Before the Bell

An Ameriprise Investment Research Group Publication

May 27, 2025

Starting the Day

- U.S. futures are pointing to a higher open.
- European markets are trading mostly higher at midday.
- Asian markets ended mixed overnight.
- The S&P 500 slides back into a YTD loss.
- NVIDIA earnings out tomorrow after the market closes.
- 10-year Treasury yield at 4.47%.
- West Texas Intermediate (WTI) oil is trading at $61.44.
- Gold is trading at $3,290.2010

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Weekly Market Perspectives: Stocks slid lower on the week, with the S&P 500 Index slipping back into a year-to-date loss. The Russell 2000 Index closed lower for the first time in six weeks, and Apple weighed down the NASDAQ Composite. Retail earnings reports, Moody's U.S. creditworthiness downgrade, and concerns about large deficit spending within House Republican's *One Big Beautiful Bill Act* all contributed to weighing down the market last week.

U.S. markets were closed on Monday for the Memorial Day holiday. Over the shortened trading week, the economic calendar includes a second look at Q1 U.S. GDP and reads on the economy that are unlikely to move the dial on stock prices. However, NVIDIA's earnings report for the previous quarter and its outlook on artificial intelligence on Wednesday is very likely to influence market direction, particularly for stocks inside the AI ecosystem.

Last Week in Review:

- The S&P 500 Index and NASDAQ Composite dropped roughly 2.5%. Each Index was weighed down by its heavy exposure to Apple, which lost 7.6% last week.
- The Dow Jones Industrials Average dropped almost 2.5%, while the Russell 2000 Index lost nearly 3.5%.
- All eleven S&P 500 sectors closed the week lower. Consumer Staples (-0.4%) helped mitigate the selling pressure, while Energy (-4.1%) faced added headwinds with oil prices moving lower.
- U.S. Treasury prices were mostly weaker across the curve, particularly at the long end. The 30-year U.S. Treasury yield jumped 14 basis points, ending the week above 5.0%.
- Gold jumped 4.8%, West Texas Intermediate (WTI) crude moved lower on possible OPEC+ production hikes, and the U.S. Dollar Index ended lower following four weeks of consecutive gains.
- House Republicans advanced a sweeping bill that would make permanent existing individual tax rates and preserve the 21% corporate rate. The bill includes several other provisions across business, state, and local tax deductions (SALT), reforms around Medicaid/student loans, and phases out/repeals key provisions of the 2022 *Inflation Reduction Act*. Several Washington watchers believe a version of the bill can pass through the Senate in July and before the U.S. debt ceiling is breached.
- Retail earnings and updates on the consumer provided a mix of takeaways. Home Depot, Lowe's, TJX, Ross Stores, and Target all finished the week lower after reporting profit results/outlooks. Some withdrew full-year guidance due to tariff uncertainties, others reaffirmed guidance, and all provided a generally guarded assessment of the operating environment moving forward.

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

Stocks hit the brakes as visibility declines and obstacles in the road appear.

Following weeks of aggressive gains since April's steep declines, the rollercoaster ride in markets may be starting to finally take a toll on traders' willingness to keep bidding stocks higher. Earnings reports from Walmart, Home Depot, and Target didn't exactly impress investors, with Target, for example, reporting disappointing results, cutting full-year guidance, and pointing to tariff headwinds as a reason for some of the company's uncertainty. In addition, Walmart said it would need to raise prices on some of its product offerings based on tariffs, which immediately caught fire from President Trump. Unfortunately, the message to other retailers that reported after Walmart was to be less transparent on earnings calls about tariff impacts, given the still high degree of uncertainty surrounding the road ahead. That's not a great result for investors attempting to see around the bend.

