Dudack Research Group
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DJIA: 52093.11
SPX: 7585.73
NASDAQ: 25981.57

US Strategy Weekly

Oil, Inflation, and Interest Rates

Global bond yields hit levels last seen in 2008, crude oil prices soared over the worrisome $100 a barrel level, investors remain nervous about AI spending, and AI leaders call for a reining in of AI development. The Houthis announced a number of attacks on Saudi Arabia, one of which knocked out one of the Kingdom's most important oil transport routes and another that struck an air base. US Space Force chief Douglas Schiess confirms the US does "operate on-orbit weapons that can defend the Joint Force against space-enabled attacks" while the US Senate fails to advance comprehensive cryptocurrency legislation backed by President Donald Trump and the crypto industry. And these are just a few of the issues that color the world financial scene as the Federal Reserve meets this week.

One might wonder why the stock market has not had a more sizeable decline given the rise in both oil and bond yields. After more than a week of falling prices, the S&P 500 is only 2.7% away from its all-time high. The Dow Jones Industrial Average and the Nasdaq Composite are only 4.1% below their highs. The more volatile Russell 2000 index is 6.5% away from its record high, but still up 15.7% year to date. Most popular indices are up double-digits year-to-date.

One reason stocks may be more insulated from oil prices than expected is that the economy is less oil-intensive than it used to be. Energy spending accounted for 5.7% of disposable consumer income in 2024, compared with nearly 10% in the 1980s, according to the American Petroleum Institute. And energy represents around 5.5% of GDP, nearly half of what it was in 2008, according to the US Energy Information Administration. But soaring gasoline, diesel and fuel prices still eat into discretionary spending. This is particularly true in California.

The state of California operates much like an island when it comes to gasoline. The state requires a special blend of fuel that results in lower air pollution to avoid the smog that used to blanket Los Angeles. This combination of California's unique proprietary fuel blend, declining gasoline demand driven by zero-emission vehicle mandates, and a lack of out-of-state pipelines; means California has lost 17% to 20% of its refining capacity due to the structural shutdown of Phillips 66's Los Angeles refinery (139,000 b/d) and Valero's Benicia plant (45,000 b/d). As a result, the state relies heavily on foreign and out-of-state fuel imports. This adds to the prices increases seen in California. In addition, when combining all state levies, local taxes, environmental programs, and federal mandates, the total cost allocated to taxes and fees on a single gallon of gas is roughly $1.20 in California. See page 6 for more details.

But in general, the housing market could have an even bigger impact on the broad economy than oil. The housing market represented nearly 16% of GDP in the second quarter when one includes a cross section of construction, home improvements, rents, and fees. The residential real estate market has been sluggish for nearly four years, and rising interest rates are not going to help.

With regard to this week's FOMC meeting, we do not believe recent inflation data alone guarantees a rate hike. Headline CPI in August was 3.4% YOY and unchanged from July. Core CPI was 2.4%, down from 2.5%. These were moderate numbers. See page 3. However, the PPI for final goods jumped 5.4% YOY in August, up from 4.8%. This uptick was driven by the energy index which rose 16.3% YOY, up from 14.7% YOY. What is more important is that crude oil prices are up dramatically from the end of August, and this suggests inflation data will be worse next month. For this reason, we are changing our view and expect the Fed will raise rates. This is the consensus view.

A Fed rate hike will not have any influence on the price of crude oil since this is a supply problem, not a demand problem. Still, we expect markets to react poorly if the Fed fails to raise rates. In the aftermath of the meeting, the reaction of the 10-year Treasury yield will be the most important factor to monitor. Shortly after this meeting we expect a debate will begin over whether this will be a one-off rate hike or the beginning of a series of rate hikes.

The charts on page 4 may help explain the angst related to the Fed raising rates. Fed policy changes were frequent from 1950 to 1988. But beginning with the chairmanship of Alan Greenspan (August 11, 1987 to January 31, 2006), who stepped in just before the Crash of 1987 and successfully dealt with that crisis, a policy of longer and more strategic programs of easing and tightening commenced. In the last twenty years there have only been two tightening cycles and no one-off rate hikes. The December 2015 to December 2018 cycle saw an increase from a low in the fed funds range of 0% to 0.25% to a high of 2.25% to 2.50%. The second cycle was from March 2022 to June 2023 from a fed funds low of 0% to 0.25% to a high of 5.25% to 5.5%.

In between these two tightening cycles, the real fed funds rate was negative (lower than inflation), and monetary policy reached its "easiest" level in 75 years. Specifically, in March 2022 the fed funds rate averaged 0.38% and the CPI reached 8.5% YOY for a negative real fed funds rate of 8.2%. It was a tragic miscalculation by the FOMC at that time, and it let commodity-led inflation shift into the service sector. See page 4. Overall, investors have experienced unusually easy Fed policy in the last two decades and have relied on Fed policy to support the economy and the stock market. Chairman Kevin Warsh is looking to change this dependency and the blowback is interesting.

A 65-year chart of government interest rates (page 5) shows how extraordinary the last 25 years have been for investors. Interest rates have been in a secular decline since 1981, and interest rates have generally remained below the 4% level for most of the last two-and-a-half decades. However, many economists are questioning whether this long cycle of declining interest rates is over. We would add that there are reasons to believe commodities are in demand throughout the world, which implies higher commodity prices and more inflation ahead. Both are likely in our opinion. If this is correct it will require a change in long-term investment strategy.

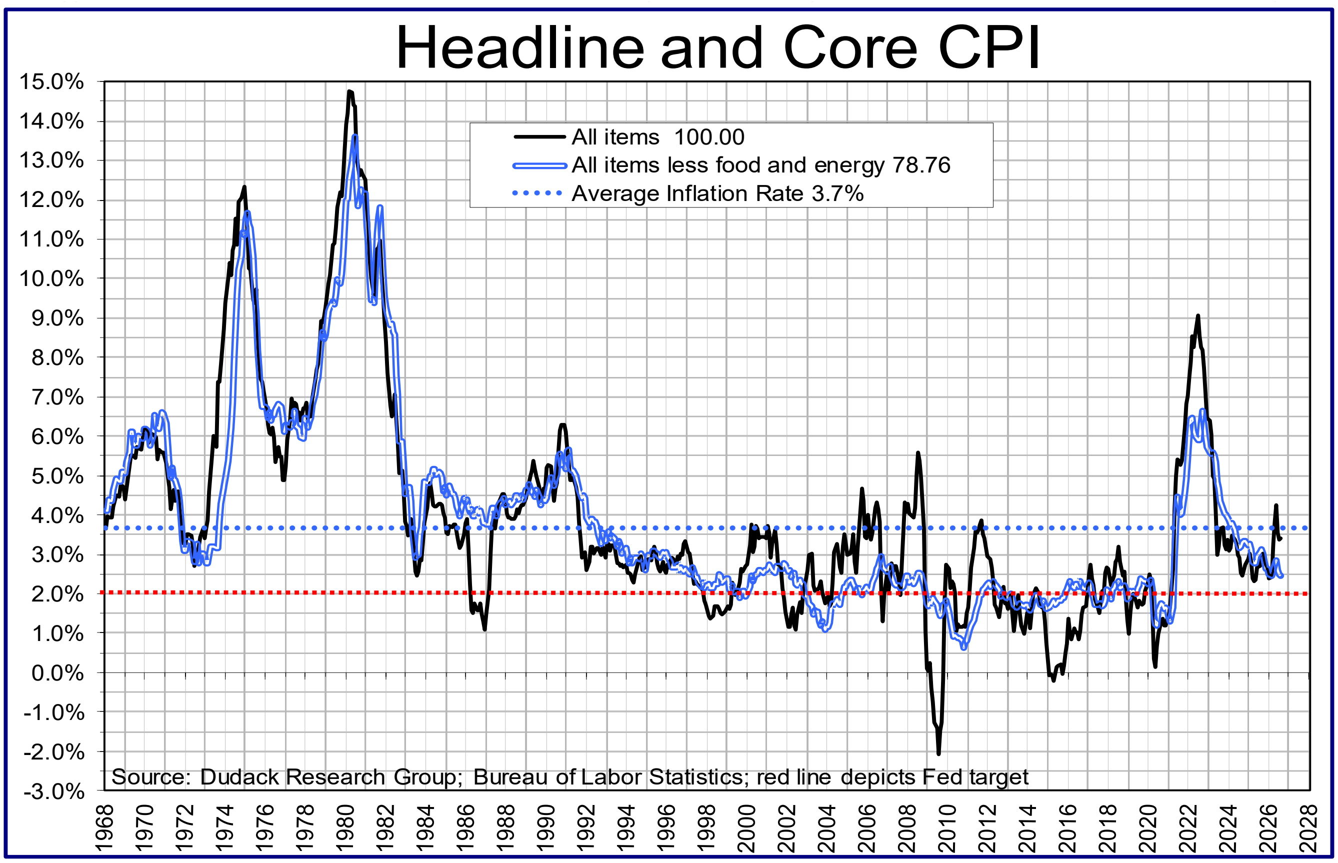
But overall, the fear regarding the level of interest rates and the slope of the yield curve is overdone in our opinion. The inverted yield curves of December 2022 and December 2023 were the worrisome curves since inversion is a sign of a potential recession. This was followed by a flat yield curve in 2024 which is a classic sign of a weak economy. The current slope of the yield curve is right in line with the average yield curve, and it remains below average levels. See page 5. In sum, there is no reason to panic. And while we expect a Fed rate hike this week, it could be a one-and-done if the war in the Middle East is resolved.

September and October tend to be the weakest months of the year, and this is particularly true in midterm election years. However, a year-end rally tends to materialize regardless of the election outcome. Investors should prepare for volatility and opportunity.

