DRG Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
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August 2, 2023

DJIA: 35630.68
SPX: 4576.73
NASDAQ: 14283.91

US Strategy Weekly

Charges and Changes

OH FITCH!

As we go to print, the US has formally charged former President Donald Trump with conspiracy to defraud the US, witness tampering, and conspiracy against the rights of citizens. Separately, the ratings agency Fitch downgraded the US government's top credit rating to AA+ from AAA, citing three years of fiscal deterioration and a high and growing government debt burden. Globally, Russia announced that a drone hit a residential building in Moscow placing responsibility at the feet of Ukraine. A coup against Niger's elected president is triggering evacuations of US and European partners and a Ukrainian official is alleging that Russia is responsible.

Of these events, the most important for US consumers and investors will be the downgrade of US government bonds. Rating changes can impact the demand for US government bonds at a time that the debt burden is high and the need to issue more debt becomes important. Higher interest rates are good for bondholders, but they also could negatively impact economic activity and PE multiples.

GREAT ECONOMIC NEWS

However, equity investors are ignoring such threats and it is not surprising given the recent string of economic releases. It begins with the report that in the second quarter GDP grew 2.4% (SAAR) which was an increase from the 2.0% seen in the first quarter. In short, economic activity accelerated in the second quarter and this was much better than we, and most economists, expected. It was a surprising development particularly since corporate profits, real retail sales, and residential investment continued to decline in the same period. Personal consumption of nondurable goods and services was the source of strength in the second quarter and inventories were less of a drag than they were in previous quarters. See page 3.

As we have often noted, high levels of inflation are typically a precursor to a recession, and this has been a major concern in recent years. For example, the June 2022 GDP price deflator hit a worrisome 7.6% which was the highest level of inflation since the 8.4% reported in December 1981. However, the second quarter GDP report showed that this deflator fell to 3.6% in June, well above the Fed target of 2% but good news, nonetheless. Similarly, the monthly personal consumption expenditure deflator fell from 3.8% in May to 3.0% in June, its lowest level in 2 years. See page 4.

But the best news was found in reports on personal income and consumption. In June, personal income rose 5.3% YOY, disposable income rose a stunning 7.9% YOY, and our favorite benchmark, real personal disposable income, rose 4.75% YOY, up from 4.1% YOY in May. Personal consumption expenditures have been in a downward trend after hitting an unsustainable peak of 30% YOY in April 2021, but in June, PCE remained at a healthy 5.4% YOY pace. More importantly, the June acceleration in real personal disposable income is a positive sign for steady household consumption as we begin the third quarter. See page 5.

All the good news on the inflation front, combined with the 25-basis point hike in the fed funds rate in July, <u>results in the real Fed funds rate increasing from 211 basis points to 236 basis points relative to</u>

the CPI. The real fed funds rate is similar when compared to the PCE deflator. What is important is that the combination is getting closer to the 300-400 basis points we believe the Fed is targeting for its monetary policy. But keep in mind that the strength seen in the economy also opens the door for the Fed to raise rates again on September 20 and perhaps even at the November 1 meeting. We believe the Fed will continue to raise rates until the real fed funds rate is at least 300 basis points and we do not believe the consensus agrees. This is a risk.

Politics Plays a Major Role

Equally important is the fact that 2023 is a pre-election year, and as is typical of a pre-election year, the incumbent party tends to pass stimulus bills to boost the economy. In this cycle, it comes in the form of the Inflation Reduction Act (IRA) which is actually a stimulus bill focused on supporting the green economy and technology sectors.

In addition, President Biden has circumvented the Supreme Court's rejection of his sweeping student loan forgiveness plan and has launched its SAVE plan (Saving on a Valuable Education). This is a revision of a previous income-driven repayment plan, and the revisions include factors that base monthly payments on income. For many borrowers' previous monthly payments will be cut in half and for some borrowers there will be no monthly bill. It is in fact a loan forgiveness plan of sorts. The Department of Education has stated that borrowers who sign up for the plan this summer will have their application processed before student loan repayments are expected to resume in October. In other words, the negative impact the end of the student loan moratorium might have had in the fourth quarter of 2023 has been eliminated to a large extent.

Given these developments we are raising our S&P 500 earnings estimates for this year from $200 to $212 and for 2024 from $220 to $230. These estimates remain slightly below consensus but are more in line with the fact that a recession in 2023 is less unlikely today than it was a month ago. See page 16.

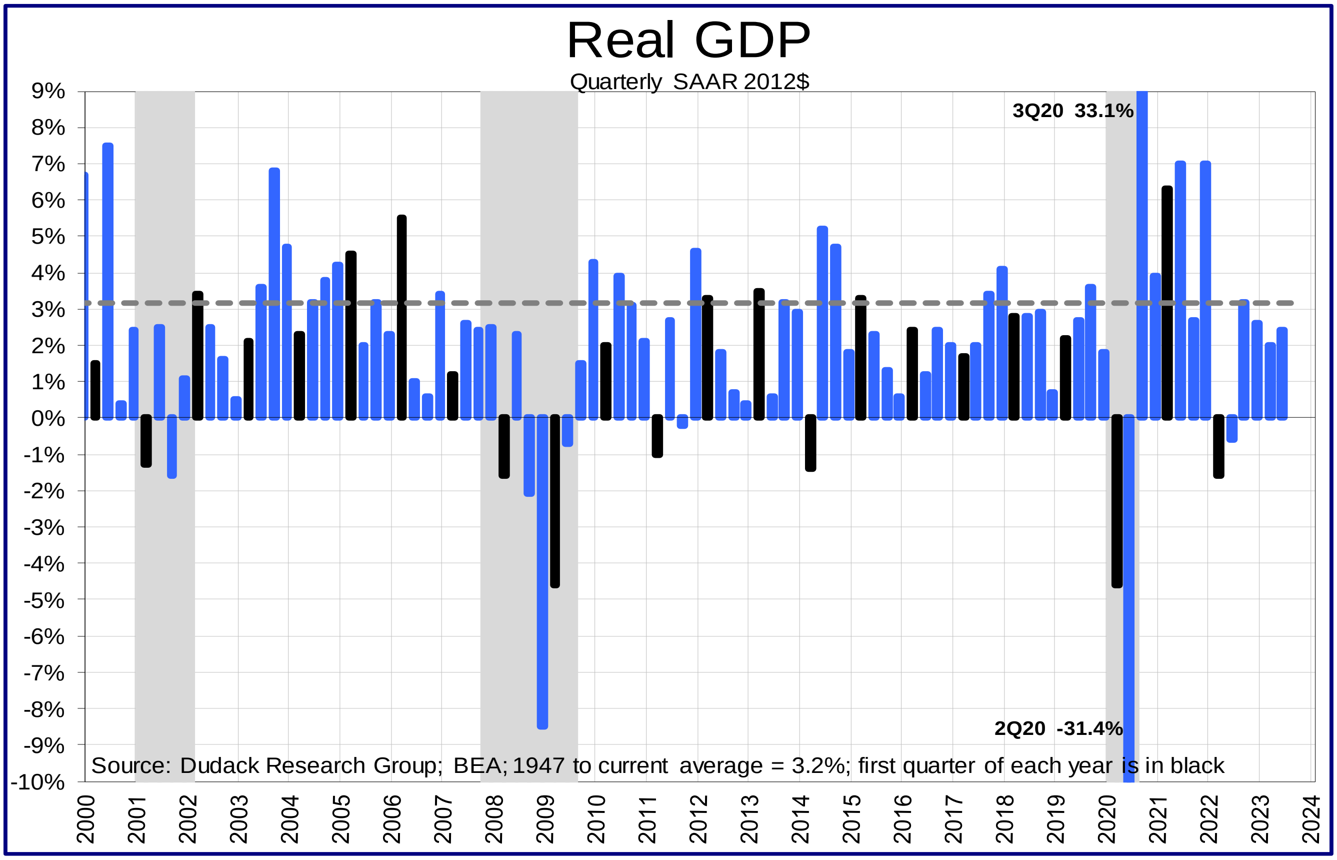
However, even if we use S&P Dow Jones earnings estimates, which are higher than our forecasts, the current S&P 500 *trailing* PE multiple is 22 times and sits above all historical averages. We fear this means the equity market is priced for perfection. The 12-month *forward* estimated PE is 19.7 times, and when added to inflation of 3%, sums to 22.7. This 22.7 level is just below the standard deviation line of 23.8 which denotes an extremely overvalued equity market. See page 8. In other words, a lot of good news has been discounted in current prices. Also, keep in mind that the earnings season currently being reported took place during the 2.4% GDP economy, which was an improvement over the first quarter's economic activity. If earnings do not show an improvement, it could dampen investor sentiment.

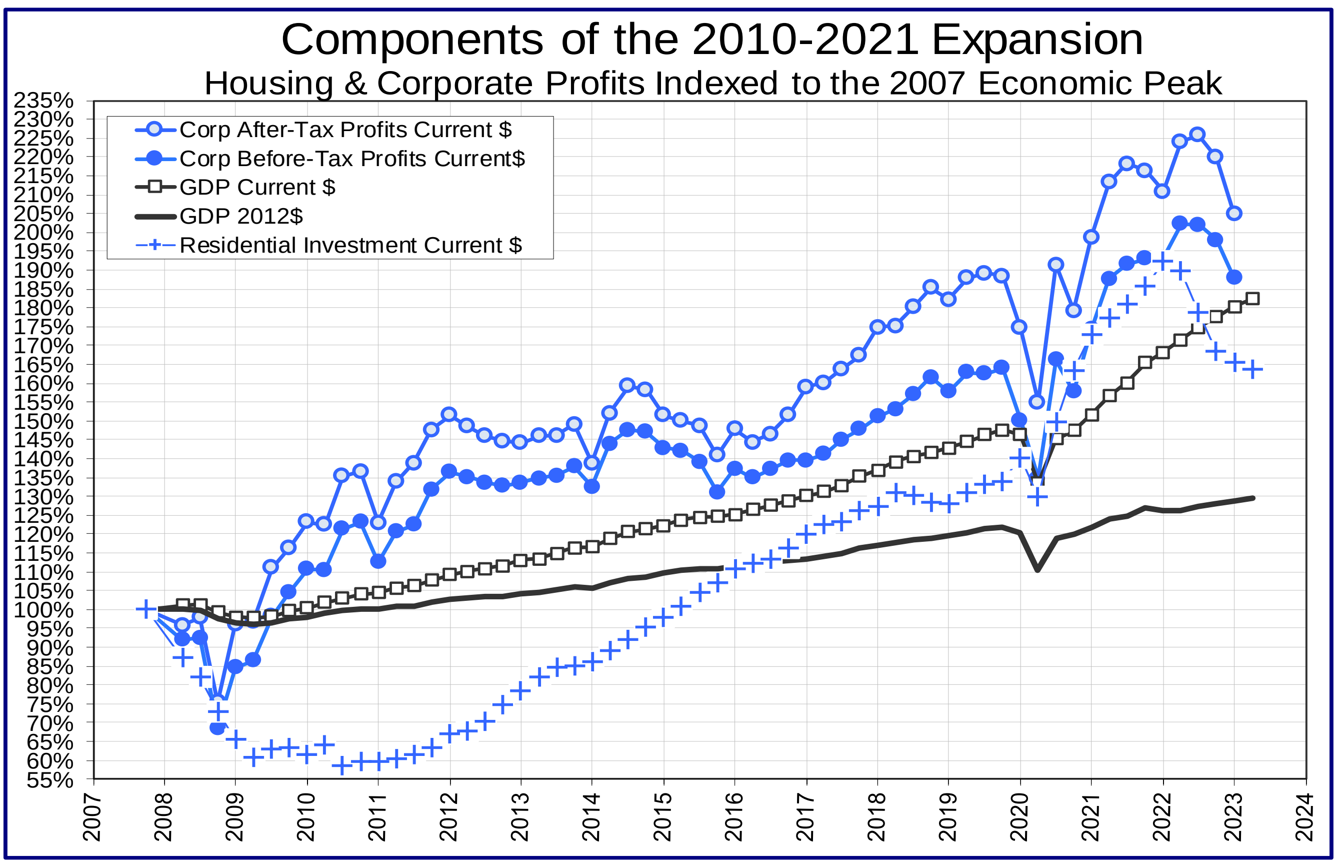
Technical Tests

The charts of the S&P 500, DJIA, and Nasdaq Composite index are bullish and suggest the indices may, or should, be about to test their all-time highs. However, the Russell 2000 index has failed to break above the 2000 resistance despite numerous attempts in recent sessions. This is not conclusive, and the RUT may still break out, but it does leave the overall look of the market somewhat pivotal and uncertain at the moment. See page 10.

