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June 19, 2024

DJIA: 38834.86
SPX: 5487.03
NASDAQ: 17862.23

US Strategy Weekly
Rarefied Air

Recent comments by several Federal Reserve Board governors suggest they agree with our base case that there will be only one rate cut this year, if any. However, in our view, Fed policy is no longer the pivotal factor driving financial markets. At mid-year, the S&P 500 and the Nasdaq Composite indices have been setting a string of new all-time highs based on a consensus view that inflation is falling, interest rates are coming down, earnings are rising, and most importantly, the future of generative AI will provide outsized profits for some companies. As a result, the stock market is moving into rarefied air in terms of valuation, with the trailing 12-month operating PE ratio for the S&P 500 reaching 25 this week. See page 10. This multiple has only been higher in 1999-2000 (dotcom bubble), 2009 (due to collapsing earnings), and 2020 (also due to collapsing earnings).

This week's market mover is Nvidia Corp. (NVDA - $135.58), up 3.5%, to a valuation of $3.34 trillion, just four months after it bettered the $2 trillion mark and a year after breaching the $1 trillion milestone. It is now ahead of both Microsoft Corp. (MSFT - $446.34) at $3.32 trillion and Apple Inc. (AAPL - $214.29) at $3.29 trillion, after tripling in price over the last year. According to Matthew Bartolini, the head of SPDR Americas Research, the Technology Select Sector SPDR Fund (XLK - $231.41) is set to rebalance and recent calculations showed Nvidia's weighting increasing to 21% from 6% as of June 14. The stock's performance over the last three trading sessions is apt to boost this weighting. As our tables on pages 16 and 17 show, the XLK has severely trailed the performance of the S&P 500 technology sector, due in large part to its being underweight in NVDA. We expect NVDA's upgrade in weighting in the XLK will increase demand for the stock, particularly from money managers also underperforming the indices. This will move the stock price even higher. Momentum begets momentum. Nvidia also completed a 10-for-1 stock split on June 10, a factor that often increases demand for stock.

In terms of the consensus view, it is important to point out that interest rates have come down recently due largely to political uncertainties in the European Union. US treasury securities have become the global safe-haven investment for the moment. The European Parliament elections which took place earlier this month resulted in a major shift toward conservative parties which forced President Macron of France, to call for snap elections on June 30 and July 7. Current polls show Macron losing the election. Moreover, the fiscal situation of both France and Italy threaten the stability of the EU. France's debt-to-GDP ratio of 111% is similar to Italy's before the euro crisis in the early 2010's. The IMF forecasts that Italy's public debt will reach approximately 140% of GDP in 2024. Countries with debt above 90% of GDP must reduce it by an average of 1% per year according to European Union fiscal rules, although the EU is considering new proposals that could replace or amend these rules. Nevertheless, the EU is in political and fiscal disarray, and this boosted Treasury security prices recently.

The consensus view on inflation may also be on thin ice. Investors celebrated May inflation numbers showing a 0.1% decrease in headline CPI to 3.3% YOY, and a 0.2% decrease in core CPI to 3.4% YOY. However, both indices remain well above the Fed's target of 2% and it is not just housing that is currently keeping headline inflation above 3%. Food away from home and medical care rose much faster in May than headline CPI and are areas of concern. See page 3.

In terms of inflation coming down, many economists are saying CPI numbers are overstated due to the owners' equivalent rent (OER) index which lags home prices. However, insurance, and fuels and utility prices are soaring, not just rents. Moreover, OER began to decline 12-18 months after housing prices peaked in 2021. Year-over-year house prices were negative in the first half of 2023, but prices are trending higher once again. This suggests OER could start trending higher later this year. See page 4.

And the main issue for inflation is no longer housing, but services. Rising insurance costs have been a major hurdle for families and more recently prices have been increasing for medical care services and other areas of personal care. Core CPI indices that exclude shelter, food, energy, and medical care, have flattened out in recent months, but are not trending lower, a sign that prices are rising-to-stable in a broad range of areas. See page 5.

Another potential roadblock for the Fed's target of 2% is the rising price of oil. The year-over-year declines in WTI futures (CLc1 - $81.71) and gasoline futures (RBc1 - $2.50) were factors that helped lower the CPI in 2023, but oil prices are rising once again. WTI futures are up nearly 16% YOY. Some PPI indices, like the PPI for finished goods, rose from 2.0% YOY to 2.4% YOY in May. This uptick is apt to continue. See page 6. Overall, we are not convinced that inflation will be steadily moving lower in the months ahead.

The financial crisis of 2008-2009 appears to have triggered a dovish change in Fed policy. The crisis, which had bad mortgage securities and derivatives at its core, required a long period of easy monetary policy to support the balance sheets of global banks which owned too much of these securities. Prior to 2008, the Fed was willing to quickly hike interest rates and slow the economy. But since the Fed was much slower to increase rates and inflation in this cycle, inflation became endemic and it will be more difficult to suppress, in our opinion. See page 7.

And earnings may not be as robust as the consensus believes since there are signs that the consumer is getting tapped out. Retail sales for May were up 0.1% from April's level, which was below expectations. Total retail & food services rose 2.3% YOY, were up 2.5% YOY excluding autos, and rose 2.6% YOY excluding autos and gasoline. However, real retail sales fell 0.9% YOY, declining on a year-over-year basis for the 14th time in the last 19 months. See page 8. As the impact of multiple fiscal stimulus packages begins to fade, the consumer is showing signs of fatigue on the higher income level and actual weakness in the middle-to-lower income level.

This also shows up in consumer sentiment. The main University of Michigan consumer sentiment index for June fell 3.5 points to 65.5, the present conditions index declined 7.1 points to 62.5, and the expectations index was down 1.2 points to 67. 6. All three indices returned to recessionary levels. The Michigan survey showed an 11-point decline in income expectations for consumers, to 67, a reading that brings expectations back to levels seen at the end of 2023. See page 9.

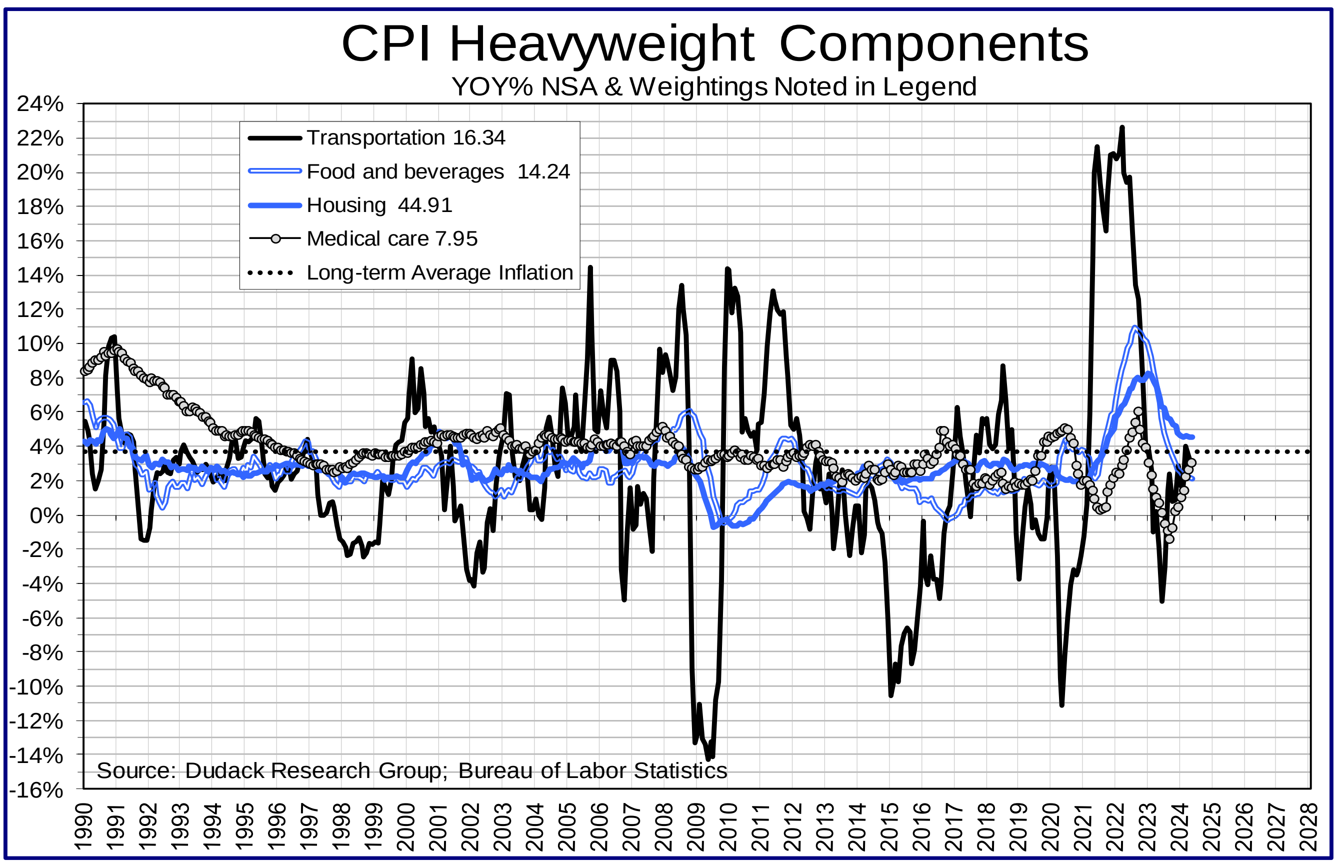
Technical Update

The Nasdaq Composite index and the S&P 500, led by big-cap technology stocks, continue to make record highs. The Dow Jones Industrial Average is 3% below its record high of May 17, 2024 and the Russell 2000 index remains 17% below its high of 2442.74 made on November 8, 2021. The Russell is trading below its 50-day and 100-day moving averages this week and the DJIA is trading slightly above its two moving averages. It is a stock market of haves and have-nots, much like previous bubbles. However, as deficits and debt-to-GDP levels increase around the world (US, China, France, Italy) it may be the debt markets that become the real concern in the months ahead.

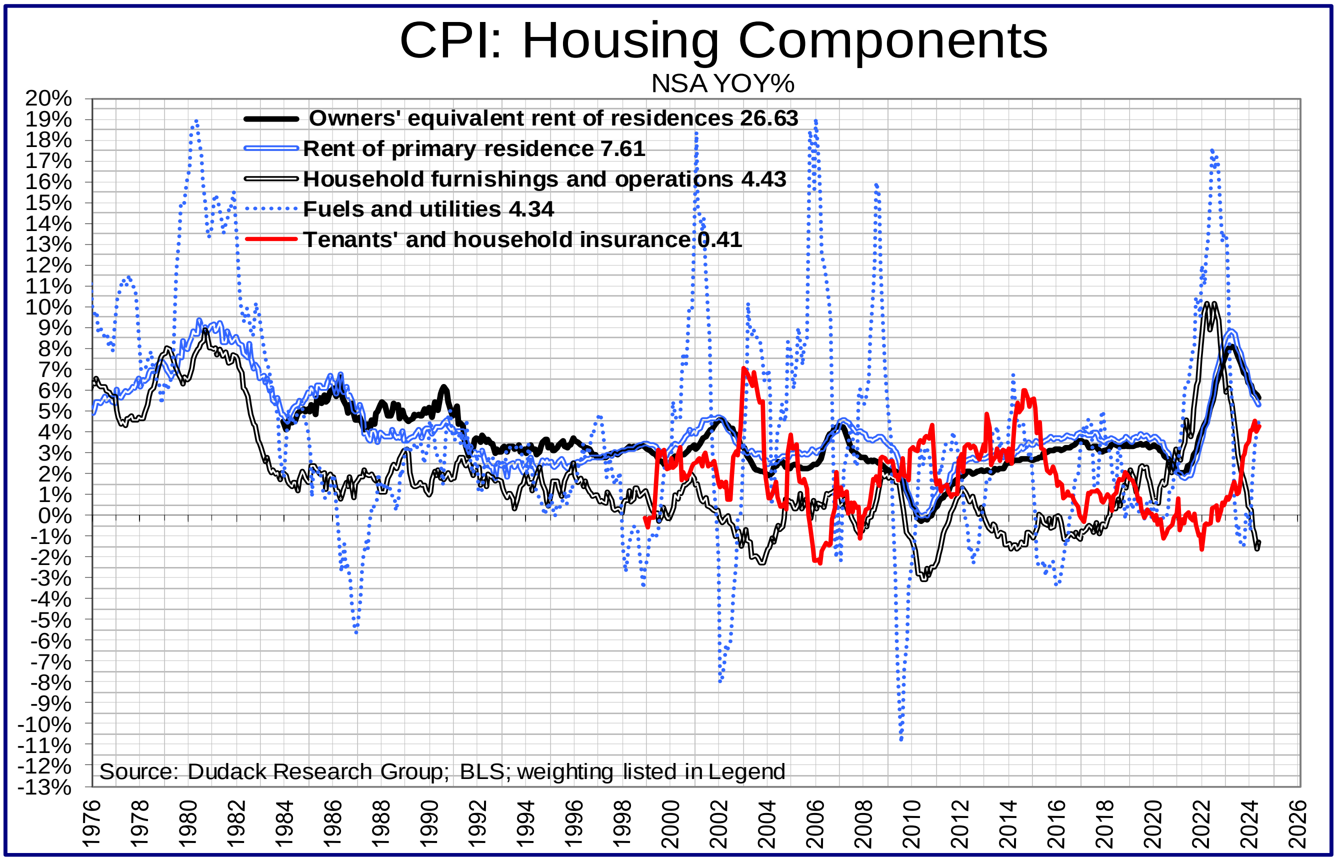
Investors celebrated May inflation numbers showing a 0.1% decrease in headline CPI to 3.3% YOY, and a 0.2% decrease in core CPI to 3.4% YOY. However, both indices remain well above the Fed's target of 2%. Moreover, it is not just housing that is currently keeping headline inflation above 3%. Note that food away from home and medical care rose much faster in May and are areas of concern.

