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March 22, 2023

DJIA: 32560.60
SPX: 4002.87
NASDAQ: 11860.11

US Strategy Weekly

Raise, Pause, or Pivot

In our opinion, the Federal Reserve will raise the fed funds rate by 25 basis points this week to a target range of 4 ¾% to 5%. And we say this even though we agree with those who say it makes no sense to raise rates during a time of global banking distress. However, the Federal Reserve has backed itself into a corner this week and any move it makes – raise, pause, or pivot -- is apt to draw criticism. As a result, Chairman Powell is likely to take the easiest road and follow the consensus view of a 25-basis point increase.

Unfortunately, the Fed is boxed in between a number of bad choices and finds itself in a lose-lose situation. Still, it is a situation of its own making. First, for too long the Fed ignored an inflation problem exacerbated by its prolonged zero interest rate policy and then it rushed to fix its error by raising interest rates 425 basis points in 10 months. The sharp rise in interest rates coupled with the most inverted government yield curve since 1981 proved difficult to handle for some, particularly, for those with no experience with inflation or inverted yield curves. The disruption seen in the banking industry is no surprise to us; although we would have expected the liquidity problems to first appear outside the US and not inside.

It is possible that a 25-basis point increase will soothe the markets. A pause could suggest that the Fed sees too much instability in the banking system to raise rates. A 50-basis point increase could certainly add to the pressure already seen in global banking. Thus, 25-basis points may prove to be the best choice. But it is unclear whether the global banking system has truly stabilized. Clearly, the Fed and the Swiss government stepped in to calm the jitters caused by runs at three regional banks in the US and at Credit Suisse Group AG (CS - $0.97) in Switzerland. Consequently, the tightening policies that were in place are now in conflict and diluted by the emergency liquidity measures put into place to save the banks. Our longer-term concern is that banks will continue to face pressure this year from an inverted yield curve, a shaky commercial real estate market, and rising credit card debt. History suggests that sustainable rallies in equities are not likely without participation from the financial sector. In short, we remain cautious.

Monitoring the risk in the debt markets will be important in the days ahead, even for equity investors. One benchmark we have followed is the ICE BofA MOVE Index (.MOVE - $162.31) which is a measure of expected volatility in US Treasuries. Last week it surged close to $200, its highest level since the financial crisis of 2008. It has since retreated to $162.31 but remains elevated and is a cause for concern. See page 2.

According to History

By studying the relationship between inflation and the economy over the last 80 years, it becomes clear that whenever inflation, as measured by the CPI or PPI, has reached 9% or more, it has been followed by not one, but by a series of recessions. This was true in the post-World War II era as well as the double-digit inflation seen in the 1970 decade. It is possible that the two negative quarters of GDP seen in the first half of 2022 was the first, in what may become a series of economic slowdowns. See page 4.

And it is also important to note that there is a unique difference between past inflation cycles and the current environment. The Federal Reserve has never let inflation rise this far before raising rates. In past cycles, the Fed increased interest rates as soon as inflation began to climb and kept rates in line with inflation. The Fed is way behind the curve in today's cycle which could make inflation more difficult to control. History also shows that in tightening cycles with very high inflation, monetary policy was interrupted by the onset of a recession. This forced the Fed to lower rates temporarily. Unfortunately, after a decline of a year or more, inflation reappeared, and the Fed's tightening cycle resumed, lifting interest rates to even higher levels. This is the backdrop for a series of economic recessions. We believe Chairman Powell understands this and will try to avoid the historic pattern of stop-and-go tightening. But he is walking an economic tightrope and it will not be easy. See page 5.

Inflation Abating

Recent inflation data has been somewhat encouraging. In February, headline CPI fell from 6.4% to 6.0% YOY. Core CPI ratcheted down from 5.6% to 5.5%. Finished goods PPI improved the most falling from 8.7% to 6.4% YOY; while final demand PPI dropped from 5.7% to 4.6%. But the concern is service sector PPI which was unchanged at 5.5% YOY. All in all, these were well above the long-term average pace of 3.4%. See page 6.

The best inflation news was found in trade-related benchmarks. Import prices fell from 0.9% YOY to negative 1.1%. Imports less petroleum eased from 1.4% to 0.2% YOY and export prices dropped from 2.2% YOY to negative 0.8% YOY. But while inflation has moderated by most measures, the real fed funds rate remains 80 basis points below the PCE deflator (5.4%) and 150 basis points below the CPI. See page 7. This is the most compelling reason for the Fed to still raise interest rates by 25-basis points at this week's meeting.

To add to this mix of data, there were some green shoots in housing data recently. In particular, the NAHB confidence index rose from 42 in January to 44 in February. Yet, despite these gains, all components are still below the 50-equilibrium level. At the same time, existing home sales increased from the 4.0-million-unit rate seen in January to 4.58 million in February. Again, despite this gain, sales were nearly 23% below the rate seen a year earlier. See page 8.

In February the median existing home price rose to $367,500 from $365,400 in January. This was a 0.7% YOY decline and the first year-over-year decline since September 2011. The price of a new home also declined in February and the 3-month average dropped to 3.5% YOY. But while year-over-year declines in home prices are good for future inflation data, total retail sales have a strong relationship to home prices. This suggests that retail sales could also be weak this year. See page 9.

Watch the Russell

We think the Russell 2000 index remains the best technical guide for market direction in the near and intermediate terms. Our forecast has been for a trading range marker and the Russell index is the best example since it continues to trade between support at 1650 and resistance near 2000. The current price of 1777 is just slightly below the midpoint of the range, which could be viewed as slightly positive, i.e., allowing for a brief short-term rally. See page 11. But we remain cautious and would continue to focus on recession and inflation proof stocks with solid earnings and dividend growth.

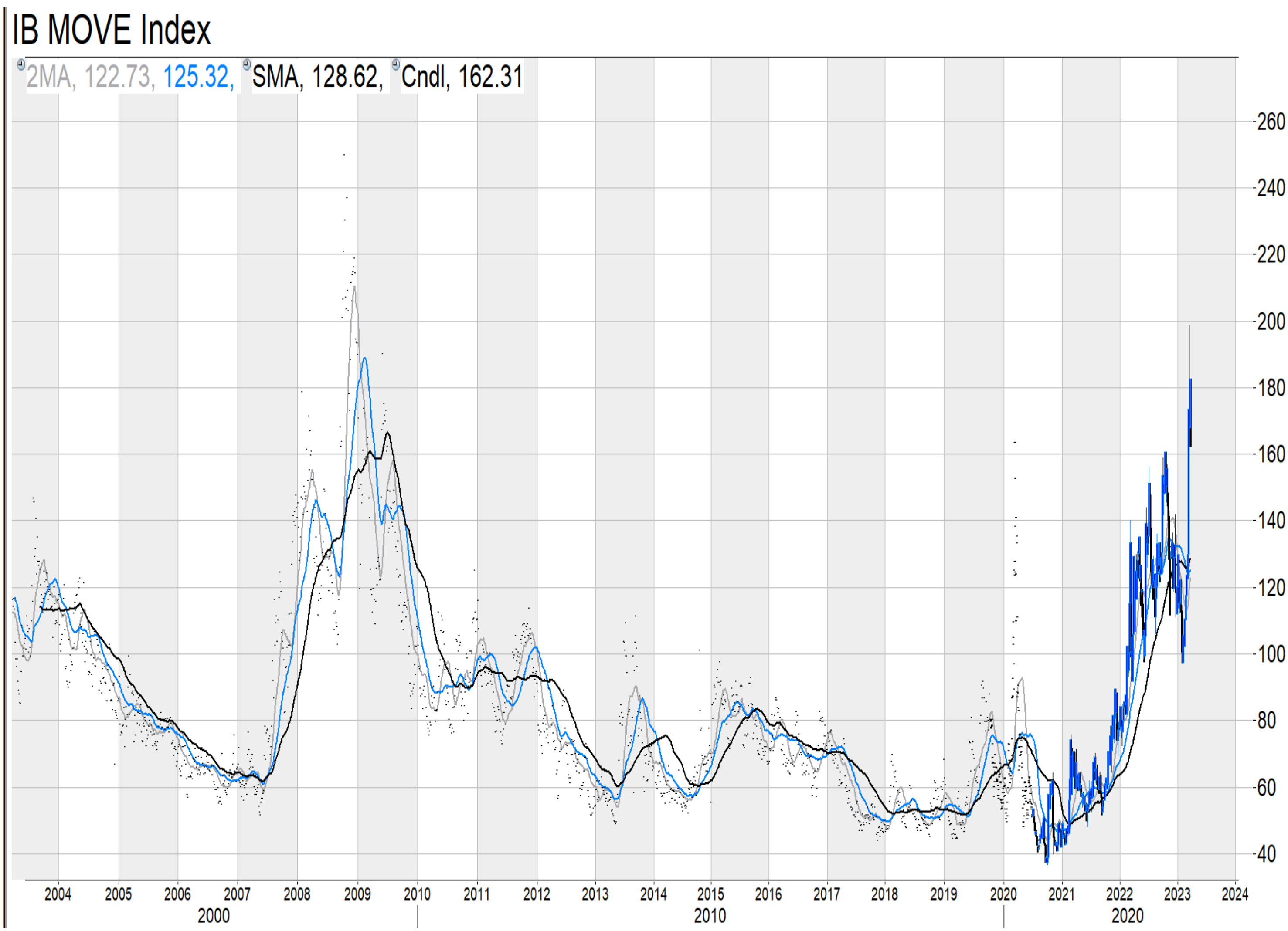
Note: this week we have lowered our 2022 earnings forecast of $200 to $196.82 to match the S&P Dow Jones estimate. See pages 10 and 17.

Extreme volatility in the Treasury market has be the ICE BofA MOVE Index (.MOVE - $162.31)). This is a measure of expected volatility in US Treasuries and last week it surged to its highest level since the financial crisis of 2008.

en vexing investors, money managers and trend-following hedge funds in recent trading sessions. One benchmark for measuring the fear level in the fixed income markets is the ICE BofA MOVE Index (.MOVE - $162.31). This is a measure of expected volatility in US Treasuries and last week it surged to its highest level since the financial crisis of 2008.

Uncertainties in the banking sector are changing investor views of whether the most important job for the Fed at this moment in time is to fix the banking crisis or to fix the inflation problem.

