Before the Bell

An Ameriprise Investment Research Group Publication

May 6, 2024

Starting the Day

- U.S. futures are pointing to a higher open.
- European markets are trading higher at midday.
- Asian markets ended higher overnight.
- Stocks moved higher last week as investor anxiety fell.
- Q1 earnings and a quiet econ calendar line the week.
- 10-year Treasury yield at 4.48%.
- West Texas Intermediate (WTI) oil is trading at $78.83.
- Gold is trading at $2,329.00

Market Perspectives

Anthony M. Saglimbene, Chief Market Strategist

Weekly Market Perspectives: A Federal Reserve meeting, fresh updates on employment trends in the U.S., and a couple of key profit reports out of Big Tech companies Amazon and Apple. That was last week's calendar of market-moving events. With the S&P 500 Index falling 4.2% in April and struggling through its first monthly loss since October, investors were on edge entering last week. Elevated stock valuations, sticky inflation, and mixed economic data have recently pushed expectations down for the number of Fed rate cuts for this year. Though not quite a make-it or break-it week for stocks (e.g., the S&P 500 is higher by +18.5% over the last six months), last week's barrage of events/releases, depending on how investors interpreted the results, certainly had the potential to accelerate the building negativity in stocks as of late.

However, the week couldn't have gone better for investors, even if a Hollywood director had scripted it. While investors were bracing for Fed messaging that would take rate cuts off the table for this year, Fed Chair Powell remained confident inflation would ebb lower over time, and it was unlikely policymakers would need to "raise" its fed funds target rate further. In addition, the Bureau of Labor Statistics on Friday delivered a *Goldilocks* April nonfarm payrolls report showing U.S. job growth last month that was "not too hot," "not too cold," "but just right" in helping to keep the soft-landing narrative alive. And on the earnings front, last week, Amazon and Apple delivered mostly as-expected results/outlooks. Amazon showed strength in cloud computing, further pressing the positive outlook for profit growth in Artificial Intelligence this year. At the same time, Apple announced a staggering $110 billion stock buyback (the largest in history), which helped the iPhone maker record its best day since November 2022 on Friday.

Bottom line: The Fed remains on pace to cut rates this year, employment in the U.S. is softening but remains strong, and Big Tech (the main driver of S&P 500 profit growth in 2024) continues to drive forward on all cylinders. In our view, investors couldn't have asked for better developments last week. And to throw a little more sunshine on how the week went, 2-year and 10-year U.S. Treasury yields fell sharply as bond prices rallied. Along with building uncertainty regarding Fed policy and rising geopolitical tensions in the Middle East, higher bond yields in April challenged stock prices last month. However, with the Fed continuing to acknowledge that their next move is likely a rate cut, yields headed lower last week, giving stocks some needed breathing room to move higher.

As a result, the S&P 500 Index logged its second consecutive week of gains, rising +0.6% last week. The NASDAQ Composite jumped +1.4%, while the Dow Jones Industrials Average and Russell 2000 Index gained +1.1% and +1.7%, respectively. Bond proxy sectors such as Utilities and Real Estate outperformed the S&P 500, as did Information Technology (houses Apple) and Consumer Discretionary (houses Amazon).

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

Gold finished the week lower by 1.6%, while West Texas Intermediate (WTI) crude fell 8.6%, for its worst weekly performance since February. With geopolitical tensions in the Middle East recently moving to the backburner from a market perspective and growth trends in the U.S. showing signals of slowing, crude has fallen nearly 10% from its early April highs.

