Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
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February 8, 2023

DJIA: 34156.69
SPX: 4164.0
NASDAQ: 12113.79

US Strategy Weekly
Technical Upgrade

There were a number of developments in economic, fundamental, and technical data over the last week, but the most significant change was technical and the performance of our 25-day up/down volume oscillator. In our last strategy report, we indicated that it would be important to monitor this indicator because it could be close to making a positive shift. That is what it did this week. The oscillator has now been in overbought territory for ten consecutive trading sessions. Ten is an important number because bear markets rarely have rallies that can sustain an overbought reading for five to ten days. The initial advance in a bull market will have an extended overbought reading and it usually includes an extreme reading of 5.0 or greater. Currently, the oscillator has been as high as 4.81 but it has not exceeded the 5.0 reading generally seen at the start of a new bull cycle. Nonetheless, this long overbought reading is a positive change in this indicator. See page 12.

And there are other positives in the technical arena. The 10-day average of daily new highs has been over 100 for the last week and the 10-day average of daily new lows has been below 30. This combination is bullish since 100 or more defines the trend. The current rally also carried the popular indices above their 200-day moving averages, including the lagging Nasdaq Composite Index. And as we noted recently, the Russell 2000 has an attractive technical chart after bettering the 1900 resistance level. The move above this resistance price is a good near-term sign for small cap stocks and the market overall. However, the 2200 level in the RUT represents significant resistance for the advance which means, the current advance may be a good trading opportunity, but investors should be cautious.

Our longer-term view is that the market is apt to remain in a broad trading range until inflation is clearly under control. We believe this will take another 12 to 18 months. But in the interim, we expect a broad trading range to contain stock prices with the January 3, 2022 SPX high of 4796.56 as a ceiling and the October 12, 2022 low of SPX 3577.03 as a probable floor. This signal from our 25-day up/down volume oscillator is in line with this forecast. And even though this is a better outcome than we expected earlier this year, we would not chase the current rally. Much of the shift is taking place in large capitalization technology stocks which we do not believe will be the leadership of the next bull market cycle. Technology stocks have been at the center of heavy short selling, and it is likely that short covering is contributing to the current advance.

Nonetheless, the technical improvement seen in recent sessions implies that the underlying bear cycle is diminished, and a neutral range is ahead. We reviewed our concept of a flat market trend last week ("*Reviewing Flat Trends*" February 1, 2023) and showed that historically, the popular stock indices have spent 50% of the time in flat trends. Flat trends can include several bull and bear market moves of 20% or more, but we define them as "flat" since rallies are unable to sustain an advance above the previous market peak. Note that flat cycles tend to be linked to periods of inflation or deflation. In our opinion, this is why it is critical that the Fed deal firmly with the current inflation cycle. History shows that inflation is difficult to control once it exceeds 7% YOY and it has only been resolved with a series of recessions.

We believe the Fed understands this issue and is attempting to be a slow and steady force to undermine inflation without igniting a recession. It will not be easy.

FUNDAMENTALS/EARNINGS

As we expected, fourth quarter earnings season is tempering expectations for 2023 earnings. Last week the S&P Dow Jones earnings forecast for 2023 fell $2.62 and the Refinitiv IBES consensus earnings forecast fell $1.70. This brought the consensus 2023 full year estimates to $219.29 and $224.31, respectively. What is interesting in our view is that these 2023 estimates now match the estimates analysts had for last year's earnings back in May 2022. See page 10.

ECONOMICS

Some economic data releases also suggest corporate margins may be under severe pressure this year. Labor productivity fell 1.3% in 2022. This followed a 2.4% increase in 2021 and a 4.4% rise in 2020. Keep in mind that falling productivity often means a rising cost of labor. Total labor compensation costs rose by 5.1% YOY in June 2022, the highest pace since June 1990. And the compensation cost index remained consistently high at 5.1% YOY at year end. Labor costs increased across the board, for both wages and benefits. See page 6. What may keep the Fed awake at night is the fact that while inflation peaked at 9.1% in June of 2022, the employment cost indices have not declined, and they remain high for both private and government workers. This will have two negative impacts: it will encourage the Fed to keep interest rates high long enough to reduce this trend and, in the interim, it will erode corporate profits. See page 7.

Total nonfarm payroll employment rose a surprisingly large 517,000 in January, and the unemployment rate was slightly lower at 3.4%. Job growth was widespread, but it was led by gains in leisure and hospitality, professional and business services, and health care. However, there were a number of reasons to not place too much emphasis on this report.

As seen on page 3, the seasonally adjusted payroll employment rose to a new cyclical high, whereas the not-seasonally-adjusted employment number fell well below the high recorded in November 2022. Nevertheless, there were underlying reasons for the inconsistencies in January's release. The BLS introduced its annual revision of the establishment survey in January. This is a once-a-year re-anchoring, based on March 2022 data, of employment estimates from the unemployment insurance (UI) tax records filed by nearly all employers with State Workforce Agencies. As a result of the adjusted estimate for March 2022, total nonfarm employment had an upward revision of 568,000 or 0.4%. The not-seasonally adjusted total nonfarm employment estimate was revised by 506,000, or 0.3%. Over the prior 10 years, these benchmark revisions have averaged 0.1%, with a range from −0.3% to 0.3%. In short, this was a very large revision that "technically" erased January's outsized job gain.

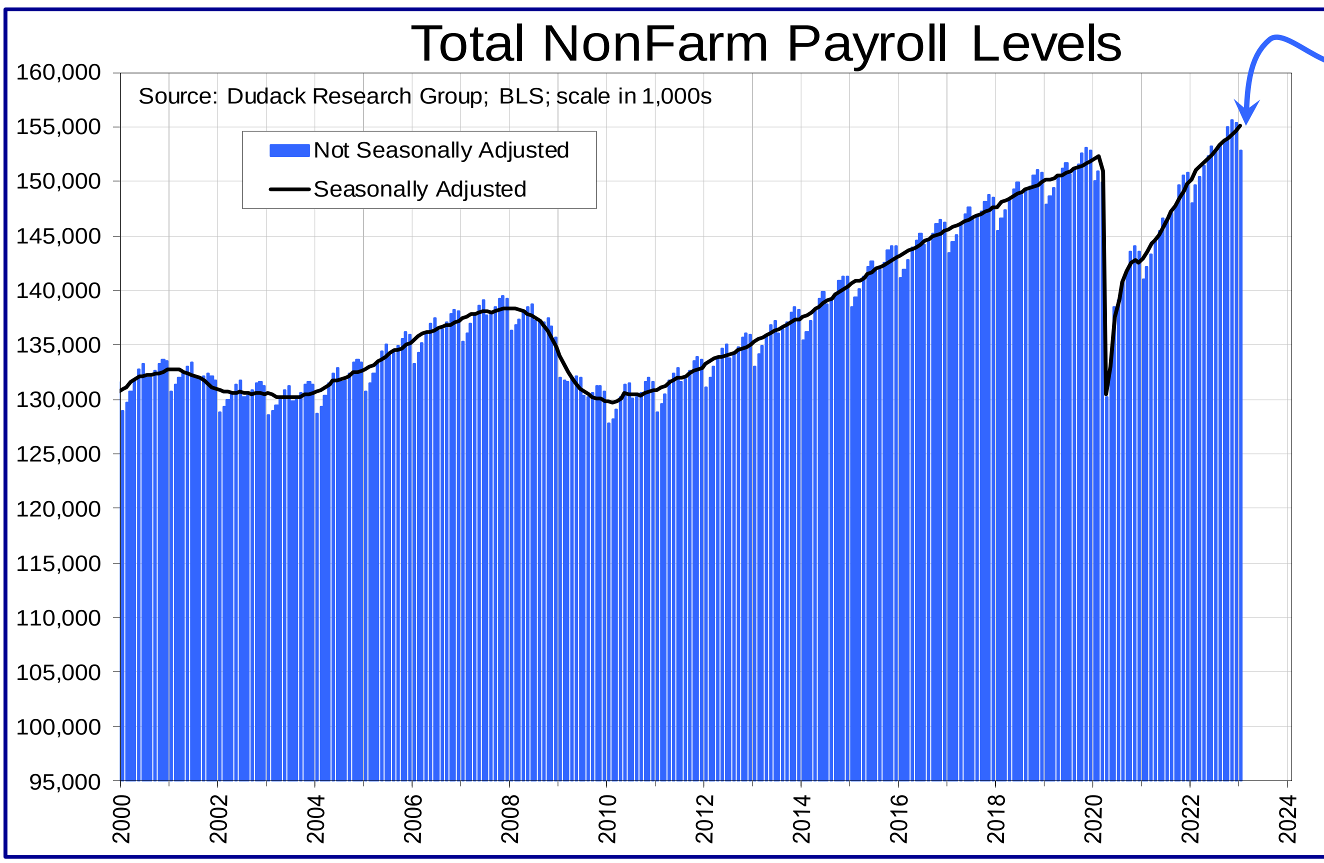
The household survey also had an annual update to total civil noninstitutional population based upon revised Census data. This impacted the participation rate and the employment population ratio modestly. Lastly, there were changes to the North American Industry Classification System (NAICS) which resulted in some work categories being delisted and others added. These changes are typical of most January reports, but this year the revisions were larger than normal. See page 4.

The ISM surveys will be important to monitor in coming months. In the December reports, the weakness seen in the manufacturing sector appeared to be spreading and the service sector fell below 50, reflecting a contraction. But in January, a rebound in the ISM nonmanufacturing index reversed most of December's weakness. The recovery in the service sector could be significant and has the potential of boosting economic activity, perhaps even in manufacturing. In sum, it is worth monitoring the ISM indices in the months ahead. The rate of change in the manufacturing index has been highly correlated with the rate of change in the S&P Composite. It could be pivotal. See page 9.

Total nonfarm payroll employment rose a surprisingly large 517,000 in January, and the unemployment rate was slightly lower at 3.4%. Job growth was widespread, led by gains in leisure and hospitality, professional and business services, and health care. Note in the chart below that the seasonally adjusted payroll employment rose to a new cyclical high, whereas the not-seasonally-adjusted employment number fell well below the high recorded in November 2022.

Employment Surveys (1,000s SA)	Jan-23	Dec-22	Change	Jan-22	Yr/Yr
Establishment Survey: NonFarm Payrolls	155,073	154,556	517	150,106	4,967
Household Survey Data (1,000s)					
Employed (A)	160,138	159,244	894	157,122	3,016
Unemployed (B)	5,694	5,722	(28)	6,511	(817)
Civilian labor force [A+B]	165,832	164,966	866	163,633	2,199
Unemployment rate [B/(A+B)]	3.4%	3.5%	-0.03%	4.0%	-0.5%
U6 Unemployment rate	6.6%	6.5%	0.1%	7.1%	-0.5%
Civilian noninstitutional population (C)	265,962	264,844	1,118	263,202	2,760
Participation rate [(A+B)/C]	62.4	62.3	0.1	62.2	0.2
Employment-population ratio [A/C]	60.2	60.1	0.1	59.7	0.5
Not in labor force	100,130	99,878	252	99,570	560

Source: Bureau of Labor Statistics



For more detailed information, please see the CES National Benchmark Article available at www.bls.gov/web/empsit/cesbmart.htm

There were three revisions to the January 2023 employment report. The BLS introduced its annual revision of the establishment survey which is a once-a-year re-anchoring, based on March 2022 data, of employment estimates from the unemployment insurance (UI) tax records filed by nearly all employers with State Workforce Agencies. As a result of this adjusted published estimate for March 2022, total nonfarm employment had an upward revision of 568,000 or 0.4%. The not-seasonally adjusted total nonfarm employment estimate was revised by 506,000, or 0.3%. Over the prior 10 years, absolute benchmark revisions have averaged 0.1%, with a range from −0.3% to 0.3%. In short, this was a large revision that technically erased January's job gain. Second, the household survey had an annual update to total US population based upon new Census data. Third, there were changes to North American Industry Classification System (NAICS) with work categories delisted or added.

The following comment and table are taken directly from the BLS website:

This table presents revised total nonfarm employment data on a seasonally adjusted basis for January 2022 through December 2022. The revised data for April 2022 forward incorporate the effect of applying the rate of change measured by the sample to the new benchmark employment level, as well as updated net birth-death model forecasts and new seasonal adjustment factors. Revisions to November and December also reflect incorporation of additional sample receipts. For more information about the methodology of benchmarking in the CES program, see the Benchmark section in the CES Handbook of Methods.

