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March 26, 2025

DJIA: 42587.50
SPX: 5776.65
NASDAQ: 18271.86

US Strategy Weekly

Has Bearishness Run its Course?

Ironically, as President Trump's April 2 target date for implementing tariffs approaches, investors are beginning to understand Trump's negotiating process, and the fear of a tariff war appears to be subsiding. In sum, tariffs may, or may not, be implemented; it depends upon the flexibility of the export country, but if this were a card game, the US already has a better hand. At least for the moment, equity prices seem to be stabilizing.

It is not a surprise, and should not go unnoticed, that officials from both the European Union and India are meeting with US trade officials this week to avoid steep tariffs next week. This has been the goal – to get our trading partners to the negotiating table in earnest. According to Reuters, India is open to cutting tariffs on more than half of US imports worth $23 billion in the first phase of a trade deal that the two nations are negotiating. It should not be a surprise that the overwhelming angst regarding tariffs since President Trump came into office has been exaggerated and misplaced. The real fear regarding the strength of the US economy in 2025 should be on how the economy will fare once the massive fiscal stimulus implemented throughout the four-year Biden administration disappears. This has been our worry; because as fiscal stimulus has been fading, consumption has already been weakening, and 70% of US GDP is driven by the consumer. There is a potential counterbalance; but the question is whether or not Congress can, or will, soon pass a comprehensive tax reform bill that will help support the average household by lowering taxes. Republicans are quickly discovering that a slim majority in both houses of Congress does not guarantee success in passing legislation. Therefore, there is risk to the consumer and to the economy this year.

Another, but longer term concern we have is the recent disclosure that a sophisticated Chinese network is trying to recruit newly fired, and we assume angry and disenfranchised, federal employees. Max Lesser, a senior analyst for emerging threats at the Washington-based think tank Foundation for Defense of Democracies, said some companies placing recruitment ads were "part of a broader network of fake consulting and headhunting firms targeting former government employees and AI researchers." Lesser uncovered the network and shared his research with Reuters ahead of his publication. He said the campaign follows "well-established" techniques used by previous Chinese intelligence operations. This type of recruitment is not really new; however, in the current Washington DC political environment that is steeped in partisan anger and cynicism, these fired workers and the US in general, could become particularly vulnerable to Chinese espionage.

The S&P 500 is down 8% from its recent peak, down 1.8% year-to-date, and is currently on track for its first quarterly loss since June 2023. However, a correction was long overdue. Moody's rating agency reported that the United States' fiscal health deteriorated since it last lowered its outlook on the AAA rating in November 2023, and the US is on track for a continued multiyear decline as budget deficits widen and debt becomes less affordable. Federal debt has been our major concern for 2025. Meanwhile, more dismal news came from consumer confidence surveys.

The Conference Board's consumer confidence index made headlines because it fell from a revised 101.1 (previously 98.3) in February to 92.9 in March, its lowest reading since January 2021. The present situation index also declined, but remains well above its long-term average. The story was in the expectations index which fell 9.6 points to 65.2, its lowest reading in 12 years. See page 7. But note that the Conference Board has been systematically revising previous monthly readings higher. More importantly, as we noted last week when analyzing the University of Michigan survey, sentiment is swayed by political bias and in the current environment by Democratic pessimism. This suggests that much like the bias seen in past presidential-election polls, sentiment indices may not be a reliable predictor of economic outcomes. In our view, retail sales are the better benchmark for measuring consumer strength or weakness. Note that March retail sales data will be released on April 16.

Housing data for February was mixed but continues to show weakness. Seasonally adjusted existing home sales were 4.26 million (SAAR) in February, down 1.2% YOY; however, this was the first YOY decline in five months. Seasonally adjusted new home sales were 676,000 in February, up 5.1% YOY, after being unchanged in January. The median price of an existing single-family home was $402,500, up 3.7%, but rising at a decelerating pace. The median price of a new single-family home was $414,500, down 1.5% YOY, continuing the slow decline seen for most of the last two years. See page 3. The discrepancy between existing and new home price trends has existed since the second half of 2023 and the weakness in new construction may be a result of higher prices and excess capacity. Over the last 50 years existing home prices and retail sales have been highly correlated, so it is encouraging that both existing home prices and retail sales have remained positive and stable. See page 4. Again, upcoming retail sales reports will be an important barometer of consumer strength.

The NAHB single-family housing market index has been declining since the end of March 2024; but the good news is that housing affordability is slowly improving as incomes rise and home prices ease. The index of median existing home prices versus personal income per capita has dropped from "expensive" to "normal" in recent months. Unfortunately, the median home price relative to median household income remains in the "expensive" range which suggests that mid-range housing prices may decline further in coming quarters. See page 5.

One positive for the real estate market is that the Federal Reserves' newly revised household debt service ratios show the mortgage debt service ratio has stayed low, stable, and healthy over the last 18 months. In the fourth quarter of 2024, the mortgage debt ratio dipped from 5.83% to 5.77%. Conversely, the consumer debt service ratio rose from 5.48% to 5.51%, and is up from a pandemic low of 4.31% in 1Q21. See page 6. Recent consumer credit card data suggest this ratio continued to move higher in the first quarter of this year.

At the March 13, 2025 lows, the peak to trough declines in the S&P 500, Dow Jones Industrial Average, the Nasdaq Composite index, and the Russell 2000 index were 10.1%, 9.3%, 14.2%, and 18.4%, respectively. Not only did the S&P 500 appear to stabilize after a 10% correction, but the Nasdaq Composite index rebounded off its 2022-2025 uptrend line and the Russell 2000 index bounced off its pivotal 2000 resistance/support level. These were all important levels of support, and the bounce off these levels makes it likely that the "fear of tariffs" decline has run its course. However, most market lows are retested and this low may be no exception. See page 10. The 25-day up/down volume oscillator is at minus 0.59 this week, neutral, and relatively unchanged for the week. However, it was significant that the equity market rallied after this indicator reached a level of negative 1.84 on March 13, its lowest level since the market weakness seen in December/January. And finally, last week's AAII survey showed bull/bear percentages of 21.6%/58.1%. These numbers continue to exceed the bull/bear split of 20/50 which is rare and favorable. The AAII 8-week bull/bear index is minus 23.6% and the most positive since November 2022. All in all, the technical backdrop of the equity market suggests bearishness has run its course.