Notably, with the Fed leaving its fed funds target rate unchanged at 5.25% to 5.50% for the sixth consecutive meeting and signaling it's unlikely the committee will need to raise rates further to tamp down inflation, we see investors growing less anxious about incoming data and its impact on rate policy — at least over the coming weeks. In April, U.S. nonfarm payrolls rose by +175,000, below the +235,000 jobs expected and far below the +315,000 jobs created in March. In addition, job growth in March and February was revised lower by 22,000 jobs in total, while the unemployment rate in April bumped up to 3.9% from 3.8% in March. Importantly, annual average hourly earnings (a measure of wage inflation) grew at +3.9% last month, its lowest level since May 2021. Combined with job openings in March falling to their lowest levels since March 2021, the labor market appears to be cooling, which is exactly what Fed officials want to see to help drive inflation lower.

Helping add further color to a cooling economy are ISM manufacturing and services updates that showed each unexpectedly falling into contraction in April. For the services component (which has been a strong driver of keeping inflation elevated in the U.S.), the measure recorded its first sub-50 reading (marking contraction in activity) for the first time since December 2022. While other measures of services activity last week continued to point to a growing/expansionary environment, building sets of signals in the U.S. (including consumer confidence) are beginning to paint a picture of cooling activity and an economy on a path toward normalization.

So, what's the outlook for stocks from here? From a corporate earnings and economic growth perspective, we believe the broader S&P 500 is not overpriced at the moment, but with a few caveats. We see U.S. economic growth increasing by +2.2% in 2024. In addition, analysts forecast S&P 500 earnings to grow by roughly +11.0% year-over-year this year. At roughly 20.5x this year's earnings, the S&P 500 certainly isn't cheap but could support its valuation as long as the U.S. economy is growing, and corporate profits are positive. But here's the caveat. In our view, we see economic growth decelerating in the back half of the year, and at the same time, analysts see profit growth accelerating. Outside of improved year-over-year comparisons in the back half, a lot of this year's profit growth is expected to come later in the year and from a broader set of industries. If Big Tech earnings continue to drive the profit bus for the S&P 500 through all of 2024 (like they are currently), this mismatch in economic/profit expectations may be overlooked by investors. However, should profits disappoint across mega-cap tech stocks later this year or a broader profit recovery fails to materialize, then stocks could see more headwinds later in the year.

In addition, if fundamental conditions remain constructive and the next move from the Fed is a rate cut (even if it's just one and done in 2024), government bond yields should ebb lower as the year progresses, possibly providing additional support for stock prices. Obviously, areas of Technology are expensive today. However, profit growth in these benchmark heavyweights appears secular and visible over the coming quarters, while the rest of the market isn't that expensive based on profit expectations, in our view.

Bottom line: We continue to see a path higher for stock prices as long as fundamental conditions remain stable and profit growth remains on a positive trend. That said, elevated interest rates and sticky inflation, along with the Fed holding monetary policy at restrictive levels for longer than most expected at the start of the year, introduce some added risks to asset prices at current levels. As has been our position since the beginning of the year, a 5,200 to 5,400 level by year-end in the S&P 500 remains achievable if macroeconomic conditions unfold as we expect. To help insulate risks if those conditions unfold less favorably, a portfolio focused on high-quality assets, a strategy for locking in higher yields, and a diversified approach could help hedge against the unexpected.

The Week Ahead

This week, the Q1 earnings parade begins to slow, with 56 S&P 500 companies scheduled to report. With 80% of S&P 500 first quarter reports now complete, blended earnings per share (EPS) growth is higher by an impressive +5.0% year-over-year on revenue growth of +4.1%. Notably, since the end of March, Q2 S&P 500 profit estimates have risen modestly, given the generally positive outlooks/tones from corporate America in the current earnings season.

On the economic front, investors will receive a well-deserved reprieve after last week's head-spinning, market-moving releases with a rather quiet calendar this week. March consumer credit, initial weekly jobless claims, and a preliminary look at May Michigan Sentiment line the week.

