Dudack Research Group
A Division of Wellington Shields & Co. LLC Member NYSE, FINRA & SIPC
Gail M. Dudack, CMT ● Chief Investment Strategist ● gail@dudackresearchgroup.com ● 212-320-2045
March 12, 2025

DJIA: 41433.48
SPX: 5572.07
NASDAQ: 17436.10

US Strategy Weekly
When Emotions Run High…

The S&P 500 is down 5.26% year-to-date and is currently 9.3% below its all-time high. More importantly, this 9.3% decline took place in just the last 14 trading sessions. But the real carnage has taken place in the Nasdaq Composite index, which is now 13.6% below its record high level and the Russell 2000 index, which has fallen 17.1% from its record peak. In short, the S&P 500 may be slightly short of the 10% correction level, but many stocks, particularly in the small capitalization and technology sectors, have experienced a full bear market in the last two months. This is the bad news. The good news is that perpendicular moves in the equity indices tend to be counter to the major trend. Dramatic moves reflect emotion, either fear or greed, and are rarely the beginning of a new trend. This should be some consolation for investors.

The other bit of good news is that the stock market appears to be discounting a recession, which may or may not occur. At the moment there is no real evidence that a recession is ahead, although there are a few warnings which we will discuss this week. The catalyst for this week's bloodbath is entirely President Trump, who first shied away from negating the prospect of a recession and then shocked global investors by threatening to place 50% tariffs on Canadian goods. All in all, this meant that there is no way to predict what President Trump's next move might be and this rising uncertainty drove investors to the exits.

Without the need or ability to run for another four-year term, President Trump, appears to be playing hardball both domestically and internationally to fix a myriad of problems such as runaway fiscal deficits, bureaucracies with no oversight, unfair trade practices, and wars in Europe and the Middle East. None of these problems are easy to fix and they are all serious. But after only 50 days in office, Trump seems to be making progress on many of these issues, but not without creating an uproar in Washington DC and Europe!

Technically Speaking

The key market index to monitor in our view is the Russell 2000 index, which has dropped back to the 2000 level. This level was resistance throughout 2022-2023 and part of 2024 and should now act as support on the downside. Failure to hold at the 2000 level would be a warning that a recession may be a real concern. See page 12.

The 25-day up/down volume oscillator is at minus 0.87 this week, neutral, and surprisingly up for the week. This is shocking in many ways, but our oscillator only uses NYSE volume versus composite volume in order to try to eliminate the noise from program and algorithmic trading that now dominates daily composite volume. Automated trading techniques rely on volatility but do not reflect the conviction of investors. Our indicator looks to measure the conviction behind price moves. Twice this year this oscillator rose close to an overbought reading of 3.0 or greater but failed to confirm the rally earlier this year. Now we expect the market to bottom out before recording a long or deep oversold condition, in keeping with a long-term bull market cycle. See page 13.

Last week's AAII survey showed bullishness fell 0.1% to 19.3% and bearishness fell 3.5% to 57.1%. Bullishness is below average for the eighth time in 10 weeks, was last lower on March 16, 2023, and was among the lowest 66 readings in the survey's history. Bearishness is above average for the 14th time in 16 weeks. These numbers now exceed the bull/bear split of 20/50 which is rare and favorable. The 8-week bull/bear is minus 14.1% and the most positive since March/April of 2023. Again, bear markets rarely begin with this level of skepticism. See page 15. The 10-day average of daily new highs fell to 94 this week and new lows are averaging 128. This combination of daily new highs below 100 and new lows above 100 is a change that turns this indicator from neutral to negative and is the only real negative in our collection of indicators. See page 14.

Liquidity is what drives bull markets, and even though the Federal Reserve's quantitative tightening continues, liquid deposits at commercial banks continue to rise. Both demand deposits and retail money market funds reached record highs recently and total liquid assets in the financial system equal $19.3 trillion, close to the record $19.88 trillion seen in April 2022 during the post-pandemic fiscal stimulus. Cash is currently 34% of total estimated market capitalization of $57.2 trillion – not a record, but a healthy level. In short, fear is generating selling at the moment, but there is plenty of cash on the sidelines once the fear dissipates. See page 9.

An Economic Mix

The increase of 151,000 new jobs in February and the small rise in the unemployment rate from 4.0% to 4.1% was reassuring, particularly with the increase in recession fear. Our favorite employment benchmark measures the year-over-year change in total employment in both the establishment and household surveys. Both indices indicated growth in jobs in February that was slightly below their long-term averages, but still solid and improving. In our view, this was one of the best features of the February report. See page 3. But there were quirks in the February report including the sharp increase in U-6 unemployment rate, which jumped a full percentage point to 8.5%. There was also a 393,000 increase in multiple job holders, indicating that multiple job holders represent 5.6% of total employment, the highest since 5.7% in October 2004. However, this was not a record percentage when compared to total employment. Still, these two statistics may be signs of rising stress in the job market. Nevertheless, the Misery Index (the sum of inflation and unemployment) sits at 7.1% and is comfortably in the neutral zone of 5.8% to 12.6%. See page 5.

Earnings were a bright spot in the February report and average hourly earnings rose $0.09 to $30.89, reflecting a 4.1% YOY increase. Real hourly earnings rose 1.1% YOY in February, down from the recent 1.7% YOY peak seen in September 2024, but still showing real growth in earnings and purchasing power. See page 6.

Consumer credit has been on our radar for months and total credit expanded $18.1 billion in January. But the real story was that December's previously reported $48 billion growth in credit was dramatically revised to a $100 billion contraction. Discontinuities in source data explain much of this adjustment; however, inflation-adjusted nonrevolving credit per capita has been decelerating since 2021 and revolving credit has been slowing more recently. The revision in December's data resulted in the 6-month ROC and the YOY growth in credit turning negative, which is often a sign of a strapped consumer and a pending recession. This is a worrisome sign. See page 7.

The ISM Nonmanufacturing index increased for the 8th straight month in February and indicated that the service sector was expanding for the 54th time out of the last 57 months. Seven of the 9 components increased in February. Not surprisingly, the inventories index rose the most, from 47.5 to 50.6, as businesses ordered ahead of new tariffs. Most importantly, new orders rose from 51.3 to 52.2 and the employment index increased from 52.3 to 53.0, reflecting solid growth in the service sector in the first quarter.

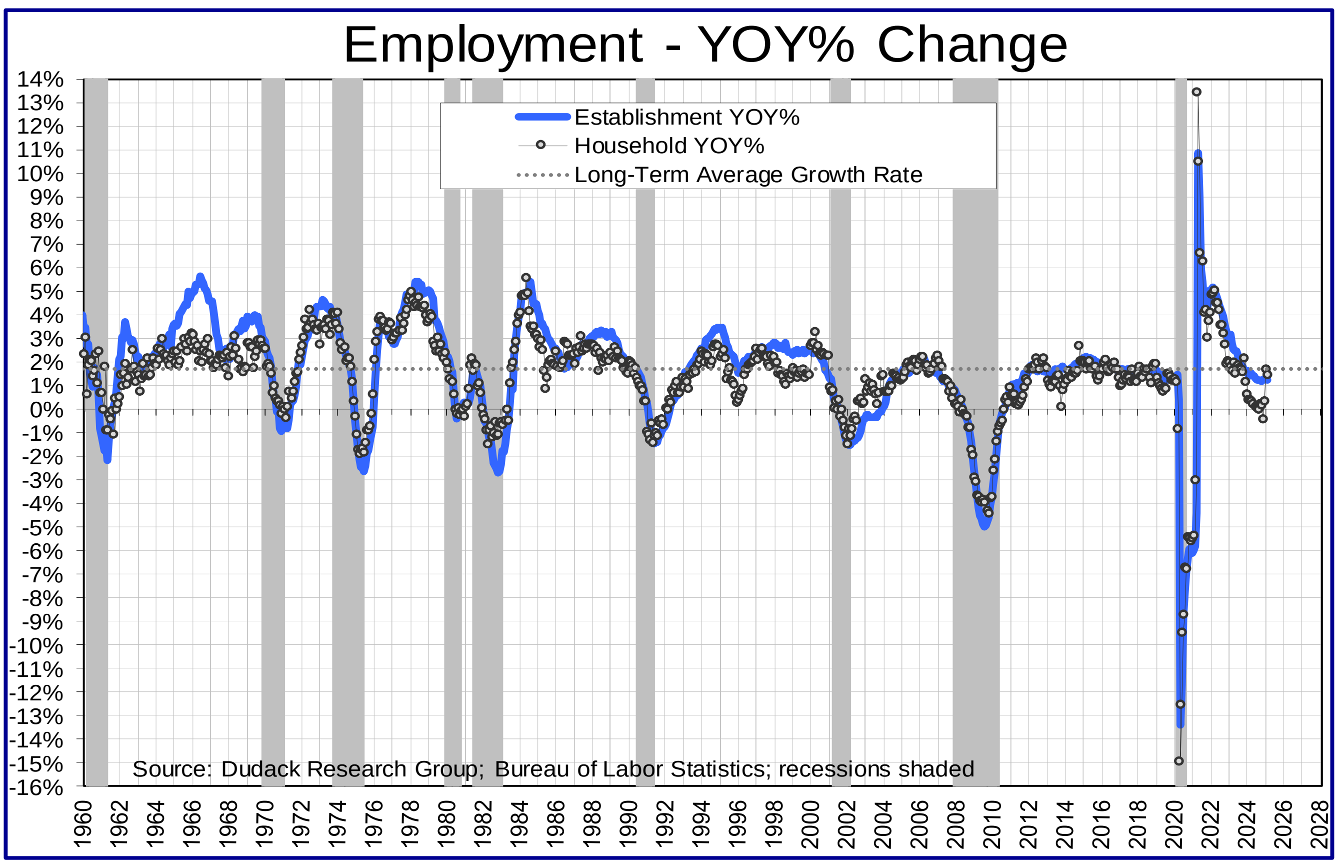
Last but not least, the decline in equity prices has improved market valuation. Although the trailing PE for the S&P 500 is still 23.3 times, it is down two points from a few weeks ago. More importantly, the 12-month forward PE is currently at 18.2 times on earnings forecasts that have been coming down in recent weeks. This is approaching the long-term average of 17.8 times earnings for the first time since late 2023. See page 10.

The January employment report was muddled by a number of annual revisions and seasonal adjustments that regularly occur in each January report and make month-to-month comparisons difficult. However, the February report included new seasonal adjustments that we found perplexing. Still, the increase of 151,000 new jobs in February and the small rise in the unemployment rate from 4.0% to 4.1% was reassuring, particularly in the current environment, which is seeing a spike in recession fear.

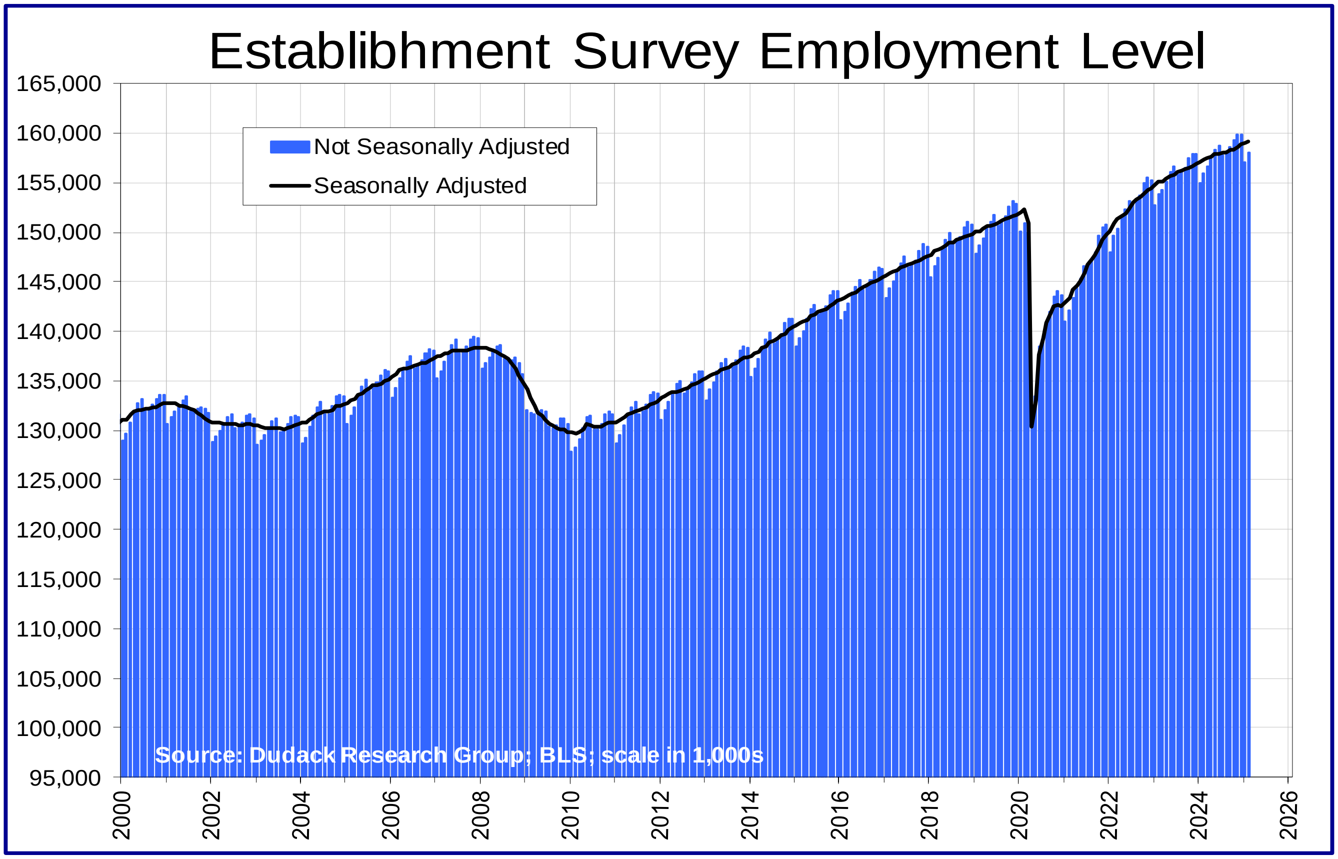
Our favorite employment benchmark measures the year-over-year change in total employment in both the establishment and household surveys. Both indices indicated growth in jobs in February that was slightly below their long-term averages, but nonetheless, solid and improving. In our view, this was one of the best features of the February report.

