



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

January 10, 2024

DJIA: 37525.16

SPX: 4756.50

NASDAQ: 14857.71

US Strategy Weekly

The Underpinnings of Targets

How much potential or risk there is in stock prices is best explained by current and forecasted fundamentals, in our opinion. Momentum and sentiment can drive stock prices over the short-to-intermediate term, but over the longer term, earnings growth, or lack thereof, always underlies the trend of the equity market. For this reason, we sought to understand the underpinnings of the many S&P 500 forecasts of 5100 or 5700 for this year.

There are two simple components to any S&P forecast: the appropriate PE multiple and the earnings estimate. However, it is never that simple because both can be moving targets. As we noted in our 2024 outlook, our valuation model is a PE forecasting model derived from our expectations for inflation and interest rates. Our assumptions for 2024 are that inflation will ease to 2.75%, short-term interest rates will fall to 4.25%, and Treasury bond yields stay relatively stable at 3.6%. These are optimistic forecasts in our view; however, they fall well within the range of consensus forecasts. With these estimates, our valuation model indicates that the average PE for this year should be 18.5 times and the maximum PE multiple could be 21 times. A 21 PE multiple would be a possibility if inflation falls to 2% or less, since this would imply earnings growth is more “real.” In short, the model provides a broad range of possibilities.

When we take a multiple of 18.5 times and apply it to our 2024 earnings estimate of \$234.00, a 10% increase from S&P Dow Jones 2023 estimate of \$213.55, the result is an SPX target of 4330 for this year. If we use a maximum PE multiple of 21, we get an SPX target of 4914.

If we assume our earnings forecast is too pessimistic and use the IBES consensus estimate of \$243.98 for this year, we get an SPX target of 4514 with an 18.5 multiple. To get to an SPX target of 5123, we need to use a maximum PE of 21 times and the IBES 2024 earnings estimate. This is a good explanation of why several strategists are using a 5000+ target for this year.

However, for those looking for even higher SPX targets, the forecaster must use not only a maximum PE of 21 times, but also the IBES **2025** earnings forecast of \$274.59. This combination equates to a target of SPX 5766. In short, this exercise explains how one gets to an SPX target of 5100 or 5700, but it also reveals how much risk there is to these targets.

First, both targets assume stocks will reach and maintain a maximum PE which is likely only if inflation falls to 2% or less later this year. Second, an SPX 5100 forecast assumes that the IBES consensus earnings estimate for this year is correct. The risk here is that consensus earnings forecasts tend to peak early in the year, start to decline in March and then during each reporting season thereafter. This declining trend is rarely absent unless the economy is coming out of a recession. Analysts tend to be too pessimistic after a recession; and as a result, consensus earnings estimates are usually too low and increase during each quarterly earnings season.

For important disclosures and analyst certification please refer to the last page of this report.

Nonetheless, an SPX target of 5700 discounts not only a perfect year of low inflation but all the optimistic earnings growth expected over the next 24 months. There are many risks to these assumptions, the most obvious being that the economy may slow, revenues will decelerate, and earnings growth could disappoint. The first few days of 2024 have already been an adjustment to the overly optimistic view that there will be multiple interest rate cuts beginning in early 2024. And after analyzing the basis of the bullish targets for 2024 it becomes clear that every earnings season, every inflation report, and every FOMC meeting will be very important to substantiate the bullish forecasts for this year.

EMPLOYMENT DATA

The 216,000 increase in payrolls in December was stronger than expected, but the unemployment rate was unchanged at 3.7%. Note that the unemployment rate for those with less than a high school degree has been rising and was 6% in December. Clearly, the lower-income worker was experiencing a more difficult job market at the end of the year. The household survey showed roughly a 1.5 million increase in people no longer counted in the labor force in December; meanwhile, there was a 460,000 increase in the number of people not included in the workforce but who indicated they want a job. Job growth was 1.75% in December, which is above the long-term average of 1.7%. However, job growth in the household survey was 1.18% and this was below the 1.5% long-term average for the first time since March 2021. In short, there were some signs of stress in the jobs data. See page 3.

ECONOMIC DATA

The ISM manufacturing index improved slightly from 46.7 to 47.4 in December; however, the services index fell from 52.7 to 50.6. Since 50 is the breakeven level, the December services survey was indicating only modest economic activity. Perhaps more importantly, the services survey saw the employment index fall from 50.7 to 43.3 in December, the lowest reading since July 2020 and a sign that job growth has slowed or is declining in the service sector. The employment index in the manufacturing survey has been below 50 (neutral) since September. See page 4.

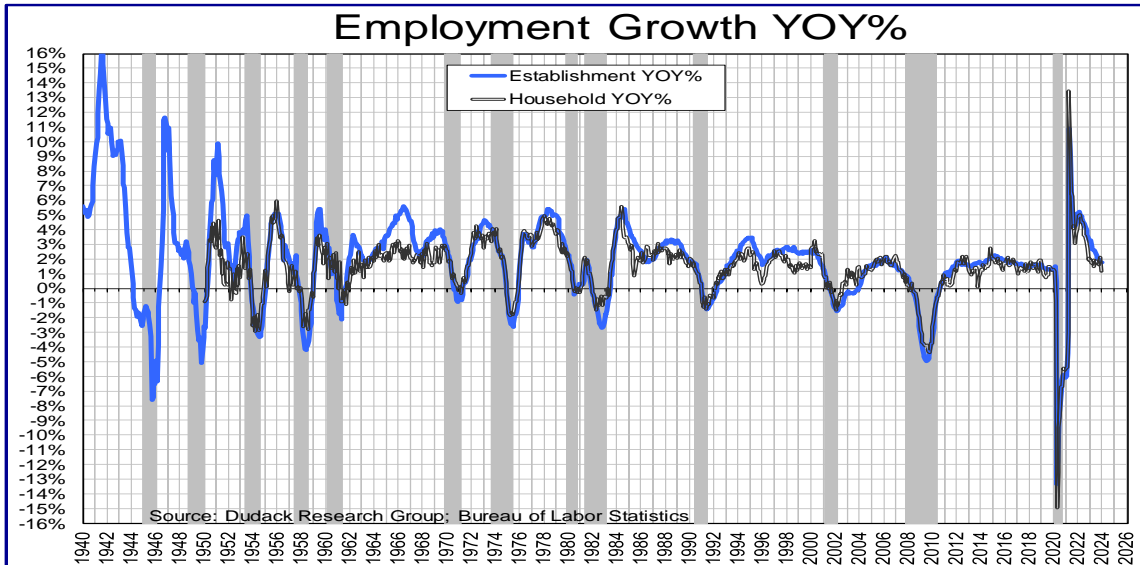
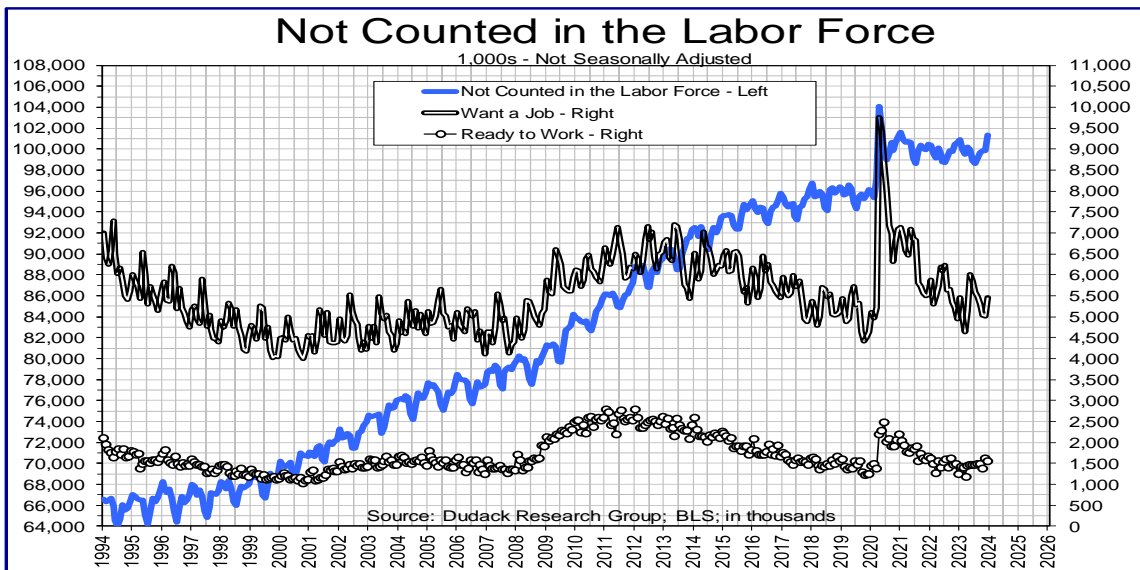
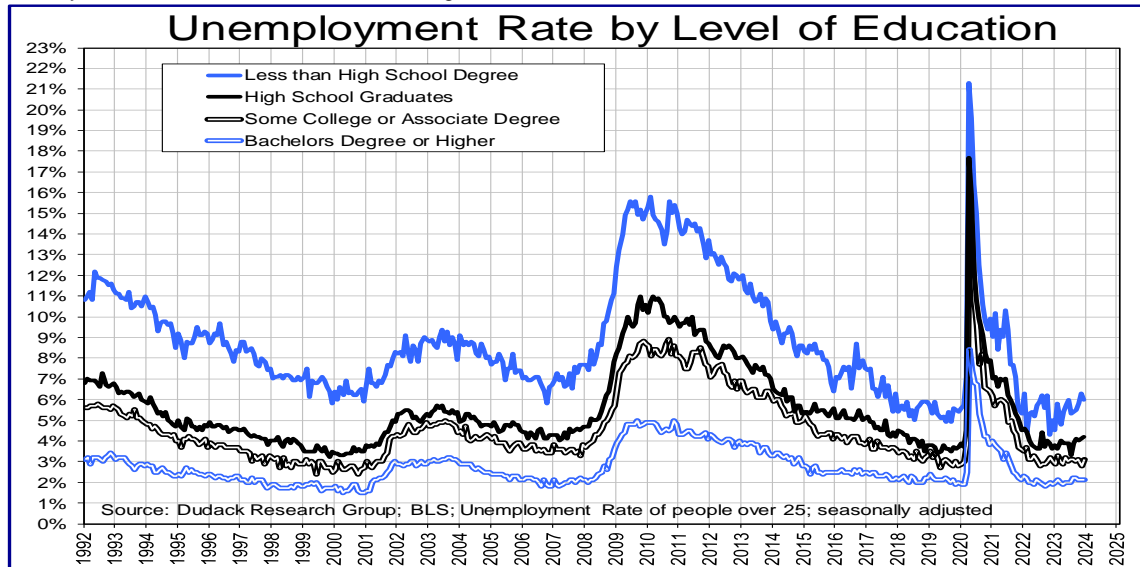
When we look at a variety of components in the ISM manufacturing index, it is obvious that most have been below 50 for most of 2023, a sign of weak economic activity. In the services survey, the overall trend was above 50 but slowly decelerating. The drop in the employment index may be a bad omen for 2024. See page 5.

