Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
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May 31, 2023

DJIA: 33042.78
SPX: 4205.52
NASDAQ: 13017.43

US Strategy Weekly

All Icing, No Cake

If you are focusing on the recent gains in the S&P 500 and the Nasdaq Composite index, you might think a major equity rally is underway. However, with the exception of seven technology stocks, the S&P 500 is unchanged this year as seen by the SPX equal weighted index which is down 0.35% year-to-date. Viewed another way, the Nasdaq Composite is up 24% year-to-date, while the Dow Jones Industrial Average is down 0.3%. Our favorite index for monitoring the market is the small-cap Russell 2000 index which is up 0.3%, or essentially flat. In short, the 2023 stock market is all icing, no cake.

Most of the recent excitement in the stock market comes down to one stock -- Nvidia Corp. (NVDA - $401.11) – up 30% in the last three trading sessions as a result of the billions of dollars expected to be invested in artificial intelligence in coming years. We have no doubt that there will be a lot of investment dollars directed at AI in the years ahead, but a mania seems to be the best description of the action in NVDA this week.

VOLMAGEDDON

And there are other interesting market trends that should be noted. A recent Wall Street Journal article titled *U.S. Stock Market Stays Calm With Help From Quant Buying,* suggests that the equity market remains calm in the face of the debt-ceiling debate due to demand from quant funds. The article states: "*At the end of March, quant-focused hedge funds held about $1.13 trillion in assets, according to research firm HFR, hovering just below last year's record high. That represents about 29% of all hedge-fund assets."*

"It's rules-based trading," said Charlie McElligott, a managing director at Nomura Securities International. "There's no emotion involved." Data from McElligott shows quants tend to move together quickly when volatility strikes. Take, for example, the stock market selloff of May 2019, when the S&P 500 slid some 7% as investors panicked about U.S.-China trade tensions. McElligott estimates that CTAs unloaded $35 billion worth of equities over the course of a month."

However, rather than being a calming influence on the equity market, we believe this concentration of quantitative investments could prove to be risky down the road. It is reminiscent of another memorable event in equity history – Volmageddon -- which is a blend of the words volatility and Armageddon. Volmageddon refers to the unusual activity that occurred on February 5, 2018. On this day, after about a year of rising stock prices and low stock market price volatility, the CBOE Volatility Index (VIX – 17.46) soared from an opening value of 18.44 to 37.32 at close. Unfortunately, the low volatility that characterized the 2017 stock market had generated huge demand in leveraged short volatility trades, especially in the Velocity Shares Daily Inverse VIX Short-Term note, whose ticker was XIV. The XIV (no longer traded) shrank from $1.9 billion in assets to $63 million in one day due to the jump in the VIX. The SPX only fell 5% on February 5, 2018, but February 5, 2018 proved to be just the beginning of a volatile year that ended in a large December sell-off, a 6.2% decline in the SPX and a 12.2% loss in the Russell 2000 index.

In short, this big increase in quant-based investment can have a calming impact on equity prices today, but if sentiment changes, it can also trigger a lot of volatility, illiquidity, and serious damage to stock prices in the future. In sum, we would not chase this rally and remain focused on recession resistant stocks with predictable earnings streams.

Economics review

After hitting cyclical lows in June or July of 2022 and rebounding to 12-month highs in February 2023, both the University of Michigan and the Conference Board sentiment surveys dropped in the month of May. The declines were across the board including the overall index, present conditions, and future expectations. May employment will be reported on Friday, and it will be interesting to see if these declines in sentiment are a leading indicator of job market weakness. See page 3.

June's FOMC meeting is only two weeks away. Another month of inflation data will be available in early June, but April's inflation data could support another rate hike. Both headline and core CPI were relatively unchanged at 4.9% YOY and 5.5%, respectively. Service sector inflation fell from 7.3% to 6.8%, services less rent fell from 6.1% to 5.2%, services less medical care fell from 8% to 7.6%, while other services rose from 4.4% to 4.7%. Nevertheless, all service sector inflation data remains high and well above the Fed's 2% target. See page 4.

However, small declines in inflation are helping households. April's personal income rose 5.4% and CPI rose 4.9% which means real personal income is improving. Moreover, disposable income rose nearly 8% as tax payments fell and this produced a 3.4% YOY gain in real disposable income. April became the fourth consecutive monthly gain seen in real personal disposable income. See page 5. Personal consumption expenditures (PCE) rose 6.7% in April. Although expenditures are positive on a year-over-year basis, there are clear signs of deceleration in all categories including durable goods, nondurable goods, and services. See page 6.

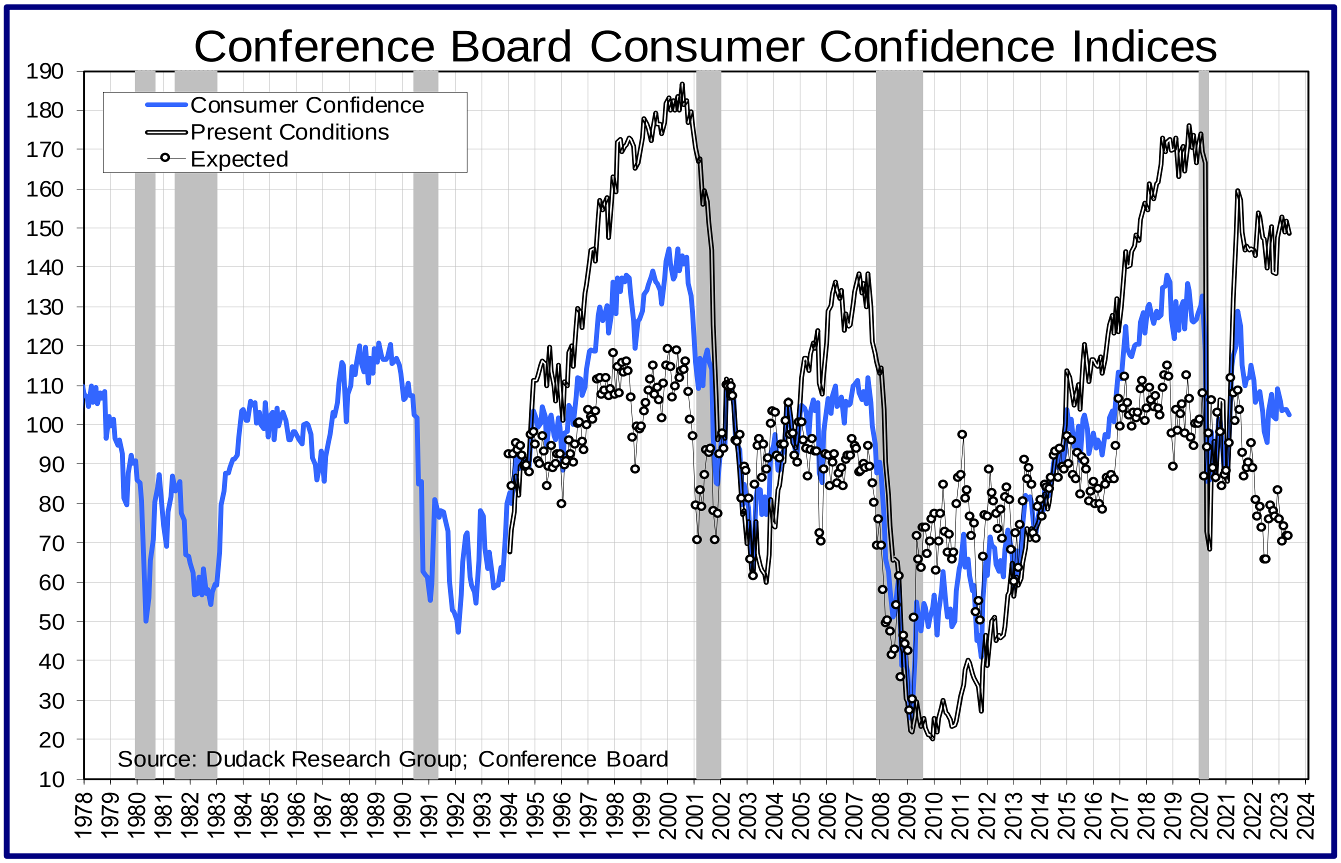
Several financial commentators have stated that the current savings rate is "average", but this is far from accurate. The current savings rate of 4.1% compares to the historical average of 8.8% or the 22-year average of 6.6%. In short, savings are well below average. And while the savings rate did soar to 33.8% in April 2020 as a result of pandemic stimulus checks, that buffer has been depleted. Therefore, it is not surprising that personal consumption expenditures are also decelerating. See page 7.

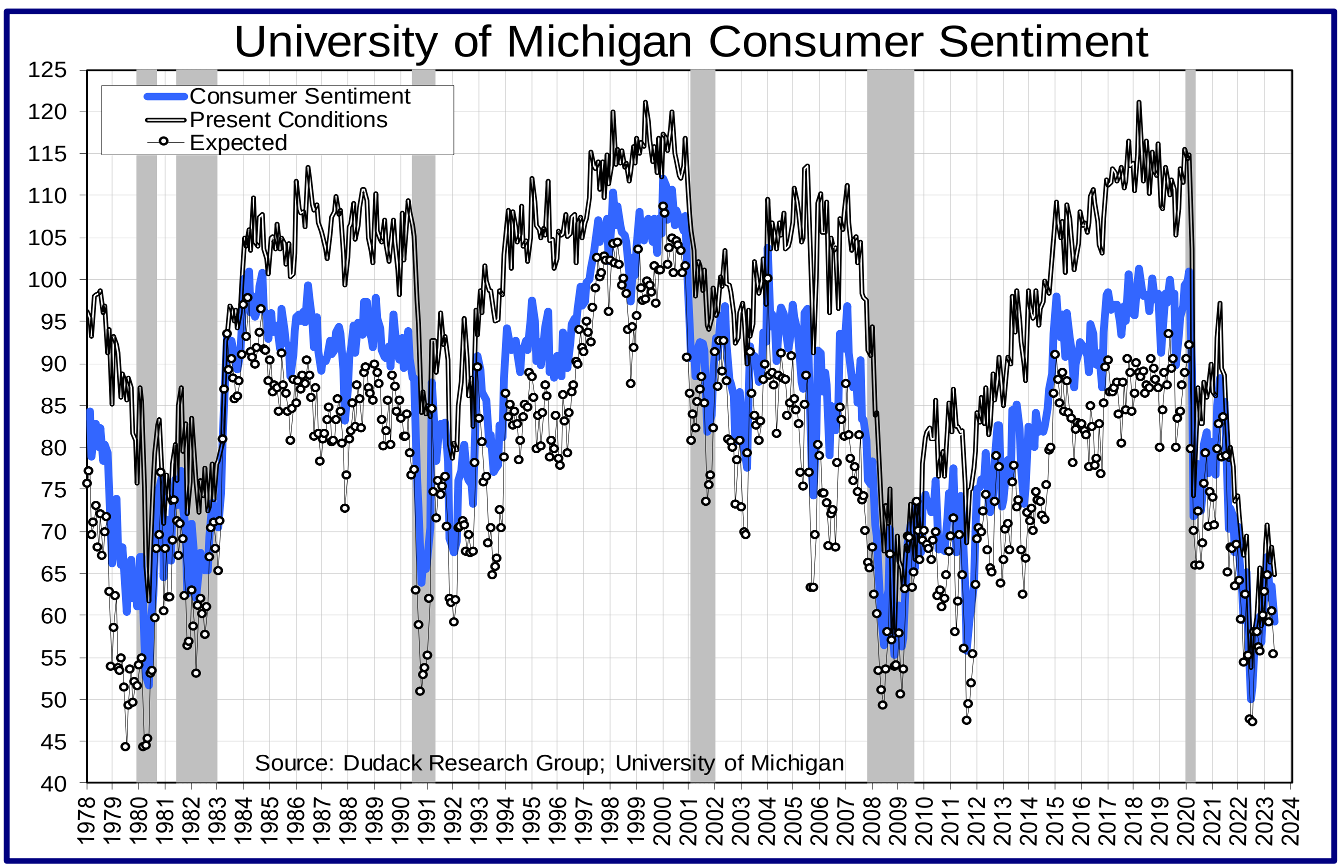
Retail sales rose a mere 0.15% YOY in April and real retail sales fell 3.2% YOY. Much of this was due to a decline in auto sales which fell 5.8% in the month and 3.4% YOY. However, a lack of motor vehicle inventory has hampered auto sales due to supply chain disruptions; but auto sales face a new hurdle from rising interest rates which will increase the cost of leases and auto loans. See page 8.

