

# Before the Bell

An Ameriprise Investment Research Group Publication

February 11, 2025

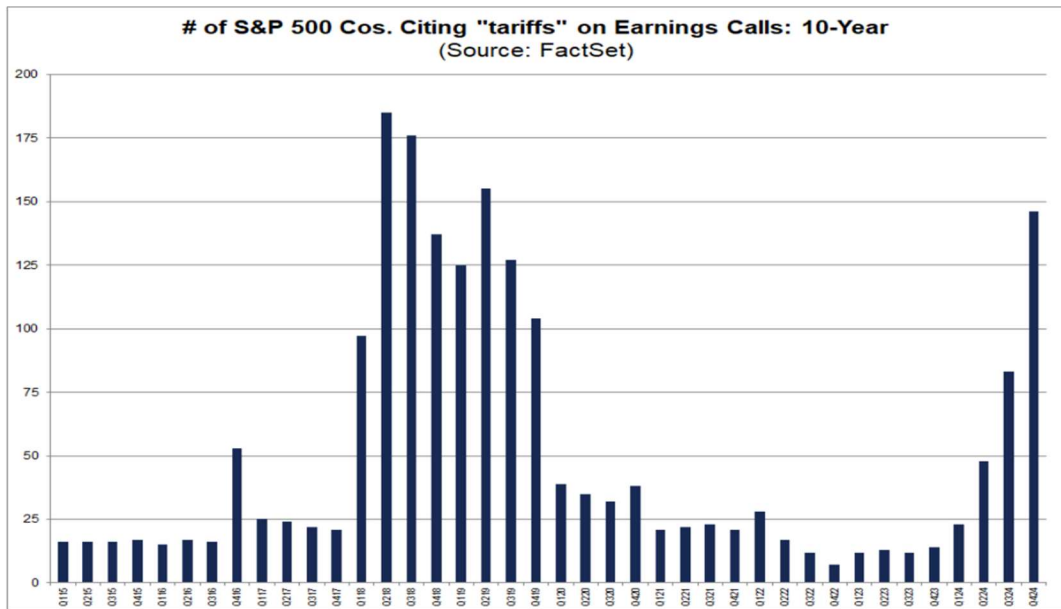
## Starting the Day

- U.S. equity markets are pointing to a lower open.
- European markets are trading mixed at midday.
- Asian markets ended mixed.
- Tariff mentions by companies hit highs last seen in 2019.
- President Trump follows through on steel/aluminum tariffs.
- 10-year Treasury yield at 4.53%.
- West Texas Intermediate (WTI) oil is trading at \$73.31.
- Gold is trading at \$2,927.20