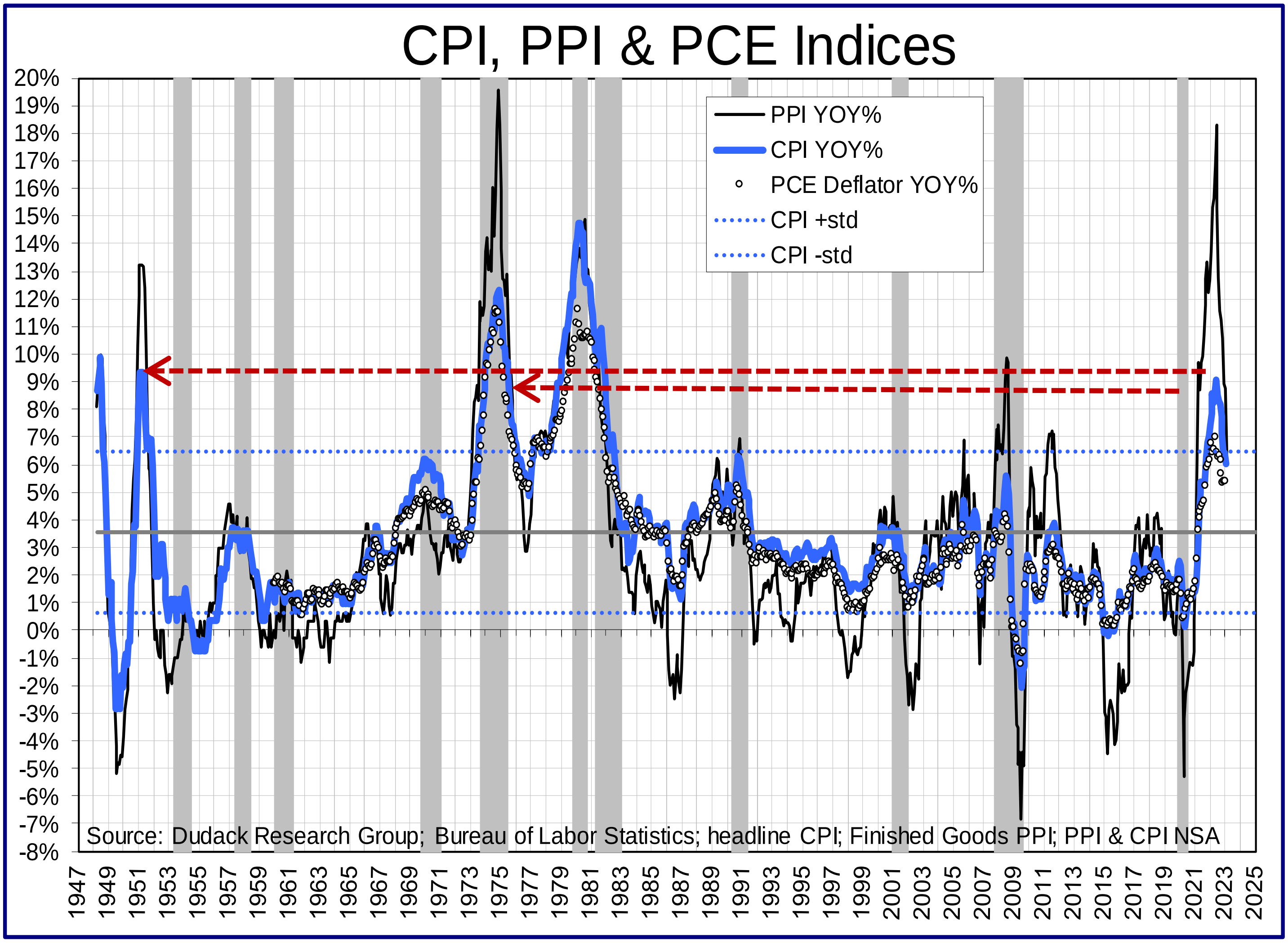
How aggressive the Fed will be in raising rates in coming months may be answered with the news coming out of this week's FOMC meeting.



Source: Refinitiv

As we have often pointed out, over the last 80 years, whenever inflation as measured by the CPI or PPI has reached 9% or more, it has been followed by not one, but a series of recessions. This was true in the post-World War II era as well as the double-digit inflation seen in the 1970 decade.

It is possible that the brief 2022 recession was the first of a series, with more to come.



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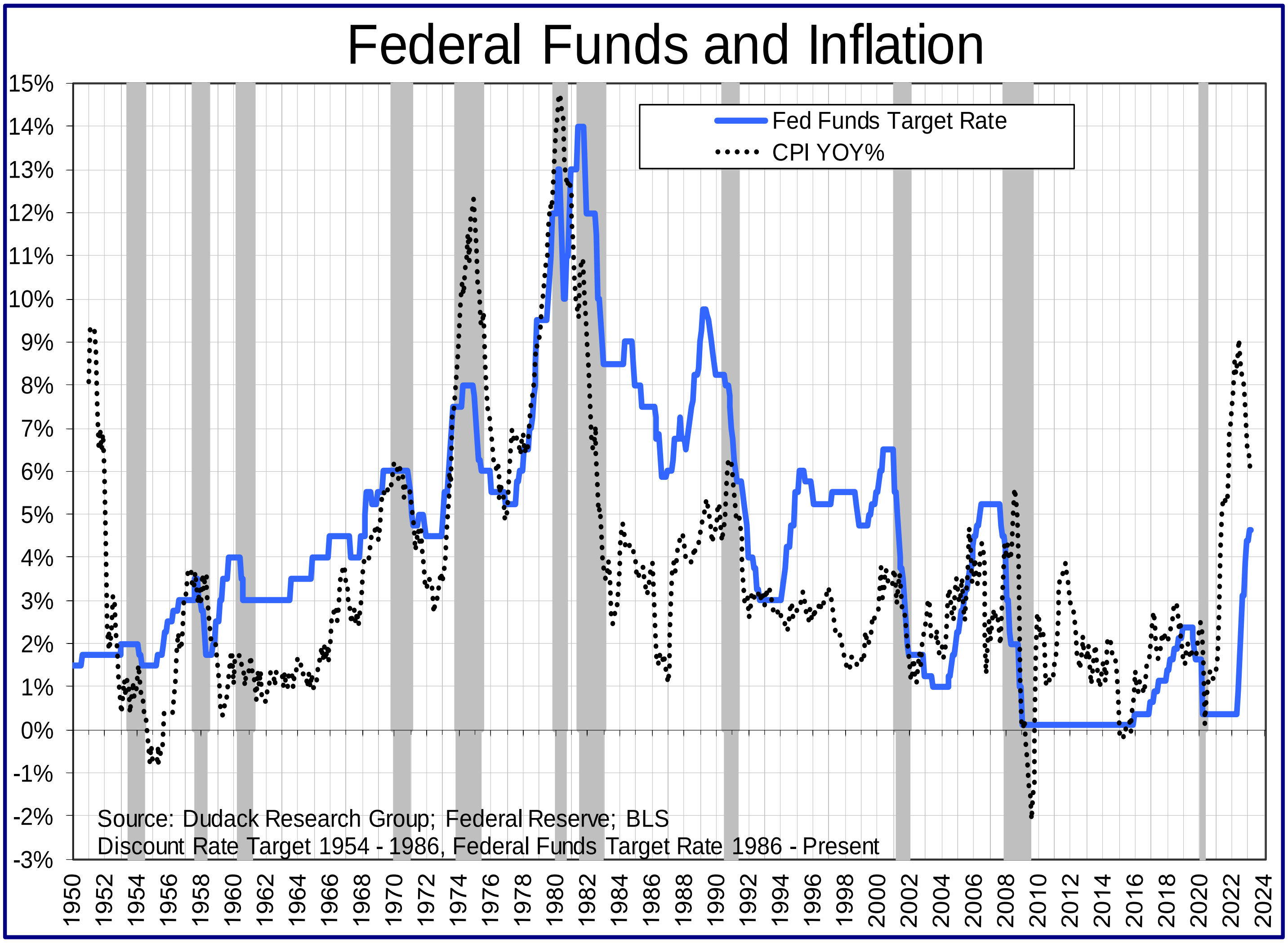
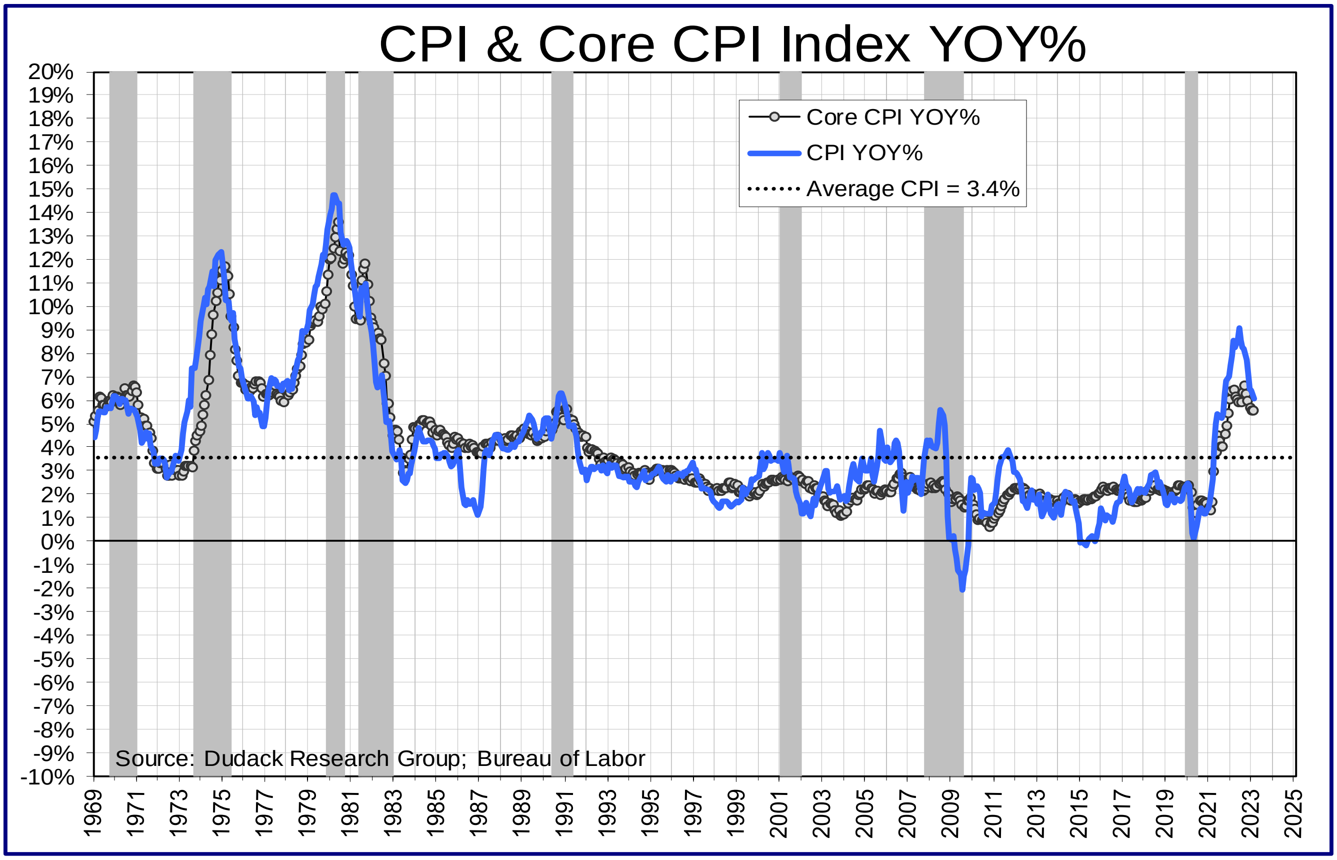
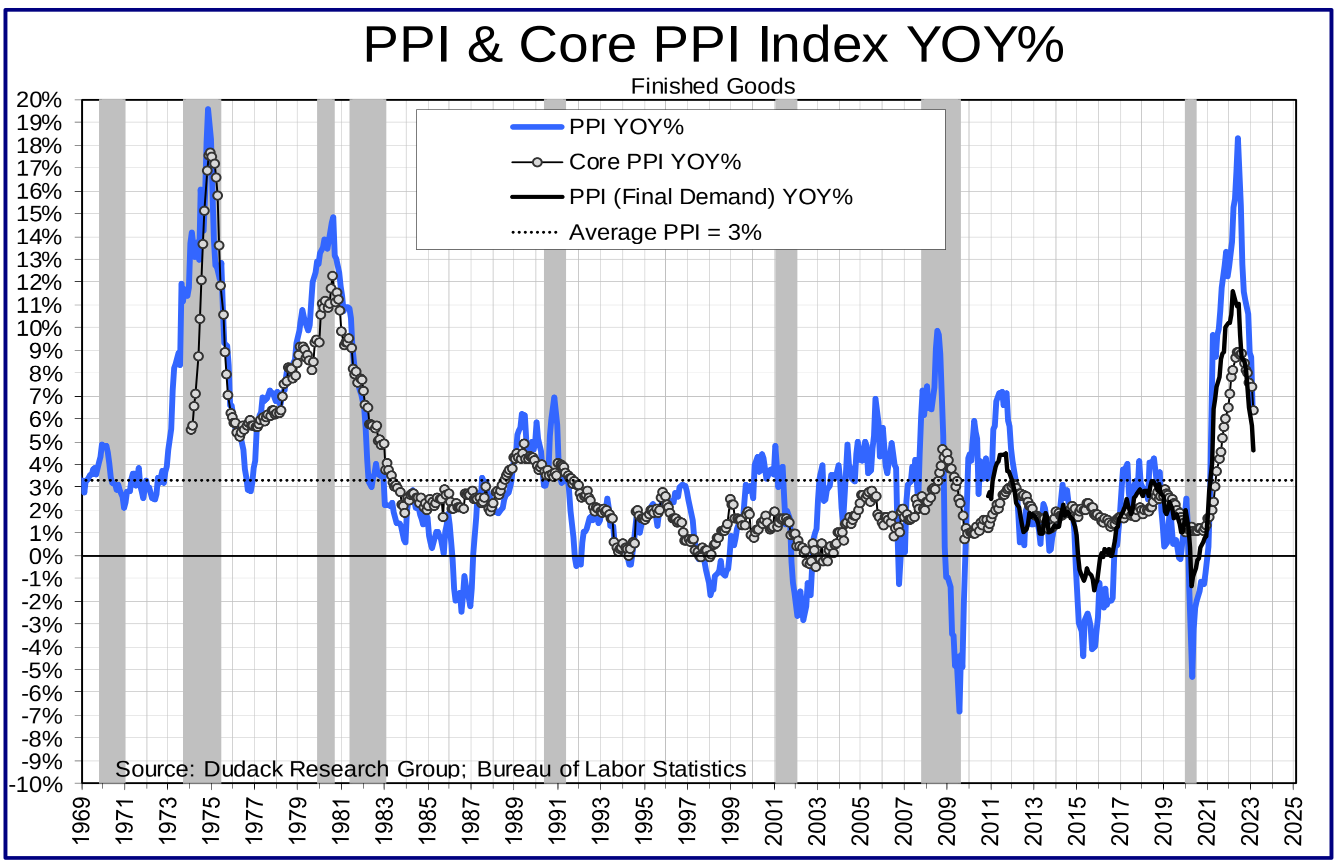
Also notice that in previous tightening cycles, the onset of a recession forced the Fed to lower rates temporarily. Unfortunately, after a brief decline, inflation reappeared, and the Fed's tightening cycle resumed, lifting interest rates to even higher levels.



