Before the Bell

An Ameriprise Investment Research Group Publication

April 15, 2024

Starting the Day

- U.S. futures are pointing to a slightly higher open.
- European markets are trading higher at midday.
- Asian markets ended lower overnight.
- Markets are on edge after Iran attacks Israel.
- Earnings and Israel's response key items to watch.
- 10-year Treasury yield at 4.57%.
- West Texas Intermediate (WTI) oil is trading at $84.95.
- Gold is trading at $2,374.30

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Weekly Market Perspectives: Both the Dow Jones Industrials Average and S&P 500 Index finished lower for the second straight week, while the NASDAQ Composite ended its third consecutive week in the red. The tech-heavy NASDAQ has now finished lower in five of the last six weeks. With investors in a risk-off mood through much of the week and bond yields higher on hotter-than-expected consumer inflation prints for March, there were very few areas of the market that finished the week higher. As a result, all eleven S&P 500 sectors finished lower. However, Information Technology (thank Apple's Mac AI announcement), Communication Services, and Consumer Discretionary outperformed the S&P 500 but still ended the week marginally in the red. Interestingly, these areas took a hit on Wednesday following the release of the March Consumer Price Index and the reset lower in expectations for the number of Federal Reserve rate cuts this year. But by the end of the week, investors had quickly revisited areas that are less sensitive to interest rates and have strong visible/secular growth drivers, which helped Big Tech brush off some of the week's stock negativity. Bottom line: Stocks have begun to wobble over recent weeks as months of strong price gains and stretched valuations start to catch up with the reality of mixed economic data, still elevated inflation, and evolving expectations for the number of Fed rate cuts this year.

Given elevated consumer inflation prints in March, bond prices weakened across the curve last week, with the 2-year and 10-year U.S. Treasury yields touching levels last seen in November. Both the U.S. Dollar Index and Gold rose on the week, and West Texas Intermediate (WTI) crude fell roughly 2.0%.

Without a doubt, last week's market focus centered on inflation updates. The March Consumer Price Index came in hotter than expected on every major measure. On an annualized basis, headline CPI rose +3.5% last month, while core CPI (ex-food and energy) rose +3.8%. Notably, both of these year-over-year measures of CPI were hotter than forecast and at or above February levels. And on an annualized basis, the March Producer Price Index also came in hotter than February levels, both on a headline and core basis. Bottom line: Inflation is currently running at higher levels than many market participants expected just a few months ago. On the consumer side, gasoline prices, shelter costs, apparel, and motor vehicle insurance prices kept inflation elevated last month. "Supercore" inflation, which strips out food, energy, and housing, increased +4.8% y/y last month — the highest level in eleven months. This supercore component of inflation is less sensitive to Federal Reserve policies because it includes non-discretionary items such as health and motor insurance as well as property taxes. Importantly, the last mile or so of consumer inflation moving back to the Federal Reserve's +2.0% target is proving increasingly difficult to attain, at least early in the year.

As a result, market odds for a fed funds rate cut in June moved from roughly 50/50 before the CPI release to just 28% today. By the end of the year, market odds currently suggest two 25 basis point rate cuts by the Fed, seriously resetting expectations for the six to seven quarter-point rate cuts forecast by the market at the start of the year. Simply, market odds for rate cuts this year continue to reset to the reality of the current economic backdrop — which points to stronger-than-anticipated growth/employment trends combined with still-elevated inflation.

Given that stocks have not faced many headwinds this year, higher rates, sticky inflation, and a Fed that could remain sidelined longer than expected could challenge entrenched market assumptions regarding the macroeconomic environment for this year. However, a modest correction in stock prices (if one were to occur), accompanied by a more realistic view of the economy and Fed policy, wouldn't necessarily be a bad development for investors, in our view. Yet, we believe it's important to keep in mind that a U.S. economy still growing above its longer-term potential, partnered with an unemployment rate near multi-decade lows, is a pretty good backdrop for stocks and corporate profits. It's likely part of the reason inflation has been so stubbornly elevated as of late. Yes, most, including the Fed, would like to see inflation ebb back to normalized levels a little faster than the data has shown over recent months. And yes, the market may see some increased volatility if rates remain elevated or the Fed dials back rate cut expectations as a result. This could even prompt some minor adjustments to growth forecasts or what we believe investors may be willing to pay for a stream of earnings for this year. But has last week's inflation data materially altered our economic and market outlook for this year? The answer is No.

