Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
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December 11, 2024

DJIA: 44247.83
SPX: 6034.91
NASDAQ: 19687.24

US Strategy Weekly
The Donald Effect

In its August 2024 country report, the International Monetary Fund indicated that in 2023, China's central and local governments and other government-related funds and entities, owed as much as 116.9% of GDP in debt. Moreover, the IMF estimated that China's debt burden would grow to nearly 150% of GDP by the end of the decade. This IMF forecast was ominous; however, it was made well before this week's announcement by Chinese leaders. This week China declared that the government is ready to deploy whatever stimulus is needed to counter the impact of US trade tariffs on next year's economic growth. The timing of this declaration is notable since next year's growth, budget deficit and other targets will be discussed in coming days at an annual meeting of Communist Party leaders, known as the Central Economic Work Conference (CEWC). China is currently forecasting GDP growth of 5% for 2025 and this week's message shows China is willing to go even deeper into debt and will prioritize growth over financial risks, at least in the near term. It also shows the angst government officials feel regarding their economy and the pressure that China has regarding the prospect of US tariffs.

We are highlighting these statements from China because too many economists are focused on the "inflationary impact" of President-elect Trump's potential tariff policy while neglecting to acknowledge either what happened in Trump's first term or how tariffs may simply change the behavior of domestic and foreign corporations and countries. If one assesses tariffs in an "all things being equal" world a tariff will certainly be a tax, but that is not the way the world works. It will lead you to an inaccurate outcome. In the case of China, this appears to be an excellent time for the US to bring them to the negotiating table.

In a different area of the world, it is interesting to reflect on how the threat of tariffs on Mexico has already changed behavior at the Mexican border. On November 26, 2024 according to *Newsweek*, Mexican President Claudia Sheinbaum asserted that migrant caravans are no longer reaching the US-Mexico border. And at the end of November 2024, US Customs and Border Protection (CBP) reported a significant decrease in migrant encounters at the US-Mexico border compared to the previous year (and months).

It is stunning to see how many things have changed in the past month. Although Donald J. Trump will not be in the Oval Office for several more weeks, we are already seeing a marked difference in sentiment readings and consumer behavior. Recent financial headlines are revealing: "Goldman Sachs CEO David Solomon says dealmaking could surpass 10-year averages in 2025," "Warburg Pincus sees an uptick in private equity deals in 2025," "BlackRock sees investors shifting from cash to stocks and bonds." And to a large extent, this sentiment supports what has been happening to stock prices in recent weeks. One could call it "the Donald effect."

Valuation is not supportive of equities, but momentum, hope, and sentiment are now overruling valuation. The SPX trailing 4-quarter operating multiple is 25.8 times, and well above all long- and short-term averages. The 12-month forward PE multiple is 22.1 times and when added to inflation of 2.6%, sums to 24.7, which is above the top of the normal range of 14.8 to 23.8. By all measures, the equity market remains richly valued. But we believe valuation may be next year's problem. See page 8.

In a definitive response to the presidential election, November's National Federation of Independent Business (NFIB) small business optimism index jumped 8 points to 101.7 from 93.7, its highest level since June 2021. The NFIB outlook for general business conditions index went from negative 5 to 36 and rose to its highest level since June 2020. All categories improved in November and plans for capital expenditures, additional employment, business expansion, and an increase in inventories improved in the month. See page 5. The importance of small business owners to the US economy should not be underestimated. According to the Office of Advocacy (housed within the US Small Business Administration), the US contains 34.8 million small businesses, which account for 45.9% of total employment.

Both the Conference Board and University of Michigan consumer sentiment indices had positive upticks in confidence in November. The preliminary survey for December's University of Michigan sentiment revealed another 2.2-point increase from 71.8 to 74.0. However, all of that increase came from the present conditions segment of the survey which jumped a stunning 13.8 points to 77.7. The expectations index, which had been the source of strength in this survey, fell 5.3 points to 71.6, its lowest level since July. Nonetheless, consumer sentiment is much improved. See page 4.

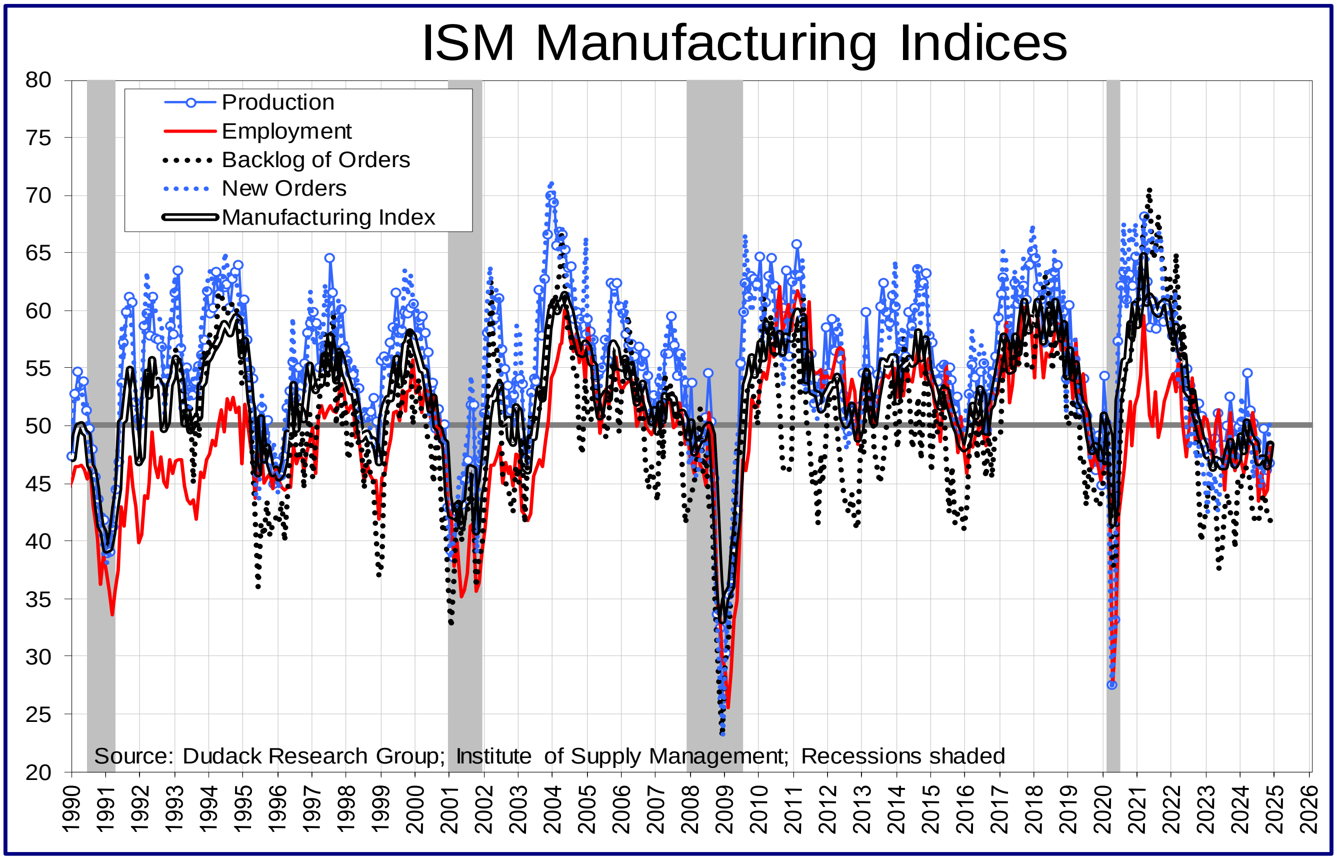
Consumer credit expanded by $19.2 billion in October, a big increase from the $3.2 billion seen in September. Most of the increase came from revolving credit which rose by $15.7 billion. This expansion in credit is a positive omen for the broader economy since contractions in consumer credit tend to be associated with recessions. We have been closely monitoring consumer credit after total credit grew by a mere 1.5% YOY in June and nonrevolving credit contracted 0.2% YOY in the same month. October's expansion in credit is a favorable event and is another sign of a lift in consumer spirit. See page 6.

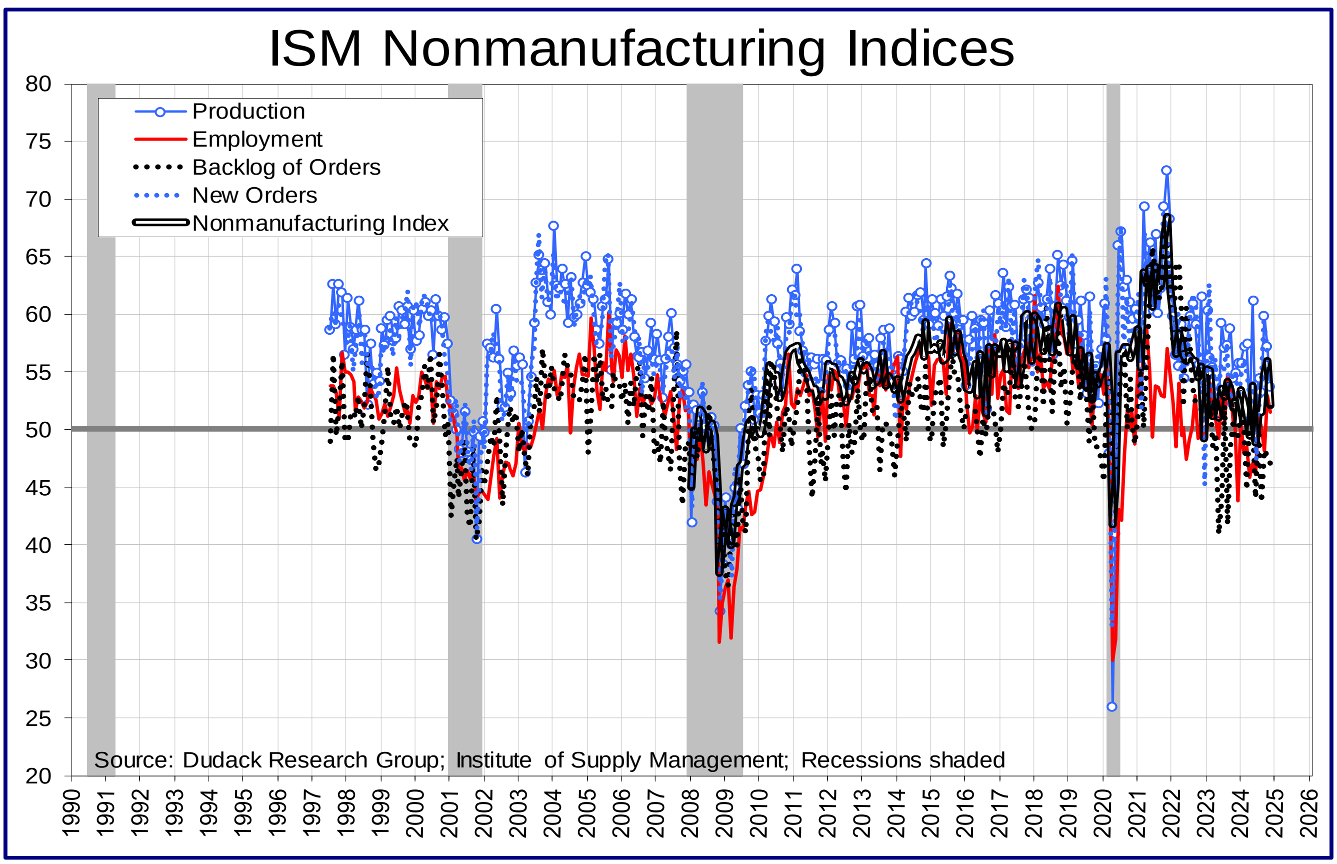
The November jobs report showed an increase of 227,000 new jobs in the month, of which 194,000 were in the private sector and most were in the services sector. There was also a positive revision of 24,000 jobs for October and a positive 32,000 for the month of September which equates to a total increase of 283,000 jobs in the report. However, the report was not all good news since the unemployment rate increased from 4.1% to 4.2%. This ratio comes from the household survey, which is much broader than the establishment survey, and it told a different story. It indicated there was a decrease of 355,000 jobs in the month and an increase of 161,000 people unemployed. Therefore, the civilian labor force (the total of employed and unemployed) declined by 194,000, to just under 168.3 million. The participation rate also fell 0.1 to 62.5 and the employment-population ratio fell 0.2 to 59.8, its lowest level since early 2022. See page 7.

