

Before the Bell

An Ameriprise Investment Research Group Publication

September 30, 2024

Starting the Day

- U.S. futures are pointing to a slightly weaker open.
- European markets are trading lower at midday.
- Asian markets ended mixed overnight.
- S&P 500 advances for the sixth week in seven.
- Employment data this week may inform size of future cuts.
- 10-year Treasury yield at 3.77%.
- West Texas Intermediate (WTI) oil is trading at \$67.90.
- Gold is trading at \$2,658.00

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Weekly Market Perspectives: The S&P 500 Index capped its sixth week of gains over the last seven and posted its 42nd closing high of the year last week. Major U.S. stock averages continued to stretch gains following the Federal Reserve's outsized rate cut the week before as well as incoming data last week that showed U.S. economic conditions continue to point to further rate easing ahead. Unexpected and somewhat aggressive fiscal/monetary stimulus announcements out of China also kept global stocks moving higher as the third quarter comes to a close.

Last Week in Review:

- The S&P 500 gained +0.6%. The Index is higher by +21.6% year-to-date, higher by +1.7% in September, and higher by +2.1% since the Federal Reserve lowered its fed funds target rate on September 18th. Notably, the S&P 500 is on pace for its first positive September performance since 2019.
- Utilities have jumped to the head of the class in terms of sector performance this year, higher by over +30.0%. Come to find out powering artificial intelligence takes a lot of electricity. Renewed interest in nuclear energy capabilities grabbed headlines and stock prices last week. Combined with a recent rotation into cyclical areas outside of Big Tech, Utilities now lead S&P 500 sectors higher on the year, surpassing Info Tech and Communication Services.
- The NASDAQ Composite and Dow Jones Industrials Average gained +1.0% and +0.6%, respectively.
- U.S. Treasury prices ended mixed across the curve, though yields are on pace for meaningful September declines.
- Gold notched another record high, The U.S. Dollar Index moved lower, and West Texas Intermediate (WTI) crude fell.
- On the U.S. economic front, the Fed's preferred measure of core inflation increased less than expected in August, while readings on personal income and spending last month pointed to further consumer normalization patterns. Mixed data on a final look at September Michigan consumer sentiment and the government's consumer confidence figures point to a cautious but still healthy consumer backdrop. Weekly jobless claims came in weaker than expected, while new home sales declined less than expected for August.
- In China, several announcements, including rate cuts and pledges by government officials to ramp up fiscal support to boost economic growth and combat an ongoing residential property slump, helped the Hang Seng Index gain +13%, posting its best week in 26 years.
- In the background, a potential East Coast/Gulf Coast port strike this week, an ongoing Boeing union strike, and rising tensions between Israel and Hezbollah simmered but had little effect on moving stock and bond prices.

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

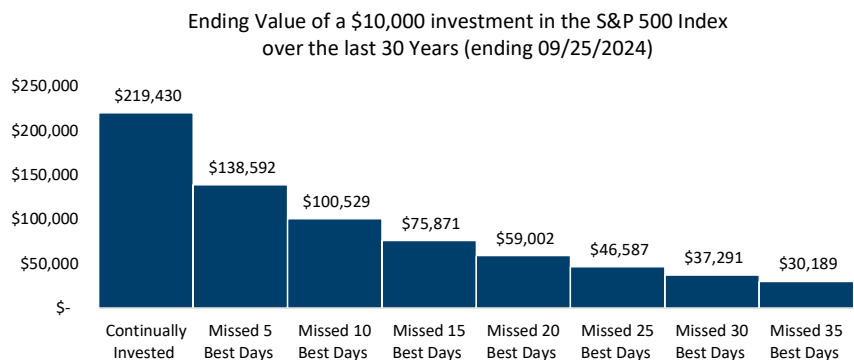
Procrastination is an investor's worst enemy.

Coming into the year, elevated inflation, high interest rates, and slowing consumer/business activity were investors' top concerns, leading some to underweight equities versus their strategic targets for fear the U.S. was on the verge of rolling over into a recession. Instead, inflation has moderated lower all year, government bond yields are on a downward slope, and consumer and business activity has remained resilient.

