Before the Bell

An Ameriprise Investment Research Group Publication

May 5, 2025

Starting the Day

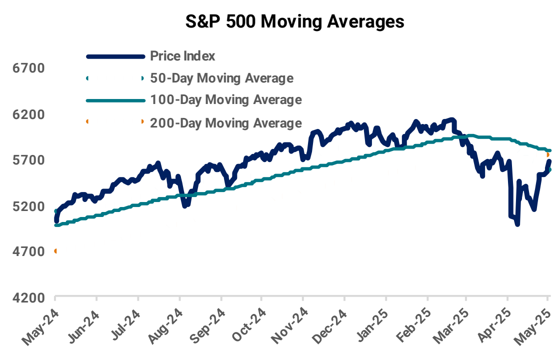
- U.S. futures are pointing to a lower open.
- European markets are trading mixed at midday.
- Asian markets ended mixed overnight.
- Stocks recover. Is Big Tech out of the woods?
- Earnings and a Fed meeting line the week.
- 10-year Treasury yield at 4.31%.
- West Texas Intermediate (WTI) oil is trading at $57.36.
- Gold is trading at $3,321.70.

Market Perspectives

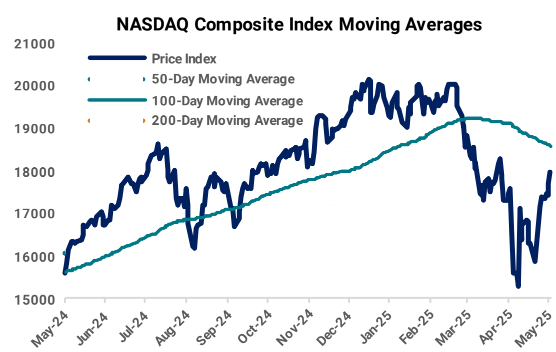
Anthony Saglimbene, Chief Market Strategist

Weekly Market Perspectives: Investors would be forgiven if they thought that they somehow slipped into Doc Brown's DeLorean with Marty McFly and went back to 2024. The S&P 500 Index finished last Friday higher for the ninth straight session, its longest daily consecutive winning streak since November 2004. Consecutive winning days for the major stock averages, growth sectors leading the charge, and AI tailwinds back in focus last week felt very reminiscent of 2024.

Earnings will continue to pour in this week, and the Federal Reserve's two-day meeting and policy decision on Wednesday will be key focal points for investors.



Sources: FactSet, American Enterprise Investment Services Inc. Data as of 5/2/2025



Sources: FactSet, American Enterprise Investment Services Inc. Data as of 5/2/2025

Last Week in Review:

- The S&P 500 (+2.9%) posted its second consecutive week of gains. The Index is down just 7.5% from its February high after falling almost 20% from the high in early April. Notably, the major U.S. stock average is down less than 3.0% in 2025 despite all the volatility this year.
- The NASDAQ Composite gained +3.4% on the week. The Tech-heavy benchmark has recovered about half of its losses from the December peak to the April trough.
- Speaking of Tech, Magnificent Seven earnings last week were generally solid all around and, for the most part, helped lift major indexes. For Microsoft, Azure growth accelerated in Q1, and the company sees its outsized capex spending continuing, somewhat putting to rest the idea that spending on artificial intelligence is slowing down amid the tariff uncertainty. For Meta Platforms, the company upwardly revised its capex expenditures (notably for data center investments), sees healthy trends in April despite tariff headwinds in China, and is focusing on its AI roadmap (including advertising, engaging experiences, Meta AI, and AI devices).

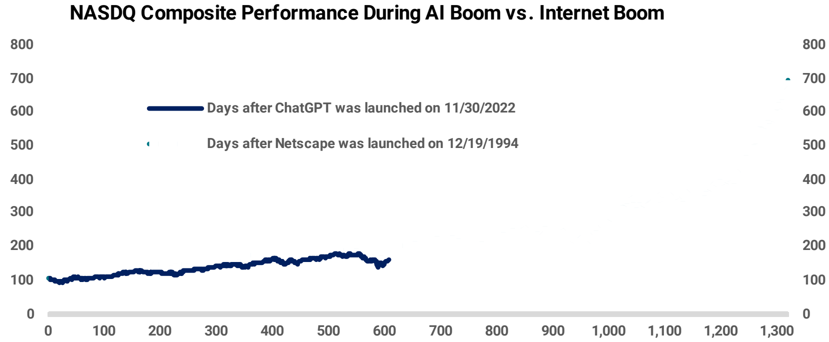
NOTE: FOR IMPORTANT DISCLOSURES, INCLUDING POSSIBLE CONFLICTS, PLEASE SEE THE DISCLOSURE PAGES AT THE END OF THIS DOCUMENT.

