Before the Bell

An Ameriprise Investment Research Group Publication

April 23, 2025

Starting the Day

- U.S. equity index futures point to a strong open.
- European markets are trading solidly higher at midday.
- Major markets across Asia ended strong.
- S&P 500 jumps 2.5% on Tuesday.
- Trump indicates lower tariffs on China could be in sight.
- 10-year Treasury yield at 4.29%.
- West Texas Intermediate (WTI) oil is trading at $63.57.
- Gold is trading at $3,335.00

Market Perspectives

Patrick Diedrickson, CFA, Director – Consumer Goods and Services Analyst

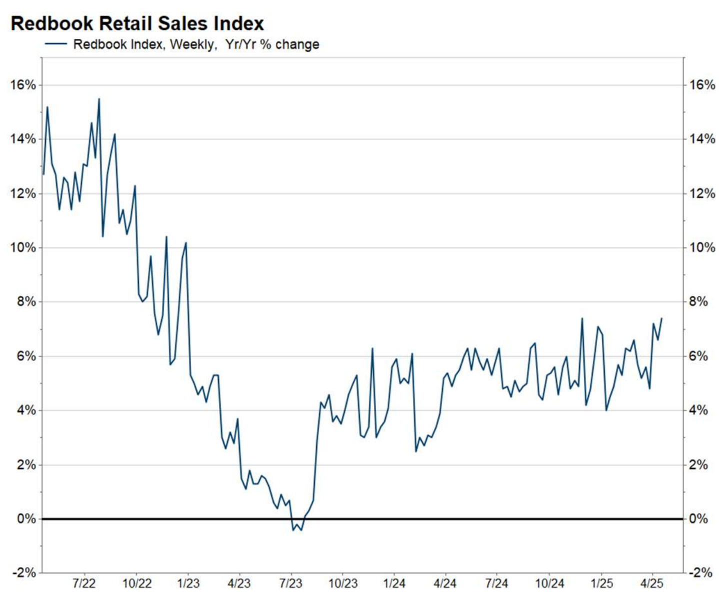
In addition to comments related to overnight activity and pre-market conditions, each Wednesday, we feature commentary from members of the Ameriprise Global Asset Allocation Committee discussing investment considerations targeting their specific area of expertise. The comments are intended to provide additional insight into Committee allocation recommendations.

Will Halloween and Christmas Be Spoiled by New Tariffs on China? **Halloween Risks:** U.S. costume and decor retailers indicate that the new Trump tariffs could hurt Halloween consumer spending. China is a large manufacturer of Halloween décor and costumes. Production is already in progress for much of the inventory, and orders are locked in for many retailers that sell these categories.

Due to the tariffs, prices are expected to climb. For example, according to the Halloween & Costume Association, costumes previously selling for $19.99 could increase to $39.99. Halloween masks that previously cost $4.99 could be priced at $9.99 or higher. We believe Halloween shoppers could choose to curtail some purchases given higher prices, resulting in demand destruction that cannot be recovered after Halloween is over.

According to the Halloween and Costume Association, consumer businesses have already spent millions on materials and production and could now face unexpected costs that make their products unprofitable. Many Halloween-themed products are weeks from shipping, not months. Due to market uncertainty, some retailers have cancelled orders to prevent having to make the final payment.

According to Analyzify, a retail data analytics firm, U.S. shoppers are estimated to spend about $11.7 billion on Halloween merchandise in 2025, compared to $12.2 billion in 2024. *Chart at right sourced from FactSet.*



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

Is Santa Claus Still Coming to Town?: Toy and holiday season décor companies could face similar concerns about Christmas. Some vendors stated retailers are freezing holiday decisions due to uncertainty related to the tariffs.

According to the Boston Consulting Group (BCG), more than 90% of manufacturing companies have moved at least some of their supply chain production away from China over the last five years. Mexico, India, and other parts of Southeast Asia were replaced as supply chain export locations. Despite the reduced exposure to China, there is still material reliance on it in certain categories, such as toys, decorations, and costumes.

Due to the timing of shipments for the holiday season, we believe it is possible that supply chain disruptions caused by tariffs could lead to higher prices, fewer choices, and empty shelves, even if the tariffs are delayed again or cancelled. Shipments for holiday season merchandise usually begin in the summer.

The risks include reduced holiday sales volumes, lower profit margins, and supply chain disruptions. Smaller specialty retailers are the most exposed to these risks, in our view.

We believe retail industry consumer spending growth has accelerated in April due to the fear of higher prices caused by tariffs. For example, according to Redbook *(see chart on page 1)*, retail industry sales increased to 7.2% year/year for the week ending April 4, +6.6% for the week ending April 11, and +7.4% for the week ending April 18, which is materially higher than the 4.8% growth reported for the week ending March 28.

