Before the Bell

An Ameriprise Investment Research Group Publication

March 17, 2025

Starting the Day

- U.S. futures are pointing to a slightly lower open.
- European markets are trading higher at midday.
- Asian markets ended higher overnight.
- Stocks are on their worst stretch since October 2022.
- We've been here before; Fed on tap this week.
- 10-year Treasury yield at 4.29%.
- West Texas Intermediate (WTI) oil is trading at $68.02.
- Gold is trading at $3,007.90

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Weekly Market Perspectives: Major U.S. stock averages were again under pressure last week. The S&P 500 Index and NASDAQ Composite fell for the fourth straight week despite inflation reports that showed a deceleration in price pressures last month. Fast-moving tariff headlines/actions that drew continued concern about the growth environment, as well as a further deterioration in consumer confidence, kept stocks on the defensive most of the week while gold prices hit a new high.

This week, the Federal Reserve will enter the spotlight. Given a still murky inflation environment and growing concerns regarding White House policies on the near-to-intermediate term trajectory for growth, the Fed's policy statement and quarterly Summary of Economic Projections on Wednesday will likely have an outsized influence on directing stock traffic as the week comes to a close.

Last Week in Review:

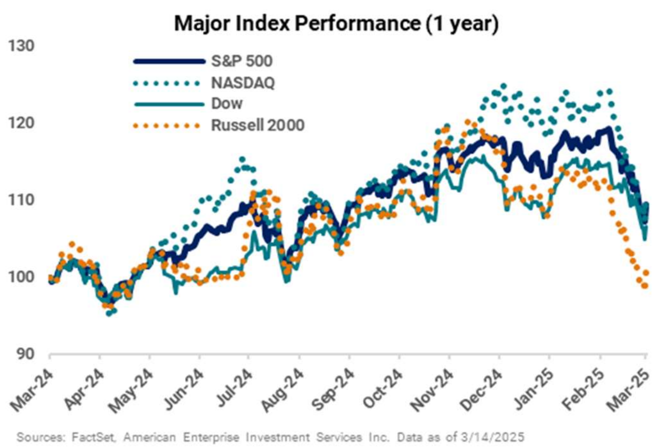
- The S&P 500 dropped 2.2%. Over the last four weeks, the broad-based U.S. stock barometer is down 7.8% — its worst point decline stretch since the week ending April 3rd, 2020, and its worst percentage decline since the week ending October 7th, 2022.
- The NASDAQ Composite fell 2.4% and is down 11.4% over the last four weeks. The four-week stretch is the Composite's worst performance since March 20th, 2020, on a point basis and its worst performance since October 7th, 2022, on a percentage basis.
- The Dow Jones Industrials Average lost 3.0%, ending its worst week in roughly two years. The Russell 2000 Index dropped 1.4%, as the small-cap barometer finished the week roughly 17% below its late November highs.
- U.S. Treasury prices were mostly firmer across the curve, the U.S. Dollar Index ended basically flat, and Gold crossed $3,000 per ounce for the first time before settling slightly lower. Notably, Gold is higher by almost +14.0% this year and is one of the few assets providing a consistently defensive posture during this recent spate of market volatility.
- West Texas Intermediate (WTI) crude logged its eighth straight week of declines, which is its worst losing streak since 2015. Concerns about a global growth slowdown and OPEC+ supply issues are weighing on crude prices.
- The February Consumer Price Index (CPI) and Producer Price Index (PPI) came in cooler than expected. Headline and core (ex-food and energy) consumer inflation readings saw modest downticks last month from January levels, while producer prices saw a more meaningful drop. That said, February core CPI stood at +3.1% year-over-year, while core PPI finished last month at +3.4%, still well above the Fed's +2.0% inflation target.
- A preliminary look at March University of Michigan Consumer Sentiment came in well below expectations and February levels — posting its worst reading since November 2022 (or shortly after the bottom of the last bear market). Although the