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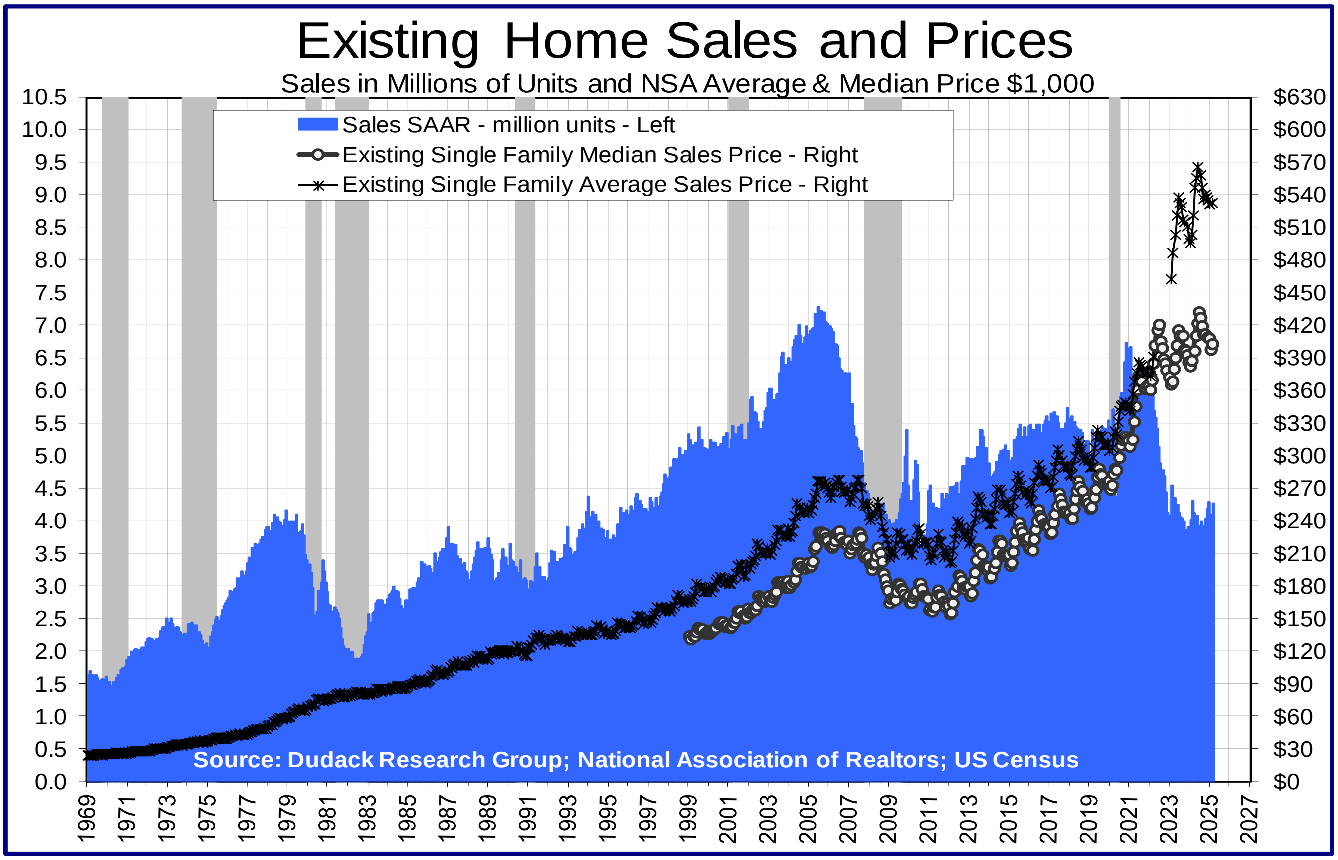
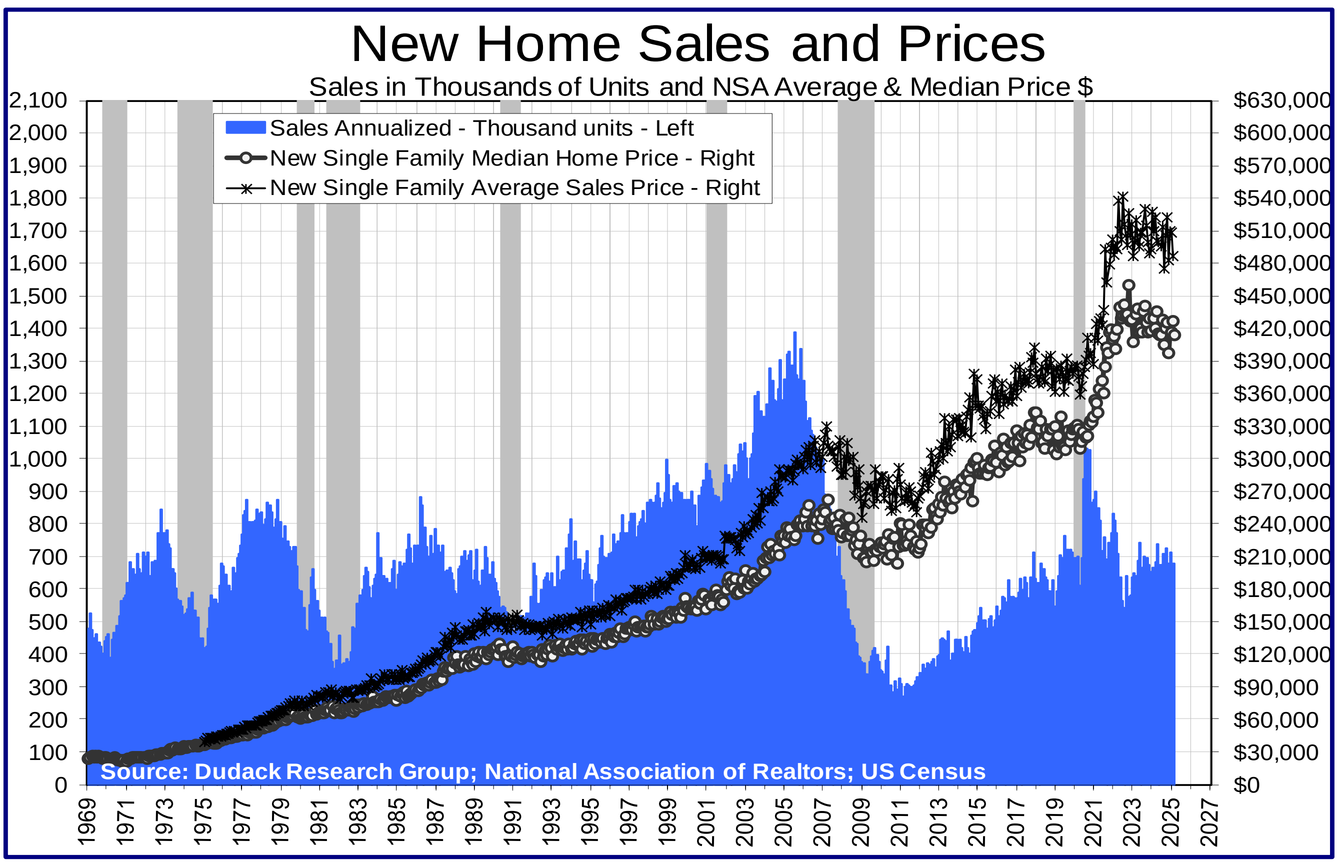
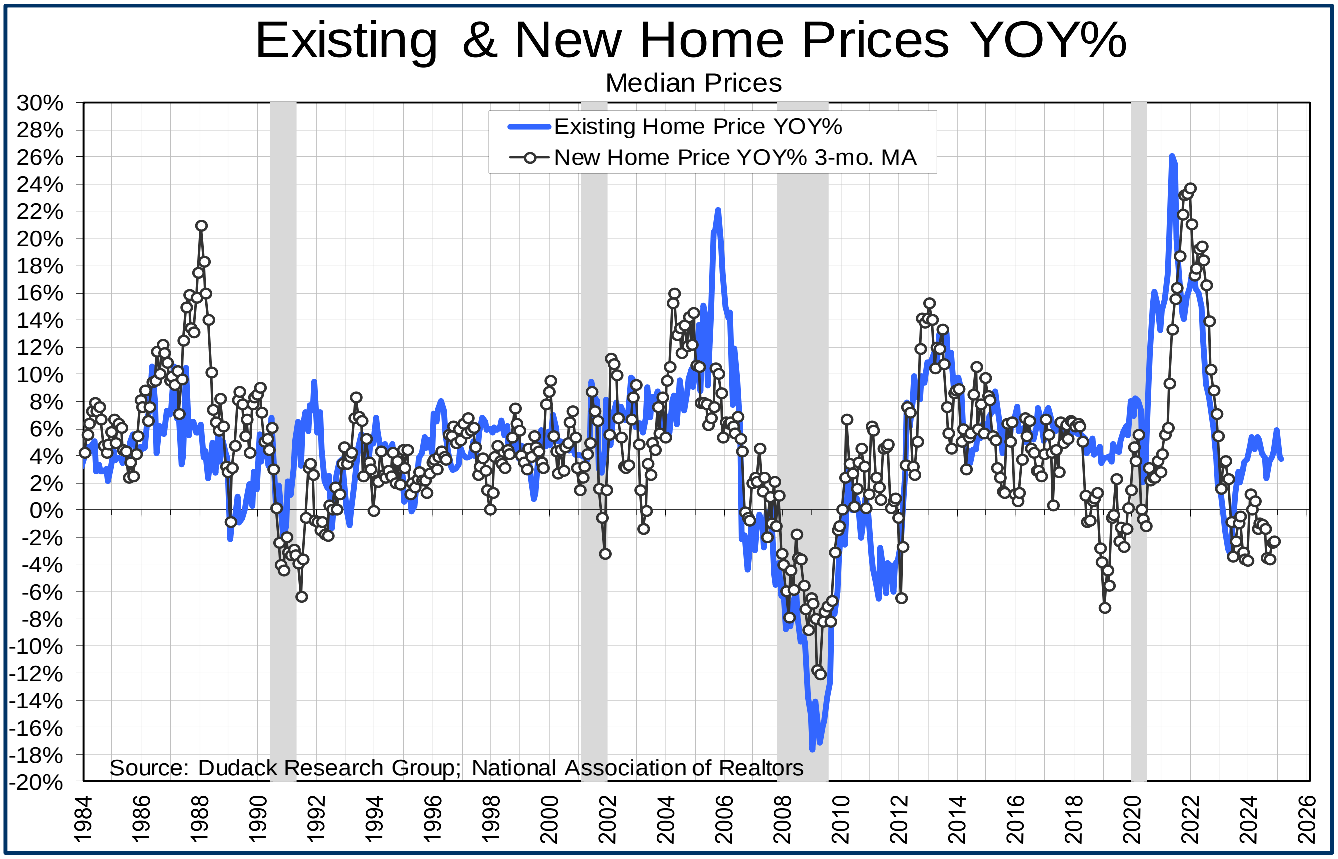
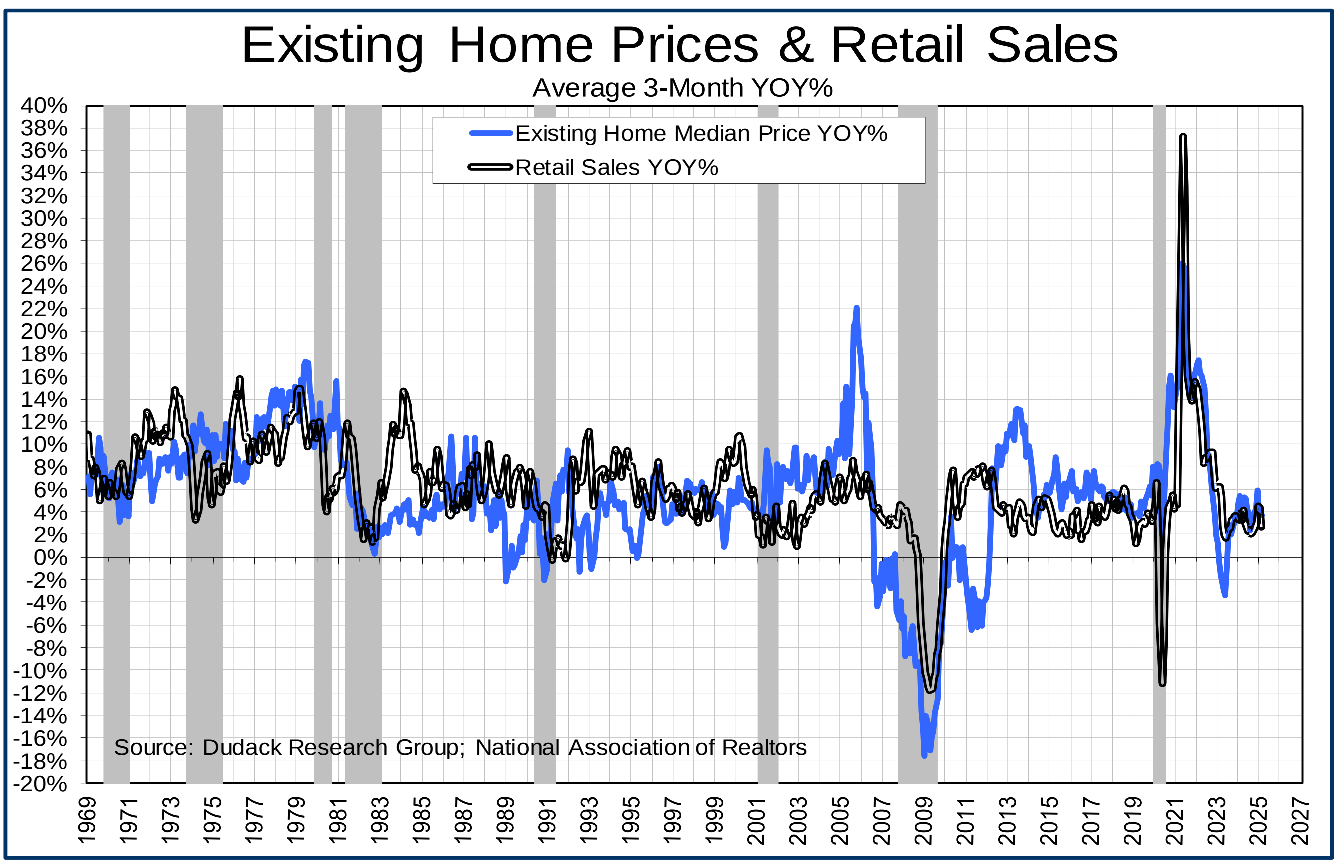


