DRG 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

April 12, 2023

DJIA: 33684.79
SPX: 4108.94
NASDAQ: 12031.88

US Strategy Weekly

Not Complacent About Inflation

April has a good track record in terms of equity performance. Since 1931, April ranks second with an average gain of 1.6% in the S&P 500 index, bettered only by November with an average gain of 1.7%. In the Dow Jones Industrial Average, April ranks at the top of the performance list with an average gain of 1.9%, followed by November with an average gain of 1.7%. In both indices, December ranks third in terms of positive price performance. September ranks last for both indices, registering an average loss of 0.7% in the S&P 500 and a loss of 0.8% in the Dow Jones Industrial Average. In short, April has positive seasonality.

FOMC Update

Supporting the prospect of gains this April is the current expansion in the Fed's balance sheet. However, this expansion was not due to normal quantitative easing but by the emergency measures put in place to calm the banking system after the bank run at Silicon Valley Bank. This liquidity spurt by the Fed was done through primary loans and the new Bank Term Funding Program and is expected to be short-lived. The good news in terms of the overall stability of the banking system is that these loans and credit lines have declined from the $390 billion dollar increase seen in the four weeks of March $287 billion as of April 5. So, while the recent increase in the Fed's balance sheet could continue to boost stock prices in the very near term, it is already dissipating and should soon cease to be a positive factor for equities. See page 3.

In the longer term, we fear the banking system will continue to face problems in several areas due to the Federal Reserve's tightening policies. Over the past year, deposits have been and will continue to drift away from the banking system and into higher-yielding securities like those found in Treasury bills, money market funds and mutual funds. This will decrease the banking system's ability to make loans. And when one looks out into the future, it is likely that banks will encounter a second problem. A rise in corporate failures is a fairly normal event a year or two after a sharp rise in interest rates and this means banks may face a rise in defaults over the next twelve months. This phenomenon will decrease the desire of banks to make loans. In short, the banking system is getting squeezed in several directions which means a credit crunch is on the horizon. See page 4.

This credit crunch is the underpinning of an emerging consensus view that the Fed is apt to raise rates at the May 2, 2023 FOMC meeting by 25 basis points, but this rate hike will mark the end of the Fed's tightening cycle. We are not convinced this will be accurate. There are a number of economic releases prior to the Fed's May meeting, such as this week's March inflation data as well as last month's retail sales. A preview of auto sales for the month of March showed a steady deceleration from February's pace. See page 6. Unless all these data releases show a notable decline in inflation coupled with a steady decline in household spending, we believe the Fed will continue to focus on getting to its 2% inflation target. The employment statistics for March, which showed a gain of 236,000 new jobs and a small decline in the unemployment rate to 3.5%, were clearly not going to convince the Fed to stop raising interest rates.

First Quarter Earnings Season

Although April has a good record of producing gains in the equity market, this year could be different. The first quarter's earnings season will set the tone for earnings for the full year and to date, the quarter has been challenging.

The S&P Dow Jones and Refinitiv IBES earnings estimates for 2022 have stabilized at $196.95 and $218.09, respectively. (One reason for this 11% discrepancy is that S&P adjusts all estimates for GAAP accounting. IBES simply aggregates individual analyst estimates.)

Earnings estimates for 2023 are $217.78 and $219.83, and fell $0.60 and $0.62, respectively, this week. EPS growth rates for 2023 are now 10.6% and 0.8%, respectively, due to the discrepancy in 2022 estimates. However, we expect both of these consensus estimates will decline in the coming months. Our 2022 estimate is adjusted to match the S&P but our 2023 estimate of $180 is currently well below consensus since we have been anticipating an economic slowdown, a decline in top line revenues for many companies and a continuation of the margin pressure seen in 2022. Our estimate implies an 8.6% decline in earnings this year. Note that for the first quarter, now being reported, IBES is estimating a 5.2% decline in earnings for the S&P 500. This falls to a 6.7% decline if the energy sector is excluded. But keep in mind that most economists are now forecasting a credit crunch later in the year which means many businesses will face rising financing costs. In short, the first quarter's earnings season could prove to be the best of the year. See pages 7 and 15.

Signs of a Slowdown

Last week we wrote that the ISM manufacturing index fell from 47.7 in February to 46.3 in March and that this was the fifth consecutive month below 50 for the manufacturing sector. All 9 components of the ISM manufacturing index were below 50 and order backlogs had a substantial decline from 45.1 to 43.9.

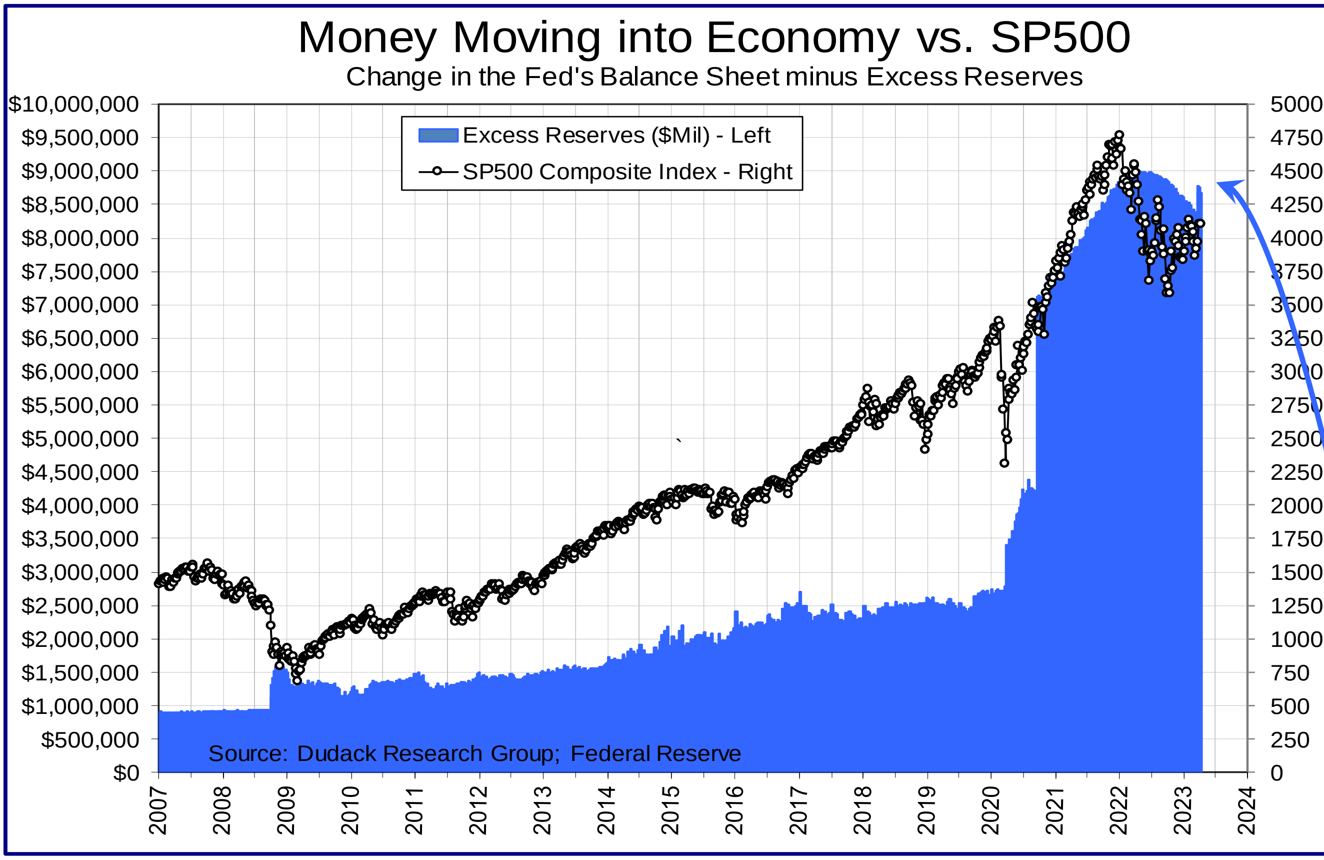
This week the March ISM non-manufacturing main survey was reported, and it showed a decline from 55.1 to 51.2. This is just slightly above the benchmark of 50 that divides expansion from contraction. All components of the survey fell with the exception of inventories and three components (order backlog, exports, and imports) fell below the 50 benchmark. In the service survey, exports experienced the biggest decline, dropping from a healthy 61.7 to a contractionary level of 43.7. See page 5. To sum up, an economic slowdown appears to be expanding to the service sector.

