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October 25, 2023

DJIA: 33141.38
SPX: 4247.68
NASDAQ: 13139.88

US Strategy Weekly

Spooked

Halloween is quickly approaching, but the financial markets are spooked for other reasons. It is already an unsettling time with Iran and Russia sparking wars in Israel and Ukraine and many of the world's major cities experiencing disturbingly large demonstrations in support of the Hamas terrorist group. The breadth of antisemitism seen both domestically and abroad has been a frightening revelation for many. A small consolation is found in the growing number of industry leaders stating they want the names of pro-terrorist demonstrators seen on Ivy League campuses because they will not hire them. University donors are also pulling money from universities that are supporting Hamas, or do not differentiate between Hamas or other terrorist organizations and Palestine. These are small steps in the right direction in very troubling times.

However, here at home, there is another potential crisis. It began with the historic ousting of House Speaker Kevin McCarthy on October 3 which exposed the large schisms in the Republican party and how a small number of Republicans could wield control over the election of the Speaker of the House. Without a speaker, the House is unable to conduct government business, to continue its subcommittee investigations, or to push through bills, including vital spending bills that would prevent a government shutdown on November 18. As we go to print, a third candidate, Tom Emmer, Minnesota Congressman, who was nominated by fellow Republicans as Speaker candidate earlier this week, abandoned his bid due to party infighting. The House has now gone 22 days without a leader and a US government shutdown looms on the horizon. Government paralysis in the face of massive global disruptions and significant fiscal hurdles will not be good for the securities markets.

Crosscurrents

It is not surprising to us that the 10-year Treasury yield broke above the 5% resistance level in recent sessions. Treasury bonds are facing two strong and opposing crosscurrents. On the one hand, deficit spending has continued to increase. Year-end data from the September 2023 Monthly Treasury Statement of Receipts and Outlays of the United States Government show that the deficit for FY 2023 was $1.7 trillion, $320 billion higher than the prior year's deficit. As a percentage of GDP, this was 6.3%, an increase from 5.4% in FY 2022. The Office of Management and Budget estimates that the FY 2024 deficit will be 6.9% of GDP. See page 3.

With both deficits and interest rates rising, interest payments on the debt have increased 33% from $534 billion in FY 2022 to $711 billion in FY 2023. In comparison, defense spending grew 7% from $727 billion to $774 billion in the same period. If this pace continues, interest on the debt will overtake defense spending next year. See page 4. In the near term, the anticipated record issuance of debt in the next few quarters has worried bond investors. But in the longer term, interest payments on this debt and its impact on deficits will soon become a Catch-22 problem for debt markets.

The other crosscurrent that is now helping the bond market is the war in the Middle East. Not only is the US bond market seen as a safe haven in a time of war, but this flight to safety is also having a positive impact on the price of gold and bitcoin. In sum, the cross currents in the bond market are as powerful as we have seen in a long time.

Higher interest rates seem likely over the intermediate term, although we doubt the Federal Reserve will raise rates in November, ahead of a possible escalation of the Israel-Gaza conflict. It will only raise rates once it has prepared the market for higher rates. Yet, the impact of rising interest rates is being felt throughout the economy. Mortgage rates have increased 425 basis points in the 24 months ended August 2023, and this is impacting the residential housing market. The August NAR housing affordability index dropped to its lowest level since June 1985, and mortgage rates have increased in the interim. The September report will be released November 9. The October NAHB confidence survey fell to 40, dropping 16 points since July and is now at its lowest level since January. See page 5. In short, the housing market is slowing, and we expect higher rates will impact auto affordability as well in the coming months.

Earnings

This is one of the busiest weeks in terms of third quarter earnings releases and as we noted last week, it includes a number of the large cap technology darlings. To date, the results are mixed. Microsoft Corp. (MSFT - $330.53) beat estimates for fiscal first quarter results in all segments, but Google-parent Alphabet Inc. (GOOG - $140.12) missed its cloud business revenue estimates and the stock was pummeled. The S&P Dow Jones consensus estimates for 2023 and 2024 are $218.71 and $244.97, respectively, down $0.84, and up $0.18, respectively as of October 20. LSEG IBES estimates for 2023 and 2024 are $219.74 and $246.91, down $0.72, and $0.05, respectively. This is the first time that the IBES estimate has dropped below $220. And based upon the IBES EPS estimate of $219.74 for this year, we believe equities remain overvalued. A PE multiple of 19.3 times is high given that inflation remains above average at 3.7%. The sum of inflation (3.7) and the market's PE (19.3) equals 23.3 and this is barely under the 23.8 level that defines an overvalued equity market. See page 6.