Recent inflation data has been somewhat encouraging. Headline CPI fell from 6.4% to 6.0% YOY in February. Core CPI edged down from 5.6% to 5.5%. Finished goods PPI improved the most falling from 8.7% to 6.4% YOY. Final demand PPI dropped from 5.7% to 4.6%; but service sector PPI was unchanged at 5.5% YOY. Nevertheless, these all remain well above the long-term average of 3.4%.





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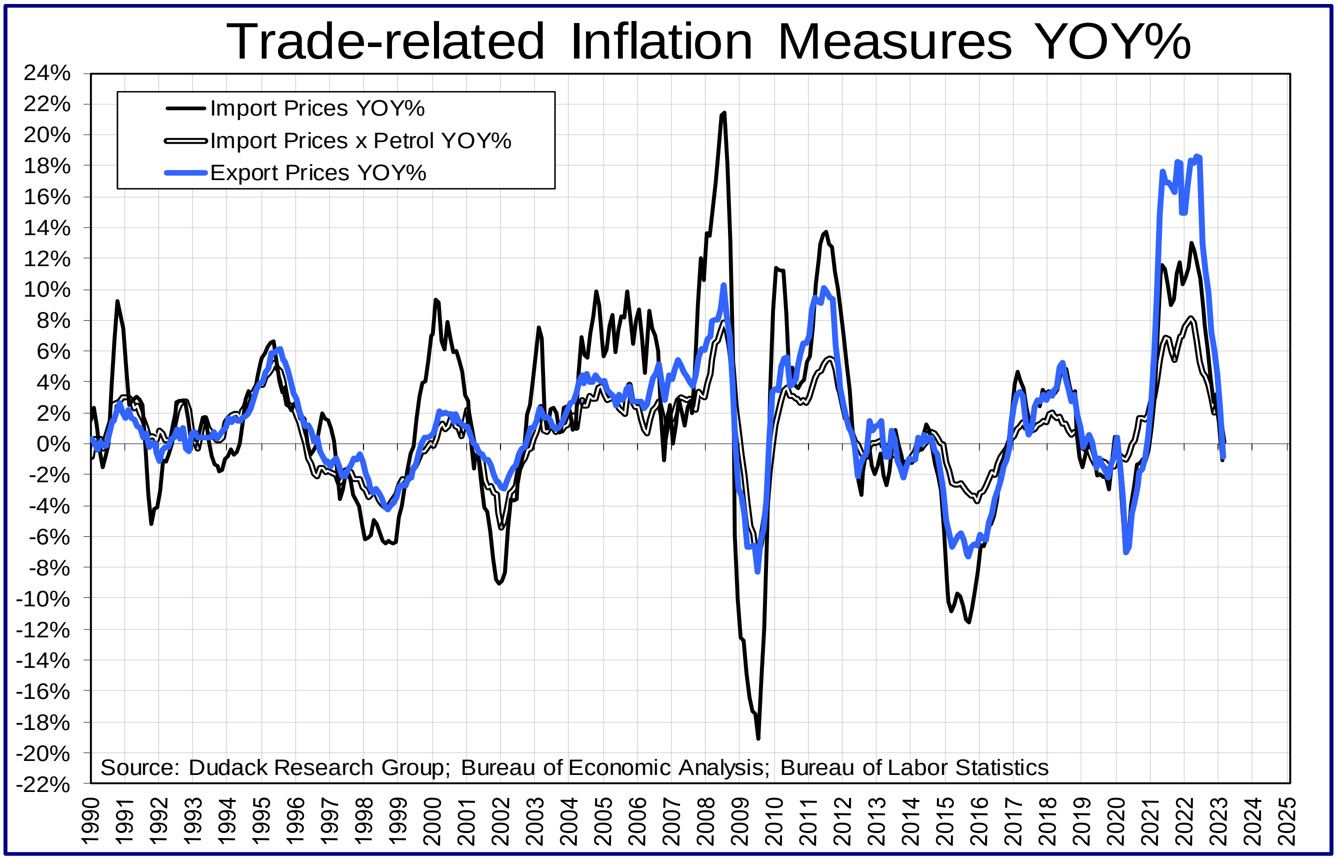