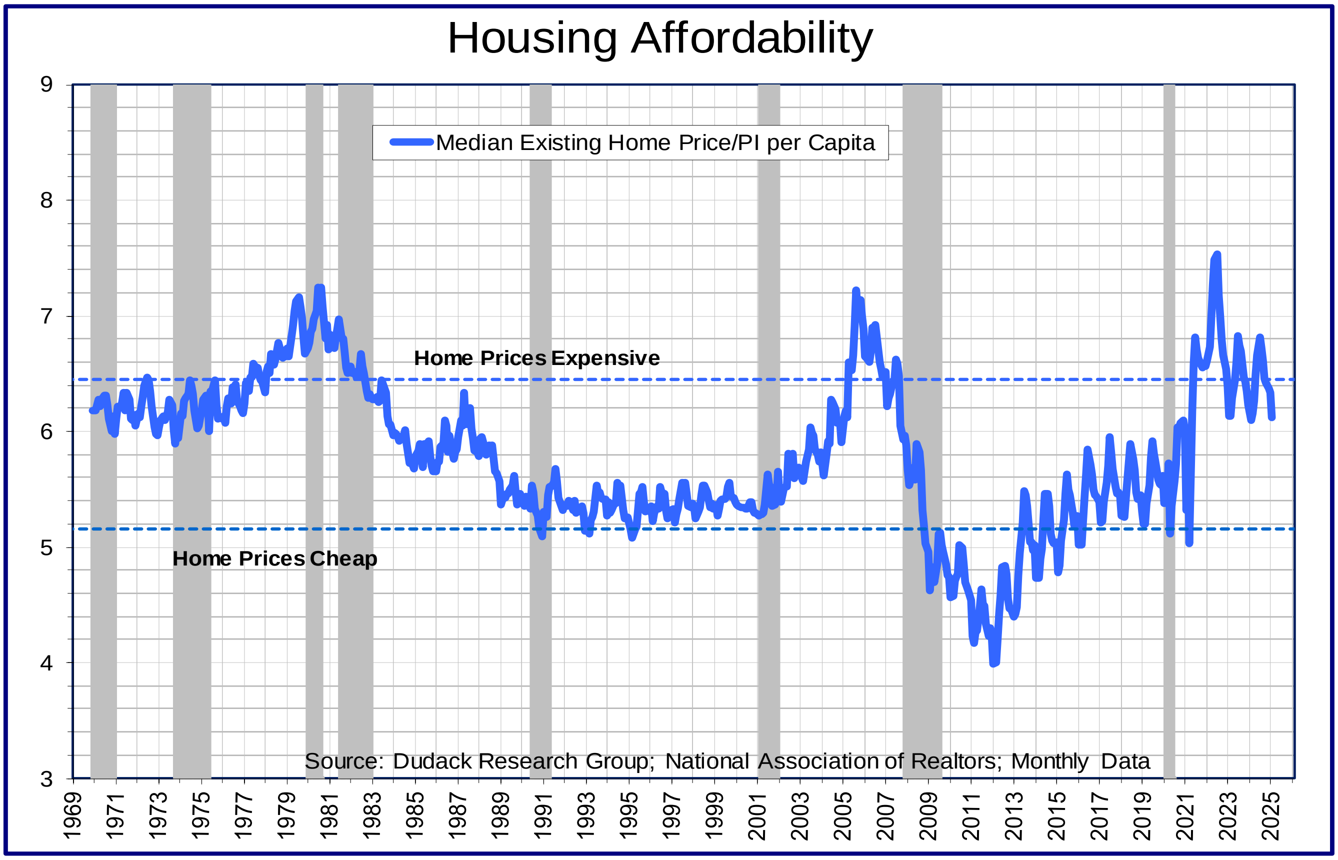


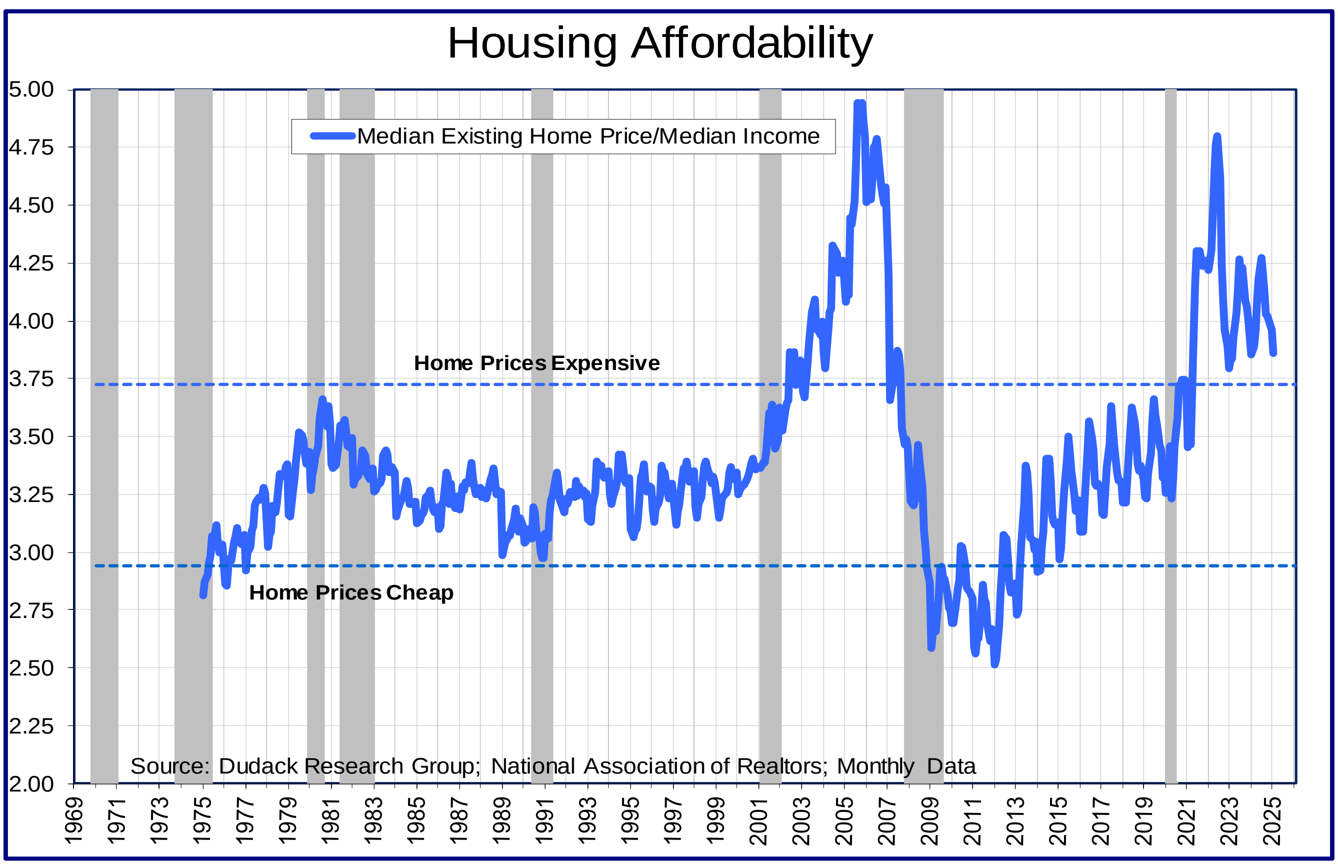
The discrepancy between rising existing home prices and new home prices has persisted since the second half of 2023 and weakness in new homes may be a result of higher prices and excess capacity in new residential construction. Existing home prices and retail sales have been highly correlated over the last 50 years. But the housing sector has been weakening for several quarters, even though retail sales have remained solid. Given the recent weakness in consumer sentiment surveys, upcoming retail sales reports will be an important barometer of consumer strength.



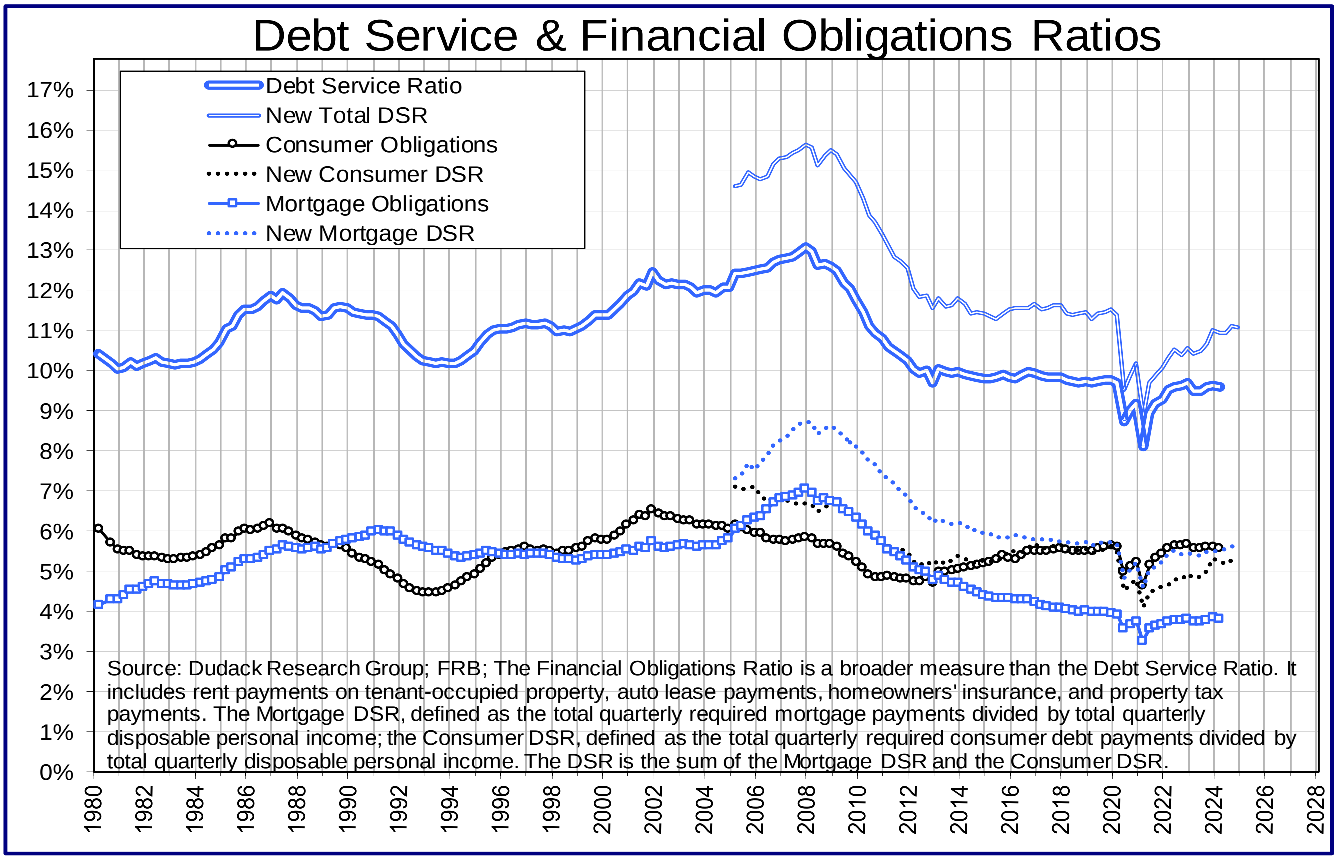


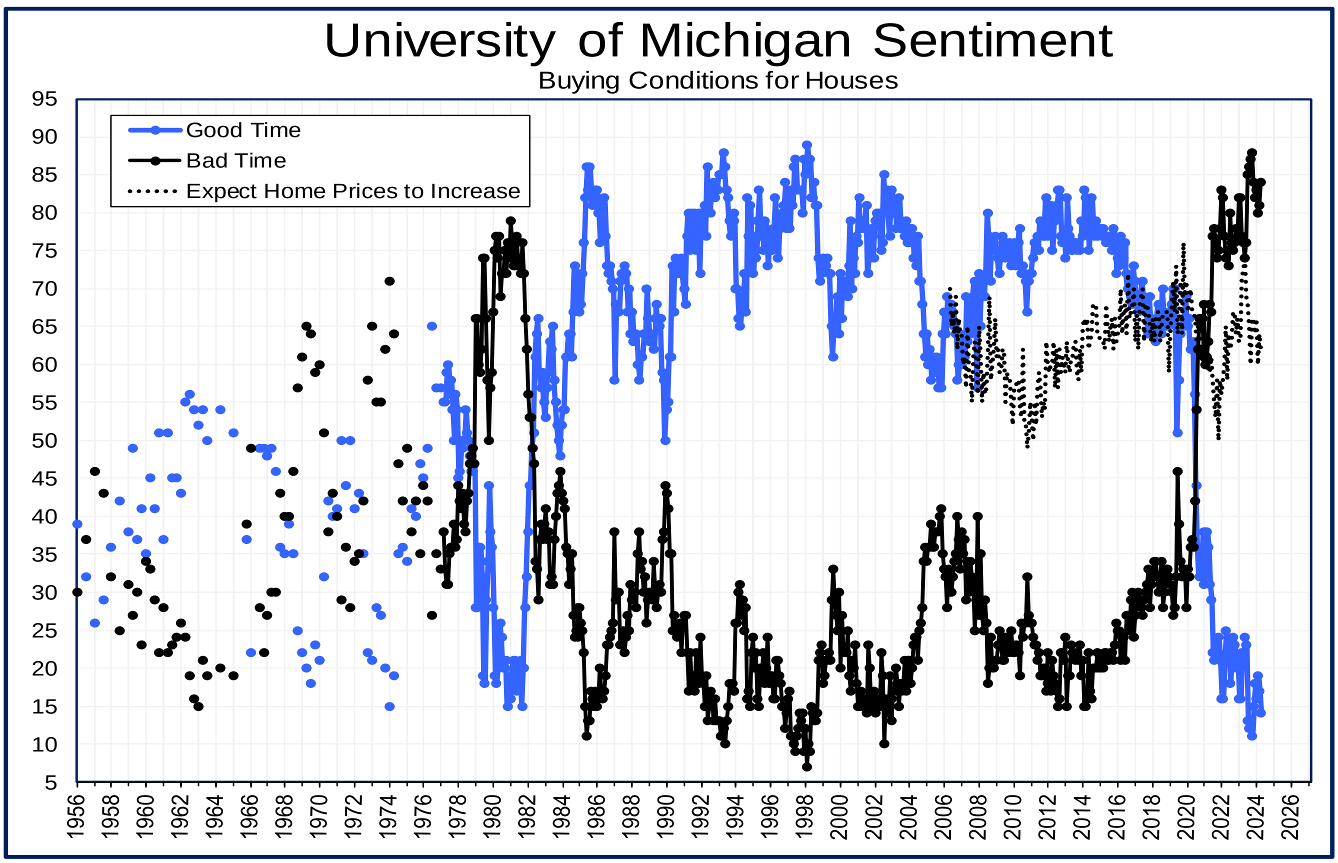
The NAHB single-family housing market index has been decelerating since the end of March 2024. But the good news is that housing affordability is now improving as incomes rise and home prices ease. The index of median existing home prices versus personal income per capita has dropped from “expensive” to “normal” in recent months. Nevertheless, the median home price relative to median household income remains in the “expensive” range. This suggests that mid-range housing prices may decline further in coming quarters.



