Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
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DJIA: 30981.33
SPX: 3818.80
NASDAQ: 11264.73

US Strategy Weekly
Hunkering Down

Downside Volume
We believe it is likely that equities are on the verge of establishing a new low. The good news is this may be an important part of a defining low in this bear market. The main reason for our near-term concern is the action of our NYSE 25-day up/down volume oscillator. The 25-day up/down volume oscillator declined to negative 3.7 this week, recording its third oversold day in the last five trading sessions. The decline was sudden and the pattern in the oscillator suggests downside volume is gaining momentum. In fact, the July 6 reading of minus 4.09 was the most oversold reading recorded since April 1, 2020. And though some might think that an oversold reading is positive, we would point out that in March and April of 2020, the market dropped to oversold and remained in oversold territory for 25 of 28 consecutive trading sessions. See page 12. Sometimes negative momentum begets more negative momentum.

Inflation
This acceleration in downside volume is coming just ahead of the releases of June CPI and PPI data. And it may reflect the concern investors now have regarding inflation. Unfortunately, we believe the consensus may be disappointed in the results. To be specific, the May headline CPI release showed prices rising 8.5% YOY, the highest pace in 40 years. See page 9. What we believe is important is that if the CPI were to remain unchanged in June, the pace of inflation would still remain high at 7.6% YOY. However, an unchanged CPI seems unlikely since even at the lower prices for WTI crude oil (CLc1 - $95.84) seen currently, WTI is up 29% YOY.

And as previously noted, housing represents 42% of the CPI's weighting and housing rose 6.9% YOY in May. The median price of an existing single-family home rose nearly 15% YOY in May, and while 15% YOY is down from a peak rate of 26% YOY a year earlier, housing will still add to inflationary pressure. Meanwhile, rents, which represent nearly 24% of the CPI weighting, tend to follow the trend in home prices, but with a sizable lag. Given this backdrop, it is difficult to see inflation falling much in June. We have also pointed out that medical care prices have been offsetting some of the larger increases seen in transportation costs. Medical care rose a "modest" 3.7% in May, but health insurance pricing is seasonal, and we expect medical insurance, and the medical care segment of the CPI, will add to inflation in coming months.

The PPI represents the pricing pressure in the pipeline that will eventually shift to consumer prices. The PPI for final demand rose 10.7% YOY in May. If prices were unchanged in June, the year-over-year pace only falls to 9.8%. In short, there is some simple math behind the CPI and PPI data that suggests the June inflation data will not soothe investors' nerves.

Earnings Season
Moreover, second quarter earnings season begins in earnest this week, and this could be a market moving event. A number of brokerage houses are bringing their 2022 earnings estimate for the S&P 500 index down to our $220 forecast and that is a plus. But as we noted in our March 9, 2022 ("*A Bear*

is a Bear is a Bear") *"higher commodity costs are likely to pressure profit margins and lower revenues for many companies and could make our $220 earnings estimate too optimistic."* We still believe this is true. Our $220 estimate represents a 5.7% YOY increase from 2021, and we feel it is conservative considering that earnings for the energy sector are expected to increase between 120% YOY (IBES) and 137% YOY (S&P Dow Jones) this year. Excluding the energy and perhaps the materials sectors, we expect earnings will decline in 2022. In a week or so, investors will have a better idea of second quarter earnings results.

PepsiCo, Inc. (PEP - $169.50) released earnings results this week and its second quarter core earnings rose 8.1% YOY, but reported earnings fell 39.4% YOY due to a write-off related to the Russia-Ukraine conflict. A key takeaway from the company's earnings call was that it planned price increases and cost management. A main part of our strategy for 2022 is to focus on companies and sectors that will be most immune to both inflation and recession. This includes necessities like food, staples, energy, utilities, and we also include the defense-related industrial stocks given the increase in funding of national defense by Western countries as a result of the Russian invasion of Ukraine.

WORRISOME ECONOMIC DATA

The June jobs report indicated an increase of 372,000 jobs and an unchanged unemployment rate of 3.6%. However, total employment in the US is yet to exceed its previous peak which is unusual for an expansion that is now over two years old. We think this is a weakness in the employment data that most economists have overlooked. See page 3. And employment gains have been a story of the haves and have-nots. Unemployment for those with less than a high school degree has risen in the last four months from 4.3% to 5.8%. Economists may be disregarding this factor since this segment represents only 6.4% of the workforce. However, the only group that has made significant gains in employment in the last two years has been those with a bachelor's degree or higher, which represents 43% of the working public. The remaining 47% have not seen the same gains. See page 4.

Both the manufacturing and nonmanufacturing ISM indices fell in June, and were down 13% YOY and 9% YOY, respectively. However, take note that both surveys show their employment indices falling below the 50 neutral level, indicating a decline in employment. This could be a leading indicator for the BLS employment data. See page 5.

In June, the NFIB small business optimism index fell to 89.5, its lowest reading since the 88.8 seen in January 2013. The outlook for the next six months fell to negative 61, the lowest reading on record. All ten components fell in June, including plans to expand business, to increase capital expenditures, to increase employment, or to add to inventories. The only positive seen in June's survey was that 50% of owners indicated they had unfilled job openings. See page 6.

A number of markets are trading as if a recession is approaching. As previously mentioned, the price of crude oil has collapsed from a high of $122.11 in early June to $95.84, this week. This appears to be due to a fear of a global recession. Nevertheless, oil is still up 29% from July 2021. Also falling is the 10-year Treasury note yield which had reached a high of 3.48% in June, before dropping to 2.95% this week. This decline is not a good sign since the Treasury yield curve is now inverted from the one-year note yield to the 10-year note yield. Keep in mind that the Fed expects to raise the fed funds rate to 3.5% or higher which would invert the entire yield curve in a classic sign of a recession. See page 7.

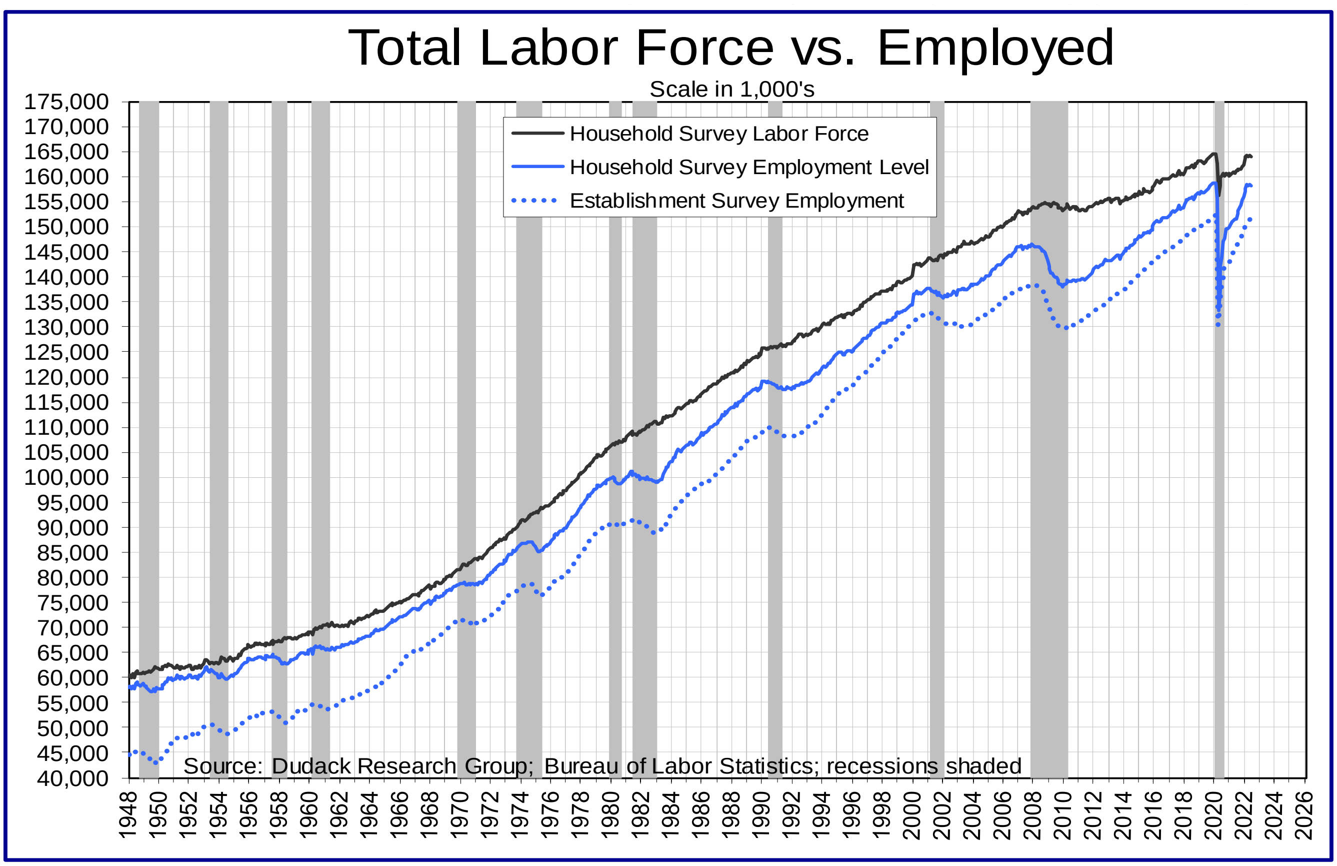
Valuation can be deceiving when not put into perspective. The current trailing PE of 17.7 X looks low, relative to the 50-year and post-1947 averages, but the PE will rise if EPS forecasts are too high. Plus, the impact of inflation is best seen in the charts on page 9. When inflation moved above average (3.5% YOY) in the 1972-1982 period, PE multiples fell to single-digits and below the standard deviation range. Another way of measuring inflation is the Rule of 23, which sums inflation and PE multiples. The market has traded above 23 for the last two years and the sum is currently 24.8. Unfortunately, based on this historical benchmark, the market remains expensive. See page 9.

The June jobs report indicated an increase of 372,000 jobs and an unchanged unemployment rate of 3.6%. However, total employment is yet to exceed its previous peak which is unusual for an expansion that is over two years old. June's establishment survey indicated 151.98 million were employed versus 152.5 million in February 2020. The broader household survey indicated June employment fell from May's 158.5 million to 158.1 million, but both months logged fewer jobs than the 158.9 million recorded in February 2020. The total labor force was reported to be 165.0 million in June, barely edging above the 164.9 million reported for July 2019.

