Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
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DJIA: 42208.22
SPX: 5732.93
NASDAQ: 18074.52

US Strategy Weekly

Liquidity beats Valuation

Immediately after the Federal Reserve lowered the fed funds rate by 50 basis points last week, the debate shifted from when will the Fed cut rates, to what does a 50 basis-points cut mean? The table on page 3 shows all the easing cycles in Federal Reserve history that began with a cut of 50 basis-points or more. Of the 12 prior instances, five of these cuts occurred with a recession already in place (although that may not have been known at the time) and two other cuts preceded a recession by a few months. One 50 basis-point cut, in 1967, was a one-off, and the Fed soon returned to a tightening policy. In short of the 11 easing cycles that began with a 50 basis-point cut, seven, or 64%, were associated with a recession.

However, the current cycle is unique since the economy and inflation have been driven by a combination of trade disruptions and fiscal and monetary stimulus. With these external factors returning to normal, it is possible, perhaps even likely, that the economy will have a soft landing. But in our view, it is also possible that the economy falters badly once fiscal stimulus fades. <u>The key to the economy's next move will be the unemployment rate</u>. As seen in the chart on page 3, <u>if the unemployment rate continues to rise, the odds of a recession will increase substantially</u>.

Nevertheless, the current backdrop for the equity market is promising. The Fed has begun to lower rates and its balance sheet, despite quantitative tightening, is $7.23 trillion, up 70% from the $4.21 trillion seen at the end of 2019. Plus, liquidity in the banking system remains high. For example, other liquid deposits are $10.58 trillion, down from a peak of $14.0 trillion, but assets such as demand deposits, retail money market funds, and small-denomination time deposits, have been increasing. As a result, banks held $18.8 trillion in liquid deposits for customers as of August 5th, down only 5.5% from their April 2022 peak. See page 4.

This is good news since liquidity is a key ingredient for a bull market. At present, liquid deposits at commercial banks equate to 34% of total US market capitalization. This percentage is down from the 48% recorded in January 2023, but it is much higher than the 12% to 14% seen at the end of 2019. It is also well above the average seen over the last 30 years, or 22%. Total assets of commercial banks were $23.46 trillion as of September 11, 2024, more than 35% greater than the $17.7 trillion recorded at the end of 2019. See page 5. Overall, <u>the banking system is awash in cash which supports equities, particularly since the Fed is, and is expected to continue to lower short-term interest rates</u>.

<u>What does not support equities is valuation, but if the current rise in stock prices is the start of a melt-up, or a bubble, valuation will not matter, at least in the short run</u>. The S&P 500 trailing 4-quarter operating multiple is now 25.2 times, and well above all long- and short-term averages. The 12-month forward PE multiple is 21.5 times. When this multiple is added to inflation of 2.5%, it sums to 24.0, which is above the top of the normal range of 14.8 to 23.8. By all measures, the equity market remains richly valued and is at levels seen only during the 1997-2000 bubble, the financial crisis of 2008, or the post-COVID-19 earnings slump. But <u>it is worth noting that those prior markets peaked when the 12-month trailing PE multiple reached a range of 27 to 31. In other words, if this is a bubble market, it could move higher</u>. See page 6.

But this may depend upon the results of the upcoming third-quarter earnings season. The S&P Dow Jones consensus estimate for calendar 2024 is currently $237.26, down $0.44 this week, and the 2025 estimate is $276.62, down $1.05. The LSEG IBES estimate for 2024 had a typo this week, but the estimate for 2025 is $278.71, down $0.94, and the guesstimate for 2026 EPS is $314.37, down $0.52. The current pattern of equity prices soaring, while earnings estimates are falling for 2024, 2025, and 2026, is unsustainable and worrisome. This means third quarter earnings results, and corporate guidance, will be critically important for equity investors. See page 7.

Recent data on housing permits and starts for August were favorable and erased all of July's declines. Existing home sales fell slightly in August and were down 4.2% YOY. The median price of an existing home fell to $416,700, but was still up 3.1% YOY. Months of supply of homes rose from 4.1 to 4.2. However, Moody's Delinquency Tracker showed commercial delinquency rates are on the rise and in particular, the office sector delinquency rate rose to 9.18%, up from 5.5% in January.

September's Conference Board consumer confidence survey showed the headline index fall from an upwardly revised 105.6 in August to 98.7, near the bottom of the range held over the last three years. The present conditions survey tumbled from 134.6 to 124.3, the lowest level since March 2021. The expectations index fell from 86.3 to 81.7, but remained above the 80 level for the third consecutive month. Consumers have become more pessimistic about the outlook for business conditions, the labor market, and future incomes. We reported University of Michigan data last week. That sentiment survey showed a small bounce in September, but all three indices -- overall, present, and expectations -- remained near recessionary levels. See page 8.

This week China announced its largest stimulus package since the pandemic, which included, among other things, lower central bank rates, lower mortgage rates, minimum down payments on real estate transactions, and a 50 basis point decline in the RRR (reserve requirement ratio). Although analysts warned that the weakness in the economy would require more fiscal stimulus, China's stimulus program was the catalyst for a global equity market rally. It also triggered a small increase in crude oil prices and a rise in US interest rates. With the 10-year Treasury yield currently at 3.74% and the 2-year Treasury yield at 3.49%, the yield curve inversion has been unwound. And inversions are unwinding in many parts of the world including the UK, Germany, and Canada. Some economists warn that the unwinding of a yield curve inversion represents the most vulnerable time for an economy. This may be true once more. If so, the unemployment rate will be key in the months ahead. See page 9.

The broadening participation in the equity market helped the Dow Jones Industrial Average reach a record high on September 24, 2024. Moreover, the DJIA gained 7.9% in the quarter to date versus the 5% gain seen in the S&P 500. See page 14. Stocks are responding favorably to the Fed's rate cut and China's stimulus program and this has resulted in much-improved readings in breadth data.

For example, the 25-day up/down volume oscillator is 2.33 and was overbought for seven of the eight days ending September 19, and the last six were consecutive. 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 six-day overbought reading was not overly impressive, but it was the best demonstration of volume following prices seen since the end of last year. It is clearly positive for the near-term outlook. See page 11. In addition, the 10-day average of daily new highs is 600 and new lows are 44. 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 September 24, 2024, confirming the rally. See page 12. In sum, for the first time in a long while, all the broad breadth indicators are uniformly optimistic.

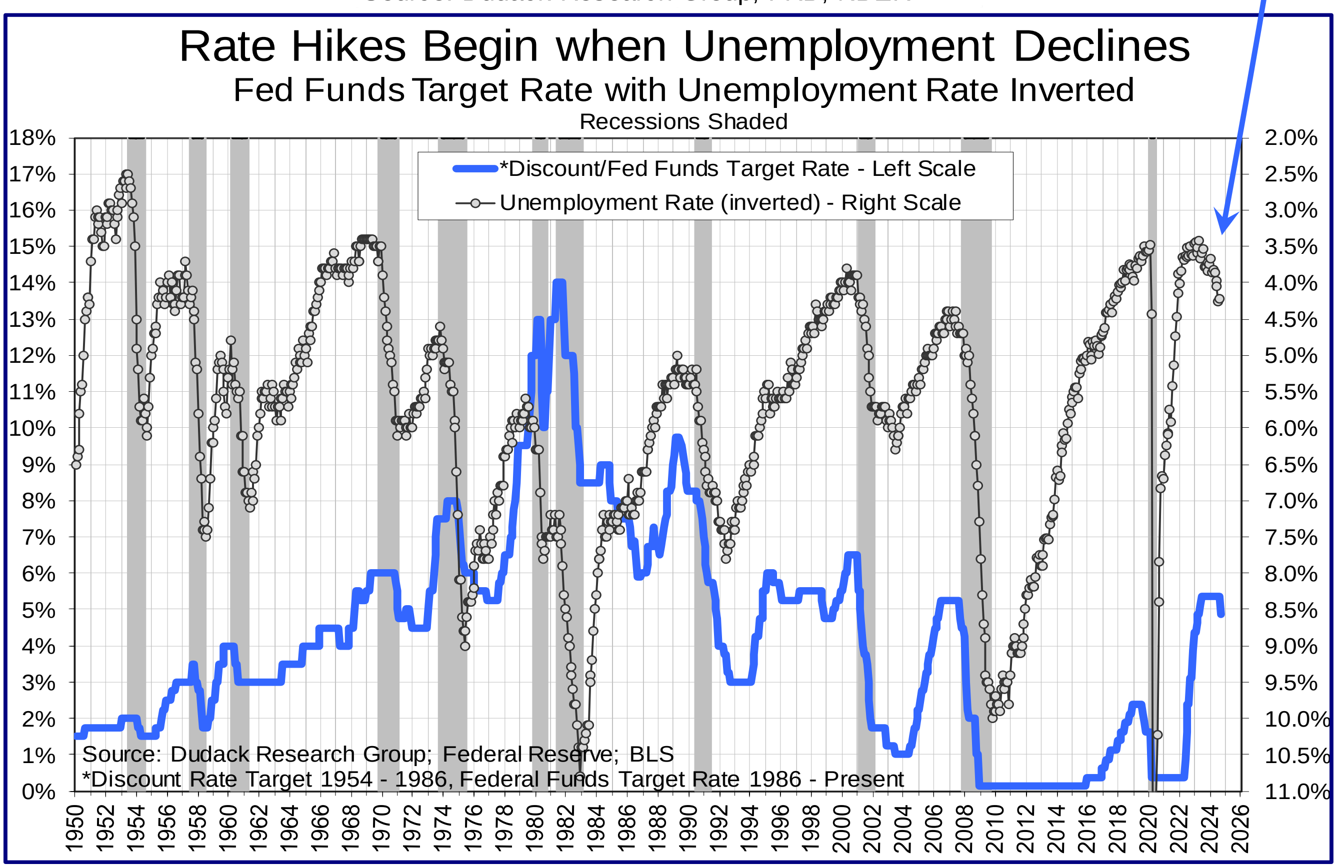
Debates have shifted from when will the Fed cut rates, to what does a 50 bp cut mean? The table below shows easing cycles that began with cuts of 50 basis points or more. Of the 12 prior instances, five occurred with a recession already in place (although that may not have been known at the time) and two others preceded a recession by a few months. One cut, in 1967, was a one-off, and the Fed quickly returned to a restrictive policy. In sum, of the 11 true easing cycles that began with a 50 bp cut, only four, or a third, were not associated with a recession.

However, the current cycle is unique since inflation was driven by a combination of trade disruptions and fiscal and monetary stimulus. With these external factors returning to normalcy, it is possible the economy will have a soft landing, but it is also possible that the economy falters as stimulus fades. The key will be unemployment. As seen in the chart below, if the unemployment rate continues to rise, the odds of a recession will also increase.

