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DJIA: 33739.30
SPX: 4358.24
NASDAQ: 13562.84

US Strategy Weekly
Awaiting CPI Data

Our heartfelt prayers go out to all those impacted by the barbaric invasion of Israel, and we are shocked by the unspeakable atrocities enacted by Hamas. If it is proper to measure people by their actions and not their words, it is clear that terrorists like Hamas, have no desire for peace but seek only to terrorize and control others. This should remind all Americans of the beauty of our Constitution, the purpose of strong borders, and the need to fight terrorism wherever it exists. WE WILL NEVER FORGET, and we pray for Israel and all those who believe in and fight for democracy and peace.

It is difficult to write about equities when the newswires are dominated by the war taking place in Israel. Particularly since Syrian shells, purportedly shot by a Palestinian faction, landed in Israeli territory on Tuesday and Israel responded by firing back. This points to the risk of the Gaza-Israeli war spreading in the Middle East, and as a result, it is currently overshadowing the Russia-Ukraine war, where again, a sovereign nation was invaded by Russia. Ironically, wars are not usually bad for equity markets, however, note that neither war has been good for the equity markets of any country involved. However, it is a positive for defense stocks, particularly for makers of bullets and missiles, and since both the Middle East and Russia are oil exporters, it has been good for energy stocks.

Israel has also pushed important news about China into the background. Country Garden Holdings Co. LTD. (2007.HK – 0.75) announced it had defaulted on a principal payment which sets the stage for one of the country's largest debt restructurings. Simultaneously, China Evergrande Group (3333.HK – 0.265) failed to get regulatory approval for its offshore debt restructuring proposal which will likely lead to its liquidation at a hearing set for October 30. The potential debt defaults of China's two largest property developers will have devastating impacts on stakeholders, customers, supply-chain vendors, China's economy, financial creditors, and to a lesser extent, holders of China's US dollar-denominated bonds. Therefore, we are not surprised that Fed officials are sounding more dovish this week. An unstable world is not the right environment for another rate hike, particularly since previous rate hikes are already having an impact on consumers.

DECODING EMPLOYMENT DATA

September's employment report was a huge surprise, Not only was the addition of 336,000 jobs nearly double the consensus expectation, but revisions added 79,000 jobs in July and 40,000 jobs in August. This means that employment was 119,000 higher than previously reported, which makes one wonder how rigorous government data really is. Moreover, September's year-over-year job growth was 2.1% in the establishment survey and 1.7% in the household survey. These percentages are both well above their long-term averages of 1.7% and 1.5%, respectively. See page 3. September's 336,000 new jobs also lifted the 6-month average by nearly 20,000 to 233,670 which is well above the 50-year average of 128,000 new jobs per month. Charts of the labor force and employment show that there has been a steady increase in both since the end of the Covid lockdown. See page 4.

From a historical perspective, the US economy is at risk of a recession whenever job growth turns negative. But since job growth in September was definitely robust, it appears that the US economy is not at risk of slipping into a recession any time soon. This could support those who are expecting the US economy to remain in a lengthy period of stagflation.

However, some details in September's job report tell a slightly different story. Multiple job holders increased by 368,000 in the month, suggesting that holding one job is not sufficient for some individuals and households. Meanwhile, those working part-time for economic reasons fell by 156,000. It is unclear if part-time workers found full-time jobs or are now holding two jobs. See page 5.

In September, average weekly earnings rose 3.6% YOY for all private industries and increased 3.7% YOY for production and non-supervisory employees. These statistics raised concern that wage growth is now fueling inflation. However, since inflation has accelerated in recent months it means that real hourly earnings have decelerated. For example, average hourly earnings grew 4.5% in August and 4.3% in September. This means that real hourly earnings rose 0.8% YOY in August and potentially rose 0.65% in September -- if inflation does not increase from August's 3.7%. See page 6.

The CPI for September will be reported later this week, and we fear it may be disappointing. After eight straight months of year-over-year declines in oil, the WTI rose more than 14% YOY in September. This jump in energy prices could easily create a higher-than-expected headline number in the CPI. In short, the 5-month stretch during which earnings grew faster than inflation may have come to an end in September. This will be a handicap for consumers.

September's ISM data was interesting, and it showed a switch in the normal pattern. The ISM manufacturing index displayed more upward momentum than the service index. Yet even though the headline index for ISM manufacturing rose 1.4 points in September, its reading of 49 remained below 50 for the eleventh consecutive month. The headline ISM services index fell 0.9 to 53.6. Production, or business activity, rose 2.5 to 52.5 for manufacturing and rose 1.5 to 58.8 for services. New orders rose 2.4 to 49.2 in manufacturing but fell 5.7 to 51.8 in services. Manufacturing could get a boost from the defense industry in the months ahead and this could help both the economy and employment. See page 7.

Consumer credit growth slowed significantly in August. Overall credit balances grew 4.0% YOY versus 4.9% in July. Revolving credit grew 8.6%, down from 10.5% in July, and nonrevolving credit growth rose 1.8%, down from 3.1% in July. On a six-month rate of change basis, revolving credit contracted 0.2%, the first contraction since May 2016. It is not surprising to see credit card, or revolving credit, decline given that interest rates on credit card plans at commercial banks rose to 21.2% in August. However, it is important to note that sharp declines or contractions in consumer credit are signs of a recession. See page 8.

Technical Update

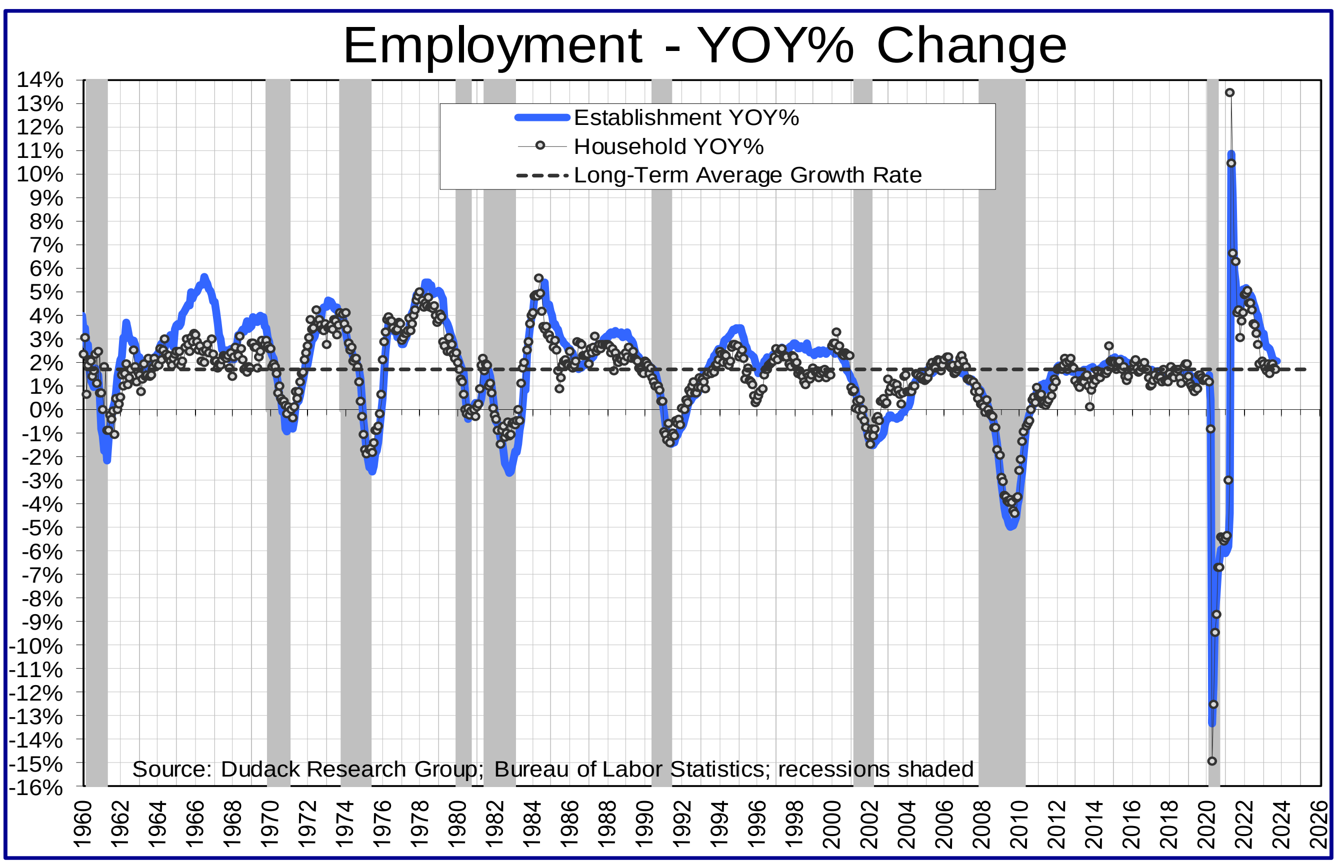
The Dow Jones Industrial Average and the Russell 2000 index are trading below their 200-day moving averages, the S&P 500 recently tested its 200-day average on an intra-day basis and Nasdaq Composite continues to trade well above its long-term average. Nevertheless, the major chart patterns remain characteristic of a long-term neutral trading range, best seen by the 1650-2000 range in the Russell 2000. If the Russell 2000 breaks well below the 1650 support, it would be bad news, but this is not our expectation.

The 25-day up/down volume oscillator is at a neutral reading of negative 1.92 this week but has been oversold for three of the last five trading sessions with readings of negative 3.0 or less. This oscillator failed to confirm the July advance and we would not be surprised if it fails to confirm the recent decline with five consecutive oversold days. To date, the longer-term trend remains neutral.

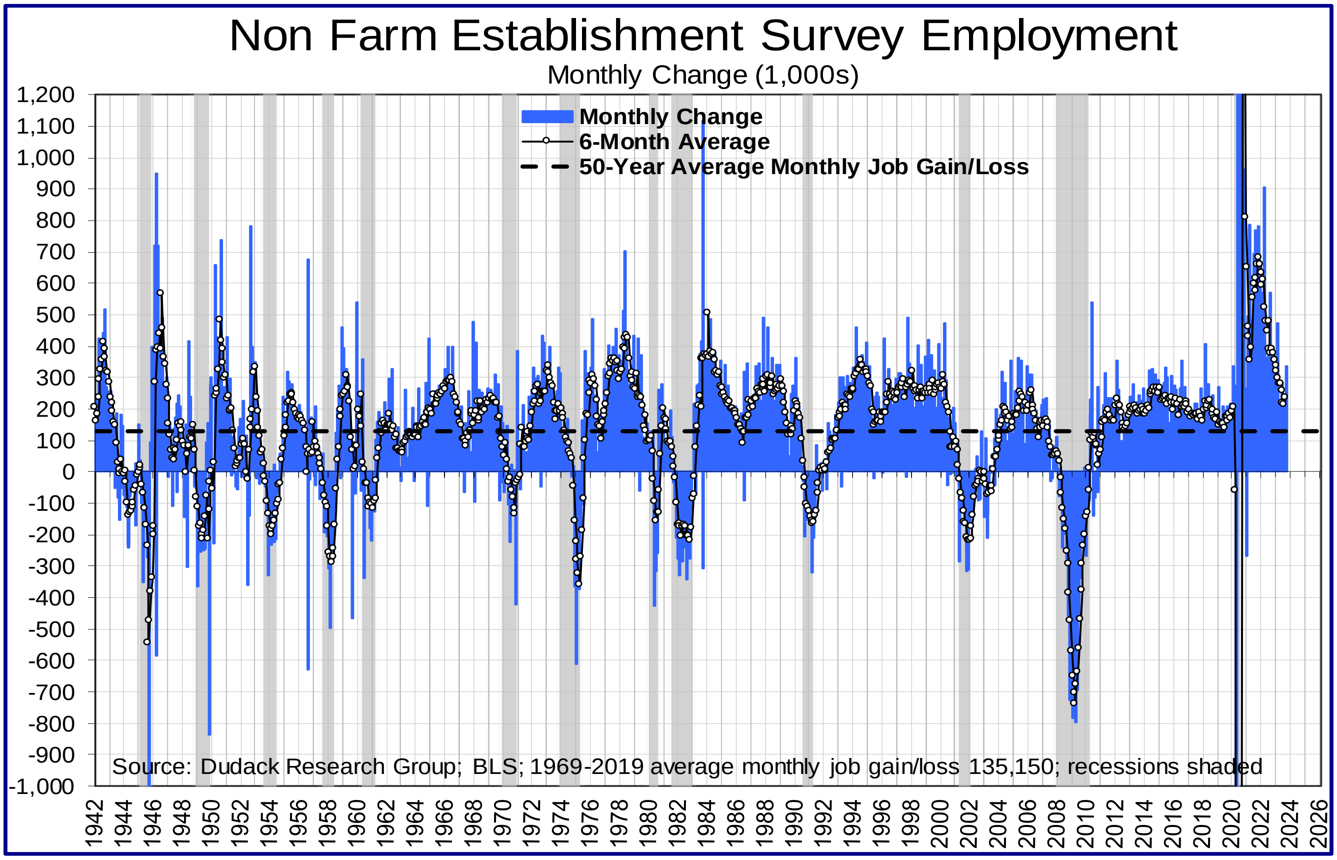
Not only was September's addition of 336,000 jobs a surprise, but revisions added 79,000 jobs in July and 40,000 jobs in August, which means that employment was 119,000 higher than previously reported. Moreover, September's year-over-year job growth was 2.1% in the establishment survey and 1.7% in the household survey indicating that both were above their long-term averages of 1.7% and 1.5%, respectively. From a historical perspective, the US economy is at risk of a recession whenever job growth turns negative. Since job growth is robust, it appears that the US economy is not at risk of slipping into a recession in the months ahead.