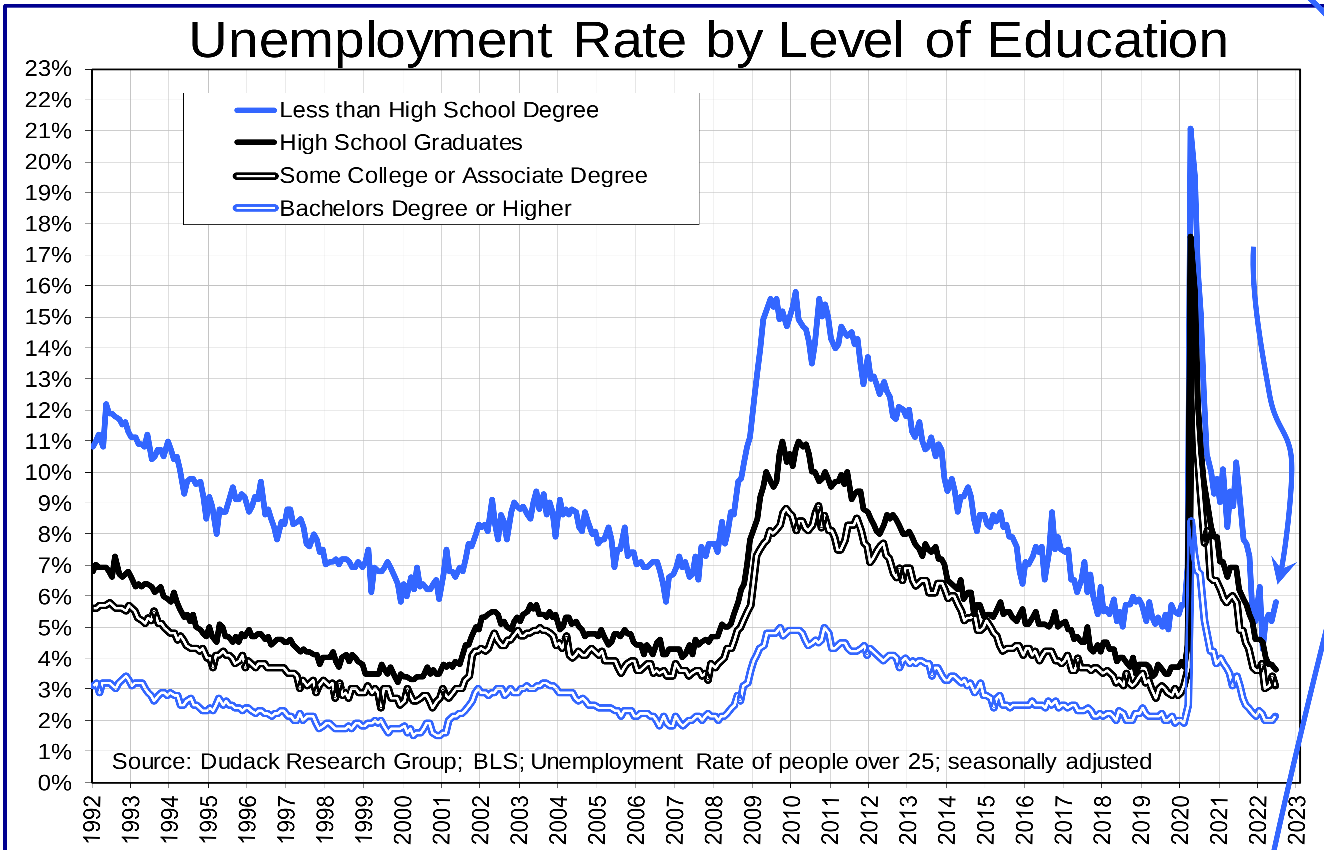
Economic expansions are typically characterized by new highs in employment, higher levels of personal income and strong growth in consumption. In short, while many economists are looking at the low unemployment rate as a sign that the economy is not in a contraction or recession, they are failing to see that despite gains in employment total employment is yet to recover what was lost during the extended post-pandemic shutdown.

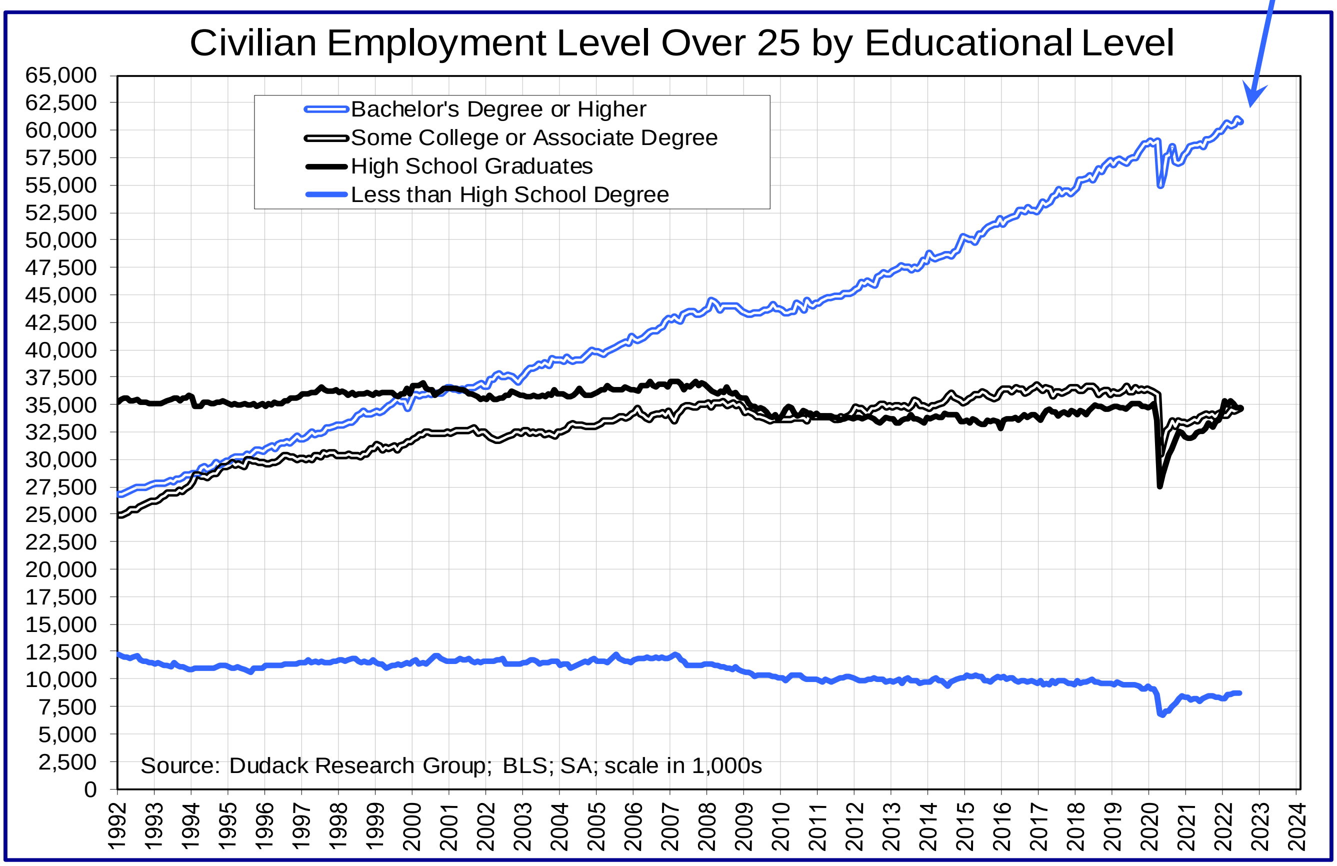
Employment Surveys (1,000s SA)	Jun-22	May-22	Change	Jun-21	Yr/Yr
Establishment Survey: NonFarm Payrolls	151,980	151,608	372	145,698	6,282
Household Survey Data (1,000s)					
Employed (A)	158,111	158,426	(315)	151,612	6,499
Unemployed (B)	5,912	5,950	(38)	9,502	(3,590)
Civilian labor force [A+B]	164,023	164,376	(353)	161,114	2,909
Unemployment rate [B/(A+B)]	3.6%	3.6%	-0.02%	5.9%	-2.3%
U6 Unemployment rate	6.7%	7.1%	-0.4%	9.8%	-3.1%
Civilian noninstitutional population (C)	263,835	263,679	156	261,338	2,497
Participation rate [(A+B)/C]	62.2	62.3	-0.1	61.6	0.6
Employment-population ratio [A/C]	59.9	60.1	-0.2	58	1.9
Not in labor force	99,812	99,302	510	100,224	-412

