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

November 20, 2024

DJIA: 43268.94
SPX: 5916.98
NASDAQ: 18987.47

US Strategy Weekly
Challenges Ahead

Global markets were choppy, but higher in recent trading even though President Vladimir Zelensky of Ukraine marked the 1,000th day of the Russian invasion by attacking an arsenal inside Russia with US-made ATACMS missiles – all with lame-duck President Joe Biden's approval. Russian President Vladimir Putin retaliated by signing a new threatening nuclear doctrine that lowers the threshold under which Russia might use nuclear weapons. Markets were anxious, yet, for a small rise in energy prices, surprisingly not impacted by this dangerous escalation of war in Europe.

In addition, Russian interference is suspected in the damage to two undersea fiber-optic communication cables in the Baltic Sea—one between Lithuania and Sweden, and the other between Finland and Germany. Germany's Defense Minister Boris Pistorius said this should be regarded as sabotage.

Nonetheless, global investors appeared to be less interested in geopolitics and more interested in President-elect Donald Trump's cabinet picks, which continue to dominate the news feeds on a regular basis. There is no doubt that there will be changes under the new administration, particularly since many of the candidates Trump has selected seem primed to make a sweeping overhaul of Washington, DC.

This political shift inspires us to make some initial changes to our sector emphasis. The proposal of Robert F. Kennedy, Jr. as the new Secretary of Health and Human Services is likely to shift the government's emphasis from medicines and pills to "healthfulness." And we expect the new administration will be less likely to mandate vaccines (a major boon for big pharma over the last five years) while also looking for ways to downsize Medicare/Medicaid expenditures. This leads us to downgrade the healthcare sector from overweight to neutral this week. And assuming Trump will succeed in his promise to Middle America to create and retain jobs in the US, we are upgrading the consumer discretionary sector from neutral to overweight. See page 15.

And as we wrote last week (*Post-election Euphoria*, November 13, 2024, page 1), "The appointment of billionaire Elon Musk and entrepreneur Vivek Ramaswamy to a newly created Department of Government Efficiency may be Trump's most interesting and challenging "disruptive" effort yet. It may be Elon's greatest challenge as well; but if successful, it could be revolutionary and move the needle on the federal government spending and the federal deficit." In our view, this new department of the federal government may also be the source of new investment ideas in the longer run.

2025 Challenges Will Include the Deficit

However, President-elect Trump will have a host of challenges when he takes over the Oval Office, and along with trouble in the Middle East, Russia/Ukraine, making the federal government more efficient and agencies more responsive and responsible, he will also inherit a massive federal deficit.

In October 2024, the first month of the fiscal 2025 year, the deficit was $257.45 billion, up from $66.56 billion in October 2023 and it was the 71st consecutive October that federal receipts fell short of outlays. This deficit represented 6.9% of nominal GDP and was well above the average of 6.1% recorded in fiscal 2024 or the 6.5% seen in fiscal 2023. However, in 2022, the average debt-to-GDP was even higher at 7%. One reason for this was that the IRS allowed individuals and corporations affected by natural disasters to delay filing their taxes from April to November 2023 and this resulted in higher-than-usual receipts in October and November 2024. Adjusting for various timing effects of other federal outlays suggests that the increase in total outlays from October 2023 to October 2024 would have been around $40 billion instead of the reported $114 billion. Still, total receipts were 19% lower and total outlays increased 24% from October 2023. Some of the outlays were to fill the Veterans' Administration's $12 billion budget hole. Even so, in the past year individual income taxes fell 24%, corporate tax receipts plummeted 73%, and the deficit is bleeding red ink.

All in all, the fiscal 2024 deficit of $1.83 trillion was 8.1% larger than in 2023 and as a percentage of nominal GDP increased 0.3% to 6.4%, the largest deficit during an economic expansion since World War II. The federal government borrowed $2.3 trillion in fiscal 2024, bringing total outstanding debt to $35.46 trillion, a 7% increase from the previous fiscal year. Since nominal GDP was $29.35 trillion in the third quarter, this means outstanding debt to GDP rose to 121% in September. Interest payments were more than 13% of total federal outlays in 2024. In sum, these deficits will be a huge burden to the bond market in 2025. See page 7.

Inflation is Not Going Quickly

Headline CPI increased 2.6% YOY in October, up from September's 2.4%. Energy was unchanged month-to-month on a seasonally adjusted basis, but down 1.1% month-to-month when not seasonally adjusted, and down 4.9% YOY. Gasoline prices were down 12.2% YOY. In other words, lower energy costs substantially helped headline CPI in October. Core CPI rose 3.3% YOY, which was unchanged from September, but many segments of the CPI index increased more than headline on a month-to-month basis. In particular, other goods and services rose 0.4%, medical care increased 0.3%, recreation was up 0.3%, and housing rose 0.2%. See page 3.

<u>The downtrends in headline and core CPI are clearly on pause since headline CPI is ticking up for the second month in a row and core CPI at its highest level since May 2024. In addition, a variety of core CPI indices have been trending higher in recent months</u>. See page 4. <u>This means it is possible that the Fed may pause in December, or until there is more economic data to suggest another rate cut is necessary.</u>

Since many economists appear to be singularly focused on housing, particularly owners' equivalent rent, they can take solace in the fact that this segment of the CPI continues to ratchet lower, although it remains relatively high at 5.2% YOY in October. The same is true of the broad service sector, which is moving lower, but at 4.7% YOY remains well above the Fed's target of 2%. More importantly, some service sector areas are reporting that prices are trending higher. In October, health insurance rose 6.8%, motor vehicle maintenance and repair rose 5.8%, medical care rose 3.3%, and other goods and services increased 3.3% YOY. See page 5.

There was good news this week from the National Association of Home Builders which announced that their confidence index inched higher for the second month in a row in November. And Walmart Inc. (WMT - $86.60) raised its annual forecast for the third consecutive time indicating that consumers are buying more groceries and merchandise.

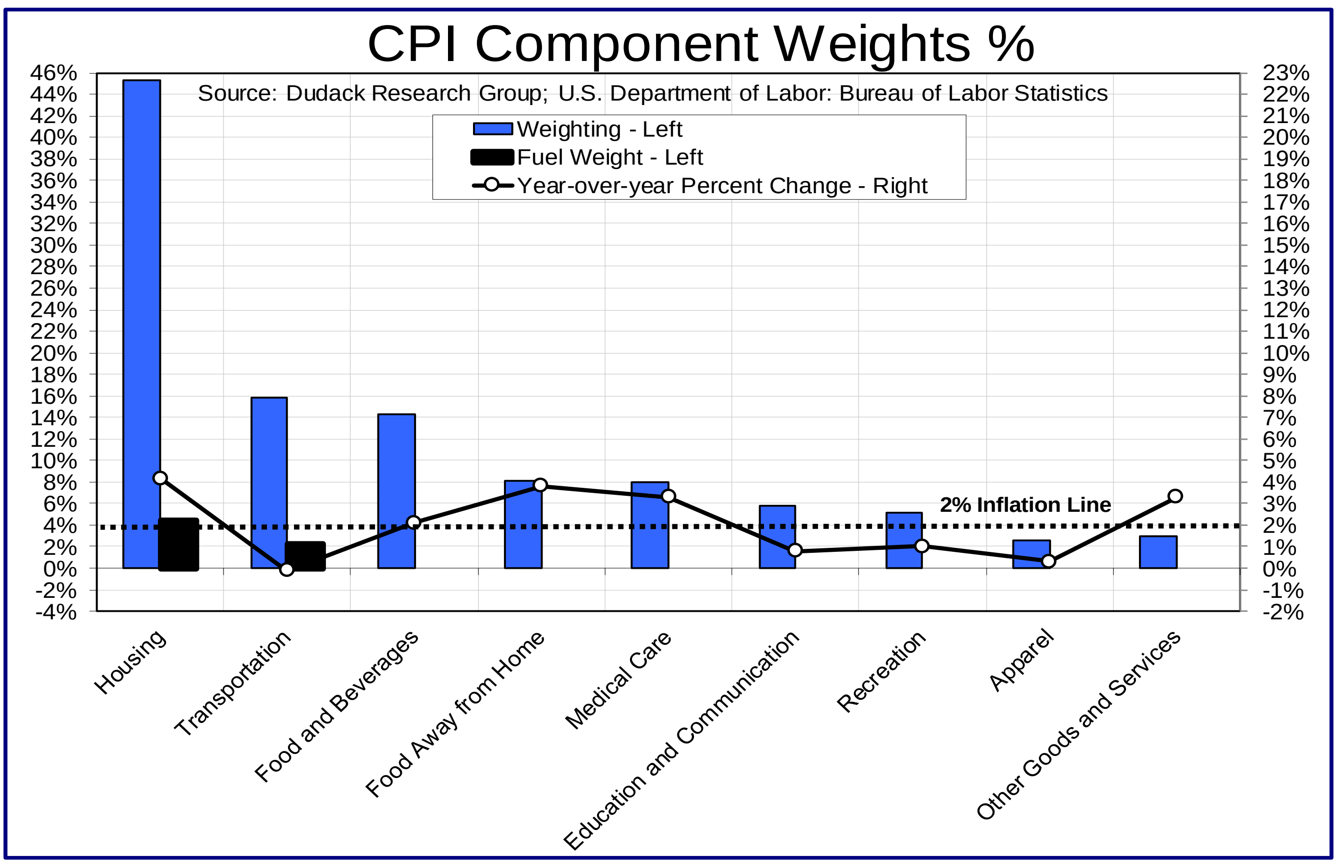
Technical Update

This week brought little change to our technical indicators and though the major indices have given back half of their pre-and post-election rally, they continue to show positive momentum. There are a few signs of deterioration in the 10-day averages of new highs and new lows and our 25-day volume oscillator is yet to record an overbought reading indicating a lack of upside volume. This, plus the lack of a new high in the NYSE advance/decline line since October 18, 2024 suggests the Trump rally may be extended near term. Nevertheless, seasonality and a history of yearend gains following most presidential elections favors the bulls.

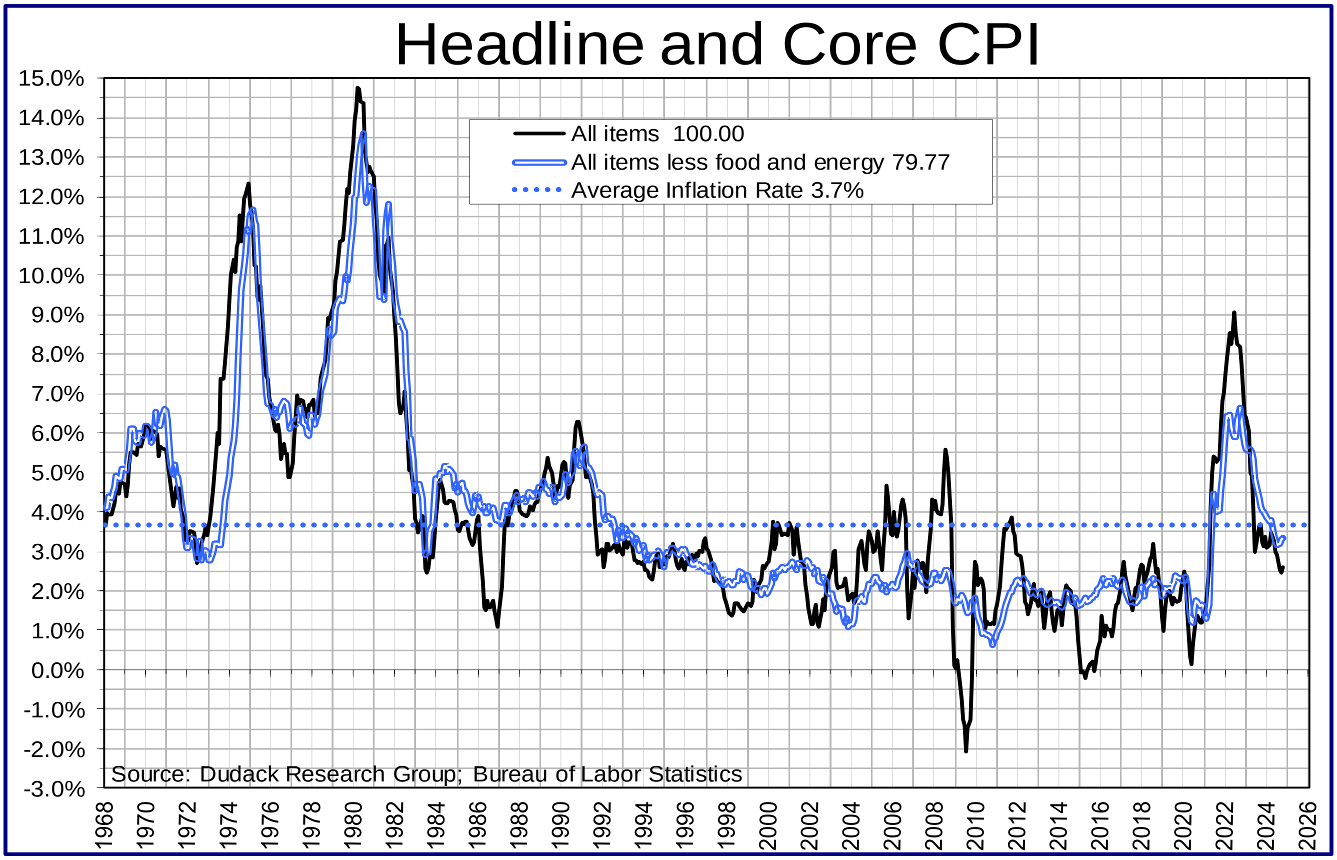
Headline CPI rose 2.6% YOY in October, up from September's 2.4%. Energy was unchanged month-to-month on a seasonally adjusted basis, down 1.1% month-to-month if not seasonally adjusted, and down 4.9% YOY. Gasoline prices were down 12.2% YOY. Core CPI increased 3.3% YOY which was unchanged from September. Many segments of the CPI index increased more than headline on a month-to-month basis, in particular, other goods and services which rose 0.4%, medical care up 0.3%, recreation up 0.3%, and housing up 0.2%.

