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
September 27, 2023

DJIA: 33618.88
SPX: 4273.53
NASDAQ: 13063.61

US Strategy Weekly

Higher for Longer

The Federal Reserve did not raise interest rates last week, but Chairman Powell's prepared statement and his question-and-answer period were sufficiently hawkish to convince investors that another interest rate hike may be needed this year. The dot plot revealed that most governors expect the fed funds rate will still be above 5% by the end of next year. And Chairman Powell's comments underscored that interest rates are not likely to come down for a long time. None of this surprised us, but this had an impact on sentiment since there has been a staunchly held view that both inflation and interest rates would be coming down in the foreseeable future.

In the wake of the Federal Reserve's hawkish stance, the benchmark 10-year Treasury yield rose to a 16-year high above 4.5%. More recently, Minneapolis Federal Reserve Bank President Neel Kashkari, one of the more dovish Fed governors, stated that there is a 40% chance the Fed will need to raise interest rates "meaningfully" to beat inflation. He indicated there was a 60% chance that one more rate hike would bring inflation in line and maneuver the economy to a soft landing. Kashkari gave no percentage for a recession. However, in our view, only if "it is different this time" will the US economy be able to escape a recession before inflation is once again under control.

Higher for Longer – Inflation and Interest rates

We continue to repeat several charts that show the history of inflation, interest rates, and the economy, since these charts are at the foundation of our stance. On page 3, the charts show that whenever inflation reaches a high level, such as the 9% seen in June 2022, inflation has declined, but only in concert with a recession. A tighter monetary policy has always been the key to reducing inflation, but the cycle of tightening typically ends only after the real fed funds rate reaches a minimum of 400 basis points. With inflation now at 3.7%, this suggests a 7.7% fed funds rate. We doubt that the fed funds rate will reach 7% or more, but we do believe the Fed is behind the curve and needs to keep rates higher for longer than most investors expect in order for monetary policy to be successful. This will also raise the risk of a recession.

Jamie Dimon, CEO of JPMorgan Chase & Co. (JPM - $144.93) told the Times of India in an interview this week that many businesses and investors were not prepared for a worst-case scenario in which interest rates hit 7% and stagflation grips America. Again, the risk of a recession is greater than Kashkari's zero. We think there is a better-than-even chance that a recession is on the horizon, and it does not have to be a long debilitating recession, but it is part of a normal economic cycle. A recession would have come earlier and probably be over by now, if it were not for the multiple stages of fiscal stimulus put into place in the last three years.

One thing is clear – inflation is not apt to come down quickly. After 12 months of a disinflationary trend in the CPI, and after 8 months of negative year-over-year pricing in crude oil, both trends began to reverse in August. Sequentially, the CPI was up 3% YOY in June, 3.2% YOY in July, and 3.7% YOY in August. The PPI for finished goods was 2.2% YOY in August, the first positive year-over-year gain in four months. Oil was still negative in August on a year-over-year basis, and this helped to dampen headline CPI, but to date, it is up 14% YOY in September. This is likely to fuel price increases in September. Moreover, the technical chart of light crude oil shows that it has broken above a downtrend line and has no significant upside resistance prior to $100 a barrel. This is good news for energy sellers but bad news for inflation. See page 4.

The Impact on the Economy and Earnings

Interest rates are up over 500 basis points since the end of 2021 and the lag effect is beginning to be felt. The housing sector is showing weakness again with a 15% YOY decline in existing home sales in August and a 5-point decline in the National Association of Home Builders index. This puts the NAHB index below 50 for the first time since the banking crisis this Spring. New home sales in August were down 8.7% from July's level, but still up 5.8% YOY. Housing affordability has been declining substantially this year as mortgage interest rates continue to rise. See page 5. These are signs that "higher for longer" could translate into a weaker economy ahead.

A weaker economy has implications for corporate earnings. There is a close relationship between GDP corporate profits and S&P reported earnings and both were negative on a year-over-year basis in the first two quarters of 2023. However, the consensus earnings growth forecasts for the S&P 500 for the next four quarters look rather arbitrary to us with analysts plugging in a 10-12% growth rate. A 10% earnings growth rate is a typical estimate whenever the outlook is unknown. See page 6.

However, there are many variables in earnings growth rates. GDP data shows that nominal final sales fell sharply in the second quarter as fiscal stimulus is fading. Plus, GDP after-tax margins have been slipping in recent quarters. Strangely, S&P operating margins increased as GDP profit margins decreased. This disparity between GDP and S&P profit margins has happened in the past and it is often a symptom of tax law changes or financial engineering, neither of which has longevity. See page 7. This data suggests that there could be both a decline in revenue and a margin squeeze ahead for corporate America.

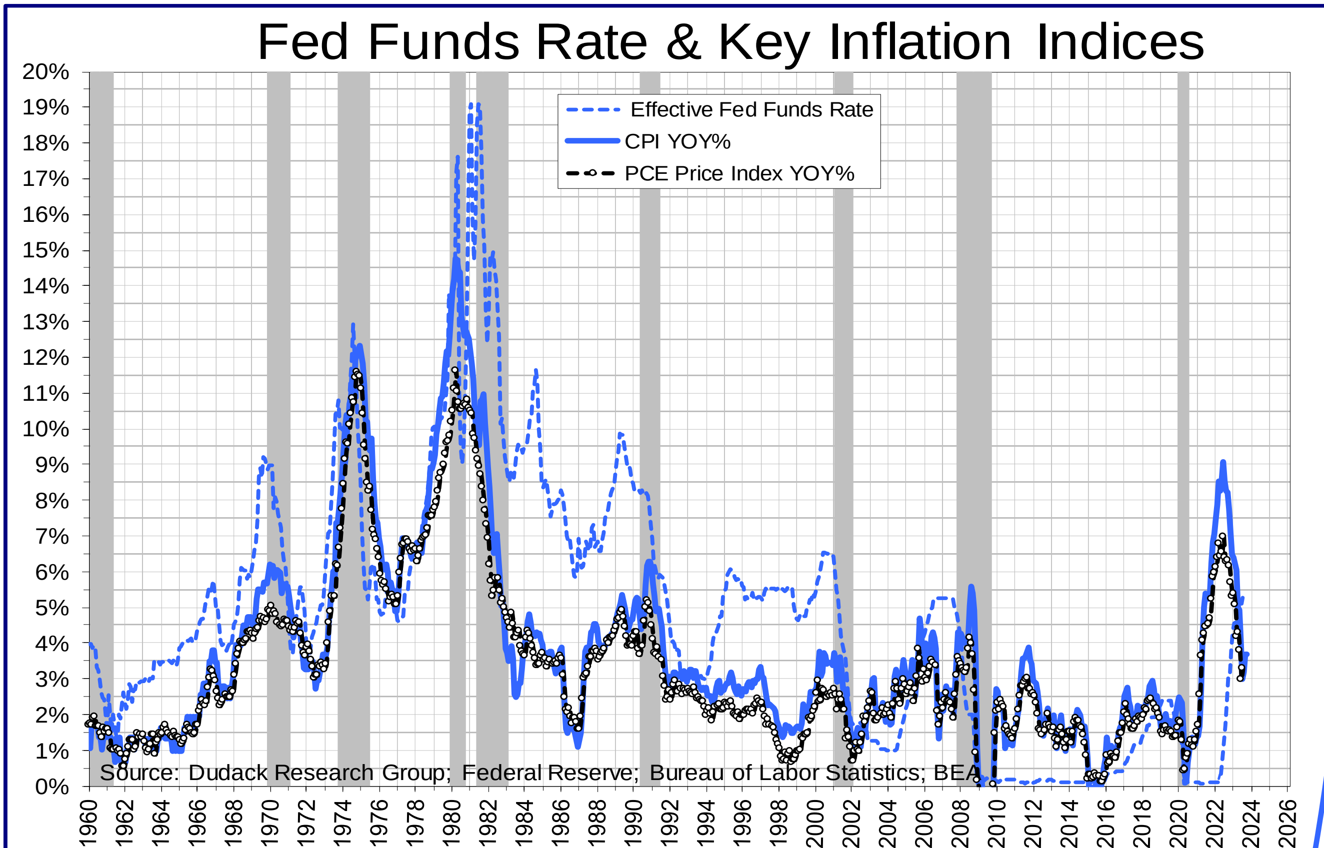
Lastly, valuations appear stretched. When we index nominal GDP, GDP corporate profits, S&P earnings, and the S&P Composite index on one chart, it is easy to see when, or if, profits and/or the SPX become extended relative to GDP growth. There can be reasons for this disparity such as an increase in productivity from both workers and technology. However, the current disparity between the SPX and GDP is greater than that seen at the 2000 peak in equities. The March 2000 peak was also a time of great technological changes, but it ended in a dot-com bubble. Our valuation model tells a similar story since it suggests equities are nearly as overvalued as they were in 2000. See page 8.

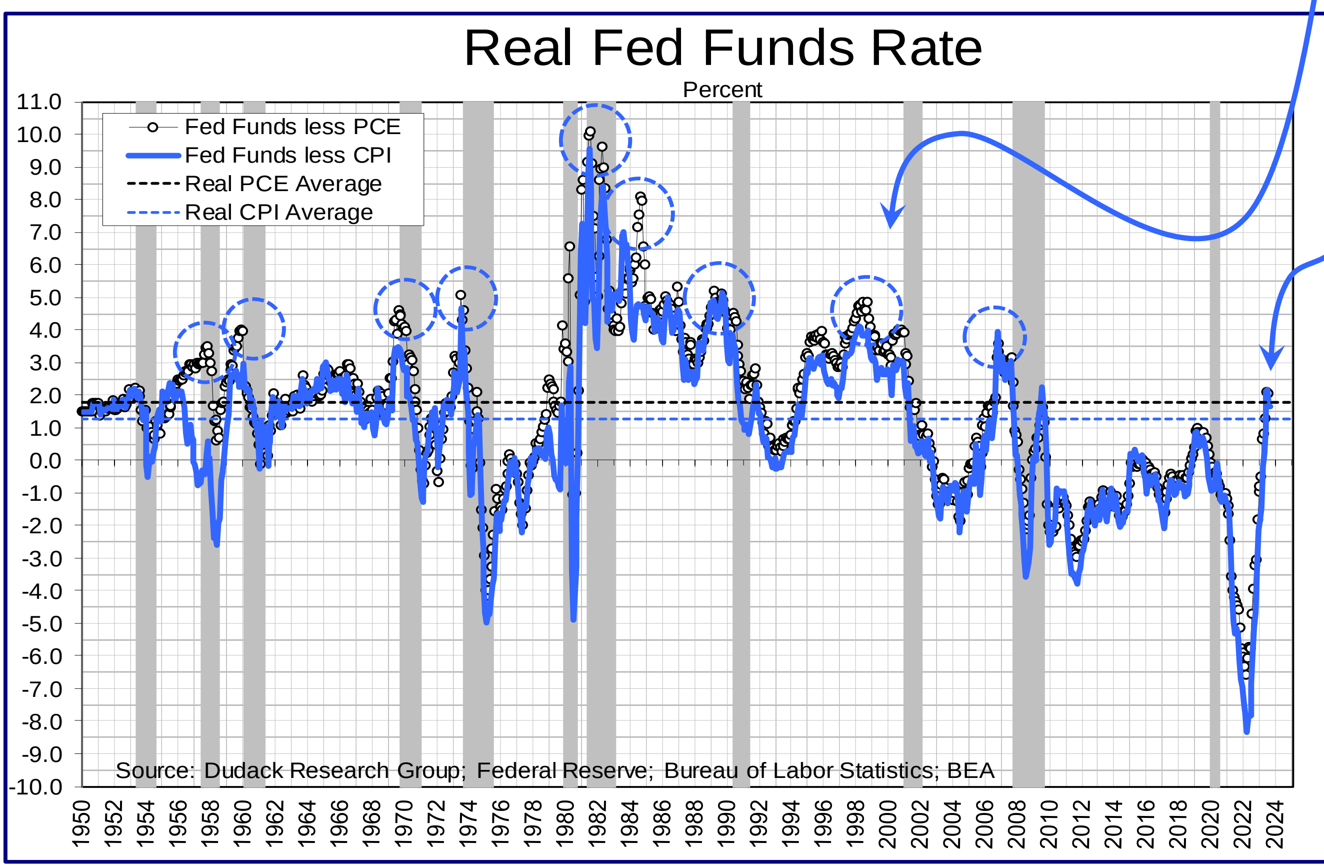
Technically, Still in a Trading Range

What looked like a consolidation phase last week turned into a clear downtrend this week, with the Dow Jones Industrial Average and the Russell 2000 index now trading below their 200-day moving averages. The S&P Composite and the Nasdaq Composite are still trading above their 200-day moving averages but look like they might be about to test these levels in the near term. Nevertheless, the major patterns in the market remain characteristic of a long-term neutral trading range. This trading range is best seen by the Russell 2000 index which has support at 1650 and resistance at 2000. See page 10.