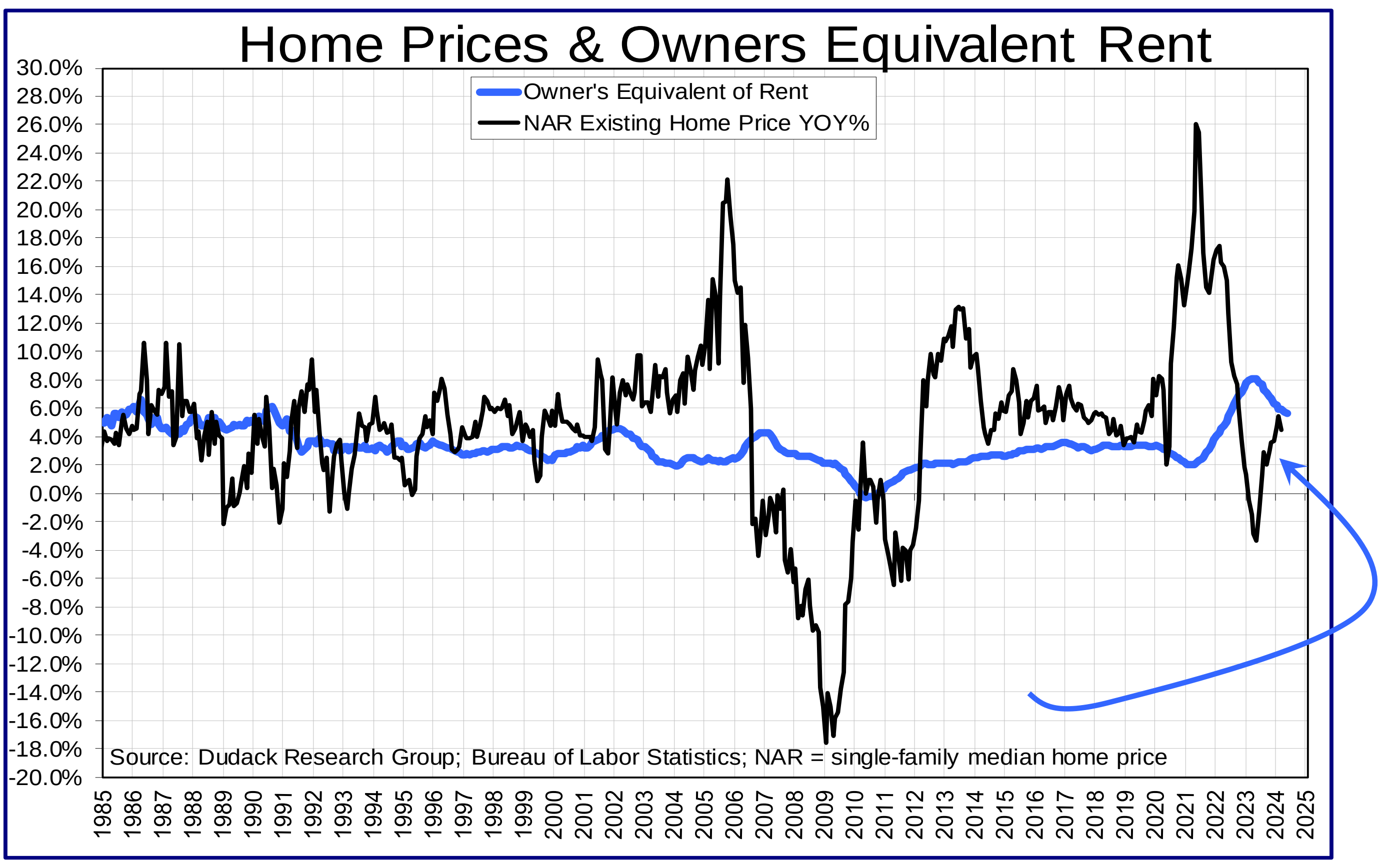
CPI Components Heavy Weights - Not Seasonally Adjusted	Component Weight*	Fuel Weight	Price Chg YOY%	Price Chg MOM%
Housing	**44.9%**	**4.3%**	**4.6%**	**0.3%**
Owners' equivalent rent of residences	**26.6%**		*5.7%*	0.4%
Fuels and utilities	**4.3%**		**4.6%**	**0.1%**
Transportation	**16.3%**	**2.7%**	**2.9%**	**0.0%**
Food and beverages	**14.2%**		**2.1%**	**0.1%**
Food at home	**8.1%**		*1.0%*	0.0%
Food away from home	**5.3%**		*4.0%*	0.4%
Alcoholic beverages	**0.8%**		*1.7%*	0.1%
Medical care	**7.9%**		**3.1%**	**0.5%**
Education and communication	**5.8%**		**0.5%**	**-0.1%**
Recreation	**5.3%**		**1.3%**	**-0.2%**
Apparel	**2.6%**		**0.8%**	**-0.8%**
Other goods and services	**2.9%**		**3.8%**	**0.1%**
Special groups:				
Energy	7.0%		3.7%	-0.2%
All items less food and energy	79.6%		3.4%	0.2%
All items	**100.0%**		**3.3%**	**0.2%**

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

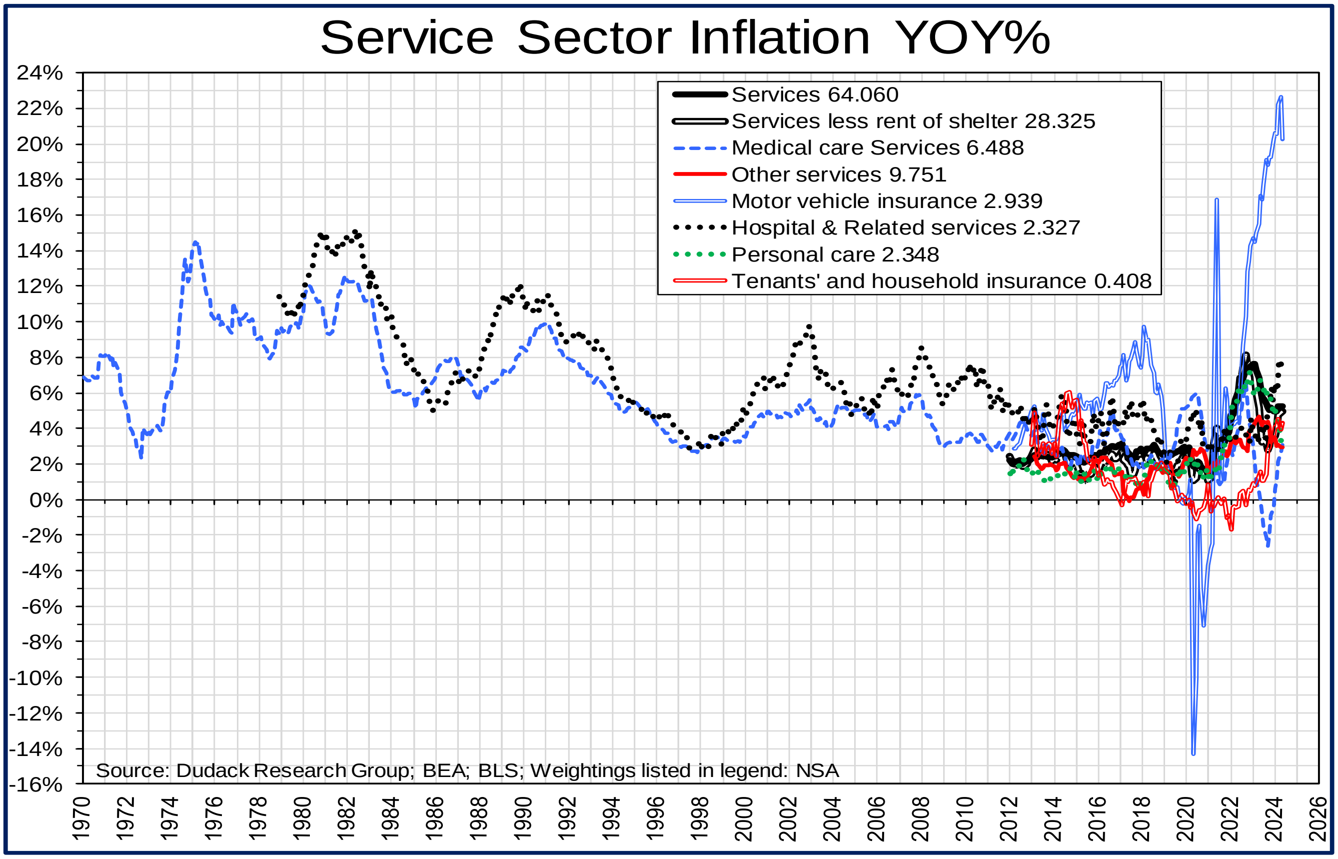


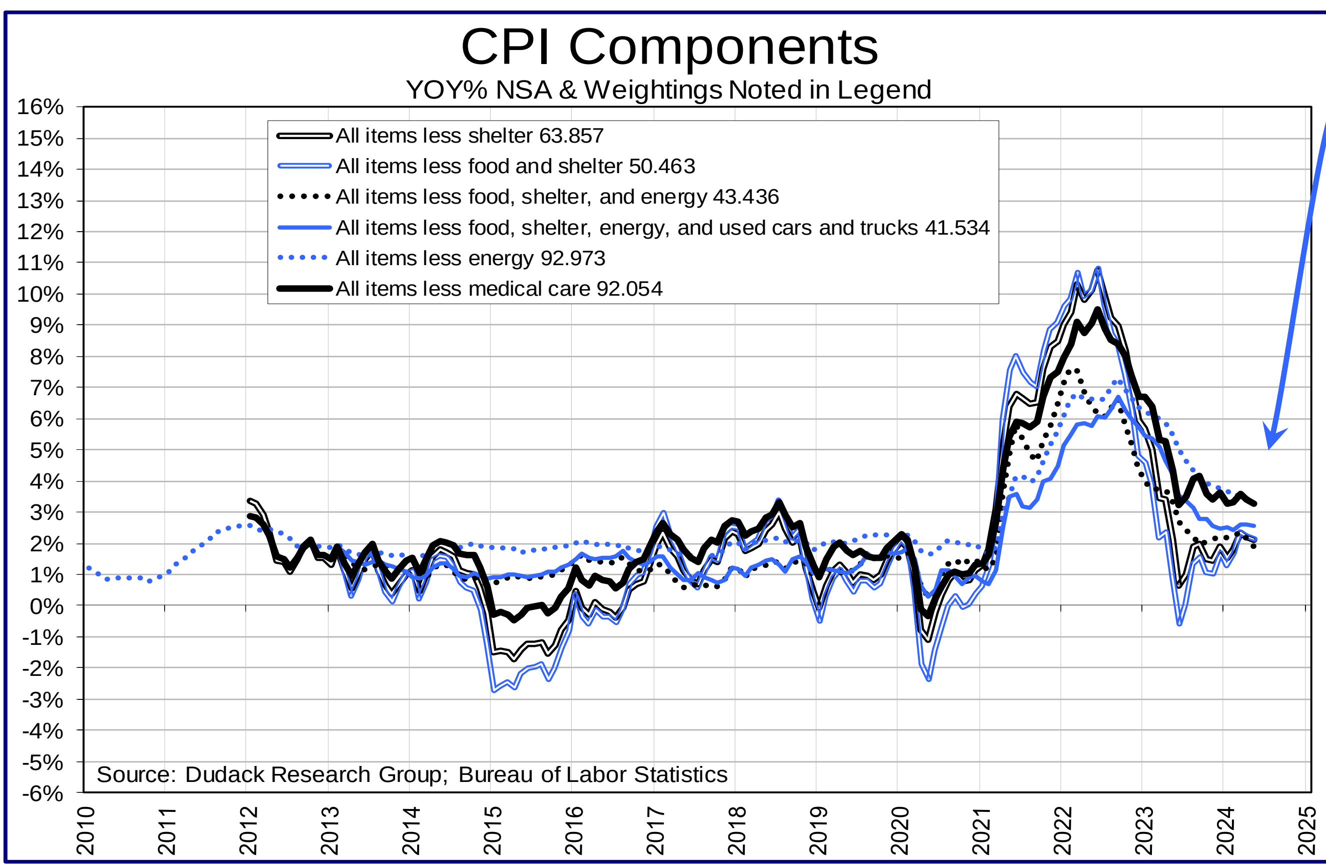
We see several problems for economists saying CPI numbers are too high due solely to owners' equivalent rent (OER). First, insurance and fuels & utilities prices are soaring, not just rents. Second, OER began to decline 12-18 months after housing prices peaked. But after negative YOY house pricing in the first half of 2023, prices began to trend higher once again. This trend could accelerate when, or if, the Fed lowers interest rates. Will this mean OER also trends higher?



