Before the Bell

An Ameriprise Investment Research Group Publication

April 30, 2025

Starting the Day

- U.S. equity futures point to a lower open.
- European markets mostly higher at midday.
- Asian markets end mixed overnight.
- Crude oil breaks below $60 /brl.
- Administration eases auto tariffs again.
- 10-year Treasury yield at 4.15%.
- West Texas Intermediate (WTI) oil is trading at $59.96.
- Gold is trading at $3,289.60

Market Perspectives

Frederick M. Schultz, Senior Director – Industrials and Materials

The Silver Lining for the Gold Markets Near ~$3,300/oz. With gold prices just off recent all-time highs (ATH) last week, we wanted to explore the precious metals markets and provide real-time thoughts, including those expressed in our recent March report (*Gold & Silver Quarterly Q1'25 03/17/2025*). The conclusion was, gold prices are at, or nearing peaks. There are too many levers to pull going forward, which could be a headwind to gold prices, versus the remaining drivers for pushing gold prices beyond $3,500/oz. The base case for keeping prices near elevated levels, however, remains present. Chief amongst those is the ongoing threat that tariffs will trip the U.S. into recession. While a remote outcome, equity and fixed income markets have been reacting to the "tick" higher in recession probability odds.

Current Situation – Sizing up the global situation – here are a list of reasons that have driven gold prices to ATHs in early 2025, as well as factors that could impact prices this summer.

- **Allocations Are Already Historically High** – According to the data recently presented by *Barron's* (*Gold is Beating Everything* April 22, 2025) "*All told, there is now an estimated $4 trillion worth of gold held by central banks, and $5 trillion by private investors. Calculated against $260 trillion for all financial assets, including stocks, bonds, cash, and alternatives, that works out to a global gold portfolio allocation of 3.5%, a record*." In other words, with allocations already at historic highs, who is the next marginal buyer?

- **Tariffs Mitigated** - The rise in gold prices has been a windfall for central banks and countries holding gold reserves. As a percentage of foreign reserves, and GDP, rising gold prices have provided a financial cushion. This cushion, in our opinion, allows countries holding gold reserves to essentially endure tariffs for a much longer period than U.S. strategists have been assuming. Gold prices have doubled in the past 18-months. Global GDP has not.

- **Mine Supply Lagging…But** – Based on recent buying trends, driven mostly out of China, demand is outstripping the amount/supply global gold mines can produce annually. However, elevated prices could bring a meaningful level of scrap, coins, and bars from private investors into the market as they book outsized gains. While global buying has been erratic with the tariff headlines, the supply deficit is likely not as dire as headlines suggest, in our view.

- **The Upside Scenario** – The drama around replacing Fed Chairman Powell has taken a big upside catalyst away from the gold markets (*for now*). If China, in response to tariffs, produces a credit easing or major stimulus, like perhaps a double-digit stimulus, this could reignite gold prices. U.S Dollar Index decline.

- **The Downside Scenario** – The Federal Reserve easing interest rates (*cutting cycle begins in earnest)* or falling real rates that stirs a positive economic reaction would be a headwind to gold prices. Falling global risk premiums could emerge, like the U.S. reaching a nuclear deal with Iran, or Russia and Ukraine coming to a long awaited end. Lower U.S. tax rates, which have also been promised as soon as July, could emerge as gold price headwinds as well.

Hi-Yo Silver, Away! With this as the updated backdrop, is the precious metals complex worth staying invested in? The short answer is yes, and we would keep our eyes on the silver markets. Mostly because silver, unlike gold, has actual demand from industry. More than half of annual silver demand comes from the Industrial sector, to make smartphones and supply key raw materials for things like solar panels.

The silver markets, in terms of financial assets, are a fraction of the size of larger commodities like gold and crude oil for example. Even a small percentage of gold investors rotating to silver could have a meaningful impact as you cannot fit a two pound cake into a one pound box. Ask any baker. Silver has what we consider to be an “Industrial Beta.” Meaning that if economic conditions are set to improve in 2026, which would be bearish for gold prices, silver could experience upticks in demand based on the potential for an expanding economy.

