Before the Bell

An Ameriprise Investment Research Group Publication

October 14, 2024

Starting the Day

- U.S. futures are pointing to a flattish open.
- European markets are trading mixed at midday.
- Asian markets ended higher overnight.
- Stocks rise for the fifth straight week.
- Earnings, retail sales, and home data line the week.
- 10-year Treasury yield at 4.10%.
- West Texas Intermediate (WTI) oil is trading at $73.74.
- Gold is trading at $2,671.10

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Weekly Market Perspectives: Stocks continued to grind higher last week, with the S&P 500 Index finishing above 5,800 for the first time on Friday. The NASDAQ Composite ended the week less than 2.0% away from its July high. Mixed economic releases and the Federal Reserve's minutes from the September meeting kept a rate cut firmly on the table for November, while the kickoff of bank earnings mostly impressed.

Last Week in Review:

- The S&P 500 and NASDAQ finished their fifth straight week higher, rising by +1.1% each.
- The Dow Jones Industrials Average and Russell 2000 Index each rose by roughly +1.0%.
- Banks were also stronger, with JPMorgan Chase and Wells Fargo reporting third-quarter results to help start the earnings season. For example, JPMorgan comfortably surpassed third-quarter profit estimates. At the same time, investors lifted bank shares post-report on Friday as expectations for positive credit trends and improving investment banking/trading/loan activity out into 2025 across the group pushed sentiment higher.
- However, reports from PepsiCo, Domino's Pizza, and Delta Airlines during the week were less impressive, as consumers continued to become more price-sensitive following years of price hikes. Delta noted that the CrowdStrike outage cost the airline $380 million in revenue in the prior quarter while lowering profit guidance for the current quarter.
- September's headline and core Consumer Price Index (CPI) came in slightly warmer than expected, while the September Producer Price (PPI) Index came in largely flat versus August. Notably, annualized headline CPI ended last month at +2.4%, while headline PPI finished at +1.8% year-over-year. Given the current inflation picture, the Federal Reserve's preferred measure of prices (i.e., personal consumption expenditures) may have hit its target of +2.0% in September on a headline basis. The report will be released later this month. Bottom line: Inflation continues to cool slowly, still leaving room for the Fed to lower its policy rate next month.
- Elsewhere, a preliminary look at October Michigan consumer sentiment came in below estimates, while Hurricane Milton unleased more damage across swaths of Florida, closely following Hurricane Helene. Insured damages from Milton could range between $40 billion and $50 billion, less than originally feared, but on top of Helene's estimated insured losses of $10 billion. Weekly jobless claims rose more than expected, though ongoing Boeing strikes, and Hurricane Milton may have played a role.
- U.S. Treasury yields ticked slightly higher, with 2-year and 10-year yields finishing around 4.00%.
- West Texas Intermediate (WTI) crude finished higher for the fourth week out of five, while Gold ended the week up.
- The U.S. Dollar Index ended higher, breaking a nine-day winning streak on Friday.

The bull market turns two years old.

The current bull market turned two years old over the weekend, helping remind investors that markets can climb higher even when the path forward for inflation, interest rates, growth, and profits isn't always clear.

Since bottoming on October 12th, 2022, the S&P 500 Index has climbed higher by over +62% cumulatively through last Friday. Take a moment to think back to the macroeconomic environment on October 12th, 2022. The S&P 500 was lower by nearly 25% for the year, the headline Consumer Price Index (CPI) stood at an eyepopping +8.2% year-over-year at the end of September, and the Federal Reserve was knee-deep in aggressively raising its policy rate by large increments each meeting in an effort to combat near record-high inflation pressures across the economy. At the time, the U.S. economy had shown it had contracted in both the first and second quarters of the year.

