Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC

Gail M. Dudack, CMT • Chief Investment Strategist • gail@dudackresearchgroup.com • 212-320-2045

February 4, 2026

DJIA: 49240.99
SPX: 6917.81
NASDAQ: 23255.19

US Strategy Weekly
A Buyer of Weakness

Just like the market was not concerned about last week's FOMC meeting, it was unaffected by the current partial government shutdown. Both are rational reactions in our view. Lower interest rates in a good economy are less necessary (and could be inflationary), and more importantly, fiscal policy will "trump" monetary policy in 2026. Plus, the anxiety surrounding a government shutdown and the political posturing during one has become far less relevant to equity investors today, particularly since the record-breaking 43-day shutdown that began on October 1, 2025, did little to nothing to impact the overall economy last year.

This latter statement is quite amazing, particularly since federal government employment fell by 179,000 in October 2025 during the shutdown, reaching its lowest level since July 2014. Recent data shows that over 212,000 civil servants have left the federal workforce through voluntary and involuntary mechanisms aimed at reducing the number of federal employees. This should dampen employment levels; nevertheless, in October 2025 while retail sales slowed to a gain of 3.3% YOY from 4.1% YOY a month earlier, this pace was still better than the 3.2% YOY gain seen in October a year earlier.

But, as we go to print, the threat of a shutdown is ending since the House of Representatives has voted to end a four-day partial shutdown. The legislation will fully fund five sectors of the federal government through the end of the fiscal year (September 30, 2026), while extending funding for the Department of Homeland Security for ten days, or until February 13, 2026.

And despite all the political bluster the economy appears to be strengthening. The ISM manufacturing index increased from 47.9 to 52.8 in the month of January, and this gave a boost to the stock market earlier this week. It was the first reading above the breakeven 50 level since the back-to-back 50.9 and 50.3 readings seen in January and February 2025. However, these two readings were preceded by 26 straight months of readings that were below the breakeven 50 level – a sign of contraction in the sector. Three of the ten components in the index shifted from under to over 50 in January – new orders were impressive jumping from 47.4 to 57.1 - and production rose from 50.7 to 55.9. Employment increased from 44.8 to 48.1 but remains in contraction territory. See page 3. The ISM nonmanufacturing index will be released later this week.

Despite our concern about housing affordability and the inability of young adults to buy homes, homeownership rates increased in the third quarter of the year, with the overall reading rising 0.3 points to 65.3%. The largest increases were seen in the Northeast (61.4% to 62.5%) and the South (66.6% to 67.2%). Homeownership rates were flat in the West and down in the Midwest. Still, the most surprising and important fact seen in the survey was the 1.1% increase in homeownership for those under 35 years of age which rose to 37.5%. Homeownership remains highest for those 65 years of age or more at 77.9%, however the percentage was down from 78.6% in the second quarter. See page 4.

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

In general, we believe inflation worries are fading; however, the 0.5% increase in the PPI index in December was the largest monthly gain in five months. Still, this larger-than-expected monthly gain left the year-over-year unchanged at 3% YOY. The increase in December's PPI final demand index can be traced to a 0.7% rise in the index for final demand services. Prices for final demand goods were unchanged in December, again indicating that tariffs on imported goods are not the source of inflation.

The deceleration in CPI and PPI indices has carried most inflation measures to a range of 2.7% to 3%. On one hand this range is well above the Fed's 2% target, but it is also below the long-term average for inflation of 3.4% YOY. More importantly, it would be highly unusual to see any acceleration in inflation in coming months since oil prices continue to be negative YOY. Lower oil and energy prices provide a favorable backdrop for consumers and inflation. See page 5.

Labor productivity increased by 4.9% (annualized) in the third quarter, after rising 4.1% in the second quarter. This acceleration was predictable since GDP accelerated to 4.4% in the third quarter after rising 2.8% in the second quarter. The US Bureau of Labor Statistics (BLS) calculates labor productivity index by dividing an index of output by an index of hours worked. Output can be measured in most industries, but for those industries where employees do not punch a clock, hours worked can only be estimated. As a result, we believe productivity numbers are unreliable. But it is clear to us that productivity did rise in the third quarter because nonfarm unit labor costs decelerated to 1.2% YOY from 2.0% YOY in the second quarter. Note that the BLS data on employment costs also shows compensation has been relatively stable at 3.5% YOY. Stable labor costs are good for corporate profit margins and for earnings growth. See page 6.

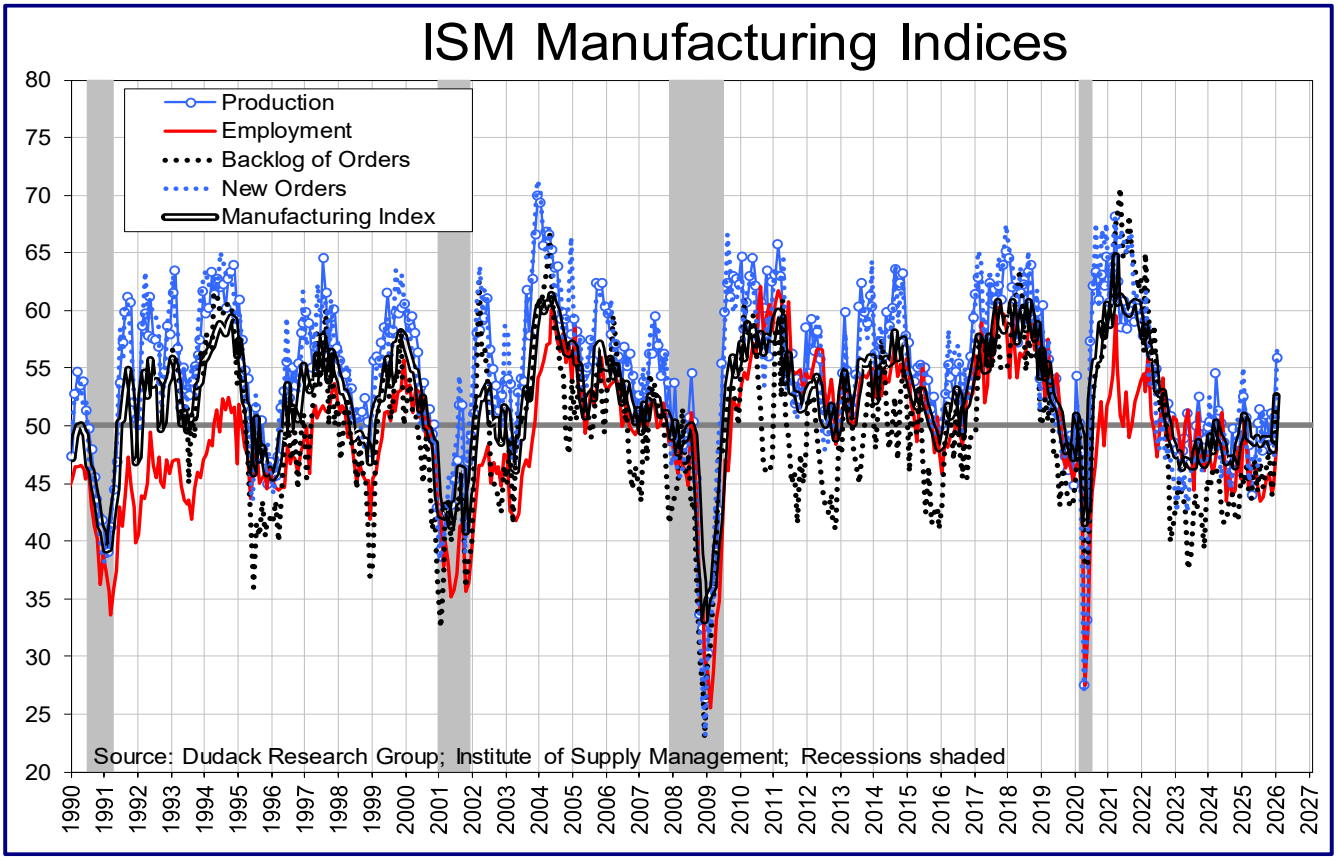
While the economy appears to be doing well, the risk is that the job market may be weakening for a variety of reasons. Unfortunately, BLS will not release January's employment data this week. However, the January jobs report is always fraught with issues since the establishment survey undergoes an annual benchmarking process and seasonal adjustment factors are updated. The household survey is also adjusted for updated population estimates from the Census Bureau. All these factors make January data difficult to compare to previous months. It will be an important, but tricky month to analyze when we get the data.

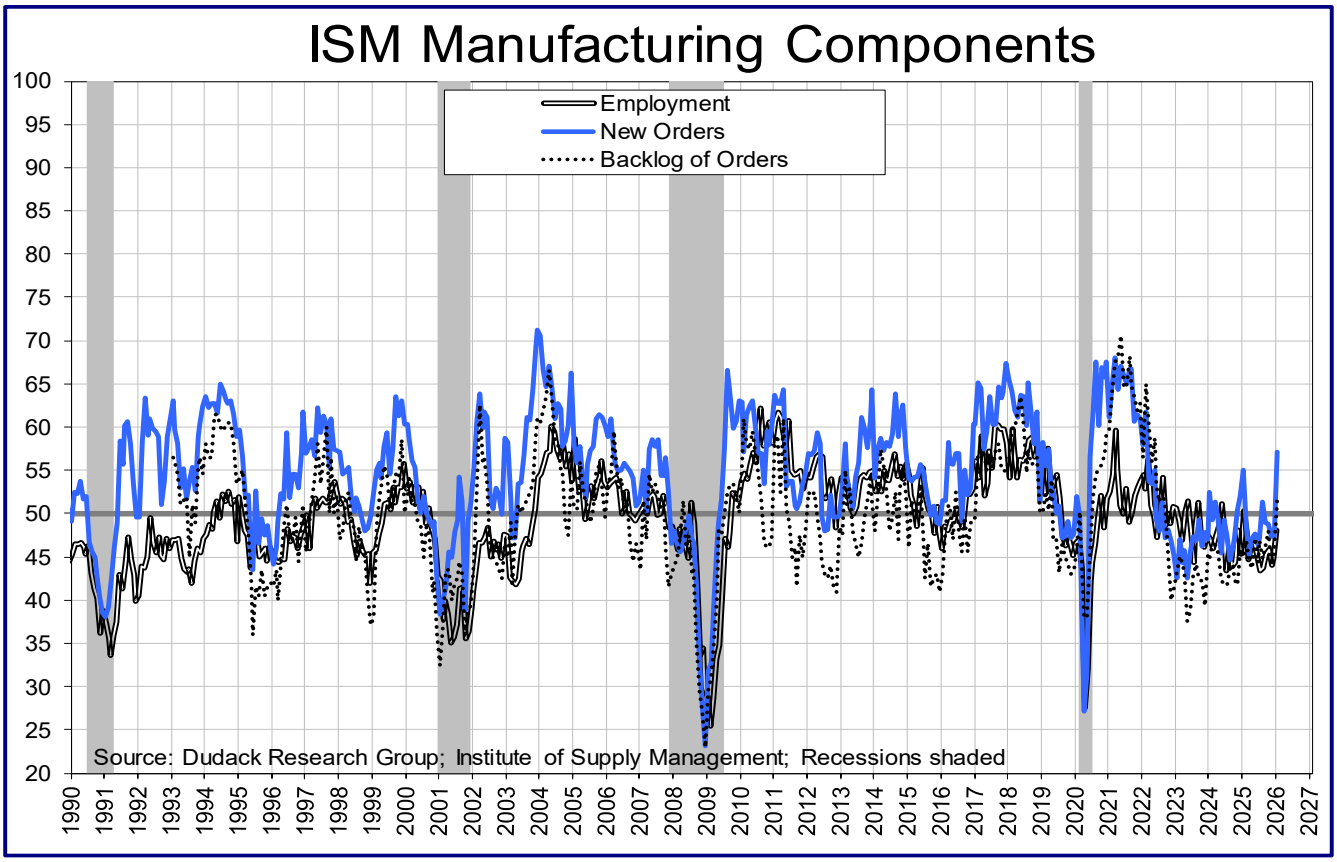
But if we were to choose one factor that is important for the equity market it would be earnings. The LSEG IBES consensus earnings estimate for 2025 rose $0.35 (more than offsetting last week's $0.30 decline) to $271.92 this week and the 2026 estimate was unchanged at $313.04. The 2027 forecast rose $0.71 to $361.32. The S&P Dow Jones estimate for 2025 rose $1.81 to $265.41 and the 2026 estimate fell $0.02 to $310.24. Using IBES estimates this means the market is trading at 25.4 times 2025 estimates, 22.1 times 2026 estimates, and 19.1 times 2027 earnings. What is interesting about these PE multiples is that they have not changed much in the last two years (apart from the tariff panic in April 2025) even as equity prices continue to rise. In short, this is, and has been, an earnings-driven market. That is the best kind of bull market.

