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November 23, 2022

DJIA: 34098.10
SPX: 4003.58
NASDAQ: 11174.41

US Strategy Weekly
Follow the Earnings

The Dudack Research Group wishes you and your loved ones a happy and healthy 2022 holiday season and a delicious and restful Thanksgiving weekend. We at DRG are grateful for many things and most especially for your continuous support and patronage.

Bear Markets and Transitions

Bear markets have a multitude of catalysts, but history shows that the most significant bear markets are triggered by one of two factors. A bear cycle often begins after an immense accumulation of debt and leverage that leads to massive defaults, a sharp decline in demand, a period of deflation, and falling profits. Or conversely, a bear cycle is triggered by a huge supply/demand imbalance that leads to an inflationary cycle, a loss of purchasing power, profit margin pressure, declining earnings, and lower PE multiples. The inflationary cycles of 1970-1974 and the current bear market were clearly linked to inflation driven by a lack of supply of oil. However, inflation preceded Russia's invasion of Ukraine and most of today's price cycle is due to the historic monetary and fiscal stimulus undertaken around the world to combat the worldwide economic shutdowns. In short, political decisions played a large part in today's inflationary cycle.

But perhaps the most important characteristic of any bear market is that it almost always results in a major shift, or transition, in market leadership. It is this transition in leadership that is the key to outperforming, not only during the bear market, but in the bull market that follows.

"*Follow the money*" is a phrase that solves many financial and political mysteries, but "*follow the earnings*" is the simplest way to understand the leadership emerging in the current cycle. In 2020 our favorite sectors were those we described as "inflation-resistant" segments of the economy. In 2021 and 2022 we emphasized "recession-resistant" sectors and stocks for outperformance. Not surprisingly, inflation-resistant also tended to be recession-resistant and included sectors such as energy, utilities, staples, defense, and aerospace. These sectors can also be called defensive, household necessities, value, and total return, but they are most importantly the areas that have pricing power and profits in an era of rising costs and shrinking margins. Segments of healthcare can also be defensive and weather both inflation and recession. Technology has defensive segments such as security technologies. But in every case, it is a stock or sector with a predictable earnings stream in what is a difficult and unpredictable economic time.

Earnings Insecurity

The third quarter earnings season seems to have sounded the alarm that earnings are at risk for this year and next. In the last five weeks, the S&P Dow Jones consensus earnings estimate for 2022 has declined 3% -- an unusually large decline in a short period of time. However, the erosion in forecasts actually began in April when estimates were 12% higher than they are today. We lowered our 2022 and 2023 earnings estimates two weeks ago to adjust for the weakness seen in the third quarter results. Unfortunately, the S&P Dow Jones estimate has dropped so quickly (it is now $201.58) that it is already below our $202 estimate for the S&P for this year. Although seasonality for the next three and six-month periods tends to be positive, the underlying erosion in earnings could prove to be quicksand for the overall market. Again, safety is equal to finding companies with solid earnings streams. See page 6. Unfortunately, the increase in interest rates and decrease in earnings estimates seen this year has lowered the midpoints of our valuation model to SPX 2625 for 2022 and to SPX 3020 for 2023. See page 7. In short, risk continues in the first half of 2023.

Real Estate Recession

There is little doubt that residential real estate and the homebuilding sector is in a recession. In September, new home sales fell 18%, the median new single-family home price fell 14% YOY, and the average home price fell 10% YOY. Existing home sales fell 28.4% YOY in October and the median existing single-family home price rose 6% YOY. See page 4.

A lack of inventory has been supporting existing home prices this year, however, that too is beginning to change. According to the National Association of Realtors, the months of supply of inventory have increased from the cyclical low of 1.5 in January of this year to 3.3 months in October. Housing starts were down 8.8% YOY in October and new home permits were off 10% from a year earlier. See page 5. And the outlook for the housing sector in 2023 continues to be dim, particularly since the Federal Reserve is expected to continue to raise rates in coming months. Affordability is already at its worst level in 37 years and the NAHB builder confidence survey has been declining for 11 consecutive months. November's survey fell 5 points to 33, which is well below the neutral benchmark of 50. Both current traffic and the outlook for sales in the next six months are at recessionary levels. See page 6. Keep in mind that these dismal numbers are likely to get worse due to the Fed's tightening policy in coming months. But, to a large extent this is the Fed's goal – an economic slowdown.

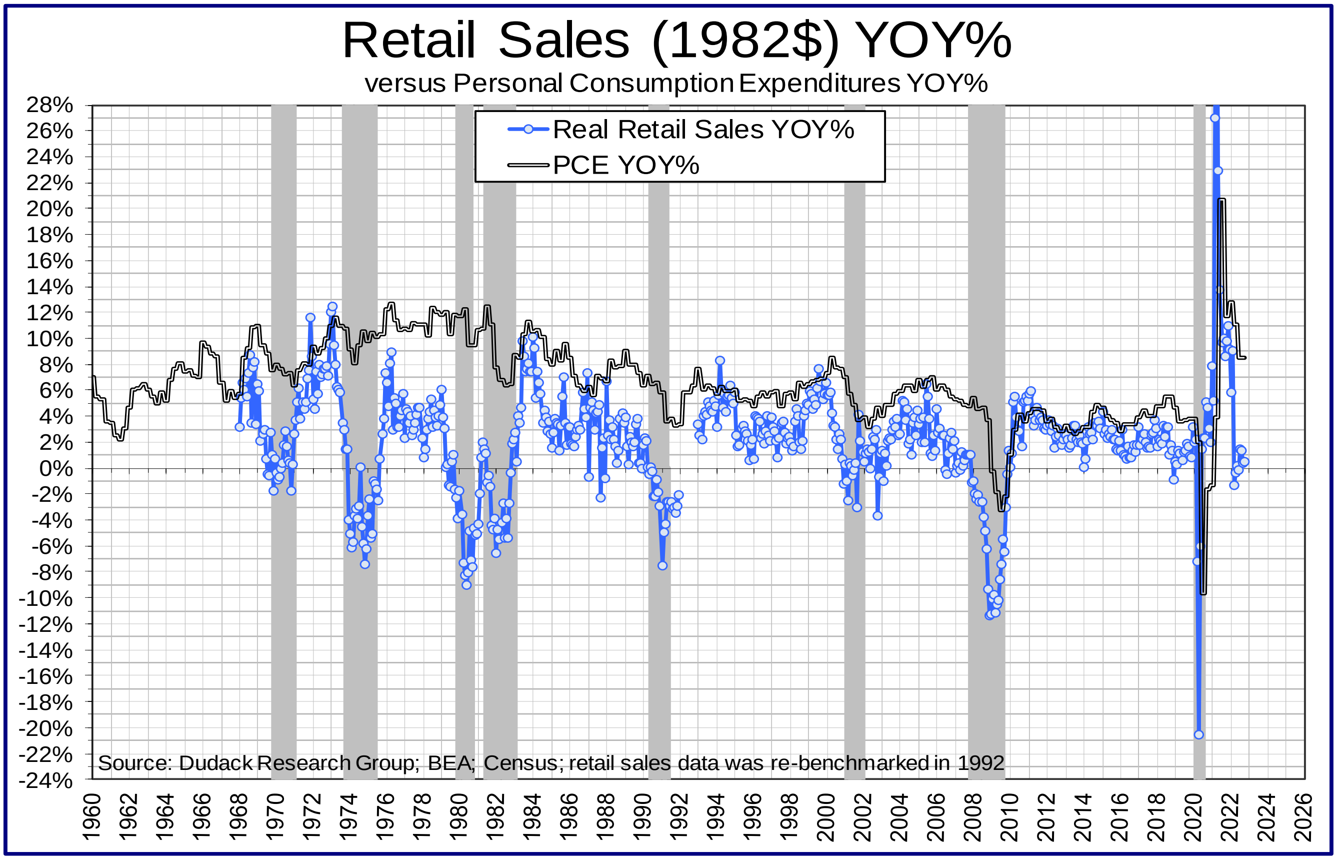
October's retail sales were stronger than expected, with total retail and foods service sales increasing 8.3% YOY and total sales excluding autos and gas stations rising 8% YOY. However, retail sales priced in 1982 dollars (adjusted for inflation) rose a mere 0.5%. Still, this small increase was better than the real retail sales data for April and June which were negative on a year-over-year basis. These declines were worrisome since negative YOY retail sales have been characteristic of all previous recessions. See page 3. However, investors should focus on where retail sales have actually been growing. In the post-COVID era. Sales have increased for six segments: gas stations, food service, building materials, sporting goods, miscellaneous and non-store retailers. This is in line with what we are seeing in terms of stock performance. See page 14.

