



Dudack Research Group

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June 29, 2022

DJIA: 30946.99

SPX: 3821.55

NASDAQ: 11181.54

# US Strategy Weekly

## Three Points of Caution

We believe a significant low could materialize in the next few months; however, we would not be too hasty to fully re-enter the equity market at this juncture. The first reason for our caution is that despite the market's oversold condition and the perpendicular declines in the charts of the major indices, equities seem unable to find any upside traction this week. This is a sign of weakness, and it displays a lack of underlying demand for equities at current prices.

The second reason is, while there are many open discussions regarding a recession and the possibility that the economy is already in a recession, we have not yet seen any economist actually forecast a recession for 2022 or 2023. Most economists are fiddling with GDP targets depicting slowing "growth." This is an important distinction because, in our experience, Wall Street's industry analysts and strategists rarely, and are sometimes unable, to factor a recession into their industry or macro earnings estimates until their economist has forecasted a recession.

And it may not surprise readers that most economists fail to recognize a recession until it is almost, or completely, over. Therefore, this implies that earnings forecasts may be too high for 2022 and 2023 and are apt to come down in time. Ironically, we would be more confident that the lows have been found if earnings forecasts were incorporating the possibility of a recession; but to date, this has not happened. Our earnings forecast for 2022 S&P 500 earnings has been a negative outlier at \$220; nevertheless, we are fearful that this too may still prove to be too optimistic.

Third, July could be the month of changes. The Bureau of Economic Analysis releases its final estimate for first quarter GDP this week. Growth is currently estimated to be negative 1.5% in the first quarter of the year, indicating a decline in economic activity. On July 28, the BEA is expected to release its advance estimate for second quarter GDP. This single data point could be pivotal since a recession is defined as two consecutive quarters of negative GDP. Another negative number would confirm that the US economy is currently in a recession. Yet even if second quarter GDP displays very weak growth it could be enough to prompt economists to dramatically lower their economic forecasts for the year.

July is also important since second quarter earnings season will begin mid-month. Most earnings quarters begin in earnest with the release of money center bank earnings, which are scheduled to start on July 13. Keep in mind that retailers have fiscal years and quarters that end a month later than most companies, so these results will not be available until August. But it was not just a coincidence that the equity market broke below the SPX 4000 level shortly after Walmart Inc. (WMT - \$122.37), reported earnings below expectations on May 17, 2022. Its next earnings report is scheduled for August 16, 2022.

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

In sum, the bear market finale is likely to include a realization that earnings will be lower than expected for 2022 and 2023. This could happen in late July. And from a technical perspective, it would be wise to wait for an impressive high-volume 90% up day to confirm that buyers have returned to the equity market in earnest.

#### HOUSING – THE CANARY IN THE COAL MINE

It is clear that the housing market is slowing. Existing home sales, which represent the bulk of the overall housing market, were 5.41 million units in May, down 8.6% YOY. This pace was also down 20% from the October 2020 peak and the slowest pace since June 2020. New home sales were 696,000 in May up from April but down nearly 6% YOY, and down 30% from the January 2021 peak. See page 3.

Homeownership has been relatively stable at 65.4% for the last four quarters and has been hovering just slightly above the long-term average of 62.9%. This implies there is neither pent-up demand nor excessive ownership in the housing market. However, the median price of an existing home reached a record \$414,200 in May, up nearly 15% YOY. These high house prices are the result of many things such as an emphasis on the home and homeownership during the 2020 pandemic shutdown, historically high household liquidity in 2020 due to a series of fiscal stimulus packages, historically low interest rates due to monetary stimulus, and a booming stock market. All of this made housing attractive and affordable. However, this is all changing. Moreover, while the median price of an existing single-family home rose 15% YOY, personal income increased only up 2.6% YOY in April, and real disposable income fell 6.2% YOY. This is a bad combination. See page 4.

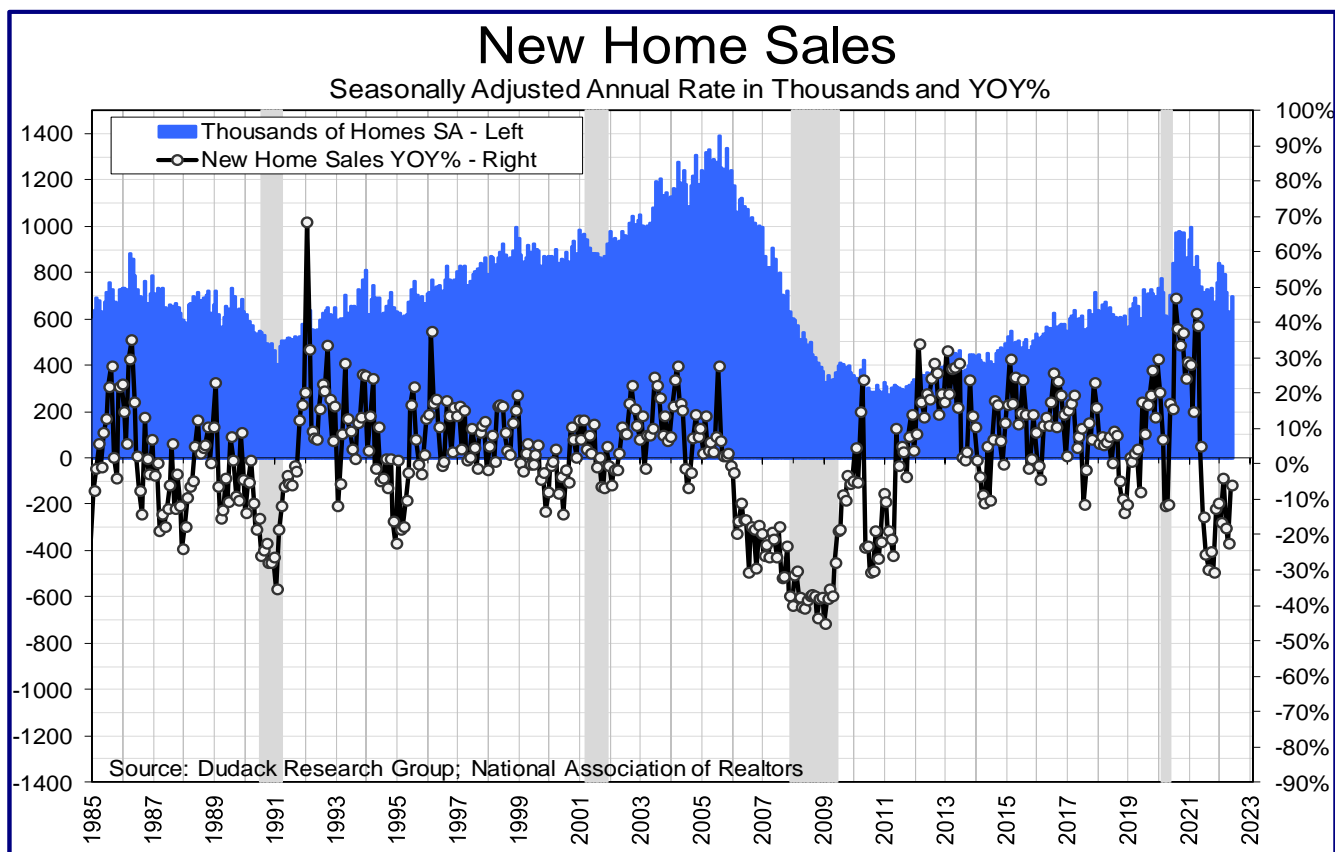
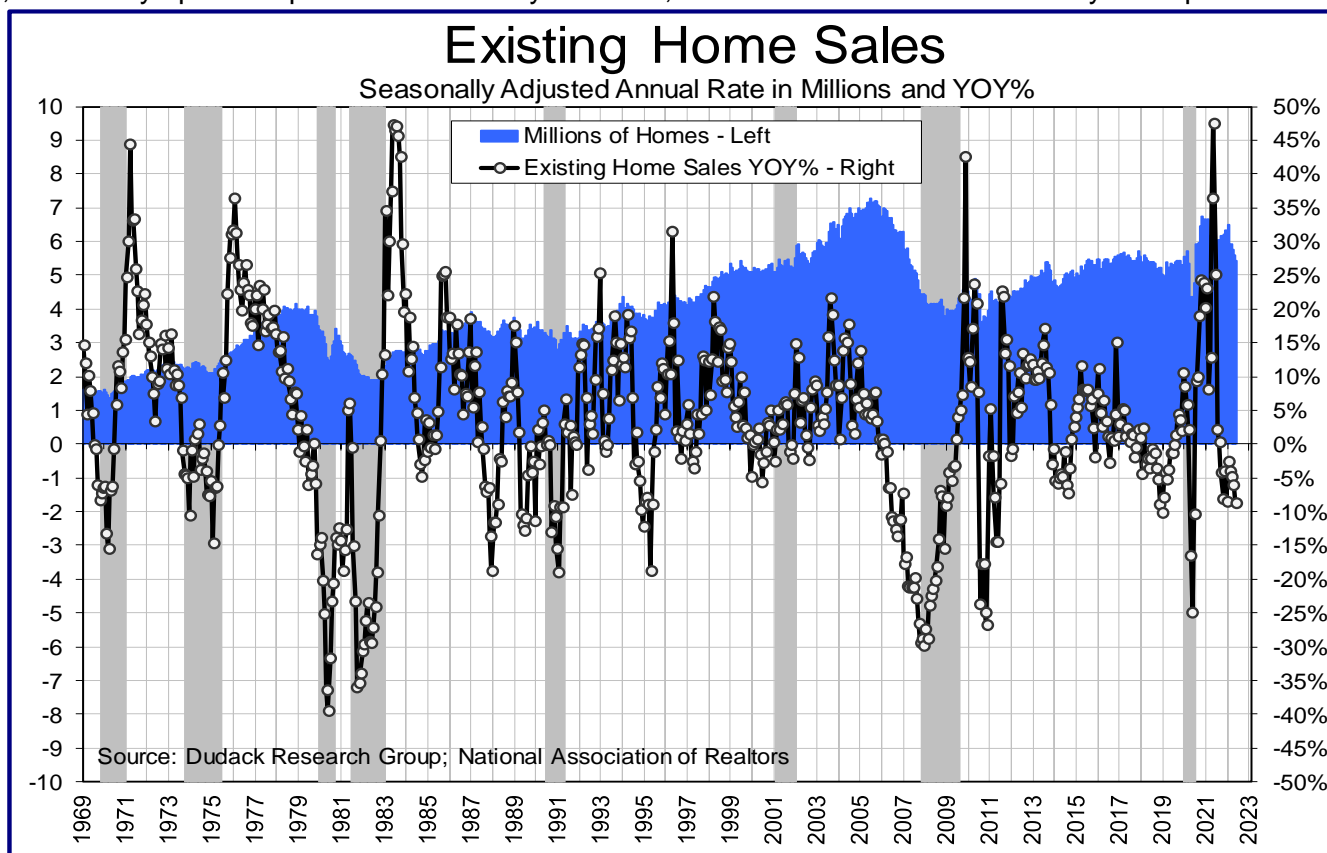
The National Association of Realtors (NAR) housing affordability composite index fell from 124.2 in March to 109.2 in April. This was the lowest reading since the 106.9 recorded in July 2007. More importantly, this index is likely to decline further as the fed raises interest rates and mortgage rates move up in unison. The headline NAR housing market index has been falling all year, but in June the traffic of potential buyers index, fell to 48, its lowest reading since June 2020. It is a sign of dwindling demand. See page 5.

