Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
Gail M. Dudack, CMT ● Chief Investment Strategist ● gail@dudackresearchgroup.com ● 212-320-2045
March 15, 2023

DJIA: 32155.40
SPX: 3919.29
NASDAQ: 11428.15

US Strategy Weekly
The Ides of March

The famous soothsayer warning of "beware the Ides of March" to Julius Caesar in Shakespeare's play of the same name, could be fitting advice for today. In Roman times, March 15 was a day of religious observances and a deadline for settling debts, but it will always be famous as the date of Julius Caesar's assassination. Wall Street has adopted this phrase because equity performance in the first half of March often begins in a promising way but ends on a weak note. This year a mid-March alert is interesting because it comes at the intersection of February employment statistics, the consumer and producer inflation reports, three bank failures and an important FOMC meeting, among other things.

Bank Failures

However, it is the bank failures that have captured all of the media's attention. It began with the cryptocurrency-focused Silvergate Bank (holding company Silvergate Capital Corporation SI - $2.21) which announced early in March that it would be forced to liquidate due to large losses in its loan portfolio. On March 10, Silicon Valley Bank (holding company SVB Financial Group SIVB - $106.04), which concentrated its business on technology startup companies and venture capitalists, was seized by regulators to abort a run on the bank. Both of these banks were California-based banks. Signature Bank (SBNY - $70.00*), a New York-based bank with sizeable business with cryptocurrency firms, was closed by regulators on March 12. None of these were small issues; in fact, the collapse of Silicon Valley Bank and Signature Bank marked the second- and third-largest bank failures in the history of the United States. However, all of these, and Silicon Valley Bank in particular, appear to be examples of poor risk management on many levels, and not similar to the 2008 banking crisis, in our view. Still, the risk of contagion still exists, and it could take weeks to understand all the fallout.

Nevertheless, we would like to point out that there were many important announcements taking place this week aside from Silicon Valley Bank. Credit Suisse Group AG (CS - $2.51) was forced to delay its annual report due to questions from the Securities and Exchange Commission. The report, eventually filed on March 14, confirmed there were financial control weaknesses in 2021 and 2022, and the company reported a loss of $8 billion for 2022. This was Credit Suisse's largest loss since the 2008 financial crisis. Not surprisingly, customers continue to withdraw money from the bank. This is Switzerland's second largest bank and one of nine global bulge bracket banks providing services in investment banking, private banking, and asset management.

Alaskan Oil

And in an unexpected turnaround, the Biden administration approved the ConocoPhillips (COP - $101.36) oil drilling project in Alaska's North Slope on March 14. This $8 billion Willow project is expected to produce over 600 million barrels of petroleum over a 30-year period.

*March 10, 2023

The Rise of China

But the most important event of mid-March may have been that Chinese President Xi Jinping brokered a diplomatic truce between Saudi Arabia --- a long-standing American ally --- and Iran --- a long-standing American antagonist. This deal will end seven years of estrangement between these two oil-producing countries, but more importantly, it signals a major increase in China's influence in a region of the world where the US had been the main power broker. For Iran it eases the international isolation that the country has experienced for years and for Saudi Arabia, it creates more leverage in terms of negotiating with the Biden administration. In the longer run, this deal may prove to have a lasting impact on global politics or become a significant turning point. And it comes as Russia continues to bomb Ukraine and Russian fighter jets clip the propeller of an American spy drone flying over international air space in the Black Sea. The economic significance of all this is unknown at the moment, but we are watching the performance of the dollar. Dollar weakness could persist if the US is perceived to be weakening politically and economically. And a weak dollar makes imports more expensive, i.e., it is inflationary.

The FOMC

Three bank failures will make next week's FOMC meeting more interesting than anyone had anticipated. However, the announcement of the Federal Reserve's lending program might give the Fed the flexibility it needs to raise rates 25 basis points next week. Under the Bank Term Funding Program (BTFP), the Fed will provide banks with one-year loans at the rate of a one-year overnight index swap (OIS) plus 10 basis points. Banks can use eligible government securities like Treasuries and agency mortgage-backed debt to guarantee the loans. And most importantly, the program values these at par rather than at mark-to-market. Selling Treasury bonds as rates were rising is what put pressure on Silicon Valley Bank. We do not expect the Fed to surprise the equity market, but to the extent that traders have already priced in a 25 basis points increase, the Fed is apt to take that opportunity and raise rates.

History shows that tightening cycles rarely end without the fed funds rate reaching at least 400 basis points above inflation. By these two standards, even if inflation falls to 3% YOY, which is optimistic, we should expect interest rates to move higher and stay high longer than expected. This is most likely to end in a recession. As we have often noted, whenever inflation reaches one standard deviation above the norm, or higher, a series of recessions have followed. One standard deviation above the norm is currently 6.5%. See page 6. In short, we believe investors should focus on defensive and recession-resistant stocks.

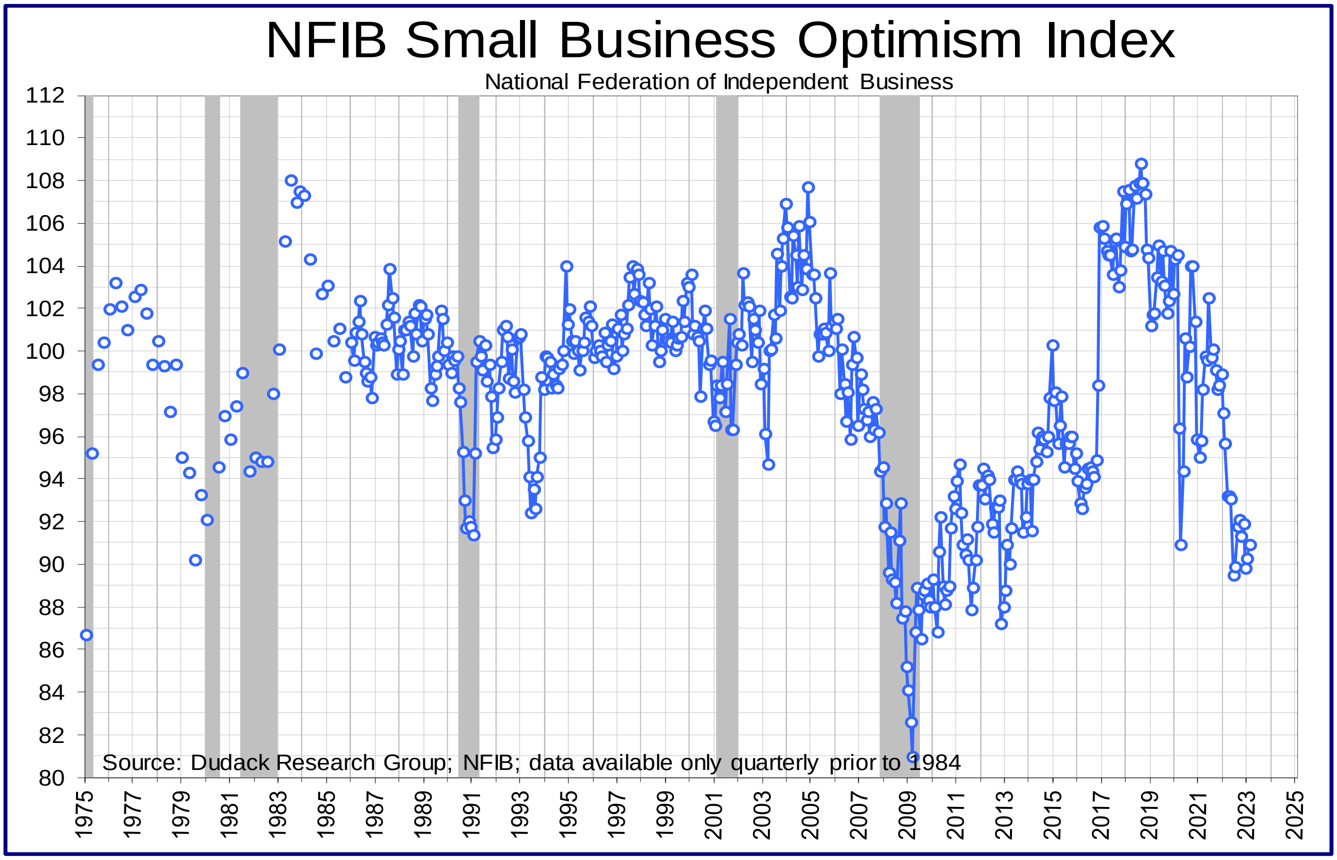
Technical Update

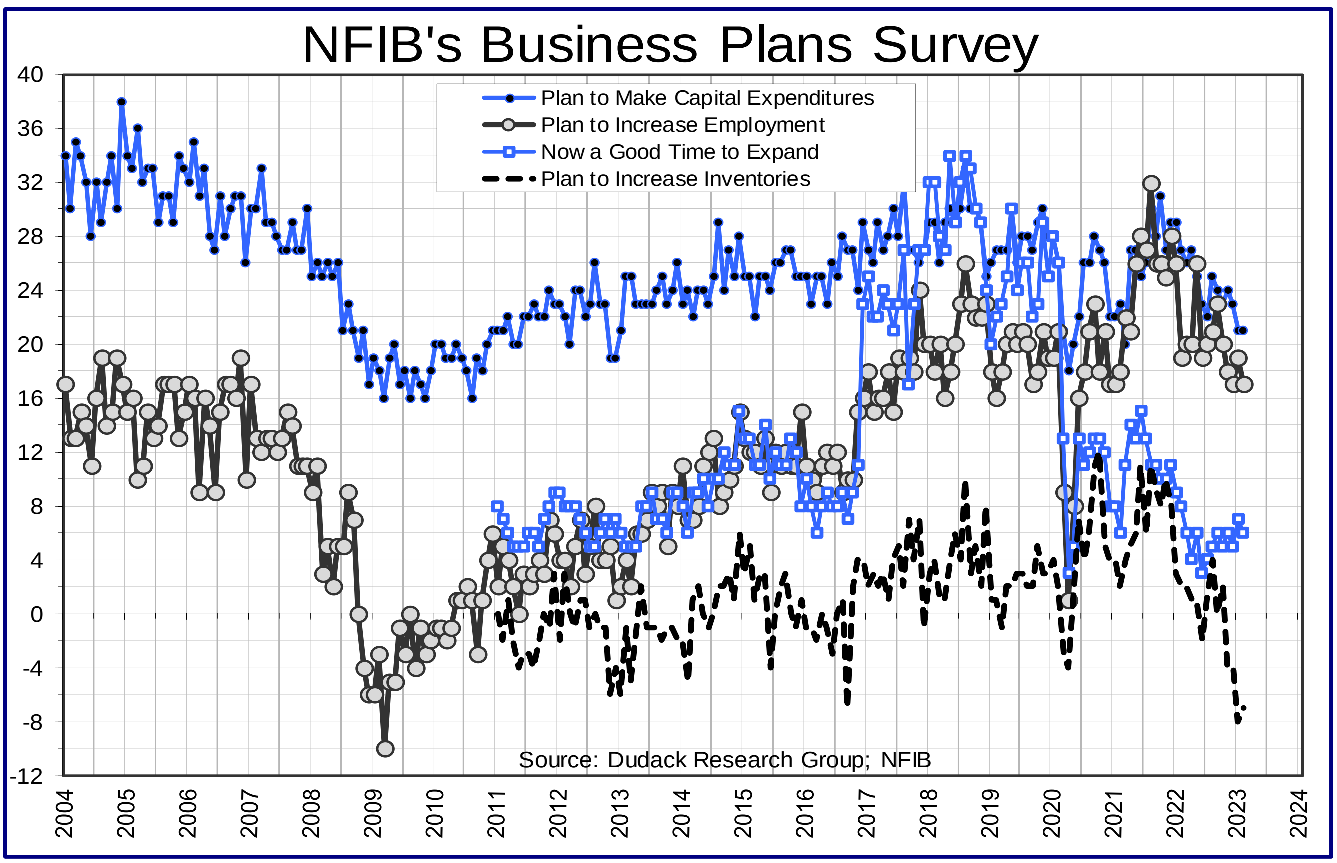
Our focus index is the Russell 2000 index this week due to its sizeable exposure to regional bank stocks. Currently, the index is rebounding from a very sharp decline; nonetheless, the overall pattern reveals the index is in a broad trading range. This is much in line with our long-term view. See page 9.