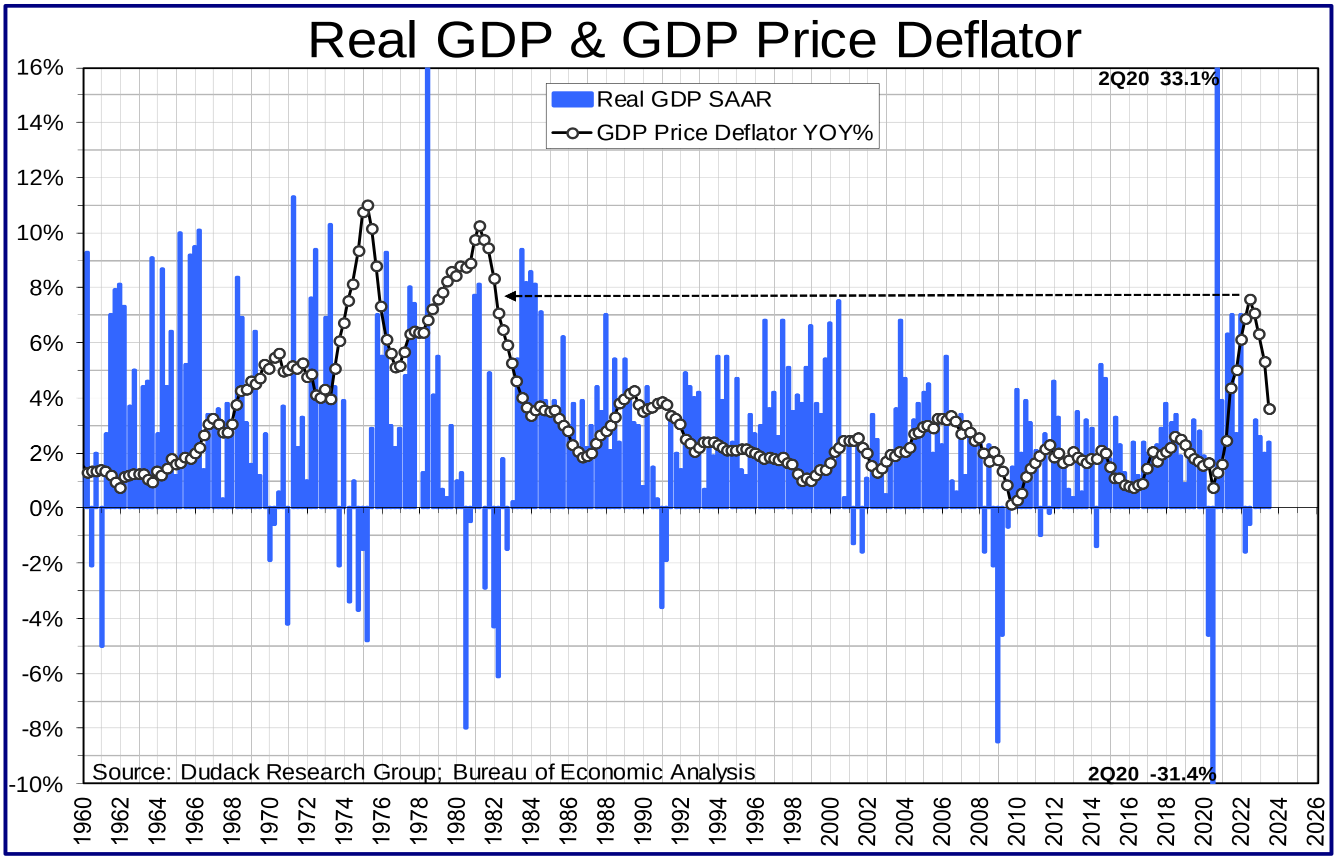
Similarly, the 25-day up/down volume oscillator is at a 4.03 reading this week and overbought for the third consecutive trading session. The good news is that the oscillator has had overbought readings for 10 of the last 21 trading sessions; however, to date, none of these overbought readings have lasted the minimum of five consecutive days needed to confirm the advance in the averages. Strong rallies should also include at least one extremely overbought day. Nonetheless, these requirements are what should be seen at a new market high and none of the indices have recorded new record highs. The rally has only produced new "cyclical" highs in most indices. See page 11.

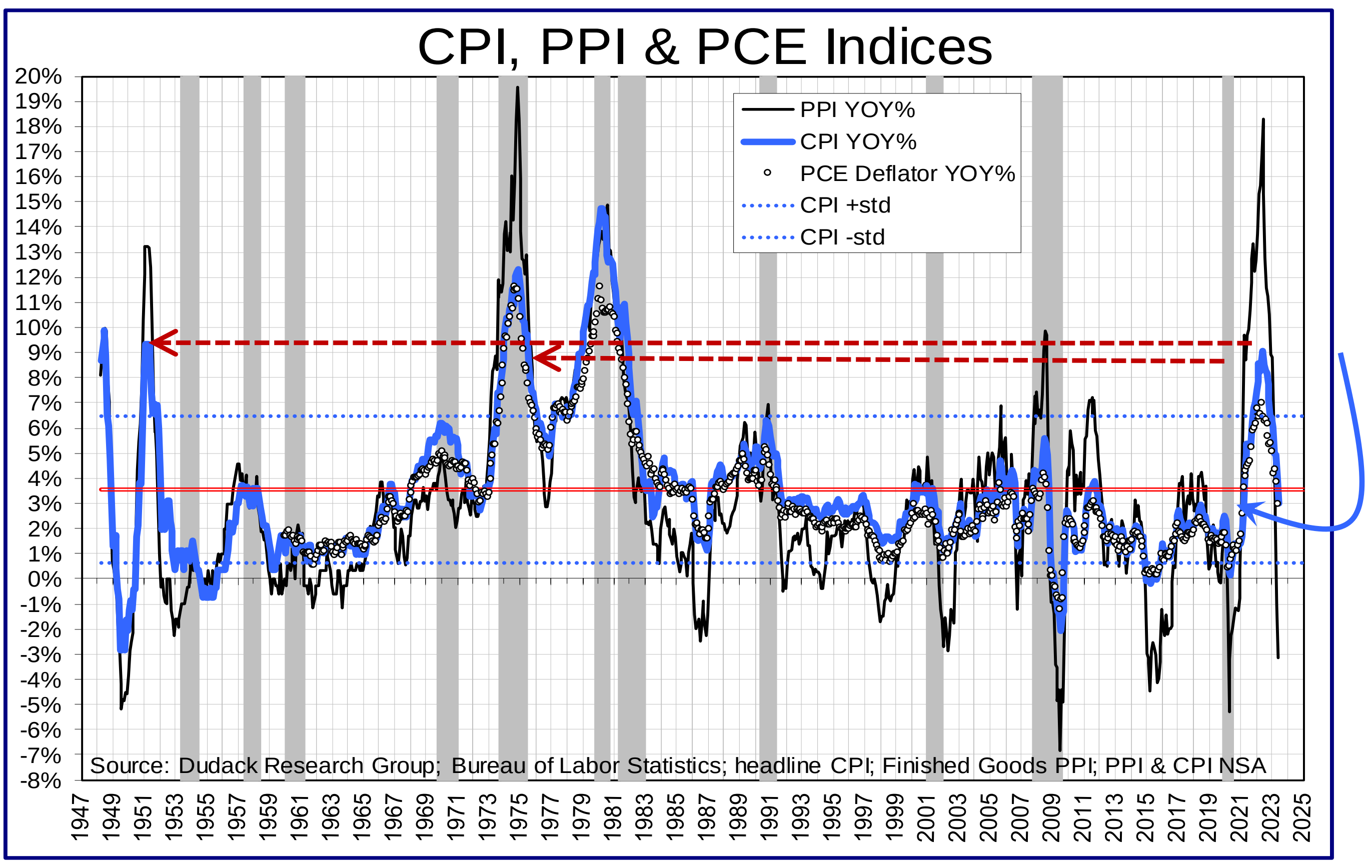
Preliminary 2Q23 GDP was reported at 2.4%, which means that economic activity accelerated during the quarter. This was much better than we, and most economists, expected and it was a surprising development particularly since corporate profits, real retail sales, and residential investment continued to decline in the same period. Activity was concentrated in personal consumption of nondurable goods and services. The administration's changes for student loan payments and forgiveness could also boost consumption in future months.