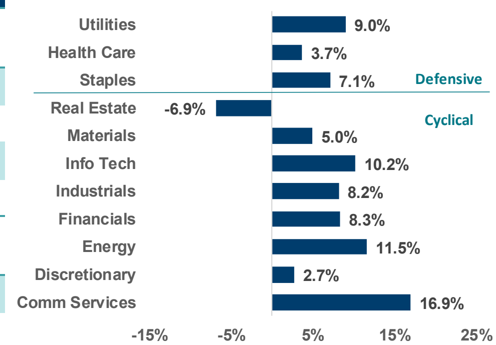
Stock Market Recap							
Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 5,128	0.6%	1.8%	8.0%	25.3	21.9	1.4	1.6
Dow Jones Industrial Average: 38,676	1.1%	2.3%	3.2%	22.9	19.8	1.8	2.0
Russell 2000 Index: 5,059	1.7%	3.1%	0.9%	45.8	37.5	1.3	1.3
NASDAQ Composite: 16,156	1.4%	3.2%	7.9%	38.5	34.9	0.7	0.8
Best Performing Sector (weekly): Utilities	3.4%	2.6%	9.0%	20.3	21.4	3.2	3.2
Worst Performing Sector (weekly): Energy	-3.3%	-1.1%	11.5%	12.2	11.0	3.2	3.9

Source: Factset. Data as of 05/03/2024

Bond/Commodity/Currency Recap			
Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	1.1%	1.2%	-1.6%
West Texas Intermediate (WTI) Oil: $78.06	-8.6%	-4.7%	8.6%
Spot Gold: $2,301.81	-1.6%	0.7%	11.6%
U.S. Dollar Index: 105.03	-0.9%	-1.1%	3.6%
Government Bond Yields	Yield Chg		
	Weekly	MTD	YTD
2-year U.S. Treasury Yield: 4.81%	-16 bps chg	-23 bps chg	56 bps chg
10-year U.S. Treasury Yield: 4.50%	-17 bps chg	-18 bps chg	62 bps chg

Source: Factset. Data as of 05/03/2024. bps = basis points

YTD Total Returns by S&P 500 Sector



Source: S&P Global, Factset. Data as of 05/03/2024

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 higher open.** Outside of the rather thin economic calendar this week and a slower pace of Q1 earnings reports, Fed speak will return in full force. The week will be lined with commentary from Fed officials, though with last week's Fed meeting in the rearview mirror, the near-term rate narrative is unlikely to change much.
- **Earnings Update:** With roughly 80% of S&P 500 first quarter reports complete, blended earnings per share (EPS) growth is higher by +5.0% year-over-year on revenue growth of +4.1%.

Europe:

Stocks in the region are trading higher at midday, though U.K. markets are closed for a bank holiday. The Bank of England will meet on Thursday and is widely expected to hold rates steady. Investors will focus on the BOE's updated Monetary Policy Report, which will include new forecasts. Investors will also be looking to see if a rate cut in June remains a possibility, as BOE Governor Baily has stressed that economic dynamics in the U.K. are different than in the U.S. and what the Fed faces.

Asia-Pacific:

Holidays across Japan, Korea, Thailand, and Indonesia will keep some markets intermittently shut throughout the week. The Reserve Bank of Australia is expected to leave rate policy unchanged on Tuesday. Caixin services PMI expanded for the 16th straight month in April, as new business growth experienced its fastest pace since May 2023.

WORLD CAPITAL MARKETS

5/6/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	1.3%	8.0%	5,127.8
Dow Jones	1.2%	3.2%	38,675.7
NASDAQ Composite	2.0%	7.9%	16,156.3
Russell 2000	1.0%	0.9%	2,035.7
Brazil Bovespa	1.1%	-4.2%	128,509
S&P/TSX Comp. (Canada)	0.6%	5.8%	21,947.4
Mexico IPC	0.8%	-0.1%	57,135.3

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.9%	11.6%	4,963.8
FTSE 100 (U.K.)	0.5%	7.8%	8,213.5
DAX Index (Germany)	1.0%	8.5%	18,183.6
CAC 40 (France)	0.9%	7.9%	8,027.4
FTSE MIB (Italy)	1.1%	12.0%	33,997.0
IBEX 35 (Spain)	0.6%	10.4%	10,924.4
MOEX Index (Russia)	-0.1%	11.8%	3,438.2

