Before the Bell

An Ameriprise Investment Research Group Publication

November 25, 2024

Starting the Day

- U.S. futures are pointing to a higher open.
- European markets are trading mostly higher at midday.
- Asian markets ended mostly higher overnight.
- Stocks resume their post-election bounce.
- Is a record-setting holiday spending season in the cards?
- 10-year Treasury yield at 4.36%.
- West Texas Intermediate (WTI) oil is trading at $71.09.
- Gold is trading at $2,682.40

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Weekly Market Perspectives: Stocks bounced higher last week, as the S&P 500 Index has risen in two of the previous three weeks. Corporate earnings results were a large focus, with NVIDIA, Walmart, and Target helping shape outlooks on trends across artificial intelligence and the holiday shopping season. In the background, speculation around President-elect Trump's U.S. Treasury Secretary pick, as well as updated reads on economic activity and housing, kept headlines busy.

The week ahead will see U.S. markets closed for Thanksgiving on Thursday (and closed early on Friday), a modest loss in productivity as Americans get busy on their holiday shopping lists, and several economic releases, including November consumer confidence.

Last Week in Review:

- The S&P 500 rose +1.7%. The broad-based stock benchmark is higher by +3.2% since the November 5th election, and up +4.7% in November. With the year winding down and the benchmark up nearly +27.0% this year, the S&P 500 is on pace to record its second consecutive year of +20.0% plus returns — a first since 1998-1999.
- The NASDAQ Composite also gained +1.7% on the week. NVIDIA's latest earnings update shows the artificial intelligence semiconductor maker continues to fire on all cylinders. Elevated "whisper" numbers aside, earnings per share (EPS) handily beat estimates, with revenue coming in at $35.1 billion in the previous quarter, rising an impressive +94% year-over-year. And while annualized revenue growth slowed from the last three quarters of +122%, +262%, and +265%, respectively, the sales growth seen at NVIDIA remains the envy of the world. Importantly, Data Center revenue, the growth engine of the company, grew to $30.8 billion in the previous quarter, up +112% from a year ago. However, NVIDIA finished the week flat, given that the stock was already higher by over +190% this year, coming into last week's earnings release.
- On the retail front, Walmart and Target saw very different stock reactions following their latest earnings reports. Walmart rose +7.4% on the week after beating earnings estimates, surpassing even the most aggressive U.S. comparisons ex-fuel, and raising their full-year profit guidance. Conversely, Target fell nearly 18.0%, missing most key metrics and flagging increased weakness across higher-margin discretionary items. With the holiday shopping season gearing up this week, retailers that have the right mix of items, control inventory well, and have a good sense of what their customers will be shopping for could see their stocks reward. However, retailers that are less equipped to handle a more discerning holiday shopper this year may be forced to increase promotional activity, which could cut into fourth quarter profits and margins.
- The Dow Jones Industrials Average and Russell 2000 Index rose +2.0% and +4.5%, respectively.

- U.S. Treasury prices finished mixed across the curve. The U.S. Dollar Index was stronger across other major currencies. Gold rallied higher after three weeks of declines, and West Texas Intermediate (WTI) crude settled higher, more than erasing the previous week's declines.
- On the economic front, a preliminary look at November manufacturing and services activity showed that the combination of each rose to its highest level since April 2022, driven by continued strength in services activity. On the housing front, October housing starts missed estimates, partly due to weather impacts, and home builder sentiment rose to its highest level in seven months.
- President-elect Trump nominated hedge fund executive Scott Bessent to be his U.S. Treasury Secretary. Bessent is the founder of Key Square Group, is a fiscal hawk, and, if confirmed by the Senate, will be responsible for enacting Trump's economic agenda, including forthcoming U.S. tariff policies. Bessent's known positions include following a gradual tariff policy approach, leaning on less regulation to drive business growth/control inflation, and supporting policies that promote U.S. energy and manufacturing independence.

