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

June 7, 2023

DJIA: 33573.28
SPX: 4283.85
NASDAQ: 13276.42

US Strategy Weekly
It's Not What It Seems

Regional Banks

Last week's passage of a bi-partisan debt ceiling bill extended the worrisome debt ceiling debate to January 2025. This bill resolved a major crisis that could have triggered a default on US obligations and crushed the US dollar and economy. However, the aftermath of this bill could result in different unintended circumstances. And while some investors may be celebrating these consequences, we believe the short-term positives may not outweigh the longer-term problems.

The balance in the Treasury General Account dropped from $140 billion in mid-May to under $23.4 billion last week and the lifting of the debt ceiling means the Treasury can and must refill its coffers in the coming months. Analysts at Deutsche Bank have estimated that a whopping $1.3 trillion in Treasury bills will be issued over the remainder of 2023, bringing total issuance for the full year to about $1.6 trillion. This massive issuance of Treasury bills will almost certainly drain liquidity from the financial system and could also steepen the yield curve.

The problem with this is that a further rise in short-term interest rates and a further steepening in the yield curve will make the environment even more difficult for the banking system and for the regional banks in particular. Banks borrow on the short end of the yield curve and lend on the long end and a steep yield curve is not a profitable situation. Regional banks are already suffering from a serious exodus of deposits as account holders seek higher-yielding investments found in the Treasury market and/or money market funds. And as deposits continue to leave the financial sector, credit conditions will continue to tighten, and this will slow economic activity.

Adding to the pressure on the banking sector is the fact that regulators are currently planning to increase capital requirements for all banks with $100 billion in assets or more (down from $250 billion in assets) and this could mandate increases in capital cushions for some banks by as much as 20%. Again, this would add another burden on regional banks.

Last, but far from least is the potential for a crisis in commercial real estate and the ramifications on the commercial real estate debt market. According to the Wall Street Journal, in the next three years an estimated $1.5 trillion in commercial mortgage loans will come due. Data provider Trepp indicates that interest-only loans as a percentage of newly issued commercial mortgage-backed securities have represented 65% or more over the last ten years but this increased to 88% in 2021. And while borrowers typically pay off these mortgages by selling real estate or getting a new loan, falling real estate prices, and rising interest rates make neither of these options attractive in the current environment.

Given all these pressures on the real estate and financial markets, we find it curious that regional bank stocks have rallied in recent trading sessions. However, it may be that investors have viewed this from a short-term perspective and have concluded that the Federal Reserve is unlikely to raise interest rates next week. Given the fact that the Treasury market will already be dealing with a significant increase in supply in the month of June and is faced with an unknown amount of demand, this may prove to be true. In fact, it is questionable whether the Fed can continue with its quantitative tightening policy in the face of record debt issuance. Therefore, we are less convinced that the Fed will raise rates in June. But while the Fed may choose to pause next week, this is not great news, and it does not make us bullish.

Labor Markets

The BLS establishment survey indicated an increase of 339,000 jobs in the month of May, which was stronger than expected. However, the accompanying household survey suggested that employment fell by 310,000 jobs and that unemployment grew by 440,000. This discrepancy explains the increase in the unemployment rate from 3.4% to 3.7% for the month, but it also raises questions about the real strength of the job market. Job trends are important since one of the best leading indicators of a pending recession is a year-over-year decline in jobs. From this perspective, neither BLS survey suggests the economy is on the verge of a recession. See page 5. And the household survey showed other cracks in the data. Permanent job losers as a percentage of all unemployed was 26% in May, up from 21% in October. Of job losers and those completing temporary work, 36% were permanently laid off in May. The number of workers no longer counted in the labor force, but who indicated they want a job, increased from 5% to 6%; while discouraged workers increased 93,000 in the last 2 months to 396,000 in May. See page 6. Overall, the headline 339,000 job increase with upward adjustments to previous months was just not what it seemed. There were signs of weakness beneath the surface.

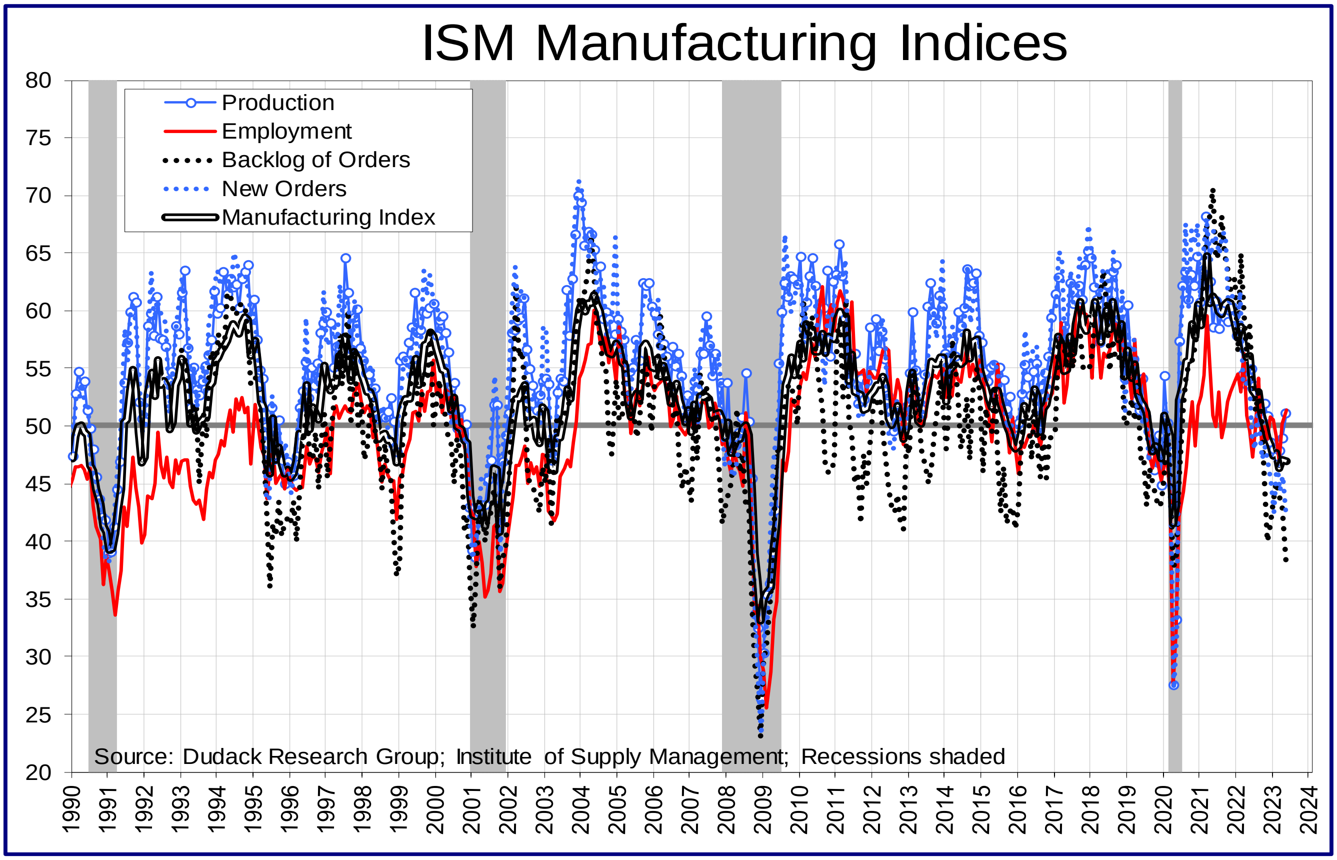
The Stock Market

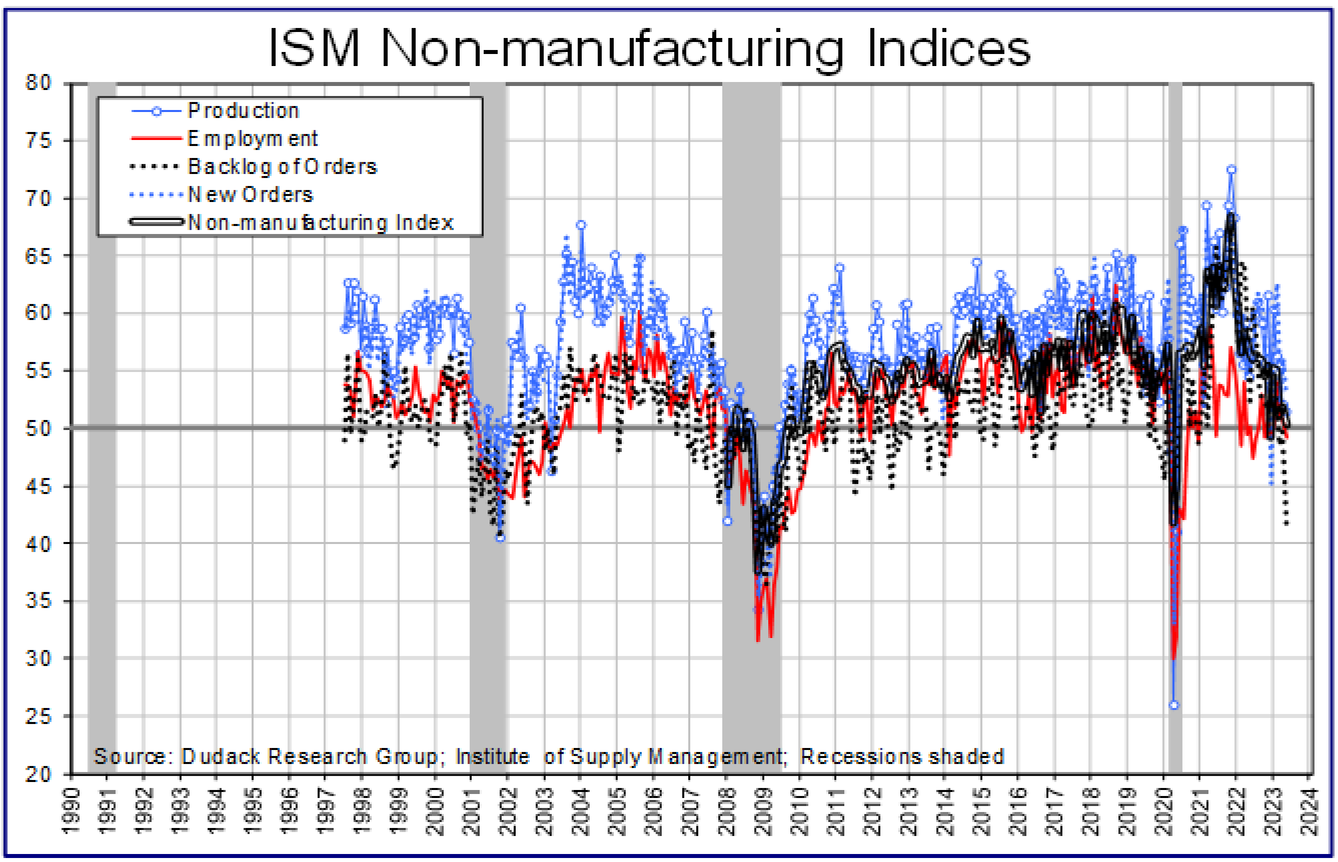
Tesla Inc. (TSLA - $221.31), Alphabet Inc. C (GOOG - $127.91), Amazon.com (AMZN - $126.61), Apple Inc. (AAPL - $179.21), Meta Platforms, Inc. (META -$271.12), Microsoft Corp. (MSFT - $333.68), Netflix Inc. (NFLX – 399.29) and Nvidia Corp. (NVDA - $386.54) , represented about 22% of the S&P 500's market capitalization at the start of the year, and now account for more than 30%. These stocks have been investor favorites this year which helps to explain why the equally weighted version of the S&P 500 (.WEGSPC – $5842.49) is up just 1.1% this year, the DJIA is up 1.3%, and the Russell 2000 index is up 5%, while the SPX is up 11.6% and the Nasdaq Composite has gained nearly 27% YTD. The recent rally clearly generated breakouts in the SPX and the Nasdaq Composite but is not visible in either the DJIA or the Russell 2000. See page 11. And despite the drama of a 701-point gain in the DJIA on June 2, 2023, there was no meaningful change in our 25-day volume oscillator or the NYSE cumulative advance/decline line in recent days. Moreover, the 701-point move materialized with NYSE volume that was below the 10-day average and volume continues to trend below its 10-day average. See pages 12-13. These are not impressive breadth statistics. We remember the Nifty Fifty and Dot-com eras, so we know narrow markets can be sustained longer than many expect. But we are not chasing this rally and believe the broad market will remain in a wide trading best seen in the Russell 2000 between 1650 and 2000.

