Before the Bell

An Ameriprise Investment Research Group Publication

May 28, 2024

Starting the Day

- U.S. futures are pointing to a flattish higher open.
- European markets are trading lower at midday.
- Asian markets ended mostly lower overnight.
- The NASDAQ records its fifth straight week of gains.
- Consumer Confidence and PCE are on tap this week.
- 10-year Treasury yield at 4.47%.
- West Texas Intermediate (WTI) oil is trading at $78.84.
- Gold is trading at $2,345.90

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Weekly Market Perspectives: The S&P 500 Index finished fractionally higher by +0.03% last week, barely meeting the bar to post its fifth consecutive week of gains. However, NIVIDA's strong earnings report and positive outlook on artificial intelligence helped the NASDAQ Composite gain +1.4% last week, also its fifth straight week of positive returns. Yet, weekly returns were mixed across the major averages, with the Dow Jones Industrials Average falling 2.3% and the Russell 2000 Index dropping 1.2%. For the Dow, last week's decline snapped a five-week winning streak. Overall, stock volume was low, particularly as the week drew closer to the Memorial Day holiday. Information Technology (+3.4%) and Communication Services (+0.3%) were the only two S&P 500 sectors to finish the week higher, while Energy (-3.8%), Real Estate (-3.7%), and Financials (-2.0%) weighed down the broader S&P 500.

In fixed income, U.S. Treasury prices were weaker across the curve, with the Federal Reserve-sensitive 2-year yield jumping 12 basis points on the week, as preliminary reads on May services and manufacturing activity came in hotter-than-expected. Bottom line: Bond yields moved higher last week as investors grappled with the timing and degree of potential Fed rate cuts for this year and against a backdrop of a still strong services economy.

The U.S. Dollar Index finished the week slightly higher, and Gold dropped 3.3% for its worst week of the year. Copper fell nearly +6.0% last week for its worst week since November 2022 and after touching a record high on Monday. West Texas Intermediate (WTI) crude finished lower by nearly 5.0%.

Notably, the S&P 500 appears to be building a base around 5,300 and was able to finish last week above the level for the second straight week. However, the Index is trading at historically elevated levels when Big Tech/Magnificent Seven stocks are included. For example, the S&P 500 as a whole is currently trading at a 41% premium to its 20-year average based on the last twelve months of earnings. Based on this year's earnings expectations, the S&P 500 still trades at a 23% premium to the trailing twelve months of earnings. In our view, a lot of future good news on the profit front is already baked into the S&P 500 at current levels.

Nevertheless, the broader S&P 500 isn't as expensive as a simple price-to-earnings multiple might suggest and outside of a handful of mega-cap stocks. Along with still relatively healthy free cash flow and debt-to-free cash flow multiples for the S&P 500 versus history, when one backs out Big Tech from the broader average (which has been a key driver to the market's performance/earnings growth this year), eight of eleven sectors still have forward price-to-earnings ratios below the overall market (in some cases meaningfully). Bottom line: Under the surface, several stocks and sectors are still attractively priced based on their forward earnings expectations over the next twelve months.

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Interestingly, and despite the concentrated returns in the S&P 500 this year, over 2/3rds of S&P 500 stocks are higher in 2024, with roughly 1/3rd outperforming the broad-based stock benchmark — indicating positive momentum across the S&P 500 despite top-heavy returns in a few stocks.

Importantly, the stocks that are sending the S&P 500 higher this year are also the companies with outsized profit growth, visible secular drivers, and fortress balance sheets to invest, grow, and weather many types of macroeconomic/business conditions. Under this light, it makes sense to us why market returns are concentrated into a handful of mega-cap stocks.

However, as investors moved through the Q1 earnings season, they learned a broad set of companies are holding margins, controlling costs, and where adjustments need to be made (e.g., recent results/comments from retailers), they are quickly evolving to demand dynamics. A growing economy this year could help a broader set of industries outside of Big Tech see profit trends improve, particularly if the Fed can start cutting rates later this year.