## Market Perspectives

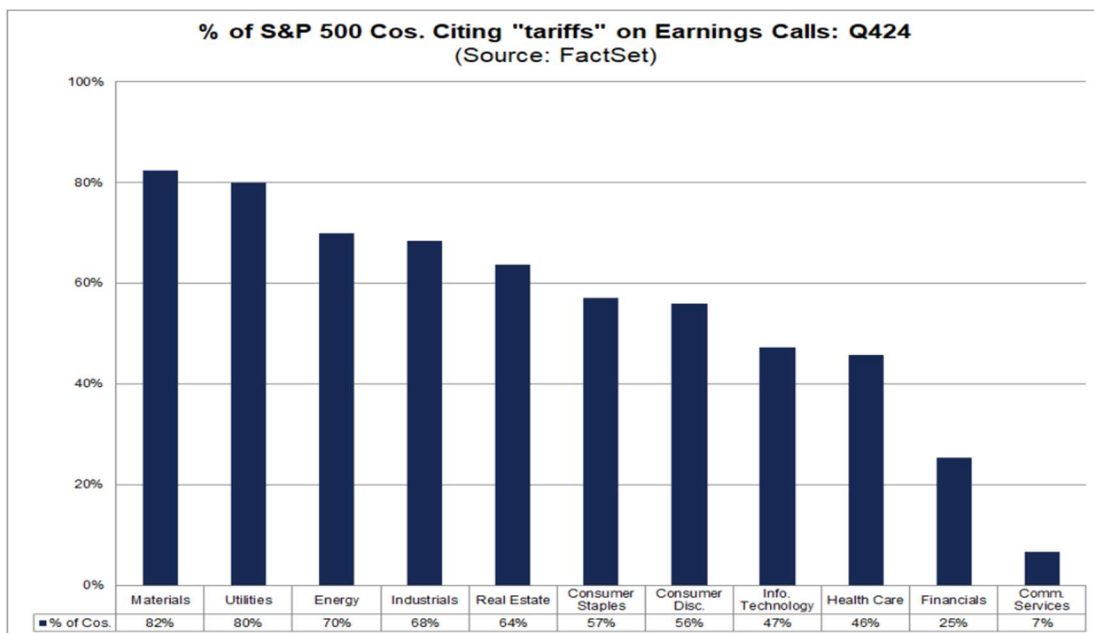
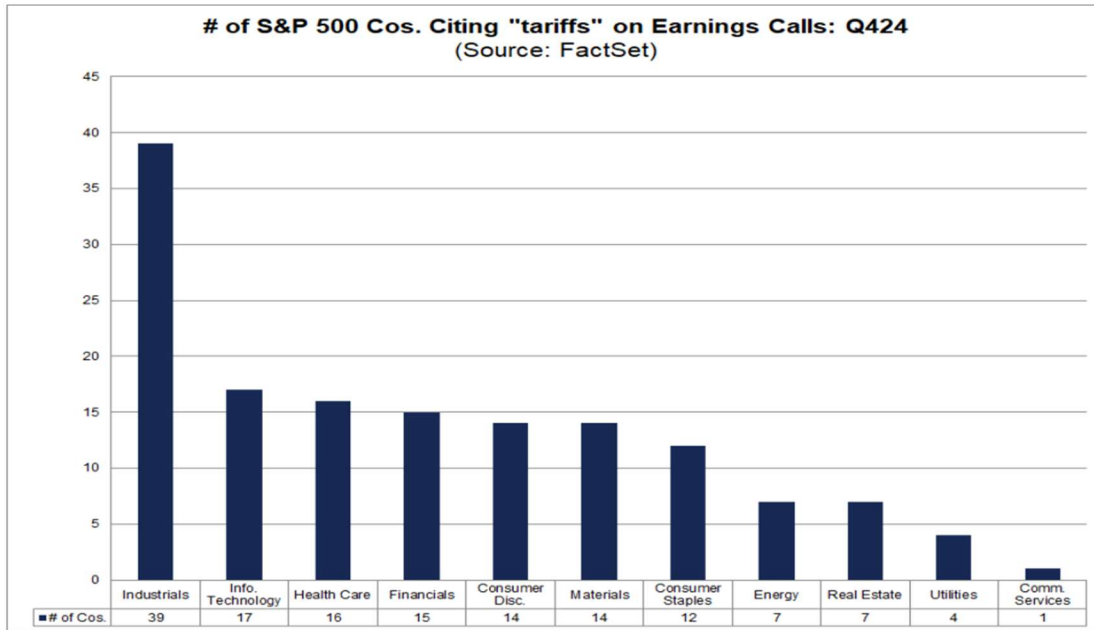
Anthony Saglimbene, Chief Market Strategist

**As expected, companies are talking about tariffs.** As we noted in our recently updated *Quarterly Capital Market Digest*, we expected companies to be pretty vocal about potential shifts in tariff policies on their earnings calls. And while the rules of the road remain uncertain (sans a new 10% tariff on all Chinese imports), we noted that analysts and corporate leaders would likely be searching for added clarity on the subject, which would likely come out in this season's earnings calls. As the *FactSet* chart to the right shows, that's exactly what is happening. With well over half of Q4'24 S&P 500 earnings calls complete, the mention of the word "tariffs" in earnings transcripts has jumped to its highest level since the second quarter of 2019. Through last Friday, 146 S&P 500 companies cited the term "tariff" or "tariffs" during their latest earnings calls, representing roughly 50% of the 291 companies that have reported their profit results for the previous quarter. According to transcripts, most of the companies citing the word "tariffs" have pointed to the uncertainty surrounding still undetermined policies and their inability to quantify business impacts. As a result, few companies have quantified tariff impacts, with those that have, either providing guidance "with" tariff impacts, or deciding to exclude the factor from their guidance. Some companies have offered more conservative guidance for the current quarter or full year due to unknown tariff impacts. Interestingly, and not surprisingly, the number of companies mentioning "tariffs" on their earnings calls has occurred most frequently across



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Industrials, while the percentage of companies within a sector citing “tariffs” has occurred most frequently across Materials, Utilities, and Energy. As it stands today, sectors exposed to global supply chains associated with building vehicles and equipment or producing and transporting energy/materials appear to be where the tariff focus is from a corporate perspective. While there is still a lot of tariff uncertainty out there, analysts and CEOs seem to be targeting concerns/comments/guidance in the areas most exposed to the uncertainty and based on what we know today.



