Before the Bell

An Ameriprise Investment Research Group Publication

December 16, 2024

Starting the Day

- U.S. futures are pointing to a higher open.
- European markets are trading lower at midday.
- Asian markets ended lower overnight.
- Stocks finished last week mixed.
- Big Picture Themes for 2025.
- 10-year Treasury yield at 4.37%.
- West Texas Intermediate (WTI) oil is trading at $70.63.
- Gold is trading at $2,682.40

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Weekly Market Perspectives: Stocks put in a mixed week of performance last week as investors digested updated inflation data and waited for this week's final Federal Reserve policy update of the year. Stretched valuations and mixed stock momentum across Big Tech acted to complicate the market's direction, which contributed to sending the S&P 500 Index modestly lower. That said, the NASDAQ Composite eked out a fractional gain last week, rising for the fourth straight week.

All eyes this week will be on the Federal Reserve's policy decision on Wednesday. Market odds point to a nearly 100% chance the central bank will cut its policy rate by 25 basis points. However, it will likely be the updated Summary of Economic Projections and what Fed Chair Powell and company see for the U.S. economy and rate policy next year that moves markets.

Last Week in Review:

- The S&P 500 Index closed lower by 0.6%, snapping a three-week winning streak.
- The NASDAQ Composite gained +0.4% and was the only major U.S. stock average to finish the week higher. Alphabet rose +8.6% on excitement over its quantum computing breakthrough, while NVIDIA slipped lower by 5.8% on weaker technical trading.
- Both the Dow Jones Industrials Average (-1.8%) and Russell 2000 Index (-2.5) saw sentiment cool following solid runs higher post-election.
- U.S. Treasury prices were weaker across the curve, the U.S. Dollar Index strengthened, and Gold and Crude rose.
- The headline Consumer Price Index (CPI) rose +2.7% in November on an annualized basis, while the core measure (excluding food and energy) rose +3.3%. Shelter costs (which account for roughly 40% of all-items CPI) slightly decreased from October levels, while inflation across used vehicles and airfares rose less than in October. Although consumer prices came in mostly warmer-than-expected last month, we believe it is unlikely consumer prices will see a dramatic reacceleration, which should keep Fed officials on a "gradual" path of adjusting its policy rate lower in 2025. In addition, producer price inflation also came in warmer than expected in November, with the headline figure seeing its largest jump since February 2023 on an annualized basis.
- Speaking of inflation, the latest New York Federal Reserve Survey of Consumer Expectations showed inflation uncertainty rising across all time horizons. Attitudes about the labor market and household finances were mixed, with one-year ahead earnings growth expectations sitting at the top of the range going back to January 2024.
- Banks provided a mostly upbeat view of the year ahead at the Goldman Sachs Financial Services Conference. Most big banks were optimistic about their net interest income trajectory, incrementally more upbeat on capital market strength next year, and had a favorable view of the U.S. economy in 2025.

- The NFIB Small Business Optimism Index jumped to its highest level since June 2021, snapping a 34-month streak of record uncertainty. Election results signaled a major shift in the fiscal policy assessment among small business owners, with the group particularly upbeat about the potential for lower taxes and less regulation.
- Overseas, China stimulus sentiment ramped higher after Beijing said it would implement a more proactive fiscal policy approach next year, while stating monetary policy would loosen moderately. However, details were lacking. On the central bank front, the European Central Bank cut its policy rate by 25 basis points, as expected, and for the third consecutive meeting. Importantly, policymakers left the door open for further rate cuts in 2025. In France, President Emmanuel Macron appointed longtime ally Francois Bayrou to lead the French government and help build consensus across a deeply fractured parliament after the former PM was toppled in a no-confidence vote the previous week.

Out with the old, in with the new. The big picture for 2025.
With an eventful year winding down, U.S. stocks are on pace to record another year of strong annual returns. In fact, the S&P 500 recorded its strongest month of performance this year in November, putting the Index on pace for two consecutive years of back-to-back +25% plus returns for the first time since the late 1990s. Since the election, investors have favored small-cap stocks, Financials, Consumer Discretionary, and software companies in Tech while reducing exposure to Health Care, Utilities, and strategies that hedge volatility. However, most recently, these trends have continued to shift and evolve as the year winds down.

