



US Strategy Weekly

AI Under Pressure

This is an interesting point in time since we are only one week away from the potentially pivotal presidential debate between Vice President Kamala Harris and former President Donald J. Trump. It is only two weeks away from the Federal Reserve's September FOMC meeting which is widely expected to produce at least a 25 basis point cut in the fed funds rate. And it is merely two months away from the presidential election which, despite the conclusions of several political polls, seems impossible to predict. Nevertheless, the outcome of the presidential and Congressional elections could produce quite different consequences in terms of America's role in the global political and economic arenas and its domestic economic and fiscal health. Therefore, we are not surprised that equities sold off this week. Markets can handle good news or bad news, but it has never dealt well with uncertainty.

Seasonality also shows that September tends to be the worst-performing month of the year, and we think this may have something to do with the fact that analysts shift their focus from this year's earnings to next year's earnings during this time frame. Although this may not be an issue in 2024 since analysts have already shifted their sights from 2024, to 2025 and 2026 earnings! One study shows that equity performance in September and October has often been a forecaster of presidential elections. See page 10. Still, early September news items have not been helpful to the market's seasonality funk.

Technology stocks have been under pressure due to legal problems that have been compounding all year. The Department of Justice recently sent a subpoena to NVIDIA Corp. (NVDA - \$108.00), along with other companies, as it deepens its enquiry into antitrust practices in the chip industry. The DOJ began this investigation after receiving complaints from competitors that NVDA abused its market dominance. Moreover, last week the company indicated it received requests for information from regulators in the US, EU, UK, China, and South Korea, regarding its investments, partnerships, and agreements with other companies.

And NVDA is not the only AI company under a microscope. An early August court ruling concluded that Google violated antitrust law by creating an illegal monopoly and spending billions of dollars to become the world's default search engine. This federal ruling now paves the way for a possible breakup of Google's parent Alphabet Inc. C (GOOG.O - \$158.61) which could change the landscape for online advertising, an area Google has dominated for many years. The Department of Justice also sued Apple Inc. (AAPL - \$222.77) back in March, accusing the company of using a monopoly in the smartphone market to block competition, inflate prices for consumers and stifle competition. Last year the Federal Trade Commission (FTC) and 17 states sued Amazon.com, Inc. (AMZN - \$176.25), accusing it of protecting a monopoly by squeezing sellers on its marketplace and favoring its own services. The FTC argued that these practices also harmed consumers and resulted in "artificially higher prices." A judge in the US District Court for the Western District of Washington has set the trial for October 2026. In short, a rally based upon the belief that artificial intelligence will produce a boom in earnings for a variety of companies, is now finding itself mired in legal red tape.

It should also be noted that two of the biggest benefactors of the AI movement, Nvidia and Salesforce Inc. (CRM - \$248.06), reported excellent earnings for the second quarter, but in both cases, it also became clear that the pace of earnings growth is slowing. For all these reasons, it is no surprise that a shift in leadership materialized in recent days -- away from technology and toward defensive stocks. This shift is what drove the Dow Jones Industrial Average and the NYSE advance/decline line to new highs at the end of August. See pages 11 and 13.

The main event this week will be the Friday jobs report, and it will be the last read on employment before the Fed meeting. But recent economic releases have been mixed, at best. The National Association of Realtors' pending home sales index for July was 70.2, the lowest reading since the pandemic low of 70.0 in April 2020. And since this indicator only began in 2018, it was the second lowest reading in history. The housing sector typically represents 15-17% of total US GDP and is an important segment of the US economy. A recent string of housing data suggests this segment of the economy is slowing significantly. The big question is whether or not lower interest rates will revive the housing market. See page 3.

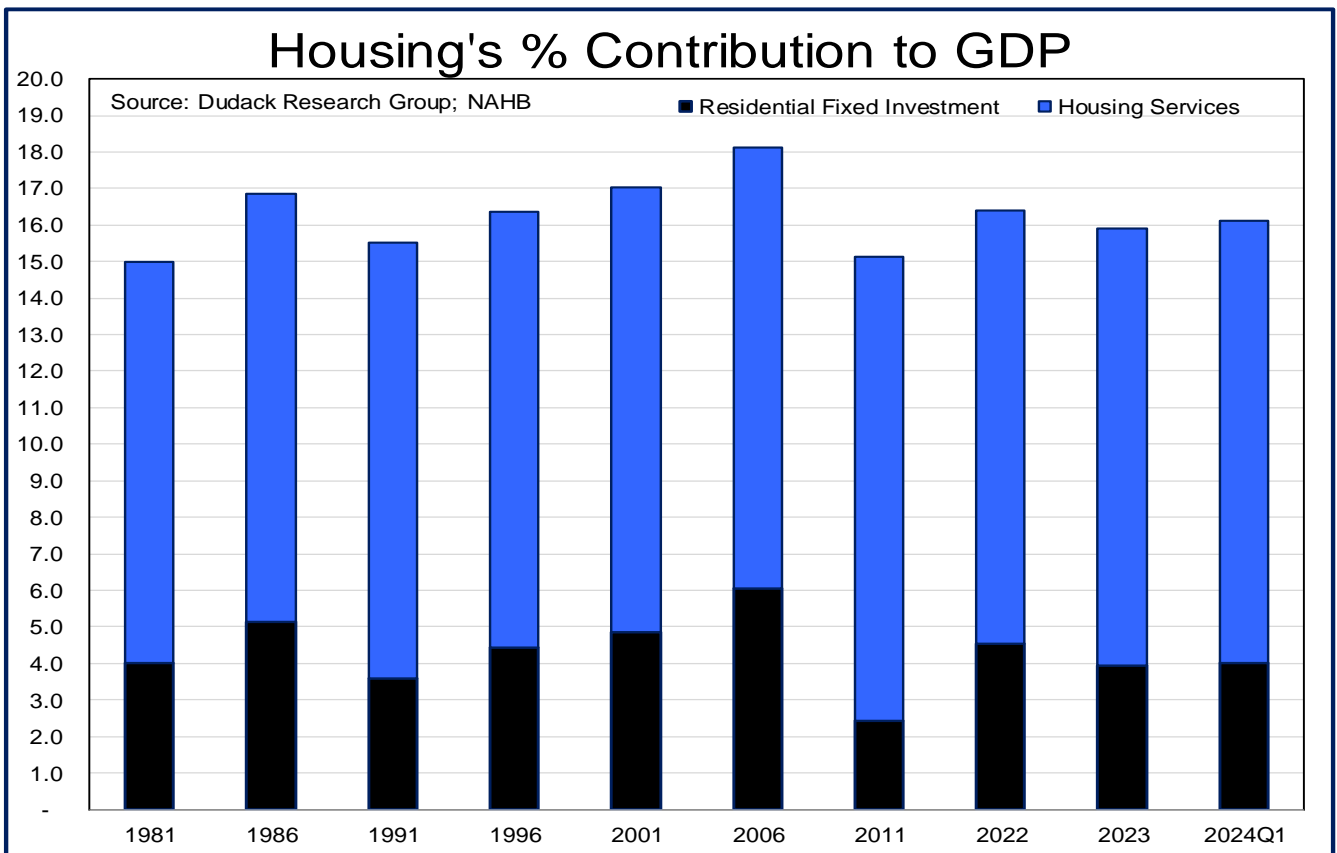
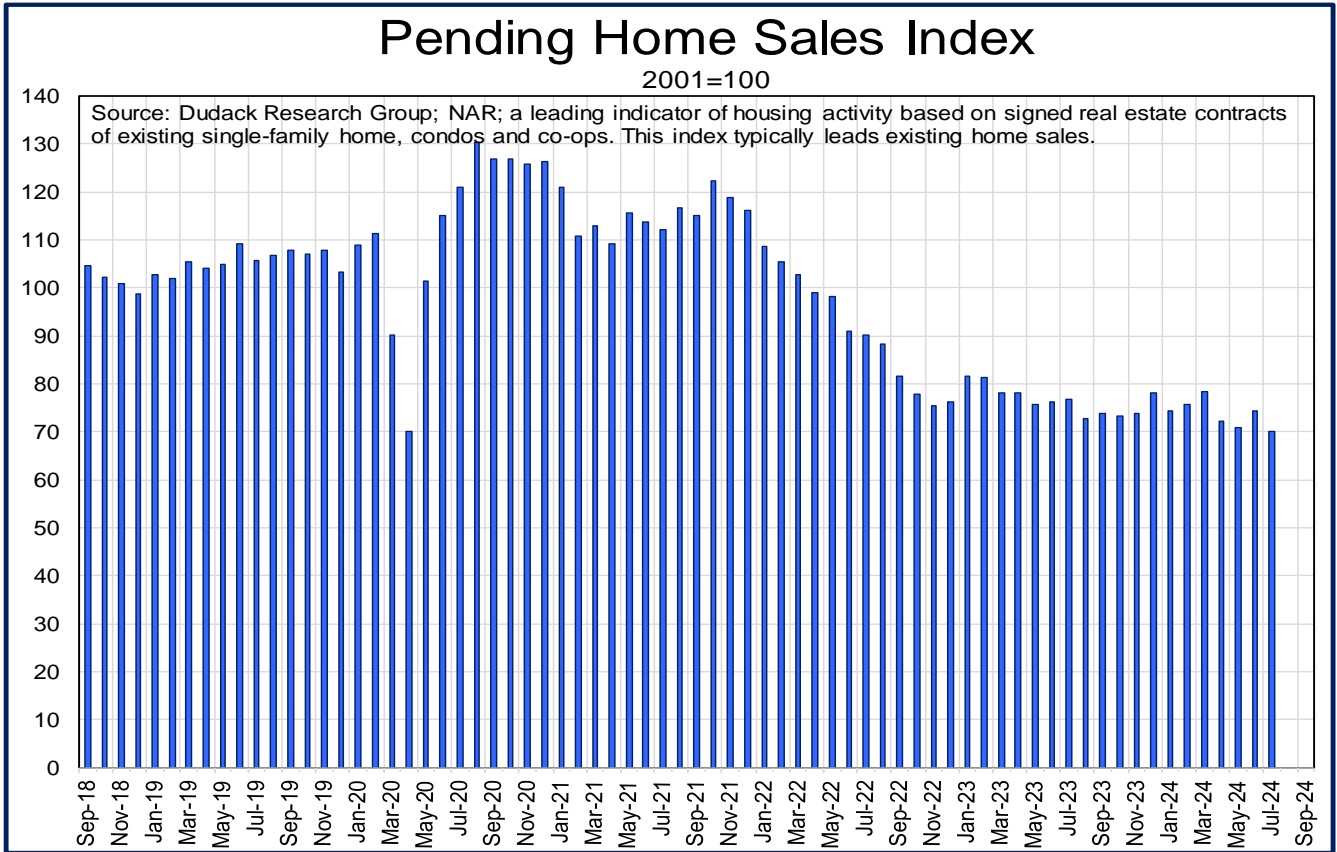
The ISM manufacturing index rose to 47.2 in August from 46.8 in July but has been stuck in "contraction" territory below 50 for 21 of the last 22 months. Note that readings below 50 are typically associated with recessionary periods. The details of the report were mixed with 8 of 11 components below 50 and 4 of 11 components falling in August. New orders and production indexes fell while the employment index improved to 46.0, albeit from a very low 43.4. The ISM service index will be reported later this week, and it dropped below the pivotal 50 benchmark in two of the last four months. See page 4.

The PCE deflator was the focal point of last week's economic releases. In July, the headline and core PCE price indices were in line with consensus expectations and remained unchanged at 2.5% YOY and 2.6% YOY, respectively. However, both indices were fractionally higher in July on a year-over-year basis but after rounding to one decimal, remained equal to June's readings. The PCE price index that excludes food, energy, and housing rose to 2.1% YOY versus 2.0% YOY in June. The housing index was 5.3% YOY versus 5.4% in June. The services index was 3.7% YOY versus 3.8% YOY in June. The healthcare index fell from 2.8% YOY to 2.4% YOY. The PCE price indices for durable goods were negative on a year-over-year basis for the 14th consecutive month. See page 5.