## 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 lower open.** After finishing Monday higher, U.S. stock benchmarks are facing a weaker start to trading today. President Trump’s new tariff executive order and a little investor caution ahead of tomorrow’s highly

anticipated CPI report have put some pressure on premarket activity this morning. Fed Chair Powell will testify before the Senate Banking Committee at 10 am EST today and the House Financial Services Committee at 10 am EST on Wednesday. Powell will likely play his cards close to the vest in both forums, holding close to statements/comments made following the last Fed meeting in January. Investors should expect the Fed Chair to comment on continued economic strength, slow but steady declines in inflation, and highlight the need for a patient/data-dependent policy approach.

- **President Trump signs a new steel and aluminum tariff.** On Monday, President Trump signed an executive order placing a 25% tariff on all steel and aluminum imports into the U.S. beginning on March 4<sup>th</sup>. The executive order covers finished metal products with no exemptions, which the Trump administration deemed to have diluted prior Section 232 actions during President Trump's first term, according to *FactSet*. The new executive order would likely nullify prior exemptions and former President Biden's duty-free quotas for the EU, UK, and Japan. The order is designed to have steel and aluminum made in the U.S. and further restrict minimally processed U.S. steel from China entering the U.S. As we noted yesterday, the U.S. imported roughly 79% of its aluminum from Canada last year through November. It's unclear if countries such as Canada and Mexico will be eventually excluded from the new steel/aluminum tariff if further progress is made on border security. Finally, President Trump has said additional reciprocal tariffs will be announced in the coming days and that the administration is examining further measures on cars, semiconductors, and other sectors.
- **Earnings Update:** With 64% of S&P 500 fourth quarter reports complete, blended earnings per share (EPS) growth is higher by +16.4% year-over-year on revenue growth of +5.2%.

### Europe:

Europe is trading mixed at midday. Press reports have noted that the UK will not join the EU in retaliatory actions against U.S. tariffs and hopes to negotiate an opt-out, per *FactSet*. However, European Union trade ministers are set to meet tomorrow through a video conference to discuss possible retaliatory responses to new steel/aluminum tariffs and possibly other forthcoming tariffs.

### Asia-Pacific:

Stocks finished mixed across the region overnight. Investors continue to calculate tariff impacts and retaliatory responses that are difficult to gauge and predict. That said, broader regional stock benchmarks are positive for the year, though most major China indices are lower on the year, given the high degree of tariff uncertainty.

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**WORLD CAPITAL MARKETS**

2/11/2025

As of: 8:30 AM ET

Americas				Europe (Intra-day)				Asia/Pacific (Last Night)			
	% chg.	% YTD	Value		% chg.	%YTD	Value		% chg.	%YTD	Value
<b>S&amp;P 500</b>	0.7%	3.3%	6,066.4	<b>DISTOXX 50 (Europe)</b>	0.0%	9.7%	5,359.6	<b>Nikkei 225 (Japan)</b>	0.0%	-2.7%	38,801.2
<b>Dow Jones</b>	0.4%	4.6%	44,470.4	<b>FTSE 100 (U.K.)</b>	0.0%	7.3%	8,764.4	<b>Hang Seng (Hong Kong)</b>	closed	6.5%	21,294.9
<b>NASDAQ Composite</b>	1.0%	2.1%	19,714.3	<b>DAX Index (Germany)</b>	0.0%	10.1%	21,911.4	<b>Korea Kospi 100</b>	0.7%	5.8%	2,539.1
<b>Russell 2000</b>	0.4%	2.7%	2,287.9	<b>CAC 40 (France)</b>	-0.1%	8.5%	7,997.9	<b>Singapore STI</b>	-0.4%	2.0%	3,860.8
<b>Brazil Bovespa</b>	0.8%	4.4%	125,572	<b>FTSE MIB (Italy)</b>	0.1%	9.0%	37,263.2	<b>Shanghai Comp. (China)</b>	-0.1%	-1.0%	3,318.1
<b>S&amp;P/TSX Comp. (Canada)</b>	0.8%	4.0%	25,658.9	<b>IBEX 35 (Spain)</b>	0.1%	10.2%	12,717.4	<b>Bombay Sensex (India)</b>	-1.3%	-2.2%	76,293.6
<b>Russell 3000</b>	0.6%	3.6%	3,473.2	<b>MOEX Index (Russia)</b>	#VALUE!	#VALUE!	#N/A N/A	<b>S&amp;P/ASX 200 (Australia)</b>	0.0%	4.0%	8,484.0