As you think about the year ahead, below are a few “big picture” themes we see encompassing markets and the economy in 2025.

Security selection makes a comeback. U.S. asset prices/valuations reflect much of what could go right over the next twelve months. A more selective investment approach may be required to help navigate a fluid environment.

Fundamental conditions in the U.S. economy and financial markets will likely remain firm. In our base scenario, the U.S. economy should grow around its longer-term trend, core inflation should moderate to policymakers +2.0% target, and corporate earnings should grow for the fifth consecutive year. However, while asset prices could keep grinding higher in such an environment, investors should expect a more volatile backdrop next year, which could begin as soon as the first quarter.

A second Trump term offers potential benefits and risks to growth that are difficult to forecast. However, the odds favor a pro-growth outcome, in our view. Sorting through potential changes to tax policy, regulation, trade policies, and immigration might keep investors on their toes. Less regulation and the extension of expiring provisions in the 2017 Tax Cuts and Jobs Act (in addition to lowering certain taxes) could be modestly stimulative. Broad tariff implementations, however, could dampen economic growth and put upward pressure on inflation.

Big Tech remains influential, but expanding profit growth elsewhere creates opportunities. An artificial intelligence "gold rush" has pushed the valuations of mega-cap Technology companies into rarified air. But an increasing number of industries outside of Tech could see an acceleration in profit growth and have room to rise. Investors should broaden their horizons for opportunities and selectively take advantage of potential weaknesses in Technology.

Stick to the basics. Focus on diversification, hew exposures to the U.S., grab some yield, and be prepared for an eventful year.

Later this week the Ameriprise Investment Research Group will publish its suite of Outlook and Theme reports for 2025. The reports will highlight our views/outlook on the economy, markets, and investment strategies we believe can prepare investors for the upcoming year. Importantly, outlook reports are meant to equip investors with the big-picture items we see driving markets over the quarters ahead and provide some investment strategies to help them navigate the environment. But these are also point-in-time reports that, as time passes, become less useful as conditions change and evolve throughout the year. In our view, it’s the ongoing evaluation of our outlook throughout the year that matters most to investors, as well as our ability to identify when shifts in our guidance need to occur. Bottomline: Take some time to read through our Outlook and Theme reports before the new year. Use the reports as a solid base to build expectations for 2025, help understand the environment ahead, and even take a few tips away for helping adjust portfolios to opportunities and risks. And please use our ongoing research throughout next year (like our *Weekly Market Perspectives* report) to keep on top of what’s happening in the markets and economy and stay abreast of changes in our outlook as we move through what is very likely to be a year filled with ups and downs.

The Week Ahead:

It won't be the Fed's likely rate cut that investors key in on this week. Rather, it'll be whether Fed Chair Powell's press conference and/or the Fed's updated projections set the stage for a possible pause in rate cuts next month that will drive market reactions, in our view.

- We expect the Fed to cut rates by 25 basis points on Wednesday and Powell to set the stage for a pause in January. We expect the Fed Chair to adopt a cautious policy tone and stress that the committee will take its time to normalize U.S. rate policy. Although Powell will be asked several times and in several different ways how changes in fiscal policies or tariffs may impact future monetary decisions, investors should expect him to keep tight-lipped on the subject and stress the committee will act appropriately as conditions change. We also wouldn't be surprised if the committee's updated projections for future rate policy see fewer cuts in 2025 than forecast in September.
- Preliminary looks at December manufacturing and services activity in the U.S. should show a largely steady state versus November levels. Meanwhile, November retail sales figures (excluding autos) should see a boost over October figures.
- A batch of housing data, a final look at third quarter GDP, the Fed's preferred measure of inflation for November, and a final look at December Michigan sentiment are all on the calendar. However, outside of the Fed Meeting, the rest of this week's releases will likely be ignored by the market as traders and professionals start to focus on the holidays and regroup for another year.

Finally, Ameriprise *Weekly Market Perspectives* will return for the January 6th edition. From everyone in the Ameriprise Investment Research Group, have a joyful holiday season and best wishes for a prosperous and healthy new year.

