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
April 17, 2024

DJIA: 37798.97
SPX: 5051.41
NASDAQ: 15865.25

US Strategy Weekly
Inflation Redux

At a policy forum focused on US-Canada economic relations, Federal Reserve Chairman Jerome Powell questioned whether the Fed would be able to lower interest rates this year prior to significant signs of an economic slowdown. This was not a huge shock to the equity market since the Fed futures markets had already signaled that there was little chance of a Fed rate hike before September. The culprit for this shift from multiple fed rate cuts to few if any rate cuts in 2024 was last week's release of March inflation data.

Headline CPI for March rose 3.5% YOY, up from 3.2% YOY in February, and core CPI remained unchanged at 3.8% YOY. In general, March's data reversed a fairly steady deceleration that has been seen in most inflation components since the June 2022 peak. The main exception to this was owners' equivalent rent which did decelerate from 6% YOY to 5.9% YOY. See page 3.

The rebound in headline inflation was a disappointment to those expecting multiple Fed rate cuts this year; however, it was the underlying data that was truly worrisome. All the inflation indices excluding shelter, food, energy, used cars and trucks, and medical care, moved higher in March and service sector inflation accelerated. Prices in the broad service sector (which is 64.1% of the CPI weighting) increased from 5.0% to 5.3%. Hospital & related services prices rose from 6.1% to 7.7%. Tenants' and household insurance rose from 4.1% to 4.6% and motor vehicle insurance rose from 20.6% to 22.2%. Medical care services, where prices were declining for most of the second half of 2023, reversed this trend and were up 2.1% YOY in March. See page 4. We continue to hear some market commentators state that headline inflation would be less than 2% if the housing component was eliminated. In our view, these comments will soon be silenced because inflation has become embedded in the system and is no longer tied to the price of oil or housing.

Nonetheless, oil prices are rising again, and this suggests that headline inflation could continue to rise in the months ahead. It is important to note that in 12 of the 13 months ended in January of this year, the price of crude oil was down on a year-over-year basis, and this was a significant factor in helping to slow headline inflation. For example, WTI was down 3.8% YOY in January 2024 and headline CPI was 3.1% YOY. In February, WTI was up 1.6% YOY and headline CPI rose 3.2% YOY. In March WTI was up 9.9% YOY and headline CPI was up 3.5% YOY. To date, in April, WTI is up 11.2% YOY and we expect headline CPI will also rise in April. What is more important is that energy is one of the few commodities that has the ability to drive prices higher throughout the broad economy. Higher energy costs increase transportation, manufacturing, and service costs, which then get passed down to the consumer (who is already burdened by higher gasoline, electric, and heating bills).

Therefore, it was not surprising to hear Chair Powell temper expectations of rate cuts. In fact, interest rates have clearly been on the rise after the March inflation release.

Warnings from the CBO

Another factor impacting interest rates is the mounting level of federal debt. We agree with those who believe a day of reckoning is ahead for the debt markets. A steady stream of fiscal stimulus packages over the last four years has been both inflationary and a catalyst for higher interest rates. According to Congressional Budget Office (CBO) data, federal debt held by the public is expected to reach a record 107% of GDP in 2029 and reach 166% of GDP by 2054. And according to the CBO (the independent advisor on budgetary and economic issues providing cost estimates for current and proposed legislation), mounting debt will slow economic growth and raise interest rates.

2023 was an important turning point for the federal budget since it marked the year when the annual primary deficit (federal inflows minus outflows) equaled 3.8% of GDP versus interest outlays which represented 2.4% of GDP. According to CBO data, this balance will shift this year and the primary deficit is estimated to equal 2.5% of GDP and interest outlays rise to 3.1% of GDP. CBO forecasts show interest outlays growing to a shockingly high 6.3% of GDP by 2054. See page 5. At present, net interest costs are 13% of current federal outlays and this is estimated to rise to 23% by 2054.

Whether or not the Federal Reserve raises or lowers interest rates will impact deficits since 3-month Treasury bills now represent 14.5% of total federal debt and total Treasury bill issuance represents 25% of total Treasury debt outstanding. This is the highest level since 2009. And though Washington DC is at the center of this spending, inflation, debt, and interest rate spiral and it seems oblivious to it and all its consequences. It must be an election year….

In general, this combination of high interest rates, growing deficits, and interest payments on federal debt exceeding the primary deficit is reminiscent of the 1980-1990 decade when the combination of high debt levels and high inflation led to a series of rolling recessions.

Technical and Earnings Update

Charts of gold, silver, gasoline, and WTI crude oil are all technically strong. See page 7. Gold and silver may be breaking out of major base patterns due to concern of war escalating in Europe and the Middle East, which in turn impacts the price of oil and most commodities. But regardless of the reason, these four commodity charts are bullish, and that has inflationary implications.

Conversely, all four of the popular equity indices are trading below their 50-day moving averages this week and the DJIA and Russell 2000 are also trading below their 100-day moving averages. Given the huge advance seen from the October low, this appear to be a normal correction; however, the Russell 2000, which never got close to making a new record high, has fallen back into its long-term trading range of 1650 to 2000. See page 10.

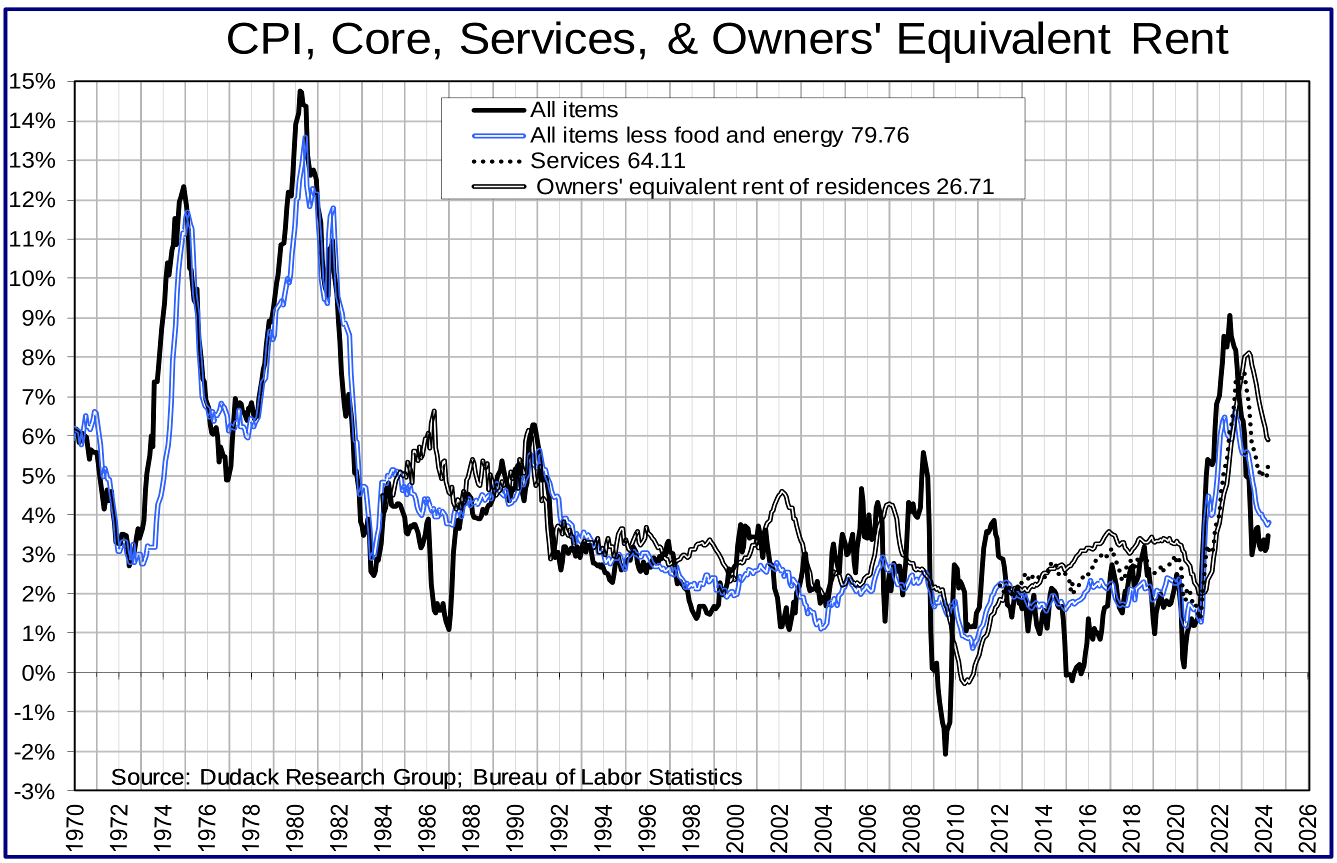
The NYSE 25-day up/down volume oscillator is at negative 1.15 this week and neutral after recording a 90% down day on April 12. The prior 90% day was also a down day made on February 13, 2024. This oscillator reached overbought territory for two consecutive days on March 13 and 14 and March 20 and 21 and for three consecutive trading days on March 27, March 28, and April 1. These overbought readings followed the string in early January when the oscillator recorded readings of 3.0 or higher for 22 of 25 consecutive trading days ending January 5. Since a minimum of five consecutive trading days in overbought is required to confirm a new high, this means that, since early January, this indicator has not confirmed the new highs in the averages made in January, February, and March. See page 11.

The S&P Dow Jones consensus estimate for calendar 2024 is $240.93, up $0.26, and the LSEG IBES estimate for 2024 is $243.04, up $0.01. Based upon the IBES EPS estimate for calendar 2024, equities remain overvalued with a PE of 20.8 times and inflation of 3.5%. This sum of 24.3 is above the 23.8 level that defines an overvalued equity market. The LSEG IBES earnings growth estimate for the current first quarter earnings season declined from 5% YOY to 2.7% YOY this week. Growth for calendar 2024 fell from 9.9% YOY to 9.2% YOY. We remain cautious.