When it comes to AI, some of us are still tailgating in the parking lot.

In our view, the Artificial Intelligence Revolution is just beginning, and investors should think of AI as comparable to the Industrial Revolution and other major technological advancements seen across human history. While the world has gone to great lengths over recent decades to digitize all types of information, AI has the capabilities to quickly "connect" and "synthesize" massive amounts of digital data/information, creating pathways, analysis, and new ways of powering efficiencies across all types of industries that otherwise would not be possible without this new technology. Simply, we believe the world is still very early in its adoption of AI, which leaves ample room for investment opportunity if a disciplined approach is maintained, and importantly, investors avoid getting carried away on the "AI-hype train."

For investors, it's crucial to be realistic about AI's near-term profit and growth expectations. Technology and the companies that operate in AI will likely experience periods of booms and busts across a long secular time frame (say 5-10 years), and today's AI leaders may eventually be surpassed by new technologies and companies that don't exist today. In our view, AI-related software could be the next large phase of development once the infrastructure/data centers that fuel all this computing genius are more accessible to smaller players. In this regard, and compared to a sports analogy, the players are still warming up on the field (i.e., the AI architects). The spectators are starting to make their way into the stadium (i.e., all the businesses and governments trying to figure out how to use AI). And for the rest of us? We're still in the parking lot tailgating (i.e., all the consumers waiting for AI to enhance/disrupt/change their lives).

Most investors with a few decades of experience vividly remember the dotcom bust and the pain it caused on portfolios in the early 2000s. Yet those same investors sometimes forget the amount of wealth that was created in the mid-to-late 1990s during a period of rapid technological advancement (i.e., the advent of wireless communication, personal computer adoption, and the world's introduction to the internet). In our view, we are entering a similar state of rapid technological advancement. Often, investors who got burned by the dotcom bust overextended their portfolios in high-flying technology names, used leverage to boost returns, and when those investments failed, sat in cash too long and missed the opportunity to either reinvest or ride out the storm in higher quality investments. Our advice is to think more about the opportunities that lie ahead in technology over the coming years and less about what can go wrong or if AI is just the next dotcom bust waiting to happen. If one maintains a disciplined investment approach, keeps tech exposure sized correctly to their risk tolerance, and pairs that with other diversified investment options, we believe investors could be well-equipped to benefit from what may very well turn out to be revolutionary technological advancement over the next five to ten years.

The Week Ahead:

Early reads on the holiday shopping season will likely be a focus for investors as the week winds down and as Americans make their way from the Thanksgiving table to malls (and their couches) to grab anticipated holiday discounts.

- The *National Retail Federation (NRF)* estimates that overall holiday sales growth this year will increase by +2.5% to +3.5% compared to last year. *NRF* estimates Americans will spend a total of $979.5 billion to $989 billion between November 1st and December 31st, up from $955.6 billion in 2023.
- *Adobe* forecasts that online retail spending between November 1st and December 31st will reach a record $241 billion — an +8.4% increase over 2023 levels. Mobile shopping is expected to account for up to +53.2% of that total, with Buy Now, Pay Later predicted to grow to $18.5 billion, representing an +11.5% increase over last year. For those of us looking for gift ideas, *Adobe* notes this year's must-have items include Bluey toys, smartphones, Bluetooth headphones, MDA's Miniverse, and Call of Duty: Black Ops 6.

- On the economic front, Tuesday's November Consumer Confidence report is expected to show an increase over October levels and may rise to a ten-month high. A second look at Q3 GDP, home data, Fed meeting minutes, and October PCE also line the holiday-shortened calendar.
- Lastly, have a safe and festive Thanksgiving holiday with friends and family.

