Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
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DJIA: 40736.96
SPX: 5495.52
NASDAQ: 17025.88

US Strategy Weekly

Awaiting the Debate

Tonight is the first presidential debate between Vice President Kamala Harris and former President Donald Trump, and with any luck there will be another debate before the election. But either way, this debate has the potential of being a significant and market-moving event. Hopefully, the discussion will focus on foreign and economic policies and give voters clarity on the vision each has for dealing with budget deficits, burgeoning sovereign debt, immigration, crime, social issues, and America's role in the conflicts seen in Europe and the Middle East. But few presidential debates are remembered for policy. Most debates are remembered for those special "gotcha" moments and since both candidates have the potential to create such moments, we expect the presidential debate could be entertaining, but also challenging and decisive for both candidates.

The debate comes at an interesting and uneasy time. There is a potential hurricane threatening the Gulf Coast of the US, yet the WTI future (CLc1 - $66.25) is breaking below key support in the $68-70 level. This may be due to weakening demand from China and a growing bearish sentiment in commodity markets, but it is ominous. In line with this, the 46 basis point decline in the 10-year Treasury bond yield since the end of August is a big drop in a short period of time and it suggests a global flight to safety. In response to these declines in energy prices and long-term interest rates we are making a shift in our sector weightings and lowering the energy sector from neutral to underweight and raising utilities from underweight to neutral. See pages 14 and 20.

Technology leaders continue to be under pressure with Apple Inc. (AAPL - $220.11) ordered by the European Commission to pay 13 billion euros in back taxes to Ireland. This news follows a less-than-exciting iPhone 16 release earlier in the week. The European court also threw out Alphabet Inc. A Google unit's (GOOGL.O - $148.66) appeal against a 2.42 billion euro fine as it cracks down on Google's anti-competitive practices in Europe. And later this week the Bureau of Labor Statistics will report the CPI, PPI, and import/export price indices for August. These reports may not prove to be as important as the debate, but they do set the stage for the long-awaited September FOMC meeting at which we expect the Fed will cut rates by 25 basis points.

In our view, the Fed's first rate cut may be a negative for equities based on the classic "sell on the news" mentality of Wall Street. Moreover, a US rate cut could result in more unwinding of the yen carry trade if it weakens the dollar relative to the yen. If so, it would be the mirror image of the yen strengthening after the Bank of Japan raised interest rates to 0.25% on July 31, 2024, the highest level since 2008. In short, be prepared for more volatility in September.

Meanwhile, the employment report for August reflected weakness. Total nonfarm payrolls increased by a seasonally adjusted 142,000 jobs, greater than the three-month average but below the 12-month average of 197,000. Revisions to employment in June and July showed job growth was 86,000 lower than previously reported. The job gains seen in August occurred primarily in construction, up 34,000, and healthcare, up 31,000. The participation rate was unchanged at 62.7 in August. See page 3. There has been a large disparity between the two employment surveys -- establishment and household --

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

over the last twelve months. And as we show on page 4, the household survey shows a decline of 64,000 jobs since August 2023, whereas the establishment survey indicates job growth of 2.4 million. See page 4. Some of this disparity will be resolved with the benchmark revision expected early next year; but in our view, the monthly jobs number has been overstated for much of 2024. See definitions of the two surveys on page 5.

The unemployment rate for August fell from 4.3% to 4.2%, but that is not the real story. Workers with less than a high school diploma saw their unemployment rate rise from 6.7% to 7.1%, nearly three times the 2.5% rate for those with a bachelor's degree or higher. However, the number of unemployed workers this represents is 667,000 with less than a high school diploma versus 1.64 million with a bachelor's degree. Nevertheless, it displays the story of the haves and have-nots in this economy and why consumer sentiment readings have been so weak. See page 6.

August's gain of 142,000 jobs was a big improvement from a month earlier, but the 1.5% YOY gain in jobs that this represents is below the long-term average of 1.69% YOY and below average for the third consecutive month. The 3-month moving average of job growth also fell from 141,000 to 116,330. The employment-population ratio was 60.0 for the second month in a row, which is down from 60.4 a year earlier. We believe the retirement of the Baby Boomer generation has been and will continue to be the driver of a long-term decline in this ratio. See page 7. The number of multiple job holders was 8.2 million in August down from 8.4 million in July, but not much lower than the record 8.7 million seen in December 2023. All these monthly readings were well above the long-term average of 7.5 million people. Multiple job holders materialize for many reasons, but most often due to financial stress. This is likely due to the increase in inflation seen in the last three years and the financial hardship this poses to many households. See page 8.

Average hourly earnings for production and non-supervisory workers were $30.27 in August, up 4.1% YOY, and up 1.1% YOY after inflation. Hourly wages have been consistently growing above the rate of inflation since March 2023 which is a positive; however, average weekly earnings were $1020.10 in August, up 3.75% YOY, and up only 0.8% YOY after inflation. Wages have edged out inflation by a mere 0.7% per month since May 2023. This is because average weekly hours were 33.7 in August, down from an average 33.8 hours in 2023 and below the average of 34.0 hours in 2022. See page 9.

BLS data on foreign and native-born employment shows that foreign-born employment has risen from 16.2% of total employment in June 2020 to 19.6% in August. In the 12 months ended in August, foreign-born employment increased by 1.24 million while native-born employment fell by 1.3 million. Since the end of 2019, foreign-born employment grew by 4.4 million and native-born employment declined nearly 1.6 million. For definitions of native and foreign-born, see page 10.

The latest reading for the ISM nonmanufacturing index was 51.5, ratcheting up from 51.4 in July, and still above this survey's neutral threshold of 49. However, five of the nine underlying indices fell in the month, the weakest being backlogs which dropped from 50.6 to 43.7. The previously reported ISM manufacturing index also rose in August, but to a still-low level of 47.2, and with seven of its ten components well below the 50 benchmark. More importantly, the longer-term trends in both indices are decelerating. See page 11.

With a preliminary reading of Tuesday's market activity, our 25-day up/down volume oscillator is at 3.0 and right at the border of an overbought reading. With many of the indices at or near all-time highs, it is important for this indicator to confirm the advance with an overbought reading lasting at least 5 consecutive days. If the rally which began in October actually was a new bull market advance, it should also include several extreme overbought readings of 5.0 or better, which are typical of the first stage of a major advance. To date, both have been absent, indicating a lack of persistent buying pressure. See page 16.

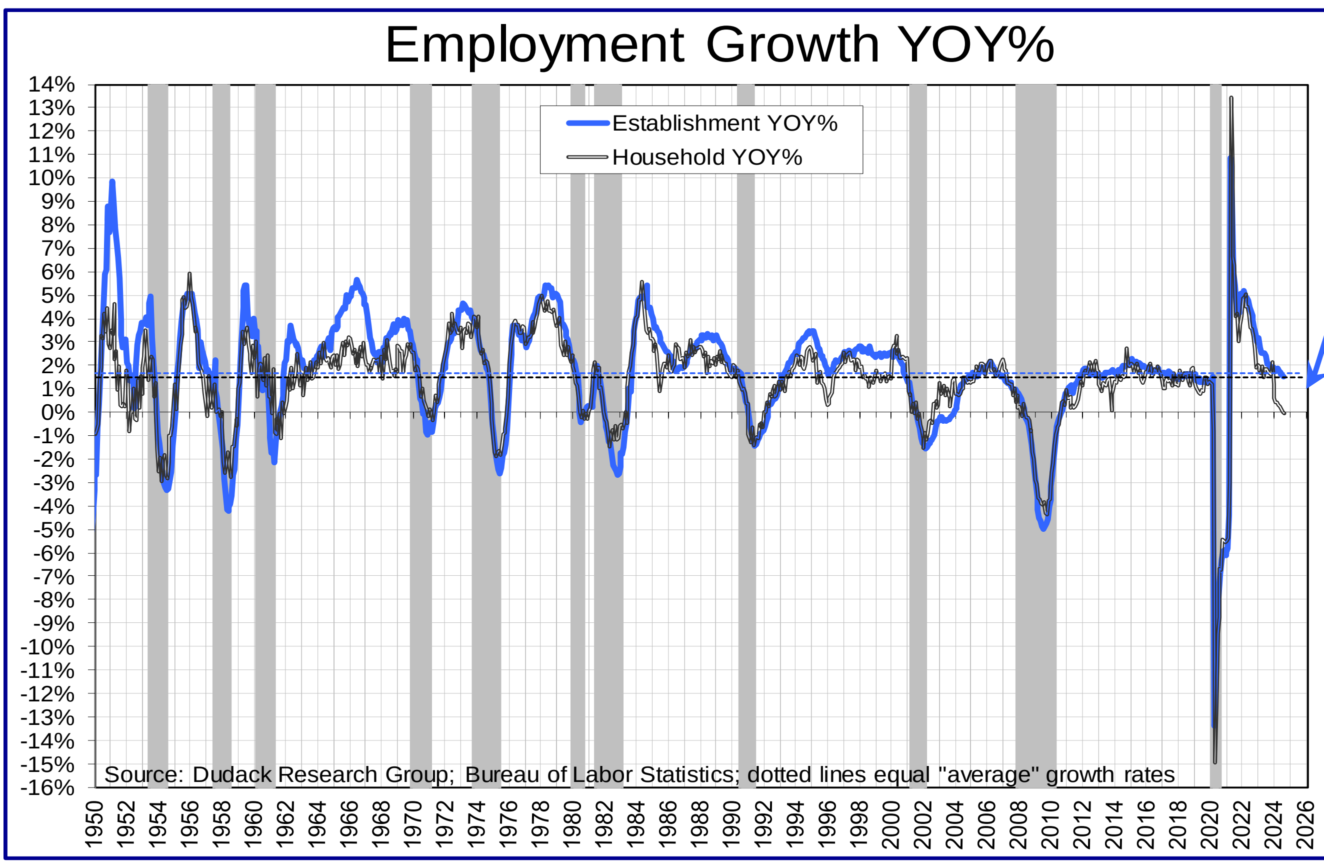
Total nonfarm payrolls increased by 142,000 (seasonally adjusted) in August, greater than the average job growth seen in the last three months but below the average monthly gain of 197,000 over the last 12 months. June's employment was revised down by 61,000, from +179,000 to +118,000, and July was revised down by 25,000, from +114,000 to +89,000. With these revisions, employment in both June and July was 86,000 lower than previously reported.

The BLS also estimates that annual benchmark revisions to the establishment survey, to be published in early February 2025, will show 818,000 fewer jobs as of March 2024, i.e., the month will be 0.5% lower than already reported. This is five times greater than the normal annual benchmark revision of plus or minus 0.1% which usually goes unnoticed. We are not surprised given the big disparity between job growth seen in the establishment and household surveys in recent months. It will put the establishment survey more in line with the household survey, which showed virtually no increase in job growth since March, no growth on a year-over-year basis in May, June, and July, and went slightly negative on a year-over-year basis in August.

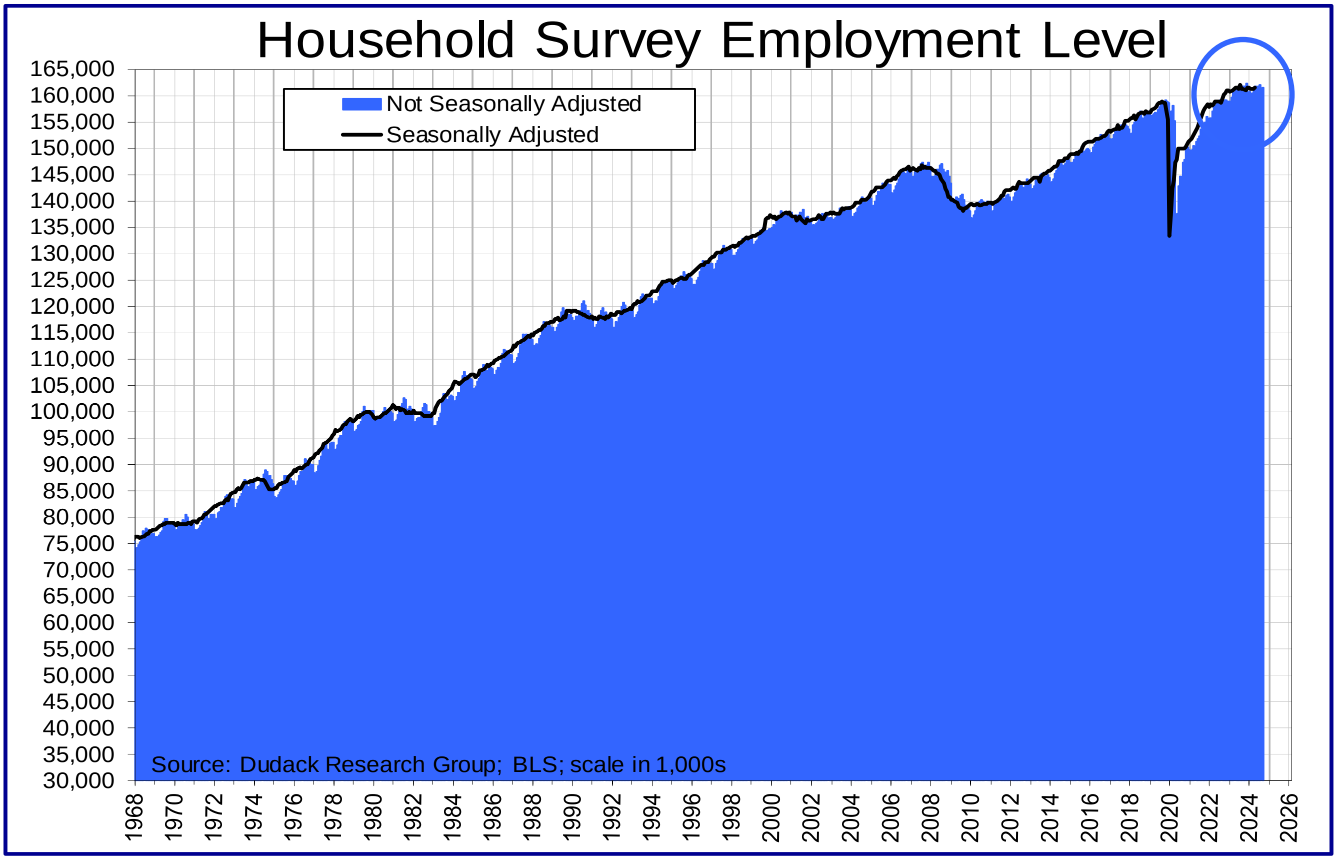
The job gains seen in August occurred primarily in construction, up 34,000, and health care, up 31,000. The participation rate was unchanged at 62.7 in August. The employment-population ratio was similarly unchanged at 60.0.

