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

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

July 24, 2024

DJIA: 40358.09
SPX: 5555.74
NASDAQ: 17997.35

US Strategy Weekly

Looking to Get Overbought

In "*A Shift in Breadth*" (July 17, 2024), we wrote that on July 11, 2014 a major change had taken place in the equity environment as seen by money flowing out of the large capitalization market leaders and into lagging financial and smaller capitalization stocks. The shift was so sudden that it was most likely due to professional traders using ETFs and futures to expedite a major portfolio change. Nonetheless, the move generated a solid improvement in breadth data and produced a perpendicular breakout in the Russell 2000 index carrying it well above the 2100 resistance level. Volume increased and the NYSE cumulative advance/decline line made a series of record highs confirming the gains in the indices.

Technicals Might Get Better

Technical confirmations of the advance continued this week and our favorite indicator -- the 25-day up/down volume oscillator -- is currently at 2.84. This is neutral territory, but close to an overbought reading of 3.0 or more, which in our view, deserves an upgrade from neutral to slightly bullish. However, a minimum of five consecutive trading days above 3.0 is required to confirm an advance in a bull market, which makes the market's near-term action important. <u>If this is the start of a major advance, this indicator should go to an extreme reading of 5.0 or more and stay overbought for much longer than five consecutive trading days</u>. From a mathematical perspective, this indicator is a good barometer of buying and selling pressure. Since bull markets are characterized by strong and consistent buying pressure, this indicator should reach and remain in overbought territory for a long period of time. A lack of buying pressure, i.e., no overbought reading, is a sign of weak buying pressure or strong selling pressure. In other words, a rally without an overbought reading is a warning signal. See page 10.

Investors are becoming more bullish as seen in the AAII bull/bear sentiment readings where neutral readings declined, but bullishness reached 52.7% and bearishness also rose to 23.4%. This is moving toward a warning signal of more than 50% bullish and less than 20% bearish. However, the last important reading from this indicator was in January 2018 when bullishness hit 59.8% and bearish sentiment fell to an extreme low of 15.6%. In short, bullish sentiment is high, but not too high, and bearish sentiment is not nearly at the levels denoted as extreme. See page 12.

On a pure technical basis, <u>the uptrends in all the major indices appear to be forming a third upleg in a possible 3-leg advance that began in 2022. See page 9. This pattern suggests further upside that could carry prices higher in the months ahead. But it also implies a significant correction or peak could materialize in 2025.</u>

<u>The last two weeks in the stock market environment has been dramatic, erratic, but clearly moving toward the view that a Fed rate cut is on the horizon and a soft landing is likely in 2025. We are not convinced</u>. And no one should overlook the fact that the political environment has been equally dramatic and changeable in the last two weeks. Two weeks ago, we thought we knew who the candidates for US president would be, but one was nearly assassinated and the other has withdrawn. The Republican support around Donald Trump at the Republican Convention was palpable. Now, the Democratic

movement around Vice President Kamala Harris's candidacy is equally amazing. These two candidates have vastly different economic views and platforms which could impact the economy and the stock market. The next major political event that could impact the polls, and the markets, would be a presidential debate between former President Trump and Vice President Harris. Back in May, ABC News had announced that a debate between Republican nominee Donald Trump and President Biden would take place on Tuesday, September 10, 2024 at 9 pm ET. If that schedule stays intact, it means six weeks without meaningful polling data. In this vacuum, the equity market should respond solely to second quarter earnings results. But overall, it continues to be a fluid situation.

More Weak Housing Data

All components of the NAHB Housing Market Index (HMI) were below the key 50 threshold in July. The overall HMI index lost 1 point to 42, present conditions fell 1 point to 47, expected sales over the next 6 months rose 1 point to 48, and traffic of prospective buyers lost 1 point to 27. High mortgage rates and elevated rates for construction and development loans were the factors that continued to dampen builder sentiment. Recent housing releases also showed fragility. Permits were off 3.1% MOM and fell 1.3% YOY in June; housing starts rose 3.0% MOM but fell 4.4% YOY. See page 3.

Existing home sales were 3.89 million units in June, the lowest pace of the year, and represented a 5.4% decline year-over-year. Nonetheless, the median price of an existing single-family home was $432,700, up 2.4% for the month and up 4.1% YOY. In sum, June repeated the pattern of slower sales but higher prices. See page 4.

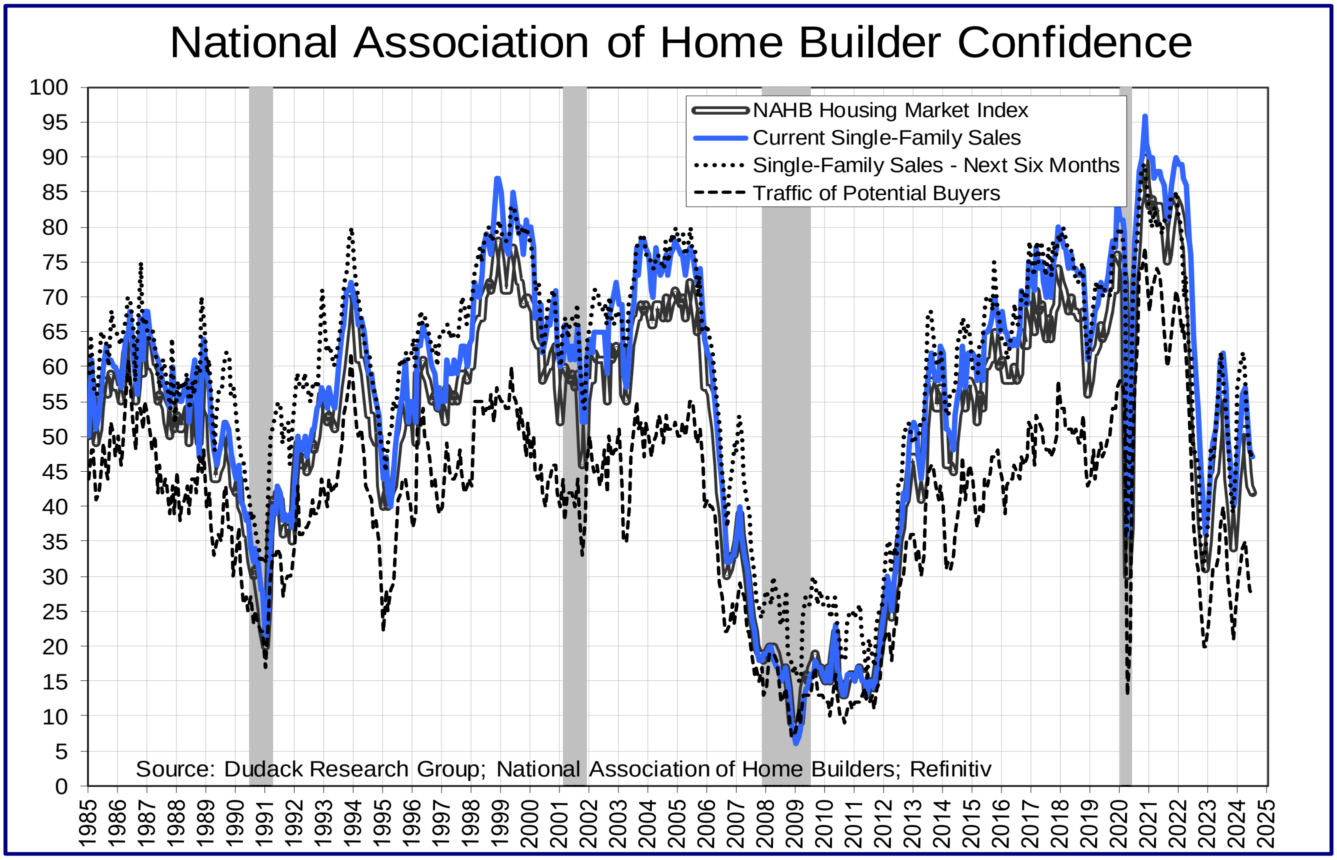
Home prices have been supported by a lack of supply. In June, existing single-family home inventory was 1.16 million homes, up 4% for the month and up 22% YOY, yet this was still low by historical standards. Months of supply rose from 3.6 to 4.0. But the market for newly constructed homes has been much weaker. New home sales were down 16.5% YOY in May and the median price of a new single-family home has been stagnant for the past 4 months. See page 5.

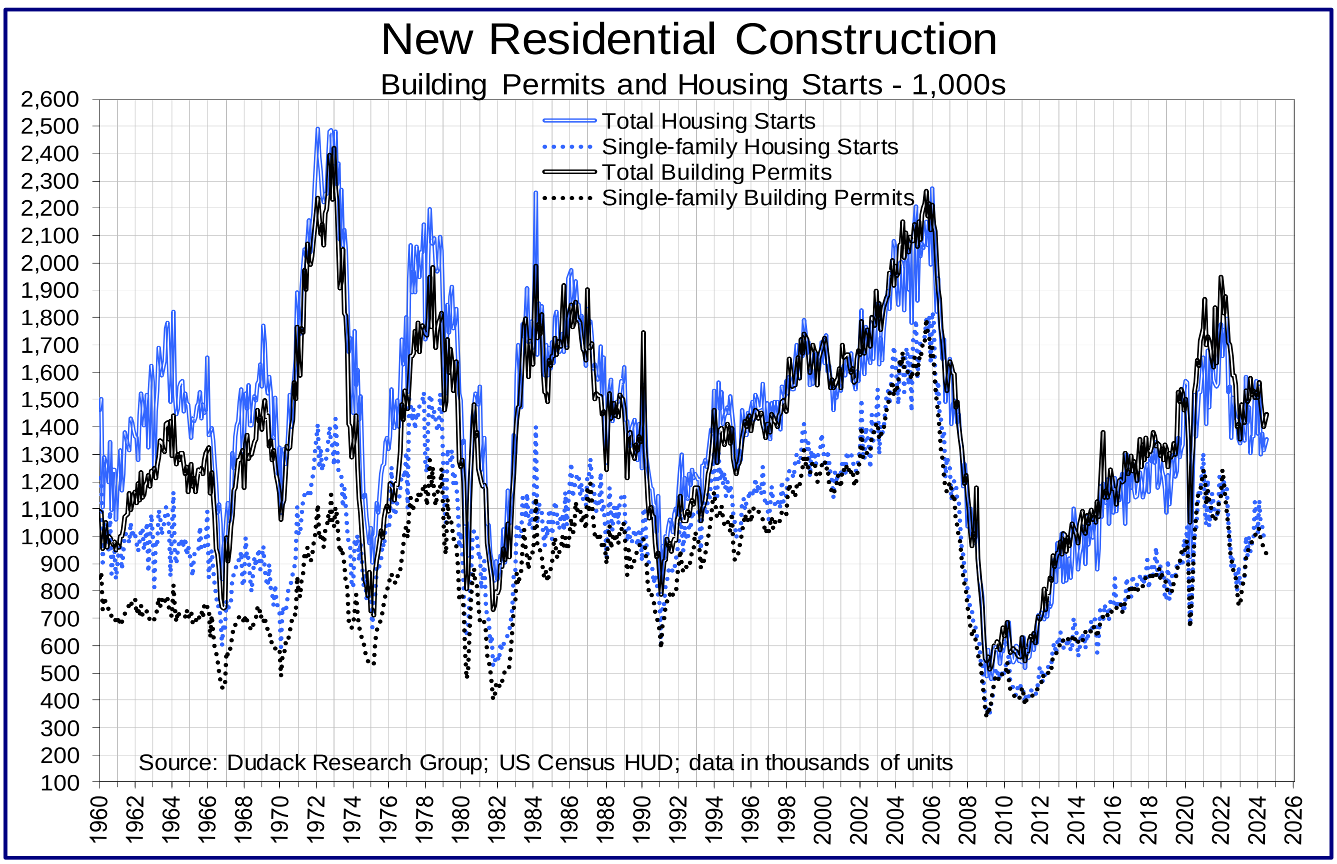
Industrial production for June rose 1.6% YOY, led by auto and truck production which grew 5.3% YOY. Auto production can be volatile, but durable consumer goods rose 2.3% YOY and nondurable goods production increased 3.0% YOY. Industrial production was strong in June; but note that July's total US industrial production index was 103.994 and still below the 104.10 level reached in September 2018.

