



US Strategy Weekly

A Three-stock Rally?

Apple, Inc. (AAPL - \$207.15) shares jumped over 7% to a record high after announcing that later this year the “Apple Intelligence” platform – its foray into the generative AI space -- will be integrated across the company’s hardware and software products using M1 chips or higher. Apple’s surge lifted the S&P 500 and Nasdaq to new highs and boosted Apple’s market capitalization by \$215 billion to \$3.18 trillion. According to Dow Jones Market Data, this was the third-largest one-day market cap surge in history, and it also made AAPL the second-largest stock in the S&P 500. Apple is now second only to Microsoft Corp. (MSFT - \$432.68) with a market cap of \$3.22 trillion. Nvidia Corp. (NVDA - \$120.91) is currently in third place with a market cap of \$2.97 trillion. Together, these three stocks now represent 21% of the S&P 500’s \$44.3 trillion market cap. The concentration of performance continues to narrow.

Apple was not the only news of the day. Stocks were also supported by bonds after a solid \$39 billion Treasury sale triggered speculation that this week’s CPI reading may help build the case for the Federal Reserve to cut rates later this year. Demand in the auction of 10-year debt was strong, with the bid-to-cover ratio of 2.67, the highest since February 2022, or prior to the start of the Fed’s tightening cycle. Treasuries were also seen as a safe haven vehicle given the current political upheaval in Europe. French stocks and bonds were rattled this week after French President Emmanuel Macron’s political party suffered a defeat in the European Parliament election over the weekend. Macron called for a snap parliamentary election that will take place in two rounds concluding on July 7. Macron was not the only European leader to see this weekend’s election results shift power to the conservative right, but the political risk of a snap election in France resulted in a sell-off in French banking stocks and sovereign bonds. To make matters worse, S&P Global Ratings had downgraded France last week. In sum, US Treasuries became the beneficiaries of European turmoil.

In the US, a survey conducted by 22V Research showed that most investors are betting that both the consumer price index and the Fed decision will be “risk on” events. According to the median estimate in a Bloomberg survey, 41% plurality of economists expect the Fed to signal two cuts in the closely watched “dot plot,” while an equal number expect the forecasts to show just one or no cuts at all. We would put ourselves in the latter category. Inflation has not been tamed, in our view, and the economy is showing both strength and weakness, which should give the Fed pause until a clearer trend appears.

It was a busy week for economic releases. The NFIB small business optimism index rose 0.8 points to 90.5, the highest level since December. Job openings, hiring plans, capex plans, and plans to raise prices all rose, while most other components fell. The uncertainty index jumped 7 points to 85, the highest since November 2020. Actual earnings, sales, sales expectations, inventory satisfaction, and inventory plans all fell in May. It was confusing to see hiring and capex plans increase as earnings and sales declined. See page 3.

Similarly, May’s ISM indices showed a mixed picture. The manufacturing index fell to 48.7, the 18th reading below 50 in the last 19 months. The nonmanufacturing index rose to 53.8, up nicely from its

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first reading below 50 since December 2022. Business activity fell to 50.2 for manufacturing but jumped to 61.2 for nonmanufacturing, the highest since November 2022. Ironically, employment rose to 51.1 for manufacturing, one of the highest readings in 2 years, while nonmanufacturing employment also rose, but remained below 50 at 47.1. See page 4.

The employment report for May was far better than expected, showing a gain of 272,000 new jobs, and previous months were revised down by only 15,000. Our concern is the discrepancy between the household and establishment surveys. The establishment survey shows job growth of 1.8% YOY in April and May, better than the long-term average of 1.69% YOY. However, the household survey shows near-zero job growth of 0.3% YOY in April and 0.2% YOY in May. This survey is important since a negative annual growth rate in total jobs has historically been a key indicator of a recession. Moreover, the household survey showed a decline in employment, a decline in the civilian labor force, and an increase in those unemployed in May. These numbers help explain why the unemployment rate rose from 3.9% to 4.0% in May. See page 5.

Average hourly earnings rose 4.2% YOY in May, up from 4.1% YOY in April. This gives the impression of accelerating wage growth. But, after adjusting for inflation, average hourly earnings rose 0.74% YOY, just slightly better than the 0.70% recorded in April. See page 6. Total private weekly earnings were \$1197.41 in May, up 3.8% YOY; while production and non-supervisory weekly earnings averaged \$1013.66, up 4.2% YOY. However, if indexed to inflation, average real weekly earnings for non-supervisory workers rose 0.7% YOY and were down 3% from the May 2020 cyclical peak. See page 7. In short, due to inflation, the purchasing power of households has been declining for the last four years.

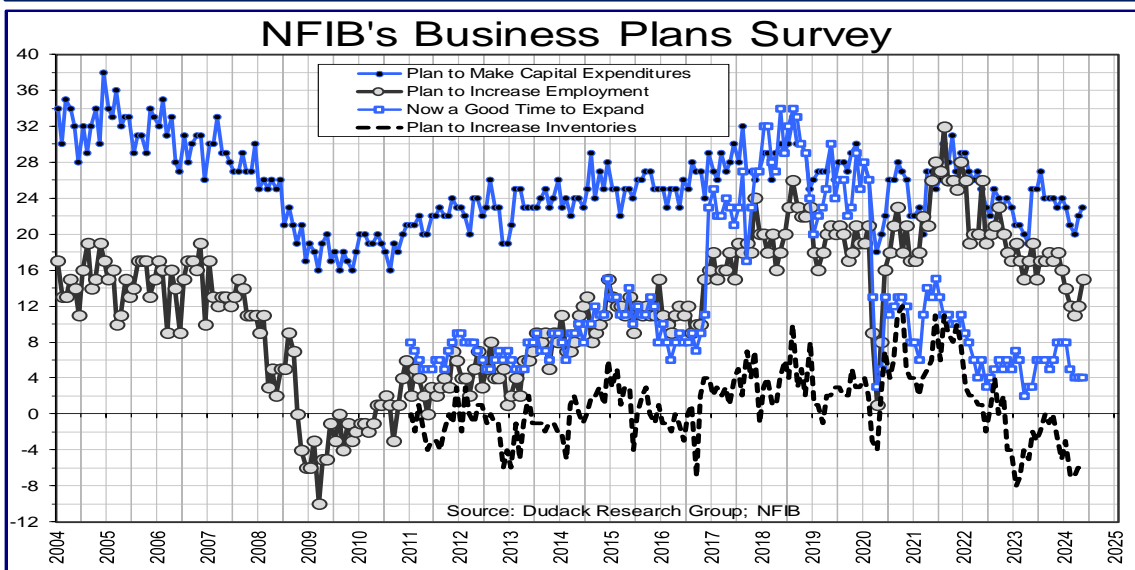
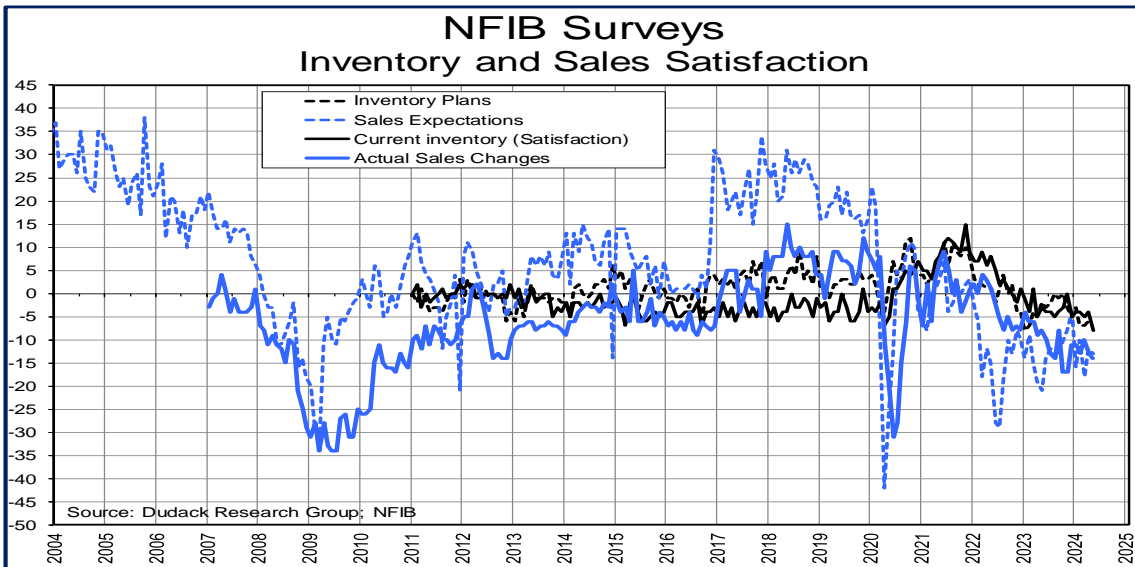
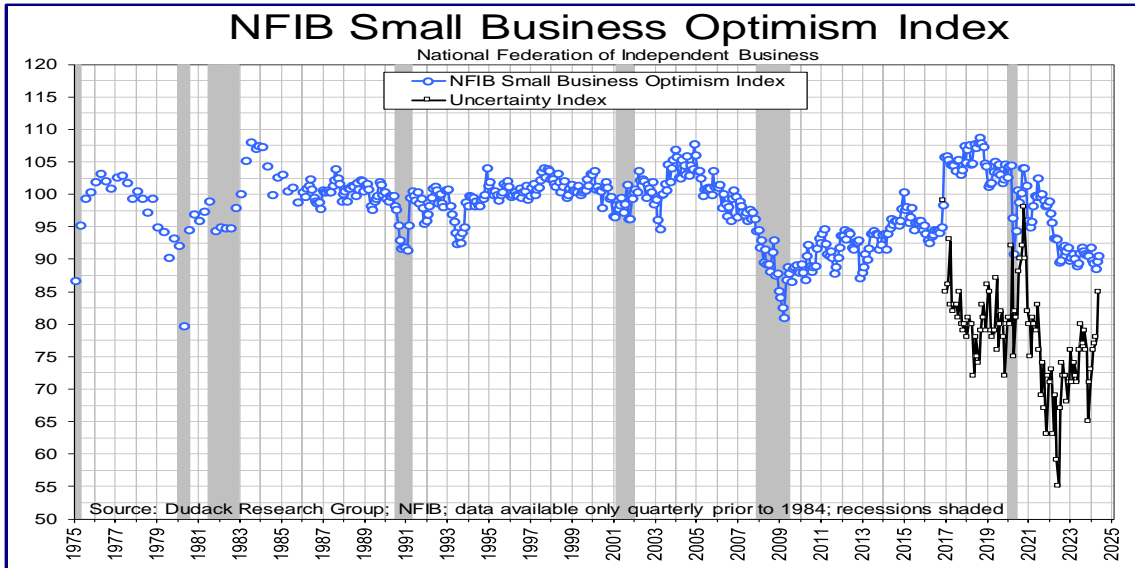
On page 8, an overlay of the growth rate of inflation and average weekly earnings helps display when, and how much, inflation eats into earnings. This chart also shows that when inflation has been higher than wage growth for a period of time (like it was for all of 2022), a recession follows. This is logical since inflation is negative for consumption. But, in this cycle, a variety of fiscal stimulus programs has compensated for falling real wages and prevented a recession. One positive sign for the economy is that average weekly hours, which have been declining since the post-pandemic spike, have begun to slowly increase in recent months. See page 8.

The Federal Reserve is not expected to change its policy this week, but the inflation data released for May could have an impact on both future Fed policy and the stock market. While many inflation benchmarks have generally been decelerating, recent data has been mixed. We are less optimistic than most about rate cuts because in past tightening cycles the Fed has increased rates until the real fed funds rate reached a minimum of 400 basis points. The recent peak in the current cycle was 270 basis points in April. This may not be enough to beat inflation. See page 9.

