Before the Bell

An Ameriprise Investment Research Group Publication

July 1, 2024

Starting the Day

- U.S. futures are pointing to a slightly higher open.
- European markets are trading mostly higher at midday.
- Asian markets ended higher overnight.
- The First Half in Review.
- July 4th, Employment Report, French elections in focus.
- 10-year Treasury yield at 4.41%.
- West Texas Intermediate (WTI) oil is trading at $81.92.
- Gold is trading at $2,341.20

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Weekly Market Perspectives: The S&P 500 Index (+3.6%) and NASDAQ Composite (+6.0%) closed June higher for the second straight month, notching their fifth monthly gain for 2024. Solid June gains in NVIDIA (+12.6%) and Apple (+9.6%) helped drive both indexes higher in the final month of the first half. In the middle of June, NVIDIA surpassed Microsoft as the most valuable company on the planet. However, shares of the artificial intelligence chip maker quickly slumped by over 15% amid concerns its valuation had become stretched and the trade had become too crowded. Yet, by the end of the month, shares had recovered some of the lost ground as investors used the opportunity to buy shares.

Importantly, the general momentum for stocks was higher in June and through much of the second quarter. As a result, by the end of the month, stock volatility had reached some of its lowest levels going back to January 2020. From a quarterly perspective, the S&P 500 closed out its third consecutive quarter of gains, finishing higher by +4.3% in Q2. Over the last three quarters, the Index is higher by over +27%, seeing its strongest three-quarter run since the second quarter of 2021. Notably, the S&P 500 is higher in six of the last seven quarters.

As the second half of the year begins, concentrated stock returns, low volatility, and minimal trading volume leave the door open to increasing risk for stock prices should the soft-landing narrative see some unexpected turbulence through year-end. That said, fundamental conditions remain on firm footing, in our view. Should economic and profit growth continue to stay positive in the second half, we see a path higher for U.S. major stock averages, possibly including broader participation, which was lacking in the first half of the year.

Last Week in Review:

- The S&P 500 ended at 5460 after briefly touching 5523 on Friday and hitting a new all-time intraday high.
- The core Personal Consumption Expenditures Price Index (the Federal Reserve's preferred inflation measure) fell in May to its lowest level since March 2021. Several more months of cooling PCE prints will likely be needed to keep a September Federal Reserve rate cut on the table.
- May personal spending growth came in a bit weaker than expected, while personal income was a tad higher than forecast.
- June Consumer Confidence came in largely as expected, with one-year ahead inflation expectations ticking down slightly.
- President Biden's poor debate performance on Thursday increased uncertainty about his ability to perform the rigorous duties of the U.S. Presidency over the next four years.

The First Half in Review:

Despite a narrowing rally in the second quarter, major U.S. stock averages finished the first half of the year broadly higher. Equity returns, at least for the S&P 500 Index and NASDAQ Composite, rivaled first half returns seen in the late 1990s. Yet nearly 60% of the S&P 500's return in the first six months of the year can be attributed to just five mega-cap stocks (i.e., NVIDIA, Microsoft, Meta Platforms, Amazon, and Apple). In fact, that concentration of leading stocks has narrowed over recent months, with NVIDIA, Apple, and Microsoft driving 90% of the S&P 500's return in the second quarter.

Outside of clear/visible/secular profit trends across a handful of companies, elevated interest rates, lingering services inflation, slowing growth concerns, and a Federal Reserve on pause have kept a lid on how high the rest of the market has been able to rise given current valuation levels. For instance, the S&P 500's trailing price-to-earnings ratio ended the second quarter 44% above its 20-year average, mostly driven by mega-cap Technology stocks.

Below is a bulleted view of the key market and economic factors that have thus far driven markets this year.