Stock Market Recap

Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 5,969	1.7%	4.7%	26.7%	28.2	23.4	1.2	1.5
Dow Jones Industrial Average: 44,297	2.0%	6.2%	19.5%	26.1	20.4	1.6	2.0
Russell 2000 Index: 5,981	4.5%	9.7%	20.1%	75.8	38.4	1.2	1.3
NASDAQ Composite: 19,004	1.8%	5.1%	27.4%	41.1	38.1	0.6	0.8
Best Performing Sector (weekly): Consumer Staples	3.1%	3.1%	19.0%	23.4	22.7	2.4	2.5
Worst Performing Sector (weekly): Comm Services	-0.3%	1.2%	32.8%	23.4	22.6	0.7	0.9

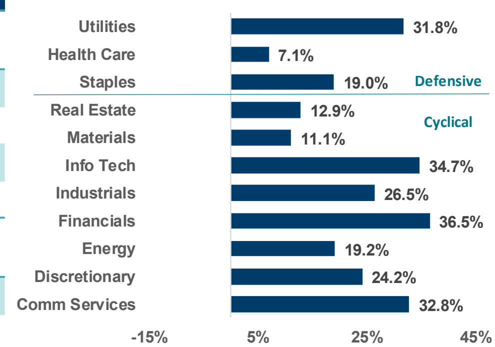
Source: Factset. Data as of 11/22/2024

Bond/Commodity/Currency Recap

Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	0.2%	-0.2%	2.3%
West Texas Intermediate (WTI) Oil: $71.23	5.8%	2.4%	-0.9%
Spot Gold: $2,716.34	6.0%	-1.0%	31.7%
U.S. Dollar Index: 107.55	0.8%	3.4%	6.1%
Government Bond Yields	**Yield Chg**		
	Weekly	MTD	YTD
2-year U.S. Treasury Yield: 4.38%	7 bps chg	22 bps chg	12 bps chg
10-year U.S. Treasury Yield: 4.42%	-2 bps chg	13 bps chg	53 bps chg

Source: Factset. Data as of 11/22/2024. bps = basis points

YTD Total Returns by S&P 500 Sector



Source: S&P Global, Factset. Data as of 11/22/2024

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 positive open.** Market reactions to the announcement of Scott Bessent's nomination as U.S. Treasury Secretary appear positive, as investors likely see Bessent as the "safe hands" pick. Bessent has previously pointed to a 3-3-3 policy that focuses on cutting the budget deficit to 3% of GDP by 2028, driving +3.0% GDP growth through deregulation, and producing an additional 3 million barrels of U.S. oil or its equivalent per day. As the year winds down, key dates for investors to watch include ISMs on December 2nd and 4th, November nonfarm payrolls on December 6th, November CPI on December 11th, November retail sales on December 16th, and the last Fed decision on December 18th. The S&P 500 will likely hit and surpass our year-end 6,000 target at the open this morning. Later next month, we will release our 2025 Themes and Outlook report, detailing year-end targets for next year as well as key themes we see driving asset prices next year.

Europe:

Following the first positive week in five, European stocks are trading mostly higher midday. The latest German Ifo business climate survey declined further, suggesting the Eurozone's largest economy remains weak in the eyes of business.

Asia-Pacific:

Equities across the region finished mostly higher. Official November China PMIs are out on Saturday and are expected to show a pickup in manufacturing activity, with nonmanufacturing activity expected to hold October levels.

WORLD CAPITAL MARKETS

11/25/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	0.3%	26.7%	5,969.3
Dow Jones	1.0%	19.5%	44,296.5
NASDAQ Composite	0.2%	27.4%	19,003.7
Russell 2000	1.8%	20.1%	2,406.7
Brazil Bovespa	1.7%	-3.8%	129,126
S&P/TSX Comp. (Canada)	0.2%	24.7%	25,444.3
Russell 3000	0.5%	26.4%	3,432.0