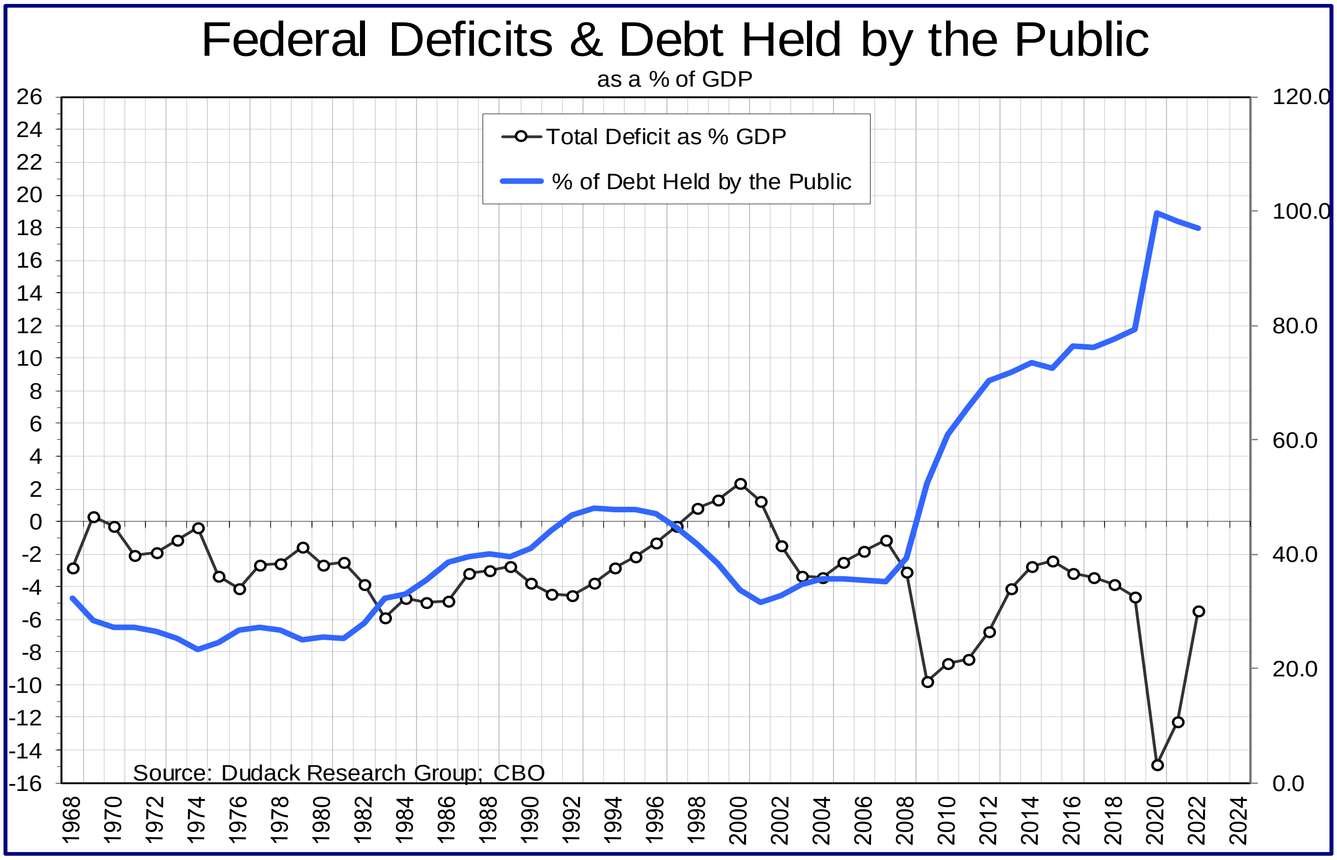
Technical Indicators in Focus

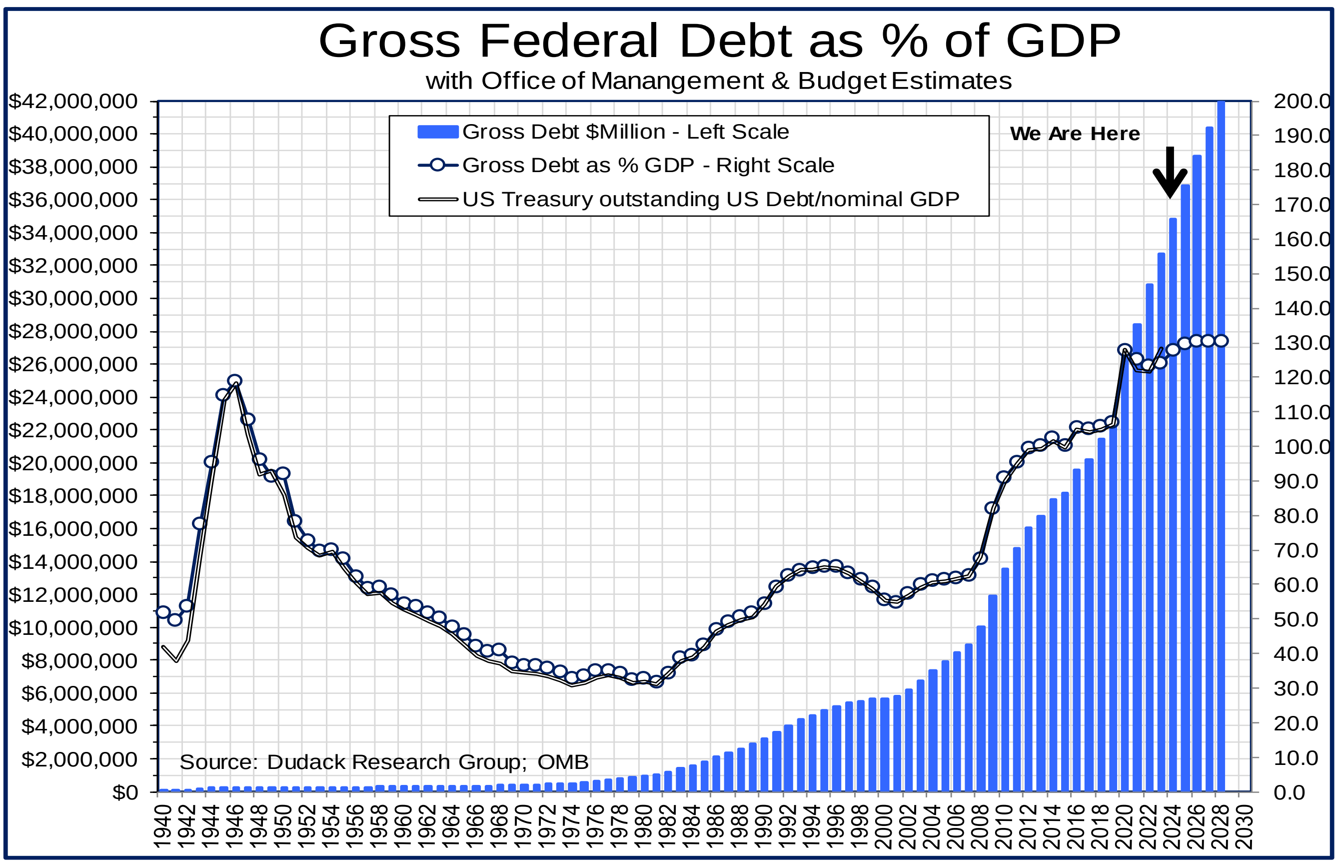
The Nasdaq Composite index is the only index that has not broken below its 200-day moving average in the last week, although it did have an intra-day test of this long-term average recently. To date, it is unclear if this test will prove successful. The S&P 500 index rebounded after breaking below its 200-day moving average, but it is now trading only marginally above this long-term average. The Dow Jones Industrial Average and Russell 2000 are both trading below their 200-day moving averages as noted last week. Nonetheless, a break below the 200-day moving average is not unusual for a market that is in a long-term sideways trend. However, at 1679.50, the Russell 2000 is perilously close to key support at the 1650 level. This support has contained selling sprees in the past and it would be a major negative if this support level were broken. If it breaks, we believe it would be a precursor to further price weakness. See page 7

The 25-day up/down volume oscillator is at a negative 2.54 reading this week and neutral, but only after being in oversold territory for two consecutive trading days on October 20 and October 23. This follows oversold readings for three out of four trading sessions in early October. These oversold readings could be mirror images of the overbought readings seen in August, when no overbought readings lasted the minimum of five consecutive trading days. In short, August's rally was unconfirmed.

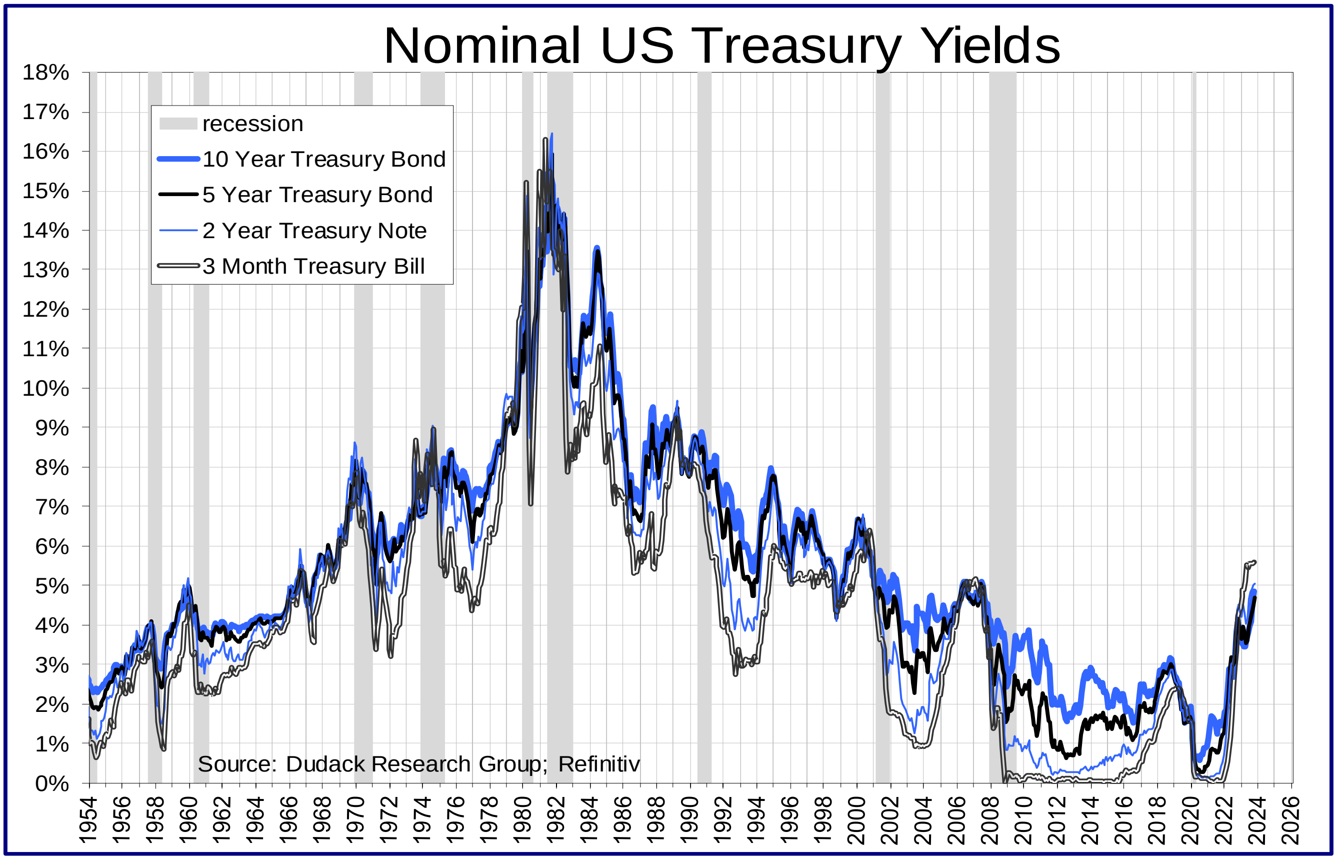
Now that this indicator has had oversold readings of minus 3.0 or less, the same is true – five consecutive trading days in oversold are needed to confirm that recent weakness is a confirmed downtrend. To date, there have not been five consecutive trading days in oversold, which means the decline is not confirmed and the longer-term trend remains vulnerable, but neutral. See page 8. We remain cautious but believe a buying opportunity could materialize before year end.