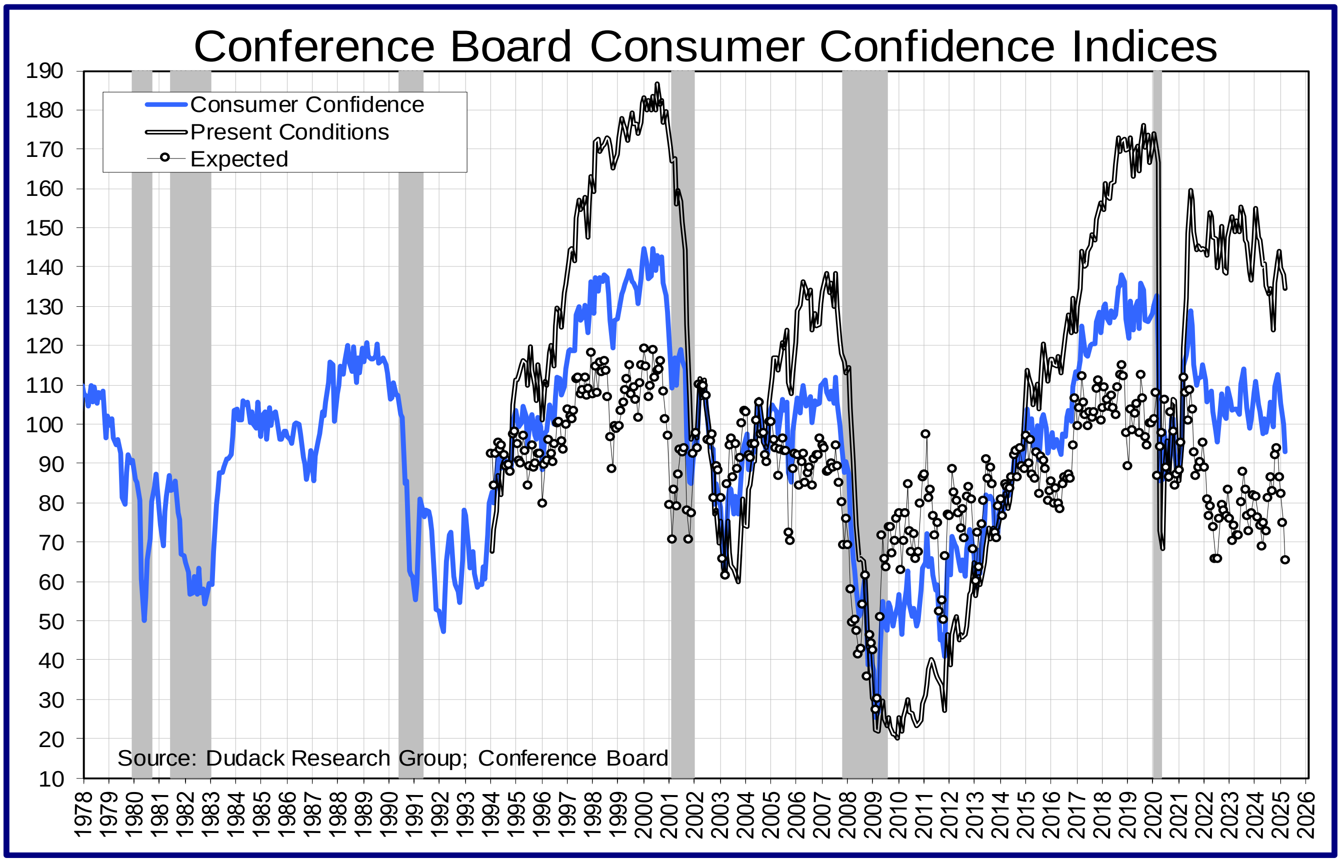


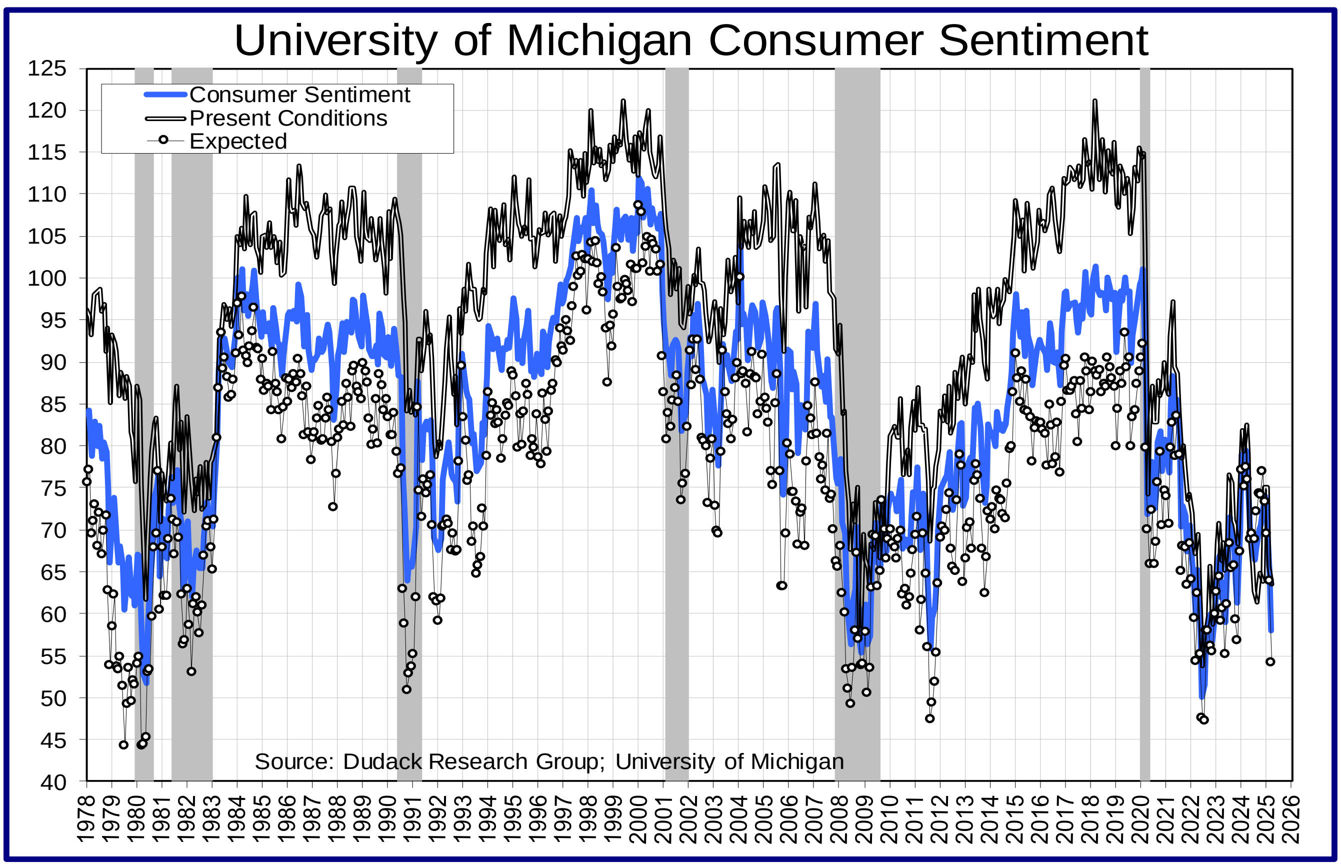
One positive for the real estate market is that the newly revised household debt service ratios reported by the Federal Reserve show the mortgage debt service ratio has stayed low, stable, and healthy over the last 18 months. In the fourth quarter of 2024, the mortgage debt ratio dipped from 5.83% to 5.77%. Conversely, the consumer debt service ratio rose from 5.48% to 5.51%, and is up from a pandemic low of 4.31% in 1Q21. Recent consumer credit reports suggest this ratio moved higher in the first quarter of this year. University of Michigan consumer sentiment reveals that most consumers do not see this as a good time to buy a home, although negative sentiment appears to have peaked in August 2024.