Stock Market Recap

Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 6,051	-0.6%	0.4%	28.6%	28.6	23.5	1.2	1.5
Dow Jones Industrial Average: 43,828	-1.8%	-2.3%	18.4%	25.8	20.6	1.6	2.0
Russell 2000 Index: 5,833	-2.5%	-3.5%	17.3%	74.0	39.4	1.2	1.3
NASDAQ Composite: 19,927	0.4%	3.7%	33.7%	43.1	38.1	0.6	0.8
Best Performing Sector (weekly): Comm Services	2.5%	6.7%	44.4%	25.4	22.6	0.7	0.9
Worst Performing Sector (weekly): Materials	-2.9%	-5.7%	5.5%	26.1	19.6	1.9	1.9

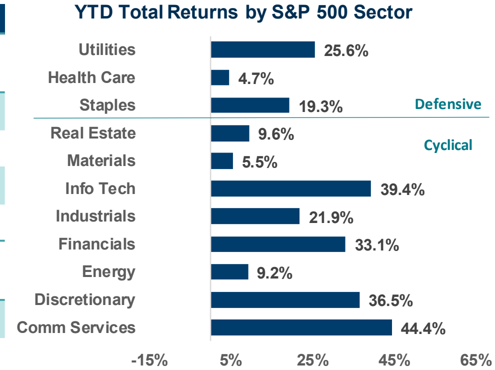
Source: Factset. Data as of 12/13/2024

Bond/Commodity/Currency Recap

Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	-1.3%	-0.8%	2.8%
West Texas Intermediate (WTI) Oil: $71.29	4.0%	4.4%	-0.8%
Spot Gold: $2,648.68	0.6%	-0.1%	28.4%
U.S. Dollar Index: 107.00	0.9%	1.2%	5.6%
Government Bond Yields	Yield Chg		
	Weekly	MTD	YTD
2-year U.S. Treasury Yield: 4.24%	15 bps chg	8 bps chg	-1 bps chg
10-year U.S. Treasury Yield: 4.40%	25 bps chg	21 bps chg	51 bps chg

Source: Factset. Data as of 12/13/2024. bps = basis points

YTD Total Returns by S&P 500 Sector



Source: S&P Global, Factset. Data as of 12/13/2024

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 slightly higher open.** Following a mixed week of performance, stocks look to open positively this morning and as investors wait for Wednesday's Fed decision.

Europe:

December flash Eurozone manufacturing activity remained deeply in contraction, marking the 30th consecutive month the level remained below the expansionary level of 50. Persistent weakness in manufacturing also kept Europe's composite figure in contraction this month despite services activity remaining in an expansionary state. Separately, the Bank of England meets this week and is expected to hold rate policy steady.

Asia-Pacific:

November activity data in China mostly underwhelmed, with retail sales coming up short of expectations and below October levels. Most categories across retail sales declined, with notable declines in cosmetics and communication equipment. However, industrial production rose more than expected last month and was above October levels. Fixed asset investment and infrastructure growth expanded less than October levels. Separately, the Bank of Japan meets this week, and views are mixed on whether policymakers will hike rates this week or remain on pause.

WORLD CAPITAL MARKETS

12/16/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	0.0%	28.6%	6,051.1
Dow Jones	-0.2%	18.5%	43,828.1
NASDAQ Composite	0.1%	33.7%	19,926.7
Russell 2000	-0.6%	17.3%	2,346.9
Brazil Bovespa	-1.1%	-7.1%	124,612
S&P/TSX Comp. (Canada)	-0.5%	24.2%	25,274.3
Russell 3000	-0.1%	27.8%	3,466.2

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-0.4%	13.1%	4,946.5
FTSE 100 (U.K.)	-0.3%	10.8%	8,272.4
DAX Index (Germany)	-0.3%	21.4%	20,338.4
CAC 40 (France)	-0.8%	0.5%	7,353.5
FTSE MIB (Italy)	-0.4%	14.5%	34,758.4
IBEX 35 (Spain)	-0.1%	21.3%	11,740.7
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.0%	19.8%	39,457.5
Hang Seng (Hong Kong)	-0.9%	21.3%	19,795.5
Korea Kospi 100	-0.2%	-5.1%	2,489.0
Singapore STI	0.3%	24.6%	3,821.0
Shanghai Comp. (China)	-0.2%	13.8%	3,386.3
Bombay Sensex (India)	-0.5%	14.6%	81,748.6
S&P/ASX 200 (Australia)	-0.6%	13.8%	8,249.5