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

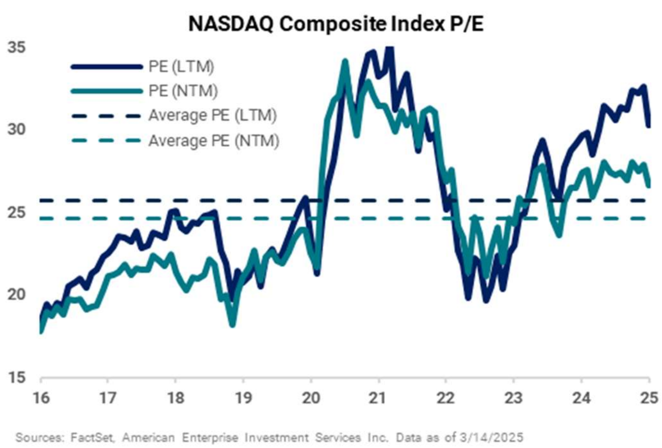
survey has a pretty large political bias, tariff uncertainty, growth fears, and deteriorating confidence in one's personal financial situation are currently weighing on consumer attitudes. Importantly, consumer inflation expectations over the next year and five years rose, a development that is unlikely to sit well with the Federal Reserve as it meets this week.

- Finally, from Washington, President Trump slapped 25% tariffs on aluminum and steel, prompting Canada and the European Union to retaliate, which prompted Trump to impose 200% tariffs on EU alcohol. Market participants continued to try to make sense of the White House tariff strategy, with reciprocal tariff announcements expected on April 2nd. In a positive development, Congress passed a continuing resolution that funds the U.S. government through September 30th.

Despite how it feels, we've been here several times before.



There is no doubt that it's been a difficult few weeks for investors. Late last week, one of the broadest measures of the U.S. stock market, the S&P 500 Index, briefly dipped down 10% from its all-time high made less than a month ago. The S&P 500 has now shed over $5.0 trillion since its February 19th high. That's in addition to severe selling pressure across the NASDAQ Composite and Russell 2000 Index over recent weeks. Each is firmly in correction territory and is looking to avoid "bear" market declines (i.e., a 20% or more drop from their recent highs). Simply put, investors are finding it extremely difficult to keep up with all the fast-moving tariff headlines out of Washington and, most importantly, what these threats/actions mean for growth and profits over the coming quarters. Notably, consumer and investor sentiment has deteriorated rapidly as a result, with an increasing number of Americans seeing a more difficult environment ahead for the U.S. and without a more articulate message from the White House on tariff policy. Bottom line: The on-again, off-again tariff headlines over recent weeks, growing uncertainty about the growth environment, and a couple of years of significant gains across stocks have compelled some investors to take a *sell first, ask questions later* approach and wait out the drama from the sidelines.



That said, price-to-earnings valuations across the market have fallen meaningfully as a result of the recent selling pressure. Although indexes such as the NASDAQ Composite still sport elevated multiples relative to their longer-term history, their relatively strong expected earnings growth for this year (if achieved) combined with lower P/Es, at some point, may begin to entice longer-term investors to put their shopping lists together.

Additionally, the number of S&P 500 stocks trading below their longer-term 200-day moving average has soared higher over recent weeks and is approaching rare levels based on history. Usually, when 70% or more of S&P 500 stocks are trading below their 200-day moving average, the market is grappling with extreme uncertainty. On Thursday, the level touched 67%. The Fed rate hiking cycle (2023), elevated inflation (2022), COVID-19 (2020), Fed rate hiking cycle (2018), Chinese yuan devaluation (2015), U.S. debt downgrade/European double-dip recession (2011), and the Financial Crisis (2007-2009) are some recent examples where the number of S&P 500 stocks trading below their 200-day approached 70% or above. In some cases, the number of stocks trading below their longer-term trend line rose much higher than 70%, stocks experienced additional declines, and a bear market formed. In other cases, where conditions stabilized, and a recession didn't form, the number of stocks reclaiming their 200-day moving average rose, and the market stress provided an opportunity to invest. In all cases, where investors had enough time to weather the volatility, stocks went on to recover from the selling pressure wherever the bottom formed for that period of uncertainty.

Importantly, since 1990, the S&P 500 Index has experienced, on average, an intra-year drawdown of 14.2%, with more than half those occurrences seeing the Index avoid a bear market. Bottom line: The last few weeks have felt rough, and uncertainty is running high. However, the market has been here lots of times before, and the events shaping today's uncertainty (tariffs/growth concerns) appear in good company with all the other unknowns of the time that shaped stock/investor reactions back then. In our view, continue to lean on well-diversified investment strategies, know what you own, and avoid making emotional decisions if the market stress elevates from here. These simple strategies can help you through to the other side and help you navigate until more clarity forms.