Our favorite indicator of economic strength or weakness is the year-over-year change in the number of people employed. According to the establishment survey, job growth was 1.45% YOY in November, below the long-term average of 1.69%, but still healthy. However, the household survey shows the number of people employed declined 0.45% YOY in November, contracting for the second time in four consecutive months. The long-term average growth rate for this series is 1.5% YOY. See page 7. Our concern is that once the BLS finalizes its annual revisions to payroll data for January 2025 (reported in early February), it will fall in line with the household survey and show that the job market has been slowly contracting for most of 2024. But again, that may be a problem for next year.

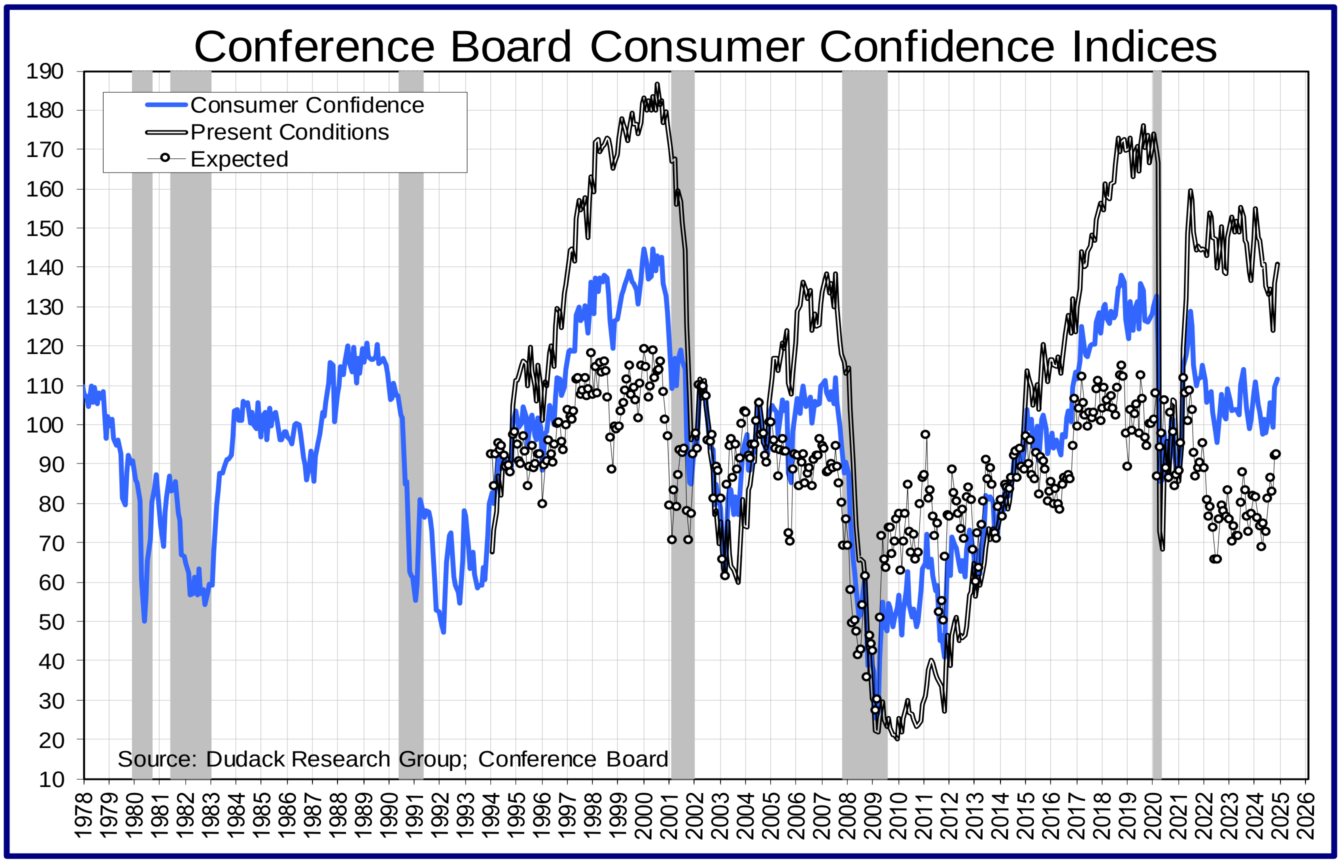
At present all our technical indicators continue to be supportive of the market. The 25-day up/down volume oscillator is 1.39, neutral, and relatively unchanged from last week. The good news is that this indicator is not yet overbought, which would be indicative of a stretched or vulnerable marketplace. However, since this indicator measures the level of volume supporting an advance, we would be concerned if the oscillator does not reach overbought territory in coming days or weeks to confirm the new highs. See page 11. All in all, seasonality and liquidity suggest stock prices could move higher through the end of the year.

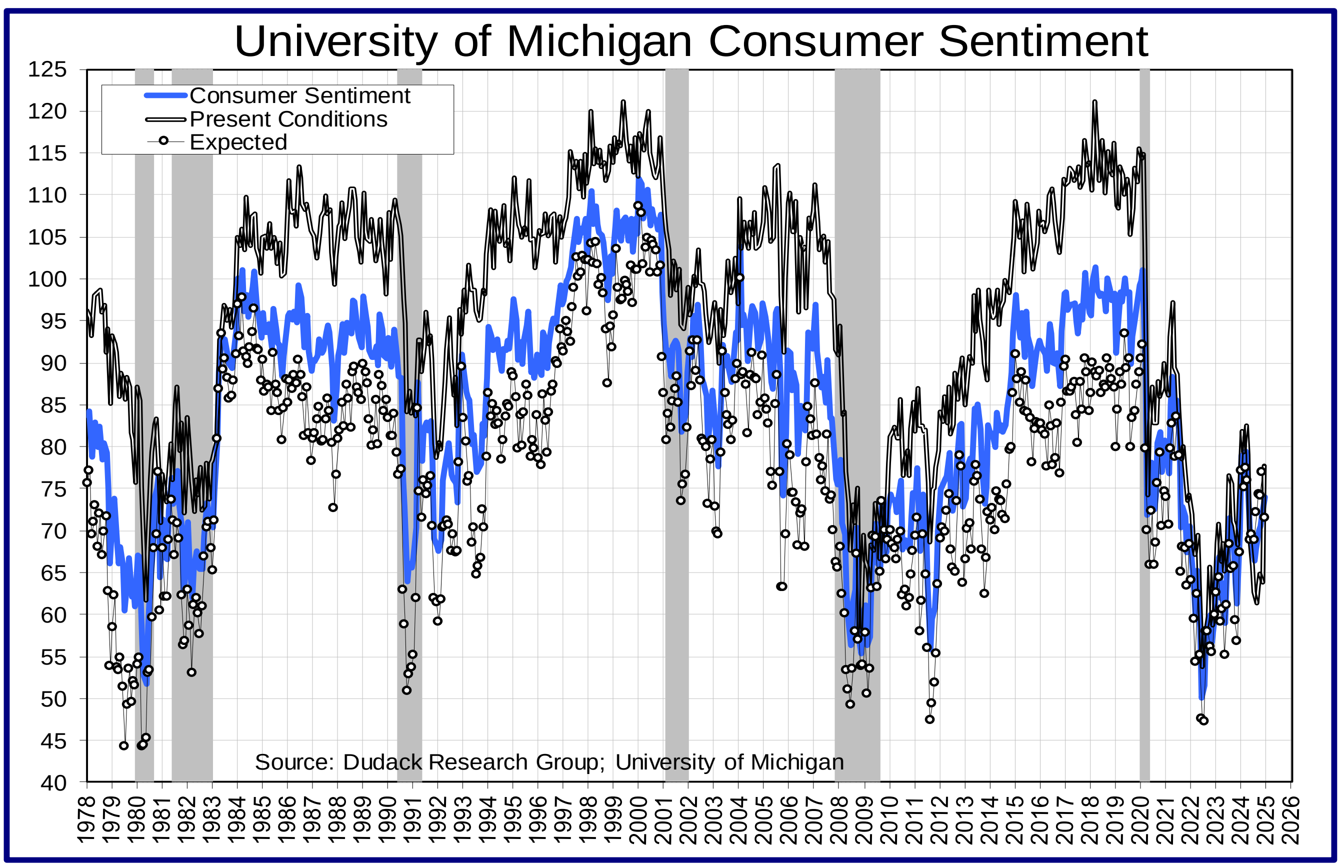
The ISM manufacturing index improved in November, rising from 46.5 to 48.4, but still remained below 50, a level showing contraction. Nevertheless, new orders were a highlight and rose from 47.1 to 50.4. The ISM nonmanufacturing index was 52.1, down from 56.0 in October, a sign that the service sector continues to expand, but at a slower pace. The index is now at its lowest level since August of this year and business activity and new orders fell from 57.2 to 53.7 and 57.4 to 53.7, respectively, in the month.