- However, the story was a little more complicated for Apple and Amazon. Apple did see iPhone growth accelerating in the previous quarter. Still, services revenue disappointed expectations, growth in China was a weak spot, the company provided tepid guidance, and said it expects to take a $900 million hit in the current quarter due to tariff impacts. In addition, Amazon's revenue during the previous quarter was largely in line with estimates, but AWS revenue growth was somewhat light, the outlook was below what analysts were looking for, and tariff uncertainty weighed on guidance, even though the company said demand has been solid across its platform. In addition, while AWS's growth was light, easing capacity constraints in the second half and strong margin expansion across the cloud business were notable positives.
- All in, investors got what they needed from these key companies on the earnings front, helping to lift sentiment.
- The Dow Jones Industrials Average (+3.0%) and Russell 2000 Index (+3.2%) also posted solid gains.
- U.S. Treasury prices edged lower as yields rose. West Texas Intermediate (WTI) crude finished below $60 per barrel. The U.S. Dollar Index rose, and Gold posted its second consecutive weekly decline.
- On the economic front, data came in largely better than feared. Q1'25 GDP (-0.3%) posted its first quarter-over-quarter decline since Q1'22. However, that decline was almost entirely due to a surge in imports ahead of U.S. tariffs. Nonfarm payrolls in April came in stronger than expected (+177,000), but the prior two months of jobs were revised lower. Importantly, the unemployment rate remained at 4.2% in April, indicating employers have not adjusted their hiring calculus due to tariffs. March core PCE inflation came in cooler than expected, and April ISM manufacturing came in firmer than consensus. That said, April's consumer confidence report posted its lowest reading since the spring of 2020.

Is Big Tech finally out of the woods?

After relatively solid earnings reports from Apple, Amazon, Microsoft, and Meta Platforms last week and Alphabet the prior week, as well as outlooks that didn't rock the boat versus already guarded expectations coming into the earnings season, the NASDAQ Composite continued its push higher last week. In fact, on Thursday, the NASDAQ recovered everything it lost and then some after President Trump's reciprocal tariff announcement on April 2nd. On Friday, the S&P 500 joined the NASDAQ in accomplishing that feat. So, with Big Tech back on an upswing and helping push major averages higher after a slump lower in the first quarter, investors might be asking if the market's tech darlings have seen the worst of the selling pressure.

NASDQ Composite Performance During AI Boom vs. Internet Boom



Sources: FactSet, American Enterprise Investment Services Inc. Data as of 5/2/2025

Interestingly, from time to time, we like to pull out the *Ameriprise* chart above that compares the NASDAQ's performance following the introduction of the first modern web browser (Netscape) during the mid-90s and the introduction of ChatGPT at the end of 2022. Both of these periods offer a very similar market backdrop and one that kicked off rapid innovation across technology/tech spending. Of course, the artificial intelligence boom is still likely in its early innings. What is eerily similar in this comparison so far is how closely the NASDAQ's current performance is tracking since the launch of ChatGPT with that of its historical performance following the launch of Netscape. Notably, in each of these two periods and around the same time (based on trading days), the NASDAQ faced a swift downdraft after a period of rapid and mostly uninterrupted price appreciation. During both these periods, an increasing number of investors began questioning profit strength, sustainability in those profits, and valuations across the NASDAQ's leaders, which caused a price reset across pockets of technology. History tells us the internet boom was far from over after the NASDAQ's first major reset in the mid-90s, with the tech-heavy index going on to have several more modest corrections while grinding higher for years and before accelerating into the dot.com bust.