S&P Earnings

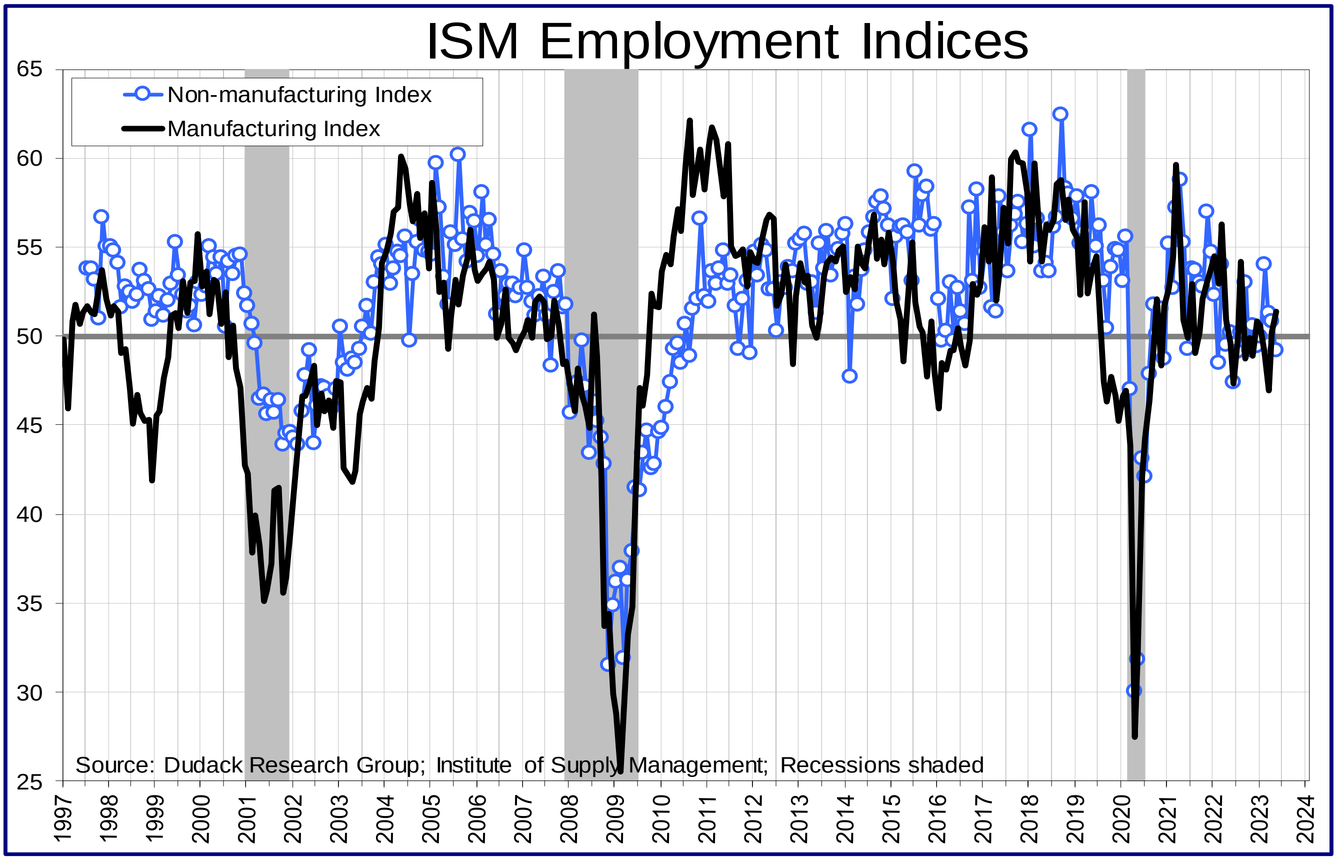
As the first quarter earnings season ends, the S&P Dow Jones consensus estimates for 2023 and 2024 were $218.69 and $244.70, up $0.77, and $1.03 for the week, respectively. Refinitiv IBES earnings estimates for 2023 and 2024 were $220.89 and $246.70, up $1.54, and $1.63, respectively. But note that last week's big increases effectively erased the declines seen in estimates over the prior three weeks. We did not see any major earnings release to account for this big change and therefore believe it is due primarily to positive forward guidance. However, it is also important to note that S&P data shows that 18.4% of companies reporting first quarter earnings had a decrease of 4% or more in their shares outstanding. This decline in shares outstanding boosts earnings per share but does not represent a significant change in overall earnings growth. In sum, earnings are not all that it seems. See page 9.

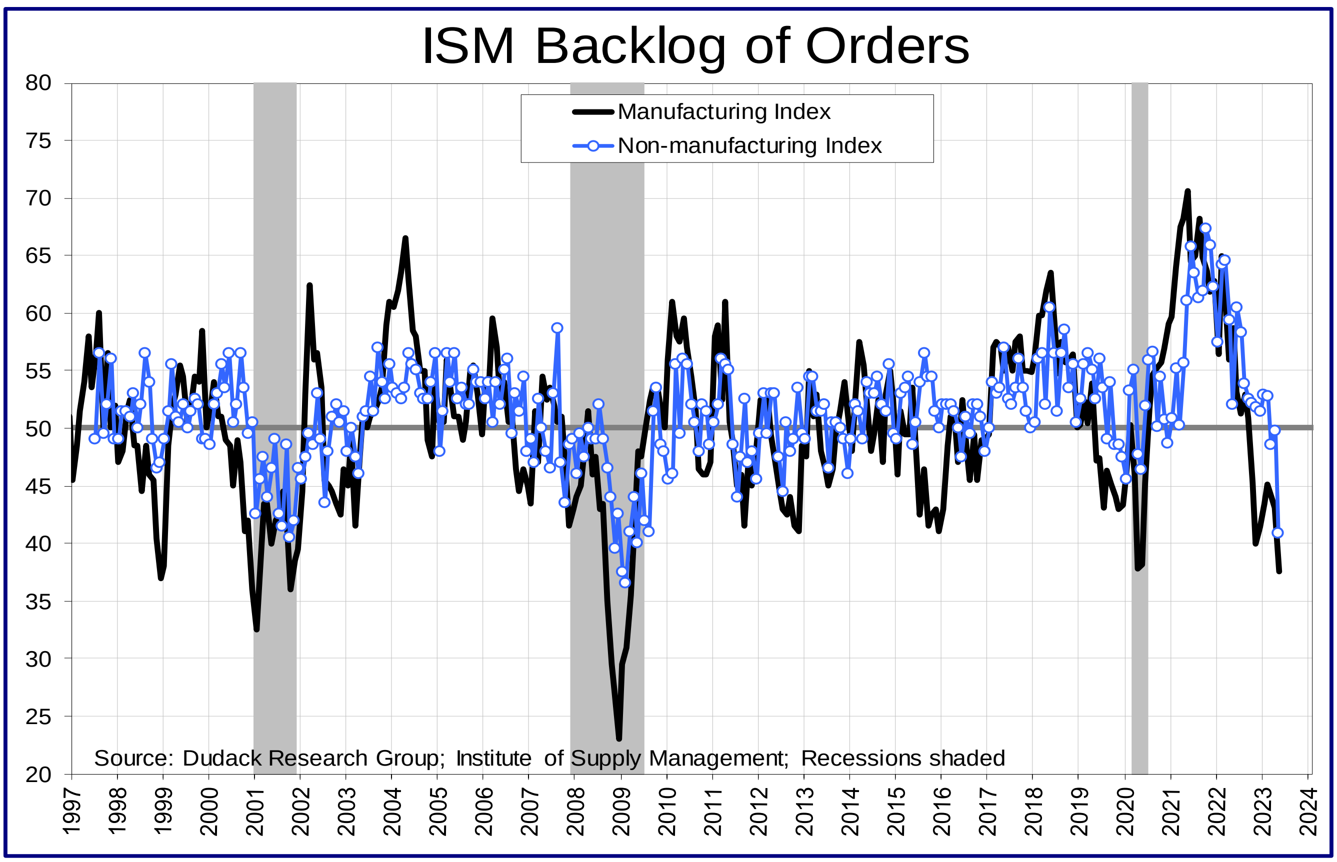
In May, the ISM manufacturing index fell from 47.1 to 46.9, with six of 9 components declining. The index depicts weakness in manufacturing. The ISM Non-manufacturing index slipped from 51.9 to 50.3, with 8 of 9 components declining. The 50.3 reading in services is barely above the 50-benchmark delineating expansion or contraction.





The most interesting aspects of May's ISM data were the increase in manufacturing employment from 50.2 to 51.4 (the third positive reading this year), and the massive decline in non-manufacturing order backlog which fell from 49.7 to 40.9. These declines in order backlogs put both indices deep into recession territory.

