Before the Bell

An Ameriprise Investment Research Group Publication

December 9, 2024

Starting the Day

- U.S. futures are pointing to a flat-to-lower open.
- European markets are trading mixed at midday.
- Asian markets ended mostly lower overnight.
- Stocks finish higher for the third straight week.
- U.S. inflation reports are on tap this week.
- 10-year Treasury yield at 4.17%.
- West Texas Intermediate (WTI) oil is trading at $68.04.
- Gold is trading at $2,679.40

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Weekly Market Perspectives: The S&P 500 Index and NASDAQ Composite both finished last week at fresh record highs. The NASDAQ was the best-performing benchmark on the week, driven by further Big Tech upside. Yet performance across the major U.S. stock averages was mixed, as the Dow Jones Industrials Average and Russell 2000 Index fell on the week. Importantly, fresh looks at U.S. employment data showed a firm environment, but one that will likely allow the Federal Reserve to cut its policy rate again later this month. And with the employment picture remaining healthy, consumers look comfortable splurging on gifts this holiday season, as sales over the five-day Thanksgiving holiday came in strong. Overseas, political disruptions flared in France, South Korea, and Syria, reminding investors that the risk of the unexpected never really goes away, no matter how good the market environment looks.

This week, fresh looks at inflation will be the last pieces of the economic puzzle Fed officials will have before delivering their final rate decision of the year on December 18th. In the background, market pundits will debate if this year's strong stock momentum can continue into 2025 while updates on small business sentiment and several U.S. Treasury auctions grab investors' interest.

Last Week in Review:

- The S&P 500 gained +1.0%, finishing higher for the third consecutive week, and is up four of the past five weeks. On Friday, the Index recorded its 57th record close of 2024. Since the November 5th election the broad-based U.S. stock benchmark is higher by +5.3% and up a stunning +29.3% for the year.
- The NASDAQ rose an impressive +3.4%, also closing higher for the third straight week. The tech-heavy index was supported by a rotation back to Big Tech leadership and fueled by solid earnings results from Salesforce, Marvell Technology, and Hewlett Packard Enterprise. Positive artificial intelligence takeaways from the Amazon AWS conference also helped boost tech sentiment.
- The Dow (-0.6%) and Russell 2000 (-1.1%) slid lower on the week.
- U.S. Treasury yields slightly dipped as prices firmed.
- The U.S. Dollar Index edged higher, Gold edged lower, and West Texas Intermediate (WTI) crude finished near flat.
- Bitcoin rose on the week, surpassing $100,000 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.
- November nonfarm payrolls rebounded from October's hurricane and Boeing strike depressed levels, rising +227,000. November's job gains came in above consensus estimates, with job revisions over the last two months rising by +56,000. The unemployment rate ticked higher to 4.2% last month from 4.1% in October, while the prime-age employment-to-

population ratio and participation rate weakened. Following the release of Friday's jobs report, odds of a 25-basis point rate cut this month jumped to 89% from 70% pre-release. In addition to the nonfarm payrolls report, job openings in October came in stronger than expected, while November private ADP payrolls missed estimates, with October figures revised lower. Bottom line: The job market remains healthy but is softening on the edges. Labor conditions should allow the Fed to comfortably lower its policy rate this month and outside of an unexpected shock in inflation data this week.

- In other U.S. economic updates, ISM manufacturing activity remained in contraction but rose to its highest level since April and put in its best month-over-month gain since August 2023. However, ISM services activity softened, slowing to a three-month low but remaining firmly in expansion territory. And a preliminary look at December Michigan sentiment saw consumer optimism improve to its highest level since April and logged its fifth straight month of improvement. However, one year ahead inflation expectations (+2.9%) rose to its highest reading in six months.
- Overseas, the French government led by Prime Minister Michel Barnier fell 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. In further political instability, Soth Korea's ruling People's Power Party (PPP) chief, Han Dong-hoon, said South Korean President Yoon Suk Yeol should no longer be allowed to exercise his executive powers and after seeing evidence the President planned to arrest major political leaders during a failed attempt at martial law earlier in the week. Over the weekend, Yoon avoided impeachment after allied lawmakers walked out on a vote to remove him from office.

Consumers are in a festive mood, which should help support a strong finish to an exceptionally strong year.