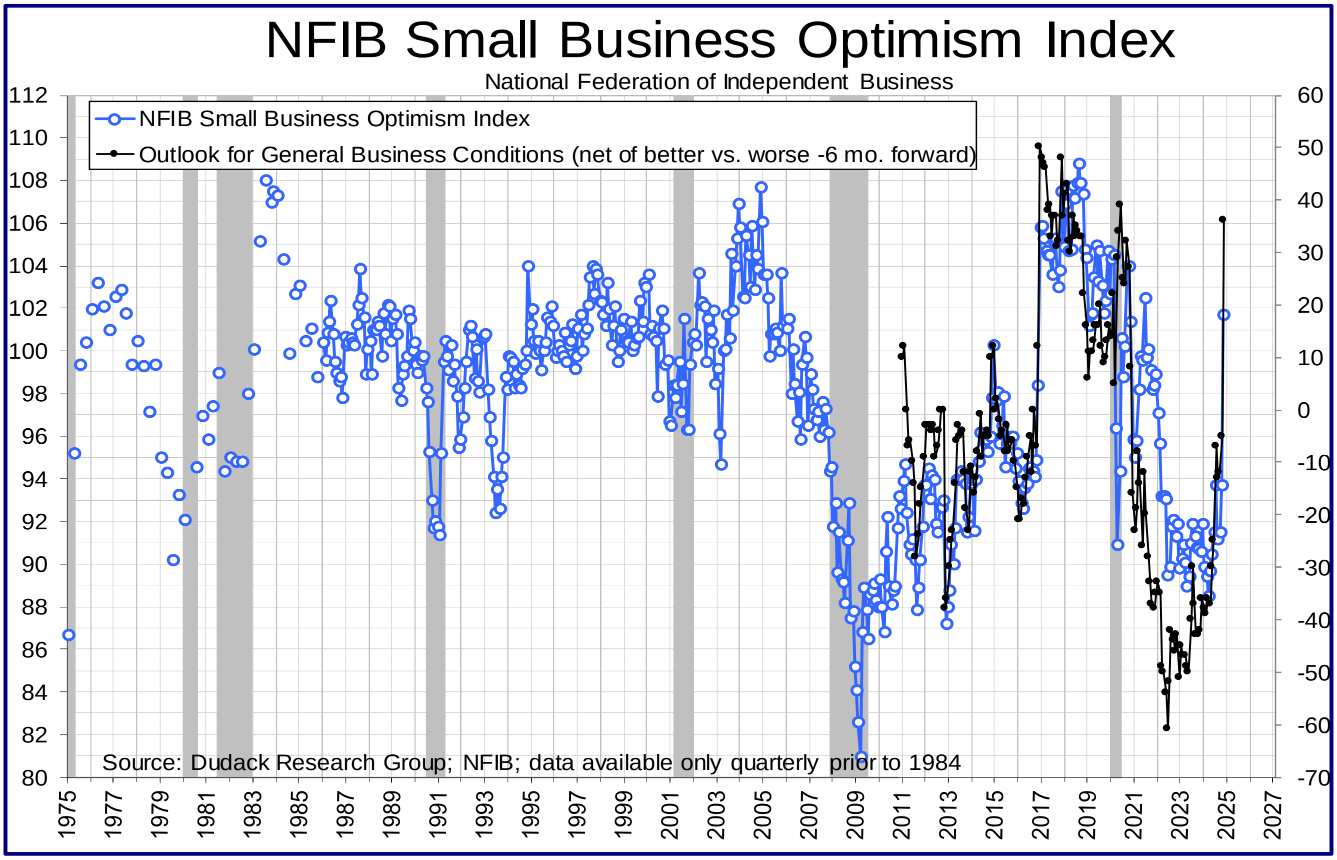


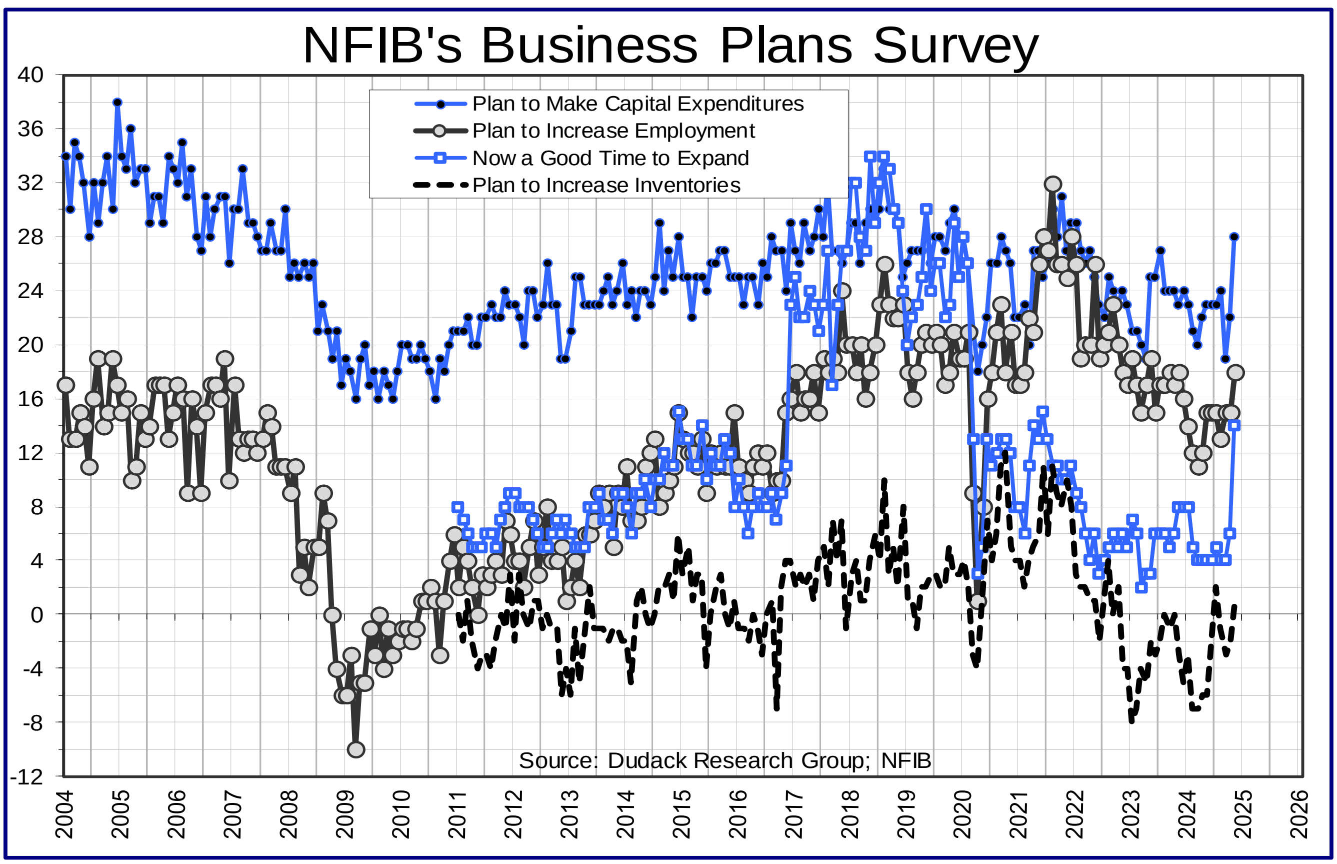
Both the Conference Board and University of Michigan consumer sentiment indices displayed clear upticks in confidence in November. The preliminary survey for December's University of Michigan sentiment revealed another 2.2-point increase from 71.8 to 74.0. However, all of that increase came from the present conditions segment of the survey which jumped a stunning 13.8 points to 77.7. The expectations index, which had been trending upward, fell 5.3 points to 71.6, its lowest level since July.



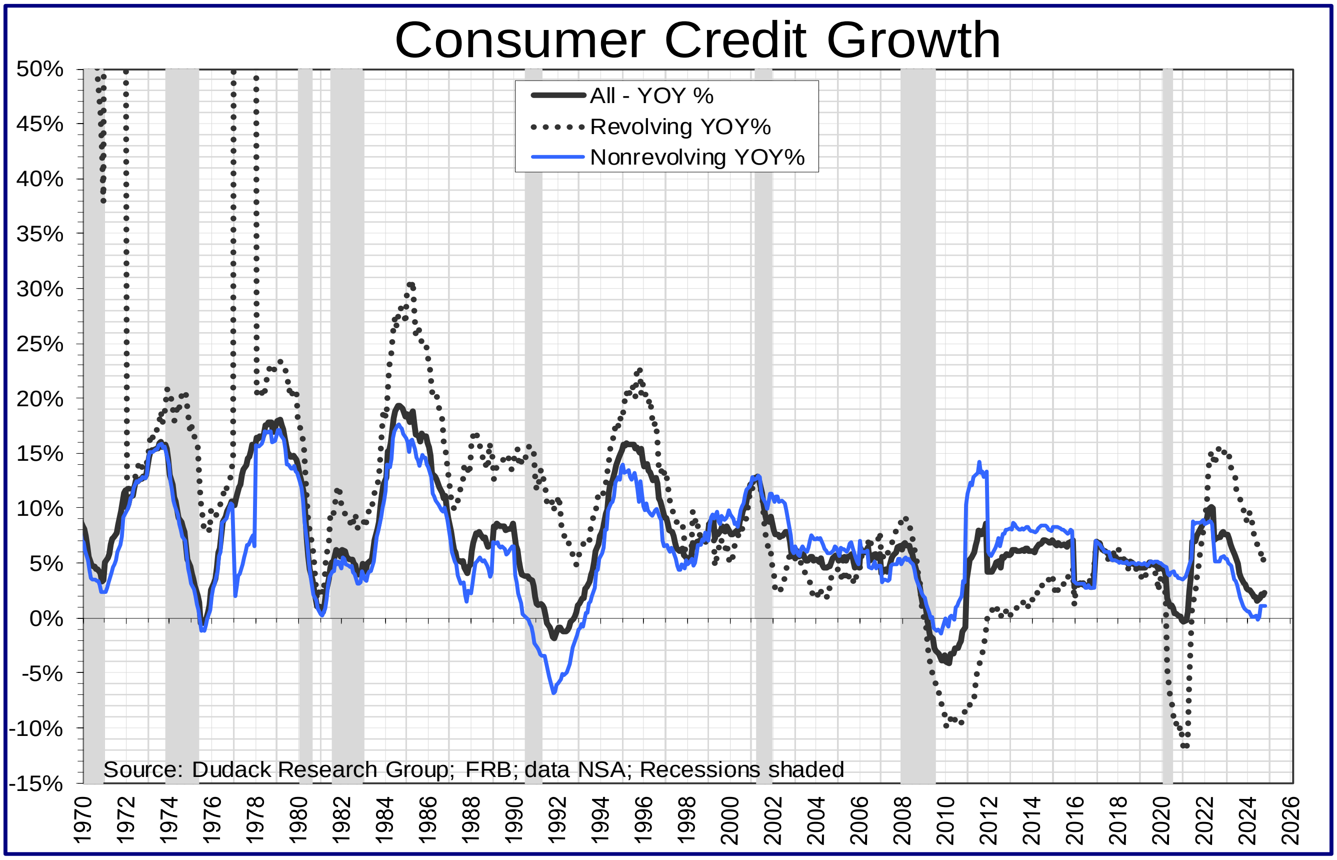


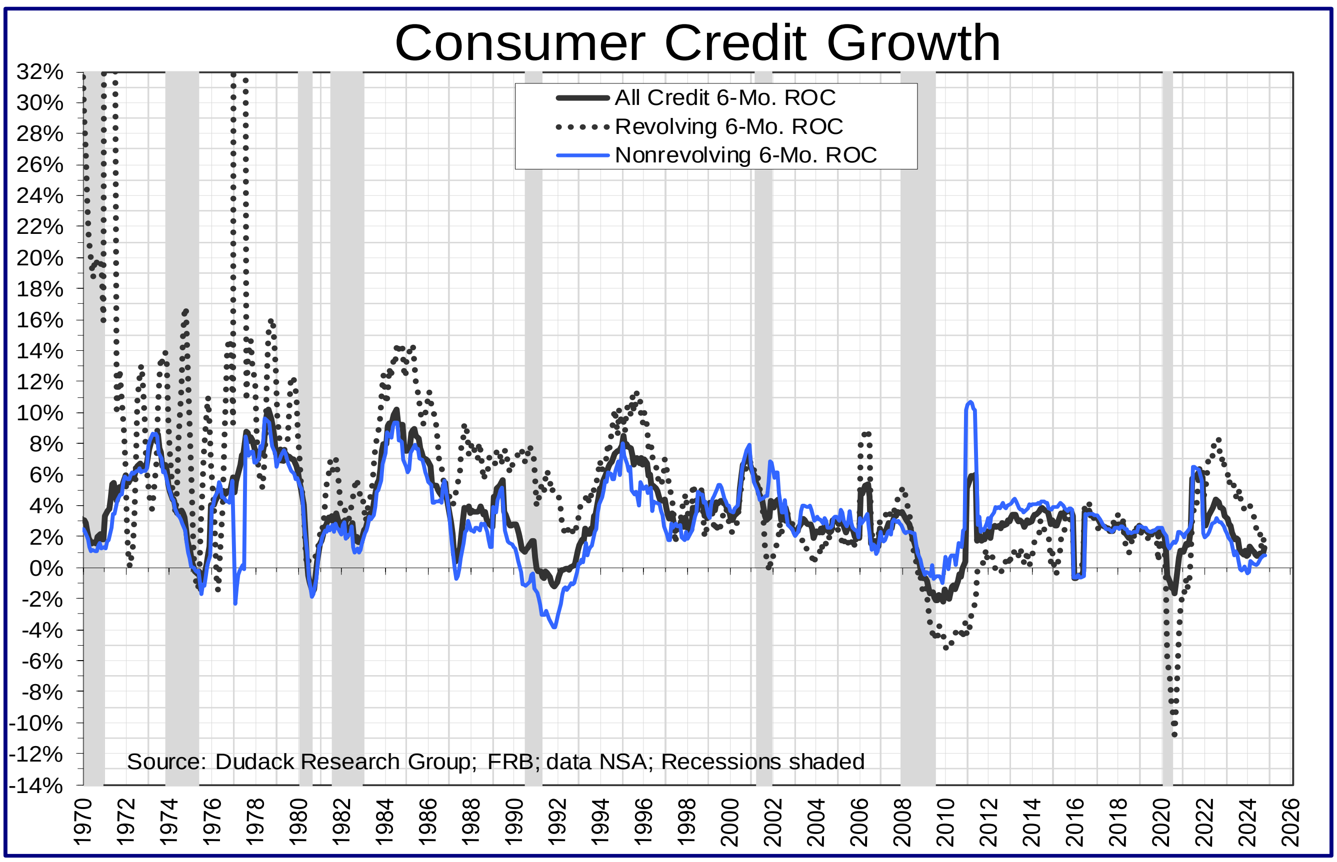
In a definitive response to the presidential election, November's NFIB small business optimism index jumped 8 points to 101.7 from 93.7, its highest level since June 2021. The NFIB outlook for general business conditions index went from negative 5 to 36, its highest level since June 2020. All categories improved in November and plans for capital expenditures, additional employment, expansion, and an increase in inventories improved in the month.





