Before the Bell

An Ameriprise Investment Research Group Publication

February 24, 2025

Starting the Day

- U.S. equity futures are pointing to a higher open.
- European markets are trading mixed at midday.
- Asian markets ended lower overnight.
- Stocks hit the brakes last week.
- NVIDIA results and PCE are on tap this week.
- 10-year Treasury yield at 4.44%.
- West Texas Intermediate (WTI) oil is trading at $70.51.
- Gold is trading at $2,963.40

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Weekly Market Perspectives: Stocks buckled last week under mounting economic data that suggests the uncertainty surrounding inflation and tariff conditions in the U.S. and abroad are finally beginning to weigh more heavily on consumers' and investors' attitudes about the future. Major U.S. stock averages finished last week lower, with the S&P 500 Index logging its worst day of 2025 on Friday.

Home data, February Consumer Confidence, and the January Personal Consumption Expenditures (PCE) Price Index line the economic calendar this week. However, Big Tech will be in investors' crosshairs, with NVIDIA reporting fourth quarter results on Wednesday. Its outlook for artificial intelligence, demand for its Hopper/Blackwell chips, infrastructure/cloud trends, and commentary on AI modeling following DeepSeek developments will all likely shape investor reactions to NVIDIA results and may have broader implications for sentiment and stock direction moving forward.

Last Week in Review:

- After hitting new all-time highs on Tuesday and Wednesday, the S&P 500 fell on Thursday and Friday to end the week lower by 1.6% (+2.5% year-to-date).
- The NASDAQ Composite ended lower by 2.5%. Pressure across Magnificent Seven stocks such as Meta Platforms (-7.2%), Amazon (-5.3%), and Tesla (-5.1%) weighed on the index.
- The Dow Jones Industrials Average (-2.5%) and Russell 2000 Index (-3.7%) were weighed down by weaker-than-expected profit guidance from Walmart and growing concerns that tariffs, inflation, and elevated interest rates could dampen profit growth across smaller companies.
- U.S. Treasury yields dipped lower as traders and investors revisited the diversification properties that government bonds offer when stocks are under stress.
- Gold edged higher, again hitting a fresh record high during the week.
- The U.S. Dollar Index and West Texas Intermediate (WTI) crude prices finished little changed.
- Friday’s economic releases offered a more sobering (and unexpected) view of the current environment, with February's preliminary looks at manufacturing and services activity coming in much weaker than forecast. The composite figure (including manufacturing and services activity) fell to a 17-month low this month, coming in well below estimates and barely holding on to an expansionary level. Notably, services activity (the main engine of U.S. growth) contracted in February for the first time in two years, falling meaningfully from January levels. New order growth weakened sharply, and business expectations for the year ahead slumped due to uncertainty related to federal government policies.

- A final read on February U of M consumer sentiment showed longer-term inflation expectations rising to their highest level in almost three decades. Growing concern over mounting U.S. tariff threats contributed to the survey's inflation outlook over the next five years, rising to +3.5% — the highest rate since 1995. All five components of the sentiment survey fell in February, with over half of consumers expecting the unemployment rate to rise over the next year — the highest rate since 2020. Digging deeper, much of the spike in the survey's pessimism comes from consumers who identify as Democrats. That said, inflation expectations are on the rise, which is the opposite of what Federal Reserve officials want to see at this point in their campaign to bring inflation back to their +2.0% target.
- On a related note, the minutes from the January Fed meeting essentially said policymakers are comfortable holding rates steady until they see further data on inflation/growth trends and have more details on Trump administration policies, including on tariffs and immigration. Market odds predominantly point to the Fed holding its policy rate steady through its next two meetings (i.e., March and May).
- Finally, on the White House front, President Trump floated the idea of imposing additional tariffs on autos, semiconductors, and pharmaceuticals. In addition, the President said a new China trade deal is possible, while the European Union is ready to reduce tariffs to avoid a trade war.

Investors finally get their chance to poke around the company that arguably remains the face of AI.