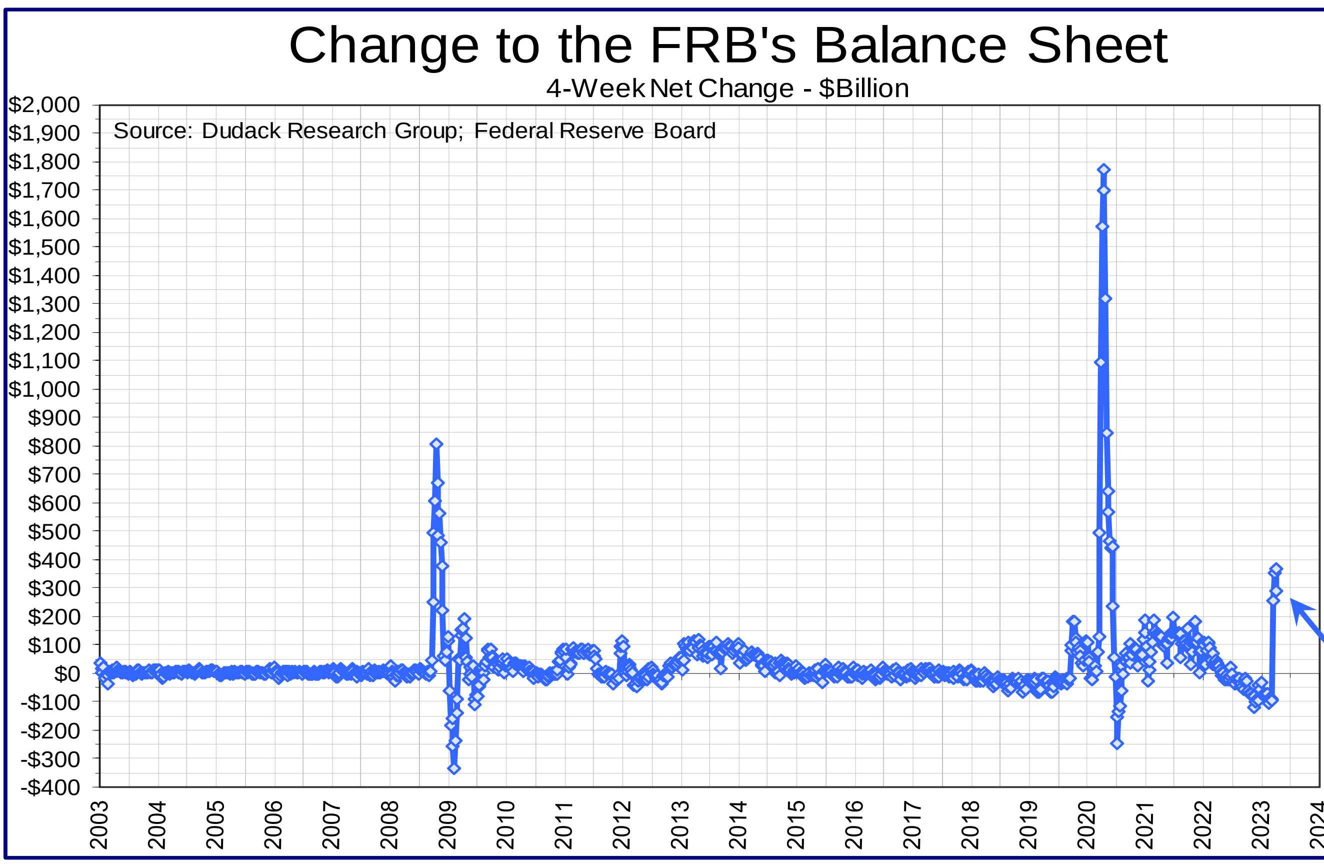
Technical Review

The long-standing inversion of the yield curve, the weakness seen in both ISM surveys, the sluggishness seen in recent auto sales, and the potential of corporate defaults after a year of rapidly rising interest rates, all point to the likelihood of a recession in coming months. Nevertheless, the technical condition of the market has improved! Still, the charts getting too little attention are on page 8. The rally in WTI crude futures has implications for inflation later in the year and at present, a downtrend line at $80 is being broken. Gasoline prices have already broken a 9-month downtrend line, which is positive for prices. Gold is close to breaking out of a major consolidation if and when it moves decisively above $2000. And lastly, the dollar is falling. The positive changes in these four charts all point to higher inflation this year, and therefore, more rate hikes ahead.

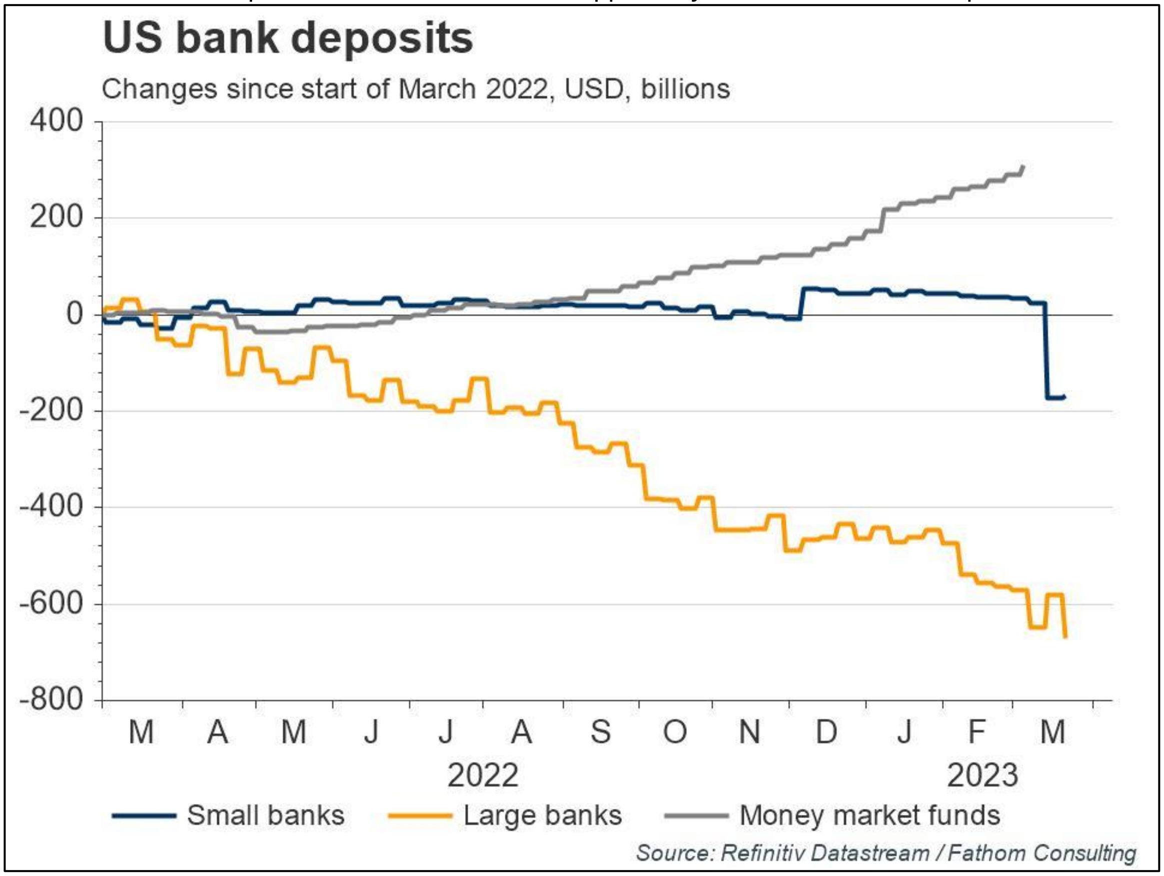
Meanwhile, our 25-day up/down volume oscillator remains in neutral, but the four popular equity indices have broken through downtrend lines that began at the 2021 highs. As a result, these chart patterns are currently favorable. Nonetheless, the Russell 2000 remains the best index to represent our view on the market. We are not chasing the current rally because we expect the market will remain in a relatively-flat and wide trading range. This range is best represented by the Russell 2000 which is trading between support at 1650 and resistance at 2000. See pages 9 and 10.

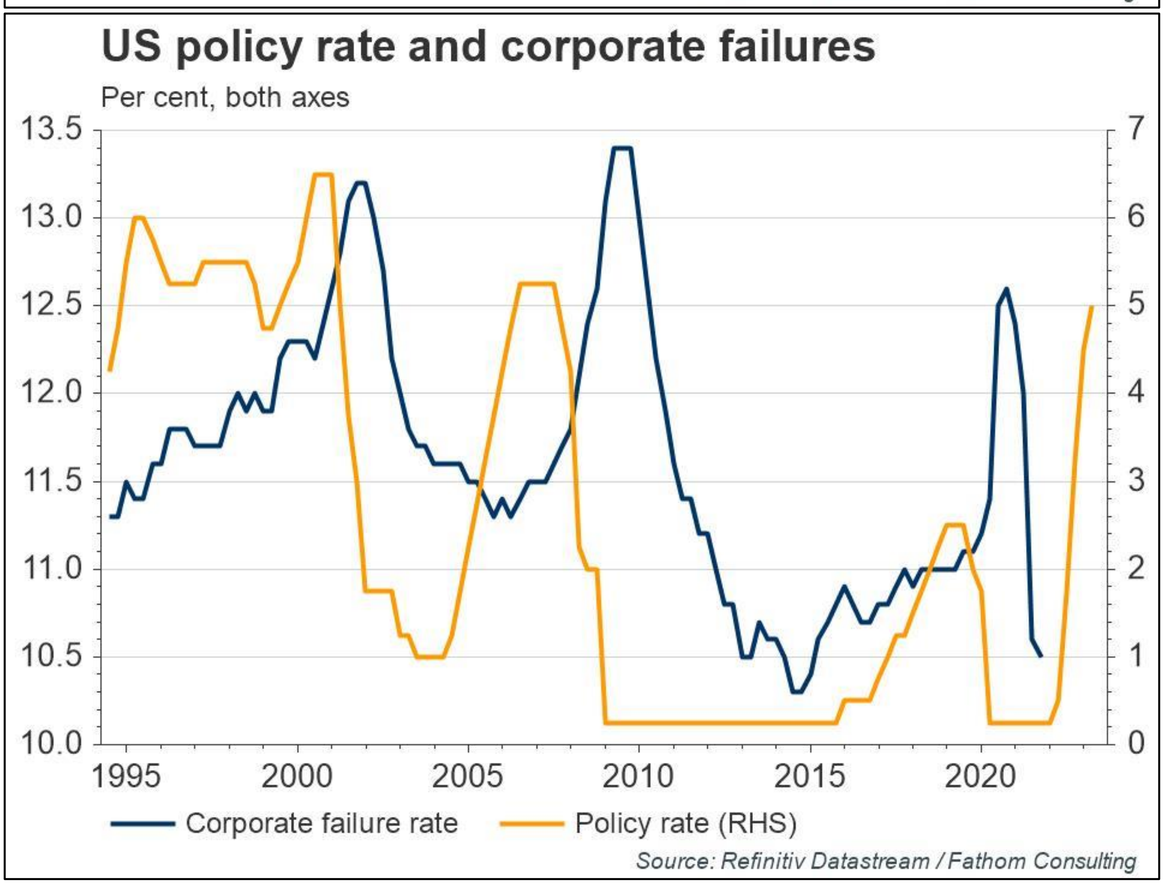
In early March, the default of three regional banks triggered a reversal in quantitative tightening and led to the Fed providing liquidity to the banking system through primary loans and the new Bank Term Funding Program. The good news is that loans and credit lines have declined from the $390 billion dollars jump seen from early to late March, to roughly $287 billion as of April 5. Nonetheless, the recent increase in the Fed's balance sheet could continue to boost stock prices in the very near term.