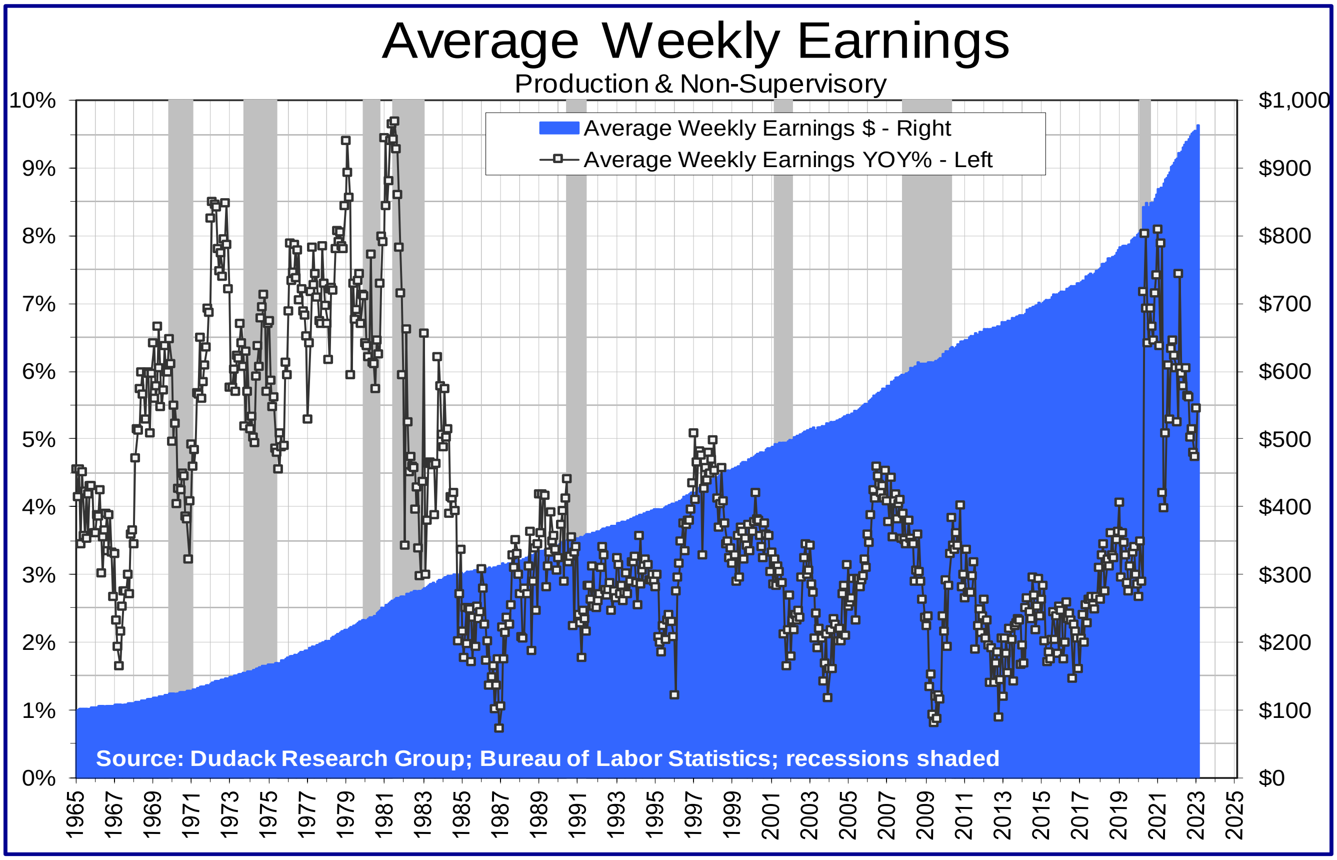
Table 1. Differences in seasonally adjusted levels and over-the-month changes, total nonfarm employment, January to December 2022 (in thousands)

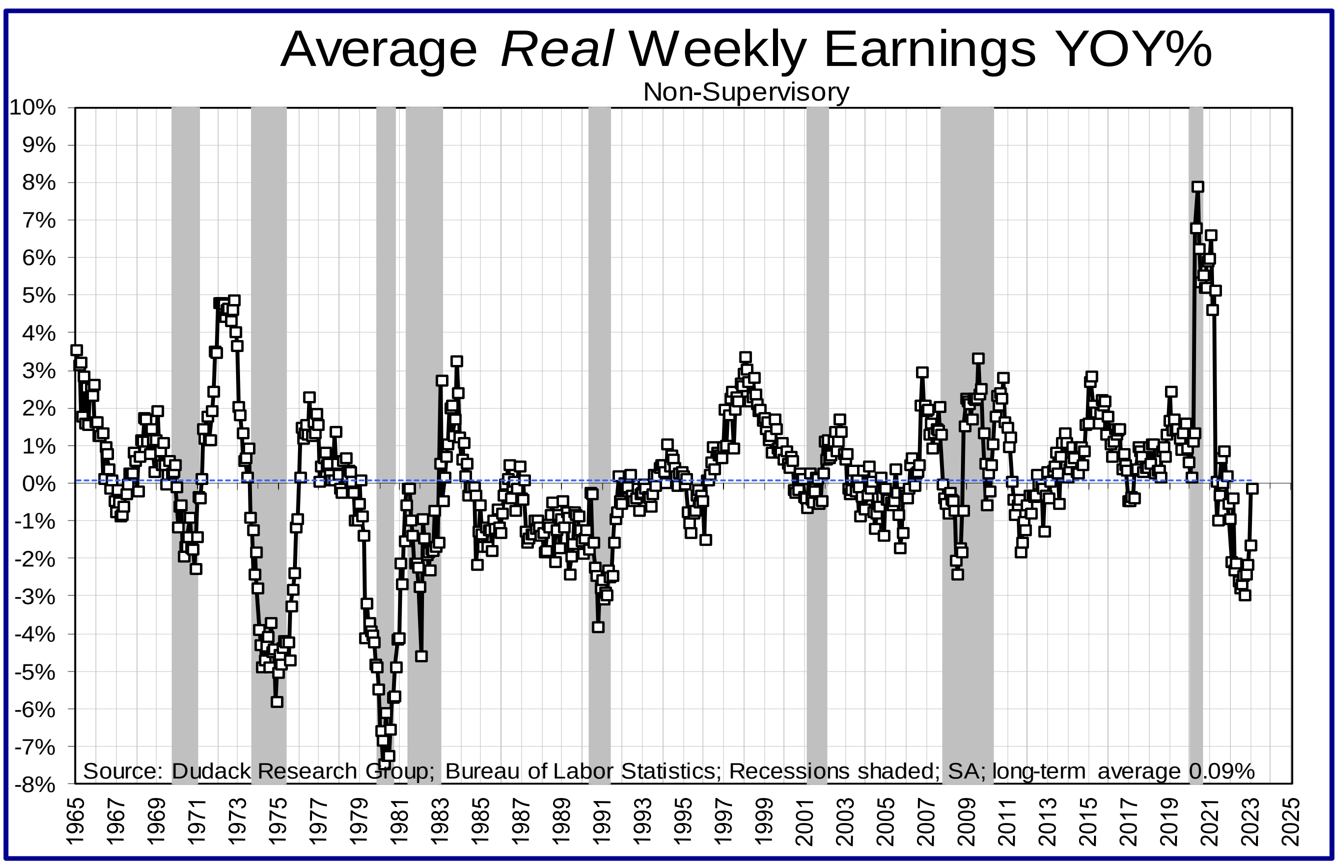
2022	Levels			Over-the-month changes		
	As Revised	As Previously Published	Difference	As Revised	As Previously Published	Difference
January	150,106	149,744	362	364	504	-140
February	151,010	150,458	552	904	714	190
March	151,424	150,856	568	414	398	16
April	151,678	151,224	454	254	368	-114
May	152,042	151,610	432	364	386	-22
June	152,412	151,903	509	370	293	77
July	152,980	152,440	540	568	537	31
August	153,332	152,732	600	352	292	60
September	153,682	153,001	681	350	269	81
October	154,006	153,264	742	324	263	61
November	154,296	153,520	776	290	256	34
December (p)	154,556	153,743	813	260	223	37

Footnotes

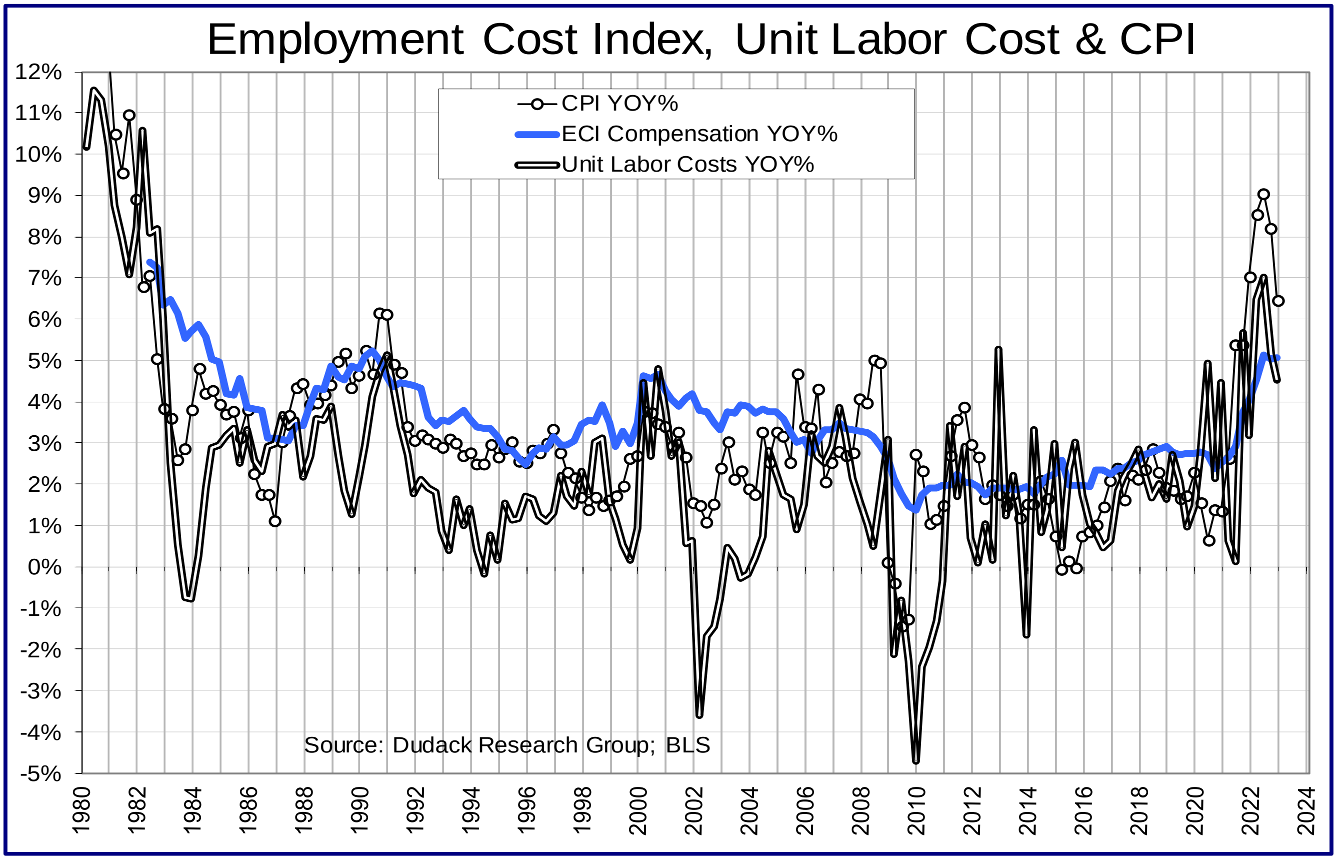
(p) Preliminary.