And though PE multiples are rich, the forward earnings yield of 4.65% and dividend yield of 1.14% compare well to a 10-year Treasury bond yield of 4.2%. Perhaps most importantly, 12-month trailing operating earnings are growing at 16.2% YOY, far better than the 75-year average of 8.1% YOY. See page 7.

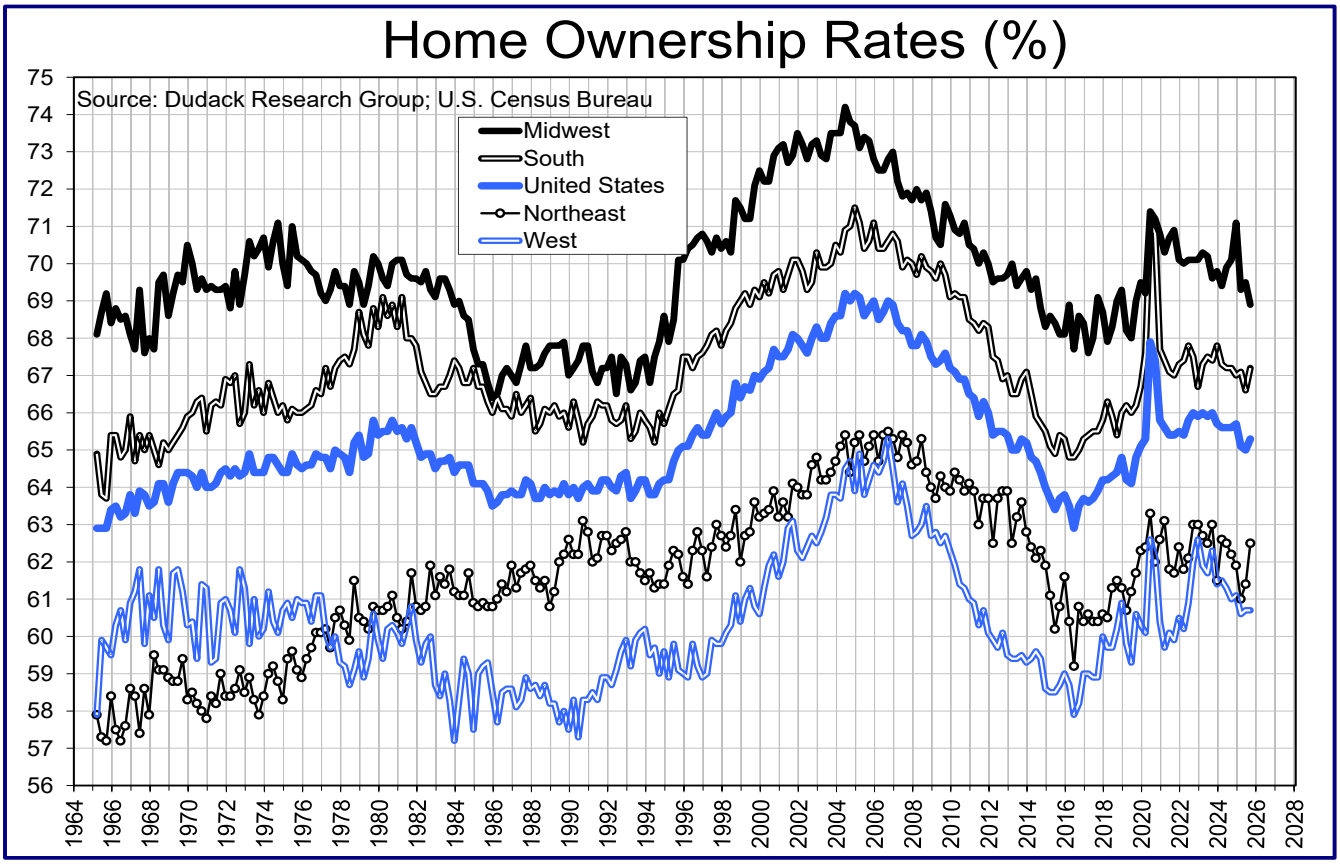
All in all, we remain a buyer of weakness, and as this will be a midterm election year, one should expect several bumps in the road ahead. But if the economy and earnings continue to grow, and we expect they will, we expect the long-term bull market will remain intact.

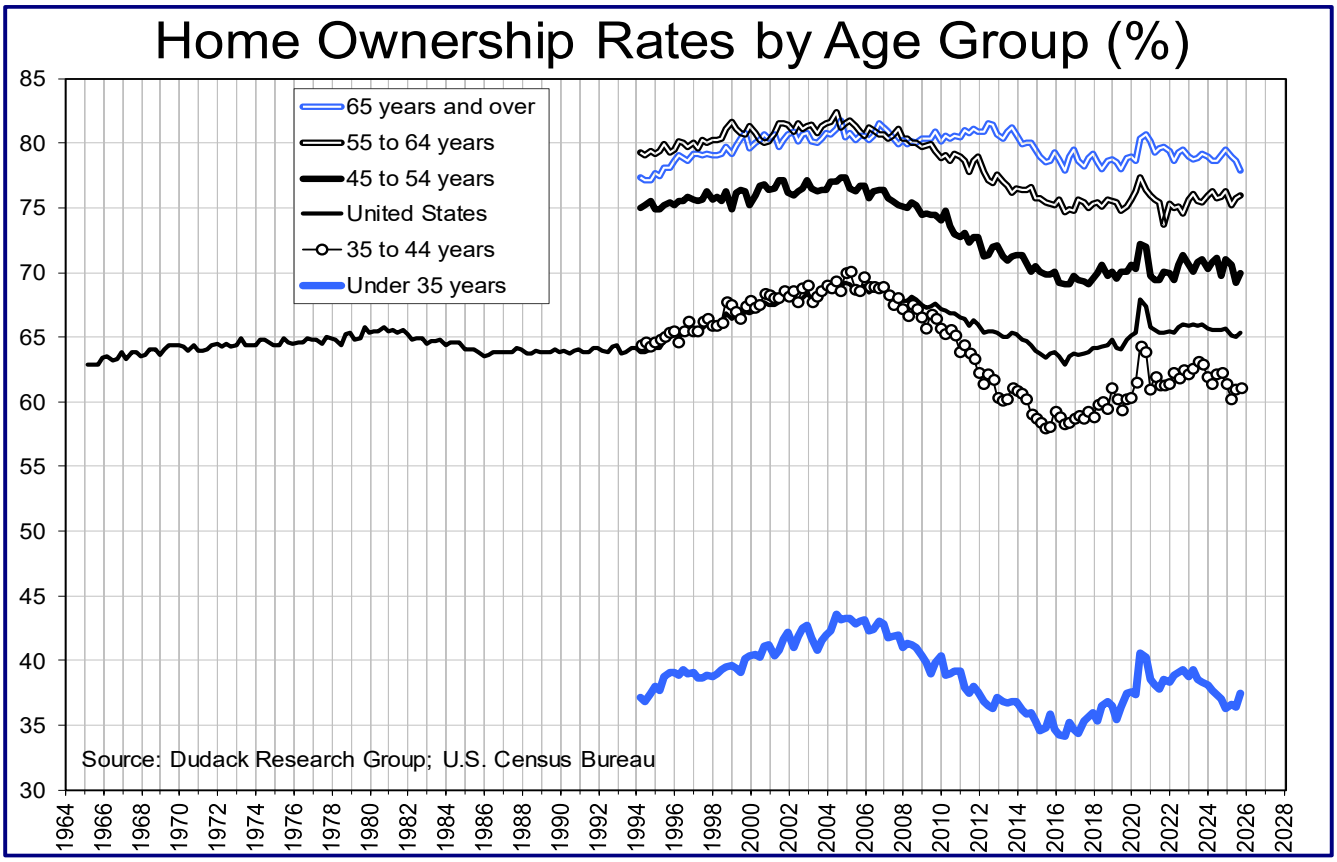
The increase from 47.9 to 52.8 in the ISM manufacturing index for the month of January boosted the stock market higher earlier this week. It was the first reading above the breakeven 50 level since the 50.9 and 50.3 seen in January/February 2025, and these readings were preceded by 26 straight months below 50. Three of the ten components shifted from below to above 50 this month – new orders jumped from 47.4 to 57.1 -- and production rose from 50.7 to 55.9. Employment increased from 44.8 to 48.1 and remains in contraction territory. The ISM nonmanufacturing index will be released later this week.