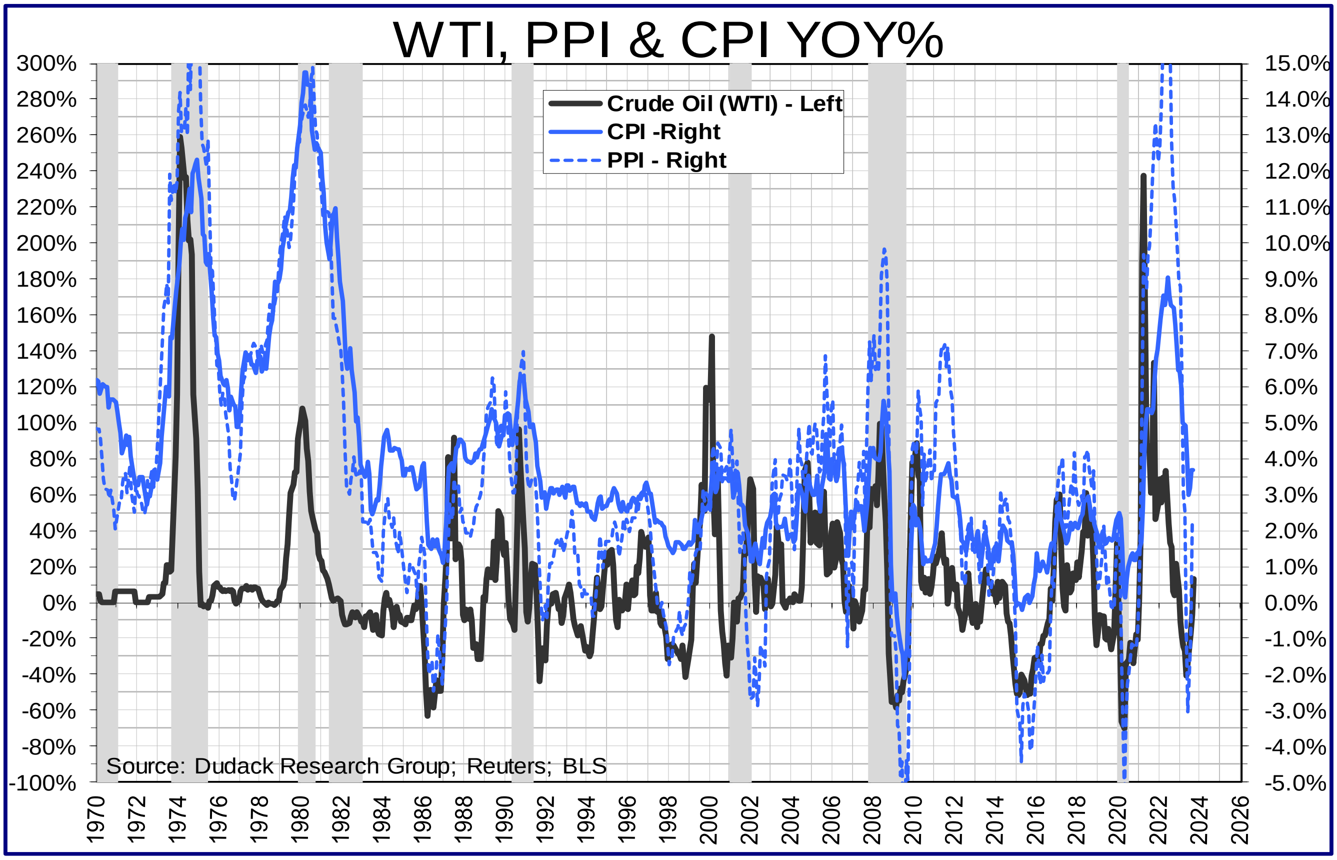
There has been some clear deterioration in breadth data this week. The 10-day average of daily new highs fell to 65 and new lows rose to 199. This combination is solidly negative this week with new highs below 100 and new lows well above 100. In addition, the NYSE advance/decline line is 33,612 net advancing issues from its November 8, 2021 high. This disparity fell below 30,000 in July for the first time in two years; but in recent days it increased to more than 30,000 issues once again. See page 12.

The charts below are important since they show that whenever inflation reaches a peak such as the 9% seen in June 2022, inflation has declined, but only in concert with a recession. A tighter monetary policy is key to reducing inflation, and the cycle typically ends with a real fed funds rate reaching a minimum of 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 the Fed is behind the curve and needs to keep rates higher for monetary policy to be successful.



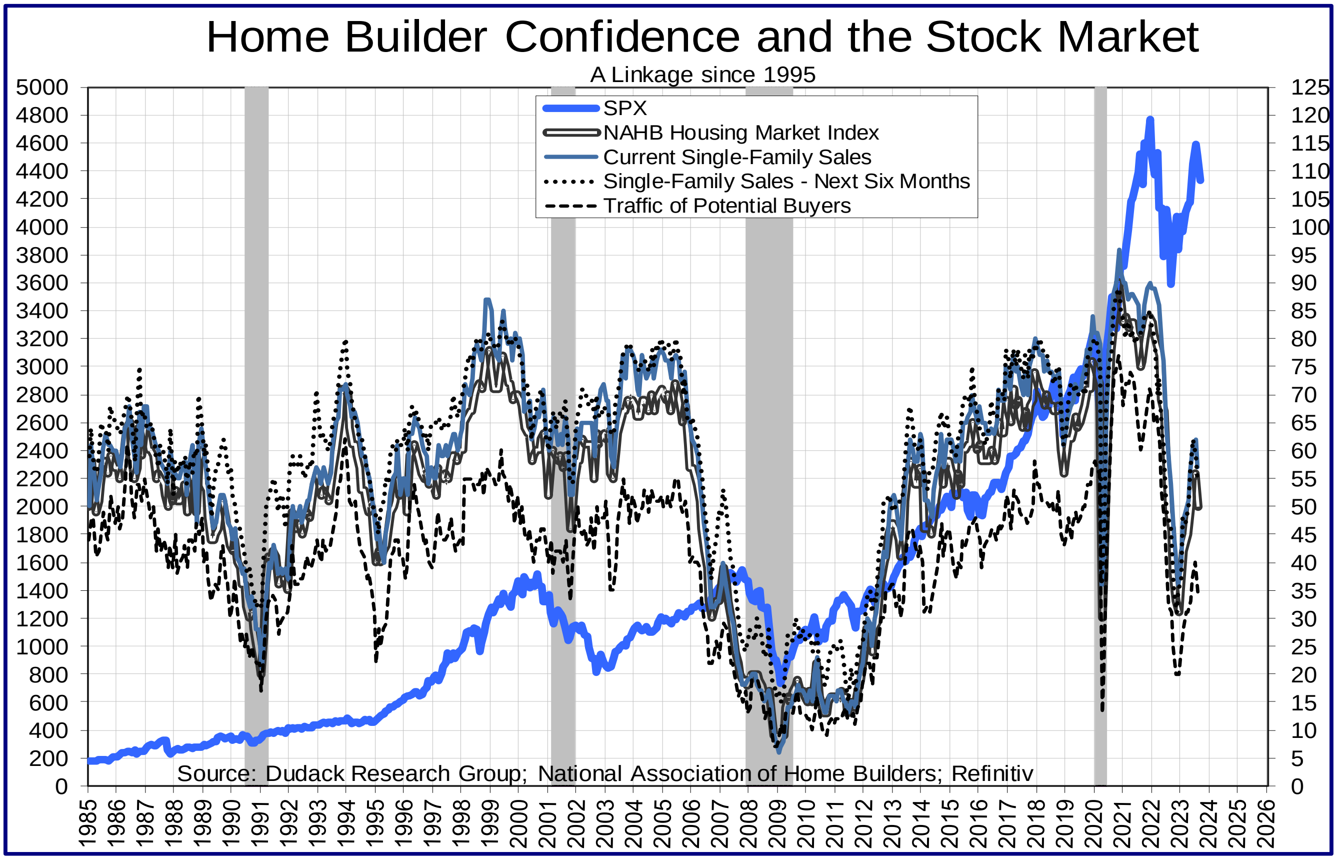


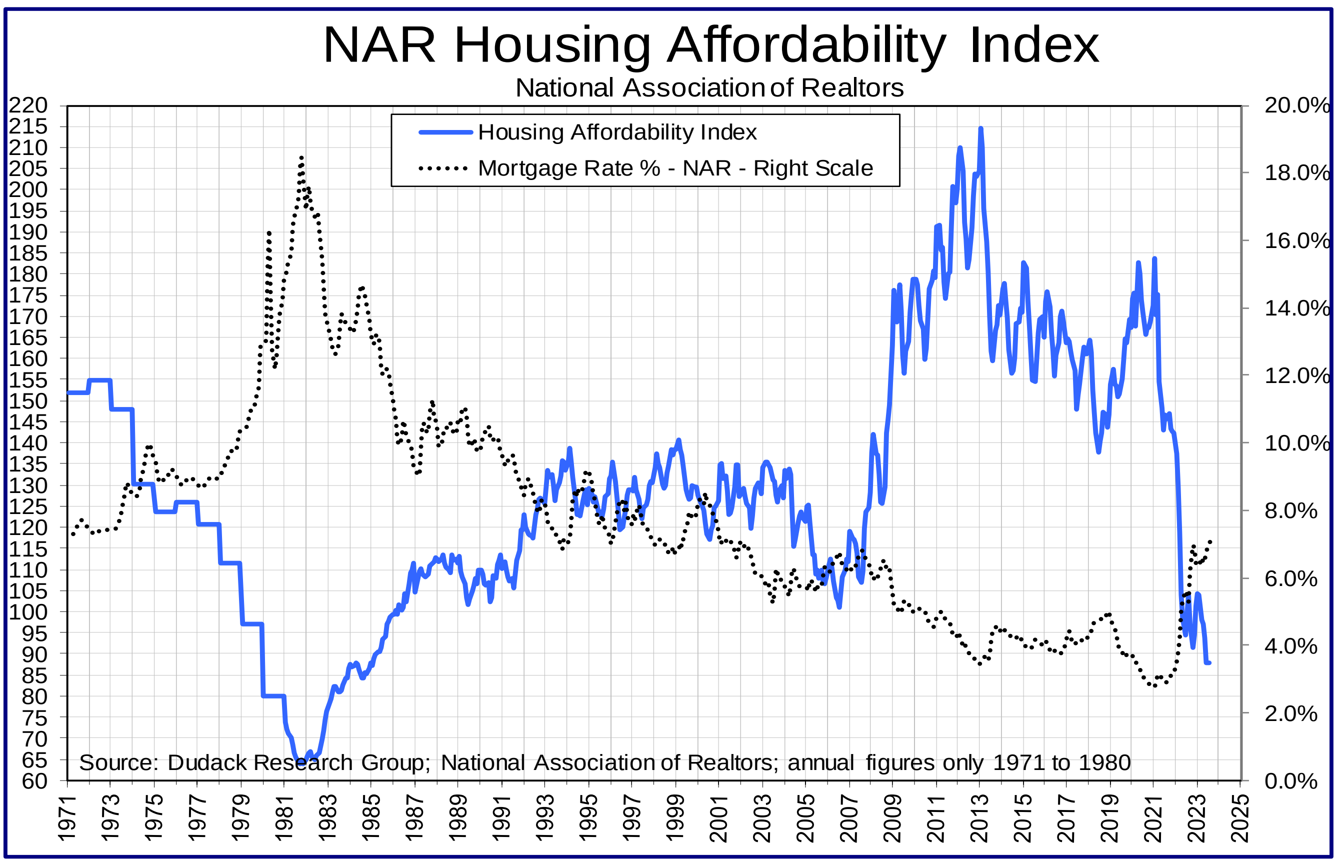
After 12 months of decelerating inflation in the CPI, and after 8 months of negative YOY pricing in crude oil, these trends are beginning to reverse. Oil was still negative in August, but to date, it is up 13% YOY in September. Sequentially, the CPI was up 3% in June, 3.2% in July, and 3.7% in August. The PPI for finished goods was 2.2% YOY in August, the first positive YOY gain in four months. Moreover, the technical chart of light crude oil shows a broken downtrend line. This is bullish with little upside resistance prior to $100 a barrel.