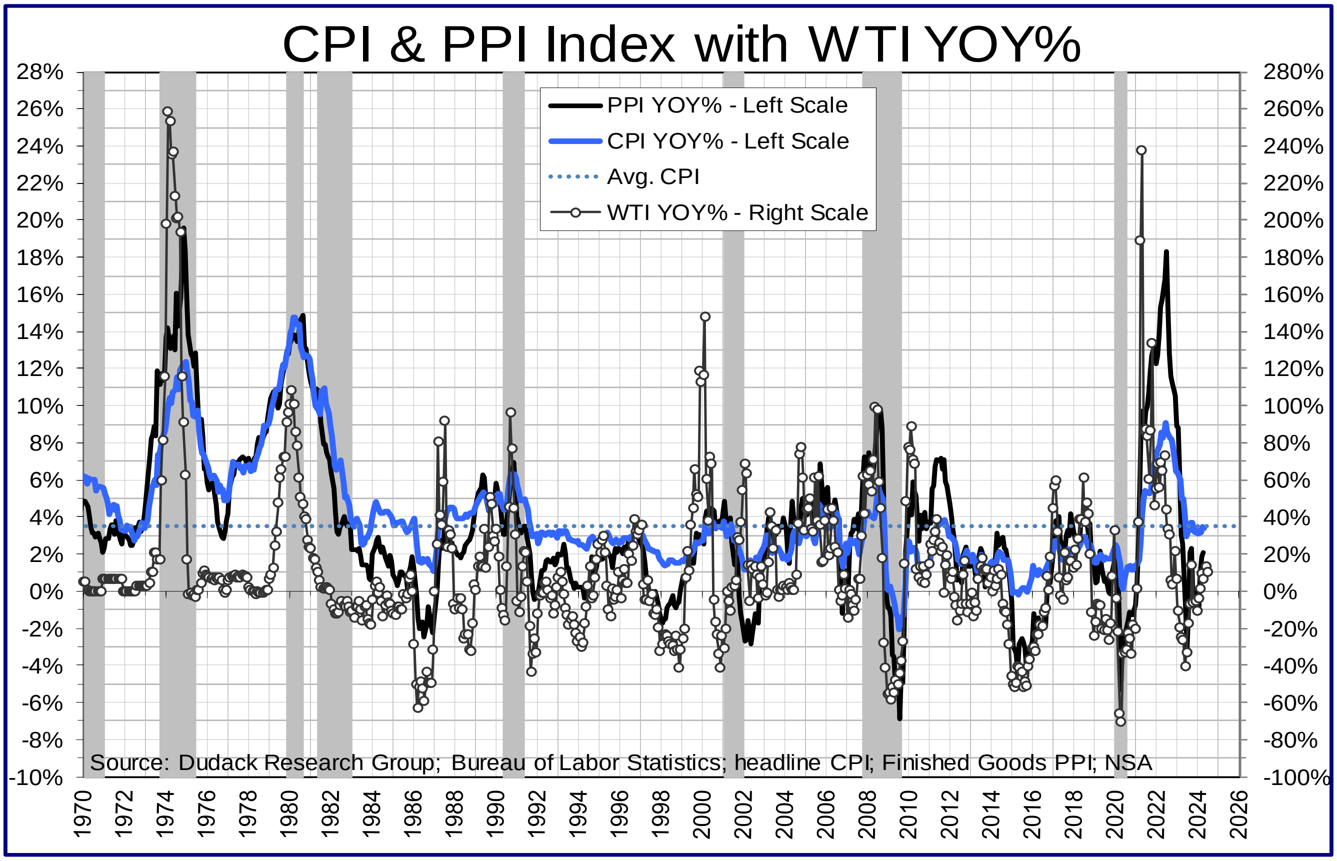


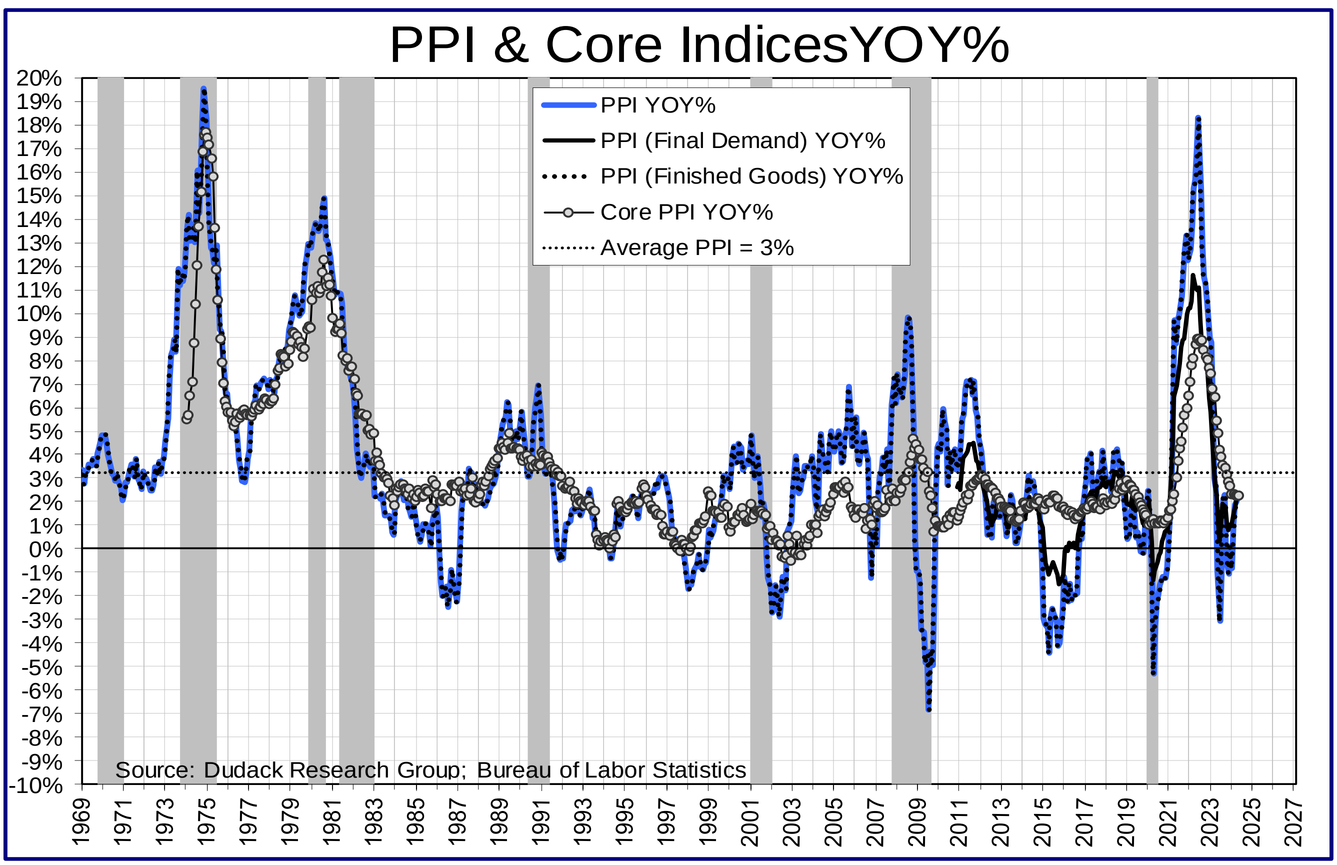
And the main issue for inflation is no longer housing, but services. Insurance has been a major factor for families and more recently the costs have begun to increase for medical care services and other areas of personal care. Moreover, core CPI indices that exclude shelter, food, energy, and medical care, have flattened out in recent months, but are not trending lower as yet.