- The S&P 500 Index rose +15.3% in the first six months of the year, and the NASDAQ Composite rose +18.6%. An artificial intelligence boom helped drive a select group of Technology stocks higher in the first half, leading to +25% plus gains across Information Technology and Communication Services. Nevertheless, ten of eleven S&P 500 sectors finished the first half with gains. Real Estate was the sole S&P 500 sector to finish lower.
- The Dow Jones Industrials Average (+4.8%) and Russell 2000 Index (+1.7%) trailed significantly, as mixed economic/consumer trends and elevated interest rates weighed on sentiment.
- The 10-year U.S. Treasury yield increased 48 basis points in the first half to finish at 4.37%. Performance across major bond indexes was mixed. Falling expectations for the number of Federal Reserve rate cuts this year, and growing concerns about U.S. debt/deficit spending kept fixed income volatility elevated.
- In the first quarter, the U.S. economy grew by +1.4%. The Atlanta Federal Reserve GDPNOW forecast suggests the domestic economy grew by +2.2% in the second quarter. The longer-term U.S. growth average is around +2.0%.
- Consumer spending (roughly 70% of the U.S. economy) was resilient throughout the first half. However, lower-income consumers continue to struggle under inflation pressures, while mid-to-higher-end consumers have become more discerning about how and where they spend.
- The U.S. unemployment rate stood at 4.0% at the end of May, up from 3.7% at the end of December.
- The headline Consumer Price Index (CPI) flatlined on an annualized basis over the first five months of the year, ending May at +3.3%. Nevertheless, core CPI (ex-food and energy) dropped from an annualized level of +3.9% at the end of December to +3.4% by the end of May. Notably, May core CPI stood at its lowest level since August 2021. And when shelter is excluded, CPI stood at +1.9% in May, its lowest level since May 2021. Bottom line: Inflation across a host of measures showed slow but steady progress lower in the first half.
- S&P 500 earnings per share (EPS) grew by nearly +6.0% year-over-year in the first quarter, almost double what analysts projected at the end of March. In the second quarter, S&P 500 EPS is expected to grow by over +8.0% year-over-year. While earnings growth in the first quarter was largely concentrated across a handful of mega-cap technology companies, an increasing number of companies and industries are expected to see positive profit growth in the second quarter.
- Gold rose nearly +13.0% in the first half, while West Texas Intermediate (WTI) crude jumped almost +14%.
- The U.S. Dollar Index remained strong, with the dollar advancing +4.5% against a basket of developed world currencies.

The Week Ahead:

The second half of the year opens with key looks at manufacturing and services activity as well as an always important nonfarm payrolls report for June. Trading volume should be rather light this week as markets will be closed on Thursday for the Independence Day holiday.

- June ISM manufacturing activity is expected to improve over May's level but remain in contraction. In addition, ISM services activity likely remained in expansion last month but slowed versus May.
- Friday's June nonfarm payrolls report is expected to show job gains of +180,000 and an unemployment rate of 4.0%.
- Updates on June construction spending, final reads on June PMI, a May JOLTS report, and FOMC minutes from the last Federal Reserve meeting line the shortened holiday calendar.

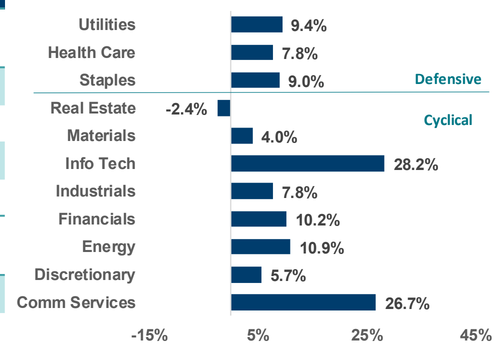
Stock Market Recap							
Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 5,460	-0.1%	3.6%	15.3%	26.2	22.1	1.3	1.6
Dow Jones Industrial Average: 39,119	-0.1%	1.2%	4.8%	23.3	19.9	1.8	2.0
Russell 2000 Index: 5,089	1.3%	-0.9%	1.7%	50.7	37.5	1.3	1.3
NASDAQ Composite: 17,733	0.3%	6.0%	18.6%	40.4	35.8	0.7	0.8
Best Performing Sector (weekly): Energy	2.7%	-1.3%	10.9%	13.4	11.0	3.1	3.9
Worst Performing Sector (weekly): Materials	-1.1%	-3.0%	4.0%	25.6	18.5	1.9	1.9