Simply, fear of a recession, which left some investors underexposed to equities this year, never came to pass. The future is always unknown. Are inflation and rates still too high, given the current state of the economy, and does that create a risk of a downturn? Yes. But below the surface, most (if not all) of the elevated inflation today resides in shelter costs. Most components of inflation are running at or below the Fed's 2.0% target. And while policy rates remain high by some measures, they are widely expected to ease back to more normalized levels over the coming quarters.

Easing inflation and interest rate pressures increase the odds consumers and businesses could remain resilient, which would likely lead to stable-to-growing profit conditions for corporate America over the coming quarters. Boiled down to its simplest form, this type of setup is usually a positive for stocks and a central reason several U.S. equity benchmarks have climbed higher post-Fed decision, despite already strong year-to-date gains.

As we have been reminding investors from time to time over the third quarter, set a disciplined investment strategy and stick to it. With the fourth quarter approaching, use any potential volatility between now and year end to your advantage by deploying a systematic dollar-cost-averaging strategy into high-quality stocks and bonds with excess cash earmarked for investments. Review your risk tolerance and make sure your portfolio has the right balance of stocks/bonds/cash/alternatives based on your goals.



Source: Bloomberg, Standard and Poor's, American Enterprise Investment Services, Inc.. Returns assume investor was fully and continually invested in the S&P 500 Total Return Index except for the days specified. Calculations assume no fees or transaction costs. Past performance is not a guarantee of future results.

If you've been waiting to get back into the market with cash on the sidelines, history is very clear — procrastination is your worst enemy. The chart at the top shows the value of a \$10,000 investment into the S&P 500 Index over the last thirty years and subsequently missing the "best" performance days due to market timing, procrastination, fear, etc. Missing just 5 to 35 days over a 30-year window is not a lot of days and seriously impairs an investor's performance.

Bottom line: Don't let fear of the unknown, concerns about the upcoming U.S. election, the state of the economy, geopolitical tensions, or whatever other reason is preventing you from putting excess cash to work act to derail your investment goals. The U.S. economy is on a solid foundation, corporate profits are growing, and inflation and interest rates are headed lower. In our view, fourth quarter updates on each of these fundamental factors versus expectations could play a significant role in how asset prices perform through year-end.

Undercurrents that may be less favorable for equities (e.g., Q3 earnings reports that disappoint expectations or drive down 2025 profit estimates) may slow stock momentum for a period as expectations adjust. Of course, some volatility around the U.S. election or a surprise outcome that leads to one-party control in Washington could also put investors on edge for a short time. Still, in our view, that shouldn't derail a relatively healthy fundamental backdrop if a recession is avoided and the stock rally continues to broaden outside of Technology as profit growth expands.

The Week Ahead:

Key employment updates this week could help shape expectations for the size of the Fed's next rate cut, while a Vice Presidential debate on Tuesday could be the last time before the candidates at the top of the ticket square off.

- Economists expect job growth continued to cool in September, while open roles ticked down in August. If such conditions are met, market odds for another 50-basis point Fed rate cut in November could increase, which may place a tailwind behind stock prices as the fourth quarter gets moving.

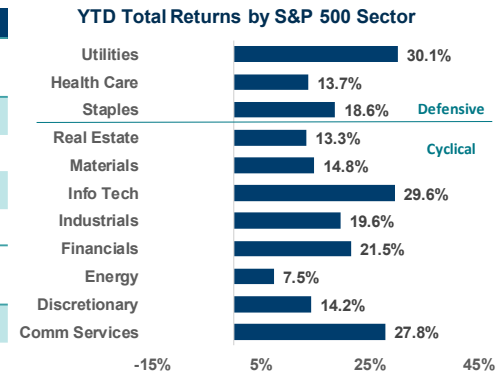
- With 36 days left until the U.S. election, Minnesota Governor Tim Walz and Ohio Senator JD Vance will face off head-to-head in Tuesday's Vice-Presidential debate at 9 pm EST. With early voting already beginning in some states, there is precious little time for the Harris/Trump campaigns to sway undecided voters.
- In the background, updates on ISM manufacturing/services activity, durable/factory orders, and several Federal Reserve speeches, including from Fed Chair Powell on Monday, will grab investor's attention.