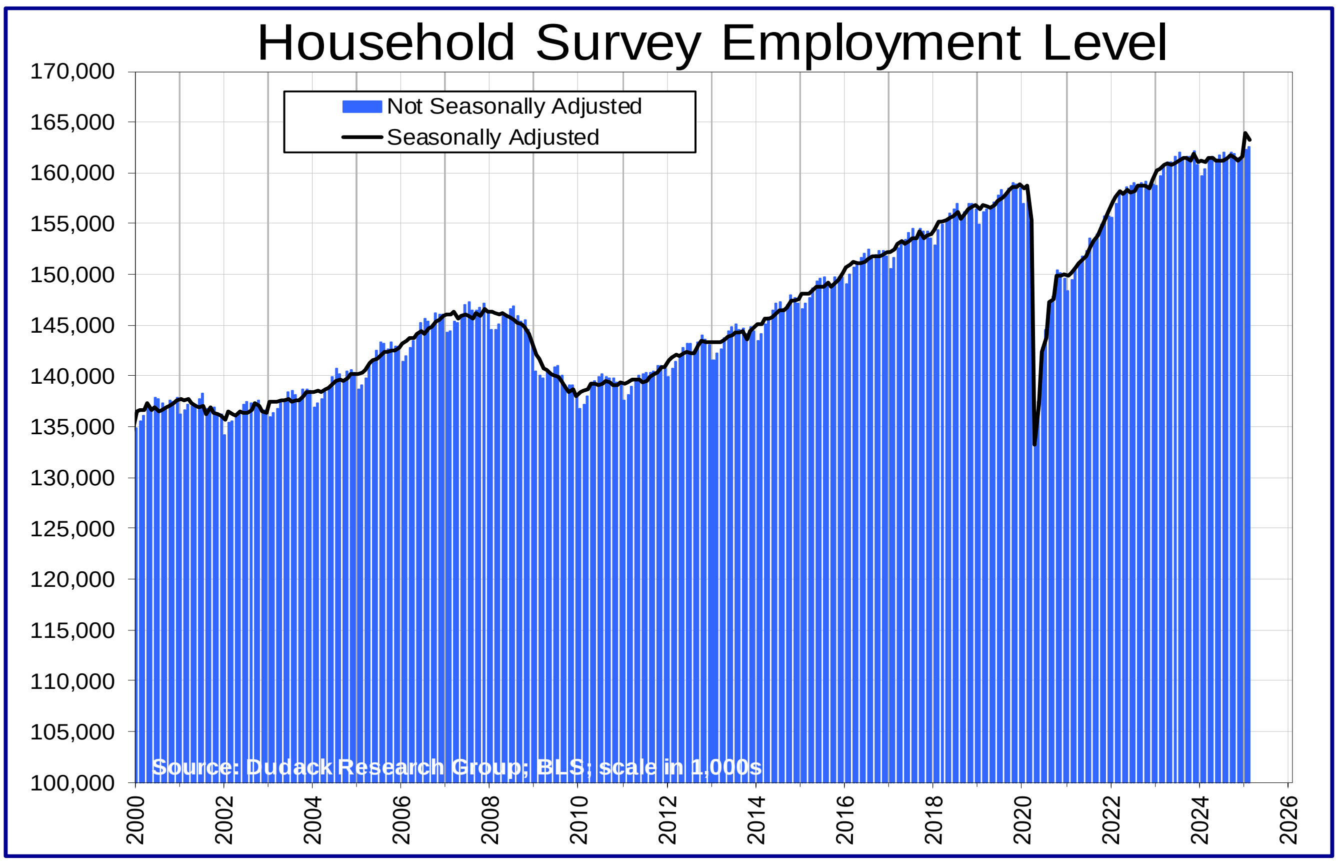
Employment Surveys (1,000s SA)	Feb-25	Jan-25	Change	Feb-24	Yr/Yr
Establishment Survey: NonFarm Payrolls	159,218	159,067	151	157,271	1,947
Household Survey Data (1,000s)					
Employed (A)	163,307	163,895	(588)	161,013	2,294
Unemployed (B)	7,052	6,849	203	6,462	590
Civilian labor force [A+B]	170,359	170,744	(385)	167,475	2,884
Unemployment rate [B/(A+B)]	4.1%	4.0%	0.1%	3.9%	0.3%
U6 Unemployment rate	8.5%	7.5%	1.0%	7.3%	1.2%
Civilian noninstitutional population (C)	272,847	272,685	162	267,711	5,136
Participation rate [(A+B)/C]	62.4	62.6	-0.2	62.6	-0.2
Employment-population ratio [A/C]	59.9	60.1	-0.2	60.1	-0.2
Not in labor force	102,487	99,754	2,733	100,237	2,250

Source: Bureau of Labor Statistics

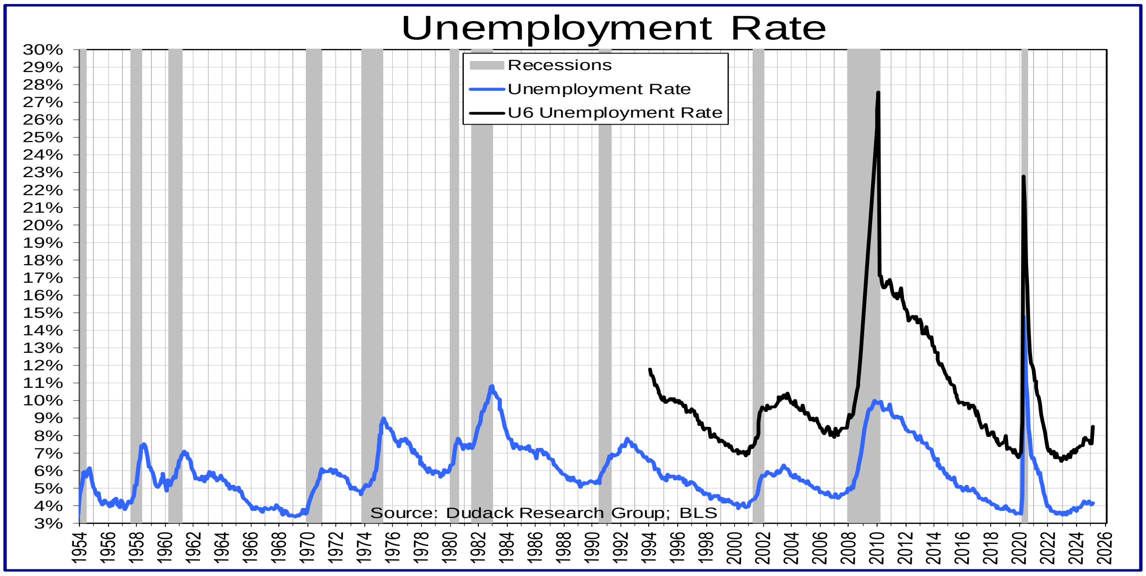


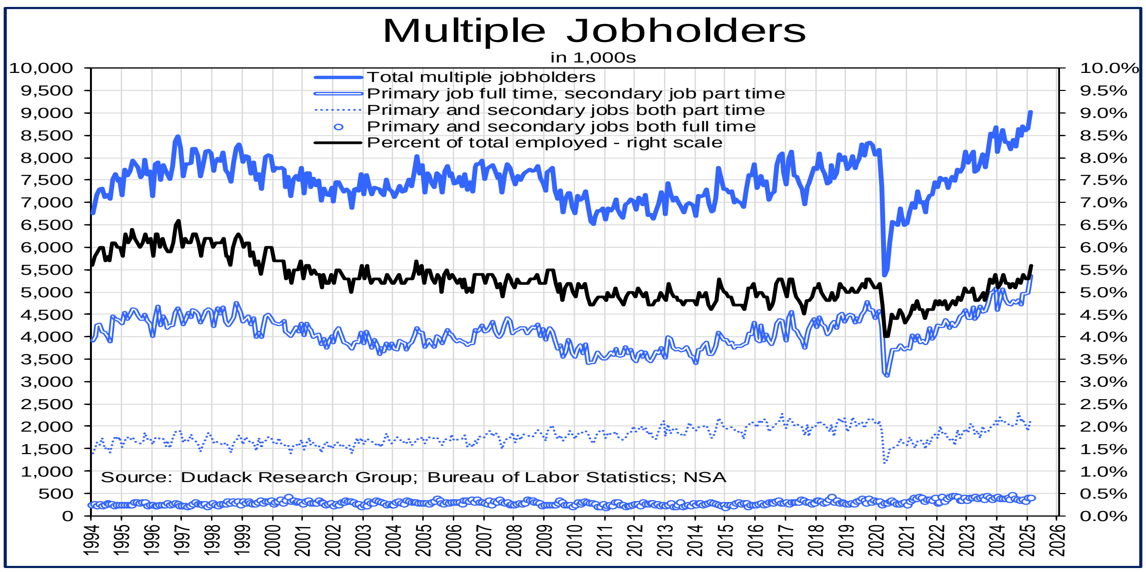
The headline figures in the February jobs report showed establishment employment, on a seasonally adjusted basis, increased by 151,000 jobs. However, not-seasonally-adjusted employment increased by 891,000 jobs, yet this total was 1.2 million jobs lower than the headline statistic. Conversely, the household survey indicated a loss of 588,000 jobs in February; whereas the not-seasonally-adjusted household employment figure showed an increase of 197,000 jobs in the month, to a record 162.5 million employed.

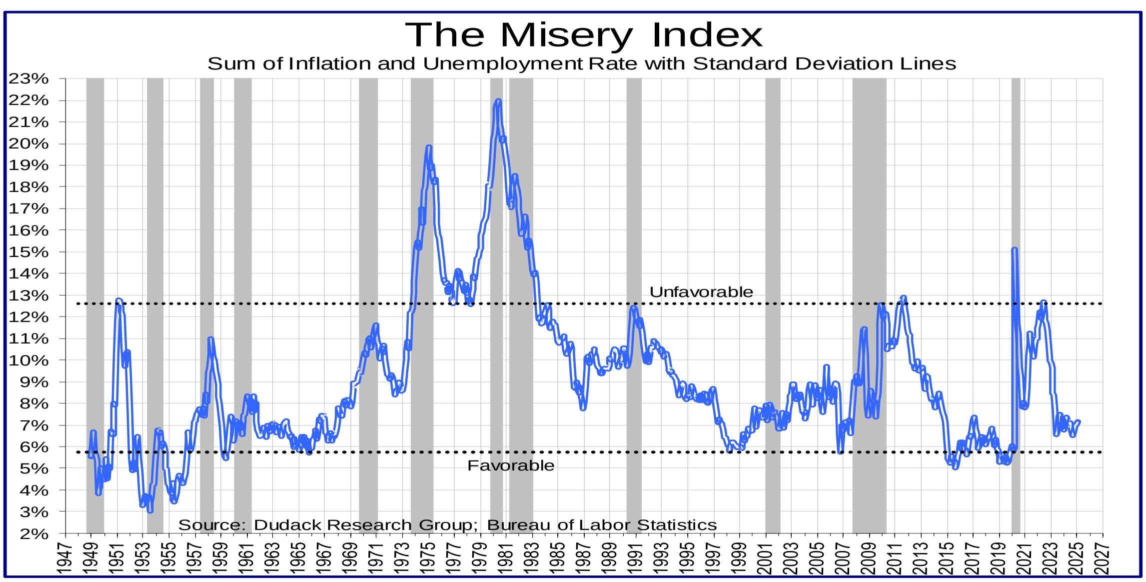




Another quirk in the February report was the sharp increase in U-6 unemployment rate, which jumped a full percentage point to 8.5%. There was also a 393,000 increase in multiple job holders, indicating that multiple job holders represent 5.6% of total employment, the highest since 5.7% in October 2004. Still, it was not a record percentage. These two statistics may be signs of rising stress in the job market, but the Misery Index (the sum of inflation and unemployment) sits at 7.1% and is comfortably in the neutral zone of 5.8% to 12.6%.