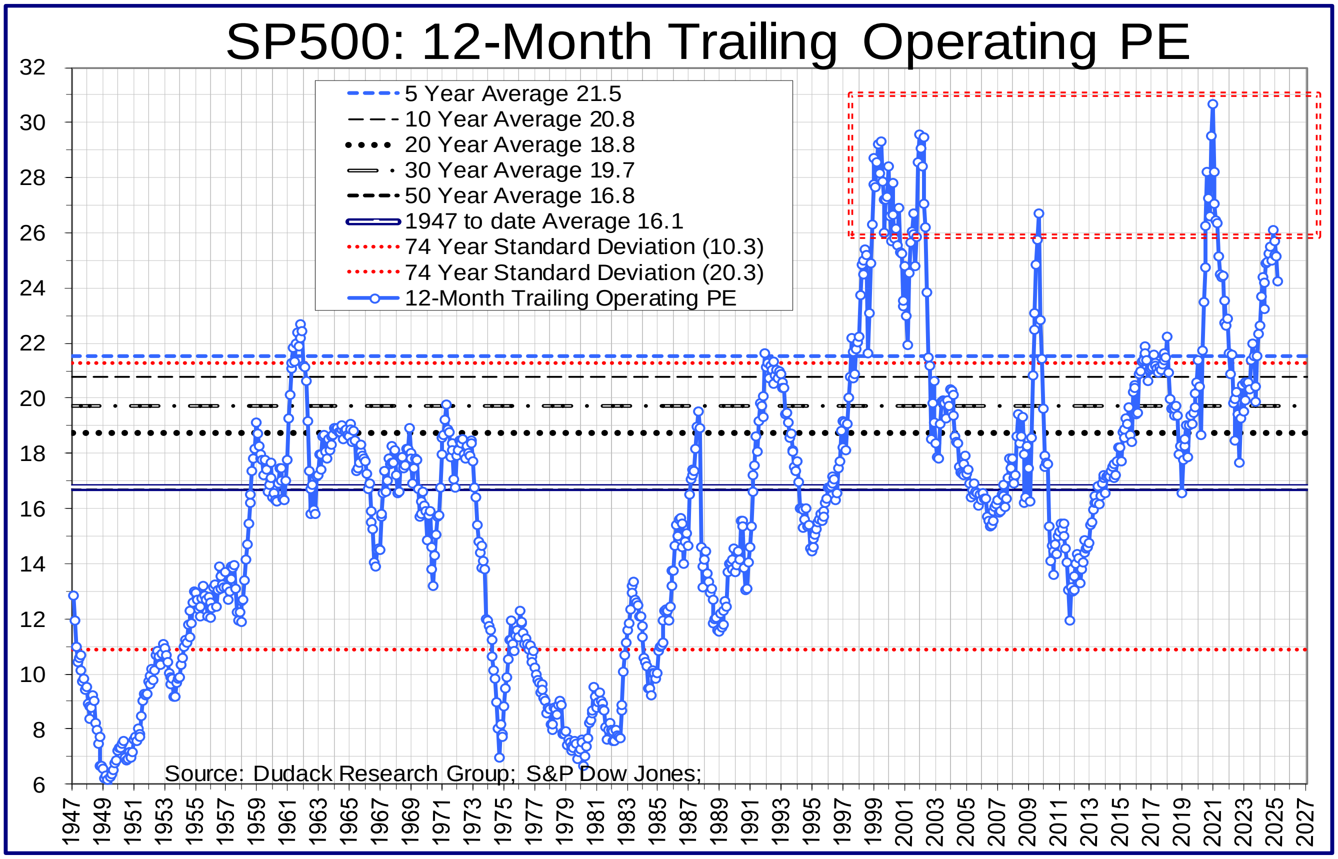


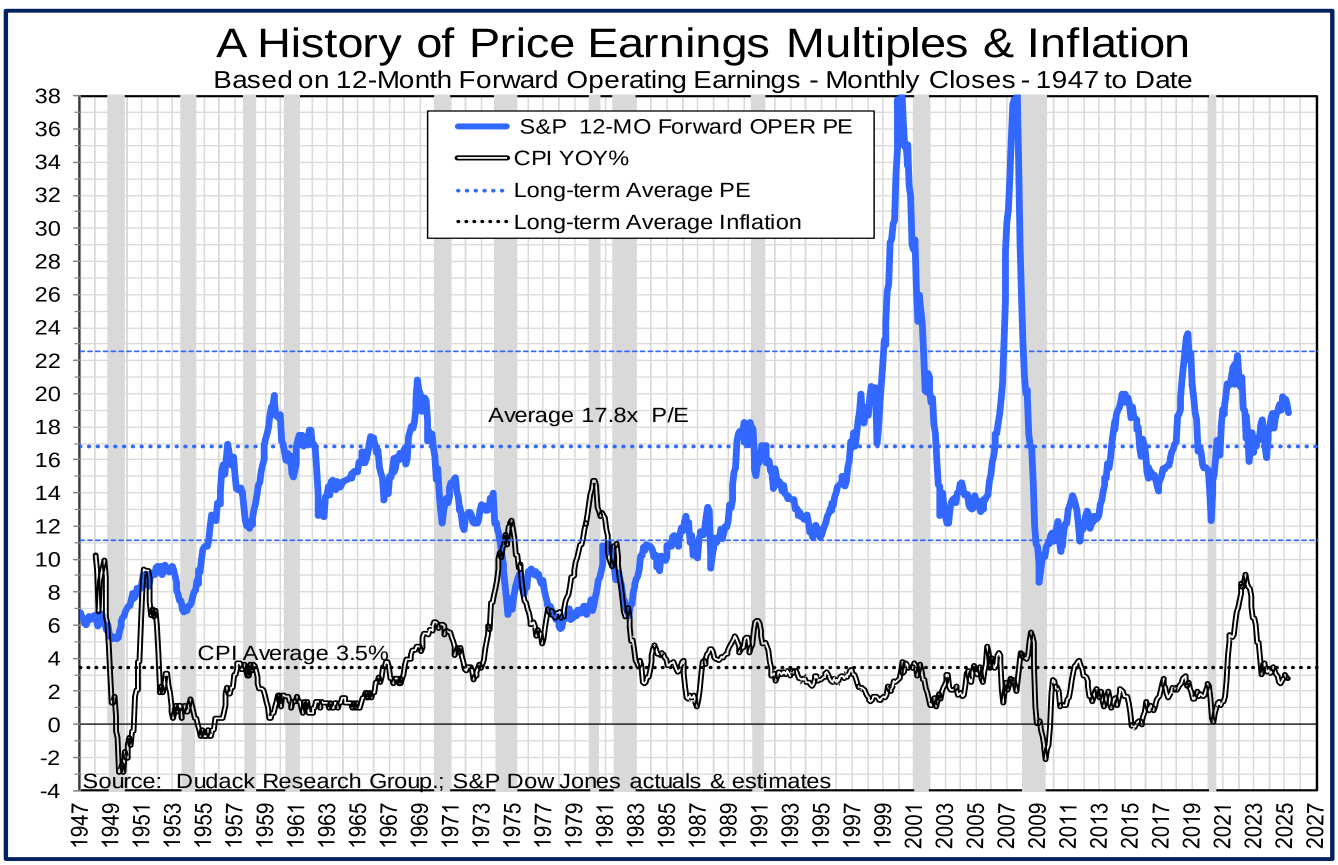
The Conference Board's consumer confidence index fell from a revised 101.1 (previously 98.3) in February to 92.9, its lowest reading since January 2021. The present situation index also fell but remains well above its long-term average, but the expectations index fell 9.6 points to 65.2, the lowest in 12 years. But note that the CB has continuously revised monthly readings higher and as we noted last week with the University of Michigan survey, the negative bias in sentiment is swayed politically. In our view, retail sales are the better benchmark for consumer strength or weakness.



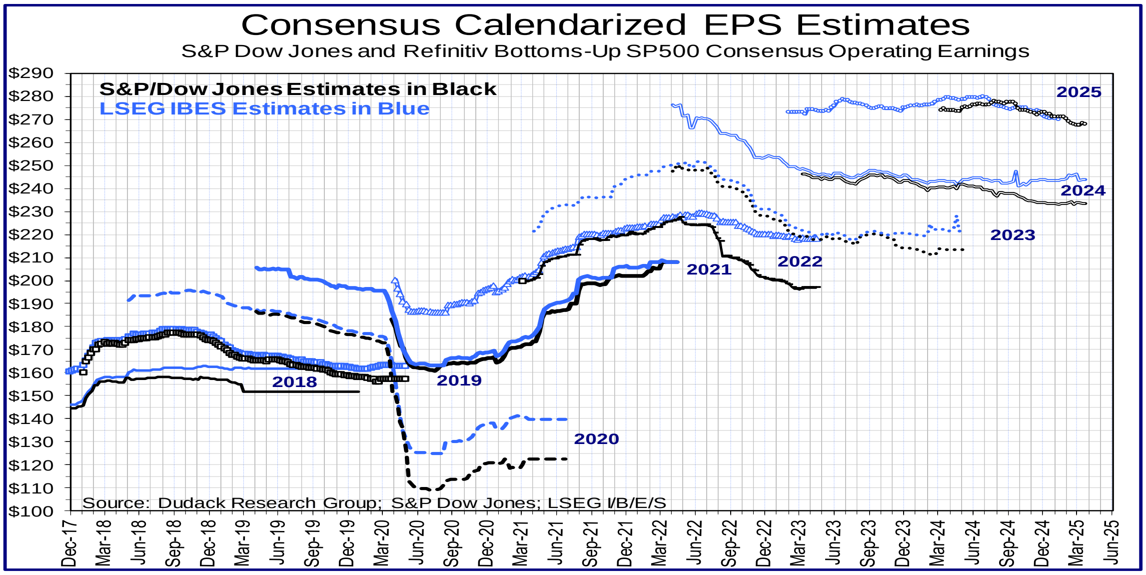


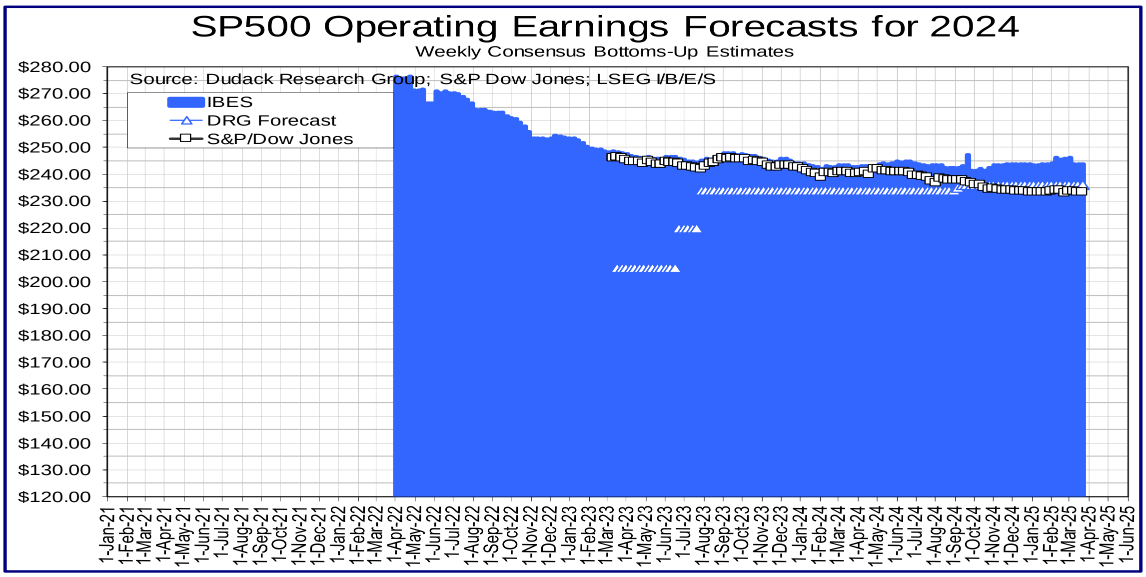
Valuation has not been supportive of equities for the last two years, but the recent decline in the equity market is changing this. The SPX **trailing** 4-quarter operating multiple is now 24.2 times, down over 1 point in the last month, but still above all long- and short-term averages. With 2026 S&P Dow Jones estimates, the **12-month forward** PE multiple is 18.8 times. When this PE is added to inflation of 2.8%, it comes to 21.6, which is neutral and higher this week. The normal range is 14.8 to 23.8.

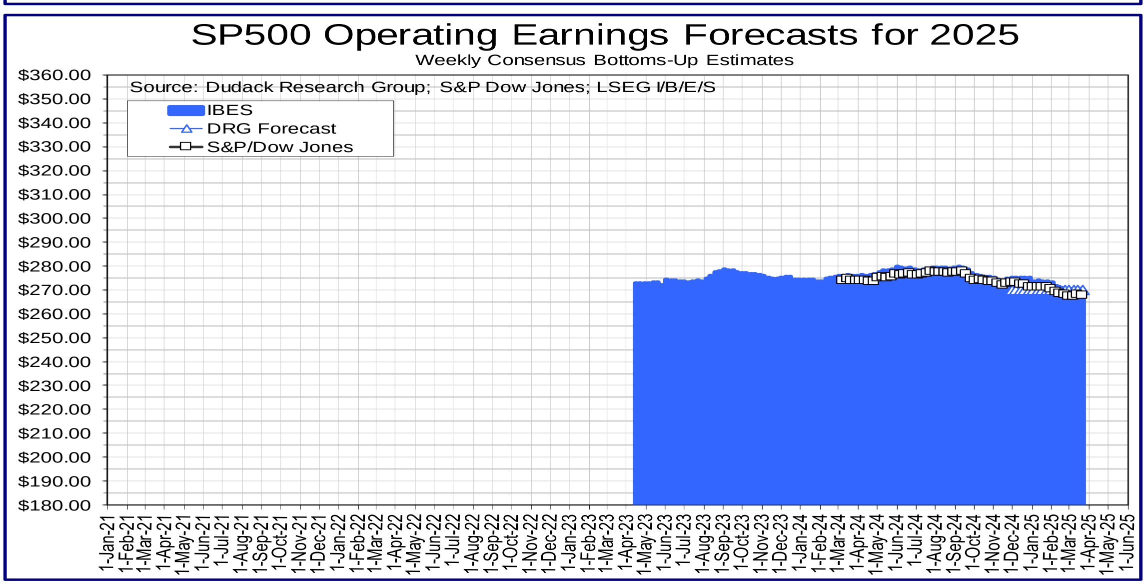




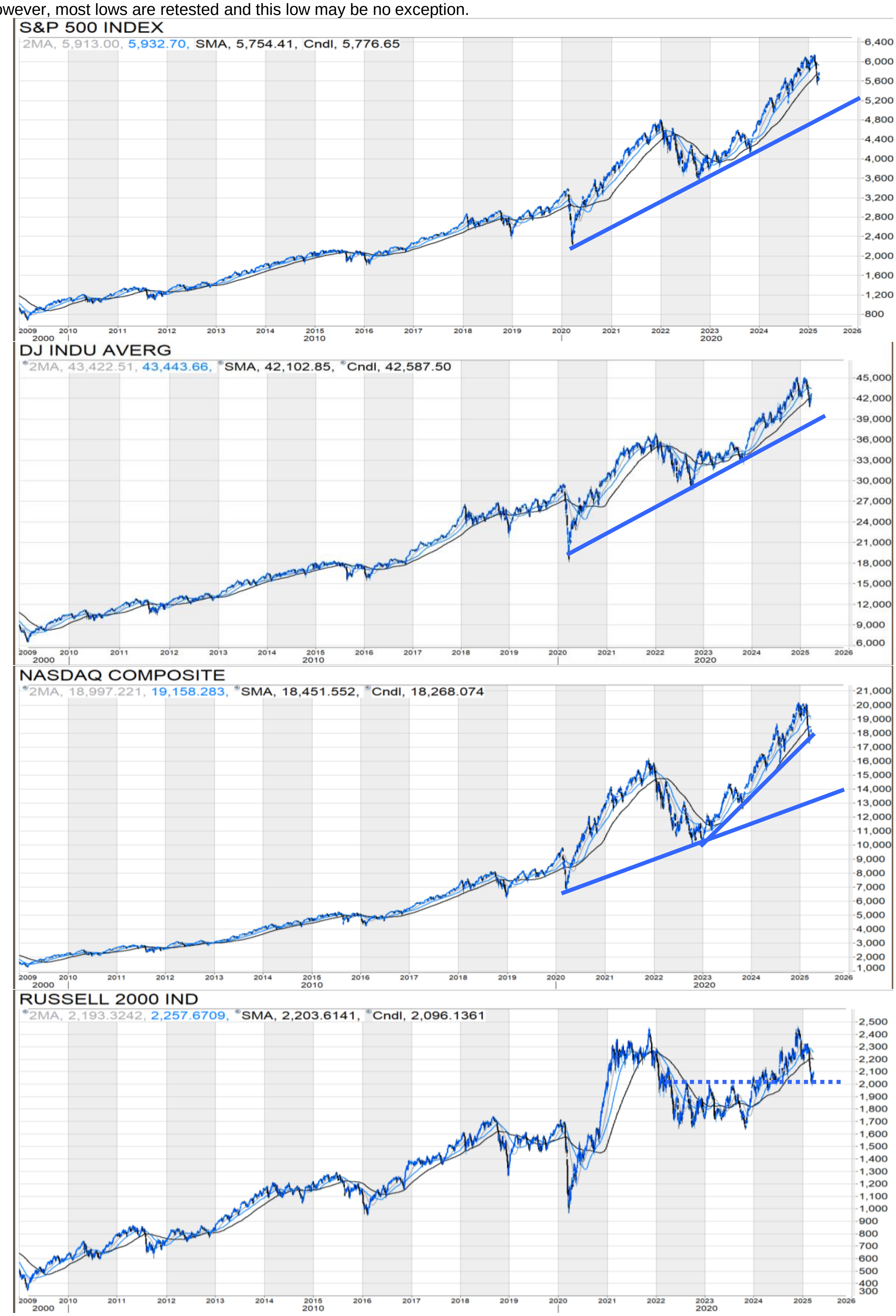
The S&P Dow Jones consensus estimate for calendar 2024 is $233.35, down $0.13 and the 2025 estimate is $267.77, down $0.40 this week. The LSEG IBES estimate for 2024 is $243.73, up $0.01; and the estimate for 2025 is $269.91, down $0.56. The IBES guesstimate for 2026 EPS is $308.35, down by $0.52.