Source: Bureau of Labor Statistics

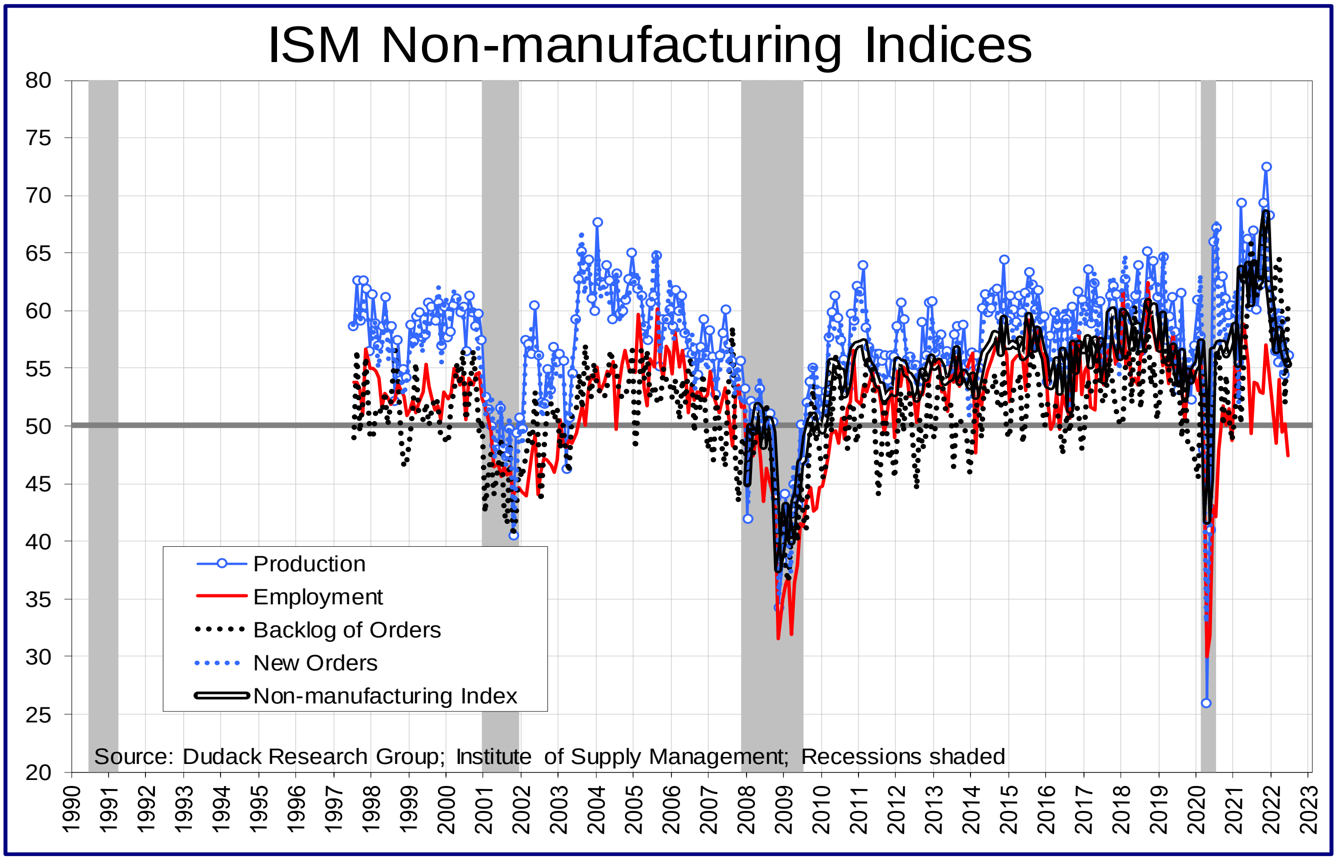


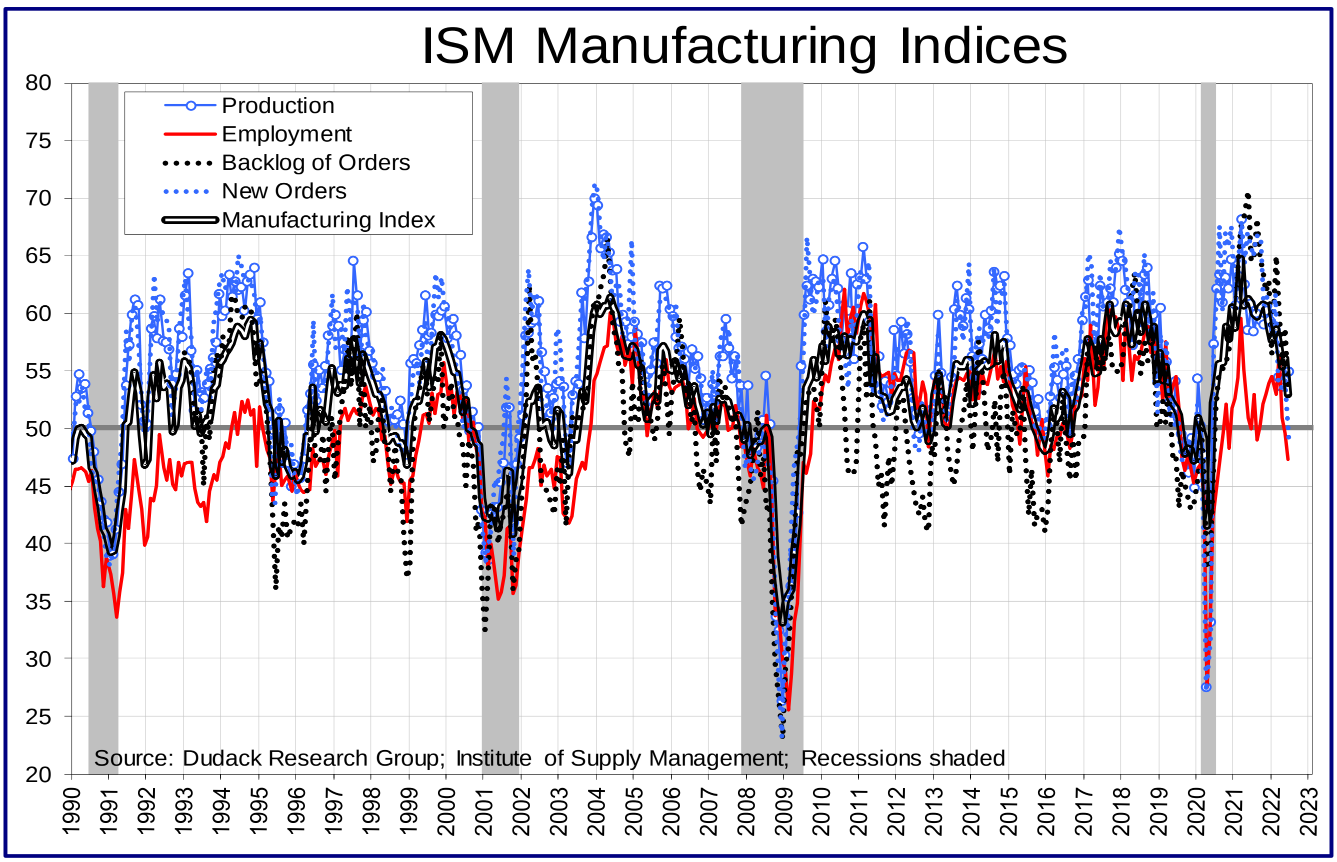
And employment gains have been a story of the haves and have-nots. Note that unemployment for those with less than a high school degree has risen from 4.3% four months ago to 5.8% in June. Economists may be disregarding this factor since this segment is only 6.4% of the workforce. However, the only group that has made significant gains in employment in the last two years has been those with a bachelor's degree or higher.



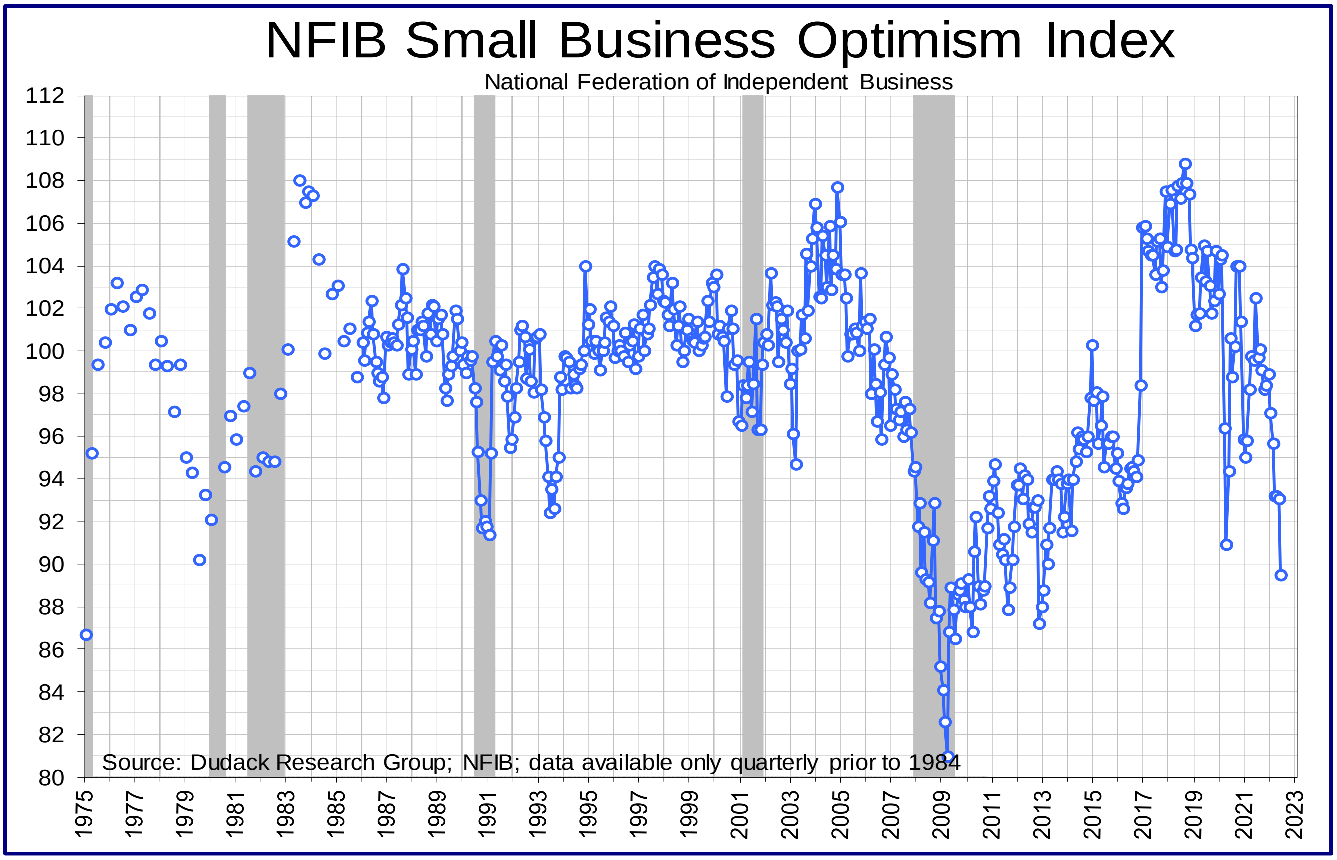


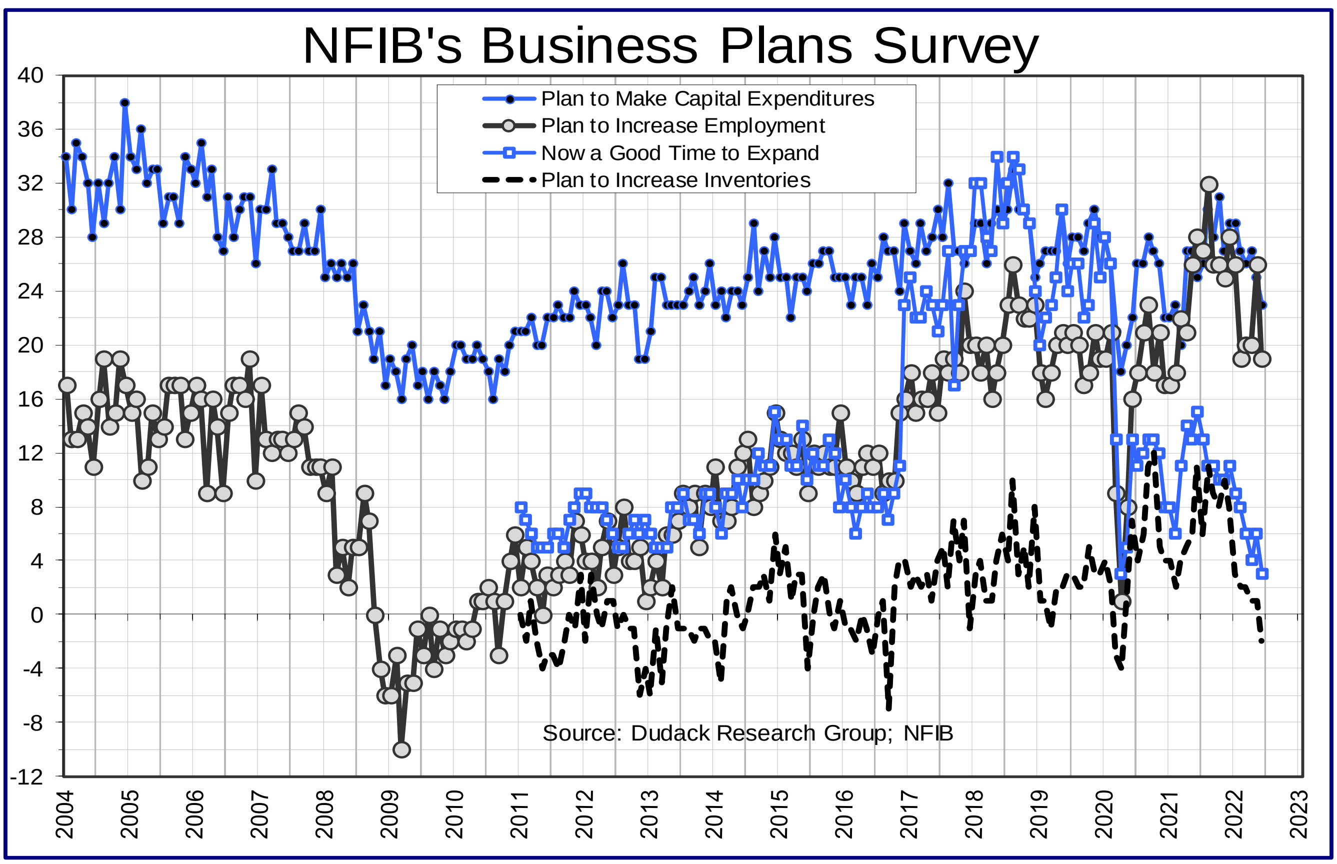
Both the manufacturing and nonmanufacturing ISM indices fell in June, and were down 13% YOY and 9% YOY, respectively. However, take note that both surveys show their employment indices are well below the 50 neutral level, indicating a decline in employment. This could be a leading indicator for the BLS employment data.



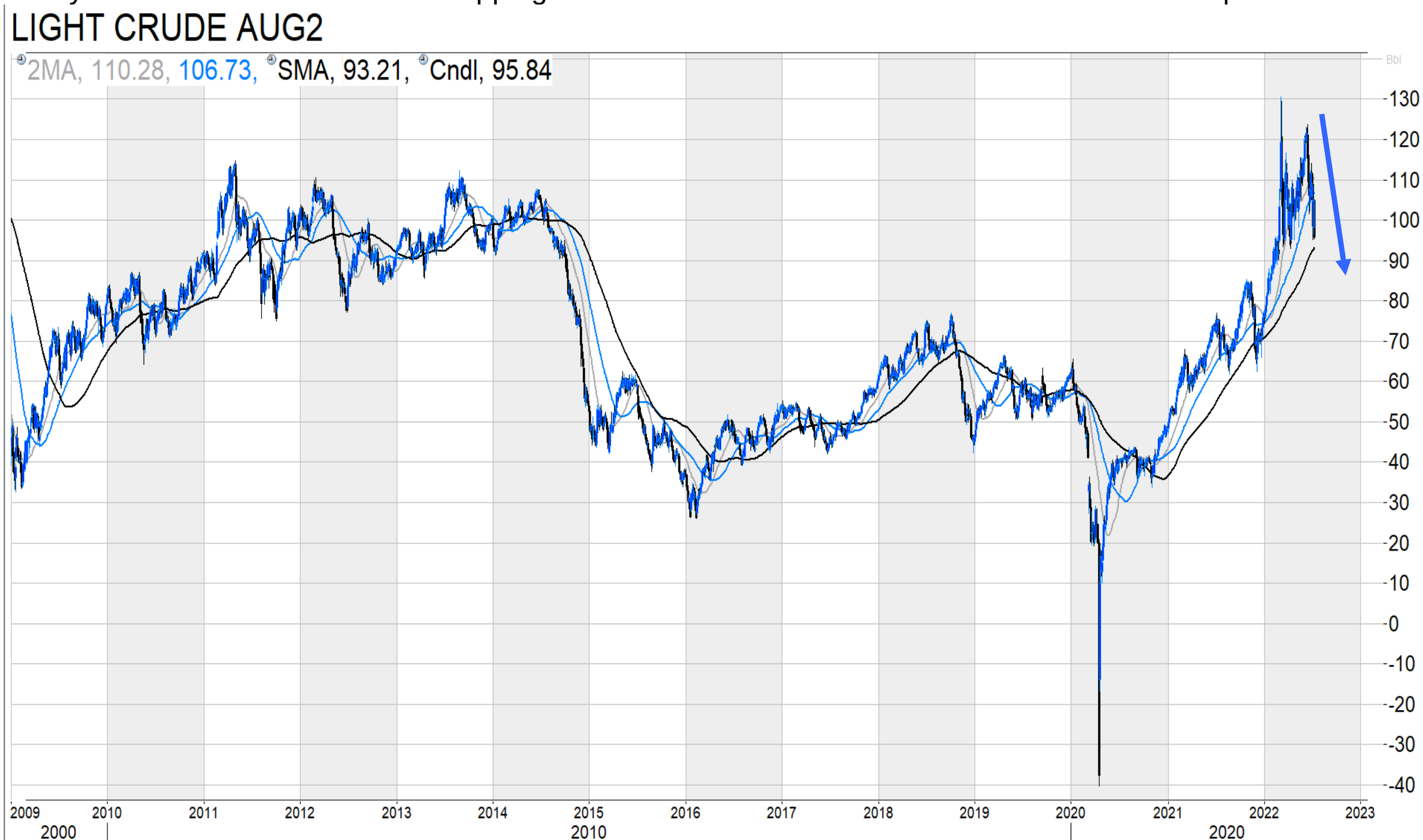


In June, the small business optimism index fell to 89.5, its lowest reading since the 88.8 seen in January 2013. The outlook for the next six months fell to negative 61, the lowest reading on record. Plans to expand, increase capital expenditures, increase employment, or add to inventories all fell in June. However, 50% of owners indicated they had job openings.