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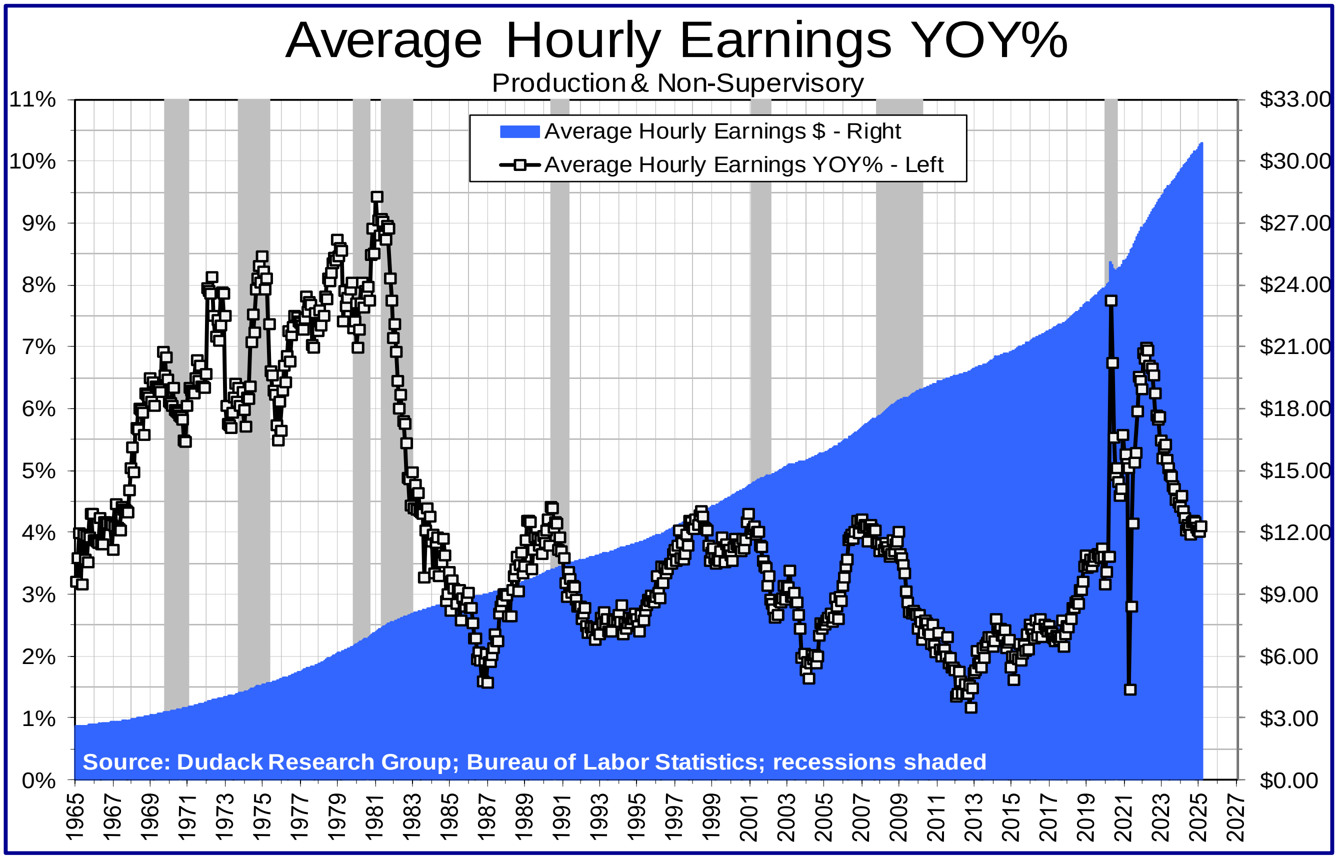

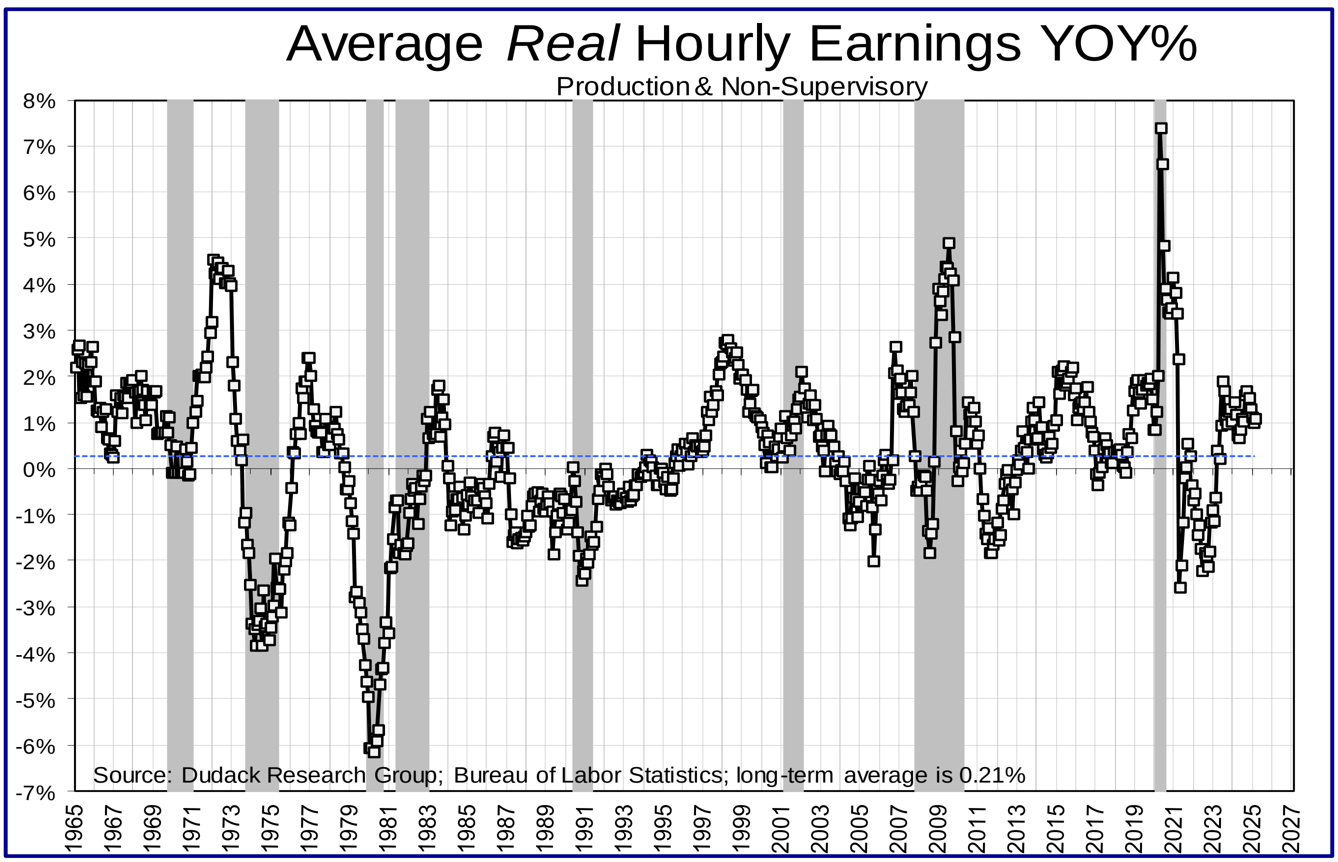

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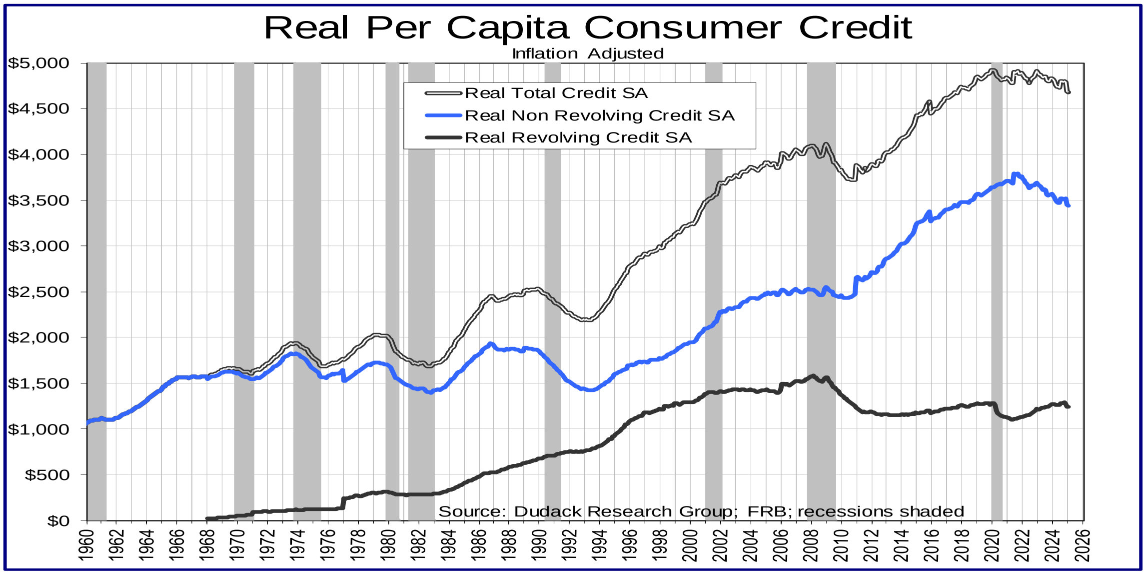