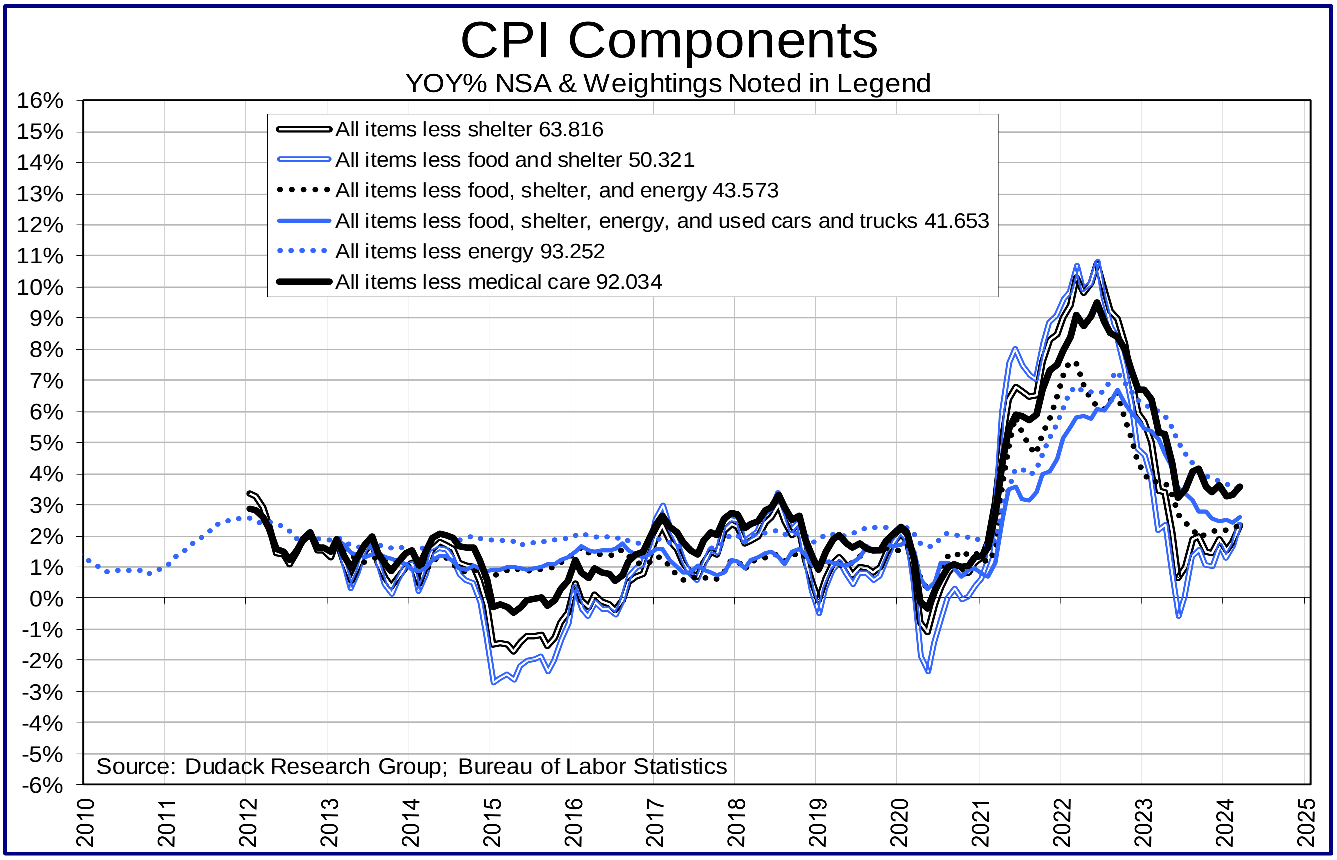
Headline CPI for March rose 3.5% YOY, up from 3.2% YOY in February, while core CPI was unchanged at 3.8% YOY. March's data reversed the fairly steady deceleration seen in most inflation components since the June 2022 peak. The one exception was owners' equivalent rent which did slow from 6% YOY to 5.9% YOY.

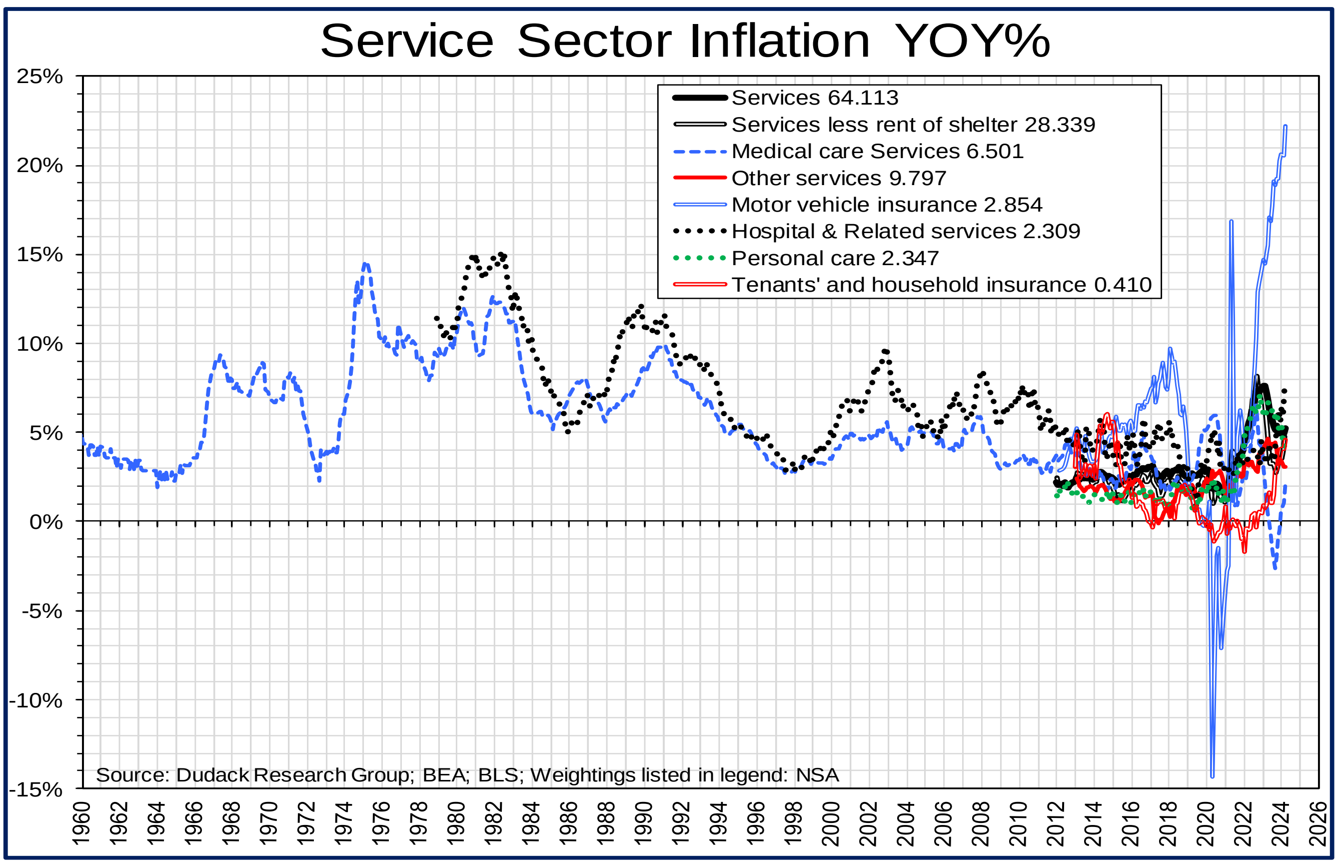
CPI Components Heavy Weights - Not Seasonally Adjusted	Component Weight*	Fuel Weight	Price Chg YOY%	Price Chg MOM%
Housing	**45.1%**	**4.4%**	**4.7%**	**0.5%**
Owners' equivalent rent of residences	**26.7%**		*5.9%*	0.4%
Fuels and utilities	**4.4%**		**3.3%**	**0.0%**
Transportation	**15.9%**	**2.3%**	**4.0%**	**2.2%**
Food and beverages	**14.3%**		**2.2%**	**-0.1%**
Food at home	**8.1%**		*1.2%*	0.0%
Food away from home	**5.4%**		*4.2%*	0.3%
Alcoholic beverages	**0.8%**		*2.4%*	0.0%
Medical care	**8.0%**		**2.2%**	**0.5%**
Education and communication	**5.9%**		**0.2%**	**-0.1%**
Recreation	**5.3%**		**1.8%**	**-0.1%**
Apparel	**2.6%**		**0.4%**	**1.3%**
Other goods and services	**2.9%**		**4.7%**	**0.5%**
Special groups:				
Energy	6.7%		2.1%	3.1%
All items less food and energy	79.8%		3.8%	0.5%
All items	**100.0%**		**3.5%**	**0.6%**

Source: Dudack Research Group; BLS; *Feb.2024 w eightings; Italics=sub-component; blue>headline