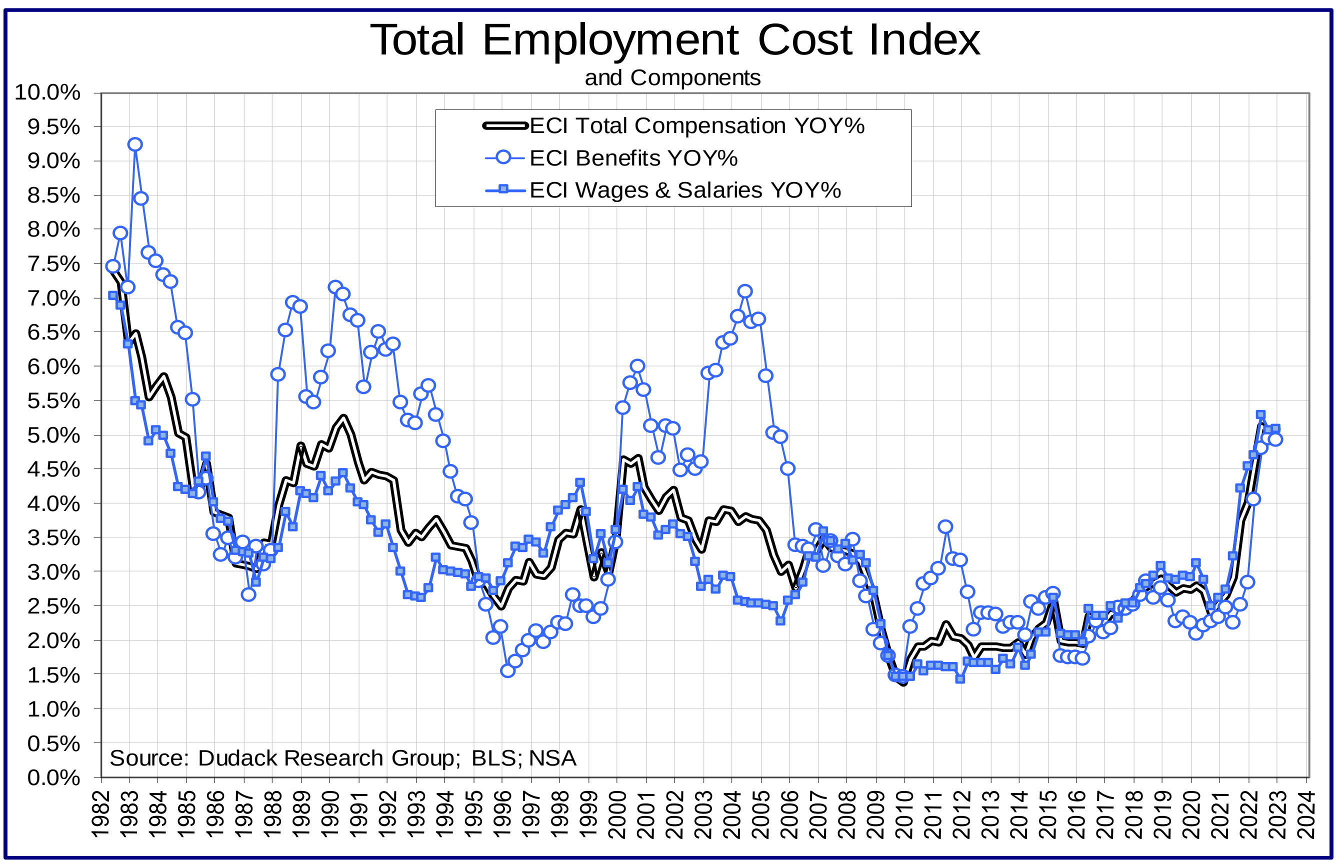
Average weekly earnings of production and nonsupervisory workers were $963.67 in January, up 5.4% YOY. This was an increase from 4.7% in December. Adjusting for inflation, average real weekly earnings fell 0.1% YOY; nonetheless, this is a big improvement from recent months when real earnings were declining 3% YOY.



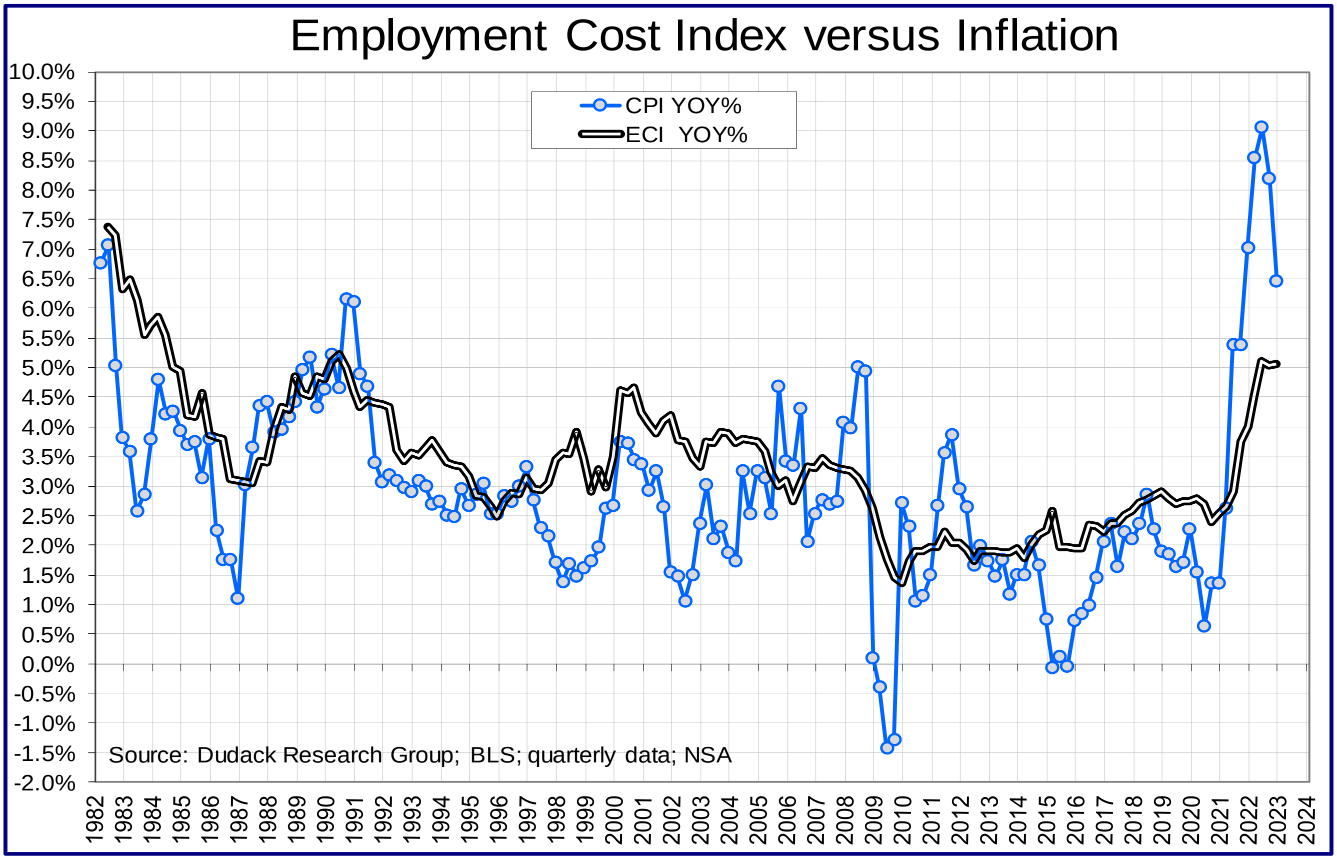


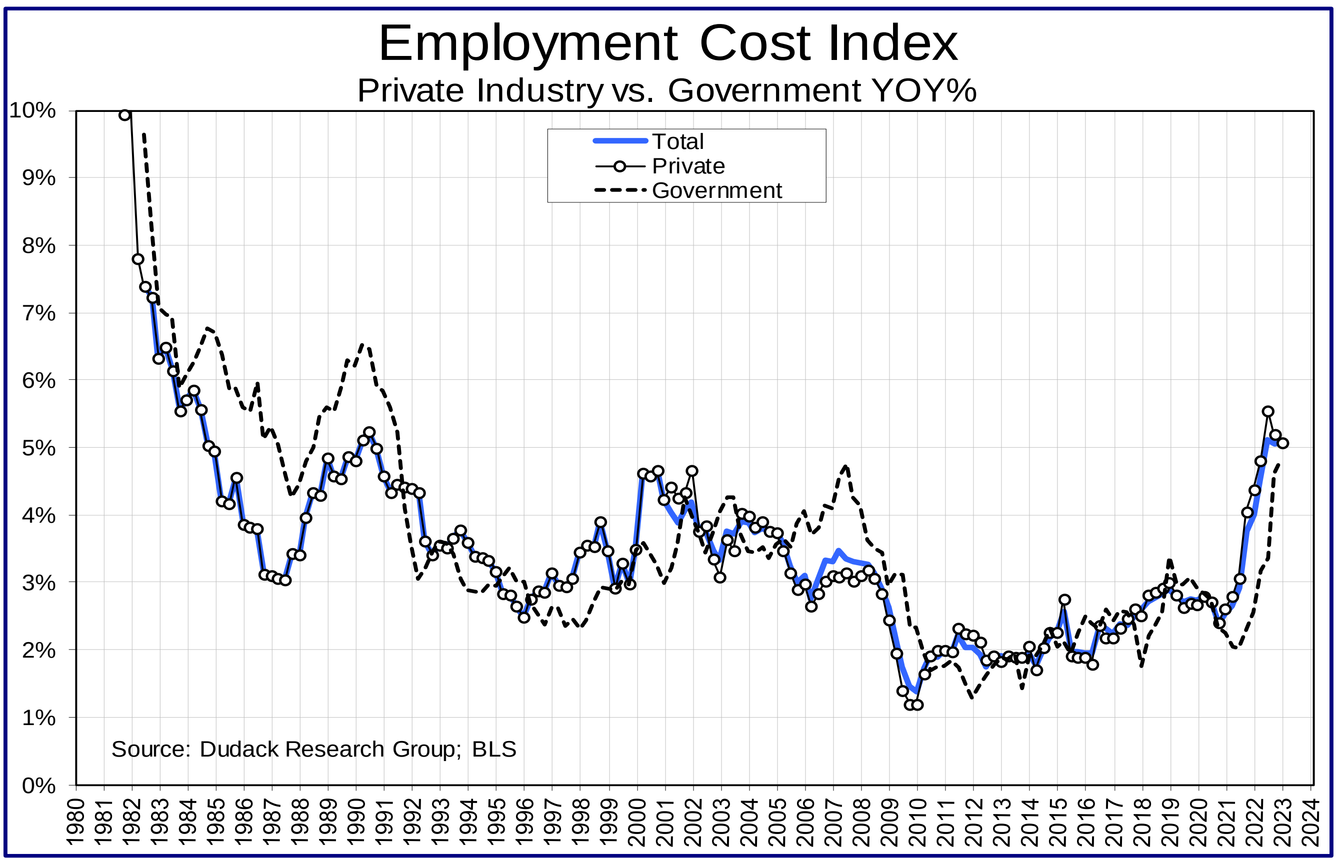
Labor productivity fell 1.3% in 2022 after a 2.4% increase in 2021 and a 4.4% rise in 2020. The inverse of falling productivity is the rising cost of labor. Labor compensation rose to 5.1% YOY in June 2022, the highest increase since June 1990. The ECI remained at 5.1% YOY at year end. Labor costs rose broadly, for both wages and benefits.



