Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
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August 9, 2023

DJIA: 35314.49
SPX: 4499.38
NASDAQ: 13884.32

US Strategy Weekly

Things to Ponder

More Credit Rating Risks

Last week Fitch stunned the financial sector with its downgrade of US Treasury debt. This week Moody's surprised investors by cutting credit ratings on 10 small- to mid-sized US banks. In addition, Moody's put six banking giants, including Bank of New York Mellon (BK - $45.72), U.S. Bancorp (USB - $40.23), State Street Corp. (STT - $72.73) and Truist Financial Corp. (TFC - $32.41), on review for potential downgrades. Moody's indicated there is no immediate crisis, but "banks will find it harder to make money as interest rates remain high, funding costs climb, and a recession looms. Some lenders' exposure to commercial real estate is a concern."

Several financial analysts suggested these warnings were unwarranted, however, rating agencies are paid to point out risks and there is no doubt that an unbridled federal debt burden is a long-term hazard, particularly as interest rates rise. For most banks an inverted yield curve combined with the potential of commercial real estate defaults are real risks that should not be ignored.

Although stocks sold off on both credit rating warnings, the pushback from some analysts and even the Biden administration are more disturbing to us than the actual agency warnings. The gains in equity prices this year have been primarily multiple expansion, not earnings gains. According to IBES Refinitiv, earnings in the last two quarters of 2022 and first quarter of this year were 4.4%, negative 3.2%, and 0.1%, respectively, and estimates for calendar 2023 show an S&P 500 earnings growth rate of a measly 1.2%. According to S&P Dow Jones, the last three quarters of 2022 had year-over-year declines in earnings, and though a modest rebound in growth is forecasted for coming quarters, it is coming from a diminished earnings base. Perhaps this lack of earnings power is why investors are flocking into generative AI stocks and looking far into the future for earnings growth. But after massive price gains, these stocks now have extremely high PE multiples and even fans feel the stocks are richly valued.

Things to Ponder

There are three things that we often wonder about although they are not part of our official forecast. The first is a risk that the stock market is on the verge of a bona fide bubble. This thought emanates from the excitement surrounding generative AI, estimates that the AI market will grow to $126.5 billion by 2031, and the massive runup that these stocks have had. AI has created a two-tiered market with the Nasdaq Composite up 33% year-to-date while the DJIA is up only 6.5%. This divergent price action is very reminiscent of the Nifty Fifty era that led to the January 11, 1973 peak and the Dot-com bubble era that ended on January 14, 2000. We have also thought about the fact that there were 27 years between those two market bubble peaks, and we are now 23 years past the 2000 peak. Since bubbles tend to be generational, we are in the right time frame to be on the lookout for a bubble. And the pattern we see of analysts ignoring fundamentals only adds to this worry.

Second, is the fact that bullishness is now consensus and the bears on Wall Street have been converted. Many sentiment indicators, particularly the AAII sentiment indices, are showing extremes last seen between February and May of 2021. The stock market did not peak until January of 2022; however, this is how sentiment indicators work. Sentiment are not timing indicators, rather they tend to be early warnings systems and only point out that risks are rising. See page 13.

Our last consideration is COVID, and the global pandemic it sparked. COVID resulted in an unprecedented manmade global recession in 2020 produced by many government leaders who decided to shut down their economies. It was not a normal economic recession. The subsequent recovery was also unusual, manmade, and manufactured with monetary and fiscal stimulus. This fiscal stimulus continues to drive many segments of the US economy to this day. History is often an excellent guide for economists and equity strategists, but there is no rule book for what has transpired over the last three years. Therefore, perhaps the typical signals of a recession such as an inverted yield curve, the 15-month decline in the Conference Board's Leading Economic Index (the longest streak of decreases since 2007-2008), and the 7 months of negative real retail sales, are not applicable today. This seems strange to us. Nonetheless, the years of monetary and fiscal stimulus have kept the US economy afloat and it also provides the liquidity that could set off a stock market bubble. Thus, we ponder and worry. However, we do believe the recent rally is fragile since it has been driven by the new consensus view that the economy will have a soft landing or no landing. This view is coupled with the belief that there is no interest rate hike in September. We think the Fed will hike in September, unless economic data becomes very weak in the interim. What is clear is that this week's CPI and PPI reports will be center stage and could be market moving.

Household Debt: the Good and the Bad

Total household debt rose by $16 billion in the three months ended in June and increased $909 billion in the prior 12 months. In short, household debt rose 5.6% YOY in June versus the 7.6% YOY increase seen in March. Of the $909 billion increase, $627 billion (or 69%) was in mortgages and $144 billion (or 16%) was in credit card debt. Credit card debt grew 16.2% YOY in June exceeding $1 trillion for the first time. As a result, credit card debt now represents 6.0% of total debt versus 5.5% a year earlier. See page 4.

A broader look at household debt shows that debt grew fairly rapidly in 2021 and 2022 but grew at a slower pace in 2023. A large part of the increase in household debt occurred in the under-40 age group and was likely linked with a period of significant increases in new credit card accounts. Note that the 2021-2022 period overlaps with the moratorium on student loan payments and a healthy trend in personal consumption. While the number of credit card accounts grew, the number of outstanding auto loans, mortgages and HELOC loans remained fairly stable in the same period. See page 5.

The good news in household debt data is that delinquencies have not had much of an increase from the low recorded last year. However, there are two big changes on the horizon. First is the massive increase in financing rates seen for revolving credit lines over the last year. This will make credit card debt less viable for many households. Second, the end of the moratorium on student loan payments which begins in October will also reduce liquidity for some households, particularly for middle class borrowers. See page 6.

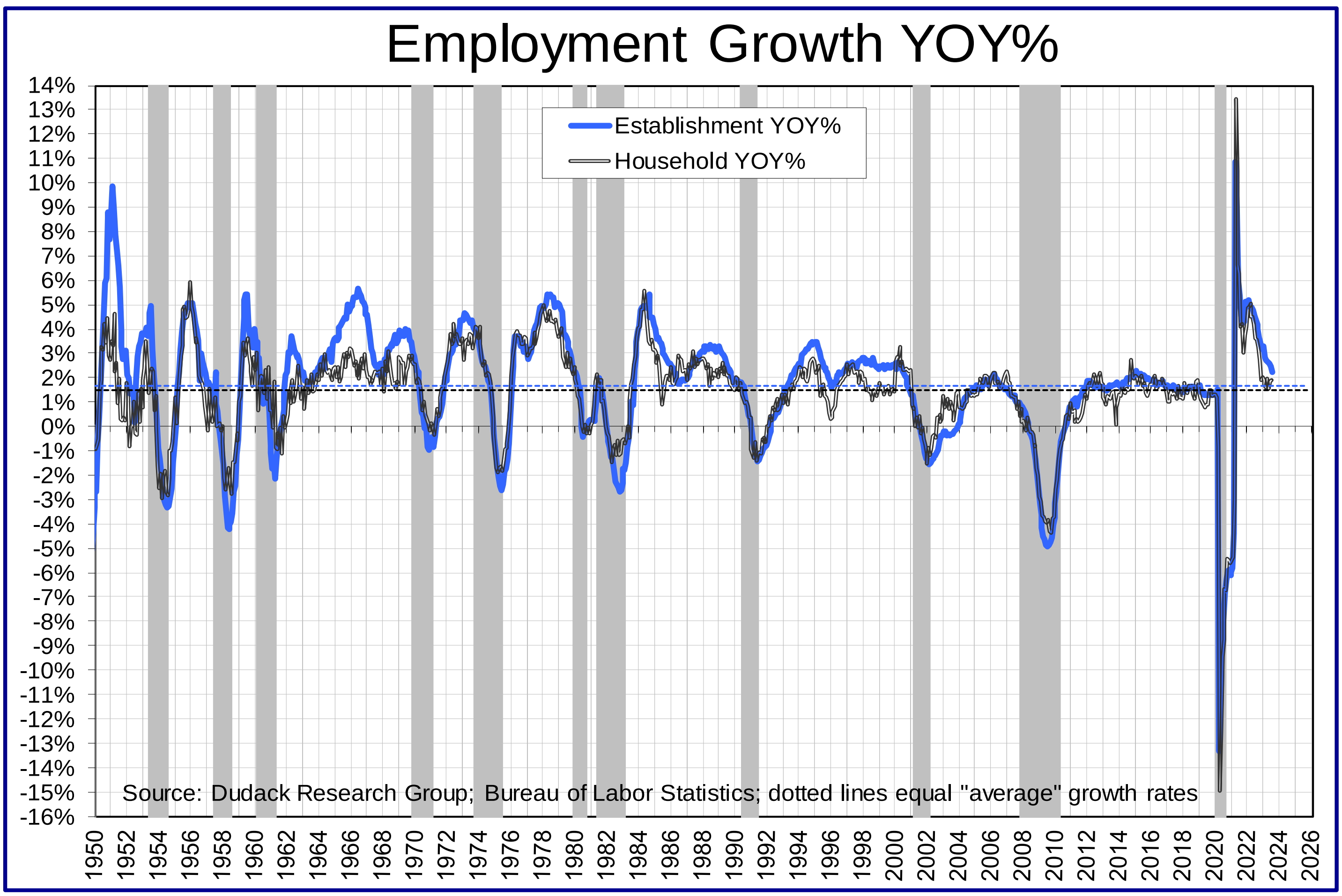
Fundamentals

The current S&P 500 *trailing* PE multiple is 21.5 times and above all historical averages; in short, the market is priced for perfection. The *forward* PE is 19.3 times, and when added to inflation of 3%, sums to 22.3, which is just below the standard deviation line of 23.8 denoting an overvalued equity market. In sum, earnings growth is pivotal to the market's intermediate and longer-term trends. See page 8.

