

Before the Bell

An Ameriprise Investment Research Group Publication

June 11, 2024

Starting the Day

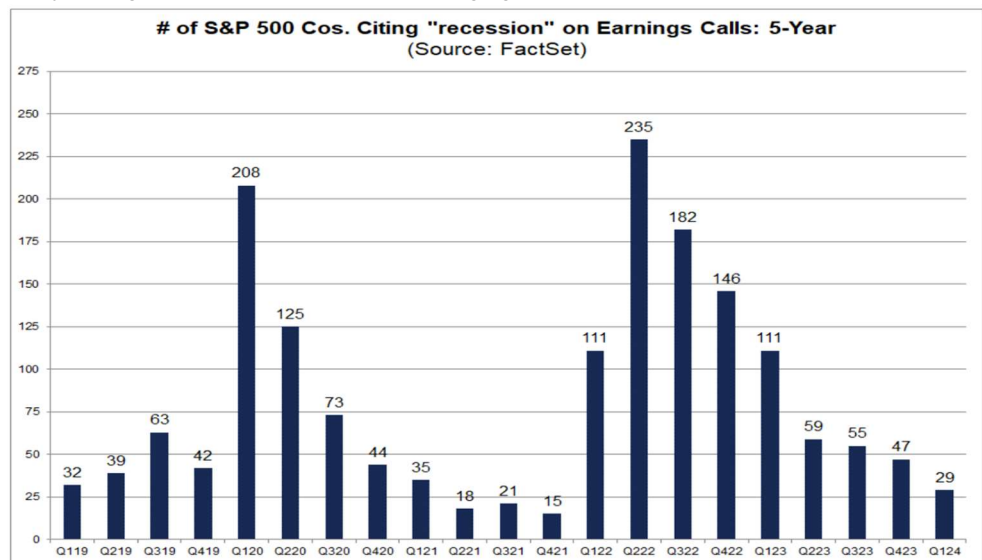
- U.S. futures are pointing to a lower open.
- European markets are trading lower at midday.
- Asian markets ended mixed.
- The corporate use of the term “recession” continues to fall.
- Markets are in a “wait-and-see” mode ahead of CPI/Fed.
- 10-year Treasury yield at 4.43%.
- West Texas Intermediate (WTI) oil is trading at \$77.62.
- Gold is trading at \$2,333.80

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Corporate America is less concerned about a recession. A solid economy, relatively strong demand, healthy profit margins, and growing profits now have more corporate CEOs less worried about a downturn compared to prior quarters. As the *FactSet* chart below shows, the number of companies mentioning the term “recession” on earnings calls has fallen dramatically over the last few quarters and since topping out in the second quarter of 2022. At the time, the Federal Reserve was in the early innings of aggressively raising interest rates to tamp down surging inflation. The fear across corporate America

in early-to-mid 2022 was that the speed and magnitude of Fed rate hikes would quickly lead to choking off consumer demand and business investment, which would eventually lead to a recession. But over the course of last year and into this year, easing supply chain pressures, steadily declining inflation and a Fed moving to the sidelines to help policy rates curb the last mile of inflation have removed the immediate threat of a recession. That said, while most companies did not mention the term “recession”



on Q1'24 earnings calls, corporate commentary remained largely guarded and outside of Big Tech dynamics. Lingering inflation, high interest rates, slowing growth, and mixed consumer trends aren't exactly the Goldilocks environment most corporate leaders would prefer. However, stable demand and expectations for growing profits this year aren't exactly a bad environment either, which has helped lower the number of “recession” mentions on earnings calls over the last few quarters. Given companies have a unique and detailed window into consumer and business trends, their declining mention of a downturn should not be ignored/discarded, in our view.

