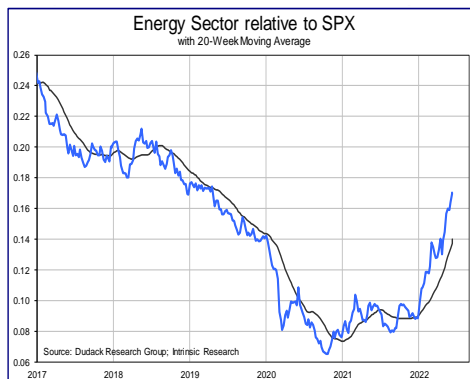
In a big reversal, optimism plunged, and pessimism jumped last week. Bullish sentiment fell 11.0 points to 21.0% and bearish sentiment rose 9.8 points to 46.9%, carrying both back out of historical ranges. End of May readings were the second combination of less than 20% bulls and more than 50% bears since April 27, 2022, or April 11, 2013. The 4-week bullish reading of 19% on April 27 was the lowest since 1990 and the bearish 52.9% reading of May 18 was the highest since the March 5, 2009 peak of 70.3%. Equity prices tend to be higher in the next six and/or twelve months following such a reading.



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
Utilities		Financials		

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	50.6%
S&P UTILITIES	-8.0%
S&P CONSUMER STAPLES	-10.7%
S&P MATERIALS	-14.5%
S&P HEALTH CARE	-14.8%
S&P INDUSTRIALS	-17.3%
S&P FINANCIAL	-20.3%
S&P 500	-21.6%
S&P REITS	-25.4%
S&P INFORMATION TECH	-28.1%
S&P COMMUNICATIONS SERVICES	-31.5%
S&P CONSUMER DISCRETIONARY	-33.4%