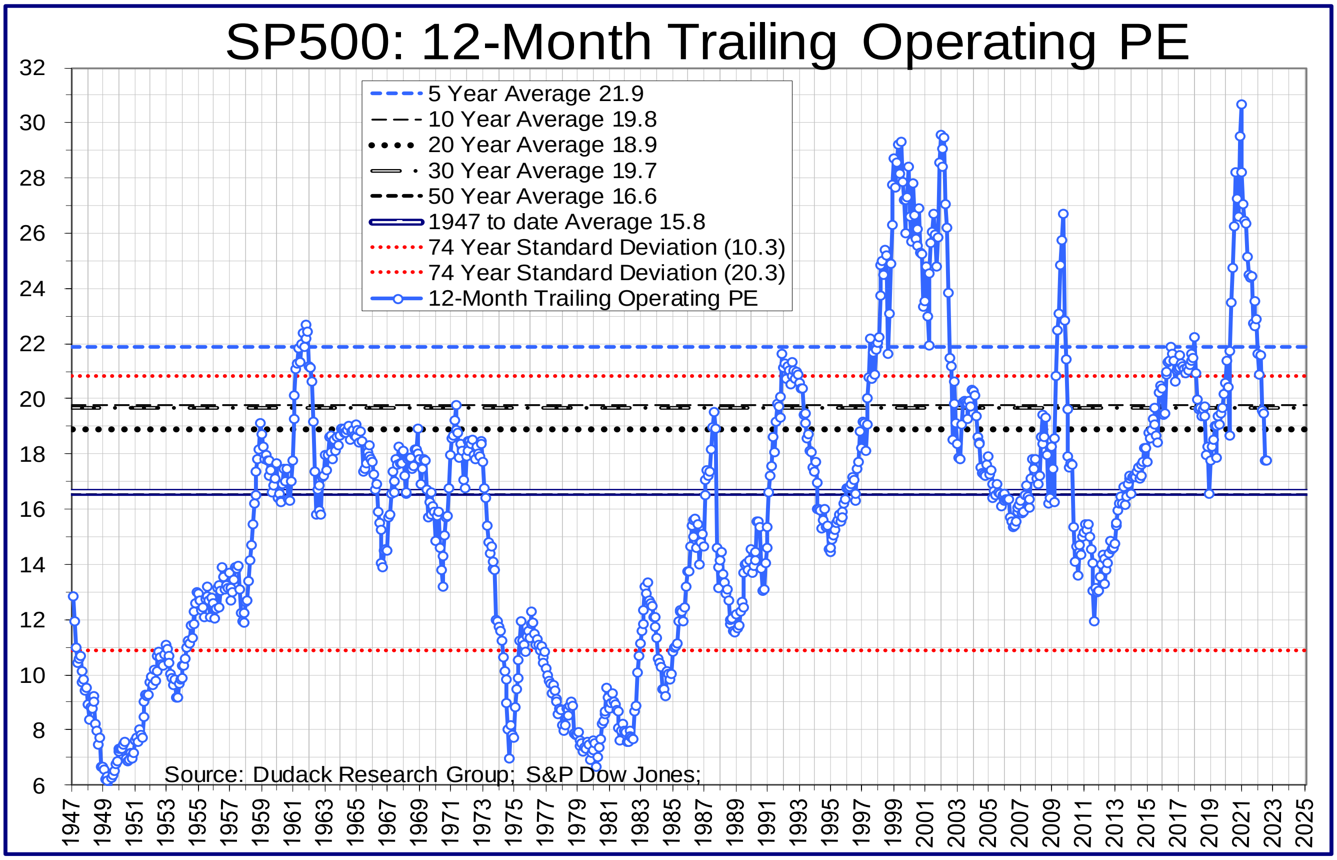


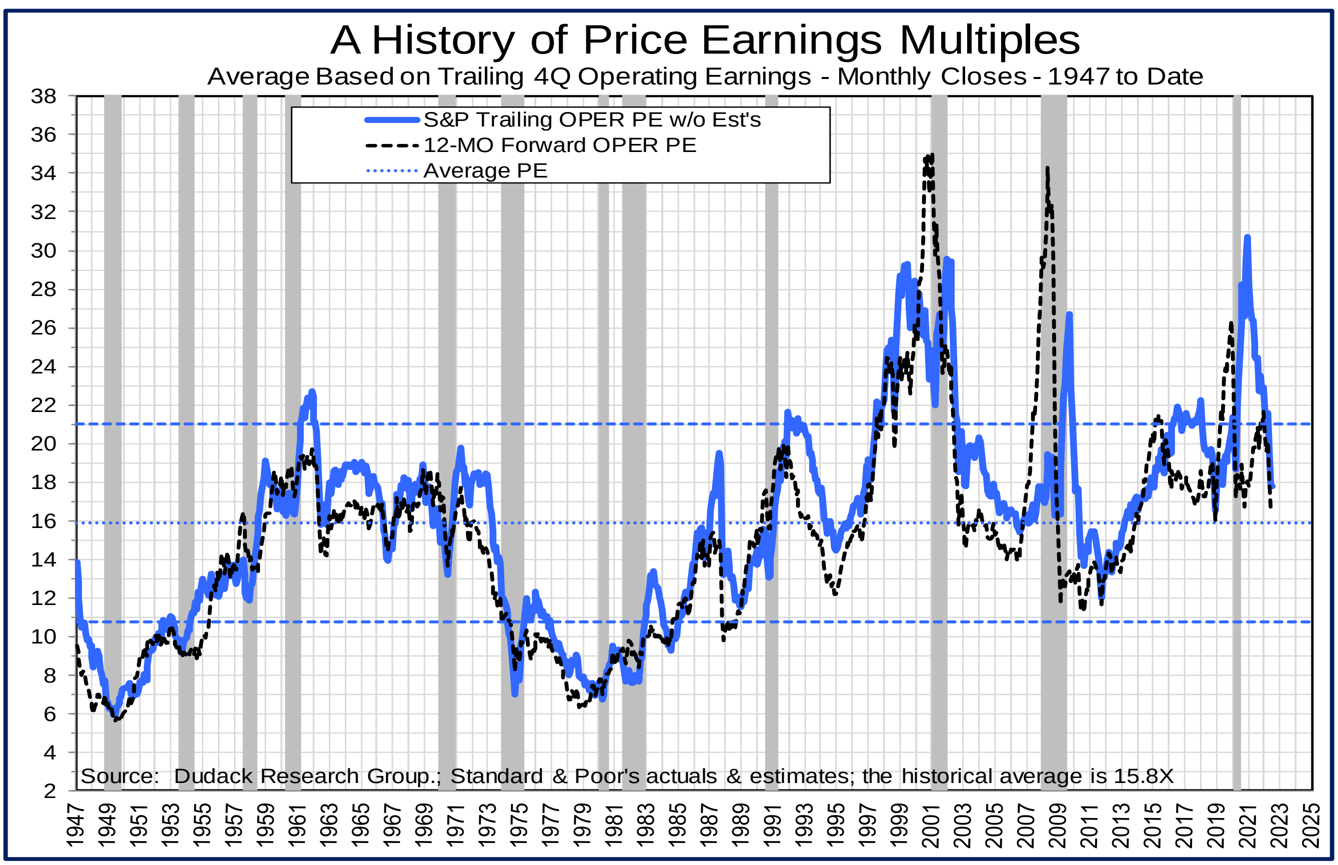
Other markets are trading as if a recession is approaching. The crude oil market has dropped from a high of $122.11 in early June to $95.84, this week. However, oil is still up 29% from July 2021. The 10-year Treasury note yield reached 3.48% before dropping to 2.95% this week. This decline inverted the 2/10 spread.