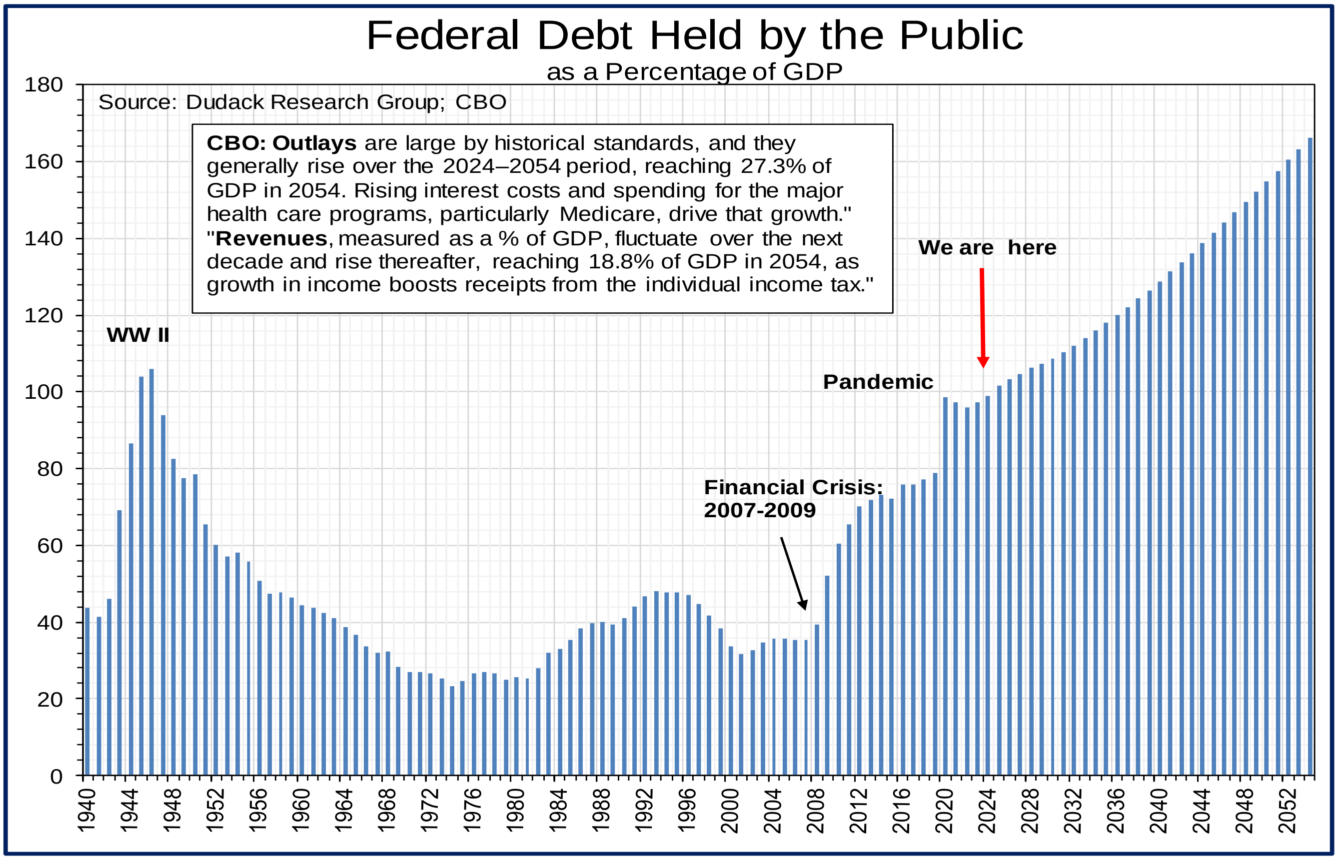


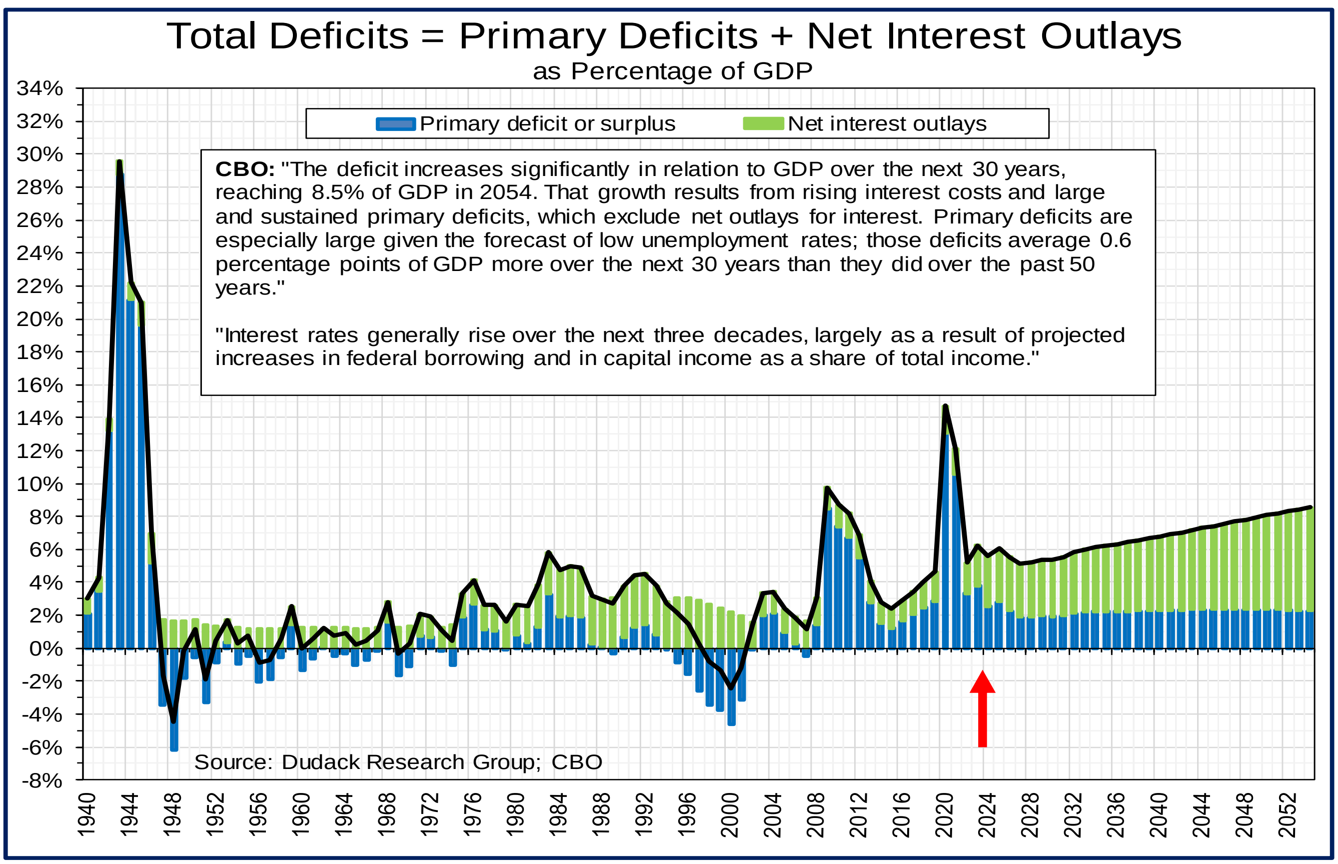
The rebound in headline inflation was a disappointment to those expecting multiple Fed rate cuts this year and the underlying data was worrisome. Inflation indices excluding shelter, food, energy, used cars and trucks, and medical care, all moved higher in March and service sector inflation is soaring. Hospital & related services was up 7.7% in March. Tenants' and household insurance rose 4.6% and motor vehicle insurance rose 22.2%. Medical care services, where prices were declining, reversed this trend to up 2.1% YOY in March.



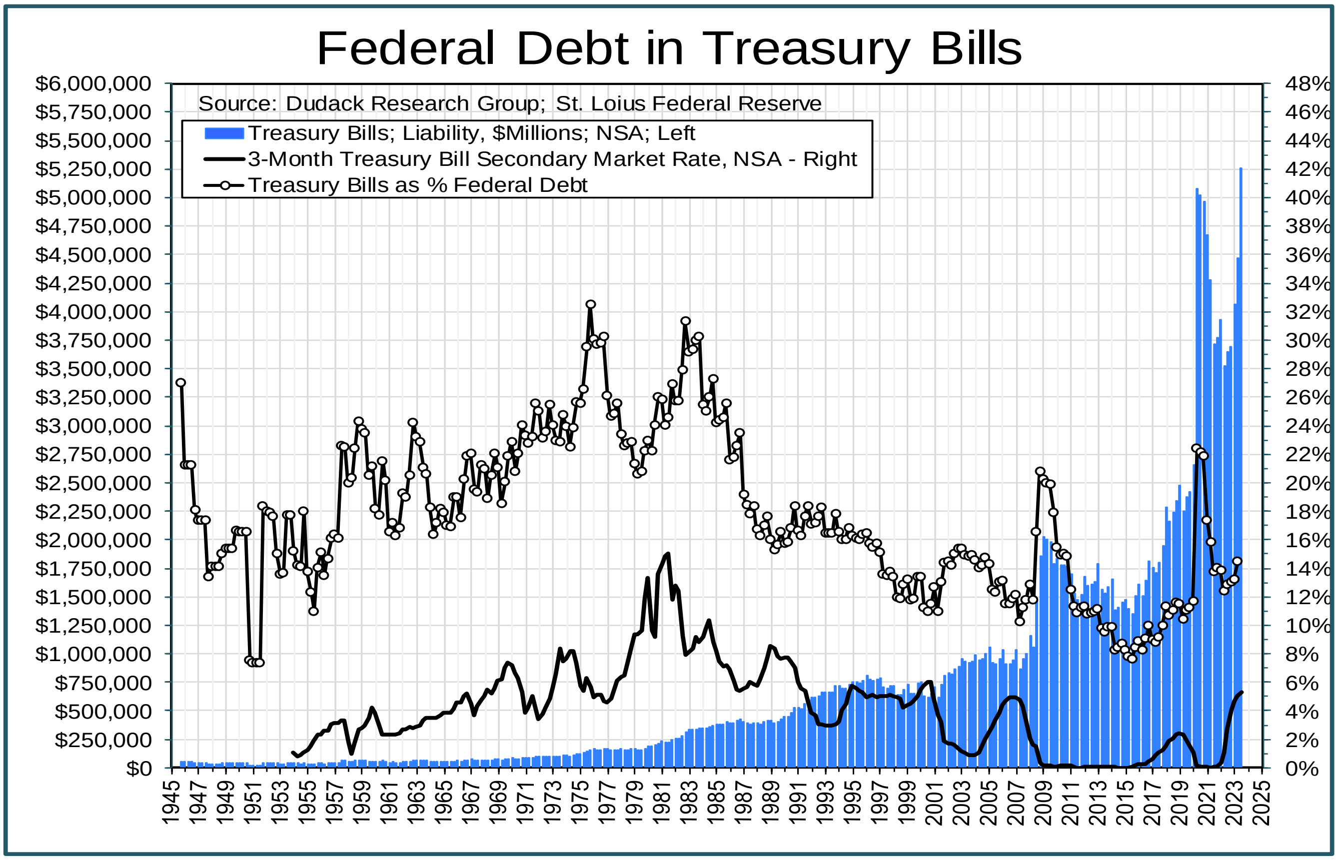


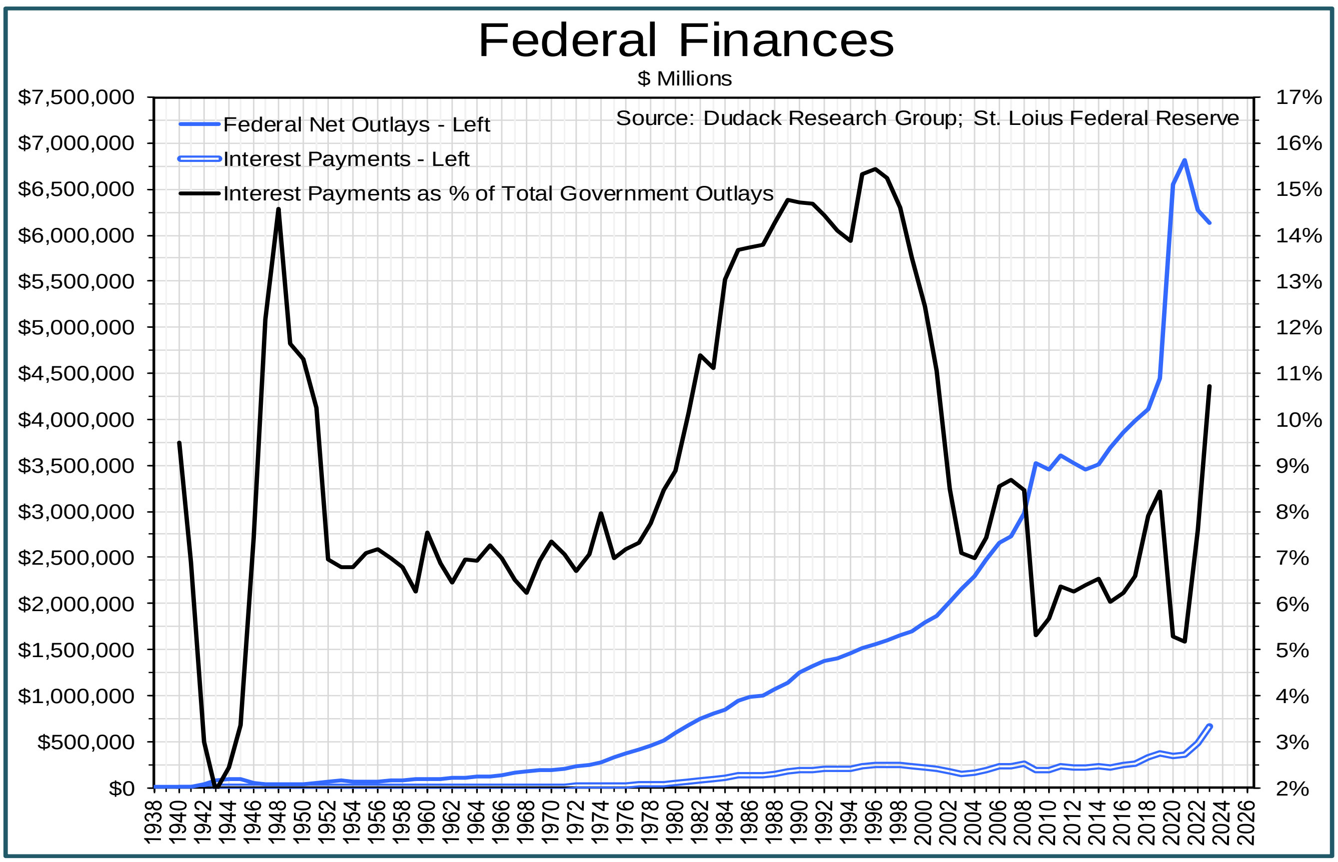
Another factor impacting interest rates is mounting federal debt. Federal debt held by the public is expected to reach a record 107% of GDP in 2029 and reach 166% of GDP by 2054. Mounting debt will slow economic growth and raise interest rates, according to the CBO. 2023 marked a turning point when the annual primary deficit equaled 3.8% of GDP versus interest outlays of 2.4%. In 2024 this shifts to 2.5% versus 3.1%, and thereafter, interest outlays grow to a forecasted 6.3% of GDP by 2054. Net interest costs account for 13% of current federal outlays and are expected to rise to 23% by 2054.





