Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
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August 3, 2022

DJIA: 32396.17
SPX: 4091.19
NASDAQ: 12348.76

US Strategy Weekly
Perception versus Reality

Earnings, and earnings growth, are the bedrock of the equity market. And they can be especially important in an environment like the present where recession fears are plentiful. Therefore, we continue to focus on second quarter earnings results, yet we are having trouble reconciling perception versus reality in this department.

According to Reuters, *"US companies are reporting mostly upbeat news this earnings season, surprising investors who had been bracing for a gloomier outlook on both businesses and the economy. More than halfway into the second-quarter reporting period, S&P 500 company earnings are estimated to have increased 8.1% over the year-ago quarter, compared with a 5.6% estimate at the start of July."* However, data from IBES Refinitiv shows that their S&P 500 earnings estimates for 2022 and 2023 fell $1.25 and $2.02, respectively last week, after rising only a penny for 2022 and falling $0.78 for 2023 a week earlier. Similarly, forecasts from S&P Dow Jones indicate earnings estimates fell $2.42 and $2.91, respectively, last week and fell $2.48 and $0.36, respectively, a week earlier. These sharp drops in estimates during peak earnings season hardly support the statement of "better than expected" earnings in the second quarter.

However, Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices, may have said it best in the U.S. EQUITIES MARKET ATTRIBUTES JULY 2022 (August 2, 2022) report. He noted that: *"while earnings for Q2 2022 were expected to increase 13% over Q1, the whisper numbers were much lower, as was the concern over the second-half guidance. However, actual earnings (72.1% reported) did not make the expected 13% gain and now indicate a 7% gain, which is a headline disappointment for some, but not if you were one of those money managers (or traders) who traded into the whisper numbers (and sold). For them, it was an unexpected beat and a time to reallocate…"*

In other words, hedge funds were positioned for sharp earnings declines and were relieved at the actual numbers, even though they did not beat the consensus estimates. This is quite different in our opinion from an actual increase in earnings growth --- which did not materialize. In fact, the nominal dollar earnings range for 2022 fell to $218 (S&P Dow Jones) and $227 (IBES). S&P Dow Jones and IBES earnings growth rates for this year sank to 4.8% and 9.1%, respectively. And while second quarter earnings season is less than 75% complete, we find that our DRG 2022 estimate of $220, a 5.7% YOY increase from $208.19 in 2021, is at risk and is currently under review. See pages 11 and 18.

Moreover, what the Reuters article failed to mention is that even though the IBES report shows an overall blended earnings growth estimate of 8.1% for the second quarter, if the energy sector is excluded the earnings growth rate falls to negative 2.5%. This was an important omission. And we would advise monitoring the much-discussed Senate's Inflation Reduction Act since it would currently reinstate the Superfund tax on crude oil and imported petroleum at 16.4 cents per gallon (indexed to inflation) and increase other taxes and fees on the fossil fuel sector. Obviously, this would hurt S&P earnings since so much of the earnings growth in the last 18 months has come from the energy sector. More broadly, the bill would instate a minimum 15% tax rate on all corporations. This again, would negatively impact earnings. In sum, we are not finding comfort in second quarter earnings results or current fiscal policy.

Monitoring Economic Data

With first quarter GDP growth already inked at negative 1.6% and second quarter falling 0.9%, the US economy is technically in a recession. Many will be debating this issue in coming months, but the calculation for GDP makes it rather difficult to record a negative number after a negative quarter. In short, 2Q22 GDP implies economic activity continued to slide in the April through June period. The GDP price deflator also jumped to 7.5% YOY in the quarter, the highest pace seen in this indicator since the December 1981 report of 8.4%. Note that the December 1981 reading took place in between the 1980 and 1981-1982 recessions. These two recessions were also triggered by Fed rate hikes as monetary policy struggled with an inflationary cycle. See page 3.

The ISM manufacturing index fell to 52.8 in July, the third consecutive monthly decline, the fourth decline in the past six months, and remaining below a six-month average of 55.5. New orders declined from 49.2 in June to 48 which is the second consecutive month that new orders were below the neutral threshold of 50. All in all, this is a display of declining momentum in manufacturing. See page 4.

Homebuilder confidence fell from 67 in June to 55 in July and is at its lowest level since early 2020. The June pending home sales index fell from 99.6 in May to 91.0 in June, which was the lowest reading since the March/April 2020 recession readings and the third lowest since data began in 2018. Still, the homeownership rate edged up to 65.8% from the first quarter reading of 65.4%, with the strongest gains seen in the South and West sections of the country. The housing sector began to slow well before the Fed increased rates this year and we expect it will continue its slump throughout the second half as interest rates continue to rise. See page 5.

The personal savings rate fell from 5.5% to 5.1% in June and sits at its lowest level since the 2008 recession. Real personal disposable income, which was $15.10 trillion in June, remains below its pre-pandemic February 2020 level of $15.16 trillion and is one sign of potential weakness in consumption. And despite recent monthly job reports, this does not tell the whole story. Total employment remains more than half a million jobs below its February 2020 peak level. See page 6. Inflation has also changed household spending patterns. See page 7. In the 18 months ending in June, household spending for gasoline and other energy goods increased 106%, transportation services increased nearly 50% and food services and accommodations rose nearly 45%. These increases have reduced household consumption of things other than energy and food. See page 7.

With the yield curve nearly inverted, the debate about whether or not more rate hikes will be implemented this year will intensify. Nevertheless, <u>June's personal consumption expenditures index, the favorite inflation measure of the FOMC, indicated price trends were accelerating and the index rose 6.7% YOY, the highest rate since January 1982. Excluding food and energy, the PCE index is rising at a 5% YOY pace, the highest since records began in 1987. This report implies more rate hikes are required to tame inflation</u>. See page 9.

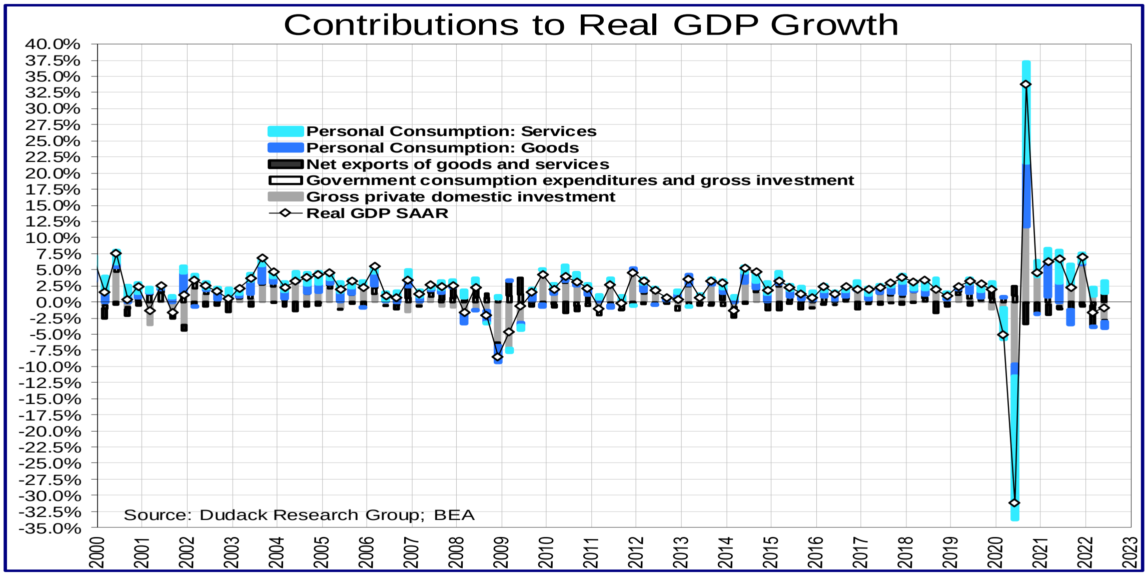
Multiple Signs of Recession

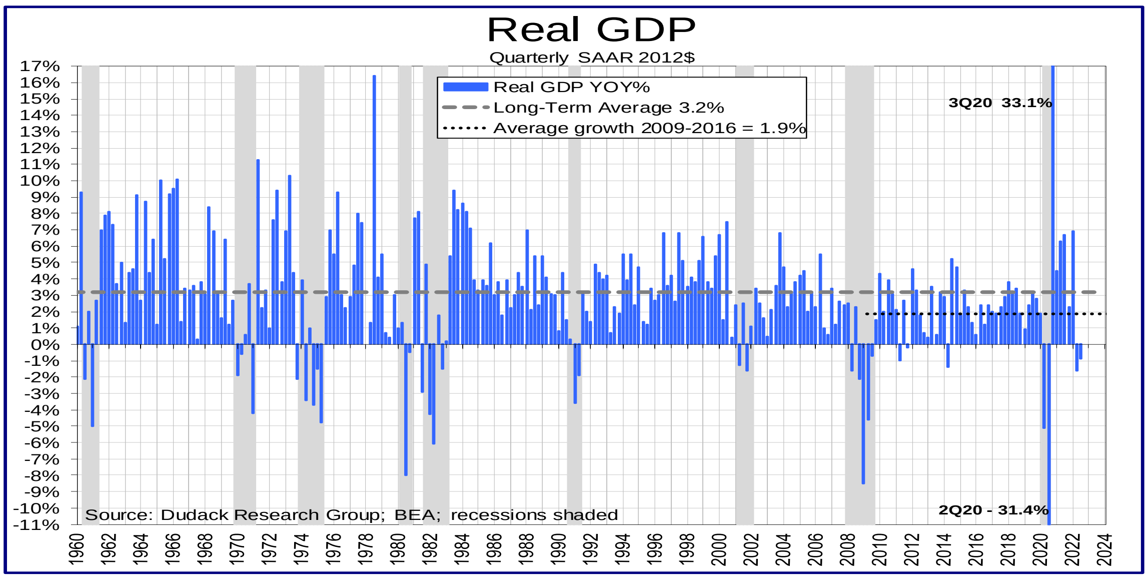
The WTI crude oil future is at $94.42 and below its 200-day moving average now at $94.70. The longer the future trades below the 200-day MA, the more likely oil prices will fall further to the $80-$85 range. <u>This decline in oil would bring relief to future inflation, but it is not a result of Fed rate hikes. More exactly, energy is falling due to fears of weakness in China's economy, as a result of shutdowns, weakness in manufacturing and troubles in the real estate sector. Meanwhile, the 10-year Treasury note yield at 2.74%, having recently reached an intra-day low of 2.52%, has become very volatile and is signaling economic weakness. With the fed funds future at 2.5%, a falling 10-year Treasury yield increases the likelihood that the entire Treasury yield curve will invert resulting in a classic sign of a recession.</u>

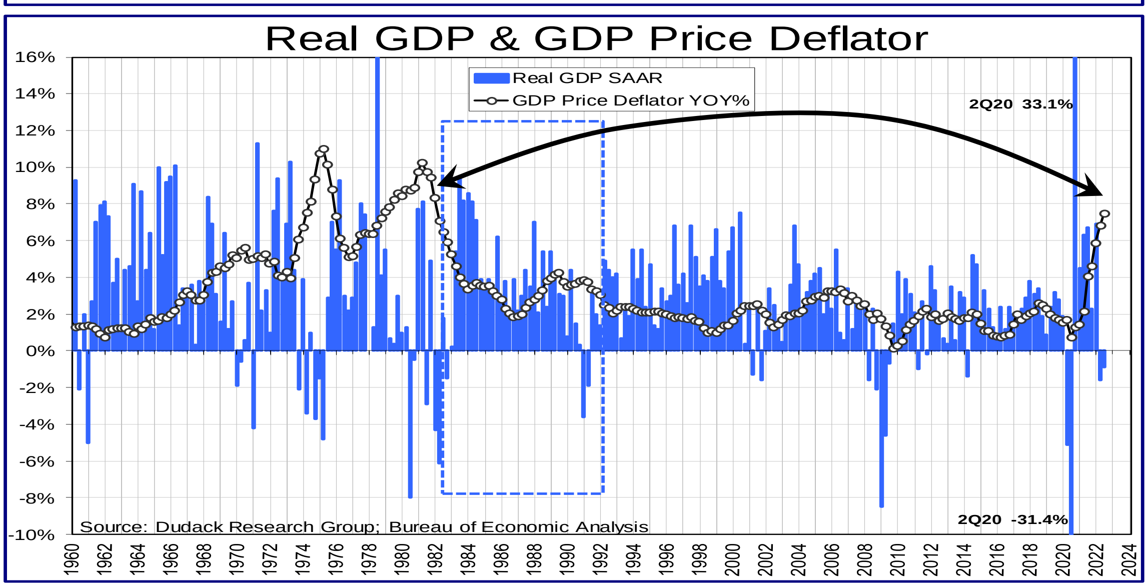
And lastly, Technicals

The recent equity rebound carried all the indices up to their 100-day moving averages which are now at roughly DJIA: 32,719; SPX: 4,119; NAZ: 12,335; and RUT 1,873. However, only the Nasdaq Composite is currently trading above its moving average. These moving averages are only first-level resistance points, yet they could prove to be pivotal for the intermediate term. At present, the market appears to be wobbling at this resistance level. In sum, <u>we continue to maintain a relatively cautious stance focusing on stocks where earnings are most predictable, even in a recession. In general, this equates to energy, staples, utilities, and defense stocks</u>.