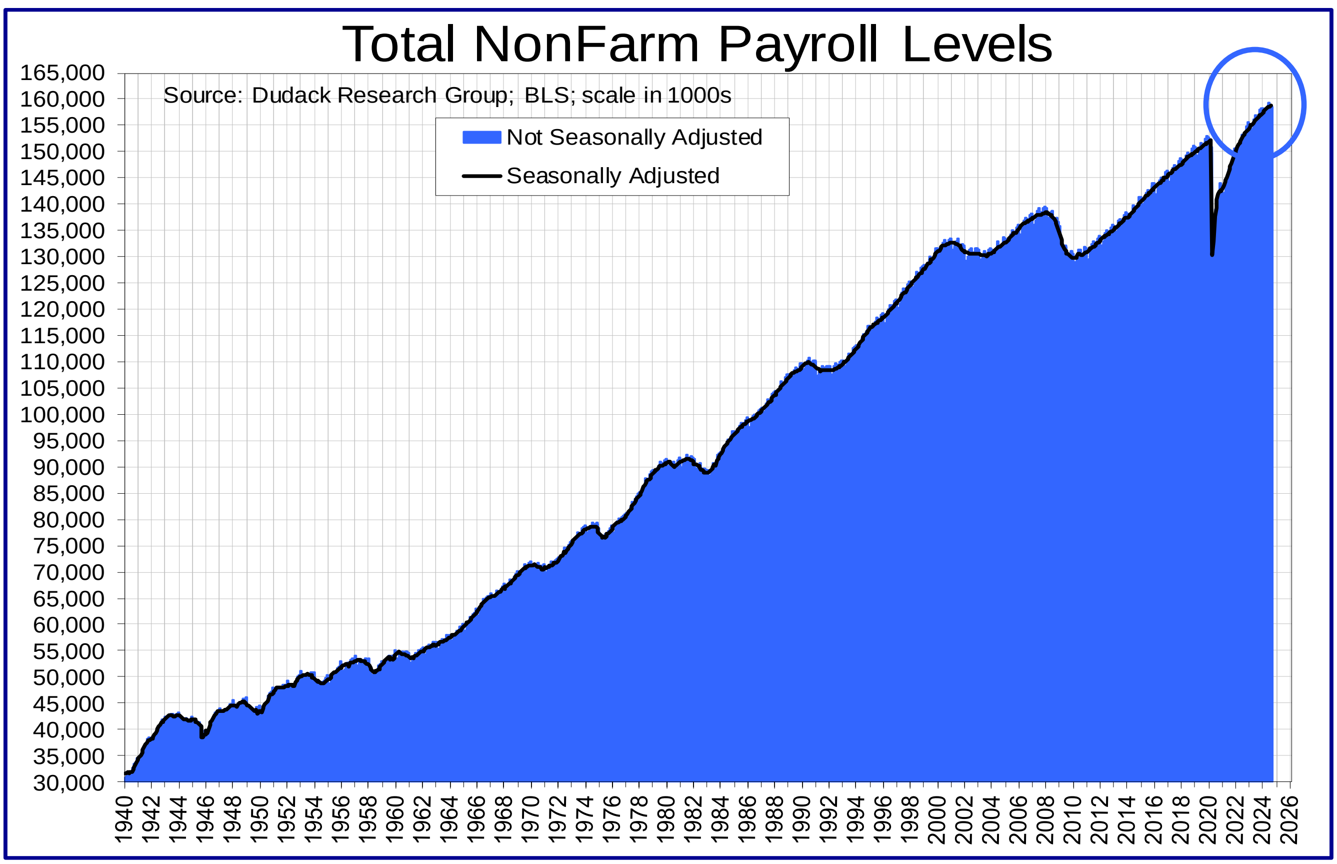
Employment Surveys (1,000s SA)	Aug-24	Jul-24	Change	Aug-23	Yr/Yr
Establishment Survey: NonFarm Payrolls	158,779	158,637	142	156,421	2,358
Household Survey Data (1,000s)					
Employed (A)	161,434	161,266	168	161,500	(66)
Unemployed (B)	7,115	7,163	(48)	6,340	775
Civilian labor force [A+B]	168,549	168,429	120	167,840	709
Unemployment rate [B/(A+B)]	4.22%	4.25%	-0.03%	3.8%	0.4%
U6 Unemployment rate	7.9%	7.8%	0.1%	7.1%	0.8%
Civilian noninstitutional population (C)	268,856	268,644	212	267,213	1,643
Participation rate [(A+B)/C]	62.7	62.7	0.0	62.8	-0.1
Employment-population ratio [A/C]	60.0	60.0	0.0	60.4	-0.4
Not in labor force	100,306	99,849	457	99,374	932

Source: Bureau of Labor Statistics

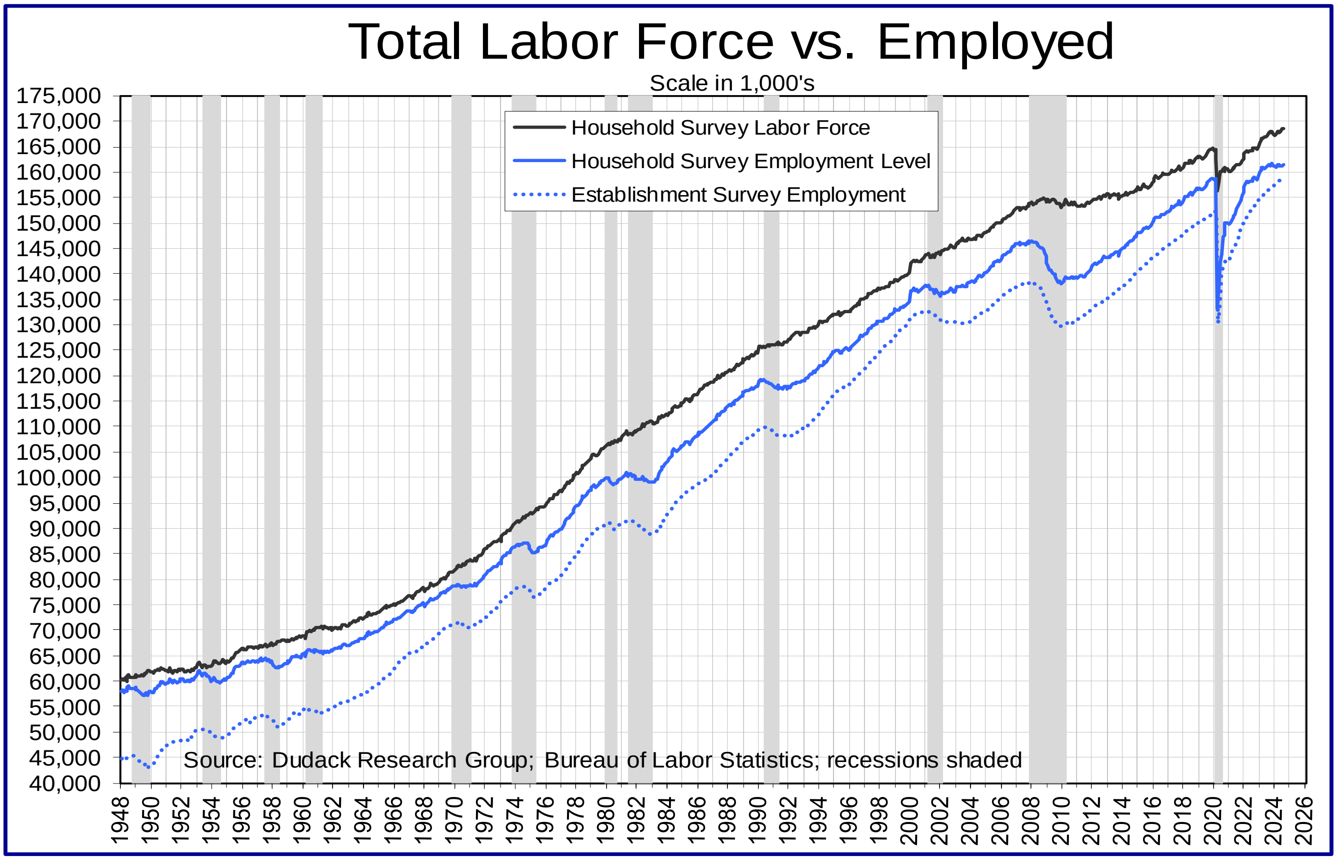


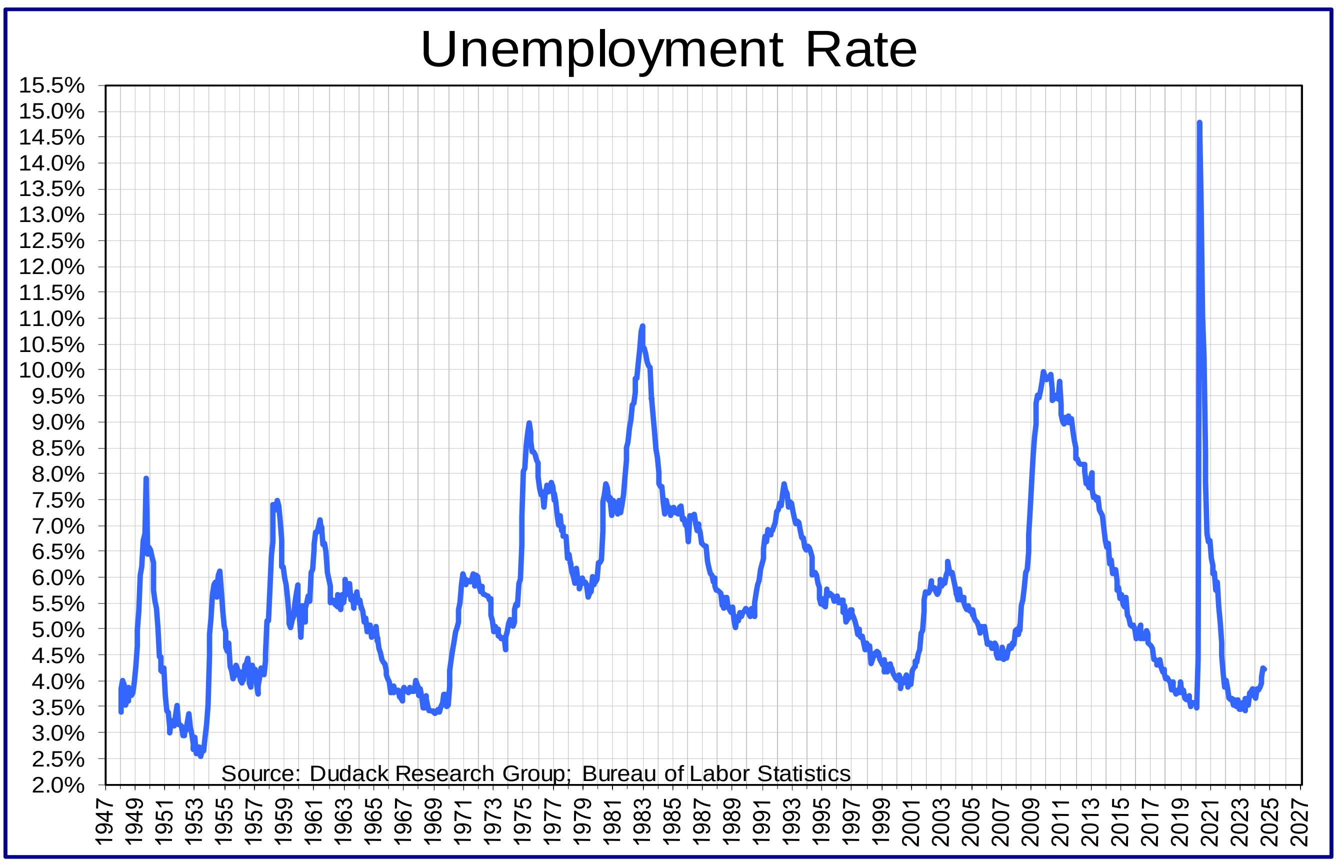
Charts of the two employment surveys, with both seasonally adjusted and non-seasonally adjusted data, display the divergence between the two series over the last twelve months. There has been a decline of 64,000 jobs in the household survey since August 2023, whereas the establishment survey indicates job growth of 2.4 million.



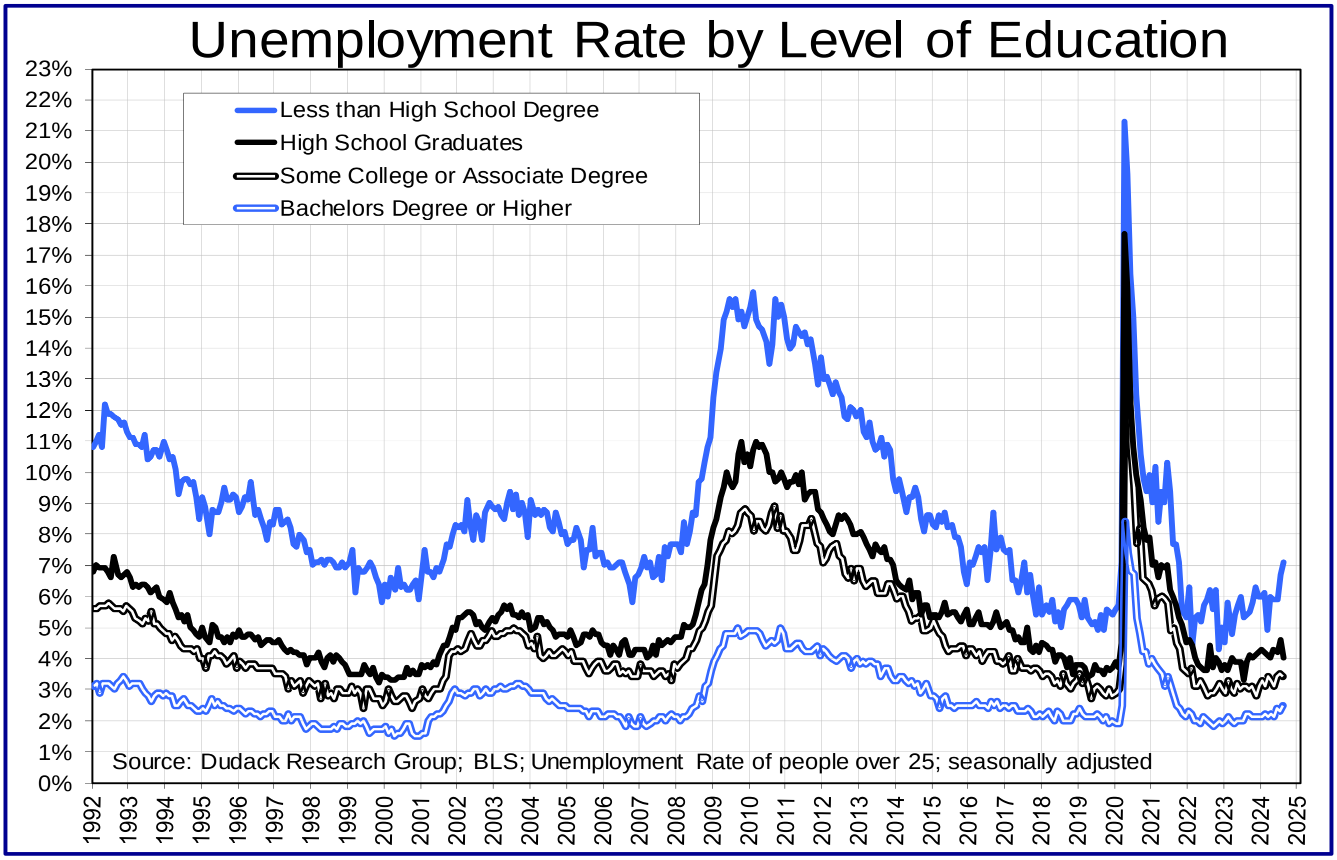


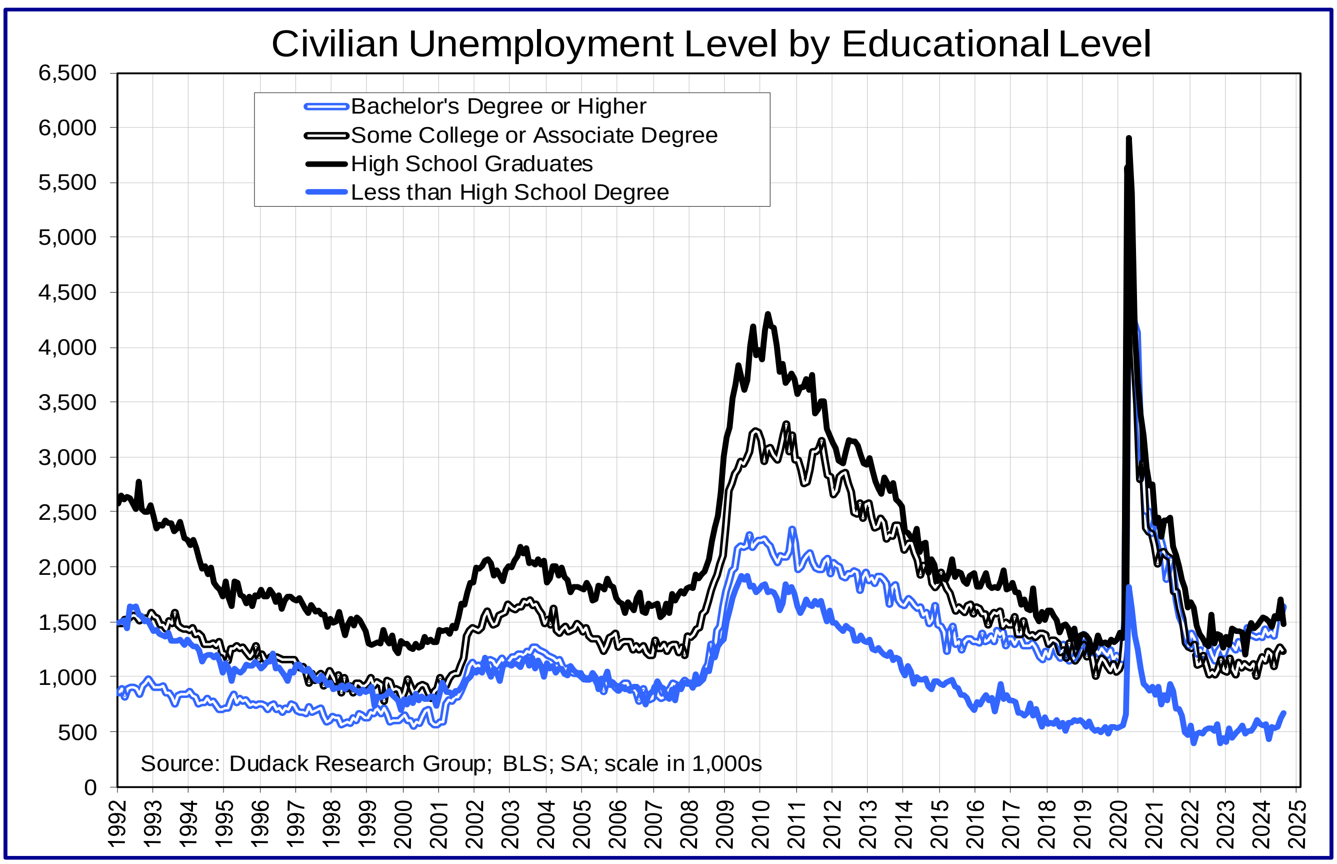
The household survey is much broader, is a sample of approximately 60,000 households, measuring labor force status, employment, unemployment, and demographic characteristics. It includes unincorporated self-employed, unpaid family workers in family businesses, agriculture and related workers, workers in private households, and workers on unpaid leave. The establishment survey is a sample of approximately 119,000 businesses and government agencies, representing about 629,000 individual worksites. It measures nonfarm employment, hours, and wages by industry. Multiple job holders are counted for each nonfarm payroll job. The annual benchmark of employment is derived from unemployment insurance (UI) tax records.