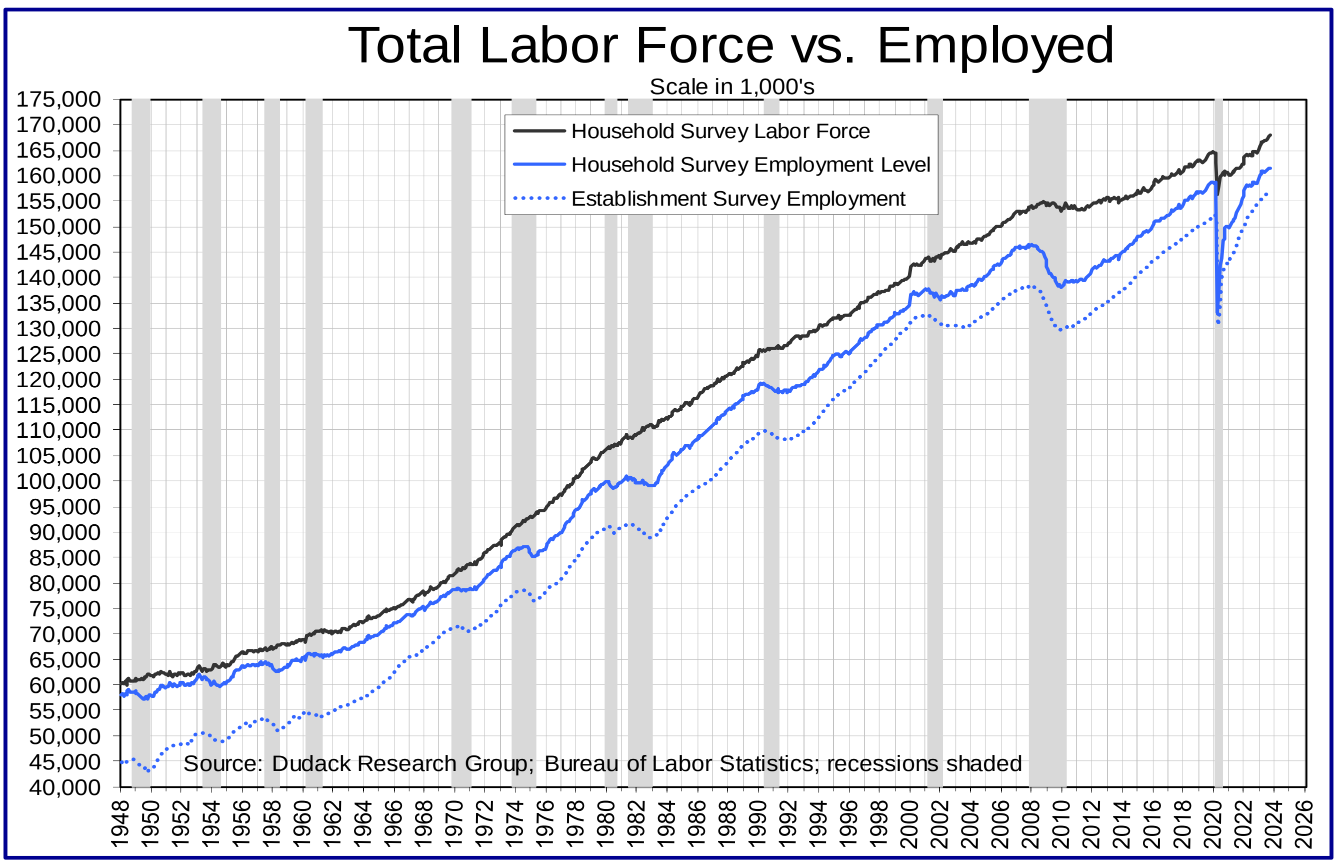
Employment Surveys (1,000s SA)	Sep-23	Aug-23	Change	Sep-22	Yr/Yr
Establishment Survey: NonFarm Payrolls	156,874	156,538	336	153,682	3,192
Household Survey Data (1,000s)					
Employed (A)	161,570	161,484	86	158,850	2,720
Unemployed (B)	6,360	6,355	5	5,770	590
Civilian labor force [A+B]	167,930	167,839	91	164,620	3,310
Unemployment rate [B/(A+B)]	3.8%	3.8%	0.00%	3.5%	0.3%
U6 Unemployment rate	7.0%	7.1%	-0.1%	6.7%	0.3%
Civilian noninstitutional population (C)	267,428	267,213	215	264,356	3,072
Participation rate [(A+B)/C]	62.8	62.8	0.0	62.3	0.5
Employment-population ratio [A/C]	60.4	60.4	0.0	60.1	0.3
Not in labor force	99,498	99,861	-363	99,736	-238

Source: Bureau of Labor Statistics

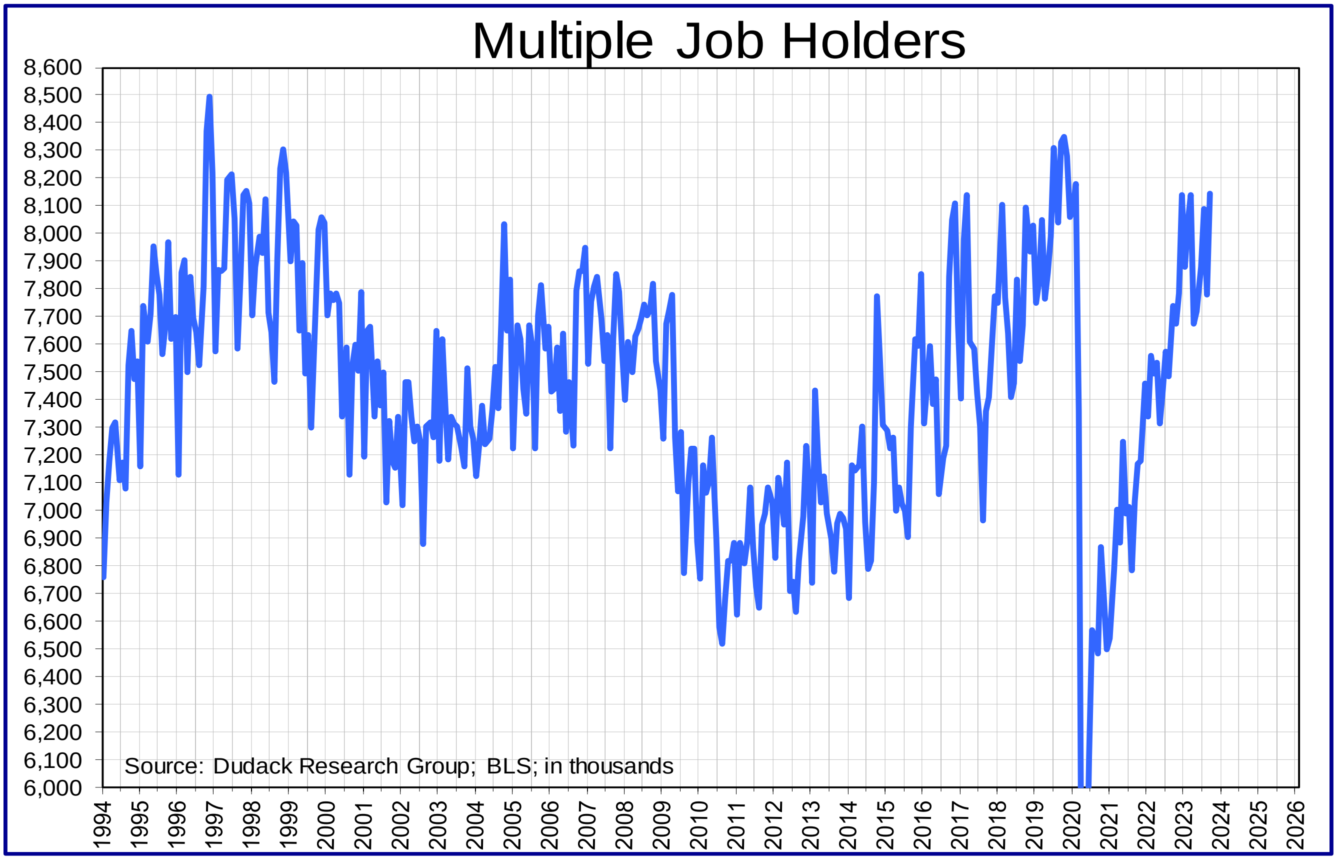


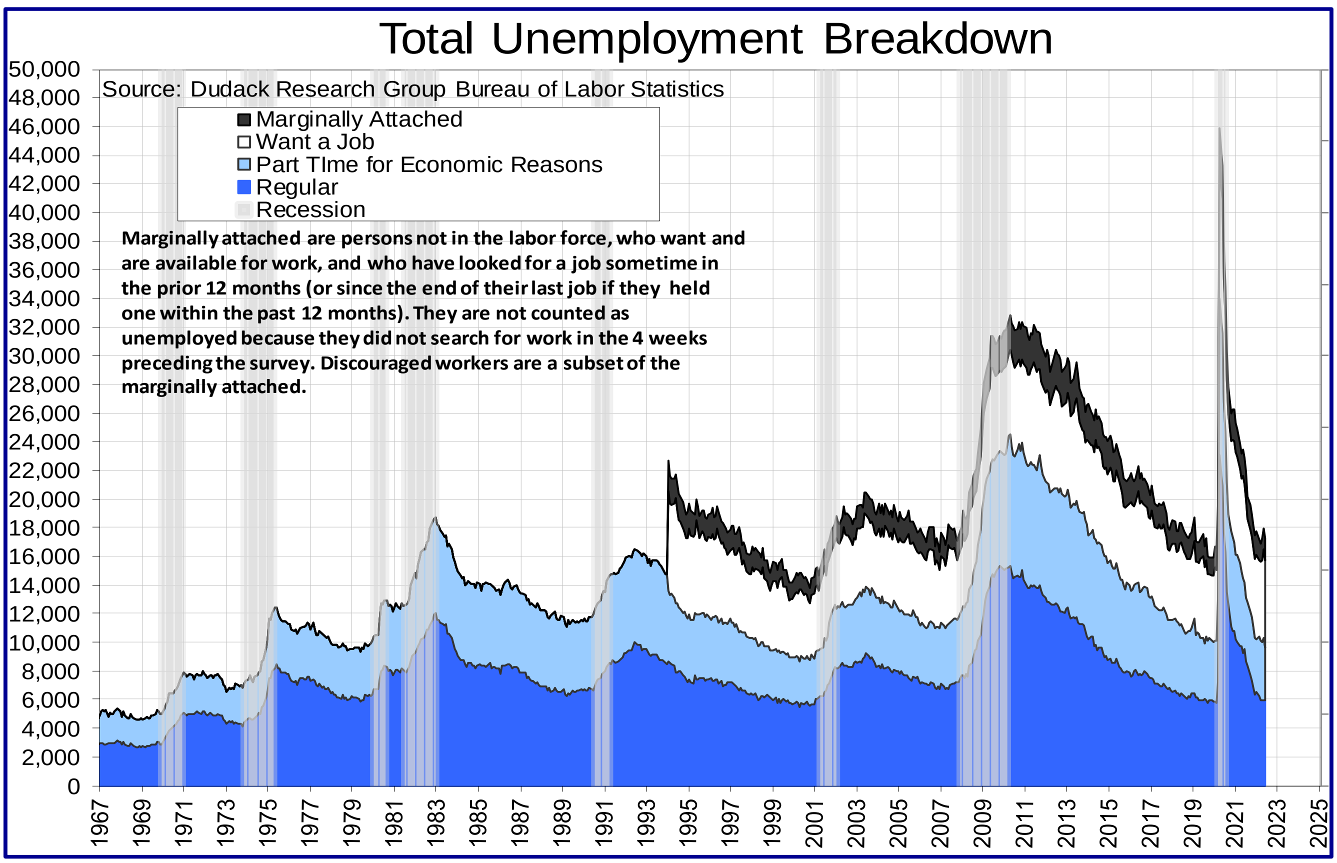
September's 336,000 new jobs lifted the 6-month average by nearly 20,000 to 233,670 which is well above the the 50-year average of 128,000 new jobs per month. There has been a steady increase in the labor force and employment since the end of the Covid lockdown.