The Week Ahead:

Retail sales, the Fed, and housing data are all on tap this week.

- The February retail sales report is out on Monday. Investors will be looking for clues on how weak consumer sentiment data is translating into consumer spending trends. As we've noted here before, the top 10% of households by income category currently account for half of all consumer spending in the U.S. Given recent market volatility and an earnings warning out of Delta Airlines last week, trends across higher income earners could come under more scrutiny.
- The Federal Reserve is widely expected to hold its policy rate unchanged at 4.25% - 4.50% on Wednesday for the second meeting in a row. However, the Fed's messaging will be critical, as markets are on edge. Any language or statements that indicate officials are not in tune with current growth concerns could cause equity pressure to accelerate. That said, inflation remains above its target, which complicates its messaging strategy. Updated economic projections and Fed Chair Powell's press conference will offer ample opportunities above and beyond the policy statement for the Fed to provide needed detail.

Stock Market Recap

Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 5,639	-2.2%	-5.2%	-3.9%	25.2	24.6	1.3	1.5
Dow Jones Industrial Average: 41,488	-3.0%	-5.2%	-2.1%	23.3	21.2	1.7	1.9
Russell 2000 Index: 5,080	-1.4%	-5.4%	-8.1%	56.7	39.0	1.4	1.3
NASDAQ Composite: 17,754	-2.4%	-5.7%	-7.9%	35.9	38.0	0.7	0.7
Best Performing Sector (weekly): Energy	2.6%	-1.2%	4.9%	15.0	11.0	3.3	3.8
Worst Performing Sector (weekly): Consumer Staples	-4.2%	-5.5%	1.9%	22.8	22.6	2.4	2.5

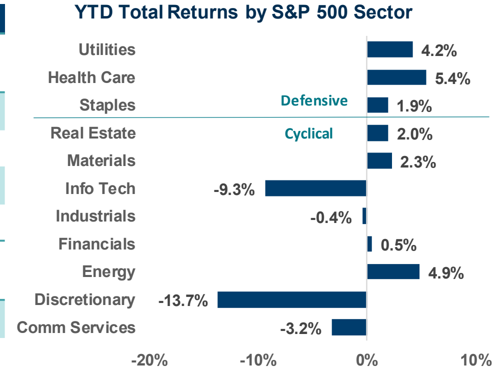
Source: Factset. Data as of 03/14/2025

Bond/Commodity/Currency Recap

Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	-0.1%	-0.6%	2.0%
West Texas Intermediate (WTI) Oil: $67.17	-0.2%	-4.0%	-7.3%
Spot Gold: $2,984.91	2.6%	4.4%	13.7%
U.S. Dollar Index: 103.72	-0.1%	-3.6%	-4.4%
Government Bond Yields	**Yield Chg**		
	Weekly	**MTD**	**YTD**
2-year U.S. Treasury Yield: 4.00%	2 bps chg	4 bps chg	-24 bps chg
10-year U.S. Treasury Yield: 4.32%	0 bps chg	12 bps chg	-27 bps chg

Source: Factset. Data as of 03/14/2025. bps = basis points

YTD Total Returns by S&P 500 Sector



Source: S&P Global, Factset. Data as of 03/14/2025

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 lower open.** After last week's tough run for stocks, major U.S. stock averages are on pace for a weaker open on Monday. On the economic front, February retail sales are out at 8:30 am EST this morning.

Investors will likely be looking for details in this morning's report that provide clues on how weaker "soft" consumer data is translating into "hard" data on spending trends.

Europe:

Tuesday's fresh look at March German ZEW Economic Sentiment is expected to improve over February levels. On Wednesday, the February Eurozone Consumer Price Index is expected to remain unchanged at +2.6% y/y on a core basis versus its preliminary estimate. On Thursday, the Bank of England is expected to keep its policy rate on hold after the 25-basis point cut it provided at the previous meeting. That said, the UK economy unexpectedly contracted at the start of the year, which may keep another cut on the table.

Asia-Pacific:

The Bank of Japan meets on Tuesday and Wednesday. The BOJ is expected to leave rate policy unchanged on Wednesday at 0.5% after raising it 25 basis points in January and on the one-year anniversary of the BOJ initially raising its policy rate by 10 basis points.