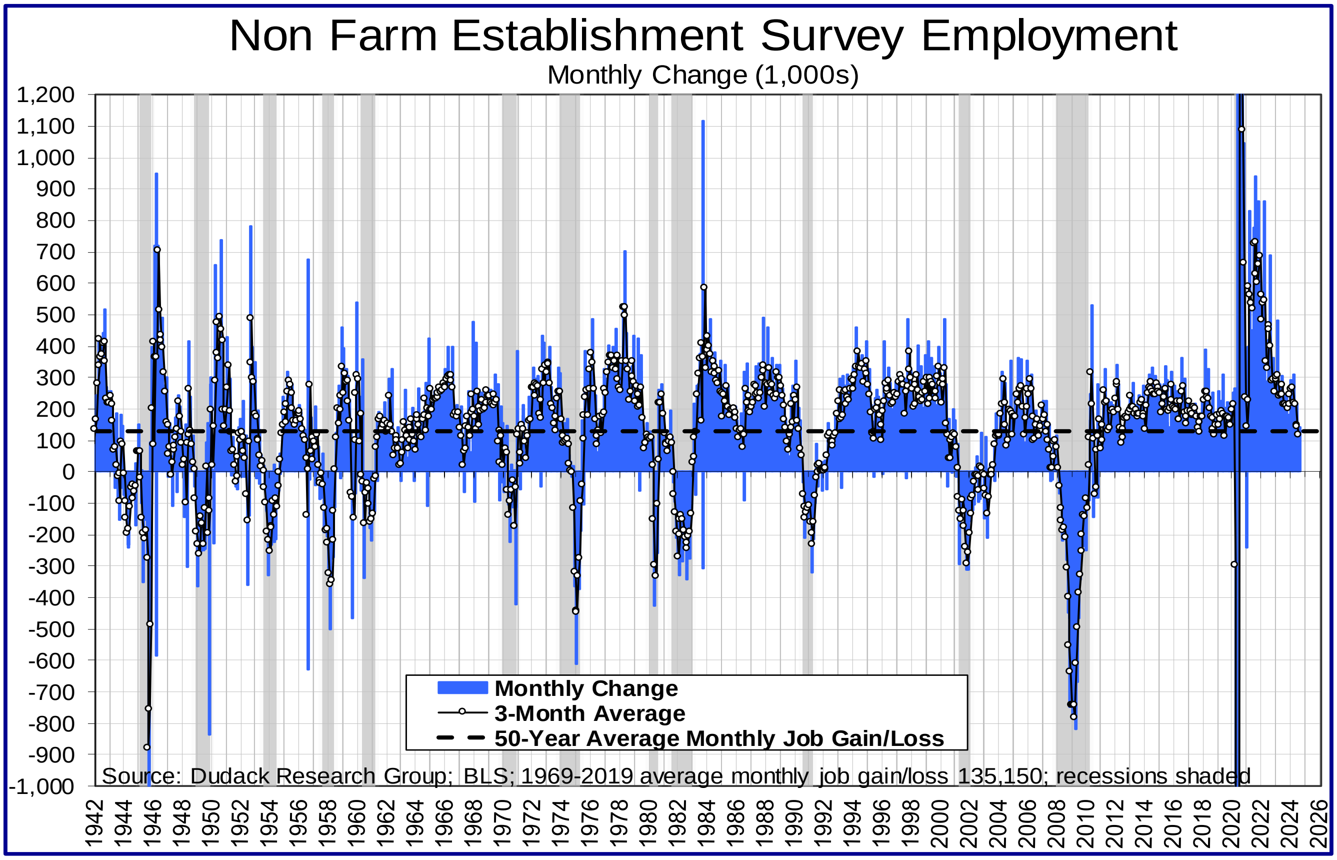


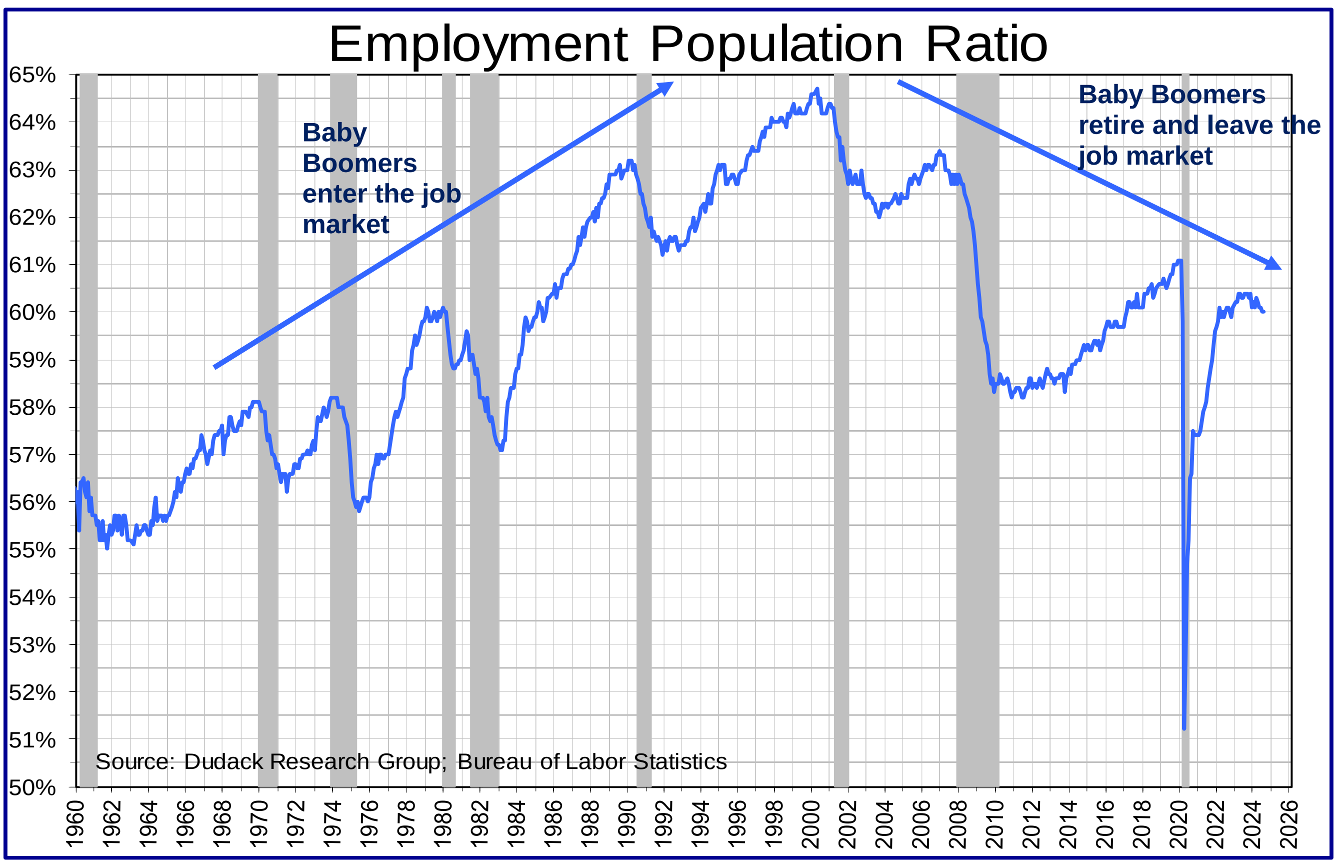
The unemployment rate for workers with less than a high school diploma rose from 6.7% to 7.1% in August, nearly three times the 2.5% rate for those with a bachelor's degree or higher. The number of unemployed workers this represents is 667,000 versus 1.64 million, respectively. This disparity helps explain the haves and have-nots in this economy and why consumer sentiment readings have been so weak.



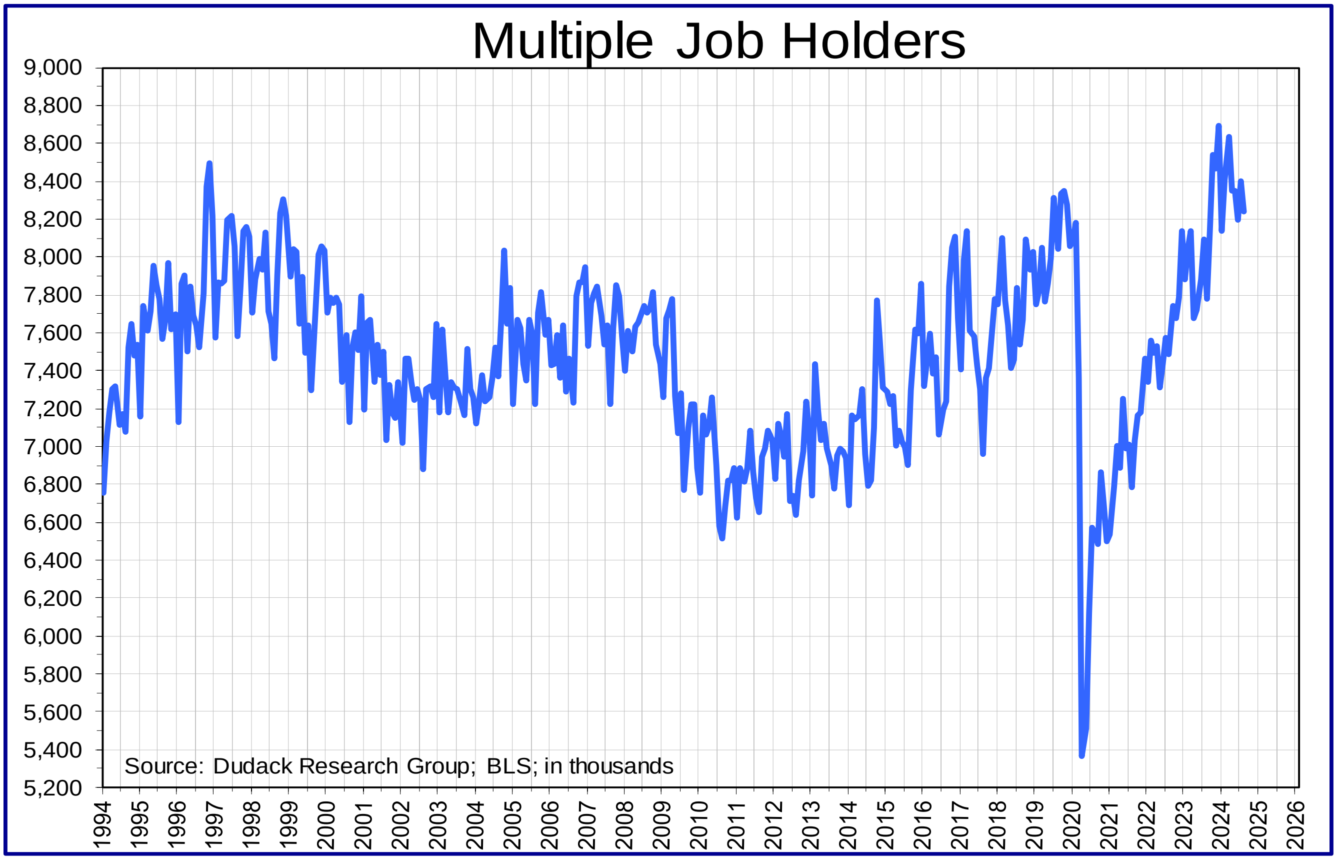


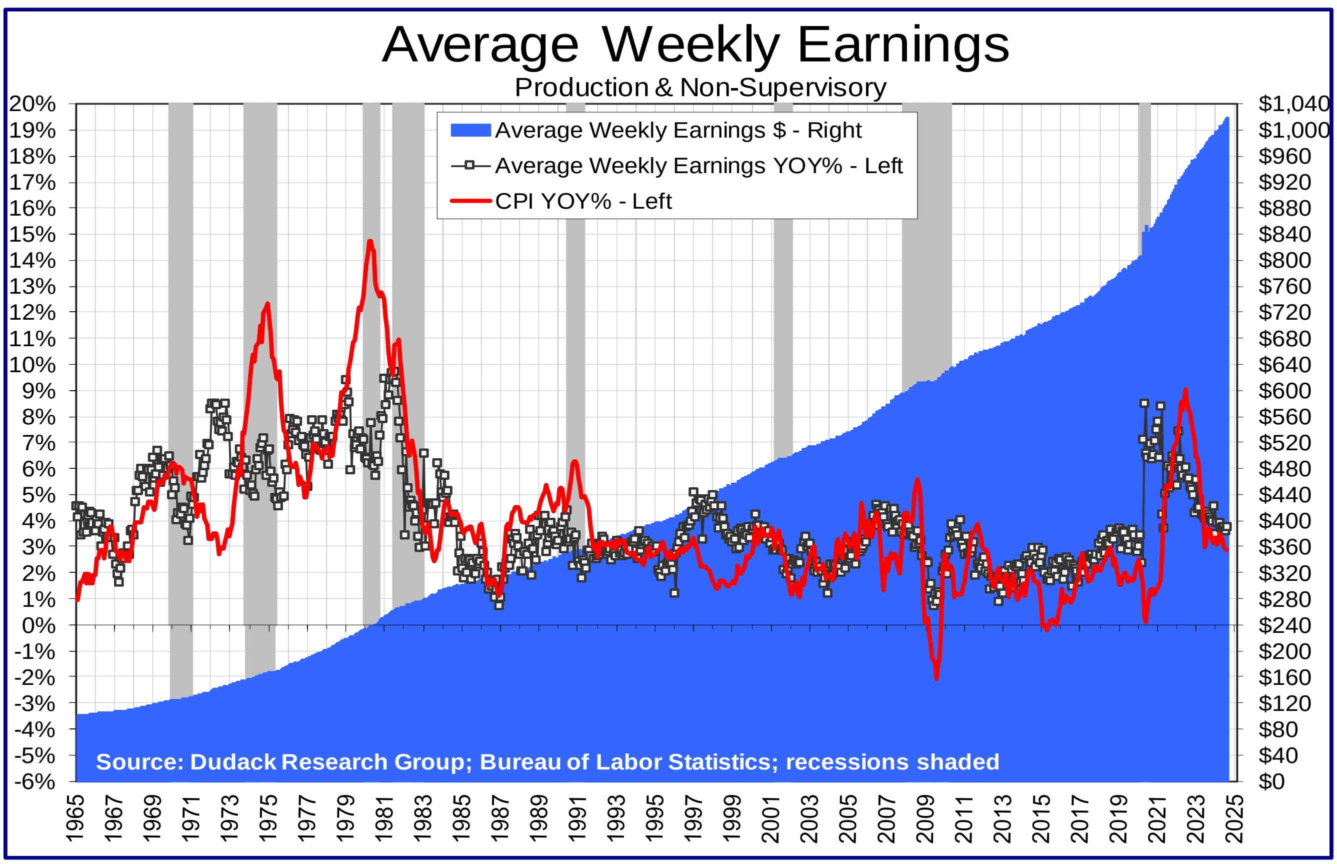
The gain of 142,000 jobs was a big improvement from a month earlier, but the 1.5% YOY gain in jobs that this represents is below the long-term average of 1.69% YOY and below average for the third consecutive month. The 3-month moving average also fell from 141,000 to 116,330. The employment-population ratio was 60.0 for the second month in a row, which is down from 60.4 a year earlier. However, we believe the retirement of the Baby Boomer generation has been and will continue to be the driver of a decline in this ratio.



