Before the Bell

An Ameriprise Investment Research Group Publication

December 5, 2024

Starting the Day

- U.S. futures are pointing to a flattish open.
- European markets are trading mostly higher at midday.
- Asian markets ended mixed.
- Holiday shopping could lead to a solid Q4.
- Bitcoin tops $100,000; Political instability on the rise.
- 10-year Treasury yield at 4.21%.
- West Texas Intermediate (WTI) oil is trading at $68.68.
- Gold is trading at $2,671.80

Market Perspectives

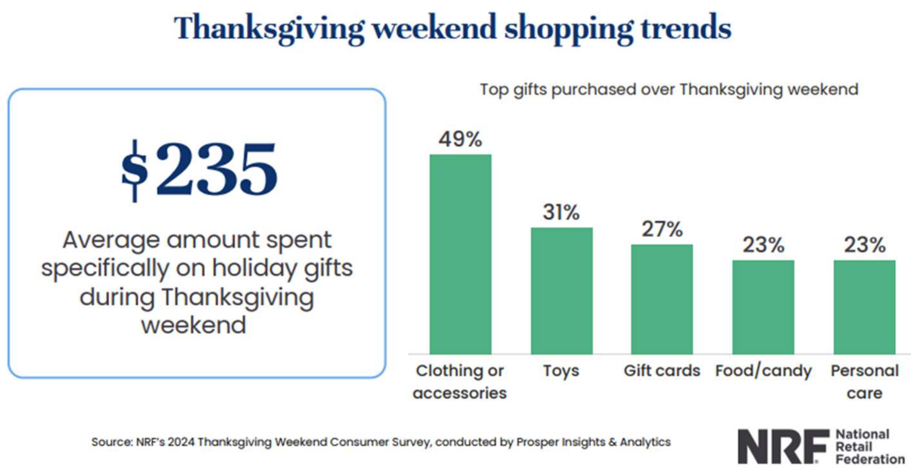
Anthony Saglimbene, Chief Market Strategist

Consumers appear willing and able to spend this holiday. The *National Retail Federation* recently released its summary of Thanksgiving spending/shopping results. The *NRF* reported that roughly 197 million Americans participated in the five-day Thanksgiving shopping extravaganza across in-store and online shopping venues. Although that's down from the 200.4 million shoppers that splurged for holiday gifts over the same five days in 2023, this year's numbers (shown in the *NRF* chart to the right) are impressive, nonetheless, and above the *NRF's* estimate of 183.4 million.

Interestingly, retailers got a jump on promotional activity early this year, given the shortened number of days between Thanksgiving and Christmas. This brought forward some shopping/spending that may have normally shown up between Thanksgiving and Cyber Monday. In fact, the *NFR* reported that 38% of shoppers took advantage of deals specifically during the week before the Thanksgiving holiday weekend.

In addition, Thanksgiving shopping data from providers such as *Adobe Analytics* and *Mastercard SpendingPulse* showed strong spending trends, with an increasing number of shoppers tending to make their purchases online. Notably, Americans spent a record $10.8 billion online on Black Friday, up an impressive +10.2% over Black Friday last year. As the *NFR* chart on the next page shows, Americans spent on average $235 on holiday gifts over the five-day Thanksgiving weekend, up +3.5% over last year. As the chart below also shows, clothing/accessories, toys, and gift cards were the top purchases.

Bottom line: We believe consumers are in a healthy and willing position to spend this holiday season. At the most basic level, this should be supportive of fourth quarter GDP and corporate profit growth. Americans are working, they have savings and income to spend on discretionary items (though they're certainly more cost-conscious about purchases than in years past), and they have a very positive outlook for their assets over the next twelve months (based on the latest Conference Board data). In combination, we believe strong holiday spending patterns this month could be the icing on the cake to what has been a very solid year for financial markets and U.S. economic stability. Outside of Friday's November nonfarm payrolls report, next week's inflation reports and the Federal Reserve rate decision on December 18th likely offer the last bits of newsworthy/market-moving items to watch before the calendar quickly shifts to 2025.



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.** Bitcoin topped $100,000 for the first time overnight, following new all-time highs in major U.S. stock benchmarks on Wednesday, including the Dow Jones Industrials Average crossing 45,000 for the first time. President-elect Trump picked former SEC Commissioner Paul Atkins to lead the agency, who is expected to oversee (if confirmed) a more crypto-friendly regulatory agency. Clearly, investors remain "bulled up" about the prospects for growth, corporate profits, and less regulation next year. With the month of December still young, the S&P 500 is higher by +0.9% on a price basis, while the NASDAQ Composite has added +2.7%. *Goldman Sachs* recently noted that the median December return for the S&P 500 going back to 1928 is +2.04%, while *Bank of America* highlighted that the Index trades higher 74% of the time in December. In election years, the S&P 500 is higher 83% of the time in December. On the economic/policy front, Fed Chair Powell said yesterday in an interview that the economy is in a very good place and that the Fed can afford to be a little cautious in how it brings down rates. Current odds point to a 74% chance the Fed will cut its policy rate by 25 basis points this month. In addition, November ISM services missed estimates and came in at its lowest level since August but remained in expansion. Investors are waiting on Friday's November nonfarm payrolls report, which is expected to rebound to +215,000 from October's hurricane and strike impacted +12,000 jobs.