Turning back to the week, from a stock perspective, it really was all about NVIDIA and its first quarter earnings report. In a nutshell, the company handily exceeded analyst forecasts (and whisper numbers) for earnings per share and revenue, guided second quarter profit expectations higher, provided a very positive outlook for AI trends over the intermediate term, substantially increased its dividend on a percentage basis, and announced a 10-1 stock split. With expectations elevated coming into NVIDIA's report last week, investors couldn't have asked for a better result, in our view.

On the economic front, there was a somewhat cautious mood following hotter-than-expected May flash PMI updates. A preliminary look at composite May PMI showed overall economic activity climbing further into expansion versus consensus and April levels, driven by "strengthening" services activity. In fact, the report noted that business activity growth rose sharply this month and at its fastest pace in over two years. Notably, strong services activity, including elevated rents, has been a primary factor in keeping consumer inflation elevated. In our view, the current market dynamic of *good news is bad news* because it likely means the Federal Reserve has to leave rate policy higher for longer took some momentum out of the market last week and despite NVIDIA's strong earnings report.

However, other economic updates showing weaker than expected existing/new home sales in April, mostly inline jobless claims, Fed minutes from the last FOMC meeting generally coming in as expected, and Michigan consumer sentiment falling to a five-month low, likely keep the soft-landing narrative alive for now. That said, last week's speeches from Fed officials continue to point to a higher-for-longer rate environment.

The Week Ahead

U.S. markets return to a quiet backdrop at the start of the week and after Monday's Memorial Day holiday. Yet, as the week rolls on, investors will have several important economic reports to digest that could help shape stock direction. With investors still concerned about consumer inflation trends in the U.S. and the generally stubborn pace of decline on the services side, Friday's Personal Consumption Expenditures (PCE) Price Index will be the key report to watch.

According to *FactSet* estimates, the Fed's preferred inflation measure is expected to show April core PCE held steady at +2.8% year-over-year for the third straight month. Headline PCE is expected to also have held steady last month, rising +2.7% year-over-year. While this week's PCE inflation updates are somewhat backward-looking and follow already released April looks at the Consumer Price Index report, both headline and core PCE measures are expected to remain above the Fed's comfort level. Thus, we do not expect the PCE updates this week to change the Fed narrative much, particularly if core inflation remains around current levels.

Tuesday's May Consumer Confidence report should also grab some headlines, considering last week's weaker-than-expected updates in Michigan consumer sentiment. Last month, Consumer Confidence dropped to a 21-month low. Overall, consumers continue to grapple with persistent inflation pressures in the here and now, which has more recently caused expectations of future inflation to rise. This is a troubling development for the Fed and a dynamic we expect policymakers to watch very closely over the months ahead.

Finally, a batch of home data across the week, the Fed Beige Book (Wednesday), a second look at Q1 GDP (Thursday), and auto sales (Friday) should keep investors and markets busy. In the background, the U.S. Treasury will be selling $183 billion in short and intermediate coupon bonds this week. Recent offering results from the Treasury have been mixed, with elevated inflation pressures at times weighing on demand.

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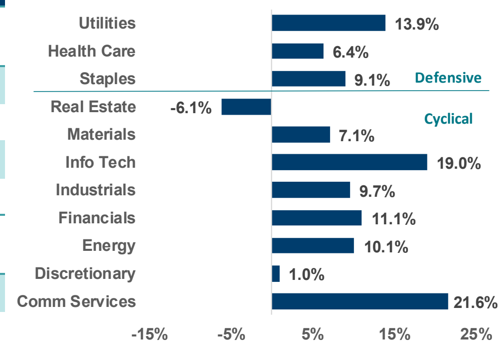
Stock Market Recap							
Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 5,305	0.0%	5.5%	11.8%	25.5	21.9	1.3	1.6
Dow Jones Industrial Average: 39,070	-2.3%	3.5%	4.4%	23.4	19.8	1.8	2.0
Russell 2000 Index: 5,144	-1.2%	5.0%	2.6%	50.5	36.9	1.3	1.3
NASDAQ Composite: 16,921	1.4%	8.2%	13.1%	39.4	34.9	0.7	0.8
Best Performing Sector (weekly): Info Tech	3.4%	11.7%	19.0%	38.5	30.0	0.6	0.9
Worst Performing Sector (weekly): Energy	-3.8%	-2.4%	10.1%	13.3	11.0	3.1	3.9