Stock Market Recap							
Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 5,738	0.6%	1.7%	21.6%	26.9	22.7	1.2	1.5
Dow Jones Industrial Average: 42,313	0.6%	1.9%	13.9%	24.2	20.3	1.7	2.0
Russell 2000 Index: 5,529	-0.1%	0.4%	10.9%	61.4	38.4	1.3	1.3
NASDAQ Composite: 18,120	1.0%	2.4%	21.4%	40.0	37.1	0.7	0.8
Best Performing Sector (weekly): Materials	3.4%	3.2%	14.8%	28.7	18.7	1.7	1.9
Worst Performing Sector (weekly): Health Care	-1.1%	-2.3%	13.7%	31.7	22.2	1.5	1.6

Source: Factset. Data as of 09/27/2024

Bond/Commodity/Currency Recap			
Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	0.0%	1.6%	5.1%
West Texas Intermediate (WTI) Oil: \$68.13	-6.3%	-8.6%	-5.2%
Spot Gold: \$2,658.55	1.4%	6.2%	28.9%
U.S. Dollar Index: 100.38	-0.3%	-1.3%	-0.9%
Government Bond Yields	Yield Chg		
	Weekly	MTD	YTD
2-year U.S. Treasury Yield: 3.54%	-5 bps chg	-39 bps chg	-71 bps chg
10-year U.S. Treasury Yield: 3.75%	2 bps chg	-17 bps chg	-14 bps chg

Source: Factset. Data as of 09/27/2024. bps = basis points



Source: S&P Global, Factset. Data as of 09/27/2024

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 lower open.** Trading activity in the premarket this morning is quiet following three straight weeks of gains for the S&P 500 and NASDAQ Composite. If stocks can avoid a major disruption today, the S&P 500 will close out September with its first gain since 2019. While some weak seasonality factors can play out in early October, the S&P 500 has averaged a +4.2% return in the fourth quarter since 2000 and averaged a +9.8% Q4 return over the last five years.

Europe:

Preliminary looks at inflation this week will be in focus, with Germany and the overall Eurozone possibly seeing headline CPI readings below +2.0% for September. Following weaker preliminary inflation readings out of France and Spain last week, falling inflation pressures in Germany and the Eurozone this week could increase pressure on the European Central Bank to accelerate its rate easing cycle.

Asia-Pacific:

China officials announced more policy support on Sunday, with announced measures designed to help the real estate market. Mortgage rates on existing loans will be adjusted lower by October 31st. Minimum down payments for housing mortgages will be reduced to 15%, and new borrowers will have the option to take out a fixed- or floating-rate loan. Elsewhere, official China manufacturing PMI for September came in slightly better than expected and above August levels but remained in contraction.

Official China non-manufacturing PMI for September came in weaker-than-expected and below August's level but remained in expansion.

WORLD CAPITAL MARKETS

9/30/2024

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	-0.1%	21.6%	5,738.2	DJSTOXX 50 (Europe)	-1.1%	14.1%	5,010.4	Nikkei 225 (Japan)	-4.8%	15.1%	37,919.6
Dow Jones	0.3%	13.9%	42,313.0	FTSE 100 (U.K.)	-0.8%	10.0%	8,255.5	Hang Seng (Hong Kong)	2.4%	29.2%	21,133.7
NASDAQ Composite	-0.4%	21.4%	18,119.6	DAX Index (Germany)	-0.8%	15.3%	19,318.0	Korea Kospi 100	-2.1%	-1.3%	2,593.3
Russell 2000	0.7%	10.9%	2,224.7	CAC 40 (France)	-1.8%	4.4%	7,648.3	Singapore STI	0.3%	16.1%	3,585.3
Brazil Bovespa	-0.2%	-1.1%	132,730	FTSE MIB (Italy)	-1.8%	12.3%	34,098.9	Shanghai Comp. (China)	8.1%	12.2%	3,336.5
S&P/TSX Comp. (Canada)	-0.3%	17.0%	23,956.8	IBEX 35 (Spain)	-0.7%	21.6%	11,880.0	Bombay Sensex (India)	-1.5%	18.0%	84,299.8
Russell 3000	-0.1%	20.2%	3,269.0	MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A	S&P/ASX 200 (Australia)	0.7%	13.4%	8,269.8
Global	% chg.	% YTD	Value	Developed International	% chg.	%YTD	Value	Emerging International	% chg.	%YTD	Value
MSCI All-Country World Idx	0.3%	19.2%	852.8	MSCI EAFE	1.1%	15.3%	2,506.7	MSCI Emerging Mkts	1.0%	17.5%	1,174.5