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.1%	9.5%	4,794.0
FTSE 100 (U.K.)	0.2%	10.8%	8,274.5
DAX Index (Germany)	0.1%	15.5%	19,344.0
CAC 40 (France)	-0.1%	-1.1%	7,246.0
FTSE MIB (Italy)	-0.5%	9.8%	33,323.8
IBEX 35 (Spain)	0.6%	21.1%	11,729.1
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	1.3%	17.8%	38,780.1
Hang Seng (Hong Kong)	-0.4%	17.3%	19,151.0
Korea Kospi 100	1.3%	-3.3%	2,534.3
Singapore STI	-0.4%	21.6%	3,731.4
Shanghai Comp. (China)	-0.1%	9.7%	3,263.8
Bombay Sensex (India)	1.3%	12.3%	80,109.9
S&P/ASX 200 (Australia)	0.3%	16.1%	8,417.6

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.3%	19.7%	854.1

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.2%	4.9%	2,274.3

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.2%	8.9%	1,087.3

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	-0.7%	32.8%	324.0
Consumer Discretionary	1.2%	24.2%	1,748.9
Consumer Staples	1.0%	19.0%	887.6
Energy	0.1%	19.2%	738.8
Financials	1.1%	36.5%	842.7
Health Care	0.1%	7.1%	1,678.6
Industrials	1.4%	26.3%	1,203.4
Materials	0.5%	11.1%	590.7
Real Estate	0.8%	12.9%	276.3
Technology	-0.2%	34.7%	4,547.4
Utilities	-0.7%	31.8%	411.8

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	1.1%	20.0%	305.1
FTSE NAREIT Comp. TR	0.7%	12.1%	26,817.8
DJ US Select Dividend	0.9%	25.0%	3,752.7
DJ Global Select Dividend	0.1%	11.5%	233.9
S&P Div. Aristocrats	0.6%	14.4%	4,886.8

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.0%	1.5%	2,194.9
Barclays HY Bond	0.0%	8.2%	2,682.9

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.0%	-0.3%	541.7
NYMEX WTI Crude (p/bbl.)	-0.1%	-0.7%	71.1
ICE Brent Crude (p/bbl.)	-0.1%	-2.5%	75.1
NYMEX Nat Gas (mmBtu)	4.8%	30.4%	3.3
Spot Gold (troy oz.)	-1.2%	30.1%	2,684.7
Spot Silver (troy oz.)	-1.8%	29.4%	30.8
LME Copper (per ton)	-0.4%	4.5%	8,848.0
LME Aluminum (per ton)	-0.1%	10.7%	2,596.6
CBOT Corn (cents p/bushel)	-0.4%	-15.7%	433.5
CBOT Wheat (cents p/bushel)	-1.3%	-18.0%	557.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.6%	-5.1%	1.05
British Pound (£/$)	0.3%	-1.3%	1.26
Japanese Yen ($/¥)	0.3%	-8.6%	154.27
Australian Dollar (A$/$)	0.1%	-4.5%	0.65
Canadian Dollar ($/C$)	0.0%	-5.2%	1.40
Swiss Franc ($/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
Financials	12.9%	Overweight	2.0%	14.9%
Consumer Staples	5.9%	Overweight	2.0%	32.5%
Information Technology	31.9%	Equalweight	-	31.9%
Health Care	11.5%	Equalweight	-	11.5%
Communication Services	8.8%	Equalweight	-	8.8%
Energy	3.2%	Equalweight	-	3.2%
Utilities	2.5%	Equalweight	-	2.5%
Materials	2.3%	Equalweight	-	2.3%
Real Estate	2.3%	Equalweight	-	2.3%
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
United States	62.8%	Overweight	2.2%	65.0%
Europe ex U.K.	12.9%	Equalweight	-	12.9%
Asia-Pacific ex Japan	11.0%	Equalweight	-	11.0%
Japan	5.2%	Equalweight	-	5.2%
United Kingdom	3.2%	Equalweight	-	3.2%
Latin America	0.9%	Equalweight	-	0.9%
Canada	2.8%	Underweight	1.0%	1.8%
Middle East / Africa	1.2%	Underweight	-1.2%	0.0%

