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October 5, 2022

DJIA: 30316.32
SPX: 3790.93
NASDAQ: 11176.41

US Strategy Weekly
Watch Earnings Not the Fed

The S&P 500 index jumped nearly 6% in the first two days of October, as investors once again focused on the possibility that a Fed "pivot" is near. The incessant focus on a Fed pivot lacks an understanding of how difficult the Fed's job is in terms of conquering an inflationary trend that has persisted for two years and reached double-digit levels. In our view, the Fed pivot mania is an attempt to simplify a global financial environment that is getting more complicated by the day. More importantly, it could be a misguided and potentially dangerous strategy for a number of reasons.

Forget the Pivot

First, it underestimates the Federal Reserve's commitment to fight inflation. Most Fed governors have indicated that they are serious about lowering inflation and that they will remain vigilant and steadfast until it gets back to the Fed's 2% goal. That will take a long time. Second, even if prices remain unchanged for the next several months, headline CPI will still be above the 6% level. This is far from nearing the Fed's goal. The one piece of good news for inflation is that oil prices appear to be stabilizing at lower levels. But this will not be enough to get to lower levels of inflation. Even with WTI futures (CLc1 - $86.35) below $90 a barrel and down 25% from its May closing high, WTI is up 3.3% on a year-over-year basis. And in the background, OPEC+ is discussing cutting output. In short, the CPI is unlikely to come down substantially until 2023. Third, what could get the Fed to "pivot" on interest rates would be a financial crisis, or more specifically, a liquidity crisis in the banking system. However, such an event would be a disaster and rather than sparking an equity rally it would likely trigger a sizeable selloff. Unfortunately, this risk cannot be ruled out, particularly in an environment of rising rates and a strengthening dollar. There is instability in the global system as seen by the fact that the Bank of England had to employ emergency gilt purchases when British pension funds were swamped by margin calls. There are rumors of liquidity issues at Credit Suisse Group AG (CSGN.S - $4.29) and the government of Finland had to extend credit packages totaling 3.55 trillion euros to stabilize the power industry and the energy debt derivative sector, due to a deteriorating debt market. These events may seem unrelated, but we have seen lesser matters ripple through the global banking system and create chaos. It brings back memories of the financial crisis of 2008.

In other words, the focus on a Fed pivot is not a practical exercise in our opinion. Even if the Fed were to pause rate increases, it would not necessarily reflect a change in monetary policy and bring back the easy money policies that had encouraged speculators to the markets. All in all, it is a very short-term view. But it did spark an impressive two-day rally, to date.

A Focus on Earnings

We think a more appropriate focus for investors would be on corporate earnings. Although the financial press places its emphasis on whether or not a company has beaten its quarterly consensus earnings forecast, we think it would be more insightful to focus on whether quarterly earnings growth is positive or negative on a year-over-year basis. Companies have been beating consensus earnings, but that is a bit of a charade since corporations have lowered guidance and analysts have reduced estimates as earnings season approaches. Therefore, the charts from Refinitiv on page 10 are important. They show that the earnings estimate revision trend has been negative for most weeks at least since the middle of July. For the week ending September 30, the earnings revisions for S&P 500 companies were 67% negative and 33% positive. For all US companies, revisions for the week were 62% negative and 38% positive. And it is important to note that since April, according to S&P Dow Jones consensus estimates, the 2022 forecast has declined 8.2% and the 2023 forecast has decreased 4.4%. At present, the S&P Dow Jones earnings growth rates for this year and next are 0.3% and 14.3%. Both of these numbers include earnings for the energy sector which is providing most of the growth.

However, if the Fed continues its tightening policy the risk of recession increases and earnings forecasts for 2023 are apt to fall from positive to negative. In our opinion, this is where the financial press, analysts, and investors should concentrate. And this is what keeps us cautious.

Technical Breakdown

The two-day October rally has been impressive and included a 91% and 95% up day in volume. The advance was triggered from a deeply oversold condition and gained momentum on softer economic news and a smaller than expected increase of 25 basis points by the Reserve Bank of Australia. This combination refueled predictions of a Fed pivot. However, despite the strength of the two-day rally, breadth statistics remain negative. Sadly, the 25-day up/down volume oscillator hit an oversold reading of negative 5.6 on September 30 and was in oversold territory for a string of 10 consecutive trading sessions. The current reading is neutral at negative 2.66. Nevertheless, the 10-day oversold reading was more extreme than the oversold reading at the June low. This means September's test of the June lows was unsuccessful and the bear market continues. See page 12.

This was not the only indicator that broke down at the end of September. The 10-day average of daily new lows reached 1,038, exceeding the previous peak of 604 made in May. The NYSE cumulative advance/decline line fell below its July 2022 low and is now 47,465 net advancing issues away from its all-time high. See page 13. The charts of the indices show prices are well below their 200-day moving averages and could rally back to test their 100-day moving averages. However, the long-term trend would still remain bearish.

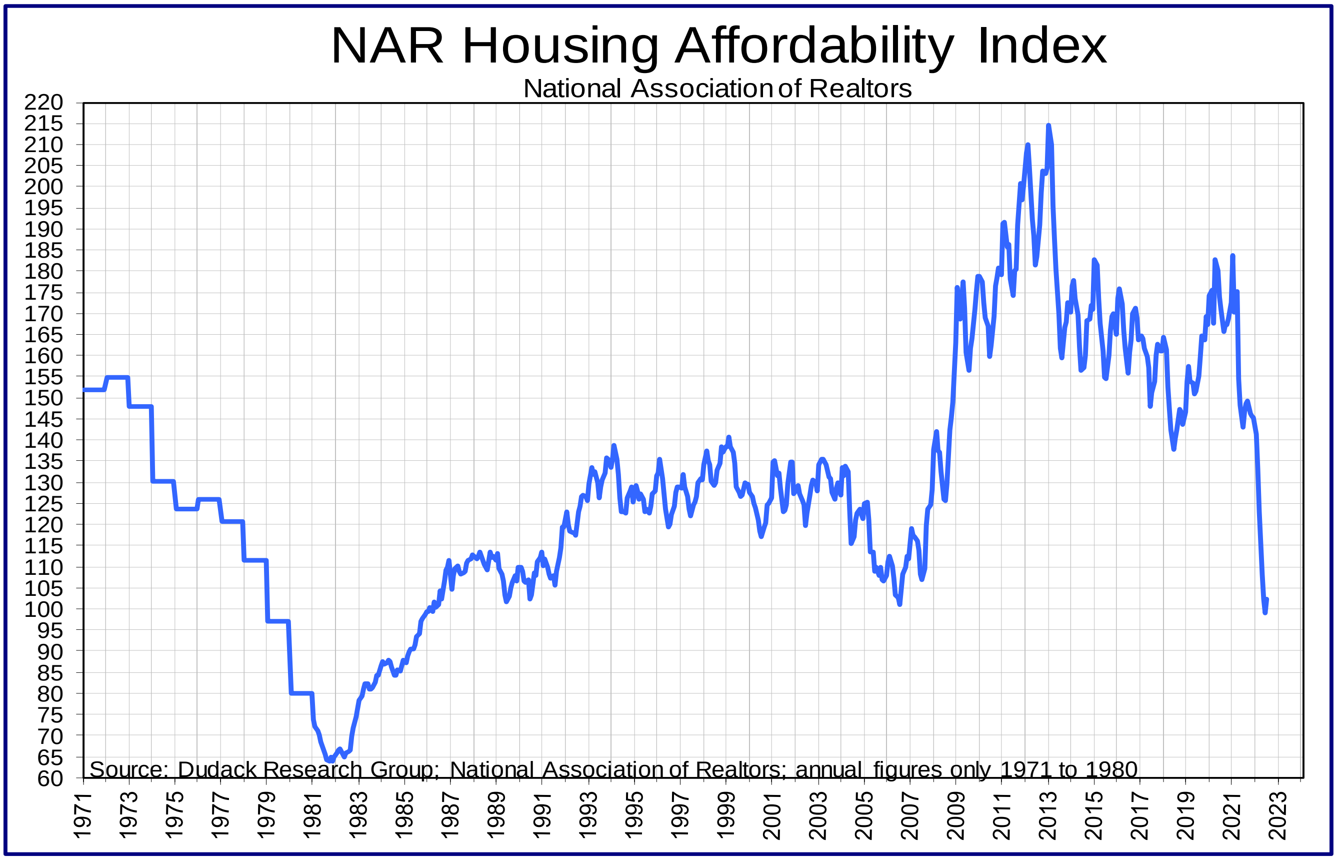
The one positive is sentiment. Last week's AAII bull/bear readings showed a 2.3% increase in bullishness to 20.0% and a 0.1% decrease in bearishness to 60.8%. Last week's 17.7% bullish reading was among the 20 lowest readings since the survey began in 1987. Sentiment indicators are not good timing indicators, but they do suggest that this is not the time to become too bearish. Equity prices tend to be higher in the next six and/or twelve months following such extreme readings.

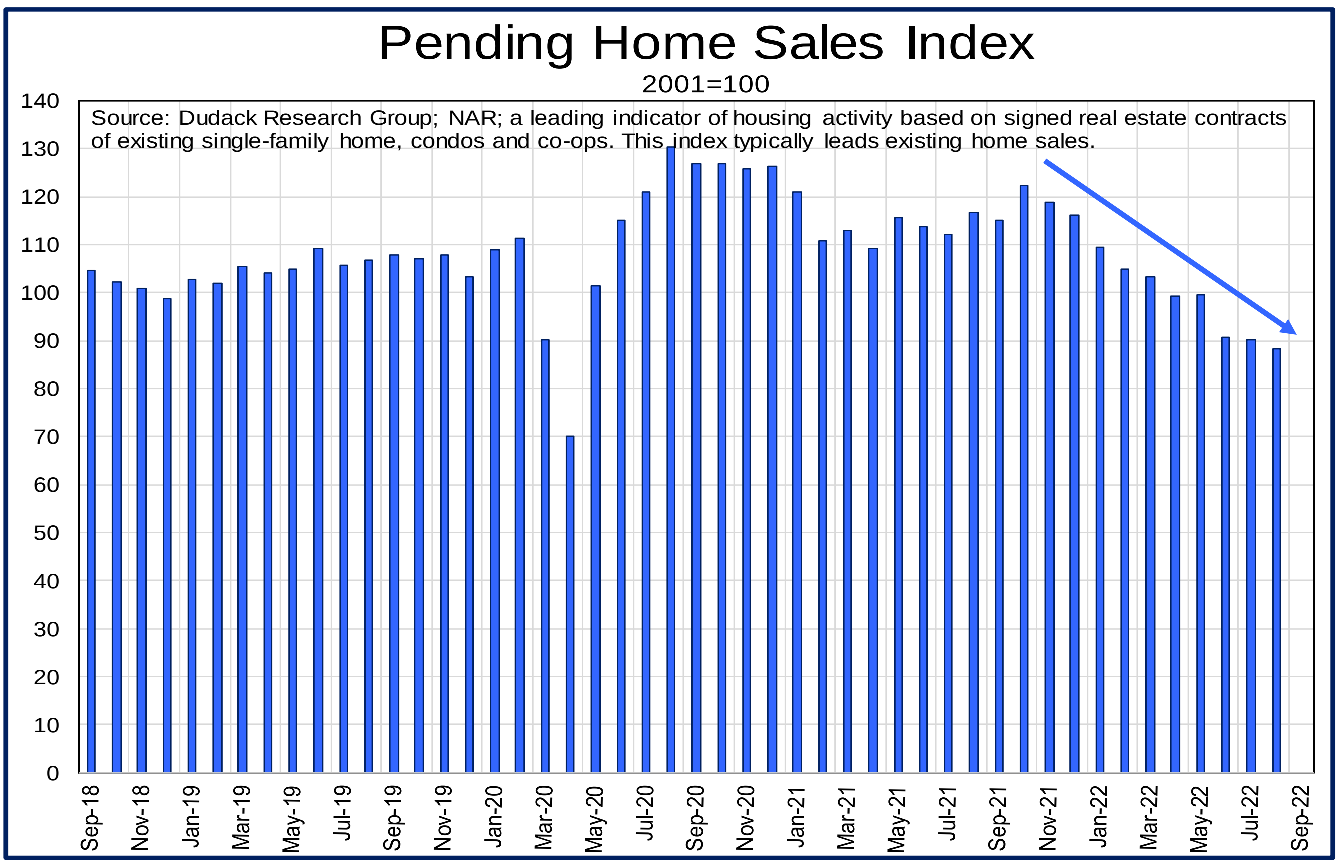
Economic Review

Many housing statistics were released in the last week, and they paint a picture of a housing sector experiencing an accelerating slowdown. Pending home sales have been declining since October 2021. Affordability is at its lowest level since 2006. Median home prices reached a record level relative to income in June 2022, and when coupled with rising mortgage rates, make this a difficult time to buy a home. The NAHB confidence index has been falling all year and in the September survey, dropped to levels last seen in 2014. Census Bureau data indicated that building permits fell in August to its lowest level in two years. But in a surprise, housing starts picked up from 1.404 million to 1.575 million in August.

