DRG Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
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August 30, 2023

DJIA: 34852.67
SPX: 4497.63
NASDAQ: 13943.76

US Strategy Weekly

Beware What You Wish For

US job openings in July dropped to the lowest level in nearly two and a half years and equity investors rejoiced. The news triggered a 292.69-point gain in the Dow Jones Industrial Average, carrying the index just 5.3% below its all-time high of 36,799.65 high and to a gain of 5.1% year-to-date. The JOLTS report also showed that the number of people quitting their jobs fell to the lowest level seen since early 2021, which implies jobholders feel that switching jobs has become more difficult. More importantly, the employment report for August will be released at the end of this week and it too could be a market-moving event, particularly if it confirms a below-consensus increase in jobs. However, we would be wary of being bullish about bad economic news since bad news inches the economy closer to a recession and a recession has never been good for corporate earnings or for equity prices.

We have often noted that high inflation has a debilitating impact on consumer purchasing power, corporate profit margins, and price-earnings multiples. It erodes the value of the dollar and of savings. In short, it is bad for all parts of the economy. And this is why we believe the Federal Reserve is likely to be more hawkish than dovish for all of 2023. In our opinion, the Fed understands that an inflation target of 2% will not be that easy to achieve without slowing the economy down. And while Fed Chairman Jerome Powell has danced around the question of whether a recession or no recession is part of the inflation solution, slowing inflation without a recession would be like threading a tiny needle … possible but difficult.

History shows that whenever inflation has had a rapid rise or has been more than a standard deviation above the norm (6.5%+), like the 9% seen in June 2022, it has always been followed by a recession. A recession is most often the result of tighter monetary policy which has generally ended with a real fed funds rate of at least 400 basis points. Perhaps it will be "different this time" but that is a risky view, in our estimation. See the historical charts on page 3.

For the real fed funds rate to reach 400 basis points today, with a 3% inflation rate, means the fed funds rate would rise to 7%. We are not predicting a 7% rate, but we do believe the fed funds rate is likely to move higher in September and this would be a negative surprise to the consensus. It could also be a dampener to economic activity in the months ahead.

Is Bad News Good News?

In line with the JOLTS report, the regional Federal Reserve activity reports were a mixed bag. The Kansas City Fed Manufacturing Survey was at zero in August, but up from negative 11 in July. The Philadelphia Fed Nonmanufacturing Survey was negative 0.5 in August, down from 2.0 in July. The Richmond Fed Manufacturing Survey was negative 7.0 in August, up from negative 9.0 in July. The Chicago Fed National Activity Index was 0.12 in July, up from negative 0.33 in June. The Texas Manufacturing Outlook Survey was minus 17.2 in August, up from minus 20.0 in July. All in all, these surveys were not a recessionary package, but neither were they a sign of strength.

As interest rates rise the biggest impact may be seen in the housing and auto sectors, two areas that have been a source of strength since the pandemic. New home sales rose 4.4% in July to 714,000, an increase of 31.5% from a year earlier. The median price of a single-family home rose 4.8% in the month to $436,700, but this was down nearly 9% YOY. Home prices and sales have been relatively stable, but primarily due to a lack of inventory. The supply of existing family homes rose fractionally in July to 3.2 months, nevertheless, this is a historically low level. While low supply has been what has supported the residential market, we worry that demand may eventually fall as a result of high prices and interest rates. See page 4. Rising mortgage rates are already hurting housing affordability, which is currently at its lowest level since 1985. This is a concern since housing typically represents 15% to 18% of GDP. See page 5.

The auto industry is also hurt by higher prices and rising interest rates. The post-pandemic auto-buying surge is over, yet vehicle sales rose in July to 16.3 million units. See page 6. However, this remains well below 17-18 million units consistently seen between 2014 and 2020. Autos, along with housing, have been the most unwavering drivers of the US economy. We will be watching closely to see if higher financing rates slow auto sales.

Consumer sentiment can be a guiding indicator of the economy at both peaks and troughs, so it is worth noting that August's deterioration in sentiment surveys follows months of steady improvement. The University of Michigan consumer sentiment index fell in August, dragged down by future expectations due in large part to rising gas prices. It was the first month-over-month decline since May for this survey. The Conference Board consumer confidence index fell from 114.0 to 106.1 in August as both present conditions and expectations fell significantly. See page 7. We had been hopeful that the improvement seen in real wages in recent months would give a boost to investor sentiment and consumption, however, we may have been too optimistic.

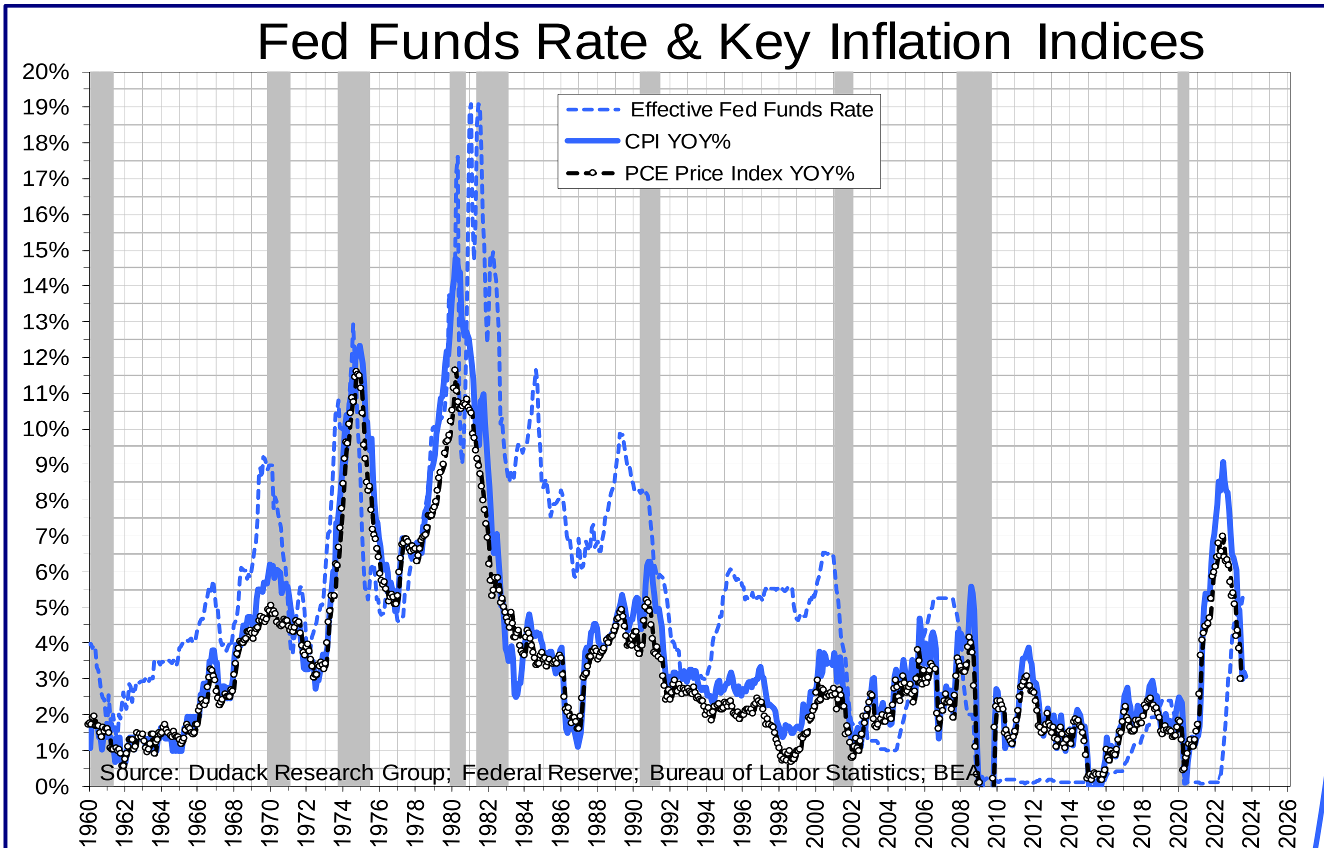
Important economic news will be released this week including the Fed's favorite inflation benchmark, the personal consumption expenditure deflator. It will be released alongside personal income and real personal consumption for July. Pending home sales may give an insight into whether higher mortgage rates are taking a toll on home buyers. And the week ends on Friday with the employment report, the ISM manufacturing report, and vehicle sales for August. This should give good insight into economic activity and the health of the consumer.