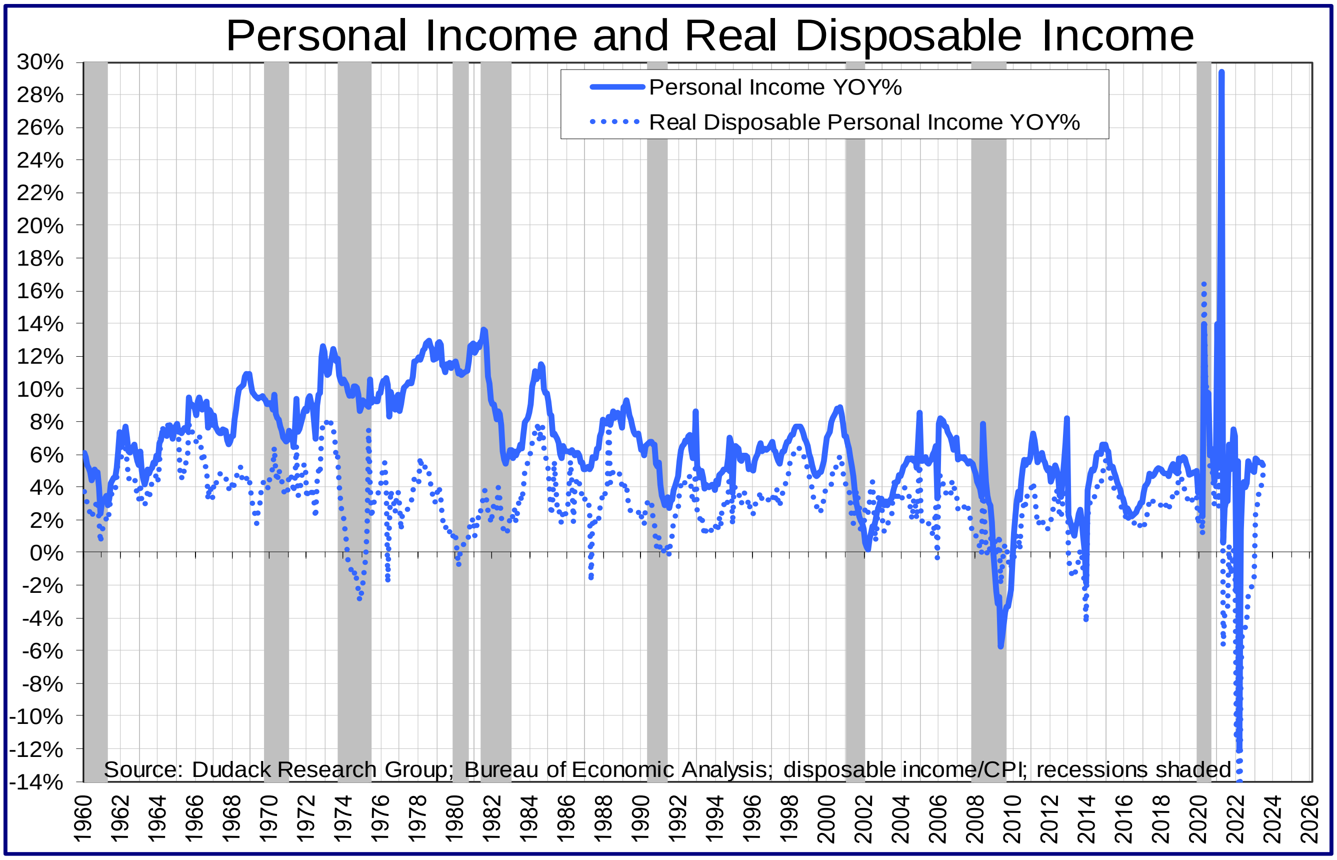


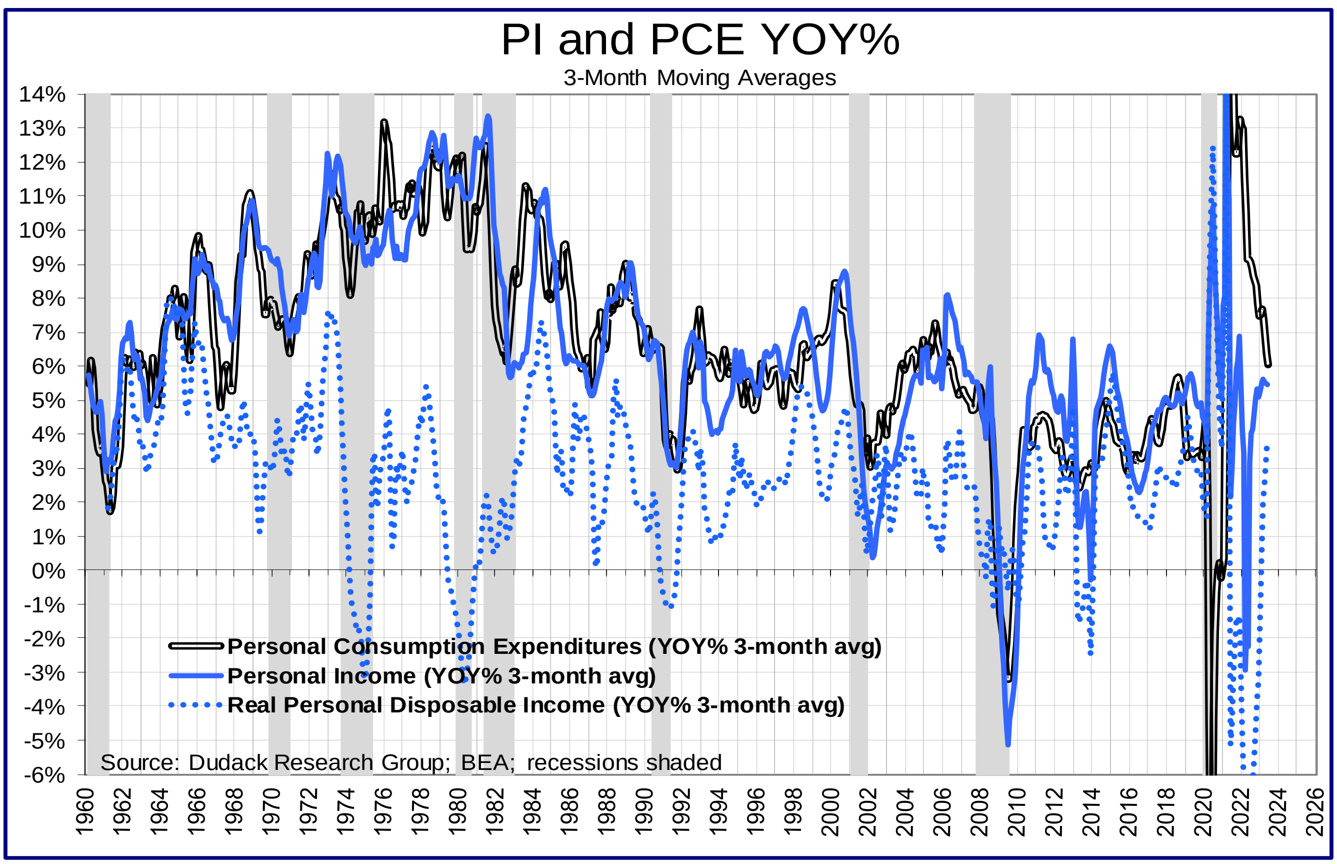
High inflation is typically a precursor to a recession and the June 2022 GDP price deflator of 7.6% was the highest level since the 8.4% seen in December 1981. However, the GDP deflator fell to 3.6% in June, well above the Fed target of 2% but good news, nonetheless. The monthly PCE deflator fell from 3.8% to 3.0% in June, its lowest level in 2 years.



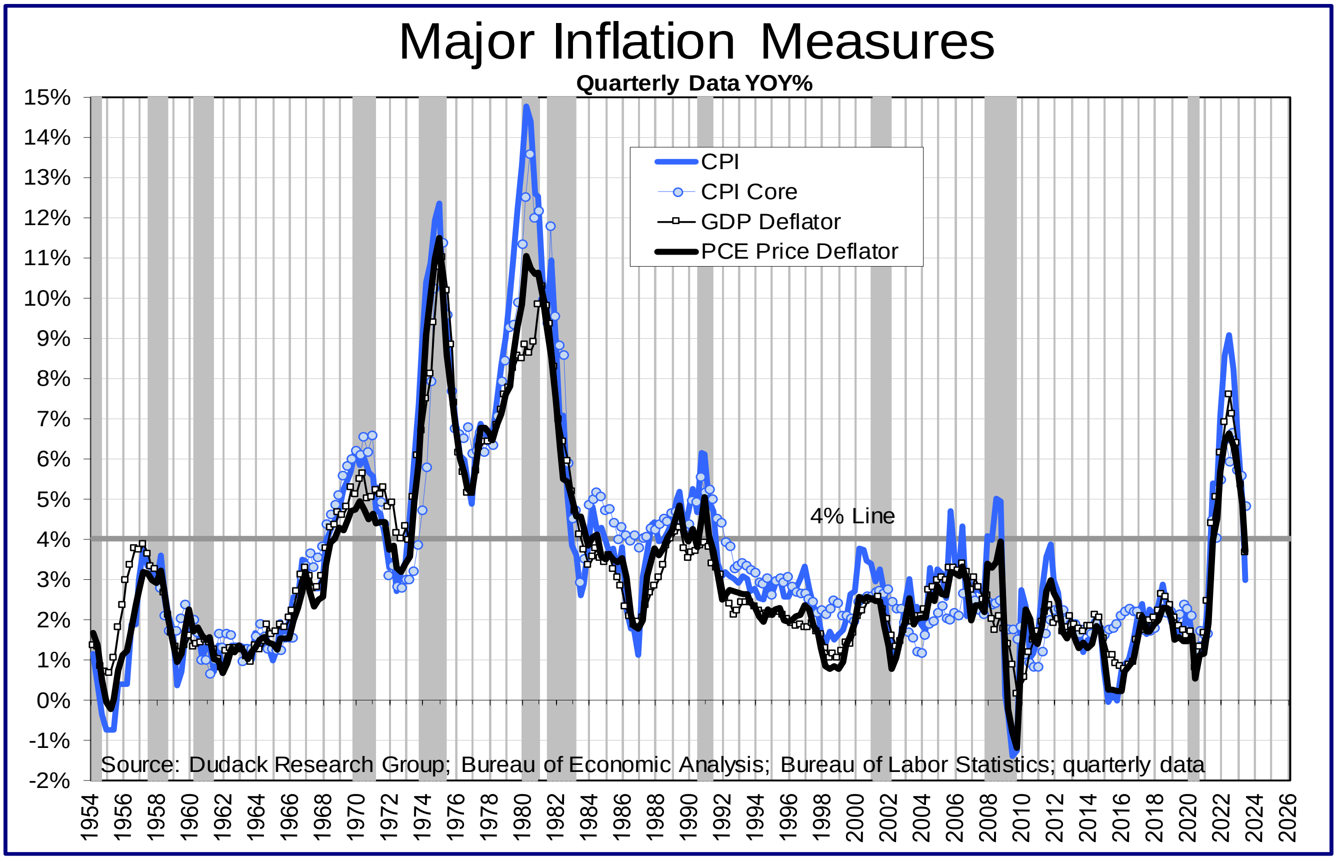


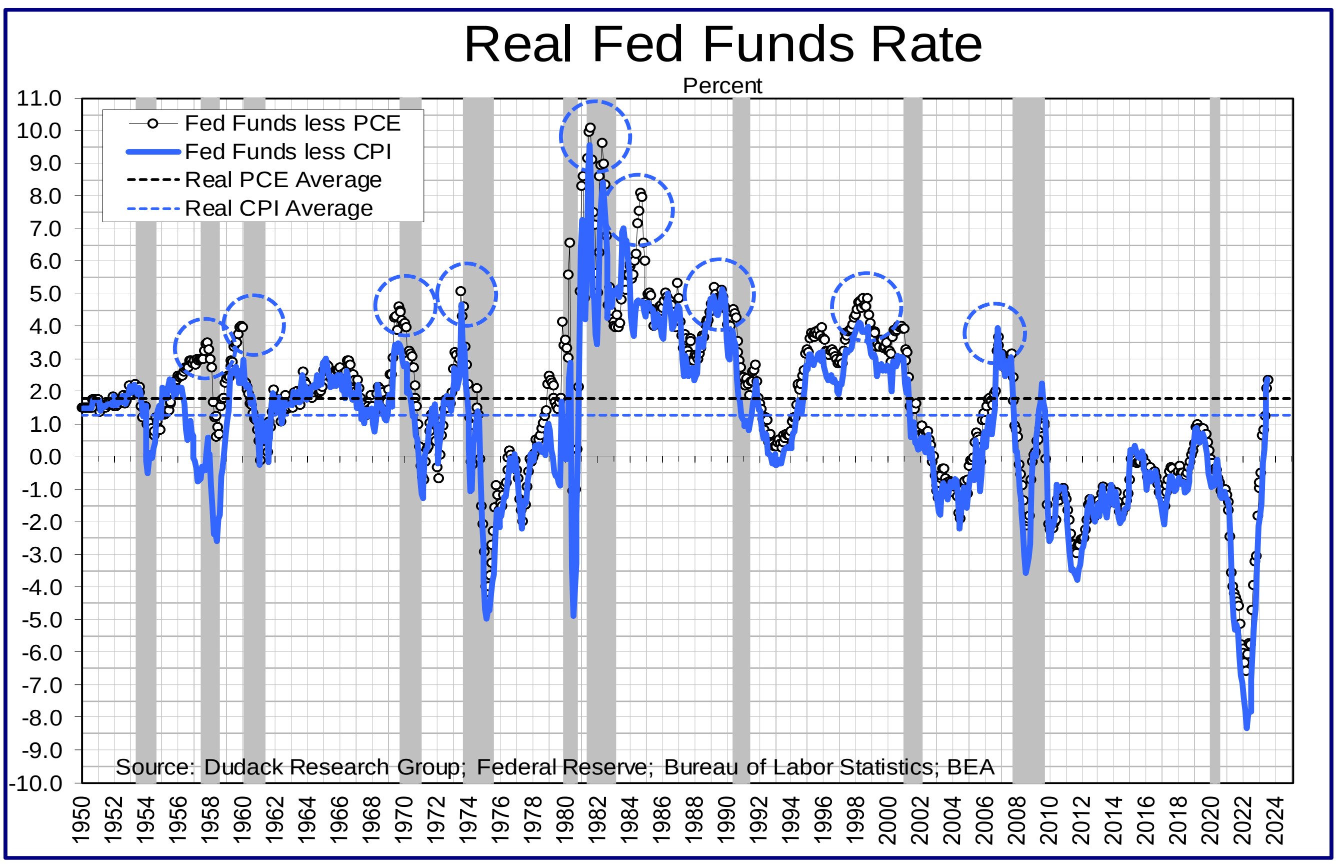
In June, personal income rose 5.3% YOY, disposable income rose 7.9% YOY, and real personal disposable income rose 4.75% YOY, up from 4.1% YOY in May. Personal consumption has been decelerating since its unsustainable peak of 30% YOY in April 2021, but remained a healthy 5.4% YOY in June. The acceleration in RPDI in June is a positive sign for economic activity in the months ahead.