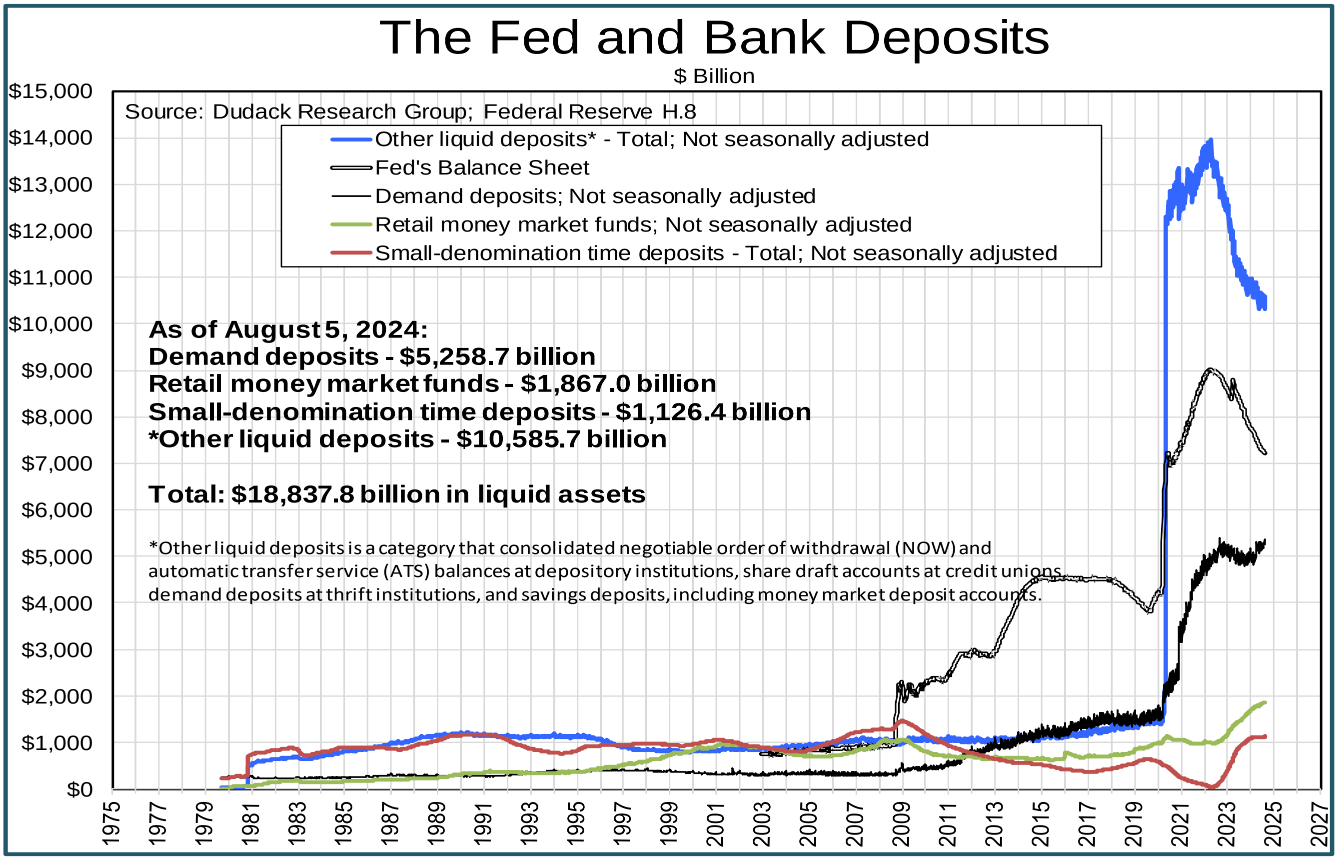
Rate Cuts of 50 Basis Points or More

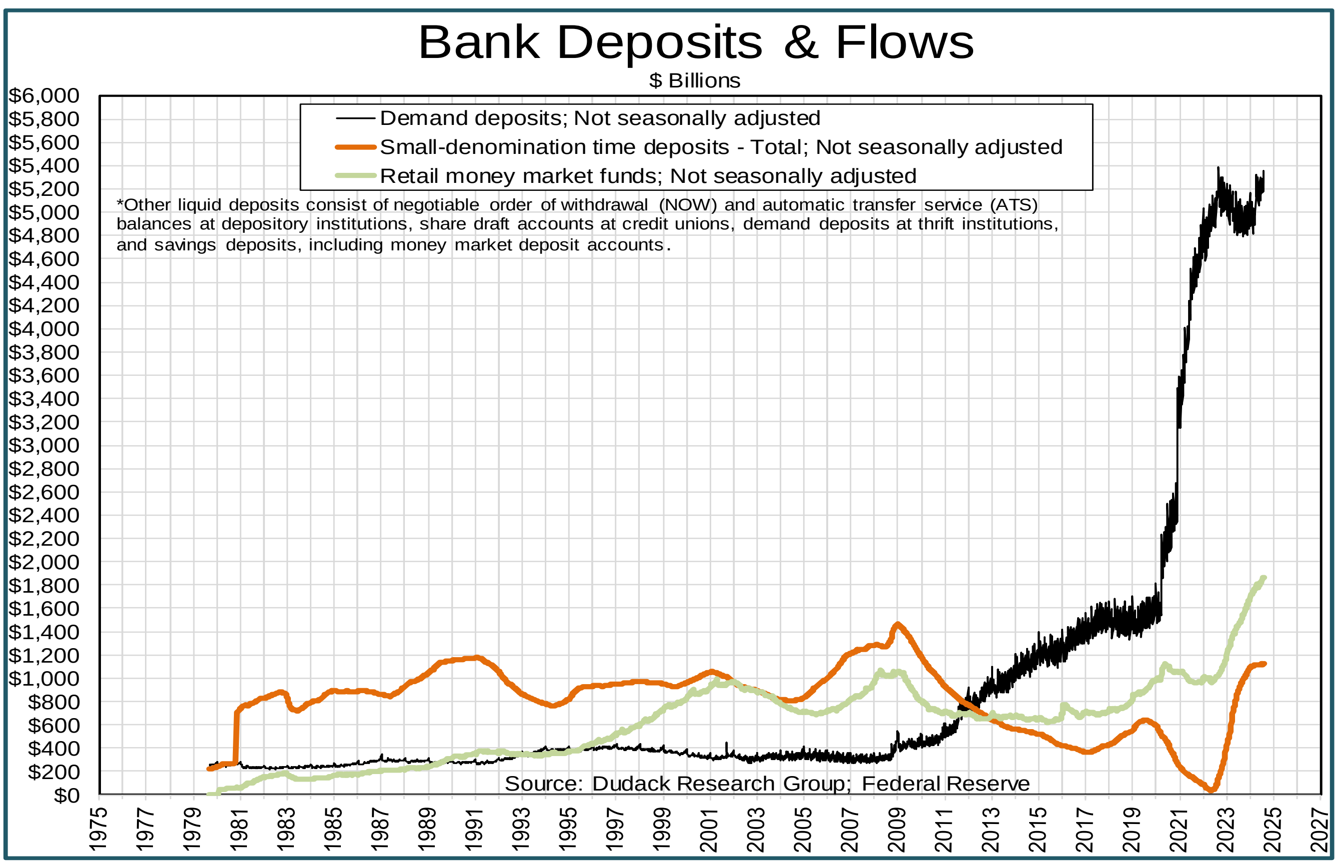
Date	New Rate	Cut	Recession
8/27/1937	1.00	50	Yes
10/30/1942	0.50	50	No
11/15/1957	3.00	50	Yes
6/10/1960	3.50	50	Yes
4/7/1967	4.00	50	No
5/29/1980	12.00	100	Yes
11/2/1981	13.00	100	Yes
11/21/1984	8.50	50	No
7/11/1986	6.38	50	No
10/26/1987	6.75	50	No
1/3/2001	6.00	50	4/15/2001
9/18/2007	4.75	50	1/15/2008