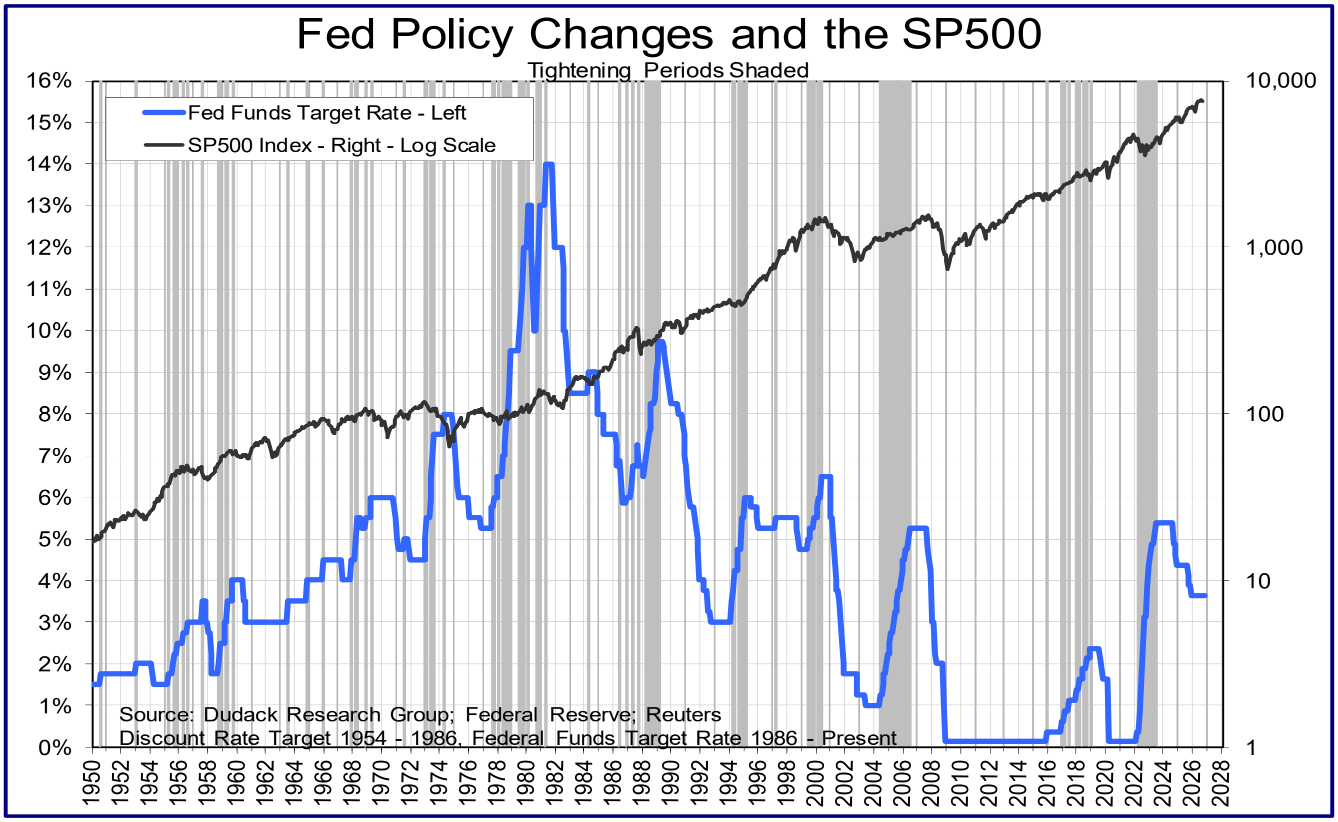
Recent inflation data does not guarantee a fed rate hike this week, in our view. Headline CPI in August was 3.4% YOY and unchanged from July. Core CPI was 2.4%, down from 2.5%. These were mild numbers. However, the PPI for final goods jumped 5.4% YOY in August, up from 4.8%, driven by the energy index which rose 16.3% YOY, up from 14.7% YOY. More importantly, crude oil prices are up dramatically from the end of August which suggests inflation data will be worse next month. For this reason, we expect the Fed will raise rates, and this is the consensus view. A rate hike will not have any influence on the price of crude oil since it is a supply problem not a demand problem. Still, we expect markets would react poorly if the Fed failed to raise rates. The reaction of the 10-year Treasury yield will be the most important factor to monitor. We expect that debate of whether this will be a one-off rate hike or the beginning of a series of rate hikes will begin shortly after this meeting.

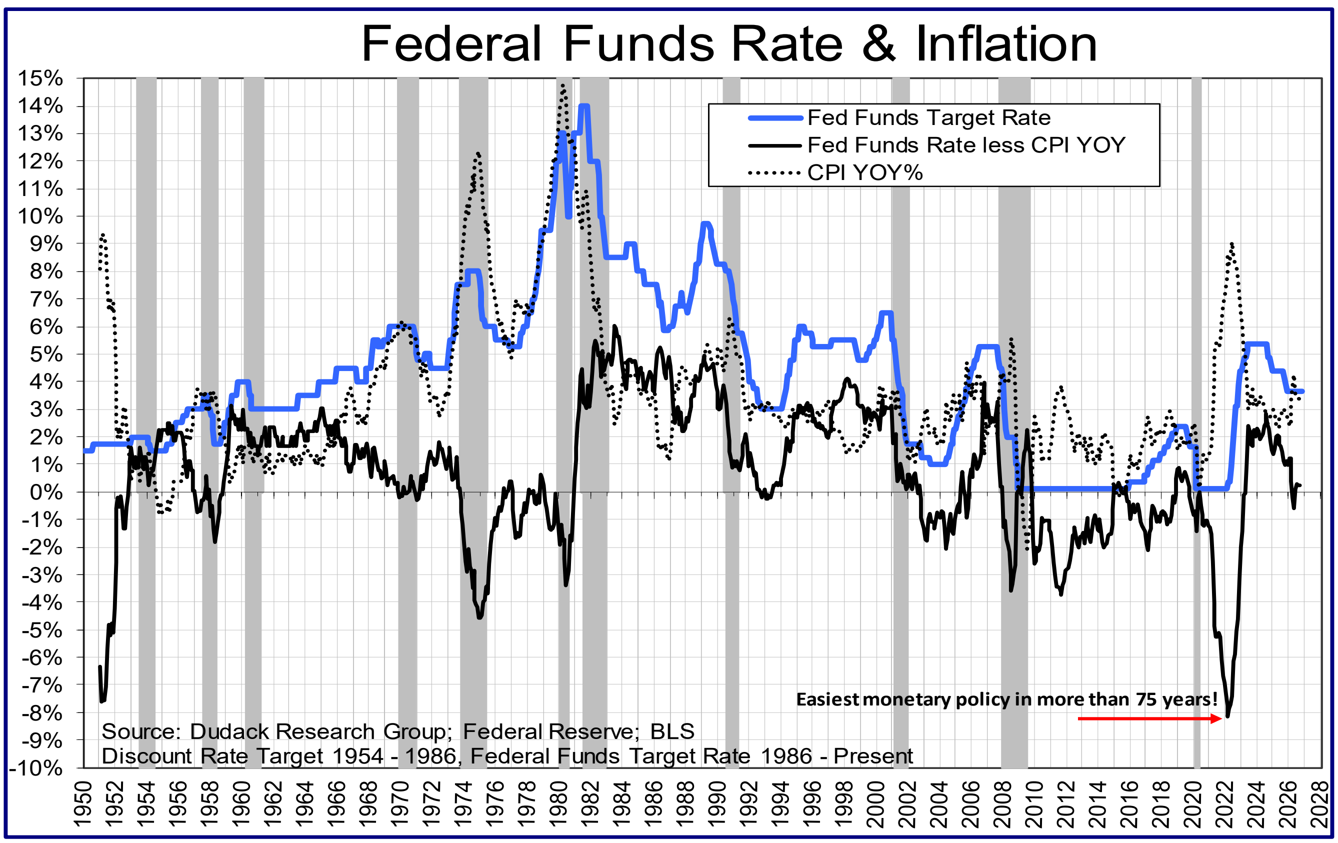
CPI Components Heavy Weights - Not Seasonally Adjusted	Component Weight*	Fuel Weight	Price Chg YOY%	Price Chg MOM%
Housing	**43.9%**	**4.5%**	**3.1%**	**0.2%**
Owners' equivalent rent of residences	**25.7%**		*3.1%*	0.3%
Fuels and utilities	**4.5%**		***5.0%***	**-0.1%**
Transportation	**17.5%**	**3.2%**	**6.2%**	**0.5%**
Food and beverages	**14.3%**		**2.6%**	**-0.1%**
Food at home	**8.2%**		*2.2%*	0.0%
Food away from home	**5.3%**		*3.4%*	0.3%
Alcoholic beverages	**0.8%**		*1.6%*	0.1%
Medical care	**8.2%**		***1.6%***	**-0.1%**
Education and communication	**5.7%**		**2.1%**	**1.9%**
Recreation	**5.0%**		**2.7%**	**0.0%**
Apparel	**2.5%**		**3.6%**	**1.9%**
Other goods and services	**2.9%**		***4.2%***	**0.1%**
Special groups:				
Energy	7.8%		16.3%	1.3%
All items less food and energy	78.8%		2.4%	0.3%
All items	**100.0%**		**3.40%**	**0.32%**

Source: Dudack Research Group; BLS; *July 2026 w eightings; Italics=sub-component; blue>headline