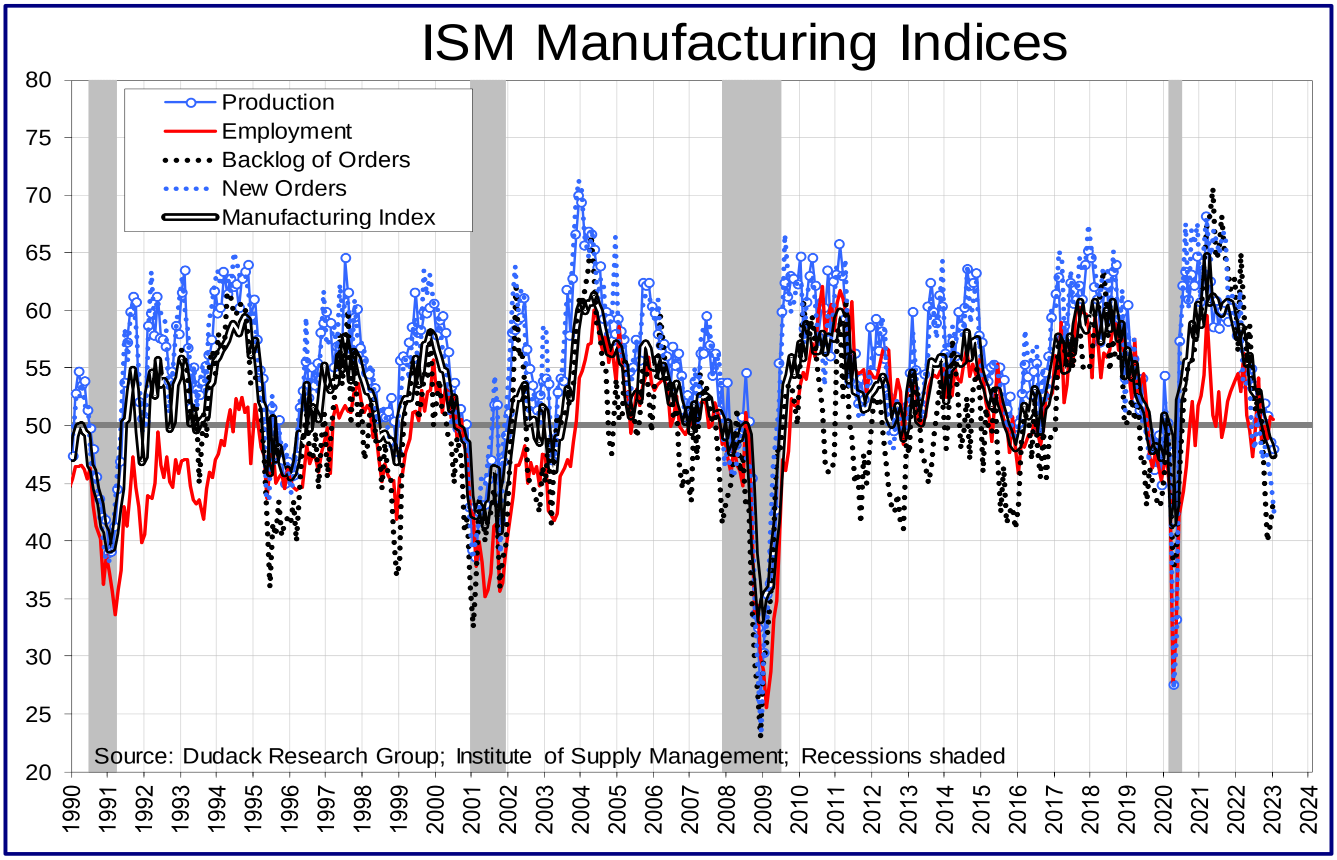


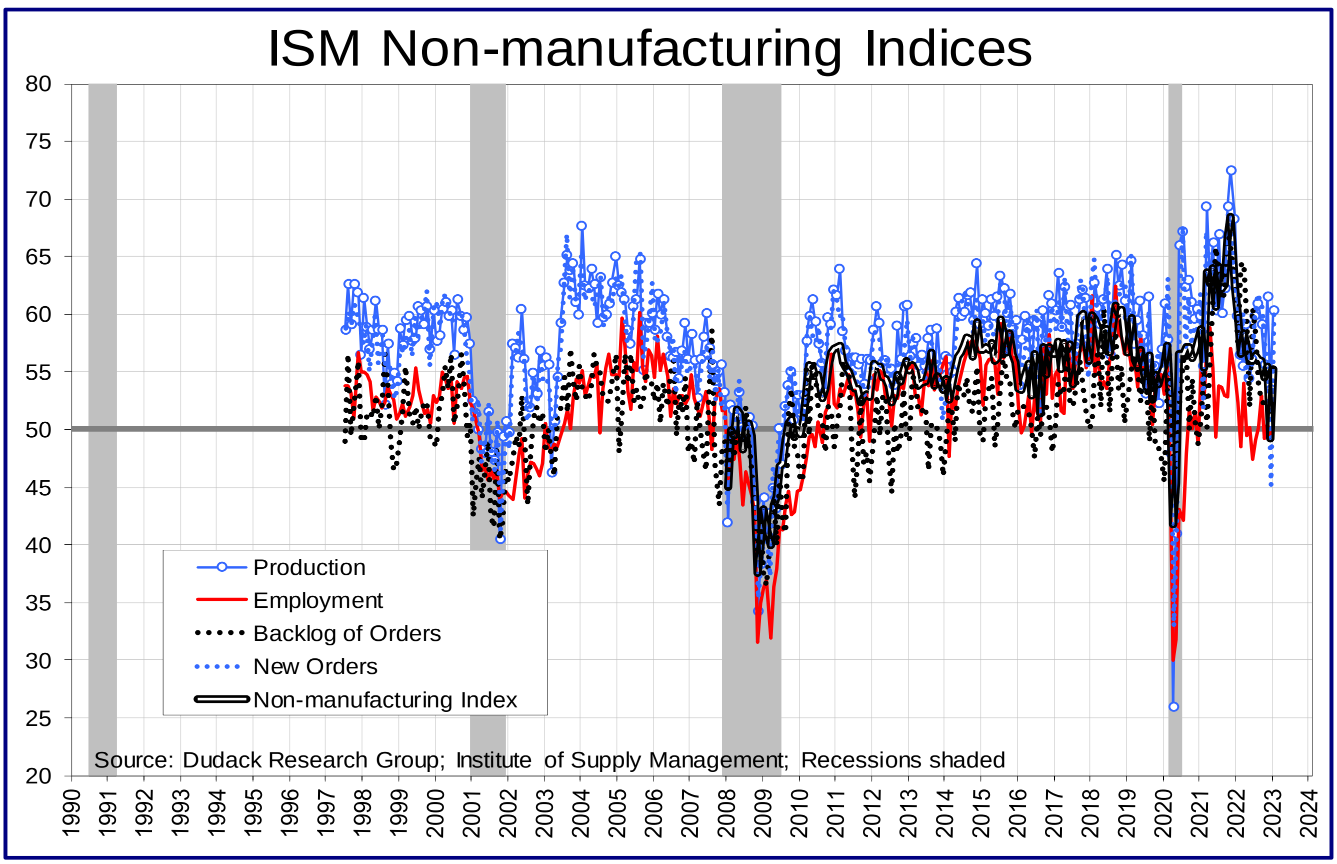
Although inflation may have peaked at 9.1% in the middle of last year, the ECI has not declined. This will have two negative impacts: it will encourage the Fed to keep interest rates high and it will erode corporate profits. Note that the ECI rose broadly for both private and government workers.



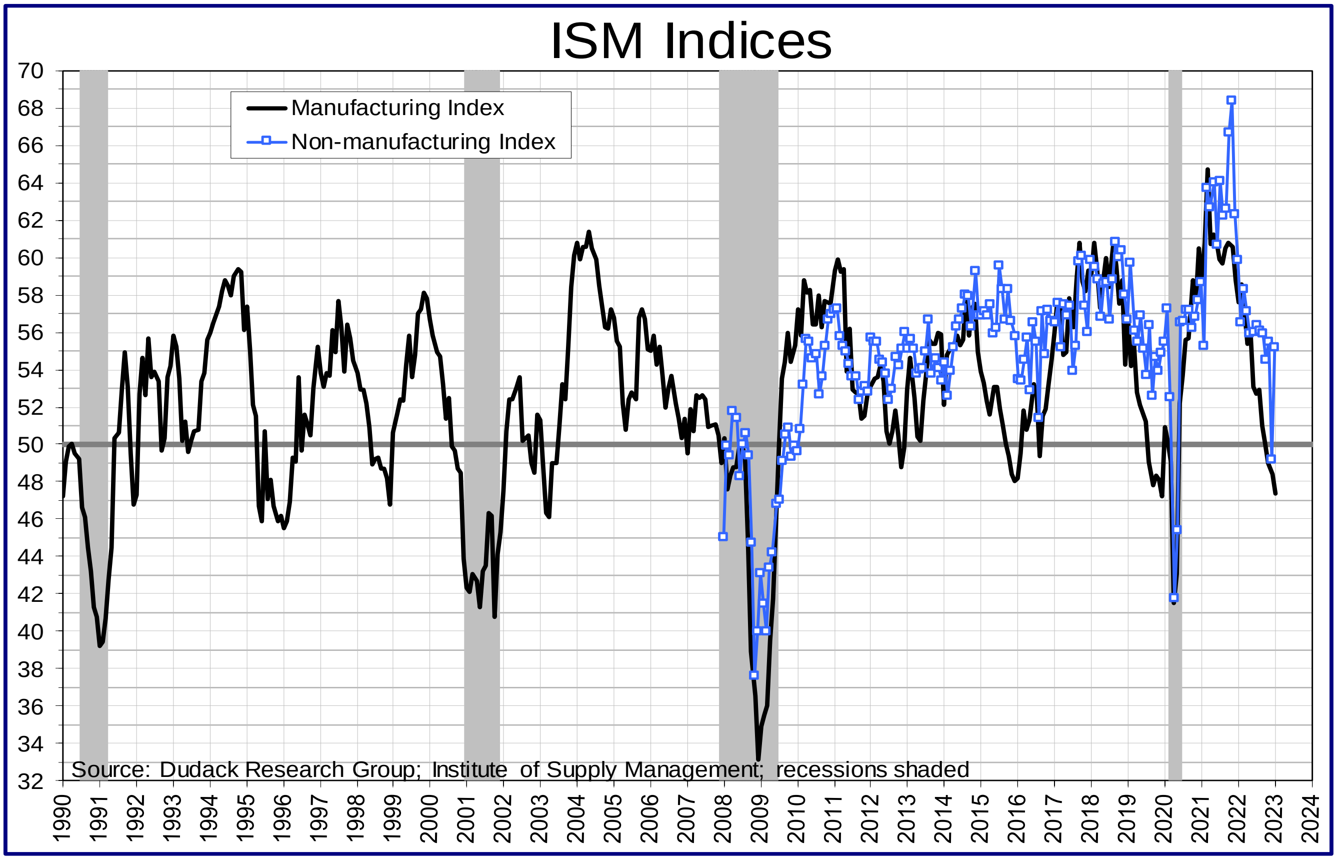


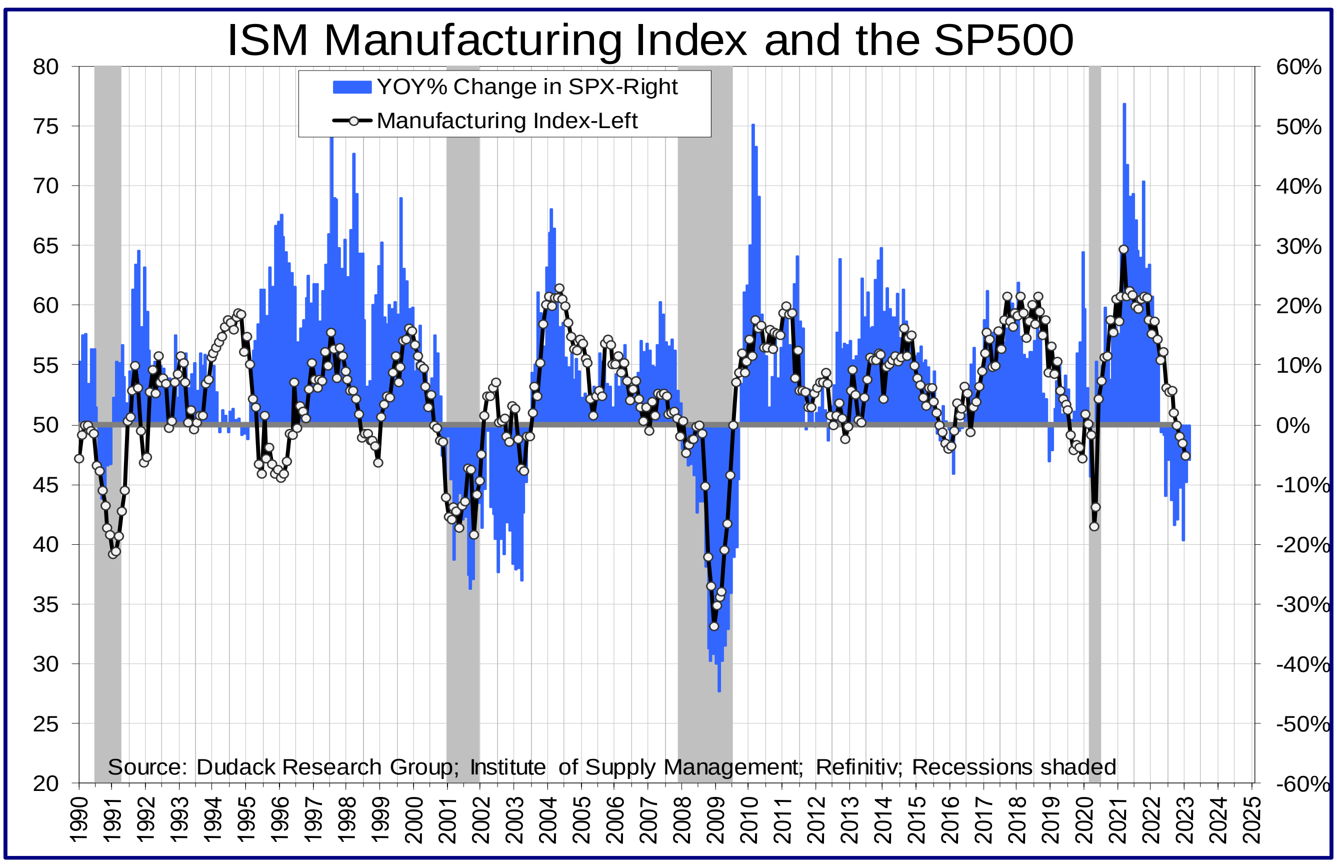
The ISM manufacturing index fell from 48.4 to 47.4 in January and nine of the eleven segments of the survey remained below 50, indicating contraction. However, employment was 50.6 and above 50 for the second consecutive month. Conversely, the service survey rebounded in January to 52.2, recovering most of the decline seen in December. New orders added to this rebound, jumping from 45.2 in December to 60.4 in January.