WORLD CAPITAL MARKETS

3/17/2025 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	2.1%	-3.9%	5,638.9
Dow Jones	1.7%	-2.1%	41,488.2
NASDAQ Composite	2.6%	-7.9%	17,754.1
Russell 2000	2.5%	-8.1%	2,044.1
Brazil Bovespa	2.6%	7.2%	128,957
S&P/TSX Comp. (Canada)	1.4%	-0.1%	24,553.4
Russell 3000	2.2%	-4.2%	3,205.3

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.3%	11.0%	5,419.7
FTSE 100 (U.K.)	0.1%	6.7%	8,641.7
DAX Index (Germany)	0.3%	15.8%	23,045.8
CAC 40 (France)	0.3%	9.2%	8,051.6
FTSE MIB (Italy)	0.4%	13.5%	38,796.2
IBEX 35 (Spain)	0.5%	13.3%	13,073.3
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.9%	-6.2%	37,396.5
Hang Seng (Hong Kong)	0.8%	21.2%	24,145.6
Korea Kospi 100	1.7%	9.3%	2,610.7
Singapore STI	0.6%	2.1%	3,859.4
Shanghai Comp. (China)	0.2%	2.2%	3,426.1
Bombay Sensex (India)	0.5%	-4.9%	74,170.0
S&P/ASX 200 (Australia)	0.8%	-2.4%	7,854.1

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	1.8%	-0.3%	836.1

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.9%	9.5%	2,466.6

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	1.2%	4.5%	1,119.6

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	2.0%	-3.2%	330.0
Consumer Discretionary	2.1%	-13.7%	1,578.0
Consumer Staples	0.3%	1.9%	866.4
Energy	2.8%	4.9%	681.0
Financials	2.3%	0.4%	805.3
Health Care	0.8%	5.4%	1,685.8
Industrials	1.8%	-0.4%	1,107.4
Materials	1.3%	2.3%	539.4
Real Estate	1.8%	2.0%	259.6
Technology	3.0%	-9.3%	4,174.1
Utilities	1.9%	4.2%	398.3

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	2.2%	9.1%	321.2
FTSE NAREIT Comp. TR	1.9%	1.3%	25,423.4
DJ US Select Dividend	2.0%	1.6%	3,557.6
DJ Global Select Dividend	0.9%	9.8%	243.7
S&P Div. Aristocrats	1.0%	1.6%	4,648.0

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.2%	2.1%	2,234.6
Barclays HY Bond	0.3%	1.1%	2,712.1

Commodities			
Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	-0.3%	5.6%	571.5
NYMEX WTI Crude (p/bbl.)	1.4%	-5.0%	68.2
ICE Brent Crude (p/bbl.)	1.4%	-4.1%	71.6
NYMEX Nat Gas (mmBtu)	2.4%	15.7%	4.2
Spot Gold (troy oz.)	0.5%	14.2%	2,997.6
Spot Silver (troy oz.)	-0.1%	16.8%	33.8
LME Copper (per ton)	-0.2%	12.5%	9,731.9
LME Aluminum (per ton)	-0.7%	6.9%	2,701.5
CBOT Corn (cents p/bushel)	1.4%	-0.2%	465.0
CBOT Wheat (cents p/bushel)	2.2%	1.2%	569.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.2%	5.3%	1.09
British Pound (£/$)	0.3%	3.6%	1.30

	% chg.	% YTD	Value
Japanese Yen ($/¥)	0.1%	5.9%	148.47
Australian Dollar (A$/$)	0.4%	2.6%	0.64

	% chg.	% YTD	Value
Canadian Dollar ($/C$)	0.1%	0.2%	1.43
Swiss Franc ($/CHF)	0.3%	2.8%	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		S&P 500 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
Financials	13.5%	Overweight	2.0%	15.5%	Energy	3.0%	Equalweight	-	3.0%
Consumer Staples	5.5%	Equalweight	-	5.5%	Utilities	2.3%	Equalweight	-	2.3%
Information Technology	32.8%	Equalweight	-	32.8%	Materials	1.9%	Equalweight	-	1.9%
Industrials	8.1%	Equalweight	-	8.1%	Real Estate	2.0%	Equalweight	-	2.0%
Communication Services	9.4%	Equalweight	-	9.4%	Consumer Discretionary	11.5%	Equalweight	-	11.5%
As of: January 2, 2025					Health Care	10.0%	Underweight	-2.0%	8.0%

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.