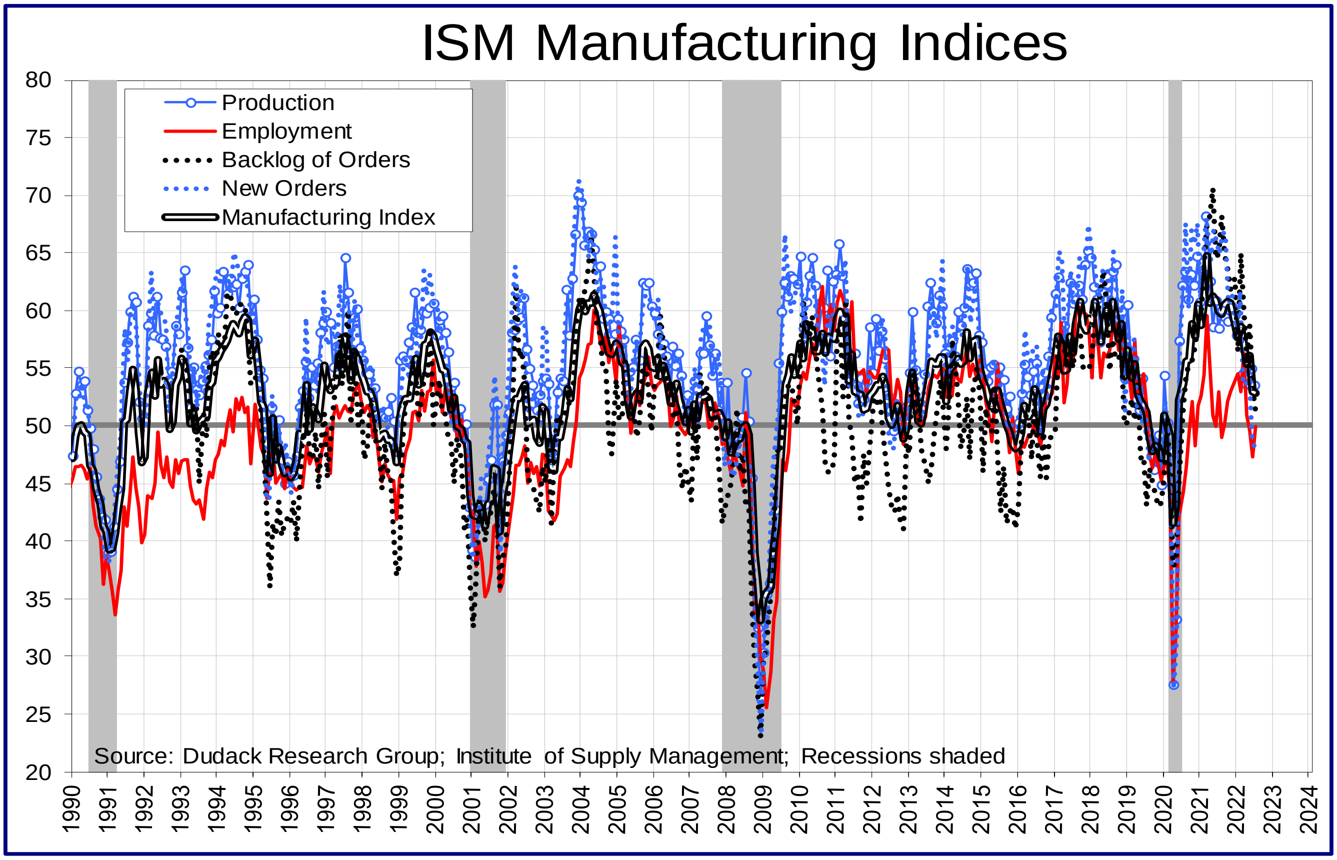
With first quarter GDP growth falling 1.6% and second quarter falling 0.9%, the US economy is technically in a recession, nevertheless, many will be debating this issue. The GDP deflator jumped to 7.5% YOY in the quarter, the highest inflation pace since the December 1981 level of 8.4%. The December 1981 reading fell between the 1980 and 1981-1982 recessions.

