

# Before the Bell

*An Ameriprise Investment Research Group Publication*

April 17, 2024

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## Starting the Day

- U.S. futures are pointing to modestly higher open.
- European markets are solidly higher at midday.
- Asian markets ended decidedly mixed.
- Markets shake-off hawkish comments of Fed Chair.
- Fed's Beige Book out at 2 PM ET.
- 10-year Treasury yield at 4.66%.
- West Texas Intermediate (WTI) oil is trading at \$84.88.
- Gold is trading at \$2,401.60

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## Market Perspectives

**Anthony Saglimbene, Chief Market Strategist**

**Calorie Cage Fight: Food Companies vs. Obesity Drugs:** Some investors fear that the development of obesity drugs can have a negative impact on the overall food & beverage industry because consumers taking obesity drugs may consume less food and fewer calories because of the appetite suppressant nature of obesity drugs. We believe it is too early to tell, but there could be opportunities for growth within the food and beverage industry.

For decades, food companies have been evolving with changing consumer trends that has led to innovative new products. Obesity is not a new trend for food and beverage companies. Many food and beverage companies such as PepsiCo, Coca Cola, McDonald's, Keurig Dr Pepper, and Starbucks have been developing new products for years with fewer calories, and less processed ingredients. We believe it is unlikely that the evolution of obesity drugs will be a material threat to the overall food & beverage industry over the near-term.

We believe it is possible the emerging obesity drug trend could create an opportunity for food companies to innovate and develop new products that are lower in calorie and more nutritionally dense, but also have a higher price point and a higher profit margin. At the Consumer Analyst Group of New York (CAGNY) conference in February several food and beverage companies such as General Mills and ConAgra Foods stated they see growth opportunities due to the emerging trend.

The food industry has been innovating through new consumer trends for decades.

To name a few, some of the trends that food and beverage companies have navigated over past decades with new product innovation include:

- No fat or low fat
- Low sugar or no sugar
- Natural and organic foods
- Reduced calories
- Gluten free
- Low carbohydrates
- Keto
- Plant-based foods
- Healthy eating

NOTE: FOR IMPORTANT DISCLOSURES, INCLUDING POSSIBLE CONFLICTS, PLEASE SEE THE DISCLOSURE PAGES AT THE END OF THIS DOCUMENT.

It is not unusual for the food & beverage industry to navigate new trends in how consumers choose to purchase and consume their products. Dealing with new food trends is not a new thing for food and beverage companies.

We believe food & beverage companies positioned to outperform are those with innovative new products. Increased innovation also creates opportunities for mergers and acquisitions.

To learn more about food companies that we believe can outperform in the current environment see our Consumer Sector Recommended List. Also, to learn more about how GLP-1s could impact the health care sector see our Equity Perspectives “GLP-1s – The Weight Is Over”

The Global Asset Allocation Committee is underweight Consumer Staples Sector, which includes the food and beverage industry.

## U.S. Pre-Market Indicators / Overnight International Market Activity

### United States:

Here is a quick news rundown to start your morning:

- **Fed Chair confirms market fears.** Stocks dipped yesterday afternoon after Federal Reserve Chairman Jerome Powell reflected on the recent spate of economic data showing employment strength and inflation’s stall. The Chairman said such results suggest that it would likely take longer for officials to feel confident enough that inflation is still heading toward the central bank’s target of around 2%. Markets dipped on the comments but slowly recovered to end the day slightly lower.
- The Fed Chair’s comments were more hawkish than central bank officials have recently provided but didn’t really come as a surprise. The S&P 500 is off by about 4% since the close of March largely on the backs of the strong March Employment Report (+303,000 net new jobs created) followed by the March Consumer Price index release which showed yet another month of strong and stronger than expected inflation in the month of March
- Fed fund futures as traded on the CME currently look for the first Fed rate cut to come in September. As the year began, fed fund futures indicated a better than 50% chance that the first rate cut would come in March.
- **Futures higher this morning.** U.S. stock futures are higher this morning following three days of losses. Nasdaq 100 futures are up 0.3% and the Dow Jones Industrial average futures are 0.4% higher.
- **Fed Beige Book on deck.** In economic news investors will be waiting for a Fed Beige Book due out at 2:00 PM ET.

### Europe:

European markets were higher on Wednesday. France’s CAC 40 index is up 1.3%, and Germany’s DAX 30 is 0.7% higher, while in London the FTSE 100 was up 0.5%.

### Asia-Pacific:

Shares in the Asia-Pacific were mostly lower on Wednesday after a sell off on Tuesday. The Hang Seng Index in Hong Kong finished down 0.1%. The Nikkei 225 closed 1.3% lower. In Australia, the S&P/ASX 200 declined slightly. South Korea’s KOSPI index was down 1.0%.

