

Quarterly Research Summary

July 2023



D | A | DAVIDSON
WEALTH MANAGEMENT

Please refer to pages 12 - 13 of this report for detailed disclosure and certification information

It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list

⁽¹⁾ A glossary of terms & definitions and information on indices is available on pages 14 - 19

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2023 Market & Economic Outlook – July Update

James D. Ragan, CFA, Director of Research, Wealth Management

Originally published 7/13/23

Outlook Summary:

Global equities rallied in the second quarter (2Q23), extending gains that began in mid-October 2022. We attribute equity market strength to a range of drivers, including positive consumer spending data, improving (lower) inflation trends, a recovery in housing construction, and an emerging technology capital investment cycle (tied to artificial intelligence, or AI). Those positive factors out-dueled material potential headwinds, including fears of economic slowdown, a sudden bank deposit crisis, elevated interest rates (including higher policy rates from the Federal Reserve Bank), negative year-over-year (Y/Y) earnings growth (S&P 500), and geopolitical uncertainty. The S&P 500 exceeded our cautious outlook entering the year as economic growth remained positive, leading to increased expectations for a “soft landing” (no recession). Despite our conservative outlook, we have advocated “staying the course,” by remaining invested in equities despite uncertainty. This has enabled most of us to participate in 2023’s rally and highlights the difficulty in consistently calling market tops and bottoms. Our S&P 500 fair value estimate of 4,100 is unchanged from our June update, and we continue to believe that the index will largely stay range-bound, remaining below the index’s all-time closing high of 4,797 (January 2022). We advise building diversified (by sector) equity portfolios of high-quality stocks and looking to rebalance (trim positions that become overweight and add to underweight positions) during periods of volatility.

We see a potential S&P 500 trading range of 3,800 to 4,400; however, the index ended June modestly above that range and the early July trajectory appears higher. Additional near-term gains could be paced by expectations that the Federal Reserve Bank (Fed) is nearing the end of its 15-month-long higher interest rate policy, that S&P 500 second quarter 2023 (2Q23) earnings could exceed expectations, and that market gains could broaden to include lagging sectors. However, our more cautious outlook reflects our view that in the second half of 2023 the labor market and consumer spending could slow, economic growth will remain below full potential (from 2012 to 2019, eight years, pre-pandemic, U.S. gross domestic product, or GDP, averaged growth of 2.3% annually), and interest rates appear poised to stay higher for longer. In our view, slowing GDP growth could pressure earnings while elevated interest rates can pressure valuation, both creating headwinds for further gains.

First Half Review. On 6/30/23, the S&P 500 closed at 4,450, a 52-week high (the highest close since April 2022) and up 24.4% from the bear market low in mid-October 2022. For the first half of 2023 (1H23), the S&P 500 increased 15.9% (price change) and 16.9% including dividends. This was the highest S&P 500 first-half return in four years (18.5% total return in 2019) and significantly better than last year’s (1H22) first-half decline of -20.0%. The second quarter (2Q23) S&P 500 total return of 8.3% exceeded the 1Q23 return of 7.5% as all three 2Q23 months were higher and the June total return of 6.6% was the best month of the first half. While the S&P 500 is now above a 3,600 to 4,300 trading range that existed for 12 months, the index at the end of June remained nearly 8% below its all-time closing high set in early January 2022. Even more impressive than the S&P 500 return to begin the year, the large-company, growth- and technology-centric Nasdaq Composite index surged 32.3% in 1H23 as the 2Q23 return of 13.1% added to its 17.1% first quarter return. The Nasdaq has recovered much of its equity market-worst -32.5% decline (total return) in 2022 but remained nearly 21% below its all-time high set in late 2021.

S&P 500 Price: 12/31/2019 - 6/30/2023

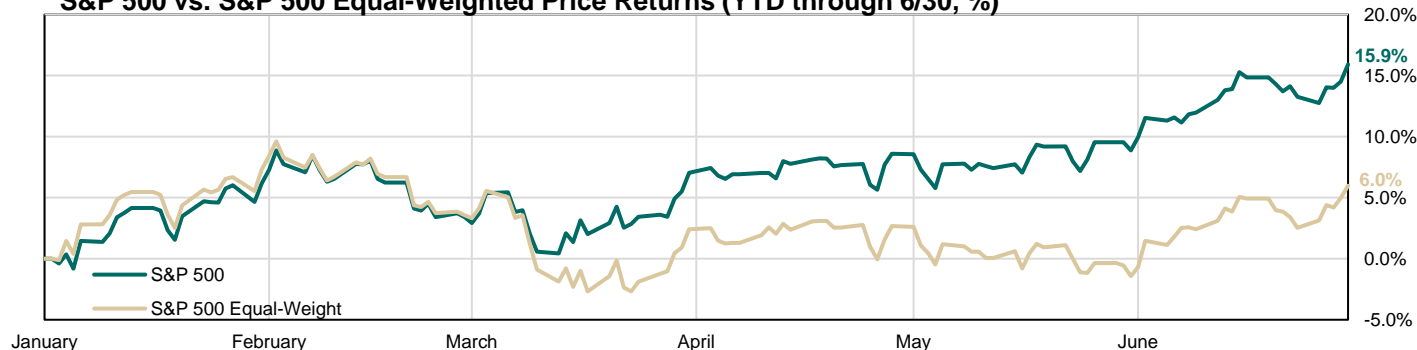


Data Source: FactSet as of 6/30/23. S&P 500 Daily Closing Prices 12/31/19 to 6/30/23

2023 Large Stock Leadership Was Narrow. The S&P 500’s 1H23 price return of 15.9% benefitted from the market capitalization-weighted composition (the largest companies by equity market value comprise a larger proportionate share of the index). As of 7/10/23, the top seven most highly valued companies comprised 27.5% of the value of the S&P 500 (per FactSet and S&P Global). We estimate that those seven companies contributed about 74% of the 1H23 index return, indicating that, collectively, the other 493+ companies contributed just 26% of the return. This is partially represented by looking at the equal-weighted S&P 500 (all 500+ companies are weighted equally in the index calculation). The equal-weighted S&P 500 index gained 6.0% in 1H23 compared to the 15.9% price gain of the market cap-weighted S&P 500. This reveals that the average stock performed much worse than the index. There could be multiple reasons for the disparity of returns between the market cap-weighted and equal-weighted versions of the S&P 500 indices, but the outperformance began in early March, coinciding with the short-term regional bank crisis. As many banks faced the potential loss of low-yielding customer deposits, the Federal Reserve Bank and U.S. Treasury created a Bank Term Funding Program that allowed banks to access funds, if needed. This helped to avert a “run” on deposits, but

bank stocks still lagged and perhaps led to increased investor demand for large, technology-centric growth stocks. In addition, in 1Q23, the long-awaited availability of advanced artificial intelligence (generative AI) and machine learning networks led to investment in hardware and software to support product enhancements and future growth opportunities. This surged investor interest in technology-centric leaders deemed well-positioned to deploy the technology. While the equal-weighted S&P 500 could continue to lag the broad index as timing is uncertain, over time the S&P 500 and equal-weighted S&P 500 returns are more closely aligned. Since the end of 2009 through 2022 (13 years), the price return of the equal-weighted S&P 500 has compounded annually at 10.3%, while the S&P 500 has compounded annually at 10.0%.

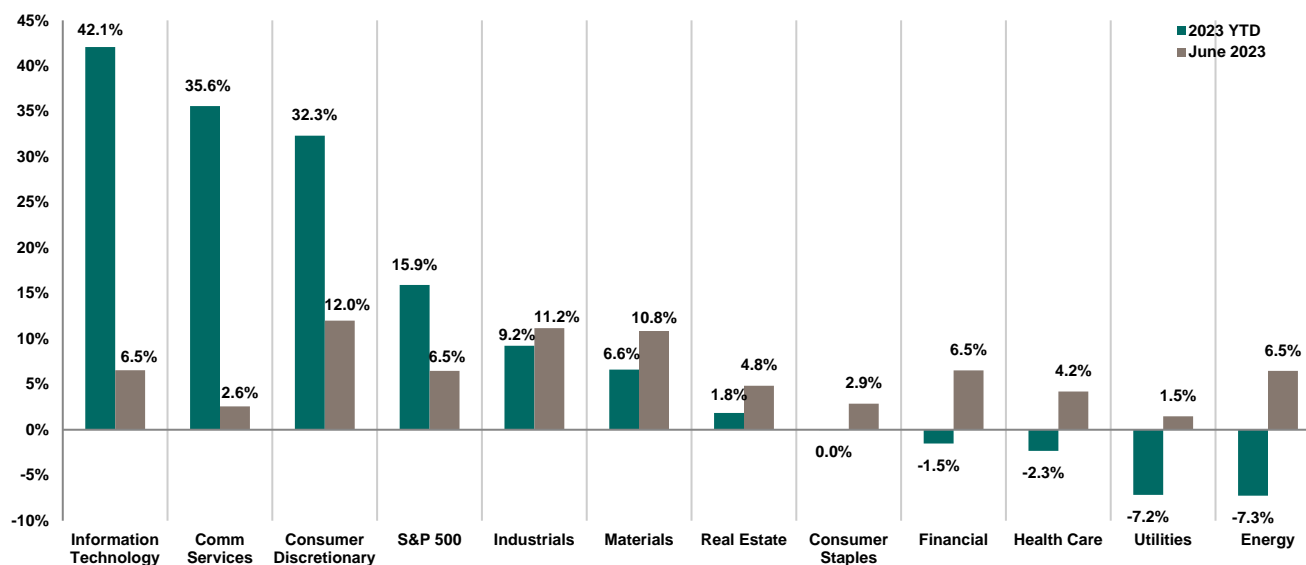
S&P 500 vs. S&P 500 Equal-Weighted Price Returns (YTD through 6/30, %)



Data Source: FactSet and closing index prices from 12/31/22 to 6/30/23. Price return excludes dividends.

The narrow rally is further shown by looking at the 1H23 returns of the eleven macro industry groups comprising the S&P 500 sectors (using MSCI's Global Industry Classification Standards, or GICS). Just three sectors – Information Technology, Communication Services, and Consumer Discretionary – generated returns above the index, and by a wide margin (green bars below). Of the seven companies mentioned above that contributed an estimated 74% of the S&P 500's first-half gains, all reside in one of those three performance-leading sectors. On the other side, five sectors posted negative 1H23 price returns, a stark contrast to the 15.9% price gain of the index. We would prefer to see more broad stock and sector participation in equity market gains to confirm a more durable rally that can go meaningfully higher. We saw some evidence of this in the month of June, which not only represented the S&P 500's best monthly return in the first half of 2023, but included gains for all 11 GICS sectors, with seven of those sectors matching or exceeding the index's 6.5% price gain. If broad sector participation continues in 2H23, investor sentiment is likely to stay high.