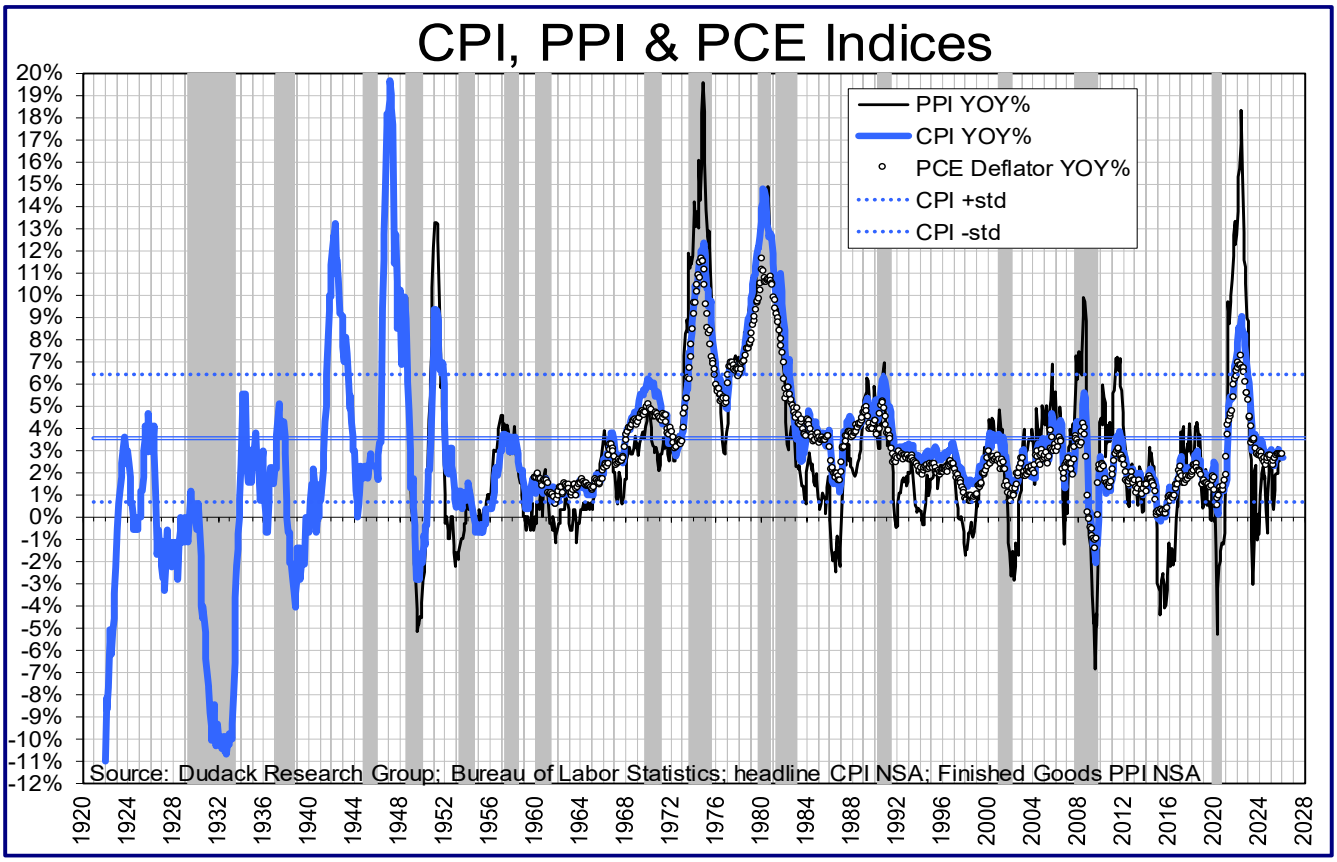


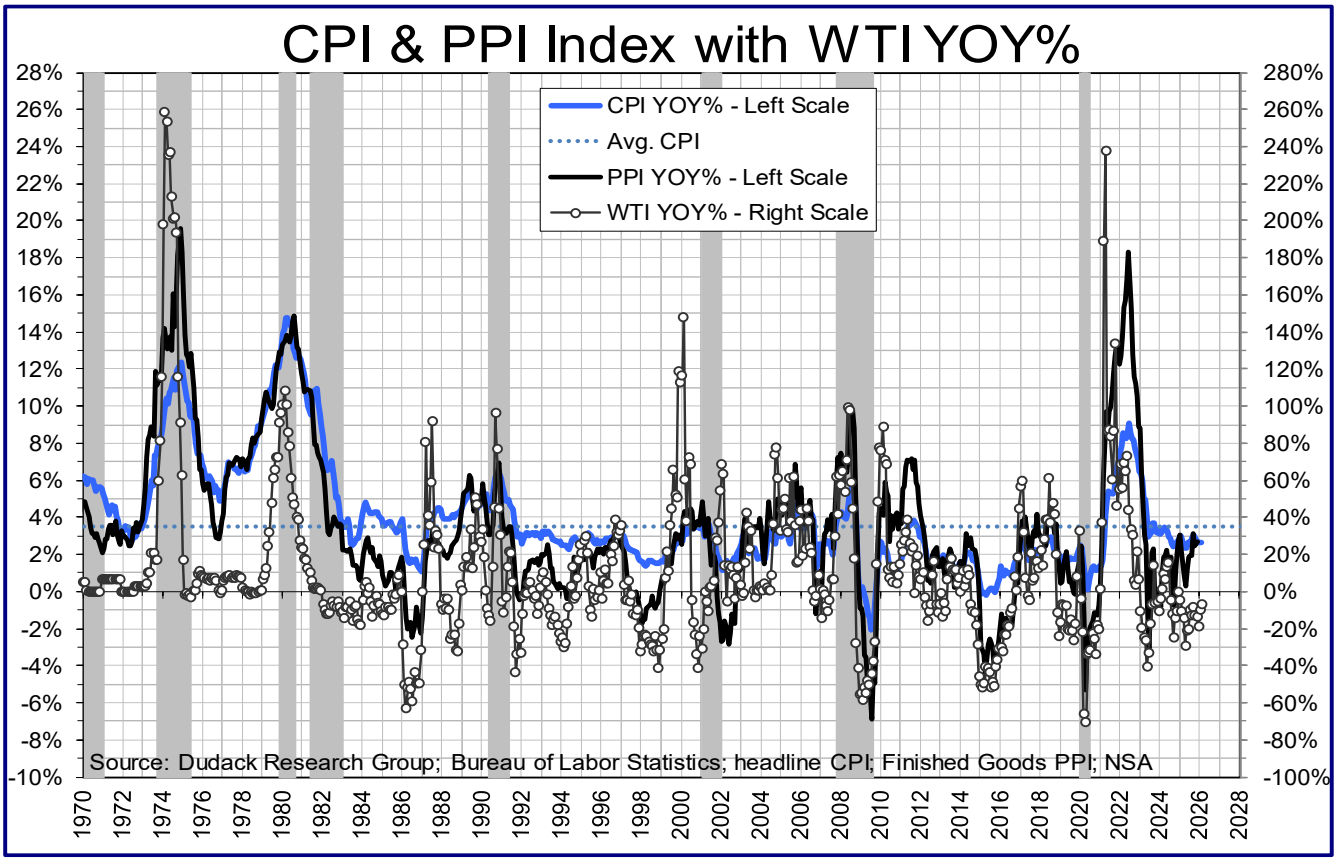
Homeownership rates increase in the third quarter of the year, with the overall reading rising 0.3 points to 65.3%. Ownership increased the most in the Northeast (61.4% to 62.5%) and the South (66.6% to 67.2%). Rates were flat in the West and down in the Midwest. The surprising factor of the survey was the 1.1% increase in homeownership for those under 35 years of age to 37.5%. Homeownership still remains highest for those 65 years of age or more at 77.9%, however this was down from 78.6% in the second quarter.