Consumer credit expanded by $19.2 billion in October, up from the $3.2 billion increase in September. Most of the increase came from revolving credit which rose by $15.7 billion. This expansion in credit is a positive omen for the broader economy since contractions in consumer credit tend to be associated with a recession. We have been monitoring consumer credit since total credit grew by a mere 1.5% YOY in June and nonrevolving credit contracted 0.2% YOY in the same month. Therefore, October's expansion in credit is a favorable event.



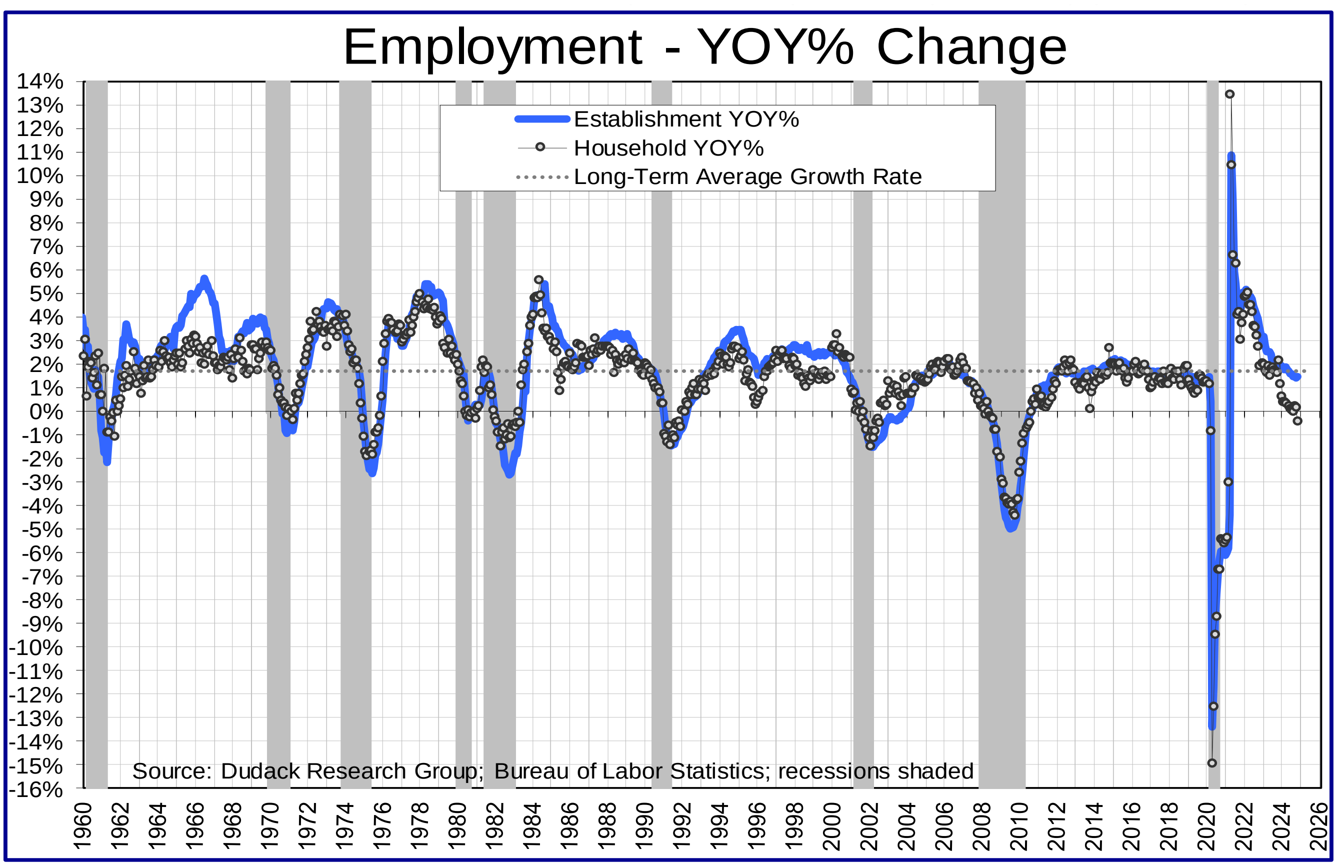


The payroll release indicated there was an increase of 227,000 new jobs in the month of November, of which 194,000 were in the private sector and primarily in the services sector of the economy. There was also a positive revision of 24,000 jobs for October and a positive 32,000 for the month of September which equates to a total increase of 283,000 jobs in the report. However, the unemployment rate increased from 4.1% to 4.2%. This ratio comes from the household survey, which is much broader than the establishment survey, and it told a different story. It indicated there was a decrease of 355,000 jobs in the month and an increase of 161,000 people unemployed. This also means that the civilian labor force (the total of employed and unemployed) declined by 194,000, to just under 168.3 million. The participation rate also fell 0.1 to 62.5 and the employment-population ratio fell 0.2 to 59.8. The employment-population ratio is now the lowest since early 2022.

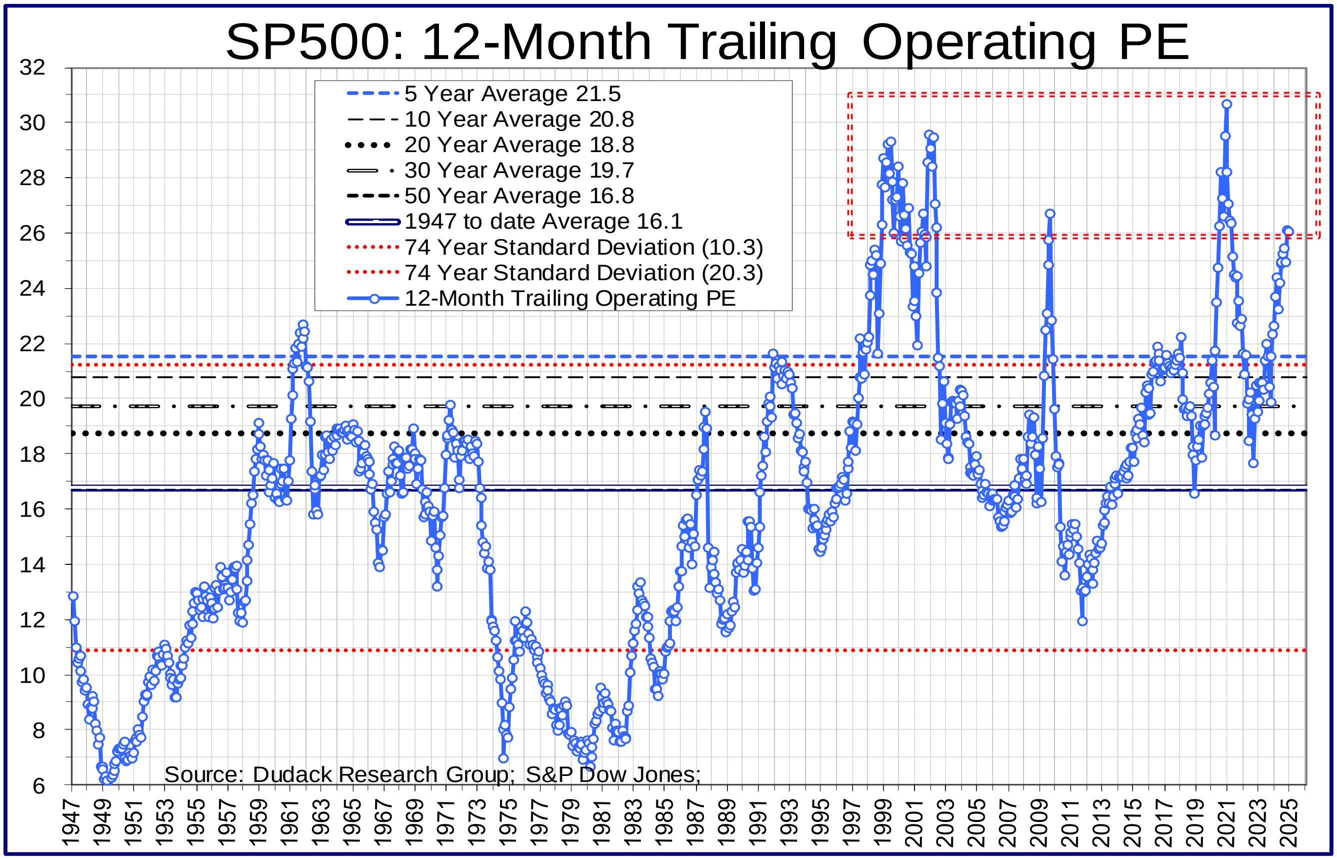
Our favorite indicator of economic strength or weakness is the year-over-year change in the number of people employed. According to the establishment (or payroll) data job growth was 1.45% YOY in November, just below the long-term average of 1.69%. However, the household survey shows the number of people employed declined 0.45% YOY, contracting for the second time in four consecutive months. The long-term average growth rate for this series is 1.5% YOY. Our concern is that once the BLS finalizes its annual revisions to payroll data in January 2025, which is to be released in early February, it will be belatedly show that the job market has been slowly contracting.