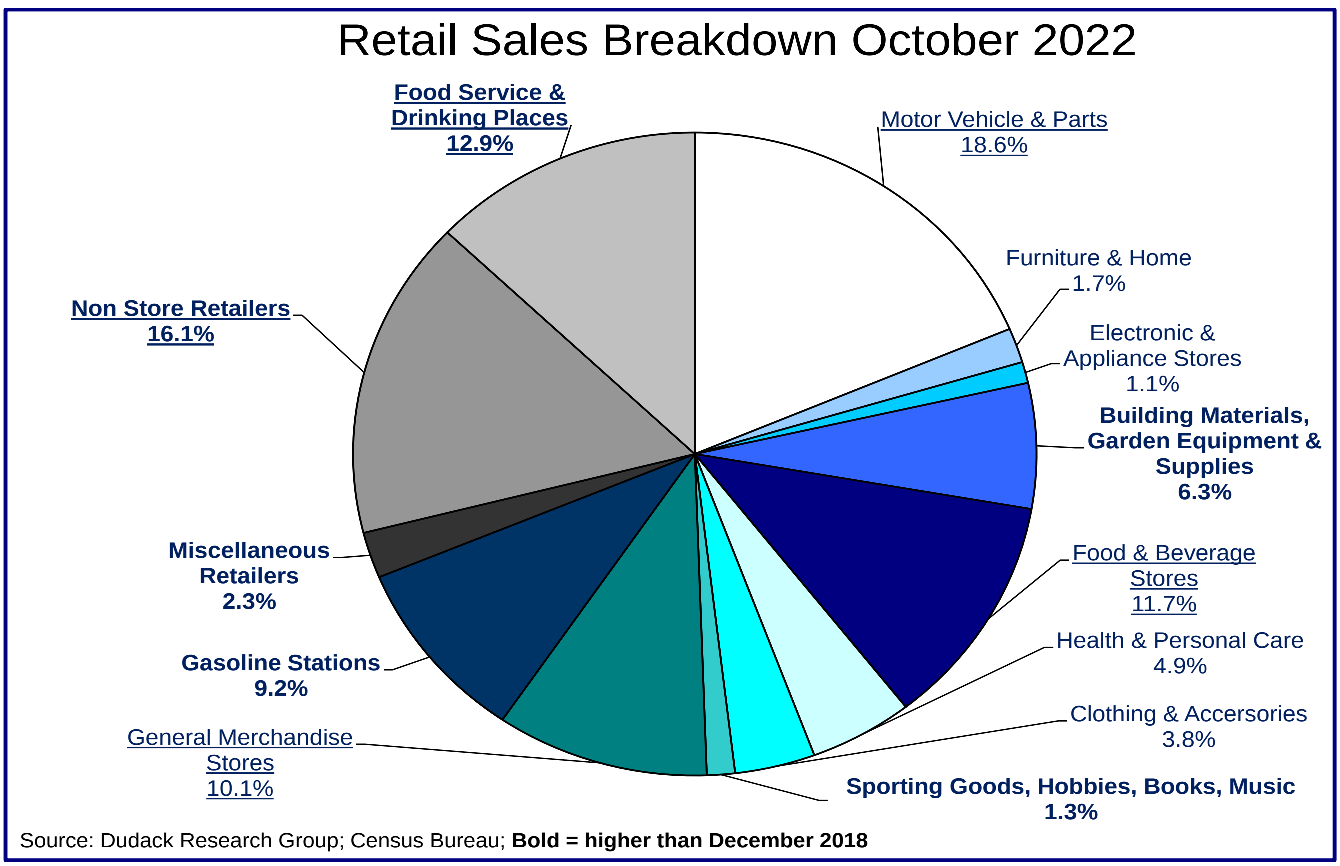
Technical Watch

What we are seeing in terms of earnings performance is playing out in the popular indices. On page 9 we have ordered the indices in terms of their technical strength. The DJIA is by far the best-performing index, seen by the fact that it is now trading above its long-term 200-day moving average and has broken above a downtrend line off the January 4, 2022 peak of 36,799.65. The Russell 2000 index is the second-best performing index and is threatening to break above its 200-day moving average but is yet to do so. The S&P 500 is third best, and while trading above both its 50 and 100-day moving averages, it is trading 60 points below its 200-day moving average. The Nasdaq Composite index is by far the worst-performing index. It has barely exceeded its 50-day moving average and trades well below its 100 and 200-day moving averages. These differences are a display of the shifting leadership we noted earlier. Value has widely outperformed growth year-to-date and during the recent rally. See page 9.

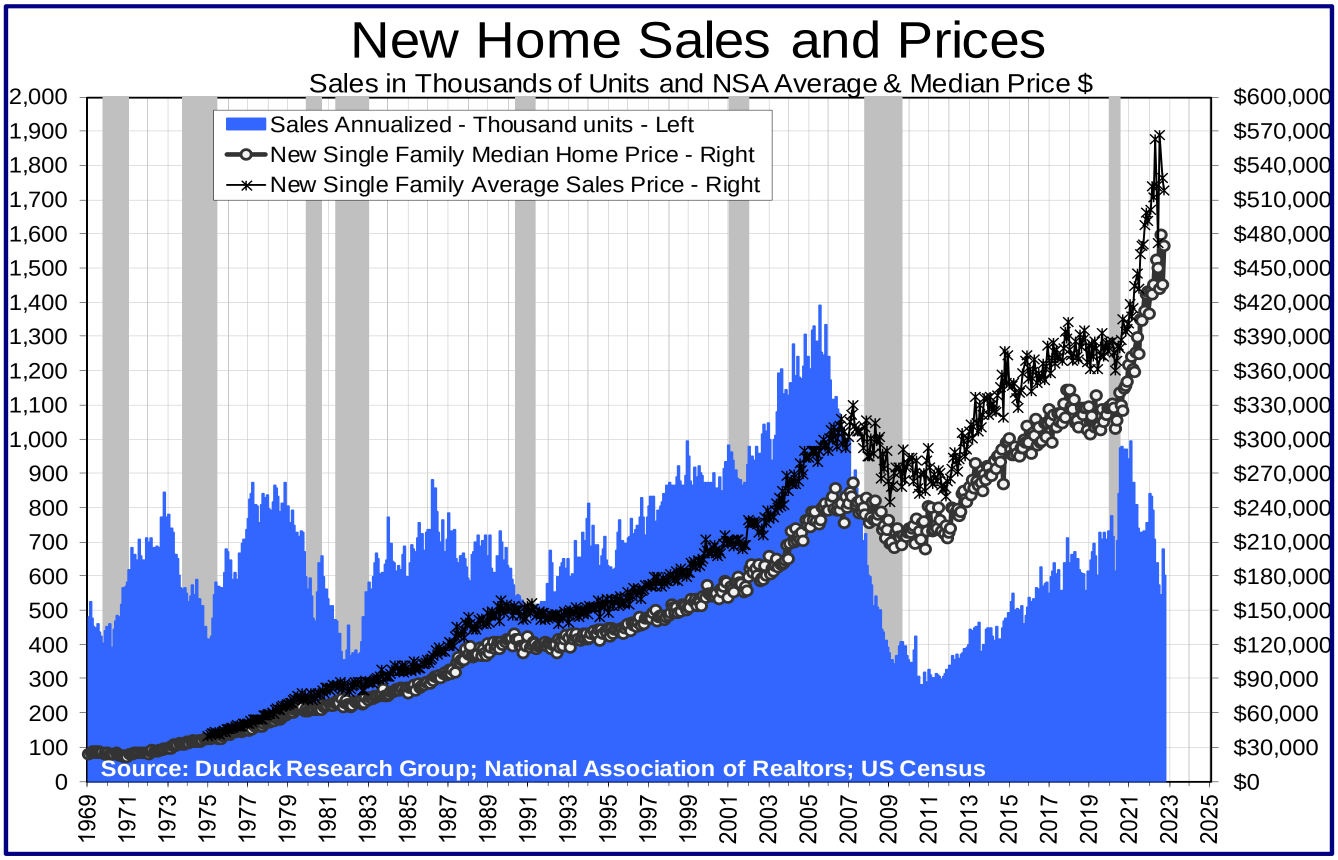
The 25-day up/down volume oscillator is neutral at 2.28 but was overbought for five of the last eight trading days. This is significant since bear markets rarely reach overbought territory and if they do the reading is brief. A true overbought reading should persist for at least five to ten consecutive trading days to be significant, therefore, the recent reading is ambiguous. Nevertheless, this will be a key indicator to monitor in the coming weeks to assess the strength of any advance in prices.

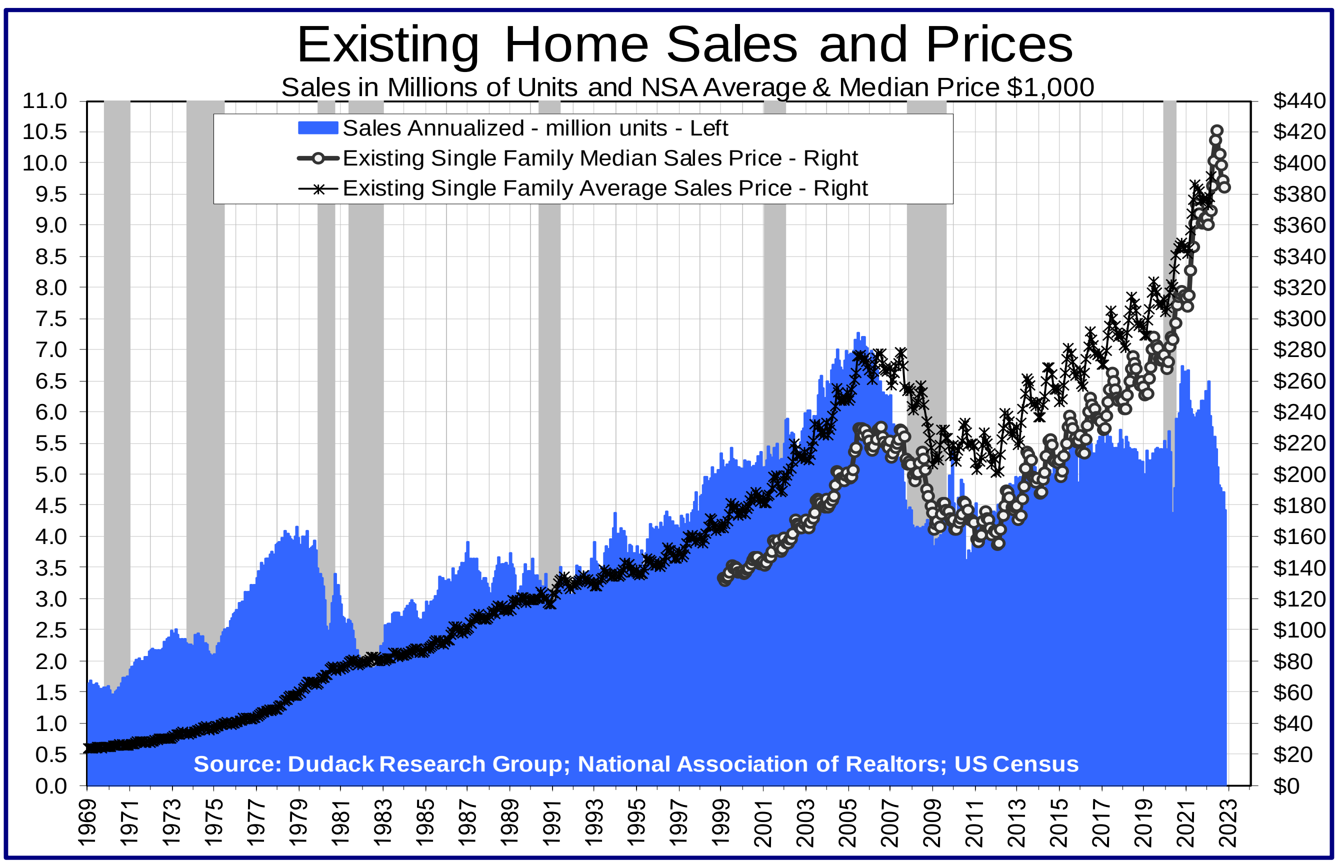
Real retail sales were negative in April and June of this year on a year-over-year basis, which warns of a recession. As seen below, negative YOY retail sales have been characteristic of all previous recessions. In the post-COVID era, retail sales have increased for gas stations, food service, building materials, sporting goods, miscellaneous and non-store retailers.