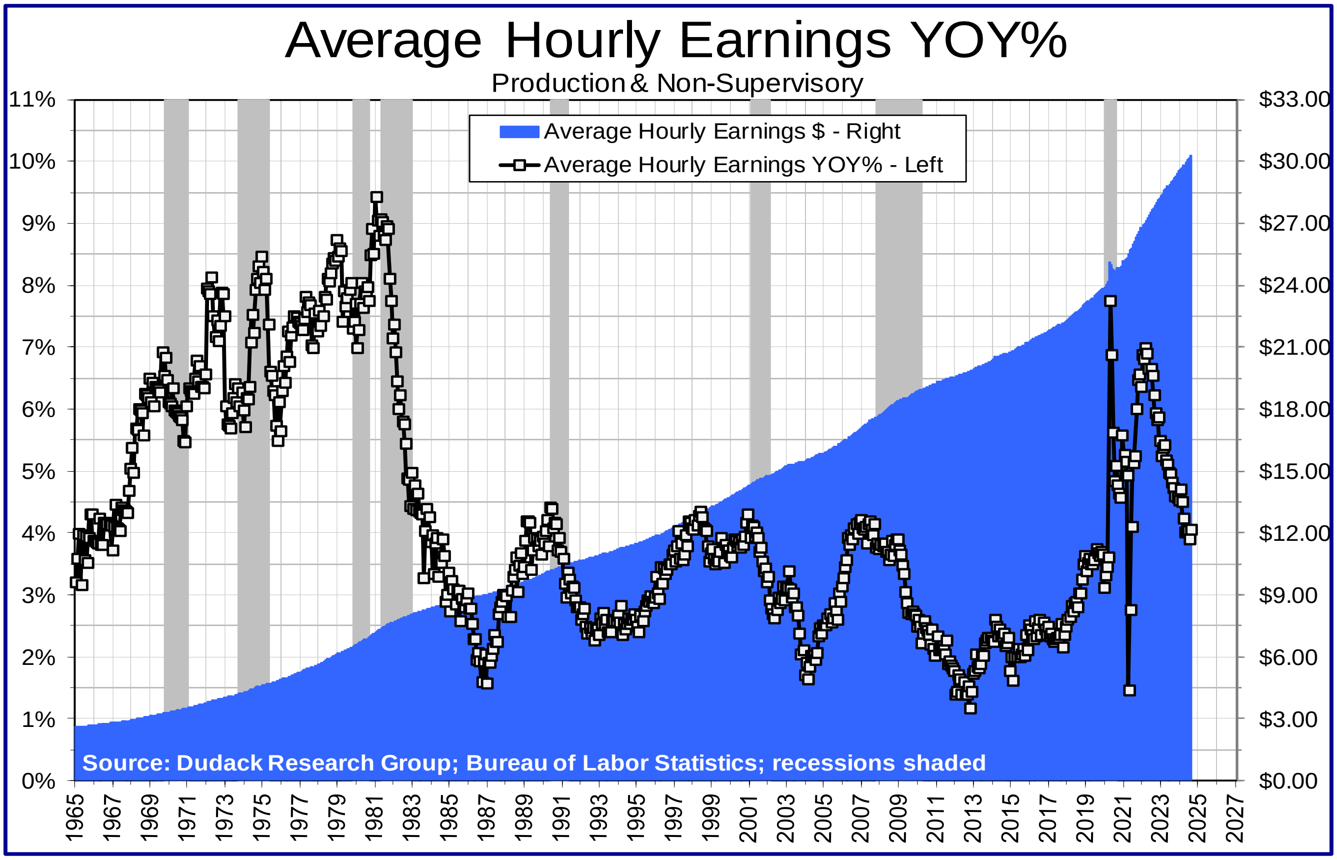


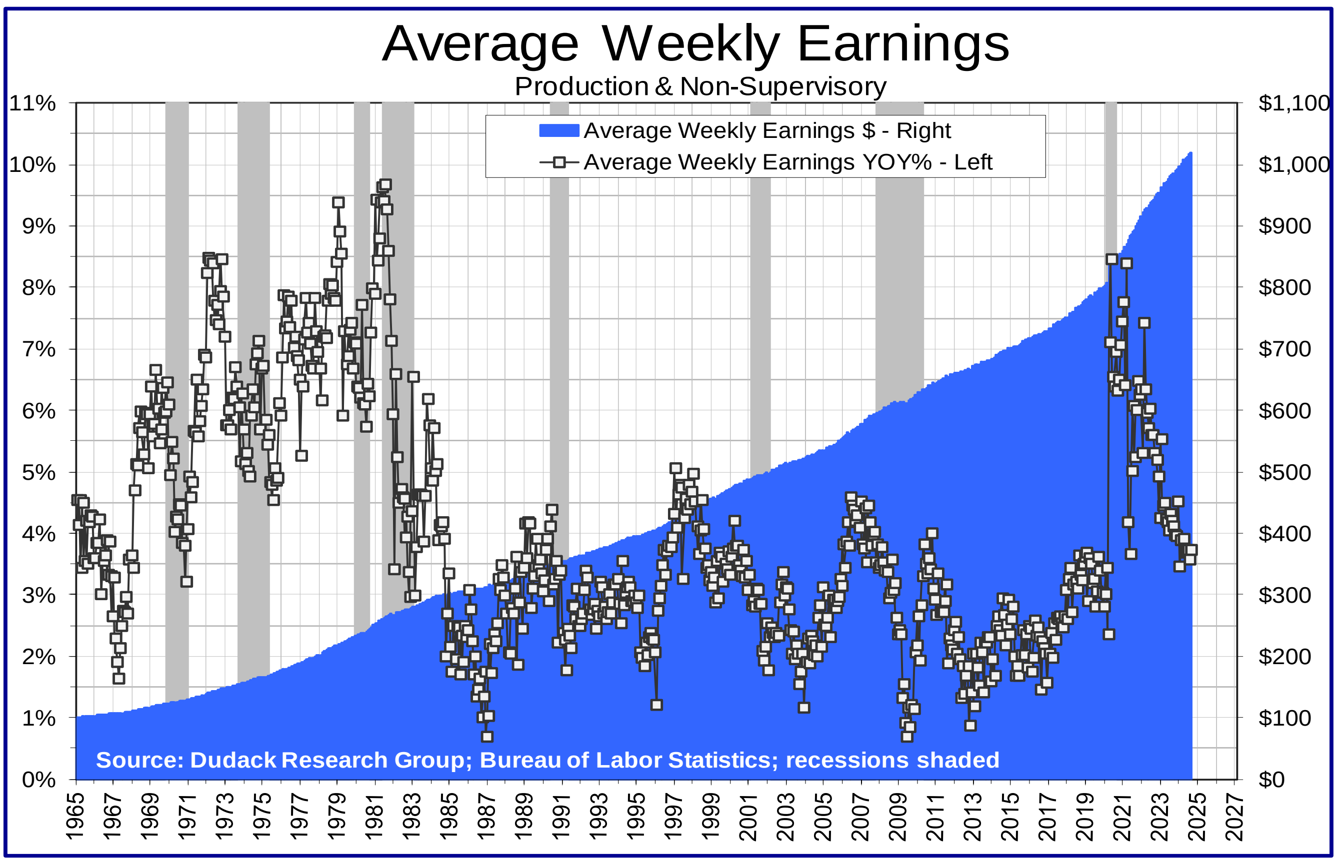
The number of multiple job holders was 8.2 million in August down from 8.4 million in July, but not much lower than the record 8.7 million seen in December 2023. All were well above the long-term average of 7.5 million people. Multiple job holders materialize for many reasons, but most often due to financial stress. This is likely due to the increase in inflation seen in the last three years and the financial strain it has placed on many households.





Average hourly earnings for production and non-supervisory workers were $30.27 in August, up 4.1% YOY, and up 1.1% YOY after inflation. Hourly wages have been consistently growing above the rate of inflation since March 2023. Average weekly earnings were $1020.10 in August, up 3.75% YOY, and up 0.8% YOY after inflation. Wages have edged out inflation since May 2023 by an average 0.7% per month. Average weekly hours were 33.7 in August, down from an average 33.8 hours in 2023 and an average 34.0 hours in 2022.