At the March 13, 2025 lows, the peak to trough declines in the SPX, DJIA, IXIC, and RUT were 10.1%, 9.3%, 14.2%, and 18.4%, respectively. Not only did the SPX appear to stabilize after a 10% correction, but the IXIC rebounded off its 2022-2025 uptrend line and the RUT bounced off its pivotal 2000 resistance/support level. These were all important levels of support, and the bounce off these levels makes it likely that the "fear of tariffs" decline has run its course. However, most lows are retested and this low may be no exception.

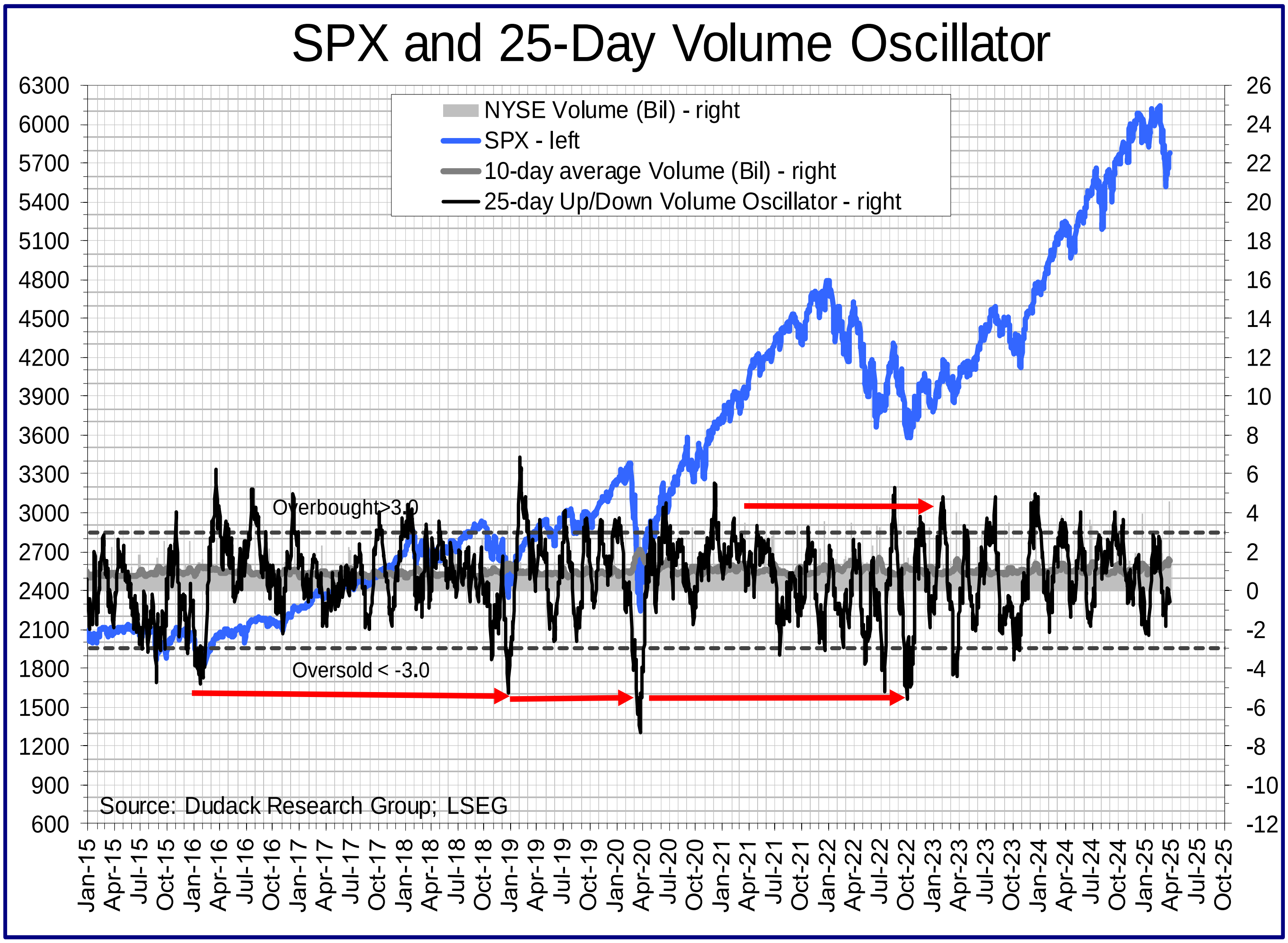


Source: LSEG

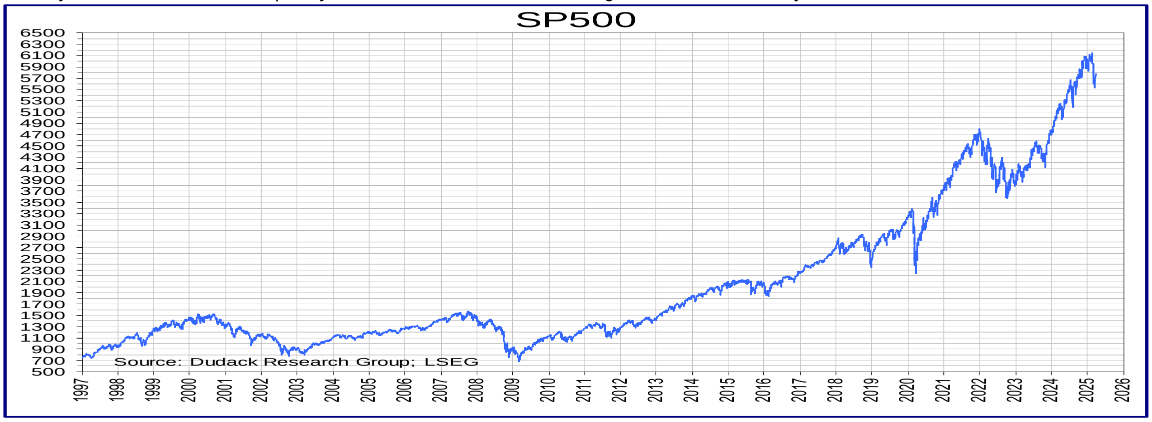
The 25-day up/down volume oscillator is minus 0.59 this week, neutral, and relatively unchanged for the week. Note that the equity market rallied after this indicator reached a level of negative 1.84 on March 13, its lowest level since the market weakness seen in December/January.

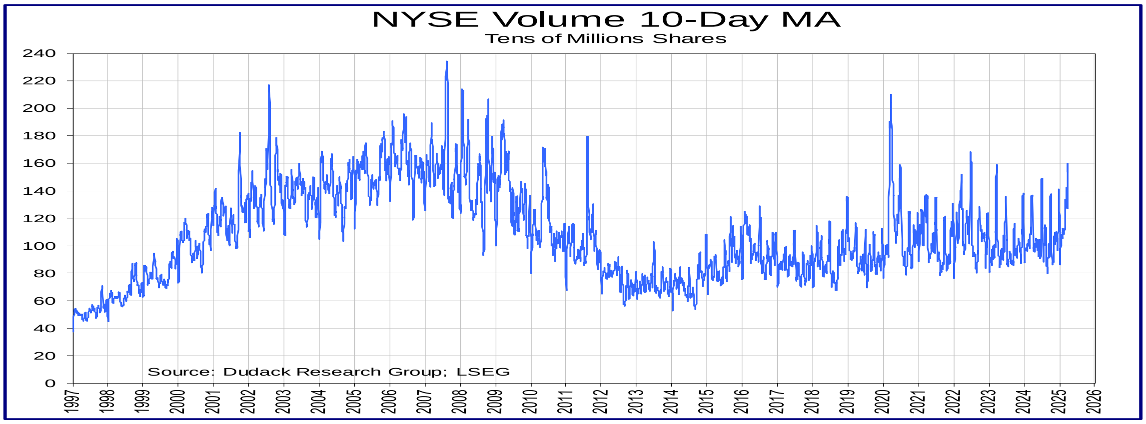
The lack of a fully oversold reading of -3.0 or less, is surprising in many ways given the drama of the recent decline; but our oscillator uses NYSE volume versus composite volume as an effort to eliminate the noise from daily and intra-day program/algorithmic trading that currently dominates daily volume. In our view, program trading does not reflect conviction.

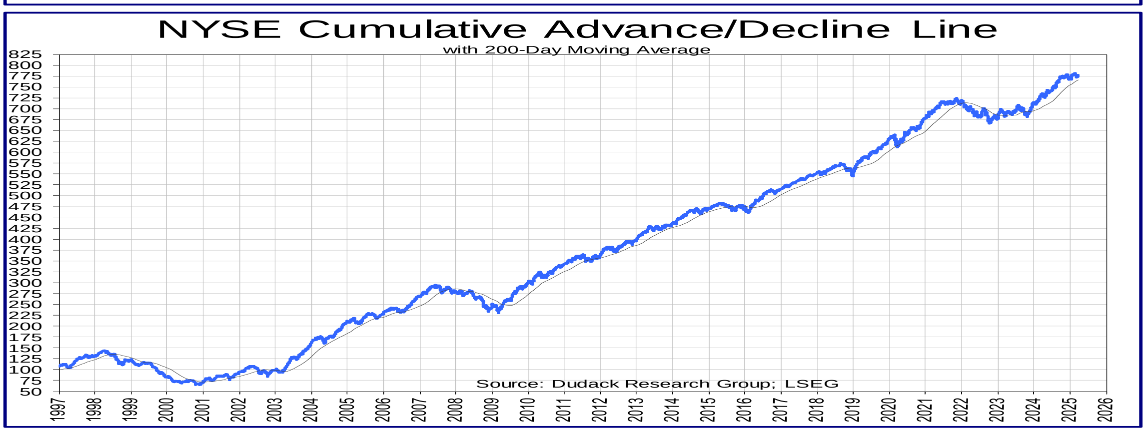
As a reminder, this oscillator rose close to an overbought reading of 3.0 or greater, twice this year, without reaching overbought, and therefore did not confirm the advance seen earlier this year; therefore, the first quarter correction is not a surprise.