The 25-day up/down volume oscillator is negative 3.36 this week and has been in oversold territory for four consecutive trading days. This follows an eleven-day overbought reading that ended February 8. The February overbought reading was an indication of a shift from a bearish to a positive trend, or at least from bearish to neutral. However, this week's return to oversold territory clearly defines the current market trend as neutral. See page 10.

The 10-day average of daily new highs is 69 and new lows are 131 this week. This combination is now negative since new highs are less than 100 and new lows are above 100. The advance/decline line fell below the June low on September 22 and is currently 40,117 net advancing issues from its November 8, 2021 high. This collection of indicators has shifted from neutral to negative this week.

The NFIB small business optimism index increased 0.6 points in February to 90.9, yet it remained below the 49-year average of 98 for the 14th month in a row. Inflation was the single most important business problem for 28% of owners, up two points for the month. Plans to expand, increase inventories, increase employment, or make capital expenditures remain glum.



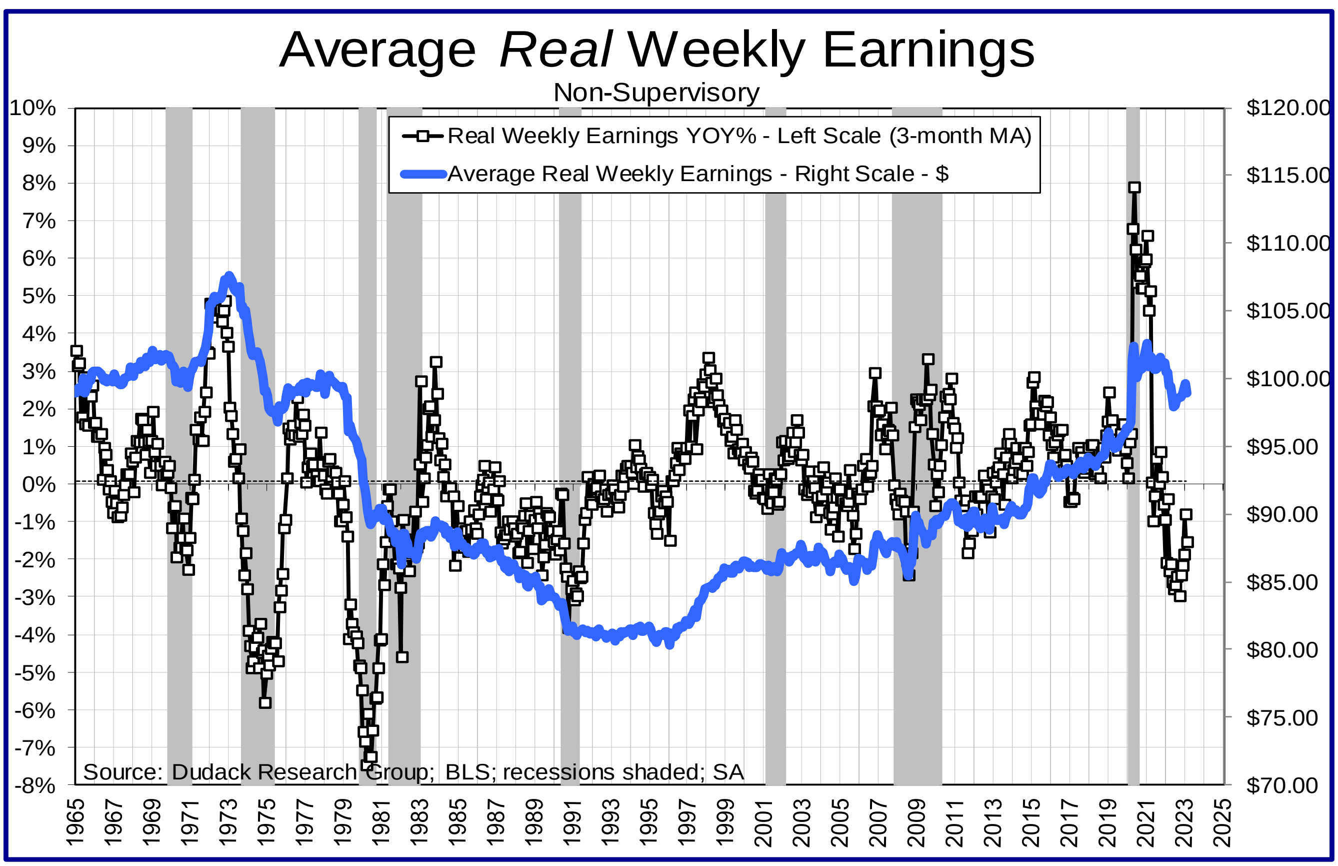


February's payrolls rose 311,000, which was better than the consensus estimate, while the unemployment rate rose 0.2% to 3.6%. However, despite a steady 450 basis points increase in the fed funds rate, the unemployment rate remains lower than a year earlier. This means the Federal Reserve's problem of lowering demand and controlling inflation continues.

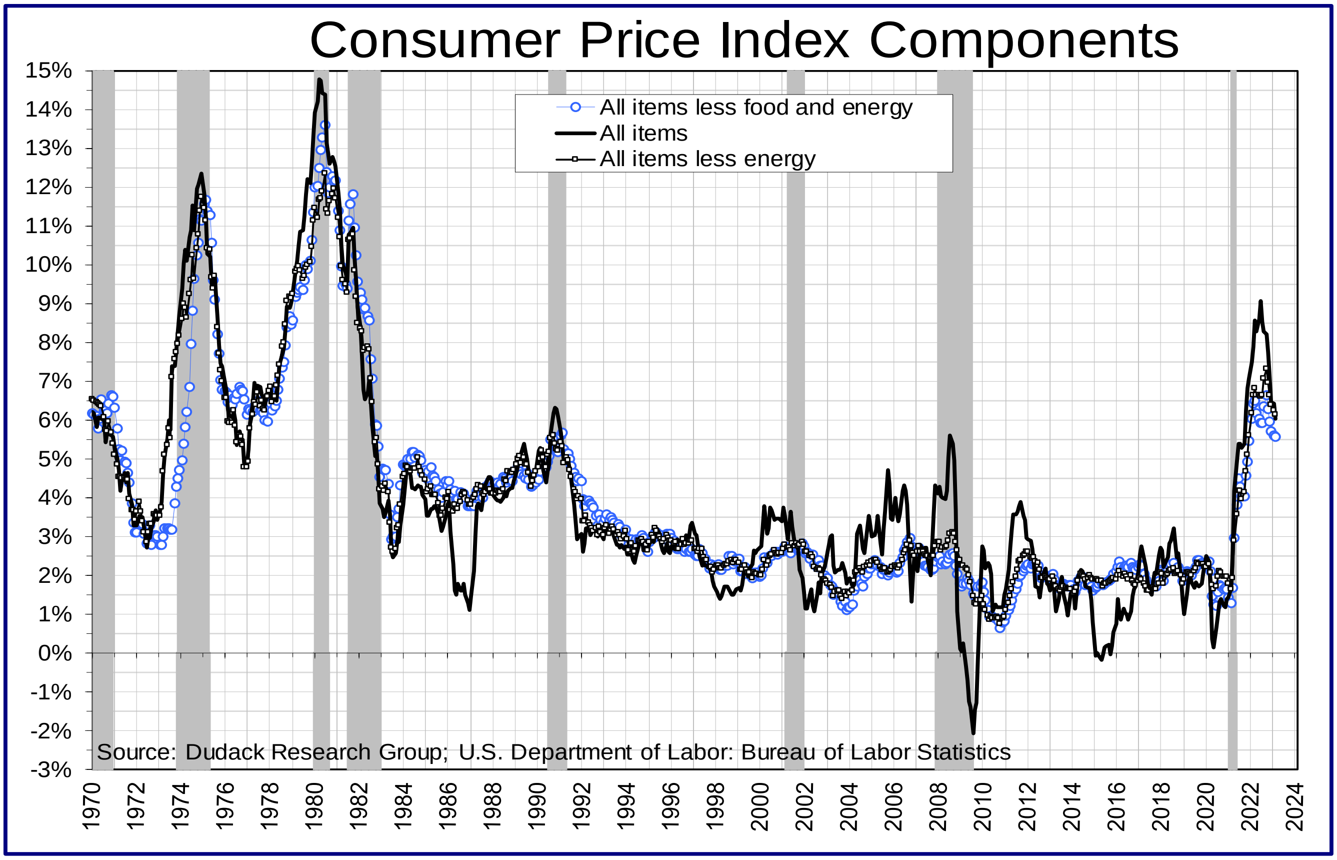
Average weekly earnings rose 4.4% YOY versus 5.6% in January. Nonetheless, real weekly earnings declined 1.4% from a year ago, slightly worse than the 0.8% decline recorded in January, but better than the 2.1% decline seen at the end of 2022.