Source: Dudack Research Group; FRB; NBER

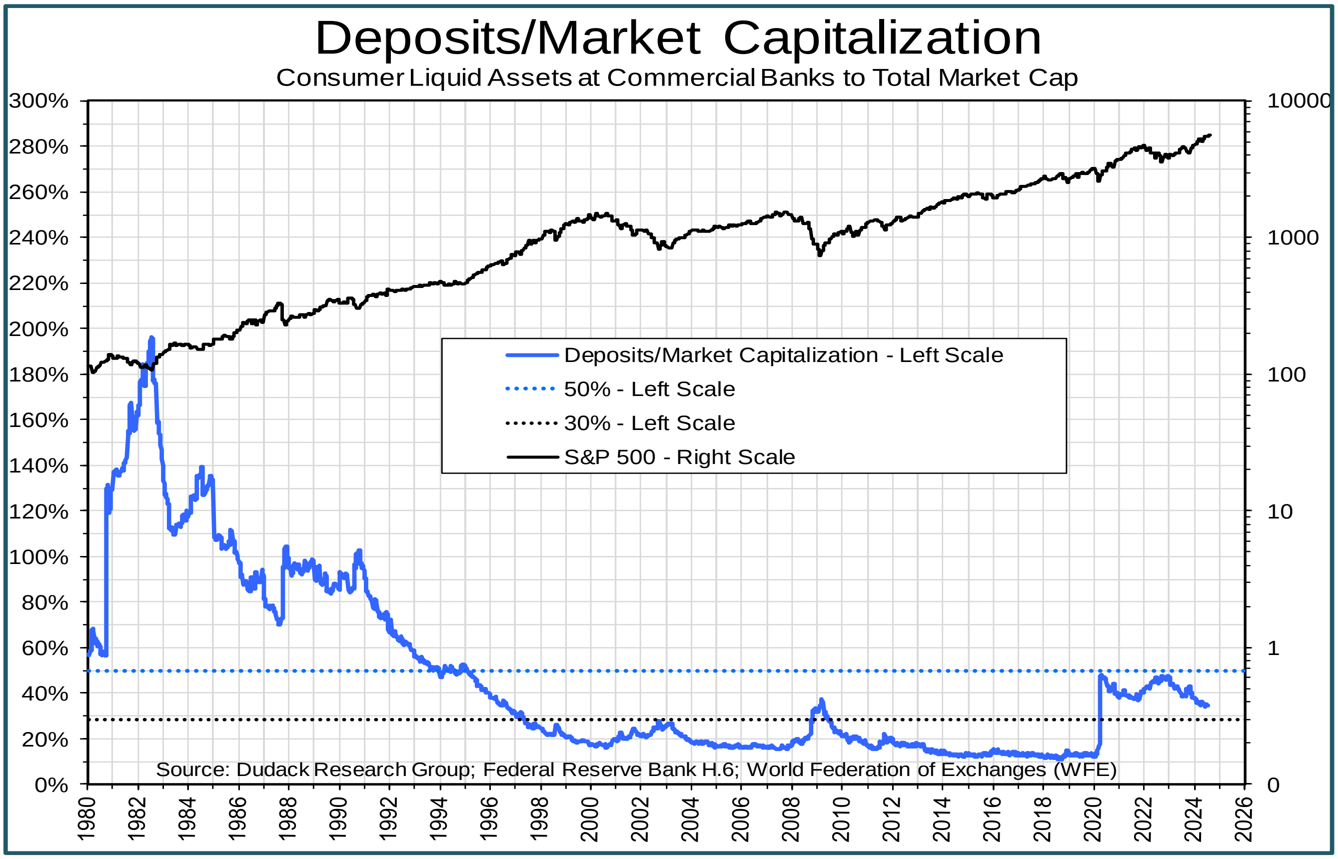


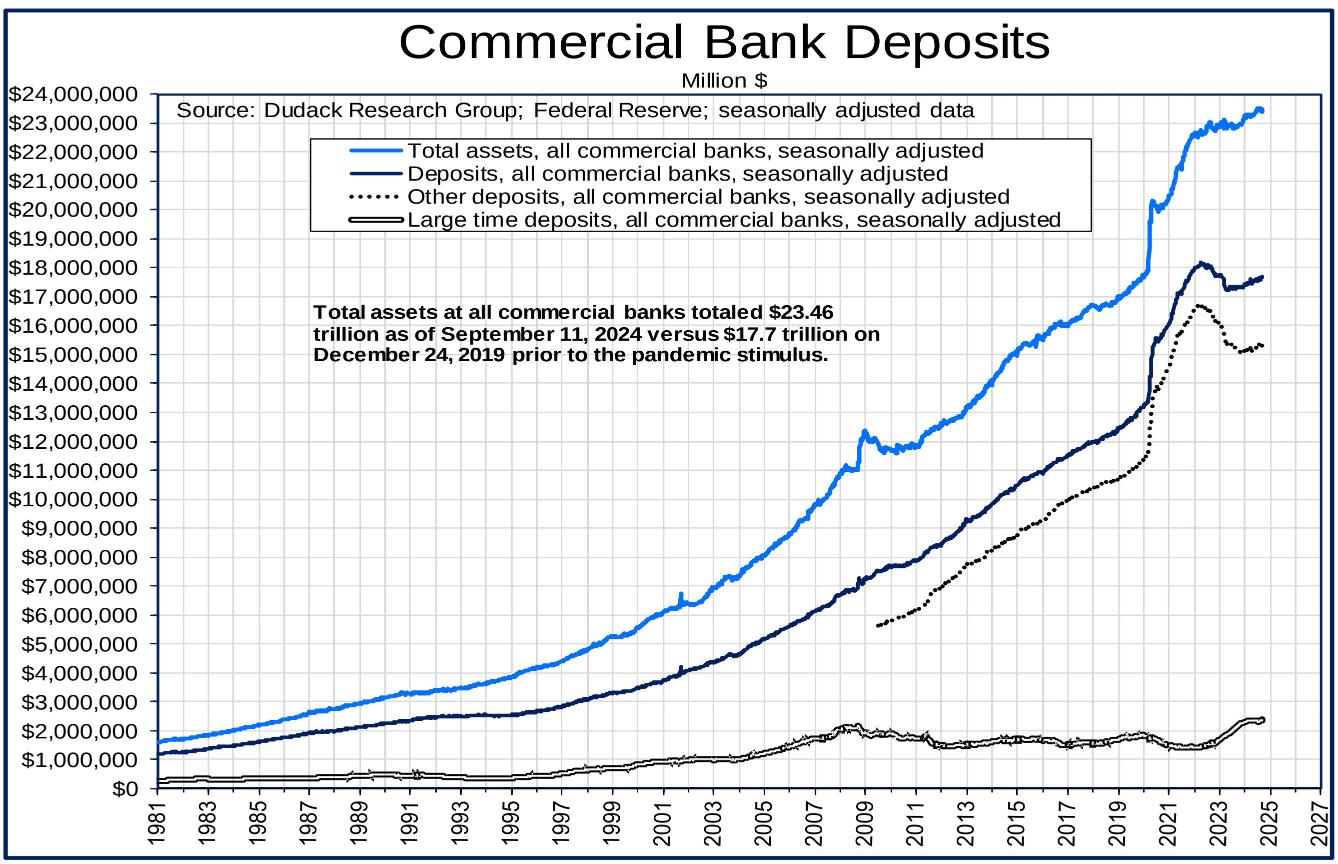
The Fed has begun to lower rates, but its balance sheet, despite its quantitative tightening, is $7.23 trillion, up 70% from the $4.21 trillion seen at the end of 2019, and liquidity in the banking system remains high. Other liquid deposits are $10.58 trillion, down from $14.0 trillion at their peak, while other assets such as demand deposits, retail money market funds, and small-denomination time deposits, have risen. As a result, banks hold $18.8 trillion in liquid deposits for customers.



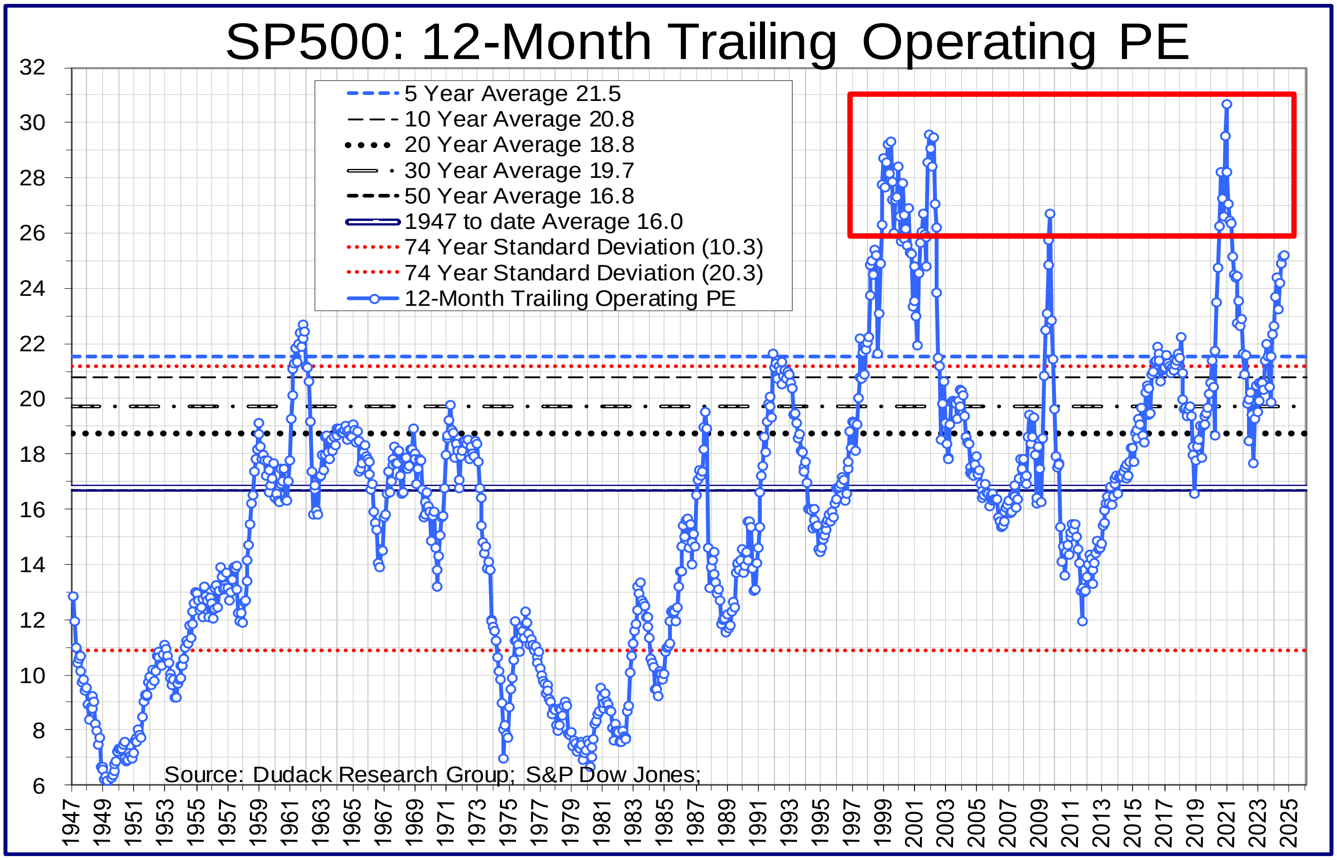


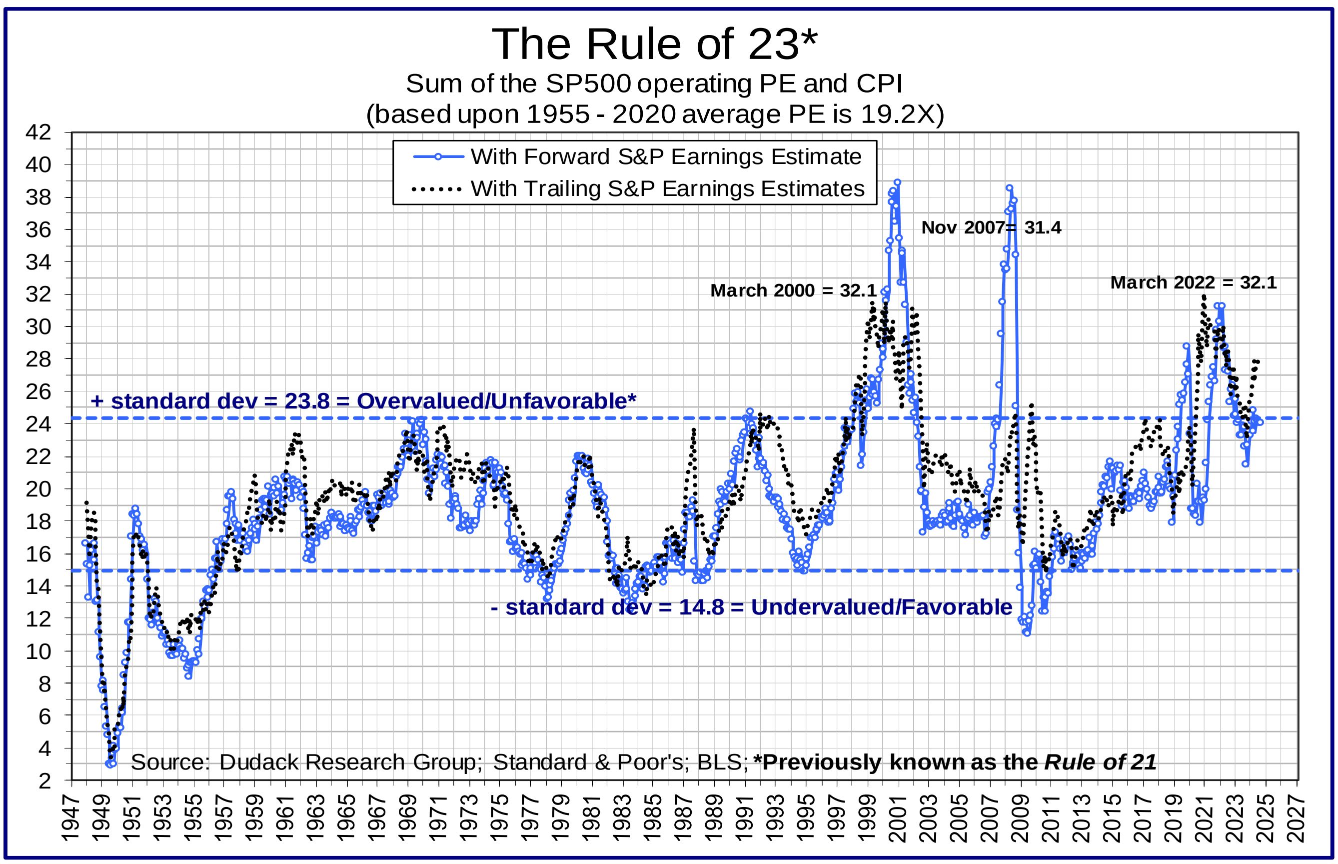
Liquidity is a major factor in a bull market and the current level of bank liquidity equates to 34% of total US market capitalization. This is down from the 48% seen in January 2023, but more than double the 12% to 14% seen at the end of 2019. It is well above the 22% average seen over the last 30 years. Total assets of commercial banks were $23.46 trillion as of September 11, 2024, over 35% greater than the $17.7 trillion recorded at the end of 2019. In short, the banking system is awash in cash which supports equities, particularly as short-term interest rates fall.