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-0.3%	21.4%	866.1

Developed International	% chg.	%YTD	Value
MSCI EAFE	-0.8%	7.0%	2,319.1

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-0.5%	11.1%	1,107.0

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	-1.1%	44.4%	352.0
Consumer Discretionary	0.4%	36.5%	1,920.7
Consumer Staples	-0.2%	19.3%	888.1
Energy	-0.6%	9.2%	676.7
Financials	-0.3%	33.1%	820.7
Health Care	0.0%	4.7%	1,639.2
Industrials	-0.3%	21.8%	1,158.8
Materials	-0.8%	5.5%	559.8
Real Estate	-0.6%	9.6%	267.6
Technology	0.5%	39.4%	4,703.8
Utilities	0.1%	25.6%	391.8

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-0.4%	18.7%	301.9
FTSE NAREIT Comp. TR	-0.1%	9.2%	26,134.3
DJ US Select Dividend	0.0%	20.5%	3,618.5
DJ Global Select Dividend	-0.5%	9.7%	229.5
S&P Div. Aristocrats	-0.4%	11.7%	4,771.0

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.4%	2.0%	2,204.7
Barclays HY Bond	-0.2%	8.9%	2,700.0

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	-0.3%	0.2%	544.5
NYMEX WTI Crude (p/bbl.)	-0.9%	-1.4%	70.6
ICE Brent Crude (p/bbl.)	-0.7%	-4.0%	74.0
NYMEX Nat Gas (mmBtu)	-3.4%	26.1%	3.2
Spot Gold (troy oz.)	0.4%	28.9%	2,659.8
Spot Silver (troy oz.)	0.3%	28.8%	30.7
LME Copper (per ton)	-0.4%	5.6%	8,940.5
LME Aluminum (per ton)	0.3%	9.4%	2,565.8
CBOT Corn (cents p/bushel)	0.4%	-13.7%	443.8
CBOT Wheat (cents p/bushel)	0.7%	-18.1%	556.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.0%	-4.9%	1.05
British Pound (£/$)	0.3%	-0.6%	1.27

	% chg.	% YTD	Value
Japanese Yen ($/¥)	-0.3%	-8.5%	154.07
Australian Dollar (A$/$)	-0.1%	-6.7%	0.64

	% chg.	% YTD	Value
Canadian Dollar ($/C$)	-0.1%	-7.0%	1.42
Swiss Franc ($/CHF)	0.0%	-5.8%	0.89

Data/Price Source: Bloomberg. Equity Index data is total return, inclusive of dividends, where applicable.

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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%	7.9%	**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%
As of: September 30, 2024					**Industrials**	8.5%	Underweight	-2.0%	6.5%

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

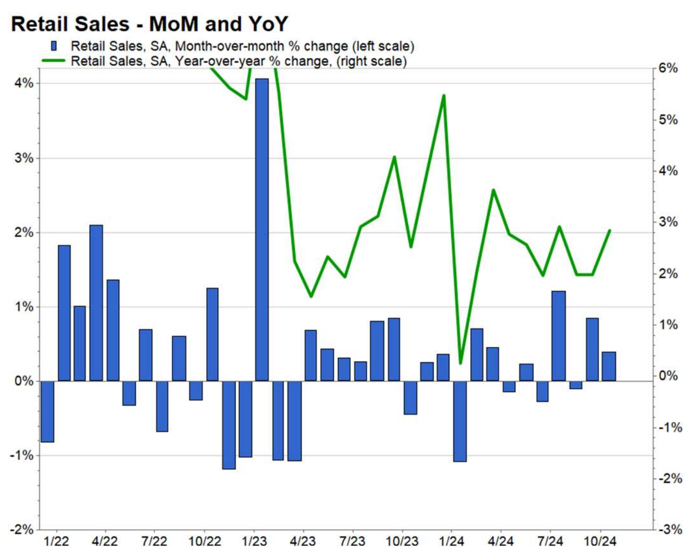
Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 09/26/2024. The GAAC Tactical Overlay, as well as the Recommended Tactical Weights, are derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the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

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.