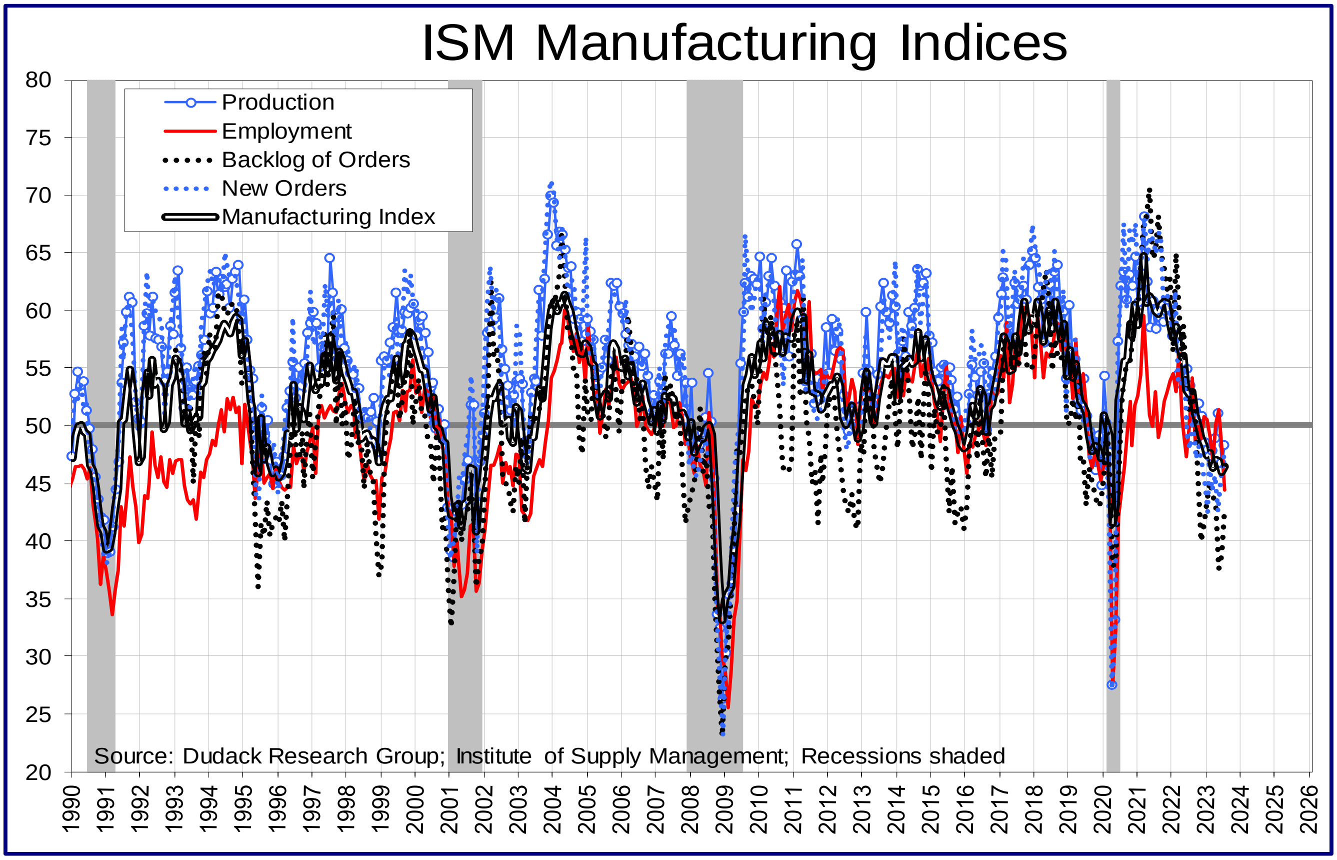


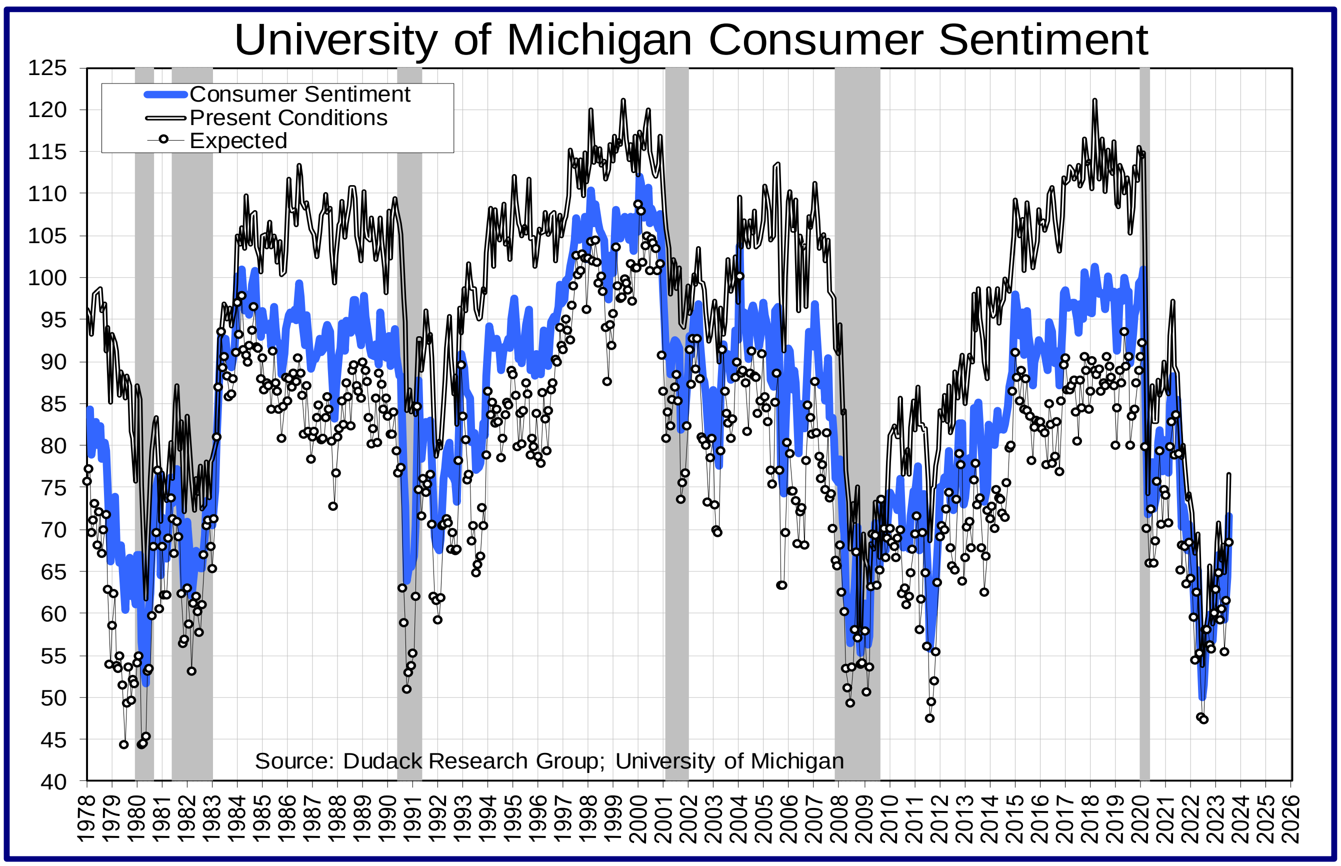
While the CPI fell from 5% YOY to 3% YOY in the second quarter, the Fed's favorite benchmark, the PCE deflator fell from 4.9% YOY to 3.7% YOY. The GDP deflator also fell from 5.3% YOY to 3.6% YOY in the quarter. This means the real Fed funds rate has increased from 211 basis points to 236 basis points in the same period. This is getting closer to the 300-400 bp we believe the Fed is targeting.



