Dudack Research Group
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DJIA: 41606.18
SPX: 5634.58
NASDAQ: 17628.06

US Strategy Weekly
The First Cut

It is finally here. The September FOMC meeting and the long-awaited rate cut by the Federal Reserve. The last rate cut occurred during the pandemic in March 2020. In our view, we will get a 25 basis point cut, but in reality, there is little difference between 25 or 50 basis points, particularly since it is likely to be the first in a series. Moreover, in the last five months the 10-year Treasury bond yield declined 100 basis points, providing substantial easing to the economy, and thereby doing some of the Fed's work for it. In fact, the 10-year Treasury yield is more important than the fed funds rate to many homeowners and home buyers since mortgage rates are linked to the Treasury yield.

What a Cut Helps or Does Not Help

Credit card, or revolving credit rates are loosely linked to short-term rates so this should have a positive impact. But a 25 or 50 basis point cut will hardly be noticed by consumers since the average interest rate on retail store credit cards recently hit a record high of 30.45%, according to a new Bankrate study. The annual percentage rate (APR) on a credit card is the cost of borrowing, and it refers to the yearly interest rate paid on any balances, plus any fees. For example, the APR on the popular Costco Wholesale Corp. (COST- $897.27) Anywhere Visa card is currently 20.49%. So, while market watchers are eagerly waiting to see if the Fed moves 25 or 50 basis points, we believe there is little difference to consumers or the economy. Nonetheless, it is worth noting that revolving consumer credit reached a record $1.36 trillion in July and credit card delinquencies hit 3.25% in the second quarter, the highest since June 2011. There clearly is financial stress in many households and this is why the Fed needs to begin to ease.

Moreover, lowering the fed funds rate will definitely help the federal government deficit since 21% of outstanding marketable Treasury debt is currently held in short-term bills. By lowering short-term rates, the Federal Reserve will lower the government's net interest expense. And according to current White House data, in 2023, the government's net interest expense was 9.5% of total spending, extremely high when compared to the 9.9% of total outlays spent for defense and international.

Statistics on how the stock market reacts to an initial fed funds rate cut are quite mixed, although the market tends to decline on the day of the rate cut. Historically, the first rate cut occurs when the economy is already in a recession, although it may not have been known at the time since recessions are identified with a six-month lag. The one easing cycle that occurred prior to a recession was in June 1989, however, this cut was followed by a recession as well, but not until July 1990. Moreover, inflation of 6% or greater has also been followed by a recession, although it may take years to materialize. See page 3. In short, this cycle is unusual in many ways. And while the stock market believes we are headed for a soft landing and no recession, this means investors believe it will be different this time. We hope so but are not convinced that the economic cycle has been eliminated.

A Mix of Data

August data showed the CPI rose 2.5% YOY, down from 2.9% YOY in July. The PPI rose a mere 0.2% YOY versus 1.8% in July. The PCE deflator for August will be reported later next week, but it rose 2.5% YOY in July, unchanged from June. Core indices were less impressive. Core CPI rose 3.2% YOY, unchanged from July. Core PPI showed prices rising 2.3% YOY, up from 2.1% a month earlier. Core

PCE for July was 2.6% YOY, virtually unchanged from June and May. In sum, the data remains mixed. See page 4.

Gasoline, and most fuels, were down at least 10% YOY in August, and this helped lower headline inflation in the CPI. Nevertheless, there were trouble spots in the report. Service sector inflation was 4.8% YOY, down from 4.9%. Services less rent rose 4.3% versus 4.6% in July. Transportation services pricing rose 7.9%, down from 8.8%. Auto insurance increased 16.5%, down from 18.6%, but still incredibly high. Health insurance rose 3.3% YOY, up from minus 0.6%. Hospital services rose 5.8%, down from 6.2%. Last but far from least, electricity rose 3.9% YOY, down from 4.9% YOY in July. Most of these indices were down from July levels, but still well above 3% YOY, and most importantly, these all represent necessities of most households. See page 5.

The National Federation of Independent Business indicated that its small business optimism index fell in August from 93.7 to 91.2, erasing all of July's gains. Uncertainty rose from 90 to 92, reaching its highest level since 98 recorded in October 2020 during the pandemic. Eight of the 12 components we monitor fell during the month, two were unchanged and two rose. Job openings rose 2 points to 40 and plans to raise prices rose one to 24. See page 6.

As unemployment rises, small business owners tend to see weaker sales and that trend may be starting. With the unemployment rate moving above 4% we find that more businesses are reporting that weak sales are a major problem. However, inflation still ranks as the number one problem for a majority of businesses. While small business capital expenditure plans inched up to 24 in August, hiring plans fell two points to 13. Sales expectations plummeted from minus 9 to minus 18. Actual sales changes were unchanged in August at minus 16 but actual earnings fell from minus 30 to minus 37 in August. See page 7.

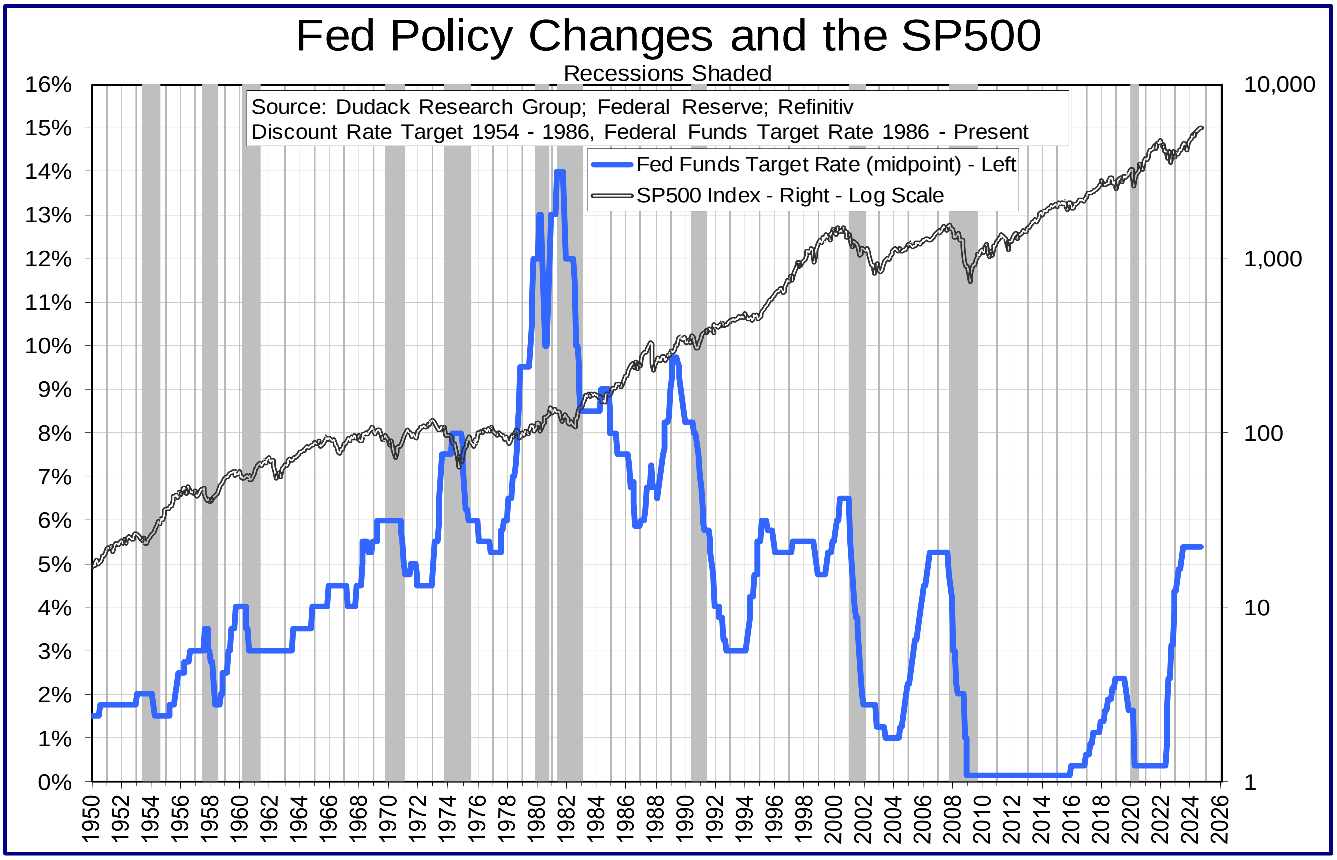
Conversely, initial statistics for September's University of Michigan consumer sentiment index showed an increase from 67.9 to 69. This was a result of gains in both present conditions, up 1.6 points to 62.9 and expectations, up 0.9 points, to 73. Yet despite these gains the University of Michigan readings remain near recessionary levels. Conference Board consumer confidence indices for September will be released next week. See page 8.

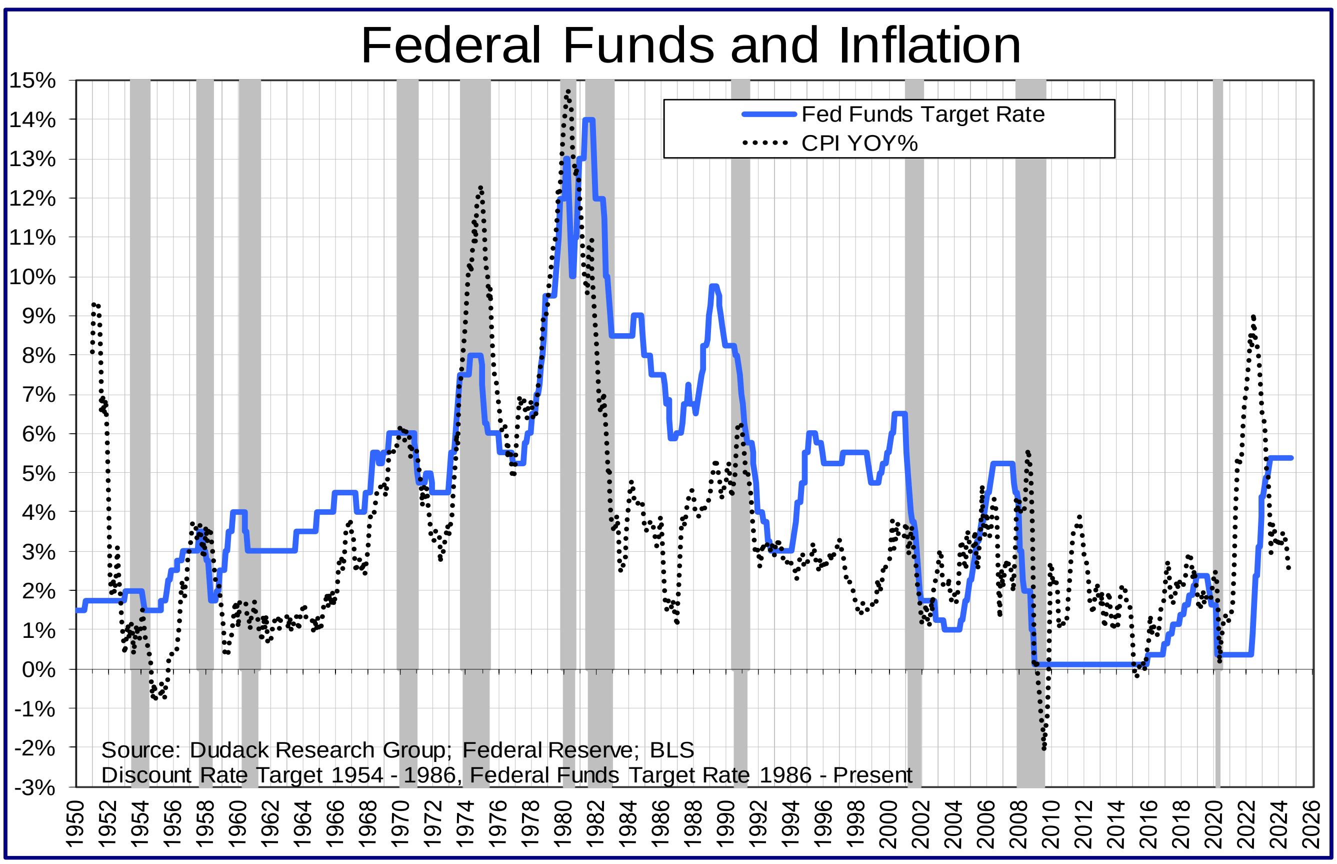
The National Association of Realtors housing affordability index for July rose two points to 95.0 but it still remains below May's level. The small increase was in line with a small decrease in the Federal Housing Finance Agency (FHFA) mortgage rate from 7% to 6.93%. The National Association of Home Builders confidence index rose for the first time in five months from 39 to 41. Single-family home sales rose from 44 to 45, expectations for the next 6 month rose from 49 to 53, and traffic of potential buyers from 25 to 27. Overall, these reports suggest the residential housing market remains sluggish but could be showing some green shoots. See page 9.

Retail sales for August surprised to the upside and rose 0.1% month-over-month while analysts were looking for a decline. On a year-over-year basis total retail sales rose 2.1% YOY, below the 2.9% seen in July and the 12-month average of 2.9% YOY. However, real retail sales fell 0.4% YOY, marking the 20th time in the last 30 months that real YOY sales were negative. Unit vehicle sales fell 4.4% in August and were down 1.3% YOY. In general, vehicle sales have been trending lower since the April 2021 pandemic spike. See page 10.

There were important changes in market breadth this week. The 25-day up/down volume oscillator is 4.07 and has been overbought for five of the last six days. With many of the indices at or near all-time highs, it is important for this indicator to confirm the advance with an overbought reading lasting at least 5 consecutive days. If the rally which began in October actually was a new bull market advance, it should also include several extreme overbought readings of 5.0 or better, which are typical of the first stage of a major advance. To date, the 4.07 reading is the best seen since December 2023 which is encouraging. This is the best demonstration of volume following prices seen since the end of last year.

The statistics on how the stock market reacts to an initial fed funds rate cut are quite mixed. Historically, the first rate cut occurs when the economy is already in a recession, although it may not have been known at the time since recessions are identified with a 6-month lag. The one easing cycle that occurred prior to a recession was in June 1989, however, it was followed by a recession in July 1990. Moreover, inflation of 6% or greater is also typically followed by a recession in coming months or years. In short, this cycle is unusual in many ways.