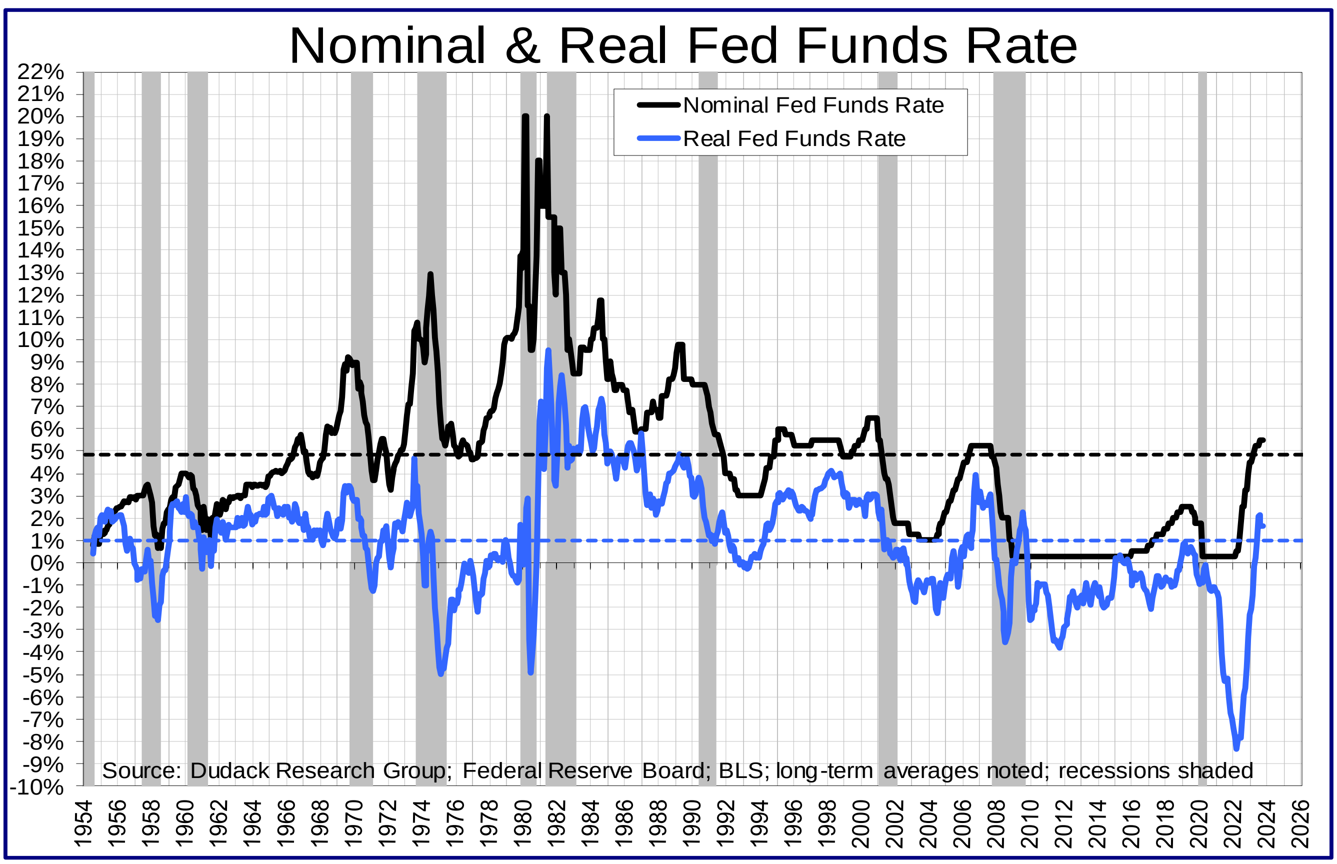
Year-end data from the September 2023 Monthly Treasury Statement of Receipts and Outlays of the United States Government show that the deficit for FY 2023 was $1.7 trillion, $320 billion higher than the prior year's deficit. As a percentage of GDP, this was 6.3%, an increase from 5.4% in FY 2022. The OMB FY 2024 estimate is 6.9% of GDP. The need to fund increasing deficits is a risk for the debt markets since it will translate into record issuance of debt in the months ahead.



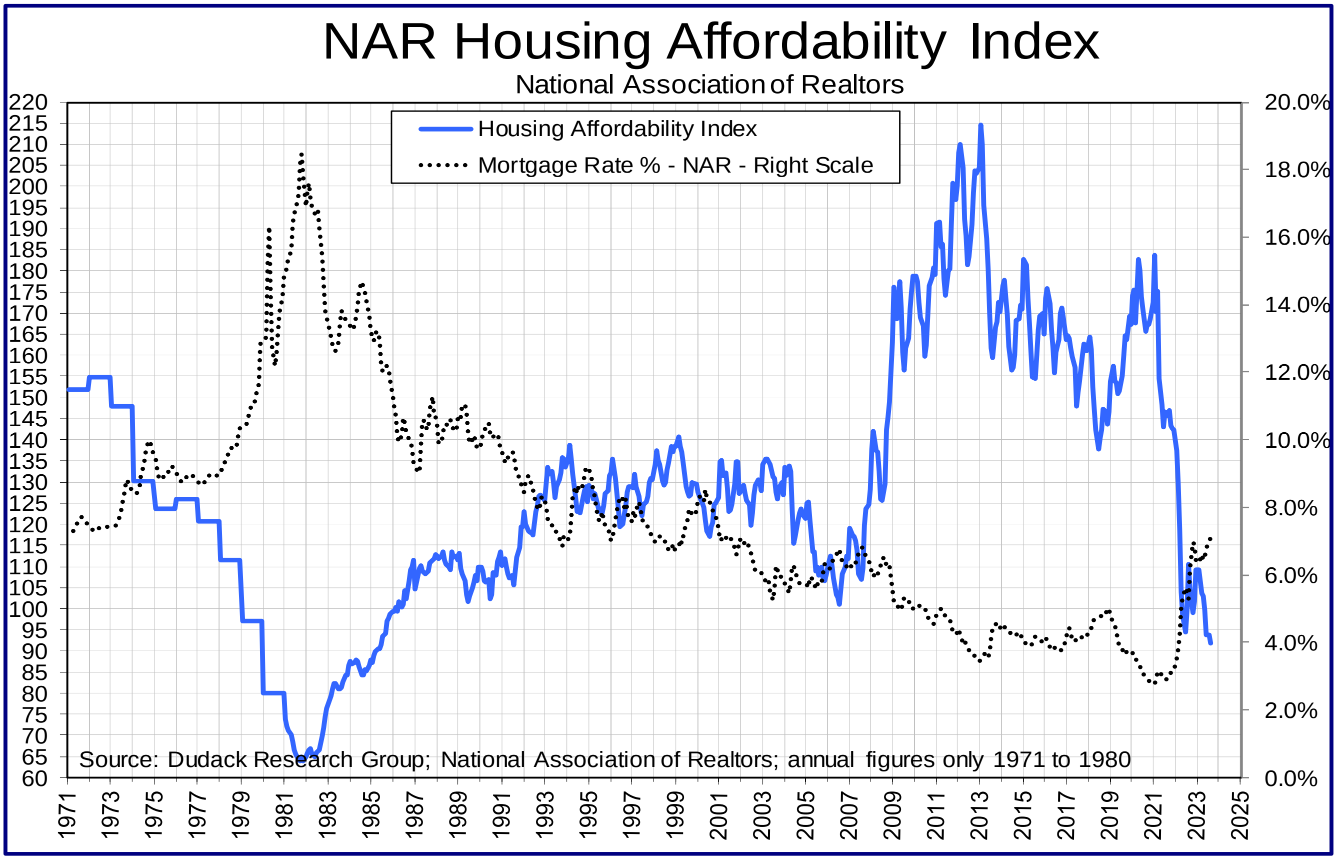


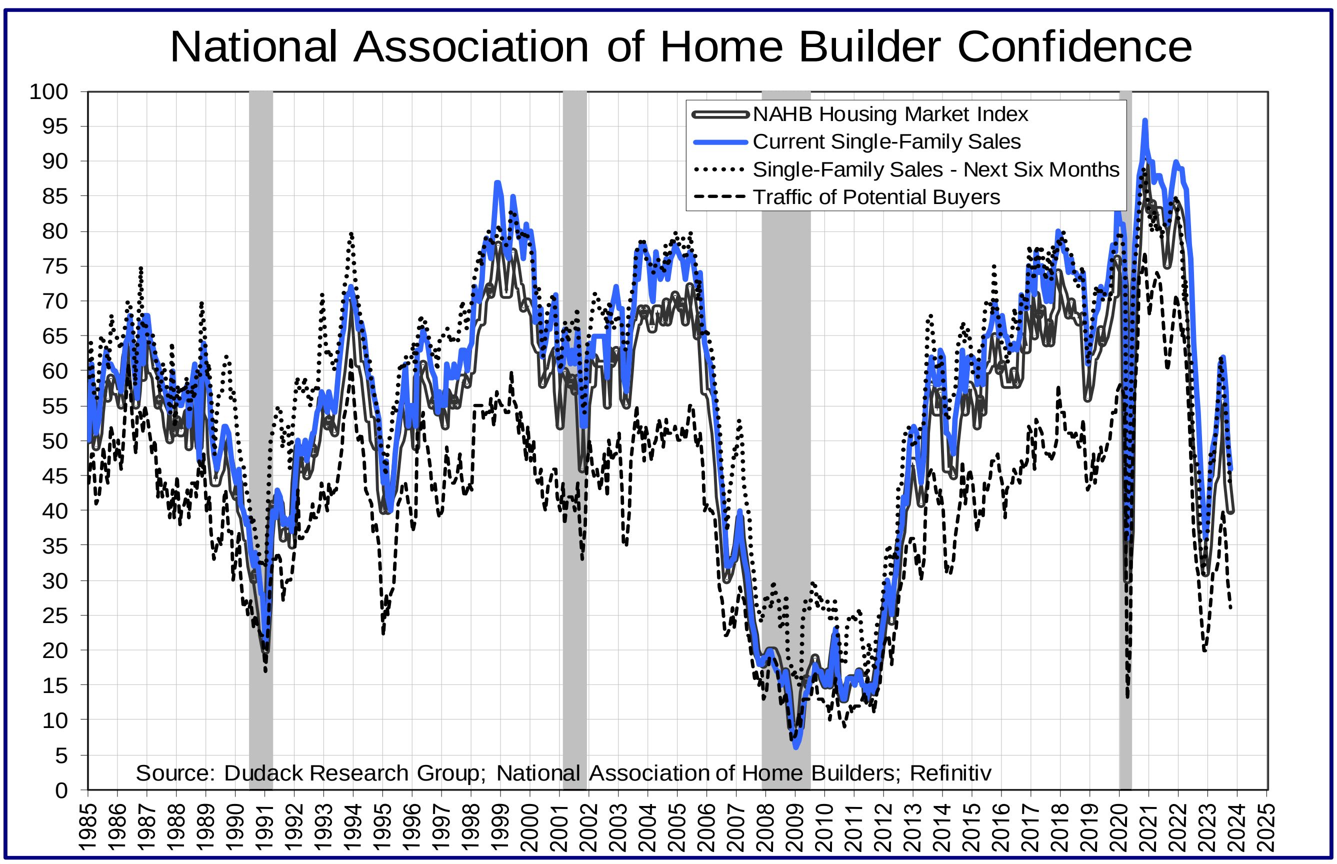
Interest payments on the debt increased 33%, from $534 billion in FY 2022 to $711 billion in FY 2023. In comparison, defense spending grew 7%, from $727 billion to $774 billion. If this pace continues, interest on the debt will overtake defense spending next year. In short, deficit spending is becoming a major risk factor for markets.



