

Before the Bell

An Ameriprise Investment Research Group Publication

November 22, 2024

Starting the Day

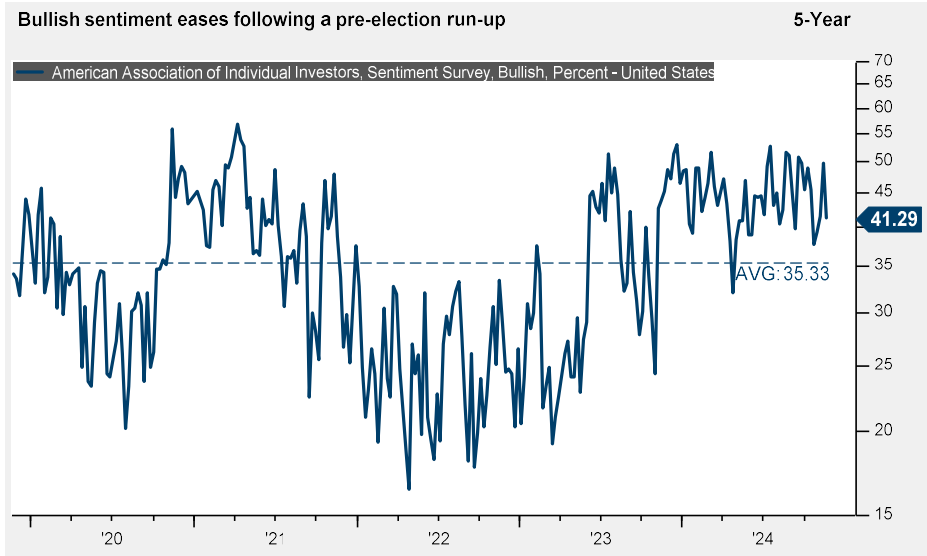
- U.S. futures are pointing to a flattish open.
- European markets are trading higher at midday.
- Asian markets ended higher.
- Investor optimism continues to remain above average.
- Stocks are on pace to string together two weeks of gains.
- 10-year Treasury yield at 4.39%.
- West Texas Intermediate (WTI) oil is trading at \$69.66.
- Gold is trading at \$2,591.70

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Checking in on investor sentiment. The latest *American Association of Individual Investors (AAII) Survey* shows bullish sentiment eased to 41.3% this week after its pre-election run from 37.7% on October 25th to 49.8% on November 15th. However, as the *FactSet* chart below shows, the percentage of retail investors who are optimistic about stock returns over the next six months remains above the five-year average of 35.3%, which has been pretty consistent this year outside of April.

Following the stock gains made in the days leading up to the election, as well as some modest volatility to the upside and downside following the election, stocks are back on pace for gains this week. Investors have remained largely bullish on stocks this year (versus the average), as higher equity prices, AI tailwinds, and a growing economy have made it rather easy to maintain a positive outlook this year. Falling inflation and easing monetary policy have also been largely supportive of investors who have had a favorable outlook for stock returns over the next six months — especially as they have



been able to see that outlook come to fruition with ever-increasing stock prices in 2024. Conversely, bearish sentiment in the *AAII Survey* continues to trace below-average levels, as it has for most of this year, outside of the August volatility scare. Moving forward, elevated stock valuations, concerns about the degree/magnitude of potential fiscal policy shifts next year (e.g., around U.S. tariffs and immigration), as well as a growing focus on earnings follow-through versus expectations could make it harder for retail investors to maintain a “consistent level” of above-average optimism in 2025. That said, an environment where economic activity remains positive, earnings are growing (even if it’s less than expected), and the Fed is modestly cutting policy rates, likely keeps the pressure on the bears to justify a negative outlook over the coming quarter or two.