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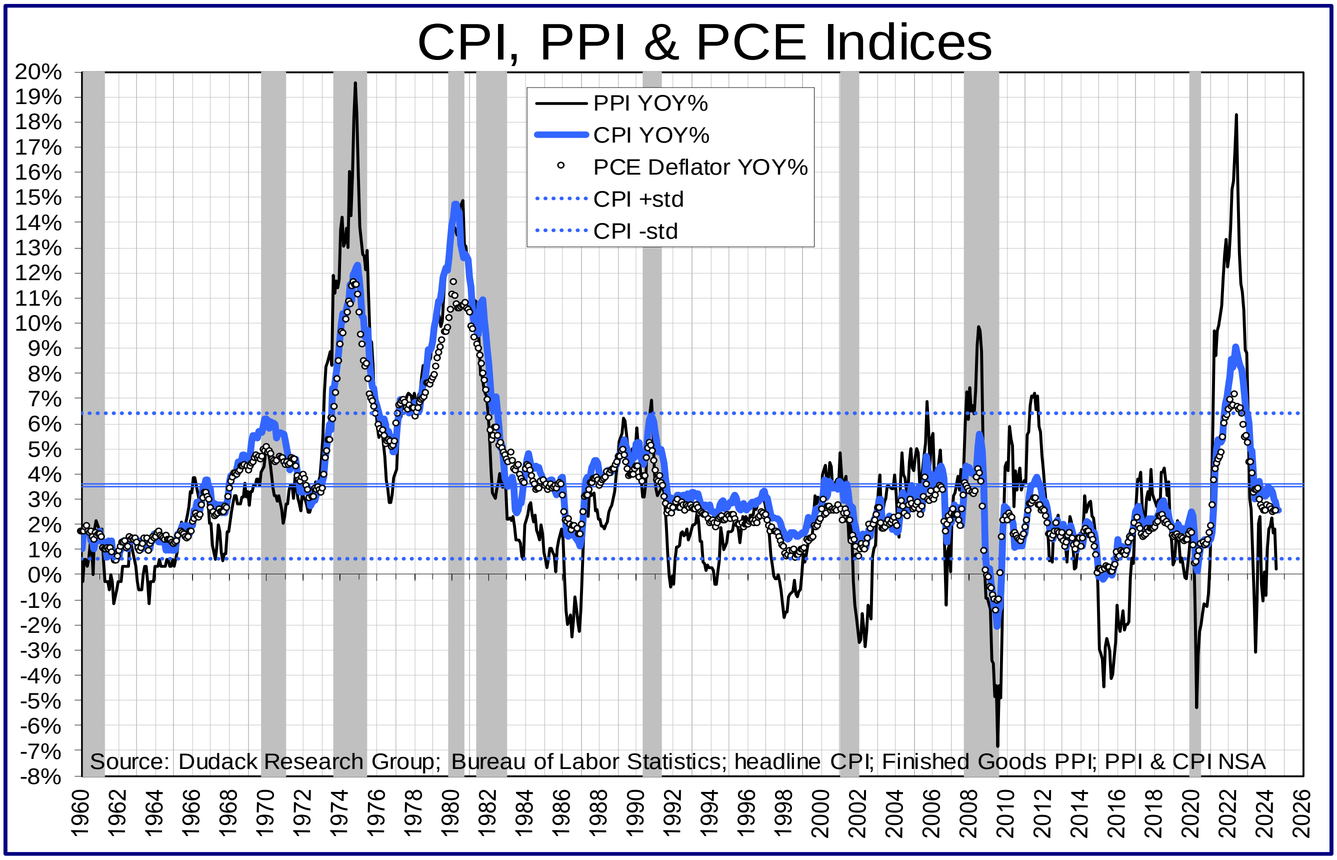
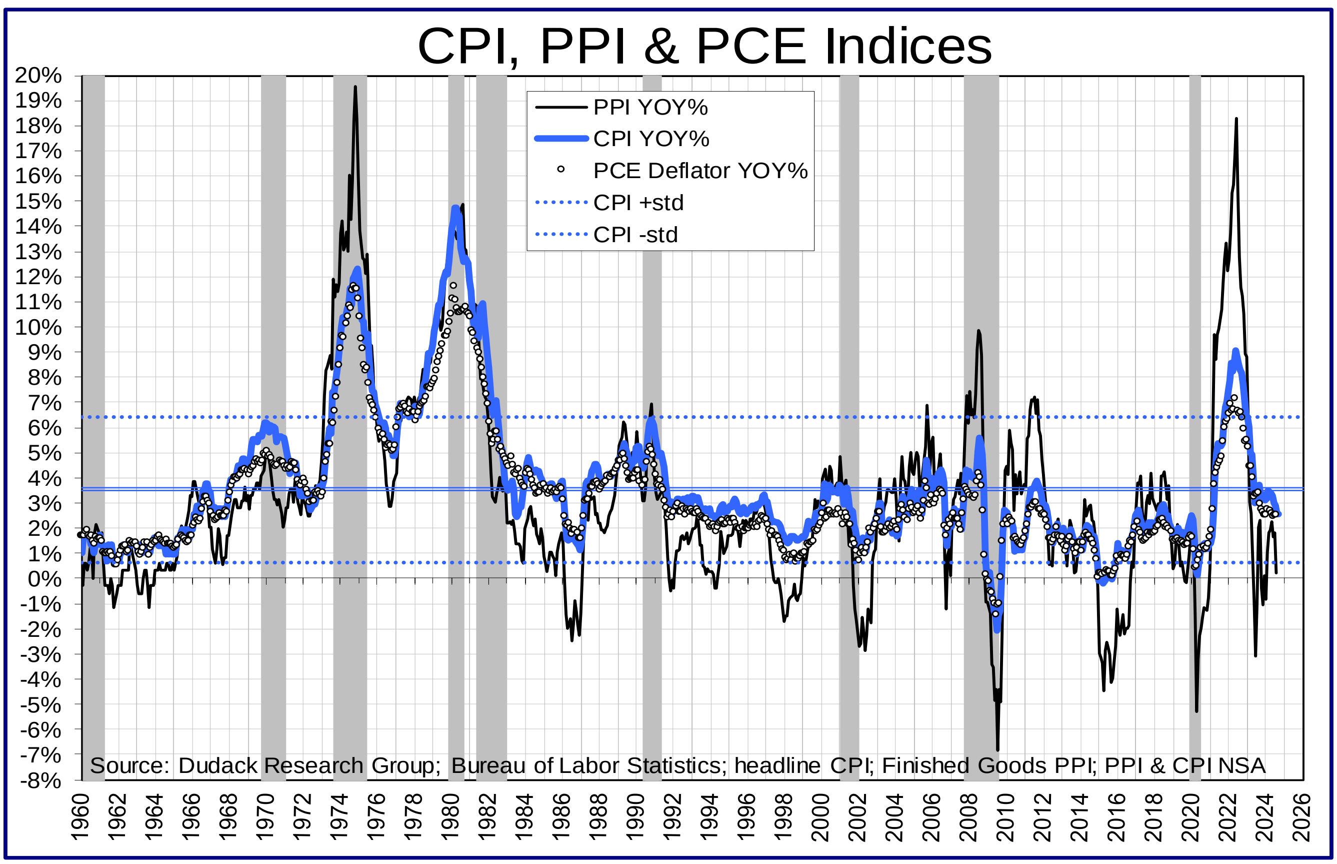
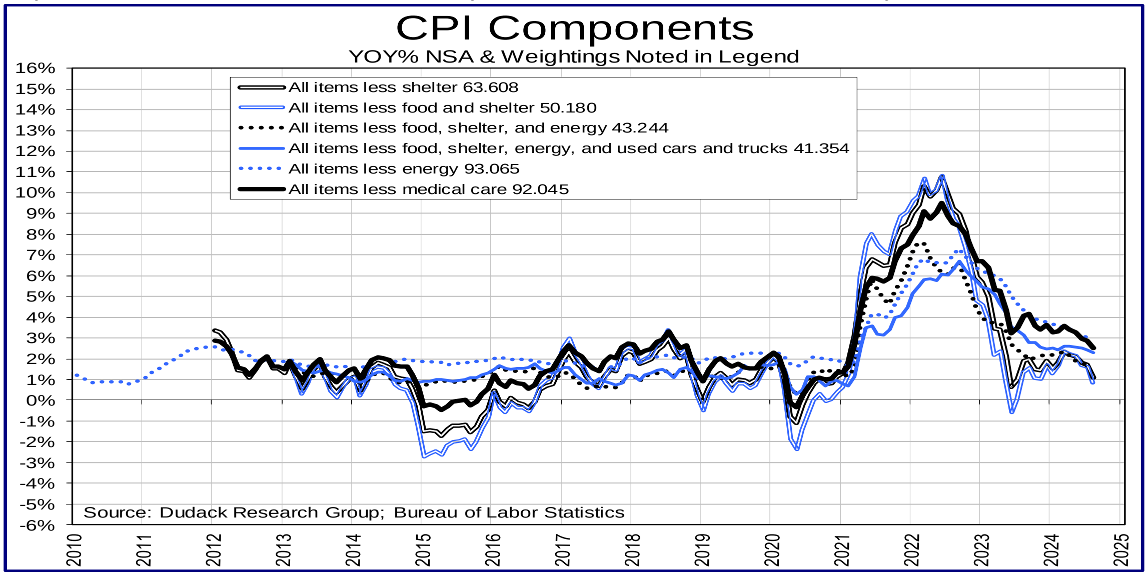
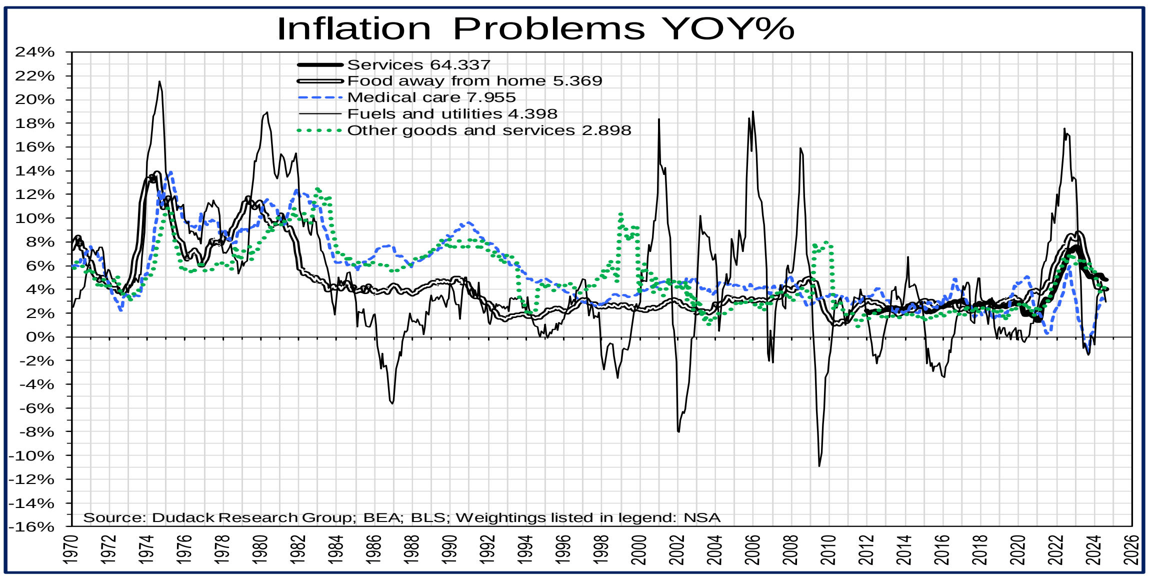
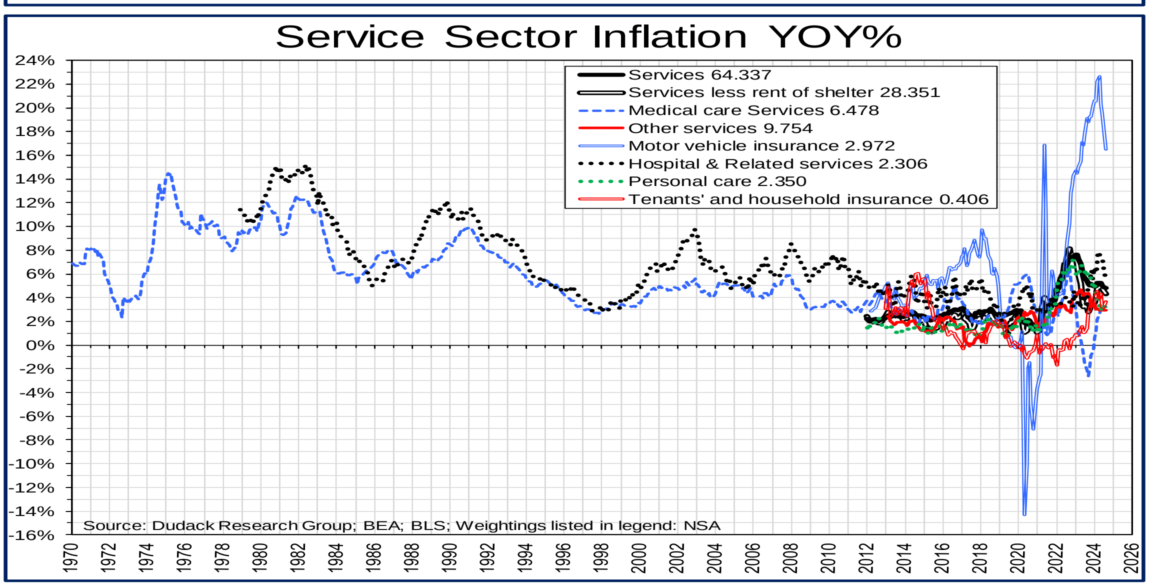