The small business optimism index improved slightly in December, rising 1.3 points to 91.9. However, this reading was still the 24th consecutive month below the long-term average of 98 and a sign of recession. In December, businesses indicated they were generally unhappy with the level of their inventories and indicated a reluctance to increase capital expenditure. Hiring plans also continued to decline. On a hopeful note, plans to raise prices appear to have peaked for most entrepreneurs. See page 6.

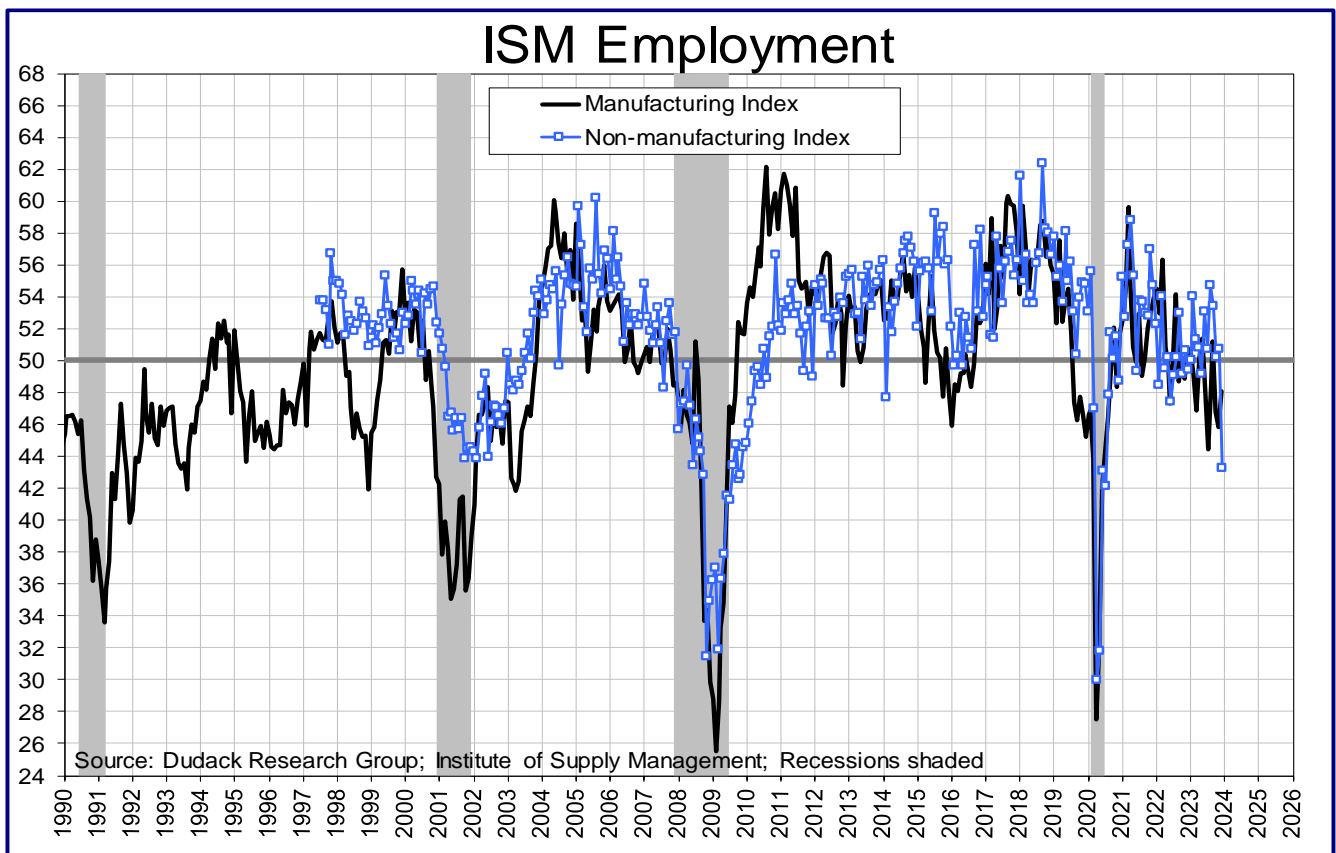
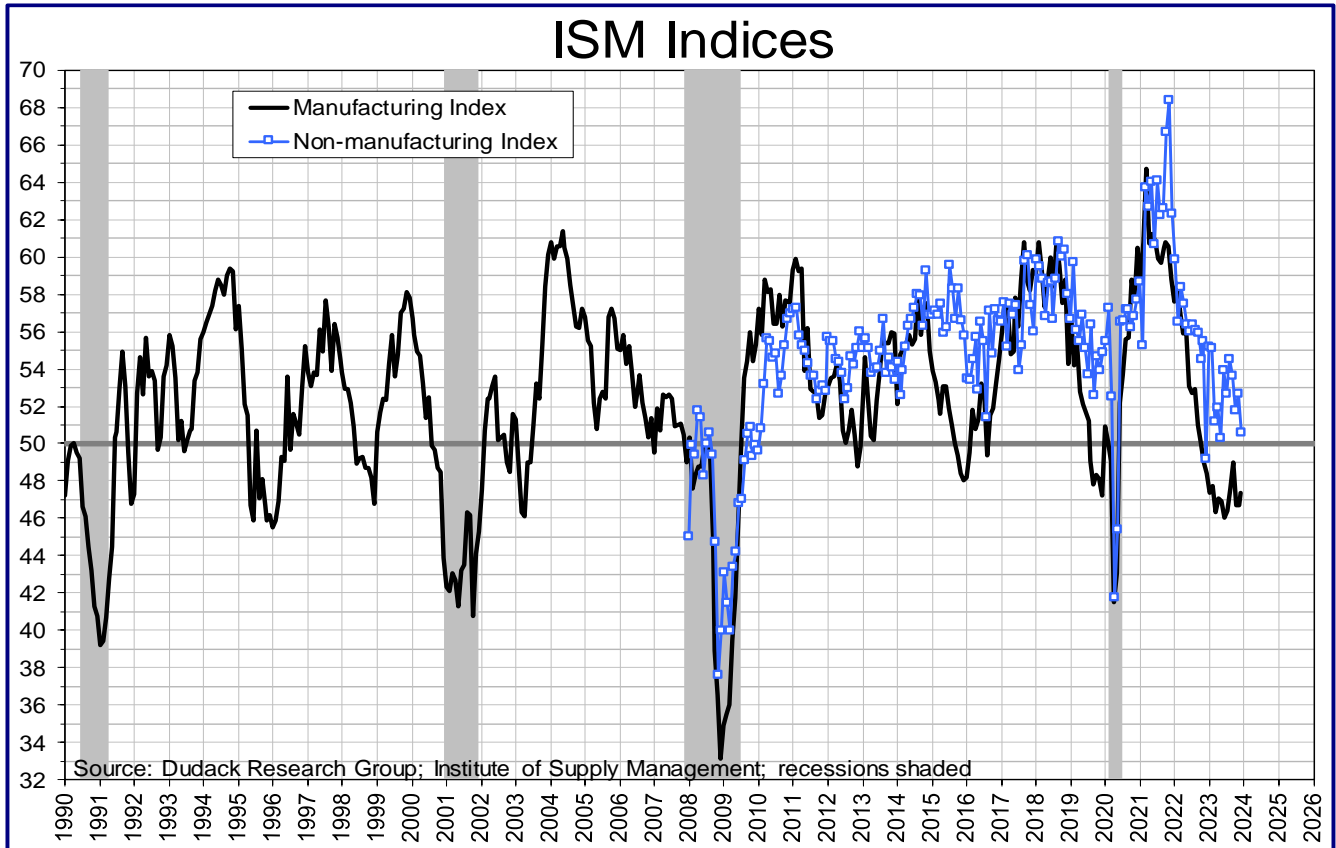
TECHNICAL UPDATE

The breakouts in all four of the popular indices were perpendicular and dramatic at the end of 2023, but only the Dow Jones Industrial Average managed to record an all-time high. The S&P 500 is most interesting since it has been fractionally away from recording a new high but is yet to better its January 3, 2022 high of 4796.56. The Russell 2000, after beating the key 2000 resistance, has now dropped below this level, which neutralizes the breakout seen at the end of the year. See page 9. The 25-day up/down volume oscillator is at 1.76 and neutral this week after being in overbought territory of 3.0 or higher for 22 of 25 consecutive trading days ending January 5. This indicator needed to remain in overbought territory for a minimum of five consecutive trading sessions to confirm the recent uptrend as "significant." This is positive, however, weakness in the early part of a new year is often a warning sign of fading demand for equities. In sum, 2024 is apt to be a volatile and unpredictable year.