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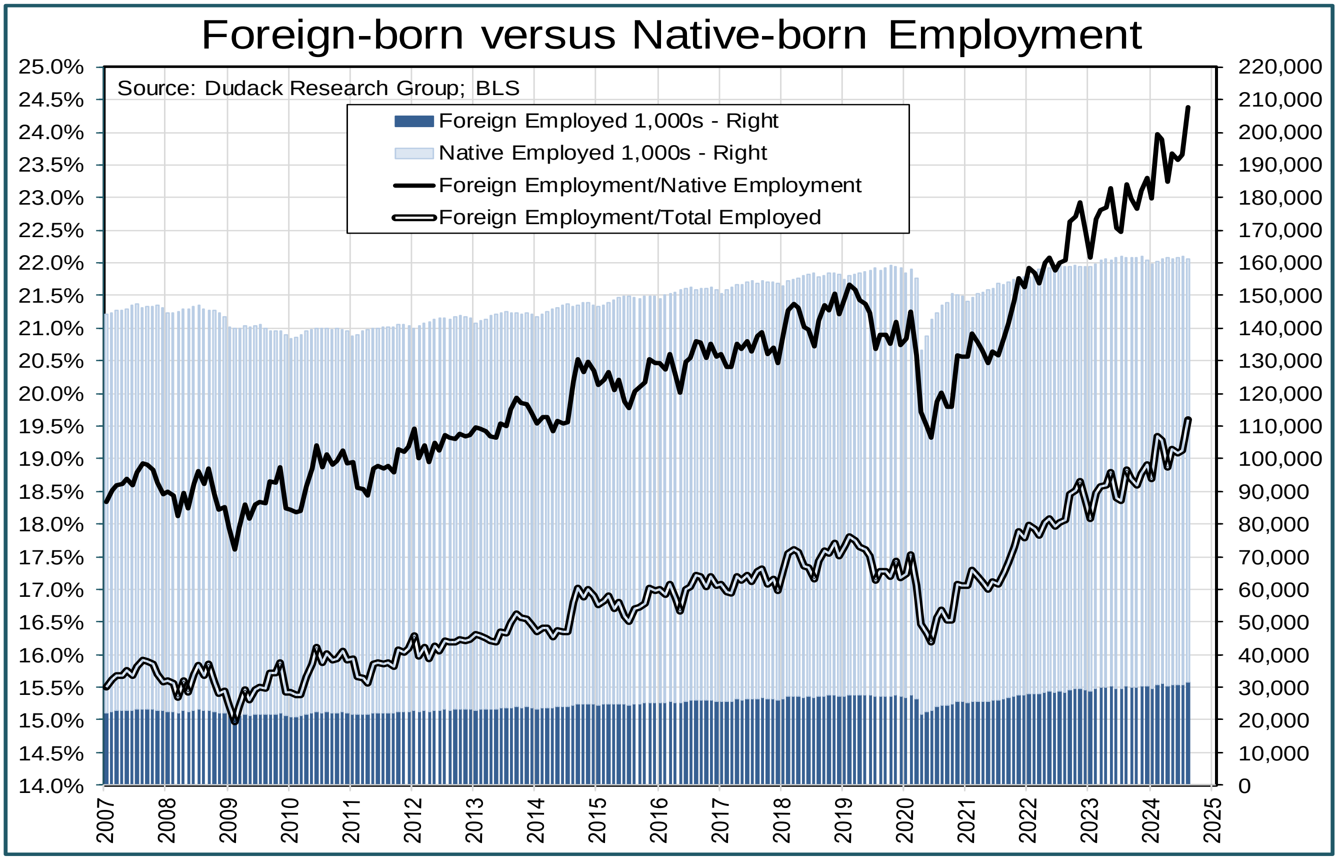
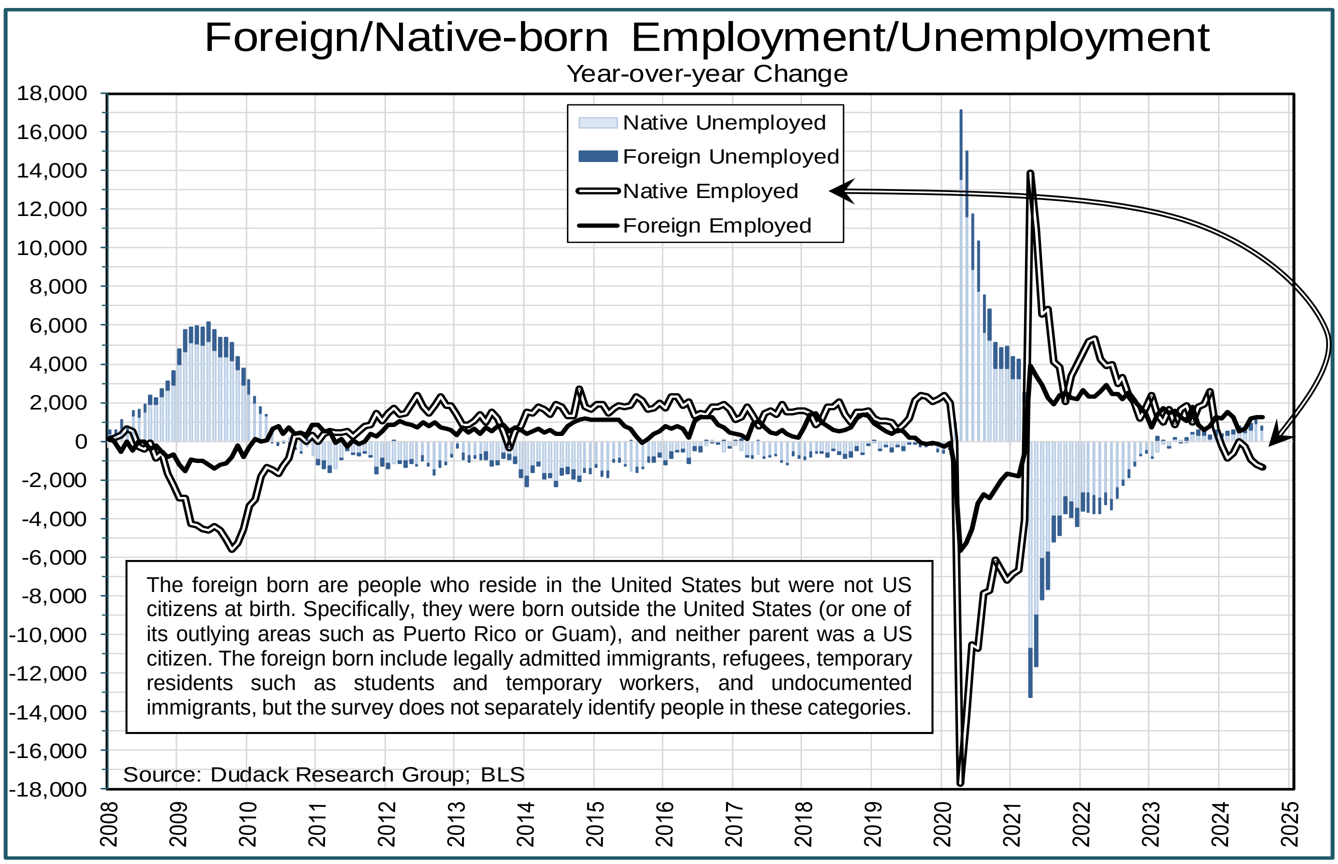
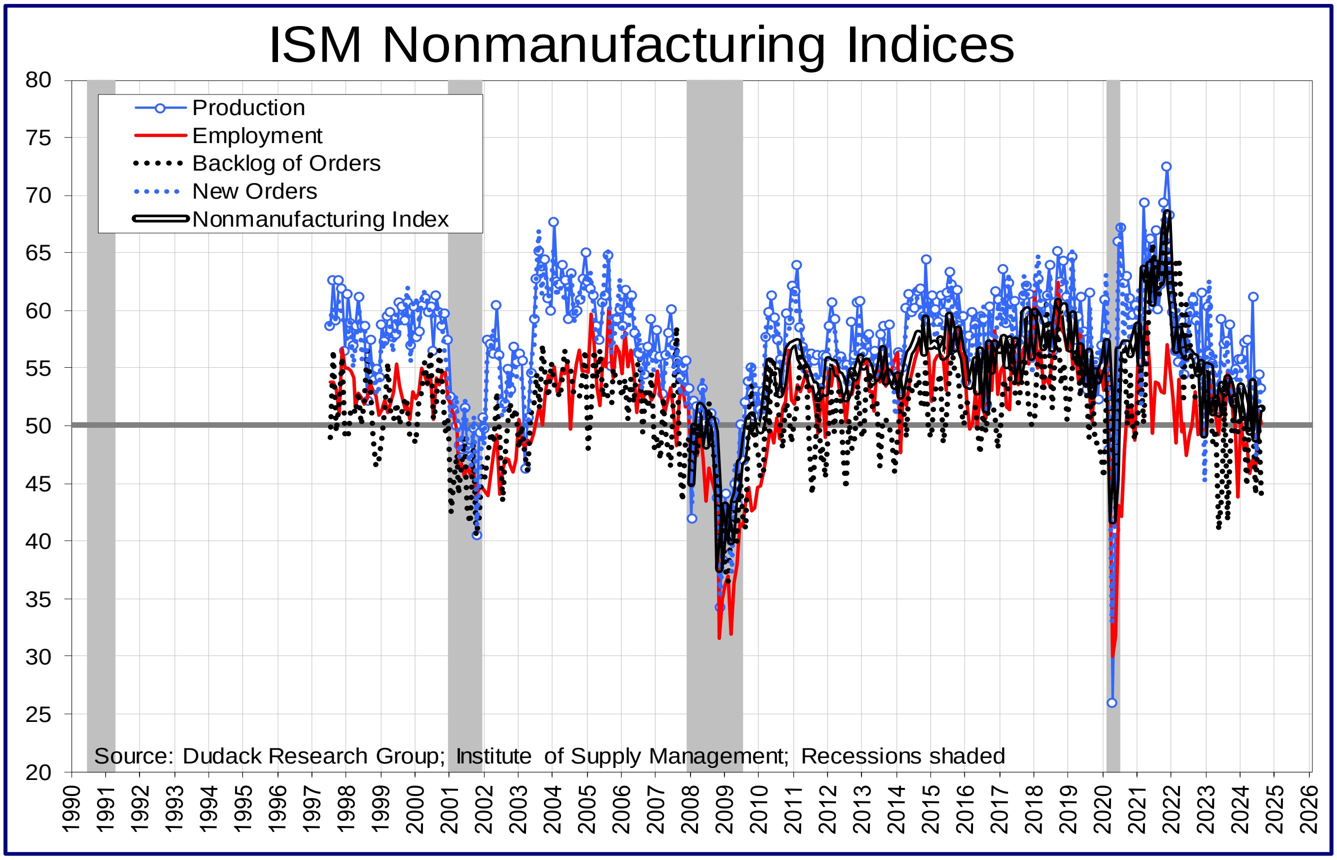
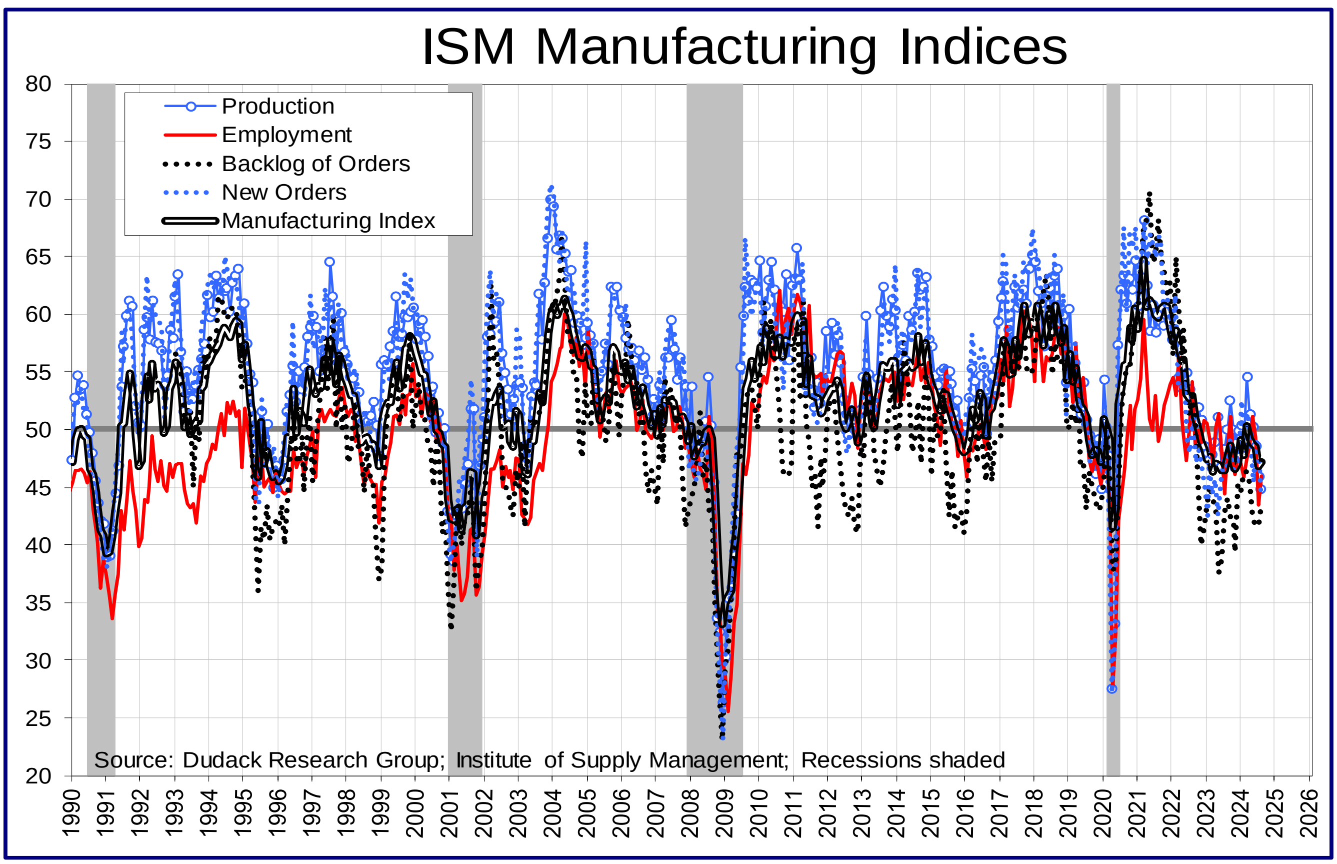


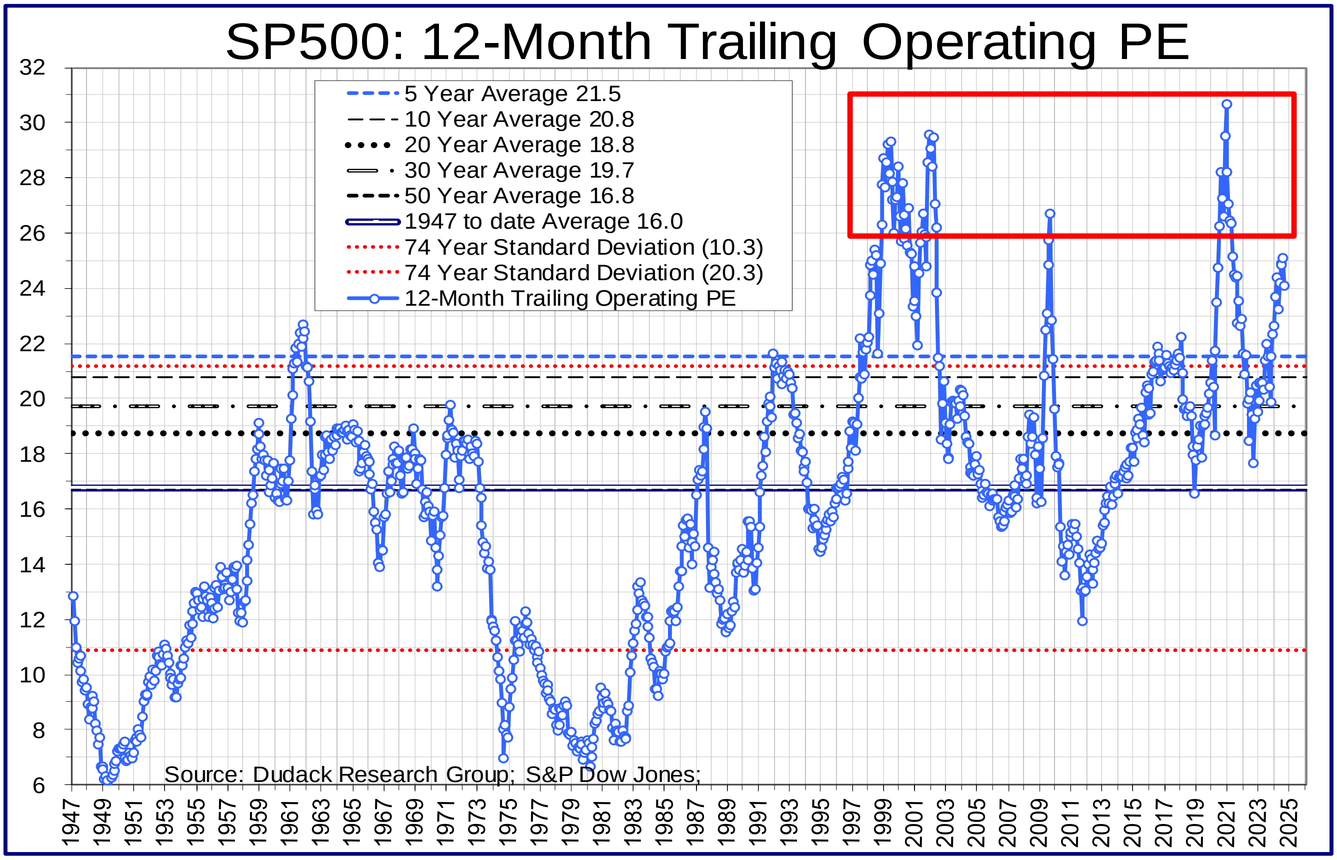


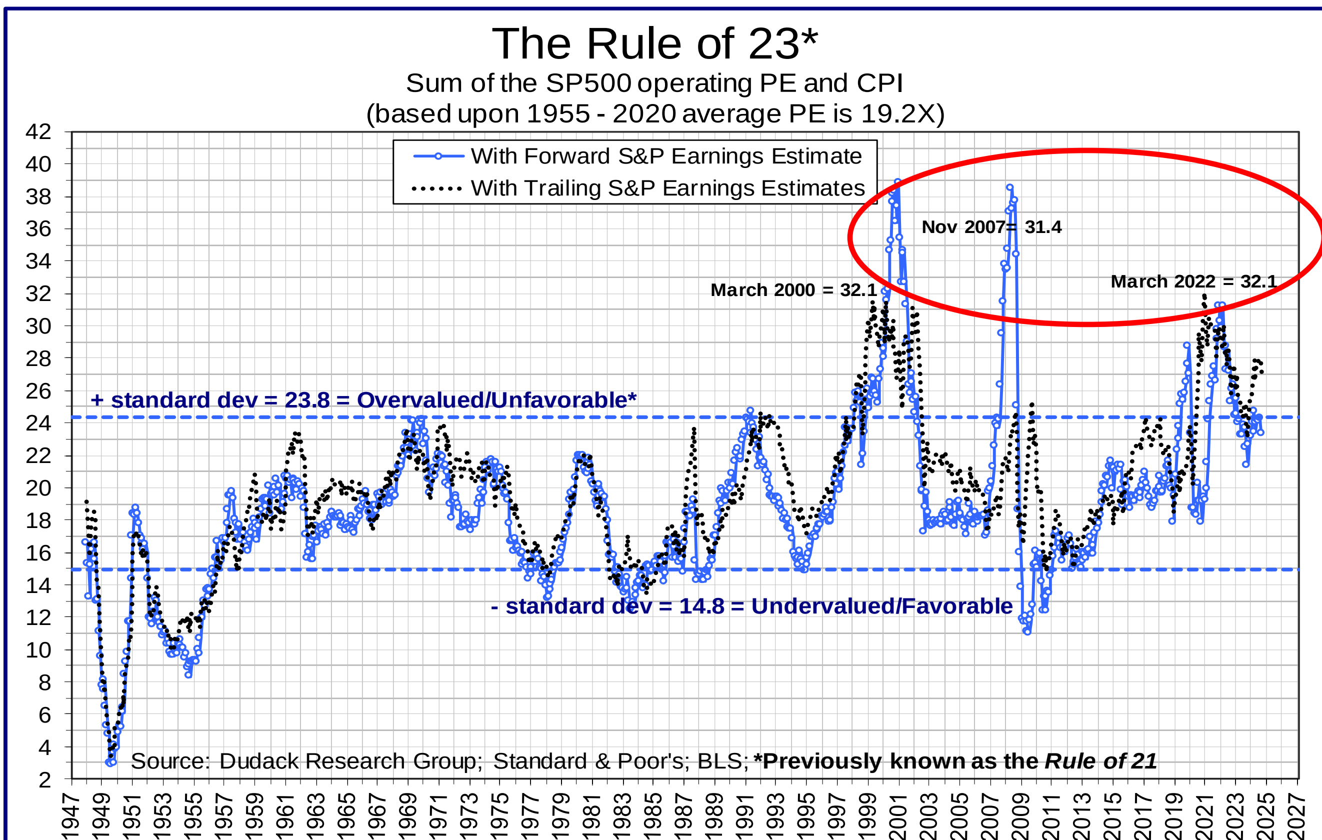
The latest reading for the ISM nonmanufacturing index was 51.5, up from 51.4 in July and a modest amount above the survey's neutral threshold of 49. However, five of the nine underlying indices fell in the month, the weakest being backlogs which dropped to 43.7. The previously reported ISM manufacturing index also rose in August, but to a still-low level of 47.2, and with seven of its ten components well below the 50 benchmark. The longer-term trends in both indices are decelerating.