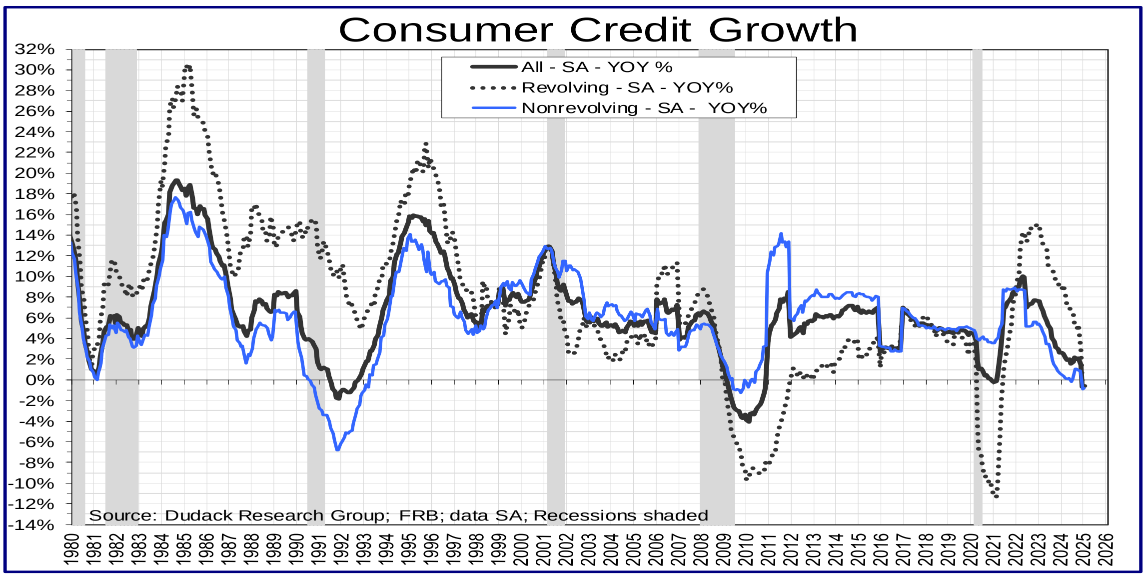

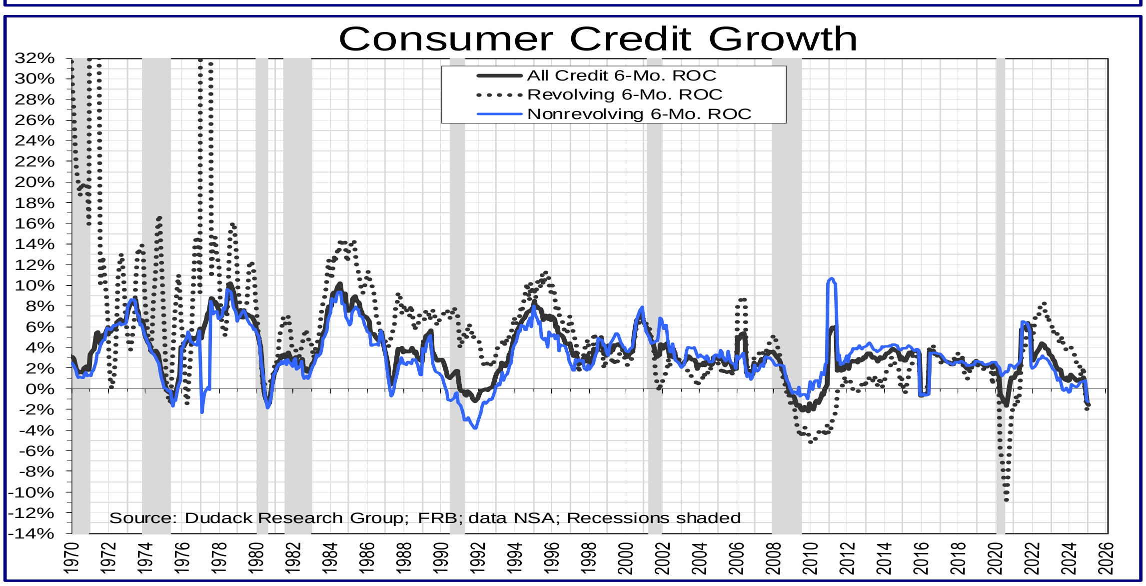

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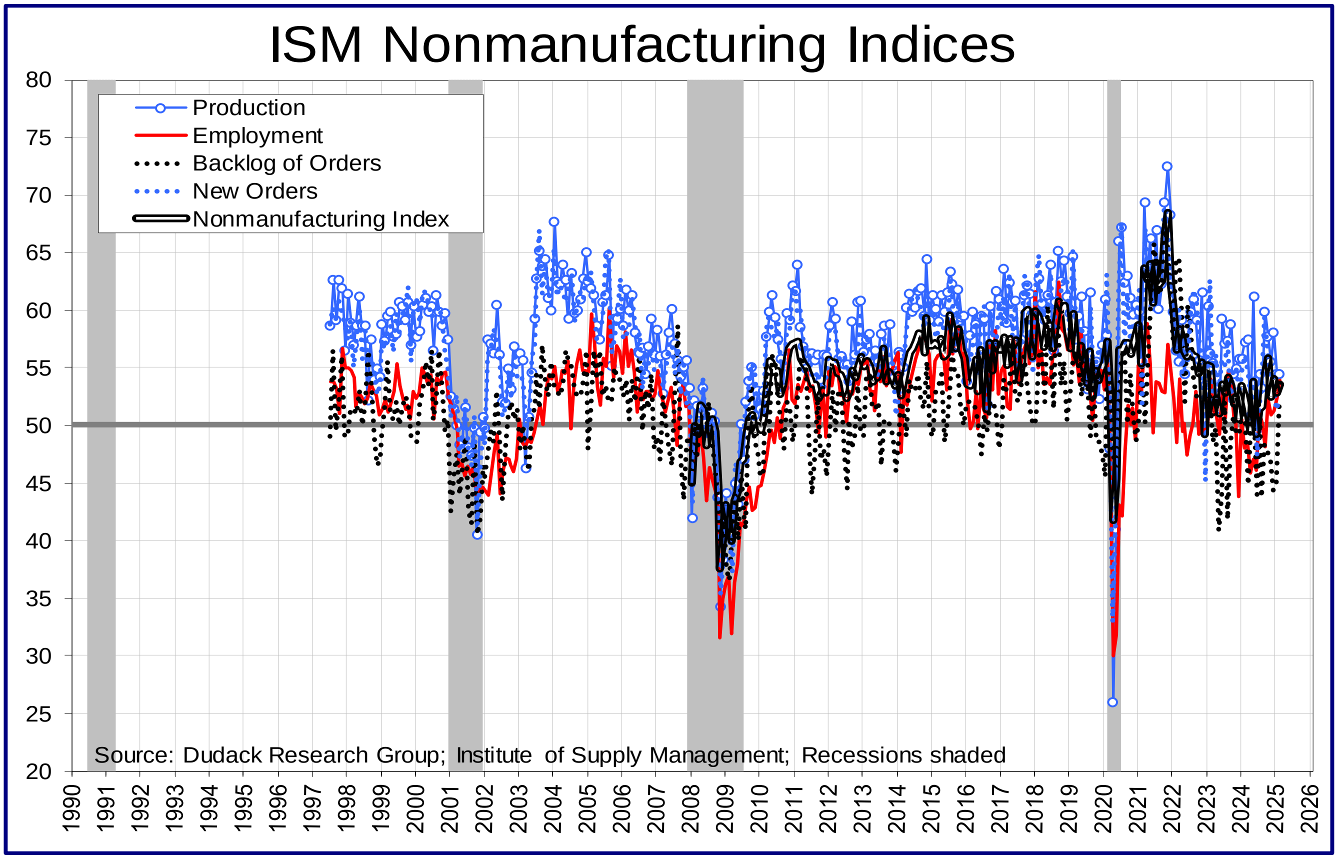
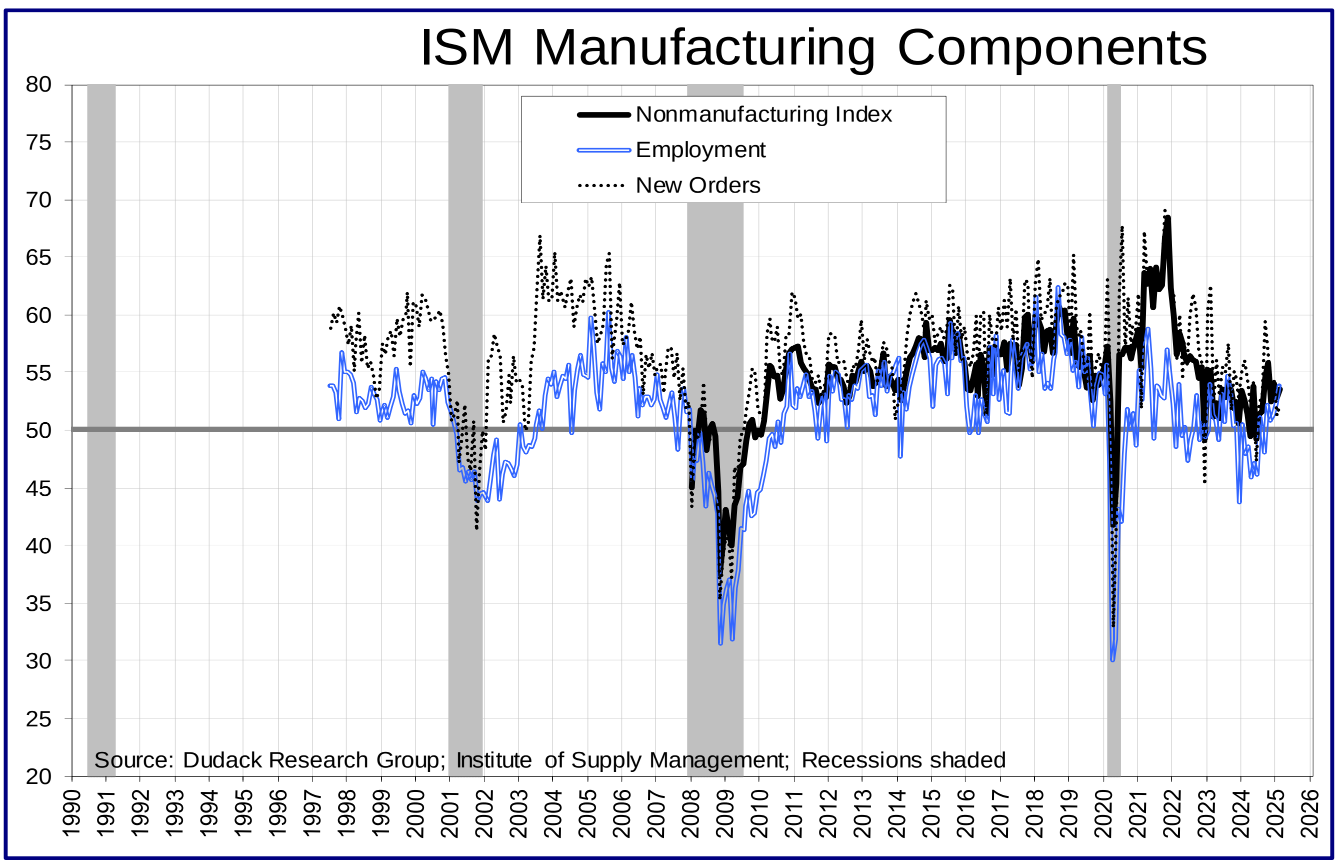
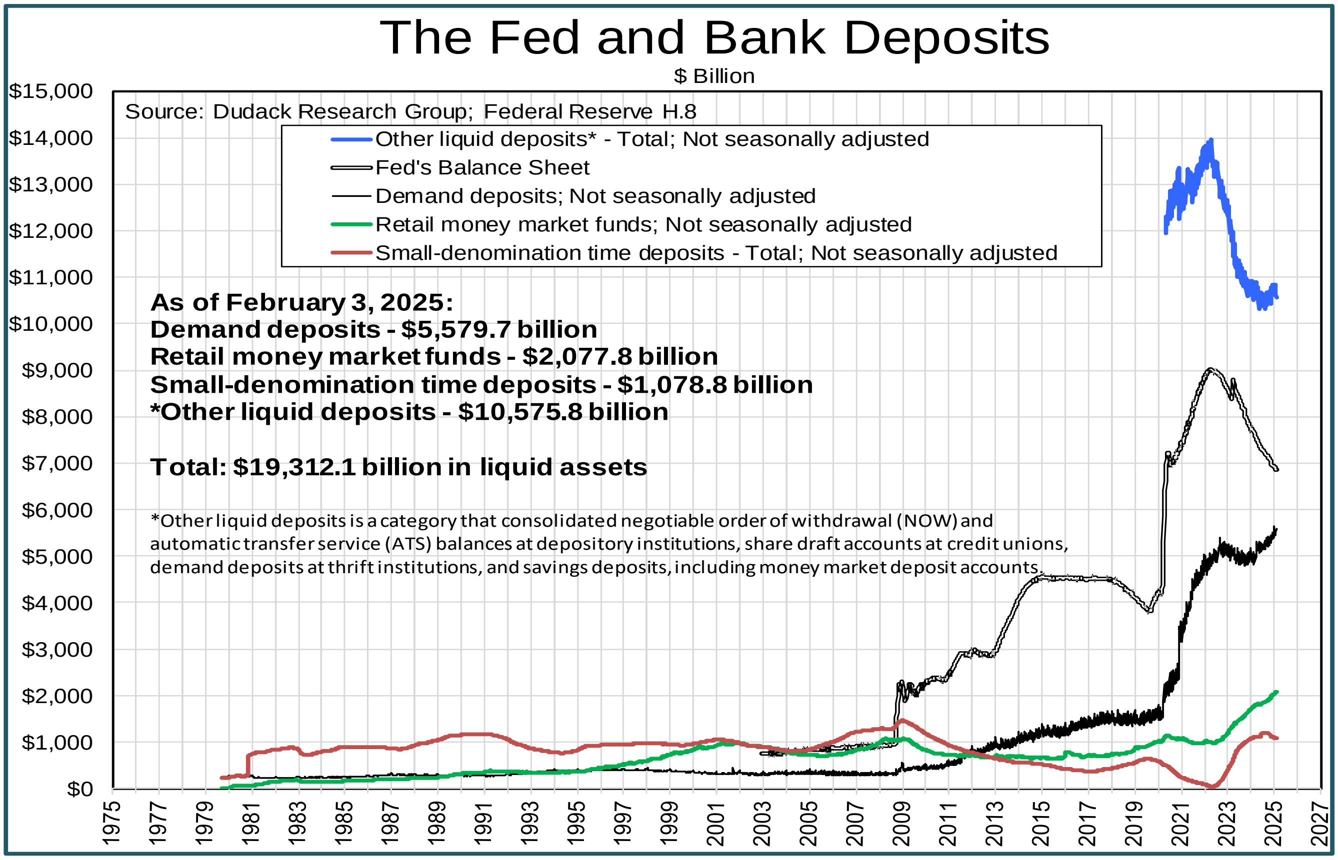
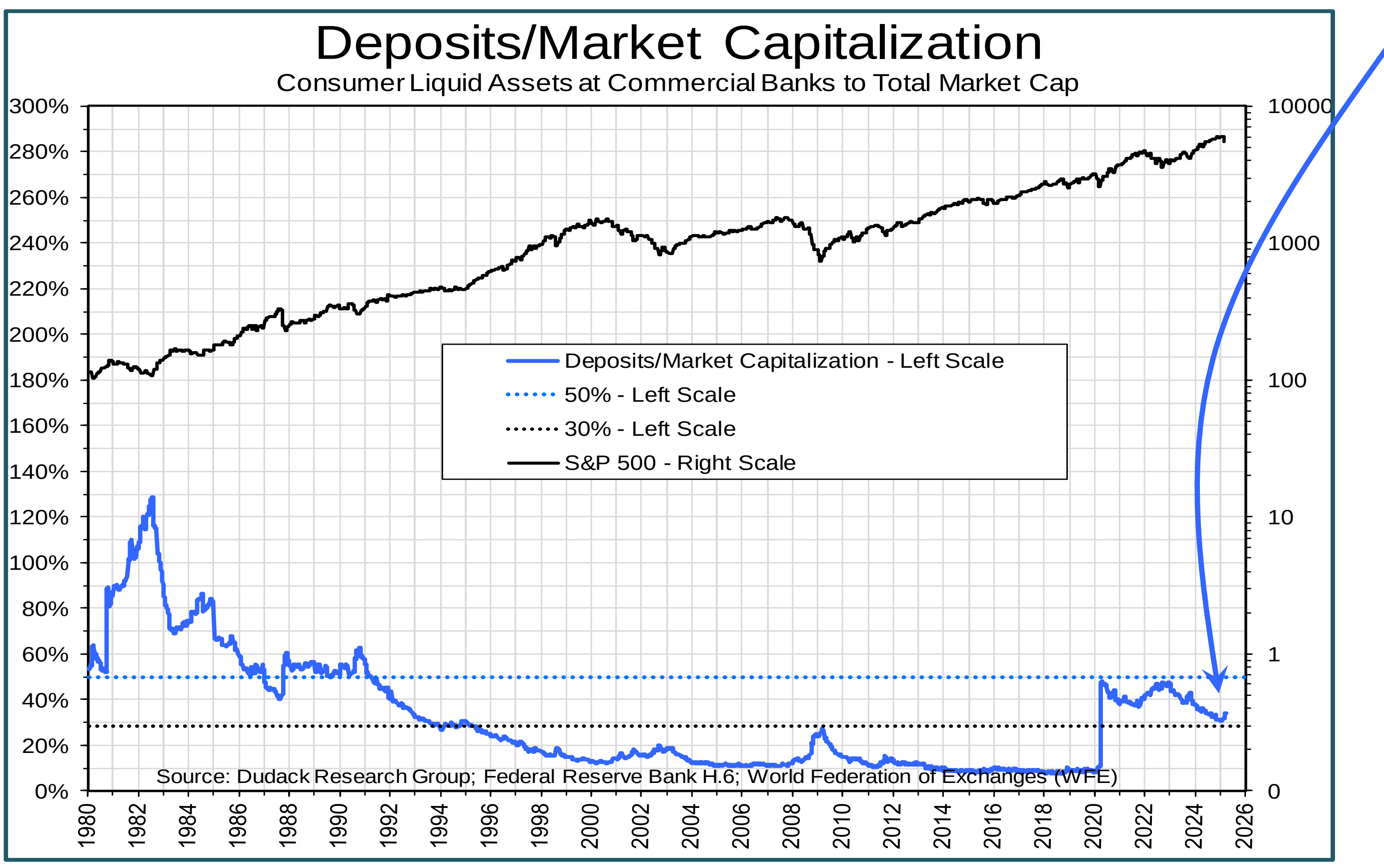