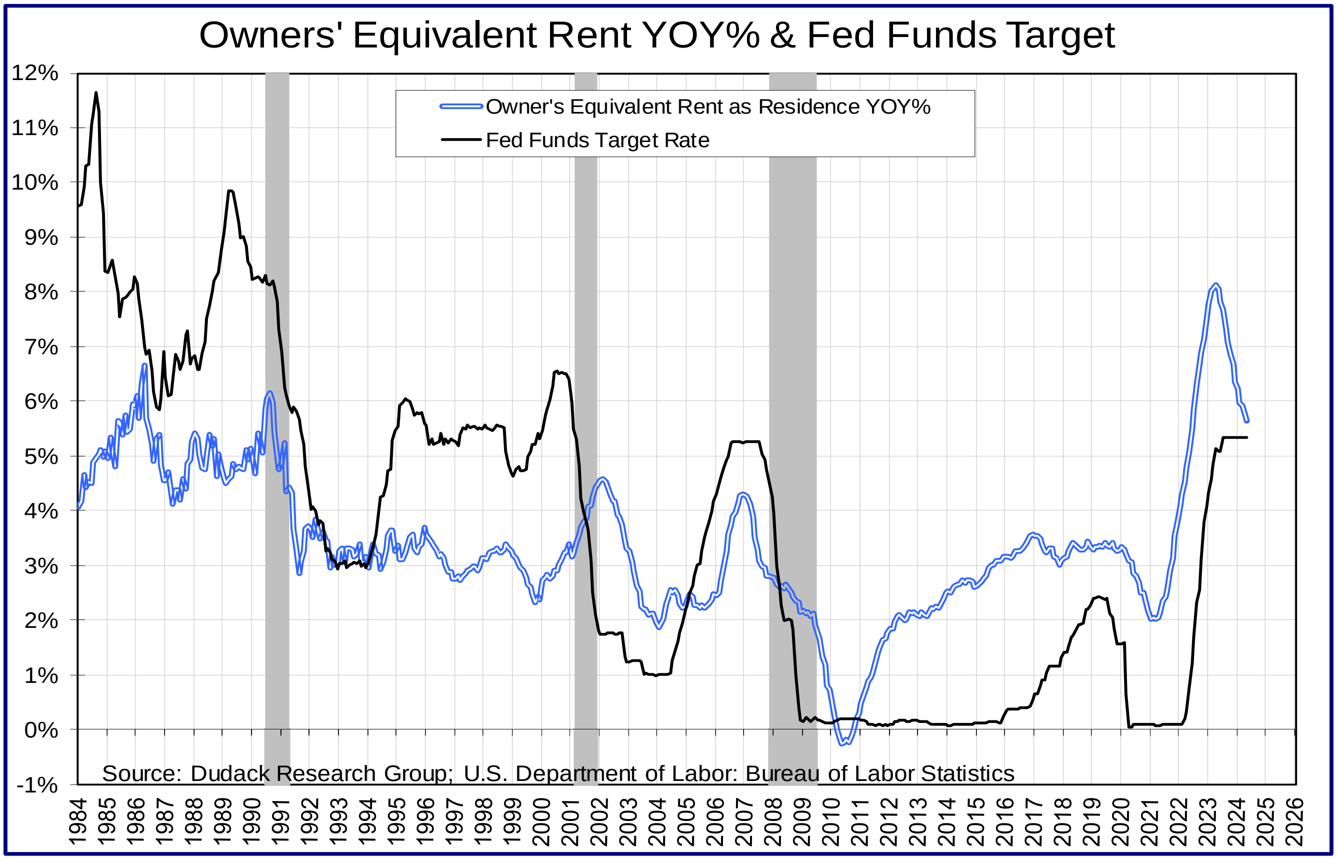


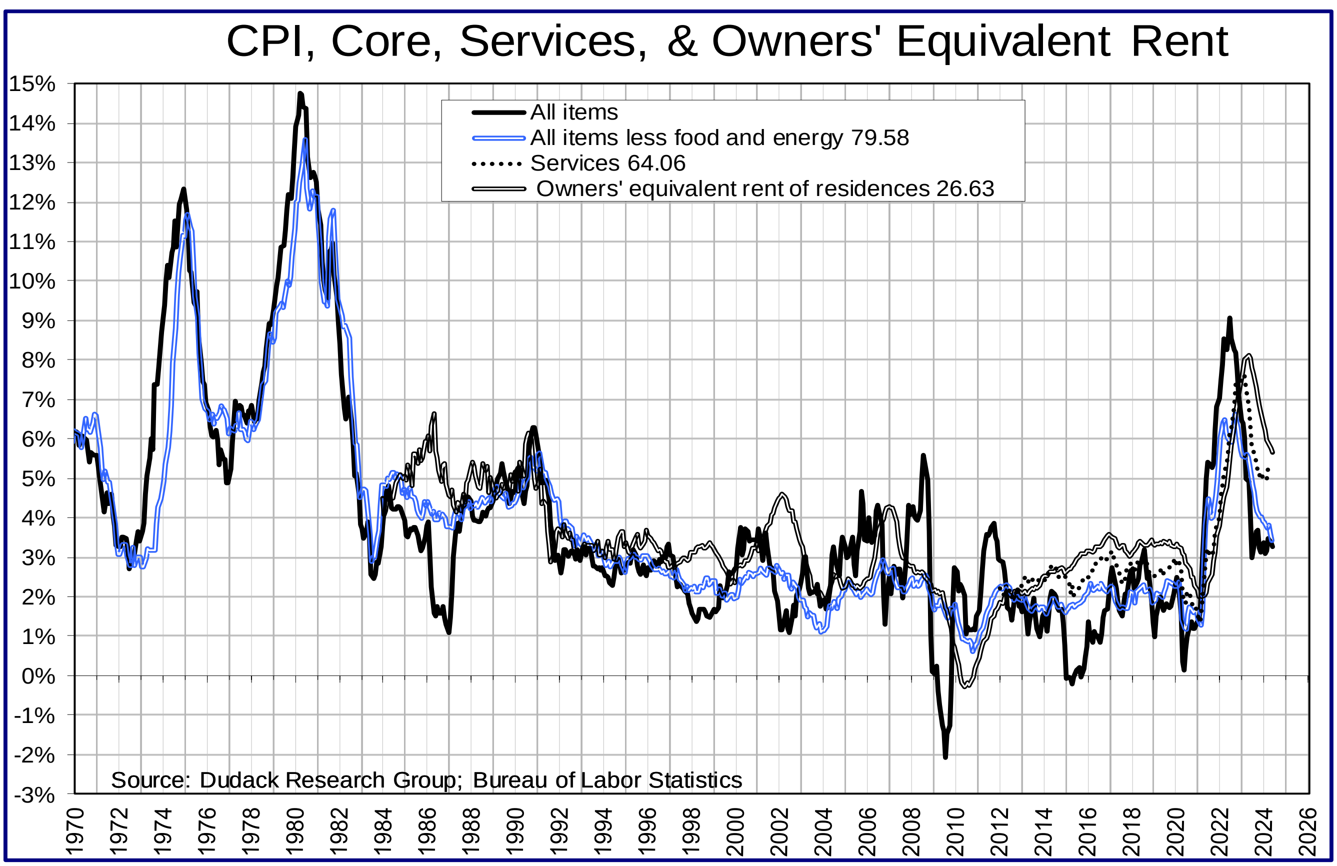
Another potential hurdle for inflation to reach the Fed's target of 2% is the rising price of oil. The declines seen in WTI futures and gasoline were another factor that helped lower the CPI in 2023, but oil prices are rising once again and so are some PPI indices. In May, the PPI for finished goods rose from 2.0% YOY to 2.4% YOY.



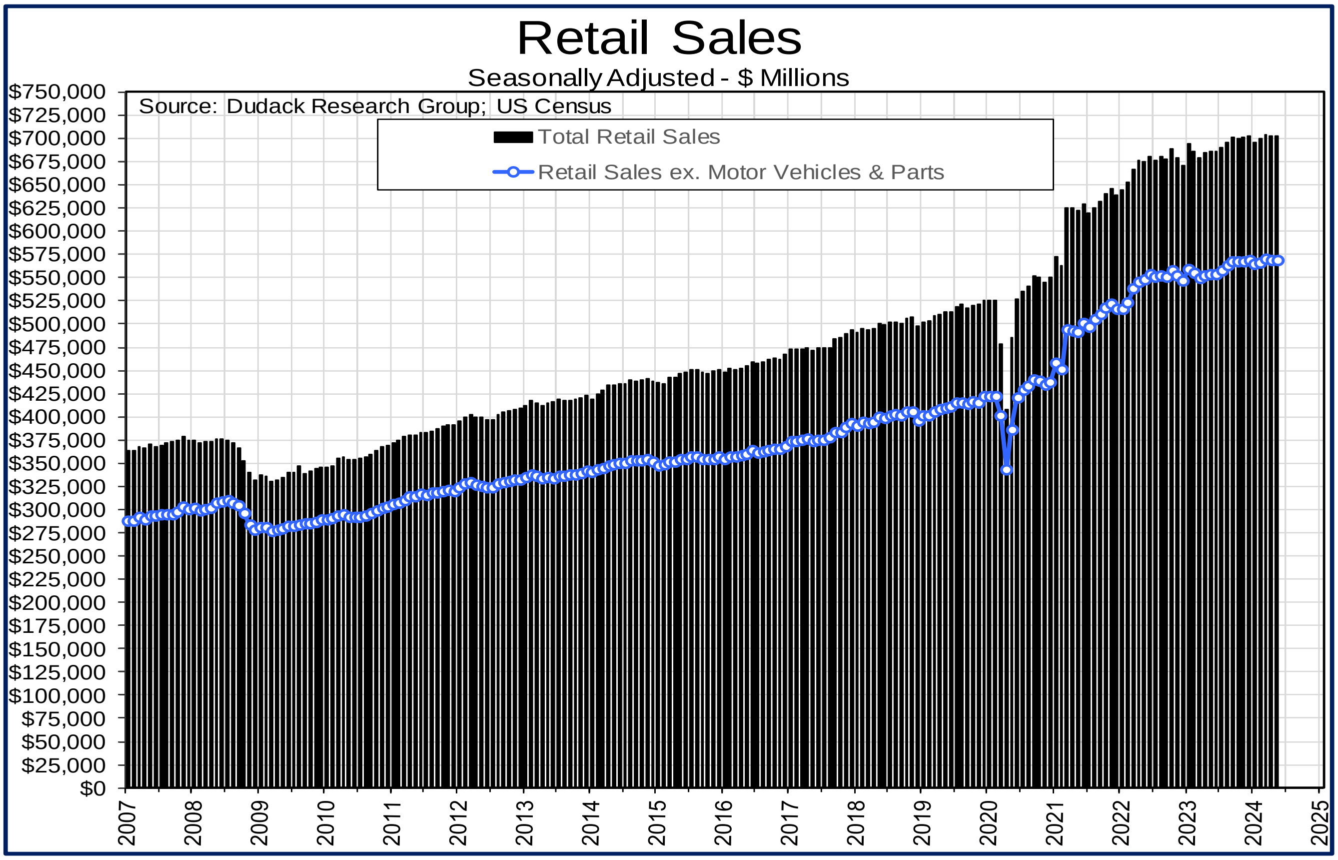


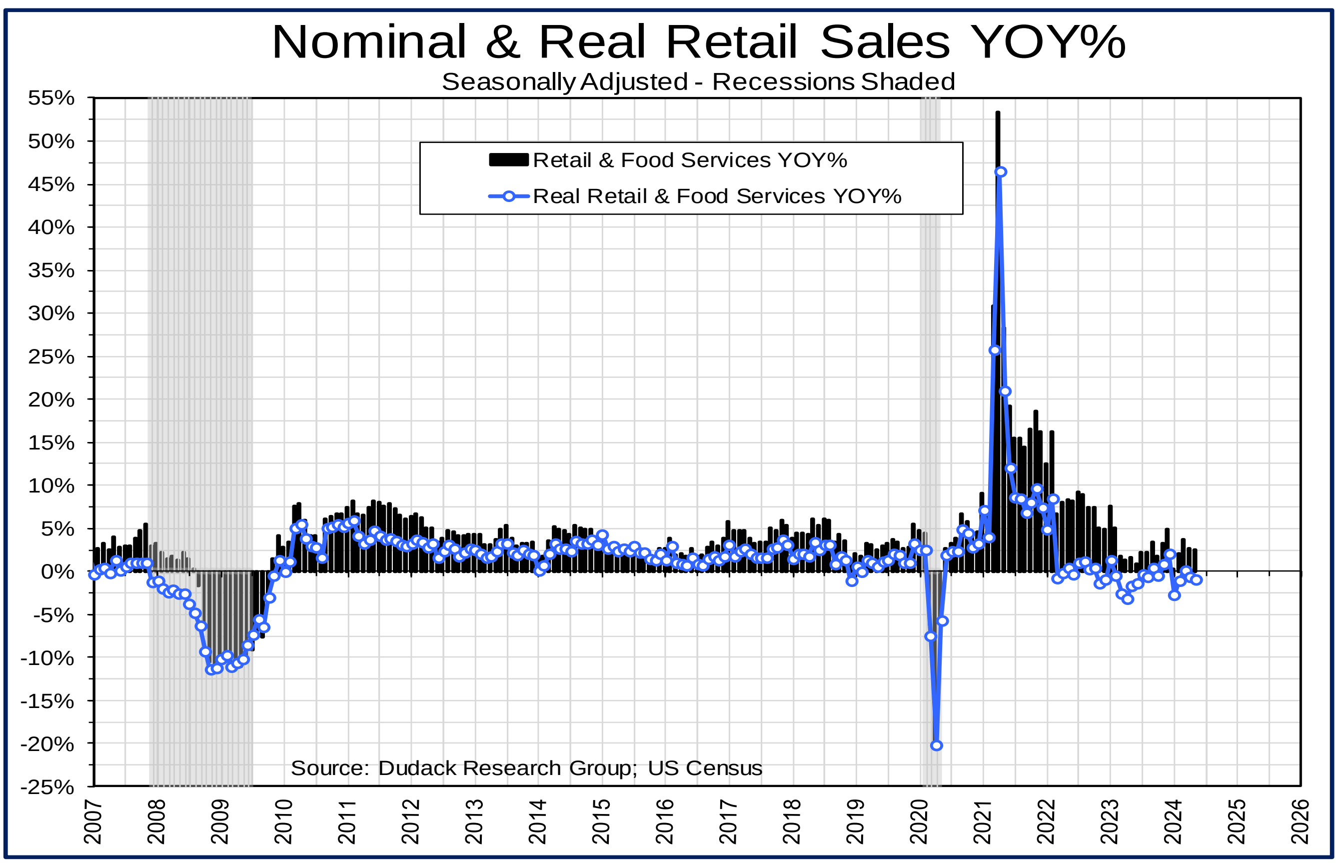
The financial crisis of 2008-2009 appears to have triggered a significant change in Fed policy. The crisis, which had mortgage securities and derivatives at its core, required easy monetary policy to support the banking system which owned too much of these bad securities. In the previous inflation cycle, the Fed was quick to increase interest rates and slow the economy. In the current cycle, the Fed was much slower to increase rates and inflation became endemic and it is more difficult to suppress, in our opinion.





sales for May were up 0.1% from April's level, which was below expectations. Total retail & food services rose 2.3% YOY, were up 2.5% YOY excluding autos, and rose 2.6% YOY excluding autos and gasoline. Real retail sales fell 0.9% YOY, declining on a year-over-year basis for the 14th time in the last 19 months.