Source: Factset. Data as of 06/28/2024

Bond/Commodity/Currency Recap			
Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	-0.6%	0.9%	-0.3%
West Texas Intermediate (WTI) Oil: $81.52	1.0%	5.9%	13.4%
Spot Gold: $2,326.72	0.2%	0.0%	12.8%
U.S. Dollar Index: 105.87	0.1%	1.1%	4.5%
Government Bond Yields	Yield Chg		
	Weekly	MTD	YTD
2-year U.S. Treasury Yield: 4.71%	-2 bps chg	-16 bps chg	45 bps chg
10-year U.S. Treasury Yield: 4.37%	12 bps chg	-12 bps chg	48 bps chg

Source: Factset. Data as of 06/28/2024. bps = basis points

YTD Total Returns by S&P 500 Sector



Source: S&P Global, Factset. Data as of 06/28/2024

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 slightly higher open.** After the S&P 500 Index and NASDAQ Composite posted solid results in June, and for the second quarter, stocks open up the second half, facing a key question: *Can economic/profit growth remain positive and help fuel a broader rally?* In order for that question to be answered positively, we believe Big Tech stocks need to avoid a major hiccup, inflation needs to continue to ebb lower, and Federal Reserve policy needs to move in a less restrictive direction by year-end. Conditions around growth in the economy and labor trends may start to take precedence in shaping Fed policy in the second half, particularly if inflation begins to fall quicker than it did in the first half.

Europe:

Marine Le Pen's far-right National Rally dominated the first round of French parliamentary elections on Sunday. Several three-party second-round elections now pave the way for complex negotiations between French centrist and left-wing parties to back their strongest candidates and force others to drop out to stop an absolute parliamentary majority by National Rally. At mid-day, French markets appear to be looking past the political uncertainty and moving higher by over +1.5%. The second round of voting takes place on July 7th. This week, UK voters will head to the polls on July 4th. Most political watchers expect the Conservative Party to lose their majority to the Labor Party. In Eurozone data this week, preliminary looks at June CPI and final reads on PMI will be the focus.

Asia-Pacific:

Official June manufacturing PMI was unchanged at 49.5 versus May's level, while Caixin manufacturing PMI remained in expansion at 51.8, a tick better than May's reading of 51.7. However, official nonmanufacturing PMI came in at 50.5 last month, weaker than the 51.1 level the prior month. Modest-to-weak domestic demand in China continues to weigh on the growth outlook.

WORLD CAPITAL MARKETS

7/1/2024 **As of: 8:30 AM ET**

Americas	% chg.	% YTD	Value
S&P 500	-0.4%	15.3%	5,460.5
Dow Jones	-0.1%	4.8%	39,118.9
NASDAQ Composite	-0.7%	18.6%	17,732.6
Russell 2000	0.5%	1.7%	2,047.7
Brazil Bovespa	-0.3%	-7.7%	123,907
S&P/TSX Comp. (Canada)	-0.3%	6.1%	21,875.8
Russell 3000	-0.3%	13.6%	3,099.2

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.9%	12.2%	4,938.5
FTSE 100 (U.K.)	0.3%	8.2%	8,187.6
DAX Index (Germany)	0.3%	9.2%	18,292.8
CAC 40 (France)	1.5%	3.5%	7,594.4
FTSE MIB (Italy)	1.6%	11.0%	33,691.5
IBEX 35 (Spain)	1.0%	12.2%	11,056.1
MOEX Index (Russia)	3.2%	3.4%	3,123.4

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.1%	19.4%	39,631.1
Hang Seng (Hong Kong)	0.0%	6.2%	17,718.6
Korea Kospi 100	0.2%	6.4%	2,804.3
Singapore STI	0.2%	5.9%	3,338.6
Shanghai Comp. (China)	0.9%	0.7%	2,994.7
Bombay Sensex (India)	0.6%	10.9%	79,476.2
S&P/ASX 200 (Australia)	-0.2%	4.6%	7,750.7