Monetary policy impacts the federal deficit, particularly since 3-month Treasury bills now represent 14.5% of total federal debt and all Treasury bills represent 25% of total Treasury debt outstanding, the highest since 2009. The combination of high interest rates, growing deficits, and interest payments on federal debt exceeding the primary deficit (inflows minus outflows) is reminiscent of the 1980-1990 decade when the combination of high debt levels and high inflation led to a series of rolling recessions.

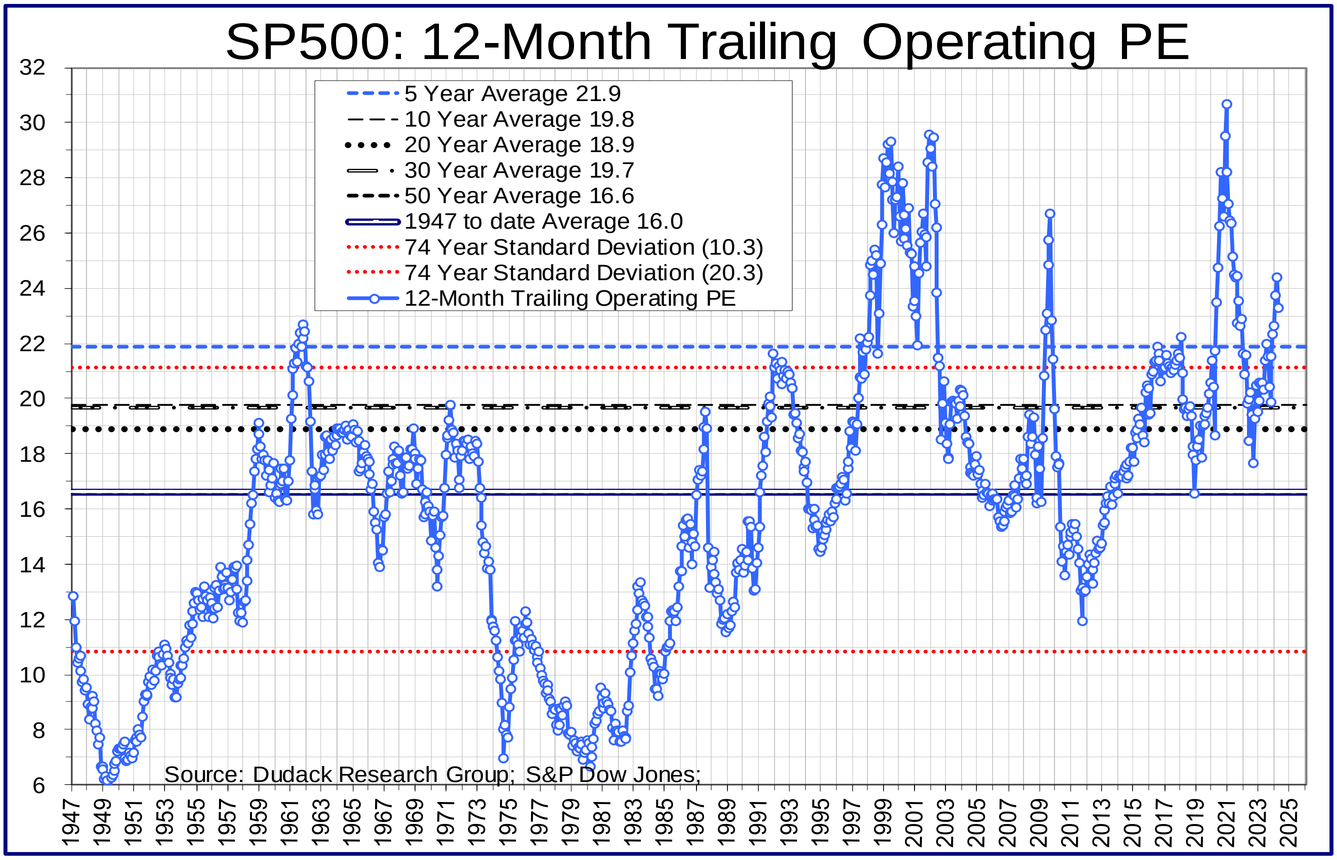


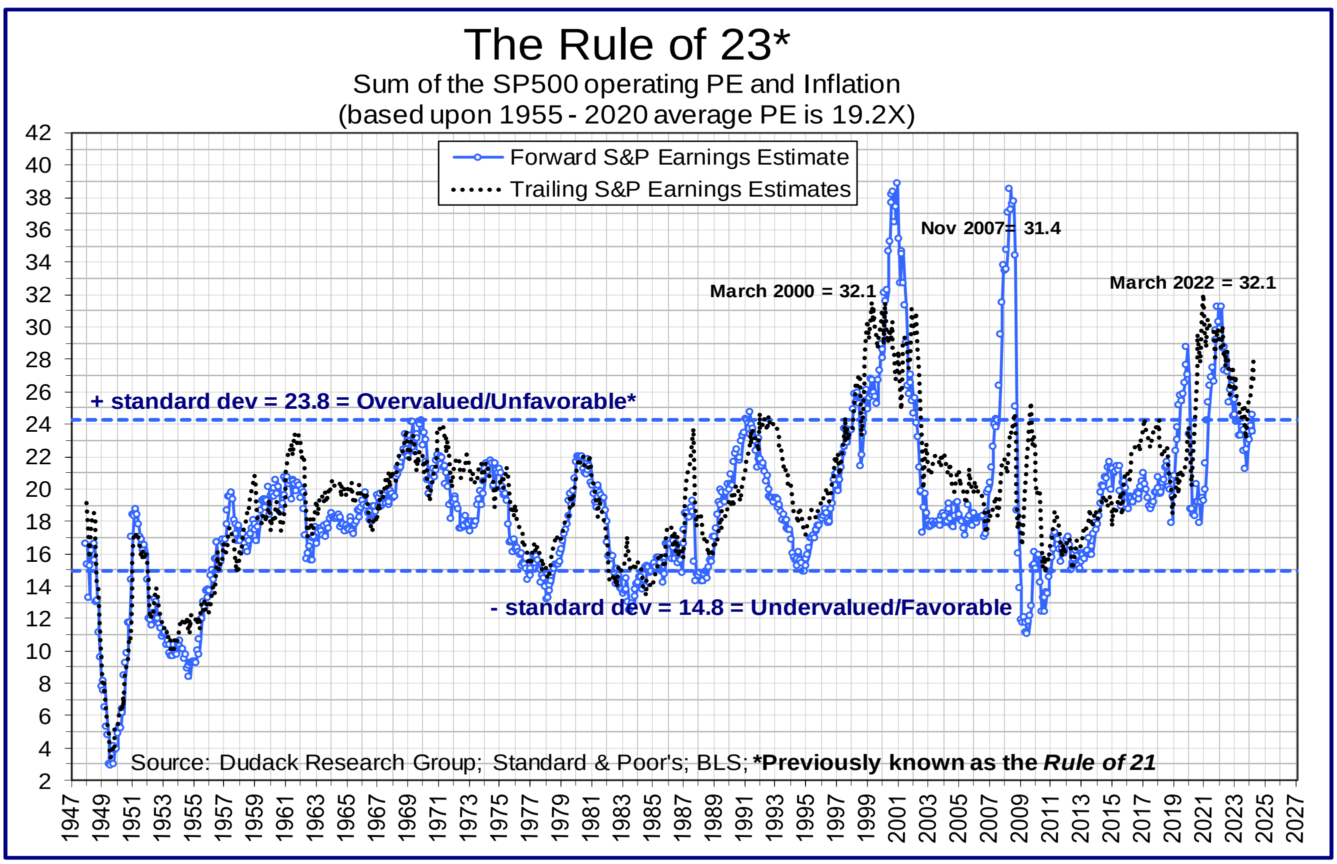


Charts of gold, silver, gasoline, and WTI crude oil are all technically strong. Gold and silver may be breaking out due to concern of war escalating in Europe and the Middle East, which in turn impacts the price of oil and most commodities. Regardless of the reason, these charts have inflationary implications.