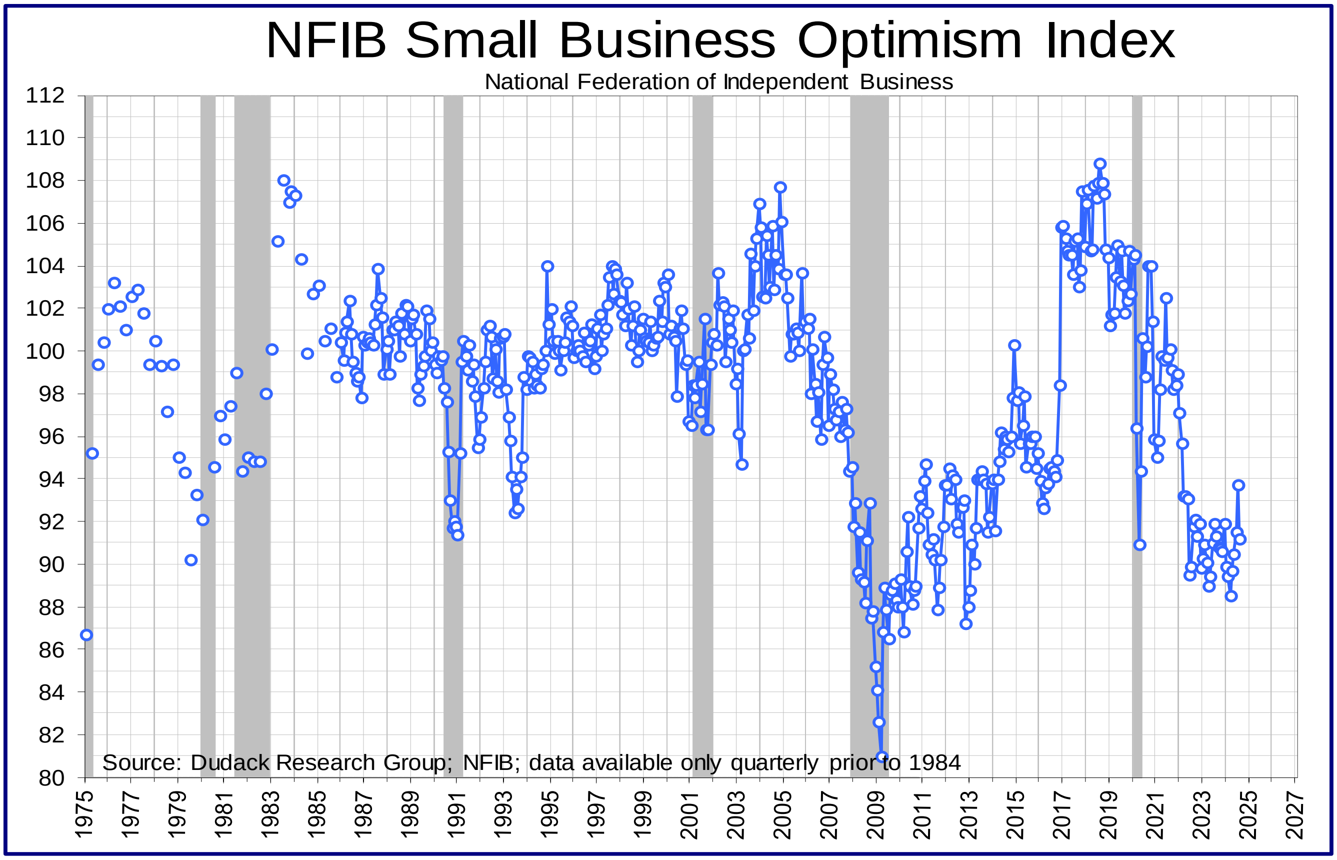
Gasoline, and most fuels, were down 10% YOY or more in August, which helped lower headline inflation. Still, there were trouble spots in the report. Service sector inflation was 4.8% YOY, down from 4.9%, and services less rent was 4.3% versus 4.6% in July. Transportation services rose 7.9%, down from 8.8%; auto insurance rose 16.5%, down from 18.6%, health insurance rose 3.3% YOY, up from minus 0.6%; hospital services rose 5.8%, down from 6.2%, and electricity rose 3.9% YOY, down from 4.9% YOY in July. Most of these indices were down from July levels, but still well above 3% YOY.

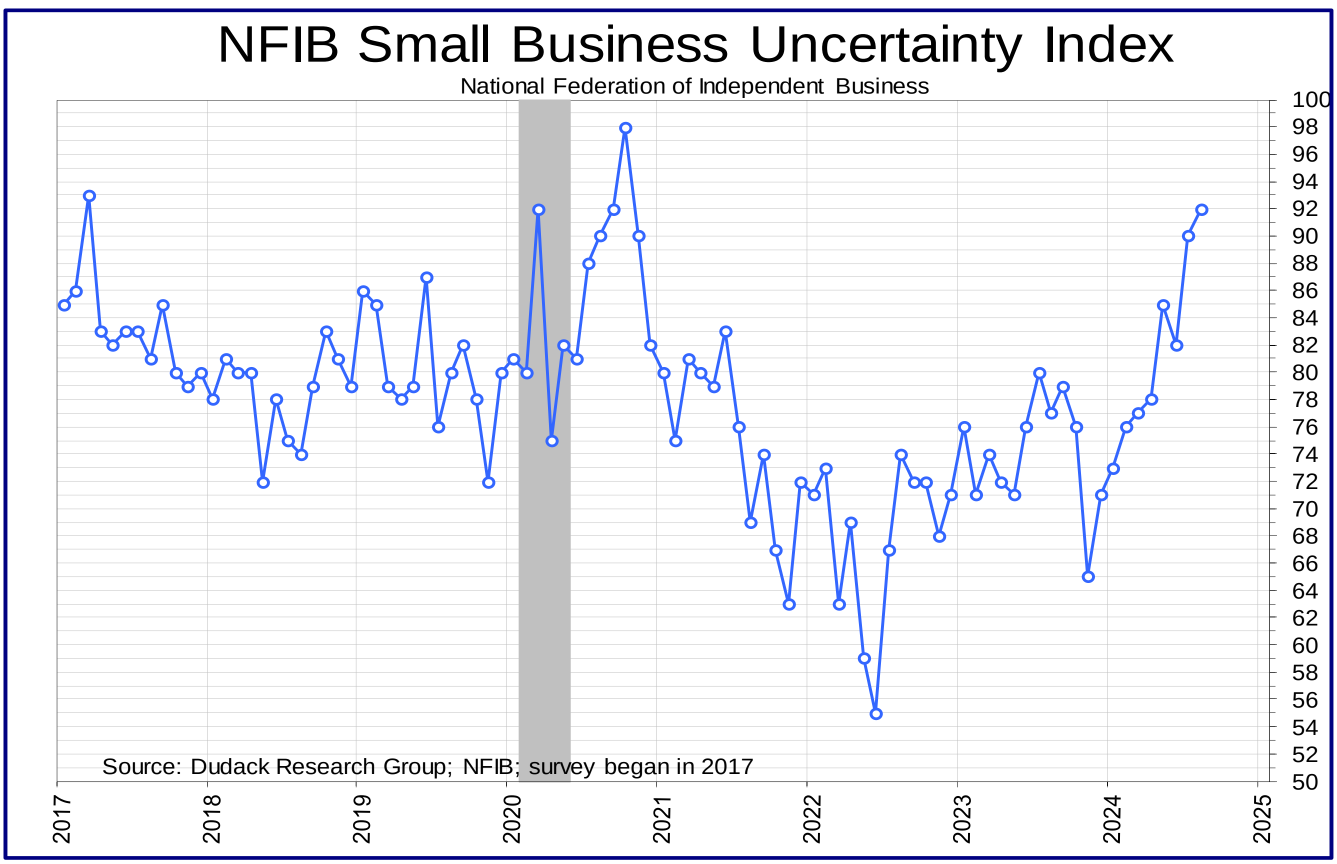






The NFIB small business optimism index fell in August from 93.7 to 91.2, erasing all of July's gains. Uncertainty rose from 90 to 92, the highest level since 98 recorded in October 2020 during the pandemic. Eight of the 12 components we monitor fell during the month, 2 were unchanged and two rose. Job openings rose 2 to 40 and plans to raise prices rose one to 24.





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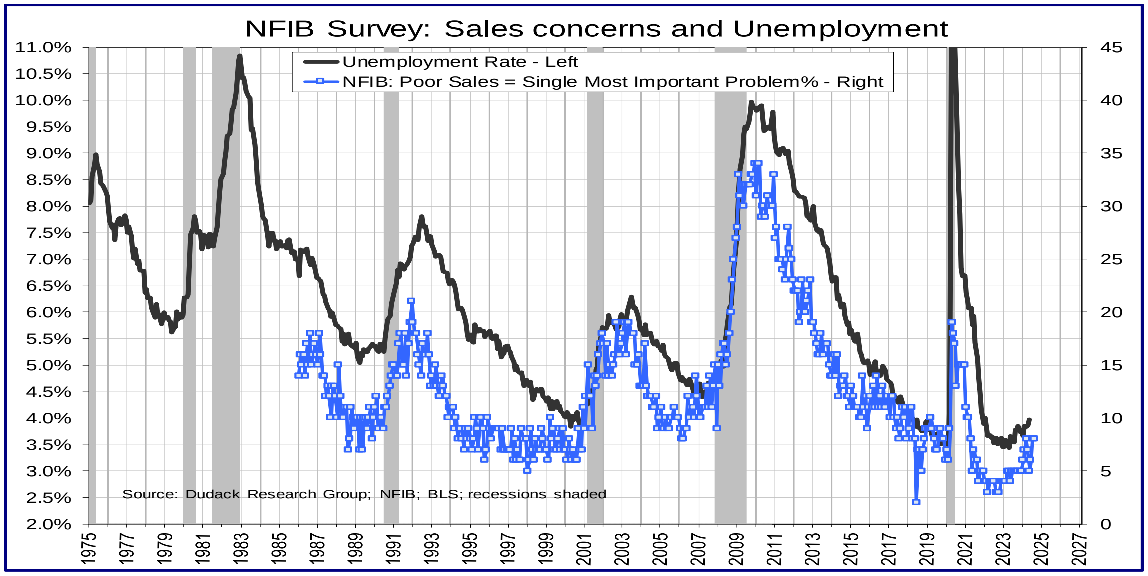

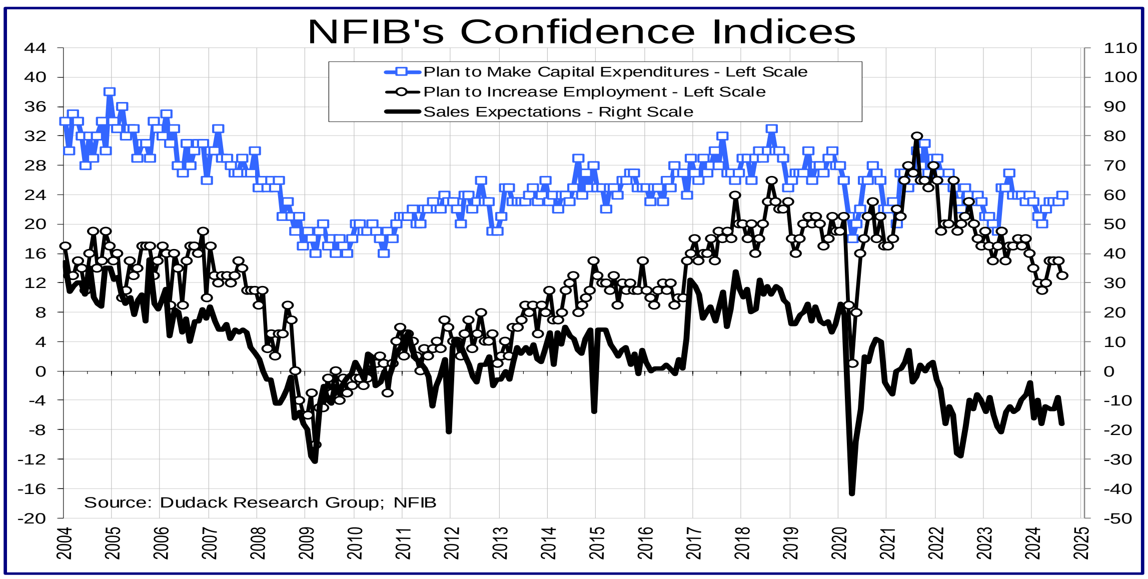

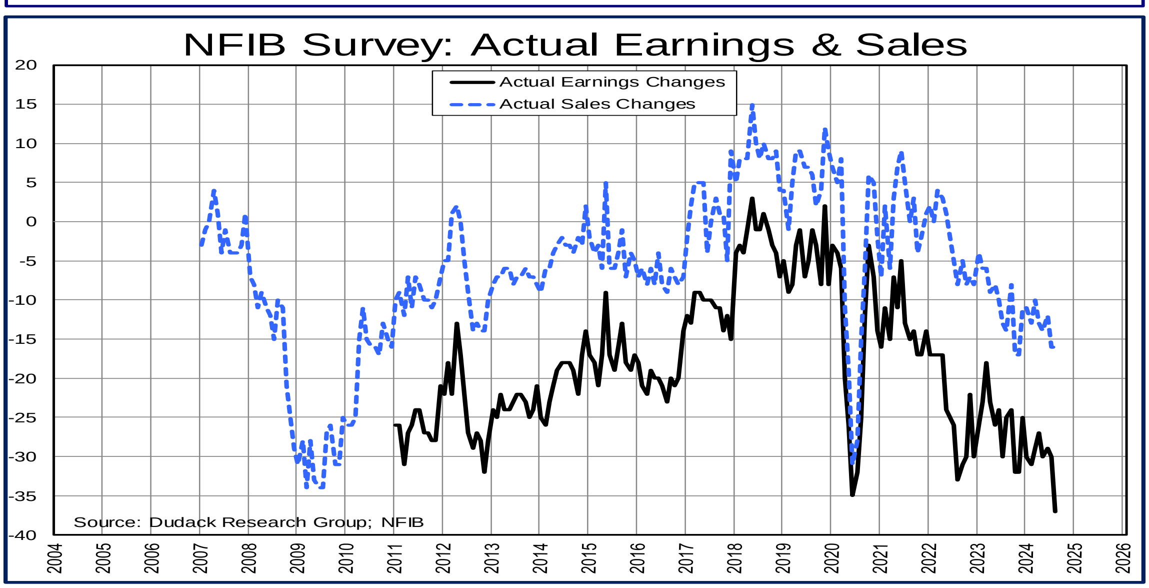

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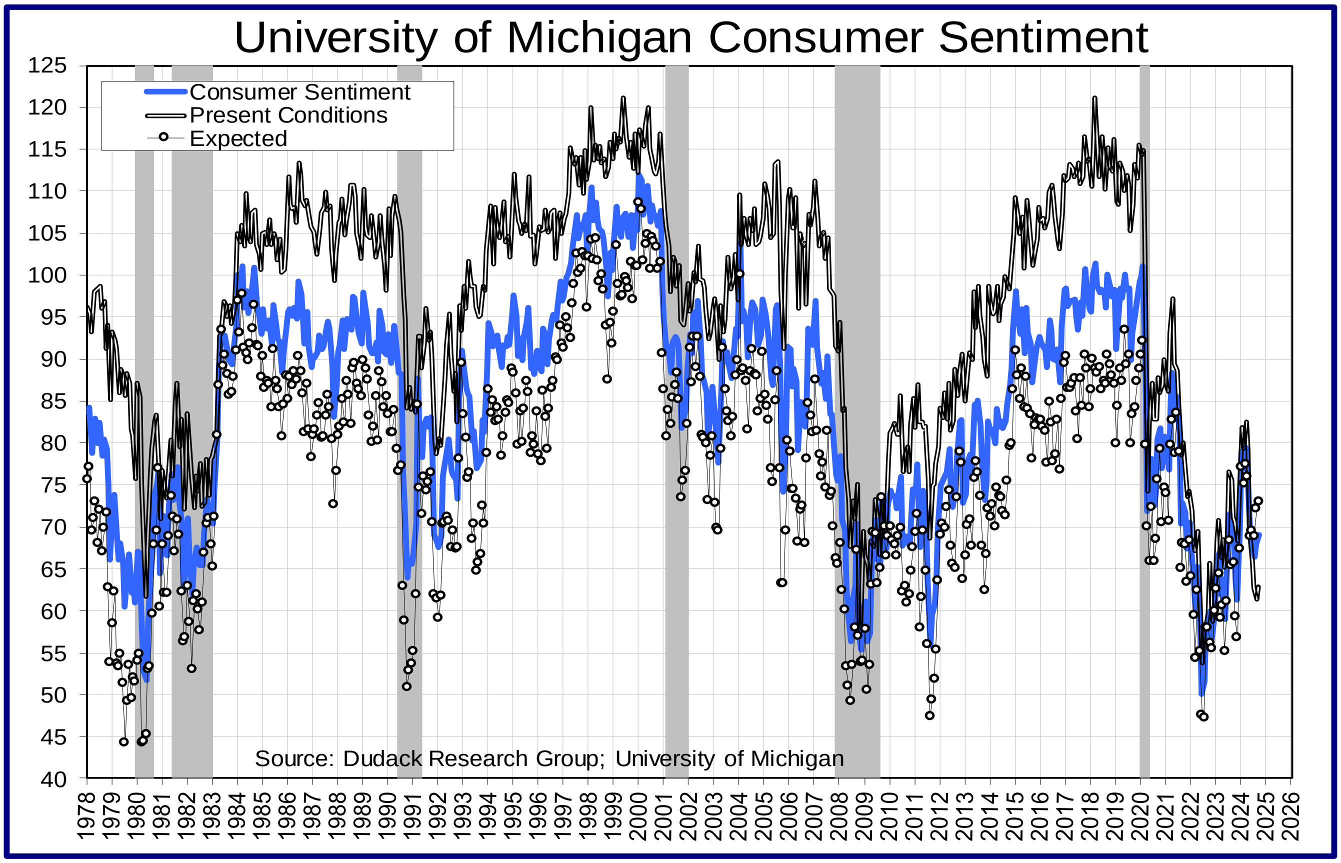