as of: September 30, 2024

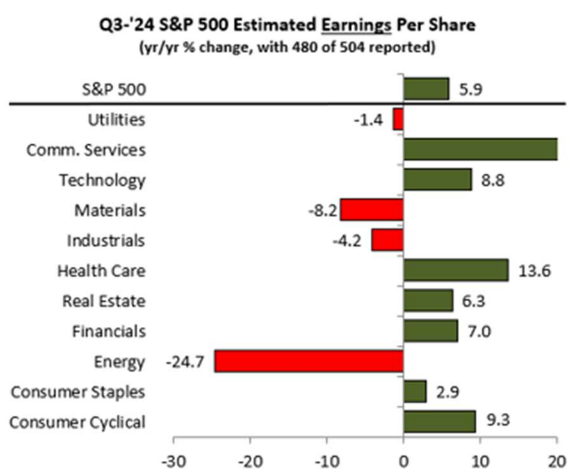
Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 09/26/2024. The GAAC Tactical Overlay, as well as the Recommended Tactical Weights, are derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the 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.

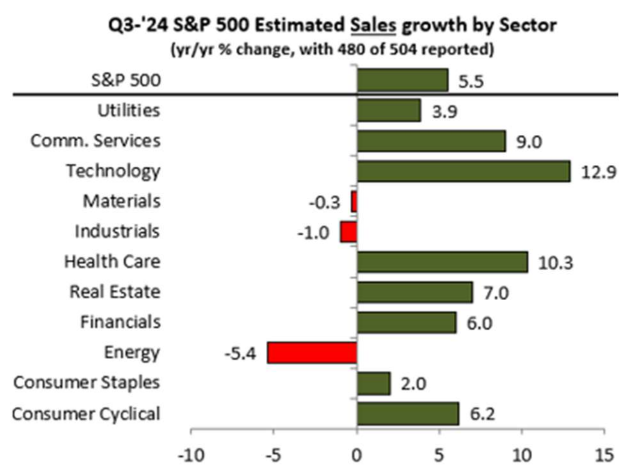
The Week Ahead:

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.