Importantly, overall catalysts to push stock prices higher appear lacking at the moment. Market-moving economic releases are currently thin, the Q1 earnings season is mostly in the rearview mirror (sans NVIDIA's release on Wednesday), and progress on trade developments has been lacking as of late. In fact, if anything, the trade picture is beginning to darken again. President Trump on Friday, in a social media post, threatened Apple with 25% tariffs or more on iPhones made outside the U.S. He then followed up less than 30 minutes later with another post "recommending a straight 50% tariff on the European Union" beginning June 1st because he believes trade negotiations with the block have stalled. After the President signed an executive order to overhaul the Nuclear Regulatory Commission to speed reactor development (a win for helping boost/diversify U.S. energy sources), Trump said the 25% tariff comment on iPhones would include <u>all</u> smartphones not made in the U.S. However, over the weekend, Trump decided to extend the EU tariff deadline from June 1st to July 9th.

Here are some real-world points to consider. The ecosystem that supports Apple and Samsung's efforts to make and assemble smartphones, for example, is enormous, entrenched across Asia, and took over a decade to build. The cost of moving that ecosystem here to the U.S. would likely push the price of smartphones up to levels that would be simply unaffordable for most U.S. consumers. Notably, the scale at which Apple, for example, uses facilities and surrounding communities across Asia to build iPhones is incomprehensive to most people outside Asia. A former Apple manufacturing engineer framed the scale well last week using the example that it would take every person in Boston (roughly 500,000 people) to stop what they were doing and begin assembling iPhones to match what is accomplished in Asia today. From a business perspective, it makes far more sense for Apple to take the 3.0% to 3.5% hit on iPhone margins than undertake the massive/costly/disruptive effort to move its iPhone production to the U.S.

As for the tariffs on the EU, *Bloomberg* estimates that the 50% tariffs would hit roughly $321 billion worth of U.S./EU trade, potentially shaving GDP by close to 0.6% and boosting prices by more than +0.3%. Bottom line: Consumers, businesses, and governments are continuing to grapple with an operating environment that is very challenging to navigate and where rules, processes, and previously well-established structures are in a state of constant flux. It's not surprising that stocks have started to walk back from their recent run to new highs, given the current macroeconomic backdrop and after already aggressive gains from the April lows.

In addition, the GOP *One Big Beautiful Bill Act* that passed in the House last week, which included several last-minute changes, has also stalled stock momentum. Following Moody's downgrade of the creditworthiness of the U.S., the GOP's proposed bill and its impacts on longer-term debt/deficits are now front and center with investors.

Notably, the Congressional Budget Office (CBO) said the House's plan (before last week's changes) would increase the deficit by $2.3 trillion over ten years. The Joint Committee on Taxation projects the bill will add $3.8 trillion to the deficit over the same period. Bottom line: The *One Big Beautiful Bill Act* still needs to move through the Senate, and changes to its final draft are very likely. However, based on what is being proposed in Congress, investors should expect the fiscal situation of the U.S. to likely worsen over time based on the cost of maintaining the current tax policy, accounting for the additional measures included (e.g., SALT adjustments) and without making more significant cuts to spending. Notably, government bond yields have moved higher in response to what is likely increased deficit spending in future years and, while the U.S. government has lost its triple-A rating status across <u>all</u> major credit rating agencies. Higher government bond yields, to some extent, are also beginning to dampen stock momentum.

All that said, major U.S. stock indexes remain on track for gains in May. After a roller coaster ride in April and May, stocks could use a chance to catch their breath before a new batch of economic data pops up in June, and the next round of earnings releases begins in July. And did we mention the 90-day reciprocal tariff reprieve ends in early July? Bottom line: A little consolidation around current levels for a period wouldn't necessarily be a bad development in our book.

The Week Ahead:

This week's calendar should help fill in a little color on the economic environment, with looks at April durable goods, a second look at Q1 GDP, April PCE data, and May consumer confidence. As mentioned in our opening, NVIDIA's earnings report will be the market highlight of the week.