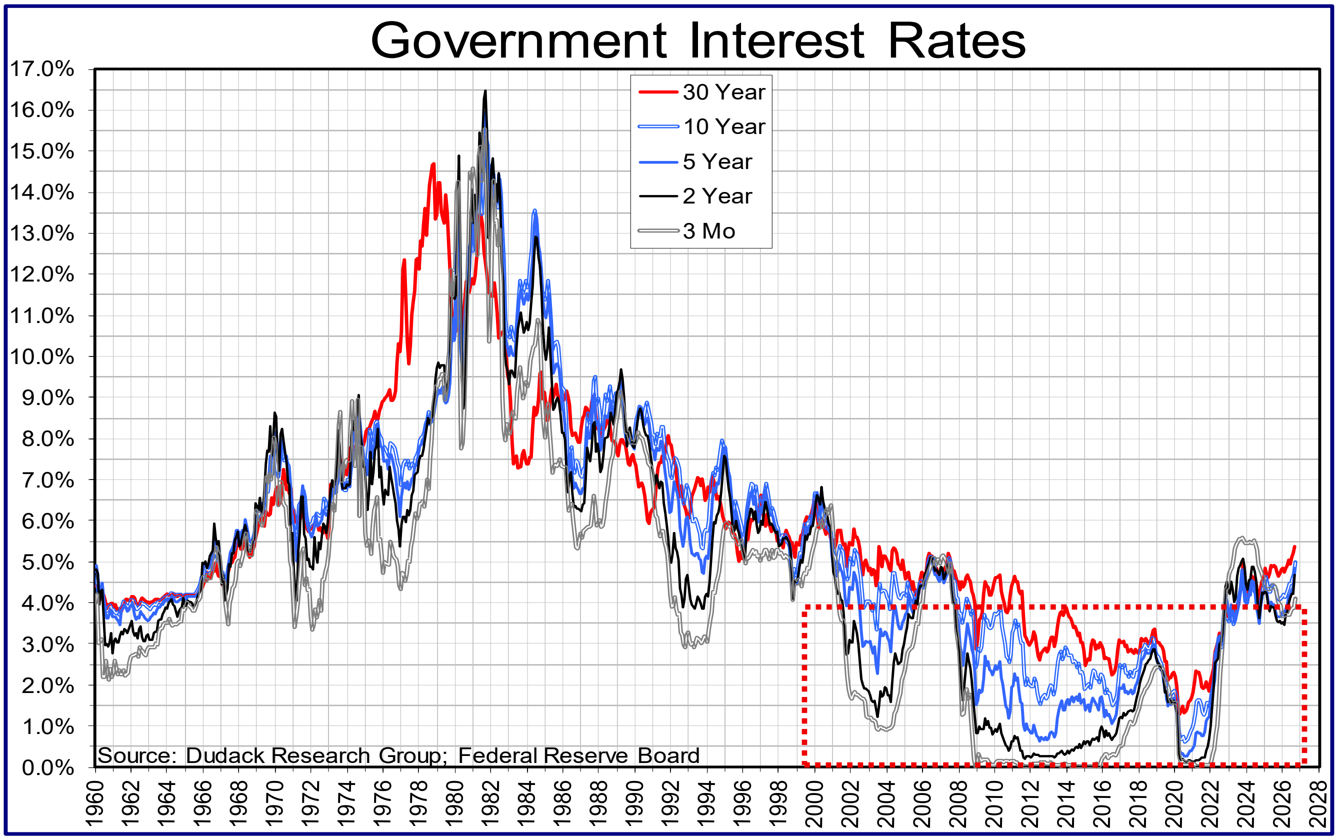


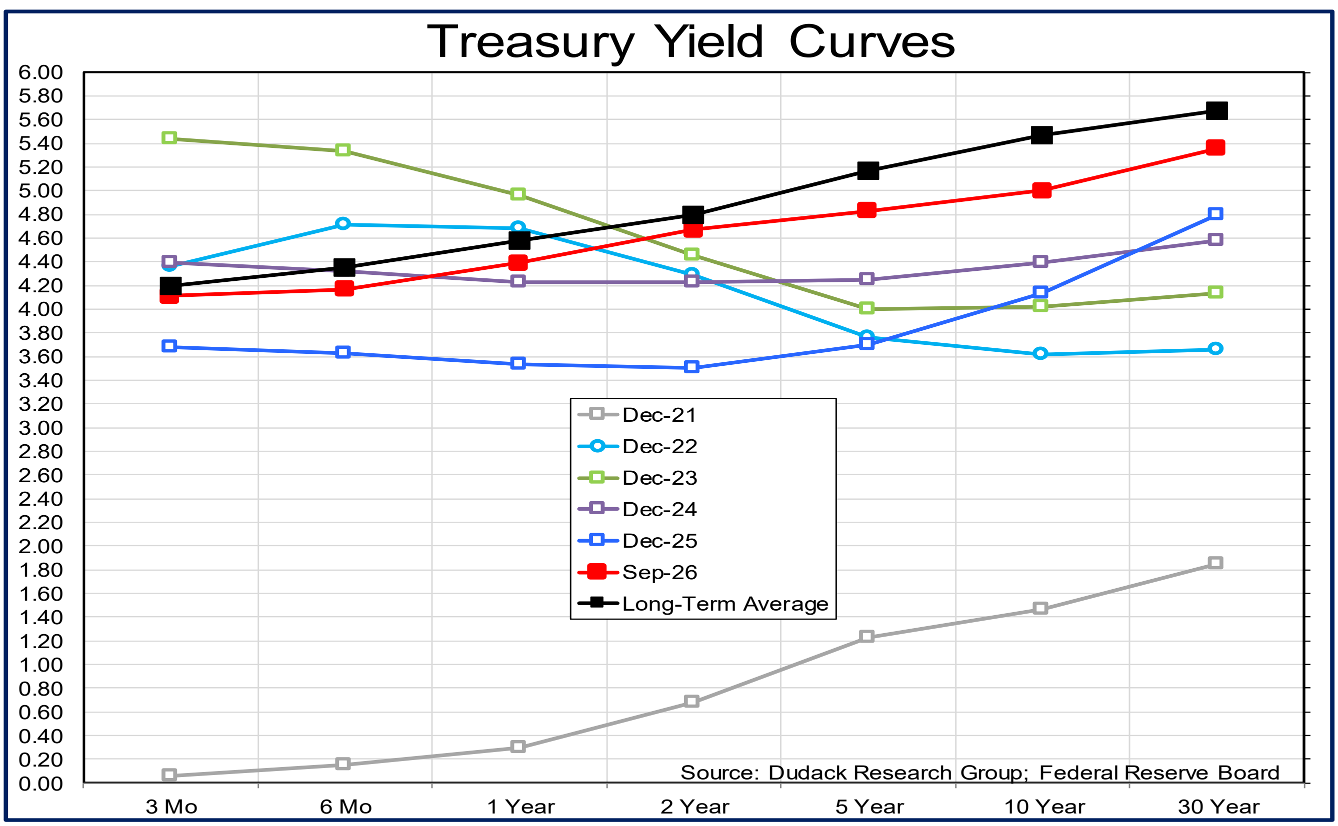
The charts below may help explain the angst tied to the Fed raising rates. Whereas changes in Fed policy were frequent between 1950 and 1988, beginning with the chairmanship of Alan Greenspan (August 11, 1987 to January 31, 2006), who stepped in just before the Crash of 1987 and successfully dealt with that crisis, a policy of longer and more strategic programs of easing and tightening began. In the last twenty years there have only been two tightening cycles: December 2015 to December 2018 from a low in the fed funds range of 0% to 0.25% to a high of 2.25% to 2.50% and from March 2022 to June 2023 from a low of 0% to 0.25% to a high of 5.25% to 5.5%. In between these two tightening cycles, the real fed funds rate was negative, and monetary policy reached its "easiest" level in 75 years. Investors have experienced unusually easy Fed policy in the last two decades and have relied on Fed policy to support the economy and the stock market. Chairman Kevin Warsh is looking to change this dependency.





A 65-year chart of government interest rates shows how extraordinary the last 25 years have been for investors. Interest rates have been in a secular decline since 1981, and interest rates have generally remained below the 4% level for most of this time. However, many are questioning whether this long cycle of lower interest rates is over. We would add to this debate that there are reasons to believe commodities are in demand throughout the world, which implies higher prices and more inflation ahead. Both are likely in our opinion, and it would require a change in investment strategy. However, the angst regarding the level of interest rates and the slope of the yield curve is overdone in our view. The inverted yield curves of December 2022 and December 2023 were signs of a potential recession and this followed with a flat yield curve in 2024 which is a classic sign of a weak economy. The current slope of the yield curve (red) is right in line with the average yield curve (black) and it remains below average levels. In sum, there is no reason to panic.