What is the Gold-to-Silver Ratio Telling Us? Historically, if you go back over 50 years, dividing the price of silver to gold has produced an average differential of closer to ~60x. Meaning on average since the early 1970s, the price of gold is approximately sixty times higher than the price of silver. Right now, that differential has blown out to over 100x. Levels not seen since the pandemic and the recession in the early 1990s (*chart below*). We believe that if the Trump administration continues to back down and alleviate the disruption caused by tariffs in 1H’25, investors needing or maintaining diversification within the precious metals and real asset category might be better served by holding silver. (*Our chart is courtesy of goldprice.org*)

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 modestly lower open.** Following a higher finish for the S&P 500 Index (SPX) Tuesday, this marked the 6th straight higher session for the SPX. This is also setting up for a potentially historic reversal for the SPX, which started April under more volatile declines.
- **The Earnings Recipe** for Q1 across the SPX has been communicating tariff mitigation strategies. According to FactSet data, the path of least resistance has been mgmt. teams focusing on tariff de-escalation and cost cutting plans as the economy positions for a potentially lower growth environment. Q1’25 earnings have been better than feared and investor

attention rotates to the Mag 7 tech stocks the next few days, which are an important barometer for growth stocks and higher beta momentum.

- **Today is Data Day** with focus on the first look at Q1 GDP, April ADP payrolls, April Chicago PMI, March personal spending, and pending home sales, just to name a few. The hard data and soft consumer sentiment are under review, despite the major credit card processors indicating no change in consumer behavior just yet.

Europe:

The bourses in Europe are broadly higher with the major bourses up over 50 bps at midday. The Trump administration signing a new auto tariff bill that prevents tariff stacking and limited recovery mechanisms has placed a positive bid for the EU supply chain. Eurozone GDP for Q1 surprised to the upside versus consensus, expanding 0.4% and much higher than the 0.2% consensus estimate and up from the prior 0.2% reading. Importantly, Germany and France both returned to expansion. US Treasury Secretary warned EU reps that taxes on digital services needs to be fixed before the US moves forward on trade negotiations. Reports in Europe suggest the ECB is coordinated and confident in a June rate cut.

Asia-Pacific:

Stocks finished mixed across the region with the Nikkei and Hang Seng finishing up over 50 bps. US Commerce Secretary Lutnick hinted that the first trade deal is close to being announce with speculation widely focused on India being that partner. The Trump administration is also focused on Japan and South Korea as deals on the priority list. In a potentially positive de-escalation in tensions, reports indicate that trade officials in China are circulating a “Whitelist” of US companies it plans to exempt from the 125% tariff hurdle according to FactSet. The official manufacturing PMI for China came in at 49.0 for April, modestly below the consensus estimate of 49.7. Industrial production in Japan declined by 1.1% m/m in March below the (0.4%) m/m consensus estimate.

WORLD CAPITAL MARKETS

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

Americas	% chg.	% YTD	Value
S&P 500	0.6%	-5.1%	5,560.8
Dow Jones	0.7%	-4.3%	40,527.6
NASDAQ Composite	0.5%	-9.4%	17,461.3
Russell 2000	0.6%	-11.0%	1,976.5
Brazil Bovespa	0.1%	12.3%	135,093
S&P/TSX Comp. (Canada)	0.3%	1.6%	24,874.5
Russell 3000	0.6%	-5.4%	3,161.3

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.3%	6.9%	5,178.3
FTSE 100 (U.K.)	0.2%	5.2%	8,477.8
DAX Index (Germany)	0.7%	13.4%	22,584.6
CAC 40 (France)	0.7%	3.9%	7,607.5
FTSE MIB (Italy)	-0.4%	10.3%	37,720.0
IBEX 35 (Spain)	-1.3%	16.0%	13,188.6
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.6%	-8.8%	36,045.4
Hang Seng (Hong Kong)	0.5%	11.4%	22,119.4
Korea Kospi 100	-0.3%	7.6%	2,556.6
Singapore STI	0.7%	2.9%	3,832.5
Shanghai Comp. (China)	-0.2%	-2.2%	3,279.0
Bombay Sensex (India)	-0.1%	2.9%	80,242.2
S&P/ASX 200 (Australia)	0.7%	1.1%	8,126.2

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.5%	-0.5%	831.3

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.3%	11.5%	2,488.8

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.3%	3.7%	1,106.0

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	0.5%	-5.3%	322.5
Consumer Discretionary	0.6%	-13.1%	1,587.6
Consumer Staples	0.8%	5.8%	896.0
Energy	-0.4%	-2.3%	634.1
Financials	1.0%	1.1%	809.4
Health Care	0.5%	1.7%	1,622.6
Industrials	0.6%	-0.8%	1,102.6
Materials	0.9%	0.1%	527.2
Real Estate	0.7%	1.8%	257.9
Technology	0.5%	-11.6%	4,066.7
Utilities	0.7%	5.5%	402.9

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	-0.9%	3.0%	303.3
FTSE NAREIT Comp. TR	0.4%	-0.1%	25,075.6
DJ US Select Dividend	0.4%	-0.9%	3,470.3
DJ Global Select Dividend	0.3%	13.5%	249.1
S&P Div. Aristocrats	0.6%	-1.2%	4,519.2