- Last week, NVIDIA snapped a four-week winning streak. In Wednesday's earnings report, investors will be looking for additional impacts on profits from President Trump's April announcement banning NVIDIA from selling its H20 chips to Chinese customers, which the company said it expected to take a hit of up to $5.5 billion in the April quarter, as a result. Profit margin trends, uptake of its most advanced AI chip (Blackwell), and a general assessment of the AI environment and the company's overall solution set will likely be key areas of focus in the earnings call.
- Other earnings of note this week include reports from Salesforce, HP, Dell, Costco Wholesale, and AutoZone.

Stock Market Recap

Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 5,803	-2.6%	4.3%	-0.8%	25.4	24.8	1.3	1.5
Dow Jones Industrial Average: 41,603	-2.4%	2.4%	-1.6%	22.4	21.5	1.7	1.9
Russell 2000 Index: 5,070	-3.4%	4.0%	-8.1%	59.7	39.8	1.4	1.3
NASDAQ Composite: 18,737	-2.5%	7.5%	-2.7%	36.8	38.4	0.7	0.7
Best Performing Sector (weekly): Consumer Staples	-0.4%	0.0%	6.5%	25.2	22.8	2.4	2.5
Worst Performing Sector (weekly): Energy	-4.1%	1.4%	-3.5%	14.4	11.0	3.6	3.8

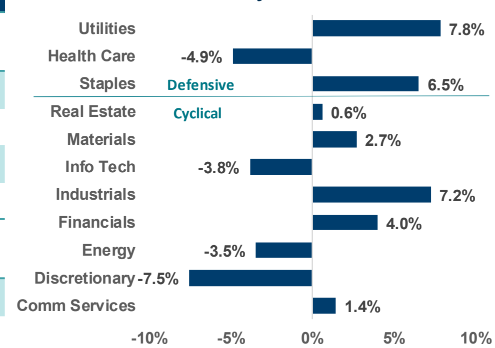
Source: Factset. Data as of 05/23/2025

Bond/Commodity/Currency Recap

Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	-0.4%	-1.3%	1.6%
West Texas Intermediate (WTI) Oil: $61.54	-3.6%	3.3%	-15.0%
Spot Gold: $3,358.13	4.8%	2.1%	28.0%
U.S. Dollar Index: 99.11	-2.0%	-0.4%	-8.6%
Government Bond Yields	**Yield Chg**		
	Weekly	**MTD**	**YTD**
2-year U.S. Treasury Yield: 3.98%	-1 bps chg	39 bps chg	-26 bps chg
10-year U.S. Treasury Yield: 4.51%	6 bps chg	35 bps chg	-7 bps chg

Source: Factset. Data as of 05/23/2025. bps = basis points

YTD Total Returns by S&P 500 Sector



Source: S&P Global, Factset. Data as of 05/23/2025

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.** Stock futures are reacting positively this morning to President Trump's decision to delay the 50% tariff rate on the EU to July 9th, which is when the exemption ends for all reciprocal tariffs.

Europe:

Following a positive call with European Commission President Ursula von der Leyen, President Trump extended the 50% tariff deadline. Von der Leyen said she had a "good call" with Trump but needed until July 9th to "reach a good deal." Reports suggest the EU's unwillingness to scrap the VAT or dial back regulations of digital services and social media companies could continue to be a challenge in U.S./EU trade negotiations.

Asia-Pacific:

The Reserve Bank of New Zealand and the Bank of Korea meet this week. Both are expected to trim their policy rates on Wednesday and Thursday, respectively. In Japan, inflation, retail sales, consumer confidence, and a preliminary look at industrial production this week will all feed into the Bank of Japan's policy decision on June 17th. As it stands today, the BOJ is widely expected to hold its policy rate steady next month

WORLD CAPITAL MARKETS

5/27/2025 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-0.7%	-0.8%	5,802.8
Dow Jones	-0.6%	-1.5%	41,603.1
NASDAQ Composite	-1.0%	-2.7%	18,737.2
Russell 2000	-0.3%	-8.1%	2,039.9
Brazil Bovespa	0.2%	14.8%	138,136
S&P/TSX Comp. (Canada)	0.7%	6.6%	26,073.1
Russell 3000	-0.6%	-1.2%	3,299.8