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

U.S. Premarket Indicators / Overnight International Market Activity

United States:

Here is a quick news rundown to start your morning:

- **Stocks are looking at a flattish open.** Stocks are back on track for weekly gains, with the S&P 500 higher by +1.3% and the NASDAQ Composite higher by +1.6% WTD. Efforts by the Department of Justice to force Alphabet to sell its Google Chrome browser and other proposals that could limit/erode the company's dominance/profitability have weighed on shares this week, with the stock closing lower by nearly 5.0% on Thursday. While a ruling in August said Alphabet had an illegal monopoly on the search market, several reports this week highlight that the government penalties are an overreach. Alphabet will fight the DOJ requests, which could be altered by the incoming Trump administration and take years to play out on appeal.
- **Earnings Update:** With roughly 95% of S&P 500 third quarter reports complete, blended earnings per share (EPS) growth is higher by +5.9% year-over-year on revenue growth of +5.5%.

Europe:

November Eurozone flash PMIs showed a deterioration in business activity, with the composite reading unexpectedly contracting to a ten-month low of 48.1 from October's expansionary level of 50.0. Both manufacturing and services activity contracted this month, with services falling into contraction after two months of marginal growth. Notably, activity in Germany and France, the Eurozone's two largest economies, was particularly weak this month. That said, other economic data, including Eurozone GDP and inflation, have shown some signs of improvement, creating a complex stew for the European Central Bank to navigate when it comes to forward rate policy.

Asia-Pacific:

November Japan flash manufacturing PMI edged lower to 49.0 from 49.2 in October. Output fell at its fastest pace since April despite easing declines in new orders and exports. In China, recent stimulus efforts have failed to boost e-commerce platforms such as Baidu and Alibaba. Soft earnings results from Baidu suggest there has not been a meaningful pickup in consumer spending and that a cost-conscious mindset remains intact. That said, bullish press in China about Q4 growth counters Western analysts' forecast that suggests GDP will likely miss Beijing's target of around +5.0%. *FactSet* noted that Q4 activity accounts for roughly +27% of China's full-year GDP growth.

WORLD CAPITAL MARKETS

11/22/2024

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	0.5%	26.3%	5,948.7	DJSTOXX 50 (Europe)	0.1%	8.8%	4,762.7	Nikkei 225 (Japan)	0.7%	16.3%	38,283.9
Dow Jones	1.1%	18.3%	43,870.4	FTSE 100 (U.K.)	1.0%	10.2%	8,229.0	Hang Seng (Hong Kong)	-1.9%	17.8%	19,230.0
NASDAQ Composite	0.0%	27.2%	18,972.4	DAX Index (Germany)	0.3%	14.7%	19,211.4	Korea Kospi 100	0.8%	-4.6%	2,501.2
Russell 2000	1.7%	18.0%	2,364.0	CAC 40 (France)	0.1%	-1.4%	7,219.7	Singapore STI	0.2%	22.1%	3,746.0
Brazil Bovespa	-1.0%	-5.4%	126,922	FTSE MIB (Italy)	0.0%	9.7%	33,280.7	Shanghai Comp. (China)	-3.1%	9.8%	3,267.2
S&P/TSX Comp. (Canada)	1.4%	24.4%	25,390.7	IBEX 35 (Spain)	-0.1%	19.7%	11,598.6	Bombay Sensex (India)	2.5%	10.9%	79,117.1
Russell 3000	0.7%	25.7%	3,413.7	MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A	S&P/ASX 200 (Australia)	0.9%	15.8%	8,393.8

Global	% chg.	% YTD	Value	Developed International	% chg.	%YTD	Value	Emerging International	% chg.	%YTD	Value
MSCI All-Country World Idx	0.4%	19.3%	851.4	MSCI EAFE	0.3%	4.7%	2,270.8	MSCI Emerging Mkts	-0.8%	8.8%	1,085.5