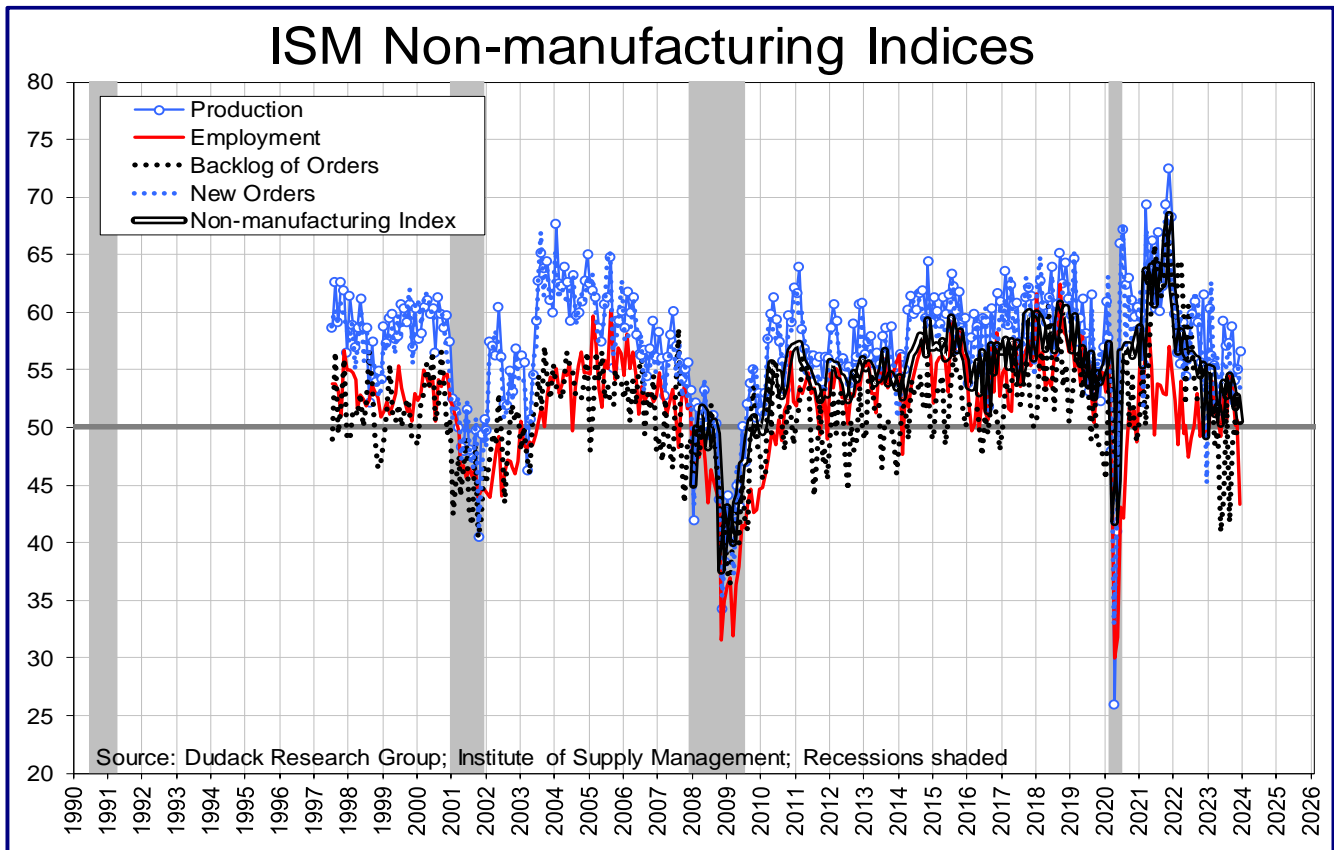
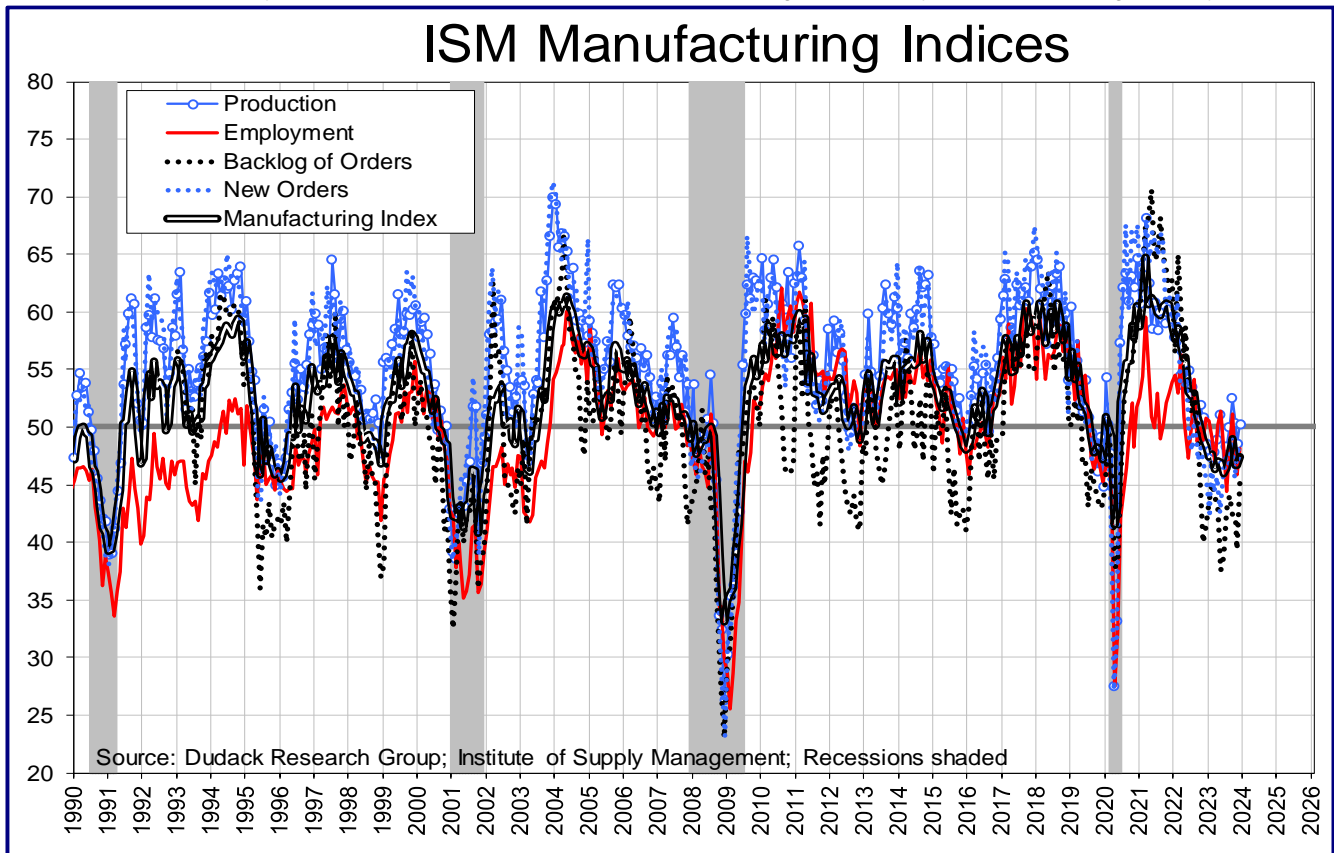
The 216,000 increase in payrolls in December was stronger than expected, but the unemployment rate was unchanged at 3.7%. Note that the unemployment rate for those with less than a high school degree has been rising and is at 6%. There was also a substantial increase in people no longer counted in the labor force but who indicated they want a job. Jobs growth was 1.75% in December and above the long-term average of 1.7%. Job growth in the household survey was 1.18% and below the 1.5% average for the first time since March 2021.



The ISM manufacturing index improved slightly from 46.7 to 47.4 in December; however, the services index fell from 52.7 to 50.6, indicating only modest economic activity. The services survey saw the employment index fall below 50 to 43.3 in December, a sign that job growth has slowed or is declining. The manufacturing survey has been below 50 (neutral) since September.



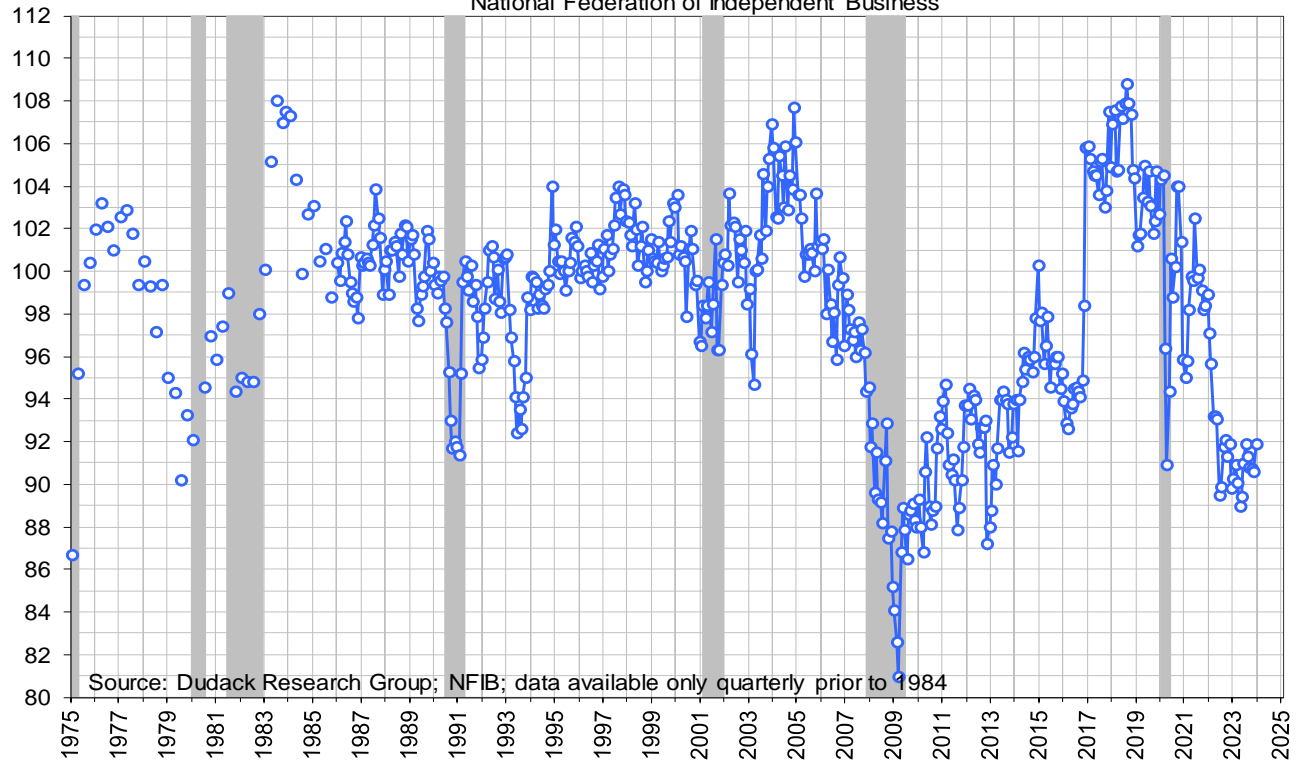
When we look at a variety of components in the ISM manufacturing index, we see that most components have been below 50 for most of 2023. In the services survey, the overall trend was above 50 but decelerating. The employment index fell significantly in December.



The small business optimism index improved slightly in December, rising 1.3 points to 91.9. However, this was still the 24th consecutive month below the long-term average of 98. Businesses indicated they were generally unhappy with the level of their inventories. Hiring plans continue to decline, but on a hopeful note, plans to raise prices appear to have peaked.