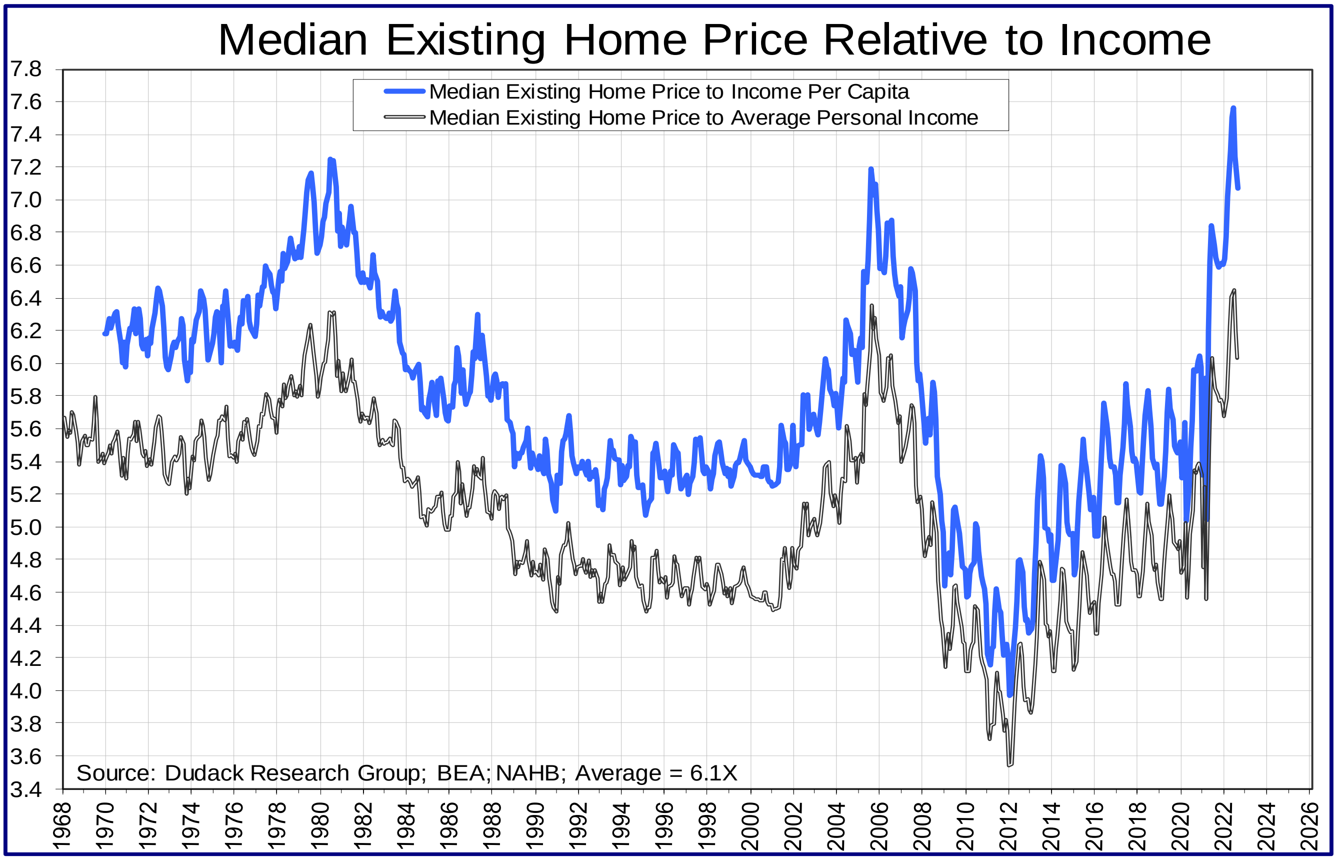
The ISM manufacturing index fell from 52.8 in August to 50.9 in September. New orders dropped from 51.3 in August to 47.1 in September and have been below 50 (neutral) for three of the past four months. Employment fell from 54.2 to 48.7 and has been below 50 for four of the last five months. These weak statistics may increase the hope of a Fed pivot, but they will not be good for earnings growth in coming quarters. Stay cautious.

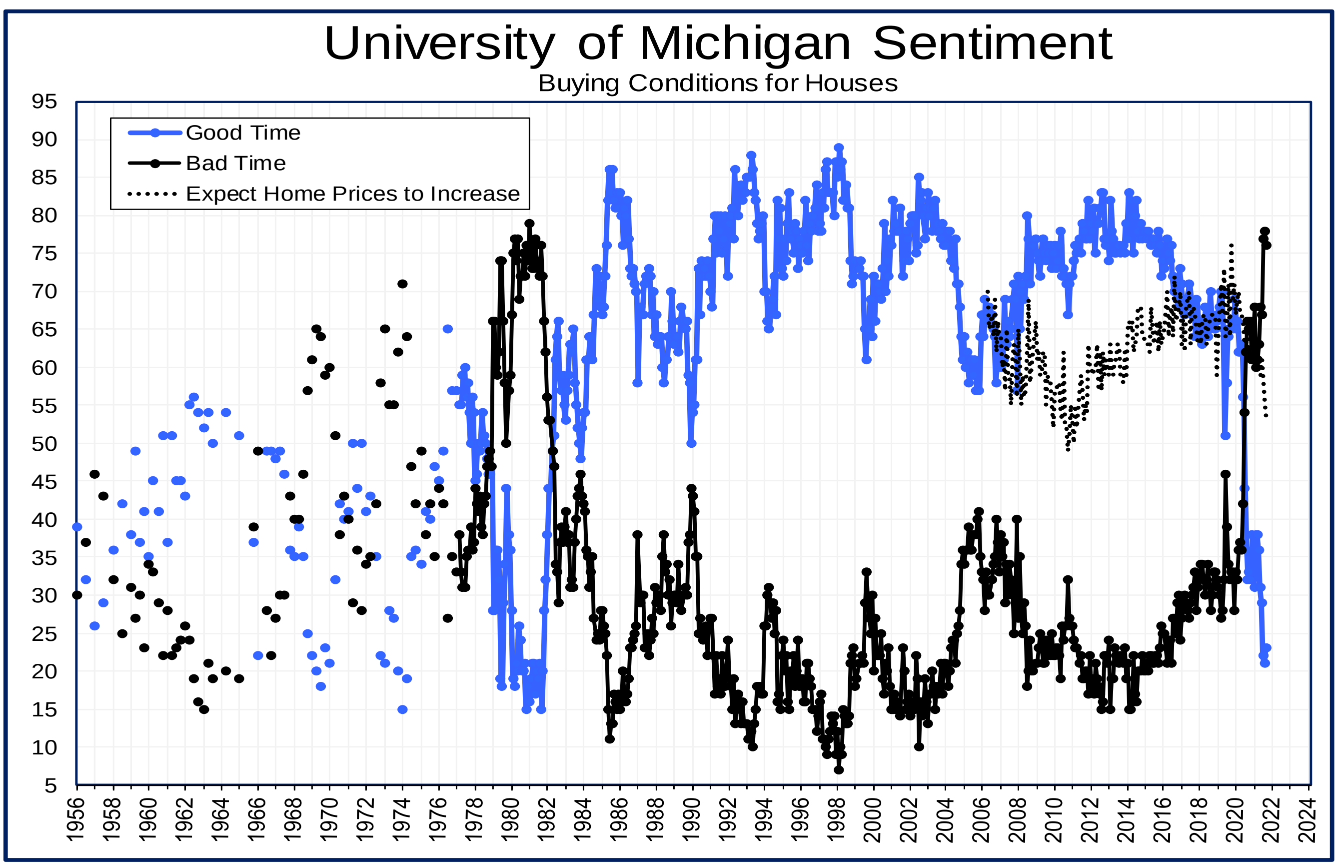
The NAR housing affordability index rose from 99.1 to 102.2 in July but remains at its lowest level since 2006. Pending home sales fell from 90.2 to 88.4 in August and have been declining since October 2021.