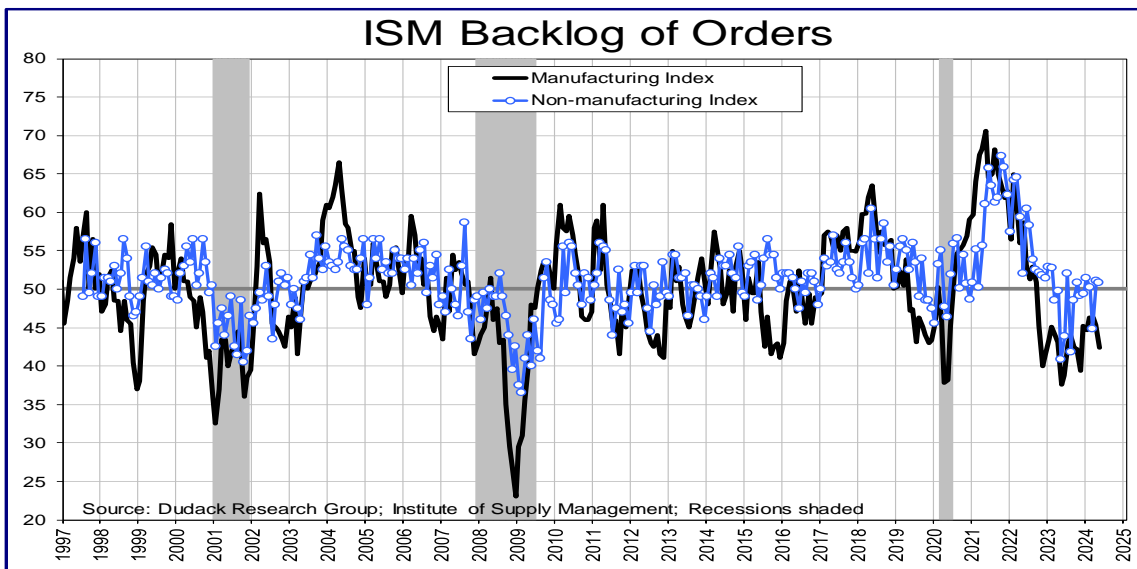
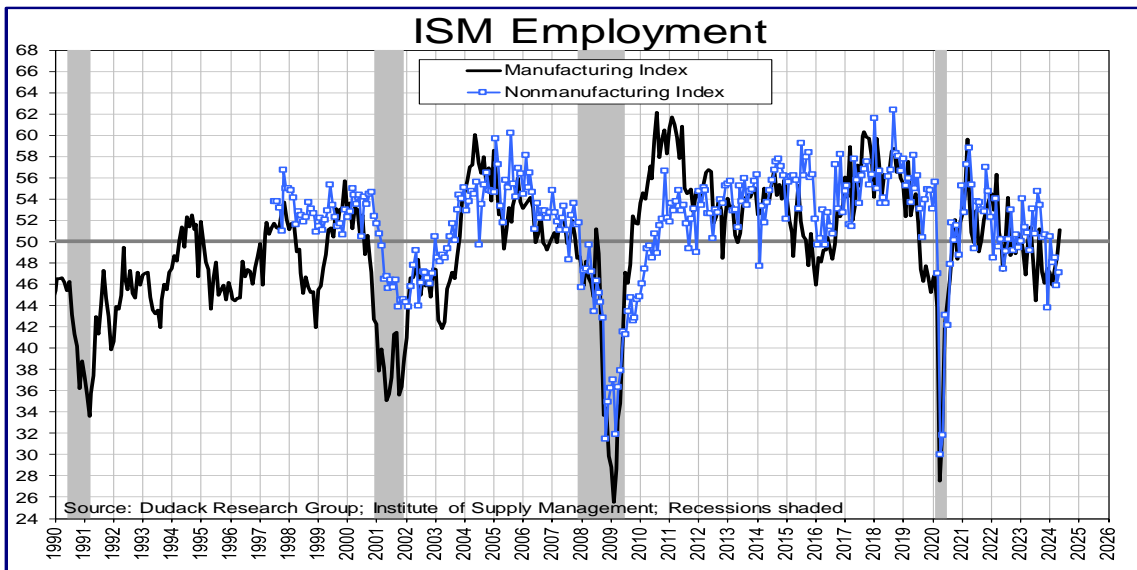
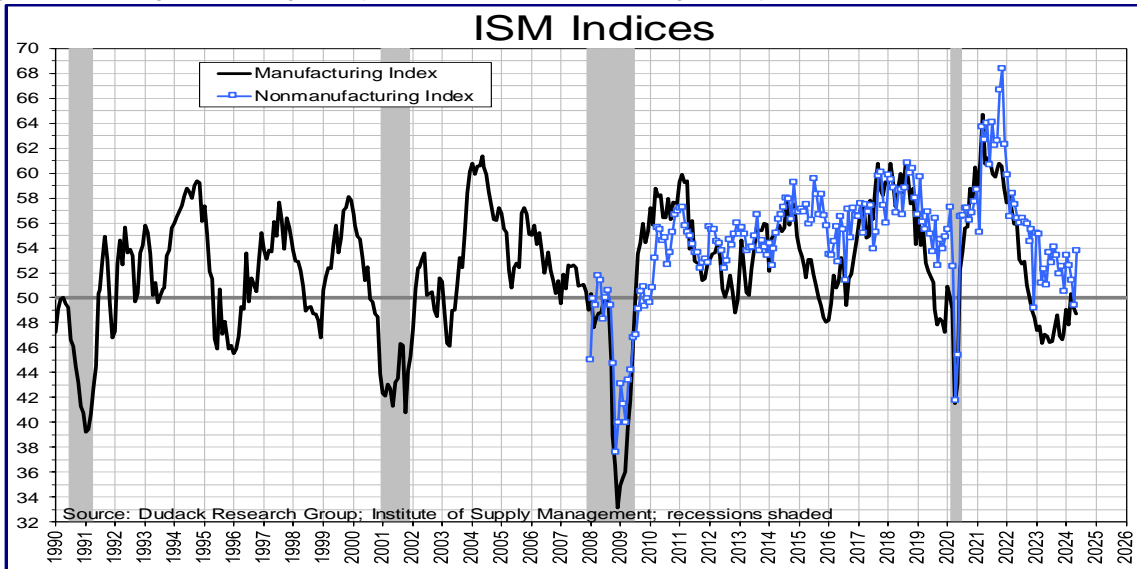
Several other factors concern us. After the June 2022 CPI peak, what dampened inflation was the fact that energy prices were falling for most of 2023 and were negative on a year-over-year basis. But even with Biden's recent release of oil from the strategic oil reserve, WTI prices remain firm, and the price of oil was up over 13% YOY in May and up nearly 11% YOY in June, to date. This could be a hurdle for inflation in the coming months. Many economists still suggest CPI would be at 2% or lower if owners' equivalent rent was excluded. This is simply not true. The CPI index less shelter and the index less food and shelter have been trending higher for the last 12 months. This debunks the theory that owners' equivalent rent is driving inflation this year. See page 10.

There was little change in technical indicators this week. The S&P 500 and the Nasdaq Composite made new highs this week. The Dow Jones Industrial Average made a record high on May 17, 2024. The Russell 2000 index remains 17% below its high of 2442.74 made on November 8, 2021. Both the Russell and the DJIA are trading below their 50-day and 100-day moving averages this week. See page 13. The 25-day up/down volume oscillator remains close to zero, a sign that volume in advancing stocks has been equal to volume in declining stocks. See page 14.

The NFIB small business optimism index rose 0.8 points to 90.5, the highest level since December. Job openings, hiring plans, capex plans, and plans to raise prices all rose, while most other components fell. The uncertainty index jumped 7 points to 85, the highest since November 2020. Actual earnings, sales, sales expectations, inventory satisfaction, and inventory plans all fell in May.



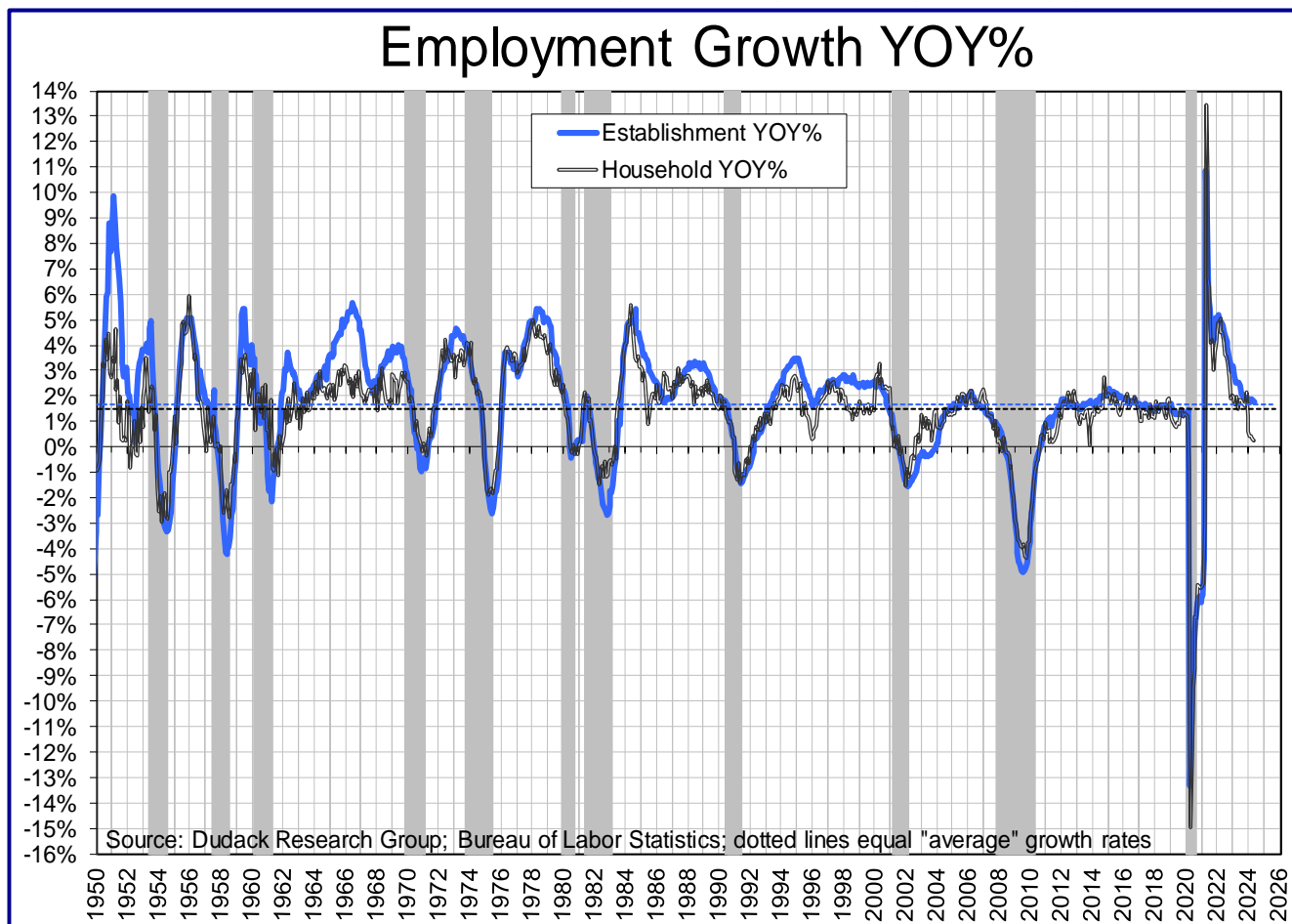
May's ISM indices showed a similar mixed picture. The manufacturing index fell to 48.7, the 18th reading below 50 in the last 19 months. The nonmanufacturing index rose to 53.8, up nicely from its first reading below 50 since December 2022. Business activity fell to 50.2 for manufacturing but jumped to 61.2 for nonmanufacturing, the highest since November 2022. Ironically, employment rose to 51.1 for manufacturing, one of the highest readings in 2 years, while nonmanufacturing employment also rose, but remained below 50 at 47.1.



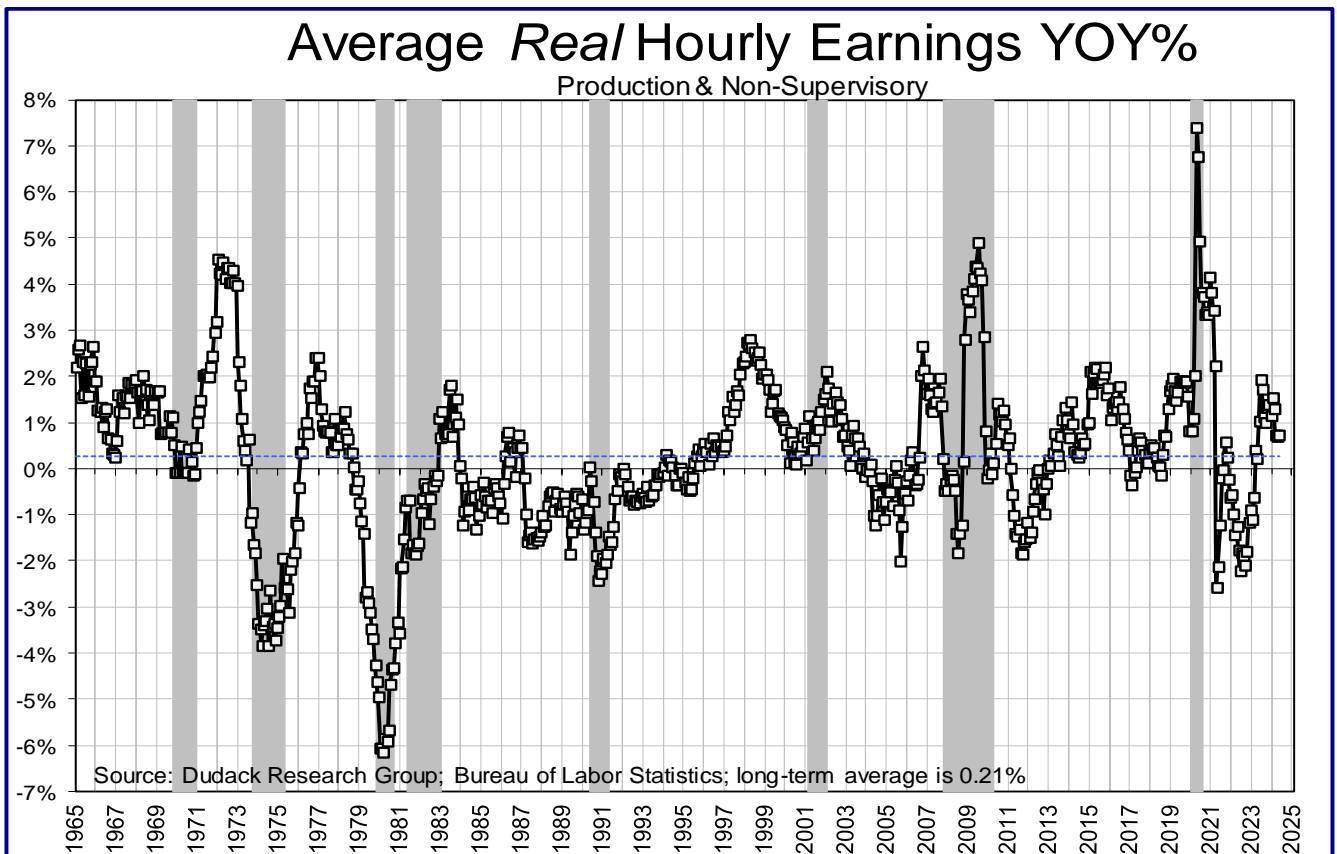
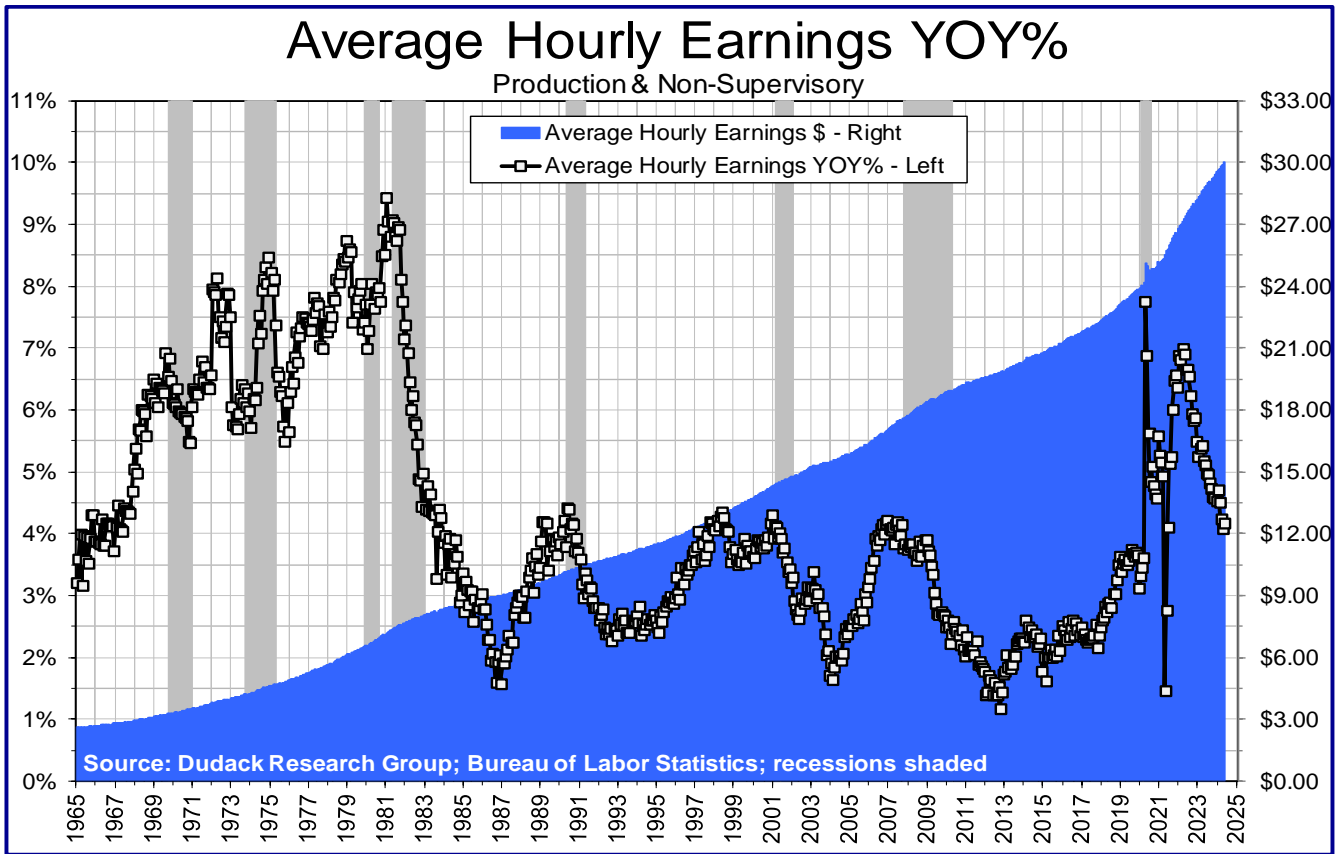
The employment report for May was far better than expected, showing a gain of 272,000 new jobs. Previous months were revised down by 15,000. More importantly, a significant discrepancy has materialized between the household and establishment surveys. On a year-over-year basis, the establishment survey shows job growth was 1.8% in April and May, better than the long-term average of 1.69%. Conversely, the household survey shows job growth near zero, at 0.3% YOY in April and 0.2% YOY in May. This near-zero growth rate is important since a negative annual growth rate in employment has been a key indicator of a recession. Note that the household survey also showed a decline in employment, a decline in the civilian labor force, and an increase in those unemployed in May. This explains why the unemployment rate rose from 3.9% to 4.0% in May.

