



US Strategy Weekly

Trumponomics

This week, as President Trump approached his one-year anniversary in the White House, the WALL STREET JOURNAL wrote *“economists have learned to stop worrying about Trumponomics”* and are now forecasting GDP growth to exceed 2% this year. In our view, even a 2% estimate may be too conservative for 2026; still, it is obvious that the stagflation forecasted for 2025 never came to pass. December’s core CPI decelerated to 2.6% YOY, down from 3.3% YOY in January and GDP was running at a hot 4.3% pace in the third quarter.

President Trump has proven the media wrong about the economy; however, he continues to find new and bigger ways to agitate them. This week, along with threatening to place tariffs on countries that disagree with his view on acquiring Greenland, a 10% cap on credit card interest rates, he signed an executive order that implied defense contractors *“are not permitted in any way, shape, or form to pay dividends or buy back stock, until such time as they are able to produce a superior product, on time and on budget.”* In short, he wants defense companies with government contracts to invest in their businesses and become more efficient, instead of repurchasing stock or paying their top executives salaries of \$5 million or more a year. In line with this, Defense Secretary Pete Hegseth has made overhauling Pentagon acquisition policy a priority and pledged to broaden its range of vendors with more startups and commercial companies. In our opinion, this executive order is Trump being Trump, i.e., a businessman and a disruptor, and like any normal consumer, he wants value when spending taxpayer dollars. The intent may be commendable, but the approach is creating a major backlash among corporate leaders and may generate more harm than good in the longer run.

Nevertheless, we disagree with the following WALL STREET JOURNAL statement: *“Stock buybacks, like dividends, return capital to investors. They also boost earnings per share and help propel stock prices, which is why many investors prize them and would recoil at the notion of government interference.”*

Much like our argument that tariffs are not taxes, we believe stock buybacks are not dividends. Stock buybacks make earnings-per-share *look* better, but changing the denominator does not mean real earnings power (the numerator) has grown nor does it guarantee higher stock prices. We also disagree that buybacks are “prized” by investors; the real return on capital for equity investors is a combination of rising stock prices and dividend payouts. Stock buybacks do not guarantee higher prices to investors, whereas stock dividends represent real money in the pockets of investors. Moreover, dividends are typically a guaranteed revenue stream to shareholders.

We do agree that government interference is the antithesis of capitalism. However, government interference has been a part of every administration, although the interference is usually done behind closed doors. For example, it was revealed that government agencies controlled social media posts and medical studies regarding COVID-19 and vaccines several years after the fact. Vaccines continue to directly impact public health and wellbeing. Equally important, government-mandated vaccines resulted in extraordinary earnings gains for the pharmaceutical industry; yet the media has never investigated this

connection. The current administration on the other hand, is unusually open and transparent, perhaps too much so and the chaos this creates is problematic for those who like order and tranquility.

As we go to print, President Trump is on his way to Davos, Switzerland, to speak at The World Economic Forum (January 19-23, 2026), an annual gathering of global leaders in business, government, and civil society. It comes at a time when Trump has upset the global community with his statement that there is “no going back” on his goal to control Greenland for national and world security. Moreover, the threat to impose 10% tariffs on the eight European countries that oppose his view has galvanized European leaders against President Trump. Ironically, Trump is threatening more tariffs just as the world awaits a US Supreme Court decision on the legality of the administration’s use of an emergency law to enact tariffs. Nonetheless, at a midday White House press conference, the President hinted that there may be a pathway that leads NATO nations to agree with his view. In short, it will be fascinating to watch egos colliding in the Swiss Alps this week.

There was a flurry of economic releases this week and the PCE deflator for October and November and the second estimate for 3Q25 GDP will be released later this week. Last week’s November’s PPI release showed final demand prices rising 2.9%, up slightly from October, but down from September. December industrial production rose 2% YOY, but utility production of 2.3% YOY was key to the strength. December’s existing home sales were surprisingly strong at 4.35 million units (annualized) which was a 1.4% YOY increase. At that pace the months of supply fell to 3.3 from 4.2 months in November. The median single-family home price was \$405,400, up 0.4% YOY. However, the January NAHB housing index weakened to 37 from 39 and remains well below the breakeven 50 level. See page 5. The NFIB small business index inched up to 99.5 in January, representing the eighth consecutive month above the long term average of 98. See page 4.

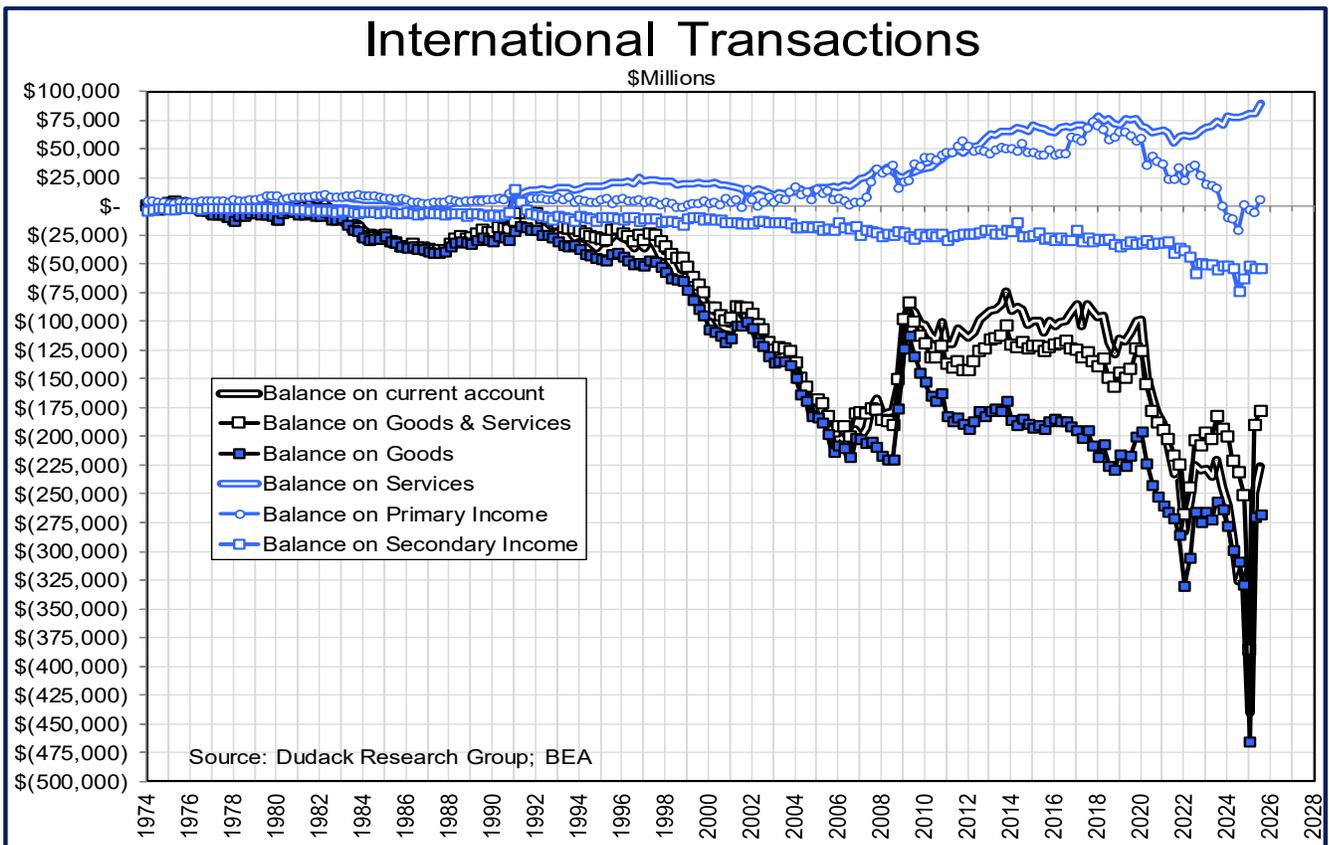
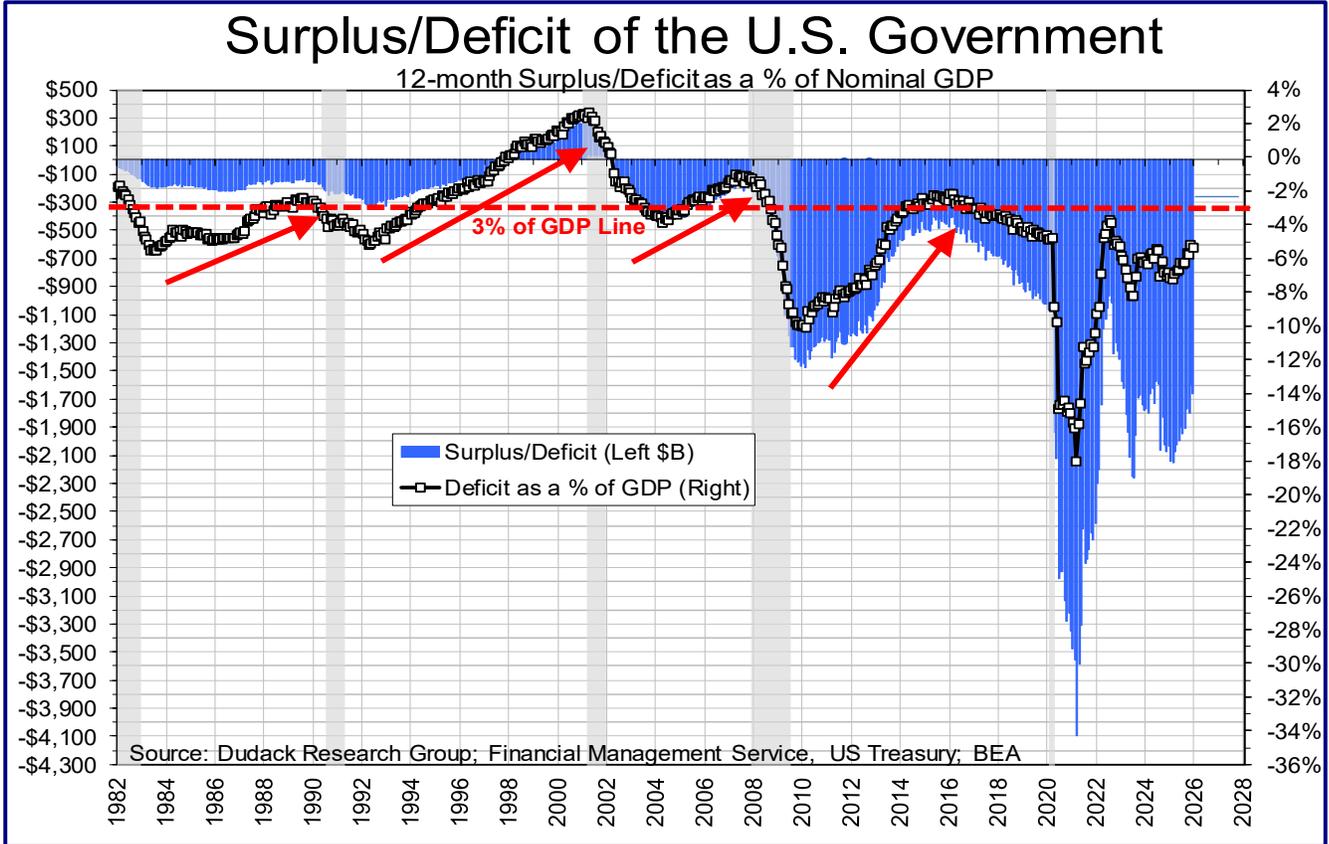
In our opinion, the most important release of the week was the US current account deficit (trade plus investment income) which narrowed to \$226.4 billion, or 2.9% of GDP, in the third quarter of 2025. This was \$22.8 billion lower than the revised second quarter deficit of \$249.2 billion, or 3.3% of GDP. The smaller deficit was the result of a few factors, including a shift from a deficit to a surplus in net income payments, a larger surplus in services, and a smaller deficit in goods. The importance of this is that deficits subtract from GDP. As deficits decline, GDP will strengthen. See page 3.