Note: International market returns shown on a local currency basis. The equity Index data shown above is on a total return basis, inclusive of dividends.

S&P 500 Sectors	% chg.	% YTD	Value	Equity Income Indices	% chg.	% YTD	Value	Commodities	% chg.	% YTD	Value
Communication Services	0.5%	27.8%	312.1	JPM Alerian MLP Index	0.8%	12.0%	284.8	CRB Raw Industrials	0.0%	2.2%	555.7
Consumer Discretionary	-0.1%	14.2%	1,609.9	FTSE NAREIT Comp. TR	0.2%	13.4%	27,122.2	NYMEX WTI Crude (p/bbl.)	-0.5%	-5.3%	67.9
Consumer Staples	0.0%	18.6%	887.0	DJ US Select Dividend	0.5%	18.5%	3,557.0	ICE Brent Crude (p/bbl.)	-0.6%	-7.2%	71.5
Energy	2.1%	7.5%	670.9	DJ Global Select Dividend	-0.4%	15.0%	243.0	NYMEX Nat Gas (mmBtu)	-0.1%	15.4%	2.9
Financials	0.3%	21.5%	751.8	S&P Div. Aristocrats	0.3%	13.9%	4,866.9	Spot Gold (troy oz.)	-0.6%	28.0%	2,641.4
Health Care	0.0%	13.7%	1,785.6					Spot Silver (troy oz.)	-0.8%	31.6%	31.3
Industrials	0.2%	19.6%	1,141.6	Bond Indices	% chg.	% YTD	Value	LME Copper (per ton)	-1.0%	16.3%	9,846.5
Materials	-0.2%	14.8%	611.4	Barclays US Agg. Bond	0.3%	4.7%	2,263.4	LME Aluminum (per ton)	1.2%	12.1%	2,630.2
Real Estate	0.2%	13.3%	278.3	Barclays HY Bond	0.2%	8.0%	2,677.9	CBOT Corn (cents p/bushel)	-0.1%	-17.0%	417.8
Technology	-1.0%	29.6%	4,378.5					CBOT Wheat (cents p/bushel)	0.7%	-12.7%	584.3
Utilities	1.0%	30.1%	408.6								
Foreign Exchange (Intra-day)	% chg.	% YTD	Value	Japanese Yen (\$/¥)	% chg.	% YTD	Value	Canadian Dollar (\$/C\$)	% chg.	% YTD	Value
Euro (€/€)	0.3%	1.4%	1.12	Australian Dollar (A\$/S)	0.3%	1.7%	0.69	Swiss Franc (S\$/CHF)	-0.3%	-0.2%	0.84
British Pound (£/£)	0.2%	5.3%	1.34								

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	S&P 500 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
Consumer Staples 5.8%	Overweight	2.0%	7.8%	Industrials 8.1%	Equalweight	-	8.1%
Information Technology 32.5%	Equalweight	-	32.5%	Energy 3.6%	Equalweight	-	3.6%
Financials 12.3%	Equalweight	-	12.3%	Utilities 2.3%	Equalweight	-	2.3%
Health Care 11.7%	Equalweight	-	11.7%	Materials 2.2%	Equalweight	-	2.2%
Communication Services 9.4%	Equalweight	-	9.4%	Real Estate 2.1%	Equalweight	-	2.1%
				Consumer Discretionary 10.0%	Underweight	-2.0%	8.4%