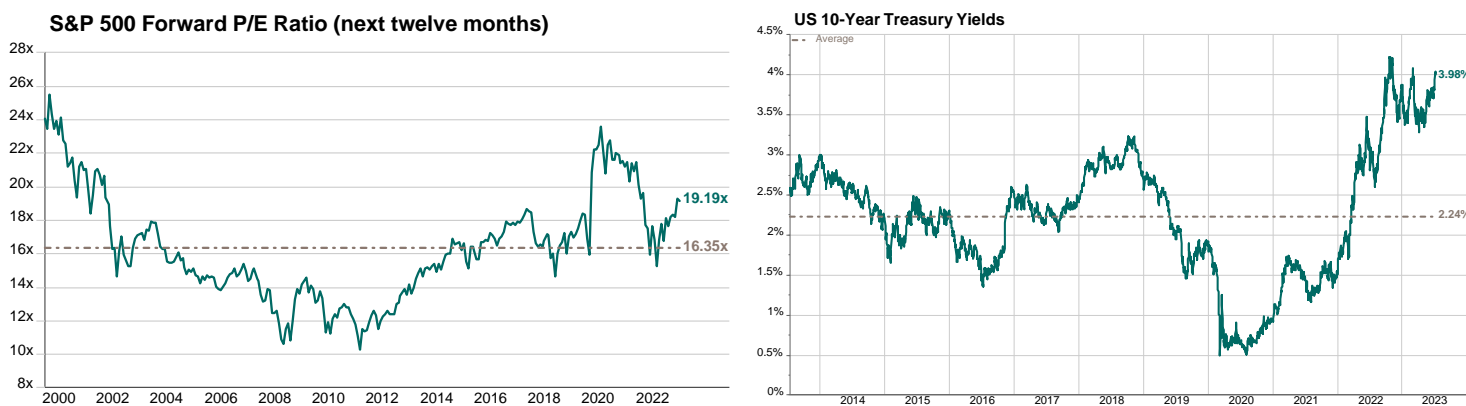
S&P 500 Sector Price Return



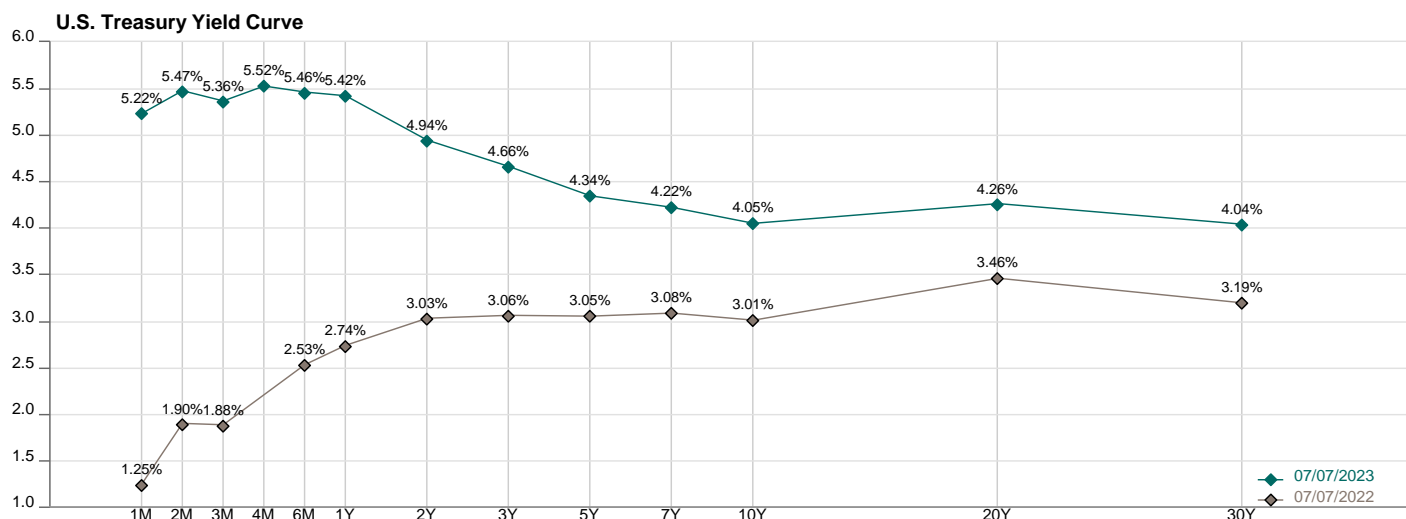
Data Source: FactSet and S&P Global as of 6/30/23. Please see appendix for a description of GICS sectors.

Market valuation. Our S&P 500 fair value estimate of 4,100 represents a price-to-earnings (P/E) ratio of 18.0x the next-twelve-months (3Q23 to 2Q24) S&P 500 FactSet consensus EPS estimate of \$229. We continue to see considerable uncertainty in earnings growth estimates for both 2023 and 2024. As of early July, the 2023 consensus earnings estimate of \$218 reflected year-over-year (Y/Y) growth of 1.1%. The estimate was down modestly from \$219 at the end of March, about 5% from 12/31/22. The consensus 2024 estimate was \$244 in early July (a 12% increase vs. 2023), down from \$252 at the end of December. If we assume that 2024 S&P 500 earnings grow at 6% (half the current projected growth rate), our 4,100 fair value reflects 17.7x that estimate, which we view as reasonable given ongoing uncertainty. With elevated U.S. interest rates (the 10-year U.S. Treasury yield was 3.98% on 7/11/23, compared to an average yield since 2013 of 2.24%), we don't expect meaningful multiple expansion (the price-to-earnings ratio of the S&P 500, based upon current price divided by the forward consensus earnings estimate). The early-July forward earnings multiple of 19.2x was 17% above the average multiple of 16.4x since 2000.

We believe that changes in the S&P 500 from current levels will be tied to reported and estimated earnings results. Our most likely S&P 500 trading range of 3,800 to 4,400 is based on a view that if the 2024 earnings growth of 12% is realized, 4,400 is 18.0x that estimate. The downside range of 3,800 reflects 2024 earnings growth of 2% and applies a 17.0x P/E multiple. Given the index's 4,450 close, above our estimated range, investors appear to expect: 1) continued above-trend economic growth, 2) potential upside to earnings estimates, and 3) lower interest rates moving forward. To a large extent, we believe that outlook is already reflected in many stock prices, limiting the upside from current levels.



Data source: FactSet, using exchange data, as of 7/11/23 (see Other Disclosures on page 8 for further discussion of P/E's and Treasury yields)

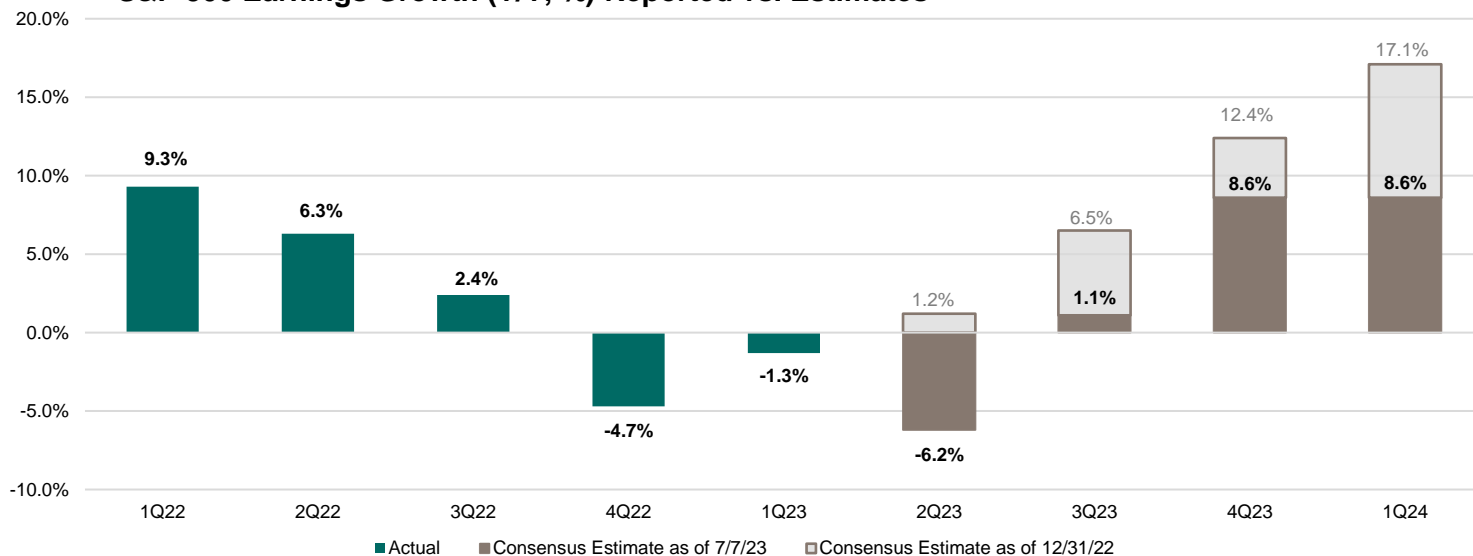


Data source: FactSet, U.S. Treasury as of 7/7/23

S&P 500 earnings declined Y/Y for the two most recently reported quarters. S&P 500 quarterly Y/Y earnings growth decelerated since early 2022 and turned negative in 4Q22 (a -4.7% Y/Y decline). The chart below shows the five most recently reported S&P 500 earnings quarters (in green 1Q22 through 1Q23) as a Y/Y percentage change, and the next four quarters of Y/Y consensus estimates (in gray 2Q23 through 1Q24). The dark gray shading reflects the current Y/Y percentage growth estimates as of 7/7/23, and the light gray shading represents those estimates six months ago, as of 12/31/22. Following the 4Q22 Y/Y earnings decline of -4.7%, estimates for 1Q23 reflected a -6% decline. The actual results of -1.1%, while still down Y/Y, were much better than expected, but did not lead to an increase in 2Q23 estimates. With many S&P 500 earnings reports set to begin in the second week of July, the consensus estimate looks for a -6.2% decline (vs. 1.2% growth estimated six months ago). Although growth estimates have been lowered for future quarters as well, Y/Y earnings growth is expected to resume in 3Q23. Challenges to meeting those 2H23 growth estimates include a potential slowdown in consumer spending, rising labor costs, and uncertain global demand due to economic weakness in Europe and China. On the other hand, Y/Y comparisons become easier as 2H23 earnings results compare against 2022's relatively weak results. While improved earnings growth in 3Q23 and 4Q23 remains possible as Y/Y comparisons become easier, estimates have trended lower due to economic uncertainty. While 2023 growth appears achievable, we believe that 2024 earnings estimates are likely to be revised lower.

We suspect that 2Q23 earnings will come in better than the -6.2% estimate, which could lead to improved 2H23 outlooks. However, we do not look for companies to offer detailed outlooks for 2024, and we expect considerable uncertainty regarding Y/Y earnings growth next year. Despite a tight labor market (low unemployment and high job openings), which is likely to place upward pressure on wages, the recent downward trend in Y/Y inflation data could help companies drive margin improvement. If past price increases remain in place and demand continues, then companies might benefit from falling input costs in other areas. Higher profit margins could lead to upside earnings surprises and higher estimates, which in turn is a potential driver of further equity market gains. We caution, however, that labor costs are not likely to fall in the near term, and the potential for better earnings than expected is (to some extent) one driver of recent equity market gains.

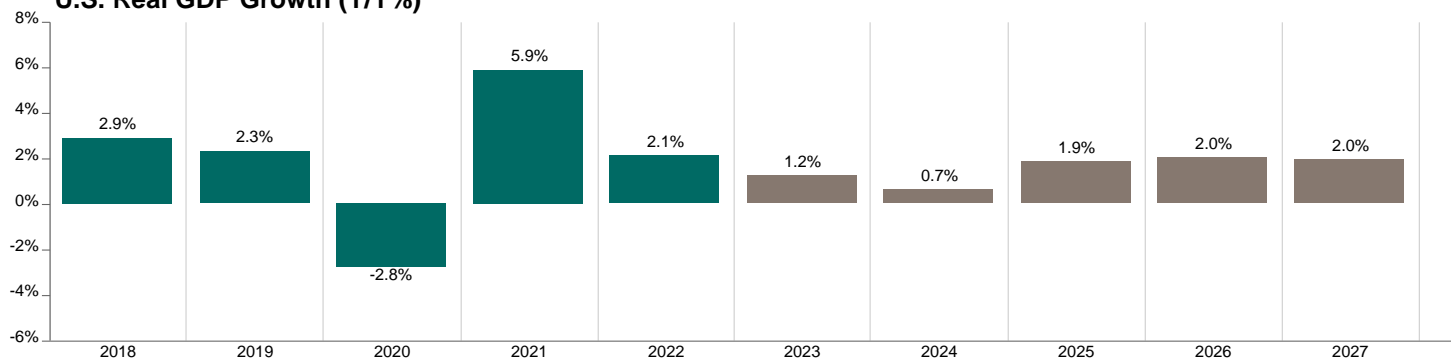
S&P 500 Earnings Growth (Y/Y, %) Reported vs. Estimates



Data source: FactSet consensus estimates (from Wall Street analysts) as of 7/7/23. S&P 500 earnings are weighted by market capitalization for all constituents.

Three years past the pandemic shutdown, U.S. economic growth is expected to slow. When measuring U.S. economic activity, we use real gross domestic product (GDP), which is the inflation-adjusted value of goods and services produced, reported by the Bureau of Economic Analysis (BEA). Prior to the pandemic, U.S. GDP growth averaged 2.3% for the eight years through 2019. The government-imposed shutdown in 2020 and subsequent reopening and stimulus in 2021 led to negative and positive distortions, respectively, but largely stabilized in 2022, with 2.1% full-year reported GDP growth. The FactSet consensus GDP growth estimates for 2023, 2024, and 2025, respectively, all remain below 2.0%. In our view, this incorporates expectations for a soft landing (no recession), which reflects recent quarterly annualized GDP growth above full-year estimates. 1Q23 U.S. GDP growth was 2.0%, and followed 2.6% in 4Q22. This has led to an increase in the 2023 full-year GDP estimate to 1.2% from 0.3% six months ago, but the 2024 estimate is now 0.7% compared to 1.3% six months ago. Our takeaway is that the expectation for weaker economic growth has been pushed to 2024 from 2023, and that both years reflect expectations for below-trend growth, creating challenges for companies to produce upside earnings surprises.