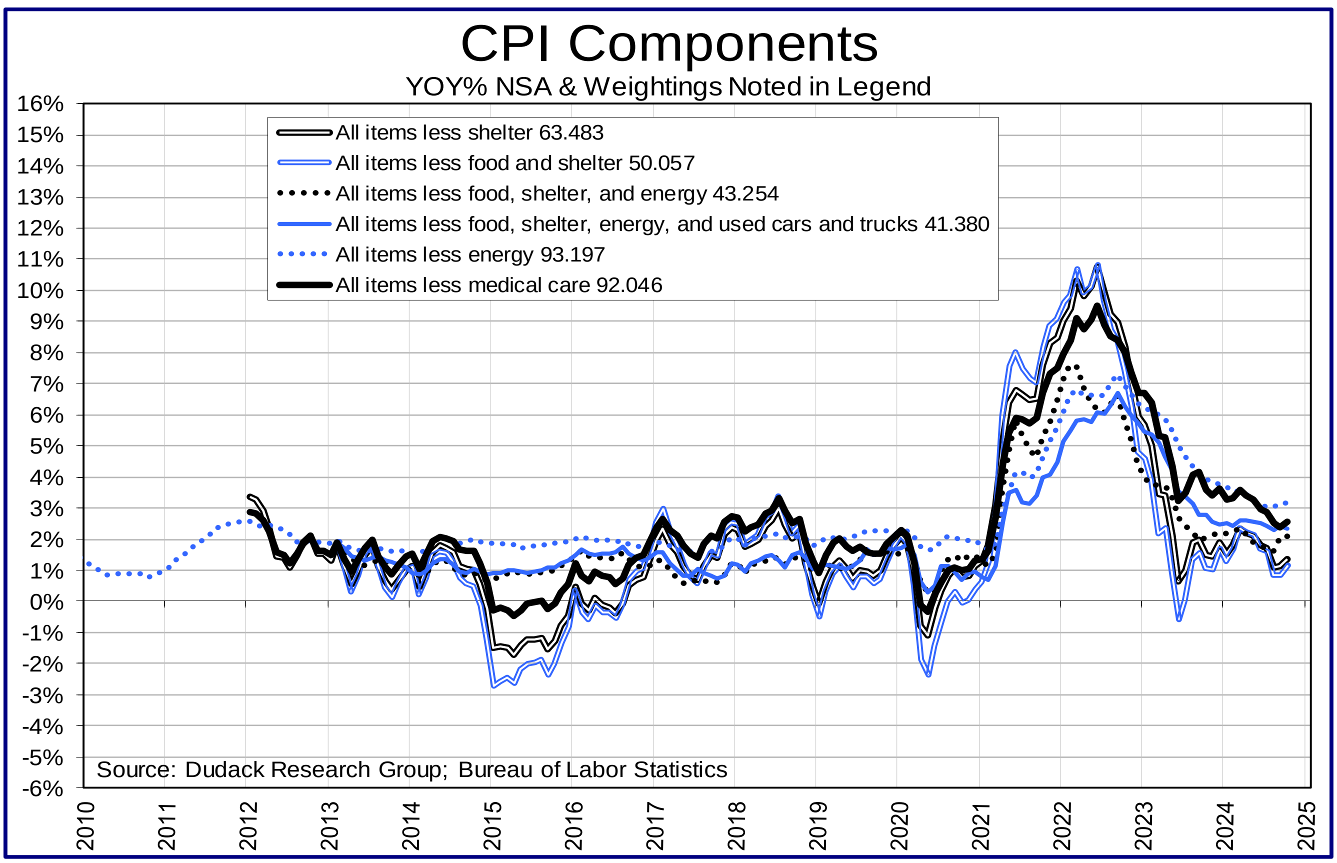
CPI Components Heavy Weights - Not Seasonally Adjusted	Component Weight*	Fuel Weight	Price Chg YOY%	Price Chg MOM%
Housing	**45.3%**	**4.4%**	**4.2%**	**0.2%**
Owners' equivalent rent of residences	**27.0%**		*5.2%*	0.5%
Fuels and utilities	**4.4%**		**3.6%**	**-0.1%**
Transportation	**15.8%**	**2.2%**	**-0.1%**	**0.0%**
Food and beverages	**14.3%**		**2.1%**	**0.1%**
Food at home	**8.1%**		*1.1%*	0.1%
Food away from home	**5.4%**		*3.8%*	0.2%
Alcoholic beverages	**0.8%**		*1.6%*	0.4%
Medical care	**8.0%**		**3.3%**	**0.3%**
Education and communication	**5.8%**		**0.8%**	**-0.3%**
Recreation	**5.2%**		**1.0%**	**0.3%**
Apparel	**2.6%**		**0.3%**	**-1.7%**
Other goods and services	**2.9%**		**3.3%**	**0.4%**
Special groups:				
Energy	6.6%		-4.9%	-1.1%
All items less food and energy	79.9%		3.3%	0.2%
All items	**100.0%**		**2.6%**	**0.1%**

Source: Dudack Research Group; BLS; *Sep. 2024 weightings; Italics=sub-component; blue>headline