Technical Indicators

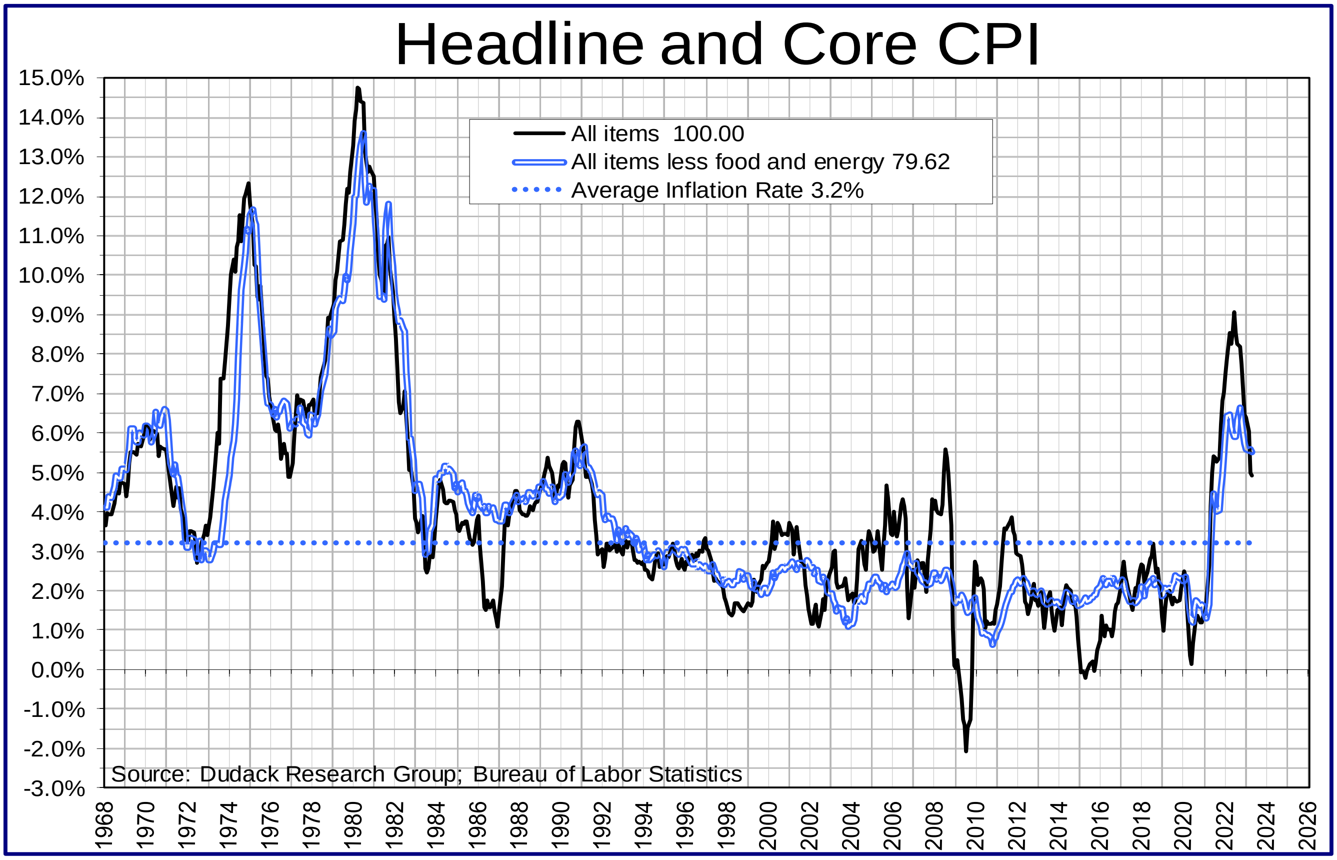
The charts of the S&P 500, DJIA, and Nasdaq Composite are technically positive, but the SPX and DJIA failed to better critical resistance at SPX 4,200 and DJIA 34,500. The Nasdaq bettered the 12,500 resistance, but this was due primatily to Nvidia Corp. (NVDA - $401.11). The Russell 2000 remains our favorite guide for the broader marketplace and it remains well within a defined range with support at 1,650 and resistance at 2000. See page 12. The 10-day average of daily new highs is 94 and new lows are 109, making this combination negative since new highs are below 100 and new lows are above 100. See page 14. With the debt ceiling vote still incomplete, the Russian/Ukraine conflict escalating, Chinese GDP expected to slow from the first quarter's 4.5%, Friday's job report, and the FOMC meeting on June 14, there are many ways sentiment could change. Note that there was renewed weakness in crude oil and gasoline prices this week which implies fear of an economic slowdown may be increasing. We remain cautious.

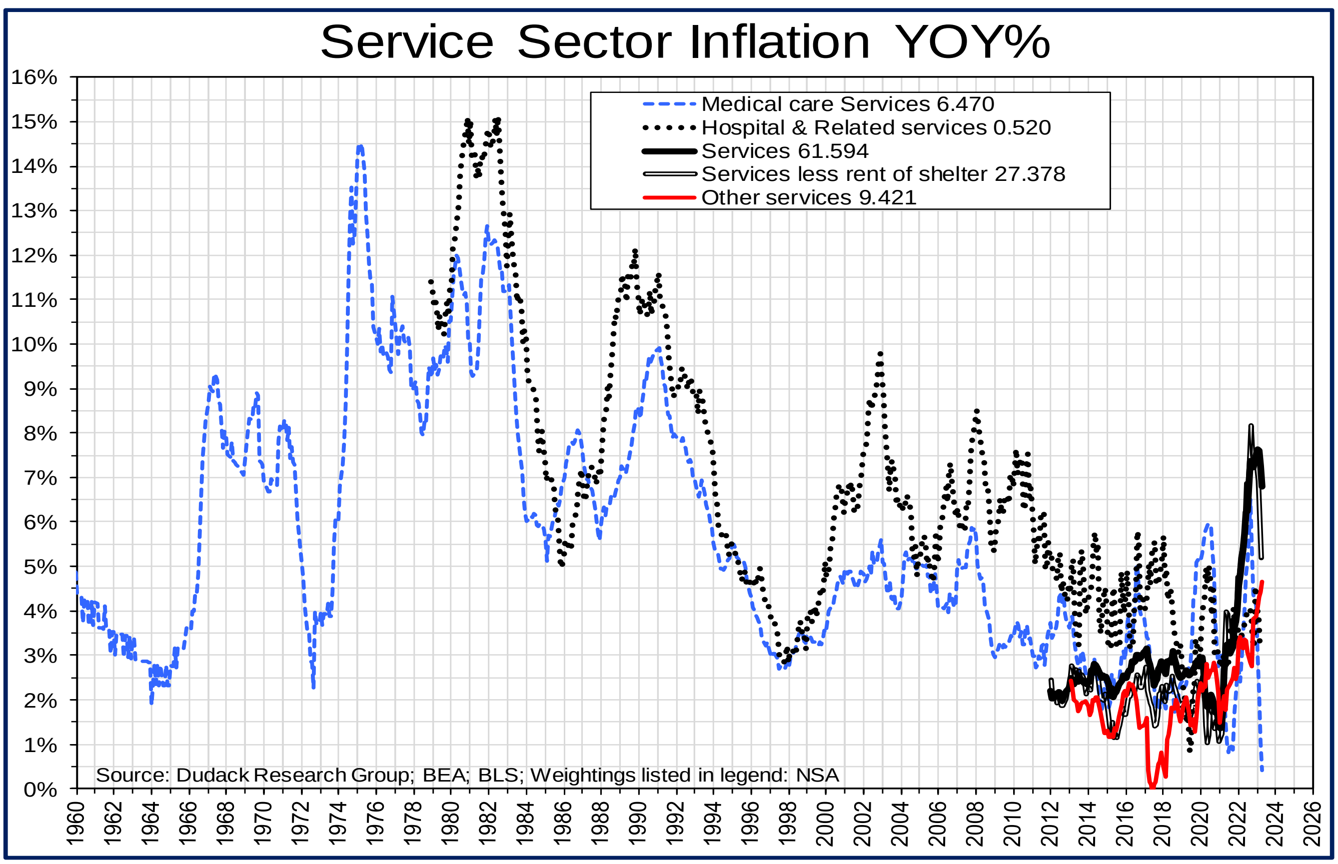
After hitting cyclical lows in June/July of 2022 and rebounding to 12-month highs in February 2023, both sentiment surveys declined in the month of May. The declines were across the board including the overall index, present conditions, and future expectations. It will be interesting to see if these declines in sentiment are a leading indicator of job market weakness.



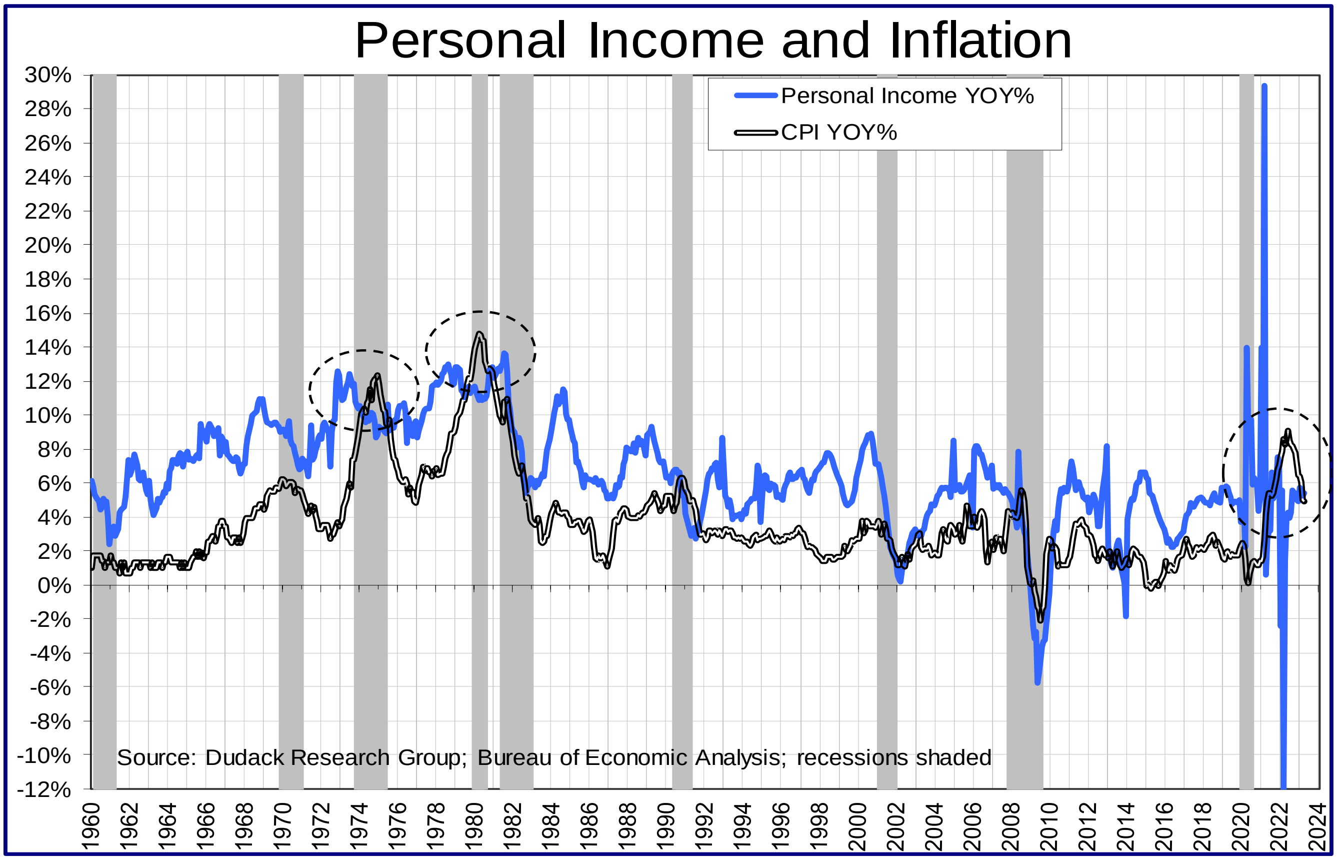


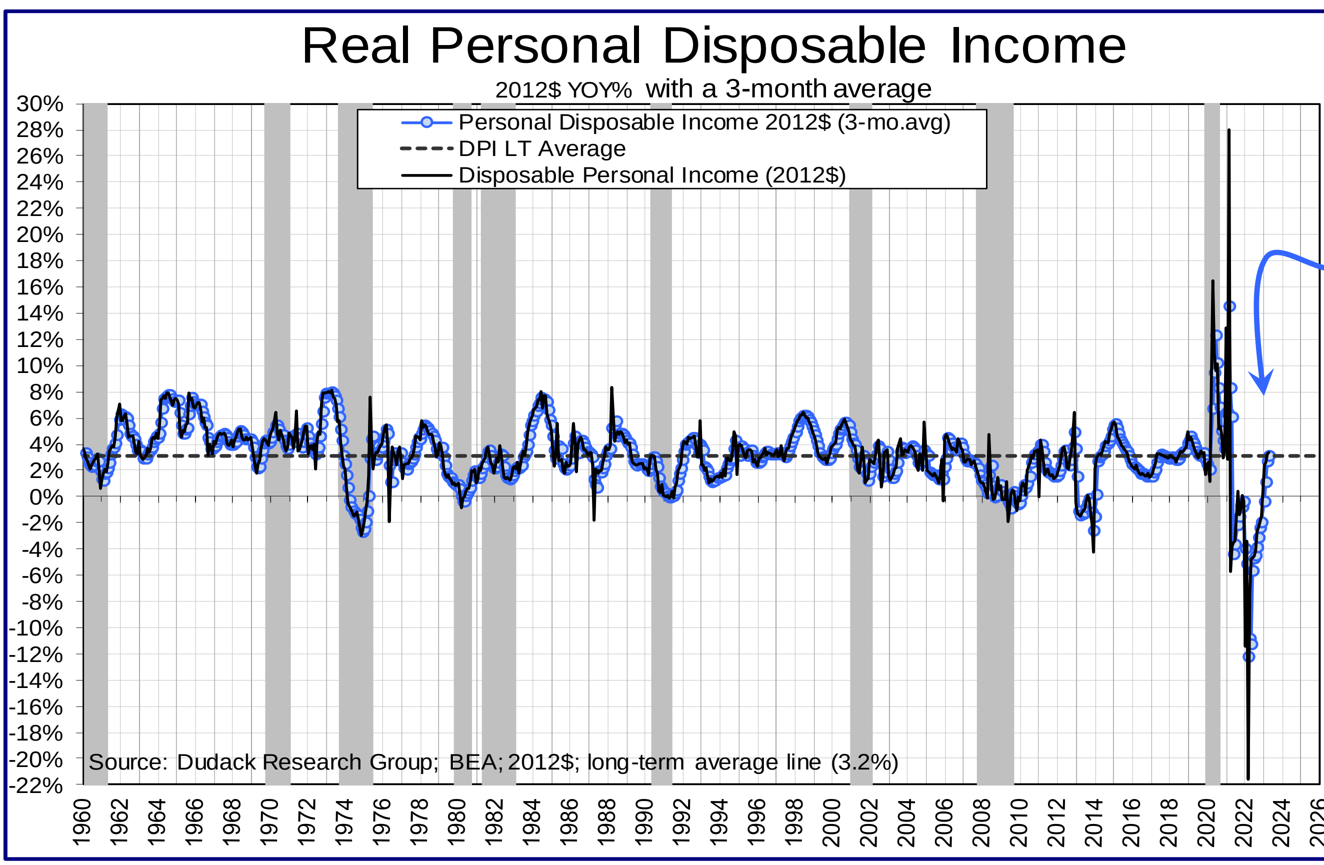
June's FOMC meeting is still two weeks away, and another set of inflation data will be available in early June, but April inflation data supports another rate hike. Both headline and core CPI were relatively unchanged at 4.9% YOY and 5.5%, respectively. Service sector inflation fell from 7.3% to 6.8%, services less rent fell from 6.1% to 5.2%, services less medical care fell from 8% to 7.6%, but other services rose from 4.4% to 4.7%. All service sector inflation data remains high and well above the Fed's 2% target.