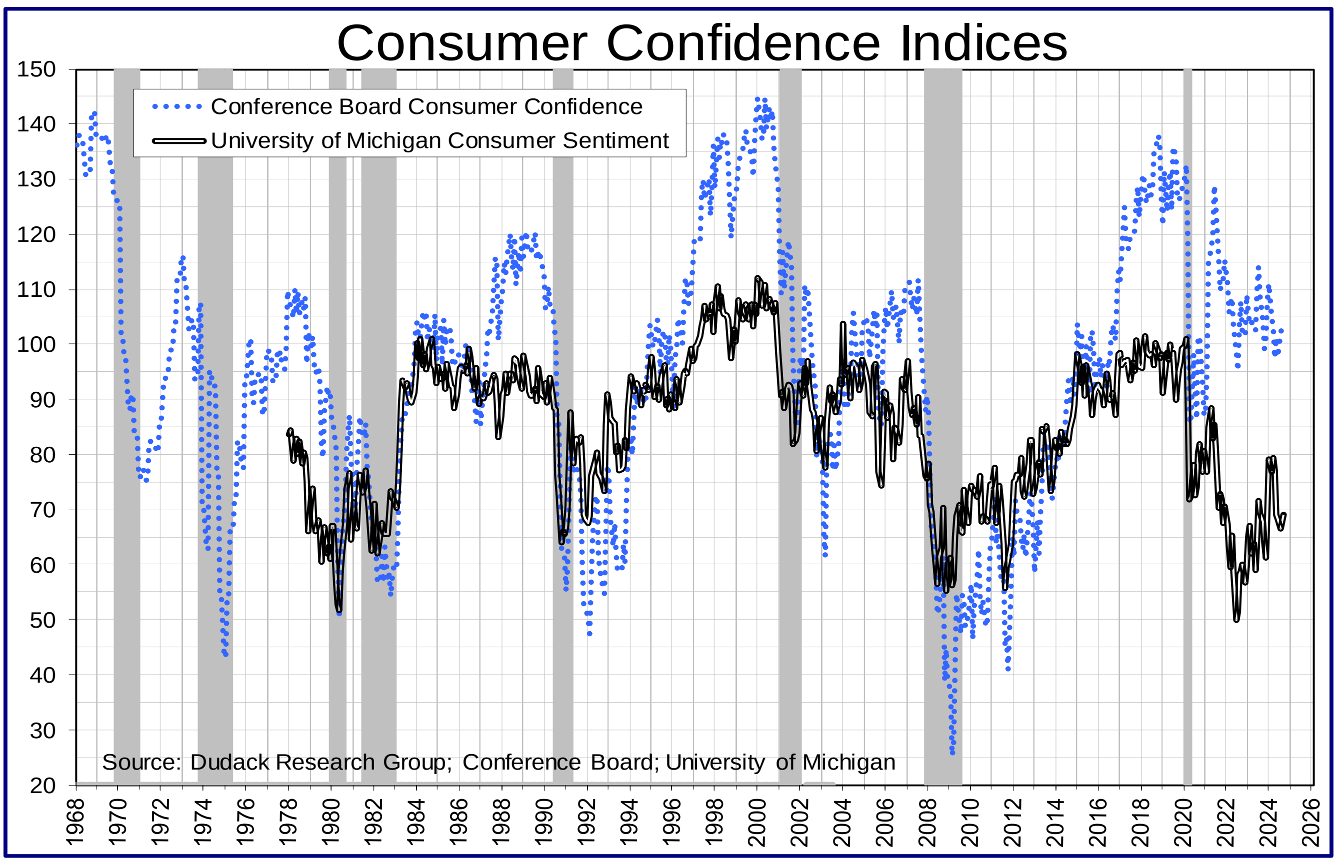

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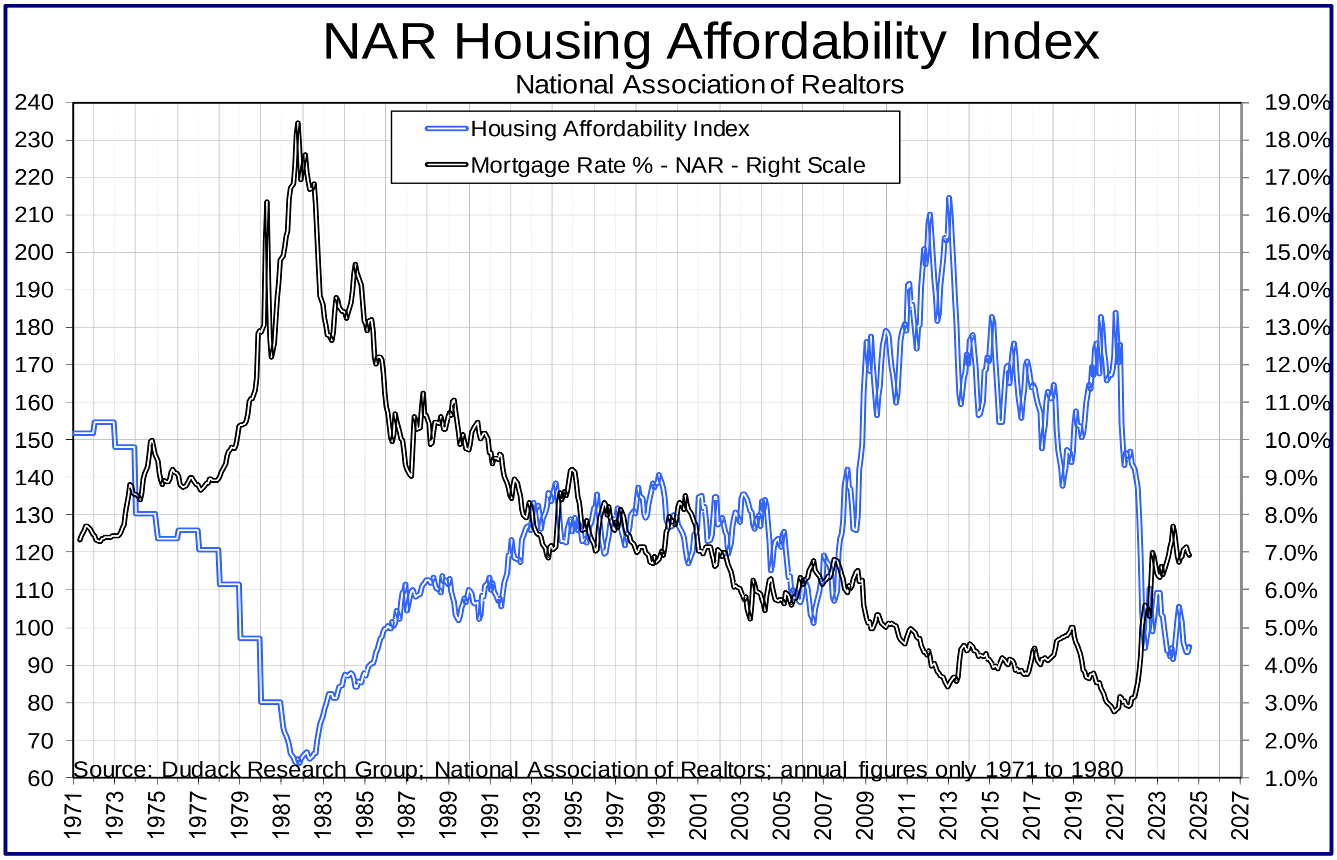