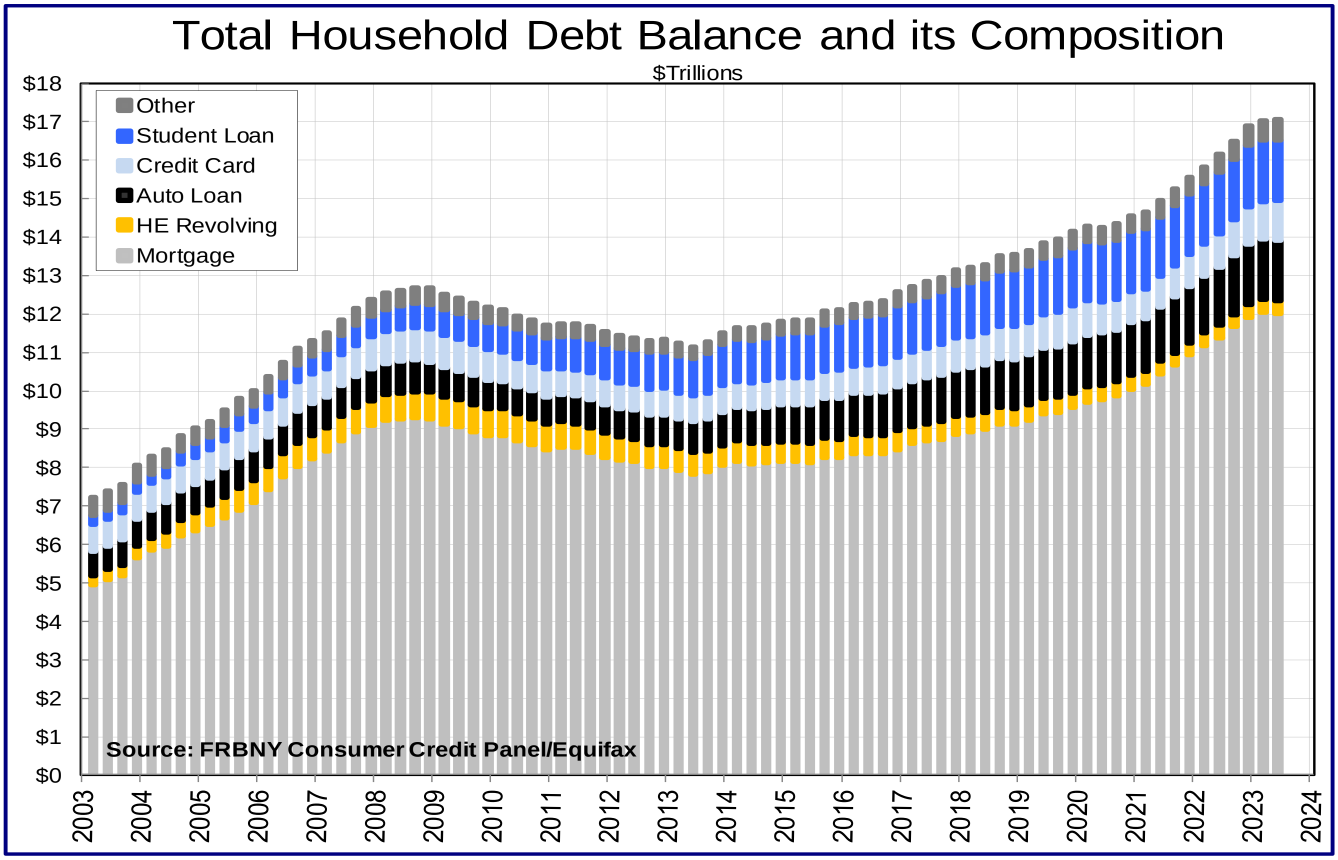
The July employment report showed an increase of 187,000 jobs and a relatively unchanged unemployment rate. The 3-month moving average of jobs fell to 218,000 from the 312,000 seen in the first quarter. There were small signs of weakness in areas such as temporary employment and hours worked. But generally, the job market remains sound.

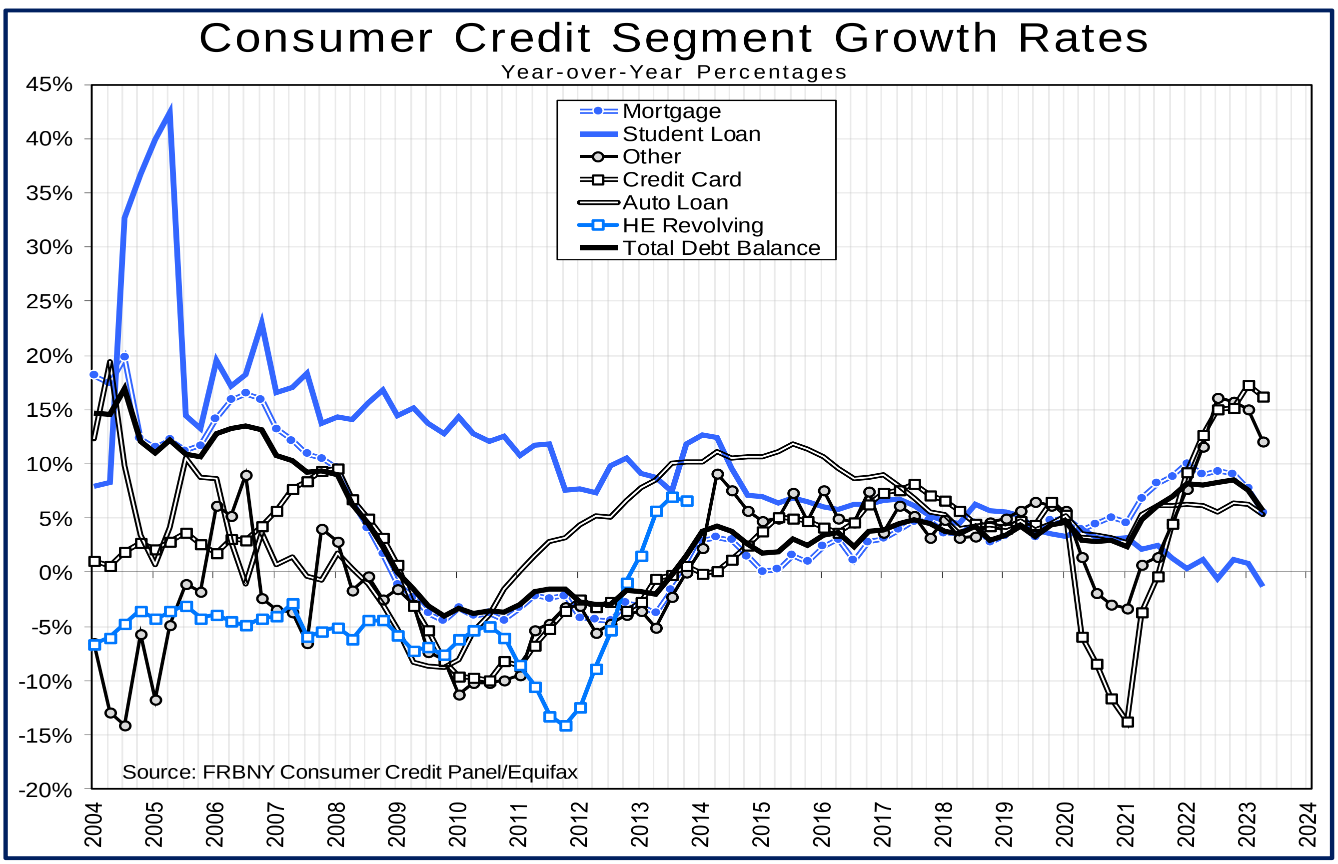
Employment Surveys (1,000s SA)	Jul-23	Jun-23	Change	Jul-22	Yr/Yr
Establishment Survey: NonFarm Payrolls	156,342	156,155	187	152,980	3,362
Household Survey Data (1,000s)					
Employed (A)	161,262	160,994	268	158,272	2,990
Unemployed (B)	5,841	5,957	(116)	5,718	123
Civilian labor force [A+B]	167,103	166,951	152	163,990	3,113
Unemployment rate [B/(A+B)]	3.5%	3.6%	-0.07%	3.5%	0.0%
U6 Unemployment rate	8.7%	7.7%	1.0%	6.7%	2.0%
Civilian noninstitutional population (C)	267,002	266,801	201	264,012	2,990
Participation rate [(A+B)/C]	62.6	62.6	0.0	62.1	0.5
Employment-population ratio [A/C]	60.4	60.3	0.1	59.9	0.5
Not in labor force	99,899	99,861	38	100,021	-122