Pending home sales inched up to 99.9 in May, from 99.2 in April; however, both April and May's readings were the lowest since the 70 recorded in April 2020 during the recession. These cumulative signs of deterioration in the housing market are extremely important since the housing market represented 16.8% of GDP in 2021. Residential fixed investment contributed 4.7% and housing services represented 12.1% of GDP. However, there are other "non-housing" factors such as furniture, carpeting, appliances, etc. that also help to boost economic activity during a housing boom. We expect all of these industries to slow in the second half of the year. See page 6.

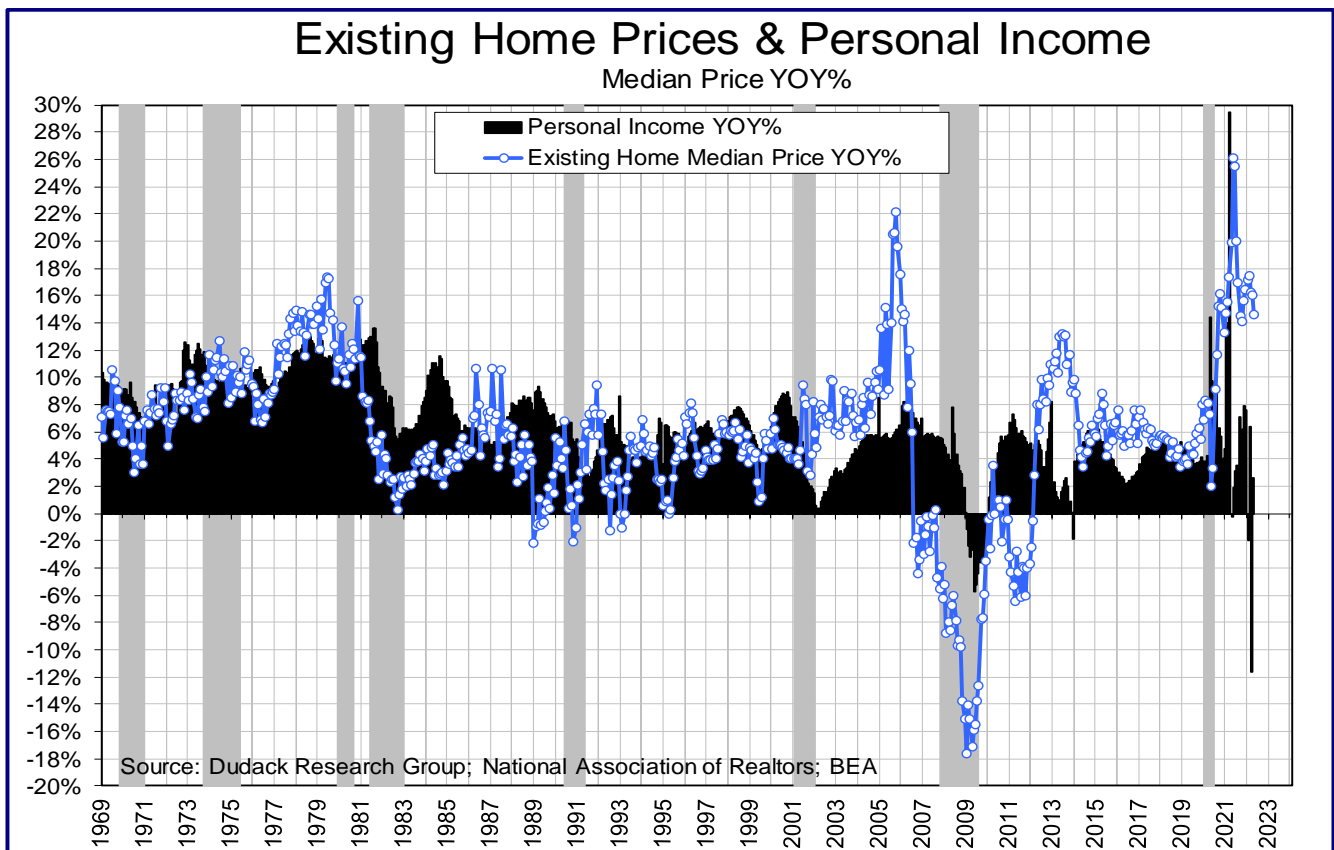
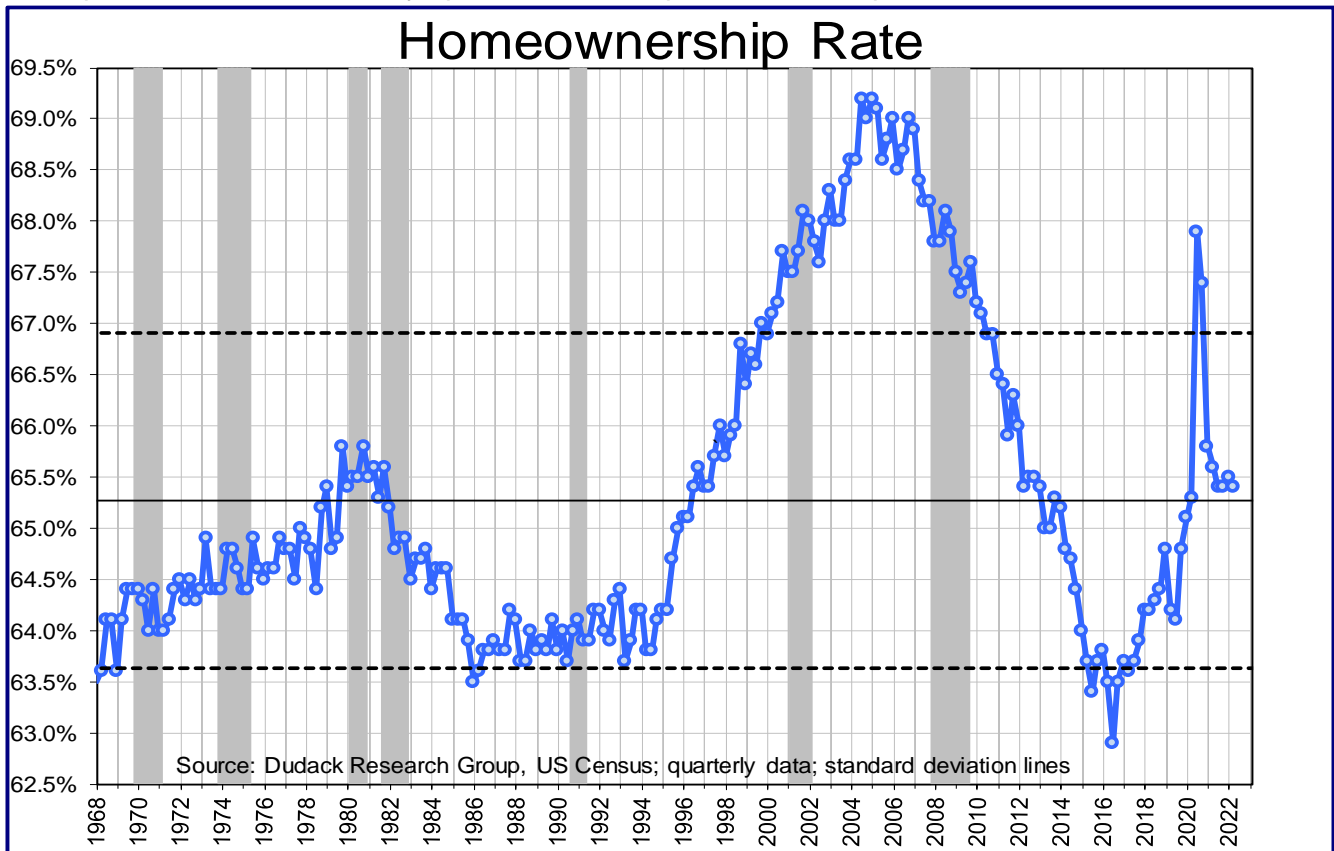
Consumer confidence can be a critical component of an economic cycle, and it can also be the canary in the coal mine that predicts a recession – even when economists fail to see it. Conference Board consumer confidence fell to 98.7 in June, its lowest level since February 2021. The survey showed that expectations fell to 66.4, the lowest point since October 2011.

The University of Michigan consumer sentiment index fell to 50 in June, the lowest headline reading on record, and lower than any time during the recessions of 1980, 1982, 1990, 2001, 2008-2009, or 2020. Expectations fell to 47.5, the lowest reading since August 2011 (47.4) or May 1980 (45.3). In short, in both surveys, consumer confidence is at levels last seen during a recession. And we would remind readers that last week we pointed out that whenever inflation has reached 5% or more, it has been followed not by one recession, but by a series of tightening cycles and recessions. See "Liquidity Crisis" June 22, 2022; page 6. The market lows in June were the beginning of the discounting of a recession, in our view. But it may not be over.