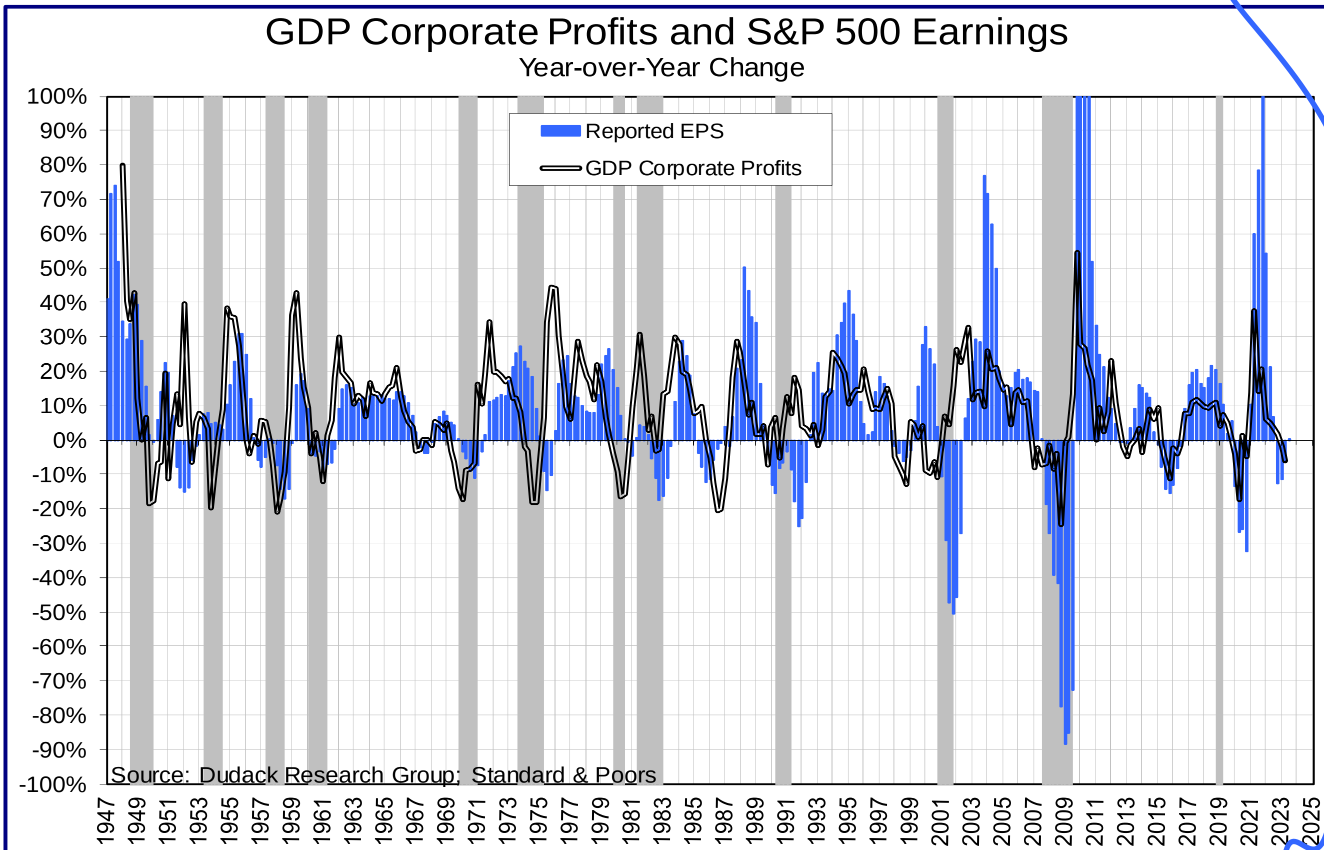
Refinitiv

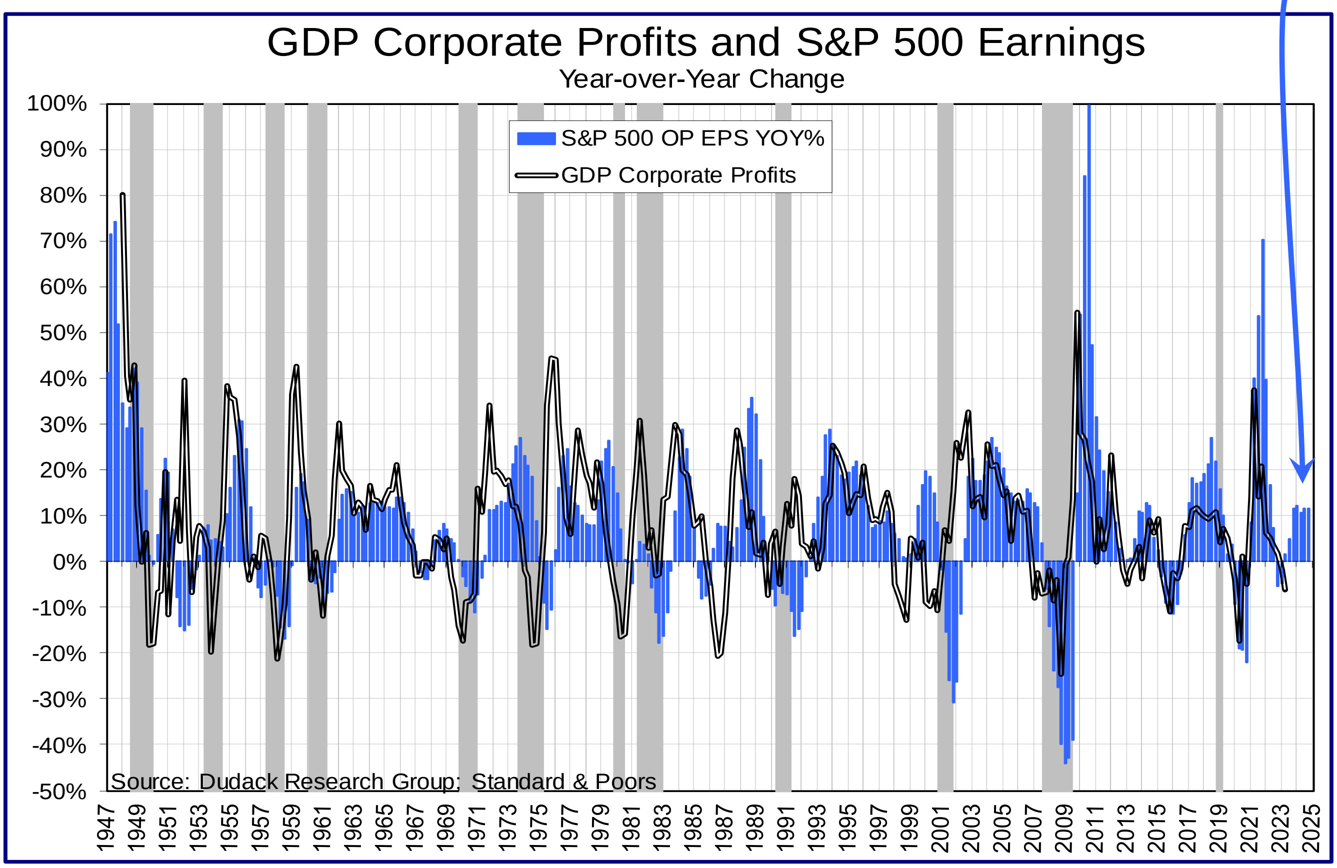
Housing is showing some prospective weakness with a 15% YOY decline in existing home sales in August and a 5-point decline in the NAHB housing index. Housing affordability has declined substantially this year as mortgage interest rates continue to rise. This is one reason why “higher for longer” translates into a weaker economy ahead.