The combination of these pretty bleak factors had many investors on *recession watch* and fearing stocks and bonds could fall even further. However, October 12th, 2022 (a period defined by elevated uncertainty, market stress, economic weakness, high inflation, and rapidly increasing interest rates) marked the bottom of the last bear market and the turning point for stocks. As a side note, artificial intelligence made its first mainstream introduction to the world in November 2022 through *ChatGPT*. Since the end of October 2022, the S&P 500 Information Technology Index is higher by +100% cumulatively, something few may have believed would be possible at the time given the tech index was down over 33% year-to-date on October 12th, 2022.

While the broader stock market hasn't necessarily moved in a straight line over the last two years, stocks have ground higher since bottoming in October 2022 despite numerous challenges, uncertainties, and reasons to be fearful of what lies ahead.

Notably, the over +62% return in the S&P 500 over the last two years isn't that aggressive by historical standards when looking at overall bull market runs. In fact, going back to 1929, the S&P 500 has averaged a +114.4% gain during a full bull market run, with the duration of the run lasting 1,011 days on average, according to *Bespoke Investment Group*. Bull markets tend to be long and steady, while bear markets have a history of being short and fierce.

At least based on history and these simple averages, there may still be more life in this bull. That said, there are several instances across history where a bull market has lasted far longer than the average and died much earlier. Yet, the frameup adds some perspective around the strength and duration of the current bull market, which helps ease some concerns that what we have seen over the last two years is out of the ordinary. At least thus far, this bull market run has looked run-of-the-mill, in our view.

Looking ahead, stocks will likely move on incoming data around employment, inflation, and corporate earnings, which should remain favorable for stock prices through year-end. Over the very near-term third-quarter earnings reports, the upcoming U.S. election and tensions in the Middle East have the potential to create periods of brief volatility in the fourth quarter. But as long as fundamental conditions remain firm, the bull market should continue to ride the near-term ups and downs in sentiment while continuing its grind higher. Notably, bull markets don't die of old age. Bull markets usually end because of a large event shock or policymakers' "need" to slow the economy with higher interest rates, which can sometimes cause a recession.

At least over the intermediate term, these two conditions appear less likely. Importantly, we should celebrate the fact that in all the uncertainty investors have had to endure over the last few years, stocks did what they always do — look ahead. Before it was obvious growth would hold, inflation would ebb lower, policy rates would start to come down, and corporate profits would rebound, stocks started and continued to climb higher. Investors can generally ride these shifts by avoiding the temptation to bail on stocks during difficult periods and having a strategy in place to maintain proper exposure in all market environments. Hence, it's easier to stay the course when the unexpected pops up, which always does, eventually.

The Week Ahead:

Corporate earnings will come into focus this week, with 43 S&P 500 companies scheduled to report third quarter results. Updates on where consumers are spending on goods as well as fresh looks at home data line the calendar.

- Financial heavyweights Bank of America, Goldman Sachs Group, Morgan Stanley, and Citigroup will all report third quarter results this week. In addition, Johnson & Johnson, Walgreens Boots Alliance, UnitedHealth Group, Netflix, and United Airlines will also provide updated looks into their business trends/outlooks for industries outside Financials.
- Notably, analyst profit estimates for the fourth quarter and first half of 2025 have started to ease from elevated levels over recent weeks, allowing more opportunity for companies to achieve and possibly surpass estimates in the future. In our view, corporate profit growth that remains positive over the coming quarters but is in tune with normalizing economic activity could provide a tailwind for stock prices.
- Retail sales in September are expected to remain healthy across a broad set of categories, while September building permits and housing starts are expected to decline versus August levels.