Source: Factset. Data as of 05/24/2024

Bond/Commodity/Currency Recap			
Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	-0.3%	1.6%	-1.2%
West Texas Intermediate (WTI) Oil: $77.68	-4.9%	-7.0%	8.1%
Spot Gold: $2,334.00	-3.3%	2.1%	13.1%
U.S. Dollar Index: 104.72	0.3%	-1.4%	3.3%
Government Bond Yields	Yield Chg		
	Weekly	MTD	YTD
2-year U.S. Treasury Yield: 4.95%	12 bps chg	-9 bps chg	70 bps chg
10-year U.S. Treasury Yield: 4.46%	4 bps chg	-22 bps chg	58 bps chg

Source: Factset. Data as of 05/24/2024. bps = basis points

YTD Total Returns by S&P 500 Sector



Source: S&P Global, Factset. Data as of 05/24/2024

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.** Following mixed results across the major U.S. stock averages last week and a long Memorial Day holiday weekend, stocks look little changed at the open. With markets currently pricing in a 48% chance the Fed could "hold" rates at current levels at their September meeting (up from 34% a week ago), Friday's PCE data could influence if investors start to price out rate cuts more forcefully for this year. Currently, just 16% of the market sees the fed funds rate remaining at 5.25% to 5.50% by year-end, according to the *CME FedWatch Tool*.
- **Earnings Update:** With roughly 96% of S&P 500 first quarter reports complete, blended earnings per share (EPS) growth is higher by +6.0% year-over-year on revenue growth of +4.2%. Fun Fact: No surprise, NVIDIA is the largest contributor to Q1'24 EPS growth. If the AI semiconductor leader's results were excluded from the S&P 500, the Index would see its first quarter EPS fall to +3.3% y/y from +6.0%, according to *FactSet*. Notably, eight of eleven S&P 500 sectors have Q1 net profit margins above their five-year averages, led by Information Technology. As a result, the broader S&P 500 saw its net profit margin rise to +11.8% in Q1, above +11.2% seen in the previous quarter and also above the five-year average of +11.5%.

Europe:

Preliminary looks at Eurozone inflation and key confidence reports line the week. Base effects could be responsible for a modest tick higher in inflation readings across Germany and France, which could see a preliminary look at Eurozone May CPI tick higher to +2.5% y/y versus +2.4% in April. An initial look at May core Eurozone CPI is forecast to hold steady at +2.7% y/y versus the previous month.

Asia-Pacific:

The economic slate is heavy in Japan this week, with end-of-month looks at inflation, sales, employment, and confidence data. In China, official looks at May manufacturing and non-manufacturing activity are on the docket. In April, manufacturing activity moved into expansion in China, breaking five straight months of contraction

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WORLD CAPITAL MARKETS

5/28/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	0.7%	11.8%	5,304.7
Dow Jones	0.0%	4.4%	39,069.6
NASDAQ Composite	1.1%	13.1%	16,920.8
Russell 2000	1.0%	2.6%	2,069.7
Brazil Bovespa	0.2%	-7.2%	124,496
S&P/TSX Comp. (Canada)	0.2%	8.0%	22,373.4
Mexico IPC	0.1%	-2.6%	55,452.9

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-0.3%	14.5%	5,046.2
FTSE 100 (U.K.)	-0.3%	9.1%	8,289.4
DAX Index (Germany)	-0.1%	12.0%	18,757.2
CAC 40 (France)	-0.7%	9.6%	8,077.0
FTSE MIB (Italy)	-0.2%	14.3%	34,690.7
IBEX 35 (Spain)	-0.1%	14.5%	11,317.4
MOEX Index (Russia)	1.3%	9.9%	3,341.5

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	-0.1%	17.0%	38,855.4
Hang Seng (Hong Kong)	0.0%	11.6%	18,821.2
Korea Kospi 100	0.0%	3.3%	2,722.9
Singapore STI	0.4%	5.5%	3,330.1
Shanghai Comp. (China)	-0.5%	4.5%	3,109.6
Bombay Sensex (India)	-0.3%	4.5%	75,170.5
S&P/ASX 200 (Australia)	-0.3%	4.6%	7,766.7