Unfortunately, for the current artificial intelligence cycle, we don't have a definitive answer on whether Big Tech is out of the woods yet. However, earnings reports across the Magnificent Seven so far suggest the AI boom remains a strong secular theme that is likely to continue for the foreseeable future. And while tech spending in other areas could come under some pressure if the economy slows and business spending is further rationalized, corporate spending on AI is unlikely to slow this year, in our view. Recent stock declines across Big Tech, somewhat improved valuations across pockets of technology, and a reconfirmation of the AI theme from key players like Microsoft, Alphabet, Meta, and Amazon suggest, at the very least, investors should be considering what the right level of Tech/growth ownership is based on their goals and risk tolerance. Moving forward, outsized earnings growth, companies' ability to meet growth expectations, and investors' confidence in the secular trends shaping Big Tech will all likely play key roles in whether this pocket of the market can recover/ move to new highs. But if one finds themselves underexposed to this area (which admittedly might be a tough find given these companies' current influence across markets/products), then please reach out to your Ameriprise Financial advisor to discuss ways to right size positions and take advantage of what might still be a long and profitable journey in the AI boom.

The Week Ahead:

- The Federal Reserve is widely expected to leave rate policy unchanged on Wednesday. Investors should expect the updated policy statement to strike a similar tone as the March statement, noting inflation remains somewhat elevated versus the Fed's target, the committee remains attentive to risks to both sides of its dual mandate, and uncertainty around the economic outlook has increased. The key question: Is June a live meeting for a rate cut?
- With first quarter earnings coming in well ahead of expectations, 92 more S&P 500 companies will report this week and add to overall results. 76% of S&P 500 companies reporting Q1 results have surpassed analyst expectations. That said, analysts are cutting their second quarter profit estimates by wider margins than usual, given elevated recession risks.
- April ISM services, weekly jobless claims, and Q1 productivity data line a relatively light economic calendar.

Stock Market Recap

Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 5,687	2.9%	2.1%	-2.9%	25.5	24.8	1.3	1.5
Dow Jones Industrial Average: 41,317	3.0%	1.6%	-2.4%	23.1	21.5	1.7	1.9
Russell 2000 Index: 5,022	3.2%	2.9%	-9.0%	56.1	39.6	1.4	1.3
NASDAQ Composite: 17,978	3.4%	3.0%	-6.7%	36.0	38.4	0.7	0.7
Best Performing Sector (weekly): Industrials	4.3%	2.5%	2.5%	25.8	25.1	1.3	1.5
Worst Performing Sector (weekly): Energy	-0.6%	1.8%	-3.2%	13.9	11.0	3.6	3.8

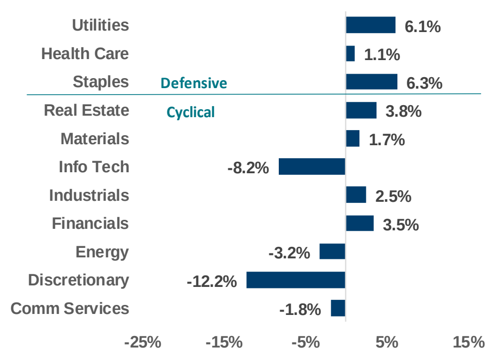
Source: Factset. Data as of 05/02/2025

Bond/Commodity/Currency Recap

Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	-0.3%	-0.7%	2.3%
West Texas Intermediate (WTI) Oil: $58.32	-8.7%	0.2%	-19.5%
Spot Gold: $3,240.95	-2.4%	-1.4%	23.5%
U.S. Dollar Index: 100.03	0.6%	0.6%	-7.8%
Government Bond Yields	Yield Chg		
	Weekly	MTD	YTD
2-year U.S. Treasury Yield: 3.83%	9 bps chg	23 bps chg	-42 bps chg
10-year U.S. Treasury Yield: 4.31%	5 bps chg	15 bps chg	-27 bps chg

Source: Factset. Data as of 05/02/2025. bps = basis points

YTD Total Returns by S&P 500 Sector



Source: S&P Global, Factset. Data as of 05/02/2025

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.** Following its best winning streak in more than twenty years, stocks look set to open in the red this morning. Over the weekend, OPEC+ said they would increase oil production, with Saudi Arabia threatening to continue the pace of recent production increases to punish countries that cheat quotas and improve relations with the U.S. Fed previews continue to point to Federal Reserve Chair Powell stressing tariffs pose risks to both sides of the committee's mandate and will reiterate a patient policy message on Wednesday.