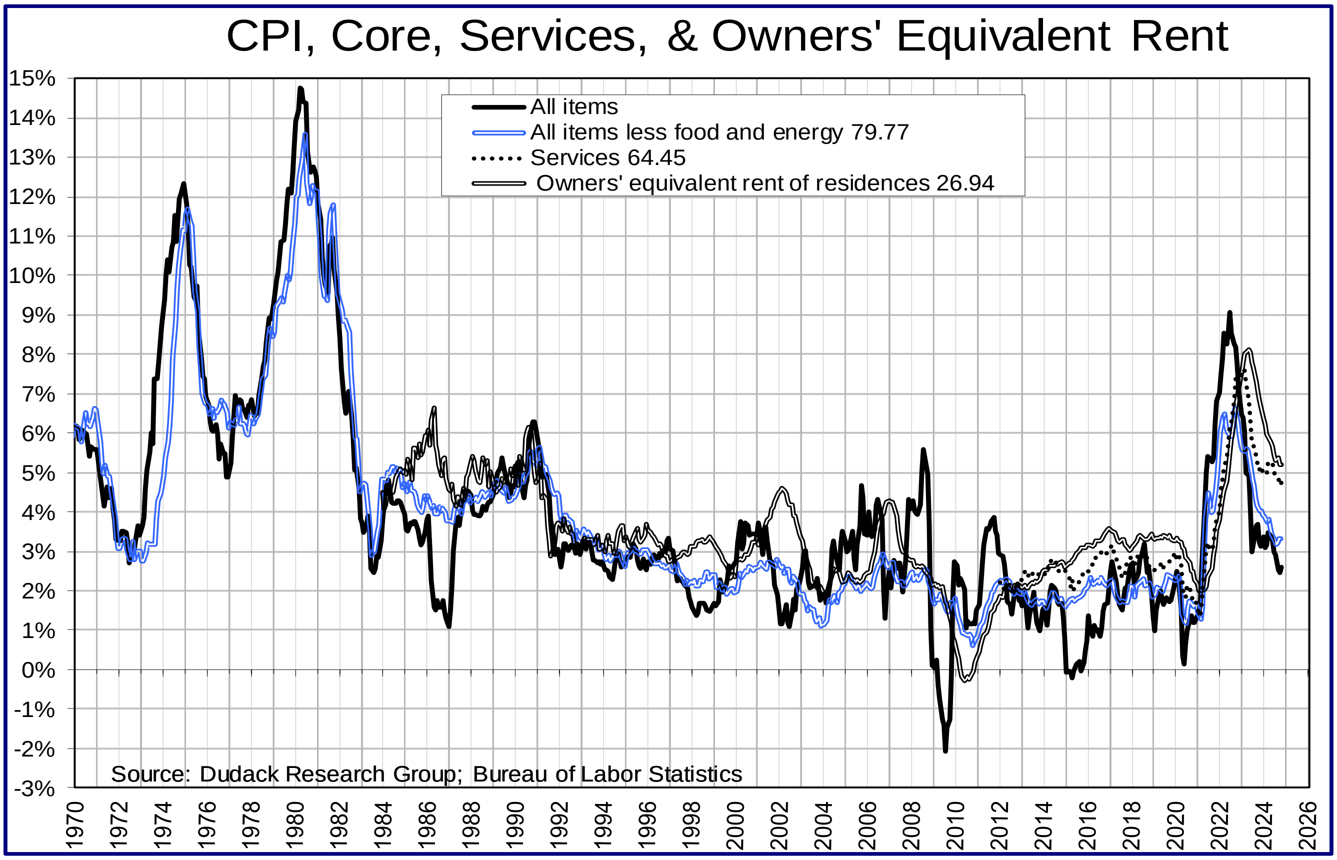


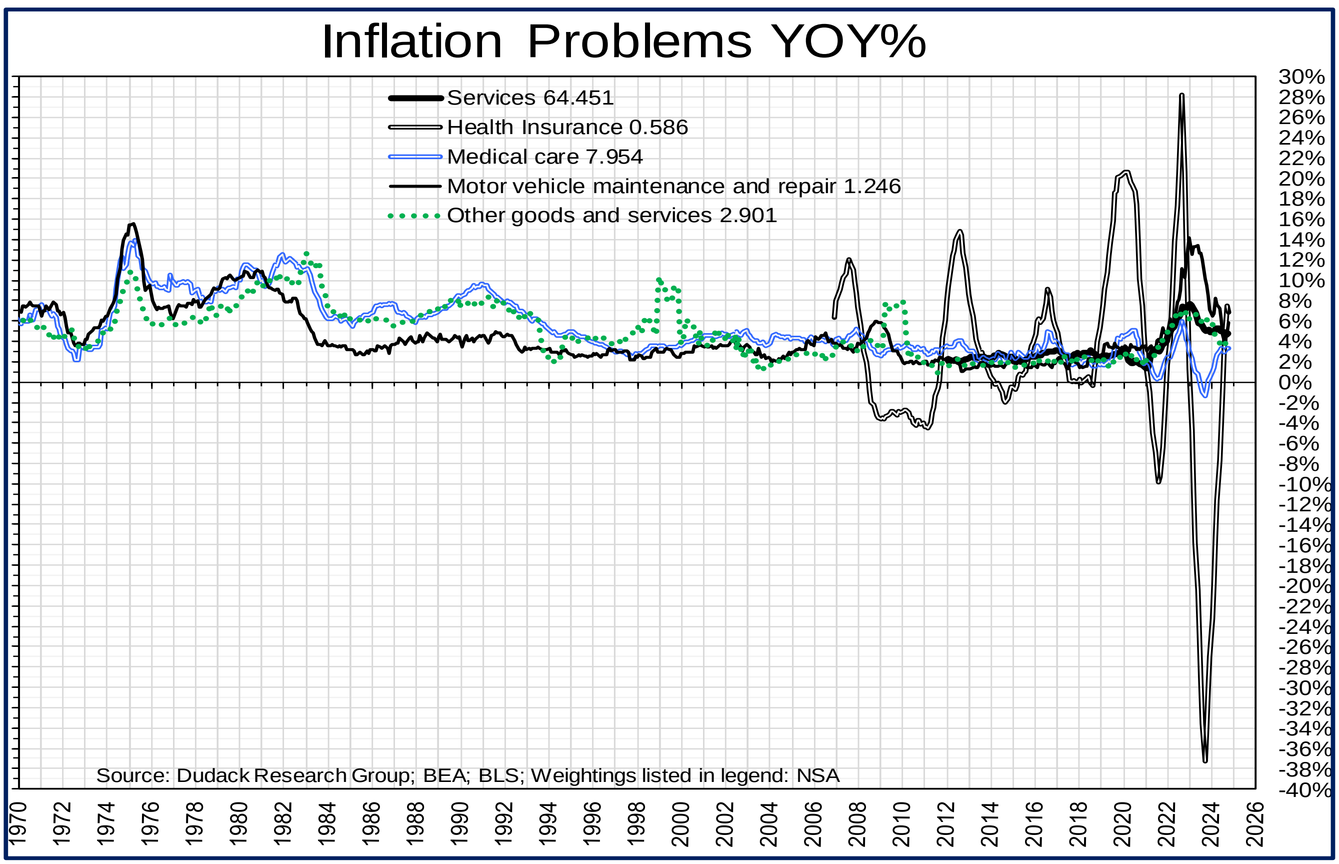
The charts of the headline and core CPI suggest that the downtrend in both indices is on pause with headline ticking up for the second month in a row and core CPI at its highest level since May 2024. The bottom chart shows a variety of core CPI indices, and all have been trending higher in recent months. For this reason, it is possible that the Fed may pause in December, or until there is more economic data to suggest another rate cut is necessary.



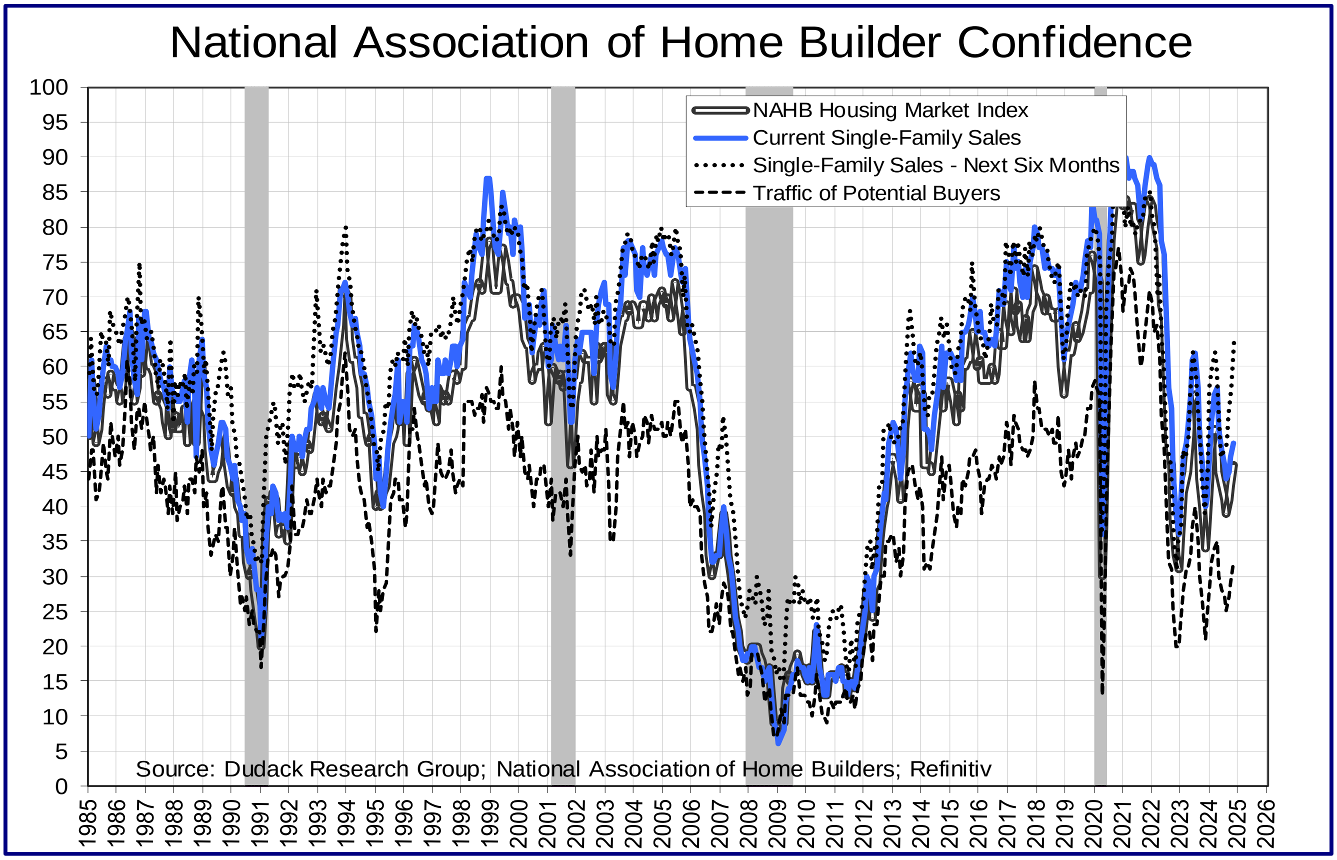


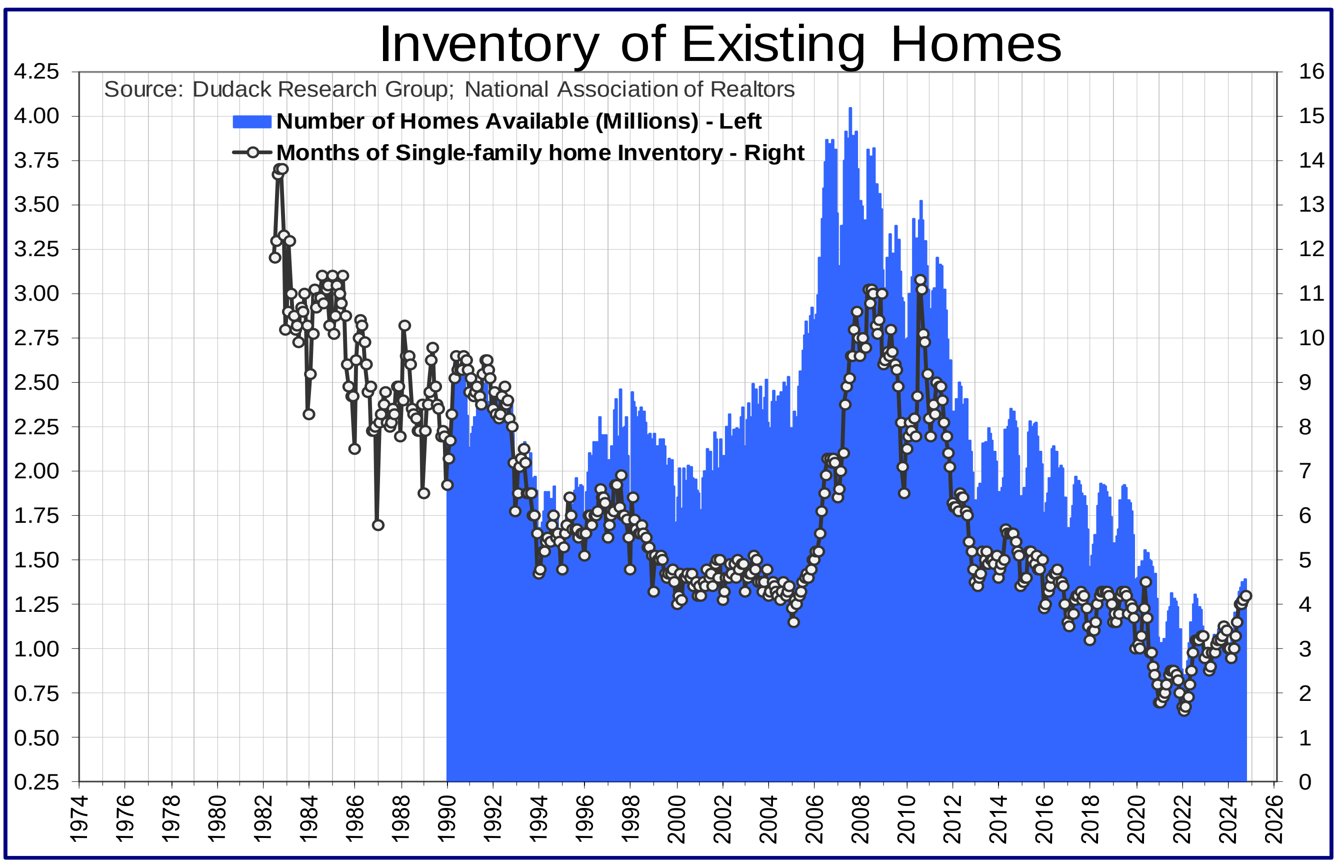
But economists appear to be singularly focused on housing, particularly owners' equivalent rent, and can take solace in the fact that this segment of the CPI continues to ratchet lower, although it remains high at 5.2% YOY. The same is true of the broad service sector, which is lower, but at 4.7% YOY remains well above the Fed's target of 2%. More importantly, some service areas are trending higher. In October, health insurance rose 6.8%, motor vehicle maintenance and repair rose 5.8%, medical care rose 3.3%, and other goods and services increased 3.3% YOY.