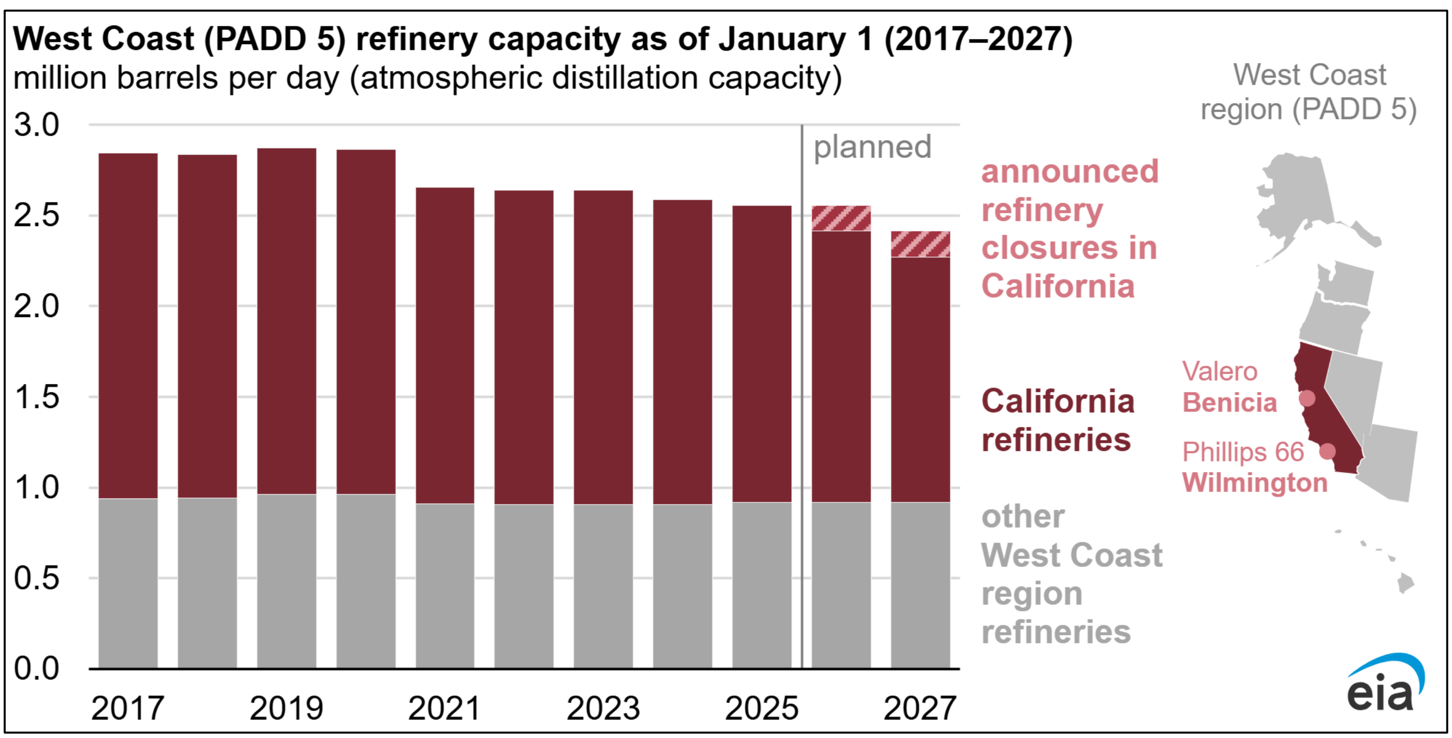


California is an Energy Island

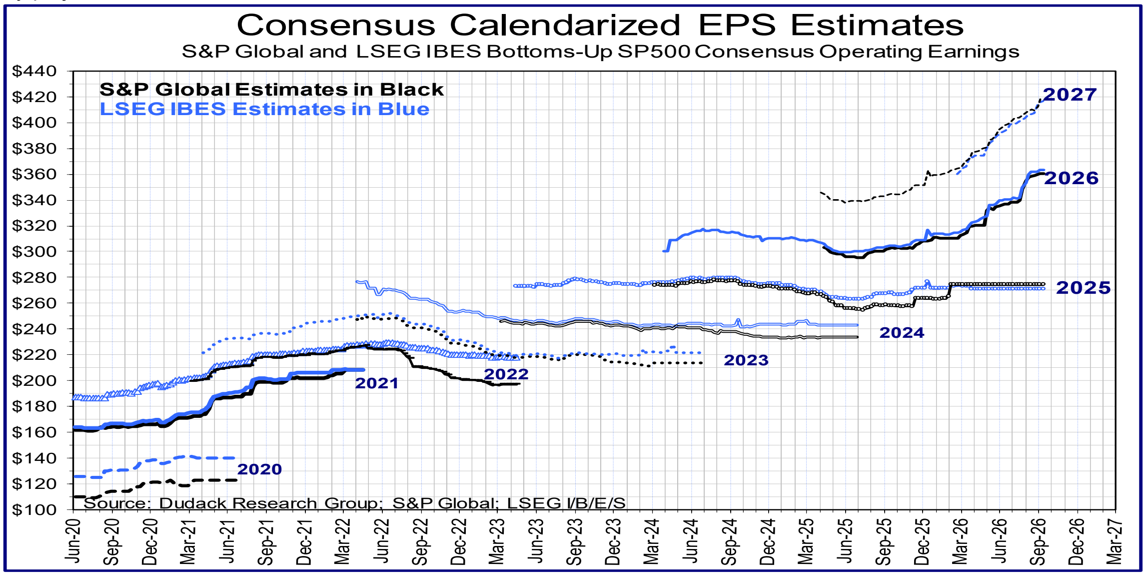
The rise in crude oil prices and the follow-through to gasoline and diesel prices is not due solely to the conflict in the Middle East. According to Argus, California has lost 17% to 20% of its refining capacity after the structural shutdown of Phillips 66 Los Angeles refinery (139,000 b/d) and Valero's Benicia plant (45,000 b/d). Refiners cite high operating costs, strict environmental rules, and compliance with California's "cap-and-invest" carbon market regulation as reasons for the shutdowns.

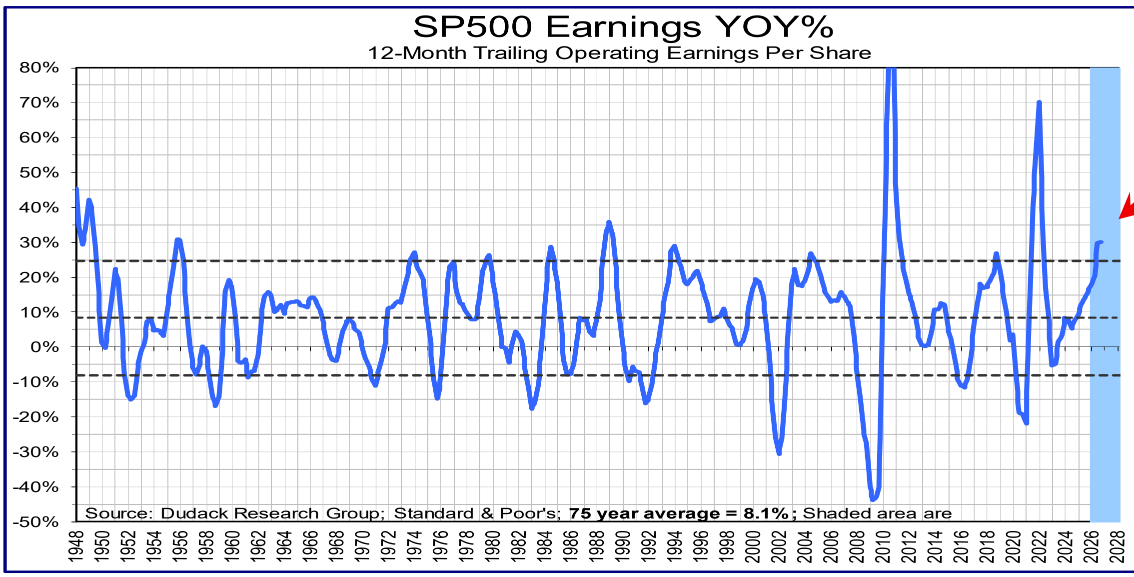
The state of California operates much like an island when it comes to gasoline. The state requires a special blend of fuel that results in lower air pollution to avoid the smog that used to blanket Los Angeles. This combination of California's unique proprietary fuel blend, declining gasoline demand driven by zero-emission vehicle mandates, and a lack of out-of-state pipelines; means the state relies heavily on foreign and out-of-state fuel imports. This contributes to the prices increases seen in California. In addition, when combining all state levies, local taxes, environmental programs, and federal mandates, the total cost allocated to taxes and fees on a single gallon of gas is roughly $1.20 in California.

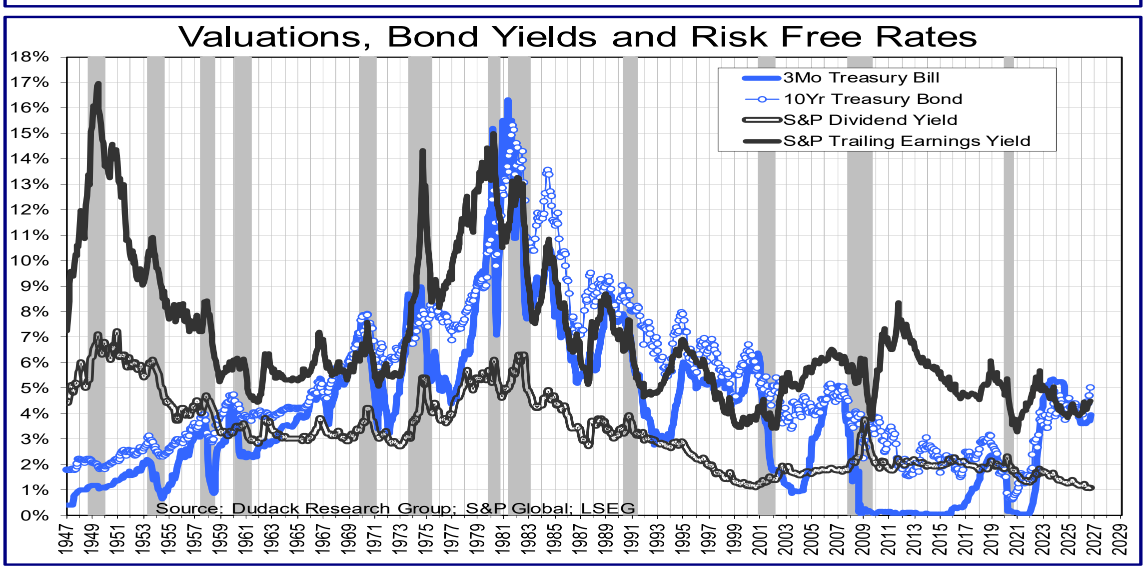
With only six major refiners left operating in California, market concentration has weakened local competition. Surviving refiners saw their average gross profit margin increase by roughly 50% as they passed tight-inventory costs directly to drivers. In short, price hikes at the pump have added billions of dollars to consumer spending, but at the expense of discretionary spending. Gasoline prices disproportionately harm lower-income households who cannot afford to transition to an EV and must rely on internal combustion vehicles. The economic damage also extends beyond consumers and to local tax bases. As an example, the City of Benicia estimates a 13% reduction in its municipal general fund due to the fiscal loss of the Valero plant. Keep in mind that these are policy mandates and will not change when the conflict in the Middle East ends.