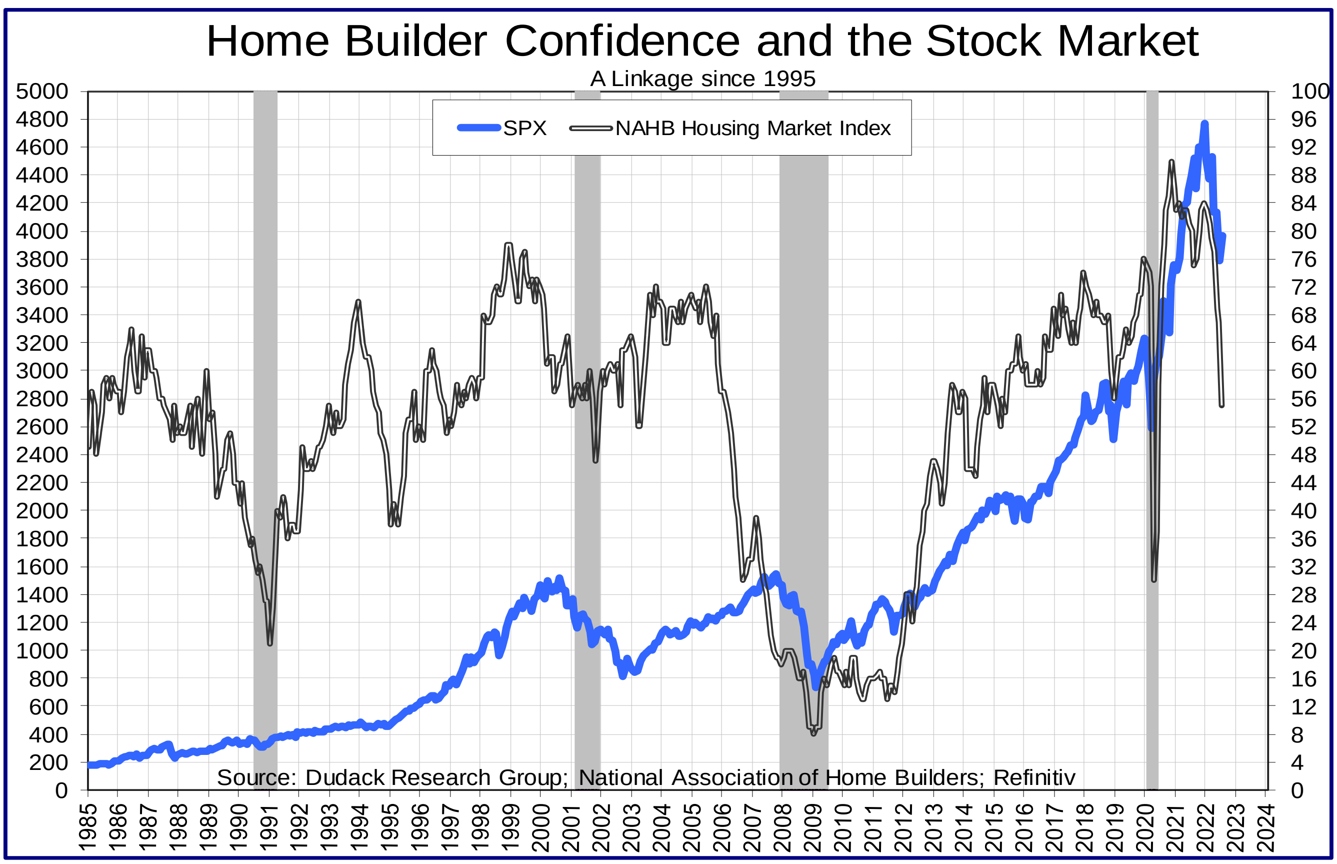




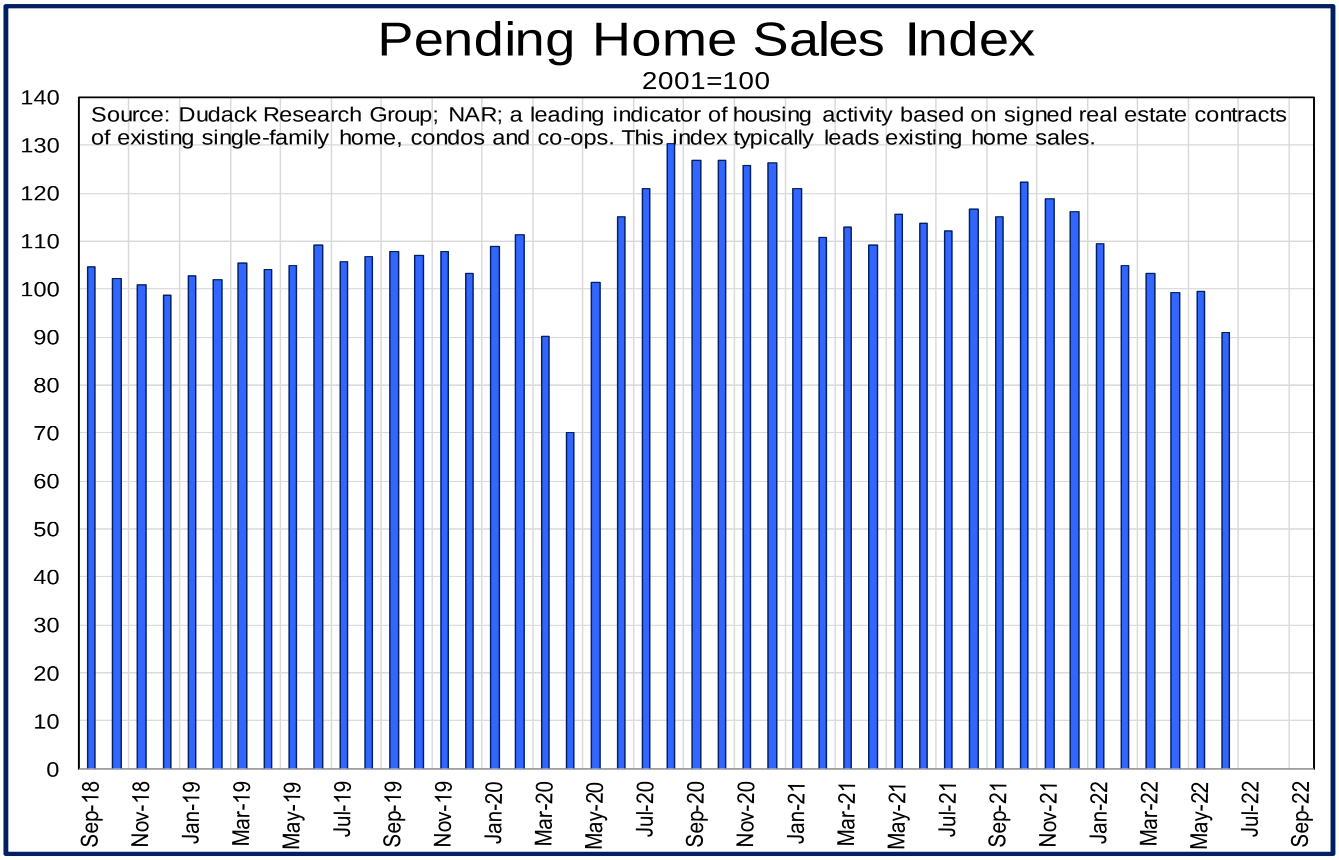


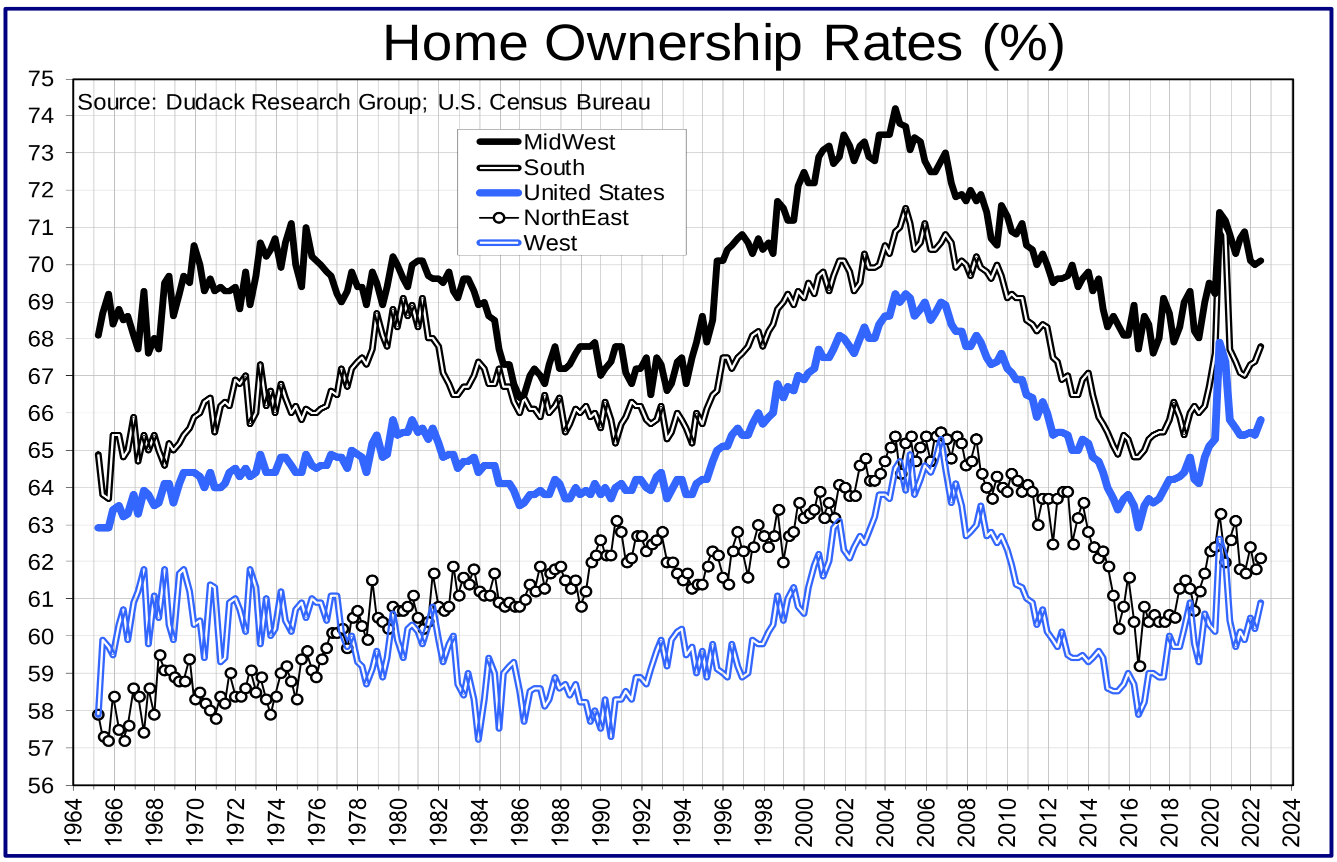
The ISM manufacturing index fell 52.8 in July, the third consecutive monthly decline, the fourth decline in the past six months, and below its six-month average of 55.5. New orders declined from 49.2 in June to 48. This is the second consecutive month that new orders were below their neutral threshold of 50. Homebuilder confidence fell from 67 in June to 55 in July and is at its lowest level since early 2020.



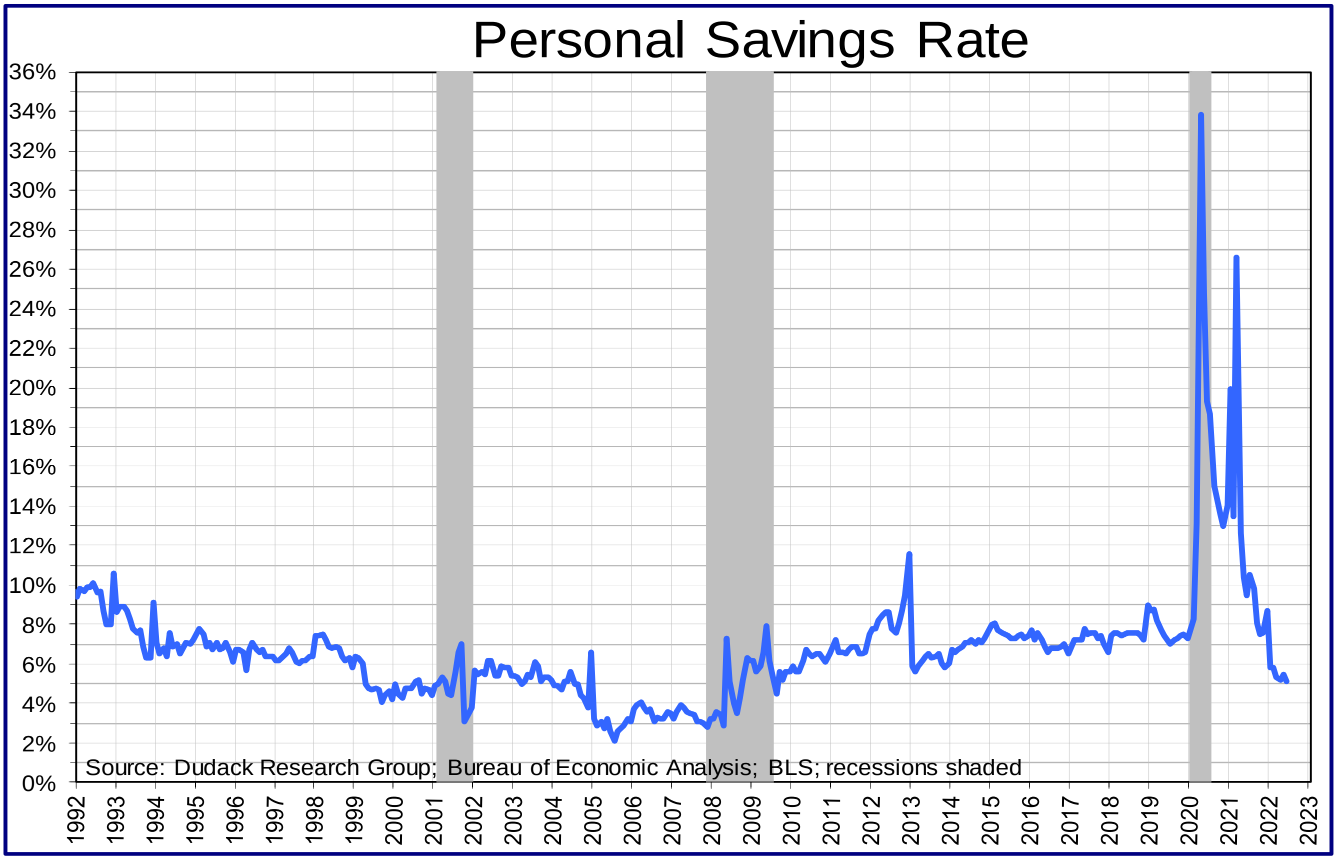


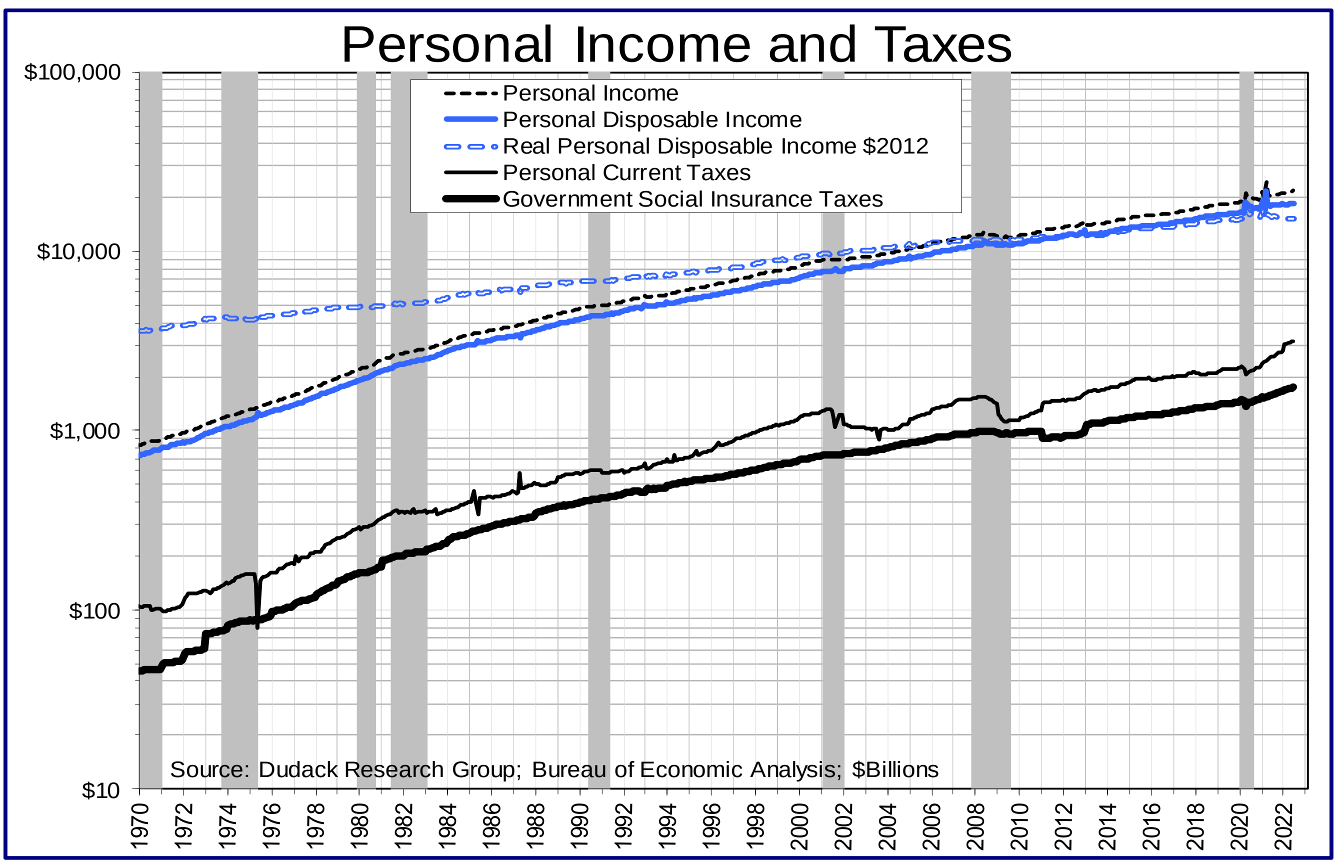
The June pending home sales index fell from 99.6 in May to 91.0 which was the lowest reading since the March/April 2020 recession readings and the third lowest since data began in 2018. However, the homeownership rate edged up to 65.8% from the first quarter reading of 65.4%, with the strongest gains seen in the South and West sectors of the country.



