Dudack Research Group
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August 26, 2026

DJIA: 53577.40
SPX: 7677.28
NASDAQ: 26151.30

US Strategy Weekly

"Storms Make Trees Take Deeper Roots"

Dolly Parton

Some market environments are easier than others and in 2026 the daily ups and downs of the equity market have been predictably the inverse of crude oil. This held true again this week, despite a flurry of news that included a possible trade war with Canada, Treasury Secretary Scott Bessent announcing significant "D-Day" sanctions on Iran and the Treasury's controversial announcement to double the size of Treasury buybacks.

After the 30-year Treasury bond yield spiked to a 19-year high of 5.3%, Treasury Secretary Scott Bessent announced a repurchase program for longer-dated Treasury securities that could potentially exceed $4 billion per issue. Secretary Bessent explained that this was to provide liquidity to the thinly traded long end of the yield curve and to help stabilize mortgage rates. As seen in the chart on page 3, the 30-year bond yield has been rising faster than the 10-year or 5-year. Bessent's program will buy back long-term debt and replace it with short-term debt. This program is similar to "Operation Twist" which the Treasury initially launched during the Kennedy administration to stimulate the economy and was used by the Federal Reserve after the 2008 financial crisis to stabilize the banking system.

Although this is not an unusual operation, Bessent has been widely criticized by the press and prominent economists. We agree that government intervention in the debt markets rarely has any significant long-term effect, but Secretary Bessent acknowledged this when he said he was simply signaling the market during a quiet August period. We would note that the 30-year bond yield has been rising much faster than the rest of the Treasury curve and much of this is due to the huge issuance of corporate debt related to AI. There is little that Secretary Bessent can do about this debt issuance. Nevertheless, the 30-year yield is up 22 basis points since the end of June and the 2-to-30 yield curve has increased 100 basis points, while the 2-to-10 yield curve is up a mere 10 basis points. See page 3.

Despite the recent hysteria in the financial press regarding rising interest rates, rising federal debt, and the ineffectiveness of Treasury intervention, the current Treasury yield curve looks quite similar to the average long-term yield curve, although the current curve is less steep and yields are well below the historic averages. In short, the current curve is more favorable than the long-term norm. It is also worth noting that the 10-year Treasury yield, which is the normal benchmark for fixed mortgage rates, has been trading in a tight 14 basis-point range between 4.6% and 4.74% for the last four weeks. In other words, little has happened. See page 4.

But debt markets have been jittery due to massive bond issuance by major hyperscalers which now exceeds $220 billion in 2026 and is projected to hit $750 billion in the near future. In addition to these bond sales, hyperscalers have billions of dollars tied up in off-balance sheet commitments, long-term financing of infrastructure, and lease obligations. Many analysts question whether revenue at these hyperscalers will justify this massive investment. This concern is justified; but in our view, it also means Treasury debt should be the safe-haven asset.

The risk to our optimistic view is the buildup in federal debt. As of July, total gross federal debt reached $40.03 trillion. This received considerable attention, as it should, particularly since the cost of servicing this record debt is now more than $1.17 trillion annually and represents roughly 19% of total federal outlays. Nonetheless, this mountain of debt has not been Treasury Secretary Bessent's doing, yet it did cause a stir when July's monthly deficit of $432.3 billion reached 1.3% of GDP. The 12-month sum of deficits hit 6% of GDP at the end of July and this administration has been criticized harshly. But as Bessent indicated in his press conference, recent deficits are a result of tariff refunds mandated after the Supreme Court decision in February. These refunds, combined with a loss of corporate and personal tax revenue from the One Big Beautiful Bill, added to the deficit in recent months. The tariff paybacks are a one-off factor and the corporate tax deductions that materialized due to capital expenditures should be stimulative and provide efficiencies to the economy over the long run.

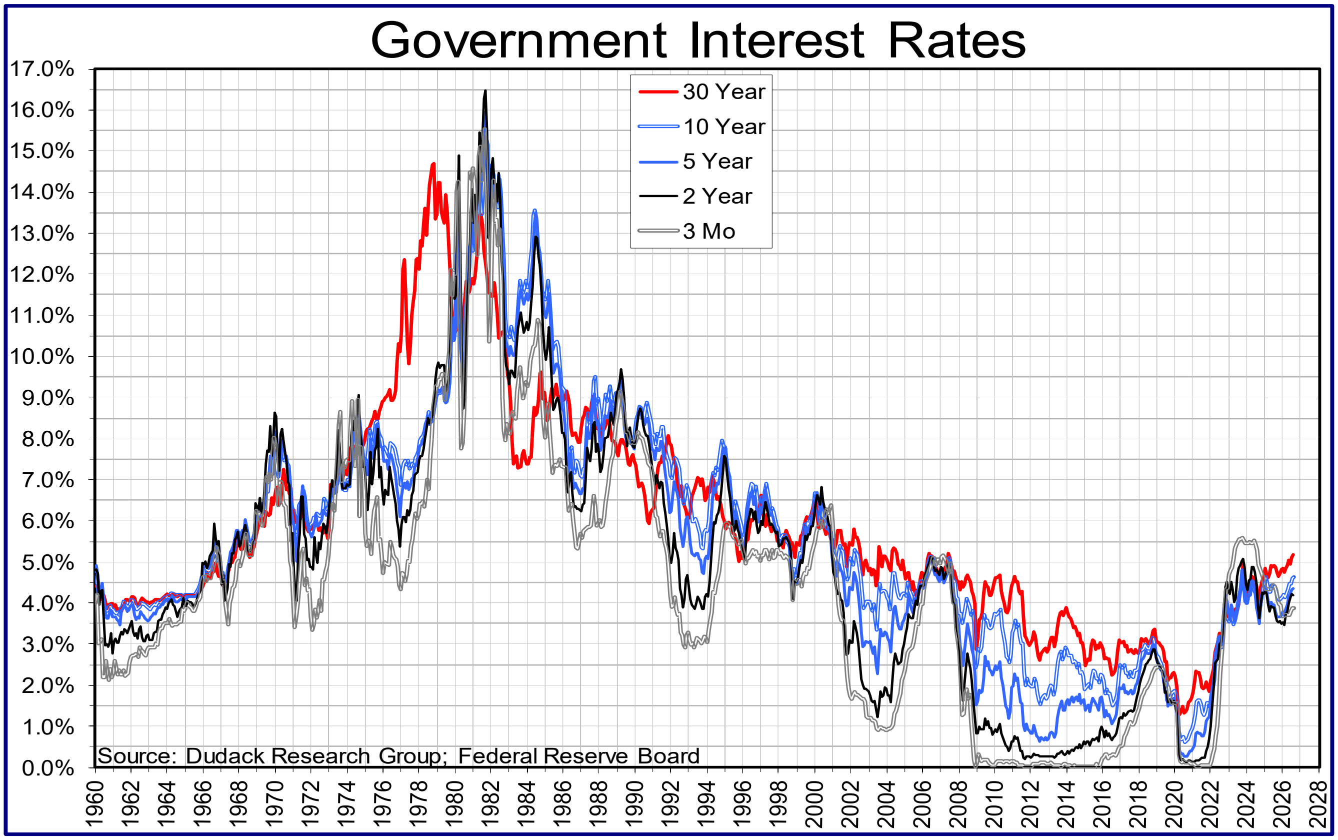
Looking ahead, tariff refunds are complete and new tariffs have been introduced that will produce revenues going forward. In short, federal deficits should moderate in the final quarter of the year. Still, it is worth noting that annualized deficits-to-GDP averaged 8% during the four-year Biden administration and this did not get any coverage by the press. The Trump administration inherited a debt-to-GDP of 7.2% in January 2025, and brought this was down to 5.2% as recently as May 2026. Secretary Bessent is the only Treasury Secretary in our recollection that had any plan for deficit reduction. Bessent's goal is to get annualized debt-to-GDP to 3% and to generate GDP growth in excess of 3%. This would be a sustainable trend. We expect the Secretary will lower debt-to-GDP by year end. Meanwhile, the Congressional Budget Office (CBO) forecast, which is rarely accurate, has federal debt rising to 136% of GDP by 2036. But this estimate includes a slowdown in GDP, rising interest rates, and weaker employment. See page 5.

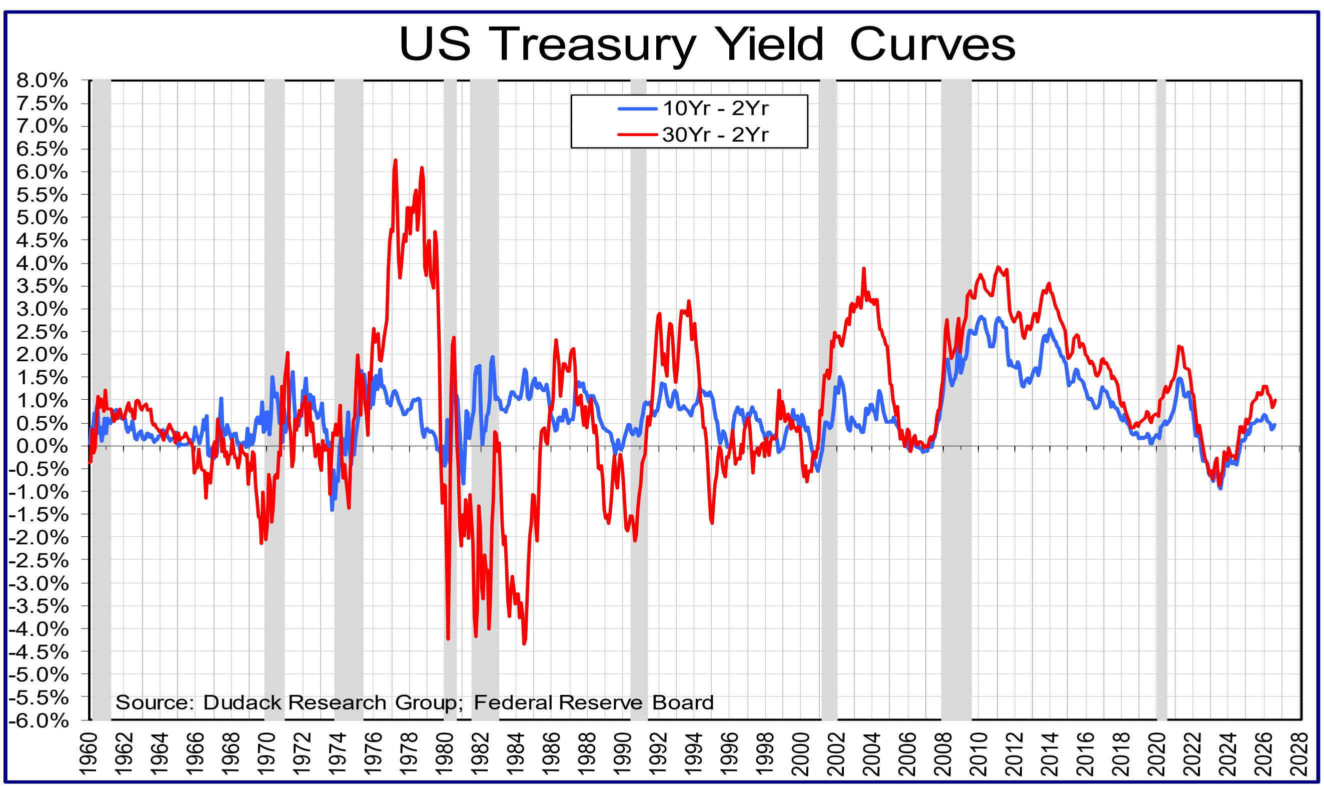
Despite the concern over rising long-term interest rates and the uncertainty of the Iran conflict, the S&P 500 index is trading a mere 1.5% below its record high. This does not surprise us since earnings have been stellar over the last twelve months. The current one-year trailing earnings growth rate has reached 29.6% YOY, as compared to the long-term average of 8.1% YOY. After adjusting for inflation, this growth rate is 26.2% YOY and the highest since March 2022. However, going back to 1948, earnings growth has only been this high or higher (excluding rebounds from a recession) in 2018 and 1988. The 1988 earnings rebound materialized after the Crash of 1987, which did not generate an economic recession, but did slow earnings growth, hence the rebound. The 2018 earnings peak was during the first Trump administration, and it followed the overhaul of the US tax code (Tax Cuts and Jobs Act of 2017) which strengthened the economy. While we believe the One Big Beautiful Bill has given a boost to the economy, the strength of the current earnings season should spur questions about whether we are approaching a peak in earnings growth. We believe this is likely, and as we wrote earlier in the year, it will become increasingly more difficult for companies to generate positive earnings surprises.