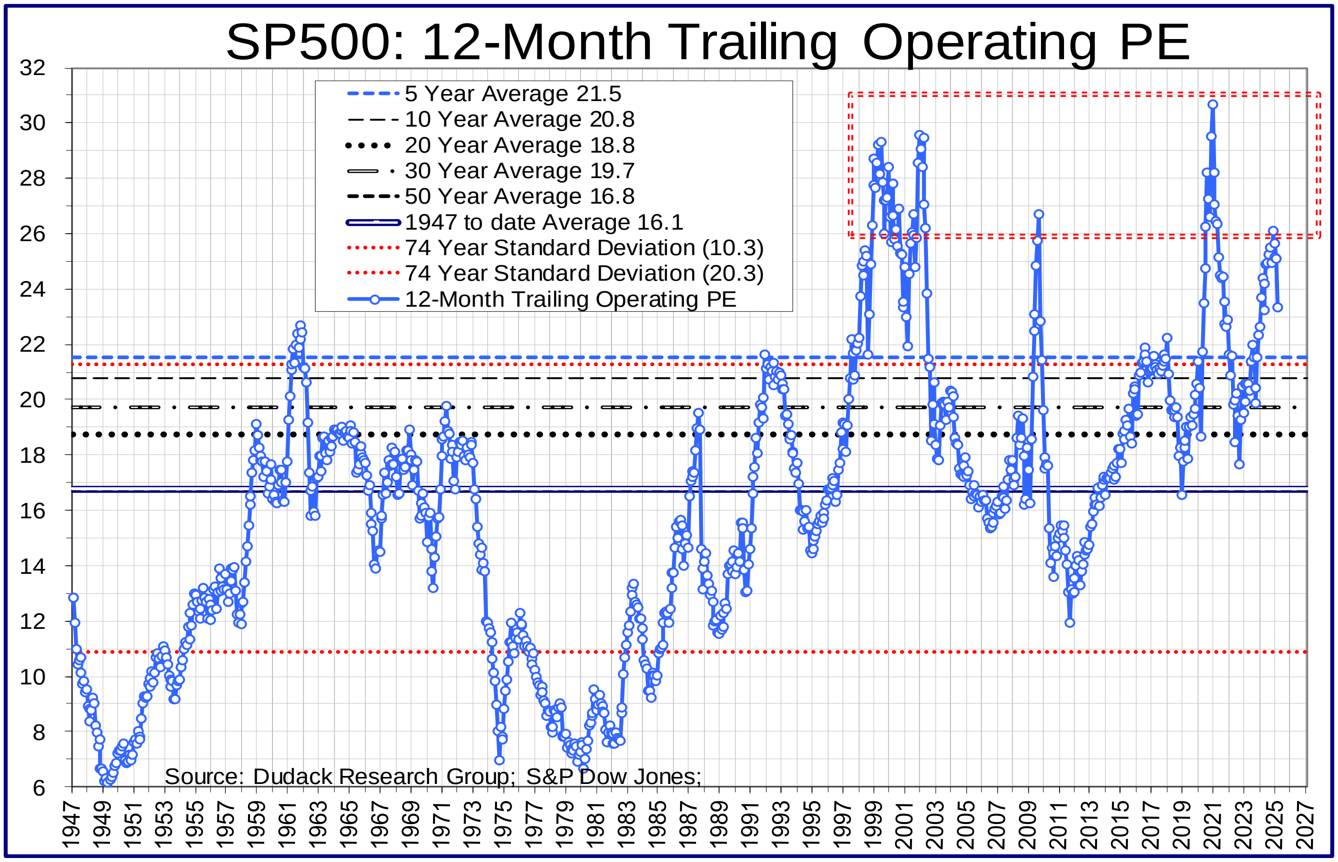


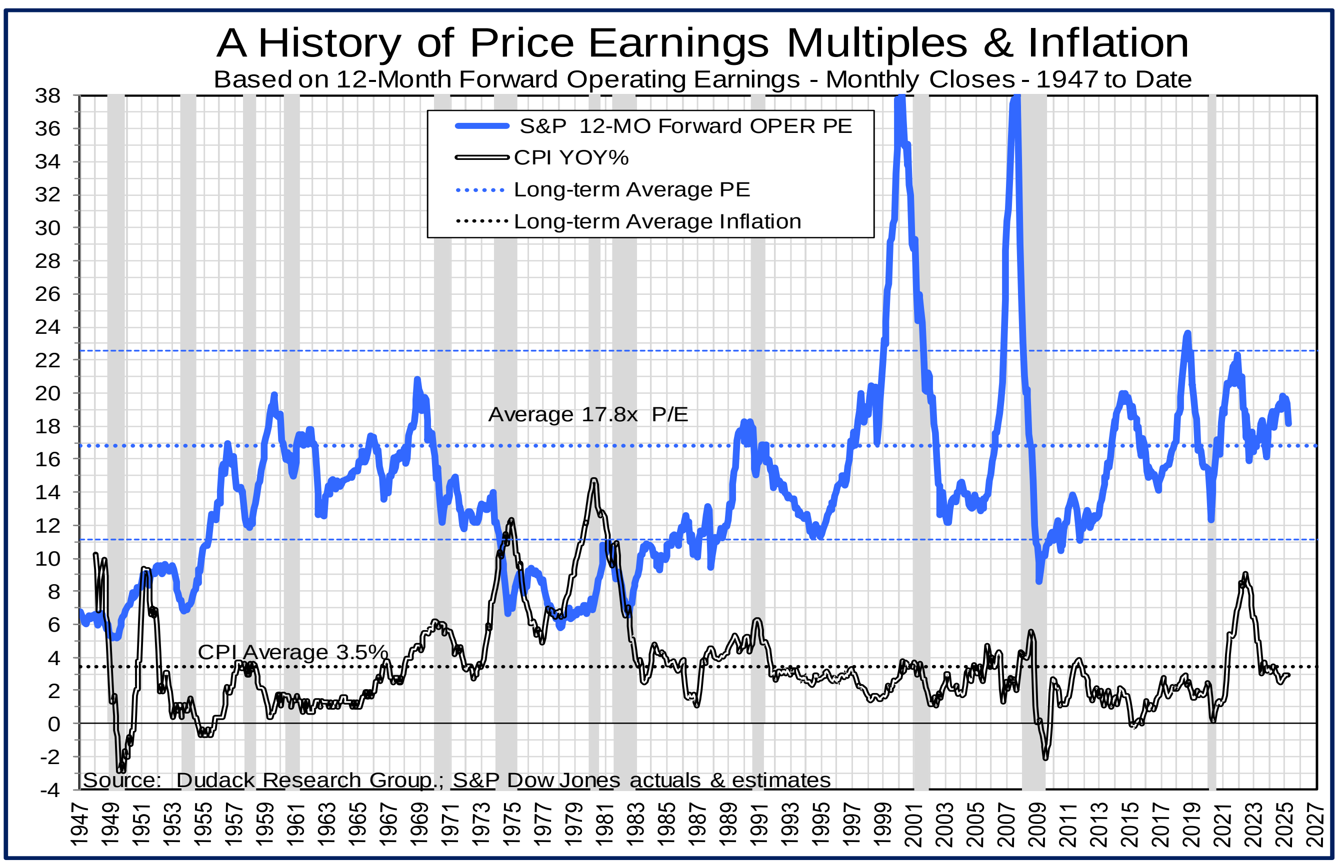
The Federal Reserve's quantitative tightening continues, but deposits at commercial banks continue to rise. Both demand deposits and retail money market funds have reached record highs and total liquid assets in the financial system equal $19.3 trillion, close to the record $19.88 trillion seen in April 2022 during the post-pandemic fiscal stimulus. Cash is currently 34% of total estimated market capitalization of $57.2 trillion – not a record, but a healthy level.



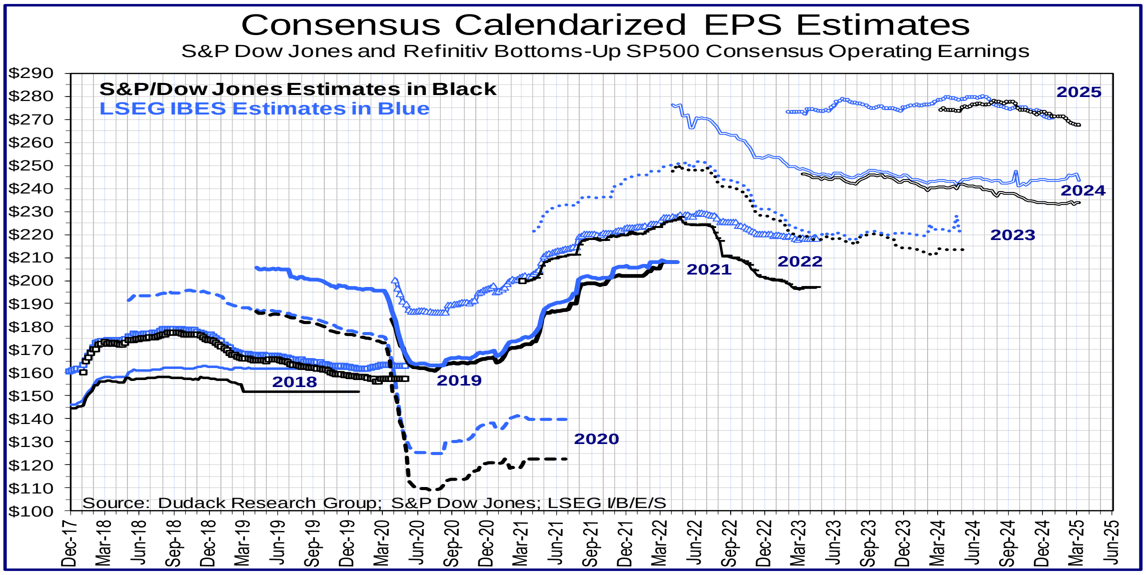


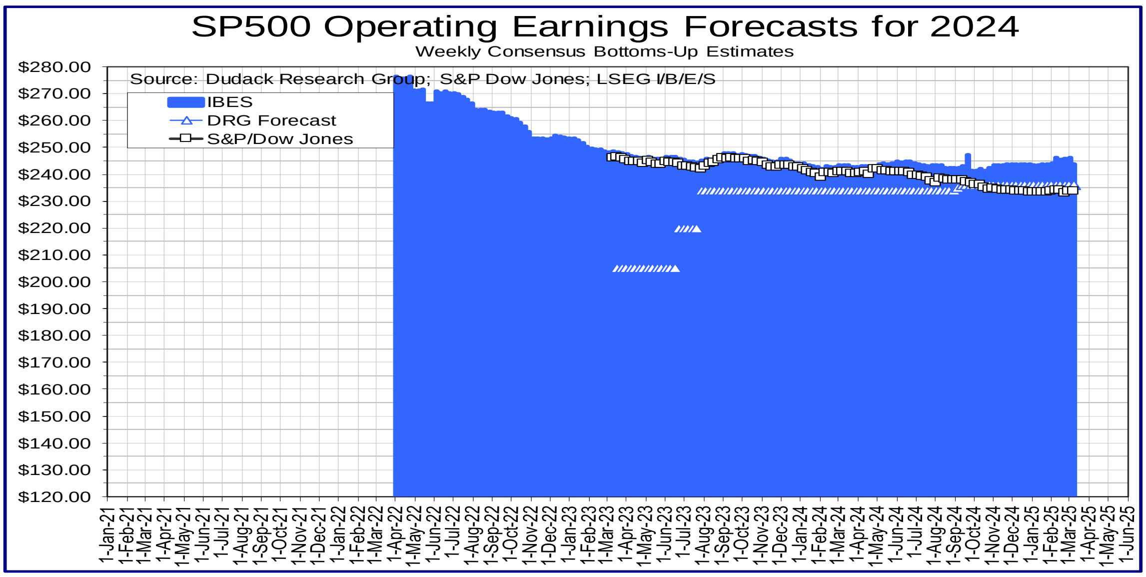
Valuation has not been supportive of equities and has not been for the last two years, but the recent decline in the equity market is changing this. The SPX **trailing** 4-quarter operating multiple is now 23.3 times, down 2 points, but still above all long- and short-term averages. With 2026 S&P Dow Jones estimates, the **12-month forward** PE multiple is 18.2 times. When this PE is added to inflation of 3.0%, it comes to 21.2, which is neutral and down in recent weeks, but still near the top of the normal range of 14.8 to 23.8.