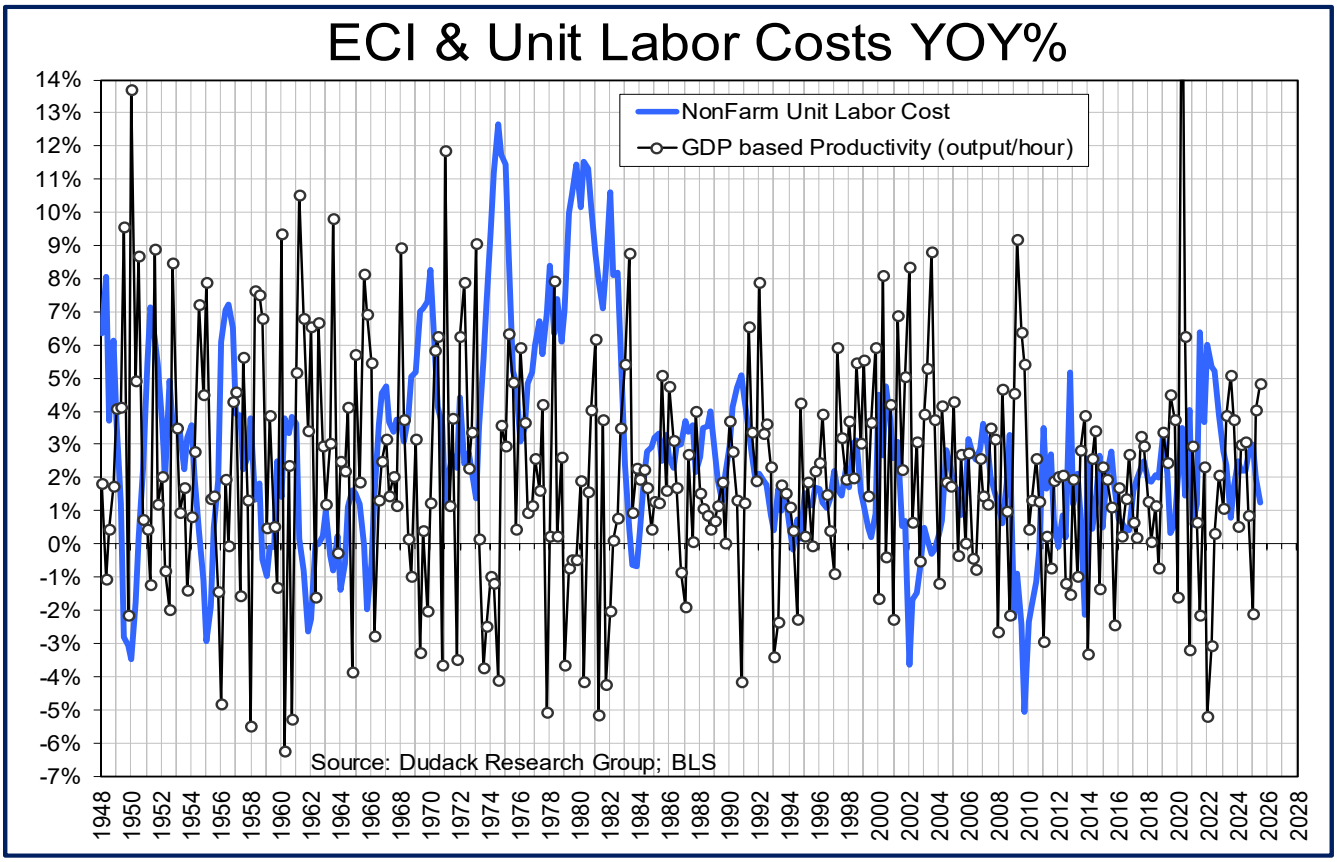


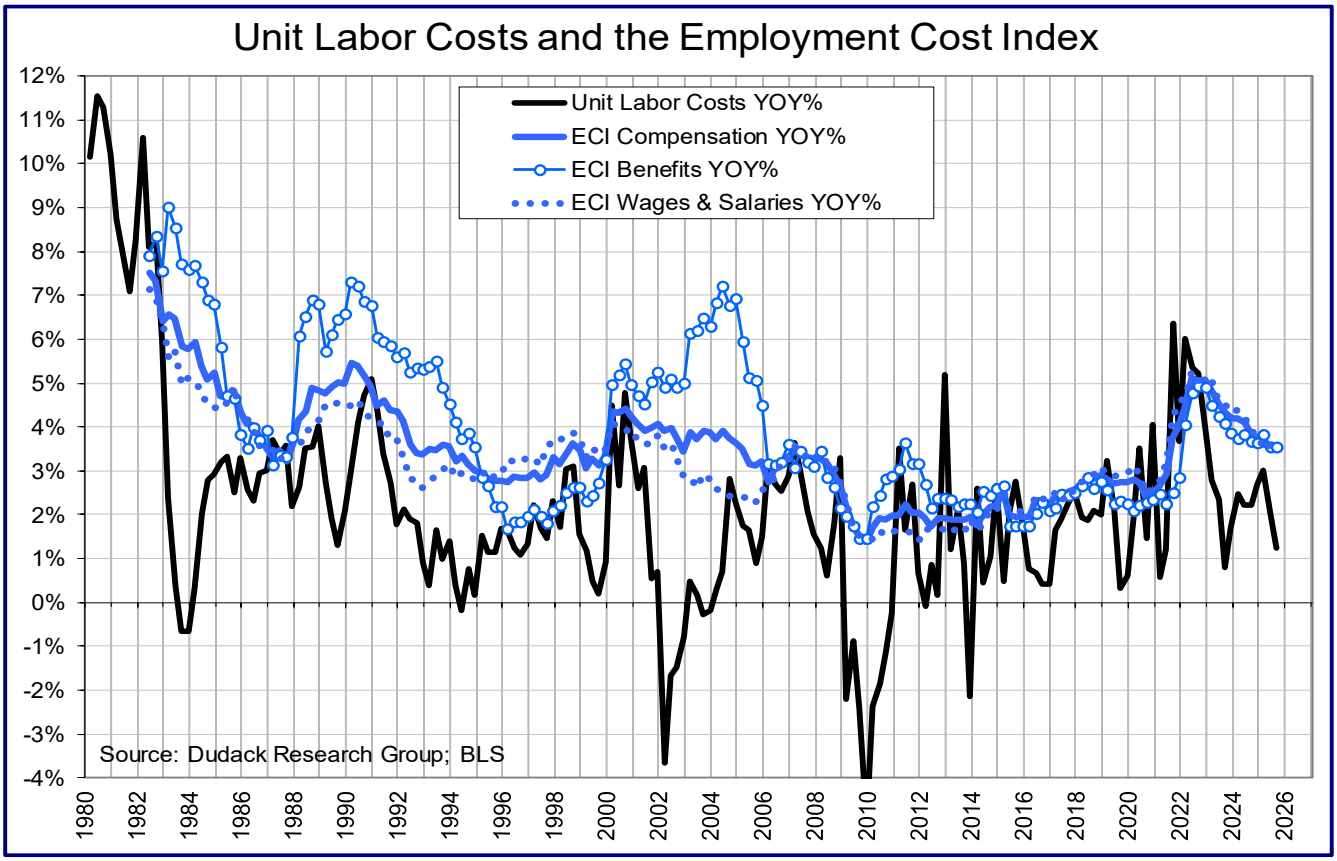
The 0.5% increase in the PPI index in December was the largest monthly gain in five months but left the year-over-year unchanged at 3% YOY. The December increase in prices for final demand can be traced to a 0.7% advance in the index for final demand services. Prices for final demand goods were unchanged, again indicating that tariffs are not the source of inflation. The deceleration in CPI and PPI indices has slowed at the 2.7% to 3% range, but this remains below the long-term average of 3.4% YOY for inflation. We do not expect any acceleration in inflation in coming months since oil prices continue to be negative YOY and this provides a favorable backdrop.



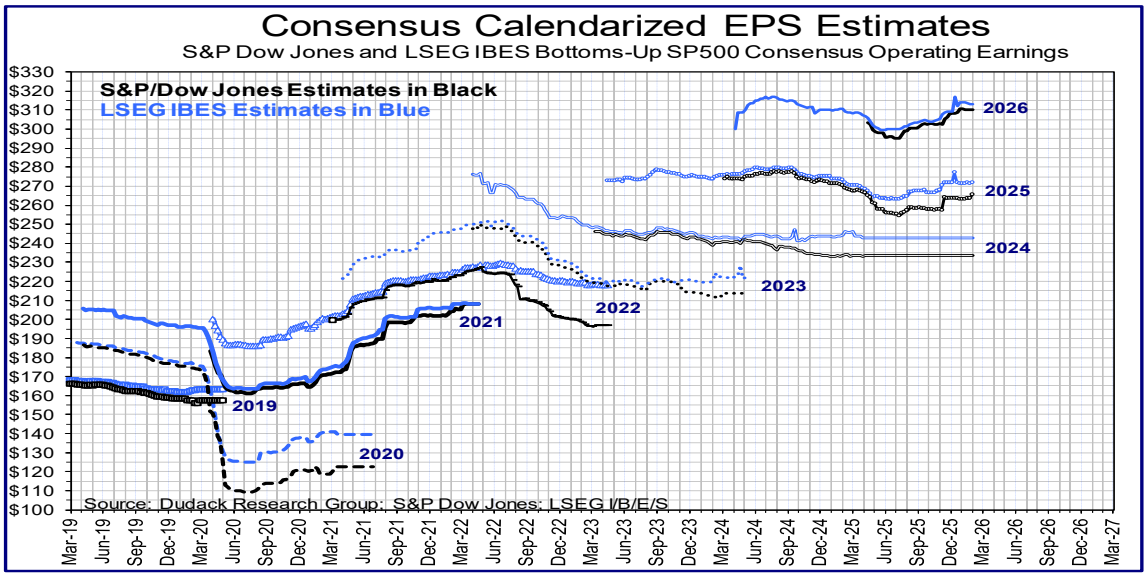


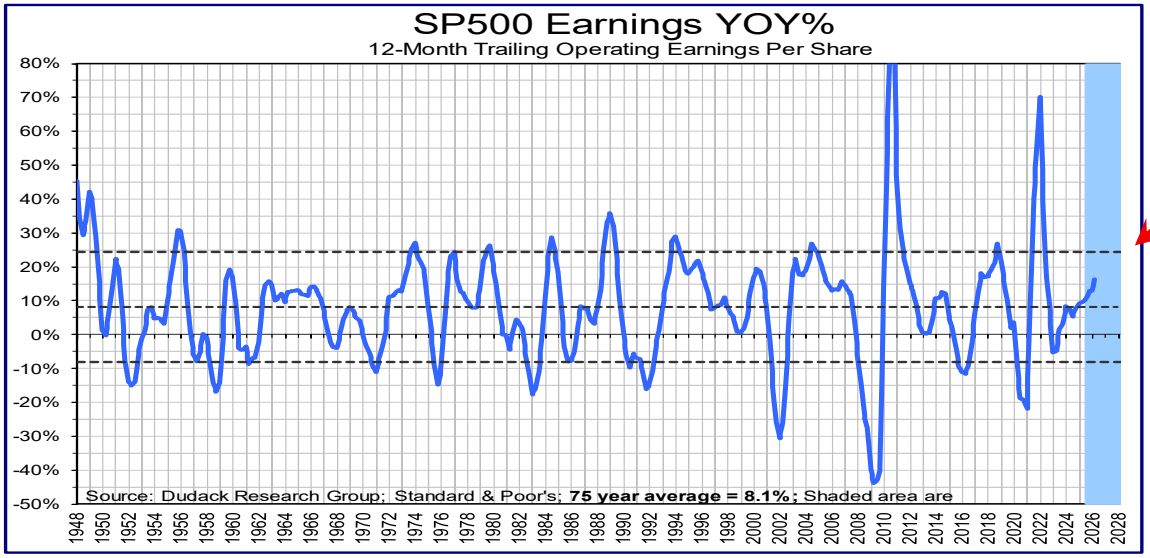
Labor productivity increased by 4.9% (annualized) in the third quarter, after rising 4.1% in the second quarter. This gain was predictable since GDP increased a stronger 4.4% in the third quarter after rising 2.8% in the second quarter. Productivity is an equation of production divided by the government's estimate of hours worked. It can be unreliable, but it is clear to us that productivity did rise in the third quarter for the reason that nonfarm unit labor costs decelerated to 1.2% YOY from 2.0% YOY in the second quarter. Note that the BLS data on employment costs also show compensation relatively stable at 3.5% YOY. Stable labor costs are good for corporate profit margins.