For a variety of reasons, the August/September months tend to be a tricky time for equity investors, and we expect this will be true in 2026, particularly since it is a midterm election year. But overall, we believe equities are supported by solid earnings and valuations are reasonable. We remain a buyer on weakness.

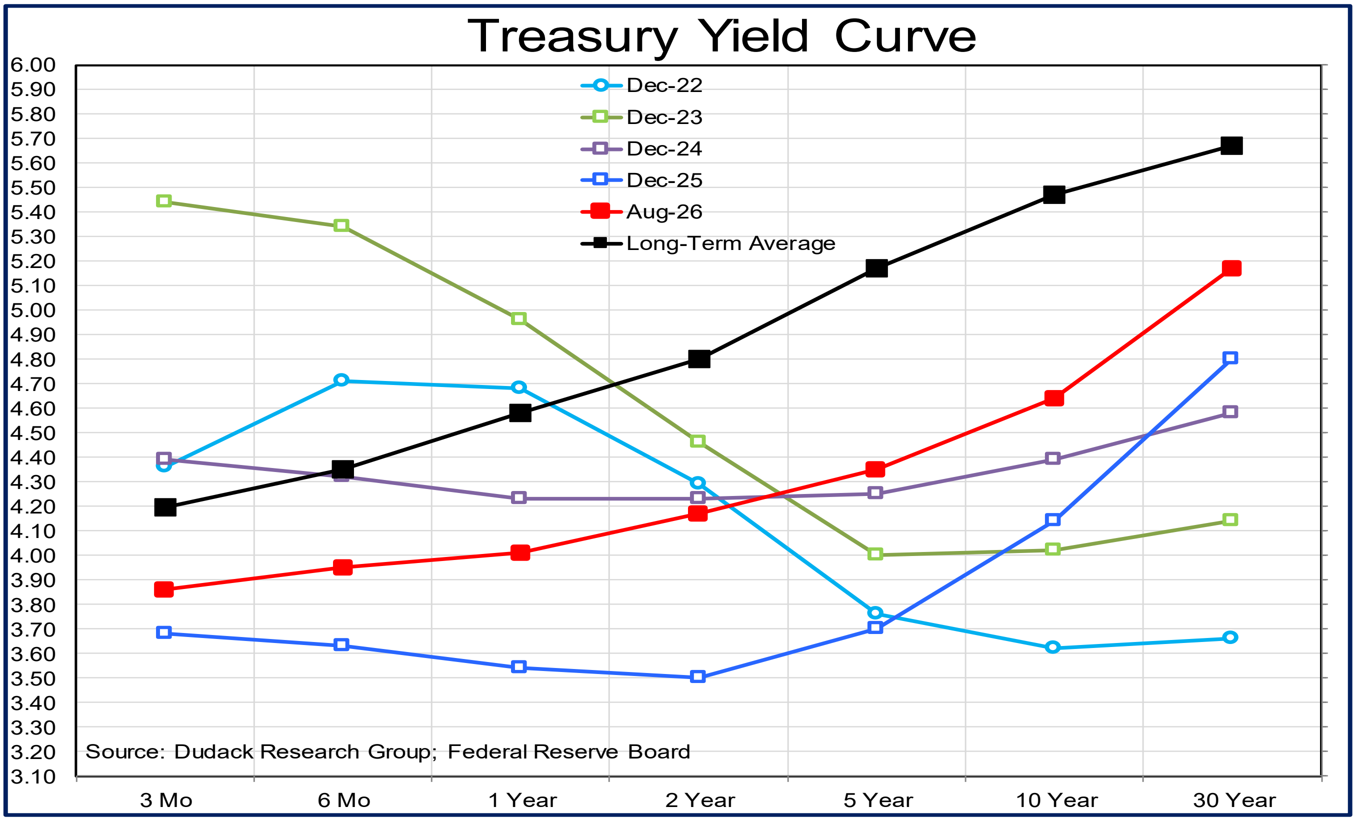
This was a quiet week for economic news, but new home sales were down 6.3% YOY. The regional data was mixed showing sales falling in the Midwest and South but increasing in the Northeast and West. The inventory of new homes for sale was up 1.9% over the month to 488,000 units, representing 9.6 months of supply at the current pace of sales. The median price of a new home was $393,800, down from $397,300 a year ago. In sum, the residential housing sector remains weak and rising rates would be an additional handicap.

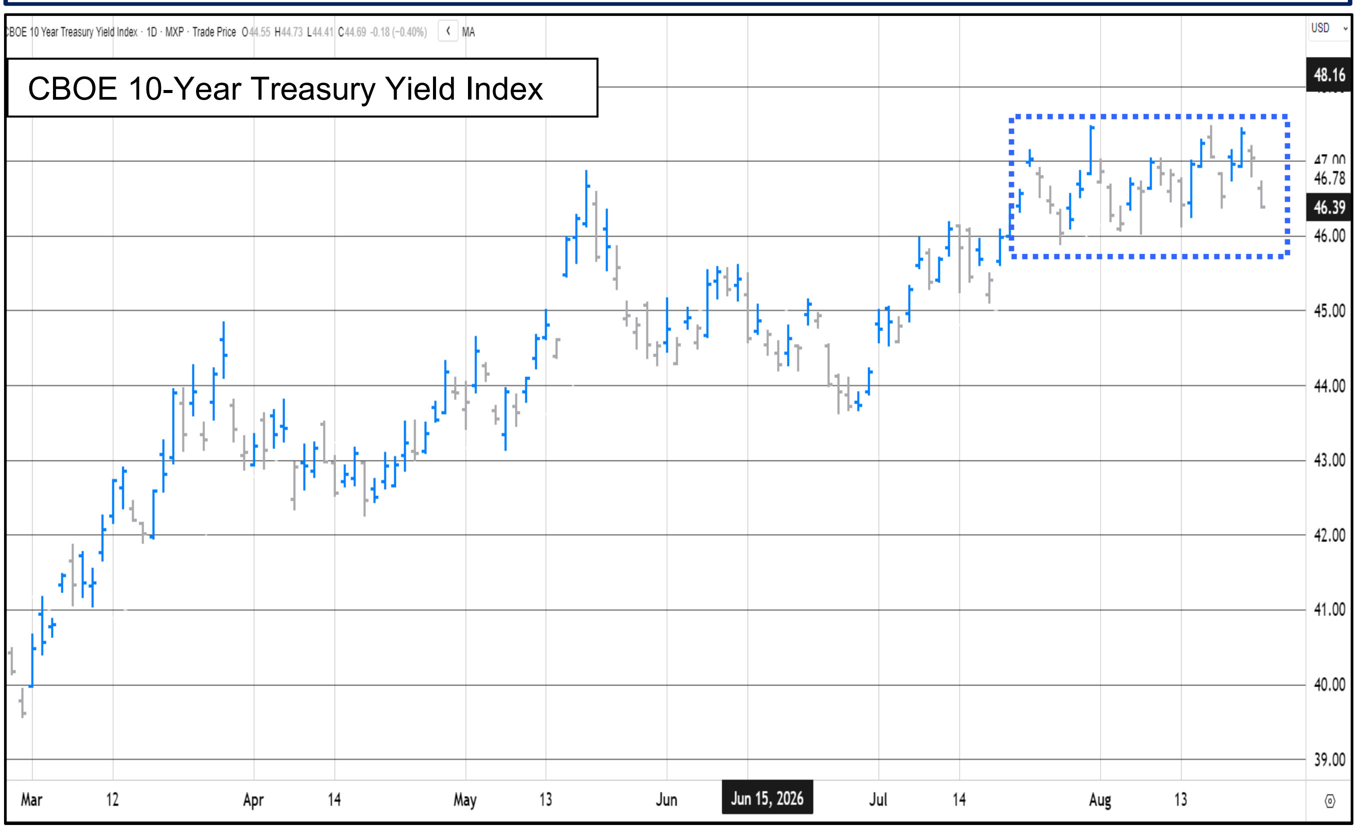
After the 30-year Treasury bond yield spiked to a 19-year high of 5.3%, Treasury Secretary Scott Bessent announced a repurchase program for longer-dated debt securities that could potentially exceed $4 billion per issue. Bessent indicated this was to provide necessary liquidity to the long end of the yield curve and to help stabilize mortgage rates. As seen in the chart below, the 30-year bond yield has been rising faster than the 10-year or 5-year, and this program will buy back long-term debt and replace it with short-term issuance. This initiative is a form of "Operation Twist" that the Treasury first launched during the Kennedy administration to stimulate the economy and was used by the Federal Reserve after the 2008 financial crisis to stabilize the banking system. Although not unusual, Bessent's program has been widely criticized by the press and economists. As noted, the 30-year bond has been rising much faster than the rest of the Treasury curve and much of this is due to the huge issuance of corporate debt related to AI. The 30-year yield is up 22 basis points since the end of June and the 2-to-30 yield curve is up 100 basis points, while the 2-to-10 yield curve is up a mere 10 basis points.