Employment Surveys (1,000s SA)	May-24	Apr-24	Change	May-23	Yr/Yr
Establishment Survey: NonFarm Payrolls	158,543	158,271	272	155,787	2,756
Household Survey Data (1,000s)					
Employed (A)	161,083	161,491	(408)	160,707	376
Unemployed (B)	6,649	6,492	157	6,117	532
Civilian labor force [A+B]	167,732	167,983	(251)	166,824	908
Unemployment rate [B/(A+B)]	3.96%	3.86%	0.10%	3.7%	0.3%
U6 Unemployment rate	7.4%	7.4%	0.0%	6.8%	0.6%
Civilian noninstitutional population (C)	268,248	268,066	182	266,618	1,630
Participation rate [(A+B)/C]	62.5	62.7	-0.2	62.6	-0.1
Employment-population ratio [A/C]	60.1	60.2	-0.1	60.3	-0.2
Not in labor force	100,516	99,849	667	99,795	721

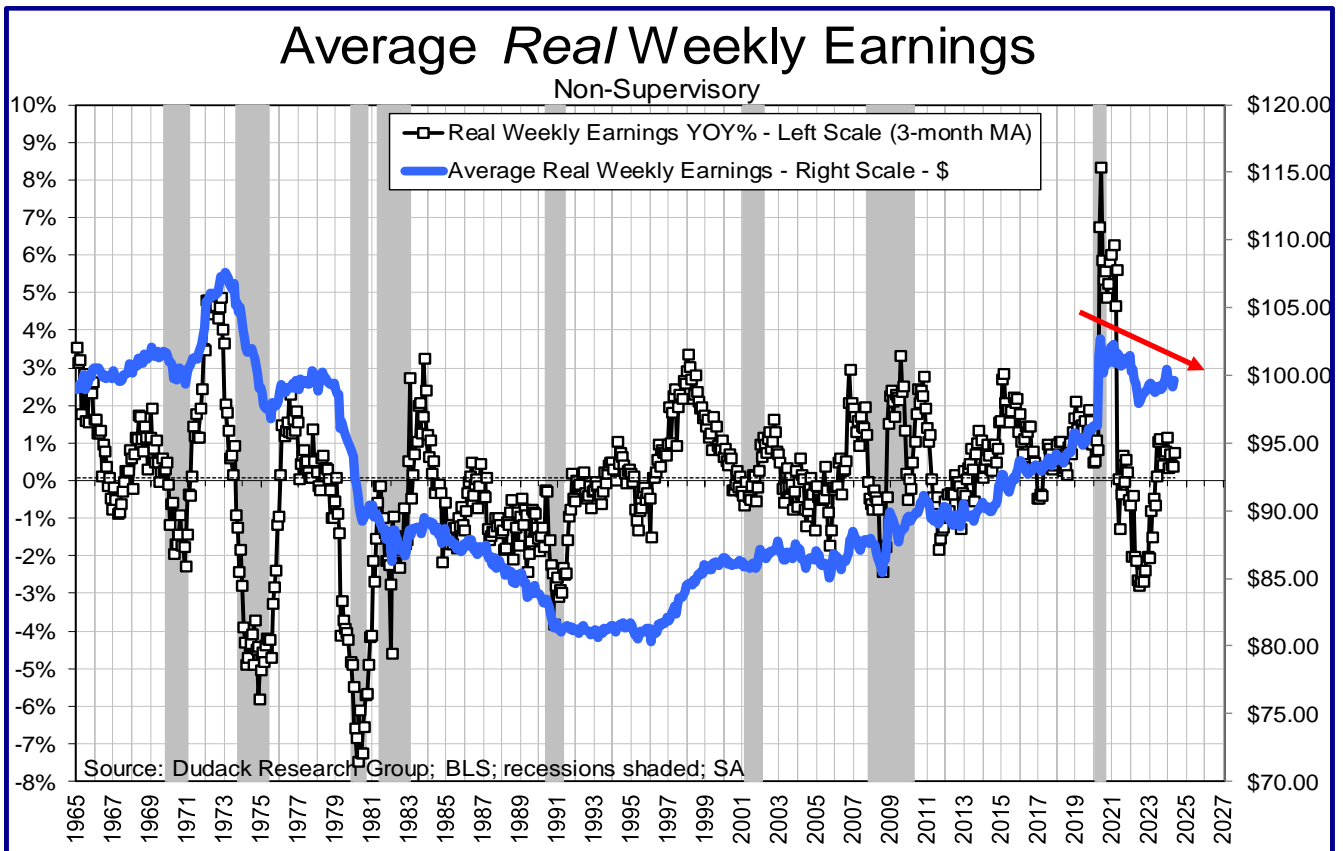
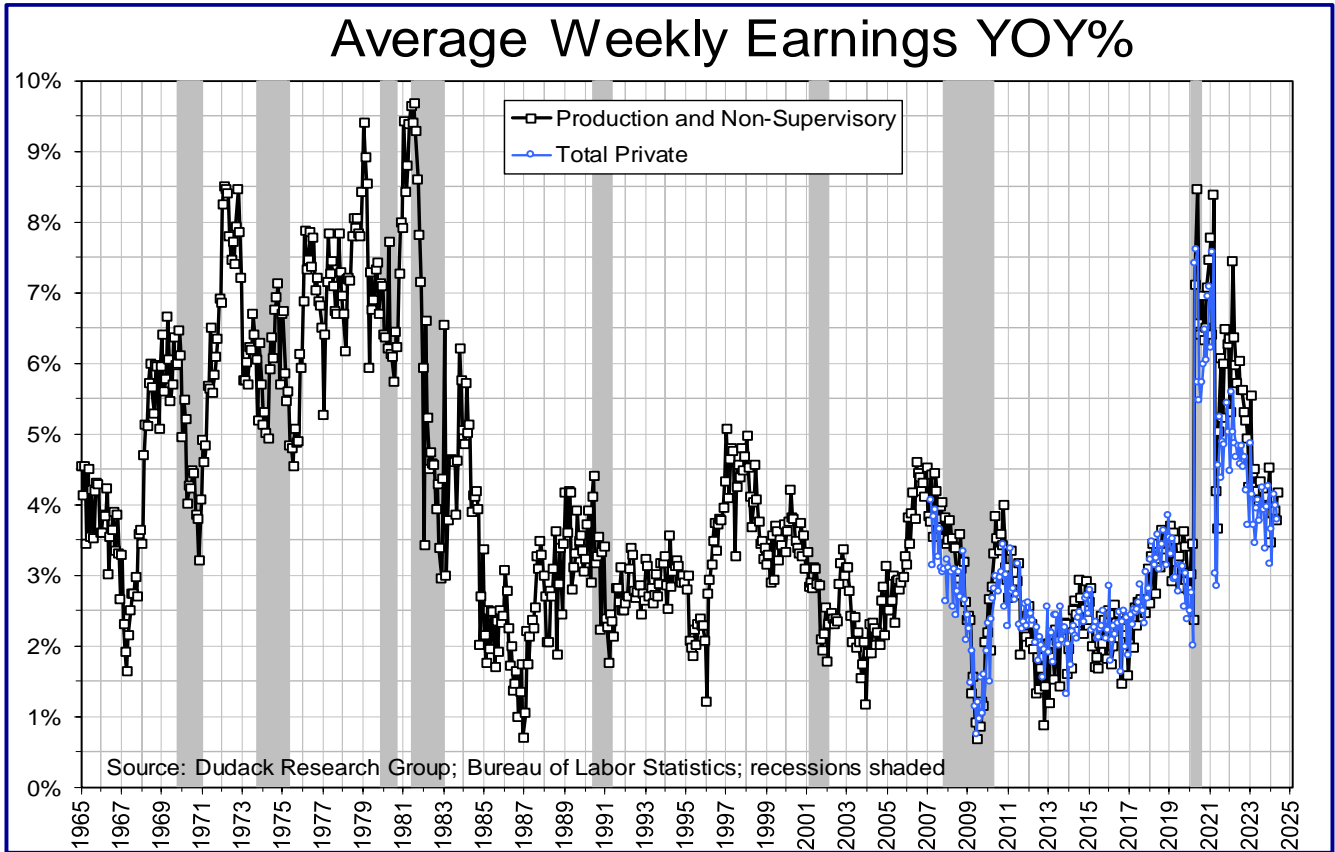
Source: Bureau of Labor Statistics



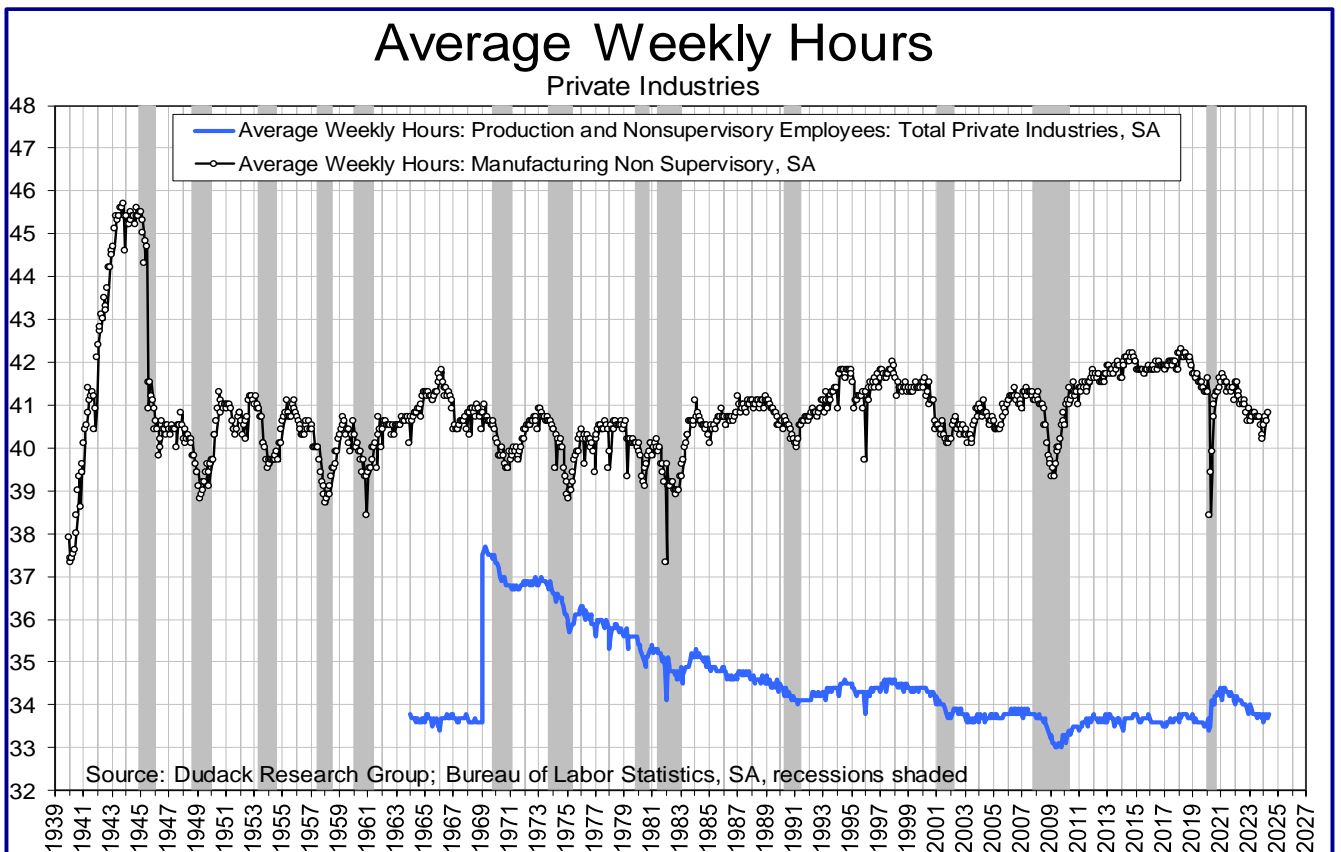
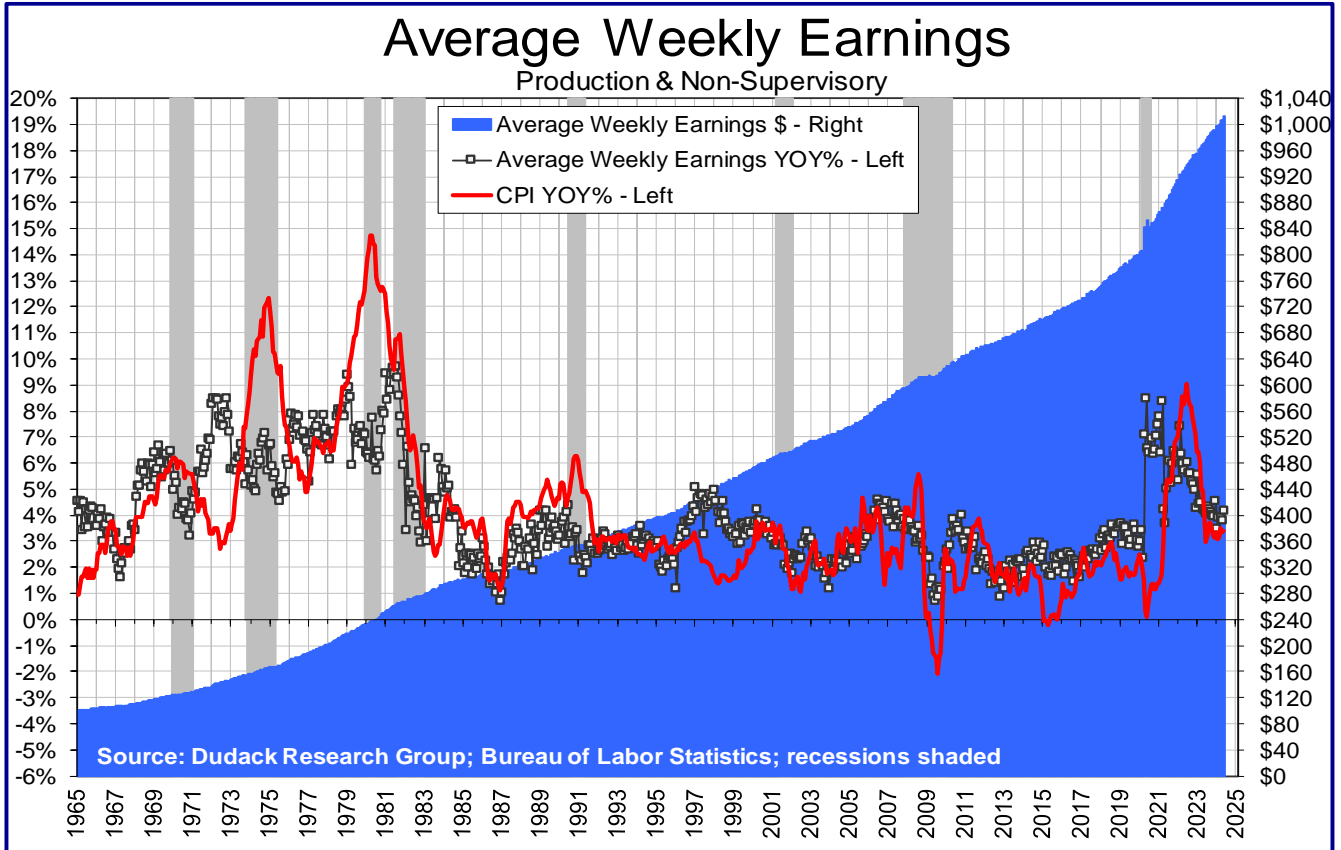
Average hourly earnings rose 4.2% YOY in May, up from 4.1% YOY in April. After adjusting for inflation of 3.4%, average hourly earnings rose 0.74% YOY, slightly better than the 0.70% recorded in April.