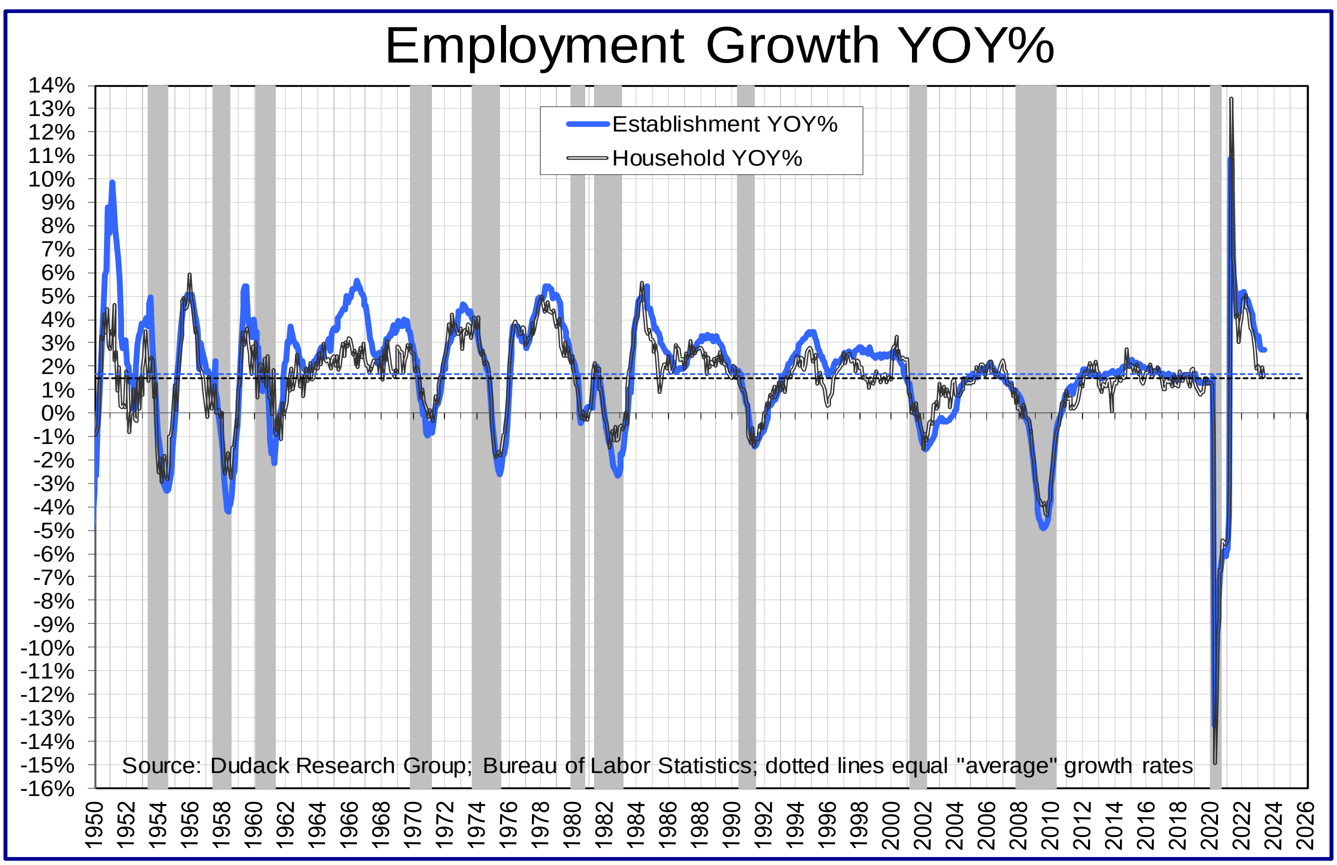




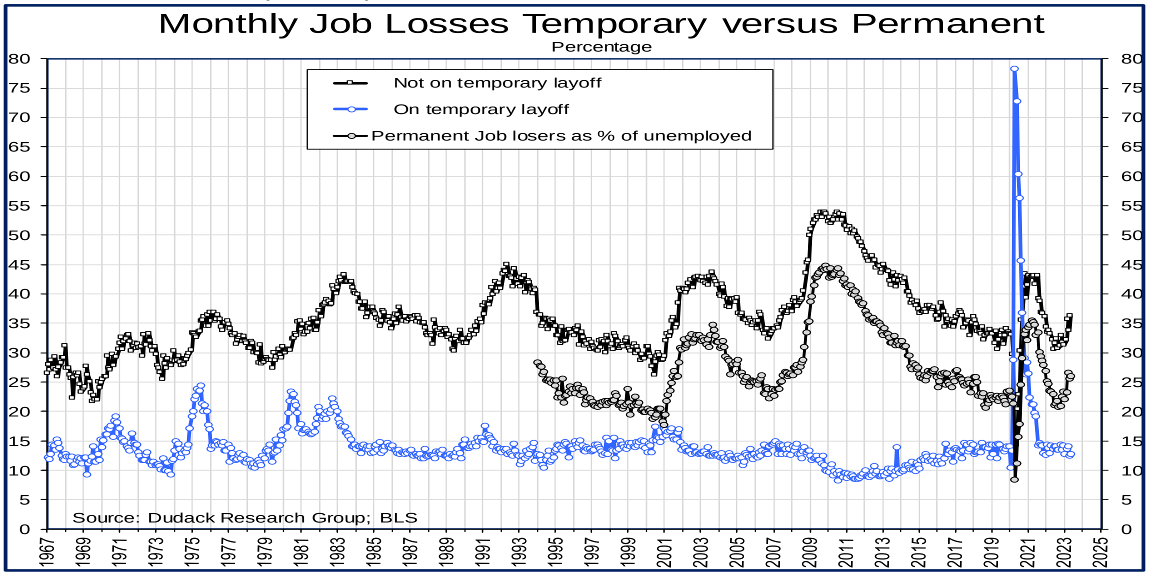
May's employment surveys displayed a significant disparity in terms of new jobs. The establishment survey indicated an increase of 339,000 jobs, which was stronger than expected. However, the household survey suggested that employment fell by 310,000 jobs and that unemployment grew by 440,000. This explains the increase in the household surveys increase in the unemployment rate from 3.4% to 3.7% in the month. However, one of the best leading indicators of a pending recession is a year-over-year decline in jobs. From this perspective, neither survey suggests the economy is on the verge of a recession. The household survey shows job growth for May to be about average, whereas, the establishment survey shows jobs growing well above the long-term average of 1.7% YOY.

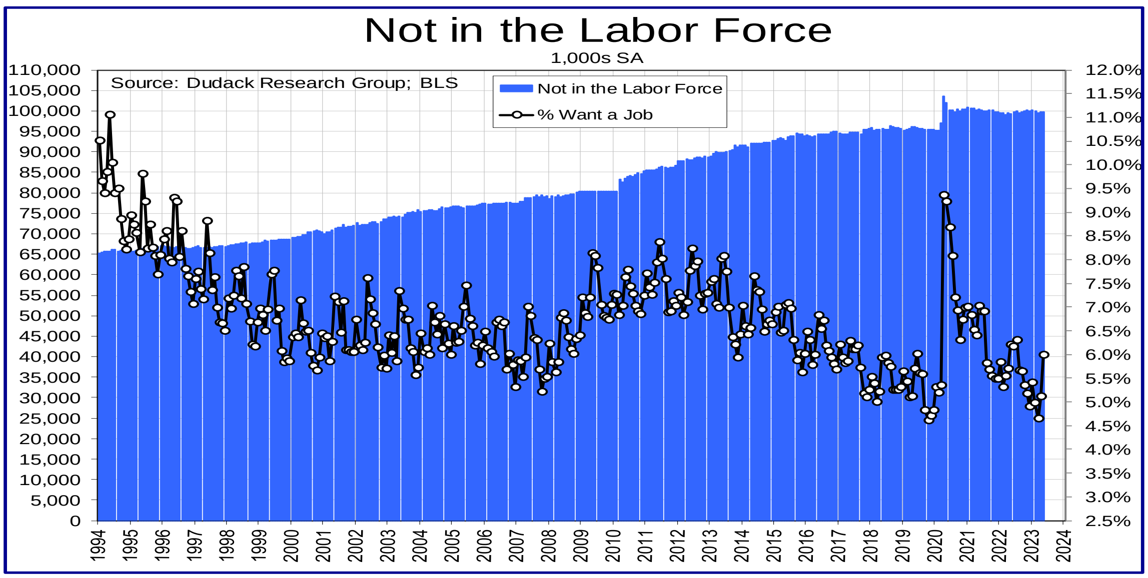
Employment Surveys (1,000s SA)	May-23	Apr-23	Change	May-22	Yr/Yr
Establishment Survey: NonFarm Payrolls	156,105	155,766	339	152,042	4,063
Household Survey Data (1,000s)					
Employed (A)	160,721	161,031	(310)	158,299	2,422
Unemployed (B)	6,097	5,657	440	5,979	118
Civilian labor force [A+B]	166,818	166,688	130	164,278	2,540
Unemployment rate [B/(A+B)]	3.7%	3.4%	0.26%	3.6%	0.0%
U6 Unemployment rate	6.7%	6.6%	0.1%	7.1%	-0.4%
Civilian noninstitutional population (C)	266,618	266,443	175	263,679	2,939
Participation rate [(A+B)/C]	62.6	62.6	0.0	62.3	0.3
Employment-population ratio [A/C]	60.3	60.4	-0.1	60	0.3
Not in labor force	99,800	99,861	-61	99,400	400

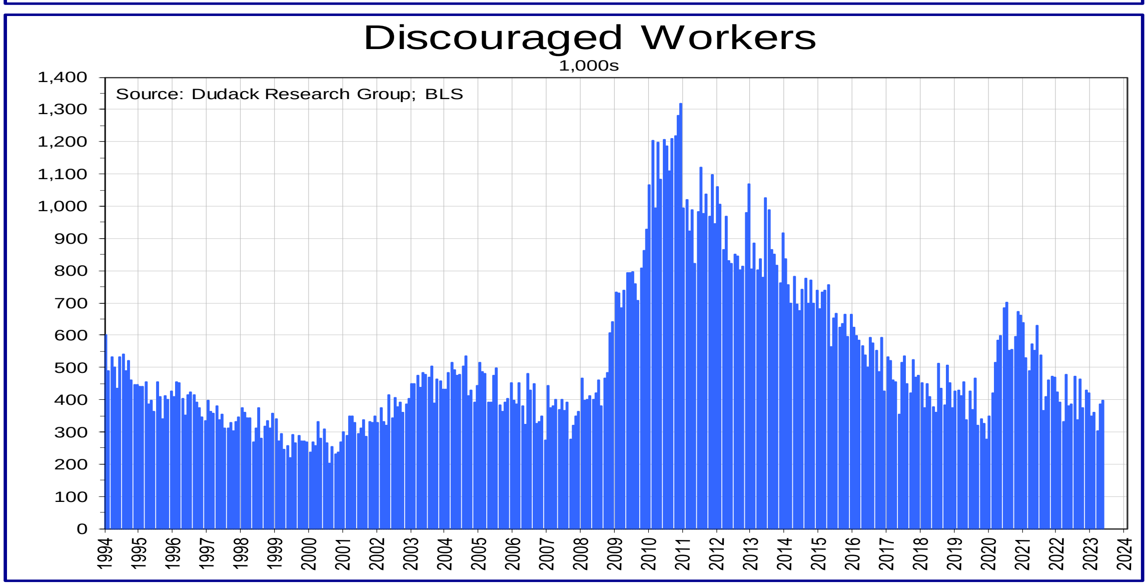
Source: Bureau of Labor Statistics



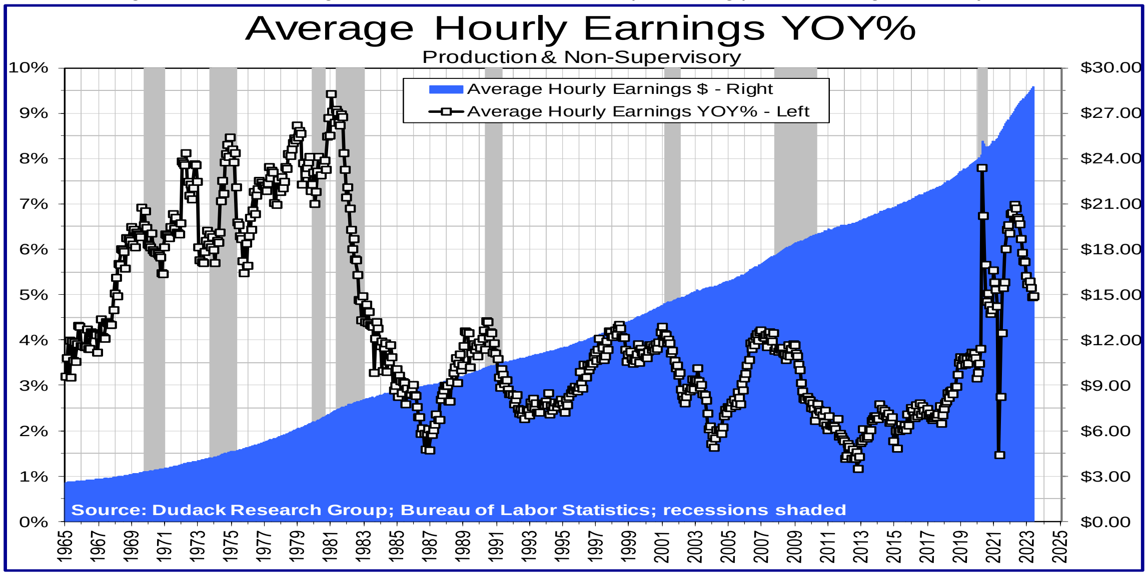
Permanent job losers as a % of the unemployed was 26% in May, up from 21% in October. Of job losers and those completing temporary work, 36% were permanently laid off in May. The number of workers no longer counted in the labor force, but who indicated they want a job, increased from 5% to 6%; while discouraged workers increased 93,000 in the last 2 months to 396,000 in May. Overall, there were signs of deterioration in the household job survey.