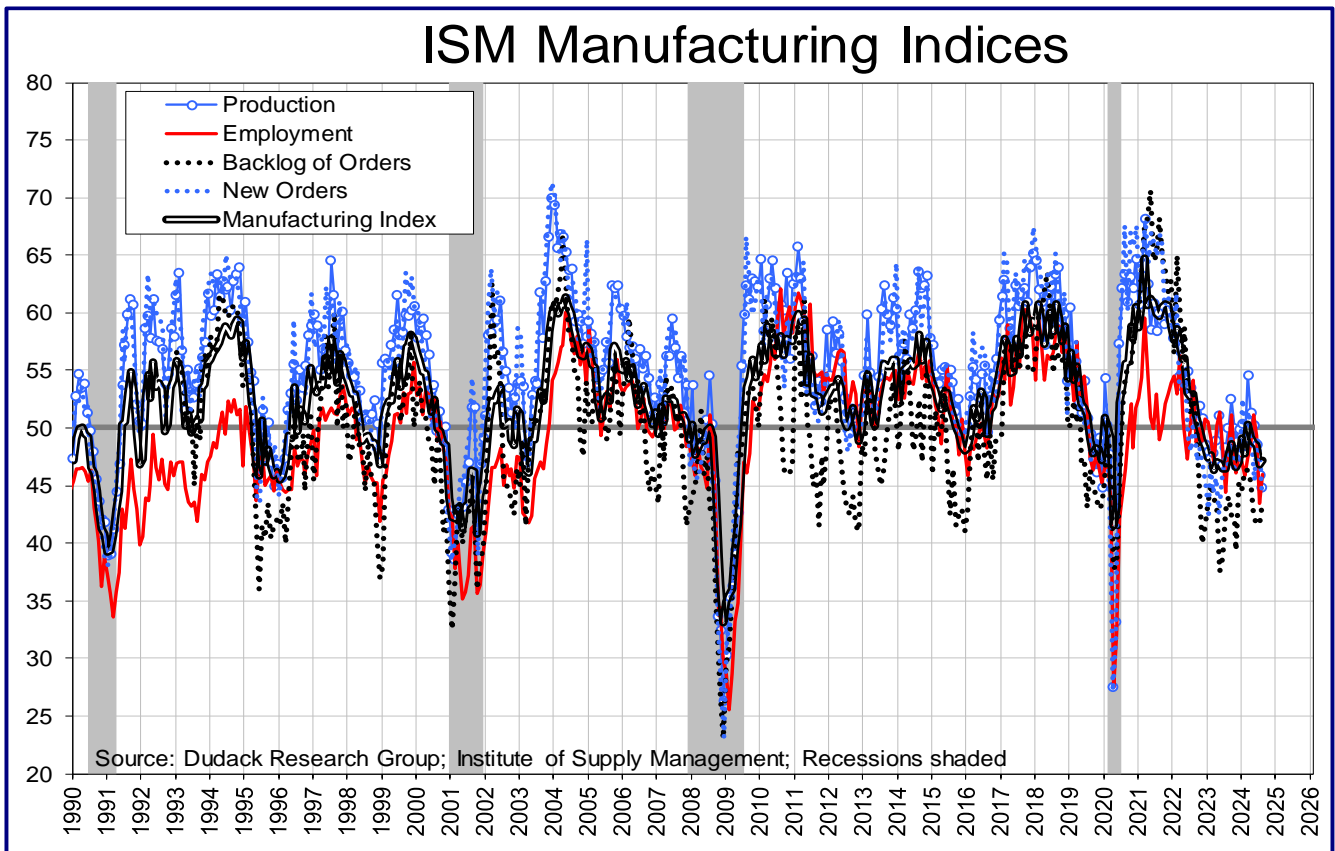
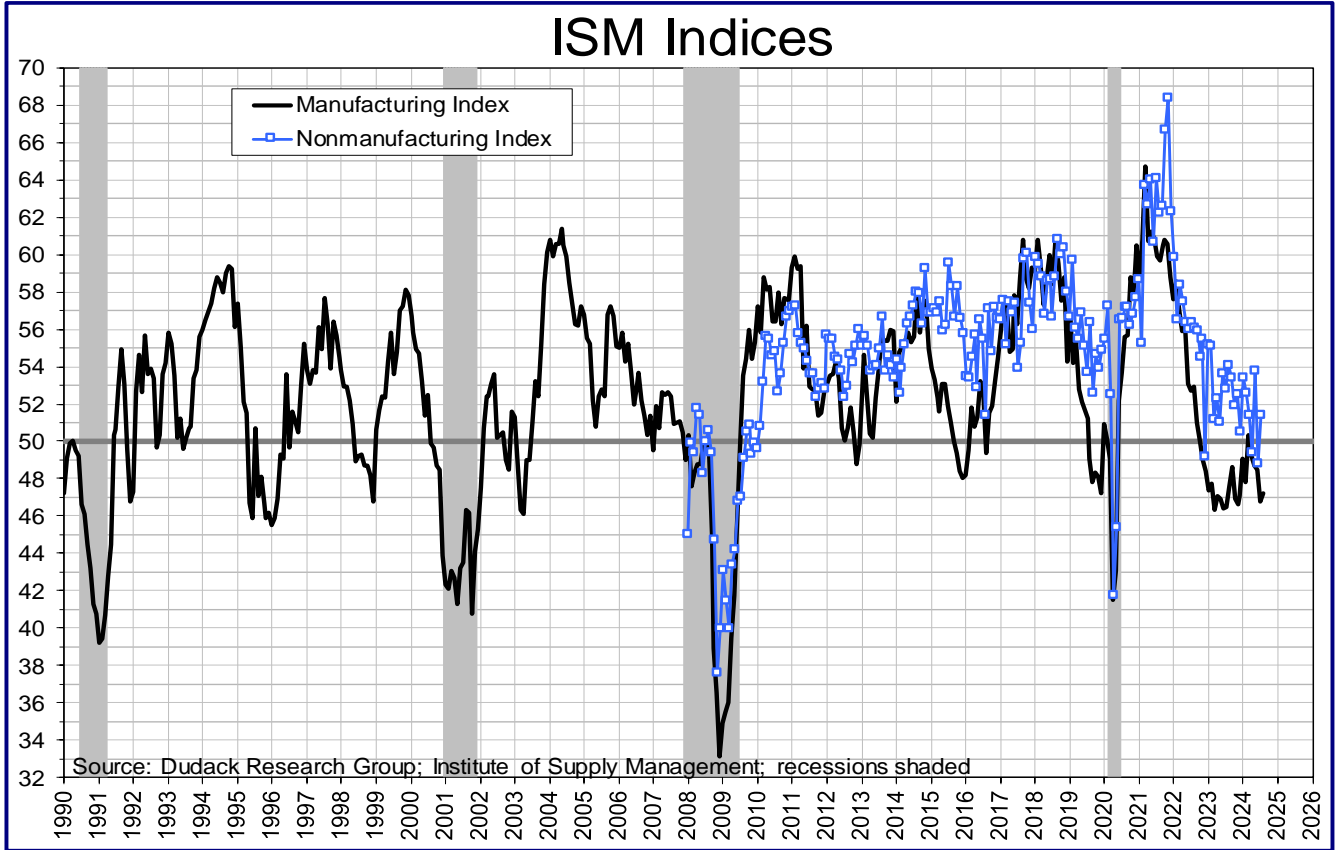
Second quarter GDP was upwardly revised from 2.8% (SAAR) to 3.0%, which was more than double the 1.4% recorded in the first quarter. The second quarter's pace was not far from the long-term average of 3.2%. Some of this strength was due to inventories, which had been a drag on growth in the first quarter but were additive to the second quarter. Consumption was the main source of strength in the second quarter, but government spending also increased. Fixed residential investment was slightly negative in the second quarter. This makes the low reading in pending home sales more worrisome, since it suggests that the third quarter began on an even weaker note. See page 6.

The second revision of GDP also includes corporate profits. GDP corporate profits, before taxes and adjustments, rose a healthy 11.7% YOY after being up 10.2% in the first quarter. After taxes and with inventory valuation and capital consumption adjustments, profits rose 6.6% YOY, which followed a 5.3% gain in the first quarter. However, second quarter profits were negative in 2023 making this year's comparisons relatively easy. Nonetheless, these results are in line with S&P 500 operating earnings which rose 5.4% YOY in the same quarter. It is reassuring that GDP and S&P corporate profits are moving in unison since disparities between the two series are often a warning sign for the S&P 500. See page 7. Nevertheless, despite the market's selloff, the S&P trailing 4-quarter operating multiple is 24.2 times, and well above all long- and short-term averages. The 12-month forward PE multiple is 20.7 times and when added to inflation of 2.9%, sums to 23.6, which is at the top of the normal range of 23.8, this week. By all measures, the equity market remains richly valued. See page 8.

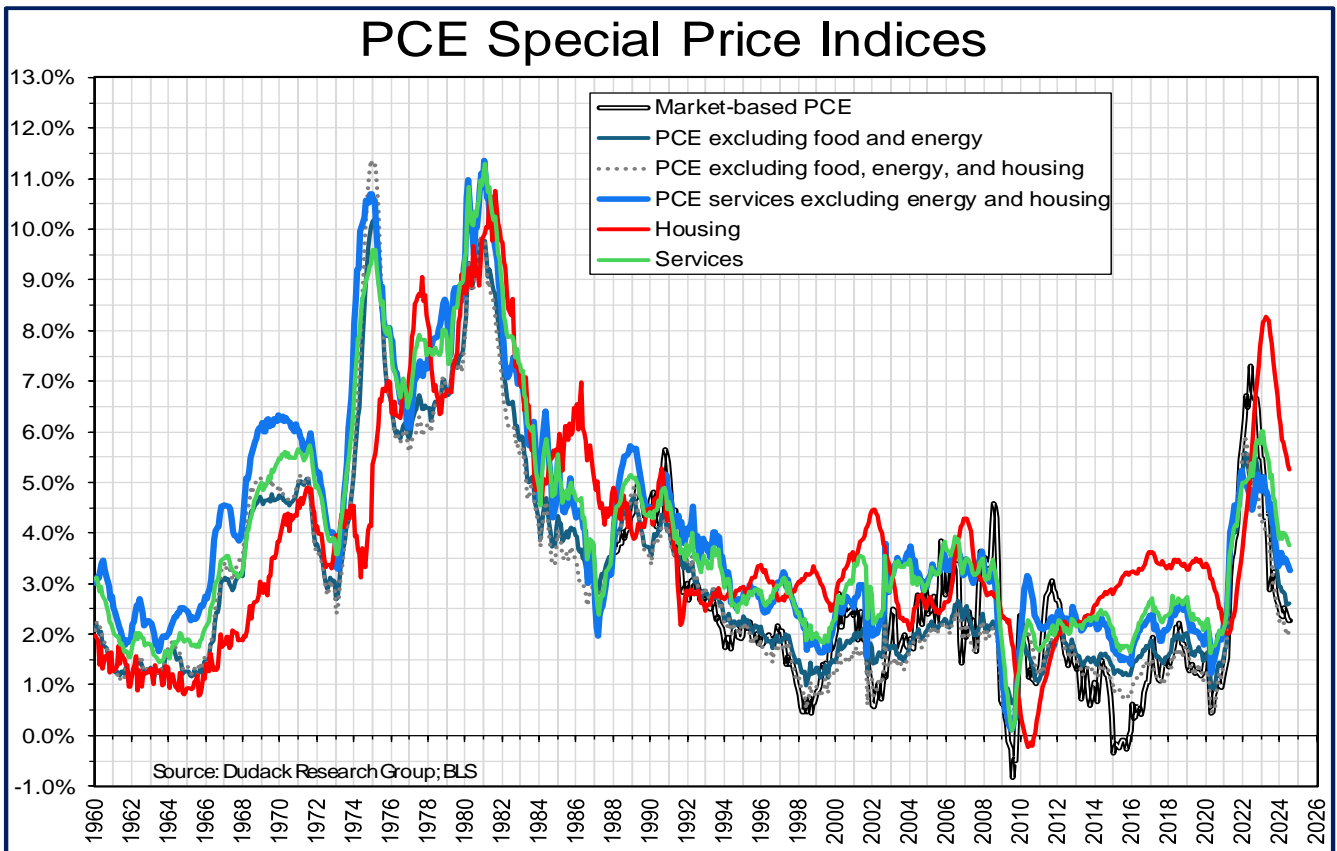
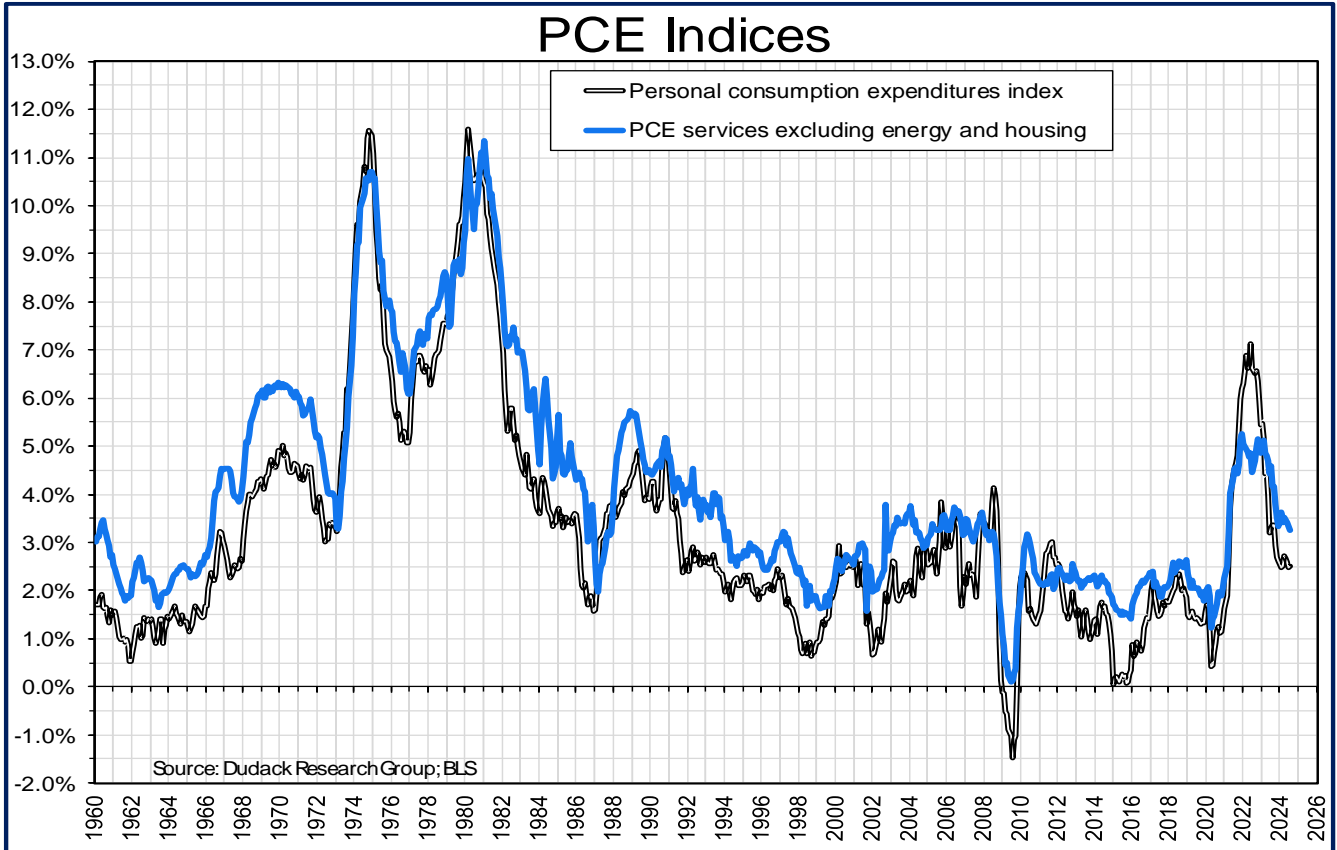
The National Association of Realtor's pending home sales index for July was 70.2, the lowest since the pandemic low of 70.0 in April 2020. The housing sector is an important segment of the US economy since it typically represents 15-17% of total US GDP. Recent data indicates housing is slowing significantly. The question is: will lower interest rates revive the housing market?