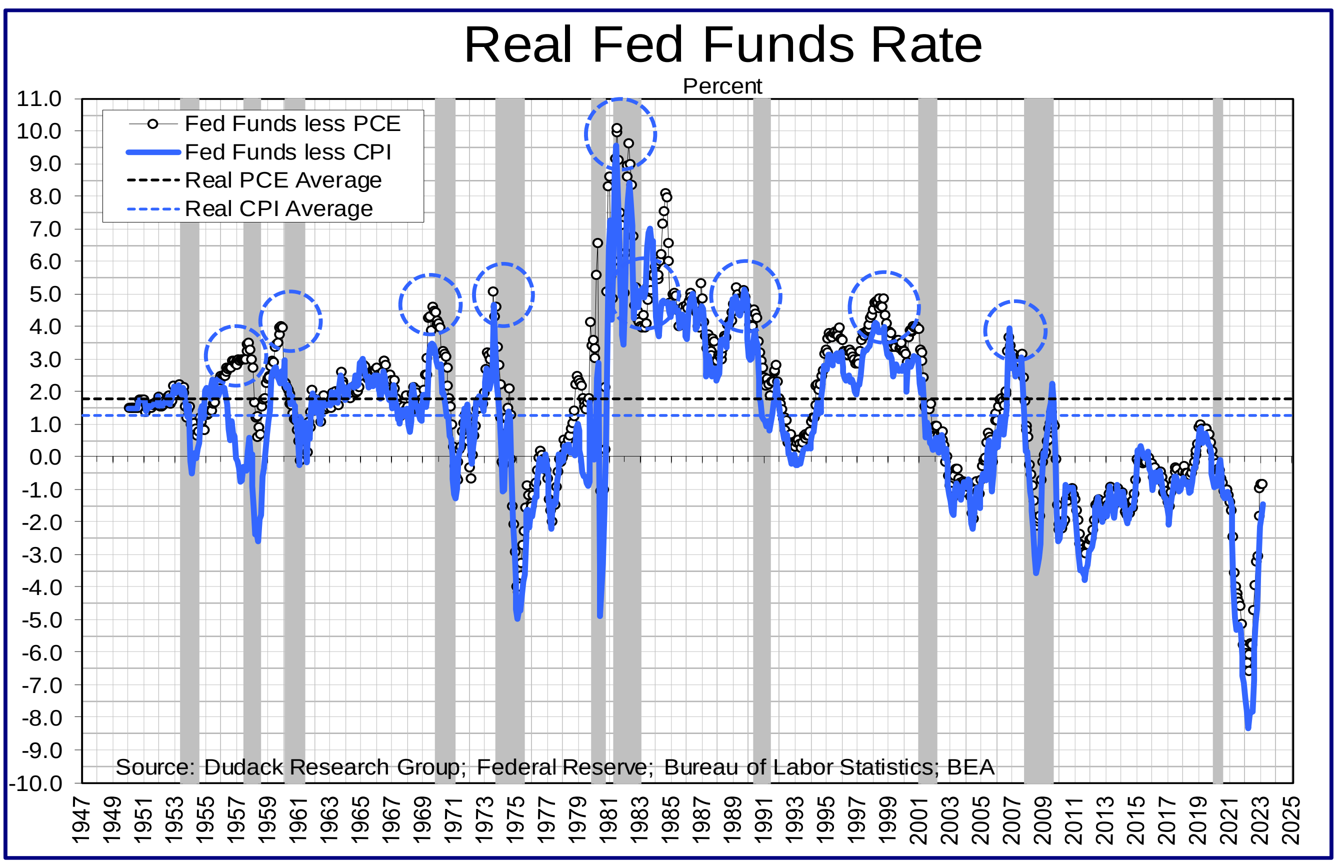

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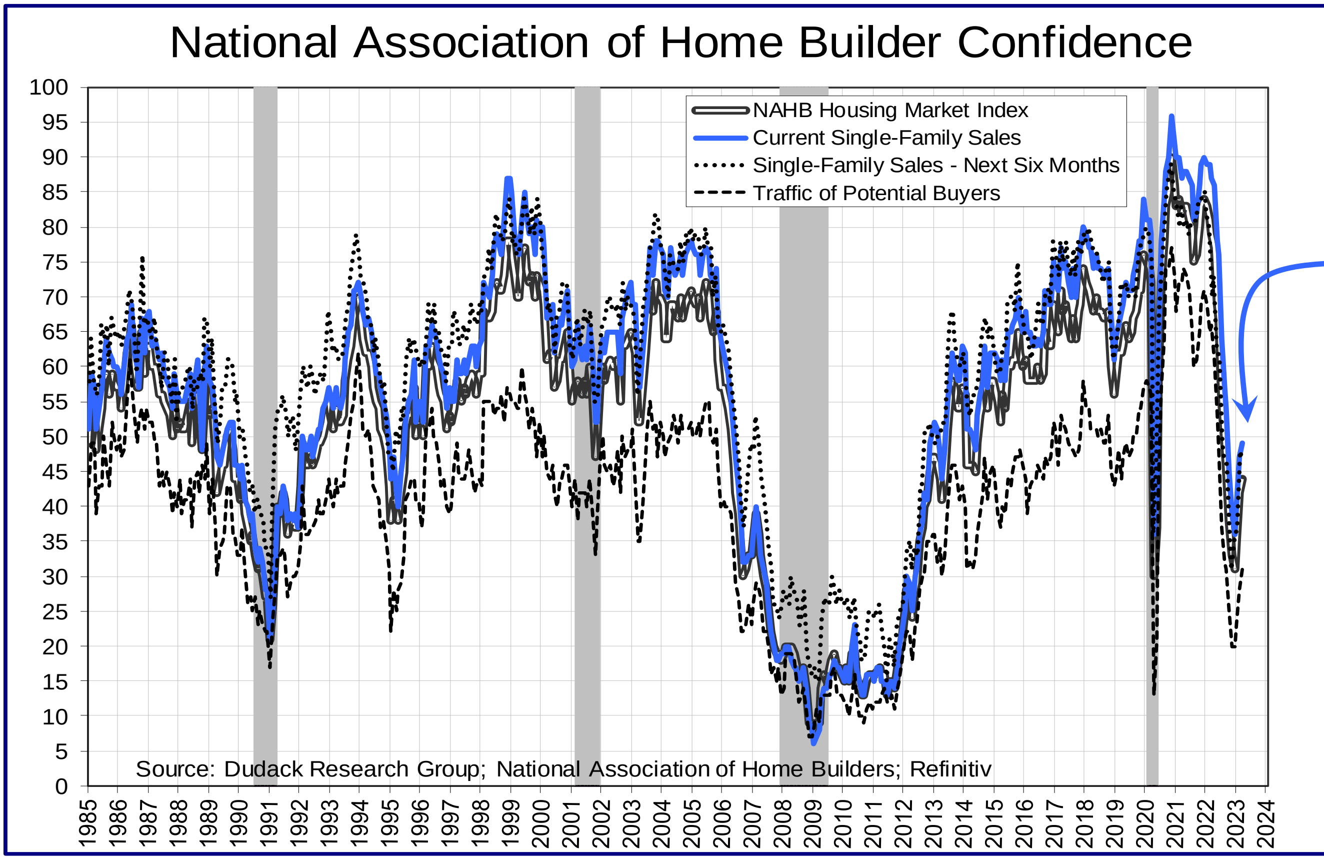