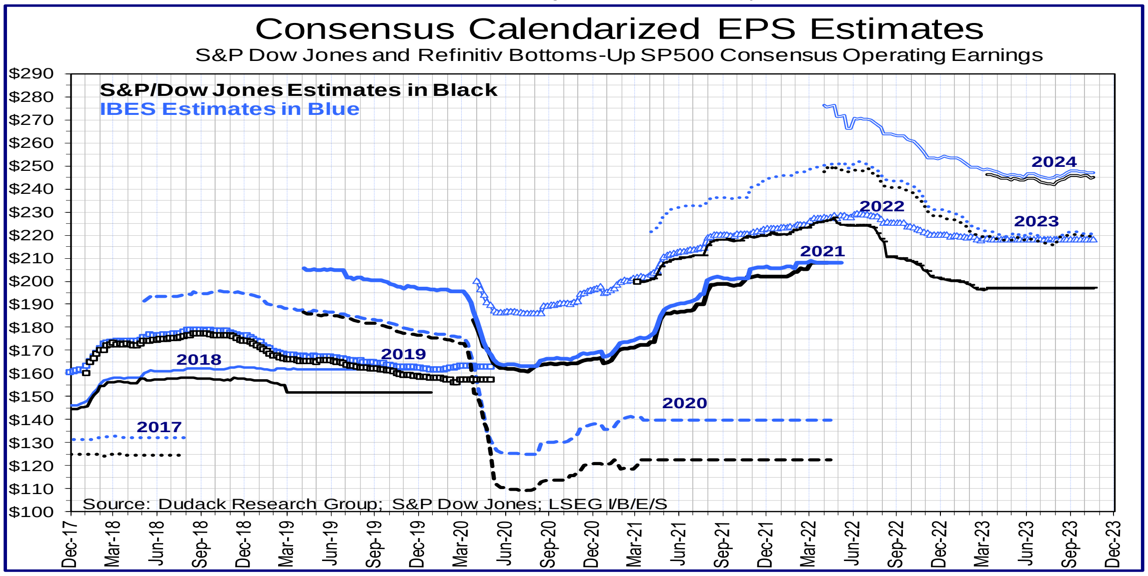


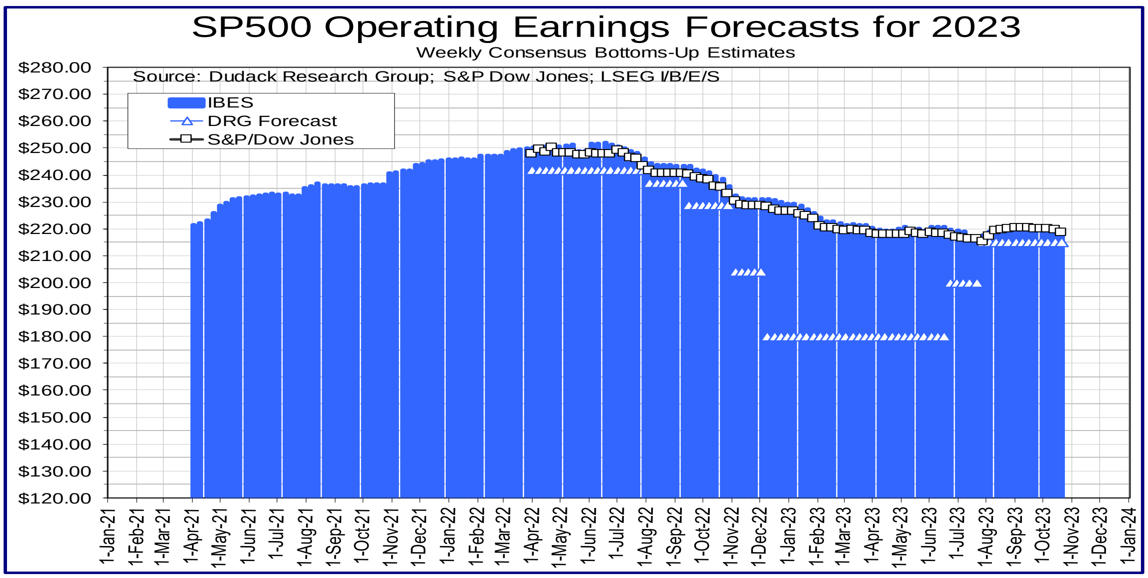
The impact of rising mortgage rates (up 425 basis points in the 24 months ended August 2023), is seen in housing affordability, which dropped to its lowest level since June 1985. The October NAHB confidence survey fell to its lowest level since January. The housing market is slowing, and we expect higher rates will impact auto affordability as well.