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	-0.1%	15.1%	38,236.1
Hang Seng (Hong Kong)	0.6%	9.5%	18,578.3
Korea Kospi 100	-0.3%	1.6%	2,676.6
Singapore STI	0.3%	3.7%	3,303.2
Shanghai Comp. (China)	1.2%	5.6%	3,140.7
Bombay Sensex (India)	0.0%	2.4%	73,895.5
S&P/ASX 200 (Australia)	0.7%	2.9%	7,682.4

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	1.2%	6.6%	769.3

Developed International	% chg.	%YTD	Value
MSCI EAFE	1.1%	4.7%	2,309.5

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.8%	4.5%	1,061.5

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	1.0%	16.9%	286.5
Consumer Discretionary	0.7%	2.7%	1,453.3
Consumer Staples	0.3%	7.1%	809.7
Energy	0.0%	11.5%	706.8
Financials	0.3%	8.3%	674.6
Health Care	0.2%	3.7%	1,640.4
Industrials	0.7%	8.2%	1,039.0
Materials	1.0%	5.0%	563.7
Real Estate	0.8%	-6.9%	232.1
Technology	3.0%	10.2%	3,734.8
Utilities	0.9%	9.0%	347.4

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.9%	10.2%	280.3
FTSE NAREIT Comp. TR	0.6%	-6.9%	22,261.2
DJ US Select Dividend	0.5%	4.4%	3,135.3
DJ Global Select Dividend	0.5%	3.4%	225.3
S&P Div. Aristocrats	0.4%	3.1%	4,405.6

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.5%	-2.1%	2,117.5
Barclays HY Bond	0.5%	1.5%	2,516.5

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.7%	2.2%	555.6
NYMEX WTI Crude (p/bbl.)	1.0%	10.1%	78.9
ICE Brent Crude (p/bbl.)	0.8%	8.5%	83.6
NYMEX Nat Gas (mmBtu)	2.5%	-12.6%	2.2
Spot Gold (troy oz.)	0.6%	12.3%	2,316.5
Spot Silver (troy oz.)	1.9%	13.8%	27.1
LME Copper (per ton)	1.5%	15.7%	9,790.1
LME Aluminum (per ton)	0.7%	7.0%	2,510.8
CBOT Corn (cents p/bushel)	-0.2%	-7.0%	459.3
CBOT Wheat (cents p/bushel)	-1.1%	-4.6%	615.8

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.2%	-2.4%	1.08
British Pound (£/$)	0.3%	-1.2%	1.26
Japanese Yen ($/¥)	-0.4%	-8.2%	153.72
Australian Dollar (A$/$)	0.3%	-2.6%	0.66
Canadian Dollar ($/C$)	0.1%	-3.1%	1.37
Swiss Franc ($/CHF)	0.0%	-7.0%	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

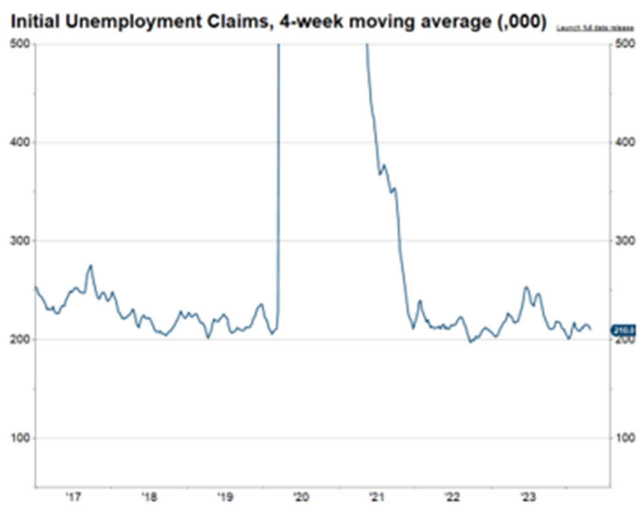
Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 03/21/2024. The GAAC Tactical Overlay, as well as the Recommended Tactical Weights, are derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the 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.