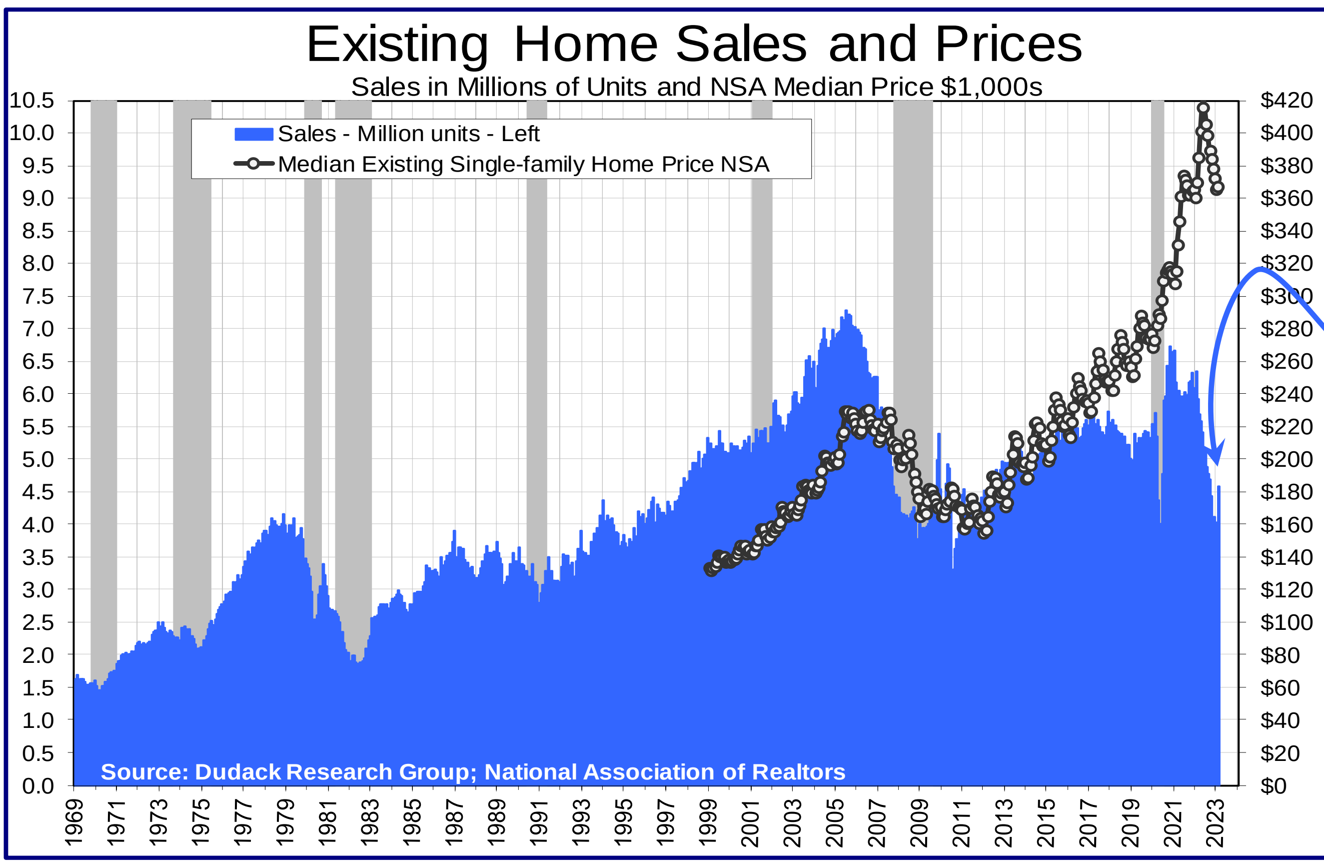

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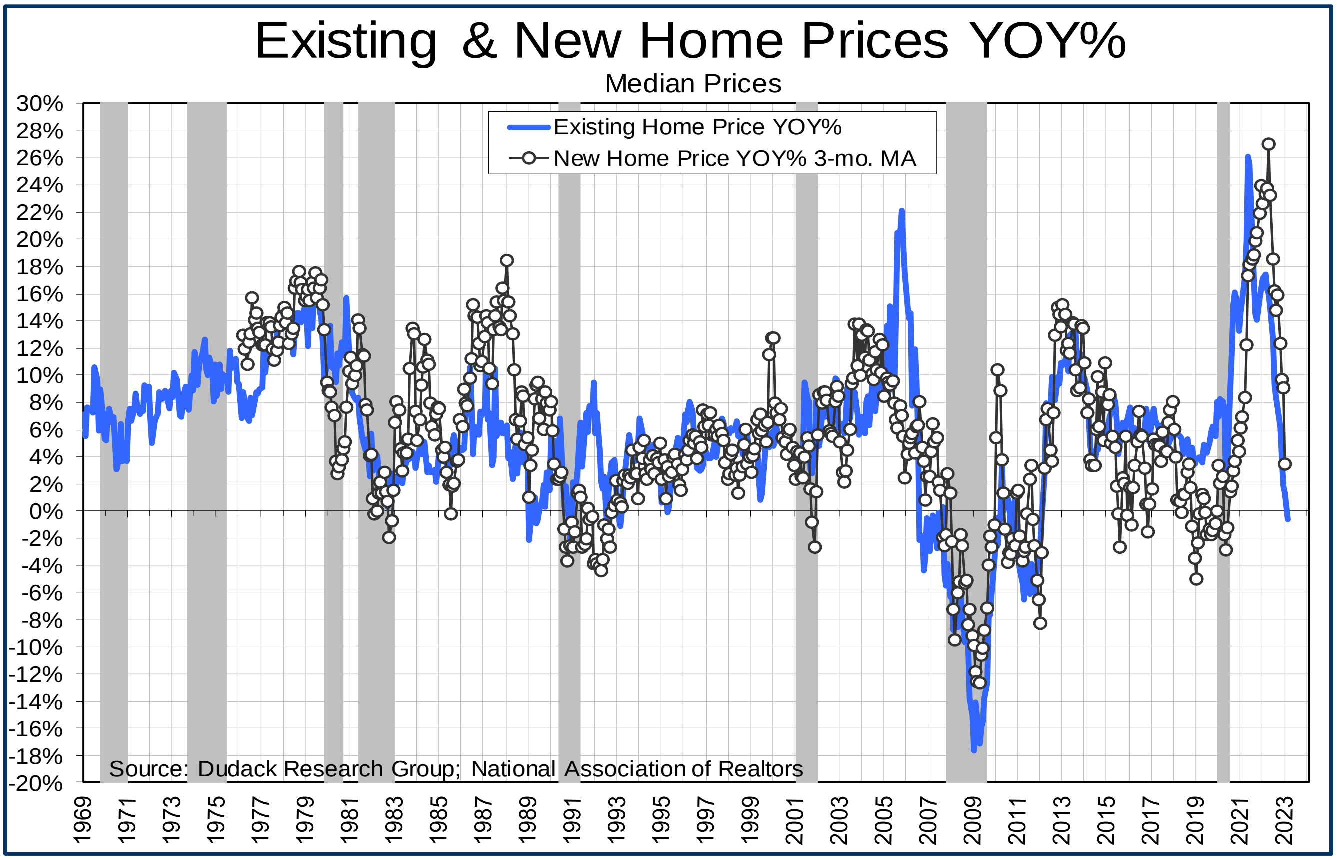
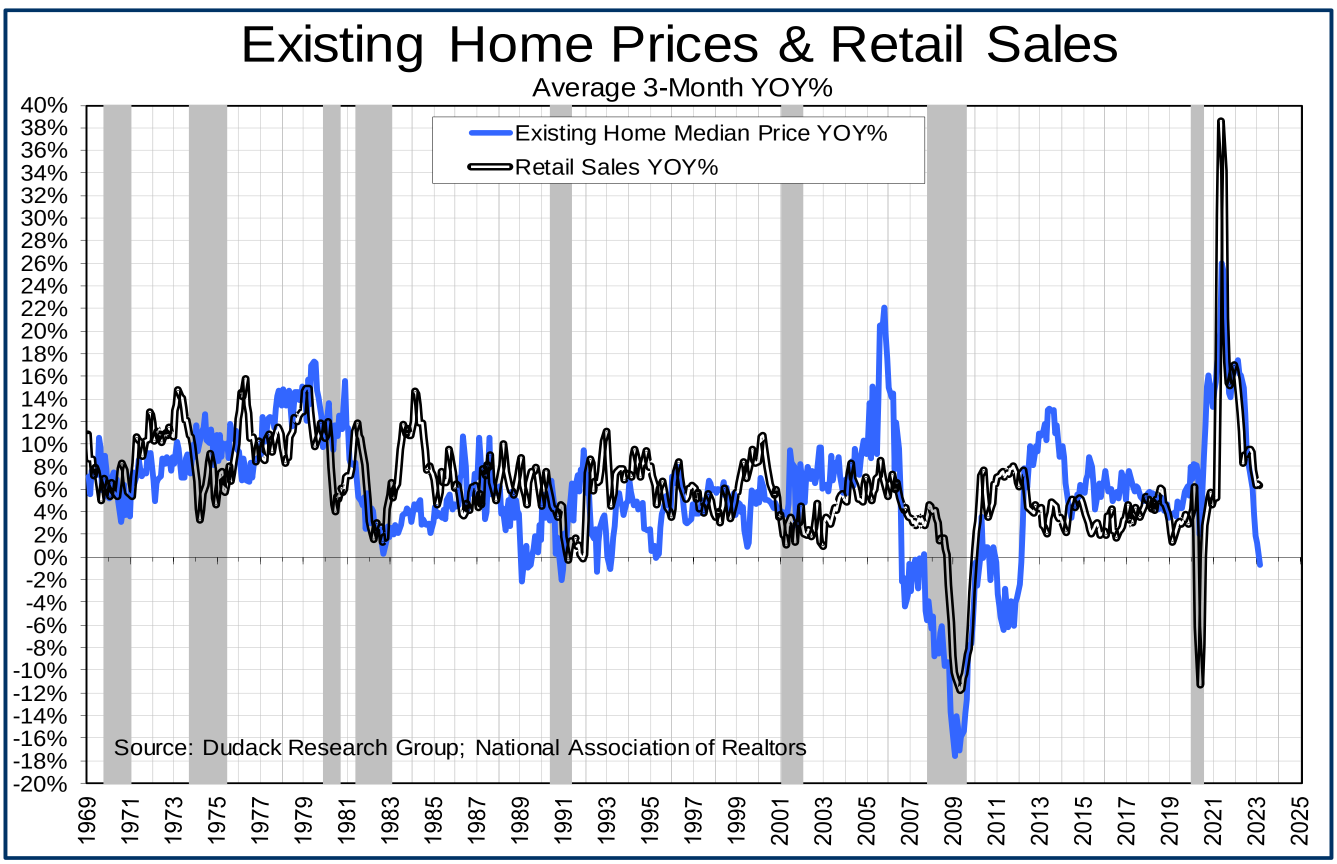
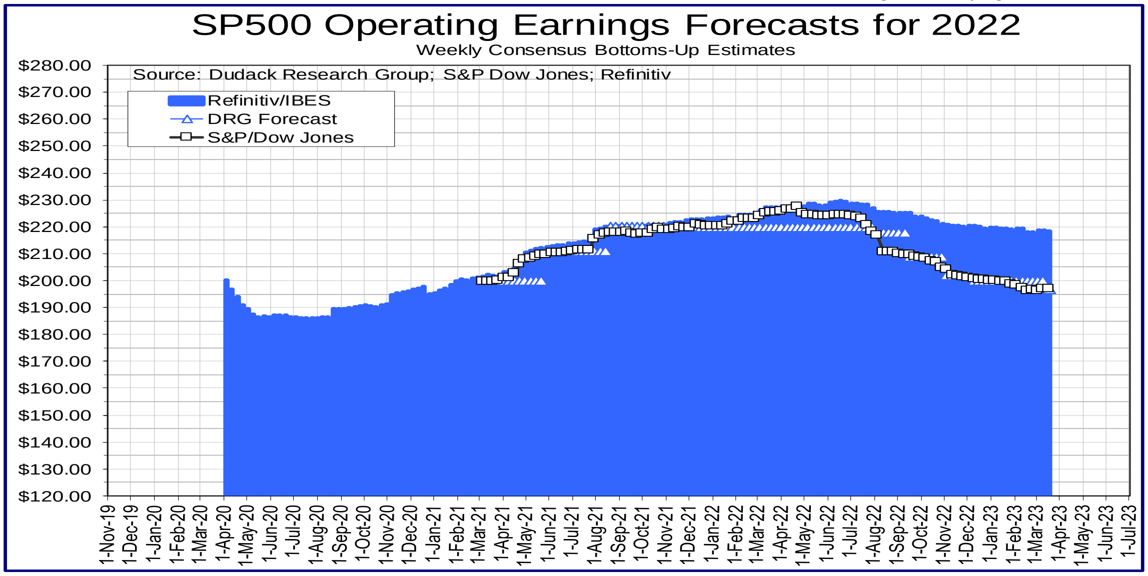
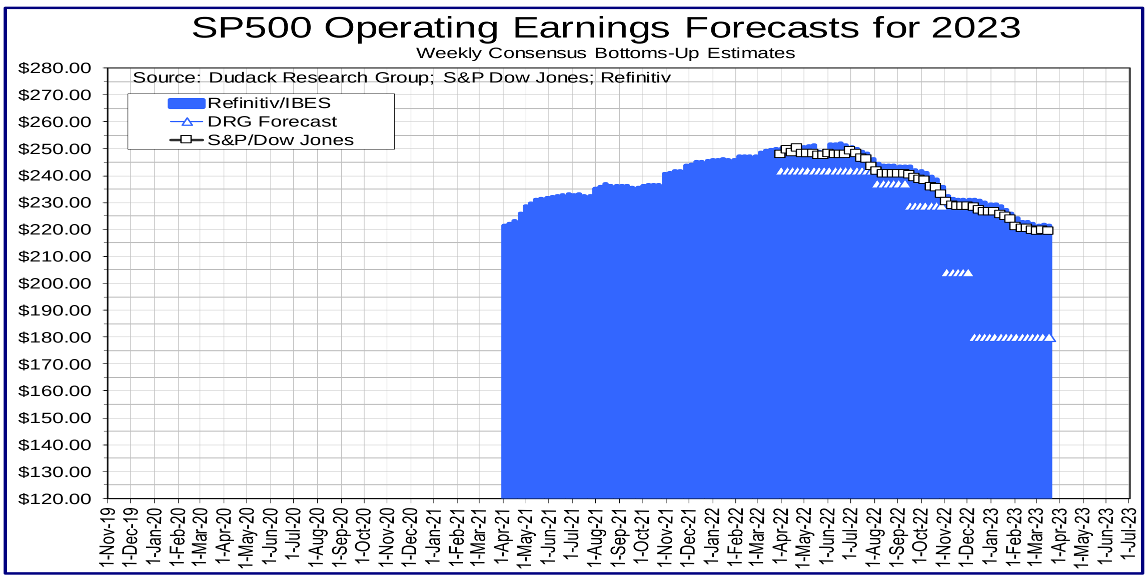
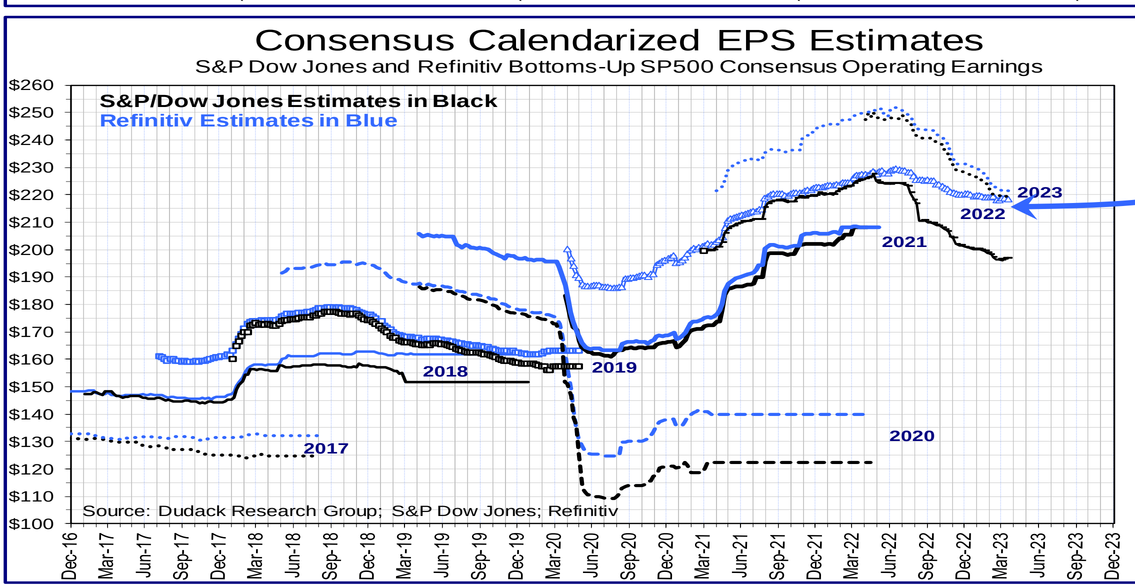




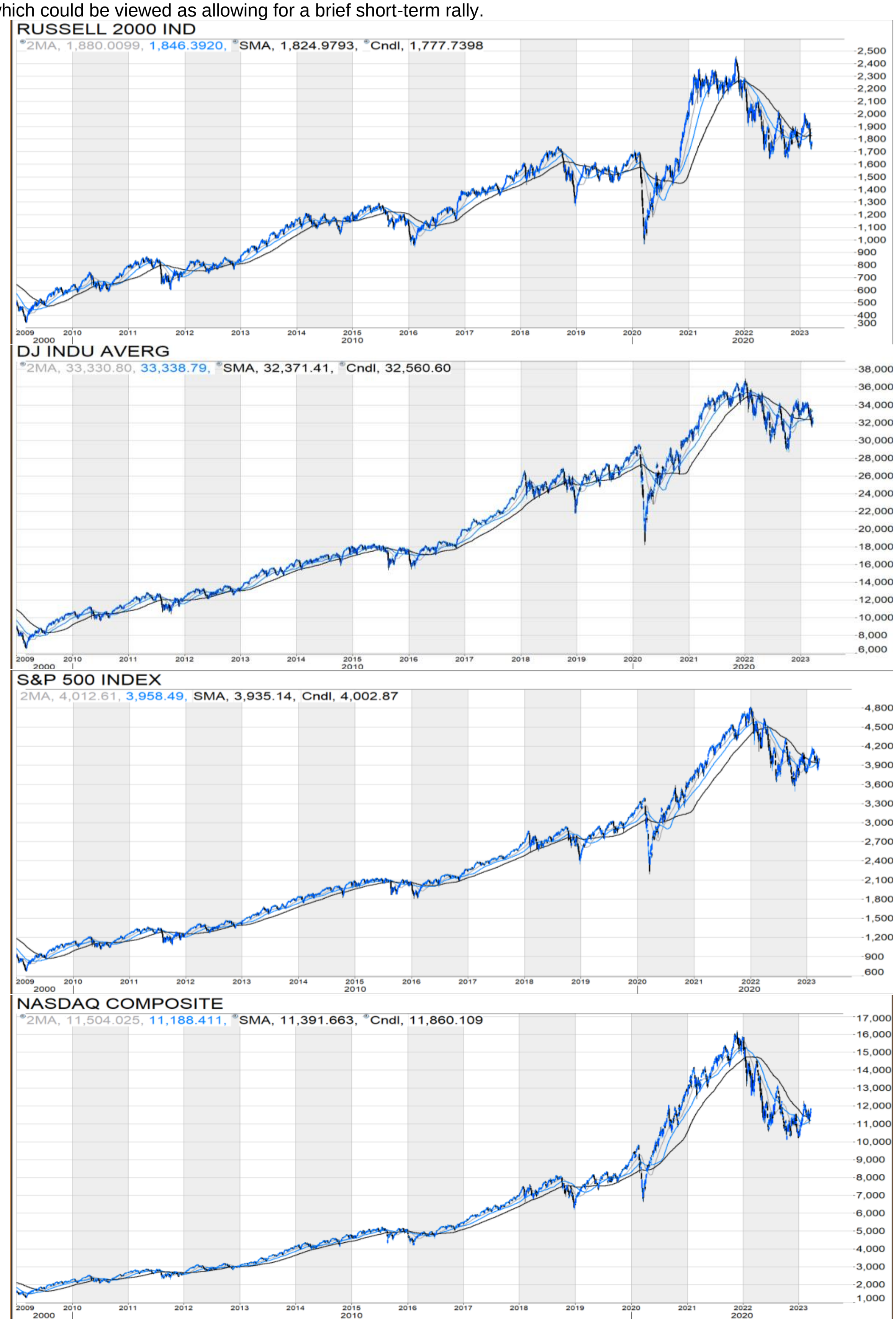
S&P Dow Jones earnings estimates for 2022 and 2023 were flat and fell $0.07 this week. Refinitiv IBES consensus earnings forecasts fell $0.35 and $0.19, respectively, leaving estimates at $196.82./$218.39 and $219.32/$221.63, respectively. EPS growth rates for 2022 are (5.5%) and 4.9%, and for 2023 are 11.5% and 1.5%, respectively. *(Note: consensus macro-EPS forecasts may differ from four quarter analysts' forecast sums seen on page 17.)* Our 2022 estimate is lowered to $196.82 to match the S&P this week. Our 2023 estimates of $180 is unchanged. See page 17.