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**WORLD CAPITAL MARKETS**

4/17/2024

As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-0.2%	6.3%	5,051.4
Dow Jones	0.2%	0.8%	37,799.0
NASDAQ Composite	-0.1%	5.9%	15,865.3
Russell 2000	-0.4%	-2.6%	1,967.5
Brazil Bovespa	-0.8%	-7.3%	124,389
S&P/TSX Comp. (Canada)	-0.4%	4.2%	21,642.9
Mexico IPC	-0.3%	-2.5%	55,797.3

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.6%	10.1%	4,946.4
FTSE 100 (U.K.)	0.7%	3.1%	7,872.2
DAX Index (Germany)	0.4%	6.5%	17,842.4
CAC 40 (France)	1.2%	6.8%	8,031.5
FTSE MIB (Italy)	1.1%	11.2%	33,747.2
IBEX 35 (Spain)	1.3%	7.0%	10,660.7
MOEX Index (Russia)	-0.4%	12.2%	3,450.3

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	-1.3%	14.2%	37,961.8
Hang Seng (Hong Kong)	0.0%	-4.2%	16,251.8
Korea Kospi 100	-1.0%	-2.1%	2,584.2
Singapore STI	0.3%	-1.8%	3,154.7
Shanghai Comp. (China)	2.1%	3.2%	3,071.4
Bombay Sensex (India)	-0.6%	1.1%	72,943.7
S&P/ASX 200 (Australia)	-0.1%	1.9%	7,605.6

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-0.8%	4.1%	752.2

Developed International	% chg.	%YTD	Value
MSCI EAFE	-1.7%	1.3%	2,243.7

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-2.0%	-0.8%	1,009.8

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	-0.1%	16.2%	284.8
Consumer Discretionary	-0.5%	0.1%	1,416.8
Consumer Staples	0.1%	3.0%	780.0
Energy	-0.9%	13.8%	722.0
Financials	-0.6%	5.7%	658.9
Health Care	0.0%	2.1%	1,616.1
Industrials	-0.2%	7.3%	1,030.9
Materials	-0.7%	4.1%	559.3
Real Estate	-1.5%	-9.4%	225.8
Technology	0.2%	9.4%	3,707.7
Utilities	-1.4%	-0.1%	318.7

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-0.6%	6.6%	271.2
FTSE NAREIT Comp. TR	-1.5%	-9.4%	21,672.3
DJ US Select Dividend	-0.9%	-0.3%	2,992.4
DJ Global Select Dividend	0.6%	-1.7%	215.1
S&P Div. Aristocrats	-0.5%	1.3%	4,325.7

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.3%	-3.4%	2,088.1
Barclays HY Bond	-0.4%	-0.2%	2,473.9

Commodities	% chg.	% YTD	Value
CRB Raw Industrials	-0.4%	1.9%	553.9
NYMEX WTI Crude (p/bbl.)	-0.5%	18.6%	85.0
ICE Brent Crude (p/bbl.)	-0.6%	16.2%	89.5
NYMEX Nat Gas (mmBtu)	-3.8%	-33.7%	1.7
Spot Gold (troy oz.)	0.1%	15.6%	2,385.4
Spot Silver (troy oz.)	1.3%	19.7%	28.5
LME Copper (per ton)	-1.5%	10.5%	9,355.1
LME Aluminum (per ton)	-0.7%	8.7%	2,549.3
CBOT Corn (cents p/bushel)	0.2%	-10.2%	443.8
CBOT Wheat (cents p/bushel)	0.2%	-12.3%	566.0

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/€)	0.2%	-3.6%	1.06
British Pound (£/£)	0.2%	-2.2%	1.25

	% chg.	% YTD	Value
Japanese Yen (\$/¥)	0.0%	-8.8%	154.69
Australian Dollar (A\$/S)	0.4%	-5.7%	0.64