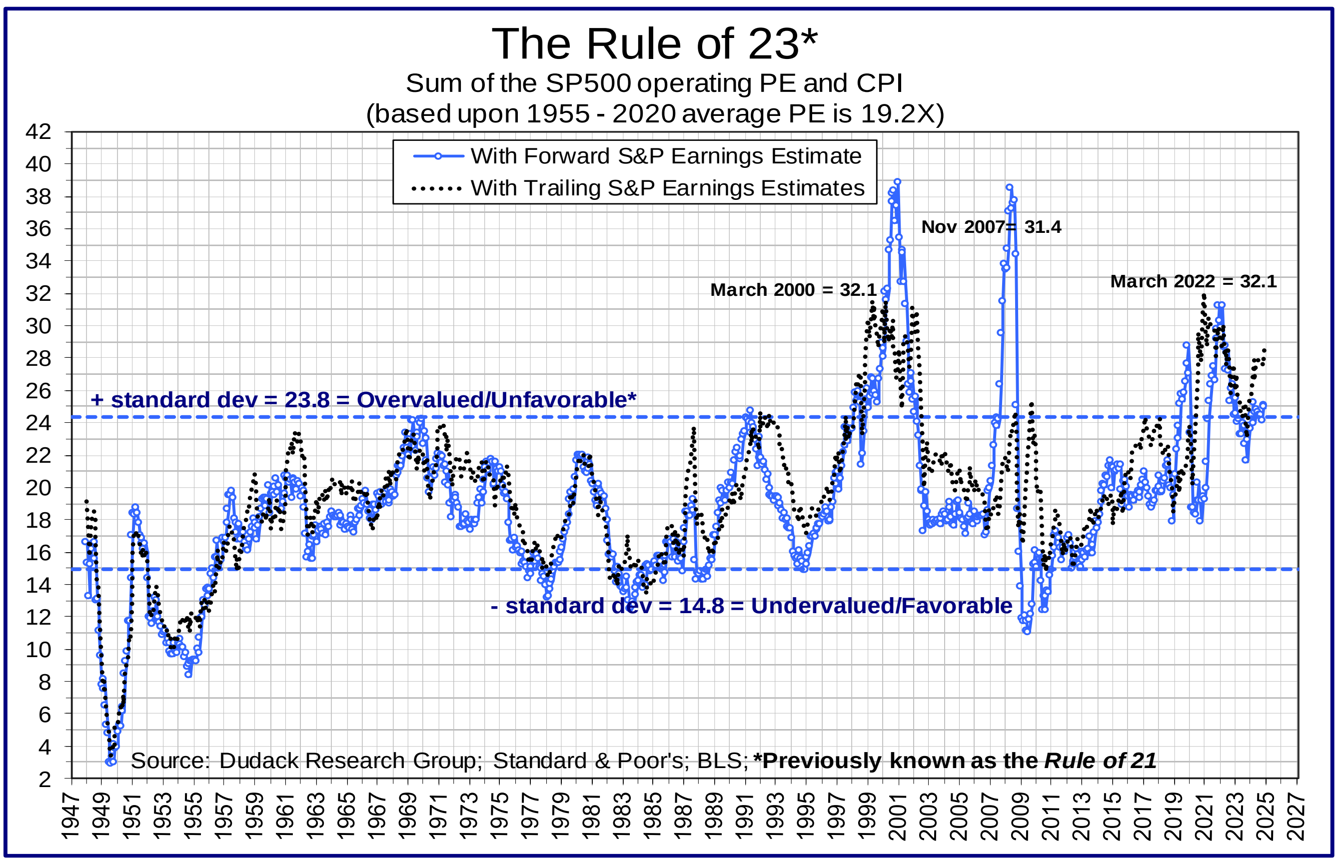
Employment Surveys (1,000s SA)	Nov-24	Oct-24	Change	Nov-23	Yr/Yr
Establishment Survey: NonFarm Payrolls	159,288	159,061	227	157,014	2,274
Household Survey Data (1,000s)					
Employed (A)	161,141	161,496	(355)	161,866	(725)
Unemployed (B)	7,145	6,984	161	6,262	883
Civilian labor force [A+B]	168,286	168,480	(194)	168,128	158
Unemployment rate [B/(A+B)]	4.2%	4.1%	0.1%	3.7%	0.5%
U6 Unemployment rate	7.8%	7.7%	0.1%	7.0%	0.8%
Civilian noninstitutional population (C)	269,463	269,289	174	267,822	1,641
Participation rate [(A+B)/C]	62.5	62.6	-0.1	62.8	-0.3
Employment-population ratio [A/C]	59.8	60.0	-0.2	60.4	-0.6
Not in labor force	101,177	99,849	1,328	99,695	1,482

Source: Bureau of Labor Statistics

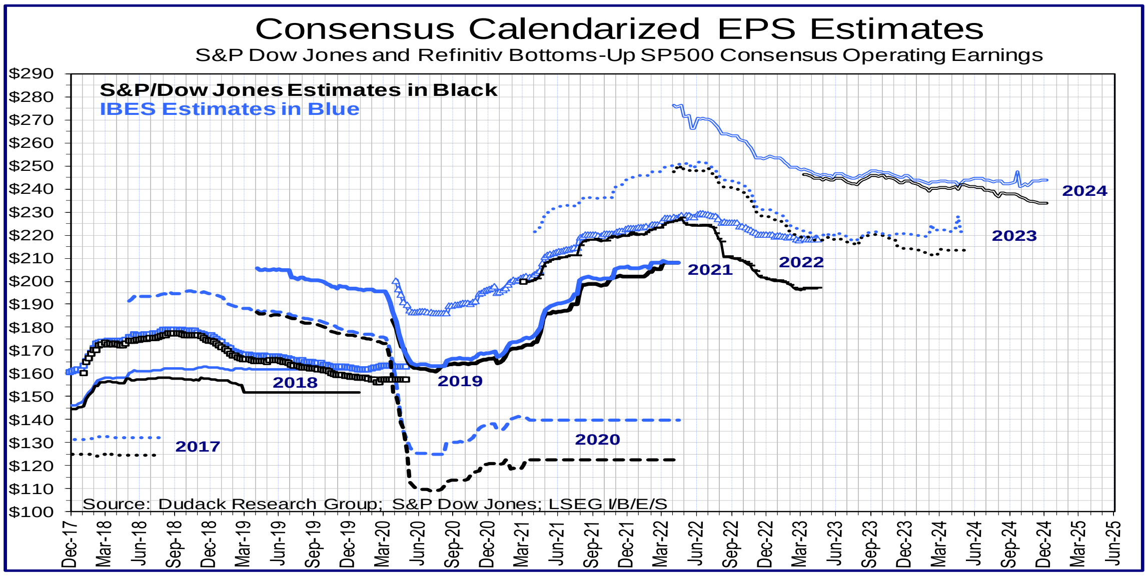


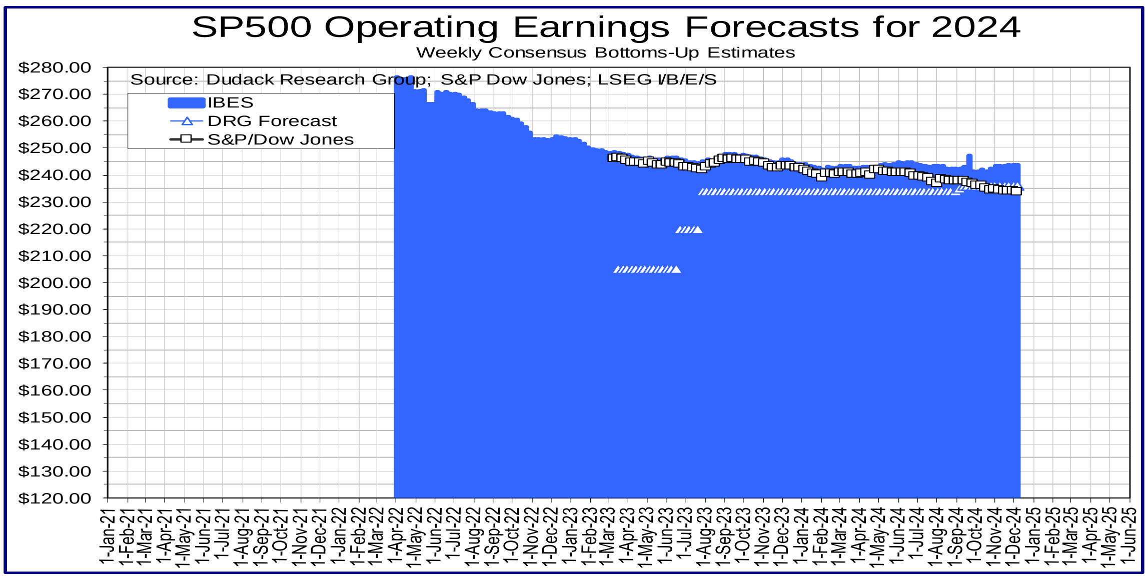
Valuation is not supportive of equities, but momentum, hope, and sentiment are now overruling valuation. The SPX **trailing** 4-quarter operating multiple is 25.8 times, and well above all long- and short-term averages. The **12-month forward** PE multiple is 22.1 times and when added to inflation of 2.6%, sums to 24.7, 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.

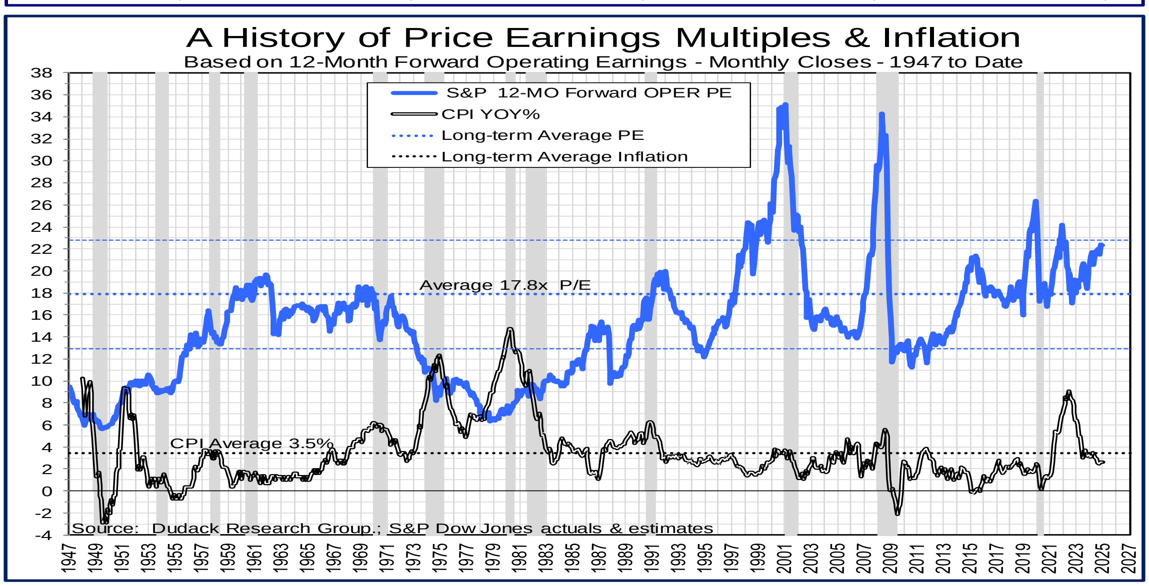




The S&P Dow Jones consensus estimate for calendar 2024 is $233.73, down $0.15 and the 2025 estimate is $272.92, down $0.33 this week. The LSEG IBES estimate for 2024 is $243.71, down $0.08 and the estimate for 2025 is $275.06, down $0.01. The IBES guesstimate for 2026 EPS is $310.13, down $0.06. The current rally is all PE expansion and based on hope that the new administration will improve the economy and earnings growth. This may prove to be true, but much good news is being priced in and is a warning for 2025.