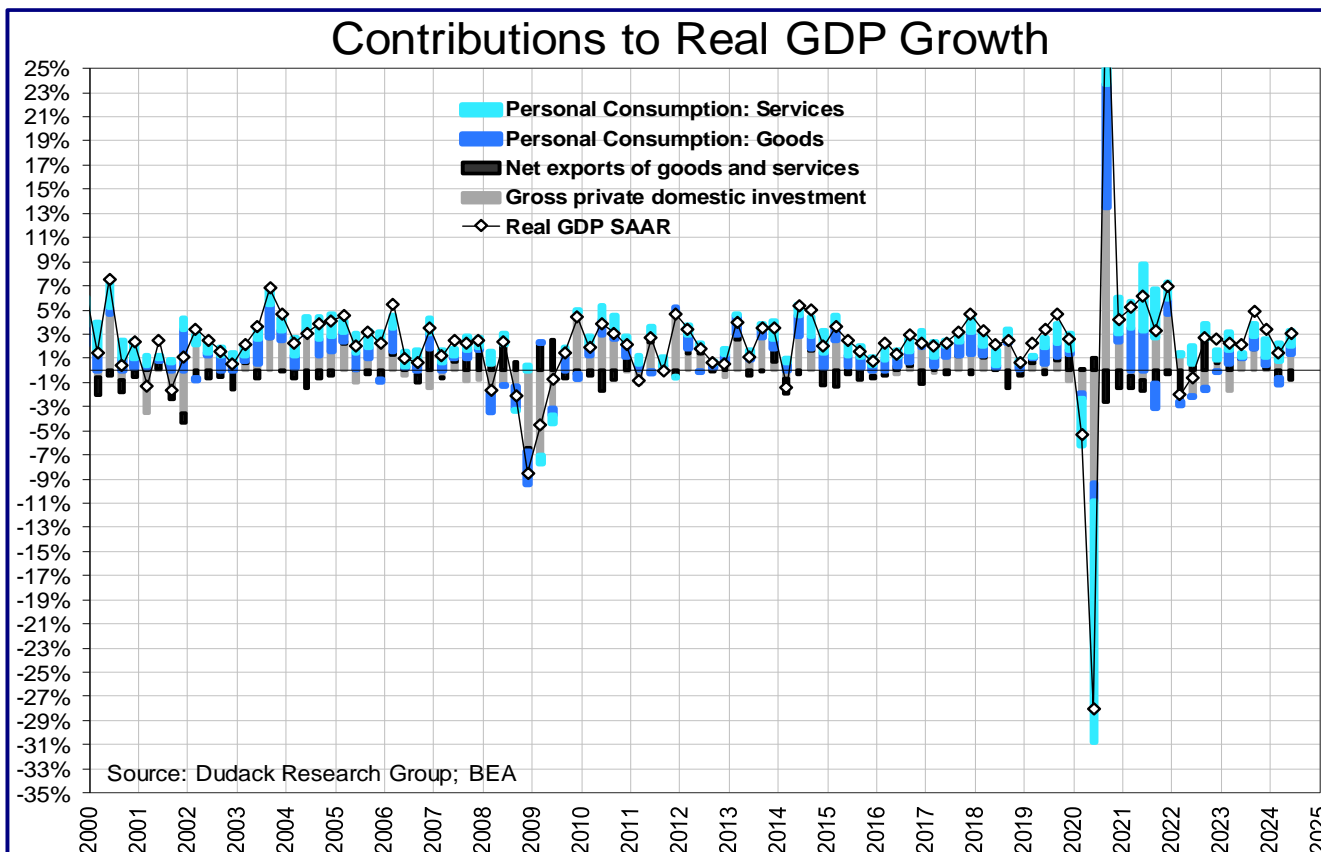
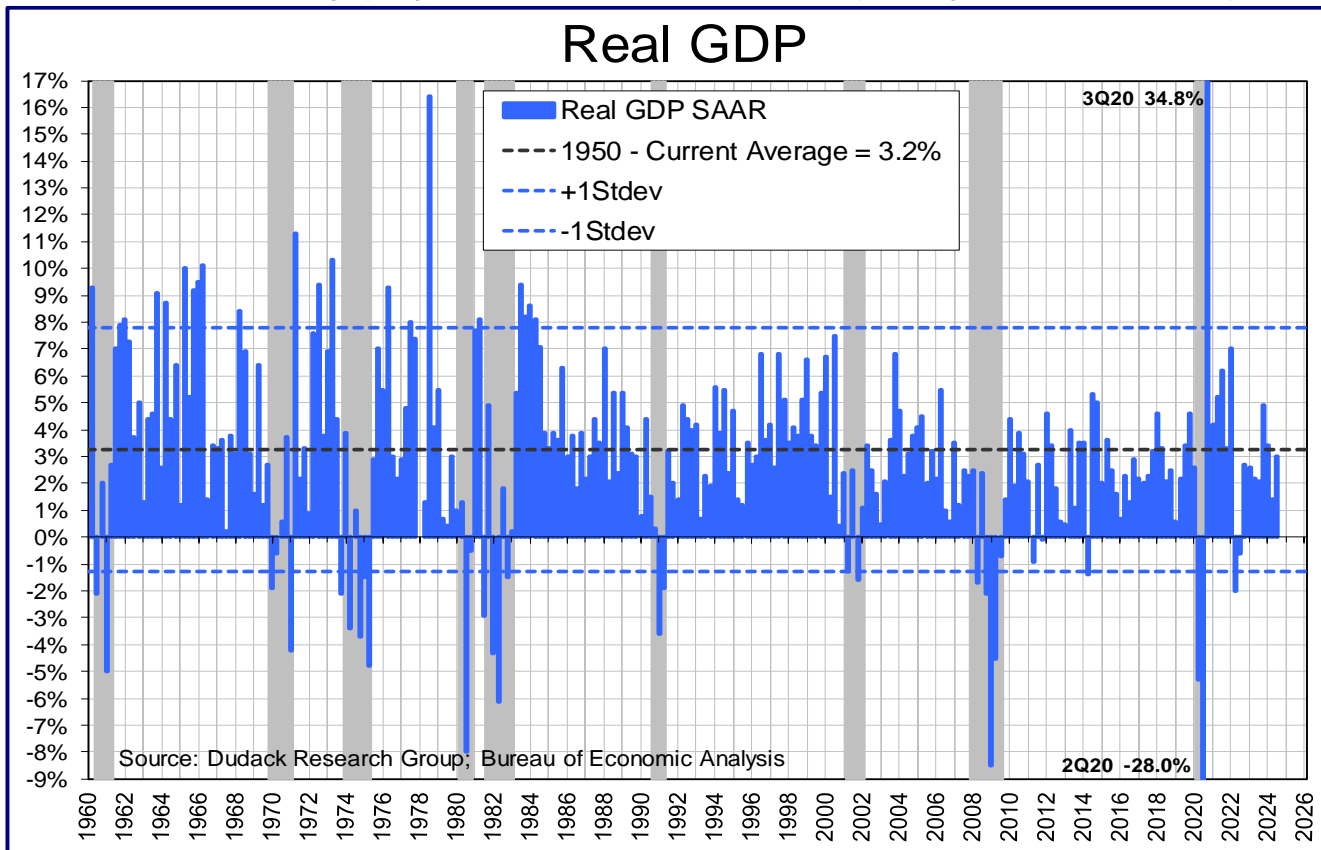
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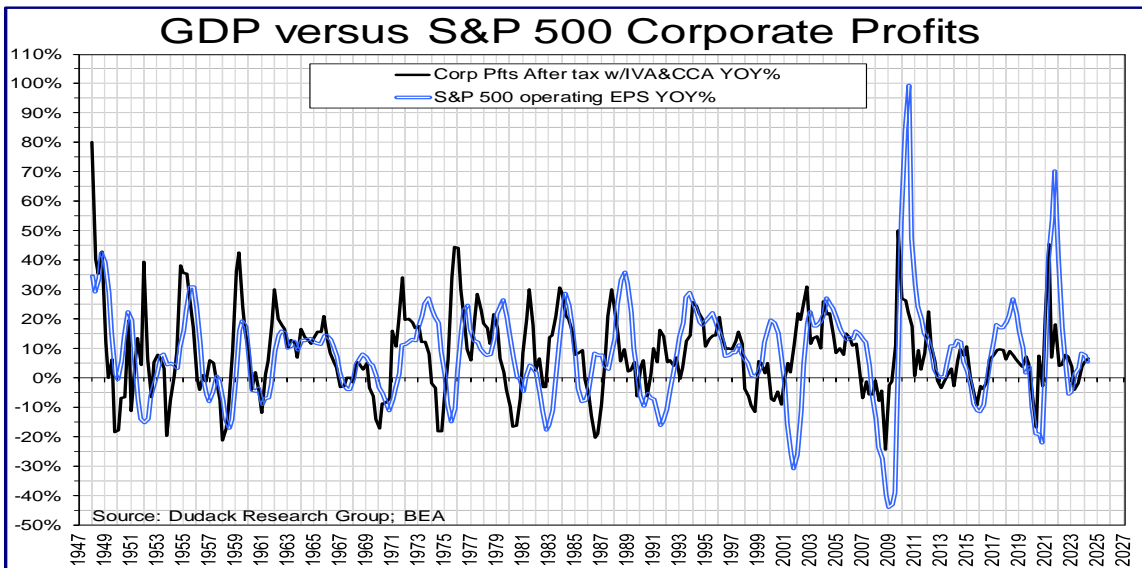
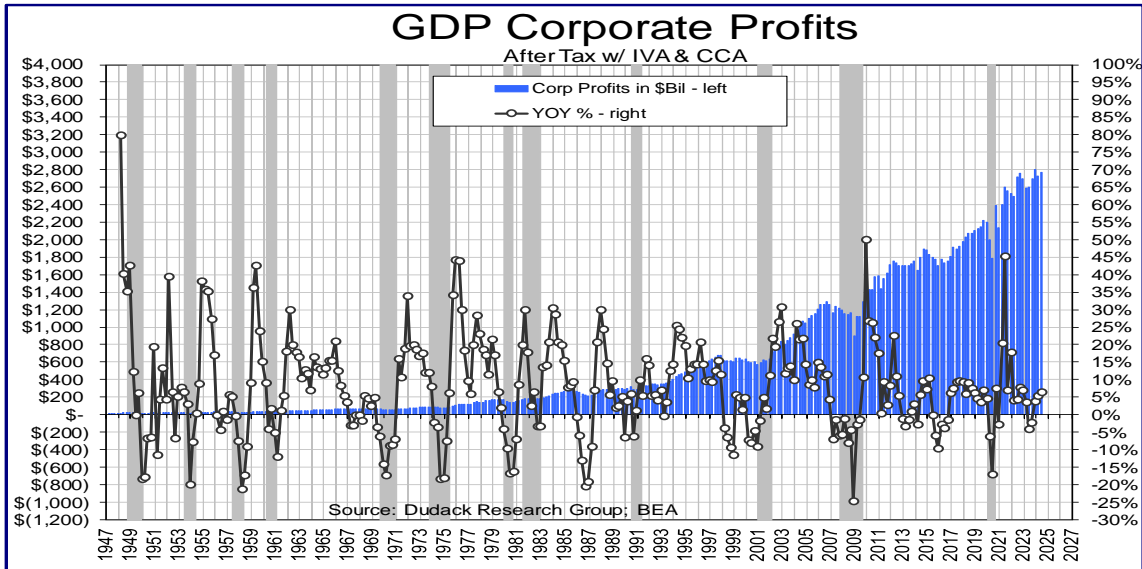
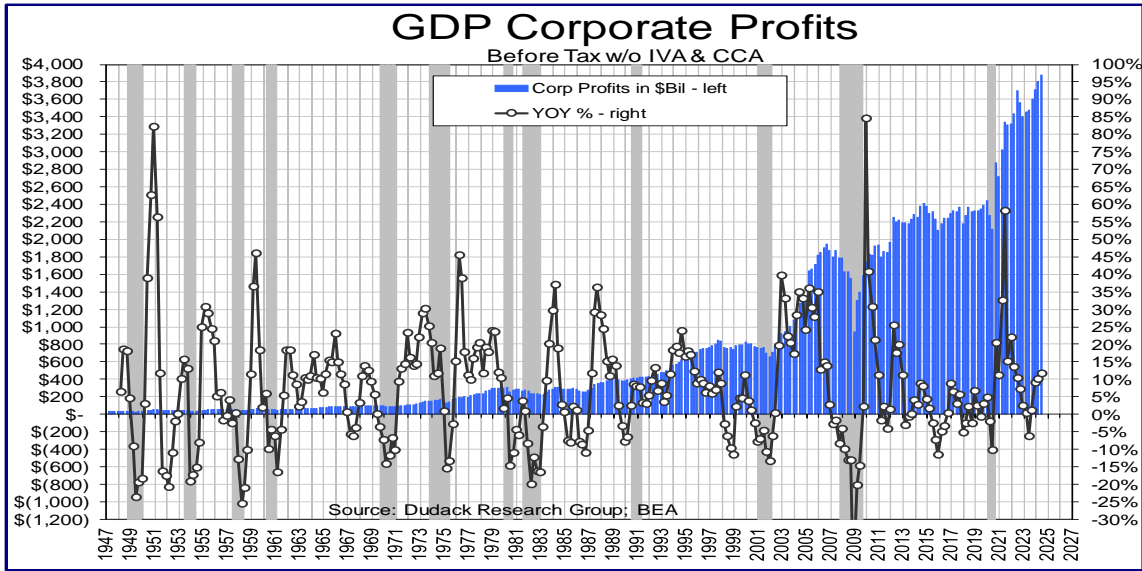
The PCE deflator was the key economic release last week. The main and core indices were unchanged at 2.5% YOY and 2.6% YOY, respectively. Both indices were fractionally higher in July but after rounding were equal to June on a year-over-year basis. The PCE index that excludes food, energy, and housing rose 2.1% YOY versus 2.0% YOY in June. The housing index rose 5.3% versus 5.4% in June. The services index was 3.7% versus 3.8% YOY in June. The healthcare index fell from 2.8% to 2.4% YOY. Price indices for durable goods were negative YOY for the 14th consecutive month in July.