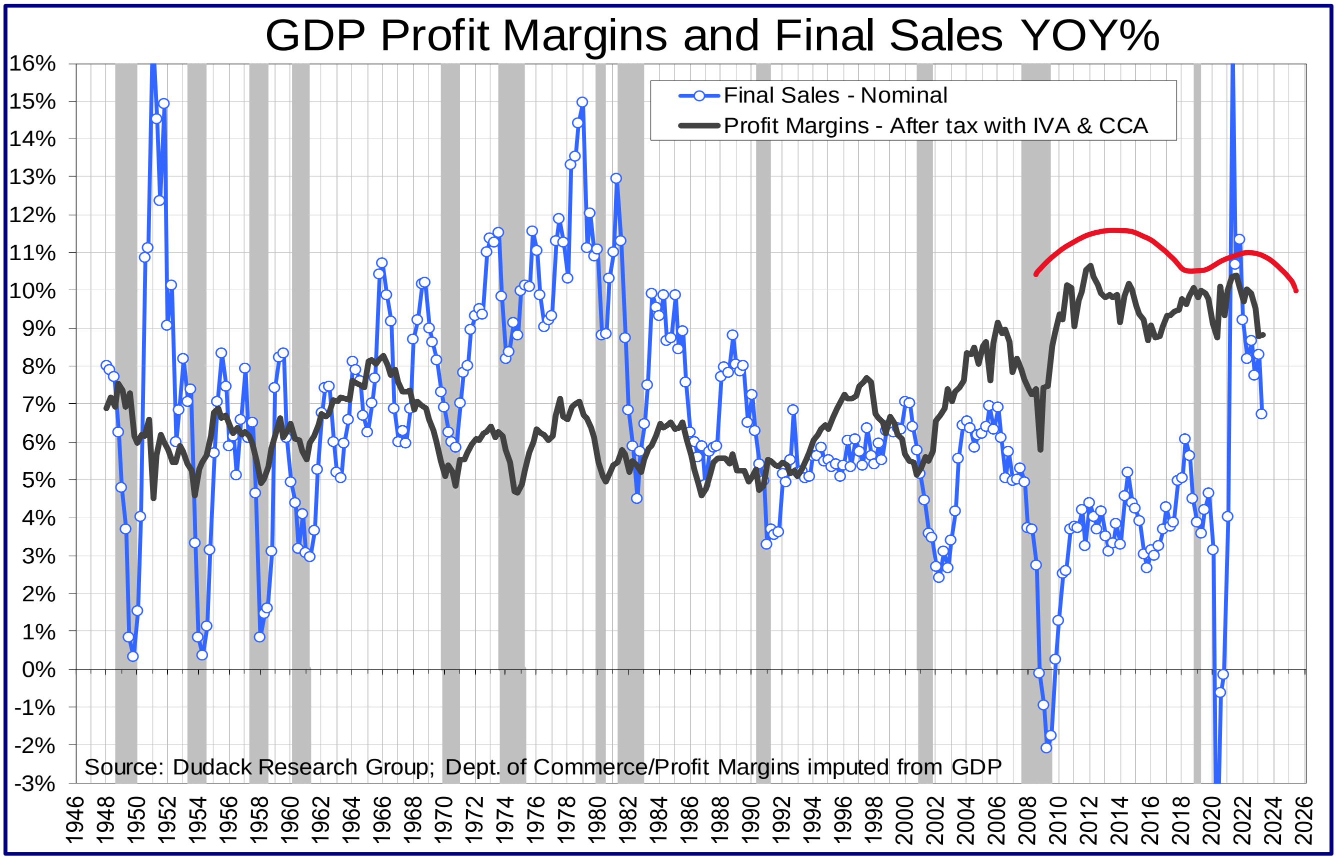


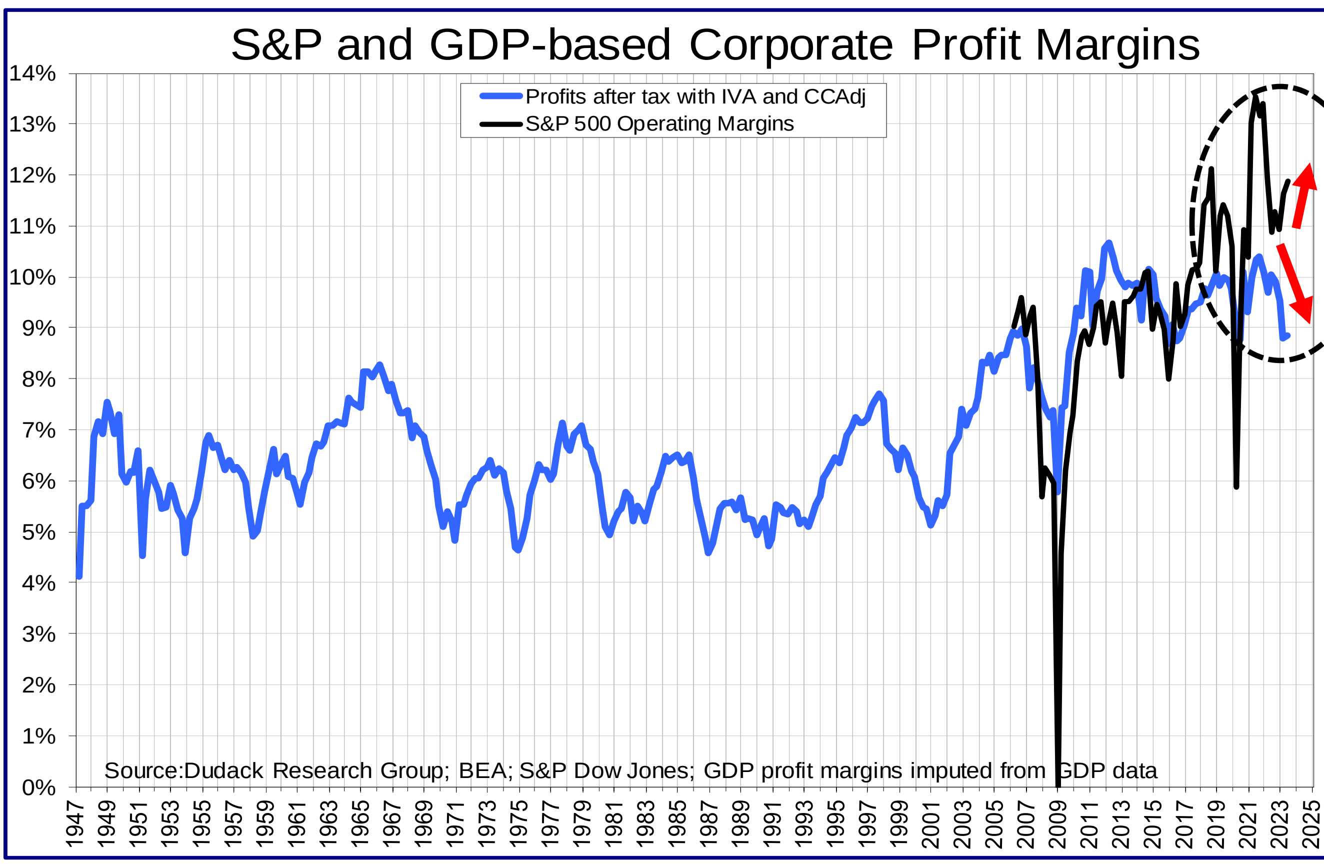
A weakening economy has implications for corporate earnings. Note the parallel relationship of GDP corporate profits and S&P reported earnings. However, the consensus earnings growth forecast for next year seems arbitrary to us – a sign that analysts have simply plugged in a 10-12% number because the outlook is unknown.



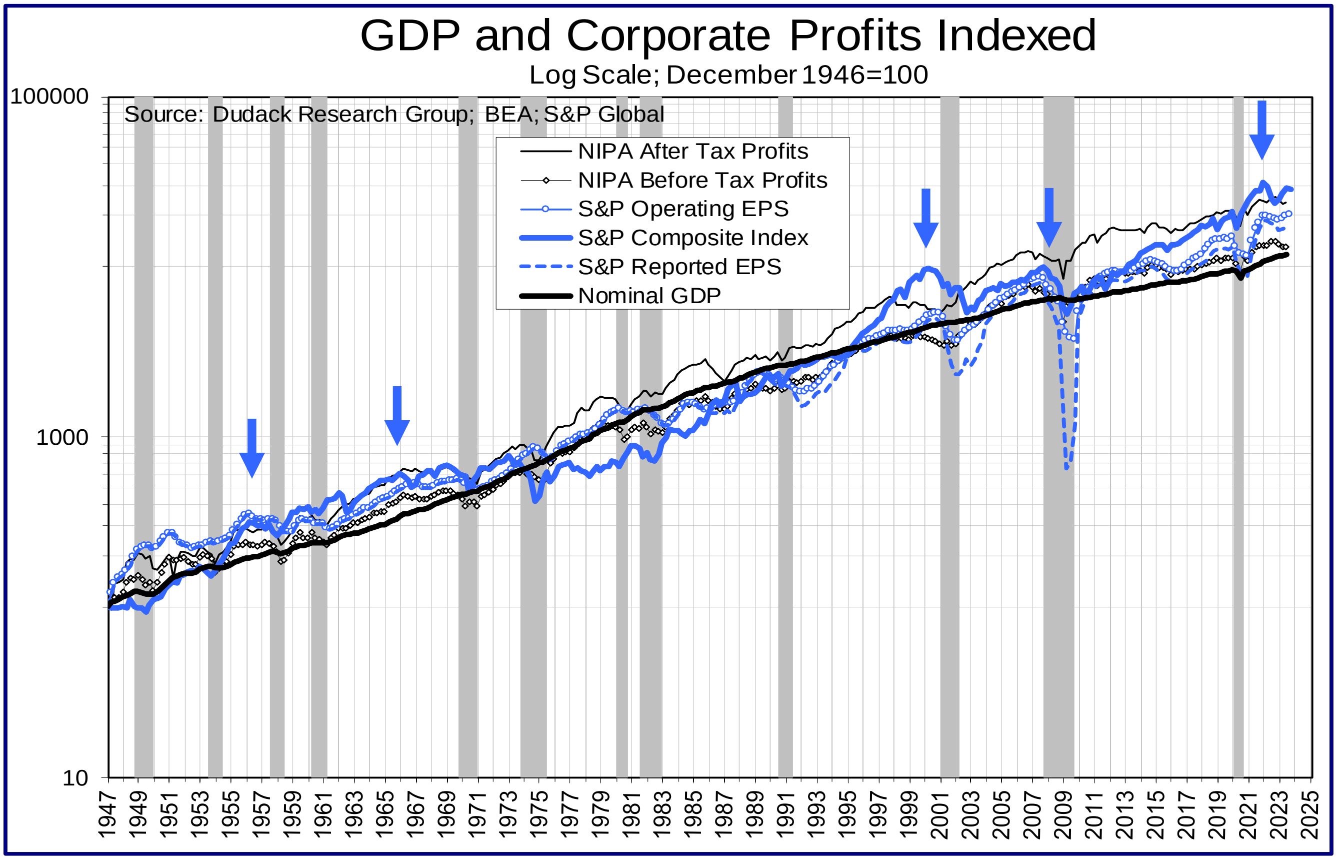


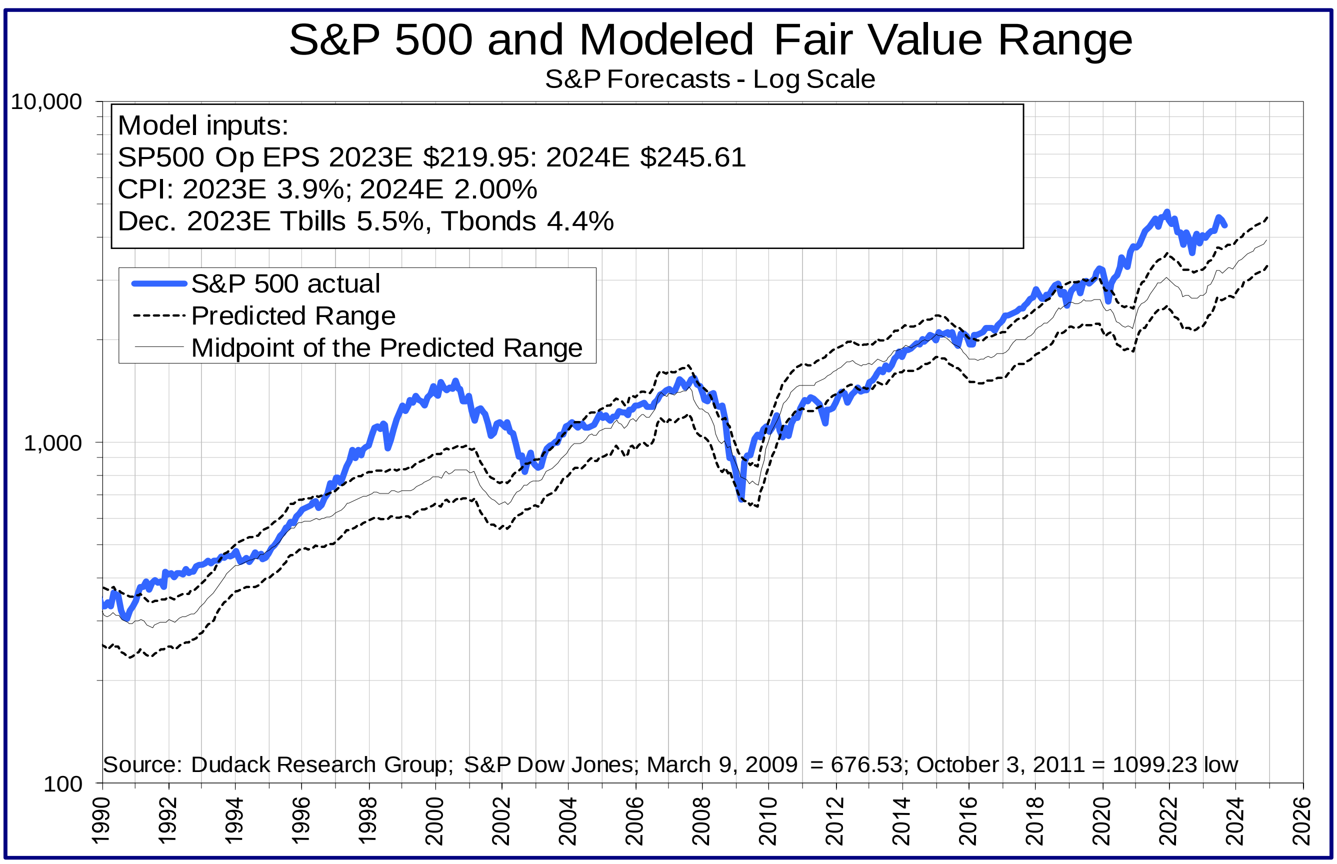
What we see are signs that GDP final sales are decelerating sharply as fiscal stimulus is fading. GDP after-tax margins have been slipping in recent quarters as S&P operating margins have improved. This disparity between GDP and S&P profit margins is often a symptom of financial engineering which has limits over the longer term.



