Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
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March 29, 2023

DJIA: 32394.25
SPX: 3971.27
NASDAQ: 11716.08

US Strategy Weekly
Short-term Relief?

As expected, the Federal Reserve did raise the fed funds rate by 25 basis points to a range of 4.75% to 5.00% last week. However, in reality, the Fed's overall tightening policy is being offset by its need to increase liquidity in the banking system which has been under intense pressure since regulators took control of Silicon Valley Bank (SVB Financial Group - SIVBQ - $0.40) on March 10.

Short-term Rally?

As the central bank moved quickly to add reserves to the banking system in the form of primary loans and through the new Bank Term Funding Program (BTFP), the Fed's balance sheet expanded by nearly $350 billion dollars in recent weeks. See page 3. This quick response appears to have assuaged depositors who were concerned about the stability of regional banks. And while the crisis seems becalmed for the moment, the Fed's action may also provide a few better days for investors. History shows that there has been a strong relationship between the Fed increasing its balance sheet (adding liquidity to the banking system) and rising stock prices. In sum, equity prices could rise in the near term.

However, we worry this will only deliver short-term comfort. The banking crisis could also result in tighter credit conditions for consumers and businesses and many forecasters are now suggesting that the Fed will cut rates in the second half of the year. This is a possibility, but only if it becomes clear that the economy is spiraling into a recession (which means corporate earnings will collapse!). Even so, the Fed may not cut rates quickly since history shows that high inflation has only been corrected by a recession. Unfortunately, the relationship between inflationary cycles and recessions is a strong one. Whenever inflation has risen more than two-standard deviations above the norm, or above 6.5%, the economy has suffered, not one, but a series of recessions. See page 4.

Higher for Longer

It is obvious that headline inflation has begun to decelerate but core inflation remains stubbornly high. Core CPI was only down 0.1% in February to 5.5% and this reflects the fact that pricing pressure is now concentrated in the service sector. In the CPI, service inflation was unchanged in February at 7.6% YOY. Service sector inflation less rent was 6.9% and pet services inflation rose 10.9% YOY. These are worrisome figures. The PCE deflator for February will be released Friday and it will be closely analyzed for any signs of service sector relief.

We believe the Fed governors when they state that they do not foresee an interest rate cut later this year. And the reasons are many. The Federal Reserve has never been this far behind the curve in terms of fighting inflation. Historically, a Fed tightening cycle began at the first sign of inflation and it ended with a real fed funds rate reaching at least 400 basis points. This latter point is quite different from the consensus view. What it means is that if inflation should fall to 3% this year (which we deem unlikely) the fed funds rate could rise to 7% by year end! See page 5. We doubt that interest rates will get this high, but we do expect the Fed to keep interest rates higher for longer than the consensus currently believes.

Using Technical Guidance

Most of the broad market indices are trading at prices that are close to levels representing the convergence of the 50, 100, and 200-day moving averages. See page 8. This convergence of moving averages should function as good support for the recent sell-off, however, as support, it is also pivotal. If the indices break below current levels it would likely trigger more selling. In other words, the next several weeks should be an interesting time for technical analysts; however, as we previously noted, the Fed's recent quantitative easing should provide some near-term support for equities.

Meanwhile, our 25-day up/down volume oscillator is at negative 1.91 this week, which is a neutral reading after being in oversold territory for 12 consecutive trading days. This oversold reading follows an eleven-day overbought reading that ended February 8, and which represented a shift from a bearish to a positive trend, or at least from a bearish to a neutral trend. This new oversold reading clearly defines the market's trend as being neither bullish, nor bearish, but in a long-term sideways trading range. See page 9. Keep in mind that in this 25-day oscillator, bull markets rarely reach oversold territory and bear market rallies rarely reach overbought readings. The current market is oscillating between overbought and oversold and therefore neutral. Other technical indicators such as the 10-day average of daily new highs and lows are more negative. We use 100 per day as the definition of a trend and new highs are currently averaging a weak 35 per day and new lows are averaging 189. See page 11.

The best example of the trading range we are expecting for the intermediate term is seen in the Russell 2000 index. See page 10. The Russell 2000 is heavily weighted in regional bank stocks, which some might say should make it a less predictive indicator; nevertheless, a bull market has never materialized without the participation of the financial sector. It is core to the economy. Therefore, we are closely monitoring a well-defined trading range in the Russell 2000 between support at 1650 and resistance at 2000. The RUT's current price of 1753 is 6% from support and 14% from resistance, implying a slightly positive short-term risk/reward ratio.