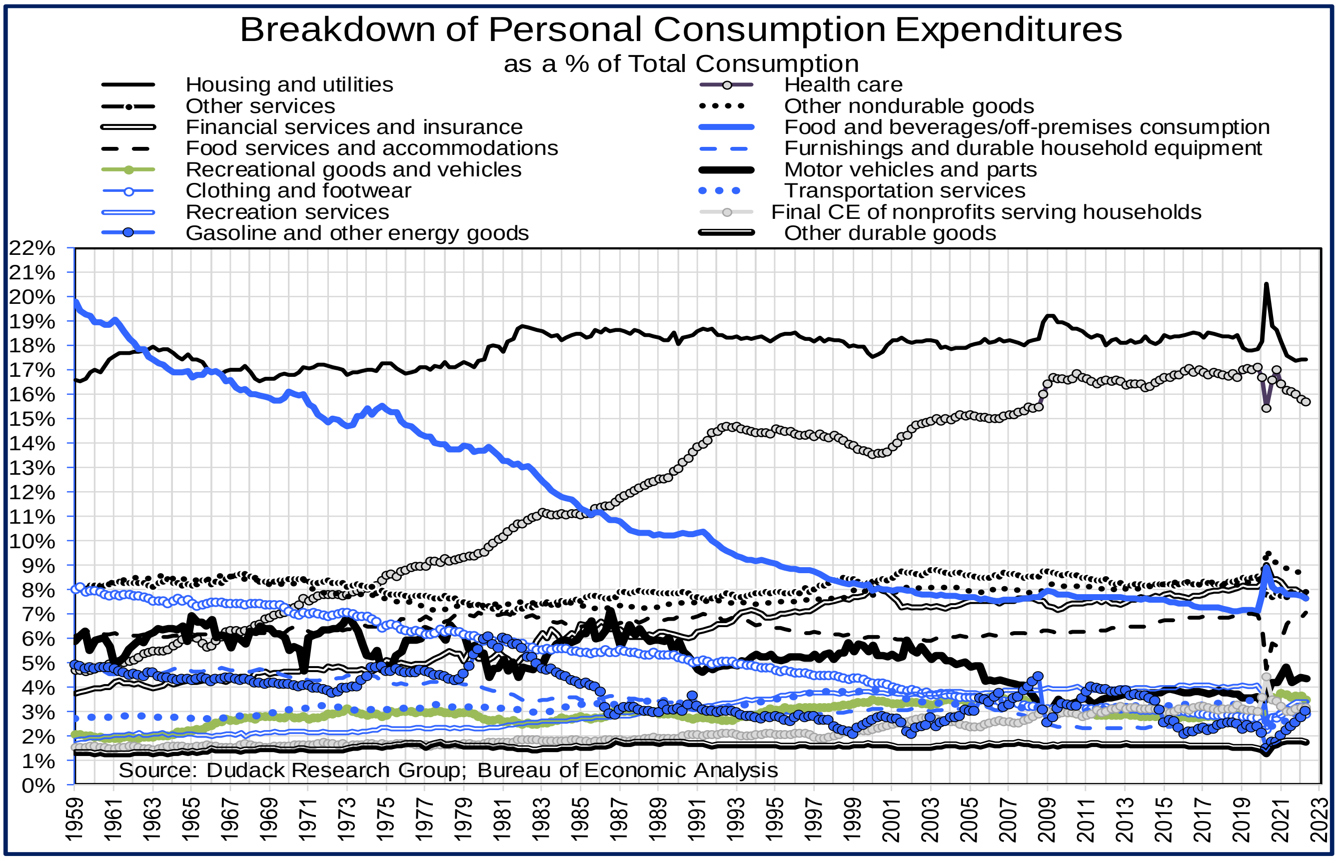


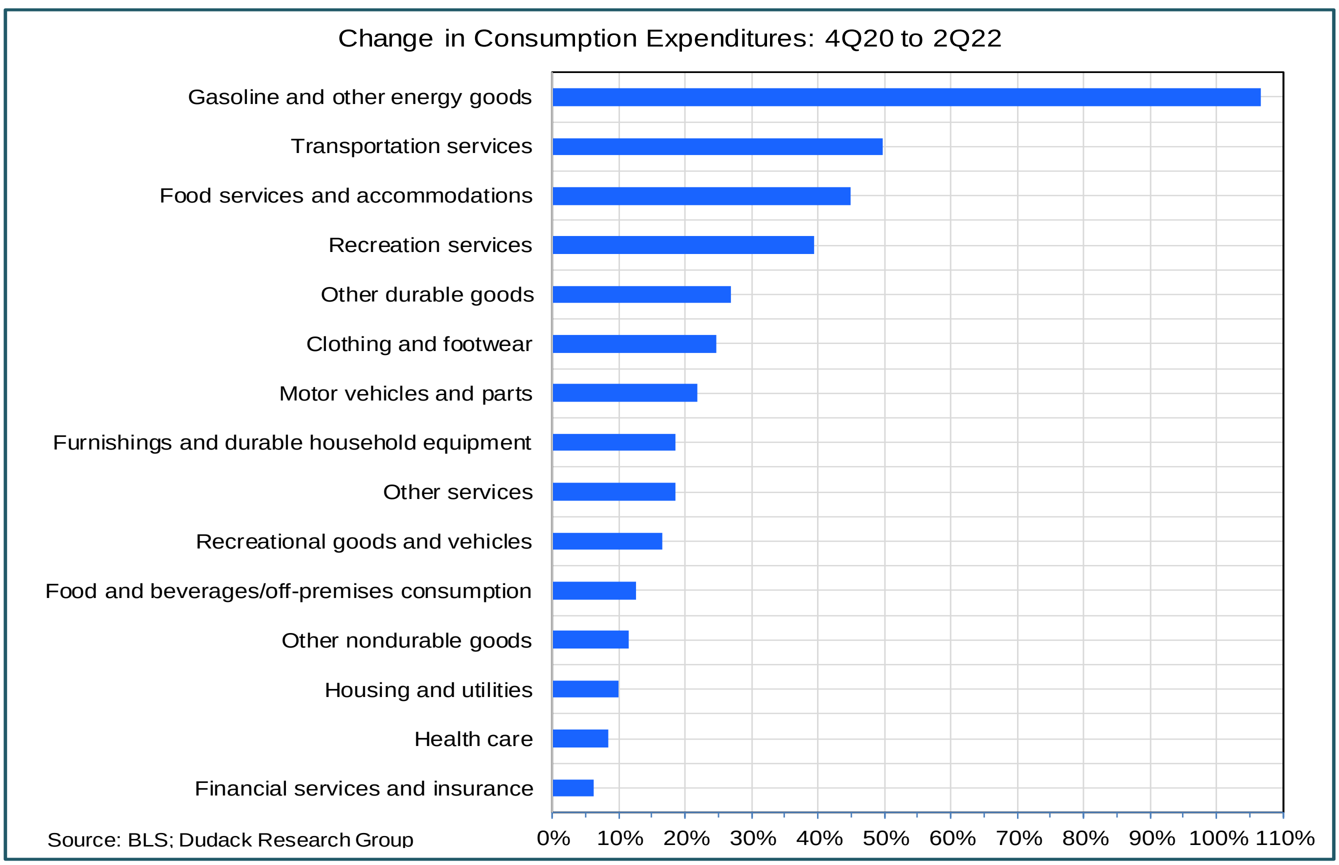
The personal savings rate fell from 5.5% to 5.1% in June and remains at its lowest level since the 2008 recession. Real personal disposable income, which was $15.10 trillion in June, remains well below the pre-pandemic February 2020 level of $15.16 trillion and is one sign of a recession. Total employment also remains more than half a million jobs below the February 2020 peak level.



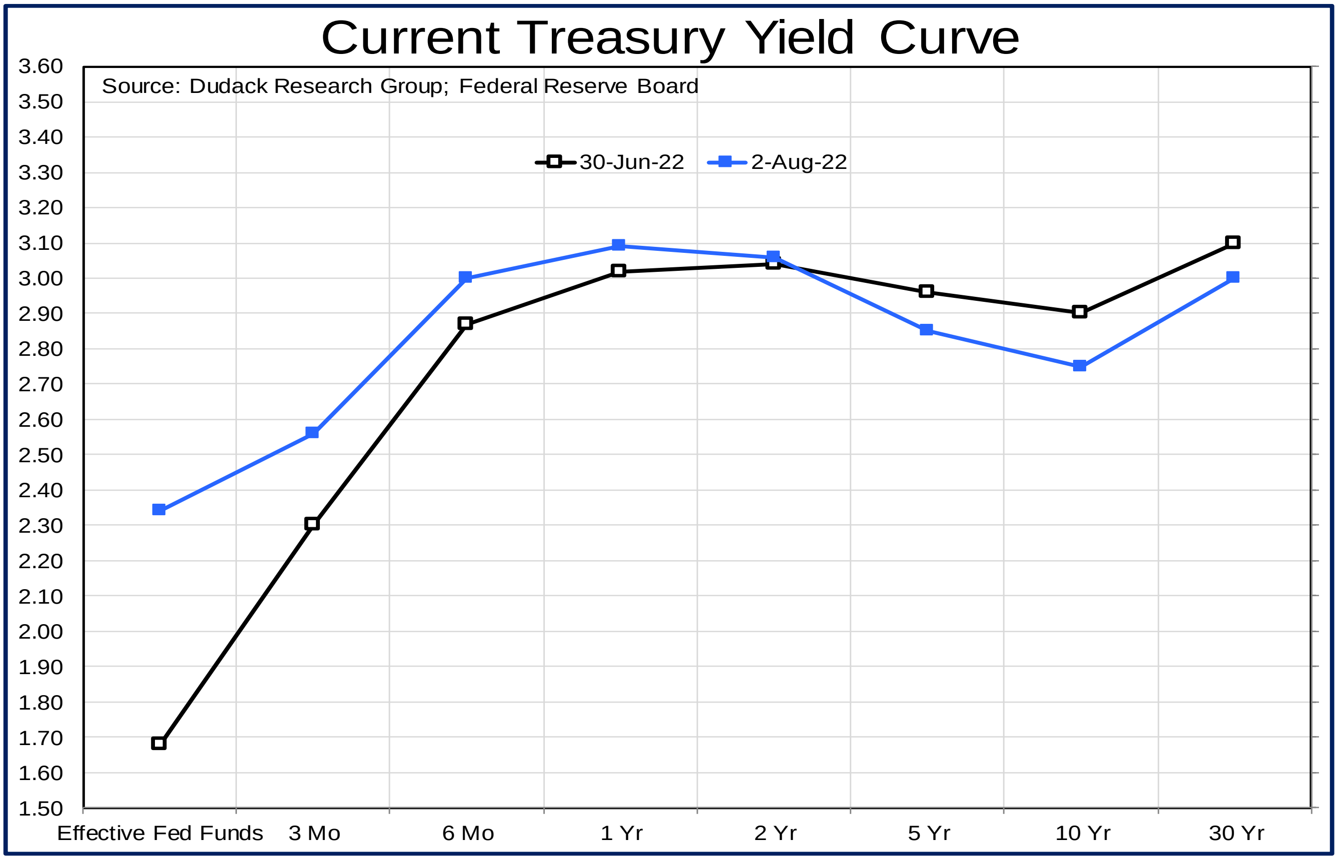


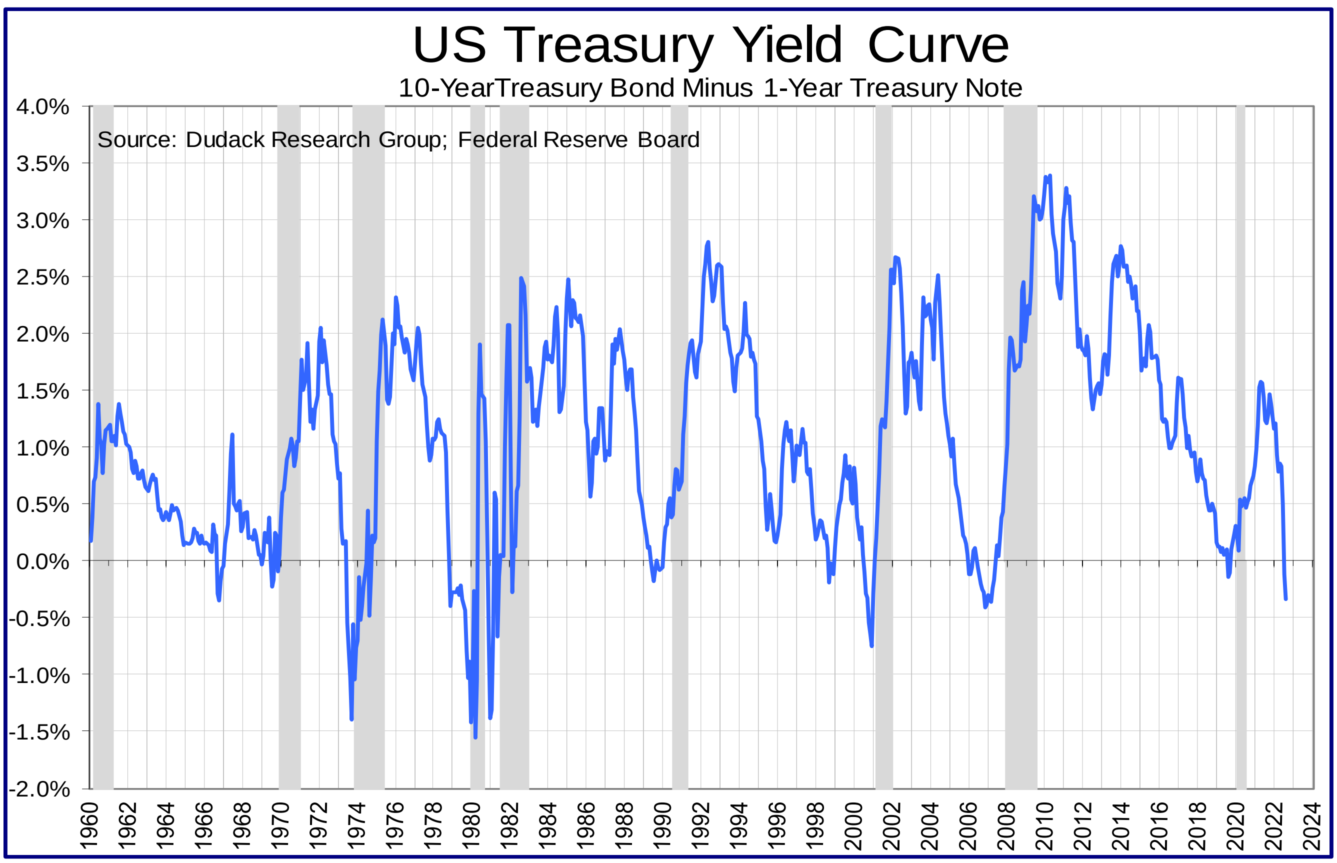
The pandemic changed household consumption patterns. Inflation has changed it once again. The bottom chart shows the shifts in consumption in the last 18 months, or since December 2020. Household spending for gasoline and other energy goods has increased 106%, transportation services increased nearly 50% and food services and accommodations rose nearly 45%. These increases have reduced household consumption of things other than energy and food.