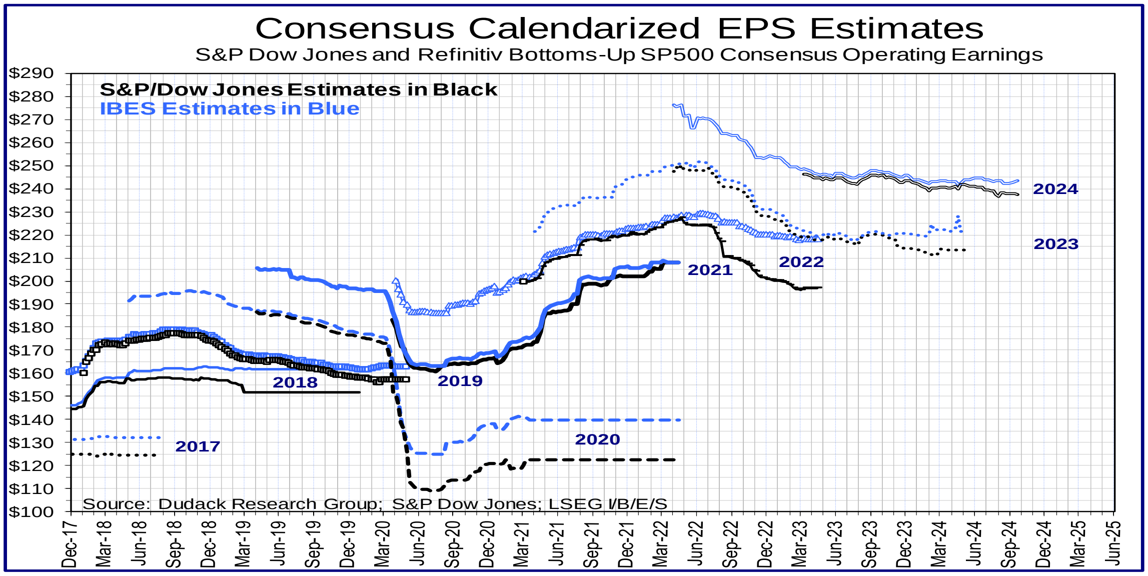


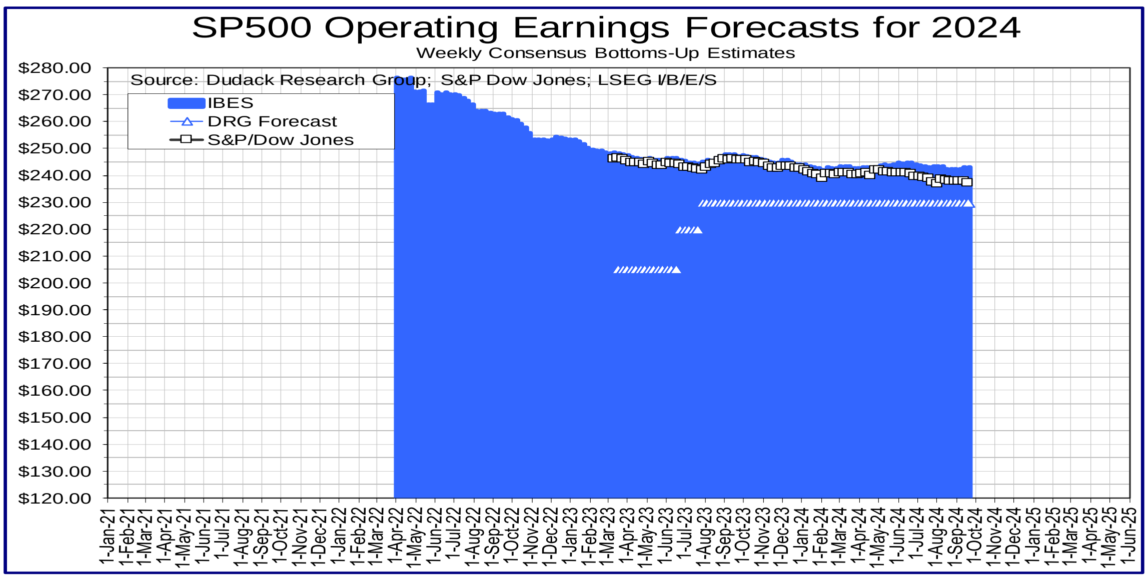
Valuation does not support equities, but if this is the start of a melt-up, or bubble, valuation does not matter. The SPX **trailing** 4-quarter operating multiple is now 25.2 times, and well above all long- and short-term averages. The **12-month forward** PE multiple is 21.5 times and when added to inflation of 2.5%, sums to 24.0, which is above the top of the normal range of 14.8 to 23.8. 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.

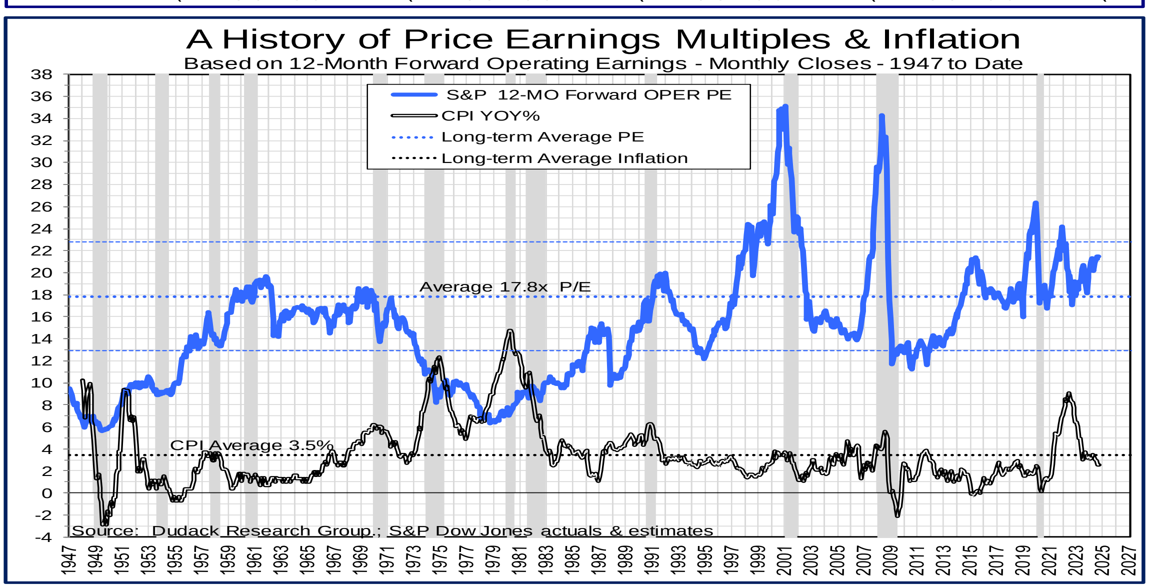




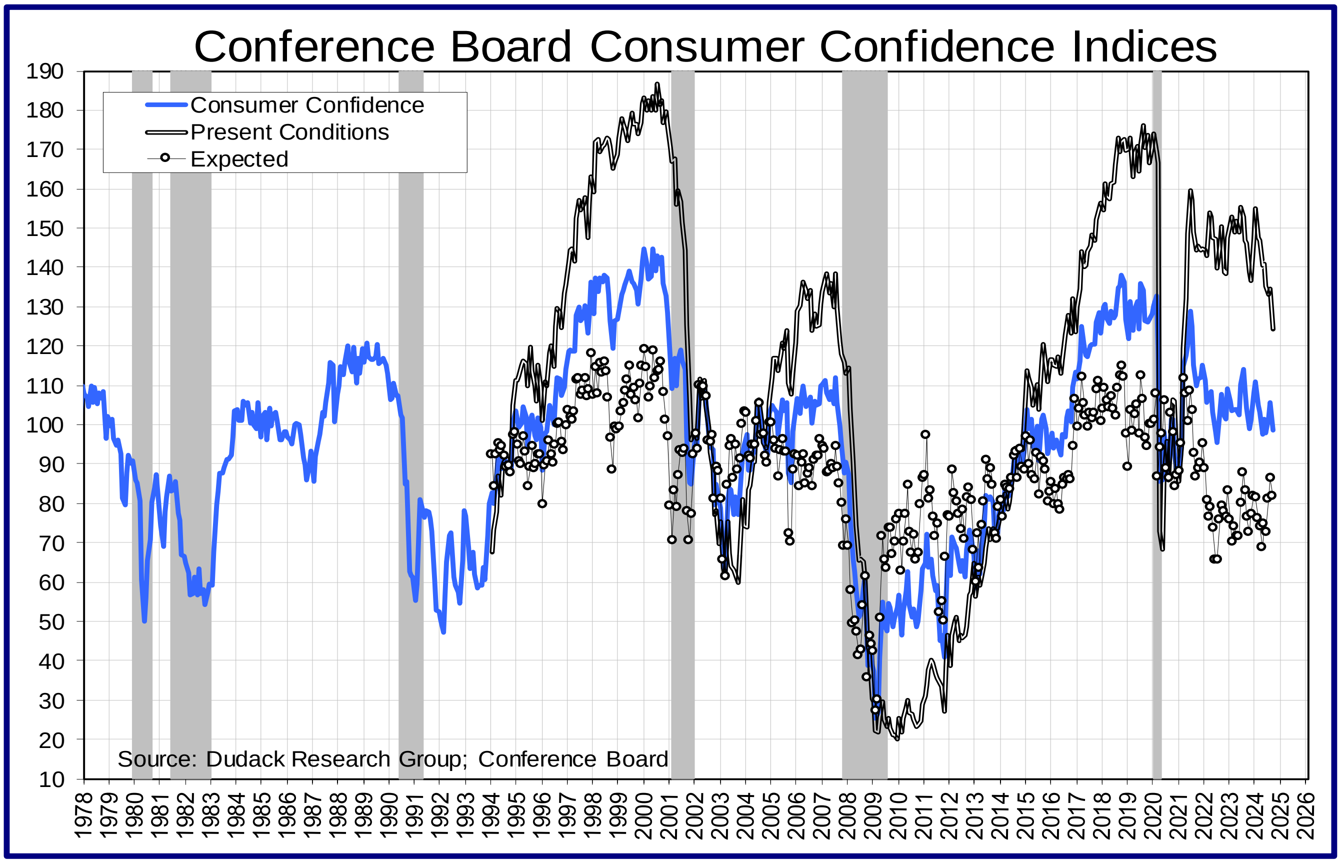
The S&P Dow Jones consensus estimate for calendar 2024 is $237.26, down $0.44 and the 2025 estimate is $276.62, down $1.05 this week. The LSEG IBES estimate for 2024 may have had a typo this week, but the estimate for 2025 is $278.71, down $0.94. The IBES guesstimate for 2026 EPS is $314.37, down $0.52. Monitoring estimates will be critical as we approach third-quarter earnings season. Equity prices are soaring, but right now, earnings estimates are falling for 2024, 2025, and 2026. It is worrisome.