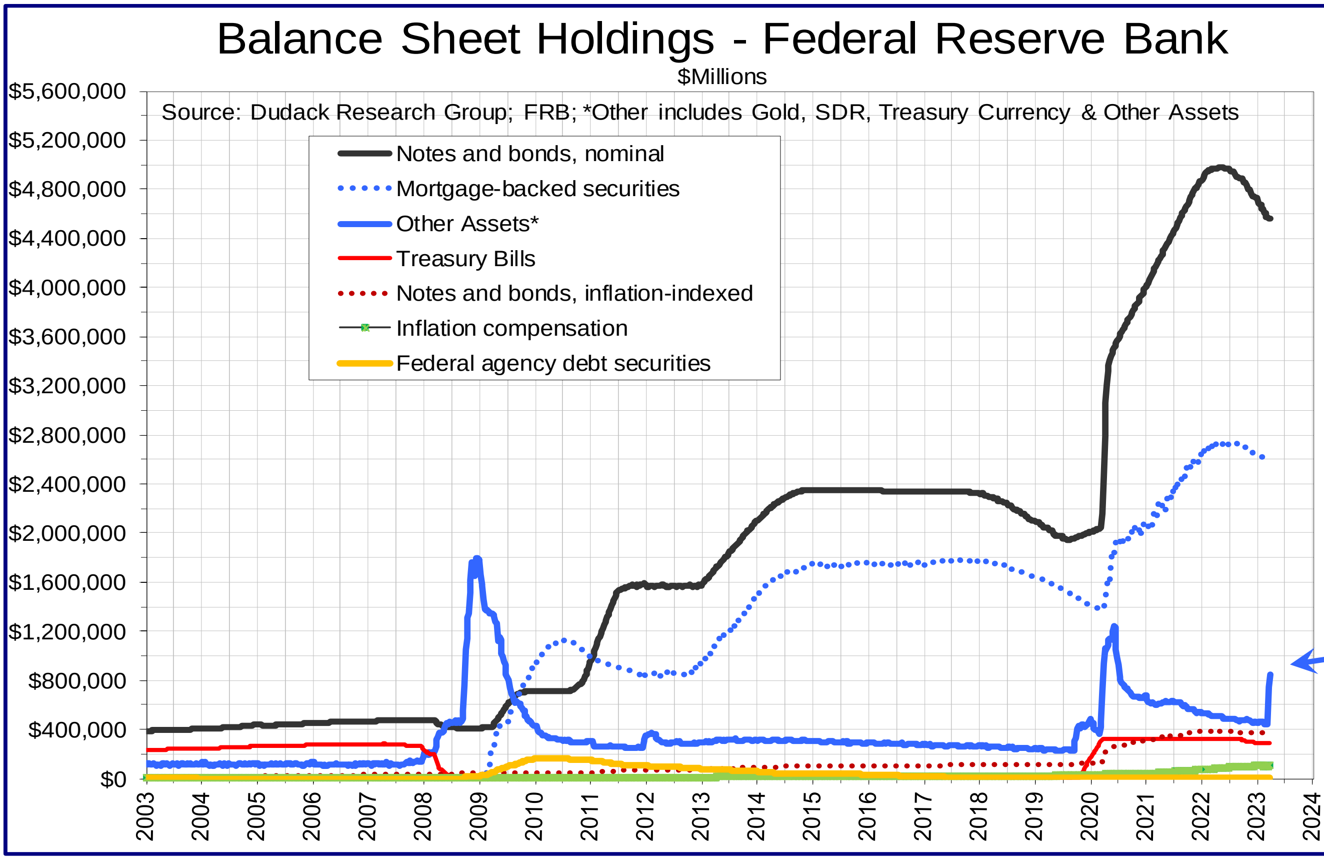
S&P GICS Changes

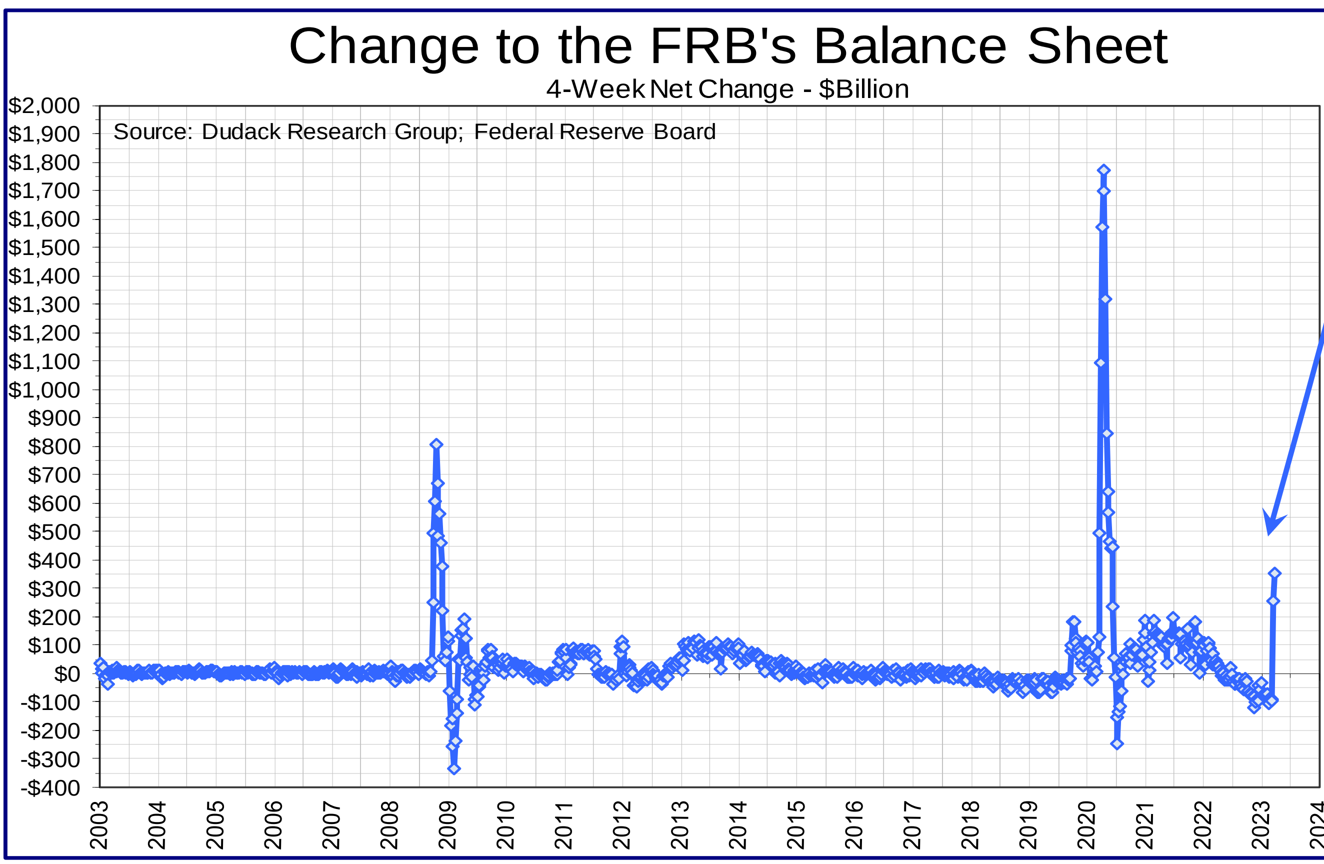
ETF's have become popular trading vehicles recently and we expect this to continue particularly since the trading range market we are expecting should see a continuous rotation of sector leadership. Therefore, we have reprinted a summary of GICS classification changes that took place in March. We expect these changes will impact not only the price performance of some SPDR ETF's but it will also change the earnings in several categories. See page 7 for details.

The largest change will be seen within Information Technology, where eight constituents will move to the Financials sector and three constituents will move into the Industrials sector. From a market cap perspective, Visa Inc. (V - $220.33) and Mastercard Inc. (MC - $354.33) will be the largest changes and they will now rank as the 3rd and 4th largest constituents in the Financial sector and move into a newly created sub-industry titled '*Transaction & Payment Processing Services'.*

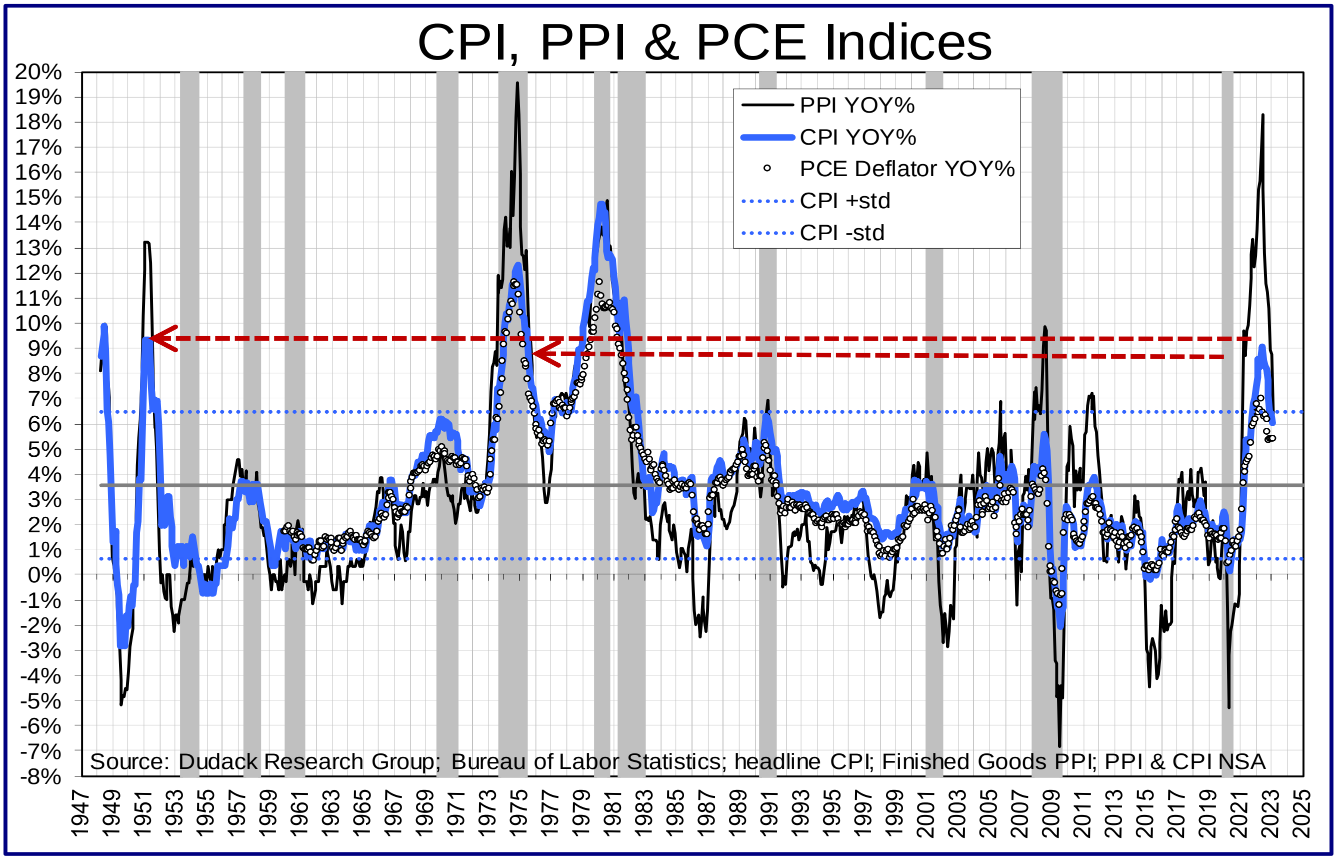
The other sector impacted is Consumer Discretionary, which will see Target Corp. (TGT - $159.77), Dollar General Corp. (DG - $208.13), and Dollar Tree Inc. (DLTR - $141.66) all move into the Consumer Staples sector and the *'Consumer Staples Merchandise Retail'* sub-industry. Target Corp. now ranks as the 9th largest constituent in the Consumer Staples sector. Financials will see the largest increase in earnings weight next quarter, rising from 17.6% to 19.7% (+2.1 ppt) due to Visa Inc. and Mastercard Inc., followed by Industrials (+0.3 ppt), which will be offset by the decline in Information Technology (-2.6 ppt). Consumer Staples will see its earnings weight rise moderately (+0.4 ppt) which will be offset by Consumer Discretionary (-0.3 ppt).

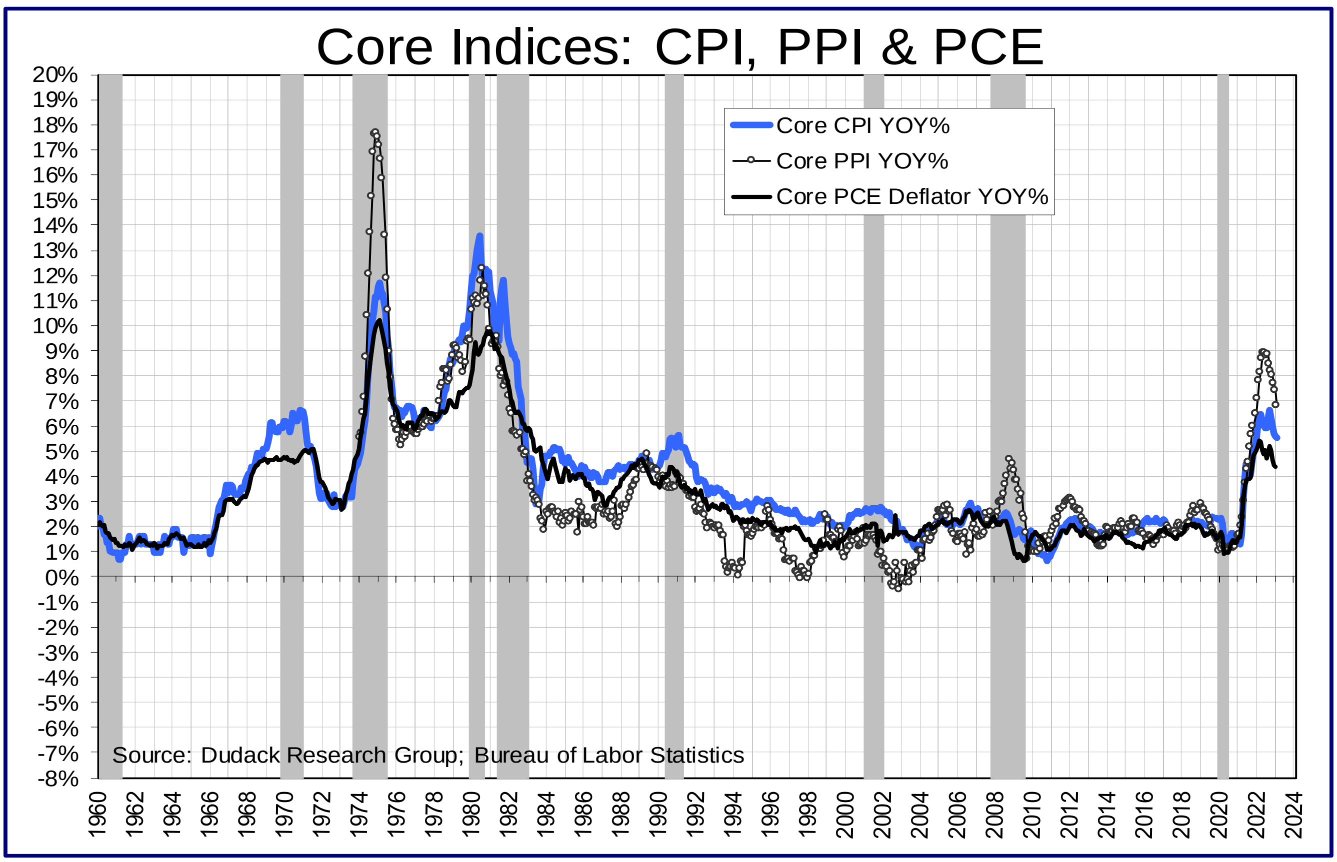
The banking crisis reversed the Fed's quantitative tightening policy since it required the central bank to provide liquidity to the system in the form of primary loans and the new Bank Term Funding Program. Loans expanded by nearly $350 billion dollars in recent weeks in order to calm the sentiment on the global banking system. This could boost stock prices in the near term.



