

Before the Bell

An Ameriprise Investment Research Group Publication

March 18, 2024

Starting the Day

- U.S. futures are pointing to a mixed open.
 - European markets are trading mostly higher at midday.
 - Asian markets ended higher overnight.
 - Can the bull market weather a mid-life crisis?
 - It's all about the Federal Reserve this week.
 - 10-year Treasury yield at 4.30%.
 - West Texas Intermediate (WTI) oil is trading at \$81.57.
 - Gold is trading at \$2,163.50
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Market Perspectives

Anthony M. Saglimbene, Chief Market Strategist

Weekly Market Perspectives: U.S. stocks finished mostly lower last week. The S&P 500 Index and Dow Jones Industrials Average ended the week essentially flat, while the NASDAQ Composite dropped for the second consecutive week. The Russell 2000 Index experienced its worst week since the opening of the year. However, the roughly 2.0% loss in the small-cap stock benchmark last week remains modest when compared to the roughly +25% gain the Index has experienced since the October lows. Notably, hotter-than-expected February inflation data and slowing retail sales trends created more chop across stock momentum last week and pushed back, at least on the surface, that Federal Reserve rate cuts are coming in the near future. That said, the S&P 500 and Dow remain less than 2.0% off their 52-week highs, while the NASDAQ and Russell 2000 sit less than 4.0% away from their recent market tops.

It's important to note that stocks have come a long way in recent months. In fact, the last several months of stock performance in the U.S. has seen some of the longest stretches of consecutive weekly gains for the major averages in decades. And while not much changed fundamentally last week following the warmer inflation prints, stocks likely need additional positive catalysts to continue to push higher, in our view. At the same time, catalysts that are less friendly to supporting the *soft-landing narrative* (i.e., positive growth trends and lower interest rates) could be met with some near-term selling pressure, given such strong gains recently. Yet, we believe longer-term investors should look through these potential market gyrations over the near term as long as fundamental conditions remain on a sound base.

Energy (+3.7%), Materials (+1.5%), and Communication Services (+0.4%) outperformed the S&P 500 last week, while Real Estate (-3.1%) and Consumer Discretionary (-1.2%) underperformed. Tesla (-6.7%) and Meta Platforms (-4.3%) were notable laggards.

U.S. Treasury prices weakened as yields across the curve rose all week. The 2-year and 10-year Treasury yields rose over 20 basis points on the week and in response to lingering inflation pressures and \$117 billion in Treasury auctions. The U.S. Dollar Index was stronger across a basket of major currencies, Gold finished the week fractionally lower, and West Texas Intermediate (WTI) crude rose +2.6%.

Without a doubt, investors' primary focus last week was centered on inflation, which continues to show a non-linear path toward the Fed's 2.0% target. The headline Consumer Price Index (CPI) rose +3.2% year-over-year in February, hotter than forecast as well as January's +3.1% level. Core CPI, which excludes food and energy, rose +3.8% year-over-year in February, also hotter than forecast but a tick lower than January's +3.9% reading. Although the top-line consumer inflation readings were

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somewhat disappointing, super core and Owners' Equivalent Rent (OER) measures of inflation in the February CPI report came down, leaving the broader disinflation narrative intact, in our view.

Nevertheless, a hotter-than-expected February Producer Price Index (PPI) print and a softer-than-expected retail sales report late in the week put pressure on stock prices. Headline PPI on both a month-over-month and year-over-year basis surprised to the upside modestly, while core PPI was also warmer than estimates. In addition, while retail sales improved month-over-month versus January's unexpected decline (revised even lower than initially reported), sales ex-autos in February were weaker than forecast.

Bottom line: Last week's updates on inflation suggest there are stickier components within consumer and producer pricing that likely justify the Federal Reserve's "wait-and-see" approach to cutting interest rates. This week's FOMC meeting will be closely watched not only for policy language on inflation trends but also if there has been a change in where policymakers see rate policy headed through the rest of the year. More on that below.

In other items of interest last week, a preliminary look at March inflation expectations within the Michigan Sentiment Survey showed little change from February and helped add support that consumer inflation expectations remain well-anchored.