U.S. Real GDP Growth (Y/Y%)

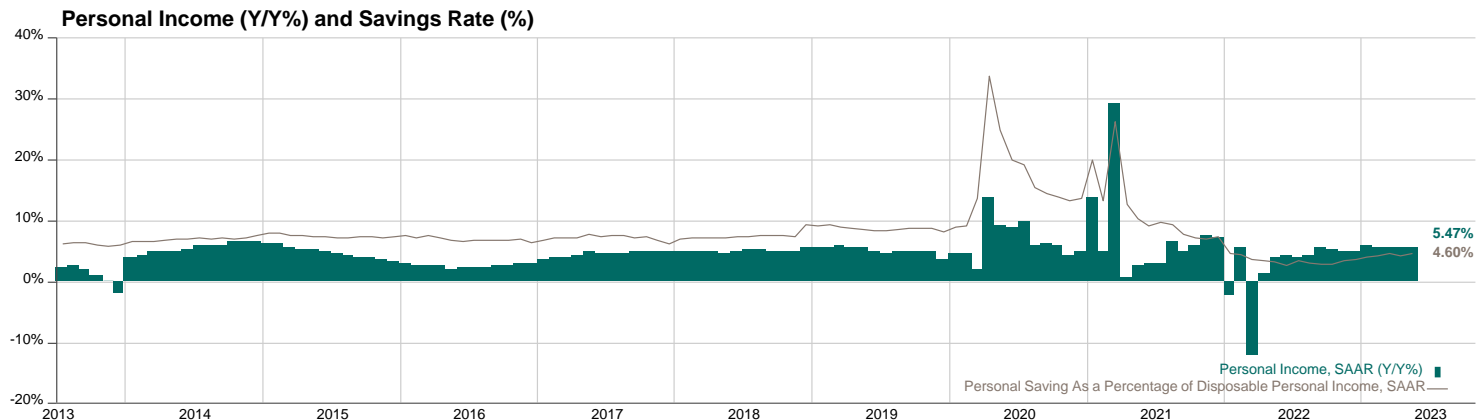


Data Source: FactSet consensus estimates and Bureau of Economic Analysis, as of 7/7/23. Chart shows annual real GDP reported by the BEA 2018-2022 (green bars), and FactSet consensus estimates 2023-2027 (gray bars).

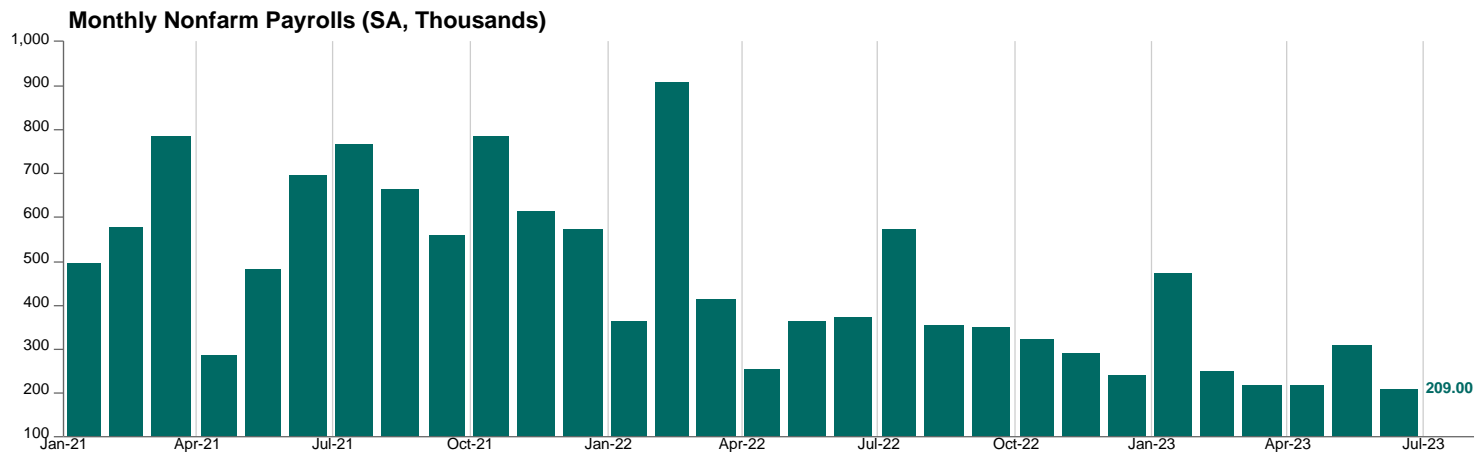
While consumer spending has evolved during the post-pandemic period (with spending on services stronger than on goods), overall consumer activity has exceeded expectations, driving upside to GDP growth estimates. According to the Bureau of Economic Analysis (BEA), consumer spending (as measured by personal consumption expenditures, or PCE) comprised 71% of annualized inflation-adjusted (real) GDP in 1Q23. Of that 71%, about 62% was spent on services (mostly travel, restaurants, bars, and entertainment) and 38% was spent on goods (includes vehicles, durable goods, home furnishings, apparel, gasoline, and groceries). In 2022, consumer spending grew Y/Y in all four quarters, with spending on services showing Y/Y growth each quarter and goods showing negative growth each quarter. But in 4Q22, the growth in overall consumer spending of 1.0% and growth in services spending of 1.6% were the lowest rates of the year, providing solid evidence that consumer spending growth was weaker entering 2023. That reversed, however, as consumer spending surged 4.2% Y/Y, and both services (+3.2%) and goods (+6.0%) rebounded. We attribute some of the early-2023 resiliency to pent-up holiday demand, a warm winter in many geographies, and cost of living increases in social security programs. But perhaps larger drivers were continued strength in personal income (mostly wages and salaries) and continued growth in new jobs.

Personal income is reported monthly by the BEA and is reflected below on a monthly Y/Y percentage change. In May 2023, personal income increased 5.5% compared to May 2022, and increased at 5.4% or higher in each of 2023's first five months. This contributed to consumer

spending growth, even as the savings rate (monthly savings as a percentage of disposable income) ticked higher to 4.6% in May 2023 (from 3.7% in December 2022). We believe that Y/Y spending growth could slow but remain positive in 2H23, which feeds into the lower GDP estimates. In addition, the Bureau of Labor Statistics (BLS) reports monthly labor data, including net new nonfarm payrolls, wage data, hours worked, labor participation, and the unemployment rate. The last Y/Y monthly jobs decline was December 2020; through May 2023, the U.S. economy generated jobs gains for 30 consecutive months. Monthly jobs growth averaged 399 thousand (K) for all of 2022, and 278K over the first six months of 2023. Jobs strength also contributed to resilient consumer spending, and news headlines of job layoffs at individual companies did not lead to net job loss. With overall employment gains lower in 2Q23 vs. 1Q23, we believe the trend will continue to slow in 2H23. If monthly jobs gains remain positive, but at a lower rate, that could remove some excess wage pressures, a likely positive for markets. The Federal Reserve Bank, in its June 2023 Summary of Economic Projections, published a mean estimate for the 2023 year-end unemployment rate of 4.1%. Given an unemployment rate of 3.6% in June 2023, the economy would need to lose an average of nearly 150K jobs monthly in 2H23 to reach that level. That number appears overly negative given strength in recent data, but monthly jobs data will be a key data point over the second half of the year.



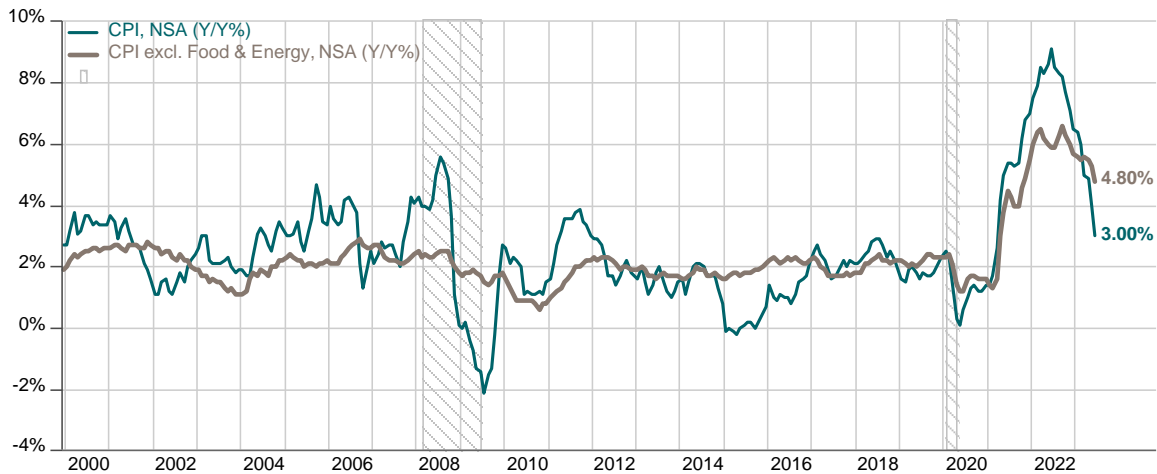
Data Source: FactSet and the U.S. Bureau of Economic Analysis (BEA), from 6/30/23 Personal Income and Outlays report



Data source: FactSet and Bureau of Labor Statistics, as of 6/30/23. BLS employment report published 7/7/23.

Inflation rates continue to fall but remain above the Fed's long-term targets. The consumer price index (CPI), reported monthly by the BLS, increased 3.0% Y/Y in June 2023, the lowest monthly Y/Y increase since March 2021. Since peaking at 9.1% in June 2022, the CPI increase has moderated for 12 consecutive months, and as recently as January this year, the CPI increase was 6.4%. Part of the Y/Y improvement is attributed to the high monthly base rates from last year (the June report of 3.0% compared against that June 9.1% increase, so the two-year June increase was still 12.1%). However, on a monthly sequential basis, the June 2023 CPI vs. May 2023 increased 0.2%, which, if sustained, points to further inflation improvement. The Fed also watches core CPI, which excludes food and energy, as it is less volatile over time and offers a better look at underlying sustainable trends. Core CPI was 4.8% in June, the second month of a lower Y/Y increase after stalling at 5.5% for three months (February through April). Core inflation improvement was driven by goods inflation, which increased just 1.3% Y/Y in June, while services inflation remained elevated, up 6.2% Y/Y. But services inflation is heavily indexed to shelter costs (rent and owners' equivalent rent), which is a lagging component because leases often reprice on an annual basis. The inflation progression is impressive, in our view (very few people thought that the CPI would fall to 3.0% by the middle of 2023), and validates the Fed's aggressive interest rate hiking policy since March 2022. So far, price increases have moderated while both economic and employment growth have remained positive. However, inflation, especially core CPI, remains well above the Fed's 2.0% target, suggesting the job is not done, especially given the inflation history of the 1970s, when the Fed cut its interest rate targets three times only to see inflation reaccelerate. Continued inflation improvement (lower) would likely lead to lower interest rates, which would be a scenario supporting higher equity valuations.

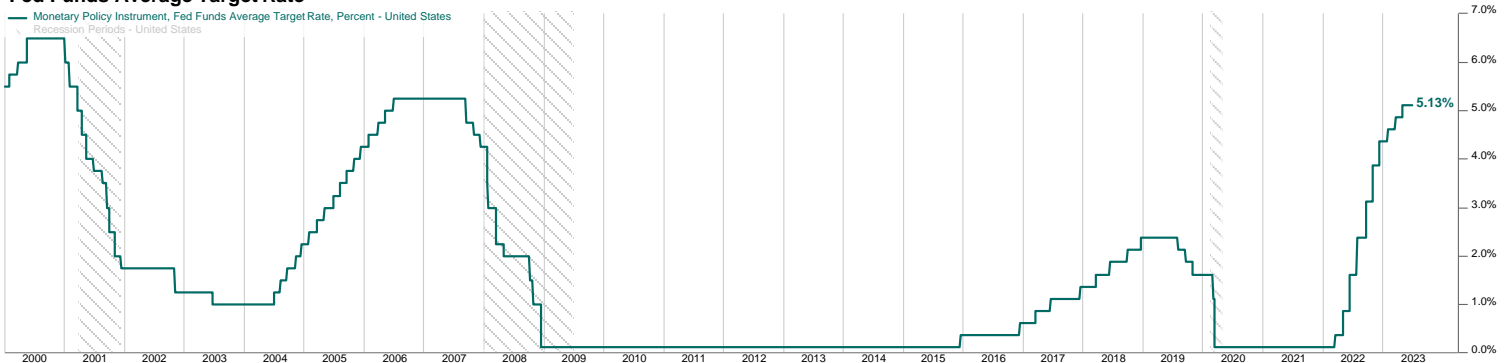
Consumer Price Index (Monthly)



Data Source: FactSet, Bureau of Labor Statistics as of 6/30/23. The consumer price index (CPI) is a measure of average change over time in the prices paid by urban consumers for a market basket of goods and services (shaded areas are recession periods).

