Before the Bell

An Ameriprise Investment Research Group Publication

March 14, 2025

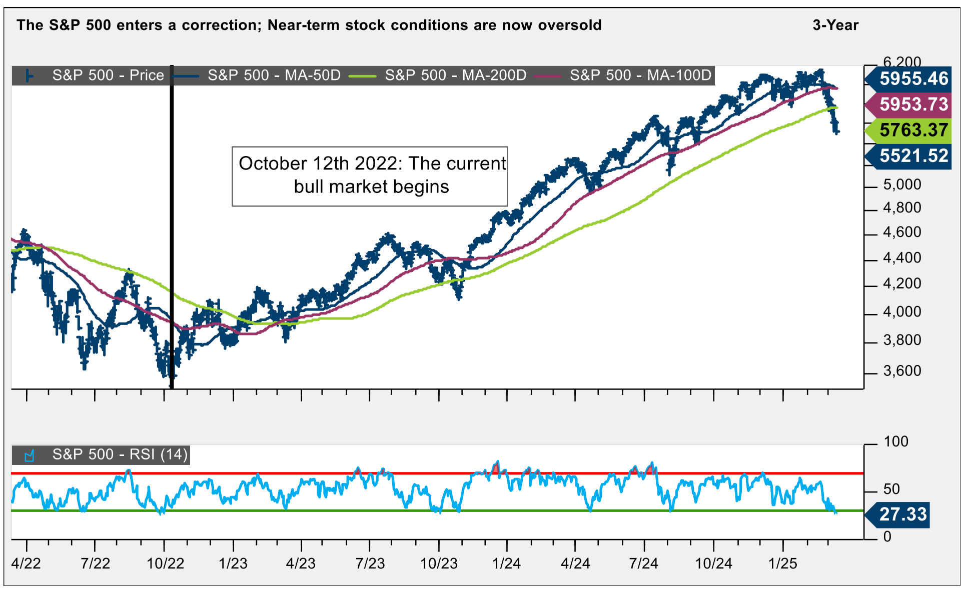
Starting the Day

- U.S. equity markets are pointing to a higher open.
- European markets are trading higher at midday.
- Asian markets ended largely higher.
- Stock declines are approaching rare territory.
- Stocks are on pace for their 4th straight week of declines.
- 10-year Treasury yield at 4.30%.
- West Texas Intermediate (WTI) oil is trading at $67.30.
- Gold is trading at $3,008.80.

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

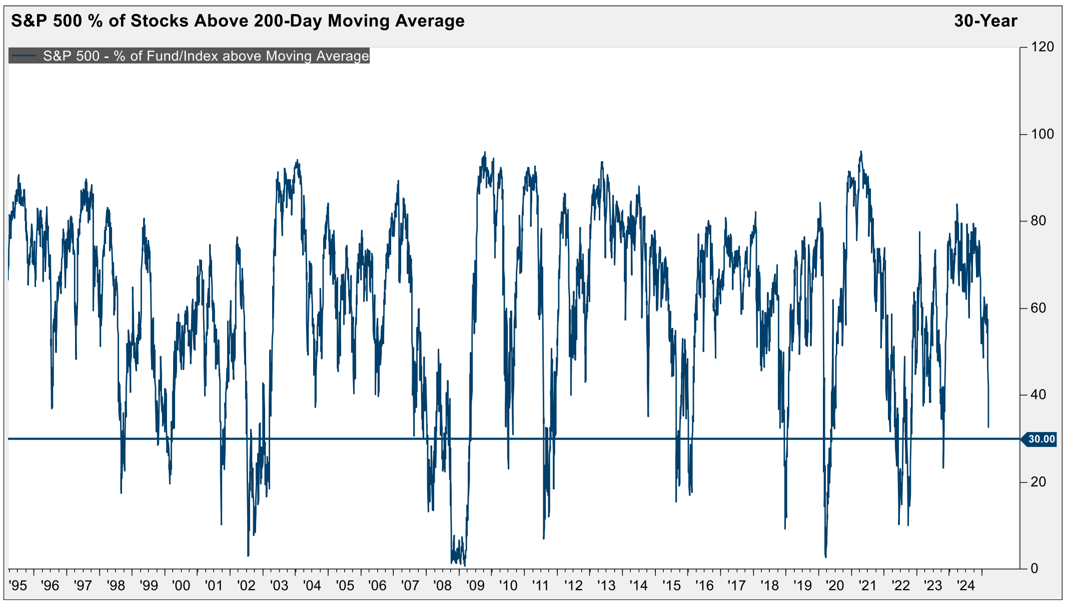
The S&P 500 enters a correction as more stocks break their longer-term trend line. February producer inflation came in weaker than expected yesterday, with the core and headline figures down meaningfully from January levels. This follows core and headline figures for February consumer inflation on Wednesday, which also showed a deceleration from January levels. With inflation moving in the right direction and weekly initial jobless claims data coming in a little softer than expected but generally in line with recent trends, one would think markets would have caught a bid or at least avoided a further slide yesterday. Unfortunately, that wasn't the case. Stocks slid further on Thursday as President Trump announced new 200% tariffs on certain European Union goods in response to Europe's retaliatory tariffs addressing U.S. tariffs on steel and aluminum that kicked in this week. In addition, a looming U.S. government shutdown at midnight didn't help build much credibility and confidence in the news flow coming out of Washington. As a result, the S&P 500 and NASDAQ Composite are on pace for their fourth straight week of losses. Notably, given Thursday's stock declines, the S&P 500 Index finished the trading session officially in a correction, closing down 10% from its February 19th all-time high. The S&P 500 joins the NASDAQ Composite, which is also well within correction territory, and Magnificent Seven names and Semiconductors, which both hit bear markets at certain points this week. As the *FactSet* chart above shows, the S&P 500 also approached a near-term "oversold" condition yesterday, based on its 14-day relative strength index, which, absent periods of more extreme uncertainty, is generally a near-term buy signal. Note: RSI levels