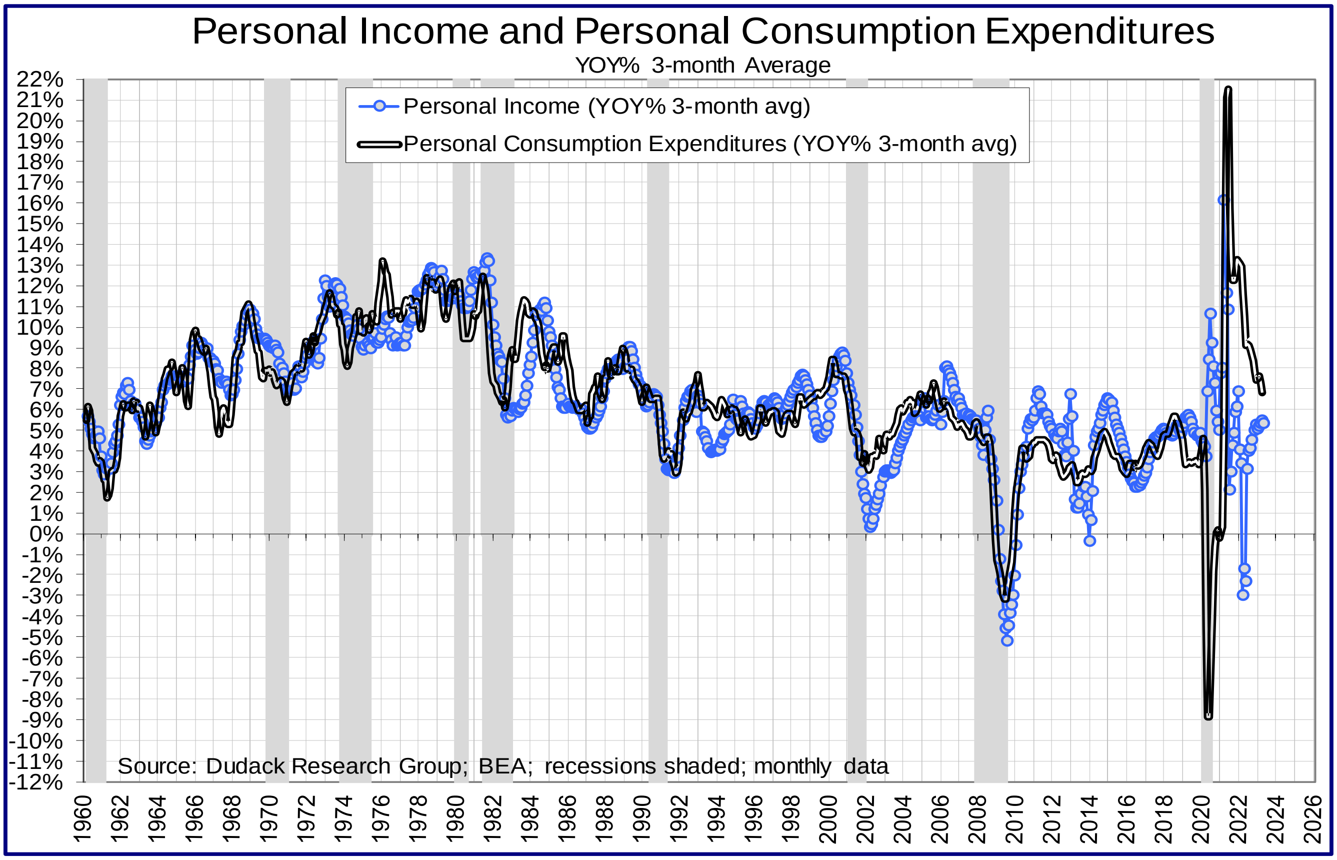


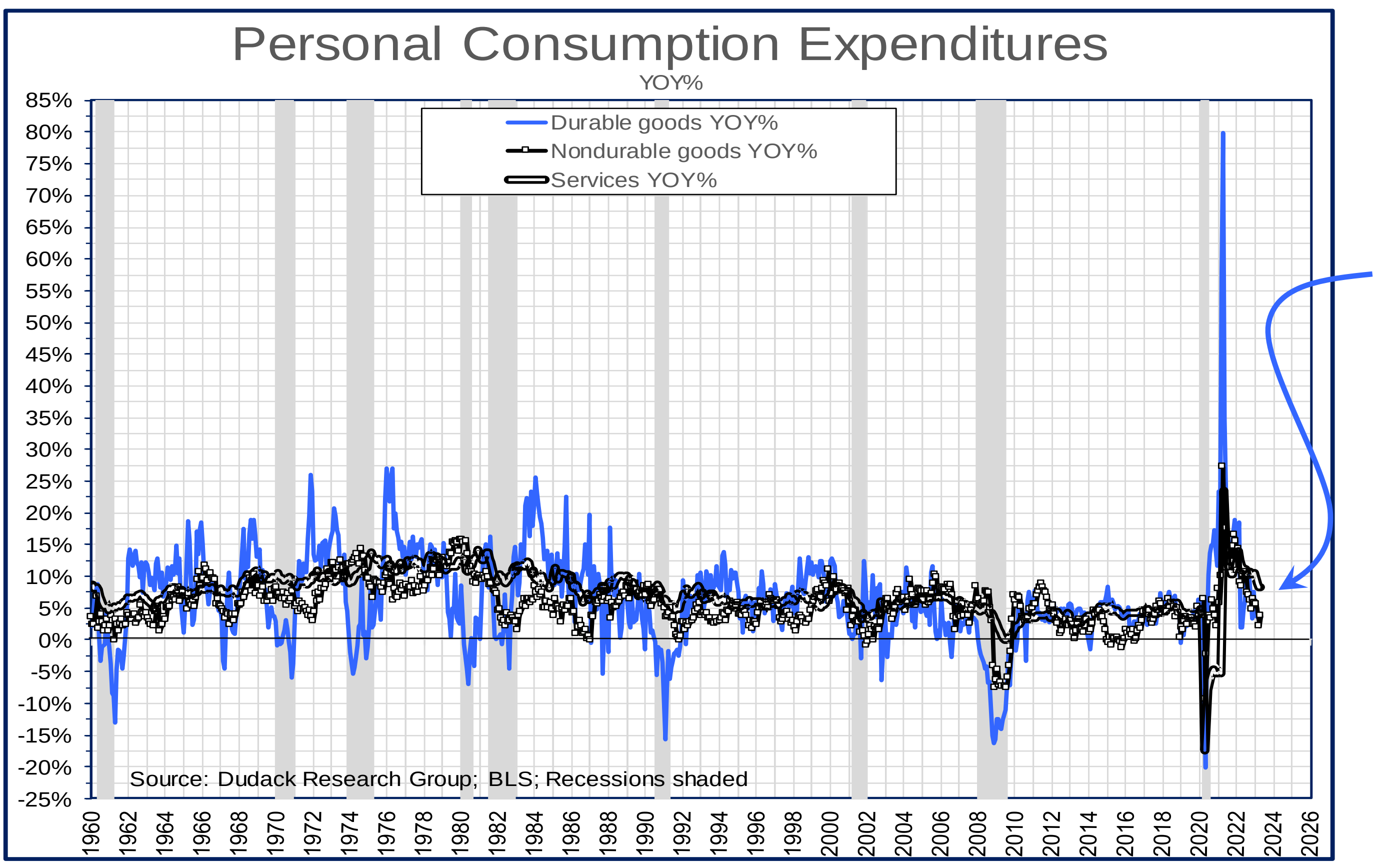
Still, the decline in inflation is helping households. Real personal income is improving as seen by April's personal income which rose 5.4% and CPI which rose 4.9%. Moreover, disposable income rose nearly 8% as tax payments declined and this left real disposable income with a 3.4% YOY gain. April was the fourth consecutive monthly gain seen in real personal disposable income and this is a sign of increasing purchasing power.





In April, personal income rose to 5.4% YOY, but the 3-month average fell 0.1% to 5.4%. Personal consumption expenditures rose to 6.7% YOY and the 3-month average fell 0.5% to 6.8% YOY. What is clear is that personal consumption expenditures, while still positive on a year-over-year basis, are decelerating in all categories including durable goods, nondurable goods, and services.