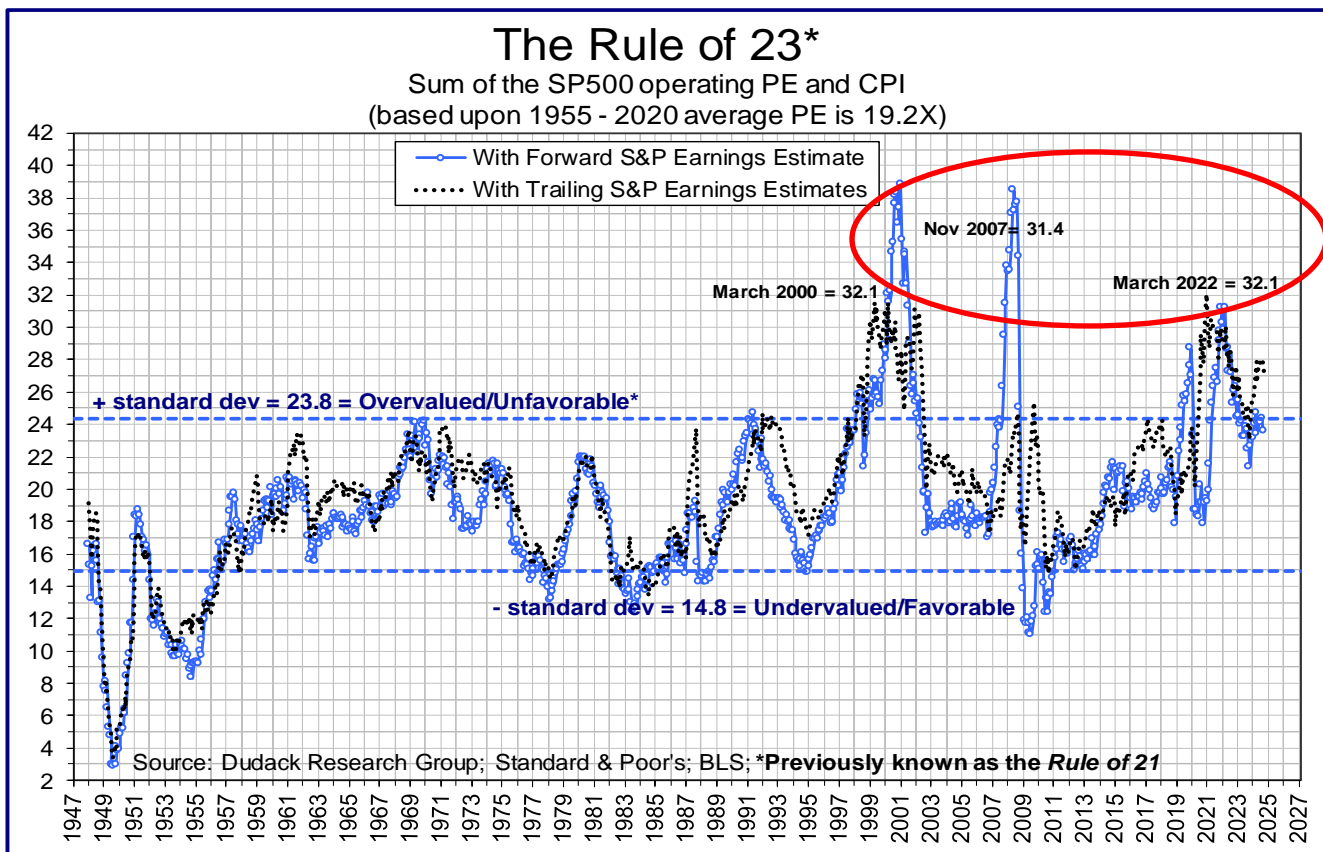
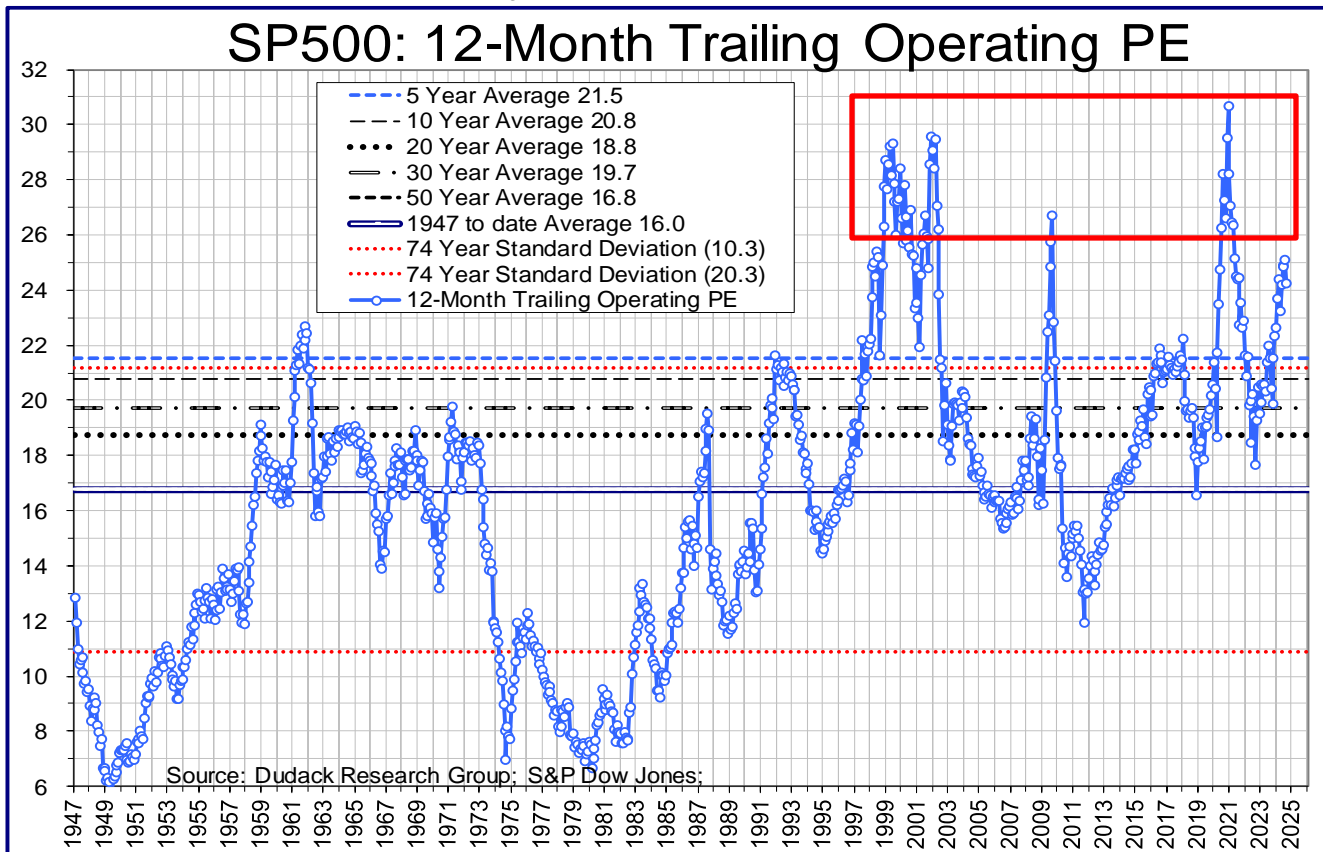
Second quarter GDP was revised from 2.8% SAAR to 3.0%, which was more than double the 1.4% recorded in the first quarter, and not far from the long-term average of 3.2%. Some of this strength was due to inventories, which were a drag to growth in the first quarter, but additive to the second quarter. Consumption was the main strength of the second quarter, but government spending also increased. Fixed residential investment was slightly negative in the second quarter. Note: monthly housing data trended lower in July.