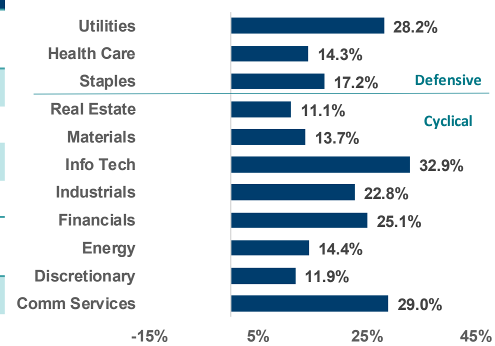
Stock Market Recap							
Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 5,815	1.1%	1.0%	23.3%	27.3	22.7	1.2	1.5
Dow Jones Industrial Average: 42,864	1.2%	1.3%	15.4%	24.5	20.4	1.7	2.0
Russell 2000 Index: 5,553	1.0%	0.2%	11.4%	61.7	39.4	1.3	1.3
NASDAQ Composite: 18,343	1.1%	0.9%	22.9%	40.5	37.5	0.6	0.8
Best Performing Sector (weekly): Info Tech	2.5%	2.0%	32.9%	40.7	32.4	0.6	0.9
Worst Performing Sector (weekly): Utilities	-2.5%	-1.9%	28.2%	22.0	21.2	2.8	3.2

Source: Factset. Data as of 10/11/2024

Bond/Commodity/Currency Recap			
Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	-0.4%	-1.3%	3.5%
West Texas Intermediate (WTI) Oil: $75.51	0.8%	9.8%	5.0%
Spot Gold: $2,657.18	0.1%	0.9%	28.8%
U.S. Dollar Index: 102.89	0.4%	2.1%	1.5%
Government Bond Yields	Yield Chg		
	Weekly	MTD	YTD
2-year U.S. Treasury Yield: 3.94%	2 bps chg	30 bps chg	-31 bps chg
10-year U.S. Treasury Yield: 4.08%	11 bps chg	30 bps chg	20 bps chg

Source: Factset. Data as of 10/11/2024. bps = basis points

YTD Total Returns by S&P 500 Sector



Source: S&P Global, Factset. Data as of 10/11/2024

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.** The third quarter earnings season and retail sales are the items to watch this week, as the S&P 500 looks to hold its high and year three of the bull market gets rolling.

Europe:

The event of the week in Europe comes on Thursday, where the European Central Bank is expected to again lower its policy rate to help support growth. Recent commentary from ECB officials suggest policymakers will lower their key rate by 25 basis points this week and leave the door open for another 25-basis point cut in December. In addition, German ZEW Economic Sentiment for October and final September inflation readings throughout the Eurozone help line the week.

Asia-Pacific:

Central bank decisions from China, Indonesia, Philippines, Thailand, and Singapore are on deck this week. Notably, the People's Bank of China is likely on hold this week after cutting its policy rate aggressively late last month. Stocks finished Monday higher but after some volatility following an underwhelming briefing from China officials over the weekend that was light on details around new financial commitments to help support economic activity.

WORLD CAPITAL MARKETS

10/14/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	0.6%	23.2%	5,815.0
Dow Jones	1.0%	15.4%	42,863.9
NASDAQ Composite	0.3%	22.9%	18,342.9
Russell 2000	2.1%	11.4%	2,234.4
Brazil Bovespa	-0.3%	-3.1%	129,992
S&P/TSX Comp. (Canada)	0.7%	19.6%	24,471.2
Russell 3000	0.8%	21.9%	3,313.2

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.1%	14.1%	5,007.1
FTSE 100 (U.K.)	0.0%	10.1%	8,253.9
DAX Index (Germany)	0.3%	16.0%	19,427.8
CAC 40 (France)	-0.2%	3.2%	7,559.6
FTSE MIB (Italy)	0.5%	13.6%	34,469.0
IBEX 35 (Spain)	0.5%	21.0%	11,784.3
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.6%	20.2%	39,605.8
Hang Seng (Hong Kong)	-0.7%	29.0%	21,092.9
Korea Kospi 100	1.0%	-0.2%	2,623.3
Singapore STI	0.6%	16.4%	3,595.9
Shanghai Comp. (China)	2.1%	10.4%	3,284.3
Bombay Sensex (India)	0.7%	14.7%	81,973.1
S&P/ASX 200 (Australia)	0.5%	13.2%	8,252.8