As of: June 30, 2024

Index weightings represent the respective market capitalization of each sector in the S&P 500 as of 6/30/2024. 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	MSCI All-Country World Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
United States 63.6%	Overweight	2.1%	65.7%	Latin America 0.8%	Equalweight	-	0.8%
Europe ex U.K. 12.8%	Overweight	2.0%	14.8%	Asia-Pacific ex Japan 10.6%	Underweight	-3.0%	7.6%
Japan 5.1%	Overweight	1.0%	6.1%	Canada 2.7%	Underweight	-1.0%	1.7%
United Kingdom 3.3%	Equalweight	-	3.3%	Middle East / Africa 1.1%	Underweight	-1.1%	0.0%

as of: June 30, 2024

Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 06/30/2024. 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.

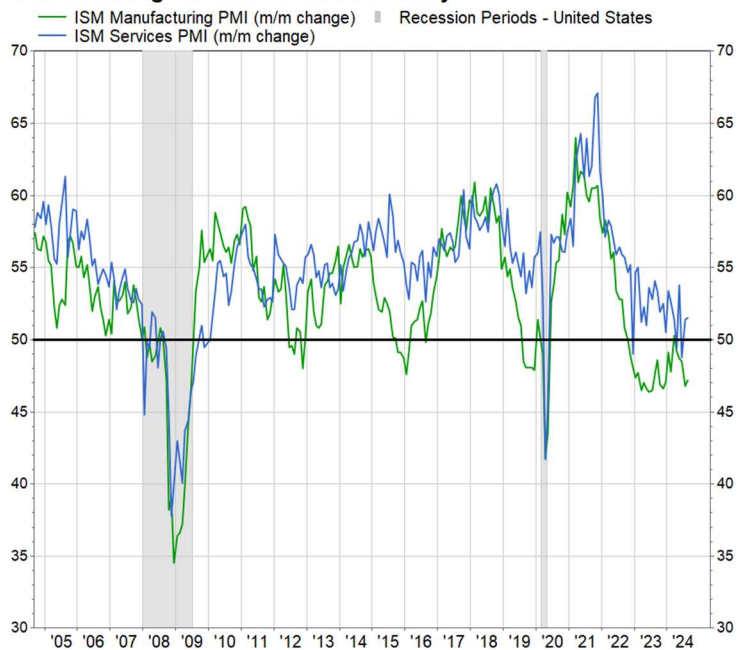
The Week Ahead:

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.

- Q3 Earnings Outlook:** As the third quarter comes to a close, consensus estimates for period look for S&P 500 companies to post year-over-year (y/y) earnings growth of 4.3% on sales growth of 4.5%. Such estimates, however, are down materially from earlier expectations. At the start of the quarter (July 1) analyst consensus estimates for the period were looking for Q3 EPS growth of +7.3%.
- The Economic Calendar:** Investors will have a steady stream of economic data to consider this week. The Institute of Supply Management (ISM) will issue its measures of activity in both the Manufacturing and Services sectors, and we'll close out the week with the ever-important Employment Report from the Labor Department on Friday.
- September Manufacturing Activity:** The ISM is scheduled to release its September Manufacturing Index on Tuesday. Forecasters as surveyed by Bloomberg see the Index as remaining below the '50' threshold, thus another month in contractionary territory. If the reading does come-in below 50 it would mark the 22nd time in the last 23 months that the report indicated a month-over-month contraction.
- September Service sector activity:** The ISM will release its Services sector report on Thursday. Here, the measure is expected to post another month in expansionary territory. The Bloomberg consensus looks for a reading of 51.6 (versus the 51.5 reported for August). If so, it would be the 22nd month of expansion for the sector out of the last 24 months.
- September Employment Report:** The recent slowdown in net new hiring, combined with the Fed's response via a 50-basis point cut in the overnight fed funds rate, makes the focus on these monthly reports that much more critical for investors. Through August, the 3-month moving average of net new hiring was down to just +116,000 while the 6-month average is at a better +164,000. As the economy continues to grow, we expect the monthly employment figures to remain positive, on average, but at the slower pace that has been observed over the last 3 years.
- Currently, the Bloomberg consensus looks for September nonfarm payroll growth of about 142,000. This compares to the reported gain of 146,000 for August. The Unemployment Rate, meanwhile, is projected to remain flat at 4.2%.