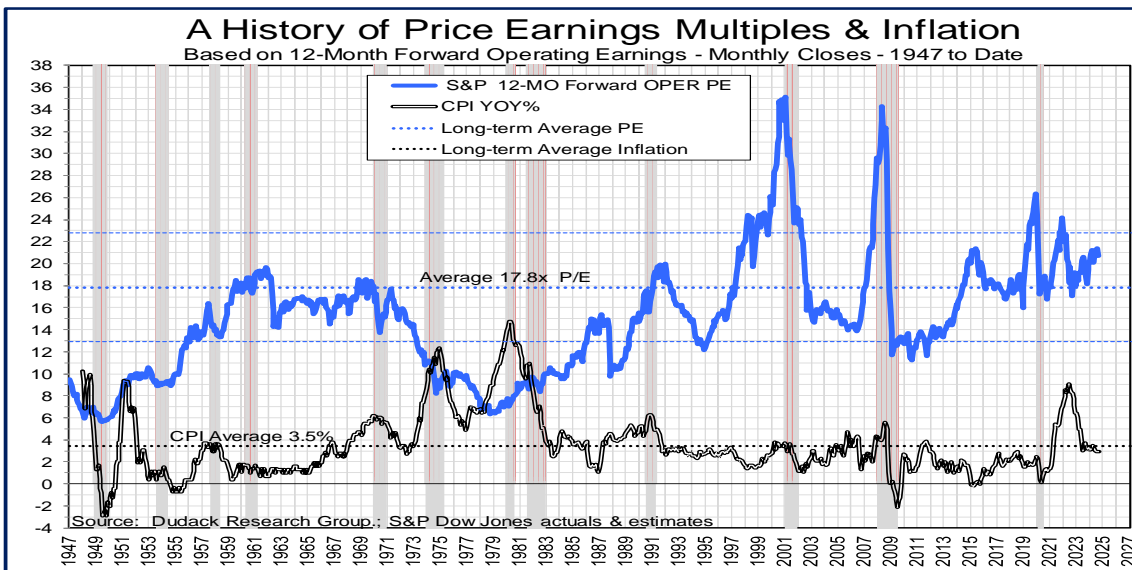
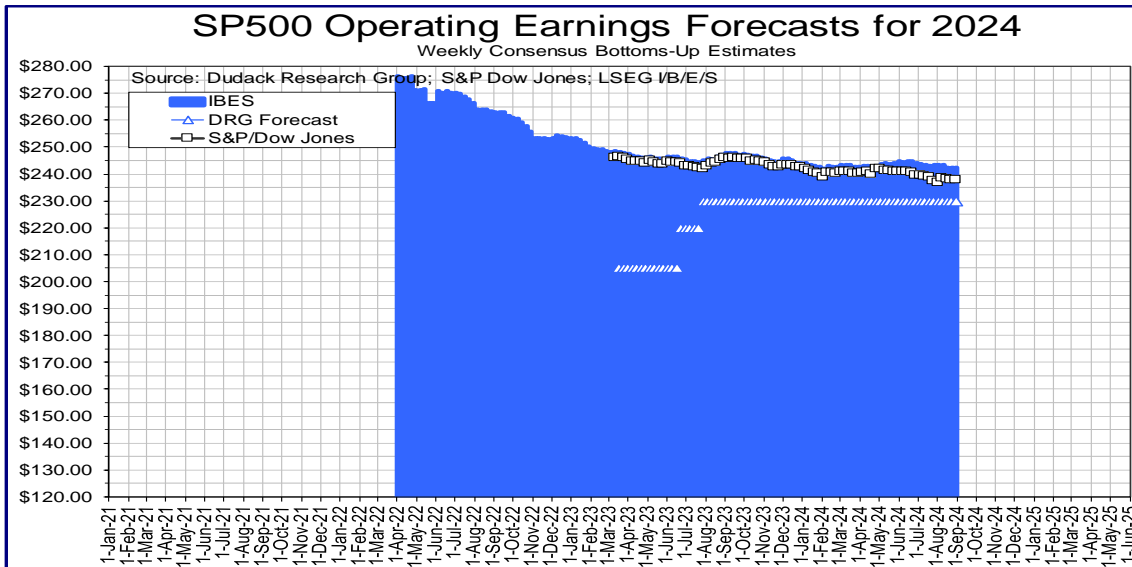
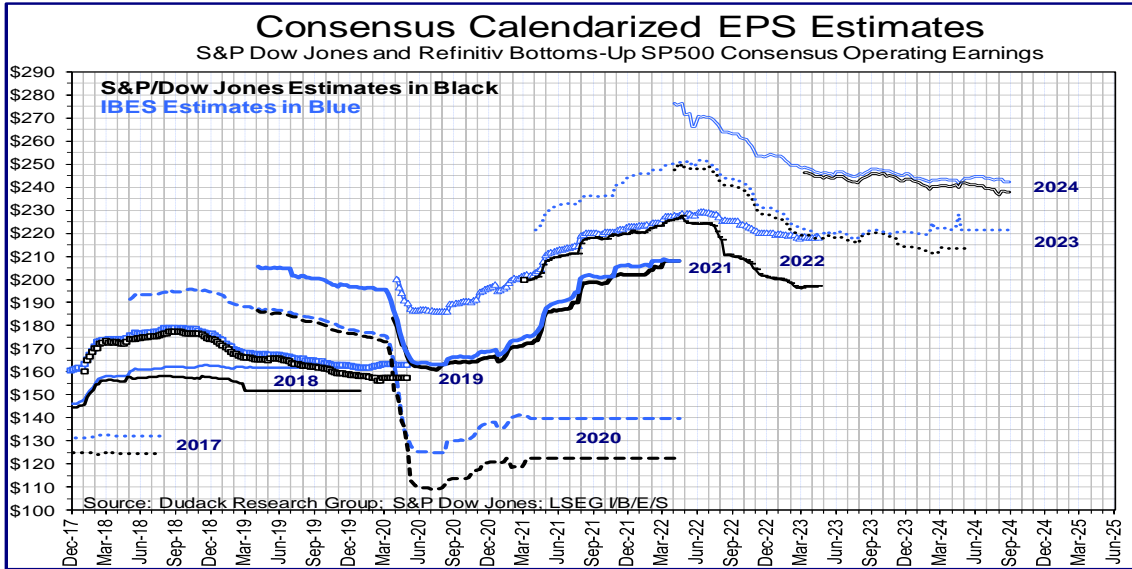
GDP corporate profits in the second quarter, before taxes and adjustments, rose 11.7% YOY. After taxes and with inventory valuation and capital consumption adjustments, profits rose 6.6% YOY. This is compared to S&P 500 operating earnings which rose 5.4% YOY in the same quarter. As seen in the bottom chart, GDP and SPX earnings are moving in line with each other at the present time.



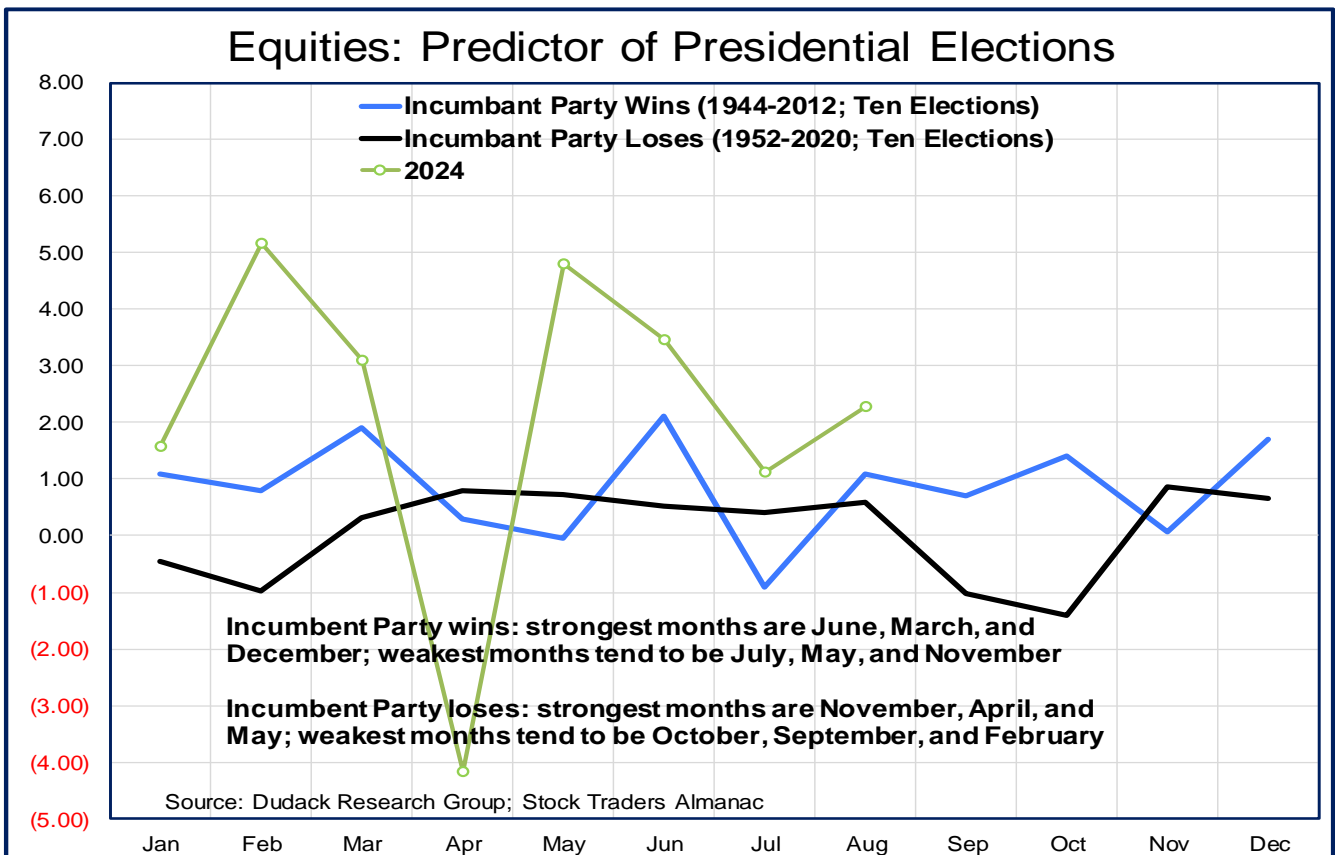
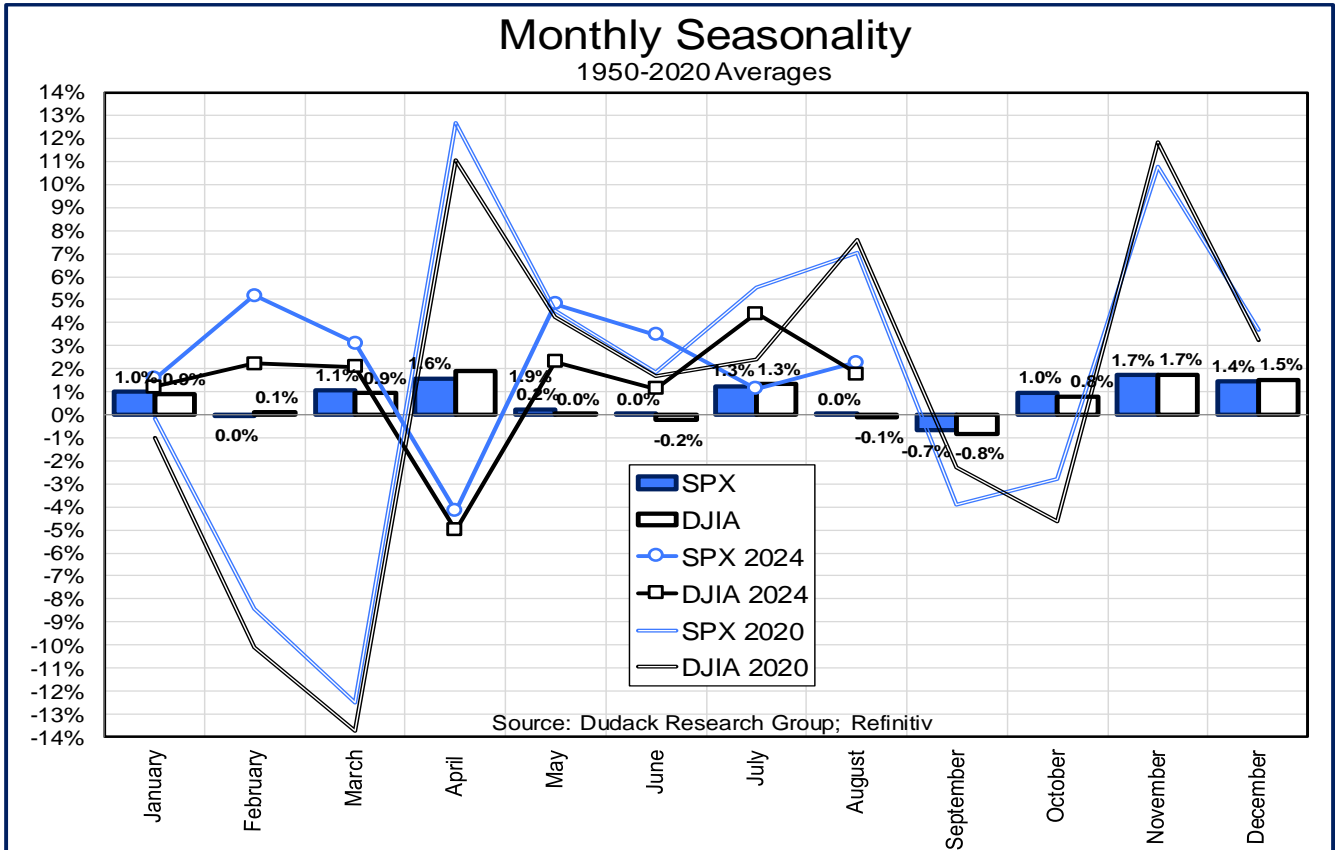
The SPX **trailing** 4-quarter operating multiple is now 24.2 times, and well above all long- and short-term averages. The **12-month forward** PE multiple is 20.7 times and when added to inflation of 2.9%, sums to 23.6, which is at the top of the normal range of 23.8, this week. By all measures, the 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.