In other items that grabbed investors' attention last week, the NFIB Small Business Index saw its lowest optimism reading since 2012 amid signs of softening demand. A preliminary look at April Michigan Sentiment showed sideways results for the fourth straight month and year-ahead inflation expectations ticking up to +3.1% from +2.9% last month. Overseas, the European Central Bank (ECB) left rate policy unchanged and kept the door open to a potential rate cut in June. ECB President Christine Lagarde emphasized that ECB policy is not dependent on Fed policy, and a data-dependent approach remains key. In China, March exports fell 7.5% year-over-year following two consecutive months of growth. In addition, imports declined by 1.9% y/y last month. The data somewhat pushes back on the idea that global demand could help lift China's economy this year and is at odds with improving international demand.

And finally, investors continued their risk-off mood on Friday as geopolitical tensions rose in the Middle East. Expectations of an Iranian attack on Israel over the weekend and in retaliation for the recent destruction of an Iranian consulate in Damascus, Syria, which killed several key Iranian commanders, weighed on sentiment at the end of the week. Israel is widely believed to have carried out the attack in Syria. Notably, simmering tensions in the Middle East and a potential escalation of conflict have been key geopolitical risks investors have been unable to entirely dismiss this year.

The Week Ahead

Markets open the week on edge after Iran indeed attacked Israel over the weekend. Iran and its proxies lobbed over 300 cruise missiles, ballistic missiles, and drones into Israel on Saturday. According to Israel Defense Forces, 99% of the aerial projectiles fired from Iran and others were neutralized before reaching Israel, with the help of the U.S., U.K., and France. The weekend's missile attacks are the first time Iran has directly targeted Israel from Iranian territory. We believe the provocation has the potential to quickly escalate tensions into a direct military conflict between both countries and/or lead to a broader conflict in the Middle East. Investors will be watching carefully over the coming days if the U.S., its allies, and countries like Saudi Arabia can calm tensions and persuade Iran and Israel to lower the temperature in the region.

Importantly, investors will be watching specifically how Israel responds to the attack. Iran's actions were well-telegraphed ahead of time and somewhat priced into the market via oil prices and risk-off trading across stock markets last week. However, Israel's response has not been discounted by the market and could lead to more near-term stock volatility and higher oil prices should its response escalate fighting in the Middle East. Iran is the third largest OPEC oil producer, with the Straits of Hormuz seeing one-fifth of global oil production flow daily.

Here in the U.S., the first quarter earnings season kicks into gear this week with a focus on Financials. Roughly 50% of the companies reporting earnings over the next two weeks will come from Financials. This week, 44 S&P 500 companies will report their profit results, including Bank of America, Morgan Stanley, U.S. Bancorp, Johnson & Johnson, and United Airlines. From a broader perspective, S&P 500 earnings per share (EPS) is expected to grow for the third straight quarter. According to *FactSet* estimates, analysts expect overall Q1'24 S&P 500 EPS to come in higher by +3.6% year-over-year on revenue growth of +3.4%. The upcoming earnings season will provide investors with key updates on how businesses took advantage of a still growing economy and reduced inflation pressures in the first quarter. Given the profit bar fell for S&P 500 companies in aggregate during the first quarter, we anticipate S&P 500 companies to modestly hurdle over Q1 EPS expectations as economic activity during the first quarter was solid. That said, we believe outlooks for the second quarter could lean cautious across a variety of industries, as we expect the demand backdrop to further normalize this year and consumers/businesses to become more price-sensitive over time.

Notably, Big Tech will again be in the crosshairs of investors this earnings season. In our view, companies in this exclusive group will likely need to meet and probably surpass analyst estimates to keep their stock prices climbing higher while providing a continued view that growth remains on an upward trajectory this year.

Over the coming weeks, profit updates and outlooks from corporate America could provide a much-needed re-grounding in the health of business conditions both here and abroad. Importantly, a focus on corporate profit trends for a few weeks could also help investors move beyond the macroeconomic/policy loop (at least temporarily) and into a company-by-company focus, which at times can be informative in uncovering new trends or confirming/contrasting existing market narratives. Other items of focus this week include March Retail Sales, a batch of home data, and an updated look at U.S. Leading Indicators.