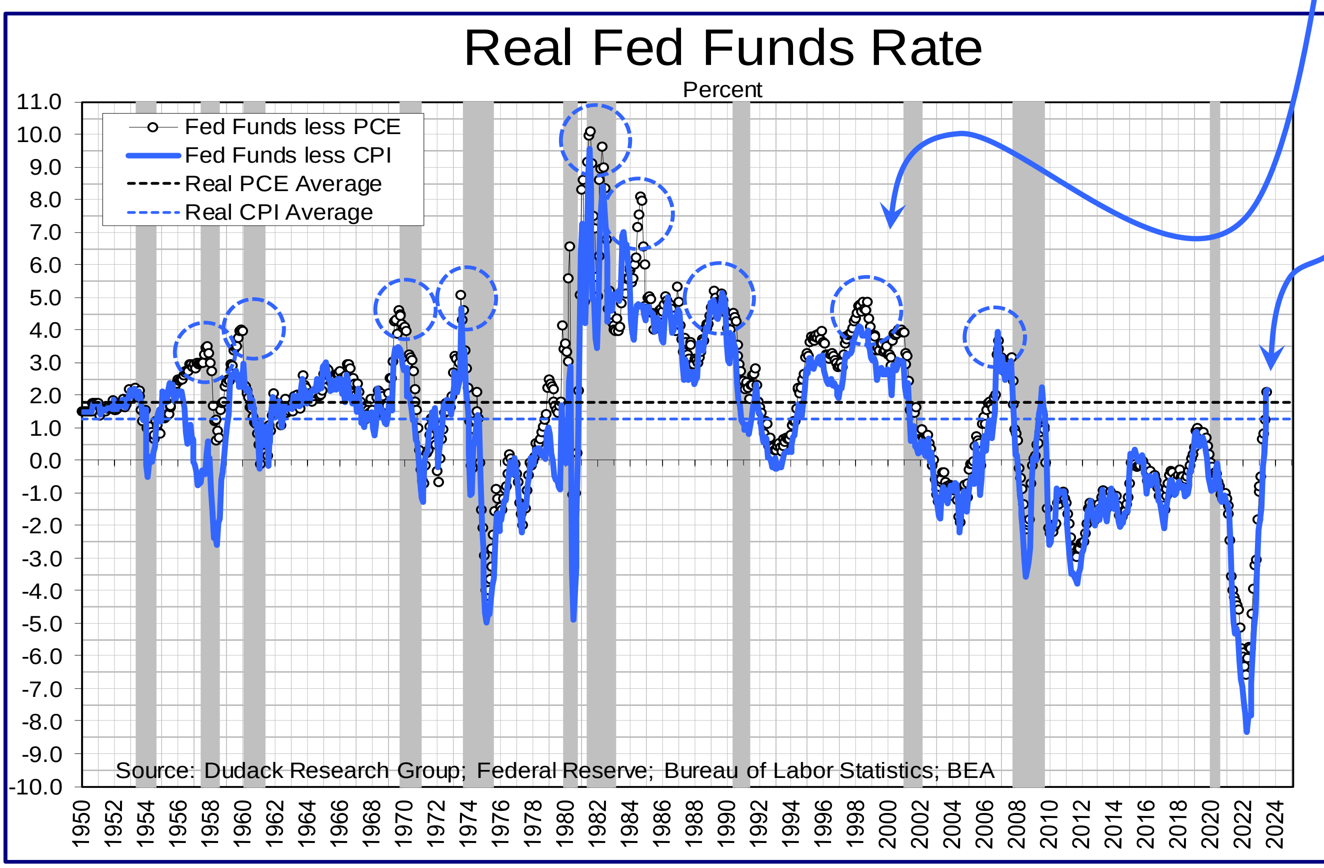
Technical Indicators

The Dow Jones Industrial Average, the S&P 500 index, and the Nasdaq Composite index have all tested their 100-day moving averages and are rebounding. This is favorable. The Russell 2000 index tested its 200-day moving average and is also rebounding. We would rate these tests as tentatively positive; but even if successful, the longer-term pattern remains characteristic of a long-term neutral trading range. See page 9.

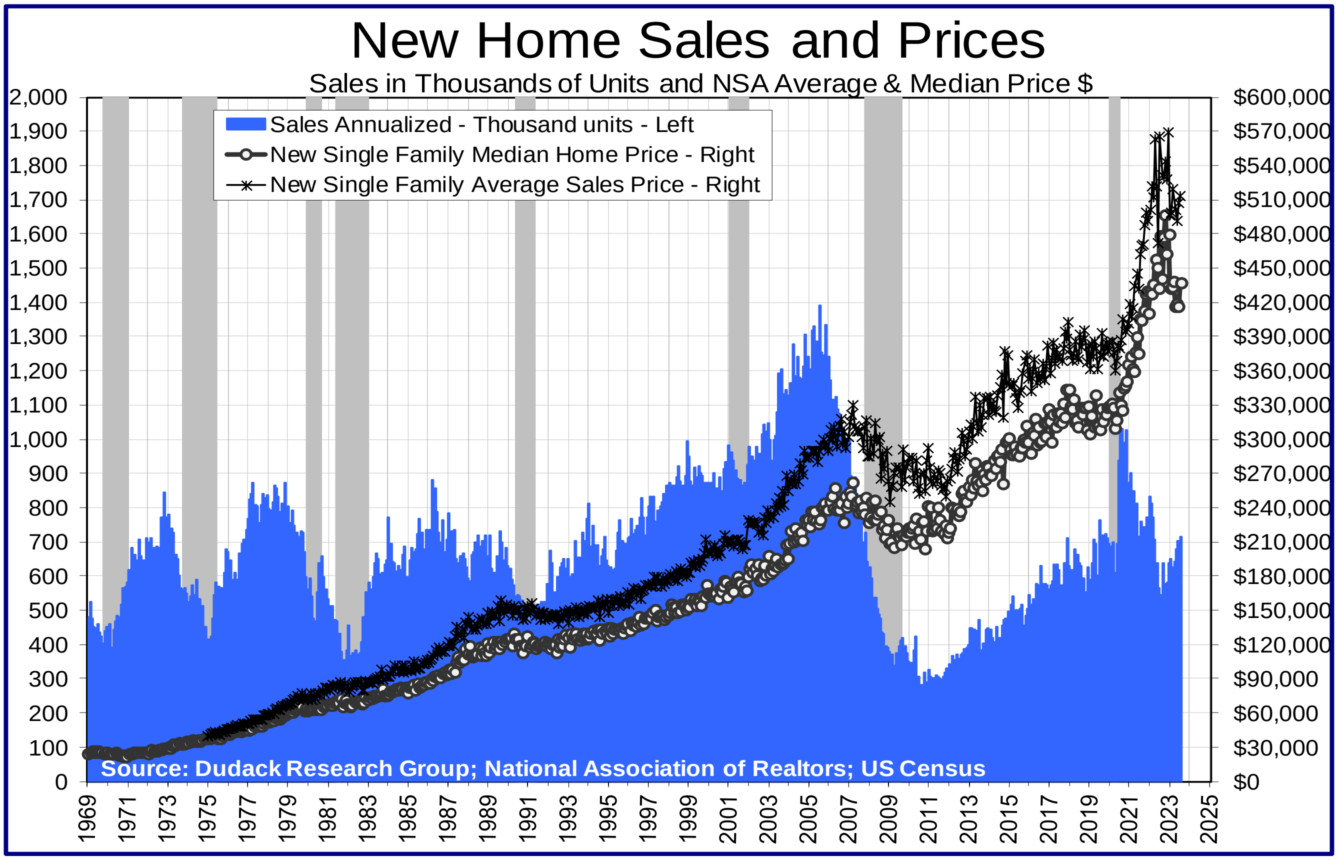
The 25-day up/down volume oscillator is at a negative 1.10 reading this week, relatively unchanged from a week ago, and at the lower end of its neutral range. This oscillator generated overbought readings in 10 of 22 trading sessions prior to August 1. However, none of these overbought readings lasted the minimum of five consecutive trading days required to confirm an advance in the averages. Strong rallies should also include at least one extremely overbought day which was also missing. However, it is also important to note that the recent rally did not generate new highs in the indices. In short, the recent rally is, to date, an advance within a larger neutral trading range. That is what this indicator has been implying for over twelve months. In our view, this trading range is a substitute for a bear market, and it is likely to persist until inflation is under control and/or earnings growth becomes more predictable and stable.

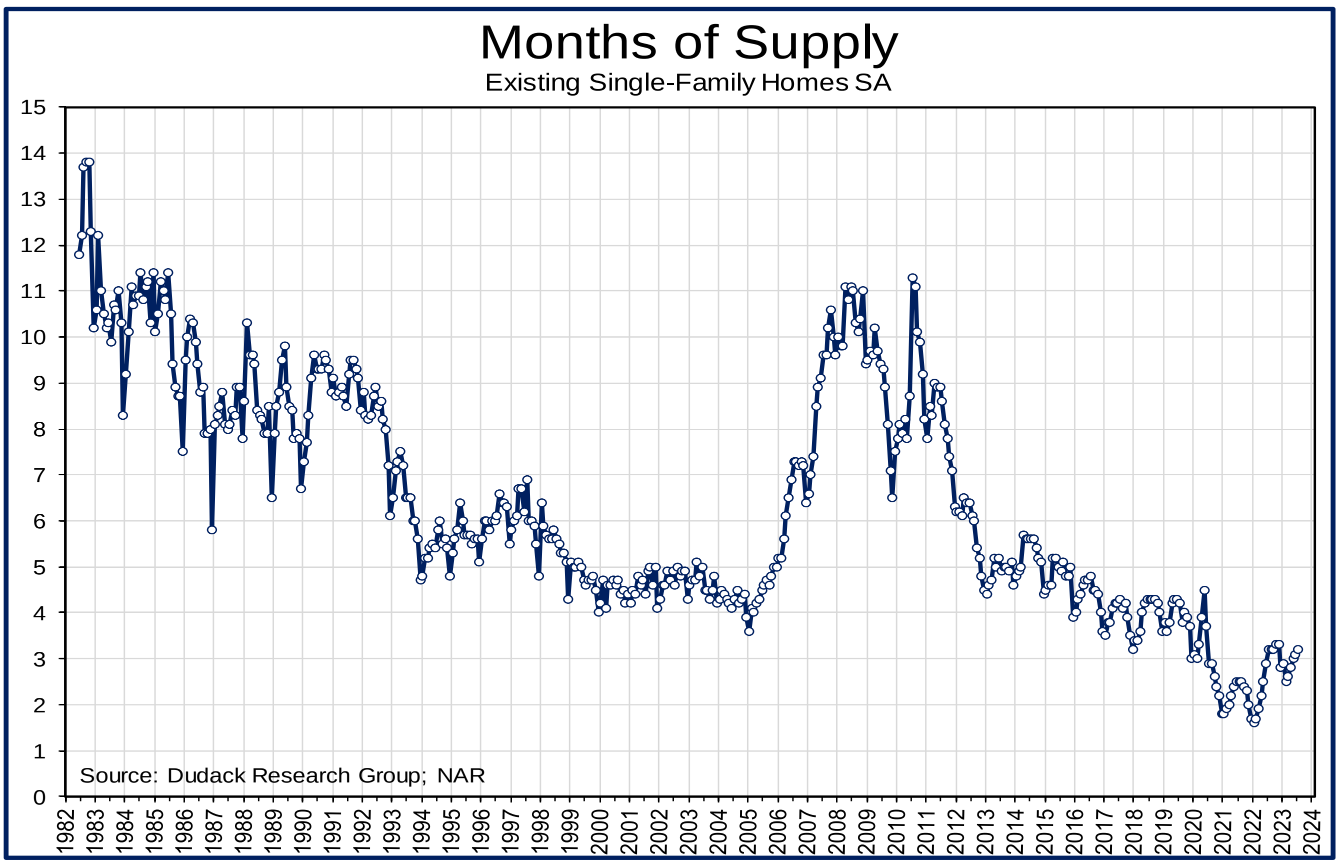
The charts below are important since they show that whenever inflation reaches a peak level like the 9% seen in June 2022, inflation has declined, but only in line with a recession. These declines in inflation have been the result of tighter monetary policy which typically ends with a real fed funds rate of at least 400 basis points. This suggests that a 3% inflation rate would translate into a 7% fed funds rate. A 7% rate may not materialize, but it does suggest that the fed funds rate is likely to move higher in September and surprise the consensus.