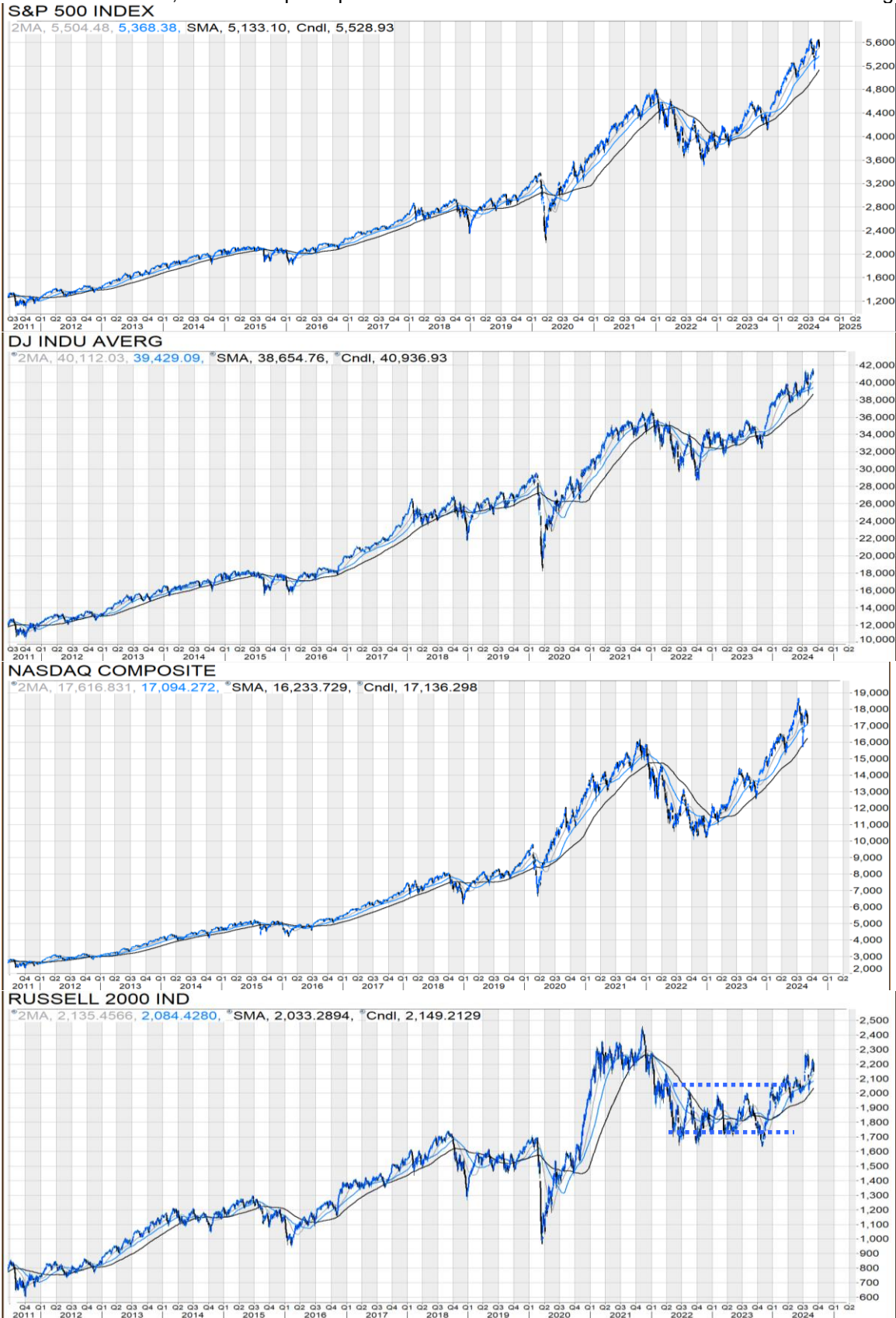
The S&P Dow Jones consensus estimate for calendar 2024 is \$237.81, down \$0.12 and the 2025 estimate is \$277.35, up \$0.55 this week. The LSEG IBES estimate for 2024 is \$242.33, down \$0.04 and for 2025 is \$279.33, up \$0.09. The IBES guesstimate for 2026 EPS is \$314.58, down \$0.25. Based upon the IBES EPS estimate for calendar 2024, equities remain richly valued with a PE of 22.8 times and inflation of 2.9%. 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 19.8 X and with inflation sums to 22.7 and is roughly a point below the top of the range denoting extreme overvaluation.



Seasonality does not favor investors in September since it tends to be the worst-performing month of the year. But in an election year, September's performance can be more important since it tends to underperform, along with October, whenever the incumbent party in the White House loses the national election. In short, near-term market action may have the ability to predict November's election results.



All four of the popular indices have slightly different chart patterns, but the SPX is most interesting in that it has tested the 5650 level multiple times in the last six trading sessions without success. Due to the recent shift in leadership from technology to defensive stocks, the Nasdaq Composite is weaker than the SPX and the DJIA has been stronger.



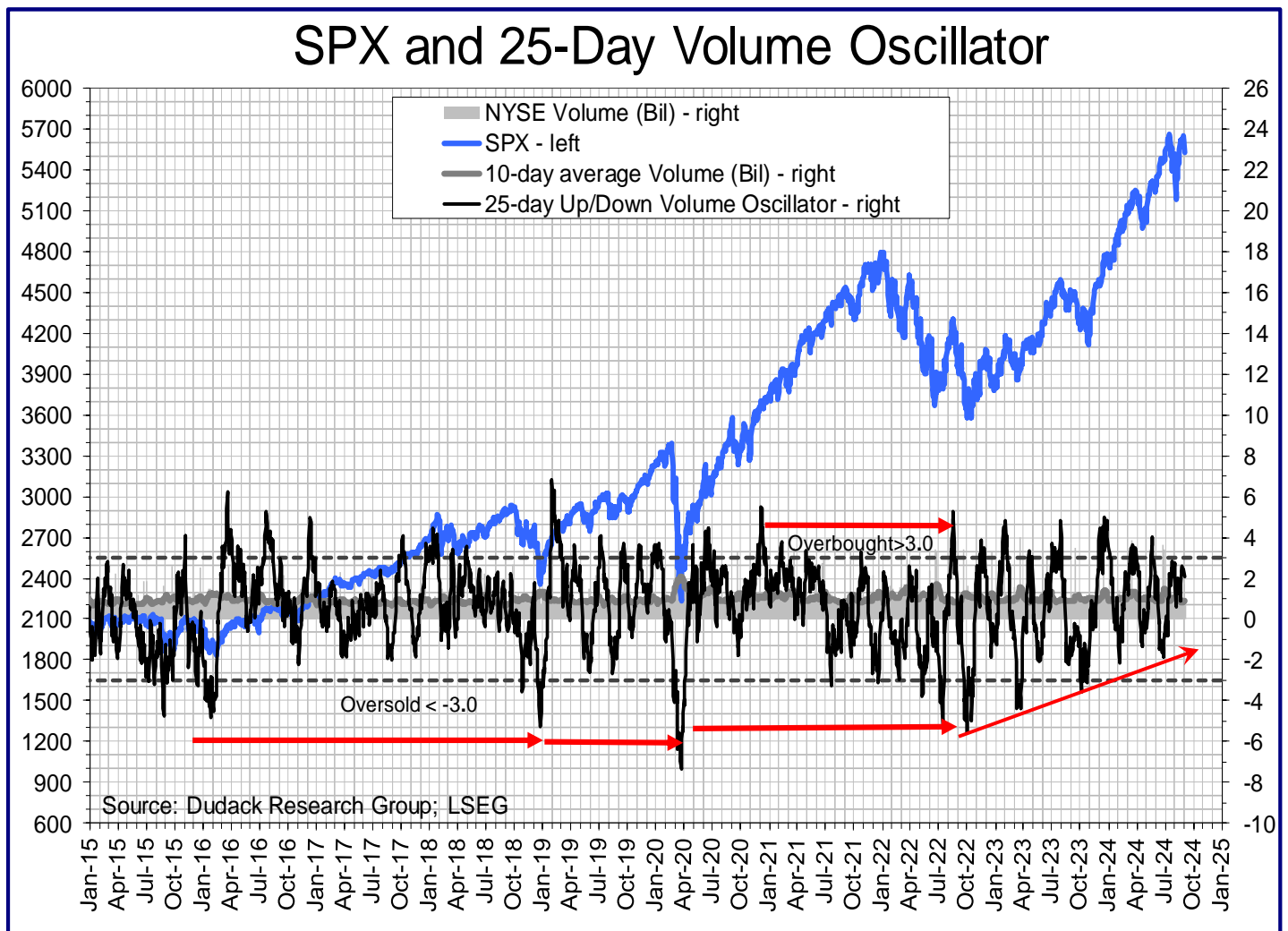
Source: Refinitiv

The 25-day up/down volume oscillator is 2.10, in neutral territory, relatively unchanged from a week ago. Despite a 92% down day on August 5, 2024, this oscillator did not reach oversold, and it recorded a 91% up day on August 23, neutralizing the negative 90% down day.

