Gail M. Dudack, CMT ● Chief Investment Strategist ● gail@dudackresearchgroup.com ● 212-320-2045
August 31, 2022

DJIA: 31,790.87
SPX: 3986.16
NASDAQ: 11883.14

US Strategy Weekly
See You in September

In last week's Strategy Weekly, we wrote *("Neither Bear nor Bull" - August 24, 2022)*: "*While technical indicators have their bright spots, we feel investors may have become too optimistic too soon. Re-emergence of meme stock investors is one sign that speculation has returned to the market too quickly. Expectations of a Fed pivot this year are quite likely to be wrong, or at least premature. Economic indicators are mixed but many are showing definitive signs of weakness and the possibility of a recession.*"

Although we were skeptical of the recent rally, from a broad macro perspective, we still believe the equity market is in a bottoming phase. However, we should explain what this means. Toward the end of a classic bear market decline, equities often suffer an intense sell-off on heavy volume which is often accompanied by margin calls. June had many of these characteristics. In subsequent months, bear market lows are typically retested, and it is normal to see the popular averages hit a lower low which can trigger more selling panic. But the distinctive feature of a successful bottoming process in a bear market cycle is that breadth indicators show that the new lower low was made on less volume, accompanied by less selling pressure, with less extreme oversold readings, and with less extreme breadth statistics in general. These are all signs of a waning bear market and a successful test of the low. The rebound from this lower low should also contain a series of 90% up-volume days as further confirmation that the final low has been made.

With this as a historical backdrop, one should expect the June lows to be retested in the second half of the year. And keep in mind that the August-September months tend to be a seasonally weak period for equity prices. Actually, September ranks as the weakest of all twelve months averaging a 0.7% loss over the last 71 years. Although October has a bad reputation and is associated with bear markets, the truth is that October tends to be a "bear killer" or a turnaround month. Twelve of the last 48 declines of 10% or more in the S&P 500 were made in October, far more than any other month. Next in line is March with eight lows and June with seven.

September

Seasonality does not always work as planned, and it can be overridden by geopolitical or financial events. Still, it is wise to be aware of the seasonal tendencies of equity markets. A retest of the lows in the September/October timeframe makes sense to us for many reasons in addition to seasonality. First, it will be the start of another important earnings reporting season. Despite recent headlines suggesting that second quarter earnings results were "better than expected" the reality is that they were better than the very worst expectations. In truth, earnings for this year and next year came down substantially in recent weeks. The S&P Dow Jones consensus earnings estimate for 2022 fell $13.68 since the end of June. The IBES consensus estimate for 2022 fell $4.21 in the same period. As a result, our recently reduced forecast of $218 for the S&P 500 for this year is under review and may be in jeopardy.

Second, the next FOMC meeting is scheduled for September 20-21, and this will be followed by another meeting on November 1-2. The final Federal Reserve meeting of the year is set for December 13-14. However, the September meeting is the one we expect will set the tone for monetary policy for the rest of the year in terms of how much tightening the Federal Reserve expects it will do in the final months of 2022. More importantly, we believe the consensus will continue to be disappointed regarding monetary policy in 2023. For example, New York Federal Reserve Bank President John Williams recently stated that the Fed will "likely need to get its policy rate above 3.5% and is unlikely to cut interest rates at all next year as it wages a battle against far too high inflation." That means no "Fed pivot" in the next sixteen months!

Third, September could be the month in which the energy crisis in Europe unravels and heating fuel is rationed. Unrest in Iraq could negatively impact energy supplies. China's economy appears to be weakening despite several attempts to stimulate activity. Plus, as a result of a landmark audit deal between Beijing and US regulators, Alibaba Group Holdings (BABA - $93.84) will be the first Chinese company to be audited by US audit watchdog - Public Company Accounting Oversight Board (PCAOB) - in Hong Kong in mid-September. In sum, September has the potential of being a very important and eventful month.

Economic Review

The first revision for second quarter GDP indicated growth declined 0.6% versus the initial 0.9% decline. Nonetheless, economic activity weakened for two quarters in a row. Economists denying the first half of the year was a recession may be overlooking the debilitating impact of inflation. On page 3 we show the GDP deflator, which is currently at its highest level since December 1981. Note that similarly high inflation between 1970 and 1984 was a period marked by four separate recessions.

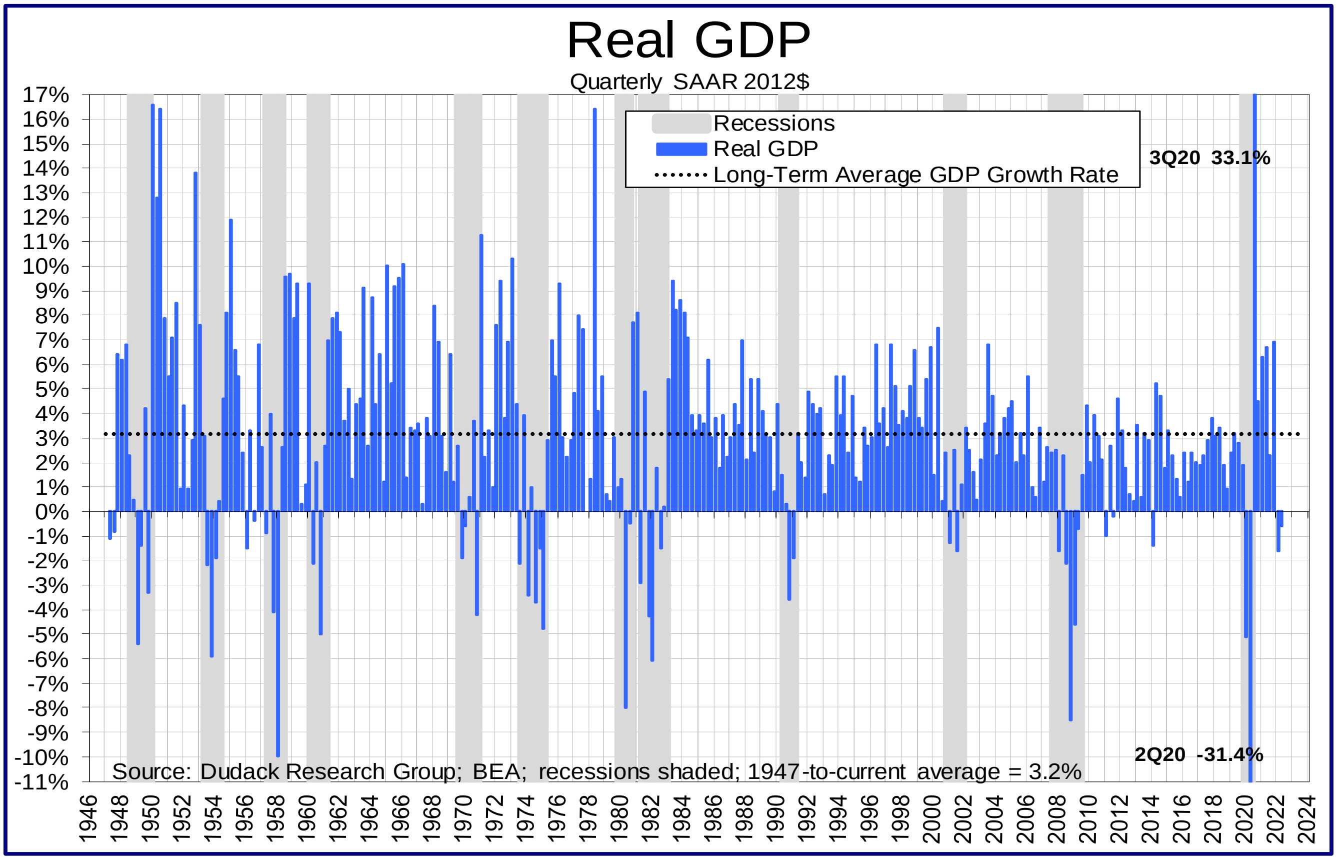
The most important data series, in our view, is real personal disposable income since this is the best measure of potential household demand. Fiscal stimulus bills boosted household income significantly in April 2020 and even more in March 2021, but these gains in personal income were one-time events and artificial. Real personal disposable income per capita was $45,464 in July, down noticeably from the pre-pandemic January 2020 level of $45,747 and down significantly from the stimulus-boosted level of $57,752 in March 2021. Government stimulus in 2021 simply added to inflationary pressures and households are now experiencing both higher prices and relatively lower income. It is a bad combination. Note that personal consumption has increased more than personal income in recent months and is a trend that is unsustainable. See page 5.