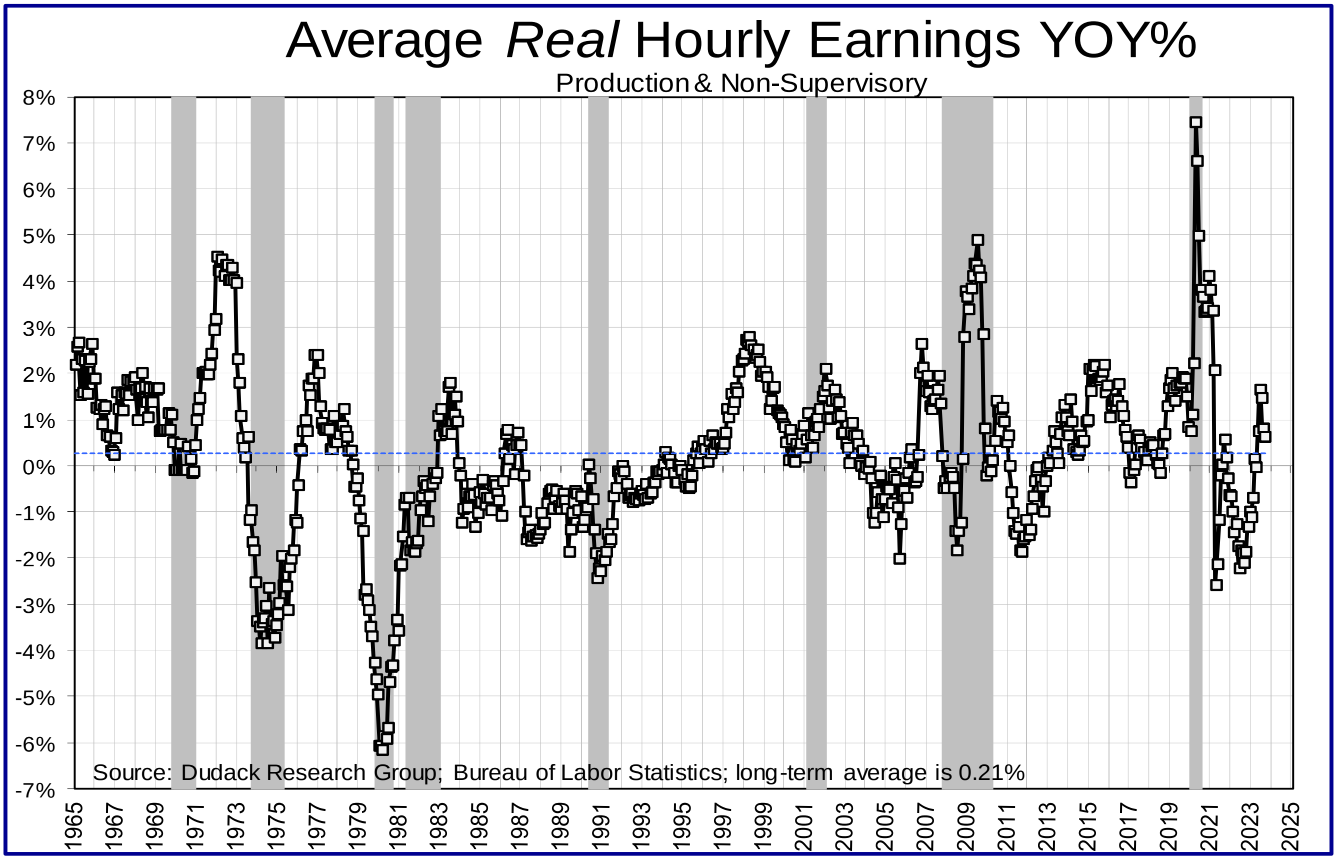


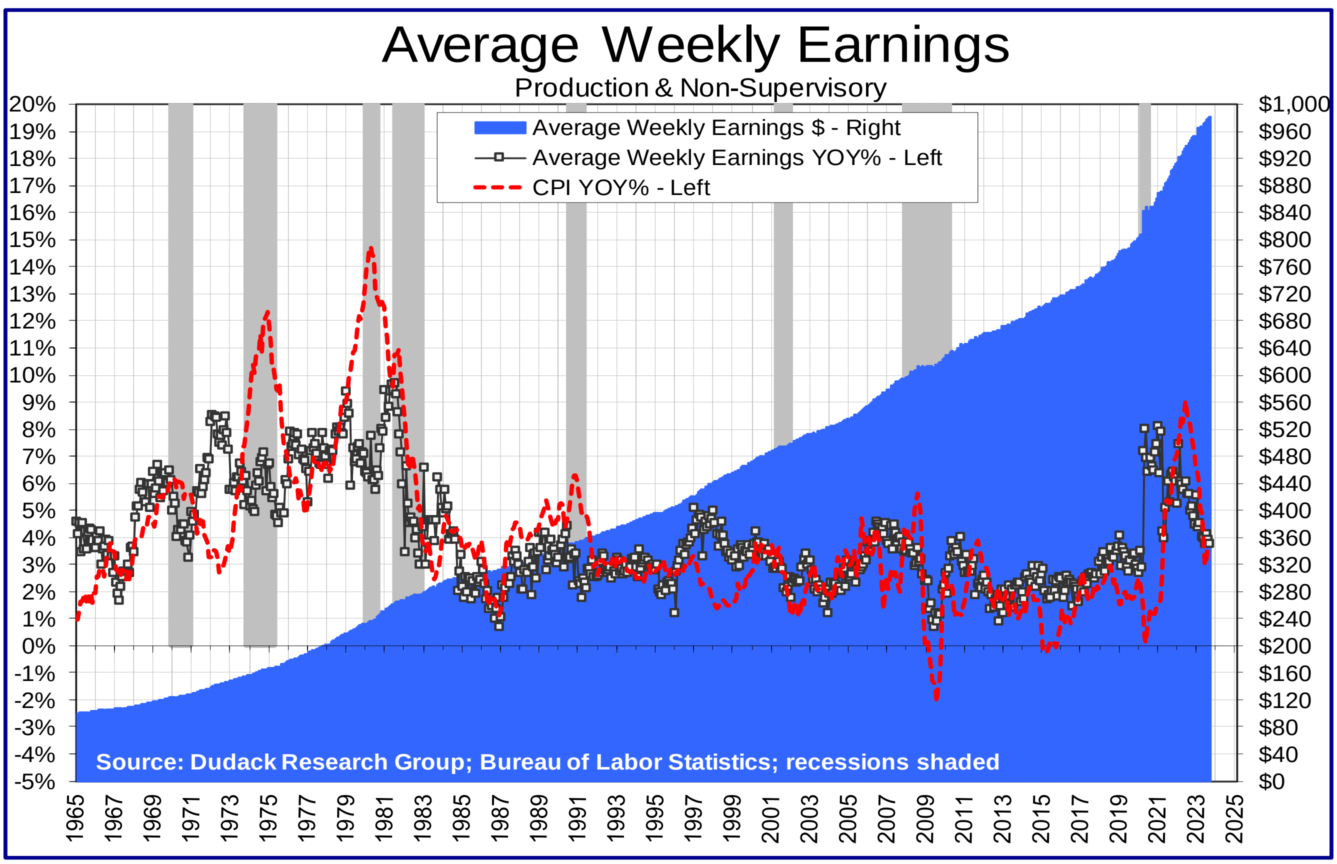
However, some details in September's job report tell a different story. Multiple job holders increased by 368,000 in the month, suggesting that holding one job is not sufficient for some families. Meanwhile, those working part-time for economic reasons fell by 156,000, which may be due to workers now holding two jobs in order to work full-time.



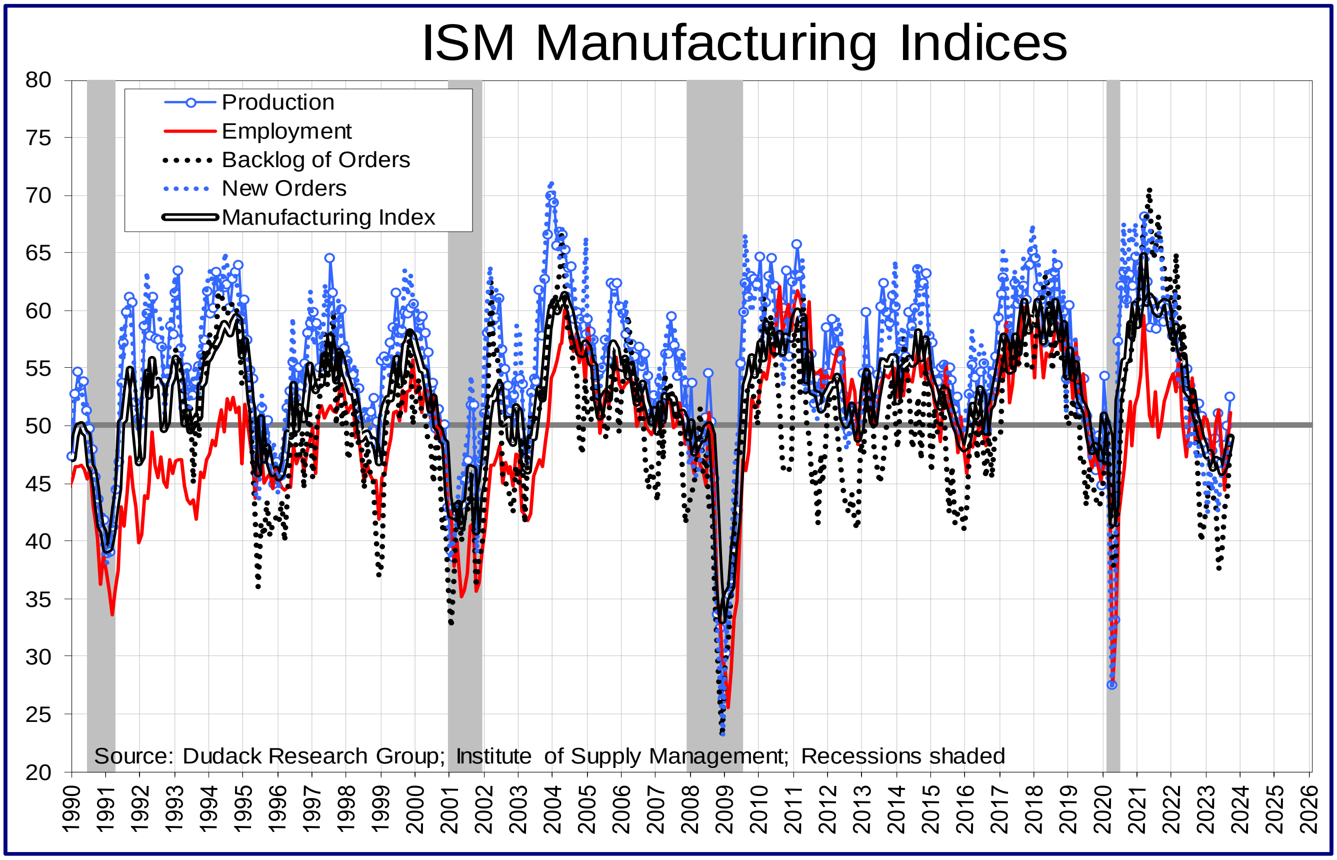


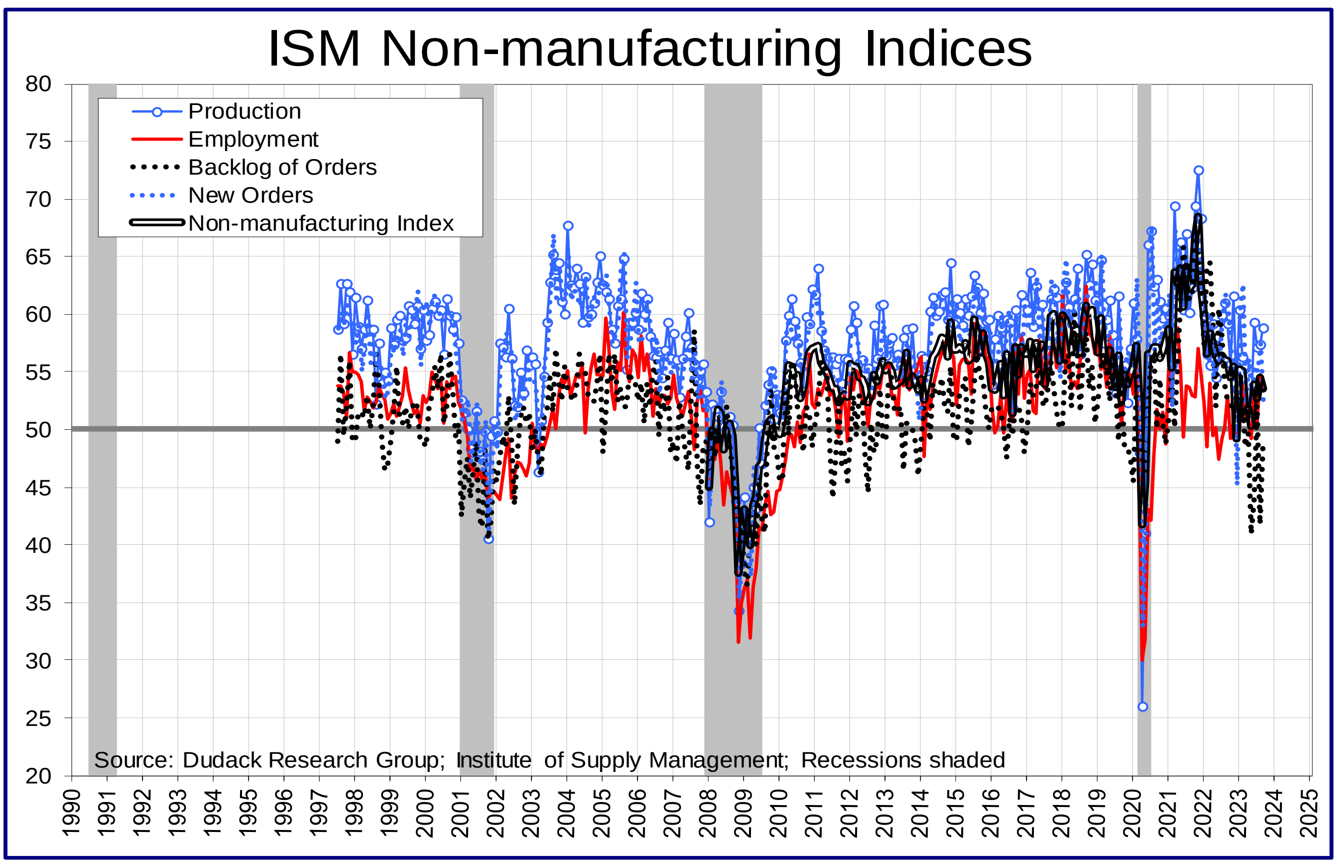
As inflation increases, real hourly earnings are decelerating. Hourly earnings grew 0.7% YOY in September, assuming inflation does not increase from the 3.7% reported in August. In short, the 5-month stretch of earnings growing faster than inflation may have come to an end in September. CPI will be reported later this week.