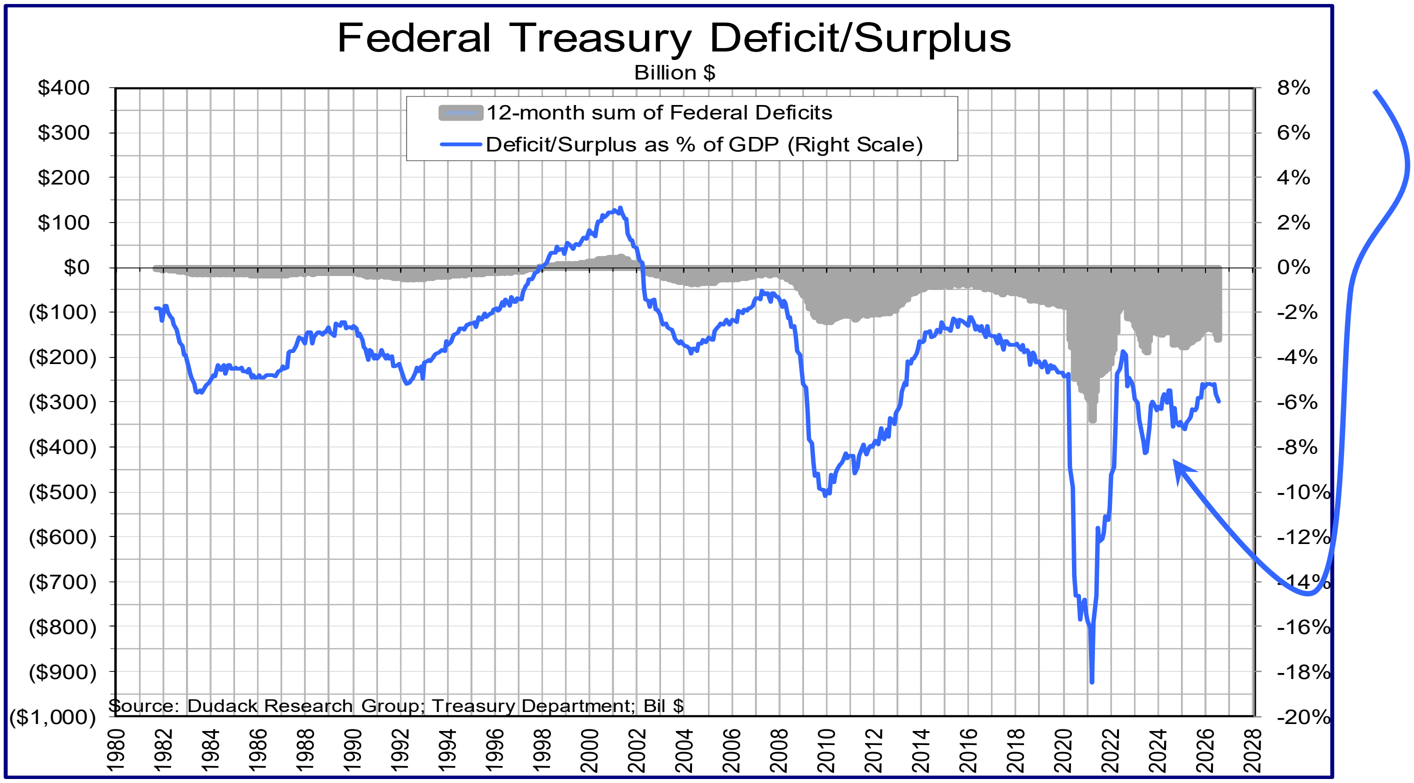
Despite the hysteria in the financial press regarding rising interest rates, rising federal debt, and the ineffectiveness of Treasury intervention, the current Treasury yield curve (red) is quite similar to the long-term average yield curve (black), although the current curve is less steep and yields are below the long-term averages. It is also worth noting that the 10-year Treasury yield is the normal benchmark for fixed mortgage rates and it has been trading in a tight 17 basis-point range between 4.6% and 4.74% for over four weeks. Debt markets have been jittery since bond sales by major hyperscalers exceeded $220 billion in 2026 and are projected to hit $750 billion. In addition, billions of dollars are also tied up in off-balance sheet commitments, long-term financing of infrastructure, and lease obligations. Many question whether revenue generated by these hyperscalers will justify this massive investment. In our view, Treasury debt is a safe haven in this environment.