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.2%	3.2%	2,259.8
Barclays HY Bond	0.1%	1.2%	2,716.4

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.1%	4.2%	563.9
NYMEX WTI Crude (p/bbl.)	-0.8%	-16.4%	59.9
ICE Brent Crude (p/bbl.)	-1.0%	-14.8%	63.6
NYMEX Nat Gas (mmBtu)	-0.8%	-7.6%	3.4
Spot Gold (troy oz.)	-1.4%	24.7%	3,272.2
Spot Silver (troy oz.)	-2.2%	11.4%	32.2
LME Copper (per ton)	0.3%	9.0%	9,430.2
LME Aluminum (per ton)	1.5%	-3.6%	2,435.3
CBOT Corn (cents p/bushel)	0.1%	0.4%	470.5
CBOT Wheat (cents p/bushel)	0.4%	-7.4%	527.5

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	-0.1%	9.8%	1.14
British Pound (£/$)	-0.4%	6.7%	1.34

	% chg.	% YTD	Value
Japanese Yen ($/¥)	-0.5%	9.9%	143.02
Australian Dollar (A$/$)	0.1%	3.3%	0.64

	% chg.	% YTD	Value
Canadian Dollar ($/C$)	0.0%	4.0%	1.38
Swiss Franc ($/CHF)	-0.2%	10.0%	0.83

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 30, 2025 — **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
8:15 AM	APR	ADP Employment Estimate	+115k	**+62k**	+155k	+147k
8:30 AM	Q1-A	Q1 real GDP – Advance estimate	-0.2%	**-0.3%**	+2.4%	
8:30 AM	Q1-A	Q1 Personal Consumption	+1.2%	**+1.8%**	+4.0%	
10:00 AM	MAR	Personal Income	+0.4%		+0.8%	
10:00 AM	MAR	Personal Spending	+0.6%		+0.4%	
10:00 AM	MAR	PCE* Deflator (MoM)	+0.0%		+0.3%	
10:00 AM	MAR	Core PCE Deflator (MoM)	+0.1%		+0.4%	
10:00 AM	MAR	PCE Deflator (YoY)	+2.2%		+2.5%	
10:00 AM	MAR	Core PCE Deflator (YoY)	+2.6%		+2.8%	
10:00 AM	MAR	Pending Home Sales (MoM)	+1.0%		+2.0%	
10:00 AM	MAR	Pending Home Sales (YoY)	-5.6%		-7.2%	

*PCE = Personal Consumption Expenditure Price index

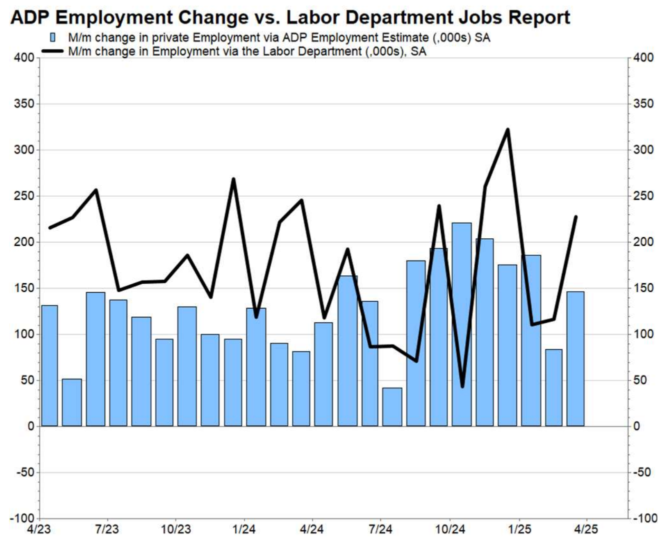
Commentary:

- **Weak, but not unexpected, economic data this morning.**
- **Real GDP** declined at a generally "as expected" pace in the first quarter, according to this morning's first estimate from the Commerce Department.
- Government spending was down notably (-1.5% annualized) in the period but a surge of import activity was the primary source of the downside. Imports, which are a subtraction from GDP, surged an unprecedented 41% on a quarter-over-quarter, annualized pace. The categories contribution to the headline GDP measure was a very heavy 5.0 percentage points.
- Conversely, all of those imports were either put to work or added to business inventories Business spending on new equipment surged 22.5% Business inventory levels, meanwhile, expanded by $140 billion. In terms of their contribution to