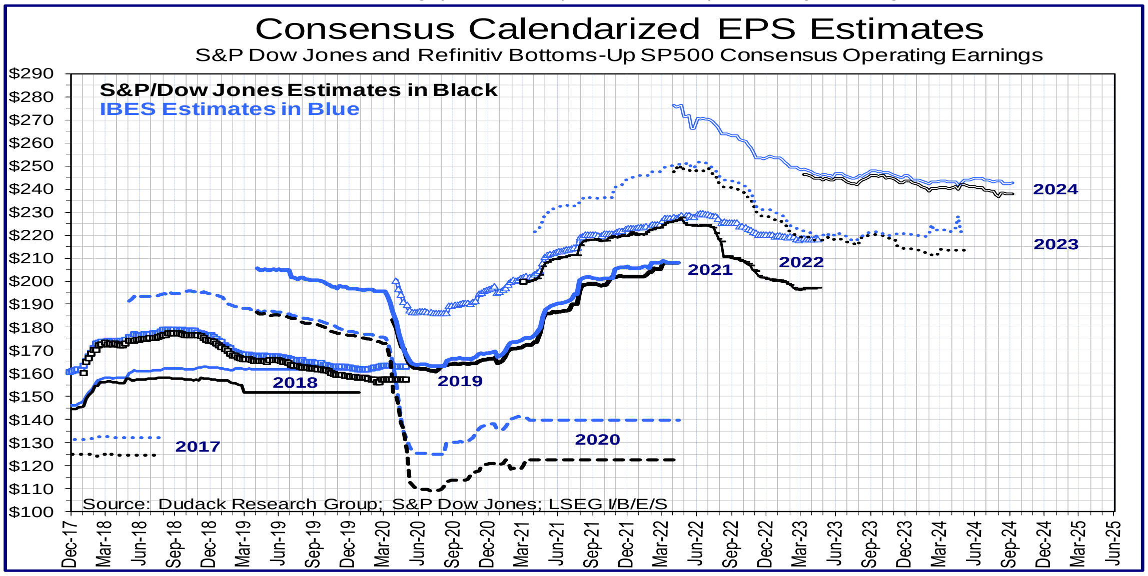


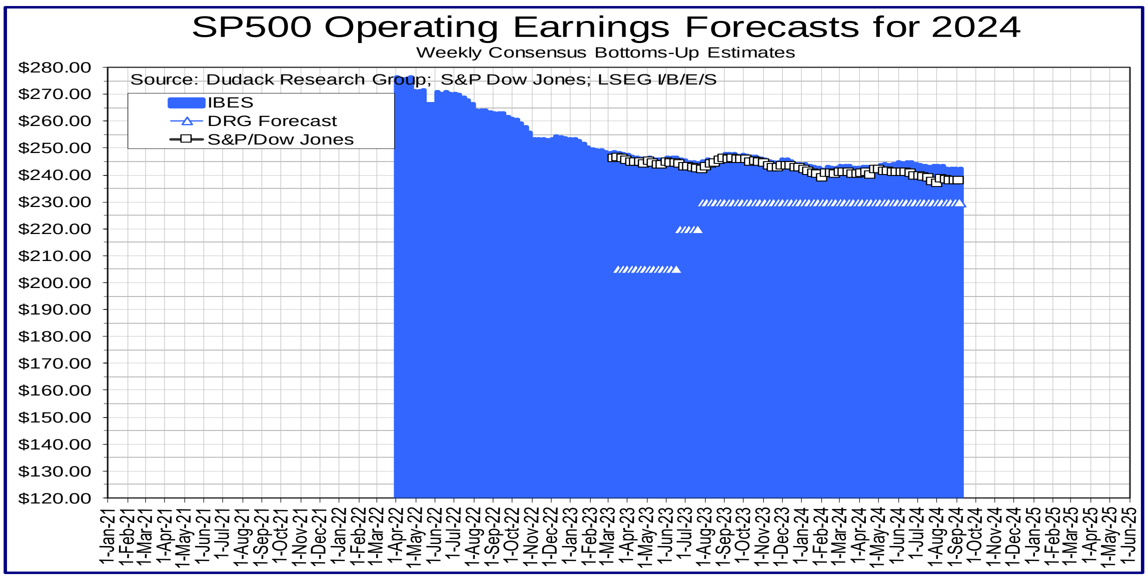
The SPX **trailing** 4-quarter operating multiple is now 24.1 times, and well above all long- and short-term averages. The **12-month forward** PE multiple is 20.6 times and when added to inflation of 2.9%, sums to 23.5, which is at the top of the normal range of 23.8, this week. By all measures, the equity market remains richly valued. Current valuation levels have only been seen during the 1997-2000 bubble, the financial crisis of 2008, or the post-COVID-19 earnings slump.

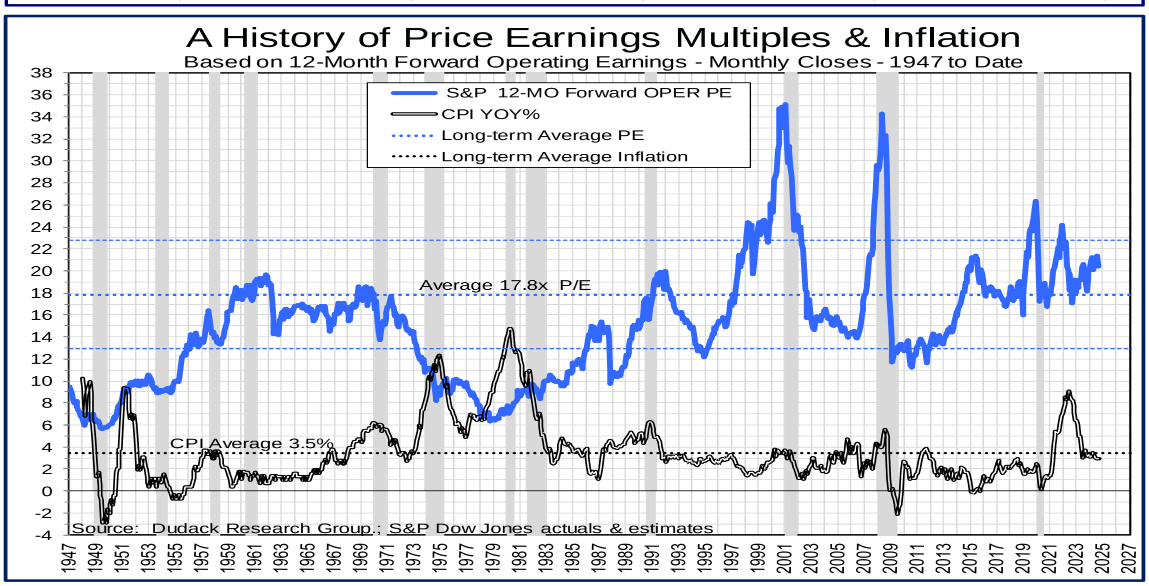




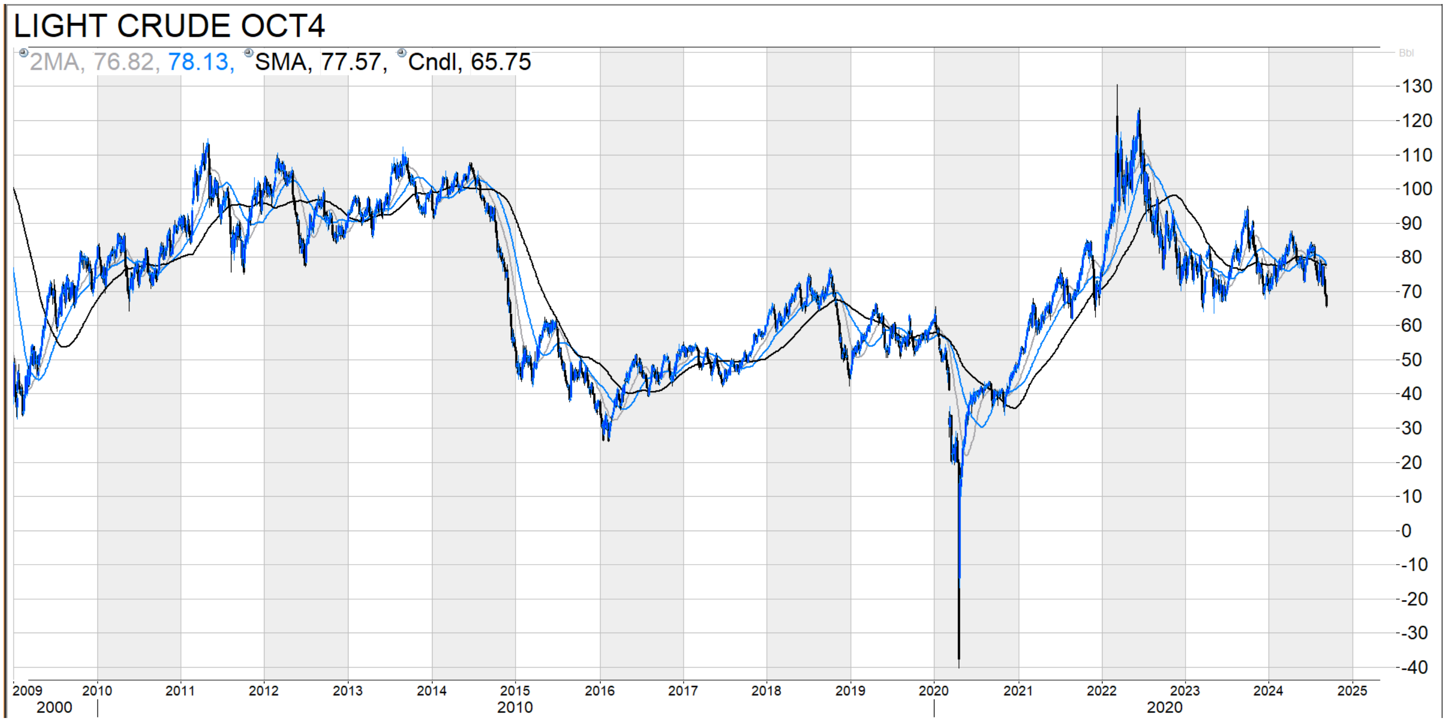
The S&P Dow Jones consensus estimate for calendar 2024 is $237.81 and the 2025 estimate is $277.35, unrevised from a week earlier. The LSEG IBES estimate for 2024 is $242.51, up $0.18 and for 2025 is $279.74, up $0.41. The IBES guesstimate for 2026 EPS is $315.13, up $0.55. Based upon the IBES EPS estimate for calendar 2024, equities remain richly valued with a PE of 22.7 times and inflation of 2.9%. This sum of 25.6 is above the 23.8 level that defines an overvalued equity market. Based upon 2025 EPS estimates the PE is 19.6 X and with inflation sums to 22.5 and is roughly more than a point below the top of the range denoting extreme overvaluation.





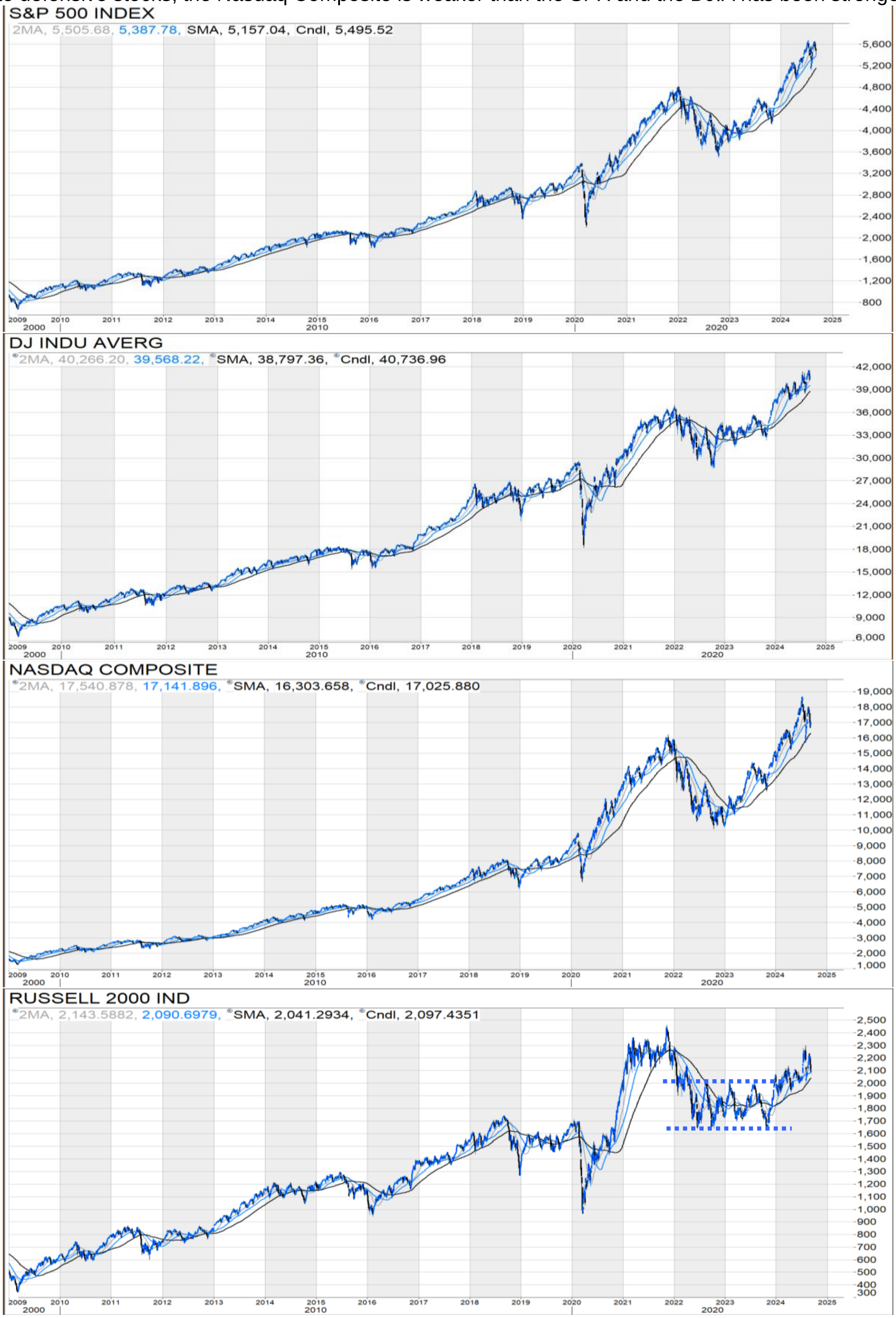


The break below the $70 support level in the WTI crude oil future is a sign of weakness in the chart, particularly since it suggests that the $72-$77 range is now substantial resistance. This, combined with the recent decline in the 10-year Treasury bond yield from 4.1% at the end of July to 3.6%, suggests a growing weakness in the global economy, particulary China. For this reason, we are lowering our sector weighting for energy from neutral to underweight and upgrading utilities, which benefit from lower interest rates and lower oil prices, from underweight to neutral. See page 20.



Source: LSEG Refinitiv

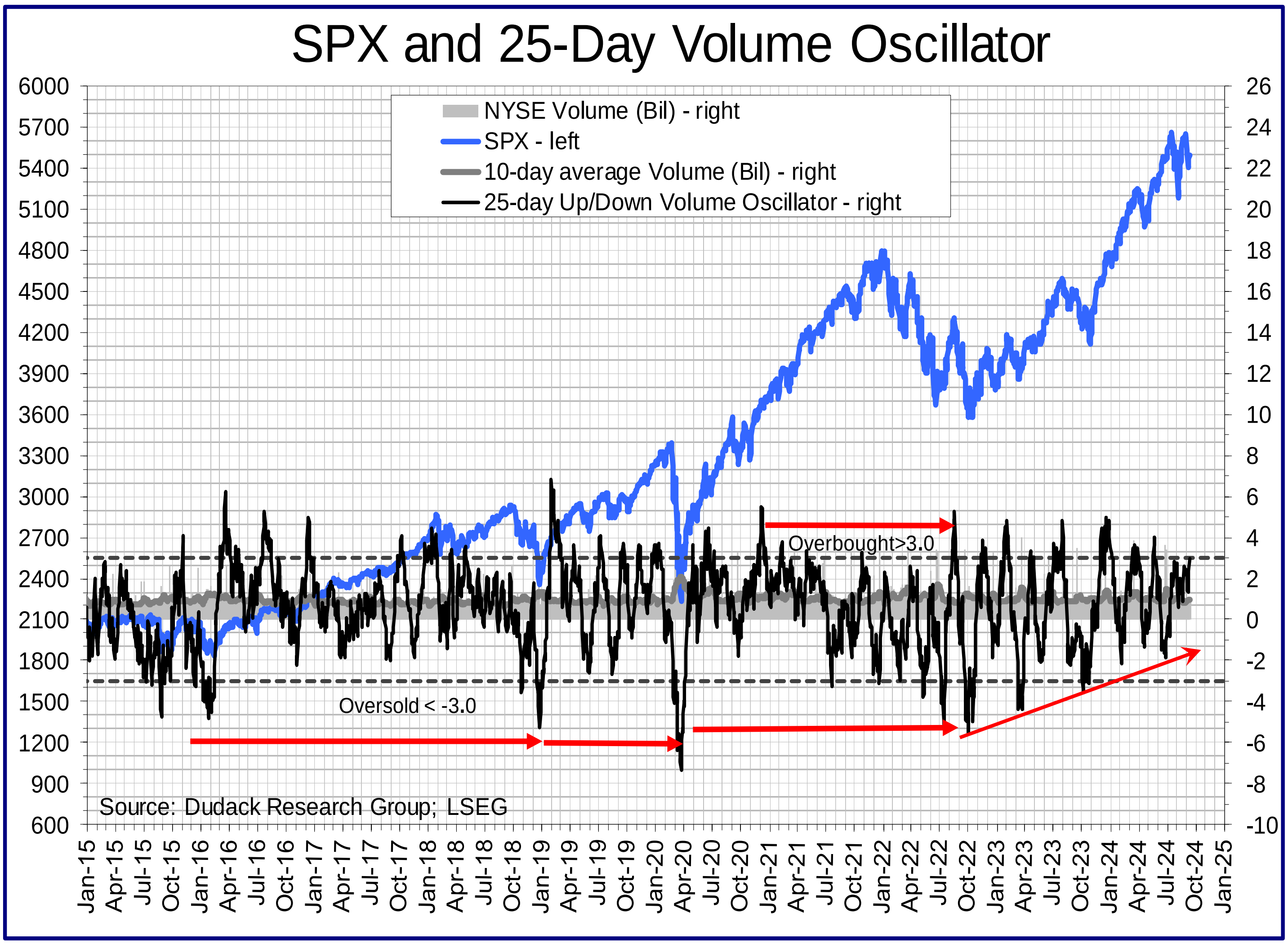
All four of the popular indices have slightly different chart patterns, but the SPX is most significant in our view since it has tested the 5650 level multiple times in the last two months without success. Due to the recent shift in leadership from technology to defensive stocks, the Nasdaq Composite is weaker than the SPX and the DJIA has been stronger than both.