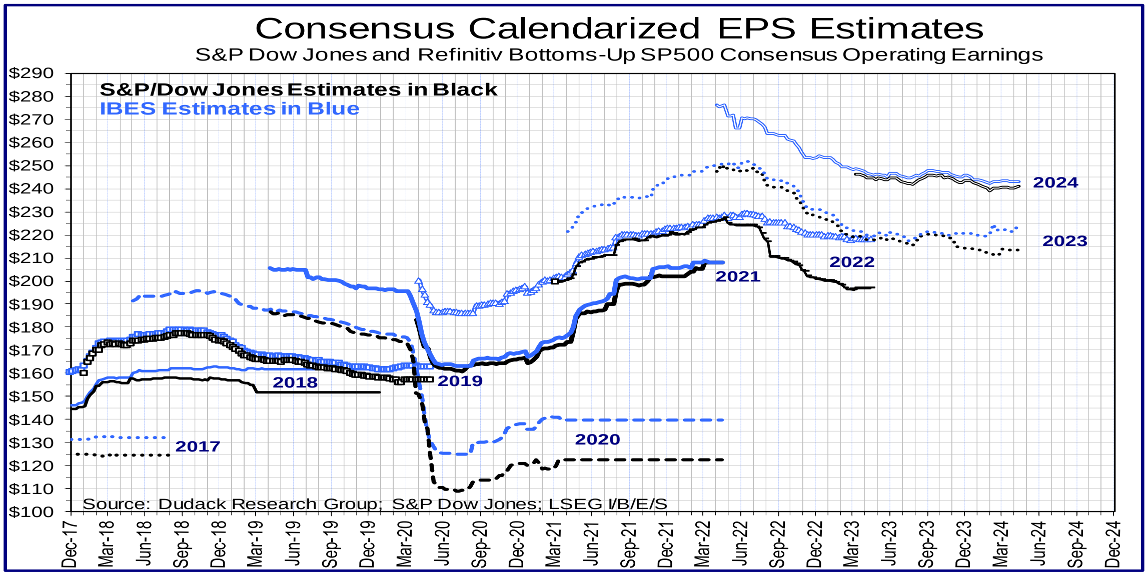
Source: Refinitiv

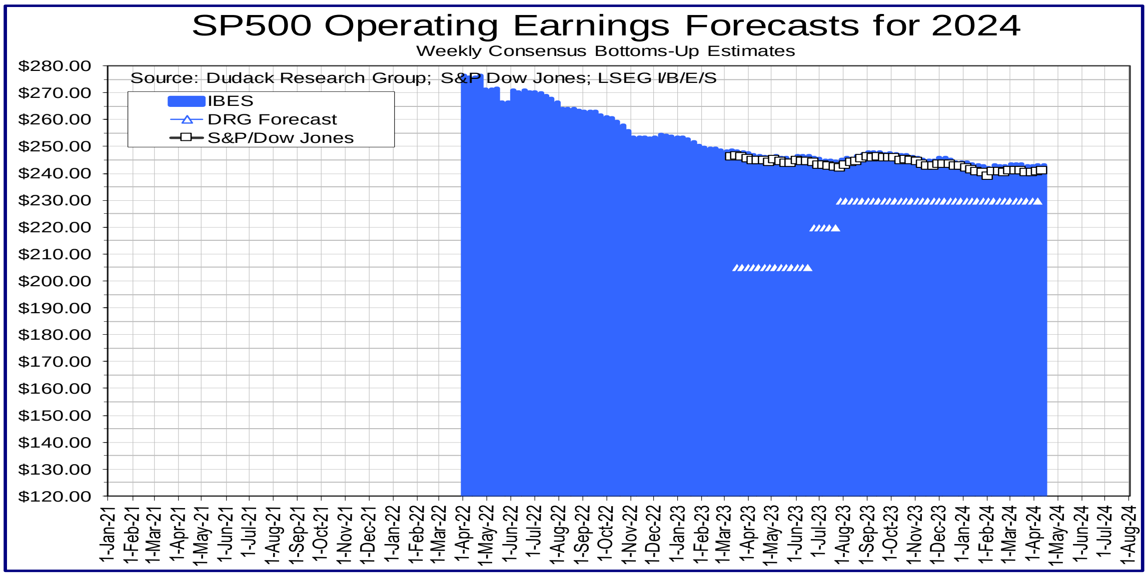
The SPX **trailing** 4-quarter operating multiple is now 23.3 times and well above all long- and short-term averages. The **12-month forward** PE multiple is 20.2 times and when added to inflation of 3.5% sums to 23.7, and at the top edge of the normal range of 23.8. By all measures, the equity market is at valuations seen only during the 1997-2000 bubble, the financial crisis of 2008, or the post-COVID-19 earnings slump.

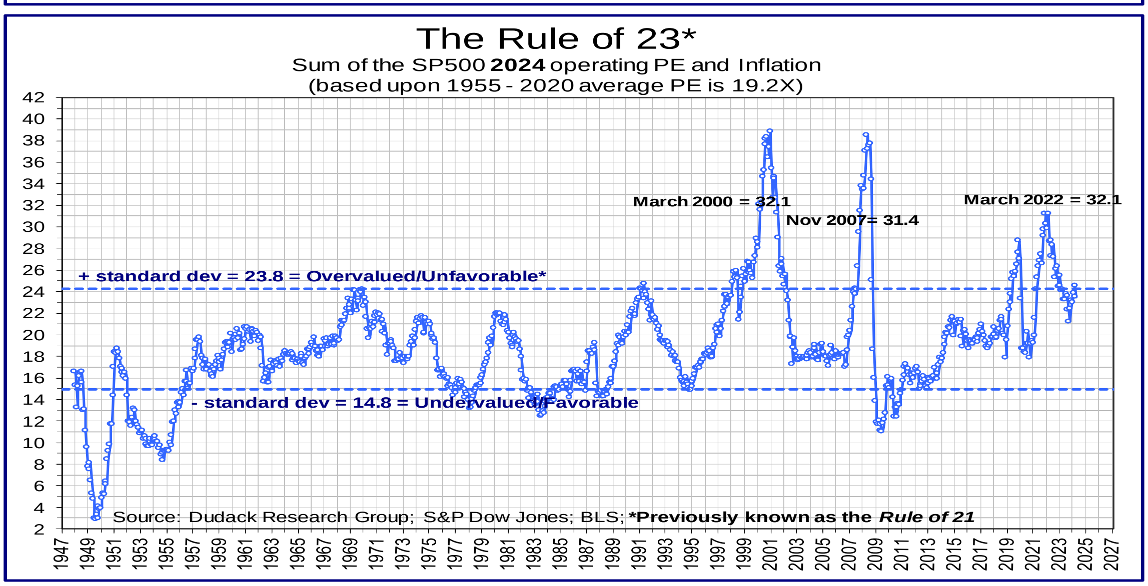




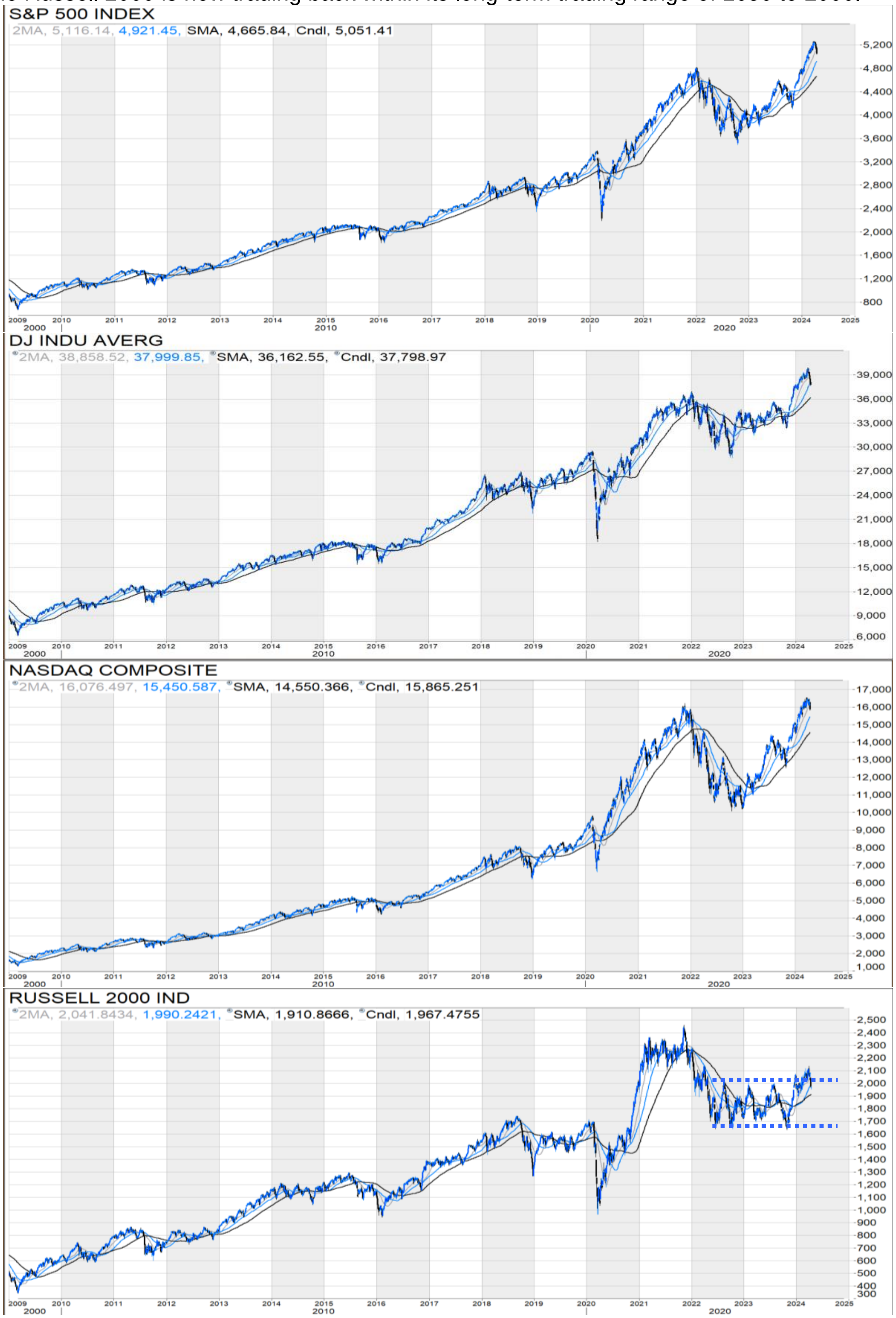
The S&P Dow Jones consensus estimate for calendar 2024 is $240.93, up $0.26 and for 2025 is $273.98, up $0.07 this week. The LSEG IBES estimate for 2024 is $243.04, up $0.01 and for 2025 is $276.13, down $0.09. Based upon the IBES EPS estimate for calendar 2024, equities remain overvalued with a PE of 20.8 times and inflation of 3.5%. This sum of 24.3 is above the 23.8 level that defines an overvalued equity market. Note: based upon the S&P estimate, the 2024 PE is 21.0 times.







All four of the popular equity indices broke below their 50-day moving averages this week and the DJIA and Russell 2000 are now trading below their 100-day moving averages. This is a normal correction, to date. However, note that the Russell 2000 is now trading back within its long-term trading range of 1650 to 2000.