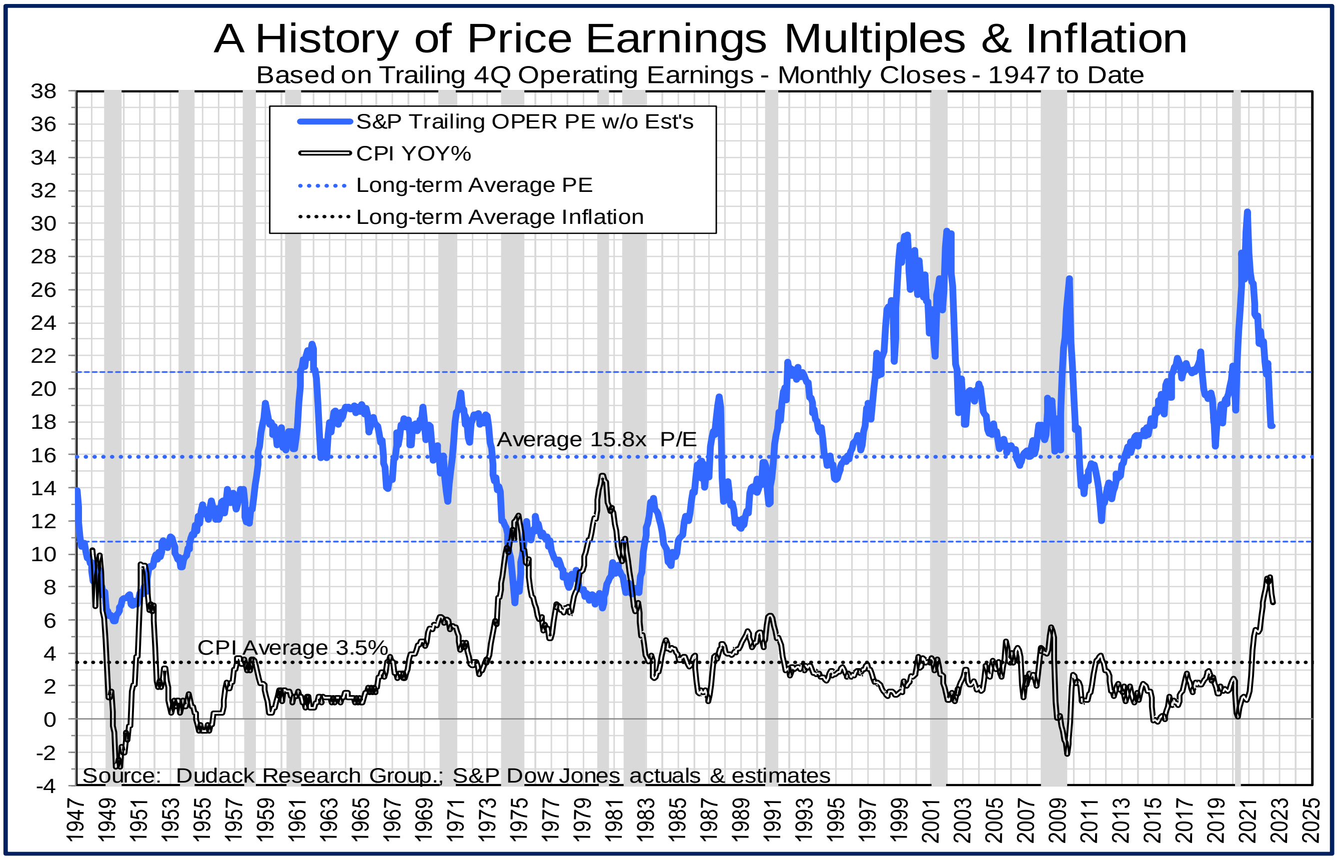
Source: Refinitiv

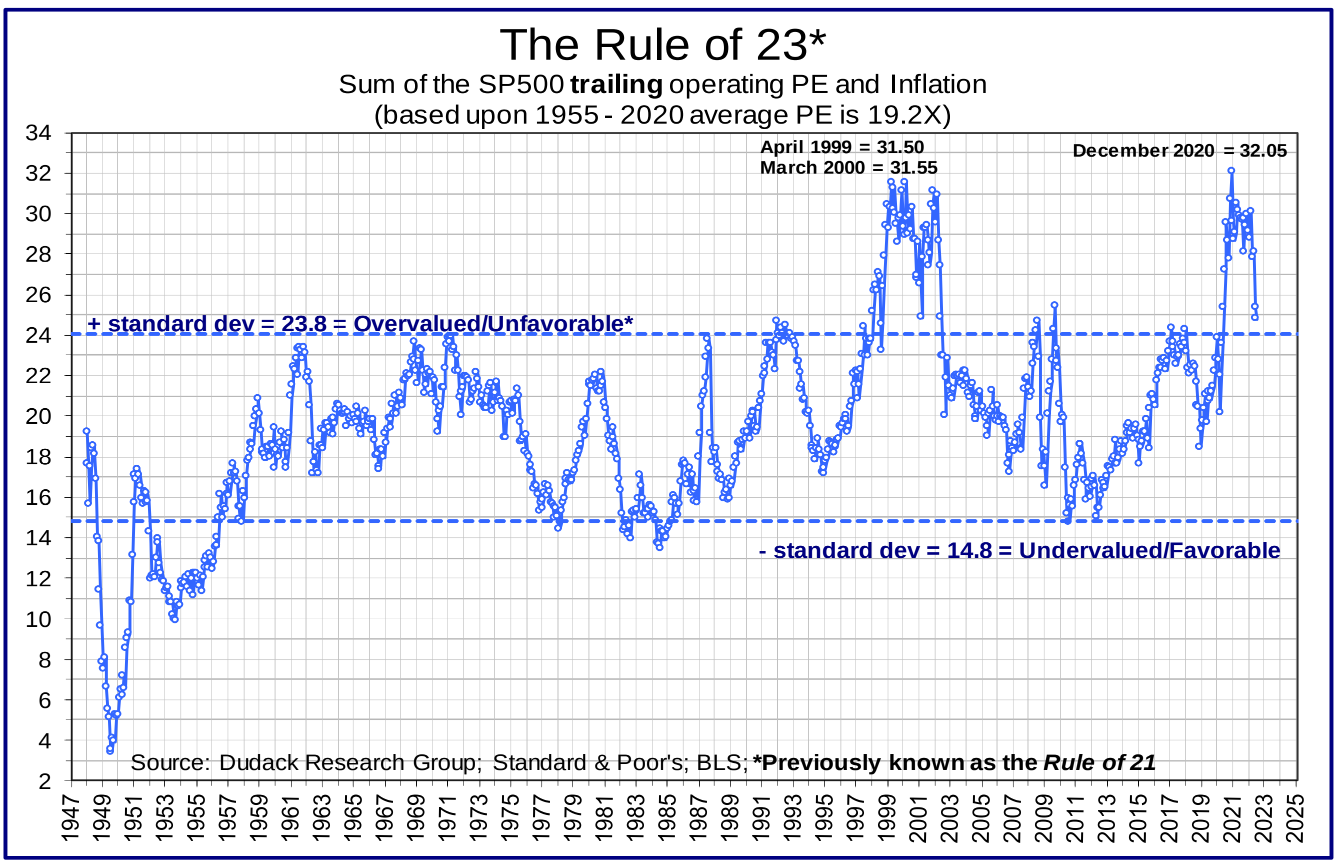
Valuation can be deceiving when not put into perspective. For example, based on S&P trailing operating EPS, the current PE of 17.7 X looks low, relative to anything other than the 50-year and post-1947 averages. However, this may not be true if EPS forecasts are too high. And though the 12-month forward PE is 16.5 and approaching the long-term average of 15.8 X, multiples were well below the long-term average during the inflationary 1972-1982 period.



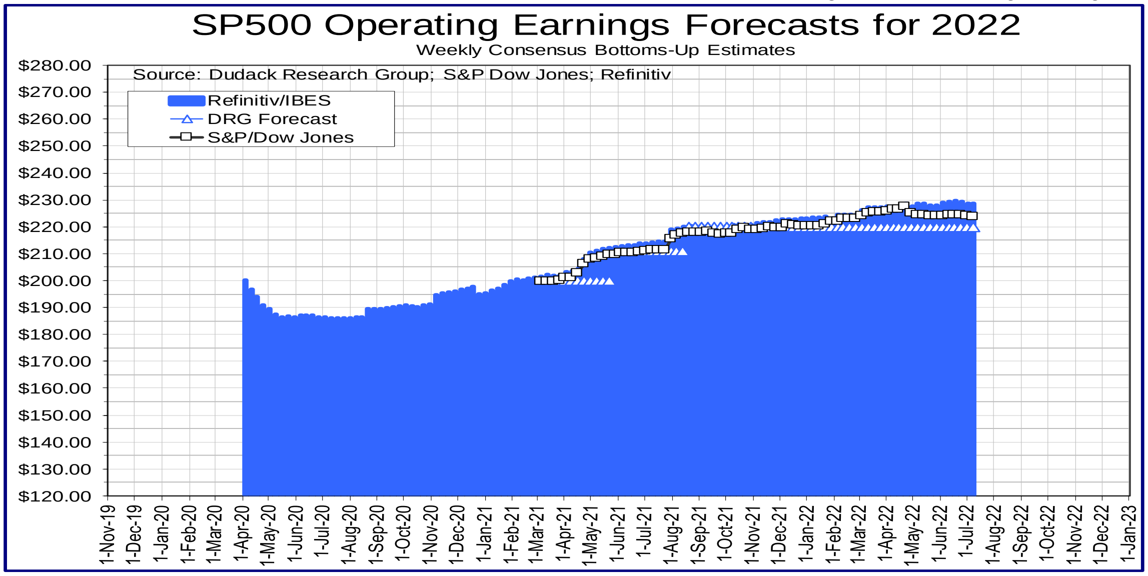


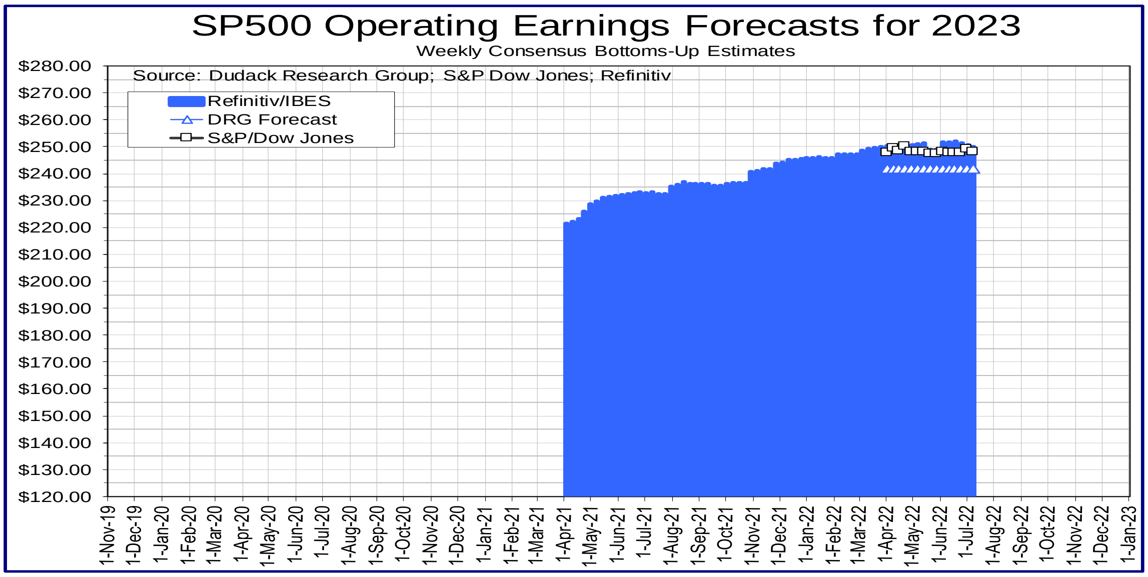
The impact of inflation is best seen in the charts below. Once inflation moved above average (3.5% YOY) in the 1972-1982 period, PE multiples fell below the standard deviation range and were single digits. Another way of measuring inflation is the Rule of 23, which sums inflation and PE multiples. The market has traded above 23 for the last two years and the sum is currently 24.8. Based upon this historical benchmark, the market remains expensive.