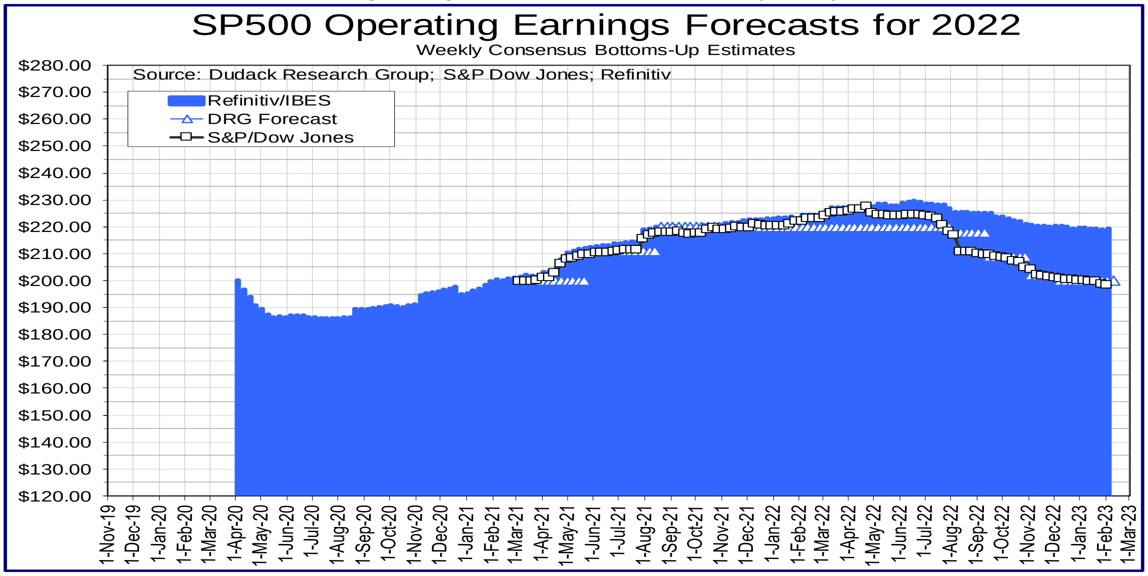


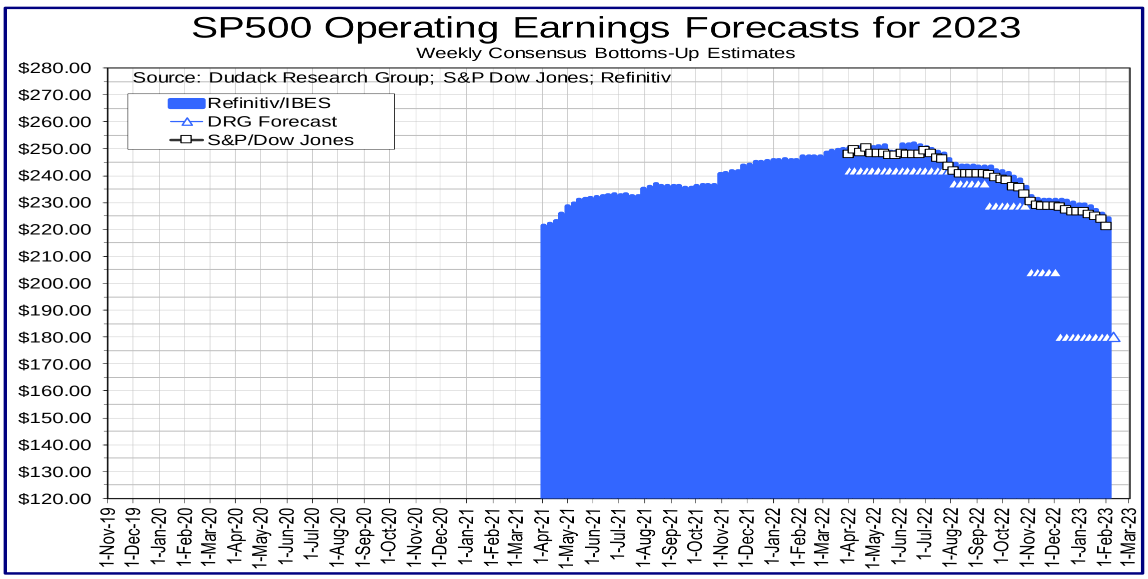
The ISM surveys will be important to monitor in coming months. In December, it appeared that the weakness in the manufacturing sector was dragging the service sector below 50 reflecting a contraction. But the January rebound in the service sector was significant and may have the potential of pulling up activity in manufacturing. The rate of change in the manufacturing index has been highly correlated with ROC in the SPX so coming months could be pivotal.

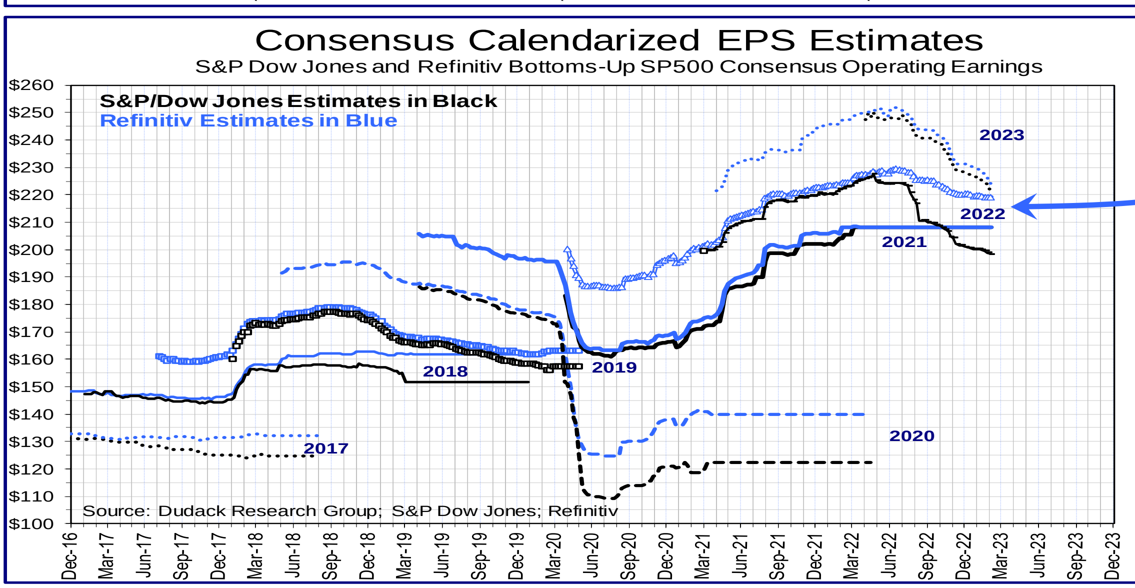




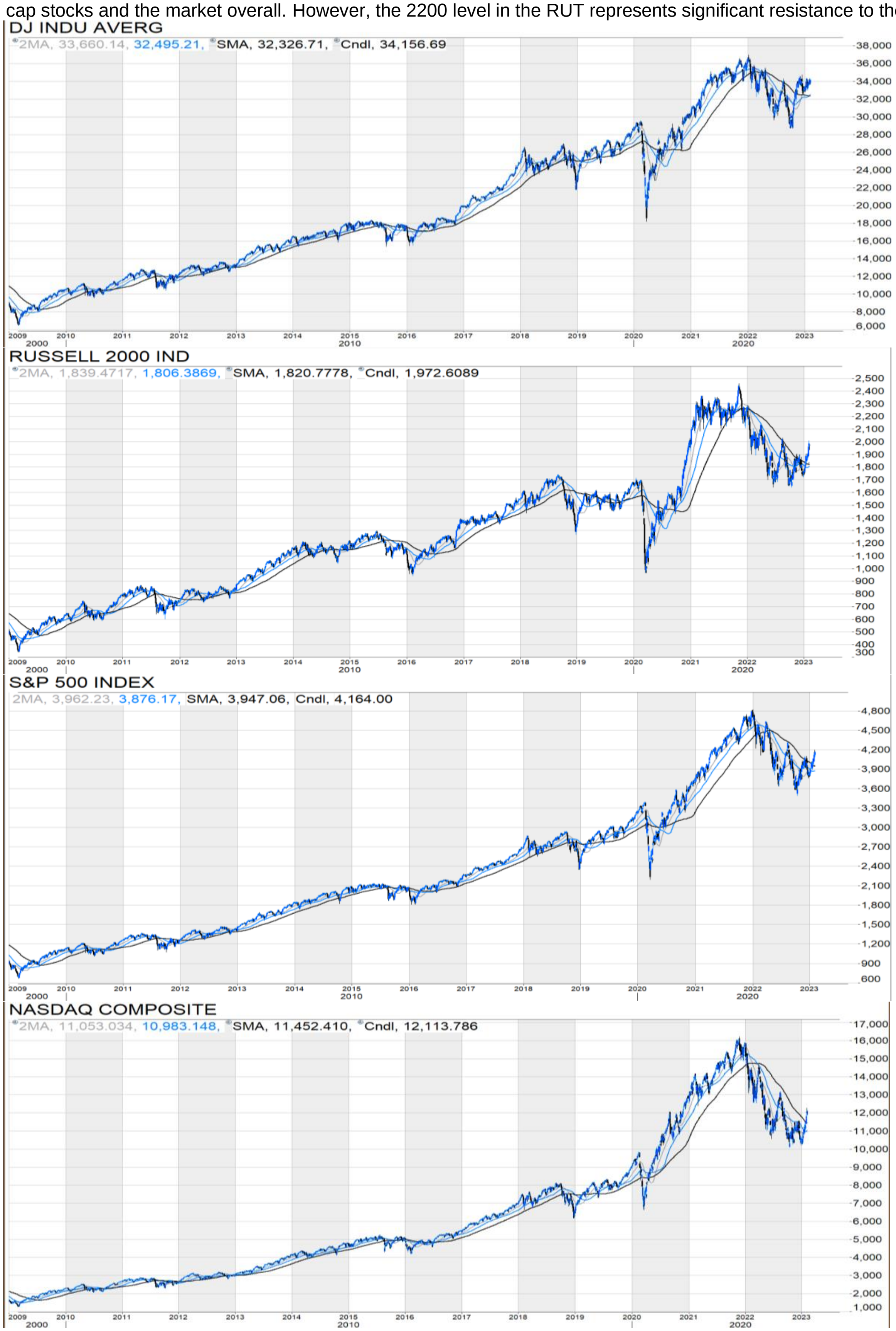
S&P Dow Jones earnings estimates for 2022 and 2023 fell $0.46 and $2.62 this week. Refinitiv IBES consensus earnings forecasts fell $0.19 and $1.70, respectively, leaving estimates at $198.27/$219.29 and $221.01/$224.31, respectively. EPS growth rates for 2022 are (4.6%) and 5.43%, and for 2023 are 11.5% and 2.3%, respectively. *(Note: consensus macro-EPS forecasts may differ from four quarter analysts' forecast sums seen on page 14.)* DRG's 2022 and 2023 estimates are $200 and $180, reflecting earnings declines of 3.9% and 10%, respectively.







The current rally has carried all the popular indices above their 200-day moving averages, including the Nasdaq Composite. And as we noted recently, the Russell 2000 has an attractive technical chart, having bettered the 1900 resistance level, which is a good near-term sign for small cap stocks and the market overall. However, the 2200 level in the RUT represents significant resistance to the advance.