Source: Bureau of Labor Statistics

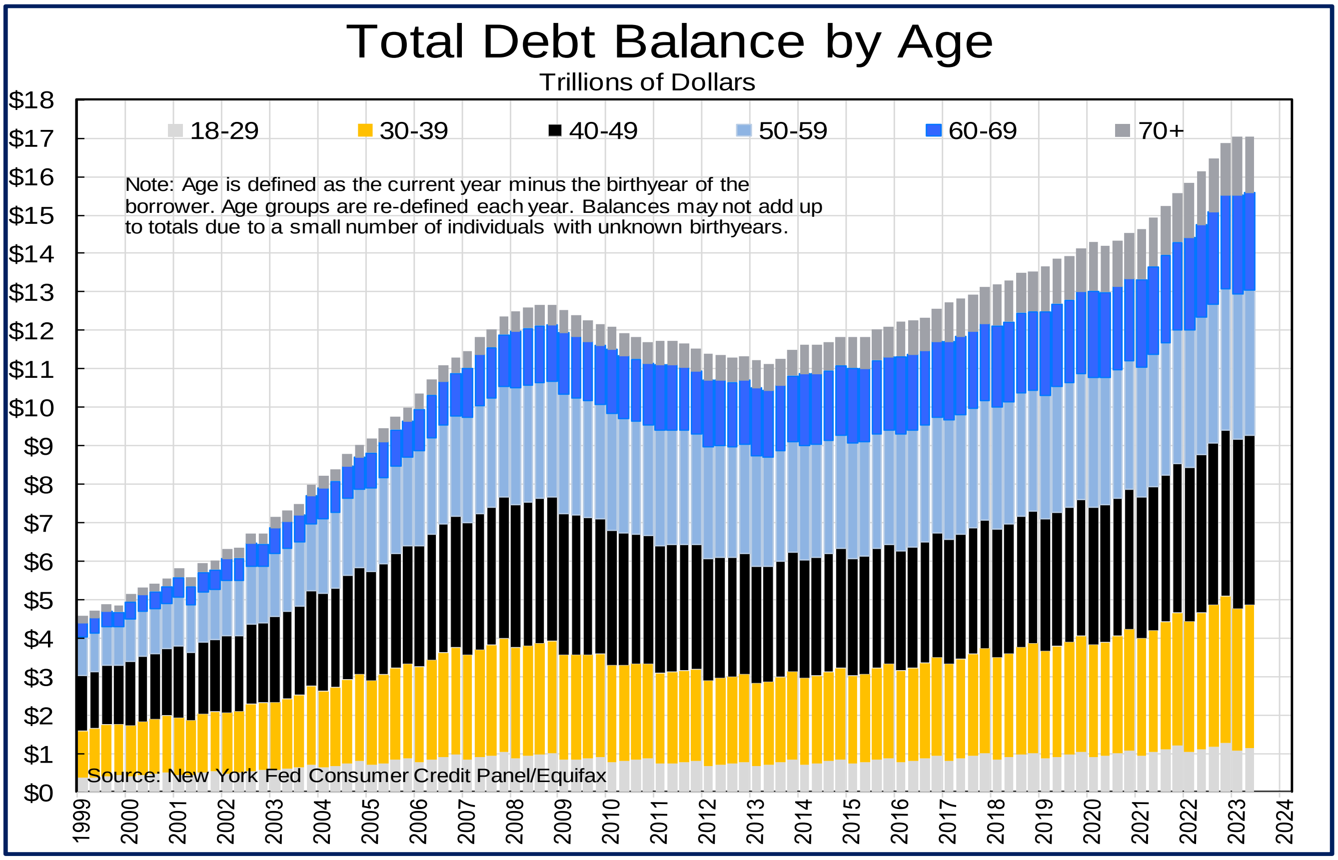


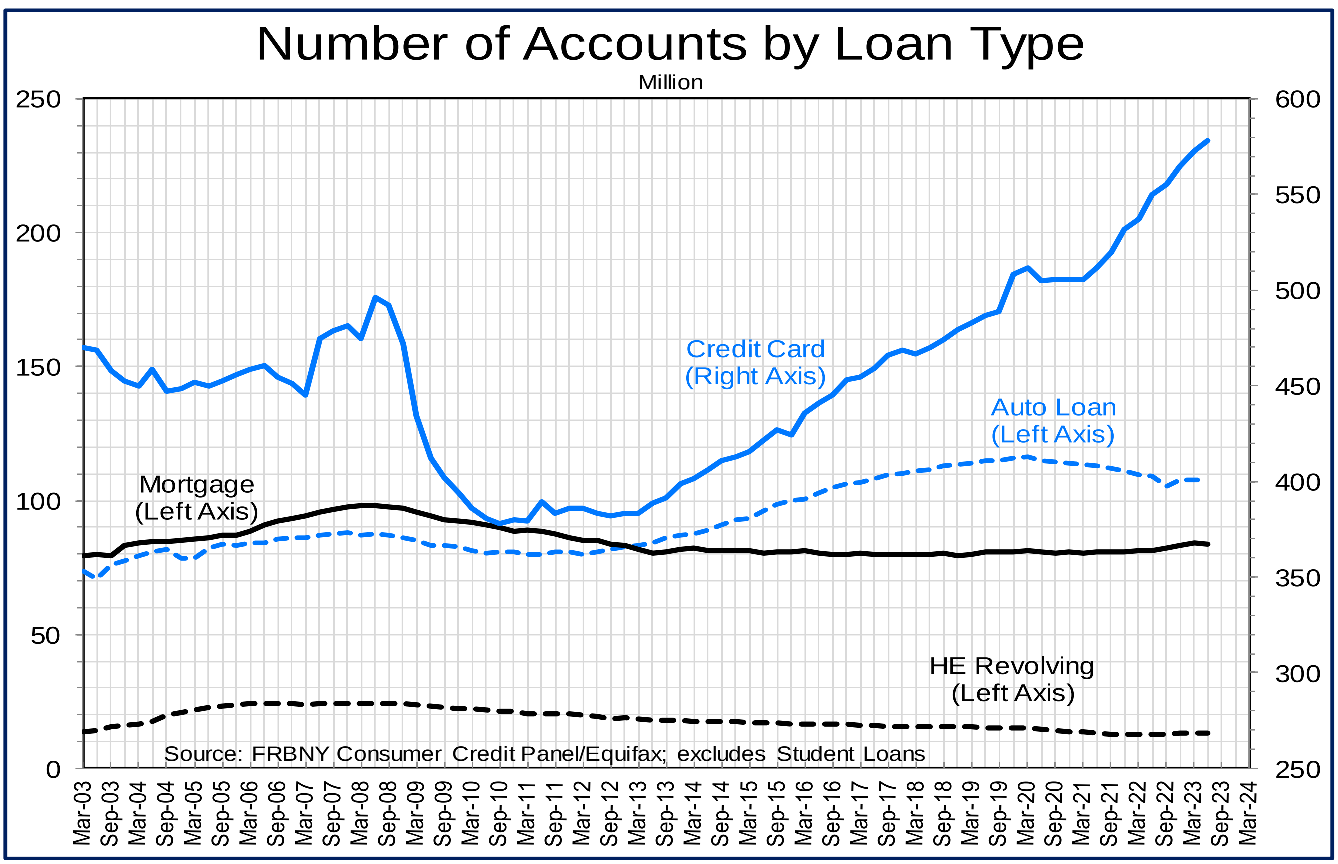
Total household debt rose $16 billion in the second quarter and increased $909 billion year-over-year, a 5.6% YOY increase versus the 7.6% YOY increase in 1Q23. Of the $909 billion, $627 billion (69%) were mortgages and $144 billion (16%) was credit card debt. Credit card debt grew 16.2% YOY in June exceeding $1 trillion for the first time. Credit card debt now represents 6.0% of total debt versus 5.5% a year earlier.



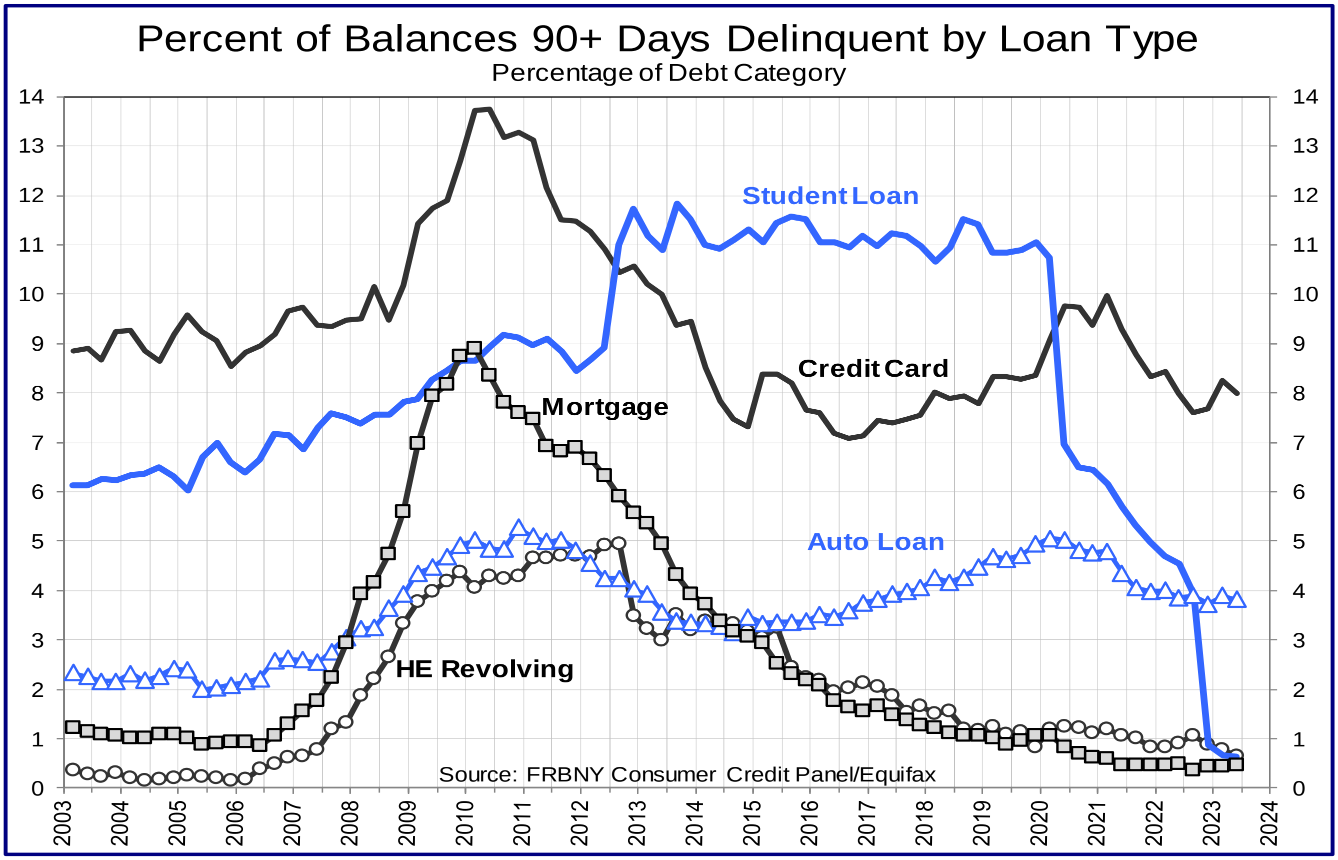


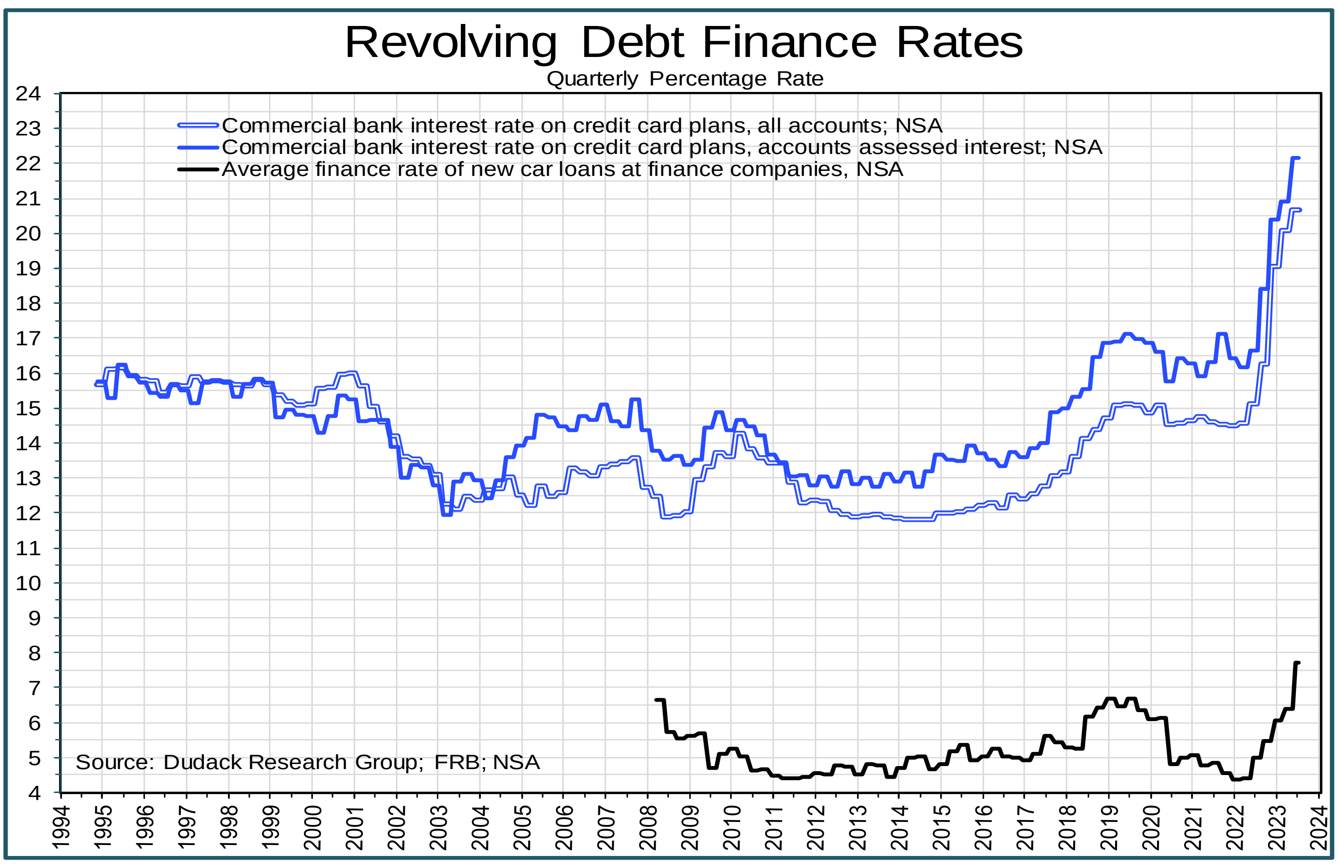
A broad look at household debt shows that debt grew fairly rapidly in 2021 and 2022 but began to slow in 2023. A large part of the increase in debt materialized in the under-40 age group and coordinated with a period of significant increases in new credit card accounts. Note that this period also overlaps with the moratorium on student loan payments. The number of outstanding auto loans, mortgages and HELOC loans remains fairly stable.