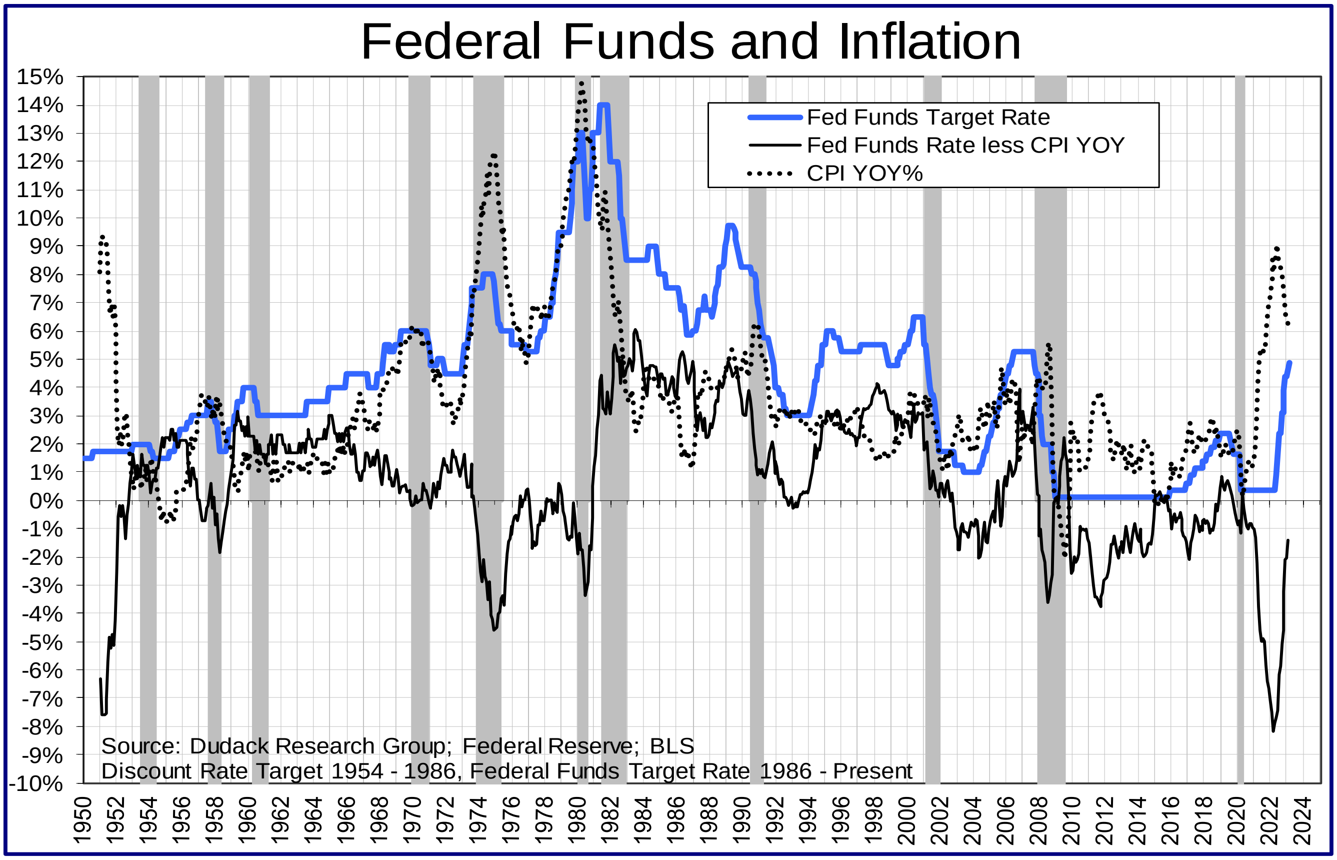


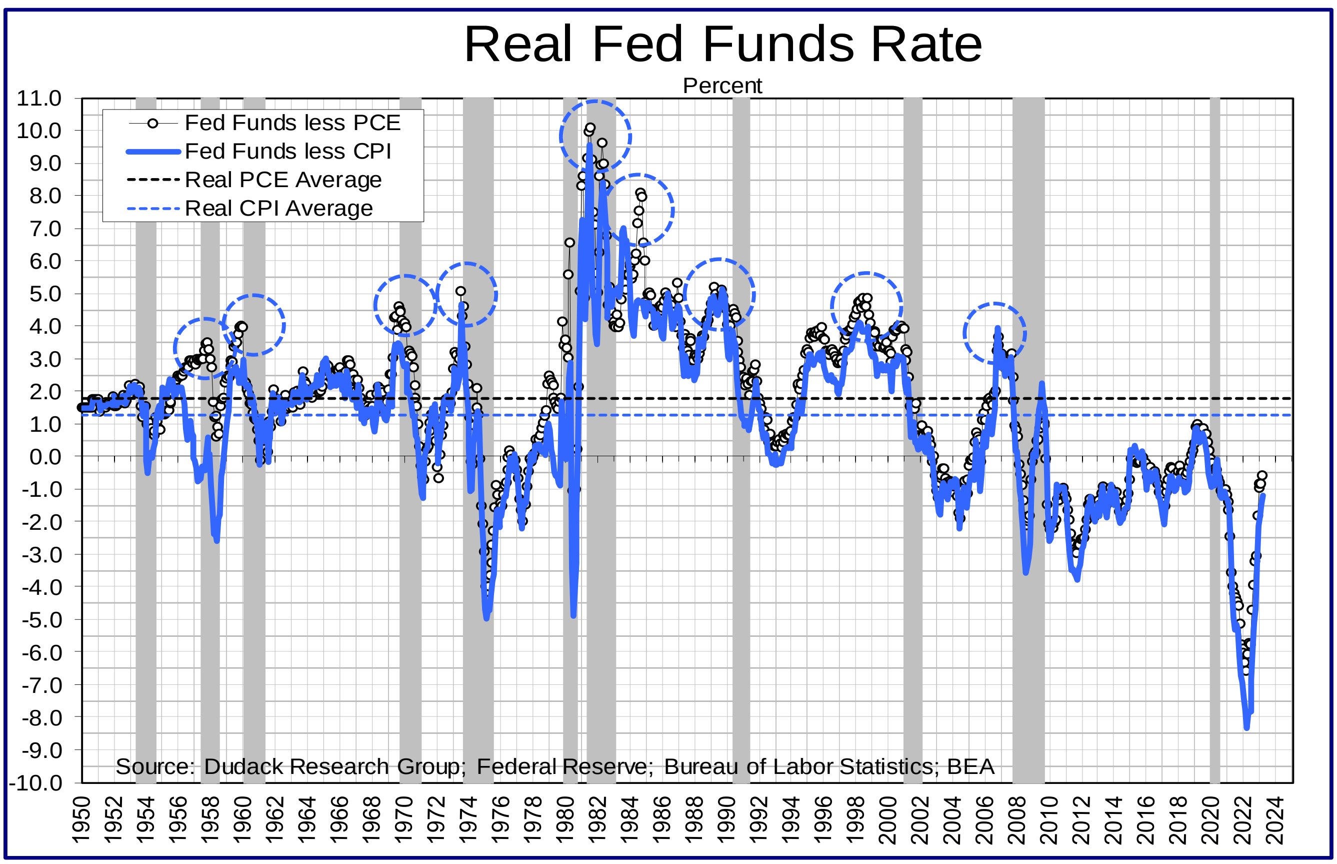
The relationship between inflationary cycles and recessions is unfortunately strong. Whenever inflation has risen more than two-standard deviations above the norm, or above 6.5%, the economy has suffered, not one, but a series of recessions. Headline inflation has clearly begun to decelerate but core inflation remains stubbornly high and is concentrated in the service sector. Service sector inflation less rent was 6.9% in February. The PCE deflator for February will be released Friday and will be closely followed.