The Beige Book for the period ending mid-July showed economic conditions were rather mixed across the country with seven districts reporting some level of growth and the five others noting either no change or a decline in activity. Two districts were unchanged or down in the last report. Most districts reported little change in household spending and demand was also soft for consumer and business loans. Employment rose at a slight pace, on average, and inflation was modest in most districts. Looking ahead, most of those surveyed expected growth to slow in the second half of the year. Meanwhile, the Conference Board Leading Economic Index declined again in June, to its lowest level in four years when the economy was shut down during the pandemic.

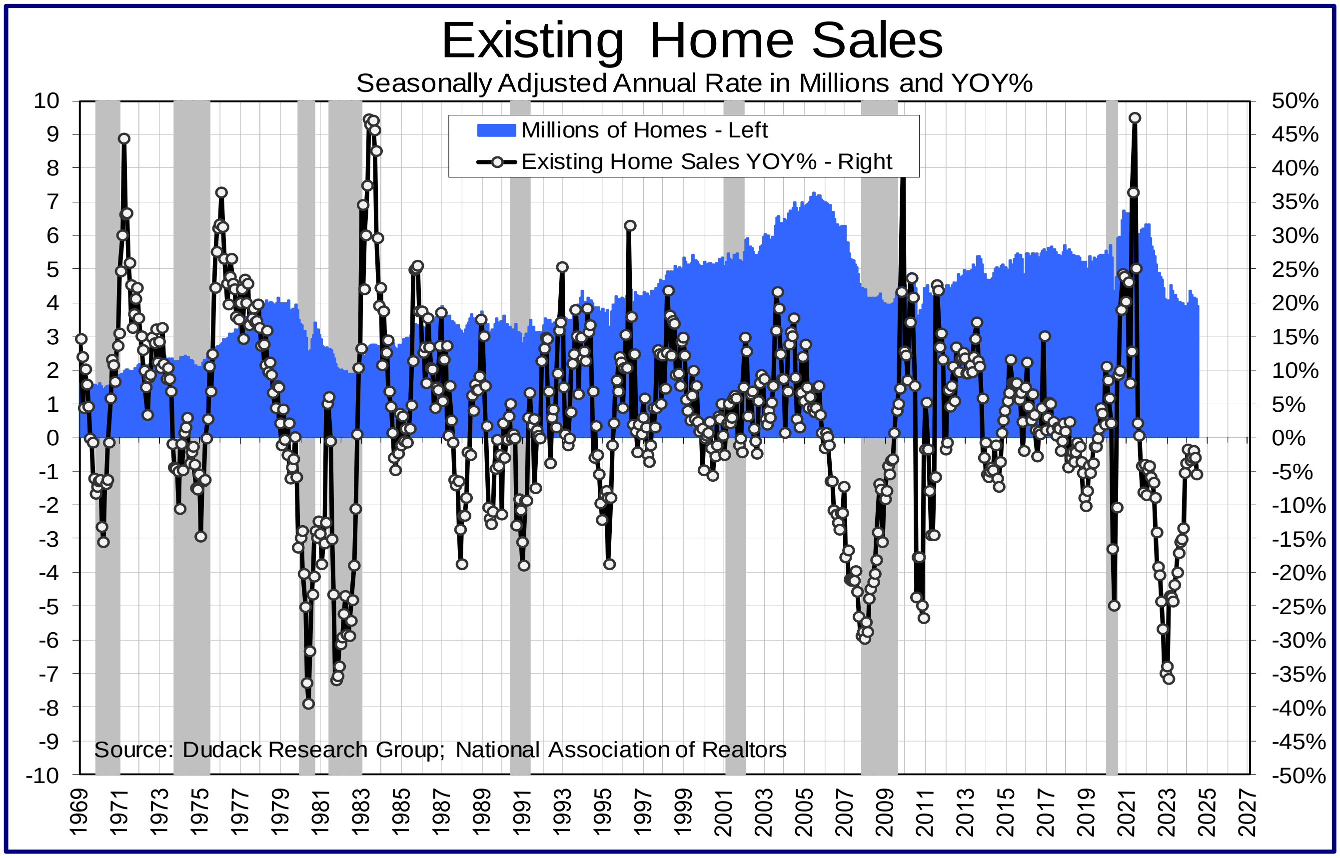
This week we get a first look at second quarter GDP, the University of Michigan Consumer Sentiment survey revision for July, and personal income, personal consumption expenditures, and the Fed's favorite benchmark, the PCE deflator for June. These reports will give economists a sense of how strong the economy was as we head into the third quarter. This week will also include second-quarter earnings releases from 134 S&P 500 components. To date, 70 companies have released earnings reports and nearly 83% have reported earnings better than analysts' estimates. This compares to the prior four-quarter average of 79%. The market is likely to focus on earnings season amidst this ever-changing political backdrop.

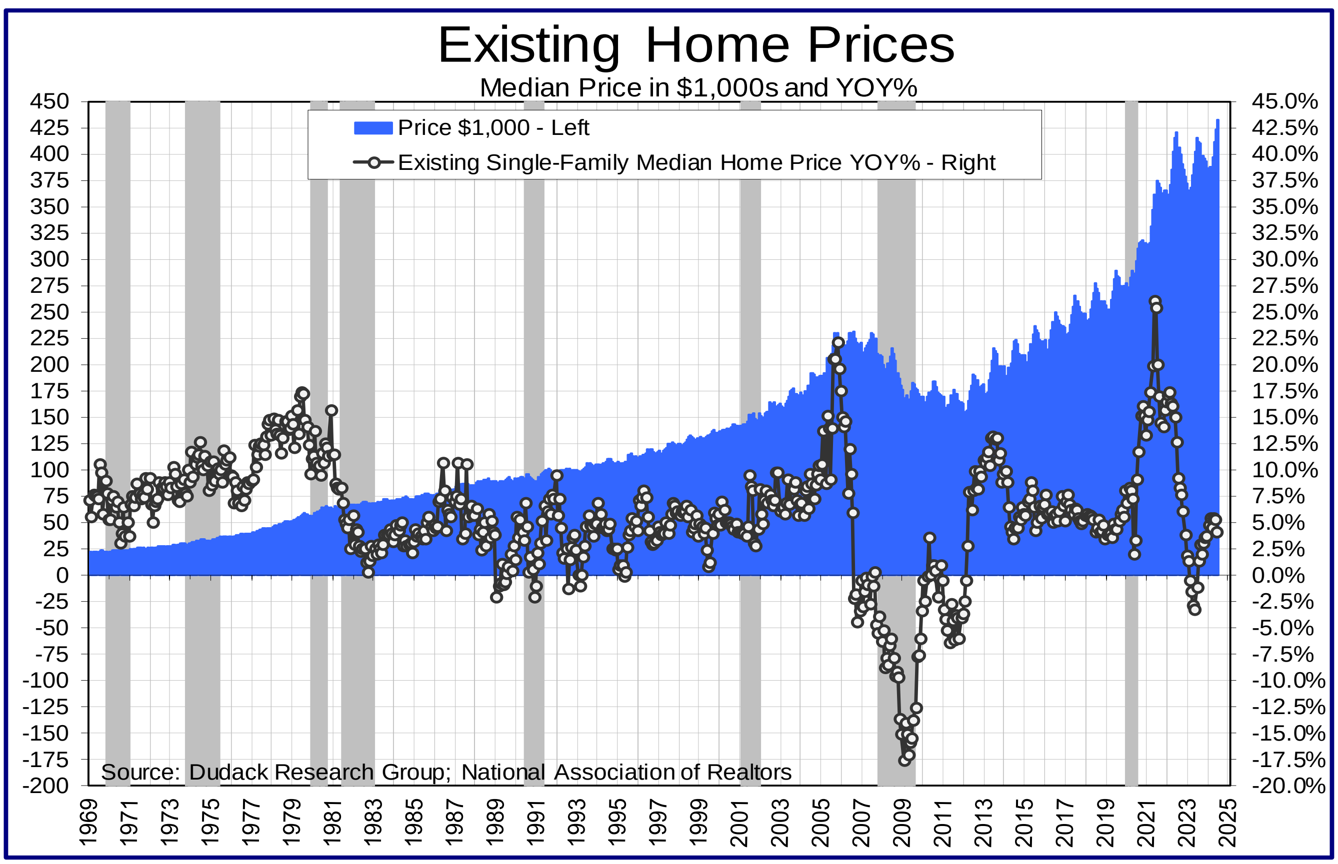
All components of the NAHB Housing Market Index (HMI) were below the key 50 threshold in July. The HMI lost 1 point to 42, present conditions fell 1 point to 47, expected sales over the next 6 months rose 1 point to 48, and traffic of prospective buyers lost 1 point to 27. High mortgage rates and elevated rates for construction and development loans continue to dampen builder sentiment. New housing data also showed weakness. Permits were off 3.1% MOM and fell 1.3% YOY in June; housing starts rose 3.0% MOM but fell 4.4% YOY.