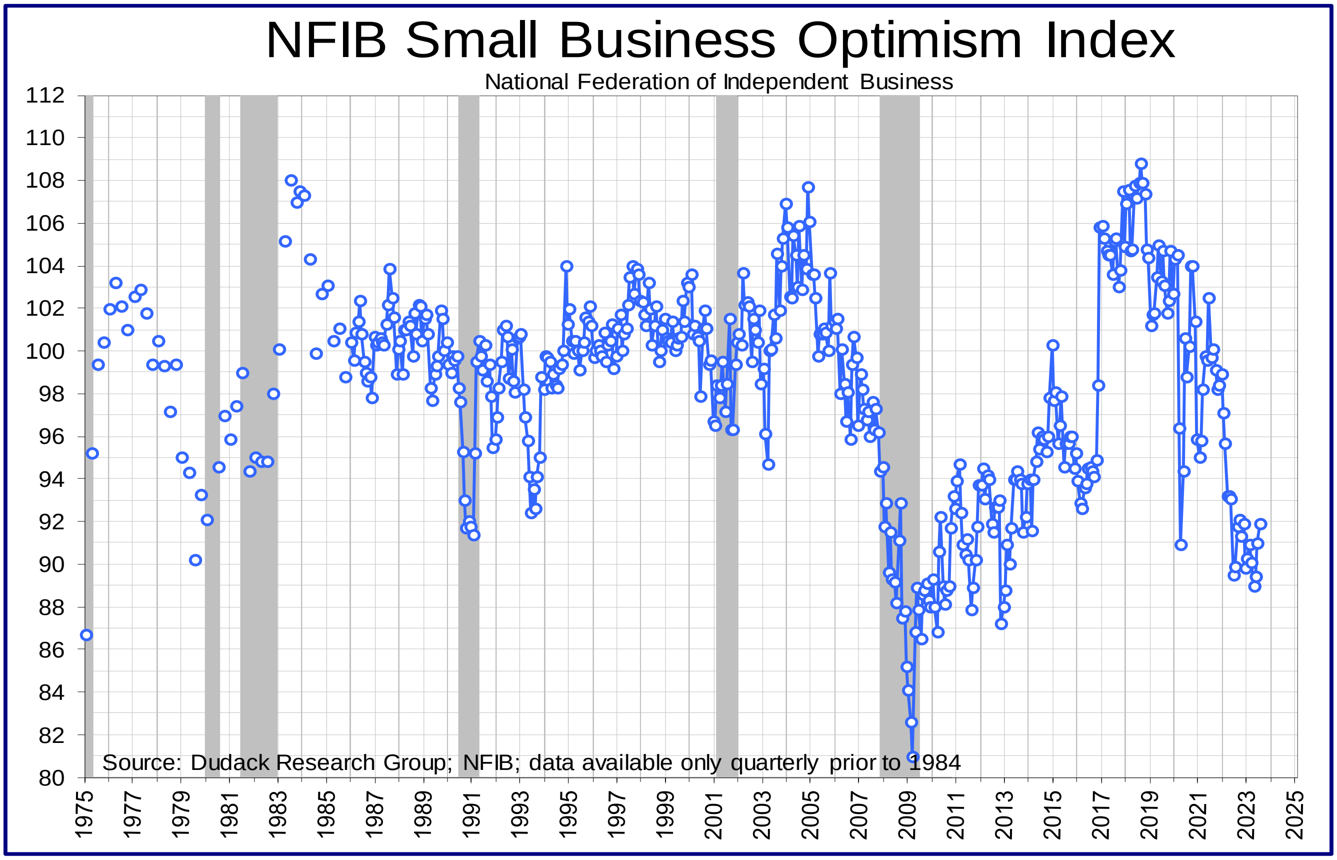


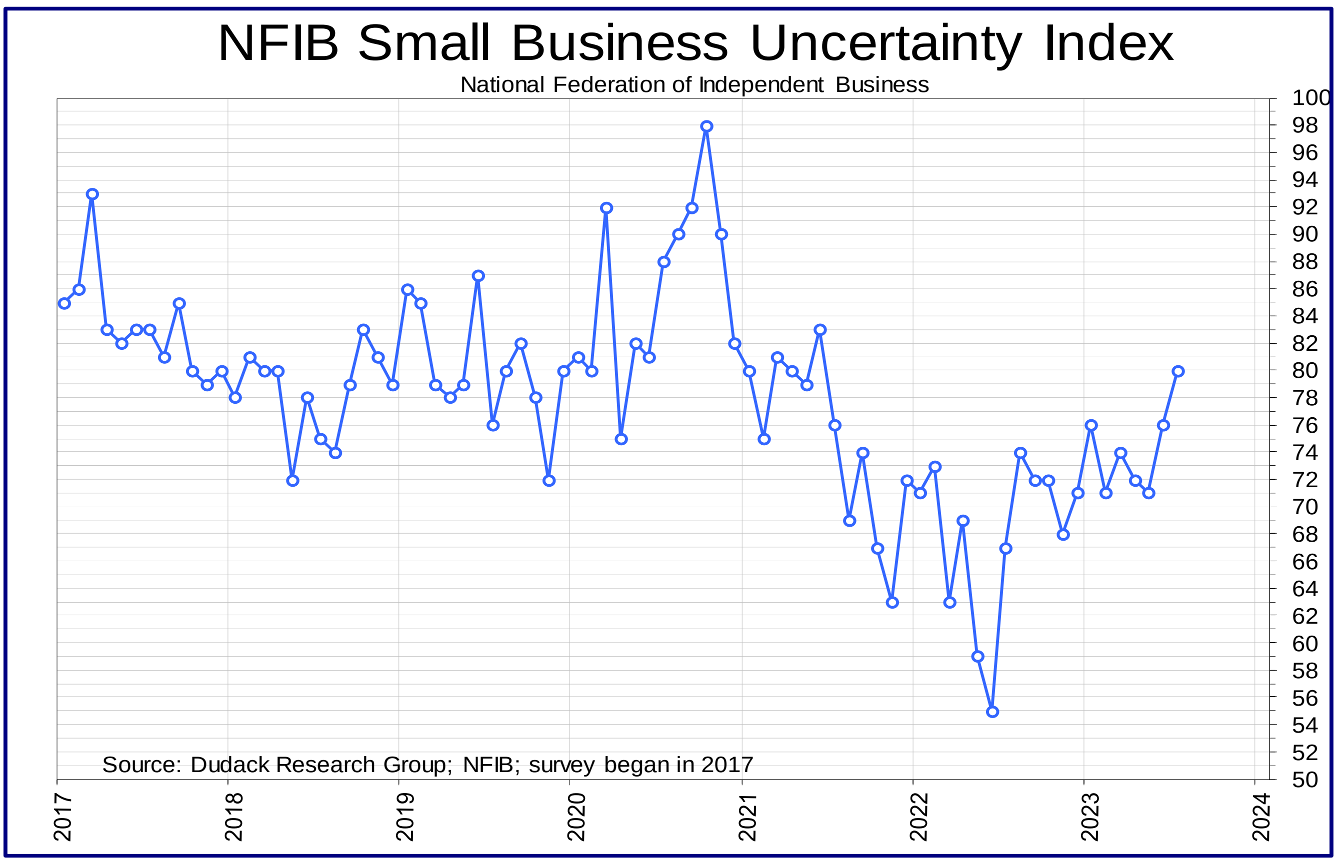
The good news in household debt data is that delinquencies have not risen much from the low seen last year. However, there are two big changes on the horizon. First is the massive increase in financing rates seen in the last year and second is the end of the moratorium on student loan payments which begins in October.