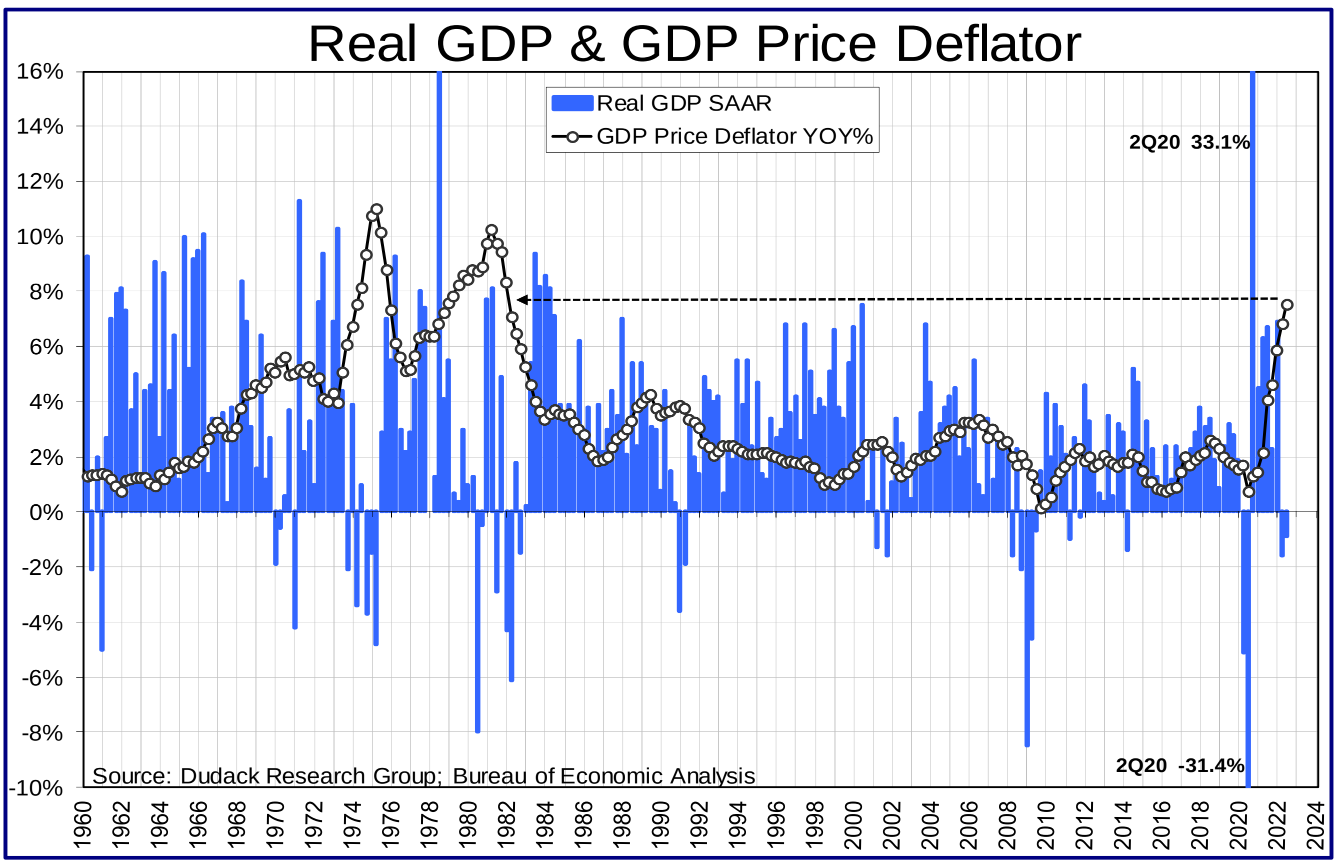
Technical Summary

All the popular indices tested their 200-day moving averages last week, but this resistance proved to be overwhelming. Unfortunately, neither the 100-day nor the 50-day moving averages provided support on the subsequent sell-off in the S&P 500, Dow Jones Industrial Average, or the Nasdaq Composite index which implies the June lows are apt to be tested. The 25-day up/down volume oscillator fell to 1.63 and is neutral this week after its mid-August overbought reading for seven of eight consecutive trading sessions. However, the August 26 session was a 91% down day coupled with a 1,008-point decline in the DJIA.

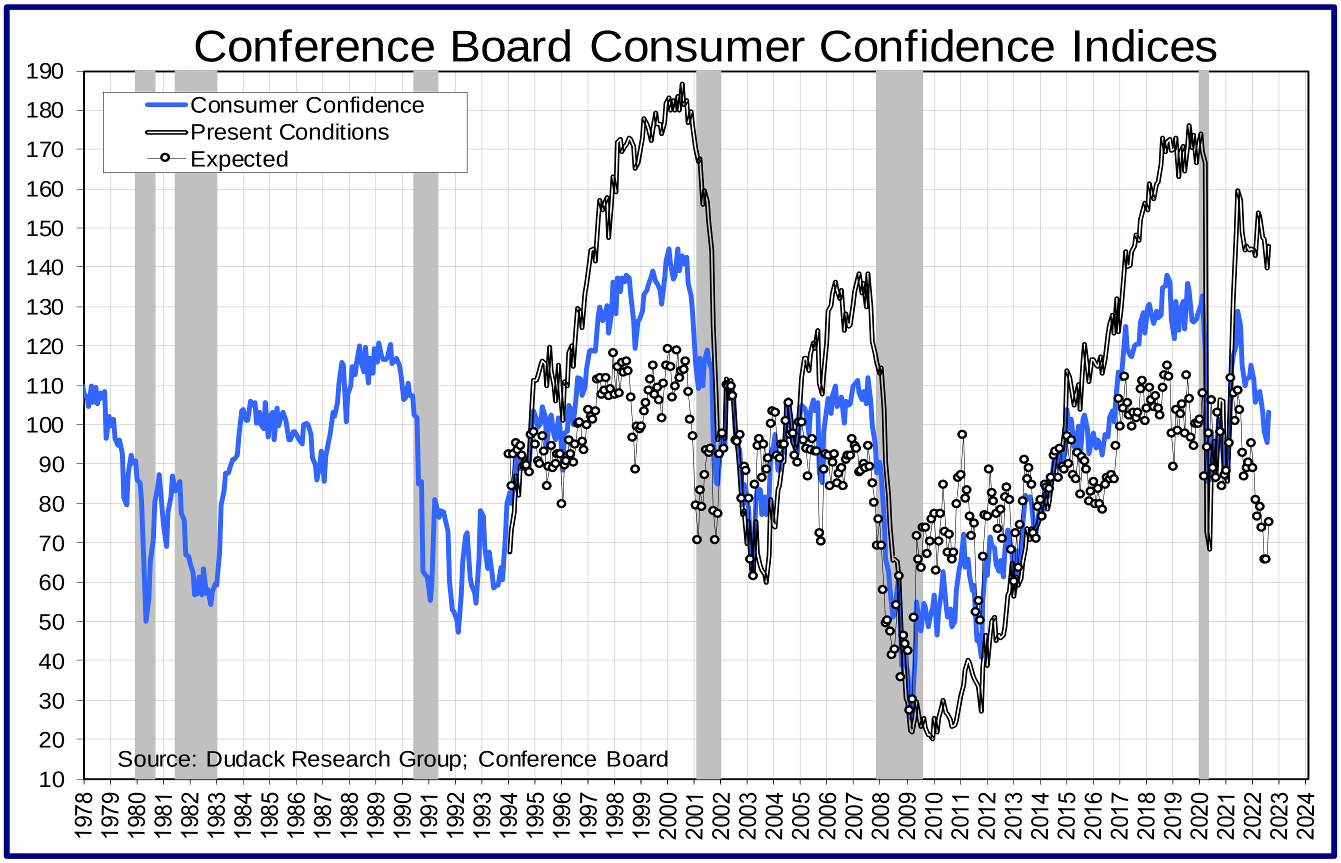
In sum, we expect there will be disappointments ahead in terms of monetary policy and earnings results and in our view, these risks have not been fully priced into equities. We believe portfolios should be concentrated in sectors where earnings are most predicable and are both inflation and recession resistant. These include areas such as energy, utilities, defense-related stocks, staples, and healthcare.

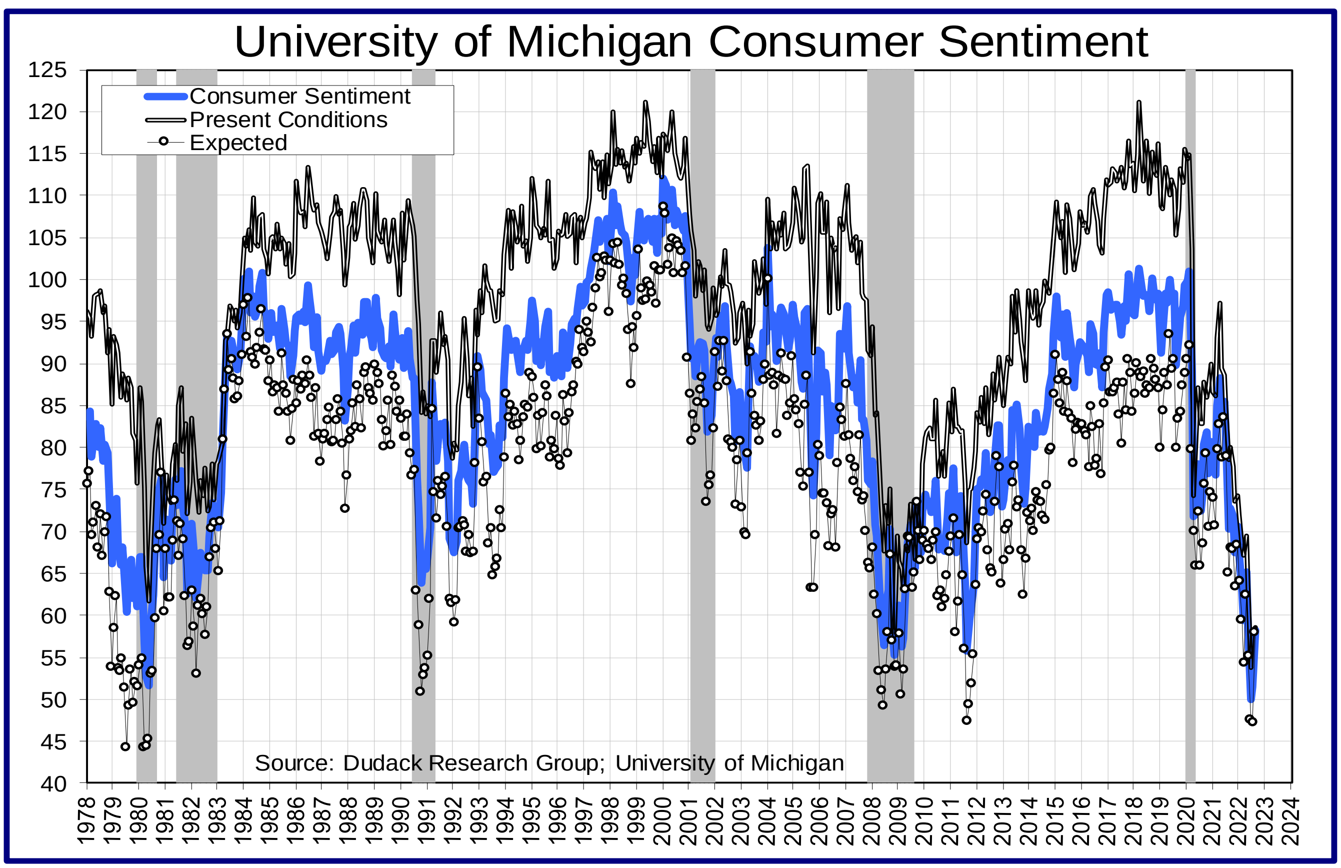
The first revision for second quarter GDP suggested that the decline in growth was 0.6% versus the initial 0.9% decline. Nonetheless, economic activity declined for two quarters in a row. What many economists may be overlooking is the debilitating impact of inflation. Below we show the GDP deflator, which is at its highest level since December 1981. The high inflation period between 1970 and 1984 was marked by four separate recessions.