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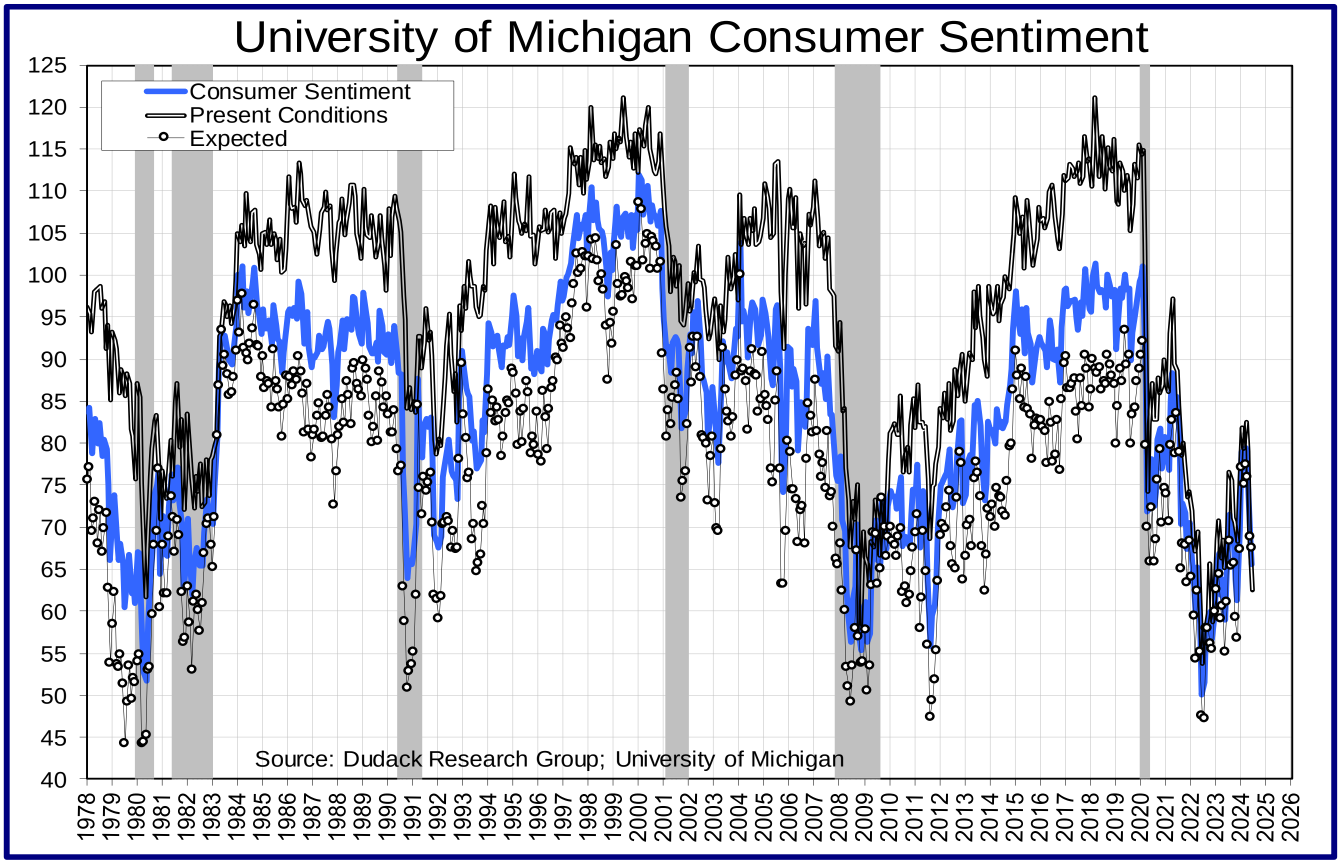
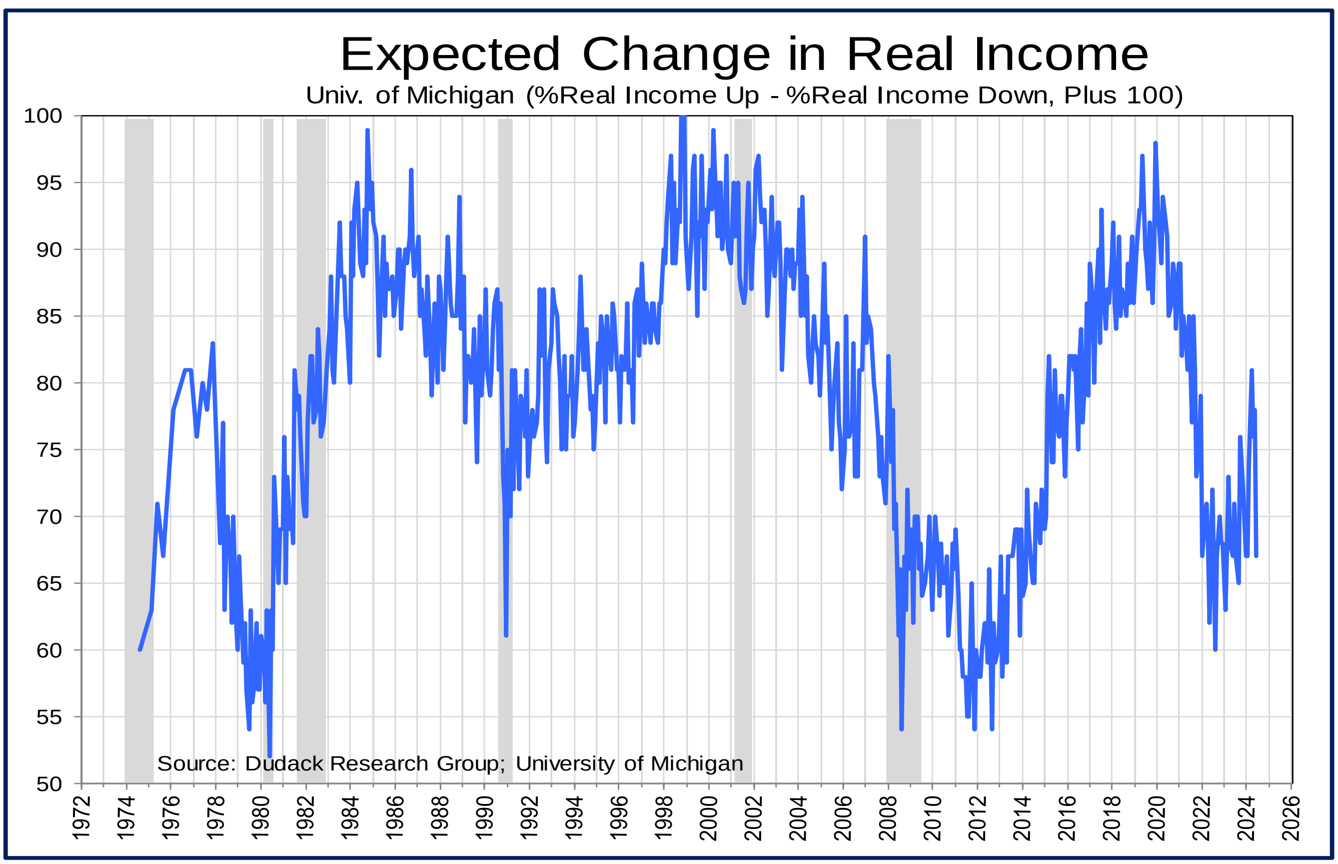
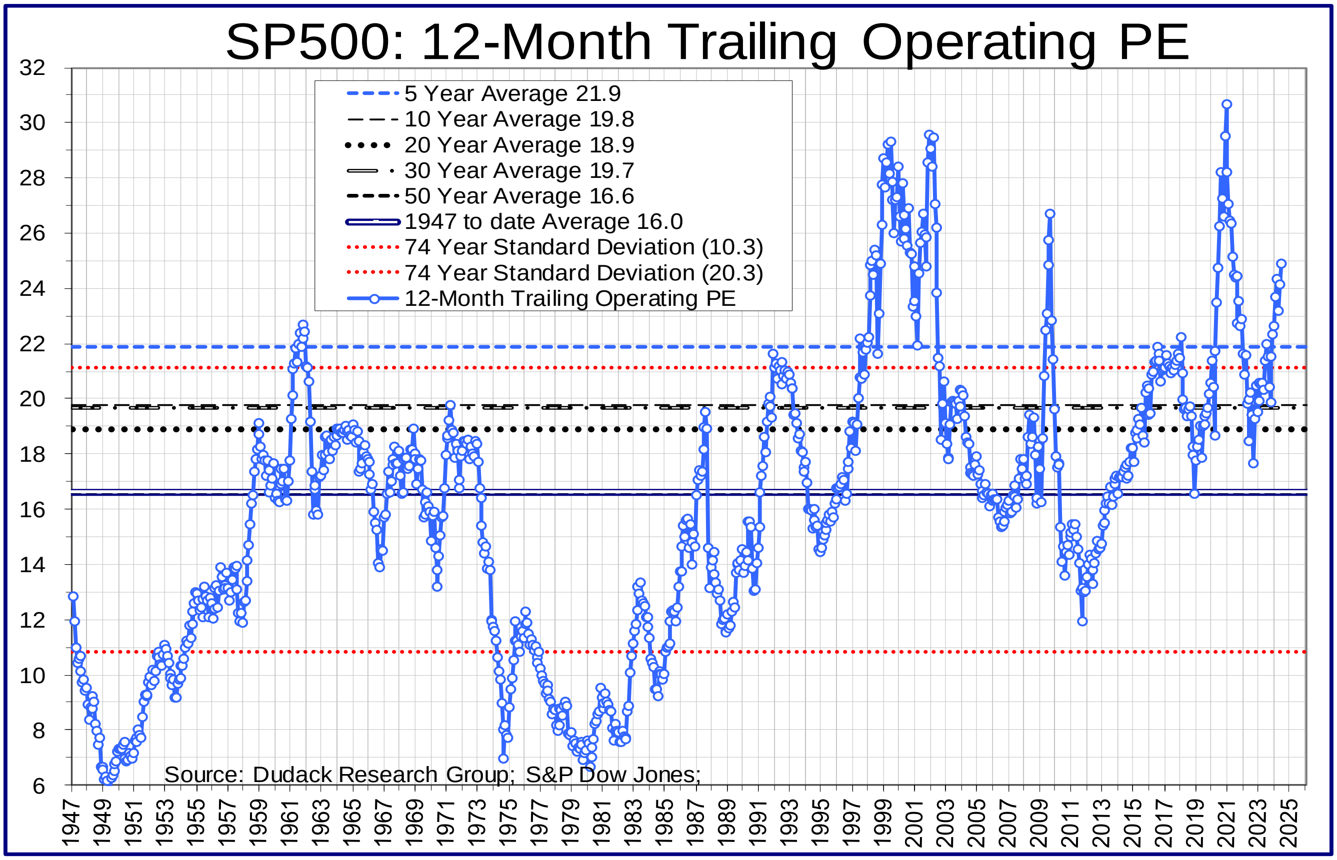
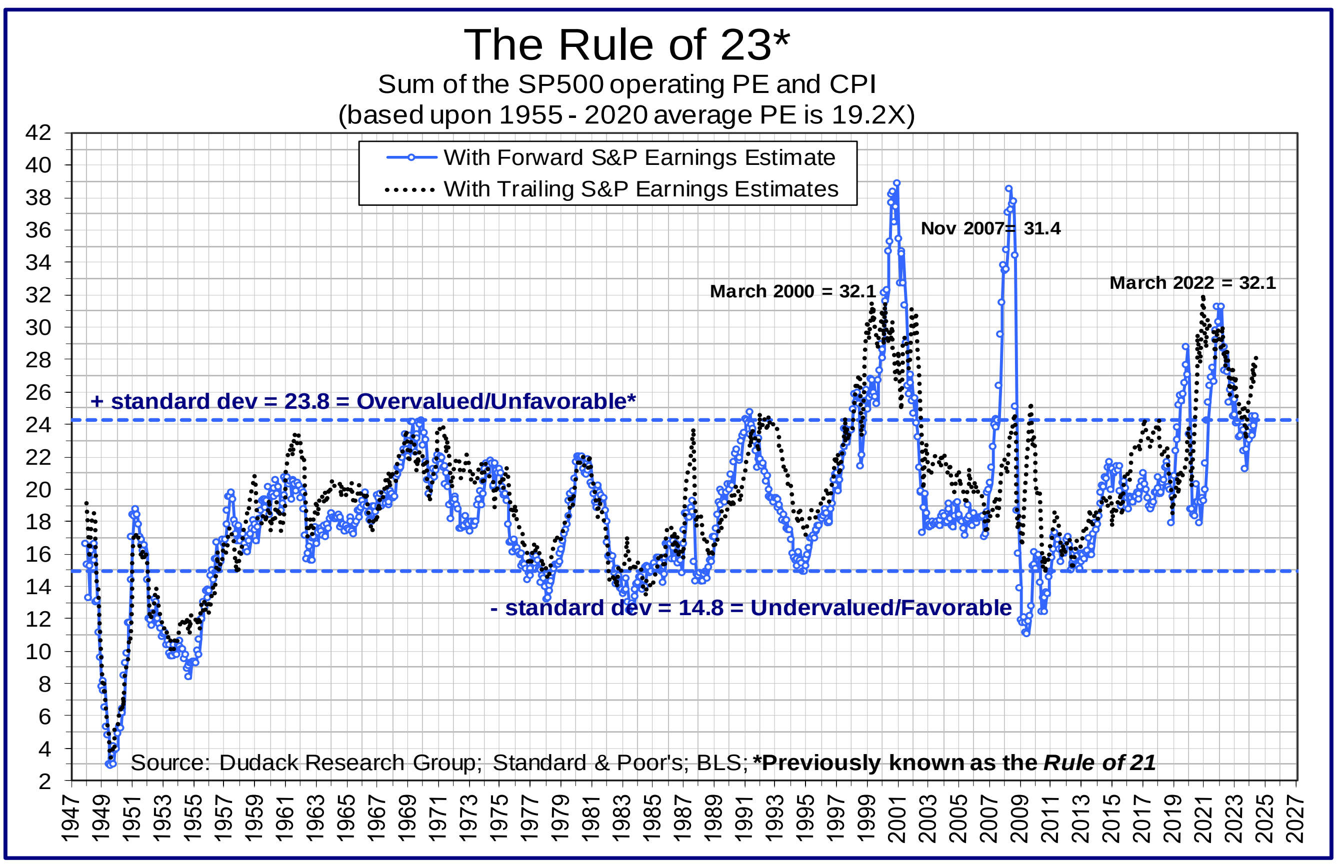