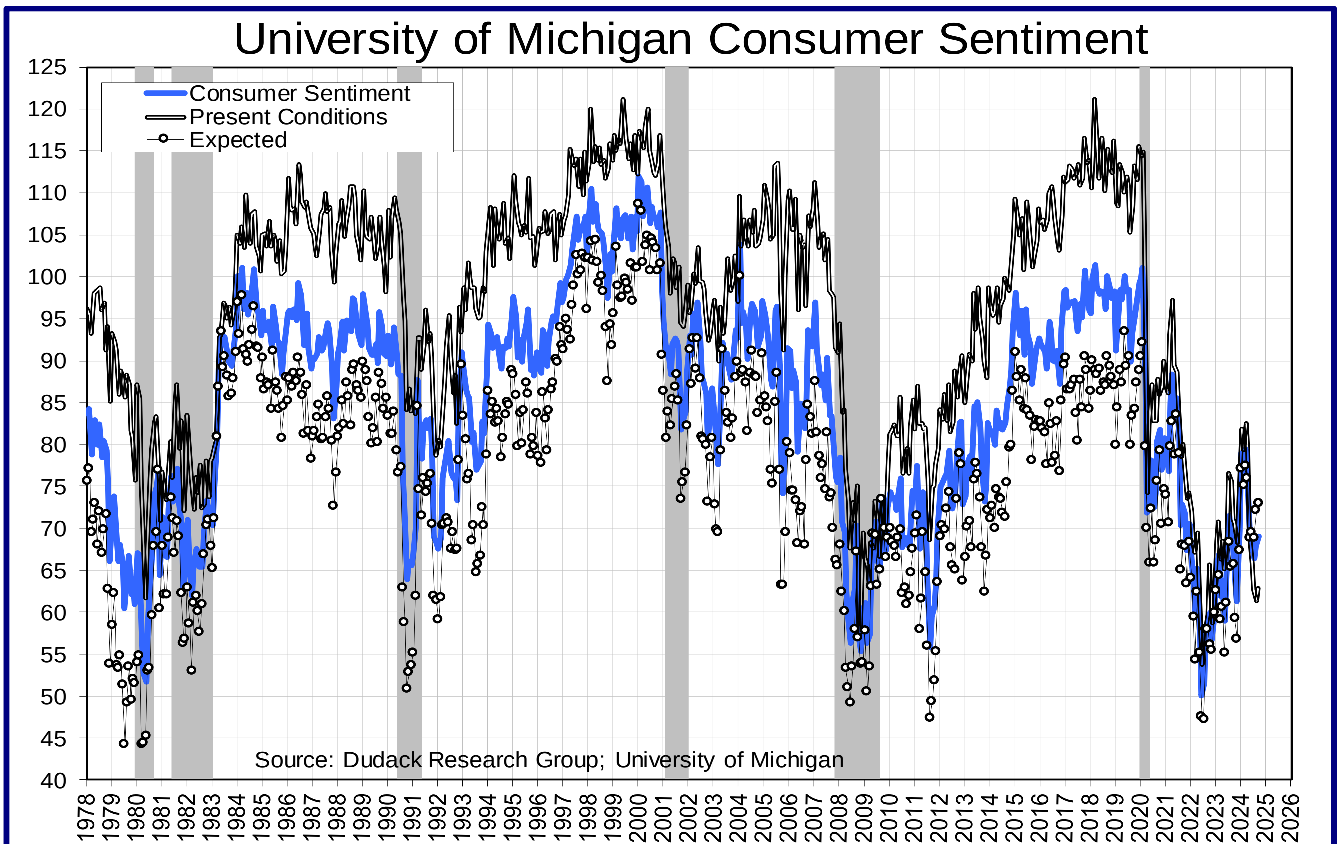




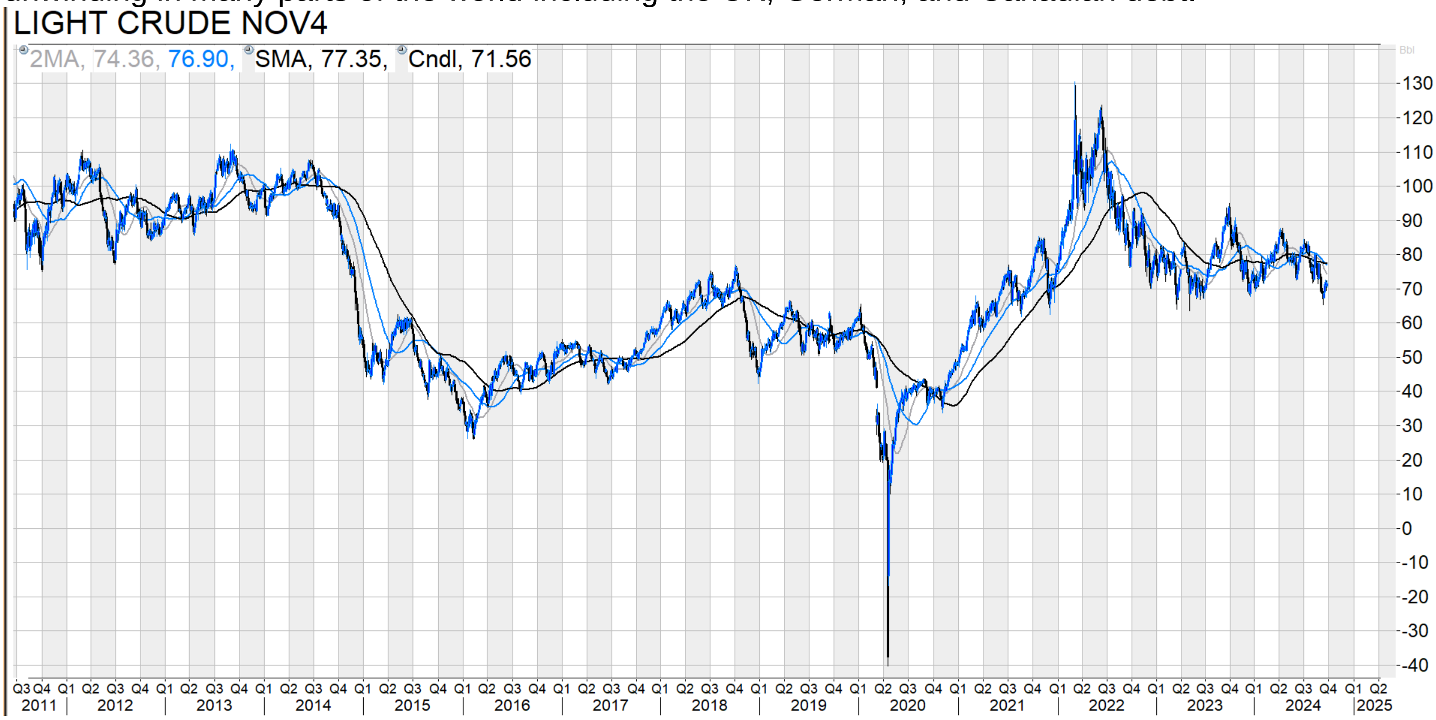


The Conference Board's consumer confidence index fell from an upwardly revised 105.6 in August to 98.7, and present conditions tumbled from 134.6 to 124.3, the lowest since March 2021. Consumers are more pessimistic about the outlook for business conditions, the labor market, and future incomes. Recently released University of Michigan data had a small bounce in August, but all three indices remain near recessionary levels.



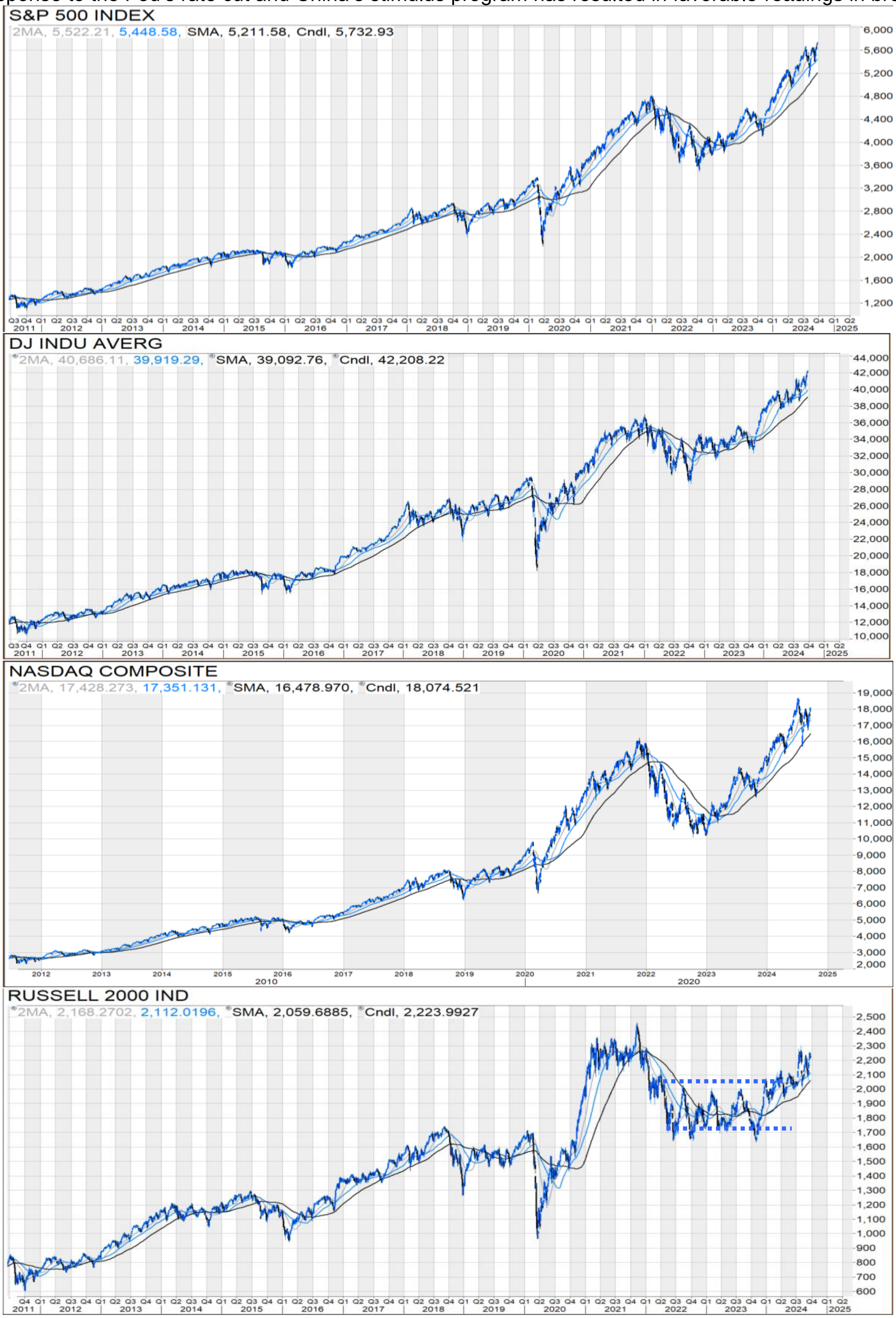


China announced its strongest stimulus package since the pandemic this week, which included, among other things, lower sovereign rates, lower mortgage rates and minimum down payments, and lowering the RRR (reserve requirement ratio) by 50 basis points. This was the catalyst for a global equity market rally, a small increase in crude oil prices, and a rise in US interest rates. The rise in the 10-year Treasury and drop in the 2-year Treasury yield has undone the yield curve inversion. Bond inversions are unwinding in many parts of the world including the UK, German, and Canadian debt.