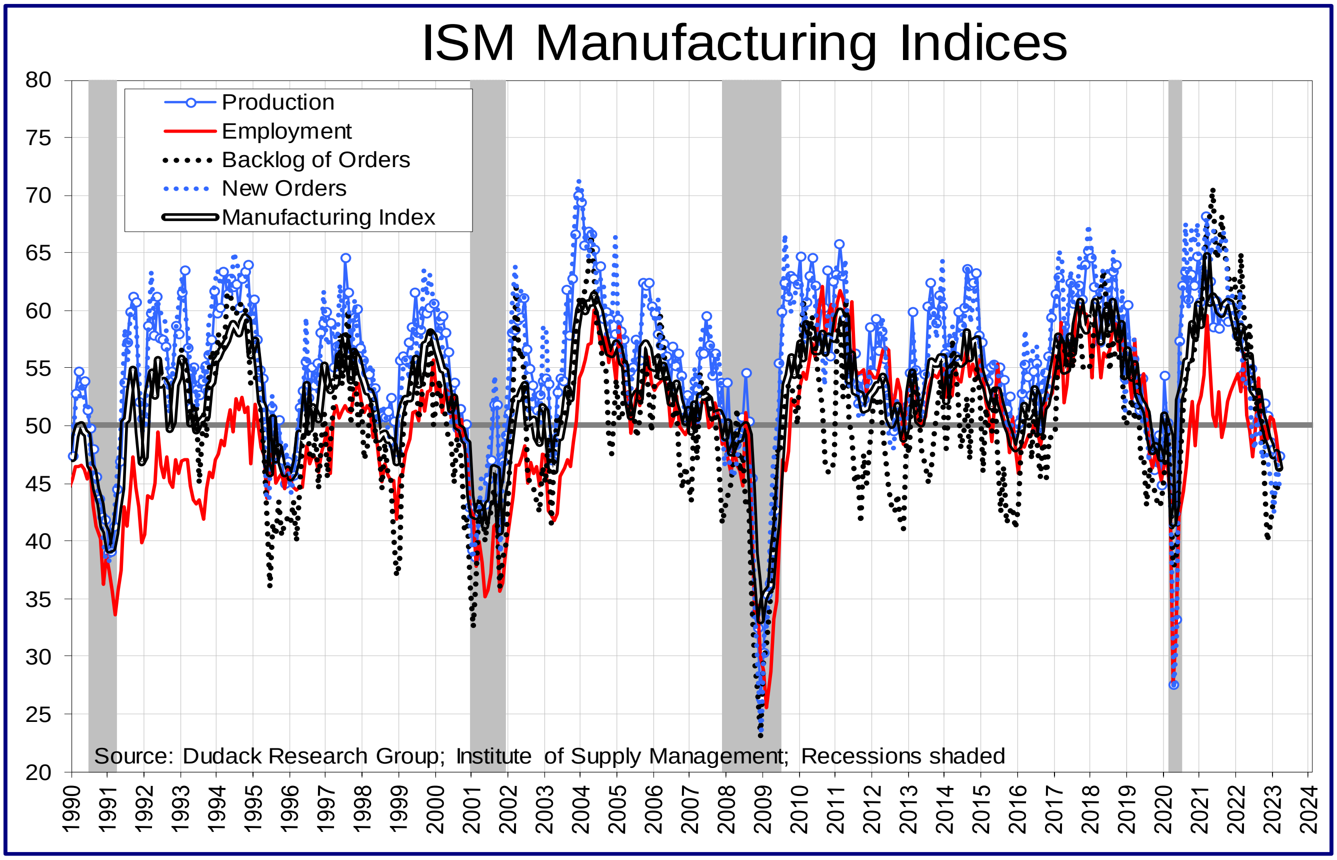


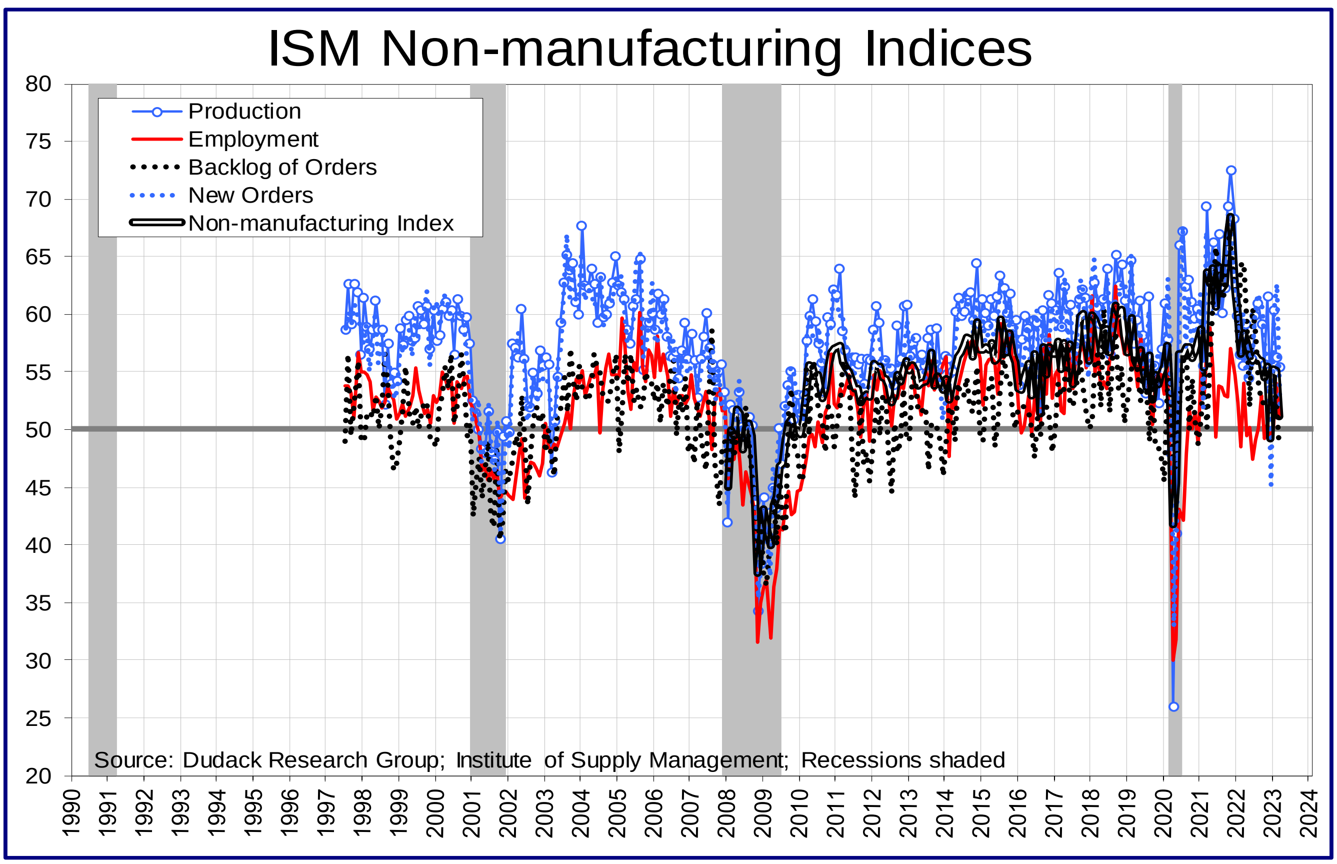
In the longer term the banking system continues to face problems in several areas. Deposits continue to shift from the banking system to higher yielding securities seen in money market funds and mutual funds. On the horizon, it is likely that banks will encounter a rise in corporate failures that tends to appear a year or two after a sharp rise in interest rates.