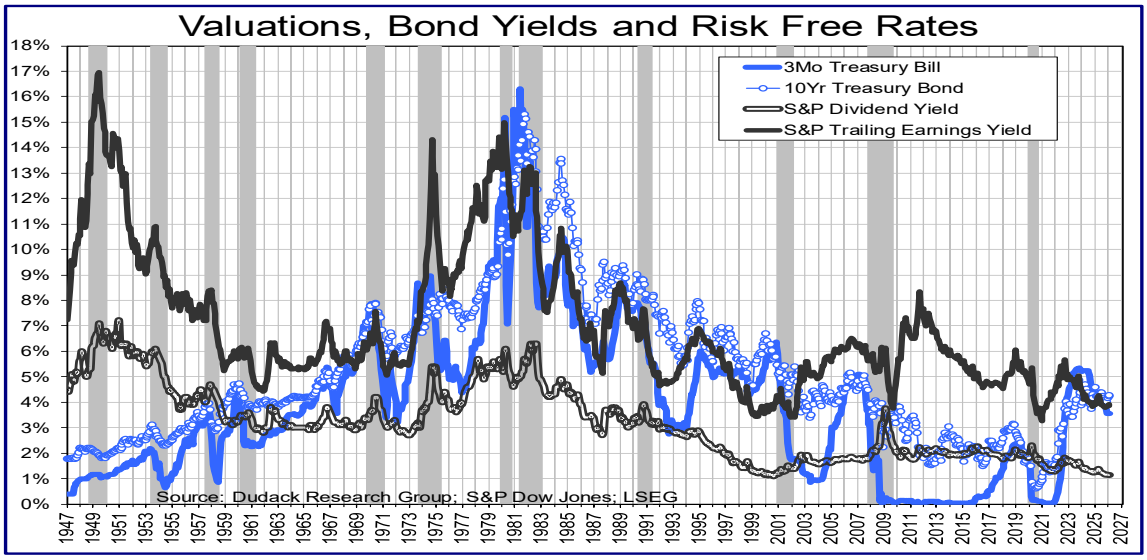




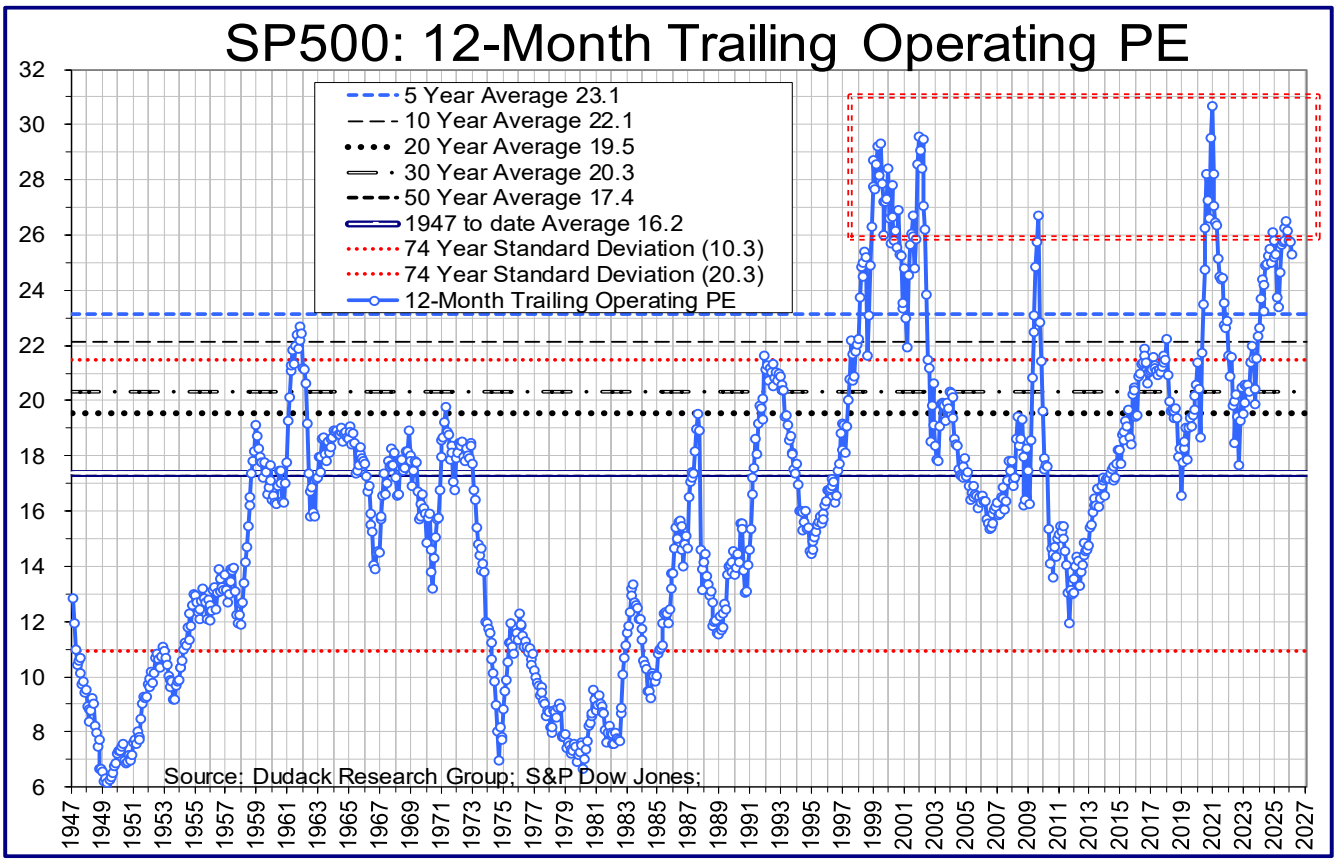
The LSEG IBES consensus earnings estimate for 2025 rose $0.35 (more than offsetting last week's $0.30 decline) to $271.92 this week and the 2026 estimate was unchanged at $313.04. The 2027 forecast rose $0.71 to $361.32. The S&P Dow Jones estimate for 2025 rose $1.81 to $265.41 and the 2026 estimate fell $0.02 to $310.24. Although PE multiples are rich, the forward earnings yield of 4.65% and dividend yield of 1.14% compare well to a 10-year Treasury bond yield of 4.2%. Plus, the 12-month sum of operating earnings shows a gain of 16.2% YOY, far better than the 75-year average of 8.1% YOY.

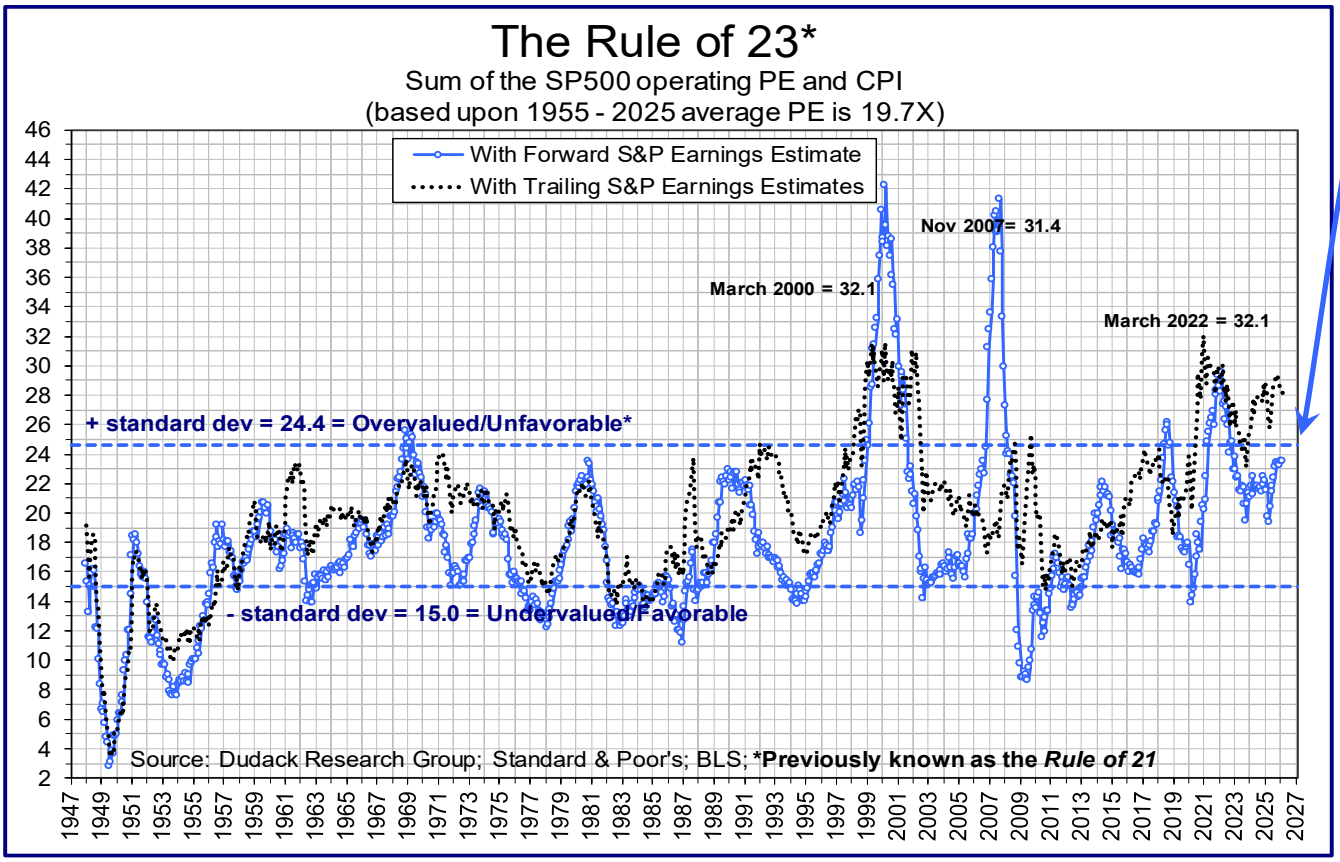






The SPX **trailing** 4-quarter operating earnings multiple is 25.3 after reaching an attractive intra-month low of 20.7 times earnings in early April. PE multiples remain stable in the face of rising stock prices due to higher earnings results, but the trailing PE is above both the 50-year average of 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 20.8 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 23.5, which places it near the top of the normal range of 15.0 to 24.4.





DJIA Ups - January

	1st Five Days % Performance	January % Performance	Year % Performance
1976	6.5%	14.4%	17.9%
1975	3.1%	14.2%	38.3%
1987	5.6%	13.8%	2.3%
1967	3.5%	8.2%	15.2%
1989	1.4%	8.0%	27.0%
2019	2.0%	7.2%	22.3%
1985	-1.6%	6.2%	27.7%
1994	1.8%	6.0%	2.1%
2018	2.3%	5.8%	-5.6%
2013	1.7%	5.8%	26.5%
1951	2.2%	5.7%	14.4%
1997	1.6%	5.7%	22.6%
1996	1.6%	5.4%	26.0%
1961	1.4%	5.2%	18.7%
1963	2.7%	4.7%	17.0%
2025	0.2%	4.7%	13.0%
1980	1.5%	4.4%	14.9%
1979	2.9%	4.2%	4.2%
1954	0.2%	4.1%	44.0%
1991	-4.7%	3.9%	20.3%
1971	-0.2%	3.5%	6.1%
2012	1.4%	3.4%	7.3%
1958	2.5%	3.3%	34.0%
1965	1.0%	3.3%	10.9%
1964	1.5%	2.9%	14.6%
2023	1.1%	2.8%	13.7%
1983	2.8%	2.8%	20.3%
2011	0.8%	2.7%	5.5%
1999	5.0%	1.9%	25.2%
1959	0.8%	1.8%	16.4%
2026	2.9%	1.7%	NA
1992	1.1%	1.7%	4.2%
1986	-1.3%	1.6%	22.6%
1966	1.7%	1.5%	-18.9%
2006	2.7%	1.4%	16.3%
1972	2.3%	1.3%	14.6%
2007	-0.4%	1.3%	6.4%
2024	0.0%	1.2%	12.9%
1955	-2.2%	1.1%	20.8%
2017	0.6%	1.1%	25.1%
1988	-1.4%	1.0%	11.8%
2001	-1.5%	0.9%	-7.1%
1950	0.9%	0.8%	17.6%
1974	1.3%	0.6%	-27.6%
1952	0.4%	0.5%	8.4%
2004	1.3%	0.3%	3.1%
1993	-1.5%	0.3%	13.7%
1995	0.7%	0.2%	33.5%
1969	-2.4%	0.2%	-15.2%
Up	38	49	43
Average	1.2%	3.8%	13.9%
Min	-4.7%	0.2%	-27.6%
Max	6.5%	14.4%	44.0%