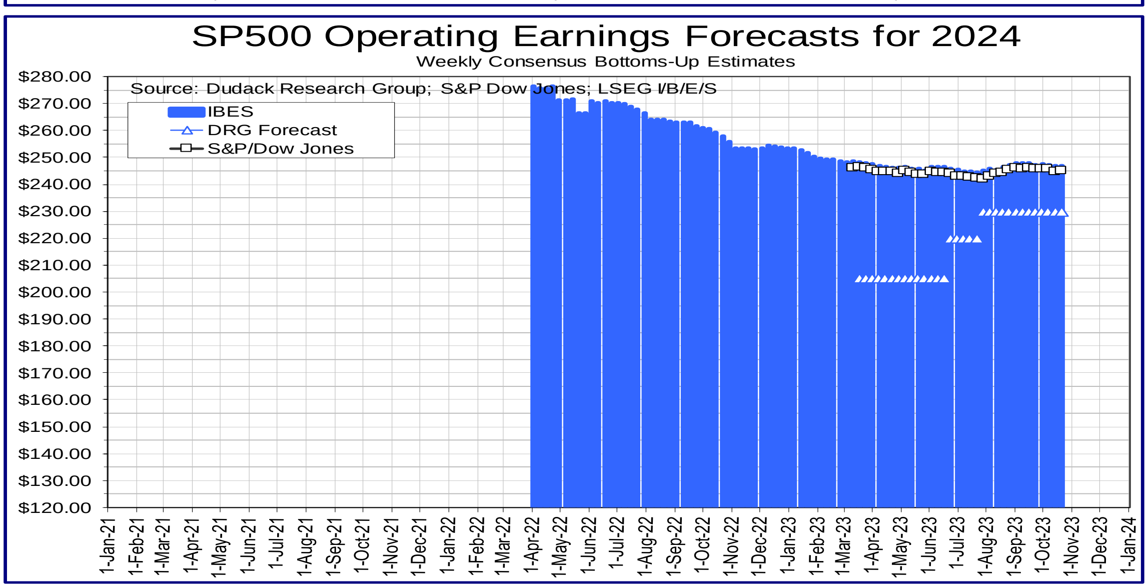




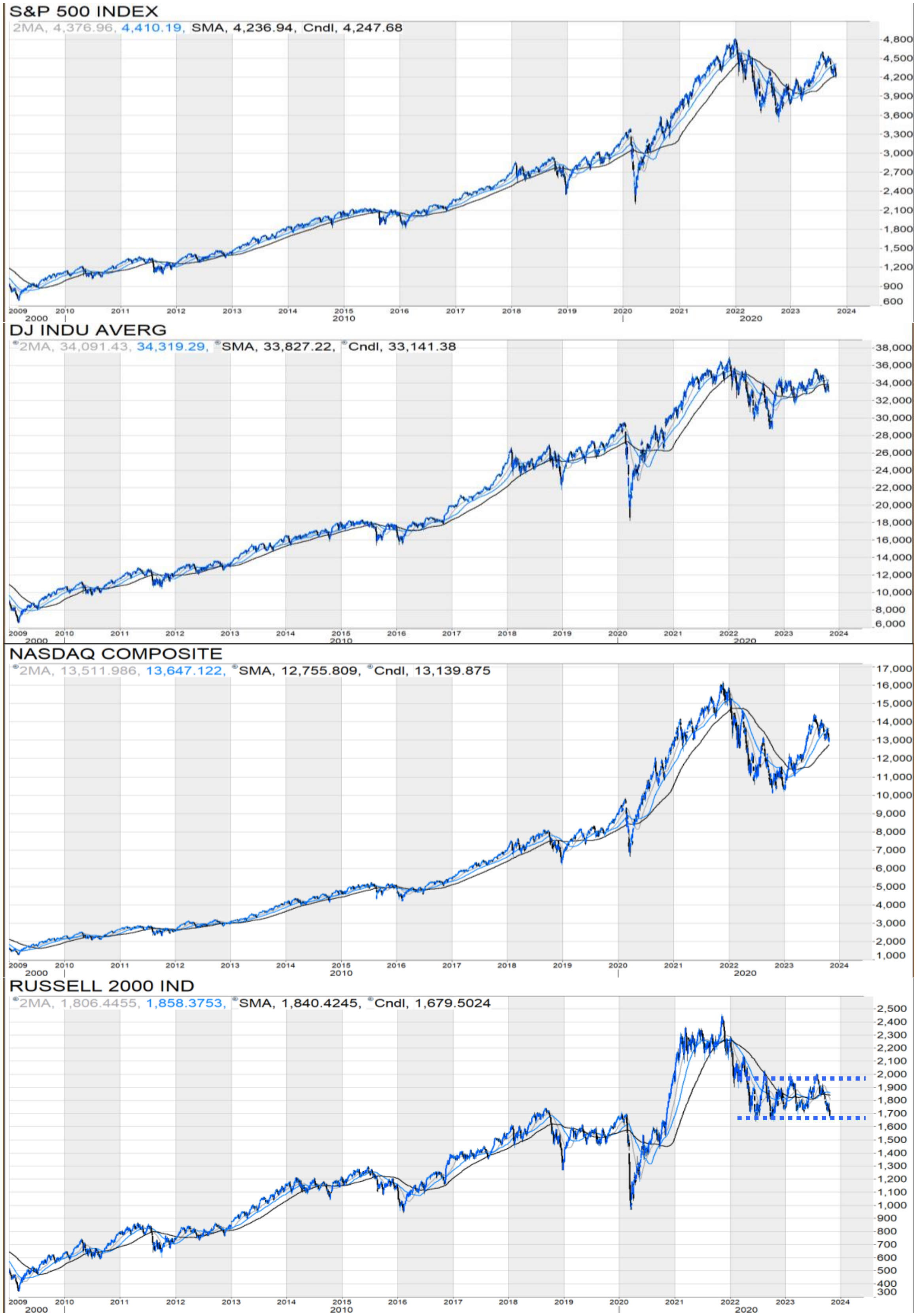
S&P Dow Jones consensus estimates for 2023 and 2024 are $218.71 and $244.97, respectively, down $0.84, and up $0.18, respectively. LSEG IBES estimates for 2023 and 2024 are $219.74 and $246.91, down $0.72, and $0.05, respectively. Notably, S&P data shows that 18.4% of companies reporting first quarter 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 $219.74 for this year, equities remain overvalued with a PE of 19.3 times and inflation of 3.7%. Again, this sum of 23.3 is just under the 23.8 level that defines an overvalued equity market.







The SPX rebounded after a break below its 200-day average this week and IXIC had an intra-day test of its long-term average. The DJIA and RUT have been trading below their 200-day moving averages; however, this can be part of a long-term sideways trend. But, if the RUT breaks well below the 1650 support, it would likely be a major negative and a possible catalyst for further downside.

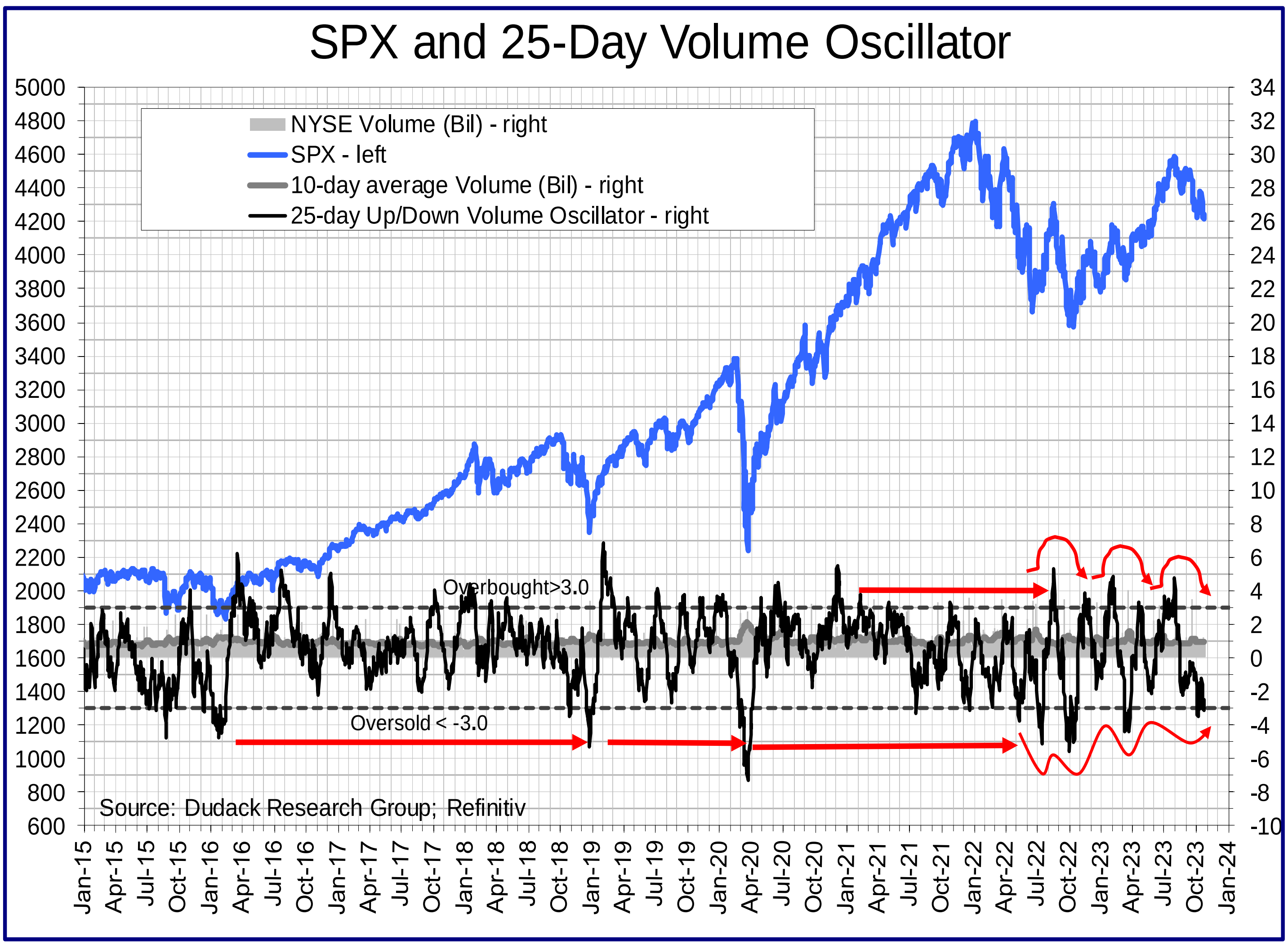


Source: Refinitiv

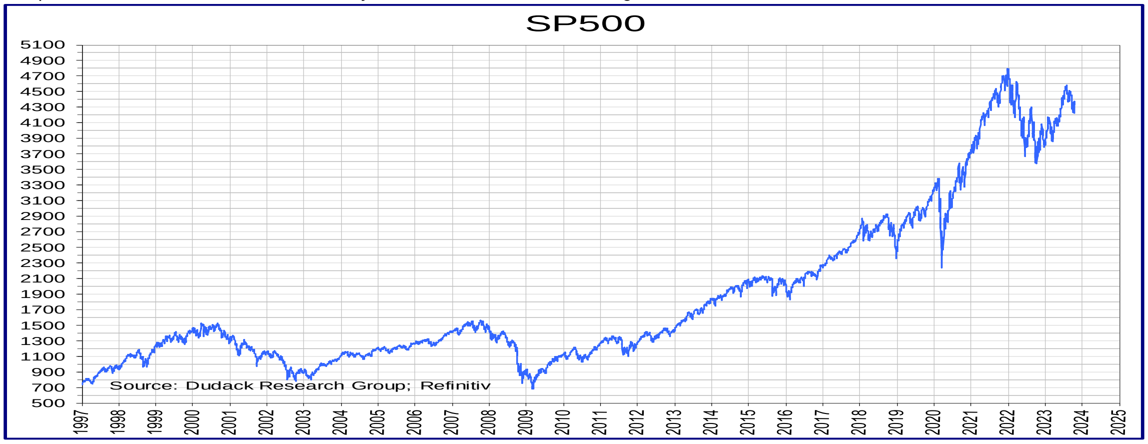
The 25-day up/down volume oscillator is at a negative 2.54 reading this week and neutral, after being in oversold territory for two consecutive trading days on October 20 and October 23. This follows the indicator being oversold for three out of four trading sessions in early October.