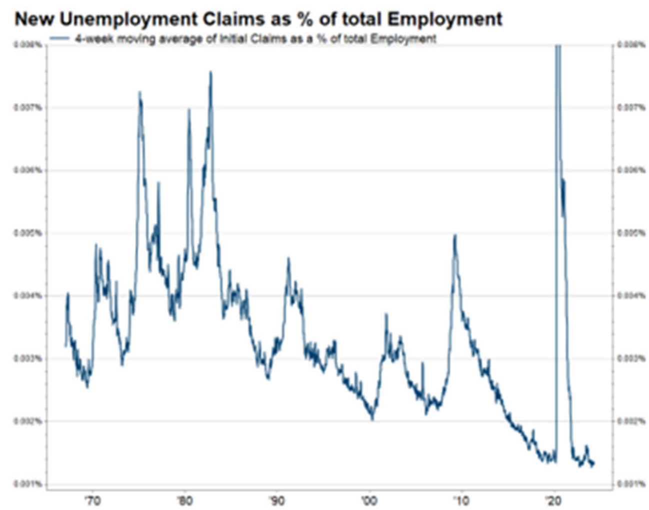
The Week Ahead:

Russell T. Price, CFA, Chief Economist

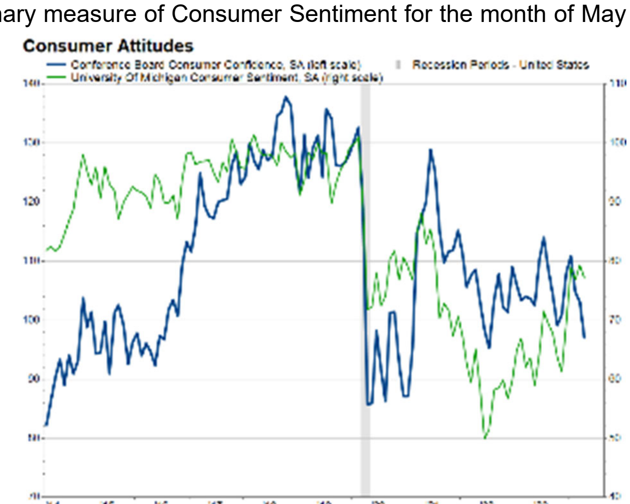
Unless otherwise noted, all economic estimates are sourced from Bloomberg and all corporate earnings measures are sourced from FactSet.

- **Earnings Season Update:** This week begins the final stages of the Q1 financial reporting season. Last week was the heaviest period for reports with 175 S&P 500 companies releasing their results, which brought the total percentage of the S&P 500 companies to have reported to 80%. This week there are 56 S&P companies on the docket including one that is also a member of the Dow Jones Industrial Average.
- **Through the end of last week, Q1 blended estimates now look for year-over-year (y/y) Earnings Per Share (EPS) growth of +5.1% on sales growth of 4.1%.** Y/y growth rates have been rising at a solid pace in recent weeks. Prior to last week, blended S&P 500 EPS were expected to see EPS growth of +3.3% on sales growth of +4.0%. The week before that EPS growth was seen as rising by just 0.2%.
- **The Economic Calendar:** The pace of economic releases also slows considerably this week with only one notable report each day from Tuesday through Friday. Given the ongoing focus on inflation and inflation expectations, Friday's Consumer Sentiment report from the University of Michigan could be influential as it contains measures of consumer inflation expectations.
- **Initial Jobless Claims:** The Labor Department's weekly measure of new unemployment claims can sometimes get overlooked given its frequency, but recent trends from the report have reflected a continuation of very tight labor market conditions even as some employment measures have been softening. We note that the claims report is based on hard data, that is, the actual number of individuals that signed-up for unemployment insurance in the prior week, whereas practically all other measures of the labor market come from surveys or sampling. *Charts below sourced from FactSet.*