On 6/14/23, the Fed's Open Market Committee (FOMC) left its fed funds (overnight bank lending) interest rate target range unchanged at 5.00% to 5.25%. This followed increases in the fed funds target range at 10 consecutive meetings beginning in March 2022. The target rate "pause" (no hike) was largely expected due to improving inflation data, which has been the Fed's most consistent concern. As the Fed's dual mandate is to foster stable prices and maximum employment, the Fed appears concerned that the strong labor market could reverse some recent wage growth improvement, creating upward pressure on employment costs. Wages, as measured by the average hourly earnings (from the BLS), increased 4.4% in 2Q23, down from 5.7% in 2Q22 but still above 2Q19 (pre-pandemic wage growth of 3.3%). Increased wages, of course, are necessary to sustain consumer spending growth and also to keep pace with inflation, but excess labor demand (or lack of supply) could create higher corporate costs and price increases, driving inflation even higher. The June pause gives the FOMC time to "assess additional information," which could lead to a resumption of fed funds increases at future meetings. The Fed's Summary of Economic Projections (SEP), which comprises the range of economic and policy estimates from 18 Fed Board members and bank presidents, reflected a median year-end fed funds estimate of 5.6%. No SEP voter estimated the fed funds rate below 5.0% at year-end. If interest rates remain "higher for longer," investors may need to adjust expectations that assume lower rates ahead. We expect volatility, especially if expectations for moderating economic growth ring true.

Fed Funds Average Target Rate



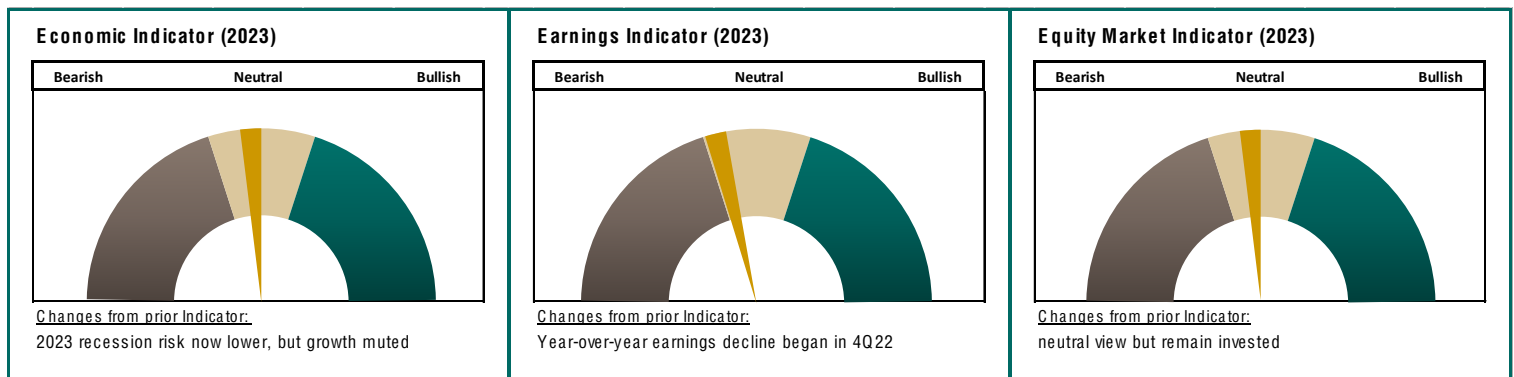
Data source: FactSet and Board of Governors of the Federal Reserve System, as of 7/7/23. Prior to December 2008, the Fed provided a single point fed funds target (shown on the chart). Since December 2008, the fed funds target is given in a 25bp range (chart shows the average).

Recent economic data creates upcoming challenges for the Fed. The June jobs report reflected an increase of 209K new nonfarm payrolls. While the first-half monthly average of 278K is a strong pace that supports strong consumer spending and positive economic growth, the June increase of 209K was the lowest monthly increase since December 2020. This raises the possibility that jobs gains in future periods could moderate further, pointing to slowing economic growth. Federal Reserve Bank Chair Jerome Powell made comments on 6/28/23 reiterating the Fed's position that additional restrictive monetary policy might be necessary to combat elevated inflationary pressures. Even with the June CPI report coming in at just 3.0%, the fed funds futures market (allows us to measure bond investors' expectations priced into trading strategies) still assigned a better-than-90% probability that the FOMC would enact another 0.25% increase to its fed funds target when the committee next meets on 7/26/23. The Fed's primary tool to fight inflation is to set a range for short-term interest rates using its overnight bank lending fed funds target. With the fed funds target currently at a 5.00% to 5.25% range, up substantially from 0.00% to 0.25% in March 2022, Chair Powell admits that policy is "restrictive" (can be a brake on economic growth and inflation), but perhaps not restrictive enough. If the Fed raises rates at the July 2023 meeting, it runs the risk of slowing the economy more than expected (previous interest rate hikes have a lagged and variable effect on economic growth). To us, a more restrictive Fed is likely to keep interest rates higher for longer, which could eventually weigh on equity market valuations.

S&P 500 Sector Recommendations - July 2023

GICS Sector	S&P 500 Weight by Market Cap	WM Research 2023 Outlook	Notes (reflect current expectations and are subject to change)	Change
Technology	28.0%	underweight	large cap leaders trade at rich valuations, but expect strong results	
Health Care	13.2%	overweight	still our favorite defensive sector	
Financials	12.6%	marketweight	we are cautious due to bank scare, diversify within the sector	
Consumer Discretionary	10.7%	marketweight	be wary of high valuations, but good value can be found for long-term investors	
Industrials	8.6%	marketweight	strong performance in 2Q23, construction and airlines leading the way	
Communications Services	8.4%	marketweight	advertising market remains soft, consumers more selective on subscriptions	
Consumer Staples	6.6%	marketweight	can be a safe haven in a recession, valuations elevated	
Energy	4.2%	marketweight	have maintained waiting for a pullback, which may be underway	
Utilities	2.6%	marketweight	beneficiary of infrastructure & energy transition, emerging value	
Real Estate (REITs)	2.5%	marketweight	sector has lagged due to higher rates and recession concerns	
Materials	2.5%	marketweight	some winners in this group for companies that have pricing power	

Data source: D.A. Davidson Wealth Management Research as of 7/12/23.

Wealth Management Research Investment Cycle Gauge

Source data: D.A. Davidson & Co. as of 7/12/23

WM Research – Primary Coverage Summary

		Price (7/13/23)	Market Cap (MM)	Rating	Price Target	Upside	Downside	Sector	Style	Yield
James D. Ragan, CFA • jragan@dadco.com • (206) 389-4070										
Alaska Air Group, Inc.	ALK	\$54.34	\$6,951	Buy/Add	\$67.00	\$78.00	\$41.00	Industrials	Mid-Cap Value	0.0%
Walt Disney Company	DIS ^(A)	\$90.47	\$165,316	Buy/Add	\$128.00	\$147.00	\$86.00	Communication Services	Large-Cap Value	0.0%
General Electric Company	GE	\$111.28	\$121,179	Buy/Add	\$103.00	\$114.00	\$88.00	Industrials	Large-Cap Value	0.3%
Nordstrom, Inc.	JWN	\$19.98	\$3,227	Neutral	\$23.00	\$29.00	\$18.00	Consumer Discretionary	Large-Cap Value	3.8%
QUALCOMM Incorporated	QCOM ^(A)	\$123.12	\$137,156	Buy/Add	\$135.00	\$158.00	\$90.00	Information Technology	Large-Cap Growth	2.7%
S&P Global, Inc.	SPGI	\$412.03	\$132,179	Buy/Add	\$375.00	\$415.00	\$308.00	Financials	Large-Cap Growth	0.9%
Bradley N. Stewart, CFA • bstewart@dadco.com • (206) 389-4049										
Accenture Plc Class A	ACN	\$315.21	\$209,398	Buy/Add	\$325.00	\$367.00	\$242.00	Information Technology	Large-Cap Blend	1.4%
American Tower Corporation	AMT	\$196.84	\$91,736	Buy/Add	\$220.00	\$236.00	\$174.00	Real Estate	Large-Cap Growth	3.2%
AT&T Inc.	T ^(A)	\$15.12	\$108,093	Buy/Add	\$21.00	\$23.00	\$15.00	Communication Services	Large-Cap Value	7.3%
Automatic Data Processing, Inc.	ADP	\$227.16	\$93,845	Buy/Add	\$241.00	\$261.00	\$182.00	Industrials	Large-Cap Blend	2.2%
Broadcom Inc.	AVGO	\$890.36	\$367,439	Buy/Add	\$897.00	\$980.00	\$686.00	Information Technology	Large-Cap Value	2.1%
Chubb Limited	CB	\$190.00	\$78,693	Buy/Add	\$218.00	\$249.00	\$162.00	Financials	Large-Cap Blend	1.8%
Cummins Inc.	CMI	\$254.49	\$36,026	Buy/Add	\$270.00	\$290.00	\$190.00	Industrials	Mid-Cap Blend	2.6%
Ecolab Inc.	ECL	\$186.33	\$53,052	Buy/Add	\$188.00	\$205.00	\$150.00	Materials	Large-Cap Blend	1.1%
Intel Corporation	INTC ^(A)	\$33.87	\$141,272	Neutral	\$32.00	\$35.00	\$23.00	Information Technology	Large-Cap Value	1.5%
Linde plc	LIN	\$377.14	\$184,647	Buy/Add	\$395.00	\$421.00	\$308.00	Materials	Large-Cap Growth	1.4%
PPG Industries, Inc.	PPG	\$151.51	\$35,668	Buy/Add	\$157.00	\$194.00	\$128.00	Materials	Large-Cap Value	1.6%
Prologis, Inc.	PLD	\$126.95	\$117,234	Buy/Add	\$133.00	\$150.00	\$107.00	Real Estate	Large-Cap Blend	2.8%
ServiceNow, Inc.	NOW	\$577.45	\$117,627	Buy/Add	\$525.00	\$600.00	\$350.00	Information Technology	Large-Cap Growth	0.0%
Starbucks Corporation	SBUX	\$101.60	\$116,474	Buy/Add	\$108.00	\$120.00	\$88.00	Consumer Discretionary	Large-Cap Blend	2.1%
VMware, Inc. Class A	VMW	\$157.17	\$67,639	Neutral	\$138.00	--	\$95.00	Information Technology	Large-Cap Growth	0.0%
Eli B. Sanders, CFA • esanders@dadco.com • (206) 389-4071										
3M Company	MMM	\$102.86	\$56,745	Neutral	\$114.00	\$119.00	\$89.00	Industrials	Large-Cap Value	5.9%
Autodesk, Inc.	ADSK	\$216.59	\$46,291	Buy/Add	\$261.00	\$279.00	\$182.00	Information Technology	Large-Cap Growth	0.0%
Berkshire Hathaway Inc. Class B	BRK.B	\$343.54	\$445,218	Buy/Add	\$362.00	\$391.00	\$310.00	Financials	Large-Cap Value	0.0%
Constellation Brands, Inc. Class A	STZ	\$252.75	\$46,329	Buy/Add	\$273.00	\$300.00	\$232.00	Consumer Staples	Large-Cap Value	1.4%
Crown Holdings, Inc.	CCK	\$88.94	\$10,682	Buy/Add	\$106.00	\$114.00	\$81.00	Materials	Mid-Cap Blend	1.1%
Fidelity National Information Services, Inc.	FIS	\$59.63	\$35,327	Buy/Add	\$77.00	\$85.00	\$54.00	Financials	Large-Cap Blend	3.5%
General Dynamics Corporation	GD	\$216.96	\$59,520	Buy/Add	\$252.00	\$278.00	\$196.00	Industrials	Large-Cap Value	2.4%
Kimberly-Clark Corporation	KMB	\$134.78	\$45,472	Buy/Add	\$147.00	\$172.00	\$120.00	Consumer Staples	Large-Cap Value	3.5%
NIKE, Inc. Class B	NKE	\$107.84	\$132,869	Buy/Add	\$121.00	\$133.00	\$102.00	Consumer Discretionary	Large-Cap Blend	1.3%
PNC Financial Services Group, Inc.	PNC	\$129.79	\$51,800	Buy/Add	\$162.00	\$173.00	\$107.00	Financials	Large-Cap Value	4.9%
PayPal Holdings, Inc.	PYPL ^(A)	\$72.39	\$80,767	Buy/Add	\$93.00	\$102.00	\$60.00	Financials	Large-Cap Blend	0.0%
Raytheon Technologies Corporation	RTX	\$97.17	\$141,979	Buy/Add	\$108.00	\$118.00	\$94.00	Industrials	Large-Cap Value	2.4%
State Street Corporation	STT	\$77.46	\$25,892	Buy/Add	\$82.00	\$90.00	\$66.00	Financials	Large-Cap Value	3.3%
Synchrony Financial	SYF	\$35.67	\$15,287	Buy/Add	\$37.00	\$41.00	\$28.00	Financials	Large-Cap Value	2.6%
Sysco Corporation	SYF	\$73.29	\$37,135	Buy/Add	\$90.00	\$95.00	\$67.00	Consumer Staples	Mid-Cap Value	2.7%
United Parcel Service, Inc. Class B	UPS	\$185.36	\$134,345	Buy/Add	\$208.00	\$225.00	\$160.00	Industrials	Large-Cap Value	3.5%
V.F. Corporation	VFC	\$19.63	\$7,631	Buy/Add	\$26.00	\$29.00	\$15.00	Consumer Discretionary	Large-Cap Value	6.1%
Joseph-Andrew Malach • jmalach@dadco.com • (206) 389-4082										
Activision Blizzard, Inc.	ATVI ^(A)	\$89.54	\$70,393	Neutral	\$95.00	--	\$75.00	Communication Services	Large-Cap Blend	0.0%
Alcon AG	ALC	\$84.70	\$42,325	Buy/Add	\$80.00	\$100.00	\$60.00	Health Care	Large-Cap Growth	0.3%
American Water Works Company, Inc.	AWK	\$145.45	\$28,311	Neutral	\$160.00	\$183.00	\$128.00	Utilities	Large-Cap Blend	1.9%
Amgen Inc.	AMGN	\$227.66	\$121,645	Buy/Add	\$295.00	\$320.00	\$225.00	Health Care	Large-Cap Blend	3.8%
CVS Health Corporation	CVS	\$71.22	\$91,306	Buy/Add	\$90.00	\$134.00	\$75.00	Health Care	Large-Cap Value	3.4%
Duke Energy Corporation	DUK	\$93.31	\$71,910	Buy/Add	\$110.00	\$125.00	\$86.00	Utilities	Large-Cap Value	4.4%
Johnson & Johnson	JNJ	\$158.81	\$412,705	Buy/Add	\$190.00	\$205.00	\$140.00	Health Care	Large-Cap Blend	3.0%
Match Group, Inc.	MTCH ^(A)	\$47.62	\$13,260	Buy/Add	\$70.00	\$115.00	\$30.00	Communication Services	Mid-Cap Growth	0.0%
NextEra Energy, Inc.	NEE	\$73.71	\$149,146	Buy/Add	\$87.00	\$93.00	\$69.00	Utilities	Large-Cap Blend	2.5%
Novartis AG Sponsored ADR	NVS	\$98.33	\$223,944	Buy/Add	\$110.00	\$115.00	\$79.00	Health Care	Large-Cap Blend	2.3%
Spotify Technology SA	SPOT	\$171.10	\$33,072	Buy/Add	\$160.00	\$204.00	\$75.00	Communication Services	Large-Cap Growth	0.0%
Stryker Corporation	SYK	\$299.64	\$113,746	Buy/Add	\$305.00	\$330.00	\$240.00	Health Care	Large-Cap Growth	1.0%