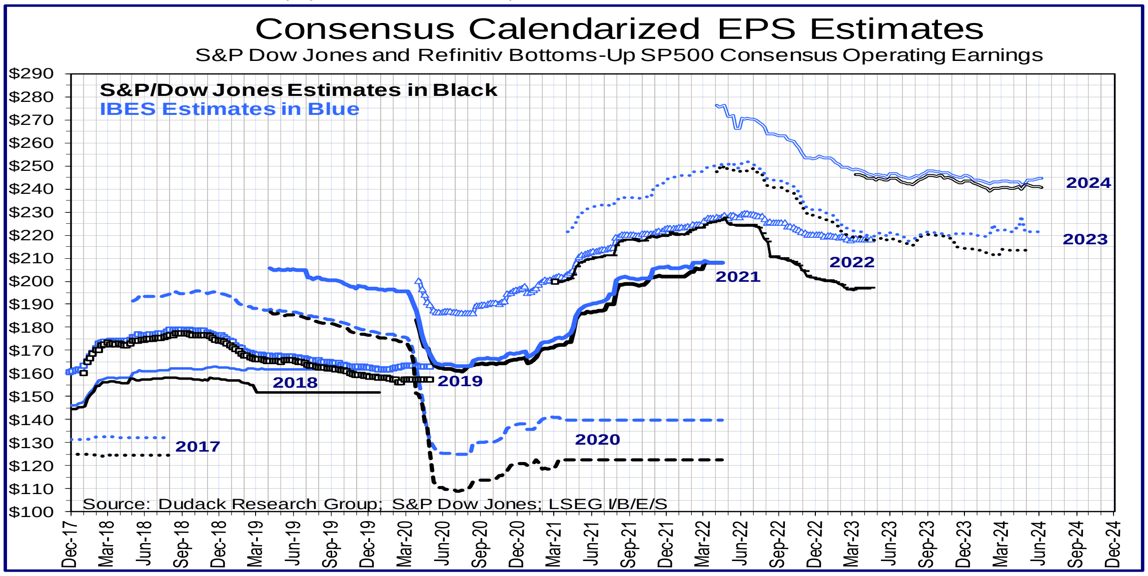


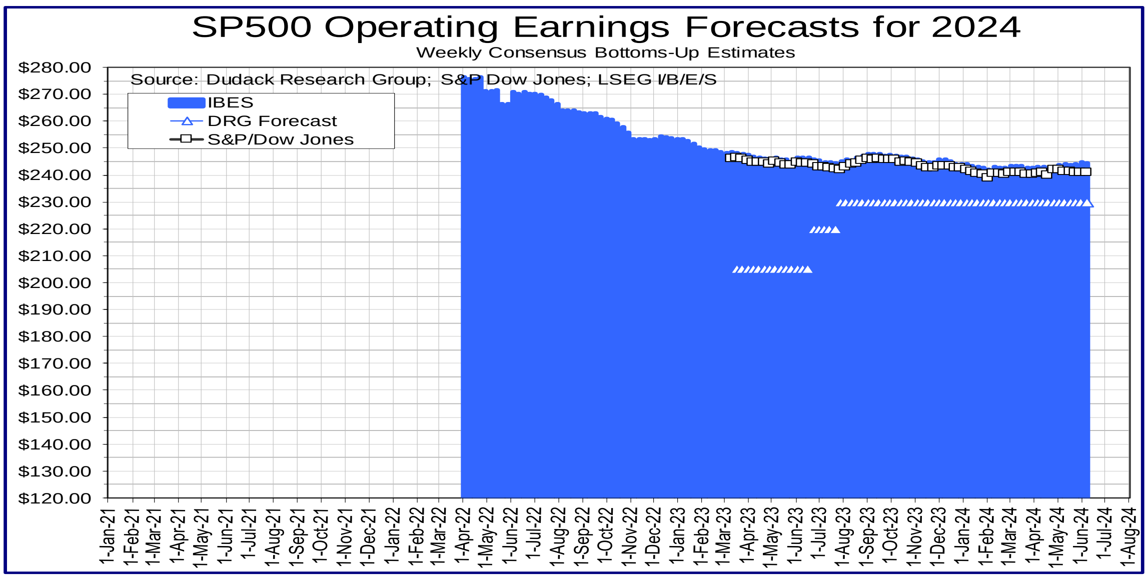
The SPX **trailing** 4-quarter operating multiple is now 25.0 times and well above all long- and short-term averages. The **12-month forward** PE multiple is 21.2 times and when added to inflation of 3.3% sums to 24.5, and above the top of the normal range of 23.8. By all measures, the equity market is at valuations seen only during the 1997-2000 bubble, the financial crisis of 2008, or the post-COVID-19 earnings slump.

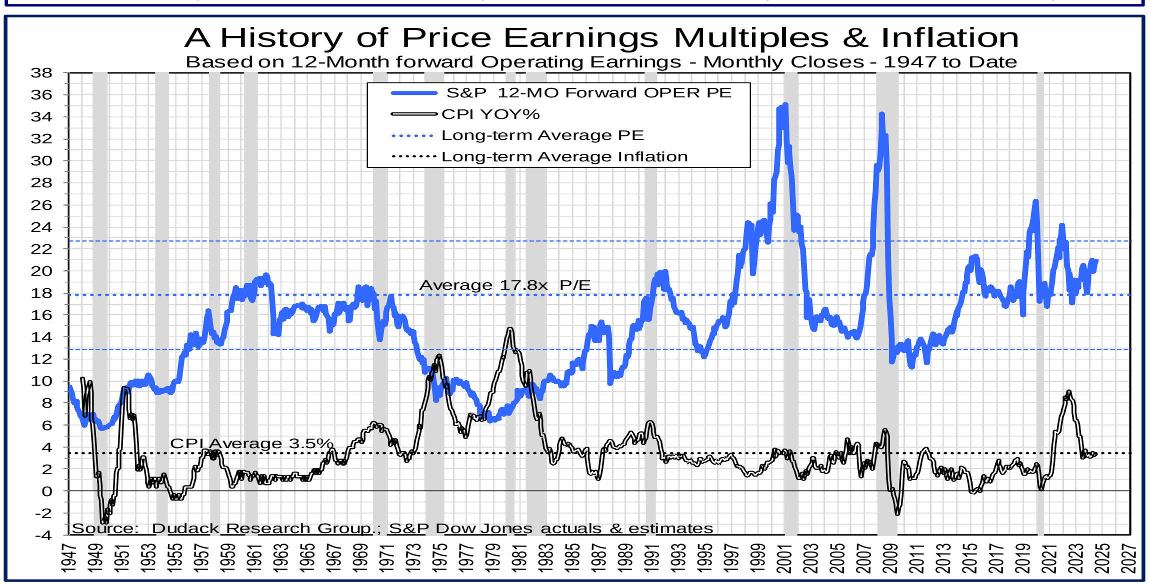




The S&P Dow Jones consensus estimate for calendar 2024 is $240.78, down $0.08, and the 2025 estimate is $276.52, up $0.34 this week, as optimism about next year's earnings resumes. The LSEG IBES estimate for 2024 is $244.73, up $0.08 and for 2025 is $279.06, down $0.35. The IBES guesstimate for 2026 EPS continues to rise, up $0.61 to $315.87 this week. <u>Based upon the IBES EPS estimate for calendar 2024, equities remain overvalued with a PE of 22.0 times and inflation of 3.4%. This sum of 25.4 is above the 23.8 level that defines an overvalued equity market. Note: based upon the S&P estimate, the 2024 PE is 22.3 times.</u>







The Nasdaq Composite index and the S&P 500 continue to make record highs led by big-cap technology stocks. The Dow Jones Industrial Average is 3% below its record high of May 17, 2024 and the Russell 2000 index remains 17% below its high of 2442.74 made on November 8, 2021. The Russell is trading below its 50-day and 100-day moving averages this week and the DJIA is trading slightly above its two moving averages. It is a market of haves and have-nots.

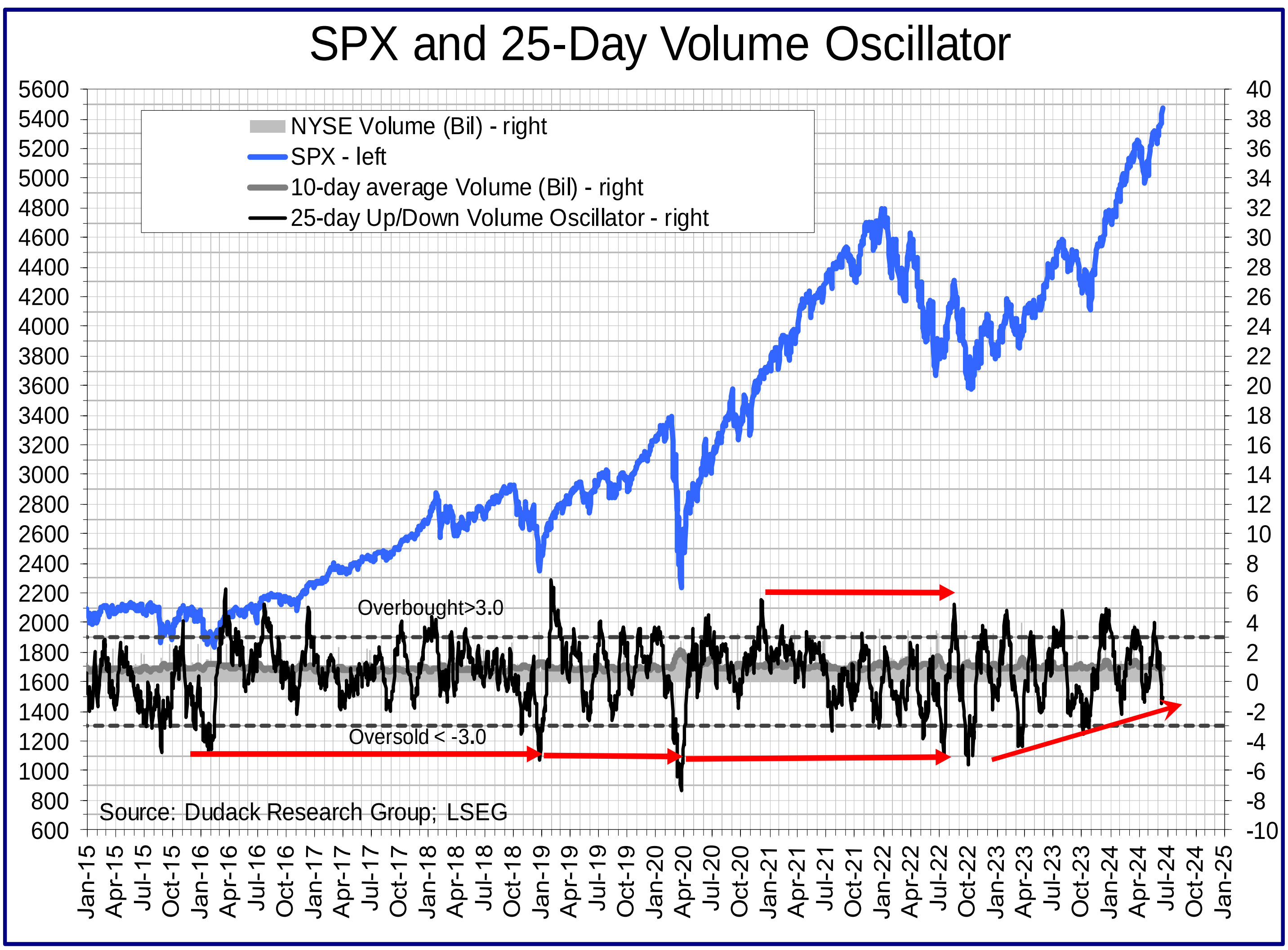
Source: Refinitiv

The 25-day up/down volume oscillator is at negative 1.06, but still in neutral territory after being overbought for four consecutive trading days between May 17 and May 22. This followed six weeks in neutral territory. Since a minimum of five consecutive trading days in overbought is required to confirm a new high, this indicator has not yet confirmed any of the new highs made in the S&P 500 index and Dow Jones Industrial Average since January.

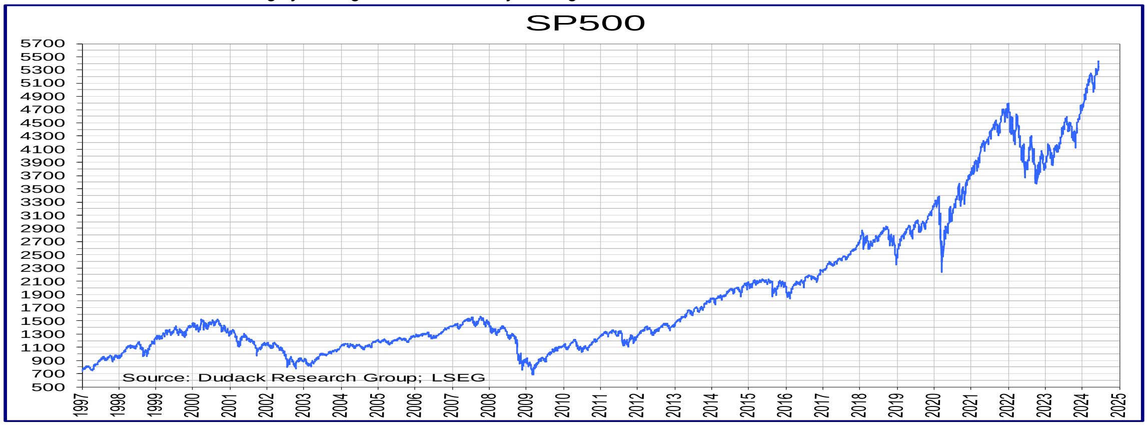
Previous overbought readings in the oscillator were seen for two consecutive days on March 13 and 14, on March 20 and 21, and for three consecutive trading days on March 27, March 28, and April 1. These overbought readings followed the string in early January when the oscillator recorded readings of 3.0 or higher during 22 of 25 consecutive trading days ending January 5. This January reading confirmed the new highs seen at that time.

