Before the Bell

An Ameriprise Investment Research Group Publication

April 17, 2025

Starting the Day

- U.S. equity markets are pointing to a mostly higher open.
- European markets are trading lower at midday.
- Asian markets ended mostly in the green.
- Powell and NVIDIA weigh on major U.S. stock indexes.
- ECB cuts rates /markets closed tomorrow for Good Friday.
- 10-year Treasury yield at 4.31%.
- West Texas Intermediate (WTI) oil is trading at $62.59.
- Gold is trading at $3,340.90

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Stocks take another step lower. Yesterday, the S&P 500 Index again fell lower, pulled down by NVIDIA, semiconductors, Tech more broadly, and other cyclical areas entangled by the uncertainty of tariffs, policy, and concerns about growth. The S&P 500 finished Wednesday lower by 2.2%, while the NASDAQ Composite dropped 3.1%. Notably, the S&P 500 is now down by over 14% from its February 2025 high, and as the *FactSet* chart to the right helps identify, meaningfully below all its major moving average levels. Similarly, the NASDAQ is off over 19% from its December 2024 high, with NVIDIA trading at levels last seen before the company was viewed as a major leader in artificial intelligence. In our view, yesterday's market action was more of a "piling on" of less favorable headlines combined with concerns that the Federal Reserve is unlikely to respond with rate cuts over the near term. Along with investors continuing to react unfavorably to stiffer U.S. export restrictions on NVIDIA H20 chips that could lower profits for the company, remarks from Fed Chair Powell on Wednesday suggesting tariff policies could lead to higher inflation and slower economic growth sapped investor momentum. Also, a stronger-than-expected March retail sales report (likely helped by consumers front-loading good purchases before tariffs hit) is just the latest evidence complicating Fed policy at the moment, as stable economic conditions likely prevent the Fed from responding to the volatility — given still uncertain tariff effects on inflation. Finally, there was confusion from the White House yesterday on whether China would face 245% tariffs on some of its imports to the U.S. in response to Beijing's

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retaliatory actions reducing Boeing orders, which only acted to send more traders to the sidelines. Several recent reports highlight that potential U.S. trade deals with its allies over the coming weeks could involve stipulations that isolate China's trade further and limit Beijing's ability to freely move its goods either internationally or into the U.S. At least over the near term, we believe such actions from the U.S. and other key ally countries would most likely escalate U.S./China tensions and spur even more uncertainty for investors.

Bottom line: The current investing environment is extraordinarily difficult to navigate and unpredictable at the moment. If we see further deterioration in trade developments from here, the risk of an economic slowdown in the coming months and a reduction in corporate profits could elevate quickly. That said, we believe there is still time for the White House to walk back some of its most aggressive actions before the ball gets rolling on a downturn, which can and often starts to turn into a self-fulfilling prophecy that is hard to reverse without a strong policy response. **As investors, this is the time to:**

- Trust in your well-constructed investment strategy and lean into diversification strategies.
- Understand the risk of further stock pressure may be higher, at least temporarily. However, your ability to time the next 10% or 15% move in the market statistically is very poor. And if you are successful in avoiding a further downturn in stocks, there is a low probability you will time the market correctly on the way up. With enough time, investing through downturns, recessions, and volatility is generally a sound strategy for times like this.
- Avoid reacting to the barrage of headlines, but unfortunately, expect the market to be headline-driven for the foreseeable future.
- Be sure you're comfortable owning your investments for the longer term.
- And particularly for accumulators, if you love what you own, reframe recent declines in price as an opportunity to acquire quality investments on sale.

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.** Sentiment this morning is looking a little brighter compared to yesterday after Taiwan Semiconductor reported better-than-expected profit results for the first quarter. Notably, the company maintained its 2025 guidance of mid-20% revenue growth as well as capex guidance of $38 to $42 billion. President Trump is scheduled to meet with Italian Prime Minister Meloni today, marking the first meeting with a European leader since the announced tariffs. U.S. markets will be closed tomorrow for Good Friday.
- **Earnings Update:** With 11% of S&P 500 first quarter reports complete, blended earnings per share (EPS) growth is higher by +7.2% year-over-year on revenue growth of +4.2%.

Europe:

The European Central Bank cut its policy rate today by 25 basis points - as expected, taking its discount rate to 2.25%. The move marks the seventh time the ECB has cut its policy rate since June. While the bank teased that it might pause cuts in March, President Trump's tariffs and tighter financial conditions have changed policymakers' calculus in our view. Notably, inflation pressures across the Eurozone have eased, and risks to growth have increased.

Asia-Pacific:

President Trump posted on Truth Social that trade talks with Japan yielded "big progress." Reports indicate discussions to lower Japan's 24% reciprocal tariff rate with the U.S. would be contingent on Tokyo's willingness to share costs with the U.S. for military bases in Japan. The next round of negotiations with Japan is expected to take place later this month and will be extended to working-level officials.