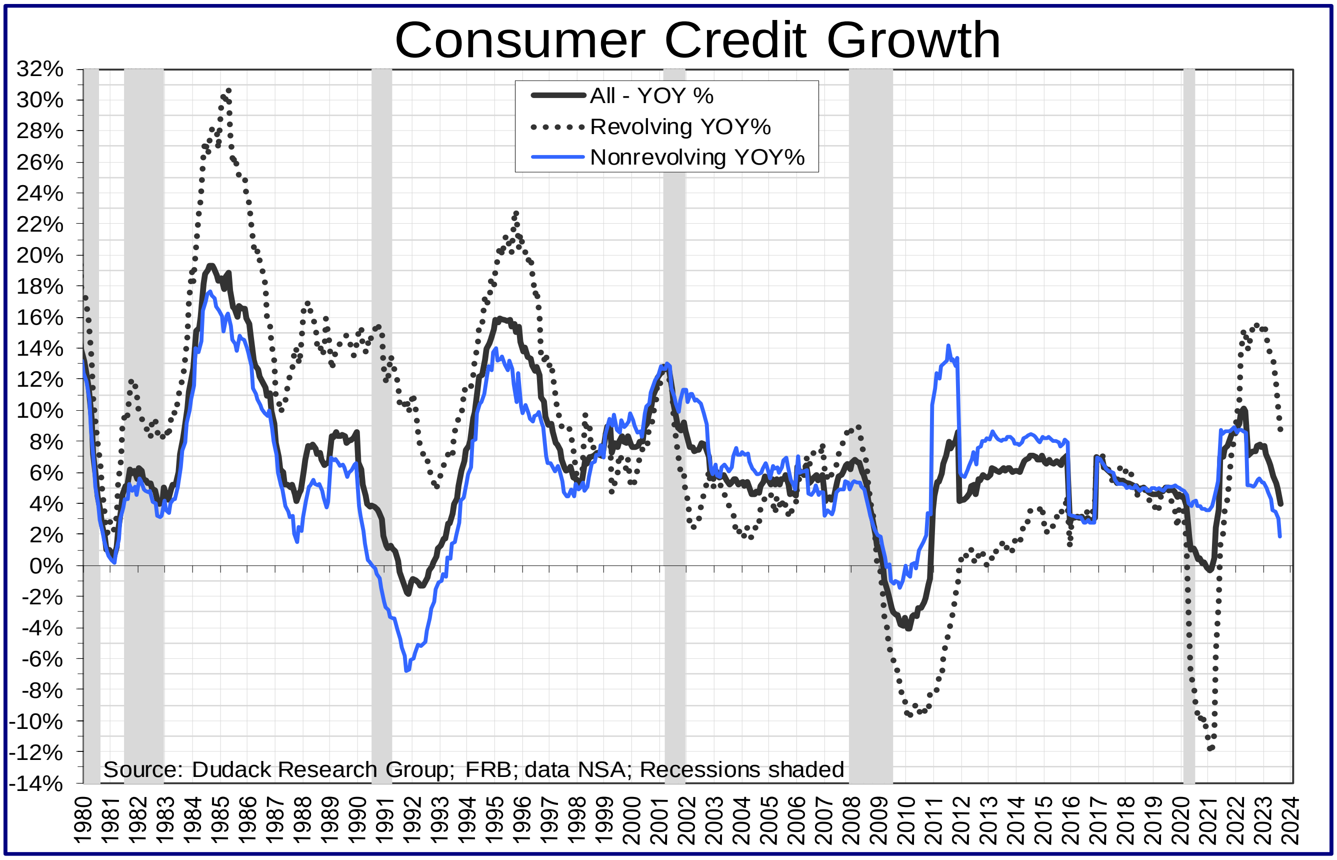


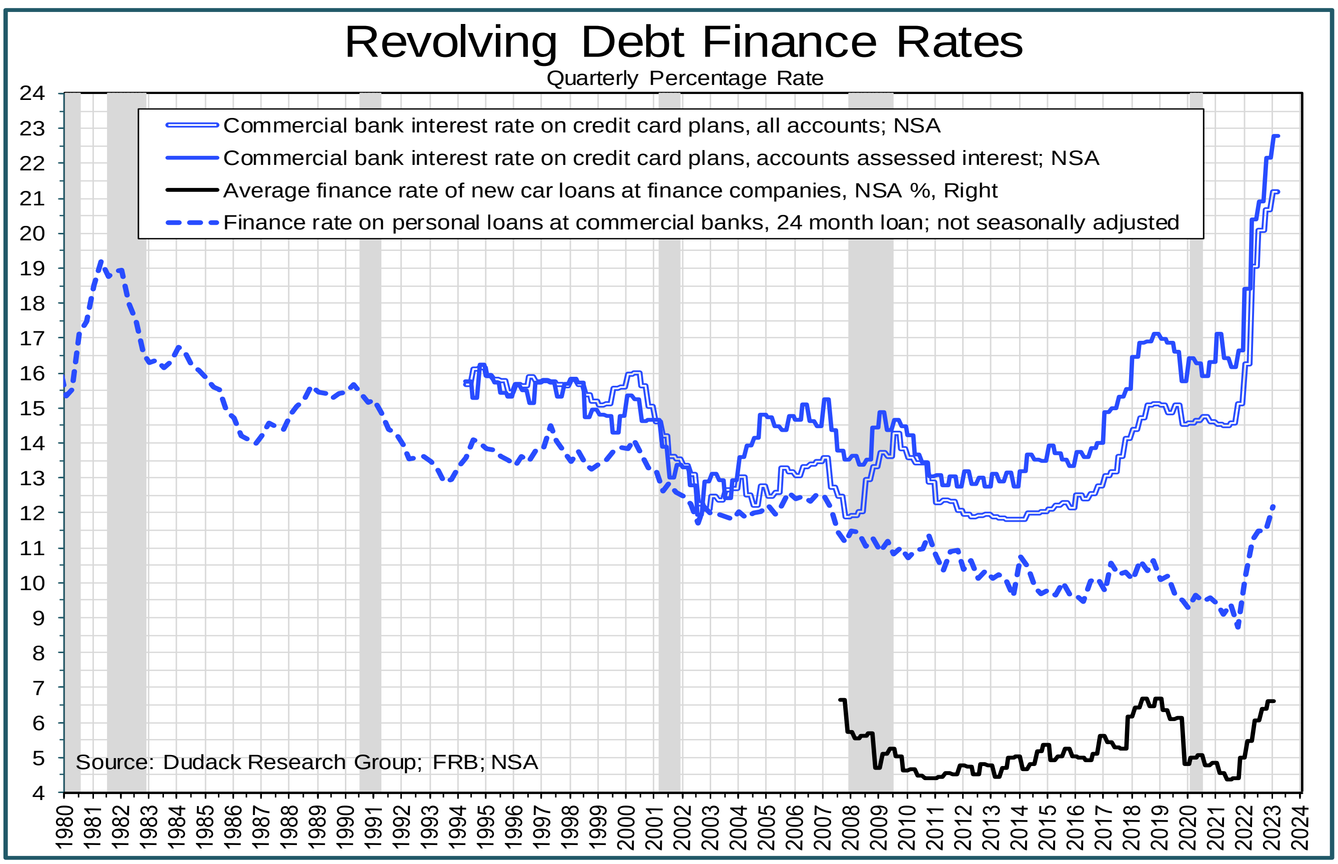
September data was a switch in the normal pattern and the ISM manufacturing index showed more upward momentum than the service index. Although the headline index for manufacturing rose 1.4, it remained below 50 at 49. The ISM service index fell 0.9 to 53.6. Production (business activity) rose 2.5 to 52.5 for manufacturing and 1.5 to 58.8 for services. New orders rose 2.4 to 49.2 in manufacturing but fell 5.7 to 51.8 in services.