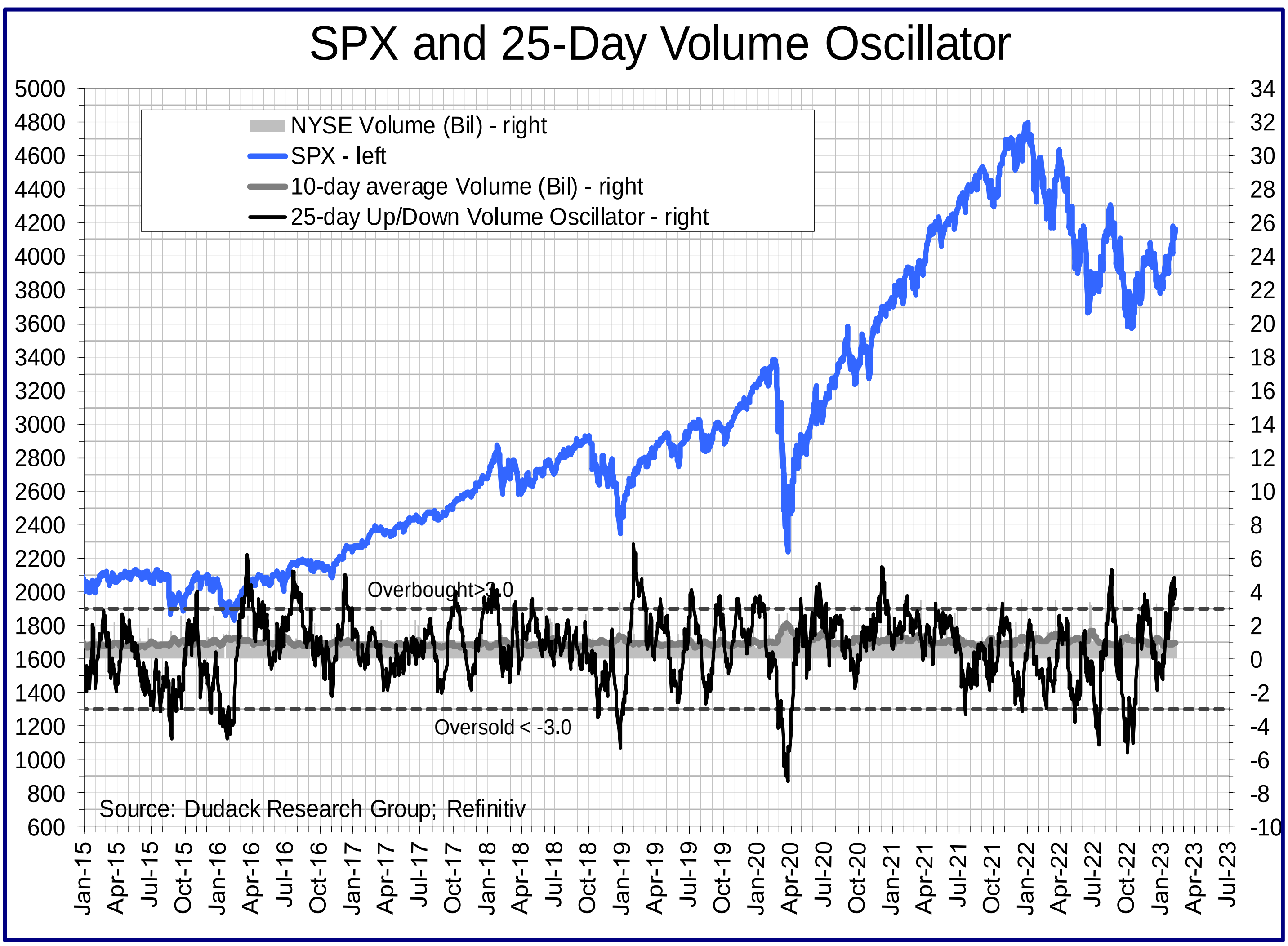


Source: Refinitiv

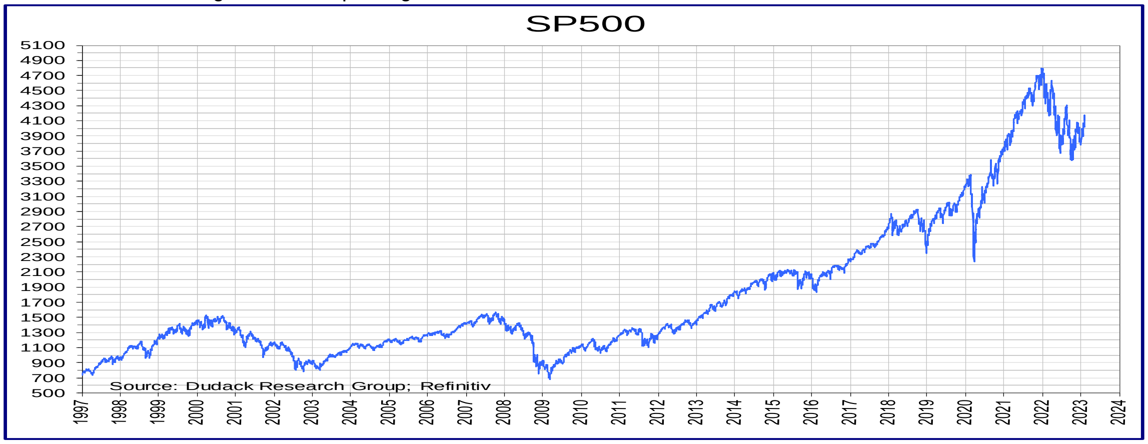
The biggest change in the technical arena is the improvement in the 25-day up/down volume oscillator. It is currently showing an overbought reading of 4.08, and more importantly has been overbought for ten consecutive trading sessions. In addition, the month of January ended with a 90% up-volume day. This is a major upgrade over the overbought reading seen in November, off the October low, which was not sustained. Bear markets rarely reach overbought territory, but if they do, the reading is typically brief. An overbought reading that persists for five to ten consecutive trading days – and reaches a new overbought high reading -- is significant and is an indication of a shift from bearish to positive, or at least from bearish to neutral. This is a major change in the technical backdrop.

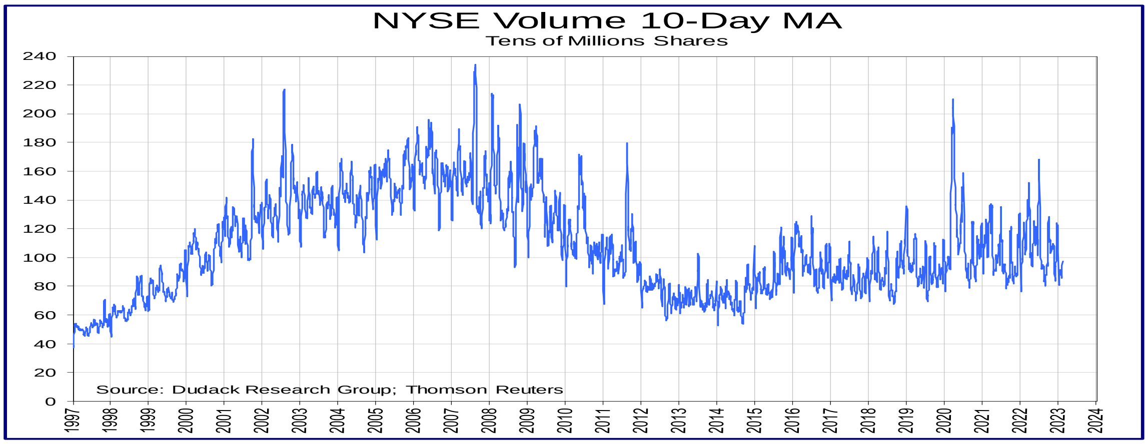
As a reminder, the 25-day up/down volume oscillator has been in bearish mode since April 2022 when it repeatedly failed to reach overbought territory to confirm new market highs. It subsequently recorded a series of oversold readings which indicated a downshift in the cycle. On September 30, the oscillator hit an oversold reading of negative 5.6 which was a deeper oversold reading than the negative 5.17 reading of July 14, 2022. This was a failure in defining June as a major low. 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. However, the indicator has not generated a significant overbought or oversold reading in recent months and the current reading is a positive sign.

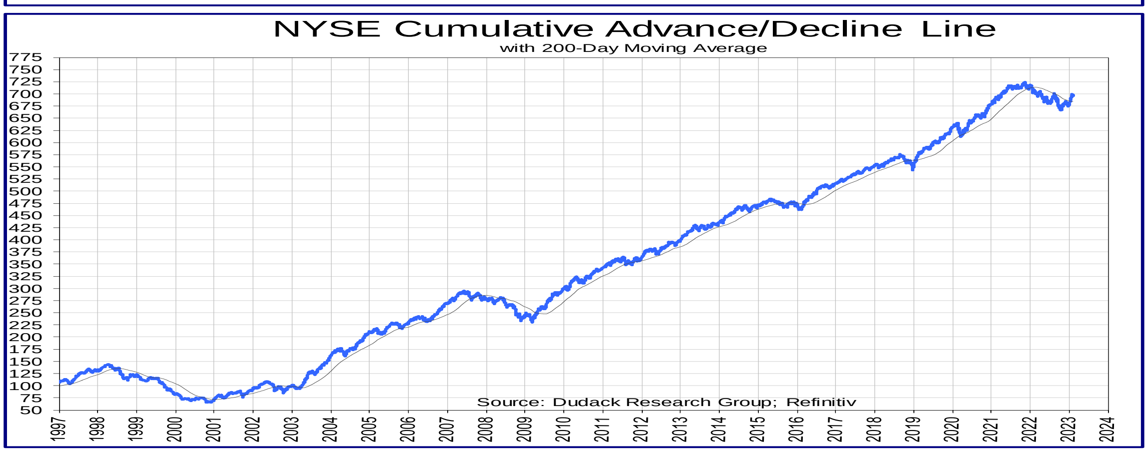
The key to a successful retest of a bear market low is whether or not a new low in price generates a new low in breadth. A successful retest will show there is less selling pressure – a less severe oversold reading -- despite a lower low in price. This "non-confirmation" of a low is a positive and implies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

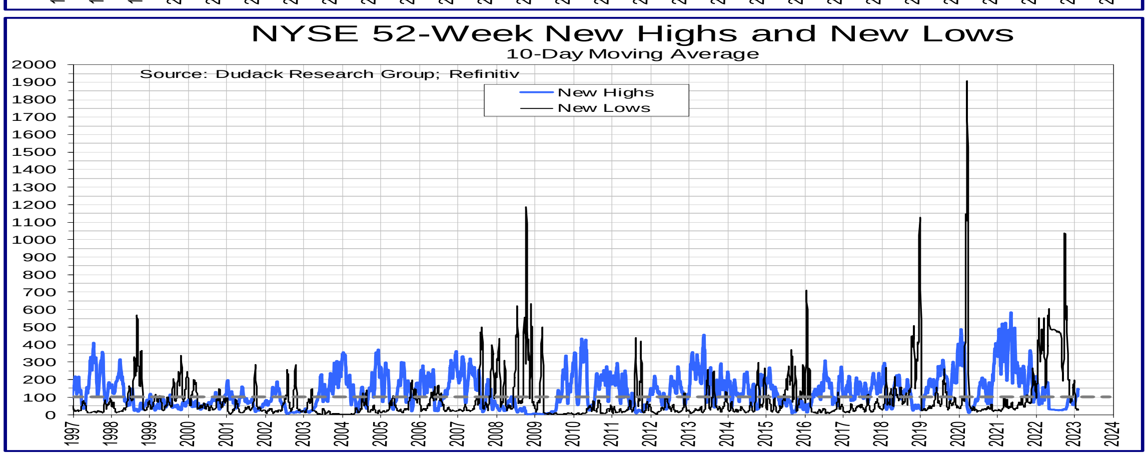


The 10-day average of daily new highs is 143 and new lows are 28. This combination is now positive since new highs are above the 100 benchmark and new lows are below 100. The advance/decline line fell below the June low on September 22 and is currently 27,599 net advancing issues from its 11/8/21 high. Although the AD line remains negative, it is improving.