Though some could argue with the idea that NVIDIA is "the" face of artificial intelligence in this early stage, there are few, if any, companies that are as synonymous with AI technology and have reaped as much benefit in changing the trajectory of its revenue arch than the Santa Clara company founded by CEO Jensen Huang. Since the public release of ChatGPT on November 30th, 2022, NVIDIA's stock is up +694% cumulatively on a price basis, trouncing the NASDAQ Composite's return of +70% and the S&P 500's return of +47%. One main reason for the stunning outperformance over this period has been the front-and-center role NVIDIA's graphic processing unit (GPU) semiconductors have played in supplying the brains to train AI models and build the infrastructure around the technology. Companies, including Alphabet, Microsoft, Amazon, and Meta Platforms, have spent hundreds of billions of dollars to create and build AI architecture. For the most part, NVIDIA's chips have been the only game in town to help develop AI technology. Thus, these companies' capital expenditures over multiple quarters have helped fuel NVIDIA's dramatic rise in revenue and, hence, its stock price.

But with NVIDIA's ever-increasing revenue, fading ability to "smash" analyst profit estimates each quarter as it had in its earlier rise, combined with an already pretty dramatic increase in its stock price and valuation over recent years, the law of large numbers and large expectations is beginning to catch up with the stock.

Since the announcement of DeepSeek (a Chinese AI startup that "allegedly" trained its models for less money and on less sophisticated chips), NVIDIA's stock has faced a more challenging environment. While the stock is up nearly +12% in February and handily outpacing the broader U.S. stock averages this month, NVIDIA is meaningfully underperforming over the trailing one-month, three-month, six-month, and year-to-date periods. Bottom line: There is very little room for NVIDIA to disappoint analyst profit expectations this year, given its assumed leadership position in AI, already elevated valuations, and new developments/entrants in the space that could threaten its dominance over time.

Following the close of U.S. market trading on Wednesday, NVIDIA will report its latest quarterly results. The company's data center segment, which includes the bulk of the company's AI chips and services, is expected to show revenue doubled to $113 billion for the fiscal year ending in January. However, the transition from its Hopper AI chip to the new faster Blackwell chips could show a deceleration in revenue growth during the most recent quarter compared to previous quarters. That said, recent earnings reports/commentary from Alphabet, Amazon, and Meta Platforms all pointed to continued and aggressive spending on AI this year and noted their strong relationship with NVIDIA. Thus, it stands to reason that the revenue outlook for NVIDIA over the coming quarters looks solid despite potential hiccups in how investors interpret near-term results or the influence of other outside factors (e.g., DeepSeek or increased competition).

Bottom line: NVIDIA represents roughly 6.5% of the S&P 500, 10.5% of the NASDAQ Composite, and almost 20.5% of the S&P 500 Information Technology Index. The stock's influence on major U.S. stock averages, as well as Technology as a whole, can't be understated, in our view. Investors will soon have the chance to see NVIDIA's latest earnings results and outlook, particularly following developments over recent weeks that may or may not challenge its perch at the top of the AI mountain. Our advice? Don't get overly consumed with the near-term results. Expect some potential bumps in the road this year for NVIDIA, Technology stocks, and possibly broader averages. However, AI trends remain secular. NVIDIA should continue to be a beneficiary of capital spending in the space, and potential dislocations in industry leaders or the market as a whole, historically, create longer-term opportunities for investors willing to look through short-term disruptions.

The Week Ahead:

In addition to the focus on AI and NVIDIA, it's also a busy week for investors on the economic side.

- Tuesday's February Consumer Confidence report is expected to dip to a five-month low amid growing inflation and policy concerns.
- A second look at Q4'24 U.S. GDP on Thursday should remain unchanged at +2.3%, while home data on prices and new/pending sales line the week.
- Friday's January PCE report is forecast to show the Fed's preferred inflation gauge edged higher on a month-over-month basis, with personal income expected to tick lower from December levels. Note: CPI and PPI reports for January came in hotter than expected.

Stock Market Recap

Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 6,013	-1.6%	-0.4%	2.4%	26.9	23.9	1.2	1.5
Dow Jones Industrial Average: 43,428	-2.5%	-2.4%	2.3%	25.0	21.2	1.6	1.9
Russell 2000 Index: 5,456	-3.7%	-4.0%	-1.4%	62.6	38.4	1.3	1.3
NASDAQ Composite: 19,524	-2.5%	-0.5%	1.2%	39.7	38.5	0.6	0.8
Best Performing Sector (weekly): Utilities	1.5%	3.0%	6.1%	21.2	21.2	2.9	3.2
Worst Performing Sector (weekly): Consumer Discretionary	-4.3%	-7.4%	-3.3%	30.3	31.2	0.6	0.8