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.2%	10.2%	793.4

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.6%	8.2%	2,373.5

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.7%	7.5%	1,090.3

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	1.3%	21.6%	298.0
Consumer Discretionary	0.8%	1.0%	1,428.0
Consumer Staples	0.2%	9.1%	823.4
Energy	0.1%	10.1%	694.1
Financials	0.7%	11.1%	690.9
Health Care	-0.3%	6.4%	1,680.7
Industrials	0.5%	9.7%	1,051.8
Materials	0.9%	7.1%	574.8
Real Estate	0.0%	-6.1%	233.8
Technology	1.1%	19.0%	4,031.2
Utilities	1.0%	13.9%	361.6

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.1%	7.8%	274.3
FTSE NAREIT Comp. TR	0.0%	-6.2%	22,432.0
DJ US Select Dividend	0.6%	6.1%	3,185.2
DJ Global Select Dividend	-0.1%	7.2%	232.1
S&P Div. Aristocrats	0.2%	3.5%	4,420.7

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.0%	-1.7%	2,125.7
Barclays HY Bond	0.0%	1.6%	2,520.6

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	-0.2%	3.3%	561.7
NYMEX WTI Crude (p/bbl.)	1.6%	10.2%	79.0
ICE Brent Crude (p/bbl.)	0.2%	8.1%	83.3
NYMEX Nat Gas (mmBtu)	-0.5%	-0.3%	2.5
Spot Gold (troy oz.)	0.1%	14.0%	2,352.5
Spot Silver (troy oz.)	-0.1%	32.8%	31.6
LME Copper (per ton)	-1.1%	20.6%	10,204.6
LME Aluminum (per ton)	1.8%	11.6%	2,616.6
CBOT Corn (cents p/bushel)	0.4%	-5.6%	466.5
CBOT Wheat (cents p/bushel)	0.8%	8.9%	703.0

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.2%	-1.4%	1.09
British Pound (£/$)	0.2%	0.5%	1.28
Japanese Yen ($/¥)	0.1%	-10.0%	156.69
Australian Dollar (A$/$)	0.2%	-2.1%	0.67
Canadian Dollar ($/C$)	0.1%	-2.8%	1.36
Swiss Franc ($/CHF)	0.4%	-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 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.

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The Week Ahead:

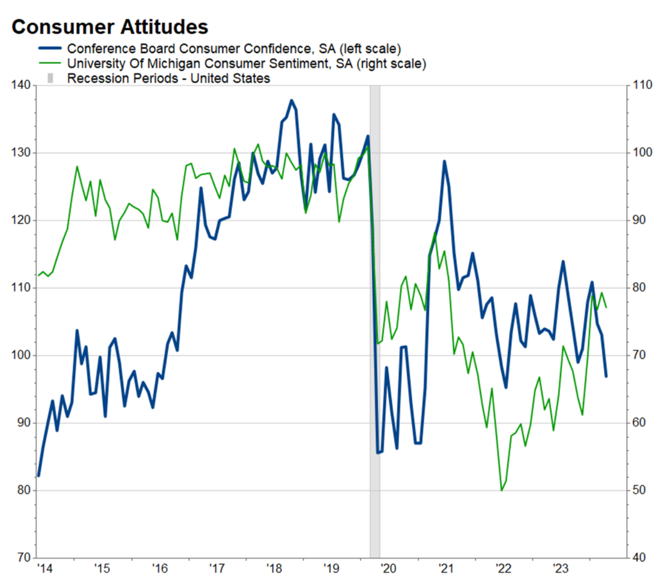
Russell T. Price, CFA, Chief Economist

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

- **Earnings Season Update:** The Q1 earnings release season is nearing an end but these final weeks can still have some notable names on the calendar, particularly from the retail sector. Through Friday, 96% of the S&P 500's 503 constituents had reported their results. In general, the reports have been good relative to expectations and maybe even better relative to the path ahead. This week, there are still 9 S&P 500 companies on the docket including one that is also a member of the Dow Jones Industrial Average.
- Blended earnings per share growth estimates had a particularly good week last week, in our view. First quarter (Q1) S&P 500 EPS are now seen as rising 6.0% year-over-year (y/y) versus +5.6% in the prior week on sales growth of +4.2% (the same as the prior week). At the end of Q1, analyst consensus estimates were looking for EPS growth of 3.0% on sales growth of 3.1%. If the final EPS growth figure holds above +5.0% it will be the best pace of expansion since Q2-2022.
- The quarterly results have been nice but the adjustments to forward quarter earnings estimates have been especially encouraging. Over the course of the reporting season, forward earnings estimates have experienced steady gains – a trend which goes against the normal historical pattern.
- During any given reporting season EPS estimates for the current quarter are typically adjusted lower as businesses identify 'issues' and management talks down expectations as to "lower-the-bar". Over the last fifteen years, the average decline in EPS estimates during the first month of a quarter has been 1.5%, according to FactSet.
- That has not been the pattern for the current reporting season. Last week, EPS estimates for Q2 were bumped up by an additional $0.07 bringing the total increase in Q2 estimates since March 29th to +$0.28.
- Maybe more notable is the broader rise in estimates beyond the current quarter. As seen in the table below, full-year 2024 EPS estimates are now $3.25 higher since late January while 2025 full-year EPS estimates are a strong $5.01 higher, equating to estimated full-year growth of 13.9%. *All data mentioned in this commentary, as well as that shown in the table at right, has been sourced from FactSet. The table itself is sourced from AEIS.*

as of...	2024 Est. EPS	Y/y % change	2025 Est. EPS	Y/y % change
Jan. 29	$241.50	8.6%	$273.87	11.9%
Mar.28	$242.71	9.2%	$276.02	12.8%
Apr. 29	$243.46	9.5%	$277.25	13.3%
May-24	$244.75	10.1%	$278.88	13.9%

- **The Economic Calendar:** Friday's Personal income and spending report, which contains the favorite inflation measure of Fed officials, the Core PCE Index, highlights the economic release schedule this week. Forecasters as surveyed by Bloomberg expect the measure to remain static with its March rate of 2.8%. *All charts below sourced from FactSet.*
- Elsewhere on the schedule, regional manufacturing conditions, a second look at Q1 real GDP and another look at Consumer sentiment which has been quite volatile over recent months, are all on the schedule.
- **May Consumer Confidence:** The Conference Board will release the results of their latest Consumer Confidence survey on Tuesday. Sentiment surveys have been generally range-bound over the last two years but more recently there's been a fair amount of volatility in the two major series, the Conference Board's Consumer Confidence survey and the University of Michigan's Consumer Sentiment Index. Further, as seen in the chart at right, U. of M. Sentiment has been meandering higher over recent quarters while Consumer Confidence reached a near two-year low last month.
- We note that given the questions asked in each survey, the U. of M. measure is largely seen as being more reflective of consumer views related to inflation, while the Conf. Board survey ends to reflect labor market views more directly.
- The Bloomberg consensus for the Conference Board report to lose one point when released this week to a level of 96.0 (vs. 97.0 in April). There could be some room for outperformance, however, given that the measure came-



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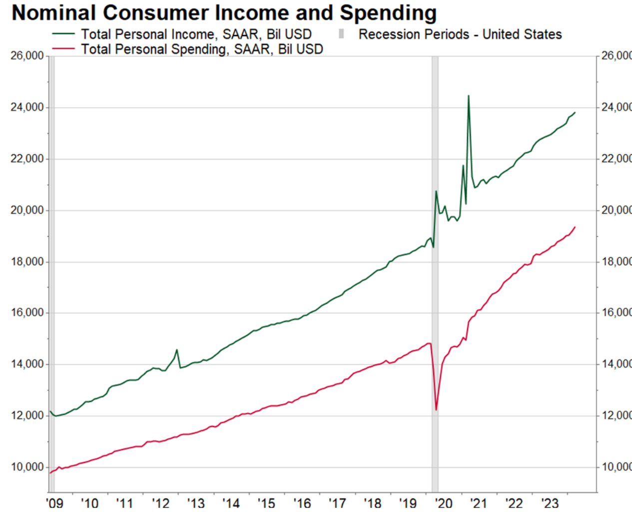
into 2024 with a reading of 110.90. Labor market conditions appear to be softening in our view, but the reflective drop in confidence seems a bit overdone, in our view.