Finally, there was a little more pushback last week against growing concerns that Big Tech, and by extension, the overall market, is in a "dot-com-like" bubble. For instance, while an increasing number of S&P 500 constituents are hitting new 52-week highs, fewer than a third of the Index has hit record levels. That is less frothy than during the tech bubble in the late 1990s and early 2000s and may still leave room for stocks to rally higher. Importantly, outsized, secular-driven profit growth remains concentrated in Big Tech. *Goldman Sachs* recently highlighted that since 2019, the Magnificent Seven has collectively delivered a +28% annualized return, with 20 percentage points coming from sales growth, roughly 7 percentage points from margin expansion, and just 1 percentage point coming from multiple expansion. Notably, that earnings strength is seen continuing in the first quarter. According to *FactSet* estimates, Communication Services, Information Technology, and Consumer Discretionary are expected to be some of the largest contributors to Q1'24 earnings per share (EPS) growth. Big Tech sits prominently in these three sectors. For example, if Meta Platforms is excluded from Communication Services, the sector's expected Q1'24 EPS growth would fall to +9.3% y/y from +19.4%. Similarly, if NVIDIA is excluded from Information Technology, the sectors' expected Q1'24 EPS would fall to +6.2% y/y from +18.9%.

Bottom line: While continued resiliency across the U.S. economy and broadening profit/performance participation across the S&P 500 could be a positive for the overall market and help strengthen the bull market over time, we believe investors shouldn't lose sight of the areas that continue to drive the bulk of corporate profits. In our view, the profit growth associated with Big Tech today stands in stark contrast to the profitless companies that drove the tech wreck at the turn of the century.

The Week Ahead: Speaking of bull markets, thus far, the current bull market in the S&P 500 has run 517 trading days. In relation to the other 26 bull markets for the S&P 500 going back to 1929, the current stretch would put this bull market right at the median point, according to *Bespoke Investment Group*. However, the average bull market has lasted twice as long at 1,011 days. As *Bespoke* also notes, that's because the last few decades of bull markets have lasted extremely long. In terms of current bull market gains, the S&P 500 is higher by +44.7% since mid-October 2022, which is well below the median bull market gain of +76.7% and not even half the average bull market gain of +114.4%. So, at least by historical standards, there may be gas left in this bull's tank.

Bottom line: In our view, the current bull market is really just an extension of improving economic conditions and inflation trends since the end of 2022. At the same time, improved investor confidence, working consumers, healthy savings/debt conditions, and increasing corporate profit growth have added further fuel to the bull market this year. As long as these fundamental conditions remain on track, the bull market should be able to weather a mid-life crisis should one occur.

Dialing in on the week, it's really all about the Federal Reserve. Policymakers will deliver their rate decision and an updated Summary of Economic Projections on Wednesday. Although the Fed is widely expected to leave rate policy unchanged at the conclusion of its March meeting, updated forecasts for the number of rate cuts this year will likely see outsized attention from investors. In December, the median forecast for rate cuts in 2024 included three 25-basis point cuts in the fed funds rate. Given warmer-than-expected inflation and resilient growth over recent months, investors are anxious that policymakers, in aggregate, may dial back the number of rate cuts for this year. Although stocks have looked past the market reducing rate cut expectations for this year, will they remain so sanguine if the Fed themselves sees less room to cut? In our view, it's all about

the dot plot and how the Fed frames inflation forecasts through the rest of this year. Other items of note this week include a batch of housing data and preliminary looks at March manufacturing and services activity on Thursday.

Overseas, the Bank of Japan, Bank of England, Reserve Bank of Australia, and a few others will also provide monetary policy updates this week. Outside of the Fed, the BOJ could make some waves on Tuesday if it decides to hike its key interest rate for the first time since 2007. Given that policymakers in Japan are growing more confident about achieving their 2% inflation target, the BOJ may be nearing a point where it can finally move off its decade-plus-long negative interest rate policy. While this week's meeting may not provide liftoff, we anticipate the BOJ will at least set the stage for a rate hike in April.

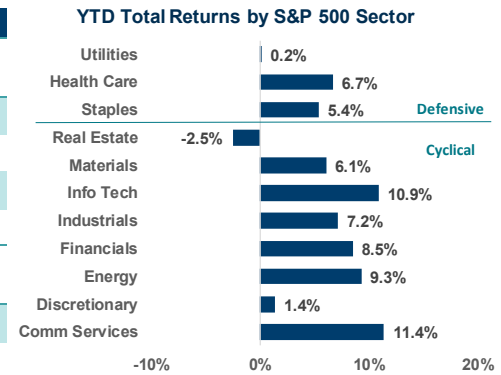
Stock Market Recap							
Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 5,117	-0.1%	0.5%	7.6%	25.3	21.5	1.4	1.6
Dow Jones Industrial Average: 38,715	0.0%	-0.6%	3.2%	23.1	19.8	1.8	2.1
Russell 2000 Index: 5,068	-2.0%	-0.6%	0.9%	43.9	36.8	1.3	1.4
NASDAQ Composite: 15,973	-0.7%	-0.7%	6.6%	38.7	34.2	0.7	0.8
Best Performing Sector (weekly): Energy	3.8%	6.3%	9.3%	11.6	10.8	3.4	3.9
Worst Performing Sector (weekly): Real Estate	-2.8%	-0.2%	-2.5%	36.8	36.6	3.3	3.0