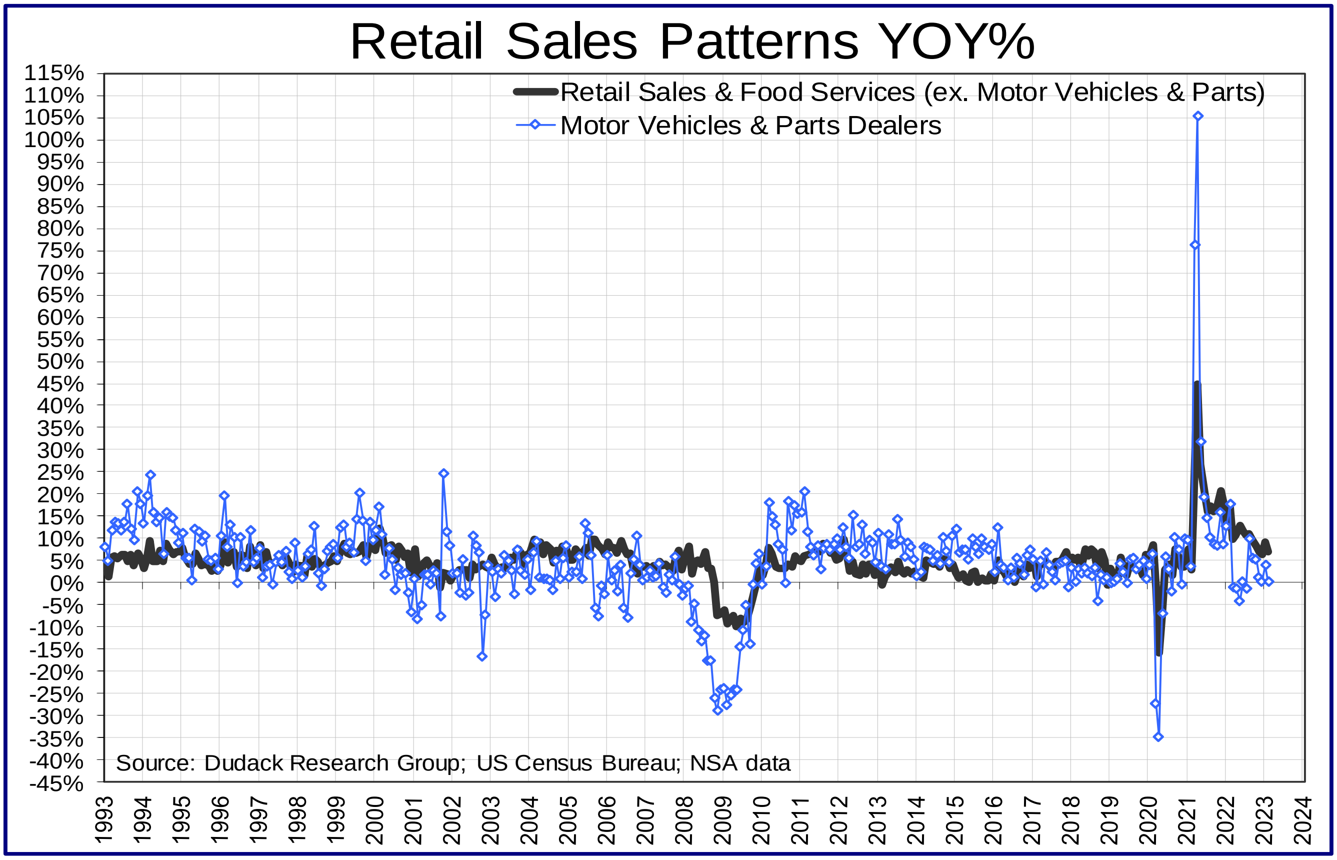


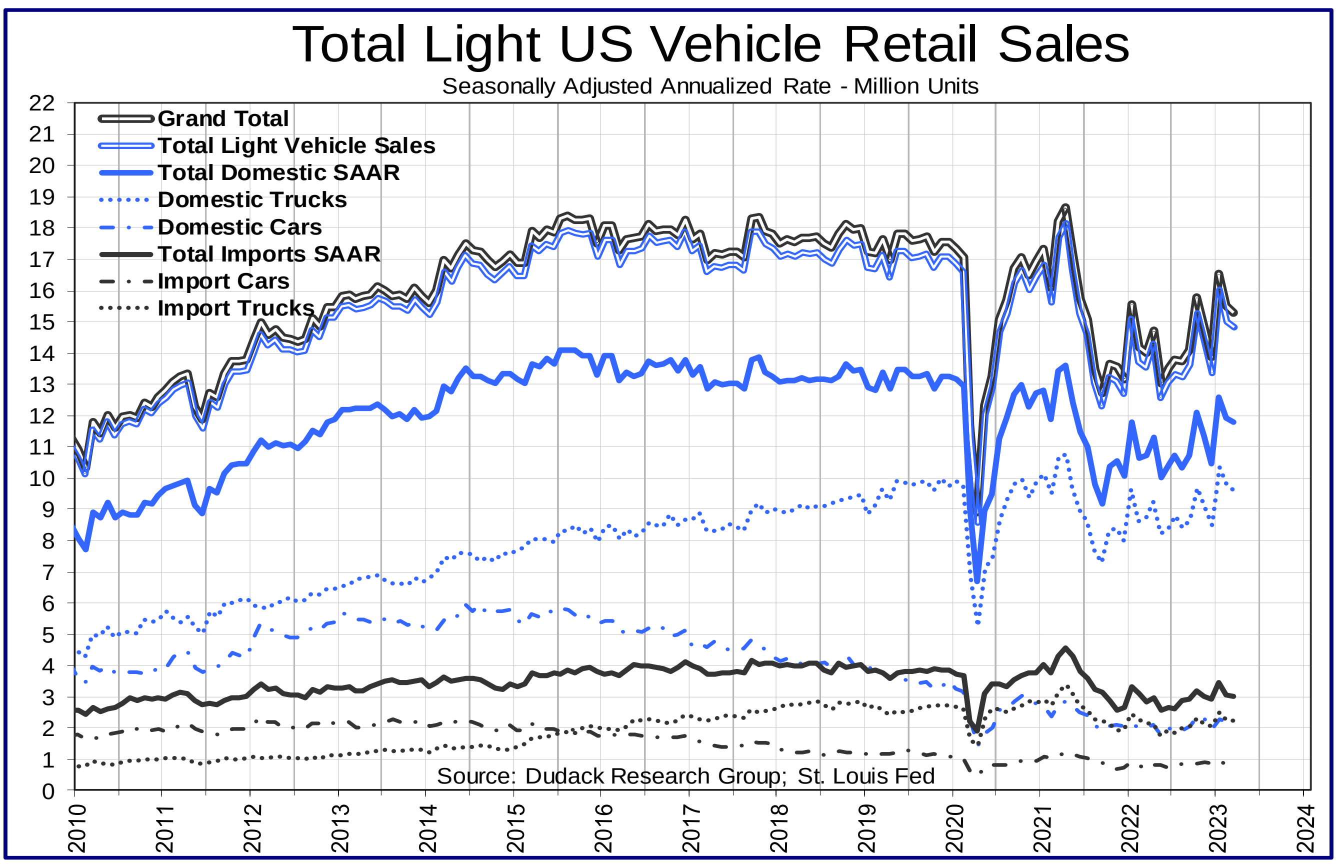
Last week we wrote that the ISM manufacturing index fell from 47.7 in February to 46.3 in March, its 5th consecutive month below 50. All 9 components were below 50 and order backlogs fell from 45.1 to 43.9. This week the March ISM non-manufacturing main survey reported a decline from 55.1 to 51.2. All components fell with the exception of inventory and 3 components (order backlog, exports, and imports) fell below 50. Service exports experienced the biggest decline, falling from 61.7 to 43.7.



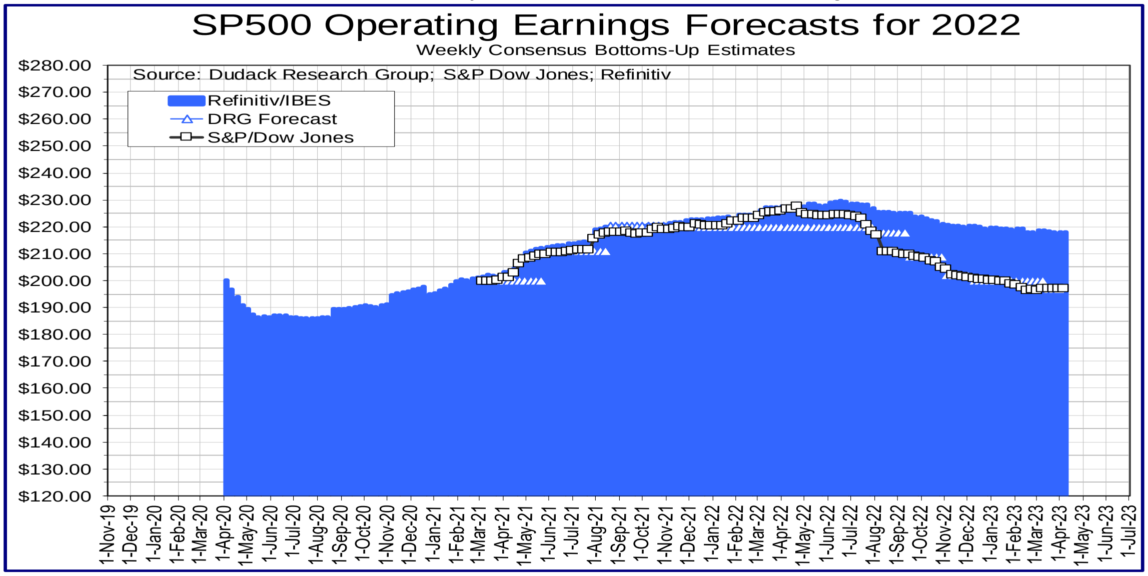


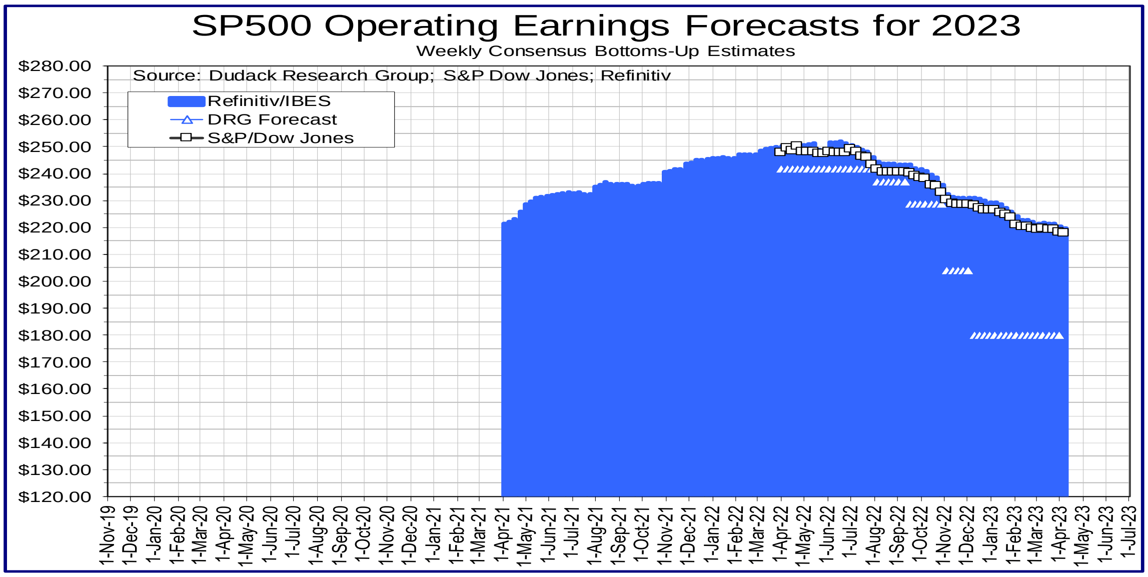
Retail sales for March will be reported this week and scrutinized for signs of consumer weakness. February's data showed a month-to-month decline, but a pickup in sales at general merchandise stores, nonstore retailers, food service and drinking places, and grocery stores. A preview of auto sales for March showed a further deceleration from February's pace.