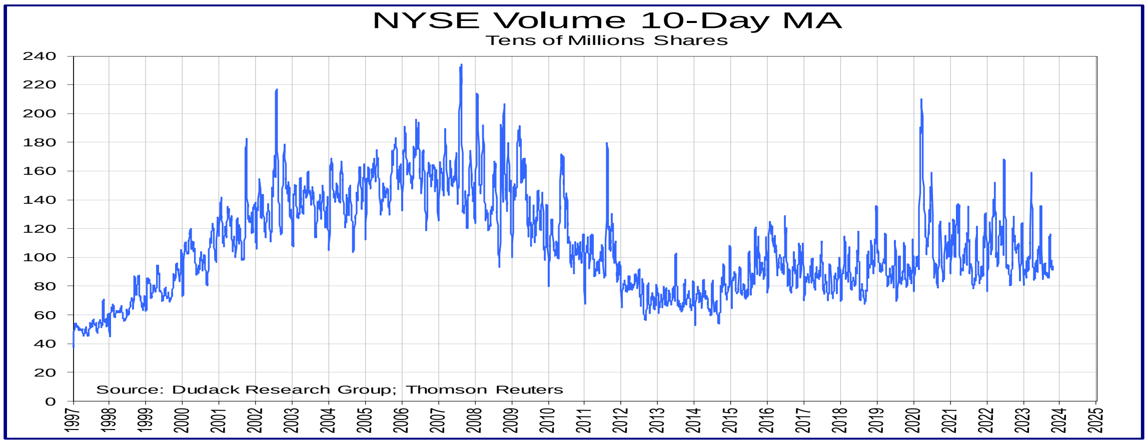
These oversold readings are the mirror image of the overbought readings seen in 10 of 22 trading sessions ending August 1. However, none of these overbought readings lasted the minimum of five consecutive trading days required to confirm July's advance in the averages. Strong rallies should also include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

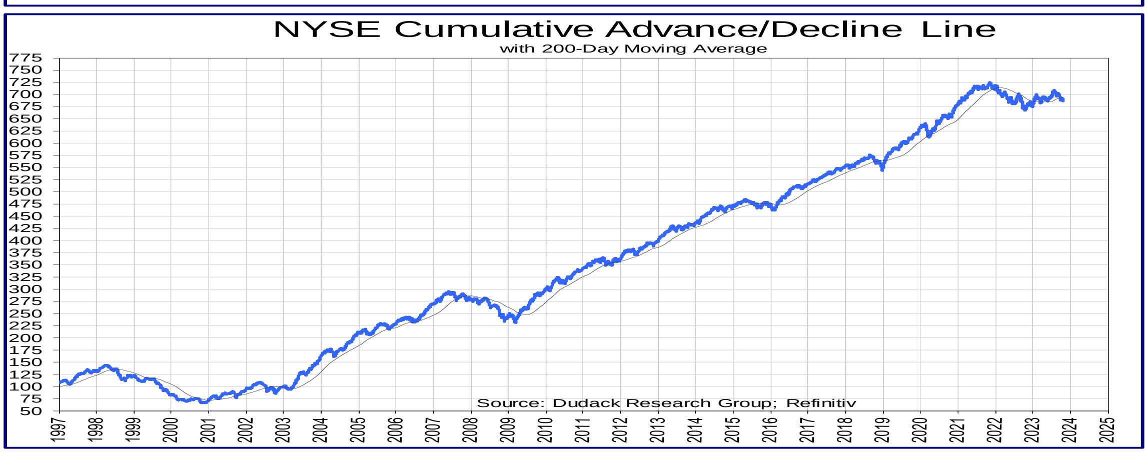
Now that this indicator has had oversold readings of minus 3.0 or less, the same is true – five consecutive trading days in oversold are needed to confirm that the decline is a confirmed downtrend. To date, there have not been five consecutive trading days in oversold, which means the decline is unconfirmed and the longer-term trend remains vulnerable, but neutral.

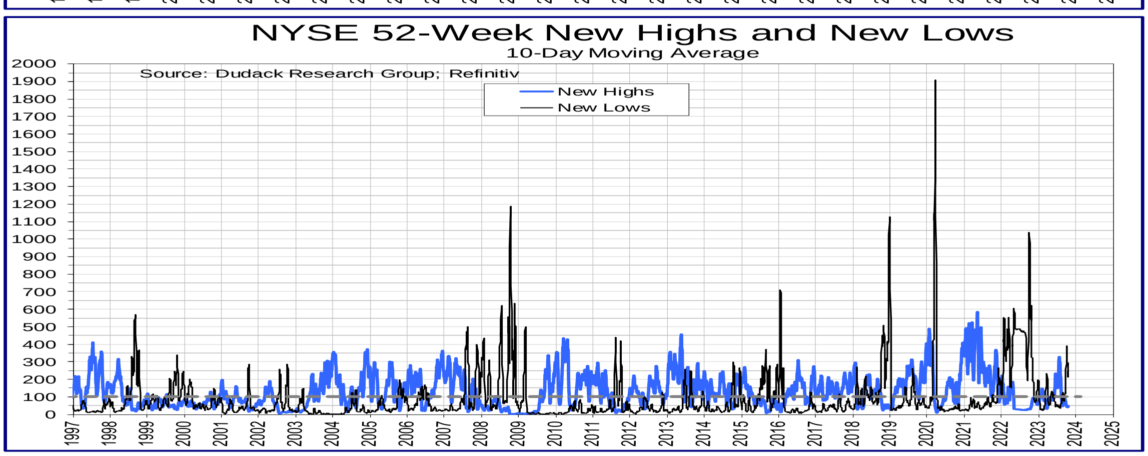


The 10-day average of daily new highs is 42 and new lows are 323. This combination is negative this week with new highs below 100 and new lows well above 100. The NYSE advance/decline line fell below the June low on September 22 and is 39,389 net advancing issues from its 11/8/21 high. July was the first 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.