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:** It's a fairly busy week for economic releases with housing market data being particularly prominent. Federal Reserve officials will also announce their latest interest rate decision on Wednesday followed soon after by a press conference with Fed Chair Powell (2:30 PM ET). Forecasters do not expect any change in policy rates out of this week's meeting. Currently, fed fund futures as traded on the CME see 31% odds of a 25-basis point cut at the Federal Open Market Committee's (FOMC) next meeting in May, and 61% odds of a 25-basis point cut at the June meeting. By year-end fed fund futures look for slightly more than 2 cuts over the course of the year of ¼ point each.
- **February Retail Sales:** Forecasters are looking for retail sales to have seen a solid rebound last month. Sales declined by a surprisingly large 0.9% (-0.4% was estimated) in January with many categories seeing a decline. Broader evidence suggested that the decline was largely due to bad weather in the month. If the January slump was indeed due to bad weather (the National Oceanic and Atmospheric Agency, NOAA, said it was the worst January in 25 years) we should see a nice recovery in February. Forecasters are projecting a +0.6% rebound.
- **Industrial Production.** Tuesday's Industrial Production report for February is expected to see a slight rise. Contrary to the effect of weather on retail sales, more modest weather conditions in February should have a depressive effect on industrial output due to higher demand for household gas and electric. Bad weather offered all of the upside to January's +0.5% Industrial Production expansion as Utility output jumped 7% month-over-month. Though February's weather was not much better than January's, it was unlikely to have been incrementally worse, thus not necessitating a further jump in utility output.
- **Fed's interest rate decision.** Fed officials are expected to maintain their current fed funds targets at this week's meeting. The current lower bound of the fed funds range is 4.25% with an upper bound of 4.50%. In recent speeches, Fed officials have noted many of the same concerns as investors – that tariff threats are creating significant uncertainty about the economic path ahead.
- **February Existing Home Sales:** Thursday's report on existing home sales is expected to show a further decline in the pace of sales. Forecasters are predicting an annualized pace of just 3.94 million units sold which would place the sales rate close to 25-year lows. As with other economic measures, we believe weather is likely to have accounted for some of the recent weakness. We note that existing home sales are recorded at the time of the closing, typically about a month or two after the sales agreement is signed.

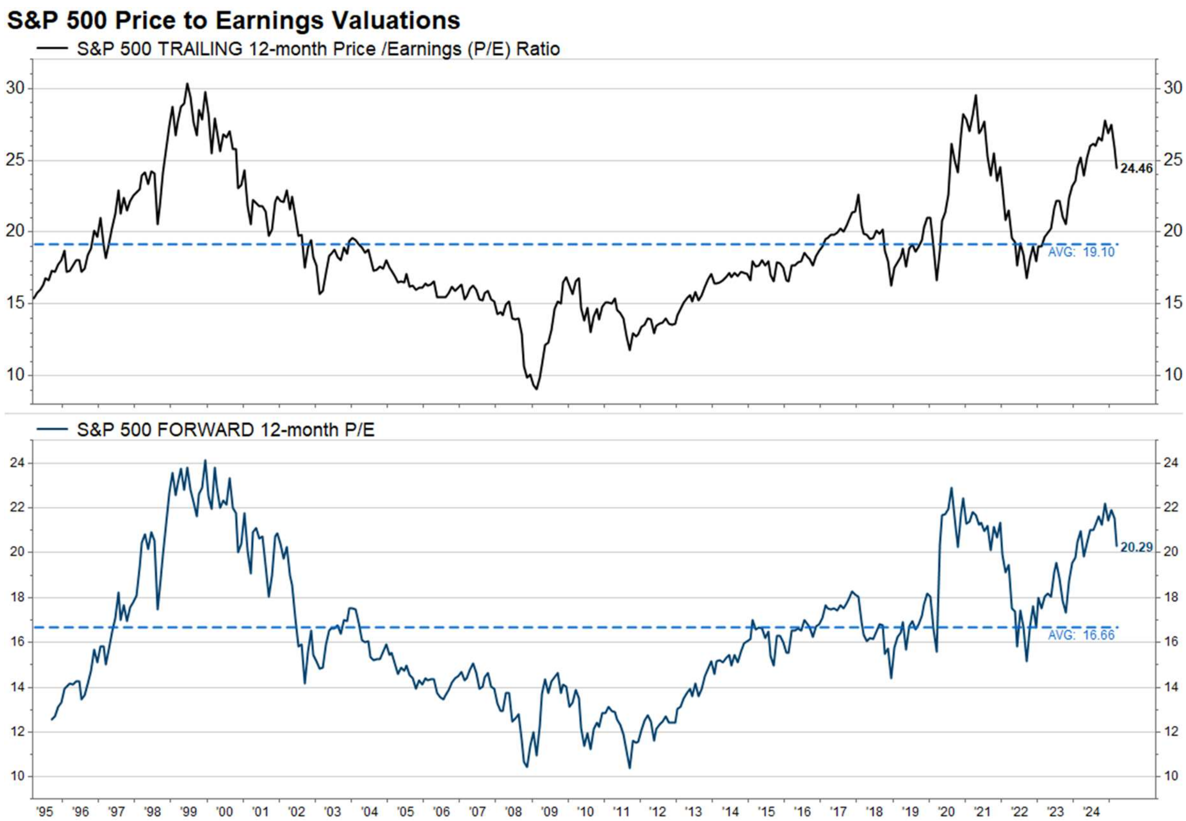
The calendar below is sourced from American Enterprise Investment Services Inc.