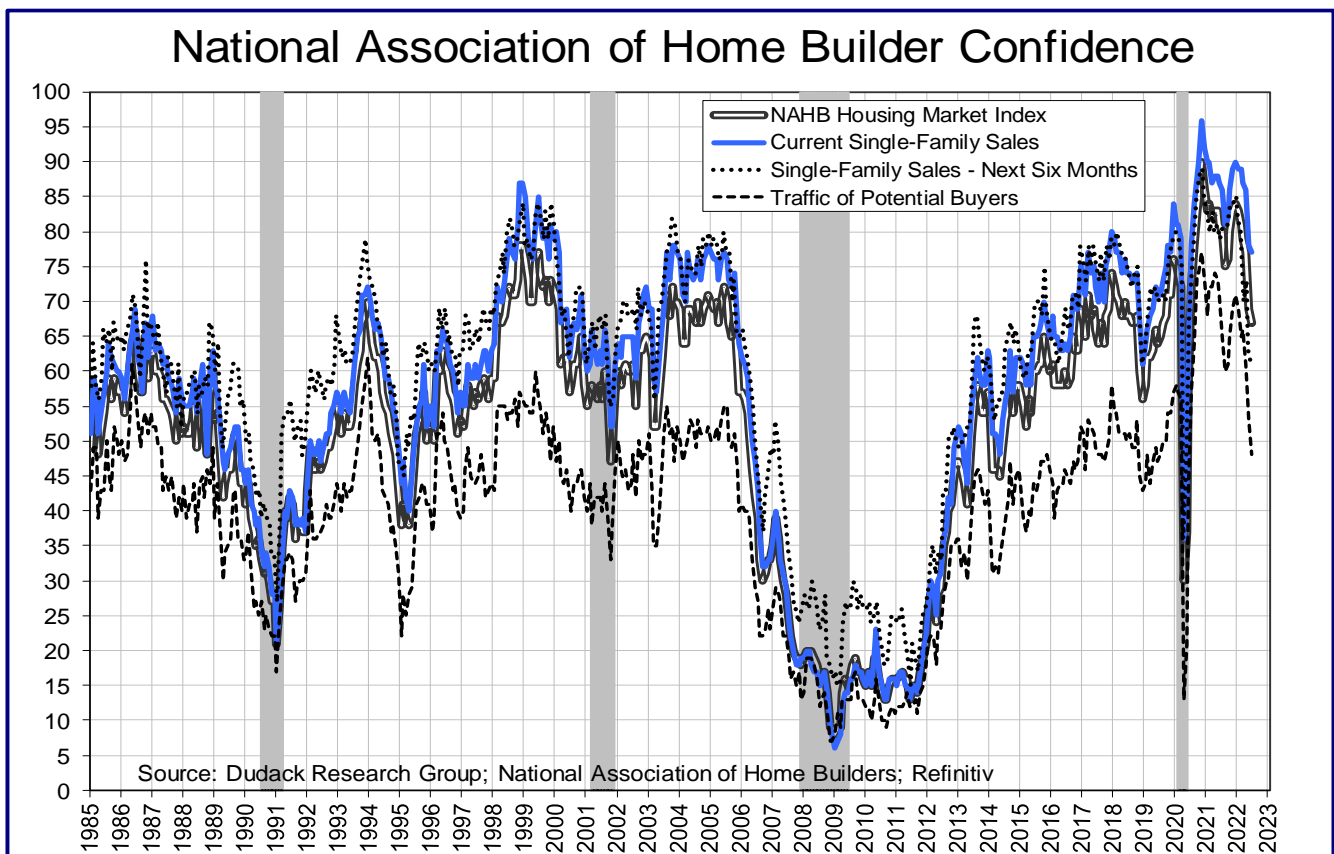
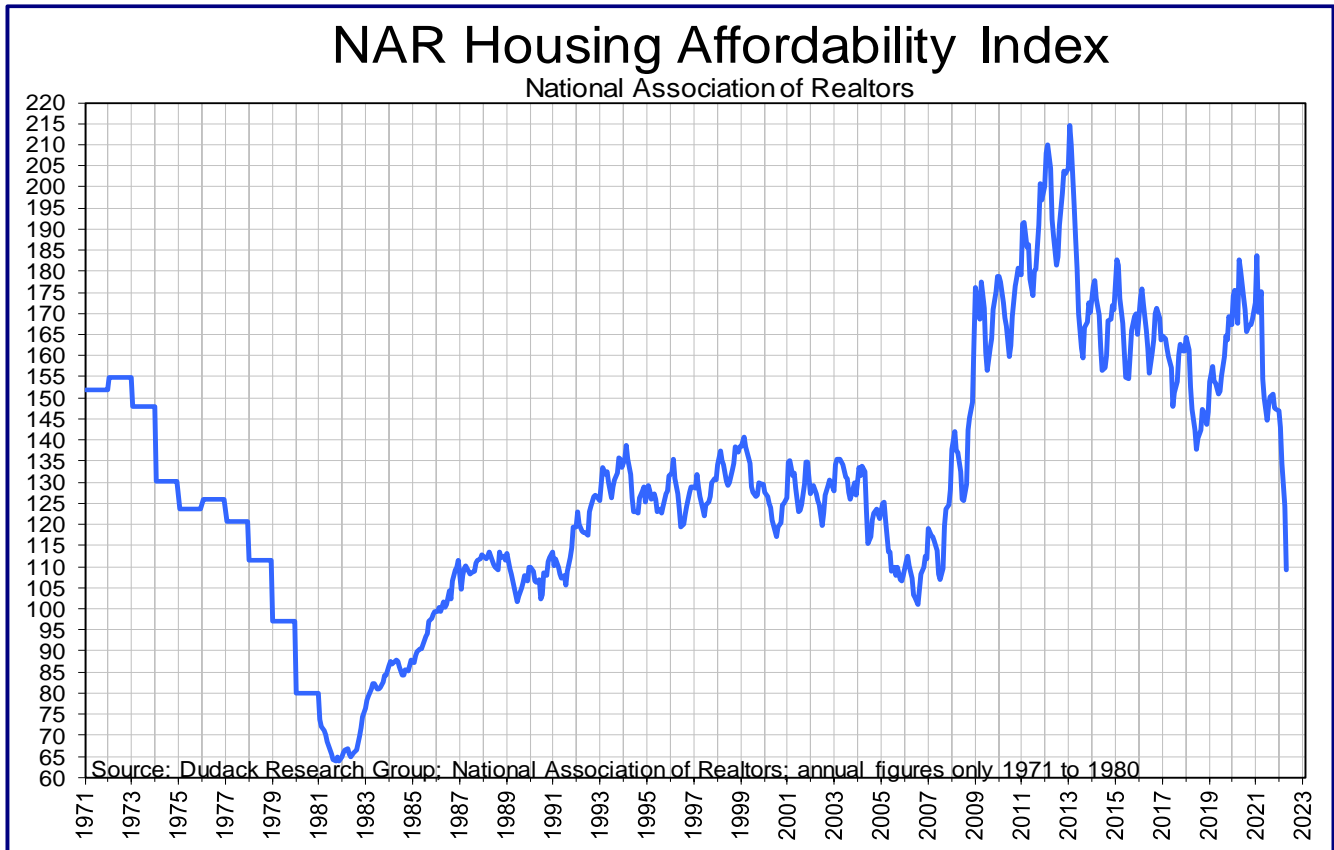
The housing market is slowing. Existing home sales were 5.41 million units in May, down 8.6% YOY. This was also down 20% from the October 2020 peak and the slowest pace since June 2020. New home sales were 696,000 in May up from April but down nearly 6% YOY, and down 30% from the January 2021 peak.



Since the second quarter of 2021, homeownership has been relatively stable at 65.4% and hovering above the long-term average of 62.9%. The median price of an existing home was \$414,200 in May, up nearly 15% YOY. However, personal income was only up 2.6% YOY in April, and real disposable income fell 6.2% YOY.



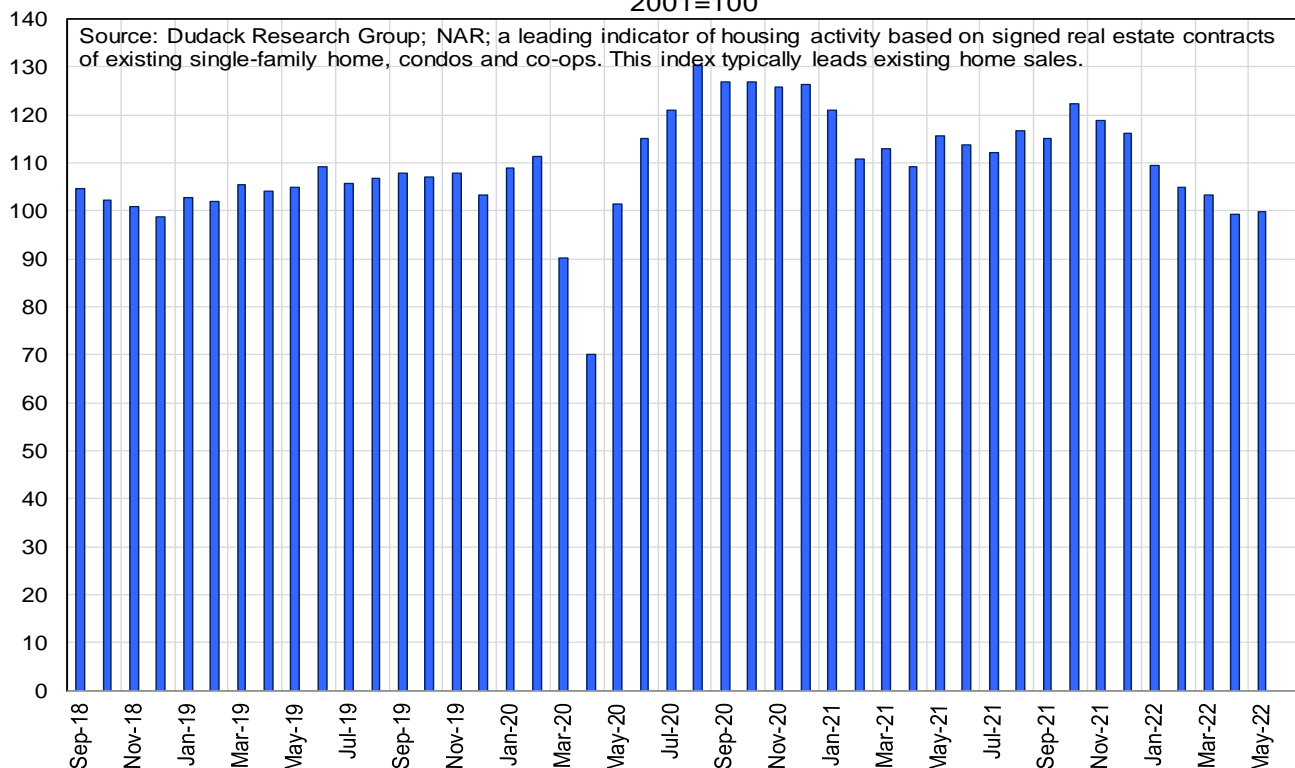
The NAR housing affordability composite index fell from 124.2 in March to 109.2 in April, the lowest since the 106.9 recorded in July 2007. This index is apt to decline further as interest rates continue to rise. The NAR housing market index has been falling all year, but in June the traffic of potential buyers index, fell to 48, the lowest reading since June 2020.