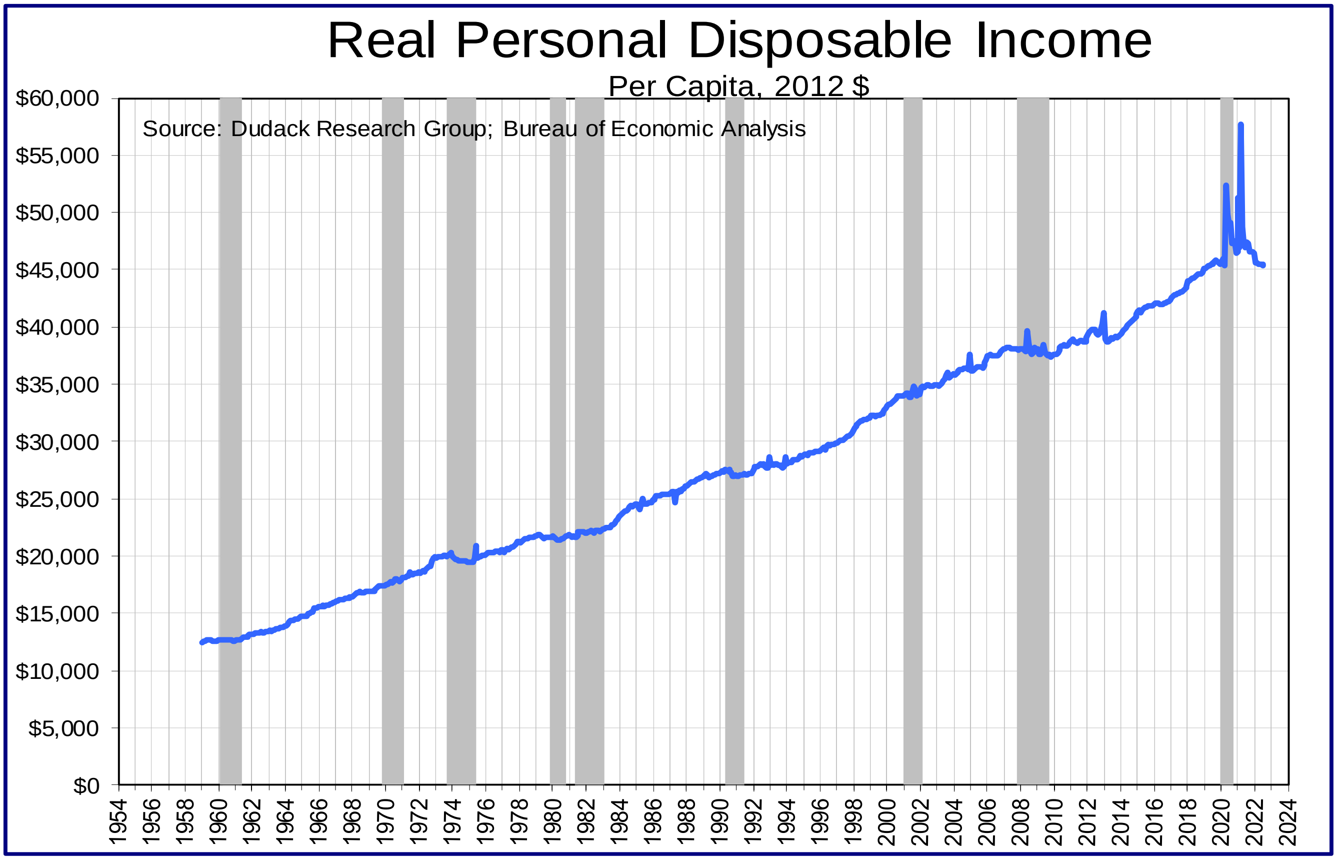


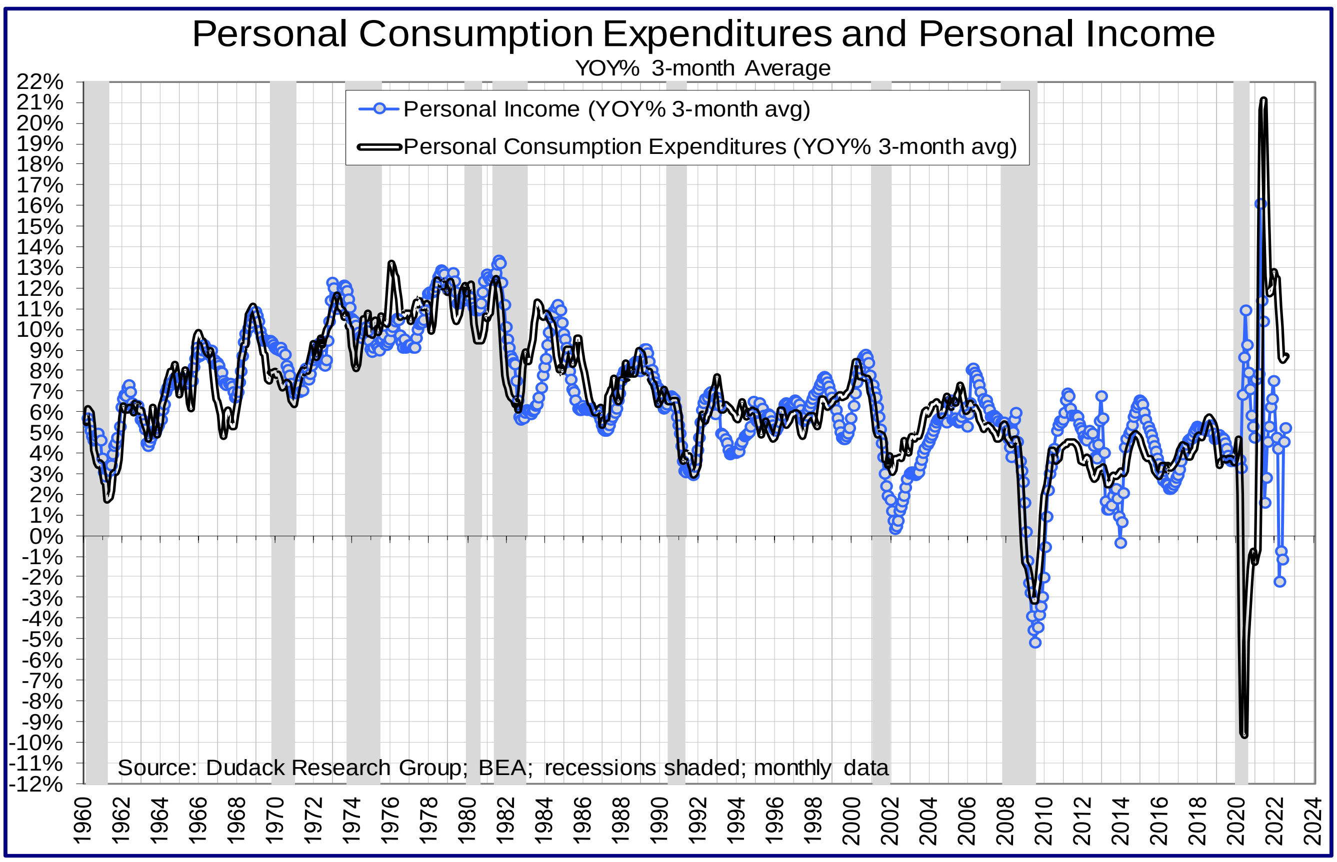
Consumer sentiment indicators are important during times of economic weakness and can be good lead indicators. The August data was encouraging with both Conference Board and University of Michigan surveys showing a rebound from recent weakness. Nonetheless, the University of Michigan survey had hit a record low in June.