DJIA Declines - January

	1st Five Days % Performance	January % Performance	Year % Performance
1998	-1.3%	-0.02%	16.1%
1982	-1.0%	-0.4%	19.6%
1953	-0.5%	-0.7%	-3.8%
2020	0.7%	-1.0%	7.2%
2002	1.3%	-1.0%	-16.8%
1981	0.2%	-1.7%	-9.2%
2021	1.6%	-2.0%	18.7%
1973	2.7%	-2.1%	-16.6%
2005	-1.7%	-2.7%	-0.6%
1984	2.2%	-3.0%	-3.7%
2022	-0.3%	-3.3%	-8.8%
2003	3.0%	-3.5%	25.3%
2010	1.8%	-3.5%	11.0%
1956	-1.8%	-3.6%	2.3%
2015	0.5%	-3.7%	-2.2%
1957	-1.1%	-4.1%	-12.8%
1962	-3.0%	-4.3%	-10.8%
2008	-5.1%	-4.6%	-33.8%
2000	0.2%	-4.8%	-6.2%
1977	-2.1%	-5.0%	-17.3%
2014	-0.7%	-5.3%	7.5%
1968	0.4%	-5.5%	4.3%
2016	-6.2%	-5.5%	13.4%
1990	1.5%	-5.9%	-4.3%
1970	0.2%	-7.0%	4.8%
1978	-5.6%	-7.4%	-3.1%
1960	-0.5%	-8.4%	-9.3%
2009	-0.4%	-8.8%	18.8%
Down	15	28	16
Average	-0.5%	-3.9%	-0.4%
Min	-6.2%	-8.8%	-33.8%
Max	3.0%	0.0%	25.3%

Source: Stock Trader's Almanac; LSEG

67% Early January Gain Predicts the Year's Action
75% January Gain Predicts the Year's Gain

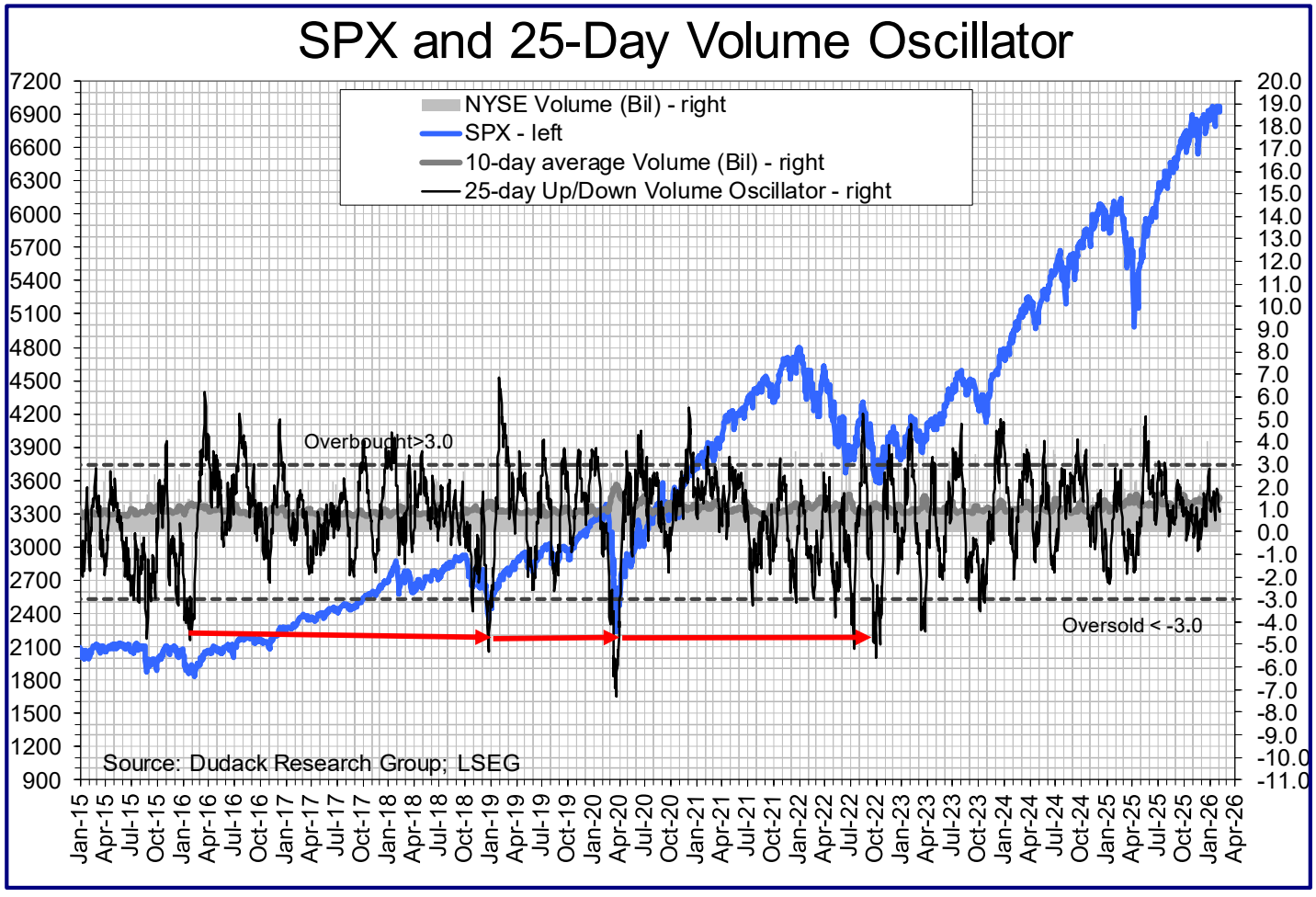
29% Early January Loss Predicts the Year's Action
60% January Loss Predicts the Year's Action

Election years are bolded above; pre-election years are highlighted in blue

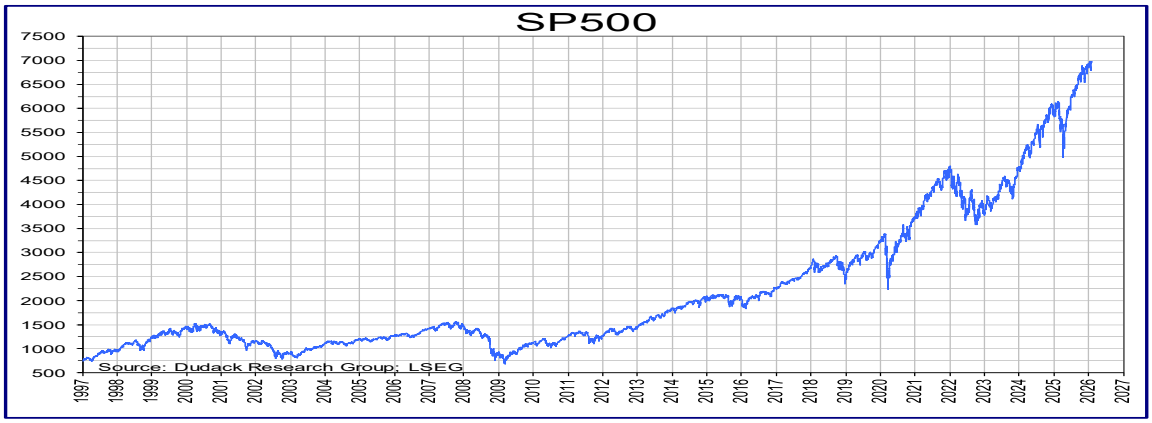
The 25-day up/down volume oscillator is 1.00, down from last week but still neutral.

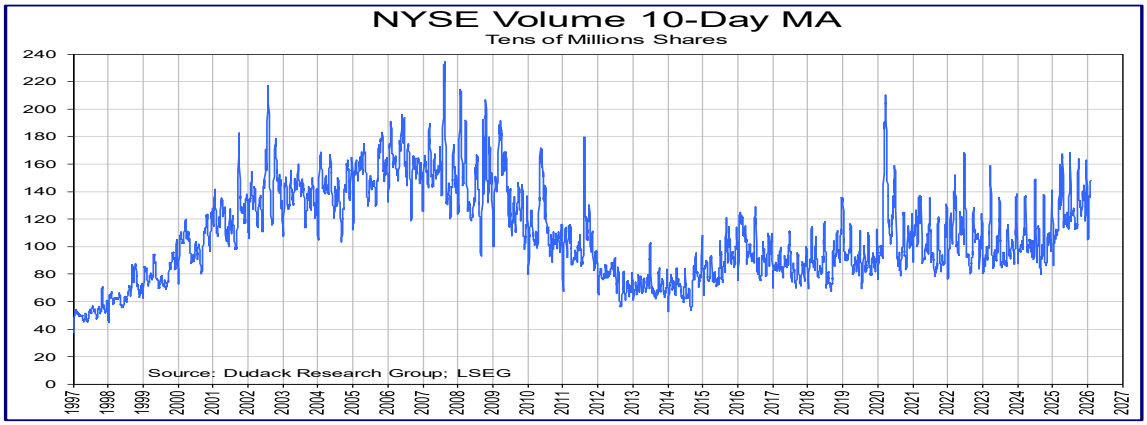
The last positive readings in this indicator were the one-day overbought readings of 3.15 on July 3 and 3.05 on July 25. These readings followed the indicator being overbought for nine of eleven days in May during which it reached a peak of 5.10 on May 16. The 5.10 reading was bullish and was the highest 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.

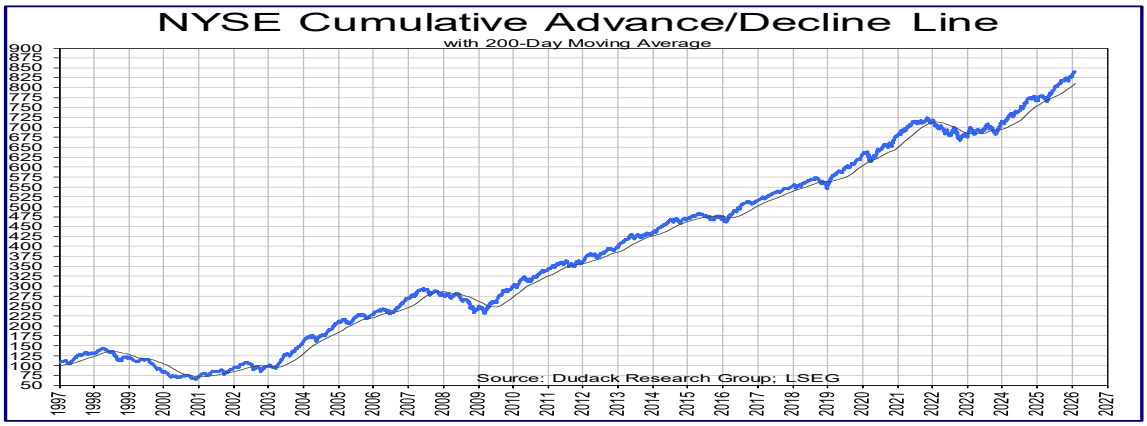
Nevertheless, this indicator is yet to confirm the string of new highs made by the popular indices from August 2025 to date. To confirm, the oscillator should record an overbought reading of 3.0 or higher for a minimum of five consecutive trading days. At present, this indicator suggests advancing volume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