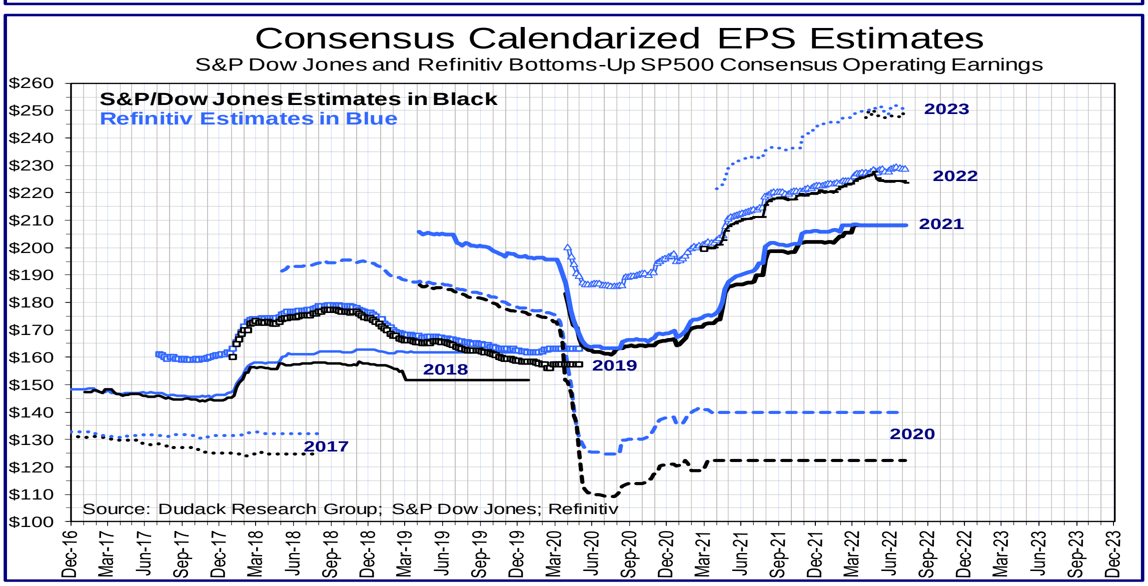




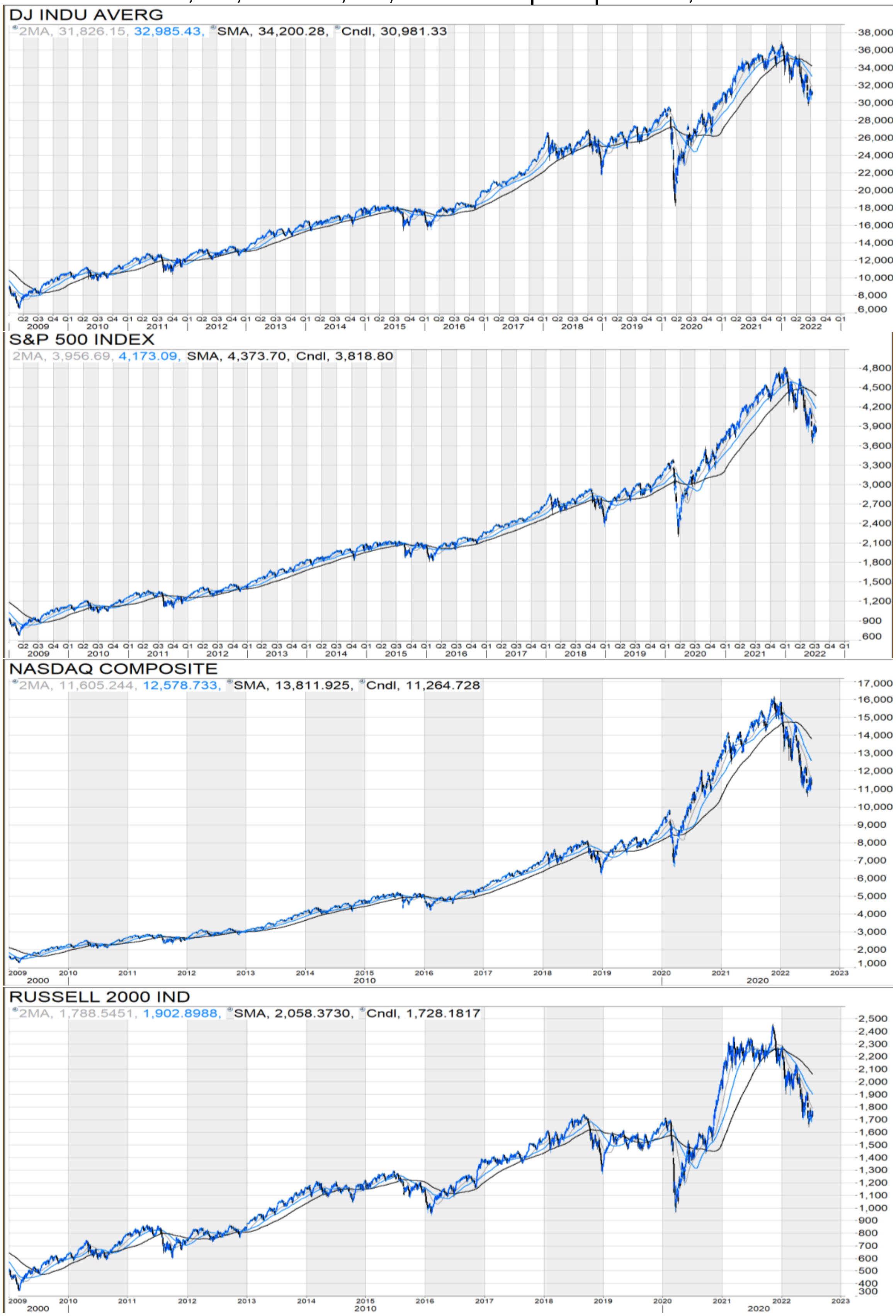
The S&P Dow Jones consensus earnings estimates for 2022 and 2023 fell $0.52 and $0.79, respectively, this week. Refinitiv IBES consensus earnings forecasts fell $0.05 and $0.65, respectively. The nominal earnings range for 2022 was relatively unchanged at $223.50 to $229 but EPS growth rates for this year fell to 7.4% and 9.9%, 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.







The RUT is hovering above a key support level that is the equivalent of the peaks made in 2018 and 2020 at the 1700 area. All of the other indices are still well above their 2020 peaks. For reference those levels equate to: DJIA – 29,500; SPX – 3,380; and Nasdaq Composite: 9,800.

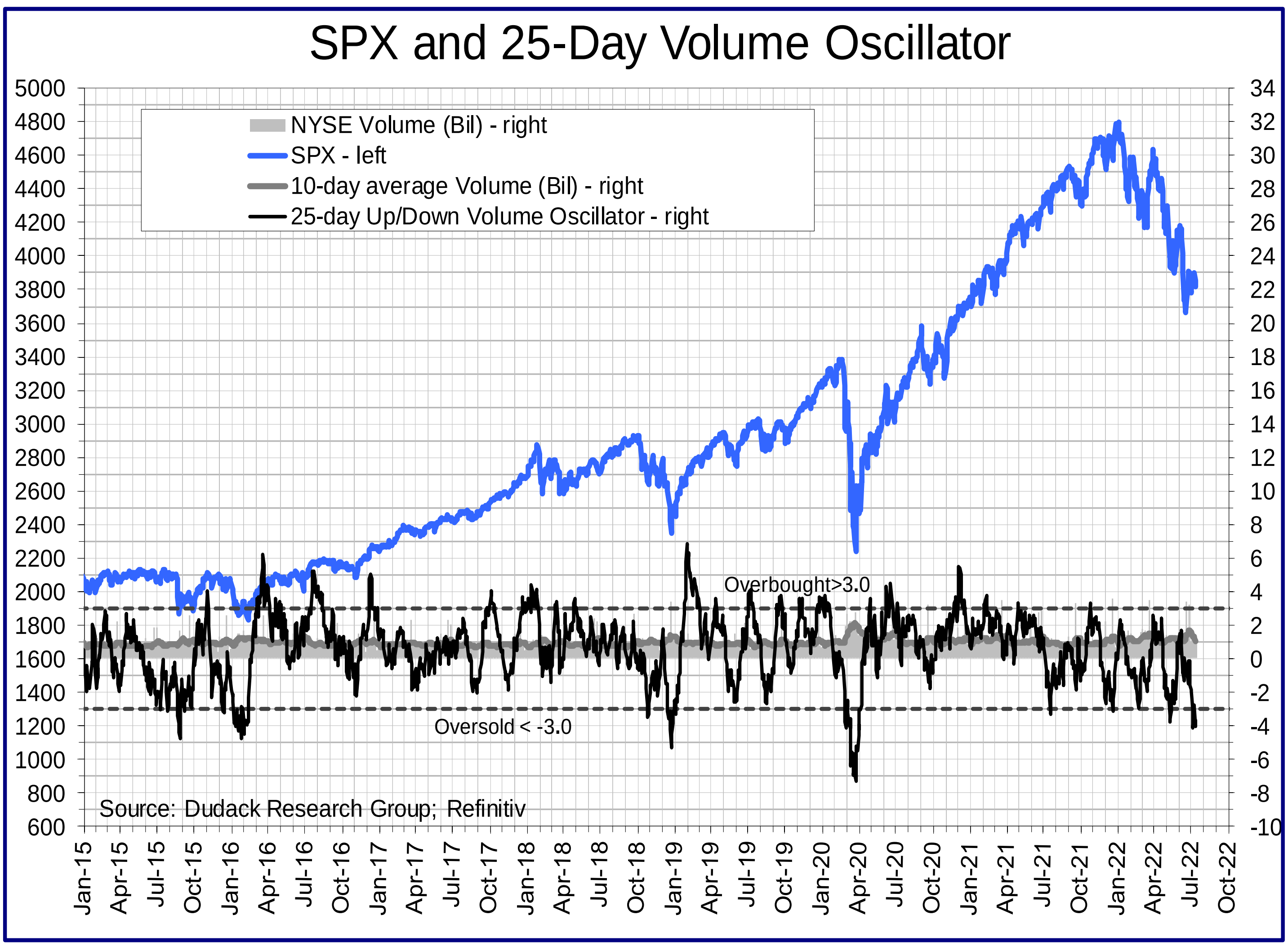


Source: Refinitiv

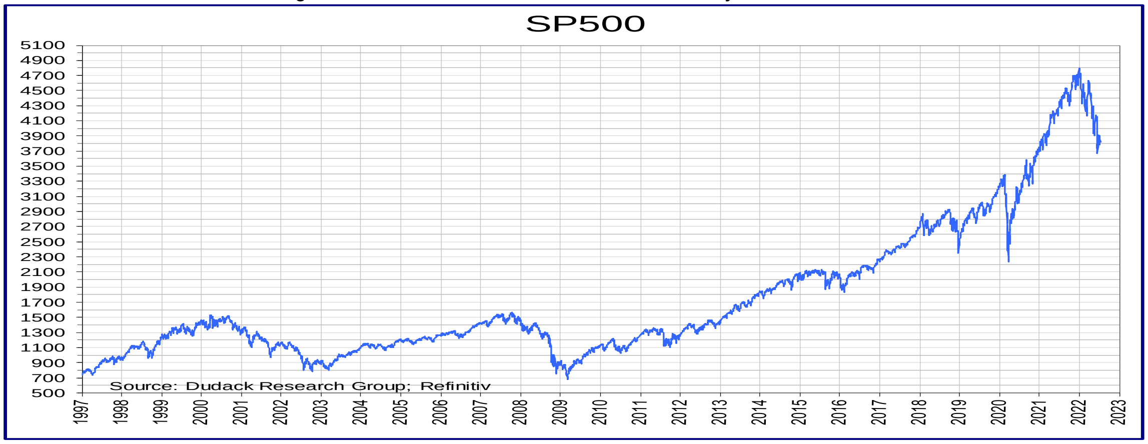
The 25-day up/down volume oscillator declined to negative 3.7 this week, recording its third oversold day in the last five trading sessions. The July 6 reading of minus 4.09 was the most oversold reading recorded since April 1, 2020; however, in March and April of 2020, the market was in oversold territory for 25 of 28 consecutive trading sessions.

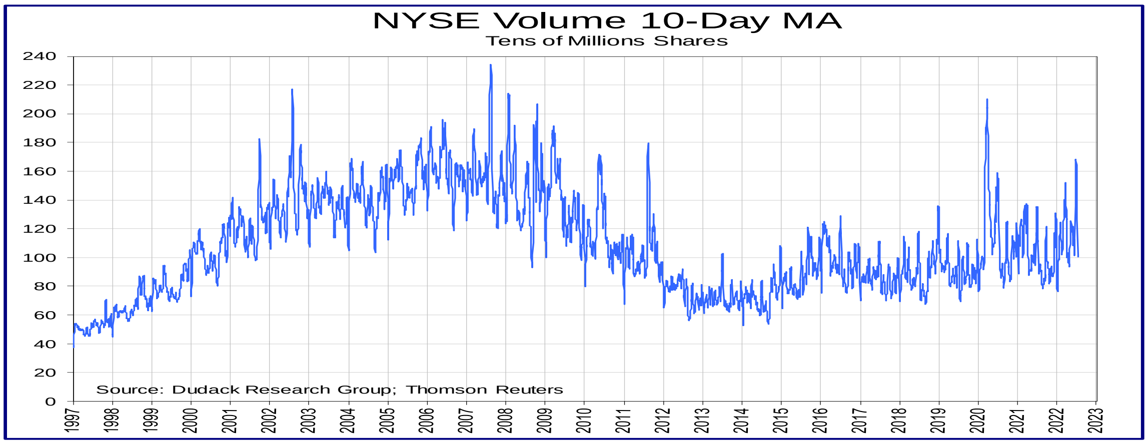
The June market recorded three 90% down days on June 9 (93%), June 13 (98%), and June 16 (94%).There were four previous 90% down days (April 22: 90%; May 5: 93%; May 9: 92%; May 18 93%) and as often noted, history suggests that extreme down days usually come in a series. A series of 90% down days reflects 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 signaled some 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. <u>We would like to see another 90% up day in coming weeks to indicate that downside risk is minimized</u>.