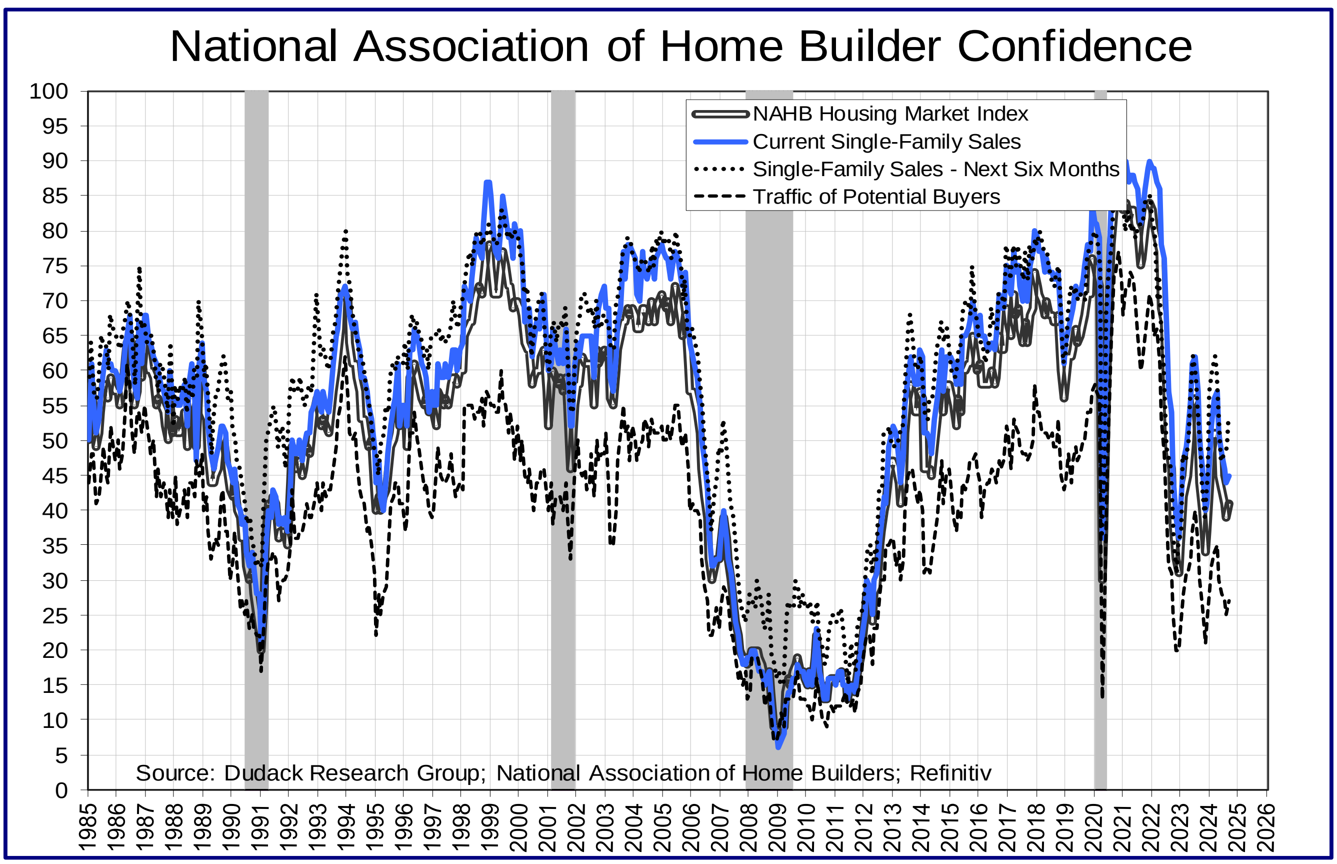

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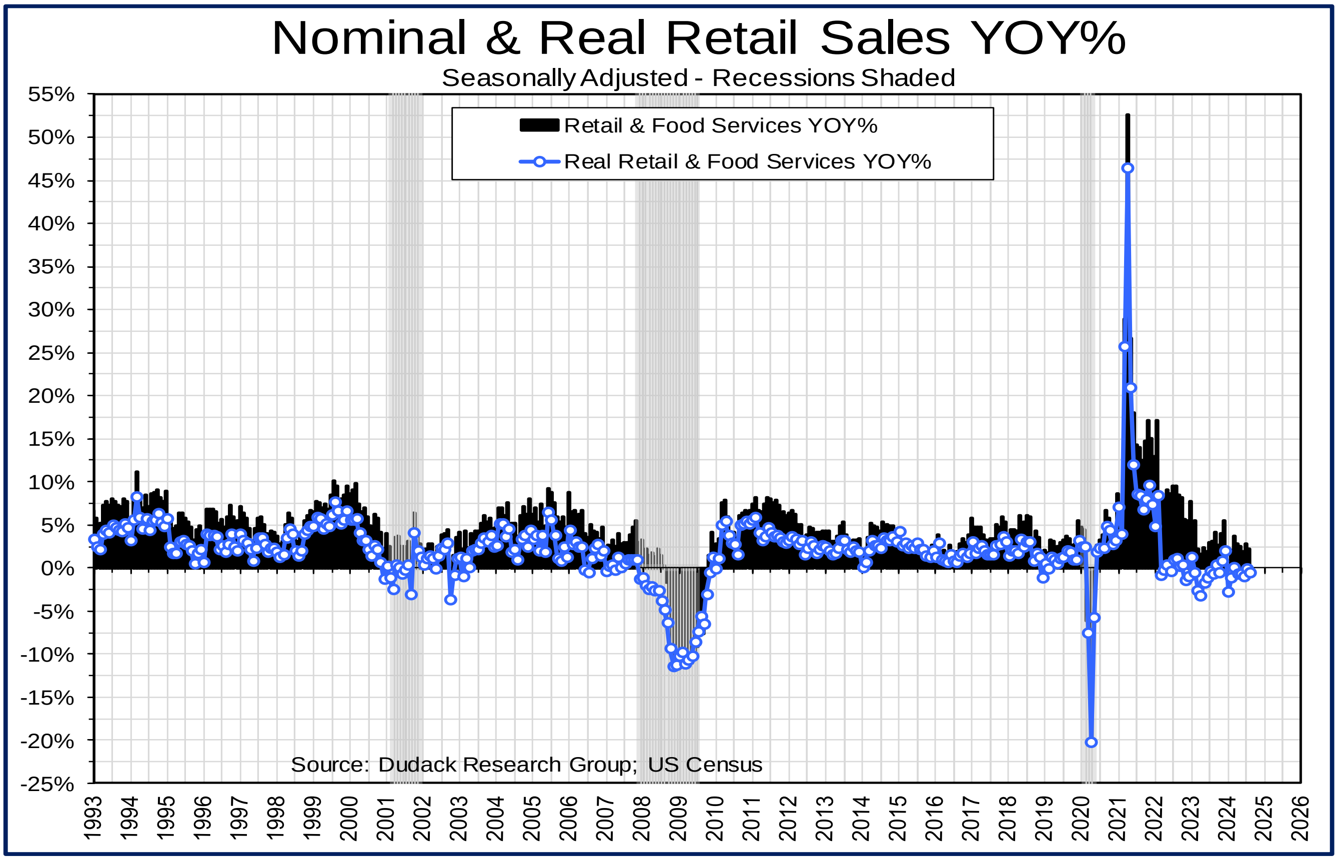
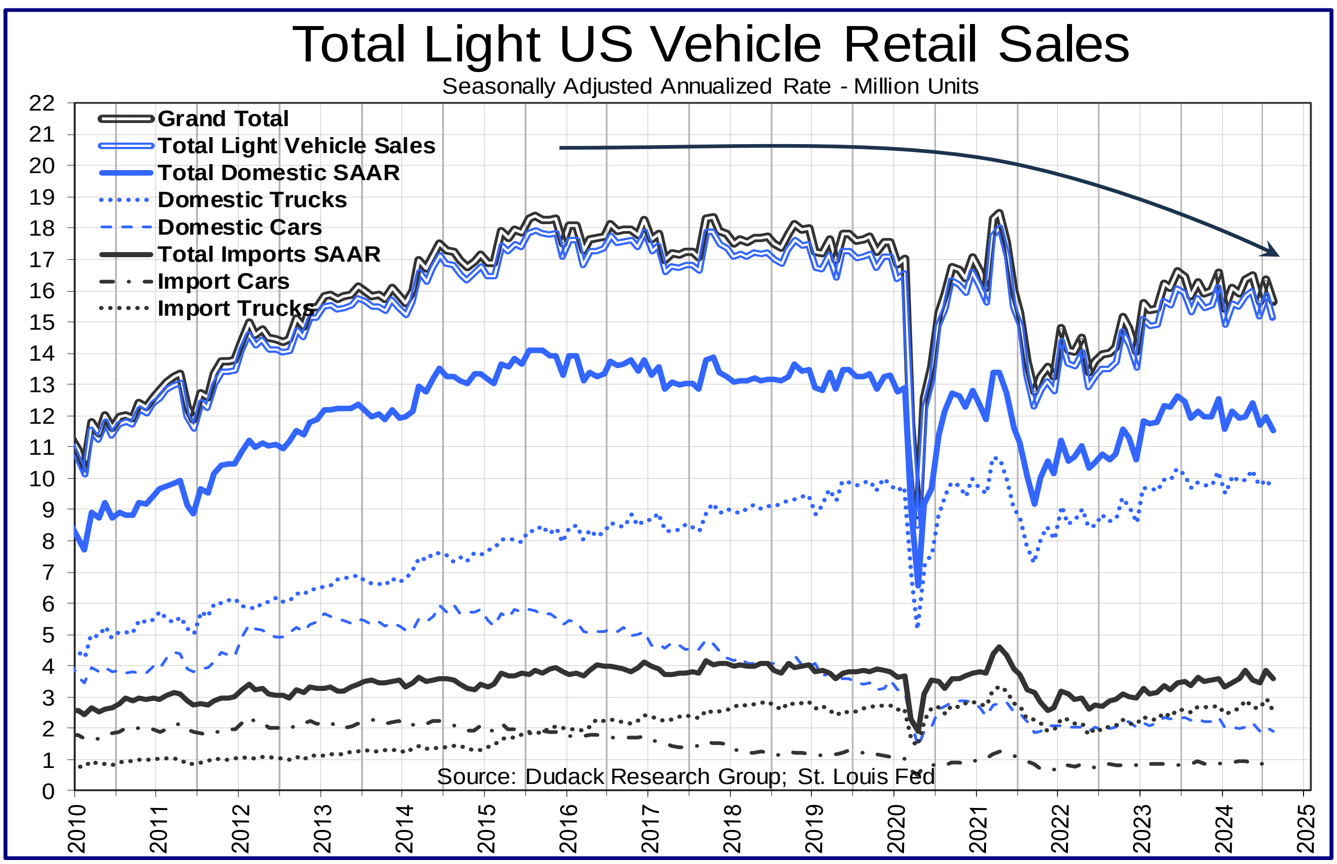
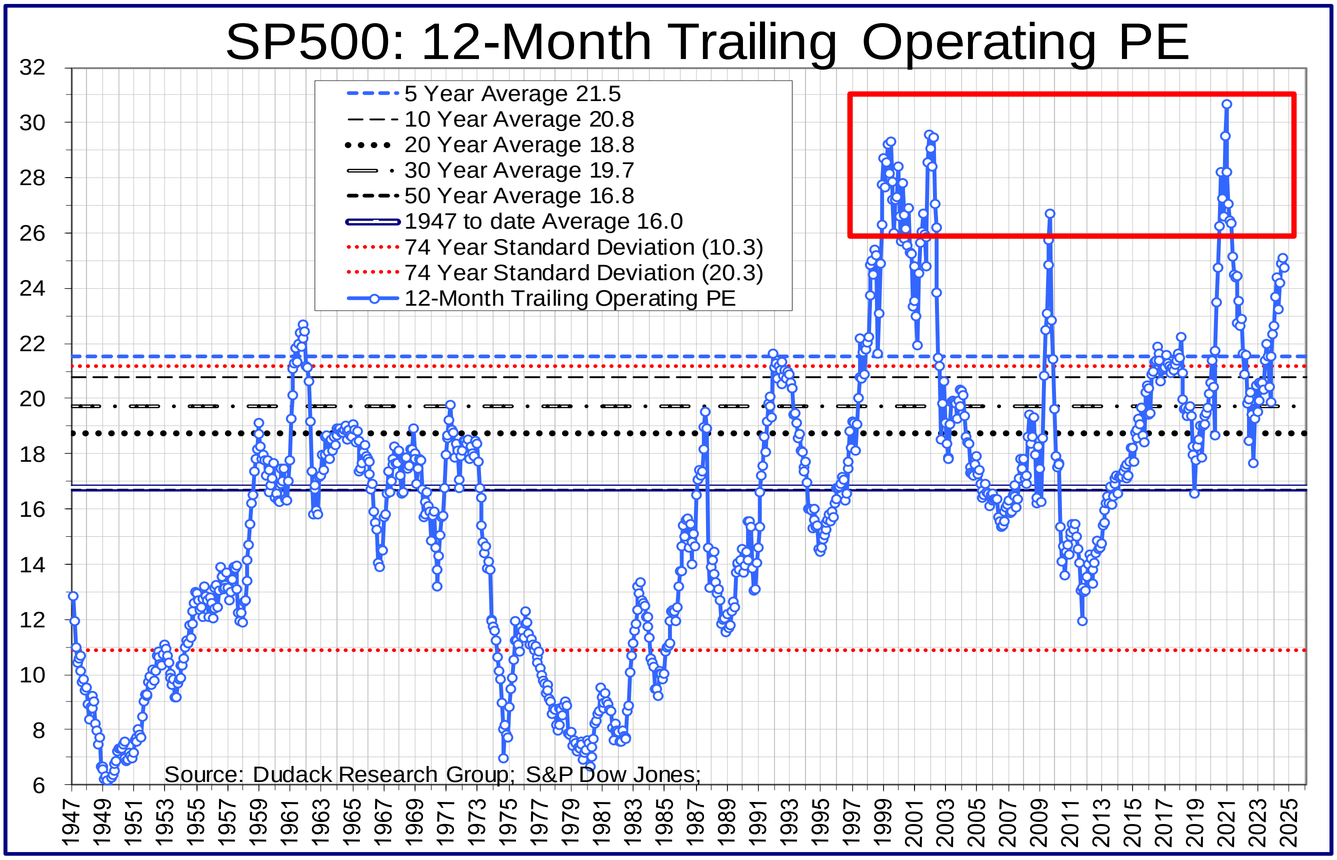
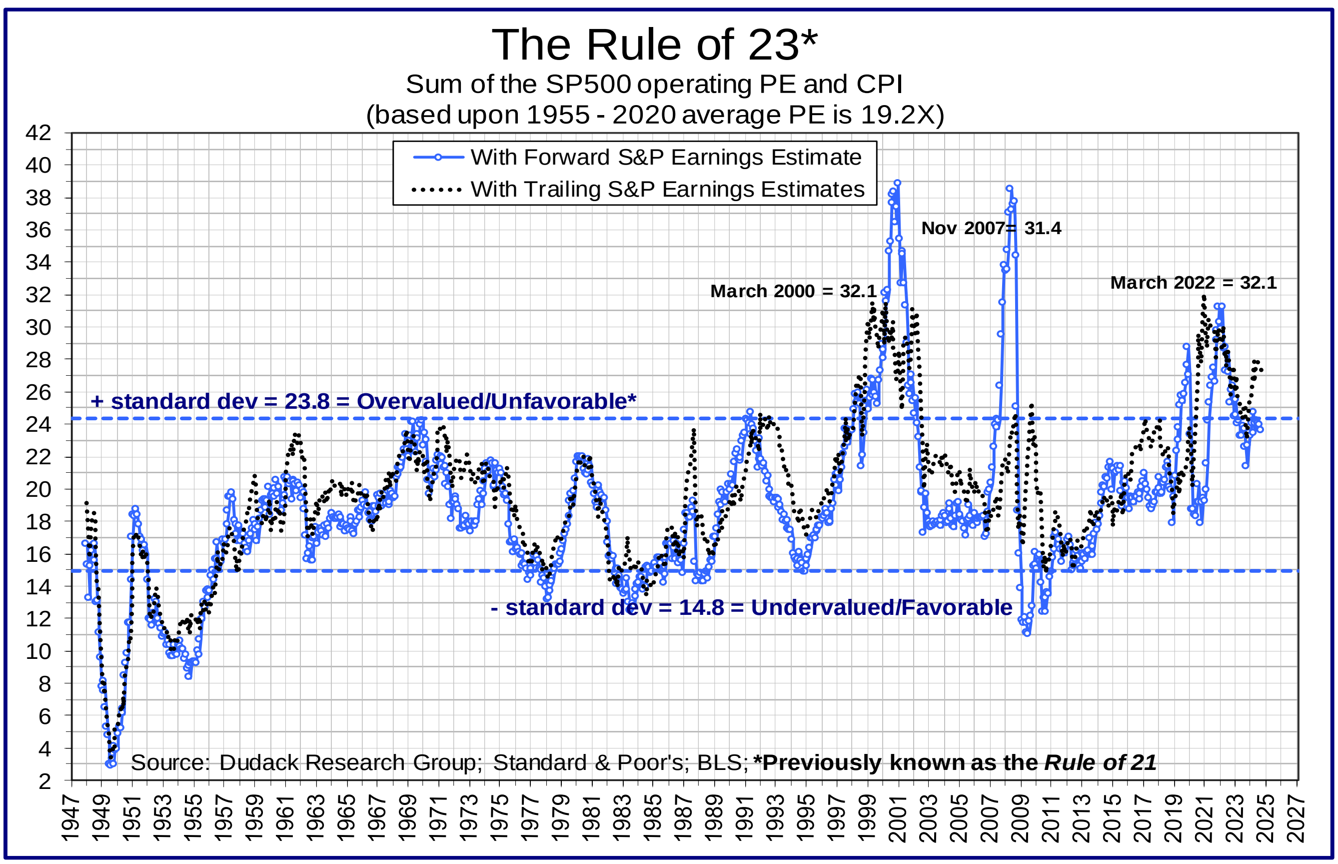


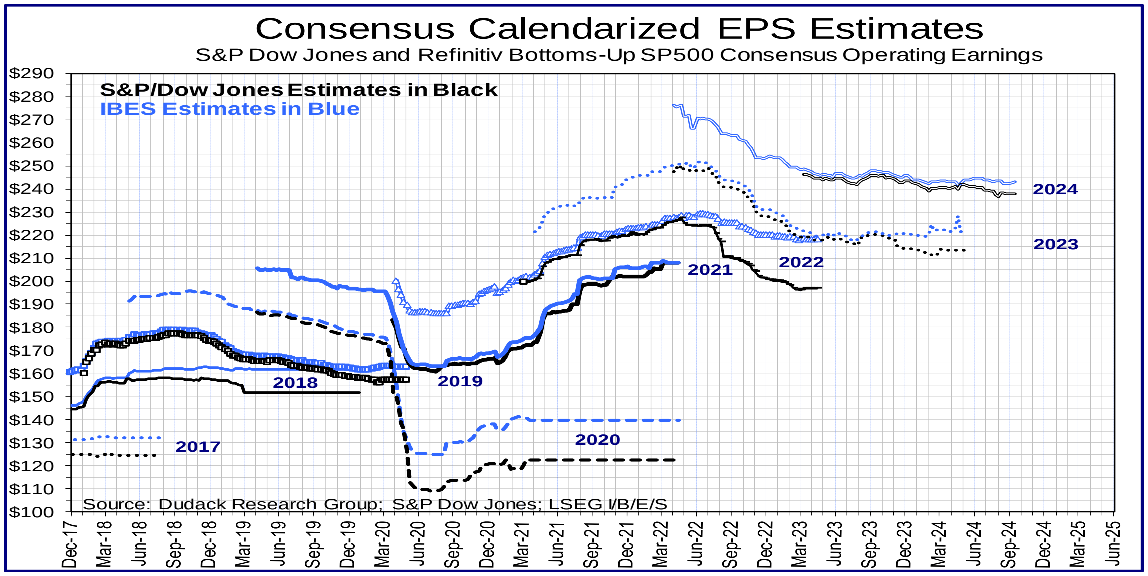


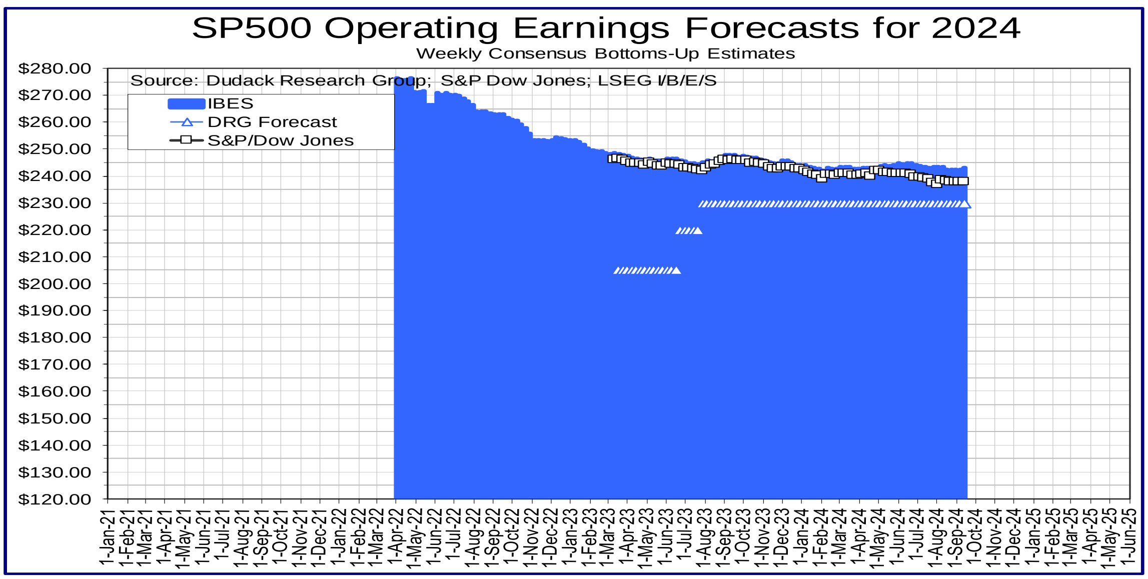
The SPX **trailing** 4-quarter operating multiple is now 24.7 times, and well above all long- and short-term averages. The **12-month forward** PE multiple is 21.0 times and when added to inflation of 2.5%, sums to 23.5, which is at the top of the normal range of 14.8 to 23.8, this week. By all measures, the equity market remains richly valued. Current valuation levels have only been seen during the 1997-2000 bubble, the financial crisis of 2008, or the post-COVID-19 earnings slump.