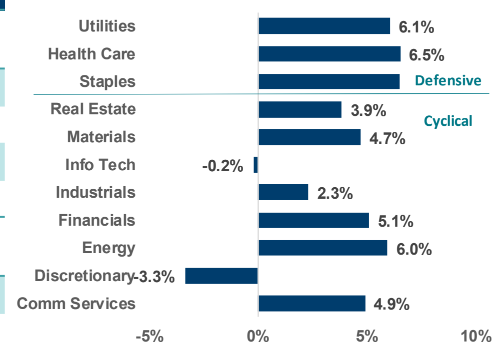
Source: Factset. Data as of 02/21/2025

Bond/Commodity/Currency Recap

Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	0.3%	0.9%	1.5%
West Texas Intermediate (WTI) Oil: $70.38	-0.9%	-3.4%	-2.8%
Spot Gold: $2,936.26	1.9%	4.9%	11.9%
U.S. Dollar Index: 106.61	-0.1%	-1.6%	-1.7%
Government Bond Yields	**Yield Chg**		
	Weekly	**MTD**	**YTD**
2-year U.S. Treasury Yield: 4.20%	-6 bps chg	0 bps chg	-5 bps chg
10-year U.S. Treasury Yield: 4.43%	-5 bps chg	-12 bps chg	-16 bps chg

Source: Factset. Data as of 02/21/2025. bps = basis points

YTD Total Returns by S&P 500 Sector



Source: S&P Global, Factset. Data as of 02/21/2025

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 higher open.** Following the S&P 500's worst day of the year on Friday, major U.S. stock averages look set to start the new week in the green.
- **Earnings Update:** With 87% of S&P 500 fourth quarter reports complete, blended earnings per share (EPS) growth is higher by +17.8% year-over-year on revenue growth of +5.2%.

Europe:

German elections over the weekend largely came in as expected, with Friedrich Merz's Christian Democrats (CDU/CSU) the big winner, capturing 28.5% of the vote and upending outgoing Chancellor Olaf Scholz's Social Democratic party (SPD). Merz said he would look to quickly form a collation government, likely with the help of SPD, which suffered its worst defeat in post-war history.

Asia-Pacific:

Asia ended mostly lower overnight in a choppy session. U.S. Treasury Secretary Scott Bessent spoke to his China counterpart on Friday, with each listing their complaints but concurred that both sides would maintain communication. This follows President Trump signing a national memorandum that limits Chinese investment in strategic areas. The Trump administration is reportedly considering further actions to restrict U.S. outbound investments to China in sensitive technologies.

WORLD CAPITAL MARKETS

2/24/2025 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-1.7%	2.4%	6,013.1
Dow Jones	-1.7%	2.3%	43,428.0
NASDAQ Composite	-2.2%	1.2%	19,524.0
Russell 2000	-2.9%	-1.4%	2,195.3
Brazil Bovespa	-0.4%	5.7%	127,128
S&P/TSX Comp. (Canada)	-1.4%	2.0%	25,147.0
Russell 3000	-1.9%	2.2%	3,424.5

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-0.1%	12.1%	5,471.3
FTSE 100 (U.K.)	0.0%	6.4%	8,663.3
DAX Index (Germany)	0.8%	12.9%	22,468.1
CAC 40 (France)	-0.3%	10.3%	8,133.1
FTSE MIB (Italy)	0.3%	12.8%	38,550.7
IBEX 35 (Spain)	0.5%	12.8%	13,022.6
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.3%	-2.8%	38,776.9
Hang Seng (Hong Kong)	-0.6%	16.8%	23,341.6
Korea Kospi 100	-0.4%	10.3%	2,645.3
Singapore STI	-0.1%	3.9%	3,927.8
Shanghai Comp. (China)	-0.2%	0.6%	3,373.0
Bombay Sensex (India)	-1.1%	-4.5%	74,454.4
S&P/ASX 200 (Australia)	0.1%	2.2%	8,308.2

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-1.0%	4.1%	874.5

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.2%	8.2%	2,443.3

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	1.3%	6.9%	1,147.3

Note: International market returns shown on a local currency basis. The equity index data shown above is on a total return basis, inclusive of dividends.