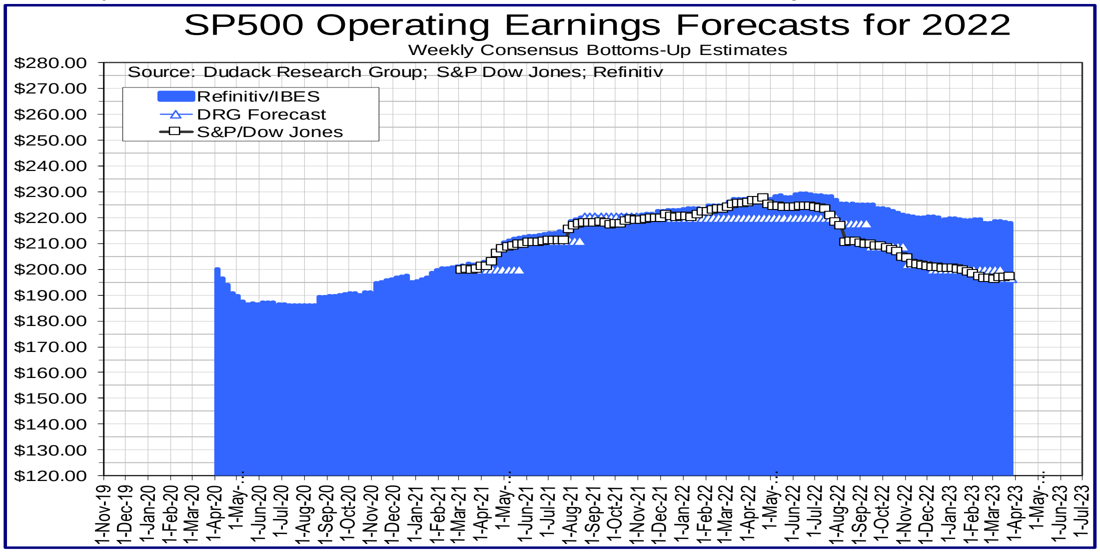


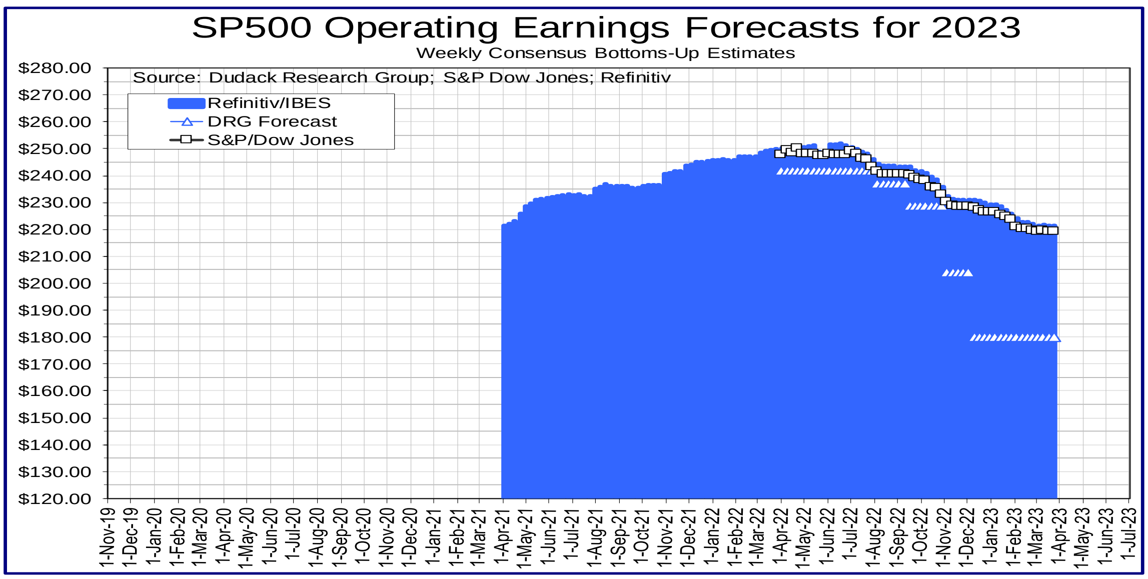
The Federal Reserve has never been this far behind the curve in terms of fighting inflation. Historically, a Fed tightening cycle has ended with a real fed funds rate reaching at least 400 basis points. In short, if inflation should fall to 3% this year (unlikely) this implies a fed funds rate of 7% by year end!

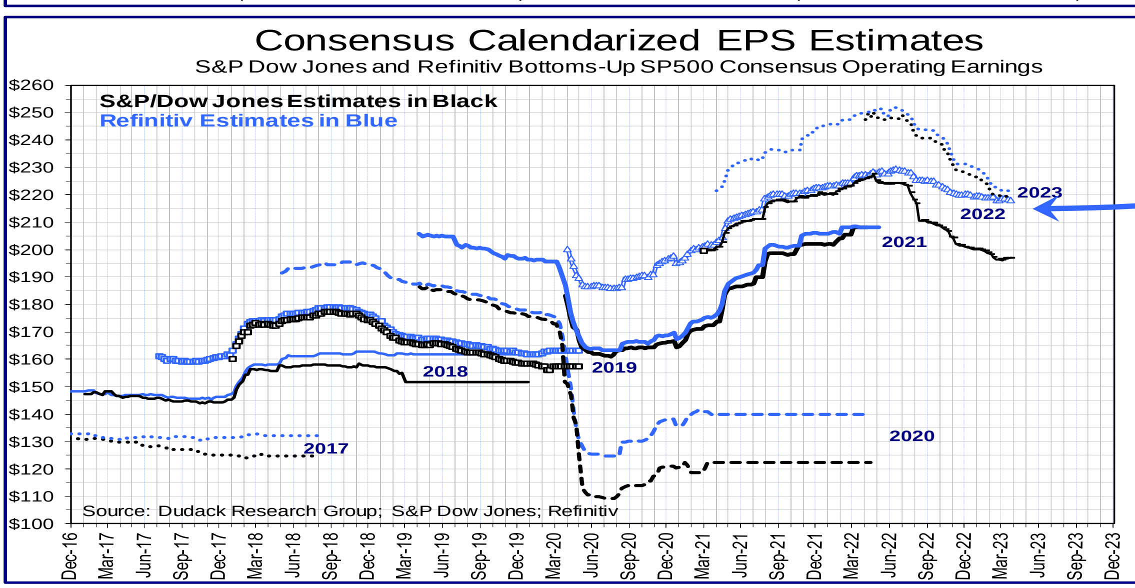




S&P Dow Jones earnings estimates for 2022 and 2023 were up $0.13 and fell $0.23 this week. Refinitiv IBES consensus earnings forecasts fell $0.30 and $0.23, respectively, leaving estimates at $196.95./$218.09 and $219.16/$221.40, respectively. EPS growth rates for 2022 are (5.4%) and 4.8%, and for 2023 are 11.3% and 1.5%, respectively. *(Note: consensus macro-EPS forecasts may differ from four quarter analysts' forecast sums seen on back pages.)* Our 2022 estimate was adjusted last week to match the S&P. Our 2023 estimate of $180 is unchanged.







For those who use S&P based ETFs to trade sectors, the following information will be helpful. It is taken from the S&P's March 27, 2023 article:

2023 GICS CLASSIFICATION CHANGE: IMPACT ON S&P 500 EARNINGS BY TAJINDER DHILLON

Effective Monday March 20th, 2023, 14 constituents in the S&P 500 have been impacted by a GICS Classification change which was originally announced in December 2022.

As shown in Exhibit 1, 14 constituents across two sectors will move into three new sectors (level 1). The largest change will be within Information Technology, where eight constituents will move to the Financials sector, followed by three constituents moving into the Industrials sector. From a market cap perspective, Visa and Mastercard will be the largest change who now rank as the 3rd and 4th largest constituent in the Financial sector and move into a newly created sub-industry (level 4) titled 'Transaction & Payment Processing Services'.

The other sector impacted is Consumer Discretionary, which will see Target Corp, Dollar General Corp, and Dollar Tree Inc all move into the Consumer Staples sector and 'Consumer Staples Merchandise Retail' sub-industry. Target Corp now ranks as the 9th largest constituent in the Consumer Staples sector.

Exhibit 1: GICS Classification Impact on S&P 500

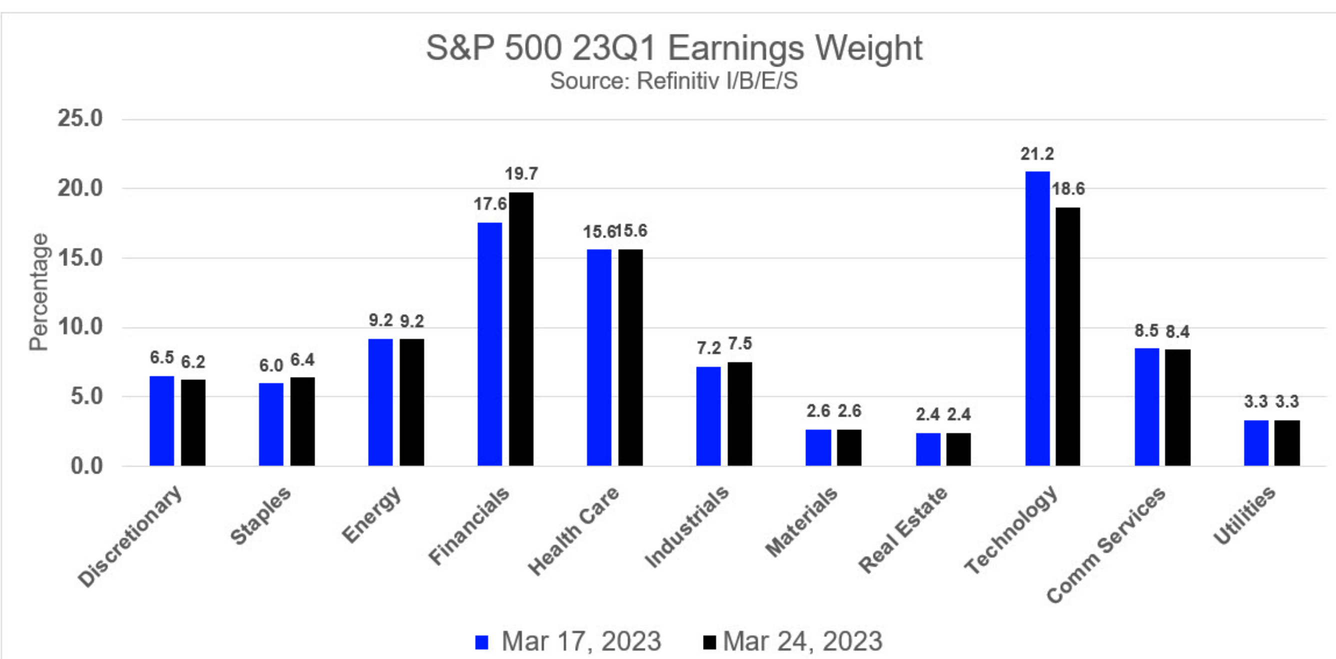
			Old Classification		New Classification	
RIC	Name	Mkt Cap ($m)	Sector	Sub-Industry	Sector	Sub-Industry
TGT.N	Target Corp	71,918	Consumer Discretionary	General Merchandise Stores	Consumer Staples	Consumer Staples Merchandise Retail
DG.N	Dollar General Corp	46,014	Consumer Discretionary	General Merchandise Stores	Consumer Staples	Consumer Staples Merchandise Retail
DLTR.OQ	Dollar Tree Inc	30,394	Consumer Discretionary	General Merchandise Stores	Consumer Staples	Consumer Staples Merchandise Retail
V.N	Visa Inc	454,945	Information Technology	Data Processing & Outsourced Services	Financials	Transaction & Payment Processing Services
MA.N	Mastercard Inc	335,189	Information Technology	Data Processing & Outsourced Services	Financials	Transaction & Payment Processing Services
ADP.OQ	Automatic Data Processing Inc	88,725	Information Technology	Data Processing & Outsourced Services	Industrials	Human Resource & Employment Services
PYPL.OQ	PayPal Holdings Inc	83,586	Information Technology	Data Processing & Outsourced Services	Financials	Transaction & Payment Processing Services
FISV.OQ	Fiserv Inc	70,677	Information Technology	Data Processing & Outsourced Services	Financials	Transaction & Payment Processing Services
PAYX.OQ	Paychex Inc	39,233	Information Technology	Data Processing & Outsourced Services	Industrials	Human Resource & Employment Services
FIS.N	Fidelity National Information Services Inc	29,419	Information Technology	Data Processing & Outsourced Services	Financials	Transaction & Payment Processing Services
GPN.N	Global Payments Inc	25,964	Information Technology	Data Processing & Outsourced Services	Financials	Transaction & Payment Processing Services
BR.N	Broadridge Financial Solutions Inc	16,548	Information Technology	Data Processing & Outsourced Services	Industrials	Data Processing & Outsourced Services
FLT.N	Fleetcor Technologies Inc	14,759	Information Technology	Data Processing & Outsourced Services	Financials	Transaction & Payment Processing Services
JKHY.OQ	Jack Henry & Associates Inc	10,747	Information Technology	Data Processing & Outsourced Services	Financials	Transaction & Payment Processing Services