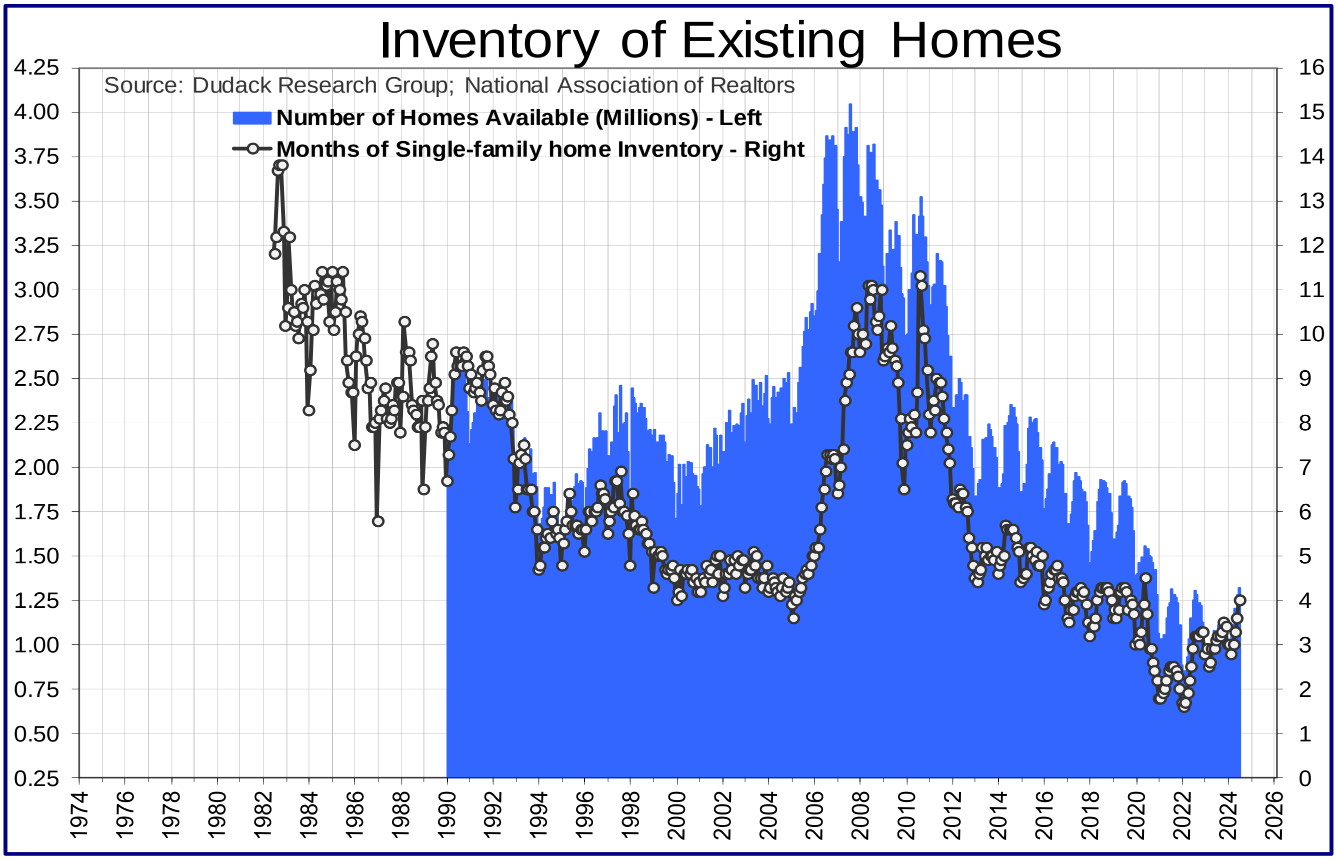


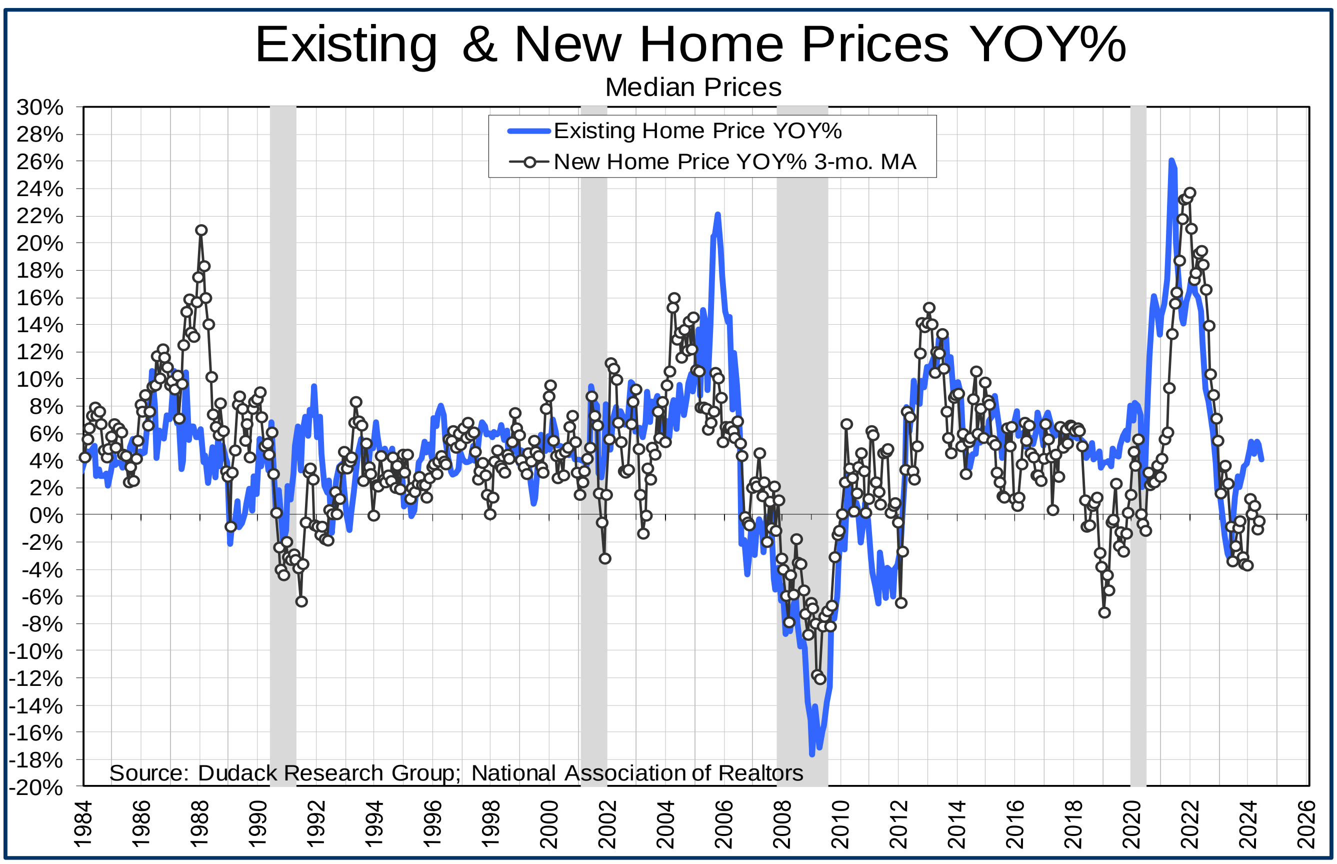
Existing home sales were 3.89 million units in June, the lowest pace of the year and down 5.4% YOY. Nonetheless, the median price of an existing single-family home was $432,700, up 2.4% for the month and up 4.1% YOY. This continued the pattern of slower sales but higher prices.