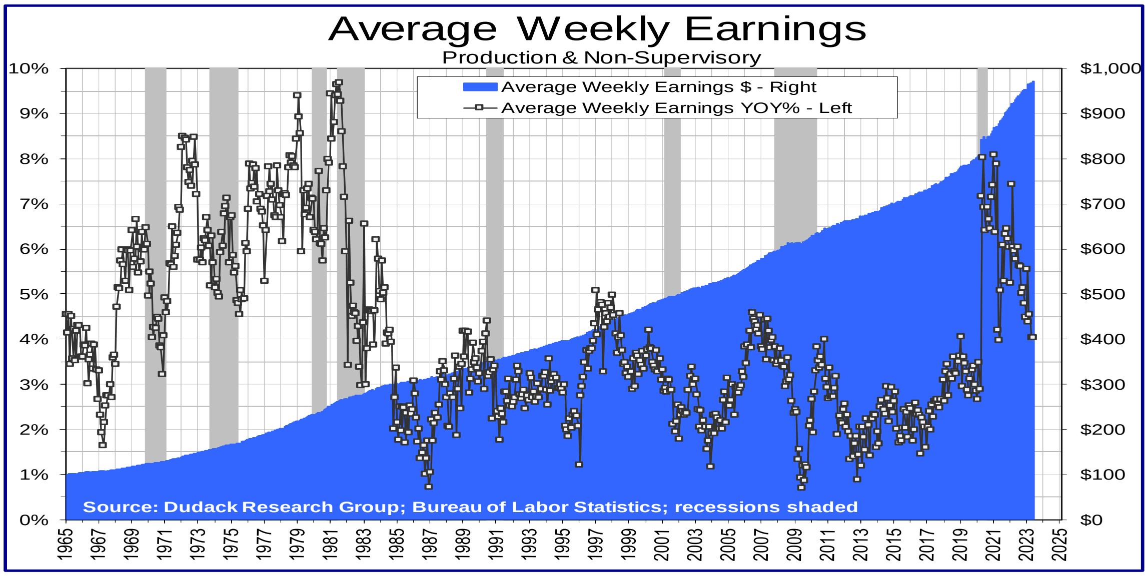


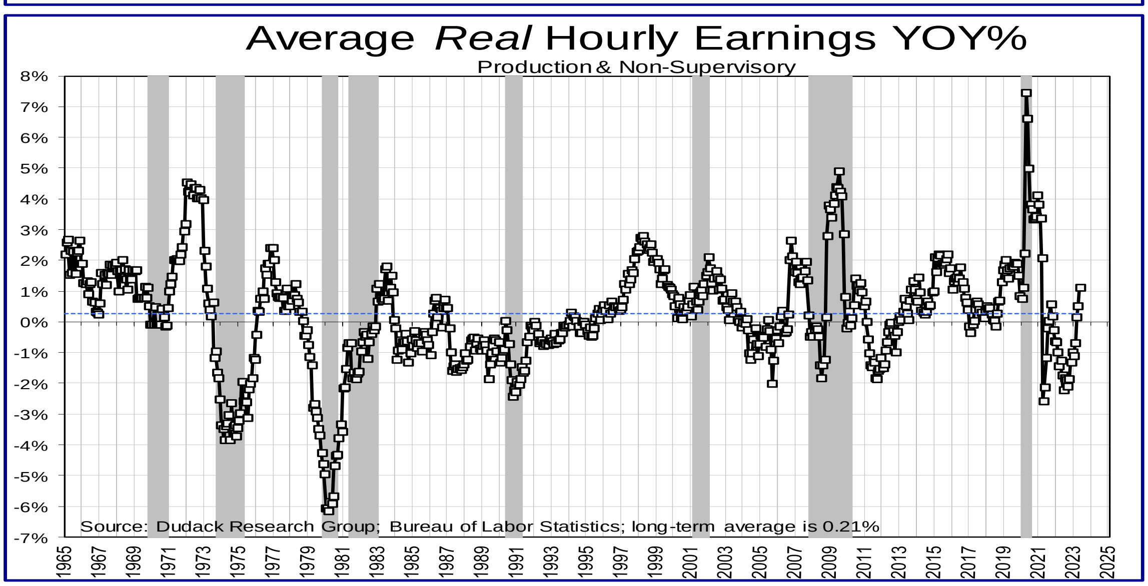




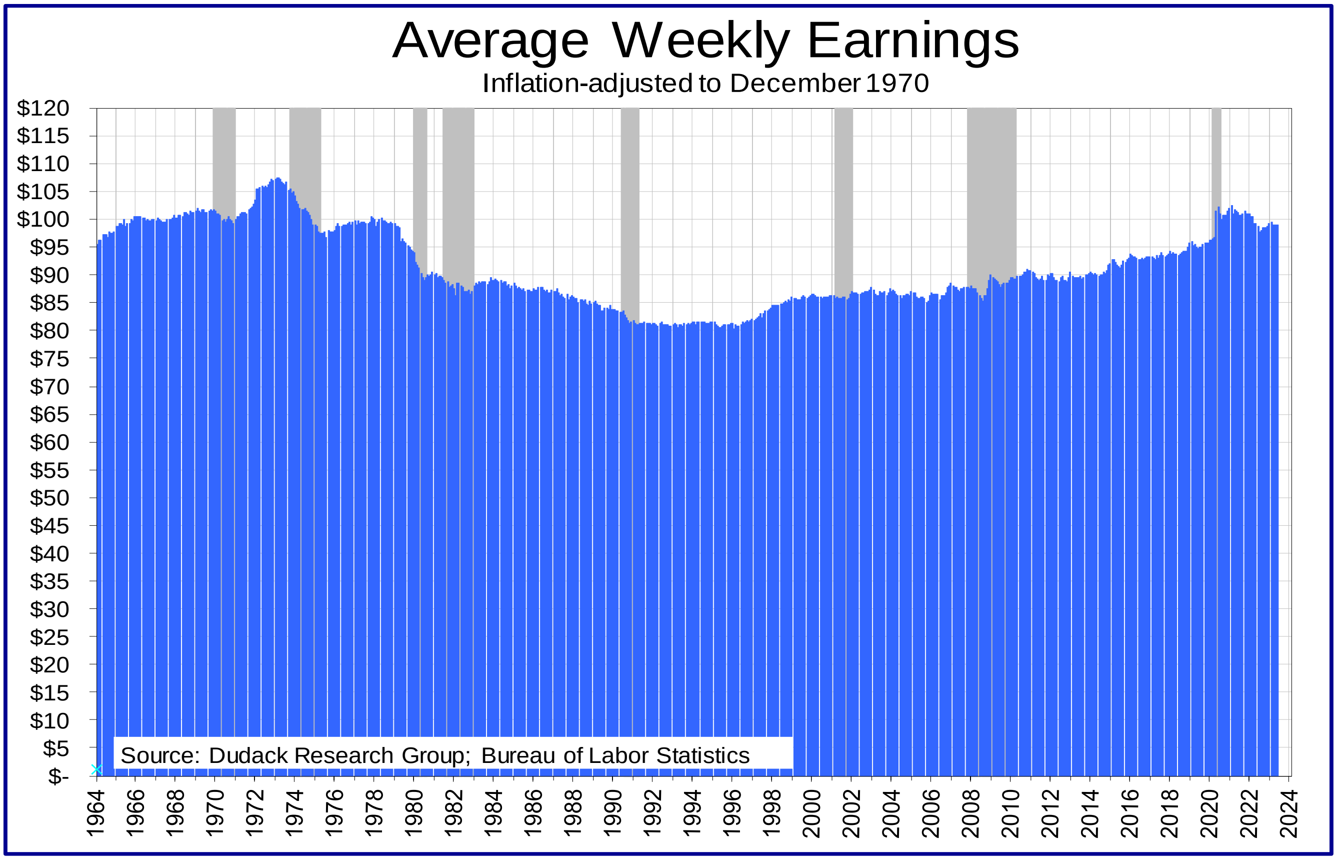
Average hourly earnings rose 5% YOY for production and non-supervisory employees in May, matching the growth rate seen in recent months, while average weekly earnings grew 4% matching April's pace, but down from the 5.6% YOY seen in January. Nevertheless, average real hourly earnings rose 1.1% YOY due to decelerating inflation data. The good news is that this increases purchasing power, although minimally.