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			
Communication Services	-1.7%	33.8%	326.2	JPM Alerian MLP Index	1.7%	18.6%	301.7	Futures & Spot (Intra-day)			
Consumer Discretionary	-0.3%	22.7%	1,728.5	FTSE NAREIT Comp. TR	0.7%	11.4%	26,641.8	CRB Raw Industrials	-0.1%	-0.3%	541.7
Consumer Staples	1.2%	17.8%	878.6	DJ US Select Dividend	1.4%	23.9%	3,719.0	NYMEX WTI Crude (p/bbl.)	-0.6%	-2.8%	69.7
Energy	0.8%	19.0%	738.0	DJ Global Select Dividend	-0.4%	11.0%	232.9	ICE Brent Crude (p/bbl.)	-0.5%	-4.2%	73.8
Financials	1.3%	35.0%	833.5	S&P Div. Aristocrats	1.2%	13.7%	4,857.4	NYMEX Nat Gas (mmBtu)	-2.0%	30.1%	3.3
Health Care	0.8%	7.0%	1,677.2					Spot Gold (troy oz.)	1.3%	31.1%	2,703.8
Industrials	1.2%	24.6%	1,187.3					Spot Silver (troy oz.)	1.9%	31.8%	31.4
Materials	1.2%	10.5%	587.5	Bond Indices	% chg.	% YTD	Value	LME Copper (per ton)	-0.9%	5.0%	8,885.1
Real Estate	0.6%	12.0%	274.0	Barclays US Agg. Bond	0.0%	1.5%	2,194.0	LME Aluminum (per ton)	-0.5%	10.8%	2,599.6
Technology	0.6%	35.0%	4,557.3	Barclays HY Bond	0.1%	8.2%	2,683.3	CBOT Corn (cents p/bushel)	0.6%	-14.7%	438.8
Utilities	1.8%	32.5%	414.5					CBOT Wheat (cents p/bushel)	0.1%	-16.0%	570.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value		% chg.	% YTD	Value		% chg.	% YTD	Value
Euro (€/€)	-0.6%	-5.7%	1.04	Japanese Yen (\$/¥)	0.0%	-8.7%	154.47	Canadian Dollar (\$/C\$)	-0.1%	-5.3%	1.40
British Pound (£/£)	-0.6%	-1.7%	1.25	Australian Dollar (A\$/A\$)	-0.2%	-4.6%	0.65	Swiss Franc (S\$/CHF)	-0.4%	-5.5%	0.89

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
Financials	12.9%	Overweight	2.0%	14.9%	Energy	3.2%	Equalweight	-	3.2%
Consumer Staples	5.9%	Overweight	2.0%	32.5%	Utilities	2.5%	Equalweight	-	2.5%
Information Technology	31.9%	Equalweight	-	31.9%	Materials	2.3%	Equalweight	-	2.3%
Health Care	11.5%	Equalweight	-	11.5%	Real Estate	2.3%	Equalweight	-	2.3%
Communication Services	8.8%	Equalweight	-	8.8%	Consumer Discretionary	10.2%	Underweight	-2.0%	8.2%
					Industrials	8.5%	Underweight	-2.0%	6.5%

As of: September 30, 2024

Index weightings represent the respective market capitalization of each sector in the S&P 500 as of 9/26/2024. 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	62.8%	Overweight	2.2%	65.0%	United Kingdom	3.2%	Equalweight	-	3.2%
Europe ex U.K.	12.9%	Equalweight	-	12.9%	Latin America	0.9%	Equalweight	-	0.9%
Asia-Pacific ex Japan	11.0%	Equalweight	-	11.0%	Canada	2.8%	Underweight	1.0%	1.8%
Japan	5.2%	Equalweight	-	5.2%	Middle East / Africa	1.2%	Underweight	-1.2%	0.0%

as of: September 30, 2024

Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 09/26/2024. The GAAC Tactical Overlay, as well as the Recommended Tactical Weights, are derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the Index and are provided to represent investment conviction in each region. Tactical Allocations are designed to augment Index returns over a 6-12 month time horizon. Numbers may not add due to rounding.