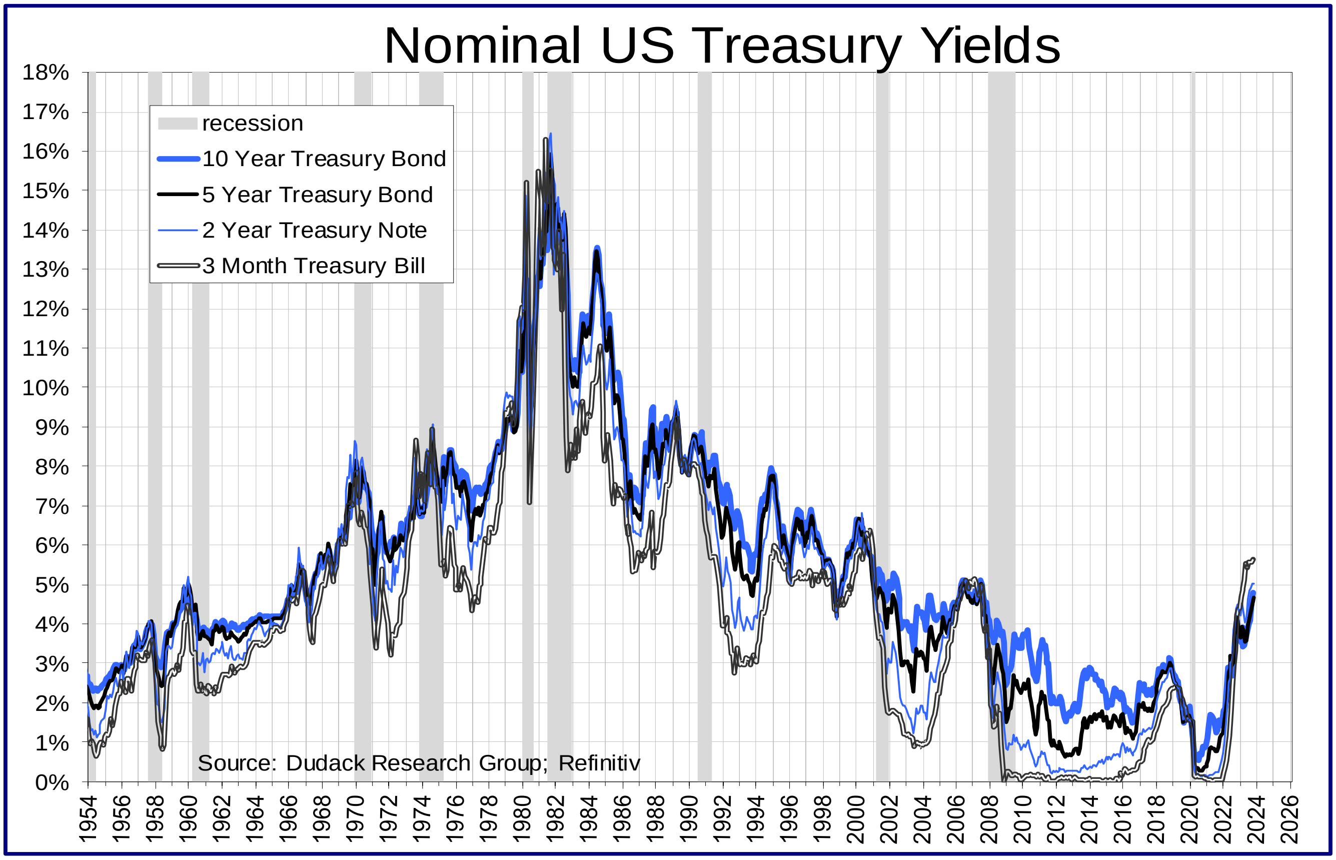


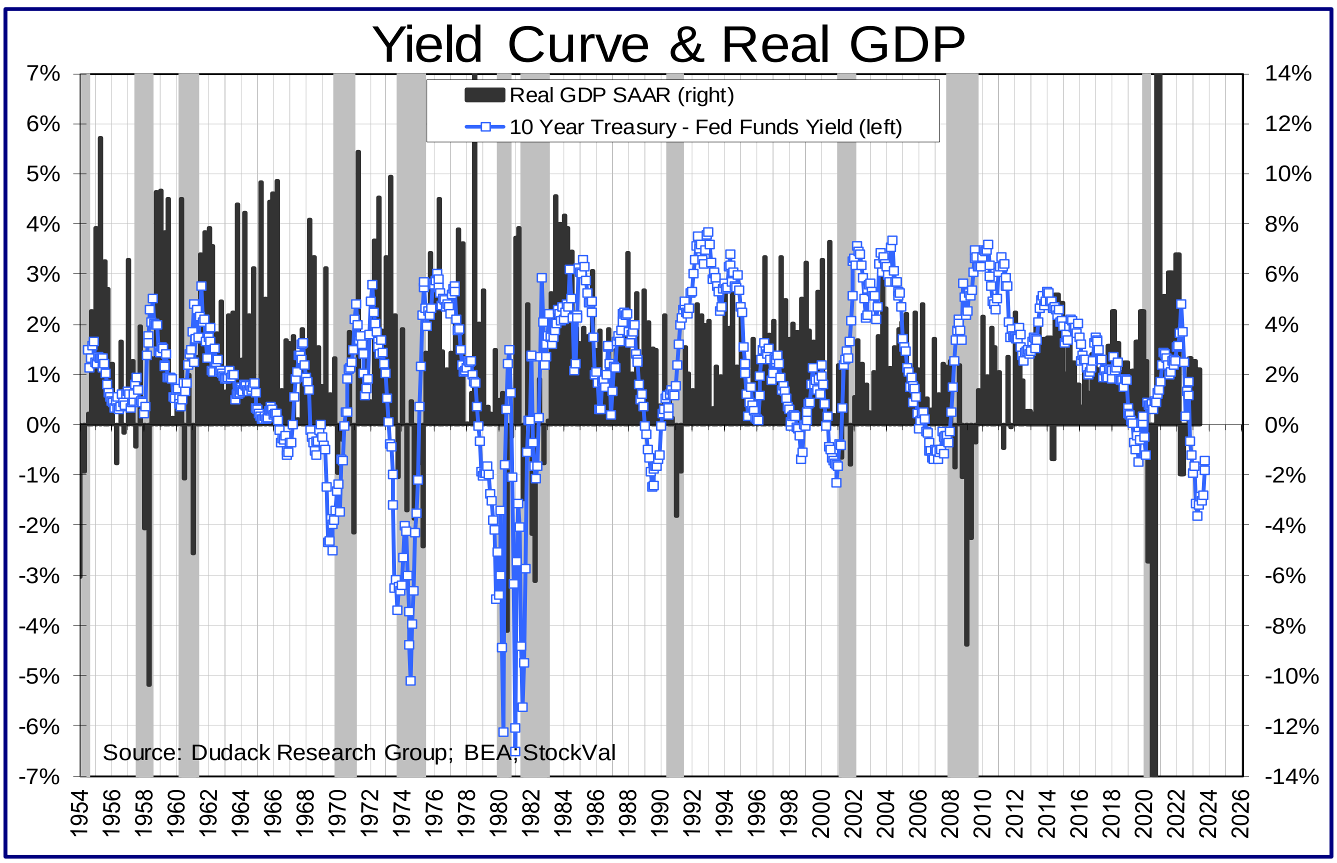
Consumer credit growth slowed significantly in August with overall credit falling to 4.0% YOY versus 4.9% in July. Revolving credit growth fell to 8.6% from 10.5% and nonrevolving credit growth fell to 1.8% from 3.1%. Revolving credit contracted 0.2% on a six-month basis. This is not surprising given that interest rates on credit cards plans at commercial banks rose to 21.2% in August.





Rising long-term interest rates are the biggest hurdle for equities at the moment and although interest rates have moderated a bit this week, due to a flight to safety during war in the Middle East, the yield curve still remains inverted. Yield curve inversions of this depth and length have always been followed by recession. We doubt it will be different this time.

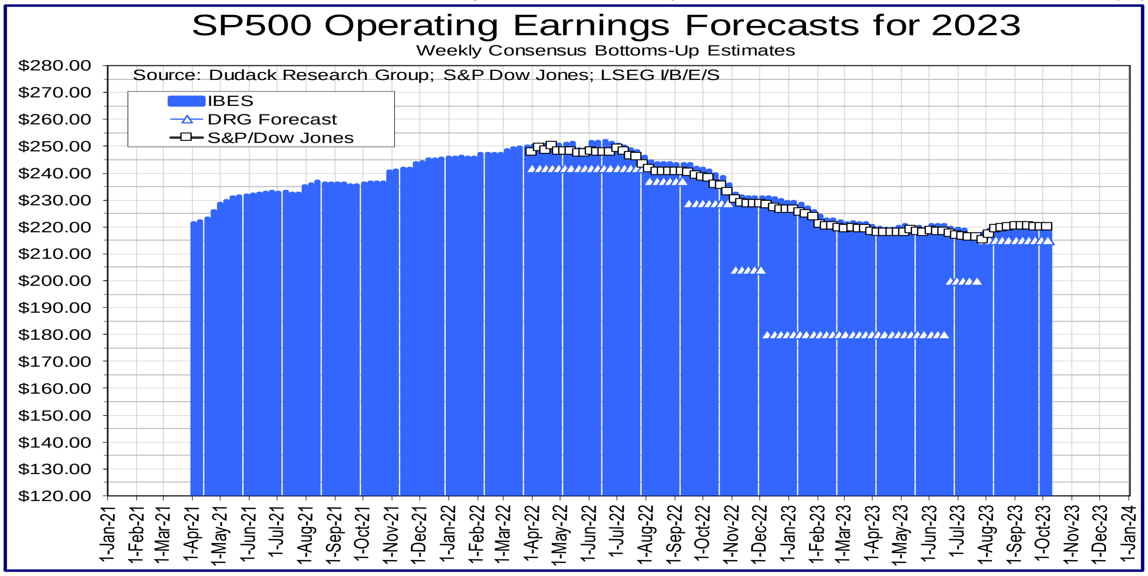


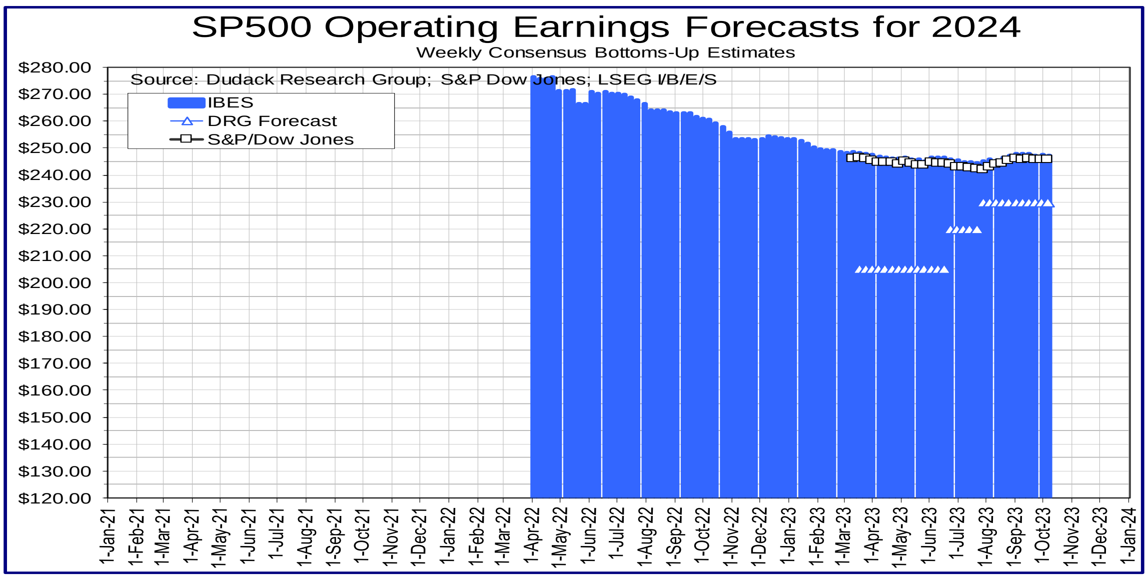


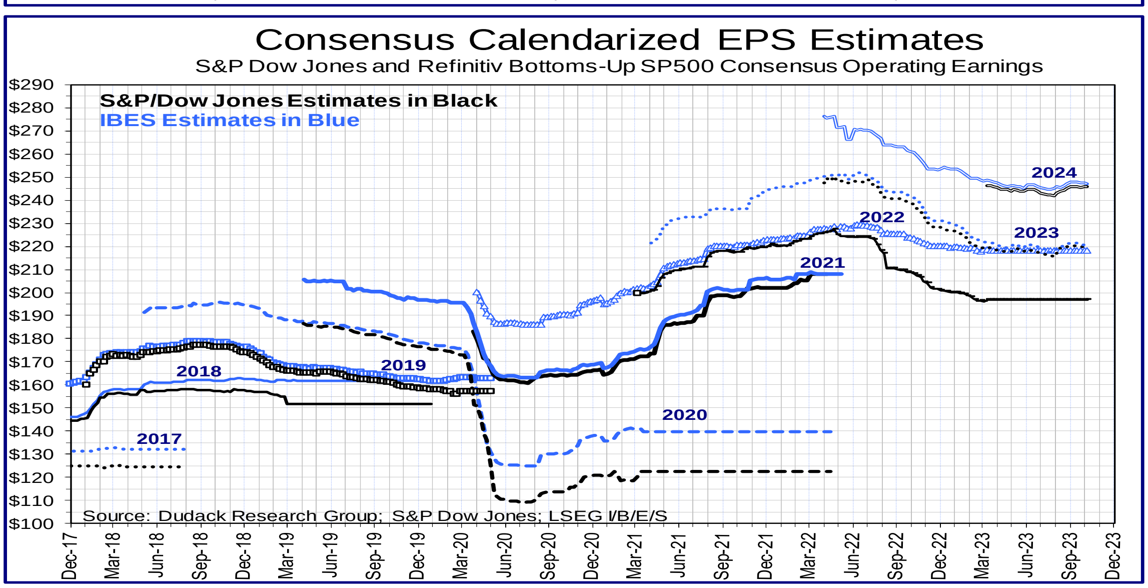
These charts remain an important backdrop for the global financial community. The 10-year Treasury yield has eased a bit due to a flight to safety. The dollar, however, has paused, in what has been a very strong advance. Crude oil faces strong crosscurrents in the face of the turmoil in the Middle East, but has slipped below $90 ths week.

Source: Refinitiv

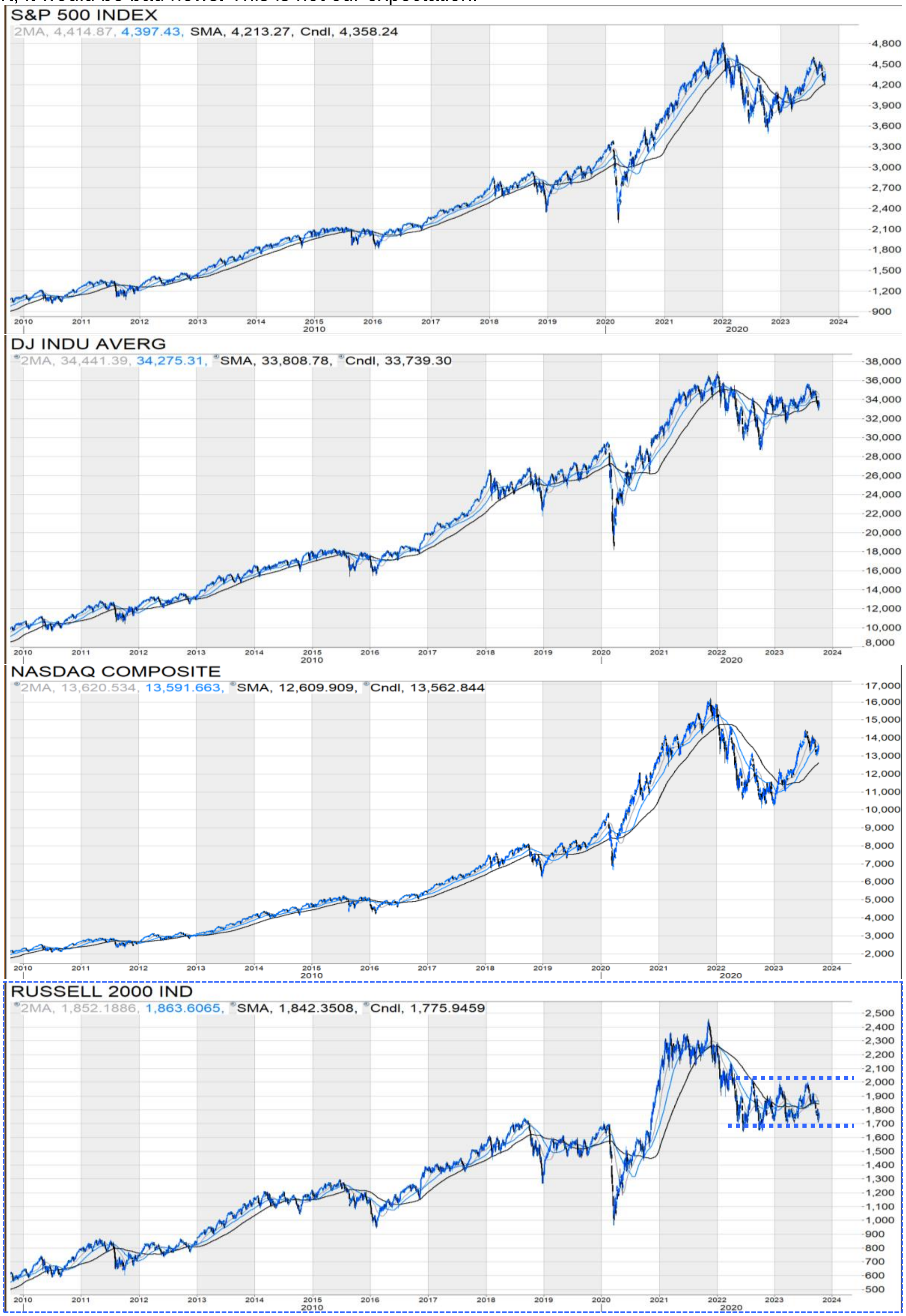
S&P Dow Jones consensus estimates for 2023 and 2024 are $220.03 and $245.78, respectively, and were not updated last week. LSEG IBES estimates for 2023 and 2024 are $220.68 and $247.17, down $0.15, and $0.32, respectively. Notably, S&P data shows that 18.4% of companies reporting first quarter earnings 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 $220.68 for this year, equities remain overvalued with a PE of 19.8 times and inflation of 3.7%. Again, this sum of 23.5 is just under the 23.8 level that defines an overvalued equity market.