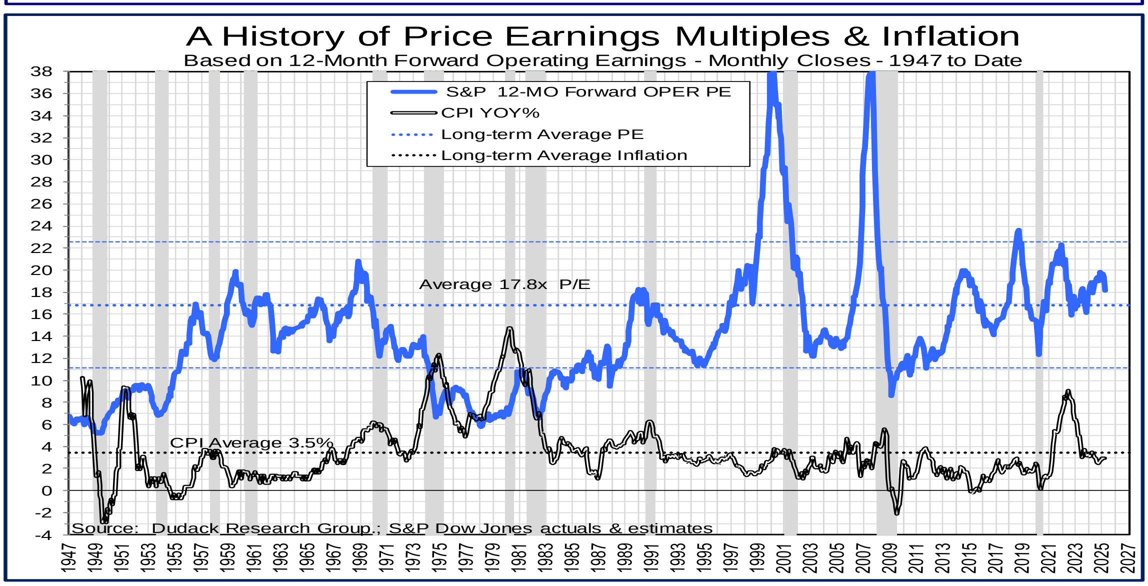




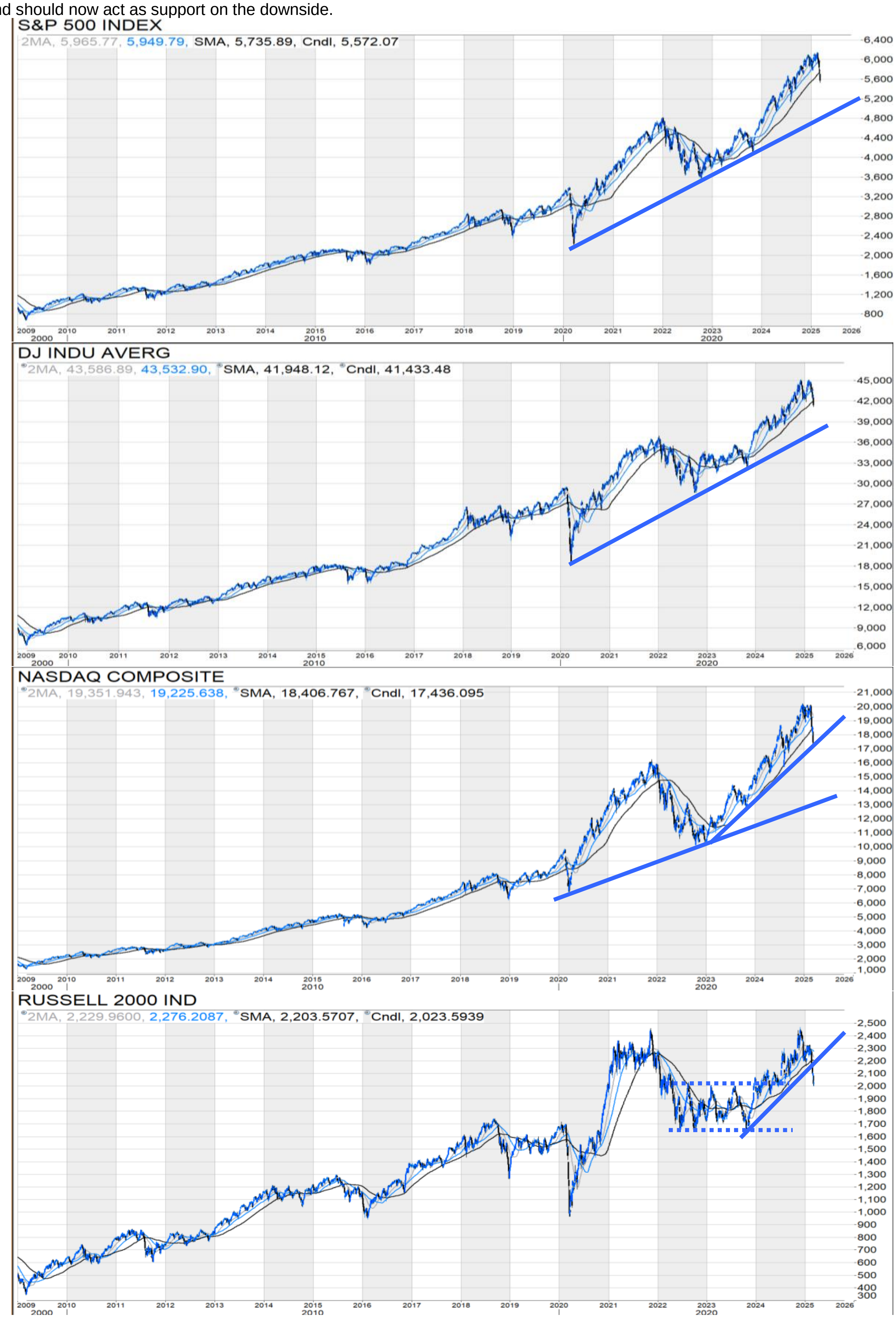
The S&P Dow Jones consensus estimates for calendars 2024 and 2025 were $233.82 and $267.35, respectively, as of the end of February, unrevised this week. The LSEG IBES estimate for 2024 is $243.65, down $2.66, which may be a typo. The estimate for 2025 is $270.56, up $0.10. The IBES guesstimate for 2026 EPS is $308.91, up $0.53.







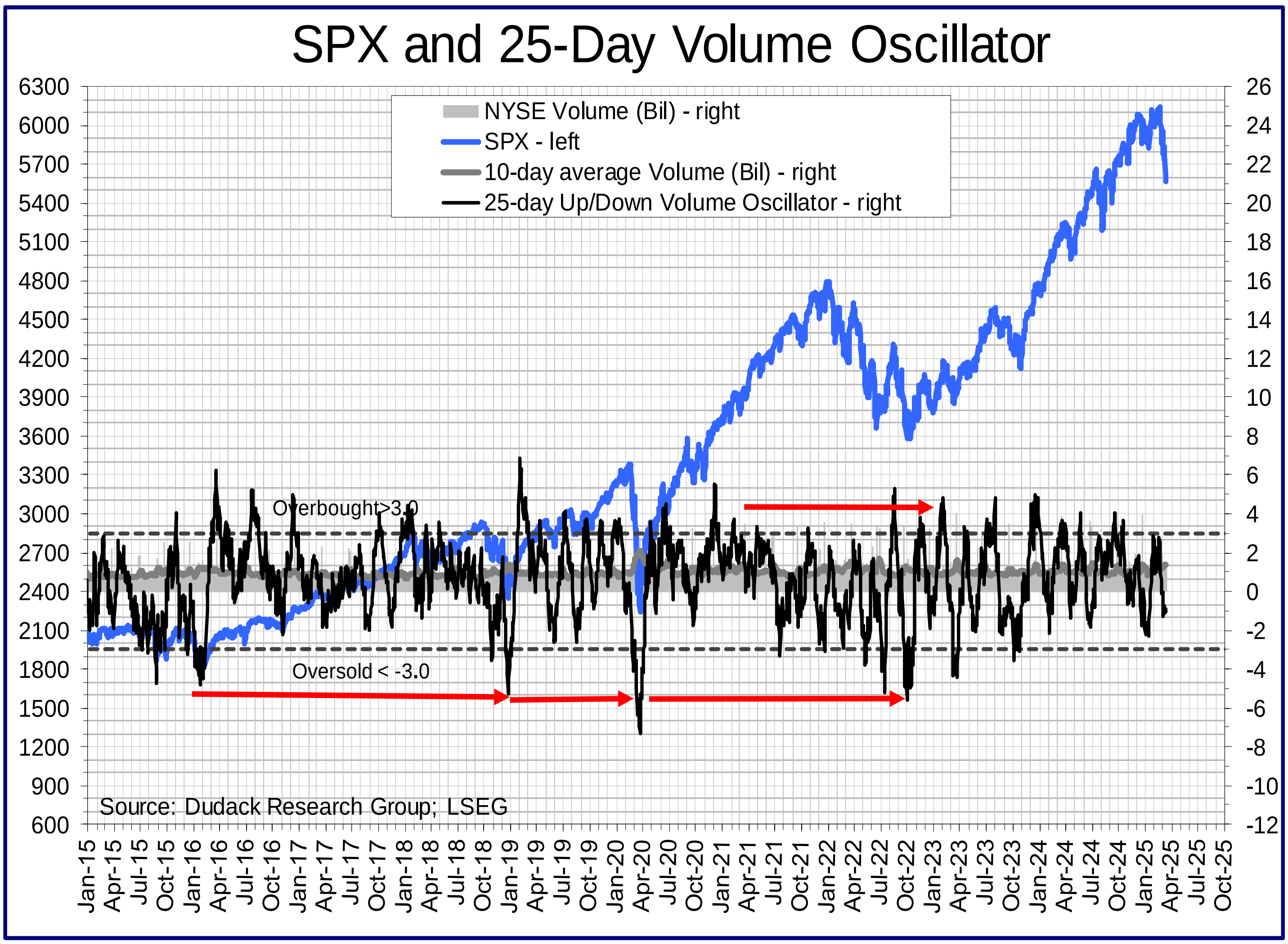
The S&P 500 is suddenly down 5.26% year-to-date and 9.3% below its all-time high. Shockingly, this 9.3% decline took place in just the last 14 trading sessions. But the real carnage has taken place in the Nasdaq Composite index, which is now 13.6% below its record high level and the Russell 2000 index, which has fallen 17.1% from its record peak. The key index in our view is the Russell 2000, which is back to the 2000 level which was resistance in 2022-2023 and should now act as support on the downside.



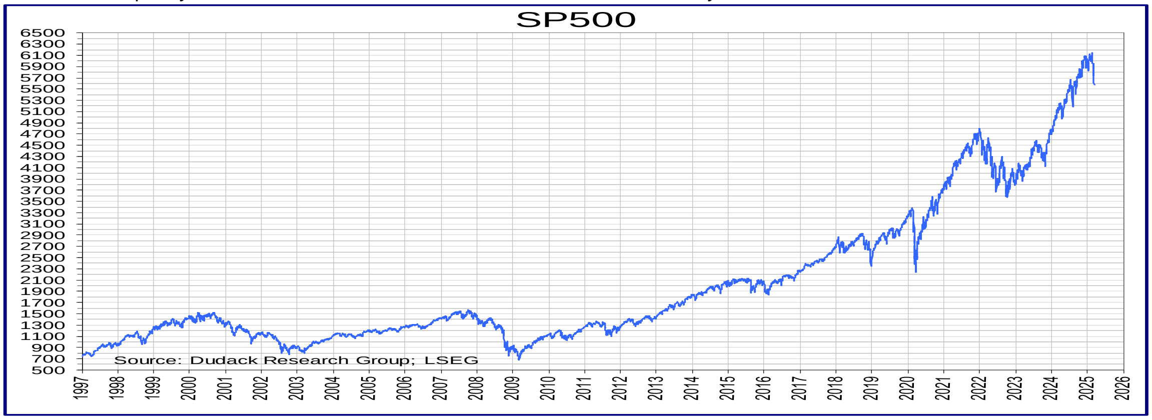
Source: LSEG

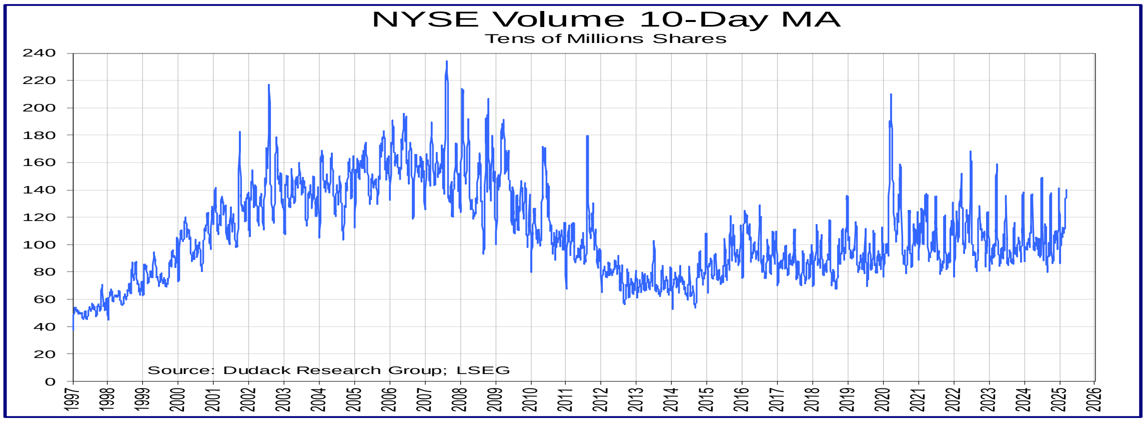
The 25-day up/down volume oscillator is minus 0.87 this week, neutral, and surprisingly up for the week. This is surprising in many ways, but our oscillator uses NYSE volume versus composite volume as an effort to eliminate the noise from the program and algorithmic trading that now dominates daily volume and relies on volatility but does not reflect conviction. This oscillator rose close to an overbought reading of 3.0 or greater, twice this year, without reaching overbought, and therefore did not confirm the advance seen earlier this year.