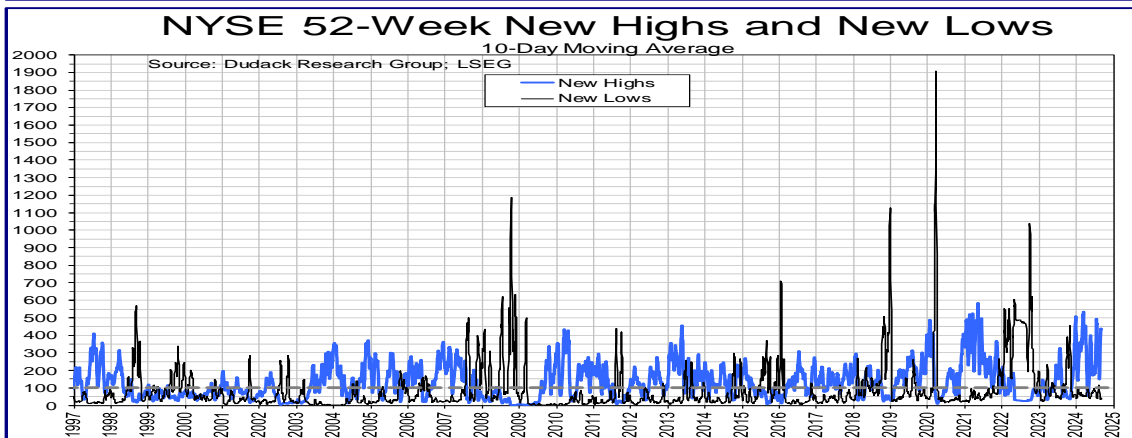
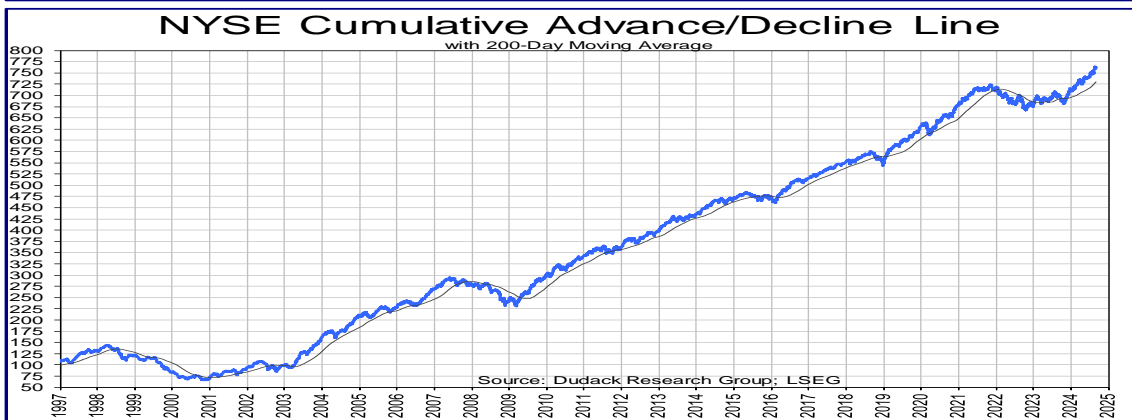
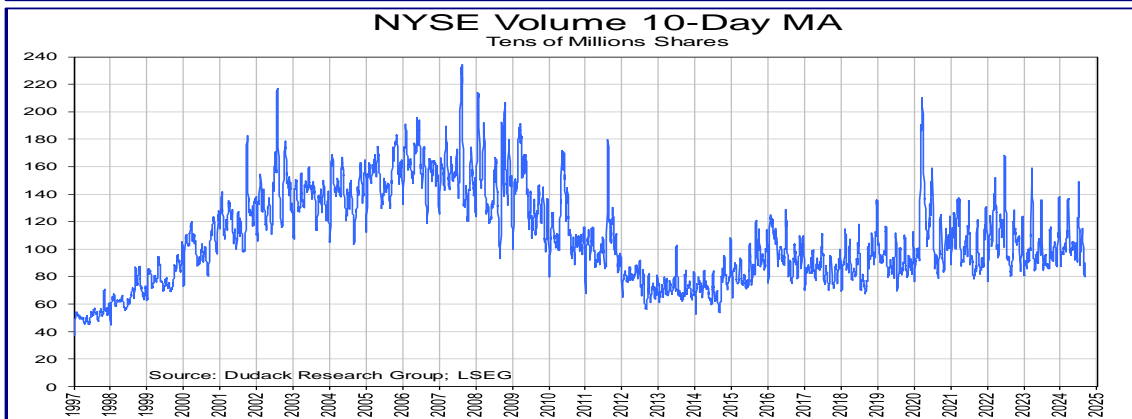
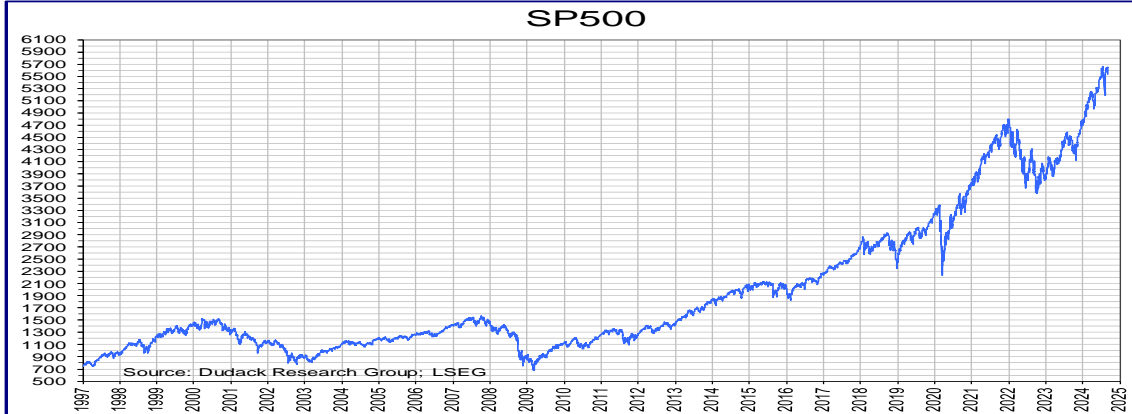
Previous 90% down days were recorded on April 12, 2024, February 13, 2024, and December 20, 2023; and the prior to August 23, the last 90% up day was recorded on December 13, 2023.

With many of the indices at all-time highs, it is important for this indicator to confirm with an overbought reading of 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. This has been absent and represents, to date, a lack of persistent buying pressure.

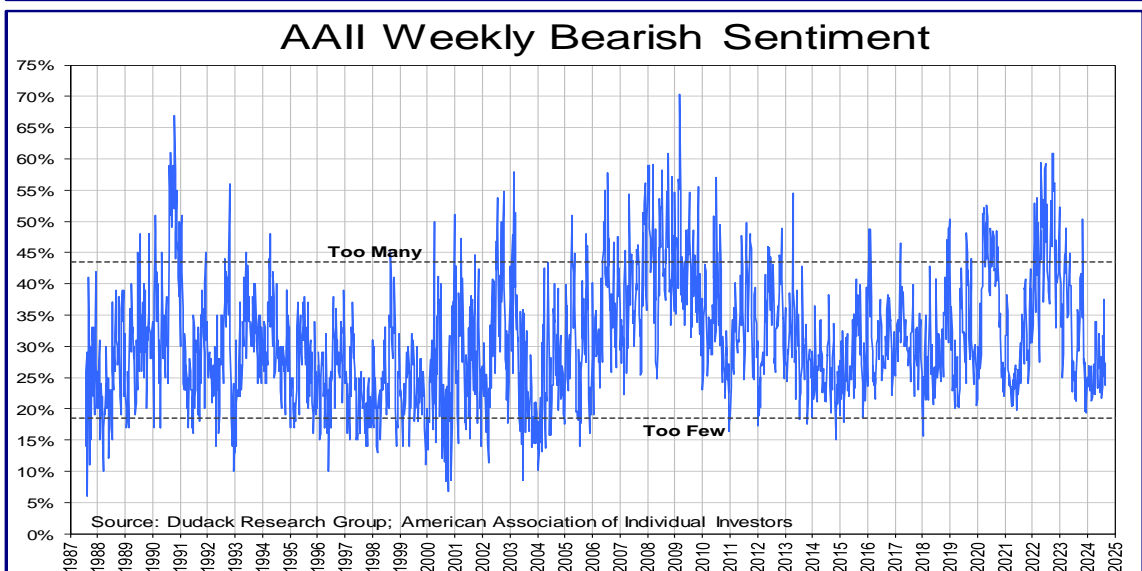
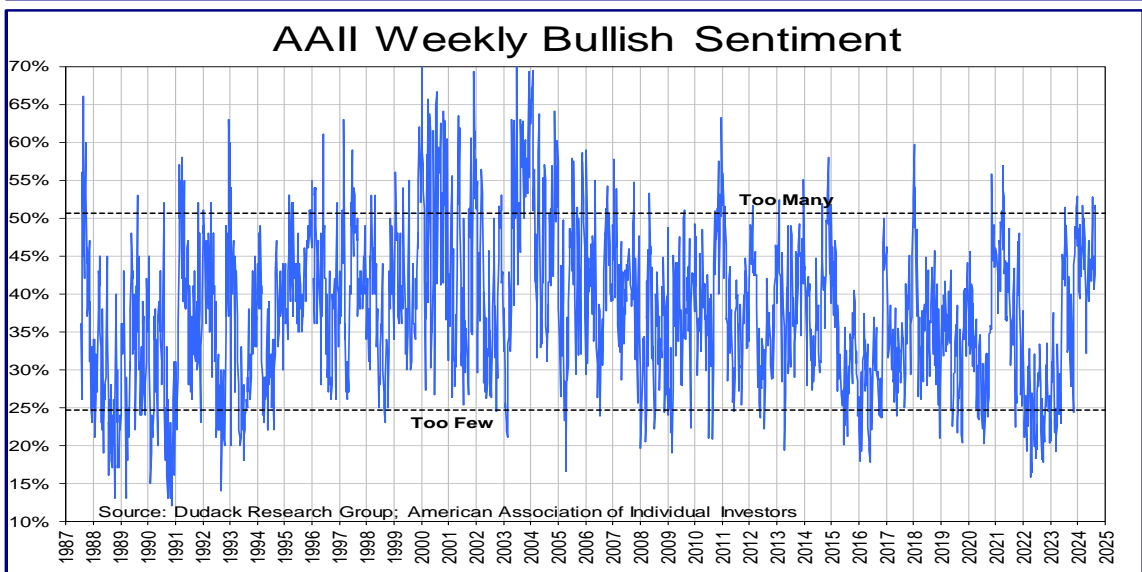
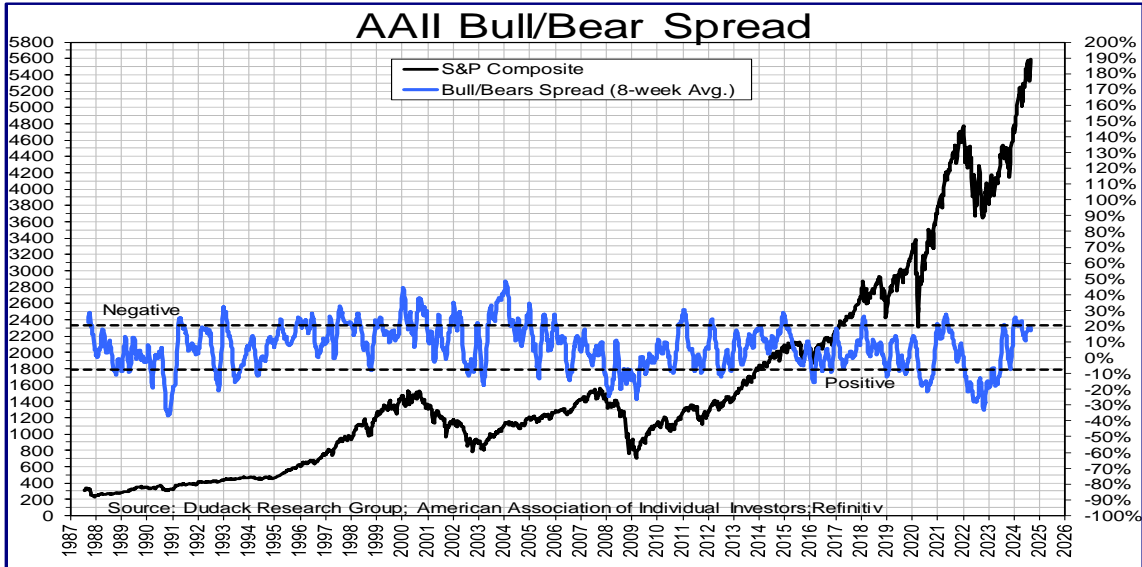
Meanwhile, we are monitoring an interesting uptrend in this oscillator (red line below) off the 2022 low. This lends a bullish bias to an otherwise neutral position of this index, and it remains intact despite recent market weakness. Should this trend line be broken it would be a warning sign for the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



The 10-day average of daily new highs is 432 and new lows are 41. This combination of new highs above 100 and new lows below 100 is positive and more favorable than two weeks ago. The NYSE advance/decline line made a new record high on August 30, 2024, confirming the new highs made in the DJIA the same day.