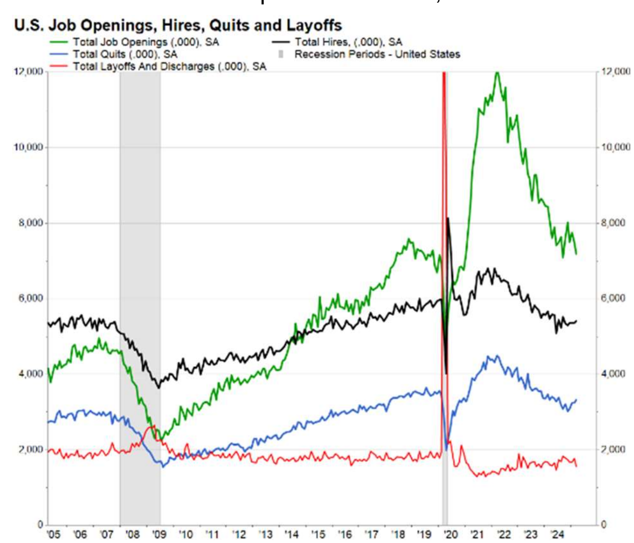
the headline GDP measure, equipment spending added 1.1 points while the expansion of inventories added 2.3 percentage points.

- The most important category of the report, consumer spending, also slowed in the quarter period but at a rate that generally matched its year-ago growth rate.

- **ADP report:** Net new hiring slowed more than expected last month as the significant jump in economic uncertainty stemming from the tariff situation weighs on business leaders' near-term decision making. Regardless, the breakdown of hiring by business size showed consistent gains, yet at levels that are much slower than prior rates. Small businesses (those with 1 to 49 employees) added 11,000 net new positions. Medium sized business (50 to 499 employees) added 40,000 and Large businesses added a net 12,000. Though the April hiring rate was slower than expected the lower pace is unlikely to have come as a surprise to market participants.
- Today's ADP report should not have a material impact on expectations relative to Friday's Jobs Report from the Labor Department. Bloomberg consensus numbers for Friday's report look for April net new job growth of +135,000 (versus February's stronger than expected +228,000) and a steady unemployment rate of 4.2%. *The chart at right is sourced from FactSet and has NOT been updated to reflect today's release.*



- **Tariffs complicate the employment outlook.** Amid the high uncertainty surrounding tariffs, business leaders are understandably becoming more cautious in their hiring. They're still holding on fairly tightly to the employees they currently have, however.
- Yesterday's *Job Openings and Labor Turnover* (JOLTs) report from the Labor Department showed a much larger than expected decline in active job openings across the economy. The report showed 7.12 million job openings available, down nearly 300,000 month-over-month (m/m) and well below the 7.5 million forecasters had predicted. In fact, it was the second straight month that openings declined by more than 250k.
- We should also note, though, that yesterday's report was for the month of March, thus prior to the Trump administration's unveiling on April 2nd of what were considerably higher than expected reciprocal tariffs. Overall, March's total number of job openings was the second lowest level since January 2021, but still well above pre-pandemic averages.
- While the projected demand for new employees has declined and will likely decline further in the months ahead, the number of new hires increased slightly to 5.4 million. Total layoffs also declined to their lowest level since November 2023. Further, 'quits' continued to creep higher as they have increased by nearly 300,000 since December. The number of people quitting their job is somewhat surprising as quits typically increase during periods of strong employment demand rather than a period of weakening. *The graphic at right is sourced from FactSet.*



Ameriprise Economic Projections

Forecast:	Full-year				Quarterly						
	Actual	Actual	Est.	Est.	Actual	Actual	Actual	Est.	Est.	Est.	Est.
	2023	2024	2025	2026	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025	Q3-2025	Q4-2025
Real GDP (annualized)	2.9%	2.8%	0.2%	2.0%	3.0%	2.8%	2.3%	0.2%	0.5%	-1.5%	0.2%
Unemployment Rate	3.7%	4.1%	4.5%	4.4%	4.1%	4.1%	4.1%	4.2%	4.4%	4.5%	4.5%
CPI (YoY)	3.4%	2.9%	3.5%	2.5%	3.0%	2.4%	2.9%	2.4%	3.6%	4.0%	3.7%
Core PCE (YoY)	2.9%	2.8%	3.4%	2.6%	2.6%	2.7%	2.8%	2.6%	3.5%	3.7%	3.8%

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.

Our projections currently assume an average import tariff rate of 20% over the projection period.

All estimates other than GDP are period ending. **Last Updated: April 25, 2025**

Please note: Our economic forecasts could see significant changes over the intermeditte-term given their reliance on the highly uncertain tariff situation.

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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