The current administration, Secretary of the Treasury Scott Bessent in particular, is focused on both US deficits, including the fiscal deficit. At the end of 2025 (December), the 12-month sum of monthly fiscal deficits represented 5.4% of nominal GDP (3Q25), down from 5.7% at the end of the fiscal 2025 year and down from the 6.2% seen at the end of fiscal 2024. This 5.4% should be lower once nominal GDP for the fourth quarter of the year is released. The goal of the administration is to get the fiscal deficit to 3% of GDP or less, and to have economic activity above 3.5%. This combination would reverse the unsustainable trend seen in 2024. In the long run it should also lower long-term interest rates.

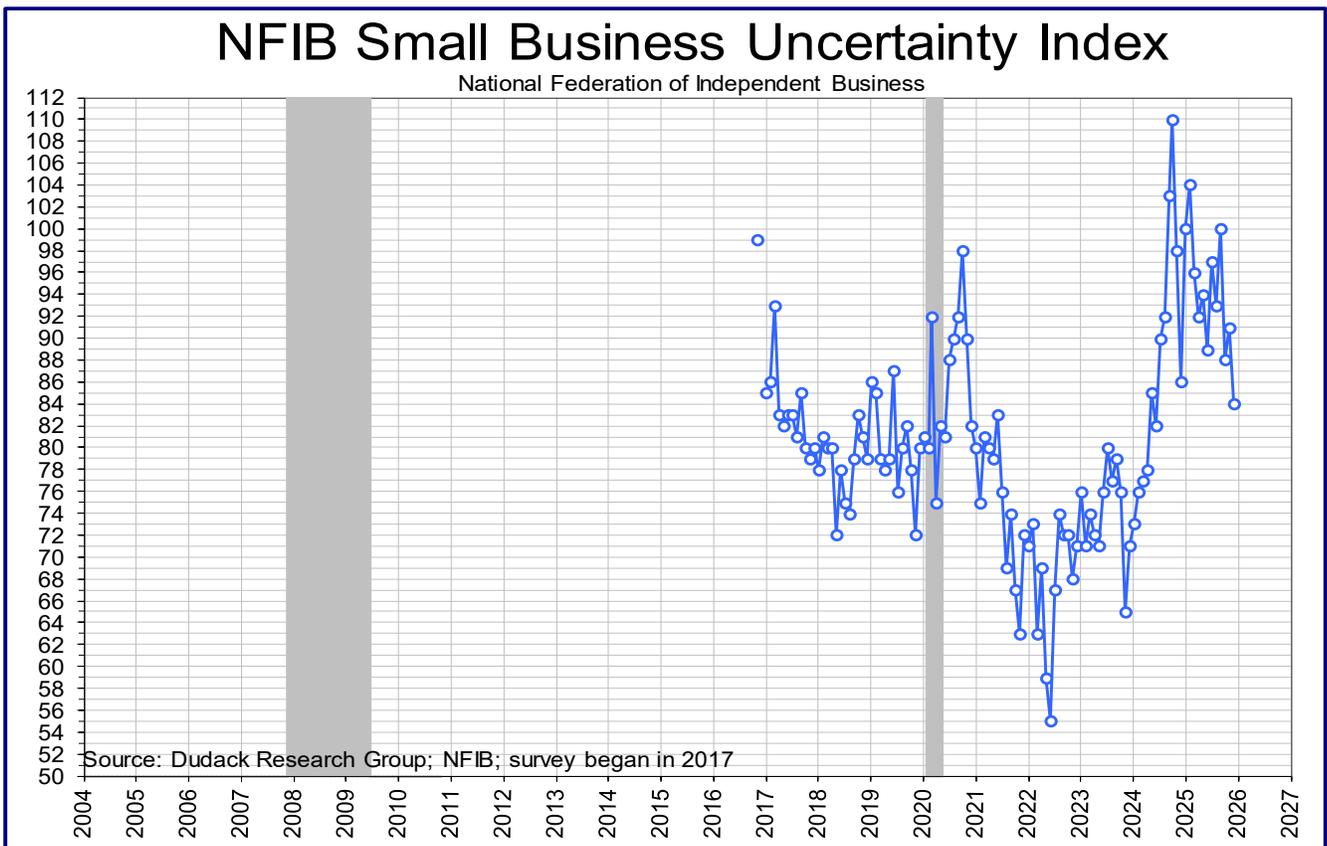
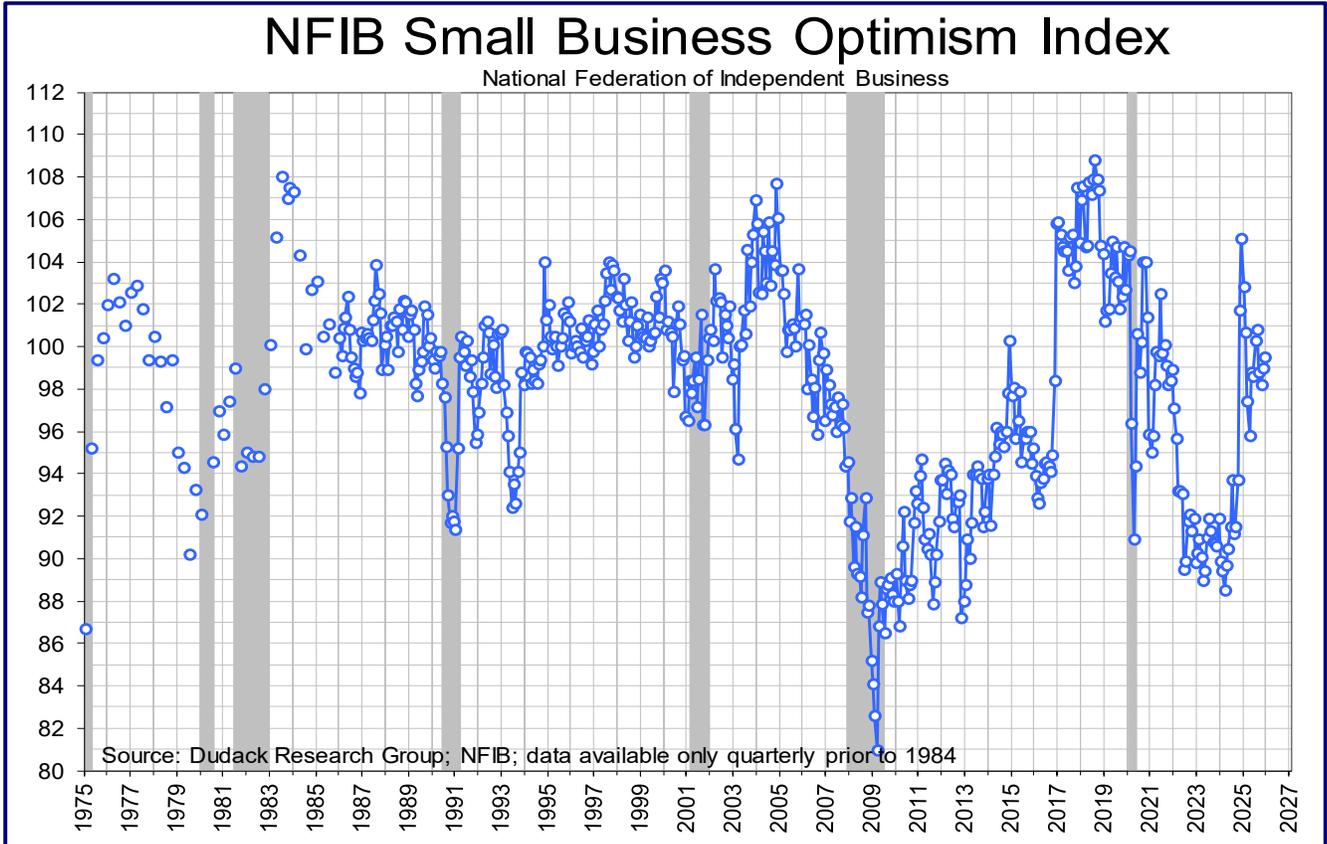
There have only been twelve trading days in 2026, but they have been interesting ones. Despite January 20th’s 871-point decline in the Dow Jones Industrial Average, the index is up 0.9% year-to-date. The Dow Jones Transports are up 2.9%, the DJ Utility index is up 1.5%, the S&P 500 is off fractionally, and the Nasdaq Composite is down 1.2%. However, the Russell 2000 index is up a stellar 6.6% year-to-date and has been a significant outperformer in 2026. This rotation of leadership among sectors and from large-cap to small-cap equities is characteristic of a healthy bull market cycle. And while this week’s decline -- sparked by a 19-basis point jump in Japanese government bond yields and anxiety related to Greenland -- was the largest since October 9, 2025, it did not generate a 90% down day.