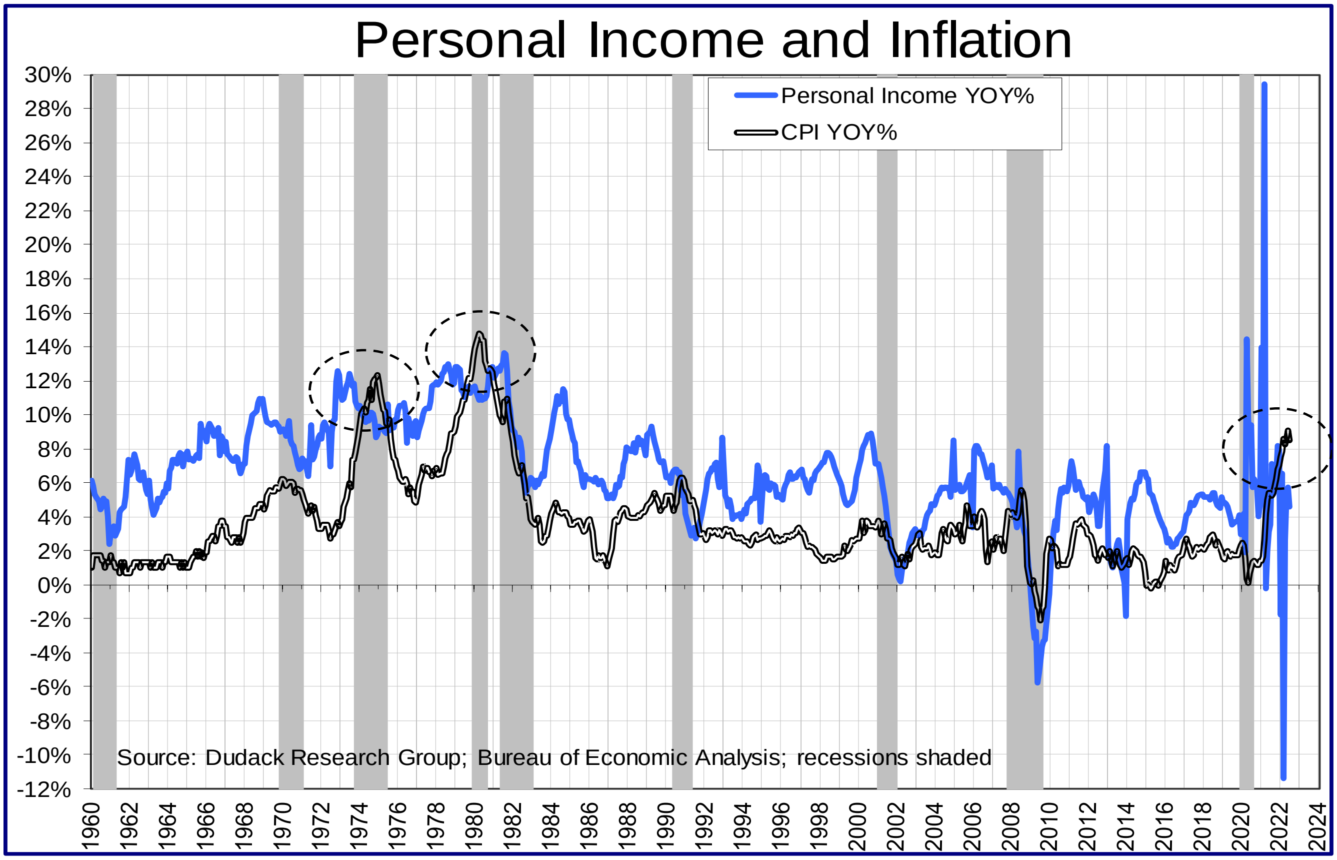


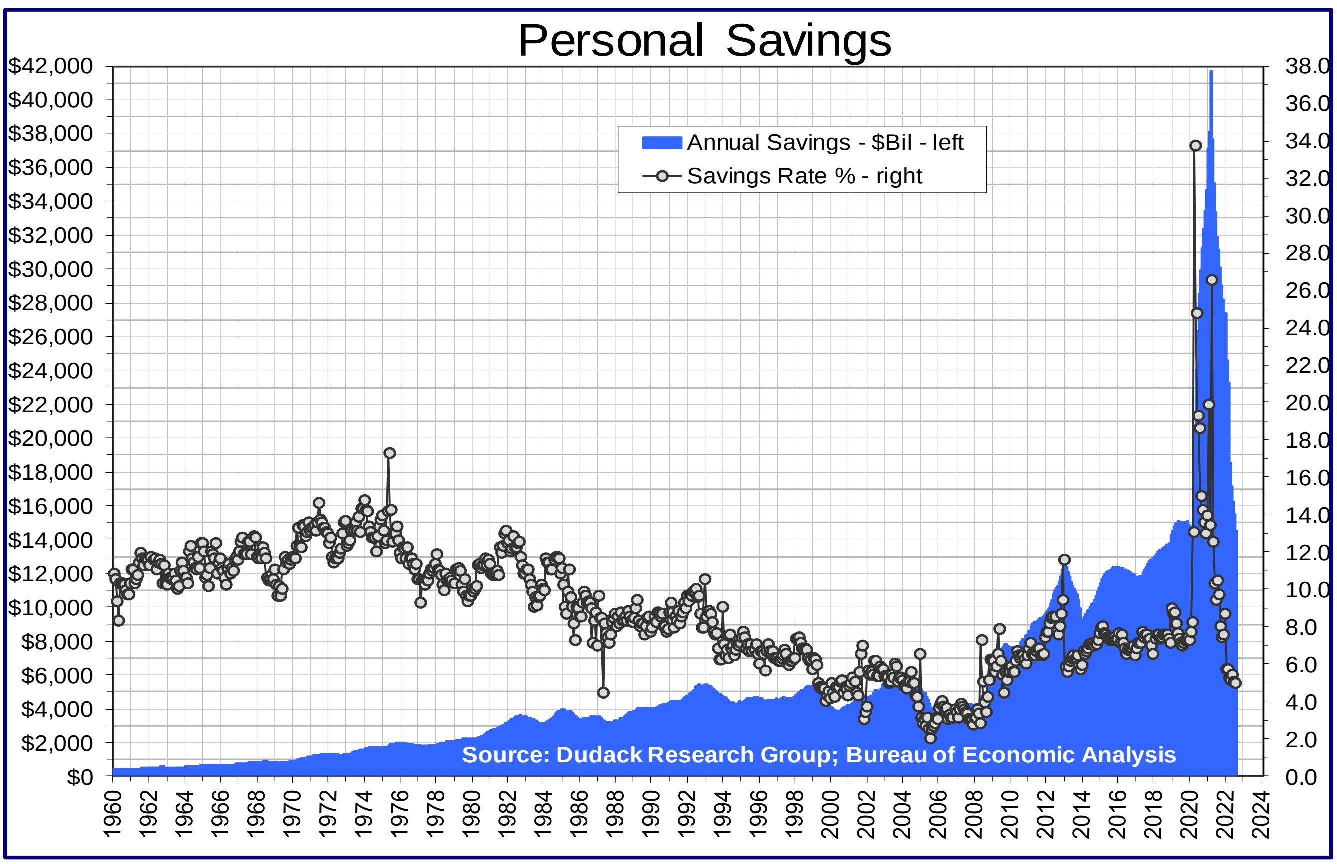
The most important data series, in our view, is real personal disposable income since it measures potential household demand. Although fiscal stimulus bills boosted household income significantly in April 2020 and even more in March 2021 these were one-time artificial gains. Real personal disposable income was $45,464 in July down noticeably from the pre-pandemic January 2020 level of $45,747 and down significantly from the stimulus-boosted level of $57,752 in March 2021. Personal consumption is up more than personal income in recent months and that trend is unsustainable.





On page 3 we showed that an elevated GDP price deflator has, in the past, corresponded with recurring recessions. The reason can be seen below. When inflation exceeds the growth rate in personal income, buying power decreases and corporations will suffer due to declining top-line growth. In July, the savings rate was unchanged at 5%, but this is still the lowest rate since the August 2009 post-recession low of 4.5%.