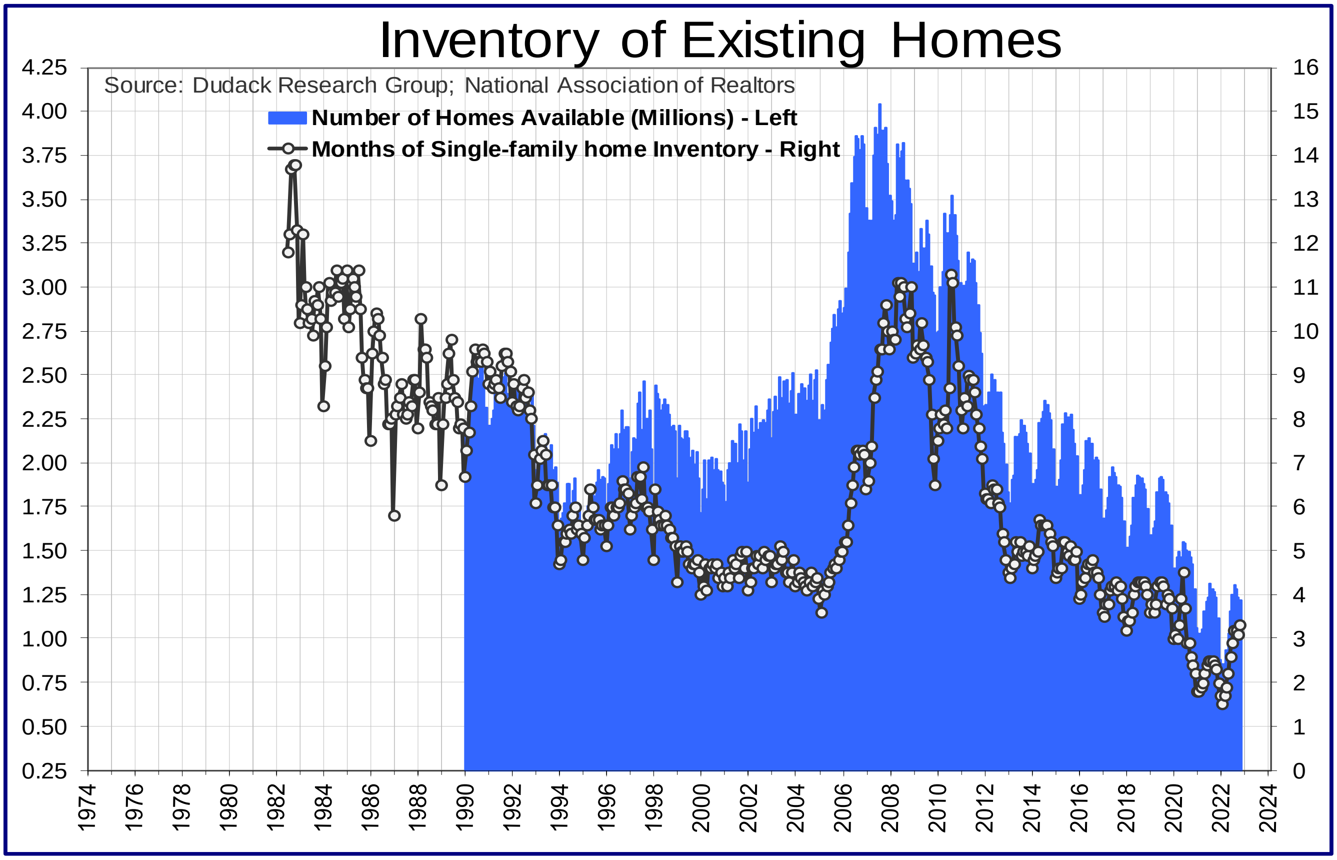


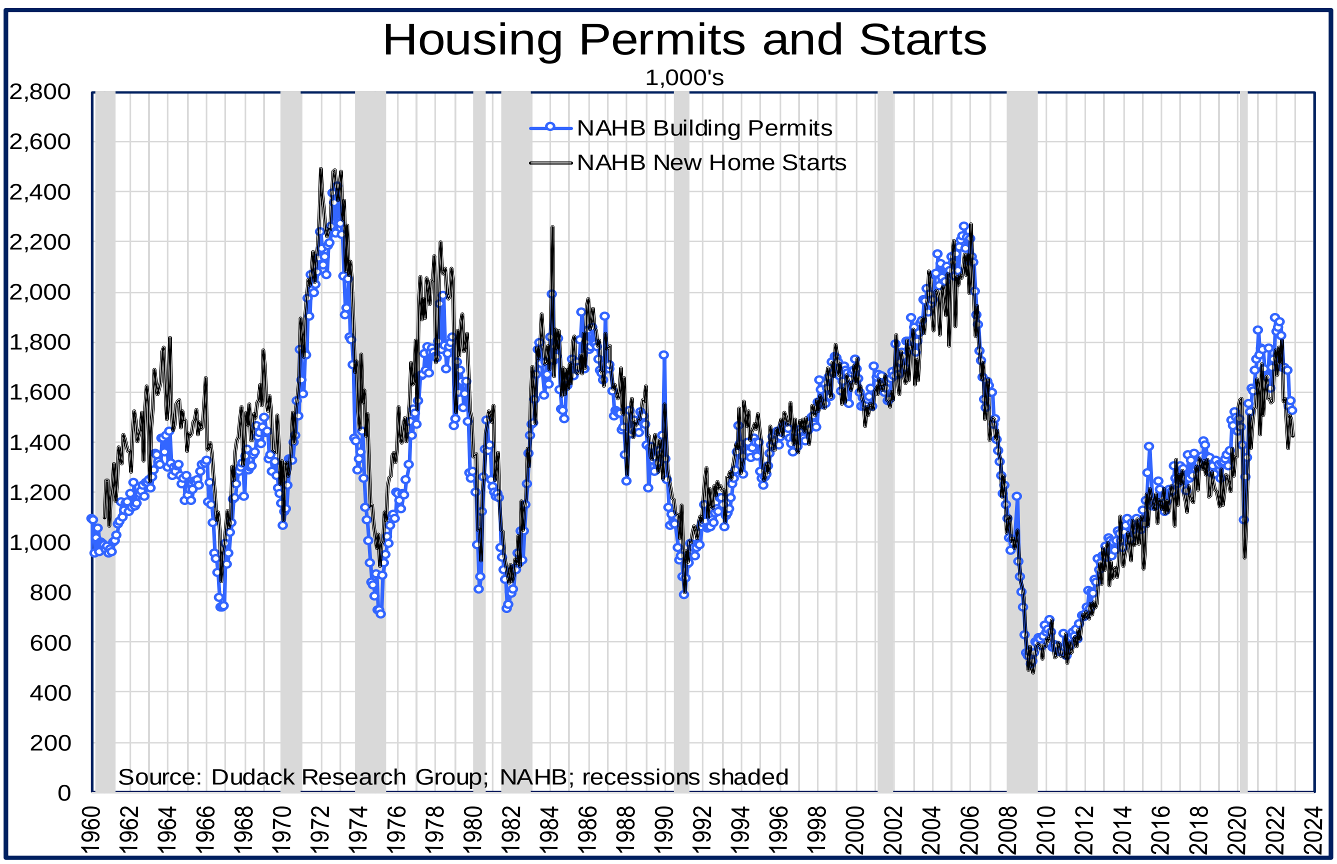
In September, new home sales fell 18%, the median new single-family home price fell 14% YOY, and the average home price fell 10% YOY. Existing home sales fell 28.4% YOY in October and the price of a median existing single-family home rose 6% YOY. The average existing single-family home price series has been discontinues by NAR.