March 17	18	19	20	21
Retail Sales	**Import Price Index**	**FOMC Rate Decision**	**Initial Jobless Claims**	*Bank Lending - India*
Empire Mfg. Index	**Industrial Production**	*Retail Sales - Japan*	**Philly Fed Business Index**	*Consumer Confidence - Eurozone*
Business Inventories	**Housing Starts**	*Industrial Production - Japan*	**Existing Home Sales**	
NAHB Housing Index	**Building Permits**		**Leading Economic Index**	
Foreign Investment - China	*Trade - Japan*		*Inflation - Japan*	
Industrial Production - China	*Machinery Orders - Japan*			
Retail Sales - China	*Monetary Policy - Japan*			
Trade - India	*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 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
3/17/2025	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Est.	Est.	Est.	Est.	Est.
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY
Quarterly $$ amount				$53.34	$54.52	$58.91	$55.56	$56.45	$60.54	$62.84	$65.77	$60.49	$66.04	$70.73	$73.30	
change over last week												-$0.07	-$0.10	-$0.10	-$0.07	-$0.09
yr/yr				-1.2%	-3.6%	6.1%	4.2%	5.8%	11.0%	5.0%	18.4%	7.2%	9.1%	12.6%	11.4%	
qtr/qtr				0.1%	2.2%	8.1%	-5.7%	1.6%	7.2%	3.8%	4.7%	-8.0%	9.2%	7.1%	3.6%	
Trailing 4 quarters $$	$143.08	$211.09	$222.33	$218.71	$216.67	$220.08	$222.33	$225.44	$231.46	$235.39	$245.60	$249.64	$255.14	$263.03	$270.56	$309.07
yr/yr % change	-13.0%	47.5%	4.2%				0.0%				10.5%				10.2%	14.2%
Implied P/E based on a S&P 500 level of: 5639											23.0	22.6	22.1	21.4	20.8	18.2

Economic News and Views:

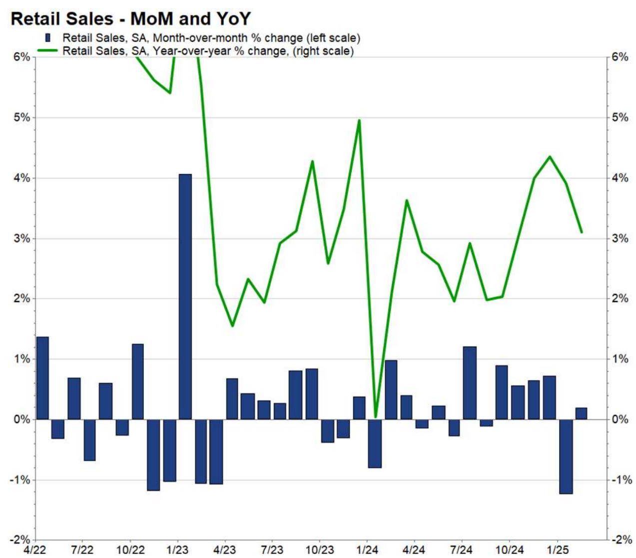
Russell T. Price, CFA – Chief Economist

Releases for Monday, March 17, 2025 **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
8:30 AM	FEB	Retail Sales (MoM)	+0.6%	**+0.2%**	-0.9%	-1.2%
8:30 AM	FEB	Retail Sales Ex. Autos (MoM)	+0.3%	**+0.3%**	-0.4%	-0.7%
8:30 AM	FEB	Retail Sales Ex. Autos & Gas (MoM)	+0.4%	**+0.5%**	-0.5%	-0.5%
8:30 AM	FEB	Retail Sales Control Group (MoM)	+0.4%	**+1.0%**	-0.8%	-1.0%
8:30 AM	MAR	Empire Manufacturing Index	+2.5	**-20.0**	+7.0	
10:00 AM	MAR	NAHB Housing Market Index	42		42	