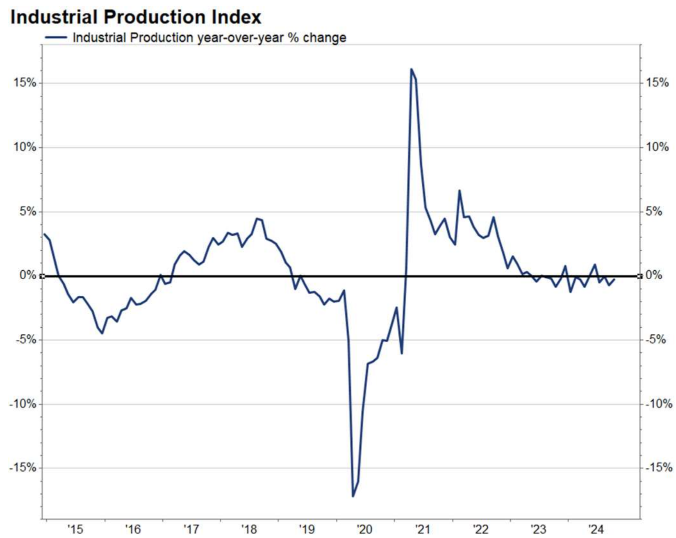
- **The Economic Release Calendar:** Investors will have a number of key economic reports to consider this week. Notably, the Federal Reserve's monetary policy setting committee, the Federal Open Market Committee (FOMC), will also release its decision on interest rates Wednesday afternoon.
- **November Retail Sales:** Retail sales for November will be released on Tuesday. Forecasters expect total sales to have increased by a solid 0.5% month-over-month (m/m) after seeing a 0.4% gain in October. If so, sales for the month will have been about 3.1% above year-ago levels and 3.8% higher with autos and gasoline prices subtracted from the mix.



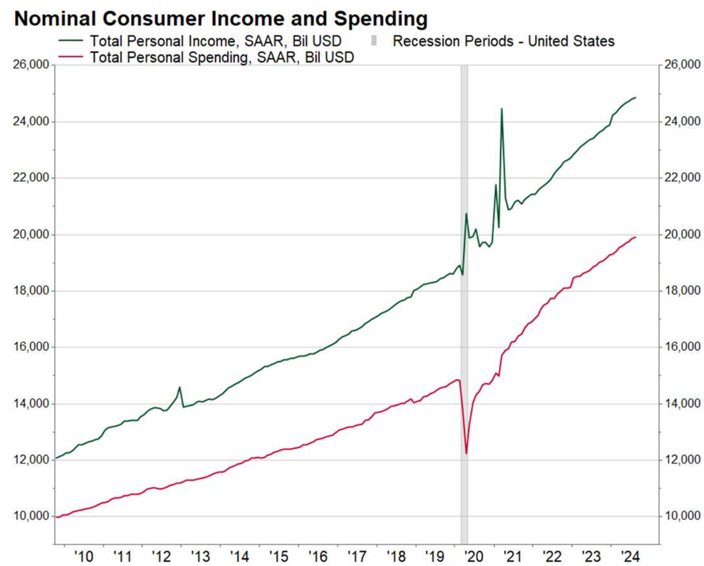
- Higher auto sales are expected to offer a boost to the November results. Auto sales for the month came-out to 16.5 million units (on a seasonally adjusted, annualized rate), according to Ward's Automotive, solidly ahead of October's 16.0 million rate and the strongest pace since March 2021.
- Overall, we believe there could still be some room for outperformance to the results given the fairly solid demand reported by retailers over the post-Thanksgiving period. *The chart at right is sourced from FactSet.*
- **November Industrial Production:** Forecasters as surveyed by Bloomberg expect Industrial Production to have been up about 0.3% in November.
- Manufacturing output, which comprises about 75% of the Index, is expected to have been up about 0.5% m/m after declining by a similar amount in October. October's decline is thought to have been pressured by lingering issues

associated with hurricane damage across the southeast in late September. Mining activity (which accounts for about 15% of the Index) may also be modestly higher as fossil fuel production in the Gulf of Mexico likely rebounded post hurricanes as well.