Stock Market Recap

Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 5,123	-1.5%	-2.4%	7.9%	25.4	21.5	1.3	1.6
Dow Jones Industrial Average: 37,983	-2.4%	-4.5%	1.3%	22.5	19.8	1.9	2.0
Russell 2000 Index: 4,978	-2.9%	-5.7%	-0.8%	44.8	36.7	1.4	1.3
NASDAQ Composite: 16,175	-0.4%	-1.2%	8.0%	39.1	35.1	0.7	0.8
Best Performing Sector (weekly): Info Tech	-0.2%	-1.2%	11.3%	37.5	29.7	0.7	0.9
Worst Performing Sector (weekly): Financials	-3.6%	-4.9%	7.0%	17.6	13.5	1.6	1.9

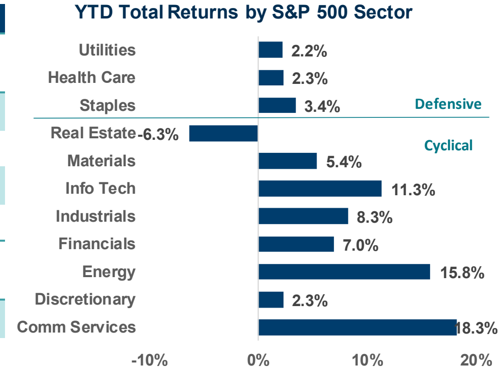
Source: Factset. Data as of 04/12/2024

Bond/Commodity/Currency Recap

Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	-0.7%	-1.7%	-2.1%
West Texas Intermediate (WTI) Oil: $85.64	-2.3%	2.0%	19.1%
Spot Gold: $2,344.24	0.6%	5.0%	13.6%
U.S. Dollar Index: 106.04	1.7%	1.4%	4.6%
Government Bond Yields	**Yield Chg**		
	Weekly	**MTD**	**YTD**
2-year U.S. Treasury Yield: 4.90%	15 bps chg	28 bps chg	64 bps chg
10-year U.S. Treasury Yield: 4.52%	13 bps chg	32 bps chg	63 bps chg

Source: Factset. Data as of 04/12/2024. bps = basis points

YTD Total Returns by S&P 500 Sector



Source: S&P Global, Factset. Data as of 04/12/2024

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.

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 flattish open.** Markets are absorbing this weekend's attack on Israel. Along with the Q1 earnings season ramping up this week, investors will be weighing how Israel responds to Iran's direct attack and whether the start of broader regional conflict in the Middle East can be avoided.

Europe:

The final look at March Eurozone CPI on Wednesday should confirm headline consumer inflation at +2.4% y/y.

Asia-Pacific:

The People's Bank of China left its one-year MLF rate unchanged, as expected.

WORLD CAPITAL MARKETS

4/15/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-1.5%	7.9%	5,123.4
Dow Jones	-1.2%	1.3%	37,983.2
NASDAQ Composite	-1.6%	8.0%	16,175.1
Russell 2000	-1.9%	-0.8%	2,003.2
Brazil Bovespa	-1.1%	-6.1%	125,946
S&P/TSX Comp. (Canada)	-1.0%	5.4%	21,900.0
Mexico IPC	-0.5%	-1.2%	56,565.9

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	1.1%	11.5%	5,011.5
FTSE 100 (U.K.)	-0.1%	4.6%	7,984.1
DAX Index (Germany)	1.0%	8.1%	18,110.1
CAC 40 (France)	1.0%	7.5%	8,093.4
FTSE MIB (Italy)	1.2%	12.6%	34,179.4
IBEX 35 (Spain)	0.3%	7.5%	10,717.0
MOEX Index (Russia)	0.4%	12.8%	3,469.5

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	-0.7%	18.0%	39,232.8
Hang Seng (Hong Kong)	-0.7%	-2.1%	16,600.5
Korea Kospi 100	-0.4%	1.2%	2,670.4
Singapore STI	-1.0%	-0.9%	3,183.6
Shanghai Comp. (China)	1.3%	2.8%	3,057.4
Bombay Sensex (India)	-1.1%	1.8%	73,399.8
S&P/ASX 200 (Australia)	-0.5%	3.8%	7,752.5