WORLD CAPITAL MARKETS

4/17/2025 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-2.2%	-10.0%	5,275.7
Dow Jones	-1.7%	-6.3%	39,669.4
NASDAQ Composite	-3.1%	-15.4%	16,307.2
Russell 2000	-1.0%	-16.1%	1,863.5
Brazil Bovespa	-0.7%	6.7%	128,317
S&P/TSX Comp. (Canada)	0.2%	-1.7%	24,106.8
Russell 3000	-2.1%	-10.5%	2,994.4

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-0.9%	1.2%	4,922.6
FTSE 100 (U.K.)	-0.8%	1.8%	8,210.1
DAX Index (Germany)	-0.8%	6.2%	21,150.1
CAC 40 (France)	-1.0%	-1.4%	7,257.9
FTSE MIB (Italy)	-0.6%	4.8%	35,837.4
IBEX 35 (Spain)	-0.5%	12.2%	12,882.4
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	1.3%	-13.1%	34,377.6
Hang Seng (Hong Kong)	1.6%	7.5%	21,395.1
Korea Kospi 100	0.9%	4.0%	2,470.4
Singapore STI	1.6%	-1.0%	3,720.3
Shanghai Comp. (China)	0.1%	-2.1%	3,280.3
Bombay Sensex (India)	2.0%	0.8%	78,553.2
S&P/ASX 200 (Australia)	0.8%	-2.7%	7,819.1

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-1.5%	-5.4%	791.1

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.1%	6.6%	2,387.4

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-1.0%	-0.8%	1,059.1

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	-2.5%	-11.3%	302.1
Consumer Discretionary	-2.7%	-19.8%	1,465.4
Consumer Staples	-1.2%	4.2%	883.5
Energy	0.8%	-5.8%	611.5
Financials	-1.6%	-3.3%	773.9
Health Care	-1.0%	-0.5%	1,588.6
Industrials	-1.4%	-5.1%	1,054.7
Materials	-0.8%	-3.6%	507.9
Real Estate	-0.2%	-1.5%	249.7
Technology	-3.9%	-17.7%	3,787.1
Utilities	-0.9%	2.5%	391.3

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-0.2%	0.7%	296.5
FTSE NAREIT Comp. TR	0.0%	-2.7%	24,418.5
DJ US Select Dividend	-1.1%	-4.3%	3,349.5
DJ Global Select Dividend	0.1%	7.8%	237.1
S&P Div. Aristocrats	-1.1%	-3.3%	4,423.5

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.3%	2.2%	2,237.3
Barclays HY Bond	0.0%	-0.5%	2,669.7

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.2%	2.1%	552.8
NYMEX WTI Crude (p/bbl.)	1.3%	-11.7%	63.3
ICE Brent Crude (p/bbl.)	1.2%	-10.8%	66.6
NYMEX Nat Gas (mmBtu)	-0.7%	-11.2%	3.2
Spot Gold (troy oz.)	-0.6%	26.7%	3,324.6
Spot Silver (troy oz.)	-1.4%	11.7%	32.3
LME Copper (per ton)	0.6%	6.0%	9,171.3
LME Aluminum (per ton)	0.5%	-7.2%	2,345.0
CBOT Corn (cents p/bushel)	-0.2%	4.7%	490.8
CBOT Wheat (cents p/bushel)	0.6%	-0.9%	564.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	-0.3%	9.7%	1.14
British Pound (£/$)	-0.1%	5.7%	1.32
Japanese Yen ($/¥)	-0.5%	10.3%	142.55
Australian Dollar (A$/$)	-0.2%	2.7%	0.64
Canadian Dollar ($/C$)	-0.3%	3.5%	1.39
Swiss Franc ($/CHF)	-0.5%	11.1%	0.82

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	14.4%	Overweight	2.0%	16.4%
Information Technology	30.4%	Equalweight	-	30.4%
Consumer Discretionary	10.2%	Equalweight	-	10.2%
Communication Services	9.4%	Equalweight	-	9.4%
Industrials	8.4%	Equalweight	-	8.4%
Consumer Staples	5.8%	Equalweight	-	5.8%
Energy	3.6%	Equalweight	-	3.6%
Utilities	2.5%	Equalweight	-	2.5%
Real Estate	2.2%	Equalweight	-	2.2%
Materials	2.0%	Equalweight	-	2.0%
Health Care	11.1%	Underweight	-2.0%	9.1%

As of: March 31, 2025

Index weightings represent the respective market capitalization of each sector in the S&P 500 as of 3/31/2025. 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
Europe ex U.K.	13.2%	Overweight	2.0%	15.2%
United States	62.8%	Overweight	1.2%	64.0%
Japan	5.1%	Equalweight	-	5.1%
United Kingdom	3.4%	Equalweight	-	3.4%
Latin America	0.9%	Equalweight	-	0.9%
Middle East / Africa	1.2%	Underweight	-1.2%	0.0%
Asia-Pacific ex Japan	10.6%	Underweight	-1.0%	9.6%
Canada	2.8%	Underweight	-1.0%	1.8%

as of: March 31, 2025

Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 3/31/2025. 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.