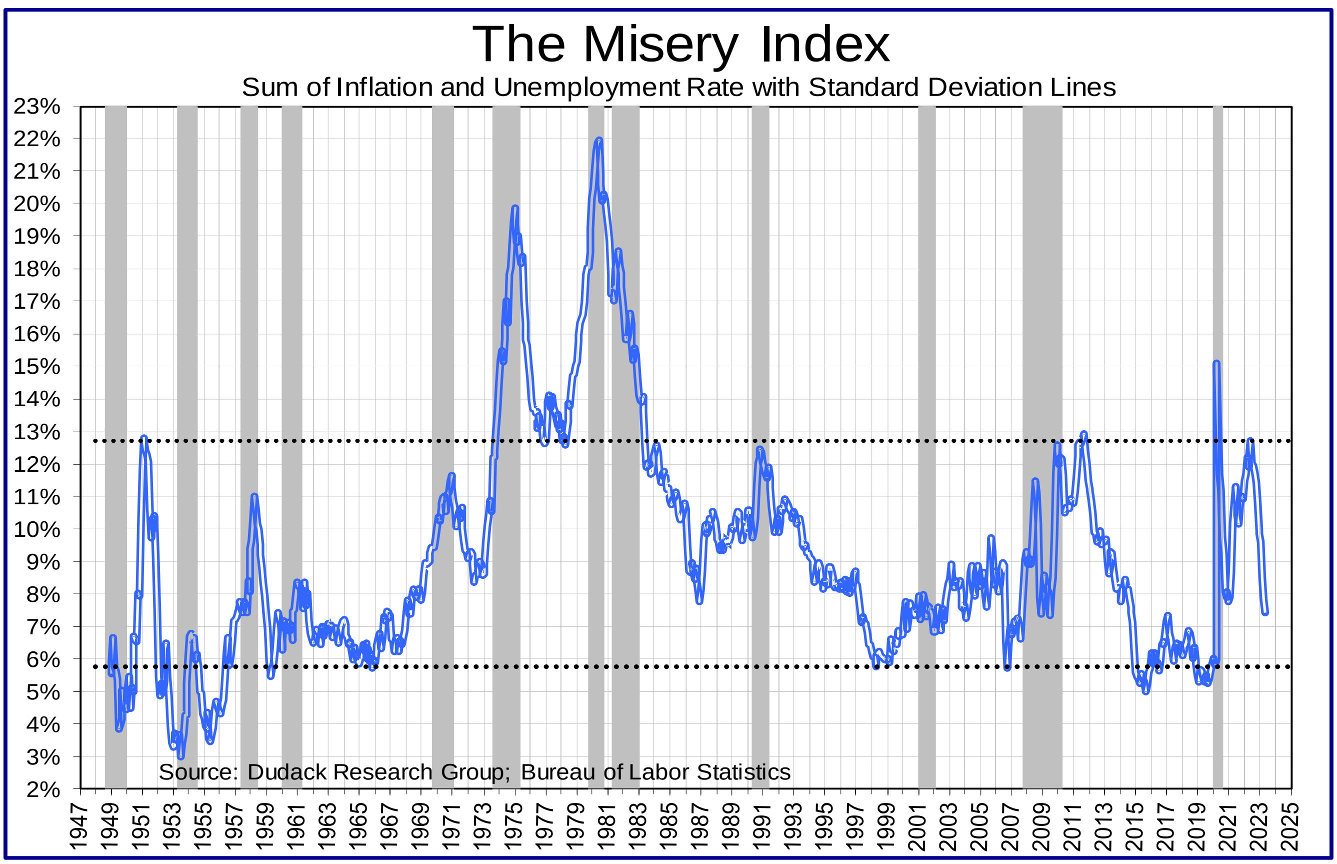




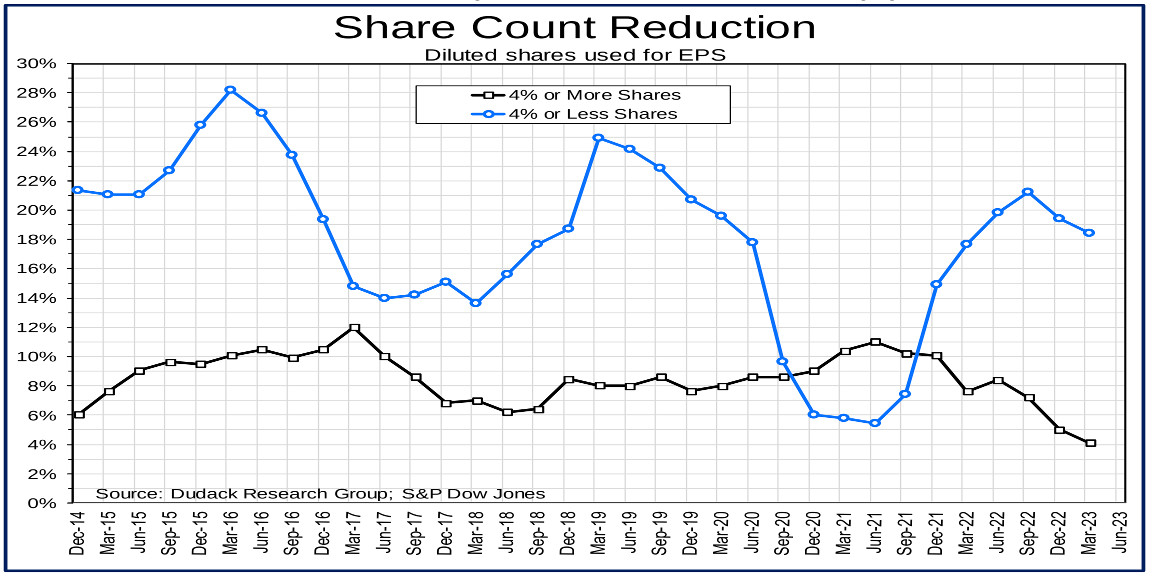


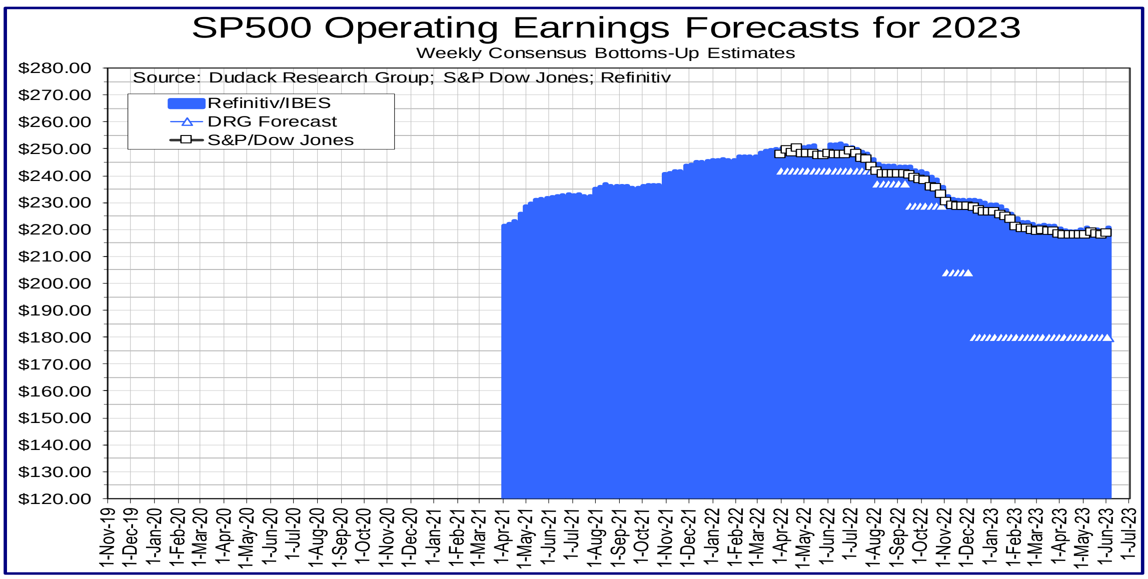
When average weekly earnings are adjusted for inflation as of December 1970 (December 1970 = 100.0), May's 98.98 level shows that there has been no inflation-adjusted increase for workers' weekly earnings in the last 53 years. Still, the misery index, which combines inflation with the unemployment level, has declined substantially as inflation eases and unemployment remains historically low.

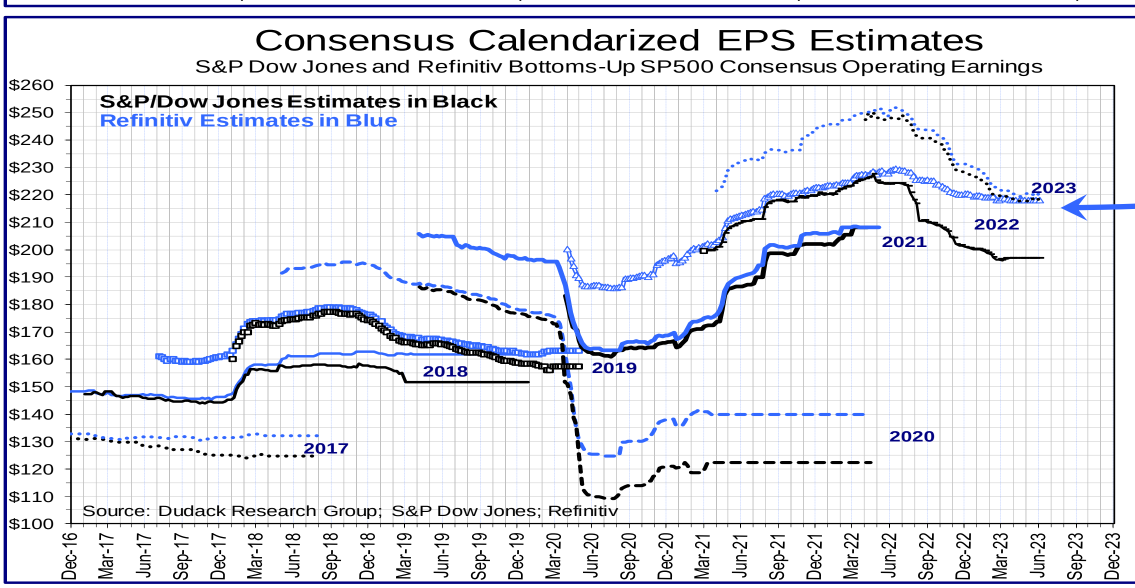




As the first quarter earnings season ends, the S&P Dow Jones consensus estimates for 2023 and 2024 are $218.69 and $244.70, up $0.77, and $1.03 for the week, respectively. Refinitiv IBES earnings estimates for 2023 and 2024 are $220.89 and $246.70, up $1.54, and $1.63, respectively, and effectively erasing the declines seen in estimates in the prior three weeks. It is important to note that S&P data shows that 18.4% of companies reporting first quarter earnings also had a decrease of 4% or more in shares outstanding. This boosts EPS but not overall earnings growth.



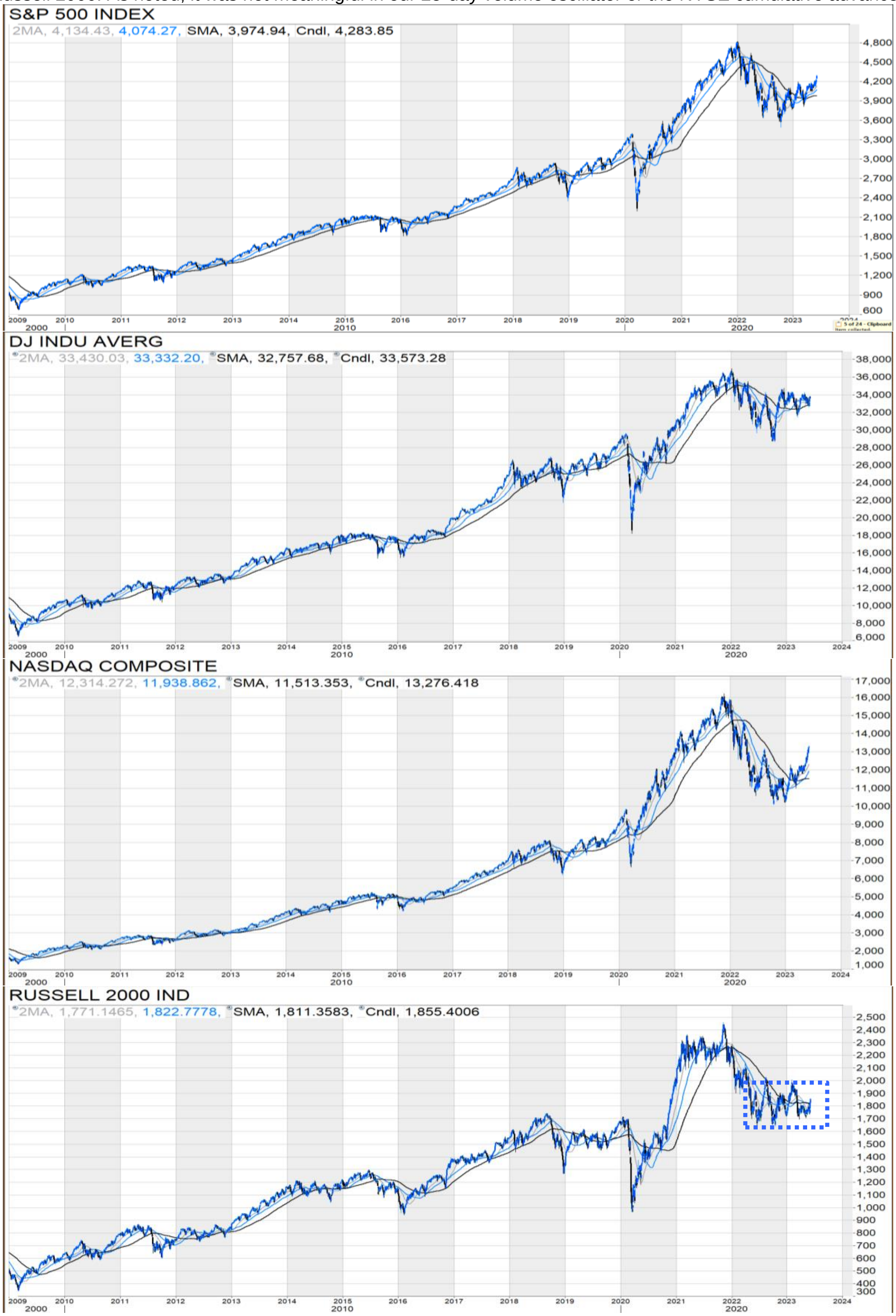




Interesting to see that crude oil futures had little response to the Saudi Arabian announcement of a potential cut in production. A downtrend in WTI continues. Gold had tentatively broken through the key resistance above $2000 but has since retreated. The dollar remains in a trading range between $100 and $106.