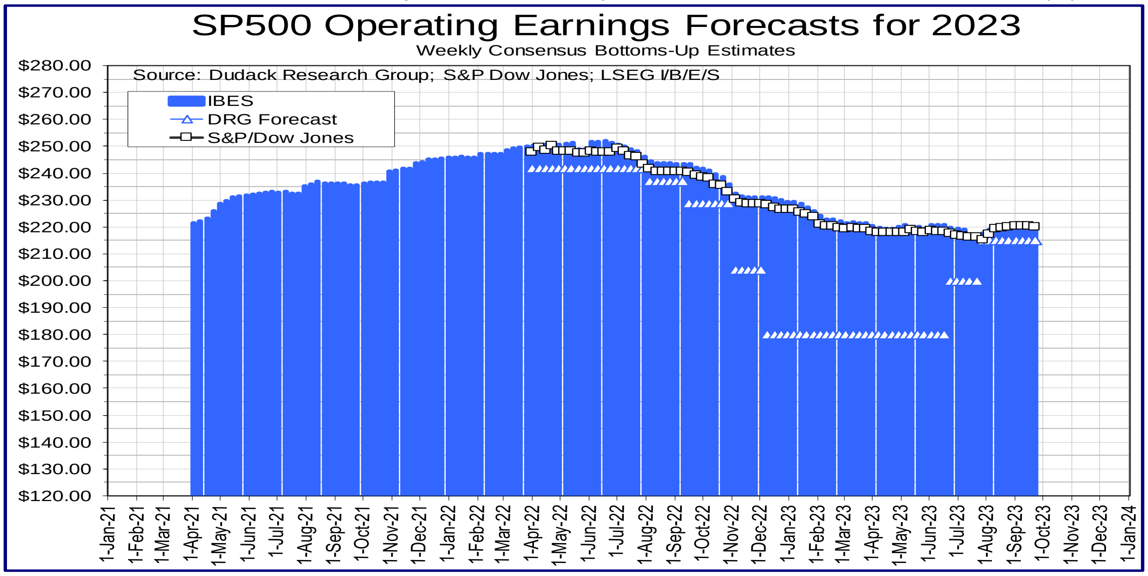


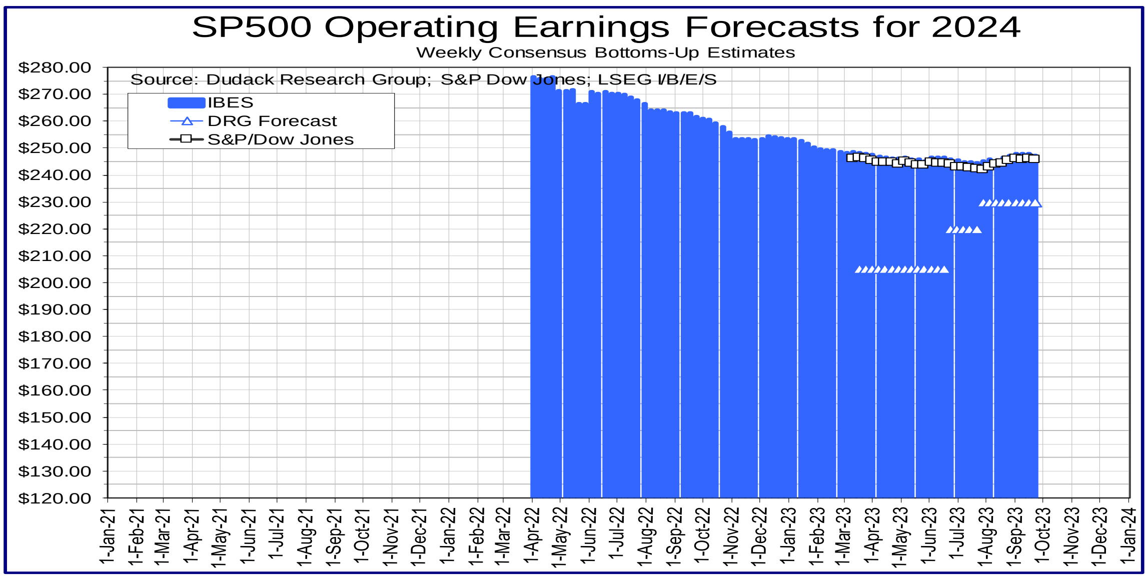
When we index nominal GDP, GDP profits, S&P earnings, and the S&P index on one chart, it is easy to see when, or if, profits and/or the SPX become extended relative to GDP. The current disparity between the SPX and GDP is greater than that seen at the 2000 peak in equities. Our valuation model below tells a similar story suggesting equities are overvalued.

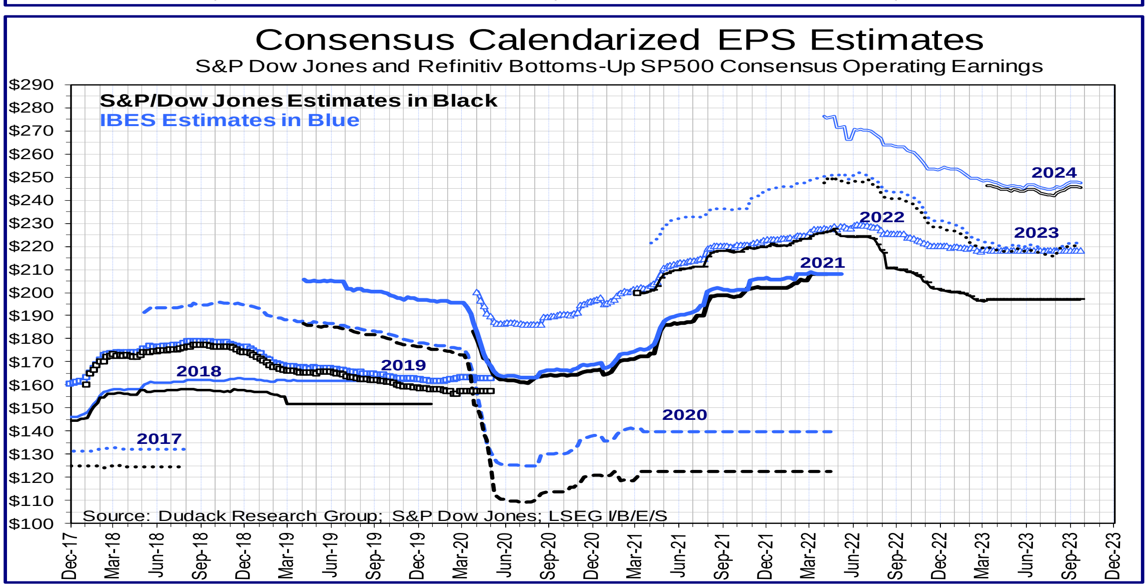




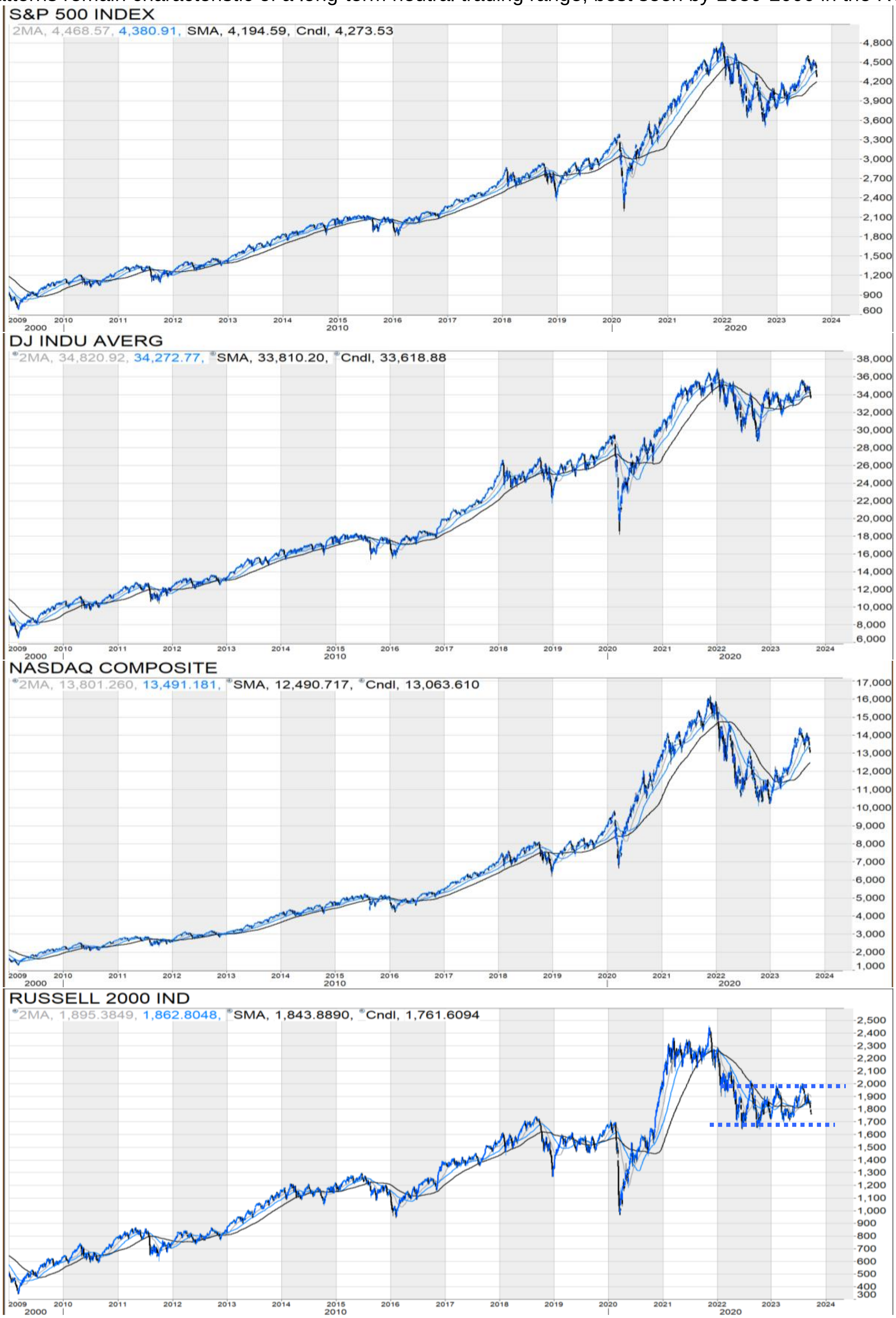
S&P Dow Jones consensus estimates for 2023 and 2024 are $219.95 and $245.61, down $0.24, and $0.29, respectively. LSEG IBES estimates for 2023 and 2024 are $220.65 and $247.29 down $0.72 and $0.65, respectively. Notably, S&P data shows that 18.4% of companies reporting first quarter earnings had a decrease 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 $220.65 for this year, equities remain overvalued with a PE of 19.4 times and inflation of 3.7%. Again, this sum of 23.1 is just under the 23.8 level that defines an overvalued equity market.