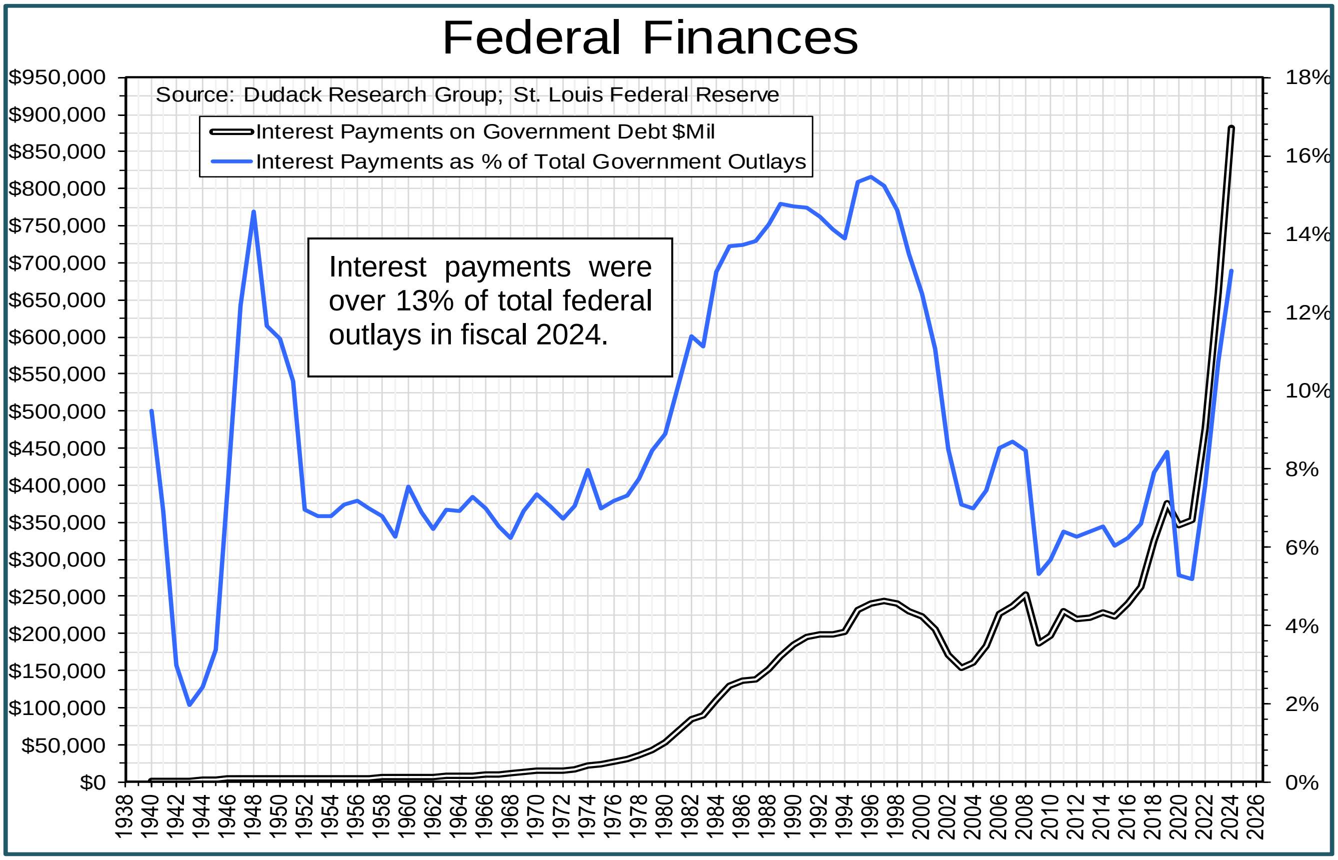


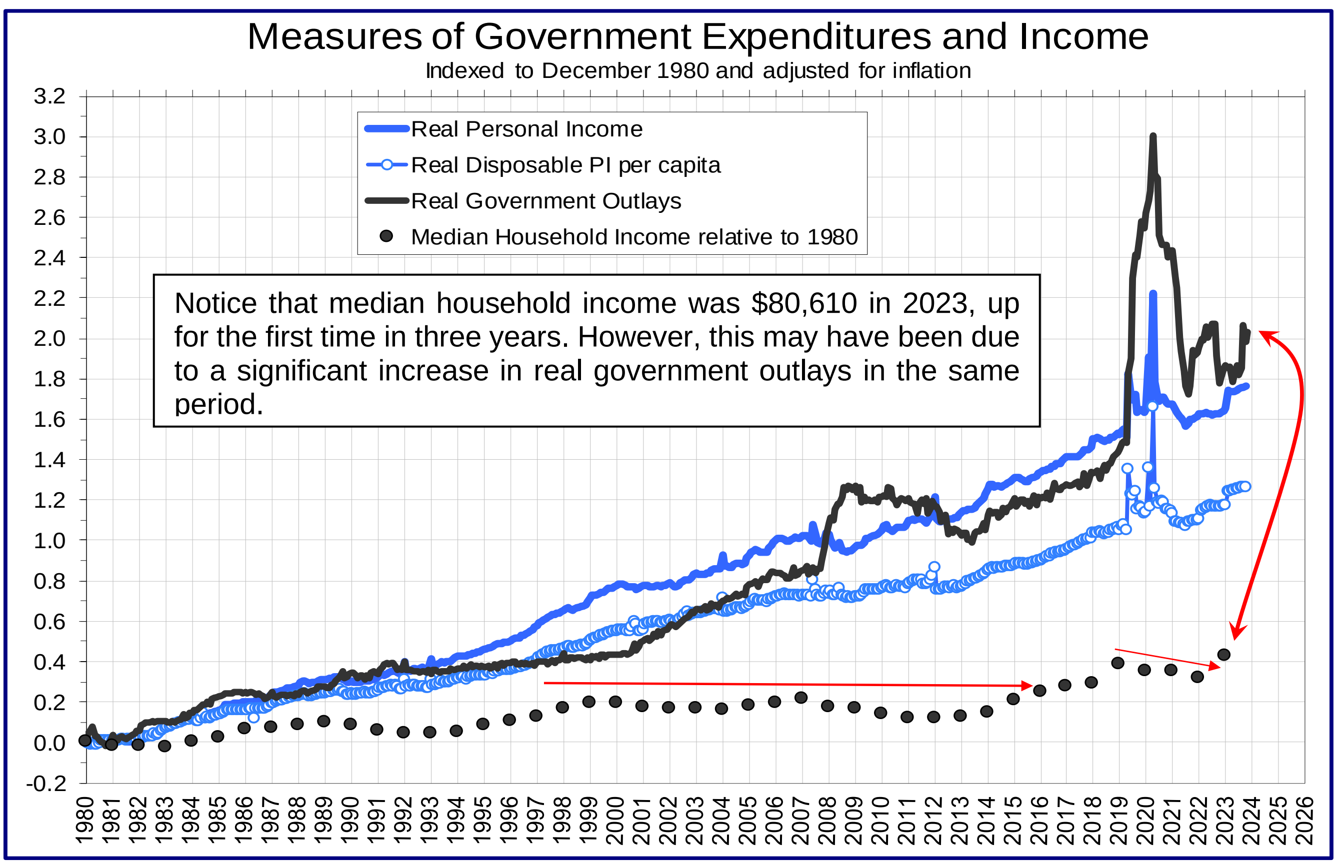
The November NAHB confidence index inched higher for the second month in a row from 43 to 46. This is nonetheless, the seventh consecutive month below the 50 level, and denotes a contraction. Single-family home sales rose to 49 from 47, sales expected over the next six months rose to 64 from 57, and potential buyer traffic increased to 32 from 29. The supply of homes remains low, but the months of supply of existing single-family homes, which was 3.0 in January rose to 4.2 months in September.



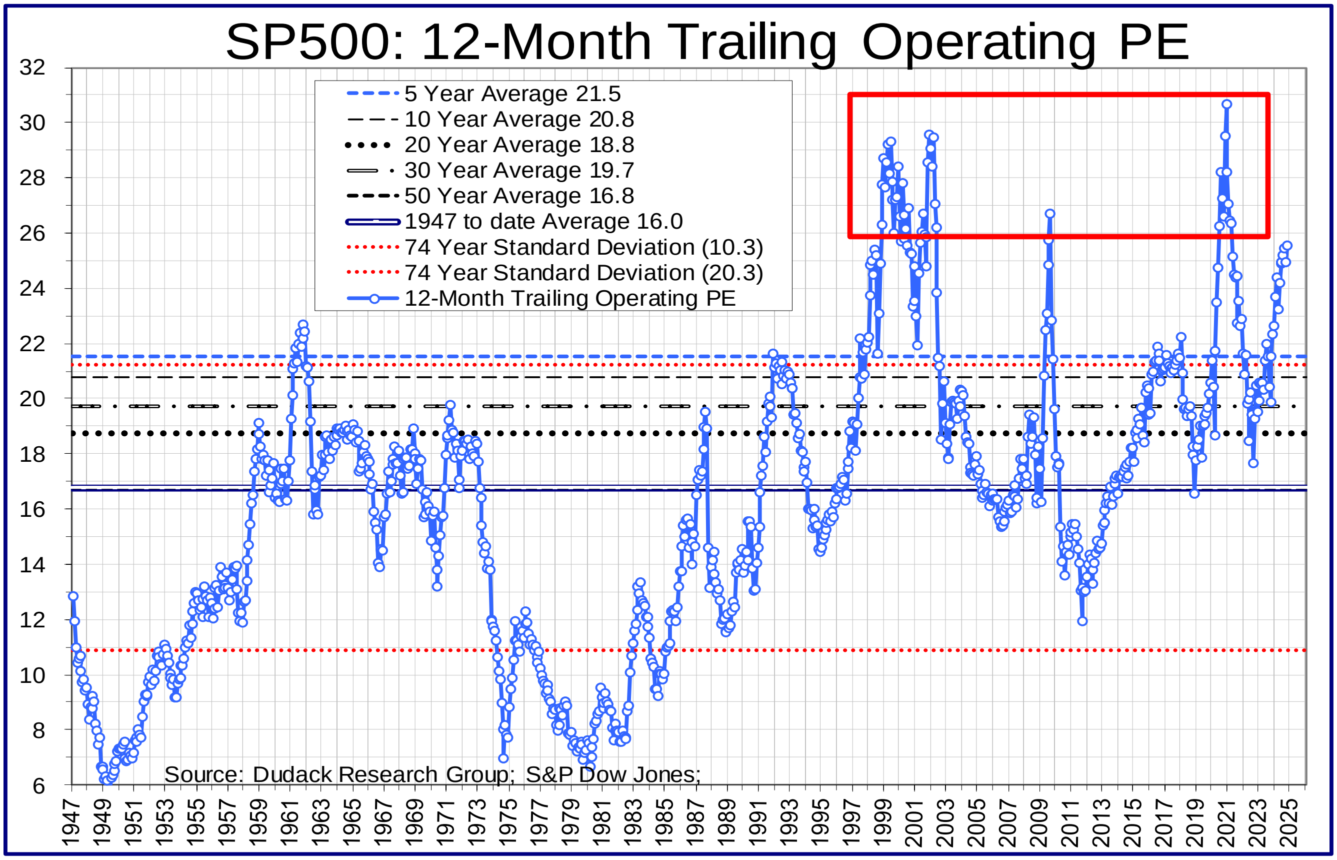


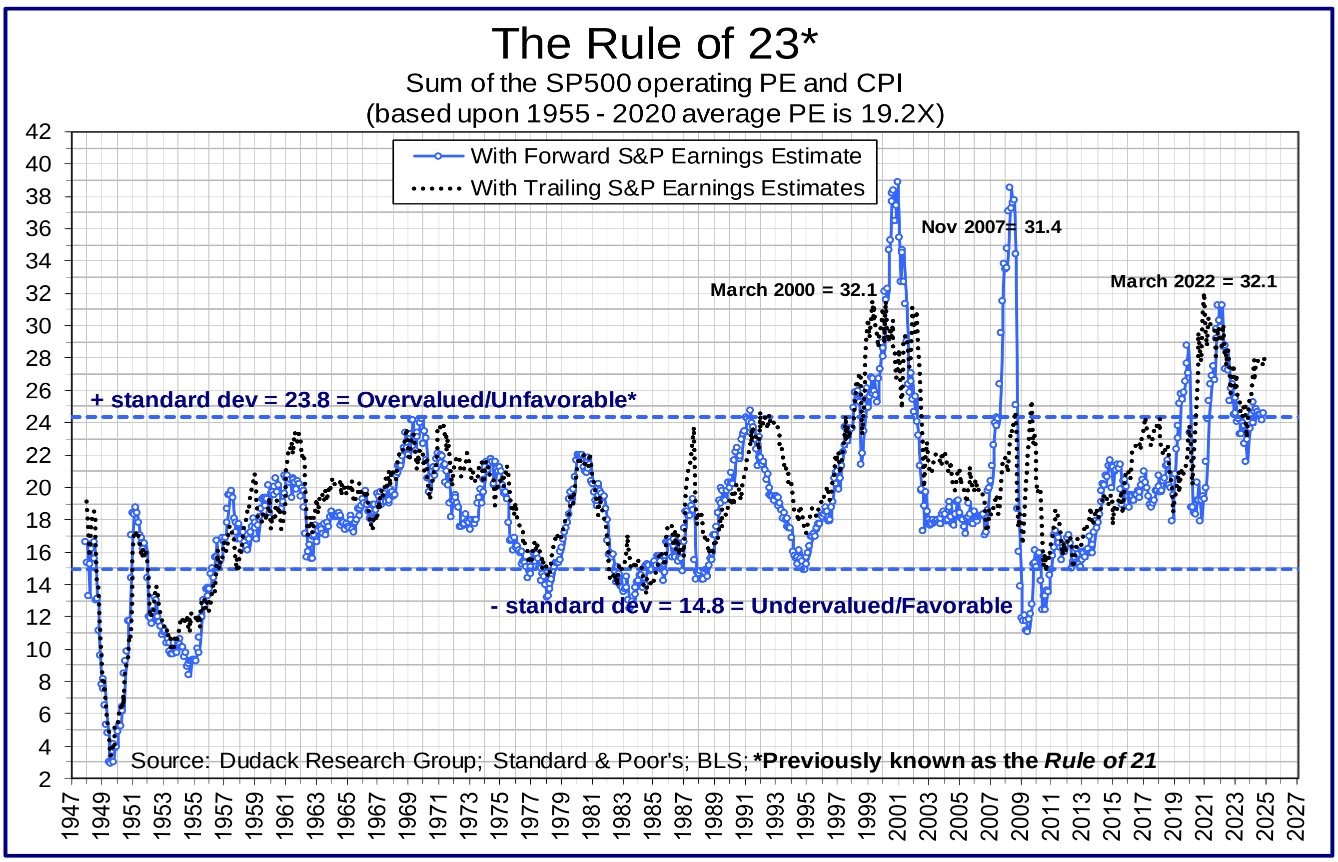
The October 2024 deficit, the first month of the fiscal 2025 year, was $257.45 billion, or 6.9% of nominal GDP, above the 6.1% average recorded in fiscal 2024 or the 6.5% seen in fiscal 2023. In 2022, the average debt-to-GDP was 7%. However, the IRS allowed individuals and corporations affected by natural disasters to delay filing their taxes until November 2023 and this resulted in higher-than-usual receipts in the first two months of fiscal 2024. Still, total receipts were 19% lower and total outlays increased 24% from October 2023. Some of the outlays were to fill the Veterans' Administration's $12 billion budget hole. Even so, in the past year individual income taxes fell 24%, corporate tax receipts plummeted 73%, and the deficit is bleeding red ink.