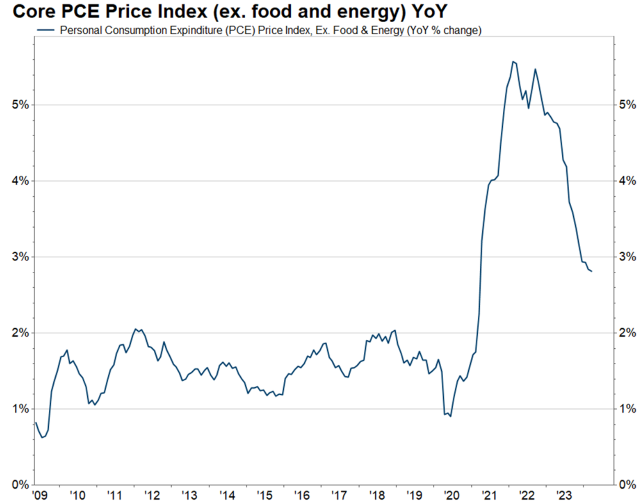
- **Q1 GDP second estimate.** The Commerce Department is scheduled to release the first revision to its Q1 real GDP growth estimate on Thursday. The Bloomberg consensus expects a modest cut from the +1.6% quarter-over-quarter, annualized rate initially reported. Consensus estimates look for growth to be cut to +1.2% largely based on slower consumer spending growth in the period. We typically do not comment on second revisions as they are infrequently market movers. However, a cut to Q1's already slow growth rate could be miss-interpreted as a signal of stagnation. Importantly, we believe consumer spending and business investment (the two most important components of GDP) should maintain positive and solid overall growth rates.

Nominal Consumer Income and Spending



- **April Personal Income and Spending:** Consumer income and spending are both thought to have grown at modest, yet steady rates last month. Forecasters look for both income and spending to have grown by about 0.3% in the month. If so, it would leave personal incomes about 4.8% above year-ago levels and spending about 5.8% higher.
- These numbers, with spending growing faster than income, may seem concerning. Indeed, over a long period, if spending were to continue growing faster than income consumers would eventually need to borrow to fuel their spending habits.
- That's not the case currently. We note that disposable income (i.e., after tax) on an annualized basis was $20.823 trillion in March, according to the Commerce Department, while total spending was $19.351 trillion, for aggregate savings of approximately $1.5 trillion.

Core PCE Price Index (ex. food and energy) YoY



- **PCE Inflation…** Of course, the Personal Income and Spending reports also combine to give us the Federal Reserve's preferred measure of inflation: the Core Personal Consumption Expenditures (PCE) Price Index. The rate is expected to have risen by about +0.3% in May which would leave it at +2.8% on a year-over-year (y/y) basis, thus remaining steady with its March rate. As seen in the chart at right, Core PCE has been steadily declining since about mid-2022 but it still has plenty of ground to cover before reaching the Fed's preferred level of "about 2%".
- Further, we believe there could be some room for downside to the current Q/Q consensus estimate. As we've noted on prior occasions, PCE inflation numbers tend to run a bit softer than those registered in the Consumer Price Index (CPI). There are different measurement methodologies that contribute to the difference but the two also have different weightings. At times like this, however, a key factor is that the weightings used are updated more frequently in the PCE they get the benefit of the substitution effect. Given those dynamics, we believe the Core PCE rate could show a gain of +0.2%.

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

May 27	28	29	30	31
Mermorial Day	Consumer Confidence	Fed's Beige Book	Initial Jobless Claims	Personal Income
U.S. Markets Closed	S&P /CaseShiller Home $$$	Richmond Fed Index	Q1 Real GDP - 2nd	Personal Spending
	Dallas Fed Mfg. Index	*Consumer Confidence - Japan*	Pending Home Sales	Chicago Purch. Mgr. Index
		Trade - Japan	Advance Trade - Goods	*Trade - S. Korea*
			Industrial Production - Japan	*GDP - India*
			Industrial Production - S. Korea	*Inflation - Eurozone*
Leading Index - Japan			*Inflation - Japan*	
			Retail Sales - Japan	
			Retail Sales - S. Korea	
			Consumer Sentiment - Eurozone	