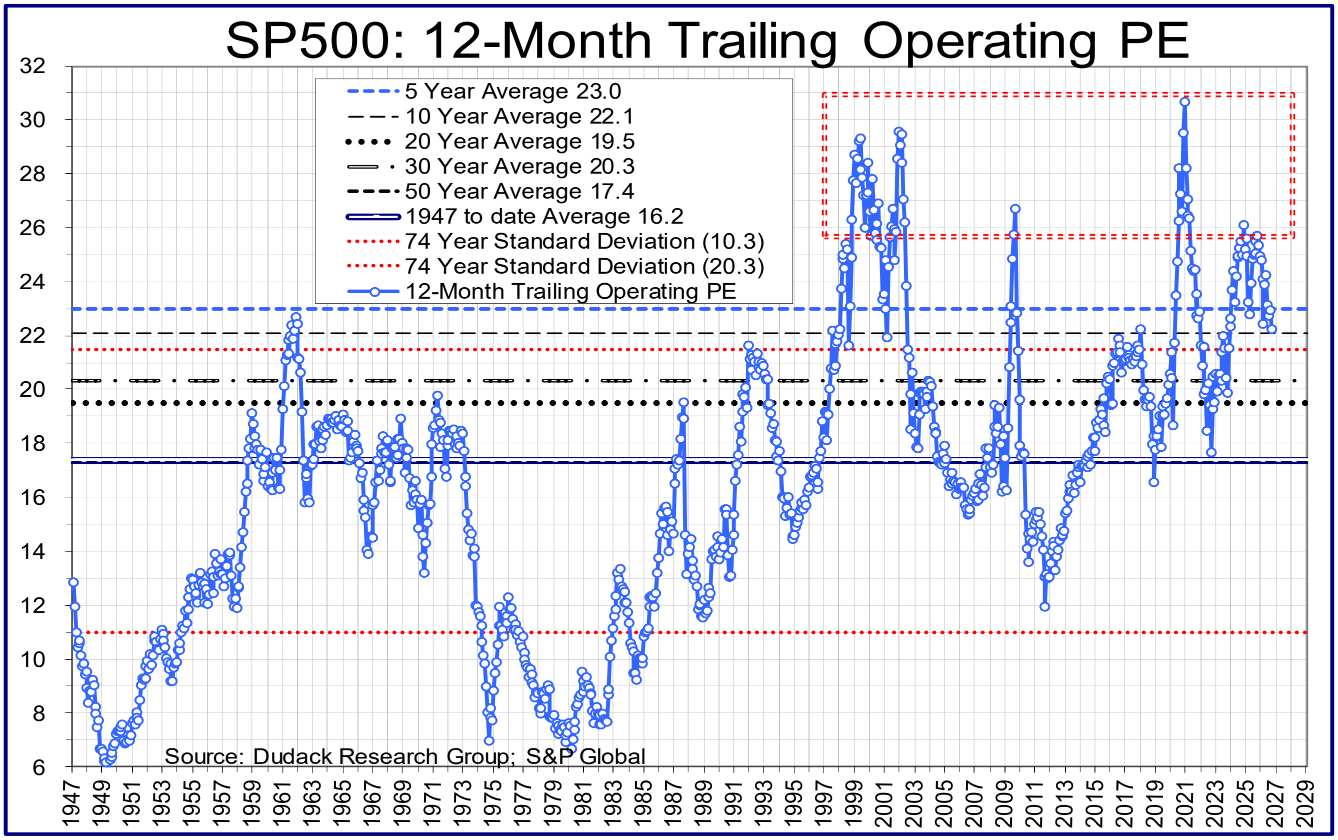
The LSEG IBES consensus earnings estimate for 2026 increased $0.22 to $363.71, the 2027 forecast rose $0.78 to $419.54, and the 2028 forecast increased $4.20 to $486.92. The S&P Global consensus earnings estimate rose $0.10 for 2026 to $360.32 and increased $0.44 to $416.49 for 2027. The market is now trading at 20.95 times the IBES 2026 estimate and 18.16 times the 2027 estimate. The forward earnings yield of 5.2% and dividend yield of 1.1% still compare positively with a rising 10-year Treasury bond yield of 5.0%. Moreover, the estimated S&P Global 12-month trailing sum of operating earnings shows a gain of 30.0% 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 projected to be 16.6% YOY.

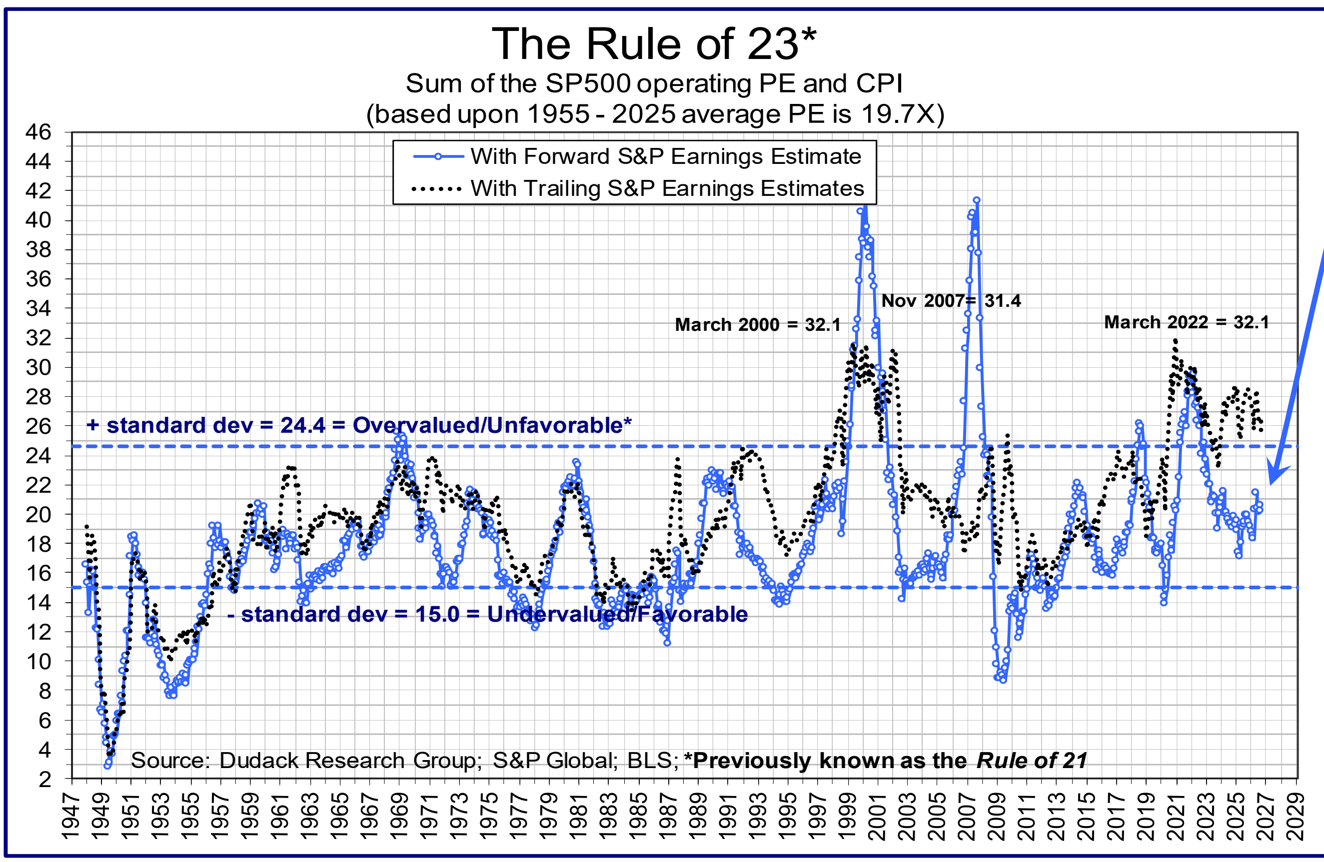






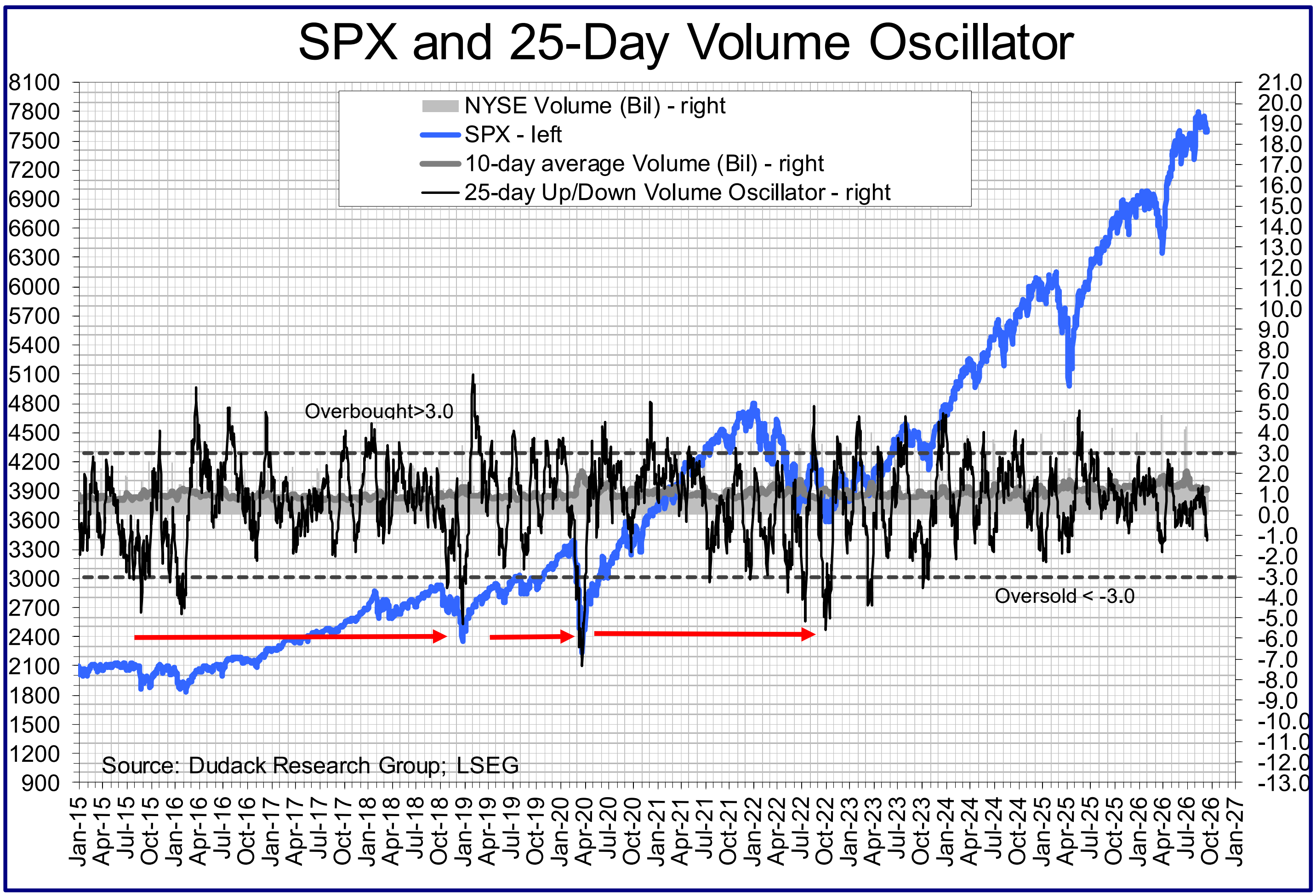
The SPX **trailing** 4-quarter operating earnings multiple is 22.2 times, after falling to an attractive intra-month low of 20.7 times earnings in early April 2025 in response to tariff fears. PE multiples remain stable in the face of rising stock prices due to higher earnings results, but the trailing PE is above the 50-year average of 17.4 times and just below the 5-year average of 23.4 times. Including 2026 S&P Global estimates, the **12-month forward** PE multiple is 17.4 times and is below its long-term average of 17.9 times. When this PE is added to inflation of 3.4%, it comes to 20.8, which places it within the normal range of 15.0 to 24.4.