What looked like a consolidation phase turned into a clear downtrend this week, with the DJIA and the RUT now trading below their 200-day moving averages and the SPX and IXIC looking like a test of there average is ahead. Nevertheless, the major patterns remain characteristic of a long-term neutral trading range, best seen by 1650-2000 in the RUT.



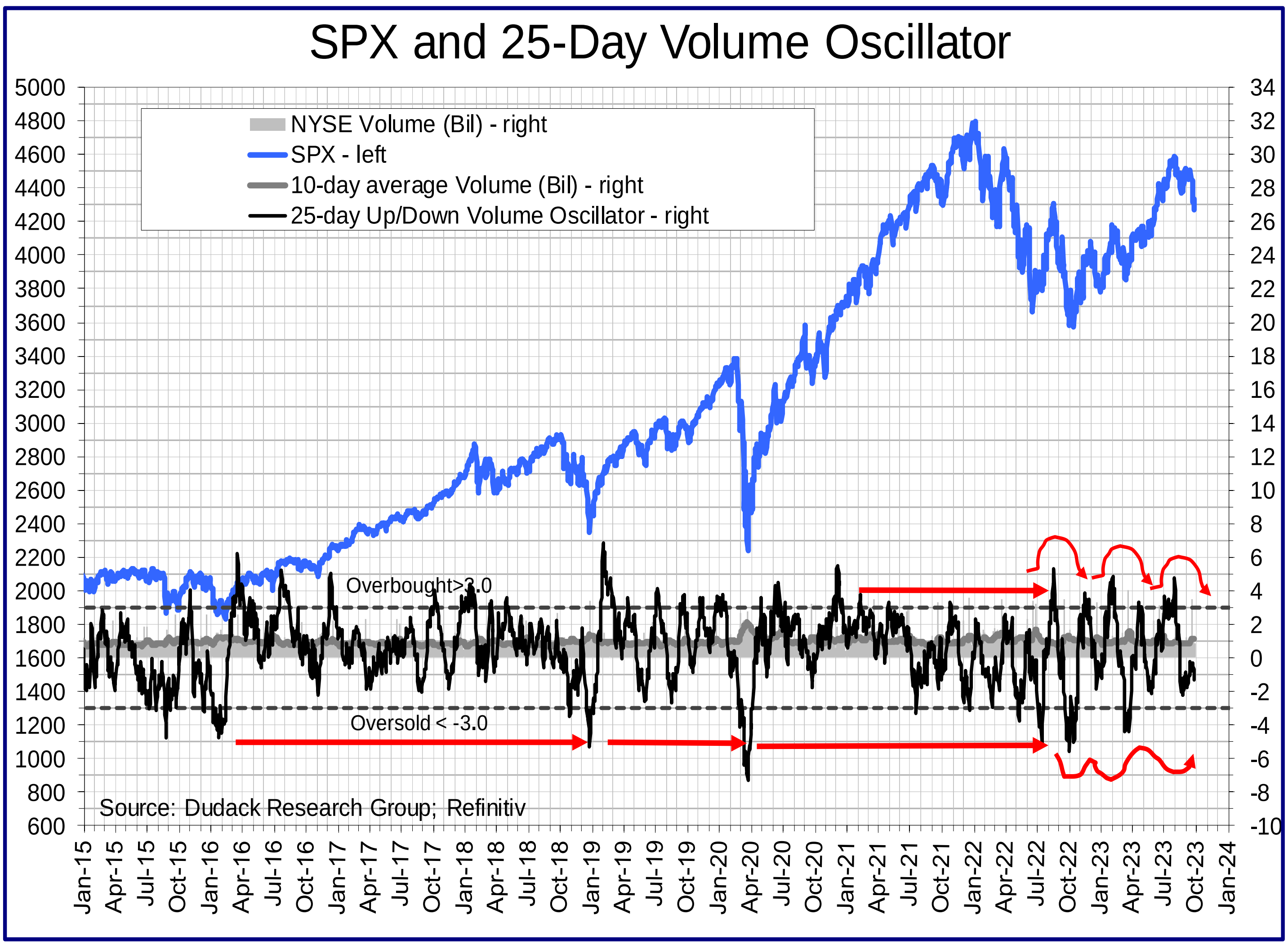
Source: Refinitiv

The 25-day up/down volume oscillator is at a negative 1.36 reading this week, down from last week and at the lower end of neutral.

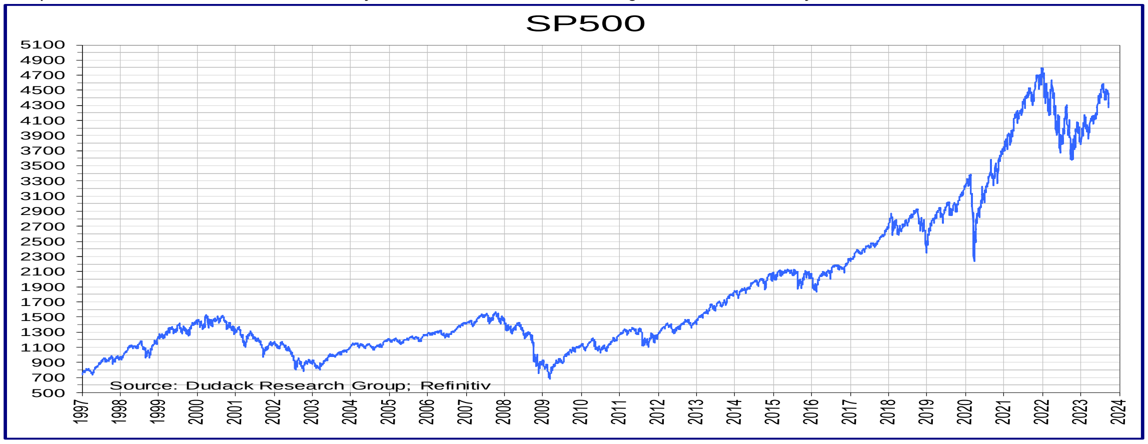
The oscillator generated overbought readings in 10 of 22 trading sessions ending August 1. However, none of these overbought readings lasted the minimum of five consecutive trading days required to confirm July's advance in the averages. Strong rallies should also include at least one extremely overbought day, and this was also missing.

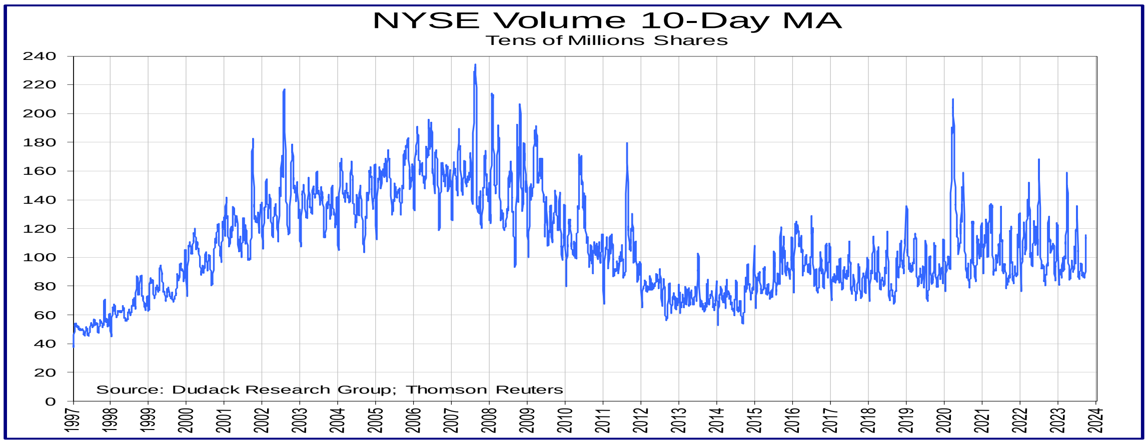
If, or when, this indicator approaches an oversold reading of minus 3.0 or less, the same will be true – five consecutive trading days in oversold are needed to confirm that the decline is more than a normal pullback in prices.

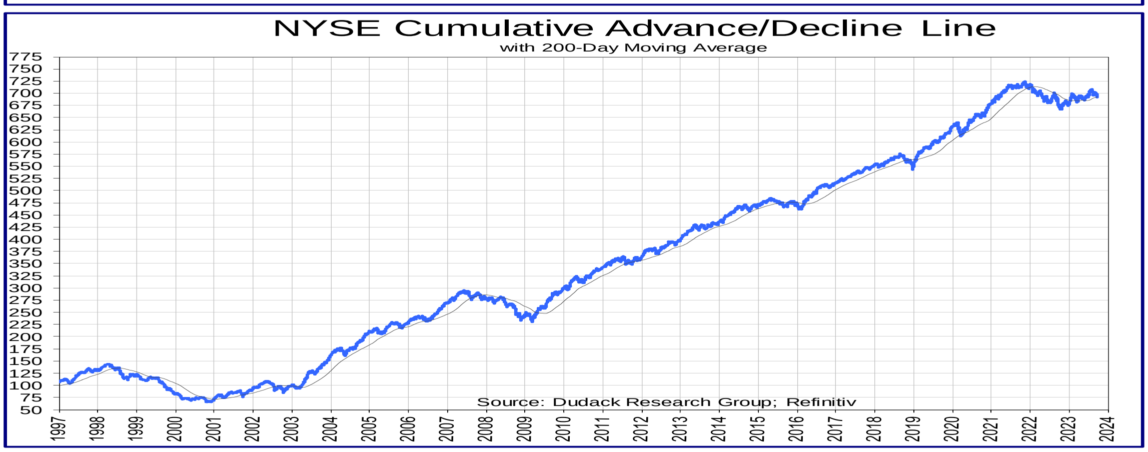
All in all, the trend remains long-term neutral.