Manufacturing and Service Sector Activity:



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

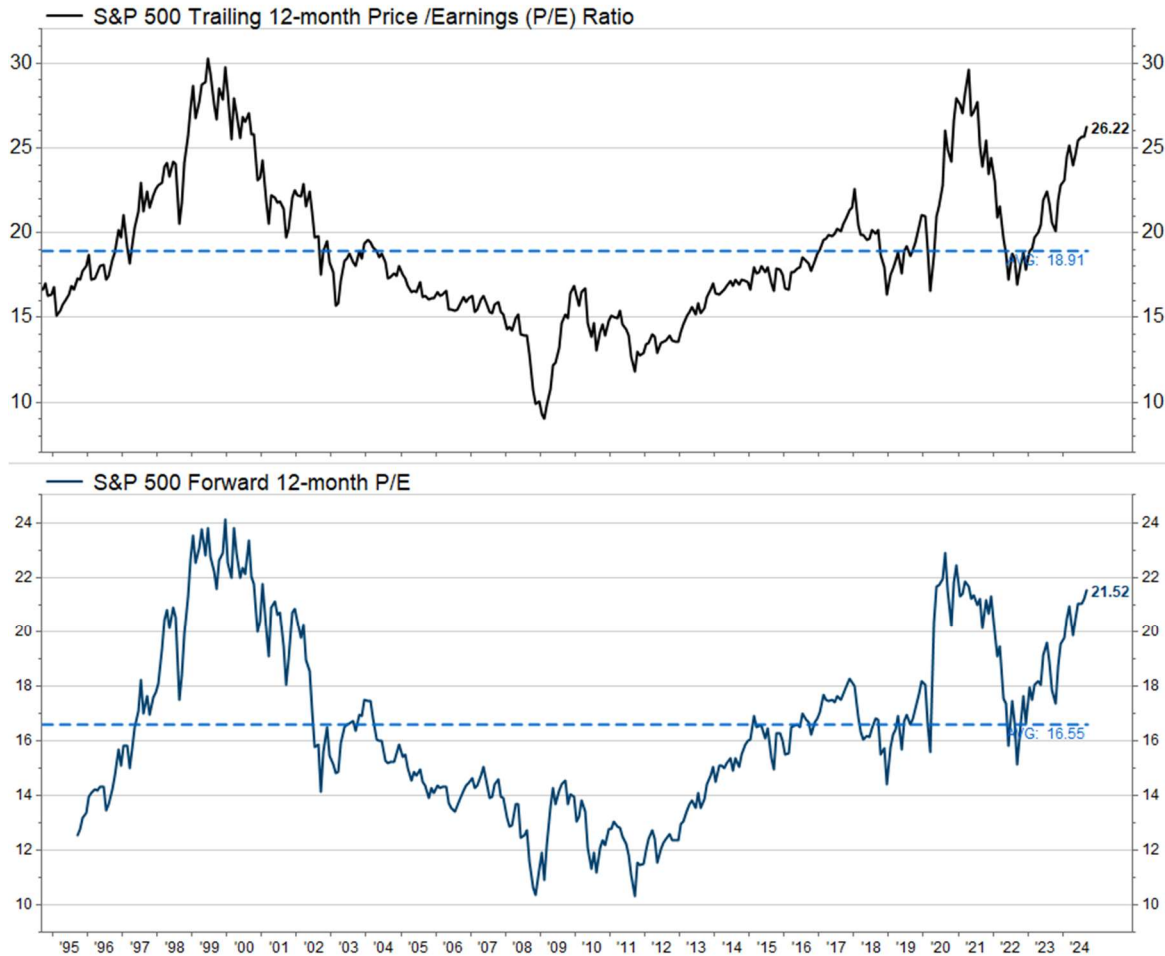
September 30	October 1	2	3	4
Chicago Purch. Mgr. Index	ISM Manufacturing Index	ADP Employment Estimate	Initial Jobless Claims	Employment Report
Dallas Fed Mfg. Index	Construction Spending	Services PMI - Japan	Challenger Layoff Notices	Bank Lending - India
Trade - S. Korea	JOLTS / Job Openings	Consumer Confidence - Japan	Factory Orders	
Employment - Japan	U.S. Auto Sales	Unemployment - Eurozone	ISM Services Index	
Business Sentiment - Japan	Inflation - S. Korea		Services PMI - Eurozone	
	Inflation - Eurozone			
	Manufacturing PMI - Eurozone			