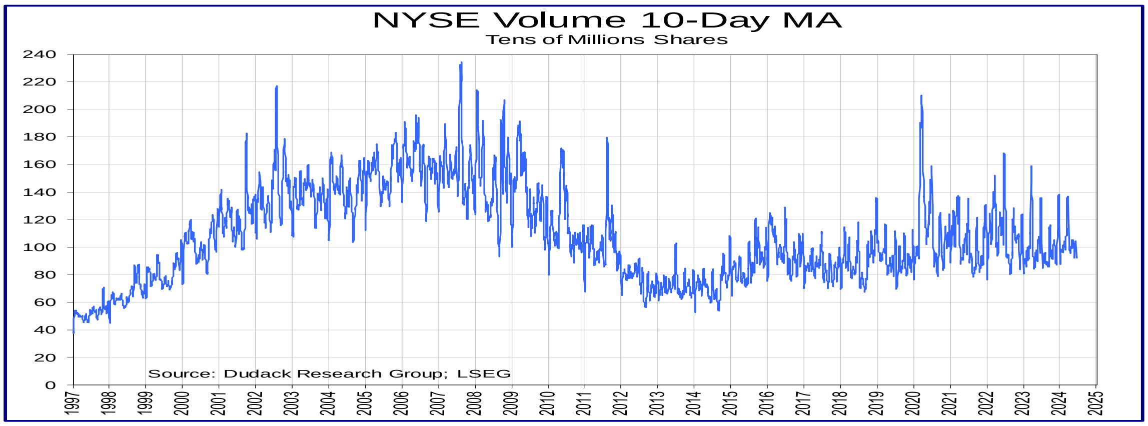
The NYSE volume is yet to record a 90% up day this year but did score a 90% down-volume day on April 12, February 13, and December 20, 2023. In short, it has been a strong advance in terms of points, but weak in terms of upside buying pressure.

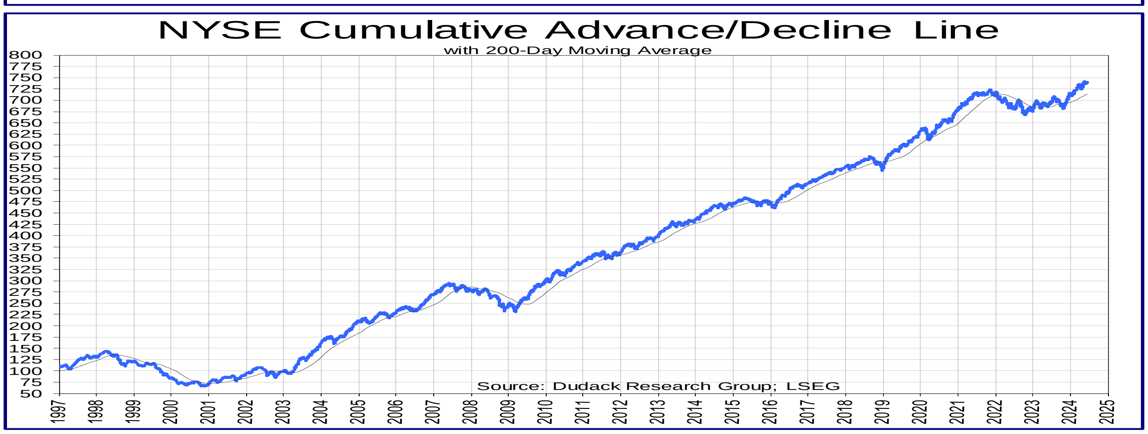
If the rally which began in October actually represents a new bull market advance, it should have also included several extreme overbought readings of 5.0 or better, which are typical of the first stage of a major advance. This has been absent and represents, to date, a lack of persistent buying pressure.

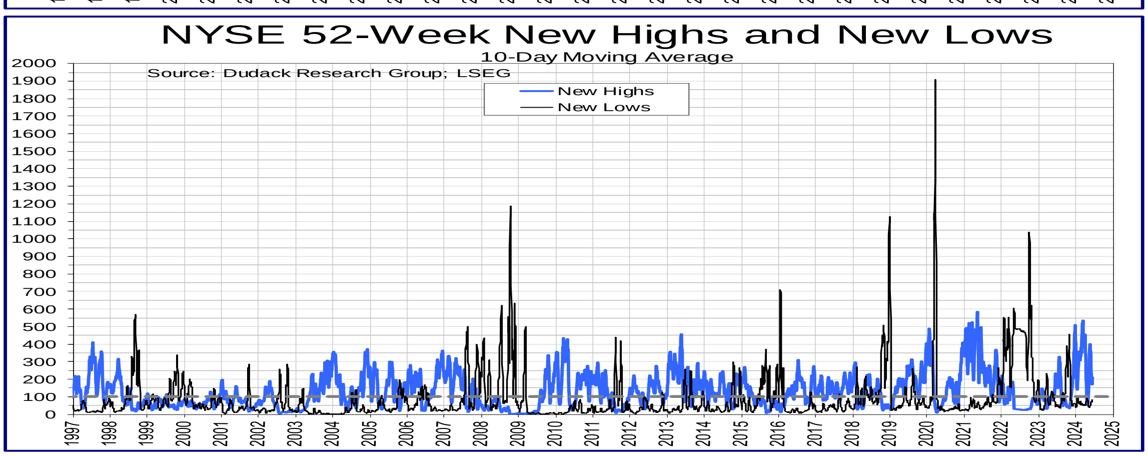


The 10-day average of daily new highs is 206 and new lows are 88. This combination of new highs above 100 and new lows below 100 is positive. The NYSE advance/decline line made a new record high on May 20, 2024, is positive, but is failing to keep up with the popular at this time. With the exception of May 28th and May 31st, daily volume has been weak for most of the last four weeks, and largely trailing behind the 10-day average for most of the recent advance.

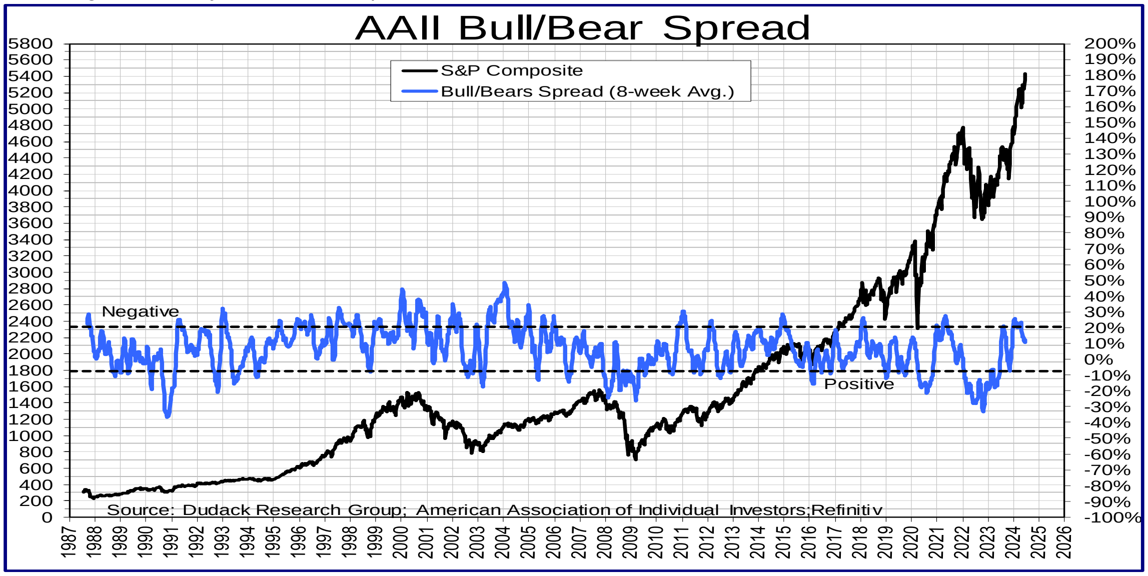


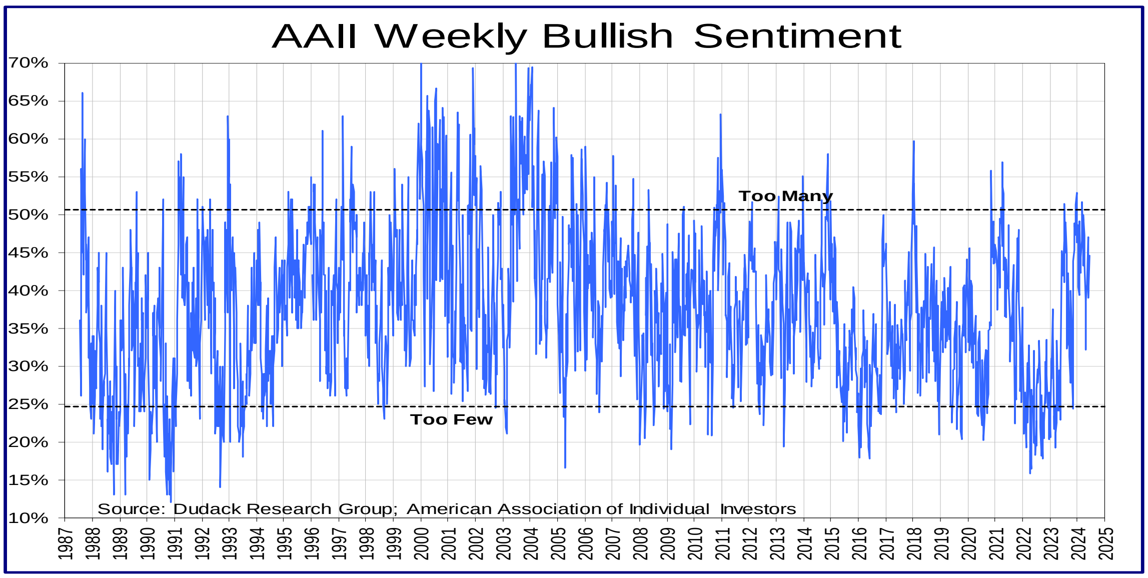


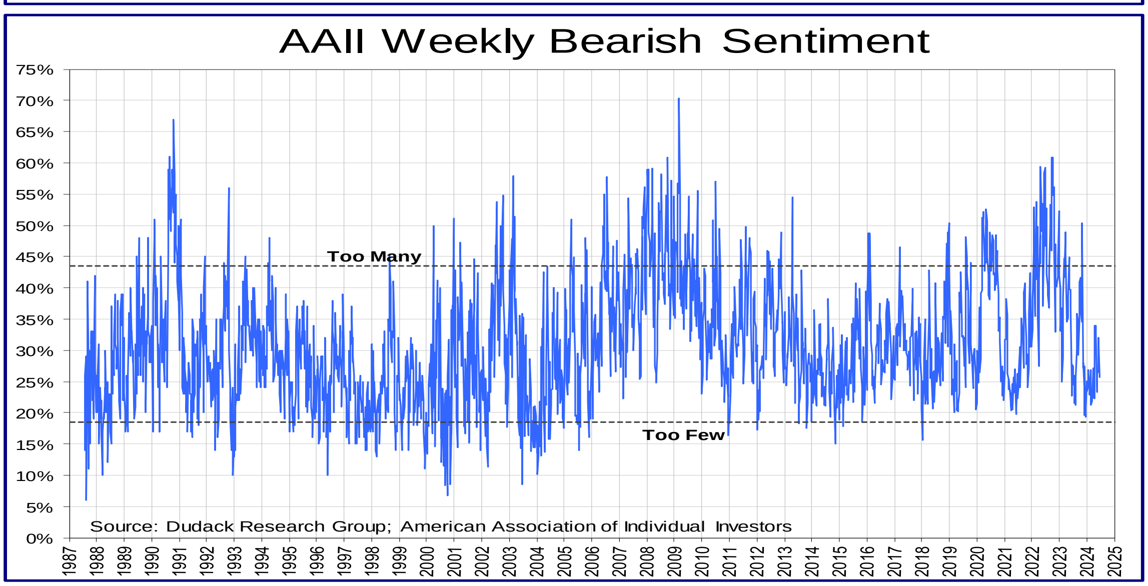




Last week's AAII readings showed bullishness jumped 5.6% to 44.6%, keeping bullishness above average. Bearishness fell 6.3% to 25.7%, carrying bearishness below the average of 31%. On December 13, 2023, bearishness was 19.6%, its lowest level since the January 3, 2018 reading of 15.6% when bullishness was also high and above the 50% benchmark at 51.3%. The 8-week bull/bear fell to 12.2% and remains neutral after generating 7 consecutive weeks in negative territory in March and April.