Let's just get this out of the way at the top. The S&P 500 is on pace for its best year since 2019 and ready to close out two consecutive years of +20% plus returns, which would be a first since the late 1990s. The U.S. economy is primed to finish its tenth straight quarter of growth, inflation is approaching normalized levels, the unemployment rate is low, investor/consumer optimism is high, and the Federal Reserve is in the process of lowering interest rates.

Pile on expectations for lower taxes, less regulation, and a growth-friendly business environment next year, and it's not surprising that Americans are feeling pretty darn good about the future. And when Americans feel good, they generally open their wallets and spend.

The five-day Thanksgiving holiday, as well as the week before, provided a good barometer of consumers' festive mood. The *NRF* reported that roughly 197 million Americans participated in the five-day Thanksgiving shopping extravaganza across in-store and online shopping venues. 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 <u>before</u> 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.

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. 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. This week's inflation reports and the Federal Reserve rate decision the following week likely offer the last bits of newsworthy/market-moving items to watch before the calendar quickly shifts to 2025.

The Week Ahead:
Outside of the U.S., the week began with Syrian President Bashar al-Assad fleeing Syria after rebel forces stormed Damascus. Inside the U.S., key reports on consumer and producer inflation this week could show prices across both measures remain sticky.

- The removal of Syria's dictator, Assad, will be welcomed by most who want to see a repressed population return to stability and dignity. However, the vacuum of leadership and the disjointed power structure within Syria (including groups the U.S. considers terrorist organizations) could make for a less stable country in an already unstable Middle East.
- A slight decline in gasoline prices in November should temper upward pressures on the headline Consumer Price Index, while the core rate should stick close to levels it has traced since September. That said, a persistent moderation across inflation in 2025 should allow the Federal Reserve to ease rates next year, but possibly at a slower pace than investors currently expect.

- Producer inflation may show signs of firming in November, while the U.S. Treasury is expected to offer $119 billion in new offerings this week.
- Finally, the European Central Bank, Swiss National Bank, and Bank of Canada are all expected to lower their policy rates at their last meeting of the year. The Reserve Bank of Australia is expected to hold rate policy steady.

Stock Market Recap

Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 6,090	1.0%	1.0%	29.3%	28.8	23.5	1.2	1.5
Dow Jones Industrial Average: 44,643	-0.5%	-0.5%	20.6%	26.3	20.6	1.5	2.0
Russell 2000 Index: 5,987	-1.0%	-1.0%	20.3%	76.1	39.4	1.2	1.3
NASDAQ Composite: 19,860	3.4%	3.4%	33.2%	43.0	38.1	0.6	0.8
Best Performing Sector (weekly): Consumer Discretionary	5.9%	5.9%	34.6%	33.6	31.0	0.6	0.8
Worst Performing Sector (weekly): Energy	-4.5%	-4.5%	11.5%	14.9	11.0	3.2	3.9

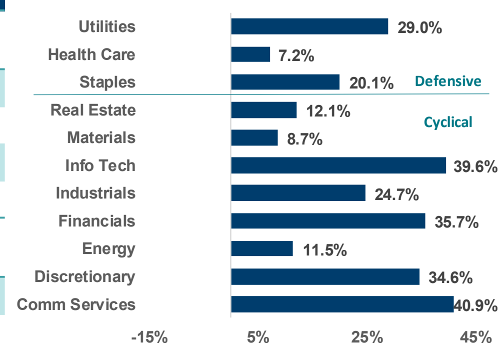
Source: Factset. Data as of 12/06/2024

Bond/Commodity/Currency Recap

Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	0.4%	0.4%	4.1%
West Texas Intermediate (WTI) Oil: $67.20	-1.6%	-1.6%	-6.5%
Spot Gold: $2,633.30	-0.6%	-0.6%	27.6%
U.S. Dollar Index: 106.06	0.3%	0.3%	4.7%
Government Bond Yields	Yield Chg		
	Weekly	MTD	YTD
2-year U.S. Treasury Yield: 4.09%	-7 bps chg	-7 bps chg	-16 bps chg
10-year U.S. Treasury Yield: 4.15%	-4 bps chg	-4 bps chg	26 bps chg

Source: Factset. Data as of 12/06/2024. bps = basis points

YTD Total Returns by S&P 500 Sector



Source: S&P Global, Factset. Data as of 12/06/2024

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 flat-to-lower open.** Inflation data will be the key reports this week, with November CPI out on Wednesday and PPI released on Thursday. Markets appear buoyed by positive seasonal sentiment, recent Technology performance, and solid underlying fundamental conditions.