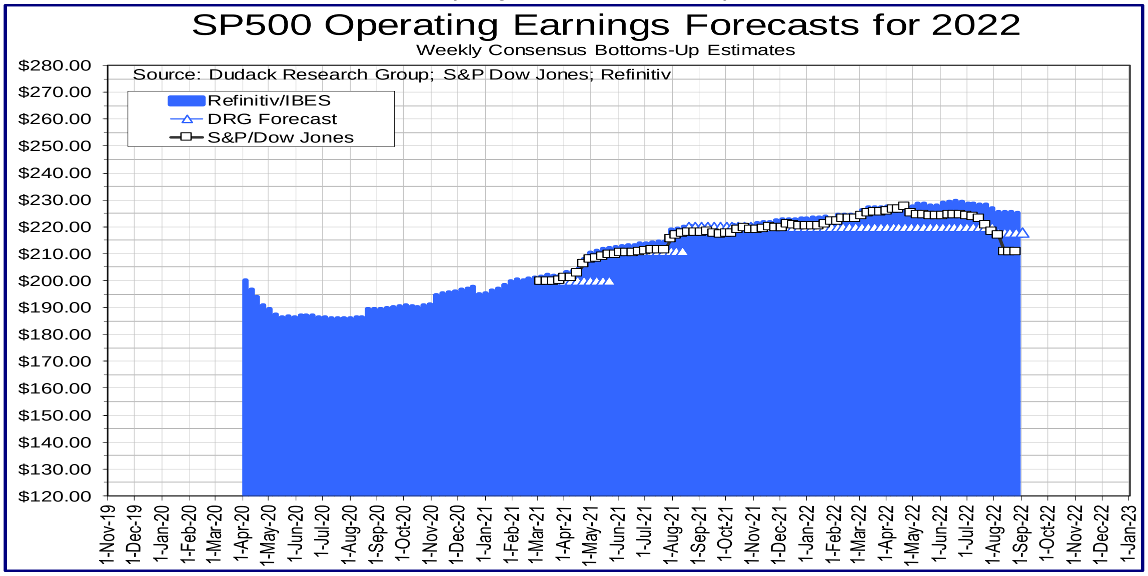


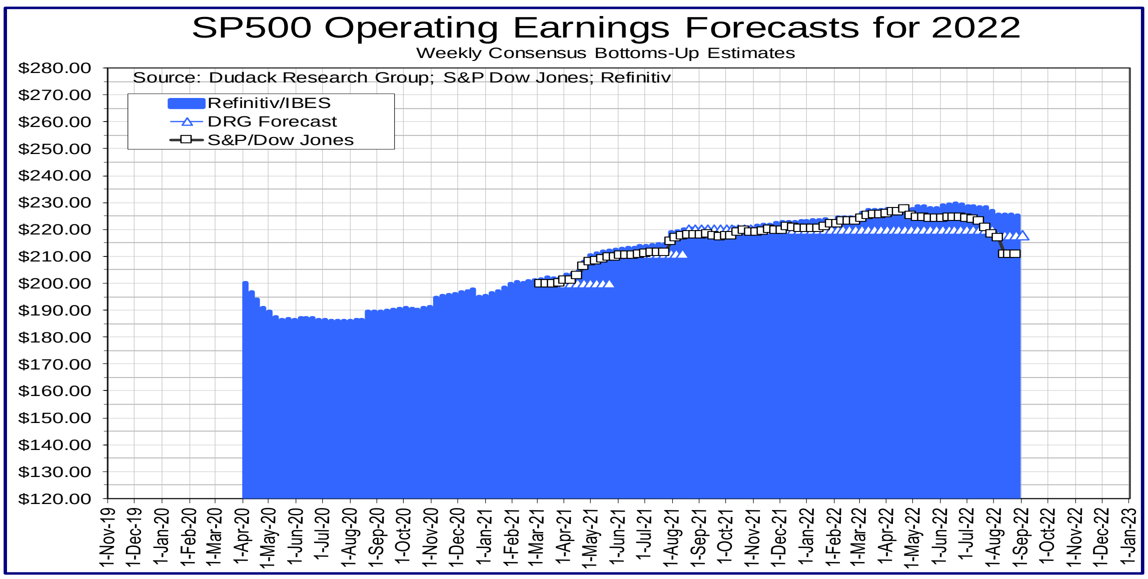


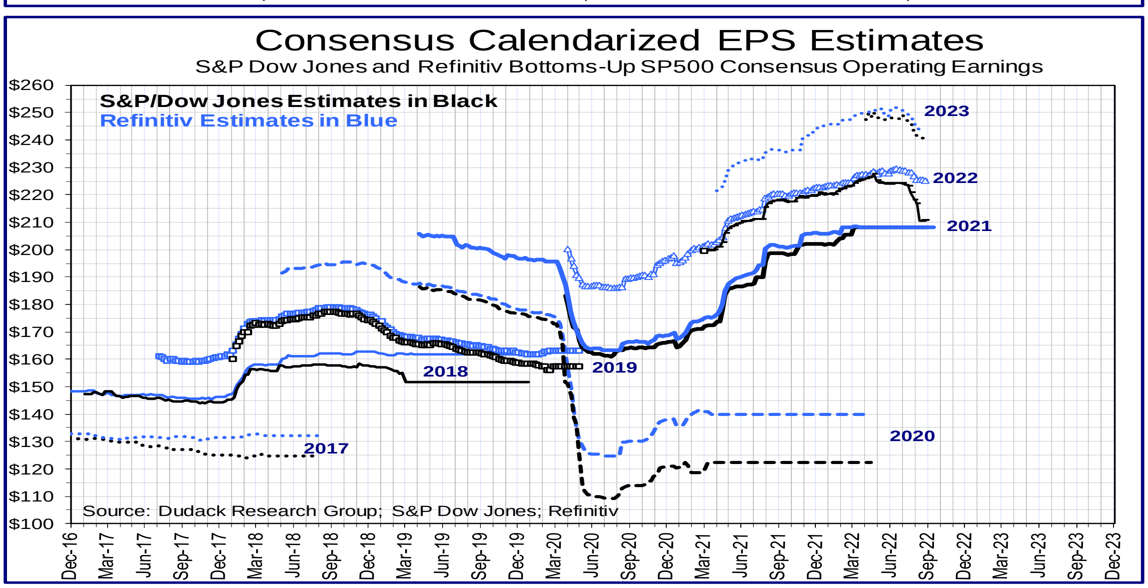
Many charts appear to be at pivotal points this week and so is crude oil. After breaking below all its moving averages in recent trading sessions in fairly bearish fashion, it has rebounded this week due to geopolitical events. The chart is a bit ambiguous currently, but a move above the 50-day moving average now at $95.56 will improve the near and intermediate-term outlooks. The 10-year Treasury yield had a decisive breakout above all its moving averages and at its highest level in weeks at 3.1%. This is due to a realization that the “Fed pivot” discussion was way too premature.

Source: Refinitiv

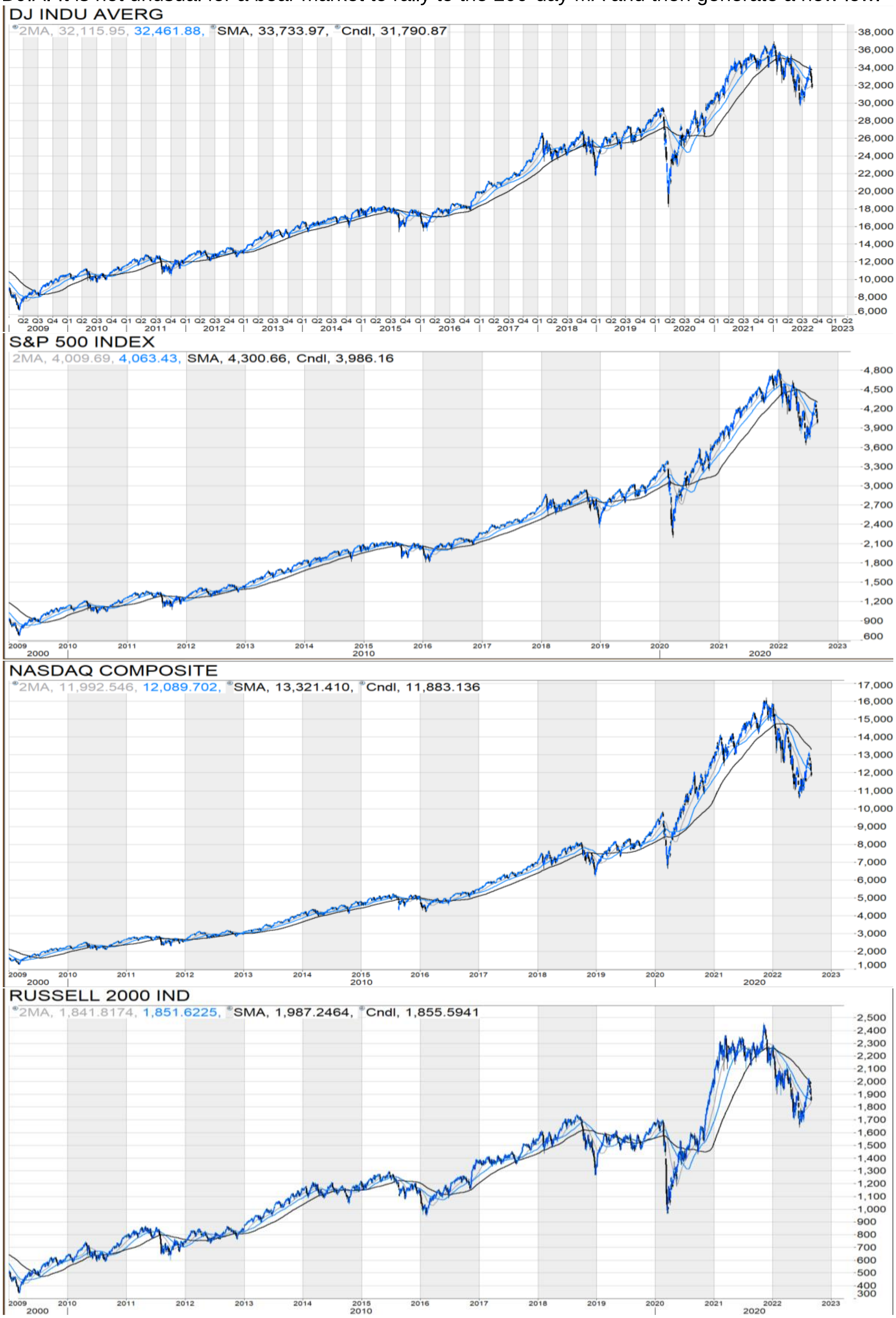
There were no updates for S&P Dow Jones consensus earnings estimates for 2022 and 2023, this week. Refinitiv IBES consensus earnings forecasts fell $0.14 and $0.14, respectively. The S&P and IBES consensus earnings estimates for 2022 declined to $210.56 and $225.36, bringing EPS growth rates for 2022 to 1.1% and 8.1%, respectively. *(Note: consensus macro-EPS forecasts may differ from four quarter analysts' forecast sums seen on page 16.)* Our DRG 2022 estimate was reduced from $220 to $218 in early August but continues to bey under review.







The recent rebound carried all the popular indices up to their 200-day moving averages, which proved to be significant resistance points. Unfortunately, neither the 100-day nor the 50-day moving averages held selling pressure in the SPX, IXIC, or the DJIA. It is not unusual for a bear market to rally to the 200-day MA and then generate a new low.