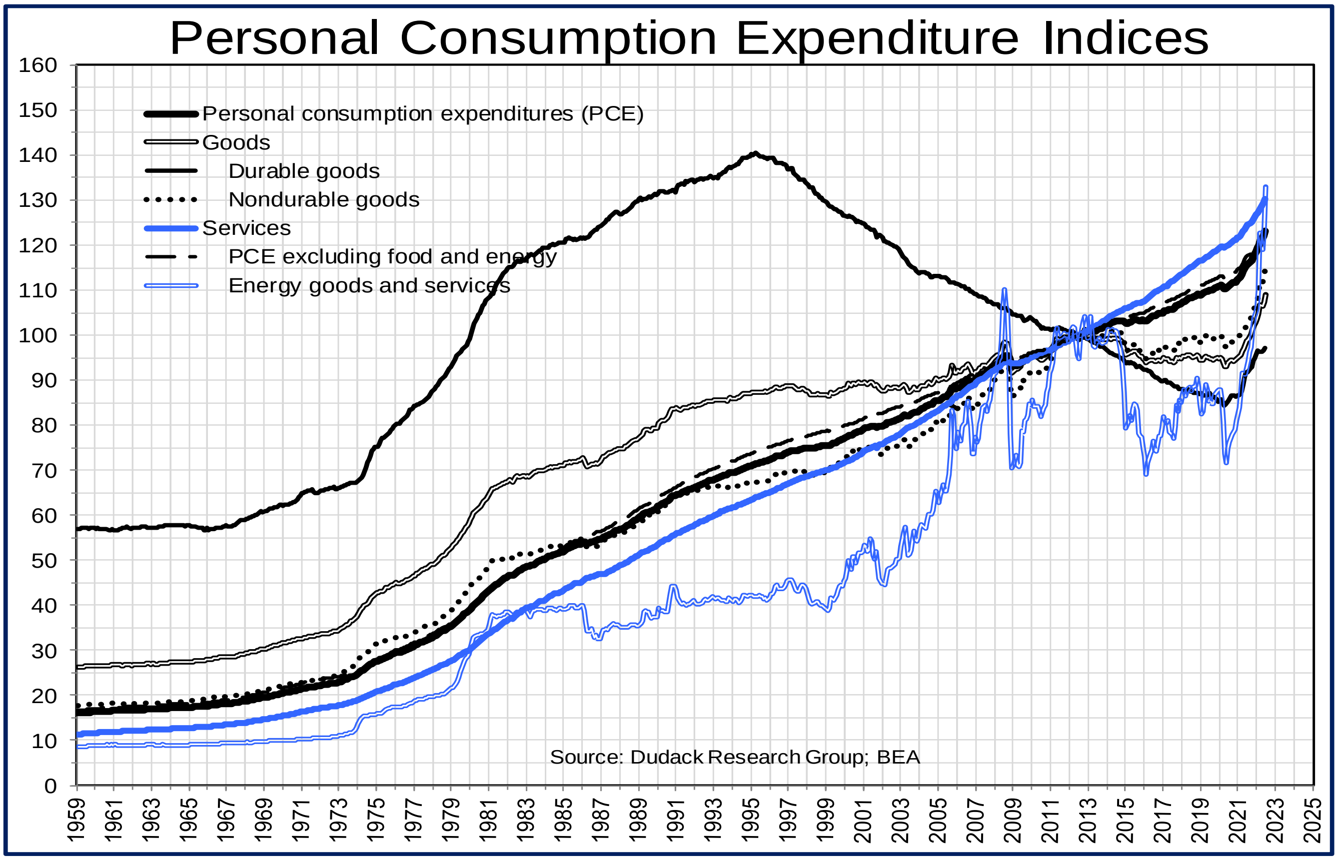


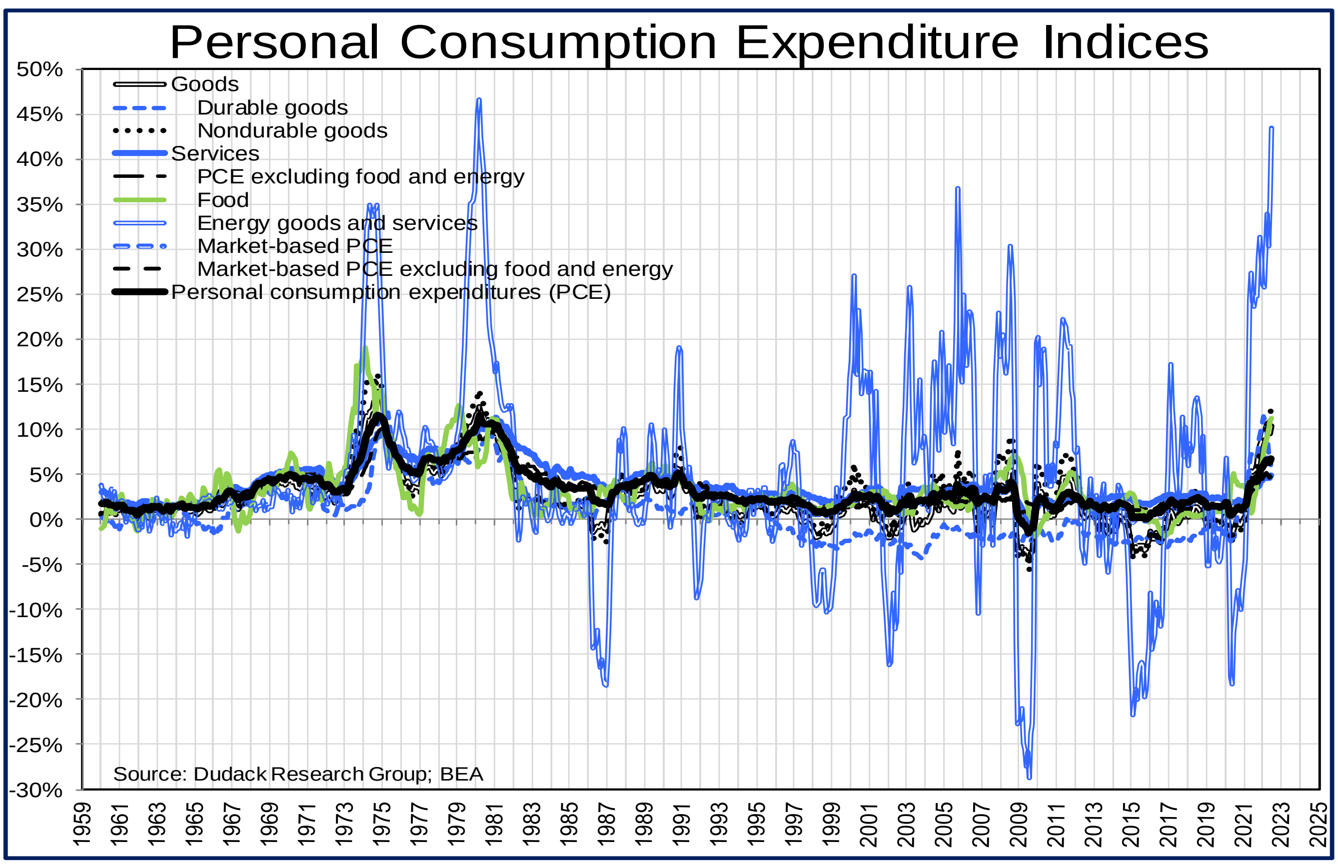
Last week's FOMC meeting resulted in a 75-basis point increase in the fed funds rate which led to a flattening of the yield curve and inverted the curve between the 6-month and 10-year Treasury yields. The 10-year Treasury yield has been flirting with the 2.5% level which is the top of the Fed's current target for the fed funds rate.



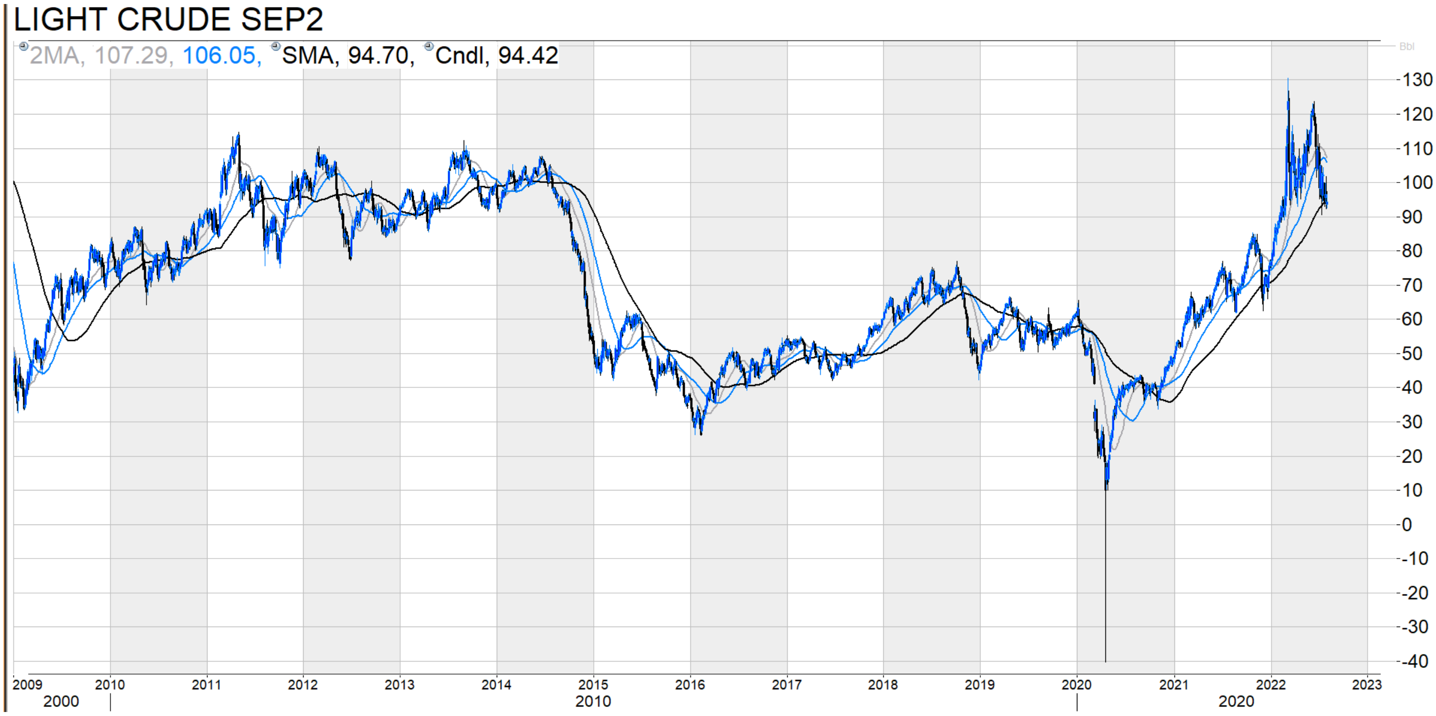


With the yield curve nearly inverted, the debate about whether or not more rate hikes will be implemented this year will escalate. Nevertheless, the recent personal consumption expenditures index, the favorite inflation measure of the FOMC, shows an accelerated advance indicating prices are rising 6.7% YOY, the highest since January 1982. Excluding food and energy, the PCE index is rising at a 5% YOY pace, the highest since records began in 1987. This implies more rate hikes are required.