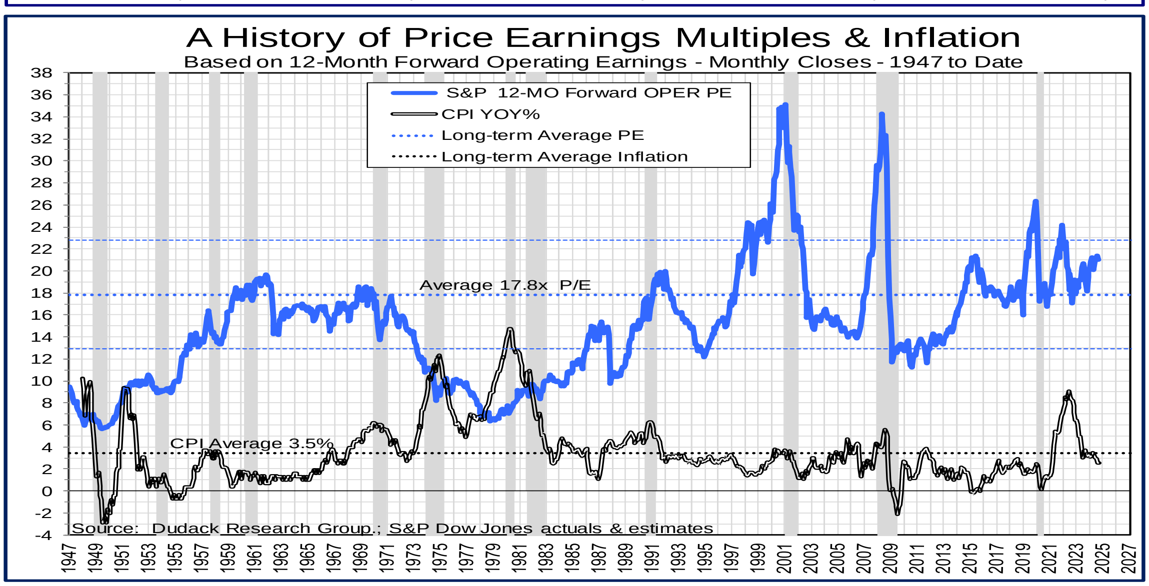




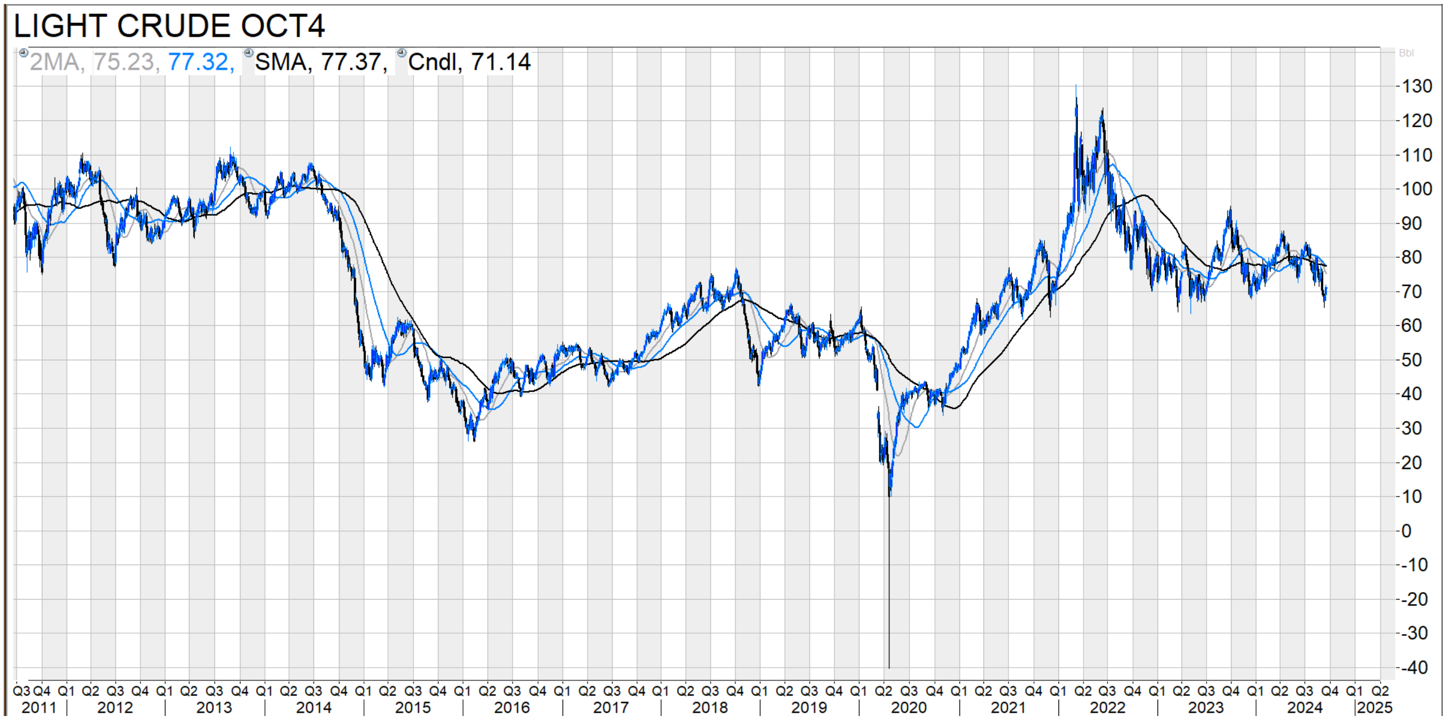
The S&P Dow Jones consensus estimate for calendar 2024 is $237.70, down $0.11 and the 2025 estimate is $277.76, up $0.32 this week. The LSEG IBES estimate for 2024 is $243.14, up $0.63 and for 2025 is $279.65, down $0.09. The IBES guesstimate for 2026 EPS is $314.89, down $0.24. <u>Based upon the IBES EPS estimate for calendar 2024, equities remain richly valued with a PE of 23.2 times and inflation of 2.5%. This sum of 25.7 is above the 23.8 level that defines an overvalued equity market. Based upon 2025 EPS estimates the PE is 20.1 X and with inflation sums to 22.6 and is roughly a point below the top of the range denoting extreme overvaluation.</u>





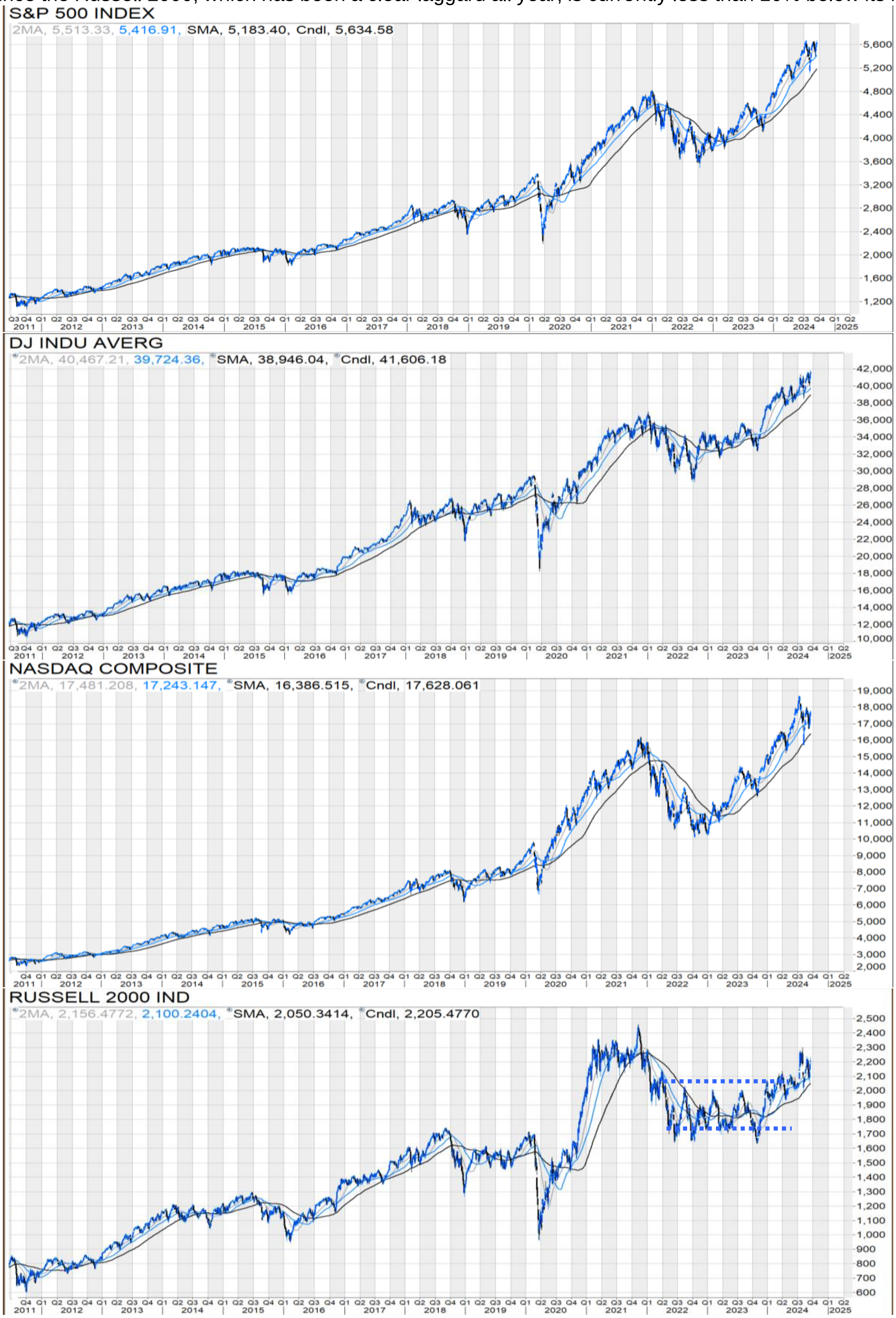


The WTI crude oil future rose back above the $70 support level, but the chart remains weak. The $77 level is still expected to be substantial resistance and the bounce in price may be temporary. This, combined with the recent decline in the 10-year Treasury bond yield from 4.1% at the end of July to 3.64%, implies weakness in the global economy, particulary China. Both trends are worrisome.



Source: LSEG Refinitiv

The broadening in the market led to the DJIA reaching a record high on September 16, 2024. The S&P 500 is less than 0.6% from a new high, while the Nasdaq Composite is 5.5% below its record peak. Still, the broadening in the equity market is obvious since the Russell 2000, which has been a clear laggard all year, is currently less than 10% below its record peak.