NOTE: FOR IMPORTANT DISCLOSURES, INCLUDING POSSIBLE CONFLICTS, PLEASE SEE THE DISCLOSURE PAGES AT THE END OF THIS DOCUMENT.

below 30 tend to be a buy signal, while levels above 70 tend to be a short-term sell signal for near-term traders and technical investors. Notably, despite the S&P 500's recent declines, the Index remains up +60% over the current bull market on a total return basis. Yet, a drawdown of 20% or more from the S&P 500's high would signal the end of the current bull market. However, for such declines to develop, we believe it would likely require a much more material deterioration in economic/profit conditions — which we haven't seen at present. As we referenced in yesterday's *Before the Bell*, stock volatility is likely to remain elevated, and equities could see further selling pressure over the near-to-intermediate term, depending on how the tariff/growth picture develops. However, as such, declines across major U.S. stock averages have intensified, valuations are becoming more reasonable, oversold conditions are developing, and negativity is becoming more pronounced across a wider range of stocks and investor types. These are generally early signs of opportunity for contrarian investors with a longer-term time horizon.

Finally, the *FactSet* chart below shows that the number of S&P 500 stocks trading above their longer-term 200-day moving average has fallen aggressively over recent weeks, with the current level sitting at roughly 33%. If further stock weakness develops and the number of S&P 500 stocks trading above their 200-day moving average falls to 30% or below, it would mark some rare territory for the Index over the last 30 years. Market stress during the Long-Term Capital Management debacle in 1998, in 2000 before the top of the tech bubble, in the 2001-2003 bear markets, and 2007-2009, as the market was melting down during the Financial Crisis, were notable periods of extreme market stress and where the Index saw 70% or more of its constituents trading below their longer-term 200-day moving average. Other notable periods of extreme stock stress and where the number of S&P 500 stocks trading above their 200-day moving average collapsed include briefly in 2010, in 2011 during the U.S. debt downgrade/European double-dip recession, in 2015 (Chinese yuan devaluation), in 2016 (oil price collapse), 2018 (Fed rate hiking cycle), in 2020 (COVID-19), 2022 (inflation spike), and in 2023 (Fed rate hiking cycle). What do the causes of these dislocations have in common? Pretty much nothing. In our view, this puts the current Trump trade war in pretty good company with other noncorrelated reasons why stocks sometimes sell off broadly and break longer-term trend lines. However, in periods where stocks "corrected" and avoided a bear market, the large break in so many stocks' longer-term trading lines wound up being good buying opportunities longer-term. Obviously, there is precedent for this chart and stock prices to break lower from here (by no means is this morning's missive meant to signal an all-clear), particularly if the current growth scare turns into something more negative for the economy. That said, over the last thirty years, the number of stocks reclaiming their 200-day moving average eventually increased from the bottom, which accompanied higher stock prices over time. The point? Every extreme dislocation in the market is different, and the conditions driving stocks lower are usually unprecedented at the time. However, Trump's trade war won't be the end of the world, and stock prices will eventually recover. But from what level is the critical question investors are trying to answer, and as it stands, some are taking a sell first, ask questions later approach.