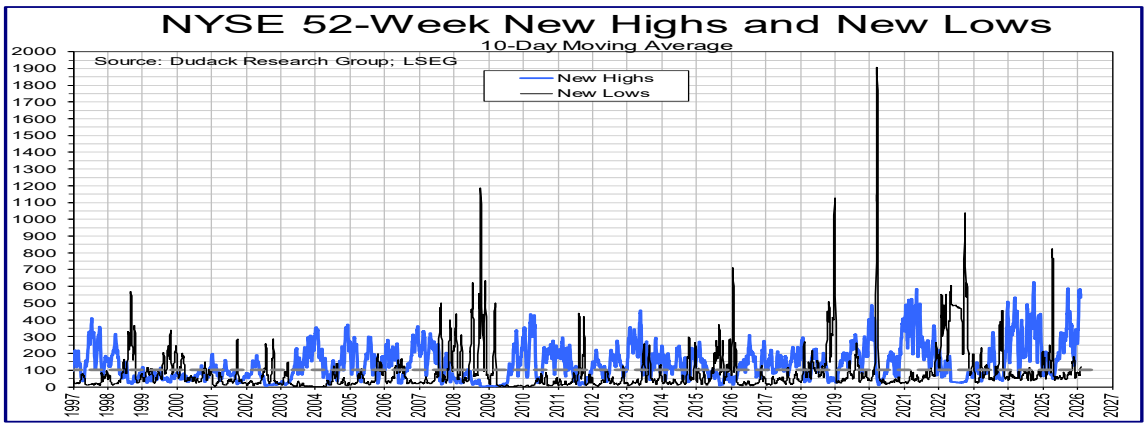


The 10-day average of daily new highs rose to 555 this week and new lows were higher at 120. This combination of daily new highs above 100 and new lows above 100 lowers this indicator to neutral this week. On April 11, the 10-day new low index (823) was the highest since the September-October 2022 low (882). The NYSE cumulative advance/decline line made a new high on January 27, 2026, and is bullish.