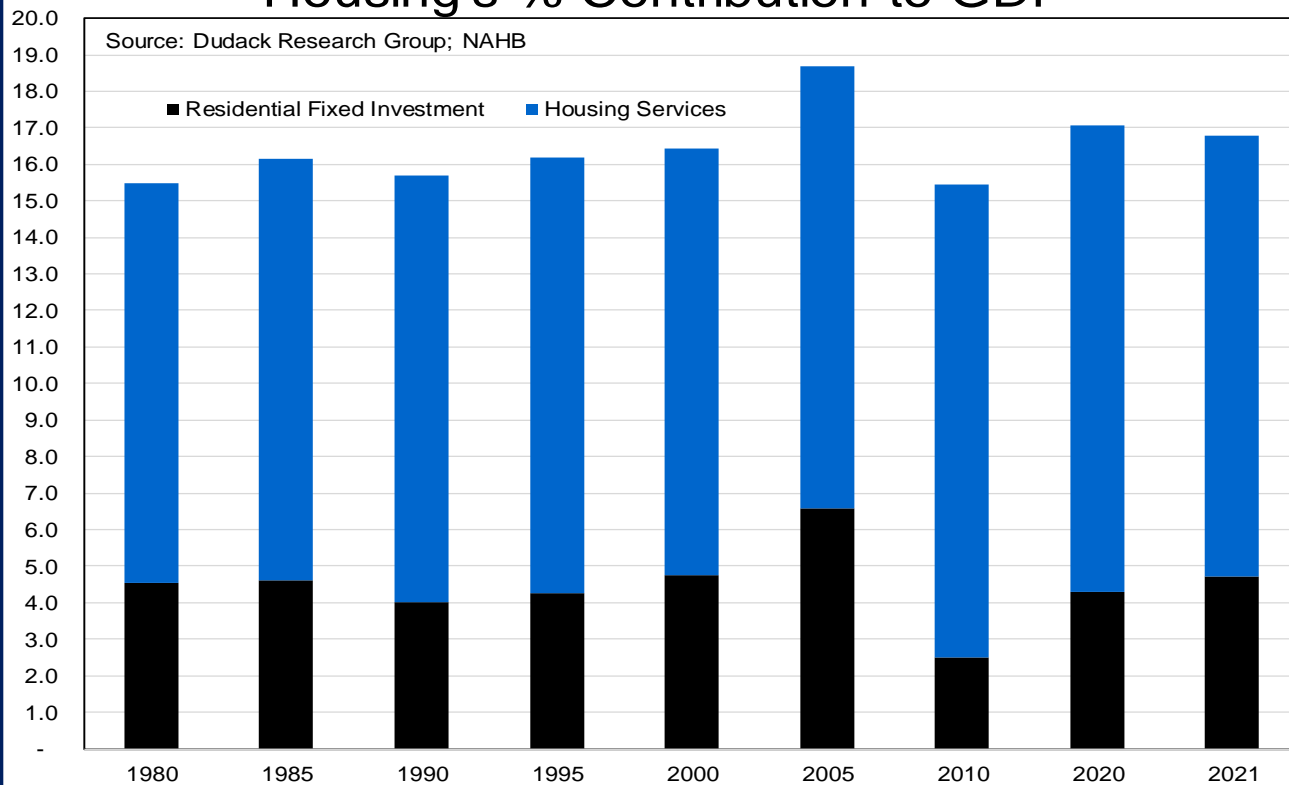
Pending home sales inched up to 99.9 in May, from 99.2 in April; however, both readings were the lowest since the 70 recorded in April 2020. This deterioration in the housing market is important since the housing market constituted 16.8% of GDP in 2021. Residential fixed investment contributed 4.7% and housing services represented 12.1%.