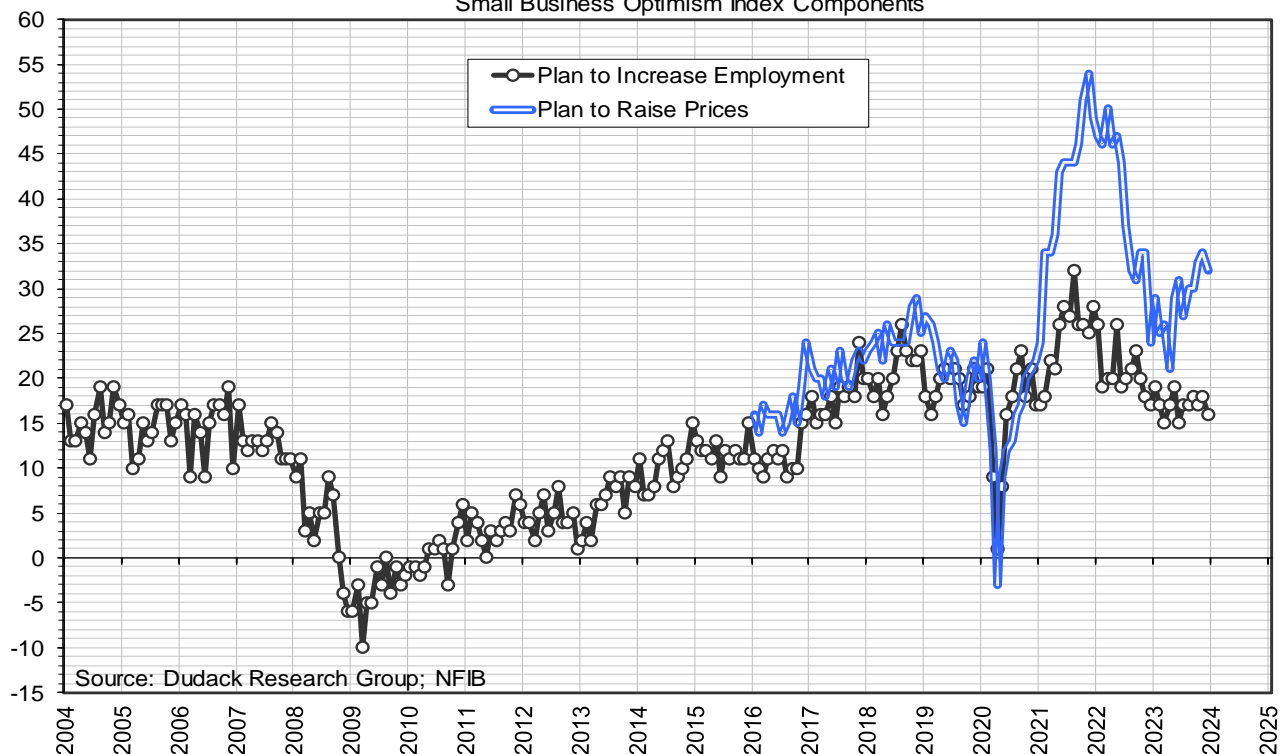
NFIB Small Business Optimism Index

National Federation of Independent Business

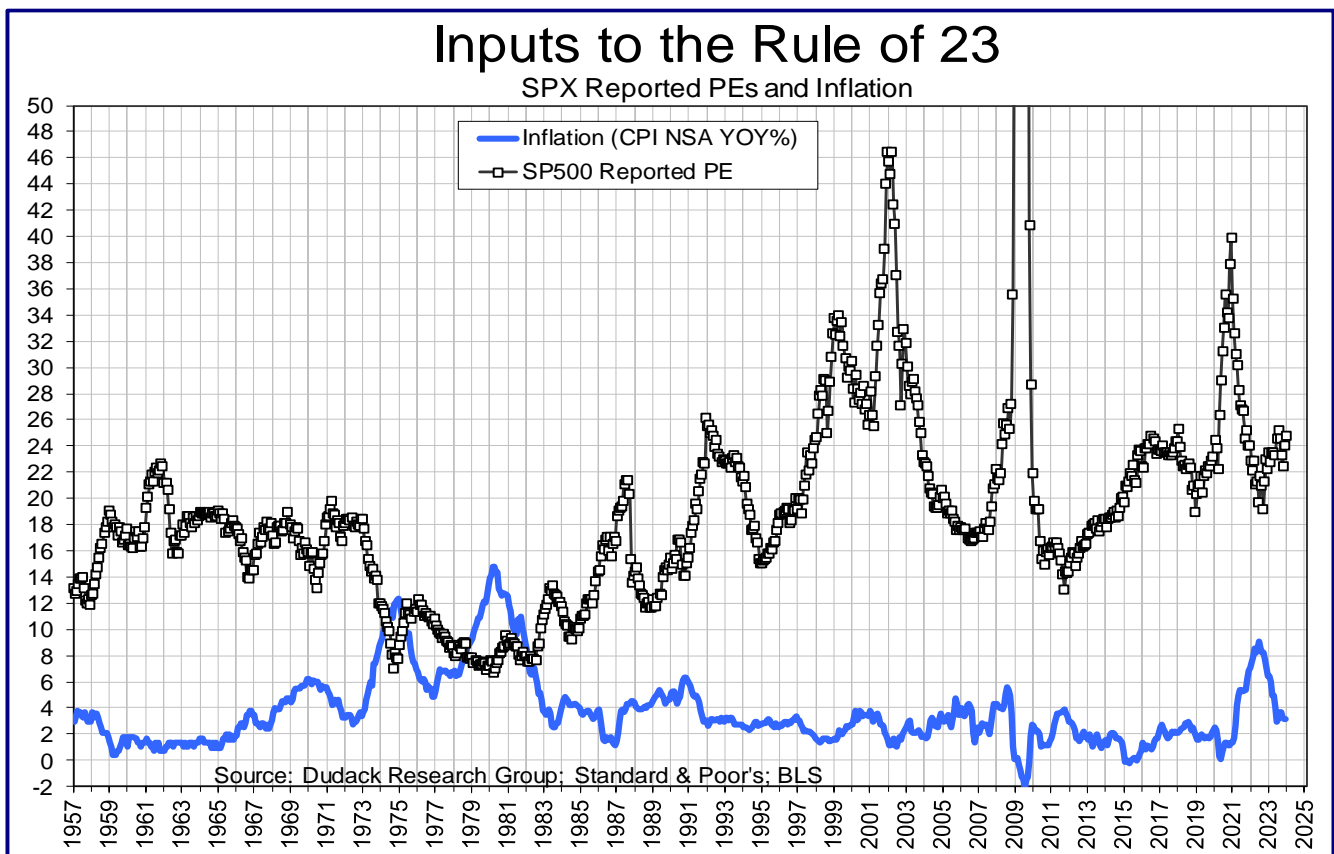
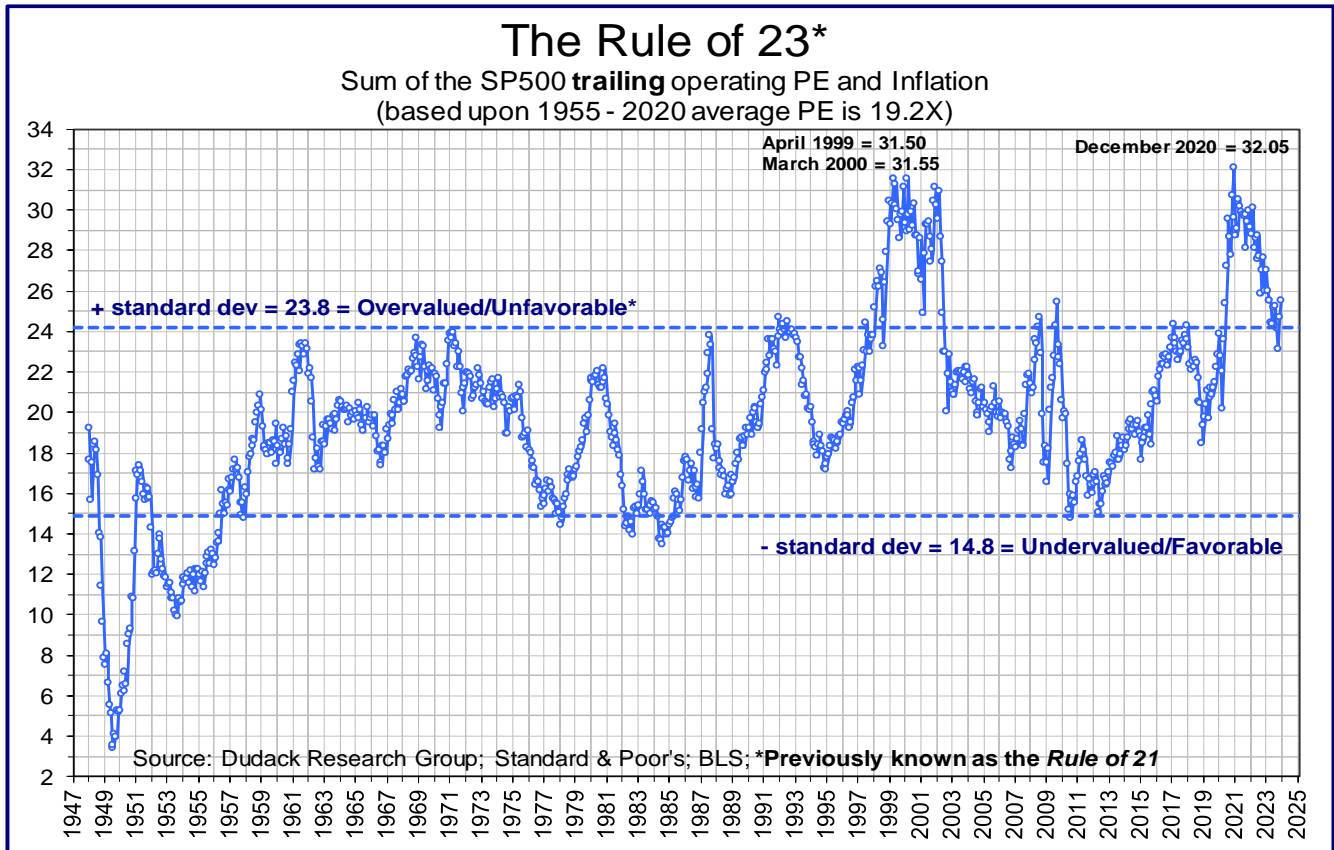