S&P 500 Sectors	% chg.	% YTD	Value
Communication Services	-1.8%	4.9%	358.0
Consumer Discretionary	-2.8%	-3.3%	1,768.7
Consumer Staples	1.0%	6.5%	907.0
Energy	-2.0%	6.0%	689.0
Financials	-1.2%	5.1%	843.3
Health Care	-0.5%	6.5%	1,704.7
Industrials	-2.2%	2.3%	1,139.8
Materials	-1.8%	4.7%	554.2
Real Estate	-0.8%	3.9%	265.4
Technology	-2.4%	-0.2%	4,595.7
Utilities	0.0%	6.1%	406.6

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-1.3%	9.7%	323.0
FTSE NAREIT Comp. TR	-0.7%	2.7%	25,770.8
DJ US Select Dividend	-0.4%	4.2%	3,649.3
DJ Global Select Dividend	0.1%	5.8%	235.9
S&P Div. Aristocrats	-0.1%	2.9%	4,708.9

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.4%	1.5%	2,221.2
Barclays HY Bond	-0.1%	1.6%	2,727.2

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.0%	4.8%	567.2
NYMEX WTI Crude (p/bbl.)	0.0%	-1.8%	70.4
ICE Brent Crude (p/bbl.)	0.1%	-0.2%	74.5
NYMEX Nat Gas (mmBtu)	-6.5%	9.0%	4.0
Spot Gold (troy oz.)	0.3%	12.3%	2,946.3
Spot Silver (troy oz.)	0.2%	12.6%	32.5
LME Copper (per ton)	-0.1%	10.0%	9,518.8
LME Aluminum (per ton)	-1.6%	6.6%	2,693.1
CBOT Corn (cents p/bushel)	-0.7%	7.7%	501.5
CBOT Wheat (cents p/bushel)	-1.6%	5.7%	594.5

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.1%	1.1%	1.05
British Pound (£/$)	0.0%	0.9%	1.26
Japanese Yen ($/¥)	-0.3%	5.0%	149.73
Australian Dollar (A$/$)	0.1%	2.9%	0.64
Canadian Dollar ($/C$)	0.1%	1.2%	1.42
Swiss Franc ($/CHF)	-0.1%	0.9%	0.90

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	13.5%	Overweight	2.0%	15.5%
Consumer Staples	5.5%	Equalweight	-	5.5%
Information Technology	32.8%	Equalweight	-	32.8%
Industrials	8.1%	Equalweight	-	8.1%
Communication Services	9.4%	Equalweight	-	9.4%
Energy	3.0%	Equalweight	-	3.0%
Utilities	2.3%	Equalweight	-	2.3%
Materials	1.9%	Equalweight	-	1.9%
Real Estate	2.0%	Equalweight	-	2.0%
Consumer Discretionary	11.5%	Equalweight	-	11.5%
Health Care	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
United States	66.1%	Overweight	3.2%	69.3%	**United Kingdom**	3.0%	Equalweight	-	3.0%
Europe ex U.K.	11.3%	Equalweight	-	11.3%	**Asia-Pacific ex Japan**	10.2%	Underweight	-1.0%	9.2%
Latin America	0.8%	Equalweight	-	0.8%	**Canada**	2.7%	Underweight	-1.0%	1.7%
Japan	4.7%	Equalweight	-	4.7%	**Middle East / Africa**	1.2%	Underweight	-1.2%	0.0%

as of: January 2, 2025

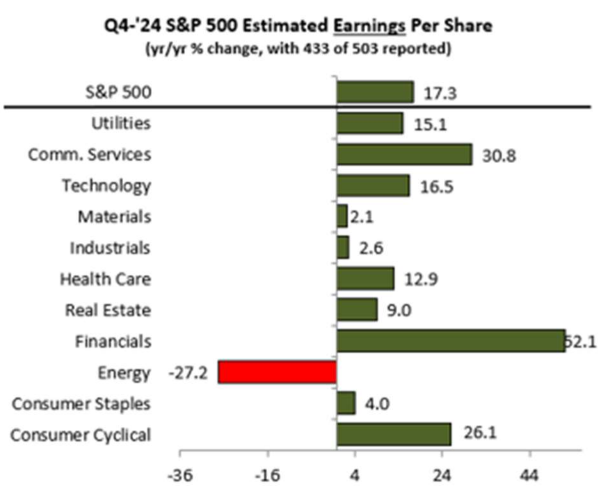
Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 12/26/2024. The GAAC Tactical Overlay, as well as the Recommended Tactical Weights, are derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the 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.