Our view has not changed. The 2025 equity market was driven by better-than-expected earnings growth, and we expect the same will be true in 2026. Trailing 12-month earnings growth is currently 14.3% versus the long-term average of 8.1%. See page 6. We remain a buyer of dips.

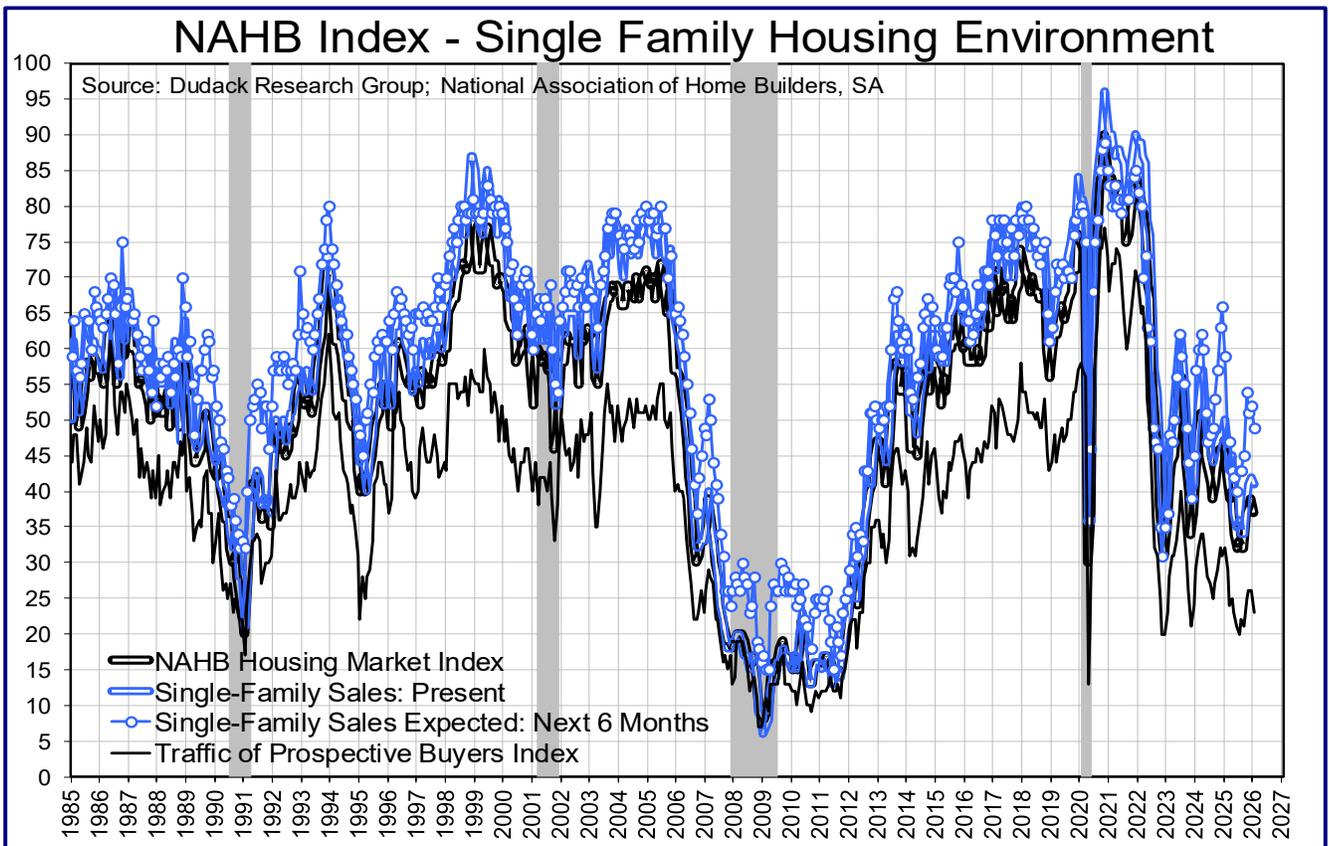
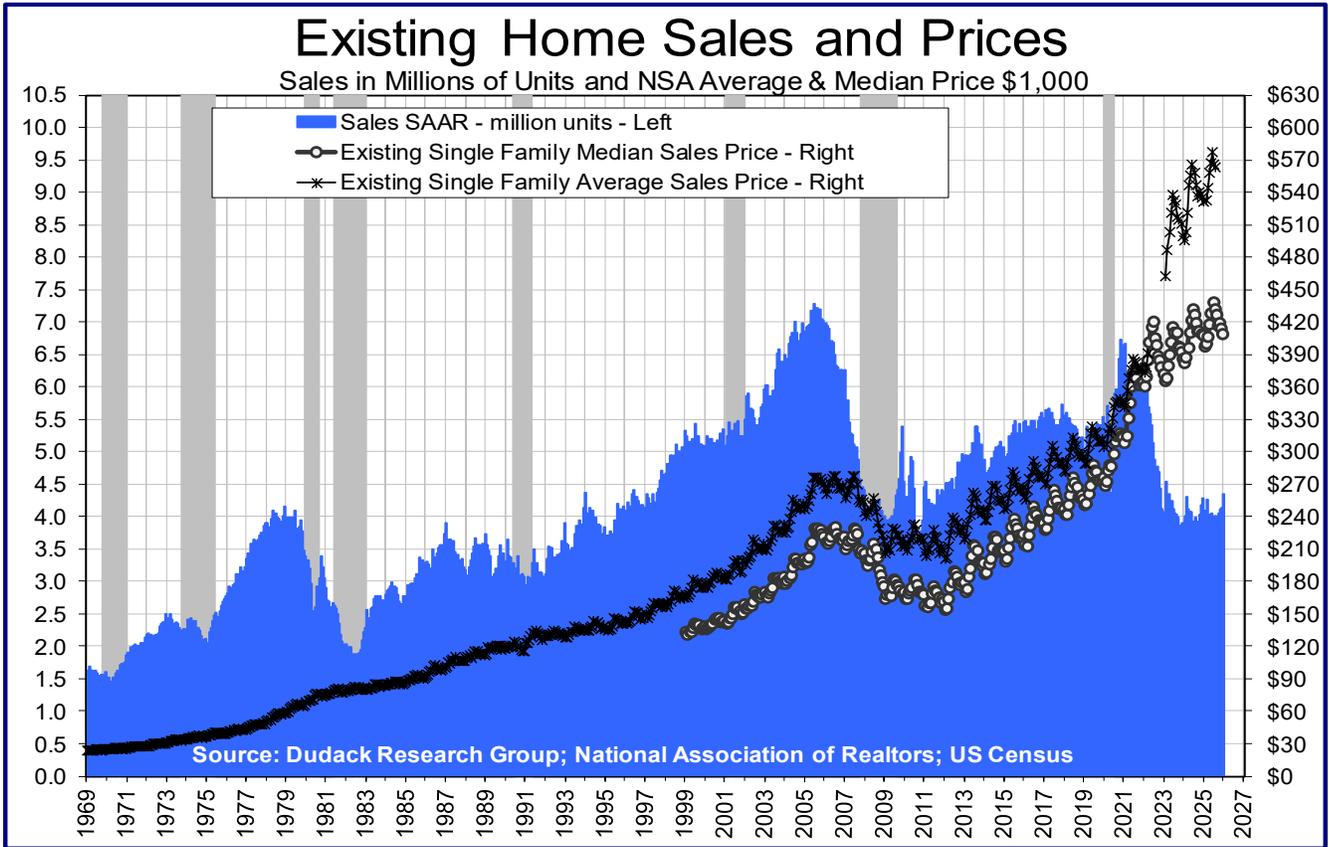
As of December, the 12-month sum of monthly fiscal deficits represented 5.4% of nominal GDP (3Q25), down from 5.7% at the end of the fiscal 2025 year and down from the 6.2% seen at the end of fiscal 2024. The goal of the administration is to get the deficit to 3% of GDP or less. The US current account deficit (trade plus investment income) narrowed to \$226.4 billion (2.9% of GDP) in the third quarter of 2025, down \$22.8 billion from the revised second-quarter deficit of \$249.2 billion (3.3% of GDP). The smaller deficit resulted from a few factors, including a shift from a deficit to a surplus in net income payments, a larger surplus in services, and a smaller deficit in goods.