Source: LSEG Refinitiv

The recent broadening in the market has led to the DJIA reaching a record high on September 24, 2024 and the index gaining 7.9% in the quarter, to date, versus the 5% gain in the S&P 500. See page 14. The participation of a majority of stocks in response to the Fed's rate cut and China's stimulus program has resulted in favorable readings in breadth data.



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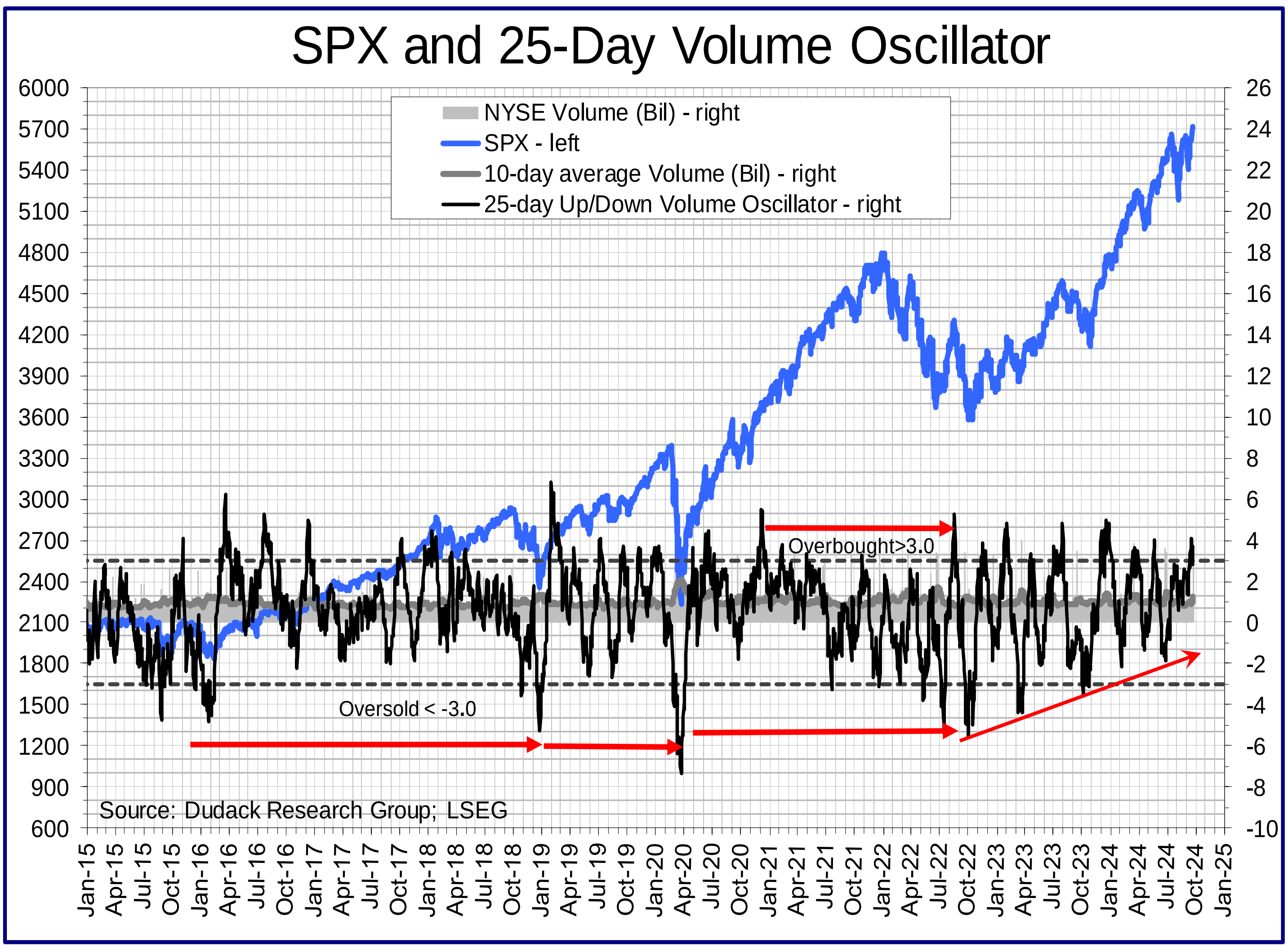
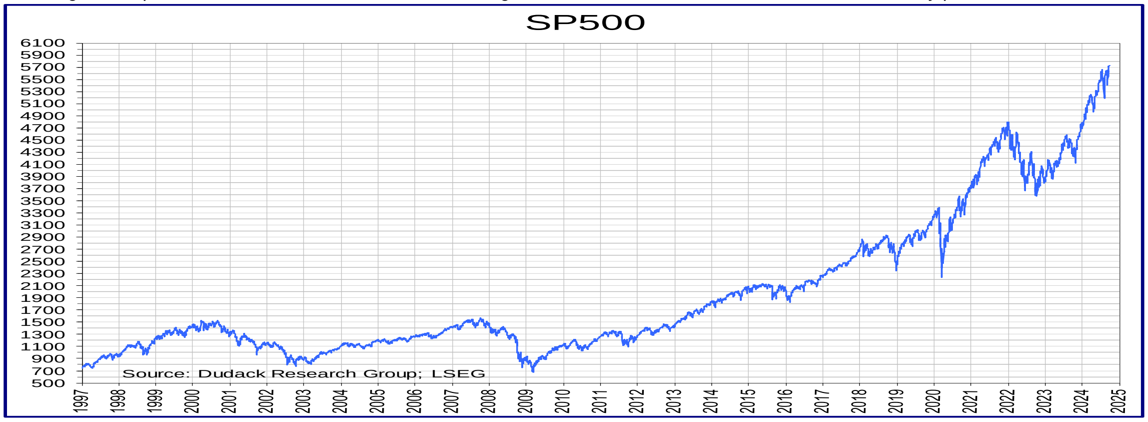
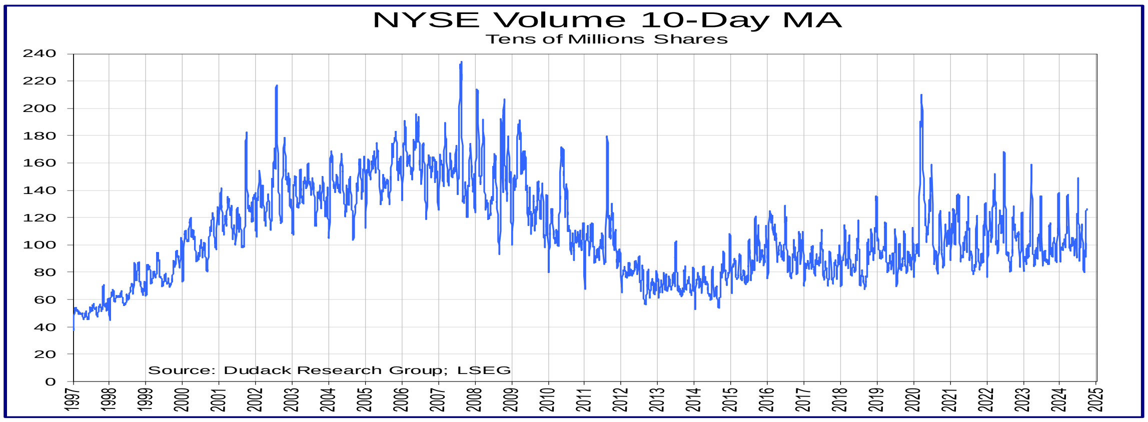
<u>The 25-day up/down volume oscillator is 2.33 and was overbought for seven of the eight days ending September 19, and the last six were consecutive</u>. With many of the indices at or near all-time highs, it is important for this indicator to confirm the advance with an overbought reading lasting at 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. <u>This six-day overbought reading was not overly impressive, but it was the best demonstration of volume following prices seen since the end of last year. It is clearly positive for the near-term outlook.</u>

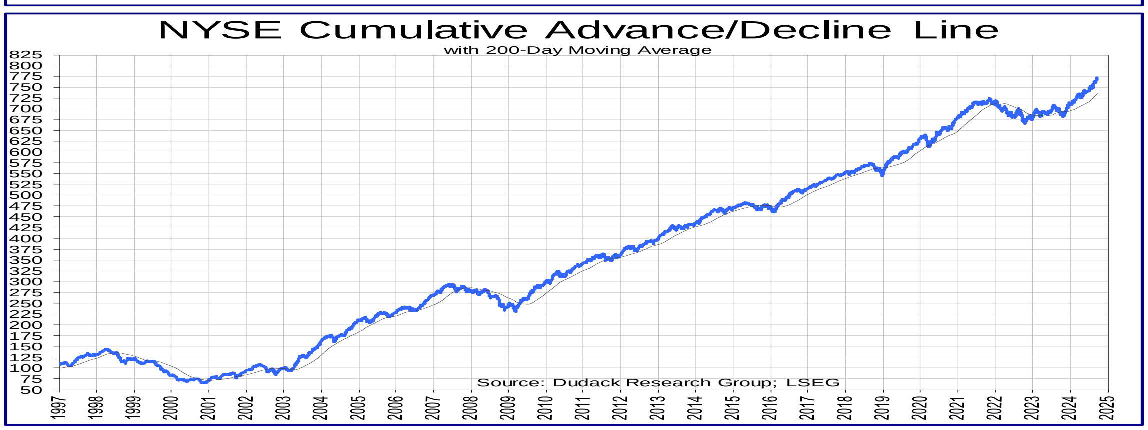
Meanwhile, we continue to monitor an interesting uptrend in this oscillator (red line below) off the 2022 low. This trendline lends a bullish bias to an otherwise neutral position of this index, and it remains intact despite recent market weakness. Should this trend line be broken it would be a warning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

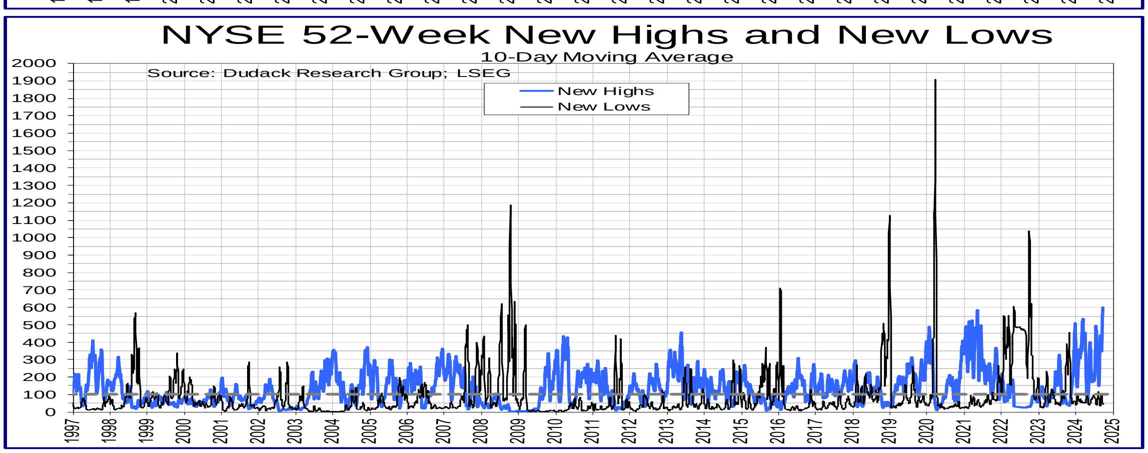


The 10-day average of daily new highs is 600 and new lows are 44. This combination of new highs above 100 and new lows below 100 is positive. The NYSE advance/decline line made a new record high on September 24, 2024. For the first time in a long while, all the broad breadth indicators are uniformly positive.