Source: Factset. Data as of 03/15/2024

Bond/Commodity/Currency Recap			
Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	-1.1%	0.0%	-1.4%
West Texas Intermediate (WTI) Oil: \$80.99	2.6%	2.2%	12.7%
Spot Gold: \$2,156.01	-1.1%	5.5%	4.5%
U.S. Dollar Index: 103.43	0.7%	-0.7%	2.1%
Government Bond Yields	Yield Chg		
	Weekly	MTD	YTD
2-year U.S. Treasury Yield: 4.72%	25 bps chg	11 bps chg	47 bps chg
10-year U.S. Treasury Yield: 4.32%	23 bps chg	7 bps chg	43 bps chg

Source: Factset. Data as of 03/15/2024. bps = basis points

These figures are shown for illustrative purposes only and are not guaranteed. They do not reflect taxes or investment/product fees or expenses, which would reduce the figures shown here. An index is a statistical composite that is not managed. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.



Source: S&P Global, Factset. Data as of 03/15/2024

U.S. Premarket Indicators / Overnight International Market Activity

United States:

Here is a quick news rundown to start your morning:

- **Premarket activity points to a mixed open.** Investors are largely in a wait-and-see mode at the start of the week and ahead of key events that could shape market direction. The BOJ decision on Tuesday, followed by the Fed decision on Wednesday, will be the two major events of the week. However, NVIDIA's GTC conference, which will kick off today, housing data throughout the week, and S&P Global PMI data on Thursday will also provide an active backdrop for traders.

Europe:

The Bank of England is widely expected to hold rate policy steady on Thursday. Like most major central banks, most do not expect the BOE to cut rates before the summer. A stabilizing economy, following a mild recession in the second half of 2023, could allow time for the BOE to confirm economic conditions warrant lower rates.

Asia-Pacific:

The BOJ kicked off its closely watched two-day policy meeting on Monday. Investors will hang on Tuesday's policy language

WORLD CAPITAL MARKETS

3/18/2024

As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-0.6%	7.6%	5,117.1
Dow Jones	-0.5%	3.2%	38,714.8
NASDAQ Composite	-1.0%	6.6%	15,973.2
Russell 2000	0.4%	0.9%	2,039.3
Brazil Bovespa	-0.7%	-5.5%	126,742
S&P/TSX Comp. (Canada)	0.1%	4.9%	21,849.2
Mexico IPC	0.3%	-1.9%	56,228.4

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.3%	10.9%	4,999.6
FTSE 100 (U.K.)	0.3%	1.2%	7,748.5
DAX Index (Germany)	0.3%	7.4%	17,985.9
CAC 40 (France)	0.2%	8.6%	8,177.9
FTSE MIB (Italy)	0.2%	12.1%	34,011.5
IBEX 35 (Spain)	0.3%	5.7%	10,627.3
MOEX Index (Russia)	0.1%	7.3%	3,303.7

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	2.7%	18.8%	39,740.4
Hang Seng (Hong Kong)	0.1%	-1.4%	16,737.1
Korea Kospi 100	0.7%	1.4%	2,685.8
Singapore STI	0.0%	-1.8%	3,171.9
Shanghai Comp. (China)	1.0%	3.7%	3,084.9
Bombay Sensex (India)	0.1%	0.9%	72,748.4
S&P/ASX 200 (Australia)	0.1%	2.8%	7,675.8

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-0.7%	6.0%	767.6

Developed International	% chg.	%YTD	Value
MSCI EAFE	-0.4%	4.5%	2,325.1

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-1.3%	1.5%	1,034.7

Note: International market returns shown on a local currency basis. The equity index data shown above is on a **total return** basis, inclusive of dividends.