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.4%	13.3%	5,414.5
FTSE 100 (U.K.)	0.8%	9.5%	8,785.8
DAX Index (Germany)	0.7%	21.5%	24,198.2
CAC 40 (France)	0.1%	8.9%	7,839.8
FTSE MIB (Italy)	0.3%	17.3%	40,111.7
IBEX 35 (Spain)	-0.2%	24.9%	14,189.1
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.5%	-4.5%	37,724.1
Hang Seng (Hong Kong)	0.4%	18.3%	23,382.0
Korea Kospi 100	-0.3%	11.2%	2,637.2
Singapore STI	0.5%	5.4%	3,896.1
Shanghai Comp. (China)	-0.2%	-0.3%	3,340.7
Bombay Sensex (India)	-0.8%	4.7%	81,551.6
S&P/ASX 200 (Australia)	0.6%	5.1%	8,407.6

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.3%	4.4%	870.4

Developed International	% chg.	%YTD	Value
MSCI EAFE	1.0%	17.5%	2,606.2

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-0.1%	10.0%	1,170.1

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	-1.0%	1.4%	345.3
Consumer Discretionary	-0.9%	-7.5%	1,688.7
Consumer Staples	0.3%	6.5%	901.3
Energy	0.3%	-3.5%	622.0
Financials	-0.4%	3.9%	831.1
Health Care	-0.2%	-4.9%	1,516.0
Industrials	-0.4%	7.2%	1,190.0
Materials	-0.1%	2.7%	540.3
Real Estate	0.0%	0.6%	254.6
Technology	-1.3%	-3.8%	4,420.1
Utilities	1.2%	7.8%	410.0

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.7%	2.2%	300.9
FTSE NAREIT Comp. TR	0.0%	-0.8%	24,896.5
DJ US Select Dividend	0.2%	0.2%	3,507.7
DJ Global Select Dividend	-0.4%	18.5%	257.6
S&P Div. Aristocrats	-0.2%	0.1%	4,580.4

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.0%	1.6%	2,223.1
Barclays HY Bond	0.0%	1.9%	2,734.9

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.4%	4.1%	563.6
NYMEX WTI Crude (p/bbl.)	-0.2%	-14.3%	61.4
ICE Brent Crude (p/bbl.)	-0.1%	-13.3%	64.7
NYMEX Nat Gas (mmBtu)	-1.6%	-9.7%	3.3
Spot Gold (troy oz.)	-1.5%	25.5%	3,293.4
Spot Silver (troy oz.)	-1.8%	13.8%	32.9
LME Copper (per ton)	1.3%	11.4%	9,641.1
LME Aluminum (per ton)	0.4%	-2.8%	2,456.9
CBOT Corn (cents p/bushel)	-0.7%	-2.6%	456.5
CBOT Wheat (cents p/bushel)	-1.9%	-6.5%	532.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	-0.3%	9.6%	1.13
British Pound (£/$)	-0.1%	8.2%	1.35

	% chg.	% YTD	Value
Japanese Yen ($/¥)	-0.8%	9.1%	144.07
Australian Dollar (A$/$)	-0.6%	4.2%	0.64

	% chg.	% YTD	Value
Canadian Dollar ($/C$)	-0.2%	4.5%	1.38
Swiss Franc ($/CHF)	-0.7%	9.8%	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		S&P 500 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
Financials	14.4%	Overweight	2.0%	16.4%	**Consumer Staples**	5.8%	Equalweight	-	5.8%
Information Technology	30.4%	Equalweight	-	30.4%	**Energy**	3.6%	Equalweight	-	3.6%
Consumer Discretionary	10.2%	Equalweight	-	10.2%	**Utilities**	2.5%	Equalweight	-	2.5%
Communication Services	9.4%	Equalweight	-	9.4%	**Real Estate**	2.2%	Equalweight	-	2.2%
Industrials	8.4%	Equalweight	-	8.4%	**Materials**	2.0%	Equalweight	-	2.0%
As of: March 31, 2025					**Health Care**	11.1%	Underweight	-2.0%	9.1%