	% chg.	% YTD	Value
Canadian Dollar (\$/C\$)	0.1%	-4.1%	1.38
Swiss Franc (S\$/CHF)	0.2%	-7.7%	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	GAAC Tactical	GAAC Recommended		S&P 500 Index	GAAC Tactical	GAAC Recommended
	Weight	Tactical View	Overlay	Weight	Weight	Tactical View	Overlay
Consumer Staples	5.9%	Overweight	2.0%	7.9%	Communication Services	Equalweight	-
Information Technology	30.0%	Equalweight	-	30.0%	Energy	Equalweight	-
Health Care	12.3%	Equalweight	-	12.3%	Utilities	Equalweight	-
Financials	13.1%	Equalweight	-	13.1%	Materials	Equalweight	-
Industrials	8.8%	Equalweight	-	8.8%	Real Estate	Equalweight	-
					Consumer Discretionary	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	GAAC Tactical	GAAC Recommended		MSCI All-Country World Index	GAAC Tactical	GAAC Recommended
	Weight	Tactical View	Overlay	Weight	Weight	Tactical View	Overlay
United States	62.4%	Overweight	2.1%	64.5%	Latin America	Equalweight	-
Europe ex U.K.	13.5%	Overweight	2.0%	15.5%	Asia-Pacific ex Japan	Underweight	-3.0%
Japan	5.6%	Overweight	1.0%	6.6%	Canada	Underweight	-1.0%
United Kingdom	3.2%	Equalweight	-	3.2%	Middle East / Africa	Underweight	-1.1%

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.

## Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Wednesday April 17, 2024

All times Eastern. Consensus estimates via Bloomberg

None Scheduled

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

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.

Major Market Indices	Rolling Returns			
	Q1'24	1-year	3-years	5-years
Russell 3000 <sup>®</sup> 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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# 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 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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Investors should consider the investment objectives, risks, charges and expenses of a mutual fund or exchange traded fund (ETF) carefully before investing. For a free prospectus, which contains this and other important information about the funds, please contact your financial advisor. The prospectus should be read carefully before investing.

Tactical asset class recommendations mentioned in this report reflect The Ameriprise Global Asset Allocation Committee’s general view of the financial markets, as of the date of the report, based on then current conditions. Our tactical recommendations may differ materially from what is presented in a customized long-term financial plan or portfolio strategy. You should view our recommendations in conjunction with a broader long-term portfolio strategy. Not all products, services, or asset classes mentioned in this report may be available for sale at Ameriprise Financial Services, Inc. Please consult with your financial advisor.

**Diversification and Asset Allocation** do not assure a profit or protect against loss.

## Risk Factors

Dividend and interest payments are not guaranteed. The amount of dividend payment, if any, can vary over time and issuers may reduce or eliminate dividends paid on securities in the event of a recession or adverse event affecting a specific industry or issuer. Should a company be unable to pay interest on a timely basis a default may occur and interruption or reduction of interest and principal occur. Investments in a narrowly focused sector may exhibit higher volatility than investments with broader objectives and is subject to market risk and economic risk.

**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

instances, ADR holders are eligible to reclaim a portion of the withholding tax.

**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.

### Product Risk Disclosures

**Corporate Bonds** are debt instruments issued by a private corporation. Non-Investment grade securities, commonly known as “high-yield” or “junk” bonds, are historically subject to greater risk of default, including the loss of principal and interest, than higher-rated bonds, which may result in greater price volatility than experienced with a higher-rated issue.

**American Depositary Receipts (ADR)** are securities issued by a U.S. bank that typically represent a foreign company’s equity and that trade similarly to domestic

equities, and are either listed on an exchange or over-the-counter. As with any equity investment, ADRs are subject to market and company specific risks. ADRs will also be subjected to foreign market risks. These risks include possible losses due to foreign currency translation, geopolitical instability, and deviations in the market value of an ADR compared to that of the underlying common shares in its primary market. ADRs may suffer from a lack of investor protection and recourse. In the event of a liquidation of the underlying company, the holders of its ADRs are not guaranteed of being able to enforce their right of claim and therefore they may lose their entire investment. Investors of ADRs may also take on risks associated with the parties involved with the sponsoring Bank.

Alternative investments cover a broad range of strategies and structures designed to be low or non-correlated to traditional equity and fixed-income markets with a long-term expectation of illiquidity. **Alternative investments** involve substantial risks and are more volatile than traditional investments, making them more suitable for investors with an above-average tolerance for risk.

There are risks associated with **fixed-income investments**, including bond funds, such as credit risk, interest rate risk, and prepayment and extension risk. In general, bond prices rise when interest rates fall and vice versa. This effect is usually more pronounced for longer-term securities.

**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.

Interest payments on **inflation-protected securities** may be more volatile than interest payments on ordinary bonds. In periods of deflation, these securities may provide no income.

### Index definitions

An index is a statistical composite that is not managed. It is not possible to invest directly in an index.

Definitions of individual indices mentioned in this report are available on our website at [ameriprise.com/legal/disclosures/](https://ameriprise.com/legal/disclosures/) in the **Additional Ameriprise research disclosures** section, or through your Ameriprise financial advisor.



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One or more members of the research team who prepared this research report may have a financial interest in securities mentioned in this research report through investments in a discretionary separately managed account program.

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