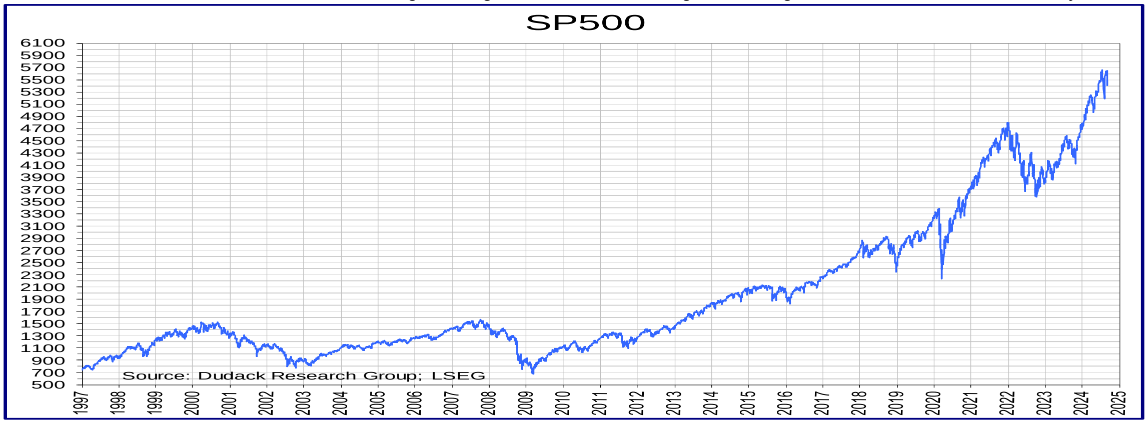
Source: LSEG Refinitiv

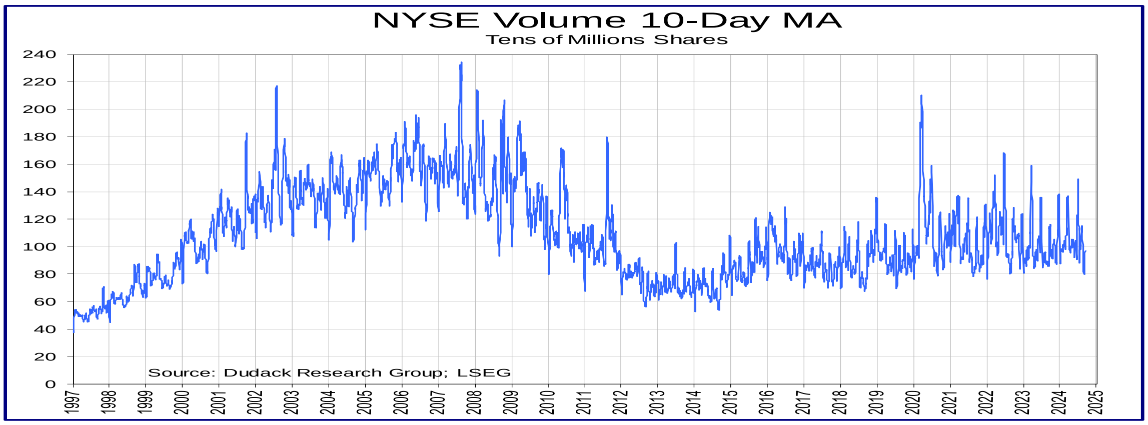
The 25-day up/down volume oscillator is 3.0, after a preliminary reading of Tuesday's activity, which is right at the border of an overbought reading. With many of the indices at or near all-time highs, it is important for this indicator to confirm the advance with an overbought reading lasting at least 5 consecutive days. If the rally which began in October actually was a new bull market advance, it should also include several extreme overbought readings of 5.0 or better, which are typical of the first stage of a major advance. To date, both have been absent, indicating a lack of persistent buying pressure.

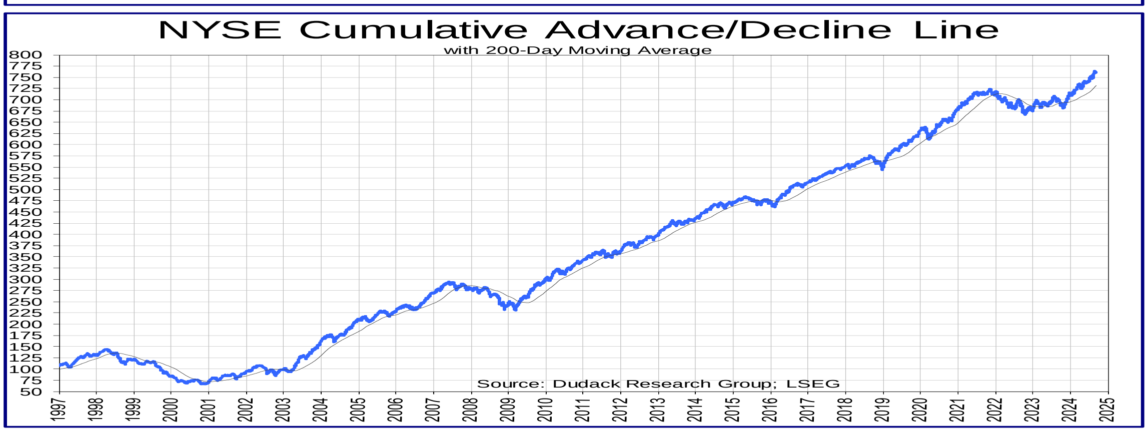
Meanwhile, <u>we are monitoring an interesting uptrend in this oscillator (red line below) off the 2022 low. This lends a bullish bias to an otherwise neutral position of this index, and it remains intact despite recent market weakness. Should this trend line be broken it would be a warning sign for the longer-term trend of the stock market</u>.

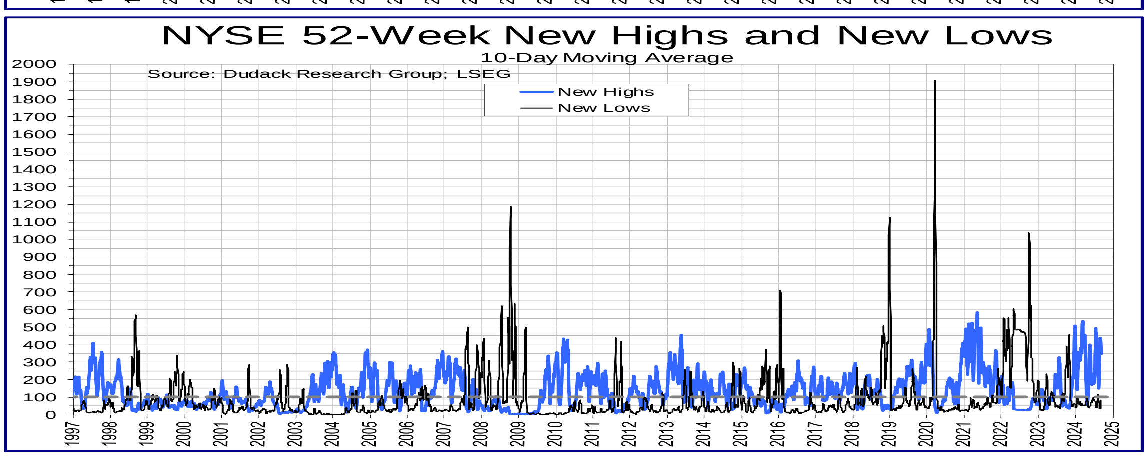


The 10-day average of daily new highs is 346 and new lows are 84. This combination of new highs above 100 and new lows below 100 is positive, although less favorable than a week ago. The NYSE advance/decline line made a new record high on August 30, 2024, confirming the new highs made in the DJIA the same day.

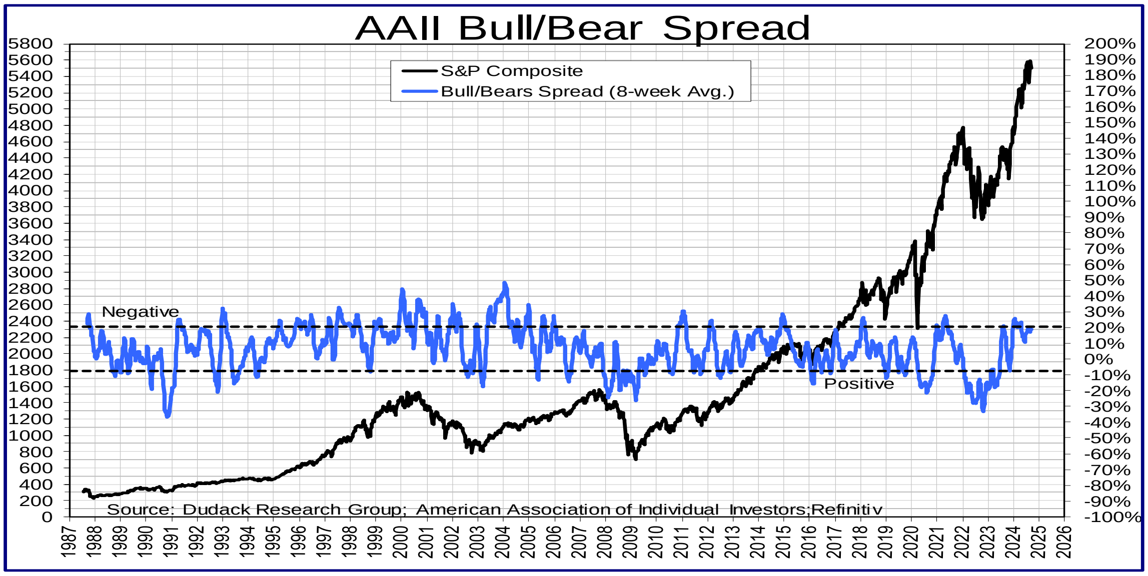


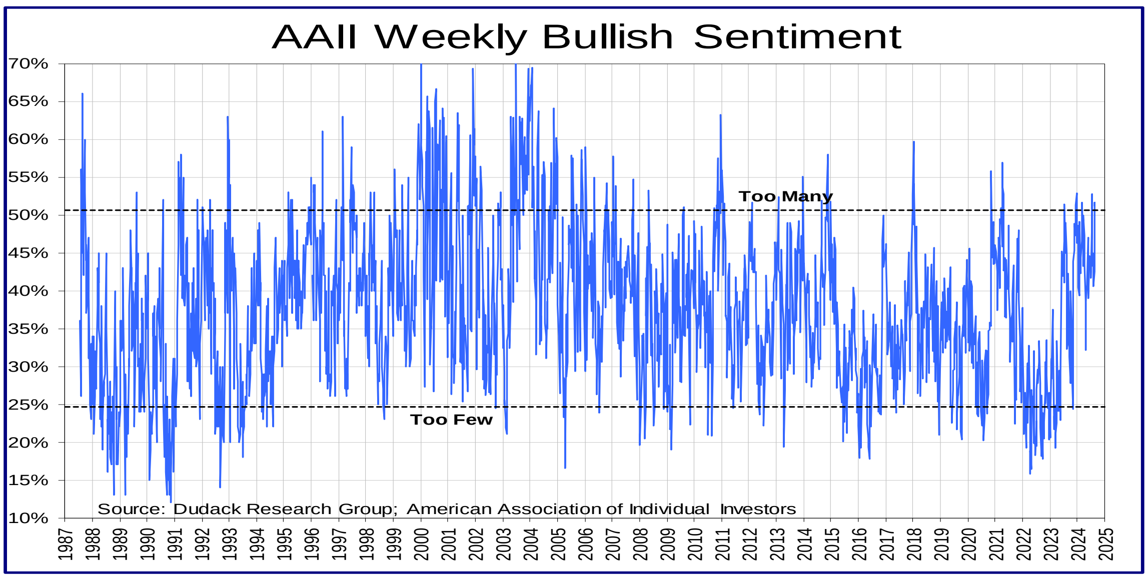


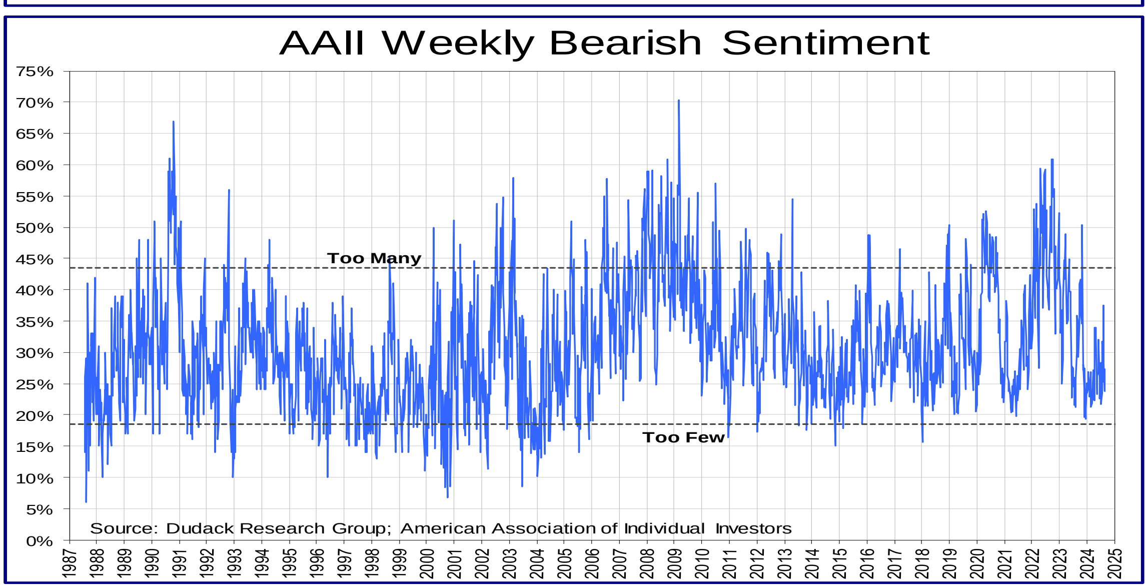




Last week's AAII survey showed bullishness fell 5.9% to 45.3% and bearishness fell 2.4% to 24.9%. Bullishness is above average, and bearishness is below average for the fourth consecutive week. Neutral rose 7.9% to 29.8% and is the highest in 5 weeks. Extreme sentiment readings were seen on December 13, 2023, when bearishness was 19.6%, its lowest level since the January 3, 2018 reading of 15.6%, and bullishness was 51.3%. This was a negative signal. The 8-week bull/bear eased to 18.7%, falling away from the 20.7% unfavorable level. The last unfavorable readings were the 7 consecutive weeks seen in March and April.