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-1.2%	5.9%	765.7

Developed International	% chg.	%YTD	Value
MSCI EAFE	-0.3%	3.4%	2,289.8

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-1.3%	2.3%	1,041.7

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	-1.5%	18.3%	289.8
Consumer Discretionary	-1.6%	2.3%	1,447.6
Consumer Staples	-0.9%	3.4%	783.0
Energy	-1.5%	15.8%	735.0
Financials	-1.4%	7.0%	666.5
Health Care	-1.5%	2.3%	1,618.9
Industrials	-1.1%	8.3%	1,040.5
Materials	-1.8%	5.4%	566.2
Real Estate	-1.0%	-6.3%	233.5
Technology	-1.6%	11.3%	3,774.5
Utilities	-0.7%	2.2%	326.1

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-1.4%	9.0%	277.2
FTSE NAREIT Comp. TR	-1.0%	-6.6%	22,341.8
DJ US Select Dividend	-1.3%	1.2%	3,038.5
DJ Global Select Dividend	0.2%	0.0%	218.9
S&P Div. Aristocrats	-1.3%	2.3%	4,369.4

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.3%	-2.5%	2,107.6
Barclays HY Bond	-0.1%	0.4%	2,489.6

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.5%	2.3%	556.3
NYMEX WTI Crude (p/bbl.)	-0.8%	18.5%	84.9
ICE Brent Crude (p/bbl.)	-0.8%	16.5%	89.7
NYMEX Nat Gas (mmBtu)	-1.1%	-30.4%	1.8
Spot Gold (troy oz.)	0.6%	14.3%	2,358.9
Spot Silver (troy oz.)	2.7%	20.3%	28.6
LME Copper (per ton)	1.3%	10.3%	9,333.2
LME Aluminum (per ton)	1.8%	4.4%	2,448.1
CBOT Corn (cents p/bushel)	-0.5%	-9.9%	445.0
CBOT Wheat (cents p/bushel)	-1.3%	-12.8%	563.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.1%	-3.5%	1.07
British Pound (£/$)	0.2%	-2.0%	1.25
Japanese Yen ($/¥)	-0.4%	-8.4%	153.91
Australian Dollar (A$/$)	0.2%	-4.8%	0.65
Canadian Dollar ($/C$)	0.2%	-3.6%	1.37
Swiss Franc ($/CHF)	0.1%	-7.8%	0.91

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 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
Consumer Staples	5.9%	Overweight	2.0%	7.9%
Information Technology	30.0%	Equalweight	-	30.0%
Health Care	12.3%	Equalweight	-	12.3%
Financials	13.1%	Equalweight	-	13.1%
Industrials	8.8%	Equalweight	-	8.8%
Communication Services	8.9%	Equalweight	-	8.9%
Energy	3.9%	Equalweight	-	3.9%
Utilities	2.1%	Equalweight	-	2.1%
Materials	2.3%	Equalweight	-	2.3%
Real Estate	2.3%	Equalweight	-	2.3%
Consumer Discretionary	10.4%	Underweight	-2.0%	8.4%

As of: March 29, 2024

Index weightings represent the respective market capitalization of each sector in the S&P 500 as of 3/21/2024. 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 World Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
United States	62.4%	Overweight	2.1%	64.5%
Europe ex U.K.	13.5%	Overweight	2.0%	15.5%
Japan	5.6%	Overweight	1.0%	6.6%
United Kingdom	3.2%	Equalweight	-	3.2%
Latin America	1.0%	Equalweight	-	1.0%
Asia-Pacific ex Japan	10.3%	Underweight	-3.0%	7.3%
Canada	2.9%	Underweight	-1.0%	1.9%
Middle East / Africa	1.1%	Underweight	-1.1%	0.0%

as of: March 29, 2024

Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 03/21/2024. 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.

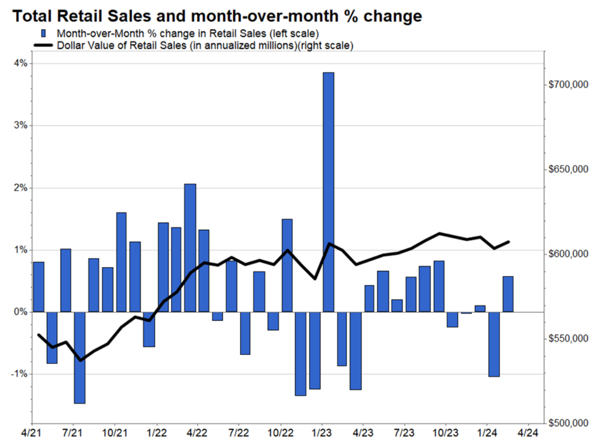
The Week Ahead:

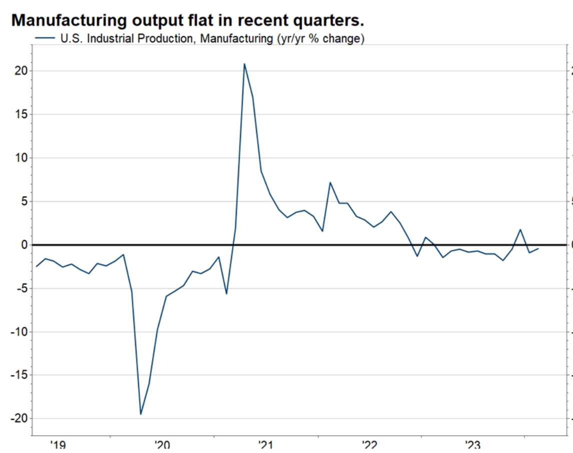
Russell T. Price, CFA, Chief Economist

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

- **Q1 Earnings season kicks off.** The first quarter (Q1) earnings release season ramps-up this week with 44 S&P 500 companies on the docket including 6 that are also members of the Dow Jones Industrial Average.
- S&P 500 earnings per share (EPS) for the period are currently projected to be about 0.8% higher year-over-year but based on recent outperformance trends, FactSet believes Q1 EPS could grow by as much as 7.0%. Revenues for the period are currently projected to be 3.8% higher y/y.

- **The Economic Calendar:** **The economic calendar is fairly steady this week with prominent reports on retail sales, industrial production and housing market conditions.**
- **March Retail Sales:** Retail sales are expected to have grown at a steady pace last month. The Bloomberg consensus looks for sales to have been 0.4% higher with a similar gain seen for sales excluding the volatile automobile and gasoline segments. Total sales, however, could see some downward pressure from modestly lower auto sales and what Bank of America credit card data shows as slightly weaker credit card use. *The chart at right is sourced from FactSet.*
- **March Industrial Production:** The Federal Reserve will release its March Industrial Production report on Tuesday. Forecasters expect the measure to show a month-over-month gain, partially due to higher utility output as a result of colder weather. Utility output accounts for just over 10% of the Index but it can vary materially along with weather and issue that's been especially prominent this year. *The chart at right is sourced from FactSet*
- Utility output fell a notable 4.0% m/m in December amid relatively mild weather. Conditions turned more winter-like in January, leading to a 7.4% jump. Mild climactic conditions returned in February and utility demand once again fell 7.5%.
- **New Housing Starts:** After seeing a 10% m/m surge in February, Bloomberg forecasters see new housing starts as pulling-back by about 4% in March. There were three things that contributed to the jump in February new starts, in our view: favorable weather, a boost from the lumpy multi-family segment, and the lagging benefit of lower mortgage rates earlier in the year.
- February's strong expansion of new building reflected favorable building weather across much of the country and was somewhat reflective of the moderating mortgage rates seen early in the year. In March, mortgage rates began to jump and weather conditions turned more difficult.





- New home builders have been better able to soften the blow from higher mortgage rates relative to the existing home market bas builders are able to "buy-down" mortgage borrowing costs as a sales incentive. If the monthly forecast is correct, it would leave total new starts about 7% higher than year-ago levels.
- **March Existing Home Sales:** On Thursday, the National Association of Realtors (NAR) will release their Existing Home Sales report for the month of March. Forecasters as surveyed by Bloomberg look for sales to have been down about 4.0% m/m after seeing a surprisingly strong 9.5% jump in February.
- Existing home sales are understandably very sensitive to material changes in mortgage rates. But since existing home sales are recorded at the time of closing – a date that typically comes a month or two after a sales agreement is signed, the influence of mortgage rates is typically seen in the sales numbers with a lag of a month or two.

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

April 15	16	17	18	19
Empire Mfg. Index	**Building Permits**	**Fed's Beige Book**	**Initial Jobless Claims**	*Bank Lending - India*
Retail Sales	**Housing Starts**	*Inflation - Eurozone*	**Leading Econ Index**	
Business Inventories	**Industrial Production**		**Existing Home Sales**	
NAHB Housing Index	*Trade - Japan*		**Philly Fed Business Index**	
Retail Sales - Japan	*Trade - Eurozone*		*Inflation - Japan*	
Fixed Investment - China				
GDP - China				
Industrial Production - China				
Trade - India				
Industrial Production - Eurozone				