Consumer Fundamentals Remain Solid: It is unclear how the supply chains will perform for consumer businesses for Halloween and the holiday season. However, overall consumer spending has been resilient, in our view, despite showing signs of weakness from macro pressures. Consumers have been trading down to lower-priced products in certain categories and have become more selective with their spending choices, particularly with bigger ticket purchases. Despite becoming increasingly selective, household spending has been resilient. In our view, consumer spending will likely continue to hold up relatively well in 2025 unless there is a significant deterioration in the labor market. We believe middle-income and higher-income households can absorb inflationary and interest rate pressure. That said, lower-income households may experience a consumer spending headwind over the next few quarters, resulting from tariff risk and inflationary cost pressure. We are taking a more defensive stance on consumer businesses that target lower-income households. The GAAC has an Equalweight rating on the Consumer Discretionary sector.

U.S. Pre-Market Indicators / Overnight International Market Activity

United States:

Here is a quick news rundown to start your morning:

- **Futures higher this morning.** U.S. stock futures are higher this morning after President Trump said he has “no intention” of firing the Federal Reserve Chairman before his term expires next year.
- **Housing Starts and Fed Minutes.** In economic news investors will be waiting for a January housing starts report and minutes from the latest Federal Reserve meeting.

Europe:

European markets were mostly higher at midday on improved sentiment regarding a trade standoff between the U.S. and China. France’s CAC 40 index is up 2.1%, and Germany’s DAX 30 is 2.7% higher, while in London the FTSE 100 was up 1.3%.

Asia-Pacific:

Shares in the Asia-Pacific were higher on Wednesday after President Trump indicated that the final tariffs on China would not be as high as 145%. The Hang Seng Index in Hong Kong finished up 2.4%. The Nikkei 225 closed 1.9% higher. The Shanghai composite closed down 0.1%. In Australia, the S&P/ASX 200 rose 1.3%. South Korea’s KOSPI index increased 1.6%.

WORLD CAPITAL MARKETS

4/23/2025 **As of: 8:30 AM ET**

Americas	% chg.	% YTD	Value
S&P 500	2.5%	-9.7%	5,287.8
Dow Jones	2.7%	-7.4%	39,187.0
NASDAQ Composite	2.7%	-15.4%	16,300.4
Russell 2000	2.7%	-14.9%	1,890.3
Brazil Bovespa	0.6%	8.5%	130,464
S&P/TSX Comp. (Canada)	1.2%	-0.9%	24,306.0
Russell 3000	2.6%	-10.1%	3,005.2

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	2.3%	4.5%	5,073.9
FTSE 100 (U.K.)	1.1%	4.5%	8,424.1
DAX Index (Germany)	2.3%	9.4%	21,783.1
CAC 40 (France)	2.0%	1.7%	7,470.8
FTSE MIB (Italy)	0.8%	6.0%	36,248.9
IBEX 35 (Spain)	0.9%	14.8%	13,122.9
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	1.9%	-11.8%	34,868.6
Hang Seng (Hong Kong)	2.4%	11.0%	22,072.6
Korea Kospi 100	1.6%	6.3%	2,525.6
Singapore STI	1.0%	2.0%	3,832.3
Shanghai Comp. (China)	-0.1%	-1.7%	3,296.4
Bombay Sensex (India)	0.7%	2.8%	80,116.5
S&P/ASX 200 (Australia)	1.3%	-1.5%	7,920.5

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	1.7%	-4.8%	796.3

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.1%	8.2%	2,418.0

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.2%	0.6%	1,073.8

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	2.9%	-10.9%	303.5
Consumer Discretionary	3.2%	-19.3%	1,474.6
Consumer Staples	1.6%	6.8%	905.0
Energy	2.6%	-3.6%	625.7
Financials	3.3%	-2.0%	784.3
Health Care	1.8%	-1.4%	1,572.7
Industrials	1.8%	-5.1%	1,055.1
Materials	2.4%	-2.3%	514.8
Real Estate	2.1%	0.1%	253.6
Technology	2.5%	-18.5%	3,749.3
Utilities	2.8%	3.8%	396.5

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	2.6%	1.6%	299.1
FTSE NAREIT Comp. TR	1.9%	-1.3%	24,765.5
DJ US Select Dividend	2.4%	-2.7%	3,407.6
DJ Global Select Dividend	0.3%	10.8%	243.4
S&P Div. Aristocrats	2.4%	-1.7%	4,497.6

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.2%	1.6%	2,223.9
Barclays HY Bond	0.4%	-0.1%	2,679.3

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	1.2%	3.7%	561.4
NYMEX WTI Crude (p/bbl.)	-0.6%	-11.8%	63.3
ICE Brent Crude (p/bbl.)	-0.6%	-10.2%	67.0
NYMEX Nat Gas (mmBtu)	0.7%	-16.7%	3.0
Spot Gold (troy oz.)	-1.9%	26.4%	3,316.3
Spot Silver (troy oz.)	0.9%	13.5%	32.8
LME Copper (per ton)	2.1%	8.1%	9,352.5
LME Aluminum (per ton)	0.7%	-7.1%	2,347.0
CBOT Corn (cents p/bushel)	-0.6%	2.5%	480.3
CBOT Wheat (cents p/bushel)	-0.6%	-4.0%	546.8

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	-0.1%	10.2%	1.14
British Pound (£/$)	-0.3%	6.2%	1.33
Japanese Yen ($/¥)	-0.1%	10.9%	141.69
Australian Dollar (A$/$)	0.6%	3.5%	0.64
Canadian Dollar ($/C$)	-0.2%	4.0%	1.38
Swiss Franc ($/CHF)	-0.4%	10.4%	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.