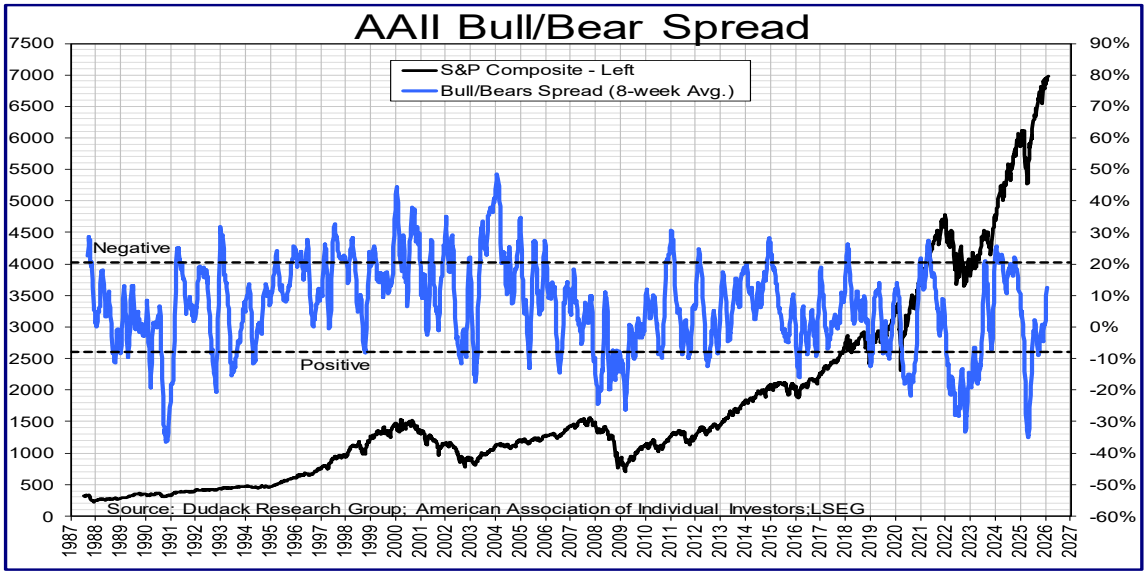


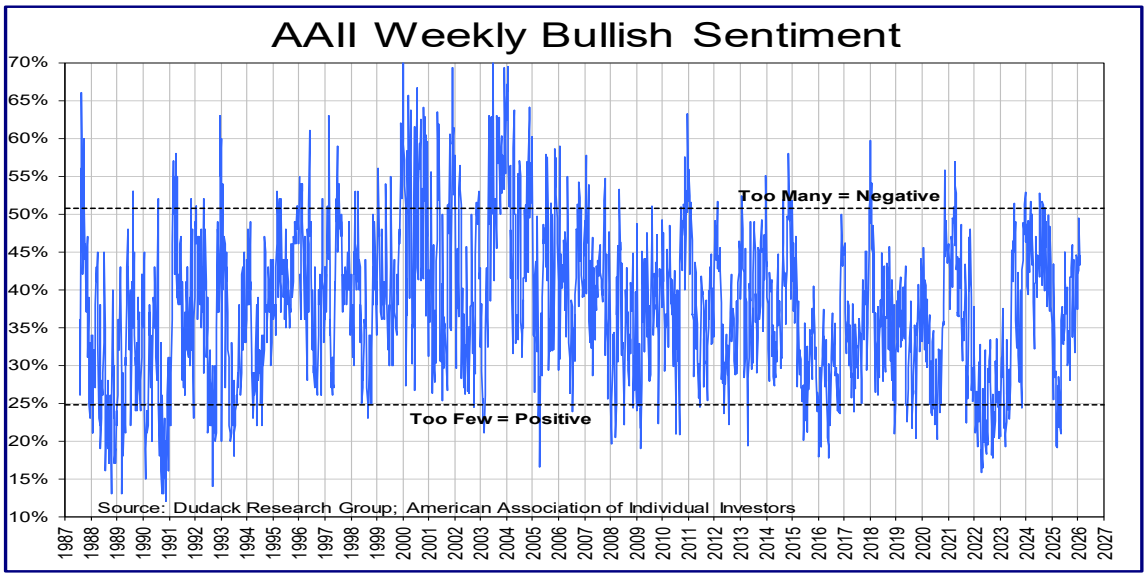


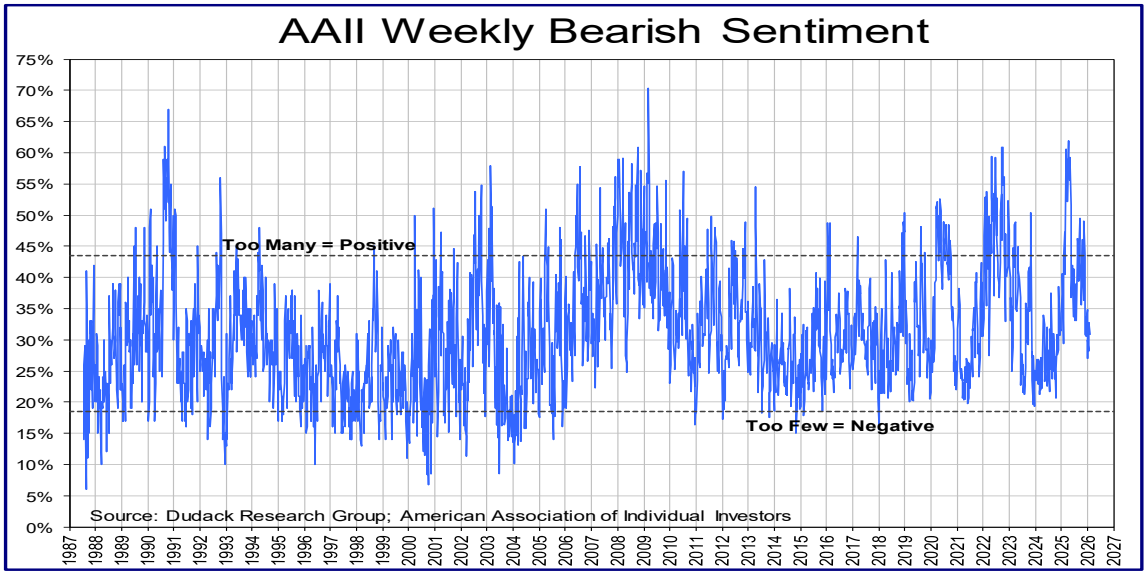




Last week's AAII survey showed bullishness rose 1.2% to 44.4% and bearishness fell 1.9% to 30.8%. Bullishness is above average and bearishness is below average. In the first week of 2026, bearishness was at its lowest level since October 2024. On April 2, 2025, the reading of 61.9% bearishness was a 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 12.6% 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 MSCI South Korea Capped ETF	EWY	124.32	1.3%	21.6%	27.9%	27.9%
iShares DJ US Oil Eqpt & Services ETF	IEZ	26.17	1.5%	20.7%	25.4%	25.4%
iShares MSCI Brazil Capped ETF	EWZ	38.04	0.4%	18.1%	19.7%	19.7%
iShares Silver Trust	SLV	80.84	-24.2%	17.1%	19.5%	19.5%
Silver Future	Slc1	83.04	-21.3%	17.7%	18.4%	18.4%
Energy Select Sector SPDR	XLE	51.67	4.0%	13.2%	15.6%	15.6%
SPDR Gold Trust	GLD	454.29	-4.6%	14.1%	14.6%	14.6%
iShares MSCI Mexico Capped ETF	EWW	78.76	1.2%	13.1%	13.6%	13.6%
United States Oil Fund, LP	USO	77.47	2.4%	12.3%	12.0%	12.0%
Materials Select Sector SPDR	XLB	50.70	1.4%	9.9%	11.8%	11.8%
Oil Future	CLc1	63.90	2.4%	11.5%	11.3%	11.3%
Consumer Staples Select Sector SPDR	XLP	85.87	3.3%	10.5%	10.5%	10.5%
iShares MSCI Hong Kong ETF	EWH	23.37	0.4%	6.9%	10.0%	10.0%
iShares US Telecomm ETF	IYZ	37.06	7.4%	8.8%	9.3%	9.3%
iShares Russell 2000 Value ETF	IWN	197.55	1.0%	8.0%	9.0%	9.0%
iShares MSCI Emerg Mkts ETF	EEM	59.60	-1.2%	6.0%	8.9%	8.9%
Industrial Select Sector SPDR	XLI	168.94	2.4%	6.9%	8.9%	8.9%
iShares MSCI Austria Capped ETF	EWO	38.50	0.2%	7.6%	8.5%	8.5%
SPDR Homebuilders ETF	XHB	111.57	1.4%	6.7%	8.4%	8.4%
iShares MSCI Taiwan ETF	EWT	68.83	-3.5%	6.3%	8.3%	8.3%
SPDR S&P Semiconductor ETF	XSD	347.22	-1.8%	3.5%	8.0%	8.0%
iShares MSCI Malaysia ETF	EWM	29.42	-2.1%	7.3%	7.5%	7.5%
SPDR S&P Bank ETF	KBE	65.23	3.0%	6.6%	7.5%	7.5%
iShares MSCI Australia ETF	EWA	28.12	-0.4%	6.2%	7.4%	7.4%
iShares MSCI Japan ETF	EWJ	86.68	1.0%	6.6%	7.4%	7.4%
iShares Russell 2000 ETF	IWM	262.78	-0.7%	5.6%	6.8%	6.8%
Vanguard FTSE All-World ex-US ETF	VEU	78.37	-0.8%	4.9%	6.5%	6.5%
iShares MSCI United Kingdom ETF	EWU	46.47	-0.1%	4.5%	5.7%	5.7%
iShares MSCI EAFE ETF	EFA	101.45	-0.6%	4.5%	5.6%	5.6%
iShares Russell 1000 Value ETF	IWD	221.91	1.3%	4.6%	5.5%	5.5%
iShares Russell 2000 Growth ETF	IWO	338.53	-2.2%	3.5%	4.8%	4.8%
SPDR S&P Retail ETF	XRT	88.11	-0.4%	2.6%	3.3%	3.3%
iShares Nasdaq Biotechnology ETF	IBB.O	173.80	-1.8%	2.8%	3.0%	3.0%
PowerShares Water Resources Portfolio	PHO	72.28	-1.2%	2.0%	2.7%	2.7%
Shanghai Composite	.SSEC	4067.74	-1.7%	2.5%	2.5%	2.5%
DJIA	.DJI	49240.99	0.5%	1.8%	2.5%	2.5%
SPDR DJIA ETF	DIA	492.31	0.5%	1.8%	2.4%	2.4%
iShares MSCI Germany ETF	EWG	43.51	-1.8%	2.2%	2.4%	2.4%
iShares MSCI BRIC ETF	BKF	44.85	-1.1%	-0.2%	2.4%	2.4%
iShares MSCI Singapore ETF	EWS	28.01	-3.4%	0.9%	1.8%	1.8%
iShares MSCI Canada ETF	EWC	54.84	-2.4%	1.2%	1.7%	1.7%
Consumer Discretionary Select Sector SPDR	XLY	120.99	-1.4%	2.2%	1.3%	1.3%
Utilities Select Sector SPDR	XLU	43.24	-0.4%	0.1%	1.3%	1.3%
iShares US Real Estate ETF	IYR	95.00	-1.1%	1.1%	1.2%	1.2%
iShares China Large Cap ETF	FXI	38.72	-3.1%	-2.8%	1.1%	1.1%
SP500	.SPX	6917.81	-0.9%	0.9%	1.1%	1.1%
iShares Russell 1000 ETF	IWB	377.31	-1.0%	0.8%	1.0%	1.0%
Gold Future	GCc1	3249.10	0.1%	0.5%	0.5%	0.5%
NASDAQ 100	NDX	25338.62	-2.3%	0.5%	0.4%	0.4%
Nasdaq Composite Index	.IXIC	23255.19	-2.4%	0.1%	0.1%	0.1%
Communication Services Select Sector SPDR Fund	XLC	117.74	0.7%	0.7%	0.0%	0.0%
iShares iBoxx $ Invest Grade Corp Bond	LQD	110.11	-0.6%	0.0%	-0.1%	-0.1%
Health Care Select Sect SPDR	XLV	154.10	-0.9%	-0.9%	-0.5%	-0.5%
iShares 20+ Year Treas Bond ETF	TLT	86.76	-1.2%	-0.3%	-0.5%	-0.5%
iShares MSCI India ETF	INDA.K	53.15	2.8%	-2.6%	-1.7%	-1.7%
Financial Select Sector SPDR	XLF	53.53	1.0%	-2.5%	-2.3%	-2.3%
Technology Select Sector SPDR	XLK	142.08	-4.0%	-1.5%	-2.6%	-2.6%
iShares Russell 1000 Growth ETF	IWF	459.18	-3.2%	-2.7%	-3.0%	-3.0%

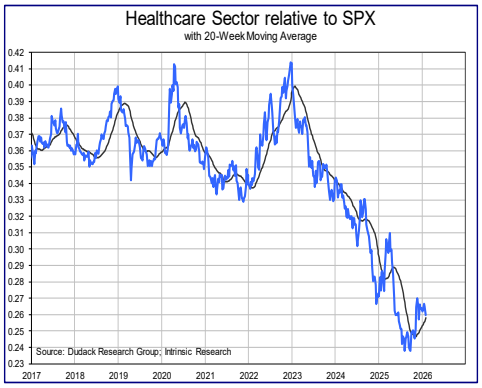
Outperformed SP500
Underperformed SP500

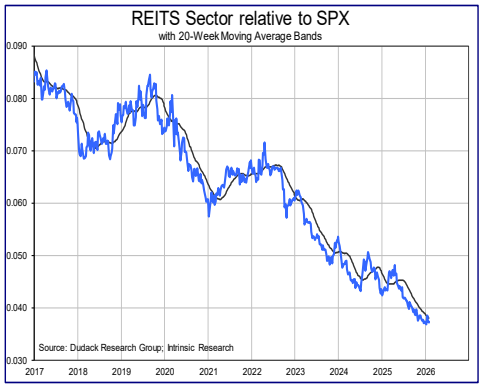
Source: Dudack Research Group; LSEG Priced as of February 3, 2026
Blue shading represents non-US and **yellow** shading represents commodities

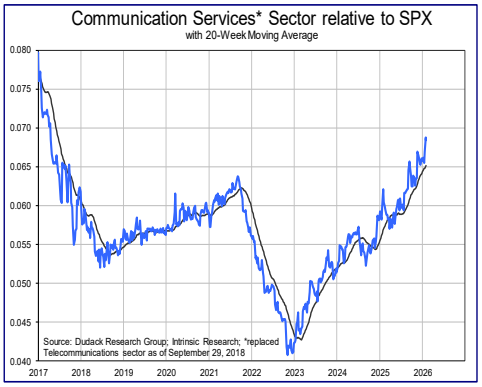
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

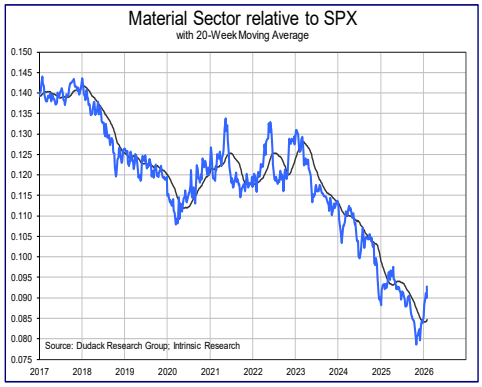
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Communication Services	Healthcare	REITS
Technology	Staples	Materials
Industrials	Utililties	Energy
Financials	Consumer Discretionary	

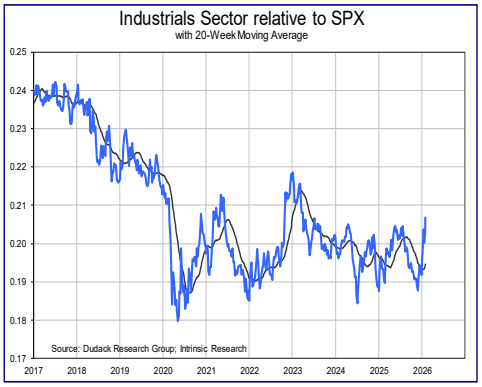
12/23/2025: Shifted Consumer Discretionary from overweight to neutral and Industrials from neutral to overweight.

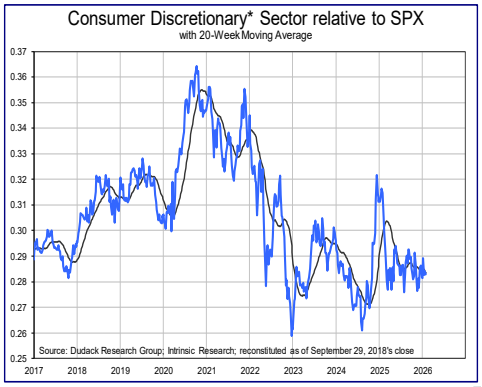


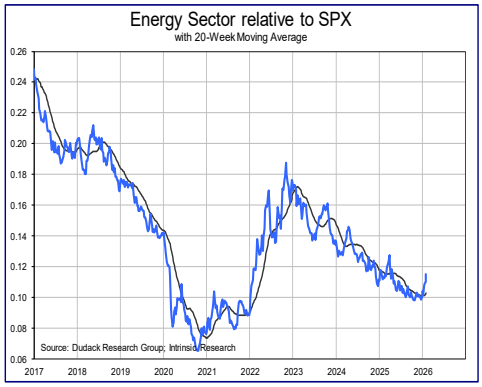


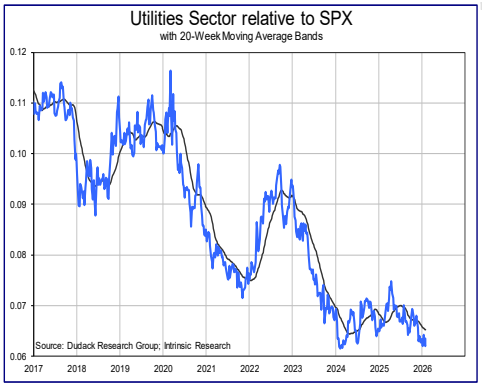












2026 YTD Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	15.8%
S&P MATERIALS	11.6%
S&P CONSUMER STAPLES	11.1%
S&P INDUSTRIALS	8.9%
S&P COMMUNICATIONS SERVICES	4.7%
S&P CONSUMER DISCRETIONARY	1.5%
S&P REITS	1.3%
S&P UTILITIES	1.3%
S&P 500	1.1%
S&P HEALTH CARE	-0.6%
S&P FINANCIAL	-2.5%
S&P INFORMATION TECH	-3.4%

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	$246.47	$265.41	$270.00	15.7%	$271.92	12.0%	18.0X	1.2%	NA	NA	NA
2026E	~~~~~	$294.00	$310.24	$315.00	16.7%	$313.04	15.1%	22.3X	NA	NA	NA	NA
2027E		$0.00	$0.00	$350.00	11.1%	$361.32	15.4%	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%	4.4%	$3,411.70	10.8%
2025 4QE	6845.50	$70.10	$71.87	$76.46	24.9%	$71.39	9.8%	25.8	1.2%	NA	NA	NA
2026 1QE*	6917.81	$65.54	$69.65	$66.14	15.0%	$70.21	11.3%	24.9	NA	NA	NA	NA
2026 2QE	NA	$70.84	$76.01	$73.60	15.0%	$76.42	14.6%	23.9	NA	NA	NA	NA
2026 3QE	NA	$76.24	$81.27	$82.83	15.0%	$81.56	12.1%	23.2	NA	NA	NA	NA
2026 4QE	NA	$81.38	$83.31	$87.93	15.0%	$83.72	17.3%	22.3	NA	NA	NA	NA

Source: DRG; S&P Dow Jones **quarterly EPS may not sum to official CY estimates; LSEG IBES Consensus estimates 2/3/2026

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 redistribution 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

Prices are the close of February 3, 2026