- **Consumer Sentiment:** The University of Michigan's preliminary measure of Consumer Sentiment for the month of May will be released on Friday. The U. of M Sentiment results are often compared against the Conference Board's Consumer Confidence Index. In that light, the chart at right shows that the two measures have diverged modestly over the last few months. Last week, the Conference Board's Confidence measure for April showed a sharp 7.7-point month-over-month drop. The U. of M. Index for April showed a much more muted 2.2-point decline. *Chart at right sourced from FactSet.*
- Historically, it's not all that uncommon for the reports to diverge, especially over short periods, given that the questions they ask place greater focus on different issues. Questions asked in the Conference Board survey place greater emphasis on consumer perceptions of the job market while the U.M. survey is more heavily influenced by consumer perceptions of inflation.



- The Bloomberg consensus estimate for Friday's Sentiment survey looks for a one-point decline to 76.2 from its April ending level of 77.2. April's ending level represented a 2.5-point decline from its 2024 month-ending high of 79.4 (March). Overall, however, Sentiment's April-ending level of 77.2 was still 7.5 points better than its 2023 ending level of 69.7.

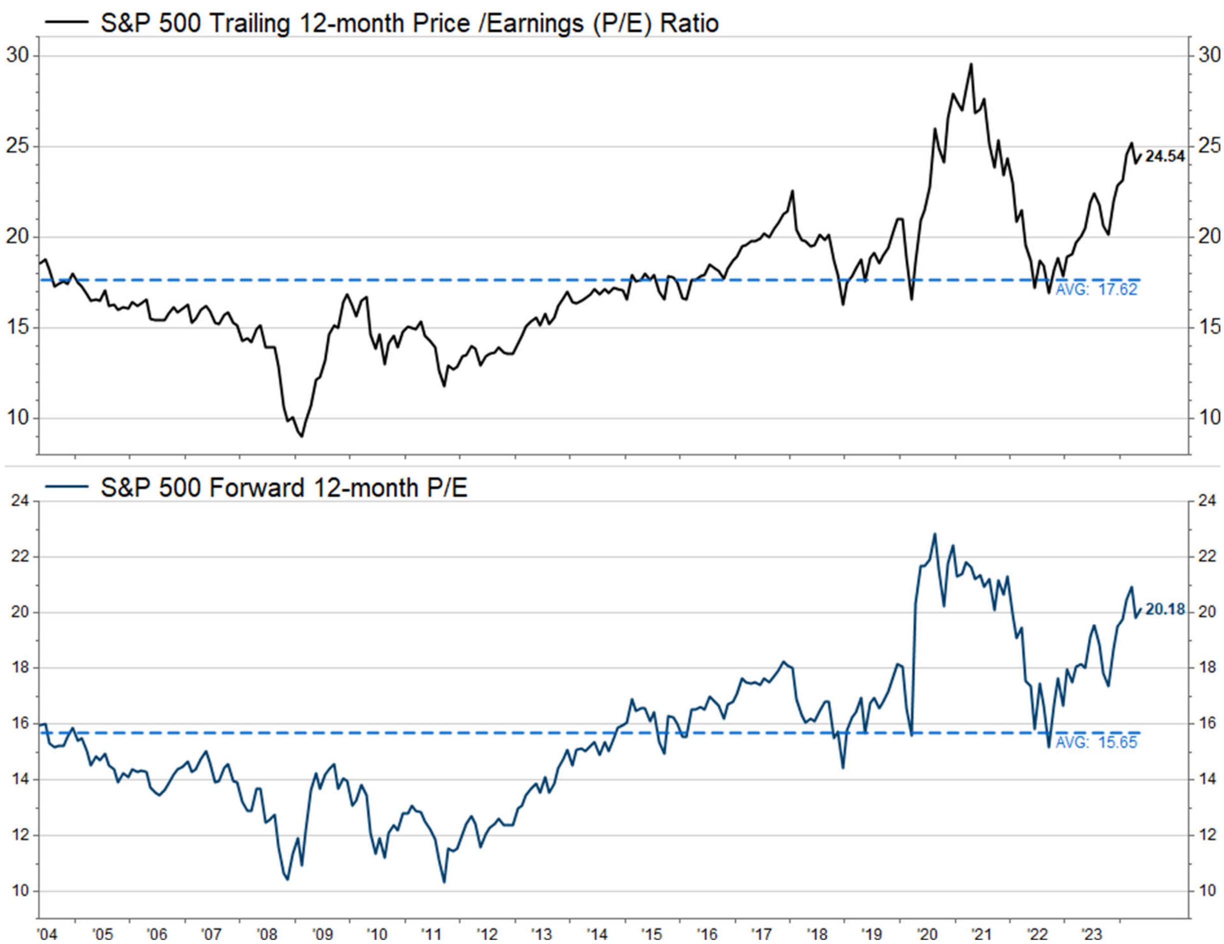
The calendar below is sourced from American Enterprise Investment Services Inc.