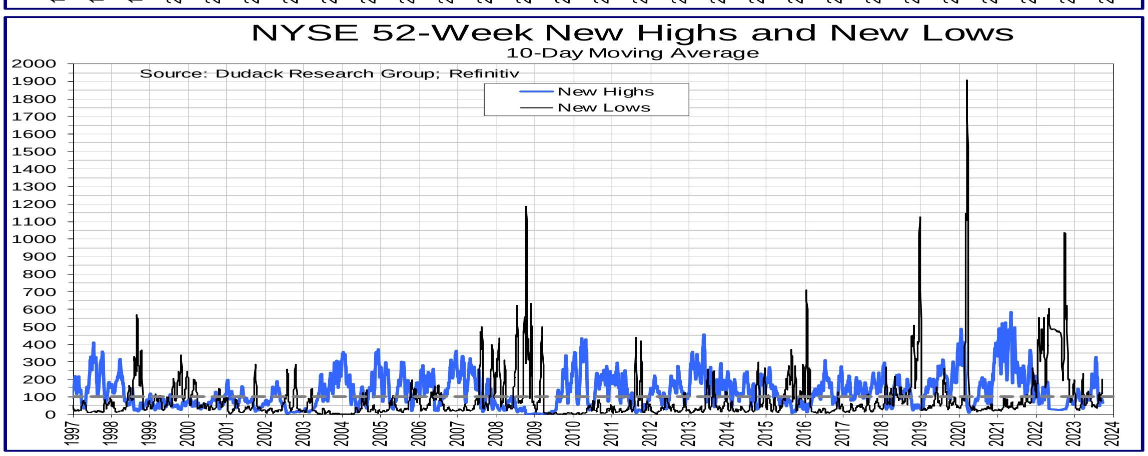


The 10-day average of daily new highs is 65 and new lows are 199. This combination is negative this week with new highs below 100 and new lows well above 100. The NYSE advance/decline line fell below the June low on September 22 and is 33,612 net advancing issues from its 11/8/21 high. July was the first time in two years that the disparity between the AD line's peak and current levels was consistently less than 30,000 net advancing issues. In recent days it has increased to more than 30,000 issues once again.

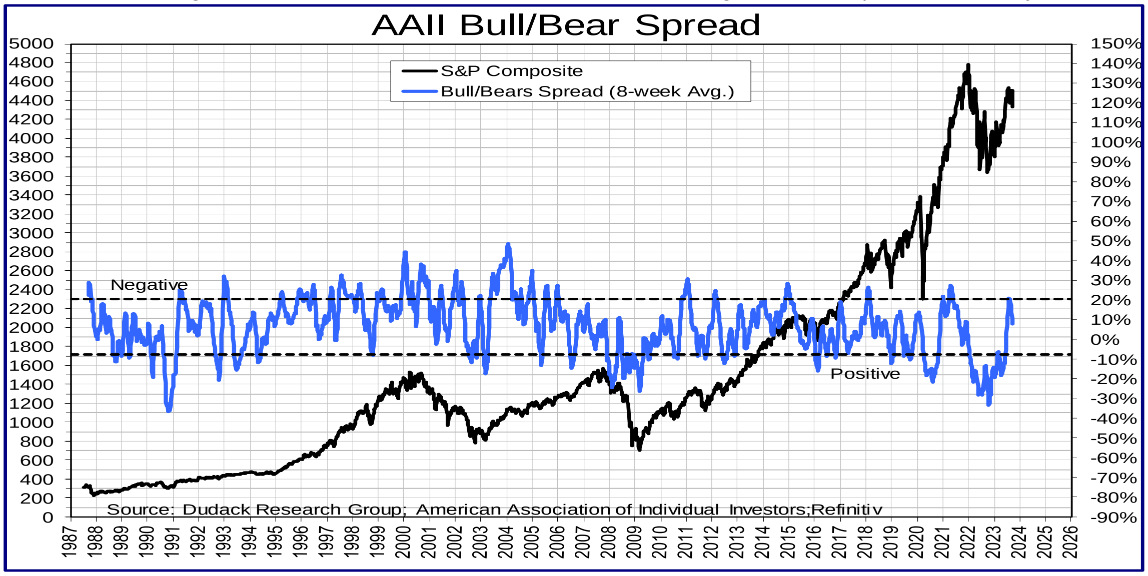


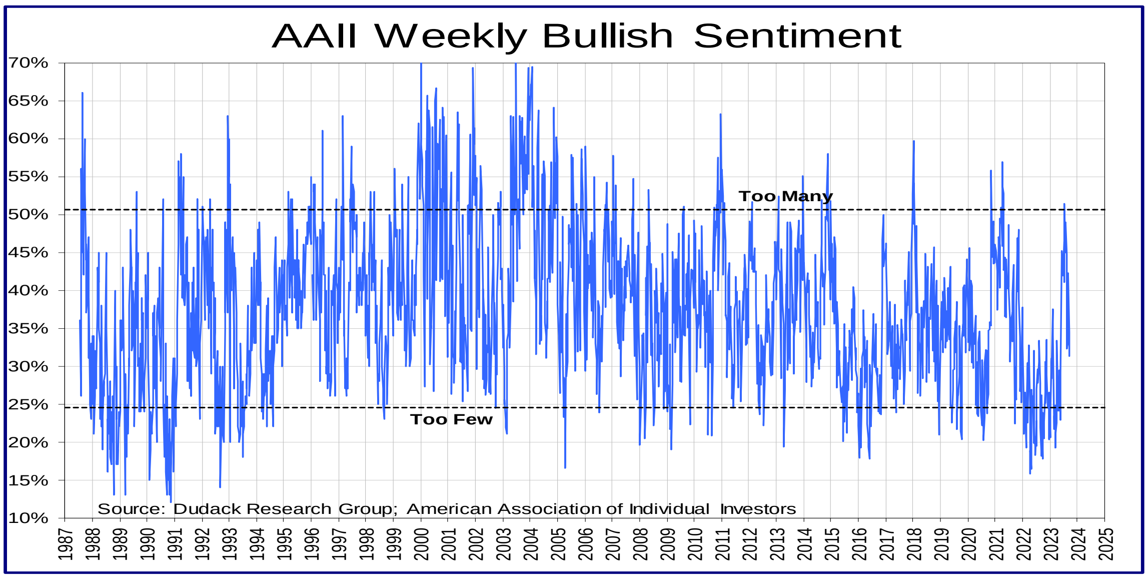


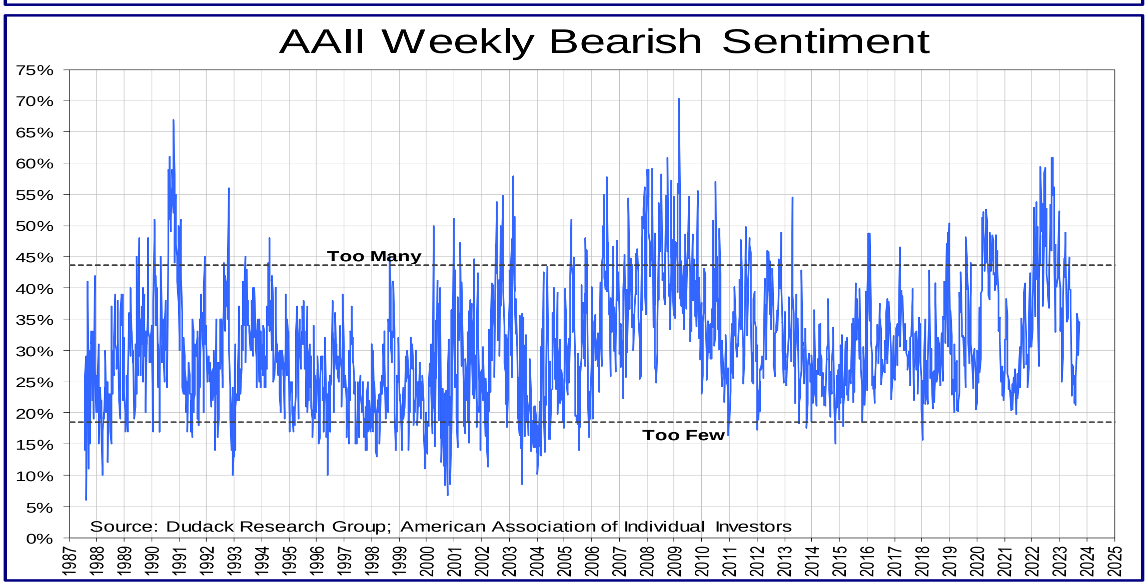




Last week's AAII readings showed a 3.1% fall in bullishness to 31.3%, and a 5.4% increase in bearishness to 34.6%. After ten consecutive weeks of above-average bullishness, and 11 consecutive weeks of below-average bearishness – the longest combined stretch since February to May of 2021 – the indices went neutral the week of August 16. Note that months after the extreme 2021 readings, the market peaked in January 2022.







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	65.05	-3.5%	-0.5%	0.0%	35.5%
NASDAQ 100	NDX	14545.83	-4.2%	-2.7%	-4.2%	33.0%
Technology Select Sector SPDR	XLK	161.97	-4.3%	-4.0%	-6.8%	30.2%
Nasdaq Composite Index Tracking Stock	ONEQ.O	51.42	-4.6%	-3.6%	-4.9%	25.5%
SPDR Homebuilders ETF	XHB	75.64	-4.2%	-4.7%	-5.8%	25.4%
iShares Russell 1000 Growth ETF	IWF	263.80	-4.5%	-3.2%	-4.1%	23.1%
Consumer Discretionary Select Sector SPDR	XLY	158.97	-5.8%	-3.5%	-6.4%	23.1%
iShares MSCI Mexico Capped ETF	EWW	58.17	-4.4%	-7.4%	-6.4%	17.6%
United States Oil Fund, LP	USO	80.88	-0.8%	11.6%	27.3%	15.4%
iShares DJ US Oil Eqpt & Services ETF	IEZ	24.23	-1.5%	4.5%	20.4%	14.3%
SPDR S&P Semiconductor ETF	XSD	190.05	-3.8%	-6.4%	-14.1%	13.6%
Oil Future	CLc1	90.39	-0.9%	13.2%	28.0%	12.6%
iShares MSCI Japan ETF	EWJ	60.77	-4.2%	1.3%	-1.8%	11.6%
SP500	.SPX	4273.53	-3.8%	-3.0%	-4.0%	11.3%
iShares Russell 1000 ETF	IWB	234.06	-4.2%	-3.2%	-4.0%	11.2%
iShares MSCI Taiwan ETF	EWT	44.15	-3.1%	-3.0%	-6.1%	9.9%
iShares MSCI Brazil Capped ETF	EWZ	30.43	-5.0%	-2.8%	-6.2%	8.8%
Gold Future	GCc1	2656.10	0.2%	0.8%	2.4%	7.7%
iShares MSCI India ETF	INDA.K	44.32	-1.5%	1.3%	1.4%	6.2%
iShares MSCI Germany ETF	EWG	25.97	-4.0%	-5.1%	-9.1%	5.0%
iShares MSCI EAFE ETF	EFA	68.69	-3.5%	-2.2%	-5.3%	4.6%
iShares MSCI South Korea Capped ETF	EWY	58.70	-6.2%	-5.3%	-7.4%	3.9%
SPDR Gold Trust	GLD	176.28	-1.6%	-0.8%	-1.1%	3.9%
Vanguard FTSE All-World ex-US ETF	VEU	51.73	-3.3%	-2.6%	-4.9%	3.2%
iShares Russell 2000 Growth ETF	IWO	221.24	-3.9%	-5.6%	-8.8%	3.1%
iShares MSCI United Kingdom ETF	EWU	31.55	-2.5%	0.2%	-2.5%	2.9%
Energy Select Sector SPDR	XLE	89.91	-1.5%	2.6%	10.8%	2.8%
Industrial Select Sector SPDR	XLI	100.74	-3.4%	-5.4%	-6.1%	2.6%
iShares MSCI Canada ETF	EWC	33.56	-3.7%	-0.1%	-4.1%	2.5%
PowerShares Water Resources Portfolio	PHO	52.79	-3.0%	-5.8%	-6.4%	2.4%
iShares MSCI Austria Capped ETF	EWO	19.38	-3.3%	-2.7%	-4.5%	2.0%
DJIA	.DJI	33618.88	-2.6%	-2.1%	-2.3%	1.4%
SPDR DJIA ETF	DIA	336.04	-2.6%	-2.2%	-2.3%	1.4%
Shanghai Composite	.SSEC	3102.27	-0.7%	1.2%	-3.1%	0.4%
Materials Select Sector SPDR	XLB	77.85	-3.8%	-3.7%	-6.1%	0.2%
iShares Russell 1000 Value ETF	IWD	151.73	-3.8%	-3.2%	-3.9%	0.1%
iShares Russell 2000 ETF	IWM	174.36	-4.0%	-5.2%	-6.9%	0.0%
iShares MSCI Emerg Mkts ETF	EEM	37.76	-2.8%	-3.0%	-4.6%	-0.4%
SPDR S&P Retail ETF	XRT	58.99	-3.2%	-4.9%	-7.5%	-2.4%
Financial Select Sector SPDR	XLF	33.29	-4.1%	-2.1%	-1.2%	-2.7%
iShares MSCI BRIC ETF	BKF	33.40	-2.7%	-1.3%	-2.3%	-2.7%
iShares iBoxx $ Invest Grade Corp Bond	LQD	102.54	-1.6%	-2.3%	-5.2%	-2.7%
iShares Russell 2000 Value ETF	IWN	133.80	-4.1%	-5.0%	-5.0%	-3.5%
iShares MSCI Singapore ETF	EWS	18.11	-1.5%	-0.7%	-2.2%	-3.7%
Silver Future	SIc1	22.95	-1.1%	-5.2%	0.6%	-3.8%
iShares MSCI Australia ETF	EWA	21.34	-3.7%	-0.8%	-5.4%	-4.0%
Health Care Select Sect SPDR	XLV	129.75	-1.4%	-2.7%	-2.2%	-4.5%
iShares Silver Trust	SLV	21.90	-1.6%	-5.6%	0.2%	-4.7%
iShares US Telecomm ETF	IYZ	21.07	-5.4%	-3.9%	-4.7%	-6.1%
iShares Nasdaq Biotechnology ETF	IBB.O	122.54	-2.5%	-4.0%	-3.5%	-6.7%
iShares China Large Cap ETF	FXI	26.35	-2.3%	-1.6%	-3.1%	-6.9%
Consumer Staples Select Sector SPDR	XLP	69.37	-2.8%	-4.2%	-6.5%	-6.9%
iShares US Real Estate ETF	IYR	77.68	-7.0%	-7.3%	-10.2%	-7.7%
iShares MSCI Malaysia ETF	EWM	20.92	-1.0%	-0.2%	4.5%	-8.4%
iShares 20+ Year Treas Bond ETF	TLT	88.87	-4.2%	-6.7%	-13.7%	-10.7%
Utilities Select Sector SPDR	XLU	61.31	-4.2%	-3.6%	-6.3%	-13.0%
SPDR S&P Bank ETF	KBE	36.37	-3.3%	-4.7%	1.0%	-19.4%
iShares MSCI Hong Kong ETF	EWH	16.90	-3.3%	-4.0%	-12.6%	-19.6%