^(A) D. A. Davidson & Co. makes a market in this security.

Rating and pricing information as of July 13, 2023.

For a copy of the full referenced report for companies mentioned, please contact your D.A. Davidson & Co. representative or call 206-389-8000.

U.S. Equities Performance Report

U.S. Equity Markets	Current Level	June % Return	Q2 2023 % Return	2023 % Return	1 Year % Return	5 Year % Return	10 Year % Return	% Off 52 Week	
								High	Low
S&P 500	4,450.38	6.6%	8.7%	16.9%	19.6%	12.3%	12.9%	0.0%	24.4%
DJ Industrial Average	34,407.60	4.7%	4.0%	4.9%	14.2%	9.6%	11.3%	0.5%	19.8%
NASDAQ Composite Index	13,787.92	6.7%	13.1%	32.3%	26.1%	13.9%	16.2%	0.0%	35.0%
Russell 2000	1,888.73	8.1%	5.2%	8.1%	12.3%	4.2%	8.3%	6.6%	14.1%
Russell 2500	809.15	8.5%	5.2%	8.8%	13.6%	6.5%	9.4%	4.9%	15.8%

S&P 500 Sectors	Sector Weight %	June % Return	Q2 2023 % Return	2023 % Return	1 Year % Return	5 Year % Return	10 Year % Return	% Off 52 Week	
								High	Low
Communications Services	8.4%	2.6%	13.1%	36.2%	17.3%	9.3%	6.5%	1.4%	44.3%
Consumer Discretionary	10.7%	12.1%	14.6%	33.1%	24.7%	10.0%	12.9%	2.3%	35.3%
Consumer Staples	6.7%	3.2%	0.5%	1.3%	6.6%	11.1%	9.6%	3.6%	12.4%
Energy	4.1%	6.6%	-0.9%	-5.5%	18.8%	6.6%	4.4%	13.4%	21.2%
Financials	12.4%	6.7%	5.3%	-0.5%	9.5%	7.2%	10.1%	8.7%	11.5%
Health Care	13.4%	4.4%	3.0%	-1.5%	5.4%	11.8%	12.8%	4.9%	9.7%
Industrials	8.5%	11.3%	6.5%	10.2%	25.2%	10.5%	11.6%	0.0%	29.6%
Information Technology	28.3%	6.6%	17.2%	42.8%	40.3%	21.8%	21.9%	0.0%	51.1%
Materials	2.5%	11.1%	3.3%	7.7%	15.1%	9.7%	10.3%	2.8%	23.1%
Real Estate	2.5%	5.6%	1.8%	3.8%	-4.1%	6.5%	7.7%	17.3%	11.9%
Utilities	2.6%	1.6%	-2.5%	-5.7%	-3.7%	8.2%	9.4%	15.7%	6.5%

Growth & Value	Current Level	June % Return	Q2 2023 % Return	2023 % Return	1 Year % Return	5 Year % Return	10 Year % Return	% Off 52 Week	
								High	Low
Russell 1000 Growth	2,770.27	6.8%	12.8%	29.0%	27.1%	15.1%	15.7%	0.0%	33.0%
S&P Mid Cap 400 Growth	1,217.24	8.7%	5.1%	10.4%	19.2%	7.2%	10.1%	0.9%	20.0%
Russell 2000 Growth	1,232.98	8.3%	7.1%	13.6%	18.5%	4.2%	8.8%	2.2%	19.6%
Russell 1000 Value	1,555.64	6.6%	4.1%	5.1%	11.5%	8.1%	9.2%	2.3%	16.1%
S&P Mid Cap 400 Value	859.34	9.6%	4.5%	7.2%	16.0%	8.0%	10.0%	7.8%	18.9%
Russell 2000 Value	2,111.65	7.9%	3.2%	2.5%	6.0%	3.5%	7.3%	11.3%	9.3%

Commodity Markets	Current Level	June % Return	Q2 2023 % Return	2023 % Return	1 Year % Return	5 Year % Return	10 Year % Return	% Off 52 Week	
								High	Low
S&P GSCI Spot Index	540.46	4.4%	-2.7%	-7.5%	-14.2%	2.8%	-3.5%	24.9%	2.5%
Crude Oil (\$/bbl)	70.64	3.5%	-7.0%	-13.2%	-30.6%	-4.9%	-9.5%	34.9%	5.8%
Natural Gas (\$/btu)	2.77	20.4%	4.5%	-48.8%	-63.2%	-21.8%	-19.7%	71.3%	38.2%
Gasoline RBOB (\$/gal)	2.54	7.4%	2.9%	3.9%	-5.9%	10.8%	1.2%	31.0%	24.2%
Gold (\$/ozt)	1,929.40	-2.7%	-3.8%	2.8%	1.9%	5.8%	2.6%	6.1%	18.3%
Silver (\$/ozt)	23.02	-3.2%	-6.4%	-6.5%	8.7%	4.4%	-0.5%	12.2%	30.3%
High Grade Copper (\$/lbs)	3.76	2.8%	-9.1%	-2.3%	0.3%	3.2%	0.7%	11.9%	17.1%
Corn (CBT \$/bu)	4.95	-9.6%	-15.3%	-17.5%	-10.0%	8.4%	-3.9%	29.1%	0.0%
Wheat (\$/bu)	6.51	7.5%	-9.1%	-21.7%	-32.8%	-0.7%	-7.7%	30.6%	10.2%

Currency Markets	Current Level	June % Return	Q2 2023 % Return	2023 % Return	1 Year % Return	5 Year % Return	10 Year % Return	% Off 52 Week	
								High	Low
EU Euro (€/\$)	1.091	2.3%	0.4%	2.2%	4.4%	-1.3%	-1.7%	1.3%	13.4%
Japanese Yen (\$/¥)	144.535	3.4%	8.6%	9.5%	6.4%	5.5%	3.8%	3.6%	13.3%
UK Sterling (£/\$)	1.271	2.6%	2.8%	5.7%	4.7%	-0.8%	-1.7%	0.8%	18.3%
Australian Dollar (AUD/\$)	0.666	2.9%	-0.6%	-1.8%	-3.2%	-2.1%	-3.1%	6.5%	7.1%
Canadian Dollar (\$/CAD)	1.323	-2.7%	-2.2%	-2.3%	2.6%	0.1%	2.3%	4.7%	3.8%
Swiss Franc (\$/CHF)	0.895	-2.1%	-2.1%	-3.3%	-6.5%	-2.1%	-0.6%	11.7%	0.9%

Notes: Data as reported through June 30, 2023. Returns include dividends re-invested. 5-year and 10-year returns annualized.
Sources: FactSet Prices, Standard & Poor's, Russell Investments

International Equities Performance Report

Regions	Current Level	June % Return	Q2 2023 % Return	2023 % Return	1 Year % Return	5 Year % Return	10 Year % Return	% Off 52 Week	
								High	Low
MSCI BRIC	257.32	5.5%	-1.1%	-0.3%	-5.0%	-1.5%	2.8%	11.3%	16.5%
MSCI EAFE	2,131.72	4.6%	3.2%	12.1%	19.4%	4.9%	5.9%	1.8%	29.4%
MSCI EMEA	191.10	5.1%	2.9%	1.9%	2.2%	-2.2%	-1.0%	9.2%	6.9%
MSCI Emerging Markets	989.48	3.9%	1.0%	5.1%	2.2%	1.3%	3.3%	6.0%	17.4%
MSCI Euro	1,337.02	6.5%	4.3%	20.7%	33.8%	6.0%	7.0%	1.4%	46.4%
MSCI Europe	1,928.43	4.8%	3.1%	14.2%	22.6%	5.8%	6.3%	2.6%	34.8%
MSCI Far East	3,579.24	3.9%	4.5%	10.2%	14.8%	2.8%	5.2%	3.8%	25.0%
MSCI Frontier Markets	485.70	2.3%	2.3%	5.6%	-1.9%	1.1%	3.0%	9.8%	8.1%
MSCI G7 Index	2,776.03	6.4%	7.7%	16.3%	19.6%	10.1%	10.6%	0.0%	25.3%
MSCI North America	4,411.44	6.7%	8.5%	16.7%	19.0%	11.9%	12.4%	0.0%	23.8%
MSCI Pacific	2,800.53	4.2%	3.5%	8.5%	14.0%	3.3%	5.2%	3.3%	22.5%
MSCI Pan-Euro	1,350.82	5.1%	3.7%	15.0%	24.0%	6.3%	6.3%	2.2%	35.3%
MSCI The World Index	2,966.72	6.1%	7.0%	15.4%	19.1%	9.6%	10.1%	0.0%	25.3%