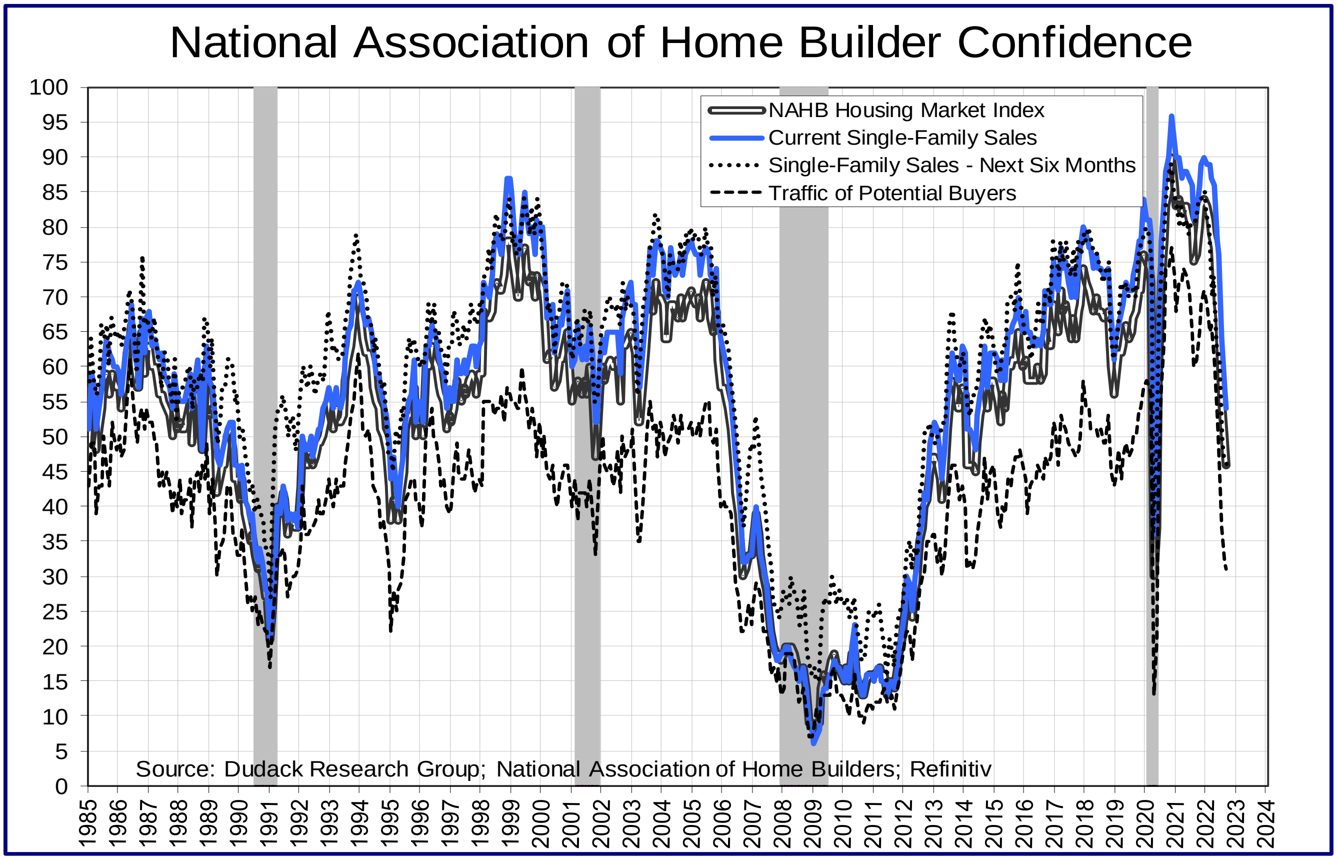


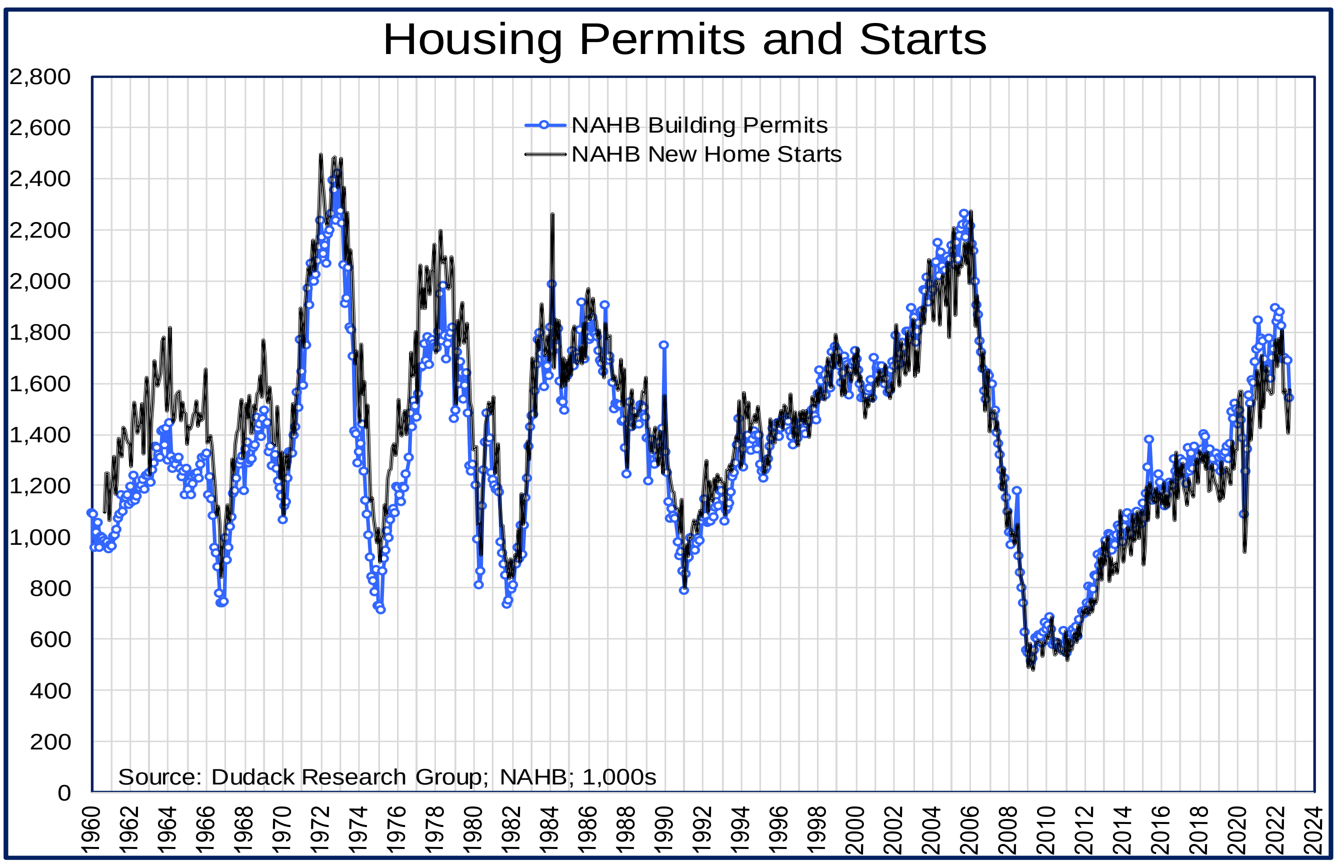
The median existing home price relative to personal income or income per capita reached a record level in June 2022. This alone suggests why the housing market may have peaked. Also in June, the University of Michigan survey that measures home buying conditions nearly matched its November 1981 peak for "bad time to buy."





The NAHB confidence index has been falling all year and in the September survey, dropped to levels last seen in 2014. Census Bureau data indicated that building permits fell in August to its lowest level in two years; but housing starts picked up from 1.404 million to 1.575 million in August.