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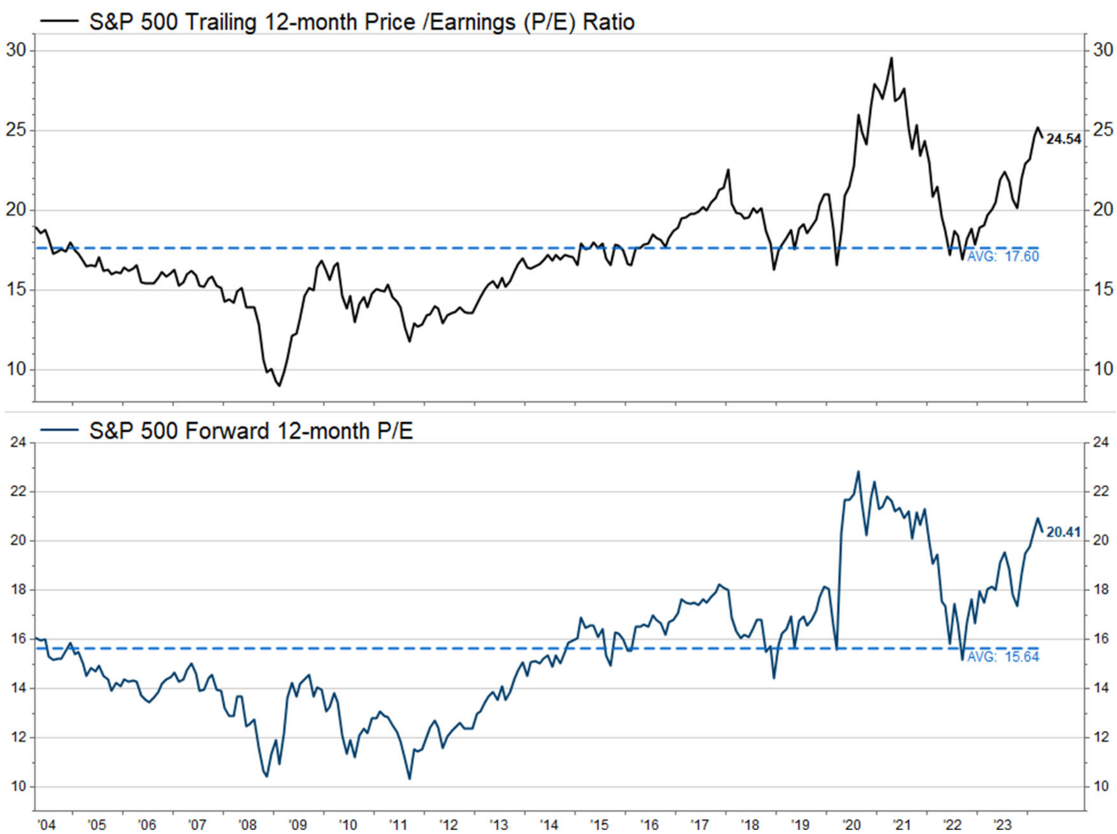
Where Market Fundamentals Stand Heading into The Week:

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*

<u>Please note:</u> The consensus earnings estimates shown below should 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
4/15/2024	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 $$ amount				**$54.05**	**$56.65**	**$55.61**	**$53.43**	**$53.30**	**$54.47**	**$58.86**	**$55.50**	**$53.54**	**$59.44**	**$63.52**	**$65.39**	
change over last week											-$0.06	-$1.23	$0.13	$0.08	$0.13	$0.13
yr/yr				**10.2%**	**7.3%**	**3.2%**	**-3.5%**	**-1.4%**	**-3.8%**	**5.0%**	**3.9%**	**0.5%**	**9.1%**	**7.9%**	**17.8%**	
qtr/qtr				-2.4%	4.8%	-1.8%	-3.9%	-0.2%	2.2%	8.1%	-5.7%	-3.5%	11.0%	6.9%	2.9%	
Trailing 4 quarters $$	**$163.13**	**$140.46**	**$210.86**	**$216.10**	**$219.95**	**$221.69**	**$219.74**	**$218.99**	**$216.81**	**$220.06**	**$222.13**	**$222.37**	**$227.34**	**$232.00**	**$241.89**	**$276.32**
yr/yr % change	**1.0%**	**-13.9%**	**50.1%**				**4.2%**				**1.1%**				**8.9%**	**14.2%**
<u>Implied P/E based on</u>																
<u>a S&P 500 level of:</u> **5123**										23.3	23.1	23.0	22.5	22.1	21.2	18.5