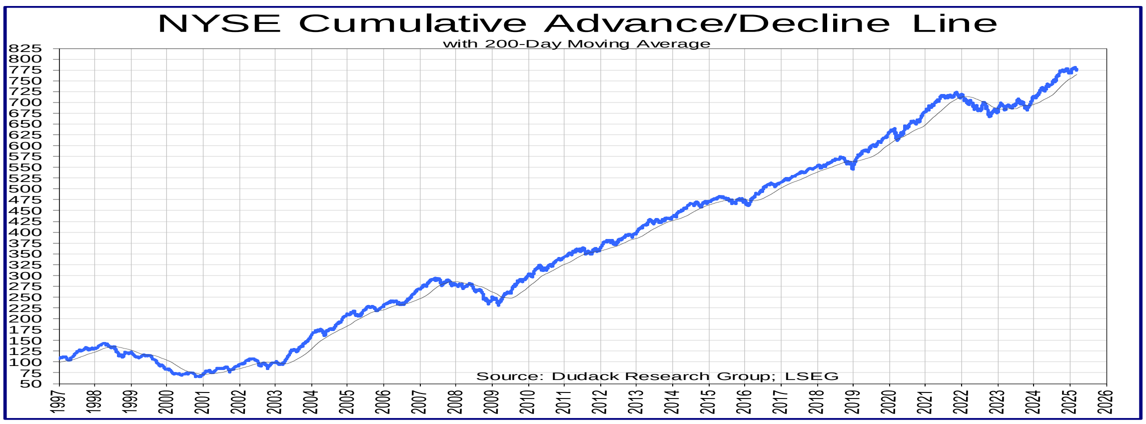
We will be watching to see if buyers come in before an oversold reading materializes in this indicator. In a bull market cycle, oversold readings tend to be brief and trigger buying opportunities. The last oversold readings of significance were seen during the 2022-2023 correction.

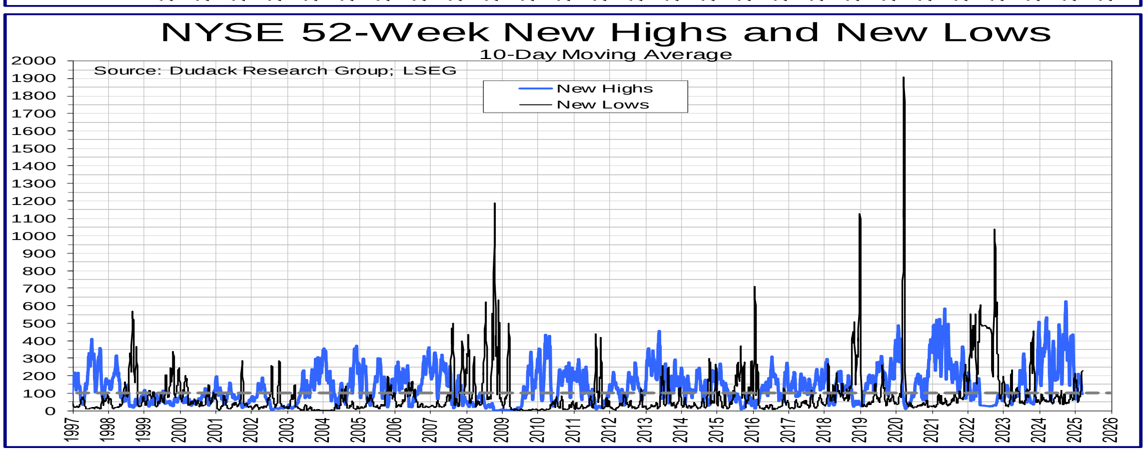


The 10-day average of daily new highs is 94 this week and new lows are averaging 128. This combination of daily new highs below 100 and new lows above 100 is a change this week that turns this indicator from neutral to negative. The NYSE cumulative advance/decline line made a new high on February 18, 2025, confirming the SPX high on February 19, 2025, but not subsequently. In sum, breadth indicators are weaker this week, but not overly bearish.









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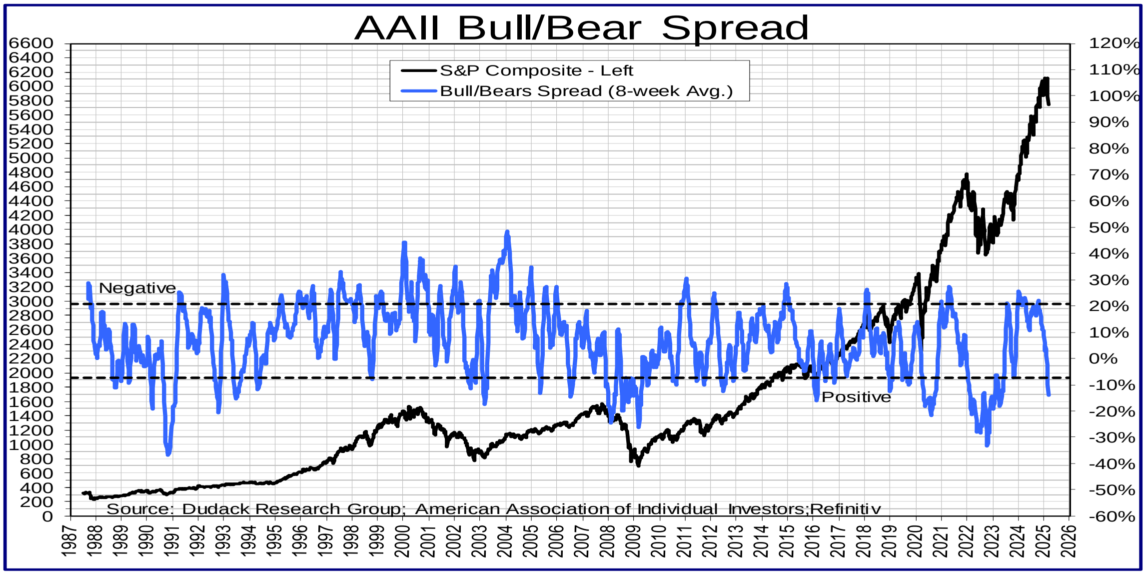
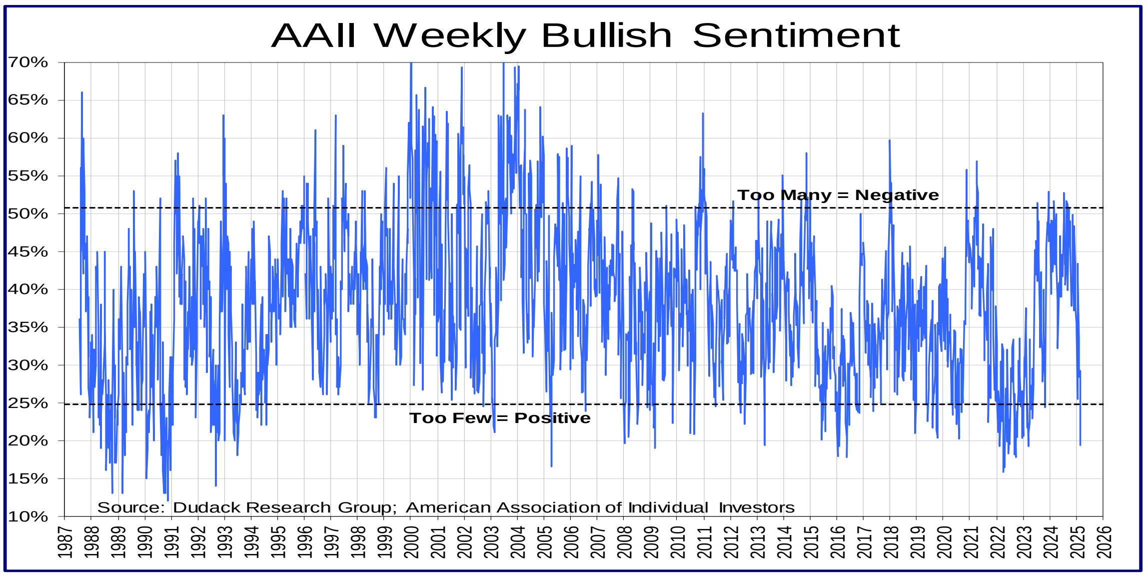
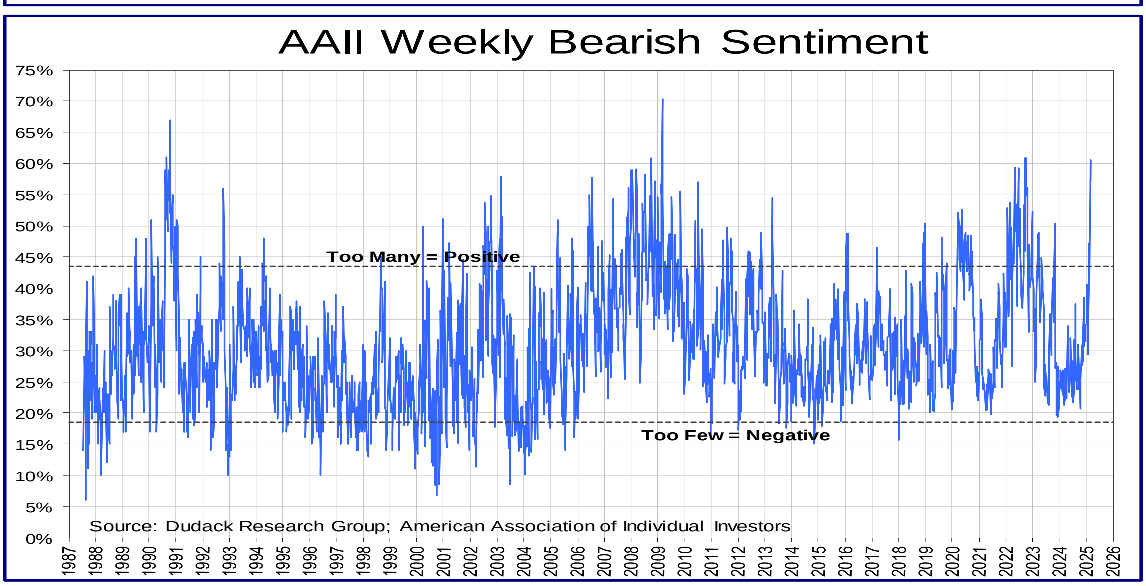