Europe:

A potential 10% U.S. tariff on European goods could be deflationary as opposed to inflationary for Europe, as U.S. imports make up just over 10% of Eurozone goods, according to *Citigroup*. *Citi* noted consumer goods are limited, and energy is likely to be exempt from tariffs. However, political crises in Germany and France could limit efforts to modernize Europe's economy and complicate how the EU responds to potential U.S. tariff pressures.

Asia-Pacific:

China's Politburo signaled it will implement a more proactive fiscal policy and a "more moderately loose" monetary policy next year. *Bloomberg* noted it's the first time since 2011 that China's top leaders have shifted their stance on monetary policy, which has generally included the word "prudent." Notably, top officials in China are likely bracing for an escalation in the U.S. trade war, and measures that help support easing monetary policies and fiscal policies that add support for domestic consumption could be well-received by investors.

WORLD CAPITAL MARKETS

12/9/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	0.2%	29.3%	6,090.3
Dow Jones	-0.3%	20.6%	44,642.5
NASDAQ Composite	0.8%	33.2%	19,859.8
Russell 2000	0.5%	20.3%	2,409.0
Brazil Bovespa	0.1%	-6.1%	126,049
S&P/TSX Comp. (Canada)	0.0%	26.1%	25,691.8
Russell 3000	0.3%	28.9%	3,497.8

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.1%	13.8%	4,980.8
FTSE 100 (U.K.)	0.5%	11.9%	8,351.0
DAX Index (Germany)	-0.1%	21.5%	20,359.8
CAC 40 (France)	0.5%	2.0%	7,461.2
FTSE MIB (Italy)	-0.3%	14.1%	34,640.3
IBEX 35 (Spain)	-0.2%	24.5%	12,047.2
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.2%	18.9%	39,160.5
Hang Seng (Hong Kong)	2.8%	25.1%	20,414.1
Korea Kospi 100	-2.8%	-10.0%	2,360.6
Singapore STI	0.0%	23.7%	3,794.9
Shanghai Comp. (China)	0.0%	14.4%	3,402.5
Bombay Sensex (India)	-0.2%	14.3%	81,508.5
S&P/ASX 200 (Australia)	0.0%	16.2%	8,423.0

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.2%	22.5%	873.7

Developed International	% chg.	%YTD	Value
MSCI EAFE	-0.1%	8.7%	2,355.0

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.3%	10.8%	1,105.1

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	1.4%	40.9%	343.7
Consumer Discretionary	2.4%	34.6%	1,894.2
Consumer Staples	-0.4%	20.1%	893.9
Energy	-1.6%	11.5%	691.1
Financials	0.0%	35.7%	836.9
Health Care	-0.5%	7.2%	1,678.6
Industrials	-0.3%	24.6%	1,185.9
Materials	-0.3%	8.7%	576.6
Real Estate	0.0%	12.1%	274.2
Technology	0.1%	39.6%	4,711.3
Utilities	-1.2%	29.0%	402.7

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-0.8%	20.6%	306.6
FTSE NAREIT Comp. TR	-0.1%	11.3%	26,628.2
DJ US Select Dividend	-0.5%	23.0%	3,692.9
DJ Global Select Dividend	-0.2%	11.9%	234.4
S&P Div. Aristocrats	-0.5%	13.6%	4,854.0

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.2%	3.4%	2,235.5
Barclays HY Bond	0.1%	9.1%	2,706.0