Source: Refinitiv

The recent rally that clearly generated breakouts in both the SPX at 4200 and the Nasdaq Composite at 13,000 is not visible in either the DJIA or the Russell 2000. As noted, it was not meaningful in our 25-day volume oscillator or the NYSE cumulative advance/decline line.



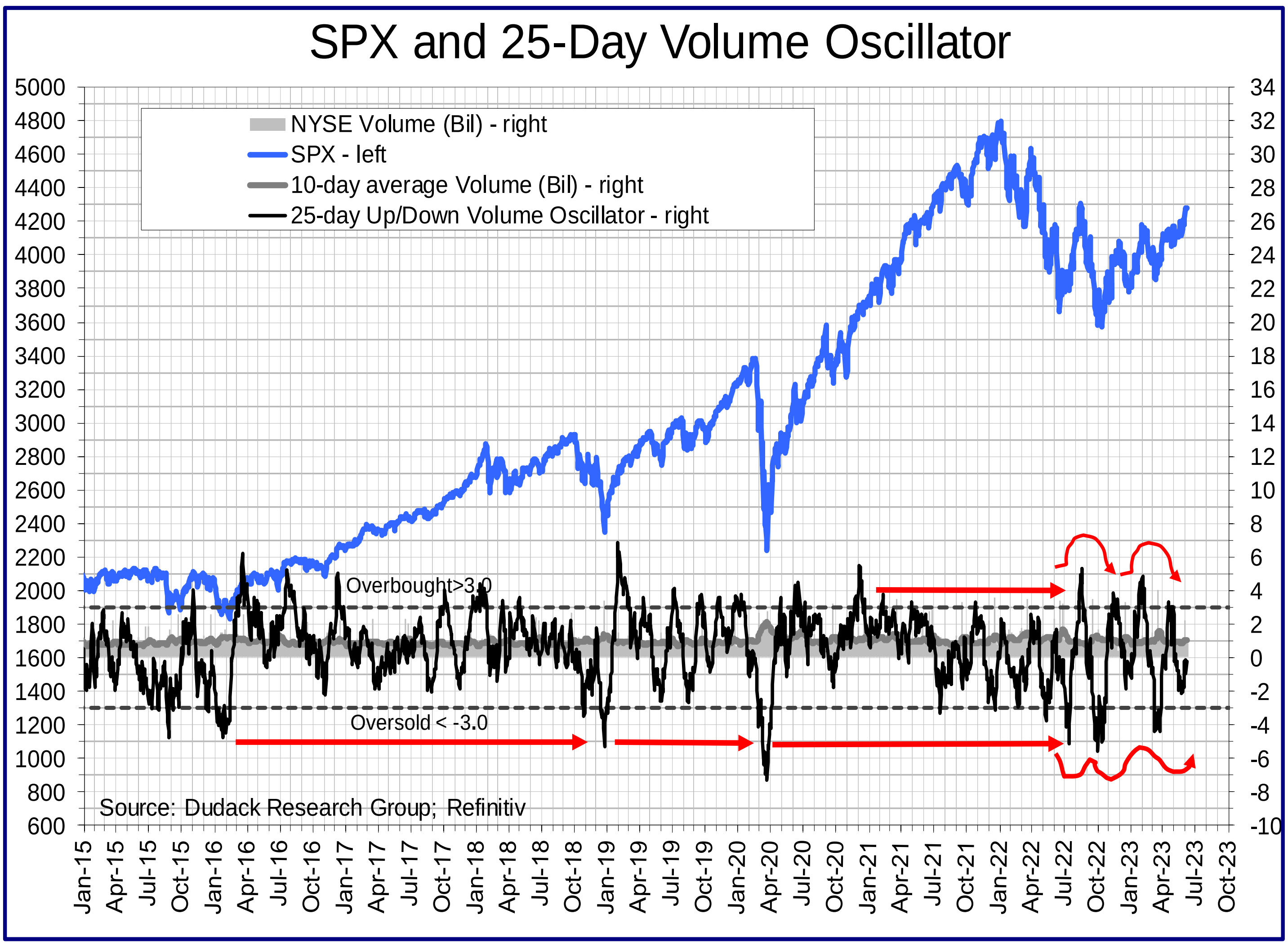
Source: Refinitiv

The 25-day up/down volume oscillator is at negative 0.19 reading this week and has barely changed during the recent rally revealing a lack of convincing volume in advancing stocks. The oscillator remains in neutral territory. More importantly, NYSE volume on the 701-point gain in the DJIA on June 2, materialized on daily volume that was below the 10-day average. Volume has been below the 10-day average for the last three trading sessions.

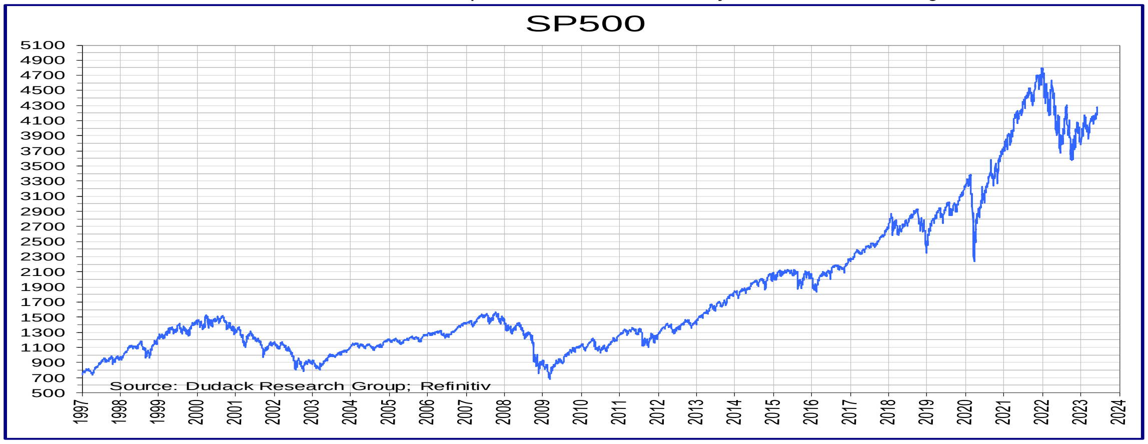
The oscillator recorded one-day **overbought** readings of 3.0 or higher on April 18, April 24, and April 28, but was unable to maintain an overbought reading on a rally. This revealed a weakness in underlying buying pressure, i.e., demand.

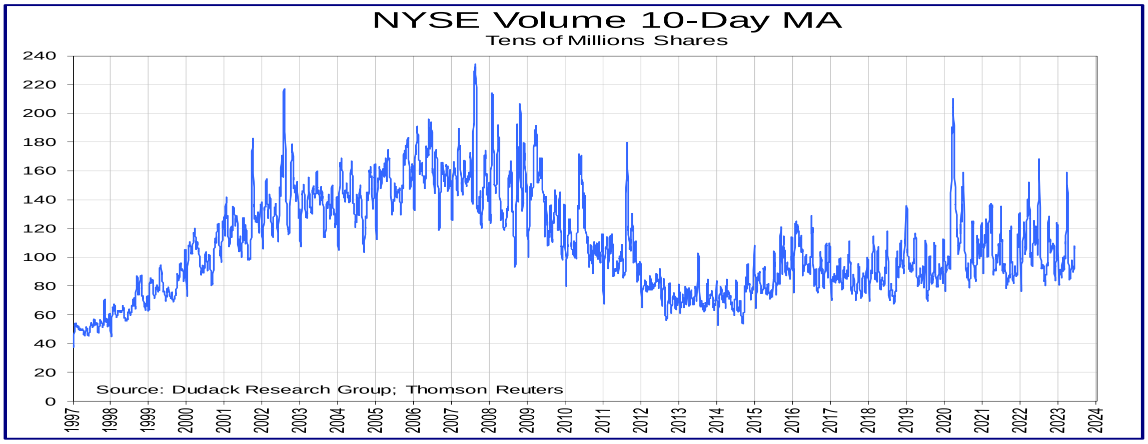
The string of un-sustained overbought and oversold readings that began a year ago, is characteristic of a long-term neutral trading range. Persistent trading ranges can be substitutes for bear markets. In both cases, prices are adjusting to an underlying weakness in earnings growth.

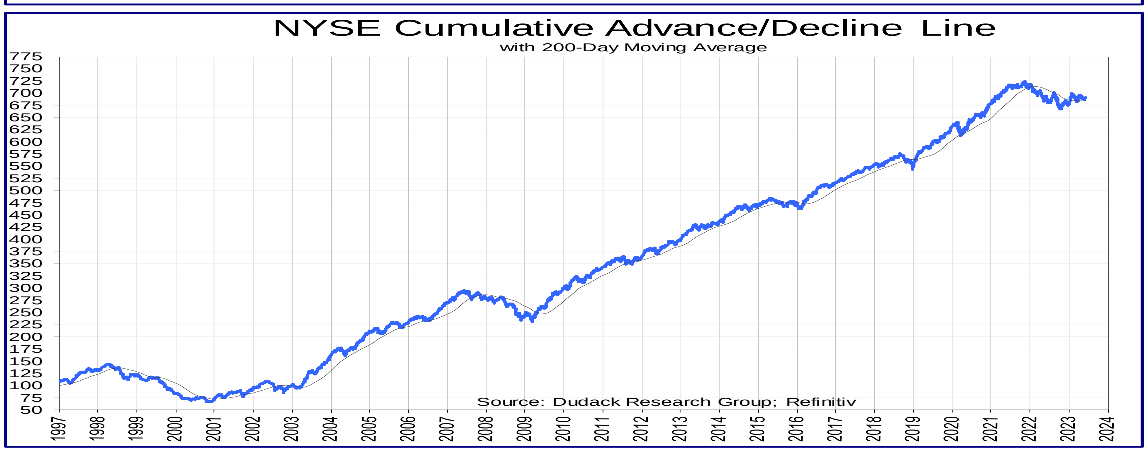
It will be important to see if the recent rise in the indices can generate an overbought reading, which would be a sign of sustained buying pressure. If not, it would be a sign of weakness for the equity market.

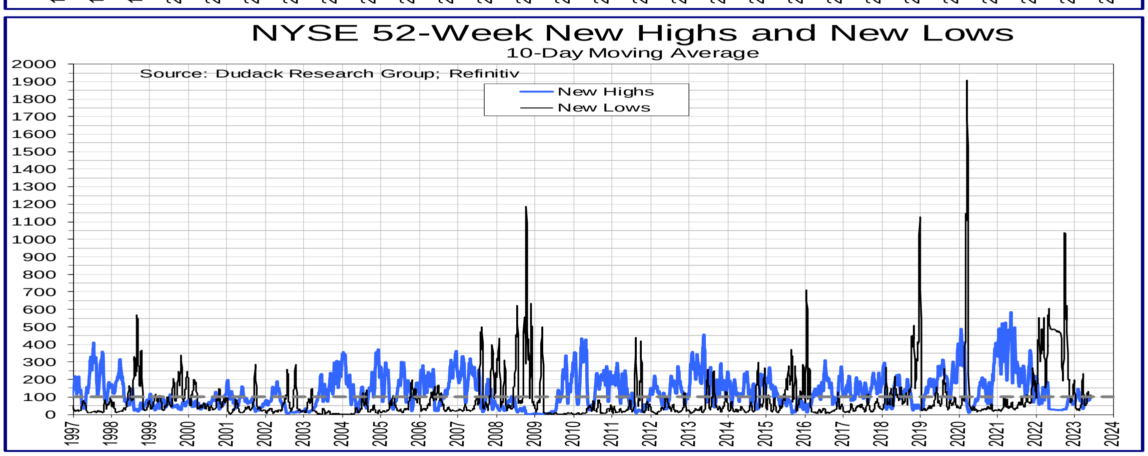


The 10-day average of daily new highs is 103 and new lows are 104. This combination is now neutral since new highs and new lows are both at the pivotal 100 level. The advance/decline line fell below the June low on September 22 and is currently 32,413 net advancing issues from its 11/8/21 high.