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

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.** Major U.S. stock averages finished slightly higher on Monday, with the S&P 500 Index making its 26th closing high of 2024. Markets are likely in a wait-and-see mode ahead of tomorrow's May Consumer Price Index and a Fed decision/forecast update. May core CPI is expected to hold static on a m/m basis, while the Fed is expected to keep rate policy steady. The Fed's updated Summary of Economic Projections could show the "dot plot" suggesting one or two rate cuts for 2024, down from three forecasted cuts in March. Finally, Apple shared more details about Apple Intelligence at its Worldwide Developers Conference on Monday. Apple will partner with OpenAI to integrate ChatGPT into Siri. A major theme touted by the company yesterday will focus on privacy, with workloads handled on device, which, in one example, allows users to customize device features/settings. AI help with writing, context-driven notifications, image generation, and cross-application tasking were other features touted in Apple's keynote address yesterday. These new features should be available in iOS 18 in the fall but may be limited to newer devices running M1 chips or higher.

Europe:

European stocks are trading lower this morning while investors still digest the results of the European parliamentary elections. Both France and Germany saw a higher number of parliamentary seats won by far-right candidates. According to *FactSet*, the first opinion polls show the far-right National Rally party gaining more representation in France's legislative snap election but falling short of an absolute majority. The two rounds of voting in France will be held on June 30th and July 7th, per *FactSet*.

Asia-Pacific:

Stocks in Asia finished mostly mixed overnight, with weaker spending in China over the Dragon Boat Festival long weekend weighing on sentiment. While travel in China increased +6.3% over the long weekend, according to China's tourism ministry, spending over the holiday was 12.3% lower than 2019 levels, according to *Citigroup*. Consumer confidence remains tepid across China and given a deflating property bubble and guarded policy support from officials since the start of the year.

WORLD CAPITAL MARKETS

6/11/2024

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	0.3%	13.1%	5,360.8	DJSTOXX 50 (Europe)	-1.1%	12.7%	4,963.5	Nikkei 225 (Japan)	0.2%	17.8%	39,134.8
Dow Jones	0.2%	4.1%	38,868.0	FTSE 100 (U.K.)	-0.9%	7.6%	8,157.4	Hang Seng (Hong Kong)	-1.0%	8.4%	18,176.3
NASDAQ Composite	0.3%	14.9%	17,192.5	DAX Index (Germany)	-0.8%	9.5%	18,347.8	Korea Kospi 100	0.2%	2.7%	2,705.3
Russell 2000	0.2%	0.8%	2,031.6	CAC 40 (France)	-1.3%	6.0%	7,794.5	Singapore STI	-0.4%	4.9%	3,309.2
Brazil Bovespa	0.0%	-10.0%	120,760	FTSE MIB (Italy)	-1.6%	12.0%	33,999.0	Shanghai Comp. (China)	-0.8%	1.8%	3,028.0
S&P/TSX Comp. (Canada)	0.3%	6.7%	22,069.8	IBEX 35 (Spain)	-1.6%	13.1%	11,180.6	Bombay Sensex (India)	0.0%	6.6%	76,456.6
Russell 3000	0.3%	11.5%	3,046.6	MOEX Index (Russia)	-0.5%	4.3%	3,163.9	S&P/ASX 200 (Australia)	-1.3%	4.5%	7,755.4

Global	% chg.	% YTD	Value	Developed International	% chg.	%YTD	Value	Emerging International	% chg.	%YTD	Value
MSCI All-Country World Idx	0.1%	10.5%	794.8	MSCI EAFE	-0.4%	7.7%	2,358.8	MSCI Emerging Mkts	-0.3%	5.7%	1,070.3