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.

S&P 500 Valuation



Consensus Earnings Estimates: Source: FactSet

Please note: The consensus earnings estimates shown below should be 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	2020	2021	2022	2023				2024				2025				2026
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Est.	Est.	Est.	Est.	Est.	Est.	
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY
8/27/2024				\$53.34	\$54.52	\$58.91	\$55.56	\$56.45	\$60.55	\$60.83	\$63.69	\$64.30	\$68.26	\$70.78	\$73.08	na
Quarterly \$\$ amount change over last week																
yr/yr				-1.4%	-3.8%	5.8%	3.9%	5.8%	11.1%	5.0%	14.6%	13.9%	12.7%	16.4%	14.7%	
qtr/qtr				-0.2%	2.2%	8.1%	-5.7%	1.6%	7.3%	0.5%	4.7%	1.0%	6.2%	3.7%	3.2%	
Trailing 4 quarters \$\$	\$143.08	\$211.09	\$222.33	\$219.17	\$216.99	\$220.24	\$222.33	\$225.44	\$231.47	\$233.39	\$241.52	\$249.37	\$257.08	\$267.03	\$276.42	\$311.21
yr/yr % change	-13.0%	47.5%	4.2%				0.0%				8.6%				14.5%	12.6%
Implied P/E based on a S&P 500 level of:	5738											23.0	22.3	21.5	20.8	18.4

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday September 30, 2024

All times Eastern. Consensus estimates via Bloomberg

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
9:45 AM	SEP	Chicago PMI	46.0		46.1	

Commentary:

- **East and Gulf coast ports set to strike.** Dockworkers and their employers have until tomorrow to reach a new labor contract and the odds are not looking good. A strike at all major East coast and Gulf coast ports is widely expected to begin on Tuesday as the current contract expires at midnight Monday.
- According to Bloomberg, the ports affected have a combined capacity to handle about half of all U.S. container traffic and auto trade. However, energy supplies and bulk cargo will not be affected. Past experiences are of little guidance in this case. The last major International Longshoremen Association (ILA) strike on the East coast was 1977.
- Should a strike linger, the economic impact will be difficult to discern. The U.S. economy's massive trade deficit means we import much more than we export - and imports are a direct subtraction from Gross Domestic Product (GDP). As such, an equal percentage decline in imports and exports both could boost Q4 real GDP. Conversely, consumer spending and business investment spending would be lower as some goods would not be available.
- Prices could also experience fluctuations. However, we believe ports would have to be closed for some time before nonperishable goods see sufficient shortages to cause inflation. Perishable goods, however, such as bananas and other food stuffs could see a quick uptick in prices. Meanwhile, beef, pork and other U.S. agricultural exports could see domestic prices decline if export avenues are closed.
- For its part, the Biden Administration has said it will not intercede in the negotiations, but they have met with both sides to stress the importance of reaching an agreement quickly.