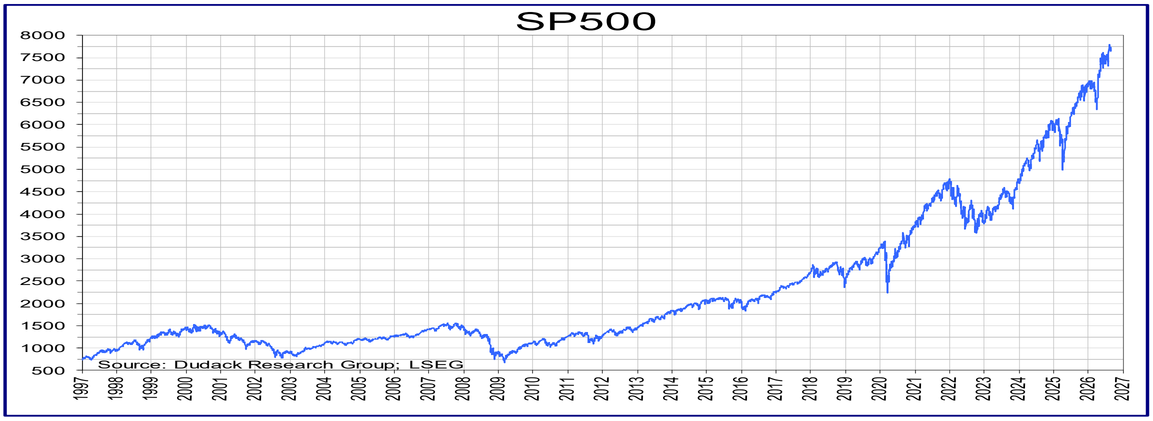


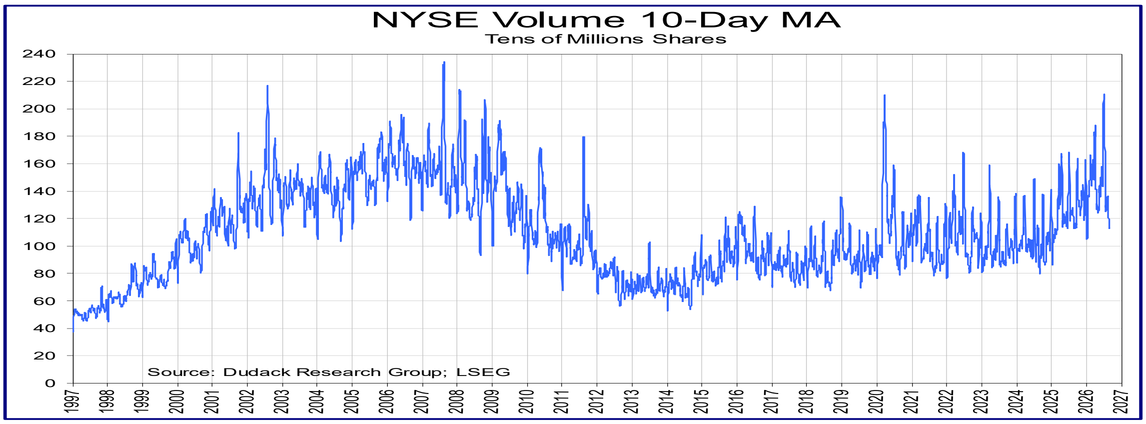
The 25-day up/down volume oscillator is at negative 1.24, down from last week and at its lowest level since April 7, 2026. However, this indicator remains in the neutral range. Neutral readings in this oscillator while the indices were recently at record new highs revealed significant selling into strength.

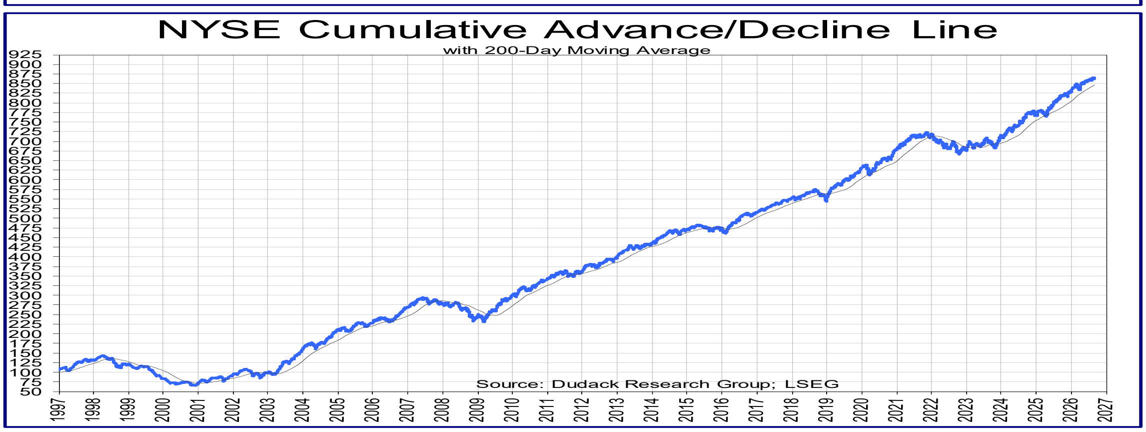
This indicator nearly registered a confirming overbought reading of 3.0 or greater in April but remains in nonconfirmation territory. The current advance materialized after the March 27, 2026, reading of negative 1.8, the lowest reading since April 2025. Note in the chart that levels of roughly negative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

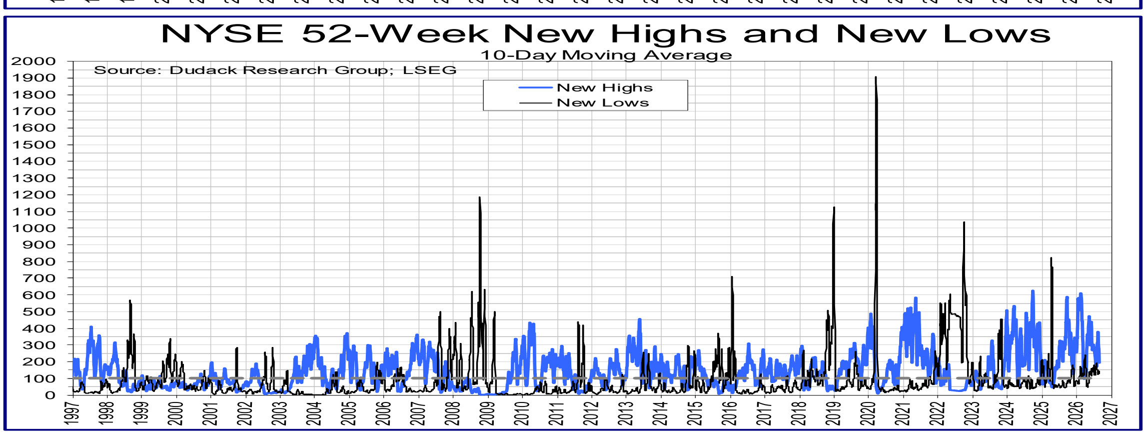


The 10-day average of daily new highs was 139 this week and new lows were 403. This combination of daily new highs above 100 and new lows above 100 shifted this indicator from positive to neutral in mid-May. However, this week's average daily new lows outnumber new highs by a wide margin. On April 11, 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, a month ago, and in line with the new highs recorded by the DJIA, S&P 500, and Russell 2000 at that time. However, the technical underpinnings of the market have weakened since then.