Europe:

The French government led by Prime Minister Michel Barnier fell yesterday after the first no-confidence vote since 1962. Marine Le Pen's National Rally party joined the left-wing New Popular Front to topple the government. Uncertainty now clouds the path for fiscal leadership, as parliamentary elections cannot be held until July, and there is no clear front-runner to replace Barnier. As a result, Barnier will now continue in the PM role and lead a "caretaker" government until new elections can be held.

Asia-Pacific:

In further political instability across the globe, South Korea's opposition Democratic Party moved to impeach President Yoon with a vote scheduled for Saturday. However, there is considerable doubt the motion will pass, and the ruling PP Party could block it. These actions come after South Korean President Yoon failed to install martial law earlier this week. Market regulators and the Bank of Korea have been quick to help calm financial markets, which, thus far, have shown limited stress.

WORLD CAPITAL MARKETS

12/5/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	0.6%	29.2%	6,086.5
Dow Jones	0.7%	21.6%	45,014.0
NASDAQ Composite	1.3%	32.4%	19,735.1
Russell 2000	0.4%	21.2%	2,426.6
Brazil Bovespa	0.0%	-6.0%	126,087
S&P/TSX Comp. (Canada)	0.0%	25.8%	25,641.2
Russell 3000	0.7%	28.9%	3,497.7

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.4%	12.9%	4,940.4
FTSE 100 (U.K.)	-0.2%	11.5%	8,322.2
DAX Index (Germany)	0.3%	21.1%	20,293.0
CAC 40 (France)	0.1%	0.0%	7,311.1
FTSE MIB (Italy)	0.8%	13.2%	34,356.7
IBEX 35 (Spain)	1.1%	24.7%	12,065.1
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.3%	19.6%	39,395.6
Hang Seng (Hong Kong)	-0.9%	19.8%	19,560.4
Korea Kospi 100	-0.9%	-6.9%	2,441.9
Singapore STI	0.6%	24.6%	3,822.7
Shanghai Comp. (China)	0.1%	13.2%	3,368.9
Bombay Sensex (India)	1.0%	14.7%	81,765.9
S&P/ASX 200 (Australia)	0.1%	16.9%	8,474.9

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.5%	22.2%	872.3

Developed International	% chg.	%YTD	Value
MSCI EAFE	-0.1%	8.2%	2,345.3

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.3%	10.3%	1,100.5

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
Communication Services	0.6%	39.7%	340.8
Consumer Discretionary	1.2%	30.2%	1,832.5
Consumer Staples	-0.2%	20.0%	894.3
Energy	-2.5%	12.9%	699.8
Financials	-0.4%	35.3%	834.7
Health Care	-0.1%	9.0%	1,707.1
Industrials	0.4%	26.4%	1,203.4
Materials	-0.9%	10.5%	586.2
Real Estate	-0.3%	12.5%	275.1
Technology	1.8%	39.6%	4,713.3
Utilities	0.0%	30.2%	406.5

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-1.9%	20.8%	307.2
FTSE NAREIT Comp. TR	-0.2%	11.7%	26,716.0
DJ US Select Dividend	-0.4%	23.5%	3,707.7
DJ Global Select Dividend	-0.1%	11.9%	234.5
S&P Div. Aristocrats	-0.5%	14.4%	4,885.0

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.4%	3.1%	2,230.1
Barclays HY Bond	0.1%	9.0%	2,701.9

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.1%	0.3%	545.4
NYMEX WTI Crude (p/bbl.)	0.4%	-4.0%	68.8
ICE Brent Crude (p/bbl.)	0.3%	-5.8%	72.6
NYMEX Nat Gas (mmBtu)	1.0%	22.2%	3.1
Spot Gold (troy oz.)	0.0%	28.5%	2,651.1
Spot Silver (troy oz.)	0.0%	31.6%	31.3
LME Copper (per ton)	-0.4%	6.0%	8,970.0
LME Aluminum (per ton)	1.3%	11.7%	2,619.1
CBOT Corn (cents p/bushel)	-0.2%	-16.5%	429.3
CBOT Wheat (cents p/bushel)	0.8%	-18.7%	552.5

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.2%	-4.6%	1.05
British Pound (£/$)	0.2%	0.0%	1.27
Japanese Yen ($/¥)	0.1%	-6.2%	150.44
Australian Dollar (A$/$)	0.0%	-5.6%	0.64
Canadian Dollar ($/C$)	0.1%	-5.8%	1.41
Swiss Franc ($/CHF)	0.1%	-4.8%	0.88

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.