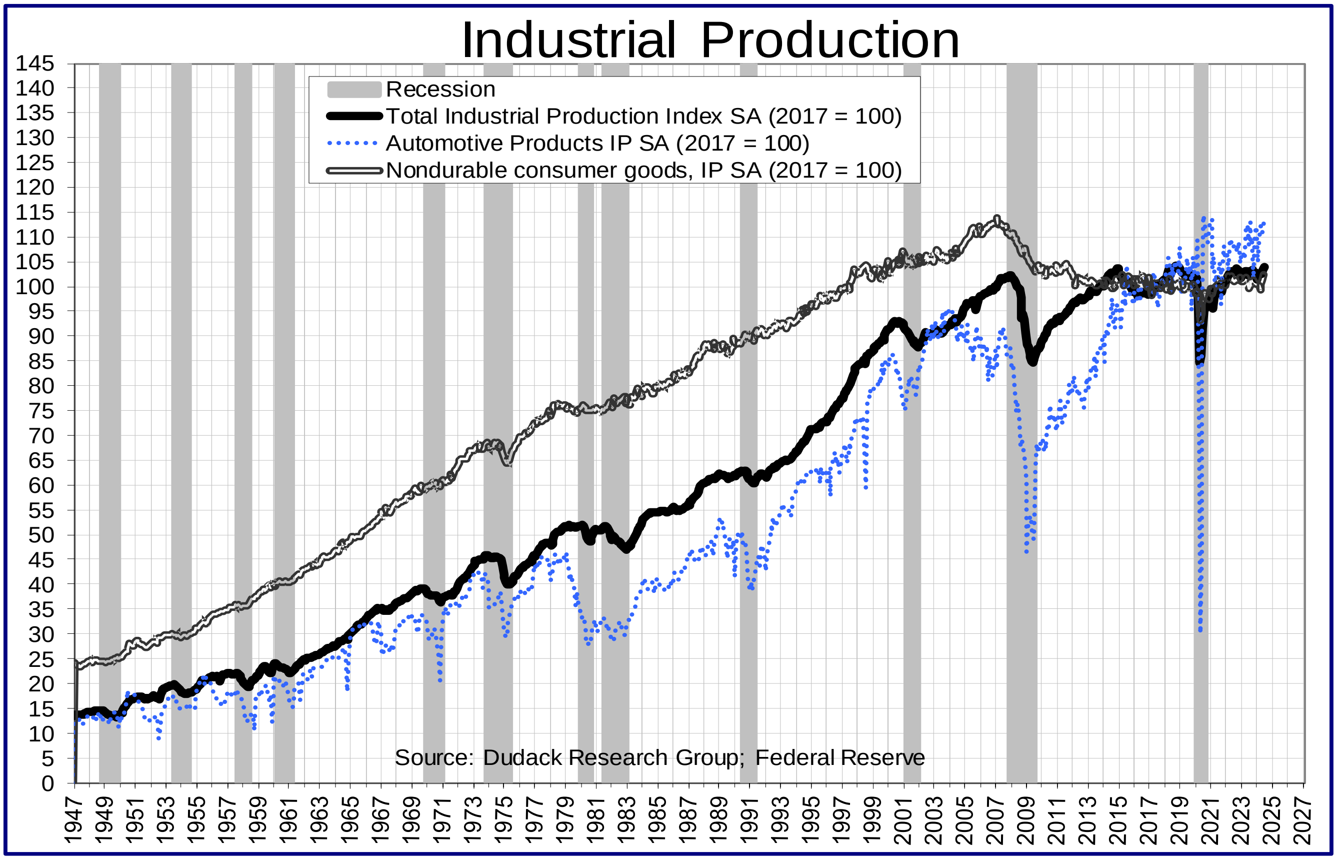


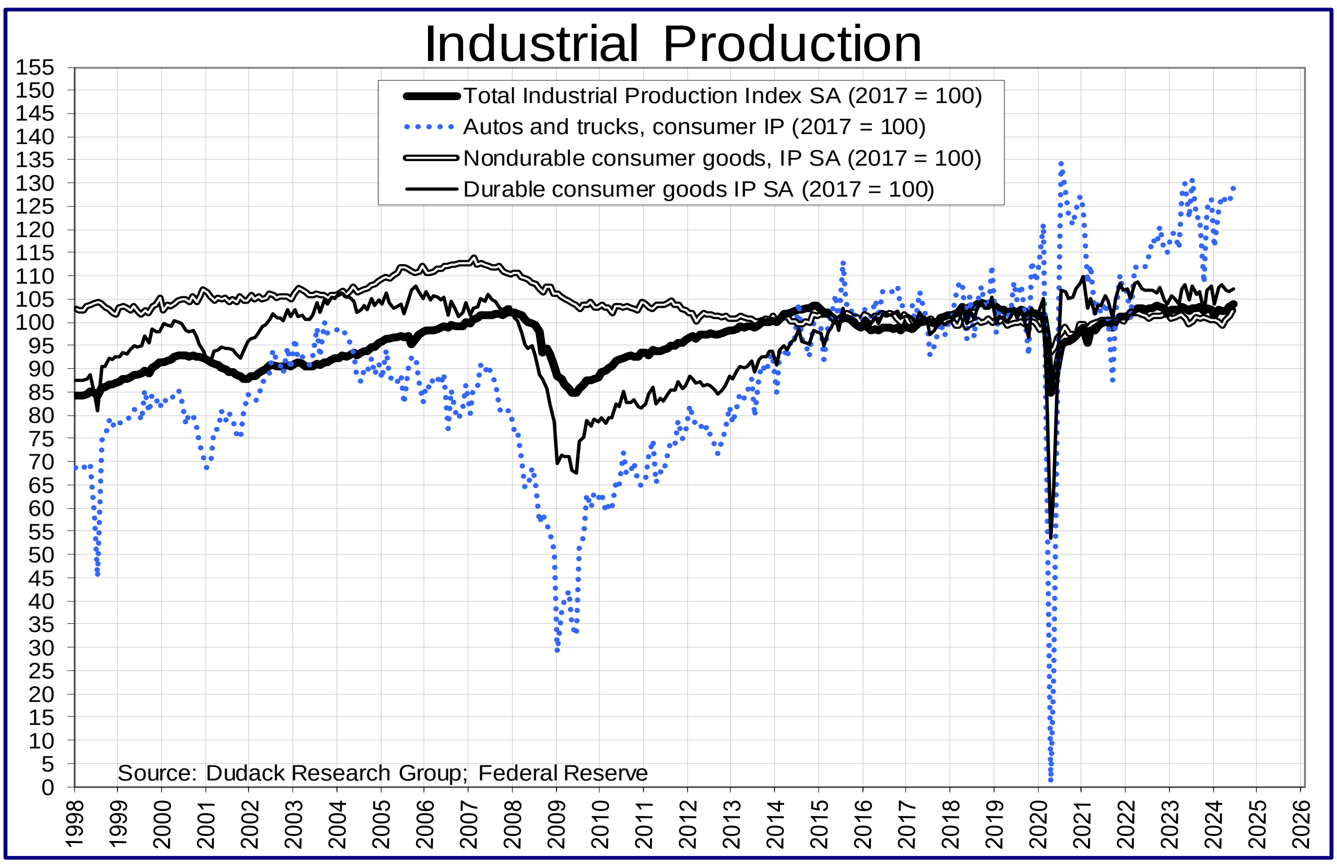
Home prices have been supported by a lack of supply. In June, existing single-family home inventory was 1.16 million homes, up 4% for the month and up 22% YOY, but still low by historical standards. Months of supply rose from 3.6 to 4.0. Although the median price of an existing home was up 4.1% YOY in June, the median price of a new single-family home has been stagnant for the past 4 months.



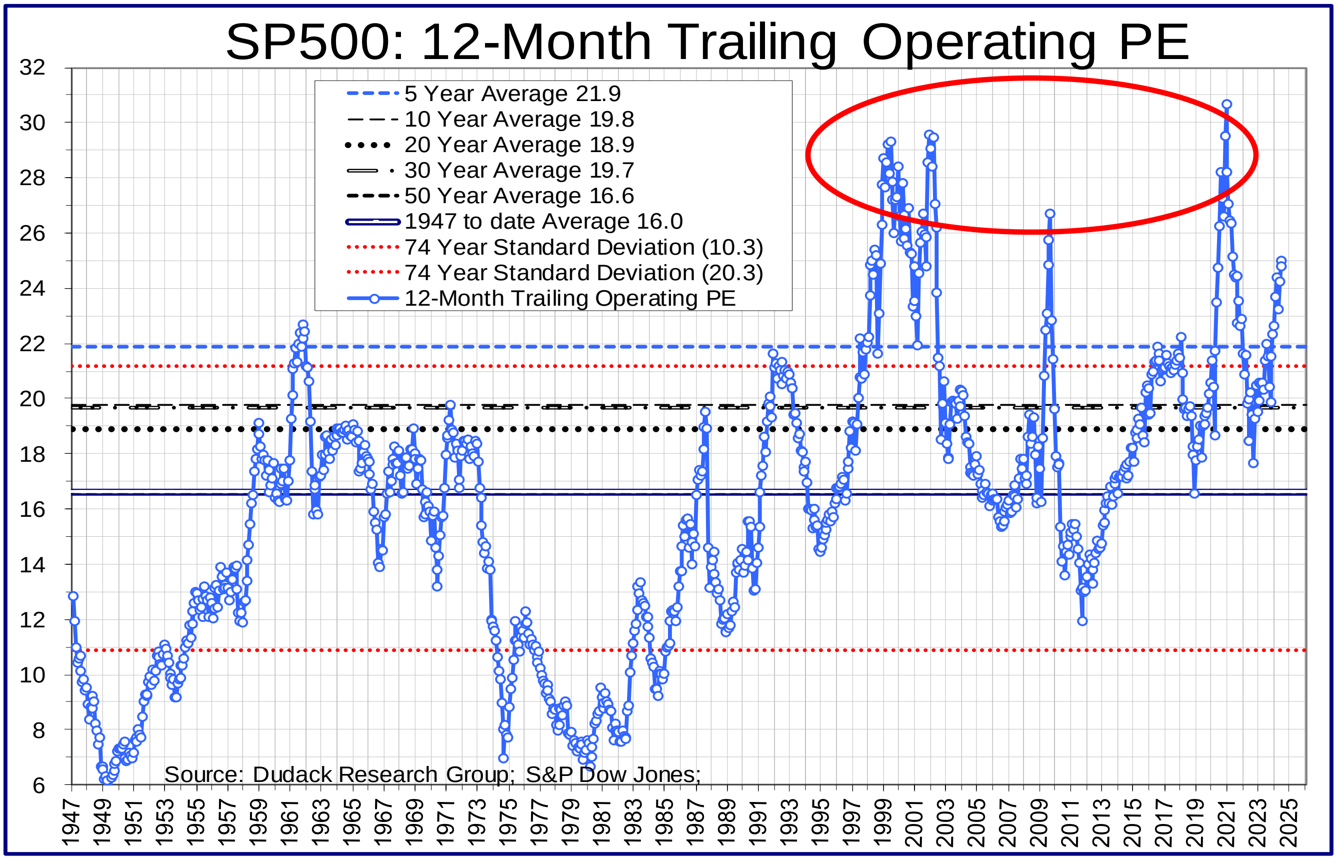


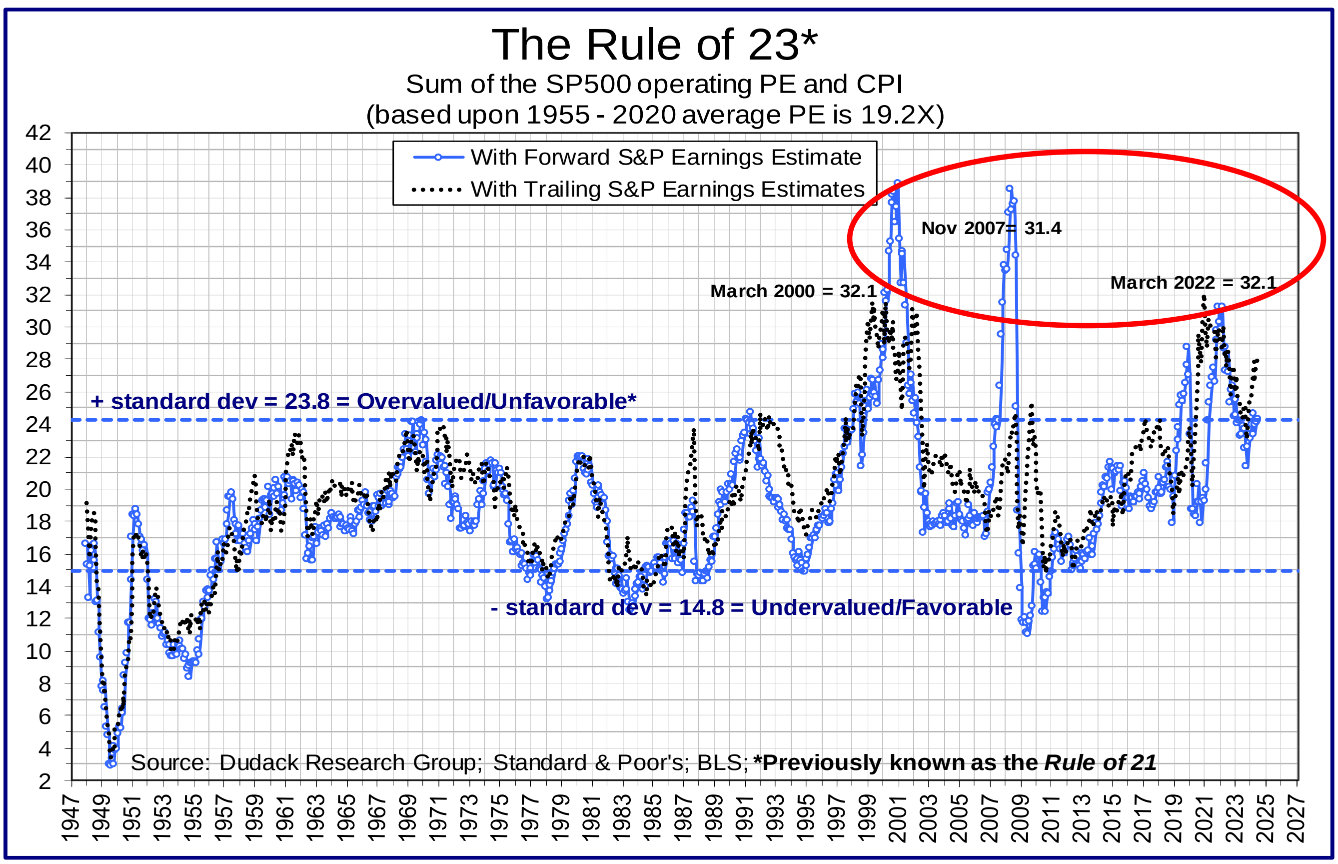
Industrial production for June rose 1.6% YOY, led by auto and truck production which grew 5.3% YOY. Auto production can be volatile, but durable consumer goods rose 2.3% YOY and nondurable goods production increased 3.0% YOY. Note that July's total US industrial production index was 103.994, still below the 104.10 level reached in September 2018. Nonetheless, industrial production was strong in June.