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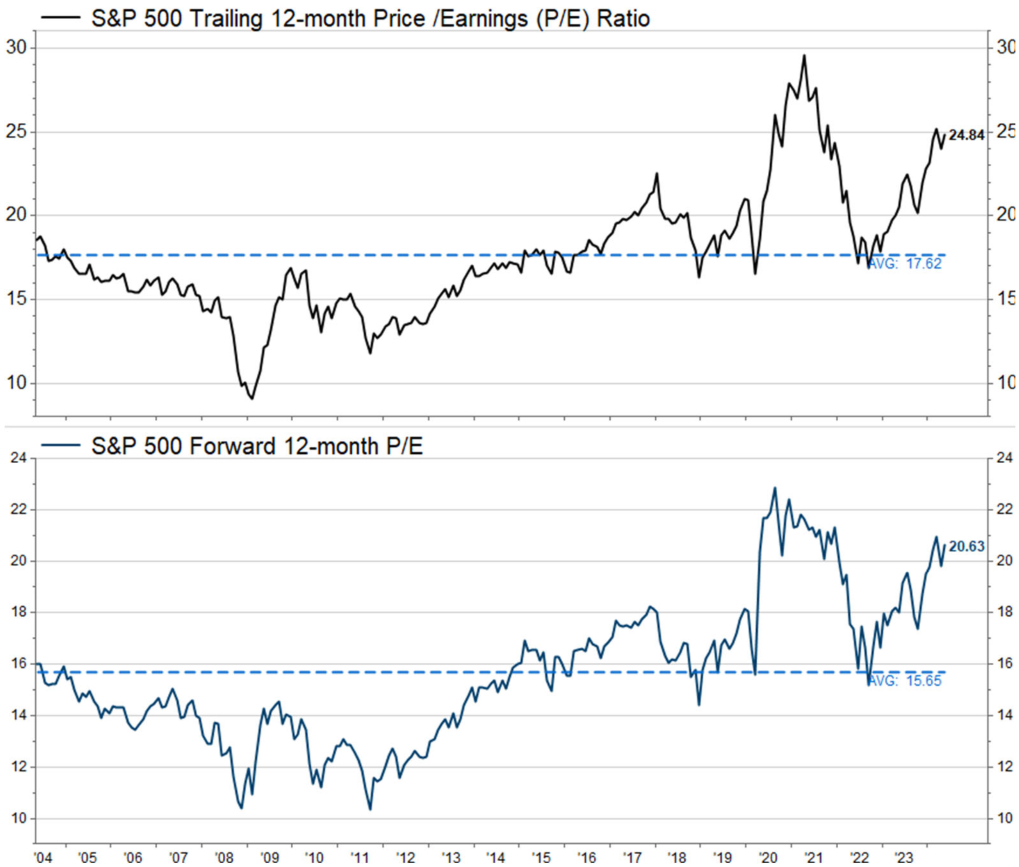
Where Market Fundamentals Stand Heading into The Week:

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*

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
5/28/2024	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Est.	Est.	Est.	Est.
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY
Quarterly $$ amount				$54.05	$56.65	$55.61	$53.43	$53.34	$54.52	$58.91	$55.56	$56.50	$59.49	$63.52	$65.24	
change over last week												$0.26	$0.07	$0.11	$0.20	$0.84
yr/yr				10.2%	7.3%	3.2%	-3.5%	-1.3%	-3.8%	5.0%	4.0%	5.9%	9.1%	7.8%	17.4%	
qtr/qtr				-2.4%	4.8%	-1.8%	-3.9%	-0.2%	2.2%	8.1%	-5.7%	1.7%	5.3%	6.8%	2.7%	
Trailing 4 quarters $$	$163.13	$140.46	$210.86	$216.10	$219.95	$221.69	$219.74	$219.03	$216.90	$220.20	$222.33	$225.49	$230.46	$235.07	$244.75	$278.88
yr/yr % change	1.0%	-13.9%	50.1%				4.2%				1.2%				10.1%	13.9%
Implied P/E based on a S&P 500 level of: 5305												23.5	23.0	22.6	21.7	19.0

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Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Tuesday May 28, 2024 — **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
10:00 AM	MAY	Consumer Confidence	96.0		97.0	

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	• 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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