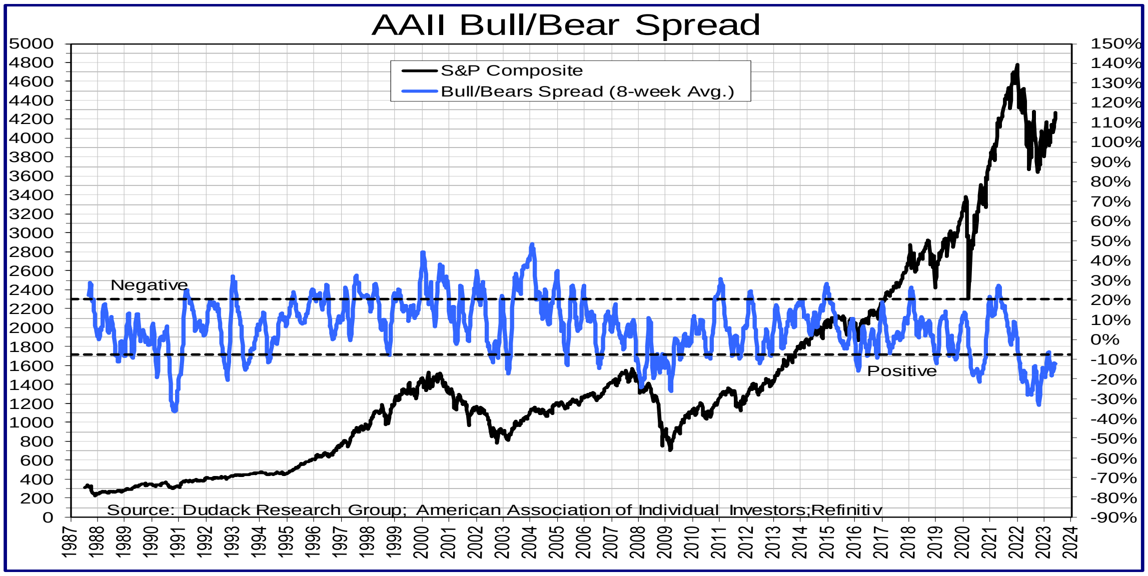


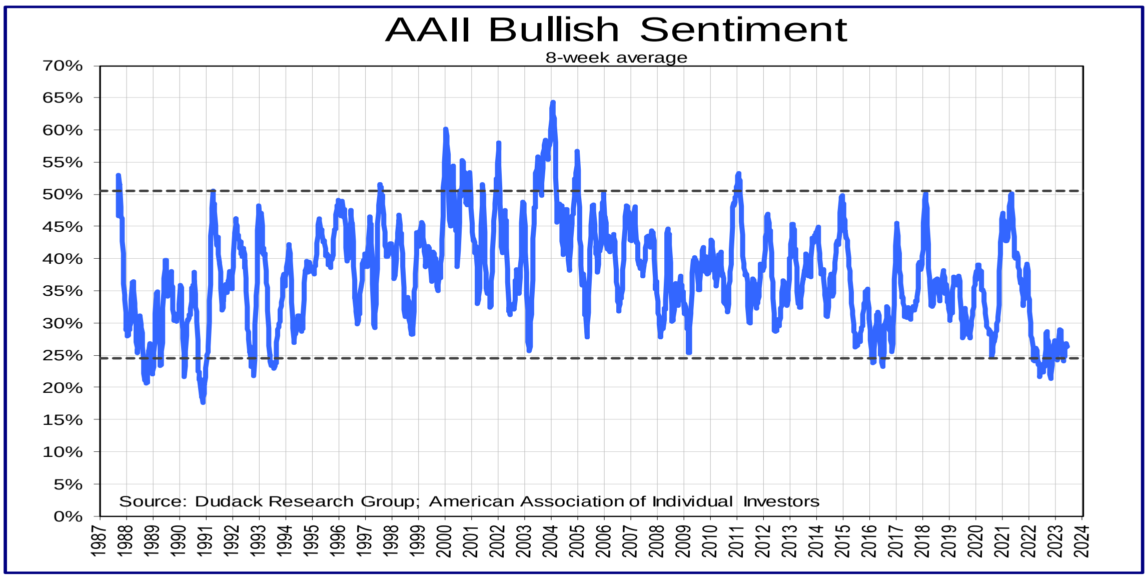


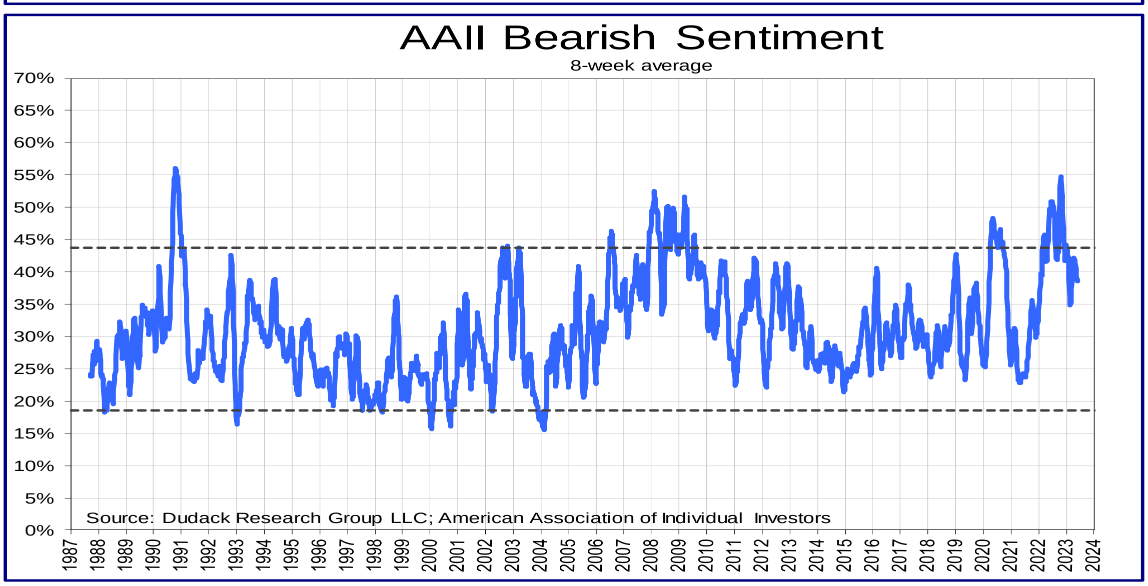




Last week's AAII readings saw a 1.7% increase in bullishness to 29.1% and a 2.9% decrease in bearishness to 36.8%. Bearishness remains above average for the 75th time in the past 80 weeks and bullishness is below average for the 78th time in the last 80 weeks. The Bull/Bear 8-week Spread remained in 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	165.90	0.1%	9.7%	9.9%	33.3%
NASDAQ 100	NDX	14558.09	1.4%	9.8%	10.4%	33.1%
Communication Services Select Sector SPDR Fund	XLC	63.58	2.1%	9.0%	9.7%	32.5%
Nasdaq Composite Index Tracking Stock	ONEQ.O	52.15	2.0%	8.6%	8.8%	27.3%
iShares MSCI Mexico Capped ETF	EWW	62.39	3.6%	1.9%	4.8%	26.2%
SPDR S&P Semiconductor ETF	XSD	207.12	-0.8%	16.3%	-0.7%	23.9%
iShares Russell 1000 Growth ETF	IWF	264.45	1.8%	7.0%	8.2%	23.4%
Consumer Discretionary Select Sector SPDR	XLY	159.11	4.0%	8.1%	6.4%	23.2%
SPDR Homebuilders ETF	XHB	74.06	5.3%	4.6%	9.3%	22.8%
iShares MSCI Taiwan ETF	EWT	47.26	1.0%	6.4%	4.3%	17.7%
iShares MSCI South Korea Capped ETF	EWY	65.70	3.6%	6.7%	7.3%	16.3%
iShares MSCI Japan ETF	EWJ	63.04	5.3%	5.9%	7.4%	15.8%
iShares MSCI Germany ETF	EWG	28.51	0.3%	-3.4%	0.2%	15.3%
iShares MSCI Brazil Capped ETF	EWZ	31.35	7.7%	9.0%	14.5%	12.1%
iShares Russell 1000 ETF	IWB	235.20	2.1%	3.9%	4.4%	11.7%
SP500	.SPX	4283.85	1.9%	3.6%	4.2%	11.6%
iShares MSCI EAFE ETF	EFA	72.83	2.0%	-1.4%	1.8%	11.0%
iShares Russell 2000 Growth ETF	IWO	236.97	4.8%	5.4%	4.5%	10.5%
Vanguard FTSE All-World ex-US ETF	VEU	54.42	2.4%	-0.6%	1.8%	8.5%
SPDR Gold Trust	GLD	182.34	0.2%	-2.7%	-0.5%	7.5%
iShares MSCI Austria Capped ETF	EWO	20.32	2.5%	-3.2%	0.4%	6.9%
iShares MSCI United Kingdom ETF	EWU	32.66	1.6%	-3.6%	1.2%	6.5%
iShares Russell 2000 ETF	IWM	184.31	5.0%	5.7%	3.3%	5.7%
iShares MSCI Canada ETF	EWC	34.53	3.0%	-2.6%	1.0%	5.5%
iShares MSCI Emerg Mkts ETF	EEM	39.88	3.5%	1.2%	1.1%	5.2%
PowerShares Water Resources Portfolio	PHO	54.22	3.6%	0.7%	1.6%	5.2%
Gold Future	GCc1	2576.10	0.2%	0.9%	1.9%	4.5%
Shanghai Composite	.SSEC	3195.34	-0.9%	-4.2%	-2.4%	3.4%
iShares 20+ Year Treas Bond ETF	TLT	102.40	0.3%	-2.4%	-3.7%	2.9%
Industrial Select Sector SPDR	XLI	100.87	2.7%	1.4%	-0.3%	2.7%
iShares MSCI Singapore ETF	EWS	19.21	1.5%	-4.1%	-3.2%	2.1%
iShares MSCI Australia ETF	EWA	22.70	2.0%	-2.6%	-1.0%	2.1%
iShares iBoxx $ Invest Grade Corp Bond	LQD	107.29	0.0%	-1.2%	-2.1%	1.8%
Materials Select Sector SPDR	XLB	79.01	4.2%	-0.8%	-2.0%	1.7%
SPDR DJIA ETF	DIA	336.17	1.7%	-0.2%	1.1%	1.5%
DJIA	.DJI	33573.28	1.6%	-0.3%	0.9%	1.3%
iShares MSCI India ETF	INDA.K	42.26	1.1%	2.1%	7.4%	1.2%
iShares Russell 1000 Value ETF	IWD	153.01	2.4%	0.7%	0.5%	0.9%
iShares Russell 2000 Value ETF	IWN	139.67	5.1%	5.7%	1.9%	0.7%
iShares US Real Estate ETF	IYR	84.28	3.0%	-1.0%	-0.7%	0.1%
SPDR S&P Retail ETF	XRT	60.43	3.2%	-1.2%	-4.7%	0.0%
iShares MSCI BRIC ETF	BKF	34.27	4.8%	-0.4%	-1.3%	-0.2%
iShares China Large Cap ETF	FXI	27.99	7.5%	-2.4%	-5.2%	-1.1%
Silver Future	SIc1	23.57	1.9%	-8.4%	-2.1%	-1.2%
iShares Silver Trust	SLV	22.63	1.7%	-8.1%	-2.1%	-1.5%
iShares Nasdaq Biotechnology ETF	IBB.O	129.08	2.3%	-2.2%	-0.1%	-1.7%
Consumer Staples Select Sector SPDR	XLP	72.97	0.5%	-5.5%	-2.3%	-2.1%
Financial Select Sector SPDR	XLF	33.04	2.9%	2.2%	2.8%	-3.4%
Health Care Select Sect SPDR	XLV	129.70	2.3%	-2.9%	0.2%	-4.5%
iShares US Telecomm ETF	IYZ	21.33	-1.1%	-1.5%	-7.9%	-4.9%
iShares MSCI Hong Kong ETF	EWH	19.89	4.5%	-3.5%	-3.2%	-5.3%
Utilities Select Sector SPDR	XLU	65.38	1.6%	-5.3%	-3.4%	-7.3%
Energy Select Sector SPDR	XLE	80.01	2.6%	-0.3%	-3.4%	-8.5%
United States Oil Fund, LP	USO	63.79	2.4%	1.2%	-4.0%	-9.0%
iShares MSCI Malaysia ETF	EWM	20.53	-0.9%	-7.4%	-7.4%	-10.1%
Oil Future	CLc1	71.74	3.3%	0.6%	-5.2%	-10.6%
iShares DJ US Oil Eqpt & Services ETF	IEZ	18.90	5.6%	3.5%	-2.2%	-10.8%
SPDR S&P Bank ETF	KBE	37.33	6.5%	10.9%	0.7%	-17.3%