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday April 15, 2024 **All times Eastern. Consensus estimates via Bloomberg**

<u>Time</u>	<u>Period</u>	<u>Release</u>	<u>Consensus Est.</u>	<u>**Actual**</u>	<u>Prior</u>	<u>Revised to</u>
8:30 AM	MAR	Retail Sales (MoM)	+0.4%	**+0.7%**	+0.6%	+0.9%
8:30 AM	MAR	Retail Sales Ex. Autos (MoM)	+0.5%	**+1.1%**	+0.3%	+0.6%
8:30 AM	MAR	Retail Sales Ex. Autos & Gas (MoM)	+0.3%	**+1.0%**	+0.3%	+0.5%
8:30 AM	APR	Empire Manufacturing Index	-5.0	**-14.3**	-20.9	
10:00 AM	APR	NAHB Housing Market Index	51.0		51.0	

<u>Commentary:</u>

- **Retail sales were stronger than expected last month**, according to the Commerce Department. Consumers show little sign of letting up but year-over-year (y/y) growth rates are slowing due to tougher year-ago comparisons.
- Underlying data from the report, however, reflected a generally weaker environment. A number of key spending categories showed lower month-over-month results. Sporting goods (-1.8%), apparel (-1.6%), Electronics (-1.2%) and Department Store sales (-1.1%) were the most notable segments to see lower demand and they were not alone.
- Meanwhile, nonstore retailers (internet operators) provided much of the upside in the month with a 2.3% m/m gain. Sales in the segment were 5.6% higher versus year-ago levels.
- We note that this year's Easter holiday, coming on March 31, also likely benefited sales in the month.

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Ameriprise Economic Projections

Forecast:	Full-year				Quarterly						
	Actual 2022	Actual 2023	Est. 2024	Est. 2025	Actual Q2-2023	Actual Q3-2023	Actual Q4-2023	Est. Q1-2024	Est. Q2-2024	Est. Q3-2024	Est. 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

2024 Year-end Targets:	Favorable Scenario	Base-Case Scenario	Adverse Scenario
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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Global Asset Allocation Committee Views

AMERIPRISE GLOBAL ASSET ALLOCATION COMMITTEE TACTICAL ASSET CLASS VIEWS

2024 Year-end S&P 500 Target: 5,200
2024 Year-End 10-year Treasury Target: 3.50%

as of 03/27/2024

	Overweight	Equalweight	Underweight
Equity	• U.S. Large Cap Value • Developed Foreign Equity	• U.S. Large Cap Growth • U.S. Mid Cap Value • U.S. Mid Cap Growth • U.S. Small Cap Value • U.S. Small Cap Growth	• Emerging Foreign Equity
S&P 500 Sectors	• Consumer Staples	• Communication Services • Energy • Financials • Health Care • Industrials • Information Technology • Materials • Real Estate • Utilities	• Consumer Discretionary
Global Equity Regions	• United States • Europe ex U.K. • Japan	• Latin America • United Kingdom	• Asia Pacific ex Japan • Middle East/Africa • Canada
Fixed Income	• U.S. Government • U.S. Investment Grade Corp.	• Developed Foreign Bonds • U.S. High Yield Bonds	• Emerging Foreign Bonds • Municipal Bonds
Alternatives		• Real Assets	• Alternative Strategies
Cash		• Cash • Cash Investments	

Note: Our Tactical Allocations are designed to augment a Strategic portfolio over a 6-12-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 highly liquid. 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.

	Rolling Returns			
Major Market Indices	**Q1'24**	**1-year**	**3-years**	**5-years**
Russell 3000® Index (U.S. Equity)	10.02%	29.29%	9.78%	14.34%
MSCI ACWI Ex USA Index – net (Foreign Equity)	4.69%	13.26%	1.94%	5.97%
Bloomberg U.S. Universal Bond Index (Fixed Income)	-0.47%	2.67%	-2.11%	0.69%
Wilshire Liquid Alternative Index (Alternatives)	3.16%	8.25%	1.95%	2.92%
FTSE Three-Month Treasury Bill Index (Cash)	1.37%	5.52%	2.70%	2.07%

Past performance is not a guarantee of future performance. Performance calculations use FactSet data and are as of March 29, 2024

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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 insight into 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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