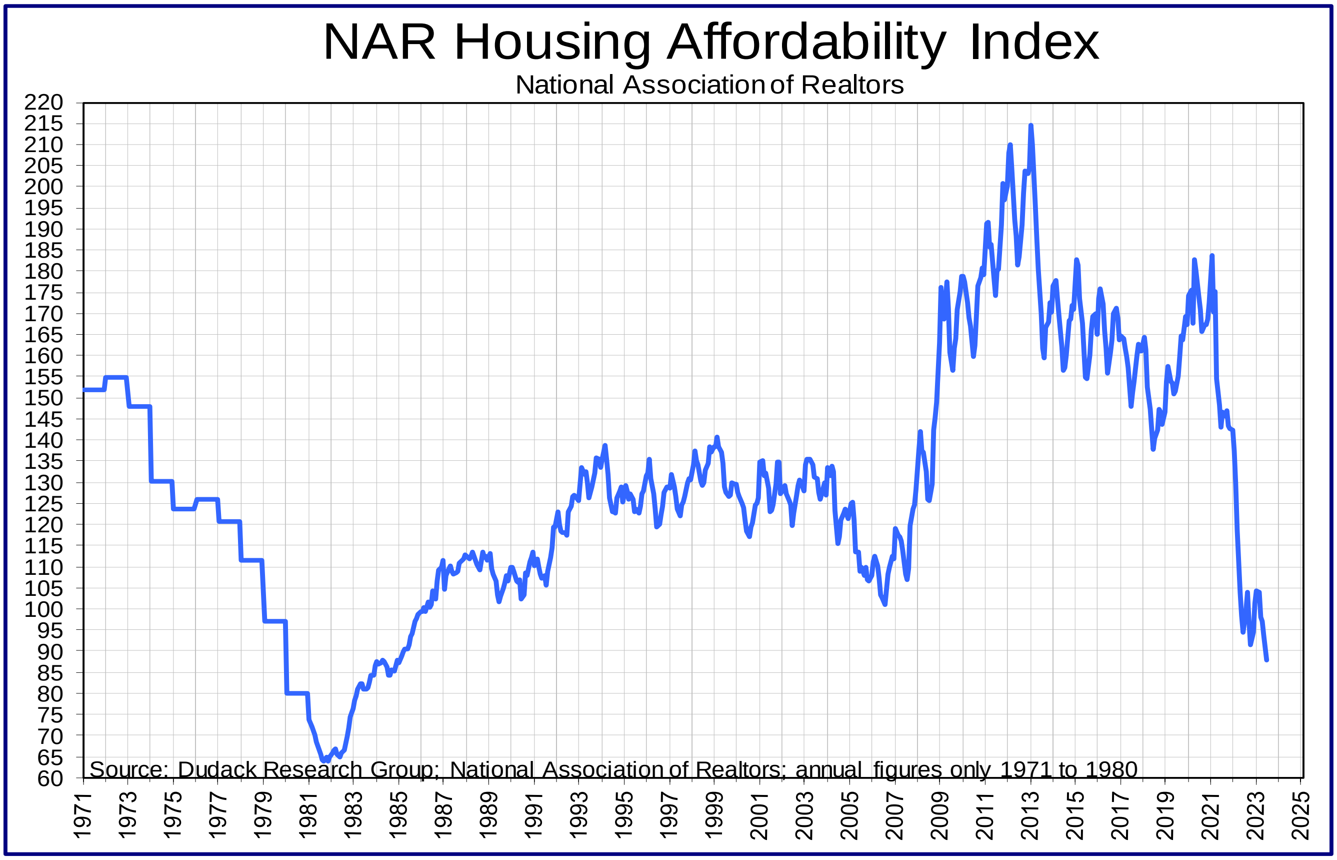


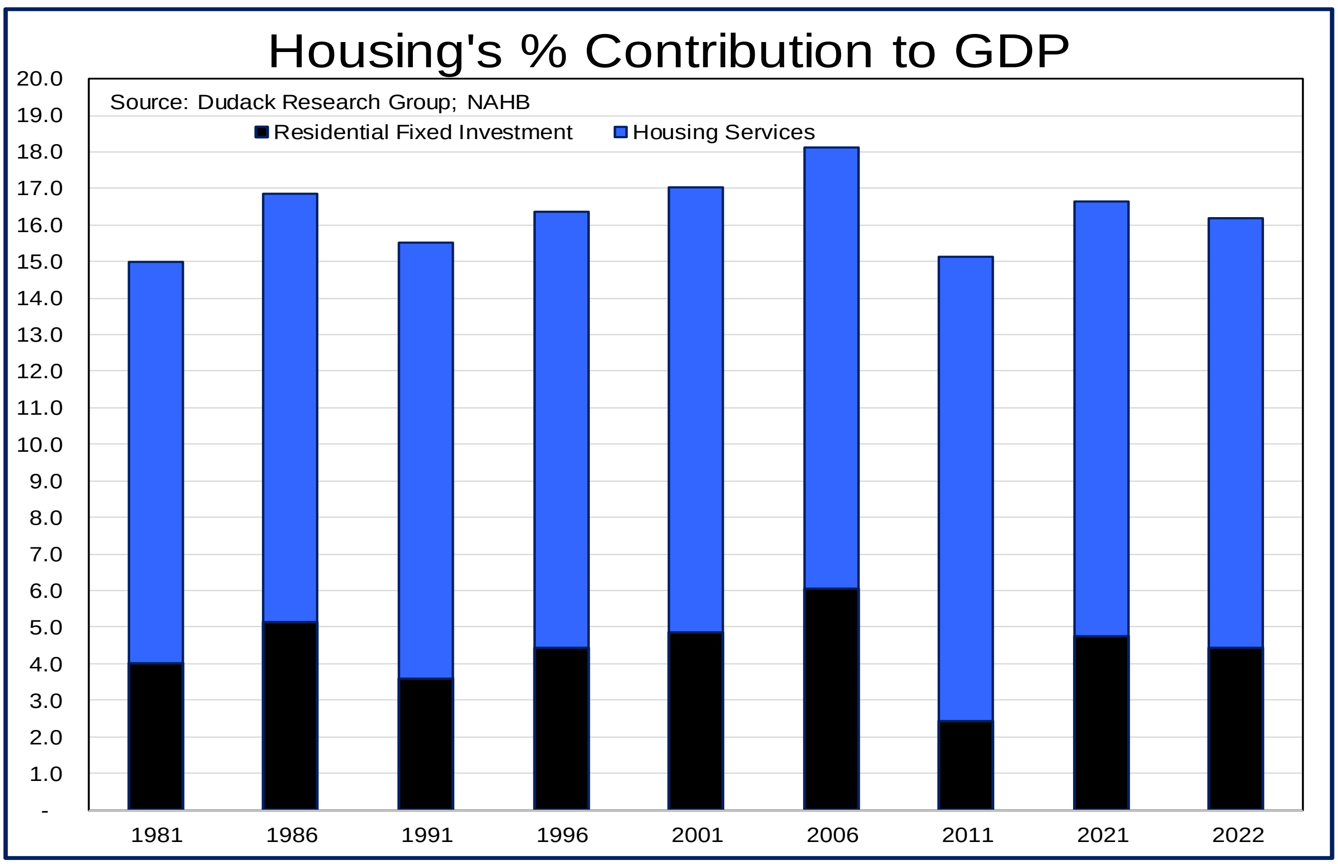
New home sales rose 4.4% in July to 714,000, an increase of 31.5% from a year earlier. The median price of a single-family home rose 4.8% in in the month to $436,700, but this was down nearly 9% YOY. Home prices and sales have been relatively stable due to a low inventory of housing. The supply of existing family homes rose fractionally to 3.2 months in July but remains at a historically low levels and this continues to support the home building industry.