We think the Russell 2000 index remains the best guide for market direction in the near and intermediate terms and we expect a flat trading range to continue between support at 1650 and resistance at 2000. The current price of 1777 is just slightly below the midpoint of the range, which could be viewed as allowing for a brief short-term rally.

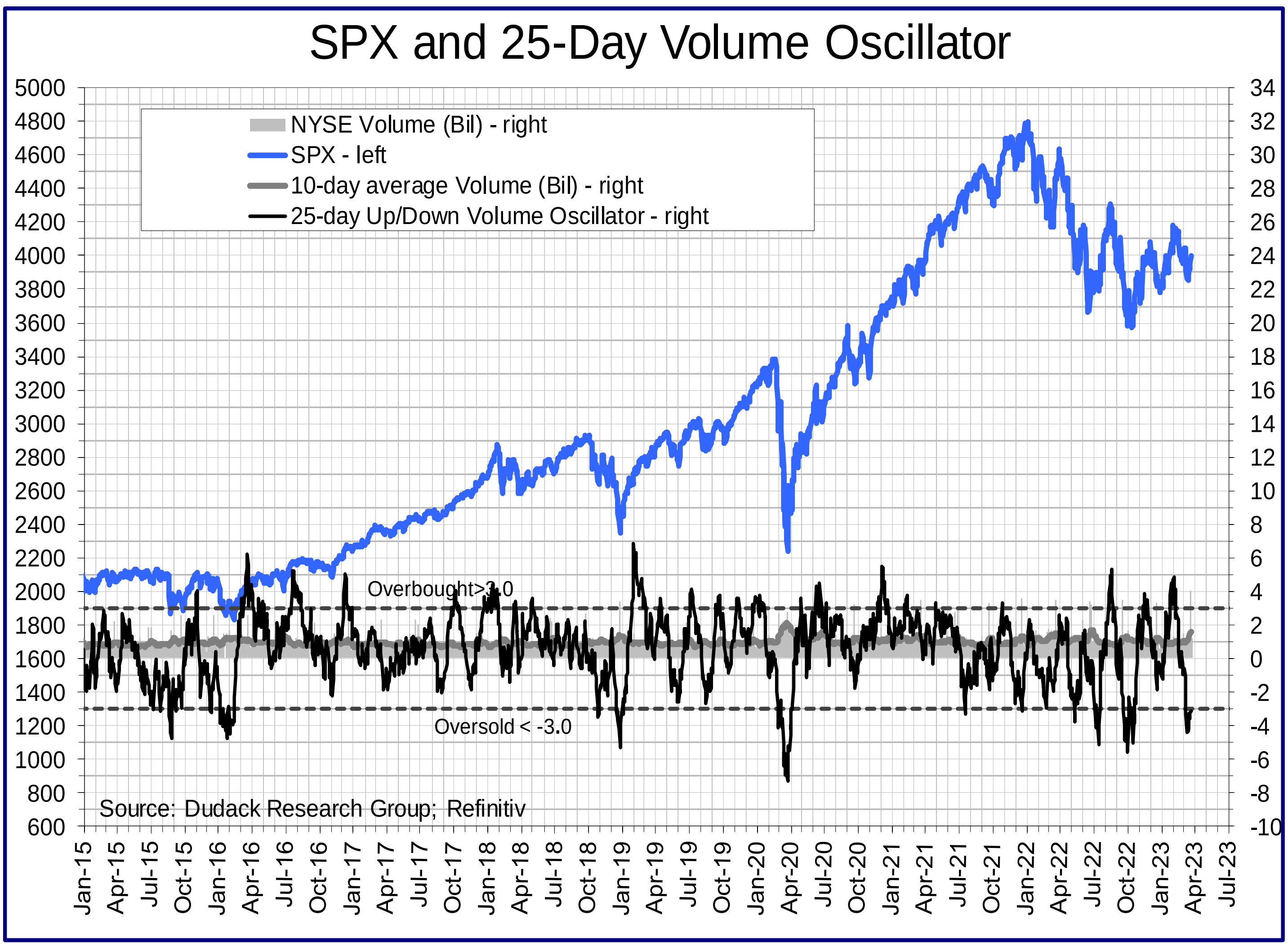


Source: Refinitiv

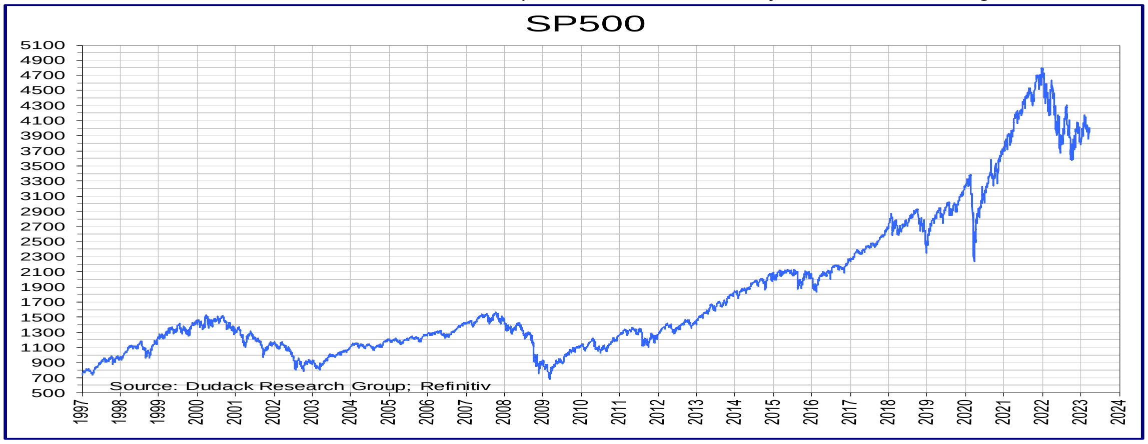
The 25-day up/down volume oscillator is negative 3.16 this week and has been in oversold territory for nine consecutive trading days. This follows an eleven-day overbought reading that ended February 8. The February overbought reading was an indication of a shift from a bearish to a positive trend, or at least from bearish to neutral. However, <u>this week's return to oversold territory clearly defines the current market trend as most likely being in a long-term sideways trading range</u>.

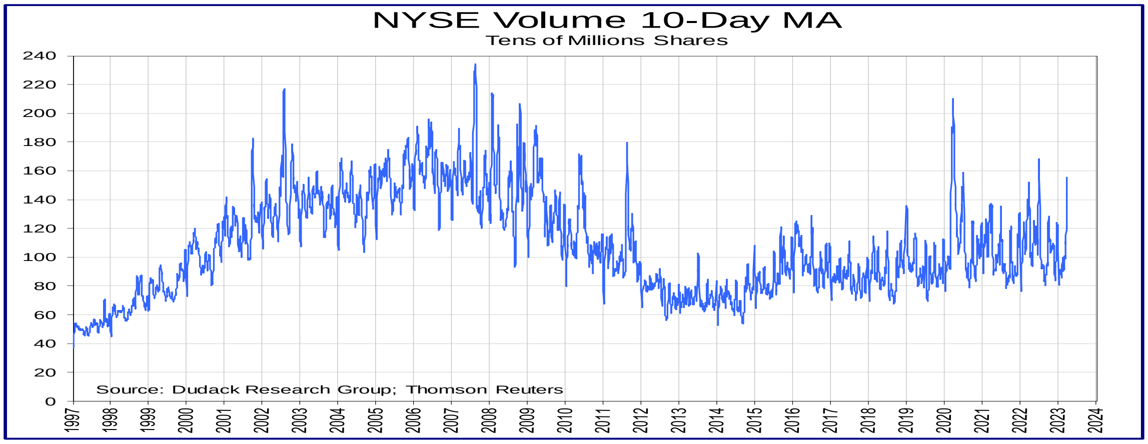
As a reminder, the 25-day up/down volume oscillator has been in bearish mode since April 2022 when it repeatedly failed to reach overbought territory to confirm new market highs. It subsequently recorded a series of oversold readings which indicated a downshift in the cycle. On September 30, the oscillator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

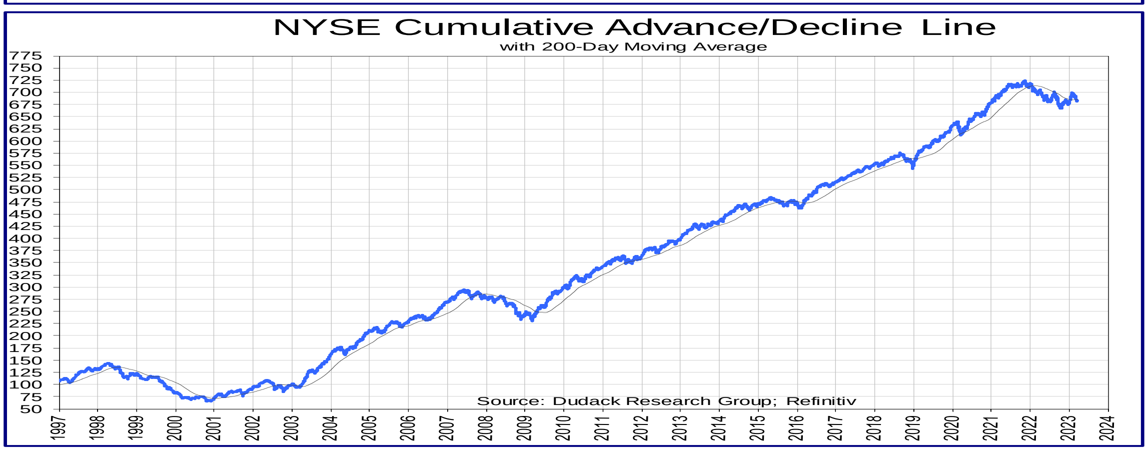
The key to a successful retest of a bear market low is whether or not a new low in price generates a new low in breadth. A successful retest will show there is less selling pressure – a less severe oversold reading -- despite a lower low in price. This "non-confirmation" of a low is a positive and implies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