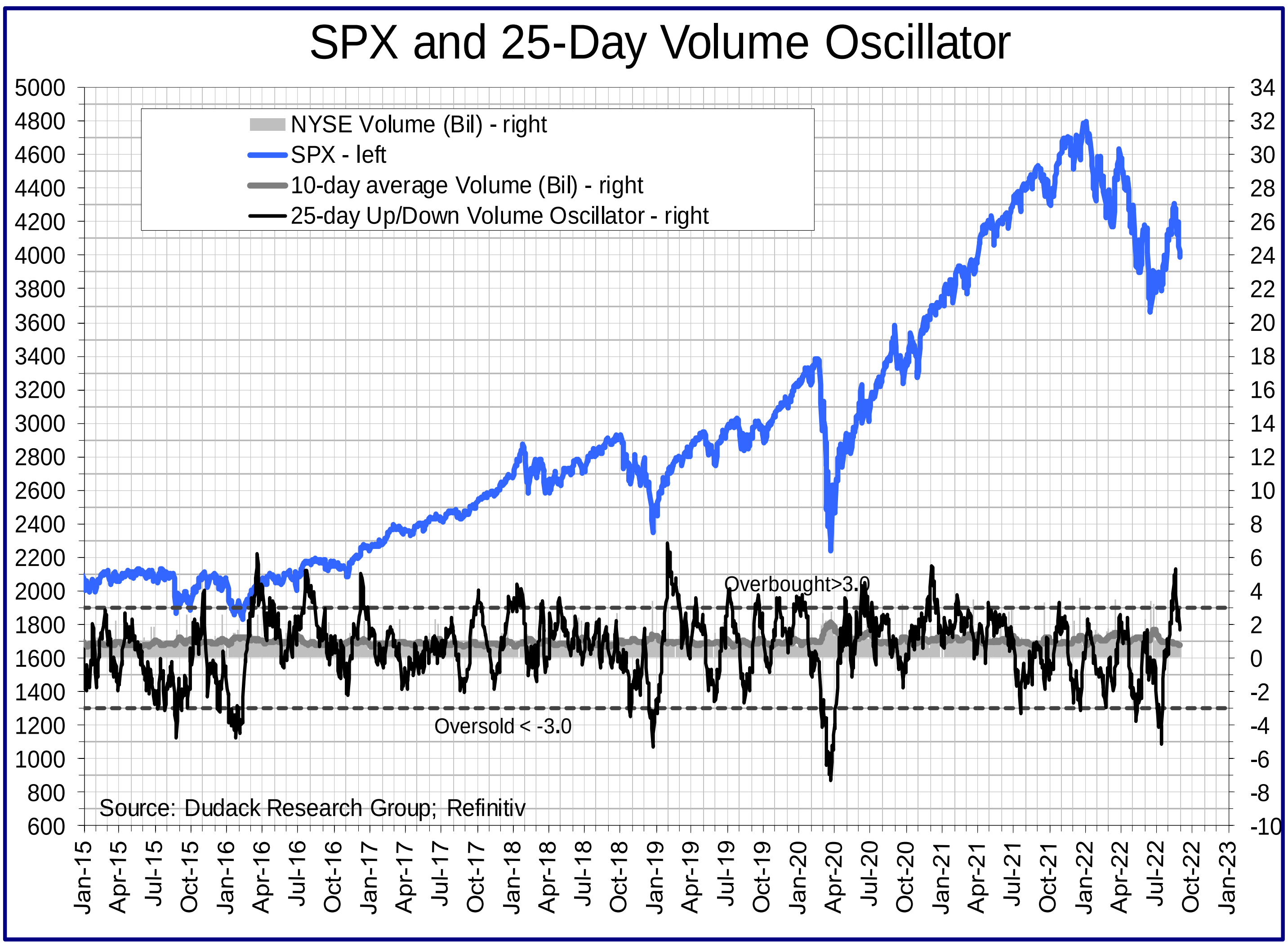


Source: Refinitiv

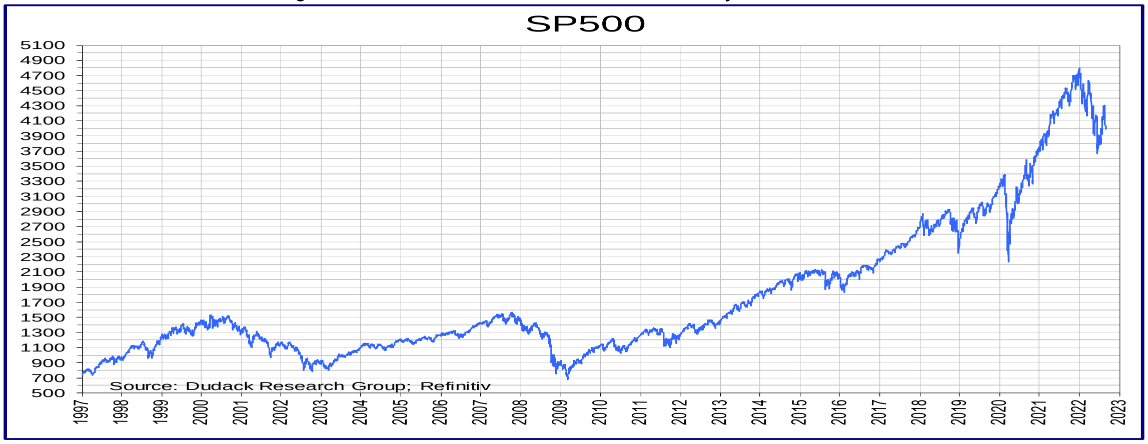
<u>The key to a successful retest of a bear market low is whether or not a new low in price also generates a new low in breadth. A successful retest will show there is less selling pressure – a less severe oversold reading -- despite a lower low in price. We think this is a possibility in the final months of the year</u>.

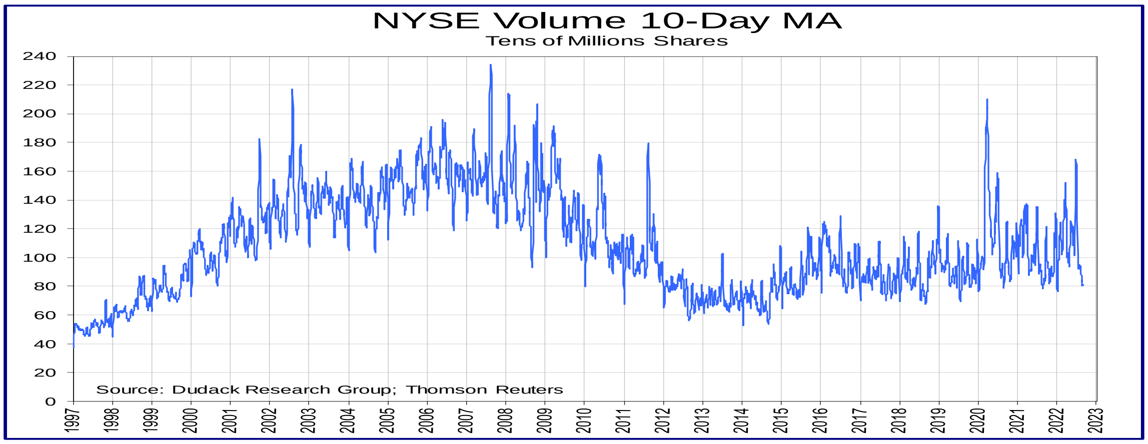
The 25-day up/down volume oscillator fell to 1.63 this week but was overbought for seven of eight consecutive days between August 10th and August 19th. It also reached a peak overbought reading of 5.26 on August 18th, the highest overbought reading since December 10, 2020. This is important since extreme and/or long overbought readings are rare in a bear market and if they appear, the readings tend to be brief, or less than five consecutive trading days. The last two 90% days were up days on July 19, 2022 (92%) and August 10 (91%), an indication that momentum could be shifting from bear to at worst neutral. However, the August 26 session was a 91% down day coupled with a 1,008-point decline in the DJIA.

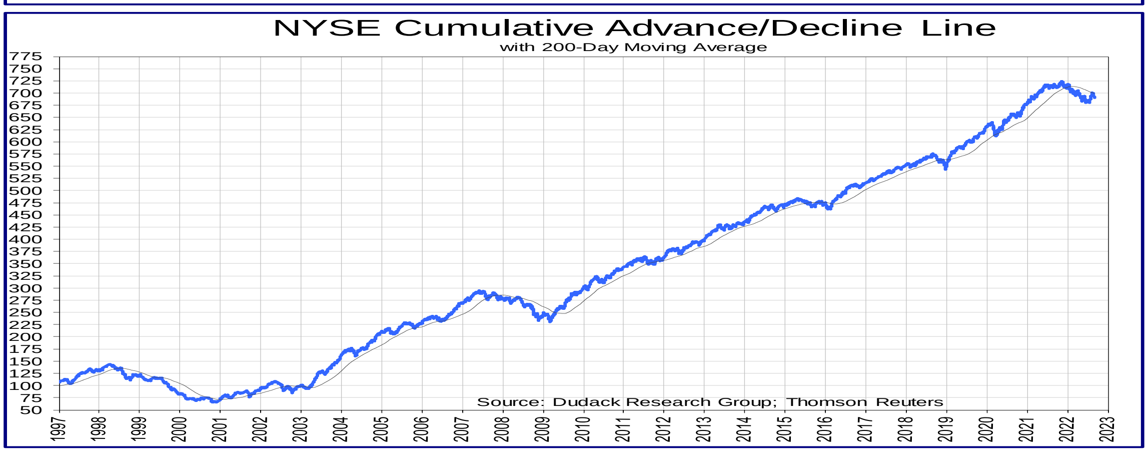
Last week we wrote that in the near term the market appeared extended and that investors were too optimistic that Fed tightening is nearly over. Optimism was dashed with Chairman Powell's speech at Jackson Hole, WY last week.

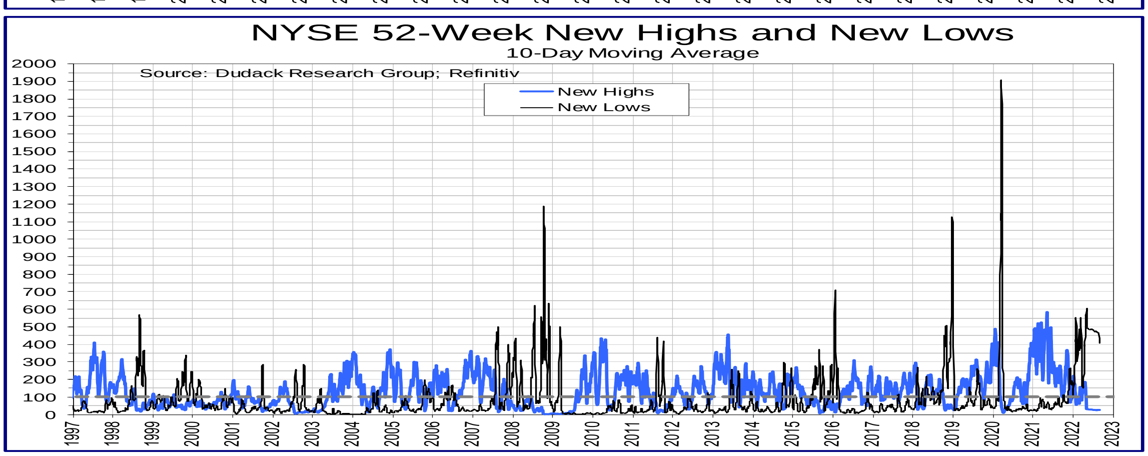


The 10-day average of daily new highs is 26 this week and daily new lows are 408. This combination is negative with new highs below 100, and new lows above the 100 benchmark. However, note that the 10-day moving average of new lows peaked at 604 in early May. The advance/decline line's last record high was on November 8, 2021, and it is trading a net 33,845 issues below this level currently.