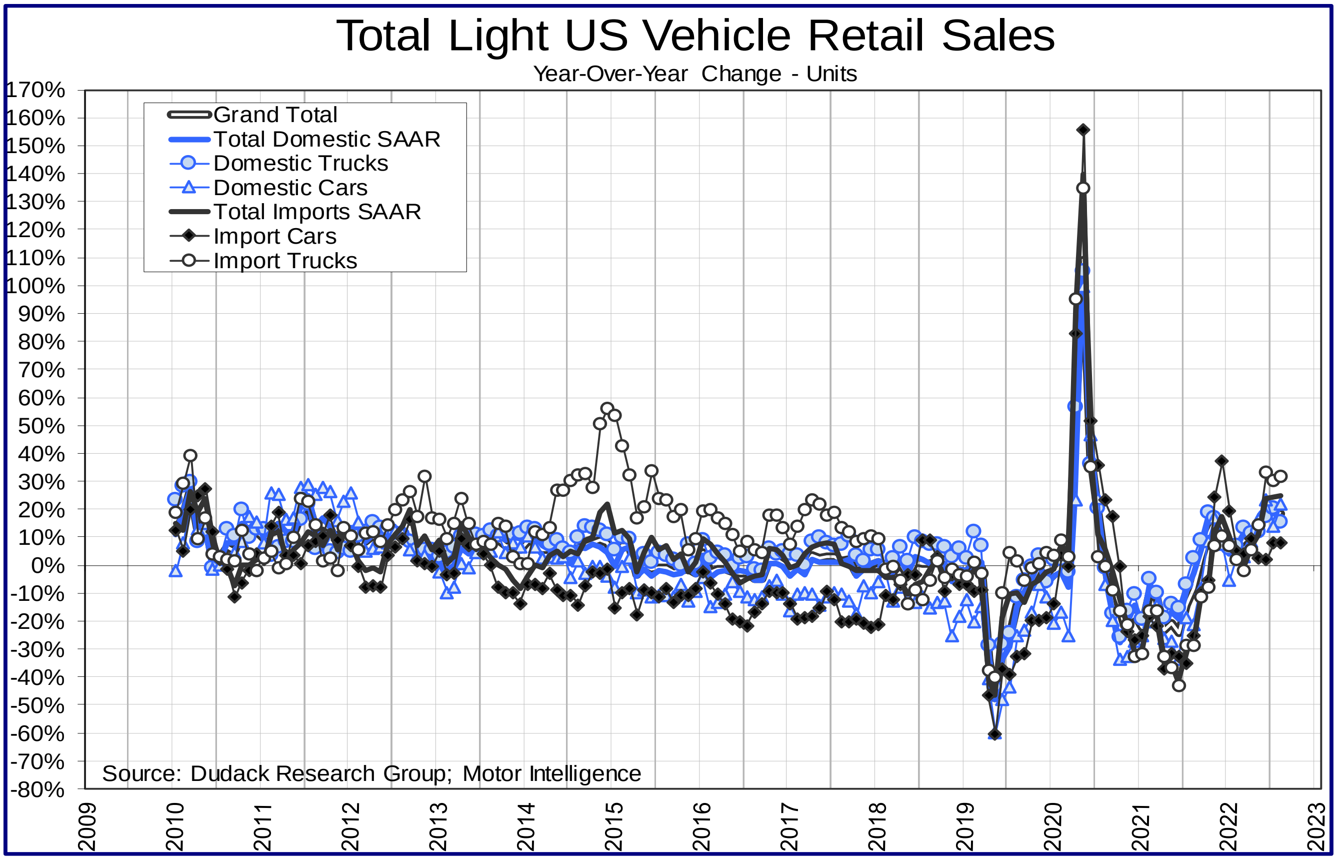


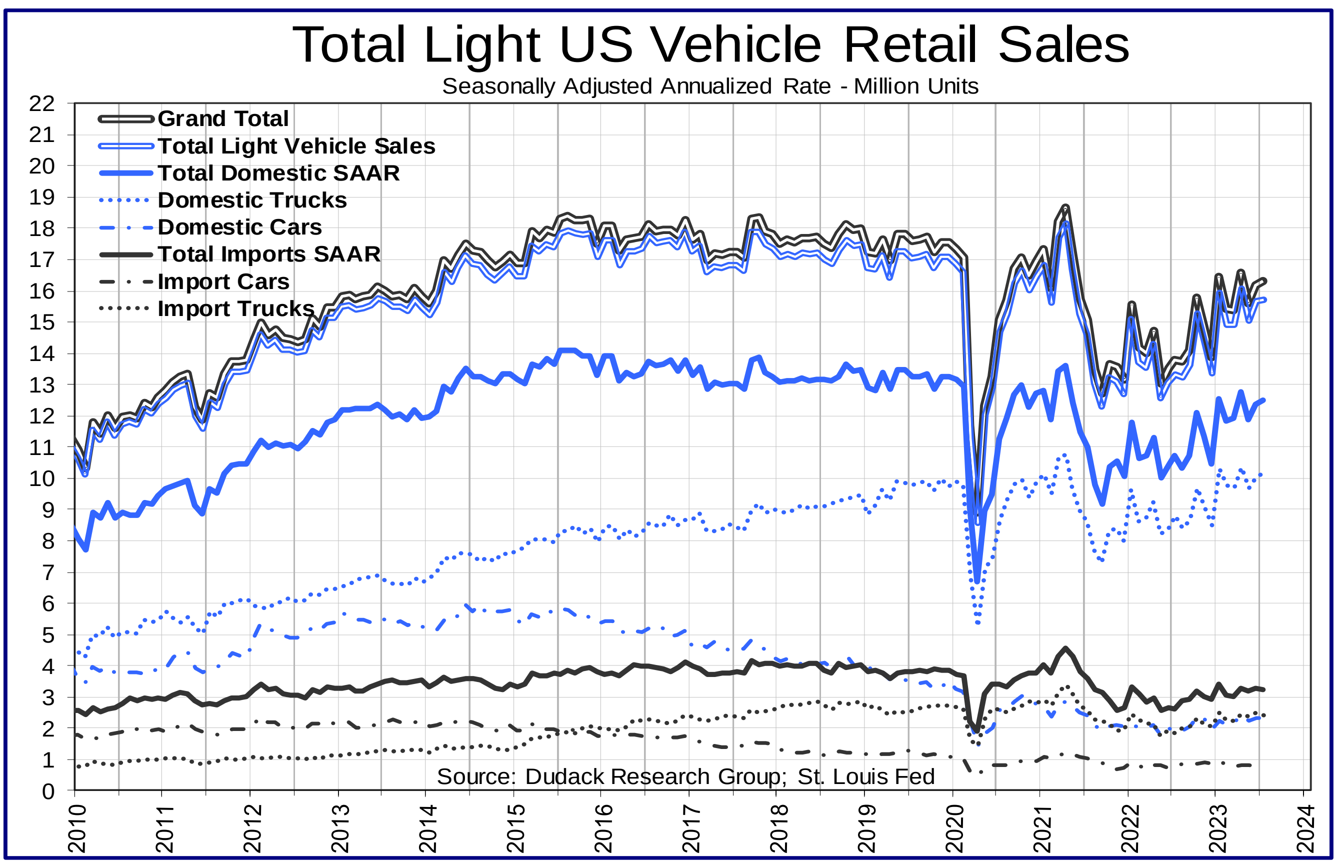
However, stubbornly high prices and rising mortgage rates are impacting housing affordability, which is currently at its lowest level since 1985. Housing typically represents 15% to 18% of GDP, which makes the health of this sector important for economic growth.



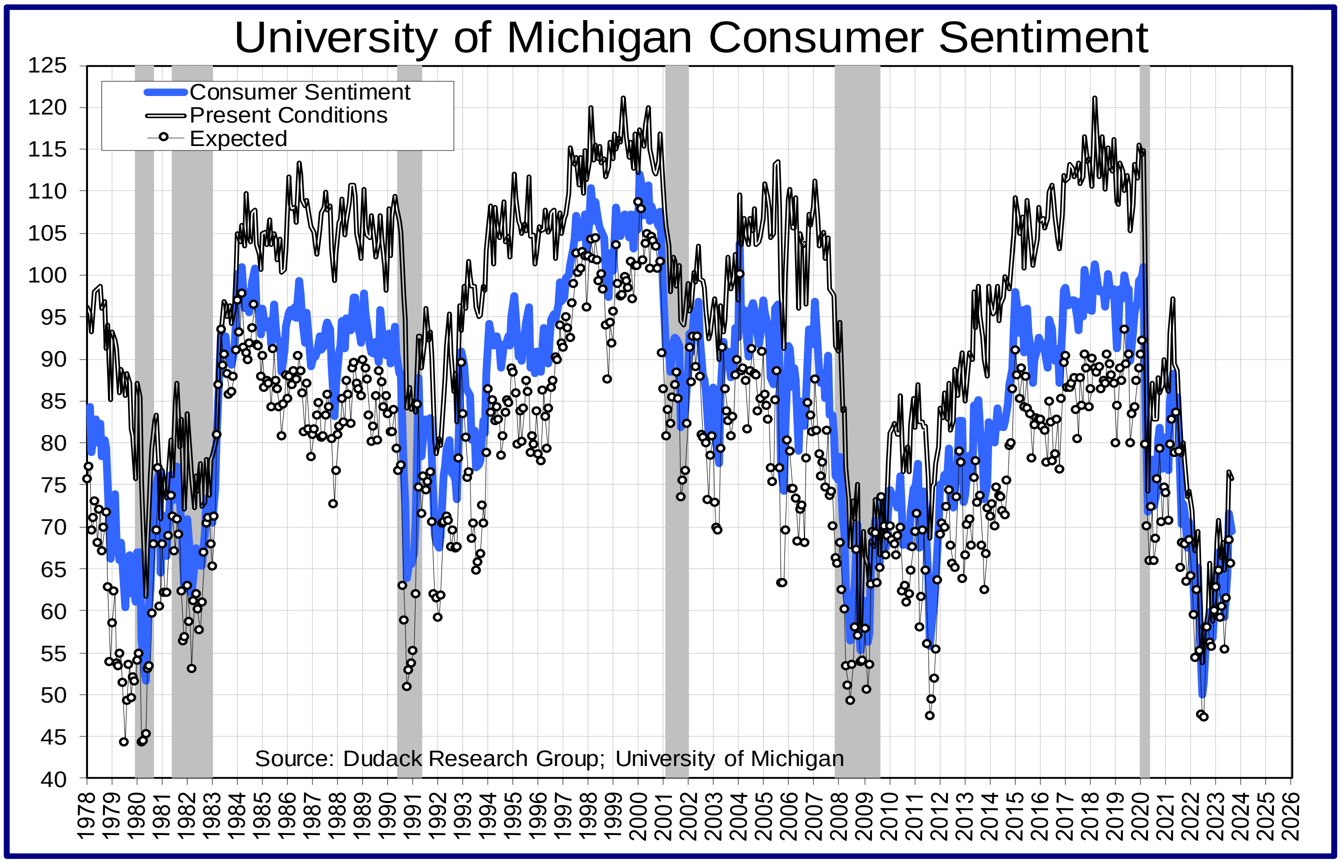


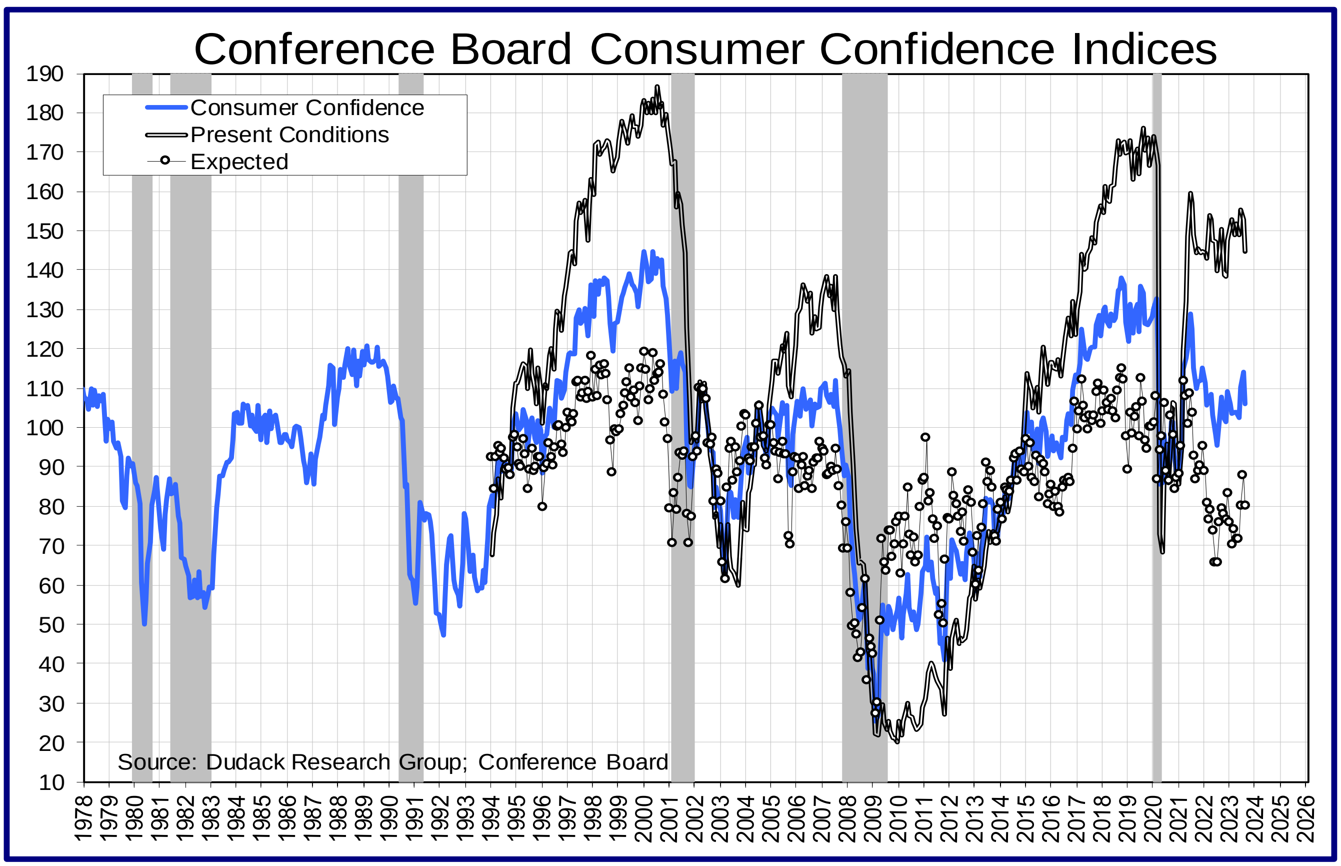
Autos and trucks are also impacted by higher prices and rising interest rates. The post-pandemic surge is over and vehicle sales rose in July to 16.3 million units; however, this remains well below 17-18 million units seen between 2014 and 2020. This is another area of the economy that has been a stable driver of GDP. But we will be watching closely to see if higher financing rates slow sales.