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-0.2%	11.6%	802.0

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.0%	5.8%	2,314.6

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.4%	7.6%	1,086.3

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	-1.6%	26.7%	310.2
Consumer Discretionary	-1.4%	5.7%	1,492.1
Consumer Staples	-0.5%	9.0%	819.9
Energy	0.4%	10.9%	698.2
Financials	0.4%	10.2%	684.3
Health Care	-0.1%	7.8%	1,700.3
Industrials	0.1%	7.8%	1,032.0
Materials	0.0%	4.0%	556.5
Real Estate	0.6%	-2.4%	241.2
Technology	-0.4%	28.2%	4,341.1
Utilities	-1.1%	9.4%	346.3

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.6%	13.5%	288.7
FTSE NAREIT Comp. TR	0.9%	-2.2%	23,399.6
DJ US Select Dividend	0.6%	5.0%	3,153.5
DJ Global Select Dividend	0.6%	4.3%	223.5
S&P Div. Aristocrats	-0.2%	2.2%	4,365.1

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.5%	-0.7%	2,146.6
Barclays HY Bond	0.1%	2.6%	2,544.1

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.1%	2.4%	556.5
NYMEX WTI Crude (p/bbl.)	0.5%	14.4%	82.0
ICE Brent Crude (p/bbl.)	0.6%	11.0%	85.5
NYMEX Nat Gas (mmBtu)	-1.8%	1.6%	2.6
Spot Gold (troy oz.)	0.3%	13.2%	2,334.5
Spot Silver (troy oz.)	0.3%	22.8%	29.2
LME Copper (per ton)	0.9%	11.7%	9,456.0
LME Aluminum (per ton)	1.6%	6.1%	2,487.8
CBOT Corn (cents p/bushel)	-0.5%	-16.8%	418.8
CBOT Wheat (cents p/bushel)	0.0%	-12.6%	573.5

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.3%	-2.6%	1.07
British Pound (£/$)	0.2%	-0.4%	1.27
Japanese Yen ($/¥)	-0.1%	-12.5%	161.11
Australian Dollar (A$/$)	0.1%	-2.0%	0.67
Canadian Dollar ($/C$)	-0.1%	-3.3%	1.37
Swiss Franc ($/CHF)	-0.3%	-6.6%	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 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.

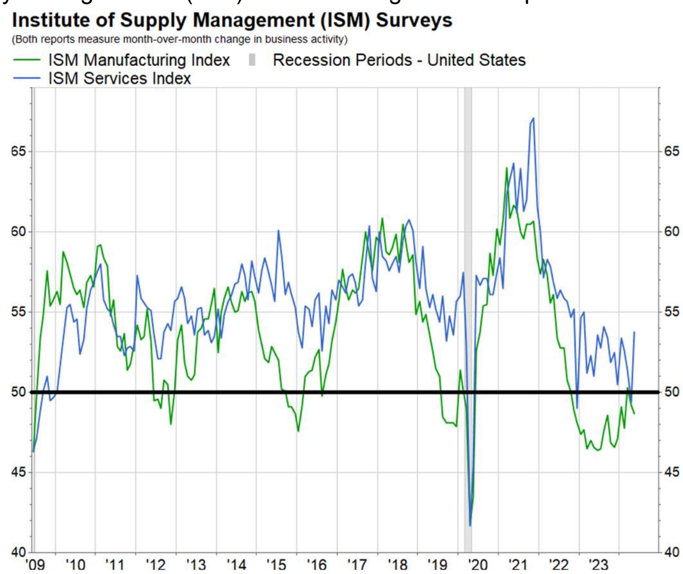
The Week Ahead:

Russell T. Price, CFA, Chief Economist

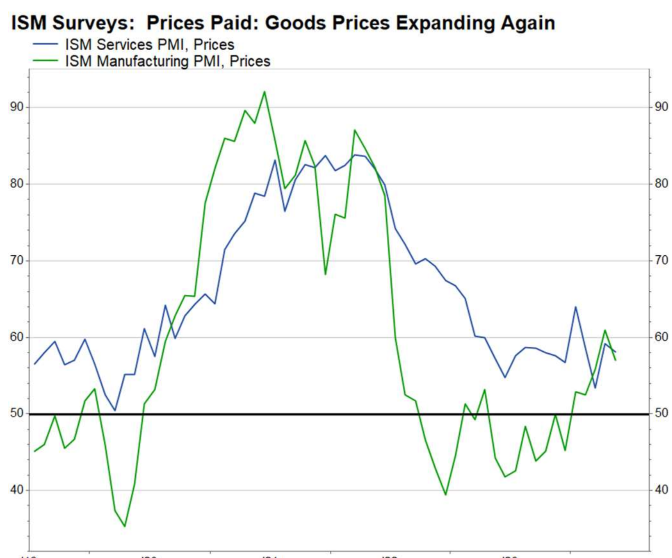
Unless otherwise noted, all economic estimates are sourced from Bloomberg and all corporate earnings measures are sourced from FactSet.

- **Q2 Earnings Update:** The second quarter earnings release season will ramp up over the next few weeks. S&P 500 **earnings per share (EPS) are expected to have grown by 8.3% year-over-year (y/y) on sales growth of about 4.4%**.

- **The Economic Calendar:** There are a number of key economic releases in this holiday-abbreviated week. Markets are closed on Thursday and open for a partial day on Friday. The Employment Report on Friday is always a potential market mover and given the extra importance of labor market conditions of late (relative to potential Fed policy decisions), this week's Labor Department release should again be influential.
- **June ISM Manufacturing Index:** The Institute of Supply Management's (ISM) Manufacturing Index is expected to show another month of slight contraction when reported for the month of June today. The Index has been in contraction territory for 18 out of the last 19 months with just March 2024 standing out as the only period to post a slight expansion.

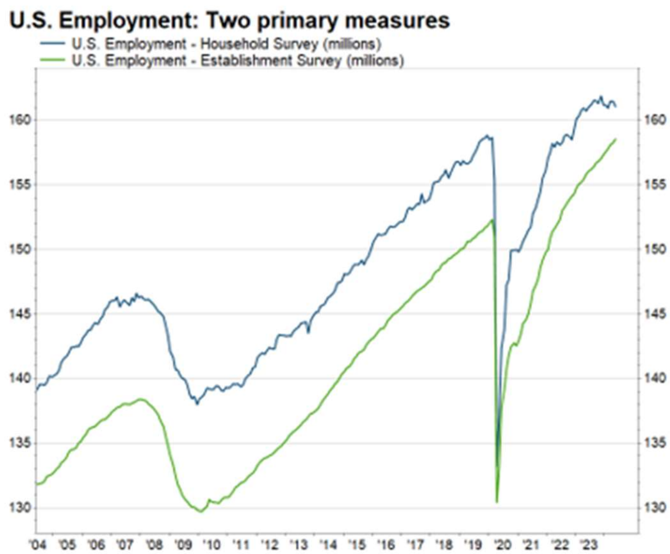


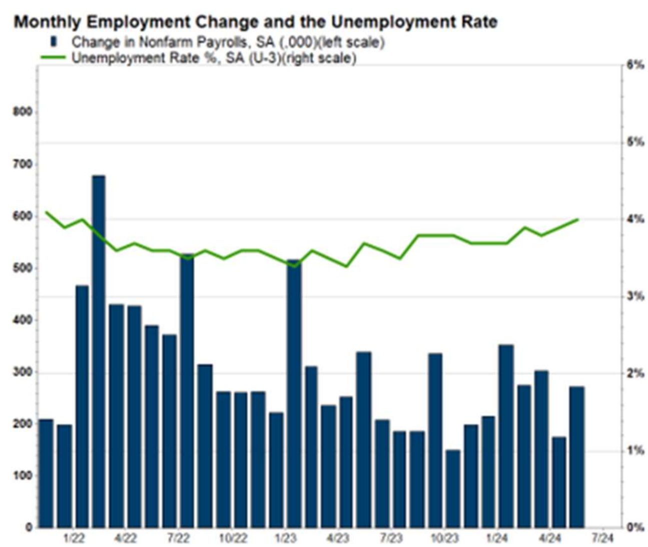
- Negative readings for the ISM measures should not be interreted as a total decline in output, however. The measures equally weight the responses from companies of varying size which can mask periods of more concentrated weakness or expansion. Further, the ISM measures (Manufacturing and Services) are diffusion indices with a breakeven level of 50. Readings above 50 indicate month-over-month expansion in the respective sector while numbers below suggest contraction m/m. *The charts at right are sourced from FactSet.*
- A consensus of forecasters as surveyed by Bloomberg look for the Manufacturing Index to post a reading of 49.1 with today's release for June.
- **June ISM Services Index:** The ISM Manufacturing Index's sister report, this one covering the broad Services side of the economy, is due out on Wednesday. Here, conditions are somewhat reversed relative to manufacturing. As seen in the chart at right, the Services sector recorded its first contractionary reading in April (49.4) following 15 straight months of expansion. It posted a strong recovery in May, however, reaching its best level since August 2023. The Bloomberg consensus looks for the measure to have remain in expansion mode with a predicted June reading of 52.5.