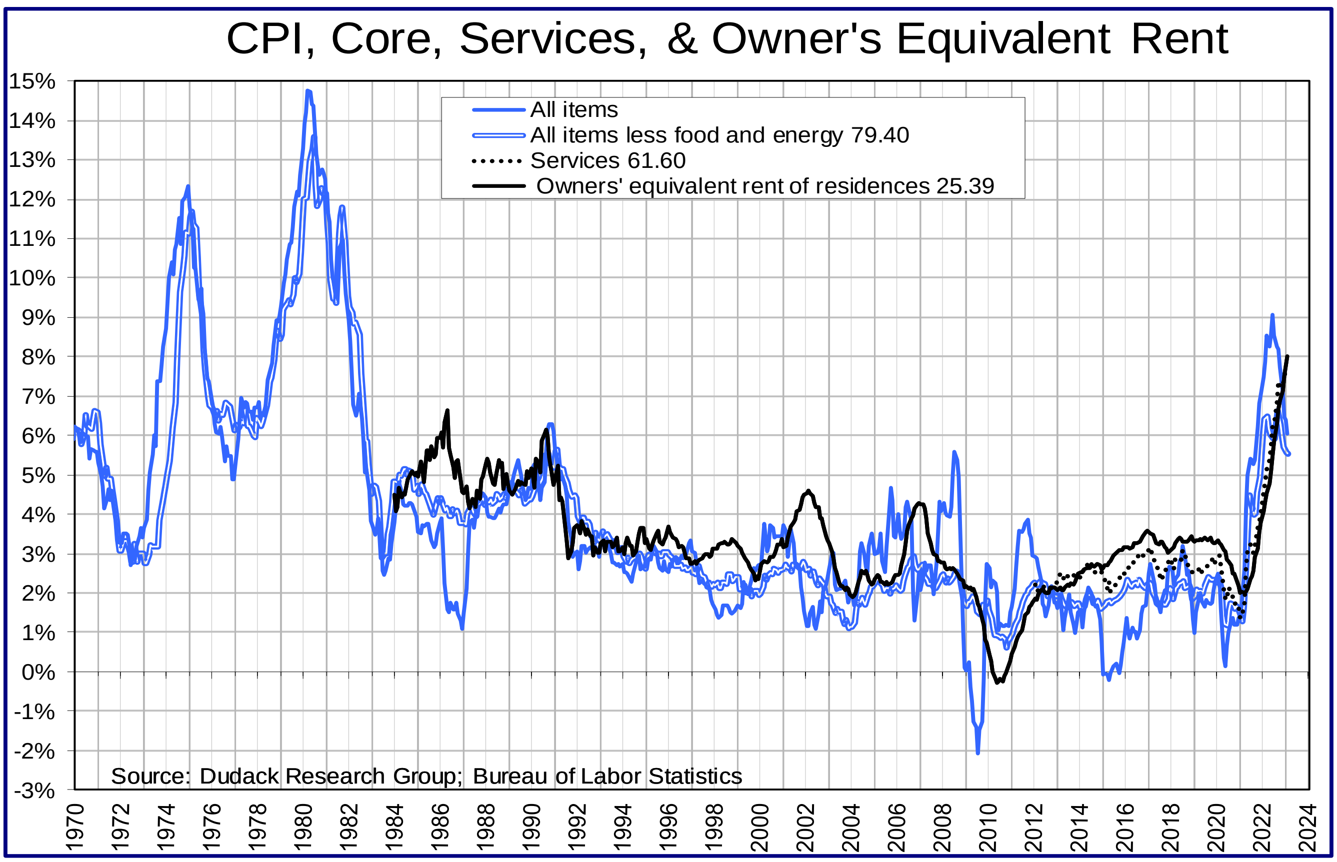
Employment Surveys (1,000s SA)	Feb-23	Jan-23	Change	Feb-22	Yr/Yr
Establishment Survey: NonFarm Payrolls	155,350	155,039	311	151,010	4,340
Household Survey Data (1,000s)					
Employed (A)	160,315	160,138	177	157,590	2,725
Unemployed (B)	5,936	5,694	242	6,272	(336)
Civilian labor force [A+B]	166,251	165,832	419	163,862	2,389
Unemployment rate [B/(A+B)]	3.6%	3.4%	0.14%	3.8%	-0.3%
U6 Unemployment rate	6.8%	6.6%	0.2%	7.2%	-0.4%
Civilian noninstitutional population (C)	266,112	265,962	150	263,324	2,788
Participation rate [(A+B)/C]	62.5	62.4	0.1	62.2	0.3
Employment-population ratio [A/C]	60.2	60.2	0.0	59.8	0.4
Not in labor force	99,861	100,130	-269	99,463	398

Source: Bureau of Labor Statistics

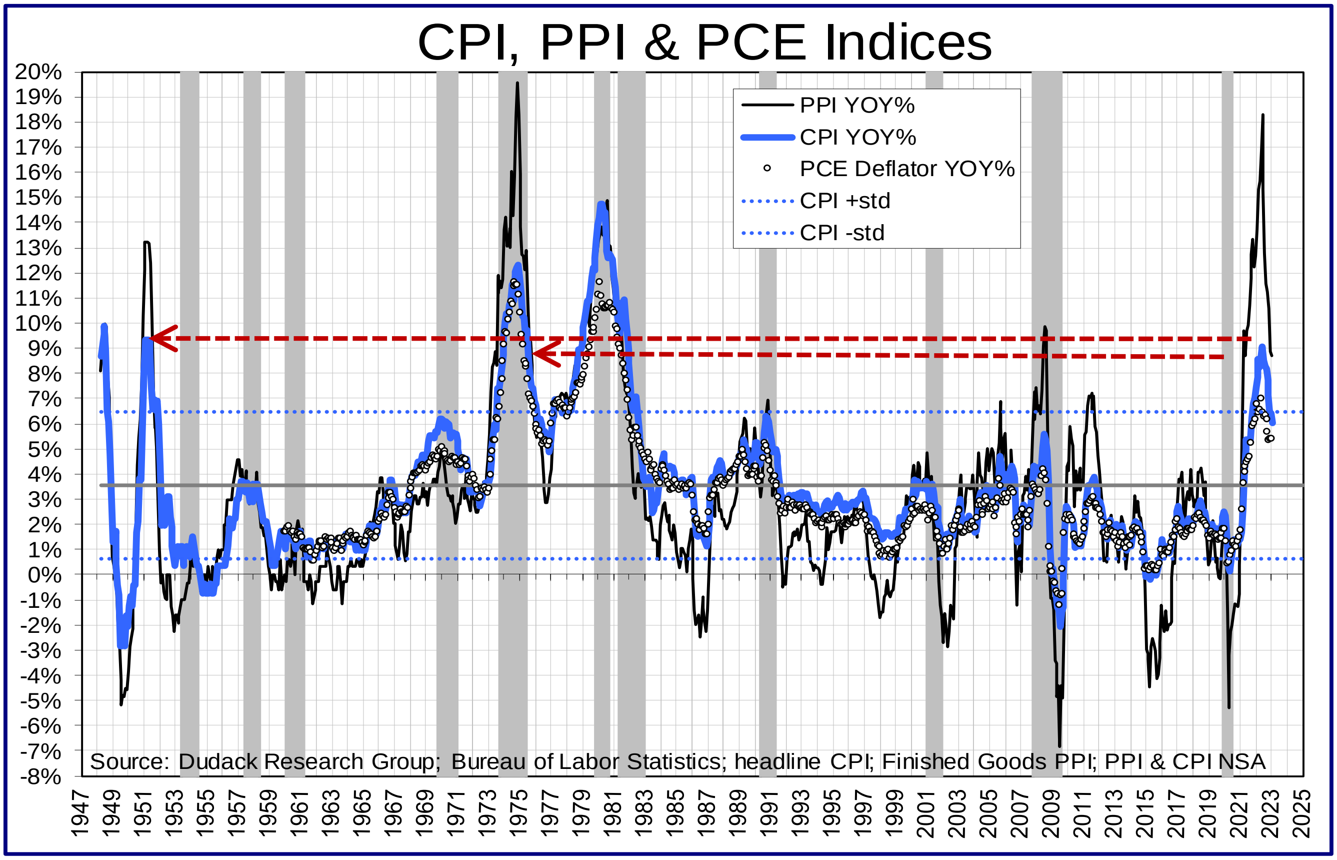


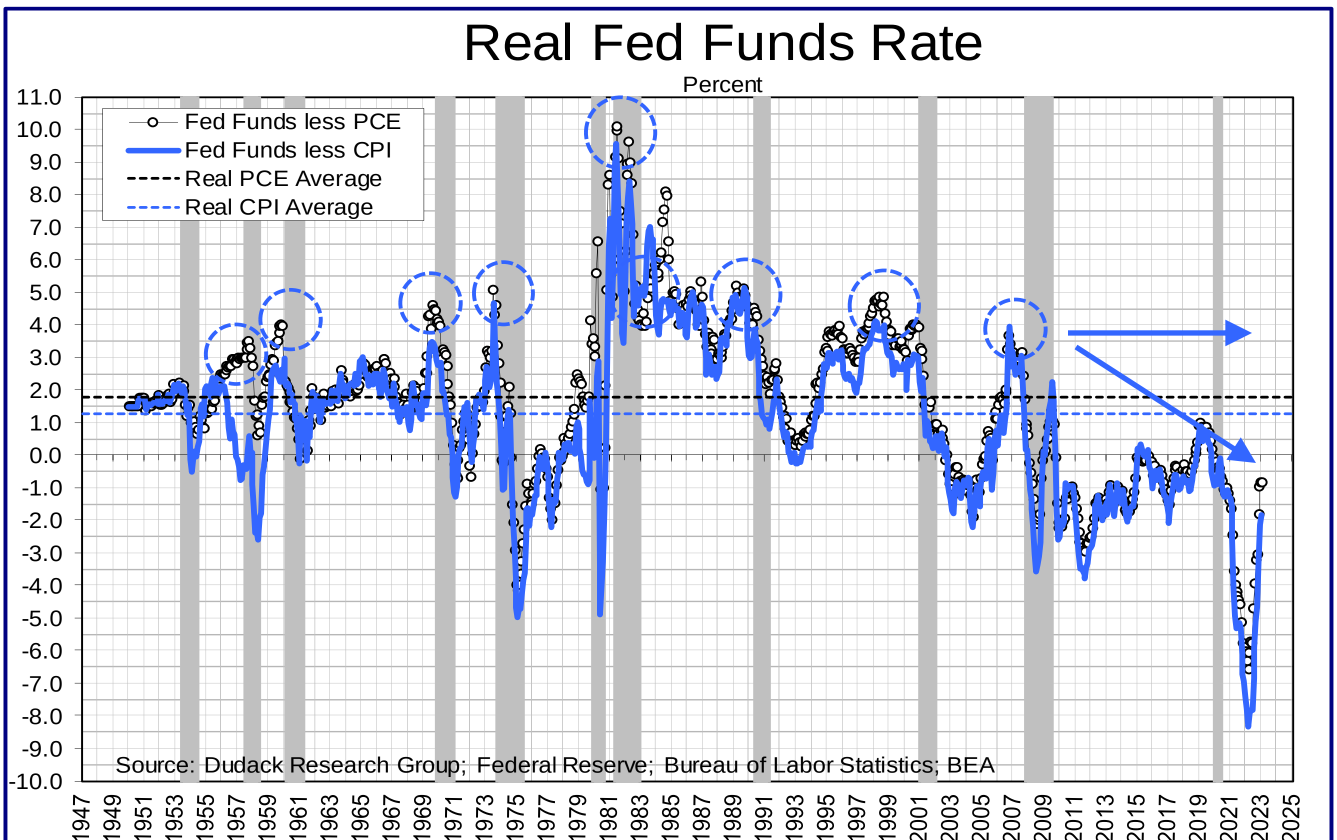
Using not-seasonally-adjusted data, headline CPI rose 6.0% YOY in February versus 6.4% YOY in January. Core CPI, all items less food and energy rose 5.54% versus 5.58% in January. All items less energy rose 6.1% versus 6.2% a month earlier. Owners' equivalent rents rose 8.0% versus 7.8% in January. Services saw prices rising 7.6% YOY, unchanged from January.