Europe:

Final looks at composite and services Eurozone PMI for April hit on Tuesday, as do March PPI figures, which should show inflation moderating from February levels as energy prices moderated. Eurozone March retail sales are out on Wednesday and are also expected to decelerate versus the prior reading. The Bank of England is expected to lower its policy rate by another 25 basis points on Thursday, given that rates remain relatively high and tariff risks to growth are elevated.

Asia-Pacific:

Golden Week will keep markets in Japan closed on Monday and Tuesday, with several markets in Asia also closed for national holidays. In China, several updates on manufacturing and services activity, foreign reserves, trade, loans, and inflation line the week. However, the attention of the market this week will likely continue to center on U.S./China trade developments and whether both sides can reduce their trade embargo with one another before economic damage starts to take hold.

WORLD CAPITAL MARKETS

5/5/2025 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	1.5%	-2.9%	5,686.7
Dow Jones	1.4%	-2.4%	41,317.4
NASDAQ Composite	1.5%	-6.7%	17,977.7
Russell 2000	2.3%	-9.0%	2,020.7
Brazil Bovespa	0.0%	12.3%	135,134
S&P/TSX Comp. (Canada)	1.0%	2.2%	25,031.5
Russell 3000	1.6%	-3.3%	3,233.0

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-0.4%	9.2%	5,266.3
FTSE 100 (U.K.)	1.2%	6.7%	8,596.4
DAX Index (Germany)	0.5%	16.5%	23,192.9
CAC 40 (France)	-0.6%	6.0%	7,723.7
FTSE MIB (Italy)	0.0%	12.1%	38,334.8
IBEX 35 (Spain)	0.3%	18.6%	13,484.2

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	1.0%	-6.8%	36,830.7
Hang Seng (Hong Kong)	1.7%	13.4%	22,504.7
Korea Kospi 100	0.1%	7.9%	2,559.8
Singapore STI	0.2%	3.7%	3,853.1
Shanghai Comp. (China)	-0.2%	-2.2%	3,279.0
Bombay Sensex (India)	0.4%	3.7%	80,796.8
S&P/ASX 200 (Australia)	-1.0%	1.5%	8,157.8

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.1%	1.7%	849.7

Developed International	% chg.	%YTD	Value
MSCI EAFE	-0.2%	13.5%	2,531.0

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	1.0%	7.4%	1,145.2

Note: International market returns shown on a local currency basis. ***The equity index data shown above is on a*** ***total return*** ***basis, inclusive of dividends.***

S&P 500 Sectors	% chg.	% YTD	Value
Communication Services	2.3%	-1.8%	334.2
Consumer Discretionary	1.2%	-12.2%	1,604.6
Consumer Staples	0.6%	6.3%	900.6
Energy	1.4%	-3.2%	628.3
Financials	2.2%	3.4%	827.9
Health Care	1.4%	1.1%	1,613.9
Industrials	1.8%	2.5%	1,139.4
Materials	1.7%	1.7%	536.0
Real Estate	1.3%	3.8%	263.0
Technology	1.2%	-8.2%	4,222.9
Utilities	0.7%	6.1%	405.1

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	1.2%	0.8%	296.7
FTSE NAREIT Comp. TR	1.2%	2.1%	25,619.5
DJ US Select Dividend	1.4%	-0.2%	3,495.3
DJ Global Select Dividend	0.2%	14.8%	251.7
S&P Div. Aristocrats	1.5%	-0.1%	4,572.1

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.5%	2.4%	2,241.0
Barclays HY Bond	0.2%	1.4%	2,720.1

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.7%	3.9%	562.1
NYMEX WTI Crude (p/bbl.)	-1.4%	-19.9%	57.5
ICE Brent Crude (p/bbl.)	-1.3%	-19.0%	60.5
NYMEX Nat Gas (mmBtu)	2.0%	1.9%	3.7
Spot Gold (troy oz.)	2.3%	26.4%	3,316.2
Spot Silver (troy oz.)	1.3%	12.2%	32.4
LME Copper (per ton)	1.6%	8.5%	9,385.7
LME Aluminum (per ton)	0.6%	-4.7%	2,408.8
CBOT Corn (cents p/bushel)	-0.7%	-0.6%	465.8
CBOT Wheat (cents p/bushel)	-0.4%	-5.0%	540.8