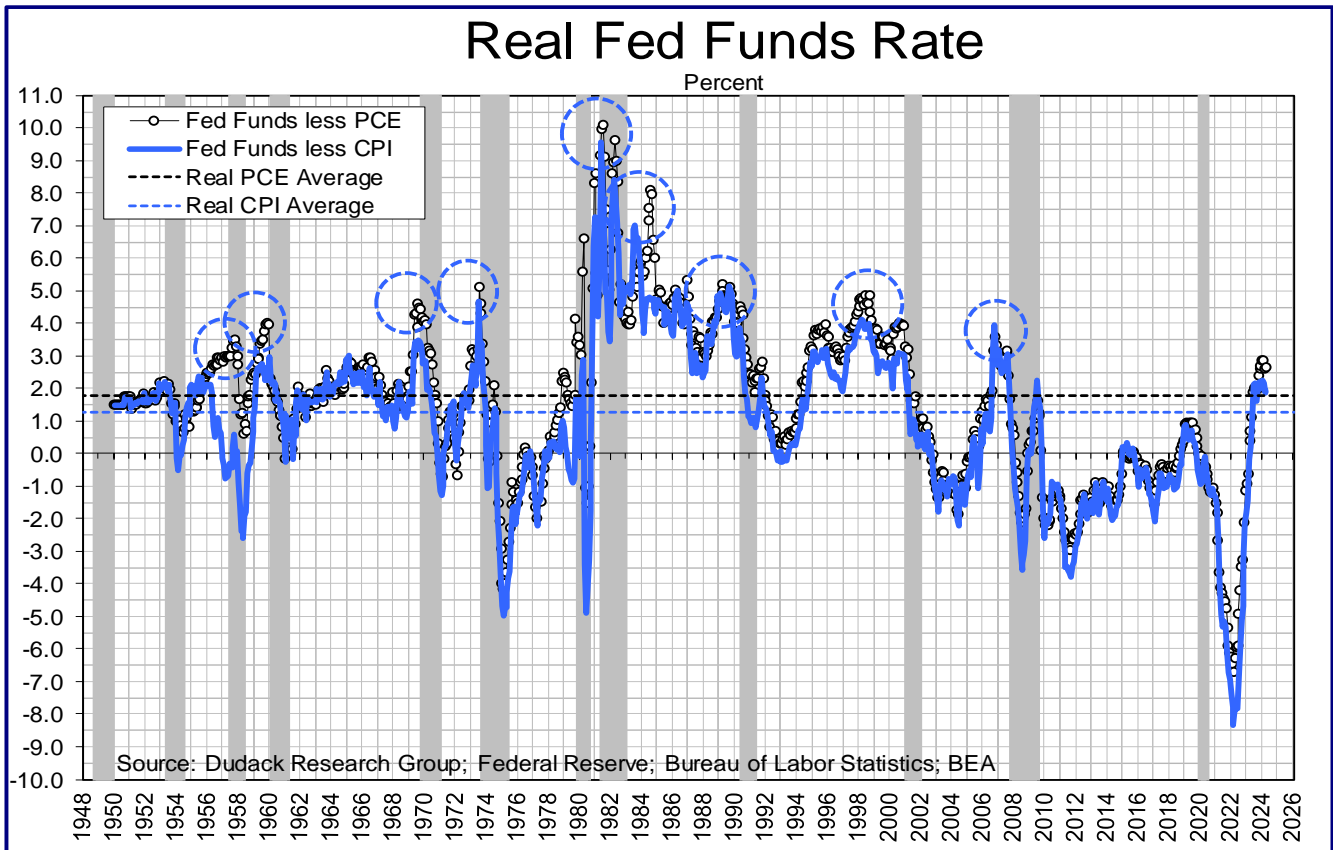
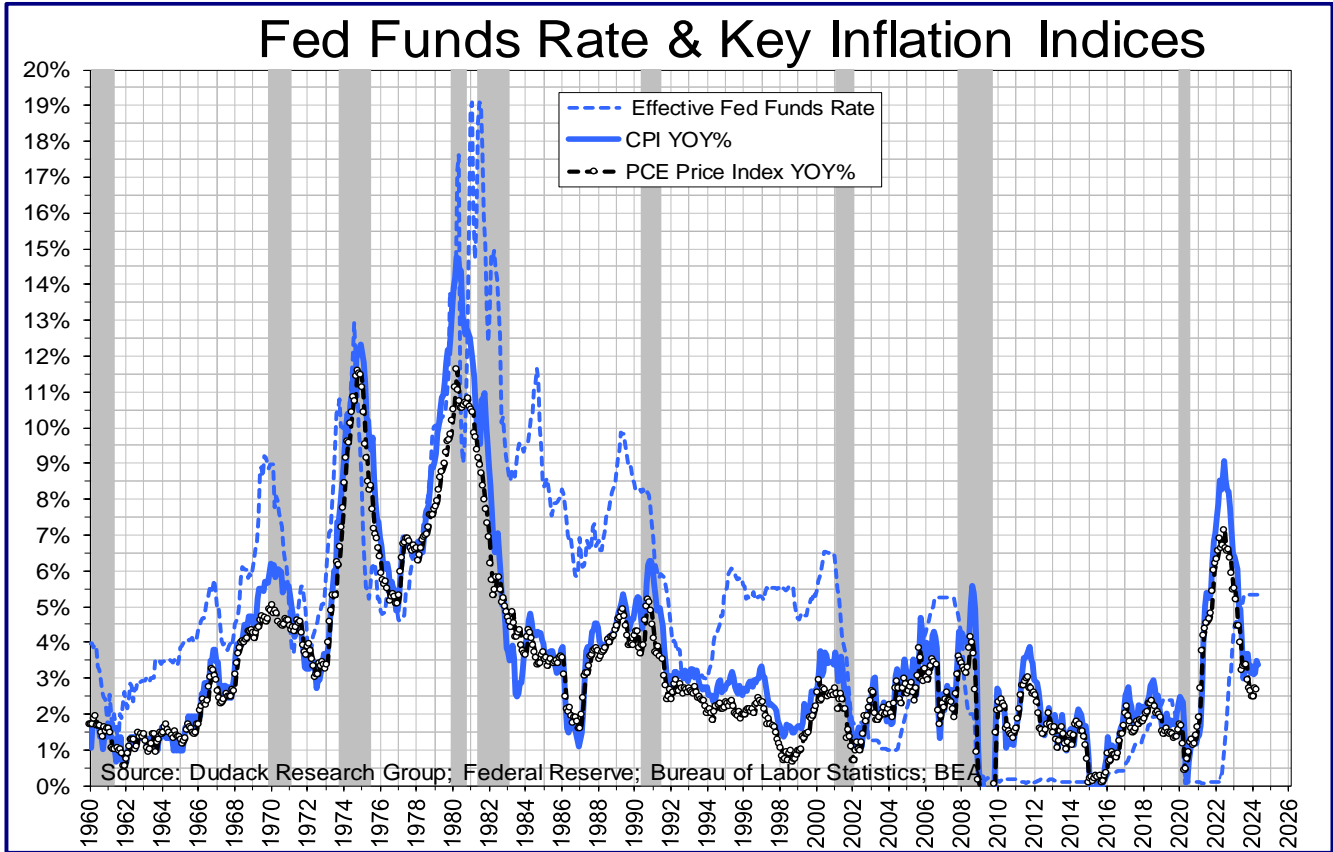
Total private weekly earnings were \$1197.41 in May, up 3.8% YOY. Average weekly earnings for production and non-supervisory workers were \$1013.66, up 4.2% YOY. However, when indexed to inflation, average real weekly earnings for non-supervisory workers were \$99.60, up 0.7% YOY, but down from the May 2020 cyclical peak of \$102.70. In short, due to inflation, the purchasing power of households has been declining for the last four years.



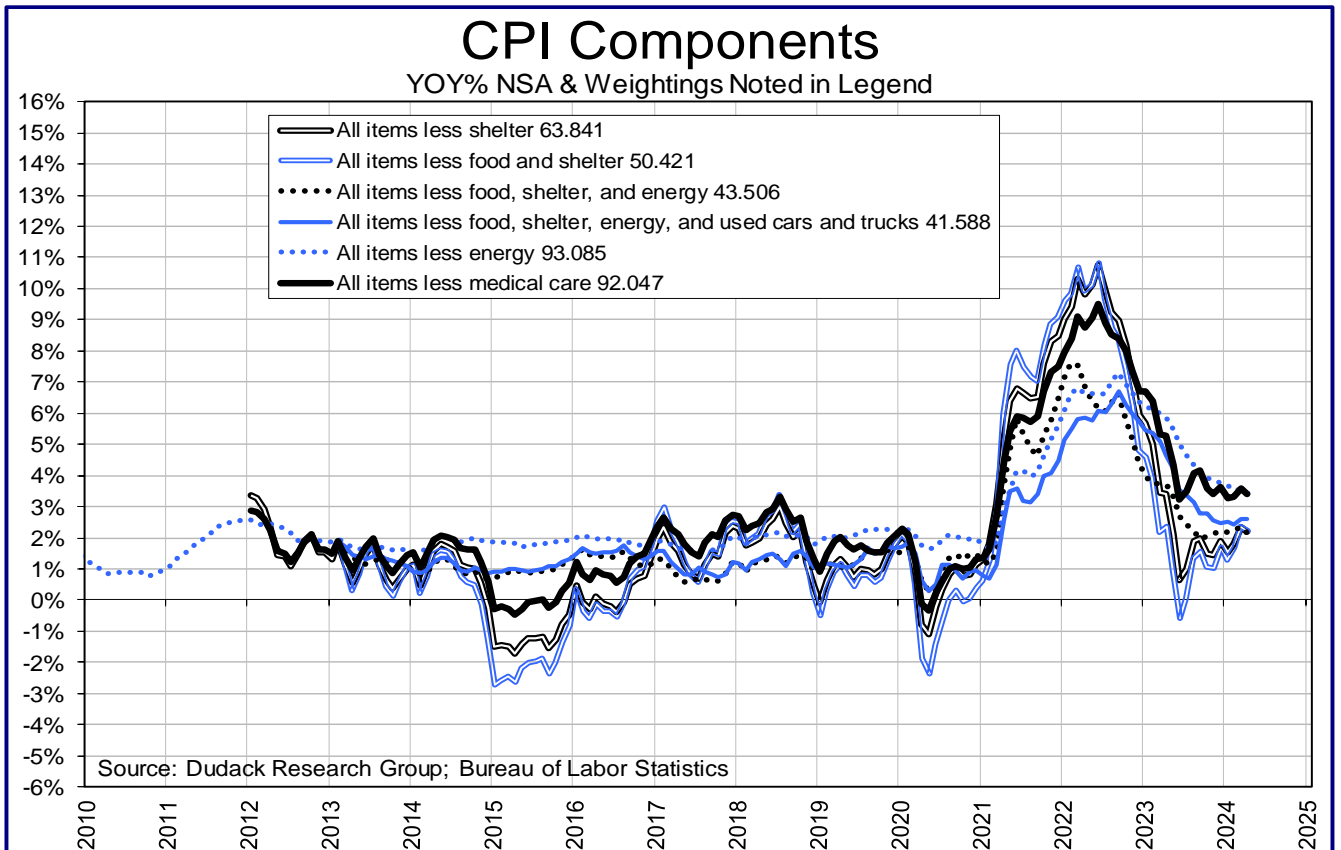
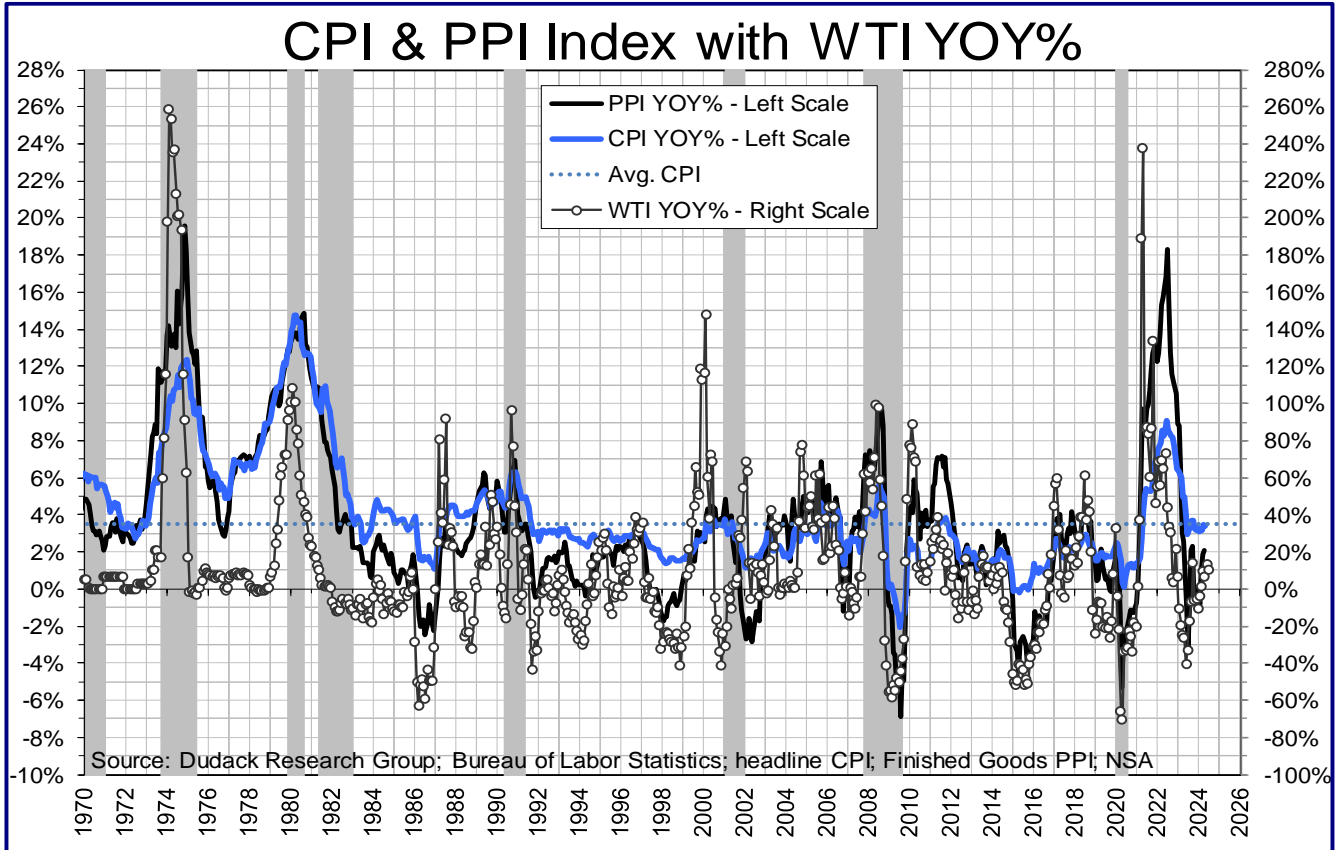
Overlaying the YOY trend of the CPI on the YOY trend in average weekly earnings displays how inflation eats into earnings. Moreover, when inflation has been higher than wage growth for a period of time, it usually results in a recession since inflation is negative for consumption. But, in this cycle, a variety of fiscal stimulus programs has prevented a recession. Average weekly hours for workers have been declining since the post-pandemic spike but have begun to slowly increase in recent months. This is a positive sign for the economy.