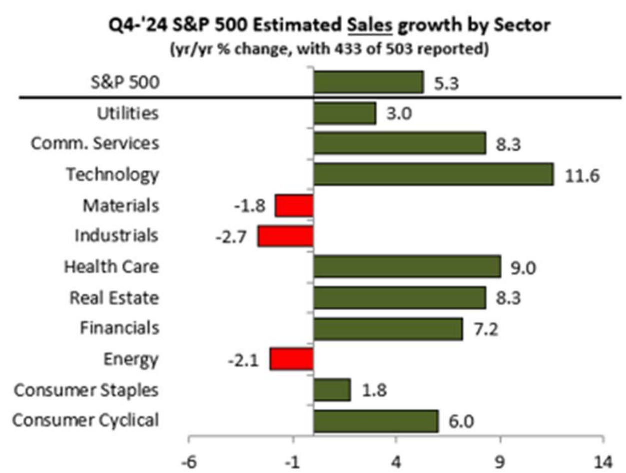
The Week Ahead:

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.

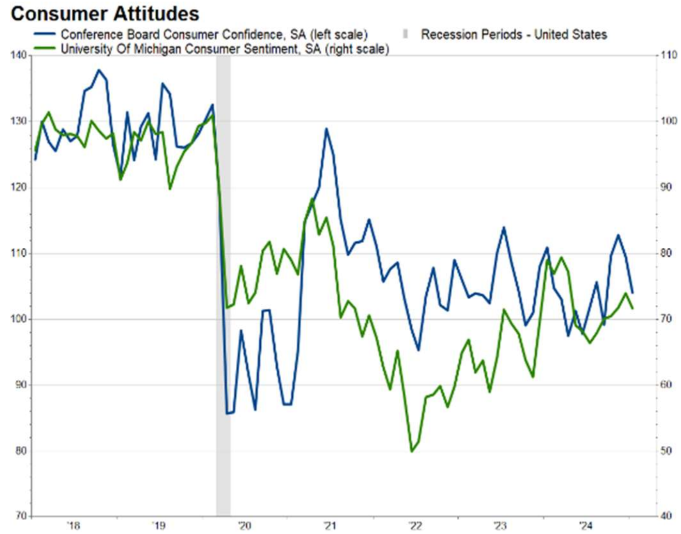
- Earnings: **Q4 earnings still creeping higher.** The Q4-2024 earnings release season is entering its final stages. Through Friday, 433, or about 86% of the S&P 500's current 503 constituents, had reported their results for the period. This week, another 55 companies are on the docket. As is typical of a late reporting season, this week's lineup is heavily weighted toward retailers.
- Blended earnings (actuals and estimates), as compiled by FactSet, currently see S&P 500 companies as posting year-over-year (y/y) earnings per share (EPS) growth of 17.3% on sales growth of 5.3%. At the end of Q4, analyst consensus estimates had been looking for S&P 500 earnings growth of +11.6% on sales growth of 4.5%. Additionally, 10 of the S&P 500's 11 sectors are now seeing year-over-year (y/y) earnings growth.
- The Q4 outperformance has been significant, but forward estimates have come down over the course of the reporting season, as is most often the norm. Consensus estimates for Q1 currently look for 7.4% y/y EPS growth on a 4.4% increase in sales. At the end of 2024, analysts were looking for Q1 EPS growth of 11.4%. Second-quarter estimates have also been trimmed. Q2 y/y EPS growth is now forecast at +9.2% versus a 2024 year-end forecast of 10.9%. Still, despite these adjustments, S&P 500 companies are still seen as posting 2025 full-year EPS growth of 11.0% and 2026 EPS growth of 14.0%. *Data depicted in the chart at right has been sourced from FactSet.*