## Pending Home Sales Index

2001=100



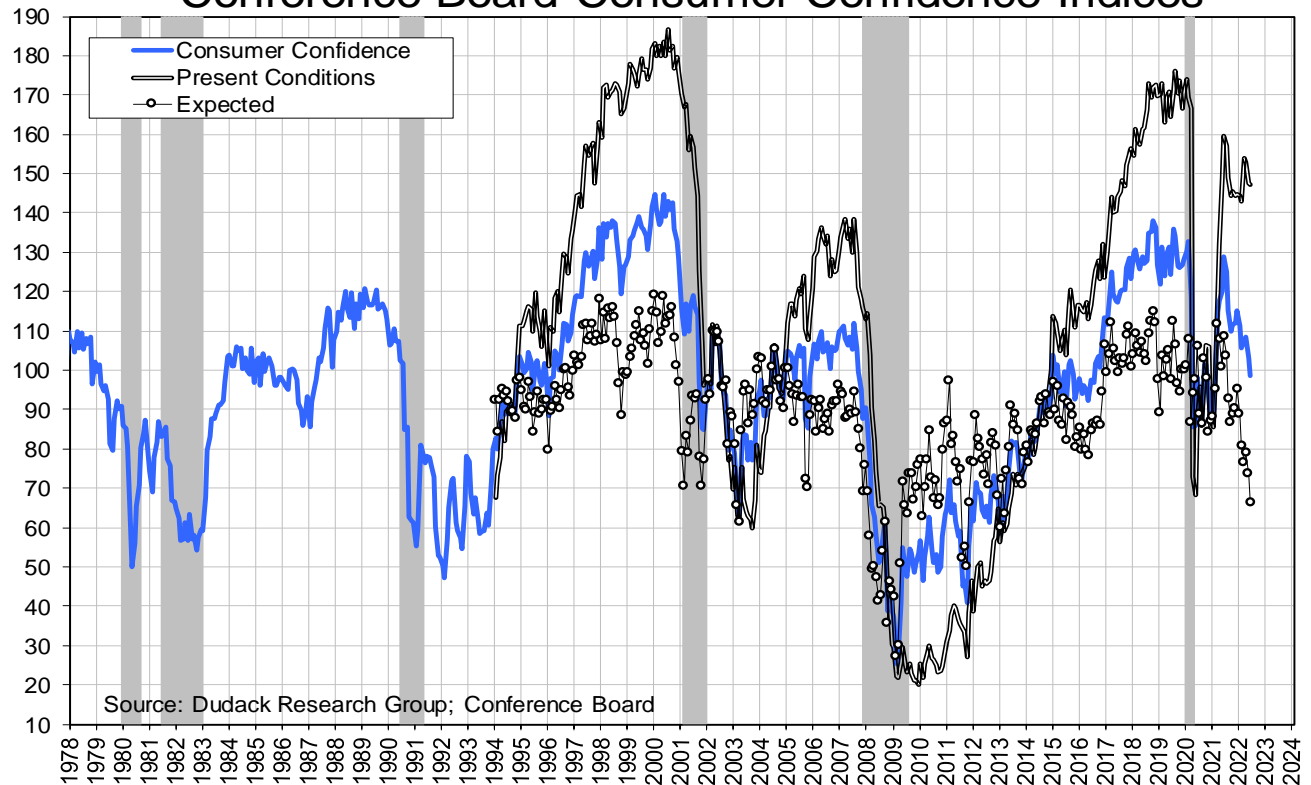
## Housing's % Contribution to GDP



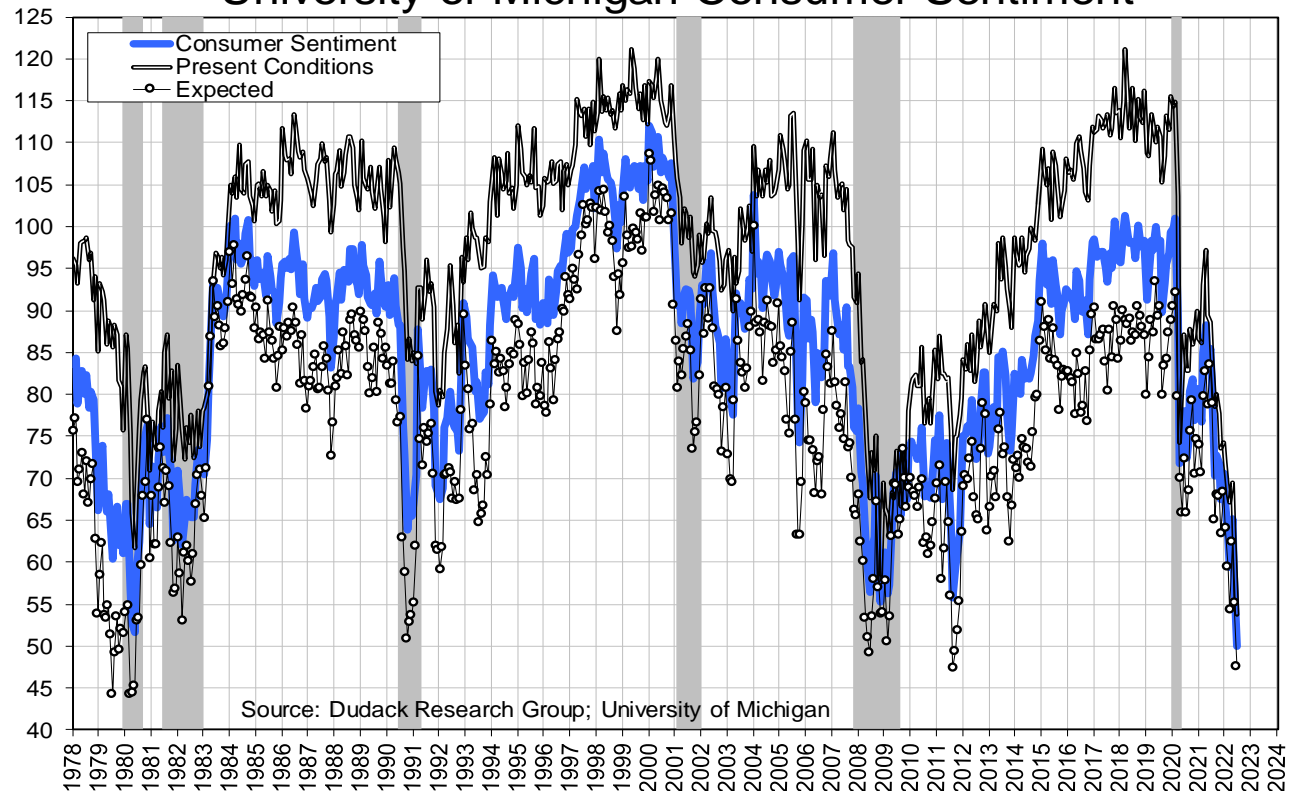


Conference Board consumer confidence fell to 98.7 in June, the lowest since February 2021. Expectations fell to 66.4, the lowest since October 2011. The University of Michigan consumer sentiment index fell to 50 in June, the lowest reading on record. Expectations fell to 47.5, the lowest since August 2011 (47.4) and May 1980 (45.3). In short, confidence is at levels last seen during recessions.

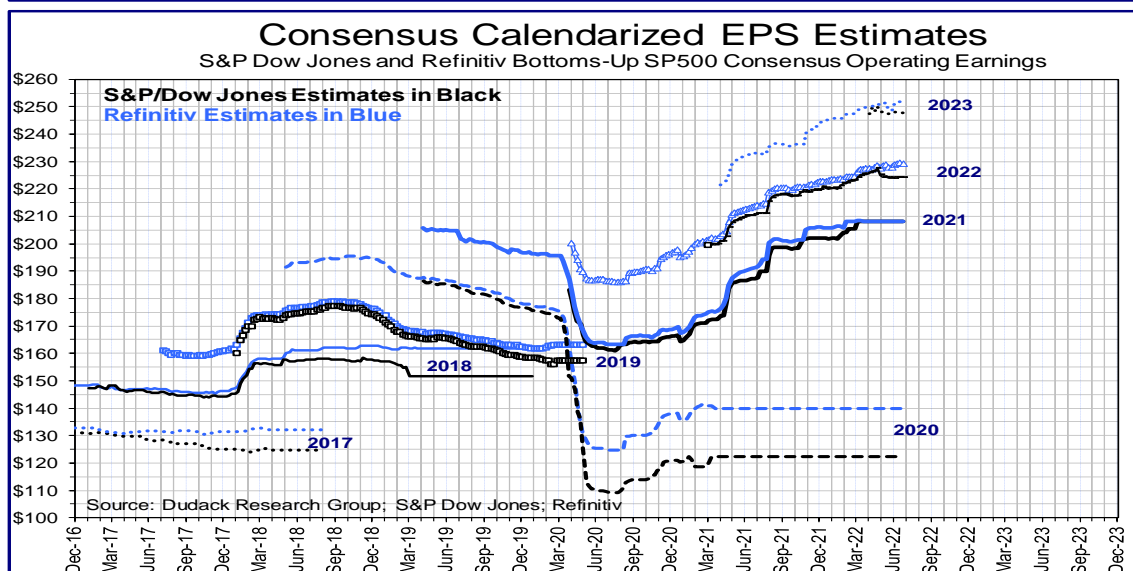
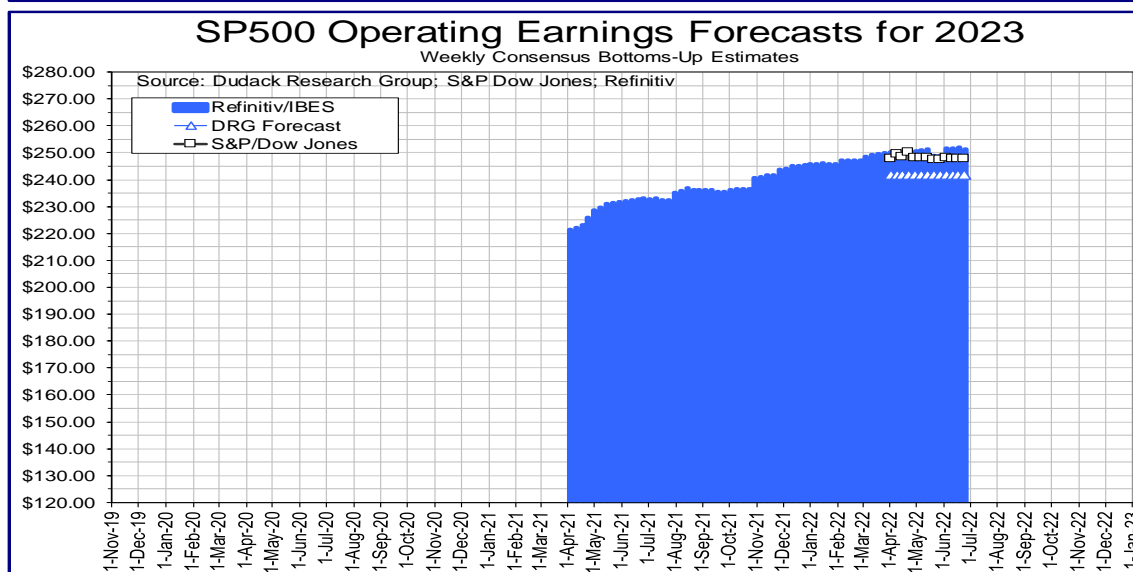
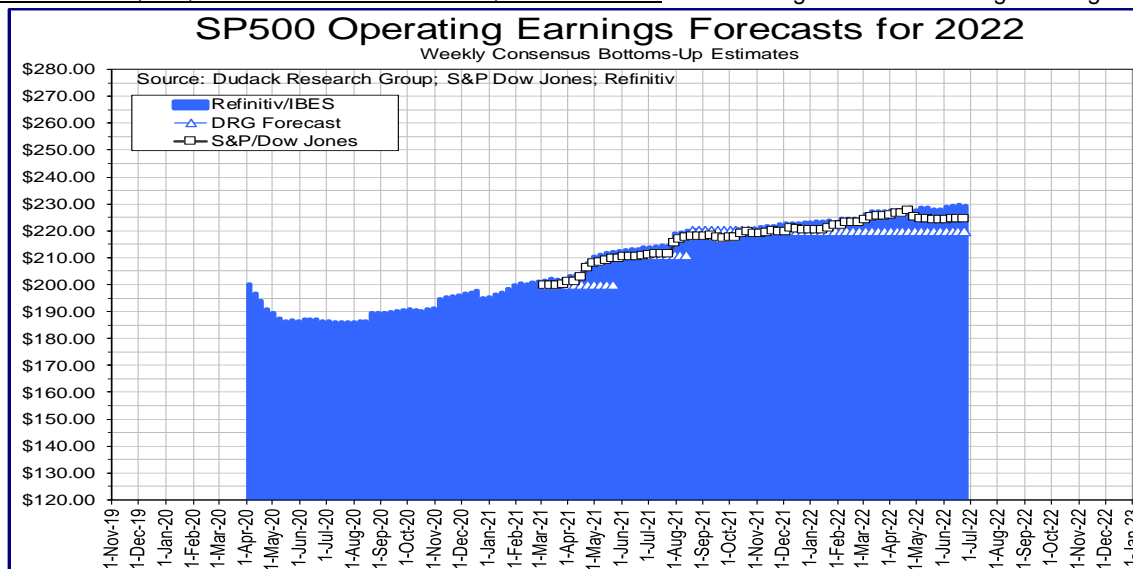
## Conference Board Consumer Confidence Indices