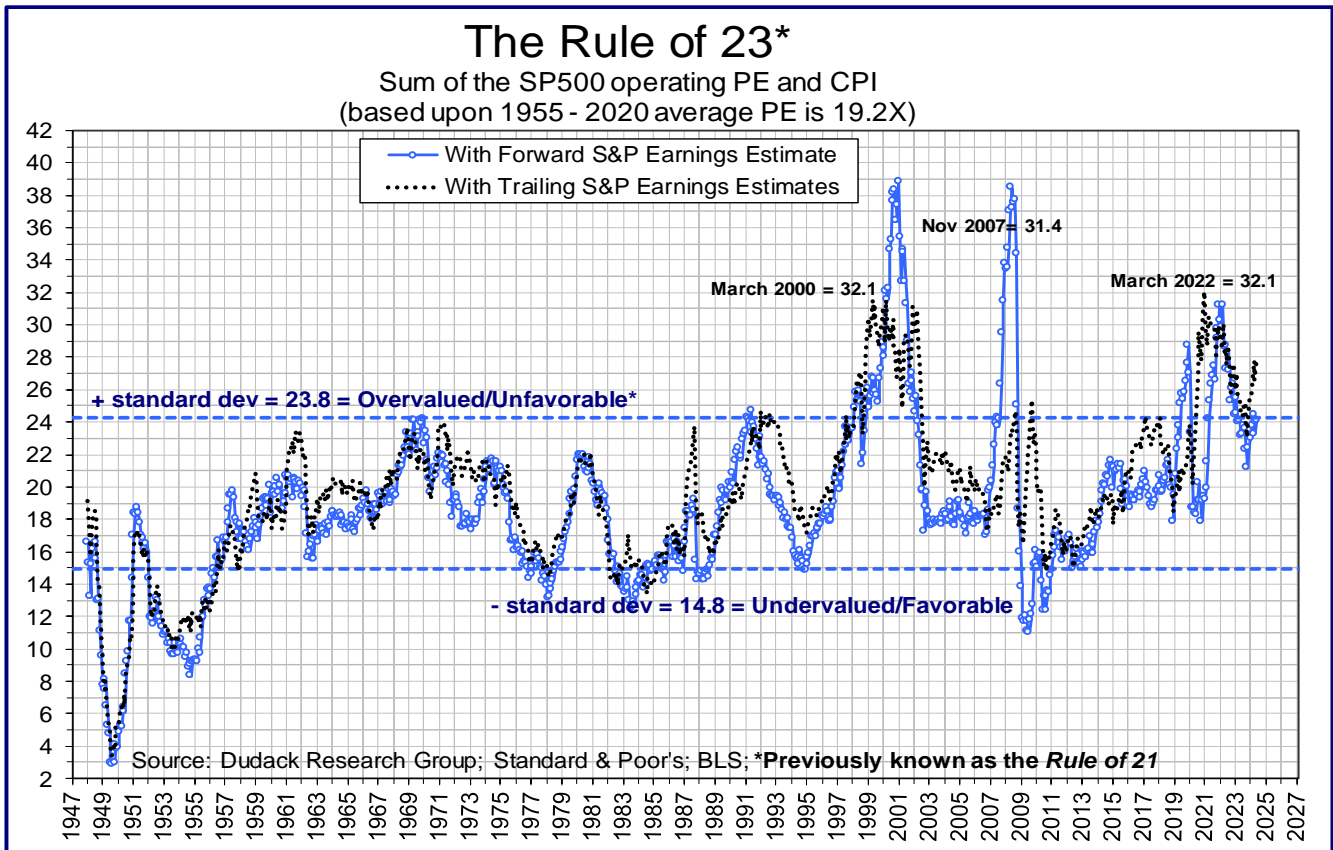
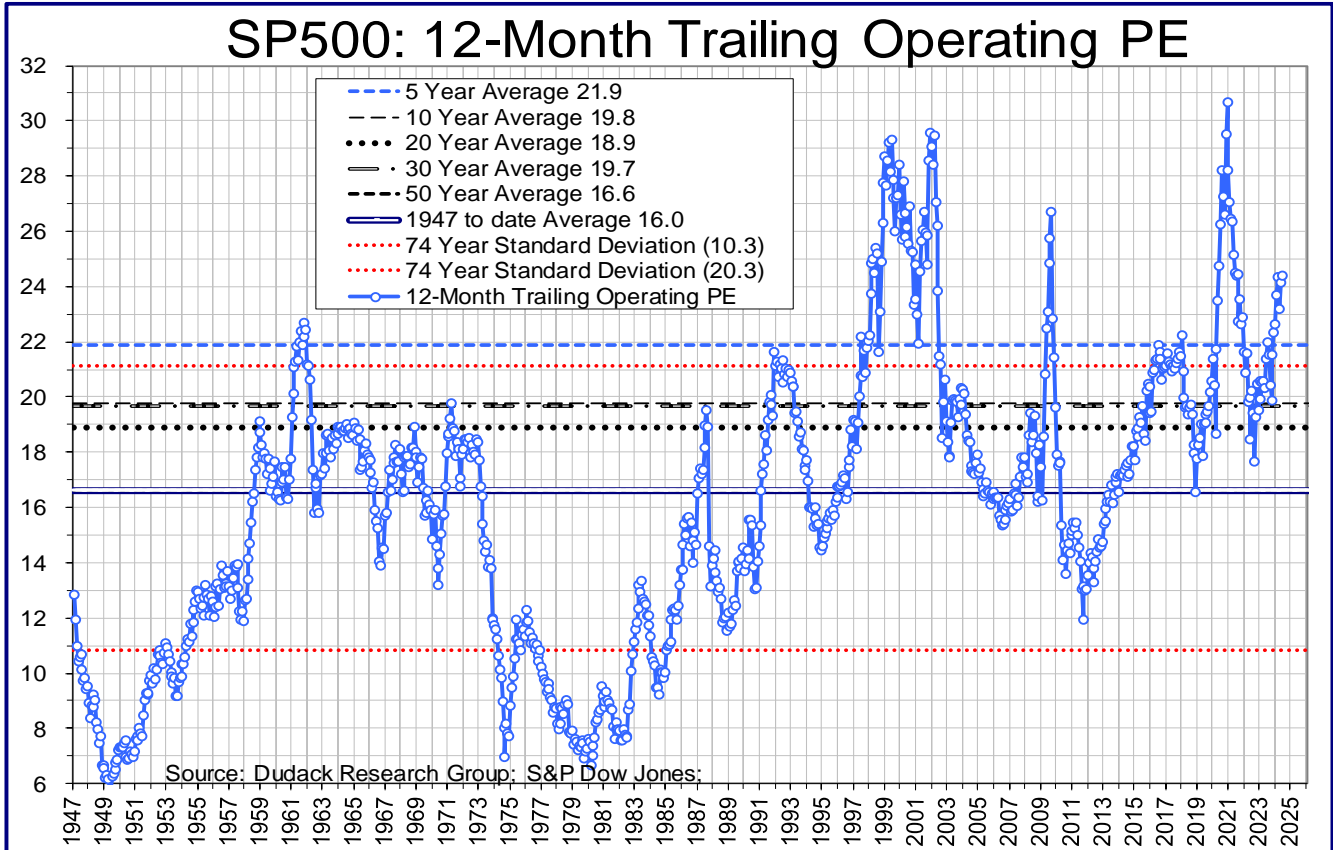
The Federal Reserve is not expected to change its policy this week, but the inflation data released for May could have an impact on both future policy and the stock market. Although inflation has been declining, recent data has shown prices stalling at current levels. Moreover, in past tightening cycles the Fed has increased rates until the real fed funds rate reached a minimum of 400 basis points. The recent peak in the current cycle was 270 basis points in April.



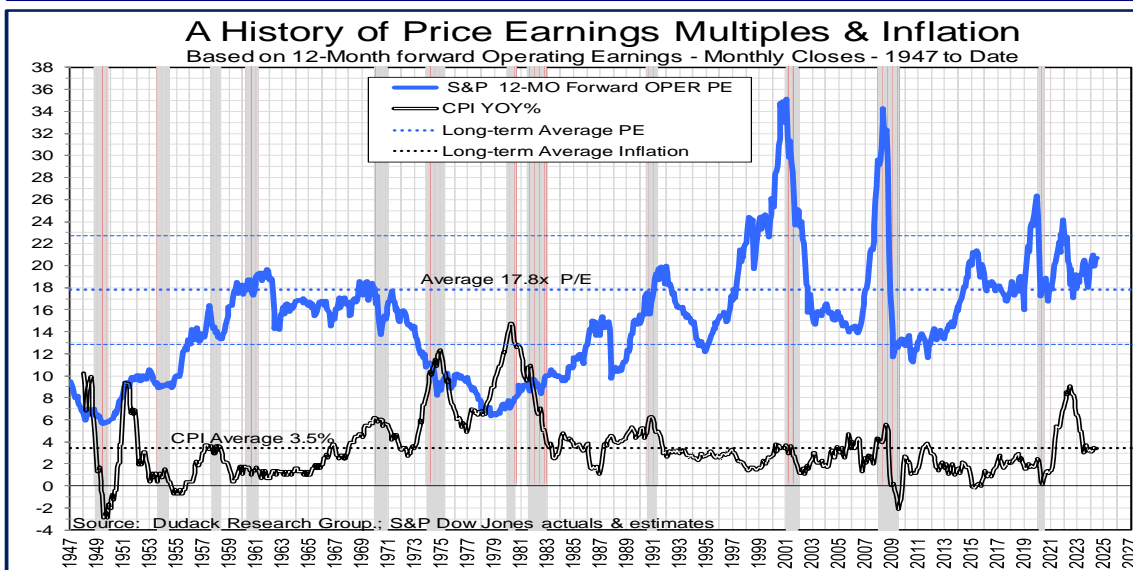
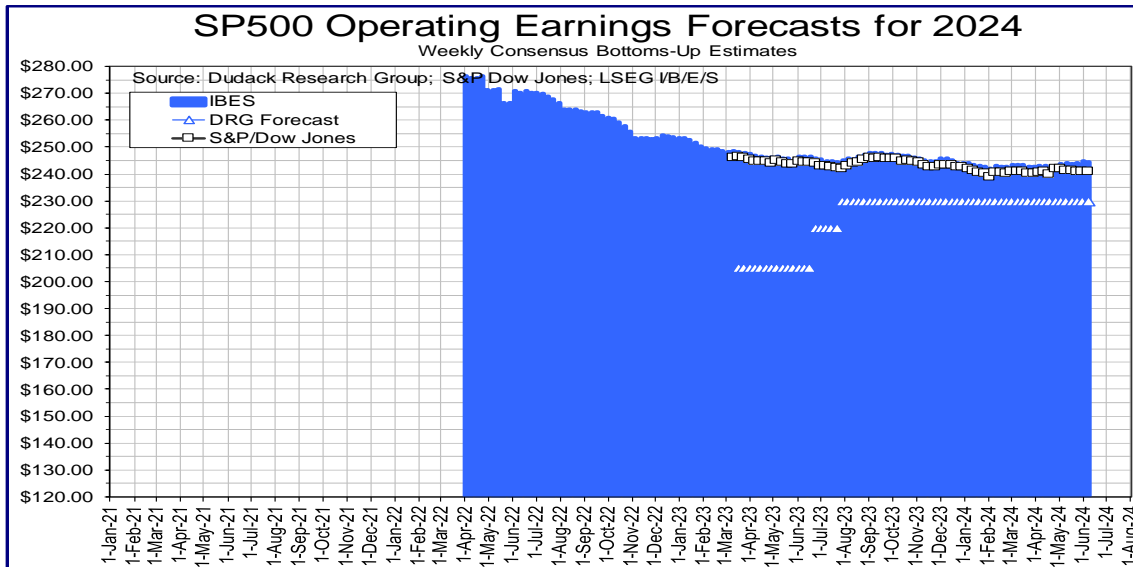
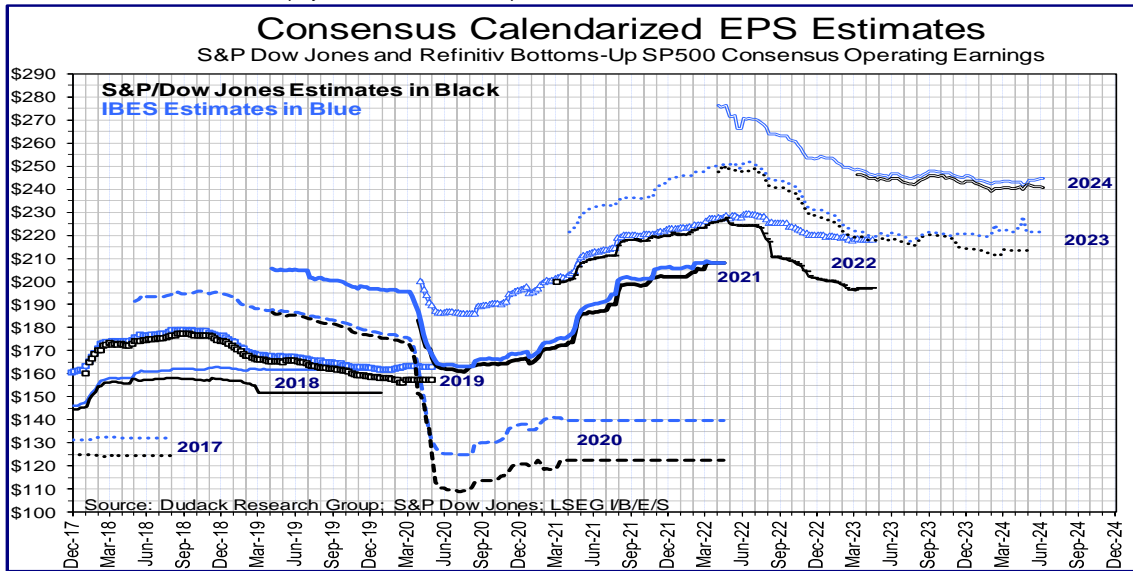
There are several things that concern us regarding inflation. First is the price of oil which was up 13% YOY in May. Lower energy prices for all of 2023 were what helped dampen inflation since the June 2022 peak. But even with Biden's release of oil from the strategic oil reserve prices remain firm. And CPI less shelter and less food and shelter has been trending higher over the last 12 months, debunking the theory that it is only owners' equivalent rent that is driving inflation this year.