Commentary:

- **Retail sales experienced a weak rebound in February but "control group" retail sales for the month imply a more positive influence on GDP.** After a weather-induced decline of -1.2% in January (revised down from -0.9%), retail sales posted a modest rebound in February as weather conditions improved.
- Auto sales (which account for about 19% of total retail sales) were down another 0.4% last month after dropping a very sharp 3.7% in January (revised lower from a previously reported -2.1%). The added decline in February comes despite a reported partial recovery in unit auto sales in the month. Ward's Automotive previously reported February unit vehicle sales at 16.0 million (on a seasonally adjusted, annualized basis) after dipping to 15.6 million in January. Sales reached a multi-month high of 16.9 million in December. On a year-over-year basis, auto and auto part retail sales were down 0.7%.



- Most primary categories experienced relatively weak sales last month. A sales decline of 1.5% at eating and drinking establishments was particularly telling as activity in the sector can often be a good indicator of consumer confidence in their personal financial situation.
- Nonstore retailers were among the few categories to see a sales increase (+2.4% m/m).
- On a year-over-year basis, total retail sales were up 3.6% after being 4.4% higher y/y in January. Sales excluding autos and gasoline were up 4.5%.
- **Consumers still in the driver's seat.** Consumers have been the driving force behind the U.S. economy's solid pace of expansion over the last few years – and in the years pre-pandemic. We believe consumers remain in good financial health, thus able to continue their spending growth over the intermediate-term at least.
- Consumers account for nearly 70% of total U.S. economic activity and we see them as currently having ample savings, good income growth, stable job prospects, and low debt burdens.
- *The chart at right is sourced from FactSet and HAS been updated to reflect today's release.*

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**

This space intentionally left blank.

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.

Investment Research Leader

John C. Simmons, CFA
Vice President

Strategists

Chief Market Strategist
Anthony M. Saglimbene
Vice President

Thomas Crandall, CFA, CFP®, CMT, CAIA
Vice President – Asset allocation

Jun Zhu, CFA, CAIA
Sr. Analyst – Quantitative, Asset allocation

Sumit Chugh, CFA
Sr. Manager

Amit Tiwari, CFA
Sr. Associate I

Chief Economist
Russell T. Price, CFA
Vice President

Equity Research

Justin H. Burgin
Vice President

Patrick S. Diedrickson, CFA
Director – Consumer goods and services

William Foley, ASIP
Director – Energy and utilities

Lori Wilking-Przekop
Sr. Director – Financial services and REITs

Chris Macino
Director – Health care

Frederick M. Schultz
Sr. Director – Industrials and materials

Andrew R. Heaney, CFA
Director – Technology and Communication Services

Bishnu Dhar
Sr. Analyst - Quantitative strategies and international

Research Support

Jillian Willis
Sr Administrative Assistant

Kimberly K. Shores
Investment Research Coordinator

Jeff Carlson, CLU®, ChFC®, RICP®, CRPC™
Business Risk Manager

Manager Research

Michael V. Jastrow, CFA
Vice President

ETFs, CEFs, UITs
Jeffrey R. Lindell, CFA
Sr Director

Alex Narum
Analyst II

Sagar Batra
Sr Associate I

Alternatives
Justin E. Bell, CFA
Vice President

Kay S. Nachampassak
Director

Quantitative research
Kurt J. Merkle, CFA, CFP®, CAIA
Vice President

Peter W. LaFontaine
Sr Analyst

Gaurav Sawhney
Analyst II

Ryan Elvidge, CFA
Sr Analyst

Matthew Burandt
Analyst II

Parveen Vedi
Sr. Associate I

Harish Chauhan
Sr. Associate I

Ankit Srivastav
Lead Business Analyst

Pulkit Kumar
Associate I

Sameer Asif
Associate II

Equities
Benjamin L. Becker, CFA
Sr Director – International and global equity

Cynthia Tupy, CFA
Director – Value and equity income equity

Andrew S. Murphy, CFA
Analyst II – Core equity

Teneshia Butler
Analyst II – Growth equity

Kuldeep Rawat
Sr Associate I

Multi-Asset and Fixed income
Mark Phelps, CFA
Sr. Director – Multi-asset solutions