May 6	7	8	9	10
Services PMI - Japan	**Consumer Credit**	**Wholesale Inventories**	**Initial Jobless Claims**	**UofM Consumer Sentiment**
Manufacturing PMI - Eurozone	*Retail Sales - Eurozone*	*Trade - Japan*	*Bank Lending - Japan*	*Inflation - China*
Services PMI - Eurozone		*Loan Growth - China*	*Trade - China*	*Industrial Production - India*

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 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
5/6/2024	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 $$ amount				$54.05	$56.65	$55.61	$53.43	$53.34	$54.52	$58.91	$55.56	$55.73	$59.48	$63.51	$65.08	
change over last week												$0.79	-$0.14	-$0.08	-$0.23	$0.04
yr/yr				10.2%	7.3%	3.2%	-3.5%	-1.3%	-3.8%	5.0%	4.0%	4.5%	9.1%	7.8%	17.1%	
qtr/qtr				-2.4%	4.8%	-1.8%	-3.9%	-0.2%	2.2%	8.1%	-5.7%	0.3%	6.7%	6.8%	2.5%	
Trailing 4 quarters $$	$163.13	$140.46	$210.86	$216.10	$219.95	$221.69	$219.74	$219.03	$216.90	$220.20	$222.33	$224.72	$229.68	$234.28	$243.80	$277.29
yr/yr % change	1.0%	-13.9%	50.1%				4.2%				1.2%				9.7%	13.7%
Implied P/E based on a S&P 500 level of: 5128												22.8	22.3	21.9	21.0	18.5

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday May 6, 2024

All times Eastern. Consensus estimates via Bloomberg

None Scheduled

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%	2.2%	1.8%	2.1%	4.9%	3.4%	1.6%	2.6%	1.9%	1.6%
Unemployment Rate	3.6%	3.7%	4.2%	4.2%	3.6%	3.8%	3.7%	3.8%	4.0%	4.1%	4.2%
CPI (YoY)	8.0%	3.4%	2.3%	2.0%	3.0%	3.7%	3.4%	3.5%	3.3%	2.6%	2.3%
Core PCE (YoY)	5.2%	2.9%	2.1%	1.9%	4.3%	3.6%	2.9%	2.8%	2.5%	2.2%	2.1%

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: May 1, 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	4,500
10-Year U.S. Treasury Yield:	4.00%	3.50%	3.00%
Fed Funds Target Range:	4.25% to 4.50%	4.75% to 5.00%	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: April 24, 2024**

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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The Ameriprise Investment Research Group

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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.

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