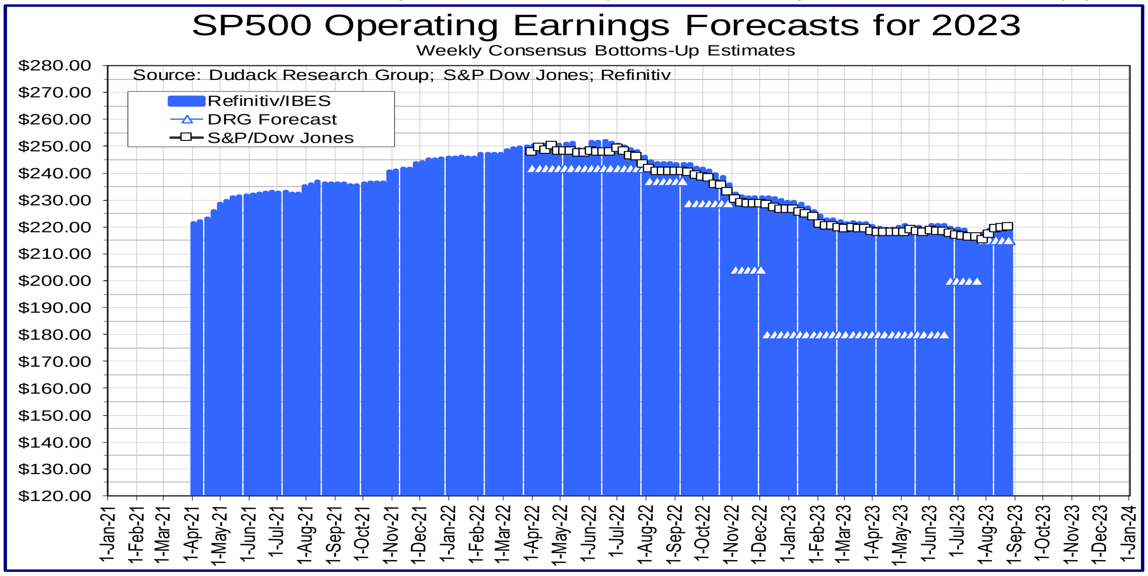


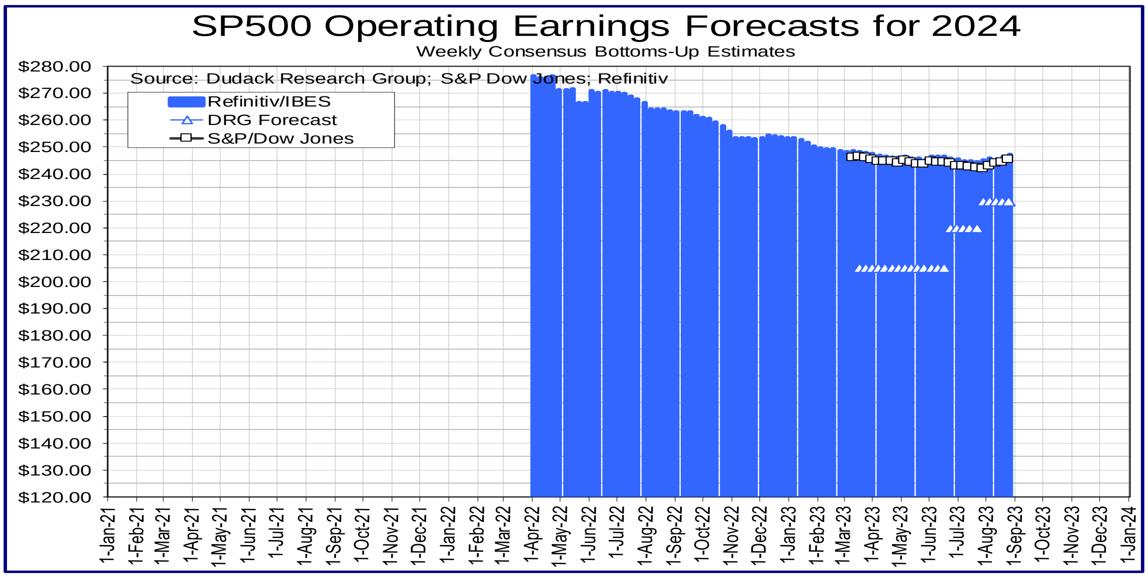
The University of Michigan consumer sentiment index fell in August, dragged down by future expectations due to rising gas prices. It was the first month-over-month decline since May. The Conference Board consumer confidence index fell from 114.0 to 106.1 in August as both present conditions and expectations fell significantly. August's deterioration in sentiment follows months of improvement.

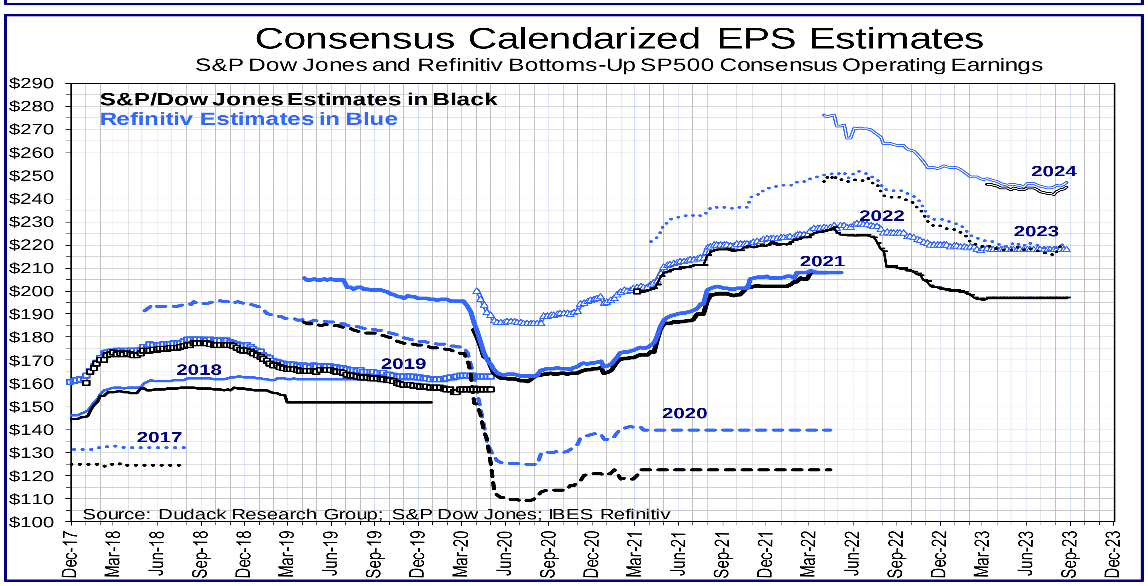




S&P Dow Jones consensus estimates for 2023 and 2024 are $219.91 and $245.19, up $0.48, and $0.94, respectively. Refinitiv IBES estimates for 2023 and 2024 are $221.01 and $247.09 up $0.53, and $0.67, respectively. Notably, S&P data shows that 18.4% of companies reporting first quarter earnings had a 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 $221.01 for this year, equities remain overvalued with a PE of 20.35 times and inflation of 3%. Again, this sum of 23.35 is just under the 23.8 range that defines an overvalued equity market.