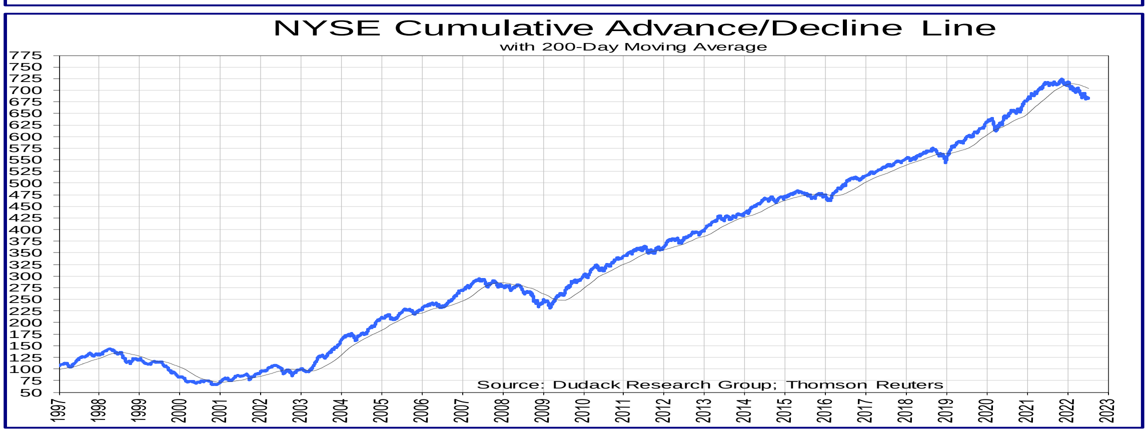
This 25-day up/down volume oscillator measures buying and selling momentum. New highs should be accompanied by strong and consistent buying pressure which results in long and sometimes extreme overbought readings. An absence of overbought readings at a new high reveals a weakness in the trend and is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

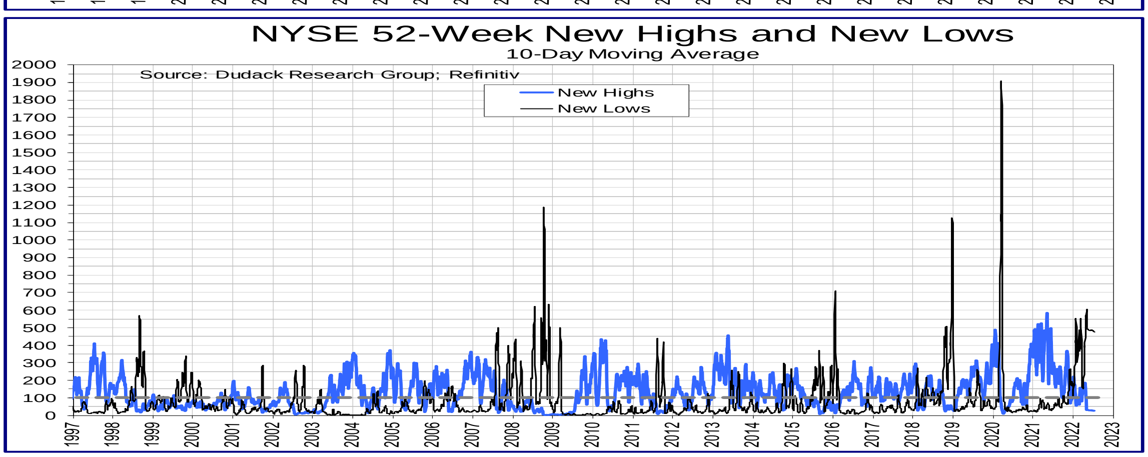


The 10-day average of daily new highs is 26 this week and daily new lows are 476. This combination is negative with new highs below 100, and new lows above the 100 benchmark. However, note that 10-day moving average of new lows peaked at 604 in early May. The advance/decline line's last record high was on November 8, 2021, and it is trading a net 42,568 issues below this level currently.

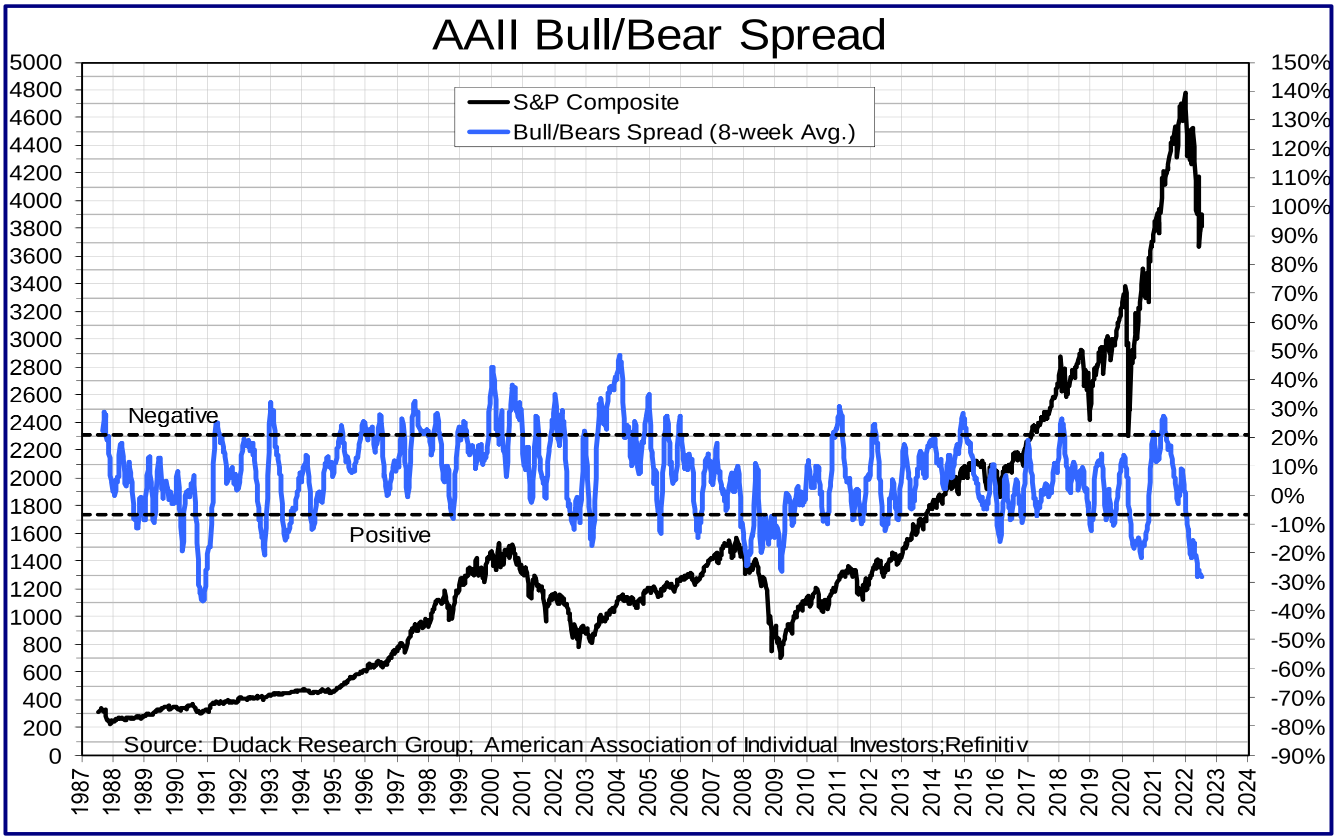


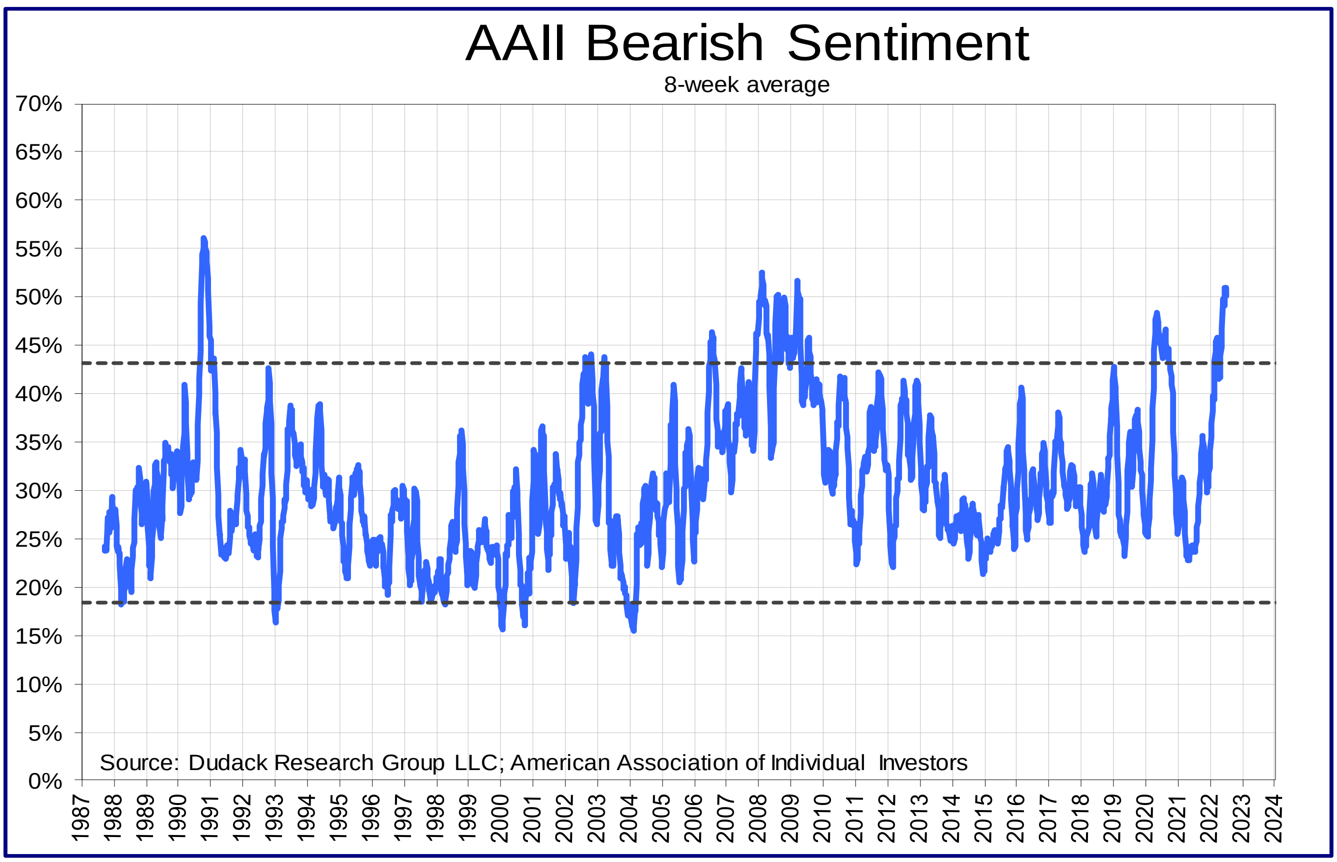






Last week's AAII readings of 19.4% bulls and 52.8% bears was the fifth survey of less than 20% bulls and more than 50% bears since April 27, 2022. Prior to these extreme readings, there were comparable single week bull/bear readings on April 11, 2013 and January 10, 2008. The 4-week bullish reading of 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.

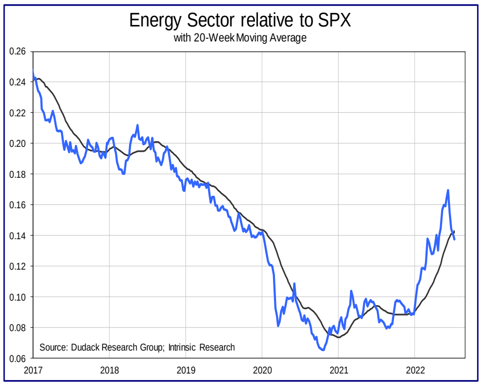


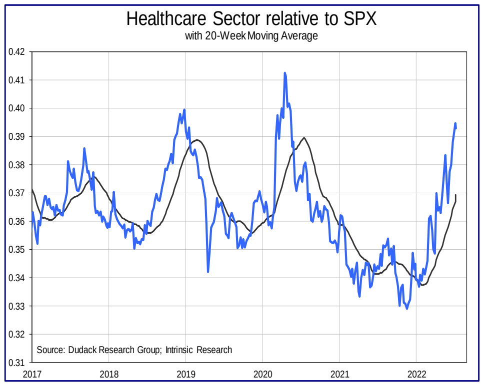


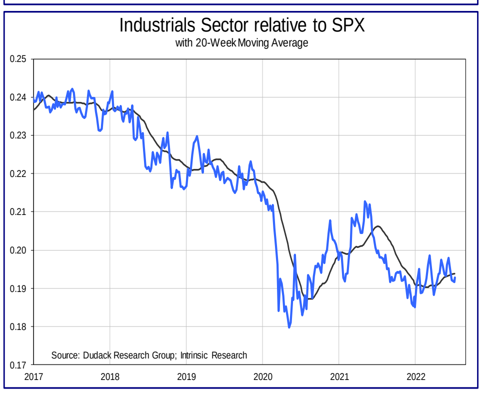
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

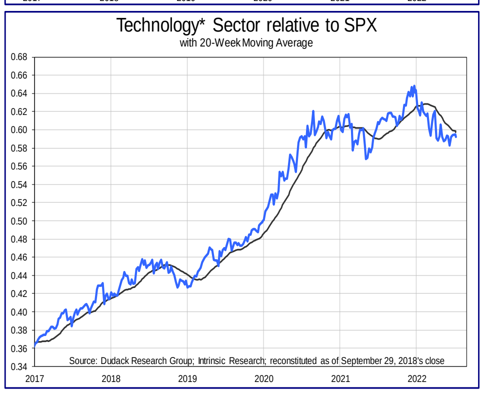
DRG Recommended Sector Weights				
Overweight		**Neutral**		**Underweight**
Energy Industrials Staples Utililties		Healthcare Technology Materials Financials		Consumer Discretionary REITS Communication Services

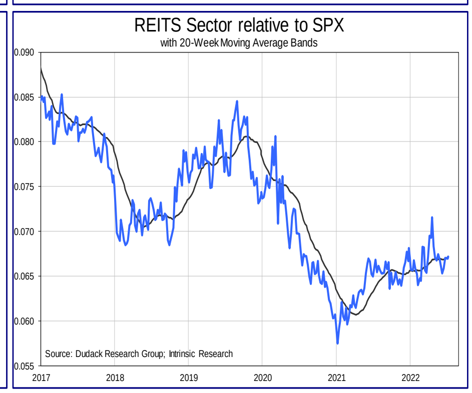
3/8/2022:Materials upgraded from underweight to neutral/communication service downgraded from neutral to underweight. 3/1/2022 Financials downgraded to neutral and Industrials upgraded to overweight.

