

Before the Bell

An Ameriprise Investment Research Group Publication

May 9, 2024

Starting the Day

- U.S. futures are pointing to a lower open.
- European markets are trading higher at midday.
- Asian markets ended mixed.
- Stocks take a breath before key data next week.
- The Bank of England holds rates steady.
- 10-year Treasury yield at 4.51%.
- West Texas Intermediate (WTI) oil is trading at \$79.68.
- Gold is trading at \$2,318.20

Market Perspectives

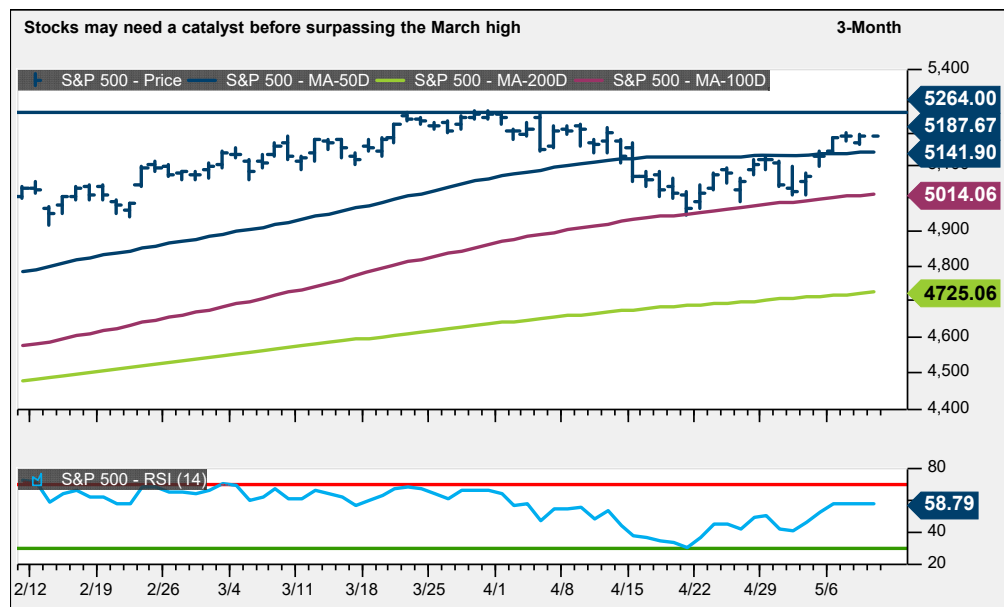
Anthony M. Saglimbene, Chief Market Strategist

Stocks move into an information void. The S&P 500 Index ended unchanged yesterday and is up about +3.0% over the last three months. As the *FactSet* chart below helps highlight, the S&P 500 melted higher through the end of March, hitting a high-water mark of 5,264 on March 28th. The Index then proceeded to fall through its 50-day moving average in April before finding some support around its 100-day moving average as the month started to wind down. Yet, the last few weeks have put investors on information overload, as a firehose of Q1 earnings releases, economic updates, and a Fed policy meeting have provided an abundance of information to digest and, importantly, drive stock direction.

The net effect of all that recent information has resulted in the following narrative: Big Tech earnings mostly surpassed elevated expectations in Q1. Profit trends across other industries were generally positive in the previous quarter. Economic activity is slowing but remains solid. And finally, the base case scenario for the Federal Reserve continues to point to rate cuts later this year.

As a result, government bond yields are down meaningfully from their late April highs, which has allowed stocks some headroom to recoup much of April's losses. However, for stocks to test the late-March highs or key moving averages at lower levels, traders need some catalysts to move on.

At the moment, the market is in a brief information void. Key producer and consumer inflation reports won't hit until Tuesday and Wednesday of next week.



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

NVIDIA, the granddaddy of all AI-focused companies at present, won't release their latest quarterly results until May 22nd. And key retail earnings reports that can provide more information on consumer trends won't kick in until next week. For example, Home Depot reports on May 14th, and Walmart will report on May 16th.

Thus, markets have little to move on now and ahead of key information as we get deeper into May. That said, should sideways trading across stocks continue through the rest of the week, which allows the market to catch its breath after a head-spinning week last week, it wouldn't be such a bad development for strategists. Wait. We meant "investors."

U.S. Premarket Indicators / Overnight International Market Activity

United States:

Here is a quick news rundown to start your morning:

- **Stocks are looking at a lower open.** The S&P 500 snapped a four-day winning streak yesterday on another low-volume day of trading. As discussed above, the market has taken on a quiet tone ahead of next week's inflation reports and the fading effects from key Q1 earnings reports out of Big Tech.
- **Earnings Update:** With roughly 90% of S&P 500 first quarter reports complete, blended earnings per share (EPS) growth is higher by +5.5% year-over-year on revenue growth of +4.1%.