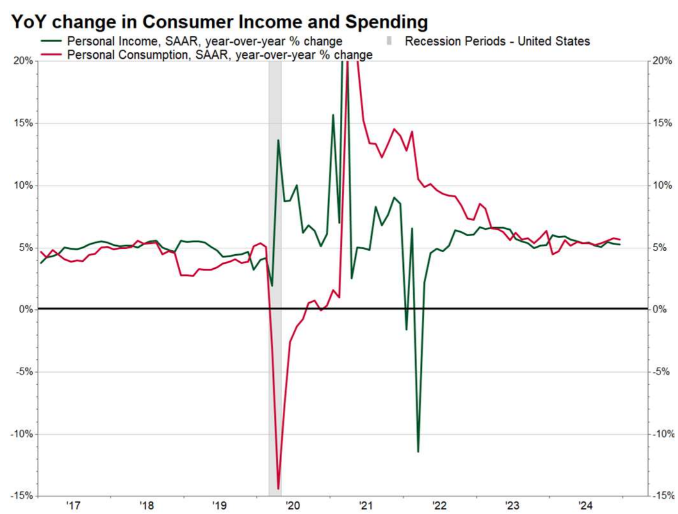


- The Economic Release Calendar: Friday's Personal Income and Spending report for the month of January highlights the economic calendar this week. Spending should see a small month-over-month gain but there is also room for a flat to fractionally lower outcome as well. The Income and Spending report also produces the Fed's preferred inflation metric, the **Core Personal Consumption Expenditure (PCE) Price Index. The Index is expected to show a rather 'hot' m/m gain of +0.3% for January, but the y/y pace is forecast to step down to +2.6% from December's +2.8%.**
- Separately, the Commerce Department will release its second estimate of Q4 real Gross Domestic Product (GDP) on Thursday and January New Orders for Durable Goods on Friday.

- **<u>February Consumer Confidence:</u>** Tuesday's Conference Board report on Consumer Confidence will be more closely watched than usual. Since hitting a 34-month high of 112.8 in November, the Index has drifted lower amid concerns related to tariffs, inflation, and other possible disruptions, many of which focus on potential policy changes out of Washington.
- Forecasters look for the Index to have shed another 1.4 points this month (to a reading of 102.7). The University of Michigan's Consumer Sentiment Index has likewise dropped 9.3 points in recent months. The Index attained an 8-month high of 74.0 at the end of December but has since dropped to 64.7 in its preliminary report for February. *The chart at right is sourced from FactSet.*



- **<u>January New Home Sales:</u>** Forecasters expect Wednesday's Census Department report on New Home Sales to show a y/y increase of about +1.5%. The seasonally adjusted/annualized sales pace is expected to be about 670,000 units, representing a m/m decline of about 3.3%. Like existing home sales (which were reported on Friday to have declined by 4.9% m/m in January), new home sales are also expected to have seen some pressure from bad weather conditions across much of the country and the significant wildfires experienced in heavily populated areas of California.
- **<u>Q4 real GDP:</u>** Last month, the Commerce Department reported Q4 real GDP at a sound +2.3%. This week, Commerce will offer its first round of revisions and they could produce more volatility than usual. Each quarter, Commerce's first GDP estimate relies on estimates of Trade and Inventories for the final month of the period. Post the initial GDP estimate, these items were shown to have jumped materially in December as importers sought to accelerate imports (which are a <u>subtraction</u> from GDP) to get ahead of any potential tariffs enacted under the new administration. Many of these items, however, would likely go into inventories, which would be an <u>addition</u> to GDP. The U.S. trade deficit jumped to a record $98.4 billion in December (from a November level of $78.9B). Given these significant moving parts, we could see larger-than-normal revisions in either direction.
- **<u>January Personal Income and Spending:</u>** Personal income and spending are each expected to have seen another month of fairly solid expansion in January. **Incomes** are expected to have grown by +0.4% m/m - the same rate as posted for December. If forecasters are accurate in this estimate, it would leave personal incomes about 5.3% above year-ago levels.
- **Personal spending,** meanwhile, is expected to have grown by a somewhat subdued 0.2% m/m after having jumped by 0.7% in December. The retail sales report for January already told us that consumer spending on goods declined by about 0.9% m/m due to difficult weather and the wildfires in California. Should the monthly spending estimate hold, it would imply an approximate +5.6% y/y gain. *The chart at right is sourced from Factset.*