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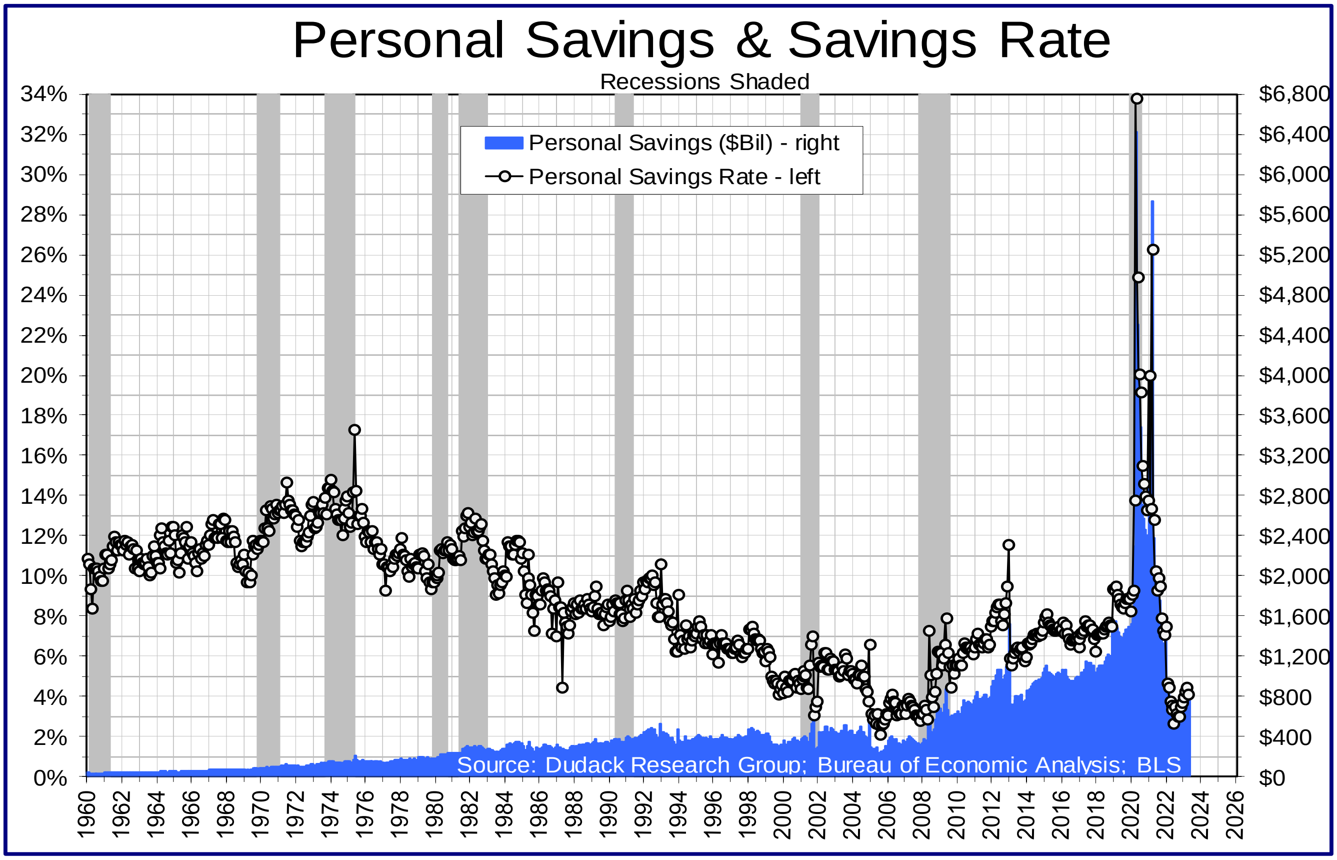
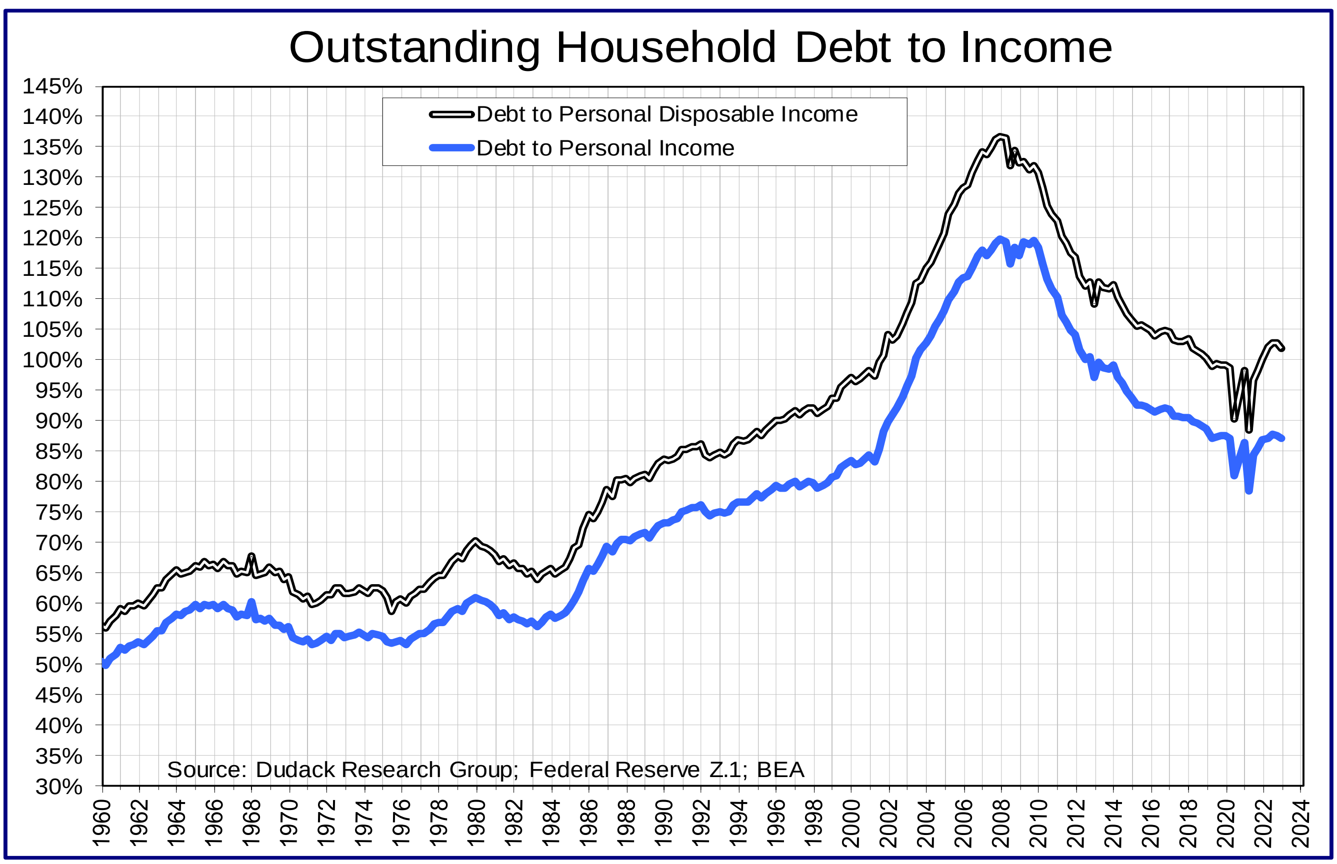
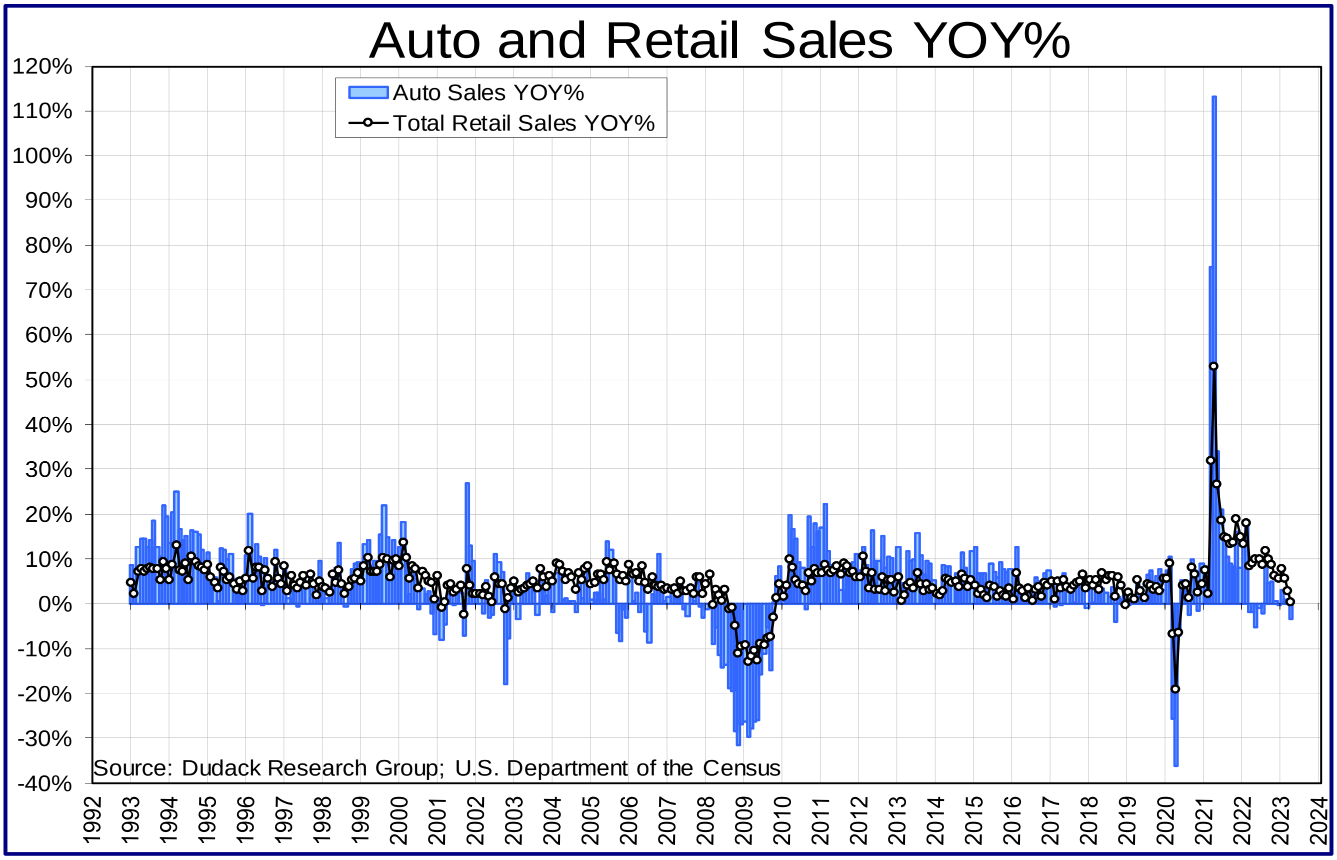
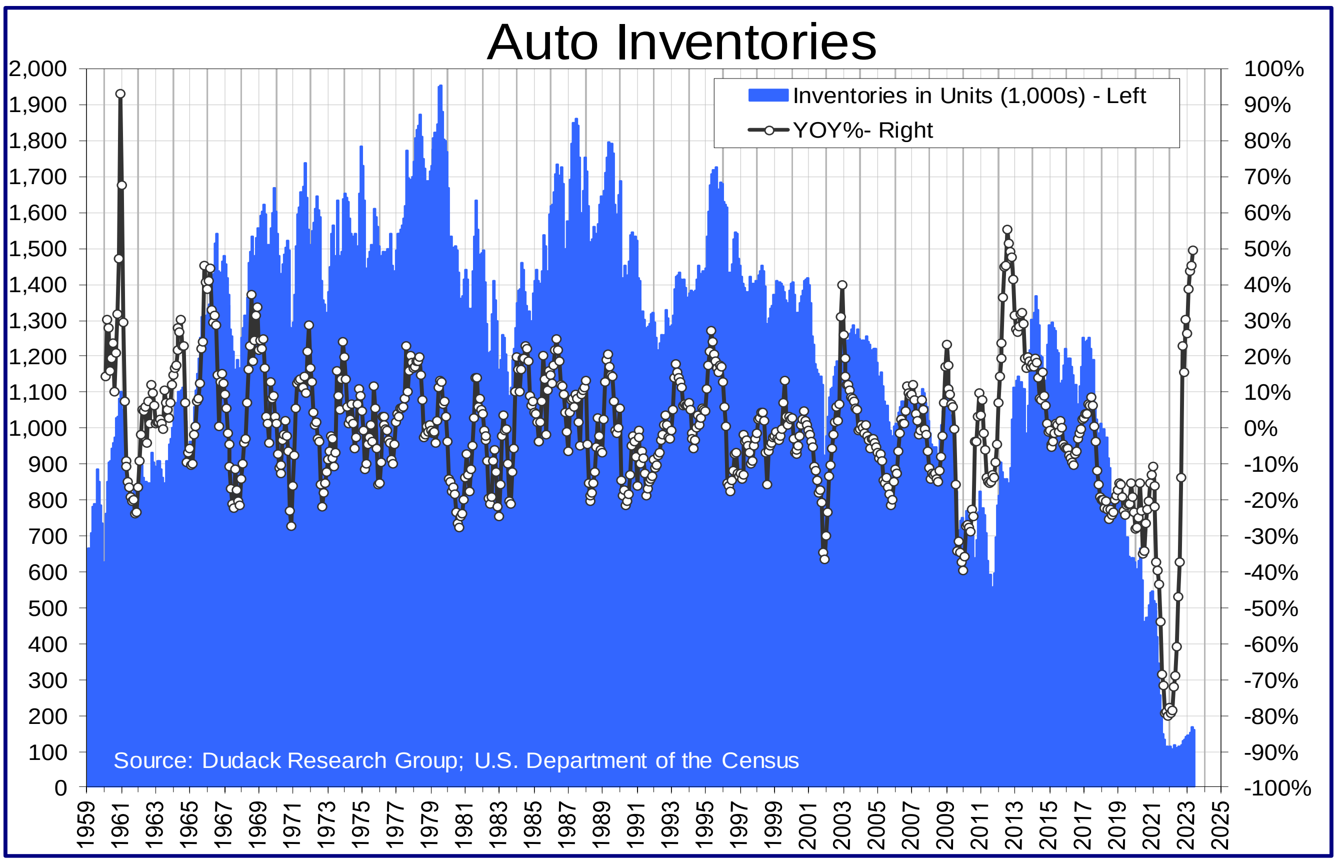