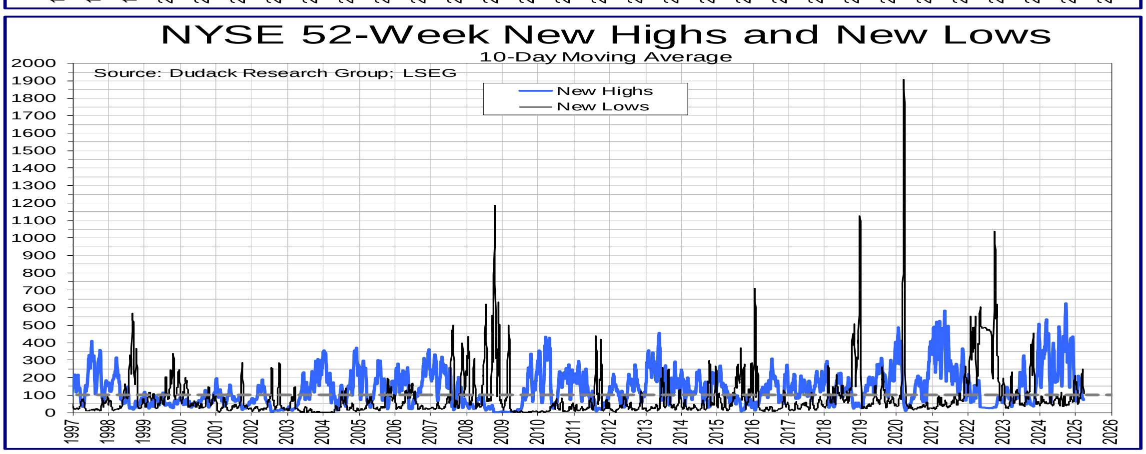


The 10-day average of daily new highs is 75 this week and new lows are averaging 105. This combination of daily new highs below 100 and new lows above 100 is negative. (But note that the average of daily new lows has declined substantially this week.) The NYSE cumulative advance/decline line made a new high on February 18, 2025, confirming the SPX high on February 19, 2025, but not subsequently. In sum, breadth indicators tilt negative but are not overly bearish.

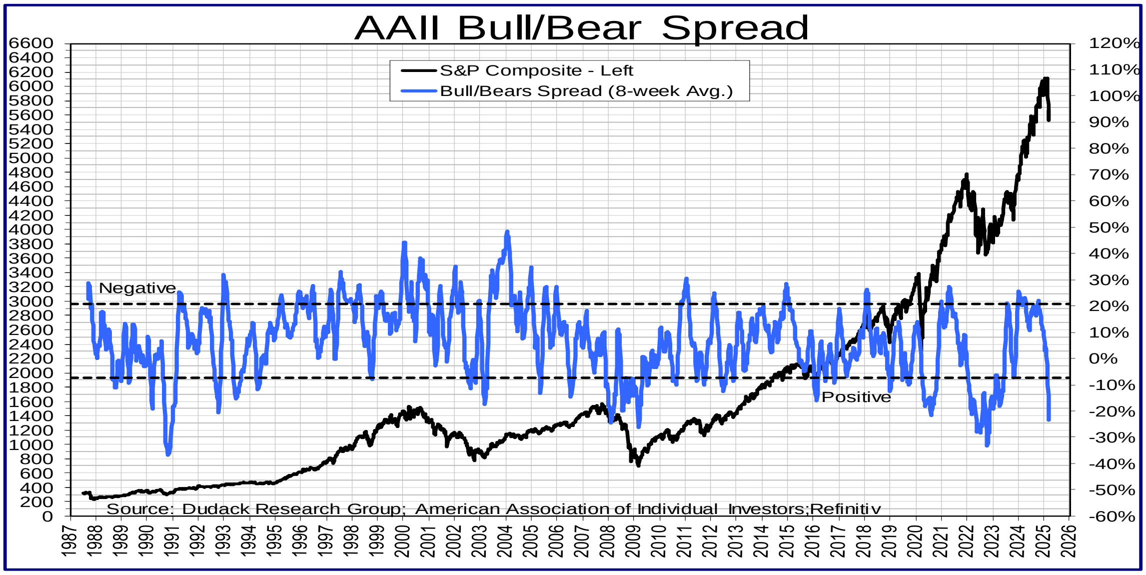


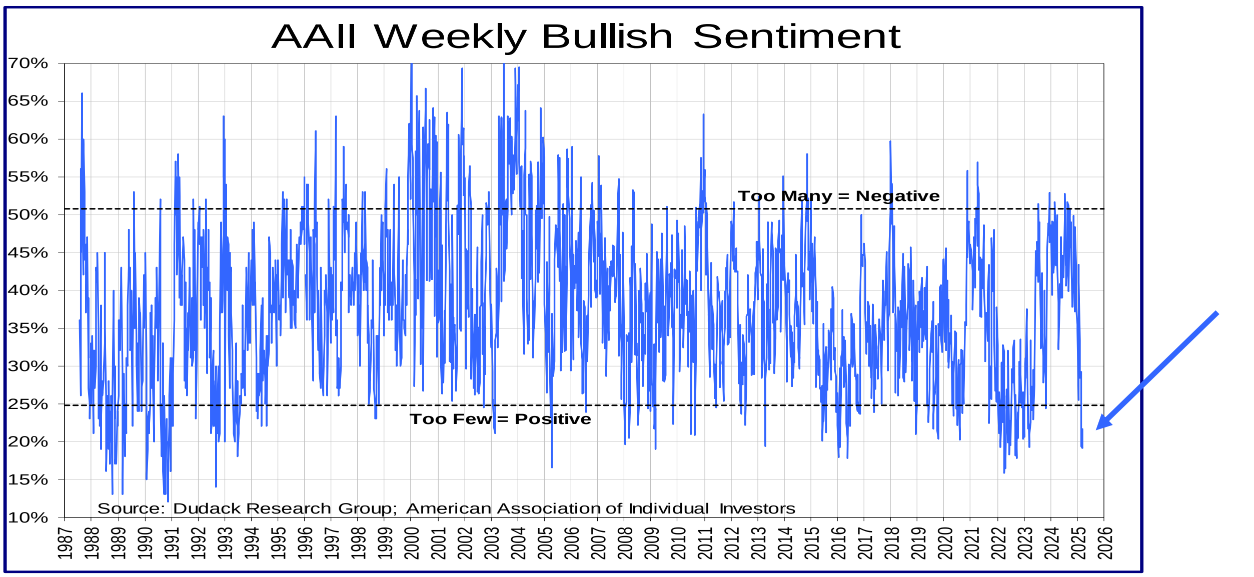


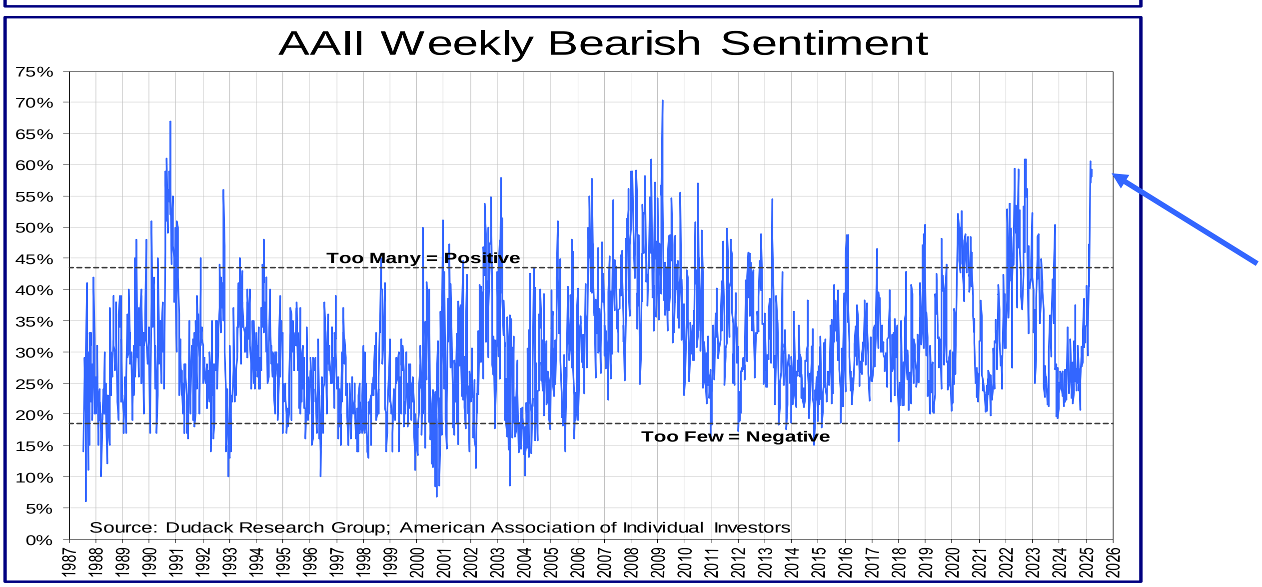




Last week's AAII survey showed bullishness rose 2.5% to 21.6% and bearishness fell 1.1% to 58.1%. Bullishness is below average for the 10th time in 12 weeks. Bearishness is above average for the 16th time in 18 weeks. This is the first time bearish sentiment has exceeded 57% for four consecutive weeks. These numbers continue to exceed the bull/bear split of 20/50 which is rare and favorable. The 8-week bull/bear is minus 23.6% and the most positive since November 2022.







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	25.95	-3.2%	7.6%	23.8%	23.8%
iShares MSCI Germany ETF	EWG	38.38	-2.4%	4.9%	20.6%	20.6%
iShares China Large Cap ETF	FXI	36.30	-5.7%	2.6%	19.3%	19.3%
Silver Future	SIc1	34.00	-1.7%	6.9%	17.5%	17.5%
iShares MSCI Brazil Capped ETF	EWZ	26.42	-0.6%	4.5%	17.4%	17.4%
iShares Silver Trust	SLV	32.08	-0.8%	6.2%	16.4%	16.4%
SPDR Gold Trust	GLD	278.47	-0.5%	3.7%	15.0%	15.0%
iShares MSCI Mexico Capped ETF	EWW	52.59	0.3%	3.0%	12.3%	12.3%
iShares MSCI South Korea Capped ETF	EWY	57.07	0.2%	-0.8%	12.1%	12.1%
iShares MSCI EAFE ETF	EFA	84.11	-0.6%	2.3%	11.2%	11.2%
iShares MSCI United Kingdom ETF	EWU	37.64	-0.8%	2.5%	11.0%	11.0%
iShares MSCI BRIC ETF	BKF	40.43	-2.2%	3.2%	10.8%	10.8%
iShares MSCI Singapore ETF	EWS	24.04	2.0%	3.0%	10.0%	10.0%
Energy Select Sector SPDR	XLE	93.23	2.1%	4.0%	8.8%	8.8%
Vanguard FTSE All-World ex-US ETF	VEU	62.29	-0.8%	1.5%	8.5%	8.5%
iShares MSCI Japan ETF	EWJ	71.68	1.1%	3.2%	6.8%	6.8%
iShares MSCI Emerg Mkts ETF	EEM	44.65	-1.0%	0.9%	6.8%	6.8%
iShares MSCI Hong Kong ETF	EWH	17.69	-2.9%	1.8%	6.2%	6.2%
Health Care Select Sect SPDR	XLV	145.27	-1.1%	-2.4%	5.6%	5.6%
Financial Select Sector SPDR	XLF	50.43	2.9%	-1.0%	4.3%	4.3%
iShares MSCI Canada ETF	EWC	41.71	2.9%	0.9%	3.5%	3.5%
Communication Services Select Sector SPDR Fund	XLC	99.94	4.2%	-1.7%	3.2%	3.2%
iShares US Telecomm ETF	IYZ	27.68	2.5%	-1.9%	3.2%	3.2%
Materials Select Sector SPDR	XLB	86.52	-0.4%	-2.4%	2.8%	2.8%
iShares 20+ Year Treas Bond ETF	TLT	89.76	-1.0%	-1.8%	2.8%	2.8%
iShares Russell 1000 Value ETF	IWD	189.34	1.2%	-2.0%	2.3%	2.3%
Industrial Select Sector SPDR	XLI	134.49	2.0%	-0.3%	2.1%	2.1%
Gold Future	GCc1	3044.10	0.2%	0.7%	2.0%	2.0%
iShares US Real Estate ETF	IYR	94.66	-0.8%	-3.1%	1.7%	1.7%
Utilities Select Sector SPDR	XLU	76.92	-2.2%	-3.2%	1.6%	1.6%
iShares iBoxx $ Invest Grade Corp Bond	LQD	108.40	0.0%	-0.9%	1.5%	1.5%
iShares Nasdaq Biotechnology ETF	IBB.O	132.97	-0.8%	-3.5%	0.6%	0.6%
Shanghai Composite	.SSEC	3369.98	-1.7%	0.7%	0.5%	0.5%
DJIA	.DJI	42587.50	2.4%	-2.4%	0.1%	0.1%
Consumer Staples Select Sector SPDR	XLP	78.68	-1.3%	-5.9%	0.1%	0.1%
SPDR DJIA ETF	DIA	425.82	2.2%	-2.4%	0.1%	0.1%
iShares DJ US Oil Eqpt & Services ETF	IEZ	19.82	3.4%	-0.5%	0.1%	0.1%
iShares MSCI Australia ETF	EWA	23.81	1.6%	-3.0%	-0.2%	-0.2%
PowerShares Water Resources Portfolio	PHO	65.24	-0.3%	-2.8%	-0.8%	-0.8%
United States Oil Fund, LP	USO	74.82	3.6%	0.9%	-1.0%	-1.0%
iShares MSCI India ETF	INDA.K	52.04	4.3%	5.7%	-1.1%	-1.1%
SP500	.SPX	5776.65	2.9%	-3.0%	-1.8%	-1.8%
iShares Russell 1000 ETF	IWB	316.23	3.0%	-3.1%	-1.8%	-1.8%
SPDR S&P Bank ETF	KBE	54.25	2.2%	-3.6%	-2.2%	-2.2%
iShares MSCI Taiwan ETF	EWT	50.46	0.5%	-3.6%	-2.5%	-2.5%
NASDAQ 100	NDX	20287.83	4.1%	-3.8%	-3.4%	-3.4%
Oil Future	CLc1	69.00	3.1%	0.1%	-3.8%	-3.8%
SPDR Homebuilders ETF	XHB	99.61	1.8%	-3.6%	-4.7%	-4.7%
iShares Russell 1000 Growth ETF	IWF	380.26	4.6%	-4.1%	-5.3%	-5.3%
iShares Russell 2000 Value ETF	IWN	155.26	1.4%	-3.9%	-5.4%	-5.4%
Nasdaq Composite Index Tracking Stock	ONEQ.O	71.93	4.1%	-3.9%	-5.4%	-5.4%
iShares MSCI Malaysia ETF	EWM	23.17	-0.9%	-3.3%	-5.5%	-5.5%
iShares Russell 2000 ETF	IWM	207.70	2.2%	-3.6%	-6.0%	-6.0%
Technology Select Sector SPDR	XLK	218.35	2.9%	-4.4%	-6.1%	-6.1%
iShares Russell 2000 Growth ETF	IWO	269.43	3.1%	-3.2%	-6.4%	-6.4%
Consumer Discretionary Select Sector SPDR	XLY	205.92	6.4%	-4.9%	-8.2%	-8.2%
SPDR S&P Semiconductor ETF	XSD	223.39	1.7%	-4.3%	-10.1%	-10.1%
SPDR S&P Retail ETF	XRT	70.55	3.6%	-7.0%	-11.4%	-11.4%