Global Markets and Commodities - Ranked by Year-to-Date Trading Performance

Index/EFT	Symbol	Price	5-Day%	20-Day%	QTD%	YTD%
iShares MSCI Austria Capped ETF	EWO	25.49	5.0%	12.6%	21.5%	21.5%
iShares China Large Cap ETF	FXI	36.39	3.9%	9.1%	19.5%	19.5%
iShares MSCI Germany ETF	EWG	37.74	1.9%	6.6%	18.6%	18.6%
iShares Silver Trust	SLV	31.40	3.3%	3.3%	13.9%	13.9%
Silver Future	SIc1	32.89	2.4%	2.0%	13.6%	13.6%
SPDR Gold Trust	GLD	269.16	0.0%	0.7%	11.2%	11.2%
iShares MSCI United Kingdom ETF	EWU	36.96	-1.6%	1.4%	9.0%	9.0%
iShares MSCI BRIC ETF	BKF	39.78	3.6%	4.4%	9.0%	9.0%
iShares MSCI Hong Kong ETF	EWH	18.11	3.2%	11.9%	8.7%	8.7%
iShares MSCI EAFE ETF	EFA	82.16	-0.4%	2.0%	8.7%	8.7%
iShares MSCI Brazil Capped ETF	EWZ	24.38	2.0%	-5.5%	8.3%	8.3%
iShares MSCI South Korea Capped ETF	EWY	54.69	0.2%	-0.7%	7.5%	7.5%
iShares MSCI Mexico Capped ETF	EWW	50.25	0.5%	-2.0%	7.3%	7.3%
Vanguard FTSE All-World ex-US ETF	VEU	60.96	0.2%	1.0%	6.2%	6.2%
Health Care Select Sect SPDR	XLV	146.06	-1.4%	0.0%	6.2%	6.2%
iShares MSCI Singapore ETF	EWS	23.05	-1.8%	-0.3%	5.5%	5.5%
iShares MSCI Emerg Mkts ETF	EEM	43.72	1.2%	0.4%	4.5%	4.5%
Consumer Staples Select Sector SPDR	XLP	81.47	-0.8%	1.1%	3.6%	3.6%
iShares 20+ Year Treas Bond ETF	TLT	90.40	-1.1%	2.2%	3.5%	3.5%
Utilities Select Sector SPDR	XLU	77.41	-0.8%	-2.5%	2.3%	2.3%
Energy Select Sector SPDR	XLE	87.38	0.5%	-4.2%	2.0%	2.0%
iShares US Real Estate ETF	IYR	94.89	-3.0%	-1.6%	2.0%	2.0%
iShares MSCI Japan ETF	EWJ	68.26	-0.6%	-0.7%	1.7%	1.7%
Gold Future	GCc1	3034.10	0.2%	0.7%	1.6%	1.6%
Materials Select Sector SPDR	XLB	85.33	-0.5%	-4.4%	1.4%	1.4%
iShares Nasdaq Biotechnology ETF	IBB.O	133.99	-0.3%	-0.2%	1.3%	1.3%
iShares iBoxx $ Invest Grade Corp Bond	LQD	107.98	-1.1%	0.6%	1.1%	1.1%
Shanghai Composite	.SSEC	3379.83	1.7%	1.9%	0.8%	0.8%
iShares US Telecomm ETF	IYZ	26.90	-2.9%	-3.6%	0.3%	0.3%
iShares Russell 1000 Value ETF	IWD	184.67	-2.1%	-4.9%	-0.2%	-0.2%
Communication Services Select Sector SPDR Fund	XLC	96.35	-3.8%	-6.8%	-0.5%	-0.5%
PowerShares Water Resources Portfolio	PHO	65.20	-0.7%	-4.2%	-0.9%	-0.9%
Industrial Select Sector SPDR	XLI	130.12	-1.3%	-6.1%	-1.2%	-1.2%
Financial Select Sector SPDR	XLF	47.61	-4.6%	-7.6%	-1.5%	-1.5%
iShares MSCI Canada ETF	EWC	39.48	-0.7%	-6.2%	-2.0%	-2.0%
iShares MSCI Australia ETF	EWA	23.32	-2.5%	-6.9%	-2.3%	-2.3%
SPDR DJIA ETF	DIA	414.74	-2.5%	-7.0%	-2.5%	-2.5%
DJIA	.DJI	41433.48	-2.6%	-7.1%	-2.6%	-2.6%
iShares MSCI Taiwan ETF	EWT	49.98	-2.1%	-4.8%	-3.4%	-3.4%
SP500	.SPX	5572.07	-3.6%	-8.2%	-5.3%	-5.3%
iShares Russell 1000 ETF	IWB	305.02	-3.7%	-8.6%	-5.3%	-5.3%
United States Oil Fund, LP	USO	71.45	-2.5%	-8.7%	-5.4%	-5.4%
SPDR Homebuilders ETF	XHB	98.75	0.6%	-7.2%	-5.5%	-5.5%
iShares MSCI Malaysia ETF	EWM	23.10	-0.6%	-3.7%	-5.8%	-5.8%
iShares DJ US Oil Eqpt & Services ETF	IEZ	18.56	-0.5%	-12.5%	-6.3%	-6.3%
SPDR S&P Bank ETF	KBE	51.28	-6.0%	-13.6%	-7.6%	-7.6%
iShares MSCI India ETF	INDA.K	48.66	1.7%	-3.0%	-7.6%	-7.6%
Oil Future	CLc1	66.25	-2.9%	-9.6%	-7.6%	-7.6%
NASDAQ 100	NDX	19376.96	-4.8%	-10.7%	-7.8%	-7.8%
iShares Russell 2000 Value ETF	IWN	151.26	-2.7%	-9.9%	-7.9%	-7.9%
iShares Russell 2000 ETF	IWM	200.75	-2.7%	-11.1%	-9.1%	-9.1%
iShares Russell 1000 Growth ETF	IWF	362.98	-5.1%	-11.7%	-9.6%	-9.6%
Nasdaq Composite Index Tracking Stock	ONEQ.O	68.69	-4.7%	-11.2%	-9.7%	-9.7%
iShares Russell 2000 Growth ETF	IWO	258.62	-2.7%	-12.0%	-10.1%	-10.1%
Technology Select Sector SPDR	XLK	208.40	-4.6%	-11.8%	-10.4%	-10.4%
Consumer Discretionary Select Sector SPDR	XLY	196.39	-5.7%	-12.2%	-12.5%	-12.5%
SPDR S&P Retail ETF	XRT	69.02	-2.5%	-12.5%	-13.3%	-13.3%
SPDR S&P Semiconductor ETF	XSD	209.19	-4.2%	-12.0%	-15.8%	-15.8%

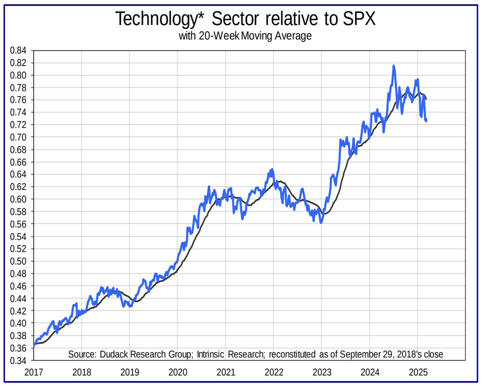
Outperformed SP500
Underperformed SP500

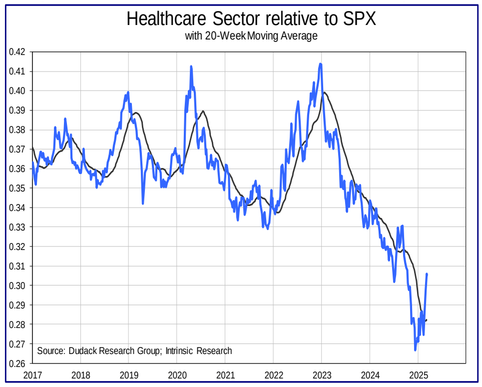
Source: Dudack Research Group; LSEG   Priced as of March 11, 2025

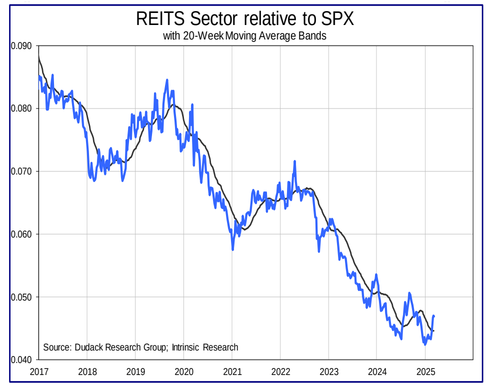
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

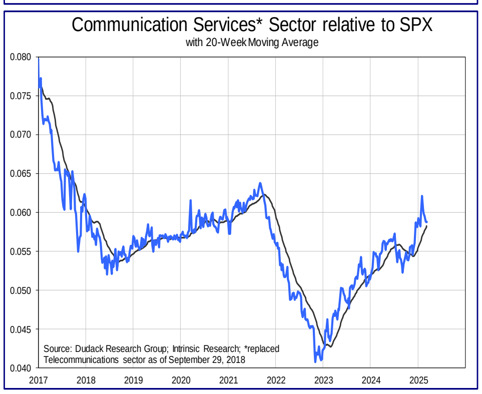
DRG Recommended Sector Weights		
Overweight	**Neutral**	**Underweight**
Communication Services Technology Consumer Discretionary Financials	Healthcare Staples Utililties Industrials	REITS Materials Energy

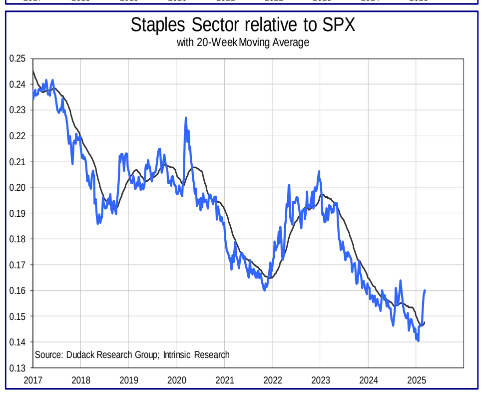
11/19/2024: Upgraded Consumer Discretionary from N to O; Downgraded Healthcare from O to N. 9/10/2024: Upgraded Utilities from U to N; Downgraded Energy from N to U.

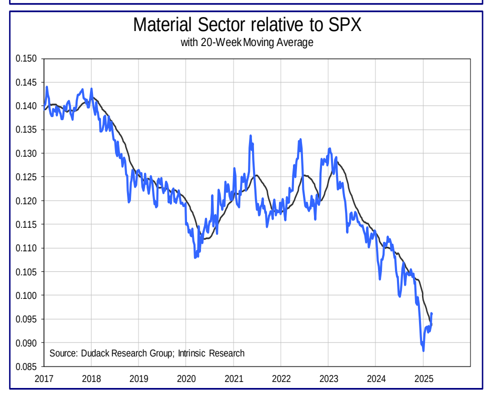


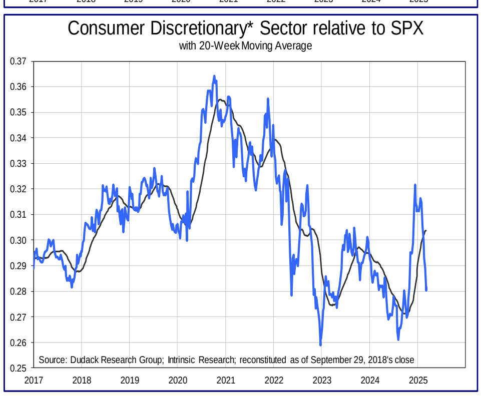


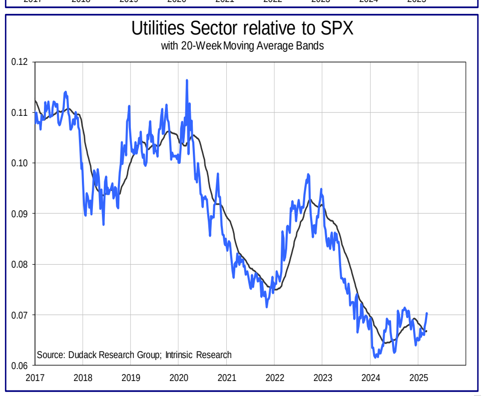


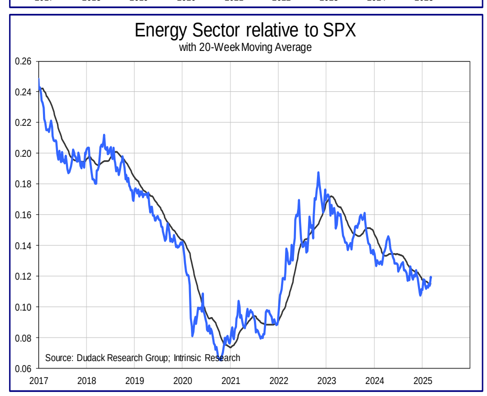


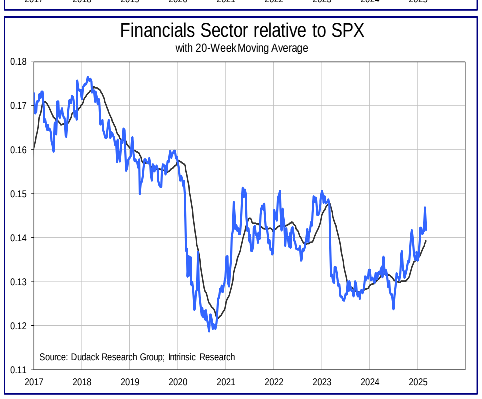


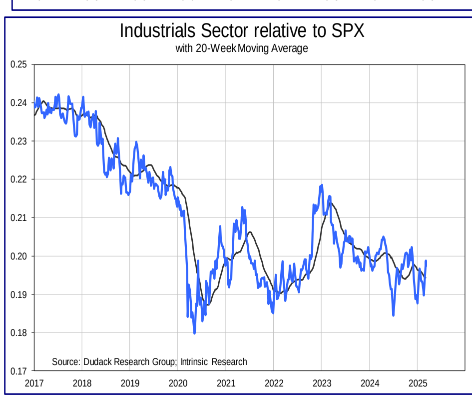












2025 Performance - Ranked	
SP500 Sector	% Change
S&P HEALTH CARE	5.9%
S&P CONSUMER STAPLES	4.0%
S&P REITS	2.0%
S&P UTILITIES	1.6%
S&P ENERGY	1.4%
S&P MATERIALS	1.1%
S&P INDUSTRIALS	-1.5%
S&P FINANCIAL	-1.8%
S&P COMMUNICATIONS SERVICES	-4.1%
S&P 500	-5.3%
S&P INFORMATION TECH	-11.9%
S&P CONSUMER DISCRETIONARY	-14.3%

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%
2024P	5881.63	$197.87	$233.83	$233.42	9.3%	$243.65	10.1%	25.2X	1.4%	2.5%	NA	NA
2025E	~~~~~	$172.75	$267.35	$270.00	15.7%	$270.56	11.0%	20.8X	NA	NA	NA	NA
2026E	~~~~~	$192.43	$306.74	$310.50	15.0%	$308.91	14.2%	18.2X	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 3Q	5521.50	$53.75	$59.17	$59.17	13.2%	$63.21	8.2%	24.4	1.3%	2.8%	$3,128.50	16.0%
2024 4QE	5881.63	$58.80	$61.67	$61.26	13.7%	$65.13	13.9%	25.2	1.3%	NA	NA	NA
2025 1QE*	5572.07	$55.65	$59.78	$63.75	16.7%	$60.39	6.8%	23.3	NA	NA	NA	NA
2025 2QE	NA	$60.87	$65.33	$65.25	11.8%	$66.02	9.3%	22.7	NA	NA	NA	NA
2025 3QE	NA	$65.65	$69.87	$68.00	14.9%	$70.64	11.8%	21.7	NA	NA	NA	NA
2025 4QE*	NA	$68.13	$72.37	$73.00	19.2%	$73.35	12.6%	20.8	NA	NA	NA	NA

Source: DRG; S&P Dow Jones **quarterly EPS may not sum to official CY estimates; LSEG IBES Consensus estimates *3/11/2025

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.

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"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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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

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