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.5%	19.3%	852.7

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.4%	11.3%	2,418.7

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.2%	16.0%	1,159.6

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

S&P 500 Sectors	% chg.	% YTD	Value
Communication Services	0.7%	29.0%	314.6
Consumer Discretionary	-0.4%	11.9%	1,576.5
Consumer Staples	0.5%	17.2%	875.9
Energy	0.5%	14.4%	714.1
Financials	2.0%	25.1%	773.4
Health Care	0.7%	14.3%	1,794.9
Industrials	1.8%	22.6%	1,170.3
Materials	0.7%	13.7%	605.3
Real Estate	1.1%	11.1%	272.4
Technology	0.0%	32.9%	4,490.4
Utilities	0.9%	28.2%	402.4

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.4%	14.1%	290.1
FTSE NAREIT Comp. TR	1.0%	11.0%	26,553.7
DJ US Select Dividend	1.2%	18.1%	3,546.2
DJ Global Select Dividend	0.2%	12.7%	237.7
S&P Div. Aristocrats	1.0%	13.8%	4,861.9

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.0%	2.9%	2,225.3
Barclays HY Bond	0.0%	7.5%	2,665.7

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.3%	2.4%	556.9
NYMEX WTI Crude (p/bbl.)	-2.2%	3.1%	73.9
ICE Brent Crude (p/bbl.)	-2.1%	0.5%	77.4
NYMEX Nat Gas (mmBtu)	-2.3%	2.3%	2.6
Spot Gold (troy oz.)	-0.2%	28.6%	2,652.1
Spot Silver (troy oz.)	-1.3%	30.8%	31.1
LME Copper (per ton)	0.7%	14.0%	9,650.5
LME Aluminum (per ton)	1.5%	11.4%	2,613.6
CBOT Corn (cents p/bushel)	-0.7%	-18.0%	412.8
CBOT Wheat (cents p/bushel)	-0.3%	-10.7%	597.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	-0.2%	-1.1%	1.09
British Pound (£/$)	-0.2%	2.5%	1.30
Japanese Yen ($/¥)	-0.3%	-5.7%	149.64
Australian Dollar (A$/$)	-0.5%	-1.4%	0.67
Canadian Dollar ($/C$)	-0.2%	-4.0%	1.38
Swiss Franc ($/CHF)	-0.5%	-2.3%	0.86

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	5.8%	Overweight	2.0%	7.8%
Information Technology	32.5%	Equalweight	-	32.5%
Financials	12.3%	Equalweight	-	12.3%
Health Care	11.7%	Equalweight	-	11.7%
Communication Services	9.4%	Equalweight	-	9.4%
Industrials	8.1%	Equalweight	-	8.1%
Energy	3.6%	Equalweight	-	3.6%
Utilities	2.3%	Equalweight	-	2.3%
Materials	2.2%	Equalweight	-	2.2%
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
United States	63.6%	Overweight	2.1%	65.7%
Europe ex U.K.	12.8%	Overweight	2.0%	14.8%
Japan	5.1%	Overweight	1.0%	6.1%
United Kingdom	3.3%	Equalweight	-	3.3%
Latin America	0.8%	Equalweight	-	0.8%
Asia-Pacific ex Japan	10.6%	Underweight	-3.0%	7.6%
Canada	2.7%	Underweight	-1.0%	1.7%
Middle East / Africa	1.1%	Underweight	-1.1%	0.0%

as of: June 30, 2024

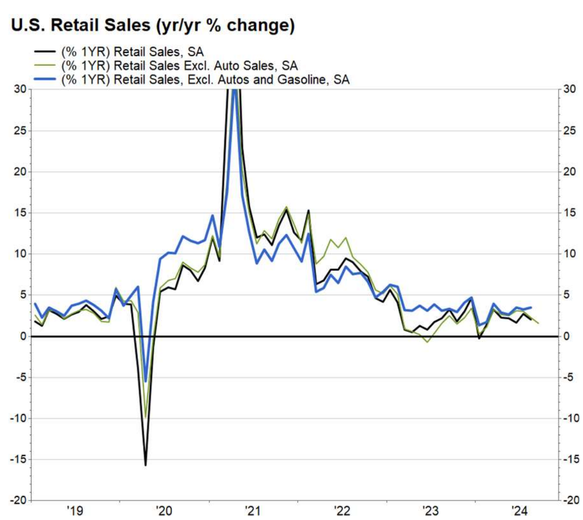
Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 06/30/2024. The GAAC Tactical Overlay, as well as the Recommended Tactical Weights, are derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the 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.