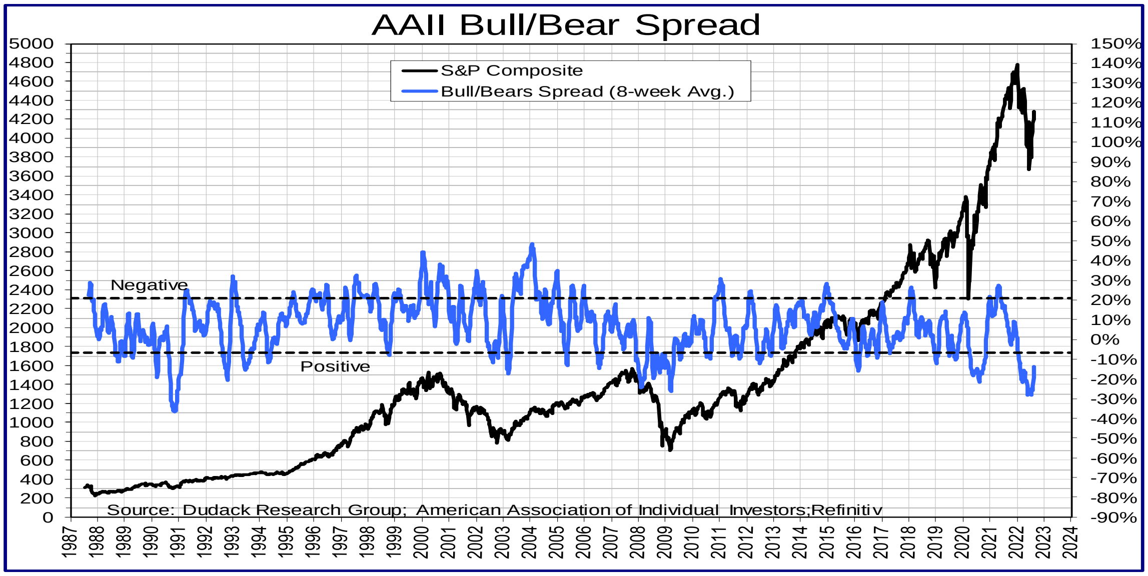


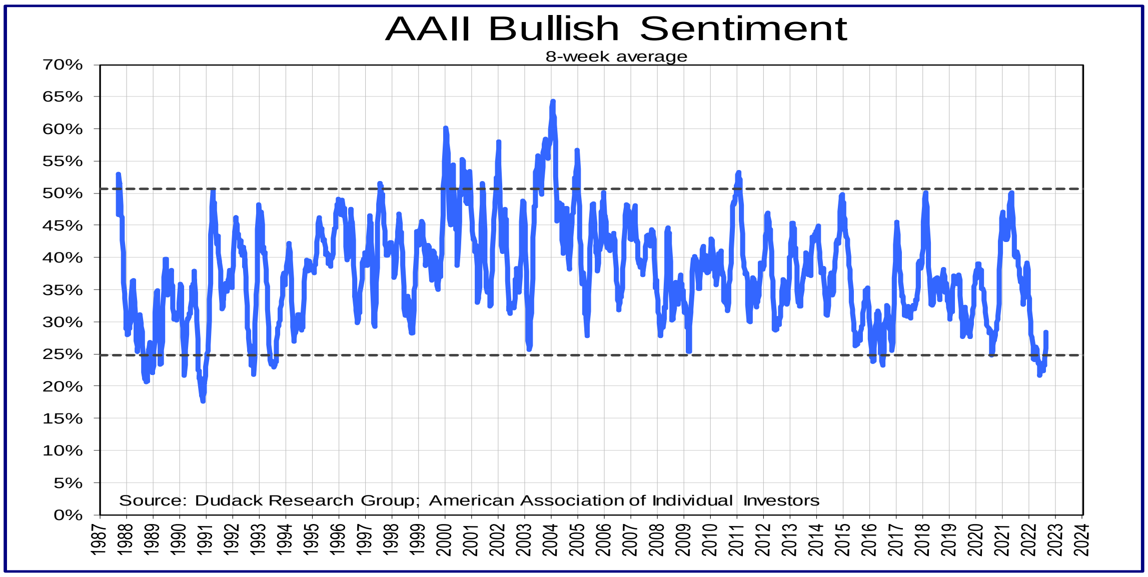


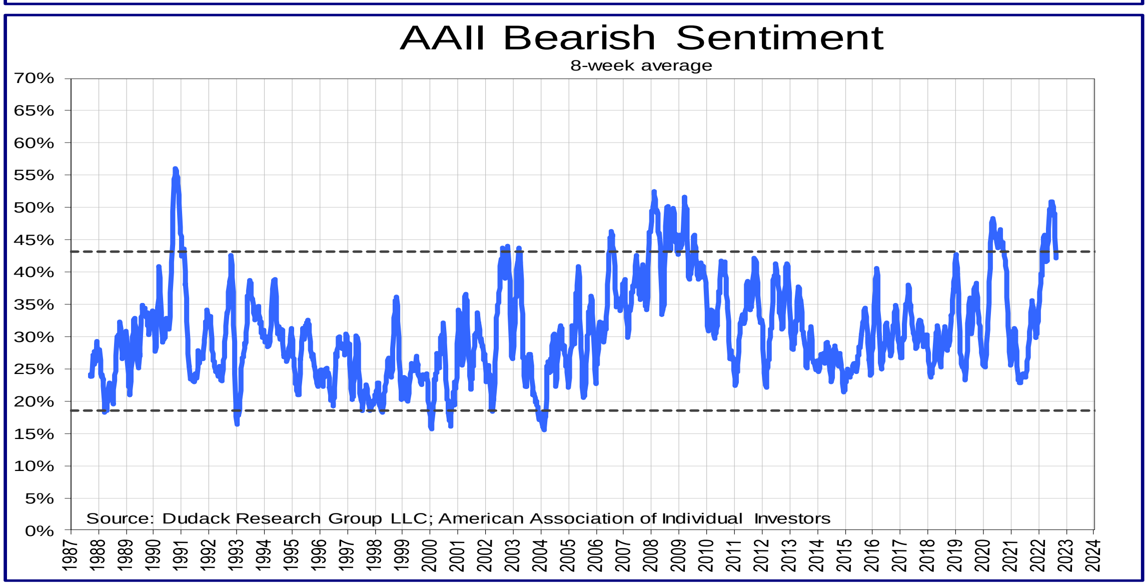




Last week's AAII readings showed a decrease of 5.6% in bulls to 27.7% and an increase of 5.2% in bears to 42.4%. These results remain within normal parameters following five weeks of less than 20% bulls and more than 50% bears between April 27, 2022 and July 7, 2022. Comparable single week bull/bear 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.



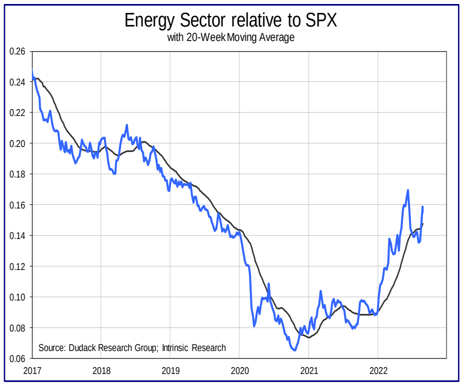


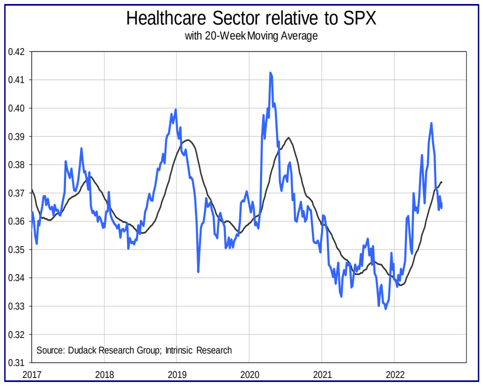


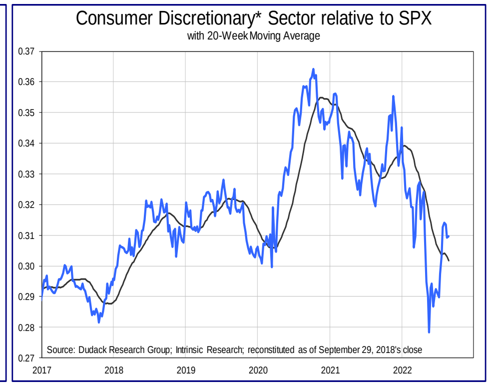
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

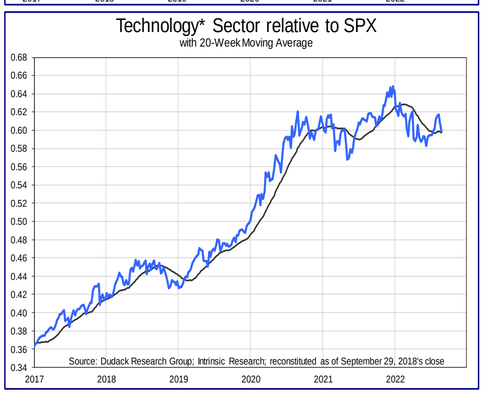
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Energy	Healthcare	Consumer Discretionary
Industrials	Technology	REITS
Staples	Materials	Communication Services
Utililties	Financials	

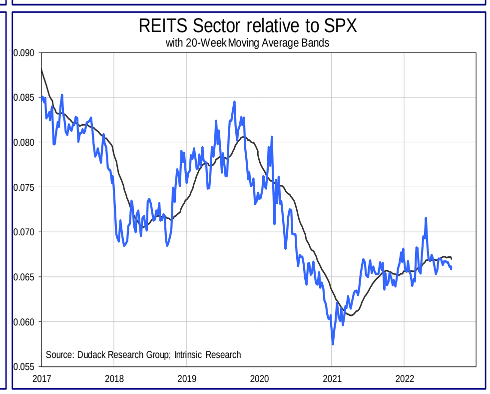
3/8/2022:Materials upgraded from underweight to neutral/communication service downgraded from neutral to underweight. 3/1/2022 Financials downgraded to neutral and Industrials upgraded to overweight.

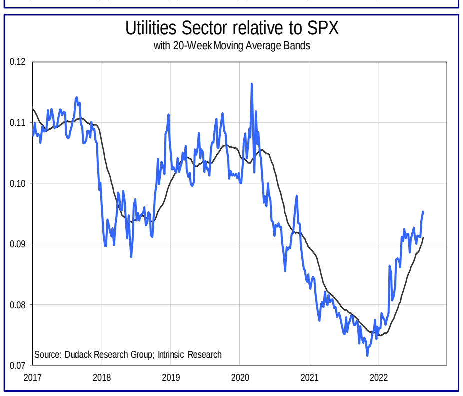


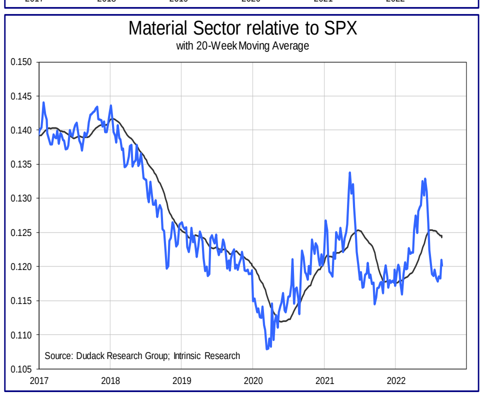


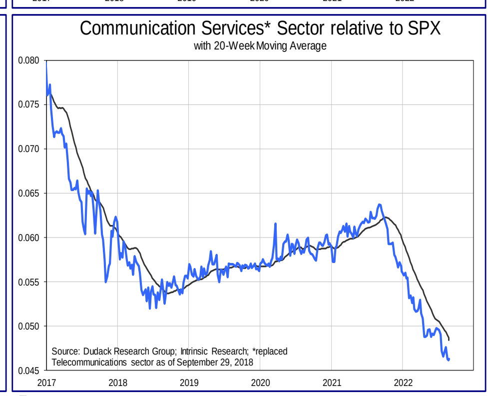


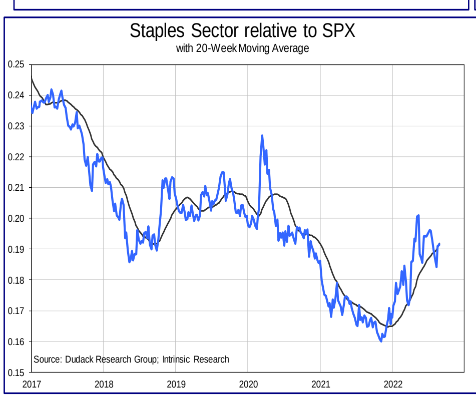


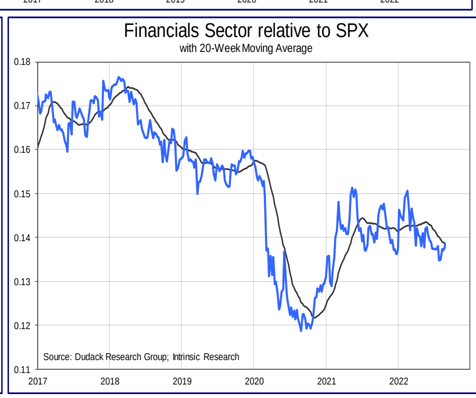












2022 Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	46.1%
S&P UTILITIES	4.1%
S&P CONSUMER STAPLES	-5.1%
S&P HEALTH CARE	-11.2%
S&P INDUSTRIALS	-11.7%
S&P FINANCIAL	-15.0%
S&P MATERIALS	-15.9%
S&P 500	-16.4%
S&P REITS	-19.2%
S&P INFORMATION TECH	-21.9%
S&P CONSUMER DISCRETIONARY	-23.4%
S&P COMMUNICATIONS SERVICES	-31.0%