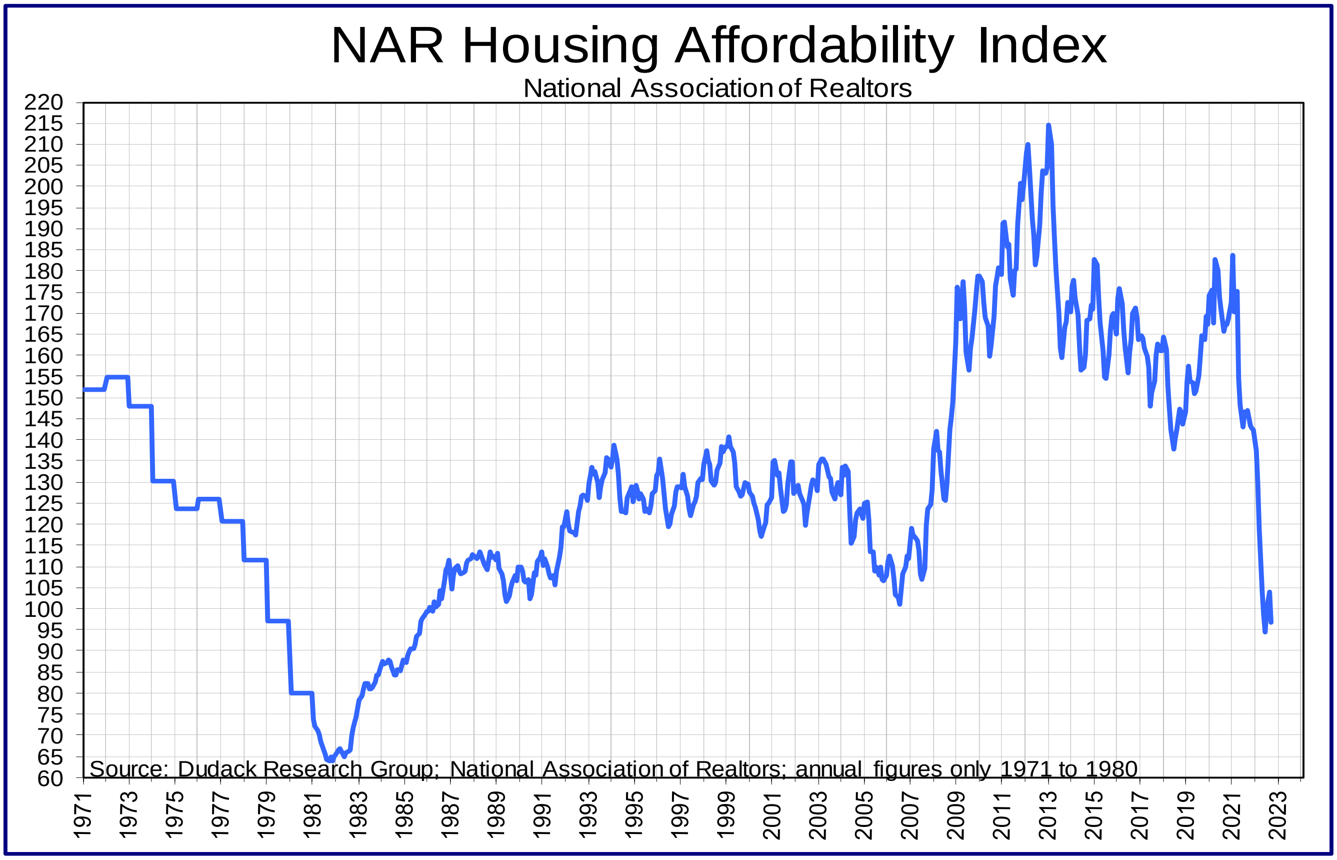


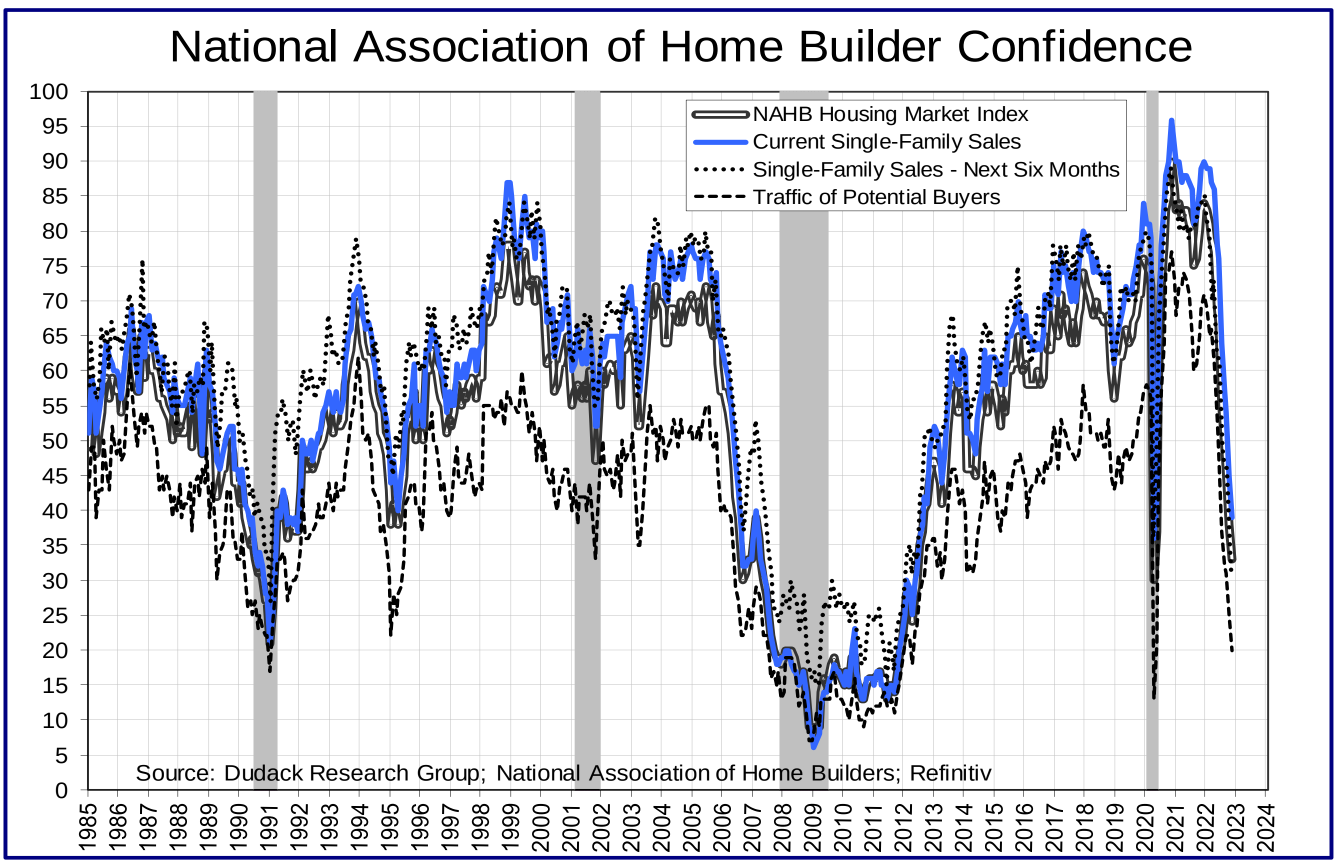
A lack of inventory has supported existing home prices this year, however, that is beginning to change. The months of supply have increased from the cyclical low of 1.5 months seen in January 2022 to 3.3 months in October. Housing starts are down 8.8% YOY as of October and new home permits are off 10% from a year earlier.



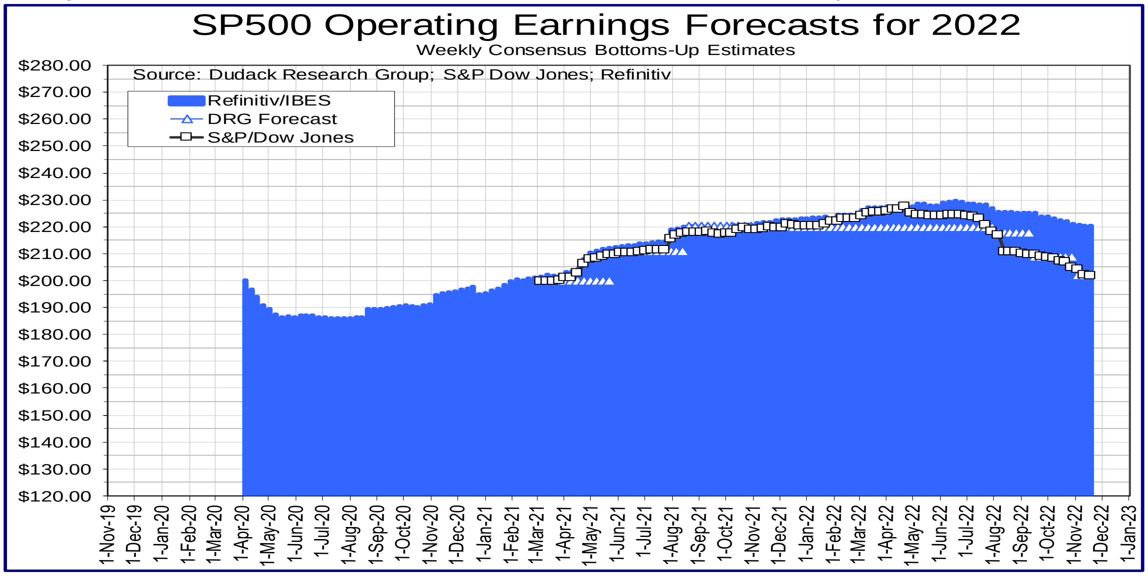


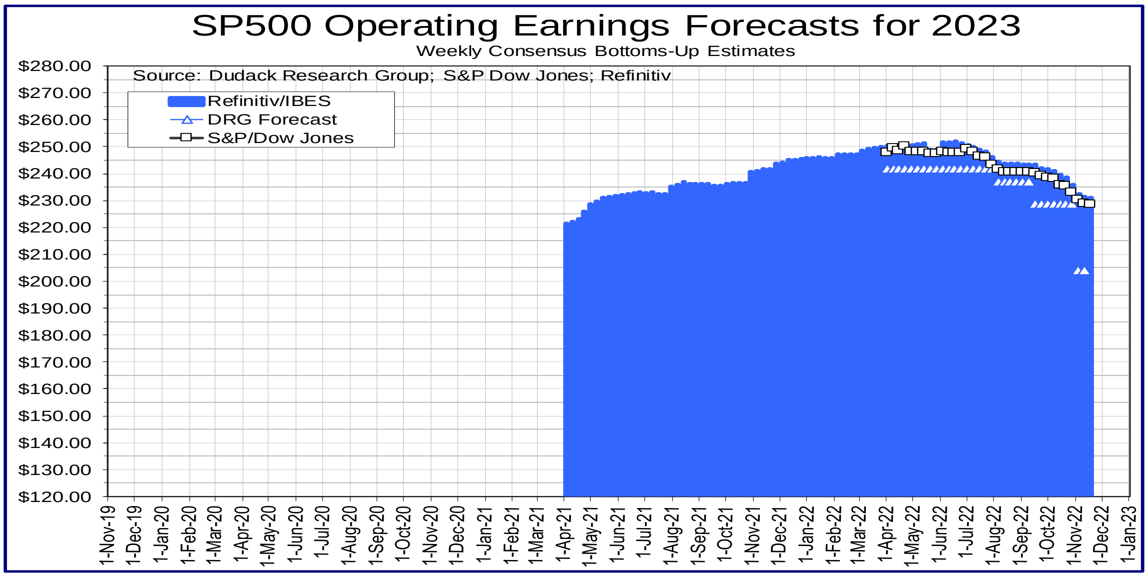
The outlook for the housing sector continues to be dim. Affordability is at its worst level in 37 years and the NAHB builder confidence survey has been declining for 11 consecutive months. November's survey fell 5 points to 33, which is well below the 50 neutral benchmark. Both current traffic and the outlook for the next six months are at recessionary levels.