S&P 500 Sectors	% chg.	% YTD	Value
Communication Services	-1.2%	11.4%	273.4
Consumer Discretionary	-1.1%	1.4%	1,435.1
Consumer Staples	-0.1%	5.4%	799.7
Energy	0.2%	9.3%	693.5
Financials	-0.1%	8.5%	677.0
Health Care	-0.4%	6.7%	1,690.3
Industrials	0.1%	7.2%	1,030.5
Materials	0.1%	6.1%	570.3
Real Estate	-0.1%	-2.5%	243.8
Technology	-1.3%	10.9%	3,760.3
Utilities	0.1%	0.2%	319.7

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	1.1%	9.4%	278.2
FTSE NAREIT Comp. TR	-0.2%	-3.5%	23,083.0
DJ US Select Dividend	0.2%	1.7%	3,054.6
DJ Global Select Dividend	-0.2%	0.6%	222.5
S&P Div. Aristocrats	0.0%	3.9%	4,438.1

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.1%	-1.7%	2,124.8
Barclays HY Bond	-0.1%	0.8%	2,499.1

Commodities	% chg.	% YTD	Value
Futures & Spot (Intra-day)			
CRB Raw Industrials	0.2%	1.1%	549.7
NYMEX WTI Crude (p/bbl.)	0.5%	13.7%	81.5
ICE Brent Crude (p/bbl.)	0.5%	11.3%	85.7
NYMEX Nat Gas (mmBtu)	4.7%	-31.1%	1.7
Spot Gold (troy oz.)	0.2%	4.7%	2,160.8
Spot Silver (troy oz.)	0.0%	5.8%	25.2
LME Copper (per ton)	2.1%	6.0%	8,968.5
LME Aluminum (per ton)	0.9%	-5.1%	2,225.4
CBOT Corn (cents p/bushel)	0.2%	-9.6%	437.8
CBOT Wheat (cents p/bushel)	1.6%	-16.0%	537.0

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/€)	0.1%	-1.2%	1.09
British Pound (£/€)	0.1%	0.1%	1.27

	% chg.	% YTD	Value
Japanese Yen (\$/¥)	0.0%	-5.4%	149.02
Australian Dollar (A\$/€)	0.2%	-3.5%	0.66

	% chg.	% YTD	Value
Canadian Dollar (\$/C\$)	0.0%	-2.2%	1.35
Swiss Franc (\$/CHF)	0.1%	-4.7%	0.88

Data/Price Source: Bloomberg. Equity Index data is total return, inclusive of dividends, where applicable.

Ameriprise Global Asset Allocation Committee (GAAC)

U.S. Equity Sector - Tactical Views

	S&P 500		GAAC	GAAC		S&P 500		GAAC	GAAC
	Index	GAAC	Tactical	Recommended		Index	GAAC	Tactical	Recommended
	Weight	Tactical View	Overlay	Weight		Weight	Tactical View	Overlay	Weight
Consumer Staples	6.1%	Overweight	2.0%	8.1%	Communication Services	8.7%	Equalweight	-	8.7%
Information Technology	28.9%	Equalweight	-	28.9%	Energy	4.0%	Equalweight	-	4.0%
Health Care	12.5%	Equalweight	-	12.5%	Utilities	2.3%	Equalweight	-	2.3%
Financials	12.9%	Equalweight	-	12.9%	Materials	2.4%	Equalweight	-	2.4%
Industrials	8.8%	Equalweight	-	8.8%	Real Estate	2.5%	Equalweight	-	2.5%
As of: January 2, 2023					Consumer Discretionary	10.9%	Underweight	-2.0%	8.9%

As of: January 2, 2023

Index weightings represent the respective market capitalization of each sector in the S&P 500 as of 12/27/2023. The GAAC Tactical Overlay, as well as Recommended Tactical Weights, is derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the Index and are provided to represent investment conviction in each region. Tactical Allocations are designed to augment Index returns over a 6-12 month time horizon. Numbers may not add due to rounding.

Global Equity Regions - Tactical Views

MSCI All-Country				GAAC	GAAC	MSCI All-Country				GAAC	GAAC
World Index		GAAC	Tactical	Recommended	World Index		GAAC	Tactical	Recommended		
Weight	Tactical View	Overlay	Weight		Tactical View	Overlay	Weight				
United States	61.4%	Overweight	1.2%	62.6%	United Kingdom	3.4%	Equalweight	-	3.4%		
Japan	5.4%	Overweight	1.0%	6.4%	Latin America	1.1%	Equalweight	-	1.1%		
Europe ex U.K.	13.8%	Equalweight	-	13.8%	Canada	3.0%	Underweight	-1.0%	2.0%		
Asia-Pacific ex Japan	10.7%	Equalweight	-	10.7%	Middle East / Africa	1.2%	Underweight	-1.2%	0.0%		

as of: January 2, 2024

Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 12/27/2023. The GAAC Tactical Overlay, as well as the Recommended Tactical Weights, are derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the Index and are provided to represent investment conviction in each region. Tactical Allocations are designed to augment Index returns over a 6-12 month time horizon. Numbers may not add due to rounding.