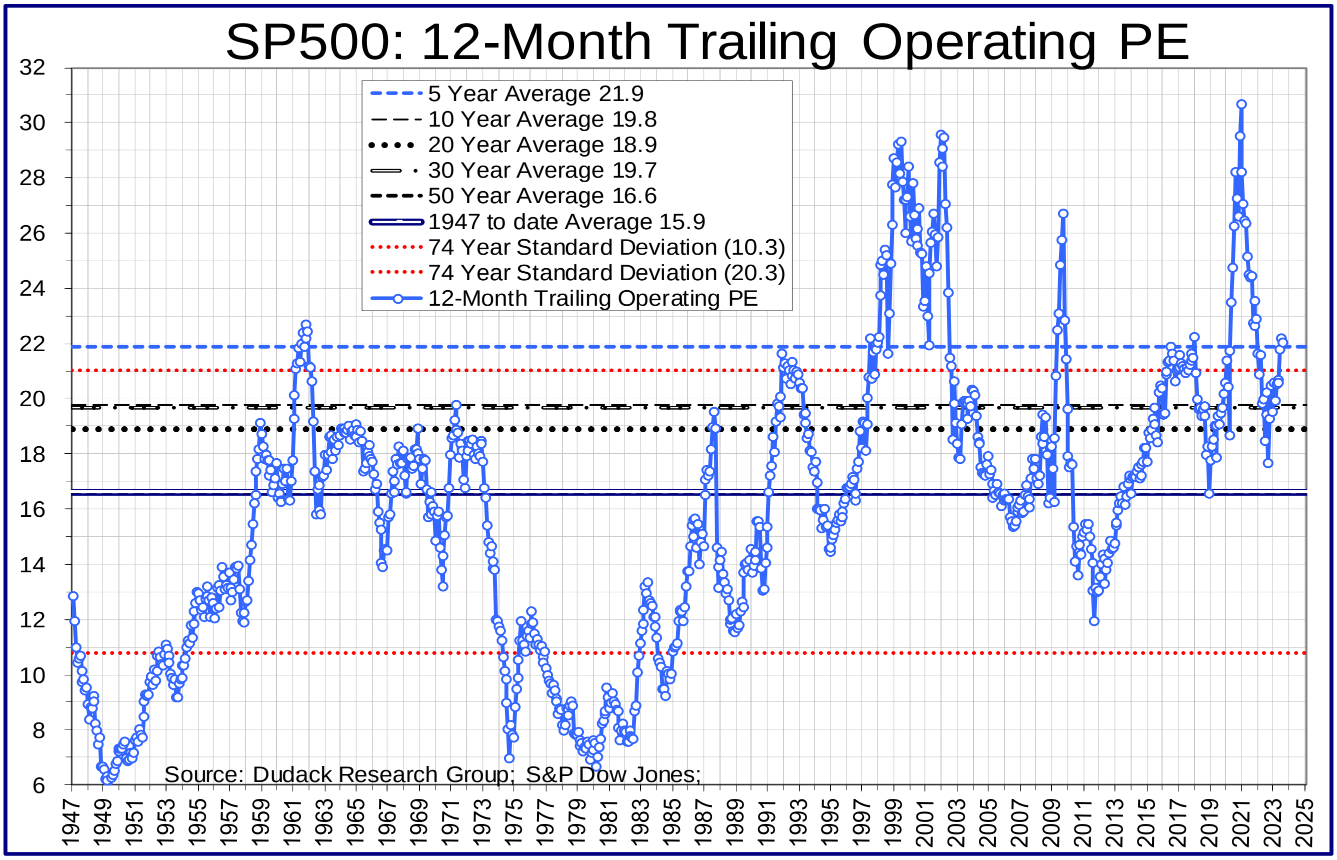


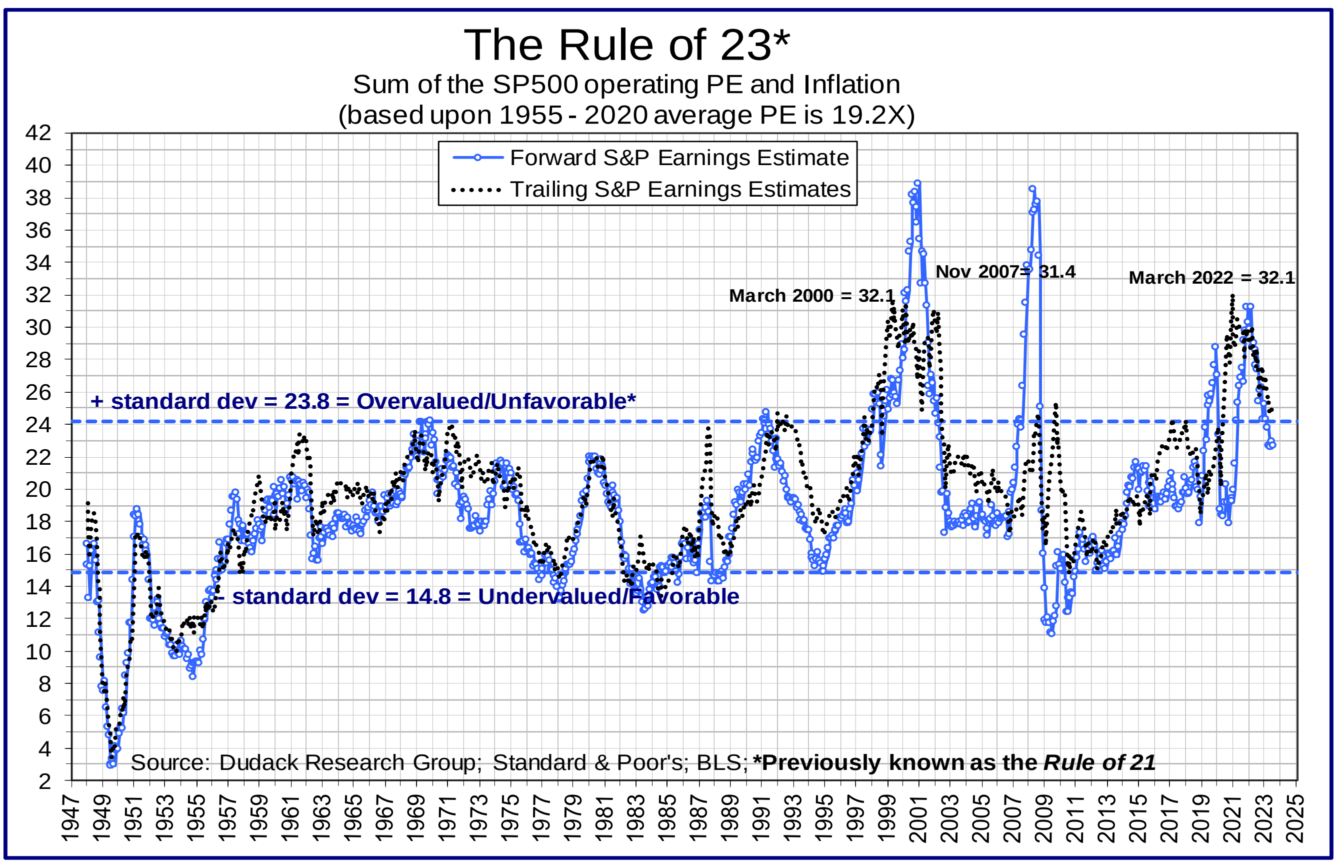
All components of the ISM Manufacturing index remain below the 50 benchmark but were up in July with the exception of employment and exports. The ISM service index will be released later this week. The University of Michigan sentiment survey remains at recessionary levels, but each component rebounded strongly in July to levels last seen in October 2021.



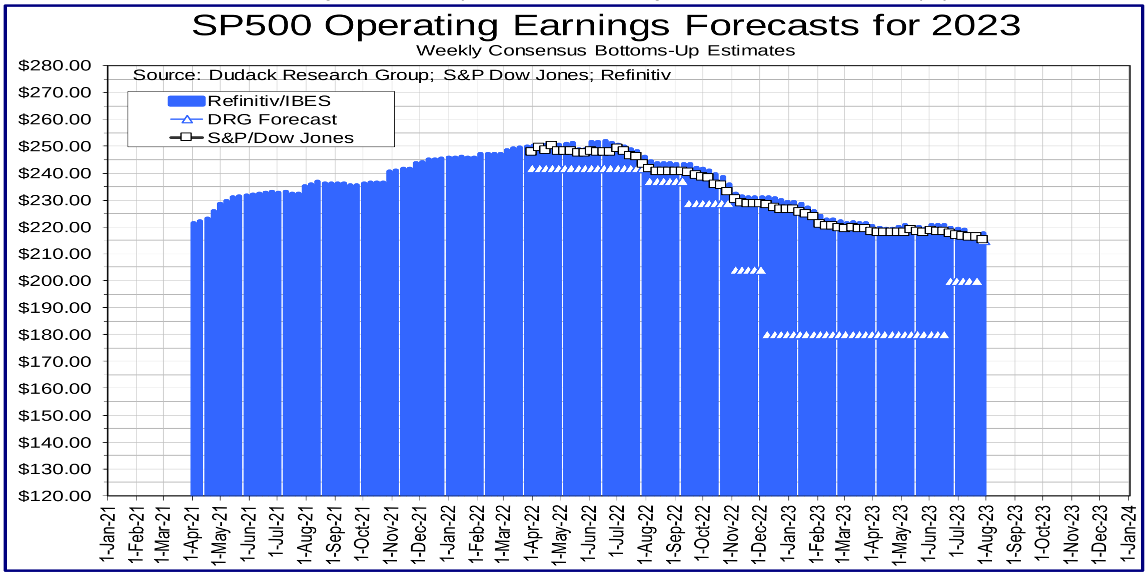


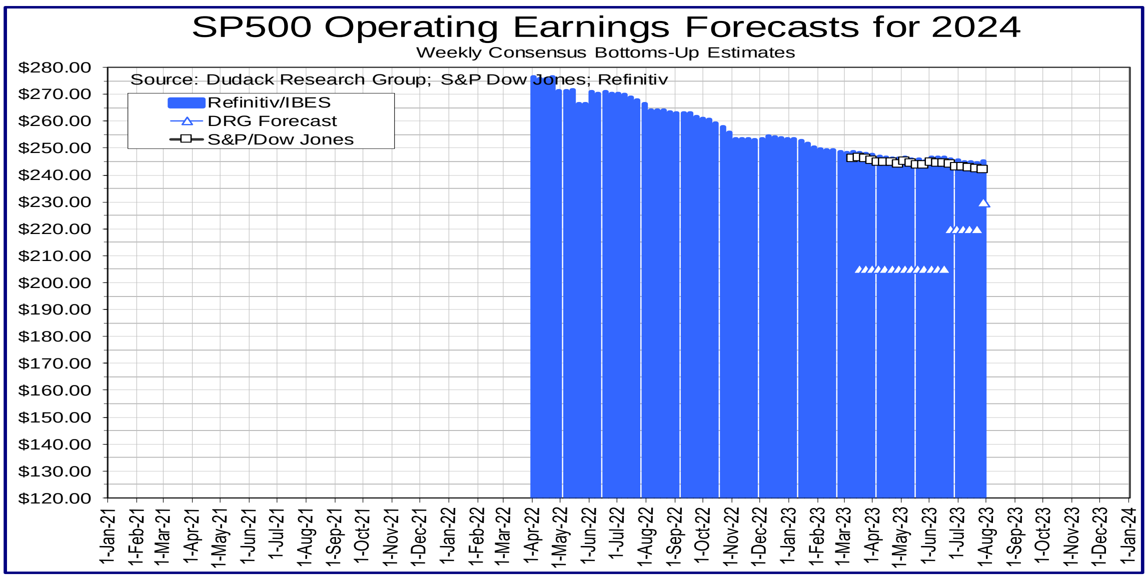
The current S&P 500 *trailing* PE multiple is 22 times and above all historical averages; in short, the market is priced for perfection. The *forward* PE is 19.7 times, and when added to inflation of 3%, sums to 22.7, which is just below the standard deviation line of 23.8. This also denotes an overvalued equity market. Earnings growth is pivotal to the market's intermediate and longer-term trends.

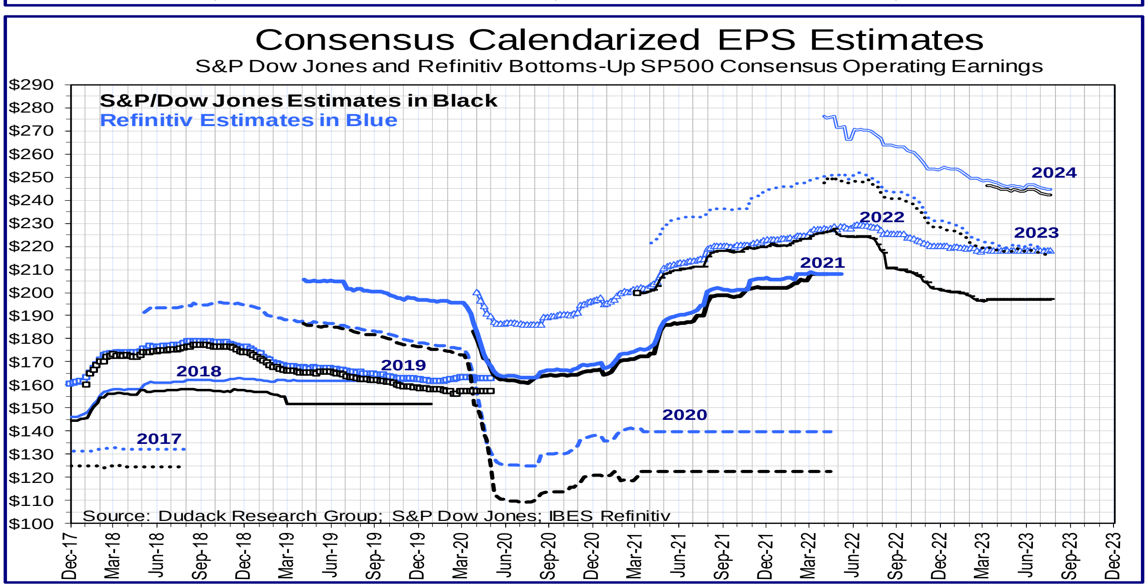




S&P Dow Jones consensus estimates for 2023 and 2024 are $215.24 and $242.00, down $0.93, and $0.17, respectively. Refinitiv IBES estimates for 2023 and 2024 are $217.83 and $245.15, up $0.37, and $0.56, respectively. Notably, S&P data shows that 18.4% of companies reporting first quarter earnings had a decrease of 4% or more in shares outstanding, which effectively boosted earnings per share, but not overall earnings growth. Nevertheless, based upon the IBES EPS estimate of $217.46, equities remain overvalued with a PE of 21.0 times and inflation of 3%. Again, this sum is just above the 23.8 range that defines an overvalued equity market.