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	-0.2%	0.2%	544.7
NYMEX WTI Crude (p/bbl.)	1.3%	-5.0%	68.1
ICE Brent Crude (p/bbl.)	1.1%	-6.6%	71.9
NYMEX Nat Gas (mmBtu)	4.2%	27.5%	3.2
Spot Gold (troy oz.)	0.9%	28.8%	2,657.9
Spot Silver (troy oz.)	2.6%	33.6%	31.8
LME Copper (per ton)	0.6%	6.5%	9,011.9
LME Aluminum (per ton)	-1.6%	9.6%	2,569.8
CBOT Corn (cents p/bushel)	0.2%	-14.3%	440.8
CBOT Wheat (cents p/bushel)	1.3%	-16.9%	564.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.0%	-4.3%	1.06
British Pound (£/$)	0.2%	0.3%	1.28
Japanese Yen ($/¥)	-0.6%	-6.5%	150.91
Australian Dollar (A$/$)	1.1%	-5.2%	0.65
Canadian Dollar ($/C$)	0.4%	-6.1%	1.41
Swiss Franc ($/CHF)	-0.1%	-4.3%	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.

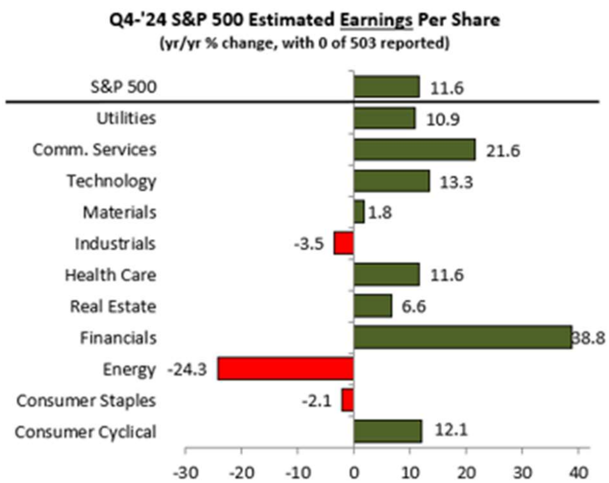
The Week Ahead:

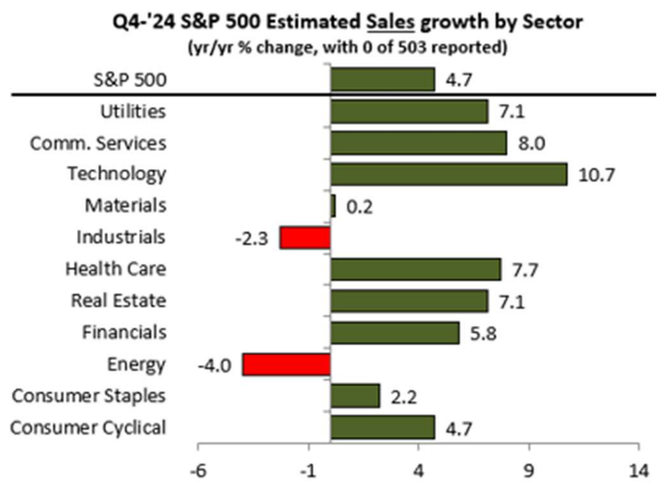
Russell T. Price, CFA, Chief Economist

Unless otherwise noted, all economic estimates are sourced from Bloomberg and all corporate earnings measures are sourced from FactSet.