Countries	Current Level	June % Return	Q2 2023 % Return	2023 % Return	1 Year % Return	5 Year % Return	10 Year % Return	% Off 52 Week	
								High	Low
MSCI Argentina	4,007.28	26.0%	35.8%	42.3%	126.4%	13.5%	14.0%	2.0%	144.0%
MSCI Australia	850.22	5.1%	0.3%	3.1%	11.3%	5.1%	5.1%	10.0%	16.7%
MSCI Austria	1,157.00	9.1%	6.2%	8.9%	21.2%	0.5%	4.2%	9.0%	37.8%
MSCI Belgium	1,181.09	3.9%	-5.6%	0.4%	6.8%	-4.5%	2.1%	9.2%	22.3%
MSCI Brazil	1,635.55	16.1%	20.8%	17.1%	30.4%	6.6%	2.1%	3.3%	26.2%
MSCI Canada	2,077.81	6.6%	3.9%	8.6%	7.9%	7.2%	6.0%	2.8%	16.3%
MSCI China	59.83	4.0%	-9.6%	-5.4%	-16.7%	-5.1%	3.2%	20.2%	27.5%
MSCI Finland	494.33	0.6%	-7.5%	-7.4%	0.1%	0.8%	7.4%	14.4%	7.1%
MSCI France	2,415.32	6.7%	3.8%	19.1%	32.8%	7.8%	8.6%	3.6%	44.5%
MSCI Germany	2,087.98	5.3%	3.5%	18.8%	29.5%	2.5%	4.8%	2.4%	45.6%
MSCI Greece	25.67	10.0%	23.9%	43.5%	71.6%	2.6%	-8.6%	0.5%	85.1%
MSCI Hong Kong	9,507.16	3.4%	-5.0%	-7.3%	-9.0%	-1.3%	4.1%	14.2%	21.8%
MSCI India	805.52	4.8%	12.4%	5.3%	14.7%	9.0%	9.0%	2.3%	14.6%
MSCI Indonesia	824.47	-0.2%	3.2%	9.9%	14.3%	6.0%	1.8%	5.1%	13.8%
MSCI Ireland	235.42	5.8%	4.4%	27.0%	46.0%	4.9%	7.8%	0.9%	56.0%
MSCI Israel	176.65	2.0%	-3.8%	-2.8%	-4.0%	-1.1%	1.4%	20.9%	2.7%
MSCI Italy	314.07	11.1%	8.9%	25.1%	45.1%	7.0%	7.2%	0.0%	54.1%
MSCI Japan	3,505.94	4.1%	6.4%	13.2%	18.6%	3.5%	5.6%	4.0%	27.3%
MSCI Korea	478.22	0.7%	4.5%	14.6%	13.6%	1.6%	4.7%	6.3%	33.2%
MSCI Mexico	6,478.29	5.7%	5.8%	27.3%	35.7%	8.0%	2.3%	3.1%	39.5%
MSCI Netherlands	4,622.05	4.7%	4.3%	21.7%	31.6%	10.3%	10.8%	0.3%	50.7%
MSCI New Zealand	147.70	2.0%	-6.0%	1.7%	16.0%	3.3%	6.3%	10.3%	29.2%
MSCI Norway	2,165.16	6.5%	0.1%	-6.8%	-7.2%	1.0%	2.6%	21.9%	5.4%
MSCI Portugal	76.36	5.2%	-0.4%	3.0%	7.5%	5.4%	2.5%	6.4%	25.8%
MSCI Russia	-	-	-	-	-	-	-	-	-
MSCI Singapore	3,047.58	1.7%	-5.6%	1.1%	10.1%	-0.7%	1.2%	9.4%	15.2%
MSCI South Africa	392.03	9.6%	-4.7%	-5.1%	-1.0%	-1.7%	1.0%	15.8%	11.9%
MSCI Spain	444.35	8.9%	5.9%	22.6%	29.8%	2.2%	4.3%	0.0%	50.1%
MSCI Sweden	8,429.27	3.7%	-0.7%	9.2%	17.8%	6.5%	5.8%	7.1%	29.0%
MSCI Switzerland	7,074.83	2.6%	4.5%	12.1%	14.5%	10.3%	7.8%	3.7%	23.4%
MSCI United Kingdom	1,140.10	3.9%	2.2%	8.4%	13.2%	2.9%	3.9%	3.7%	26.2%
MSCI USA	4,228.59	6.7%	8.7%	17.1%	19.6%	12.2%	12.8%	0.0%	24.2%

Notes: Data as reported through June 30, 2023. Returns include dividends re-invested. 5-year and 10-year returns annualized. Returns are in U.S. dollars.
Sources: FactSet Prices, MSCI Barra

U.S. Economic Report

Interest Rates	Last Reported	Q2 2023 Level	Q1 2023 Level	Q4 2022 Level	Q3 2022 Level	Q2 2022 Level
Fed Funds Target Rate (%)	5.250	5.250	5.000	4.500	3.250	1.750
10-Year Treasury Yield (%)	3.81	3.81	3.49	3.88	3.80	2.98
10-Year – 2-Year U.S. Treasury Spread (bps)	-106.02	-106.02	-56.96	-54.20	-40.39	4.40
3-Month USD LIBOR (%)	5.55	5.55	5.19	4.77	3.75	2.29
TED Spread (bps)	37.79	37.79	55.52	46.48	52.47	64.51
S&P 500 Consensus Next 12 Months EPS	231.60	231.60	226.15	228.88	234.84	237.86
Government Finance	Last Reported	Q2 2023 Level	Q1 2023 Level	Q4 2022 Level	Q3 2022 Level	Q2 2022 Level
Current Account Balance (bil. \$)	-219.30	-	-219.30	-216.15	-222.76	-248.78
Current Account Balance as % of GDP	-3.31	-	-3.31	-3.31	-3.46	-3.94
Federal Government Debt (bil. \$, AR)	27,150.20	-	27,150.20	26,851.38	26,587.12	26,311.83
Federal Government Debt (Y/Y %)	4.62	-	4.62	6.11	8.24	7.14
Employment	Last Reported	Q2 2023 Level	Q1 2023 Level	Q4 2022 Level	Q3 2022 Level	Q2 2022 Level
Average Hourly Earnings (Y/Y %)	4.35	4.35	4.30	4.77	5.07	5.40
Average Hourly Earnings – inflation adjusted (Y/Y %)	1.63	1.63	0.18	-1.03	-2.28	-2.27
Change in Nonfarm Employment (M/M, thousands of persons)	209.00	209.00	0.00	239.00	350.00	370.00
Civilian Unemployment Rate (%)	3.60	3.60	3.50	3.50	3.50	3.60
Initial Unemployment Claims (thousands of claims)	249.00	249.00	228.00	206.00	198.00	212.00
Housing & Construction	Last Reported	Q2 2023 Level	Q1 2023 Level	Q4 2022 Level	Q3 2022 Level	Q2 2022 Level
Building Permits (millions of units, SAAR)	1.496	-	1.437	1.409	1.588	1.701
Housing Starts (millions of units, SAAR)	1.631	-	1.380	1.357	1.463	1.561
New Home Sales (millions of units, SAAR)	0.763	-	0.657	0.636	0.567	0.563
Private Residential Construction Put in Place (Y/Y %)	-11.57	-	-10.80	-3.13	8.79	20.69
S&P/Case-Shiller Home Price Index (20 City, Y/Y %)	-1.70	-	-1.12	4.61	10.40	18.63
Inflation	Last Reported	Q2 2023 Level	Q1 2023 Level	Q4 2022 Level	Q3 2022 Level	Q2 2022 Level
Consumer Price Index (Y/Y %, NSA)	3.09	3.09	4.99	6.44	8.21	8.93
Core CPI (Y/Y %, NSA)	4.86	4.86	5.60	5.70	6.64	5.88
Producer Price Index (Y/Y %, NSA)	0.13	0.13	2.66	6.42	8.48	11.23
Core PPI (Y/Y %, NSA)	2.64	2.64	3.69	4.66	5.63	6.45
Personal Consumption Expenditures (Y/Y %, NSA)	3.85	-	4.17	5.30	6.29	6.98
Core PCE (Y/Y %, NSA)	4.62	-	4.61	4.62	5.20	5.04
Personal Income & Spending	Last Reported	Q2 2023 Level	Q1 2023 Level	Q4 2022 Level	Q3 2022 Level	Q2 2022 Level
Household Net Worth (bil. \$)	148,835	-	148,835	145,810	144,191	147,200
Household Net Worth (Y/Y %)	-2.46	-	-2.46	-3.06	-1.25	3.16
Personal Income (Y/Y %, SAAR)	5.47	-	5.46	4.92	5.60	4.27
Personal Savings Rate (%)	4.60	-	4.60	3.70	3.00	2.70
Production	Last Reported	Q2 2023 Level	Q1 2023 Level	Q4 2022 Level	Q3 2022 Level	Q2 2022 Level
Capacity Utilization (%)	79.60	-	79.50	78.92	80.84	80.47
Industrial Production (Y/Y %, SA)	0.23	-	0.17	0.59	4.51	3.19
Real GDP Growth (Q/Q %, SAAR)	2.00	-	2.00	2.60	3.20	-0.60
Retail Sales	Last Reported	Q2 2023 Level	Q1 2023 Level	Q4 2022 Level	Q3 2022 Level	Q2 2022 Level
Consumer Credit (bil. \$, Q/Q change)	51.58	-	51.58	87.21	84.24	92.21
Retail Sales (Y/Y %, SA)	0.73	-	0.86	4.93	8.95	8.90
Retail Sales ex. Motor Vehicles (Y/Y %, SA)	-0.26	-	0.90	6.04	9.96	11.71
Total Unit Vehicle Sales (millions of units)	15.68	15.68	14.92	13.37	13.64	13.00
Survey Data	Last Reported	Q2 2023 Level	Q1 2023 Level	Q4 2022 Level	Q3 2022 Level	Q2 2022 Level
Consumer Confidence (Conference Board, 1985=100)	109.70	109.70	104.00	109.00	107.80	98.40
ISM Manufacturing Report (%)	46.00	46.00	46.30	48.40	51.00	53.10
ISM Non-Manufacturing Report (%)	53.90	53.90	51.20	49.20	55.90	56.00
Leading Economic Indicators Index (M/M %)	-0.74	-	0.00	-0.72	-0.53	-0.69

Notes: Data as reported through June 30, 2023. BPS is basis points. AR is annual rate. SA is seasonally adjusted rate. SAAR is seasonally adjusted annual rate.
Sources: FactSet

Required Disclosures

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Ratings Information:

Buy/Add - Security appears undervalued based on our current view of valuation measures, expectations, and its risk profile.

Neutral - Security appears fairly valued based on our current view of valuation measures, expectations, and its risk profile.

Sell/Reduce - Security appears over-valued based on our current view of valuation measures, expectations, and its risk profile.

Rating Distribution (as of 6/30/2023)	Coverage Universe Distribution			Investment Banking Distribution		
	IR	WMR	Combined	IR	WMR	Combined
BUY/ADD (Buy)	60%	90%	63%	10%	0%	11%
NEUTRAL (Hold)	40%	10%	37%	6%	0%	9%
SELL/REDUCE (Sell)	0%	0%	0%	0%	0%	5%

WMR denotes Wealth Management Research; IR denotes Institutional Research whose rating scale is Buy, Neutral, Underperform.

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Required Disclosures

The forward S&P 500 price-to-earnings ratio (P/E) is a valuation measure, calculated by dividing the price of the S&P 500 index over the weighted average earnings per share (EPS) estimate of each company in the index. Earnings are based on “forward” consensus estimates expected over the next 12 months (NTM), using quarterly analyst estimates as provided by FactSet.

Fair value refers to a valuation method based on our view of the intrinsic value of an asset or index, determined by macroeconomic factors and earnings expectations rather than current market prices. This is our view of intrinsic value as of the date of this report.

Gross domestic product (GDP) refers to the monetary measure of the market value of all final goods and services produced within a country's borders within a specific time period.

FactSet is a data aggregation software utilized by D.A. Davidson's Wealth Management Research. The FactSet Consensus refers to the aggregate of all analyst estimates from firms that submit estimates to FactSet for a given financial metric.

The annual price returns of the S&P 500 index are calculated using index closing value on 12/31 of one year to 12/31 of the next year. Intra-year peak-to-trough percentage declines are calculated using the index closing prices from an intra-year high date to a subsequent low date. Closing prices are provided by S&P Global through FactSet. Averages across years are calculated using the arithmetic mean.

The yield of the 10-year U.S. Treasury bond is a widely followed barometer of the current U.S. interest rate environment.

S&P 500 earnings growth reflect the year over year change in operating earnings on a per share basis. Earnings data are aggregated for all S&P 500 constituents and are measured according to the relative market capitalization weights for each company. Estimated earnings are the combined FactSet estimates of analysts covering each company included in the index.

The Federal Reserve Bank's Open Market Committee (FOMC) consists of twelve members--the seven members of the Board of Governors of the Federal Reserve System; the president of the Federal Reserve Bank of New York; and four of the remaining eleven Reserve Bank presidents, who serve one-year terms on a rotating basis. The FOMC holds eight regularly scheduled meetings per year. At these meetings, the Committee reviews economic and financial conditions, determines the appropriate stance of monetary policy, and assesses the risks to its long-run goals of price stability and sustainable economic growth.

The Treasury yield curve displays the market interest rate across different contract lengths for U.S. Treasury bonds, indicating the relationship between the interest rate and the time (“term”) to maturity.

U.S. Personal Consumption Expenditures (PCE) is an indicator of the growth in consumer spending and measures the value of goods and services purchased by persons who reside in the U.S. It is reported monthly by the Bureau of Economic Analysis.

The Advance Monthly Sales for Retail is a survey of 5,500 employer firms by the U.S. Census Bureau. Its statistical analysis from the respondents is weighted and benchmarked to represent the complete universe of over three million retail and food service firms.

The Bureau of Economic Analysis reports monthly sales of cars and light trucks in the U.S. Most outlets follow the monthly seasonally adjusted at annual rates data.

The U.S. Census reports annualized monthly data on housing starts, permits and completions. It is a widely followed measure to track construction activity in the residential housing market. New Home sales measures sales of new single family homes and is a measure of the demand for housing.