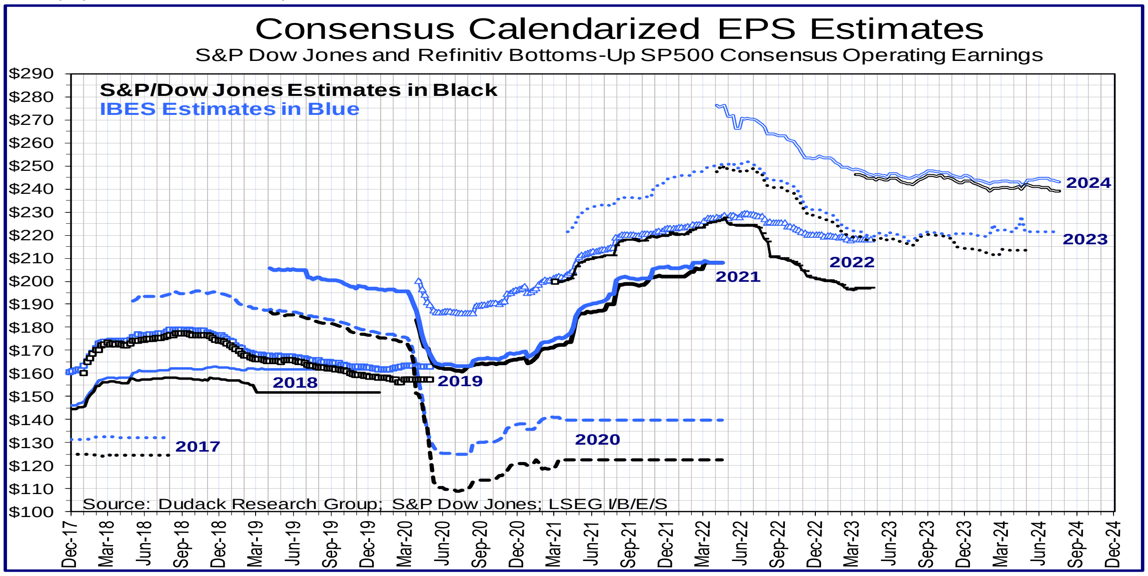


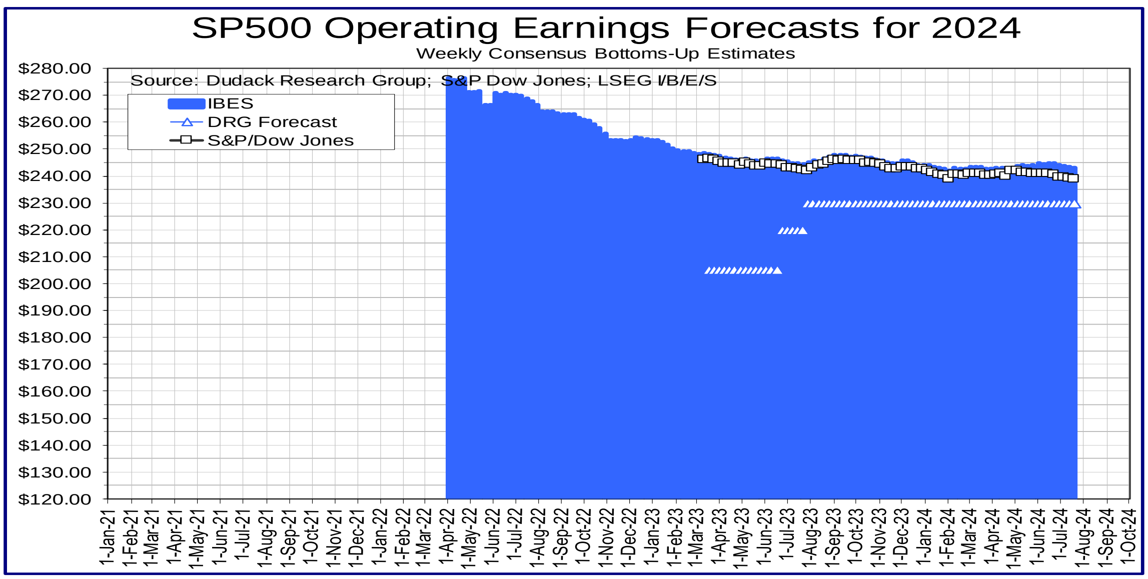
The SPX **trailing** 4-quarter operating multiple is now 25.0 times and well above all long- and short-term averages. The **12-month forward** PE multiple is 21.2 times and when added to inflation of 3.0% sums to 24.2. This sum is even higher this week despite the decline in headline CPI from 3.3% to 3.0% and remains 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.

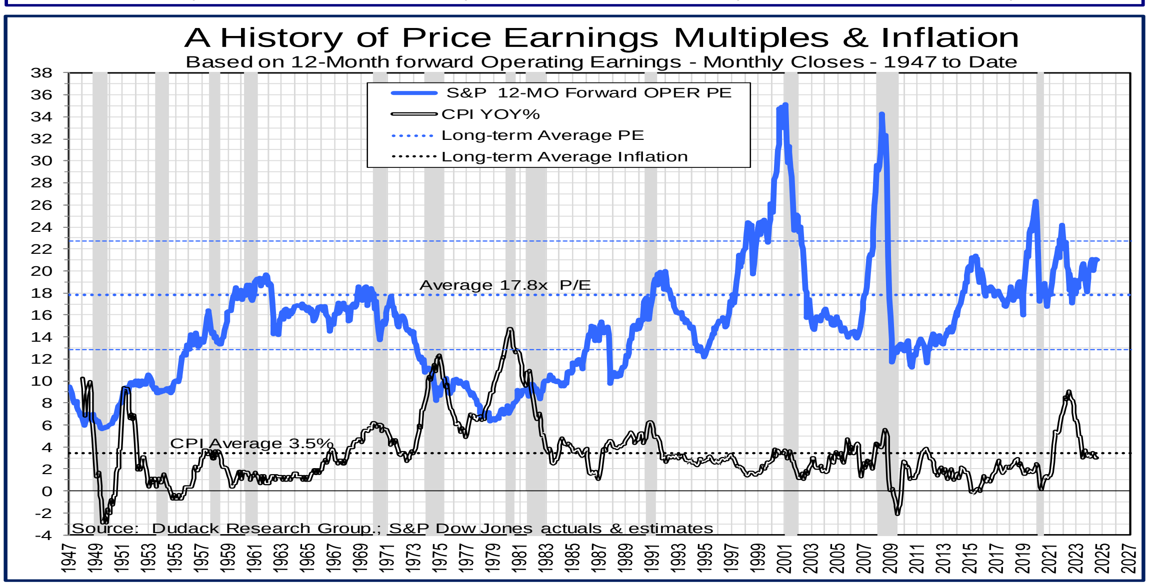




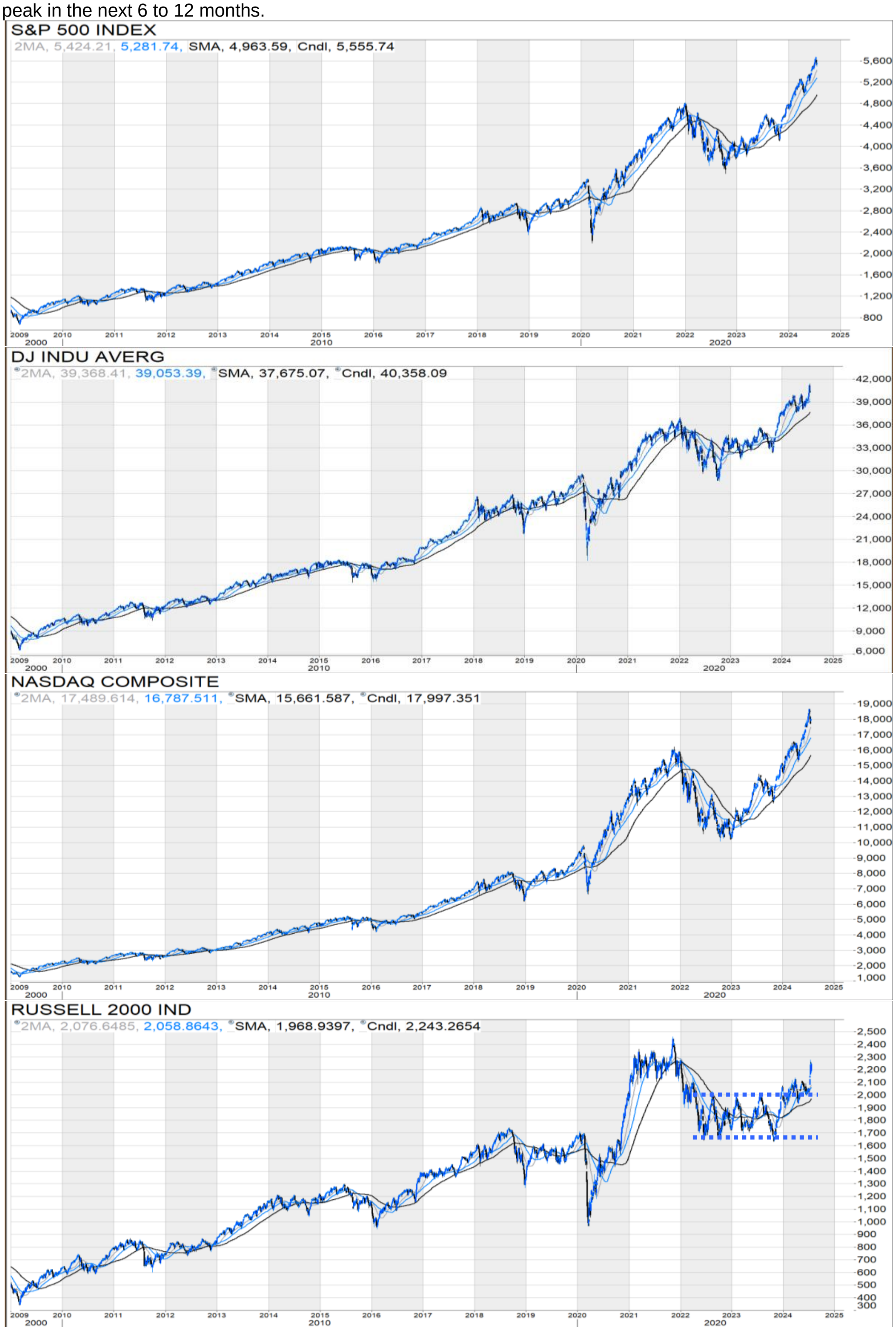
The S&P Dow Jones consensus estimate for calendar 2024 is $238.91, down $0.14, and the 2025 estimate is $277.02, up $0.53 this week, as optimism about next year's earnings continues. The LSEG IBES estimate for 2024 is $243.20, down $0.18 and for 2025 is $278.64, up $0.03. The IBES guesstimate for 2026 EPS is $316.80, up $0.36. <u>Based upon the IBES EPS estimate for calendar 2024, equities remain overvalued with a PE of 22.8 times and inflation of 3.0%. This sum of 25.8 is above the 23.8 level that defines an overvalued equity market. Note: based upon the S&P estimate, the 2024 PE is 23.3 times.</u>







A major shift from the large cap market leaders to financial and small cap stocks triggered a major boost to breadth data last week. It also produced a straight-line breakout in the Russell 2000 index well above the 2100 resistance level. On a pure technical basis, the uptrends in all the major indices appear to be forming a third leg in an advance that began in 2022. This suggests further upside, but a significant correction or peak in the next 6 to 12 months.