Outperformed SP500

Underperformed SP500

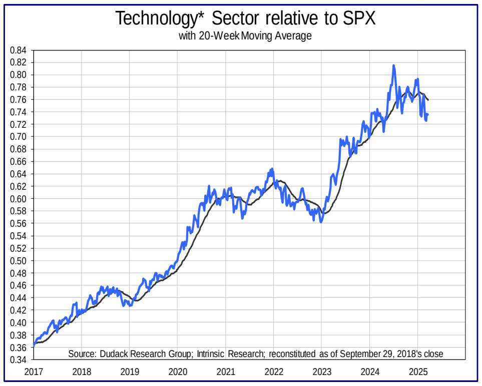
Source: Dudack Research Group; LSEG

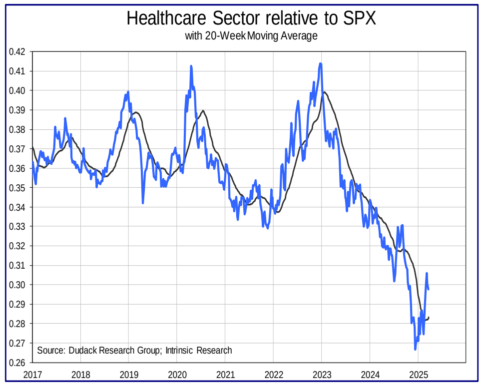
Priced as of March 25, 2025

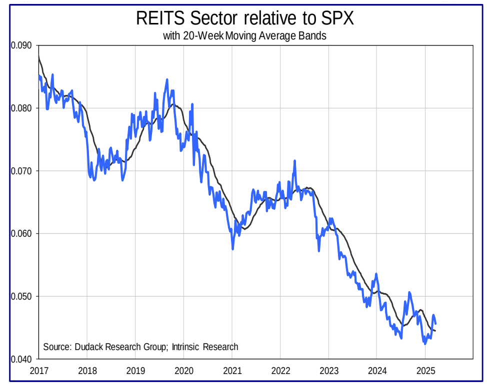
SECTOR RELATIVE PERFORMANCE – RELATIVE OVER/UNDER/ PERFORMANCE TO S&P 500

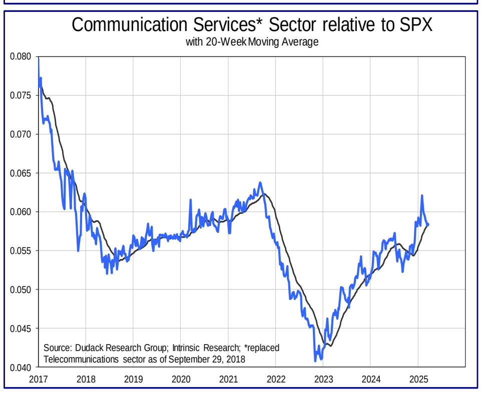
DRG Recommended Sector Weights				
Overweight		**Neutral**		**Underweight**
Communication Services Technology Consumer Discretionary Financials		Healthcare Staples Utililties Industrials		REITS Materials Energy

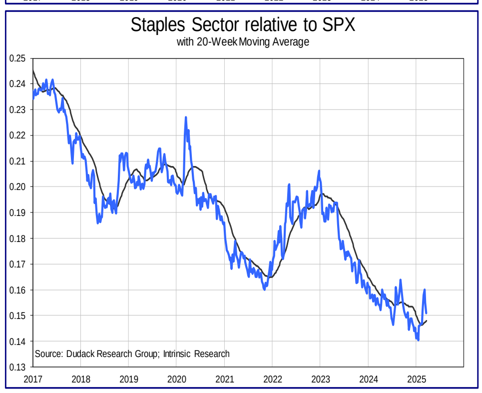
11/19/2024: Upgraded Consumer Discretionary from N to O; Downgraded Healthcare from O to N. 9/10/2024: Upgraded Utilities from U to N; Downgraded Energy from N to U.

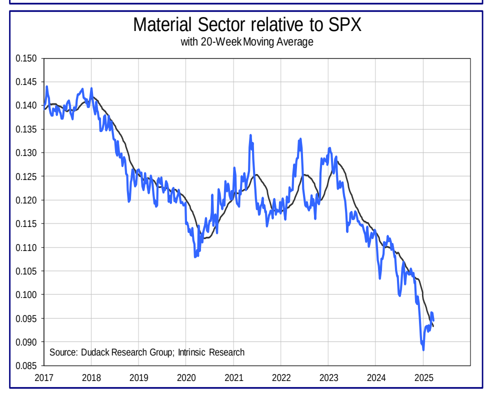


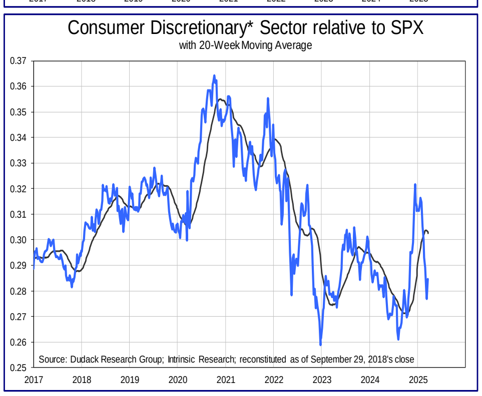


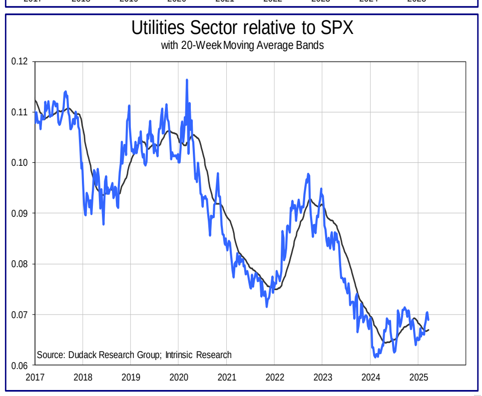


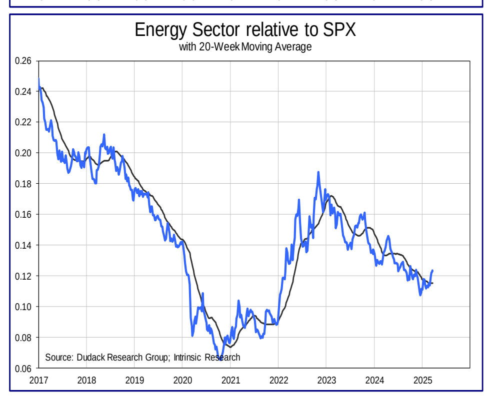


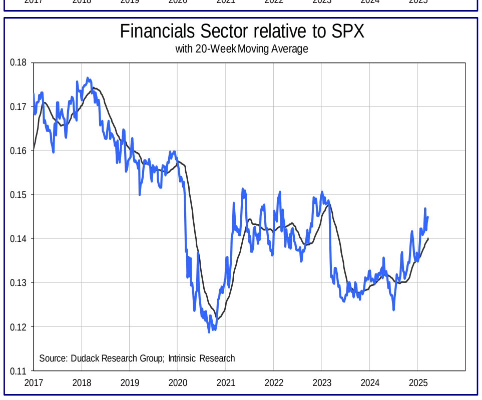


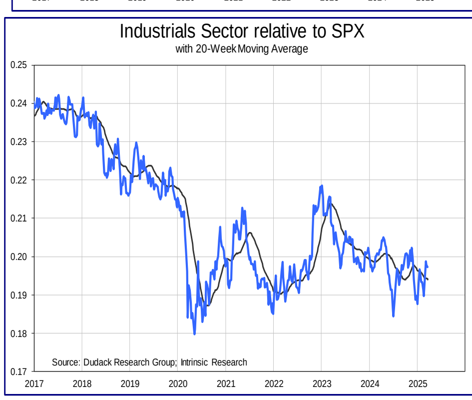












2025 Performance - Ranked	
SP500 Sector	% Change
S&P ENERGY	8.9%
S&P HEALTH CARE	5.6%
S&P FINANCIAL	4.3%
S&P MATERIALS	2.9%
S&P INDUSTRIALS	2.1%
S&P REITS	1.6%
S&P UTILITIES	1.6%
S&P CONSUMER STAPLES	0.9%
S&P COMMUNICATIONS SERVICES	-0.1%
S&P 500	-1.8%
S&P INFORMATION TECH	-7.7%
S&P CONSUMER DISCRETIONARY	-9.5%

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	5614.66	$197.87	$233.36	$233.42	9.3%	$243.73	10.1%	25.2X	1.4%	2.5%	NA	NA
2025E	~~~~~	$172.75	$267.76	$270.00	15.7%	$269.91	10.7%	21.6X	NA	NA	NA	NA
2026E	~~~~~	$192.43	$306.73	$310.50	15.0%	$308.35	14.2%	18.8X	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%	3.1%	$3,128.50	16.0%
2024 4QE	5881.63	$57.63	$61.20	$61.26	13.7%	$65.21	14.1%	25.2	1.3%	2.3%	NA	NA
2025 1QE*	5776.65	$55.23	$59.64	$63.75	16.7%	$60.21	6.5%	24.2	NA	NA	NA	NA
2025 2QE	NA	$60.54	$65.34	$65.25	11.8%	$65.85	9.0%	23.5	NA	NA	NA	NA
2025 3QE	NA	$65.24	$70.04	$68.00	14.9%	$70.52	11.6%	22.5	NA	NA	NA	NA
2025 4QE*	NA	$67.89	$72.74	$73.00	19.2%	$73.19	12.2%	21.6	NA	NA	NA	NA

Source: DRG; S&P Dow Jones **quarterly EPS may not sum to official CY estimates; LSEG IBES Consensus estimates *3/25/2025

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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Prices are the close of March 25, 2025