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%
Energy Select Sector SPDR	XLE	81.24	-1.1%	3.6%	13.6%	46.4%
United States Oil Fund, LP	USO	75.47	-1.8%	-3.3%	-6.1%	38.8%
iShares DJ US Oil Eqpt & Services ETF	IEZ	16.56	-2.5%	0.4%	3.7%	28.5%
Oil Future	CLc1	91.64	-2.2%	-2.4%	-13.4%	21.8%
iShares MSCI Brazil Capped ETF	EWZ	31.22	-2.7%	7.6%	14.0%	11.2%
Gold Future	GCc1	2379.10	0.2%	0.9%	1.8%	7.5%
Utilities Select Sector SPDR	XLU	74.83	-1.8%	1.2%	6.7%	4.5%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	0.0%	0.0%
Consumer Staples Select Sector SPDR	XLP	73.56	-3.0%	-1.2%	1.9%	-4.6%
iShares MSCI India ETF	INDA.K	43.26	0.3%	1.4%	9.9%	-5.6%
SPDR Gold Trust	GLD	160.51	-1.4%	-2.2%	-4.7%	-6.1%
iShares Russell 1000 Value ETF	IWD	150.97	-2.6%	-2.3%	4.1%	-10.1%
iShares MSCI Malaysia ETF	EWM	22.43	1.7%	-0.7%	2.2%	-10.4%
iShares MSCI Mexico Capped ETF	EWW	45.17	-4.6%	-3.5%	-3.0%	-10.7%
Health Care Select Sect SPDR	XLV	125.56	-2.9%	-5.2%	-2.1%	-10.9%
iShares MSCI Canada ETF	EWC	34.13	-3.7%	-3.3%	1.3%	-11.2%
iShares MSCI Australia ETF	EWA	22.05	-1.7%	-3.0%	3.9%	-11.2%
Shanghai Composite	.SSEC	3227.22	-1.5%	-0.8%	-4.7%	-11.3%
Industrial Select Sector SPDR	XLI	93.72	-3.5%	-2.0%	7.3%	-11.4%
iShares MSCI United Kingdom ETF	EWU	29.29	-3.5%	-5.2%	-2.2%	-11.6%
SPDR S&P Bank ETF	KBE	48.02	-3.1%	-1.1%	9.4%	-12.0%
iShares MSCI Hong Kong ETF	EWH	20.36	-1.3%	-4.2%	-8.3%	-12.2%
iShares Russell 2000 Value ETF	IWN	145.71	-3.4%	-2.4%	7.0%	-12.2%
SPDR DJIA ETF	DIA	318.04	-3.4%	-3.2%	3.3%	-12.5%
DJIA	.DJI	31790.87	-3.4%	-3.2%	3.3%	-12.5%
Financial Select Sector SPDR	XLF	33.30	-2.2%	-1.2%	5.9%	-14.7%
iShares MSCI Singapore ETF	EWS	18.23	-1.7%	-2.6%	3.1%	-14.8%
Materials Select Sector SPDR	XLB	76.35	-3.0%	-2.3%	3.7%	-15.7%
SP500	**.SPX**	**3986.16**	**-3.5%**	**-3.5%**	**5.3%**	**-16.4%**
iShares iBoxx $ Invest Grade Corp Bond	LQD	110.43	-0.5%	-3.6%	0.4%	-16.7%
iShares Russell 1000 ETF	IWB	220.01	-3.3%	-3.1%	5.9%	-16.8%
iShares Russell 2000 ETF	IWM	184.62	-3.3%	-1.4%	9.0%	-17.0%
PowerShares Water Resources Portfolio	PHO	50.15	-3.5%	-3.9%	8.5%	-17.6%
iShares US Real Estate ETF	IYR	94.64	-2.7%	-5.5%	2.9%	-18.5%
Vanguard FTSE All-World ex-US ETF	VEU	49.59	-2.0%	-4.0%	-0.7%	-19.1%
iShares China Large Cap ETF	FXI	29.60	0.9%	-2.6%	-12.7%	-19.1%
iShares MSCI Emerg Mkts ETF	EEM	39.29	-1.2%	-1.7%	-2.0%	-19.6%
iShares MSCI Japan ETF	EWJ	53.83	-2.5%	-4.1%	1.9%	-19.6%
iShares Nasdaq Biotechnology ETF	IBB.O	121.14	-3.4%	-2.4%	3.0%	-20.6%
iShares MSCI BRIC ETF	BKF	35.51	-0.1%	0.3%	-3.9%	-20.7%
iShares Silver Trust	SLV	17.71	-3.6%	-9.1%	-9.0%	-20.9%
iShares MSCI EAFE ETF	EFA	62.12	-2.4%	-5.5%	-0.6%	-21.0%
Technology Select Sector SPDR	XLK	136.59	-4.9%	-5.3%	7.4%	-21.4%
iShares Russell 2000 Growth ETF	IWO	228.62	-3.3%	-0.4%	10.8%	-22.0%
Silver Future	SIc1	18.16	-4.5%	-9.9%	-10.5%	-22.2%
iShares Russell 1000 Growth ETF	IWF	235.64	-4.0%	-3.9%	7.7%	-22.9%
Consumer Discretionary Select Sector SPDR	XLY	157.06	-3.8%	-3.5%	14.2%	-23.2%
Nasdaq Composite Index Tracking Stock	ONEQ.O	46.53	-4.1%	-4.2%	7.8%	-23.6%
iShares 20+ Year Treas Bond ETF	TLT	112.96	0.8%	-3.8%	-1.7%	-23.8%
NASDAQ 100	NDX	12342.70	-4.2%	-4.7%	7.3%	-24.4%
iShares US Telecomm ETF	IYZ	24.88	-3.0%	-2.6%	-1.0%	-24.4%
iShares MSCI Taiwan ETF	EWT	49.82	-3.2%	-2.9%	-1.2%	-25.2%
iShares MSCI South Korea Capped ETF	EWY	57.23	-1.5%	-5.5%	-1.6%	-26.5%
SPDR S&P Retail ETF	XRT	64.57	-4.1%	1.5%	11.0%	-28.5%
SPDR S&P Semiconductor ETF	XSD	173.55	-3.8%	-4.9%	14.4%	-28.6%
SPDR Homebuilders ETF	XHB	60.54	-3.6%	-5.4%	10.7%	-29.4%
iShares MSCI Austria Capped ETF	EWO	17.31	-2.9%	-6.8%	-4.2%	-32.0%
iShares MSCI Germany ETF	EWG	21.93	-0.9%	-7.0%	-4.7%	-33.1%

Outperformed SP500
Underperformed SP500

Source: Dudack Research Group; Thomson Reuters Priced as of August 30, 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	9.7%
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	~~~~~	$189.88	$210.56	$218.00	4.7%	**$225.36**	8.3%	18.9X	NA	NA	NA	NA
2023E	~~~~~	$214.23	$240.56	$237.00	8.7%	**$243.64**	8.1%	16.6X	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%	$2,402.90	8.8%
2022 2QE	3785.38	$43.41	$47.25	$52.04	0.0%	$57.78	9.9%	18.4	1.7%	-0.6%	$2,620.40	7.4%
2022 3QE*	3986.16	$49.23	$55.99	$57.60	10.7%	$56.31	4.8%	19.0	NA	NA	NA	NA
2022 4QE		$51.25	$57.96	$59.00	4.0%	$58.46	8.4%	18.9	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 8/30/2022

Regulation AC Analyst Certification

I, Gail Dudack, hereby certify that all the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific views contained in this report.

IMPORTANT DISCLOSURES

RATINGS DEFINITIONS:

Sectors/Industries:
"Overweight": Overweight relative to S&P Index weighting
"Neutral": Neutral relative to S&P Index weighting
"Underweight": Underweight relative to S&P Index weighting

Other Disclosures

This report has been written without regard for the specific investment objectives, financial situation, or particular needs of any specific recipient, and should not be regarded by recipients as a substitute for the exercise of their own judgment. The report is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell securities or related financial instruments. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. The report is based on information obtained from sources believed to be reliable, but is not guaranteed as being accurate, nor is it a complete statement or summary of the securities, markets or developments referred to in the report. Any opinions expressed in this report are subject to change without notice and Dudack Research Group division of Wellington Shields & Co. LLC. (DRG/Wellington) is under no obligation to update or keep current the information contained herein. Options, derivative products, and futures are not suitable for all investors, and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results, and yield from securities, if any, may fluctuate as a security's price or value changes. Accordingly, an investor may receive back less than originally invested. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report.

DRG/Wellington relies on information barriers, such as "Chinese Walls," to control the flow of information from one or more areas of DRG/Wellington into other areas, units, divisions, groups, or affiliates. DRG/Wellington accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this report.

The content of this report is aimed solely at institutional investors and investment professionals. To the extent communicated in the U.K., this report is intended for distribution only to (and is directed only at) investment professionals and high net worth companies and other businesses of the type set out in Articles 19 and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001. This report is not directed at any other U.K. persons and should not be acted upon by any other U.K. person. Moreover, the content of this report has not been approved by an authorized person in accordance with the rules of the U.K. Financial Services Authority, approval of which is required (unless an exemption applies) by Section 21 of the Financial Services and Markets Act 2000.

Additional information will be made available upon request.

Dudack Research Group a division of Wellington Shields & Co. LLC.
Main Office:
Wellington Shields & Co. LLC
140 Broadway
New York, NY 10005
212-320-3511
Research Sales: 212-320-2046

Florida office:
549 Lake Road
Ponte Vedra Beach, FL 32082
212-320-2045