Global				Developed International				Emerging International			
	% chg.	% YTD	Value		% chg.	%YTD	Value		% chg.	%YTD	Value
<b>MSCI All-Country World Idx</b>	0.5%	4.0%	873.8	<b>MSCI EAFE</b>	0.1%	5.7%	2,388.5	<b>MSCI Emerging Mkts</b>	0.0%	3.2%	1,108.5

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				Equity Income Indices				Commodities			
	% chg.	% YTD	Value		% chg.	% YTD	Value		% chg.	% YTD	Value
<b>Communication Services</b>	0.6%	7.4%	366.5	<b>JPM Alerian MLP Index</b>	0.8%	9.5%	322.4	<b>CRB Raw Industrials</b>	1.1%	3.8%	561.9
<b>Consumer Discretionary</b>	0.5%	1.2%	1,852.3	<b>FTSE NAREIT Comp. TR</b>	0.0%	2.2%	25,651.2	<b>NYMEX WTI Crude (p/bbl.)</b>	1.4%	2.3%	73.3
<b>Consumer Staples</b>	0.8%	4.5%	890.1	<b>DJ US Select Dividend</b>	0.2%	2.4%	3,585.6	<b>ICE Brent Crude (p/bbl.)</b>	1.4%	3.1%	77.0
<b>Energy</b>	2.2%	5.4%	689.1	<b>DJ Global Select Dividend</b>	0.0%	3.8%	231.6	<b>NYMEX Nat Gas (mmbtu)</b>	1.7%	-3.6%	3.5
<b>Financials</b>	-0.8%	6.4%	854.4	<b>S&amp;P Div. Aristocrats</b>	0.3%	2.0%	4,663.8	<b>Spot Gold (troy oz.)</b>	-0.4%	10.4%	2,897.1
<b>Health Care</b>	-0.1%	6.4%	1,704.5					<b>Spot Silver (troy oz.)</b>	-1.3%	9.5%	31.6
<b>Industrials</b>	0.9%	5.2%	1,172.6					<b>LME Copper (per ton)</b>	0.5%	7.8%	9,330.0
<b>Materials</b>	0.5%	5.5%	558.7					<b>LME Aluminum (per ton)</b>	1.2%	5.5%	2,664.7
<b>Real Estate</b>	0.2%	3.3%	264.2					<b>CBOT Corn (cents p/bushel)</b>	0.2%	8.5%	505.5
<b>Technology</b>	1.5%	-0.6%	4,577.0					<b>CBOT Wheat (cents p/bushel)</b>	0.9%	6.0%	584.5
<b>Utilities</b>	1.1%	4.4%	401.1								

Foreign Exchange (Intra-day)											
	% chg.	% YTD	Value		% chg.	% YTD	Value		% chg.	% YTD	Value
<b>Euro (€/€)</b>	0.2%	-0.3%	1.03	<b>Japanese Yen (\$/¥)</b>	-0.2%	3.2%	152.35	<b>Canadian Dollar (\$/C\$)</b>	-0.1%	0.4%	1.43
<b>British Pound (£/\$)</b>	0.0%	-1.2%	1.24	<b>Australian Dollar (A\$/S)</b>	0.1%	1.5%	0.63	<b>Swiss Franc (\$/CHF)</b>	-0.2%	-0.6%	0.91