The Transportation Security Administration (TSA) reports the daily number of travelers that pass through its U.S. security checkpoints. It is used a measure to track daily airline passenger traffic across the U.S.

The Drewry World Container Index is compiled by London-based Drewry Maritime Research, and it reflects a composite of 40-foot ocean container rates on 8 major global trade routes. It is used to measure global freight costs for shipping containers.

STR, a division of CoStar Group provides data analytics for the global hospitality industry. STR provides a weekly composite of hotel data across 25 top markets to measure, occupancy, average daily rates, and revenue per available room.

The Atlanta Fed GDPNow is not an official Fed forecast of GDP growth, but is a running estimate of real GDP growth based upon available economic data for the current measured quarter.

For a copy of the most recent reports containing all required disclosure information for covered companies referenced in this report, please contact your D.A. Davidson & Co. representative or call 206-389-8000.

Appendix

⁽¹⁾Glossary

Active Share: measure of the percentage of stock holdings in a portfolio that differs from the benchmark index

Book Value: company assets minus liabilities

Dividend Payout Ratio: the percentage of net earnings paid to shareholders in dividends. It provides an indication of how much money a company is returning to shareholders versus how much it is keeping on hand to reinvest in growth, pay off debt, or add to cash reserves.

Dividend Yield: a ratio that shows how much a company pays out in dividends each year relative to its share price. It is calculated by dividing the annual dividend per share by the price per share. Future dividend payments are not guaranteed.

Downside Capture: percentage of negative benchmark returns captured by portfolio returns (excluding income)

Earnings per Share (EPS): a company's profit divided by the outstanding shares of its common stock. The resulting number serves as an indicator of a company's profitability.

EBITDA: earnings before interest, taxes, depreciation and amortization

Enterprise Value: market cap plus total outstanding debt obligations less cash and cash equivalents

Free Cash Flow (FCF): cash a company generates after cash outflows to support operations and maintain its capital assets

Gross Margin: percentage of revenue retained after direct costs

Largest Drawdown: peak to trough decline during a specific record period of an investment, usually quoted as the percentage between the peak to the trough

Market Capitalization: common shares outstanding multiplied by current price

Operating Margin: percentage of revenue retained after costs of production, excluding interest or tax

Net Debt / EBITDA: ratio of a company's net debt (outstanding debt less cash and cash equivalents) to EBITDA

Price-to-Book (P/B): ratio of a company's market cap to its book value (total assets less intangible assets)

Price-to-Earnings (P/E): ratio of a company's market cap to its net income

Price-to-Sales (P/S): ratio of a company's market cap to its sales

ROE (Return on Equity): net income as a percentage of average total shareholders' equity

ROIC (Return on Invested Capital): net operating profit after taxes (NOPAT) as a percentage of average invested capital

Standard Deviation: statistical measure of the historical volatility of a portfolio

Total Debt / Capital: ratio of a company's total outstanding debt obligations to capital (debt + equity)

Total Return: a performance measure that reflects the actual rate of return of an investment or a pool of investments over a given evaluation period, and accounts for interest, capital gains, dividends, and distributions in addition to price returns.

Tracking Error: divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark

Upside Capture: percentage of positive benchmark returns captured by portfolio returns (excluding income)

10-Year Compound Annual Growth Rate (CAGR): the annualized average rate of dividend growth for each company over the last 10 years, assuming the dividends were reinvested at the end of each year of the investment's life span.

'23 Add Price: applies to stocks that have been added to the portfolio since the end of CY 2022 on 12/31/2022, and reflects the stock's closing price on the date of execution.

Indices

Bloomberg Commodity Index: The DJ UBS Commodity Index is a broadly diversified index composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME). The index was introduced in 1998 and allows investors to track commodity futures through a single, simple measure.

CBOE Market Volatility Index: The CBOE Volatility index a real-time index that represents the market's expectations for the relative strength of near-term price changes of the S&P 500 index. Because it is derived from the prices of S&P 500 index options with near-term expiration dates, it generates a 30-day forward projection of volatility.

DJ Industrial Average: The Dow Jones Industrial Average is a price-weighted index comprised of 30 of the largest and most widely held public companies in the United States. The daily high and low prices for DJIAK are Actual.

MSCI Australia: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI Australia Index, which contains 64 constituents, measures the performance of the large and mid-cap segments of the Australia market. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. Sources: FactSet, MSCI Global

MSCI Brazil: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI Brazil Index, which contains 54 constituents, captures the performance of the large and mid-cap segments of the Brazilian market. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI Canada: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI Canada Index, which contains 91 constituents, captures the performance of the large and mid-cap segments of the Canada market. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI China: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI China Index captures large and mid-cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). With 736 constituents, the index includes Large Cap A and Mid Cap A shares. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI EAFE: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI EAFE is an equity index which captures large and mid-cap representation of 845 constituents across 21 Developed Markets countries around the world, excluding the US and Canada. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI EM (Emerging Markets): The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI Emerging Markets Index, which contains 1,412 constituents, captures large and mid-cap representation across 27 Emerging Markets (EM) countries. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI Europe: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI Europe Index, which contains 434 constituents, captures large and mid-cap representation across 15 Developed Markets (DM) countries in Europe. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI FM Frontier Markets: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The Frontier Markets Index, which contains 81 constituents across 27 frontier markets, applies a consistent index construction and maintenance methodology. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI France: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI France Index, which contains 72 constituents, measures the performance of the large and mid-cap segments of the French market. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI Germany: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI Germany Index, which contains 62 constituents, measures the performance of the large and mid-cap segments of the German market. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI India: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI India Index, which contains 101 constituents, measures the performance of the large and mid-cap segments of the Indian market. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI Italy: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI Italy Index, which contains 26 constituents, captures the performance of the large and mid-cap segments of the Italian market. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI Japan: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI Japan Index, which contains 272 constituents, captures the performance of the large and mid-cap segments of the Japanese market. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI Pacific: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI Pacific Index captures large and mid-cap representation of 399 constituents across 5 Developed Markets in the Pacific region. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI Russia: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI Russia Index, which contains 25 constituents, measures the performance of the large and mid-cap segments of the Russian market. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI United Kingdom: The MSCI Global Equity Indices are widely tracked global equity benchmarks and serve as the basis for over 500 exchanged traded funds throughout the world. The MSCI United Kingdom Index, which contains 86 constituents, captures the performance of the large and mid-cap segments of the UK market. This methodology allows for meaningful global views and cross regional comparisons across all market capitalization size, sector and style segments and combinations. *Sources: FactSet, MSCI Global*

MSCI World Index: A free float capitalization weighted index designed to measure global developed market equity performance. As of June 2006 it consisted of 23 country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the USA.

NASDAQ Composite Index: The NASDAQ Composite Index measures all NASDAQ domestic and international based common type stocks listed on The NASDAQ Stock Market. Today the NASDAQ Composite includes over 3,000 companies.

Russell 1000 Growth: Russell 1000 Index refers to a stock market index that is used as a benchmark by investors. It is a subset of the larger Russell 3000 Index and represents the 1000 top companies by market capitalization in the United States. The Russell 1000 Growth Index is a broadly diversified index predominantly made up of growth stocks of large U.S. companies from the Russell 1000 Index.

Russell 1000 Value: Russell 1000 Index refers to a stock market index that is used as a benchmark by investors. It is a subset of the larger Russell 3000 Index and represents the 1000 top companies by market capitalization in the United States. The Russell 1000 Value Index is a broadly diversified index predominantly made up of value stocks of large U.S. companies from the Russell 1000 Index.

Russell 2000 Growth: The Russell 2000 offers investors access to the small-cap segment of the U.S. equity universe. It is constructed to provide a comprehensive and unbiased small-cap barometer and is reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The Russell 2000 Growth Index is a broadly diversified index predominantly made up of growth stocks of large U.S. companies from the Russell 2000 Index.

Russell 2000 Value: The Russell 2000 offers investors access to the small-cap segment of the U.S. equity universe. It is constructed to provide a comprehensive and unbiased small-cap barometer and is reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The Russell 2000 Value Index is a broadly diversified index predominantly made up of value stocks of large U.S. companies from the Russell 2000 Index.

Russell 2000: The Russell 2000 offers investors access to the small-cap segment of the U.S. equity universe. It is constructed to provide a comprehensive and unbiased small-cap barometer and is reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The index includes the smallest 2000 securities in the Russell 3000.

Russell 2500: The Russell 2500 offers investors access to the small- and mid-cap segment of the U.S. equity universe. It is constructed to provide a comprehensive and unbiased small- and mid-cap barometer and is reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small- to mid-cap opportunity set. The index includes the smallest 2500 securities in the Russell 3000.

S&P 500 / Communication Services -SEC: The S&P Communication Services sector index is designed to reflect the aggregate performance of the 26 companies in the S&P 500 that fall under the sector classification of Communication Services. The S&P 500 has been widely used a gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy based on market capitalization, capturing 75% coverage of U.S. equities. It is also the U.S. component of S&P Global 1200. *Sources: FactSet, S&P U.S.*

S&P 500 / Consumer Discretionary -SEC: The S&P U.S. Consumer Discretionary sector index is designed to reflect the aggregate performance of the 63 companies in the S&P 500 that fall under the sector classification of Consumer Discretionary. The S&P 500 has been widely used a gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy based on market capitalization, capturing 75% coverage of U.S. equities. It is also the U.S. component of S&P Global 1200. *Sources: FactSet, S&P U.S.*

S&P 500 / Consumer Staples -SEC: The S&P Consumer Staples sector index is designed to reflect the aggregate performance of the 32 companies in the S&P 500 that fall under the Consumer Staples sector classification. The S&P 500 has been widely used a gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy based on market capitalization, capturing 75% coverage of U.S. equities. It is also the U.S. component of S&P Global 1200. *Sources: FactSet, S&P U.S.*

S&P 500 / Energy -SEC: The S&P Energy sector index is designed to reflect the aggregate performance of the 22 companies in the S&P 500 that fall under the Energy sector classification. The S&P 500 has been widely used a gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy based on market capitalization, capturing 75% coverage of U.S. equities. It is also the U.S. component of S&P Global 1200. *Sources: FactSet, S&P U.S.*

S&P 500 / Financials -SEC: The S&P Financials sector index is designed to reflect the aggregate performance of the 65 companies in the S&P 500 that fall under the Financials sector classification. The S&P 500 has been widely used a gauge of the large cap U.S. equities

market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy based on market capitalization, capturing 75% coverage of U.S. equities. It is also the U.S. component of S&P Global 1200. *Sources: FactSet, S&P U.S.*

S&P 500 / Health Care -SEC: The S&P U.S. Health Care sector index is designed to reflect the aggregate performance of the 64 companies in the S&P 500 that fall under the sector classification of Health Care. The S&P 500 has been widely used a gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy based on market capitalization, capturing 75% coverage of U.S. equities. It is also the U.S. component of S&P Global 1200. *Sources: FactSet, S&P U.S.*

S&P 500 / Industrials -SEC: The S&P Industrials sector index is designed to reflect the aggregate performance of the 74 companies in the S&P 500 that fall under the industrials sector classification. The S&P 500 has been widely used a gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy based on market capitalization, capturing 75% coverage of U.S. equities. It is also the U.S. component of S&P Global 1200. *Sources: FactSet, S&P U.S.*

S&P 500 / Information Technology -SEC: The S&P U.S. Information Technology sector index is designed to reflect the aggregate performance of the 74 companies in the S&P 500 that fall under the sector classification of Information Technology. The S&P 500 has been widely used a gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy based on market capitalization, capturing 75% coverage of U.S. equities. It is also the U.S. component of S&P Global 1200. *Sources: FactSet, S&P U.S.*

S&P 500 / Materials -SEC: The S&P Materials sector index is designed to reflect the aggregate performance of the 28 companies in the S&P 500 that fall under the Materials sector classification. The S&P 500 has been widely used a gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy based on market capitalization, capturing 75% coverage of U.S. equities. It is also the U.S. component of S&P Global 1200. *Sources: FactSet, S&P U.S.*

S&P 500 / Real Estate - SEC: The S&P Real Estate sector index is designed to reflect the aggregate performance of the 29 companies in the S&P 500 that fall under the Real Estate sector classification. The S&P 500 has been widely used a gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy based on market capitalization, capturing 75% coverage of U.S. equities. It is also the U.S. component of S&P Global 1200. *Sources: FactSet, S&P U.S.*

S&P 500 / Utilities -SEC: The S&P Utilities sector index is designed to reflect the aggregate performance of the 28 companies in the S&P 500 that fall under the Utilities sector classification. The S&P 500 has been widely used a gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy based on market capitalization, capturing 75% coverage of U.S. equities. It is also the U.S. component of S&P Global 1200. *Sources: FactSet, S&P U.S.*

S&P 500: The S&P 500 includes 500 leading companies in leading industries of the U.S. economy. It is a core component of the U.S. indices that could be used as building blocks for portfolio construction. It is also the U.S. component of S&P Global 1200.