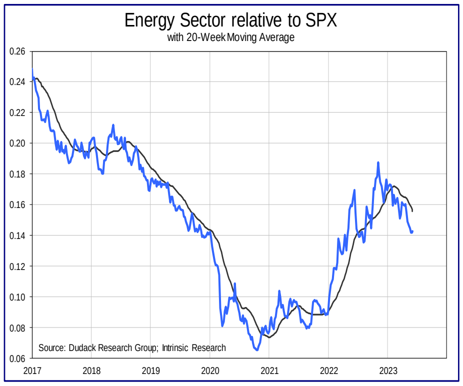
Outperformed SP500
Underperformed SP500

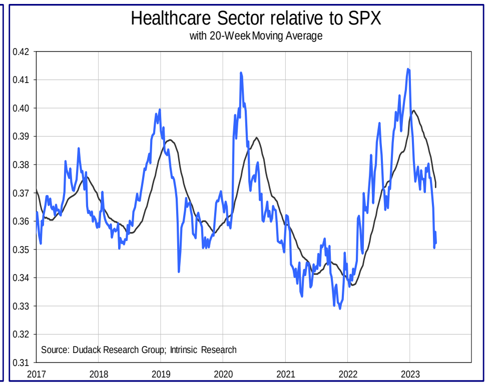
Source: Dudack Research Group; Refinitiv
Priced as of June 6, 2023

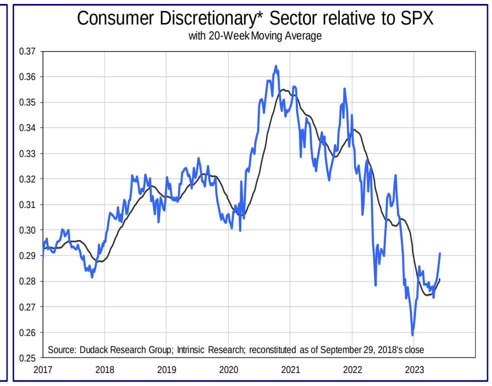
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

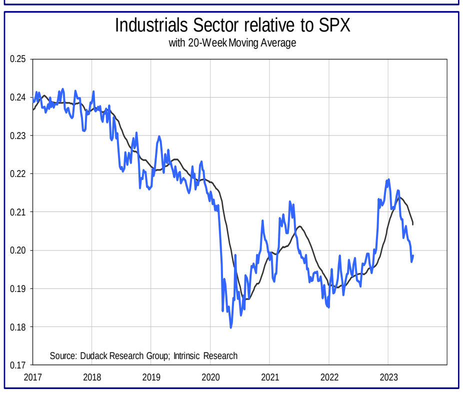
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Energy Industrials Staples Utililties	Healthcare Technology Materials Financials	Consumer Discretionary REITS Communication Services

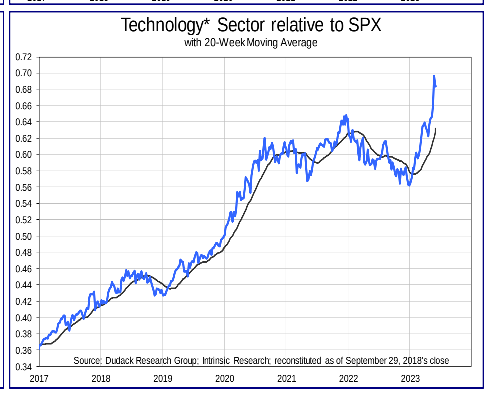
3/8/2022:Materials upgraded from underweight to neutral/communication service downgraded from neutral to underweight. 3/1/2022 Financials downgraded to neutral and Industrials upgraded to overweight.

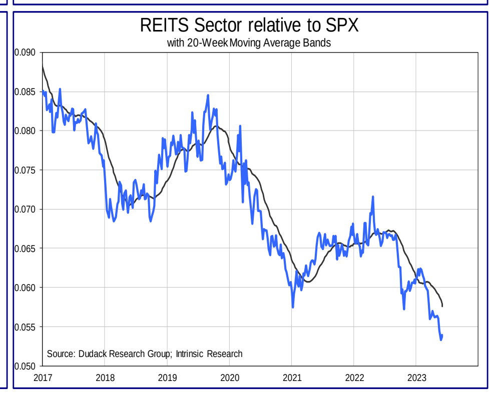


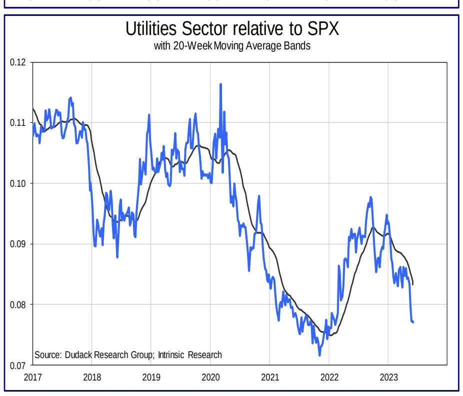


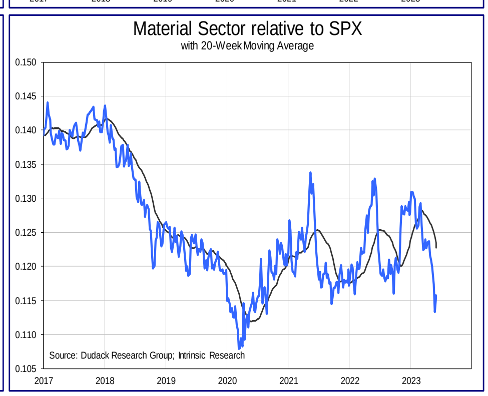


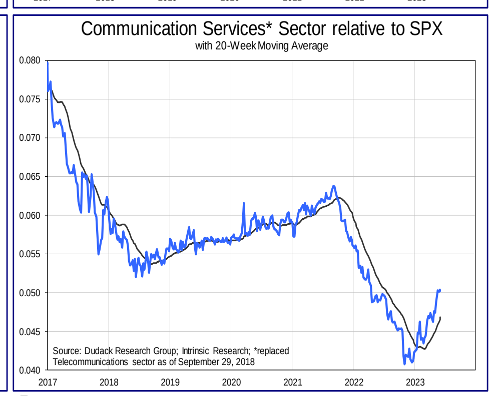


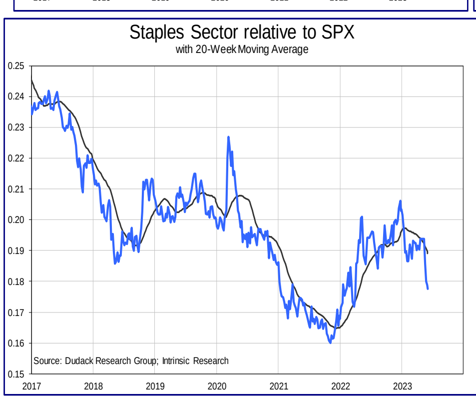


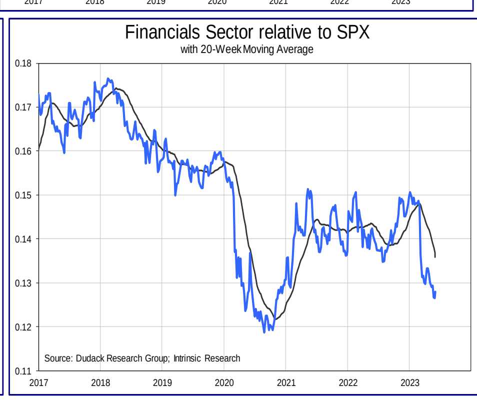












2023 Performance - Ranked	
SP500 Sector	% Change
S&P COMMUNICATIONS SERVICES	35.3%
S&P INFORMATION TECH	34.9%
S&P CONSUMER DISCRETIONARY	23.9%
S&P 500	11.6%
S&P INDUSTRIALS	2.3%
S&P MATERIALS	1.3%
S&P REITS	-0.6%
S&P CONSUMER STAPLES	-2.4%
S&P FINANCIAL	-3.8%
S&P HEALTH CARE	-4.8%
S&P UTILITIES	-8.0%
S&P ENERGY	-9.1%

Source: Dudack Research Group; Refinitiv; Monday closes

US Asset Allocation

	Benchmark	DRG %	Recommendation
Equities	60%	55%	Neutral
Treasury Bonds	30%	20%	Underweight
Cash	10%	25%	Overweight
	100%	100%	

Source: Dudack Research Group; raised cash and lowered equity 15% on December 21, 2022

DRG Earnings and Economic Forecasts

	S&P 500 Price	S&P 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	~~~~~	$201.12	**$218.70**	$180.00	-8.6%	**$220.89**	1.3%	19.6X	NA	NA	NA	NA
2024E	~~~~~	$227.28	**$244.70**	$205.00	13.9%	**$246.70**	11.7%	17.5X	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	$48.76	**$52.80**	$42.00	-14.9%	**$53.26**	-2.8%	20.5	1.8%	1.3%	$2,307.00	-2.8%
2023 2QE*	4283.85	$47.82	**$52.74**	$40.00	-14.7%	**$53.27**	-7.5%	20.8	NA	NA	NA	NA
2023 3QE	~~~~~	$51.35	**$55.75**	$48.00	-4.7%	**$56.26**	0.4%	20.2	NA	NA	NA	NA
20244QE	~~~~~	$53.19	**$57.41**	$50.00	-0.7%	**$58.04**	9.2%	19.6	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 6/6/2023

Regulation AC Analyst Certification

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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