Outperformed SP500
Underperformed SP500

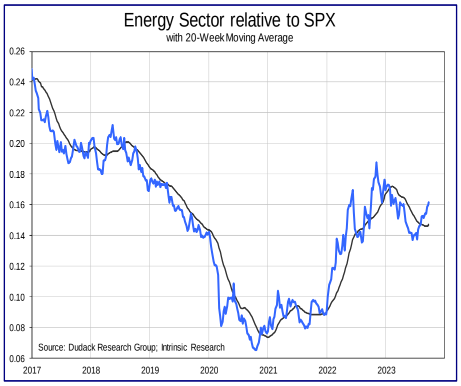
Source: Dudack Research Group; Refinitiv

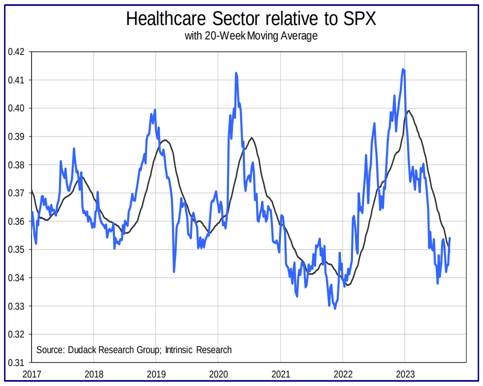
Priced as of September 26, 2023

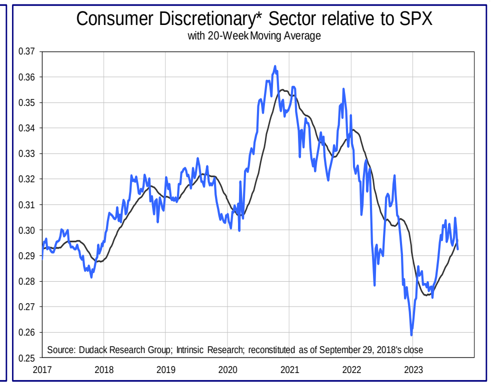
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

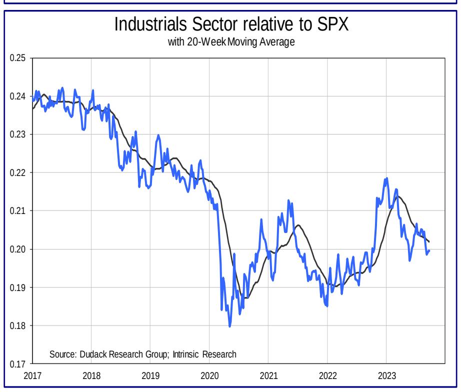
DRG Recommended Sector Weights				
Overweight		**Neutral**		**Underweight**
Energy Industrials Staples Utililties		Healthcare Technology Materials Financials		Consumer Discretionary REITS Communication Services

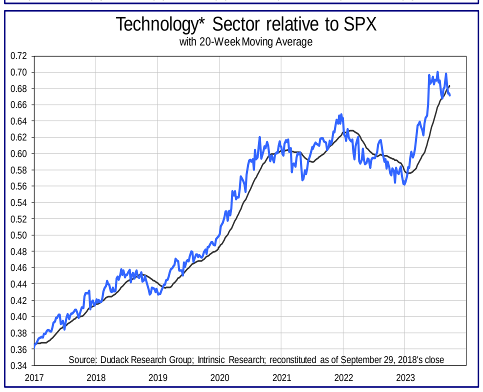
3/8/2022:Materials upgraded from underw eight to neutral/communication service dow ngraded from neutral to underw eight. 3/1/2022 Financials dow ngraded to neutral and Industrials upgraded to overw eight.

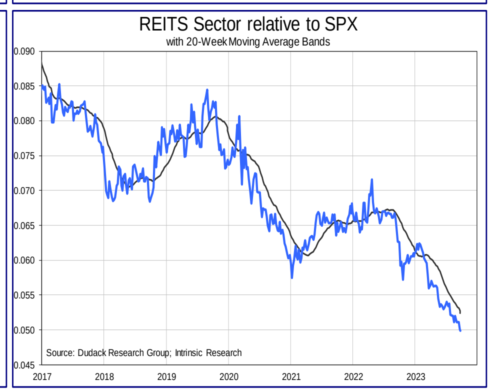


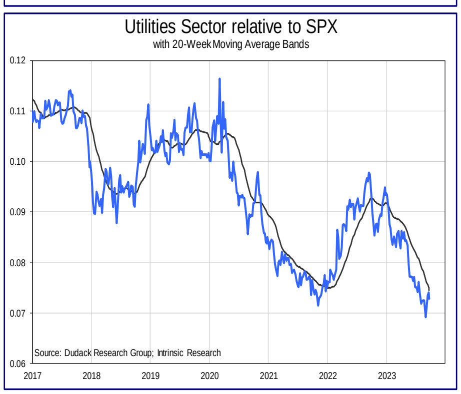


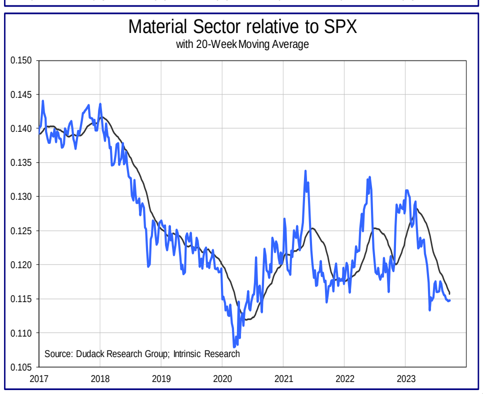


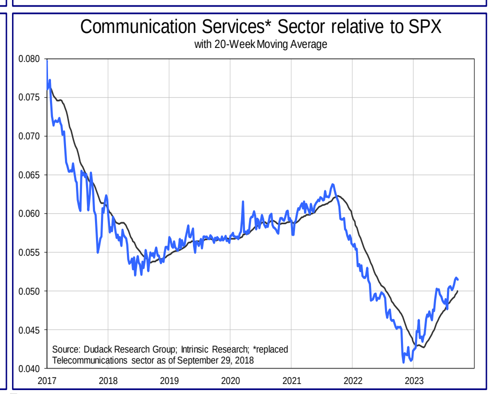


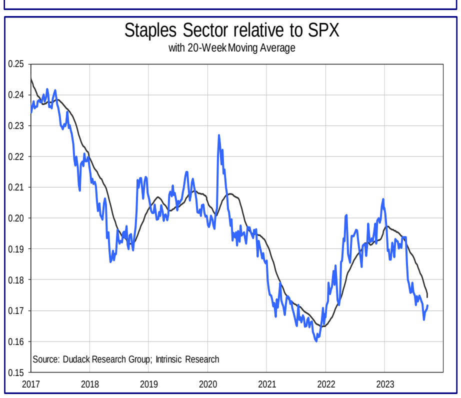


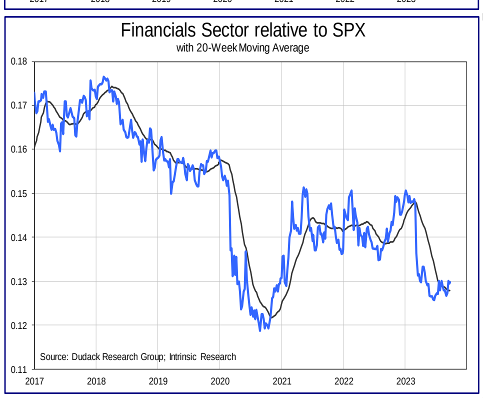












2023 Performance - Ranked	
SP500 Sector	% Change
S&P COMMUNICATIONS SERVICES	38.1%
S&P INFORMATION TECH	32.1%
S&P CONSUMER DISCRETIONARY	24.3%
S&P 500	11.3%
S&P ENERGY	2.7%
S&P INDUSTRIALS	2.5%
S&P MATERIALS	0.2%
S&P FINANCIAL	-2.7%
S&P HEALTH CARE	-4.6%
S&P CONSUMER STAPLES	-5.9%
S&P REITS	-8.3%
S&P UTILITIES	-13.2%

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	~~~~~	$200.12	**$219.95**	$212.38	7.8%	**$220.65**	1.2%	19.4X	NA	NA	NA	NA
2024E	~~~~~	$225.09	**$245.61**	$230.00	8.3%	**$247.29**	12.1%	17.4X	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%	$2,329.20	-1.9%
2023 2QE	4450.38	$48.58	**$54.84**	$54.84	17.0%	**$54.29**	-5.8%	21.4	NA	2.4%	$2,367.20	-6.2%
2023 3QE*	4273.53	$50.58	**$55.27**	$52.00	3.3%	**$55.88**	-0.2%	20.1	NA	NA	NA	NA
20244QE	~~~~~	$52.55	**$57.30**	$53.00	5.2%	**$58.03**	9.2%	19.4	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates *9/26/2023

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