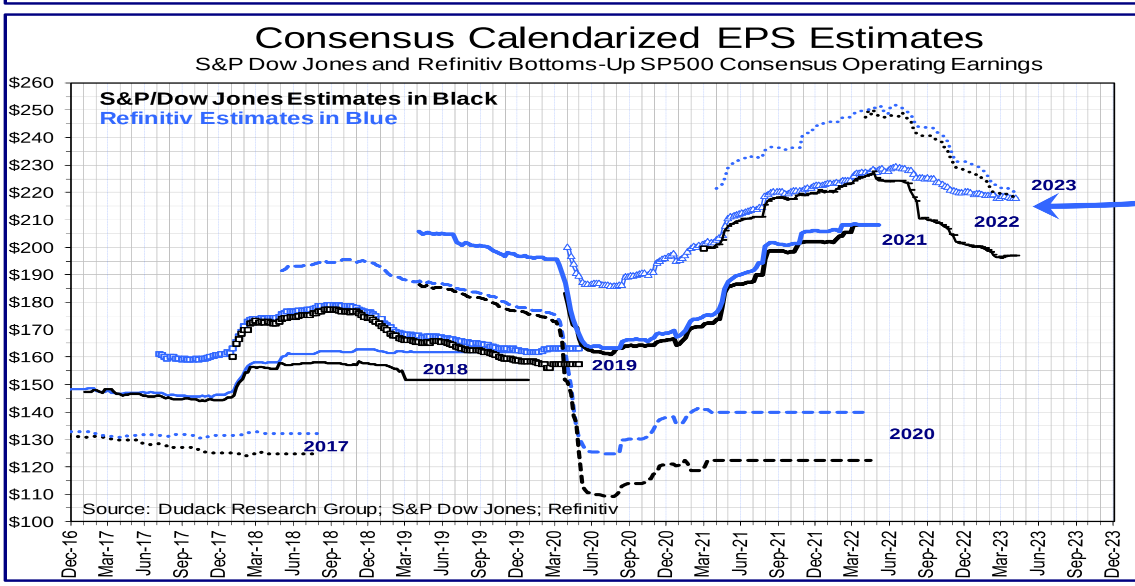




S&P Dow Jones and Refinitiv IBES earnings estimates for 2022 have stabilized at $196.95 and $218.09, respectively. Estimates for 2023 are $217.78 and $219.83, and fell $0.60 and $0.62, respectively, this week. EPS growth rates for 2023 are 10.6% and 0.8%, respectively, due to the discrepancy in 2022 estimates. *(Note: consensus macro-EPS forecasts may differ from four quarter analysts' forecast sums seen on back pages.)* Our 2022 estimate is adjusted to match the S&P. Our 2023 estimate of $180 is currently well below consensus and is unchanged.



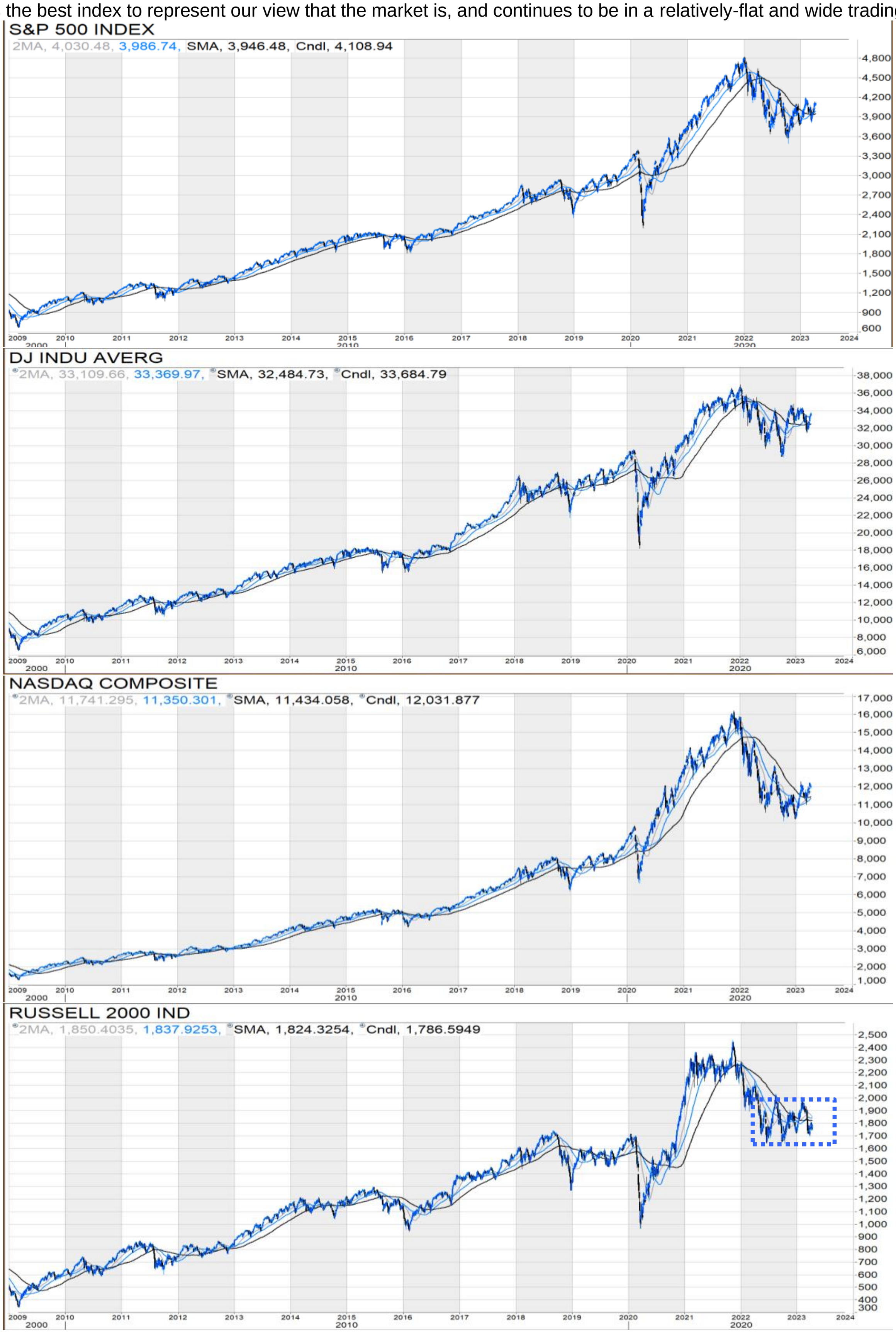




The rally in WTI crude futures is not getting much attention but it does have implications for inflation later in the year and a downtrend line at $80 is at risk. Gasoline prices have already broken a 9-month downtrend line. Gold is close to breaking out of a major consolidation once it moves decisively above $2000. And lastly, the dollar is falling. All four charts point to higher inflation this year.

Source: Refinitiv

All the indices have broken out from the downtrend lines that began at the 2021 highs and the chart patterns are favorable. However, the RUT remains the best index to represent our view that the market is, and continues to be in a relatively-flat and wide trading range.