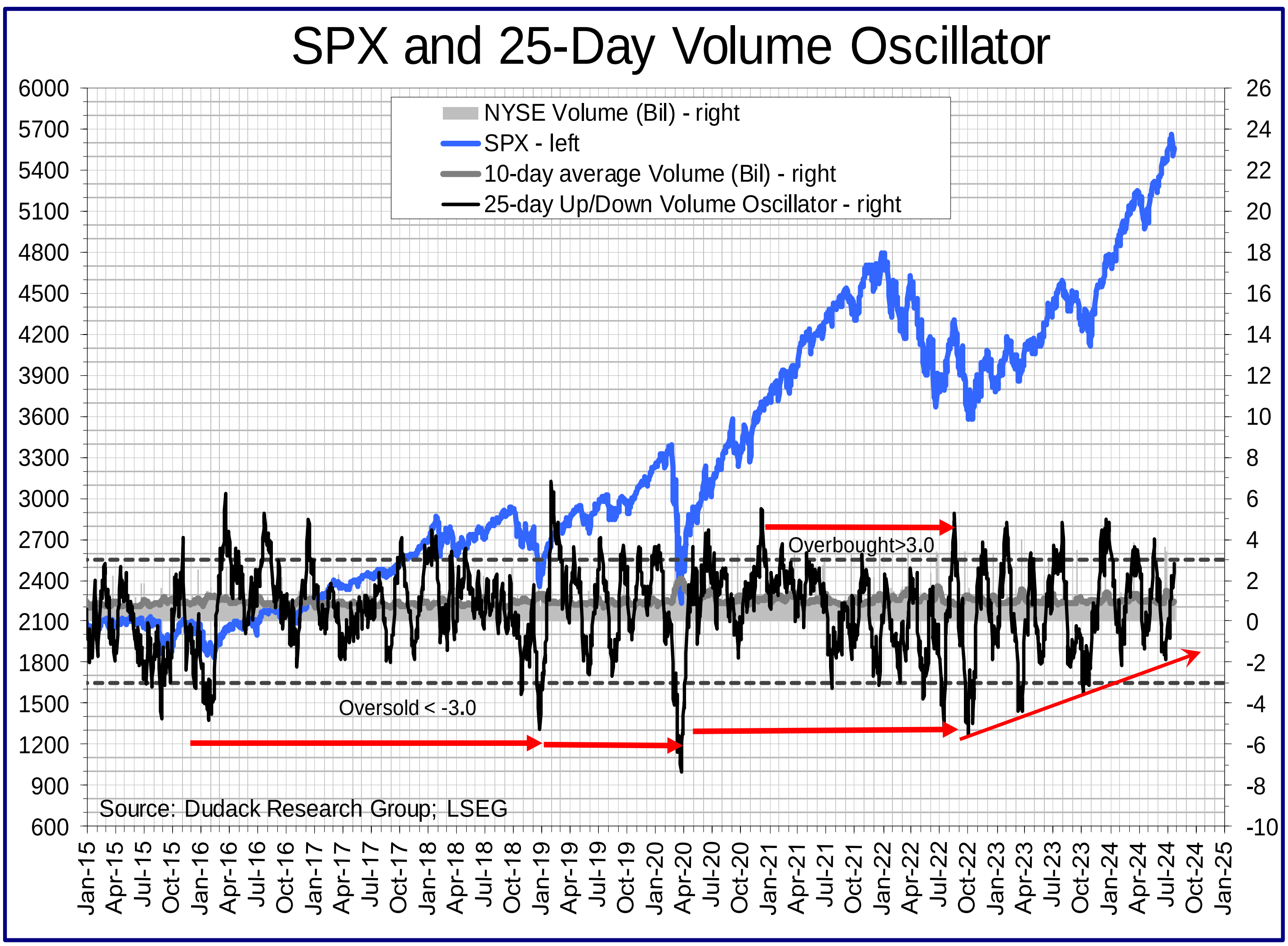
Source: Refinitiv

The 25-day up/down volume oscillator is 2.84, still in neutral territory, but erratically moving toward overbought territory. Most importantly, it remains above a bullish uptrend that has been in place in this oscillator since the October 2022 low. This gives it a bullish bias. The indicator was overbought for four consecutive trading days between May 17 and May 22, but <u>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</u>.

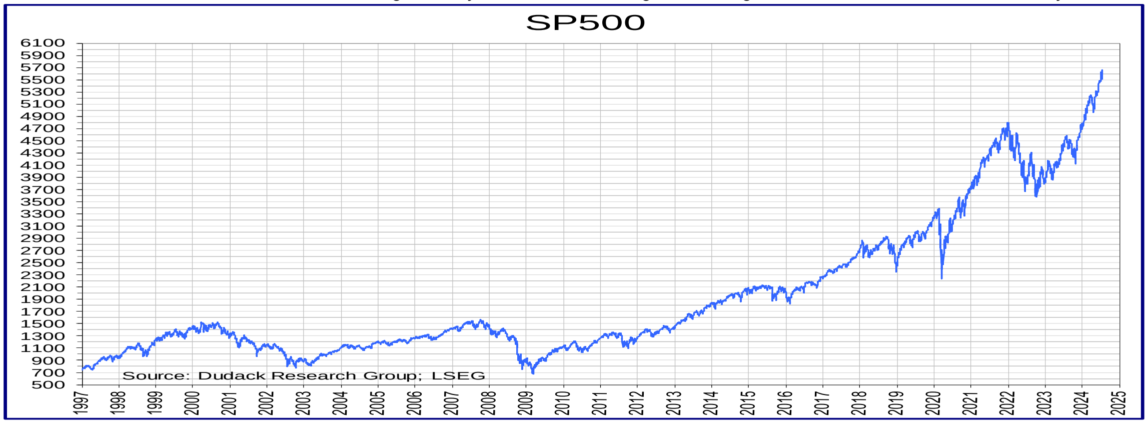
Previous overbought readings in the oscillator were seen for two consecutive days on March 13 and 14, on March 20 and 21, and for three consecutive trading days on March 27, March 28, and April 1. These overbought readings followed the string in early January when the oscillator recorded readings of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

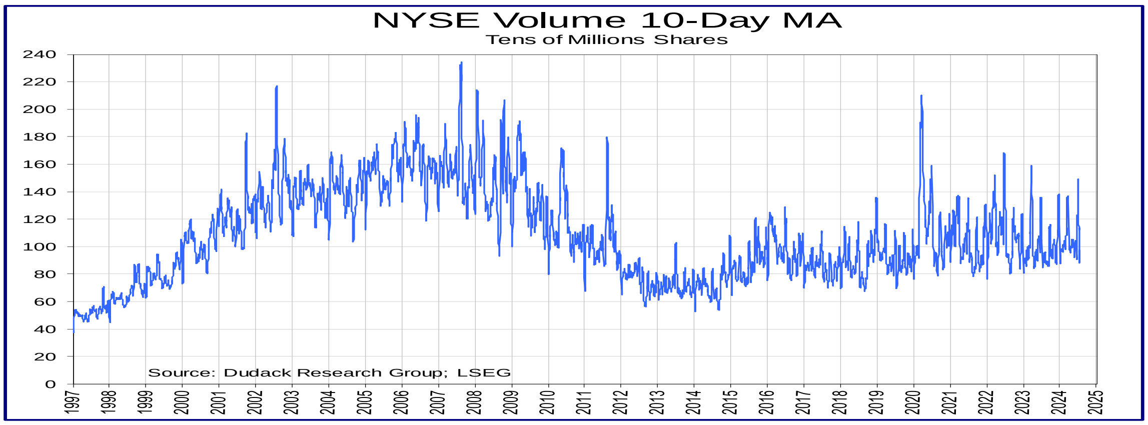
The NYSE volume last generated a 90% up day on December 13, 2023, but did score 90% down-volume days on April 12, February 13, and December 20, 2023. In short, it has been a strong advance in terms of points, but weak in terms of upside buying pressure.

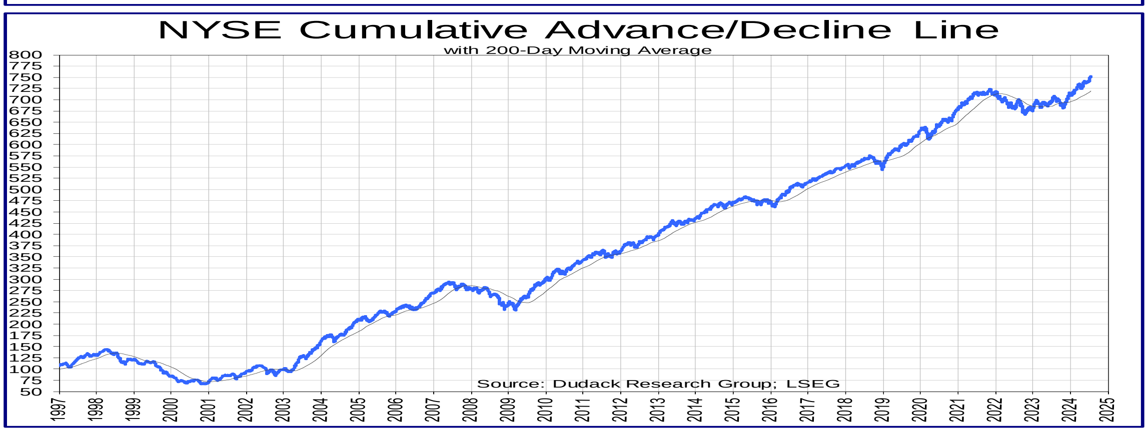
If the rally which began in October actually represents a new bull market advance, it should have also included several extreme overbought readings of 5.0 or better, which are typical of the first stage of a major advance. This has been absent and represents, to date, a lack of persistent buying pressure.

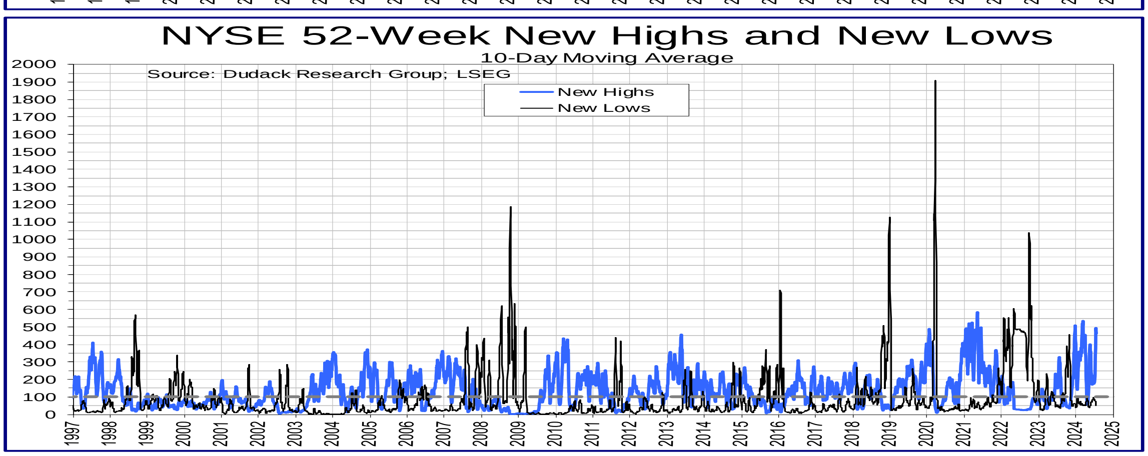


The 10-day average of daily new highs is 467 and new lows are 43. This combination of new highs above 100 and new lows below 100 is positive and much stronger than a week ago. The NYSE advance/decline line made a new record high on July 16, 2024, confirming the new highs made in the SPX and IXIC recently.