S&P GSCI: The S&P GSCI provides investors with a reliable and publicly available benchmark for investment performance in the commodity markets. The S&P GSCI is also designed to be a 'tradable' index, readily accessible to market participants and cost efficient to implement. The index is calculated primarily on a world production-weighted basis and is comprised of the principal physical commodities that are the subject of active, liquid futures markets.

S&P Mid Cap 400 Growth: S&P U.S. indices are designed to reflect the U.S. equity markets and, through the markets, the U.S. economy. The S&P 500 has been widely used a gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy based on market capitalization, capturing 75% coverage of U.S. equities. It is also the U.S. component of S&P Global 1200.

S&P Mid Cap 400 Value: S&P U.S. indices are designed to reflect the U.S. equity markets and, through the markets, the U.S. economy. The S&P 500 has been widely used a gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy based on market capitalization, capturing 75% coverage of U.S. equities. It is also the U.S. component of S&P Global 1200.

Commodities, Forex, and Economic Data

10-Year – 2-Year U.S. Treasury Spread (bps): Based on market prices for a 9-Year 10-Month Treasury Note at 3-3/8% issued 5/15/2023 with maturity on 5/15/2033 and a 2-Year Treasury Note at 4-5/8% issued 6/30/2023 with maturity on 6/30/2025; *Sources: U.S. Department of the Treasury, Bureau of the Fiscal Service, FactSet Interest Rates*

10-Year Treasury Yield (%): Based on market prices for a 9-Year 10-Month Treasury Note at 3-3/8% issued 5/15/2023 with maturity on 5/15/2033; *Sources: U.S. Department of the Treasury, Bureau of the Fiscal Service, FactSet Interest Rates*

3-Month USD LIBOR (%): The 3-month USD LIBOR interest rate is the interest rate at which a panel of selected banks borrow US dollar funds from one another with a maturity of three months; *Sources: Intercontinental Exchange (ICE), FactSet Interest Rates*

Australian Dollar (AUD/\$): U.S. Dollar (USD) per Australian Dollar (AUD); *Sources: FactSet Prices*

Average Hourly Earnings (Y/Y %): Establishment survey data measuring the average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls; *Sources: U.S. Department of Labor, Bureau of Labor Statistics, FactSet*

Building Permits (millions of units, SAAR): The number of new housing units authorized by building permits in the United States. They exclude hotels, motels, and group residential structures such as nursing homes and college dormitories; *Sources: U.S. Census Bureau, FactSet*

Canadian Dollar (\$/CAD): U.S. Dollar (USD) per Canadian Dollar (CAD); *Sources: FactSet Prices*

Capacity Utilization (%): Federal Reserve Statistical Release G.17 includes data covers output, capacity, and capacity utilization in the industrial sector, which the Federal Reserve defines as manufacturing, mining, and electric and gas utilities. Data are classified according to the North American Industry Classification System (NAICS); *Sources: Federal Reserve Bank, FactSet*

Change in Nonfarm Employment (M/M, thousands of persons): Establishment survey data measuring the monthly change in nonfarm payroll employment. Employees on nonfarm payrolls are those who received pay for any part of the reference pay period, including persons on paid leave; *Sources: U.S. Department of Labor, Bureau of Labor Statistics, FactSet*

Civilian Unemployment Rate (%): Measures the percentage of the civilian labor force that has been unemployed for at least 15 weeks; *Sources: U.S. Department of Labor, Bureau of Labor Statistics, FactSet*

Consumer Confidence (Conference Board, 1985=100): The Conference Board's Consumer Confidence Survey is a monthly measure of the public's confidence in the health of the U.S. economy; *Sources: The Conference Board, FactSet*

Consumer Credit (bil. \$, Q/Q change): Federal Reserve Statistical Release G. 19, Consumer Credit, reports most short- and intermediate-term credit extended to individuals, excluding loans secured by real estate; *Sources: Federal Reserve Bank, FactSet*

Consumer Price Index (Y/Y %, NSA): The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services; *Sources: U.S. Department of Labor, Bureau of Labor Statistics, FactSet*

Corn (CBT \$/bu): Contract Unit – 5,000 bushels; *Sources: Chicago Board of Trade, FactSet*

Crude Oil (\$/bbl): West Texas Intermediate (WTI); *Sources: New York Mercantile Exchange, FactSet*

Current Account Balance (bil. \$): The current account is quarterly statistical summary of transactions between U.S. and foreign residents that includes exports and imports of goods, services, income, and current transfers; *Sources: U.S. Department of Commerce, Bureau of Economic Analysis, FactSet*

EU Euro (€/€): U.S. Dollar (USD) per Euro (EUR); *Sources: FactSet Prices*

Fed Funds Target Rate (%): The FOMC holds eight regularly scheduled Monetary Policy meetings during the year and other meetings as needed, during which the Committee decides the monetary policy and the federal funds rate based on the economic condition; *Sources: Federal Reserve Bank, FactSet*

Federal Government Debt (bil. \$, AR): As stated in the Federal Government Budget Monthly Surplus/Deficit Statement; *Sources: U.S. Department of the Treasury, FactSet*

Gasoline RBOB (\$/gal): Reformulated Blendstock for Oxygenated Blending (RBOB); *Sources: New York Mercantile Exchange, FactSet*

Gold (\$/ozt): Contract Unit – 100 troy ounces; *Sources: New York Mercantile Exchange, FactSet*

High Grade Copper (\$/lbs): Contract Unit – 25,000 pounds; *Sources: New York Mercantile Exchange, FactSet*

Household Net Worth (bil. \$): Household total net is the net worth for individuals and is used as a measure in economics to compare the wealth of different groups. The net worth is the value of total assets minus the total value of outstanding liabilities; *Sources: Federal Reserve Bank, FactSet*

Housing Starts (millions of units, SAAR): The U.S. Census Bureau's New Residential Construction release provides statistics on the construction of new privately-owned residential structures in the United States. The data relate to new housing units intended for occupancy and maintained by the occupants; *Sources: U.S. Census Bureau, FactSet*

Industrial Production (Y/Y %, SA): Federal Reserve Statistical Release G.17 includes data measuring production output in the industrial sector, which the Federal Reserve defines as manufacturing, mining, and electric and gas utilities. Data are classified according to the North American Industry Classification System (NAICS); *Sources: Federal Reserve Bank, FactSet*

ISM Manufacturing Report (%): The Manufacturing ISM Report on Business is based on data compiled from monthly replies to questions asked of purchasing and supply executives in over 400 industrial companies. An index reading above 50 percent indicates that economic activity is generally expanding; below 50 percent, that it is generally declining; *Sources: Institute for Supply Management, FactSet*

ISM Non-Manufacturing Report (%): The U.S. Institute for Supply Management (ISM –formerly the U.S. National Association of Purchasing Management [NAPM]) reports diffusion indices in its Manufacturing and Non-Manufacturing Reports on Business. The industry survey results contained in these two monthly publications are widely-accepted indicators of economic and business activity. ISM's monthly surveys ask respondents to indicate whether a particular activity (i.e. production, new orders) for their companies have increased, decreased, or remain unchanged; *Sources: Institute for Supply Management, FactSet*

Japanese Yen (\$/¥): U.S. Dollar (USD) per Japanese Yen (JPY); *Sources: FactSet Prices*

Leading Economic Indicators Index (M/M %): Leading indicators are economic series that tend to change direction ahead of shifts in the business cycle. There are 10 components of the U.S. Leading Composite Indicator published by The Conference Board. The index is constructed by averaging the individual components in order to smooth out a good part of the volatility of the individual series; *Sources: The Conference Board, FactSet*

Natural Gas (\$/btu): Henry Hub; Sources: New York Mercantile Exchange, FactSet

New Home Sales (millions of units, SAAR): The U.S. Census Bureau collects new home sales based upon the following definition: "A sale of the new house occurs with the signing of a sales contract or the acceptance of a deposit."; Sources: U.S. Census Bureau, FactSet

Personal Consumption Expenditures (Y/Y %, NSA): Monthly Personal Income and Outlays data are published by the U.S. Bureau of Economic Analysis. Personal consumption expenditures include consumer spending for all goods and services. These data are published on a quarterly basis in the GDP data release; Sources: U.S. Department of Commerce, Bureau of Economic Analysis, FactSet

Personal Income (Y/Y %, SAAR): Monthly Personal Income and Outlays data are published by the U.S. Bureau of Economic Analysis. Personal income measures total pretax income earned by individuals, non-profit organizations, and private trust funds; Sources: Sources: U.S. Department of Commerce, Bureau of Economic Analysis, FactSet

Private Residential Construction Put in Place (Y/Y %): The Value of Construction Put in Place Survey (VIP) provides monthly estimates of the total dollar value of construction work done in the U.S. The survey covers construction work done each month on new structures or improvements to existing structures for private and public sectors; Sources: U.S. Census Bureau, FactSet

Producer Price Index (Y/Y %, NSA): The Producer Price Index (PPI) for Finished Goods measures average changes in prices for commodities that will not undergo further processing and are ready for sale to the final-demand user, either an individual consumer or business firm; Sources: U.S. Department of Labor, Bureau of Labor Statistics, FactSet

Retail Sales (Y/Y %, SA): Retail and food service sales data are included in the Advance Monthly Sales for Retail and Food Service report, which provides an early indication of sales of retail and food service companies. Data are classified according to the North American Industry Classification System (NAICS); Sources: U.S. Census Bureau, FactSet

S&P 500 Consensus Next 12 Months EPS: Based on the aggregation of all publicly available and disseminated EPS estimates for the S&P 500; Sources: S&P U.S., FactSet Estimates

S&P/Case-Shiller Home Price Index (20 City, Y/Y %): The S&P/Case-Shiller Home Price Indices are the leading measures of U.S. residential real estate prices, tracking changes in the value of residential real estate in 20 metropolitan areas. The indices measure changes in housing market prices given a constant level of quality; Sources: S&P U.S., FactSet

S&P GSCI Spot Index: The S&P GSCI provides investors with a reliable and publicly available benchmark for investment performance in the commodity markets. The S&P GSCI is also designed to be a 'tradable' index, readily accessible to market participants and cost efficient to implement. The index is calculated primarily on a world production-weighted basis and is comprised of the principal physical commodities that are the subject of active, liquid futures markets; Sources: S&P US, FactSet

Silver (\$/ozt): Contract Unit – 5,000 troy ounces; Sources: New York Mercantile Exchange, FactSet

TED Spread (bps): The TED spread is the difference between the three-month Treasury bill and the three-month LIBOR based in U.S. dollars; Sources: Intercontinental Exchange (ICE), U.S. Department of the Treasury, Bureau of the Fiscal Service, FactSet Interest Rates

UK Sterling (£/\$): U.S. Dollar (USD) per British Pound (GBP); Sources: FactSet Prices

Wheat (\$/bu): Contract Unit – 5,000 bushels; Sources: Chicago Board of Trade, FactSet

Wealth Management Research Contacts

Seattle Office

701 5th Ave., Suite 4050
Seattle, WA 98104

James D. Ragan, CFA®

Director of Research,
Wealth Management
(206) 389-4070
jragan@dadco.com

Brad N. Stewart, CFA®

Senior Research Analyst,
Wealth Management
(206) 389-4049
bstewart@dadco.com

Eli B. Sanders, CFA®

Senior Research Analyst,
Wealth Management
(985) 778-6653
esanders@dadco.com

Joseph-Andrew L. Malach

Research Analyst,
Wealth Management
(206) 389-4082
jmalach@dadco.com

Lars B. Tvedt

Research Associate,
Wealth Management
(206) 389-4017
ltvedt@dadco.com

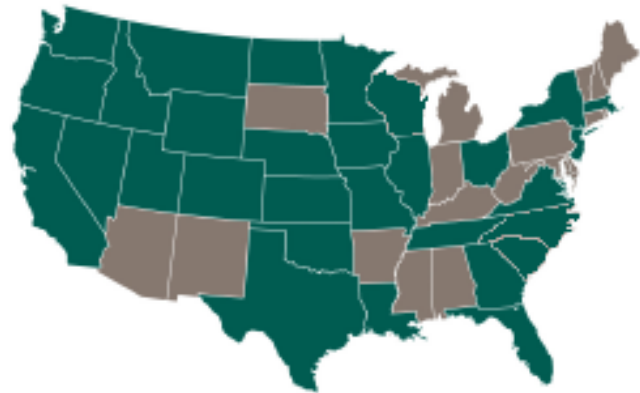
Ian C. Peterson

Research Associate,
Wealth Management
(206) 389-4076
ipeterson@dadco.com

Corporate Office

D.A. Davidson Companies

8 Third Street North
Great Falls, MT 59401 | (800) 332-5915



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