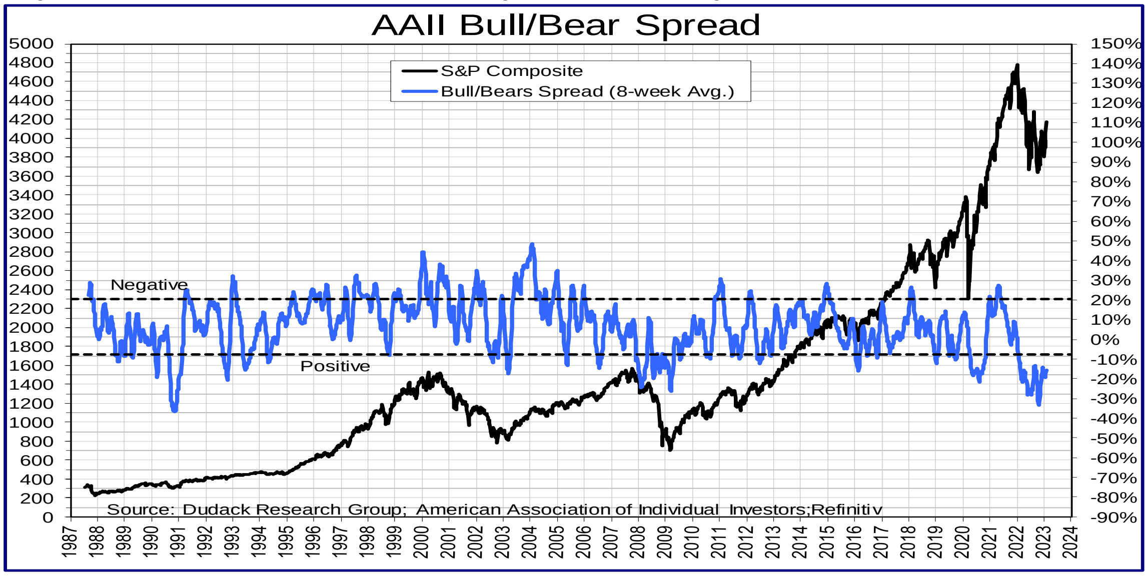


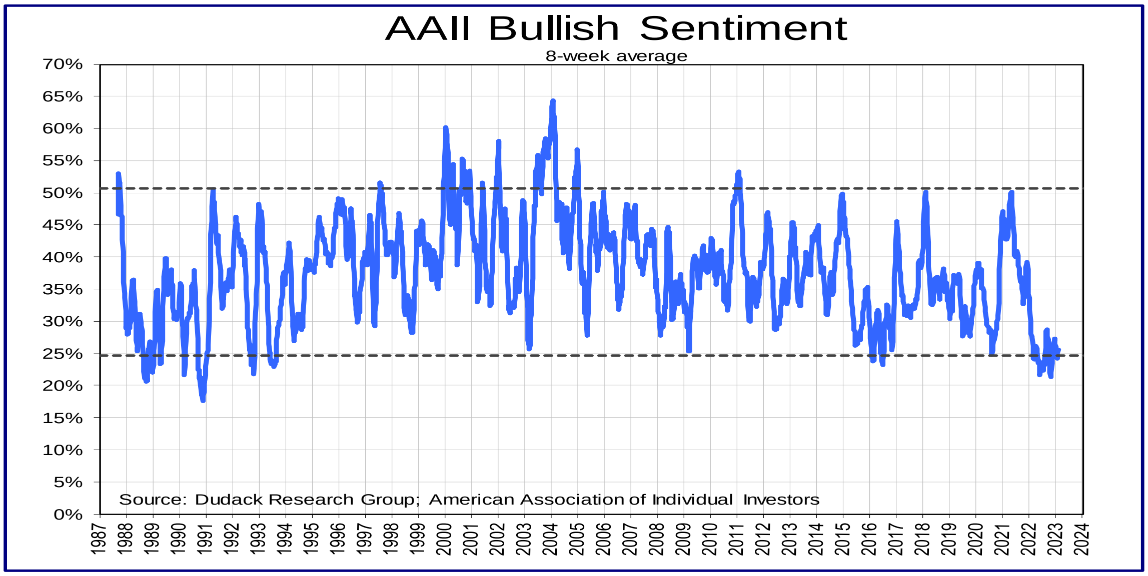


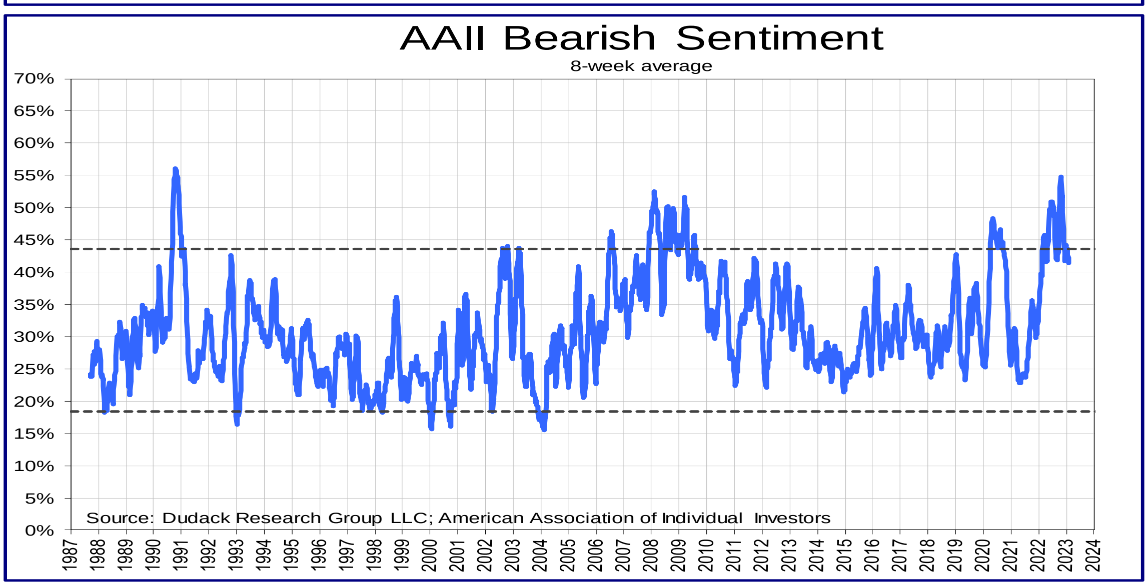




Last week's AAII readings showed a 1.5% increase in bulls to 29.9% and a 2.1% decrease in bears to 34.6%. Bullishness remains below the long-term average of 37.5% and bearishness is below its long-term average of 40.2%. Sentiment readings were most extreme on September 21, 2022, and equity prices tend to be higher in the next six and/or twelve months following such extreme readings.







GLOBAL MARKETS AND COMMODITIES - RANKED BY 2023 TRADING PERFORMANCE

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
SPDR S&P Semiconductor ETF	XSD	208.52	6.3%	20.6%	24.7%	24.7%
SPDR S&P Retail ETF	XRT	71.79	2.3%	14.4%	18.8%	18.8%
Consumer Discretionary Select Sector SPDR	XLY	151.48	1.9%	14.7%	17.3%	17.3%
SPDR Homebuilders ETF	XHB	70.29	1.2%	10.5%	16.5%	16.5%
NASDAQ 100	NDX	12728.27	5.2%	15.3%	16.3%	16.3%
Nasdaq Composite Index Tracking Stock	ONEQ.O	47.49	4.6%	14.6%	15.9%	15.9%
Technology Select Sector SPDR	XLK	143.54	5.6%	15.1%	15.3%	15.3%
iShares MSCI Mexico Capped ETF	EWW	56.29	-2.4%	4.8%	13.8%	13.8%
iShares MSCI Germany ETF	EWG	28.13	0.3%	6.7%	13.7%	13.7%
iShares Russell 2000 Growth ETF	IWO	241.37	2.3%	10.9%	12.5%	12.5%
iShares Russell 1000 Growth ETF	IWF	240.64	3.7%	12.0%	12.3%	12.3%
iShares Russell 2000 ETF	IWM	195.58	2.1%	10.1%	12.2%	12.2%
iShares MSCI Taiwan ETF	EWT	44.93	0.3%	7.1%	11.9%	11.9%
iShares Russell 2000 Value ETF	IWN	154.99	1.9%	9.2%	11.8%	11.8%
SPDR S&P Bank ETF	KBE	50.43	3.4%	9.0%	11.7%	11.7%
iShares MSCI South Korea Capped ETF	EWY	62.75	-1.1%	4.8%	11.1%	11.1%
iShares MSCI Austria Capped ETF	EWO	20.98	-0.9%	5.4%	10.4%	10.4%
iShares MSCI Australia ETF	EWA	24.54	-1.3%	6.6%	10.4%	10.4%
iShares US Real Estate ETF	IYR	92.58	0.0%	7.4%	10.0%	10.0%
iShares China Large Cap ETF	FXI	30.88	-2.9%	-1.0%	9.1%	9.1%
iShares Russell 1000 ETF	IWB	229.45	2.2%	7.5%	9.0%	9.0%
iShares MSCI EAFE ETF	EFA	71.29	-0.4%	4.6%	8.6%	8.6%
iShares MSCI Canada ETF	EWC	35.52	-0.9%	5.3%	8.5%	8.5%
SP500	**.SPX**	**4164.00**	**2.1%**	**6.9%**	**8.5%**	**8.5%**
Financial Select Sector SPDR	XLF	37.00	1.2%	4.6%	8.2%	8.2%
iShares US Telecomm ETF	IYZ	24.22	-0.4%	2.7%	8.0%	8.0%
Vanguard FTSE All-World ex-US ETF	VEU	54.07	-0.8%	3.6%	7.8%	7.8%
Materials Select Sector SPDR	XLB	83.60	-1.2%	4.0%	7.6%	7.6%
iShares MSCI Japan ETF	EWJ	58.37	-0.5%	6.6%	7.2%	7.2%
iShares MSCI Singapore ETF	EWS	20.16	-0.8%	4.1%	7.2%	7.2%
iShares MSCI Emerg Mkts ETF	EEM	40.44	-2.2%	0.9%	6.7%	6.7%
PowerShares Water Resources Portfolio	PHO	54.78	0.8%	4.5%	6.3%	6.3%
iShares Russell 1000 Value ETF	IWD	160.72	0.8%	3.4%	6.0%	6.0%
iShares DJ US Oil Eqpt & Services ETF	IEZ	22.42	-2.4%	4.9%	5.8%	5.8%
iShares 20+ Year Treas Bond ETF	TLT	105.06	-2.0%	-0.1%	5.5%	5.5%
iShares MSCI United Kingdom ETF	EWU	32.24	-1.0%	1.7%	5.2%	5.2%
Shanghai Composite	.SSEC	3248.09	-0.2%	2.9%	5.1%	5.1%
iShares MSCI BRIC ETF	BKF	36.01	-3.1%	-1.3%	4.9%	4.9%
Industrial Select Sector SPDR	XLI	102.92	1.1%	2.0%	4.8%	4.8%
iShares Nasdaq Biotechnology ETF	IBB.O	136.32	-0.2%	2.4%	3.8%	3.8%
iShares iBoxx $ Invest Grade Corp Bond	LQD	109.33	-1.4%	0.7%	3.7%	3.7%
SPDR DJIA ETF	DIA	341.52	0.2%	1.6%	3.1%	3.1%
DJIA	.DJI	34156.69	0.2%	1.6%	3.0%	3.0%
iShares MSCI Hong Kong ETF	EWH	21.60	-2.0%	-2.1%	2.8%	2.8%
SPDR Gold Trust	GLD	173.98	-3.0%	0.2%	2.6%	2.6%
iShares MSCI Malaysia ETF	EWM	23.25	-2.2%	1.1%	1.8%	1.8%
Gold Future	GCc1	2491.10	0.2%	0.9%	1.1%	1.1%
Energy Select Sector SPDR	XLE	88.35	-1.8%	0.9%	1.0%	1.0%
iShares MSCI Brazil Capped ETF	EWZ	28.09	-7.4%	-0.7%	0.4%	0.4%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	0.0%	0.0%
Consumer Staples Select Sector SPDR	XLP	73.18	-0.8%	-3.4%	-1.8%	-1.8%
Health Care Select Sect SPDR	XLV	132.80	-0.4%	-2.1%	-2.2%	-2.2%
Utilities Select Sector SPDR	XLU	68.46	-0.9%	-3.6%	-2.9%	-2.9%
United States Oil Fund, LP	USO	67.76	-2.3%	4.5%	-3.4%	-3.4%
Oil Future	CLc1	77.14	-2.2%	4.6%	-3.9%	-3.9%
iShares MSCI India ETF	INDA.K	39.94	-2.6%	-5.1%	-4.3%	-4.3%
Silver Future	SIc1	22.12	-6.9%	-7.2%	-7.3%	-7.3%
iShares Silver Trust	SLV	21.29	-6.6%	-7.0%	-7.4%	-7.4%

Outperformed SP500
Underperformed SP500

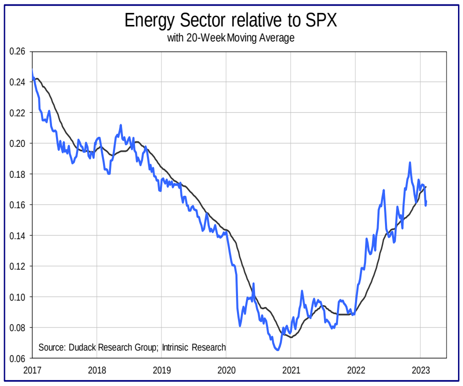
Source: Dudack Research Group; Thomson Reuters