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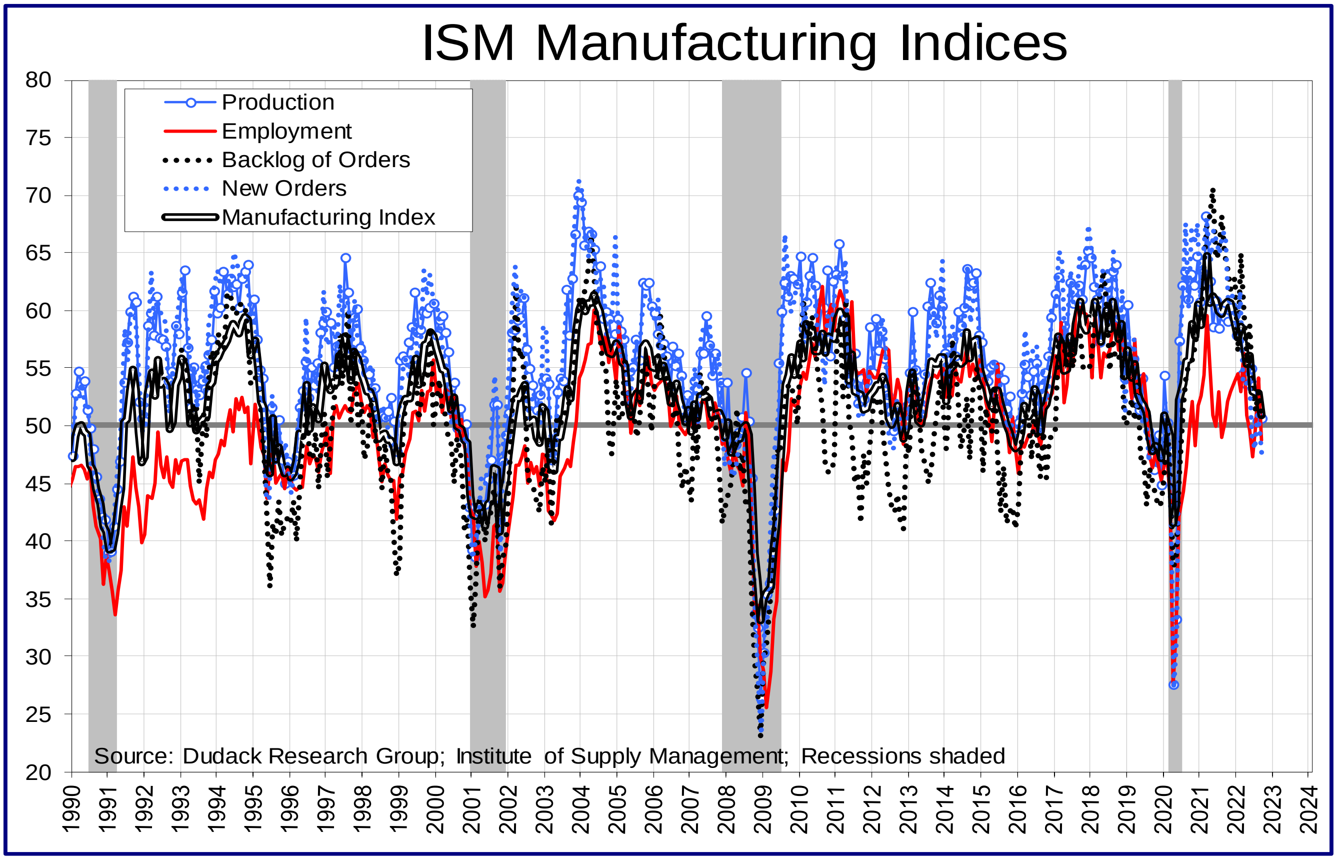
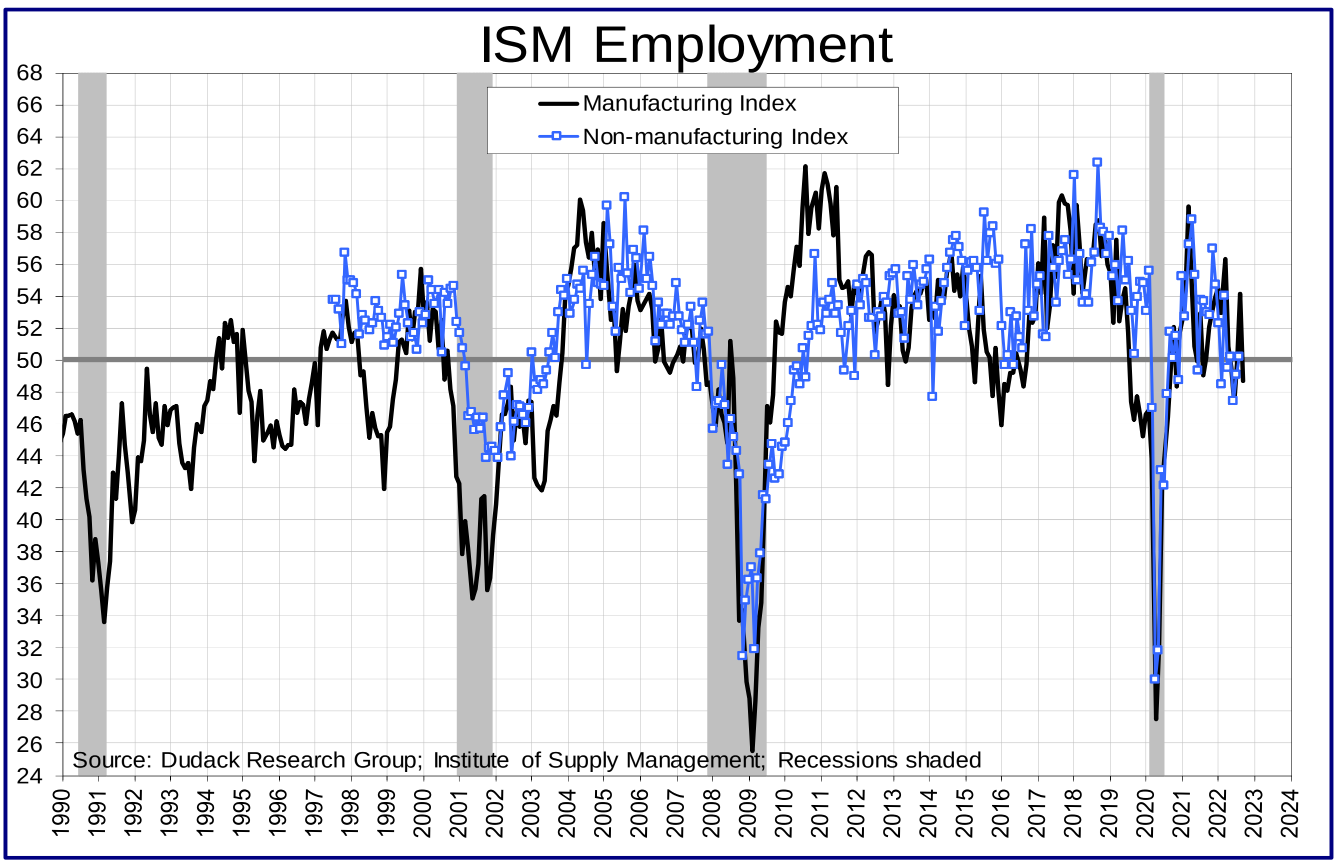
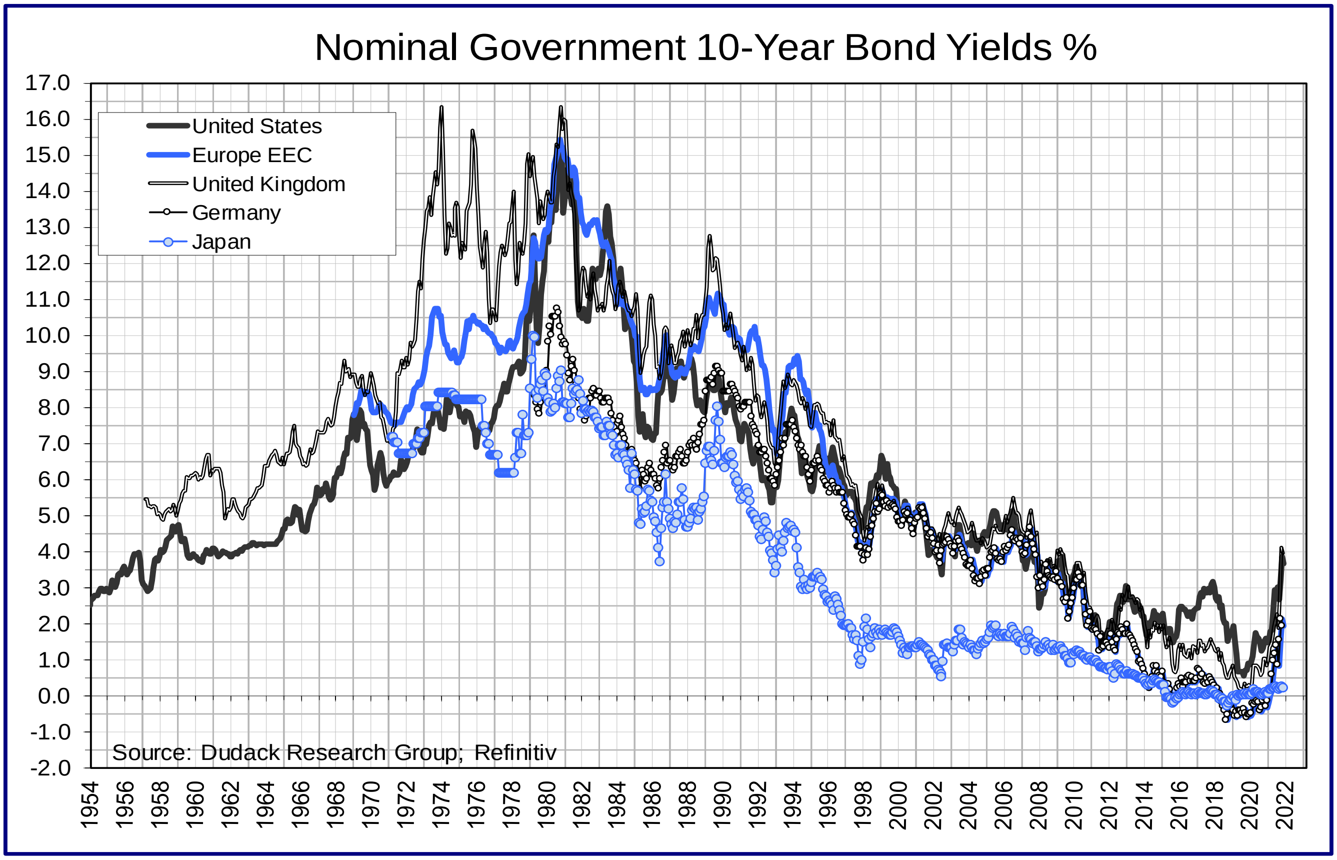
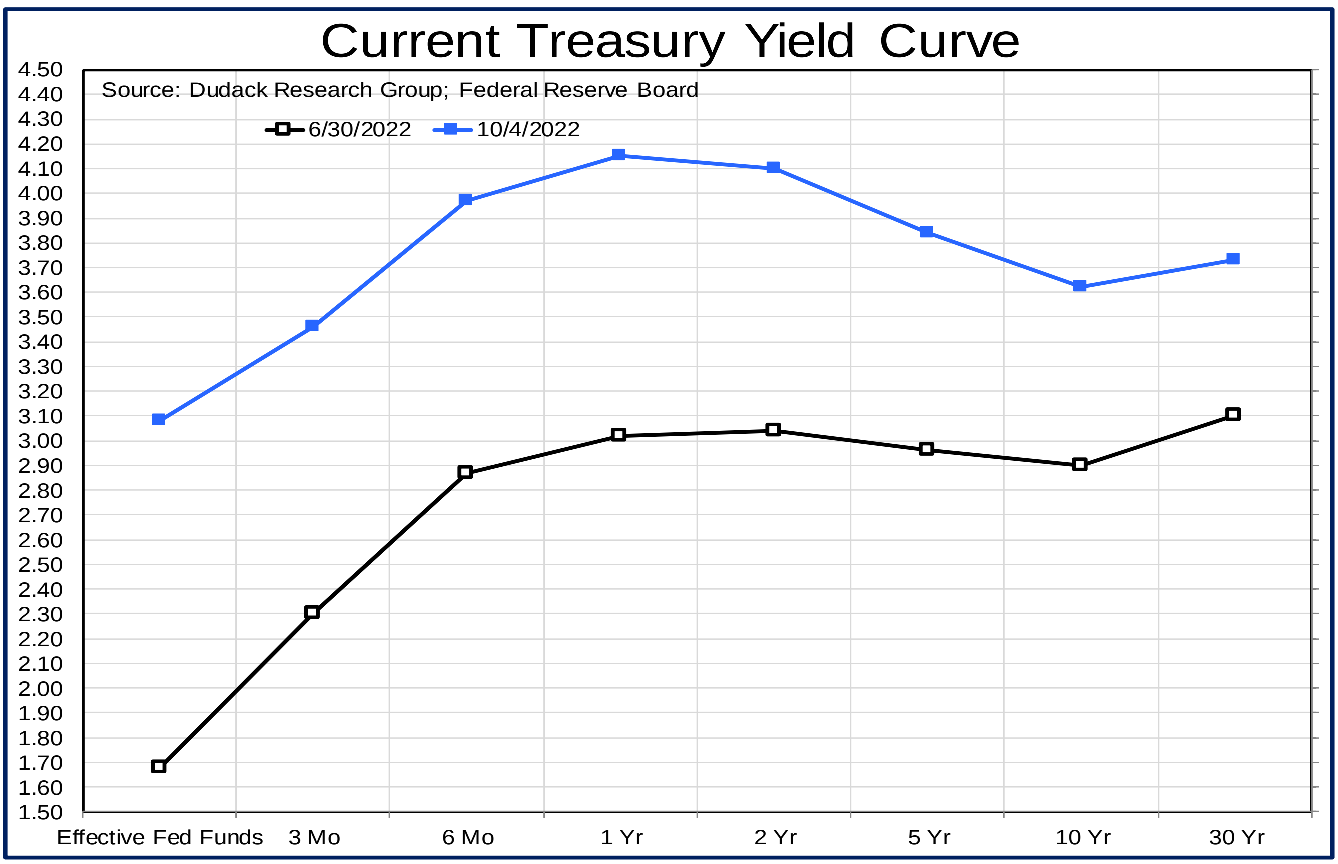




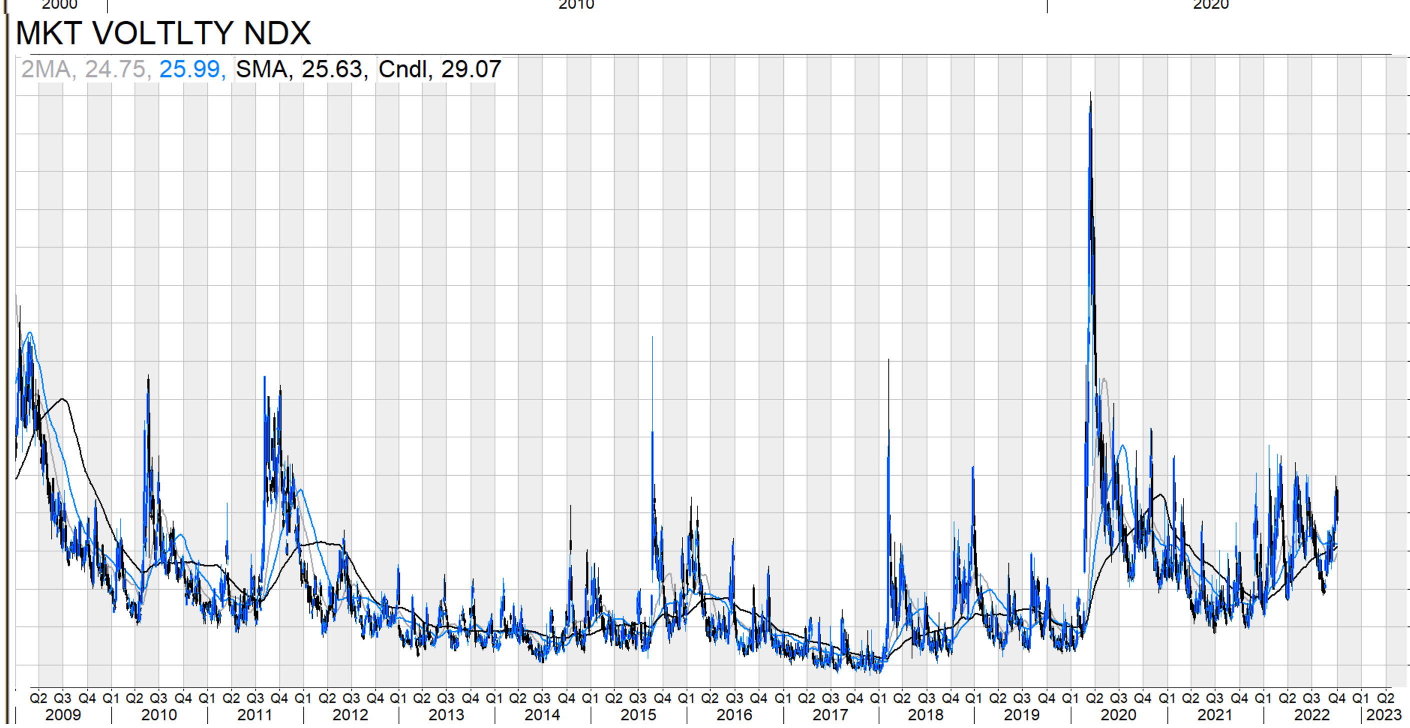
Interest rates are rising globally, but the US is in the lead. Note the large increase in rates along the yield curve since the end of June. Once the funds rate exceeds 4%, which could happen before year end, the entire yield curve will be inverted.