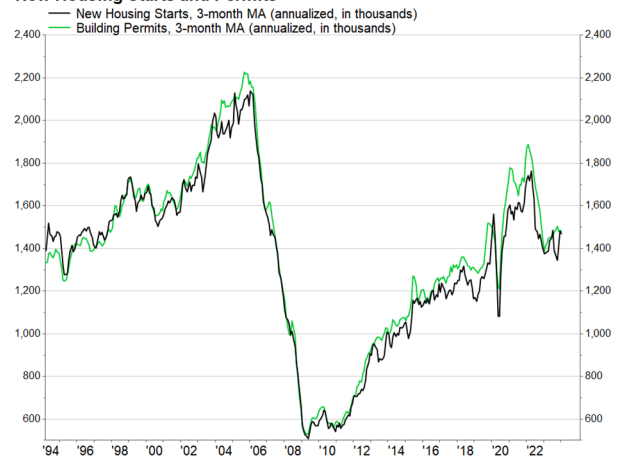
The Week Ahead:

Russell T. Price, CFA, Chief Economist

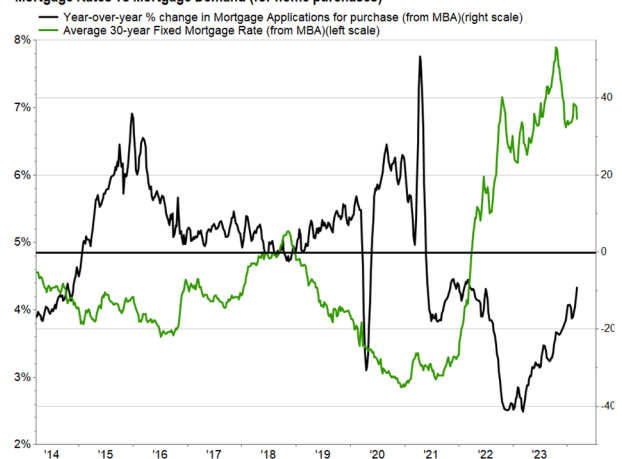
Unless otherwise noted, all economic estimates are sourced from Bloomberg and all corporate earnings measures are sourced from FactSet.

- **The Economic Calendar:** The economic calendar is quiet this week albeit for a few reports from the housing sector and, of course, Wednesday's FOMC monetary policy announcement. This week's FOMC meeting will also provide a new *Summary of Economic Projections* (SEP) which will show the general outlook of various economic and policy factors as offered by individual FOMC members.
- **FOMC Decision:** The Federal Reserve's Open Market Committee (FOMC) will announce its latest decision on monetary policy on Wednesday at 2 PM ET. No change in the Fed's overnight lending rate (the fed funds rate) is expected but given the hotter than expected nature of recent inflation readings, the Committee's statement, and Chair Powell's post-announcement commentary, is likely to be more hawkish.
- At the time of this writing, fed fund futures as traded on the CME, reflect 55% odds of a first rate cut to come as soon as the June FOMC meeting. At the time of the last FOMC announcement (January 31) similar odds were looking for the first rate cut to come at the March meeting.
- **New Housing Starts:** New housing starts are expected to have partially bounced back last month after a surprisingly large 14.8% month-over-month decline in January. In total, new starts are expected to have grown by 7% month-over-month (m/m), according to the Bloomberg consensus. If the monthly forecast is correct, it would leave total new starts about flat with year-ago levels.
- The January starts rate was likely reflective of harsher winter weather relative to December's much more mild conditions. We also note that the new housing starts data commonly sees large revisions.
- **February Existing Home Sales:** On Thursday, the National Association of Realtors (NAR) will release their Existing Home Sales report for the month of February. Forecasters as surveyed by Bloomberg look for sales to have been down about 1.5% m/m after seeing a 3.1% m/m increase in January. If the February estimate is correct it would equate to a y/y decline of approximately 13%.
- Mortgage rates have been drifting higher over the last several weeks after plunging in the final two months of 2023. From the end of October through the end of December, the national average 30-year fixed mortgage rate fell by just over a full percentage point, from 7.8% at the end of October to approximately 6.6% at year-end. As seen by the green line in the chart at right, the decline in rates triggered a solid response from potential buyers as mortgage applications for the purchase of a property jumped 26%. *The charts at right are sourced from FactSet.*