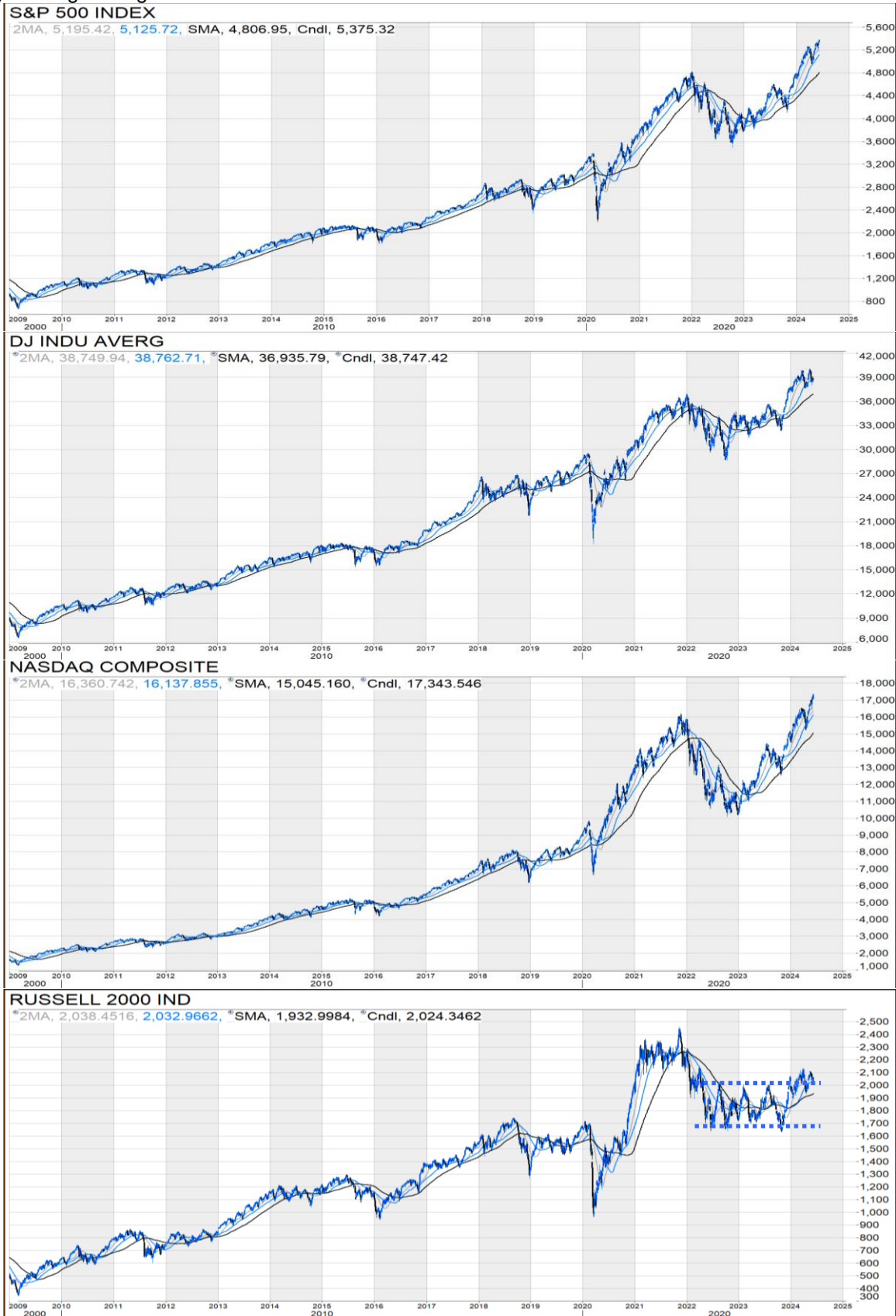
The SPX **trailing** 4-quarter operating multiple is now 24.5 times and well above all long- and short-term averages. The **12-month forward** PE multiple is 20.8 times and when added to inflation of 3.4% sums to 24.2, and above the top of the normal range of 23.8. By all measures, the equity market is at valuations seen only during the 1997-2000 bubble, the financial crisis of 2008, or the post-COVID-19 earnings slump.



The S&P Dow Jones consensus estimate for calendar 2024 is \$240.86, down \$0.16, and the 2025 estimate is \$276.19, down \$0.31 this week, as optimism about next year's earnings cools. The LSEG IBES estimate for 2024 is \$244.65, down \$0.03 and for 2025 is \$279.41, down \$0.26. The IBES guesstimate for 2026 EPS continues to rise, up \$0.45 to \$315.26 this week. Based upon the IBES EPS estimate for calendar 2024, equities remain overvalued with a PE of 22.0 times and inflation of 3.4%. This sum of 25.4 is above the 23.8 level that defines an overvalued equity market. Note: based upon the S&P estimate, the 2024 PE is 22.3 times.



The Nasdaq Composite index and the S&P 500 made record highs on June 11, 2024, led by a 7.25% gain in Apple, Inc. (AAPL -\$207.15). The Dow Jones Industrial Average made a record high on May 17, 2024. The Russell 2000 index remains 17% below its high of 2442.74 made on November 8, 2021. Both the Russell and the DJIA are trading below their 50-day and 100-day moving averages this week.



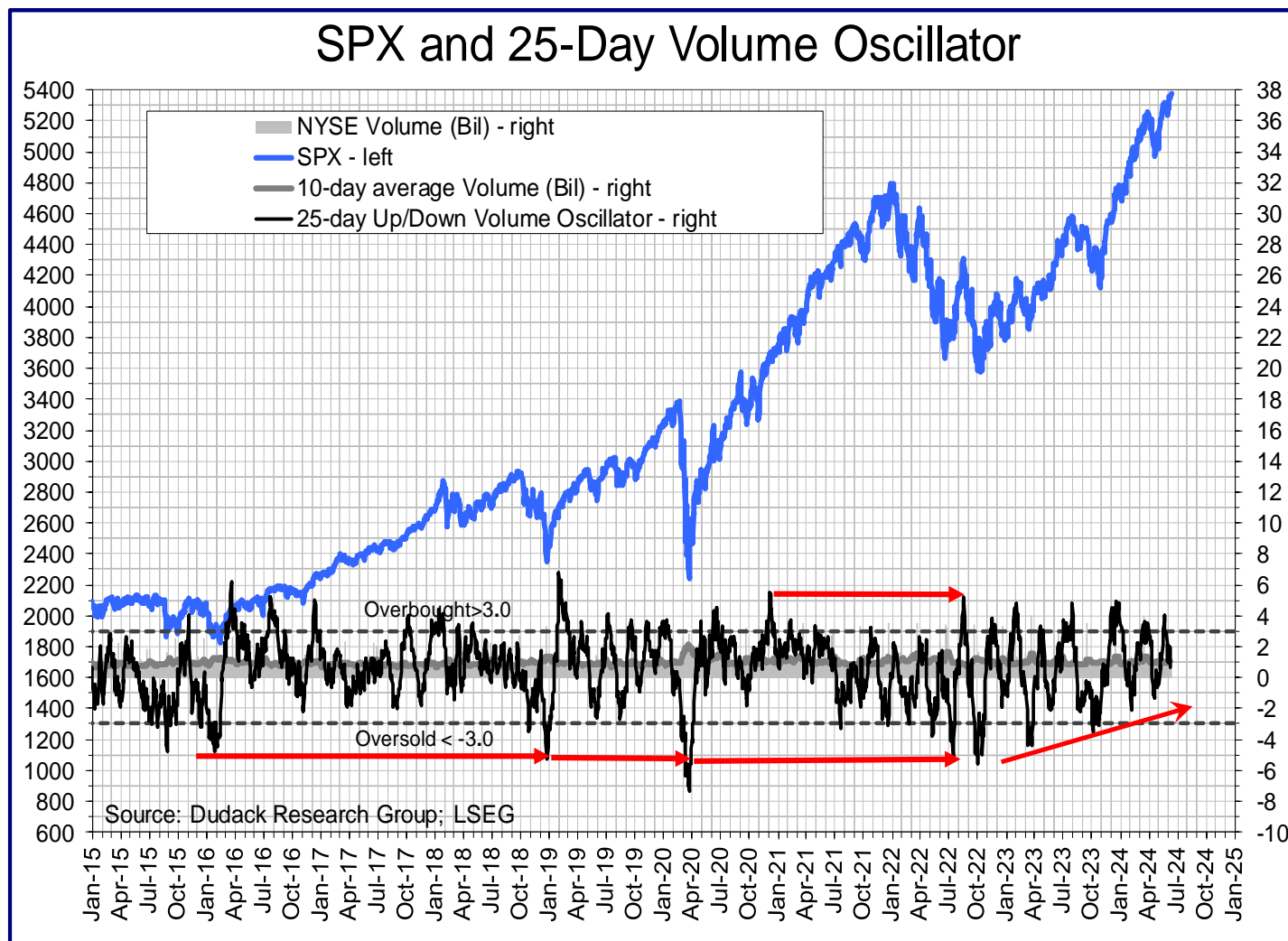
Source: Refinitiv

The 25-day up/down volume oscillator is at 0.66 and neutral after being in overbought territory for four consecutive trading days between May 17 and May 22. This followed six weeks in neutral territory. Since a minimum of five consecutive trading days in overbought is required to confirm a new high, this indicator has not yet confirmed any of the new highs made in the S&P 500 index and Dow Jones Industrial Average since January.