NFIB Survey: Jobs & Prices

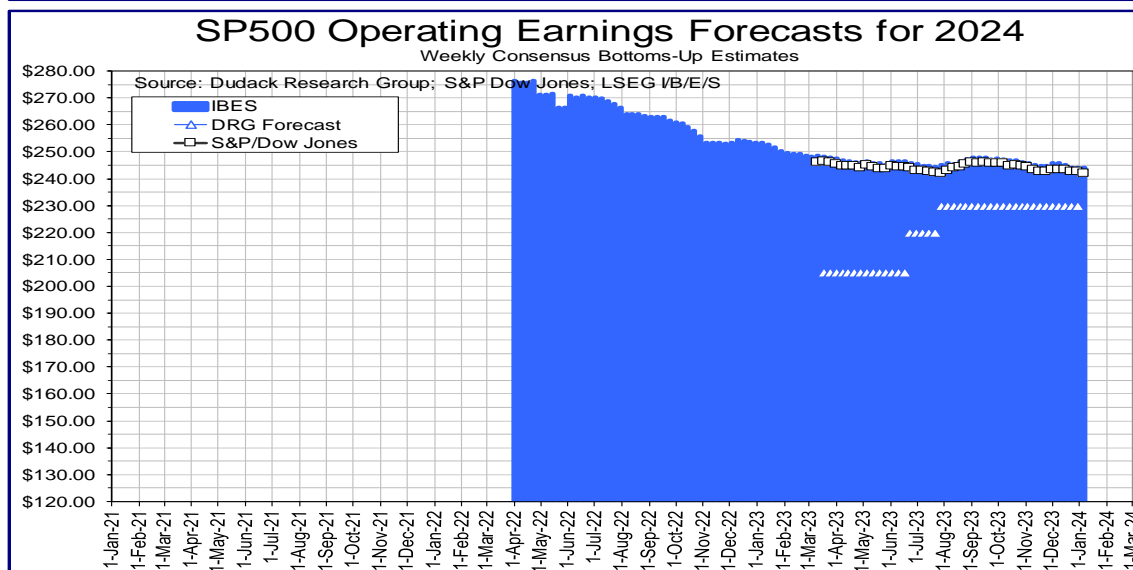
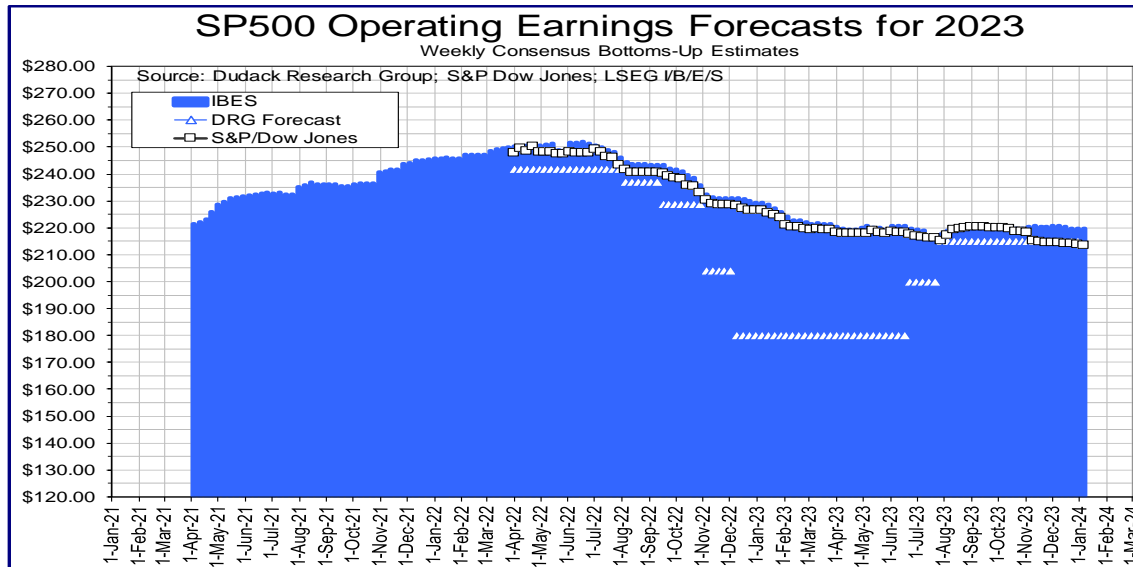
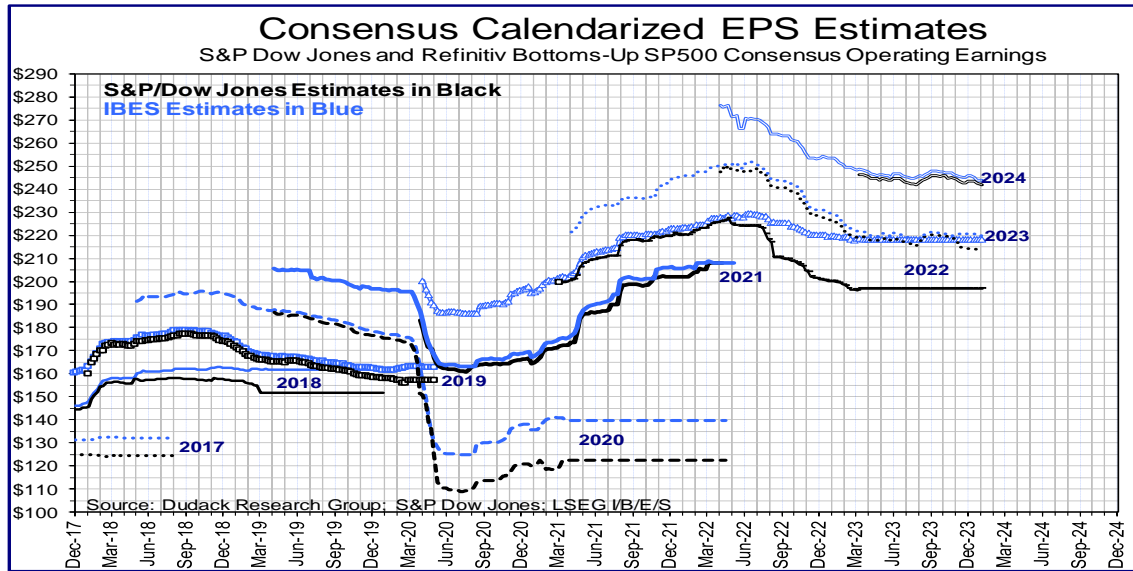
Small Business Optimism Index Components



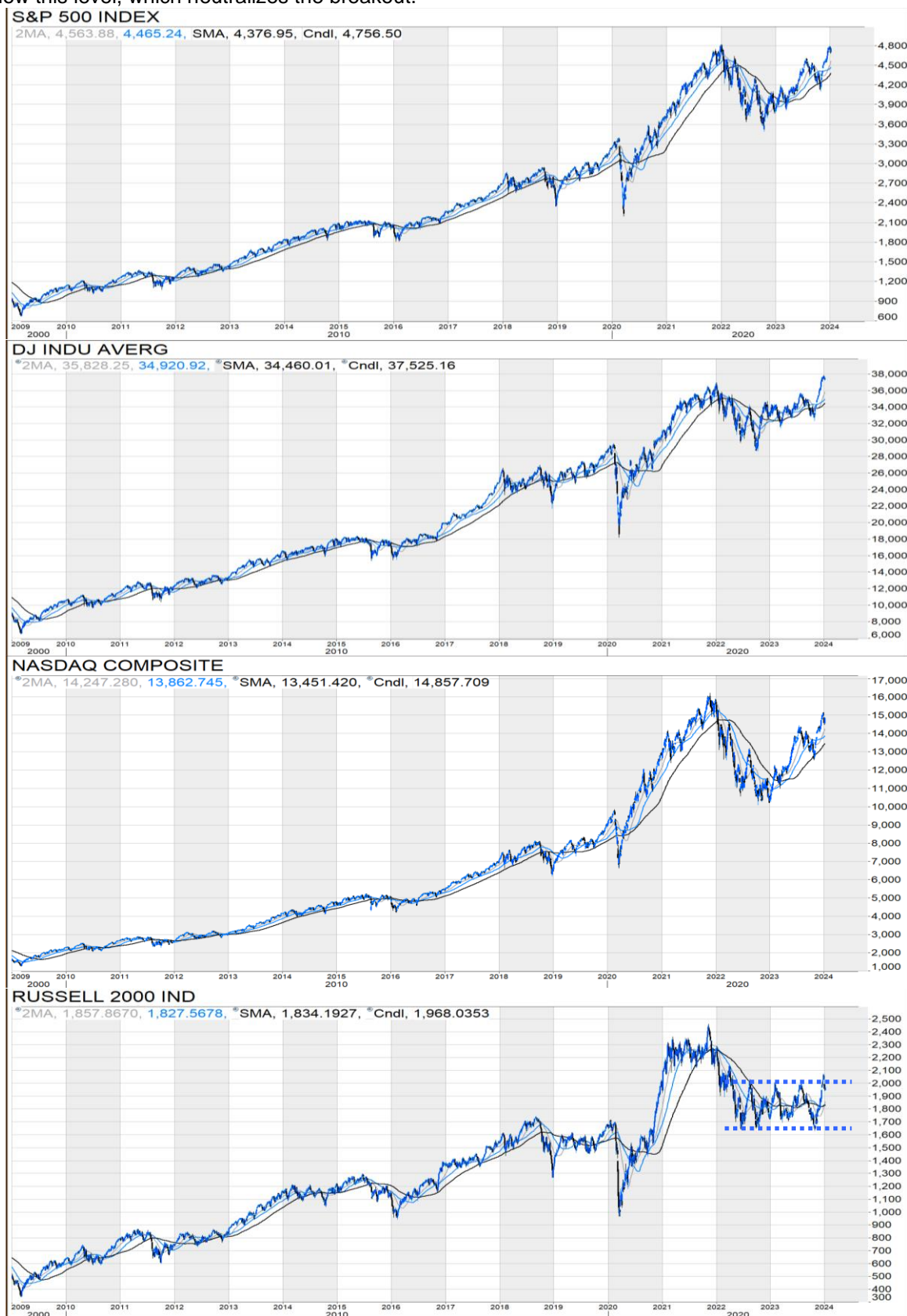
There are many ways to measure valuation, but all of them show the market to be richly valued today. The current trailing PE is 22.3 times and the S&P PE based on 2024 earnings estimates is 19.67 times. Even with inflation at 3.2%, when coupled with the trailing PE of 22.3, the sum of 25.5 is well above 23.8, denoting an overvalued market.