The DJIA and the RUT are trading below their 200-day moving averages, the SPX recently tested its 200-day average on an intra-day basis and IXIC continues to trade well above its long-term average. Nevertheless, the major patterns remain characteristic of a long-term neutral trading range, best seen by 1650-2000 in the RUT. If the RUT breaks well below the 1650 support, it would be bad news. This is not our expectation.



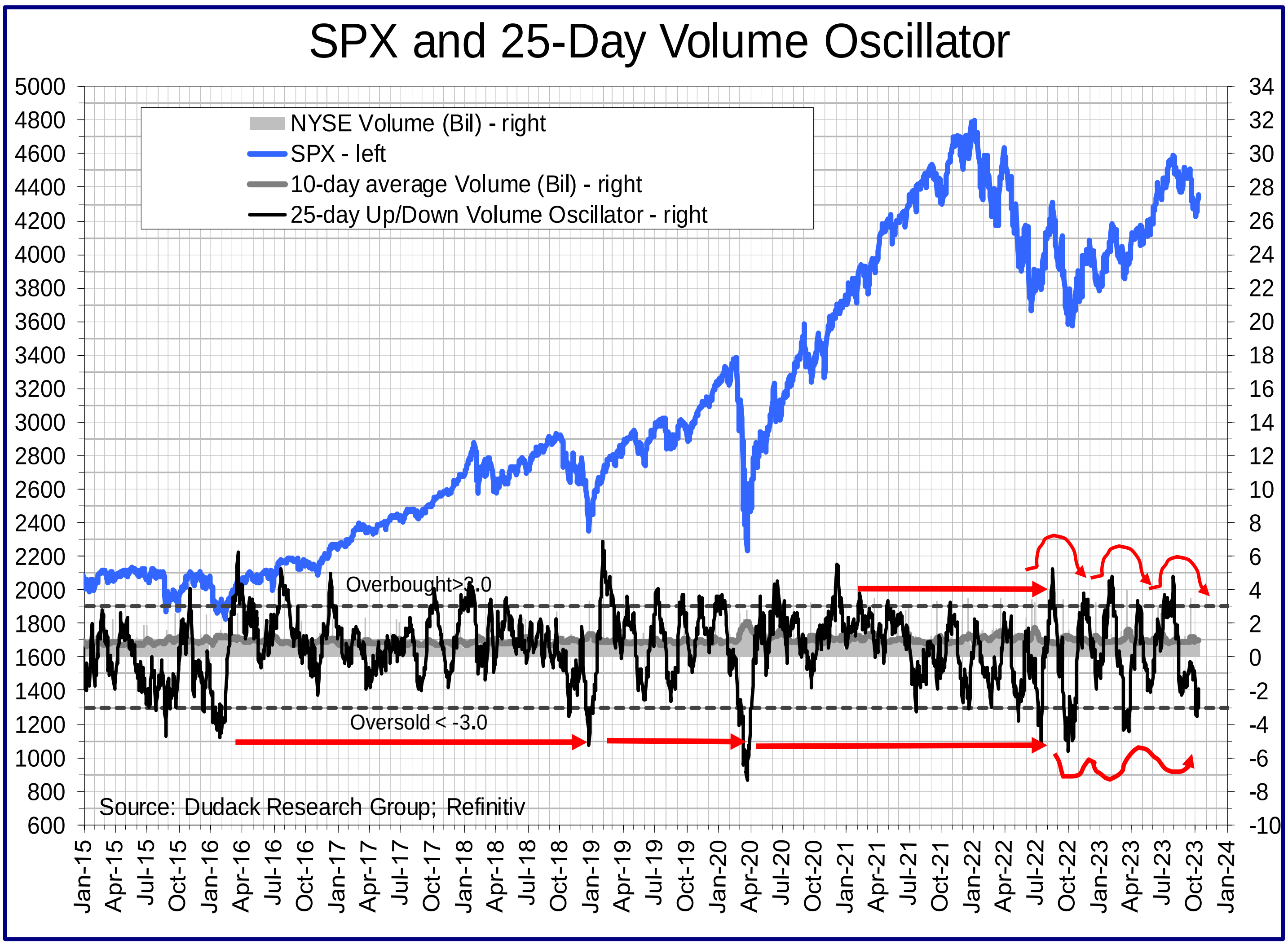
Source: Refinitiv

The 25-day up/down volume oscillator is at a negative 1.92 reading this week and neutral, but has been oversold for three of the last five trading sessions with readings of negative 3.0 or less.

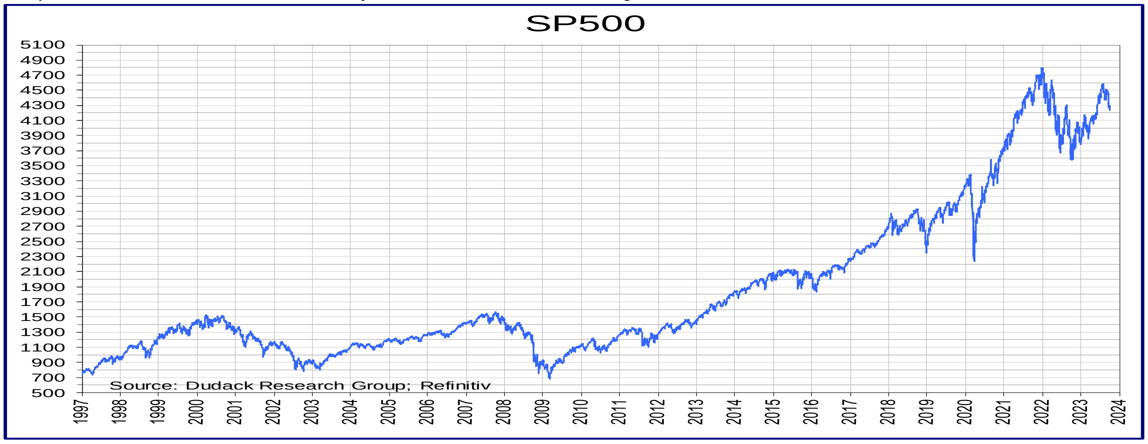
This oscillator generated overbought readings in 10 of 22 trading sessions ending August 1. However, none of these overbought readings lasted the minimum of five consecutive trading days required to confirm July's advance in the averages. Strong rallies should also include at least one extremely overbought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

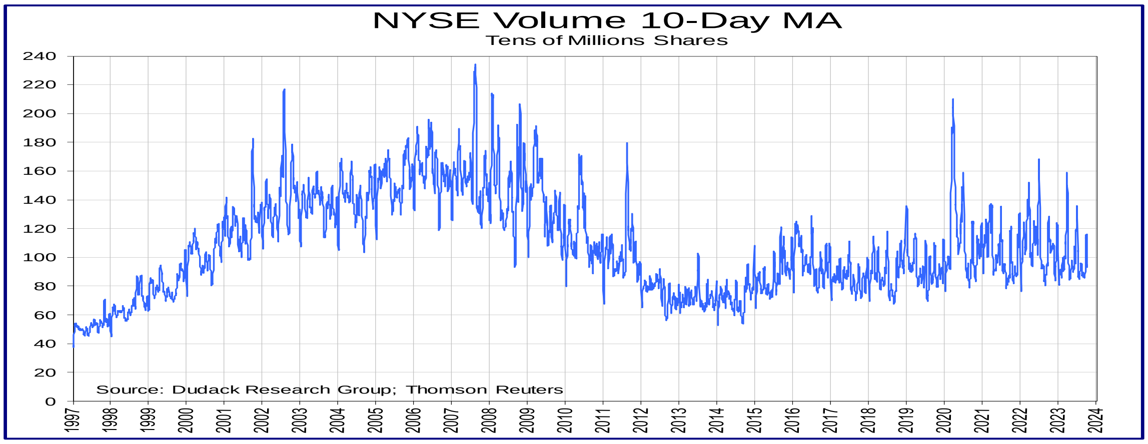
Now that this indicator has had an oversold reading of minus 3.0 or less, the same will be true – five consecutive trading days in oversold are needed to confirm that the decline is more than a normal pullback in prices and is in fact a downtrend.

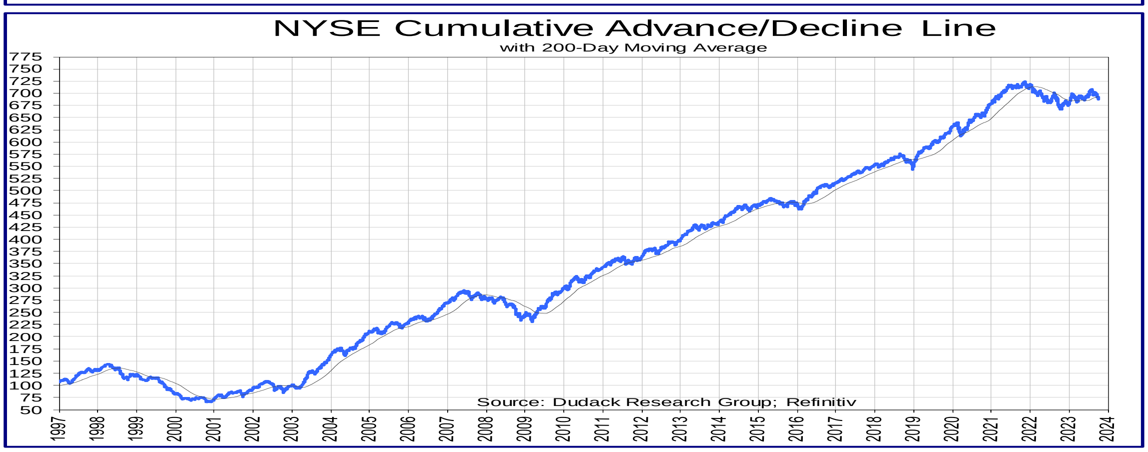
To date, the trend remains long-term neutral, but vulnerable.

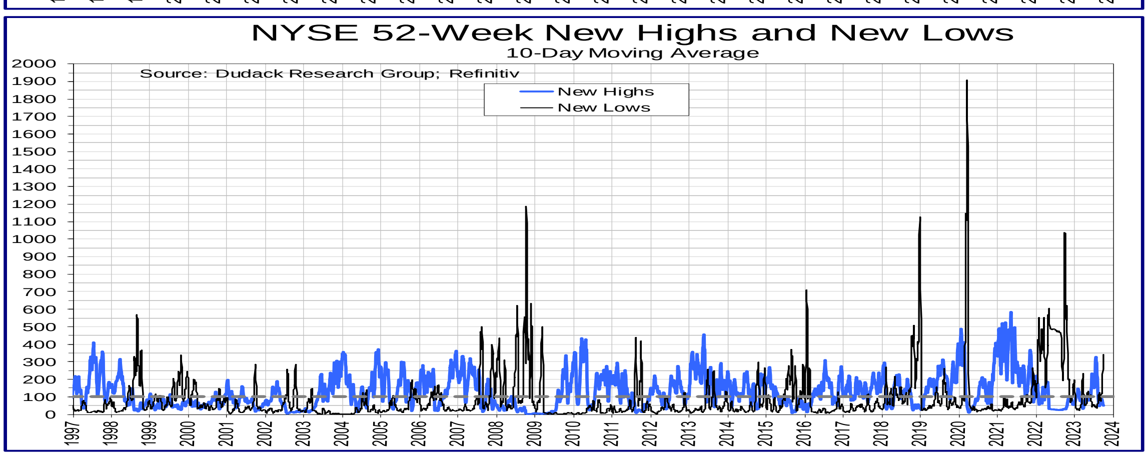


The 10-day average of daily new highs is 45 and new lows are 335. This combination is negative this week with new highs below 100 and new lows well above 100. The NYSE advance/decline line fell below the June low on September 22 and is 32,781 net advancing issues from its 11/8/21 high. July was the first 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 weeks it has increased to more than 30,000 issues once again.