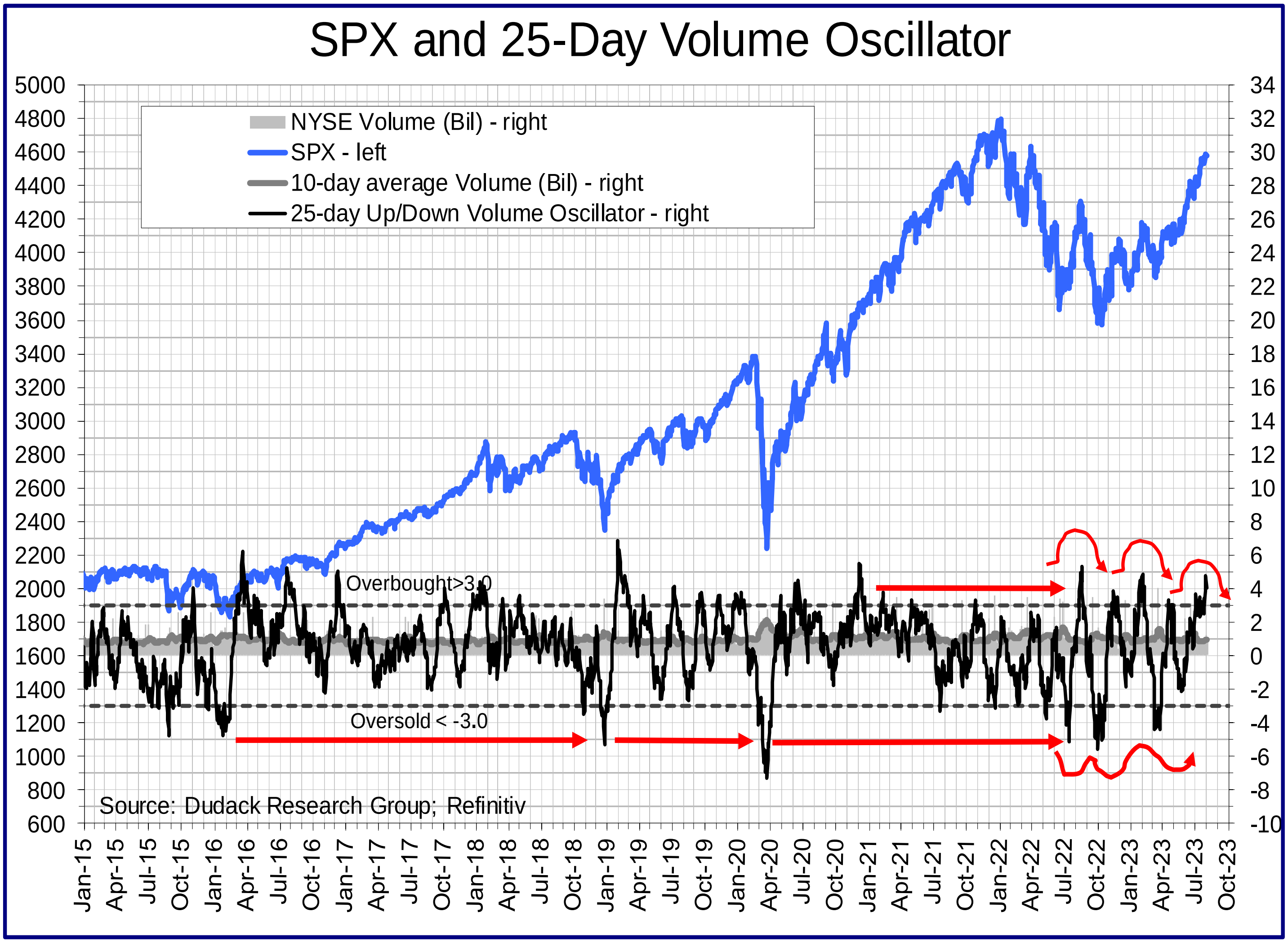




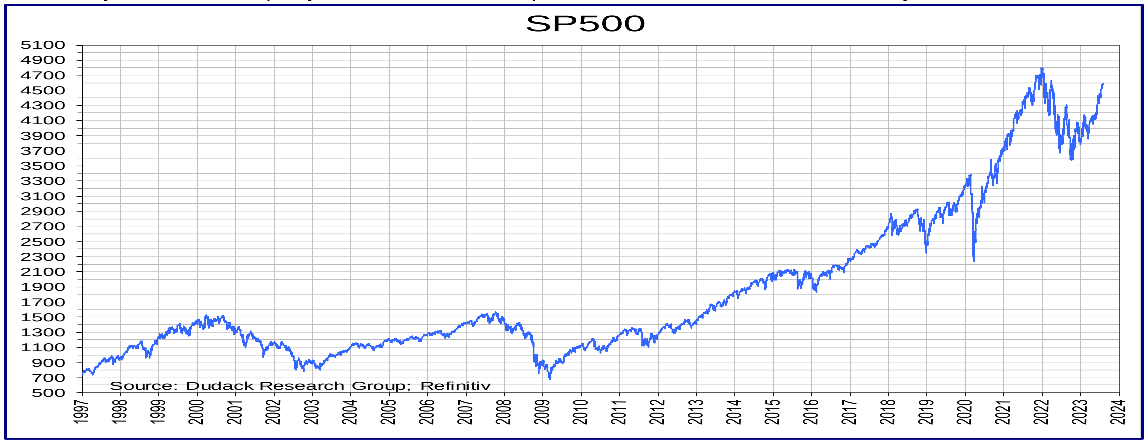
The charts of the three major indices are bullish and suggest the indices may be about to test their all-time highs. However, the RUT has failed to break above the 2000 resistance and leaves the overall look of the market somewhat pivotal and uncertain.

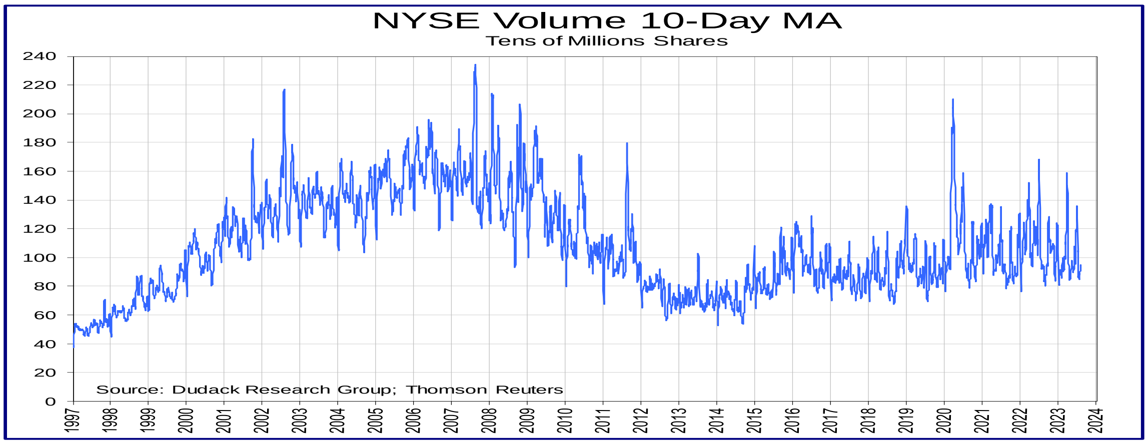
Source: Refinitiv

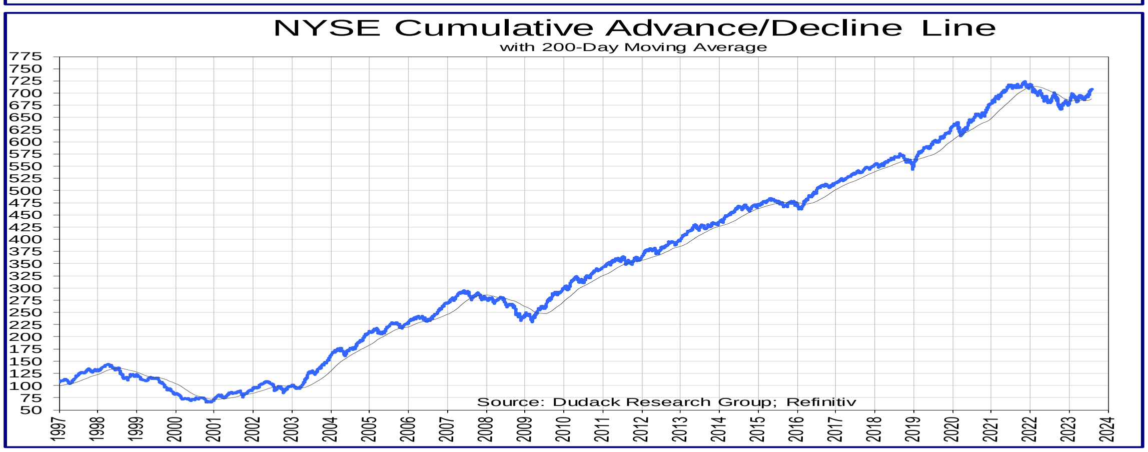
The 25-day up/down volume oscillator is at a 4.03 reading this week and overbought for the third consecutive trading session. Moreover, the oscillator has had overbought readings for 10 of the last 21 trading sessions. However, to date, none of these overbought readings have lasted the minimum of five consecutive days needed to confirm the advance in the averages. Strong rallies should also include at least one extremely overbought day. However, these requirements are what should be seen at a new market high and none of the indices have recorded new record highs. The rally has only produced new "cyclical" highs in some indices.