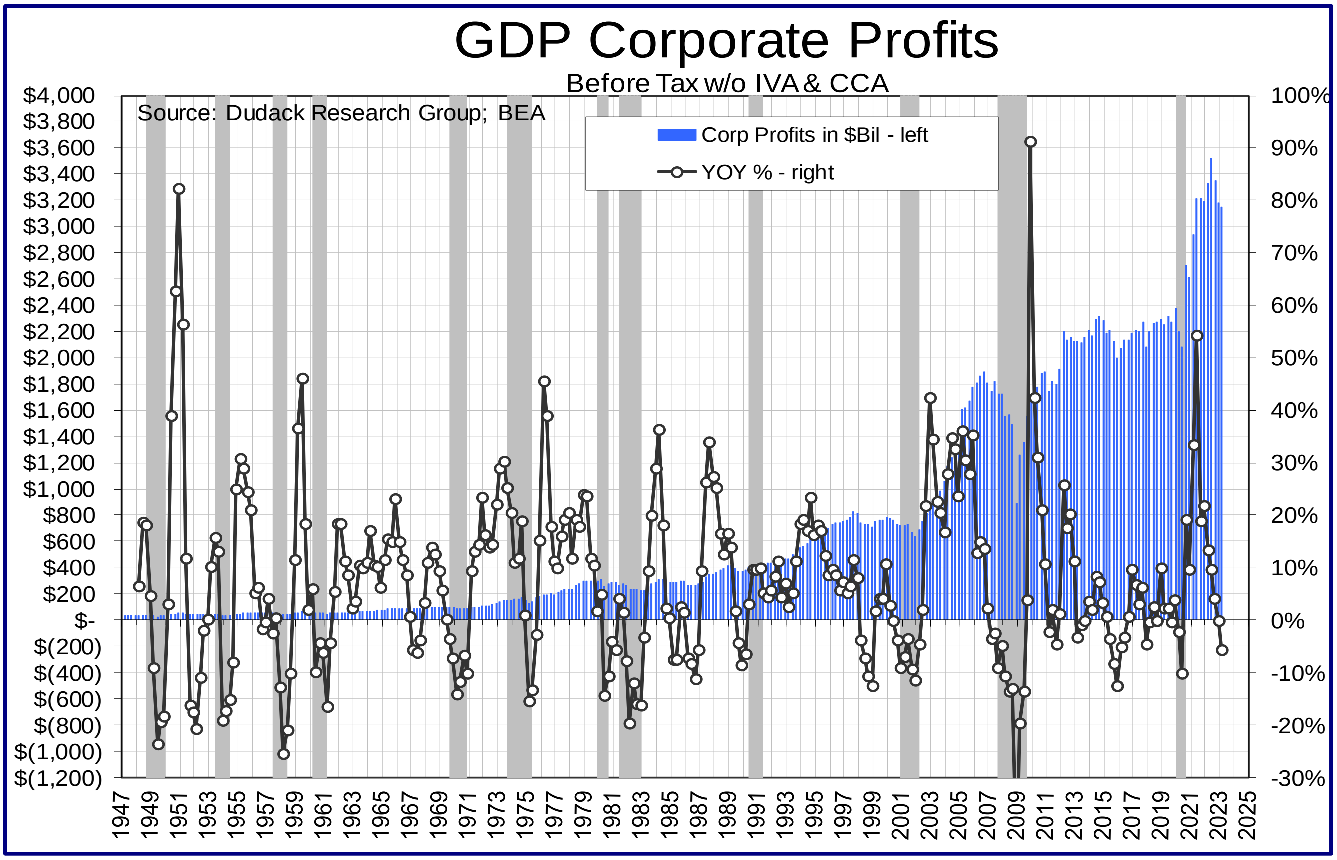


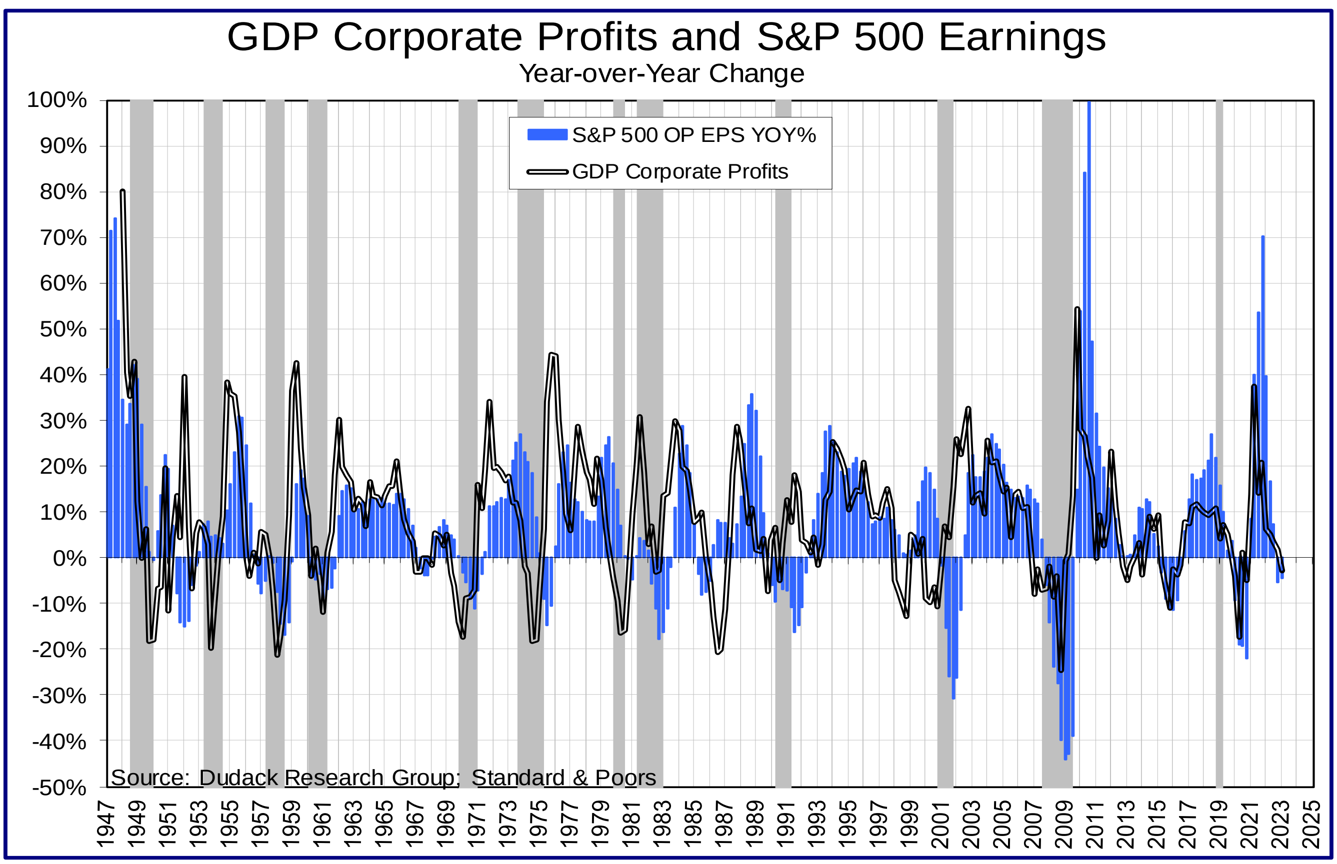
Retail sales rose a mere 0.15% YOY in April and real retail sales fell 3.2% YOY. Much of this was due to a decline in auto sales which fell 5.8% in the month and 3.4% YOY. However, a lack of motor vehicle inventory has hampered auto sales due to supply chain disruptions. However, the new hurdle for auto sales is rising interest rates which will increase the cost of leases and auto loans.

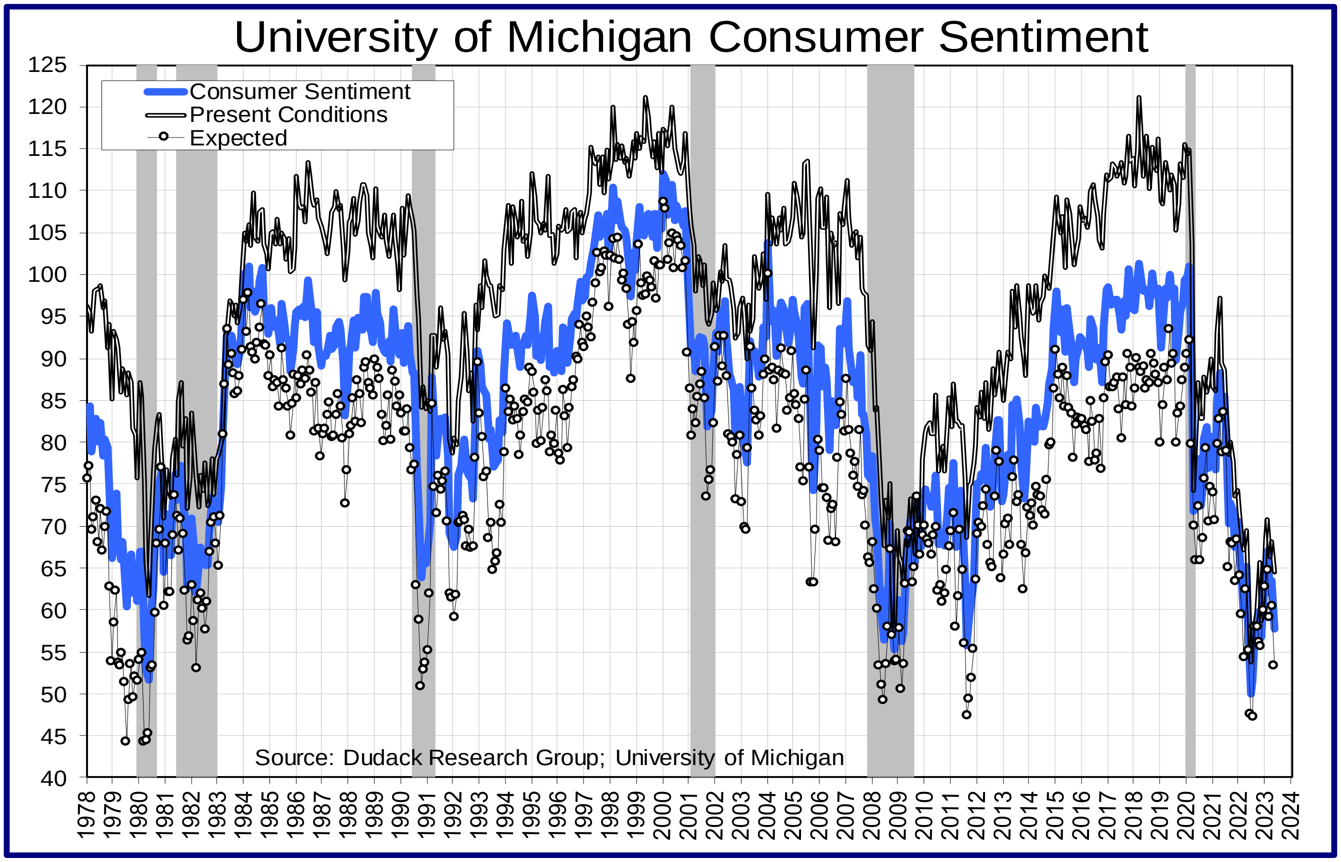




The second estimate for first quarter GDP showed a 1.3% increase. The report also was the first look at GDP-based corporate profits which before tax and other adjustments fell 5.5% on an annualized basis, versus the 0.2% decline seen in the fourth quarter. GDP and S&P 500 profits tend to be highly correlated although S&P earnings are also impacted by international profits. Historically, declines in profits correlated with economic recessions, but that has changed in the last 25 years.






University of Michigan Consumer Sentiment
Consumer Sentiment
Present Conditions
Expected
Source: Dudack Research Group; University of Michigan
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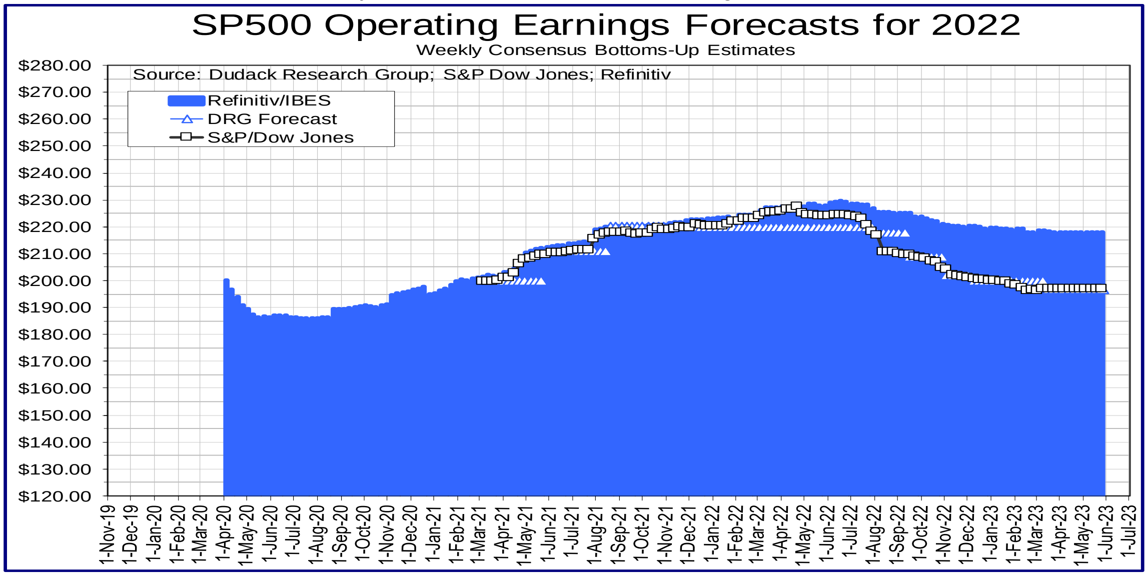
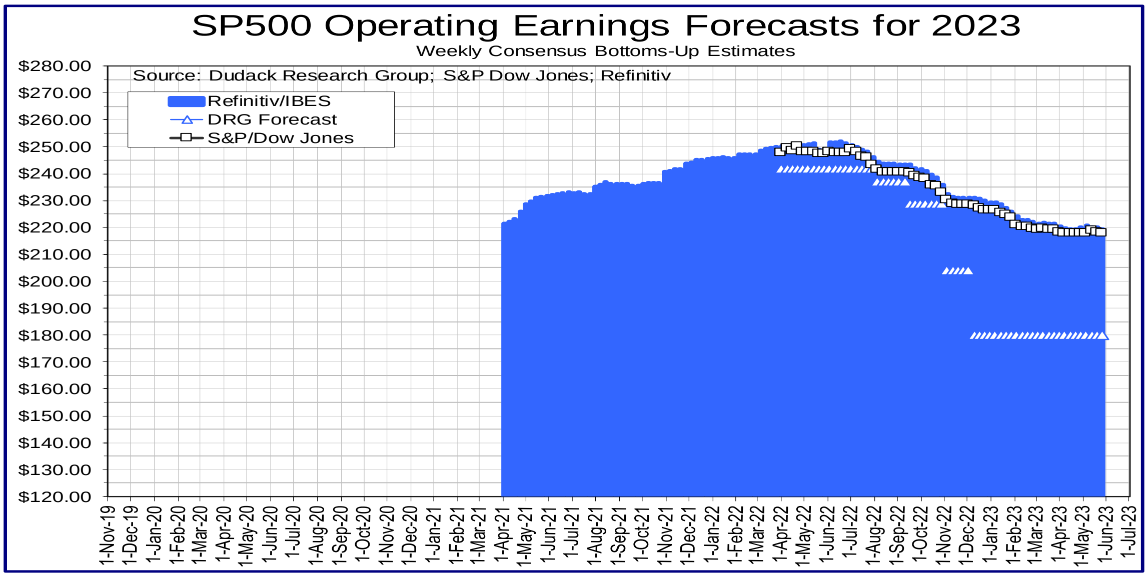
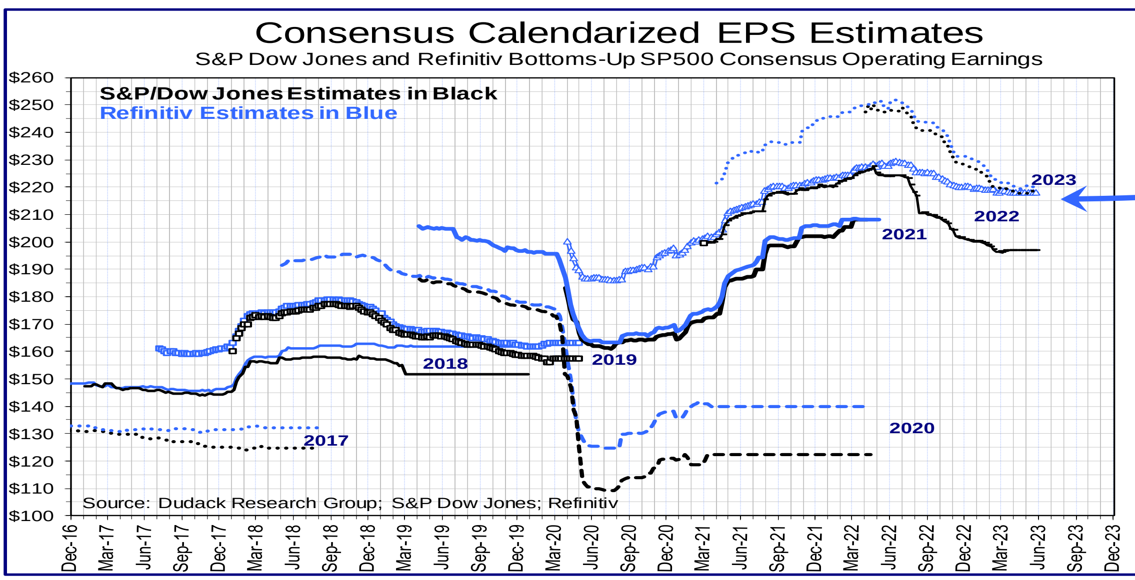
As the first quarter earnings season ends, the S&P Dow Jones consensus estimates for 2023 and 2024 are $217.92 and $243.67, down $0.46 and $0.10 for the week, respectively. Refinitiv IBES earnings estimates for 2023 and 2024 are $219.35 and $245.07, down $0.72, and $0.66, respectively this week. *(Note: consensus macro-EPS forecasts may differ from four quarter analysts' forecast sums seen on back pages.)* Our 2022 estimate was adjusted to match the S&P. Our 2023 estimate of $180 is currently well below consensus and is unchanged.