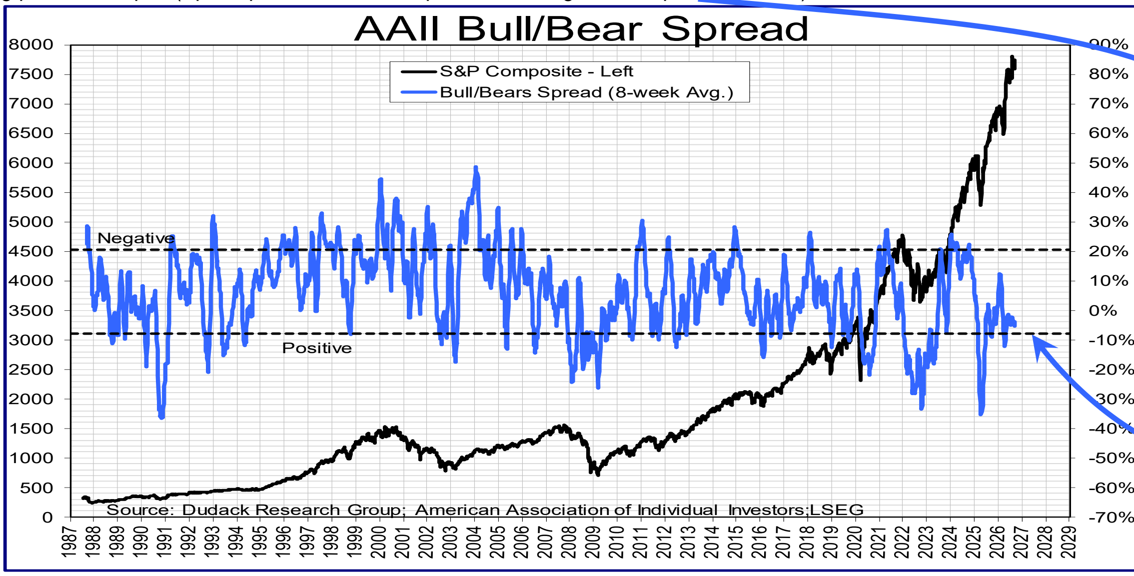


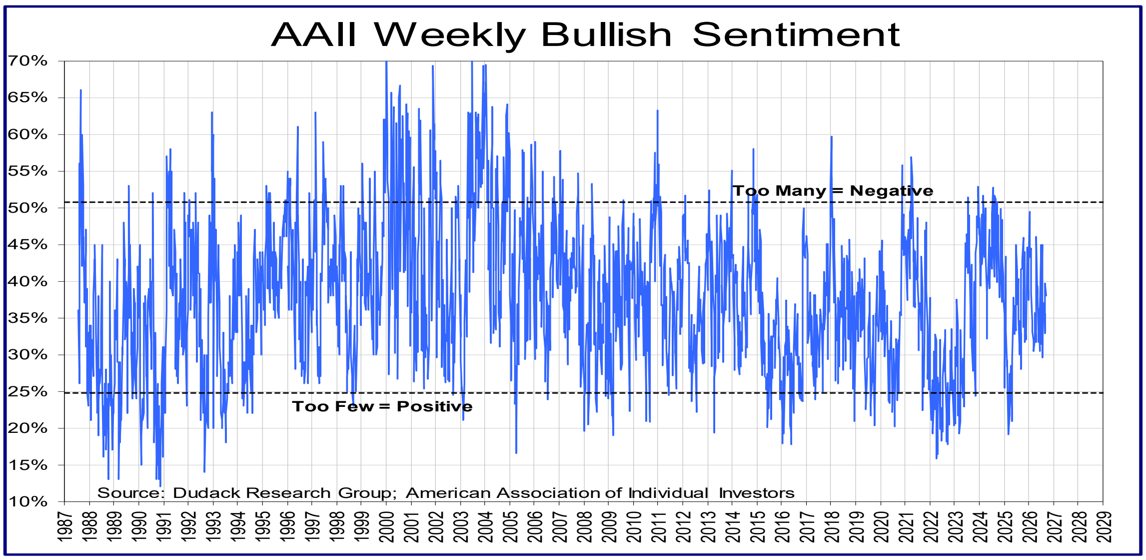


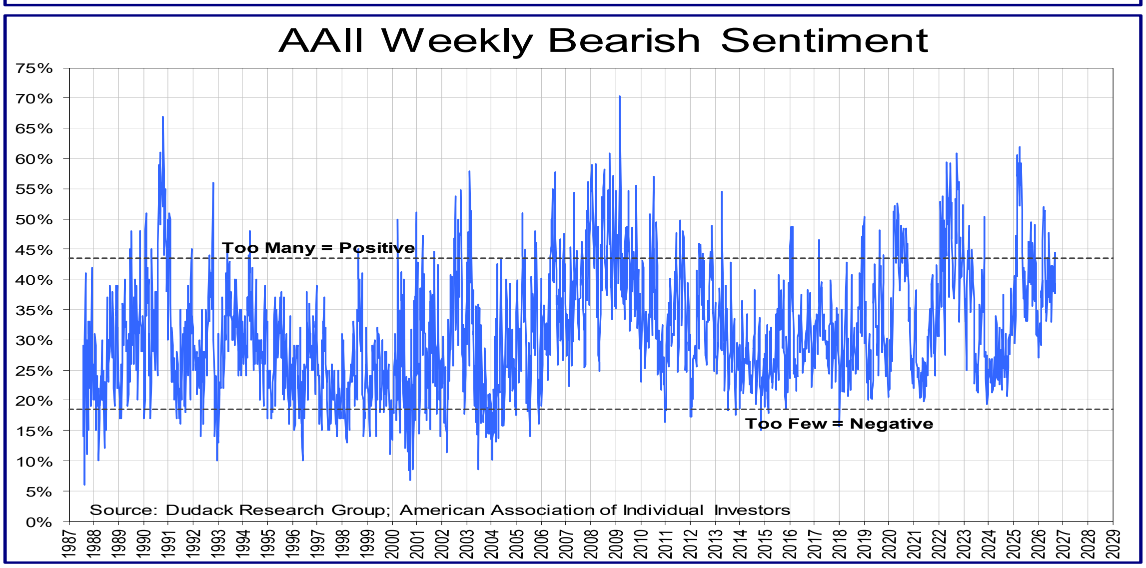




This week AAII bullishness fell 1.7% to 38.0% and bearishness rose 1.7% to 39.3%. Bullishness is above average for the second time in eight weeks, and bearishness remains above average for the 31st week in a row. In the first week of 2026, bearishness was at its lowest level since October 2024. On April 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 was negative 5.4% this week and is neutral for the 19th 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%
Oil Future	CLc1	105.83	13.8%	28.4%	52.3%	84.3%
United States Oil Fund, LP	USO	161.86	10.8%	27.9%	52.1%	134.0%
Communication Services Select Sector SPDR Fund	XLC	114.03	2.3%	1.0%	6.4%	-3.1%
iShares Russell 1000 Growth ETF	IWF	207.24	2.0%	11.3%	84.1%	75.1%
Energy Select Sector SPDR	XLE	65.93	1.8%	6.5%	17.9%	47.5%
Health Care Select Sect SPDR	XLV	167.66	0.3%	0.2%	4.7%	8.3%
Consumer Staples Select Sector SPDR	XLP	83.73	-0.3%	-2.7%	-7.0%	7.8%
SPDR S&P Bank ETF	KBE	67.95	-0.7%	-5.2%	11.3%	12.0%
Financial Select Sector SPDR	XLF	56.85	-0.8%	-2.3%	10.5%	3.8%
iShares Russell 1000 Value ETF	IWD	253.49	-0.8%	-2.0%	12.4%	20.5%
iShares MSCI Japan ETF	EWJ	96.92	-1.1%	-1.3%	4.9%	20.0%
iShares MSCI United Kingdom ETF	EWU	47.80	-1.1%	-1.0%	-1.8%	8.7%
iShares iBoxx $ Invest Grade Corp Bond	LQD	104.28	-1.1%	-1.7%	-4.4%	-5.4%
SP500	.SPX	7585.73	-1.1%	-2.6%	10.3%	10.8%
SPDR DJIA ETF	DIA	521.23	-1.3%	-2.9%	6.4%	8.5%
DJIA	.DJI	52093.11	-1.3%	-3.1%	6.4%	8.4%
SPDR Gold Trust	GLD	394.15	-1.4%	-1.8%	7.0%	-0.5%
iShares Russell 1000 ETF	IWB	413.19	-1.4%	-2.9%	9.8%	10.6%
Nasdaq Composite Index	.IXIC	25981.57	-1.7%	-2.8%	14.6%	11.8%
iShares China Large Cap ETF	FXI	34.40	-1.7%	-1.4%	-7.7%	-10.2%
PowerShares Water Resources Portfolio	PHO	68.53	-1.8%	-4.8%	-0.8%	-2.7%
iShares 20+ Year Treas Bond ETF	TLT	80.71	-1.8%	-1.6%	-6.6%	-7.4%
NASDAQ 100	NDX	28937.84	-1.9%	-3.7%	15.9%	14.6%
Shanghai Composite	.SSEC	3864.28	-1.9%	-1.6%	-7.2%	-2.6%
iShares MSCI Canada ETF	EWC	60.29	-2.0%	-3.1%	4.6%	11.8%
iShares US Telecomm ETF	IYZ	42.32	-2.0%	-3.4%	6.5%	24.8%
iShares MSCI Malaysia ETF	EWM	27.55	-2.0%	-1.6%	-5.7%	0.7%
iShares MSCI Hong Kong ETF	EWH	22.47	-2.0%	0.4%	-7.2%	5.7%
iShares MSCI Brazil Capped ETF	EWZ	37.78	-2.1%	11.3%	9.5%	18.9%
iShares MSCI EAFE ETF	EFA	105.40	-2.2%	-3.0%	1.5%	9.8%
Technology Select Sector SPDR	XLK	183.74	-2.2%	-3.3%	32.4%	26.0%
iShares Russell 2000 Value ETF	IWN	217.68	-2.3%	-4.3%	10.2%	20.1%
iShares MSCI BRIC ETF	BKF	39.56	-2.3%	-1.8%	2.1%	-9.7%
Gold Future	GCc1	4291.60	-2.3%	-2.0%	6.7%	-0.8%
Materials Select Sector SPDR	XLB	50.73	-2.3%	-3.4%	-5.0%	11.9%
iShares MSCI Germany ETF	EWG	42.53	-2.4%	-3.7%	2.8%	0.1%
iShares Nasdaq Biotechnology ETF	IBB.O	202.00	-2.6%	1.9%	15.2%	19.7%
Vanguard FTSE All-World ex-US ETF	VEU	83.78	-2.6%	-2.2%	0.0%	13.9%
iShares US Real Estate ETF	IYR	99.31	-2.7%	-5.5%	-1.9%	5.8%
Consumer Discretionary Select Sector SPDR	XLY	110.88	-2.7%	-6.2%	-5.5%	-7.1%
SPDR S&P Retail ETF	XRT	83.22	-2.9%	-6.4%	-4.3%	-2.4%
SPDR Homebuilders ETF	XHB	97.76	-3.0%	-10.3%	-15.2%	-5.1%
iShares MSCI India ETF	INDA.K	47.59	-3.1%	-4.4%	-3.6%	-12.0%
iShares Silver Trust	SLV	60.46	-3.2%	-1.6%	7.5%	-10.6%
Industrial Select Sector SPDR	XLI	168.85	-3.2%	-9.5%	-4.7%	8.9%
iShares Russell 2000 ETF	IWM	285.14	-3.2%	-6.5%	9.1%	15.8%
iShares MSCI Austria Capped ETF	EWO	43.26	-3.3%	-2.3%	2.2%	22.0%
iShares MSCI Singapore ETF	EWS	33.13	-3.3%	-1.6%	15.2%	20.4%
iShares MSCI Mexico Capped ETF	EWW	74.03	-3.4%	-1.3%	-1.6%	6.8%
iShares MSCI Australia ETF	EWA	28.89	-3.7%	-2.6%	2.6%	10.3%
iShares Russell 2000 Growth ETF	IWO	361.21	-4.2%	-8.7%	7.7%	11.8%
iShares MSCI Taiwan ETF	EWT	106.67	-4.4%	-0.4%	41.0%	67.9%
iShares MSCI Emerg Mkts ETF	EEM	65.76	-4.5%	-1.3%	-3.9%	20.2%
Silver Future	SIc1	63.24	-4.6%	-2.7%	6.3%	-9.8%
Utilities Select Sector SPDR	XLU	41.32	-4.9%	-6.7%	-13.4%	-3.2%
VanEck Semiconductor ETF	SMH	542.11	-5.5%	-7.8%	31.6%	50.5%
iShares DJ US Oil Eqpt & Services ETF	IEZ	28.90	-5.6%	-4.7%	7.4%	38.5%
iShares MSCI South Korea Capped ETF	EWY	176.49	-7.1%	-1.8%	16.6%	81.5%