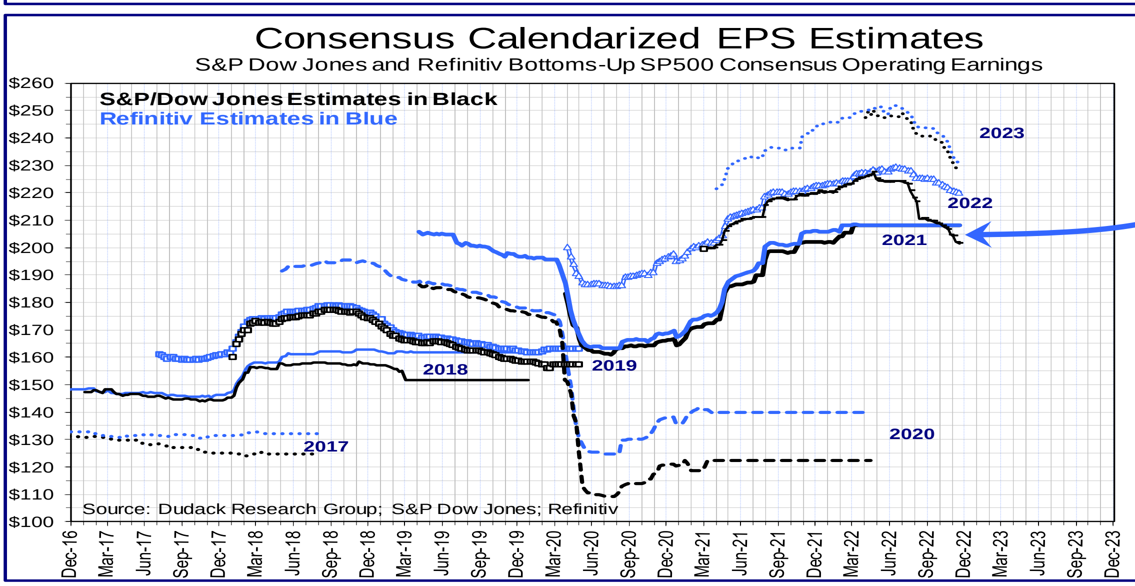




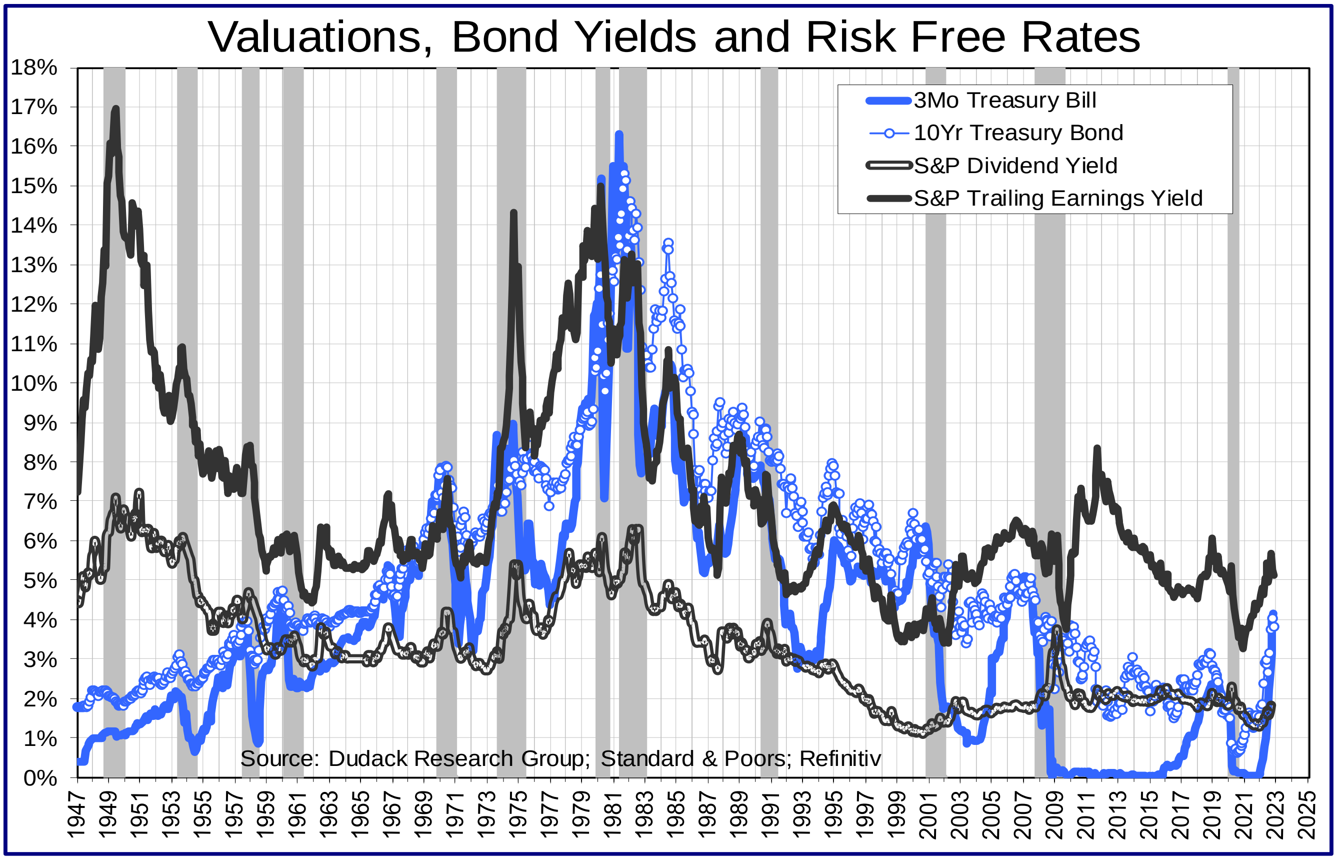
The S&P Dow Jones consensus earnings estimates for 2022 and 2023 fell $0.09 and $0.17, respectively. Refinitiv IBES consensus earnings forecasts fell $0.46 and $0.50, respectively, leaving estimates at $201.58/$220.29 and $228.44/$231.15, respectively. EPS growth rates for 2022 are (3.0%) and 5.8%, respectively. *(Note: consensus macro-EPS forecasts may differ from four quarter analysts' forecast sums seen on page 16.)* DRG's 2022 and 2023 estimates were recently lowered to $202 and $204, to reflect the weakness seen in 2022 EPS and the impact of Fed rate hikes on 2023 economic activity.

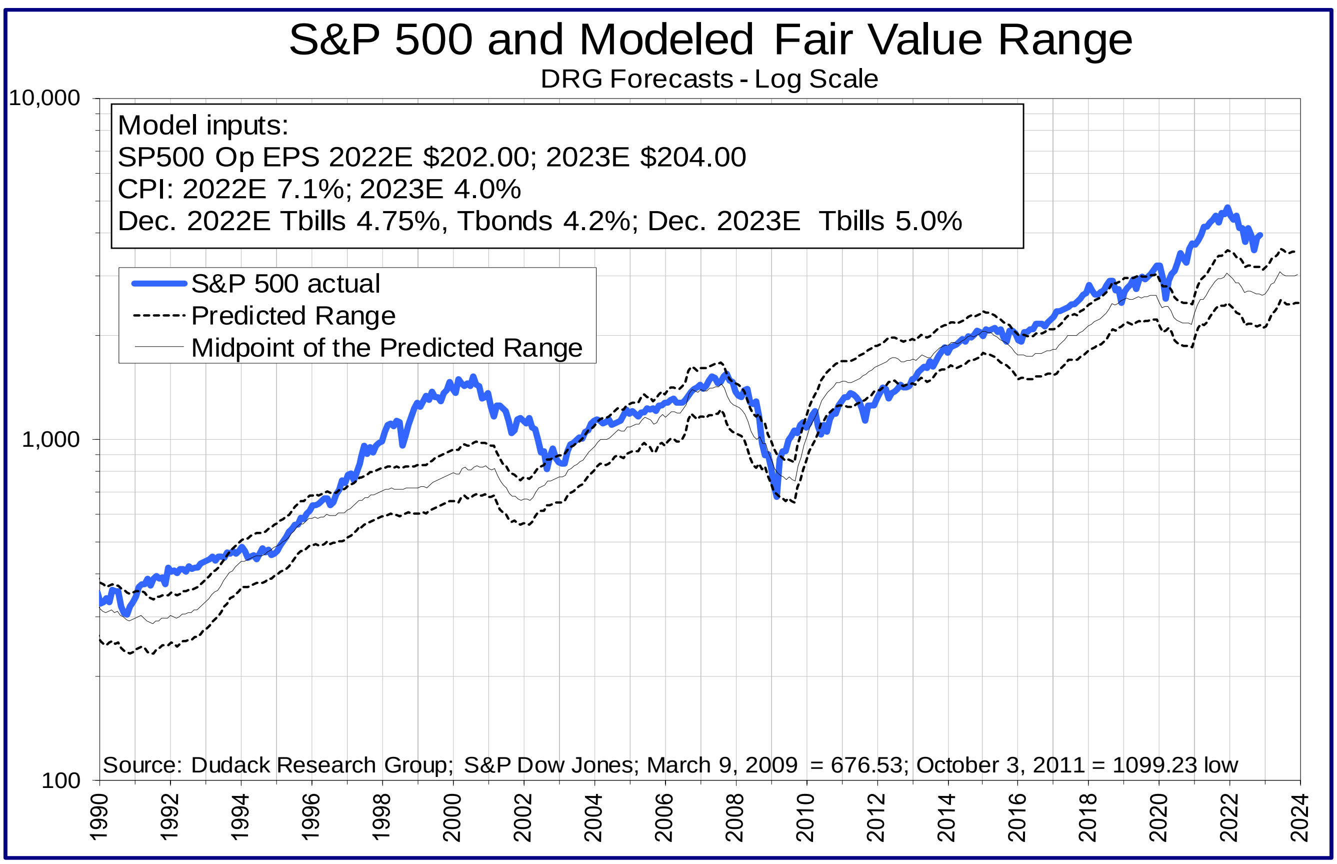






This year's jump in short-term interest rates from nearly zero to 4.2%, is having a dramatic impact on equity valuation. The current earnings yield of 5.1% and dividend yield of 1.8% still hold an edge over bonds, but barely. The increase in interest rates and decrease in EPS estimates lower the midpoints of our valuation model to SPX 2625 for 2022 and to SPX 3020 for 2023. In sum, risk continues.





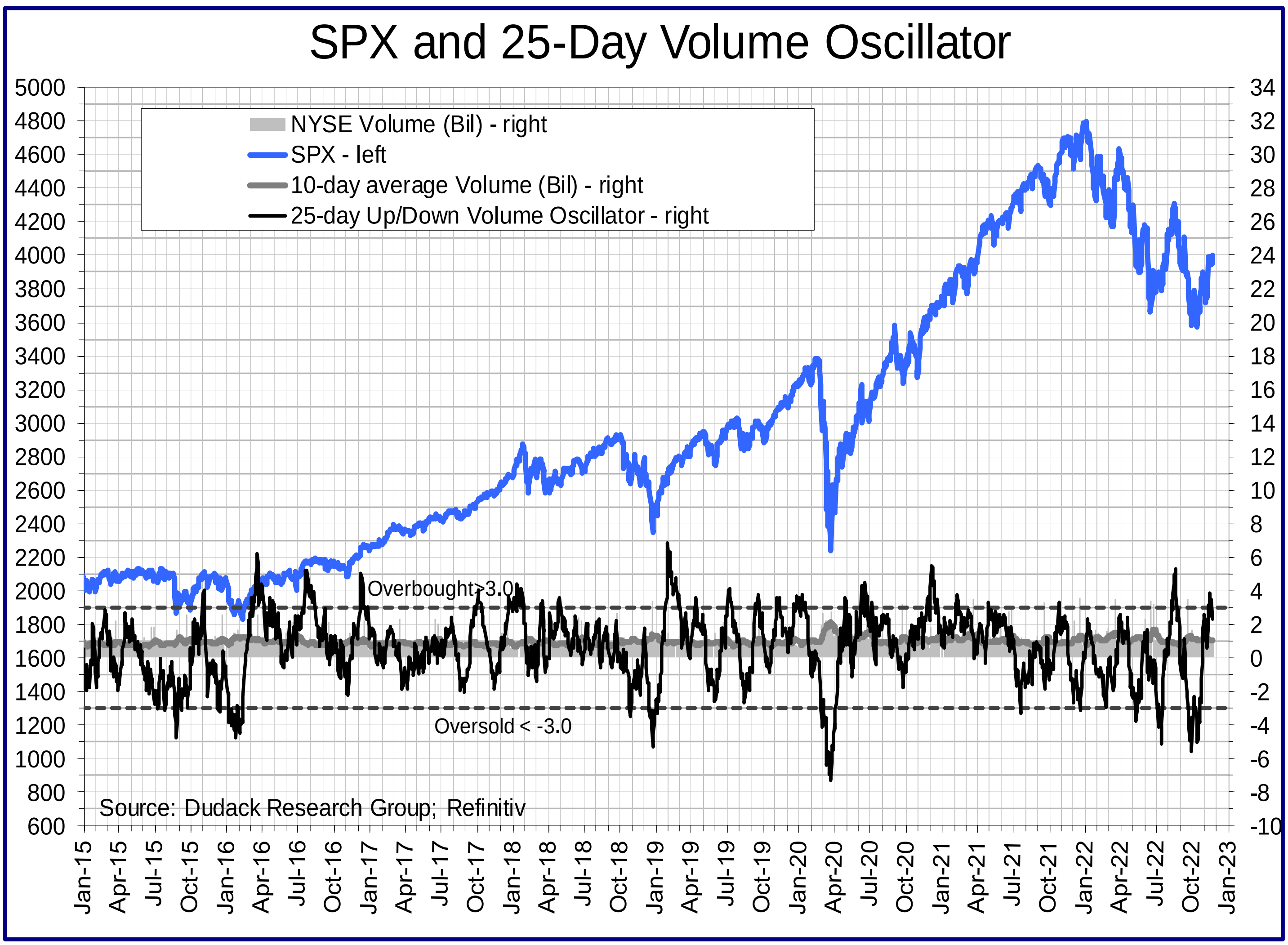
The indices are ordered below in terms of technical strength. The DJIA has now bettered its long-term 200-day moving average and the RUT is testing its 200-day moving average. The SPX is trading below its 200-day moving average, while the IXIC has only bettered its 50-day moving average and well below its 200-day moving average. This is a display of shifting leadership from growth to value.