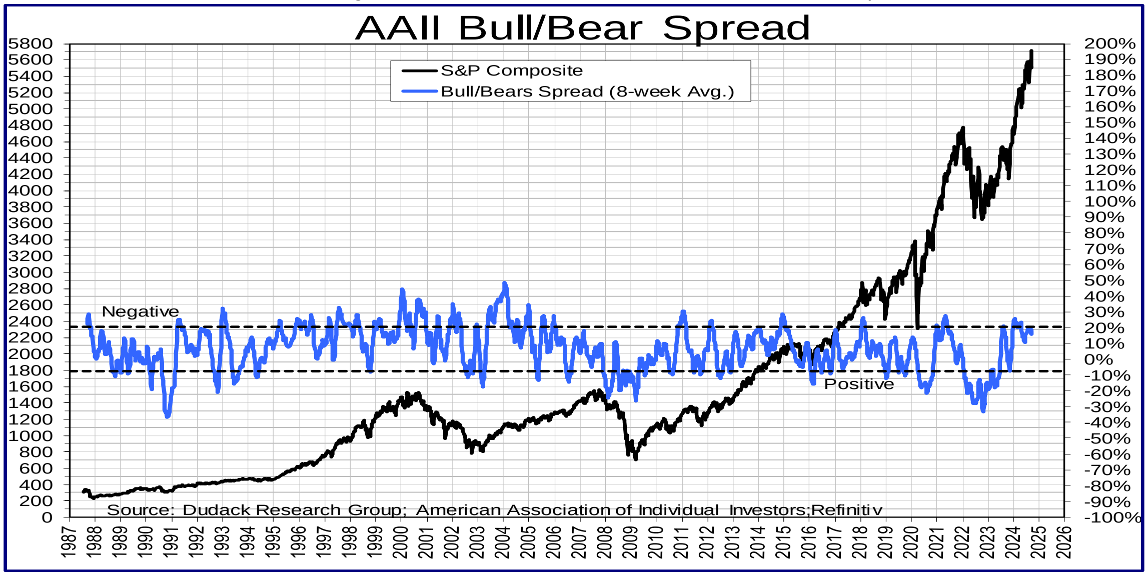


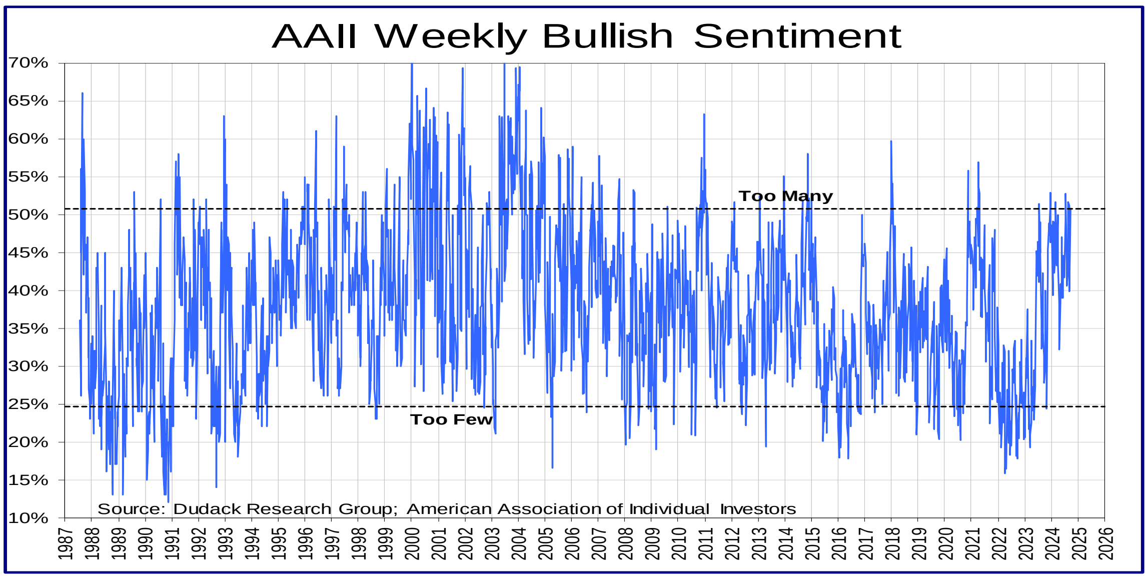


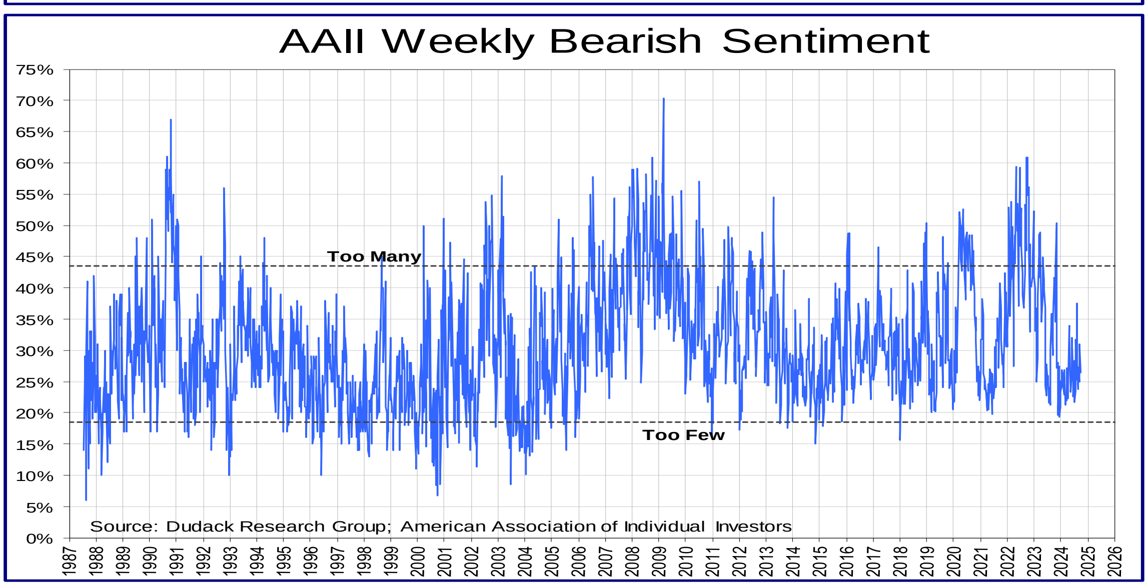




Last week's AAII survey showed bullishness jumped 11.0% to 50.8% and bearishness fell 4.6% to 26.4%. Bullishness is above average, and bearishness fell back below average this week. Extreme sentiment readings were seen on December 13, 2023, when bearishness was 19.6%, its lowest level since the January 3, 2018 reading of 15.6%, and bullishness was 51.3%. This was a negative signal. The 8-week bull/bear rose to 17.7%, back toward 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 QTD Trading Performance

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
SPDR Homebuilders ETF	XHB	123.21	1.1%	3.3%	21.9%	28.8%
iShares MSCI Malaysia ETF	EWM	27.34	3.8%	8.7%	21.7%	28.7%
iShares US Real Estate ETF	IYR	103.20	0.4%	4.1%	17.6%	12.9%
Utilities Select Sector SPDR	XLU	79.76	0.9%	5.8%	17.1%	25.9%
iShares China Large Cap ETF	FXI	30.40	15.4%	14.8%	17.0%	26.5%
iShares MSCI Singapore ETF	EWS	22.43	3.0%	8.8%	16.8%	19.9%
iShares US Telecomm ETF	IYZ	25.16	3.4%	7.0%	15.8%	10.5%
iShares MSCI Hong Kong ETF	EWH	17.72	8.8%	11.4%	15.8%	2.0%
SPDR Gold Trust	GLD	246.07	3.7%	6.1%	14.4%	28.7%
SPDR S&P Bank ETF	KBE	52.52	-1.1%	-1.8%	13.2%	14.1%
iShares MSCI Canada ETF	EWC	41.66	2.4%	3.6%	12.3%	13.6%
iShares Silver Trust	SLV	30.78	5.1%	8.1%	10.6%	35.2%
Industrial Select Sector SPDR	XLI	134.60	2.0%	4.1%	10.4%	18.1%
iShares MSCI Australia ETF	EWA	26.88	2.6%	3.8%	10.0%	10.4%
iShares Russell 2000 Value ETF	IWN	167.53	0.3%	0.0%	10.0%	7.9%
Consumer Discretionary Select Sector SPDR	XLY	200.41	3.8%	6.7%	9.9%	12.1%
Silver Future	SIc1	32.11	4.9%	7.8%	9.8%	34.6%
Financial Select Sector SPDR	XLF	45.06	-0.6%	1.4%	9.6%	19.8%
iShares Russell 2000 ETF	IWM	221.13	0.8%	0.3%	9.0%	10.2%
iShares MSCI BRIC ETF	BKF	39.05	7.3%	6.5%	8.8%	14.2%
iShares MSCI Brazil Capped ETF	EWZ	29.70	-1.6%	-2.4%	8.7%	-15.0%
iShares Russell 1000 Value ETF	IWD	189.59	1.0%	2.0%	8.7%	14.7%
Materials Select Sector SPDR	XLB	95.76	2.2%	3.3%	8.4%	11.9%
iShares MSCI Germany ETF	EWG	33.16	1.9%	2.3%	8.3%	11.7%
Consumer Staples Select Sector SPDR	XLP	82.89	-0.7%	1.3%	8.2%	15.1%
iShares Russell 2000 Growth ETF	IWO	283.57	1.4%	0.8%	8.0%	12.4%
SPDR DJIA ETF	DIA	422.13	1.2%	2.5%	7.9%	12.0%
DJIA	.DJI	42208.22	1.4%	2.5%	7.9%	12.0%
PowerShares Water Resources Portfolio	PHO	69.86	0.9%	0.2%	7.6%	14.8%
iShares MSCI United Kingdom ETF	EWU	37.53	1.4%	0.3%	7.6%	13.6%
iShares 20+ Year Treas Bond ETF	TLT	98.65	-2.2%	0.3%	7.5%	-0.2%
iShares MSCI Emerg Mkts ETF	EEM	45.53	5.8%	3.9%	6.9%	13.2%
Vanguard FTSE All-World ex-US ETF	VEU	62.57	2.5%	1.3%	6.7%	11.5%
iShares MSCI EAFE ETF	EFA	83.06	1.6%	0.3%	6.0%	10.2%
iShares iBoxx $ Invest Grade Corp Bond	LQD	113.48	-0.2%	1.2%	5.9%	2.5%
Health Care Select Sect SPDR	XLV	154.09	-1.0%	-0.9%	5.7%	13.0%
iShares Nasdaq Biotechnology ETF	IBB.O	145.08	-1.9%	-1.9%	5.7%	6.8%
iShares Russell 1000 ETF	IWB	314.14	1.8%	1.9%	5.6%	19.8%
iShares MSCI India ETF	INDA.K	58.89	1.6%	3.2%	5.6%	20.7%
SP500	.SPX	5732.93	1.7%	1.7%	5.0%	20.2%
Communication Services Select Sector SPDR Fund	XLC	89.25	1.7%	2.0%	4.2%	22.8%
iShares MSCI Japan ETF	EWJ	71.08	2.0%	-1.2%	4.2%	10.8%
iShares MSCI Austria Capped ETF	EWO	22.50	0.2%	-3.3%	3.0%	4.1%
SPDR S&P Retail ETF	XRT	77.13	1.1%	-1.2%	2.9%	6.7%
iShares Russell 1000 Growth ETF	IWF	374.93	2.4%	1.9%	2.9%	23.7%
Gold Future	GCc1	2915.10	0.2%	0.8%	2.2%	7.0%
iShares MSCI Taiwan ETF	EWT	55.23	5.6%	1.5%	1.9%	20.0%
Nasdaq Composite Index Tracking Stock	ONEQ.O	71.25	2.4%	1.1%	1.9%	20.3%
NASDAQ 100	NDX	19944.84	2.6%	1.1%	1.3%	18.5%
Technology Select Sector SPDR	XLK	223.61	2.0%	-0.2%	-1.2%	16.2%
iShares MSCI South Korea Capped ETF	EWY	65.04	2.9%	-3.2%	-1.6%	-0.7%
iShares MSCI Mexico Capped ETF	EWW	55.68	1.2%	0.5%	-1.6%	-17.9%
Energy Select Sector SPDR	XLE	88.90	1.3%	-1.6%	-2.5%	6.0%
Shanghai Composite	.SSEC	2863.13	5.9%	0.3%	-3.5%	-3.8%
SPDR S&P Semiconductor ETF	XSD	234.13	3.3%	-1.9%	-5.4%	4.2%
iShares DJ US Oil Eqpt & Services ETF	IEZ	20.94	3.1%	-2.5%	-6.0%	-4.5%
United States Oil Fund, LP	USO	73.29	2.2%	-3.0%	-7.9%	10.0%
Oil Future	CLc1	71.56	0.5%	-4.4%	-12.2%	-0.1%