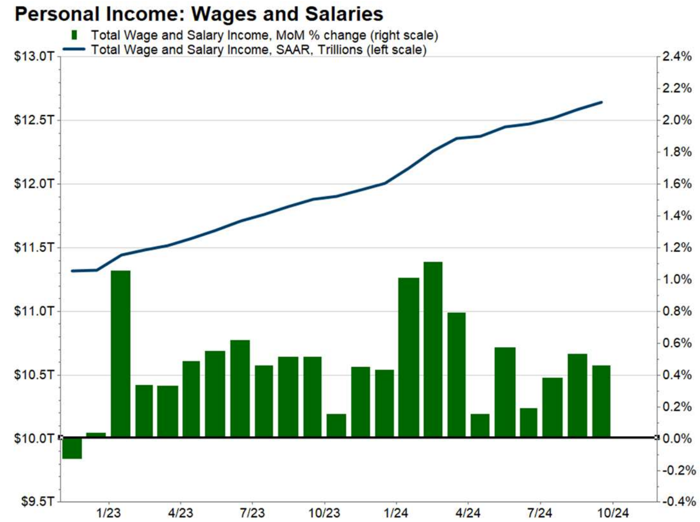
- **Earnings: Q3 EPS up 5.9% y/y, Q4 expected to be 11.8% higher.** Through Friday, 480, or about 95% of S&P 500 companies had reported their financial results for the third quarter. There are still 9 S&P companies on the docket for this week with the releases largely concentrated on Tuesday.
- Last week, retailers were in focus. The generally positive results they offered provided some upside to the overall metrics for the period. S&P 500 earnings per share (EPS) growth is now seen as having been 5.9% higher year-over-year (y/y) versus the prior week's +5.4%. Sales are seen as having grown by 5.5% y/y versus a prior +5.4%. At the start of the third quarter (July 1st), analyst consensus estimates were looking for y/y EPS growth of +7.3% on sales growth of +4.5%. As of September 30th, however, EPS estimates for the period had declined and were looking for growth of just +4.3%. According to FactSet, a one-time charge at Apple, related to the European General Court's decision on State Aid, shaved 1.6 percentage points (pp) from overall S&P 500 EPS growth in Q3.
- Approximately 75% of S&P 500 companies reported earnings that exceeded analyst expectations for Q3. Though strong, it is below the 5-year average of 77% but in-line with the 10-year average of 75%.
- Outlook for Q4: EPS estimates for Q4 have held-up well over the course of the reporting season, in our opinion. Analyst estimates currently look for S&P 500 Q4 EPS of $62.09, down about 1% from the $62.79 expected at the end of the quarter (October 31). Estimates for the current quarter typically decline during most reporting seasons and the decline over the course of the Q3 reporting season is more modest than is typically seen, in our view.
- On a y/y basis, Q4 EPS are currently projected to grow by 11.8% - which would be quite an improvement over Q3's +5.9% and would be the strongest pace since Q4-2021 if achieved. This may seem a stretch given the background economic picture which has been sound, yet arguably not particularly robust. However, much of the y/y growth for Q4 comes from an easy comparison to depressed year-ago results, particularly in the Financial Sector. We note that Q3 results are expected to see a 1.4% quarter-over-quarter (q/q) increase while Q4 results are forecast to see what we believe is a very achievable 1.2% q/q expansion. The Financials sector is projected to offer 5.2 pp of upside to the y/y Q4 aggregate EPS growth number. Information Technology is expected to offer another 3.3 points of y/y upside and Communication Services is projected to contribute 5.2 pp. All data mentioned in this commentary, including that depicted in the graph below, has been sourced from FactSet.



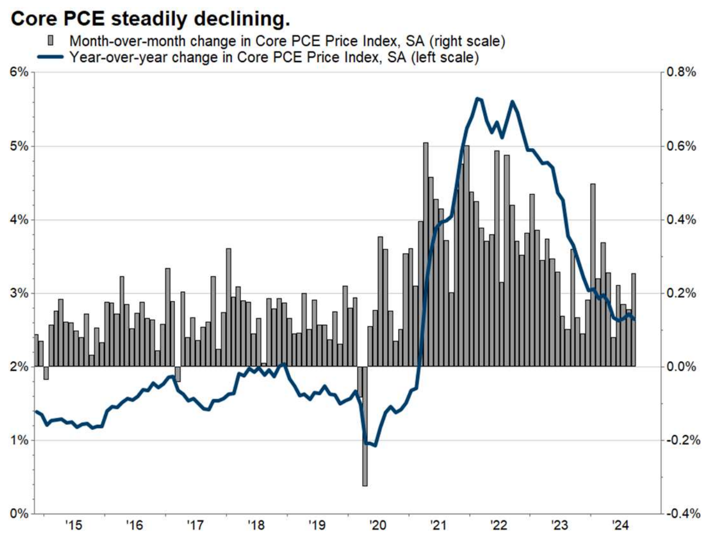


- **The Economic Release Calendar:** The week's flow of economic data is concentrated into the middle of the week given the market's closure on Thursday and what is usually a very light trading day on Friday. U.S. financial markets are closed on Thursday for the Thanksgiving holiday and markets will close early on Friday at 1 PM ET.
- **October New Home Sales:** Tomorrow's report on New Home Sales for the month of October is forecast to show a modest month-over-month (m/m) decline of about 2% as activity is thought likely to have seen lingering pressure from hurricane activity in the southeast. Still, projected sales of about 725,000 (an annualized rate) would be a solid 8% above ago levels. As noted on prior occasions, new home sales are recorded at the time of contract signing whereas existing home sales see a lag in that they are not recorded until the closing. Given this tighter timing, new home sales were also likely pressured by higher mortgage rates last month. The national average rate on a 30-year fixed mortgage moved from about 6.1% at the end of September to 6.7% by the end of October.