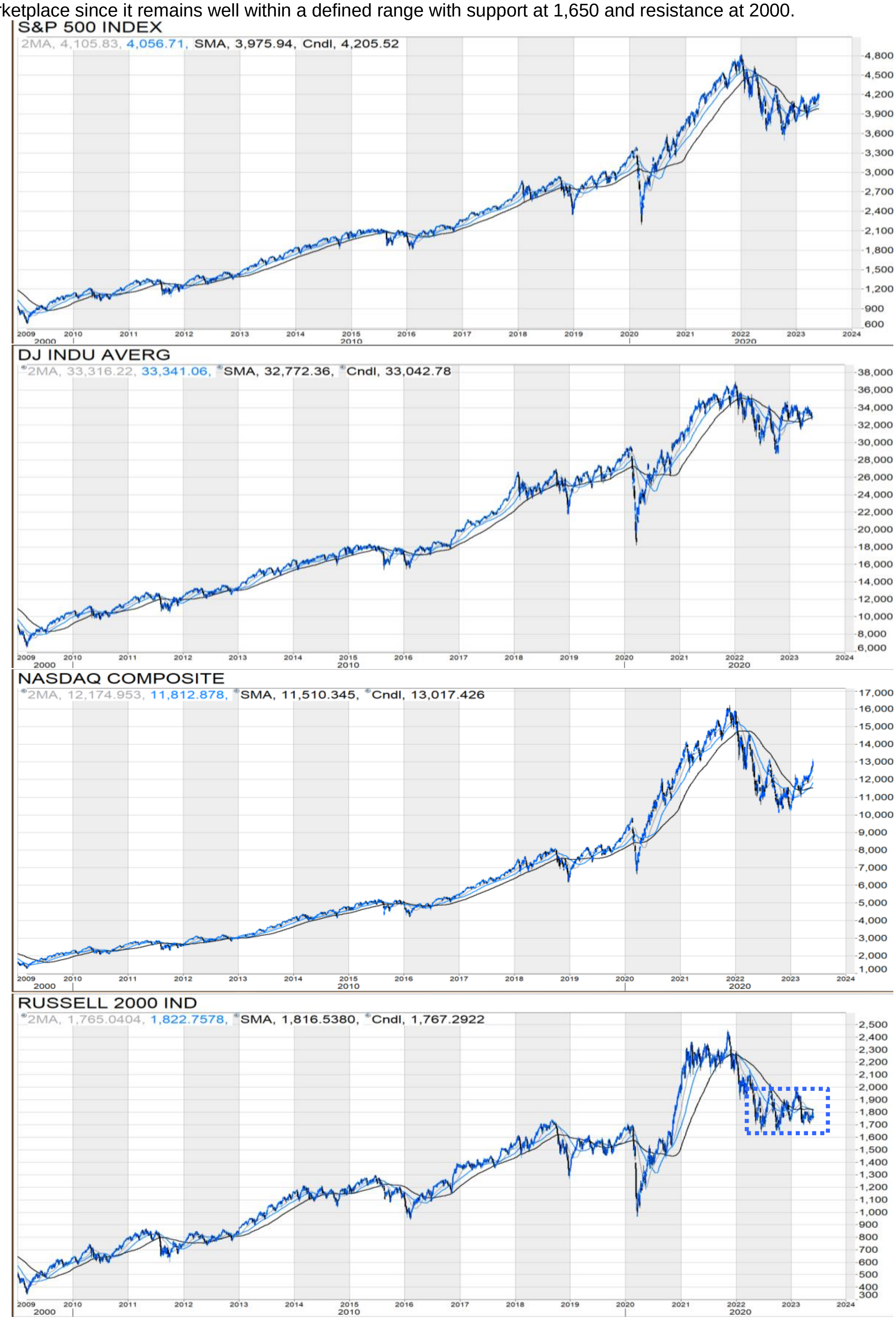




With the debt ceiling vote on the horizon, the Russian/Ukraine conflict escalating, and Chinese GDP expected to slow from the first quarter's 4.5%, there was renewed weakness in crude oil and gasoline prices this week. Gold fell, but the dollar gained.

Source: Refinitiv

The charts of the SPX, DJIA, and IXIC are technically positive, but the SPX and DJIA failed to better critical resistance just above current prices. These are: SPX 4,200 and DJIA 34,500. However; the Nasdaq bettered the 12,500 resistance, but this was due primatily to one stock – Nvidia (NVDA - $401.11) – which soared 31% in three trading sessions. The Russell 2000 remains our favorite guide for the broader marketplace since it remains well within a defined range with support at 1,650 and resistance at 2000.

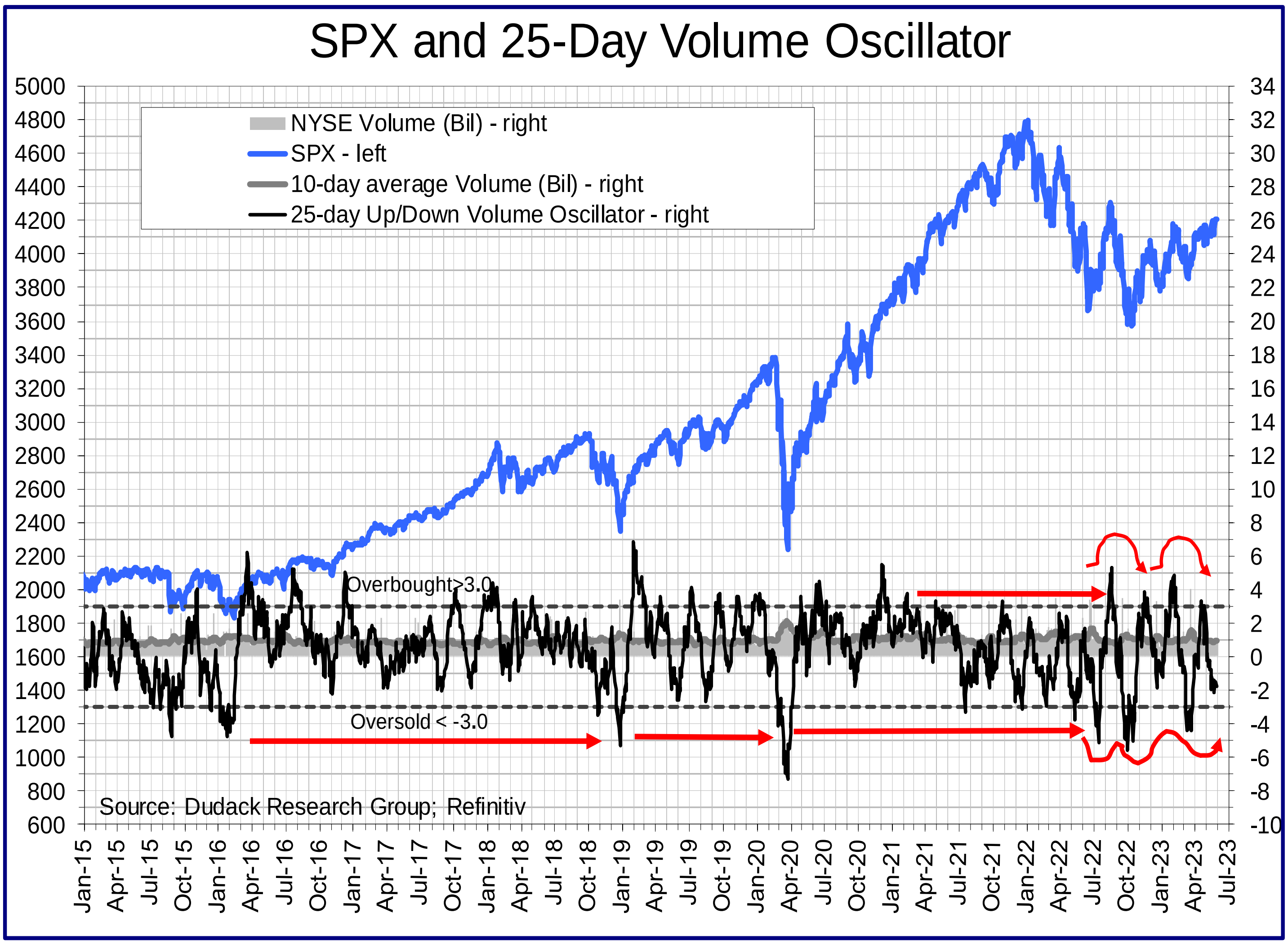


Source: Refinitiv

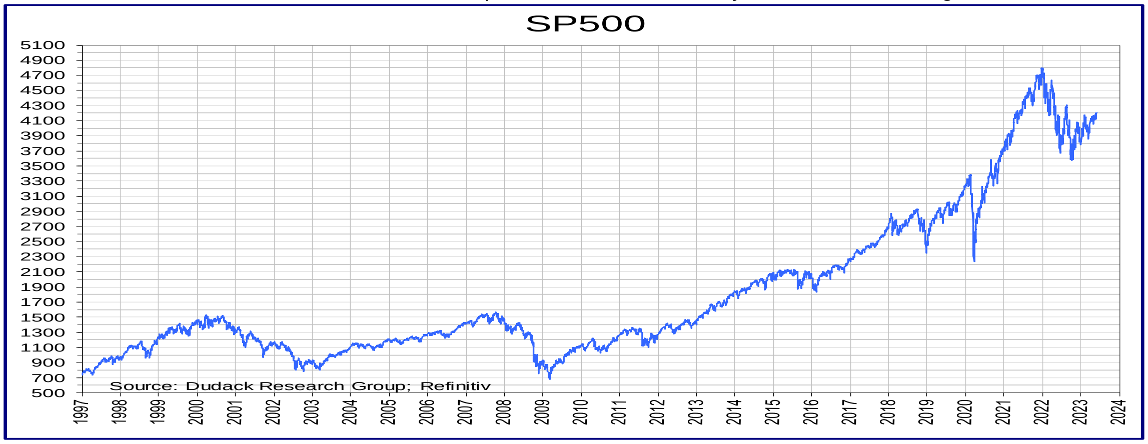
The 25-day up/down volume oscillator is down to a negative 1.74 reading this week and remains in neutral territory. The oscillator recorded one-day **overbought** readings of 3.0 or higher on April 18, April 24, and April 28, but was unable to maintain an overbought reading on a rally. This revealed a weakness in underlying buying pressure, i.e., demand.

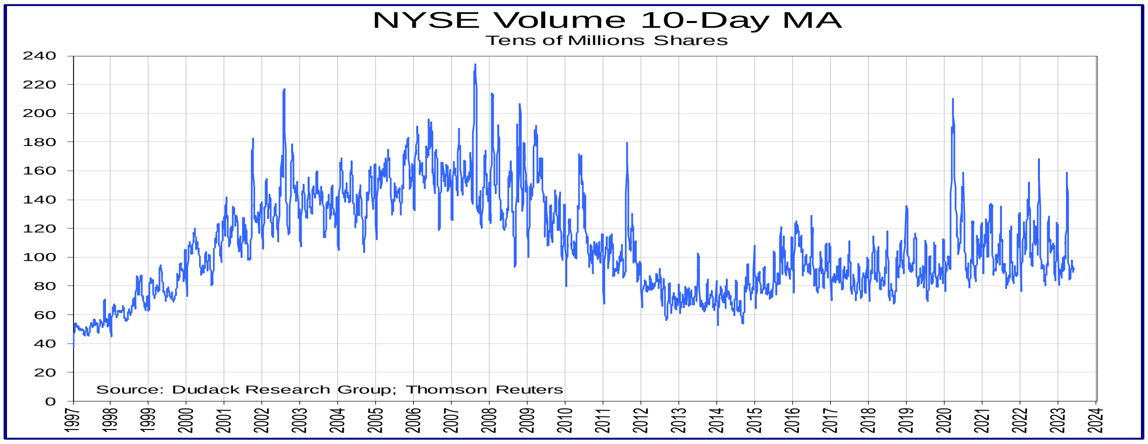
The string of un-sustained overbought and oversold readings that began a year ago, is characteristic of a long-term neutral trading range. Persistent trading ranges can be substitutes for bear markets. In both cases, prices are adjusting to an underlying weakness in earnings growth.