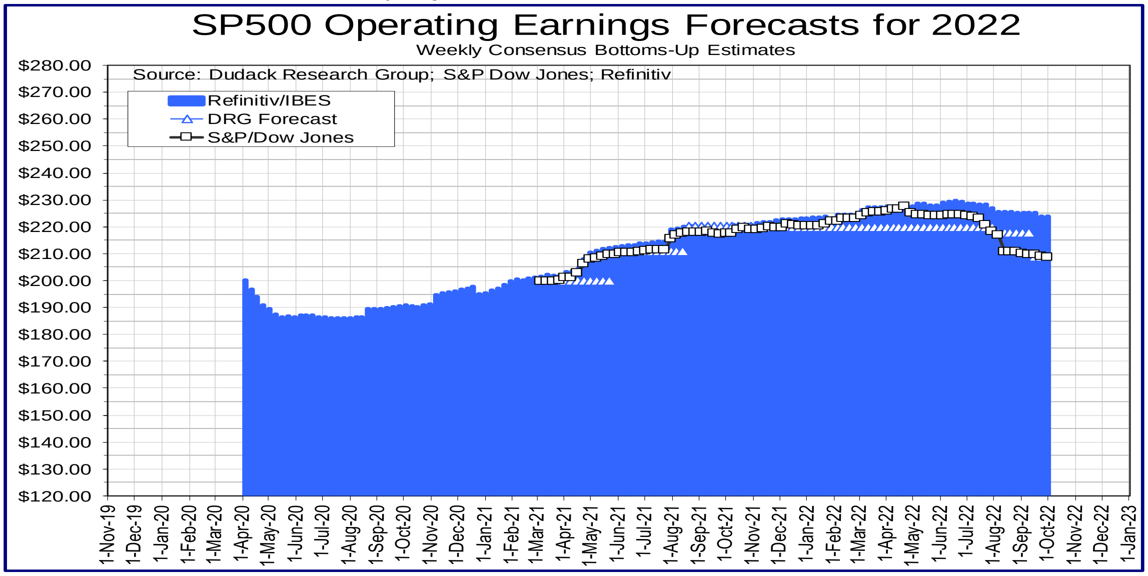
The SPDR Bloomberg High Yield Bond ETF (JNK - $90.70), which tracks the US high yield corporate bond market, remains on our list of things to monitor in the current environment. Debt markets are treacherous as seen by the BoE stepping into the debt market in England and Finland rescuing the energy deriviatives market. Keep in mind that global systemic risk was being discounted at the March 2009 low of $77.55. Yet with debt in disarray, the VIX is at $29.07 and well below its $82.69 close of March 16, 2020. In our view, the equity market is too complacent about the current environment of rising interest rates, a higher dollar, and declining earnings.

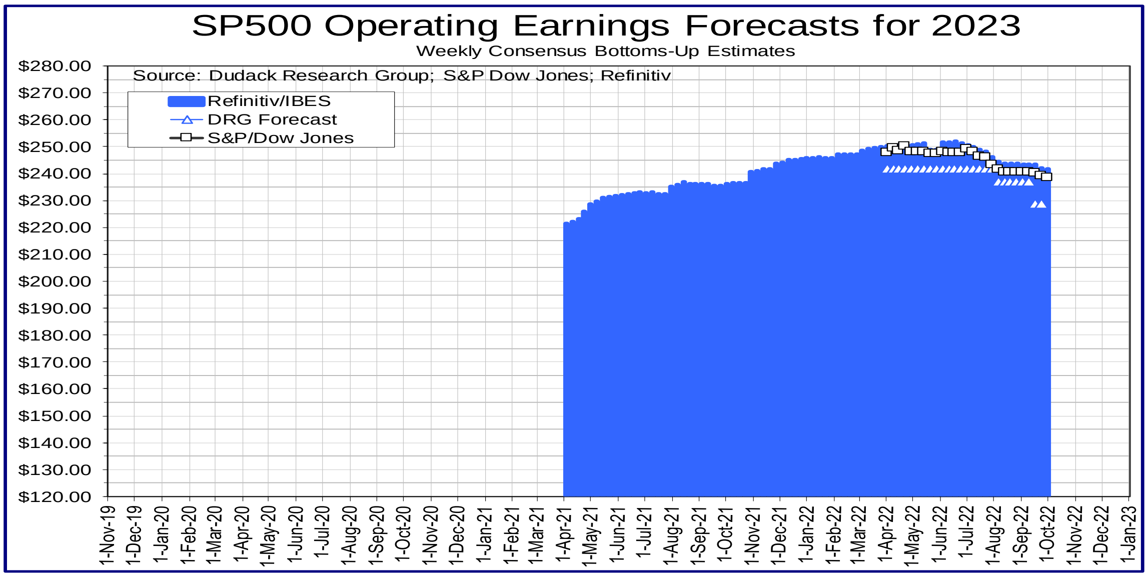
We are concerned that the next unexpected financial event may materialize outside the US.

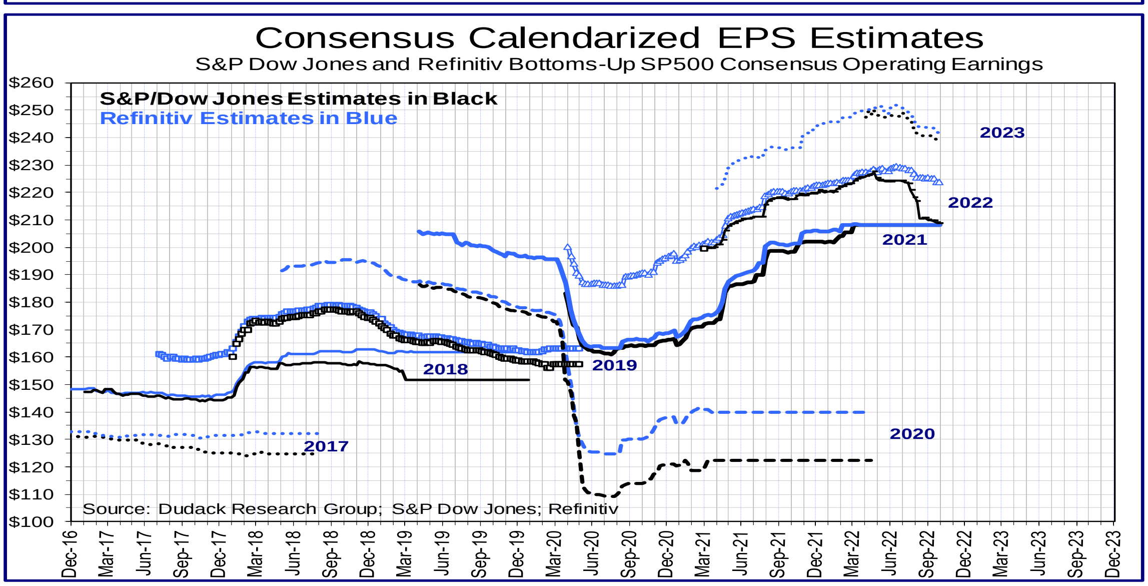


Source: Refinitiv

This week S&P Dow Jones consensus earnings estimates for 2022 and 2023 fell $0.13 and $0.49, respectively. Refinitiv IBES consensus earnings forecasts fell $0.11 and $0.39. The S&P consensus EPS estimate for 2022 declined to $208.75 and IBES fell to $223.72, bringing EPS growth rates for 2022 to 0.3% and 8.1%, respectively. *(Note: consensus macro-EPS forecasts may differ from four quarter analysts' forecast sums seen on page 16.)* DRG's 2022 estimate declined from $220 to $218 in early August and from $218 to $209 last week. Our 2023 estimate was lowered from $237 to $229.