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Wednesday, April 23, 2025 **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
10:00 AM	MAR	New Home Sales (annualized)	685k		676k	
10:00 AM	MAR	New Home Sales (m/m)	+1.3%		+1.8%	

Commentary:

- **March New Home Sales Preview:** The Census Department will release its data on March new home sales at 10 AM ET today. Forecasters expect sales for the month to have expanded by a solid 1.3% month-over-month (m/m) after growing by 1.8% in February. If the annualized forecast proves correct, home sales will have grown by about 1% over year-ago levels.
- Home sales have been bumpy over the last few months and significantly affected by weather. In January, new home sales dropped 7% m/m while existing home sales were off by 5%. Evidence shows that sales in both categories were constrained by two ice /winter storms that moved across the Southeast and Midwest during the month. That was also the month of California's devastating wildfires. Activity picked up in February and the market recovery should have continued through March. In either report, however, it will be interesting to see if stock market volatility during the period may have delayed some buyers' intentions. The "sentiment" aspect of prospective sales, however, may not be fully seen until the April data.

- **IMF adjusts its global growth outlook.** Forecasters at the International Monetary Fund (IMF) updated their World Economic Outlook yesterday. Overall, the Organization lowered its growth expectations for this year and next as activity is expected to face a strong trade-war-related headwind.
- The organization now sees real global economic growth for 2025 at +2.8%, versus its January estimate of +3.3%. For 2026, IMF forecasters lowered their growth estimate to +3.0% from a prior estimate of +3.3%. To put the estimates in perspective, we note that global growth over the prior three years (2022 – 2024) had been very steady at +3.3% to +3.4%, according to the IMF. Further, over the 6-year period prior to the pandemic (2014 through 2019), global growth is said to have averaged +3.4%, according to the organization.
- Despite the relatively large negative adjustments to the 2025 outlook, practically all major economies are still expected to expand. Mexico is the exception, however, as it is now expected to see a 0.3% full-year contraction, an estimate that is down rather sharply from the +1.4% expansion previously forecast.
- When looking at the U.S., IMF forecasters now see the economy as growing by +1.8% this year versus a prior +2.7%. Tariff turmoil and higher prices are expected to weigh heavily on the pace, but we believe there is still room for downside to the IMF forecast given the outlook's heavy dependence on evolving White House tariff decisions. At this time, we believe the IMF's forecast for U.S. economic growth may be optimistic. *Data reflected in the table at right is sourced from the IMF. The table itself is sourced from AEIS Inc.*

IMF World Economic Outlook:

	Actuals					Projections		*Difference from January 2025 projections.*	
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2025**	**2026**
World	**-3.1**	**6.0**	**3.5**	**3.3**	**3.3**	**2.8**	**3.0**	**-0.5**	**-0.3**
United States	**-3.4**	**5.7**	**2.1**	**2.9**	**2.8**	**1.8**	**1.7**	**-0.9**	**-0.4**
Euro Region	**-6.3**	**5.2**	**3.3**	**0.4**	**0.9**	**0.8**	**1.2**	**-0.2**	**-0.2**
Japan	**-4.6**	**1.7**	**1.0**	**1.7**	**0.1**	**0.6**	**0.6**	**-0.5**	**-0.2**
Developing Asia	**-0.8**	**7.2**	**4.5**	**5.7**	**5.3**	**4.5**	**4.6**	**-0.6**	**-0.5**
China	**2.3**	**8.1**	**3.0**	**5.2**	**5.0**	**4.0**	**4.0**	**-0.6**	**-0.5**
India	**-7.3**	**8.7**	**7.2**	**8.2**	**6.5**	**6.2**	**6.3**	**-0.3**	**-0.2**
Russia	**-3.0**	**4.7**	**-2.1**	**3.6**	**4.1**	**1.5**	**0.9**	**0.1**	**-0.3**
Brazil	**-4.1**	**4.6**	**2.9**	**2.9**	**3.4**	**2.0**	**2.0**	**-0.2**	**-0.2**
Mexico	**-8.3**	**4.8**	**3.9**	**3.2**	**1.5**	**-0.3**	**1.4**	**-1.7**	**-0.6**

Source: IMF World Economic Outlook, April 2025

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Ameriprise Economic Projections

Forecast:	Full-year				Quarterly						
	Actual	Actual	Est.	Est.	Actual	Actual	Actual	Actual	Est.	Est.	Est.
	2023	**2024**	**2025**	**2026**	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025	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

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 March 31, 2025

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