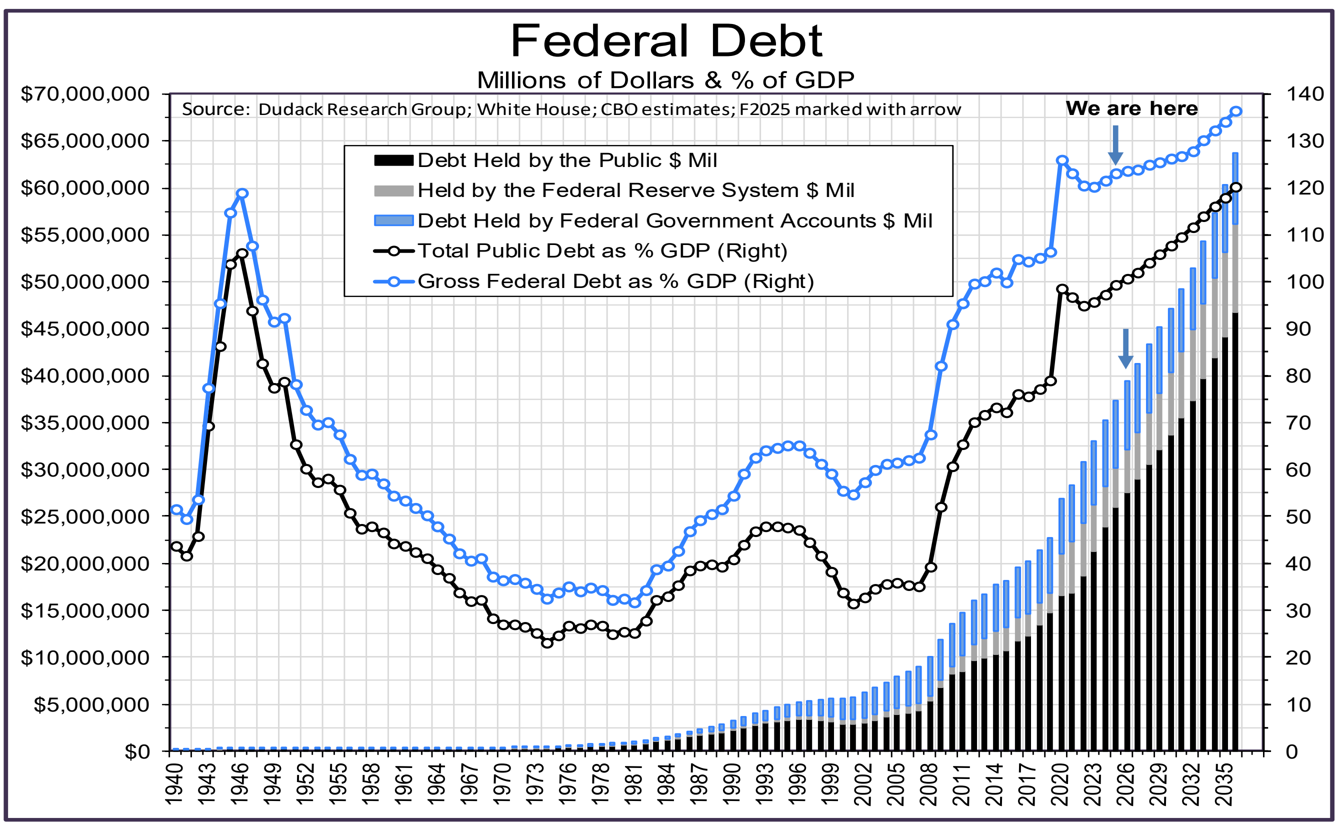




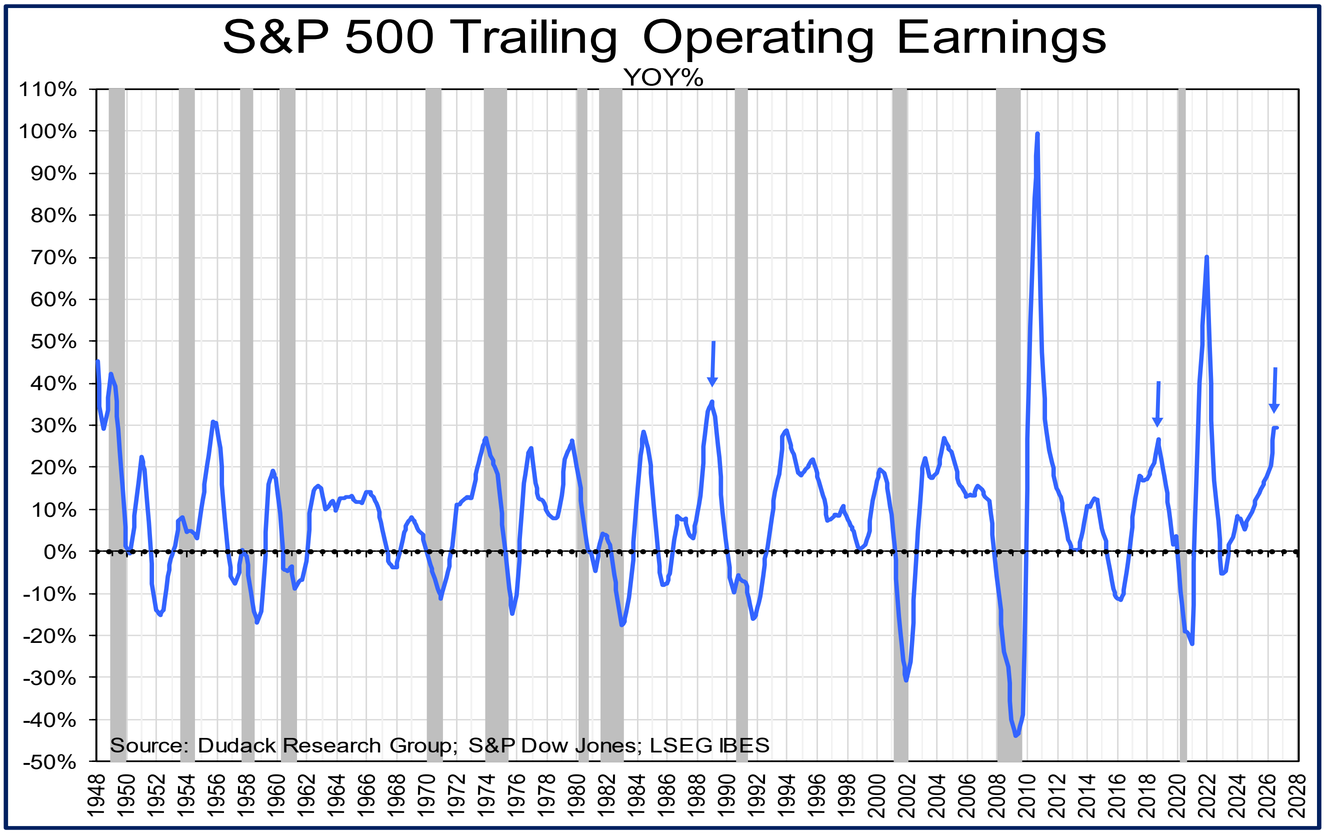
Source: LSEG Workspace

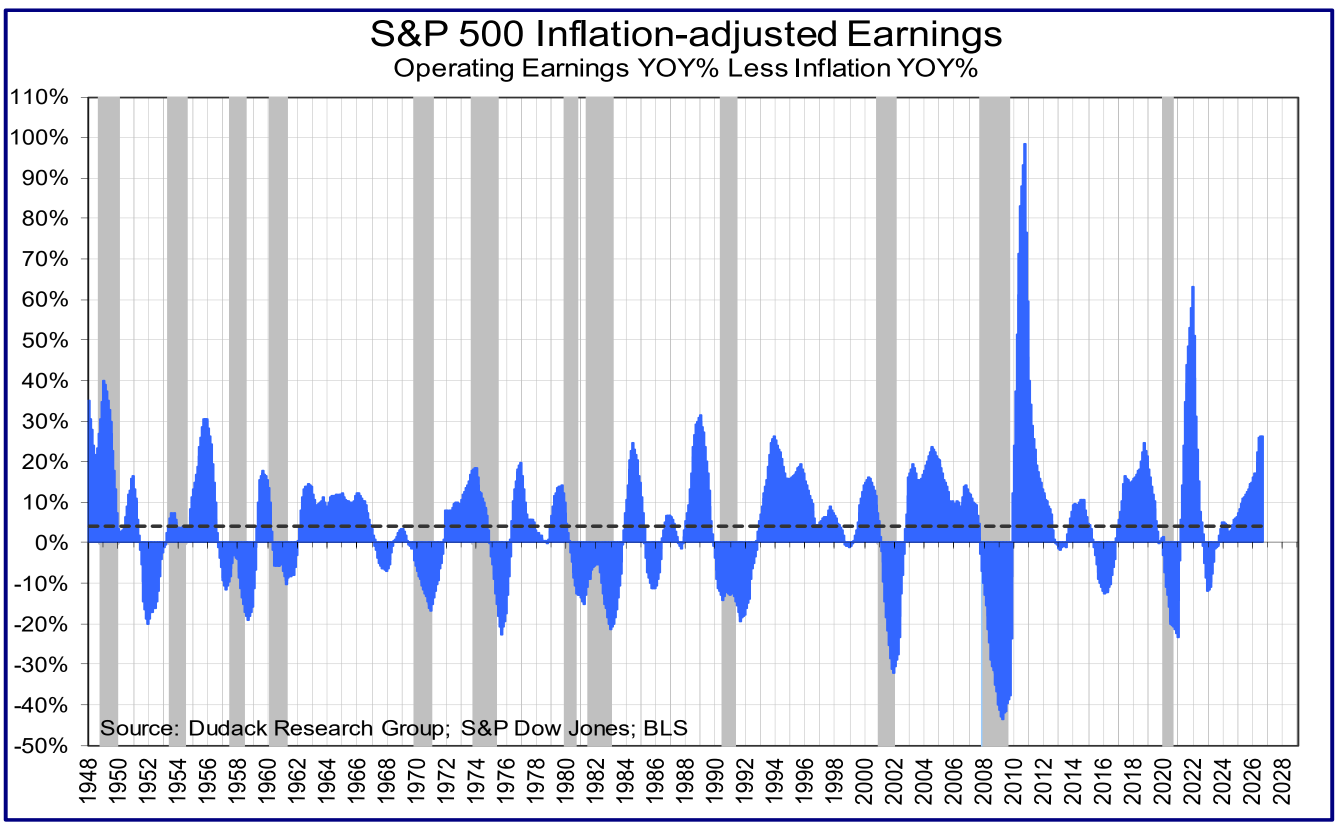
As of July, total gross federal debt reached $40.03 trillion. This received considerable attention as it should, particularly since the cost of servicing this debt is now more than $1.17 trillion annually and represents roughly 19% of total federal outlays. Nevertheless, this has not been Treasury Secretary Bessent's fault, yet it did cause a stir when July's monthly deficit of $432.3 billion reached 1.3% of GDP. The 12-month sum of deficits hit 6% of GDP at the end of July and this administration has been criticized harshly. However, Secretary Bessent indicated in his press conference that recent deficits are a result of paying back tariffs after the Supreme Court decision in February combined with a loss of corporate and personal tax revenue from the One Big Beautiful Bill. The tariff paybacks are a one-off issue and corporate tax deductions for capex should be stimulative to the economy over the long run. Most tariffs have now been reinstated and will produce revenues going forward. But it is worth noting that annualized deficits to GDP were averaging 8% during the entire Biden administration and did not get much coverage by the press. CBO estimates, which are rarely accurate, have federal debt rising to 136% of GDP in 2036, but include slower GDP, rising interest rates, and weaker employment. We expect Secretary Bessent will get debt-to-GDP down by year end.



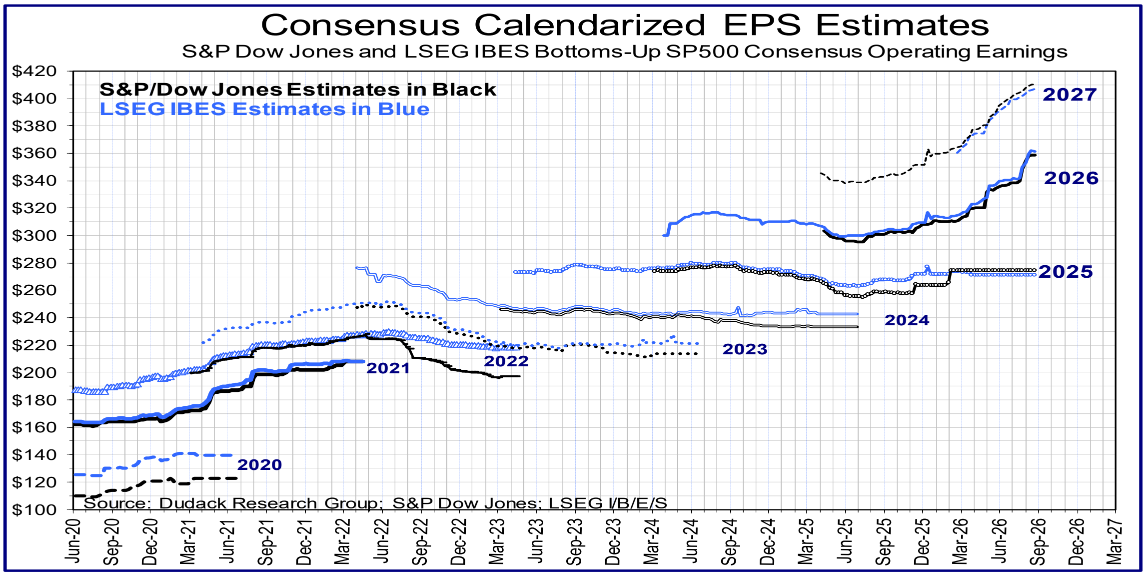


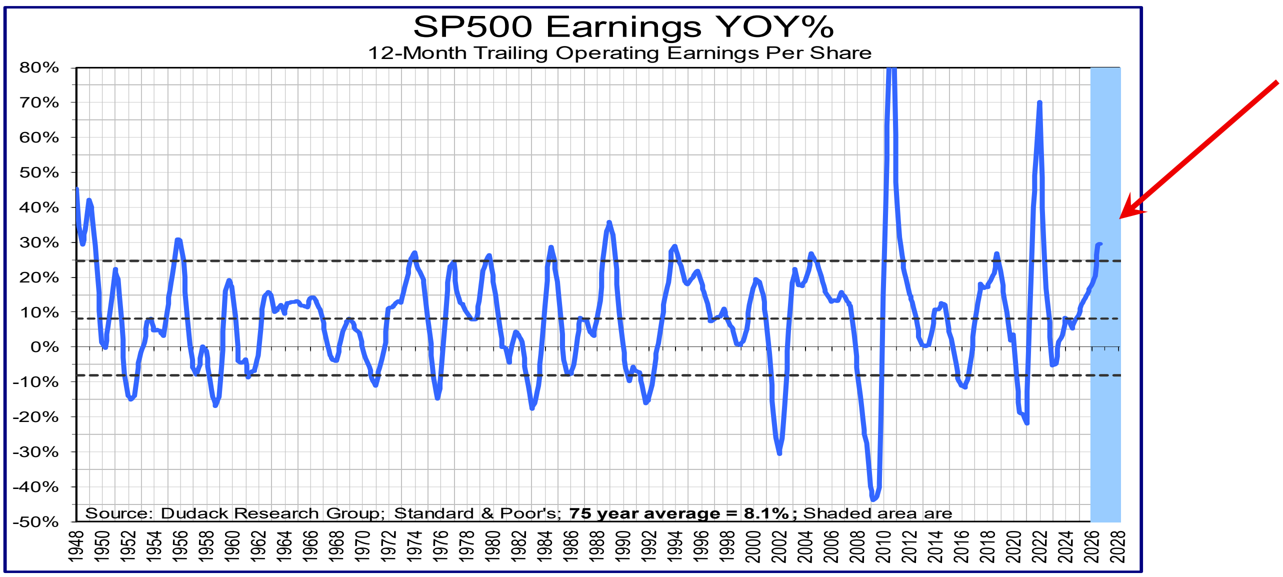
Despite concerns over rising long-term interest rates and the uncertainty of the Iran conflict, the S&P 500 index is only 1.5% away from its record high. This is not a surprise since earnings have been stellar over the last twelve months, and the current 1-year trailing earnings growth rate has reached 29.6% YOY, as compared to the long-term average of 8.1% YOY. After adjusting for inflation, this growth rate is 26.2% YOY, the highest since March 2022. However, earnings growth has only been this high (excluding rebounds from a recession) in 2018 and 1988. The 1988 earnings bounce materialized after the Crash of 1987, which did not generate an economic recession, but did slow earnings growth. The 2018 earnings peak was during the first Trump administration, and it followed the overhaul of the US tax code (Tax Cuts and Jobs Act of 2017). However, the strength of the current earnings season should spur questions about whether we are approaching a peak in earnings growth.