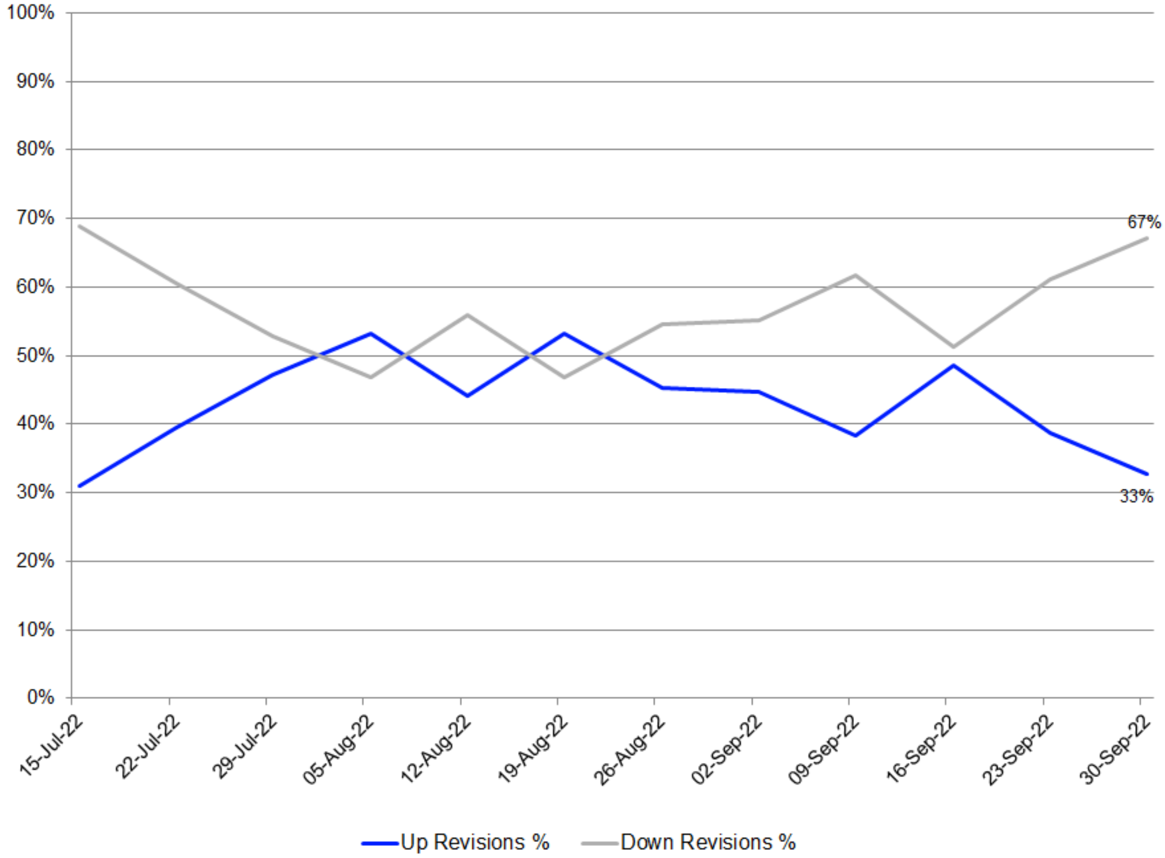




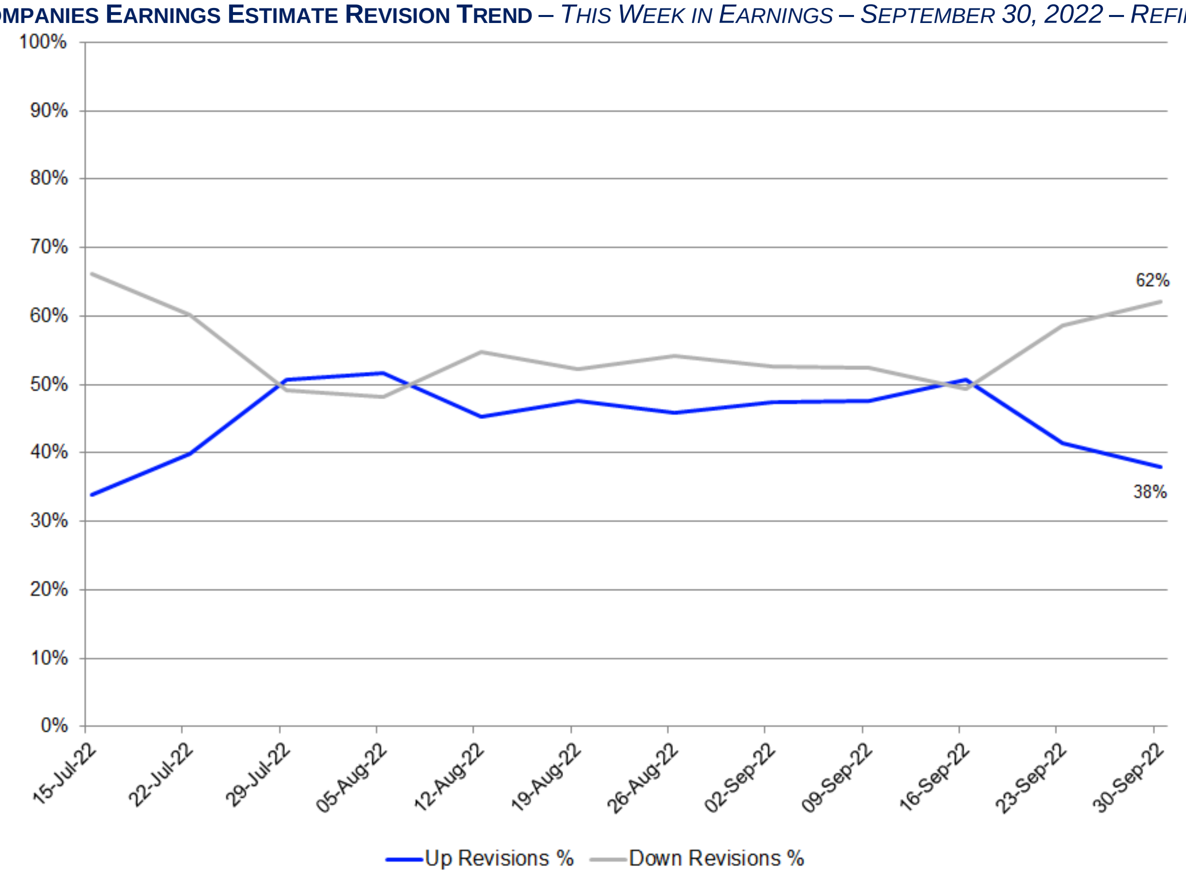


Companies may be beating estimates, but earnings estimates have been coming down rapidly this year.

S&P 500: Earnings Estimate Revision Trend – *This Week in Earnings – September 30, 2022 – Refinitiv/IBES*



All US Companies Earnings Estimate Revision Trend – *This Week in Earnings – September 30, 2022 – Refinitiv/IBES*

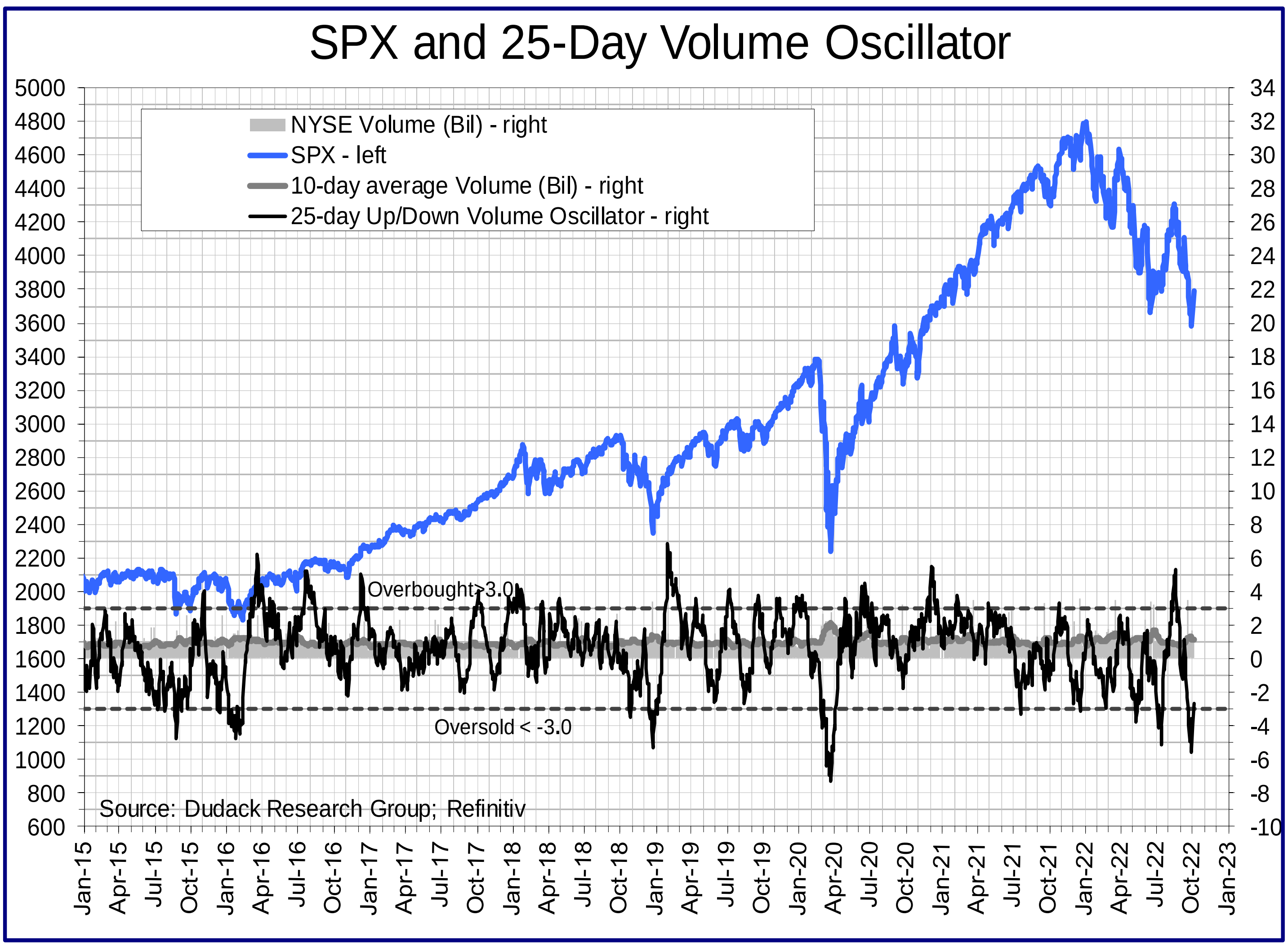


The charts of the popular indices remain similar this week and all four of the popular indices are trading below their 200-day moving averages in a bearish decline. Given the short-term oversold condition of the market, there may be a sharp rally to levels equal to the 100-day moving averages (listed below in blue font), but the longer-term trend would remain negative.

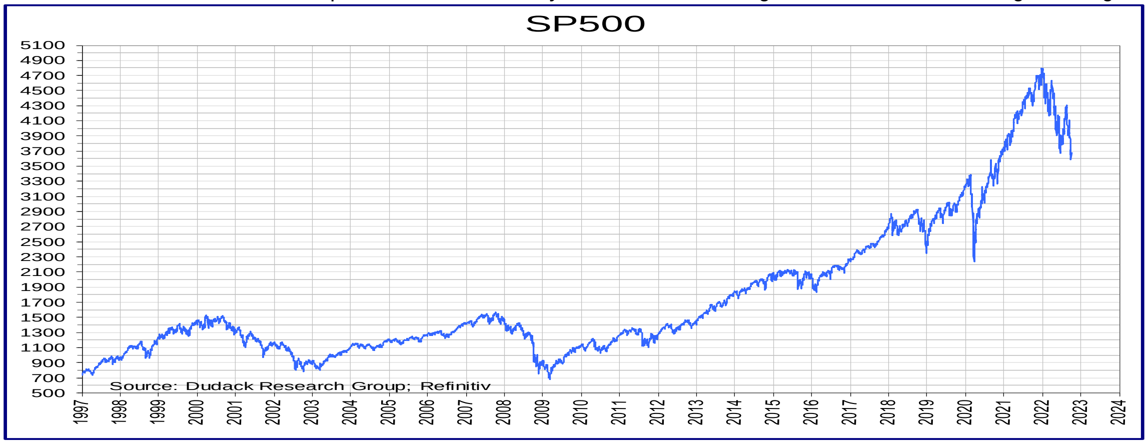
Source: Refinitiv

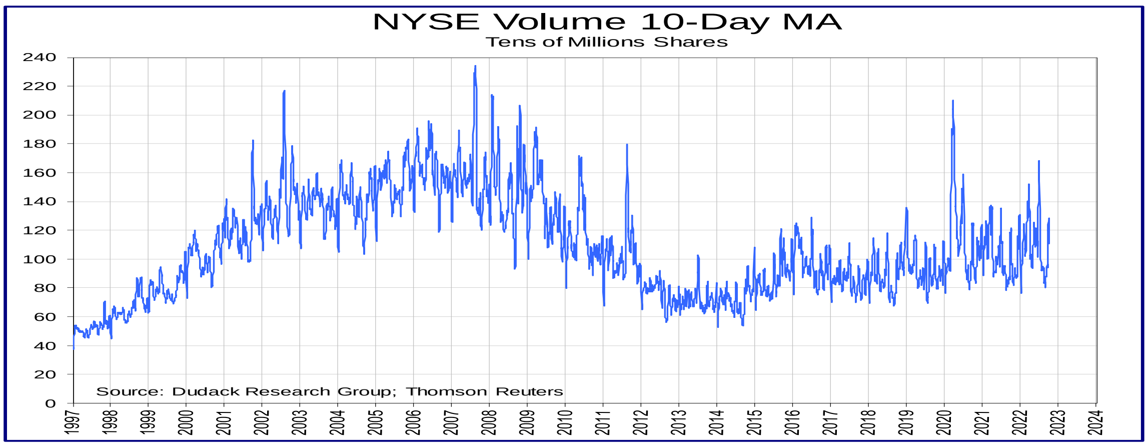
Unfortunately, the 25-day up/down volume oscillator hit an oversold reading of negative 5.6 on Friday and was in oversold territory for 10 consecutive trading sessions. This is more extreme than the oversold reading at the June low. In short, the test of the June lows was unsuccessful by several measures, and the bear market continues. This is true despite the nearly 6% two-day gain seen in the market to open October. The 25-day oscillator is currently at a neutral reading of negative 2.66 but would have to move to an extremely long and high overbought reading to change this indicator.

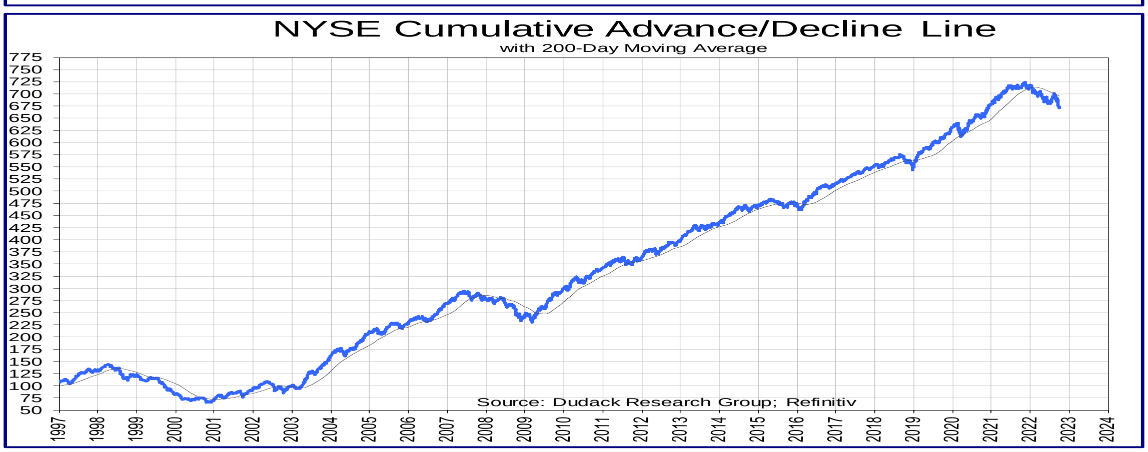
The key to a successful retest of a bear market low is whether or not a new low in price also generates a new low in breadth. A successful retest will show there is less selling pressure – a less severe oversold reading -- despite a lower low in price. This did not appear in September, but it is still a possibility in the final months of the year.