## University of Michigan Consumer Sentiment

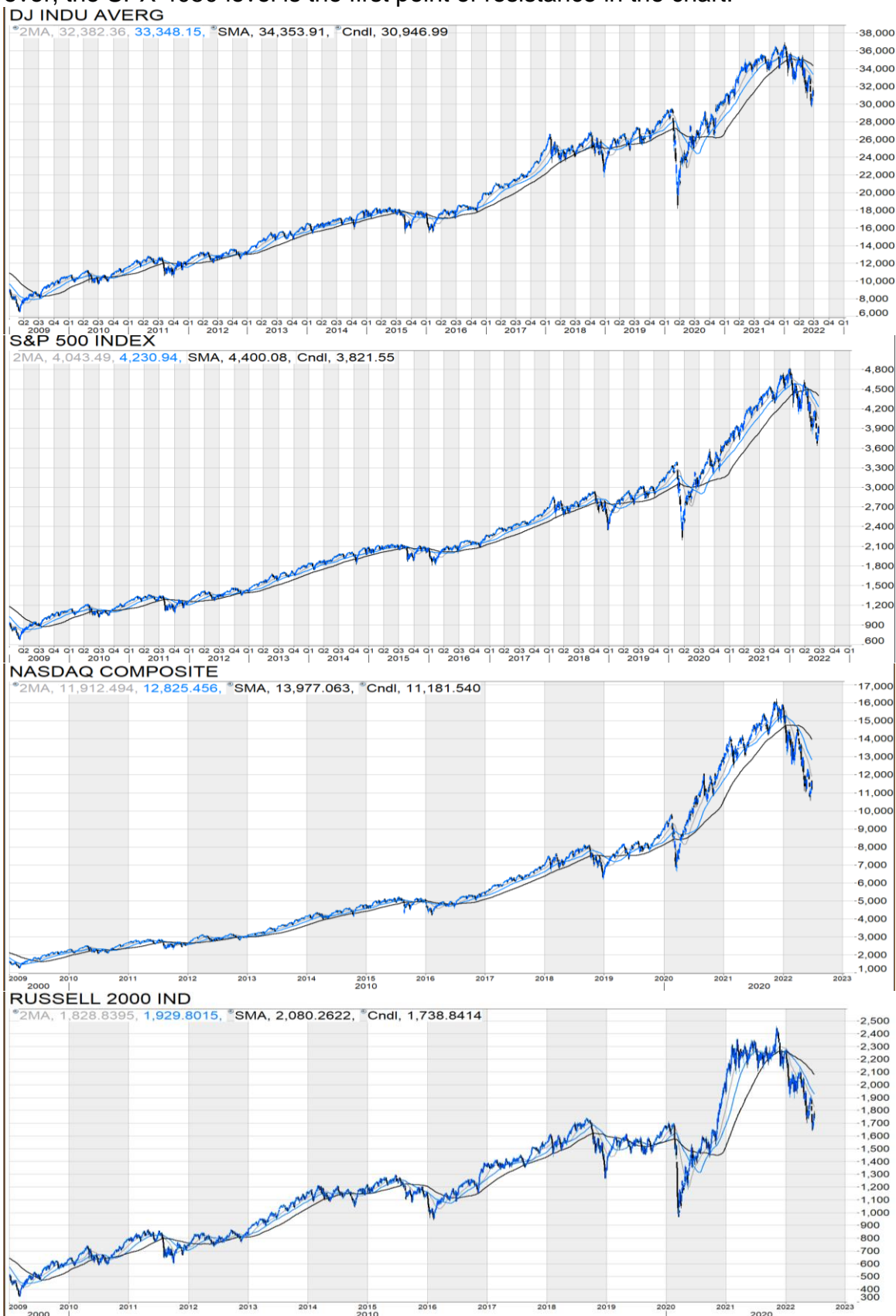


The S&P Dow Jones consensus earnings estimates for 2022 were unchanged and Refinitiv IBES fell \$0.35, respectively, this week. Yet the nominal earnings range was unchanged at \$224 to \$229 and EPS growth rates for this year were unchanged at 7.7% and 10.1%, respectively. (Note: consensus macro-EPS 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.





The precipitous declines seen in these charts are unsustainable. A short-covering rally to at least the 50-day moving averages should materialize, however the market has been unable to find its footing, to date. However, the SPX 4050 level is the first point of resistance in the chart.

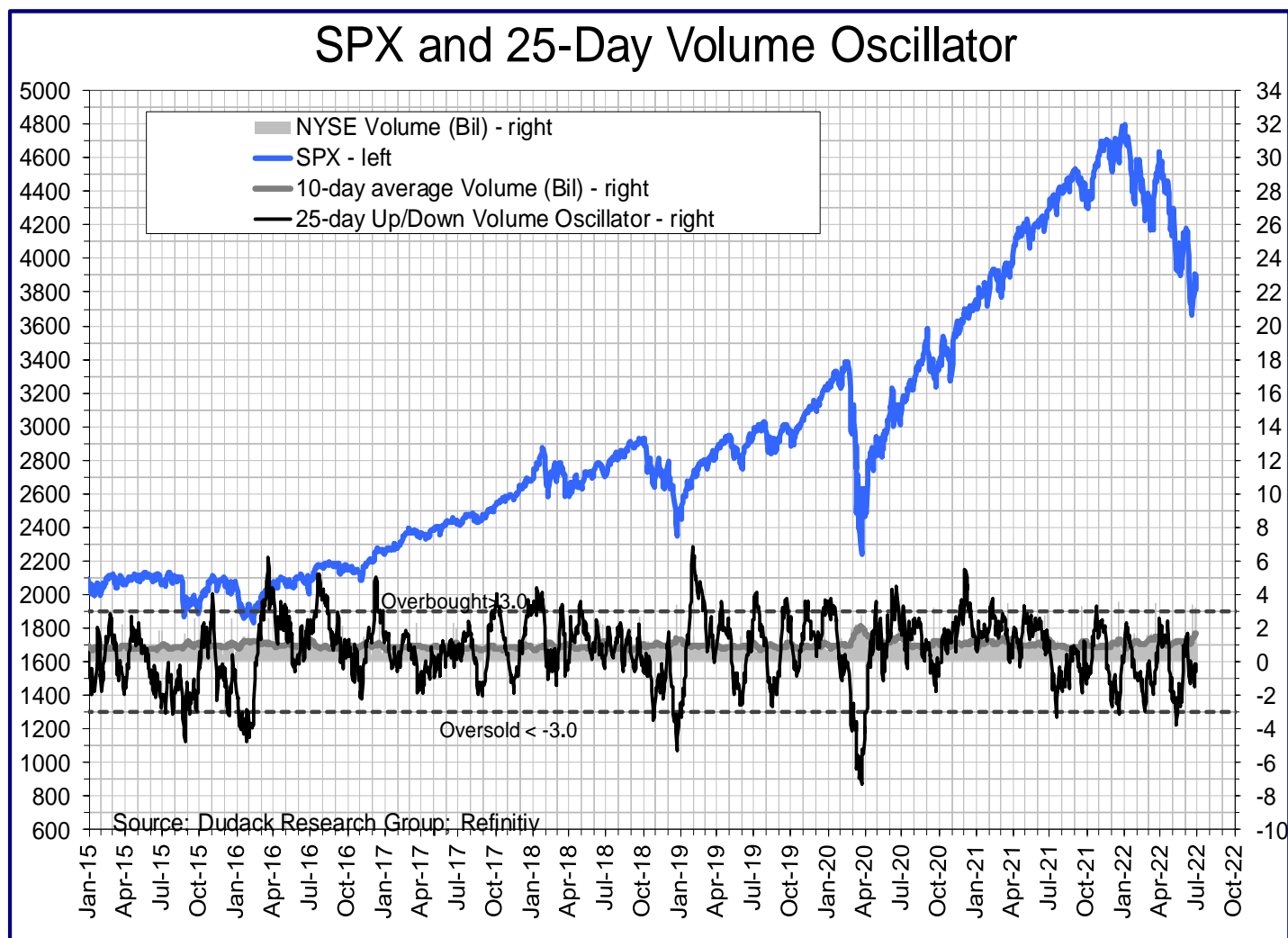


Source: Refinitiv

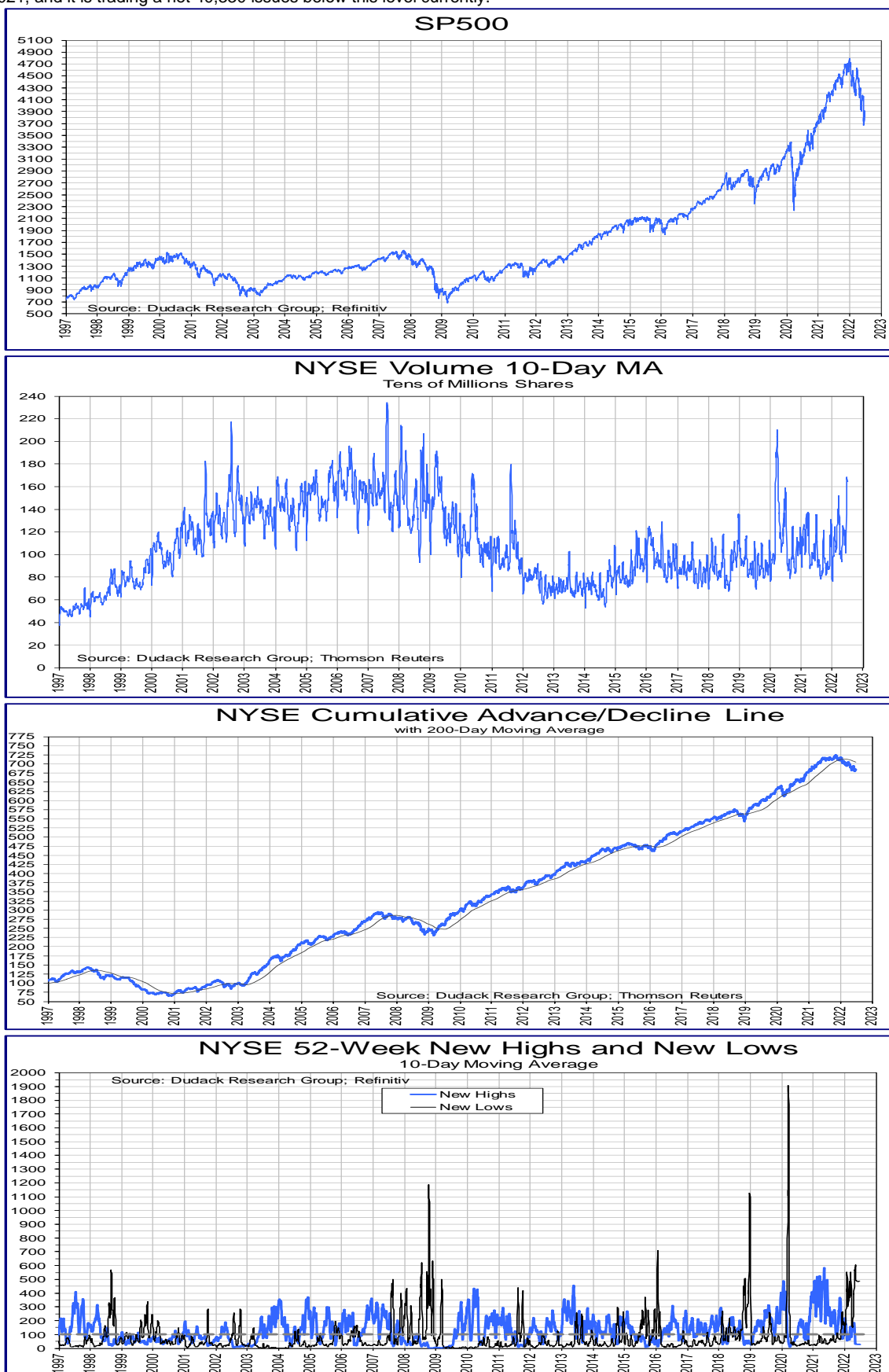
The 25-day up/down volume oscillator was relatively unchanged at negative 0.59 this week. The last down leg in prices recorded three 90% down days on June 9 (93%), June 13 (98%), and June 16 (94%). The May 10 reading of minus 3.8 was the most oversold reading recorded since April 1, 2020; however, in 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 weeks to indicate that downside risk is minimized.