Source: Refinitiv Workspace

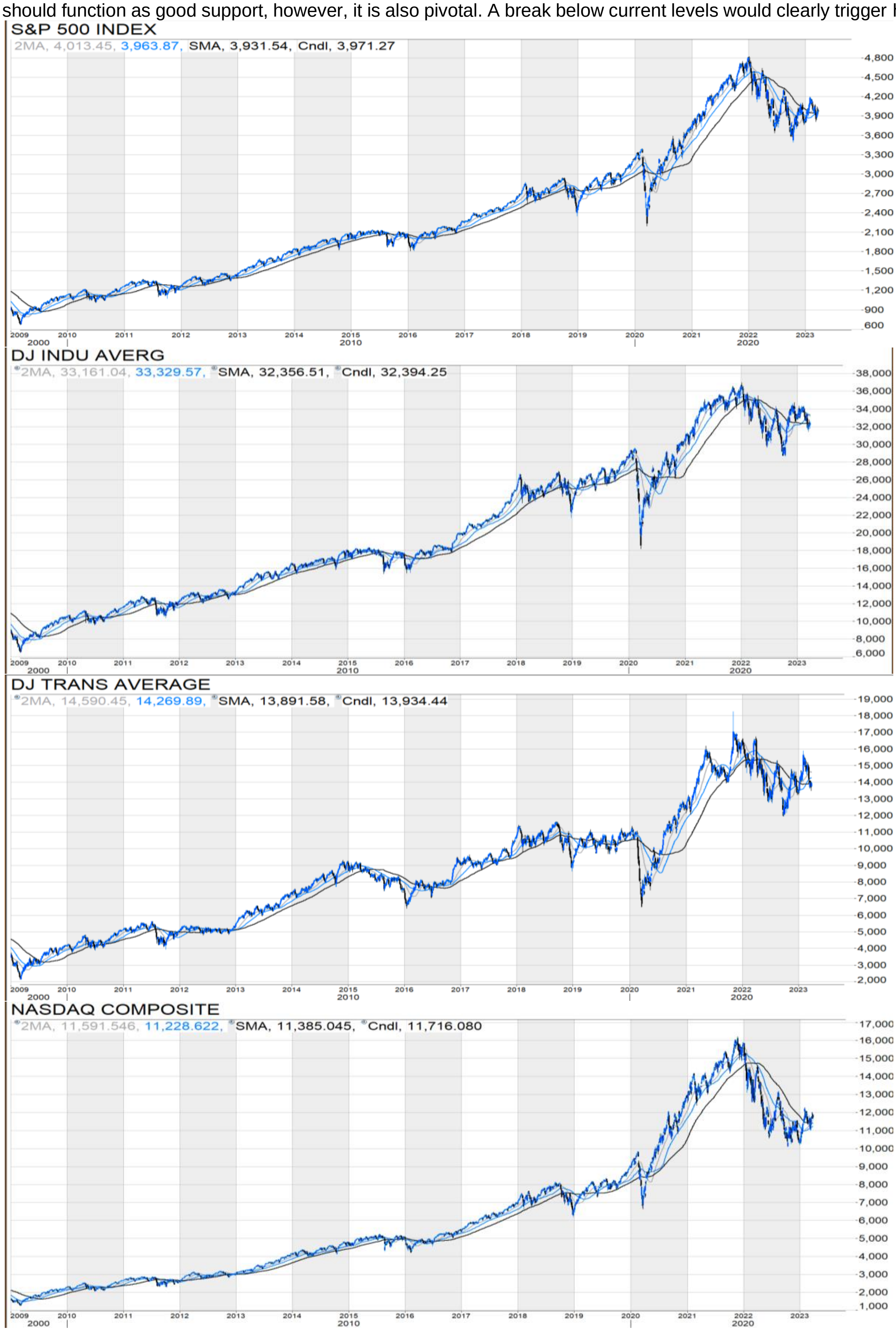
As shown in Exhibit 2, Financials will see the largest increase in earnings weight next quarter, rising from 17.6% to 19.7% (+2.1 ppt) due to Visa Inc and Mastercard Inc, followed by Industrials (+0.3 ppt), which will be offset by the decline in Information Technology (-2.6 ppt).

Consumer Staples will see its earnings weight rise moderately (+0.4 ppt) which will be offset by Consumer Discretionary (-0.3 ppt).

Exhibit 2: 2023 Q1 and 2023 Earnings Weight Impact



Most of the broad market indices are trading at a price that represents the convergence of the 50, 100, and 200-day moving averages. These levels should function as good support, however, it is also pivotal. A break below current levels would clearly trigger heavy selling.

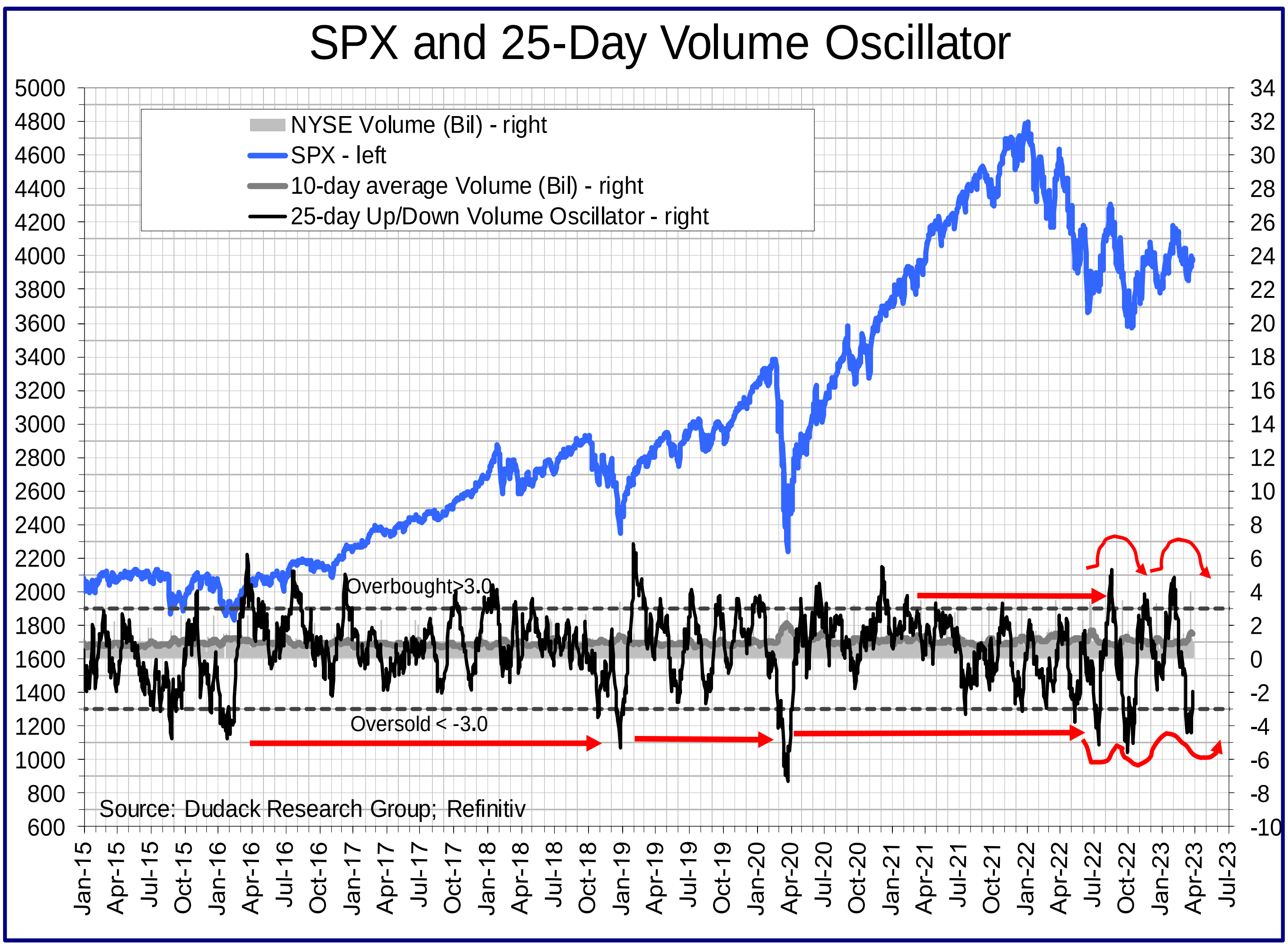


Source: Refinitiv

The 25-day up/down volume oscillator is negative 1.91 this week and in neutral territory after being in the oversold zone for 12 consecutive trading days in March. This follows an eleven-day overbought reading that ended February 8. The February overbought reading represented a shift from a bearish to a positive trend, or at least from bearish to neutral. However, this recent return to oversold territory clearly defines the current market as being neither bullish, nor bearish, but in a long-term sideways trading range.