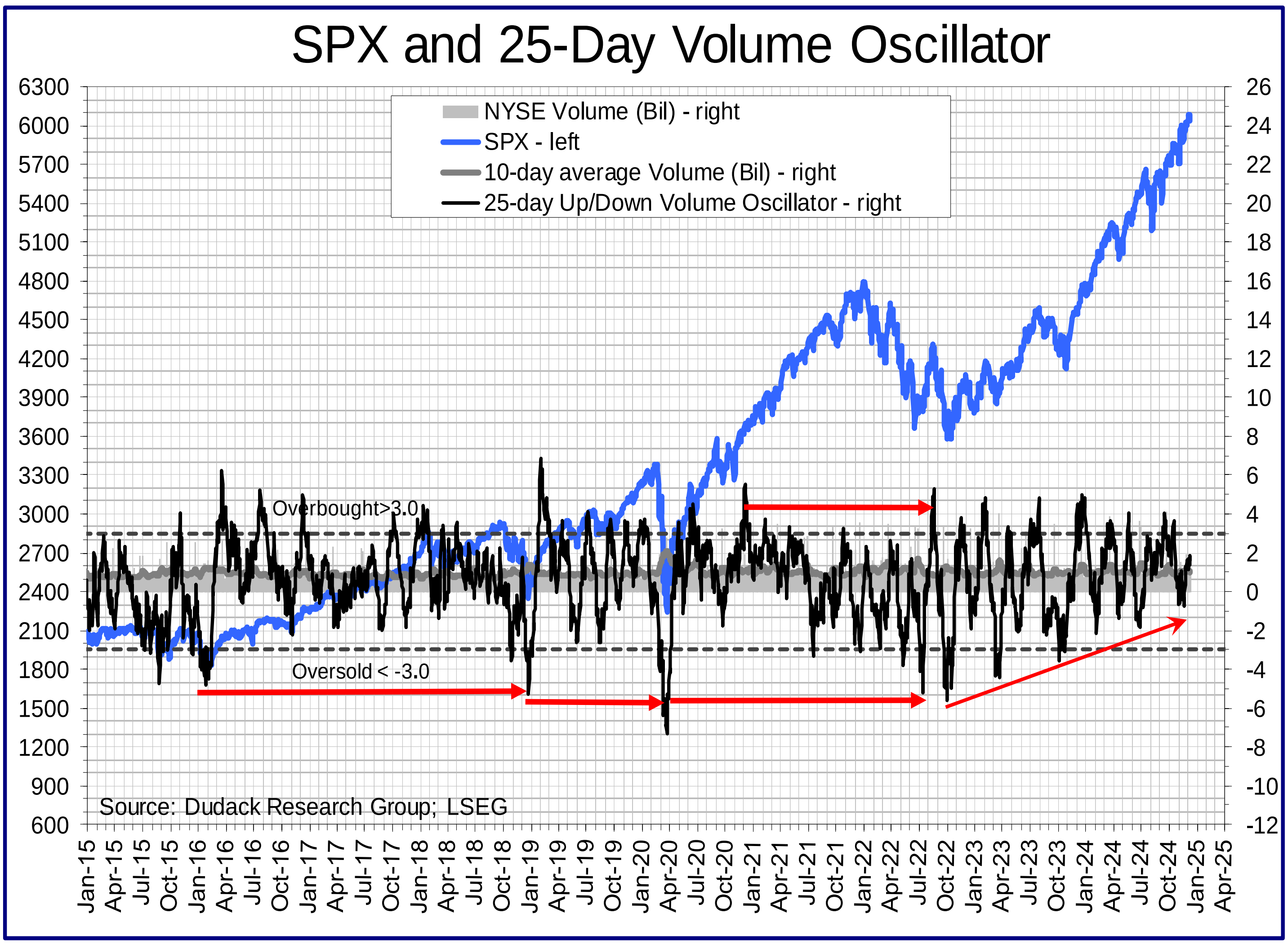


Most equity indices have recorded all-time highs recently, including the DJ Transportation and Utility averages and momentum remains favorable. The Russell 2000 index has been testing its record high of 2442.74 on an intra-day basis, but to date, has failed to close and remain above this level. This will be the most interesting index to monitor in coming weeks.

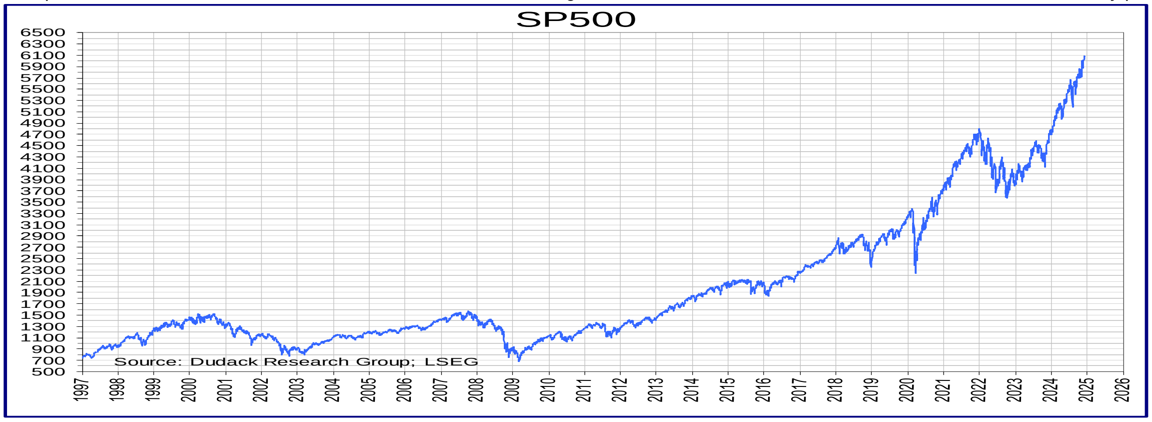
Source: LSEG Refinitiv

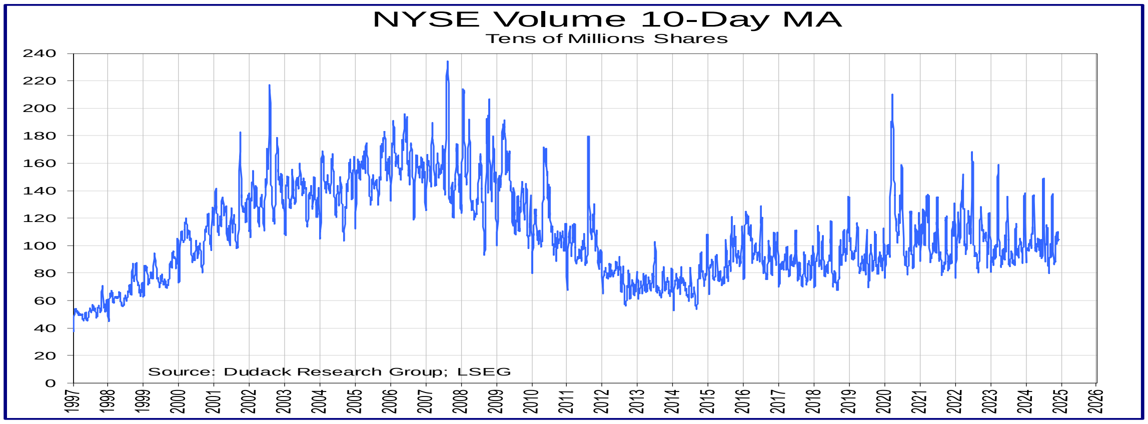
The 25-day up/down volume oscillator is 1.39, neutral, and relatively unchanged from last week. The good news is that this indicator is not yet overbought, which would be indicative of a stretched or vulnerable marketplace. However, since this indicator measures the level of volume supporting an advance, we would be concerned if the oscillator does not reach overbought territory in coming days or weeks to confirm the new highs.

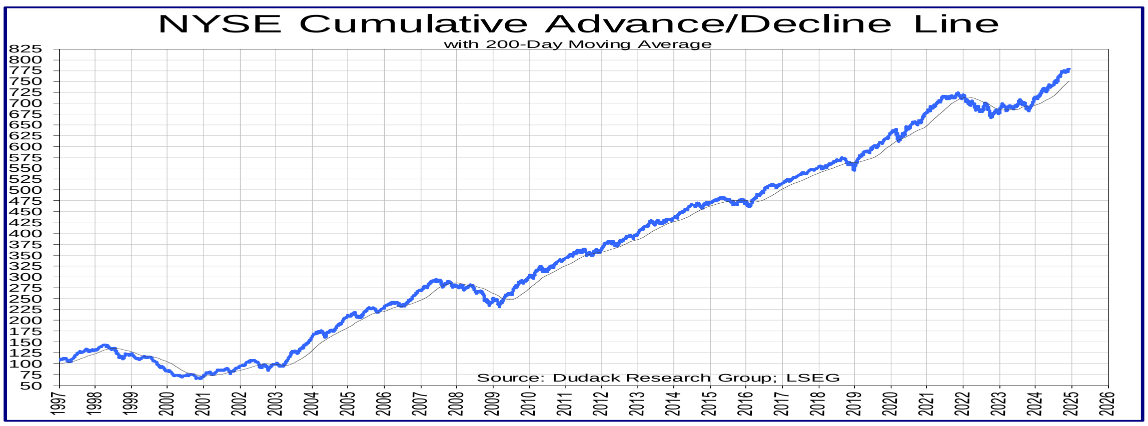
Again, with most of the indices recently at or near all-time highs, it is important for this indicator to continue to confirm the advance with an overbought reading of at least 5 consecutive days in the days or weeks ahead to confirm that volume is supporting higher prices. Strong volume in advancing stocks is a critical element of a successful bull market.

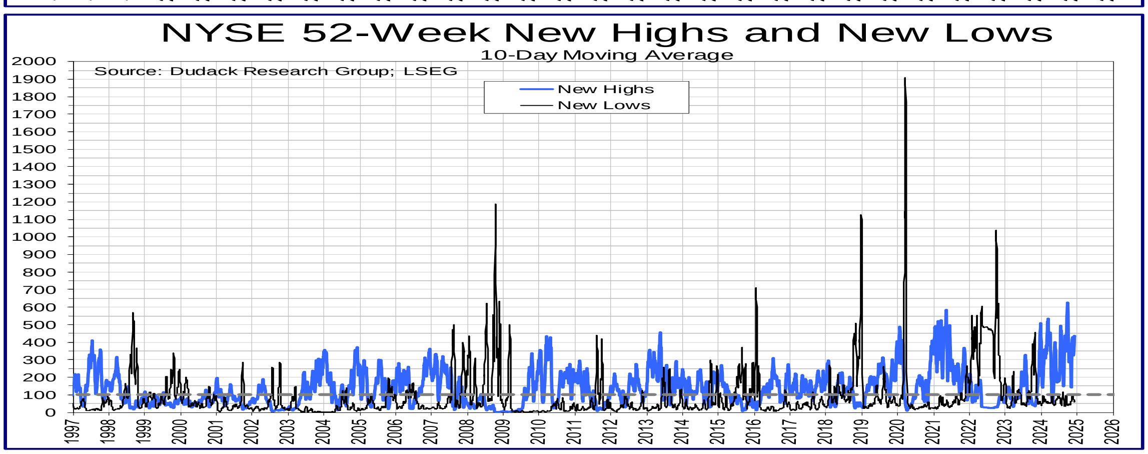


The 10-day average of daily new highs is 330 this week and new lows are averaging 61. This combination of new highs above 100 and new lows below 100 is a bit weaker than last week, but remains positive. The NYSE advance/decline line made a new record high on November 29, 2024. In sum, breadth indicators are uniformly positive.