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		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%	Latin America	0.9%	Equalweight	-	0.9%
United States	62.8%	Overweight	1.2%	64.0%	Middle East / Africa	1.2%	Underweight	-1.2%	0.0%
Japan	5.1%	Equalweight	-	5.1%	Asia-Pacific ex Japan	10.6%	Underweight	-1.0%	9.6%
United Kingdom	3.4%	Equalweight	-	3.4%	Canada	2.8%	Underweight	-1.0%	1.8%

as of: March 31, 2025

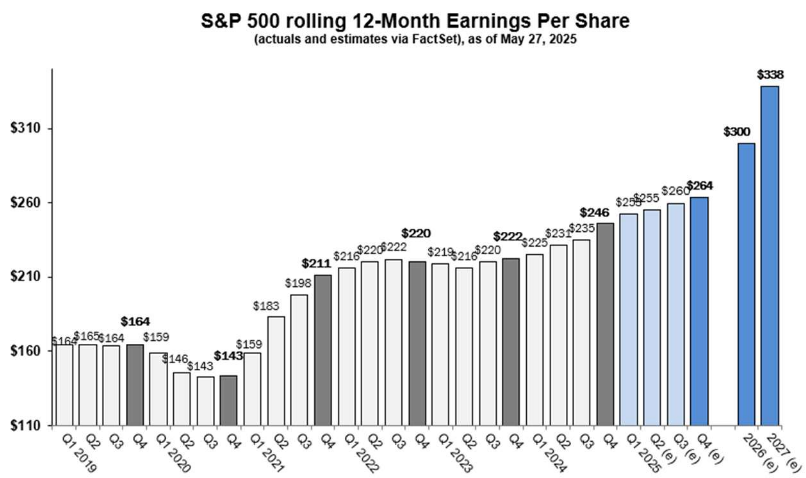
Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 3/31/2025. The GAAC Tactical Overlay, as well as the Recommended Tactical Weights, are derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the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

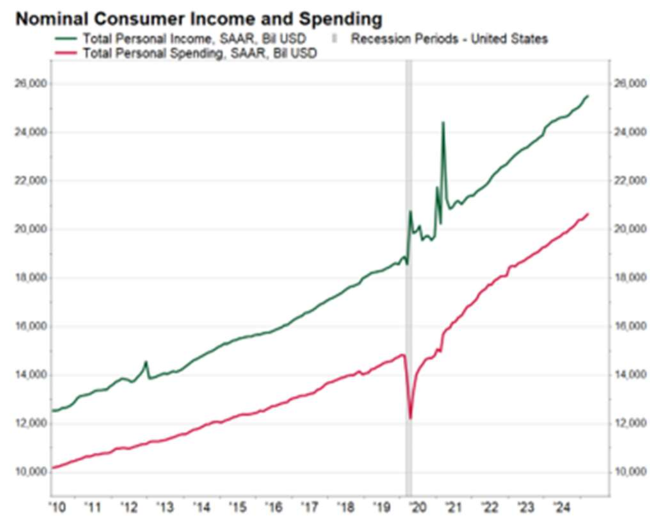
- **Earnings Outlook:** **Forward earnings estimates still under pressure**. Corporate earnings for the first calendar quarter of the year have come in solidly better than expected. Earnings estimates for the quarters ahead, however, have seen significant negative adjustments as analysts look to gauge the potential impact of Trump administration tariffs and the potential retaliatory actions taken by foreign governments.
- As of Friday, 96% of S&P 500 companies have reported their Q1 results. Another 13 S&P 500 companies are on the docket for this week. At the end of March, analyst consensus estimates were looking for Q1 S&P 500 EPS to have grown by a respectable +6.7% year-over-year (y/y). Through Friday, y/y Q1 EPS growth is seen as having grown by +13.6%, about double the expected rate.
- The Q1 reports represent strong results, particularly given their margin of outperformance. That said, estimates for Q2 and beyond have seen steady declines. Analysts now forecast Q2 EPS to grow by 4.1% down from last week's estimate of +4.6% and the quarter-end (March 31st) forecast growth rate of +8.3%. Similarly, Q3 and Q4 EPS estimates have come down to +7.4% and +6.2%, respectively, from 12.0% and 10.9% at quarter's end.
- In total, at the end of March analyst estimates were looking for year-over-year earnings per share (EPS) growth of 10.5% for the remaining three quarters of this year. Today, analyst estimates look for EPS growth of 5.9% over the period.
- Though the growth rates still look decent, they are likely to see further negative adjustments in the weeks and months ahead, absent a significant improvement in the tariff situation. All numbers mentioned in this commentary, including those depicted in the graphic below, are sourced from FactSet.