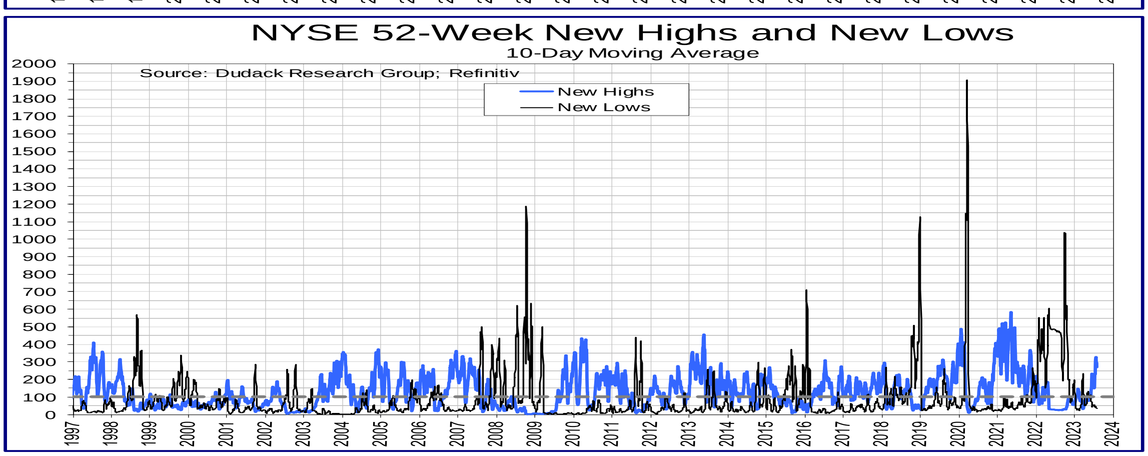


The 10-day average of daily new highs is 269 and new lows are 34. This combination turned positive on June 8 when new highs rose above 100 and new lows fell below 100. The NYSE advance/decline line fell below the June low on September 22 and is 16,712 net advancing issues from its 11/8/21 high. July is the first time in two years that the disparity between the AD lines peak and current levels was consistently less than 30,000 net advancing issues.

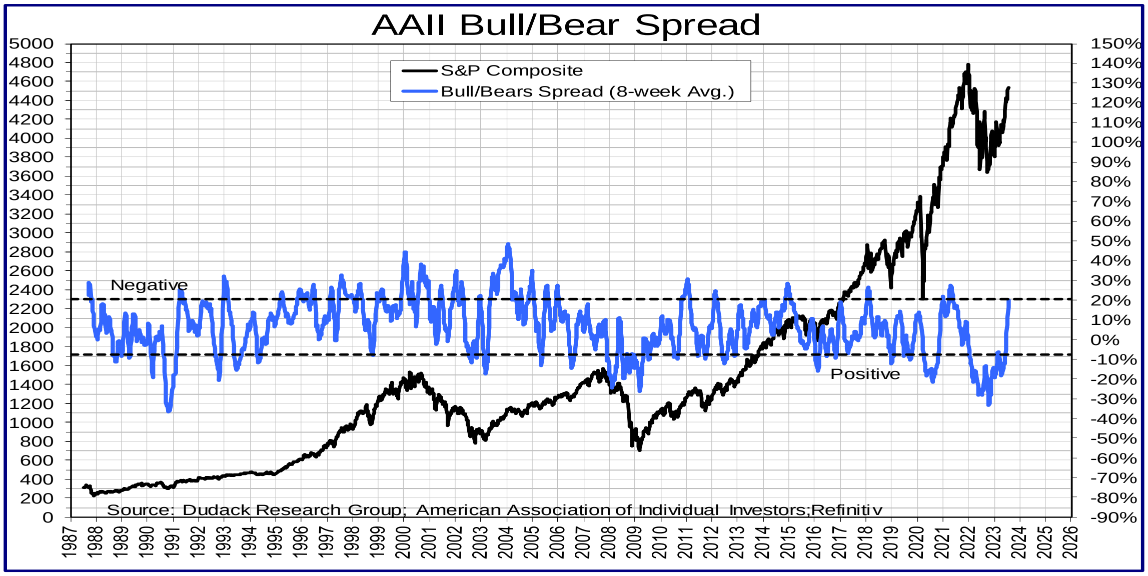


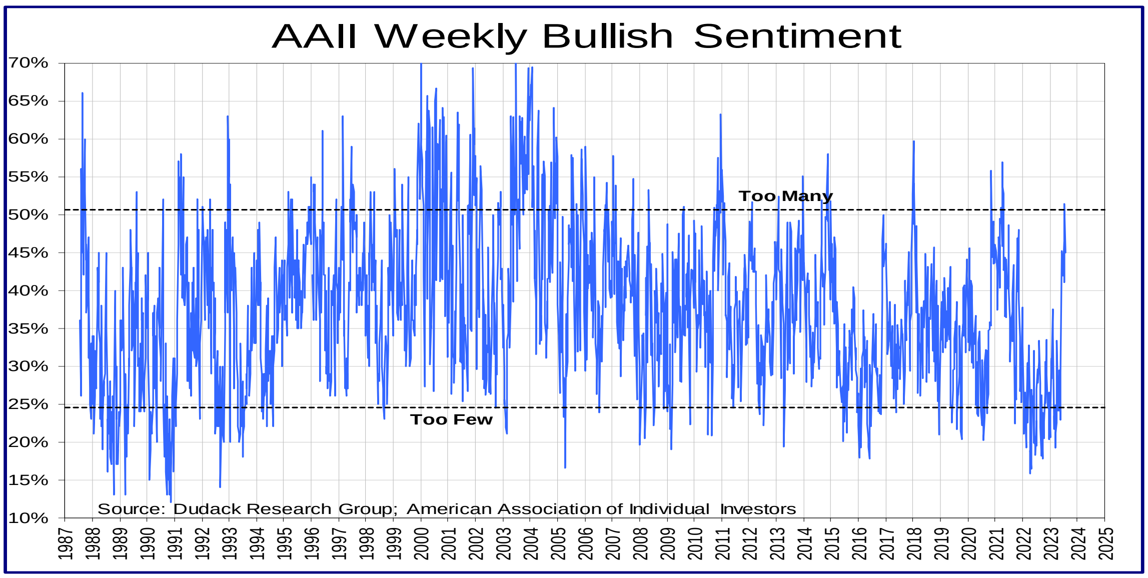


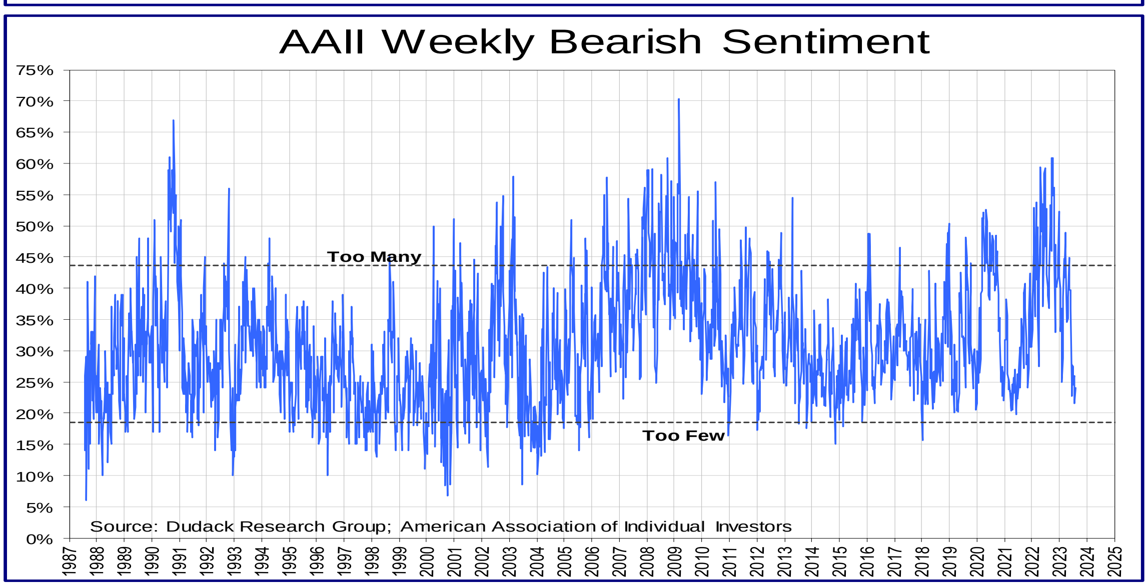




Last week's AAII readings had a 6.5% decline in bullishness to 44.9%, and a 3.9% increase in bearishness to 24.1%. This is the eighth consecutive week that bullishness remained above average, and bearishness remained below average – the longest combined stretch since February to May of 2021. Note that the market peaked in January 2022. The 8-week bull/bear spread remains neutral but is closing in on a negative reading.







Global Markets and Commodities - Ranked by 2023 Trading Performance

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
NASDAQ 100	NDX	15718.01	1.0%	3.5%	3.5%	43.7%
Technology Select Sector SPDR	XLK	178.65	0.1%	2.8%	2.8%	43.6%
Communication Services Select Sector SPDR Fund	XLC	68.70	4.3%	5.6%	5.6%	43.2%
SPDR Homebuilders ETF	XHB	85.02	1.7%	5.9%	5.9%	40.9%
Nasdaq Composite Index Tracking Stock	ONEQ.O	56.13	1.0%	3.8%	3.8%	37.0%
SPDR S&P Semiconductor ETF	XSD	227.03	0.4%	2.6%	2.6%	35.8%
Consumer Discretionary Select Sector SPDR	XLY	171.77	0.0%	1.2%	1.2%	33.0%
iShares Russell 1000 Growth ETF	IWF	283.84	0.7%	3.1%	3.1%	32.5%
iShares MSCI Mexico Capped ETF	EWW	63.64	0.4%	2.3%	2.3%	28.7%
iShares MSCI South Korea Capped ETF	EWY	67.56	-0.5%	6.6%	6.6%	19.6%
iShares Russell 1000 ETF	IWB	251.46	0.4%	3.2%	3.2%	19.4%
SP500	**.SPX**	**4576.73**	**0.2%**	**2.8%**	**2.8%**	**19.2%**
iShares MSCI Taiwan ETF	EWT	47.72	-1.5%	1.5%	1.5%	18.8%
iShares MSCI Brazil Capped ETF	EWZ	33.22	-1.8%	2.4%	2.4%	18.8%
iShares Russell 2000 Growth ETF	IWO	252.61	1.1%	4.1%	4.1%	17.8%
iShares MSCI Germany ETF	EWG	28.90	-0.3%	1.2%	1.2%	16.9%
iShares MSCI Japan ETF	EWJ	62.67	0.1%	1.2%	1.2%	15.1%
iShares Russell 2000 ETF	IWM	197.80	1.5%	5.6%	5.6%	13.4%
Industrial Select Sector SPDR	XLI	110.75	1.0%	3.2%	3.2%	12.8%
iShares DJ US Oil Eqpt & Services ETF	IEZ	23.82	1.1%	18.4%	18.4%	12.4%
PowerShares Water Resources Portfolio	PHO	57.84	-0.7%	2.6%	2.6%	12.2%
iShares MSCI EAFE ETF	EFA	73.53	-0.5%	1.4%	1.4%	12.0%
SPDR S&P Retail ETF	XRT	67.44	1.9%	5.8%	5.8%	11.6%
Vanguard FTSE All-World ex-US ETF	VEU	55.83	-0.1%	2.6%	2.6%	11.3%
iShares MSCI Austria Capped ETF	EWO	20.91	-0.8%	3.0%	3.0%	10.1%
Materials Select Sector SPDR	XLB	85.34	-0.2%	3.0%	3.0%	9.9%
iShares MSCI Emerg Mkts ETF	EEM	41.42	0.5%	4.7%	4.7%	9.3%
iShares MSCI Canada ETF	EWC	35.62	-0.8%	1.8%	1.8%	8.8%
iShares Russell 2000 Value ETF	IWN	150.75	1.8%	7.1%	7.1%	8.7%
iShares MSCI United Kingdom ETF	EWU	33.01	-1.3%	2.0%	2.0%	7.7%
SPDR DJIA ETF	DIA	356.20	0.5%	3.6%	3.6%	7.5%
DJIA	.DJI	35630.68	0.5%	3.6%	3.6%	7.5%
iShares Russell 1000 Value ETF	IWD	162.84	-0.1%	3.2%	3.2%	7.4%
iShares MSCI India ETF	INDA.K	44.48	-0.1%	1.8%	1.8%	6.6%
Shanghai Composite	.SSEC	3290.95	1.8%	2.8%	2.8%	6.5%
SPDR Gold Trust	GLD	180.46	-1.1%	1.2%	1.2%	6.4%
iShares MSCI BRIC ETF	BKF	36.48	1.9%	6.7%	6.7%	6.2%
Gold Future	GCc1	2616.10	0.2%	0.8%	0.8%	6.1%
iShares MSCI Singapore ETF	EWS	19.90	2.8%	7.5%	7.5%	5.8%
iShares China Large Cap ETF	FXI	29.68	3.9%	9.2%	9.2%	4.9%
iShares US Real Estate ETF	IYR	87.88	-1.5%	1.5%	1.5%	4.4%
United States Oil Fund, LP	USO	72.96	2.5%	14.8%	14.8%	4.1%
Financial Select Sector SPDR	XLF	35.33	-0.1%	4.8%	4.8%	3.3%
iShares MSCI Australia ETF	EWA	22.90	-2.1%	1.6%	1.6%	3.0%
Silver Future	SIc1	24.21	-1.9%	6.1%	6.1%	1.5%
Oil Future	CLc1	81.37	2.2%	15.2%	15.2%	1.4%
iShares Silver Trust	SLV	23.29	-1.5%	6.6%	6.6%	1.3%
Consumer Staples Select Sector SPDR	XLP	75.34	-0.7%	1.6%	1.6%	1.1%
iShares iBoxx $ Invest Grade Corp Bond	LQD	106.41	-1.2%	-1.6%	-1.6%	0.9%
iShares US Telecomm ETF	IYZ	22.53	1.1%	1.9%	1.9%	0.4%
Energy Select Sector SPDR	XLE	87.07	1.1%	7.3%	7.3%	-0.5%
iShares 20+ Year Treas Bond ETF	TLT	98.14	-3.0%	-4.7%	-4.7%	-1.4%
Health Care Select Sect SPDR	XLV	133.45	-1.8%	0.5%	0.5%	-1.8%
iShares Nasdaq Biotechnology ETF	IBB.O	128.05	-0.8%	0.9%	0.9%	-2.5%
iShares MSCI Malaysia ETF	EWM	21.61	1.3%	8.0%	8.0%	-5.4%
Utilities Select Sector SPDR	XLU	66.25	-3.1%	1.2%	1.2%	-6.0%
iShares MSCI Hong Kong ETF	EWH	19.70	2.1%	1.9%	1.9%	-6.2%
SPDR S&P Bank ETF	KBE	41.54	2.4%	15.4%	15.4%	-8.0%