- Overall, if the m/m estimates are correct, Industrial Production will have been largely flat versus year-ago levels, in our view and the same can be said for manufacturing output.
- **November Income and Spending:** Personal income and spending are both forecast to have been strong in November. The Bloomberg consensus looks for Income to have been about 0.4% higher while spending is expected to see a o.5% m/m gain. If the month-over-month rates are accurate it would place income at about 5.2% higher versus year-ago levels and spending about 5.5% higher.



- More specifically, personal spending is expected to benefit from solid retail sales and a continuation of solid spending on services. Goods (as primarily measured by the Retail Sales report) represent about a third of total consumer outlays and were a sound 0.4% higher m/m in September.
- **Core Personal Consumption Expenditure (PCE) Price Index**. Friday's personal income and spending reports will also provide the Fed's preferred inflation measure, the Core Personal Consumption Expenditure Index (PCE minus food and energy components). The PCE numbers often follow trends seen in the Consumer Price Index (CPI) which is released about two weeks earlier each month.
- For the month of November, headline and core CPI both posted a modestly "hot" 0.3% m/m increase.
- The headline and core PCE numbers are each projected to be about 0.2% higher which, if accurate, would offer upside to both measure's y/y rates. The headline PCE Price Index would grow to +2.5% from October's +2.3% while the Core PCE rate would rise to +2.9% from 2.8%. *The chart at right is sourced from FactSet.*



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

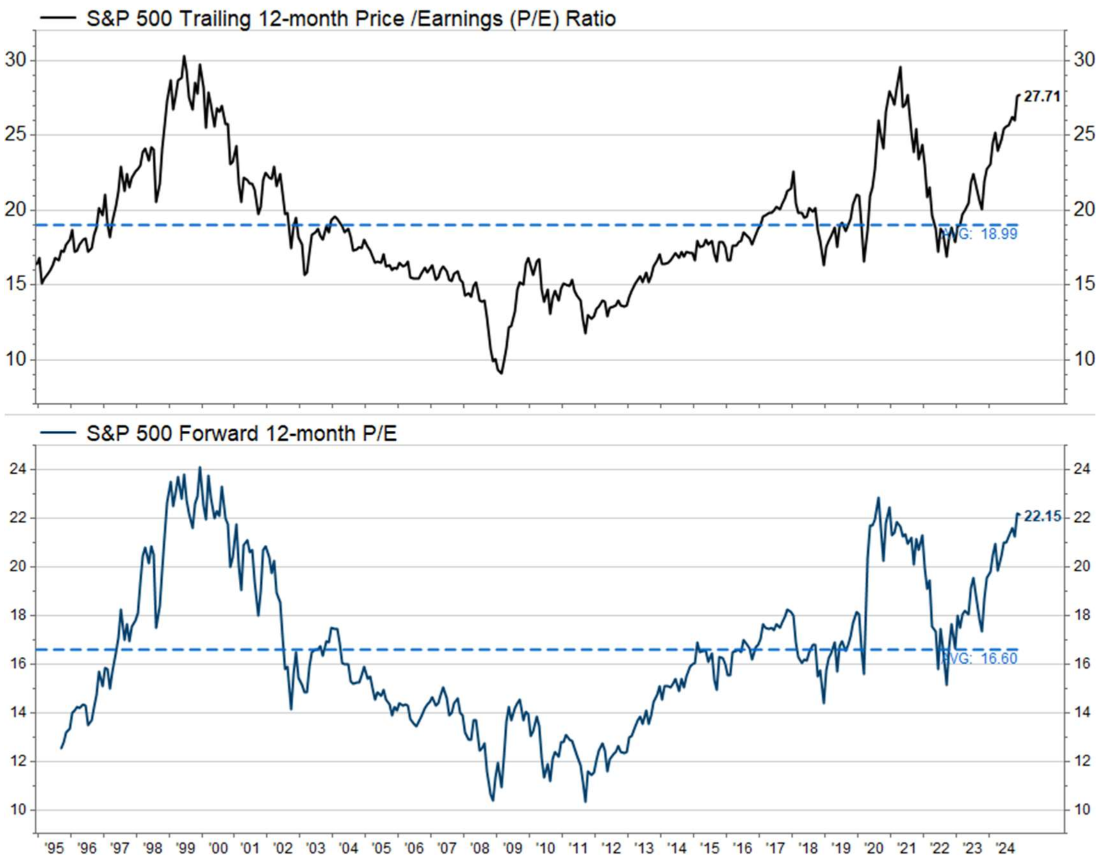
December 16	17	18	19	20
Empire Mfg. Index	**Retail Sales**	**FOMC Rate Decision**	**Initial Jobless Claims**	**Personal Income**
Manufacturing PMI - Eurozone	**Industrial Production**	**Housing Starts**	**Q3 Real GDP -3rd est.**	**Personal Spending**
Services PMI - Eurozone	**NAHB Housing Index**	**Building Permits**	**Leading Econ Index**	**UofM Consumer Sentiment**
	Business Inventories	*Monetary Policy - Japan*	**Philly Fed Business Index**	*Consumer Confidence - Eurozone*
	Trade - Japan	*Inflation - Eurozone*	**Existing Home Sales**	
	Foreign Investment - China		*Inflation - Japan*	
	Trade - Eurozone			