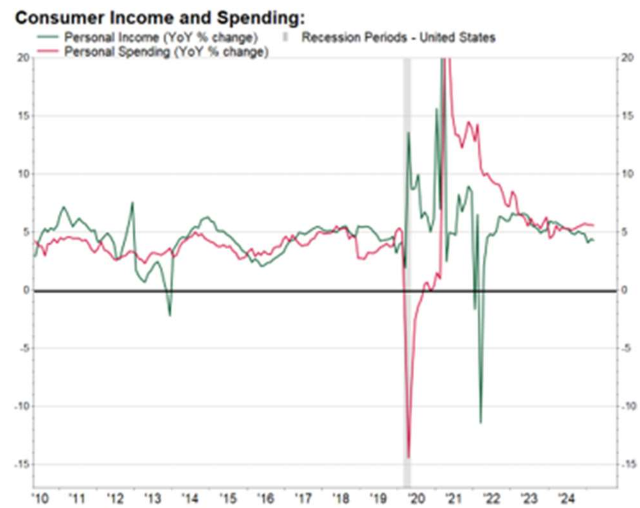


- **The Economic Calendar:** The economic calendar picks up a bit this week with reports on business spending, consumer confidence, personal income and spending, and the Commerce Departments second estimate of Q1 real GDP.
- **Q1 real GDP (second estimate):** The Commerce Department will release its second estimate of Q1 real Gross Domestic Product (GDP) growth on Thursday. The Department's first estimate for the period showed a contraction of 0.3% on a quarter-over-quarter, annualized basis (+2.0% y/y). The decline was very much a reflection of a surge in imports during the period as importers sought to get product onto U.S. shores ahead of tariff implementations. Imports are a subtraction from GDP (given that the demand is being satisfied by the production of another country).
- In fact, imports weighed on the overall GDP figure by an amazing 5.0 percentage points in the period. This very heavy downside pressure was somewhat offset by growth in consumer spending and business investment, while the largest

offset came from inventory accumulation. Inventory growth is an addition to GDP growth, and the inventory accumulation in Q1 was partially reflective of the larger import volumes.

- Forecasters are not looking for much change via the second estimate. However, such large moves frequently result in significant adjustments. The question for Thursday may be, which way those adjustments go.
- **April Personal Income and Spending:** Forecasters expect to see another month of fairly solid income and spending growth when the numbers for April are released on Friday. Personal income is projected to have grown by about 0.3%. This would be a notable deceleration from the +0.6% average monthly pace seen in the first quarter, but those prior rates were simply unsustainable, in our view. If income growth matches expectations, it would still equate to a healthy year-over-year growth rate of about 4.5% (versus +4.3% in March).
- Consumer Spending numbers for April will be a little trickier. Retail sales (which informs about a third of the total consumer spending number) were a slight 0.1% higher in April. “Core” retail sales, which are a more direct indication of consumer spending on goods, were even 0.2% lower m/m. Consumer spending on services (which accounts for about two-thirds of total consumer spending), will be the wildcard given the disruptive influence of fluctuating tariff policies during the period. Per the Bloomberg consensus, forecasters are looking for a 0.2% increase in spending which would equate to a y/y gain of about 5.7% if achieved (versus 5.6% in March).