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	Equity Income Indices	% chg.	% YTD	Value	Commodities	% chg.	% YTD	Value
Communication Services	0.6%	23.8%	303.2	JPM Alerian MLP Index	1.5%	11.3%	283.0	Futures & Spot (Intra-day)			
Consumer Discretionary	0.5%	2.9%	1,452.7	FTSE NAREIT Comp. TR	0.2%	-4.3%	22,901.7	CRB Raw Industrials	0.0%	1.2%	550.4
Consumer Staples	-0.2%	9.6%	826.2	DJ US Select Dividend	-0.3%	4.8%	3,146.2	NYMEX WTI Crude (p/bbl.)	-0.3%	8.1%	77.5
Energy	0.7%	9.3%	688.3	DJ Global Select Dividend	-1.3%	3.8%	223.4	ICE Brent Crude (p/bbl.)	-0.3%	5.6%	81.4
Financials	-0.4%	10.3%	685.3	S&P Div. Aristocrats	-0.1%	2.7%	4,387.4	NYMEX Nat Gas (mmBtu)	4.0%	20.2%	3.0
Health Care	0.3%	8.2%	1,708.5				Spot Gold (troy oz.)	0.0%	12.0%	2,310.6	
Industrials	0.3%	8.1%	1,035.8				Spot Silver (troy oz.)	-1.3%	23.3%	29.3	
Materials	-0.1%	5.2%	563.0	Bond Indices	% chg.	% YTD	Value	LME Copper (per ton)	1.3%	15.4%	9,765.9
Real Estate	0.4%	-4.1%	238.5	Barclays US Agg. Bond	-0.2%	-1.4%	2,132.6	LME Aluminum (per ton)	-0.4%	7.0%	2,509.6
Technology	0.3%	22.2%	4,136.3	Barclays HY Bond	0.0%	2.0%	2,530.7	CBOT Corn (cents p/bushel)	0.1%	-8.5%	452.3
Utilities	1.3%	12.9%	357.5				CBOT Wheat (cents p/bushel)	0.2%	-5.7%	608.8	

Foreign Exchange (Intra-day)	% chg.	% YTD	Value		% chg.	% YTD	Value		% chg.	% YTD	Value
Euro (€/€)	-0.3%	-2.8%	1.07	Japanese Yen (\$/¥)	0.0%	-10.2%	156.99	Canadian Dollar (\$/C\$)	-0.1%	-3.8%	1.38
British Pound (£/\$)	0.1%	0.1%	1.27	Australian Dollar (A\$/S)	-0.2%	-3.1%	0.66	Swiss Franc (S\$/CHF)	0.0%	-6.2%	0.90

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					S&P 500			
	Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight		Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended 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 Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight		World Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC 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 Tuesday June 11, 2024

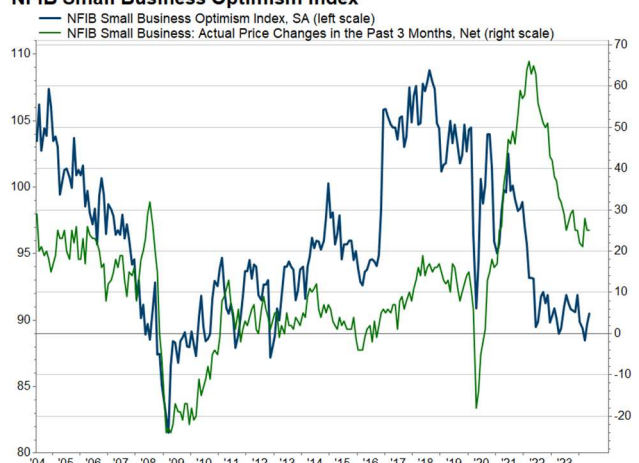
All times Eastern. Consensus estimates via Bloomberg

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
6:00 AM	MAY	NFIB Small Business Optimism Index)	90.0	90.5	89.7	

Commentary:

- **Small business optimism improved modestly last month but the Index remained quite low relative to its history.**
- On a positive note, the percentage of respondents that expect business conditions to improve over the next six months rose to its highest levels since August 2021. A net 4% also said that it was a good time to expand. Though this is a low percentage even on a net basis, we see it as modestly positive given the headline sentiment numbers of the survey.
- Meanwhile, the net percentage of business owners reporting higher prices being charged is also well off of its recent highs but in recent months the metric has stalled with little to no progress since last July (the green line in the chart at right).
- The net number of owners saying that they had open positions they were not able to fill also increased for a second straight month. The component, at 42% in May, is still well below the low 50's levels seen in in early 2022 it is still well above any other pre-pandemic level seen over the last 30+ years.
- *The chart at right is sourced from FactSet.*

NFIB Small Business Optimism Index



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%	1.3%	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 30, 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

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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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/ in the **Additional Ameriprise research disclosures** section, or through your Ameriprise financial advisor.

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