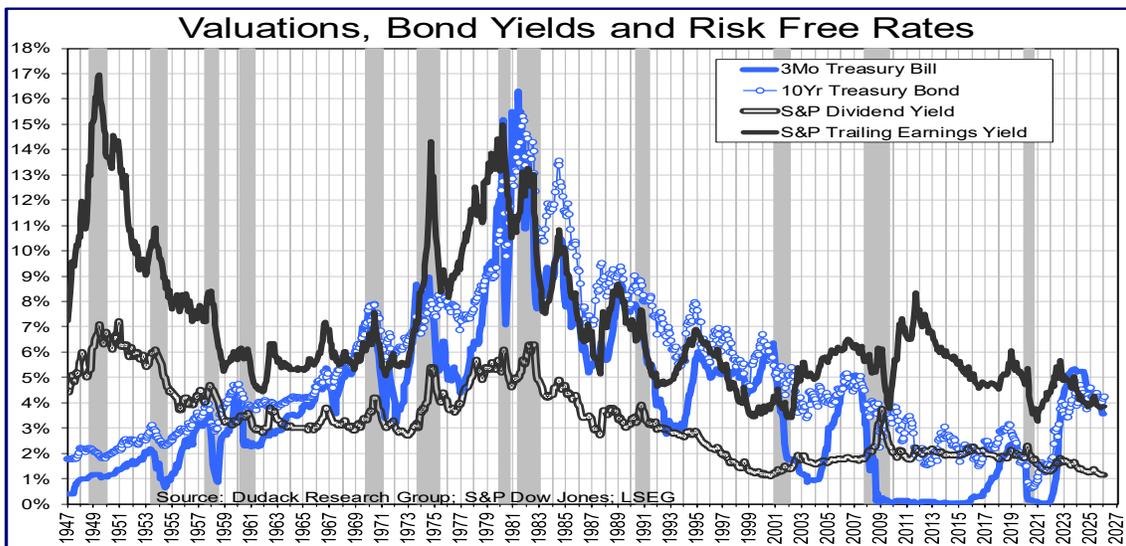
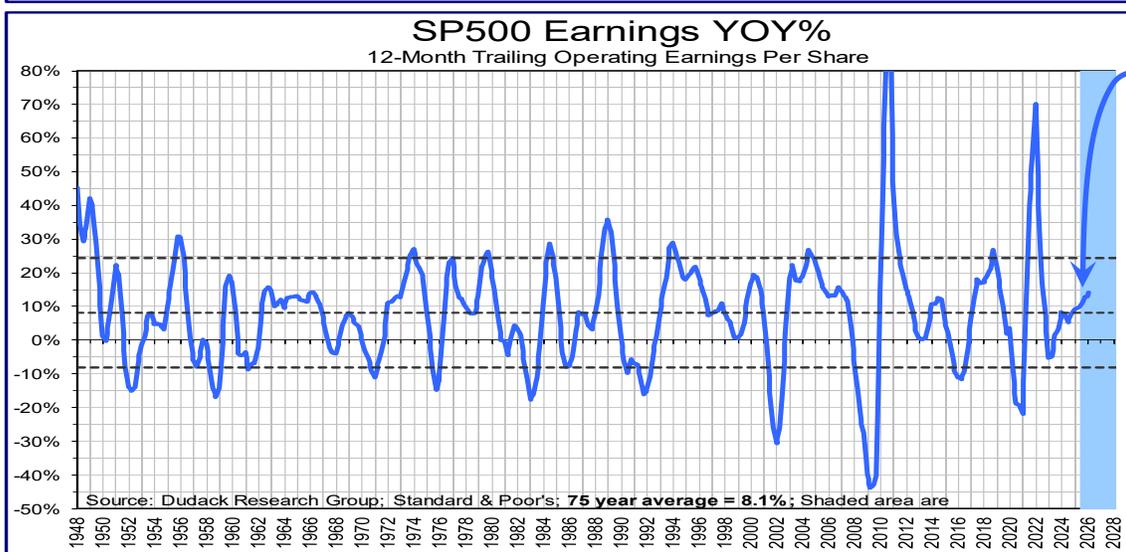
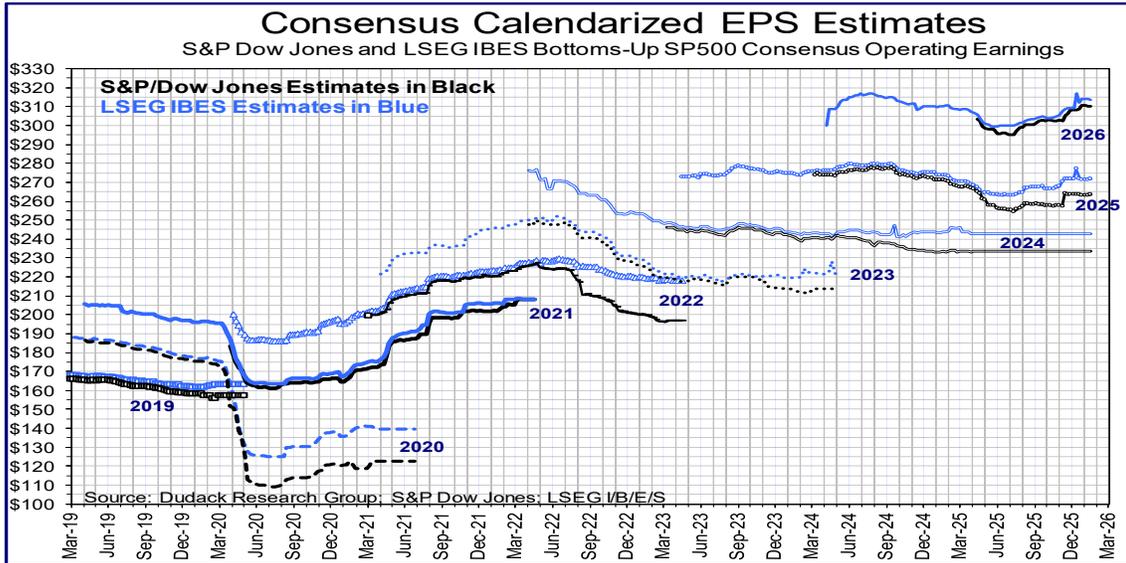
The Small Business Optimism Index for December was 99.5, up 0.5 points and above its 52-year average of 98. Of the 10 components two increased three decreased (one of which was plans to raise prices) and five were unchanged. The increase in those expecting better business conditions primarily drove the rise in the Optimism Index. The Uncertainty Index fell 7 points from November to 84, the lowest reading since June 2024. After the highest year on record for the Uncertainty Index in 2024, seeing a meaningful decline is reassuring.