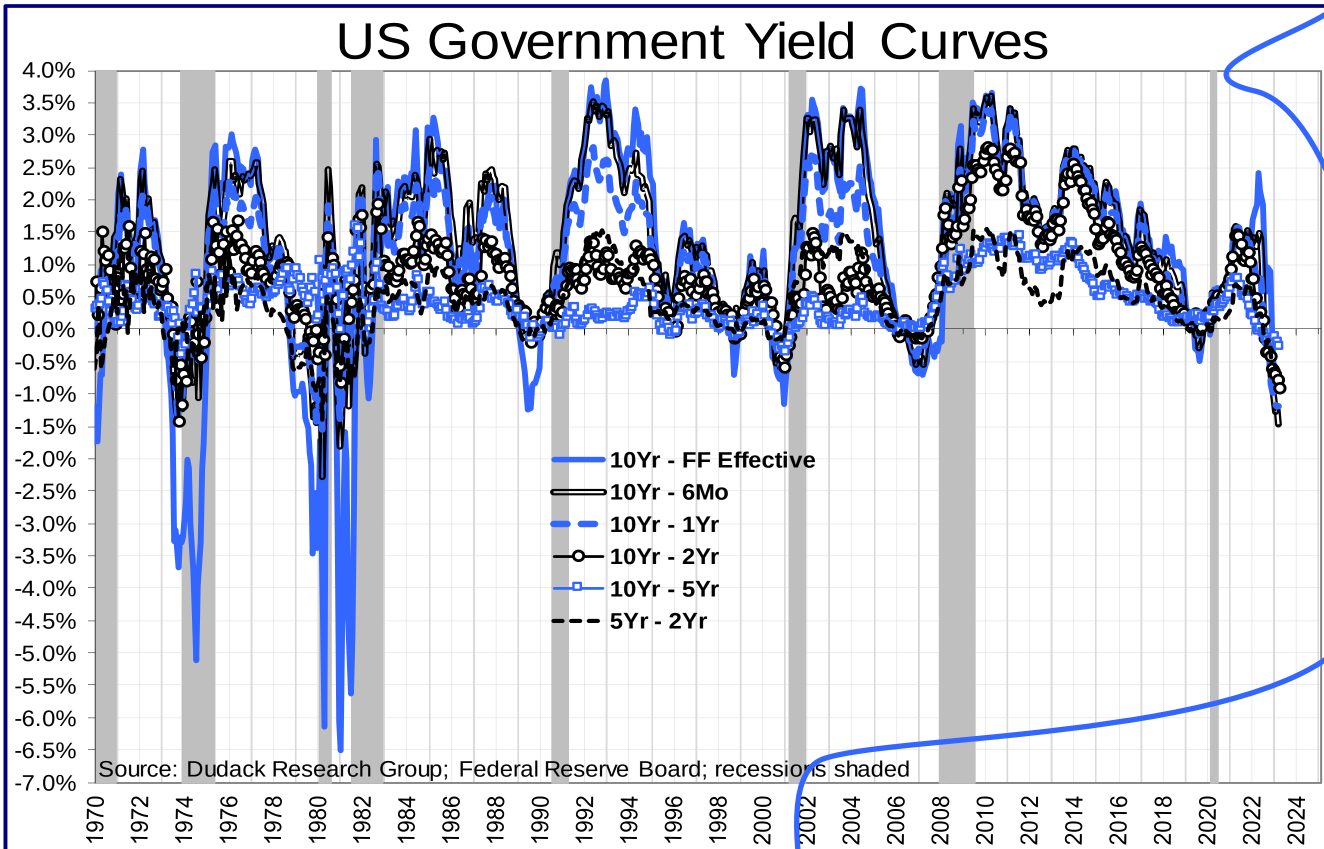


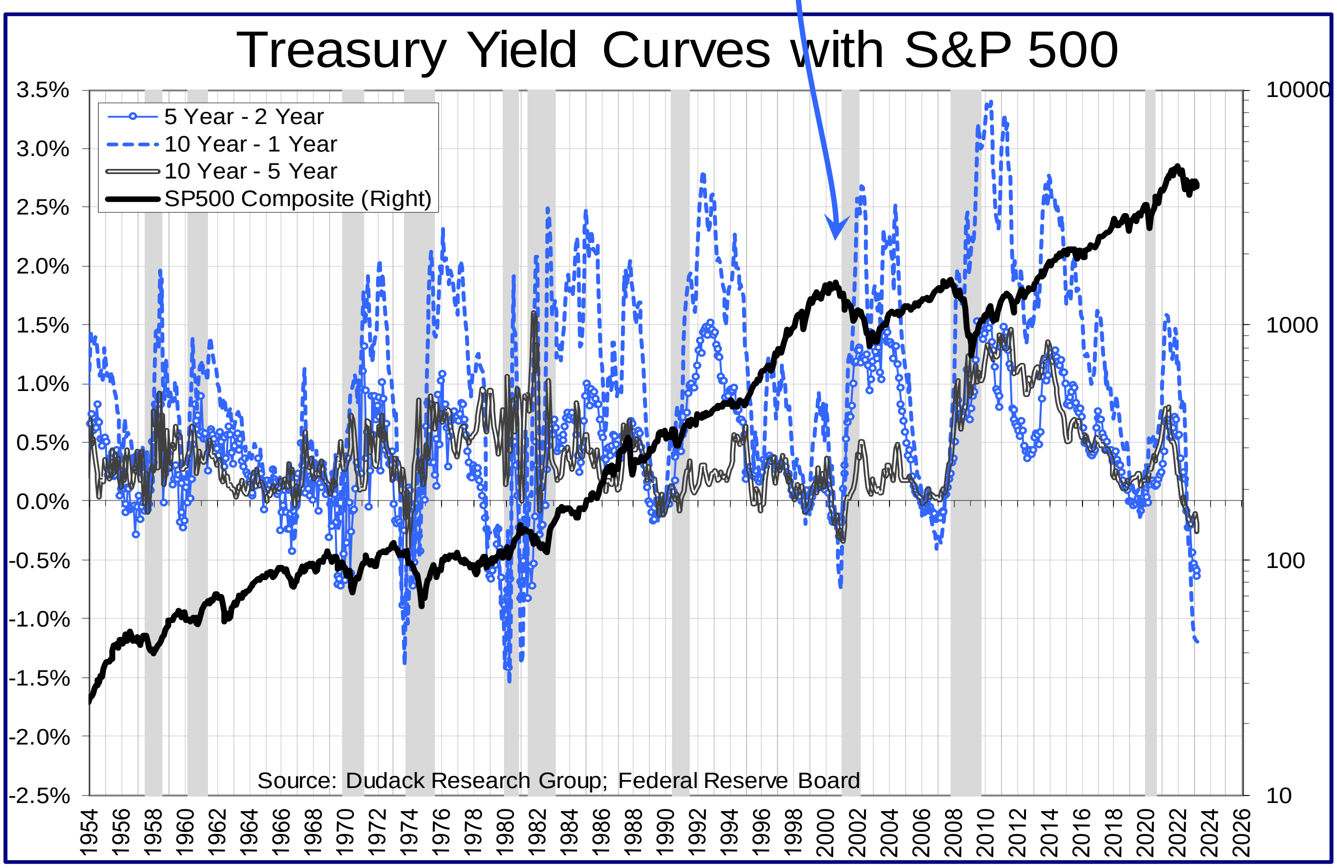
History shows that when inflation runs a standard deviation or more above the norm (1 std > norm = 6.5%), a series of recessions has followed. We believe the early 2020 recession may be the first in a series. Plus, tightening cycles rarely end without the fed funds rate reaching at least 400 bp above inflation. By these two standards, we should expect interest rates to move higher and stay high longer than expected and end in a recession. This assumes the Silicon Valley Bank collapse was due to mismanagement and can be contained. But without leadership from financials, bull markets cannot be sustained.