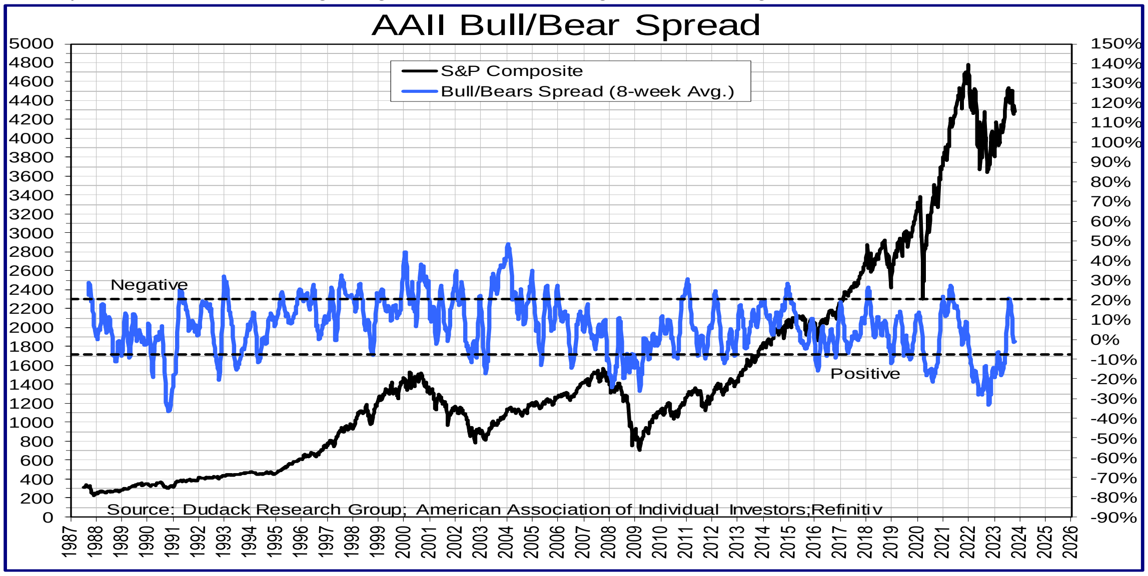


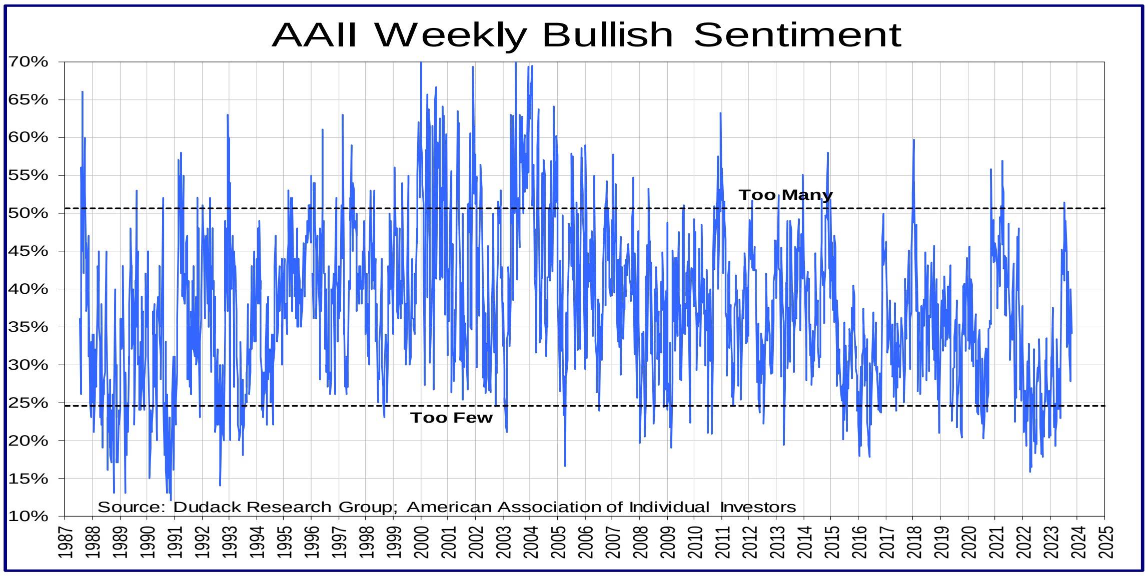


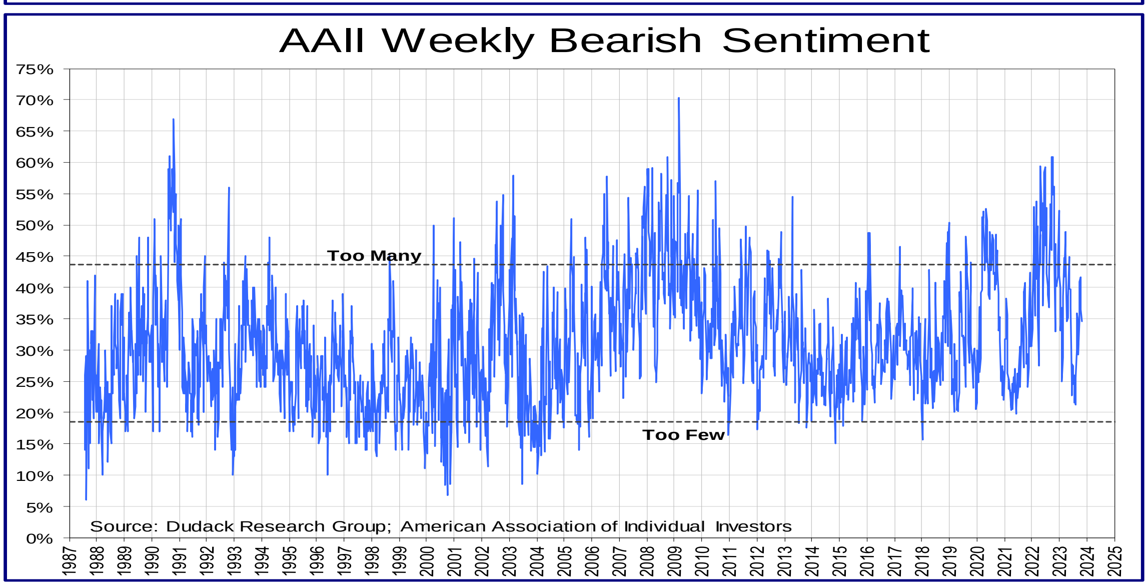




Last week's AAII readings showed a 5.9% decline in bullishness to 34.1%, and a 1.9% decrease in bearishness to 34.6%. Bullish sentiment is now below its historical average of 37.5% for the fifth time in six weeks. Pessimism fell but is above its historical average of 31.0% for the fifth time in seven weeks. The 8-week bull/bear spread is neutral after hitting a negative one-week reading the week of August 2.







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	67.66	-1.1%	3.1%	3.2%	41.0%
NASDAQ 100	NDX	14745.86	-2.5%	147.15	0.2%	34.8%
Technology Select Sector SPDR	XLK	165.26	-2.5%	0.5%	0.8%	32.8%
Nasdaq Composite Index Tracking Stock	ONEQ.O	51.78	-2.8%	-0.4%	-0.4%	26.4%
iShares Russell 1000 Growth ETF	IWF	267.59	-2.6%	0.2%	0.6%	24.9%
Consumer Discretionary Select Sector SPDR	XLY	153.49	-5.2%	-4.6%	-4.7%	18.8%
SPDR Homebuilders ETF	XHB	70.93	-5.9%	-6.9%	-7.4%	17.6%
iShares MSCI Taiwan ETF	EWT	44.47	-1.7%	-0.5%	-0.2%	10.7%
SP500	.SPX	4247.68	-2.9%	-1.7%	-0.9%	10.6%
iShares Russell 1000 ETF	IWB	232.28	-3.1%	-2.2%	-1.1%	10.3%
United States Oil Fund, LP	USO	76.93	-2.4%	-4.6%	-4.9%	9.7%
iShares DJ US Oil Eqpt & Services ETF	IEZ	23.22	-4.3%	-4.0%	-3.4%	9.5%
Gold Future	GCc1	2676.10	0.2%	0.8%	0.6%	8.6%
iShares MSCI Brazil Capped ETF	EWZ	30.23	-1.3%	-3.0%	-1.4%	8.1%
SPDR Gold Trust	GLD	182.95	2.6%	2.4%	6.7%	7.8%
iShares MSCI Mexico Capped ETF	EWW	53.21	-3.8%	-11.3%	-8.6%	7.6%
iShares MSCI Japan ETF	EWJ	58.36	-2.6%	-5.6%	-3.2%	7.2%
SPDR S&P Semiconductor ETF	XSD	178.69	-6.3%	-7.2%	-8.8%	6.9%
iShares MSCI India ETF	INDA.K	43.75	-2.3%	-1.6%	-1.1%	4.8%
Oil Future	CLc1	83.74	-3.4%	-7.0%	-7.8%	4.3%
iShares MSCI Germany ETF	EWG	25.36	-2.2%	-5.1%	-3.2%	2.5%
iShares MSCI South Korea Capped ETF	EWY	57.86	-2.0%	-4.8%	-1.8%	2.4%
iShares MSCI EAFE ETF	EFA	67.00	-2.9%	-4.1%	-2.8%	2.1%
Industrial Select Sector SPDR	XLI	98.98	-4.0%	-2.8%	-2.4%	0.8%
Vanguard FTSE All-World ex-US ETF	VEU	50.46	-2.8%	-4.1%	-2.7%	0.6%
iShares MSCI United Kingdom ETF	EWU	30.84	-3.9%	-3.7%	-2.5%	0.6%
iShares MSCI Austria Capped ETF	EWO	19.06	-2.9%	-3.6%	-3.0%	0.3%
Energy Select Sector SPDR	XLE	87.55	-3.9%	-2.0%	-3.1%	0.1%
SPDR DJIA ETF	DIA	331.44	-2.5%	-2.4%	-1.0%	0.0%
DJIA	.DJI	33141.38	-2.5%	-2.4%	-1.1%	0.0%
iShares Russell 2000 Growth ETF	IWO	211.03	-4.6%	-5.6%	-5.9%	-1.6%
PowerShares Water Resources Portfolio	PHO	50.70	-5.4%	-4.5%	-4.7%	-1.6%
iShares MSCI Canada ETF	EWC	32.19	-4.3%	-5.2%	-3.8%	-1.6%
iShares MSCI Emerg Mkts ETF	EEM	37.23	-2.1%	-3.2%	-1.9%	-1.8%
iShares Russell 1000 Value ETF	IWD	147.15	-3.5%	-4.6%	-3.1%	-3.0%
Materials Select Sector SPDR	XLB	75.34	-4.8%	-3.9%	-4.1%	-3.0%
SPDR S&P Retail ETF	XRT	58.55	-4.4%	-1.7%	-3.8%	-3.1%
Silver Future	SIc1	22.98	0.5%	-2.6%	3.3%	-3.7%
Shanghai Composite	.SSEC	2962.24	-3.9%	-5.4%	-4.8%	-4.1%
iShares MSCI BRIC ETF	BKF	32.92	-2.0%	-3.4%	-2.0%	-4.1%
iShares Silver Trust	SLV	21.98	0.5%	-2.6%	3.4%	-4.4%
iShares Russell 2000 ETF	IWM	166.47	-4.8%	-5.8%	-5.8%	-4.5%
iShares iBoxx $ Invest Grade Corp Bond	LQD	100.00	0.1%	-3.7%	-2.0%	-5.2%
iShares MSCI Singapore ETF	EWS	17.75	-3.0%	-1.7%	-3.3%	-5.6%
Financial Select Sector SPDR	XLF	32.22	-4.4%	-4.3%	-2.9%	-5.8%
iShares MSCI Australia ETF	EWA	20.92	-3.1%	-3.3%	-2.7%	-5.9%
Health Care Select Sect SPDR	XLV	127.65	-2.5%	-1.9%	-0.8%	-6.0%
iShares US Telecomm ETF	IYZ	20.95	-1.9%	-3.5%	-1.6%	-6.6%
iShares Russell 2000 Value ETF	IWN	127.84	-5.1%	-5.9%	-5.7%	-7.8%
iShares China Large Cap ETF	FXI	26.06	-1.5%	-4.0%	-1.8%	-7.9%
Consumer Staples Select Sector SPDR	XLP	67.71	-0.1%	-3.5%	-1.6%	-9.2%
iShares MSCI Malaysia ETF	EWM	20.48	-1.8%	-2.8%	-0.5%	-10.3%
iShares Nasdaq Biotechnology ETF	IBB.O	117.35	-3.9%	-4.3%	-4.0%	-10.6%
iShares US Real Estate ETF	IYR	74.92	-4.9%	-6.6%	-4.1%	-11.0%
iShares 20+ Year Treas Bond ETF	TLT	85.35	0.1%	-6.6%	-3.8%	-14.3%
Utilities Select Sector SPDR	XLU	59.02	-1.2%	-6.7%	0.2%	-16.3%
iShares MSCI Hong Kong ETF	EWH	17.06	-1.7%	-2.5%	-0.5%	-18.8%
SPDR S&P Bank ETF	KBE	34.67	-7.6%	-5.1%	-5.9%	-23.2%