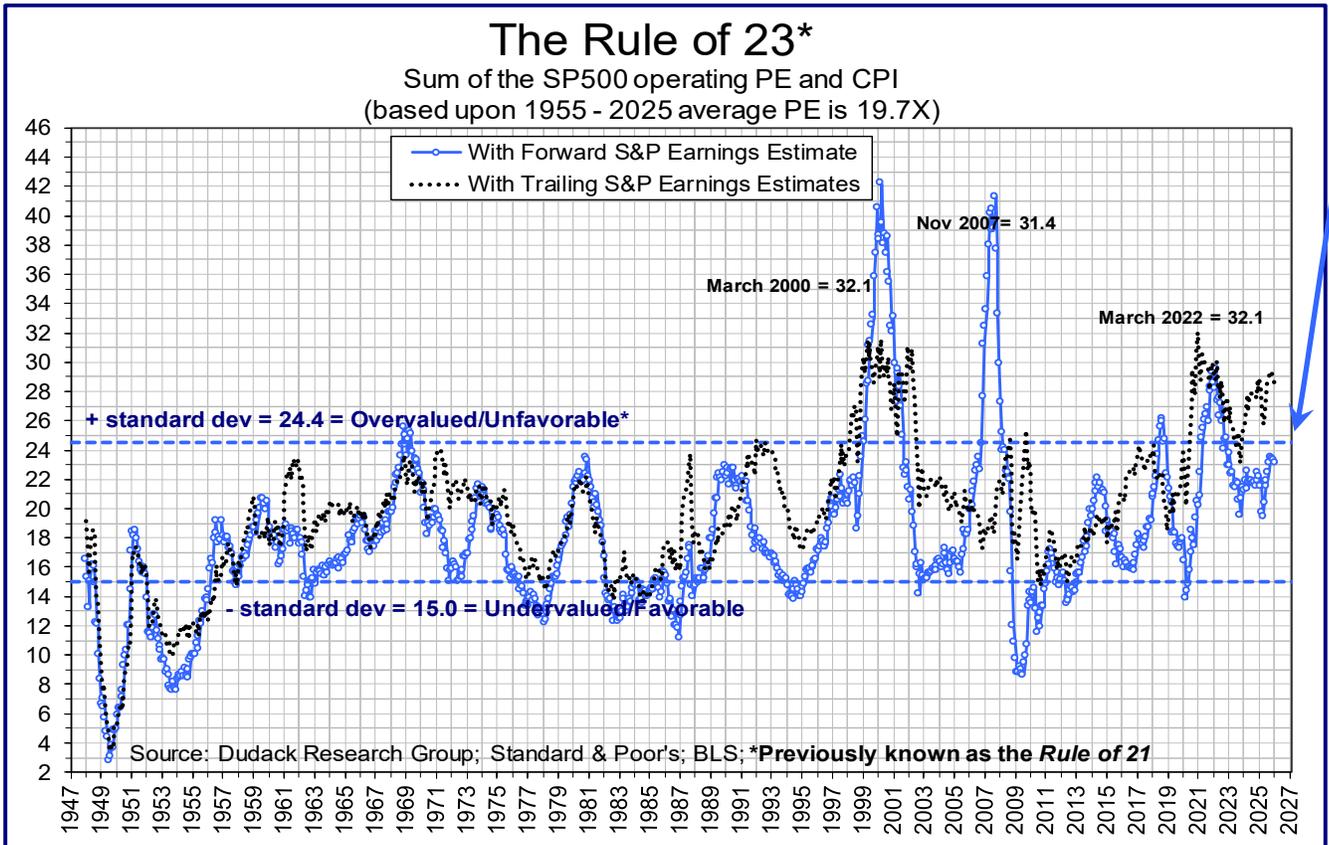
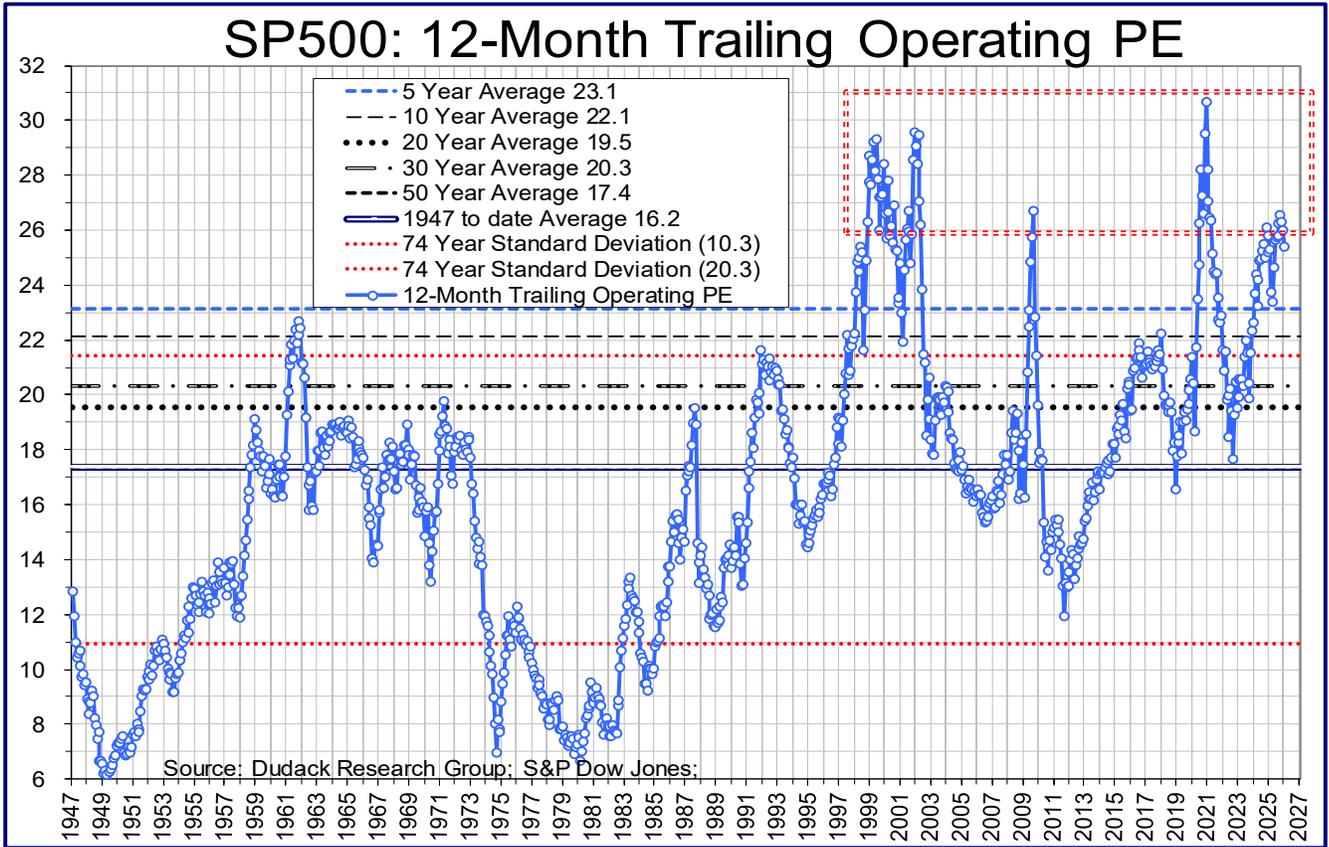
In December, existing home sales rose to an annualized rate of 4.35 million units, a gain of 1.4% YOY. The inventory of existing homes increased by 3.5% YOY representing a 3.3 months' supply at the current pace of sales. The median price of an existing home climbed by 0.4% YOY to \$405,400. Homebuilder confidence edged down 2 points to 37 in January, and all subcomponents declined in the month. The index remains well below the 50-level threshold.



The LSEG IBES consensus earnings estimate for 2025 rose \$0.25 to \$271.87 this week and the 2026 estimate fell \$0.07 to \$313.77. The 2027 forecast rose \$0.54 to \$360.08. The S&P Dow Jones estimate for 2025 rose \$0.17 to \$263.50 and the 2026 estimate fell \$0.11 to \$310.32. Although PE multiples are rich, the forward earnings yield of 4.6% and dividend yield of 1.2% compare well to a 10-year Treasury bond yield of 4.2%. Plus, the 12-month sum of operating earnings shows a gain of 14.3% YOY, far better than the 75-year average of 8.1% YOY.