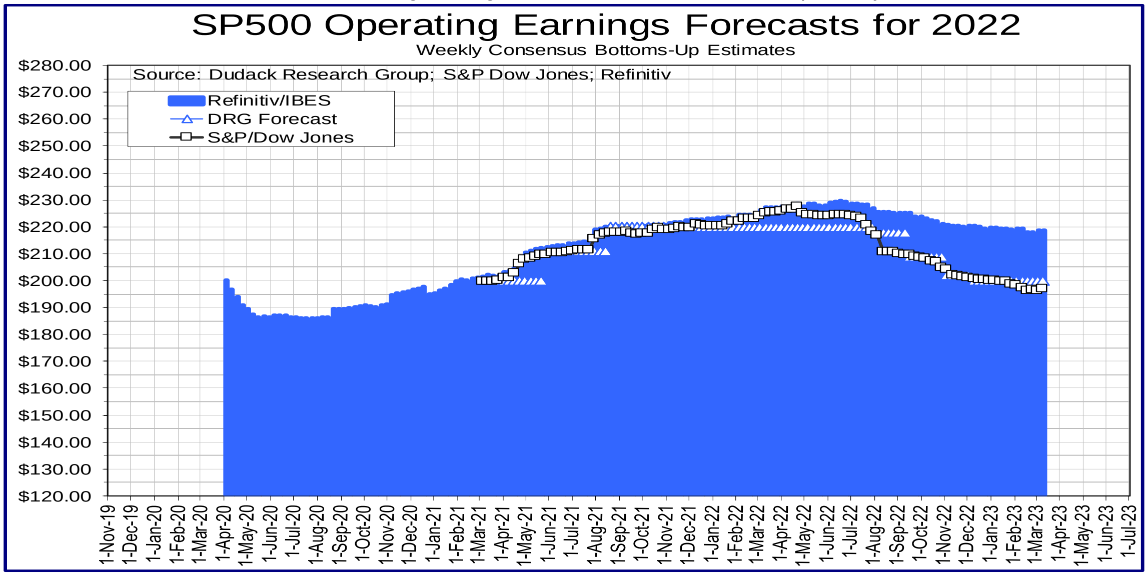


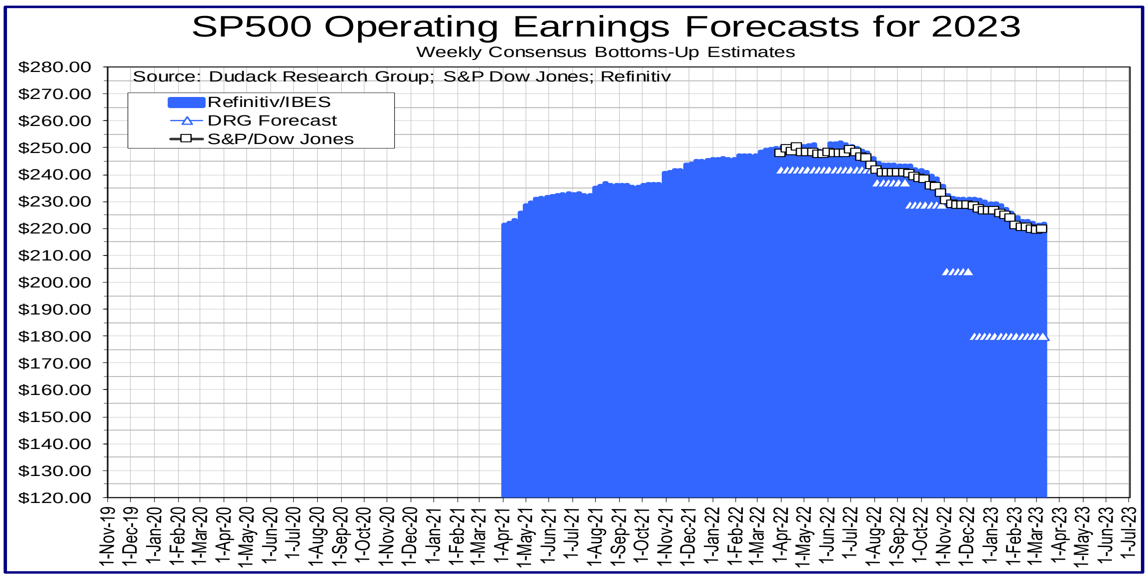
The two-year Treasury yield has been higher than the 10-year yield since last July and when the gap reached 110 basis points last week, it was the deepest inversion since 1981. Although the lag time can be quite substantial, an inverted yield curve has always been followed by a recession and recessions are always accompanied by an equity decline. It is dangerous to believe it may be different this time.

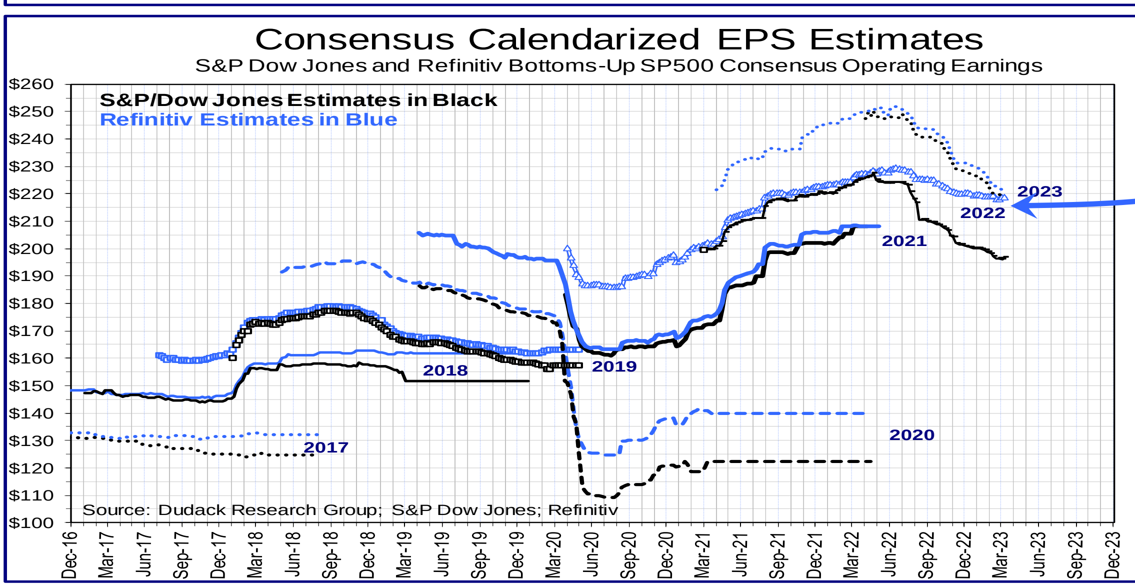




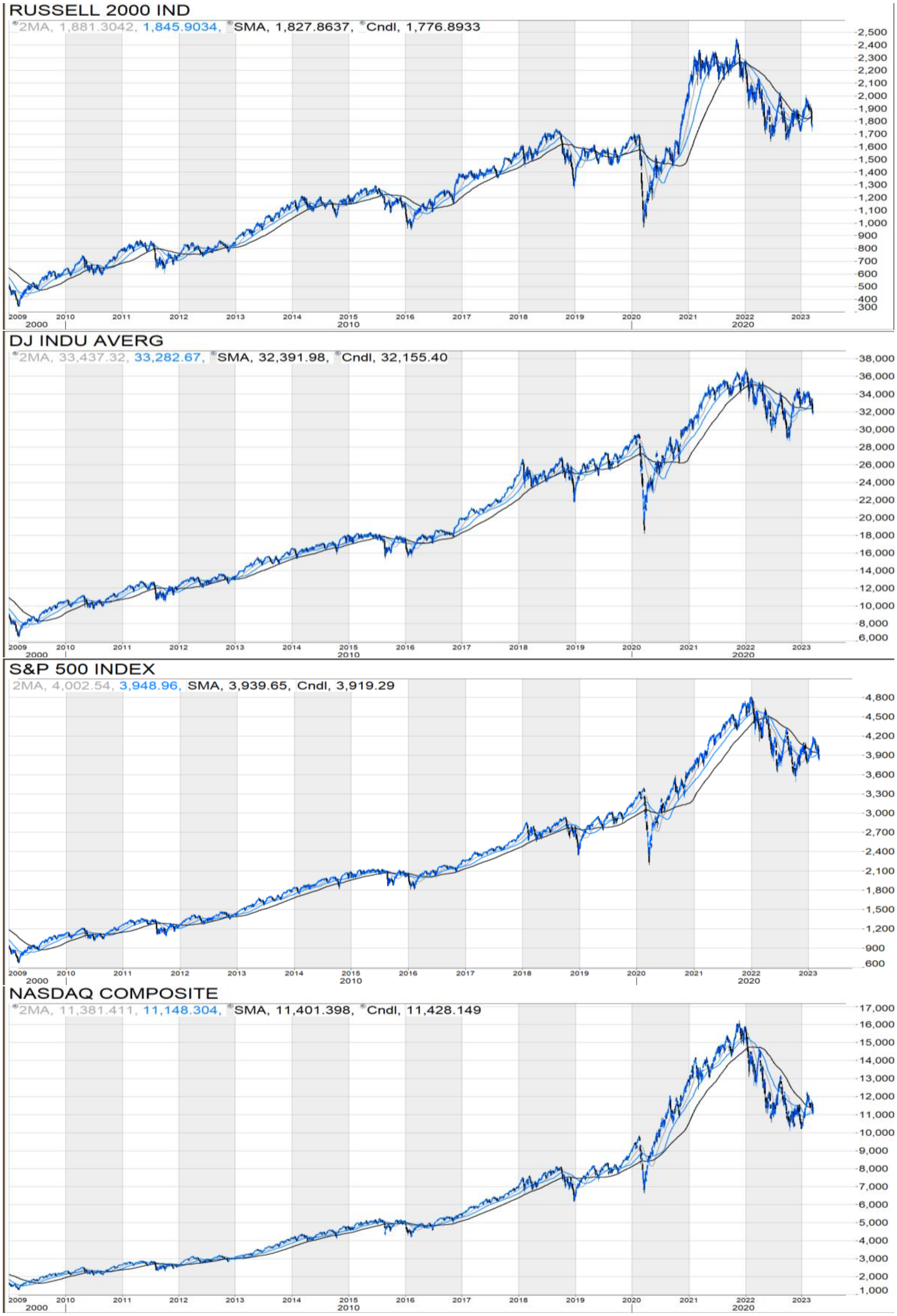
S&P Dow Jones earnings estimates for 2022 and 2023 rose $0.74 and $0.33 this week. Refinitiv IBES consensus earnings forecasts rose $0.03 and $0.18, respectively, leaving estimates at $196.82./$218.74 and $219.46/$221.82, respectively. EPS growth rates for 2022 are (5.5%) and 5.1%, and for 2023 are 11.5% and 1.34%, respectively. *(Note: consensus macro-EPS forecasts may differ from four quarter analysts' forecast sums seen on page 15.)* Our 2022 and 2023 estimates are $200 and $180, reflecting earnings declines of 3.9% and 10%, respectively.







Our focus index is the Russell 2000 index this week due to its sizeable exposure to regional bank stocks. Currently, the index is rebounding from a very sharp decline; nonetheless, the overall pattern reveals the index is in a broad trading range. This is much in line with our long-term view.