Europe:

As expected, the Bank of England left rate policy unchanged today. The BOE said that its restrictive monetary policy is helping to bring down inflation, though price pressures remain elevated. A majority of market participants continue to see the BOE reducing its policy rate by 25 basis points in August and by a total of 50 basis points by year-end.

Asia-Pacific:

Asian equities finished mixed overnight, with stocks across Greater China seeing gains. Trade data showed China imports and exports returning to growth on an annual basis last month and following declines in March. *Bloomberg* noted that strengthening global demand is helping to boost China's economy despite still weak domestic consumer spending.

WORLD CAPITAL MARKETS

5/9/2024

As of: 8:30 AM ET

Americas	% chg.	% YTD	Value	Europe (Intra-day)	% chg.	%YTD	Value	Asia/Pacific (Last Night)	% chg.	%YTD	Value
S&P 500	0.0%	9.3%	5,187.7	DJSTOXX 50 (Europe)	-0.1%	13.4%	5,032.2	Nikkei 225 (Japan)	-0.3%	14.6%	38,074.0
Dow Jones	0.4%	4.3%	39,056.4	FTSE 100 (U.K.)	0.3%	10.2%	8,379.5	Hang Seng (Hong Kong)	1.2%	9.6%	18,537.8
NASDAQ Composite	-0.2%	8.9%	16,302.8	DAX Index (Germany)	0.6%	11.1%	18,617.2	Korea Kospi 100	-1.2%	2.9%	2,712.1
Russell 2000	-0.5%	1.8%	2,055.1	CAC 40 (France)	0.3%	9.6%	8,151.8	Singapore STI	0.0%	3.4%	3,266.0
Brazil Bovespa	0.2%	-3.5%	129,481	FTSE MIB (Italy)	-0.1%	12.4%	34,101.8	Shanghai Comp. (China)	0.8%	6.0%	3,154.3
S&P/TSX Comp. (Canada)	-0.1%	7.3%	22,259.2	IBEX 35 (Spain)	-1.0%	11.6%	11,045.9	Bombay Sensex (India)	-1.4%	0.4%	72,404.2
Mexico IPC	0.0%	-0.1%	57,081.0	MOEX Index (Russia)	0.1%	12.7%	3,432.5	S&P/ASX 200 (Australia)	-1.1%	3.8%	7,721.6

Global	% chg.	% YTD	Value	Developed International	% chg.	%YTD	Value	Emerging International	% chg.	%YTD	Value
MSCI All-Country World Idx	-0.2%	7.7%	776.7	MSCI EAFE	-0.6%	5.7%	2,325.4	MSCI Emerging Mkts	-0.2%	5.0%	1,066.6

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	Equity Income Indices	% chg.	% YTD	Value	Commodities	% chg.	% YTD	Value
Communication Services	-0.2%	19.0%	291.7	JPM Alerian MLP Index	0.4%	11.7%	284.0	Futures & Spot (Intra-day)	% chg.	% YTD	Value
Consumer Discretionary	-0.4%	2.8%	1,454.6	FTSE NAREIT Comp. TR	-0.8%	-6.8%	22,286.0	CRB Raw Industrials	0.0%	2.3%	556.0
Consumer Staples	-0.3%	8.1%	816.9	DJ US Select Dividend	0.4%	5.8%	3,178.2	NYMEX WTI Crude (p/bbl.)	0.8%	11.1%	79.6
Energy	-0.1%	12.2%	710.7	DJ Global Select Dividend	-0.2%	4.3%	226.8	ICE Brent Crude (p/bbl.)	0.7%	9.2%	84.2
Financials	0.4%	10.4%	687.4	S&P Div. Aristocrats	0.0%	4.1%	4,446.6	NYMEX Nat Gas (mmBtu)	-1.1%	-14.0%	2.2
Health Care	-0.3%	4.6%	1,655.5					Spot Gold (troy oz.)	0.4%	12.4%	2,318.4
Industrials	0.0%	9.5%	1,052.3	Bond Indices	% chg.	% YTD	Value	Spot Silver (troy oz.)	1.4%	16.5%	27.7
Materials	-0.4%	6.4%	571.3	Barclays US Agg. Bond	-0.2%	-2.0%	2,119.8	LME Copper (per ton)	-1.3%	15.4%	9,767.4
Real Estate	-0.9%	-6.7%	232.4	Barclays HY Bond	-0.1%	1.5%	2,518.1	LME Aluminum (per ton)	-0.9%	6.6%	2,500.1
Technology	0.2%	11.5%	3,779.0					CBOT Corn (cents p/bushel)	-0.1%	-7.2%	458.3
Utilities	1.0%	11.9%	356.5					CBOT Wheat (cents p/bushel)	1.6%	-0.3%	644.0
Foreign Exchange (Intra-day)	% chg.	% YTD	Value						% chg.	% YTD	Value
Euro (€/\$)	-0.1%	-2.8%	1.07	Japanese Yen (\$/¥)	-0.2%	-9.5%	155.84	Canadian Dollar (\$/C\$)	0.0%	-3.5%	1.37
British Pound (£/\$)	-0.2%	-2.0%	1.25	Australian Dollar (A\$/S)	0.1%	-3.3%	0.66	Swiss Franc (\$/CHF)	-0.1%	-7.5%	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	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	5.9%	Overweight	2.0%	7.9%	Communication Services	8.9%	Equalweight	-	8.9%
Information Technology	30.0%	Equalweight	-	30.0%	Energy	3.9%	Equalweight	-	3.9%
Health Care	12.3%	Equalweight	-	12.3%	Utilities	2.1%	Equalweight	-	2.1%
Financials	13.1%	Equalweight	-	13.1%	Materials	2.3%	Equalweight	-	2.3%
Industrials	8.8%	Equalweight	-	8.8%	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					MSCI All-Country			
	World Index	GAAC	Tactical	GAAC		World Index	GAAC	Tactical	GAAC
	Weight	Tactical View	Overlay	Recommended Weight		Weight	Tactical View	Overlay	Recommended Weight
United States	62.4%	Overweight	2.1%	64.5%	Latin America	1.0%	Equalweight	-	1.0%
Europe ex U.K.	13.5%	Overweight	2.0%	15.5%	Asia-Pacific ex Japan	10.3%	Underweight	-3.0%	7.3%
Japan	5.6%	Overweight	1.0%	6.6%	Canada	2.9%	Underweight	-1.0%	1.9%
United Kingdom	3.2%	Equalweight	-	3.2%	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.