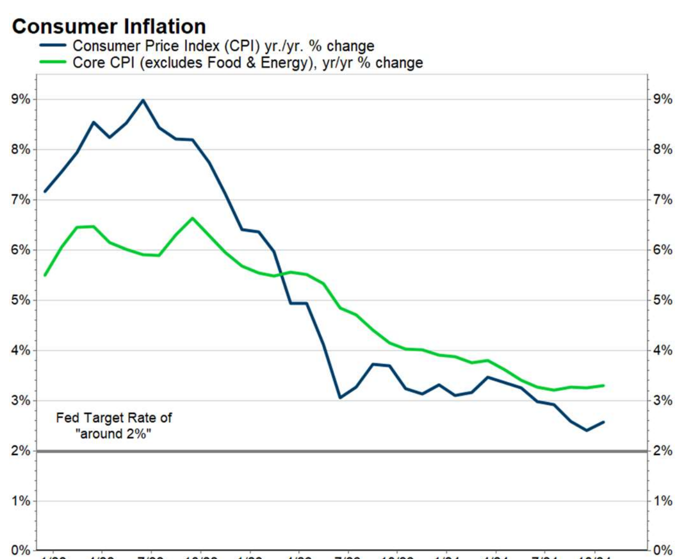
- **Earnings: Can corporate earnings really grow by 11%+ in Q4?** In its final assessment of S&P 500 financial results for the third quarter (Q3), FactSet reports earnings per share (EPS) to have been 5.9% higher year-over-year (y/y) on sales growth of 5.5%. The financial information provider also notes that the EPS results could have been noticeably better if not for a one-time charge taken by Apple. The Apple charge, related to its European General Court State Aid decision, shaved 1.6 percentage points from the final S&P 500 EPS results. Overall, the Q3 earnings were ahead of the +4.3% EPS growth expected at the end of the quarter (September 30).
- **On to Q4...** Fourth quarter S&P 500 EPS are currently projected to be +11.6% higher y/y on sales growth of 4.7%. The strong pace of earnings growth expected for Q4 is partially due to easy year-ago comparisons, particularly in the Financial Sector. On a quarter-over-quarter basis, EPS are expected to be a modest 0.6% higher versus the 1.8% gain seen in Q3.
- According to FactSet, Financials are currently projected to see y/y EPS growth of 38.8% which would add a hefty 5.2 percentage points (pp) of upside to overall S&P EPS growth for the period. Elsewhere, Communication Services are projected to grow by 21.6%, contributing another 5.2 pp to the total, while the Information Technology sector is seen as growing EPS by 13.4%, and adding a 3.3-point boost to the Index. All data mentioned in this commentary, including that depicted in the graphic below, has been sourced from FactSet.

S&P 500 Fourth Quarter Outlook:





- **The Economic Release Calendar:** This week's economic release calendar is all about inflation. The Consumer Price Index (CPI) is out on Wednesday, the Producer Price Index (PPI) on Thursday, and Import Prices on Friday. Consumer and Producer prices are both expected to be a bit 'hot' especially at the headline level where gas prices declined but at a slower than normal seasonal pace and natural gas prices jumped.
- **November CPI: A look back at the prior month (October):** Consumer prices rose at a moderately 'hot' pace in October. At the headline level CPI was up +0.2% month-over-month (m/m) (+2.6% y/y), while prices at the core level were a stronger +0.3% higher (+3.3% y/y). A variety of factors contributed to the upside including higher airfares (up 4.1% y/y), auto insurance (up 14.0% y/y) and household electricity prices (+4.5% y/y) amongst others.



- So, what's the outlook for November?: Some of the pricing strength seen in October is expected to have carried over into November. *The chart at right is sourced from FactSet.*
- **Forecasters expect November's headline CPI to be up 0.3% m/m with a similar gain at the Core level (CPI minus food and energy prices). On a y/y basis, the numbers would represent growth of +2.7% and +3.3%, respectively.** What monthly pace equates to an annualized CPI rate of 2.0% y/y? About 0.16%. As such, November's price performance is seen as growing at rates double that of the Fed's target inflation rate of "about 2.0%."
- Some of the increase at the headline level is reflective of a smaller than normal seasonal decline in gasoline prices. According to the Energy Information Administration (EIA) gas prices were down 2.3% last month versus a normal seasonal decline of about 3.1%.
- We've talked ad nauseum over the last two years about the Shelter component of CPI. The category remains THE primary determinant of near and intermediate-term CPI trends given its outsized weighting and the fact that it continues to run "hot" due to lingering measurement issues. However, in October, CPI minus just the Shelter component was a slim 1.3% higher y/y while prices excluding food, energy and shelter were 2.1% higher. As a quick reminder, shelter accounts for a dominant 36% of the headline CPI, 44% of the Core and is primarily based on housing rental rates.
- *The charts at right have been source from FactSet.*

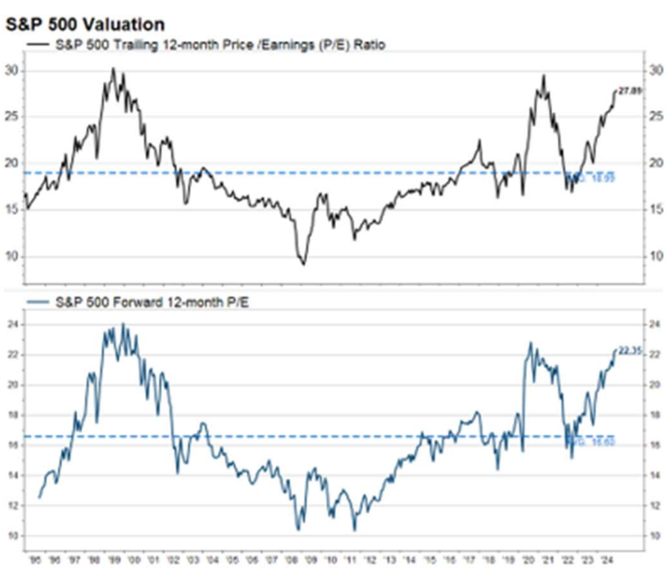
The calendar below is sourced from American Enterprise Investment Services Inc.