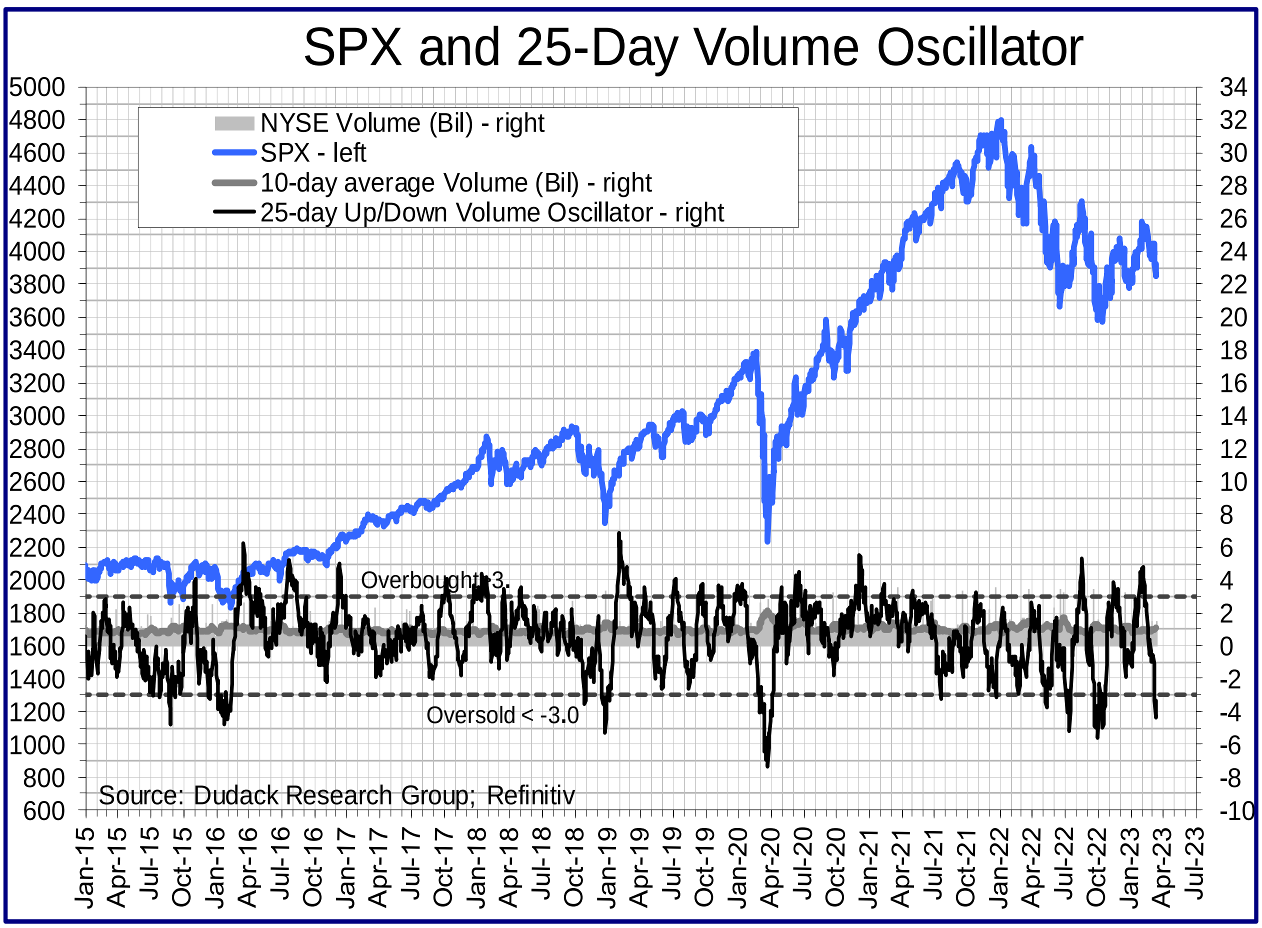


Source: Refinitiv

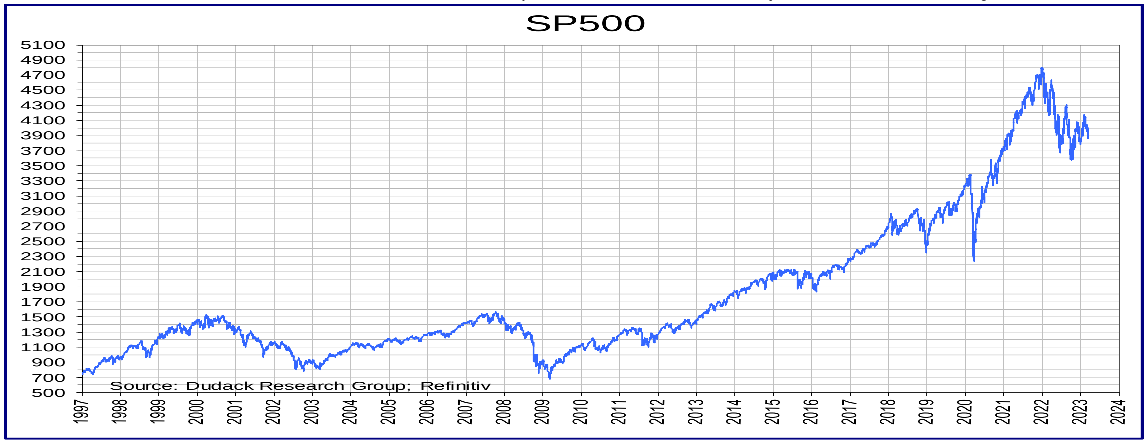
The 25-day up/down volume oscillator is negative 3.36 this week and has been in oversold territory for four consecutive trading days. This follows an eleven-day overbought reading that ended February 8. The February overbought reading was an indication of a shift from a bearish to a positive trend, or at least from bearish to neutral. However, this week's return to oversold territory clearly defines the current market trend as neutral.

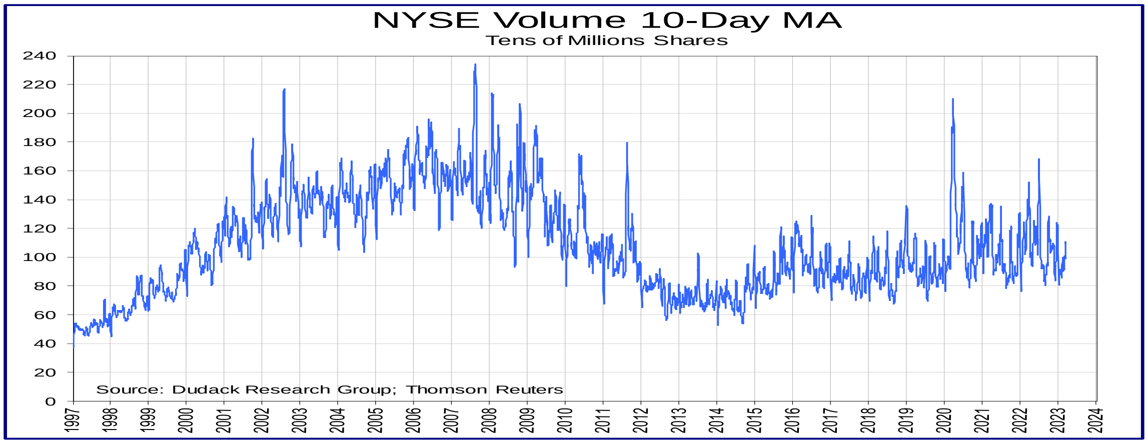
As a reminder, the 25-day up/down volume oscillator has been in bearish mode since April 2022 when it repeatedly failed to reach overbought territory to confirm new market highs. It subsequently recorded a series of oversold readings which indicated a downshift in the cycle. On September 30, the oscillator 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.

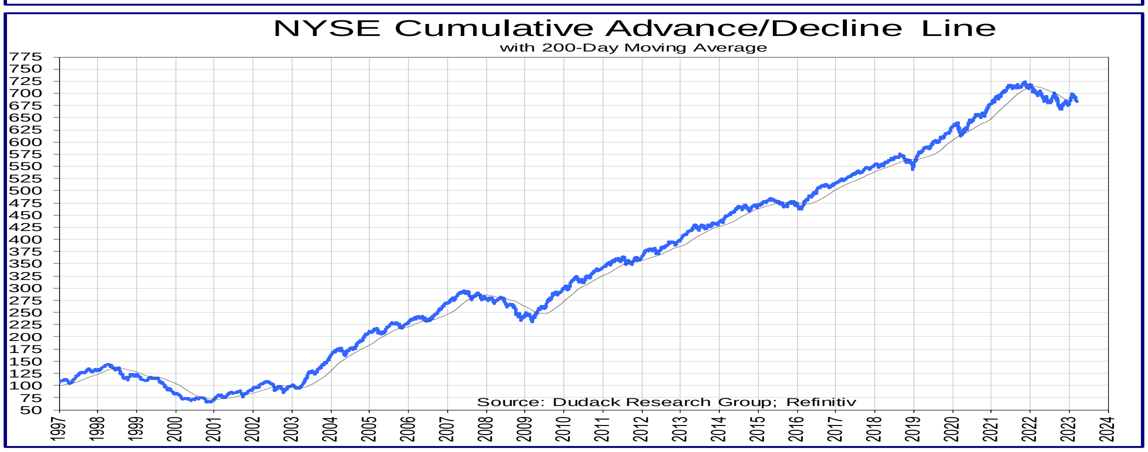
The key to a successful retest of a bear market low is whether or not a new low in price generates a new low in breadth. A successful retest will show there is less selling pressure – a less severe oversold reading -- despite a lower low in price. This "non-confirmation" of a low is a positive and implies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

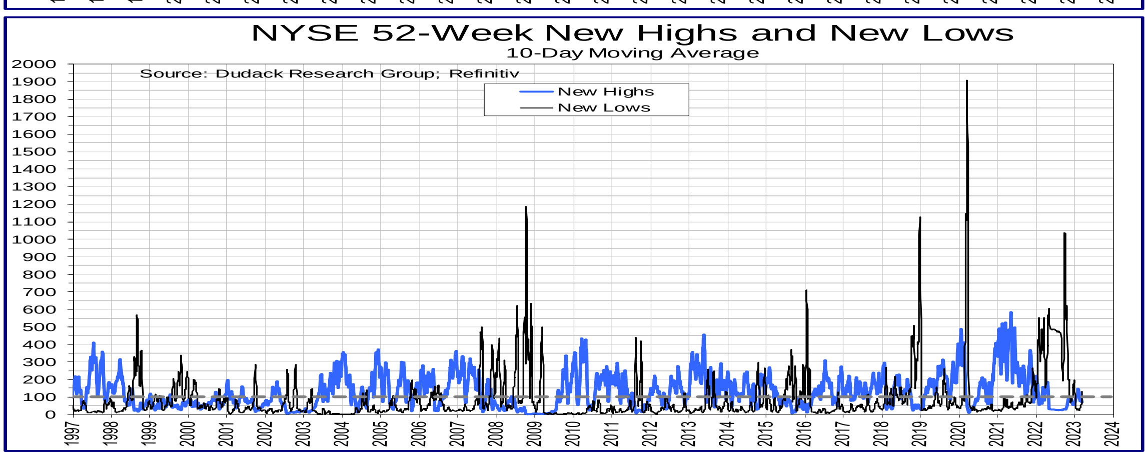


The 10-day average of daily new highs is 69 and new lows are 131. This combination is now negative since new highs are less than 100 and new lows are above 100. The advance/decline line fell below the June low on September 22 and is currently 40,117 net advancing issues from its 11/8/21 high.