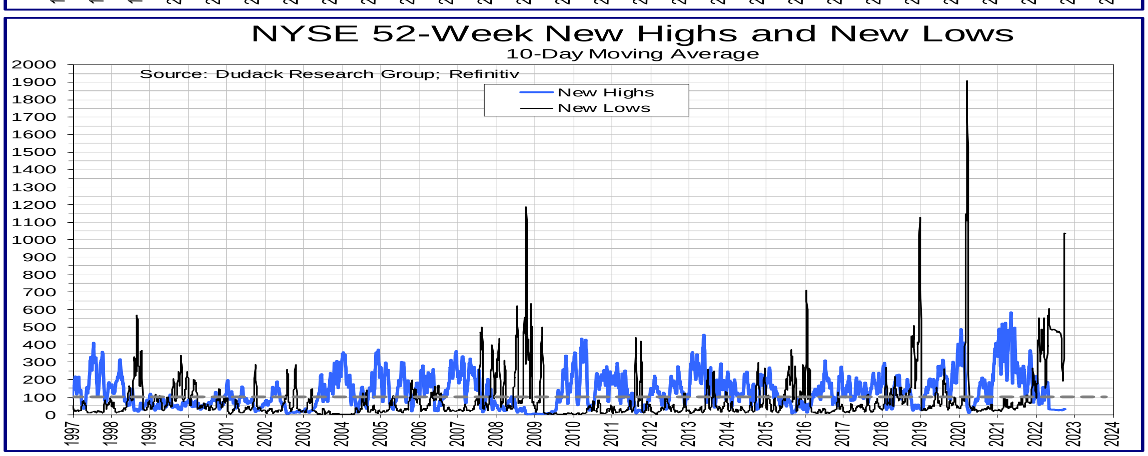


The 10-day average of daily new highs is 31 and daily new lows are 978. This combination is negative with new highs below 100, and new lows above the 100 benchmark. The 10-day moving average of new lows was 1038 on September 26 and exceeded the previous peak of 604 made in early May. The advance/decline line fell below the June low on September 22 - is currently 47,465 net advancing issues from its 11/8/21 high – a negative sign.

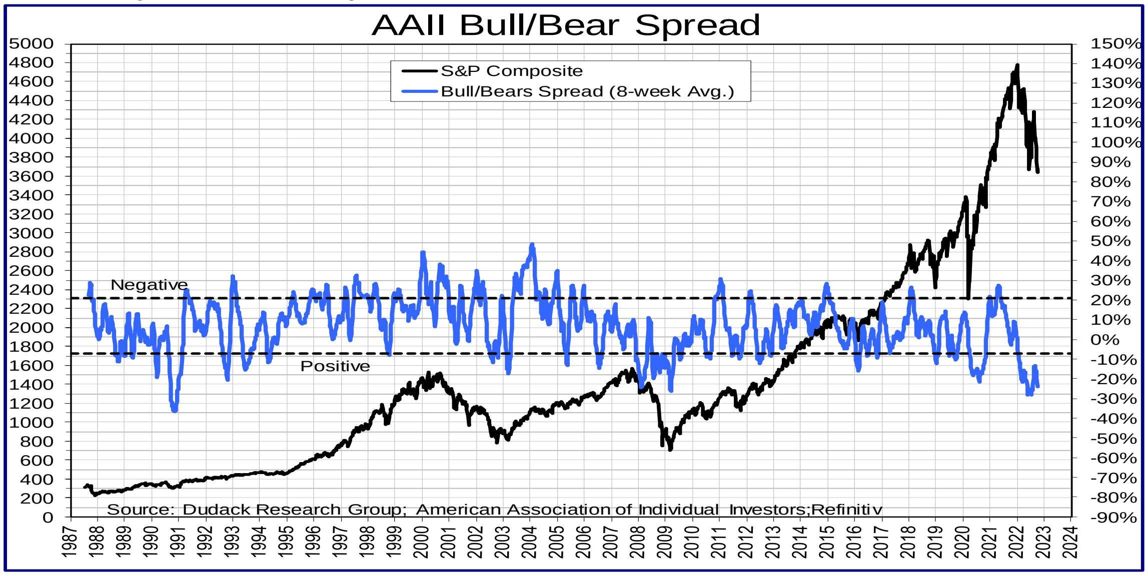


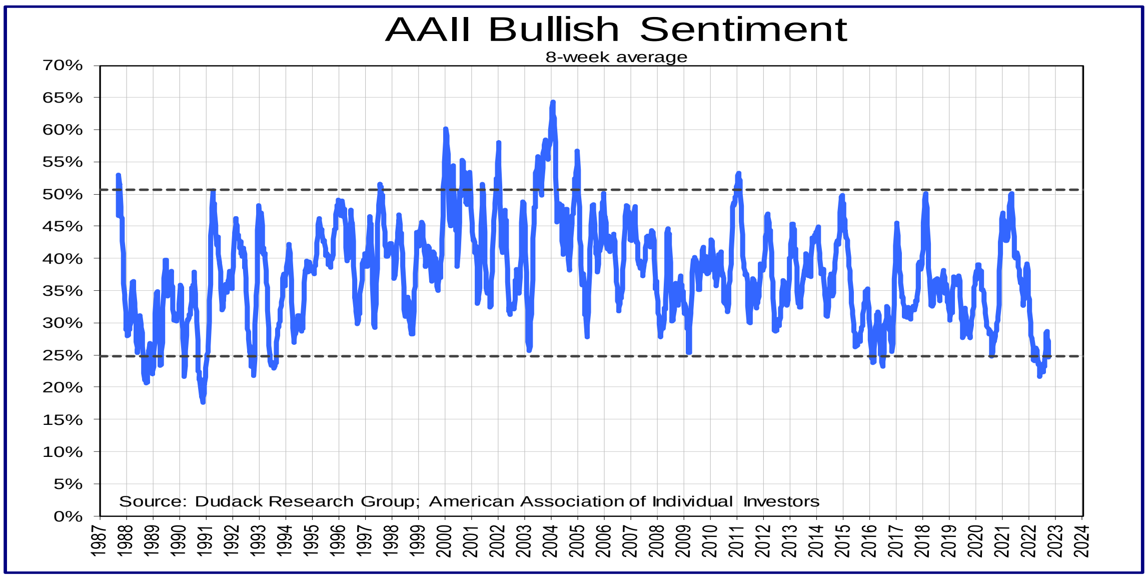


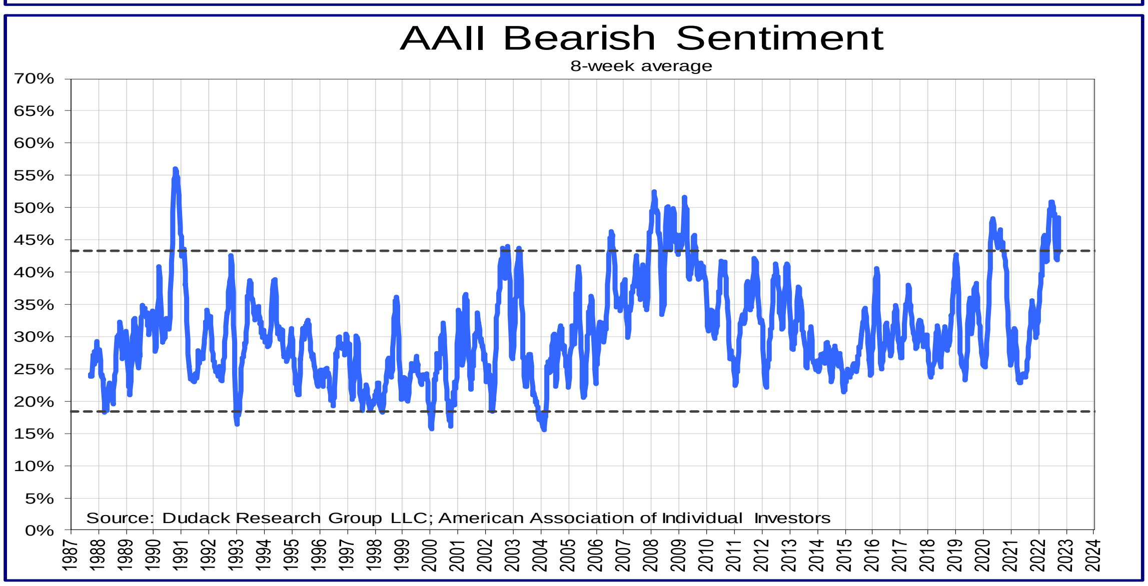




Last week's AAII readings showed an increase of 2.3% in bulls to 20.0% and a decrease of 0.1% in bears to 60.8%. Last week's 17.7% bullish reading was among the 20 lowest readings since the survey began in 1987. Optimism was at a similar level in May. Equity prices tend to be higher in the next six and/or twelve months following such extreme readings.



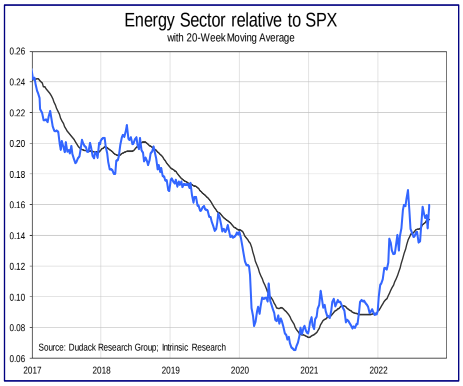


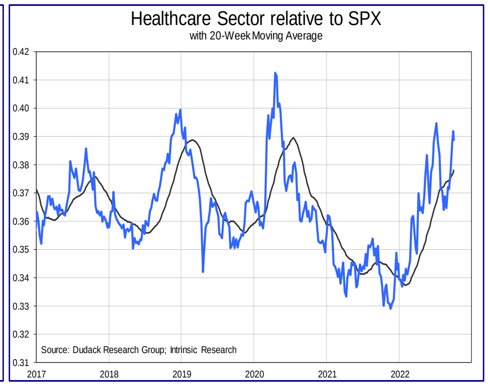


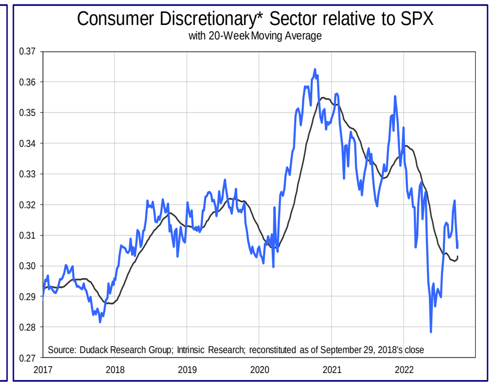
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

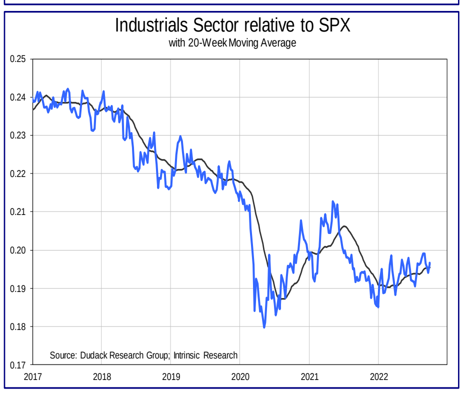
DRG Recommended Sector Weights				
Overweight		**Neutral**		**Underweight**
Energy Industrials Staples Utililties		Healthcare Technology Materials Financials		Consumer Discretionary REITS Communication Services

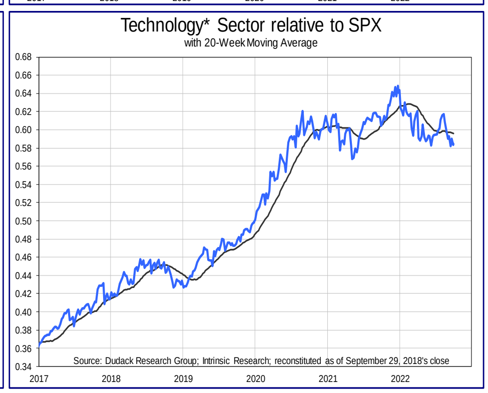
3/8/2022:Materials upgraded from underw eight to neutral/communication service dow ngraded from neutral to underw eight. 3/1/2022 Financials dow ngraded to neutral and Industrials upgraded to overw eight.