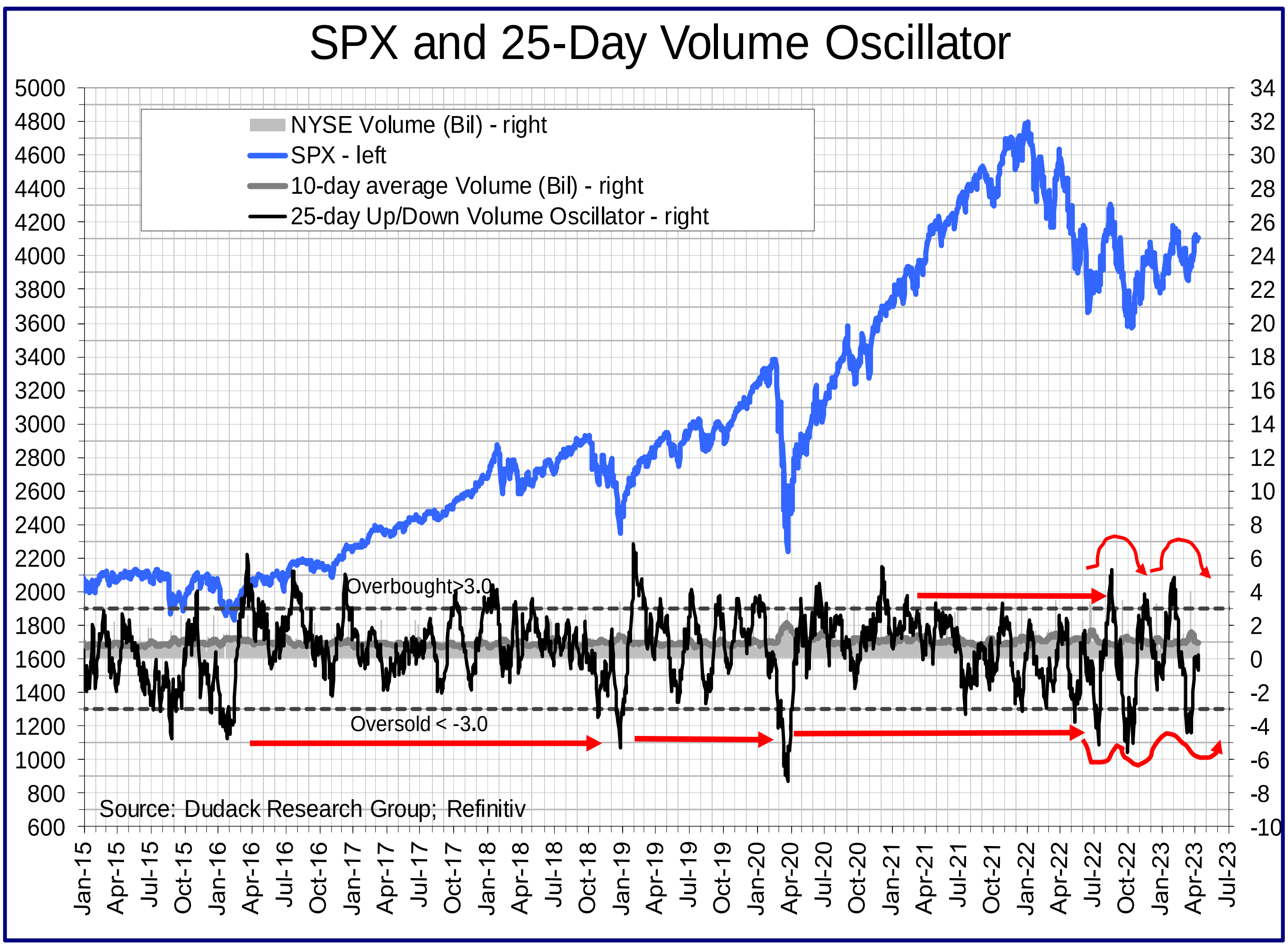


Source: Refinitiv

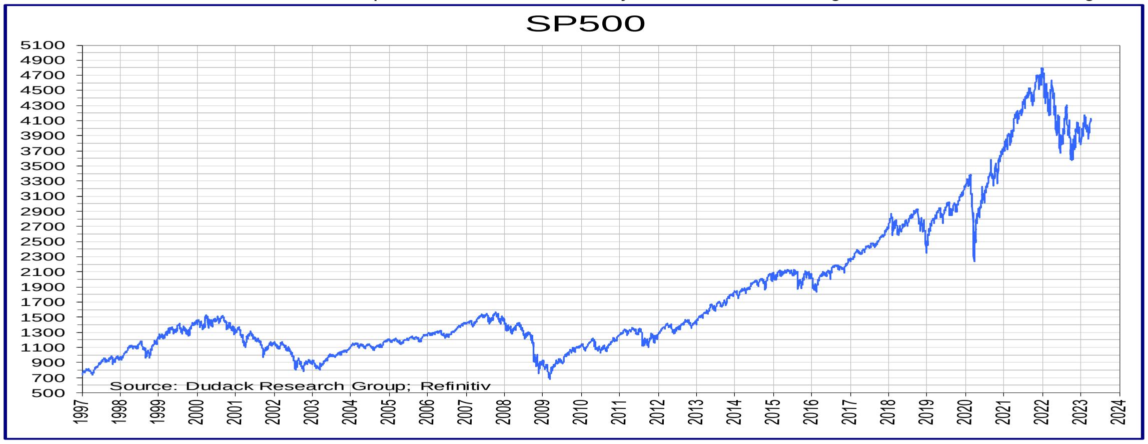
The 25-day up/down volume oscillator is at positive 0.24 this week and neutral after being in the oversold zone for 12 consecutive trading days in March. This oversold reading follows an eleven-day overbought reading that ended February 8. The February overbought reading represented a shift in this indicator from bearish to positive, or at least from a bearish to neutral trend in the market. However, <u>the recent downshift to oversold territory clearly defines the current market condition as being neither bullish, nor bearish, but in a long-term sideways trading range</u>.

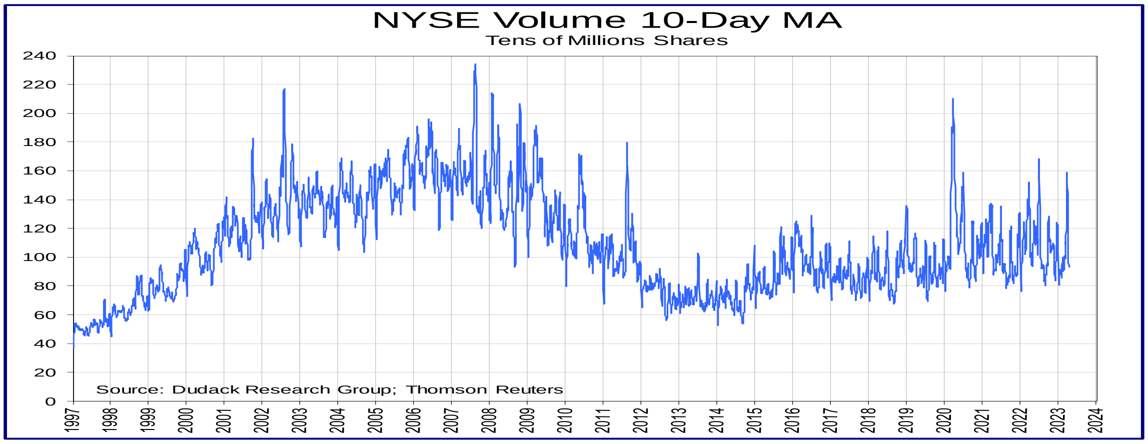
As a reminder, the 25-day up/down volume oscillator has been in bearish mode since April 2022 when it repeatedly failed to reach overbought territory to confirm new market highs. It subsequently recorded a series of oversold readings which indicated a downshift in the cycle. On September 30, the oscillator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

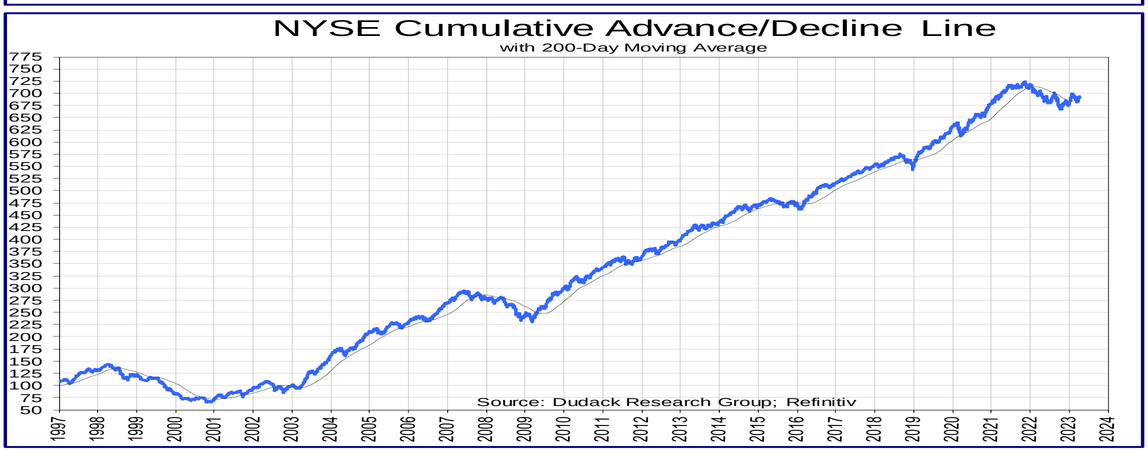
The key to a successful retest of a bear market low is whether or not a new low in price generates a new low in breadth. A successful retest will show there is less selling pressure – a less severe oversold reading -- despite a lower low in price. This "non-confirmation" of a low is a positive and implies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

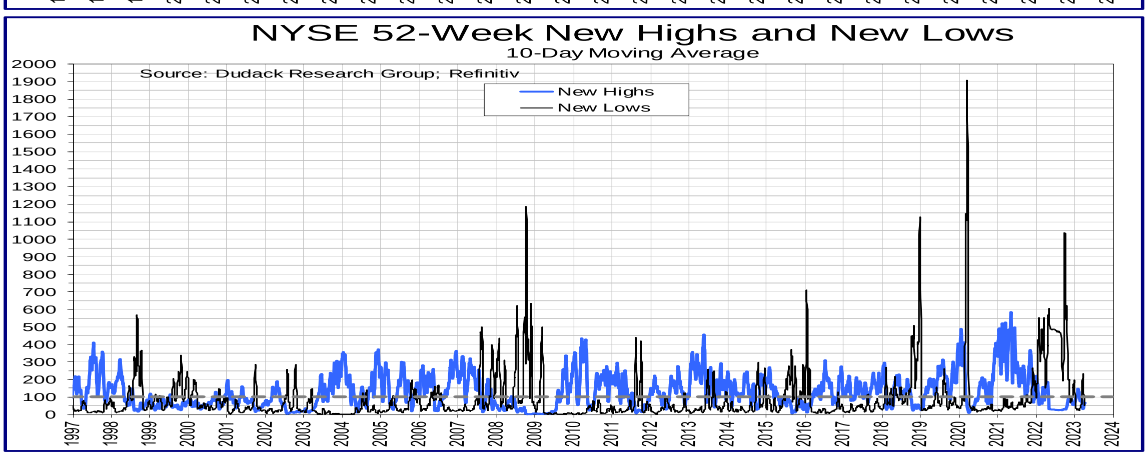


The 10-day average of daily new highs is 67 and new lows are 51. This combination is now neutral since neither new highs nor new lows are above 100. The advance/decline line fell below the June low on September 22 and is currently 30,849 net advancing issues from its 11/8/21 high.