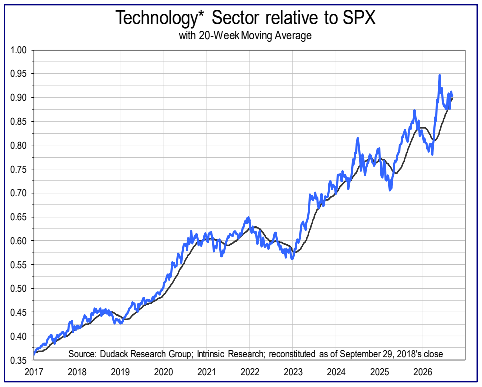
Outperformed SP500
Underperformed SP500

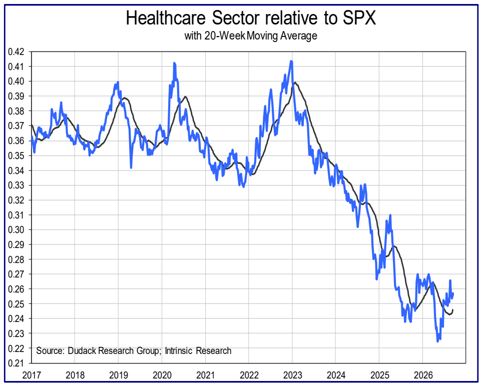
Source: Dudack Research Group; LSEG
Priced as of September 15, 2026
Blue shading represents non-US and **yellow** shading represents commodities

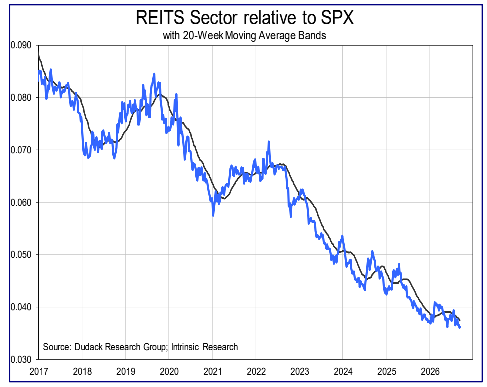
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

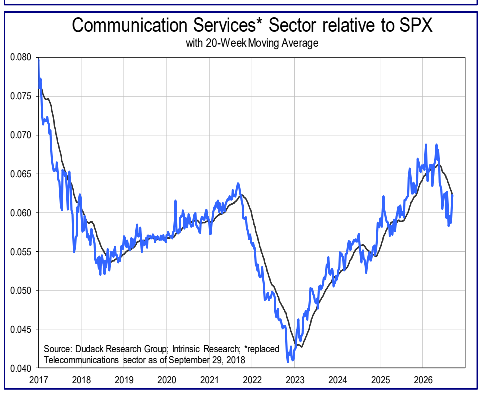
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Communication Services	Healthcare	REITS
Technology	Staples	Materials
Industrials	Utililties	Energy
Financials	Consumer Discretionary	

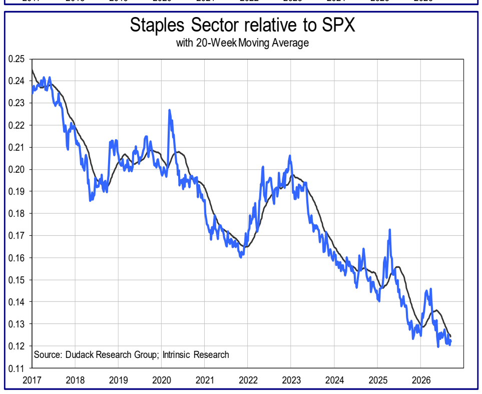
12/23/2025: Shifted Consumer Discretionary from overweight to neutral and Industrials from neutral to overweight.

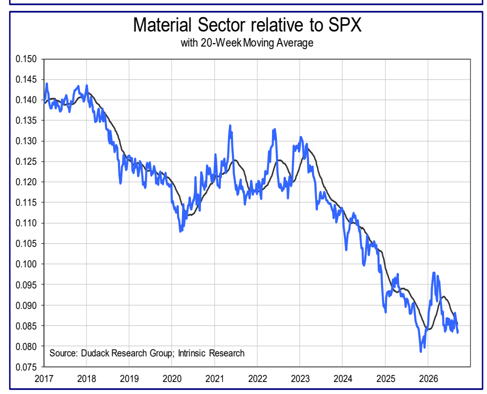


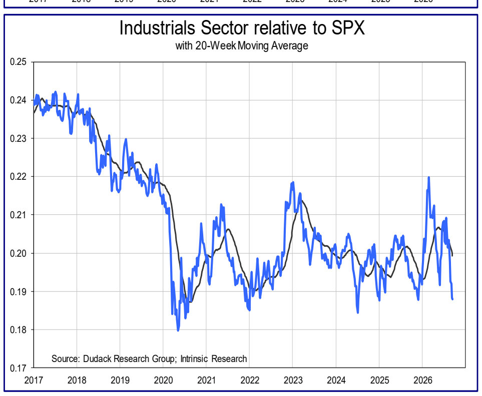


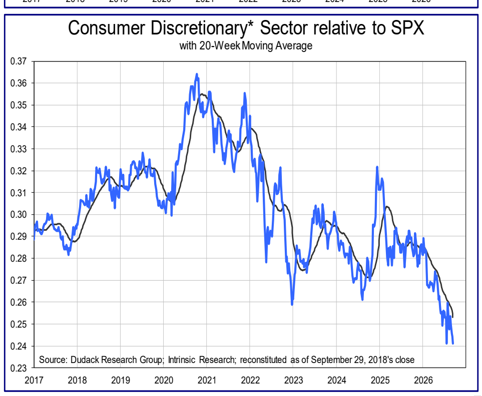


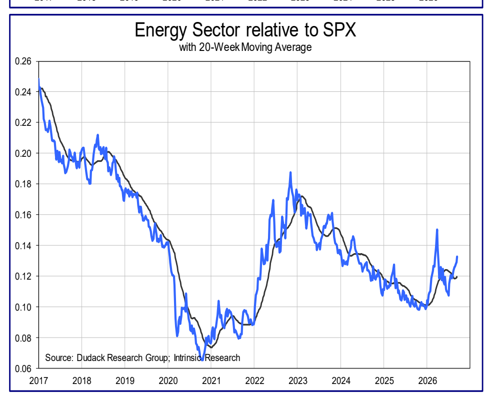


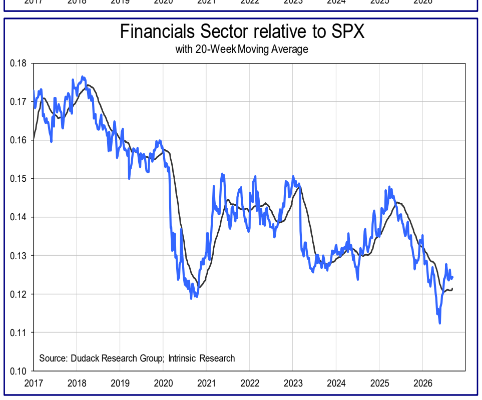


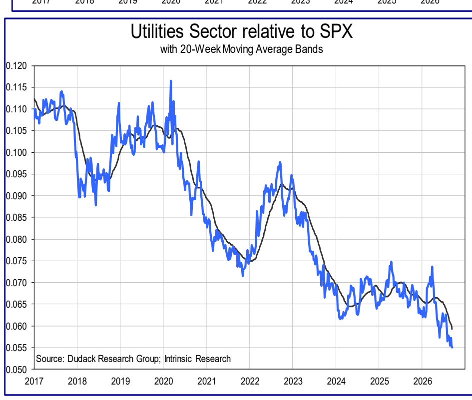












2026 YTD Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	46.5%
S&P INFORMATION TECH	20.7%
S&P MATERIALS	10.8%
S&P 500	10.8%
S&P INDUSTRIALS	8.6%
S&P HEALTH CARE	7.9%
S&P REITS	7.3%
S&P CONSUMER STAPLES	7.1%
S&P COMMUNICATIONS SERVICES	3.9%
S&P FINANCIAL	3.5%
S&P UTILITIES	-3.8%
S&P CONSUMER DISCRETIONARY	-5.2%

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	~~~~~	$360.32	$360.00	-5.4%	$363.71	34.1%	19.0X	1.1%	NA	NA	NA
2027E	~~~~~	$416.48	$410.00	8.4%	$419.54	15.4%	16.4X	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	$99.42	$98.00	47.7%	$100.52	50.7%	23.2	1.1%	1.5%	$3,921.40	20.3%
2026 3QE*	7585.73	$89.18	$88.75	23.5%	$90.01	23.7%	22.2	NA	NA	NA	NA
2026 4QE	NA	$92.47	$94.00	28.2%	$93.27	28.0%	21.1	NA	NA	NA	NA
2027 1QE	NA	$94.67	$95.00	19.9%	$95.49	27.3%	20.2	NA	NA	NA	NA
2027 2QE	NA	$101.90	$101.00	3.1%	$102.50	2.0%	20.1	NA	NA	NA	NA
2027 3QE	NA	$107.24	$105.50	18.9%	$108.29	20.3%	19.1	NA	NA	NA	NA
2027 4QE	NA	$112.67	$108.50	15.4%	$113.67	21.9%	18.2	NA	NA	NA	NA

Source: DRG; S&P Dow Jones **quarterly EPS may not sum to official CY estimates; LSEG IBES Consensus estima 9/15/2026

Regulation AC Analyst Certification

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"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 September 15, 2026