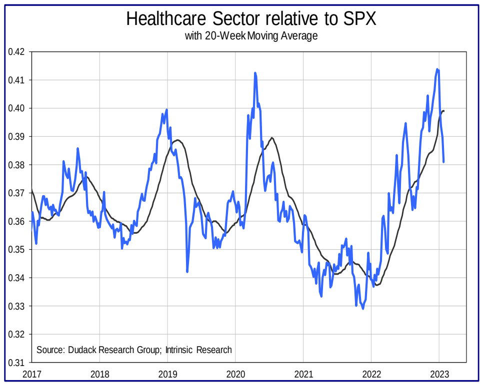
Priced as of February 7, 2023

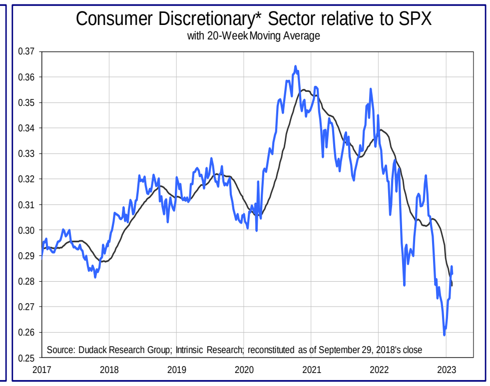
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

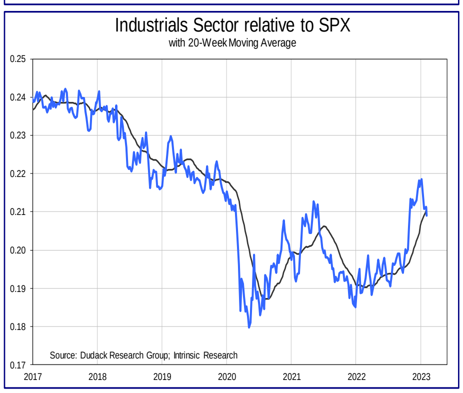
DRG Recommended Sector Weights				
Overweight		**Neutral**		**Underweight**
Energy Industrials Staples Utililties		Healthcare Technology Materials Financials		Consumer Discretionary REITS Communication Services

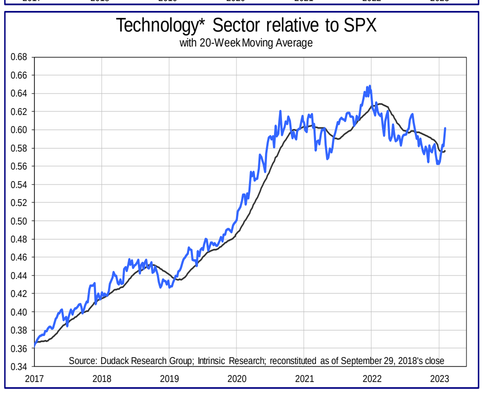
3/8/2022:Materials upgraded from underweight to neutral/communication service downgraded from neutral to underweight. 3/1/2022 Financials downgraded to neutral and Industrials upgraded to overweight.

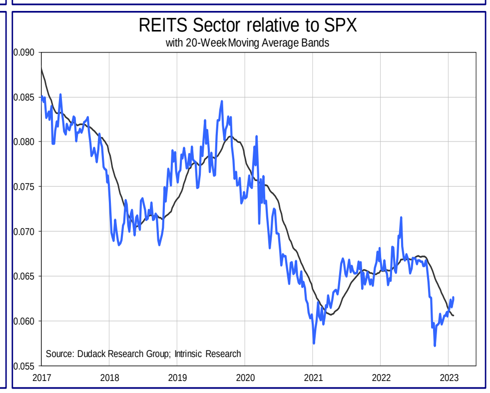


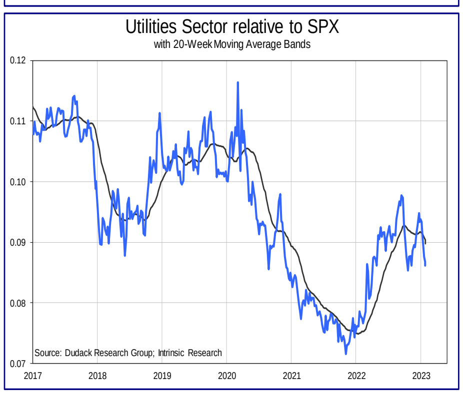


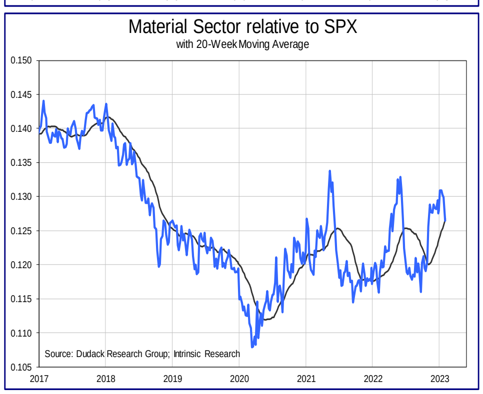


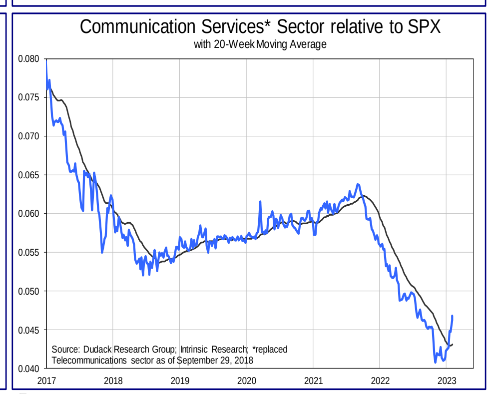


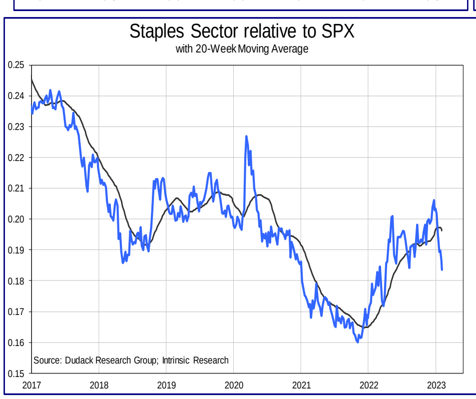












2023 Performance - Ranked	
SP500 Sector	% Change
S&P COMMUNICATIONS SERVICES	22.2%
S&P CONSUMER DISCRETIONARY	17.1%
S&P INFORMATION TECH	15.3%
S&P REITS	9.7%
S&P 500	8.5%
S&P FINANCIAL	7.9%
S&P MATERIALS	7.6%
S&P INDUSTRIALS	4.7%
S&P ENERGY	0.6%
S&P CONSUMER STAPLES	-1.9%
S&P HEALTH CARE	-2.4%
S&P UTILITIES	-3.0%

Source: Dudack Research Group; Refinitiv; Monday closes

US Asset Allocation

	Benchmark	DRG %	Recommendation
Equities	60%	55%	Neutral
Treasury Bonds	30%	20%	Underweight
Cash	10%	25%	Overweight
	100%	100%	

Source: Dudack Research Group; raised cash and lowered equity 15% on December 21, 2022

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%	$2,382.80	21.1%
2022P	3839.50	$176.18	$198.27	$200.00	-3.9%	**$219.29**	5.4%	21.0X	1.4%	NA	NA	NA
2023E	~~~~~	$199.76	$221.00	$180.00	-10.0%	**$224.31**	2.3%	18.4X	NA	NA	NA	NA
2015 1Q	2108.88	$21.81	$25.81	$25.81	-5.5%	$28.60	1.5%	18.9	2.0%	3.3%	$1,706.90	9.2%
2015 2Q	2166.05	$22.80	$26.14	$26.14	-10.9%	$30.09	0.1%	20.0	2.0%	2.3%	$1,689.20	-1.4%
2015 3Q	1920.03	$23.22	$25.44	$25.44	-14.1%	$29.99	-0.2%	18.4	2.2%	1.3%	$1,675.60	-6.6%
2015 4Q	2043.94	$18.70	$23.06	$23.06	-13.8%	$29.52	-3.3%	20.3	2.1%	0.6%	$1,585.20	-11.1%
2016 1Q	2059.74	$21.72	$23.97	$23.97	-7.1%	$26.96	-5.7%	20.9	2.1%	2.4%	$1,664.90	-2.5%
2016 2Q	2098.86	$23.28	$25.70	$25.70	-1.7%	$29.61	-1.6%	21.4	2.1%	1.2%	$1,624.20	-3.8%
2016 3Q	2168.27	$25.39	$28.69	$28.69	12.8%	$31.21	4.1%	21.4	2.1%	2.4%	$1,649.90	-1.5%
2016 4Q	2238.83	$24.16	$27.90	$27.90	21.0%	$31.30	6.0%	21.1	2.0%	2.0%	$1,707.00	7.7%
2017 1Q	2362.72	$27.46	$28.82	$28.82	20.2%	$30.90	14.6%	21.3	2.0%	1.7%	$1,791.40	7.6%
2017 2Q	2423.41	$27.01	$30.51	$30.51	18.7%	$32.58	10.0%	20.9	1.9%	2.0%	$1,803.70	11.1%
2017 3Q	2519.36	$28.45	$31.33	$31.33	9.2%	$33.45	7.2%	21.2	1.9%	3.4%	$1,845.10	11.8%
2017 4Q	2673.61	$26.96	$33.85	$33.85	21.3%	$36.02	15.1%	21.5	1.8%	4.1%	$1,884.60	10.4%
2018 1Q	2640.87	$33.02	$36.54	$36.54	26.8%	$38.07	23.2%	20.0	1.9%	2.8%	$1,968.30	9.9%
2018 2Q	2718.37	$34.05	$38.65	$38.65	26.7%	$41.00	25.8%	19.4	1.9%	2.8%	$1,972.70	9.4%
2018 3Q	2913.98	$36.36	$41.38	$41.38	32.1%	$42.66	27.5%	19.4	1.8%	2.9%	$2,028.40	9.9%
2018 4Q	2506.85	$28.96	$35.03	$35.03	3.5%	$41.18	14.3%	16.5	2.1%	0.7%	$2,087.60	10.8%
2019 1Q	2834.40	$35.02	$37.99	$37.99	4.0%	$39.15	2.8%	18.5	1.9%	2.2%	$2,051.00	4.2%
2019 2Q	2941.76	$34.93	$40.14	$40.14	3.9%	$41.31	0.8%	19.0	1.9%	2.7%	$2,115.30	7.2%
2019 3Q	2976.74	$33.99	$39.81	$39.81	-3.8%	$42.14	-1.2%	19.5	1.9%	3.6%	$2,130.00	5.0%
2019 4Q	3230.78	$35.53	$39.18	$39.18	11.8%	$41.98	1.9%	20.6	1.8%	1.8%	$2,122.70	1.7%
2020 1Q	2584.59	$11.88	$19.50	$19.50	-48.7%	$33.13	-15.4%	18.6	2.3%	-4.6%	$1,965.90	-4.1%
2020 2Q	4397.35	$17.83	$26.79	$26.79	-33.3%	$27.98	-32.3%	35.1	1.9%	-29.9%	$1,746.10	-17.5%
2020 3Q	3363.00	$32.98	$37.90	$37.90	-4.8%	$38.69	-8.2%	27.3	1.7%	35.3%	$2,154.30	1.1%
2020 4Q	3756.07	$31.45	$38.19	$38.19	-2.5%	$42.58	1.4%	30.7	1.6%	3.9%	$2,018.50	-4.9%
2021 1Q	3972.89	$45.95	$47.41	$47.41	143.1%	$49.13	48.3%	26.4	1.5%	6.3%	$2,237.40	13.8%
2021 2Q	4297.50	$48.39	$52.03	$52.03	94.2%	$52.58	87.9%	24.5	1.3%	7.0%	$2,401.70	37.5%
2021 3Q	4307.54	$49.59	$52.02	$52.02	37.3%	$53.72	38.8%	22.7	1.4%	2.7%	$2,456.40	14.0%
2021 4Q	4766.18	$53.94	$56.71	$56.71	48.5%	$53.95	26.7%	22.9	1.3%	7.0%	$2,435.90	20.7%
2022 1Q	4530.41	$45.99	$49.36	$49.36	4.1%	$54.80	11.5%	21.6	1.4%	-1.6%	$2,374.60	6.1%
2022 2Q	3785.38	$42.74	$46.87	$46.87	-9.9%	$57.62	9.6%	18.5	1.7%	-0.6%	$2,522.60	5.0%
2022 3QE	3585.62	$44.41	$50.35	$51.00	-2.0%	$56.02	4.3%	17.6	1.8%	3.2%	$2,543.00	3.5%
2022 4QE*	4164.00	$43.04	$51.69	$52.77	-6.9%	$53.44	-0.9%	20.6	1.7%	2.9%	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 2/7/2023

Regulation AC Analyst Certification

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