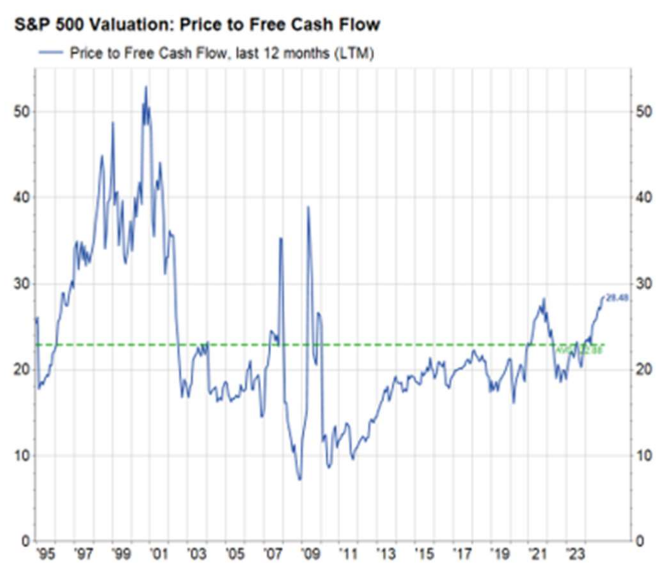
December 9	10	11	12	13
Loan Growth - China	**NFIB Small Business Index**	**Consumer Price Index**	**Initial Jobless Claims**	**Import Price Index**
Economic Sentiment - Eurozone	**Labor Productivity**		**Producer Price Index**	*Bank Lending - India*
	Unit Labor Costs		*Business Sentiment - Japan*	*Trade - India*
	Business Sentiment - Japan		*Industrial Production - Japan*	*Industrial Production - Eurozone*
	Trade - China		*Industrial Production - India*	
			Inflation - India	

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. The calculation of earnings (operating earnings versus 'as reported' or GAAP) also often differ modestly from one data source to another due to the use of proprietary calculation methodologies.





Consensus Earnings Estimates: *Source: FactSet*

Please note: 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
12/9/2024	Actual	Actual	Actual	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Q1	Actual Q2	Actual Q3	Est. Q4	Est. Q1	Est. Q2	Est. Q3	Est. Q4	Est. FY
Quarterly $$ amount				$53.34	$54.52	$58.91	$55.56	$56.45	$60.55	$61.61	$61.99	$63.34	$67.52	$71.11	$72.50	
change over last week										-$0.01	-$0.10	$0.01	$0.01	-$0.10	-$0.40	$0.21
yr/yr				-1.2%	-3.6%	6.1%	4.2%	5.8%	11.1%	5.0%	11.6%	12.2%	11.5%	15.4%	17.0%	
qtr/qtr				0.1%	2.2%	8.1%	-5.7%	1.6%	7.3%	1.8%	0.6%	2.2%	6.6%	5.3%	2.0%	
Trailing 4 quarters $$	$143.08	$211.09	$222.33	$218.71	$216.67	$220.08	$222.33	$225.44	$231.47	$234.17	$240.60	$247.49	$254.46	$263.96	$274.47	$311.20
yr/yr % change	-13.0%	47.5%	4.2%				0.0%				8.2%				14.1%	13.4%
Implied P/E based on a S&P 500 level of: **6090**											25.3	24.6	23.9	23.1	22.2	19.6

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday, December 9, 2024 — **All times Eastern. Consensus estimates via Bloomberg**

None Scheduled

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**

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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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.

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Growth securities, at times, may not perform as well as value securities or the stock market in general and may be out of favor with investors.

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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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