Global Markets and Commodities - Ranked by YTD Trading Performance

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
SPDR Gold Trust	GLD	232.62	1.0%	3.6%	8.2%	21.7%
Utilities Select Sector SPDR	XLU	77.04	1.1%	4.7%	13.1%	21.6%
iShares MSCI Malaysia ETF	EWM	25.54	0.4%	7.0%	13.7%	20.2%
iShares Silver Trust	SLV	27.16	1.4%	3.7%	-2.4%	19.3%
Silver Future	SIc1	28.26	1.1%	2.8%	-3.4%	18.5%
Financial Select Sector SPDR	XLF	44.49	-2.0%	4.9%	8.2%	18.3%
SPDR Homebuilders ETF	XHB	113.02	-0.3%	4.7%	11.8%	18.1%
iShares MSCI India ETF	INDA.K	57.04	-0.4%	2.2%	2.3%	16.9%
iShares Russell 1000 Growth ETF	IWF	353.69	-0.3%	2.3%	-3.0%	16.7%
Consumer Staples Select Sector SPDR	XLP	83.61	0.6%	5.6%	9.2%	16.1%
Communication Services Select Sector SPDR Fund	XLC	84.11	-1.9%	-1.3%	-1.8%	15.8%
SP500	.SPX	5495.52	-0.6%	2.8%	0.6%	15.2%
iShares Russell 1000 ETF	IWB	300.28	-0.7%	2.9%	0.9%	14.5%
Health Care Select Sect SPDR	XLV	155.74	-0.7%	3.8%	6.9%	14.2%
Nasdaq Composite Index Tracking Stock	ONEQ.O	67.17	-0.5%	1.7%	-3.9%	13.4%
iShares MSCI Singapore ETF	EWS	21.03	1.8%	10.2%	9.5%	12.5%
Industrial Select Sector SPDR	XLI	128.04	-0.4%	3.0%	5.1%	12.3%
NASDAQ 100	NDX	18829.14	-0.7%	1.7%	-4.3%	11.9%
iShares US Real Estate ETF	IYR	102.20	2.7%	7.1%	16.5%	11.8%
iShares Russell 1000 Value ETF	IWD	184.07	-1.0%	3.4%	5.5%	11.4%
SPDR S&P Bank ETF	KBE	51.05	-3.9%	3.4%	10.0%	10.9%
iShares MSCI United Kingdom ETF	EWU	36.51	-0.8%	3.1%	4.7%	10.5%
PowerShares Water Resources Portfolio	PHO	67.17	-2.0%	0.4%	3.5%	10.4%
iShares MSCI Taiwan ETF	EWT	50.80	-1.7%	-1.3%	-6.3%	10.4%
Technology Select Sector SPDR	XLK	210.36	0.1%	2.3%	-7.0%	9.3%
SPDR DJIA ETF	DIA	408.26	-0.5%	3.3%	4.4%	8.3%
DJIA	.DJI	40736.96	-0.5%	3.1%	4.1%	8.1%
iShares MSCI Canada ETF	EWC	39.55	-0.6%	4.5%	6.6%	7.8%
iShares MSCI Japan ETF	EWJ	69.14	-2.5%	5.8%	1.3%	7.8%
iShares Nasdaq Biotechnology ETF	IBB.O	144.92	-0.5%	1.9%	5.6%	6.7%
Gold Future	GCc1	2905.10	0.2%	0.8%	1.8%	6.6%
Vanguard FTSE All-World ex-US ETF	VEU	59.83	-1.3%	2.7%	2.0%	6.6%
iShares MSCI Germany ETF	EWG	31.61	-1.7%	4.8%	3.2%	6.5%
iShares MSCI EAFE ETF	EFA	80.20	-1.8%	3.6%	2.4%	6.4%
Materials Select Sector SPDR	XLB	90.80	-1.5%	2.5%	2.8%	6.1%
iShares China Large Cap ETF	FXI	25.46	-2.1%	0.0%	-2.0%	6.0%
iShares Russell 2000 Growth ETF	IWO	265.21	-2.2%	0.6%	1.0%	5.2%
Consumer Discretionary Select Sector SPDR	XLY	187.18	1.4%	7.4%	2.6%	4.7%
iShares MSCI Australia ETF	EWA	25.45	-0.2%	4.8%	4.2%	4.6%
iShares MSCI Emerg Mkts ETF	EEM	41.97	-1.3%	-0.2%	-1.5%	4.4%
iShares MSCI BRIC ETF	BKF	35.50	-1.7%	-0.6%	-1.1%	3.8%
iShares Russell 2000 ETF	IWM	208.31	-2.4%	0.9%	2.7%	3.8%
iShares US Telecomm ETF	IYZ	23.44	0.1%	5.3%	7.9%	3.0%
iShares MSCI Austria Capped ETF	EWO	22.18	-1.8%	0.7%	1.5%	2.6%
iShares Russell 2000 Value ETF	IWN	159.06	-2.5%	1.4%	4.4%	2.4%
iShares iBoxx $ Invest Grade Corp Bond	LQD	112.89	1.6%	2.9%	5.4%	2.0%
iShares 20+ Year Treas Bond ETF	TLT	100.69	3.0%	4.6%	9.7%	1.8%
Energy Select Sector SPDR	XLE	85.14	-4.3%	-4.8%	-6.6%	1.6%
United States Oil Fund, LP	USO	66.96	-5.8%	-12.1%	-15.9%	0.5%
SPDR S&P Retail ETF	XRT	72.35	-3.6%	-1.4%	-3.5%	0.0%
SPDR S&P Semiconductor ETF	XSD	216.25	-2.7%	0.9%	-12.6%	-3.8%
iShares MSCI South Korea Capped ETF	EWY	61.28	-3.1%	-1.5%	-7.3%	-6.5%
Shanghai Composite	.SSEC	2744.19	-2.1%	-4.1%	-7.5%	-7.8%
Oil Future	CLc1	65.75	-6.5%	-14.4%	-19.4%	-8.2%
iShares MSCI Hong Kong ETF	EWH	15.72	-0.6%	1.7%	2.7%	-9.5%
iShares DJ US Oil Eqpt & Services ETF	IEZ	19.08	-5.8%	-9.7%	-14.3%	-13.0%
iShares MSCI Brazil Capped ETF	EWZ	29.01	-1.3%	-0.6%	6.1%	-17.0%
iShares MSCI Mexico Capped ETF	EWW	51.01	-2.0%	-8.3%	-9.9%	-24.8%

Outperformed SP500

Underperformed SP500

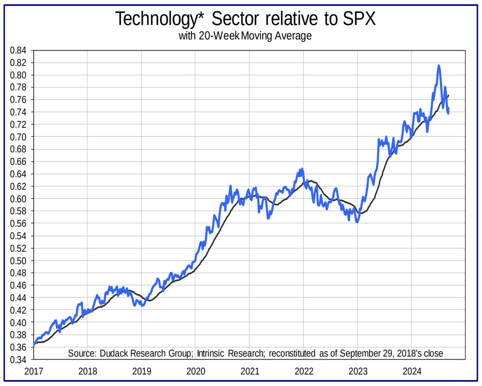
Source: Dudack Research Group; Refinitiv

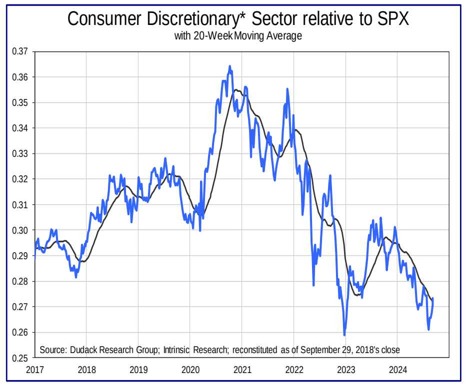
Priced as of September 10, 2024

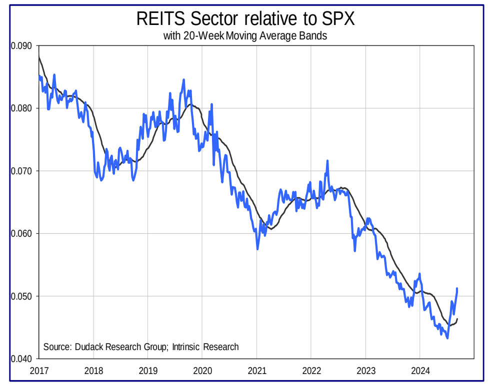
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

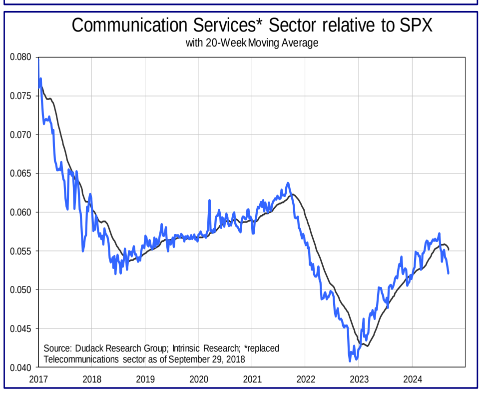
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Communication Services	Consumer Discretionary	REITS
Technology	Staples	Materials
Healthcare	Utililties	Energy
Financials	Industrials	

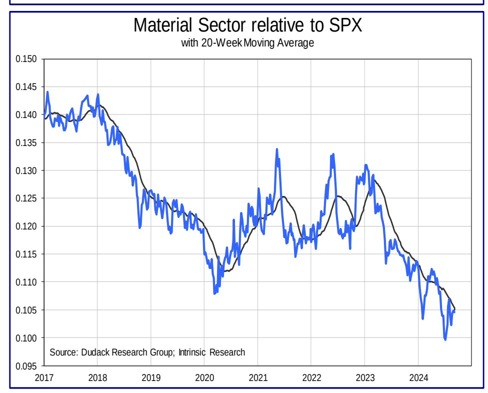
9/10/2024: Upgraded Utilities from U to N; Downgraded Energy from N to U. 2/6/2024: Upgraded Communication Services from U to O; Technology & Healthcare from from N to O; Downgraded Industrials & Consumer Discretionary from O to N; Materials downgraded from O to U. Staples & Energy upgraded to N.

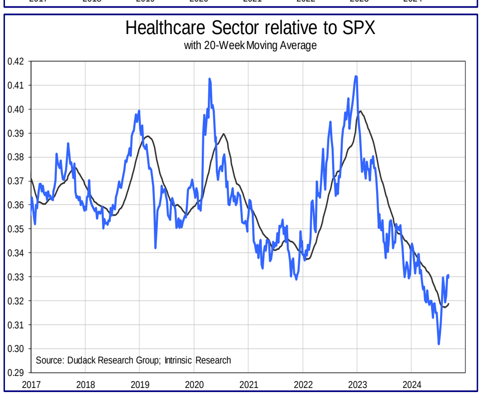


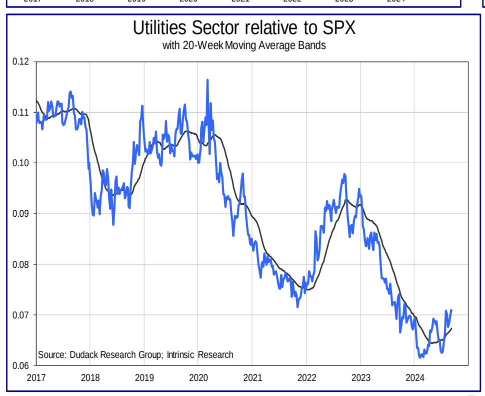


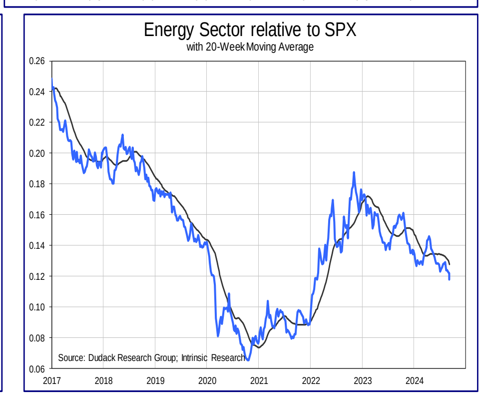


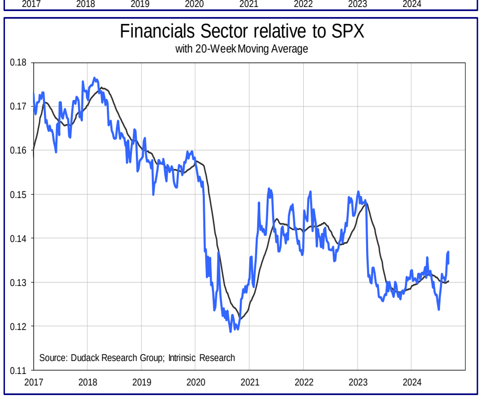


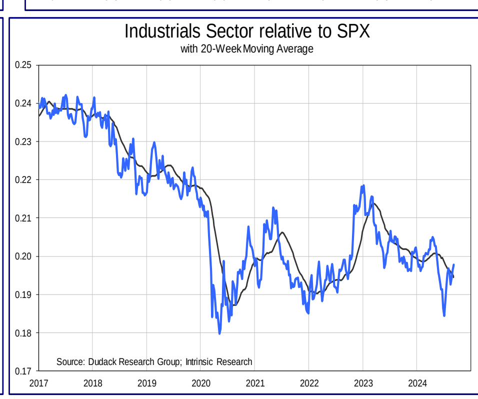












2024 Performance - Ranked	
SP500 Sector	% Change
S&P UTILITIES	20.9%
S&P INFORMATION TECH	20.7%
S&P FINANCIAL	17.8%
S&P CONSUMER STAPLES	17.4%
S&P COMMUNICATIONS SERVICES	16.3%
S&P 500	15.2%
S&P HEALTH CARE	13.9%
S&P INDUSTRIALS	12.0%
S&P REITS	11.8%
S&P CONSUMER DISCRETIONARY	5.9%
S&P MATERIALS	5.8%
S&P ENERGY	1.4%

Source: Dudack Research Group; Refinitiv; Monday closes

US Asset Allocation

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

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

DRG Earnings and Economic Forecasts

	S&P 500 Price	S&P Dow Jones Reported EPS**	S&P Dow Jones Operating EPS**	DRG Operating EPS Forecast	DRG EPS YOY %	IBES Consensus Bottom-Up $ EPS**	Refinitiv Consensus Bottom-Up EPS YOY%	S&P Op PE Ratio	S&P Divd Yield	GDP Annual Rate	GDP Profits post-tax w/ IVA & CC	YOY %
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	-1.1%	20.3X	2.1%	2.9%	$1,664.20	-2.9%
2016	2238.83	$94.55	$106.26	$106.26	5.8%	$118.10	0.5%	21.1X	1.9%	1.8%	$1,661.50	-0.2%
2017	2673.61	$109.88	$124.51	$124.51	17.2%	$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	$237.81	$234.00	9.6%	$242.51	9.6%	23.1X	1.4%	NA	NA	NA
2025E	~~~~~	$172.75	$277.34	$255.00	9.0%	$279.74	15.4%	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 1Q	5254.35	$47.37	$54.63	$54.63	4.0%	$56.56	6.6%	24.4	1.3%	1.4%	$2,726.80	5.3%
2024 2QE	5521.50	$53.95	$58.48	$58.12	6.0%	$60.76	11.9%	25.2	1.3%	3.0%	NA	NA
2024 3QE*	5495.52	$54.66	$61.04	$60.75	16.3%	$61.50	5.3%	24.1	NA	NA	NA	NA
2024 4QE	~~~~~	$58.03	$63.66	$60.50	12.2%	$64.39	12.6%	23.1	NA	NA	NA	NA

Source: DRG; S&P Dow Jones **quarterly EPS may not sum to official CY estimates; LSEG IBES Consensus estimates *9/10/2024

Regulation AC Analyst Certification

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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

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