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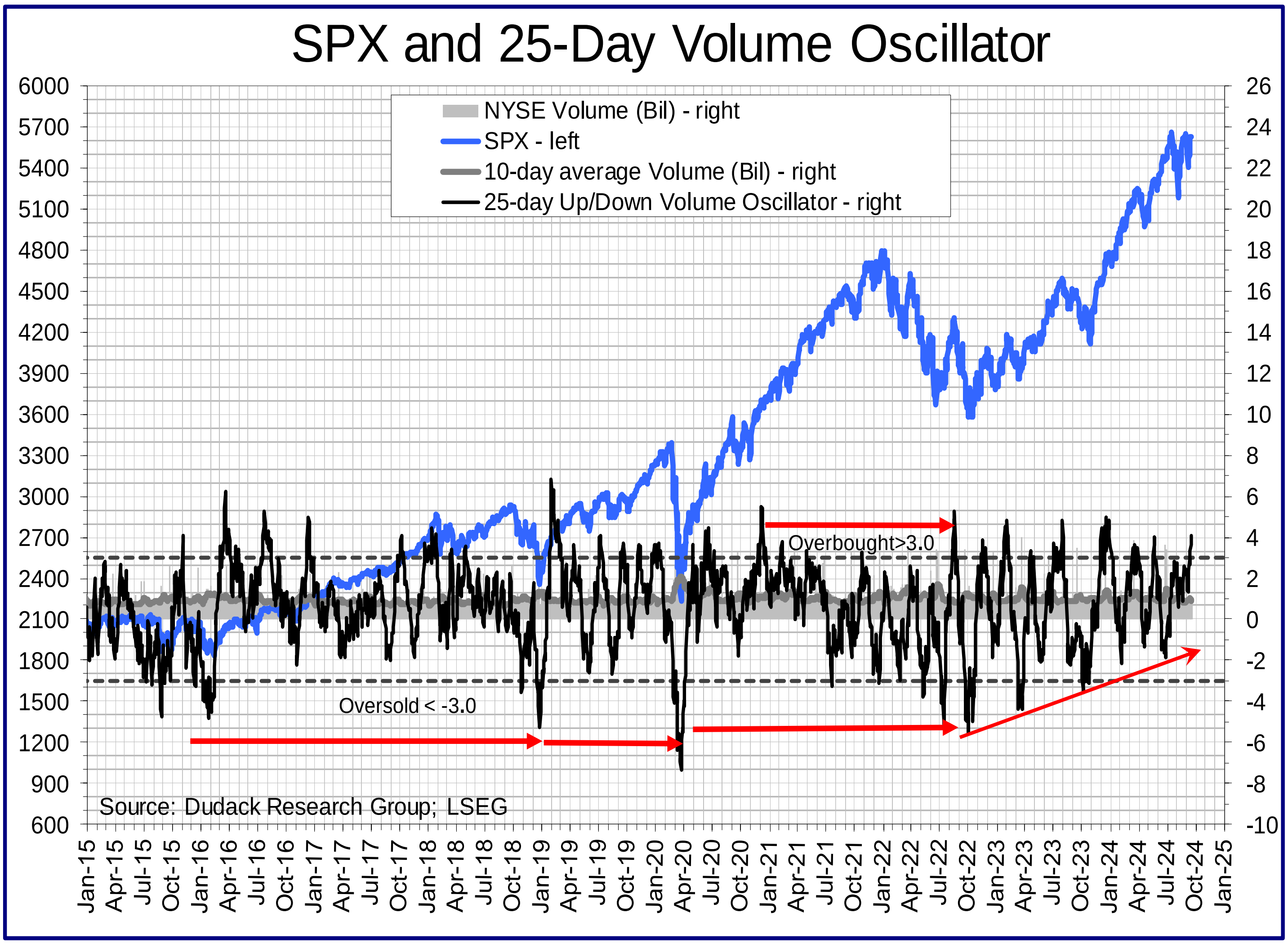
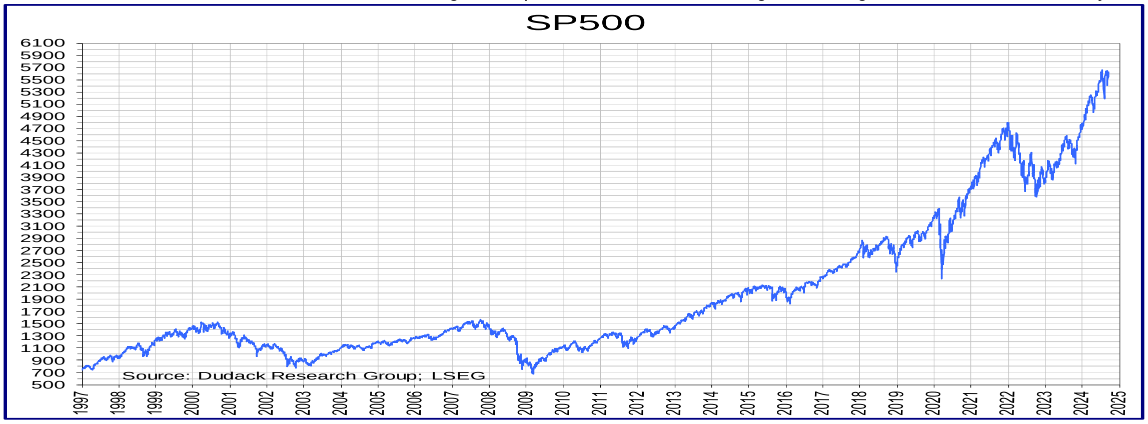
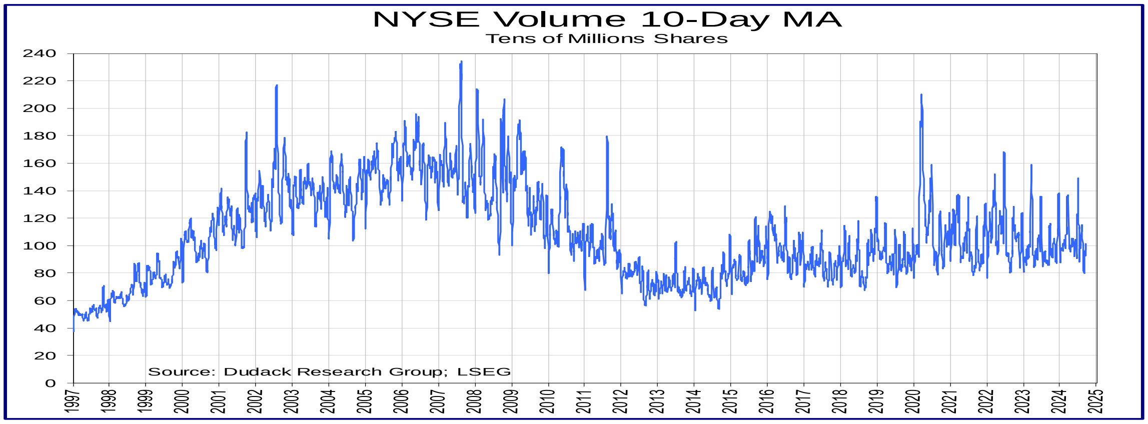
The 25-day up/down volume oscillator is 4.07 and has been overbought for five of the last six days. With many of the indices at or near all-time highs, it is important for this indicator to confirm the advance with an overbought reading lasting at least 5 consecutive days. If the rally which began in October actually was a new bull market advance, it should also include several extreme overbought readings of 5.0 or better, which are typical of the first stage of a major advance. To date, the 4.07 reading is the best seen since December 2023 which is encouraging. This is the best demonstration of volume following prices seen since the end of last year.

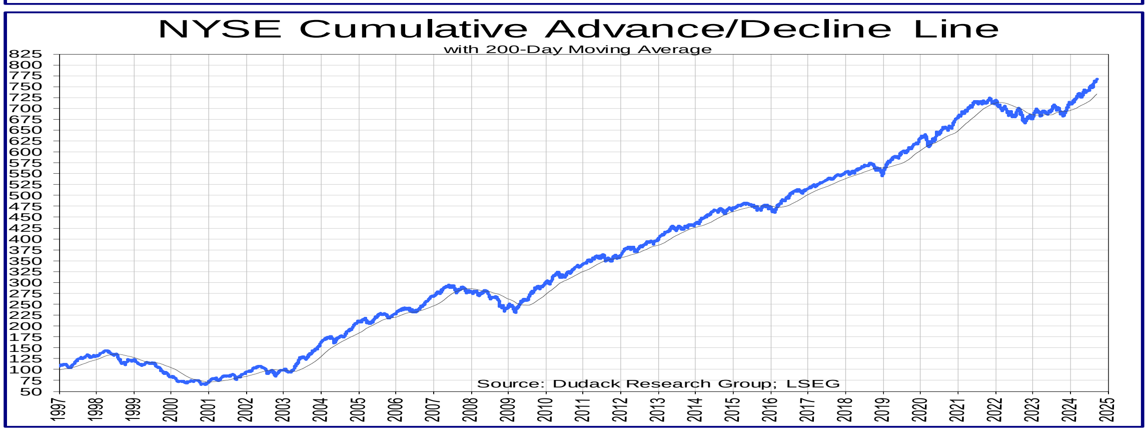
Meanwhile, we are monitoring an interesting uptrend in this oscillator (red line below) off the 2022 low. This lends a bullish bias to an otherwise neutral position of this index, and it remains intact despite recent market weakness. Should this trend line be broken it would be a warning sign for the longer-term trend of the stock market.

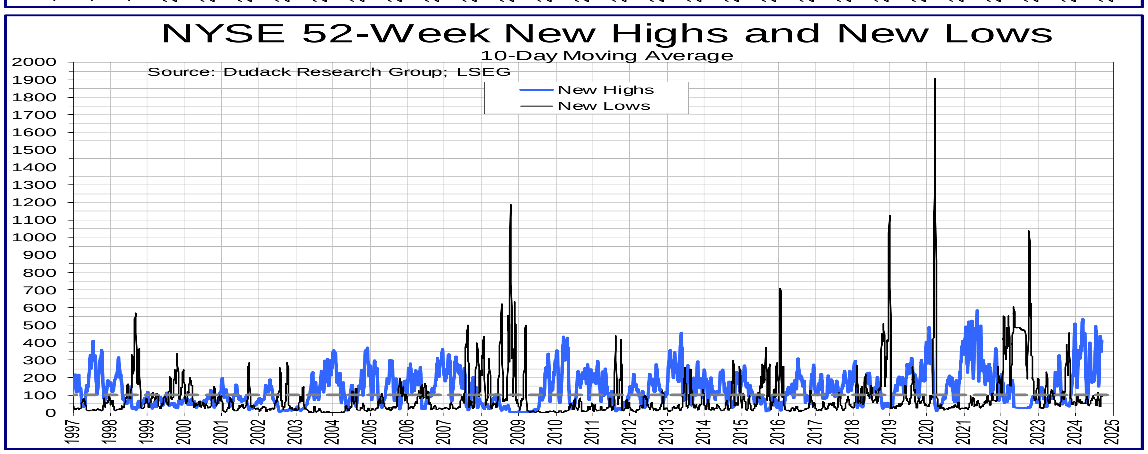


The 10-day average of daily new highs is 451 and new lows are 87. This combination of new highs above 100 and new lows below 100 is positive and more favorable than three weeks ago. The NYSE advance/decline line made a new record high on September 17, 2024, confirming the new highs made in the DJIA one day earlier.