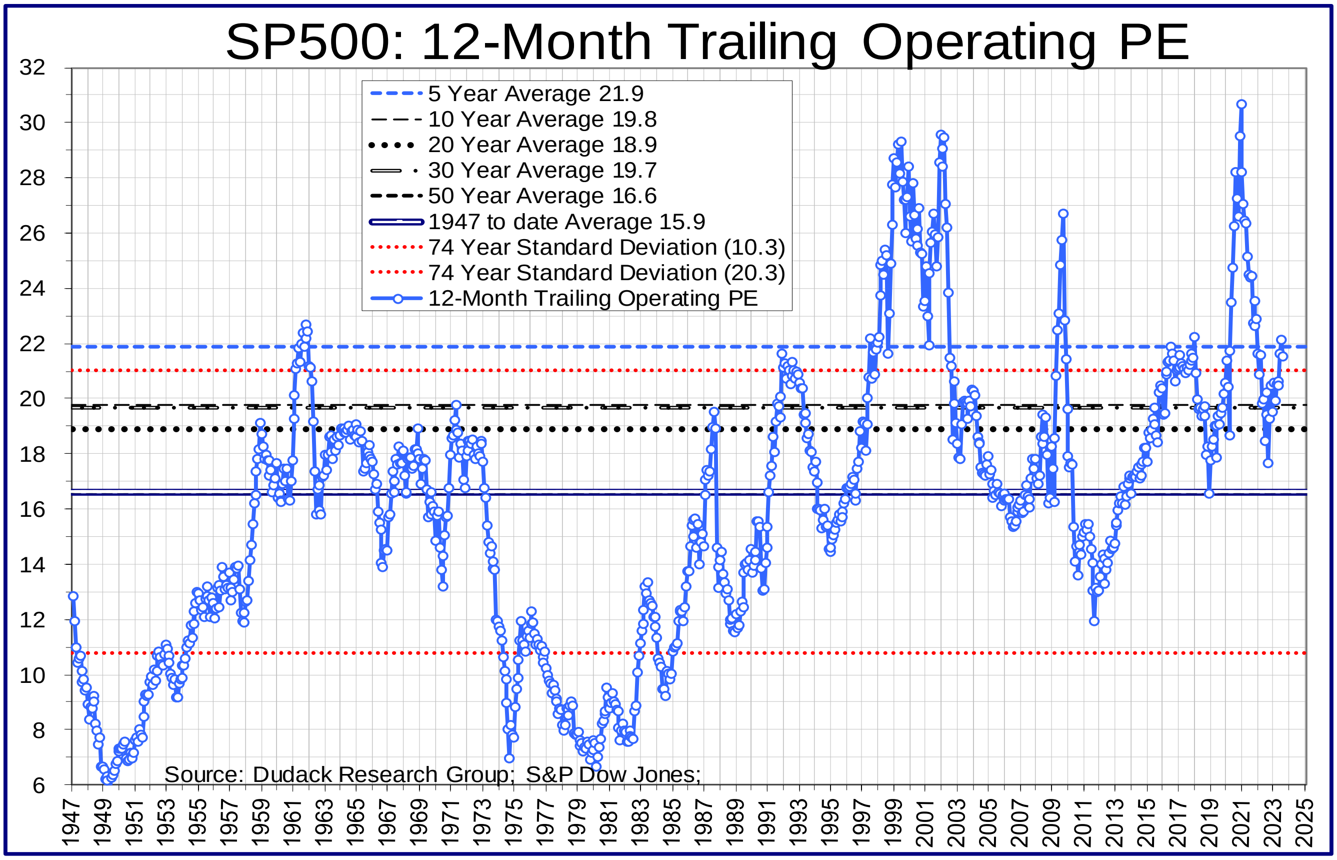


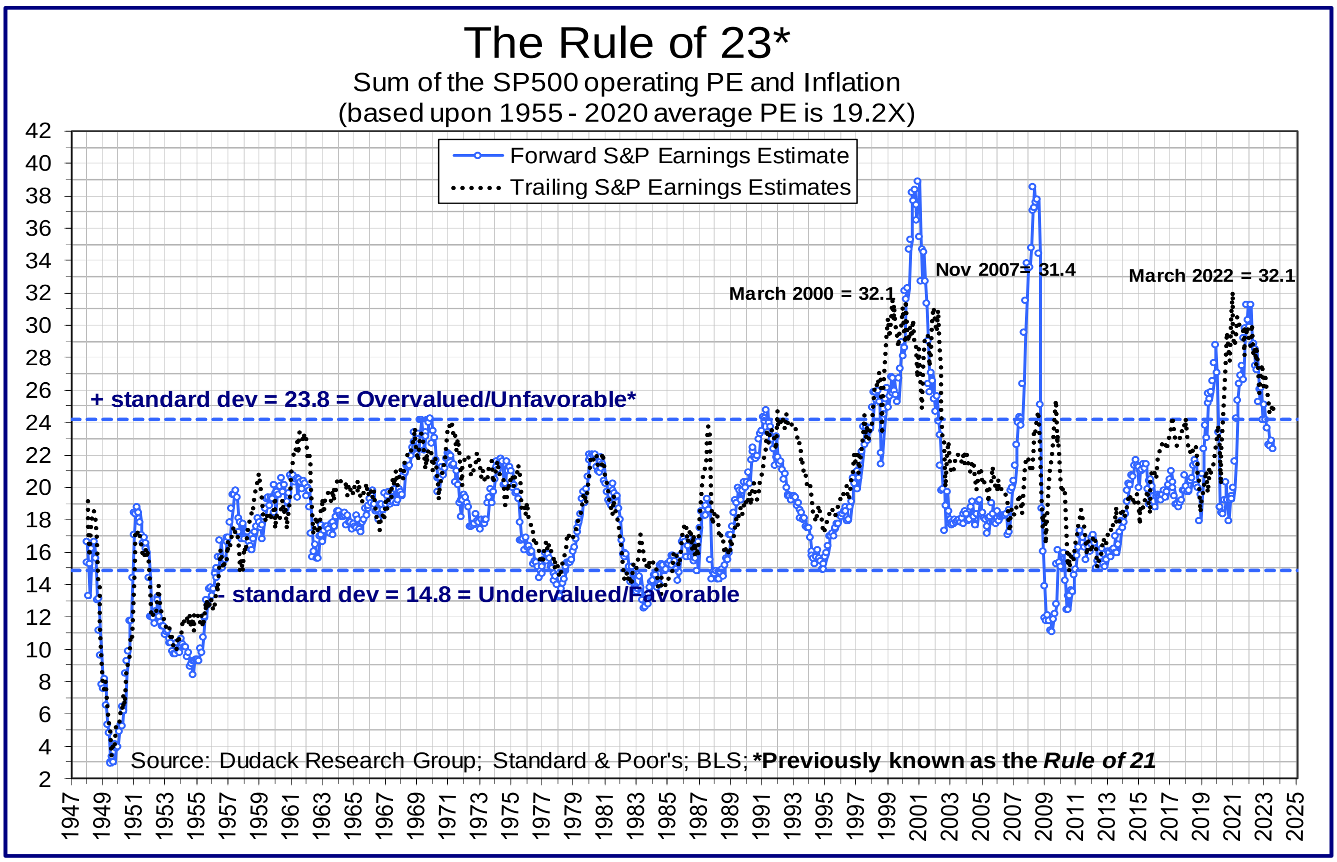
The NFIB Small Business Optimism Index increased 0.9 of a point in July to 91.9, the 19th consecutive month below the 49-year average of 98. Twenty-one percent of owners reported that inflation was their single most important business problem, down 3 points from June. Owners expecting better business conditions over the next six months rose 10 points from June to a net negative 30%, 31 percentage points better than last June's reading of a net negative 61%. This is the highest reading since August 2021 but historically very negative. Business uncertainty rose 4 points to 80.



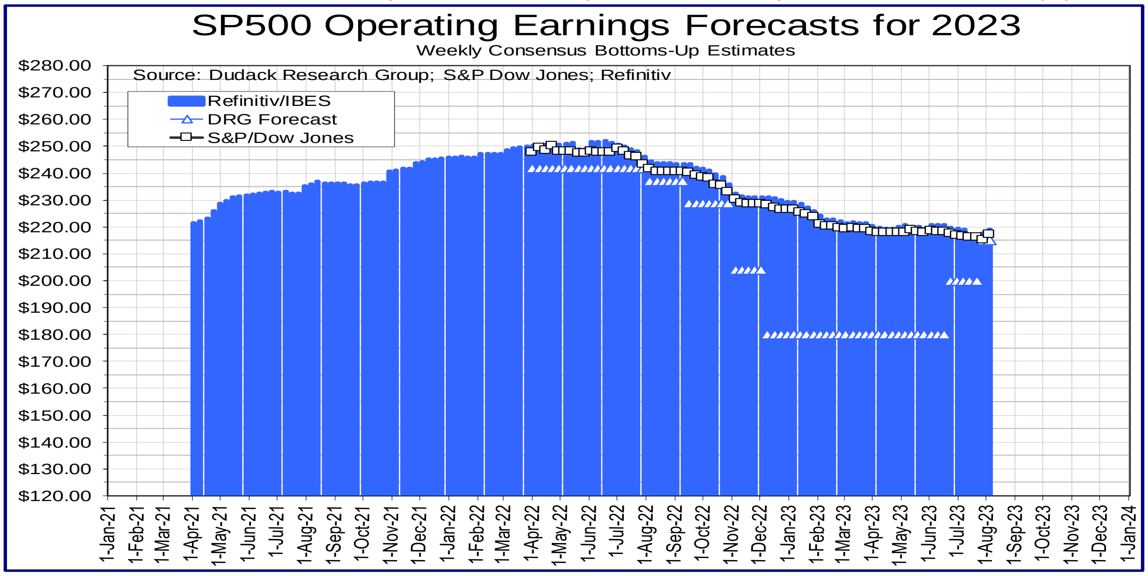


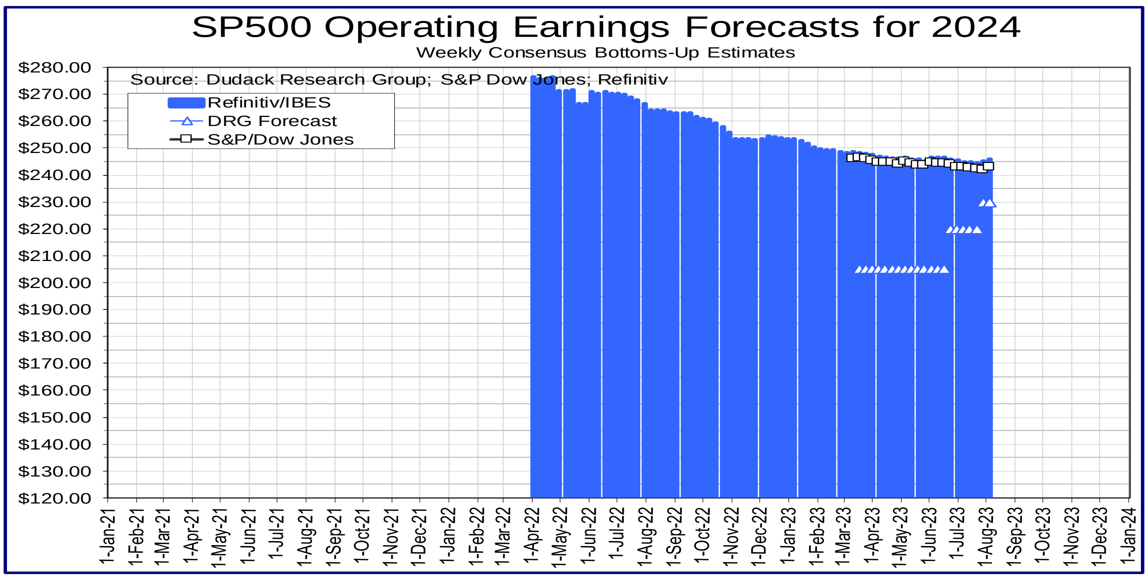
The current S&P 500 *trailing* PE multiple is 21.5 times and above all historical averages; in short, the market is priced for perfection. The *forward* PE is 19.3 times, and when added to inflation of 3%, sums to 22.3, which is just below the standard deviation line of 23.8. This also denotes an overvalued equity market. Earnings growth is pivotal to the market's intermediate and longer-term trends.

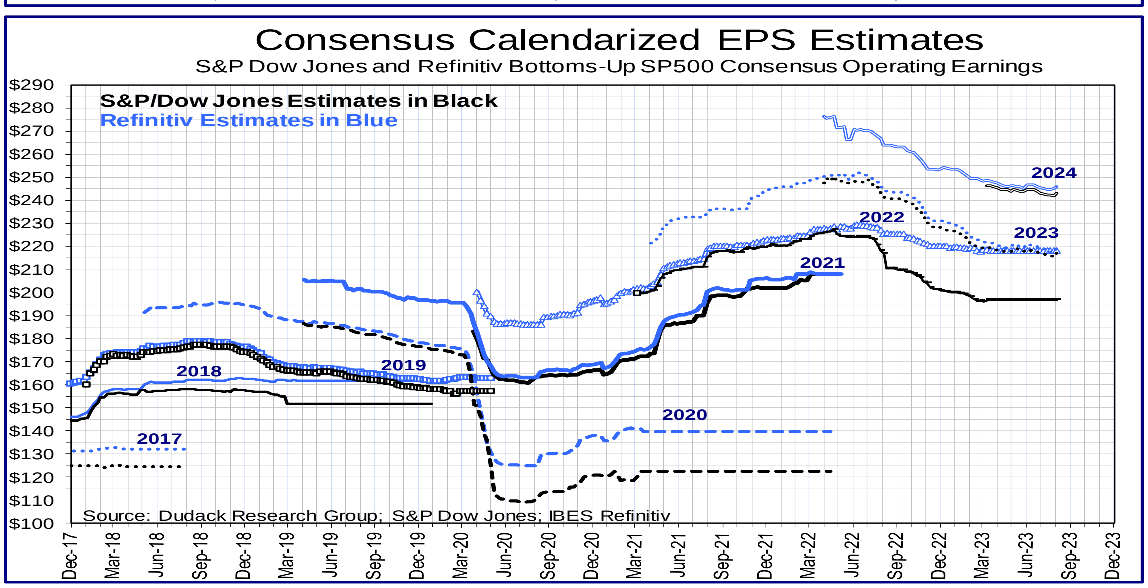




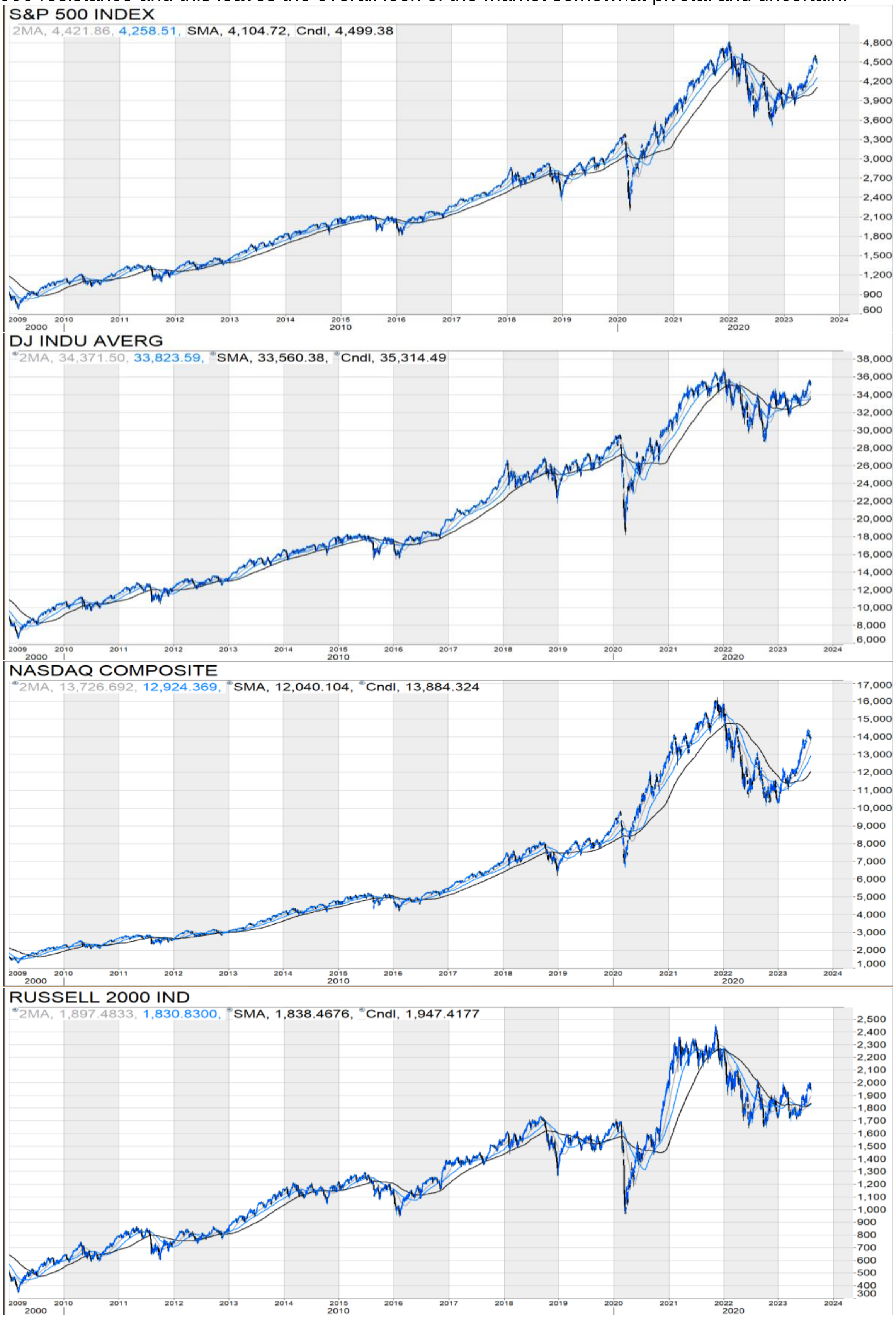
S&P Dow Jones consensus estimates for 2023 and 2024 are $217.10 and $243.06, up $1.86, and $1.06, respectively. Refinitiv IBES estimates for 2023 and 2024 are $219.02 and $245.80, up $1.19, and $0.65, respectively. Notably, S&P data shows that 18.4% of companies reporting first quarter earnings had a 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 $219.02 for this year, equities remain overvalued with a PE of 20.5 times and inflation of 3%. Again, this sum of 23.5 is just under the 23.8 range that defines an overvalued equity market.