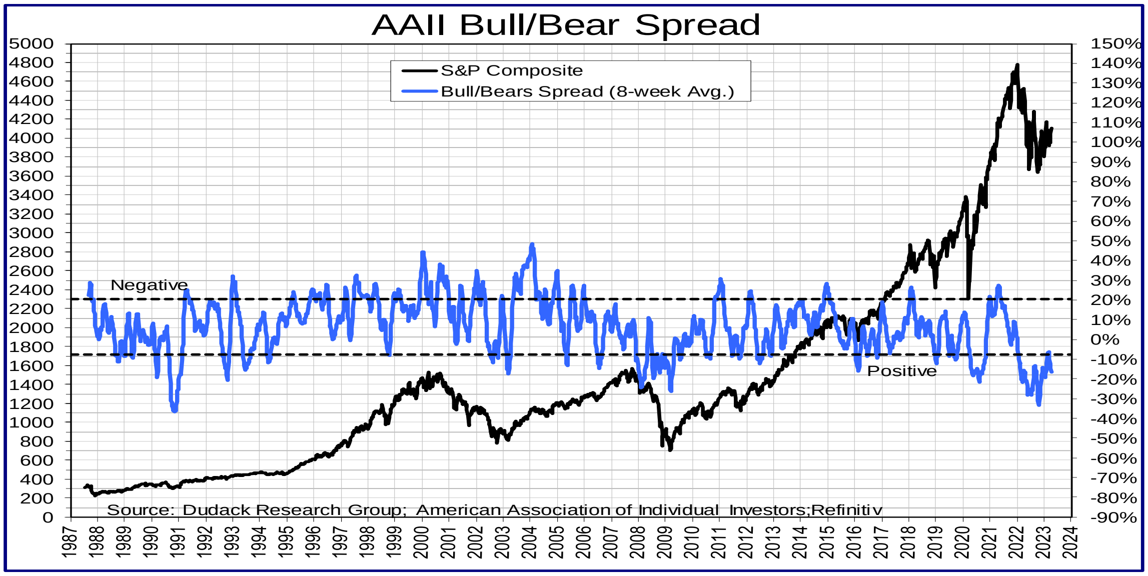


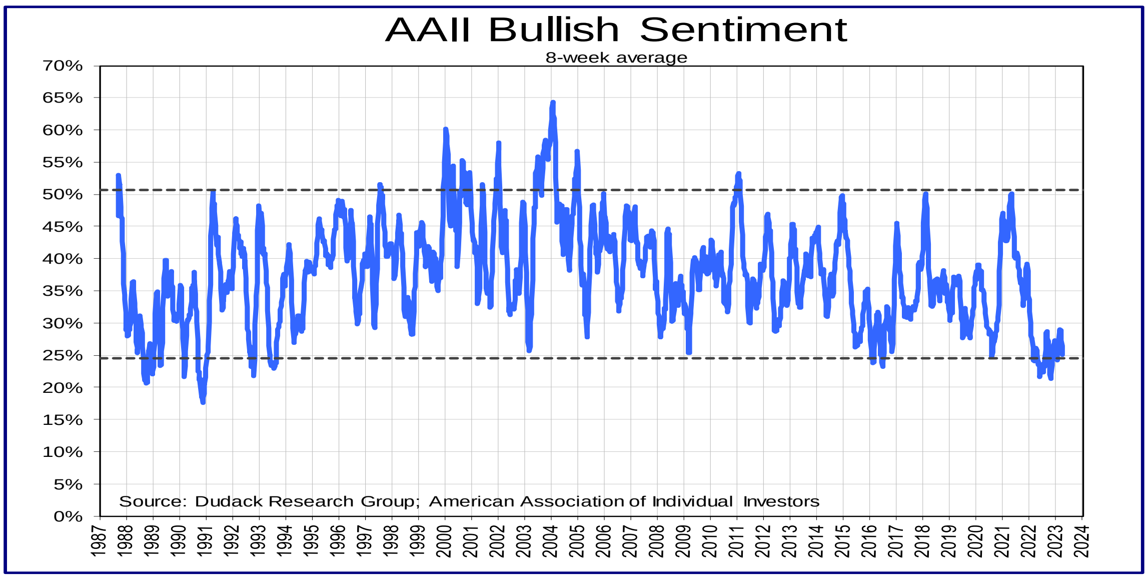


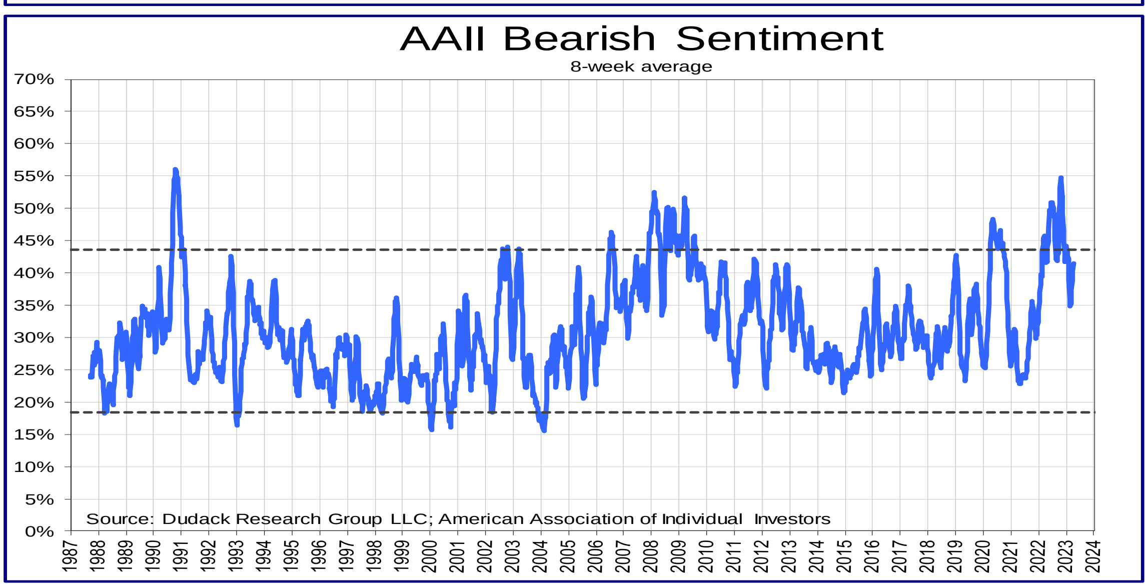




Last week's AAII readings saw a 10.8% rise in bulls to 33.3% and a 10.6% decrease in bears to 35.0%. Nevertheless, bearishness remains above average, and the Bull/Bear 8-week Spread remained in positive territory. Note that there was a 4-week neutral reading in January/February.







Global Markets and Commodities - Ranked by 2023 Trading Performance

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
Communication Services Select Sector SPDR Fund	XLC	58.65	0.4%	12.2%	1.2%	22.2%
iShares MSCI Mexico Capped ETF	EWW	59.47	0.0%	4.4%	-0.1%	20.3%
SPDR S&P Semiconductor ETF	XSD	198.62	-0.8%	2.6%	-4.8%	18.8%
Technology Select Sector SPDR	XLK	147.59	-1.6%	8.7%	-2.3%	18.6%
NASDAQ 100	NDX	12964.16	-1.0%	9.6%	-1.6%	18.5%
iShares MSCI Germany ETF	EWG	28.65	0.0%	4.9%	0.7%	15.9%
Nasdaq Composite Index Tracking Stock	ONEQ.O	47.18	-0.9%	7.7%	-1.6%	15.2%
iShares Russell 1000 Growth ETF	IWF	242.14	-0.6%	8.0%	-0.9%	13.0%
Consumer Discretionary Select Sector SPDR	XLY	145.80	-1.4%	5.5%	-2.5%	12.9%
iShares MSCI Taiwan ETF	EWT	45.21	-0.7%	4.0%	-0.3%	12.6%
SPDR Homebuilders ETF	XHB	66.72	1.2%	1.9%	-1.5%	10.6%
iShares MSCI EAFE ETF	EFA	72.13	0.0%	5.1%	0.9%	9.9%
SPDR Gold Trust	GLD	186.28	-0.9%	7.1%	1.7%	9.8%
iShares MSCI South Korea Capped ETF	EWY	62.02	2.4%	7.4%	1.3%	9.8%
iShares MSCI Austria Capped ETF	EWO	20.63	0.7%	-1.3%	1.9%	8.6%
iShares MSCI United Kingdom ETF	EWU	33.15	1.4%	5.0%	2.8%	8.1%
Vanguard FTSE All-World ex-US ETF	VEU	53.90	0.1%	4.6%	0.8%	7.5%
iShares 20+ Year Treas Bond ETF	TLT	107.00	-0.1%	1.3%	0.6%	7.5%
Shanghai Composite	.SSEC	3313.57	0.0%	2.6%	1.2%	7.3%
SP500	.SPX	4108.94	0.2%	6.4%	0.0%	7.0%
iShares Russell 1000 ETF	IWB	225.05	0.3%	5.8%	-0.1%	6.9%
iShares MSCI Canada ETF	EWC	34.89	0.5%	6.1%	2.1%	6.6%
iShares MSCI Japan ETF	EWJ	57.88	-1.8%	1.9%	-1.4%	6.3%
iShares MSCI Singapore ETF	EWS	19.98	-1.3%	7.6%	0.7%	6.2%
Silver Future	SIc1	25.13	0.4%	23.3%	4.4%	5.3%
SPDR S&P Retail ETF	XRT	63.66	1.1%	1.2%	0.4%	5.3%
iShares Russell 2000 Growth ETF	IWO	225.55	0.9%	2.6%	-0.6%	5.1%
iShares MSCI Emerg Mkts ETF	EEM	39.67	0.3%	4.8%	0.5%	4.7%
iShares MSCI Australia ETF	EWA	23.25	0.4%	4.5%	1.4%	4.6%
iShares Silver Trust	SLV	24.03	0.2%	21.9%	4.0%	4.6%
iShares iBoxx $ Invest Grade Corp Bond	LQD	109.79	-0.3%	2.8%	0.2%	4.1%
Materials Select Sector SPDR	XLB	80.63	0.8%	3.1%	0.0%	3.8%
iShares China Large Cap ETF	FXI	29.21	-0.2%	6.7%	-1.1%	3.2%
iShares MSCI Brazil Capped ETF	EWZ	28.80	5.4%	6.6%	5.2%	3.0%
Gold Future	GCc1	2536.10	0.2%	0.9%	0.3%	2.9%
iShares US Telecomm ETF	IYZ	23.05	0.4%	4.5%	-0.5%	2.8%
SPDR DJIA ETF	DIA	336.90	0.9%	5.4%	1.3%	1.7%
DJIA	.DJI	33684.79	0.8%	5.6%	1.2%	1.6%
iShares MSCI BRIC ETF	BKF	34.89	0.7%	4.8%	0.5%	1.6%
iShares Russell 2000 ETF	IWM	177.14	1.0%	0.5%	-0.7%	1.6%
Oil Future	CLc1	81.53	1.0%	6.3%	7.7%	1.6%
PowerShares Water Resources Portfolio	PHO	52.31	0.6%	2.3%	-1.9%	1.5%
Consumer Staples Select Sector SPDR	XLP	75.58	0.8%	6.3%	1.2%	1.4%
United States Oil Fund, LP	USO	71.07	1.1%	5.9%	7.0%	1.4%
iShares Russell 1000 Value ETF	IWD	153.66	1.2%	3.8%	0.9%	1.3%
Industrial Select Sector SPDR	XLI	99.25	0.2%	0.3%	-1.9%	1.1%
iShares US Real Estate ETF	IYR	85.08	1.1%	3.6%	0.2%	1.1%
iShares MSCI Hong Kong ETF	EWH	20.95	0.7%	4.5%	1.9%	-0.3%
iShares Nasdaq Biotechnology ETF	IBB.O	130.71	1.4%	7.2%	1.2%	-0.4%
Utilities Select Sector SPDR	XLU	69.73	3.2%	8.2%	3.0%	-1.1%
Energy Select Sector SPDR	XLE	86.47	1.7%	4.6%	4.4%	-1.1%
Health Care Select Sect SPDR	XLV	133.88	2.3%	7.8%	3.4%	-1.5%
iShares MSCI Malaysia ETF	EWM	22.38	0.4%	4.7%	0.9%	-2.0%
iShares Russell 2000 Value ETF	IWN	135.79	1.2%	-1.6%	-0.9%	-2.1%
iShares MSCI India ETF	INDA.K	40.07	1.2%	1.9%	1.8%	-4.0%
Financial Select Sector SPDR	XLF	32.34	1.3%	-1.8%	0.6%	-5.4%
iShares DJ US Oil Eqpt & Services ETF	IEZ	19.99	0.9%	-2.7%	3.5%	-5.7%
SPDR S&P Bank ETF	KBE	36.72	1.9%	-10.2%	-0.9%	-18.7%