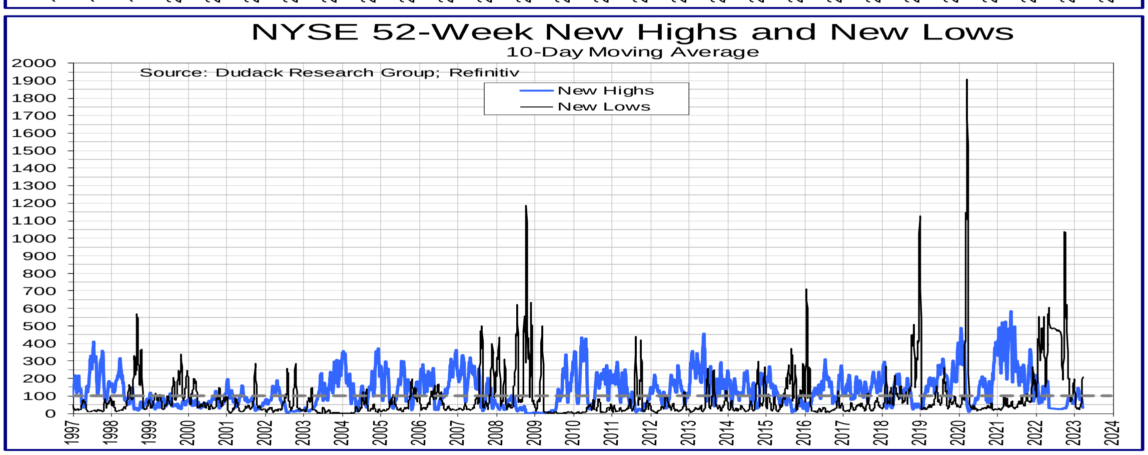


The 10-day average of daily new highs is 32 and new lows are 207. This combination is now negative since new highs are less than 100 and new lows are above 100. The advance/decline line fell below the June low on September 22 and is currently 39,658 net advancing issues from its 11/8/21 high.