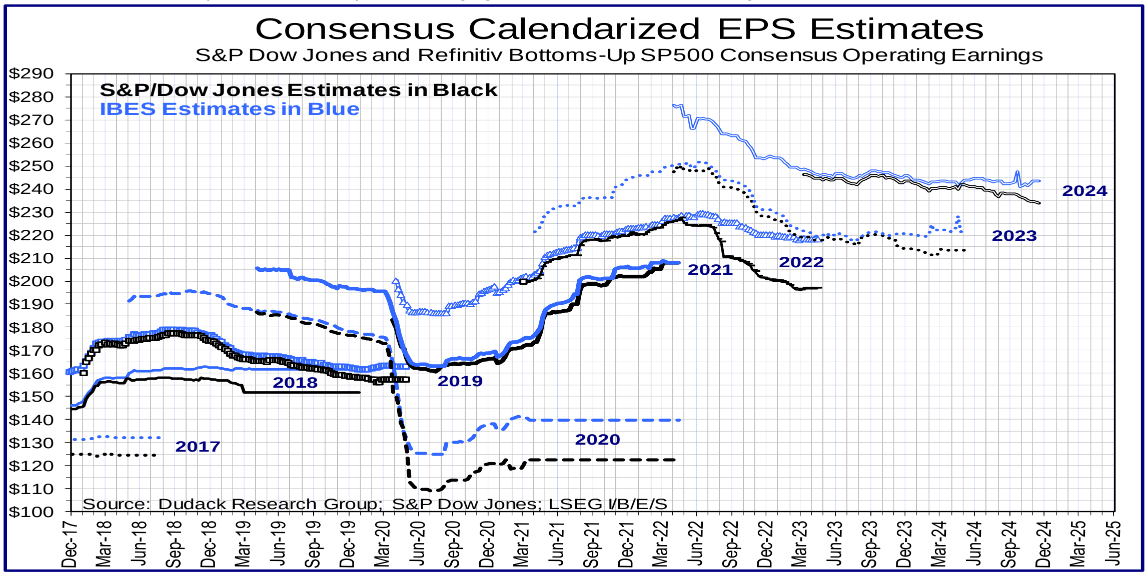


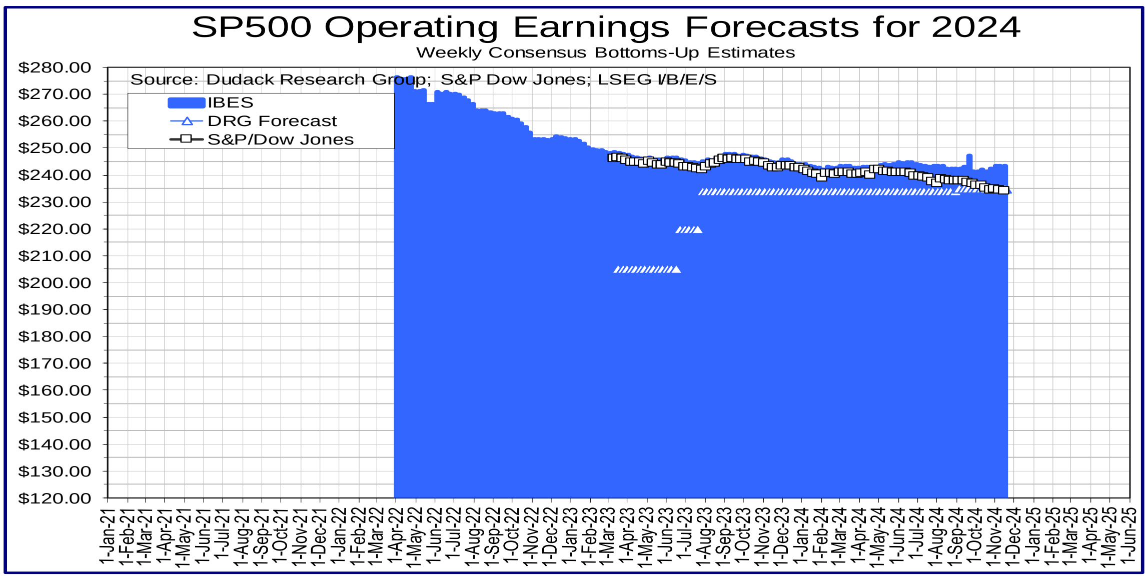
Valuation is not supportive of equities, but if this market is a melt-up or bubble, valuation will not matter. The SPX **trailing** 4-quarter operating multiple is 25.6 times, and well above all long- and short-term averages. The **12-month forward** PE multiple is 22.0 times and when added to inflation of 2.6%, sums to 24.6, 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.

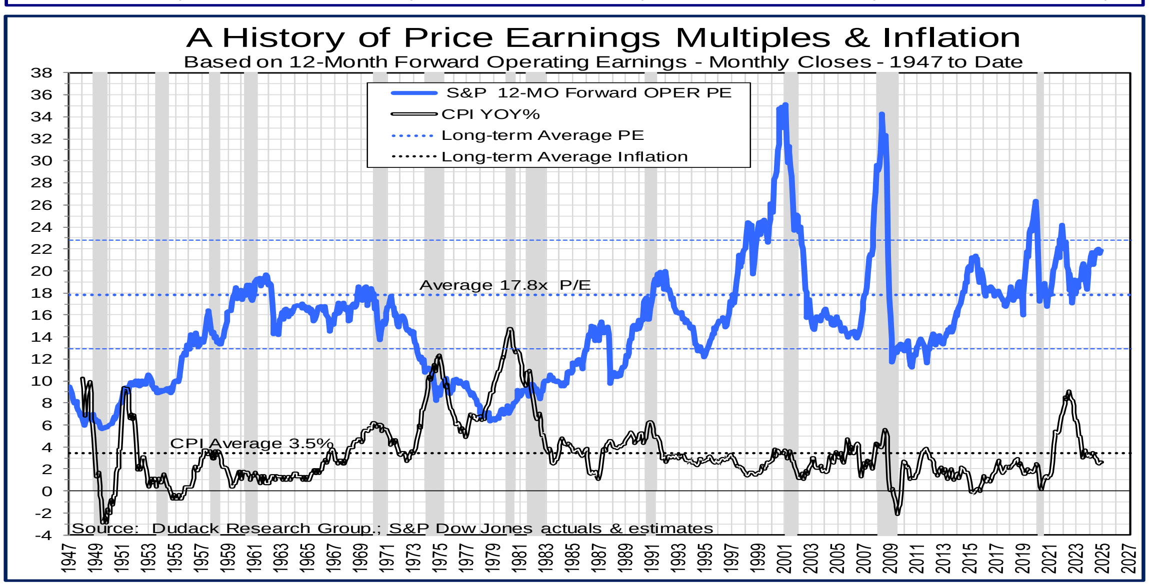




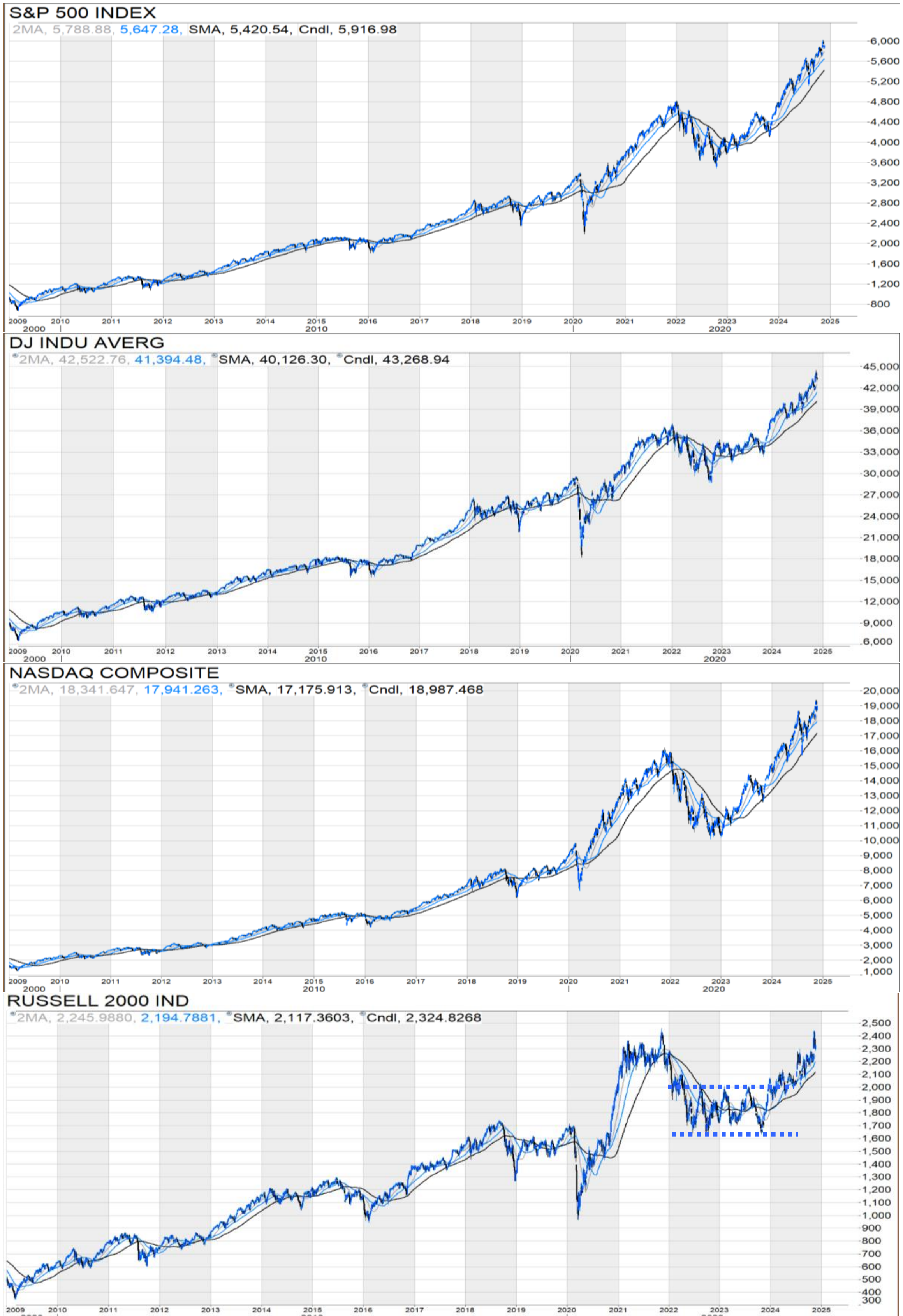
The S&P Dow Jones consensus estimate for calendar 2024 is $233.97, down $0.36 and the 2025 estimate is $272.04, down $0.50 this week. The LSEG IBES estimate for 2024 is $243.49, down $0.10 and the estimate for 2025 is $274.23, down $0.40. The IBES guesstimate for 2026 EPS is $308.44, down a substantial $3.17. Consensus estimates have been declining throughout third-quarter earnings season and right now, earnings estimates are generally falling for 2024, 2025, and 2026. In sum, the recent rally is based on hope that the new administration will improve the economy and earnings growth, but not on actual earnings releases.