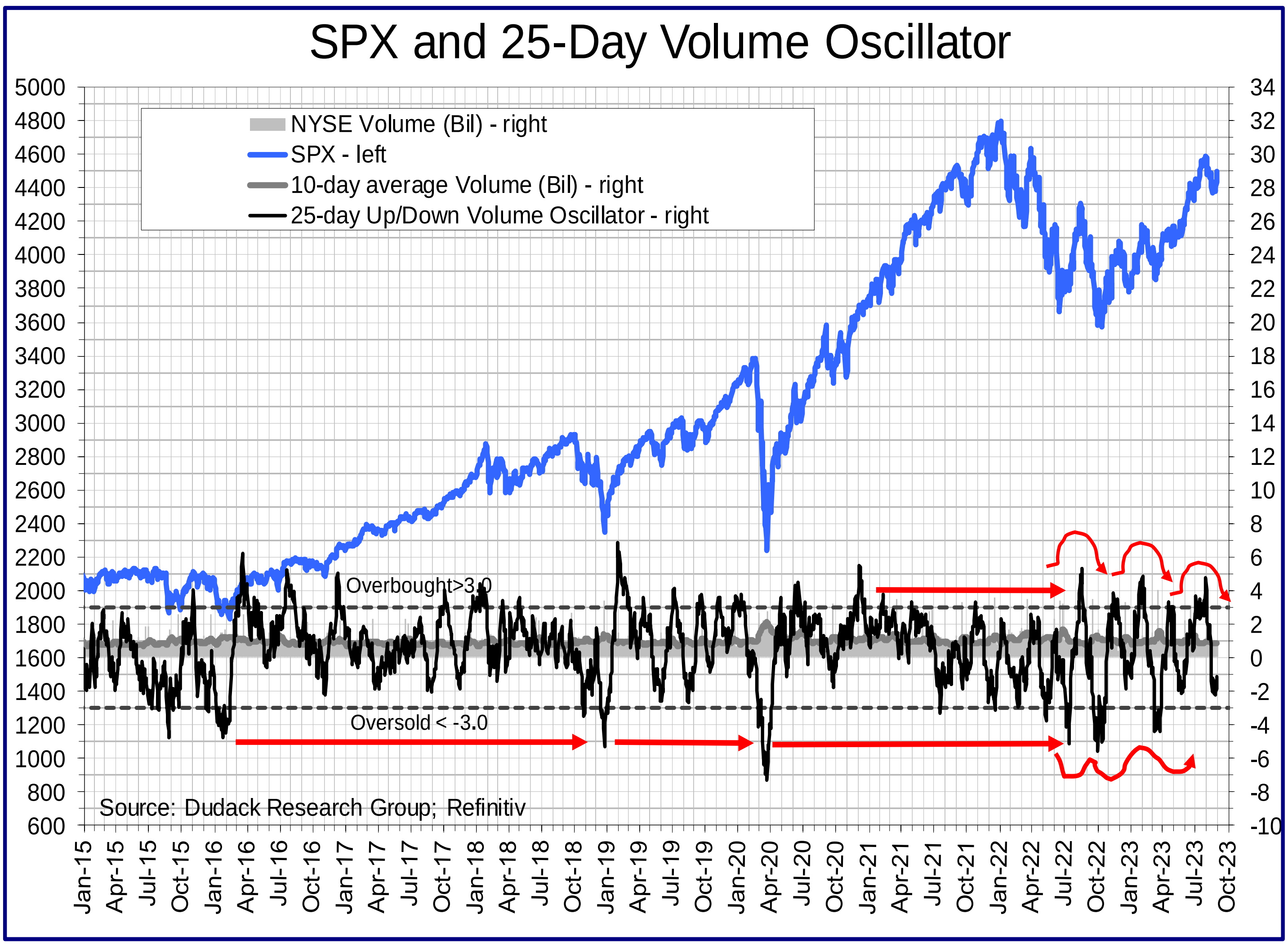


The three major indices recently tested their 100-day moving averages and are rebounding. The RUT tested its 200-day moving average and is rebounding. We would rate these tests as tentatively positive; but even if successful, the longer-term pattern remains characteristic of a long-term neutral trading range.

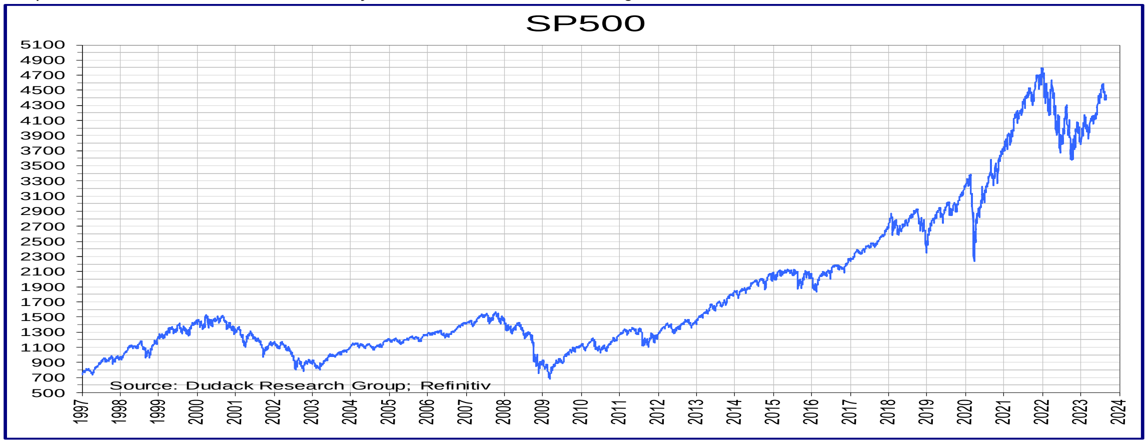
Source: Refinitiv

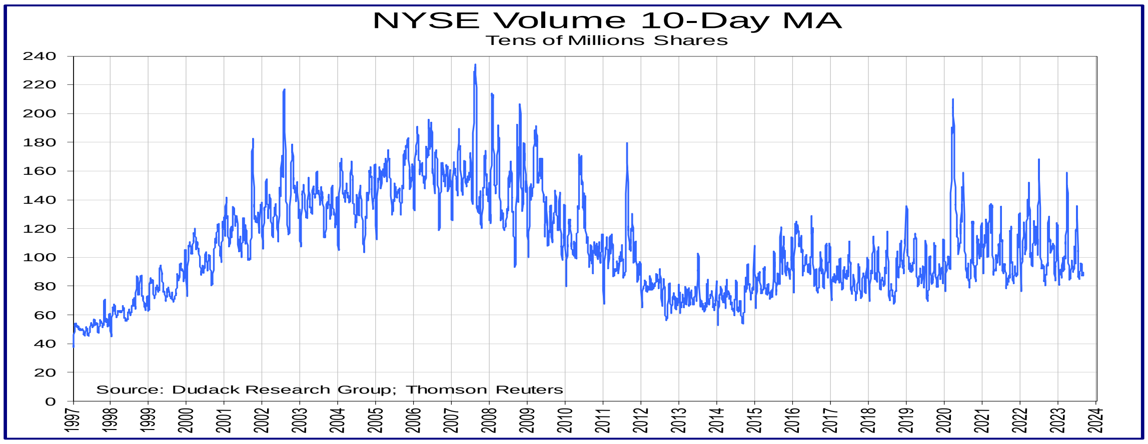
The 25-day up/down volume oscillator is at a negative 1.10 reading this week, relatively unchanged from a week ago, and at the lower end of neutral. The oscillator generated overbought readings in 10 of 22 trading sessions ending August 1. However, none of these overbought readings lasted the minimum of five consecutive trading days required to confirm the advance in the averages. Strong rallies should also include at least one extremely overbought day which was also missing.

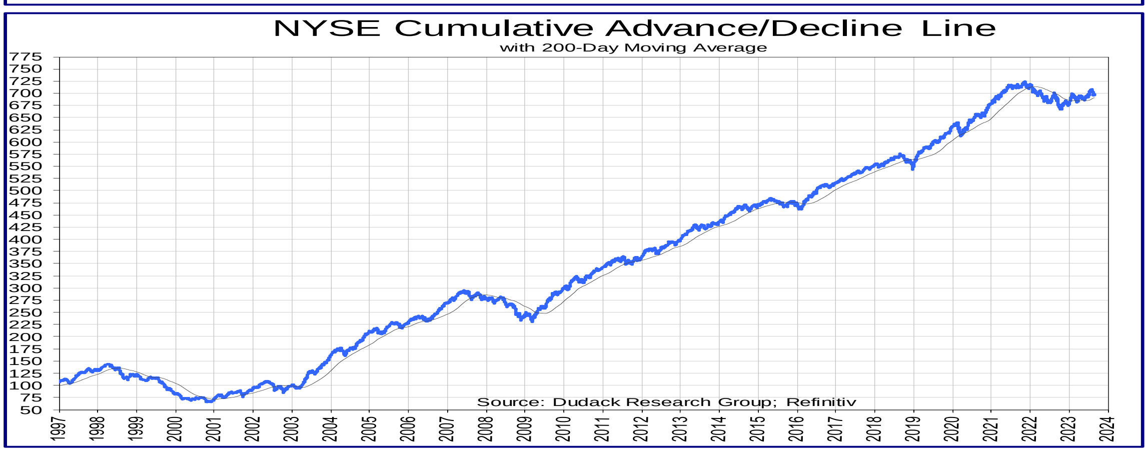
Nonetheless, these requirements are what should be seen at a new market high and none of the indices have yet recorded new record highs. The rally has produced new "cyclical" highs in some indices which could translate as a very broad trading range, but the oscillator is not showing signs that the recent rally was the beginning of a new bull market cycle.

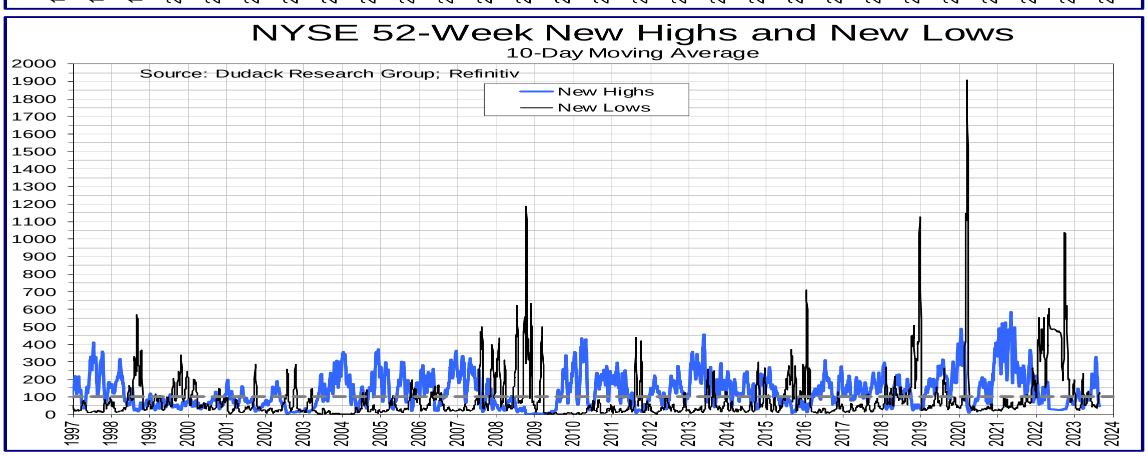


The 10-day average of daily new highs is 54 and new lows are 111. This combination turned negative last week with new highs below 100 and new lows rising above 100. The NYSE advance/decline line fell below the June low on September 22 and is 23,410 net advancing issues from its 11/8/21 high. July is 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.