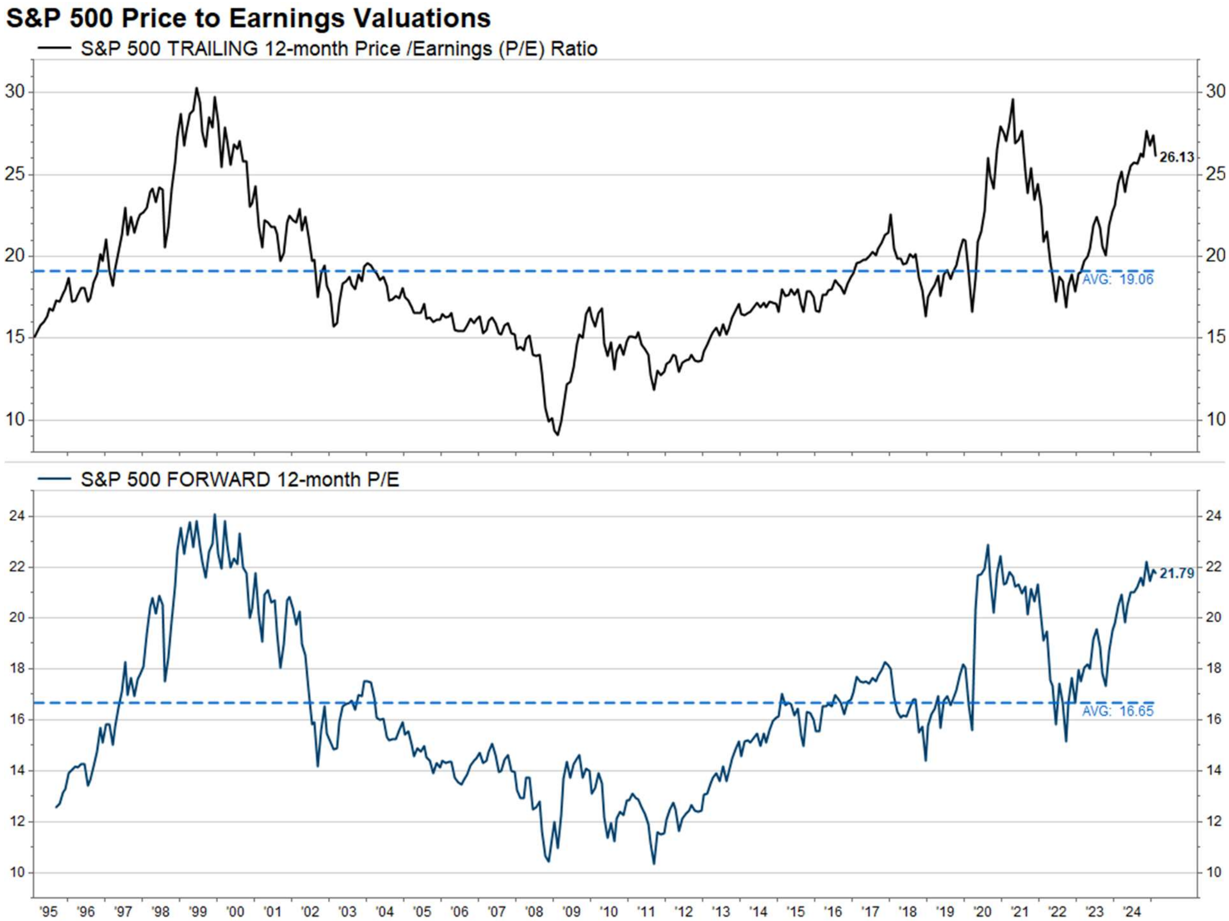
The calendar below is sourced from American Enterprise Investment Services Inc.

February 24	25	26	27	28
Dallas Fed Mfg. Index	**S&P /CaseShiller Home $$$**	**New Home Sales**	**Initial Jobless Claims**	**Personal Income**
Inflation - Eurozone	**Richmond Fed Index**	*Leading Index - Japan*	**Q4 Real GDP - 2nd**	**Personal Spending**
	CB Consumer Confidence	*Trade - Japan*	**Pending Home Sales**	**Advance Trade - Goods**
	Retail Sales - Japan		*Consumer Confidence - Eurozone*	**Durable Goods Orders**
				Chicago Purch. Mgr. Index
				Trade - S. Korea
				Home Building - Japan