Outperformed SP500

Underperformed SP500

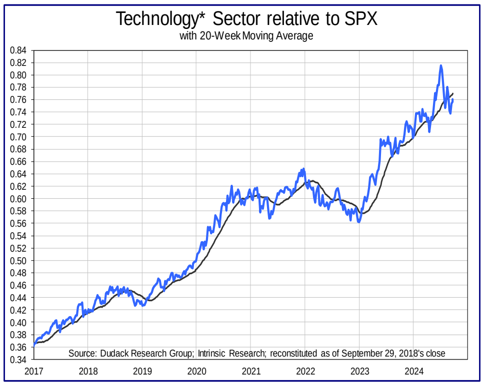
Source: Dudack Research Group; Refinitiv

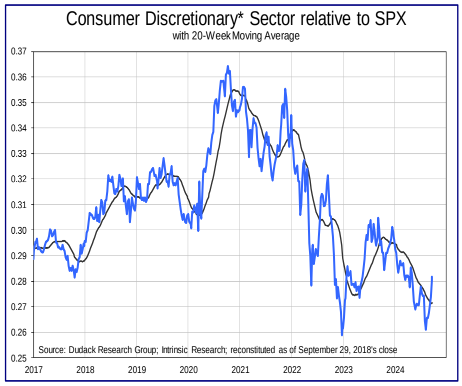
Priced as of September 24, 2024

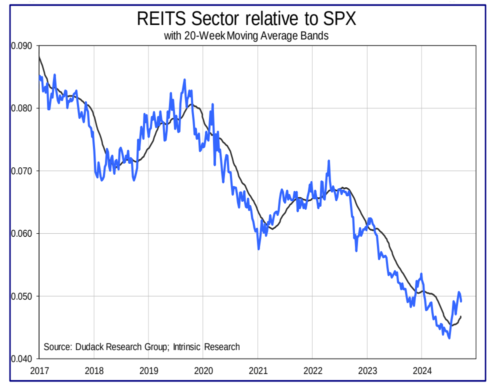
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

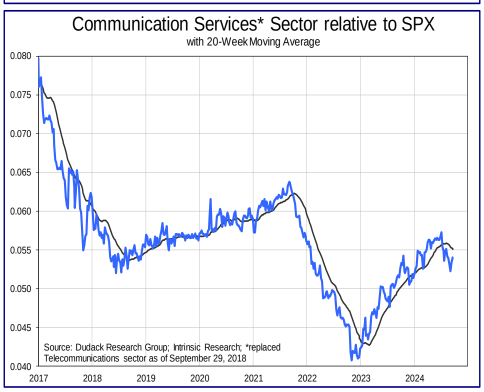
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Communication Services Technology Healthcare Financials	Consumer Discretionary Staples Utililties Industrials	REITS Materials Energy

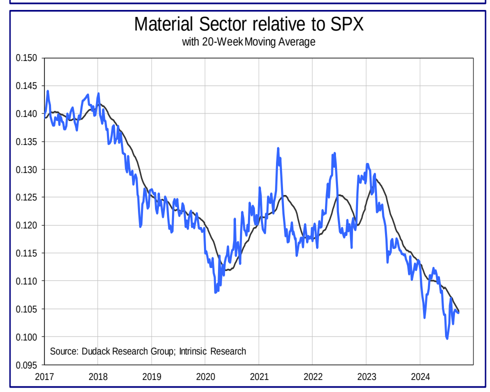
9/10/2024: Upgraded Utilities from U to N; Downgraded Energy from N to U. 2/6/2024: Upgraded Communication Services from U to O; Technology & Healthcare from from N to O; Downgraded Industrials & Consumer Discretionary from O to N; Materials downgraded from O to U. Staples & Energy upgraded to N.

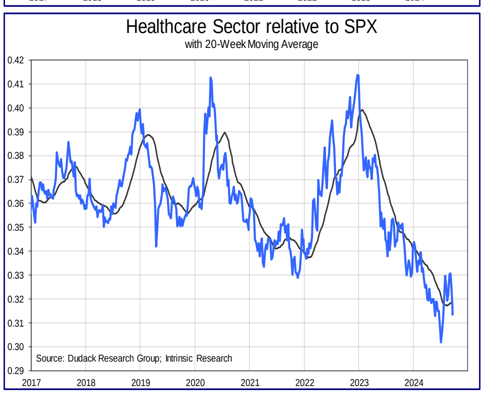


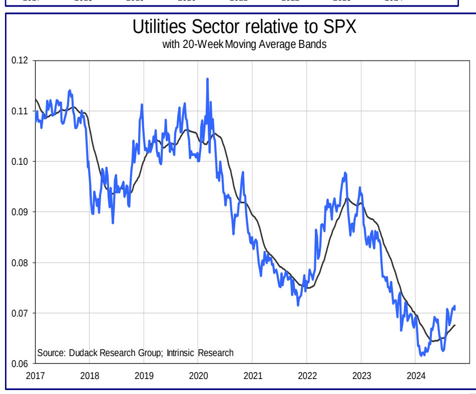


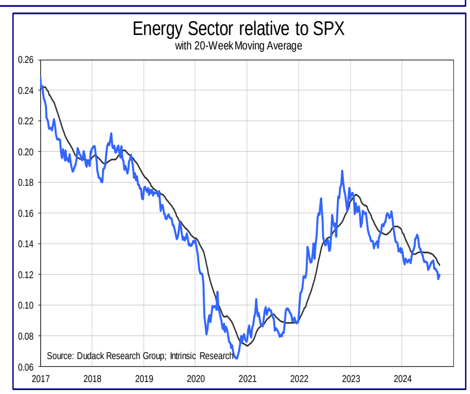


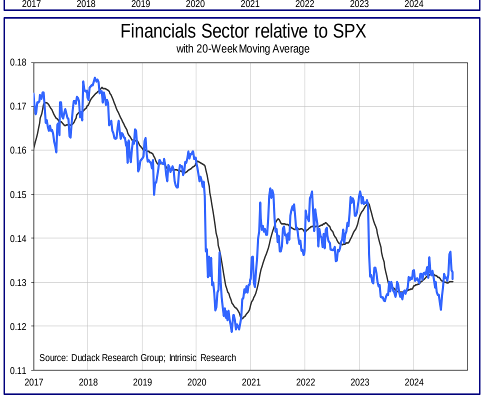


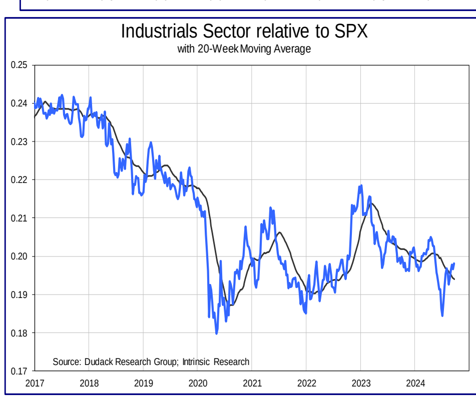












2024 Performance - Ranked	
SP500 Sector	% Change
S&P INFORMATION TECH	28.4%
S&P COMMUNICATIONS SERVICES	25.9%
S&P UTILITIES	25.9%
S&P 500	20.2%
S&P FINANCIAL	19.7%
S&P INDUSTRIALS	18.1%
S&P CONSUMER STAPLES	16.5%
S&P CONSUMER DISCRETIONARY	13.9%
S&P HEALTH CARE	13.0%
S&P REITS	12.0%
S&P MATERIALS	12.0%
S&P ENERGY	6.8%

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	$237.26	$235.00	10.1%	$247.38	11.8%	24.2X	1.4%	NA	NA	NA
2025E	~~~~~	$172.75	$276.61	$255.00	8.5%	$278.71	12.7%	20.7X	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%	$60.78	12.0%	25.2	1.3%	3.0%	$2,774.00	6.6%
2024 3QE*	5732.93	$54.06	$60.79	$60.75	16.3%	$61.29	4.9%	25.2	1.3%	NA	NA	NA
2024 4QE	~~~~~	$57.56	$63.48	$61.26	13.7%	$64.09	12.1%	24.2	NA	NA	NA	NA

Source: DRG; S&P Dow Jones **quarterly EPS may not sum to official CY estimates; LSEG IBES Consensus estimates *9/24/2024

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