- **June Auto Sales:** Monthly auto sales typically garner a decent amount of media attention, but the results rarely have an influence on broader financial market activity. That's likely to be the case again this week, however, Tuesday's reported sales figures will bring to light a factor that most people are unaware of: that monthly auto sales represent sales from automakers to dealers, not dealers to end consumers. "Fleet" sales, which are those made to rental, government, or utilities, etc., are also included in the reported industry SAAR (Seasonally Adjusted Annualized Rate).
- This month the issue will come to light because of the operating systems outage affecting many of the nation's auto dealers that likely curtailed end-customer deliveries significantly last month. Its not clear if the system also handles the intake of new inventory which could impact the auto sales SAAR.

- **<u>June Employment Report:</u>** Forecasters as surveyed by Bloomberg estimate June employment to have grown by 190,000 net new jobs versus the 272,000 reported for May. To put these numbers in perspective, in 2019 (pre-pandemic) average monthly job creation was +167,000, a pace that produced a year-ending unemployment rate of 3.6%.
- Forecasters have been predicting a weakening of net new hiring for more than a year. Indeed, overall labor market data continues to suggest a limited number of individuals still on the sidelines and available to be brought back into the fold. The Nonfarm Payroll results have also gone against the
- Household Survey has also indicated the month-over-month employment declines in four of the last six months totaling a net loss of positions totaling -786,000. We note that the Household survey measures the number of people with at least one job. The Establishment survey, meanwhile, measures the total number of jobs. Thus, the difference between the two measures always includes at least a portion of people that have more than one job. *The charts below are sourced from FactSet.*





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

July 1	2	3	4	5
ISM Manufacturing Index	**JOLTS / Job Openings**	**Initial Jobless Claims**	**Independence Day**	**Employment Report**
Construction Spending	**U.S. Auto Sales**	**Challenger Layoff Notices**	**U.S. Markets Closed**	*Retail Sales - Eurozone*
Inflation - S. Korea	*Services PMI - China*	**Trade Balance**		
Consumer Confidence - Japan	*Services PMI - Japan*	**ADP Employment Estimate**		
Manufacturing PMI - Eurozone	*Inflation - Eurozone*	**ISM Services Index**		
		June 12th FOMC Minutes	*Trade - Japan*	
		Services PMI - Eurozone		