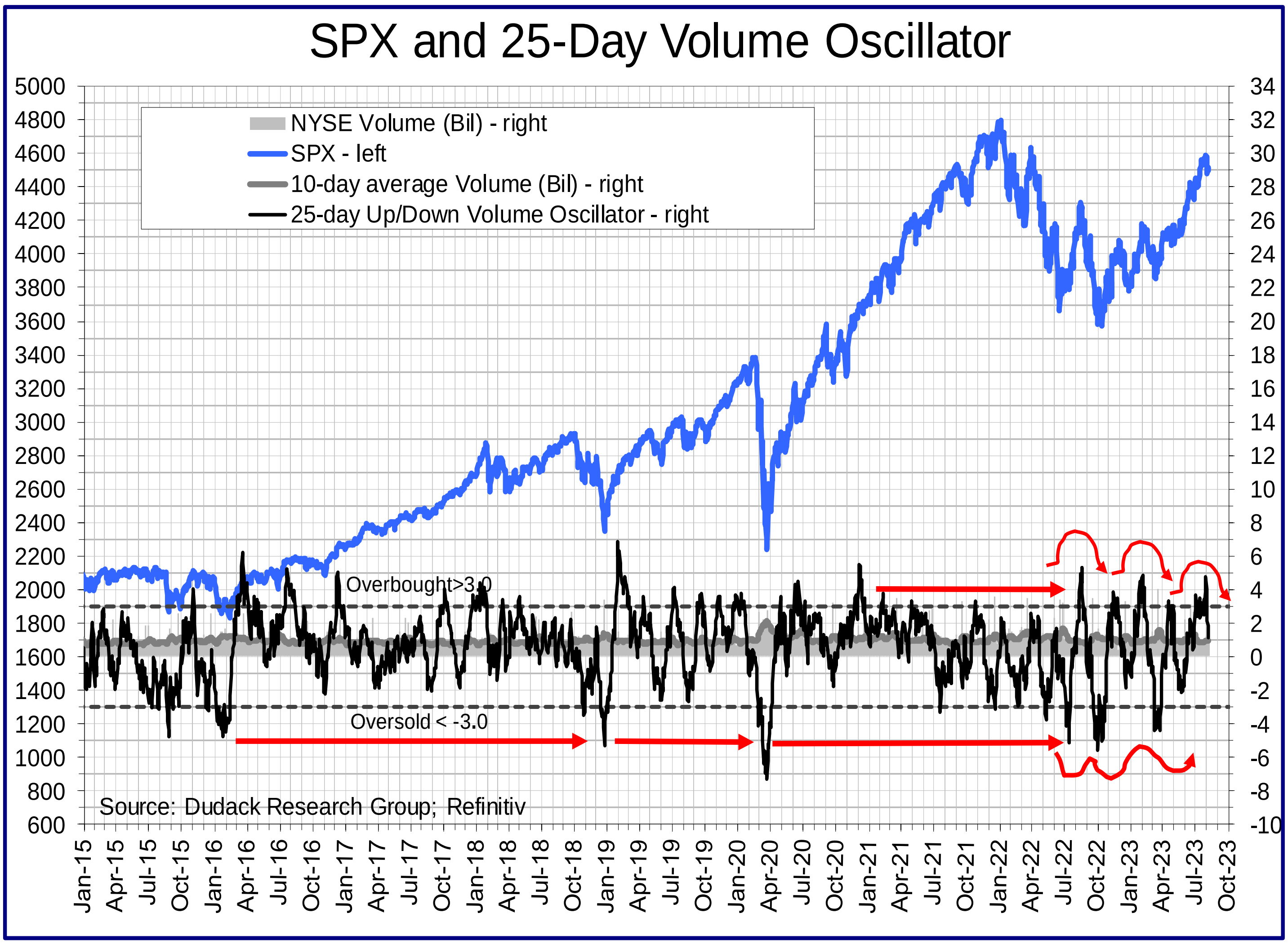
Despite the recent pullback in equities, the charts of the three major indices remain bullish and suggest the indices could test their all-time highs. However, the RUT, which has been a faithful benchmark for the last 18 months, has failed to break above the 2000 resistance and this leaves the overall look of the market somewhat pivotal and uncertain.



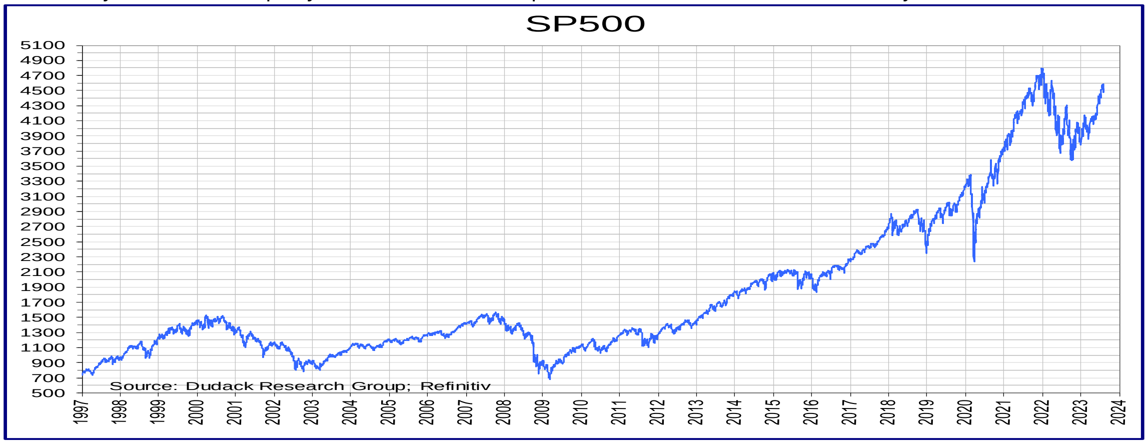
Source: Refinitiv

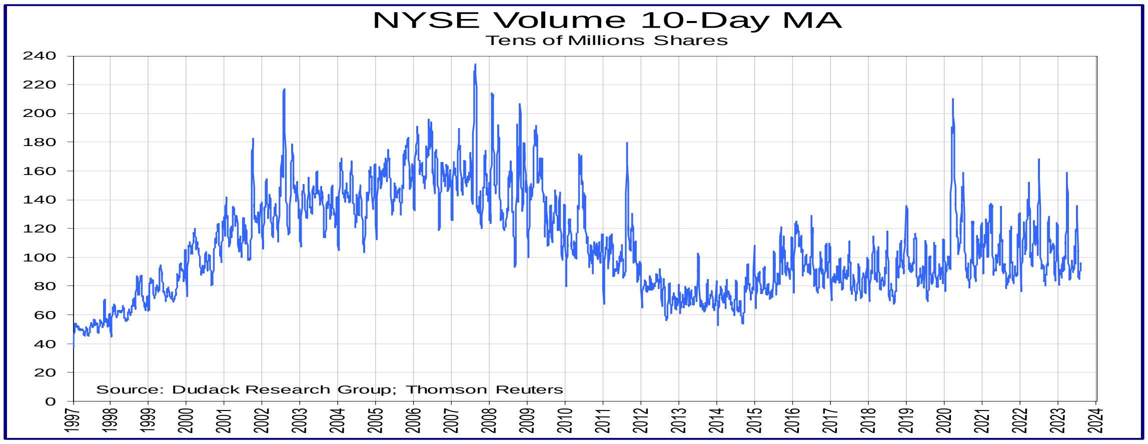
The 25-day up/down volume oscillator is at a 1.09 reading this week and back in neutral territory. The oscillator had been overbought for three consecutive trading sessions between July 28 and August 1. Plus, the oscillator generated overbought readings in 10 of the last 26 trading sessions. However, to date, none of these overbought readings have 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.

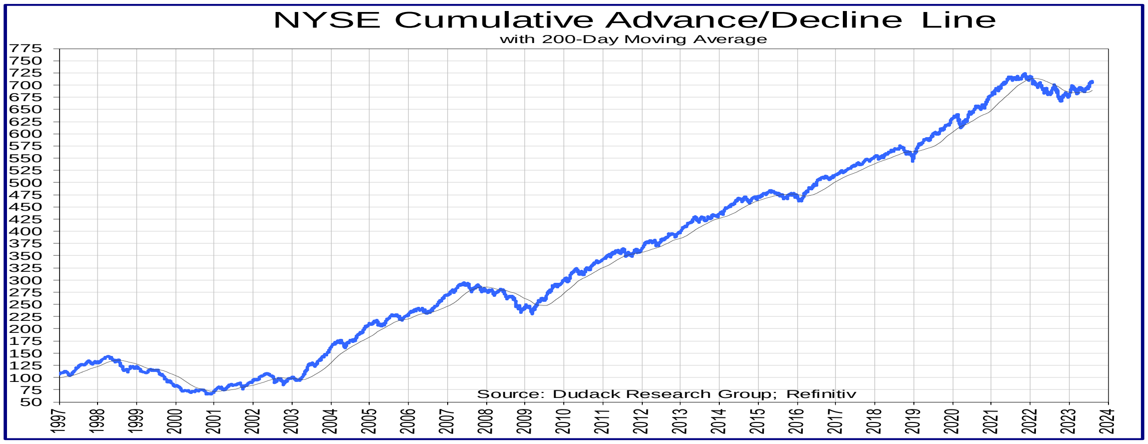
On the other hand, these requirements are what should be seen at a new market high and none of the indices have yet recorded new record highs. The rally has only produced new "cyclical" highs in some indices which could translate as a very broad trading range.