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%
United States Oil Fund, LP	USO	88.45	-1.8%	8.8%	19.3%	62.7%
Oil Future	CLc1	118.93	-0.4%	7.6%	19.8%	58.1%
Energy Select Sector SPDR	XLE	84.24	-8.5%	4.3%	9.3%	51.8%
iShares DJ US Oil Eqpt & Services ETF	IEZ	18.33	-14.9%	1.0%	-4.9%	42.2%
Silver Future	SLc1	33.06	17.8%	57.5%	31.6%	41.7%
Gold Future	GCc1	2326.10	0.2%	0.9%	2.2%	5.1%
iShares MSCI Brazil Capped ETF	EWZ	28.80	-16.0%	-9.7%	-26.4%	2.6%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	0.0%	0.0%
SPDR Gold Trust	GLD	168.57	-2.5%	-0.1%	-6.1%	-1.4%
Utilities Select Sector SPDR	XLU	66.34	-11.7%	-7.1%	-12.1%	-7.3%
iShares MSCI Hong Kong ETF	EWH	21.20	-5.6%	0.4%	-6.1%	-8.6%
Shanghai Composite	.SSEC	3288.91	1.5%	7.0%	1.1%	-9.6%
Consumer Staples Select Sector SPDR	XLP	69.54	-6.3%	-9.6%	-9.3%	-9.8%
iShares Silver Trust	SLV	20.20	-5.7%	-0.3%	-14.7%	-9.8%
iShares MSCI Canada ETF	EWG	34.58	-10.1%	-3.7%	-14.0%	-10.0%
iShares MSCI Mexico Capped ETF	EWX	45.50	-10.2%	-7.0%	-17.2%	-10.1%
iShares MSCI United Kingdom ETF	EWU	29.49	-11.6%	-6.5%	-12.3%	-11.0%
iShares MSCI Malaysia ETF	EWM	22.22	-5.9%	-6.8%	-13.2%	-11.2%
iShares China Large Cap ETF	FXI	32.28	-2.9%	9.0%	-2.8%	-11.8%
iShares MSCI India ETF	INDA.K	39.70	-4.2%	-1.9%	-10.9%	-13.4%
iShares Russell 1000 Value ETF	IWD	144.56	-10.1%	-6.5%	-12.9%	-13.9%
Materials Select Sector SPDR	XLB	77.88	-11.6%	-5.6%	-12.6%	-14.0%
Health Care Select Sect SPDR	XLV	120.53	-8.4%	-6.3%	-12.7%	-14.5%
iShares MSCI Australia ETF	EWA	21.24	-14.6%	-10.1%	-19.6%	-14.5%
iShares Russell 2000 Value ETF	IWN	139.20	-10.9%	-3.6%	-13.8%	-16.2%
SPDR DJIA ETF	DIA	304.30	-8.4%	-5.6%	-12.3%	-16.2%
DJIA	.DJI	30364.83	-8.5%	-5.7%	-12.4%	-16.4%
Industrial Select Sector SPDR	XLI	87.89	-9.6%	-5.6%	-14.7%	-16.9%
iShares MSCI Emerg Mkts ETF	EEM	40.24	-5.8%	-0.6%	-10.9%	-17.6%
iShares MSCI Singapore ETF	EWS	17.60	-8.1%	-5.2%	-15.5%	-17.7%
Vanguard FTSE All-World ex-US ETF	VEU	50.39	-8.2%	-3.6%	-12.5%	-17.8%
SPDR S&P Bank ETF	KBE	44.25	-10.6%	-4.0%	-15.5%	-18.9%
iShares iBoxx \$ Invest Grade Corp Bond	LQD	107.41	-4.9%	-3.8%	-11.2%	-18.9%
iShares MSCI Taiwan ETF	EWT	53.93	-4.3%	0.1%	-12.2%	-19.0%
iShares MSCI BRIC ETF	BKF	35.99	-4.4%	4.2%	-6.0%	-19.6%
Financial Select Sector SPDR	XLF	31.29	-11.2%	-6.7%	-18.1%	-19.9%
iShares MSCI Japan ETF	EWJ	52.90	-8.0%	-6.1%	-14.6%	-21.0%
iShares MSCI EAFE ETF	EFA	61.96	-11.7%	-7.5%	-15.8%	-21.3%
SP500	.SPX	3735.48	-10.2%	-7.2%	-17.5%	-21.6%
iShares MSCI South Korea Capped ETF	EWY	60.96	-8.3%	-6.9%	-14.2%	-21.7%
iShares Russell 1000 ETF	IWB	205.12	-10.6%	-7.3%	-18.0%	-22.4%
iShares Russell 2000 ETF	IWM	169.38	-11.3%	-4.9%	-18.4%	-23.9%
iShares MSCI Austria Capped ETF	EWO	19.12	-12.3%	-1.1%	-11.5%	-24.9%
iShares US Real Estate ETF	IYR	87.22	-12.2%	-9.9%	-19.4%	-24.9%
iShares US Telecomm ETF	IYZ	24.66	-9.3%	-6.8%	-17.5%	-25.1%
PowerShares Water Resources Portfolio	PHO	44.80	-11.0%	-6.1%	-16.6%	-26.4%
iShares 20+ Year Treas Bond ETF	TLT	108.81	-5.5%	-6.2%	-17.8%	-26.6%
Technology Select Sector SPDR	XLK	126.07	-11.0%	-7.2%	-20.4%	-27.5%
iShares MSCI Germany ETF	EWG	23.76	-13.7%	-7.8%	-17.0%	-27.5%
iShares Russell 1000 Growth ETF	IWF	213.58	-11.2%	-8.3%	-23.1%	-30.1%
Nasdaq Composite Index Tracking Stock	ONEQ.O	42.46	-10.9%	-7.9%	-23.6%	-30.3%
iShares Nasdaq Biotechnology ETF	IBB.O	106.23	-9.8%	-6.1%	-20.2%	-30.4%
NASDAQ 100	NDX	11311.69	-11.0%	-8.7%	-23.8%	-30.7%
iShares Russell 2000 Growth ETF	IWO	200.77	-11.6%	-6.2%	-21.5%	-31.5%
SPDR S&P Retail ETF	XRT	61.35	-8.0%	-9.4%	-18.8%	-32.1%
Consumer Discretionary Select Sector SPDR	XLY	137.69	-10.7%	-9.6%	-25.6%	-32.7%
SPDR S&P Semiconductor ETF	XSD	158.97	-13.4%	-7.6%	-23.4%	-34.6%
SPDR Homebuilders ETF	XHB	55.52	-12.1%	-9.4%	-12.2%	-35.3%

Outperformed SP500
Underperformed SP500

Source: Dudack Research Group; Thomson Reuters

Priced as of June 14, 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	~~~~~	\$206.72	\$224.23	\$220.00	5.7%	\$229.35	10.2%	16.7X	NA	NA	NA	NA
2023E	~~~~~	\$230.70	\$247.86	\$242.00	10.0%	\$251.79	9.8%	15.1X	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 1QP	4530.41	\$45.96	\$49.38	\$49.40	4.2%	\$54.91	11.8%	17.8	1.4%	-1.5%	\$2,417.70	9.5%
2022 2QE*	3735.48	\$50.53	\$55.04	\$56.00	7.6%	\$55.37	5.3%	17.5	NA	NA	NA	NA
2022 3QE		\$54.52	\$59.19	\$56.60	8.8%	\$59.60	10.9%	17.0	NA	NA	NA	NA
2022 4QE		\$55.72	\$60.62	\$58.00	2.3%	\$61.11	13.3%	16.7	NA	NA	NA	NA

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

6/14/2022

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