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Friday, November 22, 2024

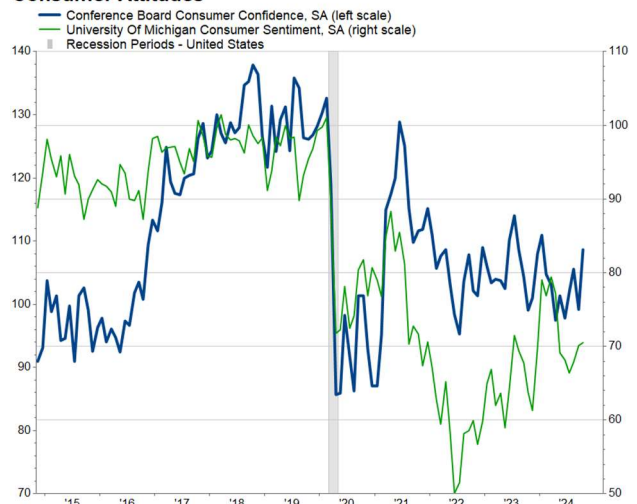
All times Eastern. Consensus estimates via Bloomberg

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
10:00 AM	Nov. F	U. of M. Consumer Sentiment	73.9		73.0	
10:00 AM	Nov. F	U. of M. Current Conditions	66.0		64.4	
10:00 AM	Nov. F	U. of M. Expected Conditions	79.0		78.5	

Commentary:

- **The University of Michigan's Consumer Sentiment survey** is due to be released at 10 AM ET this morning. Today's release is the final reading for November as the University releases the November results earlier than usual given the approaching Thanksgiving holiday.
- Forecasters as surveyed by Bloomberg look for the measure to improve by about one point from its preliminary reading for the month of 73.0.
- The preliminary reading (as released on November 8th) had represented a 2.5-point increase over its October-ending level.
- As seen in the chart at right consumer confidence (from the Conference Board) and the U. of M. Sentiment Index have been generally stuck in a range over the last few years.
- We see little reason for material changes in either measure over the intermediate-term. However, next week's Consumer Confidence release is currently projected via the Bloomberg consensus to rise to 112.5 which would be the highest level since December 2021.

Consumer Attitudes



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>Q4-2023</u>	<u>Q1-2024</u>	<u>Q2-2024</u>	<u>Q3-2024</u>	<u>Q4-2024</u>	<u>Q1-2025</u>	<u>Q2-2025</u>
Real GDP (annualized)	2.5%	2.9%	2.7%	1.8%	3.2%	1.6%	3.0%	2.8%	1.9%	1.8%	2.0%
Unemployment Rate	3.6%	3.7%	4.4%	4.2%	3.7%	3.8%	4.1%	4.1%	4.2%	4.1%	4.0%
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%	2.7%	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 period ending.

Last Updated: October 31, 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:	6,100	6,000	5,300
10-Year U.S. Treasury Yield:	4.00%	3.75%	3.00%
Fed Funds Target Range:	4.25% to 4.50%	4.50% to 4.75%	4.00% to 4.25%

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

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

Last Updated: October 30, 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: 5,750

2024 Year-End 10-year Treasury Target: 3.75%

as of 09/27/2024

	Overweight	Equalweight	Underweight
Equity	<ul style="list-style-type: none"> U.S. Large Cap Growth U.S. Large Cap Value 	<ul style="list-style-type: none"> 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"> Developed Foreign Equity Emerging Foreign Equity
S&P 500 Sectors	<ul style="list-style-type: none"> Consumer Staples Financials 	<ul style="list-style-type: none"> Communication Services Energy Health Care Information Technology Materials Real Estate Utilities 	<ul style="list-style-type: none"> Consumer Discretionary Industrials
Global Equity Regions	<ul style="list-style-type: none"> United States 	<ul style="list-style-type: none"> Asia Pacific ex. Japan Europe ex U.K. Japan Latin America United Kingdom 	<ul style="list-style-type: none"> Middle East/Africa Canada
Fixed Income	<ul style="list-style-type: none"> U.S. Government U.S. Investment Grade Corp. 	<ul style="list-style-type: none"> U.S. High Yield Bonds Developed Foreign Bonds 	<ul style="list-style-type: none"> Emerging Foreign Bonds Municipal Bonds
Alternatives		<ul style="list-style-type: none"> Real Assets 	<ul style="list-style-type: none"> Alternative Strategies
Cash		<ul style="list-style-type: none"> Cash Cash Investments 	