S&P Dow Jones consensus estimates for 2023 and 2024 are \$213.55 and \$241.93, down \$0.29, and \$0.52, respectively. LSEG IBES estimates for 2023 and 2024 were last published on December 22 and were \$219.67 and \$243.98, down \$0.93, and \$1.23, respectively, from a week earlier. Based upon the IBES EPS estimate of \$243.98 for this year, equities remain overvalued with a PE of 19.5 times and inflation of 3.2%. This sum of 22.7 is just below the 23.8 level that defines an overvalued equity market. Note: based upon the S&P estimate of \$241.93, the 2024 PE is 19.7 times.



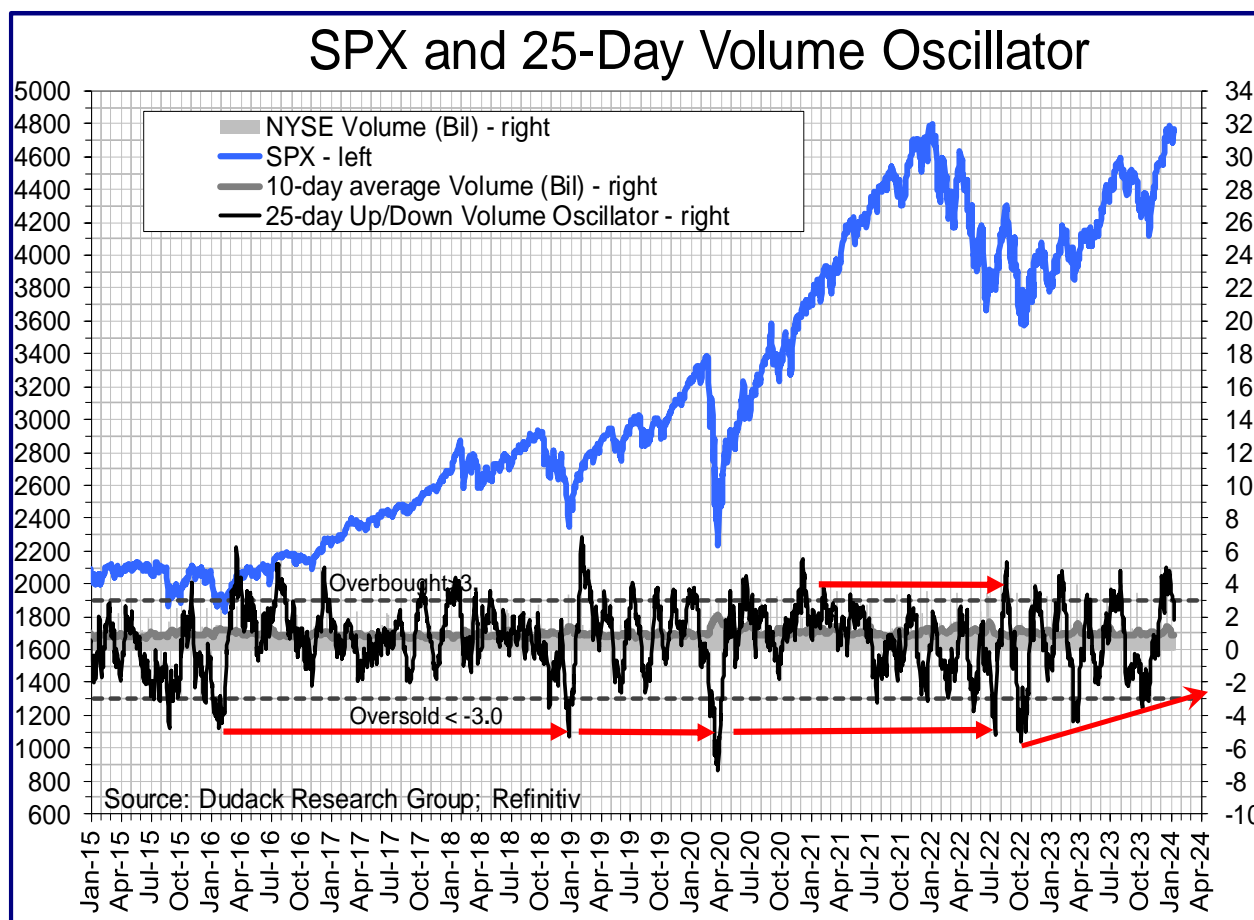
The breakouts in all four of these popular indices are perpendicular and dramatic, but only the DJ Industrials have moved to an all-time high. The SPX is most interesting at this juncture since it has been only fractionally away from a new record but is yet to better the January 3, 2022 high of 4796.56. The Russell 2000, after beating the key 2000 resistance, has now dropped below this level, which neutralizes the breakout.



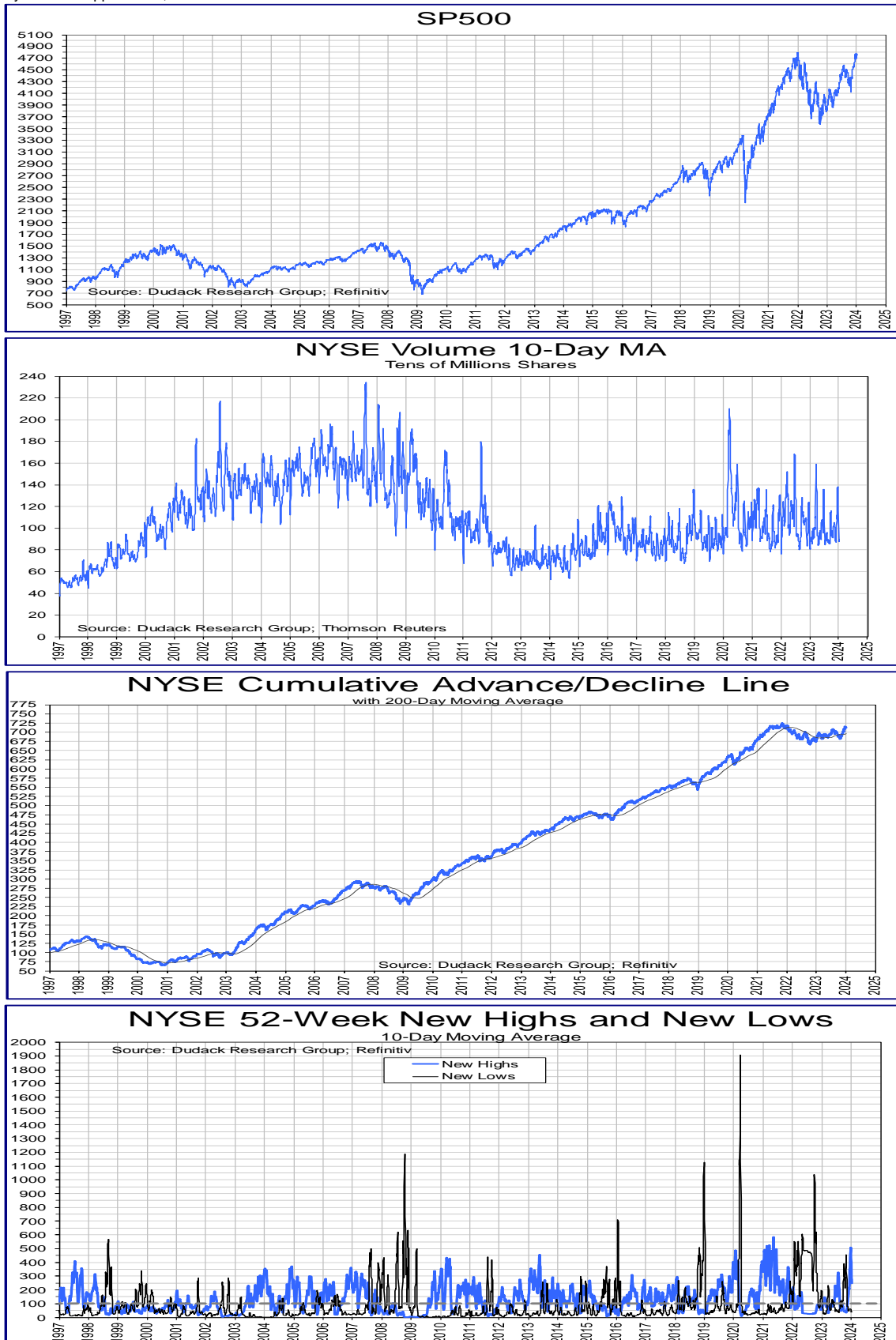
Source: Refinitiv

The 25-day up/down volume oscillator is at 1.76 and neutral this week after being in overbought territory of 3.0 or higher for 22 of the 25 consecutive trading days ending January 5. To confirm the recent advance this indicator needed to remain in overbought territory for a minimum of five consecutive trading sessions, which means that the oscillator has confirmed the recent uptrend as “significant.”