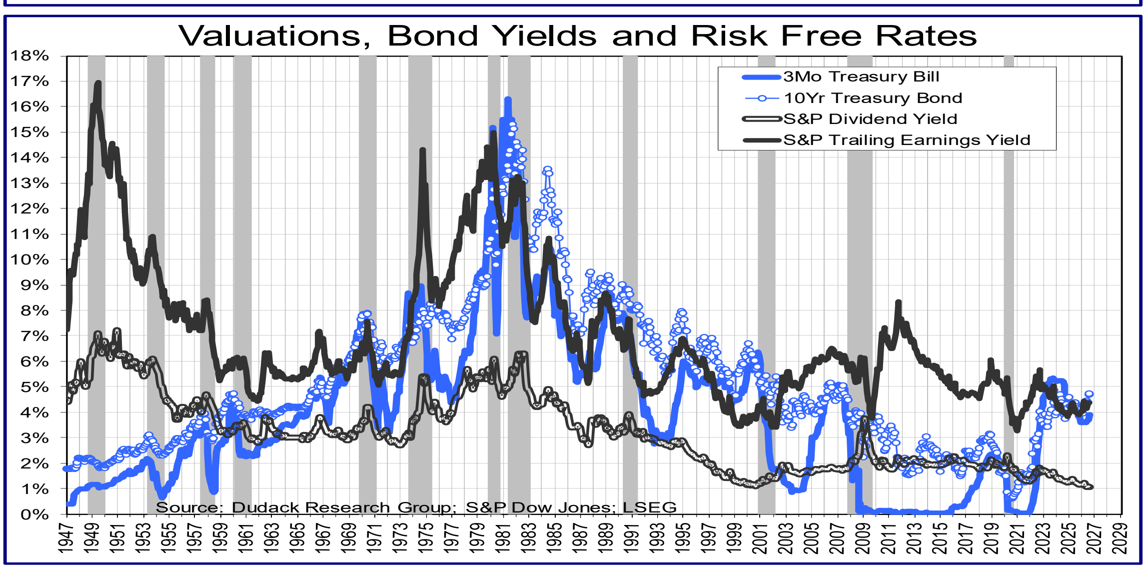




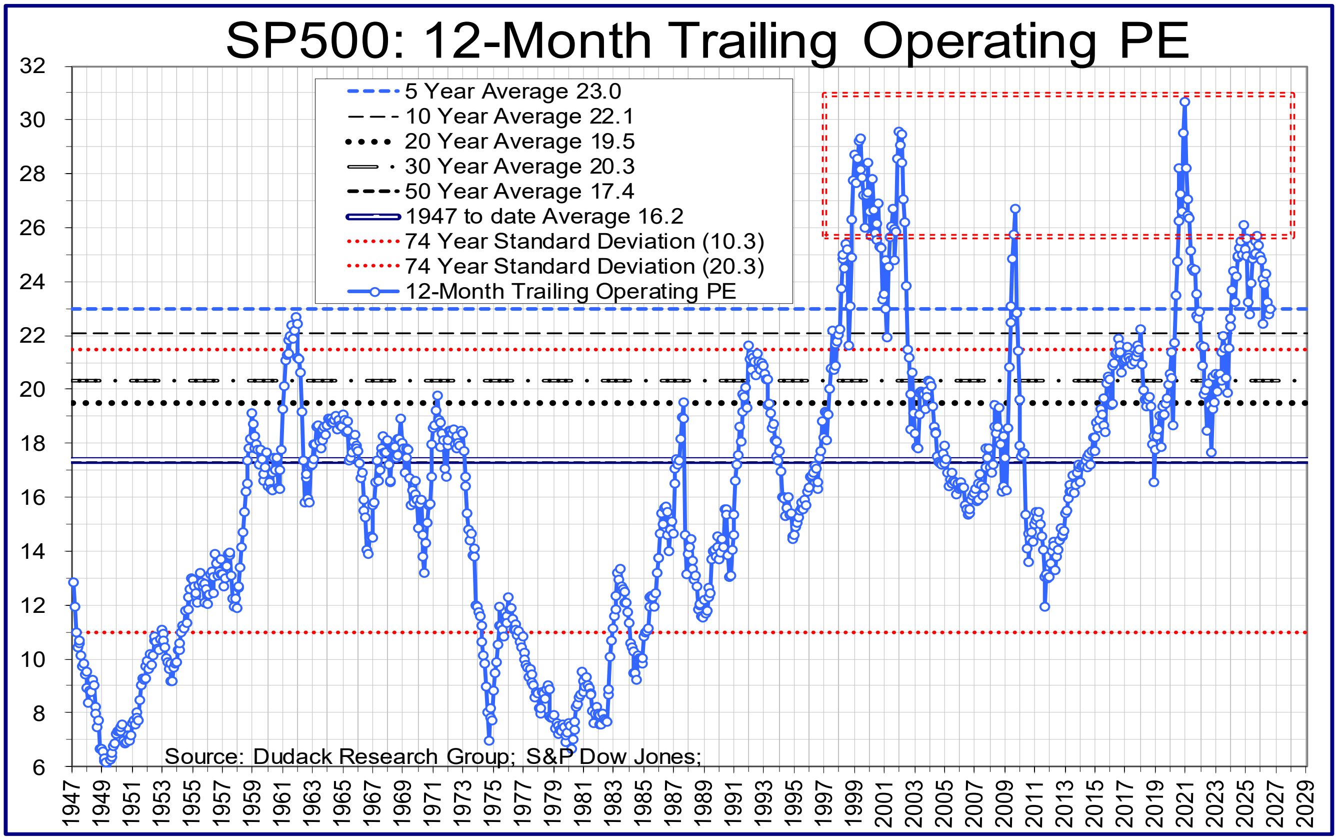
The LSEG IBES consensus earnings estimate for 2026 fell $0.09 to $361.69, the 2027 forecast fell $0.24 to $410.01, and the 2028 forecast increased $0.90 to $467.00. The S&P Dow Jones consensus earnings estimate rose $0.30 for 2026 to $358.85 and increased $0.81 to $407.26 for 2027. The market is now trading at 21.2 times the IBES 2026 estimate and 18.7 times the 2027 estimate. The forward earnings yield of 5.1% and dividend yield of 1.1% still compare favorably with a rising 10-year Treasury bond yield of 4.6%. Moreover, the estimated S&P Dow Jones 12-month trailing sum of operating earnings shows a gain of 29.6% YOY (it was 17.6% in December), which is far better than the 75-year average of 8.1% YOY. Forward operating earnings growth is currently 16.9% YOY.

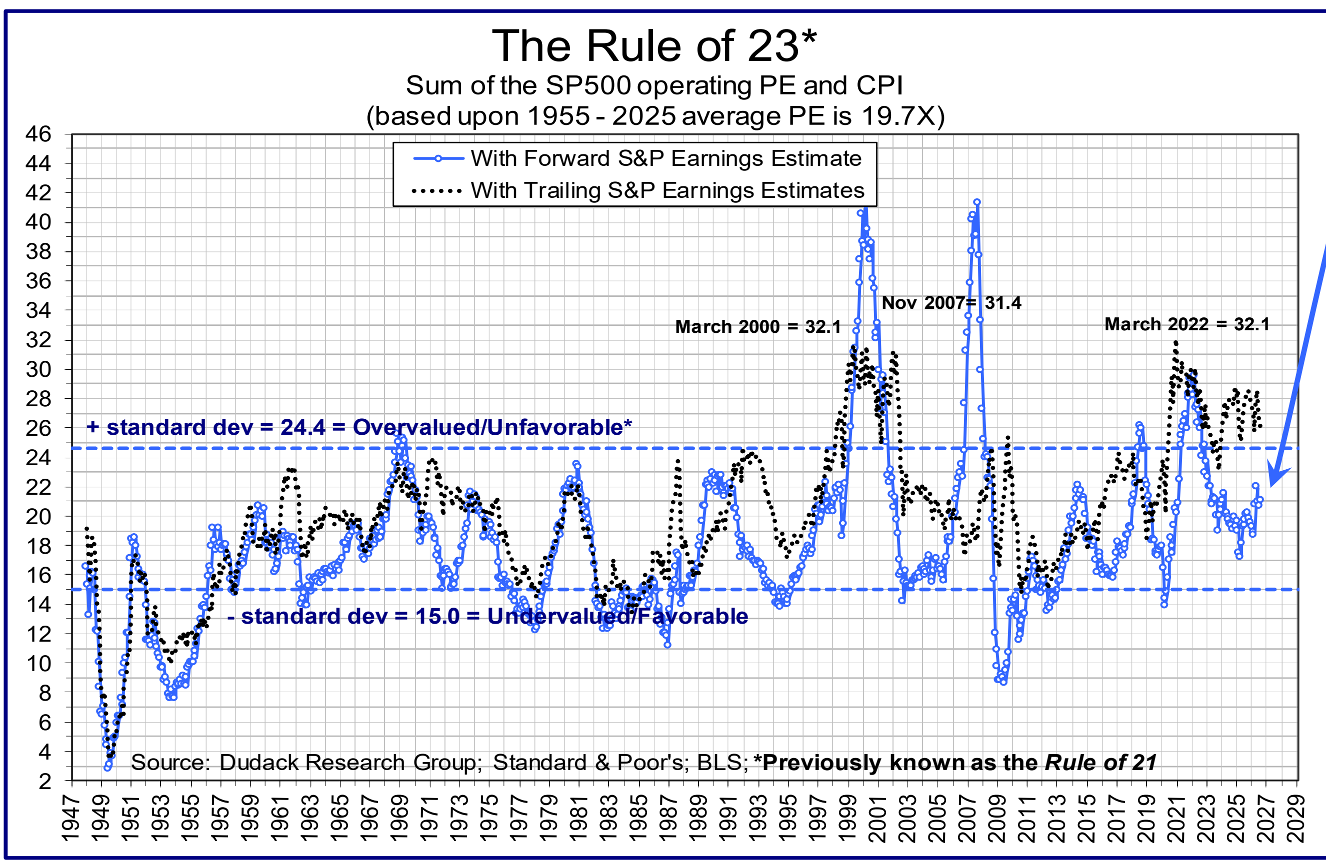






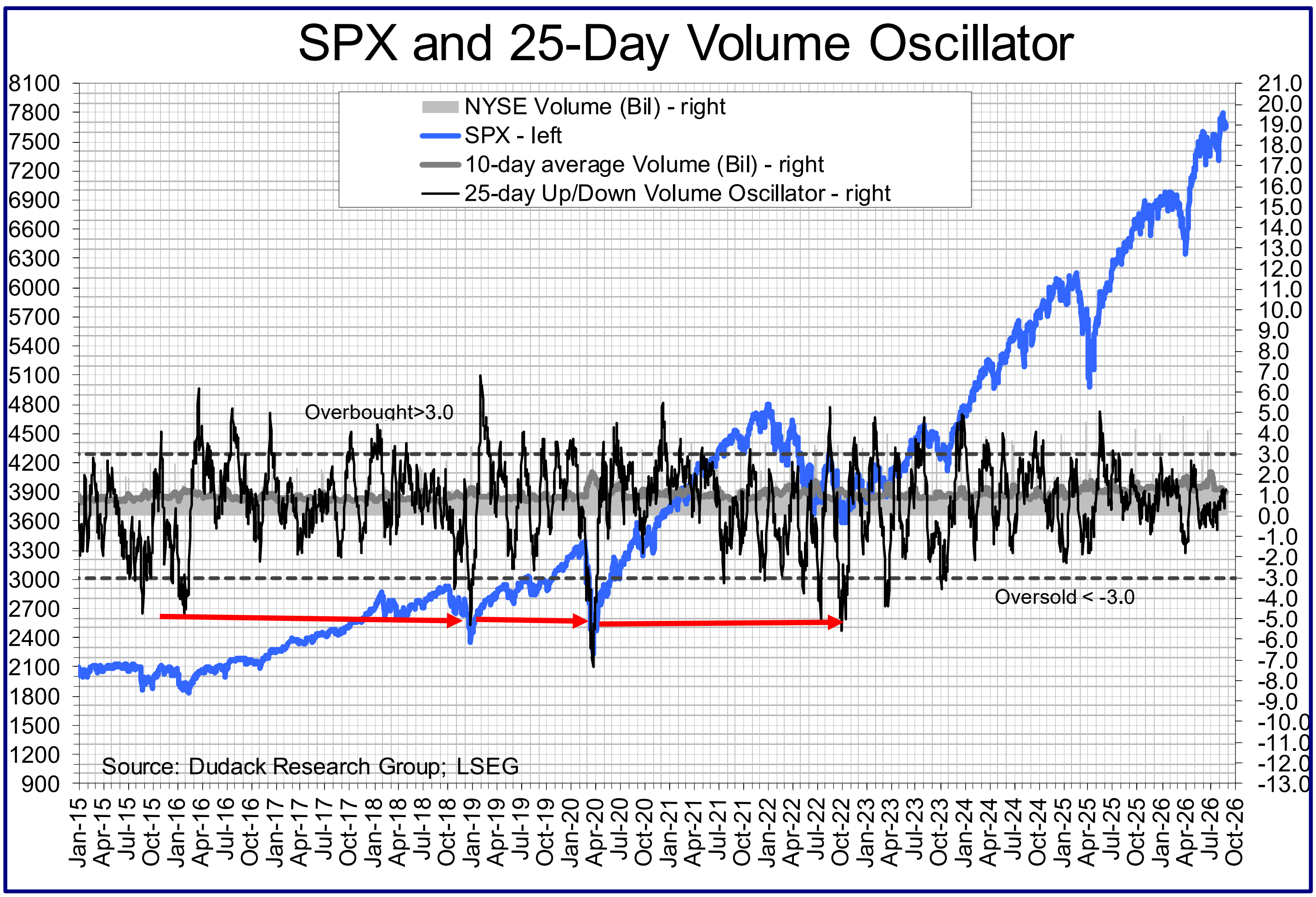
The SPX **trailing** 4-quarter operating earnings multiple is 23.0 times, after falling to an attractive intra-month low of 20.7 times earnings in early April 2025 in response to tariff fears. PE multiples remain stable in the face of rising stock prices due to higher earnings results, but the trailing PE is above both the 50-year average of 17.4 times and just below the 5-year average of 23.4 times. Including 2026 S&P Dow Jones estimates, the **12-month forward** PE multiple is 18.1 times and just above its long-term average of 17.9 times. When this PE is added to inflation of 3.4%, it comes to 21.5, which places it within the normal range of 15.0 to 24.4.