Economic News and Views:

Russell T. Price, CFA – Chief Economist

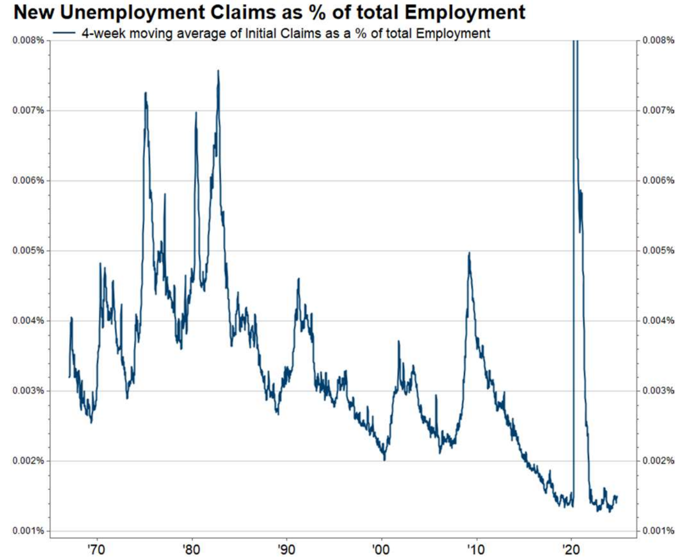
Releases for Thursday, December 5, 2024 | **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
8:30 AM	Nov. 30	Initial Jobless Claims	215k	**224k**	213k	215k
8:30 AM	Nov. 23	Continuing Claims	1904k	**1871k**	1907k	1896k
8:30 AM	OCT	Trade Balance	-$75.0B		-$84.4B	

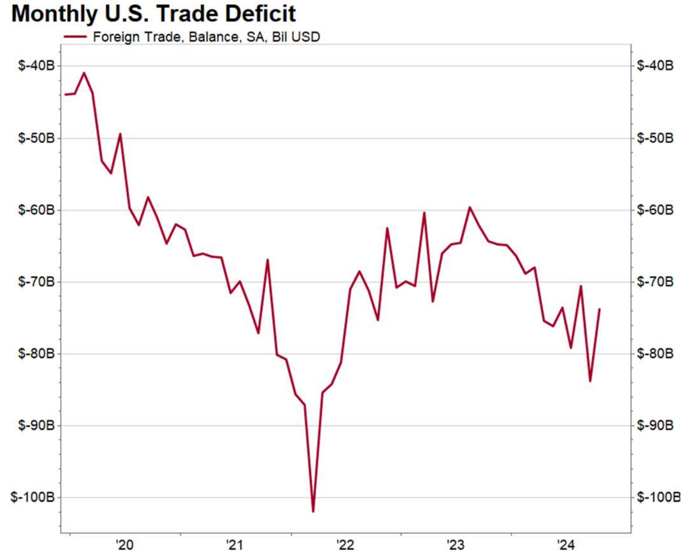
Commentary:

- **Unemployment Claims:** New claims for unemployment insurance rose a bit last week. Either up or down, however, new claims have a strong history of volatility around major holidays. It should also be noted that continuing claims declined moderately – dropping to their lowest levels since mid-October.
- Overall, claims data continue to add to the 'strong job market' perspective, especially when new or continuing claims are measured against total employment as is shown in the chart at right. *The chart at right is sourced from FactSet and has NOT been updated to reflect today's data release.*
- **The Trade Balance:** Separately, the Trade Deficit (U.S. exports minus imports) was smaller than expected by about $1 billion in October. The deficit expanded markedly in September (to a two-year high) ahead of the east coast port strike that was ultimately short-lived.
- We believe the trade deficit to likely expand markedly over the next few months as importers respond to the election results by building inventory ahead of any potential tariffs that may be coming.
- *The chart at right is sourced from FactSet and HAS been updated to reflect today's data release.*

New Unemployment Claims as % of total Employment



Monthly U.S. Trade Deficit



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Ameriprise Economic Projections

Forecast:	Full-year				Quarterly						
	Actual 2022	Actual 2023	Est. 2024	Est. 2025	Actual Q4-2023	Actual Q1-2024	Actual Q2-2024	Actual Q3-2024	Est. Q4-2024	Est. Q1-2025	Est. 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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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.

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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

Except for the historical information contained herein, certain matters in this report are forward-looking statements or projections that are dependent upon certain risks and uncertainties, including but not limited to, such factors and considerations as general market volatility, global economic and geopolitical impacts, fiscal and monetary policy, liquidity, the level of interest rates, historical sector performance relationships as they relate to the business and economic cycle, consumer preferences, foreign currency exchange rates, litigation risk, competitive positioning, the ability to successfully integrate acquisitions, the ability to develop and commercialize new products and services, legislative risks, the pricing environment for products and services, and compliance with various local, state, and federal health care laws. See latest third-party research reports and updates for risks pertaining to a particular security.

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