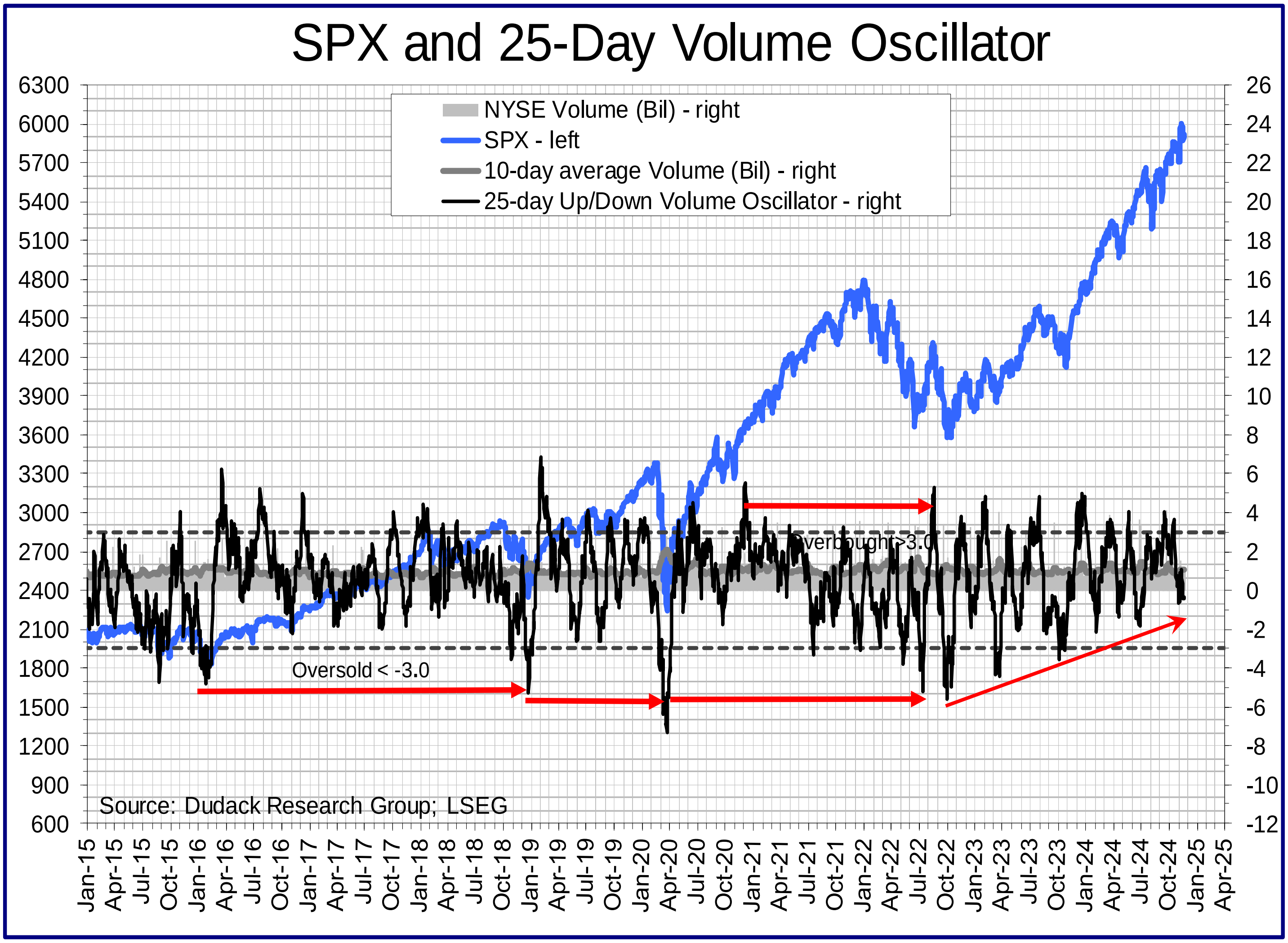


The popular stock indices have retraced half of their pre- and post-election rallies in recent sessions, but momentum remains favorable. The most interesting technical chart is the Russell 2000 index, which tested its record high of 2442.74 on November 11th, but failed to move above it. The index is back to 2324.83 this week, which is ambiguous. Note that the DJIA, SPX, and Nasdaq all recorded all-time highs on November 11.

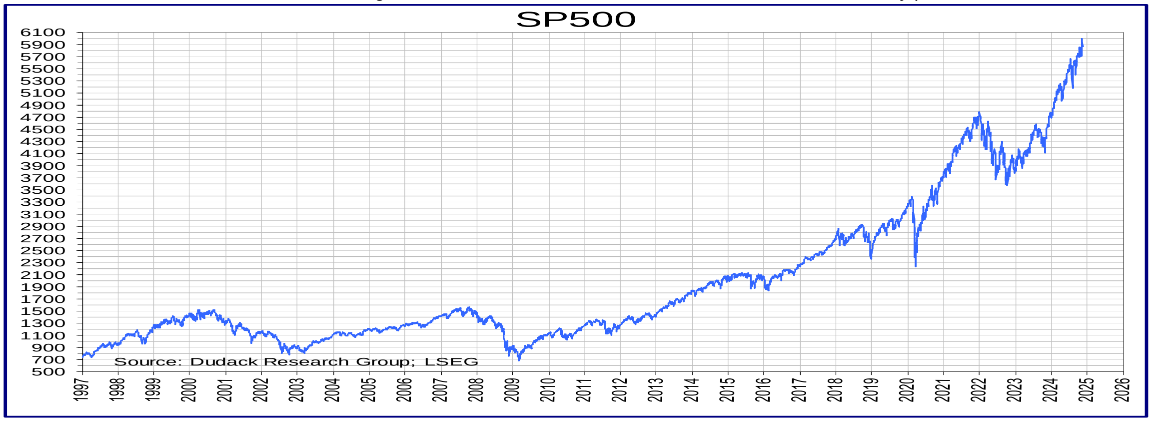


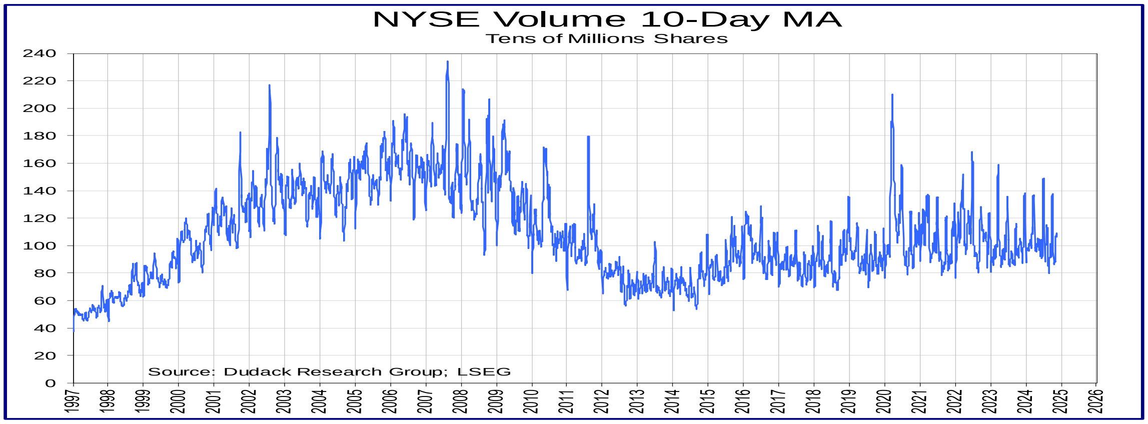
Source: LSEG Refinitiv

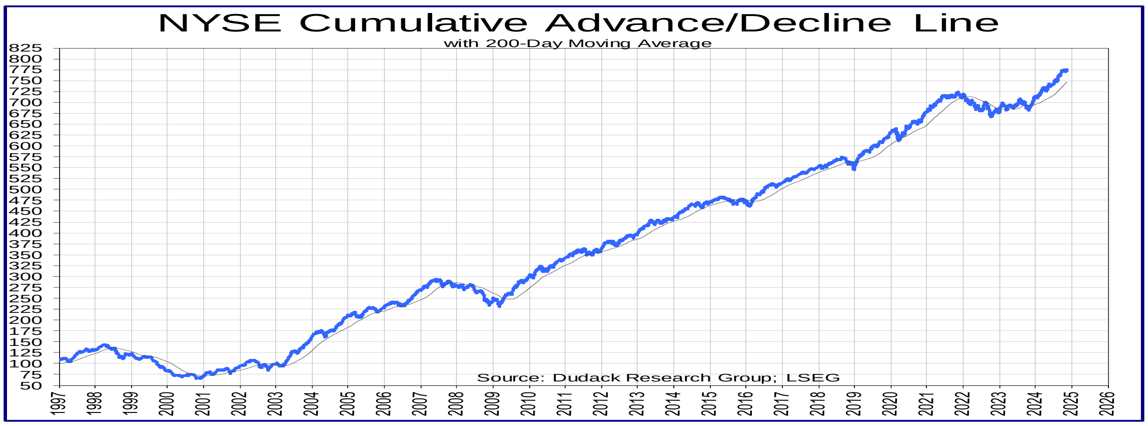
The 25-day up/down volume oscillator is negative 0.34 and neutral. The good news is that this indicator is not overbought and not signaling a major correction. However, since this indicator measures the level of volume behind an advance or the decline, the worrisome news is that this indicator is not overbought. With most of the indices recently at or near all-time highs, it is important for this indicator to continue to confirm the advance with an overbought reading of at least 5 consecutive days in the days or weeks ahead. This would confirm that volume is supporting higher prices, a critical element of a successful bull market.

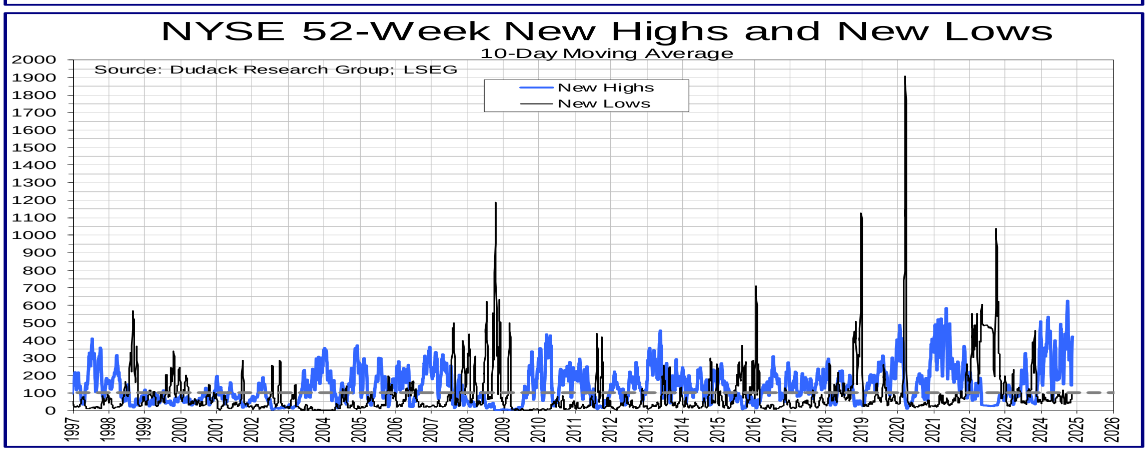


The 10-day average of daily new highs fell to 429 this week and new lows are 95. This combination of new highs above 100 and new lows below 100 is deteriorating but remains positive. The NYSE advance/decline line made a new record high on October 18, 2024. In sum, breadth indicators are uniformly positive.