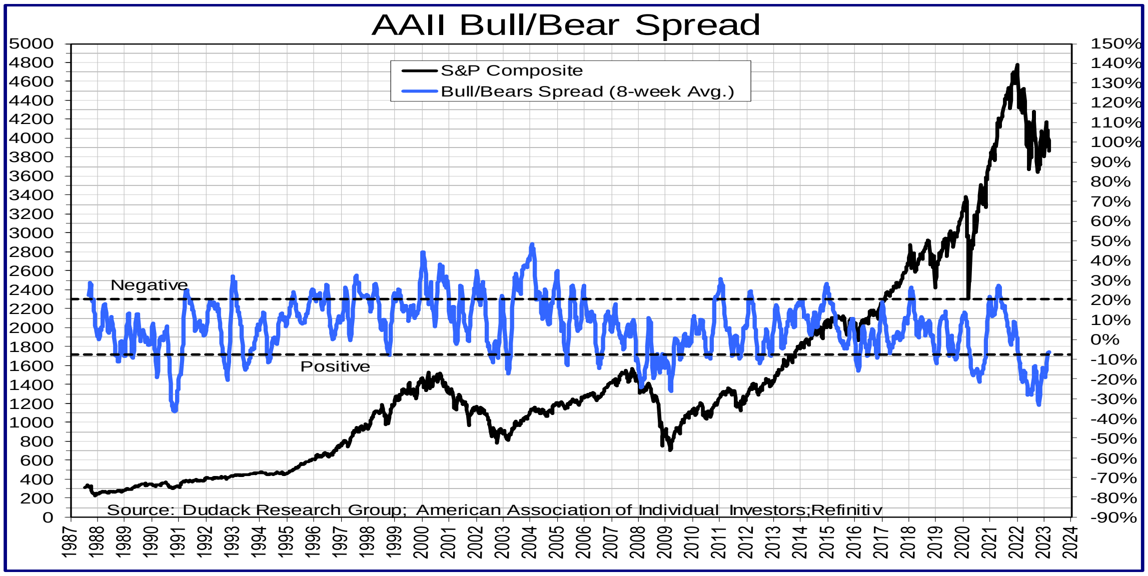


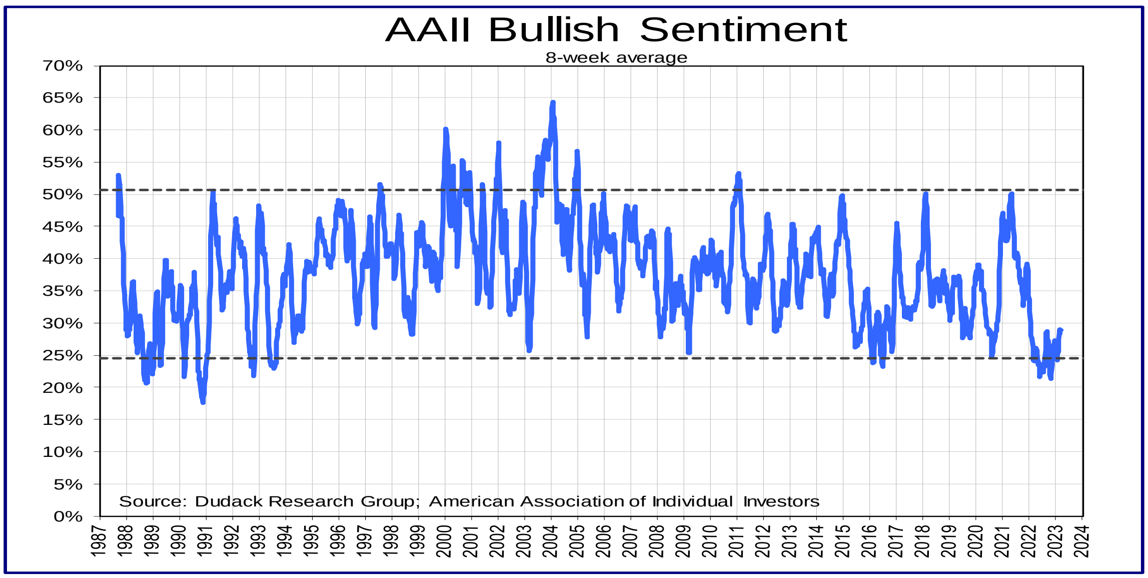


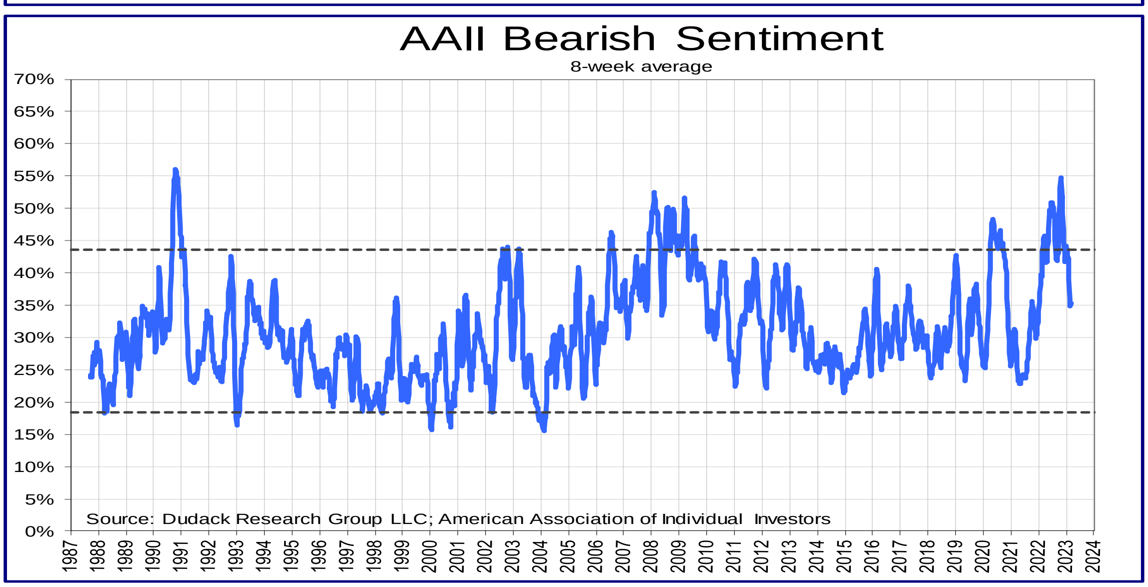




Last week's AAII readings showed a small 1.4% increase in bulls to 24.8% and a 3.1% decrease in bears to 41.7%. The Bull/Bear 8-week Spread remains neutral and is out of positive territory for the fourth consecutive week. Sentiment has been unusually volatile for the last two months; but last week's reading does not include the current bank crisis.







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	198.57	0.1%	-5.0%	18.7%	18.7%
iShares MSCI Mexico Capped ETF	EWW	56.60	-3.2%	-0.9%	14.5%	14.5%
Technology Select Sector SPDR	XLK	139.66	0.4%	-2.6%	12.2%	12.2%
NASDAQ 100	NDX	12199.79	0.4%	-3.1%	11.5%	11.5%
iShares MSCI Germany ETF	EWG	27.44	-0.4%	-2.5%	11.0%	11.0%
SPDR Homebuilders ETF	XHB	66.16	-1.9%	-5.7%	9.7%	9.7%
iShares MSCI Taiwan ETF	EWT	43.94	-1.0%	-3.0%	9.4%	9.4%
Nasdaq Composite Index Tracking Stock	ONEQ.O	44.80	-1.1%	-4.6%	9.3%	9.3%
iShares MSCI Austria Capped ETF	EWO	20.75	-3.1%	-2.9%	9.2%	9.2%
Consumer Discretionary Select Sector SPDR	XLY	140.84	-1.7%	-7.4%	9.0%	9.0%
iShares Russell 1000 Growth ETF	IWF	229.83	-0.7%	-3.9%	7.3%	7.3%
iShares MSCI EAFE ETF	EFA	69.09	-0.6%	-3.4%	5.3%	5.3%
Shanghai Composite	.SSEC	3245.31	-1.2%	-1.5%	5.1%	5.1%
iShares 20+ Year Treas Bond ETF	TLT	104.09	2.3%	0.1%	4.6%	4.6%
SPDR Gold Trust	GLD	176.83	4.9%	2.4%	4.2%	4.2%
iShares Russell 2000 Growth ETF	IWO	222.38	-4.5%	-6.6%	3.7%	3.7%
iShares MSCI United Kingdom ETF	EWU	31.69	-0.6%	-4.1%	3.4%	3.4%
Vanguard FTSE All-World ex-US ETF	VEU	51.79	-1.2%	-4.4%	3.3%	3.3%
iShares MSCI South Korea Capped ETF	EWY	58.24	-1.3%	-7.0%	3.1%	3.1%
iShares MSCI Japan ETF	EWJ	56.08	-1.4%	-3.0%	3.0%	3.0%
iShares Russell 1000 ETF	IWB	215.56	-2.0%	-5.4%	2.4%	2.4%
SP500	**.SPX**	**3919.29**	**-1.7%**	**-5.2%**	**2.1%**	**2.1%**
Gold Future	GCc1	2516.10	0.2%	0.8%	2.1%	2.1%
SPDR S&P Retail ETF	XRT	61.56	-6.2%	-12.5%	1.8%	1.8%
Industrial Select Sector SPDR	XLI	99.48	-2.6%	-3.2%	1.3%	1.3%
iShares Russell 2000 ETF	IWM	176.52	-5.4%	-8.3%	1.2%	1.2%
iShares iBoxx $ Invest Grade Corp Bond	LQD	106.59	1.0%	-1.2%	1.1%	1.1%
iShares MSCI Canada ETF	EWC	33.05	-2.5%	-7.3%	1.0%	1.0%
Materials Select Sector SPDR	XLB	78.37	-3.9%	-5.2%	0.9%	0.9%
iShares MSCI Australia ETF	EWA	22.42	-1.4%	-8.2%	0.9%	0.9%
PowerShares Water Resources Portfolio	PHO	51.95	-0.9%	-4.7%	0.8%	0.8%
iShares MSCI Emerg Mkts ETF	EEM	37.92	-2.1%	-6.3%	0.1%	0.1%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	0.0%	0.0%
iShares US Real Estate ETF	IYR	84.07	-2.1%	-8.1%	-0.1%	-0.1%
iShares US Telecomm ETF	IYZ	22.26	-2.0%	-6.5%	-0.8%	-0.8%
iShares MSCI Singapore ETF	EWS	18.64	-1.8%	-5.7%	-0.9%	-0.9%
iShares Russell 2000 Value ETF	IWN	137.14	-6.2%	-9.9%	-1.1%	-1.1%
iShares Russell 1000 Value ETF	IWD	148.69	-3.3%	-6.8%	-2.0%	-2.0%
iShares China Large Cap ETF	FXI	27.72	-3.6%	-8.7%	-2.0%	-2.0%
iShares MSCI BRIC ETF	BKF	33.41	-3.0%	-6.9%	-2.7%	-2.7%
iShares MSCI Hong Kong ETF	EWH	20.44	-2.0%	-5.2%	-2.7%	-2.7%
SPDR DJIA ETF	DIA	322.19	-2.0%	-5.6%	-2.8%	-2.8%
DJIA	.DJI	32155.40	-2.1%	-5.7%	-3.0%	-3.0%
Consumer Staples Select Sector SPDR	XLP	72.12	0.2%	-1.4%	-3.3%	-3.3%
iShares Nasdaq Biotechnology ETF	IBB.O	126.95	-0.2%	-5.1%	-3.3%	-3.3%
iShares MSCI Brazil Capped ETF	EWZ	26.65	-2.5%	-5.9%	-4.7%	-4.7%
Financial Select Sector SPDR	XLF	32.27	-8.0%	-12.1%	-5.6%	-5.6%
Utilities Select Sector SPDR	XLU	66.27	1.2%	-2.3%	-6.0%	-6.0%
Energy Select Sector SPDR	XLE	81.75	-4.7%	-9.2%	-6.5%	-6.5%
iShares DJ US Oil Eqpt & Services ETF	IEZ	19.80	-11.8%	-13.8%	-6.6%	-6.6%
iShares MSCI Malaysia ETF	EWM	21.28	-2.2%	-7.6%	-6.8%	-6.8%
iShares MSCI India ETF	INDA.K	38.87	-2.5%	-3.0%	-6.9%	-6.9%
Health Care Select Sect SPDR	XLV	126.43	-0.5%	-4.8%	-6.9%	-6.9%
Silver Future	SIc1	21.93	9.3%	0.4%	-8.1%	-8.1%
iShares Silver Trust	SLV	20.77	7.8%	-1.1%	-9.6%	-9.6%
United States Oil Fund, LP	USO	62.93	-7.3%	-9.3%	-10.2%	-10.2%
Oil Future	CLc1	71.33	-8.1%	-9.8%	-11.1%	-11.1%
SPDR S&P Bank ETF	KBE	37.52	-18.8%	-24.4%	-16.9%	-16.9%