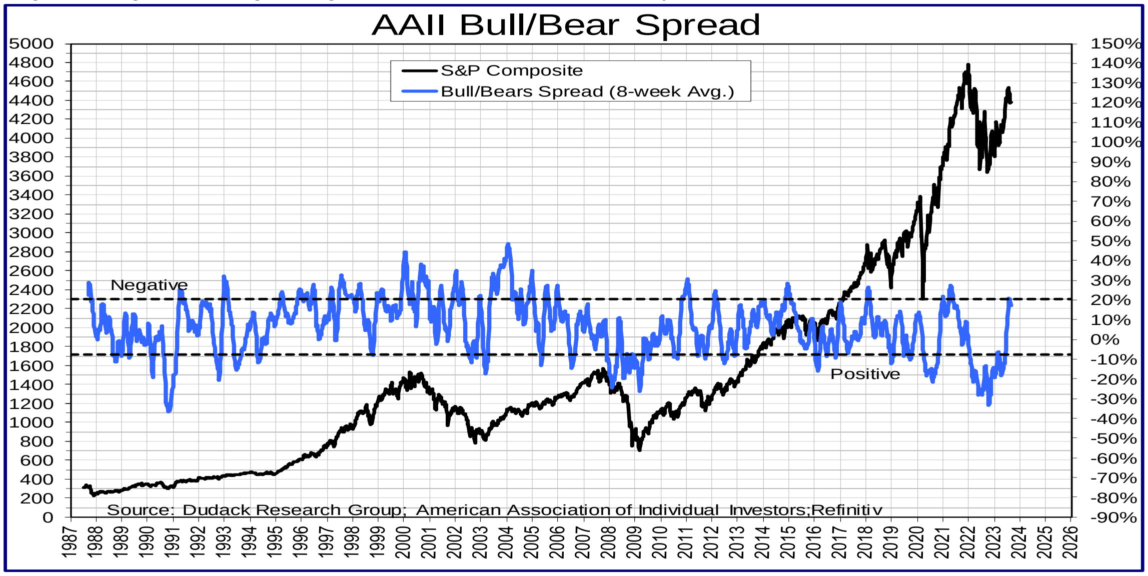


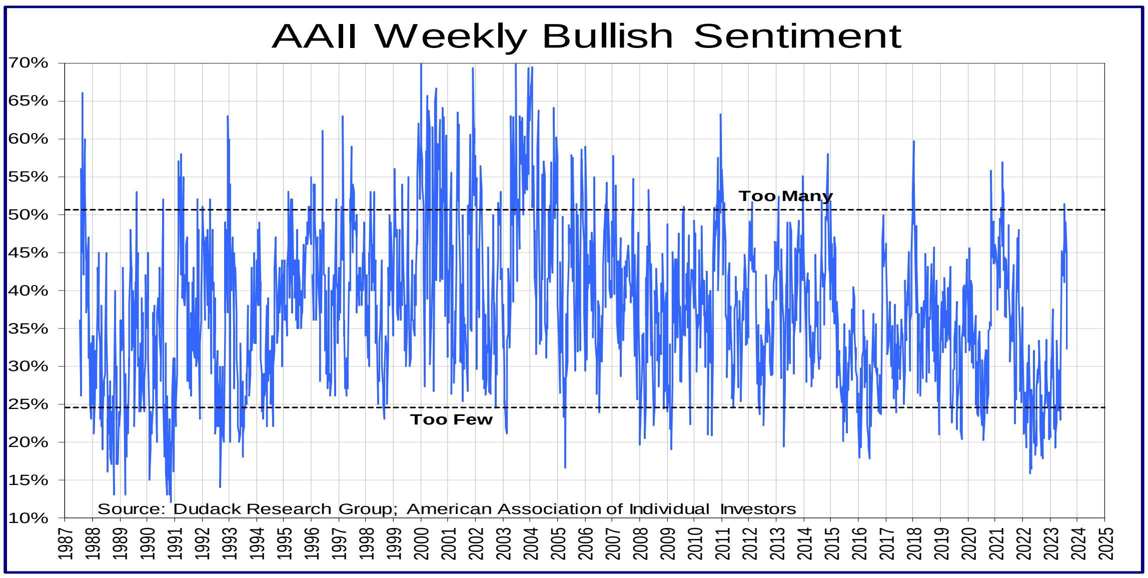


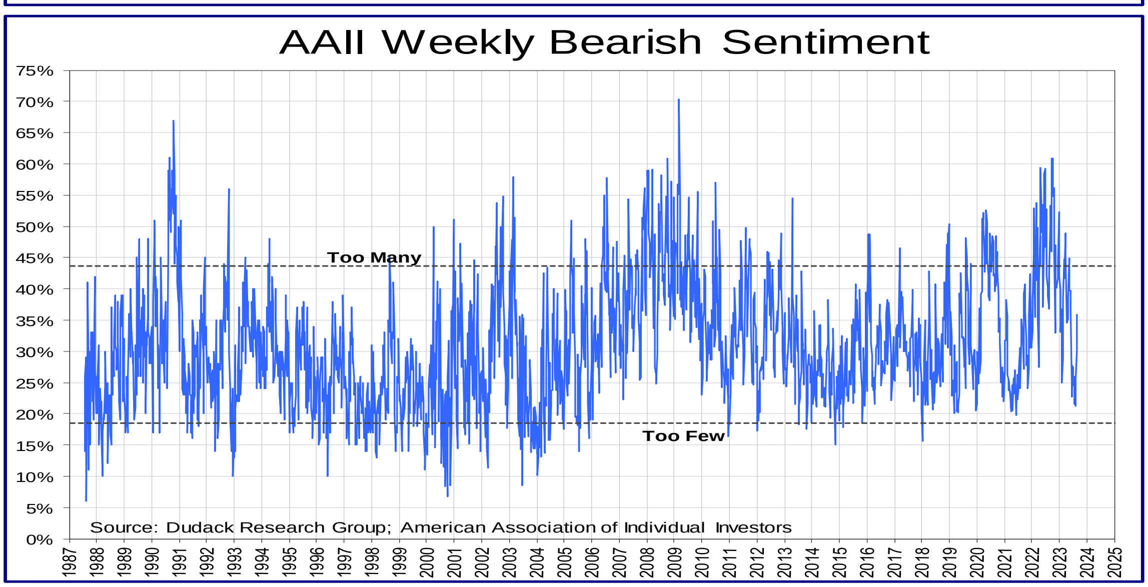




Last week's AAII readings had a 3.6% decline in bullishness to 32.3%, and a 5.8% increase in bearishness to 35.9%. After ten consecutive weeks of above average bullishness, and 11 consecutive week of below average bearishness – the longest combined stretch since February to May of 2021 – the indices are now neutral. Note that the market peaked in January 2022, months after the extreme 2021 readings. The 8-week bull/bear spread returned to neutral after inching into a negative reading on August 2, 2023, the first time since May 2021.







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	67.65	3.2%	-1.7%	3.9%	41.0%
NASDAQ 100	NDX	15376.55	3.1%	-2.4%	1.3%	40.6%
Technology Select Sector SPDR	XLK	173.50	3.3%	-2.5%	-0.2%	39.4%
SPDR Homebuilders ETF	XHB	82.07	3.6%	-2.8%	2.2%	36.1%
Nasdaq Composite Index Tracking Stock	ONEQ.O	54.73	3.1%	-2.6%	1.2%	33.6%
Consumer Discretionary Select Sector SPDR	XLY	169.45	2.8%	-1.9%	-0.2%	31.2%
iShares Russell 1000 Growth ETF	IWF	279.74	3.1%	-1.5%	1.7%	30.6%
iShares MSCI Mexico Capped ETF	EWW	63.94	3.1%	-2.2%	2.8%	29.3%
SPDR S&P Semiconductor ETF	XSD	211.09	3.2%	-6.8%	-4.6%	26.2%
iShares Russell 1000 ETF	IWB	246.89	2.6%	-1.9%	1.3%	17.3%
SP500	.SPX	4497.63	2.5%	-1.8%	1.1%	17.1%
iShares MSCI Taiwan ETF	EWT	46.33	2.9%	-5.0%	-1.5%	15.4%
iShares MSCI Brazil Capped ETF	EWZ	32.14	4.0%	-3.7%	-0.9%	14.9%
iShares MSCI Germany ETF	EWG	28.09	2.0%	-4.5%	-1.7%	13.6%
iShares MSCI Japan ETF	EWJ	61.10	2.4%	-4.1%	-1.3%	12.2%
iShares MSCI South Korea Capped ETF	EWY	63.35	4.2%	-6.1%	0.0%	12.2%
iShares DJ US Oil Eqpt & Services ETF	IEZ	23.76	2.2%	1.0%	18.1%	12.1%
iShares Russell 2000 Growth ETF	IWO	239.41	2.3%	-4.5%	-1.3%	11.6%
PowerShares Water Resources Portfolio	PHO	57.13	2.7%	-1.3%	1.3%	10.8%
Industrial Select Sector SPDR	XLI	108.23	2.2%	-1.8%	0.8%	10.2%
iShares MSCI EAFE ETF	EFA	71.85	2.7%	-3.5%	-0.9%	9.5%
Vanguard FTSE All-World ex-US ETF	VEU	54.37	2.9%	-3.7%	-0.1%	8.4%
iShares Russell 2000 ETF	IWM	188.23	2.4%	-4.2%	0.5%	8.0%
iShares MSCI Austria Capped ETF	EWO	20.41	1.2%	-2.8%	0.5%	7.4%
Gold Future	GCc1	2636.10	0.2%	0.8%	1.6%	6.9%
Materials Select Sector SPDR	XLB	82.74	2.4%	-3.0%	-0.2%	6.5%
SPDR Gold Trust	GLD	179.87	2.1%	-1.1%	0.9%	6.0%
iShares MSCI India ETF	INDA.K	44.19	1.6%	-0.7%	1.1%	5.9%
SPDR S&P Retail ETF	XRT	63.76	1.9%	-5.1%	0.0%	5.5%
iShares MSCI Canada ETF	EWC	34.48	3.0%	-3.6%	-1.5%	5.3%
SPDR DJIA ETF	DIA	348.62	1.7%	-1.7%	1.4%	5.2%
DJIA	.DJI	34852.67	1.6%	-1.7%	1.3%	5.1%
iShares MSCI Emerg Mkts ETF	EEM	39.79	3.6%	-5.1%	0.6%	5.0%
iShares Russell 1000 Value ETF	IWD	159.15	2.0%	-2.3%	0.8%	4.9%
iShares MSCI United Kingdom ETF	EWU	32.16	2.4%	-3.4%	-0.6%	4.9%
United States Oil Fund, LP	USO	73.32	1.4%	1.7%	15.4%	4.6%
iShares Russell 2000 Value ETF	IWN	144.00	2.5%	-3.9%	2.3%	3.8%
Silver Future	SIc1	24.78	5.8%	1.7%	8.6%	3.8%
iShares Silver Trust	SLV	23.73	5.7%	1.8%	8.6%	3.3%
iShares MSCI BRIC ETF	BKF	35.01	4.6%	-4.9%	2.4%	2.0%
iShares US Real Estate ETF	IYR	85.51	3.4%	-2.3%	-1.2%	1.6%
Shanghai Composite	.SSEC	3135.89	0.5%	-4.3%	-2.1%	1.5%
Oil Future	CLc1	81.16	1.0%	0.7%	14.9%	1.1%
Energy Select Sector SPDR	XLE	88.42	1.0%	3.0%	8.9%	1.1%
Financial Select Sector SPDR	XLF	34.49	2.6%	-2.0%	2.3%	0.8%
iShares US Telecomm ETF	IYZ	22.62	3.1%	1.8%	2.4%	0.8%
iShares iBoxx $ Invest Grade Corp Bond	LQD	106.13	2.2%	-1.3%	-1.9%	0.7%
iShares MSCI Australia ETF	EWA	22.12	3.4%	-4.4%	-1.9%	-0.5%
Health Care Select Sect SPDR	XLV	134.92	1.3%	-0.2%	1.6%	-0.7%
iShares MSCI Singapore ETF	EWS	18.62	4.0%	-6.5%	0.6%	-1.0%
iShares China Large Cap ETF	FXI	27.95	6.9%	-7.1%	2.8%	-1.2%
iShares Nasdaq Biotechnology ETF	IBB.O	129.47	1.7%	-0.3%	2.0%	-1.4%
Consumer Staples Select Sector SPDR	XLP	73.01	1.2%	-4.1%	-1.6%	-2.1%
iShares 20+ Year Treas Bond ETF	TLT	96.31	3.3%	-3.5%	-6.4%	-3.3%
iShares MSCI Malaysia ETF	EWM	21.24	1.4%	-1.5%	6.1%	-7.0%
Utilities Select Sector SPDR	XLU	63.86	0.9%	-4.7%	-2.4%	-9.4%
iShares MSCI Hong Kong ETF	EWH	18.34	5.3%	-8.3%	-5.1%	-12.7%
SPDR S&P Bank ETF	KBE	39.13	3.7%	-6.7%	8.7%	-13.3%