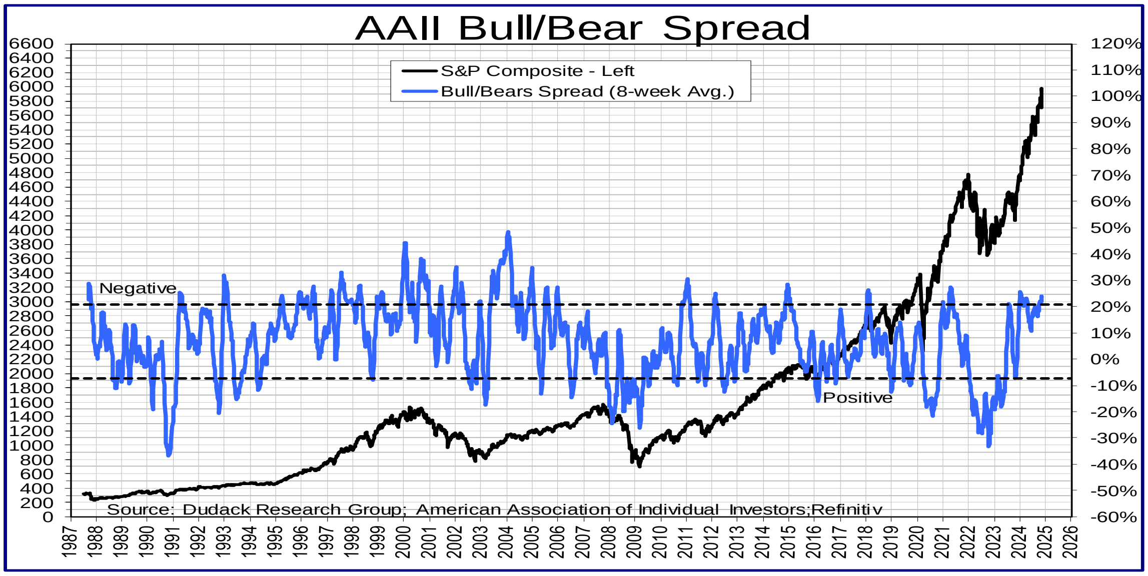


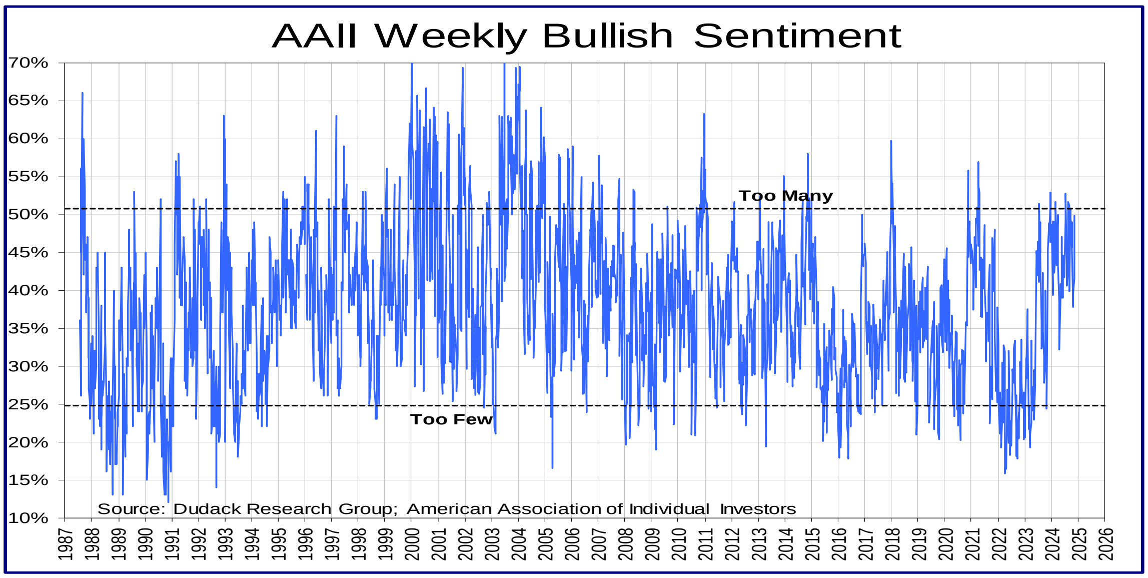


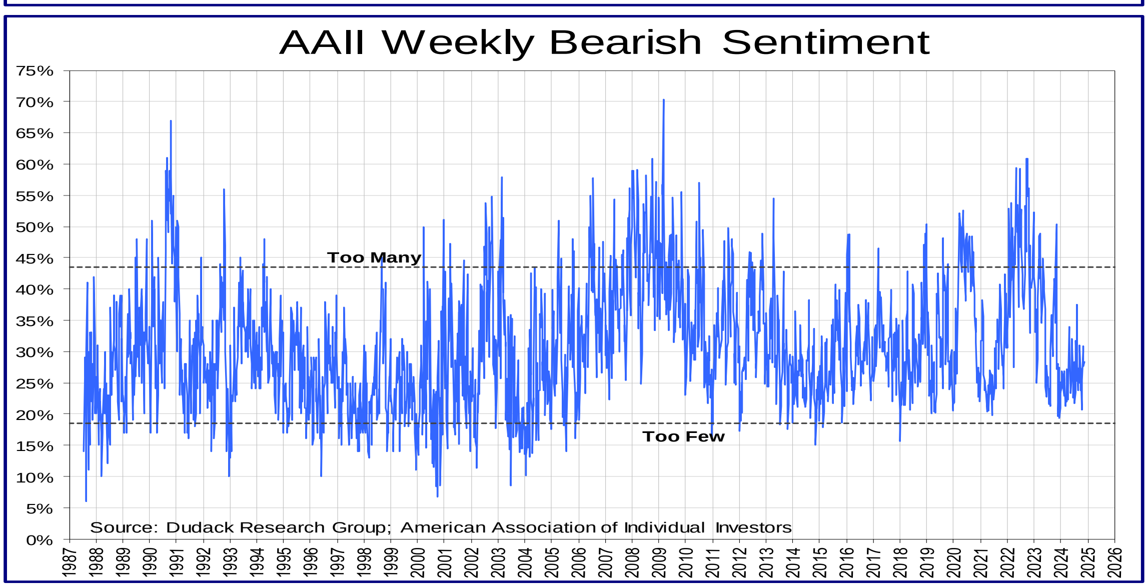




Last week's AAII survey showed bullishness rose 8.3% to 49.8% and bearishness increased 0.7% to 28.3%. Bullishness is above average, and bearishness is below average for the ninth week in a row. Extreme sentiment readings -- a negative signal -- were seen on December 13, 2023, when bearishness was 19.6%, its lowest level since the January 3, 2018 reading of 15.6%, and bullishness was 51.3%. The 8-week bull/bear is 23.7% and above 20.8%, which denotes an unfavorable level for the sixth week in a row. The last unfavorable readings were the 7 consecutive weeks seen in March and April.







Global Markets and Commodities - Ranked by Last 5-Day Trading Performance

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
iShares MSCI Singapore ETF	EWS	22.84	2.9%	3.3%	3.1%	22.1%
iShares MSCI Australia ETF	EWA	26.14	2.5%	-1.6%	-3.6%	7.4%
Utilities Select Sector SPDR	XLU	80.45	2.5%	-1.8%	-0.4%	27.0%
United States Oil Fund, LP	USO	72.31	2.3%	1.3%	3.4%	8.5%
Oil Future	CLc1	69.39	1.9%	0.2%	1.8%	-3.2%
Energy Select Sector SPDR	XLE	95.38	1.7%	5.6%	8.6%	13.8%
Silver Future	SIc1	31.21	1.7%	-5.5%	0.1%	30.8%
iShares Silver Trust	SLV	29.86	1.6%	-7.0%	0.4%	31.1%
SPDR Gold Trust	GLD	243.25	1.3%	-3.2%	0.1%	27.2%
iShares US Real Estate ETF	IYR	99.12	1.3%	-2.8%	-2.7%	8.4%
iShares MSCI South Korea Capped ETF	EWY	57.53	1.2%	-7.3%	-10.1%	-12.2%
iShares MSCI Mexico Capped ETF	EWW	50.93	0.7%	-5.7%	-5.2%	-24.9%
iShares MSCI United Kingdom ETF	EWU	34.75	0.3%	-6.1%	-7.1%	5.1%
iShares MSCI Taiwan ETF	EWT	54.21	0.3%	-4.3%	0.6%	17.8%
iShares China Large Cap ETF	FXI	30.39	0.3%	-5.5%	-4.4%	26.5%
Gold Future	GCc1	2955.10	0.2%	0.8%	1.2%	8.5%
iShares MSCI Canada ETF	EWC	42.28	0.1%	0.6%	1.8%	15.3%
iShares 20+ Year Treas Bond ETF	TLT	90.70	0.0%	-3.4%	-7.5%	-8.3%
iShares iBoxx $ Invest Grade Corp Bond	LQD	108.69	0.0%	-1.9%	-3.8%	-1.8%
Consumer Staples Select Sector SPDR	XLP	80.63	0.0%	-2.0%	-2.9%	11.9%
Financial Select Sector SPDR	XLF	49.69	-0.1%	4.3%	9.6%	32.2%
iShares MSCI Emerg Mkts ETF	EEM	43.41	-0.1%	-5.5%	-5.3%	8.0%
iShares MSCI Malaysia ETF	EWM	24.42	-0.2%	-5.8%	-9.7%	14.9%
Vanguard FTSE All-World ex-US ETF	VEU	59.11	-0.2%	-4.8%	-6.2%	5.3%
iShares MSCI Germany ETF	EWG	31.49	-0.3%	-5.6%	-6.9%	6.1%
iShares MSCI EAFE ETF	EFA	77.45	-0.3%	-5.5%	-7.4%	2.8%
iShares MSCI Austria Capped ETF	EWO	20.96	-0.3%	-5.7%	-8.2%	-3.0%
iShares MSCI BRIC ETF	BKF	37.74	-0.4%	-5.1%	-6.7%	10.4%
Consumer Discretionary Select Sector SPDR	XLY	215.57	-0.4%	8.0%	7.6%	20.6%
iShares MSCI India ETF	INDA.K	53.57	-0.4%	-5.3%	-8.5%	9.8%
Communication Services Select Sector SPDR Fund	XLC	96.72	-0.5%	6.0%	7.0%	33.1%
SPDR Homebuilders ETF	XHB	115.40	-0.7%	-8.1%	-7.4%	20.6%
Materials Select Sector SPDR	XLB	91.69	-0.8%	-6.1%	-4.9%	7.2%
iShares Russell 1000 Value ETF	IWD	193.26	-0.9%	-0.2%	1.8%	17.0%
iShares MSCI Japan ETF	EWJ	67.78	-1.1%	-3.4%	-5.3%	5.7%
SP500	.SPX	5916.98	-1.1%	0.9%	2.7%	24.1%
iShares Russell 1000 ETF	IWB	325.03	-1.1%	1.3%	3.4%	23.9%
iShares Russell 1000 Growth ETF	IWF	393.40	-1.4%	2.8%	4.8%	29.8%
DJIA	.DJI	43268.94	-1.5%	0.0%	2.2%	14.8%
Nasdaq Composite Index Tracking Stock	ONEQ.O	74.89	-1.5%	2.8%	4.6%	26.4%
iShares MSCI Brazil Capped ETF	EWZ	27.28	-1.5%	-3.3%	-7.5%	-22.0%
SPDR DJIA ETF	DIA	432.84	-1.5%	0.0%	2.3%	14.9%
SPDR S&P Retail ETF	XRT	78.31	-1.6%	0.2%	0.8%	8.3%
iShares MSCI Hong Kong ETF	EWH	17.19	-1.6%	-5.5%	-7.9%	-1.0%
NASDAQ 100	NDX	20684.59	-1.8%	1.8%	3.1%	22.9%
Technology Select Sector SPDR	XLK	231.33	-2.0%	0.2%	2.5%	20.2%
SPDR S&P Bank ETF	KBE	59.59	-2.1%	7.1%	12.7%	29.5%
iShares US Telecomm ETF	IYZ	26.82	-2.1%	2.4%	6.2%	17.8%
Shanghai Composite	.SSEC	3346.01	-2.2%	2.6%	0.3%	12.5%
Industrial Select Sector SPDR	XLI	138.80	-2.2%	-0.3%	2.5%	21.8%
PowerShares Water Resources Portfolio	PHO	69.29	-2.2%	-2.0%	-1.8%	13.9%
iShares Russell 2000 Value ETF	IWN	172.94	-2.6%	1.6%	3.7%	11.3%
iShares DJ US Oil Eqpt & Services ETF	IEZ	21.12	-2.8%	6.2%	5.1%	-3.7%
iShares Russell 2000 ETF	IWM	230.63	-2.9%	2.2%	4.4%	14.9%
iShares Russell 2000 Growth ETF	IWO	298.79	-3.0%	2.8%	5.2%	18.5%
SPDR S&P Semiconductor ETF	XSD	230.81	-3.8%	-5.0%	-3.9%	2.7%
Health Care Select Sect SPDR	XLV	141.21	-4.1%	-7.8%	-8.3%	3.5%
iShares Nasdaq Biotechnology ETF	IBB.O	133.39	-7.6%	-8.6%	-8.4%	-1.8%