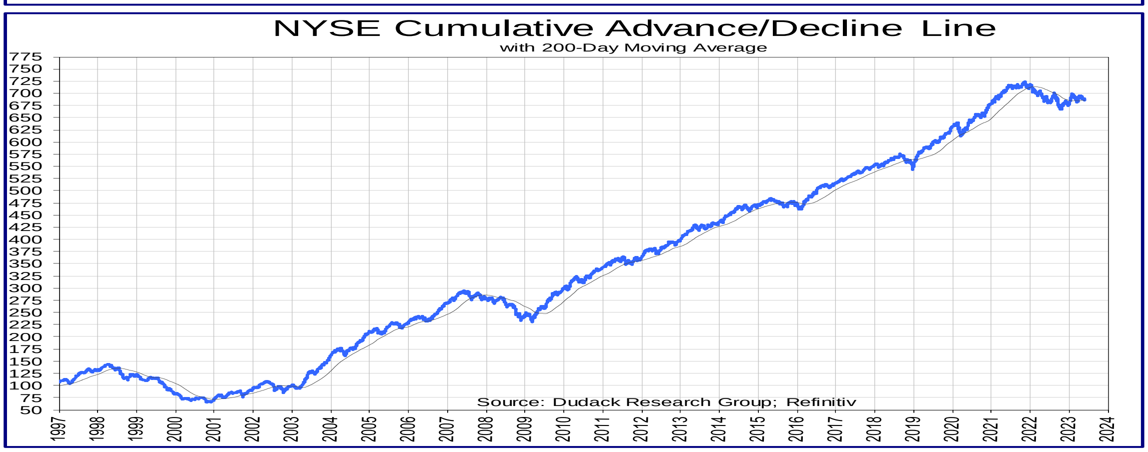
It will be important to see if the recent rise in the indices can generate an overbought reading, which would be a sign of sustained buying pressure. If not, it would be a sign of weakness for the equity market.

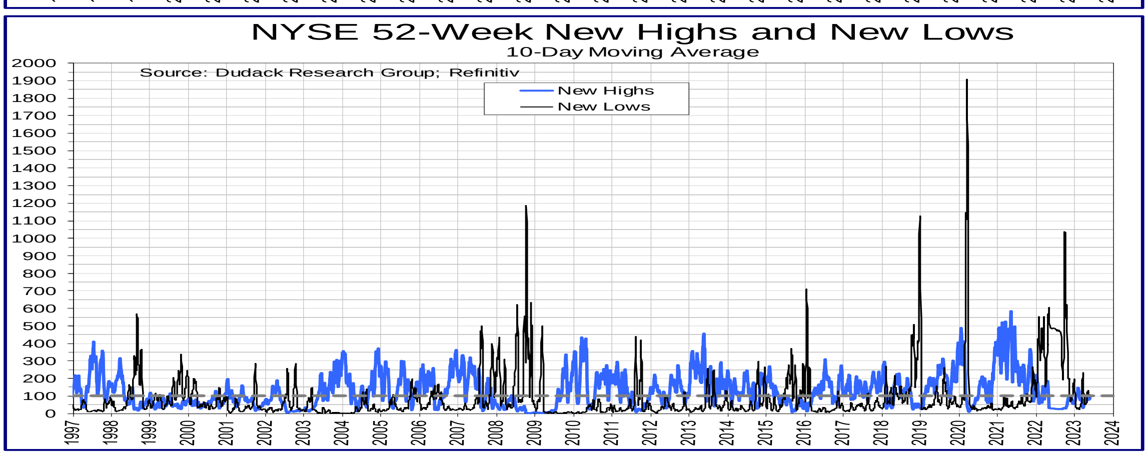


The 10-day average of daily new highs is 94 and new lows are 109. This combination is now negative since new highs are below 100 and new lows are above 100. The advance/decline line fell below the June low on September 22 and is currently 37,551 net advancing issues from its 11/8/21 high.

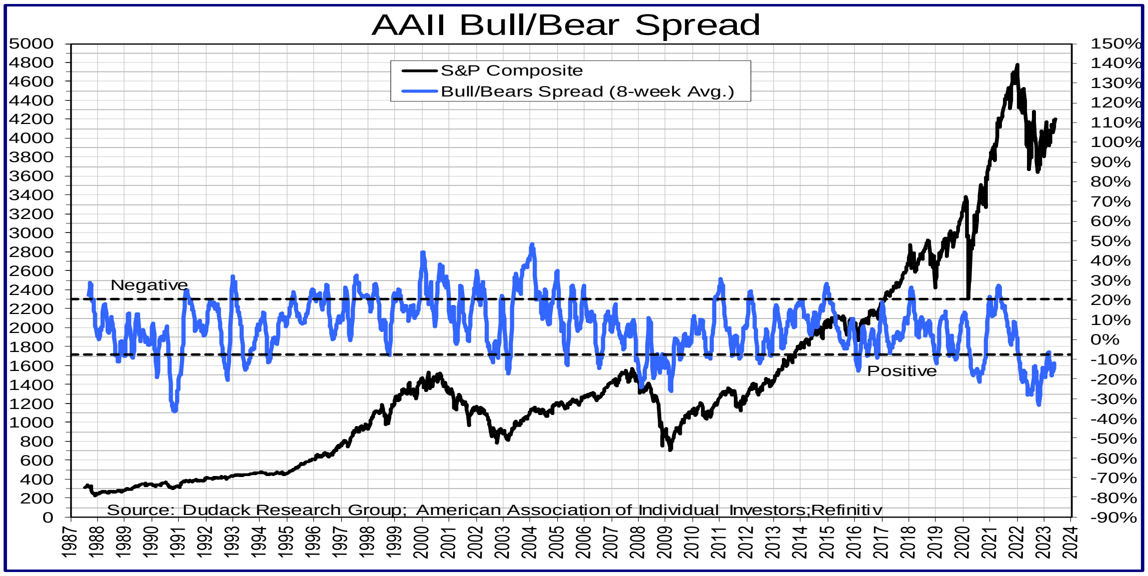


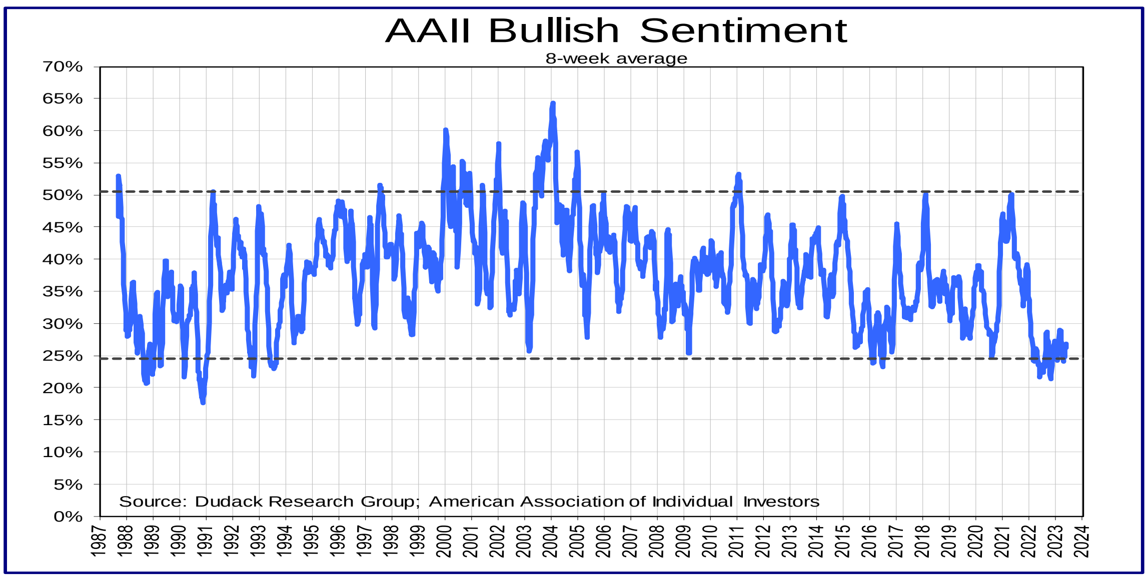


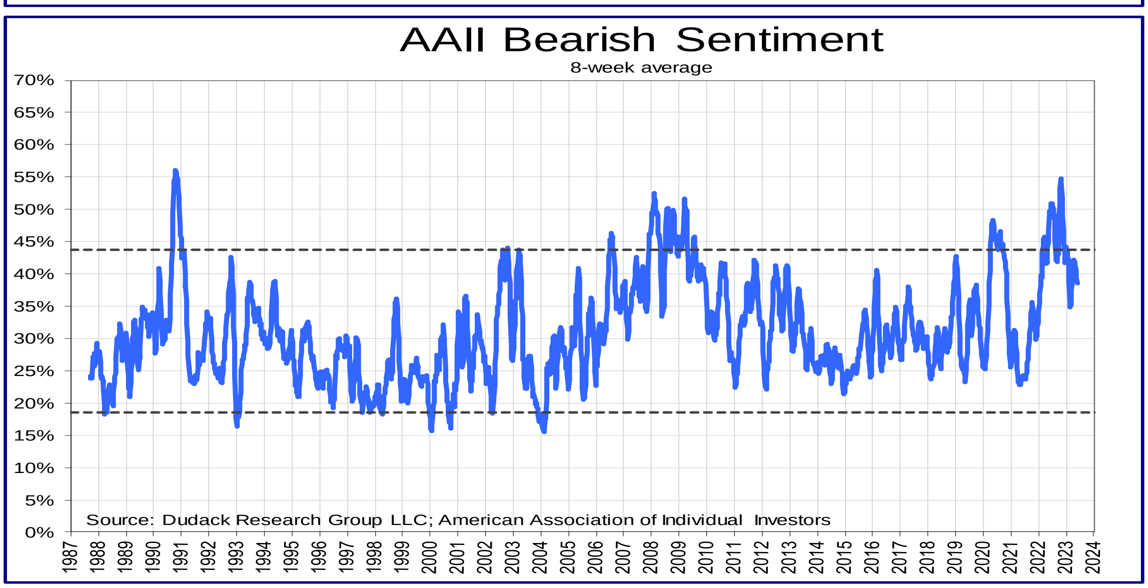




Last week's AAII readings saw a 4.5% increase in bullishness to 27.4% and no change in bearishness at 37.92%. Bearishness remains above average for the 74th time in the past 79 weeks and bullishness is below average for the fourth time in the last 14 weeks. The Bull/Bear 8-week Spread remained in positive territory.