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 higher open.** After falling into a correction yesterday, the S&P 500 looks set to bounce higher at the open. Senate Minority Leader Schumer said he would support and not block the House measure that funds the U.S. government through the end of September. In our view, this materially reduces the odds of a government shutdown this weekend. On Thursday, U.S. Commerce Secretary Lutnick met with Canadian ministers, and he described the meeting as "extremely productive." Prior to the meeting, Lutnick told *Fox News* that the U.S. was looking for trade concessions from Canada. However, details of the meeting have not been shared.

Europe:

European stocks are trading higher at midday. February German inflation slowed more than initially reported, with the harmonized CPI rate falling to +2.6% y/y, down from the initial estimate of +2.8%, which was also January's rate. Separately, the UK economy unexpectedly contracted by 0.1% in January, short of forecasts that were looking for +0.1% growth.

Asia-Pacific:

Stocks in the region finished largely higher on Friday. China's National Financial Regulatory Administration (NFRA) announced several measures to increase financial support for domestic consumption. The NFRA will encourage banks to increase personal consumption loans, increase credit allocation to more service sectors, and provide relief on existing personal consumption loans when renewed.

WORLD CAPITAL MARKETS

3/14/2025 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-1.4%	-5.9%	5,521.5
Dow Jones	-1.3%	-3.7%	40,813.6
NASDAQ Composite	-2.0%	-10.3%	17,303.0
Russell 2000	-1.6%	-10.4%	1,993.7
Brazil Bovespa	1.4%	4.5%	125,637
S&P/TSX Comp. (Canada)	-0.9%	-1.6%	24,203.2
Russell 3000	-1.5%	-6.3%	3,136.2

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	1.1%	10.4%	5,389.6
FTSE 100 (U.K.)	0.6%	6.1%	8,595.6
DAX Index (Germany)	1.4%	15.0%	22,887.8
CAC 40 (France)	1.0%	8.8%	8,017.4
FTSE MIB (Italy)	1.1%	12.4%	38,423.6
IBEX 35 (Spain)	1.0%	12.3%	12,952.5

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.7%	-7.1%	37,053.1
Hang Seng (Hong Kong)	2.1%	20.3%	23,960.0
Korea Kospi 100	-0.3%	7.4%	2,566.4
Singapore STI	0.0%	1.5%	3,836.0
Shanghai Comp. (China)	1.8%	2.0%	3,419.6
Bombay Sensex (India)	-0.3%	-5.3%	73,828.9
S&P/ASX 200 (Australia)	0.5%	-3.2%	7,789.7

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.3%	-1.8%	823.8

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.8%	9.3%	2,462.5

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.9%	4.2%	1,116.2

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	-2.7%	-5.2%	323.4
Consumer Discretionary	-2.6%	-15.5%	1,544.9
Consumer Staples	-0.7%	1.6%	863.9
Energy	-0.6%	1.9%	662.4
Financials	-0.6%	-1.8%	787.2
Health Care	-0.5%	4.6%	1,673.1
Industrials	-1.1%	-2.3%	1,087.4
Materials	-0.1%	0.9%	532.4
Real Estate	-2.0%	0.0%	254.9
Technology	-1.8%	-12.0%	4,051.2
Utilities	0.3%	2.2%	390.9

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-0.7%	6.7%	314.2
FTSE NAREIT Comp. TR	-1.8%	-0.6%	24,943.1
DJ US Select Dividend	-0.3%	-0.3%	3,489.4
DJ Global Select Dividend	0.3%	8.4%	240.7
S&P Div. Aristocrats	-0.5%	0.5%	4,599.2

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.3%	2.3%	2,239.4
Barclays HY Bond	-0.5%	0.8%	2,705.4

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.3%	6.0%	573.5
NYMEX WTI Crude (p/bbl.)	1.0%	-6.3%	67.2
ICE Brent Crude (p/bbl.)	0.9%	-5.5%	70.5
NYMEX Nat Gas (mmBtu)	-1.8%	11.1%	4.0
Spot Gold (troy oz.)	0.3%	14.2%	2,996.9
Spot Silver (troy oz.)	0.0%	17.2%	33.9
LME Copper (per ton)	0.0%	12.7%	9,751.1
LME Aluminum (per ton)	0.2%	7.7%	2,721.6
CBOT Corn (cents p/bushel)	-1.3%	-1.4%	459.0
CBOT Wheat (cents p/bushel)	-0.8%	-0.8%	558.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.5%	5.3%	1.09
British Pound (£/$)	-0.1%	3.4%	1.29
Japanese Yen ($/¥)	-0.6%	5.7%	148.77
Australian Dollar (A$/$)	0.4%	1.9%	0.63
Canadian Dollar ($/C$)	0.0%	-0.3%	1.44
Swiss Franc ($/CHF)	-0.3%	2.5%	0.88