Source: Refinitiv

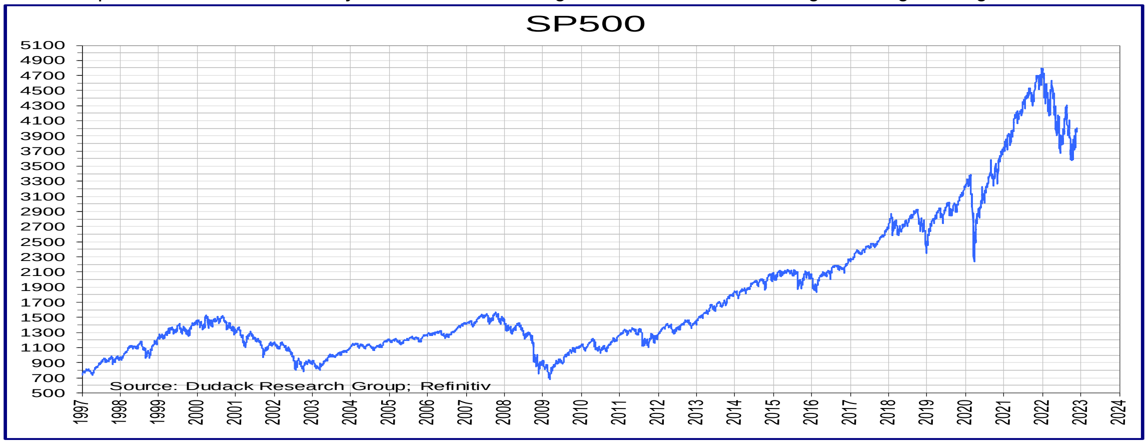
The 25-day oscillator is currently neutral with a reading of 2.28, but it was in overbought territory for five of the last eight trading days. This is significant since bear markets rarely reach overbought territory and if they do the reading is brief. A true overbought reading should persist for at least five to ten consecutive trading days to be significant, therefore, the recent reading is ambiguous. Nevertheless, this will be a key indicator to monitor in the coming weeks to assess the strength of any advance in prices.

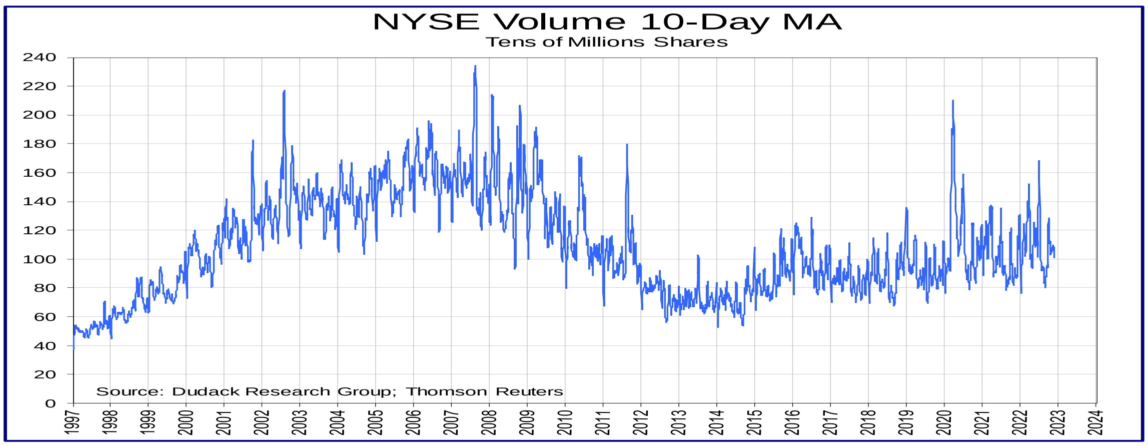
The 25-day up/down volume oscillator hit an oversold reading of negative 5.6 on September 30 which was a deeper oversold reading than the negative 5.17 reading of July 14, 2022. The oscillator was in oversold territory for 8 of 10 consecutive trading sessions in July and oversold for 18 of 24 consecutive trading sessions in September/October. This is much longer than the oversold reading at the previous low which means <u>the test of the June low was unsuccessful by several measures and the bear market continues</u>.

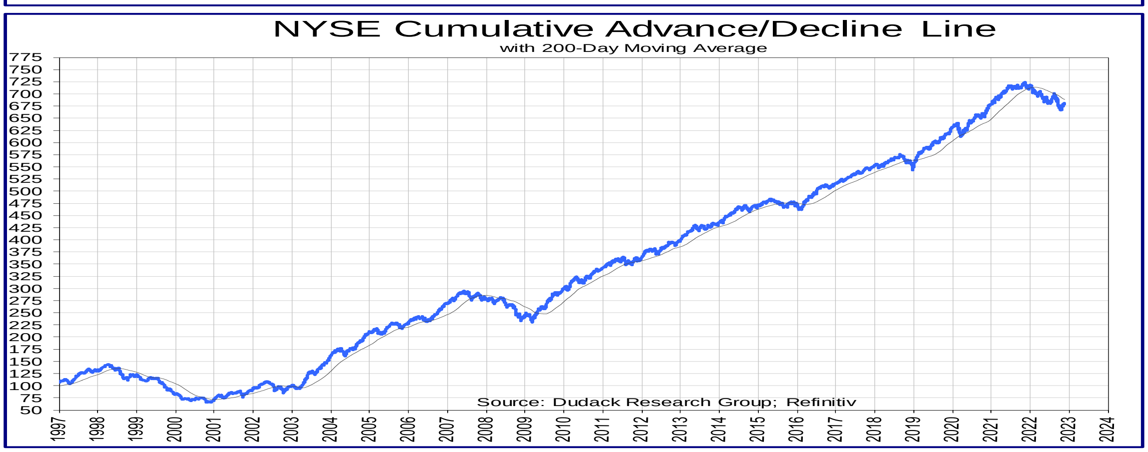
The key to a successful retest of a bear market low is whether or not a new low in price generates a new low in breadth. A successful retest will show there is less selling pressure – a less severe oversold reading -- despite a lower low in price. This "non-confirmation" of a low is a positive and implies that downside risk is subsiding.

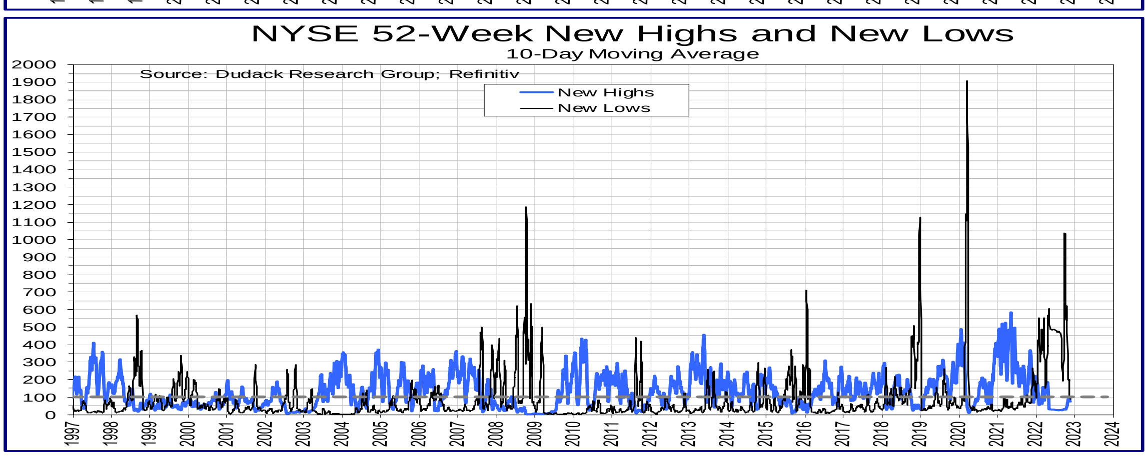


The 10-day average of daily new highs is 74 and daily new lows are 86. This combination is neutral since neither series is above the 100 benchmark. The 10-day moving average of new lows was 1038 on September 26 and exceeded the previous peak of 604 made in early May. The advance/decline line fell below the June low on September 22 and is currently 46,261 net advancing issues from its 11/8/21 high – a negative sign.