Last week's AAI survey showed bullishness fell 0.4% to 51.2% and bearishness rose 3.6% to 27.3%. Bullishness is above average, and bearishness is below average for the third consecutive week. Extreme 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 19.6%, moving 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 YTD TRADING PERFORMANCE

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
Financial Select Sector SPDR	XLF	45.40	1.3%	7.9%	10.4%	20.7%
SPDR Gold Trust	GLD	230.29	-1.3%	2.2%	7.1%	20.5%
Utilities Select Sector SPDR	XLU	76.18	1.2%	2.6%	11.8%	20.3%
iShares MSCI Malaysia ETF	EWM	25.44	0.1%	5.6%	13.3%	19.7%
SPDR Homebuilders ETF	XHB	113.40	-3.0%	1.9%	12.2%	18.5%
Communication Services Select Sector SPDR Fund	XLC	85.72	-2.0%	1.2%	0.1%	18.0%
iShares Silver Trust	SLV	26.78	-6.6%	-1.8%	-3.8%	17.6%
iShares MSCI India ETF	INDA.K	57.28	0.2%	1.8%	2.7%	17.4%
Silver Future	Slc1	27.95	-6.7%	-1.0%	-4.4%	17.2%
iShares Russell 1000 Growth ETF	IWF	354.79	-3.2%	3.1%	-2.7%	17.0%
SP500	.SPX	5528.93	-1.7%	3.4%	1.3%	15.9%
SPDR S&P Bank ETF	KBE	53.13	0.6%	6.4%	14.5%	15.4%
Consumer Staples Select Sector SPDR	XLP	83.09	0.6%	4.8%	8.5%	15.4%
iShares Russell 1000 ETF	IWB	302.39	-1.7%	3.7%	1.6%	15.3%
Health Care Select Sect SPDR	XLV	156.90	0.8%	4.0%	7.7%	15.0%
Nasdaq Composite Index Tracking Stock	ONEQ.O	67.51	-3.5%	2.0%	-3.5%	14.0%
Industrial Select Sector SPDR	XLI	128.55	-0.5%	4.7%	5.5%	12.8%
NASDAQ 100	NDX	18958.74	-3.2%	2.8%	-3.7%	12.7%
PowerShares Water Resources Portfolio	PHO	68.51	-1.1%	0.7%	5.5%	12.6%
iShares Russell 1000 Value ETF	IWD	185.96	-0.1%	4.3%	6.6%	12.5%
iShares MSCI Taiwan ETF	EWT	51.67	-4.5%	2.7%	-4.7%	12.3%
iShares MSCI United Kingdom ETF	EWU	36.81	-2.1%	3.8%	5.5%	11.4%
iShares MSCI Japan ETF	EWJ	70.89	-1.2%	9.7%	3.9%	10.5%
iShares MSCI Singapore ETF	EWS	20.66	1.0%	6.4%	7.6%	10.5%
Technology Select Sector SPDR	XLK	210.21	-5.5%	2.7%	-7.1%	9.2%
iShares US Real Estate ETF	IYR	99.53	0.3%	4.1%	13.4%	8.9%
SPDR DJIA ETF	DIA	410.25	-0.6%	3.3%	4.9%	8.9%
DJIA	.DJI	40936.93	-0.8%	3.0%	4.6%	8.6%
iShares MSCI Canada ETF	EWC	39.79	-1.4%	7.0%	7.3%	8.5%
iShares MSCI EAFE ETF	EFA	81.67	-1.4%	6.1%	4.3%	8.4%
iShares MSCI Germany ETF	EWG	32.17	-1.1%	6.7%	5.1%	8.4%
iShares China Large Cap ETF	FXI	26.00	-2.1%	3.2%	0.0%	8.2%
Vanguard FTSE All-World ex-US ETF	VEU	60.61	-1.7%	4.9%	3.4%	8.0%
Materials Select Sector SPDR	XLB	92.14	-1.1%	2.3%	4.3%	7.7%
iShares Russell 2000 Growth ETF	IWO	271.10	-3.0%	2.2%	3.3%	7.5%
iShares Nasdaq Biotechnology ETF	IBB.O	145.66	-1.5%	1.0%	6.1%	7.2%
United States Oil Fund, LP	USO	71.09	-7.1%	-3.1%	-10.7%	6.7%
Gold Future	GCc1	2900.10	0.2%	0.8%	1.6%	6.5%
iShares Russell 2000 ETF	IWM	213.35	-2.5%	2.1%	5.2%	6.3%
Energy Select Sector SPDR	XLE	89.01	-1.5%	0.7%	-2.3%	6.2%
iShares MSCI Emerg Mkts ETF	EEM	42.51	-2.3%	2.2%	-0.2%	5.7%
iShares MSCI BRIC ETF	BKF	36.11	-1.0%	2.1%	0.6%	5.6%
iShares Russell 2000 Value ETF	IWN	163.18	-1.9%	1.8%	7.1%	5.1%
iShares MSCI Australia ETF	EWA	25.50	-1.2%	6.2%	4.4%	4.8%
iShares MSCI Austria Capped ETF	EWO	22.59	-3.4%	3.5%	3.4%	4.5%
SPDR S&P Retail ETF	XRT	75.04	-3.4%	1.3%	0.1%	3.8%
Consumer Discretionary Select Sector SPDR	XLY	184.55	-0.7%	4.8%	1.2%	3.2%
iShares US Telecomm ETF	IYZ	23.42	-0.7%	4.7%	7.8%	2.9%
iShares iBoxx \$ Invest Grade Corp Bond	LQD	111.14	-0.7%	0.5%	3.8%	0.4%
SPDR S&P Semiconductor ETF	XSD	222.36	-5.8%	4.4%	-10.2%	-1.1%
iShares 20+ Year Treas Bond ETF	TLT	97.75	-0.2%	-0.5%	6.5%	-1.1%
Oil Future	CLc1	70.34	-6.9%	-4.3%	-13.7%	-1.8%
iShares MSCI South Korea Capped ETF	EWY	63.24	-4.4%	-0.5%	-4.3%	-3.5%
Shanghai Composite	.SSEC	2802.98	-1.6%	-3.5%	-5.5%	-5.8%
iShares DJ US Oil Eqpt & Services ETF	IEZ	20.25	-5.7%	-6.5%	-9.1%	-7.6%
iShares MSCI Hong Kong ETF	EWH	15.81	-1.9%	4.4%	3.3%	-9.0%
iShares MSCI Brazil Capped ETF	EWZ	29.38	-4.1%	8.1%	7.5%	-16.0%
iShares MSCI Mexico Capped ETF	EWW	52.05	-1.1%	-3.6%	-8.1%	-23.3%

Outperformed SP500
Underperformed SP500

Source: Dudack Research Group; Refinitiv

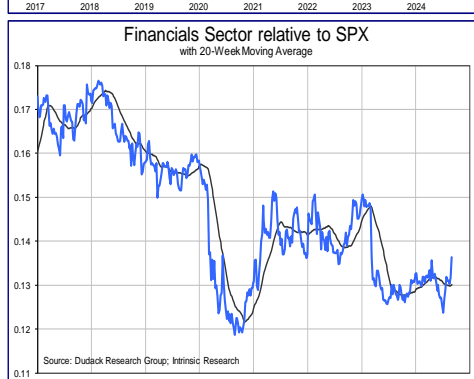
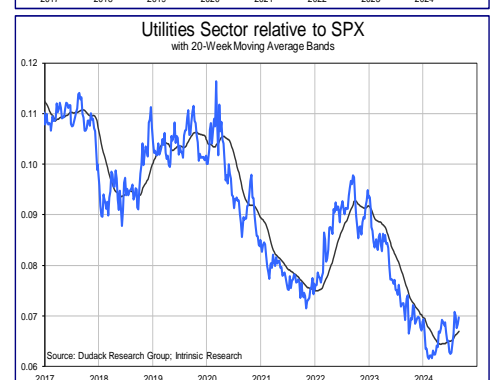
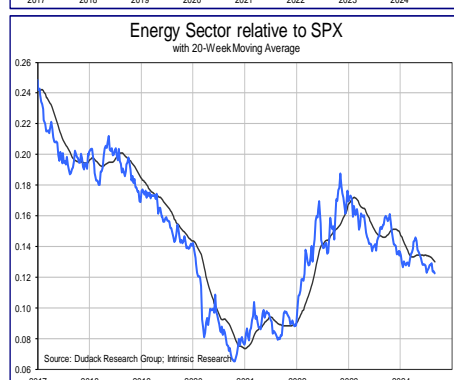
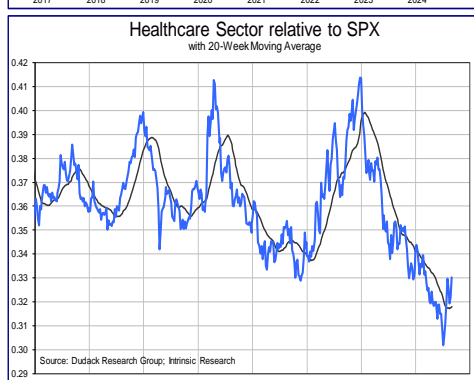
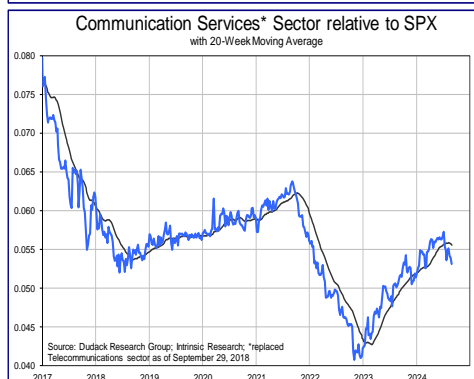
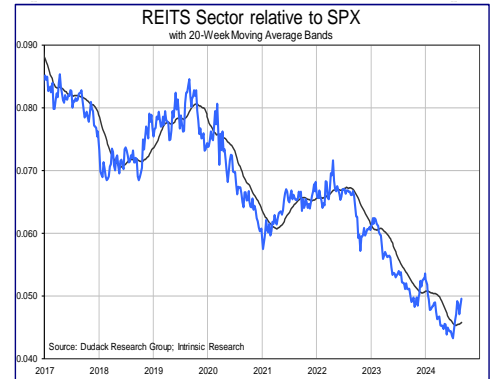
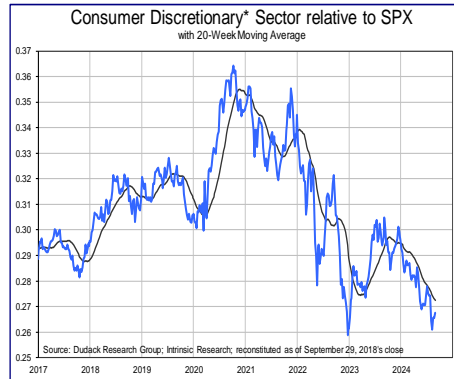
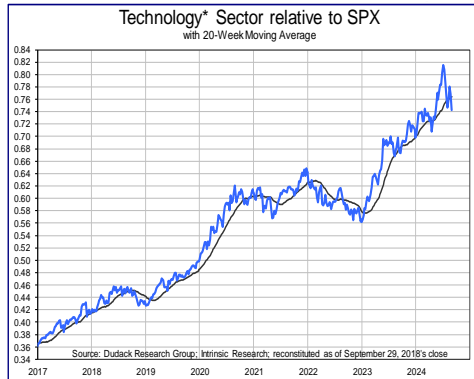
Priced as of September 3, 2024

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

DRG Recommended Sector Weights

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

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



2024 Performance - Ranked	
SP500 Sector	% Change
S&P INFORMATION TECH	20.9%
S&P FINANCIAL	20.3%
S&P UTILITIES	19.6%
S&P COMMUNICATIONS SERVICES	19.5%
S&P CONSUMER STAPLES	16.7%
S&P 500	15.9%
S&P HEALTH CARE	14.8%
S&P INDUSTRIALS	12.5%
S&P REITS	8.8%
S&P MATERIALS	7.4%
S&P ENERGY	6.1%
S&P CONSUMER DISCRETIONARY	4.3%

Source: Duda 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	\$237.81	\$234.00	9.6%	\$242.33	9.5%	23.2X	1.4%	NA	NA	NA
2025E	~~~~~	\$172.75	\$277.34	\$255.00	9.0%	\$279.33	15.3%	19.9X	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	\$53.95	\$58.48	\$58.12	6.0%	\$60.75	11.9%	25.2	1.3%	3.0%	NA	NA
2024 3QE*	5528.93	\$54.66	\$61.04	\$60.75	16.3%	\$61.44	5.2%	24.2	NA	NA	NA	NA
2024 4QE	~~~~~	\$58.03	\$63.66	\$60.50	12.2%	\$64.38	12.6%	23.2	NA	NA	NA	NA

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

*9/3/2024

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

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

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