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.4%	9.5%	1.13
British Pound (£/$)	0.2%	6.3%	1.33
Japanese Yen ($/¥)	0.7%	9.2%	143.92
Australian Dollar (A$/$)	0.8%	4.8%	0.65
Canadian Dollar ($/C$)	0.1%	4.3%	1.38
Swiss Franc ($/CHF)	0.4%	10.2%	0.82

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

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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

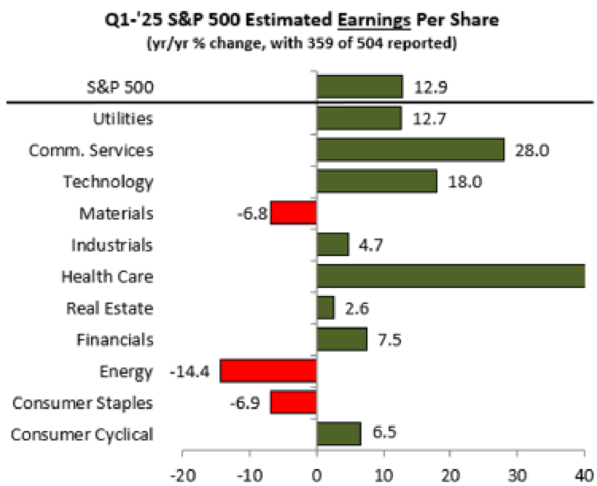
Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 3/31/2025. The GAAC Tactical Overlay, as well as the Recommended Tactical Weights, are derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the 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.

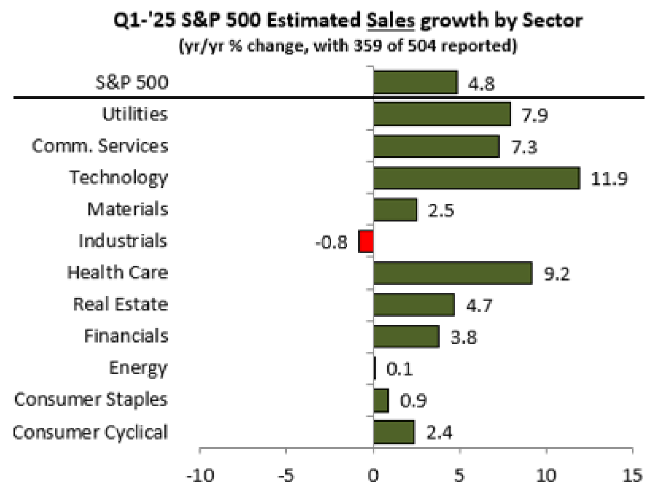
The Week Ahead:

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.

- **Earnings Outlook:** The Q1 corporate earnings release season carries on this week with 92 S&P 500 companies on the schedule, including 1 that is also a member of the Dow Jones Industrial Average. Through Friday, 359, or about 71%, of S&P 500 member companies had reported their results. Over the past week, the basic narrative of the season has continued: Q1 results are easily exceeding expectations, but estimates for the quarters ahead are under significant pressure from the uncertain impact of tariffs.
- Growth expectations for Q1 have jumped over the last week. S&P 500 Q1 earnings per share (EPS) are currently projected to have grown by 12.9% year-over-year (y/y) on sales growth of 4.8%. The numbers are well ahead of the prior week's estimated EPS growth pace of +10.2% (and +7.3% the week before that) on sales growth of +4.5% (+4.2% the week prior). At the end of March, analyst estimates were looking for y/y EPS growth of 6.7%.
- The outperformance of expectations has also been well distributed. Over the last week, all 11 S&P 500 sectors saw their blended earnings estimates rise, while nine of 11 saw their sales growth expectations advance. Still, a few sectors have been more prominent than others in their outperformance. According to FactSet, 90% of reporting Health Care companies have exceeded EPS expectations, while 87% of Information Technology companies have done the same.
- While Q1 sales and earnings look quite good, analysts are still aggressively lowering their forward estimates. Analyst EPS estimates for Q2 now look for y/y growth of +5.2% (+5.8% last week) versus their March 31st forecast rate of +8.3%. Similarly, Q3 and Q4 EPS estimates have come down to +8.1% and +6.9%, respectively, from 12.0% and 10.9% at quarter's end. Though the growth rates still look decent, they are likely to see further negative adjustments in the weeks and months ahead. Given the constantly changing tariff situation, however, there is also the possibility that forecasts could ultimately be adjusted too low. All numbers mentioned in this commentary, including those depicted in the graphics below, are sourced from FactSet.