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Economic News and Views:

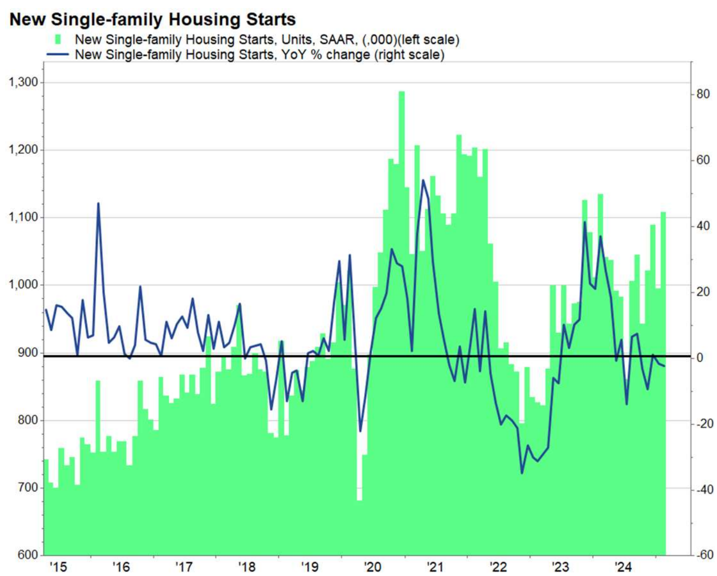
Russell T. Price, CFA – Chief Economist

Releases for Thursday, April 17, 2025 — **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
8:30 AM	Apr. 12	Initial Jobless Claims	225k	**215k**	223k	
8:30 AM	Apr. 5	Continuing Claims	1870k	**1885k**	1850k	
8:30 AM	MAR	Housing Starts (annualized)	1420k	**1324k**	1501k	1494k
8:30 AM	MAR	Housing Starts (MoM)	-5.4%	**-11.4%**	+11.2%	+9.8%
8:30 AM	MAR	Building Permits (annualized)	1450k	**1482k**	1456k	
8:30 AM	MAR	Building Permits (MoM)	-0.6%	**+1.6%**	-1.2%	
8:30 AM	APR	Philly Fed. Manufacturing Index	+2.2	**-26.4**	+12.5	

Commentary:

- Mixed economic data this morning as new claims for unemployment remained very low, but new housing starts and the Philly Fed. Manufacturing Index both came-in well below expectations and thus likely reflective of much more cautious business sentiment given the highly uncertain tariff backdrop.
- **New housing starts** have been exceptionally volatile over the last several months as each month has produced more than, or near, double digit gains and subsequent losses. That trend continued in March as new housing starts dropped 11% after seeing a 10% gain in February. Looking back: a window of generally favorable weather resulted in a remarkable 16.9% m/m jump in new units under construction in December. Bad weather then led to an 11.5% decline in January before total new starts bounced again in February with an 11.2% increase (revised today down to a +9.8% increase).
- Housing starts tend to be quite volatile, however, month-to-month fluctuations typically come from the volatile multi-family sector where the start of one major project or apartment building can sway the annualized numbers for the segment significantly. That has not been the case recently, however, as most of the variations have come in the single-family segment.
- On a month-over-month basis, single-family starts were own a sharp 14% in March after having gained 10% in February. On a year-over-year basis, total new starts were a comfortable 2% higher, but this masks the volatility of the underlying results. Single-family starts were down 10% y/y in March while multi-family starts were up 49%.



- *The chart at right is sourced from Factset and HAS NOT been updated to reflect today's release.*

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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%	2.2%	2.1%	1.6%	3.0%	2.8%	2.3%	0.8%	2.4%	2.3%
Unemployment Rate	3.7%	4.1%	4.2%	4.2%	3.8%	4.1%	4.1%	4.1%	4.1%	4.2%	4.2%
CPI (YoY)	3.4%	2.9%	2.4%	2.2%	3.5%	3.0%	2.4%	2.9%	2.5%	2.5%	2.4%
Core PCE (YoY)	2.9%	2.8%	2.5%	2.1%	2.8%	2.6%	2.7%	2.8%	2.6%	2.6%	2.5%

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 31, 2025**

Please note: Our economic forecasts do not yet fully reflect tariff related considerations. We anticipate making such adjustments shortly.

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**

When we can make more concrete forecasts about the economic and profit impacts from tariffs and have more visibility into the ultimate White House tariff objectives, we will update our S&P 500 targets and scenarios. ***Our next Quarterly Capital Market Digest report will be published later this month and will include adjustments to the targets and accompanying scenarios.***

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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 03/31/2025

	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	• Emerging Foreign
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. Investment Grade • Municipals	• U.S. Government • U.S. High Yield • Developed Foreign	• Emerging Foreign
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

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As of March 31, 2025

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Risk Factors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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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