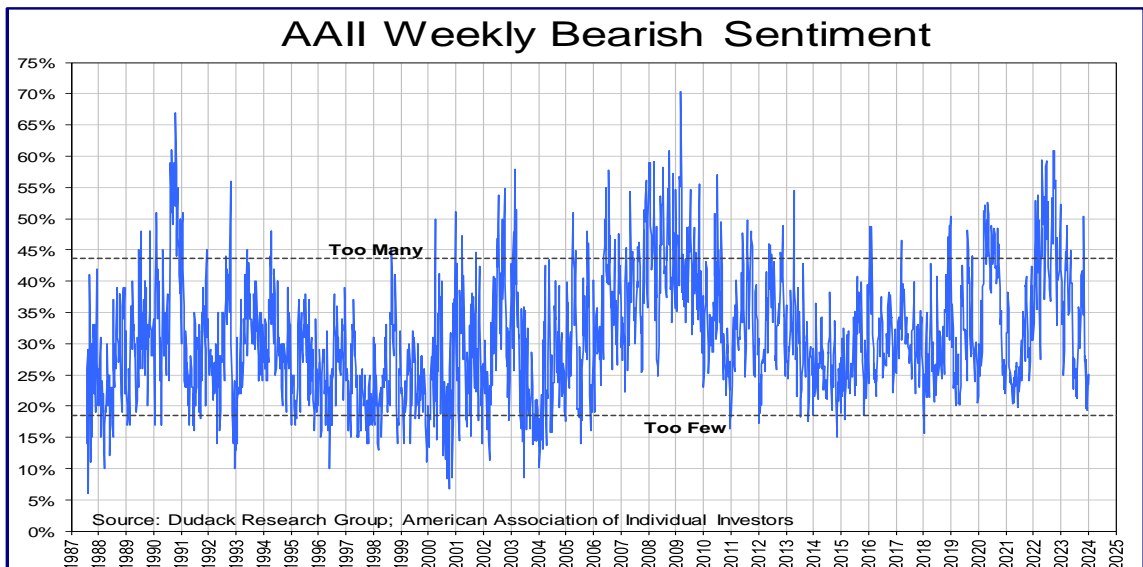
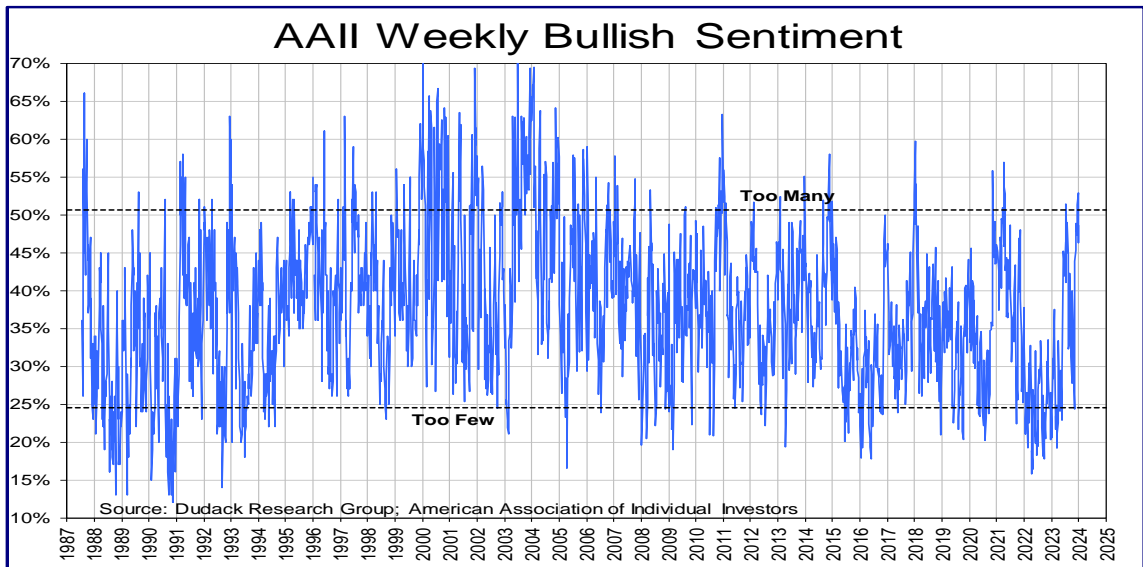
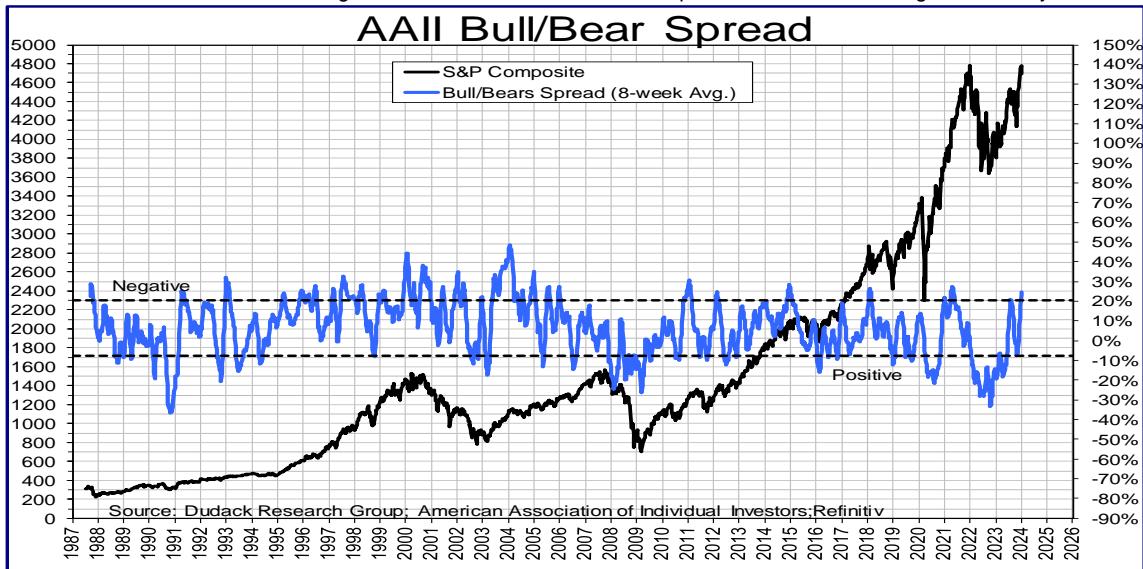
The current 22-day overbought reading is far better than the 11-day reading seen between January 25, 2022 and February 8, 2022. The only missing ingredient to the current strength of this indicator is an overbought reading in excess of 5.0. Extreme overbought readings of 5.0 or more are often seen at the start of a new bull market cycle. However, this is not a requirement for a substantial advance. What will be important in coming months is that any pullback ends as this indicator approaches an oversold reading. Oversold readings in a bull market tend to be brief or nonexistent.



The 10-day average of daily new highs is 247 and new lows are 43. This combination reversed recently when new highs rose above 100 and new lows fell below 100, which is a positive combination. 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 dropped to 12,045 issues.



Last week's AII readings showed a 2.3% increase in bullishness to 48.6%, and a 1.6% decrease in bearishness to 23.5%. Bullish sentiment remains above average, and bearishness is below average for the 9th consecutive week. On December 13, bearishness was 19.6%, its lowest level since January 3, 2018 level of 15.6%, and bullishness was also high at 51.3%. The 8-week bull/bear spread is 24.6% and in negative territory.



GLOBAL MARKETS AND COMMODITIES - RANKED BY 20-DAY TRADING PERFORMANCE

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
iShares Nasdaq Biotechnology ETF	IBB.O	138.94	0.6%	12.2%	2.3%	2.3%
SPDR Homebuilders ETF	XHB	94.05	-0.5%	6.3%	-1.7%	-1.7%
Health Care Select Sect SPDR	XLV	140.33	1.1%	6.3%	2.9%	2.9%
SPDR S&P Bank ETF	KBE	45.55	-1.4%	5.5%	-1.0%	-1.0%
iShares Russell 2000 Growth ETF	IWO	245.54	-1.7%	5.0%	-2.6%	-2.6%
iShares US Real Estate ETF	IYR	90.32	-2.1%	4.7%	-1.2%	-1.2%
Financial Select Sector SPDR	XLF	37.75	0.0%	4.5%	0.4%	0.4%
SPDR S&P Retail ETF	XRT	70.02	-3.1%	4.4%	-3.2%	-3.2%
iShares Russell 2000 ETF	IWM	194.97	-2.3%	4.4%	-2.9%	-2.9%
SPDR S&P Semiconductor ETF	XSD	214.62	-1.6%	4.3%	-4.5%	-4.5%
iShares US Telecomm ETF	IYZ	22.89	0.2%	4.2%	0.6%	0.6%
iShares MSCI Australia ETF	EWA	23.72	-1.8%	3.9%	-2.5%	-2.5%
iShares Russell 1000 Value ETF	IWD	164.81	-0.6%	3.8%	-0.3%	-0.3%
Consumer Staples Select Sector SPDR	XLP	72.73	-0.2%	3.7%	1.0%	1.0%
NASDAQ 100	NDX	16678.70	0.8%	3.7%	-0.9%	-0.9%
iShares MSCI Canada ETF	EWC	36.35	0.1%	3.7%	-0.9%	-0.9%
iShares Russell 2000 Value ETF	IWN	150.40	-2.8%	3.7%	-3.2%	-3.2%
Communication Services Select Sector SPDR Fund	XLC	73.01	1.1%	3.6%	0.5%	0.5%
DJIA	.DJI	37525.16	-0.5%	3.5%	-0.4%	-0.4%
SPDR DJIA ETF	DIA	375.18	-0.5%	3.3%	-0.4%	-0.4%
SP500	.SPX	4756.50	0.3%	3.3%	-0.3%	-0.3%
iShares MSCI India ETF	INDA.K	48.85	0.4%	3.3%	0.1%	0.1%
iShares Russell 1000 ETF	IWB	261.30	0.2%	3.2%	-0.4%	-0.4%
Nasdaq Composite Index Tracking Stock	ONEQ.O	58.57	0.7%	3.0%	-1.1%	-1.1%
iShares MSCI Malaysia ETF	EWM	21.57	2.4%	2.7%	1.5%	1.5%
Industrial Select Sector SPDR	XLI	111.81	-0.9%	2.6%	-1.9%	-1.9%
iShares Russell 1000 Growth ETF	IWF	301.67	1.0%	2.6%	-0.5%	-0.5%
iShares 20+ Year Treas Bond ETF	TLT	96.62	-1.7%	2.2%	-2.3%	-2.3%
Materials Select Sector SPDR	XLB	83.73	-1.9%	2.2%	-2.1%	-2.1%
iShares iBoxx \$ Invest Grade Corp Bond	LQD	109.68	-0.2%	2.2%	-0.9%	-0.9%
PowerShares Water Resources Portfolio	PHO	58.92	-2.4%	2.1%	-3.2%	-3.2%
iShares MSCI Japan ETF	EWJ	64.07	0.8%	2.1%	-0.1%	-0.1%
iShares MSCI Mexico Capped ETF	EWX	65.24	-2.9%	2.0%	-3.8%	-3.8%
Utilities Select Sector SPDR	XLU	64.47	0.3%	1.7%	1.8%	1.8%
iShares MSCI EAFE ETF	EFA	74.29	-0.3%	1.6%	-1.4%	-1.4%
Oil Future	CLc1	72.24	2.6%	1.4%	0.8%	0.8%
iShares MSCI Austria Capped ETF	EWO	21.40	0.5%	1.4%	-1.0%	-1.0%
United States Oil Fund, LP	USO	67.39	2.5%	1.3%	1.1%	1.1%
Technology Select Sector SPDR	XLK	189.04	0.9%	1.3%	-1.8%	-1.8%
SPDR Gold Trust	GLD	187.93	-1.5%	1.2%	-1.7%	-1.7%
Vanguard FTSE All-World ex-US ETF	VEU	55.16	-0.6%	1.2%	-1.7%	-1.7%
Consumer Discretionary Select Sector SPDR	XLY	174.91	-1.3%	1.0%	-2.2%	-2.2%
Gold Future	GCc1	2730.10	0.2%	0.8%	0.2%	0.2%
iShares MSCI United Kingdom ETF	EWU	32.80	0.2%	0.7%	-0.8%	-0.8%
iShares MSCI Brazil Capped ETF	EWZ	34.04	-1.0%	0.6%	-2.6%	-2.6%
iShares MSCI Germany ETF	EWG	29.16	-0.6%	0.6%	-1.8%	-1.8%
Energy Select Sector SPDR	XLE	82.36	-2.8%	0.2%	-1.8%	-1.8%
iShares MSCI Emerg Mkts ETF	EEM	38.99	-1.9%	-0.1%	-3.0%	-3.0%
iShares MSCI Singapore ETF	EWS	18.14	-1.3%	-0.3%	-3.0%	-3.0%
Silver Future	SLc1	22.90	-3.5%	-0.3%	-4.0%	-4.0%
iShares Silver Trust	SLV	21.98	-2.9%	-0.3%	-3.5%	-3.5%
iShares MSCI Hong Kong ETF	EWH	16.36	-3.4%	-0.6%	-5.8%	-5.8%
iShares MSCI South Korea Capped ETF	EWY	61.78	-4.6%	-0.6%	-5.7%	-5.7%
iShares MSCI BRIC ETF	BKF	33.14	-1.7%	-0.7%	-3.1%	-3.1%
iShares DJ US Oil Eqpt & Services ETF	IEZ	20.50	-5.7%	-0.9%	-6.5%	-6.5%
Shanghai Composite	.SSEC	2893.25	-2.3%	-2.6%	-2.7%	-2.7%
iShares China Large Cap ETF	FXI	22.48	-3.3%	-5.1%	-6.5%	-6.5%
iShares MSCI Taiwan ETF	EWT	44.14	-1.8%	-9.1%	-4.1%	-4.1%