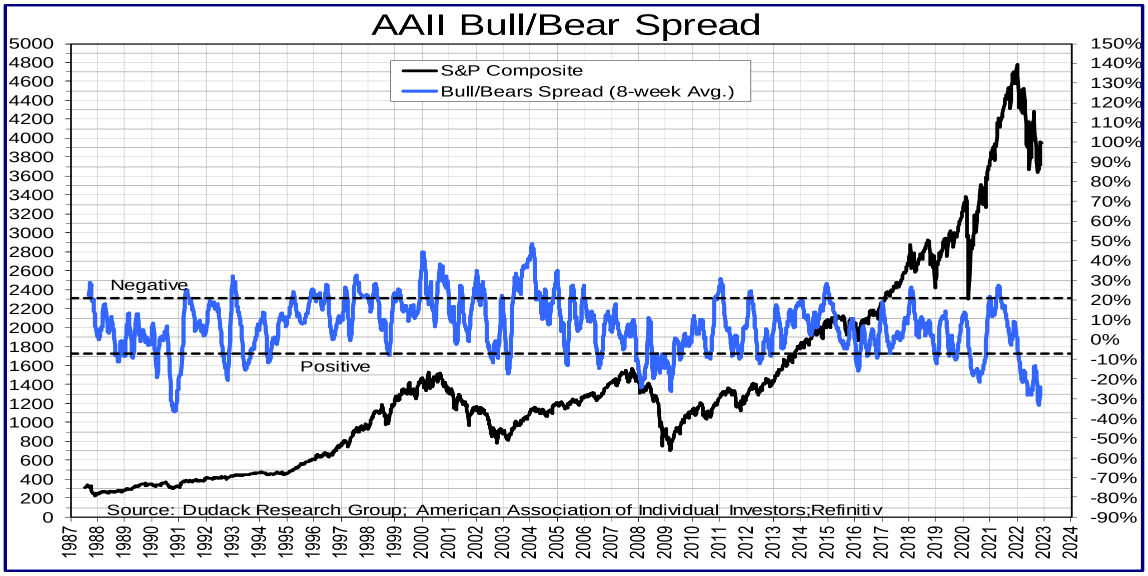


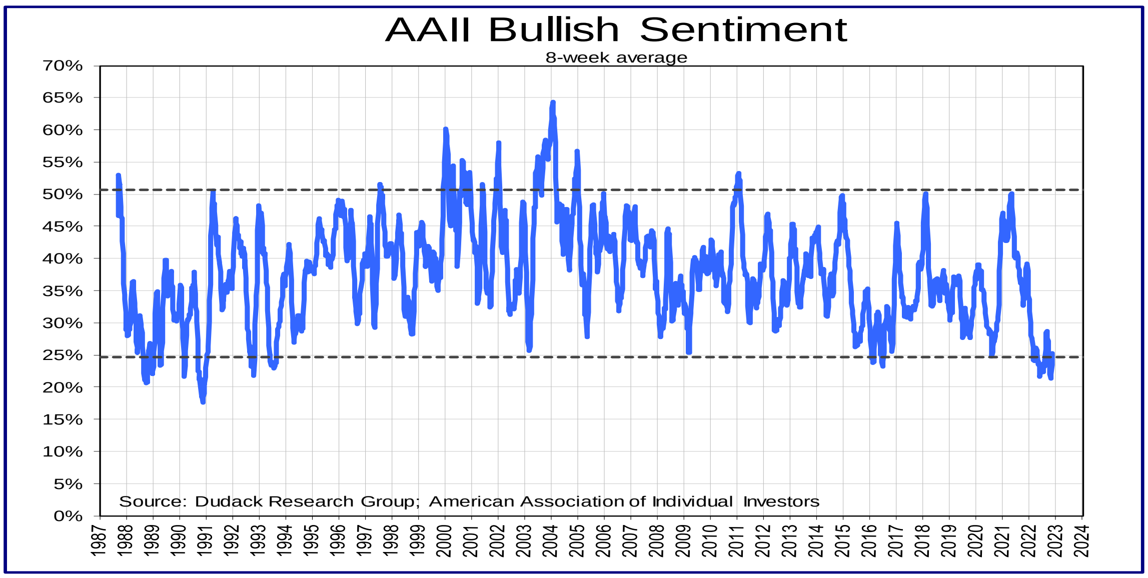


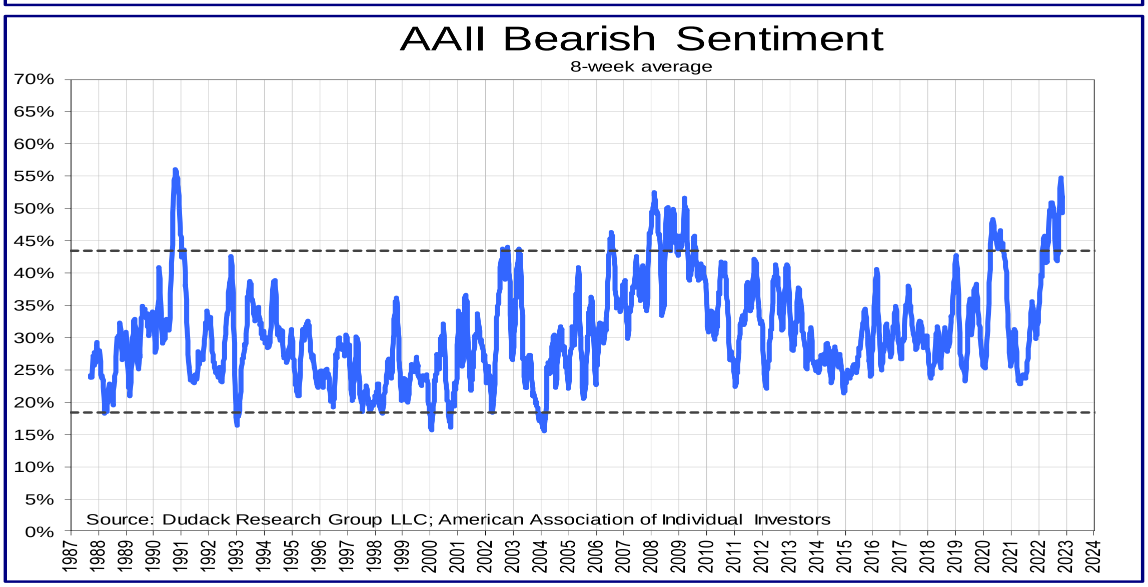




Last week's AAII readings showed an 8.4% increase in bulls to 33.5% and a 6.8% decrease in bears to 40.2%. This was the highest level of optimism all year, yet it remains below the long-term average of 37.5%. Bearishness is above its long-term average of 40.2% for the 49th time in the last 52 weeks. Sentiment readings were extreme on September 21, 2022, and equity prices tend to be higher in the next six and/or twelve months following such extreme readings.



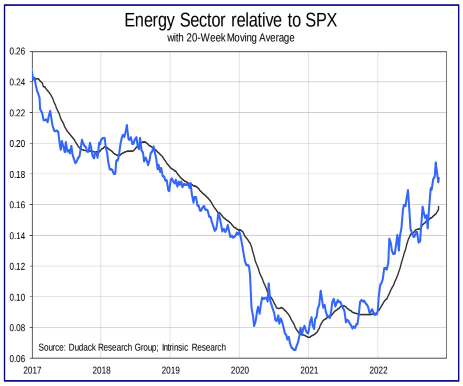




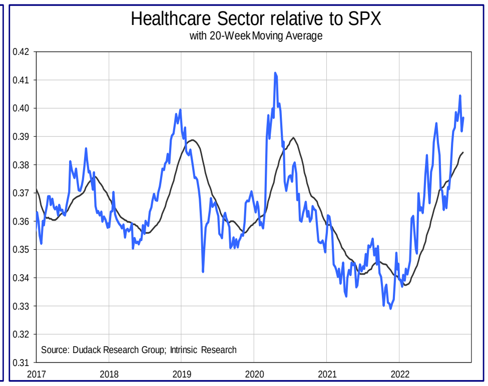
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

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

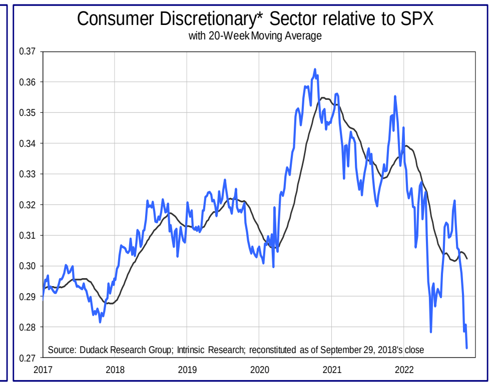
3/8/2022:Materials upgraded from underw eight to neutral/communication service dow ngraded from neutral to underw eight. 3/1/2022 Financials dow ngraded to neutral and Industrials upgraded to overw eight.



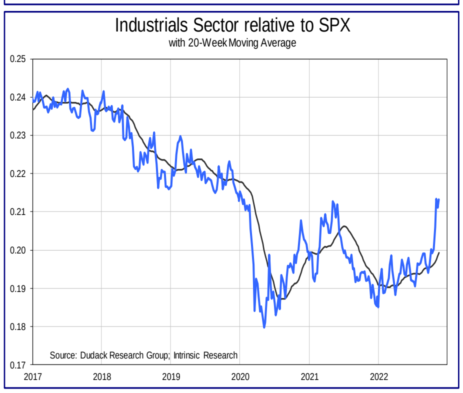
Energy Sector relative to SPX



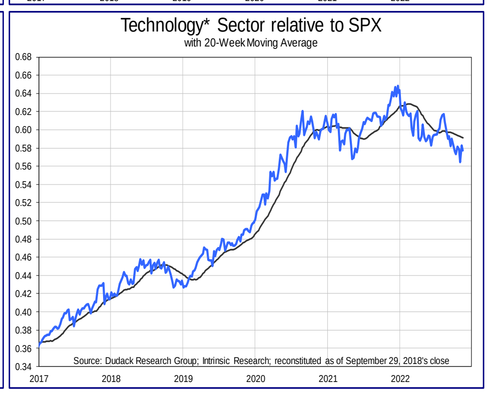
Healthcare Sector relative to SPX



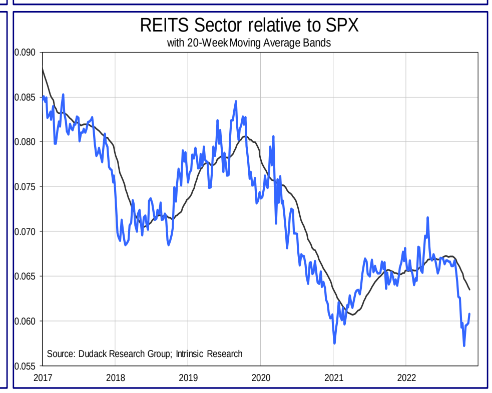
Consumer Discretionary* Sector relative to SPX