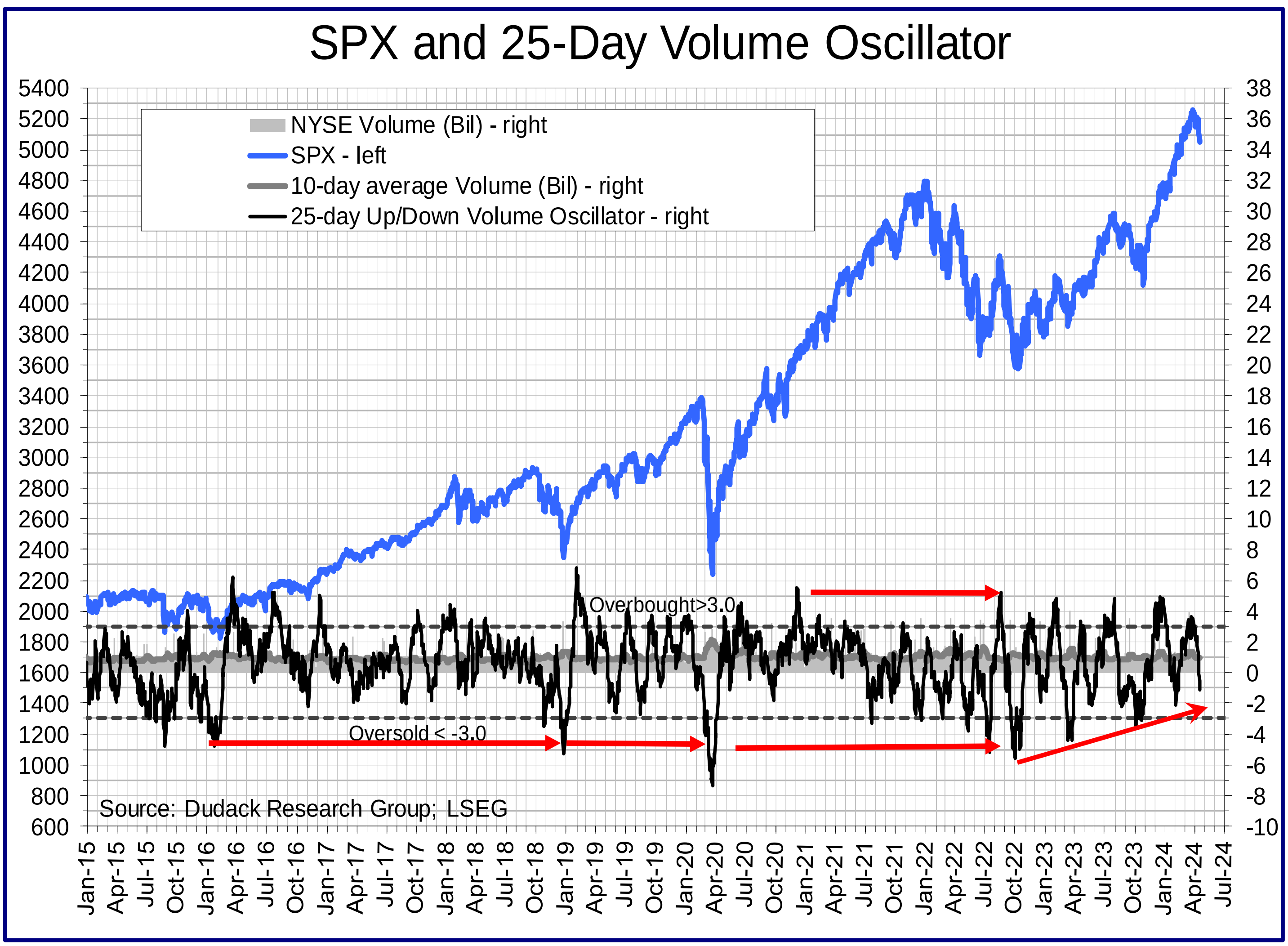


Source: Refinitiv

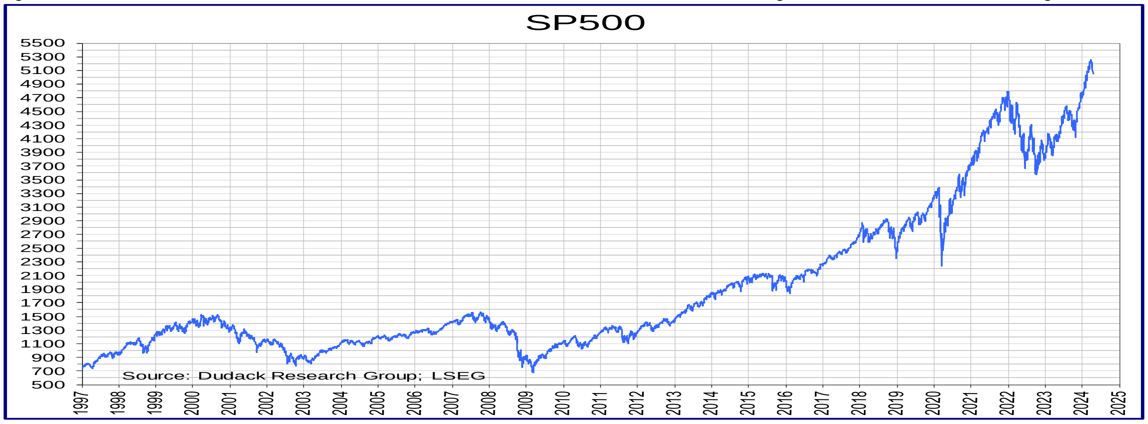
The 25-day up/down volume oscillator is negative 1.15 and neutral after recording a 90% down day on April 12. The previous 90% day was also a down day on February 13, 2024. The oscillator was overbought for two consecutive days on March 13 and 14 and on March 20 and 21 and for three consecutive trading days on March 27, March 28, and April 1. These overbought readings followed the string in early January when the oscillator recorded readings of 3.0 or higher during 22 of 25 consecutive trading days ending January 5.

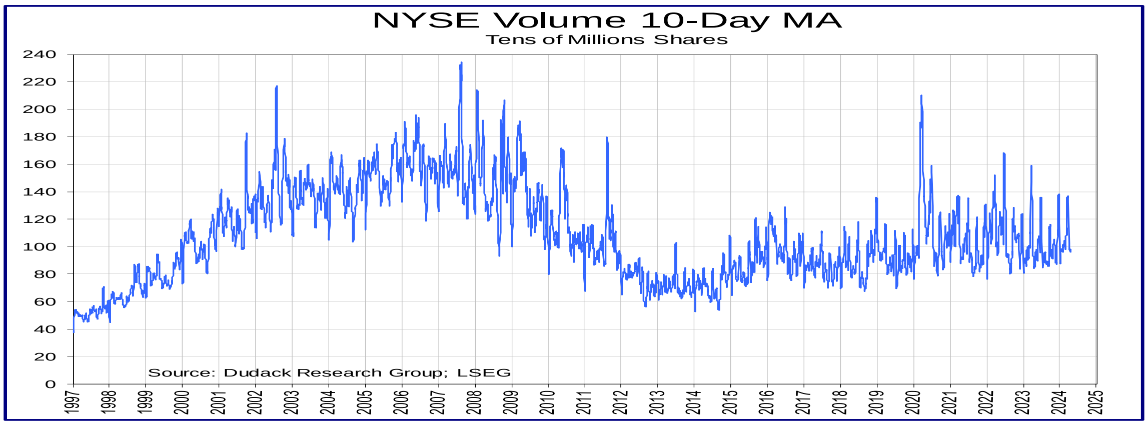
<u>Since a minimum of five consecutive trading days in overbought is required to confirm a new high, this means that, to date, this indicator is yet to confirm the new highs in the S&P 500 index and Dow Jones Industrial Average in January, February, and March</u>.

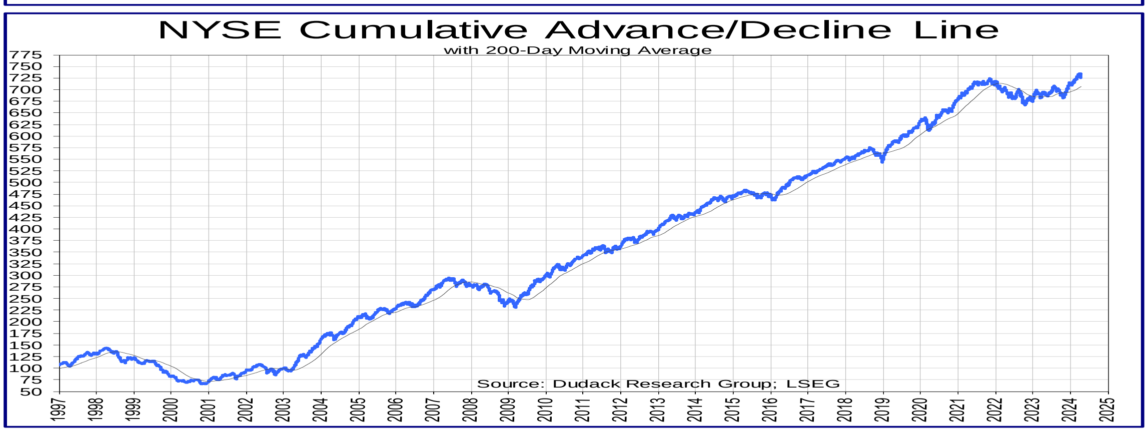
And if the rally which began in October actually represents a new bull market advance, it should also include several extreme overbought readings of 5.0 or better. These are typical of the first stage of a major advance. This has been lacking.

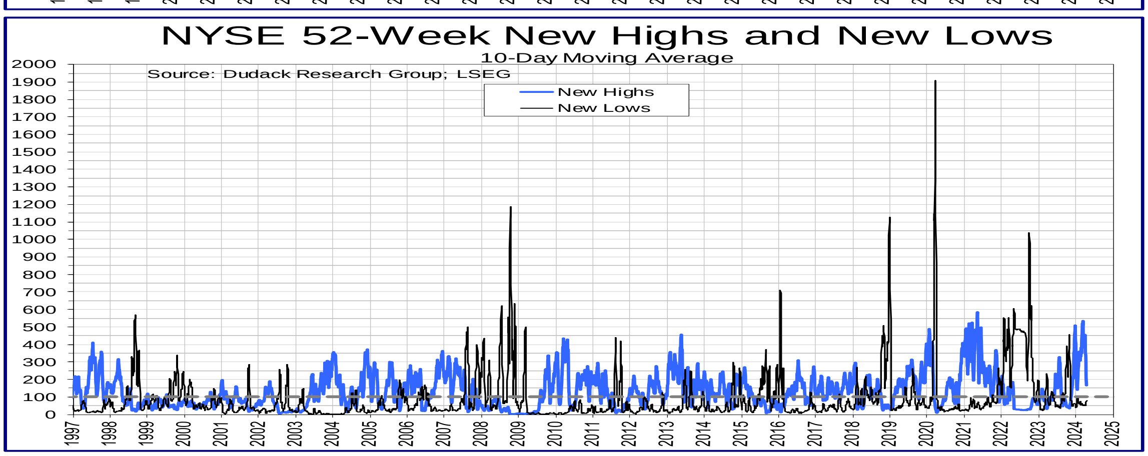


The 10-day average of daily new highs is 166 and new lows are 79. This combination of new highs above 100 and new lows below 100 remains bullish, but not demonstrably so given the new highs seen in the SPX, DJIA, and IXIC. The NYSE advance/decline line made a new record high on March 28, 2024, confirming the advance.