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

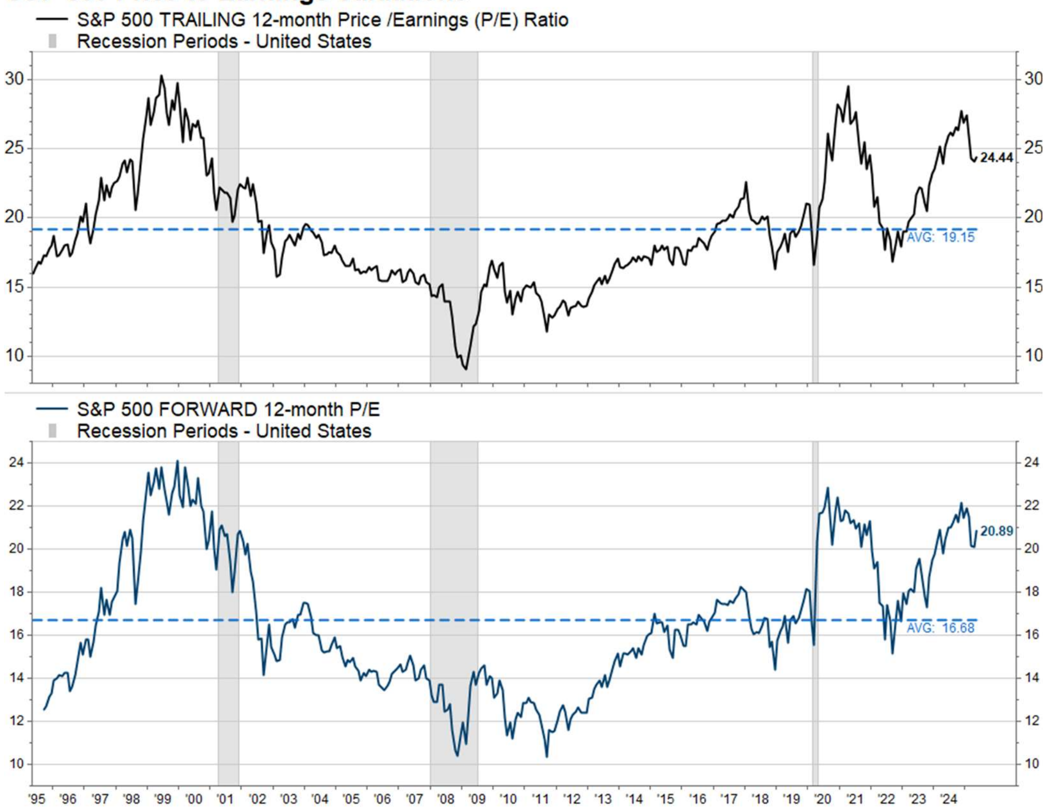
May 26	27	28	29	30
Memorial Day **U.S. Markets Closed** 	**Durable Goods Orders** **S&P /CaseShiller Home $$$** *Economic Sentiment - Eurozone*	**Richmond Fed Index** *Trade - Japan* *Industrial Production - India*	**Initial Jobless Claims** **Q1 Real GDP - 2nd** **Pending Home Sales** *Industrial Production - Japan* *Industrial Production - S. Korea* *Retail Sales - Japan* *Inflation - Japan* *Consumer Confidence - Japan*	**Personal Income** **Personal Spending** **Chicago Purch. Mgr. Index** **UofM Consumer Sentiment** *Manufacturing PMI - China* *Services PMI - China* *GDP - India*
Leading Index - Japan *Consumer Sentiment - S. Korea*				