Josh Whitmore, CFA
Director – Fixed Income

Lukas Leijon
Sr Associate II – Fixed Income

Diptendu Lahiri
Sr Associate I – Fixed Income

Fixed Income Research

Brian M. Erickson, CFA
Vice President

Jon Kyle Cartwright
Sr Director – High yield and investment grade credit

Stephen Tufo
Director – High yield and investment grade credit

The content in this report is authored by American Enterprise Investment Services Inc. ("AEIS") and distributed by Ameriprise Financial Services, LLC ("AFS") to financial advisors and clients of AFS. AEIS and AFS are affiliates and subsidiaries of Ameriprise Financial, Inc. Both AEIS and AFS are broker-dealer member firms registered with FINRA and are subject to the objectivity safeguards and disclosure requirements relating to research analysts and the publication and distribution of research reports. The "Important Disclosures" below relate to the AEIS research analyst(s) that prepared this publication. The "Disclosures of Possible Conflicts of Interest" section, where applicable, relates to the conflicts of interest of each of AEIS and AFS, their affiliates and their research analysts, as applicable, with respect to the subject companies mentioned in the report.

Each of AEIS and AFS have implemented policies and procedures reasonably designed to ensure that its employees involved in the preparation, content and distribution of research reports, including dually registered employees, do not influence the objectivity or timing of the publication of research report content. All research policies, coverage decisions, compensation, hiring and other personnel decisions with respect to research analysts are made by AEIS, which is operationally independent of AFS.

Important Disclosures

As of December 31, 2024

The views expressed regarding the company(ies) and sector(s) featured in this publication reflect the personal views of the research analyst(s) authoring the publication. Further, no part of research analyst compensation is directly or indirectly related to the specific recommendations or views contained in this publication.

A part of a research analyst's compensation may be based upon overall firm revenue and profitability, of which investment banking, sales and trading, and principal trading are components. No part of a research analyst's compensation is based on a specific investment banking transaction, nor is it based on sales, trading, or principal trading. A research analyst may have visited the material operations of one or more of the subject companies mentioned in this research report. No payment was received for the related travel costs.

Additional information and current research disclosures on individual companies mentioned in this research report are available on our website at ameriprise.com/legal/disclosures in the **Additional Ameriprise research disclosures** section, or through your Ameriprise financial advisor. You may also submit a written request to Ameriprise Financial, Inc., 1441 West Long Lake Road, Troy MI, 48098. Independent third party research on individual companies is available to clients at ameriprise.com/research-market-insights/. SEC filings may be viewed at sec.gov.

Tactical asset class recommendations mentioned in this report reflect The Ameriprise Global Asset Allocation Committee's general view of the financial markets, as of the date of the report, based on then current conditions. Our tactical recommendations may differ materially from what is presented in a customized long-term financial plan or portfolio strategy. You should view our recommendations in conjunction with a broader long-term portfolio strategy. Not all products, services, or asset classes mentioned in this report may be available for sale at Ameriprise Financial Services, LLC. Please consult with your financial advisor.

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.

This summary is based upon financial information and statistical data obtained from sources deemed reliable, but in no way is warranted by Ameriprise Financial, Inc. as to accuracy or completeness. This is not a solicitation by Ameriprise Financial Services, LLC of any order to buy or sell securities. This summary is based exclusively on an analysis of general current market conditions, rather than the appropriateness of a specific proposed securities transaction. We will not advise you as to any change in figures or our views.

Past performance is not a guarantee of future results.

Investment products are not insured by the FDIC, NCUA or any federal agency, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

Third-party companies mentioned are not affiliated with Ameriprise Financial Services, LLC.

Ameriprise Financial, Inc. and its affiliates do not offer tax or legal advice. Consumers should consult with their tax advisor or attorney regarding their specific situation.

Securities offered by Ameriprise Financial Services, LLC. Member FINRA and SIPC.

This space intentionally left blank.