- **<u>October Income and Spending:</u>** Personal income and spending are both forecast to have seen steady growth in October. Forecasters as surveyed by Bloomberg expect incomes to have been +0.3% higher in the month and spending to have grown by +0.4%. On a y/y basis, such rates would equal y/y growth of 5.5% for income and 5.4% for sending. *The chart at right is sourced from FactSet.*



- <u>Personal spending</u> is expected to benefit from previously reported solid retail sales results in the month. Consumer spending on Goods (as primarily measured by the Retail Sales report) represents about a third of total consumer outlays and were a sound 0.4% higher m/m in October. Spending on Services, which is about two-thirds of consumer spending has been growing at a fairly consistent 0.4% per month over the last five months and we believe a similar rate was achievable for October.
- **<u>Core Personal Consumption Expenditure (PCE) Price Index</u>**. Wednesday's personal income and spending reports will also provide the Fed's preferred inflation measure, the Core PCE (PCE minus food and energy components).



- The PCE numbers often follow the trends seen in the Consumer Price Index (CPI) which is released about two weeks earlier each month. For the month of October, headline CPI was 0.2% higher m/m while the core rate (excluding food and energy) was up 0.3%. Headline and core PCE numbers should see similar gains, but they should also result in an increase in the y/y rate for both metrics due to particularly weak comparison in the year-ago period.
- On a y/y basis, the PCE Price Index is projected to have grown by +2.3% (versus +2.1% in September) and +2.8% (versus 2.7% in September). *The chart at right is sourced from FactSet.*

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

November 25	26	27	28	29
Dallas Fed Mfg. Index	**S&P /CaseShiller Home $$$**	**Initial Jobless Claims**	**Thanksgiving Day**	**Chicago Purch. Mgr. Index**
Leading Index - Japan	**New Home Sales**	**Q3 Real GDP - 2nd est.**	**U.S. Markets Closed**	*Consumer Confidence - Japan*
Consumer Sentiment - S. Korea	**Consumer Confidence**	**Personal Income**		*Construction Activity - Japan*
	Nov 7th FOMC Minutes	**Personal Spending**		*Manufacturing PMI - China*
		Advance Trade - Goods	*Industrial Production - Japan*	*Services PMI - China*
		Durable Goods Orders	*Retail Sales - Japan*	*GDP - India*
		Trade - Japan	*Unemployment - Japan*	*Inflation - Eurozone*
			Industrial Production - S. Korea	
			Retail Sales - S. Korea	
			Economic Sentiment - Eurozone	