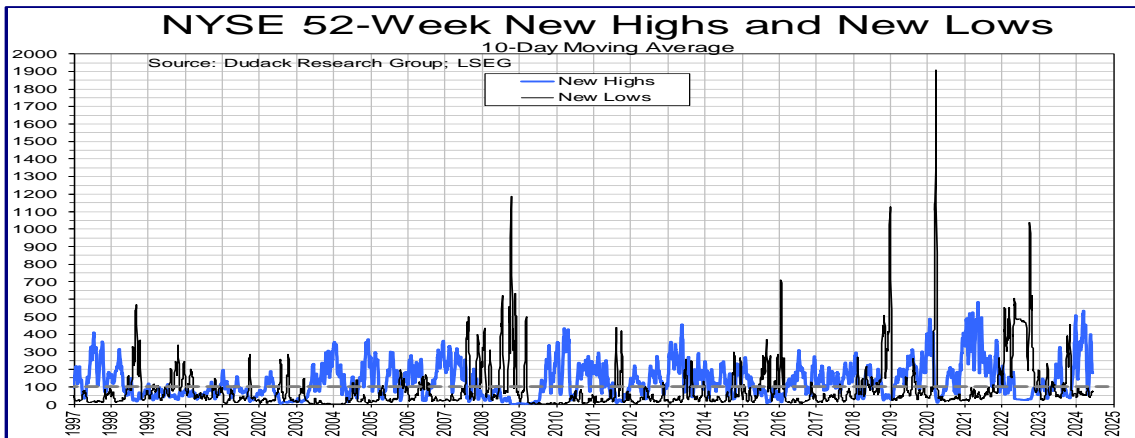
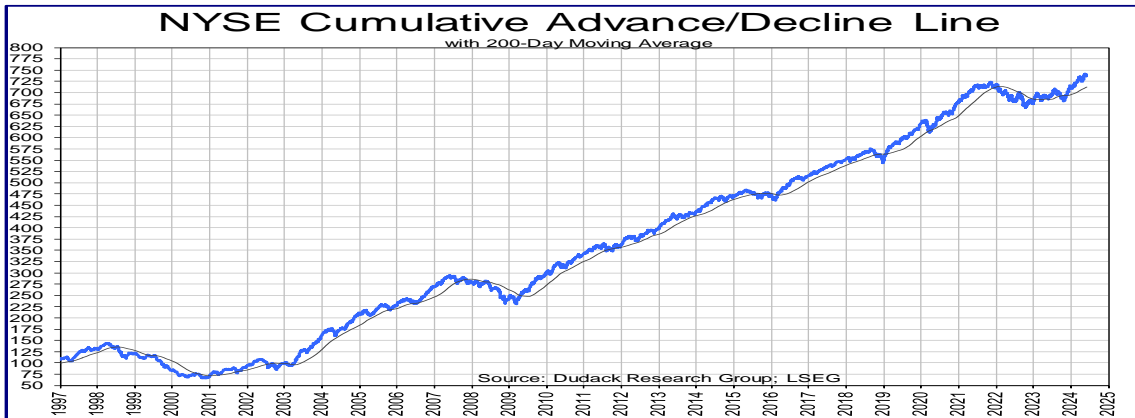
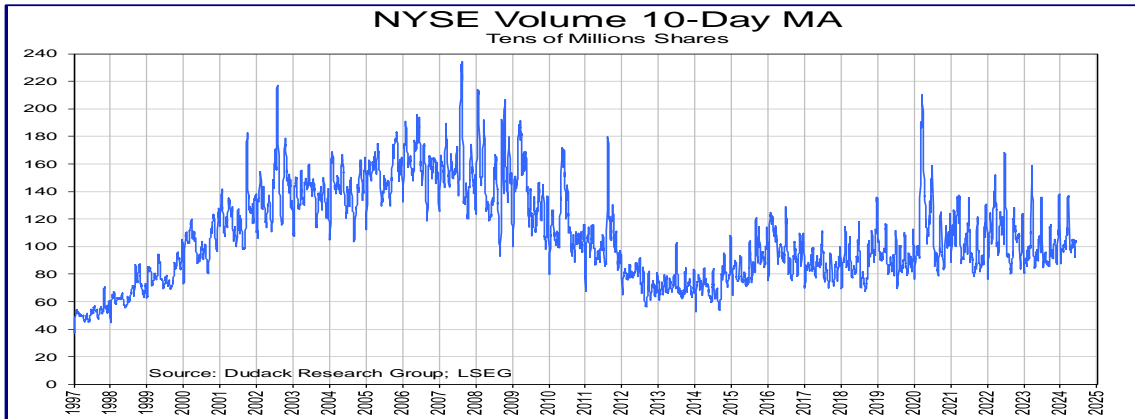
Previous overbought readings in the oscillator were seen for two consecutive days on March 13 and 14, on March 20 and 21, and for three consecutive trading days on March 27, March 28, and April 1. These overbought readings followed the string in early January when the oscillator recorded readings of 3.0 or higher during 22 of 25 consecutive trading days ending January 5. This January reading confirmed the new highs seen at that time.

The NYSE volume is yet to record a 90% up day this year but did score a 90% down-volume day on April 12, February 13, and December 20, 2023. In short, it has been a strong advance in terms of points, but weak in terms of upside buying pressure.

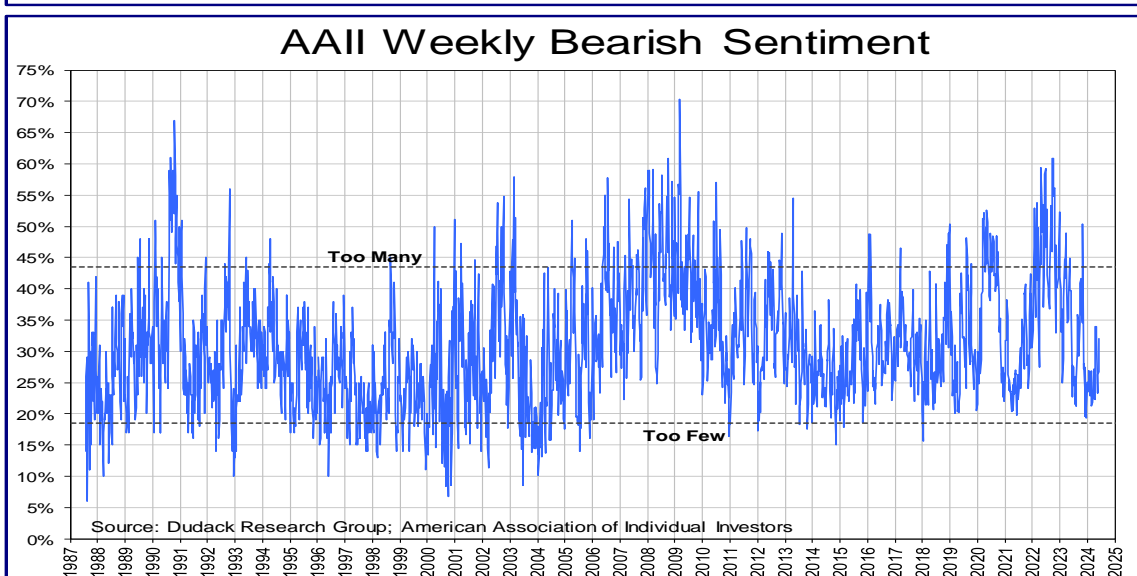
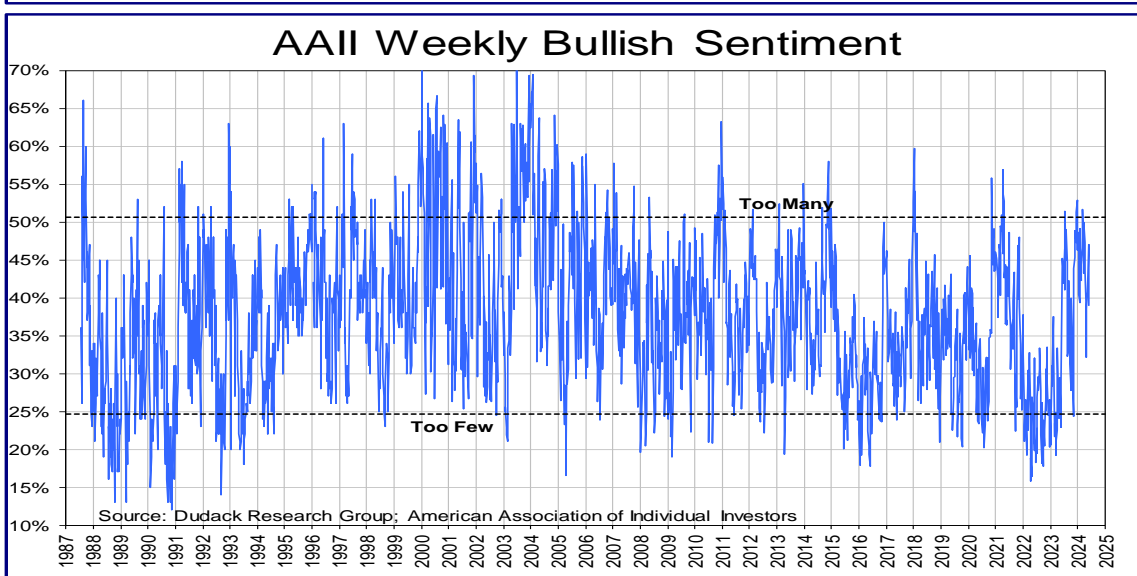
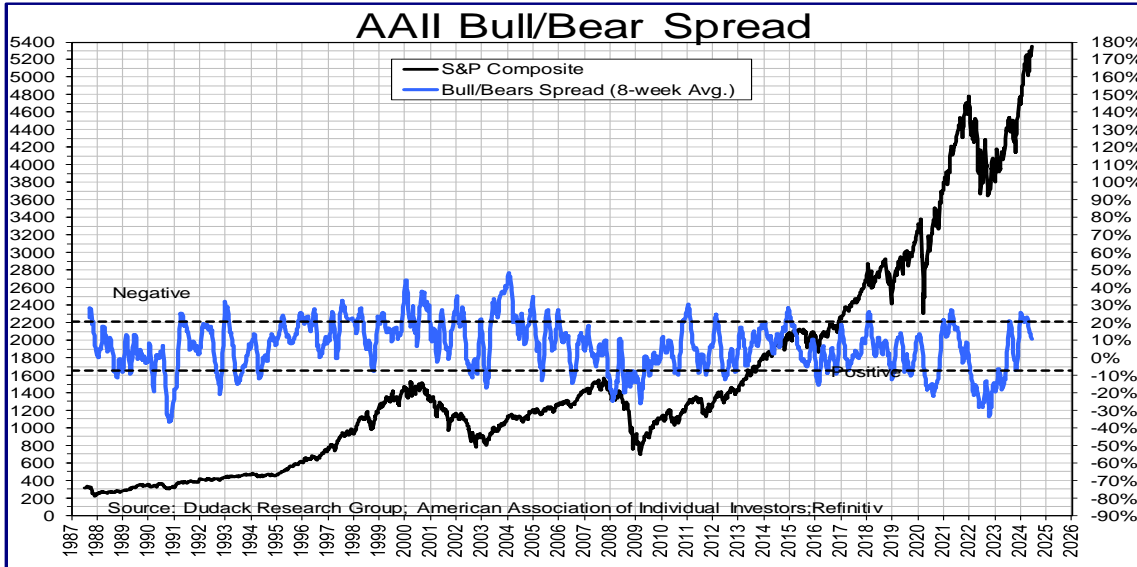
If the rally which began in October actually represents a new bull market advance, it should have also included several extreme overbought readings of 5.0 or better, which are typical of the first stage of a major advance. This has been absent and represents, to date, a lack of persistent buying pressure.



The 10-day average of daily new highs is 178 and new lows are 75. This combination of new highs above 100 and new lows below 100 is positive. The NYSE advance/decline line made a new record high on May 20, 2024, is positive, and confirms the new highs in the popular at that time. With the exception of May 28th and May 31st, daily volume has been weak for most of the last three weeks, and largely trailing behind the 10-day average of the recent advance.



Last week's AAI readings showed bullishness unchanged at 39.0%, keeping bullishness above average, and bearishness rose 5.3% to 32.0%, carrying bearishness above the average of 31%. On December 13, 2023, bearishness was 19.6%, its lowest level since the January 3, 2018 reading of 15.6% when bullishness was also high and above the 50% benchmark at 51.3%. The 8-week bull/bear fell to 10.4% and remains neutral after generating 7 consecutive weeks in negative territory in March and April.



GLOBAL MARKETS AND COMMODITIES - RANKED BY YTD TRADING PERFORMANCE

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
iShares Silver Trust	SLV	27.94	-1.1%	3.6%	17.3%	22.7%
Silver Future	Slc1	29.13	-1.2%	3.0%	17.5%	22.1%
iShares Russell 1000 Growth ETF	IWF	355.44	3.0%	5.6%	5.5%	17.2%
Communication Services Select Sector SPDR Fund	XLC	84.77	1.0%	3.6%	3.8%	16.7%
Nasdaq Composite Index Tracking Stock	ONEQ.O	68.41	2.9%	6.3%	6.2%	15.5%
Technology Select Sector SPDR	XLK	220.17	4.3%	7.1%	5.7%	14.4%
NASDAQ 100	NDX	19210.19	3.0%	5.8%	5.2%	14.2%
United States Oil Fund, LP	USO	75.51	6.2%	0.3%	-4.1%	13.3%
SP500	.SPX	5375.32	1.6%	2.9%	2.3%	12.7%
SPDR Gold Trust	GLD	214.15	-0.5%	-2.1%	4.1%	12.0%
iShares MSCI Taiwan ETF	EWT	51.52	2.6%	4.2%	5.8%	11.9%
iShares Russell 1000 ETF	IWB	293.05	1.3%	2.4%	1.7%	11.7%
Utilities Select Sector SPDR	XLU	70.41	-2.0%	-1.2%	7.3%	11.2%
iShares MSCI India ETF	INDA.K	54.26	5.4%	5.6%	5.2%	11.2%
SPDR S&P Semiconductor ETF	XSD	249.30	3.0%	8.6%	7.4%	10.9%
iShares China Large Cap ETF	FXI	26.47	-1.9%	-4.7%	10.0%	10.2%
Oil Future	CLc1	77.90	6.3%	-0.5%	-6.3%	8.7%
Financial Select Sector SPDR	XLF	40.85	-0.8%	-2.3%	-3.0%	8.6%
Energy Select Sector SPDR	XLE	90.49	0.7%	-3.6%	-4.2%	7.9%
Consumer Staples Select Sector SPDR	XLP	77.56	-0.5%	-0.1%	1.6%	7.7%
PowerShares Water Resources Portfolio	PHO	65.45	0.6%	-4.0%	-1.7%	7.5%
Health Care Select Sect SPDR	XLV	146.36	0.8%	1.9%	-0.9%	7.3%
Industrial Select Sector SPDR	XLI	122.01	0.3%	-2.9%	-3.1%	7.0%
iShares MSCI Malaysia ETF	EWM	22.64	-2.4%	-0.4%	3.9%	6.5%
SPDR Homebuilders ETF	XHB	101.75	-0.1%	-5.4%	-8.8%	6.4%
iShares MSCI Japan ETF	EWJ	68.06	-2.0%	0.2%	-4.6%	6.1%
iShares MSCI United Kingdom ETF	EWU	34.88	-3.5%	-3.5%	2.0%	5.5%
iShares Russell 1000 Value ETF	IWD	174.06	-0.7%	-1.6%	-2.8%	5.3%
Vanguard FTSE All-World ex-US ETF	VEU	59.08	-0.6%	-0.5%	0.7%	5.2%
SPDR S&P Retail ETF	XRT	76.09	-1.1%	2.3%	-3.7%	5.2%
iShares MSCI BRIC ETF	BKF	35.91	0.5%	-1.3%	5.2%	5.0%
Materials Select Sector SPDR	XLB	89.67	-0.3%	-2.4%	-3.5%	4.8%
iShares MSCI EAFE ETF	EFA	78.91	-3.0%	-1.8%	-1.2%	4.7%
Gold Future	GCc1	2840.10	0.2%	0.8%	1.9%	4.3%
iShares MSCI Emerg Mkts ETF	EEM	41.86	0.5%	-1.5%	1.9%	4.1%
iShares MSCI Germany ETF	EWG	30.75	-3.8%	-4.4%	-3.1%	3.6%
iShares Russell 2000 Growth ETF	IWO	260.02	0.3%	0.0%	-4.0%	3.1%
SPDR DJIA ETF	DIA	387.97	0.1%	-1.8%	-2.5%	2.9%
DJIA	.DJI	38747.42	0.1%	-1.9%	-2.7%	2.8%
Shanghai Composite	.SSEC	3028.05	-2.0%	-4.0%	-0.4%	1.8%
iShares MSCI Singapore ETF	EWS	19.02	-3.0%	-1.1%	3.6%	1.7%
iShares MSCI Austria Capped ETF	EWO	21.94	-5.5%	-4.8%	1.0%	1.5%
iShares Nasdaq Biotechnology ETF	IBB.O	136.81	1.0%	2.6%	-0.3%	0.7%
iShares MSCI Canada ETF	EWC	36.89	-1.9%	-3.4%	-3.6%	0.6%
iShares Russell 2000 ETF	IWM	200.64	-0.7%	-1.8%	-4.6%	0.0%
Consumer Discretionary Select Sector SPDR	XLY	177.76	1.0%	-0.2%	-3.3%	-0.6%
iShares DJ US Oil Eqpt & Services ETF	IEZ	21.68	3.2%	-4.7%	-8.3%	-1.1%
iShares MSCI Australia ETF	EWA	24.05	-2.4%	-1.8%	-2.5%	-1.2%
iShares MSCI South Korea Capped ETF	EWY	63.78	1.3%	-1.7%	-5.0%	-2.7%
iShares iBoxx \$ Invest Grade Corp Bond	LQD	107.20	-0.4%	0.8%	-1.6%	-3.1%
iShares Russell 2000 Value ETF	IWN	150.47	-1.4%	-3.7%	-5.3%	-3.1%
SPDR S&P Bank ETF	KBE	44.10	-1.9%	-6.8%	-6.4%	-4.2%
iShares US Real Estate ETF	IYR	85.88	-1.5%	-0.4%	-4.5%	-6.0%
iShares 20+ Year Treas Bond ETF	TLT	91.83	-0.9%	1.9%	-2.9%	-7.1%
iShares US Telecomm ETF	IYZ	21.12	-2.4%	-1.5%	-3.9%	-7.2%
iShares MSCI Hong Kong ETF	EWH	15.98	-4.9%	-8.2%	2.8%	-8.0%
iShares MSCI Mexico Capped ETF	EWW	56.63	-4.8%	-17.3%	-18.3%	-16.5%
iShares MSCI Brazil Capped ETF	EWZ	27.85	-4.8%	-11.9%	-14.1%	-20.3%