Outperformed SP500
Underperformed SP500

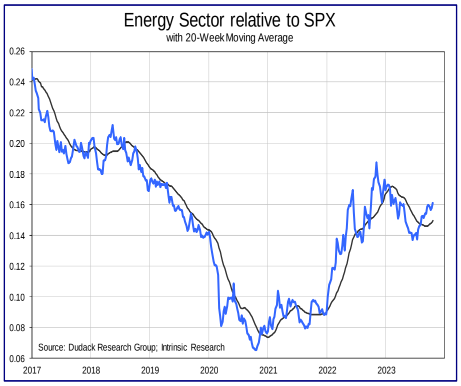
Source: Dudack Research Group; Refinitiv

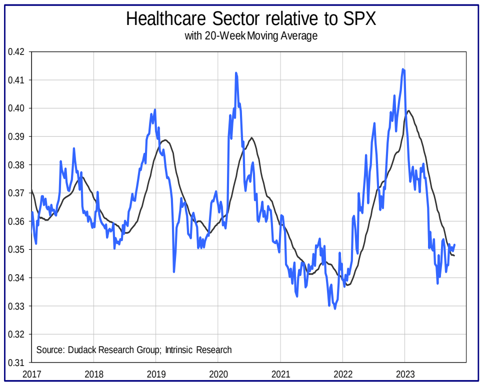
Priced as of October 24, 2023

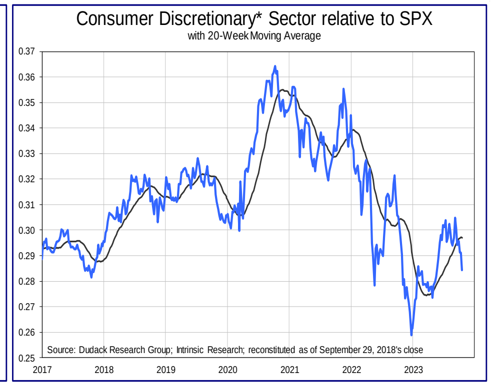
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

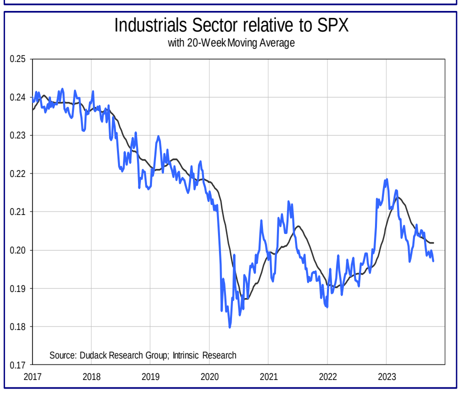
DRG Recommended Sector Weights				
Overweight		**Neutral**		**Underweight**
Energy Industrials Staples Utililties		Healthcare Technology Materials Financials		Consumer Discretionary REITS Communication Services

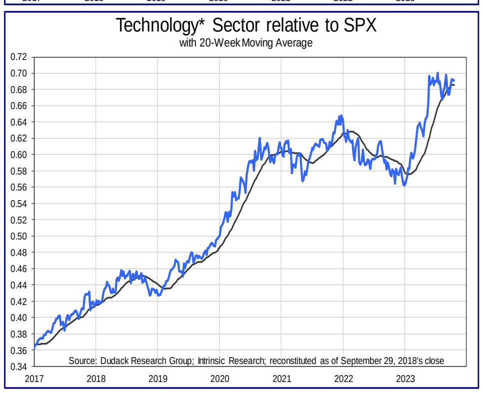
3/8/2022:Materials upgraded from underw eight to neutral/communication service dow ngraded from neutral to underw eight. 3/1/2022 Financials dow ngraded to neutral and Industrials upgraded to overw eight.

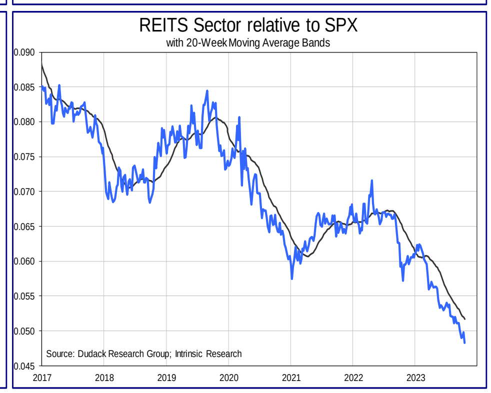


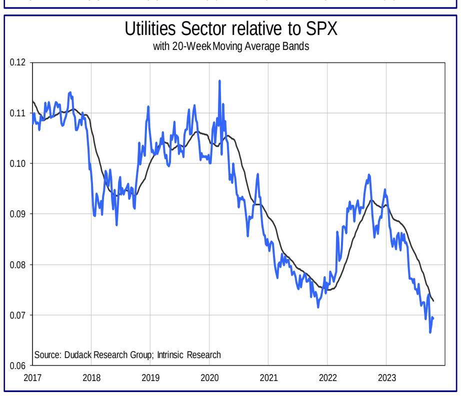


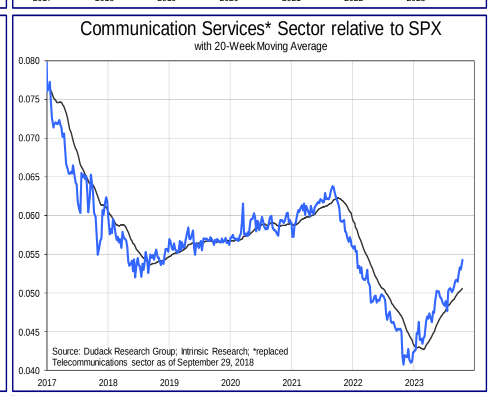


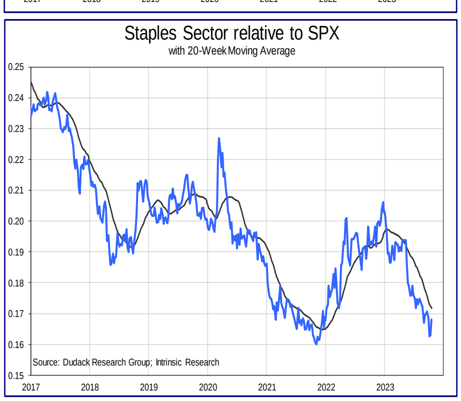


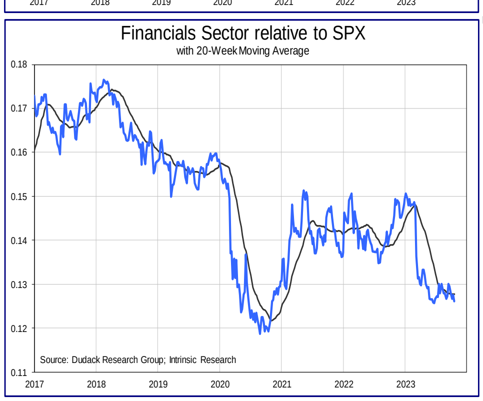












2023 Performance - Ranked	
SP500 Sector	% Change
S&P COMMUNICATIONS SERVICES	45.6%
S&P INFORMATION TECH	35.1%
S&P CONSUMER DISCRETIONARY	20.5%
S&P 500	10.6%
S&P INDUSTRIALS	0.7%
S&P ENERGY	-0.3%
S&P MATERIALS	-3.1%
S&P FINANCIAL	-6.0%
S&P HEALTH CARE	-6.2%
S&P CONSUMER STAPLES	-8.1%
S&P REITS	-11.3%
S&P UTILITIES	-16.4%

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	~~~~~	$203.07	**$218.71**	$212.38	7.8%	**$219.74**	0.8%	19.4X	NA	NA	NA	NA
2024E	~~~~~	$228.45	**$244.97**	$230.00	8.3%	**$246.91**	12.4%	17.3X	NA	NA	NA	NA
2016 1Q	2059.74	$21.72	**$23.97**	$23.97	-7.1%	**$26.96**	-5.7%	20.9	2.1%	2.3%	$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	$53.12	**$54.82**	$52.00	3.3%	**$55.87**	-0.3%	20.2	1.6%	NA	NA	NA
2023 4QE*	4247.68	$52.96	**$56.51**	$53.00	5.2%	**$57.25**	7.7%	19.4	NA	NA	NA	NA

Source: DRG; S&P Dow Jones; Refinitiv Consensus estimates; **quarterly EPS may not sum to official CY estimates *10/24/2023

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