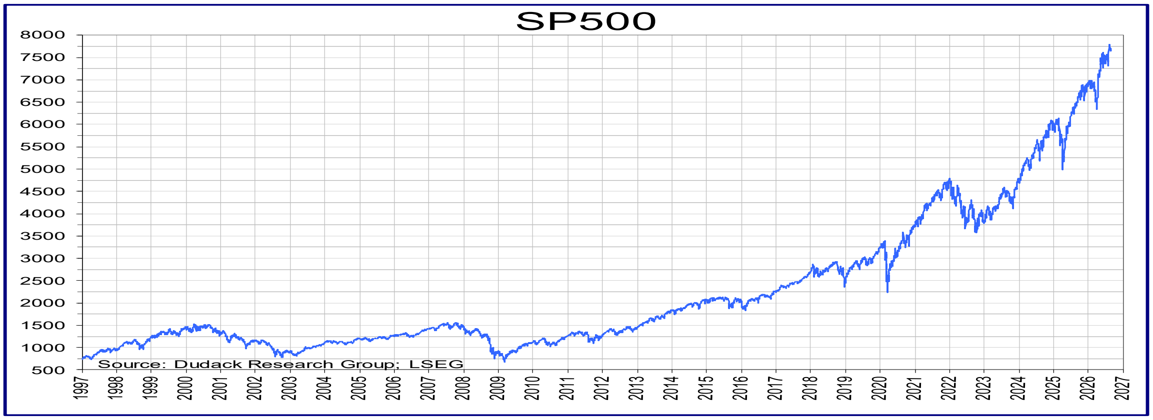


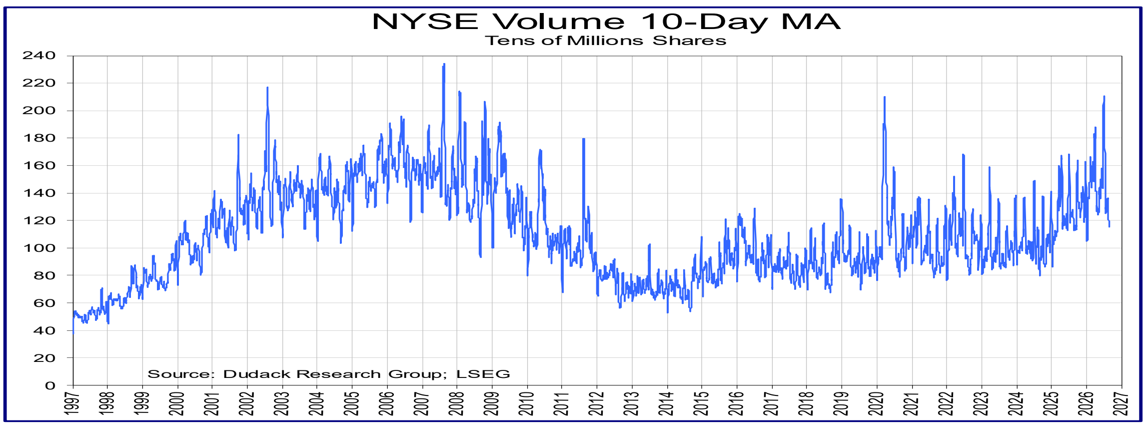
The 25-day up/down volume oscillator is 1.24, up from last week but still in the neutral range. Neutral readings in this oscillator while the indices record new highs reveal that there is significant selling into strength.

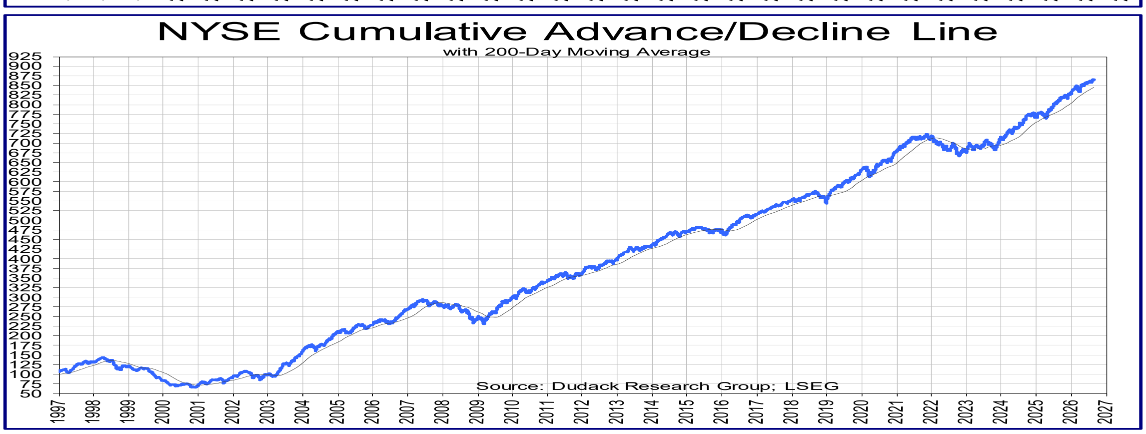
This indicator nearly registered a confirming overbought reading of 3.0 or greater in April but remains in nonconfirmation territory. The current advance materialized after the March 27, 2026, reading of negative 1.8, the lowest reading since April 2025. Note in the chart that levels of roughly negative 2.0 have marked the end of every correction since October 2023. This pattern is long-term bullish.

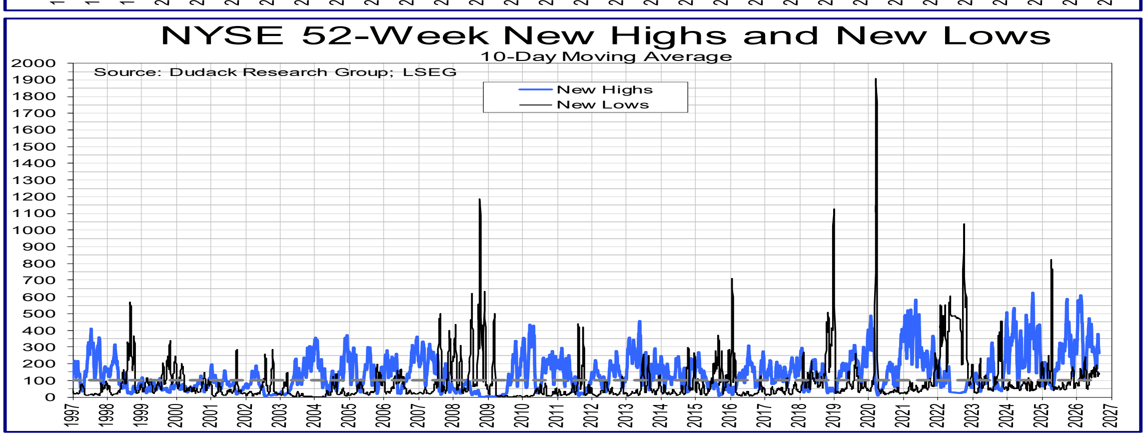


The 10-day average of daily new highs was 262 this week and new lows were 136. This combination of daily new highs above 100 and new lows above 100 shifted this indicator from positive to neutral in mid-May; although, this index still tilts positive. On April 11, 2025, the 10-day new low index (823) was the highest since the September-October 2022 market low (882). The NYSE cumulative advance/decline line made a new high on August 14, 2026, which is bullish, and in line with the new highs recorded by the DJIA, S&P 500, and Russell 2000.