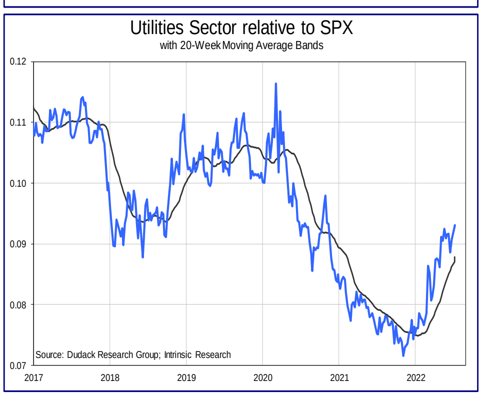


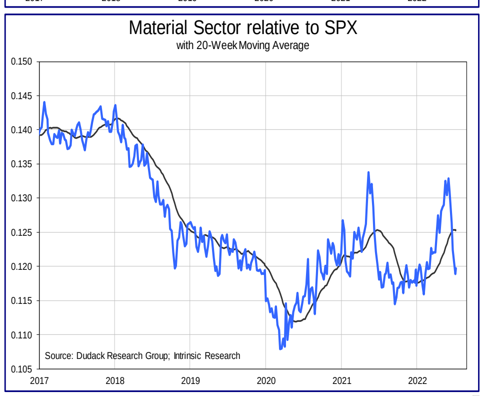


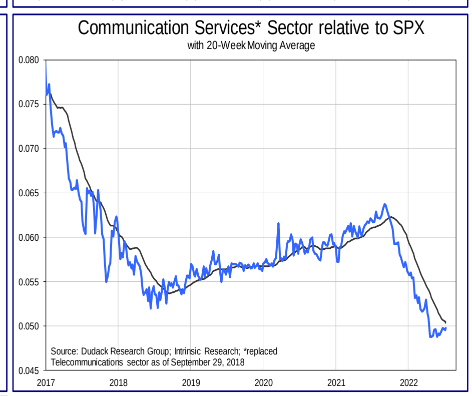


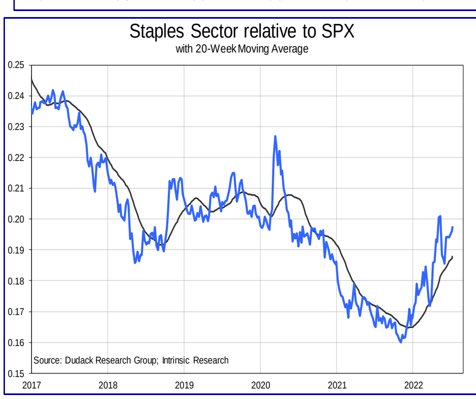


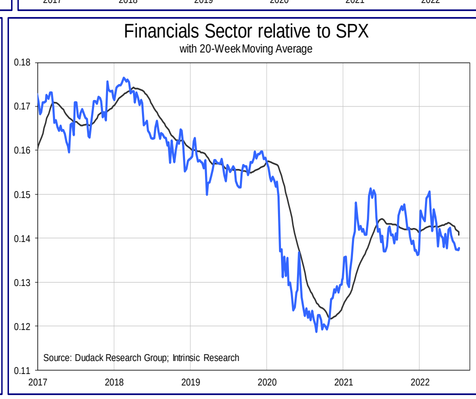












2022 Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	24.2%
S&P UTILITIES	-2.3%
S&P CONSUMER STAPLES	-6.3%
S&P HEALTH CARE	-8.7%
S&P INDUSTRIALS	-17.7%
S&P FINANCIAL	-19.1%
S&P MATERIALS	-19.7%
S&P 500	-19.9%
S&P REITS	-21.0%
S&P INFORMATION TECH	-26.0%
S&P COMMUNICATIONS SERVICES	-28.9%
S&P CONSUMER DISCRETIONARY	-31.1%

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	Slc1	51.06	10.9%	64.4%	15.9%	118.9%
United States Oil Fund, LP	USO	72.81	-2.6%	-19.2%	-9.4%	33.9%
Oil Future	CLc1	95.84	-3.7%	-20.6%	-9.4%	27.4%
Energy Select Sector SPDR	XLE	68.90	-1.1%	-22.3%	-3.6%	24.1%
iShares DJ US Oil Eqpt & Services ETF	IEZ	14.43	-2.2%	-28.5%	-9.6%	11.9%
Gold Future	GCc1	2344.10	0.2%	0.9%	0.3%	5.9%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	0.0%	0.0%
Utilities Select Sector SPDR	XLU	69.92	0.7%	-2.0%	-0.3%	-2.3%
Consumer Staples Select Sector SPDR	XLP	72.59	-0.2%	0.9%	0.6%	-5.9%
SPDR Gold Trust	GLD	160.83	-2.4%	-7.9%	-4.5%	-5.9%
iShares MSCI Brazil Capped ETF	EWZ	26.14	-1.1%	-14.4%	-4.6%	-6.9%
iShares MSCI Hong Kong ETF	EWH	21.53	-1.7%	-0.1%	-3.0%	-7.2%
Health Care Select Sect SPDR	XLV	128.75	-0.1%	2.6%	0.4%	-8.6%
Shanghai Composite	.SSEC	3281.47	-3.6%	0.8%	-3.1%	-9.8%
iShares MSCI Mexico Capped ETF	EWW	45.14	-1.2%	-4.8%	-3.1%	-10.8%
iShares MSCI United Kingdom ETF	EWU	29.17	0.6%	-5.5%	-2.6%	-12.0%
iShares China Large Cap ETF	FXI	31.98	-5.3%	-2.3%	-5.7%	-12.6%
iShares MSCI India ETF	INDA.K	39.97	1.2%	-0.7%	1.5%	-12.8%
iShares Russell 1000 Value ETF	IWD	145.37	-0.4%	-3.7%	0.3%	-13.4%
iShares MSCI Malaysia ETF	EWM	21.55	-0.6%	-4.2%	-1.8%	-13.9%
iShares MSCI Canada ETF	EWC	33.00	-0.6%	-8.9%	-2.0%	-14.1%
SPDR DJIA ETF	DIA	309.97	0.1%	-1.4%	0.7%	-14.7%
DJIA	.DJI	30981.33	0.0%	-1.3%	0.7%	-14.7%
iShares MSCI Australia ETF	EWA	20.84	0.1%	-6.9%	-1.8%	-16.1%
iShares iBoxx $ Invest Grade Corp Bond	LQD	110.82	-0.2%	0.3%	0.7%	-16.4%
iShares MSCI Singapore ETF	EWS	17.76	0.2%	-1.9%	0.5%	-17.0%
iShares Russell 2000 Value ETF	IWN	137.40	-0.8%	-6.2%	0.9%	-17.3%
Industrial Select Sector SPDR	XLI	87.05	0.3%	-4.2%	-0.3%	-17.7%
SPDR S&P Bank ETF	KBE	44.46	-0.7%	-2.4%	1.3%	-18.5%
iShares Silver Trust	SLV	18.20	-1.6%	-13.6%	-6.5%	-18.8%
Financial Select Sector SPDR	XLF	31.62	-0.5%	-2.8%	0.5%	-19.0%
iShares Nasdaq Biotechnology ETF	IBB.O	123.50	0.6%	11.8%	5.0%	-19.1%
Materials Select Sector SPDR	XLB	72.68	0.1%	-11.0%	-1.2%	-19.8%
SP500	.SPX	3818.80	-0.3%	-2.1%	0.9%	-19.9%
Vanguard FTSE All-World ex-US ETF	VEU	48.83	-0.5%	-6.6%	-2.3%	-20.3%
iShares MSCI BRIC ETF	BKF	35.65	-3.3%	-2.9%	-3.5%	-20.4%
iShares MSCI Emerg Mkts ETF	EEM	38.87	-1.7%	-5.5%	-3.1%	-20.4%
iShares US Real Estate ETF	IYR	92.36	-1.0%	-0.1%	0.4%	-20.5%
iShares Russell 1000 ETF	IWB	209.85	-0.5%	-2.1%	1.0%	-20.6%
iShares MSCI Japan ETF	EWJ	53.01	0.6%	-3.2%	0.3%	-20.8%
iShares MSCI EAFE ETF	EFA	61.33	0.0%	-5.2%	-1.9%	-22.1%
iShares 20+ Year Treas Bond ETF	TLT	115.12	-1.4%	1.2%	0.2%	-22.3%
iShares Russell 2000 ETF	IWM	171.47	-0.8%	-4.0%	1.2%	-22.9%
iShares US Telecomm ETF	IYZ	25.31	-0.5%	-2.0%	0.7%	-23.1%
PowerShares Water Resources Portfolio	PHO	46.34	-0.9%	-1.7%	0.3%	-23.8%
Technology Select Sector SPDR	XLK	129.25	0.2%	-1.4%	1.7%	-25.7%
iShares Russell 1000 Growth ETF	IWF	222.74	-0.5%	-0.2%	1.8%	-27.1%
iShares MSCI Taiwan ETF	EWT	48.55	-0.3%	-11.5%	-3.7%	-27.1%
iShares MSCI South Korea Capped ETF	EWY	56.58	-0.7%	-10.4%	-2.8%	-27.3%
Nasdaq Composite Index Tracking Stock	ONEQ.O	44.12	-0.5%	-0.8%	2.2%	-27.6%
NASDAQ 100	NDX	11744.99	-0.3%	-0.7%	2.1%	-28.0%
iShares Russell 2000 Growth ETF	IWO	209.56	-0.5%	-1.2%	1.6%	-28.5%
Consumer Discretionary Select Sector SPDR	XLY	141.50	-1.1%	-2.1%	2.9%	-30.8%
SPDR Homebuilders ETF	XHB	58.50	0.9%	-0.8%	6.9%	-31.8%
iShares MSCI Austria Capped ETF	EWO	17.14	-0.6%	-13.8%	-5.1%	-32.7%
iShares MSCI Germany ETF	EWG	21.91	-0.9%	-11.8%	-4.8%	-33.2%
SPDR S&P Retail ETF	XRT	59.84	-1.7%	-5.9%	2.9%	-33.7%
SPDR S&P Semiconductor ETF	XSD	152.56	3.3%	-9.5%	0.6%	-37.3%

Outperformed SP500
Underperformed SP500

Source: Dudack Research Group; Thomson Reuters Priced as of July 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 %
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	~~~~~	$210.04	$223.54	$220.00	5.7%	**$228.81**	9.9%	17.1X	NA	NA	NA	NA
2023E	~~~~~	$230.20	$248.21	$242.00	10.0%	**$250.05**	9.3%	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	$45.99	$49.36	$49.36	4.1%	$54.83	11.6%	18.2	1.4%	-1.6%	$2,417.70	9.5%
2022 2QE*	3818.80	$51.61	$55.01	$56.04	7.7%	$55.51	5.6%	17.9	NA	NA	NA	NA
2022 3QE		$55.75	$59.23	$56.60	8.8%	$59.45	10.7%	17.3	NA	NA	NA	NA
2022 4QE		$55.85	$60.46	$58.00	2.3%	$60.80	12.7%	17.0	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 7/12/2022

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