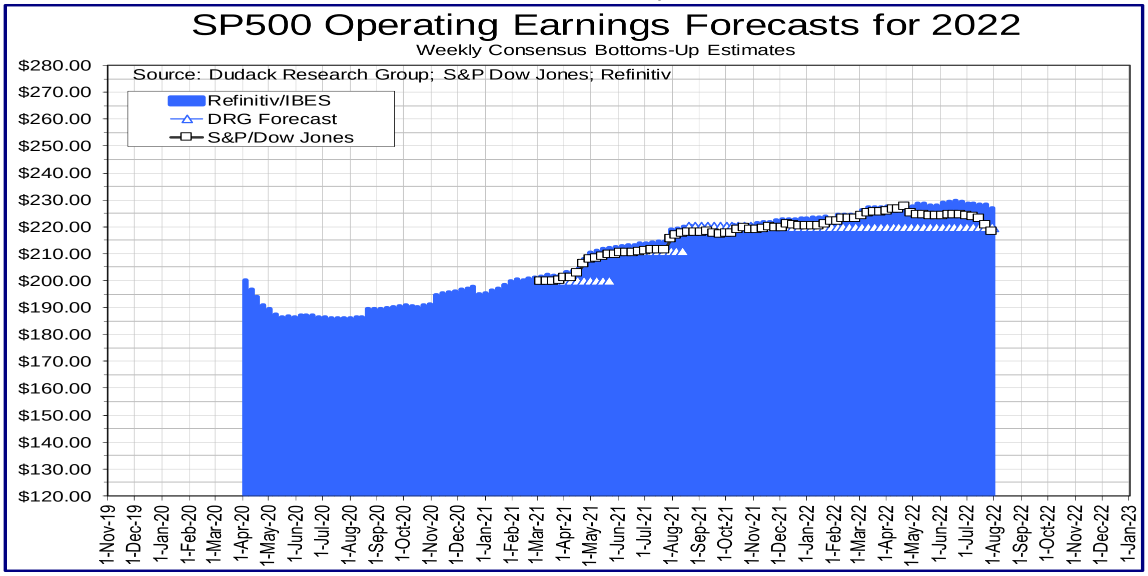


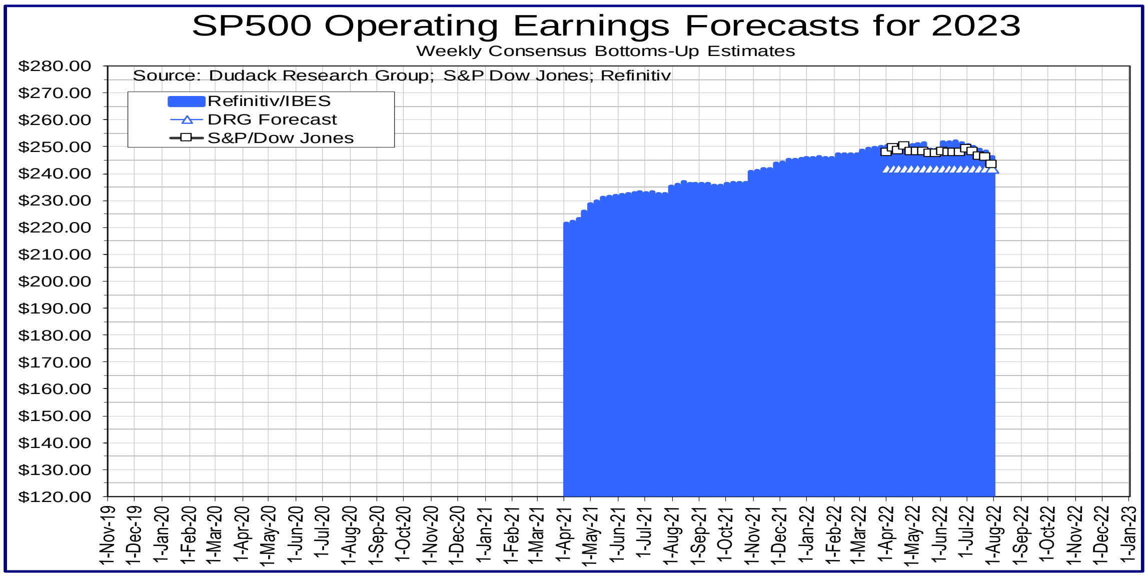
These two charts deserve a bit of attention this week. The WTI crude oil future is at $94.42 and below the 200-day moving average now at $94.70. The longer it continues to trade below the 200-day MA, the more likely oil prices will fall to the $80-$85 range. This will bring some relief to future inflation, but it is not a result of Fed rate hikes. Energy is down due to weakness in China's economy. Meanwhile, the 10-year Treasury note yield is at 2.74%, having recently reached an intra-day low of 2.52%. With the fed funds future at 2.5%, it increases the likelihood that the entire Treasury yield curve will invert. A total inversion is a classic sign of a recession.

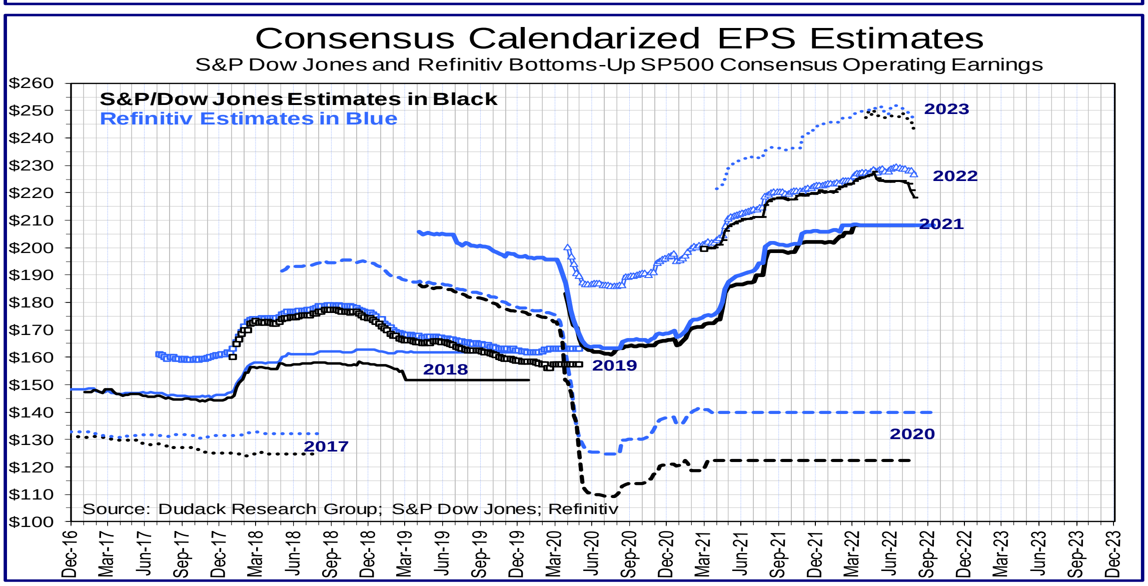


Source: Refinitiv

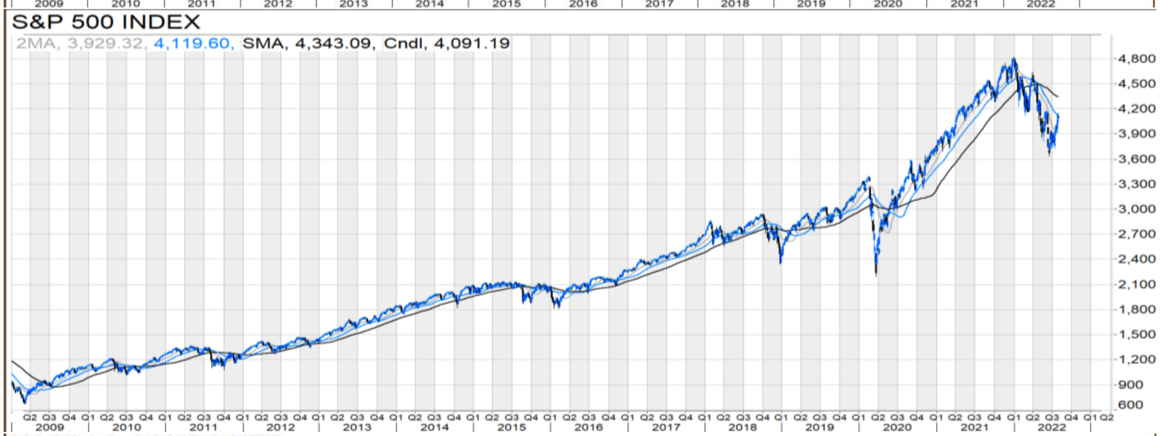
The S&P Dow Jones consensus earnings estimates for 2022 and 2023 fell $2.42 and $2.91, respectively, this week. Refinitiv IBES consensus earnings forecasts fell $1.25 and $2.02, respectively. The nominal earnings range for 2022 changed to $218 to $227 and EPS growth rates for this year fell to 4.8% and 9.1%, 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, but is currently under review</u>.







The recent equity rebound carried all the indices up to their 100-day moving averages now at DJIA: 32,719; SPX: 4119; NAZ: 12,335; and RUT 1873, but only the Nasdaq Composite is currently trading above its moving average. These moving averages are only first-level resistance points, yet they could prove to be pivotal for the intermediate term.

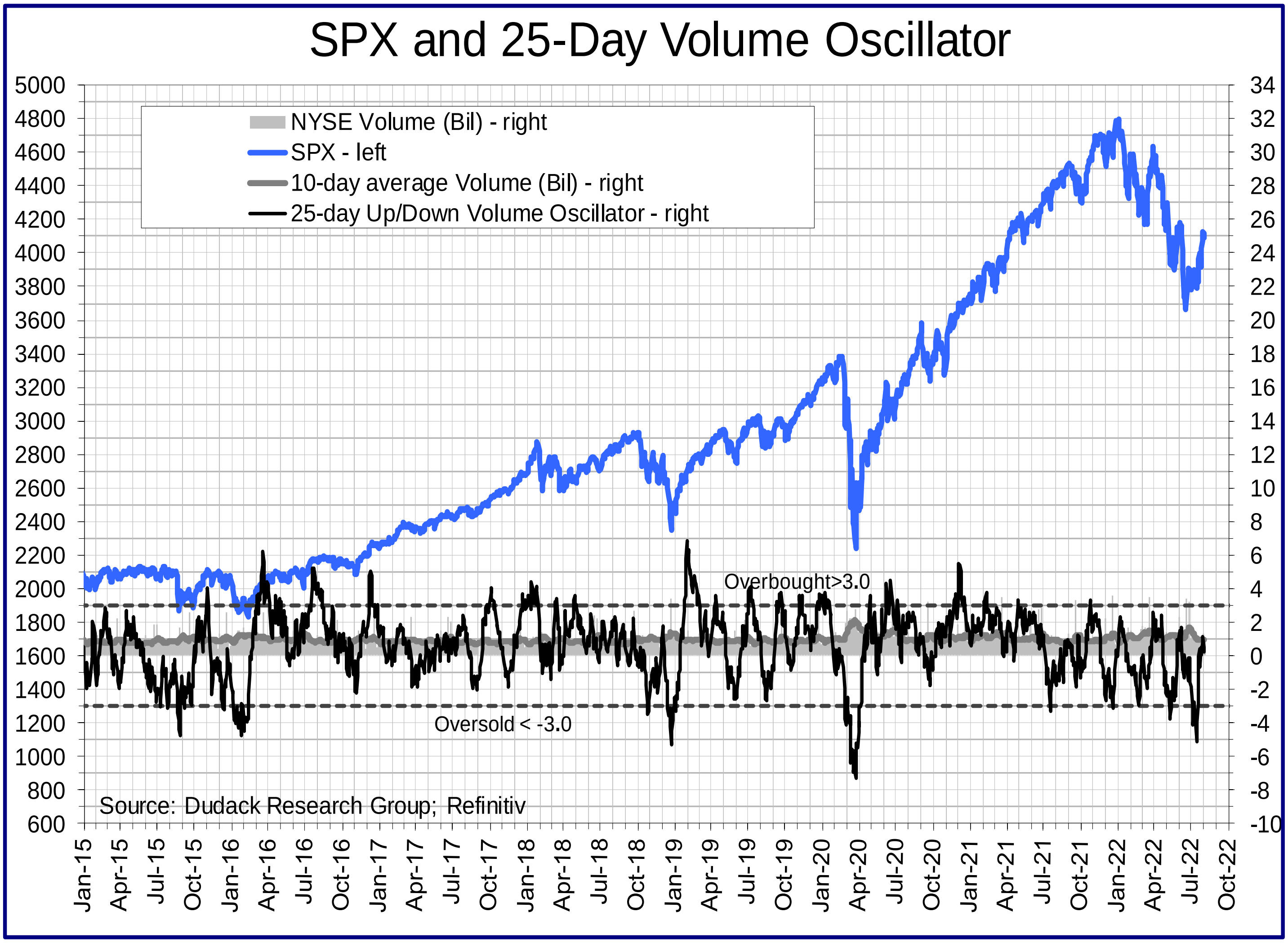


Source: Refinitiv

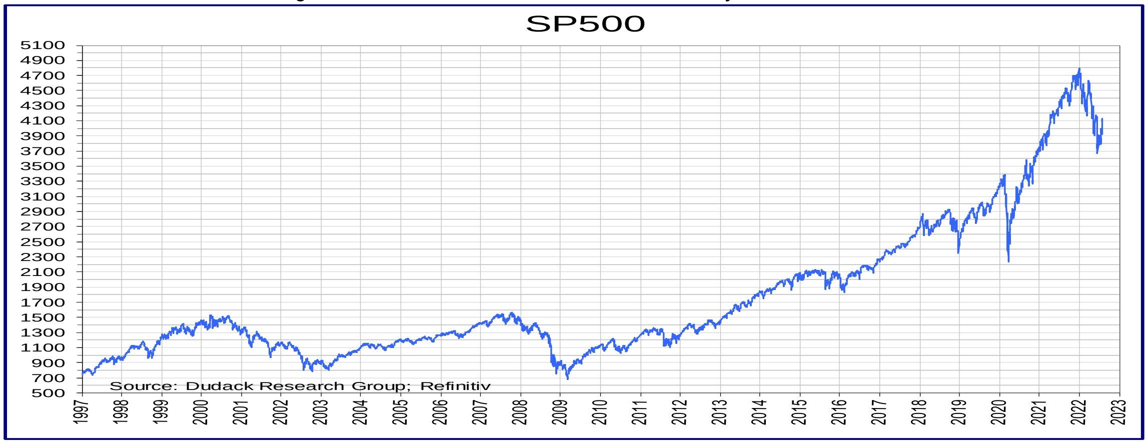
The 25-day up/down volume oscillator was at 0.24 this week, neutral and relatively unchanged, but recorded its most oversold reading since early 2020 on July 14, 2022. This oversold reading was a trigger for the recent rebound, but the rally has been unimpressive to date.