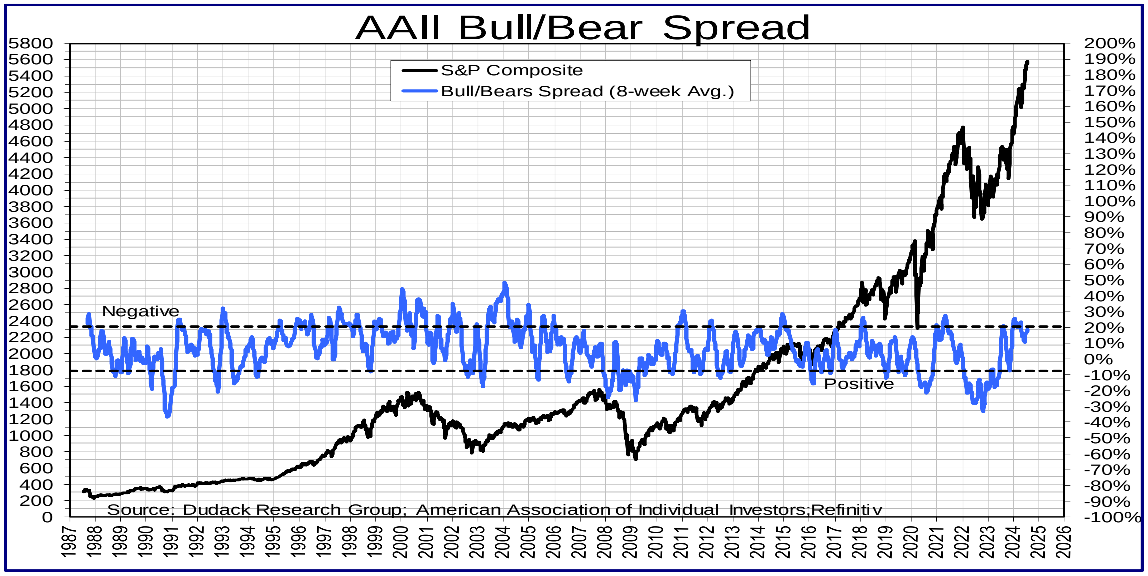


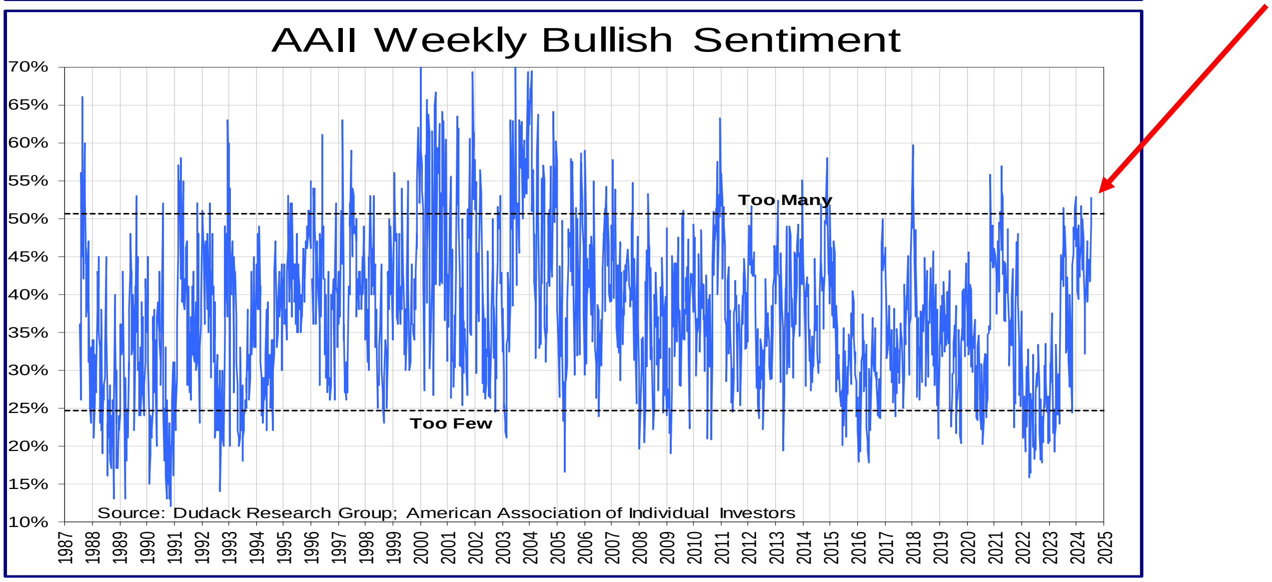


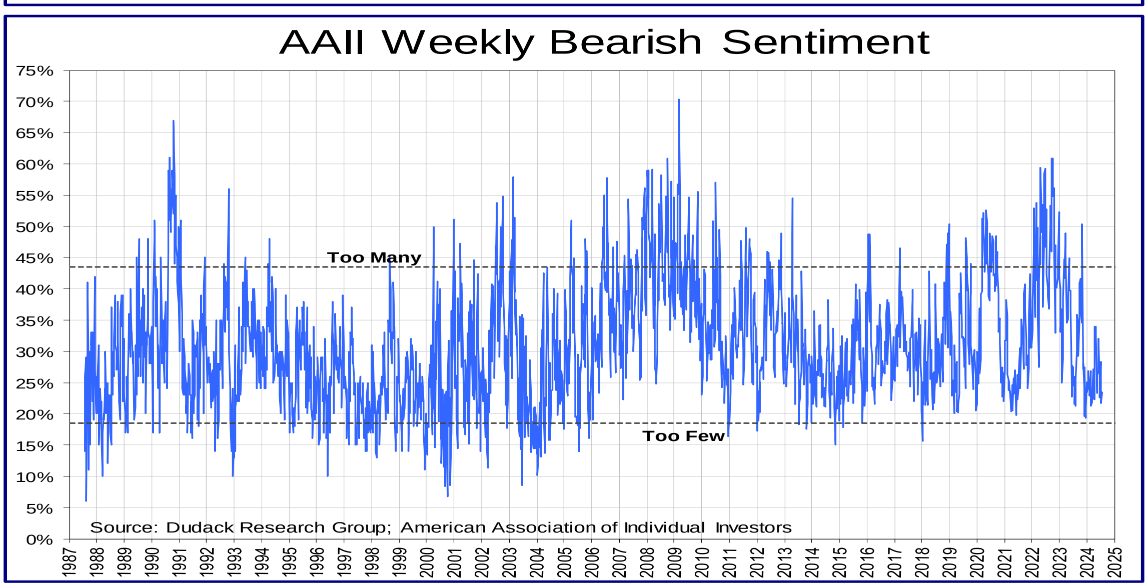




Last week's AAII readings indicated neutral sentiment decreased while bullishness rose 3.5% to 52.7% and bearishness rose 1.7% to 23.4%. Bullishness remains above average, and bearishness remains below the average of 31% for 6 consecutive weeks. On December 13, 2023, bearishness was 19.6%, its lowest 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 rose to 18.6% and is moving toward the 20.7% unfavorable level, for the first time since the 7 consecutive weeks seen 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	27.93	-6.8%	-1.1%	0.3%	22.7%
Silver Future	SIc1	29.13	-6.6%	-1.5%	-0.4%	22.1%
iShares Russell 1000 Growth ETF	IWF	367.84	-2.5%	1.0%	0.9%	21.3%
SPDR Homebuilders ETF	XHB	114.52	-0.4%	11.3%	13.3%	19.7%
Nasdaq Composite Index Tracking Stock	ONEQ.O	70.84	-2.9%	1.7%	1.3%	19.6%
Communication Services Select Sector SPDR Fund	XLC	85.35	-1.7%	0.5%	-0.4%	17.5%
NASDAQ 100	NDX	19754.34	-3.2%	0.3%	0.4%	17.4%
Technology Select Sector SPDR	XLK	225.20	-3.5%	-1.4%	-0.5%	17.0%
SP500	.SPX	5555.74	-2.0%	1.7%	1.7%	16.5%
SPDR Gold Trust	GLD	222.58	-2.5%	3.6%	3.5%	16.4%
SPDR S&P Bank ETF	KBE	53.54	2.3%	19.5%	15.4%	16.3%
iShares Russell 1000 ETF	IWB	303.41	-1.9%	1.9%	2.0%	15.7%
iShares MSCI Taiwan ETF	EWT	53.12	-6.1%	-2.8%	-2.0%	15.4%
United States Oil Fund, LP	USO	76.62	-3.1%	-2.6%	-3.7%	15.0%
Financial Select Sector SPDR	XLF	43.17	-0.7%	4.5%	5.0%	14.8%
iShares MSCI India ETF	INDA.K	55.75	-2.8%	1.9%	-0.1%	14.2%
SPDR S&P Semiconductor ETF	XSD	254.49	-7.1%	2.6%	2.8%	13.2%
iShares Russell 2000 Growth ETF	IWO	284.69	-1.8%	9.4%	8.4%	12.9%
PowerShares Water Resources Portfolio	PHO	68.59	-1.0%	4.1%	5.7%	12.7%
Utilities Select Sector SPDR	XLU	70.28	0.3%	1.3%	3.1%	11.0%
iShares Russell 2000 ETF	IWM	222.63	-0.9%	11.1%	9.7%	10.9%
Industrial Select Sector SPDR	XLI	125.90	-1.8%	2.4%	3.3%	10.4%
iShares MSCI Japan ETF	EWJ	70.24	-2.3%	6.4%	2.9%	9.5%
iShares MSCI Malaysia ETF	EWM	23.26	-0.2%	3.3%	3.6%	9.5%
Health Care Select Sect SPDR	XLV	148.63	-0.8%	1.2%	2.0%	9.0%
iShares Russell 1000 Value ETF	IWD	180.06	-1.3%	3.0%	3.2%	9.0%
iShares Russell 2000 Value ETF	IWN	169.19	0.2%	12.9%	11.1%	8.9%
iShares China Large Cap ETF	FXI	25.99	-2.3%	-1.6%	0.0%	8.2%
Consumer Staples Select Sector SPDR	XLP	77.86	0.2%	0.2%	1.7%	8.1%
Energy Select Sector SPDR	XLE	90.33	-2.1%	0.6%	-0.9%	7.7%
Oil Future	CLc1	76.96	-4.7%	-4.7%	-5.6%	7.4%
iShares MSCI United Kingdom ETF	EWU	35.48	-0.9%	1.1%	1.7%	7.4%
DJIA	.DJI	40358.09	-1.5%	3.1%	3.2%	7.1%
SPDR DJIA ETF	DIA	403.49	-1.5%	3.1%	3.2%	7.1%
iShares Nasdaq Biotechnology ETF	IBB.O	145.35	-1.7%	5.8%	5.9%	7.0%
Vanguard FTSE All-World ex-US ETF	VEU	59.69	-2.1%	2.2%	1.8%	6.3%
iShares MSCI Emerg Mkts ETF	EEM	42.72	-3.5%	0.1%	0.3%	6.2%
Materials Select Sector SPDR	XLB	90.77	-1.4%	1.3%	2.8%	6.1%
iShares MSCI EAFE ETF	EFA	79.92	-1.6%	2.5%	2.0%	6.1%
iShares MSCI Germany ETF	EWG	31.40	-0.7%	4.0%	2.5%	5.8%
iShares DJ US Oil Eqpt & Services ETF	IEZ	23.18	-1.8%	8.2%	4.1%	5.7%
Consumer Discretionary Select Sector SPDR	XLY	189.03	-2.9%	3.5%	3.6%	5.7%
Gold Future	GCc1	2870.10	0.2%	0.8%	0.6%	5.4%
iShares MSCI Singapore ETF	EWS	19.69	-2.1%	3.5%	2.6%	5.3%
SPDR S&P Retail ETF	XRT	76.01	-3.9%	0.3%	1.4%	5.1%
iShares MSCI BRIC ETF	BKF	35.84	-2.8%	-0.3%	-0.1%	4.8%
iShares MSCI Canada ETF	EWC	38.39	-1.6%	5.2%	3.5%	4.7%
iShares MSCI Austria Capped ETF	EWO	22.47	-1.2%	3.8%	2.8%	4.0%
iShares US Real Estate ETF	IYR	93.69	0.5%	7.5%	6.8%	2.5%
iShares MSCI Australia ETF	EWA	24.89	-2.7%	2.1%	1.9%	2.3%
iShares MSCI South Korea Capped ETF	EWY	65.49	-4.0%	0.6%	-0.9%	-0.1%
Shanghai Composite	.SSEC	2915.37	-2.0%	-2.8%	-1.8%	-2.0%
iShares iBoxx $ Invest Grade Corp Bond	LQD	108.24	-0.9%	0.1%	1.0%	-2.2%
iShares US Telecomm ETF	IYZ	22.03	-2.6%	3.5%	1.4%	-3.2%
iShares 20+ Year Treas Bond ETF	TLT	92.52	-1.8%	-1.5%	0.8%	-6.4%
iShares MSCI Hong Kong ETF	EWH	15.46	-1.0%	-0.7%	1.0%	-11.0%
iShares MSCI Mexico Capped ETF	EWW	58.46	-4.1%	2.1%	3.3%	-13.8%
iShares MSCI Brazil Capped ETF	EWZ	27.84	-4.6%	1.4%	1.9%	-20.4%