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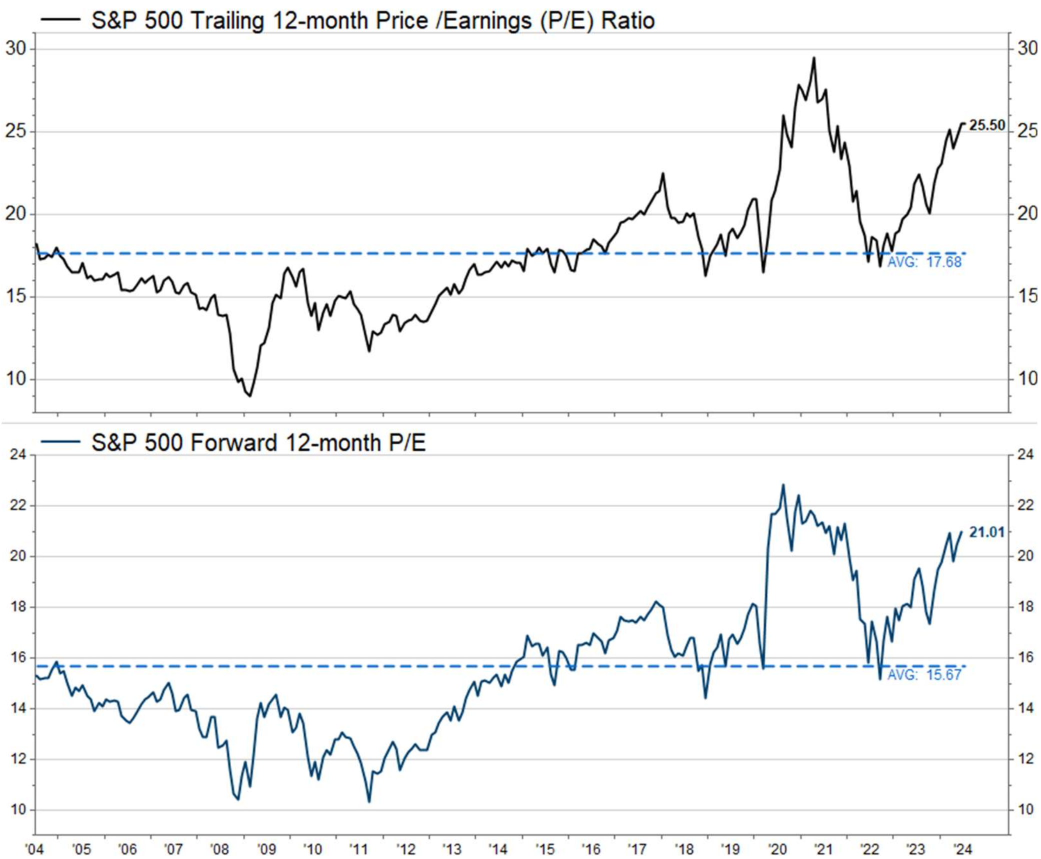
Where Market Fundamentals Stand Heading into The Week:

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
7/1/2024	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 $$ amount				$54.05	$56.65	$55.61	$53.43	$53.34	$54.52	$58.91	$55.56	$56.49	$58.99	$63.22	$65.08	
change over last week												$0.00	-$0.18	-$0.28	-$0.18	-$0.74
yr/yr				10.2%	7.3%	3.2%	-3.5%	-1.3%	-3.8%	5.0%	4.0%	5.9%	8.2%	7.3%	17.1%	
qtr/qtr				-2.4%	4.8%	-1.8%	-3.9%	-0.2%	2.2%	8.1%	-5.7%	1.7%	4.4%	7.2%	2.9%	
Trailing 4 quarters $$	$163.13	$140.46	$210.86	$216.10	$219.95	$221.69	$219.74	$219.03	$216.90	$220.20	$222.33	$225.48	$229.95	$234.26	$243.78	$278.83
yr/yr % change	1.0%	-13.9%	50.1%				4.2%				1.2%				9.6%	14.4%
Implied P/E based on a S&P 500 level of: 5460												24.2	23.7	23.3	22.4	19.6

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday July 1, 2024 — **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
10:00 AM	JUN	ISM Manufacturing Index	49.6		49.2	
10:00 AM	JUN	ISM Prices Paid	59.5		60.9	
10:00 AM	JUN	ISM New Orders	49.6		49.1	
10:00 AM	JUN	ISM Employment	49.6		48.6	

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%	2.1%	1.8%	2.1%	4.9%	3.4%	1.4%	1.4%	2.5%	1.9%
Unemployment Rate	3.6%	3.7%	4.1%	4.2%	3.6%	3.8%	3.7%	3.8%	3.9%	4.1%	4.1%
CPI (YoY)	8.0%	3.4%	2.6%	2.0%	3.0%	3.7%	3.4%	3.5%	3.1%	2.7%	2.6%
Core PCE (YoY)	5.2%	2.9%	2.4%	2.0%	4.3%	3.6%	2.9%	2.8%	2.6%	2.5%	2.4%

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: July 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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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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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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