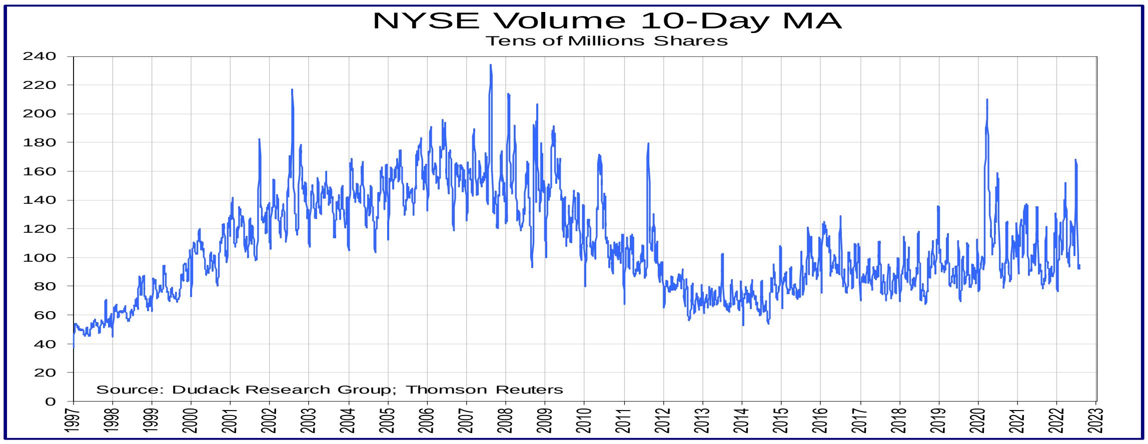
A 92% up day was recorded on July 19, 2022 which implies a bottoming process, but we are not convince a final low is yet in place. Note that the recent rally did not generate a 90% up day, another reason it has been less than remarkable.

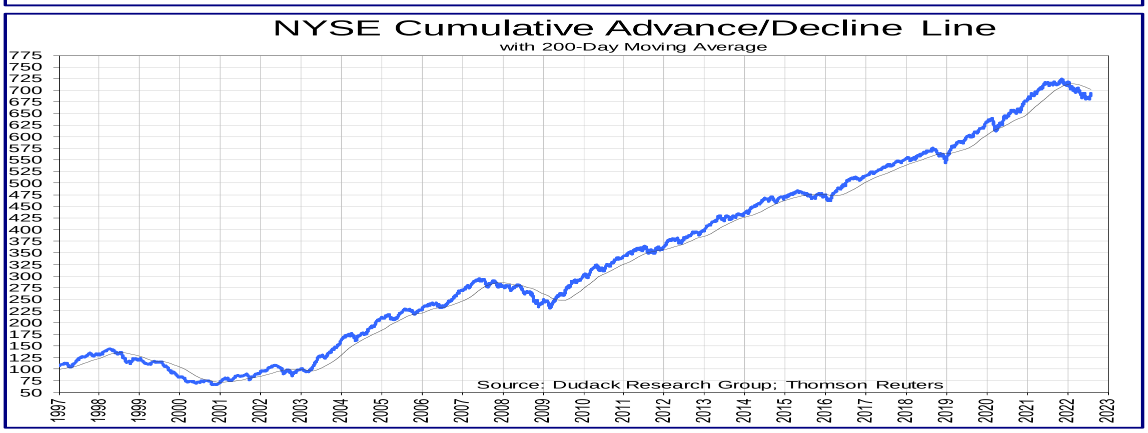
This 25-day up/down volume oscillator measures buying and selling momentum. New highs should be accompanied by strong and consistent buying pressure which results in long and sometimes extreme overbought readings. An absence of overbought readings at a new high reveals a weakness in the trend and is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

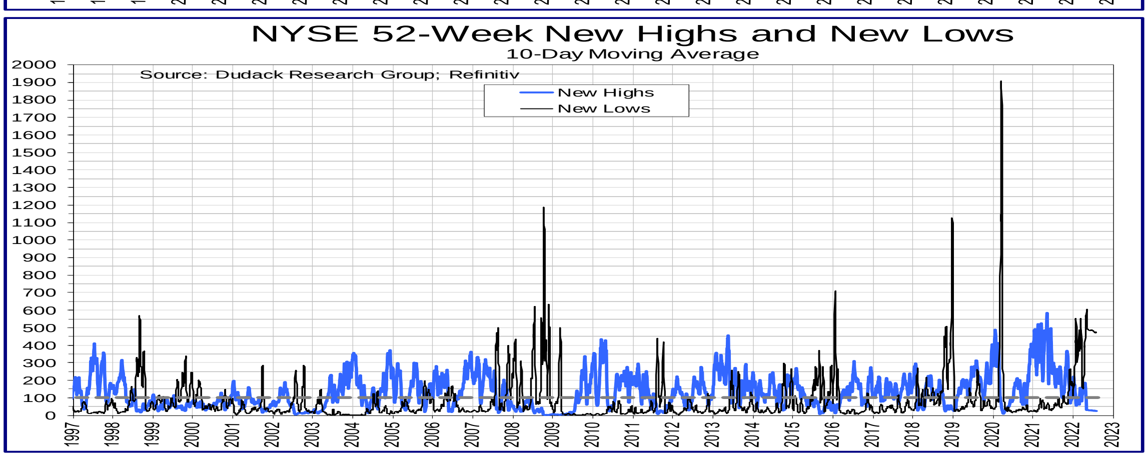


The 10-day average of daily new highs is 24 this week and daily new lows are 474. This combination is negative with new highs below 100, and new lows above the 100 benchmark. However, note that the 10-day moving average of new lows peaked at 604 in early May. The advance/decline line's last record high was on November 8, 2021, and it is trading a net 31,218 issues below this level currently.

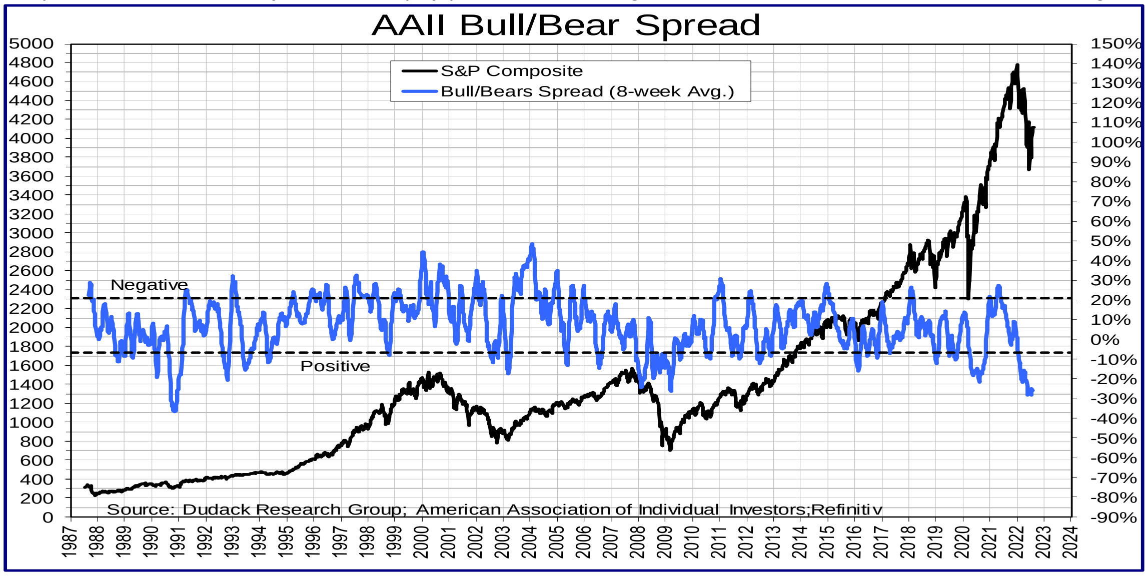


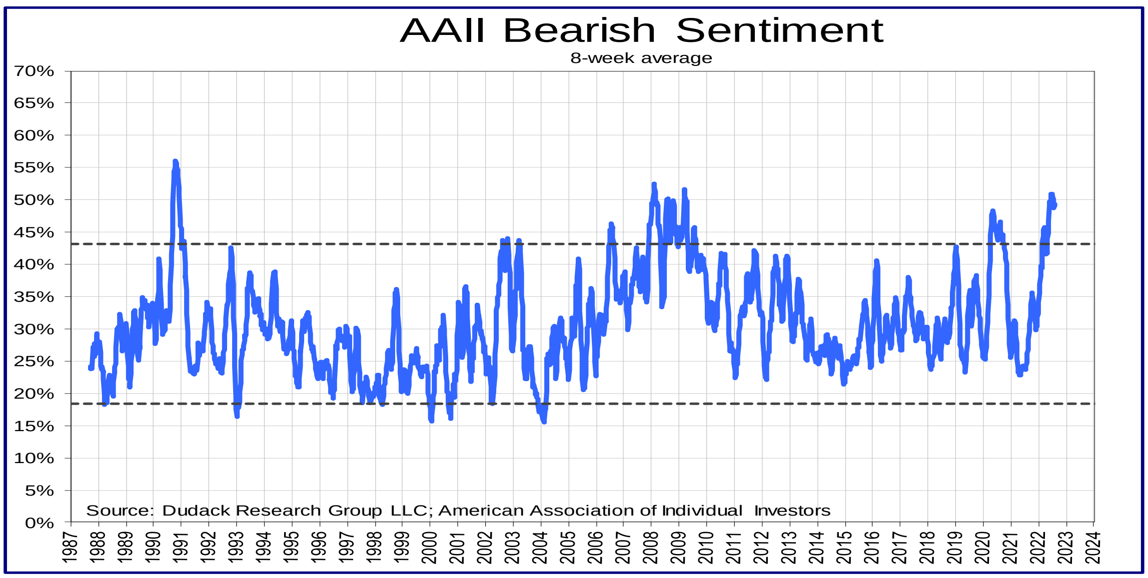


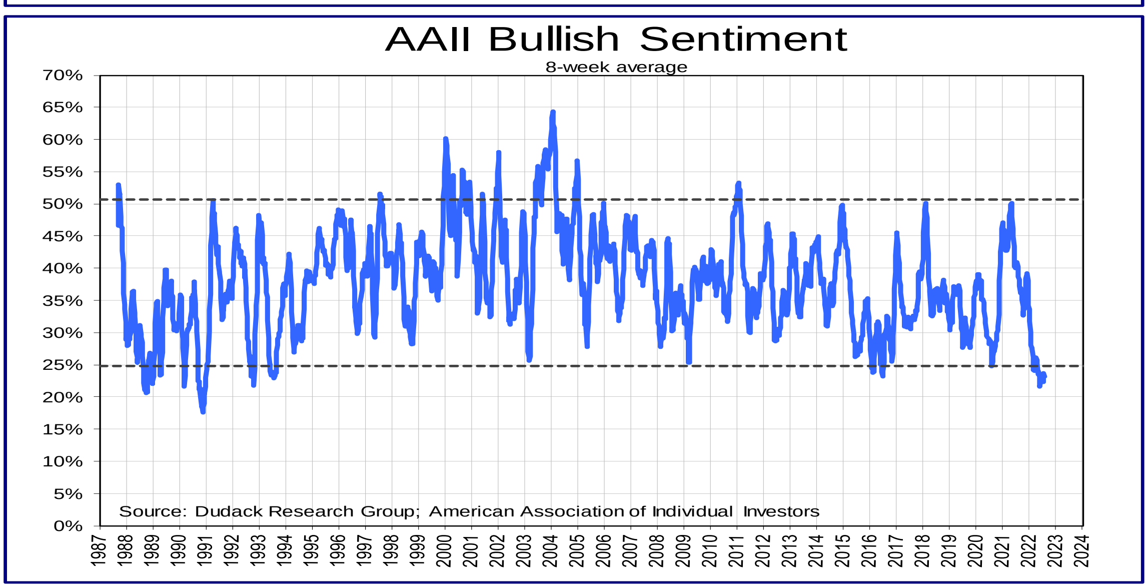




Last week's AAII readings showed a decrease of 1.9% in bulls to 27.7% and a decrease of 2.1% in bears to 40.1%. This is a return to normal parameters following five weeks of less than 20% bulls and more than 50% bears between April 27, 2022 and July 7, 2022. Comparable single week bull/bear readings were last seen on April 11, 2013 and January 10, 2008. Equity prices tend to be higher in the next six and/or twelve months following such a reading.