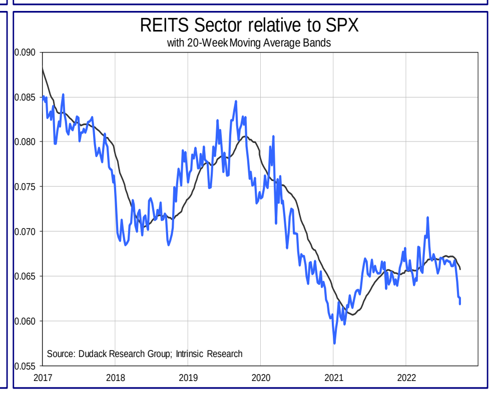


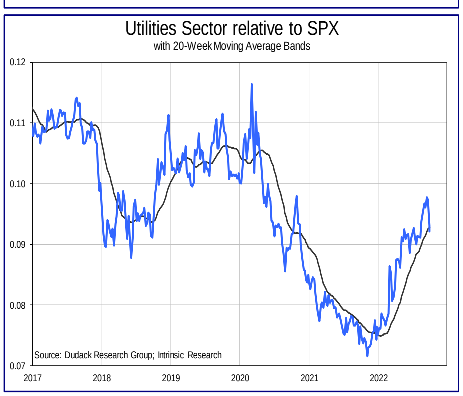


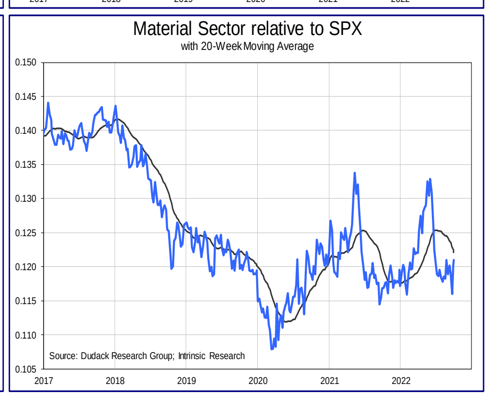


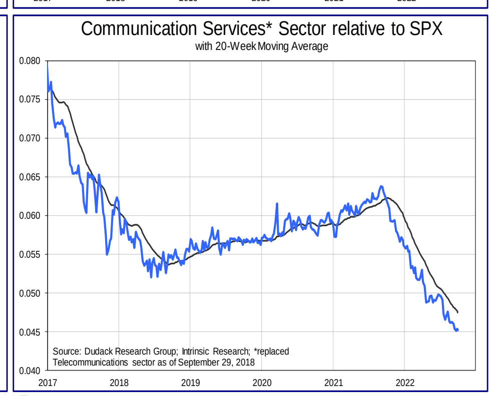


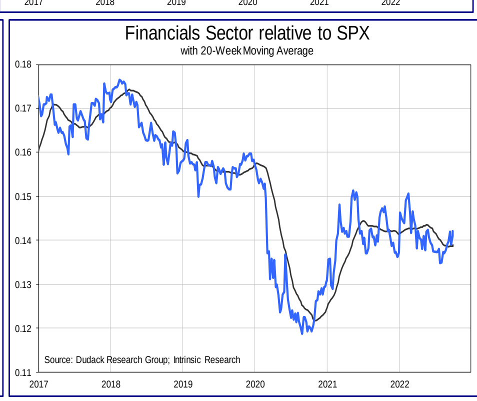












2022 Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	44.3%
S&P UTILITIES	-3.8%
S&P HEALTH CARE	-10.3%
S&P CONSUMER STAPLES	-10.7%
S&P INDUSTRIALS	-16.5%
S&P FINANCIAL	-17.2%
S&P MATERIALS	-19.6%
S&P 500	-20.5%
S&P INFORMATION TECH	-27.5%
S&P CONSUMER DISCRETIONARY	-27.7%
S&P REITS	-28.0%
S&P COMMUNICATIONS SERVICES	-35.9%

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	79.36	14.2%	-0.8%	10.2%	43.0%
United States Oil Fund, LP	USO	70.28	9.1%	-1.6%	7.7%	29.3%
iShares DJ US Oil Eqpt & Services ETF	IEZ	16.04	16.1%	-2.9%	11.4%	24.4%
iShares MSCI Brazil Capped ETF	EWZ	32.68	12.0%	5.9%	10.3%	16.4%
Oil Future	CLc1	86.52	10.2%	-0.4%	8.8%	15.0%
Gold Future	GCc1	2403.10	0.2%	0.9%	0.1%	8.6%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	0.0%	0.0%
Utilities Select Sector SPDR	XLU	68.86	0.0%	-7.7%	5.1%	-3.8%
SPDR Gold Trust	GLD	160.70	6.0%	0.9%	3.9%	-6.0%
iShares MSCI India ETF	INDA.K	41.72	2.5%	-2.7%	2.3%	-9.0%
iShares MSCI Mexico Capped ETF	EWW	46.00	4.0%	0.9%	4.0%	-9.1%
Silver Future	SIc1	21.04	15.2%	18.3%	11.0%	-9.8%
iShares Silver Trust	SLV	20.18	14.5%	16.7%	10.5%	-9.9%
Health Care Select Sect SPDR	XLV	126.47	4.4%	1.2%	4.4%	-10.2%
Consumer Staples Select Sector SPDR	XLP	68.91	1.0%	-5.0%	3.3%	-10.6%
SPDR S&P Bank ETF	KBE	47.51	6.8%	1.1%	7.3%	-12.9%
iShares MSCI Canada ETF	EWC	33.04	7.6%	-1.8%	7.4%	-14.0%
iShares Russell 1000 Value ETF	IWD	144.15	5.4%	-3.3%	6.0%	-14.2%
iShares MSCI United Kingdom ETF	EWU	27.89	8.8%	-1.8%	6.4%	-15.8%
iShares MSCI Australia ETF	EWA	20.84	6.2%	-4.3%	6.2%	-16.1%
Industrial Select Sector SPDR	XLI	88.31	5.7%	-4.2%	6.6%	-16.5%
SPDR DJIA ETF	DIA	303.14	4.1%	-3.4%	5.5%	-16.6%
DJIA	.DJI	30316.32	4.1%	-3.2%	5.5%	-16.6%
Shanghai Composite	.SSEC	3024.39	-2.1%	-5.1%	-0.7%	-16.9%
Financial Select Sector SPDR	XLF	32.34	6.3%	-1.7%	6.5%	-17.2%
iShares Russell 2000 Value ETF	IWN	137.35	6.0%	-3.6%	6.5%	-17.3%
iShares MSCI Malaysia ETF	EWM	20.68	0.8%	-6.8%	2.4%	-17.4%
iShares MSCI Singapore ETF	EWS	17.60	2.9%	-2.4%	2.9%	-17.7%
iShares MSCI Hong Kong ETF	EWH	18.87	0.1%	-6.2%	3.5%	-18.6%
iShares Nasdaq Biotechnology ETF	IBB.O	122.65	6.8%	1.2%	4.9%	-19.6%
Materials Select Sector SPDR	XLB	72.80	7.9%	-2.1%	7.0%	-19.7%
PowerShares Water Resources Portfolio	PHO	48.86	6.6%	-1.0%	6.8%	-19.7%
SP500	**.SPX**	**3790.93**	**3.9%**	**-3.4%**	**5.7%**	**-20.5%**
iShares Russell 2000 ETF	IWM	176.00	6.8%	-2.3%	6.7%	-20.9%
iShares Russell 1000 ETF	IWB	208.76	4.3%	-3.5%	5.8%	-21.1%
iShares iBoxx $ Invest Grade Corp Bond	LQD	104.48	3.0%	-3.6%	2.0%	-21.2%
iShares MSCI Japan ETF	EWJ	51.32	5.1%	-2.0%	5.1%	-23.4%
Vanguard FTSE All-World ex-US ETF	VEU	46.90	5.7%	-3.4%	5.7%	-23.5%
iShares MSCI EAFE ETF	EFA	59.41	7.0%	-1.8%	6.1%	-24.5%
iShares Russell 2000 Growth ETF	IWO	220.41	7.6%	-1.0%	6.7%	-24.8%
iShares MSCI Emerg Mkts ETF	EEM	36.61	3.1%	-5.5%	5.0%	-25.1%
iShares MSCI BRIC ETF	BKF	33.37	3.2%	-5.1%	4.5%	-25.4%
iShares China Large Cap ETF	FXI	27.02	1.8%	-7.7%	4.5%	-26.1%
iShares US Real Estate ETF	IYR	84.55	3.8%	-9.3%	3.8%	-27.2%
Technology Select Sector SPDR	XLK	126.57	2.9%	-4.7%	6.6%	-27.2%
iShares Russell 1000 Growth ETF	IWF	222.13	3.1%	-3.8%	5.6%	-27.3%
Consumer Discretionary Select Sector SPDR	XLY	147.57	0.7%	-5.1%	3.6%	-27.8%
Nasdaq Composite Index Tracking Stock	ONEQ.O	43.76	3.1%	-4.1%	5.6%	-28.1%
NASDAQ 100	NDX	11582.54	2.8%	-4.3%	5.6%	-29.0%
iShares 20+ Year Treas Bond ETF	TLT	103.54	2.6%	-6.1%	1.1%	-30.1%
SPDR Homebuilders ETF	XHB	59.32	9.4%	-0.1%	8.5%	-30.8%
SPDR S&P Semiconductor ETF	XSD	165.15	5.4%	0.7%	8.6%	-32.1%
iShares US Telecomm ETF	IYZ	22.35	5.4%	-7.9%	7.0%	-32.1%
iShares MSCI Taiwan ETF	EWT	45.06	0.8%	-7.4%	4.5%	-32.4%
SPDR S&P Retail ETF	XRT	60.47	4.1%	-3.6%	7.1%	-33.0%
iShares MSCI Austria Capped ETF	EWO	16.60	7.0%	-1.2%	7.0%	-34.8%
iShares MSCI South Korea Capped ETF	EWY	50.70	3.0%	-9.4%	7.1%	-34.9%
iShares MSCI Germany ETF	EWG	21.28	9.0%	-0.3%	7.8%	-35.1%

Outperformed SP500
Underperformed SP500

Source: Dudack Research Group; Thomson Reuters Priced as of October 4, 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	~~~~~	$187.64	$208.75	$209.00	0.4%	**$223.72**	7.5%	17.2X	NA	NA	NA	NA
2023E	~~~~~	$211.12	$238.54	$229.00	9.6%	**$241.83**	8.1%	15.9X	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 1Q	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	$42.74	$46.87	$47.04	-9.6%	$57.59	9.5%	18.5	1.7%	-0.6%	$2,620.40	7.4%
2022 3QE	3585.62	$48.28	$55.15	$53.60	3.0%	$55.58	3.5%	18.5	NA	NA	NA	NA
2022 4QE*	3790.93	$50.64	$57.37	$59.00	4.0%	$57.91	7.3%	18.2	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 10/4/2022

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