Outperformed SP500
Underperformed SP500

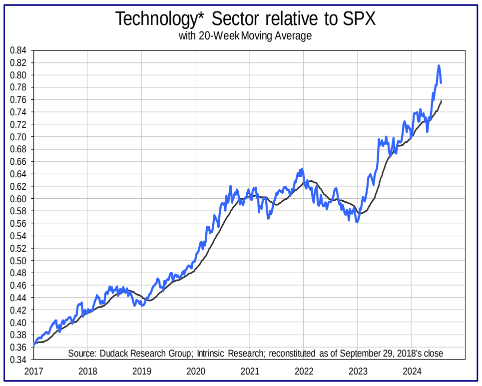
Source: Dudack Research Group; Refinitiv

Priced as of July 23, 2024

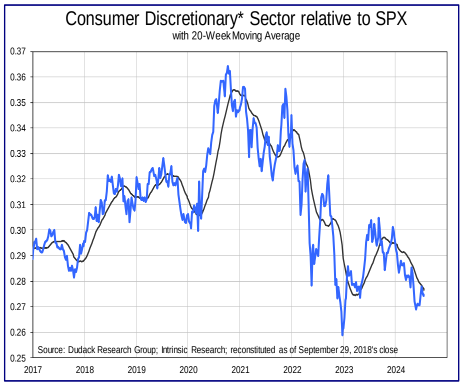
Sector Relative Performance – relative over/under/ performance to S&P 500

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

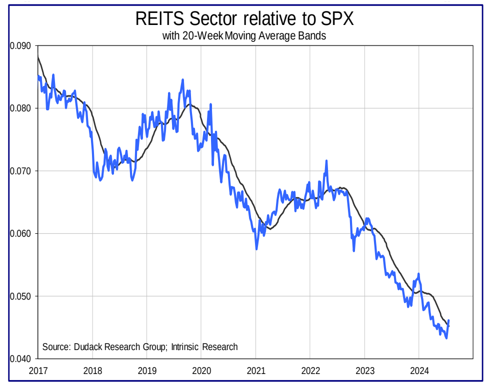
2/6/2024: Upgraded Communication Services from U to O; Technology & Healthcare from from N to O; Downgraded Industrials & Consumer Discretionary from O to N; Materials downgraded from O to U. Staples & Energy upgraded to N.



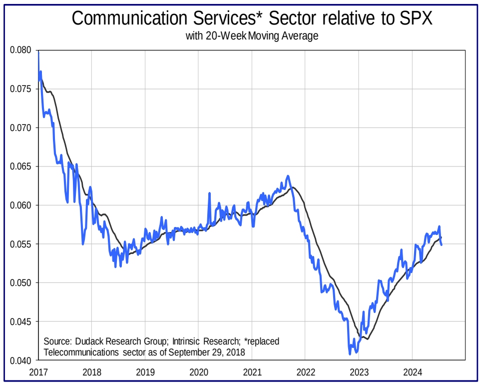
Technology* Sector relative to SPX
with 20-Week Moving Average



Consumer Discretionary* Sector relative to SPX
with 20-Week Moving Average

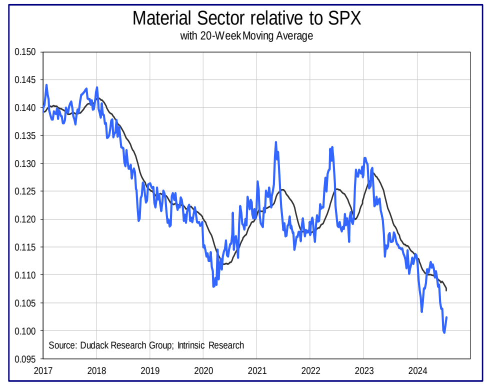


REITS Sector relative to SPX
with 20-Week Moving Average Bands

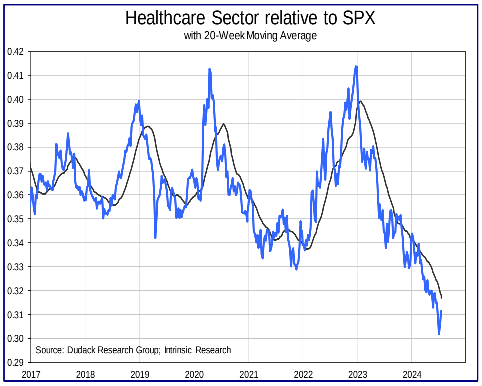


Communication Services* Sector relative to SPX
with 20-Week Moving Average

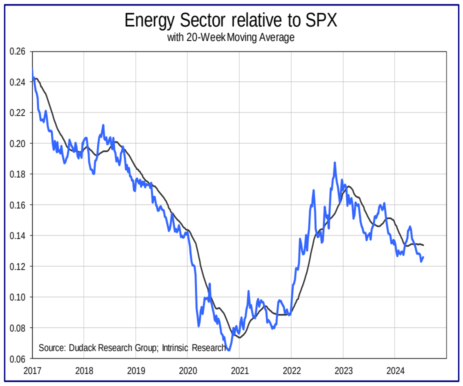
Staples Sector relative to SPX
with 20-Week Moving Average



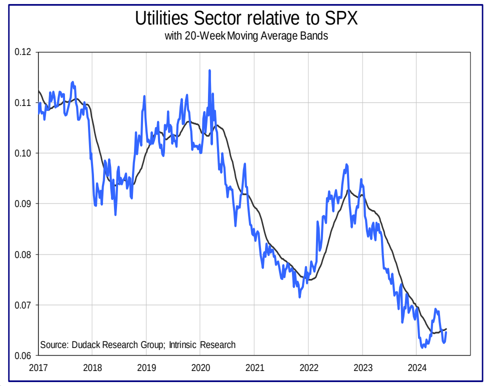
Material Sector relative to SPX
with 20-Week Moving Average



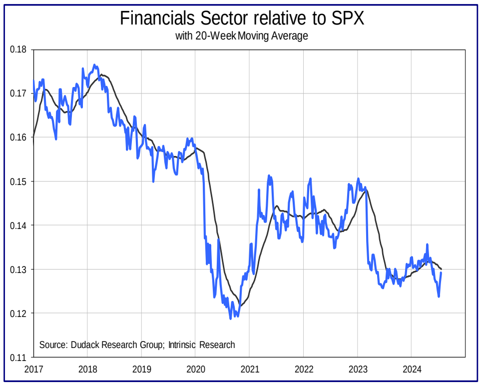
Healthcare Sector relative to SPX
with 20-Week Moving Average



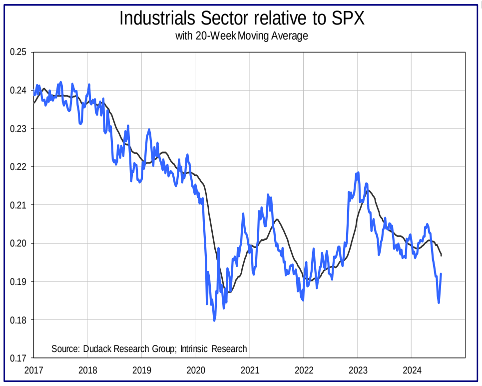
Energy Sector relative to SPX
with 20-Week Moving Average



Utilities Sector relative to SPX
with 20-Week Moving Average Bands



Financials Sector relative to SPX
with 20-Week Moving Average



Industrials Sector relative to SPX
with 20-Week Moving Average

2024 Performance - Ranked	
SP500 Sector	% Change
S&P INFORMATION TECH	28.9%
S&P COMMUNICATIONS SERVICES	23.9%
S&P 500	16.5%
S&P FINANCIAL	14.6%
S&P UTILITIES	10.9%
S&P INDUSTRIALS	10.5%
S&P CONSUMER STAPLES	9.3%
S&P HEALTH CARE	8.9%
S&P ENERGY	7.9%
S&P CONSUMER DISCRETIONARY	7.6%
S&P MATERIALS	6.0%
S&P REITS	1.9%

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	$238.90	$234.00	9.6%	$243.20	9.9%	23.3X	1.4%	NA	NA	NA
2025E	~~~~~	$172.75	$277.02	$255.00	9.0%	$278.64	14.6%	20.1X	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 1Q	5254.35	$47.37	$54.63	$54.63	4.0%	$56.56	6.6%	24.4	1.3%	1.4%	$2,726.80	5.3%
2024 2QE	5521.50	$52.51	$57.91	$58.12	6.0%	$58.60	7.9%	25.2	1.3%	NA	NA	NA
2024 3QE*	5555.74	$56.12	$62.03	$60.75	16.3%	$62.63	7.2%	24.3	NA	NA	NA	NA
2024 4QE	~~~~~	$59.27	$64.33	$60.50	12.2%	$65.12	13.9%	23.3	NA	NA	NA	NA

Source: DRG; S&P Dow Jones **quarterly EPS may not sum to official CY estimates; LSEG IBES Consensus estimates *7/23/2024

Regulation AC Analyst Certification

I, Gail Dudack, hereby certify that all the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific views contained in this report.

IMPORTANT DISCLOSURES

RATINGS DEFINITIONS:

Sectors/Industries:
"Overweight": Overweight relative to S&P Index weighting
"Neutral": Neutral relative to S&P Index weighting
"Underweight": Underweight relative to S&P Index weighting

Other Disclosures
This report has been written without regard for the specific investment objectives, financial situation, or particular needs of any specific recipient, and should not be regarded by recipients as a substitute for the exercise of their own judgment. The report is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell securities or related financial instruments. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. The report is based on information obtained from sources believed to be reliable, but is not guaranteed to be accurate, nor is it a complete statement or summary of the securities, markets or developments referred to in the report. Any opinions expressed in this report are subject to change without notice and the Dudack Research Group division of Wellington Shields & Co. LLC. (DRG/Wellington) is under no obligation to update or keep current the information contained herein. Options, derivative products, and futures are not suitable for all investors, and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results, and yield from securities, if any, may fluctuate as a security's price or value changes. Accordingly, an investor may receive back less than originally invested. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report.

DRG/Wellington relies on information barriers, such as "Chinese Walls," to control the flow of information from one or more areas of DRG/Wellington into other areas, units, divisions, groups, or affiliates. DRG/Wellington accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this report.

The content of this report is aimed solely at institutional investors and investment professionals. To the extent communicated in the U.K., this report is intended for distribution only to (and is directed only at) investment professionals and high net worth companies and other businesses of the type set out in Articles 19 and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001. This report is not directed at any other U.K. persons and should not be acted upon by any other U.K. person. Moreover, the content of this report has not been approved by an authorized person in accordance with the rules of the U.K. Financial Services Authority, approval of which is required (unless an exemption applies) by Section 21 of the Financial Services and Markets Act 2000.
Additional information will be made available upon request.

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

Prices are the close of July 23, 2024