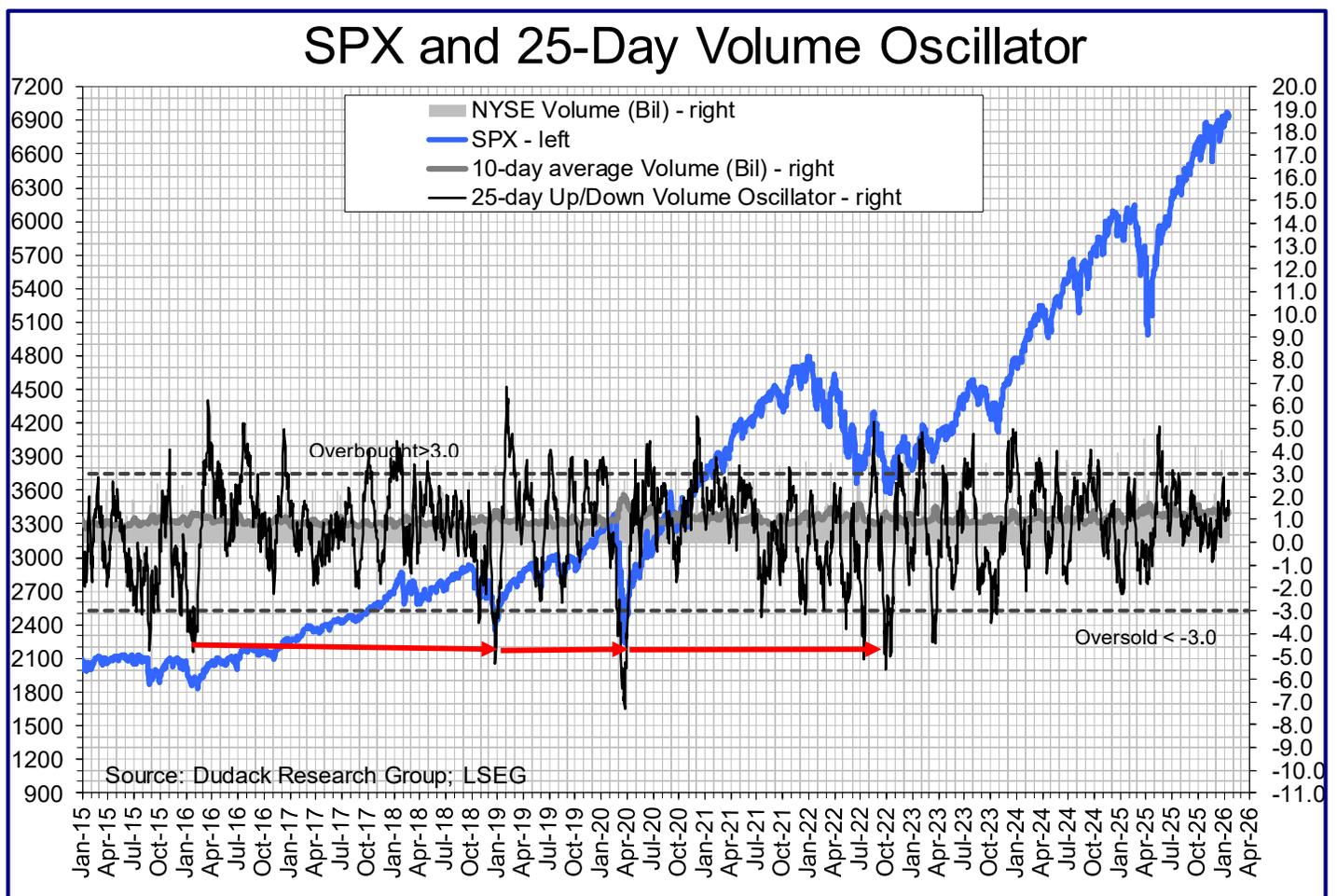


The SPX **trailing** 4-quarter operating earnings multiple is 25.4 after reaching an attractive intra-month low of 20.7 times earnings in early April. PE multiples remain stable in the face of rising stock prices due to higher earnings results, but the trailing PE is above both the 50-year average of 17.3 times and the 5-year average of 23.1. Including 2026 S&P Dow Jones estimates, the **12-month forward** PE multiple is 20.5 times and well above its long-term average of 17.9 times. When this PE is added to inflation of 2.7%, it comes to 23.2, which places it near the top of the normal range of 15.0 to 24.4.

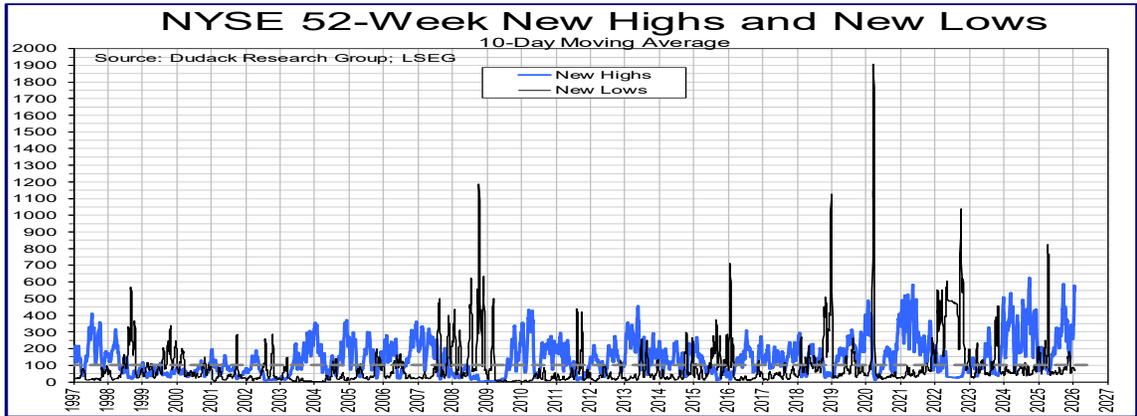
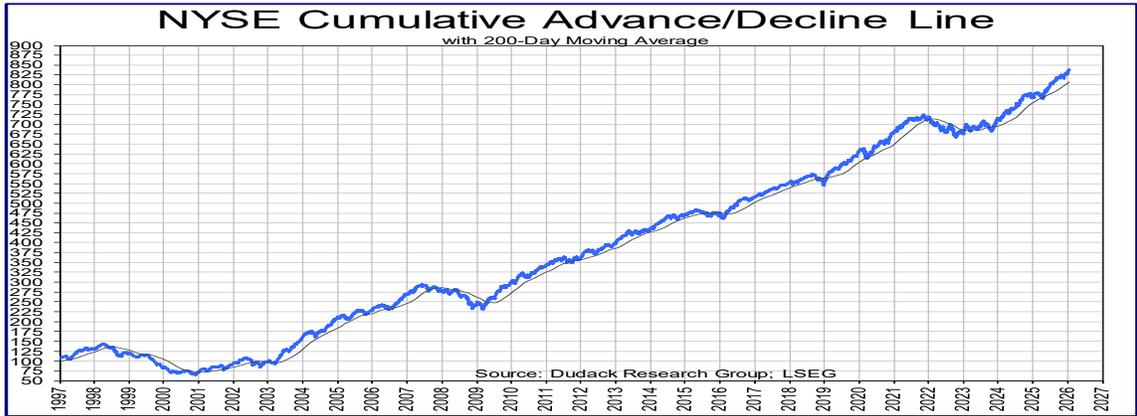
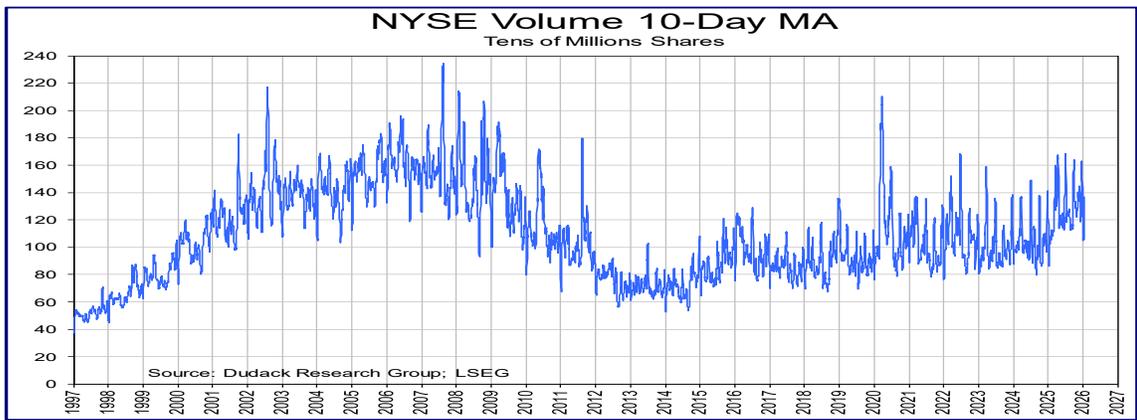


The 25-day up/down volume oscillator is 0.54, down from last week. The last positive readings in this indicator were the one-day overbought readings of 3.15 on July 3 and 3.05 on July 25. These readings followed the indicator being overbought for nine of eleven days in May during which it reached a peak of 5.10 on May 16. The 5.10 reading was bullish and was the highest overbought reading since August 18, 2022, which appeared shortly after the market rebounded from its low of June 16, 2022. Overall, this was incredibly positive performance and characteristic of a bull market cycle.