Outperformed SP500
Underperformed SP500

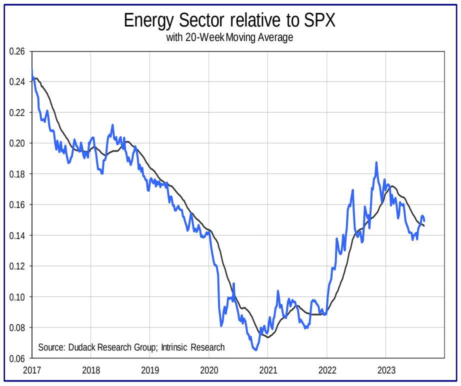
Source: Dudack Research Group; Refinitiv

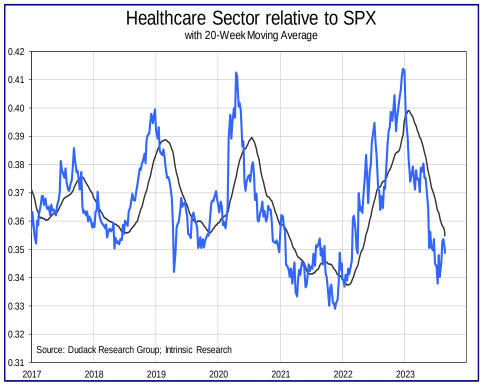
Priced as of August 29, 2023

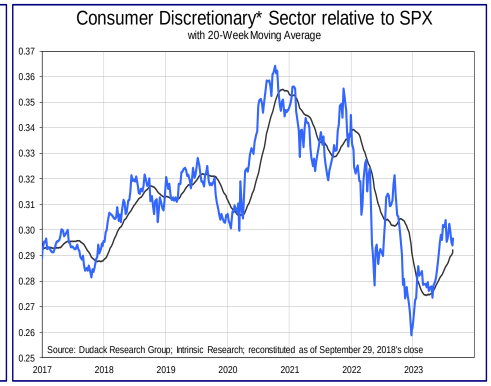
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

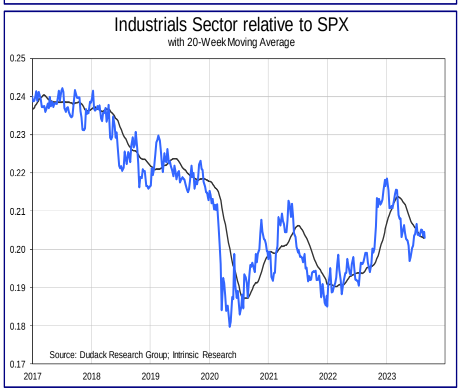
DRG Recommended Sector Weights				
Overweight		**Neutral**		**Underweight**
Energy Industrials Staples Utililties		Healthcare Technology Materials Financials		Consumer Discretionary REITS Communication Services

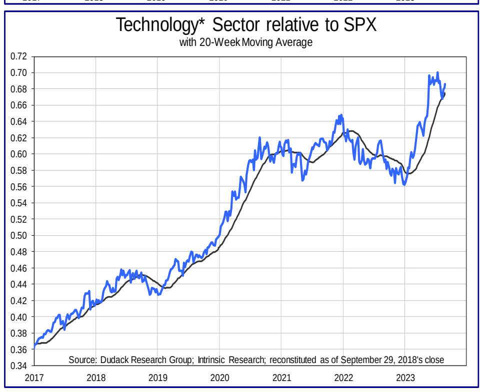
3/8/2022:Materials upgraded from underw eight to neutral/communication service dow ngraded from neutral to underw eight. 3/1/2022 Financials dow ngraded to neutral and Industrials upgraded to overw eight.

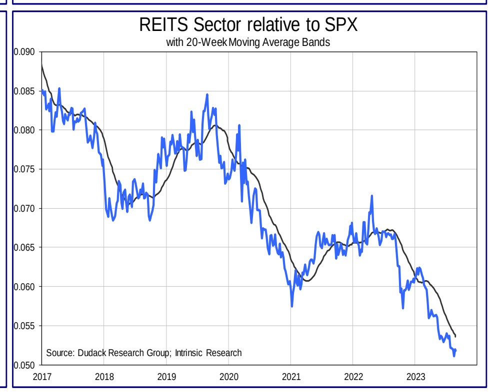


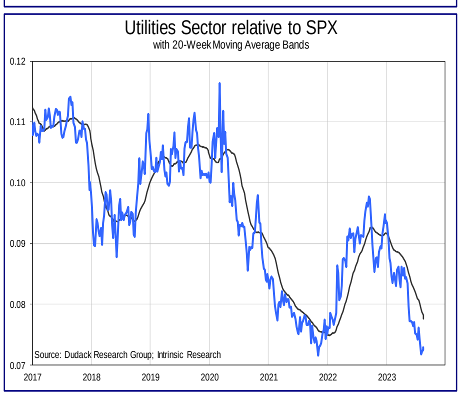


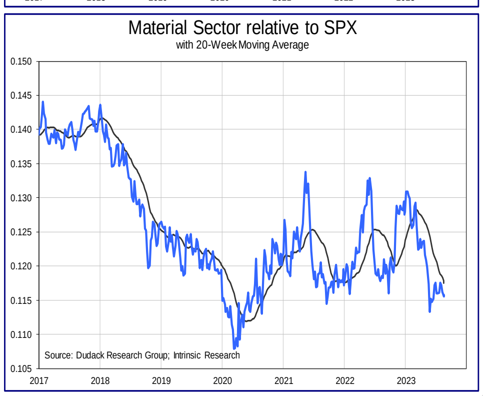


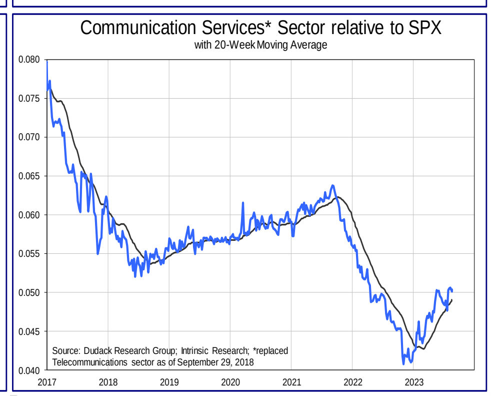


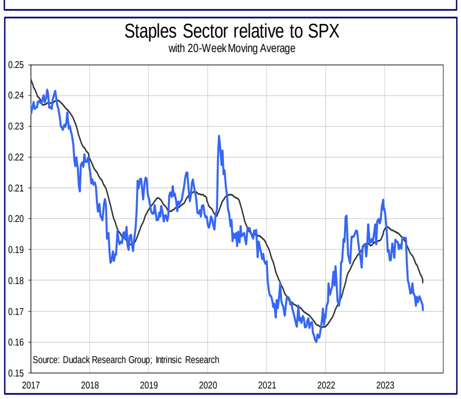


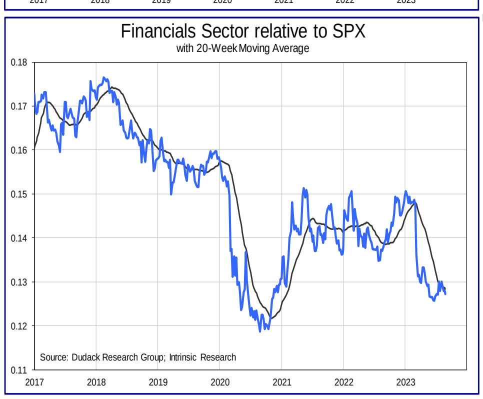












2023 Performance - Ranked	
SP500 Sector	% Change
S&P COMMUNICATIONS SERVICES	43.5%
S&P INFORMATION TECH	42.0%
S&P CONSUMER DISCRETIONARY	32.6%
S&P 500	17.1%
S&P INDUSTRIALS	9.9%
S&P MATERIALS	6.3%
S&P FINANCIAL	0.4%
S&P REITS	0.2%
S&P ENERGY	0.1%
S&P HEALTH CARE	-1.1%
S&P CONSUMER STAPLES	-1.6%
S&P UTILITIES	-10.1%

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%	$2,478.80	4.0%
2023E	~~~~~	$201.02	**$219.91**	$212.00	7.6%	**$221.01**	1.3%	20.2X	NA	NA	NA	NA
2024E	~~~~~	$223.17	**$245.19**	$230.00	8.5%	**$247.09**	11.8%	18.2X	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	$49.74	**$55.01**	$52.46	11.9%	**$54.54**	-5.3%	21.4	NA	2.4%	NA	NA
2023 3QE*	4497.63	$50.60	**$55.30**	$54.00	7.2%	**$55.98**	-0.1%	21.1	NA	NA	NA	NA
20244QE	~~~~~	$52.27	**$57.06**	$53.00	5.2%	**$58.01**	9.1%	20.2	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates *8/29/2023

Regulation AC Analyst Certification

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