Outperformed SP500
Underperformed SP500

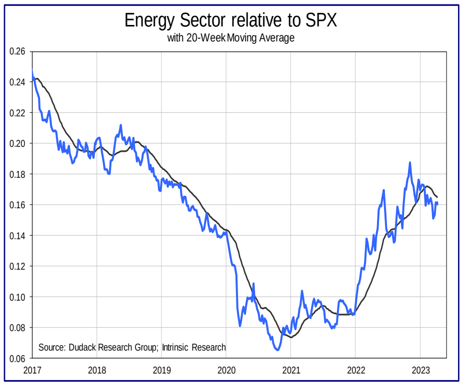
Source: Dudack Research Group; Refinitiv

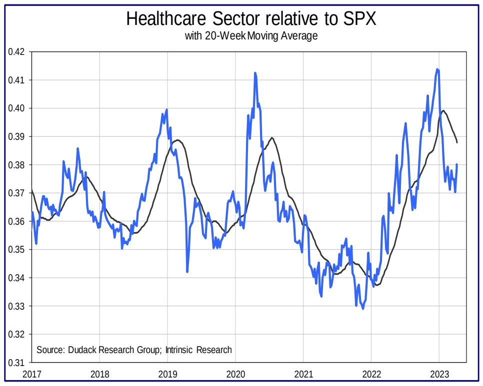
Priced as of April 11, 2023

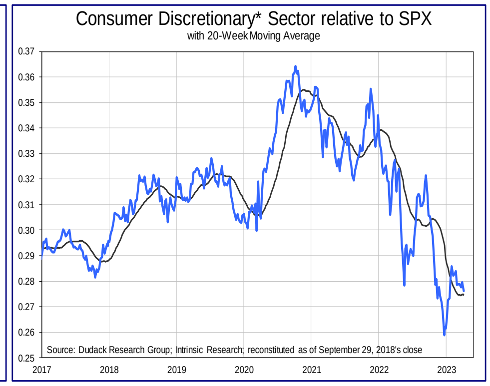
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

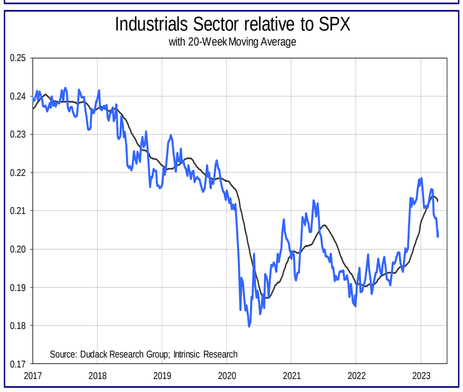
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Energy Industrials Staples Utililties	Healthcare Technology Materials Financials	Consumer Discretionary REITS Communication Services

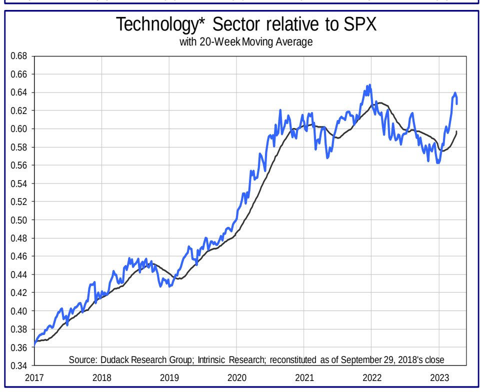
3/8/2022:Materials upgraded from underweight to neutral/communication service downgraded from neutral to underweight. 3/1/2022 Financials downgraded to neutral and Industrials upgraded to overweight.

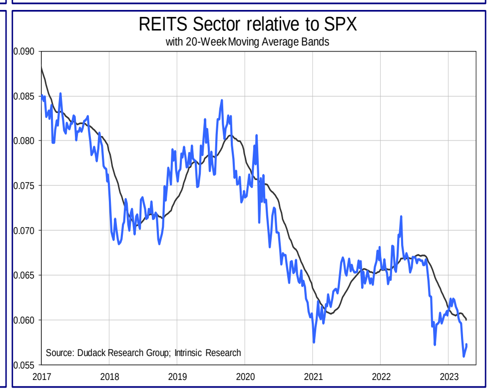


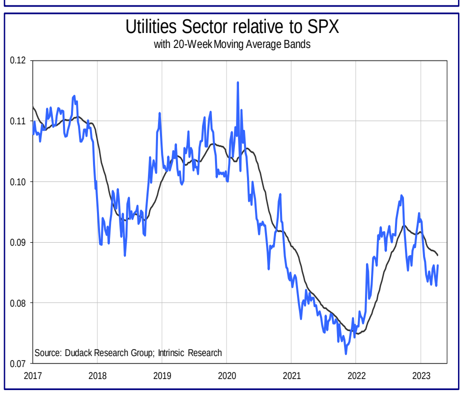


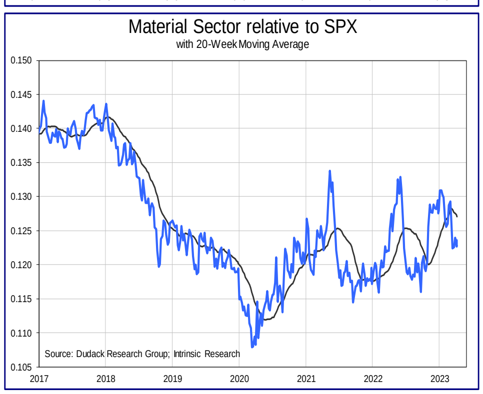


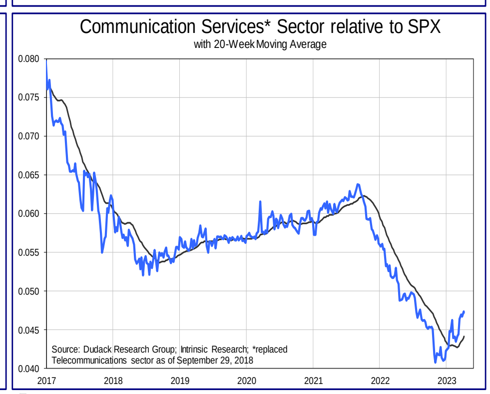


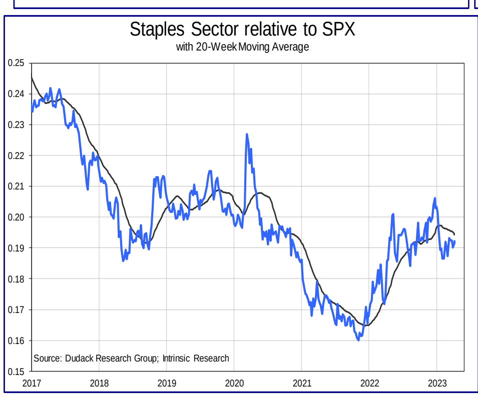


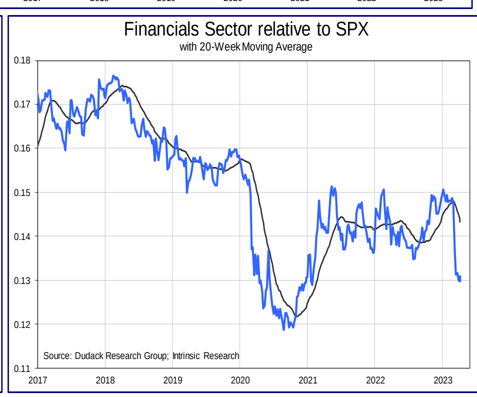












2023 Performance - Ranked	
SP500 Sector	% Change
S&P COMMUNICATIONS SERVICES	21.6%
S&P INFORMATION TECH	18.7%
S&P CONSUMER DISCRETIONARY	12.8%
S&P 500	7.0%
S&P MATERIALS	3.7%
S&P CONSUMER STAPLES	1.3%
S&P REITS	1.2%
S&P INDUSTRIALS	1.0%
S&P UTILITIES	-1.2%
S&P ENERGY	-1.2%
S&P HEALTH CARE	-1.5%
S&P FINANCIAL	-5.6%

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%	-2.8%	$1,968.10	-4.7%
2021	4766.18	$197.87	$208.17	$208.17	70.1%	**$208.12**	49.0%	22.9X	1.3%	5.9%	$2,382.80	21.1%
2022	3839.50	$172.75	$196.95	$196.95	-5.4%	**$218.09**	4.8%	19.5X	1.4%	2.1%	$2,543.00	6.7%
2023E	~~~~~	$200.65	$217.77	$180.00	-8.6%	**$219.83**	0.8%	18.9X	NA	NA	NA	NA
2024E	~~~~~	$226.22	$244.52	$205.00	13.9%	**$246.83**	12.3%	16.8X	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 4QP	3839.50	$39.61	$50.37	$50.37	-11.2%	$53.15	-1.5%	19.5	1.7%	2.6%	NA	NA
2023 1QE	4109.31	$45.07	$50.03	$42.00	-14.9%	$50.63	-7.6%	20.8	1.8%	NA	NA	NA
2023 2QE*	4108.94	$49.64	$53.67	$40.00	-14.7%	$54.13	-6.1%	20.1	NA	NA	NA	NA
2023 3QE	~~~~~	$52.20	$56.32	$48.00	-4.7%	$56.84	1.5%	19.5	NA	NA	NA	NA
20244QE	~~~~~	$53.73	$57.75	$50.00	-0.7%	$58.32	9.7%	18.9	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 4/11/2023

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