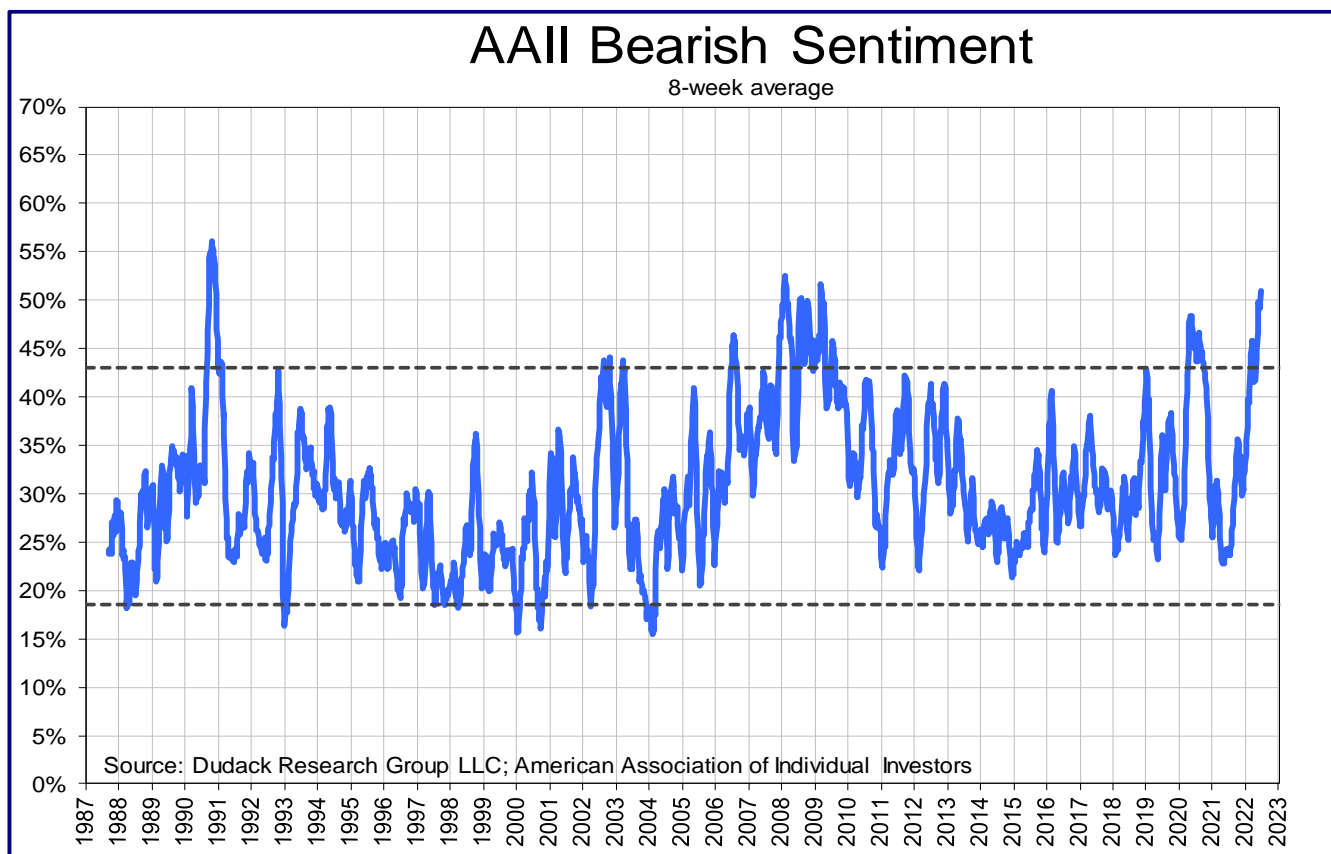
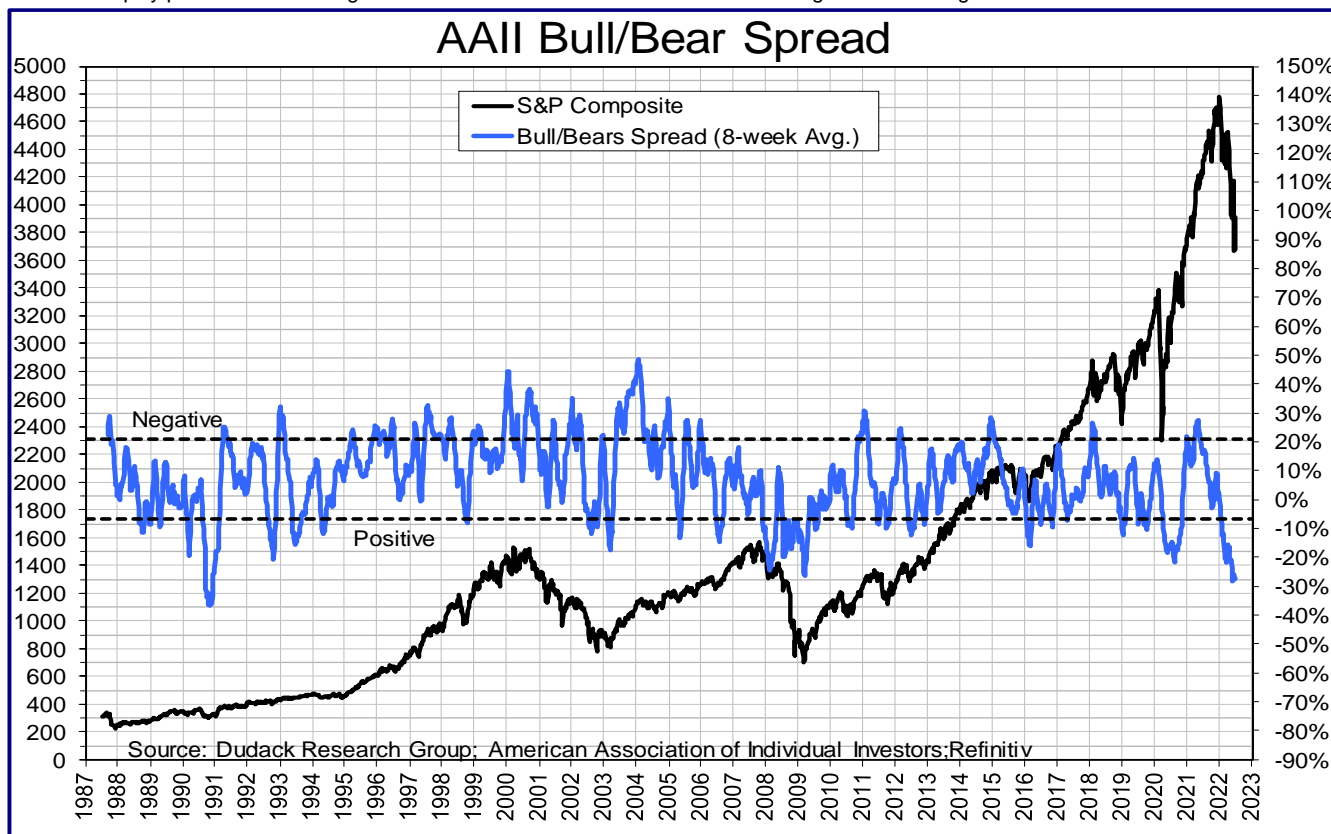
*This 25-day up/down volume oscillator measures buying and selling momentum. New highs should be accompanied by strong and consistent buying pressure which results in long and sometimes extreme overbought readings. An absence of overbought readings at a new high reveals a weakness in the trend and is 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 27 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 40,330 issues below this level currently.