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.

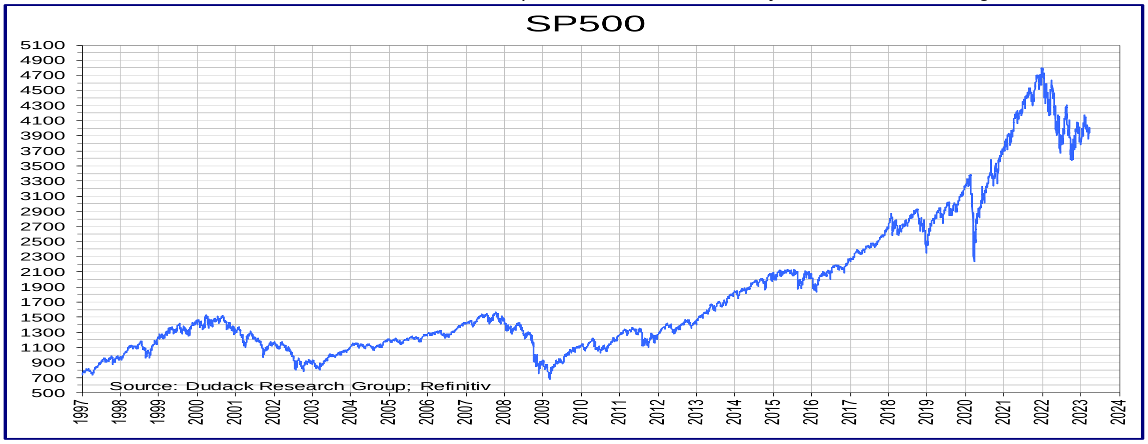
The key to a successful retest of a bear market low is whether or not a new low in price generates a new low in breadth. A successful retest will show there is less selling pressure – a less severe oversold reading -- despite a lower low in price. This "non-confirmation" of a low is a positive and implies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

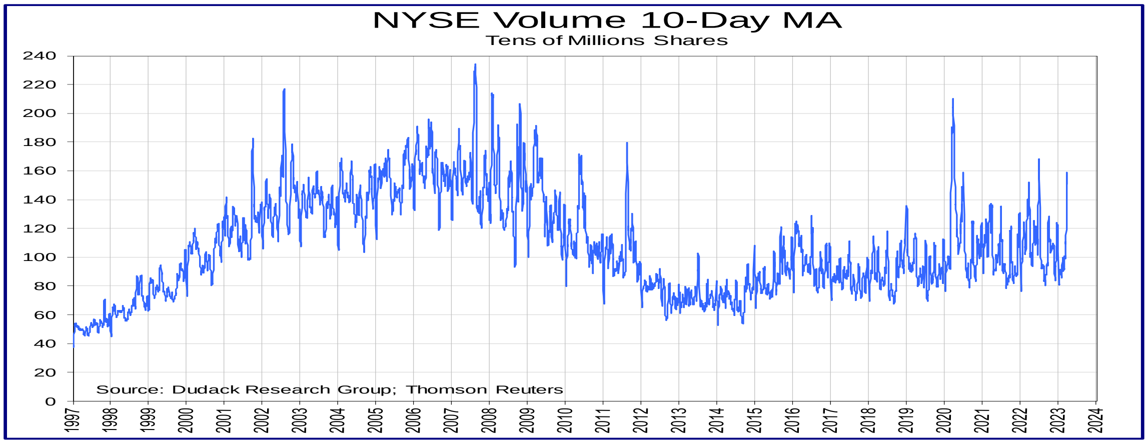


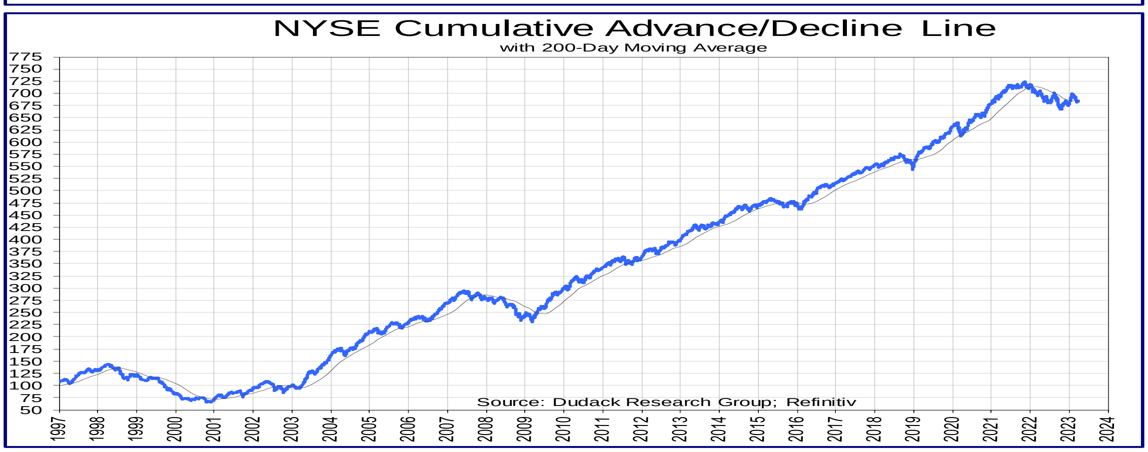
The best example of the trading range we expect will contain stock prices in the intermediate term is found in the Russell 2000 index. The RUT is heavily weighted in regional bank stocks, nevertheless, a bull market has never materialized without participation of the broad financial sector. The RUT is in a well-defined trading range between support at 1650 and resistance at 2000.

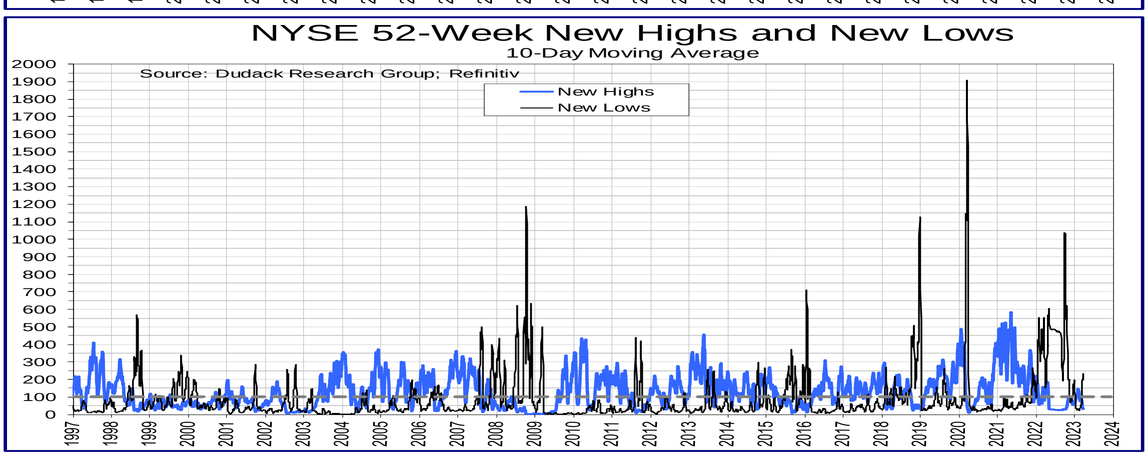
Source: Refinitiv

The 10-day average of daily new highs is 35 and new lows are 189. 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 38,895 net advancing issues from its 11/8/21 high.