Global Markets and Commodities - Ranked by YTD Trading Performance

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
iShares Silver Trust	SLV	28.24	1.1%	-6.3%	18.6%	24.0%
Silver Future	SIc1	29.51	1.3%	-5.0%	19.0%	23.7%
iShares Russell 1000 Growth ETF	IWF	367.33	3.3%	7.1%	9.0%	21.2%
Technology Select Sector SPDR	XLK	231.41	5.1%	9.2%	11.1%	20.2%
Nasdaq Composite Index Tracking Stock	ONEQ.O	70.42	2.9%	7.1%	9.3%	18.9%
NASDAQ 100	NDX	19908.86	3.6%	7.3%	9.1%	18.3%
iShares MSCI Taiwan ETF	EWT	54.44	5.7%	6.8%	11.8%	18.3%
United States Oil Fund, LP	USO	78.67	4.2%	2.2%	-0.1%	18.0%
Communication Services Select Sector SPDR Fund	XLC	84.03	-0.9%	1.7%	2.9%	15.6%
SP500	.SPX	5487.03	2.1%	3.5%	4.4%	15.0%
iShares Russell 1000 ETF	IWB	298.72	1.9%	2.7%	3.7%	13.9%
Oil Future	CLc1	81.57	4.7%	1.9%	-1.9%	13.8%
iShares MSCI India ETF	INDA.K	55.51	2.3%	4.8%	7.6%	13.7%
SPDR S&P Semiconductor ETF	XSD	253.39	1.6%	6.2%	9.2%	12.7%
SPDR Gold Trust	GLD	215.47	0.6%	-3.7%	4.7%	12.7%
iShares China Large Cap ETF	FXI	26.56	0.3%	-9.4%	10.3%	10.5%
Financial Select Sector SPDR	XLF	41.27	1.0%	-2.9%	-2.0%	9.8%
SPDR Homebuilders ETF	XHB	104.68	2.9%	-2.3%	-6.2%	9.4%
Utilities Select Sector SPDR	XLU	69.20	-1.7%	-4.3%	5.4%	9.3%
PowerShares Water Resources Portfolio	PHO	66.39	1.4%	-3.0%	-0.3%	9.1%
Industrial Select Sector SPDR	XLI	123.15	0.9%	-1.7%	-2.2%	8.0%
Consumer Staples Select Sector SPDR	XLP	77.78	0.3%	-0.5%	1.9%	8.0%
iShares MSCI Malaysia ETF	EWM	22.84	0.9%	-1.9%	4.8%	7.5%
Health Care Select Sect SPDR	XLV	145.92	-0.3%	-0.3%	-1.2%	7.0%
iShares MSCI Emerg Mkts ETF	EEM	42.89	2.5%	-2.1%	4.4%	6.7%
iShares MSCI United Kingdom ETF	EWU	35.06	0.5%	-4.6%	2.5%	6.1%
iShares MSCI BRIC ETF	BKF	36.22	0.8%	-4.2%	6.1%	5.9%
Energy Select Sector SPDR	XLE	88.64	-2.0%	-6.7%	-6.1%	5.7%
Vanguard FTSE All-World ex-US ETF	VEU	59.24	0.3%	-2.0%	1.0%	5.5%
iShares Russell 1000 Value ETF	IWD	174.37	0.2%	-2.6%	-2.6%	5.5%
SPDR S&P Retail ETF	XRT	76.10	0.0%	0.2%	-3.7%	5.2%
Materials Select Sector SPDR	XLB	89.54	-0.1%	-2.8%	-3.6%	4.7%
Gold Future	GCc1	2845.10	0.2%	0.8%	2.0%	4.4%
iShares MSCI EAFE ETF	EFA	78.45	-0.6%	-3.9%	-1.8%	4.1%
iShares MSCI Japan ETF	EWJ	66.66	-2.1%	-3.0%	-6.6%	3.9%
iShares Russell 2000 Growth ETF	IWO	261.17	0.4%	-1.5%	-3.6%	3.5%
SPDR DJIA ETF	DIA	389.14	0.3%	-2.7%	-2.2%	3.3%
DJIA	.DJI	38834.86	0.2%	-2.9%	-2.4%	3.0%
iShares MSCI Singapore ETF	EWS	19.18	0.8%	-3.1%	4.5%	2.6%
iShares MSCI Germany ETF	EWG	30.29	-1.5%	-6.6%	-4.6%	2.0%
Shanghai Composite	.SSEC	3030.25	0.1%	-3.9%	-0.4%	1.9%
Consumer Discretionary Select Sector SPDR	XLY	180.85	1.7%	1.2%	-1.7%	1.1%
iShares MSCI Austria Capped ETF	EWO	21.71	-1.0%	-8.4%	0.0%	0.5%
iShares MSCI Australia ETF	EWA	24.43	1.6%	-3.2%	-0.9%	0.4%
iShares MSCI South Korea Capped ETF	EWY	65.63	2.9%	0.3%	-2.2%	0.2%
iShares Russell 2000 ETF	IWM	200.75	0.1%	-3.5%	-4.5%	0.0%
iShares MSCI Canada ETF	EWC	36.52	-1.0%	-5.4%	-4.6%	-0.4%
iShares Nasdaq Biotechnology ETF	IBB.O	134.38	-1.8%	-1.7%	-2.1%	-1.1%
iShares iBoxx $ Invest Grade Corp Bond	LQD	108.45	1.2%	1.2%	-0.4%	-2.0%
SPDR S&P Bank ETF	KBE	44.77	1.5%	-6.6%	-4.9%	-2.7%
iShares Russell 2000 Value ETF	IWN	149.94	-0.4%	-5.5%	-5.6%	-3.5%
iShares DJ US Oil Eqpt & Services ETF	IEZ	21.12	-2.6%	-9.0%	-10.7%	-3.7%
iShares 20+ Year Treas Bond ETF	TLT	94.59	3.0%	3.5%	0.0%	-4.3%
iShares US Real Estate ETF	IYR	87.00	1.3%	-1.5%	-3.2%	-4.8%
iShares US Telecomm ETF	IYZ	20.97	-0.7%	-3.9%	-4.6%	-7.9%
iShares MSCI Hong Kong ETF	EWH	15.81	-1.1%	-12.5%	1.7%	-9.0%
iShares MSCI Mexico Capped ETF	EWW	56.79	0.3%	-17.6%	-18.1%	-16.3%
iShares MSCI Brazil Capped ETF	EWZ	27.06	-2.8%	-14.8%	-16.5%	-22.6%

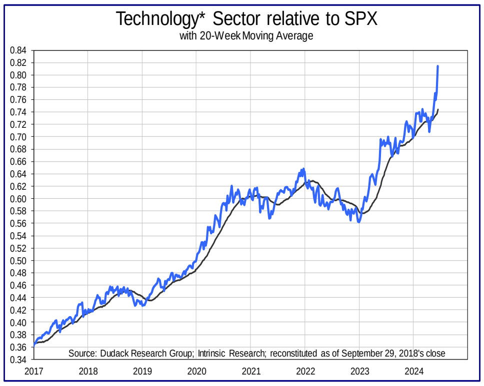
Outperformed SP500
Underperformed SP500

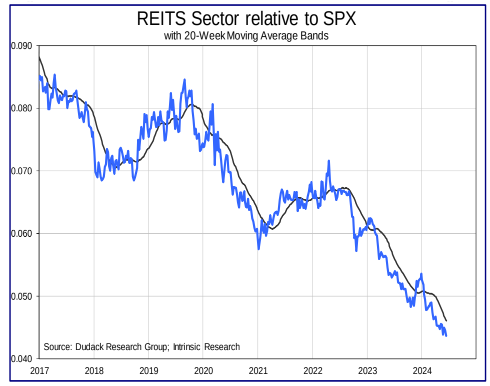
Source: Dudack Research Group; Refinitiv Priced as of June 18, 2024

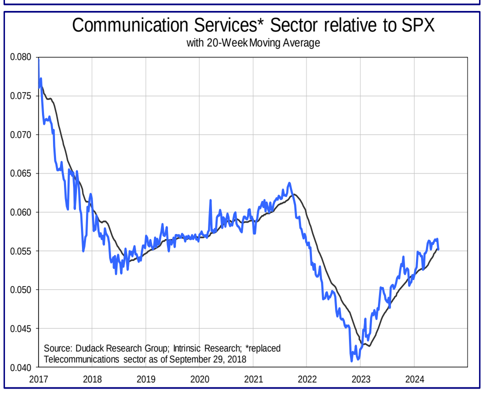
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

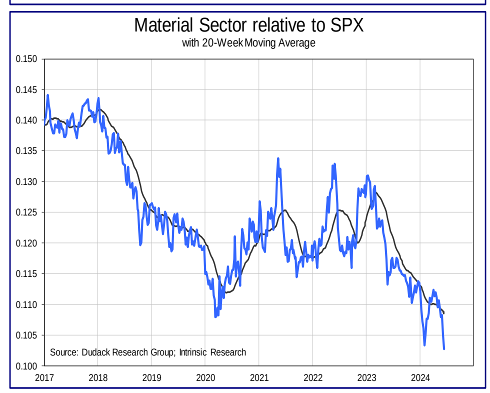
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Communication Services Technology Healthcare Financials	Consumer Discretionary Staples Energy Industrials	REITS Materials Utililties

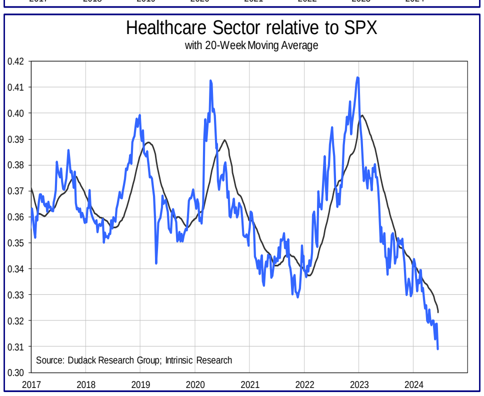
2/6/2024: Upgraded Communication Services from U to O; Technology & Healthcare from from N to O; Downgraded Industrials & Consumer Discretionary from O to N; Materials downgraded from O to U. Staples & Energy upgraded to N.

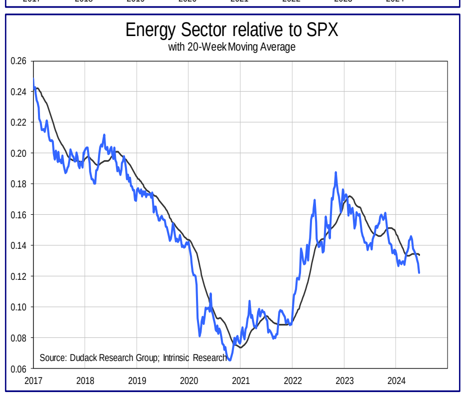


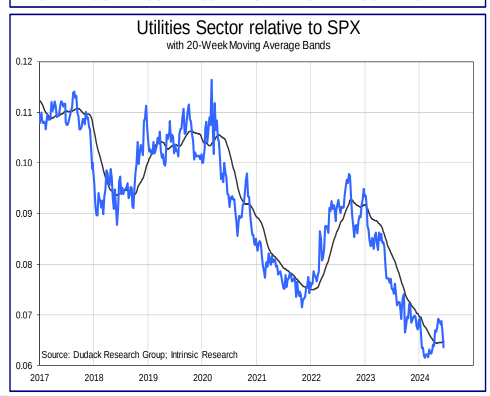


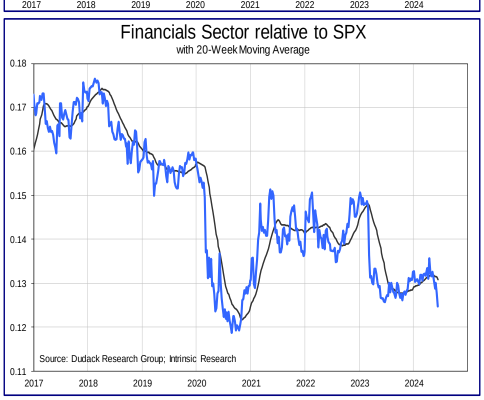


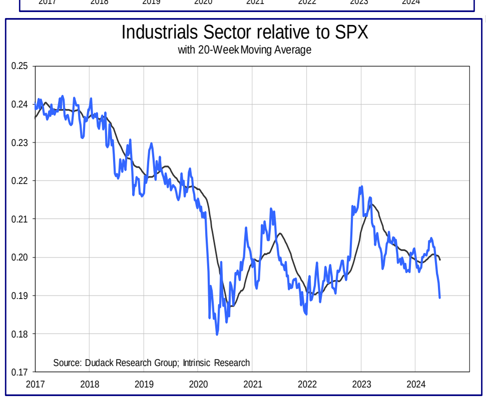












2024 Performance - Ranked	
SP500 Sector	% Change
S&P INFORMATION TECH	31.5%
S&P COMMUNICATIONS SERVICES	23.1%
S&P 500	15.0%
S&P FINANCIAL	9.2%
S&P CONSUMER STAPLES	8.5%
S&P UTILITIES	8.4%
S&P INDUSTRIALS	7.7%
S&P HEALTH CARE	6.6%
S&P ENERGY	5.0%
S&P MATERIALS	4.1%
S&P CONSUMER DISCRETIONARY	3.2%
S&P REITS	-4.8%

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%
2023	4769.83	$94.14	$213.53	$213.53	8.4%	$221.36	1.5%	22.3X	1.5%	2.5%	$2,803.20	4.0%
2024E	~~~~~	$197.87	$240.78	$234.00	9.6%	$244.73	10.6%	22.8X	1.4%	NA	NA	NA
2025E	~~~~~	$172.75	$276.52	$255.00	9.0%	$279.06	14.0%	19.8X	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 4Q	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 1QP*	5254.35	$47.71	$54.91	$54.88	4.5%	$56.69	6.8%	24.3	1.3%	1.3%	$2,754.50	6.4%
2024 2QE	5487.03	$52.89	$58.59	$58.12	6.0%	$59.49	9.6%	25.0	1.4%	NA	NA	NA
2024 3QE	~~~~~	$56.72	$62.67	$60.50	15.8%	$63.46	8.6%	23.8	NA	NA	NA	NA
2024 4QE	~~~~~	$59.04	$64.61	$60.50	12.2%	$65.27	14.2%	22.8	NA	NA	NA	NA

Source: DRG; S&P Dow Jones **quarterly EPS may not sum to official CY estimates; LSEG IBES Consensus estimates *6/18/2024

Regulation AC Analyst Certification

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