Outperformed SP500
Underperformed SP500

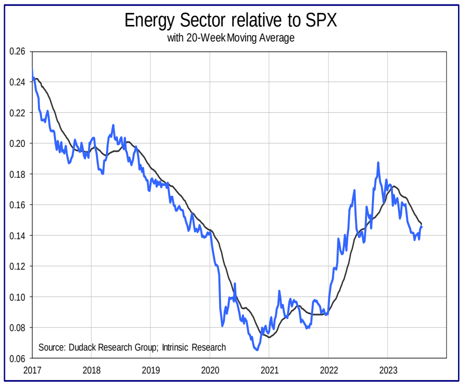
Source: Dudack Research Group; Refinitiv

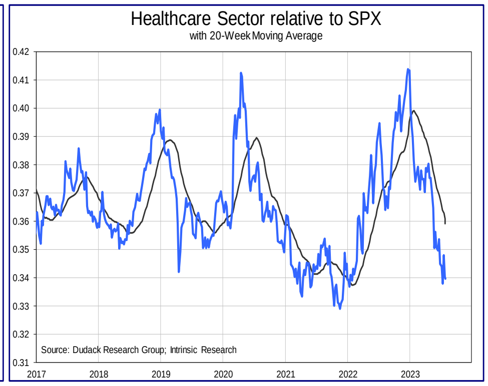
Priced as of August 1, 2023

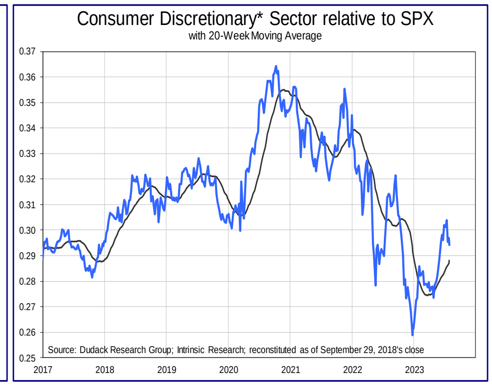
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

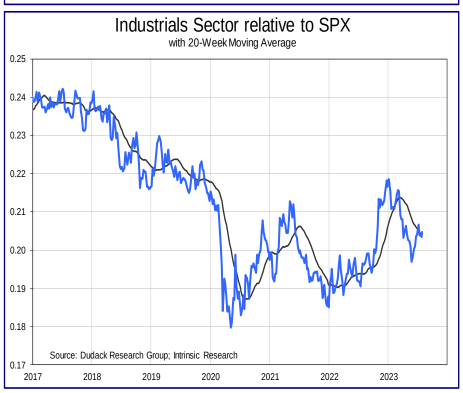
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Energy Industrials Staples Utililties	Healthcare Technology Materials Financials	Consumer Discretionary REITS Communication Services

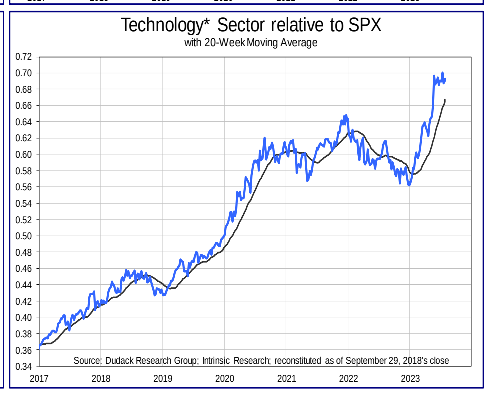
3/8/2022:Materials upgraded from underweight to neutral/communication service downgraded from neutral to underweight. 3/1/2022 Financials downgraded to neutral and Industrials upgraded to overweight.

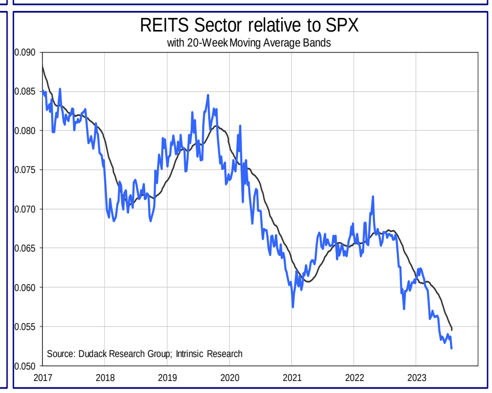


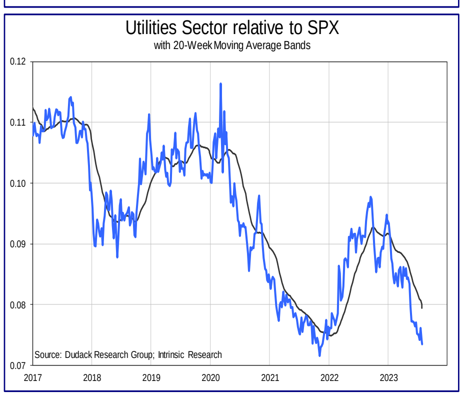


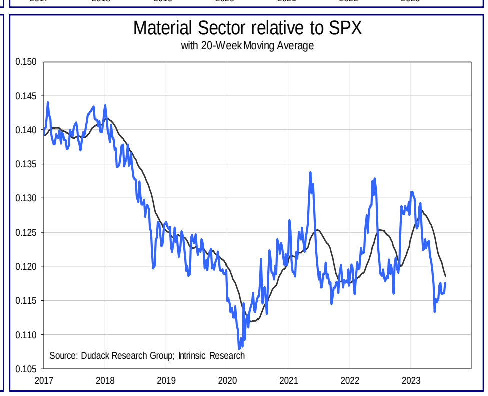


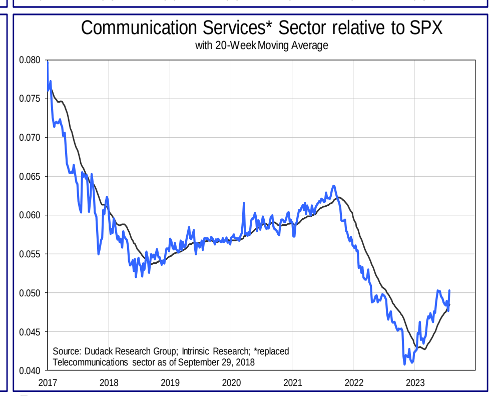


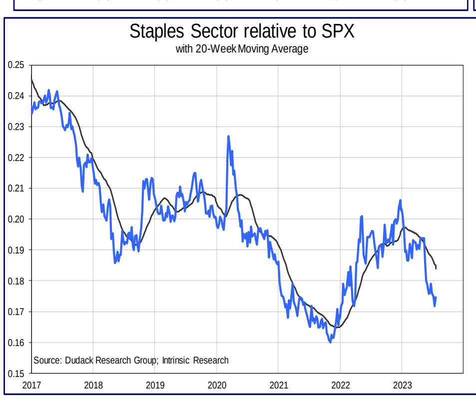


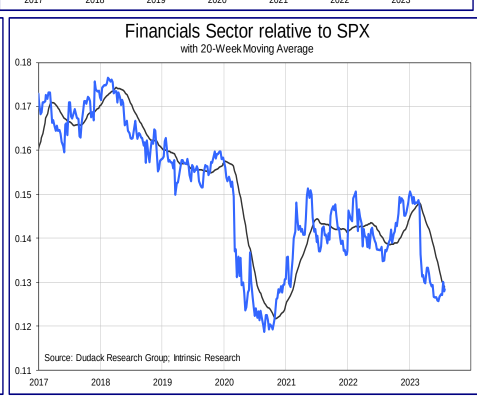












2023 Performance - Ranked	
SP500 Sector	% Change
S&P INFORMATION TECH	45.9%
S&P COMMUNICATIONS SERVICES	44.3%
S&P CONSUMER DISCRETIONARY	34.0%
S&P 500	19.2%
S&P INDUSTRIALS	12.7%
S&P MATERIALS	9.7%
S&P FINANCIAL	3.1%
S&P REITS	2.9%
S&P CONSUMER STAPLES	1.4%
S&P ENERGY	-1.0%
S&P HEALTH CARE	-2.0%
S&P UTILITIES	-6.2%

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%	$2,478.80	4.0%
2023E	~~~~~	$197.17	$215.24	$212.00	7.6%	$217.83	-0.1%	20.7X	NA	NA	NA	NA
2024E	~~~~~	$221.42	$242.00	$230.00	8.5%	$245.15	12.5%	18.4X	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	$48.41	$52.54	$52.54	6.4%	$53.08	-3.1%	20.5	1.7%	2.0%	$2,307.00	-2.8%
2023 2QE	4450.38	$45.91	$51.11	$52.46	11.9%	$52.37	-9.1%	21.8	NA	2.4%	NA	NA
2023 3QE*	4576.73	$50.33	$54.93	$54.00	7.2%	$55.64	-0.7%	21.9	NA	NA	NA	NA
20244QE	~~~~~	$52.53	$56.66	$53.00	5.2%	$57.45	8.1%	20.7	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates 8/1/2023

Regulation AC Analyst Certification

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