Global Markets and Commodities - Ranked by 2023 Trading Performance

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
Technology Select Sector SPDR	XLK	165.66	6.6%	9.8%	9.7%	33.1%
NASDAQ 100	NDX	14354.99	5.0%	8.4%	8.9%	31.2%
Communication Services Select Sector SPDR Fund	XLC	62.26	1.7%	3.9%	7.4%	29.7%
SPDR S&P Semiconductor ETF	XSD	208.81	8.4%	17.1%	0.1%	24.9%
Nasdaq Composite Index Tracking Stock	ONEQ.O	51.15	3.7%	6.6%	6.7%	24.8%
iShares MSCI Mexico Capped ETF	EWW	60.24	2.3%	-1.1%	1.2%	21.8%
iShares Russell 1000 Growth ETF	IWF	259.75	3.3%	5.2%	6.3%	21.2%
Consumer Discretionary Select Sector SPDR	XLY	152.99	2.2%	3.5%	2.3%	18.4%
SPDR Homebuilders ETF	XHB	70.34	0.8%	-0.8%	3.8%	16.6%
iShares MSCI Taiwan ETF	EWT	46.81	4.1%	6.6%	3.3%	16.6%
iShares MSCI Germany ETF	EWG	28.43	-1.4%	-3.3%	-0.1%	15.0%
iShares MSCI South Korea Capped ETF	EWY	63.44	1.7%	4.6%	3.6%	12.3%
iShares MSCI Japan ETF	EWJ	59.86	-0.8%	1.7%	2.0%	10.0%
SP500	**.SPX**	**4205.52**	**1.4%**	**0.9%**	**2.3%**	**9.5%**
iShares Russell 1000 ETF	IWB	230.37	1.4%	1.0%	2.3%	9.4%
iShares MSCI EAFE ETF	EFA	71.41	-1.6%	-3.0%	-0.2%	8.8%
SPDR Gold Trust	GLD	182.04	-0.8%	-1.5%	-0.6%	7.3%
Vanguard FTSE All-World ex-US ETF	VEU	53.12	-1.2%	-2.5%	-0.7%	5.9%
iShares Russell 2000 Growth ETF	IWO	226.11	-0.8%	0.9%	-0.3%	5.4%
iShares MSCI United Kingdom ETF	EWU	32.14	-2.6%	-5.3%	-0.4%	4.8%
Shanghai Composite	.SSEC	3224.21	-0.7%	-3.0%	-1.5%	4.4%
iShares MSCI Austria Capped ETF	EWO	19.82	-3.1%	-6.2%	-2.1%	4.3%
Gold Future	GCc1	2571.10	0.2%	0.9%	1.7%	4.3%
iShares MSCI Brazil Capped ETF	EWZ	29.12	-2.3%	3.0%	6.4%	4.1%
iShares 20+ Year Treas Bond ETF	TLT	102.10	1.1%	-4.1%	-4.0%	2.6%
iShares MSCI Canada ETF	EWC	33.52	-2.6%	-4.8%	-1.9%	2.4%
iShares iBoxx $ Invest Grade Corp Bond	LQD	107.27	0.4%	-2.4%	-2.1%	1.7%
iShares MSCI Emerg Mkts ETF	EEM	38.55	-0.4%	-1.5%	-2.3%	1.7%
PowerShares Water Resources Portfolio	PHO	52.35	-0.8%	-0.4%	-1.9%	1.6%
iShares Russell 2000 ETF	IWM	175.50	-1.1%	0.2%	-1.6%	0.7%
iShares MSCI Singapore ETF	EWS	18.92	-1.8%	-4.8%	-4.7%	0.6%
iShares MSCI India ETF	INDA.K	41.81	1.7%	1.7%	6.2%	0.2%
iShares MSCI Australia ETF	EWA	22.25	-2.1%	-3.8%	-3.0%	0.1%
Industrial Select Sector SPDR	XLI	98.19	-0.4%	-1.8%	-3.0%	0.0%
SPDR DJIA ETF	DIA	330.52	0.0%	-3.1%	-0.6%	-0.2%
DJIA	.DJI	33042.78	0.0%	-3.1%	-0.7%	-0.3%
iShares Russell 1000 Value ETF	IWD	149.43	-0.8%	-3.4%	-1.9%	-1.5%
Materials Select Sector SPDR	XLB	75.83	-1.5%	-5.9%	-6.0%	-2.4%
Consumer Staples Select Sector SPDR	XLP	72.59	-2.2%	-6.3%	-2.8%	-2.6%
iShares US Real Estate ETF	IYR	81.80	-0.5%	-4.5%	-3.7%	-2.8%
Silver Future	SIc1	23.13	-1.5%	-7.5%	-3.9%	-3.1%
SPDR S&P Retail ETF	XRT	58.57	-1.4%	-4.7%	-7.6%	-3.1%
iShares Silver Trust	SLV	22.25	-1.0%	-7.4%	-3.7%	-3.2%
iShares US Telecomm ETF	IYZ	21.57	0.6%	-4.3%	-6.9%	-3.8%
iShares Nasdaq Biotechnology ETF	IBB.O	126.17	-3.8%	-3.3%	-2.3%	-3.9%
iShares Russell 2000 Value ETF	IWN	132.83	-1.4%	-0.5%	-3.1%	-4.2%
iShares MSCI BRIC ETF	BKF	32.71	-2.7%	-4.3%	-5.8%	-4.7%
Financial Select Sector SPDR	XLF	32.10	-0.6%	-3.2%	-0.2%	-6.1%
Health Care Select Sect SPDR	XLV	126.74	-2.5%	-5.1%	-2.1%	-6.7%
iShares China Large Cap ETF	FXI	26.04	-5.3%	-8.1%	-11.8%	-8.0%
Utilities Select Sector SPDR	XLU	64.34	-2.4%	-6.7%	-4.9%	-8.7%
iShares MSCI Malaysia ETF	EWM	20.71	-1.8%	-4.9%	-6.6%	-9.3%
iShares MSCI Hong Kong ETF	EWH	19.04	-3.1%	-8.6%	-7.3%	-9.4%
Energy Select Sector SPDR	XLE	77.96	-2.7%	-8.4%	-5.9%	-10.9%
United States Oil Fund, LP	USO	62.30	-4.0%	-7.7%	-6.2%	-11.1%
Oil Future	CLc1	69.46	-4.7%	-9.5%	-8.2%	-13.5%
iShares DJ US Oil Eqpt & Services ETF	IEZ	17.89	-3.4%	-6.9%	-7.4%	-15.6%
SPDR S&P Bank ETF	KBE	35.05	-1.2%	-4.3%	-5.4%	-22.4%

Outperformed SP500

Underperformed SP500

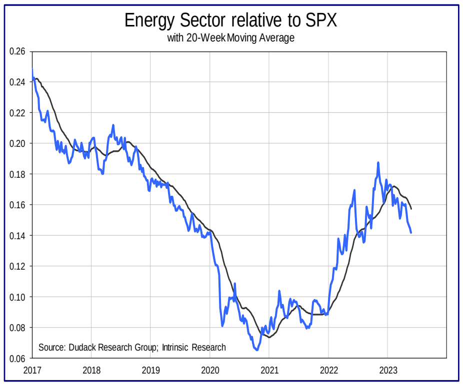
Source: Dudack Research Group; Refinitiv

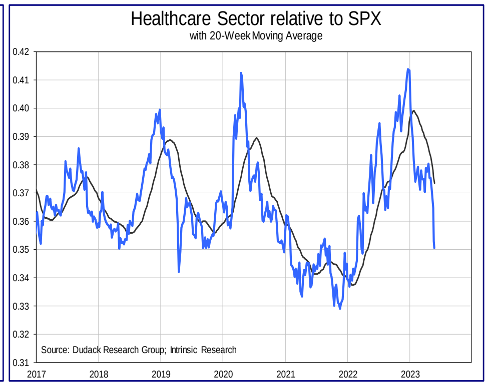
Priced as of May 30, 2023

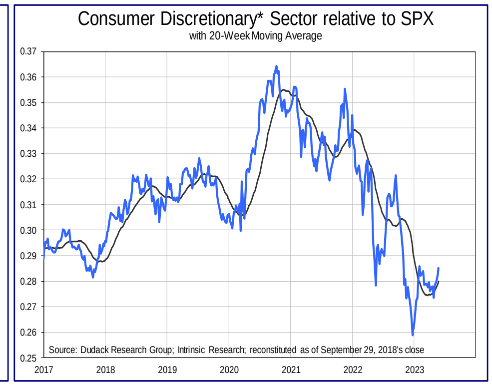
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

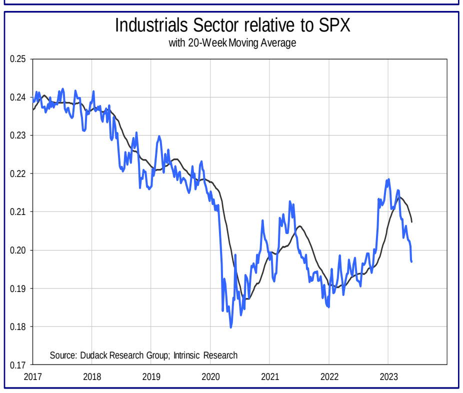
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Energy	Healthcare	Consumer Discretionary
Industrials	Technology	REITS
Staples	Materials	Communication Services
Utililties	Financials	

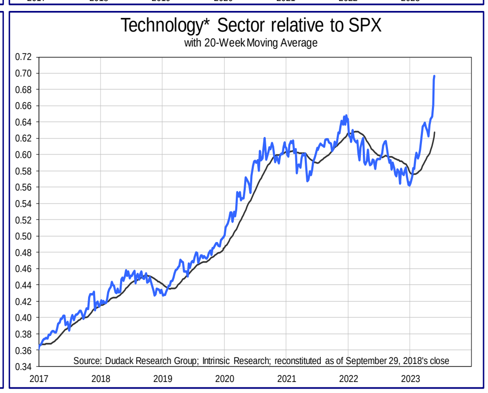
3/8/2022:Materials upgraded from underw eight to neutral/communication service dow ngraded from neutral to underw eight. 3/1/2022 Financials dow ngraded to neutral and Industrials upgraded to overw eight.

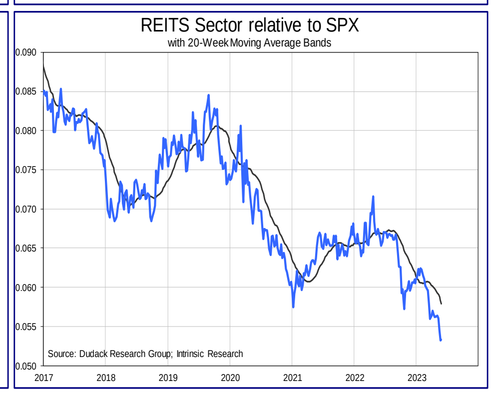


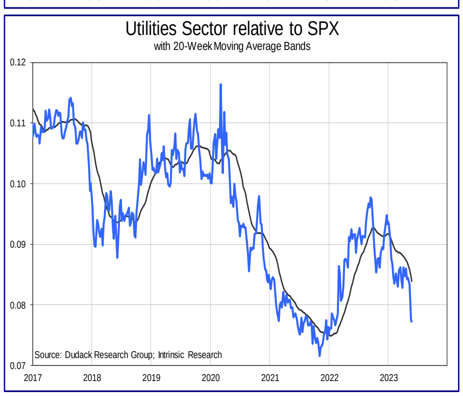


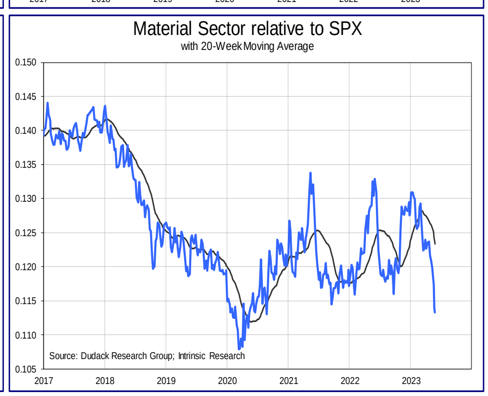


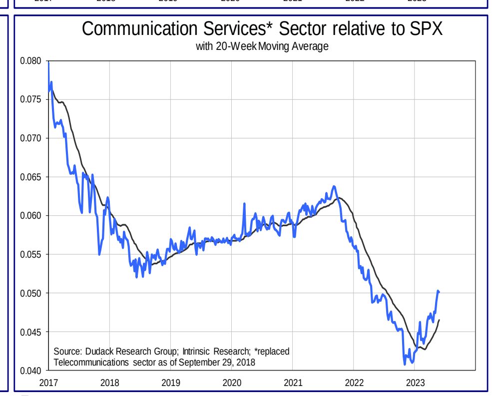


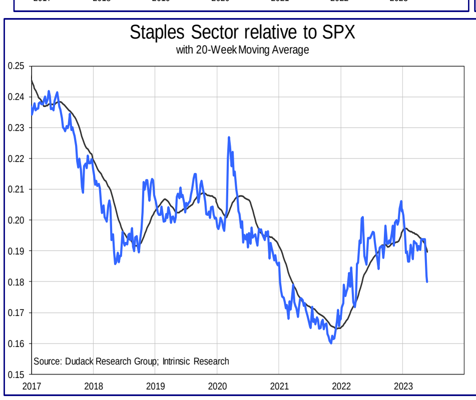


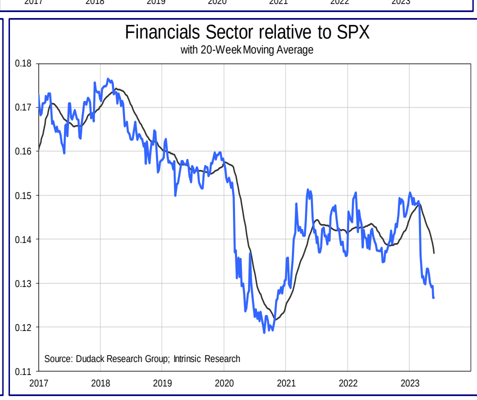












2023 Performance - Ranked	
SP500 Sector	% Change
S&P INFORMATION TECH	34.8%
S&P COMMUNICATIONS SERVICES	32.3%
S&P CONSUMER DISCRETIONARY	19.2%
S&P 500	9.5%
S&P INDUSTRIALS	-0.4%
S&P MATERIALS	-2.7%
S&P CONSUMER STAPLES	-2.9%
S&P REITS	-3.5%
S&P FINANCIAL	-6.5%
S&P HEALTH CARE	-7.0%
S&P UTILITIES	-9.4%
S&P ENERGY	-11.2%

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 Dow Jones Reported EPS**	S&P Dow Jones Operating EPS**	DRG Operating EPS Forecast	DRG EPS YOY %	IBES 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	~~~~~	$201.28	**$217.92**	$180.00	-8.6%	**$219.35**	0.6%	19.3X	NA	NA	NA	NA
2024E	~~~~~	$226.46	**$243.67**	$205.00	13.9%	**$245.07**	11.7%	17.3X	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 4Q	3839.50	$39.61	**$50.37**	$50.37	-11.2%	**$53.15**	-1.5%	19.5	1.7%	2.6%	$2,475.20	1.6%
2023 1QE	4109.31	$49.52	**$52.90**	$42.00	-14.9%	**$53.25**	-2.8%	20.5	1.8%	1.3%	$2,307.00	-2.8%
2023 2QE*	4205.52	$47.64	**$52.44**	$40.00	-14.7%	**$53.08**	-7.9%	20.4	NA	NA	NA	NA
2023 3QE	~~~~~	$51.13	**$55.44**	$48.00	-4.7%	**$56.08**	0.1%	19.9	NA	NA	NA	NA
20244QE	~~~~~	$52.99	**$57.14**	$50.00	-0.7%	**$57.83**	8.8%	19.3	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 5/30/2023

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.

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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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