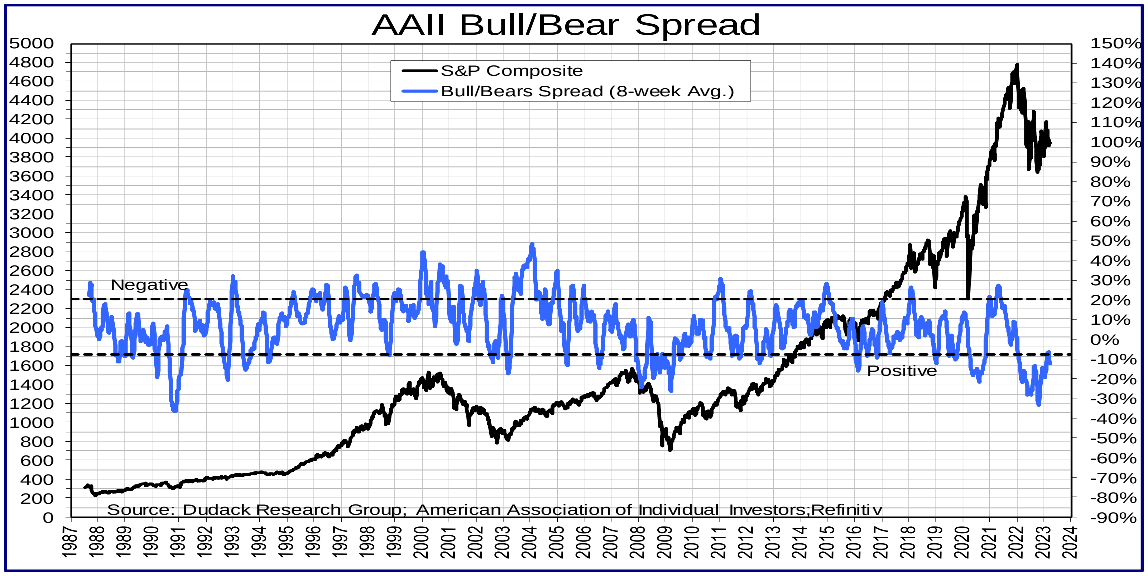


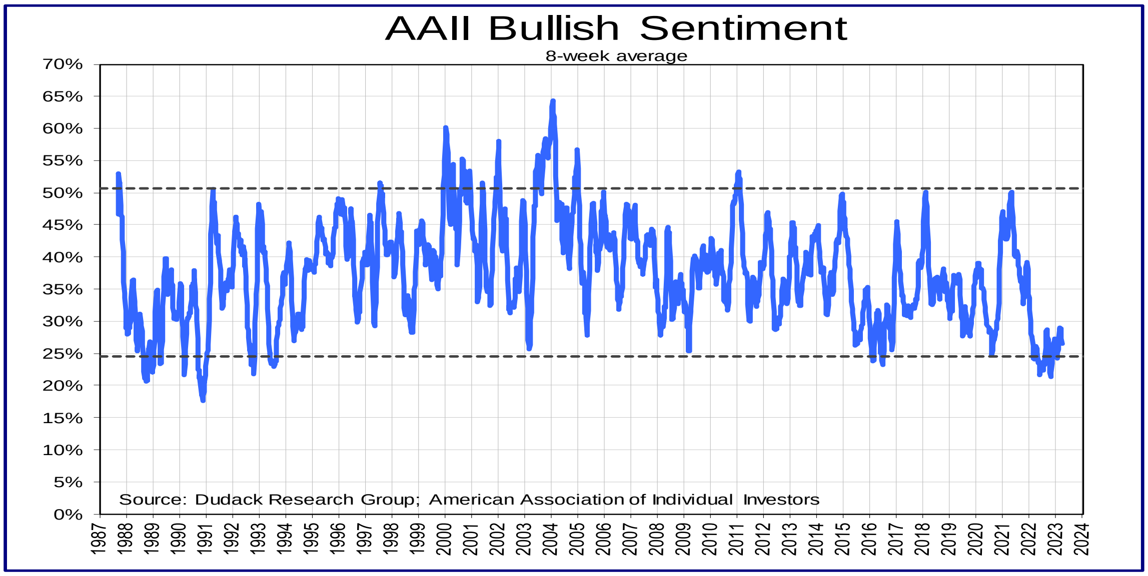


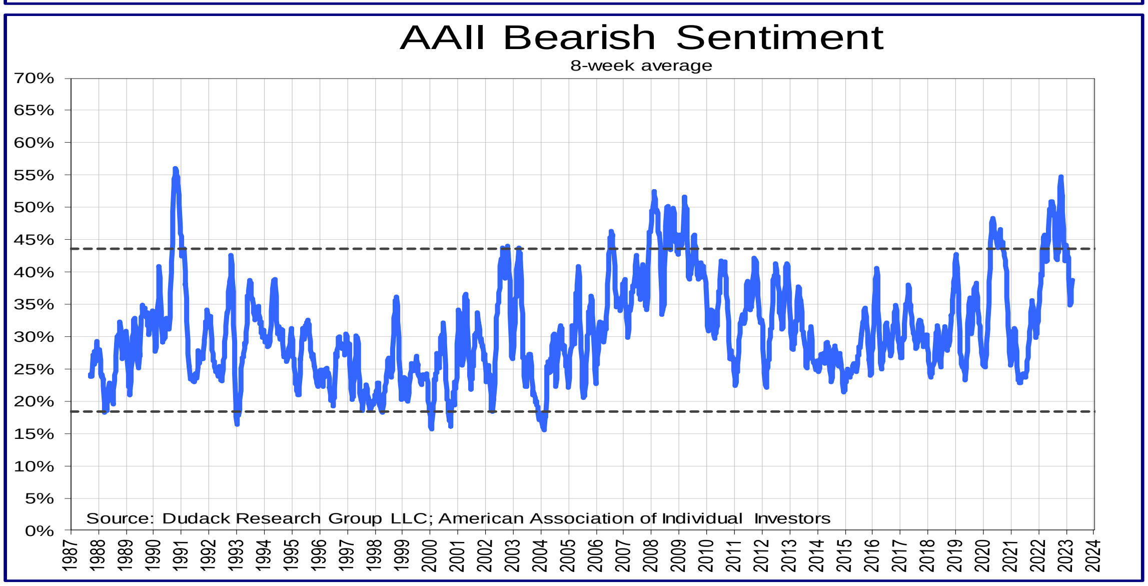




Last week's AAII readings inched closer to 50% bearishness with a 1.7% rise in bulls to 20.9% and a 0.5% increase in bears to 48.9%. The Bull/Bear 8-week Spread remained in positive territory after four weeks in neutral in January/February.







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	198.10	-2.6%	-0.1%	18.5%	18.5%
iShares MSCI Mexico Capped ETF	EWW	58.34	3.8%	1.2%	18.0%	18.0%
Communication Services Select Sector SPDR Fund	XLC	55.87	-1.0%	4.4%	16.4%	16.4%
Technology Select Sector SPDR	XLK	144.15	-0.4%	5.6%	15.8%	15.8%
NASDAQ 100	NDX	12610.57	-1.0%	4.7%	15.3%	15.3%
Nasdaq Composite Index Tracking Stock	ONEQ.O	46.00	-0.9%	2.4%	12.3%	12.3%
iShares MSCI Taiwan ETF	EWT	45.03	1.4%	3.1%	12.1%	12.1%
iShares MSCI Germany ETF	EWG	27.50	0.1%	0.8%	11.2%	11.2%
iShares Russell 1000 Growth ETF	IWF	235.10	-1.2%	2.5%	9.7%	9.7%
Consumer Discretionary Select Sector SPDR	XLY	141.70	-2.6%	-2.6%	9.7%	9.7%
SPDR Homebuilders ETF	XHB	65.68	-1.0%	-2.7%	8.9%	8.9%
SPDR Gold Trust	GLD	183.44	1.7%	8.0%	8.1%	8.1%
iShares MSCI South Korea Capped ETF	EWY	60.03	1.5%	2.6%	6.3%	6.3%
iShares MSCI EAFE ETF	EFA	69.50	0.3%	0.2%	5.9%	5.9%
iShares MSCI Japan ETF	EWJ	57.49	1.1%	2.8%	5.6%	5.6%
Shanghai Composite	.SSEC	3245.38	-0.3%	-1.0%	5.1%	5.1%
iShares 20+ Year Treas Bond ETF	TLT	104.53	-0.4%	2.8%	5.0%	5.0%
iShares MSCI Singapore ETF	EWS	19.71	3.2%	3.0%	4.8%	4.8%
Vanguard FTSE All-World ex-US ETF	VEU	52.25	0.9%	0.3%	4.2%	4.2%
iShares China Large Cap ETF	FXI	29.40	5.1%	5.2%	3.9%	3.9%
SP500	.SPX	3971.27	-0.8%	0.0%	3.4%	3.4%
iShares Russell 1000 ETF	IWB	217.41	-1.2%	-0.8%	3.3%	3.3%
iShares MSCI Emerg Mkts ETF	EEM	39.01	2.4%	2.0%	2.9%	2.9%
iShares MSCI United Kingdom ETF	EWU	31.51	-0.1%	-2.4%	2.8%	2.8%
iShares Russell 2000 Growth ETF	IWO	219.92	-1.4%	-5.6%	2.5%	2.5%
Gold Future	GCc1	2526.10	0.2%	0.8%	2.5%	2.5%
iShares iBoxx $ Invest Grade Corp Bond	LQD	107.98	-0.2%	1.9%	2.4%	2.4%
iShares MSCI Canada ETF	EWC	33.19	0.8%	-2.5%	1.4%	1.4%
iShares MSCI Austria Capped ETF	EWO	19.23	-4.4%	-10.3%	1.2%	1.2%
SPDR S&P Retail ETF	XRT	60.94	-1.3%	-8.3%	0.8%	0.8%
PowerShares Water Resources Portfolio	PHO	51.84	0.4%	-2.2%	0.6%	0.6%
iShares MSCI Australia ETF	EWA	22.35	0.4%	-2.3%	0.5%	0.5%
iShares MSCI BRIC ETF	BKF	34.37	2.9%	1.9%	0.1%	0.1%
Materials Select Sector SPDR	XLB	77.75	0.1%	-5.0%	0.1%	0.1%
Industrial Select Sector SPDR	XLI	98.22	-0.5%	-2.7%	0.0%	0.0%
iShares Russell 2000 ETF	IWM	173.45	-1.8%	-7.8%	-0.5%	-0.5%
iShares US Telecomm ETF	IYZ	22.20	-2.5%	-3.0%	-1.0%	-1.0%
Consumer Staples Select Sector SPDR	XLP	73.49	1.1%	2.0%	-1.4%	-1.4%
Silver Future	SIc1	23.32	4.5%	11.3%	-2.3%	-2.3%
SPDR DJIA ETF	DIA	323.81	-0.6%	-0.8%	-2.3%	-2.3%
DJIA	.DJI	32394.25	-0.5%	-0.8%	-2.3%	-2.3%
iShares Russell 1000 Value ETF	IWD	147.72	-1.2%	-4.0%	-2.6%	-2.6%
iShares Silver Trust	SLV	22.38	4.3%	11.5%	-2.6%	-2.6%
iShares MSCI Hong Kong ETF	EWH	20.39	2.0%	0.0%	-3.0%	-3.0%
iShares MSCI Malaysia ETF	EWM	22.02	1.7%	1.3%	-3.6%	-3.6%
iShares Russell 2000 Value ETF	IWN	133.69	-2.2%	-10.0%	-3.6%	-3.6%
iShares Nasdaq Biotechnology ETF	IBB.O	126.06	0.0%	-0.9%	-4.0%	-4.0%
iShares US Real Estate ETF	IYR	80.32	-2.7%	-7.8%	-4.6%	-4.6%
iShares MSCI Brazil Capped ETF	EWZ	26.68	1.6%	-2.2%	-4.6%	-4.6%
Utilities Select Sector SPDR	XLU	65.95	0.5%	1.5%	-6.5%	-6.5%
Health Care Select Sect SPDR	XLV	127.05	-0.5%	-0.1%	-6.5%	-6.5%
Energy Select Sector SPDR	XLE	80.78	0.5%	-3.5%	-7.6%	-7.6%
United States Oil Fund, LP	USO	64.55	5.4%	-4.0%	-7.9%	-7.9%
iShares MSCI India ETF	INDA.K	38.40	-0.6%	-1.0%	-8.0%	-8.0%
Financial Select Sector SPDR	XLF	31.41	-1.7%	-12.1%	-8.2%	-8.2%
Oil Future	CLc1	73.20	5.6%	-5.0%	-8.8%	-8.8%
iShares DJ US Oil Eqpt & Services ETF	IEZ	19.10	-0.6%	-11.9%	-9.9%	-9.9%
SPDR S&P Bank ETF	KBE	36.68	-3.4%	-24.0%	-18.8%	-18.8%