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

**Ameriprise Global Asset Allocation Committee (GAAC)**

**U.S. Equity Sector - Tactical Views**

	S&P 500 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight		S&P 500 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
<b>Financials</b>	13.5%	Overweight	2.0%	15.5%	<b>Energy</b>	3.0%	Equalweight	-	3.0%
<b>Consumer Staples</b>	5.5%	Equalweight	-	5.5%	<b>Utilities</b>	2.3%	Equalweight	-	2.3%
<b>Information Technology</b>	32.8%	Equalweight	-	32.8%	<b>Materials</b>	1.9%	Equalweight	-	1.9%
<b>Industrials</b>	8.1%	Equalweight	-	8.1%	<b>Real Estate</b>	2.0%	Equalweight	-	2.0%
<b>Communication Services</b>	9.4%	Equalweight	-	9.4%	<b>Consumer Discretionary</b>	11.5%	Equalweight	-	11.5%
					<b>Health Care</b>	10.0%	Underweight	-2.0%	8.0%

As of: January 2, 2025

Index weightings represent the respective market capitalization of each sector in the S&P 500 as of 12/19/2024. 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
<b>United States</b>	66.1%	Overweight	3.2%	69.3%	<b>United Kingdom</b>	3.0%	Equalweight	-	3.0%
<b>Europe ex U.K.</b>	11.3%	Equalweight	-	11.3%	<b>Asia-Pacific ex Japan</b>	10.2%	Underweight	-1.0%	9.2%
<b>Latin America</b>	0.8%	Equalweight	-	0.8%	<b>Canada</b>	2.7%	Underweight	-1.0%	1.7%
<b>Japan</b>	4.7%	Equalweight	-	4.7%	<b>Middle East / Africa</b>	1.2%	Underweight	-1.2%	0.0%

as of: January 2, 2025

Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 12/26/2024. 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 Tuesday, February 11, 2025

All times Eastern. Consensus estimates via Bloomberg

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
6:00 AM	JAN	NFIB Small Business Optimism Index	104.7	<b>102.8</b>	105.1	

### Ameriprise Economic Projections

Forecast:	Full-year				Quarterly						
	Actual 2022	Actual 2023	Actual 2024	Est. 2025	Actual Q4-2023	Actual Q1-2024	Actual Q2-2024	Actual Q3-2024	Actual Q4-2024	Est. Q1-2025	Est. Q2-2025
<b>Real GDP</b> (annualized)	2.5%	2.9%	2.8%	2.4%	3.2%	1.6%	3.0%	2.8%	2.3%	2.8%	2.3%
<b>Unemployment Rate</b>	3.6%	3.7%	4.1%	4.2%	3.7%	3.8%	4.1%	4.1%	4.1%	4.2%	4.2%
<b>CPI</b> (YoY)	8.0%	3.4%	2.9%	2.0%	3.4%	3.5%	3.0%	2.4%	2.9%	2.4%	2.4%
<b>Core PCE</b> (YoY)	5.2%	2.9%	2.8%	2.0%	2.9%	2.8%	2.6%	2.7%	2.8%	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: January 31, 2025

## Ameriprise Global Asset Allocation Committee Targets and Views

### Targets

2025 Year-end Targets:	Favorable Scenario	Base-Case Scenario	Adverse Scenario
<b>S&amp;P 500 Index:</b>	7,000	6,500	5,500
<b>10-Year U.S. Treasury Yield:</b>	5.00%	4.25%	3.00%
<b>Fed Funds Target Range:</b>	4.25% to 4.50%	3.75% to 4.00%	3.25% to 3.50%

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

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

Last Updated: January 2, 2025

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## Global Asset Allocation Committee Views

### AMERIPRISE GLOBAL ASSET ALLOCATION COMMITTEE TACTICAL ASSET CLASS VIEWS

2025 Year-end S&P 500 Target: 6,500  
2025 Year-End 10-year Treasury Target: 4.25%

as of 12/30/2024

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

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 December 31, 2024

Major Market Indices	Rolling Returns			
	QTD	1-year	3-years	5-years
Russell 3000 <sup>®</sup> Index (U.S. Equity)	2.63%	23.81%	8.01%	13.86%
MSCI ACWI Ex USA Index – net (Foreign Equity)	-7.60%	5.53%	0.82%	4.10%
Bloomberg U.S. Universal Bond Index (Fixed Income)	-2.73%	2.04%	-1.95%	0.06%
Wilshire Liquid Alternative Index (Alternatives)	-1.87%	4.33%	1.50%	2.48%
FTSE Three-Month Treasury Bill Index (Cash)	1.23%	5.45%	4.05%	2.54%

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

# The Ameriprise Investment Research Group

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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## 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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### 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/](https://ameriprise.com/legal/disclosures/) in the Additional Ameriprise research disclosures section, or through your Ameriprise financial advisor

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