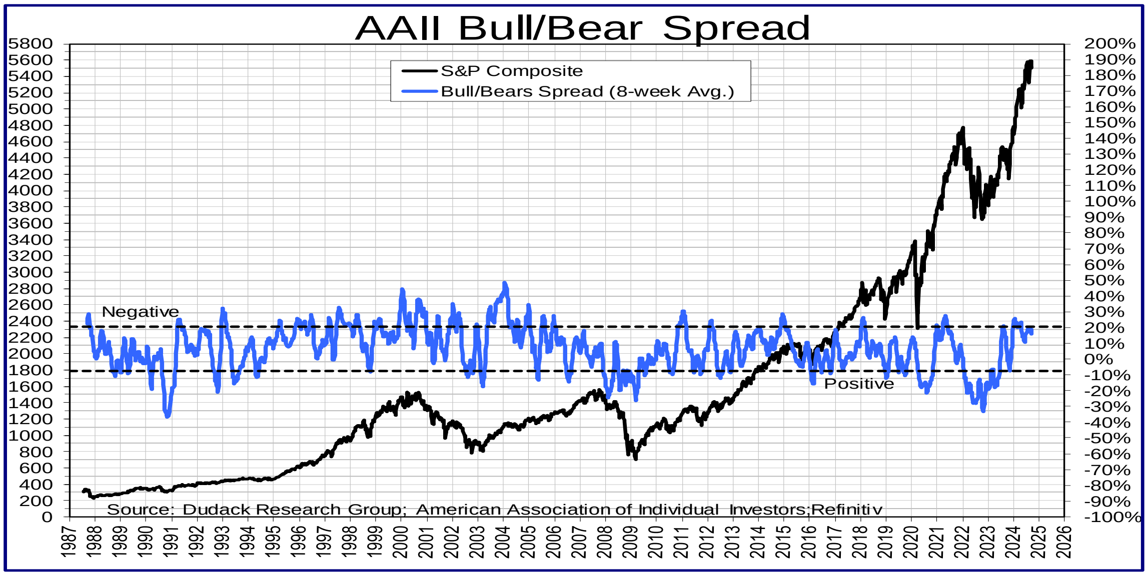


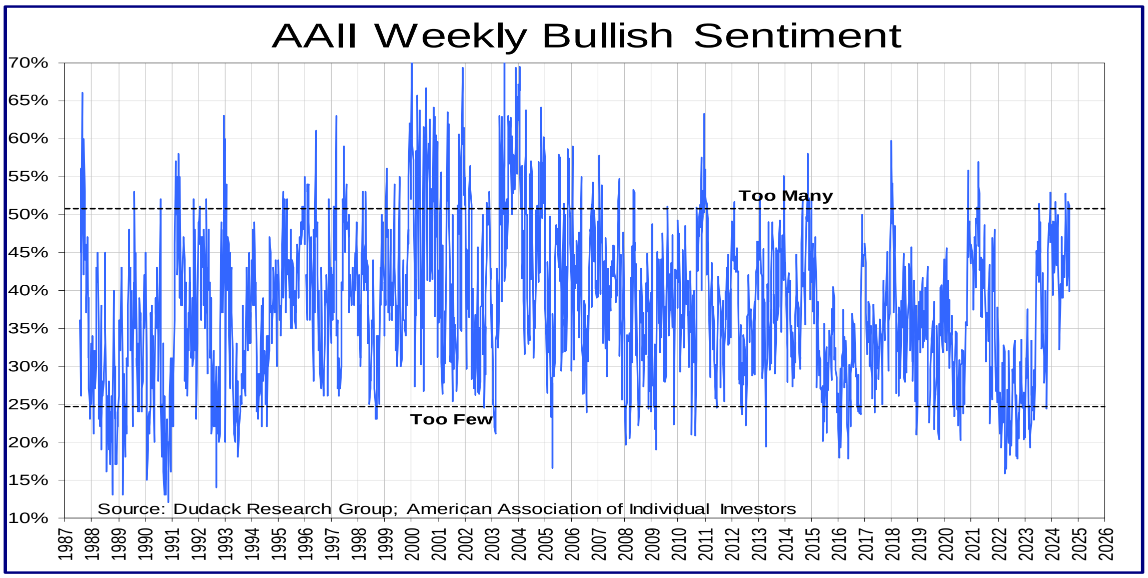


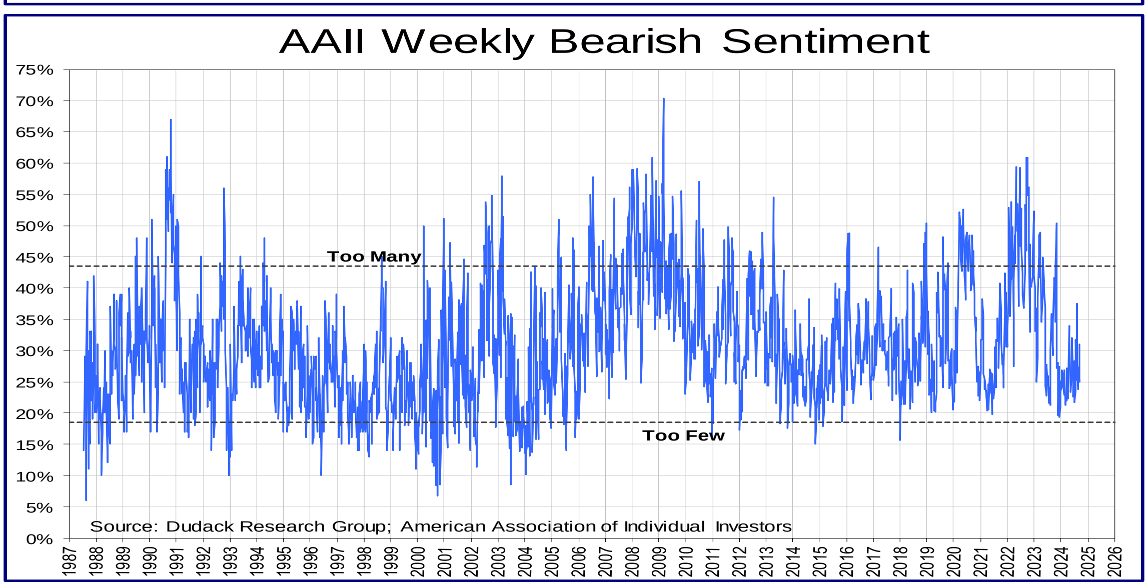




Last week's AAII survey showed bullishness fell 5.5% to 39.8% and bearishness rose 6.1% to 31.0%. Bullishness is above average, but bearishness is now above average. Neutral fell only 0.5% to 29.3%, meaning that many bulls switched to bears. Extreme sentiment readings were seen on December 13, 2023, when bearishness was 19.6%, its lowest level since the January 3, 2018 reading of 15.6%, and bullishness was 51.3%. This was a negative signal. The 8-week bull/bear eased to 16.1%, falling further from the 20.7% unfavorable level. The last unfavorable readings were 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	29.28	7.8%	5.8%	5.2%	28.6%
Silver Future	SIc1	30.62	8.4%	6.4%	4.7%	28.4%
SPDR Homebuilders ETF	XHB	121.87	7.8%	10.6%	20.6%	27.4%
Utilities Select Sector SPDR	XLU	79.08	2.6%	6.2%	16.1%	24.9%
SPDR Gold Trust	GLD	237.34	2.0%	2.3%	10.4%	24.2%
iShares MSCI Malaysia ETF	EWM	26.34	3.1%	8.0%	17.3%	24.0%
Communication Services Select Sector SPDR Fund	XLC	87.78	4.4%	1.8%	2.5%	20.8%
iShares Russell 1000 Growth ETF	IWF	366.02	3.5%	0.6%	0.4%	20.7%
Financial Select Sector SPDR	XLF	45.33	1.9%	3.6%	10.3%	20.6%
iShares MSCI India ETF	INDA.K	57.96	1.6%	2.8%	3.9%	18.7%
SP500	.SPX	5634.58	2.5%	1.4%	3.2%	18.1%
iShares Russell 1000 ETF	IWB	308.64	2.8%	1.7%	3.7%	17.7%
Nasdaq Composite Index Tracking Stock	ONEQ.O	69.57	3.6%	0.0%	-0.5%	17.4%
iShares MSCI Singapore ETF	EWS	21.77	3.5%	8.4%	13.4%	16.4%
Consumer Staples Select Sector SPDR	XLP	83.46	-0.2%	3.7%	9.0%	15.9%
Industrial Select Sector SPDR	XLI	131.96	3.1%	3.9%	8.3%	15.8%
NASDAQ 100	NDX	19432.40	3.2%	-0.4%	-1.3%	15.5%
SPDR S&P Bank ETF	KBE	53.08	4.0%	3.6%	14.4%	15.3%
Health Care Select Sect SPDR	XLV	155.62	-0.1%	1.8%	6.8%	14.1%
Technology Select Sector SPDR	XLK	219.17	4.2%	-1.0%	-3.1%	13.9%
PowerShares Water Resources Portfolio	PHO	69.27	3.1%	1.6%	6.7%	13.8%
iShares MSCI Taiwan ETF	EWT	52.31	3.0%	-2.8%	-3.5%	13.6%
iShares Russell 1000 Value ETF	IWD	187.64	1.9%	2.9%	7.5%	13.5%
iShares US Real Estate ETF	IYR	102.76	0.5%	7.4%	17.1%	12.4%
iShares MSCI United Kingdom ETF	EWU	37.03	1.4%	1.5%	6.2%	12.0%
iShares MSCI Canada ETF	EWC	40.68	2.9%	3.6%	9.7%	10.9%
iShares Russell 2000 Growth ETF	IWO	279.68	5.5%	2.9%	6.5%	10.9%
SPDR DJIA ETF	DIA	417.26	2.2%	2.6%	6.7%	10.7%
DJIA	.DJI	41606.18	2.1%	2.3%	6.4%	10.4%
iShares MSCI Germany ETF	EWG	32.55	3.0%	3.7%	6.3%	9.6%
iShares China Large Cap ETF	FXI	26.34	3.5%	-0.1%	1.3%	9.6%
Materials Select Sector SPDR	XLB	93.73	3.2%	3.5%	6.1%	9.6%
iShares Russell 2000 ETF	IWM	219.41	5.3%	3.2%	8.1%	9.3%
iShares Nasdaq Biotechnology ETF	IBB.O	147.83	2.0%	2.1%	7.7%	8.8%
Vanguard FTSE All-World ex-US ETF	VEU	61.07	2.1%	1.2%	4.1%	8.8%
iShares MSCI Japan ETF	EWJ	69.71	0.8%	0.5%	2.2%	8.7%
iShares MSCI EAFE ETF	EFA	81.73	1.9%	1.7%	4.3%	8.5%
Consumer Discretionary Select Sector SPDR	XLY	193.13	3.2%	5.5%	5.9%	8.0%
iShares MSCI Australia ETF	EWA	26.20	2.9%	5.0%	7.2%	7.6%
United States Oil Fund, LP	USO	71.72	7.1%	-6.0%	-9.9%	7.6%
iShares Russell 2000 Value ETF	IWN	167.10	5.1%	3.4%	9.7%	7.6%
iShares MSCI Emerg Mkts ETF	EEM	43.02	2.5%	-0.9%	1.0%	7.0%
iShares US Telecomm ETF	IYZ	24.33	3.8%	6.1%	12.0%	6.9%
Gold Future	GCc1	2910.10	0.2%	0.8%	2.0%	6.8%
iShares MSCI BRIC ETF	BKF	36.41	2.1%	-0.2%	1.5%	6.5%
SPDR S&P Retail ETF	XRT	76.26	5.4%	-1.1%	1.7%	5.4%
Energy Select Sector SPDR	XLE	87.74	3.1%	-3.0%	-3.7%	4.7%
iShares MSCI Austria Capped ETF	EWO	22.45	0.9%	-0.6%	2.7%	3.9%
iShares iBoxx $ Invest Grade Corp Bond	LQD	113.72	0.7%	2.3%	6.2%	2.8%
iShares 20+ Year Treas Bond ETF	TLT	100.84	0.1%	3.5%	9.9%	2.0%
SPDR S&P Semiconductor ETF	XSD	226.68	4.8%	-2.2%	-8.4%	0.8%
Oil Future	CLc1	71.19	8.3%	-7.1%	-12.7%	-0.6%
iShares MSCI South Korea Capped ETF	EWY	63.22	3.2%	-3.5%	-4.3%	-3.5%
iShares MSCI Hong Kong ETF	EWH	16.28	3.6%	4.0%	6.4%	-6.3%
iShares DJ US Oil Eqpt & Services ETF	IEZ	20.31	6.4%	-5.2%	-8.8%	-7.3%
Shanghai Composite	.SSEC	2704.09	-1.5%	-6.1%	-8.9%	-9.1%
iShares MSCI Brazil Capped ETF	EWZ	30.18	4.0%	-0.2%	10.4%	-13.7%
iShares MSCI Mexico Capped ETF	EWW	55.03	7.9%	-3.9%	-2.8%	-18.9%

Outperformed SP500
Underperformed SP500

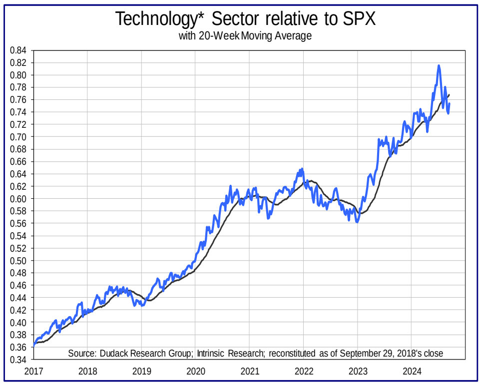
Source: Dudack Research Group; Refinitiv

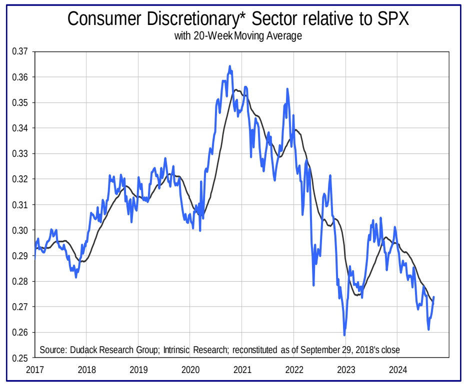
Priced as of September 17, 2024

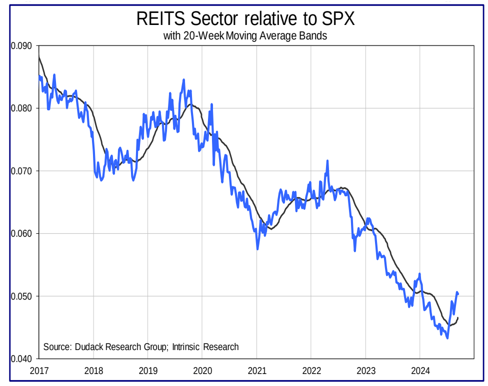
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

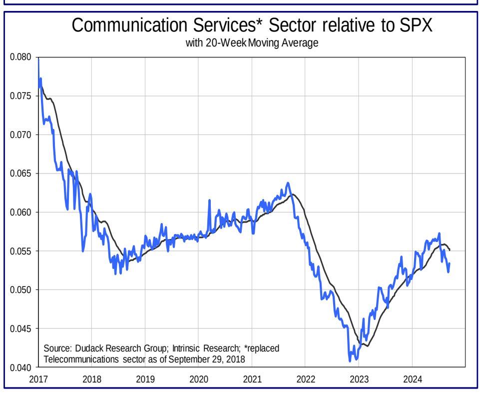
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Communication Services Technology Healthcare Financials	Consumer Discretionary Staples Utililties Industrials	REITS Materials Energy

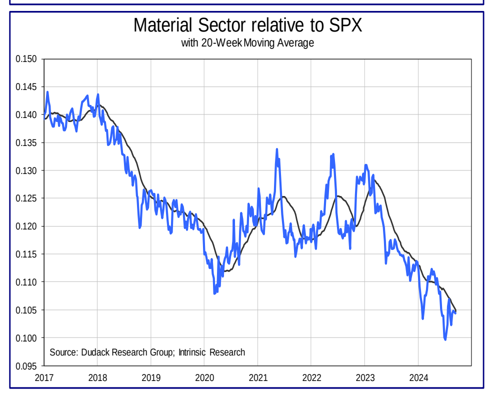
9/10/2024: Upgraded Utilities from U to N; Downgraded Energy from N to U. 2/6/2024: Upgraded Communication Services from U to O; Technology & Healthcare from from N to O; Downgraded Industrials & Consumer Discretionary from O to N; Materials downgraded from O to U. Staples & Energy upgraded to N.

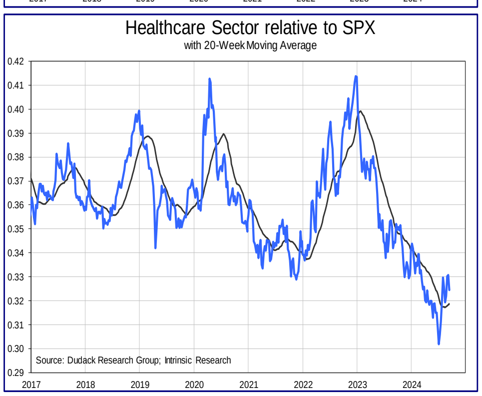


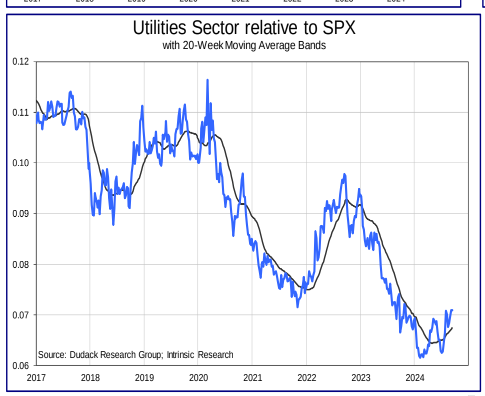


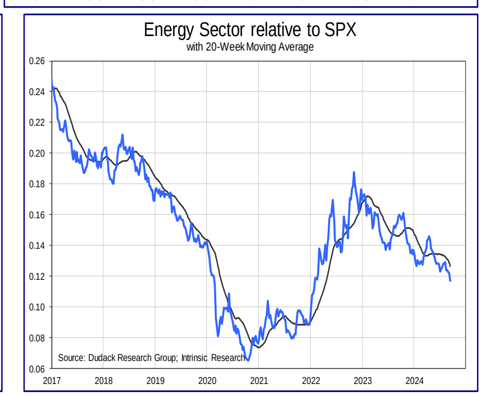


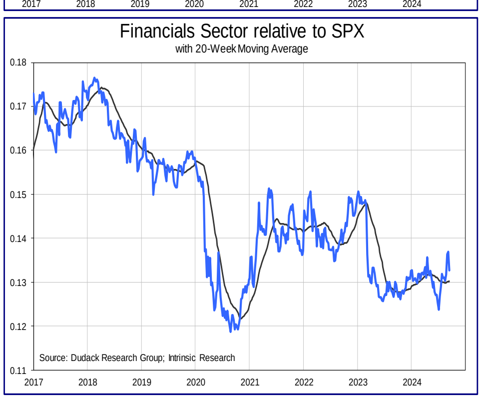












2024 Performance - Ranked	
SP500 Sector	% Change
S&P INFORMATION TECH	24.9%
S&P UTILITIES	24.0%
S&P COMMUNICATIONS SERVICES	22.7%
S&P FINANCIAL	20.0%
S&P 500	18.1%
S&P CONSUMER STAPLES	17.0%
S&P INDUSTRIALS	15.4%
S&P HEALTH CARE	13.7%
S&P REITS	11.6%
S&P CONSUMER DISCRETIONARY	9.4%
S&P MATERIALS	9.1%
S&P ENERGY	4.5%

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	-1.1%	20.3X	2.1%	2.9%	$1,664.20	-2.9%
2016	2238.83	$94.55	$106.26	$106.26	5.8%	$118.10	0.5%	21.1X	1.9%	1.8%	$1,661.50	-0.2%
2017	2673.61	$109.88	$124.51	$124.51	17.2%	$132.00	11.8%	21.5X	1.8%	2.5%	$1,816.60	9.3%
2018	2506.85	$132.39	$151.60	$151.60	21.8%	$161.93	22.7%	16.5X	1.9%	3.0%	$2,023.40	11.4%
2019	3230.78	$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	$237.69	$234.00	9.6%	$243.14	9.8%	23.7X	1.4%	NA	NA	NA
2025E	~~~~~	$172.75	$277.66	$255.00	9.0%	$279.65	15.0%	20.3X	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	$53.12	$58.36	$58.36	6.4%	$60.74	11.9%	25.2	1.3%	3.0%	NA	NA
2024 3QE*	5634.58	$54.28	$61.00	$60.75	16.3%	$61.49	5.3%	24.7	NA	NA	NA	NA
2024 4QE	~~~~~	$57.80	$63.70	$60.26	11.8%	$64.35	12.6%	23.7	NA	NA	NA	NA

Source: DRG; S&P Dow Jones **quarterly EPS may not sum to official CY estimates; LSEG IBES Consensus estimates *9/17/2024

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 17, 2024