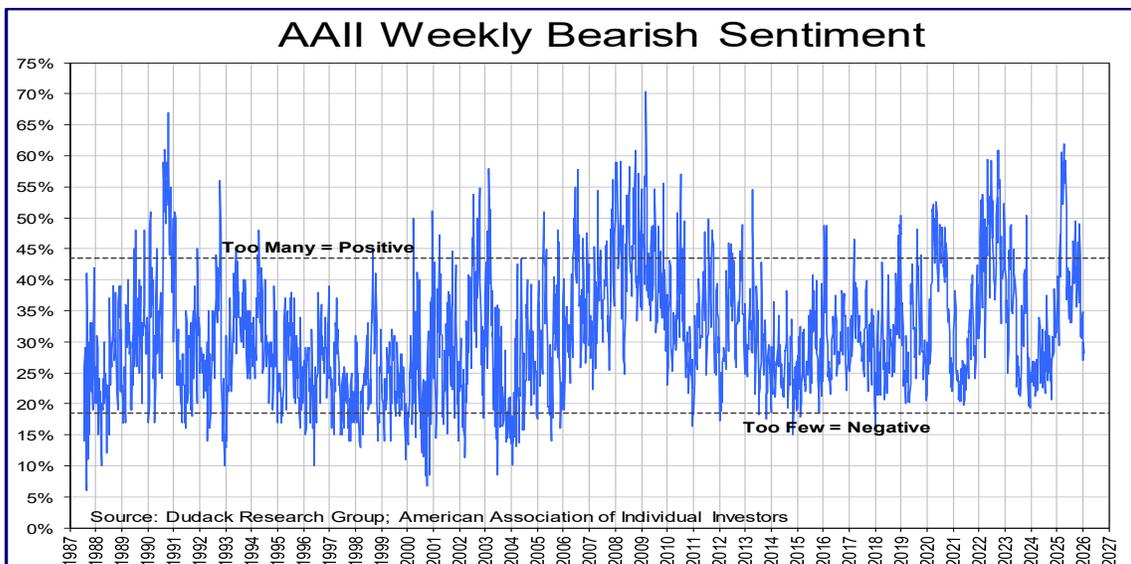
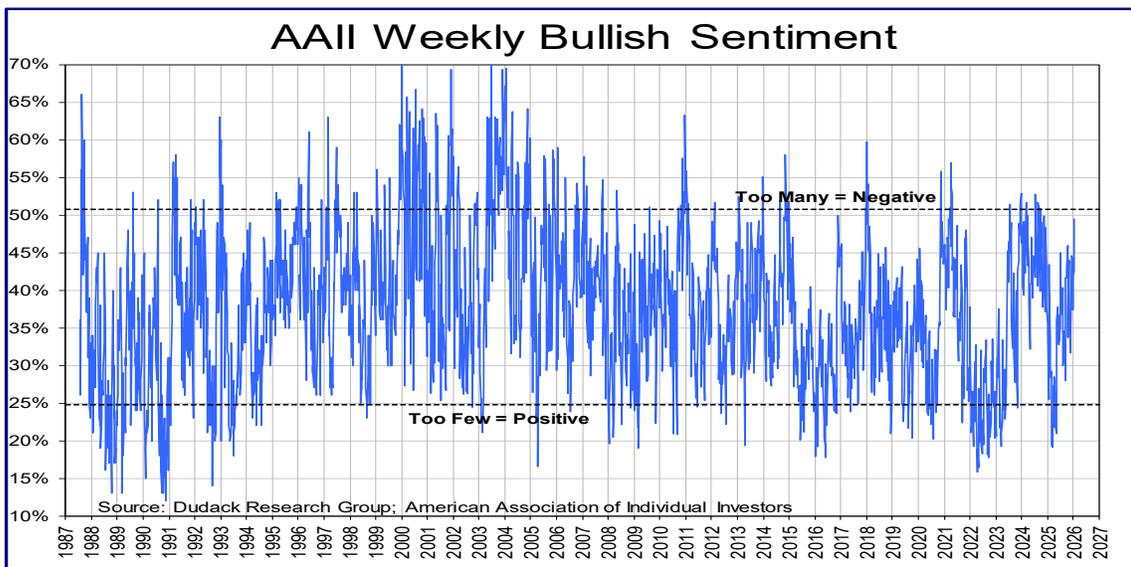
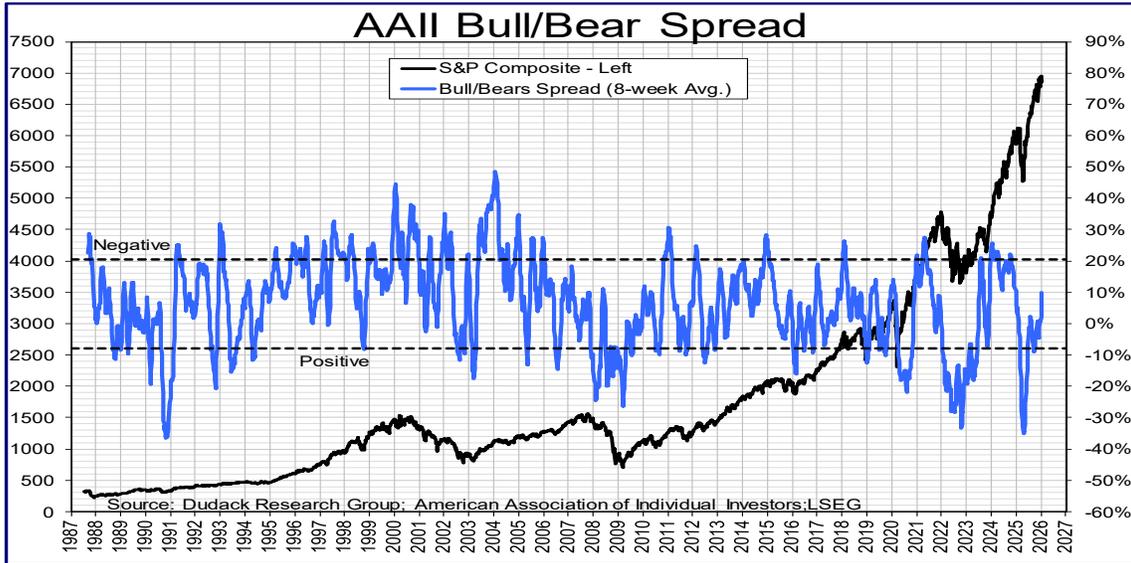
Nevertheless, this indicator is yet to confirm the string of new highs made by the popular indices from August 2025 to date. To confirm, the oscillator should record an overbought reading of 3.0 or higher for a minimum of five consecutive trading days. At present, this indicator suggests advancing volume has been weak and the longer this disparity continues, the greater the risk is that equities experience a near-term pullback.



The 10-day average of daily new highs rose to 545 this week – the highest since September 2025 -- and new lows were lower at 70. This combination of daily new highs above 100 and new lows below 100 upgrades this indicator to positive this week. On April 11, the 10-day new low index (823) was the highest since the September-October 2022 low (882). The NYSE cumulative advance/decline line made a new high on January 15, 2026, and is bullish.



Last week's AAI survey showed bullishness rose 7.0% to 49.5% and bearishness fell 1.8% to 28.2%. Bullishness is above average and bearishness is below average but not yet at the 50/20 split that is negative. In the first week of 2026, bearishness was at its lowest level since October 2024. On April 2, 2025, the reading of 61.9% bearishness was a new high for this cycle and the most positive since November 21, 1990, of minus 36.3% (just after the S&P 500 low on October 11, 1990, at 295.47, down 20%). The 8-week bull/bear is 5.9% and neutral. It was last in positive territory in late September.



GLOBAL MARKETS AND COMMODITIES - RANKED BY YEAR-TO-DATE TRADING PERFORMANCE

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
iShares Silver Trust	SLV	85.05	3.0%	32.9%	25.7%	25.7%
Silver Future	Slc1	88.09	2.6%	31.8%	25.6%	25.6%
iShares MSCI South Korea Capped ETF	EWY	112.22	4.4%	22.9%	15.4%	15.4%
iShares DJ US Oil Eqpt & Services ETF	IEZ	23.88	2.4%	16.3%	14.4%	14.4%
SPDR Homebuilders ETF	XHB	114.56	-0.3%	9.0%	11.3%	11.3%
SPDR S&P Semiconductor ETF	XSD	355.47	1.6%	8.6%	10.5%	10.5%
Materials Select Sector SPDR	XLB	48.68	-0.1%	7.3%	7.3%	7.3%
iShares Russell 2000 Growth ETF	IWO	345.63	0.5%	4.9%	7.0%	7.0%
iShares MSCI Mexico Capped ETF	EWX	74.00	2.8%	7.5%	6.7%	6.7%
iShares Russell 2000 ETF	IWM	262.58	0.5%	4.7%	6.7%	6.7%
Energy Select Sector SPDR	XLE	47.60	1.3%	7.9%	6.5%	6.5%
iShares Russell 2000 Value ETF	IWN	192.81	0.5%	4.5%	6.4%	6.4%
SPDR Gold Trust	GLD	421.29	-0.1%	5.6%	6.3%	6.3%
iShares MSCI Hong Kong ETF	EWH	22.54	0.6%	4.3%	6.1%	6.1%
Consumer Staples Select Sector SPDR	XLP	82.36	1.5%	4.5%	6.0%	6.0%
SPDR S&P Retail ETF	XRT	90.42	0.0%	3.3%	6.0%	6.0%
iShares MSCI Taiwan ETF	EWT	67.34	1.9%	9.2%	6.0%	6.0%
iShares MSCI Japan ETF	EWJ	85.48	1.2%	6.1%	5.9%	5.9%
iShares MSCI Emerg Mkts ETF	EEM	57.87	0.6%	7.7%	5.8%	5.8%
Industrial Select Sector SPDR	XLI	163.53	-0.3%	4.9%	5.4%	5.4%
Oil Future	CLc1	60.36	-1.3%	6.5%	5.1%	5.1%
iShares US Real Estate ETF	IYR	98.31	3.0%	5.7%	4.7%	4.7%
iShares MSCI Brazil Capped ETF	EWZ	33.17	1.7%	6.4%	4.4%	4.4%
Vanguard FTSE All-World ex-US ETF	VEU	76.73	0.6%	5.3%	4.3%	4.3%
SPDR S&P Bank ETF	KBE	63.26	2.3%	1.0%	4.2%	4.2%
United States Oil Fund, LP	USO	71.86	-2.2%	5.6%	3.9%	3.9%
Shanghai Composite	.SSEC	4113.65	-0.6%	5.7%	3.6%	3.6%
iShares MSCI EAFE ETF	EFA	99.53	0.7%	4.3%	3.6%	3.6%
PowerShares Water Resources Portfolio	PHO	72.65	-0.6%	1.9%	3.2%	3.2%
iShares MSCI Malaysia ETF	EWM	28.17	0.4%	3.6%	3.0%	3.0%
iShares MSCI United Kingdom ETF	EWU	45.18	0.4%	3.8%	2.7%	2.7%
iShares Russell 1000 Value ETF	IWD	215.94	-0.7%	2.9%	2.7%	2.7%
iShares China Large Cap ETF	FXI	39.30	-2.4%	1.8%	2.6%	2.6%
iShares MSCI Austria Capped ETF	EWO	36.30	0.9%	4.1%	2.3%	2.3%
iShares MSCI Canada ETF	EWC	55.13	0.0%	2.7%	2.2%	2.2%
iShares MSCI Australia ETF	EWA	26.74	1.2%	3.3%	2.1%	2.1%
iShares MSCI Germany ETF	EWG	43.34	-0.5%	2.9%	2.0%	2.0%
iShares MSCI Singapore ETF	EWS	28.04	-0.8%	4.1%	1.9%	1.9%
iShares MSCI BRIC ETF	BKF	44.61	-1.1%	1.4%	1.8%	1.8%
iShares Nasdaq Biotechnology ETF	IBB.O	170.72	-0.4%	0.3%	1.2%	1.2%
SPDR DJIA ETF	DIA	484.88	-1.4%	0.8%	0.9%	0.9%
DJIA	.DJI	48488.59	-1.4%	0.7%	0.9%	0.9%
Utilities Select Sector SPDR	XLU	42.96	0.3%	0.8%	0.6%	0.6%
Health Care Select Sect SPDR	XLV	155.74	-0.6%	0.5%	0.6%	0.6%
iShares iBoxx \$ Invest Grade Corp Bond	LQD	110.57	-0.2%	0.4%	0.3%	0.3%
Gold Future	GCc1	3241.10	0.1%	0.5%	0.3%	0.3%
Consumer Discretionary Select Sector SPDR	XLY	119.12	-4.1%	-2.2%	-0.2%	-0.2%
iShares Russell 1000 ETF	IWB	371.79	-2.3%	-0.3%	-0.4%	-0.4%
iShares 20+ Year Treas Bond ETF	TLT	86.65	-1.3%	-1.0%	-0.6%	-0.6%
SP500	.SPX	6796.86	-2.4%	-0.6%	-0.7%	-0.7%
NASDAQ 100	NDX	24987.57	-2.9%	-1.4%	-1.0%	-1.0%
iShares US Telecomm ETF	IYZ	33.54	-0.6%	-0.3%	-1.1%	-1.1%
Nasdaq Composite Index	.IXIC	22954.32	-3.2%	-1.5%	-1.2%	-1.2%
Communication Services Select Sector SPDR Fund	XLC	115.17	-1.5%	-1.2%	-2.2%	-2.2%
Technology Select Sector SPDR	XLK	141.84	-3.2%	-1.9%	-2.8%	-2.8%
Financial Select Sector SPDR	XLF	53.20	-1.9%	-3.0%	-2.9%	-2.9%
iShares Russell 1000 Growth ETF	IWF	458.66	-3.6%	-3.1%	-3.1%	-3.1%
iShares MSCI India ETF	INDA.K	51.73	-2.5%	-4.5%	-4.3%	-4.3%