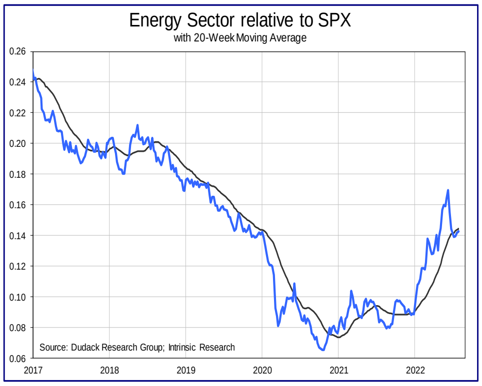


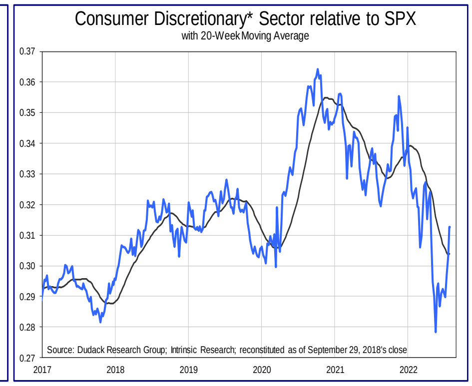


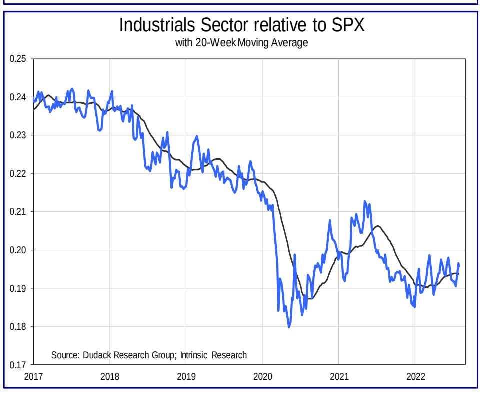
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

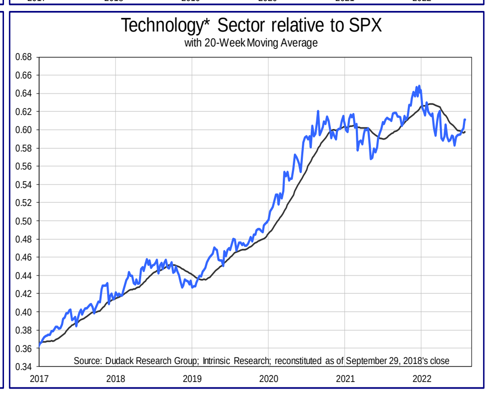
DRG Recommended Sector Weights				
Overweight		**Neutral**		**Underweight**
Energy Industrials Staples Utililties		Healthcare Technology Materials Financials		Consumer Discretionary REITS Communication Services

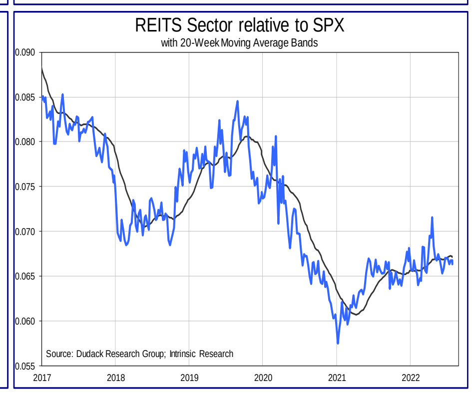
3/8/2022:Materials upgraded from underweight to neutral/communication service downgraded from neutral to underweight. 3/1/2022 Financials downgraded to neutral and Industrials upgraded to overweight.

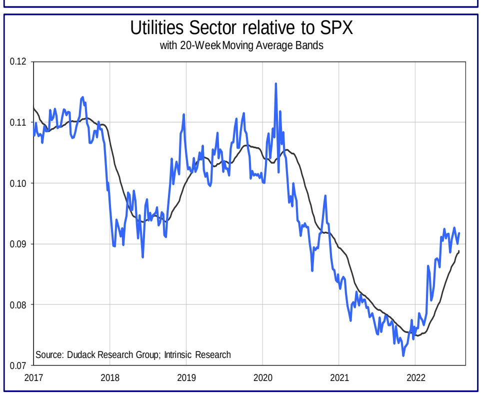


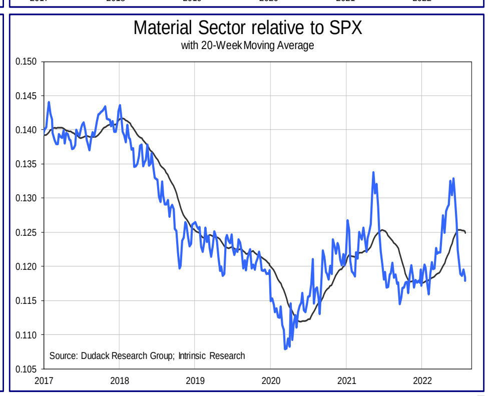


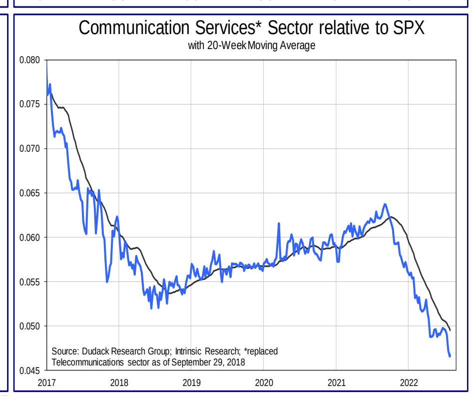


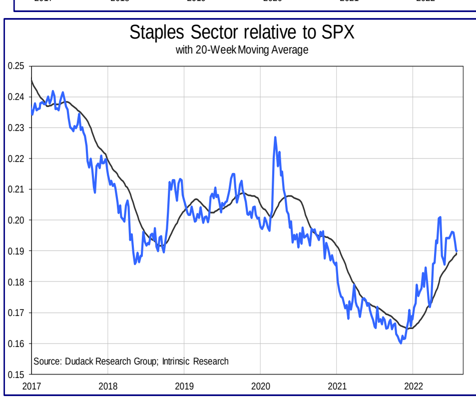


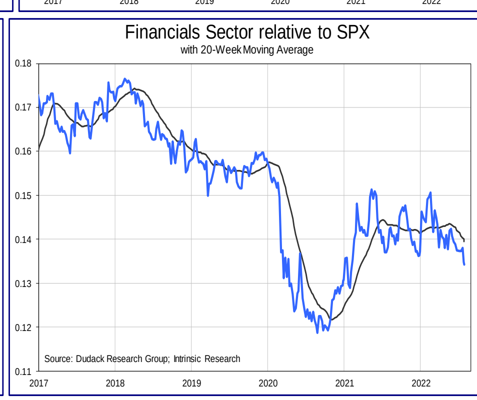












2022 Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	38.3%
S&P UTILITIES	3.2%
S&P CONSUMER STAPLES	-3.4%
S&P HEALTH CARE	-7.2%
S&P INDUSTRIALS	-10.5%
S&P 500	-14.2%
S&P MATERIALS	-15.3%
S&P FINANCIAL	-15.5%
S&P REITS	-16.4%
S&P INFORMATION TECH	-18.2%
S&P CONSUMER DISCRETIONARY	-20.6%
S&P COMMUNICATIONS SERVICES	-28.4%

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%
Silver Future	SIc1	66.06	8.2%	46.6%	49.9%	183.2%
United States Oil Fund, LP	USO	75.93	1.0%	-7.0%	-5.5%	39.7%
Energy Select Sector SPDR	XLE	76.62	4.8%	5.6%	7.1%	38.1%
iShares DJ US Oil Eqpt & Services ETF	IEZ	16.28	7.6%	2.1%	1.9%	26.3%
Oil Future	CLc1	93.79	-3.6%	-13.5%	-11.3%	24.7%
Gold Future	GCc1	2359.10	0.2%	0.9%	0.9%	6.6%
Utilities Select Sector SPDR	XLU	73.88	4.5%	2.8%	5.3%	3.2%
iShares MSCI Brazil Capped ETF	EWZ	28.47	5.2%	5.2%	3.9%	1.4%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	0.0%	0.0%
Consumer Staples Select Sector SPDR	XLP	74.82	1.9%	2.2%	3.7%	-3.0%
SPDR Gold Trust	GLD	164.05	2.5%	-2.5%	-2.6%	-4.0%
iShares MSCI India ETF	INDA.K	43.28	6.8%	9.6%	9.9%	-5.6%
Health Care Select Sect SPDR	XLV	130.95	-0.2%	1.0%	2.1%	-7.1%
iShares MSCI United Kingdom ETF	EWU	30.63	2.5%	2.5%	2.2%	-7.6%
iShares Russell 1000 Value ETF	IWD	153.02	2.6%	4.3%	5.6%	-8.9%
iShares MSCI Canada ETF	EWC	34.76	2.9%	2.1%	3.2%	-9.5%
iShares MSCI Australia ETF	EWA	22.44	3.2%	6.4%	5.7%	-9.6%
iShares MSCI Malaysia ETF	EWM	22.52	2.8%	2.2%	2.6%	-10.0%
iShares MSCI Hong Kong ETF	EWH	20.77	-2.7%	-6.3%	-6.4%	-10.4%
Industrial Select Sector SPDR	XLI	94.73	4.8%	7.5%	8.5%	-10.5%
iShares Russell 2000 Value ETF	IWN	148.49	3.4%	7.5%	9.1%	-10.6%
SPDR DJIA ETF	DIA	324.04	2.0%	4.2%	5.3%	-10.8%
DJIA	.DJI	32396.17	2.0%	4.2%	5.3%	-10.8%
iShares MSCI Mexico Capped ETF	EWW	44.60	-1.3%	-4.0%	-4.3%	-11.9%
SPDR S&P Bank ETF	KBE	48.04	2.8%	7.7%	9.5%	-12.0%
iShares MSCI Singapore ETF	EWS	18.79	3.4%	6.4%	6.3%	-12.2%
Shanghai Composite	.SSEC	3186.27	-2.8%	-6.4%	-5.9%	-12.5%
SP500	**.SPX**	**4091.19**	**4.3%**	**6.9%**	**8.1%**	**-14.2%**
iShares Silver Trust	SLV	19.20	7.3%	0.5%	-1.4%	-14.3%
iShares iBoxx $ Invest Grade Corp Bond	LQD	113.16	0.5%	1.8%	2.8%	-14.6%
iShares Russell 1000 ETF	IWB	225.19	4.5%	7.2%	8.4%	-14.8%
PowerShares Water Resources Portfolio	PHO	51.63	4.1%	10.0%	11.7%	-15.1%
Financial Select Sector SPDR	XLF	33.06	1.7%	3.7%	5.1%	-15.3%
Materials Select Sector SPDR	XLB	76.71	2.5%	3.5%	4.2%	-15.3%
iShares US Real Estate ETF	IYR	98.01	2.6%	4.6%	6.6%	-15.6%
iShares Russell 2000 ETF	IWM	187.00	4.3%	9.1%	10.4%	-15.9%
iShares MSCI Japan ETF	EWJ	55.79	3.1%	5.2%	5.6%	-16.7%
Vanguard FTSE All-World ex-US ETF	VEU	50.92	2.0%	1.9%	1.9%	-16.9%
iShares MSCI EAFE ETF	EFA	64.76	2.8%	3.4%	3.6%	-17.7%
Technology Select Sector SPDR	XLK	142.89	6.5%	12.1%	12.4%	-17.8%
iShares China Large Cap ETF	FXI	29.76	-5.4%	-12.3%	-12.2%	-18.6%
iShares MSCI Emerg Mkts ETF	EEM	39.43	0.5%	-1.1%	-1.7%	-19.3%
iShares Nasdaq Biotechnology ETF	IBB.O	122.63	-0.2%	2.0%	4.3%	-19.7%
iShares Russell 1000 Growth ETF	IWF	243.53	6.5%	10.2%	11.4%	-20.3%
Consumer Discretionary Select Sector SPDR	XLY	162.52	9.5%	16.1%	18.2%	-20.5%
Nasdaq Composite Index Tracking Stock	ONEQ.O	48.37	6.8%	11.1%	12.1%	-20.6%
iShares 20+ Year Treas Bond ETF	TLT	117.50	0.0%	1.5%	2.3%	-20.7%
NASDAQ 100	NDX	12901.60	6.7%	11.4%	12.2%	-20.9%
iShares MSCI BRIC ETF	BKF	35.18	-0.3%	-4.7%	-4.8%	-21.4%
iShares Russell 2000 Growth ETF	IWO	230.24	5.1%	10.6%	11.6%	-21.4%
iShares US Telecomm ETF	IYZ	25.40	-0.9%	0.0%	1.1%	-22.8%
iShares MSCI South Korea Capped ETF	EWY	59.43	1.4%	3.5%	2.1%	-23.7%
SPDR S&P Semiconductor ETF	XSD	183.55	10.2%	25.7%	21.0%	-24.5%
iShares MSCI Taiwan ETF	EWT	50.10	0.1%	2.1%	-0.6%	-24.8%
SPDR Homebuilders ETF	XHB	62.46	2.8%	10.4%	14.2%	-27.2%
iShares MSCI Austria Capped ETF	EWO	18.20	1.6%	0.8%	0.8%	-28.5%
SPDR S&P Retail ETF	XRT	64.46	6.9%	9.8%	10.8%	-28.6%
iShares MSCI Germany ETF	EWG	23.24	3.7%	0.9%	1.0%	-29.1%

Outperformed SP500

Underperformed SP500

Source: Dudack Research Group; Thomson Reuters   Priced as of August 2, 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	~~~~~	$195.58	$218.27	$220.00	5.7%	**$227.02**	9.1%	18.7X	NA	NA	NA	NA
2023E	~~~~~	$219.01	$243.18	$242.00	10.0%	**$246.33**	8.5%	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 1QP	4530.41	$45.99	$49.36	$49.36	4.1%	$54.80	11.5%	21.6	1.4%	-1.6%	$2,417.70	9.5%
2022 2QE	3785.38	$46.75	$52.95	$54.04	3.9%	$56.09	6.7%	17.9	1.7%	-0.9%	NA	NA
2022 3QE*	4091.19	$50.78	$57.36	$57.60	10.7%	$58.22	8.4%	18.9	NA	NA	NA	NA
2022 4QE		$52.06	$58.60	$59.00	4.0%	$59.64	10.5%	18.7	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 8/2/2022

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