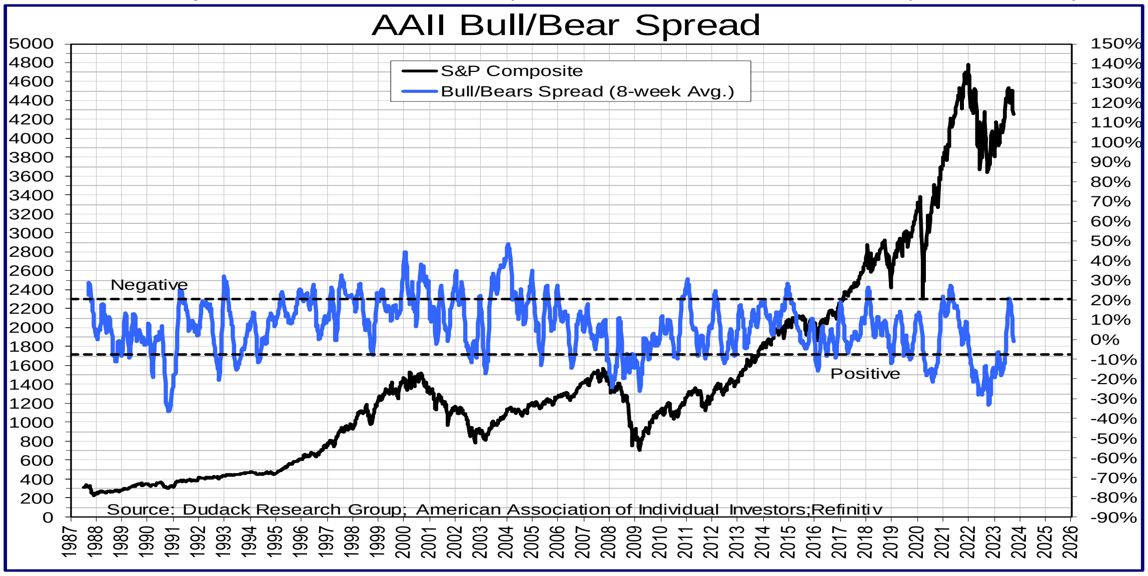


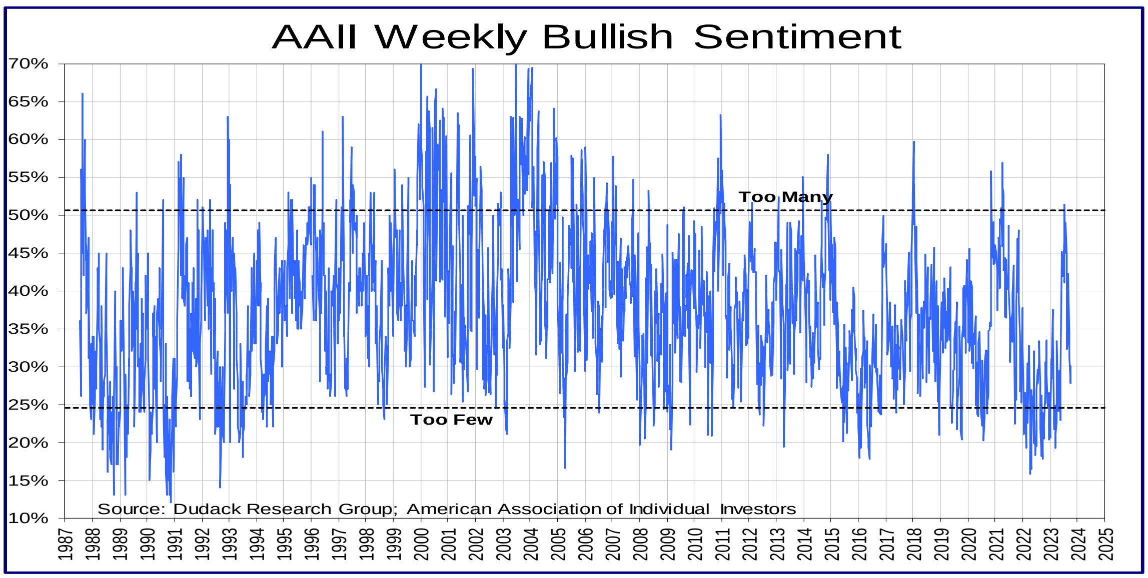


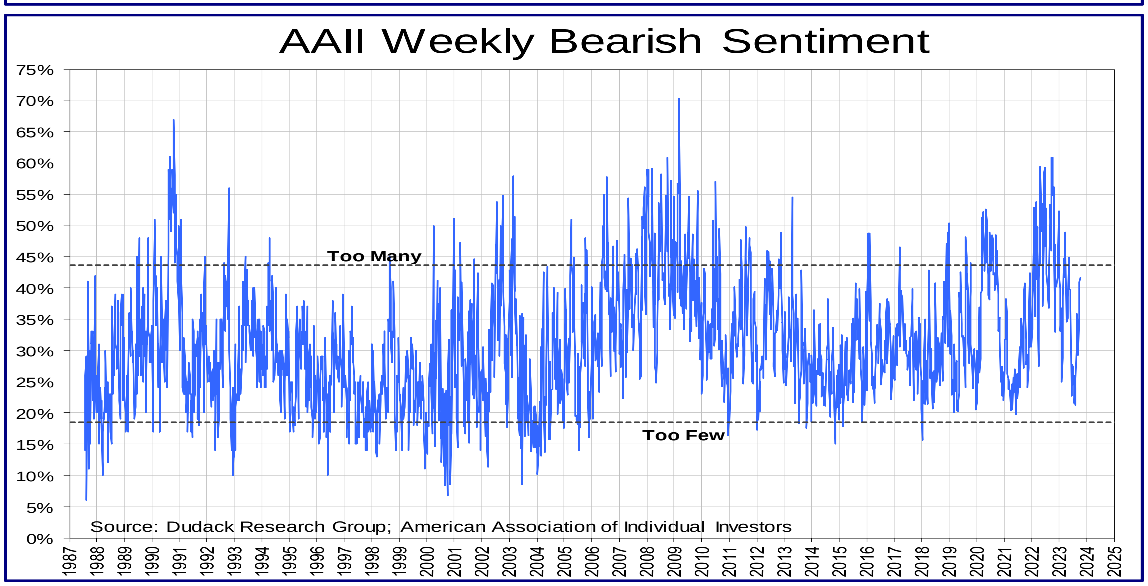




Last week's AAII readings showed a 2.3% rise in bullishness to 30.1%, and a 0.7% increase in bearishness to 41.6%. After ten consecutive weeks of above-average bullishness, and 11 consecutive weeks of below-average bearishness – the longest combined stretch since February to May of 2021 – the indices went neutral the week of August 16 but have returned to their previous extremes. Note, the market then 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	68.02	4.4%	1.6%	3.7%	41.7%
NASDAQ 100	NDX	15131.52	3.9%	151.88	2.8%	38.3%
Technology Select Sector SPDR	XLK	169.35	4.0%	-2.0%	3.3%	36.1%
Nasdaq Composite Index Tracking Stock	ONEQ.O	53.46	3.9%	-1.2%	2.8%	30.5%
iShares Russell 1000 Growth ETF	IWF	274.11	4.0%	-1.5%	3.1%	27.9%
SPDR Homebuilders ETF	XHB	76.59	3.9%	-5.7%	0.0%	27.0%
Consumer Discretionary Select Sector SPDR	XLY	162.54	3.4%	-3.7%	1.0%	25.8%
SPDR S&P Semiconductor ETF	XSD	196.59	3.0%	-3.2%	0.3%	17.6%
iShares MSCI Taiwan ETF	EWT	45.82	3.8%	1.5%	2.9%	14.1%
iShares MSCI Mexico Capped ETF	EWW	56.23	0.8%	-5.3%	-3.4%	13.7%
SP500	.SPX	4358.24	3.0%	-2.2%	1.6%	13.5%
iShares Russell 1000 ETF	IWB	238.84	3.1%	-2.6%	1.7%	13.5%
iShares DJ US Oil Eqpt & Services ETF	IEZ	23.68	0.4%	-4.5%	-1.5%	11.7%
iShares MSCI Japan ETF	EWJ	60.33	2.7%	-2.1%	0.1%	10.8%
iShares MSCI Brazil Capped ETF	EWZ	30.61	5.0%	0.1%	-0.2%	9.4%
United States Oil Fund, LP	USO	76.71	-4.0%	-2.0%	-5.1%	9.4%
Gold Future	GCc1	2666.10	0.2%	0.8%	0.3%	8.2%
Oil Future	CLc1	85.97	-3.7%	-1.8%	-5.3%	7.1%
iShares MSCI India ETF	INDA.K	44.59	1.5%	-1.0%	0.8%	6.8%
iShares MSCI Germany ETF	EWG	26.32	3.3%	-2.9%	0.5%	6.4%
iShares MSCI EAFE ETF	EFA	69.36	3.4%	-1.5%	0.6%	5.7%
Industrial Select Sector SPDR	XLI	102.98	3.3%	-2.5%	1.6%	4.9%
iShares MSCI United Kingdom ETF	EWU	32.00	3.7%	0.8%	1.1%	4.4%
iShares Russell 2000 Growth ETF	IWO	223.84	2.9%	-4.5%	-0.1%	4.3%
Vanguard FTSE All-World ex-US ETF	VEU	52.18	3.1%	-2.0%	0.6%	4.1%
PowerShares Water Resources Portfolio	PHO	53.61	3.1%	-1.9%	0.8%	4.0%
iShares MSCI South Korea Capped ETF	EWY	58.55	1.2%	-5.2%	-0.7%	3.7%
iShares MSCI Austria Capped ETF	EWO	19.54	2.0%	-1.7%	-0.6%	2.8%
iShares MSCI Canada ETF	EWC	33.41	3.4%	-1.8%	-0.1%	2.1%
SPDR DJIA ETF	DIA	337.45	2.3%	-2.6%	0.7%	1.8%
DJIA	.DJI	33739.30	2.2%	-2.4%	0.7%	1.8%
SPDR Gold Trust	GLD	172.53	2.0%	-3.1%	0.6%	1.7%
Materials Select Sector SPDR	XLB	78.92	2.1%	-3.5%	0.5%	1.6%
Energy Select Sector SPDR	XLE	88.70	0.2%	-3.6%	-1.9%	1.4%
iShares Russell 2000 ETF	IWM	175.97	2.8%	-4.3%	-0.4%	0.9%
iShares MSCI Emerg Mkts ETF	EEM	38.19	2.5%	-1.3%	0.6%	0.8%
iShares Russell 1000 Value ETF	IWD	151.88	2.3%	-3.6%	0.0%	0.2%
SPDR S&P Retail ETF	XRT	60.26	1.8%	-2.8%	-1.0%	-0.3%
Shanghai Composite	.SSEC	3075.24	-1.1%	-1.3%	-1.1%	-0.5%
iShares MSCI BRIC ETF	BKF	33.97	3.2%	-0.5%	1.1%	-1.1%
iShares MSCI Singapore ETF	EWS	18.44	2.5%	1.0%	0.5%	-2.0%
iShares MSCI Australia ETF	EWA	21.73	4.5%	0.1%	1.0%	-2.2%
Financial Select Sector SPDR	XLF	33.30	2.9%	-2.9%	0.4%	-2.6%
iShares Russell 2000 Value ETF	IWN	134.54	2.7%	-4.2%	-0.7%	-3.0%
Health Care Select Sect SPDR	XLV	131.08	2.9%	-0.7%	1.8%	-3.5%
iShares iBoxx $ Invest Grade Corp Bond	LQD	101.26	1.7%	-3.3%	-0.7%	-4.0%
iShares China Large Cap ETF	FXI	26.89	4.4%	0.0%	1.4%	-5.0%
iShares US Telecomm ETF	IYZ	21.21	1.6%	-4.7%	-0.4%	-5.4%
iShares Nasdaq Biotechnology ETF	IBB.O	123.03	3.1%	-3.0%	0.6%	-6.3%
iShares US Real Estate ETF	IYR	78.00	3.7%	-7.5%	-0.2%	-7.4%
Silver Future	SIc1	21.78	2.8%	-4.9%	-2.1%	-8.7%
iShares MSCI Malaysia ETF	EWM	20.76	1.9%	-1.1%	0.8%	-9.1%
iShares Silver Trust	SLV	20.88	2.8%	-5.0%	-1.8%	-9.1%
Consumer Staples Select Sector SPDR	XLP	67.41	-0.6%	-6.0%	-2.0%	-9.6%
iShares 20+ Year Treas Bond ETF	TLT	86.66	1.9%	-8.2%	-2.3%	-13.0%
iShares MSCI Hong Kong ETF	EWH	17.51	3.9%	-1.4%	2.1%	-16.7%
Utilities Select Sector SPDR	XLU	58.61	3.1%	-7.2%	-0.5%	-16.9%
SPDR S&P Bank ETF	KBE	36.86	4.4%	-3.4%	0.0%	-18.4%