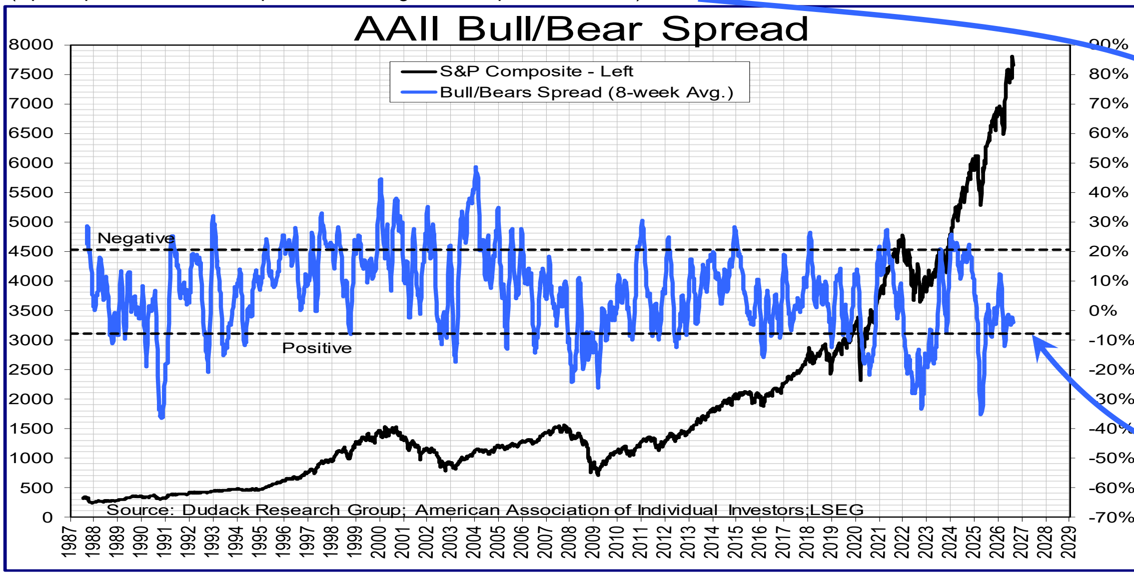


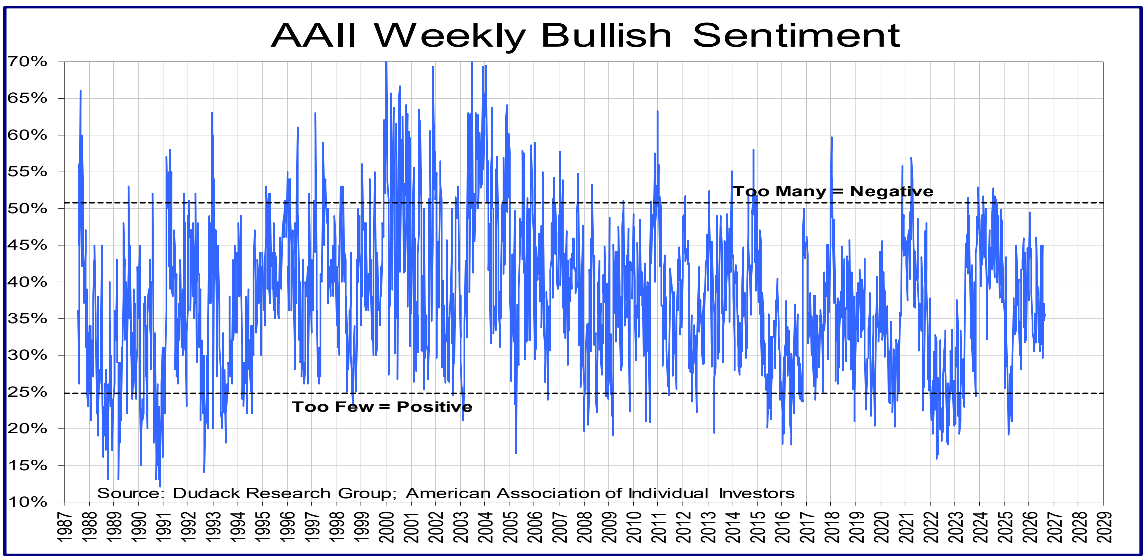


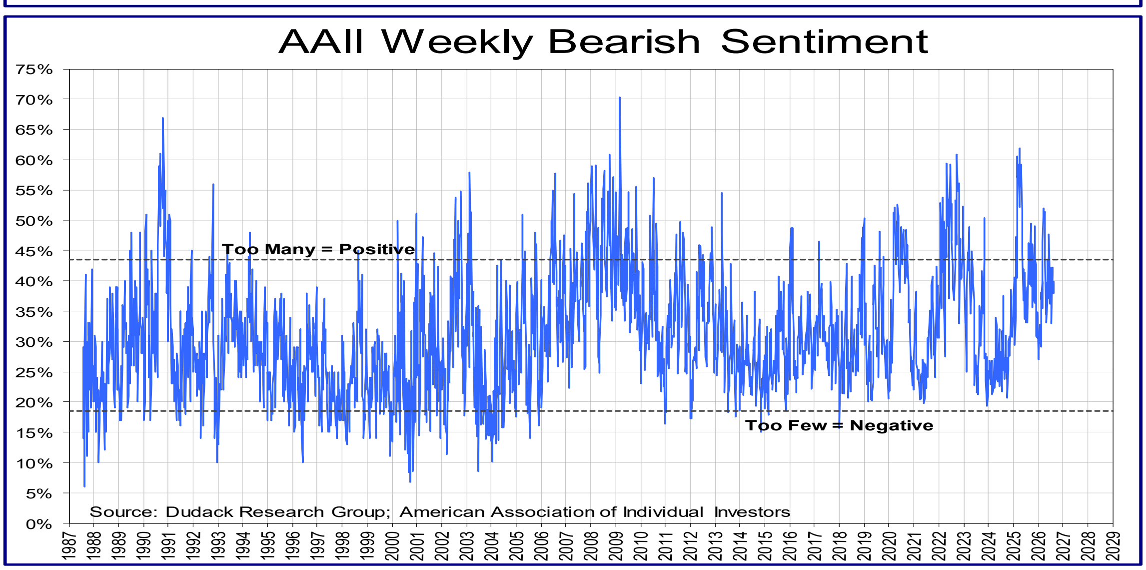




This week AAII bullishness rose 0.8% to 35.5% and bearishness rose 2.0% to 39.9%. Bullishness is below average for the fifth week in a row. Bearishness is above average for the 28th week in a row. In the first week of 2026, bearishness was at its lowest level since October 2024. On April 2, 2025, the reading of 61.9% bearishness was a new high for this cycle and the most positive since the November 21, 1990 reading 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 fell to negative 4.0% this week and is neutral for the 16th week in a row after being positive in April. (April represented the first positive reading since September 2025.)







GLOBAL MARKETS AND COMMODITIES - RANKED BY 5-DAY TRADING PERFORMANCE

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
iShares Silver Trust	SLV	65.47	8.4%	18.4%	16.5%	-3.2%
SPDR Gold Trust	GLD	428.07	7.4%	15.1%	16.2%	8.0%
Silver Future	Slc1	68.64	7.3%	17.0%	15.4%	-2.1%
iShares MSCI Brazil Capped ETF	EWZ	35.88	6.5%	0.4%	4.0%	12.9%
iShares Nasdaq Biotechnology ETF	IBB.O	216.40	6.3%	15.0%	23.4%	28.2%
Gold Future	GCc1	4638.10	6.2%	14.0%	15.3%	7.2%
iShares MSCI South Korea Capped ETF	EWY	180.15	5.9%	10.5%	19.0%	85.3%
iShares MSCI Mexico Capped ETF	EWW	77.85	4.6%	3.2%	3.4%	12.3%
Materials Select Sector SPDR	XLB	53.58	3.5%	4.5%	0.3%	18.1%
iShares MSCI Hong Kong ETF	EWH	23.20	3.4%	2.9%	-4.2%	9.2%
Health Care Select Sect SPDR	XLV	175.29	3.3%	7.8%	9.4%	13.2%
iShares MSCI Emerg Mkts ETF	EEM	67.25	2.9%	6.2%	-1.7%	22.9%
iShares MSCI Australia ETF	EWA	30.43	2.8%	6.0%	8.1%	16.2%
iShares Russell 1000 Growth ETF	IWF	193.24	2.7%	12.8%	71.7%	63.3%
iShares MSCI United Kingdom ETF	EWU	49.39	2.6%	4.6%	1.5%	12.3%
Communication Services Select Sector SPDR Fund	XLC	113.18	2.4%	6.5%	5.6%	-3.9%
iShares MSCI Singapore ETF	EWS	34.24	2.3%	8.2%	19.0%	24.5%
iShares 20+ Year Treas Bond ETF	TLT	83.47	2.2%	0.3%	-3.4%	-4.2%
Vanguard FTSE All-World ex-US ETF	VEU	86.08	2.0%	5.5%	2.8%	17.0%
iShares MSCI Malaysia ETF	EWM	28.75	1.9%	4.1%	-1.6%	5.1%
iShares MSCI Germany ETF	EWG	44.45	1.8%	8.1%	7.4%	4.6%
iShares MSCI India ETF	INDA.K	50.23	1.7%	4.6%	1.7%	-7.1%
iShares MSCI Canada ETF	EWC	62.64	1.7%	6.0%	8.7%	16.2%
iShares US Real Estate ETF	IYR	105.46	1.6%	-1.4%	4.1%	12.3%
iShares MSCI EAFE ETF	EFA	108.81	1.4%	5.2%	4.7%	13.3%
iShares China Large Cap ETF	FXI	35.56	1.4%	2.8%	-4.6%	-7.1%
Consumer Discretionary Select Sector SPDR	XLY	117.95	1.4%	7.8%	0.6%	-1.2%
iShares MSCI BRIC ETF	BKF	40.82	1.3%	3.1%	5.4%	-6.8%
PowerShares Water Resources Portfolio	PHO	71.77	1.3%	4.9%	3.9%	1.9%
Consumer Staples Select Sector SPDR	XLP	86.52	1.1%	2.8%	-3.9%	11.4%
iShares MSCI Taiwan ETF	EWT	105.40	1.0%	7.5%	39.3%	65.9%
iShares iBoxx $ Invest Grade Corp Bond	LQD	106.86	1.0%	0.6%	-2.0%	-3.0%
SPDR S&P Retail ETF	XRT	87.89	0.9%	1.0%	1.0%	3.0%
iShares MSCI Austria Capped ETF	EWO	43.96	0.9%	5.2%	3.9%	23.9%
Financial Select Sector SPDR	XLF	58.31	0.8%	3.6%	13.4%	6.5%
iShares Russell 1000 Value ETF	IWD	258.27	0.6%	4.0%	14.5%	22.8%
DJIA	.DJI	53577.40	0.4%	3.1%	9.4%	11.5%
SPDR DJIA ETF	DIA	535.24	0.4%	3.2%	9.3%	11.4%
SPDR Homebuilders ETF	XHB	106.38	0.4%	-1.9%	-7.8%	3.3%
iShares MSCI Japan ETF	EWJ	95.63	0.3%	4.8%	3.5%	18.4%
iShares Russell 2000 Value ETF	IWN	224.64	0.1%	1.5%	13.7%	24.0%
iShares US Telecomm ETF	IYZ	43.16	0.0%	6.8%	8.6%	27.3%
iShares Russell 1000 ETF	IWB	419.62	-0.1%	3.8%	11.5%	12.4%
SP500	.SPX	7677.28	-0.2%	3.6%	11.6%	12.2%
iShares Russell 2000 ETF	IWM	299.23	-0.3%	2.8%	14.5%	21.6%
Nasdaq Composite Index	.IXIC	26151.30	-0.5%	4.7%	15.4%	12.5%
iShares Russell 2000 Growth ETF	IWO	385.60	-0.7%	4.2%	15.0%	19.4%
NASDAQ 100	NDX	29209.23	-1.0%	3.8%	17.0%	15.7%
Utilities Select Sector SPDR	XLU	43.31	-1.6%	-6.4%	-9.3%	1.5%
Technology Select Sector SPDR	XLK	181.74	-2.1%	3.3%	31.0%	24.6%
VanEck Semiconductor ETF	SMH	555.82	-2.4%	-1.0%	34.9%	54.3%
Shanghai Composite	.SSEC	3889.44	-2.5%	2.0%	-6.6%	-2.0%
Energy Select Sector SPDR	XLE	62.06	-2.5%	4.1%	11.0%	38.8%
Industrial Select Sector SPDR	XLI	178.40	-2.8%	-2.3%	0.7%	15.0%
Oil Future	CLc1	82.36	-3.0%	-7.8%	18.5%	43.4%
SPDR S&P Bank ETF	KBE	68.44	-3.1%	-1.3%	12.1%	12.8%
United States Oil Fund, LP	USO	126.15	-3.5%	-7.7%	18.5%	82.4%
iShares DJ US Oil Eqpt & Services ETF	IEZ	29.00	-3.8%	3.4%	7.8%	39.0%

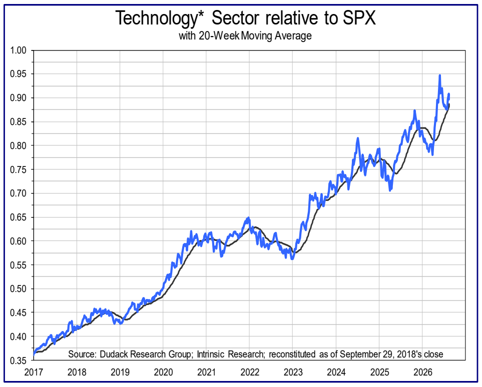
Outperformed SP500
Underperformed SP500

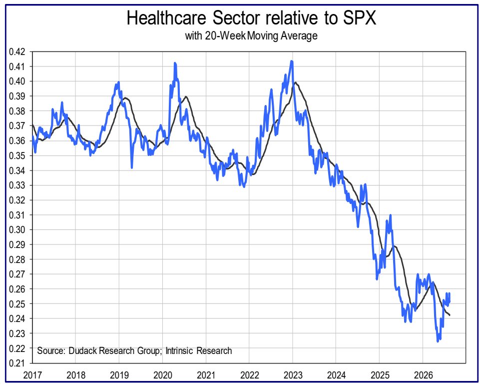
Source: Dudack Research Group; LSEG Priced as of August 25, 2026
Blue shading represents non-US and **yellow** shading represents commodities

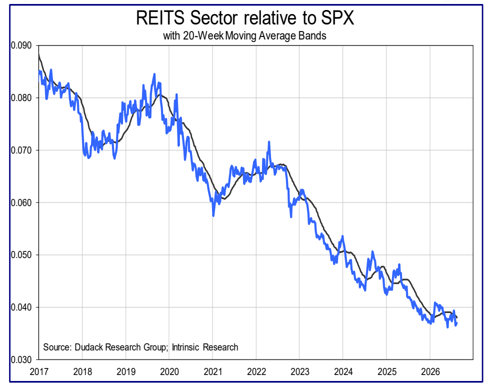
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