New Housing Starts and Permits



Mortgage Rates vs Mortgage Demand (for home purchases)



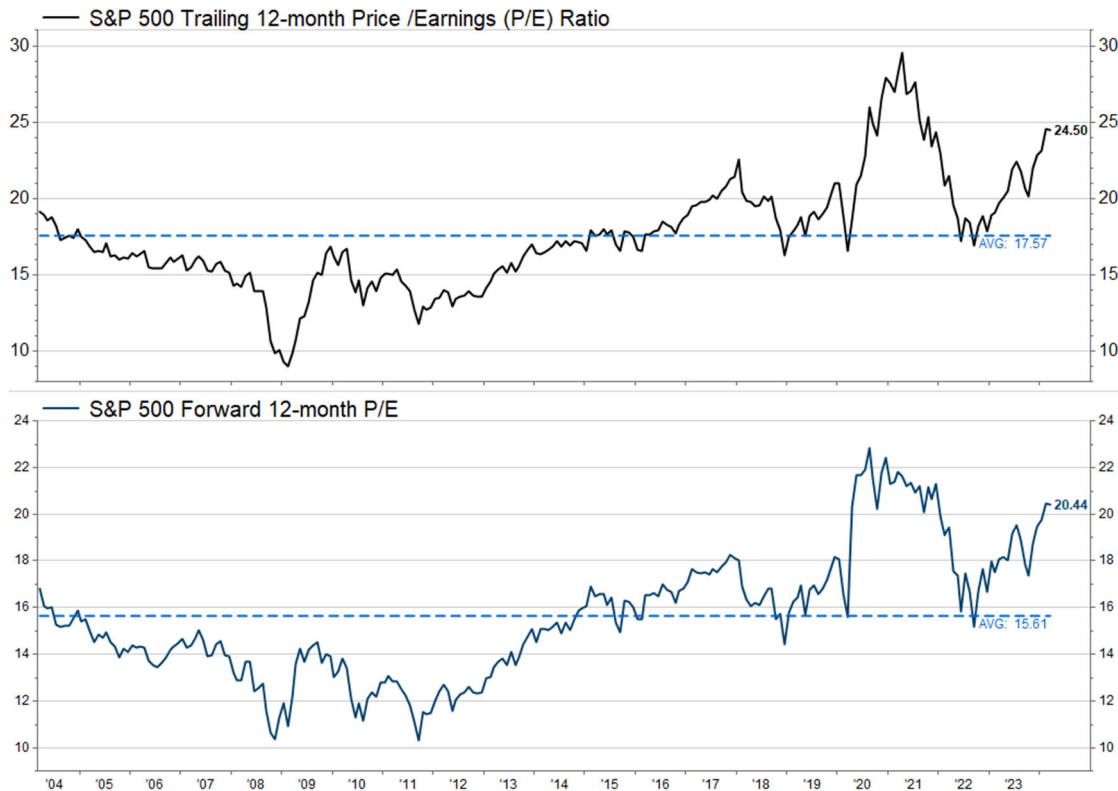
The calendar below is sourced from American Enterprise Investment Services Inc.

March 18	19	20	21	22
NAHB Housing Index	Building Permits	FOMC Rate Decision	Initial Jobless Claims	Bank Lending - India
Monetary Policy - Japan	Housing Starts	Trade - Japan	Markit Prelim. Mfg. Index	
Fixed Investment - China	Industrial Production - Japan	Manufacturing PMI - Japan	Leading Econ Index	
Retail Sales - Japan		Consumer Sentiment - Eurozone	Existing Home Sales	
Inflation - Eurozone			Philly Fed Business Index	
Trade - Eurozone			Inflation - Japan	
			Services PMI - Eurozone	
			Manufacturing PMI - Eurozone	

Where Market Fundamentals Stand Heading into The Week:

S&P 500 Trailing and Forward P/E valuations: Source: FactSet

Please note: Although we try to maintain consistency as much as possible, Price to Earnings (P/E) ratios may differ from one source to another. Most notably, P/E numbers can often show their most notable differences during an earnings release season as some sources may still use the last full 'actual' earnings number while others use earnings per share that are updated via a combination of actual and estimated earnings per share. The calculation of earnings (operating earnings versus 'as reported' or GAAP) also often differ modestly from one data source to another due to the proprietary use of calculation methodologies.



Consensus Earnings Estimates: Source: FactSet

Please note: The consensus earnings estimates shown below should be viewed cautiously. The business environment remains very dynamic, thus leaving current estimates with greater uncertainty than usual, in our view. The table below is sourced from American Enterprise Investment Management Inc and is based on data from FactSet.