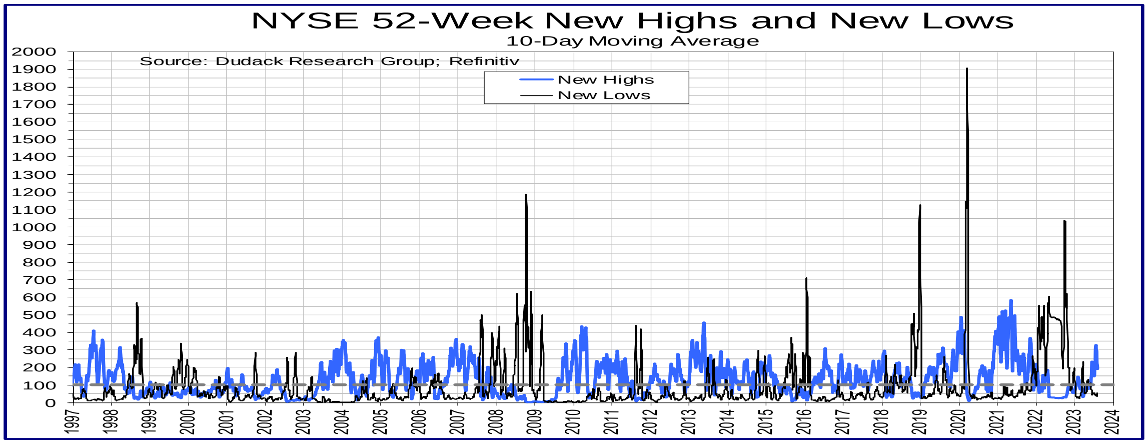


The 10-day average of daily new highs is 190 and new lows are 55. This combination turned positive on June 8 when new highs rose above 100 and new lows fell below 100. The NYSE advance/decline line fell below the June low on September 22 and is 19,978 net advancing issues from its 11/8/21 high. July 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.

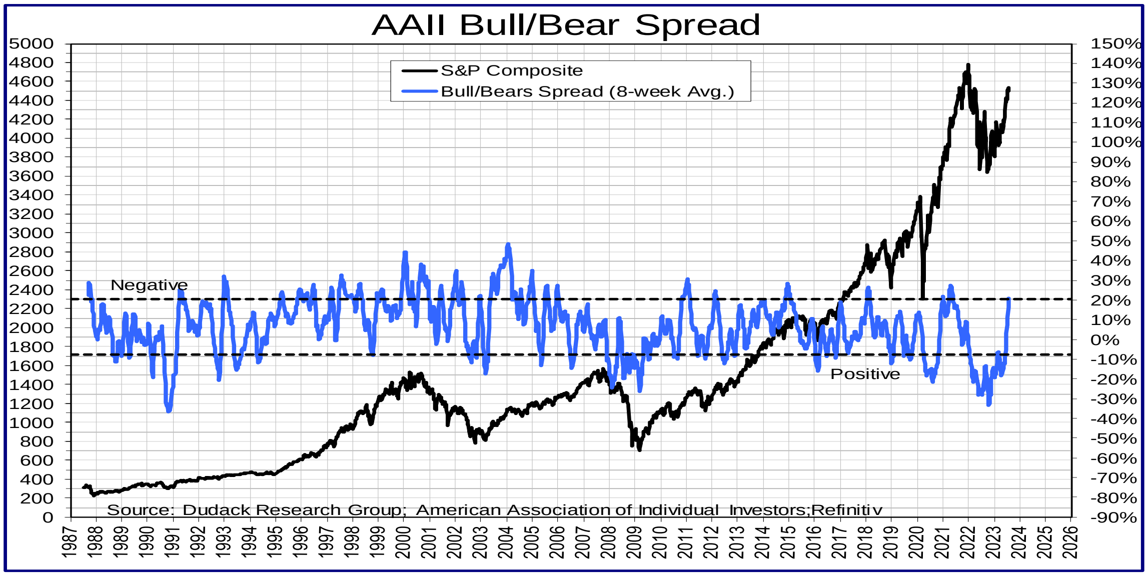


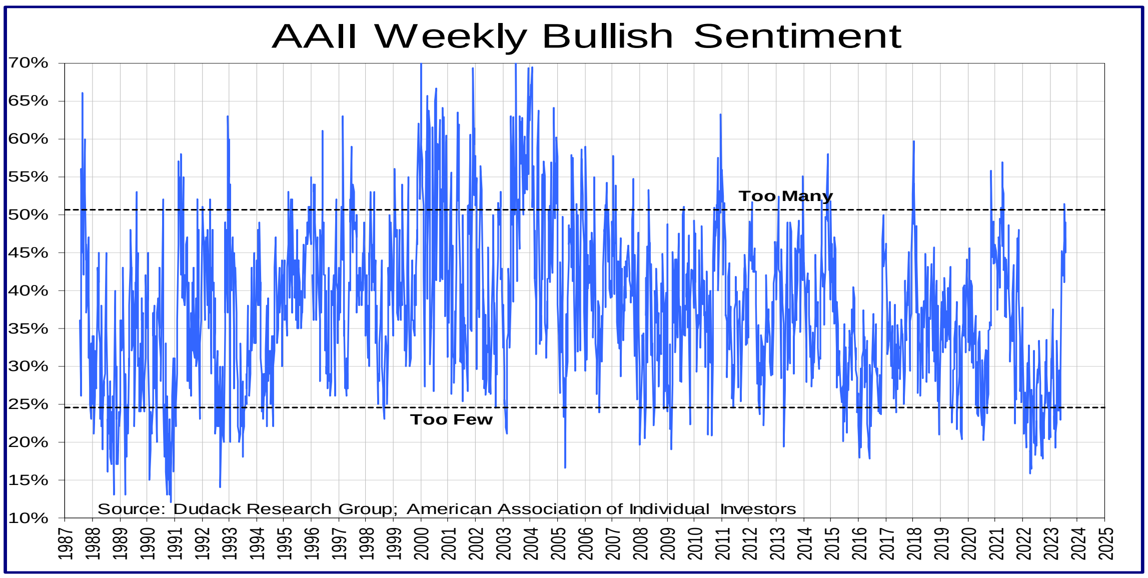


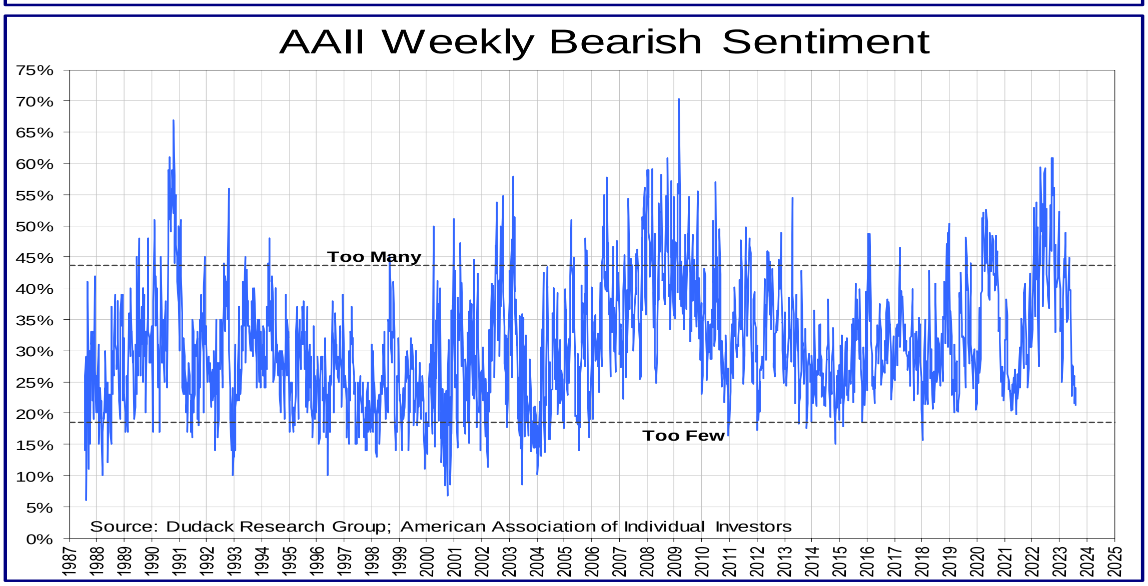




Last week's AAII readings had a 4.1% rise in bullishness to 49.0%, and a 2.8% decrease in bearishness to 21.3%. This is the ninth consecutive week that bullishness remained above average, and bearishness remained below average – the longest combined stretch since February to May of 2021. Note that the market peaked in January 2022. The 8-week bull/bear spread inched into a negative reading this week, 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	67.94	-1.1%	4.4%	4.4%	41.6%
SPDR Homebuilders ETF	XHB	84.65	-0.4%	8.6%	5.4%	40.3%
NASDAQ 100	NDX	15273.05	-2.8%	1.6%	0.6%	39.6%
Technology Select Sector SPDR	XLK	170.32	-4.7%	-0.5%	-2.0%	36.9%
Consumer Discretionary Select Sector SPDR	XLY	171.93	0.1%	1.5%	1.2%	33.1%
Nasdaq Composite Index Tracking Stock	ONEQ.O	54.50	-2.9%	1.5%	0.8%	33.0%
SPDR S&P Semiconductor ETF	XSD	216.28	-4.7%	0.1%	-2.3%	29.3%
iShares Russell 1000 Growth ETF	IWF	276.90	-2.4%	1.7%	0.6%	29.2%
iShares MSCI Mexico Capped ETF	EWW	62.37	-2.0%	-0.4%	0.3%	26.1%
iShares Russell 1000 ETF	IWB	246.97	-1.8%	2.4%	1.3%	17.3%
SP500	.SPX	4499.38	-1.7%	2.3%	1.1%	17.2%
iShares MSCI Taiwan ETF	EWT	46.42	-2.7%	0.4%	-1.3%	15.6%
iShares MSCI Brazil Capped ETF	EWZ	31.89	-4.0%	-0.4%	-1.7%	14.0%
iShares Russell 2000 Growth ETF	IWO	243.86	-3.5%	2.4%	0.5%	13.7%
iShares MSCI Germany ETF	EWG	28.08	-2.8%	1.4%	-1.7%	13.5%
iShares MSCI Japan ETF	EWJ	61.75	-1.5%	0.2%	-0.2%	13.4%
iShares MSCI South Korea Capped ETF	EWY	63.77	-5.6%	1.0%	0.6%	12.9%
iShares DJ US Oil Eqpt & Services ETF	IEZ	23.84	0.1%	10.9%	18.5%	12.5%
PowerShares Water Resources Portfolio	PHO	57.63	-0.4%	4.1%	2.2%	11.8%
Industrial Select Sector SPDR	XLI	109.07	-1.5%	2.7%	1.6%	11.1%
iShares Russell 2000 ETF	IWM	193.08	-2.4%	4.5%	3.1%	10.7%
iShares MSCI EAFE ETF	EFA	72.33	-1.6%	2.0%	-0.2%	10.2%
SPDR S&P Retail ETF	XRT	66.24	-1.8%	3.7%	3.9%	9.6%
Vanguard FTSE All-World ex-US ETF	VEU	54.64	-2.1%	2.1%	0.4%	9.0%
iShares MSCI Austria Capped ETF	EWO	20.67	-1.2%	2.4%	1.8%	8.8%
iShares Russell 2000 Value ETF	IWN	148.84	-1.3%	6.5%	5.7%	7.3%
Materials Select Sector SPDR	XLB	83.23	-2.5%	2.4%	0.4%	7.1%
SPDR DJIA ETF	DIA	353.02	-0.9%	4.6%	2.7%	6.5%
DJIA	.DJI	35314.49	-0.9%	4.7%	2.6%	6.5%
Gold Future	GCc1	2621.10	0.2%	0.8%	1.0%	6.3%
iShares Russell 1000 Value ETF	IWD	161.09	-1.1%	3.2%	2.1%	6.2%
iShares MSCI Canada ETF	EWC	34.73	-2.5%	1.2%	-0.7%	6.1%
iShares MSCI United Kingdom ETF	EWU	32.52	-1.5%	3.4%	0.5%	6.1%
United States Oil Fund, LP	USO	74.06	1.5%	12.5%	16.5%	5.6%
Shanghai Composite	.SSEC	3260.62	-0.9%	2.0%	1.8%	5.5%
iShares MSCI Emerg Mkts ETF	EEM	39.99	-3.5%	1.5%	1.1%	5.5%
SPDR Gold Trust	GLD	178.64	-1.0%	0.0%	0.2%	5.3%
iShares MSCI India ETF	INDA.K	43.93	-1.2%	0.8%	0.5%	5.2%
Oil Future	CLc1	82.92	1.9%	12.3%	17.4%	3.3%
iShares MSCI BRIC ETF	BKF	35.31	-3.2%	3.3%	3.2%	2.8%
Financial Select Sector SPDR	XLF	35.08	-0.7%	4.4%	4.1%	2.6%
iShares MSCI Singapore ETF	EWS	19.27	-3.2%	5.9%	4.1%	2.4%
iShares US Real Estate ETF	IYR	86.21	-1.9%	-0.5%	-0.4%	2.4%
iShares MSCI Australia ETF	EWA	22.41	-2.1%	1.4%	-0.6%	0.8%
iShares China Large Cap ETF	FXI	28.48	-4.0%	4.8%	4.7%	0.6%
iShares iBoxx $ Invest Grade Corp Bond	LQD	106.06	-0.3%	0.5%	-1.9%	0.6%
Consumer Staples Select Sector SPDR	XLP	74.72	-0.8%	1.7%	0.7%	0.2%
Energy Select Sector SPDR	XLE	87.45	0.4%	8.2%	7.7%	0.0%
iShares US Telecomm ETF	IYZ	22.32	-0.9%	1.2%	1.0%	-0.5%
Health Care Select Sect SPDR	XLV	134.96	1.1%	4.6%	1.7%	-0.7%
iShares 20+ Year Treas Bond ETF	TLT	96.69	-1.5%	-2.4%	-6.1%	-2.9%
iShares Nasdaq Biotechnology ETF	IBB.O	127.33	-0.6%	2.4%	0.3%	-3.0%
Silver Future	SIc1	22.72	-6.2%	-1.6%	-0.4%	-4.8%
iShares Silver Trust	SLV	21.84	-6.2%	-1.4%	0.0%	-5.0%
iShares MSCI Malaysia ETF	EWM	21.33	-1.3%	7.1%	6.6%	-6.6%
SPDR S&P Bank ETF	KBE	41.77	0.6%	14.9%	16.0%	-7.5%
Utilities Select Sector SPDR	XLU	64.28	-3.0%	-1.7%	-1.8%	-8.8%
iShares MSCI Hong Kong ETF	EWH	18.84	-4.4%	0.1%	-2.5%	-10.3%