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Thursday May 9, 2024

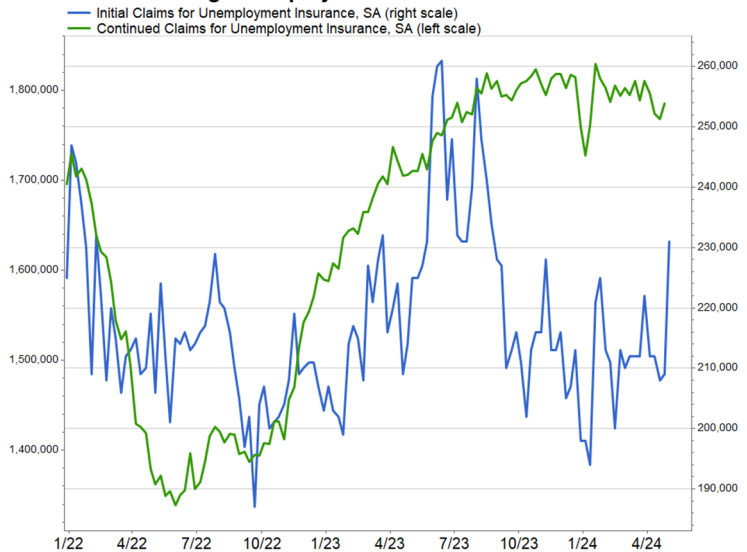
All times Eastern. Consensus estimates via Bloomberg

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
8:30 AM	May 4	Initial Jobless Claims	212k	+231k	208k	
8:30 AM	Apr. 27	Continuing Claims	1782k	+1785k	1774k	

Commentary:

- Investors finally have a jobs related report that they can like. Labor market strength allows Fed officials plenty of room to remain on the sidelines. A more tempered labor market would likely lead Fed officials to act sometime in the intermediate-term, but with little urgency.
- Most notably, initial jobless claims (and Continuing Claims as well) had returned to very low levels in recent week, thus implying a strong labor market that could continue to offer some upward pressure on inflation. However, good economic growth (particularly in the labor market) provides Fed officials with little reason to lower their interest rate targets anytime soon.
- On somewhat of a positive given the ongoing inflation problem wage pressures eased slightly in the month but not by enough to really change perceptions of market conditions overall.
- The chart at right is sourced from FactSet and HAS been updated to reflect today's release.

New and Continuing Unemployment Claims



Ameriprise Economic Projections

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

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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	<ul style="list-style-type: none"> U.S. Large Cap Value Developed Foreign Equity 	<ul style="list-style-type: none"> 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 	<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 Europe ex U.K. Japan 	<ul style="list-style-type: none"> Latin America United Kingdom 	<ul style="list-style-type: none"> Asia Pacific ex Japan Middle East/Africa Canada
Fixed Income	<ul style="list-style-type: none"> U.S. Government U.S. Investment Grade Corp. 	<ul style="list-style-type: none"> Developed Foreign Bonds U.S. High Yield Bonds 	<ul style="list-style-type: none"> Emerging Foreign Bonds Municipal Bonds
Alternatives		<ul style="list-style-type: none"> Real Assets 	<ul style="list-style-type: none"> Alternative Strategies
Cash		<ul style="list-style-type: none"> 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.

Major Market Indices	Rolling Returns			
	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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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/ in the **Additional Ameriprise research disclosures** section, or through your Ameriprise financial advisor.

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