Outperformed SP500
Underperformed SP500

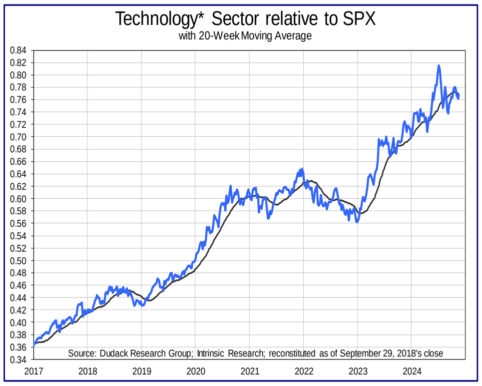
Source: Dudack Research Group; Refinitiv

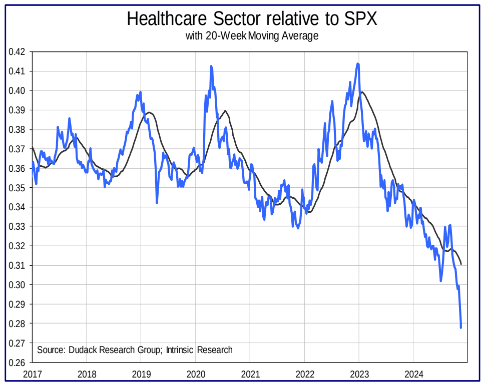
Priced as of November 19, 2024

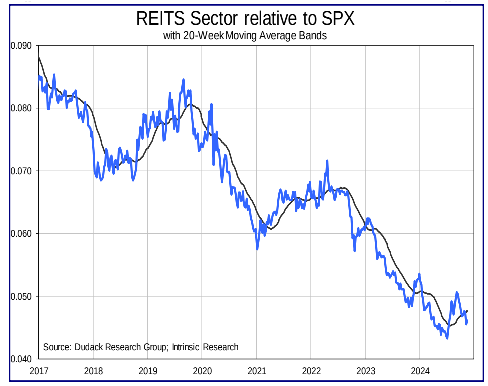
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

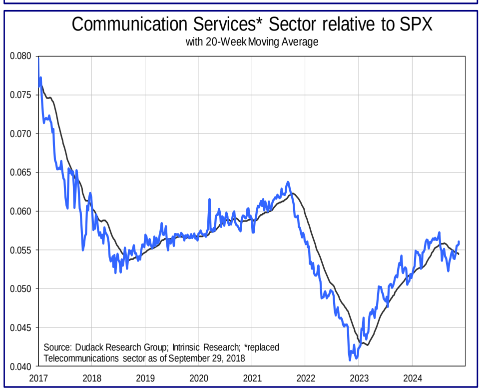
DRG Recommended Sector Weights				
Overweight		**Neutral**		**Underweight**
Communication Services Technology Consumer Discretionary Financials		Healthcare Staples Utililties Industrials		REITS Materials Energy

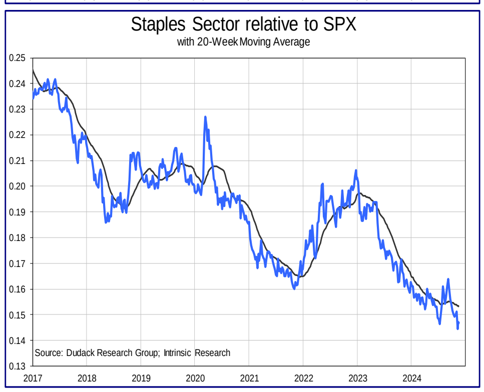
11/19/2024: Upgraded Consumer Discretionary from N to O; Downgraded Healthcare from O to N. 9/10/2024: Upgraded Utilities from U to N; Downgraded Energy from N to U.

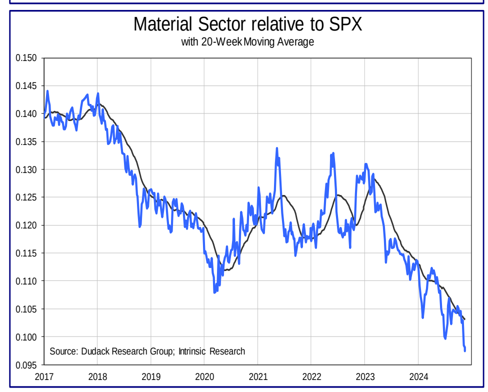


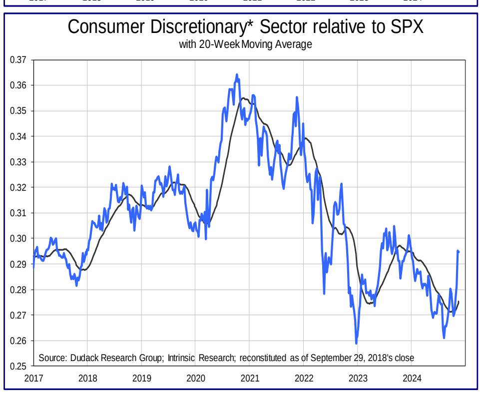


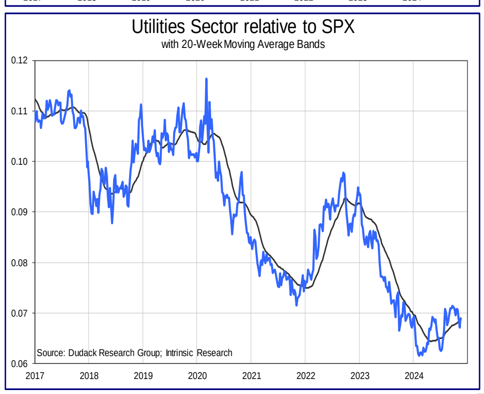


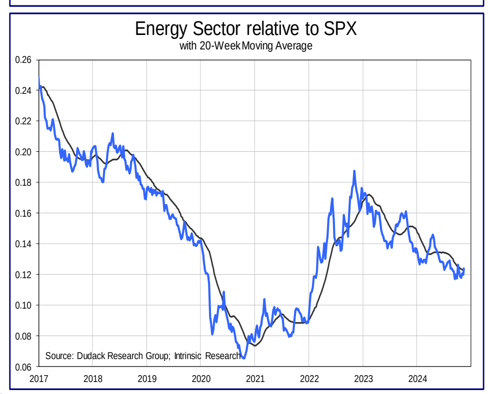


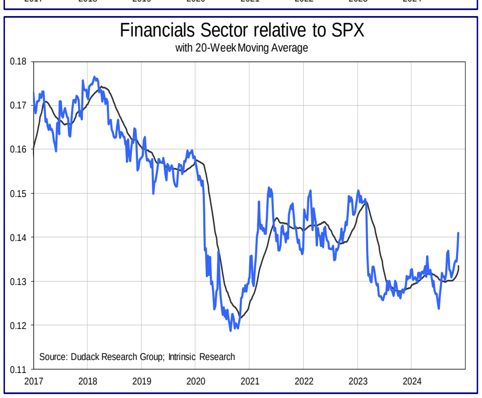


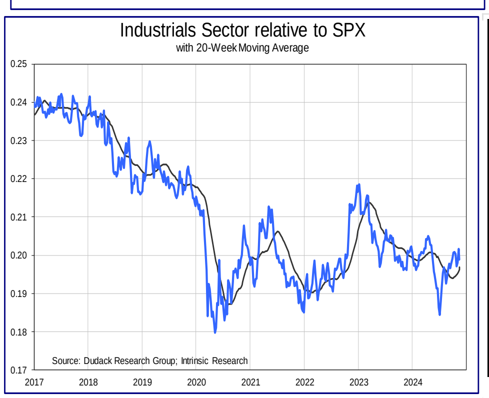












2024 Performance - Ranked	
SP500 Sector	% Change
S&P COMMUNICATIONS SERVICES	34.8%
S&P INFORMATION TECH	33.7%
S&P FINANCIAL	31.8%
S&P UTILITIES	26.4%
S&P 500	24.1%
S&P CONSUMER DISCRETIONARY	23.0%
S&P INDUSTRIALS	21.5%
S&P CONSUMER STAPLES	14.1%
S&P ENERGY	13.2%
S&P REITS	8.4%
S&P MATERIALS	6.8%
S&P HEALTH CARE	3.4%

Source: Dudack Research Group; Refinitiv; Monday closes

US Asset Allocation

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

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

DRG Earnings and Economic Forecasts

	S&P 500 Price	S&P Dow Jones Reported EPS**	S&P Dow Jones Operating EPS**	DRG Operating EPS Forecast	DRG EPS YOY %	LSEG IBES Consensus Bottom-Up $ EPS**	LSEG IBES 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	$233.96	$235.00	10.1%	$243.49	10.0%	23.6X	1.4%	NA	NA	NA
2025E	~~~~~	$172.75	$272.04	$255.00	8.5%	$274.23	12.6%	21.8X	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%	2.5%	$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%	4.8%	$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%	2.8%	$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%	-5.5%	$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%	-28.1%	$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%	35.2%	$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%	4.4%	$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%	5.6%	$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%	6.4%	$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%	3.5%	$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%	7.4%	$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%	-1.0%	$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%	0.3%	$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%	3.4%	$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%	2.8%	$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%	2.4%	$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%	4.4%	$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%	3.2%	$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%	1.6%	$2,726.80	5.3%
2024 2QE	5521.50	$53.12	$58.36	$58.36	6.4%	$60.40	11.3%	25.2	1.3%	3.0%	$2,774.00	6.6%
2024 3QE	5521.50	$53.85	$59.54	$60.75	16.3%	$63.05	7.9%	24.4	1.3%	2.8%	NA	NA
2024 4QE*	5916.98	$57.33	$61.43	$61.26	13.7%	$61.96	8.4%	25.3	NA	NA	NA	NA

Source: DRG; S&P Dow Jones **quarterly EPS may not sum to official CY estimates; LSEG IBES Consensus estimates *11/19/2024

Regulation AC Analyst Certification

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

IMPORTANT DISCLOSURES

RATINGS DEFINITIONS:

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

Dudack Research Group, a division of Wellington Shields & Co. LLC.
Main Office:
Wellington Shields & Co. LLC
60 Broad Street
New York, NY 10004
212-320-3511
Research Sales: 212-320-2046

Florida office:
549 Lake Road
Ponte Vedra Beach, FL 32082
212-320-2045