Outperformed SP500
Underperformed SP500

Source: Dudack Research Group; LSEG

Priced as of January 20, 2026

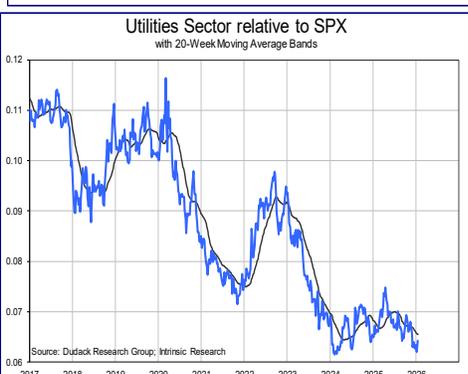
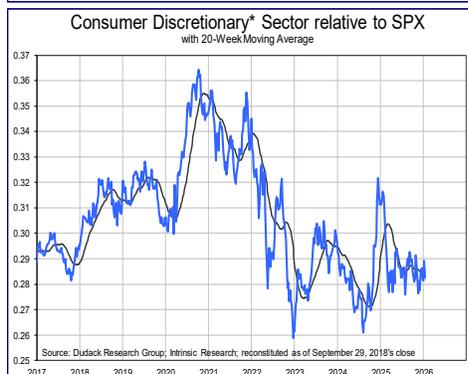
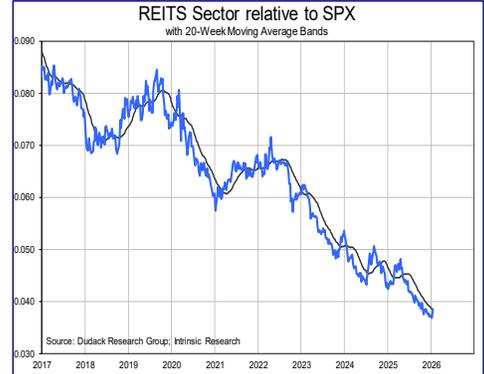
Blue shading represents non-US and yellow shading represents commodities

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

DRG Recommended Sector Weights

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

12/23/2025: Shifted Consumer Discretionary from overweight to neutral and Industrials from neutral to overweight.



2026 YTD Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	6.6%
S&P MATERIALS	6.4%
S&P CONSUMER STAPLES	5.8%
S&P INDUSTRIALS	5.4%
S&P REITS	2.5%
S&P UTILITIES	0.6%
S&P HEALTH CARE	0.3%
S&P CONSUMER DISCRETIONARY	-0.4%
S&P 500	-0.7%
S&P COMMUNICATIONS SERVICES	-1.6%
S&P FINANCIAL	-3.0%
S&P INFORMATION TECH	-3.5%

Source: Dudack Research Group; Refinitiv; Monday closes

US Asset Allocation

	Benchmark	DRG %	Recommendation
Equities	60%	60%	Neutral
Treasury Bonds	30%	30%	Neutral
Cash	10%	10%	Neutral
	100%	100%	

Source: Dudack Research Group; 11/26/2024: moved 5% cash to equities

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 %	LSEG IBES Consensus Bottom-Up \$ EPS**	LSEG IBES 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 %
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	\$139.47	\$157.12	\$157.12	3.6%	\$162.93	0.6%	20.6X	1.8%	2.6%	\$2,065.60	2.1%
2020	3756.07	\$94.14	\$122.38	\$122.38	-22.1%	\$139.72	-14.2%	30.7X	1.6%	-2.2%	\$1,968.10	-4.7%
2021	4766.18	\$197.87	\$208.17	\$208.17	70.1%	\$208.12	49.0%	22.9X	1.3%	6.1%	\$2,382.80	21.1%
2022	3839.50	\$172.75	\$196.95	\$196.95	-5.4%	\$218.09	4.8%	19.5X	1.7%	2.5%	\$2,478.80	4.0%
2023	4769.83	\$192.43	\$213.53	\$213.53	8.4%	\$221.36	1.5%	22.3X	1.5%	2.9%	\$3,132.90	26.4%
2024	5614.66	\$210.17	\$233.36	\$233.36	9.3%	\$242.73	9.7%	20.4X	1.3%	2.8%	\$3,270.60	4.4%
2025E	6845.50	\$244.47	\$263.49	\$270.00	15.7%	\$271.87	12.0%	18.1X	1.2%	NA	NA	NA
2026E	~~~~~	\$292.11	\$310.32	\$315.00	16.7%	\$313.77	15.4%	21.9X	NA	NA	NA	NA
2027E		\$0.00	\$0.00	\$350.00	11.1%	\$360.08	14.8%	NA	NA	NA	NA	NA
2019 1Q	2834.40	\$35.02	\$37.99	\$37.99	4.0%	\$39.15	2.8%	18.5	1.9%	2.5%	\$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%	4.8%	\$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%	2.8%	\$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%	-5.2%	\$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%	34.9%	\$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%	4.6%	\$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%	5.7%	\$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%	7.0%	\$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%	-1.0%	\$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%	2.9%	\$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%	2.8%	\$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%	2.9%	\$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%	2.5%	\$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%	4.7%	\$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%	0.8%	\$2,726.80	5.3%
2024 2Q	5521.50	\$53.12	\$58.36	\$58.36	6.4%	\$60.40	11.3%	25.2	1.3%	3.6%	\$3,110.60	19.6%
2024 3Q	5521.50	\$51.99	\$59.16	\$59.16	13.2%	\$63.21	8.2%	24.4	1.3%	3.3%	\$3,078.50	14.1%
2024 4Q	5881.63	\$57.69	\$61.21	\$61.21	13.6%	\$65.00	13.7%	25.2	1.3%	1.9%	\$3,270.60	16.7%
2025 1Q	5611.85	\$53.89	\$57.51	\$57.51	5.3%	\$63.07	11.5%	23.8	1.4%	-0.6%	\$3,252.40	19.3%
2025 2Q	6204.95	\$58.96	\$64.00	\$64.00	9.7%	\$66.68	10.4%	25.7	1.2%	3.8%	\$3,259.40	4.8%
2025 3Q	6688.46	\$63.52	\$72.03	\$72.03	21.8%	\$72.77	15.1%	26.3	1.2%	4.3%	NA	NA
2025 4QE	6845.50	\$68.10	\$69.95	\$76.46	24.9%	\$70.55	8.5%	26.0	1.2%	NA	NA	NA
2026 1QE*	6796.86	\$65.61	\$70.30	\$66.14	15.0%	\$71.22	12.9%	24.6	NA	NA	NA	NA
2026 2QE	NA	\$70.45	\$75.98	\$73.60	15.0%	\$76.53	14.8%	23.6	NA	NA	NA	NA
2026 3QE	NA	\$75.56	\$81.00	\$82.83	15.0%	\$81.54	12.1%	22.9	NA	NA	NA	NA
2026 4QE	NA	\$80.49	\$83.04	\$87.93	15.0%	\$83.64	18.6%	21.9	NA	NA	NA	NA

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

1/20/2026

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 to 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 opinion expressed in this report is 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 on request.

©2026. All rights reserved. No part of this report may be reproduced or distributed in any manner without the written permission of Dudack Research Group division of Wellington Shields & Co. LLC. The Company specifically prohibits the re-distribution of this report, via the internet or otherwise, and accepts no liability whatsoever for the actions of third parties in this respect.

Dudack Research Group, a division of Wellington Shields & Co. LLC.

Main Office:

Wellington Shields & Co. LLC
60 Broad Street
New York, NY 10004
212-320-3511
Research Sales: 212-320-2046

Florida office:

549 Lake Road
Ponte Vedra Beach, FL 32082
212-320-2045