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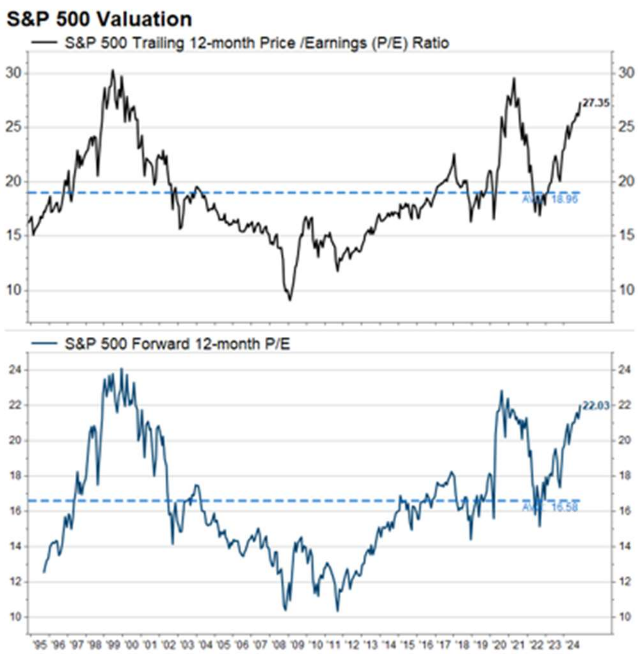
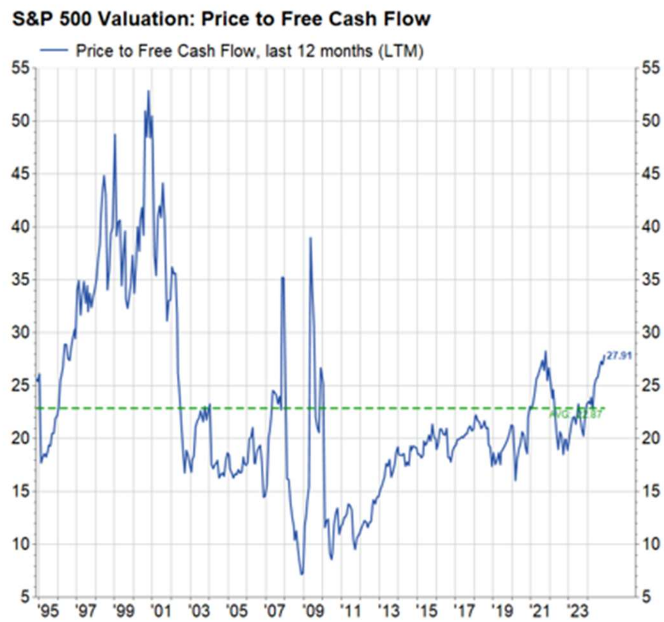
Where Market Fundamentals Stand Heading into The Week:

S&P 500 Trailing and Forward P/E valuations: *Source: FactSet*

<u>Please note:</u> 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
11/25/2024	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 $$ amount				$53.34	$54.52	$58.91	$55.56	$56.45	$60.55	$61.62	$62.09	$63.33	$67.51	$71.21	$72.90	
change over last week										$0.23	-$0.02	$0.00	$0.10	$0.20	$0.12	$0.68
yr/yr				-1.2%	-3.6%	6.1%	4.2%	5.8%	11.1%	5.0%	11.8%	12.2%	11.5%	15.6%	17.4%	
qtr/qtr				0.1%	2.2%	8.1%	-5.7%	1.6%	7.3%	1.8%	0.8%	2.0%	6.6%	5.5%	2.4%	
Trailing 4 quarters $$	$143.08	$211.09	$222.33	$218.71	$216.67	$220.08	$222.33	$225.44	$231.47	$234.18	$240.71	$247.59	$254.55	$264.14	$274.95	$310.99
yr/yr % change	-13.0%	47.5%	4.2%				0.0%				8.3%				14.2%	13.1%
Implied P/E based on a S&P 500 level of: **5969**											24.8	24.1	23.4	22.6	21.7	19.2

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Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday, November 25, 2024 — **All times Eastern. Consensus estimates via Bloomberg**

None Scheduled

Ameriprise Economic Projections

Forecast:	Full-year				Quarterly						
	Actual	Actual	Est.	Est.	Actual	Actual	Actual	Actual	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%	2.7%	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	• U.S. Large Cap Growth • 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	• Developed Foreign Equity • Emerging Foreign Equity
S&P 500 Sectors	• Consumer Staples • Financials	• Communication Services • Energy • Health Care • Information Technology • Materials • Real Estate • Utilities	• Consumer Discretionary • Industrials
Global Equity Regions	• United States	• Asia Pacific ex. Japan • Europe ex U.K. • Japan • Latin America • United Kingdom	• Middle East/Africa • Canada
Fixed Income	• U.S. Government • U.S. Investment Grade Corp.	• U.S. High Yield Bonds • Developed Foreign 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.

As of September 30, 2024	Rolling Returns			
Major Market Indices	**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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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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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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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.

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