Note: Our Tactical Allocations are designed to augment a Strategic portfolio over a 6-12-month time horizon. **Asset Allocation and diversification do not ensure or guarantee better performance and do not eliminate the risk of investment losses. Investors should note that rising interest rates could have a detrimental effect on bond prices. Please consult with your financial advisor.** Cash generally refers to assets, securities and/or products low in risk and highly liquid. For asset allocation purposes, instruments can include Treasury bills, certificates of deposit, money market funds and high-quality bonds whose maturities are less than 3 months. Outside of asset allocation purposes, cash investments can also include illiquid cash held in a mutual fund or pledged as collateral for derivatives. You can only access this cash by redeeming the fund using it, subject to fees or time constraints associated with redemptions.

As of September 30, 2024

Major Market Indices	Rolling Returns			
	Q3'24	1-year	3-years	5-years
Russell 3000® Index (U.S. Equity)	6.23%	35.19%	10.29%	15.26%
MSCI ACWI Ex USA Index – net (Foreign Equity)	8.06%	25.35%	4.14%	7.59%
Bloomberg U.S. Universal Bond Index (Fixed Income)	5.20%	12.08%	-1.05%	0.70%
Wilshire Liquid Alternative Index (Alternatives)	2.56%	10.18%	2.35%	3.18%
FTSE Three-Month Treasury Bill Index (Cash)	1.37%	5.63%	3.63%	2.38%

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

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As of September 30, 2024

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Risk Factors

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.

International investing involves certain risks and volatility due to potential political, economic currency instabilities and different financial and accounting standards. Risks are enhanced for **emerging market** issuers.

Interest payments on **inflation-protected securities** may be more volatile than interest payments on ordinary bonds. In periods of deflation, these securities may provide no income.

Market Risk: Model portfolios and markets in general could sustain significant volatility due to several factors. As we have seen recently, both economic and geopolitical issues could have a material impact on this model portfolio and the equity market as a whole.

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.

Quantitative Strategy Risk: Stock selection and portfolio maintenance strategies based on quantitative analytics carry a unique set of risks. Quantitative strategies rely on comprehensive, accurate and thorough historical data. The Ameriprise Investment Research Group utilizes current and historical data provided by third-party data

vendors. Material errors in database construction and maintenance could have an adverse effect on quantitative research and the resulting stock selection strategies.

Sector Risk: The Ameriprise Global Asset Allocation Committee and managers of this model portfolio can elect to overweight or underweight (or completely avoid) certain economic sectors. This could lead to substantial underperformance versus a more diversified or balanced weighting.

Security Recommendation Risk: The research team may not be successful in selecting securities that collectively perform better than the benchmark. When viewing return comparisons investors should keep in mind the following information. Our model portfolio generally maintains less than 50 securities, whereas benchmark indices contain several times that amount. The benchmark index is market capitalization weighted, providing greater weight to the larger company movements, whereas our model portfolio is designed to be equally dollar weighted. Furthermore, the model portfolio may deviate significantly, at times, from the sector allocation of the benchmark due to our interpretation of economic conditions and market factors as well as our security selection process.

The benchmark index returns are taken from Bloomberg Financial Markets and reflect dividends reinvested. Additionally, there is no fee or cost assumption in the index comparison return.

Investments in **small- and mid-capitalization companies** involve greater risks and volatility than investments in larger, more established companies.

The products of **technology companies** may be subject to severe competition and rapid obsolescence, and their stocks may be subject to greater price fluctuations.

Value securities may be unprofitable if the market fails to recognize their intrinsic worth or the portfolio manager misgauged that worth.

Definitions of terms

Definitions of terms mentioned in this report are available on our website at ameriprise.com/legal/disclosures/ in the Additional Ameriprise research disclosures section, or through your Ameriprise financial advisor

Index definitions

An index is a statistical composite that is not managed. It is not possible to invest directly in an index.

Definitions of individual indices mentioned in this report are available on our website at ameriprise.com/legal/disclosures/ in the Additional Ameriprise research disclosures section, or through your Ameriprise financial advisor

Disclaimer section

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