- **The Economic Release Calendar:** The economic release calendar is particularly light this week, albeit for the Federal Reserve's monetary policy decision out on Wednesday. The ISM Services Index on Monday will also be important relative to concerns for overall economic growth. Further, Tuesday's Trade Balance report should be closely examined as a guide to which industrial sectors may have" pulled-forward" imports ahead of tariff implementations.
- **April ISM Services Index.** Forecasters have muted expectations for Monday's Services Index from the Institute of Supply Management (ISM). The Bloomberg consensus is at 50.3, down modestly from March's reading of 50.8. It would be the weakest reading for the Index since June 2024 (49.2). Regional Federal Reserve District Bank measures of services sector activity have weakened considerably over the last two months, and we would not be surprised to see the ISM measure dip into contractionary territory as well. As a reminder, the ISM Indexes are diffusion indexes with a breakeven of 50. Readings above 50 indicate month-over-month expansion, while numbers below indicate m/m contraction.

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

May 5	6	7	8	9
ISM Services Index	**Trade Balance**	**Fed Monetary Decision**	**Initial Jobless Claims**	*Inflation - China*
Services PMI - China	*Services PMI - Japan*	**Consumer Credit**	**Q1 Labor Productivity**	*Trade - China*
Economic Sentiment - Eurozone	*Services PMI - Eurozone*	*Retail Sales - Eurozone*	*Household Spend. - Japan*	*Bank Lending - India*
	Inflation - Eurozone		*Foreign Investment - S. Korea*	
			Loan Growth - China	

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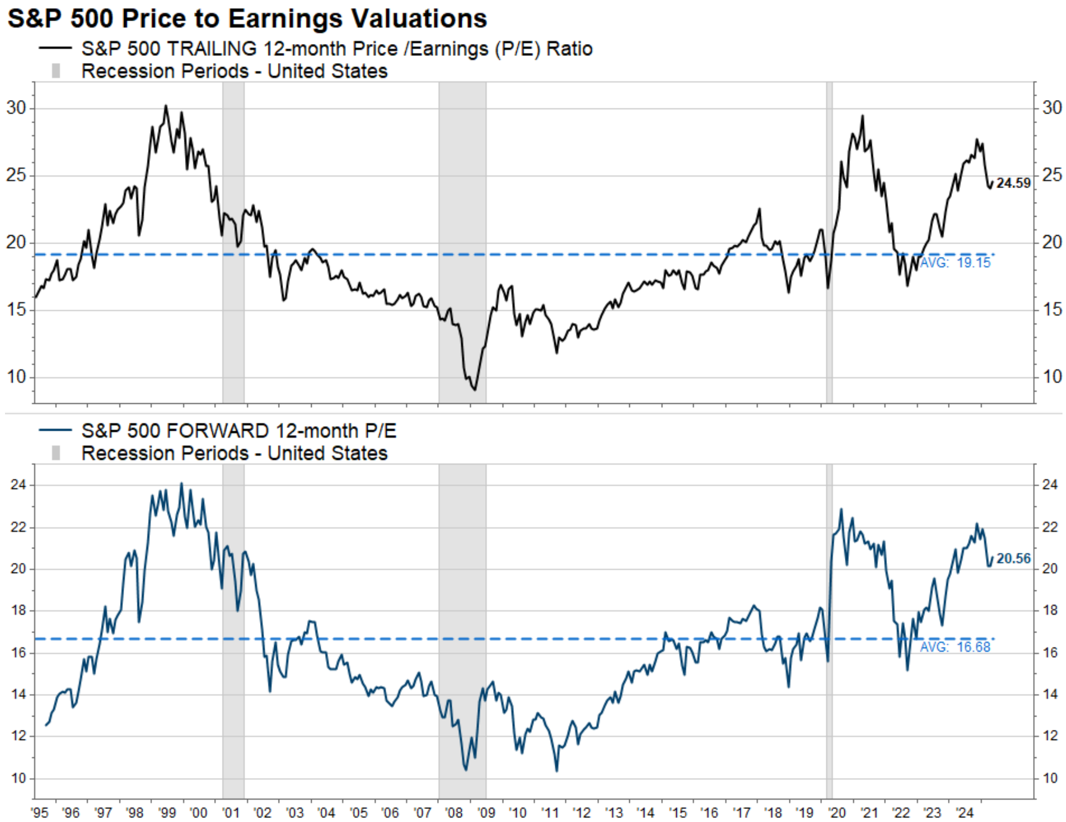
Where Market Fundamentals Stand Heading into The Week:

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
5/5/2025	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 $$ amount				$53.34	$54.52	$58.91	$55.56	$56.45	$60.54	$62.84	$65.77	$63.54	$63.68	$67.92	$70.28	
change over last week												$1.65	-$0.37	-$0.78	-$0.87	-$1.22
yr/yr				-1.2%	-3.6%	6.1%	4.2%	5.8%	11.0%	5.0%	18.4%	12.6%	5.2%	8.1%	6.9%	
qtr/qtr				0.1%	2.2%	8.1%	-5.7%	1.6%	7.2%	3.8%	4.7%	-3.4%	0.2%	6.7%	3.5%	
Trailing 4 quarters $$	$143.08	$211.09	$222.33	$218.71	$216.67	$220.08	$222.33	$225.44	$231.46	$235.39	$245.60	$252.69	$255.83	$260.91	$265.42	$301.18
yr/yr % change	-13.0%	47.5%	4.2%				0.0%				10.5%				8.1%	13.5%
Implied P/E based on a S&P 500 level of: 5687											23.2	22.5	22.2	21.8	21.4	18.9

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday, May 5, 2025

All times Eastern. Consensus estimates via Bloomberg

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
10:00 AM	APR	ISM Services Index	50.3		50.8	

Ameriprise Economic Projections

Forecast:	Full-year				Quarterly						
	Actual 2023	Actual 2024	Est. 2025	Est. 2026	Actual Q2-2024	Actual Q3-2024	Actual Q4-2024	Actual Q1-2025	Est. Q2-2025	Est. Q3-2025	Est. Q4-2025
Real GDP (annualized)	2.9%	2.8%	0.7%	1.8%	3.0%	2.8%	2.3%	-0.3%	0.8%	0.2%	1.5%
Unemployment Rate	3.7%	4.1%	4.5%	4.5%	4.1%	4.1%	4.1%	4.2%	4.4%	4.5%	4.5%
CPI (YoY)	3.4%	2.9%	3.7%	2.4%	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 30, 2025**

Please note: The economic outlook remains highly dynamic and heavily reliant on developments related to the Trump administration's tariff policies.

Ameriprise Global Asset Allocation Committee Targets and Views

Targets

2025 Year-end Targets:	**Favorable Scenario**	**Base-Case Scenario**	**Adverse Scenario**
S&P 500 Index:	6,000	5,600	4,800
10-Year U.S. Treasury Yield:	5.00%	4.00%	3.00%
Fed Funds Target Range:	3.75% to 4.00%	3.25% to 3.75%	2.75% to 3.00%

Estimates (Est.) via American Enterprise Investment Services Inc.

Please see latest *Quarterly Capital Market Digest* for more information. **Last Updated: April 30, 2025**

Global Asset Allocation Committee Views

AMERIPRISE GLOBAL ASSET ALLOCATION COMMITTEE TACTICAL ASSET CLASS VIEWS

2025 Year-end S&P 500 Target: 5,600
2025 Year-End 10-year Treasury Target: 4.00%

as of 04/30/2025

	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 March 31, 2025	Rolling Returns			
Major Market Indices	**Q1'25**	**1-year**	**3-years**	**5-years**
Russell 3000® Index (U.S. Equity)	-4.72%	7.22%	8.22%	18.18%
MSCI ACWI Ex USA Index – net (Foreign Equity)	5.23%	6.09%	4.48%	10.92%
Bloomberg U.S. Universal Bond Index (Fixed Income)	2.66%	5.24%	1.01%	0.32%
Wilshire Liquid Alternative Index (Alternatives)	0.76%	2.00%	2.43%	4.49%
FTSE Three-Month Treasury Bill Index (Cash)	1.10%	5.17%	4.42%	2.69%

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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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.

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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.

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