Outperformed SP500
Underperformed SP500

Source: Dudack Research Group; Refinitiv

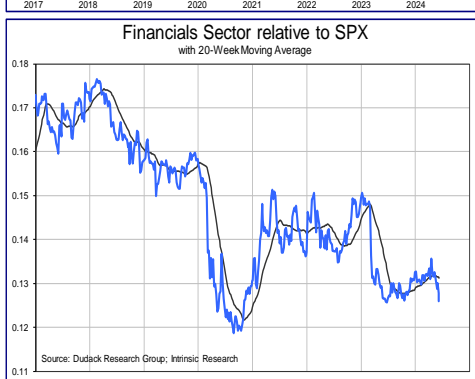
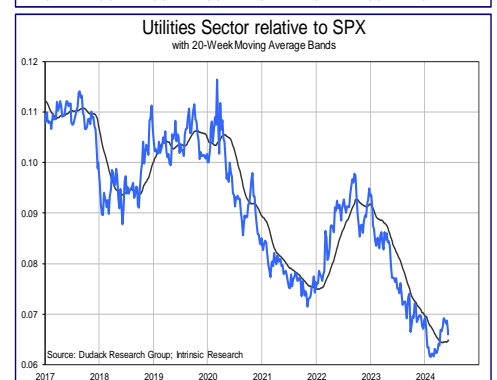
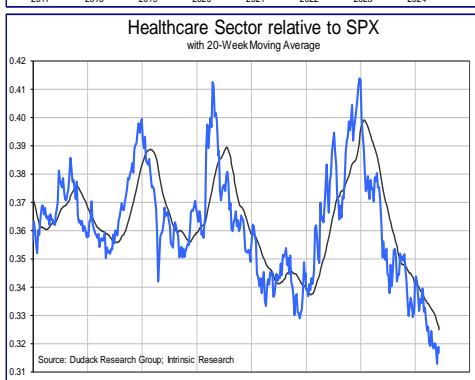
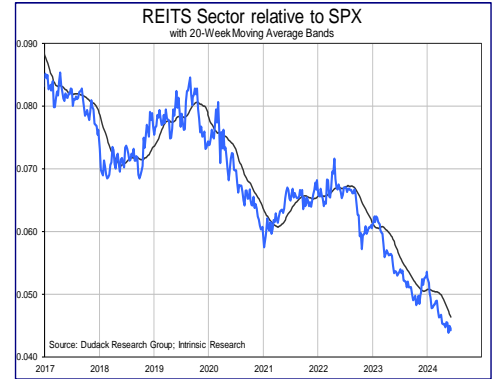
Priced as of June 11, 2024

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

DRG Recommended Sector Weights

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

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



2024 Performance - Ranked	
SP500 Sector	% Change
S&P COMMUNICATIONS SERVICES	23.9%
S&P INFORMATION TECH	23.8%
S&P 500	12.7%
S&P UTILITIES	10.4%
S&P CONSUMER STAPLES	8.3%
S&P FINANCIAL	8.1%
S&P ENERGY	7.3%
S&P HEALTH CARE	7.1%
S&P INDUSTRIALS	6.8%
S&P MATERIALS	4.3%
S&P CONSUMER DISCRETIONARY	2.2%
S&P REITS	-5.4%

Source: Dudack Research Group; Refinitiv; Monday closes

US Asset Allocation

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

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

DRG Earnings and Economic Forecasts

	S&P 500 Price	S&P Dow Jones Reported EPS**	S&P Dow Jones Operating EPS**	DRG Operating EPS Forecast	DRG EPS YOY %	IBES Consensus Bottom-Up \$ EPS**	Refinitiv Consensus Bottom-Up EPS YOY%	S&P Op PE Ratio	S&P Divd Yield	GDP Annual Rate	GDP Profits post-tax w/ IVA & CC	YOY %
2007	1468.36	\$66.18	\$82.54	\$82.54	-5.9%	\$85.12	-3.5%	17.8X	1.8%	2.0%	\$1,141.40	-6.1%
2008	903.25	\$14.88	\$49.51	\$49.51	-40.0%	\$65.47	-23.1%	18.2X	2.5%	0.1%	\$1,029.90	-9.8%
2009	1115.10	\$50.97	\$56.86	\$56.86	14.8%	\$60.80	-7.1%	19.6X	2.6%	-2.6%	\$1,182.90	14.9%
2010	1257.64	\$77.35	\$83.77	\$83.77	47.3%	\$85.28	40.3%	15.0X	1.9%	2.7%	\$1,456.50	23.1%
2011	1257.60	\$86.95	\$96.44	\$96.44	15.1%	\$97.82	14.7%	13.0X	2.0%	1.6%	\$1,529.00	5.0%
2012	1426.19	\$86.51	\$96.82	\$96.82	0.4%	\$103.80	6.1%	14.7X	2.1%	2.3%	\$1,662.80	8.8%
2013	1848.36	\$100.20	\$107.30	\$107.30	10.8%	\$109.68	5.7%	17.2X	2.0%	2.1%	\$1,648.10	-0.9%
2014	2127.83	\$102.31	\$113.02	\$113.01	5.3%	\$118.78	8.3%	18.8X	2.2%	2.5%	\$1,713.10	3.9%
2015	2043.94	\$86.53	\$100.45	\$100.45	-11.1%	\$117.46	-0.5%	20.3X	2.1%	2.9%	\$1,664.20	-2.9%
2016	2238.83	\$94.55	\$106.26	\$106.26	-3.6%	\$118.10	-0.1%	21.1X	1.9%	1.8%	\$1,661.50	-0.2%
2017	2673.61	\$109.88	\$124.51	\$124.51	28.6%	\$132.00	11.8%	21.5X	1.8%	2.5%	\$1,816.60	9.3%
2018	2506.85	\$132.39	\$151.60	\$151.60	21.8%	\$161.93	22.7%	16.5X	1.9%	3.0%	\$2,023.40	11.4%
2019	3230.78	\$94.55	\$157.12	\$157.12	3.6%	\$162.93	0.6%	20.6X	1.8%	2.5%	\$2,065.60	2.1%
2020	3756.07	\$109.88	\$122.38	\$122.38	-22.1%	\$139.72	-14.2%	30.7X	1.6%	-2.2%	\$1,968.10	-4.7%
2021	4766.18	\$132.39	\$208.17	\$208.17	70.1%	\$208.12	49.0%	22.9X	1.3%	5.8%	\$2,382.80	21.1%
2022	3839.50	\$139.47	\$196.95	\$196.95	-5.4%	\$218.09	4.8%	19.5X	1.7%	1.9%	\$2,478.80	4.0%
2023	4769.83	\$94.14	\$213.53	\$213.53	8.4%	\$221.36	1.5%	22.3X	1.5%	2.5%	\$2,803.20	4.0%
2024E	~~~~~	\$197.87	\$240.86	\$234.00	9.6%	\$244.65	10.5%	22.3X	1.4%	NA	NA	NA
2025E	~~~~~	\$172.75	\$276.19	\$255.00	9.0%	\$279.41	14.2%	19.5X	NA	NA	NA	NA
2017 1Q	2362.72	\$27.46	\$28.82	\$28.82	20.2%	\$30.90	14.6%	21.3	2.0%	2.0%	\$1,911.40	7.5%
2017 2Q	2423.41	\$27.01	\$30.51	\$30.51	18.7%	\$32.58	10.0%	20.9	1.9%	2.3%	\$1,896.90	9.5%
2017 3Q	2519.36	\$28.45	\$31.33	\$31.33	9.2%	\$33.45	7.2%	21.2	1.9%	3.2%	\$1,927.00	9.8%
2017 4Q	2673.61	\$26.96	\$33.85	\$33.85	21.3%	\$36.02	15.1%	21.5	1.8%	4.6%	\$1,977.10	9.4%
2018 1Q	2640.87	\$33.02	\$36.54	\$36.54	26.8%	\$38.07	23.2%	20.0	1.9%	3.3%	\$2,028.40	6.1%
2018 2Q	2718.37	\$34.05	\$38.65	\$38.65	26.7%	\$41.00	25.8%	19.4	1.9%	2.1%	\$2,071.00	9.2%
2018 3Q	2913.98	\$36.36	\$41.38	\$41.38	32.1%	\$42.66	27.5%	19.4	1.8%	2.5%	\$2,072.00	7.5%
2018 4Q	2506.85	\$28.96	\$35.03	\$35.03	3.5%	\$41.18	14.3%	16.5	2.1%	0.6%	\$2,099.60	6.2%
2019 1Q	2834.40	\$35.02	\$37.99	\$37.99	4.0%	\$39.15	2.8%	18.5	1.9%	2.2%	\$2,124.50	4.7%
2019 2Q	2941.76	\$34.93	\$40.14	\$40.14	3.9%	\$41.31	0.8%	19.0	1.9%	3.4%	\$2,147.20	3.7%
2019 3Q	2976.74	\$33.99	\$39.81	\$39.81	-3.8%	\$42.14	-1.2%	19.5	1.9%	4.6%	\$2,220.30	7.2%
2019 4Q	3230.78	\$35.53	\$39.18	\$39.18	11.8%	\$41.98	1.9%	20.6	1.8%	2.6%	\$2,199.60	4.8%
2020 1Q	2584.59	\$11.88	\$19.50	\$19.50	-48.7%	\$33.13	-15.4%	18.6	2.3%	-5.3%	\$1,993.80	-6.2%
2020 2Q	4397.35	\$17.83	\$26.79	\$26.79	-33.3%	\$27.98	-32.3%	35.1	1.9%	-28.0%	\$1,785.00	-16.9%
2020 3Q	3363.00	\$32.98	\$37.90	\$37.90	-4.8%	\$38.69	-8.2%	27.3	1.7%	34.8%	\$2,386.80	7.5%
2020 4Q	3756.07	\$31.45	\$38.19	\$38.19	-2.5%	\$42.58	1.4%	30.7	1.6%	4.2%	\$2,137.60	-2.8%
2021 1Q	3972.89	\$45.95	\$47.41	\$47.41	143.1%	\$49.13	48.3%	26.4	1.5%	5.2%	\$2,401.00	20.4%
2021 2Q	4297.50	\$48.39	\$52.03	\$52.03	94.2%	\$52.58	87.9%	24.5	1.3%	6.2%	\$2,596.30	45.5%
2021 3Q	4307.54	\$49.59	\$52.02	\$52.02	37.3%	\$53.72	38.8%	22.7	1.4%	3.3%	\$2,553.30	7.0%
2021 4Q	4766.18	\$53.94	\$56.71	\$56.71	48.5%	\$53.95	26.7%	22.9	1.3%	7.0%	\$2,521.90	18.0%
2022 1Q	4530.41	\$45.99	\$49.36	\$49.36	4.1%	\$54.80	11.5%	21.6	1.4%	-2.0%	\$2,497.90	4.0%
2022 2Q	3785.38	\$42.74	\$46.87	\$46.87	-9.9%	\$57.62	9.6%	18.5	1.7%	-0.6%	\$2,712.60	4.5%
2022 3Q	3585.62	\$44.41	\$50.35	\$50.35	-3.2%	\$56.02	4.3%	17.6	1.8%	2.7%	\$2,754.60	7.9%
2022 4Q	3839.50	\$39.61	\$50.37	\$50.37	-11.2%	\$53.15	-1.5%	19.5	1.7%	2.6%	\$2,700.10	7.1%
2023 1Q	4109.31	\$48.41	\$52.54	\$52.54	6.4%	\$53.08	-3.1%	20.5	1.7%	2.2%	\$2,588.60	3.6%
2023 2Q	4450.38	\$48.58	\$54.84	\$54.84	17.0%	\$54.29	-5.8%	21.4	1.5%	2.1%	\$2,601.80	-4.1%
2023 3Q	4288.05	\$47.65	\$52.25	\$52.25	3.8%	\$58.41	4.3%	20.4	1.6%	4.9%	\$2,697.90	-2.1%
2023 4Q	4769.83	\$47.79	\$53.90	\$53.90	7.0%	\$57.16	7.5%	22.3	1.5%	3.4%	\$2,803.20	3.8%
2024 1QP*	5254.35	\$47.73	\$54.92	\$54.88	4.5%	\$56.66	6.7%	24.3	1.3%	1.3%	\$2,754.50	6.4%
2024 2QE	5375.32	\$52.89	\$58.64	\$58.12	6.0%	\$59.47	9.5%	24.5	1.4%	NA	NA	NA
2024 3QE	~~~~~	\$56.72	\$62.71	\$60.50	15.8%	\$63.48	8.7%	23.4	NA	NA	NA	NA
2024 4QE	~~~~~	\$59.04	\$64.59	\$60.50	12.2%	\$65.22	14.1%	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

*6/11/2024

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“Neutral”: Neutral relative to S&P Index weighting

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

Main Office:

Wellington Shields & Co. LLC

140 Broadway

New York, NY 10005

212-320-3511

Research Sales: 212-320-2046

Florida office:

549 Lake Road

Ponte Vedra Beach, FL 32082

212-320-2045