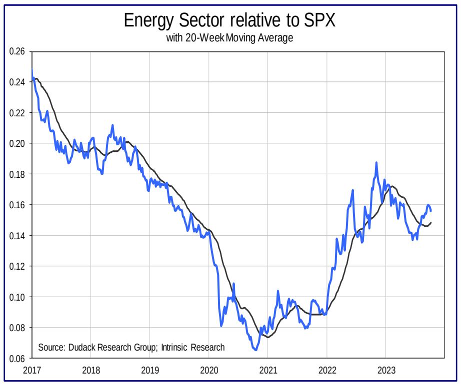
Outperformed SP500
Underperformed SP500

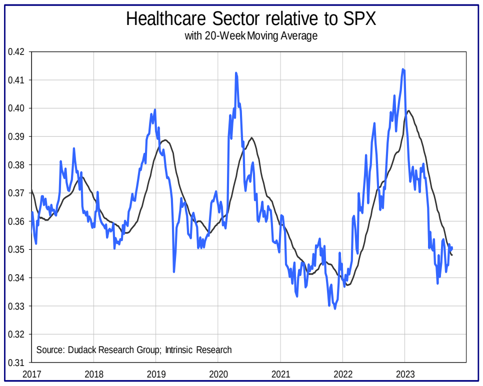
Source: Dudack Research Group; Refinitiv
Priced as of October 10, 2023

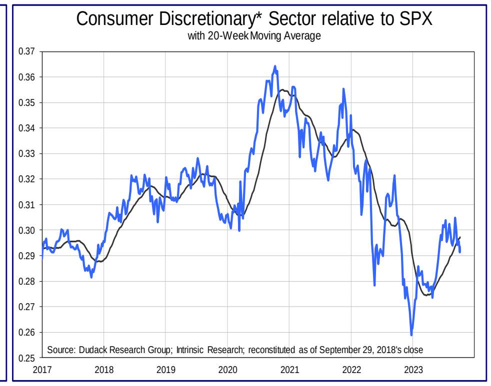
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

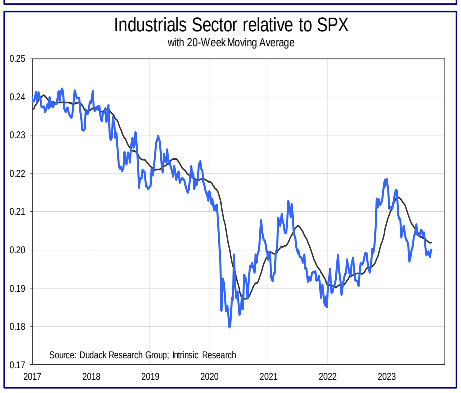
DRG Recommended Sector Weights				
Overweight		**Neutral**		**Underweight**
Energy Industrials Staples Utililties		Healthcare Technology Materials Financials		Consumer Discretionary REITS Communication Services

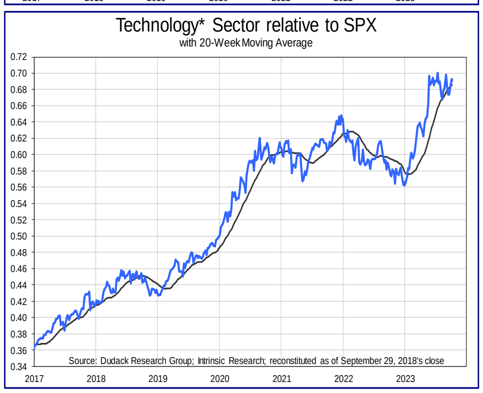
3/8/2022:Materials upgraded from underweight to neutral/communication service downgraded from neutral to underweight. 3/1/2022 Financials downgraded to neutral and Industrials upgraded to overweight.

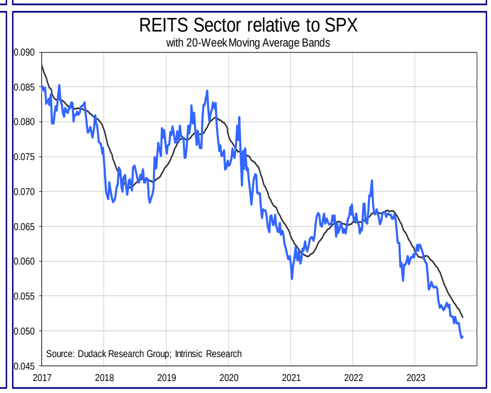


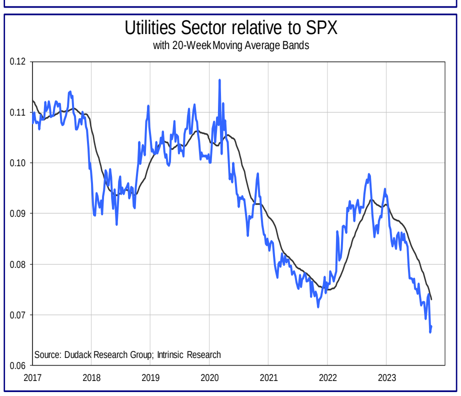


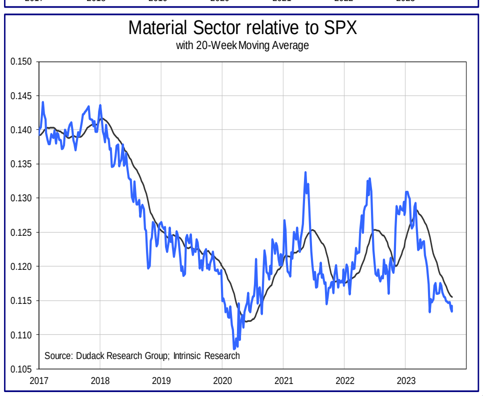


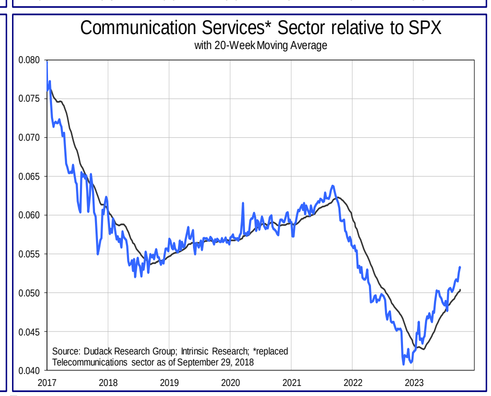


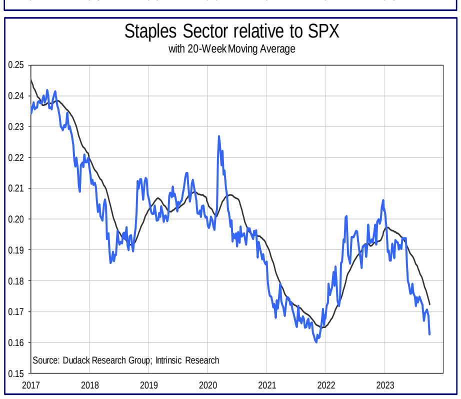












2023 Performance - Ranked	
SP500 Sector	% Change
S&P COMMUNICATIONS SERVICES	45.4%
S&P INFORMATION TECH	38.5%
S&P CONSUMER DISCRETIONARY	27.0%
S&P 500	13.5%
S&P INDUSTRIALS	4.8%
S&P MATERIALS	1.5%
S&P ENERGY	1.1%
S&P FINANCIAL	-2.8%
S&P HEALTH CARE	-3.6%
S&P REITS	-7.9%
S&P CONSUMER STAPLES	-8.5%
S&P UTILITIES	-17.0%

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	~~~~~	$200.41	**$220.03**	$212.38	7.8%	**$220.68**	1.2%	19.8X	NA	NA	NA	NA
2024E	~~~~~	$224.43	**$245.78**	$230.00	8.3%	**$247.17**	12.0%	17.7X	NA	NA	NA	NA
2016 1Q	2059.74	$21.72	**$23.97**	$23.97	-7.1%	**$26.96**	-5.7%	20.9	2.1%	2.3%	$1,777.50	-2.5%
2016 2Q	2098.86	$23.28	**$25.70**	$25.70	-1.7%	**$29.61**	-1.6%	21.4	2.1%	1.3%	$1,733.10	-3.8%
2016 3Q	2168.27	$25.39	**$28.69**	$28.69	12.8%	**$31.21**	4.1%	21.4	2.1%	2.9%	$1,754.80	-1.5%
2016 4Q	2238.83	$24.16	**$27.90**	$27.90	21.0%	**$31.30**	6.0%	21.1	2.0%	2.2%	$1,807.70	7.7%
2017 1Q	2362.72	$27.46	**$28.82**	$28.82	20.2%	**$30.90**	14.6%	21.3	2.0%	2.0%	$1,911.40	7.5%
2017 2Q	2423.41	$27.01	**$30.51**	$30.51	18.7%	**$32.58**	10.0%	20.9	1.9%	2.3%	$1,896.90	9.5%
2017 3Q	2519.36	$28.45	**$31.33**	$31.33	9.2%	**$33.45**	7.2%	21.2	1.9%	3.2%	$1,927.00	9.8%
2017 4Q	2673.61	$26.96	**$33.85**	$33.85	21.3%	**$36.02**	15.1%	21.5	1.8%	4.6%	$1,977.10	9.4%
2018 1Q	2640.87	$33.02	**$36.54**	$36.54	26.8%	**$38.07**	23.2%	20.0	1.9%	3.3%	$2,028.40	6.1%
2018 2Q	2718.37	$34.05	**$38.65**	$38.65	26.7%	**$41.00**	25.8%	19.4	1.9%	2.1%	$2,071.00	9.2%
2018 3Q	2913.98	$36.36	**$41.38**	$41.38	32.1%	**$42.66**	27.5%	19.4	1.8%	2.5%	$2,072.00	7.5%
2018 4Q	2506.85	$28.96	**$35.03**	$35.03	3.5%	**$41.18**	14.3%	16.5	2.1%	0.6%	$2,099.60	6.2%
2019 1Q	2834.40	$35.02	**$37.99**	$37.99	4.0%	**$39.15**	2.8%	18.5	1.9%	2.2%	$2,124.50	4.7%
2019 2Q	2941.76	$34.93	**$40.14**	$40.14	3.9%	**$41.31**	0.8%	19.0	1.9%	3.4%	$2,147.20	3.7%
2019 3Q	2976.74	$33.99	**$39.81**	$39.81	-3.8%	**$42.14**	-1.2%	19.5	1.9%	4.6%	$2,220.30	7.2%
2019 4Q	3230.78	$35.53	**$39.18**	$39.18	11.8%	**$41.98**	1.9%	20.6	1.8%	2.6%	$2,199.60	4.8%
2020 1Q	2584.59	$11.88	**$19.50**	$19.50	-48.7%	**$33.13**	-15.4%	18.6	2.3%	-5.3%	$1,993.80	-6.2%
2020 2Q	4397.35	$17.83	**$26.79**	$26.79	-33.3%	**$27.98**	-32.3%	35.1	1.9%	-28.0%	$1,785.00	-16.9%
2020 3Q	3363.00	$32.98	**$37.90**	$37.90	-4.8%	**$38.69**	-8.2%	27.3	1.7%	34.8%	$2,386.80	7.5%
2020 4Q	3756.07	$31.45	**$38.19**	$38.19	-2.5%	**$42.58**	1.4%	30.7	1.6%	4.2%	$2,137.60	-2.8%
2021 1Q	3972.89	$45.95	**$47.41**	$47.41	143.1%	**$49.13**	48.3%	26.4	1.5%	5.2%	$2,401.00	20.4%
2021 2Q	4297.50	$48.39	**$52.03**	$52.03	94.2%	**$52.58**	87.9%	24.5	1.3%	6.2%	$2,596.30	45.5%
2021 3Q	4307.54	$49.59	**$52.02**	$52.02	37.3%	**$53.72**	38.8%	22.7	1.4%	3.3%	$2,553.30	7.0%
2021 4Q	4766.18	$53.94	**$56.71**	$56.71	48.5%	**$53.95**	26.7%	22.9	1.3%	7.0%	$2,521.90	18.0%
2022 1Q	4530.41	$45.99	**$49.36**	$49.36	4.1%	**$54.80**	11.5%	21.6	1.4%	-2.0%	$2,497.90	4.0%
2022 2Q	3785.38	$42.74	**$46.87**	$46.87	-9.9%	**$57.62**	9.6%	18.5	1.7%	-0.6%	$2,712.60	4.5%
2022 3Q	3585.62	$44.41	**$50.35**	$50.35	-3.2%	**$56.02**	4.3%	17.6	1.8%	2.7%	$2,754.60	7.9%
2022 4Q	3839.50	$39.61	**$50.37**	$50.37	-11.2%	**$53.15**	-1.5%	19.5	1.7%	2.6%	$2,700.10	7.1%
2023 1QE	4109.31	$48.41	**$52.54**	$52.54	6.4%	**$53.08**	-3.1%	20.5	1.7%	2.2%	$2,588.60	3.6%
2023 2QE	4450.38	$48.58	**$54.84**	$54.84	17.0%	**$54.29**	-5.8%	21.4	1.5%	2.1%	$2,601.80	-4.1%
2023 3QE	4288.05	$50.69	**$55.27**	$52.00	3.3%	**$55.78**	-0.4%	20.1	1.6%	NA	NA	NA
2023 4QE*	4358.24	$52.73	**$57.38**	$53.00	5.2%	**$58.11**	9.3%	19.8	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates *10/10/2023

Regulation AC Analyst Certification

I, Gail Dudack, hereby certify that all the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific views contained in this report.

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