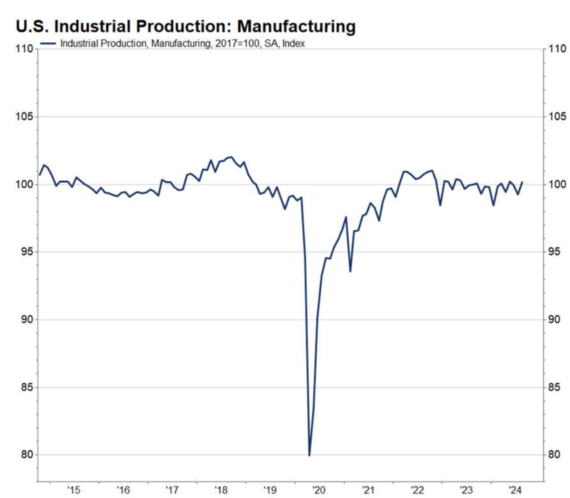
The Week Ahead:

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 Season:** The third quarter earnings release season picks-up speed this week with some of the country's largest financial institutions on the docket as well as reports from a number of household name businesses. Through Friday, 30, or about 6% of S&P 500 companies, had released their results for the quarter. This week, there are 43 S&P 500 companies scheduled to report including 6 that are also members of the Dow Jones Industrial Average.
- S&P 500 earnings per share (EPS) for the third quarter (Q3) are currently forecast to have grown by 5.0%, up from last week's EPS growth estimate of +3.9%. Sales are projected to have grown by 4.4%. At the start of the quarter (July 1), analysts were looking for Index companies to post aggregate EPS growth of +7.3% on sales growth of +4.5%. Given recent outperformance trends, we believe actual EPS results for the period are likely to end-up in the high single digits.
- This quarter, the "stories behind the numbers" appear modest. However, lower energy commodity prices are expected to weigh heavily on energy sector results. The sector is expected to see a near 23% y/y decline in EPS resulting in 1.6 points of downside for the overall S&P 500 Index, according to FactSet. Meanwhile, the Consumer Discretionary and Staples sectors are expected to see generally flat y/y results.
- At the other end of the spectrum, analysts increased their earnings estimates for the Information Technology space by 0.3% and FactSet notes that 25 companies from the IT sector have offered positive EPS guidance, the highest number Q3 2021. All data mentioned in this commentary, including that depicted in the graph below, has been sourced from FactSet.
- **The Economic Calendar:** The schedule of major economic releases is fairly quite this week until we get to Thursday. Retail sales, industrial production, and unemployment claims are all out on Thursday and could help set the market tone. Earnings, however, are likely to remain the dominant influence.
- **September Retail Sales:** A consensus of forecasters projects September retail sales to have been 0.3% higher last month. If so, the pace would equate to a year-over-year rate of about +2.0%. Excluding gasoline sales, the prices of which were much lower this year, retail sales were likely about 3% higher y/y. (See chart at left below.)
- Hurricane Helene, which devastated parts of the southeast late last month, is likely to have an influence on the results, but it's always tricky to incorporate such events into estimates. When major hurricane's hit, it usually results in a curtailment of economic activity in the affected region during the event, but activity soon recovers and rises above pre-hurricane averages amid spending on clean-up and rebuilding activities. Such conditions can lead to higher economic activity for a short period following a storm.
- **September Industrial Production:** Forecasters as surveyed by Bloomberg expect Industrial Production to have been down 0.1% last month after rising 0.8% in August. In August, manufacturing output, which comprises about 75% of the Index, surged 0.9% m/m after seeing a 0.7% decline in July. We believe the headline number could be a bit weaker as Hurricane Helene closed some fossil fuel production in the Gulf of Mexico as the storm approached.
- Overall, if the m/m estimates are correct, Industrial Production would have been largely flat versus year-ago levels and the same can be said for manufacturing output. Measures from the Institute of Supply Management have shown the U.S. manufacturing sector to have been in contraction over the last two years, but such surveys are based on an even weighting of responses. Meanwhile, industrial production is reflective of the actual value of manufactured goods output.