Outperformed SP500
Underperformed SP500

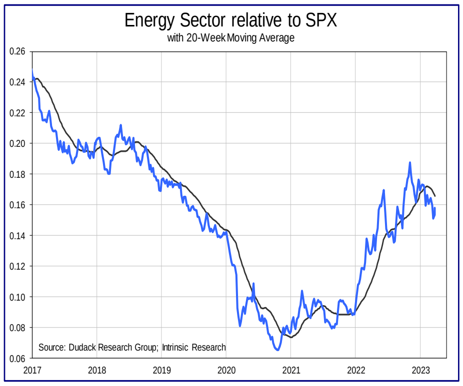
Source: Dudack Research Group; Refinitiv

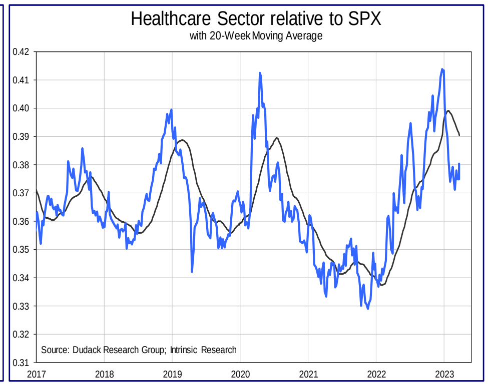
Priced as of March 28, 2023

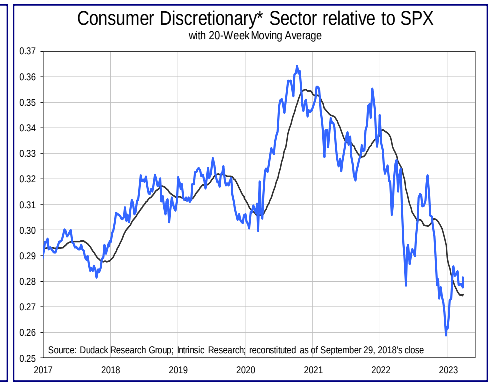
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

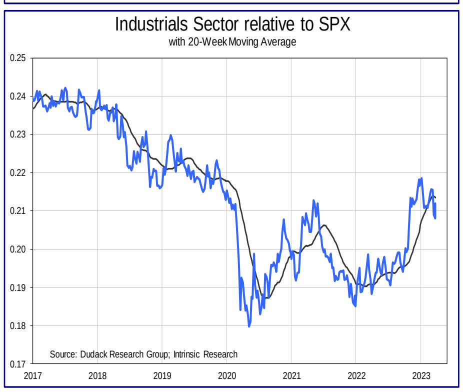
DRG Recommended Sector Weights				
Overweight		**Neutral**		**Underweight**
Energy Industrials Staples Utililties		Healthcare Technology Materials Financials		Consumer Discretionary REITS Communication Services

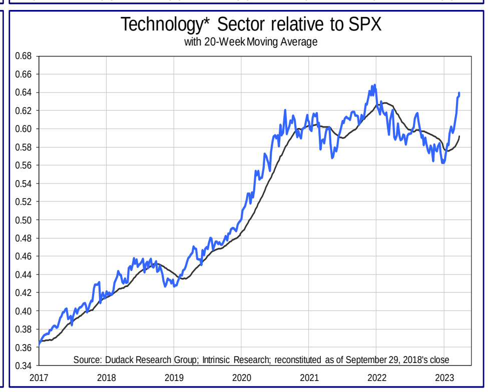
3/8/2022:Materials upgraded from underweight to neutral/communication service downgraded from neutral to underweight. 3/1/2022 Financials downgraded to neutral and Industrials upgraded to overweight.

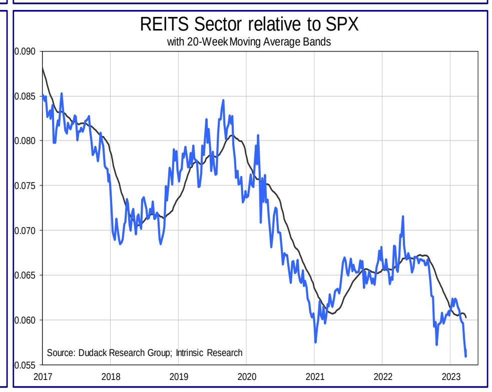


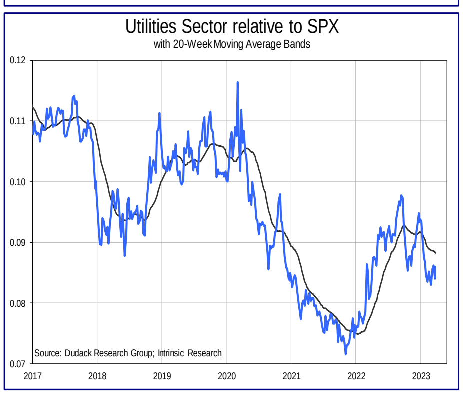


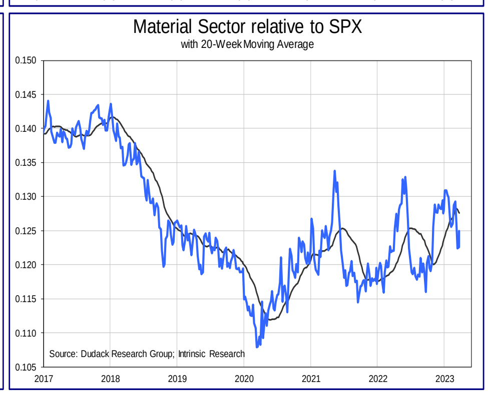


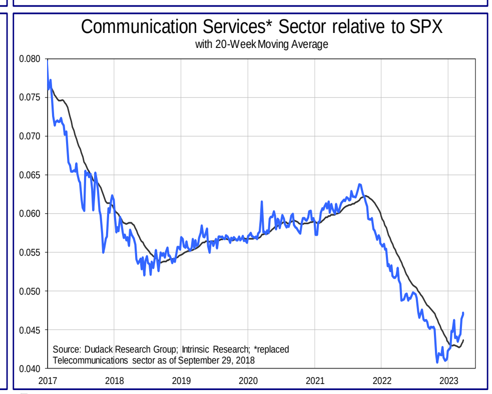


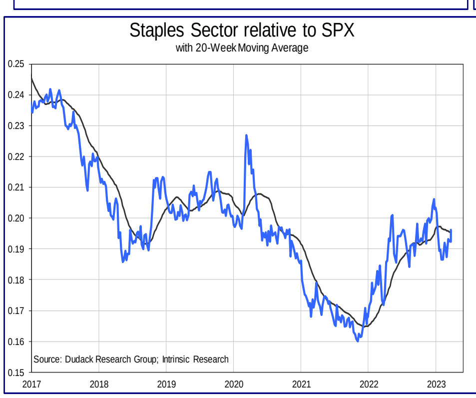


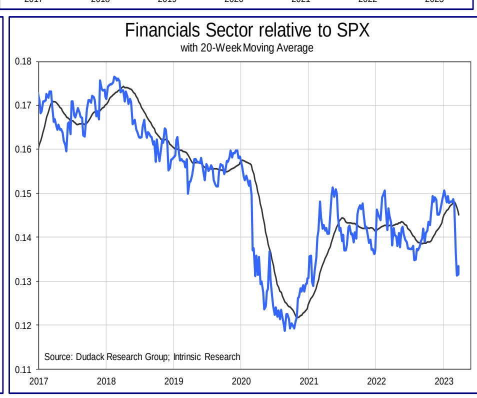












2023 Performance - Ranked	
SP500 Sector	% Change
S&P COMMUNICATIONS SERVICES	16.0%
S&P INFORMATION TECH	16.0%
S&P CONSUMER DISCRETIONARY	9.7%
S&P 500	3.4%
S&P MATERIALS	0.1%
S&P INDUSTRIALS	0.0%
S&P CONSUMER STAPLES	-1.5%
S&P REITS	-4.5%
S&P UTILITIES	-6.5%
S&P HEALTH CARE	-6.5%
S&P ENERGY	-7.9%
S&P FINANCIAL	-8.2%

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 %
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	$172.75	$196.95	$196.83	-5.4%	**$218.09**	4.8%	20.2X	1.4%	-1.4%	$2,543.00	6.7%
2023E	~~~~~	$201.62	$219.17	$180.00	-8.6%	**$221.40**	1.5%	18.1X	NA	NA	NA	NA
2024E	~~~~~	$227.41	$245.99	$205.00	13.9%	**$248.03**	12.0%	16.1X	NA	NA	NA	NA
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*	3971.27	$39.61	$50.37	$50.25	-11.4%	$53.15	-1.5%	20.2	1.7%	2.7%	NA	NA
2023 1QE	~~~~~	$45.30	$50.24	$42.00	-14.9%	$50.79	-7.3%	20.1	1.8%	NA	NA	NA
2023 2QE	~~~~~	$49.90	$54.06	$40.00	-14.7%	$54.56	-5.3%	19.4	NA	NA	NA	NA
2023 3QE	~~~~~	$52.42	$56.76	$48.00	-4.7%	$57.25	2.2%	18.8	NA	NA	NA	NA
20244QE	~~~~~	$54.00	$58.11	$50.00	-0.5%	$58.74	10.5%	18.1	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 3/28/2023

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