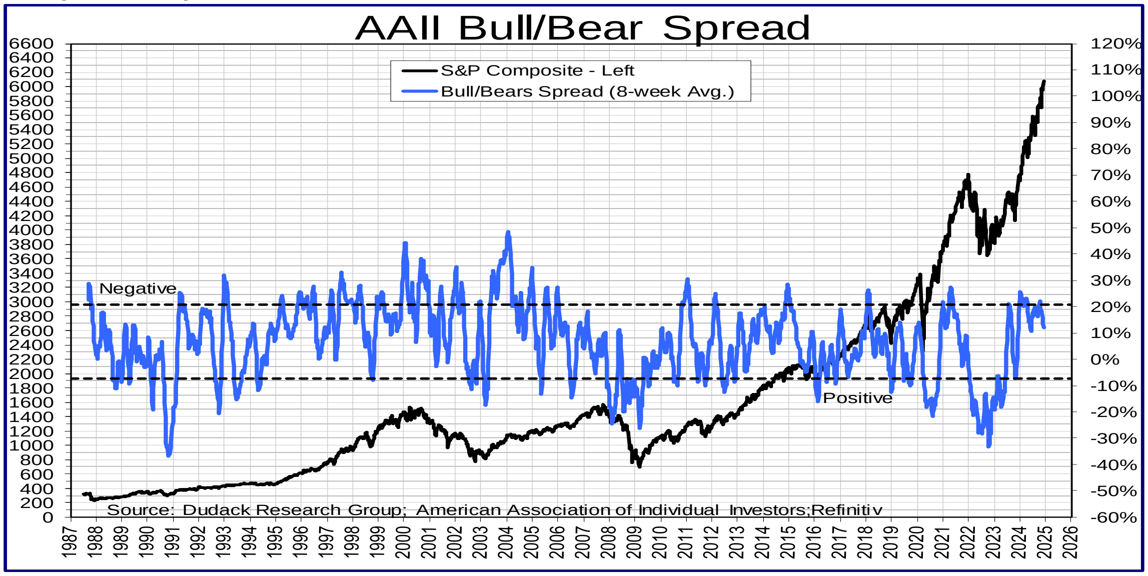


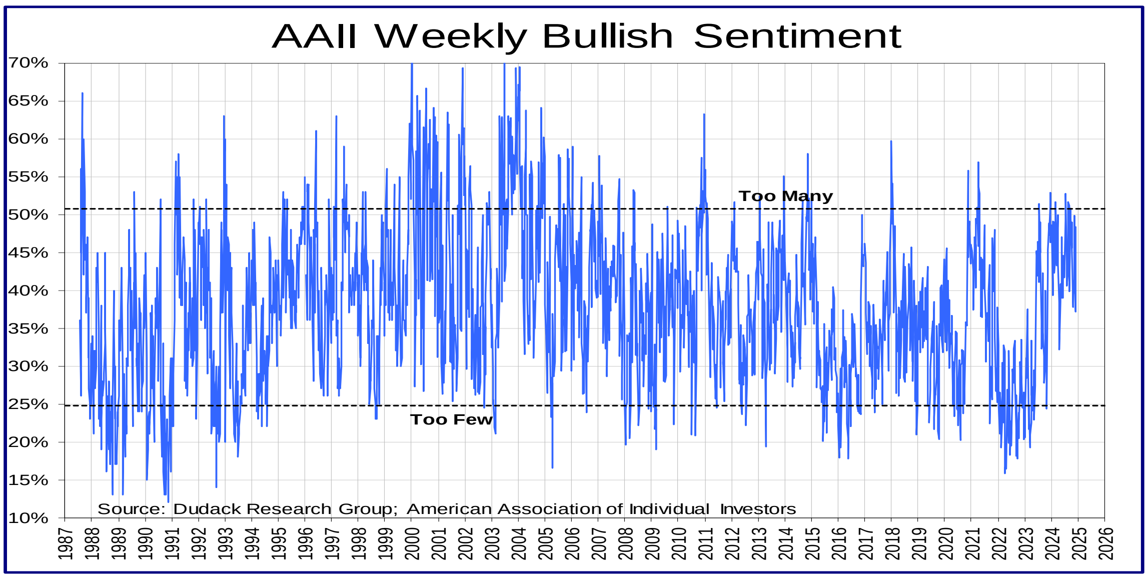


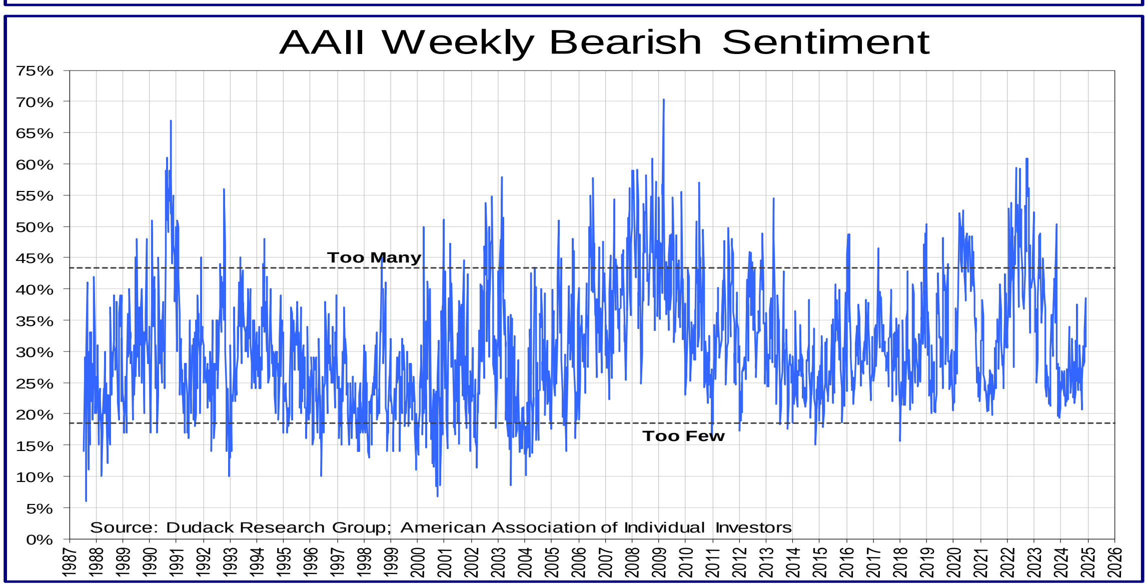




Last week's AAII survey showed bullishness jumped 11.2% to 48.3% and bearishness fell 7.9% to 30.7%. Bullishness is back above average, and bearishness is back below average after a one-week lapse. Extreme sentiment readings -- a negative signal -- were seen on December 13, 2023, when bearishness was 19.6%, its lowest level since the January 3, 2018 reading of 15.6%, and bullishness was 51.3%. The 8-week bull/bear fell to 12.0% and is neutral. The last negative readings were recorded in mid-October 2024.







GLOBAL MARKETS AND COMMODITIES - RANKED BY YEAR-TO-DATE TRADING PERFORMANCE

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
Communication Services Select Sector SPDR Fund	XLC	100.33	0.3%	4.3%	11.0%	38.1%
Silver Future	SIc1	32.36	4.1%	3.2%	3.8%	35.7%
iShares Russell 1000 Growth ETF	IWF	408.98	1.2%	2.6%	9.0%	34.9%
iShares Silver Trust	SLV	30.38	2.5%	1.8%	2.1%	33.4%
iShares China Large Cap ETF	FXI	31.78	4.2%	1.0%	0.0%	32.3%
Financial Select Sector SPDR	XLF	49.70	-1.5%	1.0%	9.7%	32.2%
Nasdaq Composite Index Tracking Stock	ONEQ.O	77.63	1.0%	2.1%	8.4%	31.0%
SPDR Gold Trust	GLD	248.59	1.9%	0.3%	2.3%	30.0%
Consumer Discretionary Select Sector SPDR	XLY	232.44	3.7%	8.1%	16.0%	30.0%
SPDR S&P Bank ETF	KBE	59.64	-1.8%	0.2%	12.8%	29.6%
NASDAQ 100	NDX	21368.18	0.7%	1.2%	6.5%	27.0%
iShares Russell 1000 ETF	IWB	332.37	-0.2%	1.0%	5.7%	26.7%
SP500	.SPX	6034.91	-0.2%	0.7%	4.7%	26.5%
Utilities Select Sector SPDR	XLU	78.12	-2.9%	-1.3%	-3.3%	23.4%
iShares MSCI Singapore ETF	EWS	23.04	0.6%	3.7%	4.0%	23.2%
SPDR Homebuilders ETF	XHB	117.53	-3.9%	-1.0%	-5.6%	22.9%
Technology Select Sector SPDR	XLK	235.95	-0.4%	-0.5%	4.5%	22.6%
iShares Russell 2000 Growth ETF	IWO	307.79	-1.6%	-0.6%	8.4%	22.0%
Industrial Select Sector SPDR	XLI	139.00	-2.1%	-2.2%	2.6%	21.9%
iShares US Telecomm ETF	IYZ	27.41	-2.0%	1.0%	8.5%	20.4%
iShares Russell 2000 ETF	IWM	236.70	-1.4%	-0.6%	7.2%	17.9%
SPDR DJIA ETF	DIA	443.69	-0.9%	0.8%	4.9%	17.7%
DJIA	.DJI	44247.83	-1.0%	0.6%	4.5%	17.4%
iShares Russell 1000 Value ETF	IWD	193.80	-1.9%	-0.8%	2.1%	17.3%
iShares MSCI Taiwan ETF	EWT	53.93	-0.9%	-3.7%	0.1%	17.2%
iShares MSCI Malaysia ETF	EWM	24.88	1.5%	-0.2%	-8.0%	17.1%
SPDR S&P Retail ETF	XRT	83.94	0.8%	6.0%	8.0%	16.1%
iShares MSCI Canada ETF	EWC	42.53	-1.1%	2.0%	2.4%	15.9%
PowerShares Water Resources Portfolio	PHO	70.52	-2.2%	-1.1%	0.0%	15.9%
Shanghai Composite	.SSEC	3422.66	1.3%	-0.9%	2.6%	15.0%
Consumer Staples Select Sector SPDR	XLP	82.64	-0.1%	2.3%	-0.4%	14.7%
iShares Russell 2000 Value ETF	IWN	176.76	-1.1%	-0.6%	6.0%	13.8%
iShares MSCI India ETF	INDA.K	55.51	0.8%	2.1%	-5.2%	13.7%
iShares MSCI BRIC ETF	BKF	38.77	2.3%	0.0%	-4.2%	13.4%
SPDR S&P Semiconductor ETF	XSD	253.01	-1.9%	0.6%	5.3%	12.6%
iShares MSCI Germany ETF	EWG	33.10	1.5%	3.1%	-2.2%	11.5%
iShares MSCI Emerg Mkts ETF	EEM	44.03	1.2%	-1.4%	-4.0%	9.5%
iShares MSCI Japan ETF	EWJ	70.08	-2.1%	0.9%	-2.0%	9.3%
Gold Future	GCc1	2970.10	0.2%	0.7%	1.7%	9.0%
iShares MSCI United Kingdom ETF	EWU	35.75	-0.4%	1.2%	-4.4%	8.2%
Energy Select Sector SPDR	XLE	90.25	-4.5%	-3.7%	2.8%	7.6%
iShares US Real Estate ETF	IYR	98.39	-2.0%	-1.5%	-3.4%	7.6%
Vanguard FTSE All-World ex-US ETF	VEU	60.26	-0.1%	-0.1%	-4.3%	7.3%
United States Oil Fund, LP	USO	71.40	-2.2%	-2.4%	2.1%	7.1%
Materials Select Sector SPDR	XLB	90.95	-3.7%	-3.7%	-5.6%	6.3%
Health Care Select Sect SPDR	XLV	144.10	-1.9%	-4.0%	-6.4%	5.7%
iShares MSCI EAFE ETF	EFA	79.31	-0.4%	0.2%	-5.2%	5.3%
iShares MSCI Australia ETF	EWA	25.58	-2.7%	-1.4%	-5.6%	5.1%
iShares Nasdaq Biotechnology ETF	IBB.O	140.56	0.4%	-5.6%	-3.5%	3.5%
iShares MSCI Hong Kong ETF	EWH	17.78	2.3%	-1.2%	-4.7%	2.4%
iShares MSCI Austria Capped ETF	EWO	21.66	2.6%	0.8%	-5.1%	0.2%
iShares iBoxx $ Invest Grade Corp Bond	LQD	110.25	0.3%	0.4%	-2.4%	-0.4%
Oil Future	CLc1	68.59	-1.9%	-2.5%	0.6%	-4.3%
iShares 20+ Year Treas Bond ETF	TLT	93.08	0.0%	0.6%	-5.1%	-5.9%
iShares DJ US Oil Eqpt & Services ETF	IEZ	20.55	-5.5%	-3.8%	2.3%	-6.3%
iShares MSCI South Korea Capped ETF	EWY	53.93	-3.4%	-8.9%	-15.7%	-17.7%
iShares MSCI Mexico Capped ETF	EWW	51.96	2.1%	-0.4%	-3.3%	-23.4%
iShares MSCI Brazil Capped ETF	EWZ	25.81	1.6%	-6.9%	-12.5%	-26.2%