Where Market Fundamentals Stand Heading into The Week:

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

Please note: Although we try to maintain consistency as much as possible, Price to Earnings (P/E) ratios may differ from one source to another. Most notably, P/E numbers can often show their most notable differences during an earnings release season as some sources may still use the last full 'actual' earnings number while others use earnings per share that are updated via a combination of actual and estimated earnings. 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.

S&P 500 Valuation



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
12/16/2024	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Est.	Est.	Est.	Est.	Est.	Est.
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY
Quarterly $$ amount				$53.34	$54.52	$58.91	$55.56	$56.45	$60.53	$61.58	$62.01	$63.29	$67.47	$71.27	$72.39	
change over last week										-$0.03	$0.02	-$0.05	-$0.05	$0.16	-$0.11	$0.31
yr/yr				-1.2%	-3.6%	6.1%	4.2%	5.8%	11.0%	5.0%	11.6%	12.1%	11.5%	15.7%	16.7%	
qtr/qtr				0.1%	2.2%	8.1%	-5.7%	1.6%	7.2%	1.7%	0.7%	2.1%	6.6%	5.6%	1.6%	
Trailing 4 quarters $$	$143.08	$211.09	$222.33	$218.71	$216.67	$220.08	$222.33	$225.44	$231.45	$234.12	$240.57	$247.41	$254.35	$264.04	$274.42	$311.51
yr/yr % change	-13.0%	47.5%	4.2%				0.0%				8.2%				14.1%	13.5%
Implied P/E based on																
a S&P 500 level of: 6051											25.2	24.5	23.8	22.9	22.1	19.4

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday, December 16, 2024 — **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
8:30 AM	DEC	Empire Manufacturing Index	10.0	+0.2	31.2	

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%	2.8%	2.0%	3.2%	1.6%	3.0%	2.8%	2.7%	1.8%	2.3%
Unemployment Rate	3.6%	3.7%	4.4%	4.2%	3.7%	3.8%	4.1%	4.1%	4.2%	4.2%	4.2%
CPI (YoY)	8.0%	3.4%	2.5%	2.0%	3.4%	3.5%	3.0%	2.4%	2.5%	2.2%	2.1%
Core PCE (YoY)	5.2%	2.9%	2.7%	2.0%	2.9%	2.8%	2.6%	2.7%	2.7%	2.3%	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: December 12, 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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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.

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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.

Income Risk: We note that dividends are declared solely at the discretion of the companies' boards of directors. Dividend cuts or eliminations will likely negatively impact underlying company valuations. Published dividend yields are calculated before fees and taxes. Dividends paid by foreign companies to ADR holders may be subject to a withholding tax which could adversely affect the realized dividend yield. In certain circumstances, investors in ADR shares have the option to receive dividends in the form of cash payments, rights shares or ADR shares. Each form of dividend payment will have different tax consequences and therefore generate a different yield. In some instances, ADR holders are eligible to reclaim a portion of the withholding tax.

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The **mutual funds** and **ETFs** included in this report are subject to specific risk factors, generally the same as those of the underlying securities and may result in a loss of the principal amount invested.

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

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