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

Ameriprise Global Asset Allocation Committee (GAAC)

U.S. Equity Sector - Tactical Views

	S&P 500 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
Financials	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
United States	66.1%	Overweight	3.2%	69.3%
Europe ex U.K.	11.3%	Equalweight	-	11.3%
Latin America	0.8%	Equalweight	-	0.8%
Japan	4.7%	Equalweight	-	4.7%
United Kingdom	3.0%	Equalweight	-	3.0%
Asia-Pacific ex Japan	10.2%	Underweight	-1.0%	9.2%
Canada	2.7%	Underweight	-1.0%	1.7%
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.

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Friday, March 14, 2025

All times Eastern. Consensus estimates via Bloomberg

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
10:00 AM	Mar. P	U. of M. Consumer Sentiment	63.8		64.7	

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%	1.6%	2.7%	3.1%
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: March 3, 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.

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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As of December 31, 2024

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Risk Factors

Alternative investments involve substantial risks and are more volatile than traditional investments, making them more suitable for investors with an above-average tolerance for risk.

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

Investing in **derivatives** is a specialized activity that involves special risks that subject the fund to significant loss potential, including when used as leverage, and may result in greater fluctuation in fund value.

Diversification and **Asset Allocation** do not assure a profit or protect against loss.

Dividend and interest payments are not guaranteed. The amount of dividend payment, if any, can vary over time and issuers may reduce or eliminate dividends paid on securities in the event of a recession or adverse event affecting a specific industry or issuer. Should a company be unable to pay interest on a timely basis a default may occur and interruption or reduction of interest and principal occur. Investments in a narrowly focused sector may exhibit higher volatility than investments with broader objectives and is subject to market risk and economic risk.

There are risks associated with **fixed-income investments**, including bond funds, such as credit risk, interest rate risk, and prepayment and extension risk. In general, bond prices rise when interest rates fall and vice versa. This effect is usually more pronounced for longer-term securities.

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

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

International investing involves certain risks and volatility due to potential political, economic currency instabilities and different financial and accounting standards. Risks are enhanced for **emerging market** issuers.

Interest payments on **inflation-protected securities** may be more volatile than interest payments on ordinary bonds. In periods of deflation, these securities may provide no income.

Market Risk: Model portfolios and markets in general could sustain significant volatility due to several factors. As we have seen recently, both economic and geopolitical issues could have a material impact on this model portfolio and the equity market as a whole.

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

Non-investment-grade (high-yield or junk) securities present greater price volatility and more risk to principal and income than higher rated securities.

Quantitative Strategy Risk: Stock selection and portfolio maintenance strategies based on quantitative analytics carry a unique set of risks. Quantitative strategies rely on comprehensive, accurate and thorough historical data. The Ameriprise Investment Research Group utilizes current and historical data provided by third-party data vendors. Material errors in database construction and maintenance could have an adverse effect on quantitative research and the resulting stock selection strategies.

Sector Risk: The Ameriprise Global Asset Allocation Committee and managers of this model portfolio can elect to overweight or underweight (or completely avoid) certain economic sectors. This could lead to substantial underperformance versus a more diversified or balanced weighting.

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

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

Investments in **small- and mid-capitalization companies** involve greater risks and volatility than investments in larger, more established companies.

The products of **technology companies** may be subject to severe competition and rapid obsolescence, and their stocks may be subject to greater price fluctuations.

Value securities may be unprofitable if the market fails to recognize their intrinsic worth or the portfolio manager misgauged that worth.

Definitions of terms

Definitions of terms mentioned in this report are available on our website at ameriprise.com/legal/disclosures/ in the Additional Ameriprise research disclosures section, or through your Ameriprise financial advisor

Index definitions

An index is a statistical composite that is not managed. It is not possible to invest directly in an index. Definitions of individual indices mentioned in this report are available on our website at ameriprise.com/legal/disclosures/ in the Additional Ameriprise research disclosures section, or through your Ameriprise financial advisor

Disclaimer section

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

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