S&P 500 Earnings Estimates	2019	2020	2021	2022				2023				2024				2025
3/18/2024	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Est.	Est.	Est.	Est.	Est.
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY
Quarterly \$\$ amount				\$54.09	\$56.69	\$55.65	\$53.49	\$53.33	\$54.56	\$58.91	\$55.56	\$55.03	\$59.35	\$63.52	\$65.29	
change over last week											\$0.00	-\$0.06	\$0.03	\$0.06	\$0.13	\$0.00
yr/yr				10.3%	7.4%	3.3%	-3.4%	-1.4%	-3.8%	5.0%	3.9%	3.2%	8.8%	7.8%	17.5%	
qtr/qtr				-2.3%	4.8%	-1.8%	-3.9%	-0.3%	2.3%	8.0%	-5.7%	-1.0%	7.9%	7.0%	2.8%	
Trailing 4 quarters \$\$	\$163.13	\$140.46	\$210.86	\$216.14	\$220.03	\$221.81	\$219.92	\$219.16	\$217.03	\$220.29	\$222.36	\$224.06	\$228.85	\$233.46	\$243.19	\$276.74
yr/yr % change	1.0%	-13.9%	50.1%				4.3%				1.1%				9.4%	13.8%
Implied P/E based on																
a S&P 500 level of: 5117										23.2	23.0	22.8	22.4	21.9	21.0	18.5

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday March 18, 2024

All times Eastern. Consensus estimates via Bloomberg

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
10:00 AM	MAR	NAHB Housing Market Index	48		48	

Ameriprise Economic Projections

Forecast:	Full-year				Quarterly							
	Actual	Actual	Est.	Est.	Actual	Actual	Actual	Est.	Est.	Est.	Est.	
	2022	2023	2024	2025	Q2-2023	Q3-2023	Q4-2023	Q1-2024	Q2-2024	Q3-2024	Q4-2024	
Real GDP (annualized)	1.9%	2.5%	1.5%	1.7%	2.1%	4.9%	3.3%	1.8%	1.4%	1.7%	1.5%	
Unemployment Rate	3.6%	3.7%	4.4%	4.2%	3.6%	3.8%	3.7%	3.9%	4.1%	4.3%	4.3%	
CPI (YoY)	8.0%	3.4%	2.1%	1.8%	3.0%	3.7%	3.4%	3.1%	2.5%	2.0%	2.2%	
Core PCE (YoY)	5.2%	2.9%	1.8%	1.7%	4.3%	3.6%	2.9%	2.7%	2.2%	1.8%	1.9%	

Sources: Historical data via FactSet. Estimates (Est.) via American Enterprise Investment Services Inc.

YoY = Year-over-year, Unemployment numbers are period ending. GDP: Gross Domestic Product; CPI: Consumer Price Index

PCE: Personal Consumption Expenditures Price Index. Core excludes food and energy.

All estimates other than GDP are period ending.

Last Updated: March 14, 2024

Ameriprise Global Asset Allocation Committee Targets and Views

Targets

	Favorable Scenario	Base-Case Scenario	Adverse Scenario
2024 Year-end Targets:			
S&P 500 Index:	5,400	5,200	4,200
10-Year U.S. Treasury Yield:	4.00%	3.50%	3.00%
Fed Funds Target Range:	4.25% to 4.50%	4.50% to 4.75%	3.75% to 4.00%

Estimates (Est.) via American Enterprise Investment Services Inc.

Please see latest *Quarterly Capital Market Digest* for more information.

Last Updated: January 2, 2024

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Ameriprise Global Asset Allocation Committee Targets and Views

2024 Year-end S&P 500 Target: 5200

2024 Year-end 10-year Treasury Target: 3.50%

as of 1/2/2024

	Overweight	Equalweight	Underweight
Equity	<ul style="list-style-type: none"> U.S. Large Cap Value 	<ul style="list-style-type: none"> U.S. Mid Cap Value U.S. Mid Cap Growth U.S. Small Cap Value U.S. Large Cap Growth U.S. Small Cap Growth Developed Foreign Equity 	<ul style="list-style-type: none"> Emerging Foreign Equity
S&P 500 Sectors	<ul style="list-style-type: none"> Consumer Staples 	<ul style="list-style-type: none"> Communication Services Energy Financials Health Care Industrials Information Technology Materials Real Estate Utilities 	<ul style="list-style-type: none"> Consumer Discretionary
Global Equity Regions	<ul style="list-style-type: none"> United States Japan 	<ul style="list-style-type: none"> Asia-Pacific ex Japan Europe ex U.K. Latin America United Kingdom 	<ul style="list-style-type: none"> Middle East / Africa Canada
Fixed Income	<ul style="list-style-type: none"> U.S. Government U.S. Invest. Grade Corporate 	<ul style="list-style-type: none"> Developed Foreign Bond High Yield Bond 	<ul style="list-style-type: none"> Emerging Foreign Bond
Alternatives			<ul style="list-style-type: none"> Alternative Strategies
Cash		<ul style="list-style-type: none"> Cash 	