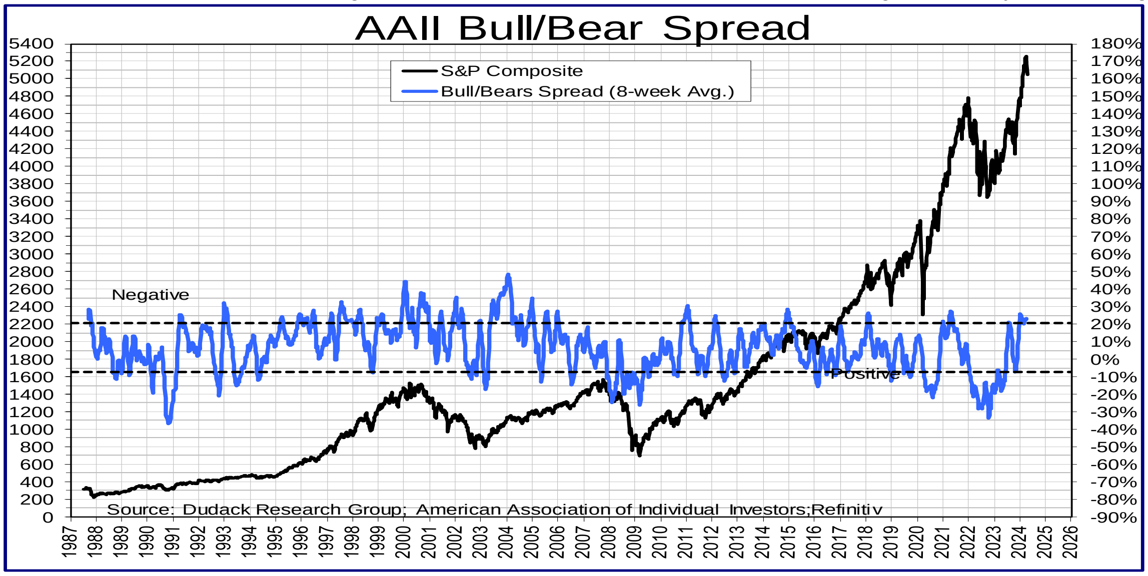


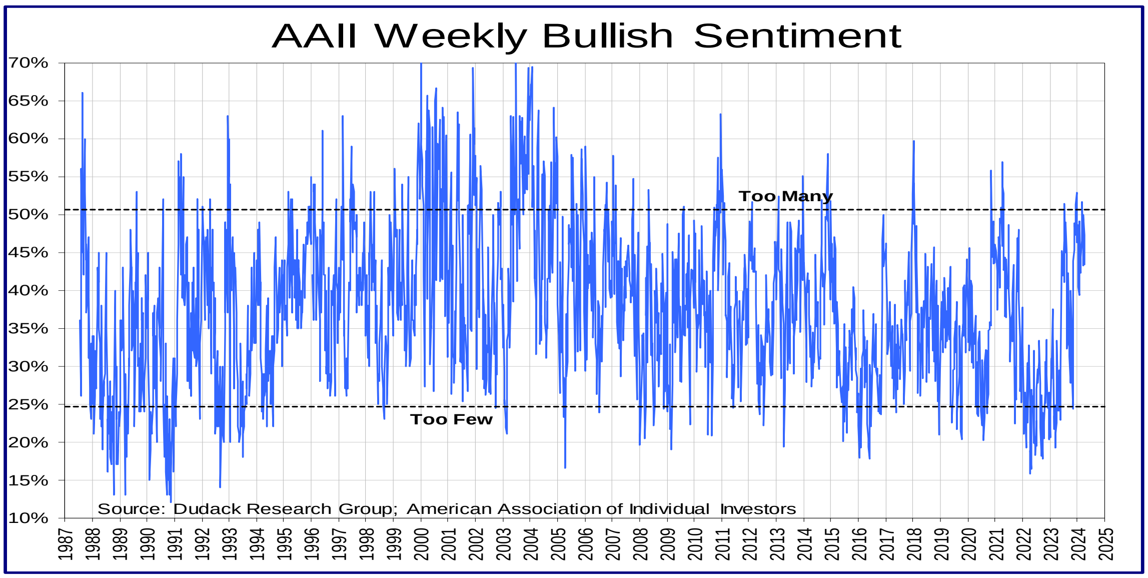


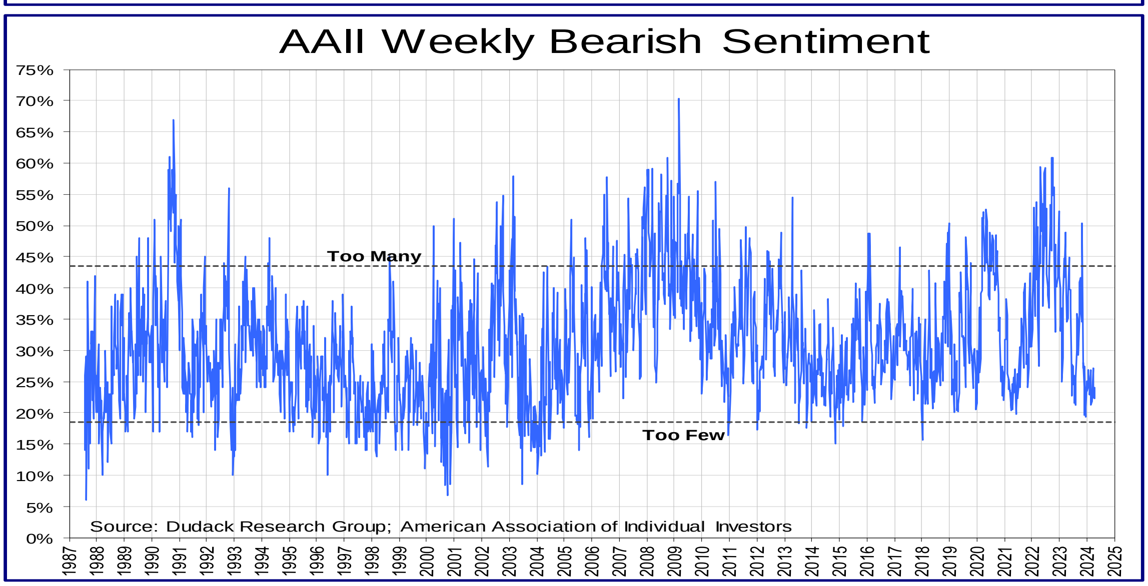




Last week's AAII readings showed bullishness decreased 3.9% to 43.4% and bearishness rose 1.8% to 24.0%. Bullish sentiment remains above average, and bearishness is below average for the 23rd consecutive week. On December 13, 2023, bearishness was 19.6%, its lowest level since the January 3, 2018 reading of 15.6% when bullishness was also high at 51.3%. The 8-week bull/bear is at 23.2% and in negative territory of 20.6% or greater.







Global Markets and Commodities - Ranked by YTD Trading Performance

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
United States Oil Fund, LP	USO	81.33	0.2%	6.6%	3.3%	22.0%
Oil Future	CLc1	85.36	0.2%	5.3%	2.6%	19.1%
Silver Future	SIc1	28.32	1.5%	12.4%	14.2%	18.7%
iShares Silver Trust	SLV	27.01	0.3%	12.1%	13.4%	18.6%
SPDR Gold Trust	GLD	221.22	1.6%	10.8%	7.5%	15.7%
Energy Select Sector SPDR	XLE	94.40	-3.2%	3.1%	0.0%	12.6%
Communication Services Select Sector SPDR Fund	XLC	80.03	-3.1%	0.9%	-2.0%	10.1%
iShares Russell 1000 Growth ETF	IWF	327.02	-2.4%	-0.9%	-3.0%	7.9%
Industrial Select Sector SPDR	XLI	121.74	-2.7%	-0.2%	-3.4%	6.8%
SPDR Homebuilders ETF	XHB	101.56	-6.3%	-3.5%	-9.0%	6.2%
SP500	.SPX	5051.41	-3.0%	-1.3%	-3.9%	5.9%
iShares MSCI Japan ETF	EWJ	67.81	-3.8%	-2.5%	-5.0%	5.7%
iShares Russell 1000 ETF	IWB	276.69	-3.2%	-1.6%	-3.9%	5.5%
Nasdaq Composite Index Tracking Stock	ONEQ.O	62.40	-2.8%	-0.7%	-3.1%	5.3%
Financial Select Sector SPDR	XLF	39.59	-4.6%	-2.9%	-6.0%	5.3%
NASDAQ 100	NDX	17713.66	-2.5%	-0.5%	-3.0%	5.3%
Technology Select Sector SPDR	XLK	201.76	-2.6%	-1.9%	-3.1%	4.8%
iShares MSCI India ETF	INDA.K	51.15	-2.4%	1.2%	-0.9%	4.8%
iShares DJ US Oil Eqpt & Services ETF	IEZ	22.91	-5.5%	0.7%	-3.1%	4.5%
PowerShares Water Resources Portfolio	PHO	63.48	-3.6%	-1.4%	-4.6%	4.3%
Materials Select Sector SPDR	XLB	88.80	-4.6%	-2.2%	-4.4%	3.8%
Gold Future	GCc1	2800.10	0.2%	0.8%	0.4%	2.8%
iShares Russell 1000 Value ETF	IWD	169.70	-4.3%	-2.4%	-5.3%	2.7%
Health Care Select Sect SPDR	XLV	138.68	-3.2%	-4.6%	-6.1%	1.7%
Consumer Staples Select Sector SPDR	XLP	73.11	-2.0%	-3.2%	-4.3%	1.5%
iShares MSCI Taiwan ETF	EWT	46.58	-6.5%	-3.6%	-4.3%	1.2%
iShares MSCI EAFE ETF	EFA	76.25	-3.9%	-3.3%	-4.5%	1.2%
Shanghai Composite	.SSEC	3007.07	-1.4%	-1.6%	-1.1%	1.1%
iShares MSCI Germany ETF	EWG	30.00	-4.3%	-3.8%	-5.5%	1.0%
iShares MSCI Malaysia ETF	EWM	21.47	-2.9%	-2.9%	-1.5%	1.0%
iShares MSCI United Kingdom ETF	EWU	33.21	-3.3%	-0.6%	-2.9%	0.5%
SPDR DJIA ETF	DIA	377.98	-2.8%	-2.3%	-5.0%	0.3%
DJIA	.DJI	37798.97	-2.8%	-2.4%	-5.0%	0.3%
Vanguard FTSE All-World ex-US ETF	VEU	56.24	-4.2%	-3.0%	-4.1%	0.2%
iShares MSCI Canada ETF	EWC	36.62	-4.9%	-2.9%	-4.3%	-0.2%
iShares Russell 2000 Growth ETF	IWO	251.24	-5.1%	-4.3%	-7.2%	-0.4%
Utilities Select Sector SPDR	XLU	62.77	-4.8%	-1.1%	-4.4%	-0.9%
iShares MSCI Austria Capped ETF	EWO	21.40	-3.7%	1.8%	-1.5%	-1.0%
iShares MSCI Emerg Mkts ETF	EEM	39.74	-4.9%	-2.5%	-3.3%	-1.2%
iShares China Large Cap ETF	FXI	23.67	-3.7%	-1.3%	-1.7%	-1.5%
SPDR S&P Retail ETF	XRT	70.97	-5.2%	-6.1%	-10.2%	-1.9%
iShares MSCI BRIC ETF	BKF	33.45	-3.8%	-2.3%	-2.0%	-2.2%
SPDR S&P Semiconductor ETF	XSD	219.22	-6.9%	-0.3%	-5.5%	-2.5%
iShares Russell 2000 ETF	IWM	195.06	-5.5%	-3.6%	-7.2%	-2.8%
Consumer Discretionary Select Sector SPDR	XLY	173.17	-4.5%	-2.7%	-5.8%	-3.2%
iShares MSCI Mexico Capped ETF	EWW	64.87	-7.1%	-3.1%	-6.4%	-4.4%
iShares MSCI Australia ETF	EWA	23.24	-6.5%	-3.3%	-5.8%	-4.5%
iShares MSCI Singapore ETF	EWS	17.83	-4.6%	-2.9%	-2.9%	-4.7%
iShares Russell 2000 Value ETF	IWN	147.30	-5.9%	-2.9%	-7.2%	-5.2%
iShares iBoxx $ Invest Grade Corp Bond	LQD	104.54	-2.8%	-3.0%	-4.0%	-5.5%
SPDR S&P Bank ETF	KBE	43.05	-6.8%	-3.4%	-8.6%	-6.5%
iShares MSCI South Korea Capped ETF	EWY	61.29	-7.0%	-6.6%	-8.7%	-6.5%
iShares Nasdaq Biotechnology ETF	IBB.O	126.97	-5.4%	-6.6%	-7.5%	-6.5%
iShares US Telecomm ETF	IYZ	20.52	-4.6%	-5.1%	-6.6%	-9.8%
iShares US Real Estate ETF	IYR	82.18	-7.9%	-6.9%	-8.6%	-10.1%
iShares 20+ Year Treas Bond ETF	TLT	88.30	-4.3%	-5.0%	-6.7%	-10.7%
iShares MSCI Brazil Capped ETF	EWZ	30.08	-8.8%	-6.3%	-7.2%	-14.0%
iShares MSCI Hong Kong ETF	EWH	14.67	-6.9%	-10.5%	-5.7%	-15.5%