Outperformed SP500
Underperformed SP500

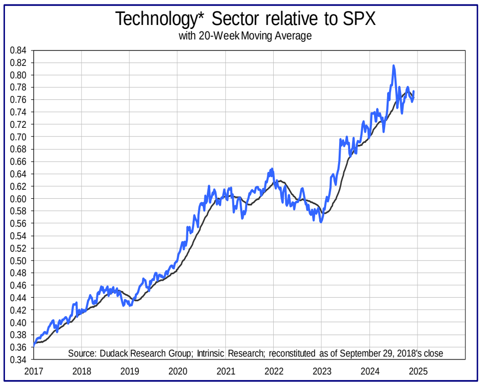
Source: Dudack Research Group; Refinitiv

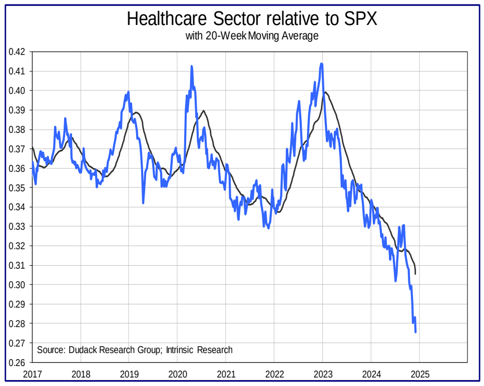
Priced as of December 10, 2024

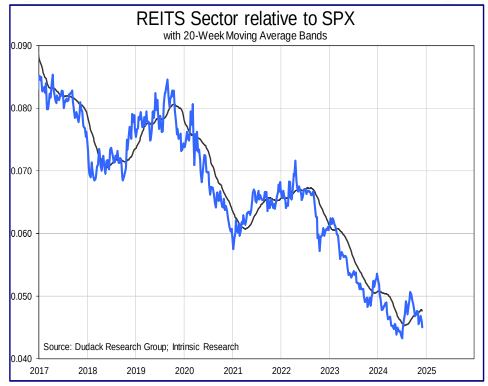
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

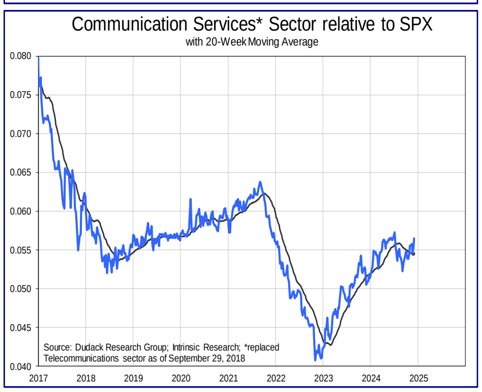
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Communication Services	Healthcare	REITS
Technology	Staples	Materials
Consumer Discretionary	Utililties	Energy
Financials	Industrials	

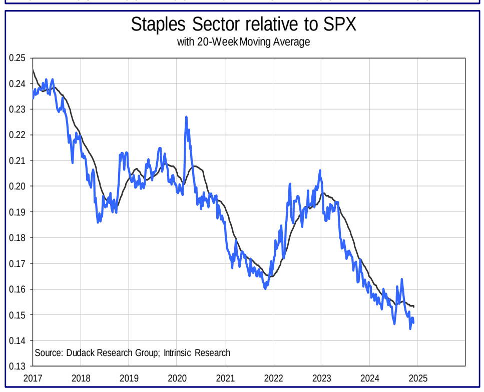
11/19/2024: Upgraded Consumer Discretionary from N to O; Downgraded Healthcare from O to N. 9/10/2024: Upgraded Utilities from U to N; Downgraded Energy from N to U.

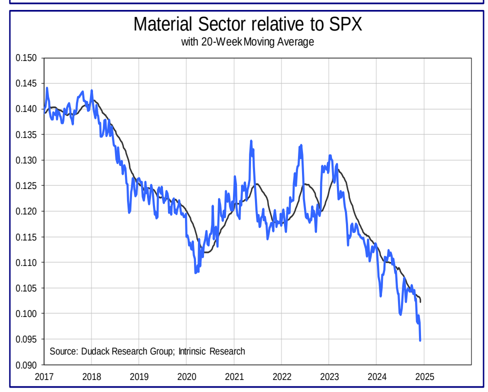


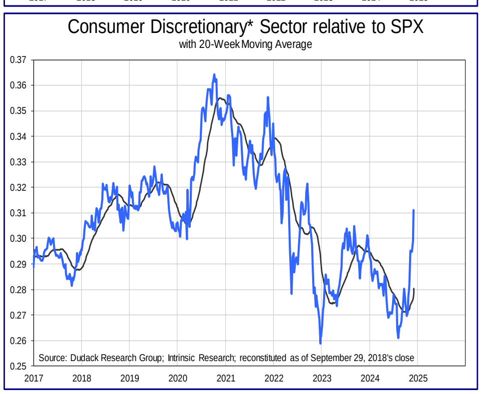


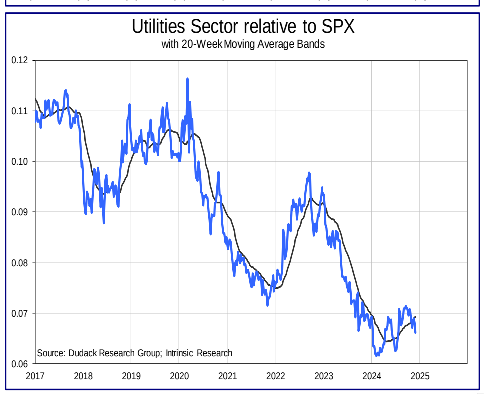


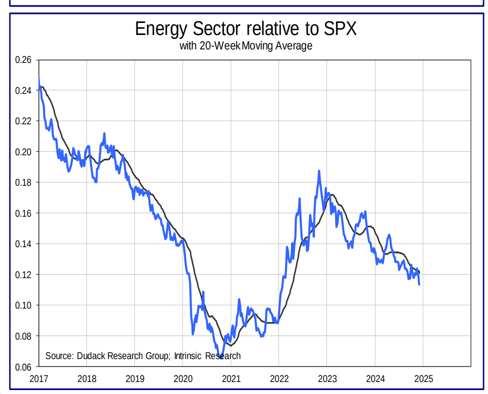


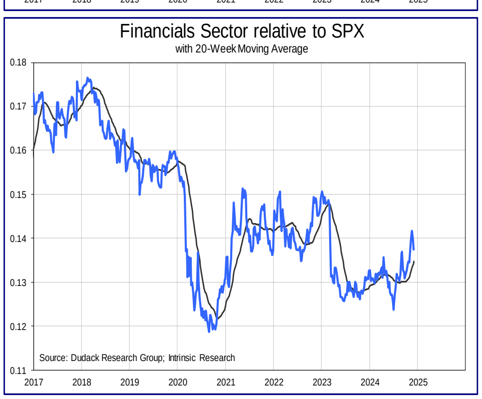


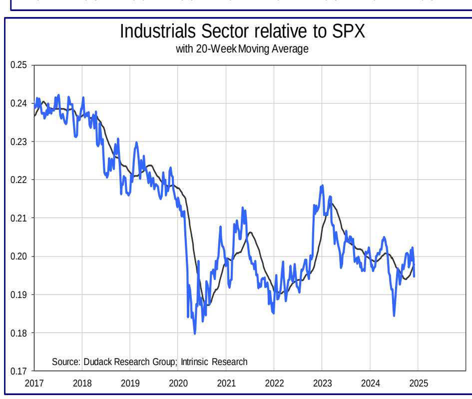












2024 Performance - Ranked	
SP500 Sector	% Change
S&P INFORMATION TECH	38.1%
S&P COMMUNICATIONS SERVICES	37.9%
S&P CONSUMER DISCRETIONARY	33.1%
S&P FINANCIAL	31.7%
S&P 500	26.9%
S&P UTILITIES	23.5%
S&P INDUSTRIALS	21.8%
S&P CONSUMER STAPLES	16.7%
S&P REITS	9.1%
S&P ENERGY	7.8%
S&P MATERIALS	6.7%
S&P HEALTH CARE	5.8%

Source: Dudack Research Group; Refinitiv; Monday closes

US Asset Allocation

	Benchmark	DRG %	Recommendation
Equities	60%	60%	Neutral
Treasury Bonds	30%	30%	Neutral
Cash	10%	10%	Neutral
	100%	100%	

Source: Dudack Research Group; 11/26/2024: moved 5% cash to equities

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 %
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%	$3,101.80	4.0%
2024E	~~~~~	$197.87	$233.72	$235.00	10.1%	$243.71	10.1%	25.8X	1.4%	NA	NA	NA
2025E	~~~~~	$172.75	$272.92	$270.00	14.9%	$275.06	12.9%	22.1X	NA	NA	NA	NA
2026E	~~~~~	$192.43	NA	$310.50	15.0%	$310.13	12.7%	NA	NA	NA	NA	NA
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 2Q	5521.50	$53.12	$58.36	$58.36	6.4%	$60.40	11.3%	25.2	1.3%	3.0%	$3,141.60	20.7%
2024 3QP	5521.50	$53.75	$59.55	$60.75	16.3%	$63.30	8.4%	24.4	1.3%	2.8%	$3,141.10	16.4%
2024 4QE*	6034.91	$56.86	$61.33	$61.26	13.7%	$61.92	8.3%	25.8	NA	NA	NA	NA
2025 1QE	NA	$57.72	$62.83	$63.75	16.7%	$63.20	11.7%	24.9	NA	NA	NA	NA
2025 2QE	NA	$60.90	$66.91	$65.25	11.8%	$67.27	11.4%	24.1	NA	NA	NA	NA
2025 3QE	NA	$65.12	$70.70	$68.00	11.9%	$70.97	12.1%	23.1	NA	NA	NA	NA
2025 4QE*	NA	$67.39	$72.48	$73.00	19.2%	$72.47	17.0%	22.1	NA	NA	NA	NA

Source: DRG; S&P Dow Jones **quarterly EPS may not sum to official CY estimates; LSEG IBES Consensus estimates *12/10/2024

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

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Prices are the close of December 10, 2024