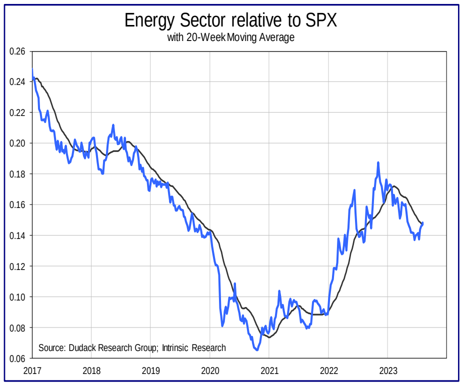
Outperformed SP500
Underperformed SP500

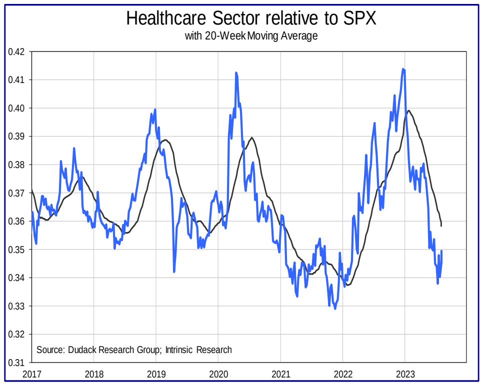
Source: Dudack Research Group; Refinitiv　　Priced as of August 8, 2023

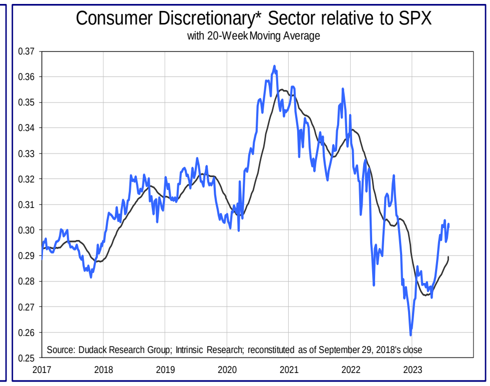
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

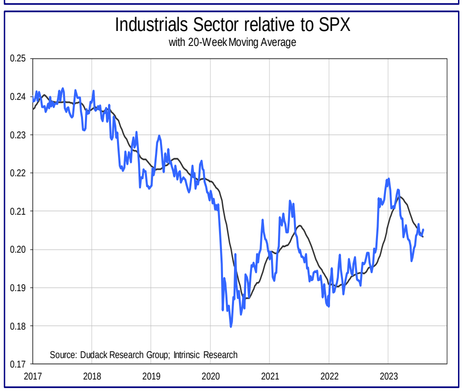
DRG Recommended Sector Weights				
Overweight		**Neutral**		**Underweight**
Energy Industrials Staples Utililties		Healthcare Technology Materials Financials		Consumer Discretionary REITS Communication Services

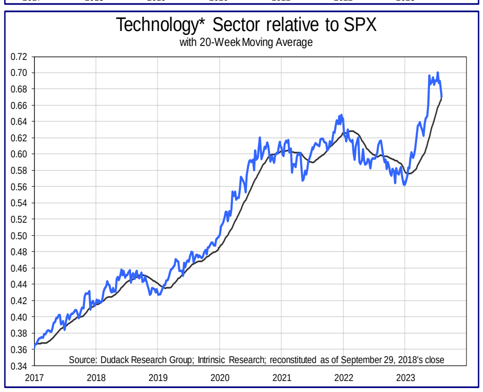
3/8/2022:Materials upgraded from underw eight to neutral/communication service dow ngraded from neutral to underw eight. 3/1/2022 Financials dow ngraded to neutral and Industrials upgraded to overw eight.

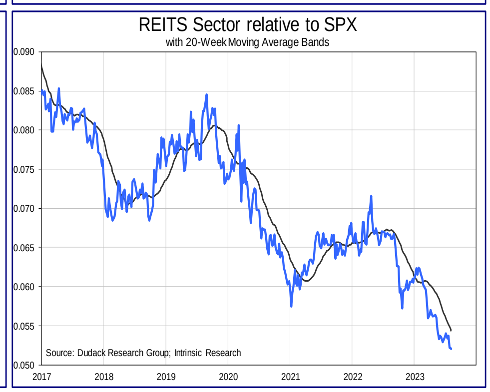


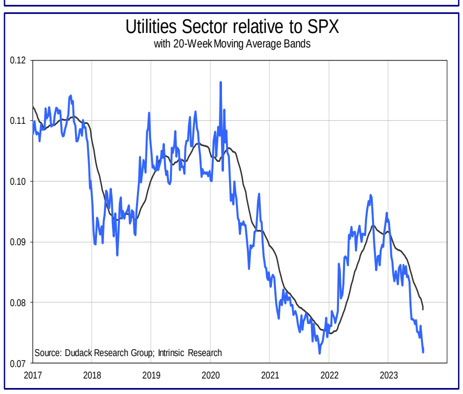


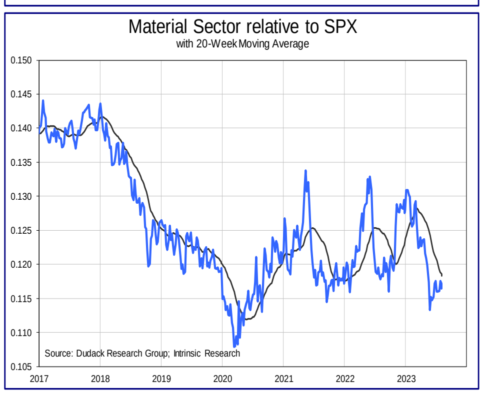


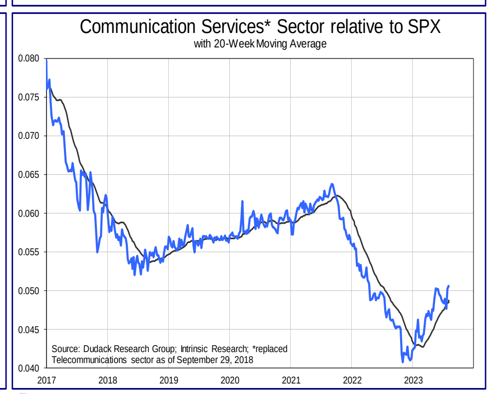


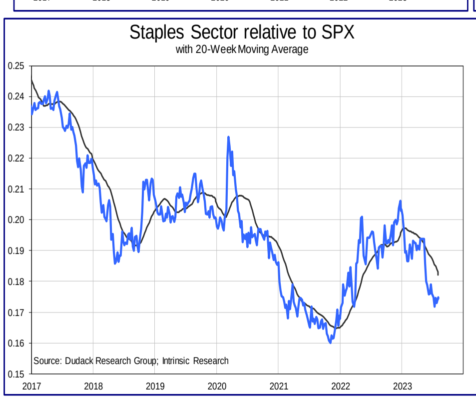


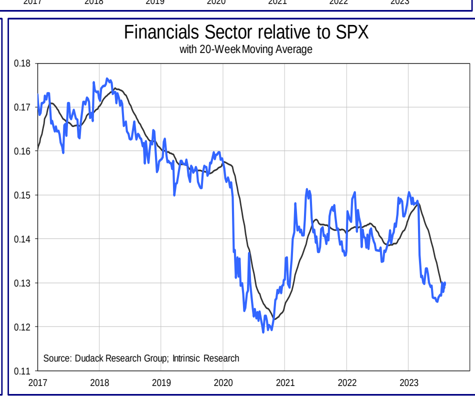












2023 Performance - Ranked	
SP500 Sector	% Change
S&P COMMUNICATIONS SERVICES	43.0%
S&P INFORMATION TECH	38.9%
S&P CONSUMER DISCRETIONARY	34.8%
S&P 500	17.2%
S&P INDUSTRIALS	10.9%
S&P MATERIALS	7.0%
S&P FINANCIAL	2.3%
S&P REITS	0.8%
S&P CONSUMER STAPLES	0.7%
S&P ENERGY	-0.7%
S&P HEALTH CARE	-0.9%
S&P UTILITIES	-9.0%

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	~~~~~	$197.56	**$217.11**	$212.00	7.6%	**$219.02**	0.4%	20.5X	NA	NA	NA	NA
2024E	~~~~~	$221.89	**$243.06**	$230.00	8.5%	**$245.80**	12.2%	18.3X	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	$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	$46.03	**$52.55**	$52.46	11.9%	**$53.26**	-7.6%	21.6	NA	2.4%	NA	NA
2023 3QE*	4499.38	$50.67	**$55.20**	$54.00	7.2%	**$55.61**	-0.7%	21.4	NA	NA	NA	NA
20244QE	~~~~~	$52.45	**$56.82**	$53.00	5.2%	**$57.54**	8.3%	20.5	NA	NA	NA	NA

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

Regulation AC Analyst Certification

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