Outperformed SP500

Underperformed SP500

Source: Dudack Research Group; Refinitiv

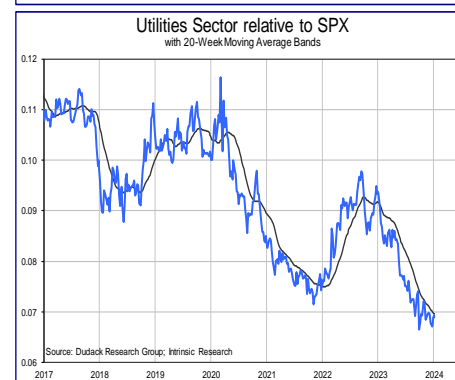
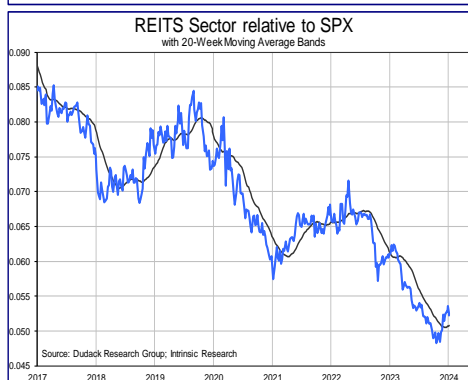
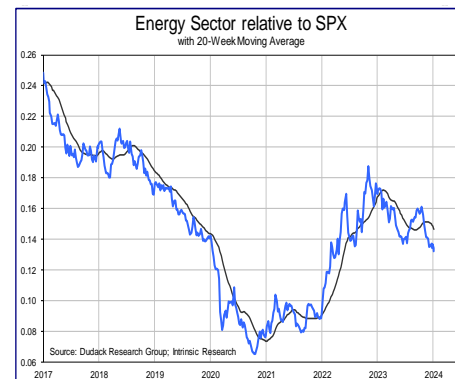
Priced as of January 9, 2024

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

DRG Recommended Sector Weights

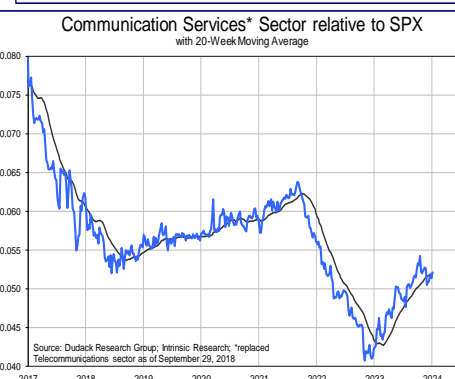
Overweight		Neutral		Underweight
Consumer Discretionary		Healthcare		Energy
Industrials		Technology		Staples
Materials		REITS		Utilities
Financials				Communication Services

12/20/2023: Upgraded Consumer Discretionary from U to O; Materials and Financials from N to O; REITS from U to N; Downgraded Energy, Staples, and Utilities from O to D.



2024 Performance - Ranked	
SP500 Sector	% Change
S&P HEALTH CARE	3.0%
S&P UTILITIES	1.8%
S&P CONSUMER STAPLES	1.0%
S&P COMMUNICATIONS SERVICES	0.7%
S&P FINANCIAL	0.2%
S&P 500	-0.3%
S&P INFORMATION TECH	-1.2%
S&P REITS	-1.2%
S&P ENERGY	-1.7%
S&P INDUSTRIALS	-1.8%
S&P CONSUMER DISCRETIONARY	-1.9%
S&P MATERIALS	-2.1%

Source: Dudack Research Group; Refinitiv; Monday closes



US Asset Allocation

	Benchmark	DRG %	Recommendation
Equities	60%	55%	Neutral
Treasury Bonds	30%	20%	Underweight
Cash	10%	25%	Overweight
	100%	100%	

Source: Dudack Research Group; raised cash and lowered equity 15% on December 21, 2022

DRG Earnings and Economic Forecasts

	S&P 500 Price	S&P Dow Jones Reported EPS**	S&P Dow Jones Operating EPS**	DRG Operating EPS Forecast	DRG EPS YOY %	IBES Consensus Bottom-Up \$ EPS**	Refinitiv Consensus Bottom-Up EPS YOY%	S&P Op PE Ratio	S&P Divd Yield	GDP Annual Rate	GDP Profits post-tax w/ IVA & CC	YOY %
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	\$113.02	\$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%	\$117.46	-0.5%	20.3X	2.1%	2.7%	\$1,664.20	-2.9%
2016	2238.83	\$94.55	\$106.26	\$106.26	-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	\$94.55	\$157.12	\$157.12	3.6%	\$162.93	0.6%	20.6X	1.8%	2.3%	\$2,065.60	2.1%
2020	3756.07	\$109.88	\$122.38	\$122.38	-22.1%	\$139.72	-14.2%	30.7X	1.6%	-2.8%	\$1,968.10	-4.7%
2021	4766.18	\$132.39	\$208.17	\$208.17	70.1%	\$208.12	49.0%	22.9X	1.3%	5.9%	\$2,382.80	21.1%
2022	3839.50	\$139.47	\$196.95	\$196.95	-5.4%	\$218.09	4.8%	19.5X	1.4%	2.1%	\$2,478.80	4.0%
2023E	4769.83	\$94.14	\$213.55	\$213.00	8.1%	\$219.67	0.7%	22.3X	NA	NA	NA	NA
2024E	~~~~~	\$197.87	\$241.93	\$234.00	9.9%	\$243.98	11.1%	19.7X	NA	NA	NA	NA
2025E	~~~~~	\$172.75	NA	\$255.00	9.0%	\$274.59	12.5%	NA	NA	NA	NA	NA
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 1Q	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 2Q	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	\$47.65	\$52.25	\$52.27	3.8%	\$58.40	4.2%	20.4	1.6%	4.9%	\$2,697.90	-2.1%
2023 4QE	4769.83	\$48.26	\$53.92	\$53.35	5.9%	\$54.69	2.9%	22.3	1.5%	NA	NA	NA
2024 1QE*	4756.50	\$50.07	\$55.79	\$56.88	8.3%	\$56.31	6.1%	21.9	1.5%	NA	NA	NA
2024 2QE	~~~~~	\$52.59	\$59.48	\$56.12	2.3%	\$59.98	10.5%	21.5	NA	NA	NA	NA
2024 3QE	~~~~~	\$57.05	\$63.03	\$60.50	15.7%	\$63.62	8.9%	20.5	NA	NA	NA	NA
2024 4QE	~~~~~	\$57.36	\$63.63	\$60.50	13.4%	\$64.33	17.6%	19.7	NA	NA	NA	NA

Source: DRG; S&P Dow Jones **quarterly EPS may not sum to official CY estimates; LSEG IBES Consensus estimates

*1/9/2024

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.

IMPORTANT DISCLOSURES**RATINGS DEFINITIONS:****Sectors/Industries:**

“Overweight”: Overweight relative to S&P Index weighting

“Neutral”: Neutral relative to S&P Index weighting

“Underweight”: Underweight relative to S&P Index weighting

Other Disclosures

This report has been written without regard for the specific investment objectives, financial situation, or particular needs of any specific recipient, and should not be regarded by recipients as a substitute for the exercise of their own judgment. The report is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell securities or related financial instruments. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. The report is based on information obtained from sources believed to be reliable, but is not guaranteed to be accurate, nor is it a complete statement or summary of the securities, markets or developments referred to in the report. Any opinions expressed in this report are subject to change without notice and the Dudack Research Group division of Wellington Shields & Co. LLC. (DRG/Wellington) is under no obligation to update or keep current the information contained herein. Options, derivative products, and futures are not suitable for all investors, and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results, and yield from securities, if any, may fluctuate as a security's price or value changes. Accordingly, an investor may receive back less than originally invested. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report.

DRG/Wellington relies on information barriers, such as “Chinese Walls,” to control the flow of information from one or more areas of DRG/Wellington into other areas, units, divisions, groups, or affiliates. DRG/Wellington accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this report.

The content of this report is aimed solely at institutional investors and investment professionals. To the extent communicated in the U.K., this report is intended for distribution only to (and is directed only at) investment professionals and high net worth companies and other businesses of the type set out in Articles 19 and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001. This report is not directed at any other U.K. persons and should not be acted upon by any other U.K. person. Moreover, the content of this report has not been approved by an authorized person in accordance with the rules of the U.K. Financial Services Authority, approval of which is required (unless an exemption applies) by Section 21 of the Financial Services and Markets Act 2000.

Additional information will be made available upon request.

©2024. All rights reserved. No part of this report may be reproduced or distributed in any manner without the written permission of Dudack Research Group division of Wellington Shields & Co. LLC. The Company specifically prohibits the re-distribution of this report, via the internet or otherwise, and accepts no liability whatsoever for the actions of third parties in this respect.

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