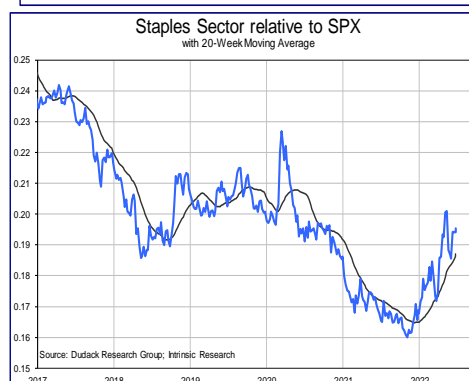
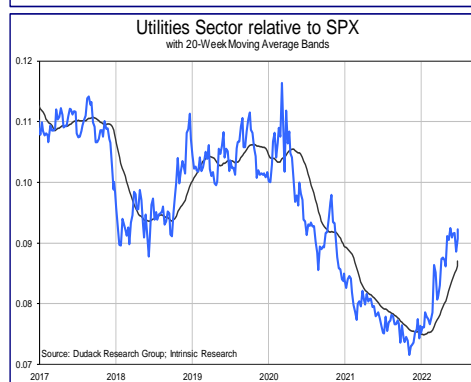
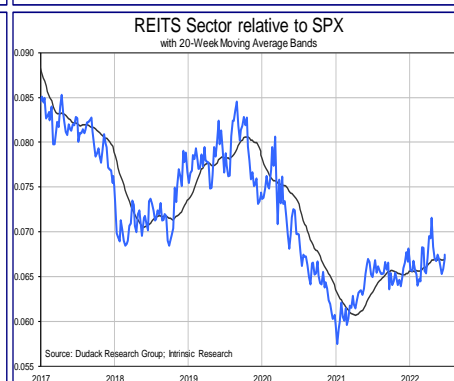
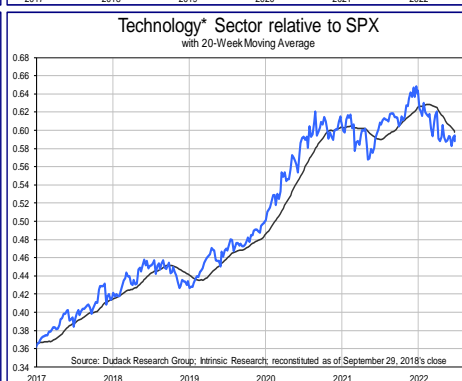
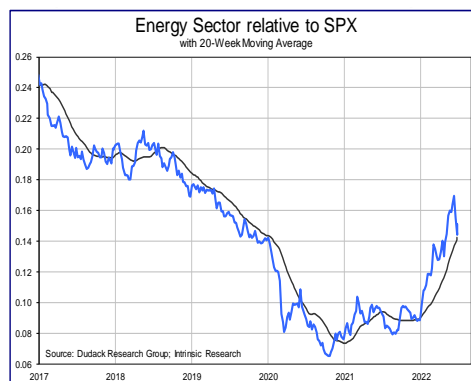
Last week's AAI readings of 18.2% bulls and 59.3% bears were the fourth combination of less than 20% bulls and more than 50% bears since April 27, 2022. This is extreme. Prior to this string, there were comparable single week bull/bear readings on April 11, 2013 and January 10, 2008. The 4-week bullish reading of 19% on April 27 was the lowest since 1990 and the 8-week bearish 50.9% reading of May 18 was the highest since the March 12, 2009 peak of 51.7%. 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 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	36.6%
S&P UTILITIES	-3.1%
S&P CONSUMER STAPLES	-7.2%
S&P HEALTH CARE	-9.6%
S&P MATERIALS	-17.1%
S&P INDUSTRIALS	-17.2%
S&P FINANCIAL	-18.2%
S&P 500	-19.8%
S&P REITS	-20.7%
S&P INFORMATION TECH	-26.4%
S&P COMMUNICATIONS SERVICES	-29.5%
S&P CONSUMER DISCRETIONARY	-32.0%

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	SLC1	42.06	13.5%	90.7%	67.4%	80.3%
United States Oil Fund, LP	USO	84.72	0.8%	-0.9%	14.2%	55.8%
Oil Future	CLC1	111.76	1.0%	-2.9%	12.6%	48.6%
Energy Select Sector SPDR	XLE	75.68	-1.0%	-14.5%	-1.8%	36.4%
iShares DJ US Oil Eqpt & Services ETF	IEZ	16.72	-1.5%	-19.7%	-13.3%	29.7%
Gold Future	GCc1	2335.10	0.2%	0.9%	2.6%	5.5%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	0.0%	0.0%
SPDR Gold Trust	GLD	169.62	-0.6%	-1.9%	-5.5%	-0.8%
iShares MSCI Brazil Capped ETF	EWZ	27.66	-0.8%	-22.6%	-29.3%	-1.5%
Utilities Select Sector SPDR	XLU	69.31	5.7%	-8.0%	-8.2%	-3.2%
iShares MSCI Hong Kong ETF	EWK	22.02	3.3%	-0.5%	-2.4%	-5.0%
Shanghai Composite	.SSEC	3409.21	3.1%	8.9%	4.8%	-6.3%
iShares China Large Cap ETF	FXI	34.13	3.3%	10.3%	2.8%	-6.7%
iShares MSCI Mexico Capped ETF	EWX	47.11	1.6%	-11.4%	-14.3%	-6.9%
Consumer Staples Select Sector SPDR	XLP	71.68	2.2%	-4.4%	-6.5%	-7.0%
iShares MSCI United Kingdom ETF	EWU	30.26	1.0%	-8.9%	-10.0%	-8.7%
Health Care Select Sect SPDR	XLV	127.42	3.9%	-4.9%	-7.7%	-9.6%
iShares Silver Trust	SLV	20.02	-3.8%	-5.8%	-15.5%	-10.6%
iShares MSCI Canada ETF	EWC	34.29	0.2%	-8.9%	-14.7%	-10.8%
iShares MSCI Malaysia ETF	EWM	21.96	-0.8%	-8.8%	-14.3%	-12.3%
iShares Russell 1000 Value ETF	IWD	146.65	1.7%	-8.9%	-11.6%	-12.7%
iShares MSCI Australia ETF	EWA	21.52	1.0%	-13.7%	-18.6%	-13.3%
iShares MSCI India ETF	INDA.K	39.14	-1.2%	-5.4%	-12.2%	-14.6%
DJIA	.DJI	30946.99	1.4%	-6.8%	-10.8%	-14.8%
SPDR DJIA ETF	DIA	309.34	1.3%	-6.8%	-10.8%	-14.9%
iShares MSCI Singapore ETF	EWS	17.91	0.2%	-6.8%	-14.1%	-16.3%
iShares Russell 2000 Value ETF	IWN	138.44	1.0%	-9.7%	-14.2%	-16.6%
iShares MSCI Emerg Mkts ETF	EEM	40.45	0.3%	-3.8%	-10.4%	-17.2%
Materials Select Sector SPDR	XLB	75.02	-0.7%	-14.1%	-15.8%	-17.2%
Industrial Select Sector SPDR	XLI	87.58	1.0%	-8.3%	-15.0%	-17.2%
iShares MSCI BRIC ETF	BKF	37.03	1.5%	2.5%	-3.3%	-17.3%
Vanguard FTSE All-World ex-US ETF	VEU	50.46	0.9%	-7.8%	-12.4%	-17.7%
iShares iBoxx \$ Invest Grade Corp Bond	LQD	109.05	0.7%	-5.4%	-9.8%	-17.7%
SPDR S&P Bank ETF	KBE	44.66	1.8%	-9.4%	-14.7%	-18.1%
Financial Select Sector SPDR	XLF	31.91	1.7%	-10.3%	-16.5%	-18.3%
<b>SP500</b>	<b>.SPX</b>	<b>3821.55</b>	<b>1.5%</b>	<b>-8.1%</b>	<b>-15.6%</b>	<b>-19.8%</b>
iShares MSCI EAFE ETF	EFA	63.07	1.1%	-10.5%	-14.3%	-19.8%
iShares US Real Estate ETF	IYR	92.72	4.1%	-7.6%	-14.3%	-20.2%
iShares Russell 1000 ETF	IWB	210.01	1.7%	-8.3%	-16.0%	-20.6%
iShares MSCI Japan ETF	EWJ	53.15	1.0%	-8.9%	-14.2%	-20.6%
iShares MSCI Taiwan ETF	EWT	51.78	-2.8%	-7.6%	-15.7%	-22.3%
iShares Russell 2000 ETF	IWM	172.44	2.6%	-8.1%	-16.9%	-22.5%
iShares Nasdaq Biotechnology ETF	IBB.O	117.36	4.9%	-1.8%	-11.8%	-23.1%
iShares US Telecomm ETF	IYZ	25.20	1.4%	-8.5%	-15.7%	-23.4%
iShares MSCI South Korea Capped ETF	EWY	59.06	-0.9%	-12.6%	-16.8%	-24.2%
iShares 20+ Year Treas Bond ETF	TLT	112.12	1.8%	-5.8%	-15.3%	-24.3%
PowerShares Water Resources Portfolio	PHO	45.92	4.3%	-7.3%	-14.5%	-24.5%
Technology Select Sector SPDR	XLK	128.58	0.9%	-9.1%	-18.9%	-26.0%
iShares MSCI Austria Capped ETF	EWO	18.66	-2.8%	-13.4%	-13.6%	-26.7%
iShares Russell 1000 Growth ETF	IWF	221.07	1.7%	-7.7%	-20.4%	-27.7%
iShares MSCI Germany ETF	EWG	23.65	-1.1%	-13.6%	-17.3%	-27.9%
Nasdaq Composite Index Tracking Stock	ONEQ.O	43.79	1.2%	-7.7%	-21.2%	-28.1%
iShares Russell 2000 Growth ETF	IWO	210.20	4.6%	-6.0%	-17.8%	-28.3%
NASDAQ 100	NDX	11637.77	0.8%	-8.2%	-21.6%	-28.7%
Consumer Discretionary Select Sector SPDR	XLY	139.64	0.0%	-9.2%	-24.5%	-31.7%
SPDR S&P Retail ETF	XRT	61.19	0.3%	-9.4%	-19.0%	-32.2%
SPDR S&P Semiconductor ETF	XSD	157.02	-0.2%	-14.5%	-24.3%	-35.4%
SPDR Homebuilders ETF	XHB	55.17	5.1%	-12.7%	-12.7%	-35.7%

Outperformed SP500  
Underperformed SP500

Source: Dudack Research Group; Thomson Reuters

Priced as of June 28, 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	~~~~~	\$207.21	\$224.54	\$220.00	5.7%	\$229.22	10.1%	17.0X	NA	NA	NA	NA
2023E	~~~~~	\$230.77	\$248.41	\$242.00	10.0%	\$251.50	9.7%	15.4X	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%	\$54.82	11.6%	18.2	1.4%	-1.5%	\$2,417.70	9.5%
2022 2QE*	3821.55	\$50.69	\$55.10	\$56.00	7.6%	\$55.45	5.5%	17.9	NA	NA	NA	NA
2022 3QE		\$54.67	\$59.32	\$56.60	8.8%	\$59.63	11.0%	17.3	NA	NA	NA	NA
2022 4QE		\$55.88	\$60.74	\$58.00	2.3%	\$61.08	13.2%	17.0	NA	NA	NA	NA

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

6/28/2022

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