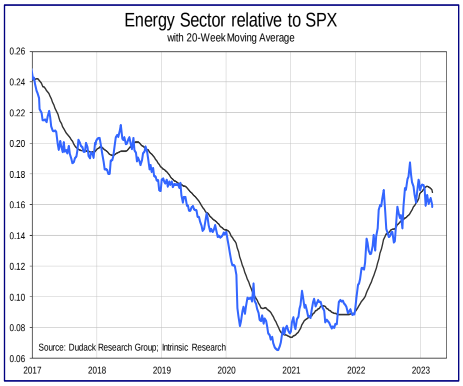
Outperformed SP500
Underperformed SP500

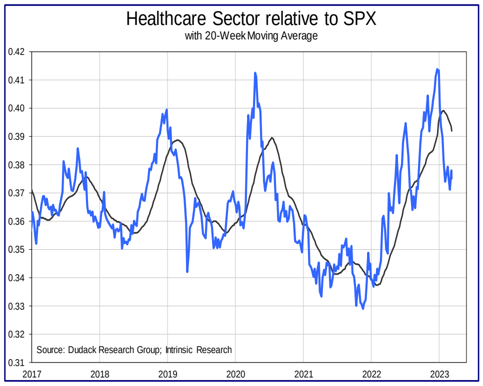
Source: Dudack Research Group; Thomson Reuters
Priced as of March 14, 2023

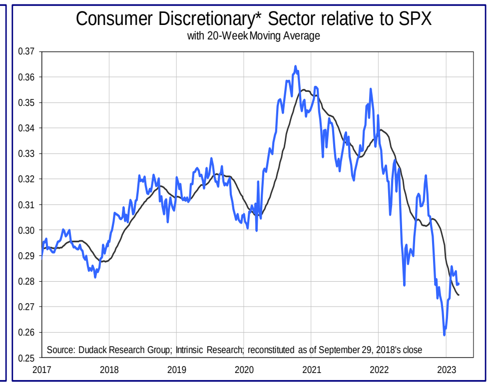
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

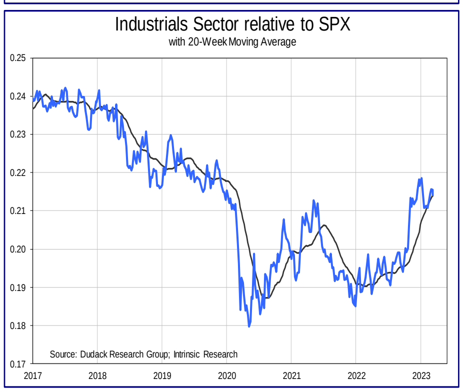
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Energy Industrials Staples Utililties	Healthcare Technology Materials Financials	Consumer Discretionary REITS Communication Services

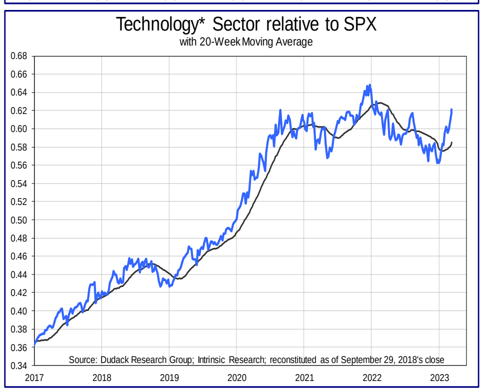
3/8/2022:Materials upgraded from underweight to neutral/communication service downgraded from neutral to underweight. 3/1/2022 Financials downgraded to neutral and Industrials upgraded to overweight.

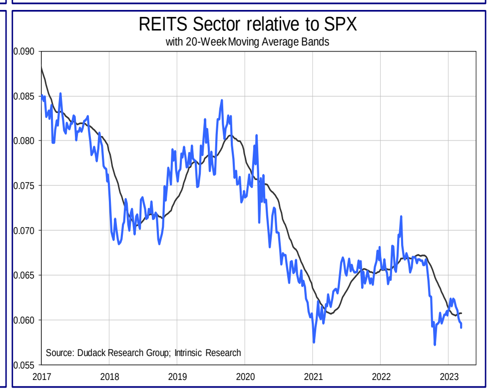


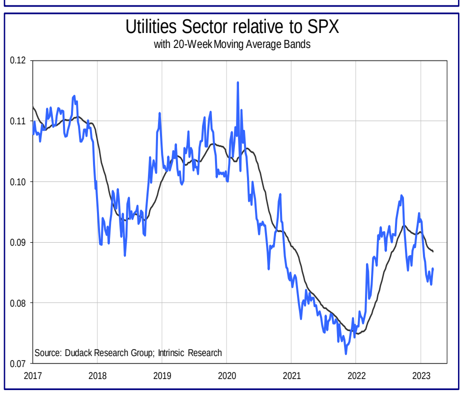


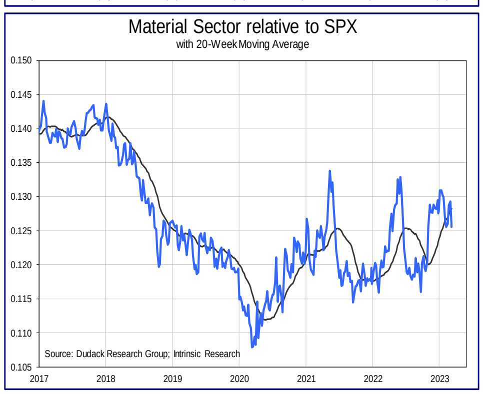


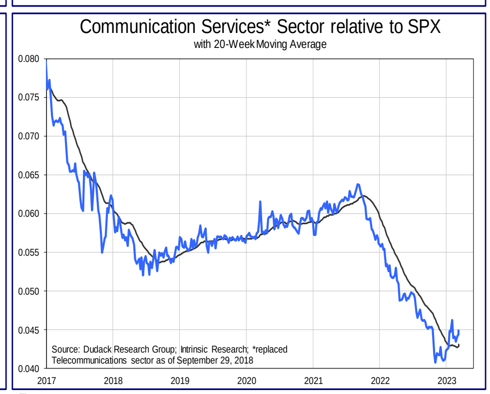


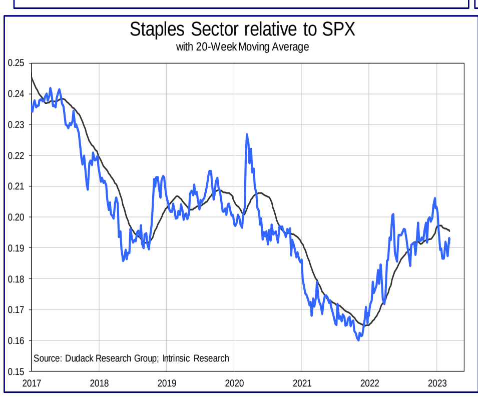












2023 Performance - Ranked	
SP500 Sector	% Change
S&P INFORMATION TECH	12.1%
S&P COMMUNICATIONS SERVICES	10.3%
S&P CONSUMER DISCRETIONARY	8.7%
S&P 500	2.1%
S&P INDUSTRIALS	0.9%
S&P MATERIALS	0.5%
S&P REITS	-0.3%
S&P CONSUMER STAPLES	-3.7%
S&P FINANCIAL	-6.0%
S&P UTILITIES	-6.7%
S&P HEALTH CARE	-7.3%
S&P ENERGY	-7.5%

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%	**$118.78**	22.7%	16.5X	1.9%	2.9%	$2,023.40	11.4%
2019	3230.78	$86.53	$100.45	$100.45	-33.7%	**$117.46**	-1.1%	32.2X	1.8%	2.3%	$2,065.60	2.1%
2020	3756.07	$94.55	$106.26	$106.26	5.8%	**$118.10**	0.5%	35.3X	1.6%	-3.4%	$1,968.10	-4.7%
2021	4766.18	$109.88	$124.51	$124.51	17.2%	**$132.00**	11.8%	38.3X	1.3%	5.7%	$2,382.80	21.1%
2022P	3839.50	$132.39	$151.60	$151.60	21.8%	**$161.93**	22.7%	25.9X	1.4%	-1.4%	$2,543.00	6.7%
2023E	~~~~~	$139.47	$157.12	$157.12	3.6%	**$162.93**	0.6%	24.9X	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%	1.7%	$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 3Q	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*	3919.29	$39.60	$50.25	$52.77	-6.9%	$53.30	-1.2%	19.9	1.7%	2.7%	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 3/14/2023

Regulation AC Analyst Certification

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

IMPORTANT DISCLOSURES

RATINGS DEFINITIONS:

Sectors/Industries:

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

Other Disclosures

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

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

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

Additional information will be made available upon request.

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

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