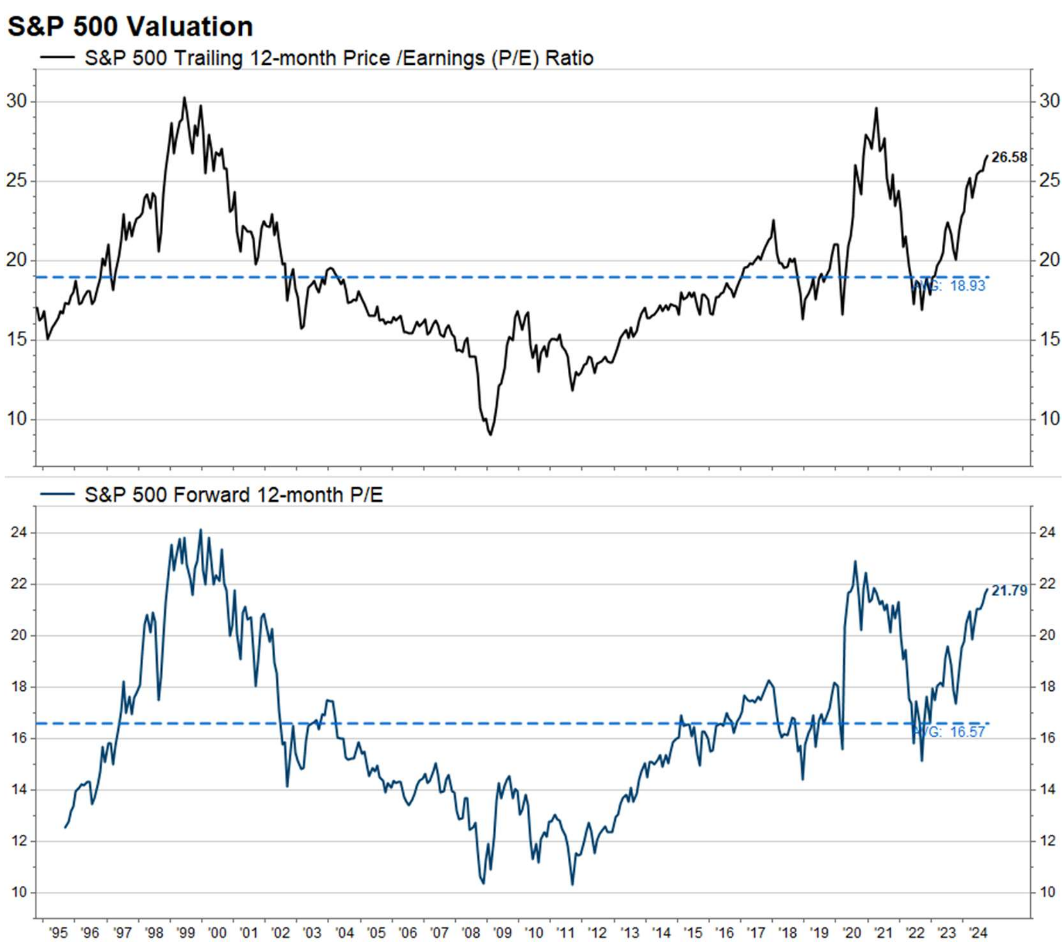
The calendar below is sourced from American Enterprise Investment Services Inc.