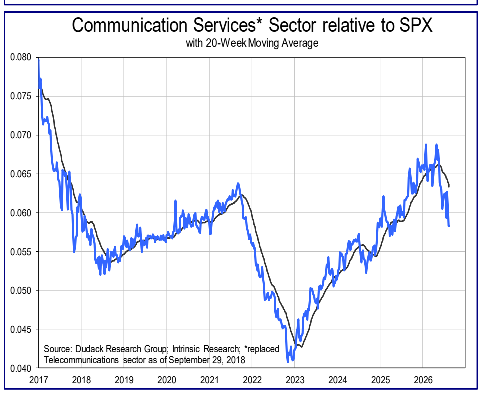
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Communication Services Technology Industrials Financials	Healthcare Staples Utililties Consumer Discretionary	REITS Materials Energy

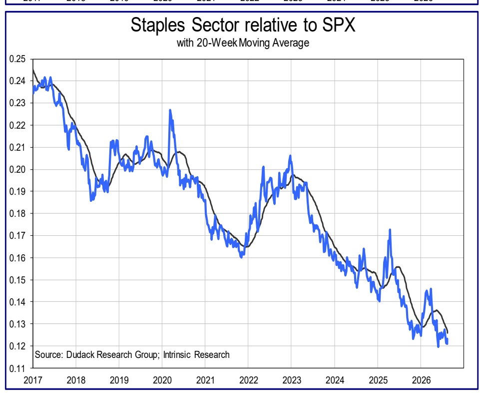
12/23/2025: Shifted Consumer Discretionary from overweight to neutral and Industrials from neutral to overweight.

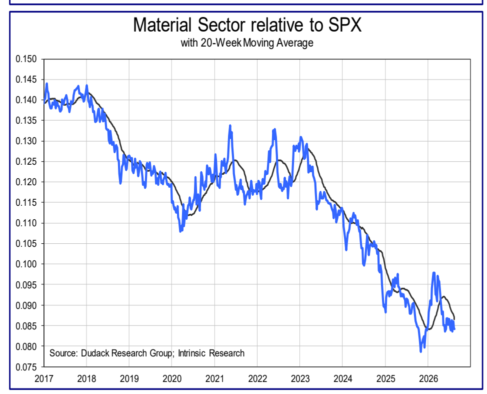


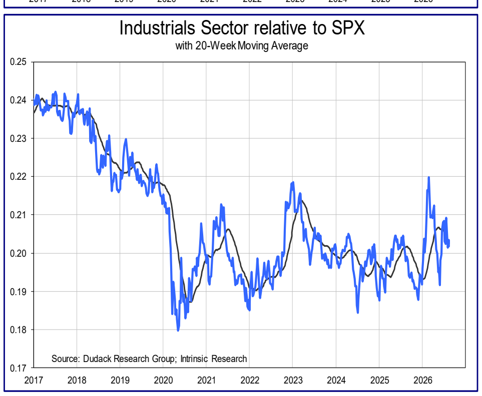


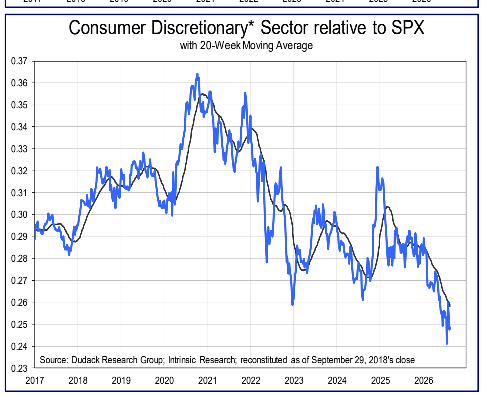


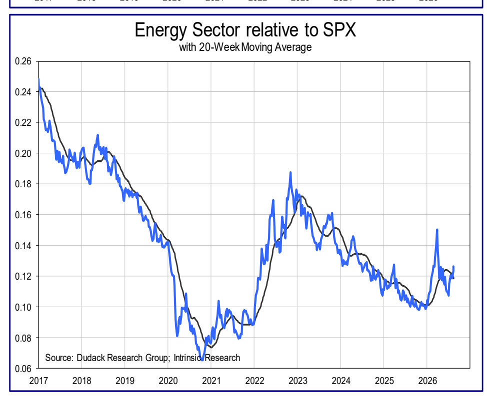


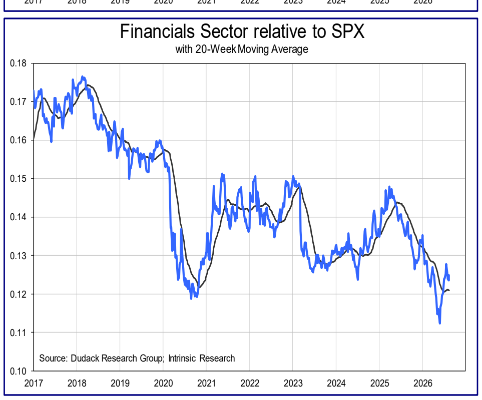


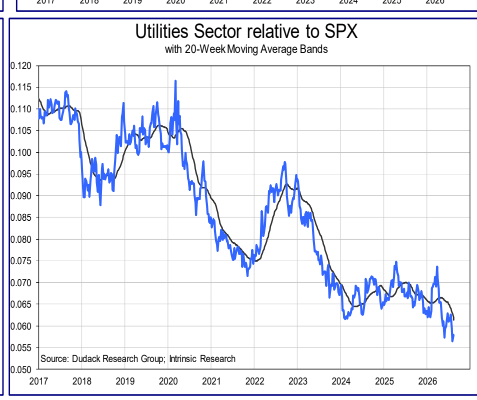












2026 YTD Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	37.8%
S&P INFORMATION TECH	19.2%
S&P MATERIALS	17.7%
S&P INDUSTRIALS	14.9%
S&P REITS	13.2%
S&P HEALTH CARE	13.0%
S&P 500	12.2%
S&P CONSUMER STAPLES	9.8%
S&P FINANCIAL	6.3%
S&P COMMUNICATIONS SERVICES	1.3%
S&P UTILITIES	1.0%
S&P CONSUMER DISCRETIONARY	0.3%

Source: Dudack Research Group; LSEG; 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 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	$49.51	$49.51	23.8%	$65.47	-23.1%	18.2X	2.5%	0.1%	$1,029.90	-9.8%
2009	1115.10	$56.86	$56.86	13.0%	$60.80	-7.1%	19.6X	2.6%	-2.6%	$1,182.90	14.9%
2010	1257.64	$83.77	$83.77	14.7%	$85.28	40.3%	15.0X	1.9%	2.7%	$1,456.50	23.1%
2011	1257.60	$96.44	$96.44	-5.9%	$97.82	14.7%	13.0X	2.0%	1.6%	$1,529.00	5.0%
2012	1426.19	$96.82	$96.82	-40.0%	$103.80	6.1%	14.7X	2.1%	2.3%	$1,662.80	8.8%
2013	1848.36	$107.30	$107.30	14.8%	$109.68	5.7%	17.2X	2.0%	2.1%	$1,648.10	-0.9%
2014	2127.83	$113.02	$113.01	47.3%	$118.78	8.3%	18.8X	2.2%	2.5%	$1,713.10	3.9%
2015	2043.94	$100.45	$100.45	15.1%	$117.46	-1.1%	20.3X	2.1%	2.9%	$1,664.20	-2.9%
2016	2238.83	$106.26	$106.26	10.2%	$118.10	0.5%	21.1X	1.9%	1.8%	$1,661.50	-0.2%
2017	2673.61	$124.51	$124.51	1.0%	$132.00	11.8%	21.5X	1.8%	2.5%	$1,816.60	9.3%
2018	2506.85	$151.60	$151.60	5.3%	$161.93	22.7%	16.5X	1.9%	3.0%	$2,023.40	11.4%
2019	3230.78	$157.12	$157.12	-11.1%	$162.93	0.6%	20.6X	1.8%	2.6%	$2,065.60	2.1%
2020	3756.07	$122.38	$122.38	5.8%	$139.72	-14.2%	30.7X	1.6%	-2.2%	$1,968.10	-4.7%
2021	4766.18	$208.17	$208.17	17.2%	$208.12	49.0%	22.9X	1.3%	6.1%	$2,382.80	21.1%
2022	3839.50	$196.95	$196.95	21.8%	$218.09	4.8%	19.5X	1.7%	2.5%	$2,478.80	4.0%
2023	4769.83	$213.53	$213.53	3.6%	$221.36	1.5%	22.3X	1.5%	2.9%	$3,132.90	26.4%
2024	5614.66	$233.36	$233.36	-22.1%	$242.73	9.7%	24.1X	1.3%	2.8%	$3,270.60	4.4%
2025	6845.50	$274.44	$274.44	70.1%	$271.29	11.8%	24.9X	1.2%	2.1%	$3,605.70	10.2%
2026E	~~~~~	$358.85	$360.00	-5.4%	$361.69	33.3%	21.4X	1.1%	NA	NA	NA
2027E	~~~~~	$407.27	$410.00	8.4%	$410.01	13.4%	18.9X	NA	NA	NA	NA
2020 1Q	2584.59	$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	$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	$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	$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	$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	$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	$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	$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	$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	$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	$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	$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	$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	$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	$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	$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	$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	$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	$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	$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	$62.91	$62.91	15.2%	$63.07	11.5%	23.2	1.4%	-0.6%	$3,252.40	19.3%
2025 2Q	6204.95	$66.34	$66.34	13.7%	$66.68	10.4%	24.9	1.2%	3.8%	$3,259.40	4.8%
2025 3Q	6688.46	$71.88	$71.88	21.5%	$72.77	15.1%	25.5	1.2%	4.4%	$3,411.70	10.8%
2025 4Q	6845.50	$73.31	$73.31	19.8%	$72.87	12.1%	24.9	1.2%	0.5%	$3,605.70	10.2%
2026 1Q	6528.52	$79.25	$79.25	26.0%	$75.03	19.0%	22.5	1.2%	2.1%	$3,623.70	11.4%
2026 2QE	7499.36	$98.30	$94.00	41.7%	$98.24	47.3%	23.2	1.1%	1.5%	NA	NA
2026 3QE*	7677.28	$89.00	$88.75	23.5%	$89.65	23.2%	22.6	NA	NA	NA	NA
2026 4QE	NA	$92.08	$94.00	33.7%	$92.86	27.4%	21.4	NA	NA	NA	NA
2027 1QE	NA	$93.78	$95.00	19.9%	$94.59	26.1%	20.6	NA	NA	NA	NA
2027 2QE	NA	$100.04	$101.00	5.3%	$100.54	2.3%	20.5	NA	NA	NA	NA
2027 3QE	NA	$104.67	$105.50	21.1%	$105.58	17.8%	19.7	NA	NA	NA	NA
2027 4QE	NA	$108.78	$108.50	10.7%	$109.49	17.9%	18.9	NA	NA	NA	NA

Source: DRG; S&P Dow Jones **quarterly EPS may not sum to official CY estimates; LSEG IBES Consensus estima 8/25/2026

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

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Prices are the close of August 25, 2026