East and Gulf Coast Ports' Share of Key Goods

% share of imports and exports most affected by strike	Imports	Exports
Tin products	85.5	—
Tobacco, nicotine	78.0	—
Dairy products, eggs, honey	75.3	—
Synthetic fibers, yarns, woven fabrics	72.8	—
Carpets, textile floor coverings	72.5	—
Coffee, tea, spices	70.7	—
Ships, boats, floating structures	65.6	—
Essential oils, perfumes, cosmetics	61.5	—
Copper products	61.4	—
Tobacco, nicotine	—	85.1
Synthetic fibers, yarns, woven fabrics	—	76.6
Wood pulp, recovered waste	—	69.1
Ships, boats, floating structures	—	57.1
Cotton products	—	53.1
Arms and ammunition	—	47.7
Wood products	—	46.5
Food industry residues, animal feed	—	45.6
Beverages, spirits, and vinegar	—	45.0

Source: Oxford Economics, USA Trade Online

Bloomberg

Ameriprise Economic Projections											
Forecast:	Full-year				Quarterly						
	Actual	Actual	Est.	Est.	Actual	Actual	Actual	Actual	Est.	Est.	Est.
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Q3-2023</u>	<u>Q4-2023</u>	<u>Q1-2024</u>	<u>Q2-2024</u>	<u>Q3-2024</u>	<u>Q4-2024</u>	<u>Q1-2025</u>
Real GDP (annualized)	1.9%	2.5%	2.6%	1.7%	4.9%	3.4%	1.4%	3.0%	2.4%	1.5%	1.8%
Unemployment Rate	3.6%	3.7%	4.4%	4.2%	3.8%	3.7%	3.8%	4.1%	4.3%	4.4%	4.4%
CPI (YoY)	8.0%	3.4%	2.4%	2.0%	3.7%	3.4%	3.5%	3.0%	2.5%	2.4%	2.1%
Core PCE (YoY)	5.2%	2.9%	2.4%	2.0%	3.6%	2.9%	2.8%	2.6%	2.5%	2.3%	2.2%

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: August 30, 2024

Ameriprise Global Asset Allocation Committee Targets and Views

Targets			
	Favorable Scenario	Base-Case Scenario	Adverse Scenario
2024 Year-end Targets:			
S&P 500 Index:	5,900	5,750	5,000
10-Year U.S. Treasury Yield:	4.00%	3.75%	3.00%
Fed Funds Target Range:	4.50% to 4.75%	4.75% to 5.00%	4.25% to 4.50%

Estimates (Est.) via American Enterprise Investment Services Inc.

Please see latest *Quarterly Capital Market Digest* for more information.

Last Updated: July 8, 2024

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Ameriprise Global Asset Allocation Committee Tactical Asset Class Views

As of 6/30/24

	Overweight	Equalweight	Underweight
Equity	<ul style="list-style-type: none"> U.S. Large Cap Growth Developed Foreign Equity 	<ul style="list-style-type: none"> U.S. Large Cap Value 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"> Europe ex U.K. Japan United States 	<ul style="list-style-type: none"> Latin America United Kingdom 	<ul style="list-style-type: none"> Asia-Pacific ex Japan Canada Middle East / Africa
Fixed Income	<ul style="list-style-type: none"> U.S. Government U.S. Inv. Grd Corporate 	<ul style="list-style-type: none"> Developed Foreign Bond 	<ul style="list-style-type: none"> Emerging Foreign Bond High Yield Bond
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 	

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.

As of June 30, 2024

Major Market Indices	Rolling Returns			
	Q2'24	1-year	3-years	5-years
Russell 3000 [®] Index (U.S. Equity)	3.22%	23.13%	8.05%	14.14%
MSCI ACWI Ex USA Index – net (Foreign Equity)	0.96%	11.62%	0.46%	5.55%
Bloomberg U.S. Universal Bond Index (Fixed Income)	0.19%	3.47%	-2.68%	0.11%
Wilshire Liquid Alternative Index (Alternatives)	0.49%	7.30%	1.37%	2.75%
FTSE Three-Month Treasury Bill Index (Cash)	1.37%	5.64%	3.17%	2.22%

Past performance is not a guarantee of future performance. Performance calculations use FactSet data and are as of Date.

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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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Diversification and **Asset Allocation** do not assure a profit or protect against loss.

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.

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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.

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.

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The **mutual funds** and **ETFs** included in this report are subject to specific risk factors, generally the same as those of the underlying securities and may result in a loss of the principal amount invested.

Non-investment-grade (high-yield or junk) securities present greater price volatility and more risk to principal and income than higher rated securities.

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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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