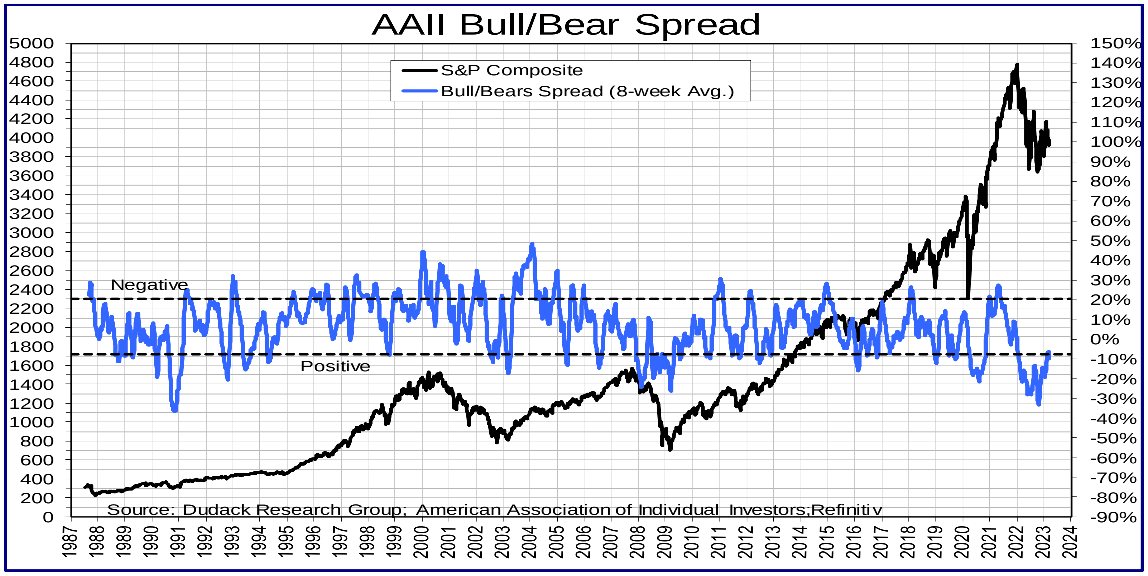


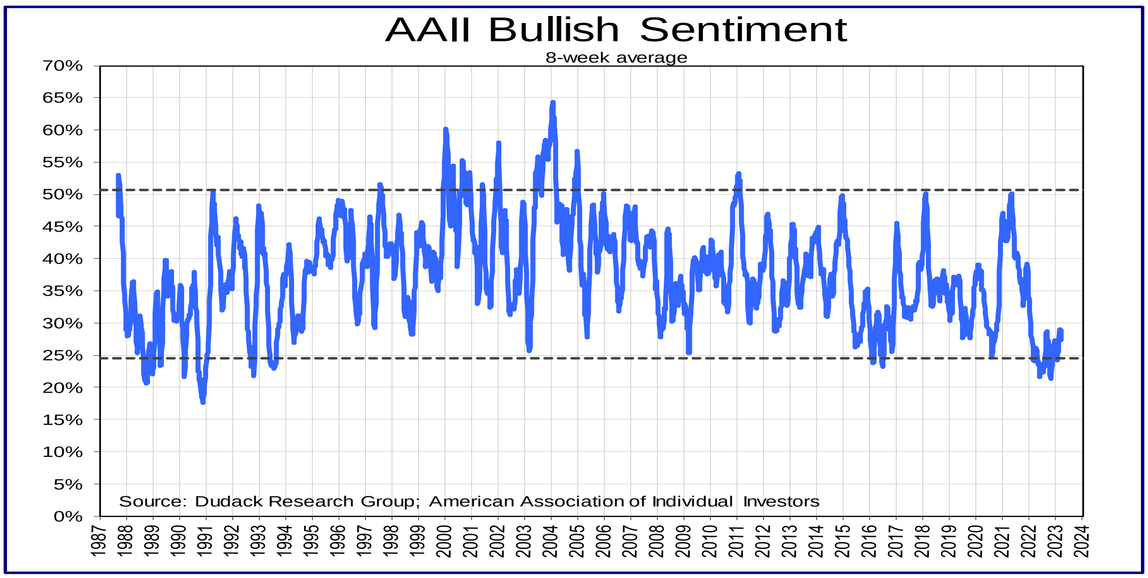


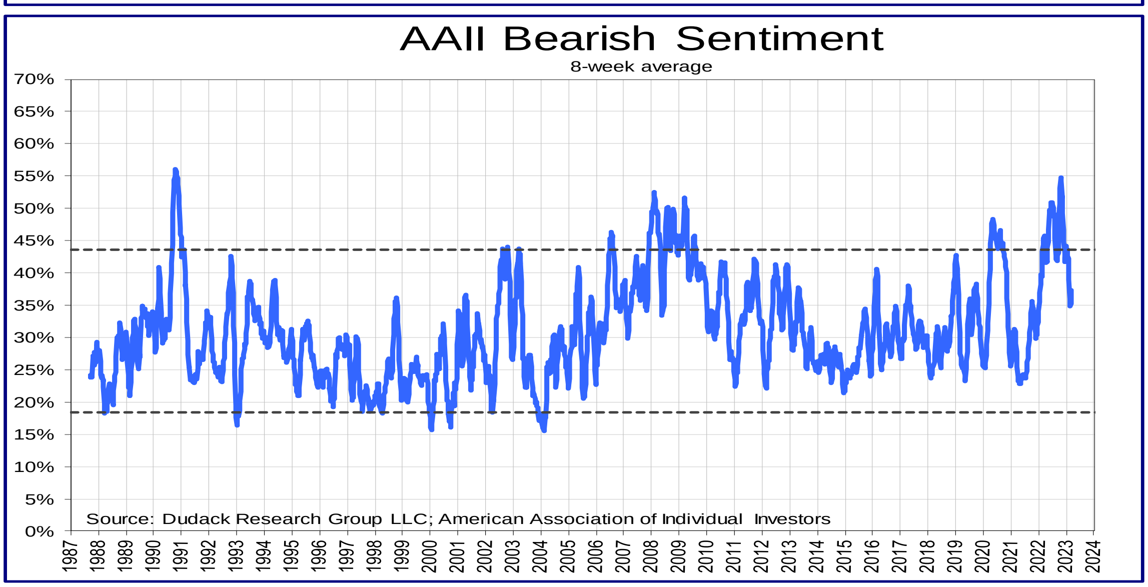




Last week's AAII readings showed a 5.6% decline in bulls to 19.2% and a 6.7% increase in bears to 48.4%. The Bull/Bear 8-week Spread moved back into positive territory after four weeks in neutral. Sentiment has been unusually volatile for the last two months; but last week's reading does not include 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	203.49	2.5%	5.3%	21.7%	21.7%
NASDAQ 100	NDX	12741.44	4.4%	5.6%	16.5%	16.5%
Technology Select Sector SPDR	XLK	144.69	3.6%	6.0%	16.3%	16.3%
iShares MSCI Mexico Capped ETF	EWW	56.23	-0.7%	-2.1%	13.7%	13.7%
Nasdaq Composite Index Tracking Stock	ONEQ.O	46.43	3.6%	2.9%	13.3%	13.3%
Consumer Discretionary Select Sector SPDR	XLY	145.43	3.3%	-0.1%	12.6%	12.6%
iShares MSCI Germany ETF	EWG	27.48	0.1%	-0.7%	11.1%	11.1%
iShares Russell 1000 Growth ETF	IWF	238.01	3.6%	3.5%	11.1%	11.1%
iShares MSCI Taiwan ETF	EWT	44.43	1.1%	1.3%	10.6%	10.6%
SPDR Homebuilders ETF	XHB	66.32	0.2%	0.0%	9.9%	9.9%
SPDR Gold Trust	GLD	180.37	2.0%	5.7%	6.3%	6.3%
iShares MSCI Austria Capped ETF	EWO	20.12	-3.0%	-5.0%	5.9%	5.9%
iShares MSCI EAFE ETF	EFA	69.26	0.2%	-1.4%	5.5%	5.5%
iShares 20+ Year Treas Bond ETF	TLT	105.00	0.9%	4.6%	5.5%	5.5%
Shanghai Composite	.SSEC	3255.65	0.3%	-1.5%	5.4%	5.4%
iShares MSCI South Korea Capped ETF	EWY	59.13	1.5%	-1.6%	4.7%	4.7%
iShares Russell 1000 ETF	IWB	220.15	2.1%	-0.1%	4.6%	4.6%
iShares MSCI Japan ETF	EWJ	56.87	1.4%	1.0%	4.5%	4.5%
SP500	**.SPX**	**4002.87**	**2.1%**	**0.1%**	**4.3%**	**4.3%**
iShares Russell 2000 Growth ETF	IWO	223.13	0.3%	-3.5%	4.0%	4.0%
Vanguard FTSE All-World ex-US ETF	VEU	51.78	0.0%	-2.2%	3.3%	3.3%
iShares MSCI United Kingdom ETF	EWU	31.53	-0.5%	-3.8%	2.8%	2.8%
iShares iBoxx $ Invest Grade Corp Bond	LQD	108.19	1.5%	2.5%	2.6%	2.6%
Gold Future	GCc1	2521.10	0.2%	0.8%	2.3%	2.3%
SPDR S&P Retail ETF	XRT	61.74	0.3%	-8.8%	2.1%	2.1%
iShares US Telecomm ETF	IYZ	22.77	2.3%	-2.9%	1.5%	1.5%
iShares MSCI Singapore ETF	EWS	19.09	2.4%	-2.1%	1.5%	1.5%
iShares Russell 2000 ETF	IWM	176.65	0.1%	-5.8%	1.3%	1.3%
iShares MSCI Canada ETF	EWC	32.93	-0.4%	-4.2%	0.6%	0.6%
iShares MSCI Emerg Mkts ETF	EEM	38.09	0.4%	-2.8%	0.5%	0.5%
Industrial Select Sector SPDR	XLI	98.68	-0.8%	-2.0%	0.5%	0.5%
PowerShares Water Resources Portfolio	PHO	51.61	-0.7%	-3.3%	0.1%	0.1%
iShares MSCI Australia ETF	EWA	22.26	-0.7%	-5.1%	0.1%	0.1%
SPDR Communication Services ETF	XLC	56.15	0.0%	0.0%	0.0%	0.0%
Materials Select Sector SPDR	XLB	77.66	-0.9%	-2.9%	0.0%	0.0%
iShares China Large Cap ETF	FXI	27.98	0.9%	-4.1%	-1.1%	-1.1%
iShares Russell 1000 Value ETF	IWD	149.53	0.6%	-3.7%	-1.4%	-1.4%
iShares Russell 2000 Value ETF	IWN	136.73	-0.3%	-8.0%	-1.4%	-1.4%
SPDR DJIA ETF	DIA	325.62	1.1%	-1.7%	-1.7%	-1.7%
DJIA	.DJI	32560.60	1.3%	-1.7%	-1.8%	-1.8%
iShares US Real Estate ETF	IYR	82.52	-1.8%	-7.1%	-2.0%	-2.0%
Consumer Staples Select Sector SPDR	XLP	72.70	0.8%	-1.0%	-2.5%	-2.5%
iShares MSCI BRIC ETF	BKF	33.39	-0.1%	-4.2%	-2.8%	-2.8%
iShares Nasdaq Biotechnology ETF	IBB.O	126.00	-0.7%	-2.8%	-4.0%	-4.0%
iShares MSCI Hong Kong ETF	EWH	20.00	-2.2%	-3.9%	-4.8%	-4.8%
iShares MSCI Malaysia ETF	EWM	21.66	1.8%	-3.4%	-5.2%	-5.2%
Health Care Select Sect SPDR	XLV	127.73	1.0%	-2.0%	-6.0%	-6.0%
iShares MSCI Brazil Capped ETF	EWZ	26.25	-1.5%	-6.9%	-6.1%	-6.1%
Silver Future	SIc1	22.32	1.8%	2.1%	-6.4%	-6.4%
Financial Select Sector SPDR	XLF	31.96	-1.0%	-10.3%	-6.5%	-6.5%
iShares Silver Trust	SLV	21.45	3.3%	2.3%	-6.7%	-6.7%
Utilities Select Sector SPDR	XLU	65.65	-0.9%	-2.3%	-6.9%	-6.9%
iShares MSCI India ETF	INDA.K	38.63	-0.6%	-3.1%	-7.5%	-7.5%
Energy Select Sector SPDR	XLE	80.39	-1.7%	-4.4%	-8.1%	-8.1%
iShares DJ US Oil Eqpt & Services ETF	IEZ	19.21	-3.0%	-9.7%	-9.4%	-9.4%
United States Oil Fund, LP	USO	61.23	-2.7%	-8.2%	-12.7%	-12.7%
Oil Future	CLc1	69.67	-2.3%	-8.5%	-13.2%	-13.2%
SPDR S&P Bank ETF	KBE	37.98	1.2%	-21.2%	-15.9%	-15.9%

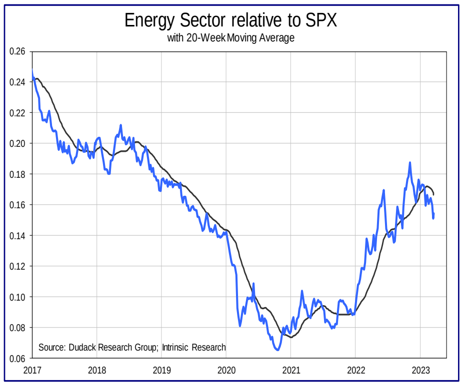
Outperformed SP500
Underperformed SP500

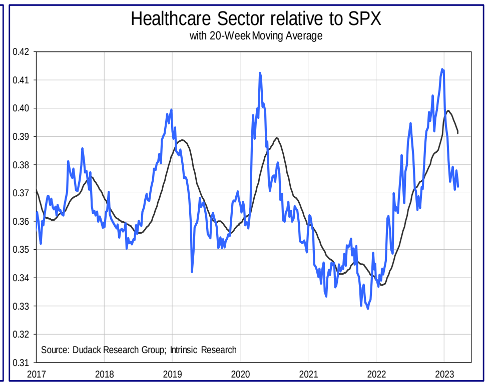
Source: Dudack Research Group; Thomson Reuters   Priced as of March 21, 2023

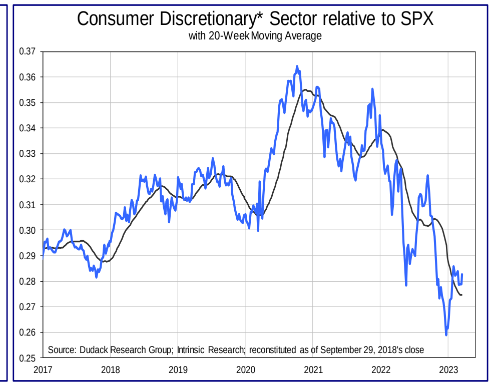
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

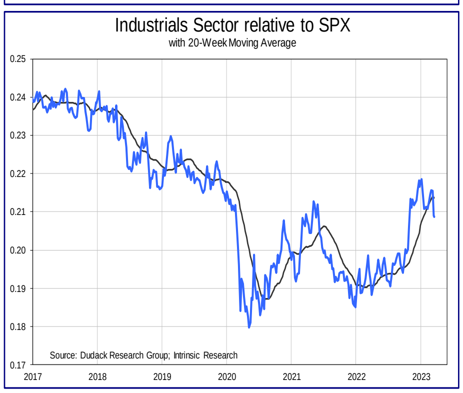
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Energy Industrials Staples Utililties	Healthcare Technology Materials Financials	Consumer Discretionary REITS Communication Services

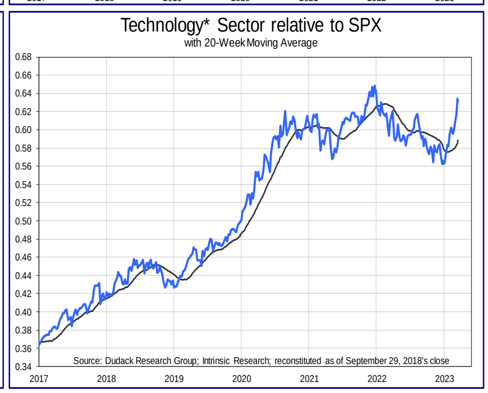
3/8/2022:Materials upgraded from underweight to neutral/communication service downgraded from neutral to underweight. 3/1/2022 Financials downgraded to neutral and Industrials upgraded to overweight.

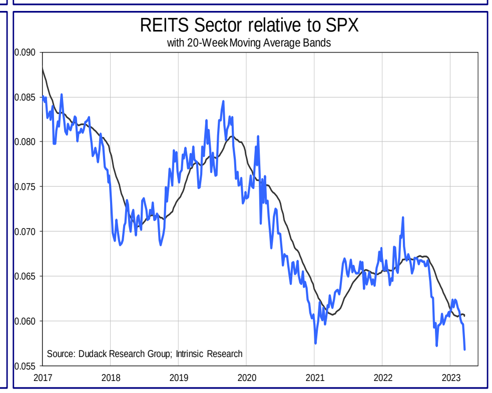


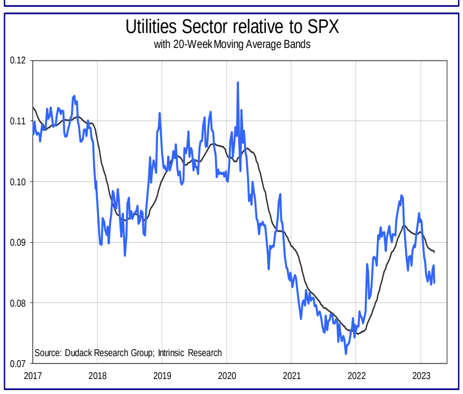


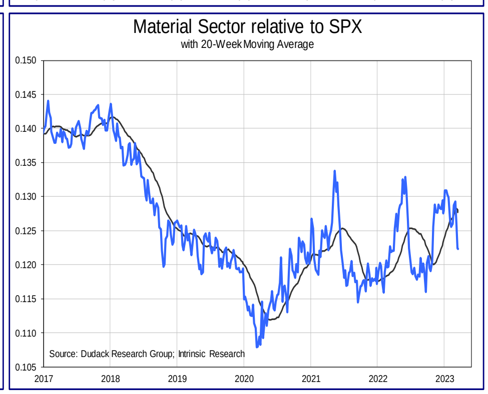


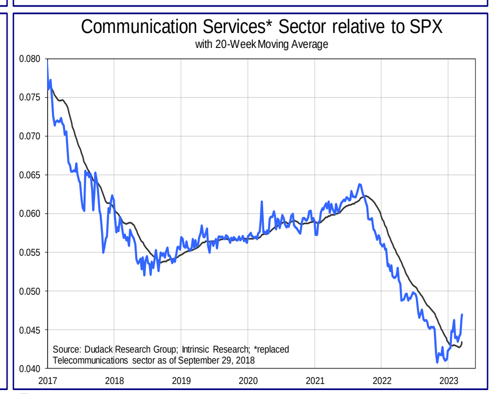


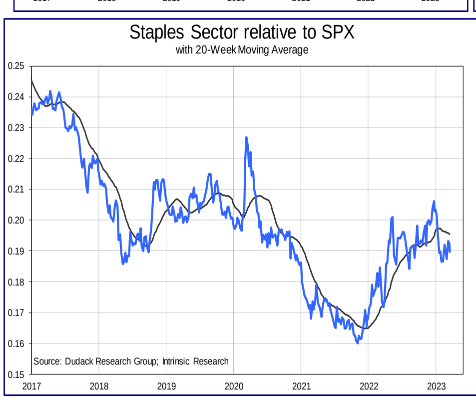












2023 Performance - Ranked	
SP500 Sector	% Change
S&P COMMUNICATIONS SERVICES	17.9%
S&P INFORMATION TECH	16.4%
S&P CONSUMER DISCRETIONARY	12.6%
S&P 500	4.3%
S&P INDUSTRIALS	0.5%
S&P MATERIALS	0.0%
S&P REITS	-2.2%
S&P CONSUMER STAPLES	-2.5%
S&P HEALTH CARE	-6.0%
S&P FINANCIAL	-6.6%
S&P UTILITIES	-6.9%
S&P ENERGY	-8.1%

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	$172.74	$196.83	$196.83	-5.4%	**$218.39**	4.9%	20.3X	1.4%	-1.4%	$2,543.00	6.7%
2023E	~~~~~	$201.18	$219.46	$180.00	-8.6%	**$221.63**	1.5%	18.2X	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	$50.35	-3.2%	$56.02	4.3%	17.6	1.8%	3.2%	$2,543.00	3.5%
2022 4QE*	4002.87	$39.60	$50.25	$50.25	-11.4%	$53.23	-1.3%	20.3	1.7%	2.7%	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 3/21/2023

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

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