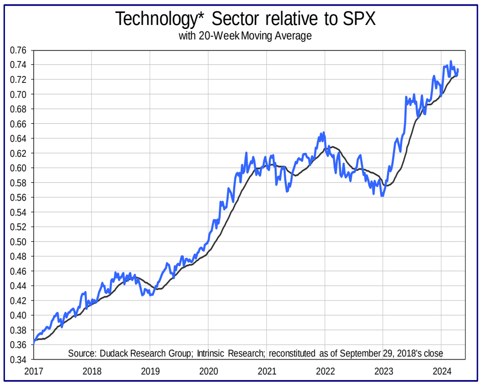
Outperformed SP500
Underperformed SP500

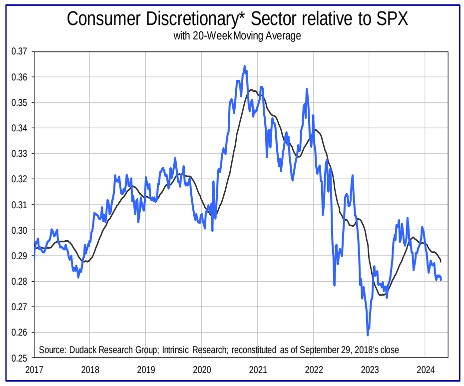
Source: Dudack Research Group; Refinitiv Priced as of April 16, 2024

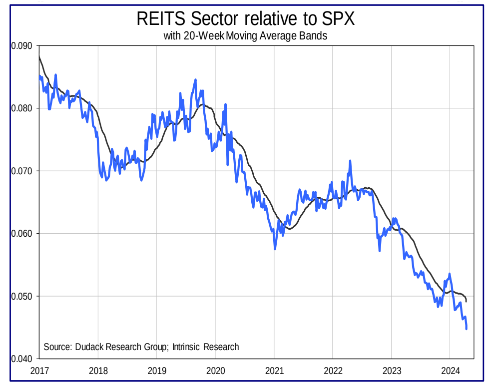
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

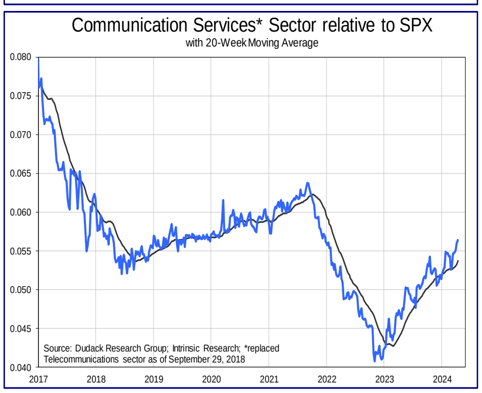
DRG Recommended Sector Weights				
Overweight		**Neutral**		**Underweight**
Communication Services Technology Healthcare Financials		Consumer Discretionary Staples Energy Industrials		REITS Materials Utililties

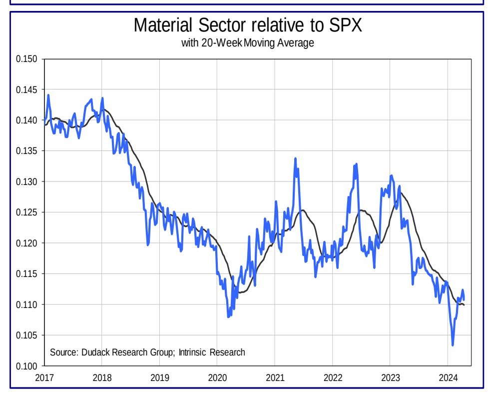
2/6/2024: Upgraded Communication Services from U to O; Technology & Healthcare from from N to O; Downgraded Industrials & Consumer Discretionary from O to N; Materials downgraded from O to U. Staples & Energy upgraded to N.

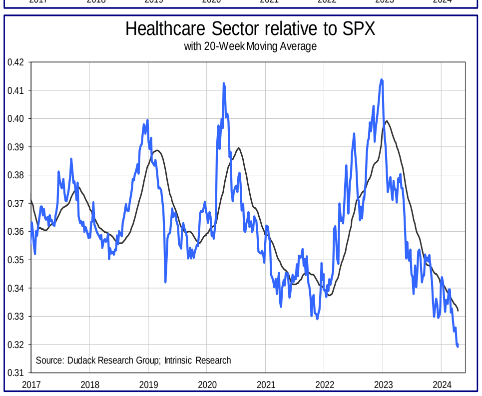


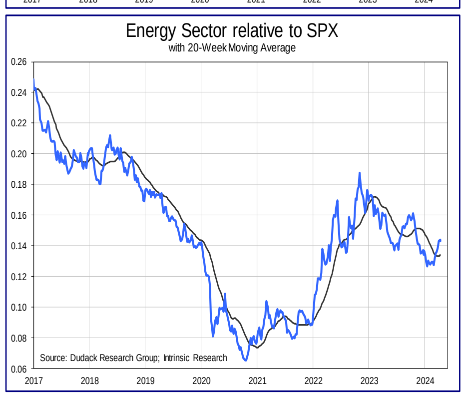


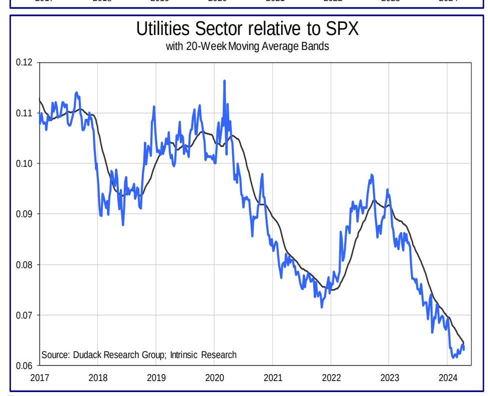


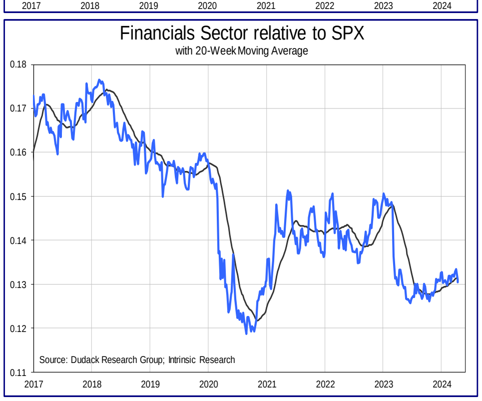


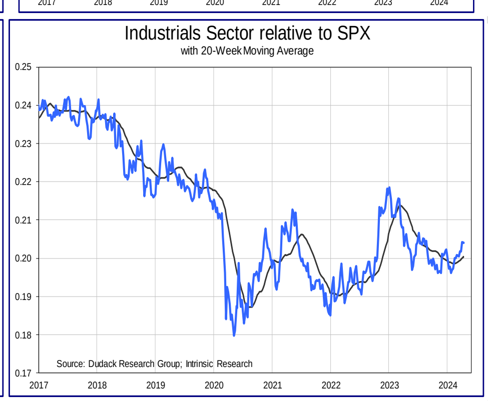












2024 Performance - Ranked	
SP500 Sector	% Change
S&P COMMUNICATIONS SERVICES	15.8%
S&P ENERGY	12.8%
S&P INFORMATION TECH	9.1%
S&P INDUSTRIALS	6.9%
S&P 500	5.9%
S&P FINANCIAL	5.2%
S&P MATERIALS	3.6%
S&P CONSUMER STAPLES	2.3%
S&P HEALTH CARE	1.6%
S&P CONSUMER DISCRETIONARY	-0.1%
S&P UTILITIES	-1.0%
S&P REITS	-10.2%

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 %
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%	1.6%	$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%	2.1%	$1,648.10	-0.9%
2014	2127.83	$102.31	$113.02	$113.01	5.3%	$118.78	8.3%	18.8X	2.2%	2.5%	$1,713.10	3.9%
2015	2043.94	$86.53	$100.45	$100.45	-11.1%	$117.46	-0.5%	20.3X	2.1%	2.9%	$1,664.20	-2.9%
2016	2238.83	$94.55	$106.26	$106.26	-3.6%	$118.10	-0.1%	21.1X	1.9%	1.8%	$1,661.50	-0.2%
2017	2673.61	$109.88	$124.51	$124.51	28.6%	$132.00	11.8%	21.5X	1.8%	2.5%	$1,816.60	9.3%
2018	2506.85	$132.39	$151.60	$151.60	21.8%	$161.93	22.7%	16.5X	1.9%	3.0%	$2,023.40	11.4%
2019	3230.78	$94.55	$157.12	$157.12	3.6%	$162.93	0.6%	20.6X	1.8%	2.5%	$2,065.60	2.1%
2020	3756.07	$109.88	$122.38	$122.38	-22.1%	$139.72	-14.2%	30.7X	1.6%	-2.2%	$1,968.10	-4.7%
2021	4766.18	$132.39	$208.17	$208.17	70.1%	$208.12	49.0%	22.9X	1.3%	5.8%	$2,382.80	21.1%
2022	3839.50	$139.47	$196.95	$196.95	-5.4%	$218.09	4.8%	19.5X	1.7%	1.9%	$2,478.80	4.0%
2023P	4769.83	$94.14	$213.53	$213.53	8.4%	$222.94	2.2%	22.3X	1.5%	2.5%	$2,803.20	4.0%
2024E	~~~~~	$197.87	$240.93	$234.00	9.6%	$243.04	9.0%	21.0X	1.4%	NA	NA	NA
2025E	~~~~~	$172.75	$273.98	$255.00	9.0%	$276.13	13.6%	18.4X	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 3Q	4288.05	$47.65	$52.25	$52.25	3.8%	$58.41	4.3%	20.4	1.6%	4.9%	$2,697.90	-2.1%
2023 4QP	4769.83	$47.79	$53.90	$53.90	7.0%	$57.16	7.5%	22.3	1.5%	3.4%	$2,803.20	3.8%
2024 1QE*	5254.35	$47.65	$54.45	$54.88	4.5%	$54.76	3.2%	24.4	1.3%	NA	NA	NA
2024 2QE	5051.41	$53.31	$58.77	$58.12	6.0%	$59.34	9.3%	23.0	1.4%	NA	NA	NA
2024 3QE	~~~~~	$57.21	$62.93	$60.50	15.8%	$63.62	8.9%	22.0	NA	NA	NA	NA
2024 4QE	~~~~~	$59.19	$64.78	$60.50	12.2%	$65.38	14.4%	21.0	NA	NA	NA	NA

Source: DRG; S&P Dow Jones **quarterly EPS may not sum to official CY estimates; LSEG IBES Consensus estimates *4/16/2024

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.

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

Prices are the close of April 16, 2024