Note: Our Tactical Allocations are designed to augment a Strategic portfolio over a 6 to 12-month time horizon. **Asset Allocation and Diversification do not ensure or guarantee better performance and do not eliminate the risk of investment losses. Investors should note that rising interest rates could have a detrimental effect on bond prices. Please consult with your financial advisor.**

Cash generally refers to assets, securities, and/or products low in risk and high in liquidity. For asset allocation purposes, instruments can include Treasury Bills, certificates of deposit, money market funds and high quality bonds whose maturities are less than 3-months.

Outside of asset allocation purposes, cash investments can also include illiquid cash held in a mutual fund or pledged as collateral for derivatives. You can only access this cash by redeeming the fund using it, subject to fees or time constraints associated with redemptions.

Major Market Indices	Rolling Returns			
	Q4'23	1-year	3-years	5-years
Russell 3000® Index (U.S. Equity)	12.07%	25.96%	8.54%	15.16%
MSCI ACWI Ex USA Index – net (Foreign Equity)	9.75%	15.62%	1.55%	7.08%
Bloomberg U.S. Universal Bond Index (Fixed Income)	6.83%	6.17%	-2.97%	1.44%
Wilshire Liquid Alternative Index (Alternatives)	1.89%	4.42%	1.06%	2.58%
FTSE Three-Month Treasury Bill Index (Cash)	1.41%	5.26%	2.25%	1.91%

Past performance is not a guarantee of future performance. Performance calculations use FactSet data and are as of 12/31/2023.

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The Ameriprise Investment Research Group

With Ameriprise Financial, you can benefit from our dedicated team of experienced investment research and due diligence professionals. Our objective market insight, strategies and guidance are designed to provide you with investment strategies and solutions to help you feel more confident about your financial future. It's the higher level of sophistication and service you've come to expect from Ameriprise.

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As of December 31, 2023

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Income Risk: We note that dividends are declared solely at the discretion of the companies' boards of directors. Dividend cuts or eliminations will likely negatively impact underlying company valuations. Published dividend yields are calculated before fees and taxes. Dividends paid by foreign companies to ADR holders may be subject to a withholding tax which could adversely affect the realized dividend yield. In certain circumstances, investors in ADR shares have the option to receive dividends in the form of cash payments, rights shares or ADR shares. Each form of dividend payment will have different tax consequences and therefore generate a different yield. In some

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International investing involves increased risk and volatility due to political and economic instability, currency fluctuations, and differences in financial reporting and accounting standards and oversight. Risks are particularly significant in **emerging markets**.

Market Risk: Model portfolios and markets in general could sustain significant volatility due to several factors. As we have seen recently, both economic and geopolitical issues could have a material impact on this model portfolio and the equity market as a whole.

Sector Risk: The Ameriprise Global Asset Allocation Committee and managers of this model portfolio can elect to overweight or underweight (or completely avoid) certain economic sectors. This could lead to substantial underperformance versus a more diversified or balanced weighting.

Security Recommendation Risk: The research team may not be successful in selecting securities that collectively perform better than the benchmark. When viewing return comparisons investors should keep in mind the following information. Our model portfolio generally maintains less than 50 securities, whereas benchmark indices contain several times that amount. The benchmark index is market capitalization weighted, providing greater weight to the larger company movements, whereas our model portfolio is designed to be equally dollar weighted. Furthermore, the model portfolio may deviate significantly, at times, from the sector allocation of the benchmark due to our interpretation of economic conditions and market factors as well as our security selection process.

The benchmark index returns are taken from Bloomberg Financial Markets and reflect dividends reinvested. Additionally, there is no fee or cost assumption in the index comparison return.

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Growth securities, at times, may not perform as well as value securities or the stock market in general and may be out of favor with investors.

International investing involves increased risk and volatility due to political and economic instability, currency fluctuations, and differences in financial reporting and accounting standards and oversight. Risks are enhanced for **emerging market** issuers.

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