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



Consensus Earnings Estimates: *Source: FactSet*

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
2/24/2025	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 $$ amount				$53.34	$54.52	$58.91	$55.56	$56.45	$60.54	$61.64	$65.11	$60.65	$66.10	$70.66	$73.17	
change over last week											$0.26	-$0.10	-$0.06	-$0.04	$0.06	-$0.18
yr/yr				-1.2%	-3.6%	6.1%	4.2%	5.8%	11.0%	5.0%	17.2%	7.4%	9.2%	14.6%	12.4%	
qtr/qtr				0.1%	2.2%	8.1%	-5.7%	1.6%	7.2%	1.8%	5.6%	-6.8%	9.0%	6.9%	3.6%	
Trailing 4 quarters $$	$143.08	$211.09	$222.33	$218.71	$216.67	$220.08	$222.33	$225.44	$231.46	$234.19	$243.74	$247.94	$253.50	$262.52	$270.58	$308.44
yr/yr % change	-13.0%	47.5%	4.2%				0.0%				9.6%				11.0%	14.0%
Implied P/E based on																
a S&P 500 level of: **6013**											24.7	24.3	23.7	22.9	22.2	19.5

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday, February 24, 2025 — **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
10:30 AM	FEB	Dallas Fed. Mfg. Index	+6.5		+14.1	

Ameriprise Economic Projections

Forecast:	**Full-year**				**Quarterly**						
	Actual 2023	Actual 2024	Est. 2025	Est. 2026	Actual Q1-2024	Actual Q2-2024	Actual Q3-2024	Actual Q4-2024	Est. Q1-2025	Est. Q2-2025	Est. Q3-2025
Real GDP (annualized)	2.9%	2.8%	2.4%	2.1%	1.6%	3.0%	2.8%	2.3%	2.8%	2.3%	2.5%
Unemployment Rate	3.7%	4.1%	4.2%	4.2%	3.8%	4.1%	4.1%	4.1%	4.2%	4.2%	4.2%
CPI (YoY)	3.4%	2.9%	2.5%	2.2%	3.5%	3.0%	2.4%	2.9%	2.4%	2.4%	2.4%
Core PCE (YoY)	2.9%	2.8%	2.3%	2.1%	2.8%	2.6%	2.7%	2.8%	2.5%	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: February 18, 2025**

Ameriprise Global Asset Allocation Committee Targets and Views

Targets

2025 Year-end Targets:	**Favorable Scenario**	**Base-Case Scenario**	**Adverse Scenario**
S&P 500 Index:	7,000	6,500	5,500
10-Year U.S. Treasury Yield:	5.00%	4.25%	3.00%
Fed Funds Target Range:	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
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	• Financials	• Communication Services • Consumer Discretionary • Consumer Staples • Energy • Industrials • Information Technology • Materials • Real Estate • Utilities	• Health Care
Global Equity Regions	• United States	• Europe ex U.K. • Japan • Latin America • United Kingdom	• Middle East/Africa • Asia-Pacific ex Japan • Canada
Fixed Income	• U.S. High Yield Bonds	• U.S. Government • U.S. Inv. Grade Corporates • 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 December 31, 2024

	Rolling Returns			
Major Market Indices	**QTD**	**1-year**	**3-years**	**5-years**
Russell 3000® 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.

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With Ameriprise Financial, you can benefit from our dedicated team of experienced investment research and due diligence professionals. Our objective market insight, strategies and guidance are designed to provide you with insight into investment strategies and solutions to help you feel more confident about your financial future. It's the higher level of sophistication and service you've come to expect from Ameriprise.

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Corporate Bonds are debt instruments issued by a private corporation. Non-Investment grade securities, commonly known as "high-yield" or "junk" bonds, are historically subject to greater risk of default, including the loss of principal and interest, than higher-rated bonds, which may result in greater price volatility than experienced with a higher-rated issue.

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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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Security Recommendation Risk: The research team may not be successful in selecting securities that collectively perform better than the benchmark. When viewing return comparisons investors should keep in mind the following information. Our model portfolio generally maintains less than 50 securities, whereas benchmark indices contain several times that amount. The benchmark index is market capitalization weighted, providing greater weight to the larger company movements, whereas our model portfolio is designed to be equally dollar weighted. Furthermore, the model portfolio may deviate significantly, at times, from the sector allocation of the benchmark due to our interpretation of economic conditions and market factors as well as our security selection process.

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

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