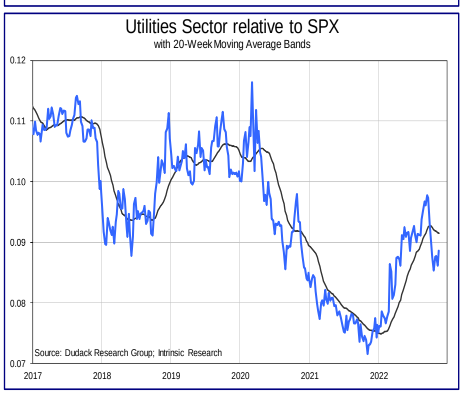
Industrials Sector relative to SPX



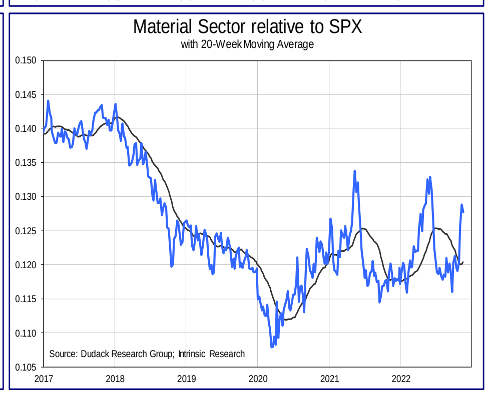
Technology* Sector relative to SPX



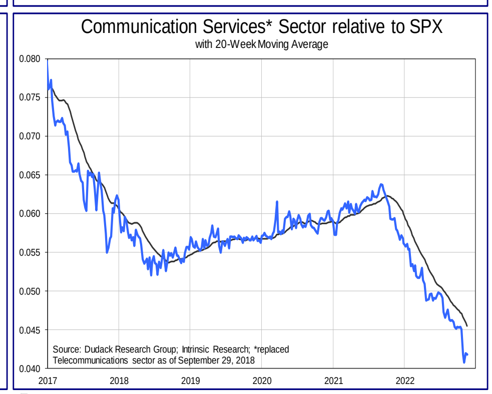
REITS Sector relative to SPX



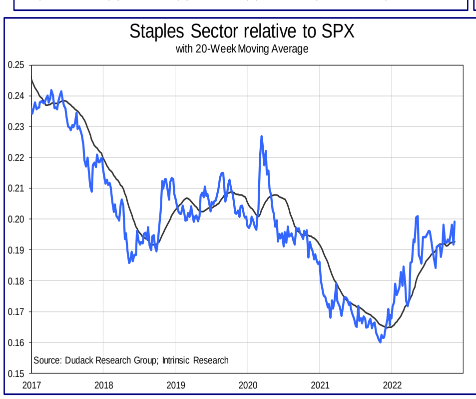
Utilities Sector relative to SPX



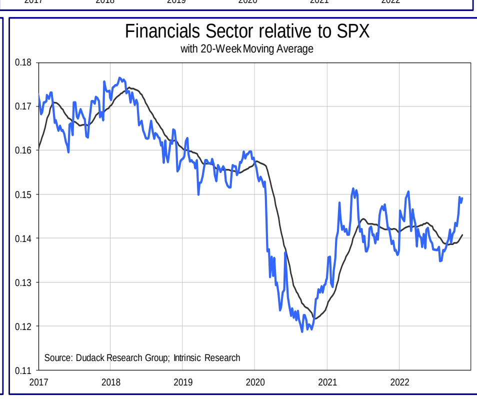
Material Sector relative to SPX



Communication Services* Sector relative to SPX



Staples Sector relative to SPX



Financials Sector relative to SPX

2022 Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	68.3%
S&P CONSUMER STAPLES	-1.6%
S&P UTILITIES	-3.0%
S&P HEALTH CARE	-3.9%
S&P INDUSTRIALS	-5.2%
S&P FINANCIAL	-8.5%
S&P MATERIALS	-9.4%
S&P 500	-16.0%
S&P INFORMATION TECH	-23.9%
S&P REITS	-25.8%
S&P CONSUMER DISCRETIONARY	-32.2%
S&P COMMUNICATIONS SERVICES	-37.5%

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	93.22	-0.9%	7.2%	29.4%	68.0%
iShares DJ US Oil Eqpt & Services ETF	IEZ	21.27	-3.0%	11.2%	47.7%	65.0%
United States Oil Fund, LP	USO	69.98	-4.5%	-0.8%	7.2%	28.7%
Gold Future	GCc1	2438.10	0.2%	0.9%	1.5%	10.2%
Oil Future	CLc1	80.95	-6.9%	-4.8%	1.8%	7.6%
iShares MSCI Mexico Capped ETF	EWW	53.70	0.2%	13.2%	21.4%	6.1%
iShares MSCI Brazil Capped ETF	EWZ	29.47	-4.7%	-13.6%	-0.5%	5.0%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	0.0%	0.0%
Consumer Staples Select Sector SPDR	XLP	75.94	3.2%	10.2%	13.8%	-1.5%
Utilities Select Sector SPDR	XLU	69.75	2.6%	10.2%	6.5%	-2.6%
Health Care Select Sect SPDR	XLV	135.80	2.0%	7.3%	12.1%	-3.6%
Industrial Select Sector SPDR	XLI	100.53	0.9%	13.3%	21.4%	-5.0%
SPDR Gold Trust	GLD	162.07	-2.1%	5.1%	4.8%	-5.2%
SPDR DJIA ETF	DIA	340.96	1.4%	9.7%	18.7%	-6.2%
DJIA	.DJI	34098.10	1.5%	9.7%	18.7%	-6.2%
iShares MSCI India ETF	INDA.K	42.90	-1.7%	2.8%	5.2%	-6.4%
iShares Russell 1000 Value ETF	IWD	156.77	0.8%	9.4%	15.3%	-6.6%
iShares MSCI United Kingdom ETF	EWU	30.59	2.2%	12.5%	16.7%	-7.7%
iShares MSCI Australia ETF	EWA	22.86	-0.1%	12.1%	16.5%	-7.9%
Financial Select Sector SPDR	XLF	35.84	1.1%	11.3%	18.1%	-8.2%
iShares MSCI Canada ETF	EWC	35.05	0.7%	9.7%	13.9%	-8.8%
Materials Select Sector SPDR	XLB	82.08	1.3%	13.5%	20.7%	-9.4%
iShares Silver Trust	SLV	20.26	-2.4%	9.3%	10.9%	-9.6%
Silver Future	SIc1	21.03	-2.2%	10.5%	10.9%	-9.8%
SPDR S&P Bank ETF	KBE	49.00	-0.5%	7.0%	10.6%	-10.2%
iShares Russell 2000 Value ETF	IWN	147.73	-0.9%	8.2%	14.6%	-11.0%
iShares MSCI Singapore ETF	EWS	18.81	-1.6%	14.1%	9.9%	-12.1%
iShares Nasdaq Biotechnology ETF	IBB.O	134.05	-0.8%	10.9%	14.6%	-12.2%
PowerShares Water Resources Portfolio	PHO	52.84	0.3%	12.4%	15.5%	-13.1%
iShares MSCI Malaysia ETF	EWM	21.48	-0.9%	3.2%	6.4%	-14.2%
Shanghai Composite	.SSEC	3088.94	-1.4%	1.6%	0.0%	-15.1%
SP500	**.SPX**	**4003.58**	**0.3%**	**6.7%**	**11.7%**	**-16.0%**
iShares MSCI EAFE ETF	EFA	65.56	0.6%	13.1%	17.1%	-16.7%
iShares Russell 1000 ETF	IWB	219.97	0.0%	6.7%	11.5%	-16.8%
iShares Russell 2000 ETF	IWM	184.71	-1.5%	7.0%	12.0%	-17.0%
iShares MSCI Hong Kong ETF	EWH	19.21	-2.7%	8.7%	5.3%	-17.2%
Vanguard FTSE All-World ex-US ETF	VEU	50.38	-0.3%	10.6%	13.6%	-17.8%
iShares MSCI Japan ETF	EWJ	54.95	0.7%	11.5%	12.5%	-17.9%
iShares iBoxx $ Invest Grade Corp Bond	LQD	106.59	1.0%	7.1%	4.0%	-19.6%
iShares MSCI Austria Capped ETF	EWO	19.74	1.2%	20.7%	27.2%	-22.4%
iShares Russell 2000 Growth ETF	IWO	225.90	-2.0%	5.7%	9.3%	-22.9%
iShares MSCI Emerg Mkts ETF	EEM	37.64	-3.0%	6.7%	7.9%	-22.9%
Technology Select Sector SPDR	XLK	133.20	-0.3%	7.1%	12.1%	-23.4%
iShares MSCI Germany ETF	EWG	24.89	0.6%	17.5%	26.1%	-24.1%
iShares US Real Estate ETF	IYR	87.50	0.6%	10.9%	7.5%	-24.7%
SPDR S&P Semiconductor ETF	XSD	181.02	-2.2%	18.1%	19.0%	-25.6%
iShares Russell 1000 Growth ETF	IWF	226.94	-0.6%	4.0%	7.9%	-25.7%
SPDR S&P Retail ETF	XRT	66.42	0.0%	12.9%	17.7%	-26.4%
iShares MSCI Taiwan ETF	EWT	48.68	-1.6%	15.3%	12.9%	-26.9%
iShares MSCI South Korea Capped ETF	EWY	56.86	-5.8%	13.0%	20.1%	-27.0%
iShares MSCI BRIC ETF	BKF	32.50	-4.2%	3.3%	1.8%	-27.4%
Nasdaq Composite Index Tracking Stock	ONEQ.O	43.90	-1.6%	3.1%	5.9%	-27.9%
SPDR Homebuilders ETF	XHB	61.71	-0.9%	12.1%	12.8%	-28.1%
NASDAQ 100	NDX	11724.84	-1.2%	3.7%	6.9%	-28.2%
iShares US Telecomm ETF	IYZ	23.27	1.7%	8.6%	11.4%	-29.3%
iShares China Large Cap ETF	FXI	25.44	-5.5%	6.4%	-1.6%	-30.5%
Consumer Discretionary Select Sector SPDR	XLY	140.52	-2.9%	-1.3%	-1.4%	-31.3%
iShares 20+ Year Treas Bond ETF	TLT	101.48	2.3%	8.9%	-0.9%	-31.5%

Outperformed SP500
Underperformed SP500

Source: Dudack Research Group; Thomson Reuters   Priced as of November 22, 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	~~~~~	$182.15	$201.58	$202.00	-3.0%	**$220.29**	5.8%	17.8X	NA	NA	NA	NA
2023E	~~~~~	$205.74	$228.44	$204.00	1.0%	**$231.15**	4.9%	17.5X	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%	1.7%	$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%	2.0%	$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%	3.4%	$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%	4.1%	$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%	2.8%	$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%	2.8%	$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%	2.9%	$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%	0.7%	$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%	2.2%	$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%	2.7%	$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%	3.6%	$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%	1.8%	$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%	-4.6%	$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%	-29.9%	$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%	35.3%	$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%	3.9%	$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%	7.0%	$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%	2.7%	$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%	7.0%	$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 2Q	3785.38	$42.74	$46.87	$46.87	-9.9%	$57.62	9.6%	18.5	1.7%	-0.6%	$2,620.40	7.4%
2022 3QE	3585.62	$44.71	$50.95	$52.00	0.0%	$55.92	4.1%	18.5	1.8%	2.6%	NA	NA
2022 4QE*	4003.58	$48.71	$54.40	$53.77	-5.2%	$54.62	1.2%	19.9	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 11/22/2022

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