October 14	15	16	17	18
Trade - China	**Empire Mfg. Index**	**Import Price Index**	**Initial Jobless Claims**	**Building Permits**
Inflation - India	*Industrial Production - Japan*	*Trade - Japan*	**Philly Fed Business Index**	**Housing Starts**
	Retail Sales - Japan		**Industrial Production**	*Bank Lending - India*
	Machinery Orders - Japan		**Retail Sales**	
	Industrial Production - Eurozone		**NAHB Housing Index**	
			Foreign Investment - China	
			Services PMI - Japan	
			Monetary Policy - Eurozone	
			Inflation - Eurozone	
			Trade - 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.



Consensus Earnings Estimates: *Source: FactSet*
<u>Please note:</u> 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	2020	2021	2022	2023				2024				2025				2026
9/14/2024	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Est.	Est.	Est.	Est.	Est.	Est.	Est.
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY
Quarterly $$ amount				$53.23	$54.43	$58.81	$55.44	$56.30	$60.40	$60.60	$63.25	$63.94	$67.88	$70.52	$73.13	
change over last week										-$0.02	-$0.14	-$0.10	-$0.17	-$0.16	-$0.05	-$0.62
yr/yr				-1.4%	-3.8%	6.0%	4.0%	5.8%	11.0%	5.0%	14.1%	13.6%	12.4%	16.4%	15.6%	
qtr/qtr				-0.2%	2.3%	8.0%	-5.7%	1.6%	7.3%	0.3%	4.4%	1.1%	6.2%	3.9%	3.7%	
Trailing 4 quarters $$	$143.08	$211.09	$222.33	$218.60	$216.47	$219.78	$221.91	$224.98	$230.95	$232.74	$240.55	$248.19	$255.67	$265.59	$275.47	$309.79
yr/yr % change	-13.0%	47.5%	4.2%				-0.2%				8.4%				14.5%	12.5%
<u>Implied P/E based on</u>																
<u>a S&P 500 level of:</u> **5815**												23.4	22.7	21.9	21.1	18.8

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday October 14, 2024 — **All times Eastern. Consensus estimates via Bloomberg**

None Scheduled

Ameriprise Economic Projections

Forecast:	**Full-year**				**Quarterly**						
	Actual	Actual	Est.	Est.	Actual	Actual	Actual	Est.	Est.	Est.	Est.
	2022	2023	2024	2025	Q4-2023	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025
Real GDP (annualized)	2.5%	2.9%	2.6%	1.8%	3.2%	1.6%	3.0%	2.5%	1.9%	1.8%	2.0%
Unemployment Rate	3.6%	3.7%	4.4%	4.2%	3.7%	3.8%	4.1%	4.1%	4.4%	4.4%	4.4%
CPI (YoY)	8.0%	3.4%	2.4%	2.0%	3.4%	3.5%	3.0%	2.4%	2.3%	2.0%	2.0%
Core PCE (YoY)	5.2%	2.9%	2.4%	2.0%	2.9%	2.8%	2.6%	2.4%	2.3%	2.2%	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 <u>period ending</u>. **Last Updated: October 14, 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:	5,900	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**

Ameriprise Global Asset Allocation Committee Tactical Asset Class Views

As of 6/30/24

	Overweight	Equalweight	Underweight
Equity	• U.S. Large Cap Growth • Developed Foreign Equity	• 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	• 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	• Europe ex U.K. • Japan • United States	• Latin America • United Kingdom	• Asia-Pacific ex Japan • Canada • Middle East / Africa
Fixed Income	• U.S. Government • U.S. Inv. Grd Corporate	• Developed Foreign Bond	• Emerging Foreign Bond • High Yield Bond
Alternatives		• Real Assets	• Alternative Strategies
Cash		• 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	Rolling Returns			
Major Market Indices	**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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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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As of September 30, 2024

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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.

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.

Investing in **derivatives** is a specialized activity that involves special risks that subject the fund to significant loss potential, including when used as leverage, and may result in greater fluctuation in fund value.

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.

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.

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.

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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.

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