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.*

S&P 500 Price to Earnings Valuations



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
5/27/2025	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 $$ amount				$53.34	$54.52	$58.91	$55.56	$56.45	$60.54	$62.84	$65.77	$63.43	$63.03	$67.52	$69.82	
change over last week												-$0.59	-$0.23	-$0.07	-$0.08	-$0.26
yr/yr				-1.2%	-3.6%	6.1%	4.2%	5.8%	11.0%	5.0%	18.4%	13.6%	4.1%	7.4%	6.2%	
qtr/qtr				0.1%	2.2%	8.1%	-5.7%	1.6%	7.2%	3.8%	4.7%	-3.6%	-0.6%	7.1%	3.4%	
Trailing 4 quarters $$	$143.08	$211.09	$222.33	$218.71	$216.67	$220.08	$222.33	$225.44	$231.46	$235.39	$245.60	$252.58	$255.07	$259.75	$263.80	$299.85
yr/yr % change	-13.0%	47.5%	4.2%				0.0%				10.5%				7.4%	13.7%
Implied P/E based on a S&P 500 level of: 5803											23.6	23.0	22.8	22.3	22.0	19.4

Economic News and Views:

Russell T. Price, CFA – Chief Economist

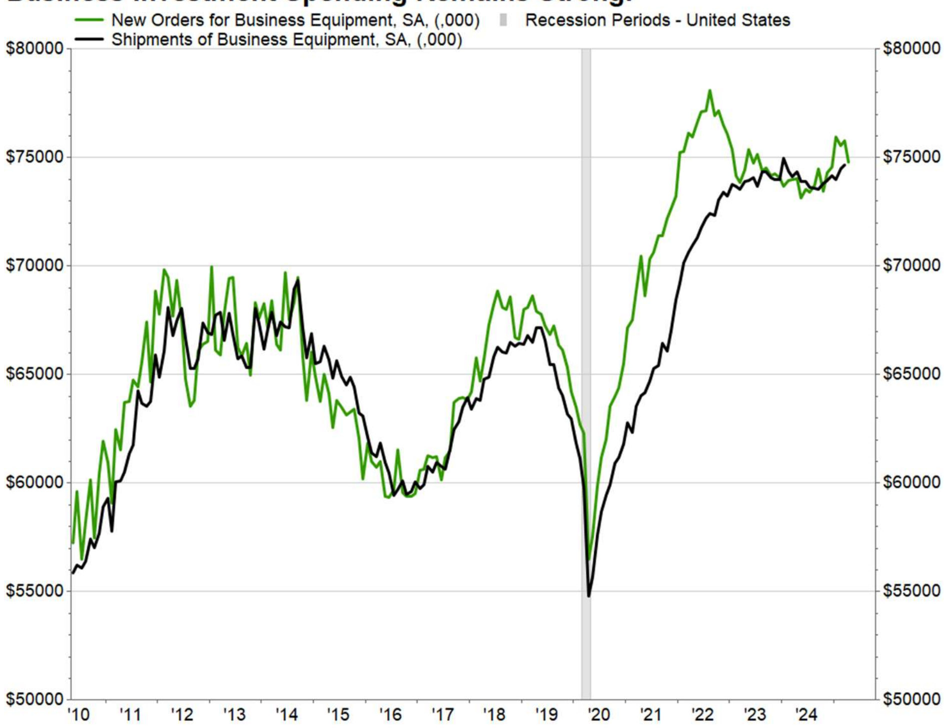
Releases for Tuesday, May 27, 2025 **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
8:30 AM	APR	New Orders for Durable Goods (MoM)	-7.8%	**-6.3%**	+9.2%	+7.5%
8:30 AM	APR	New Orders Ex. Transports (MoM)	0.0%	**+0.2%**	0.0%	-0.4%
10:00 AM	MAY	Consumer Confidence	87.1		86.0	

Commentary:

- **New orders for durable goods (goods meant to last 3 years or more) dropped in April following their March surge.** The month-over-month decline, however, was slightly less than expected, thus somewhat of a modest positive.
- The sharp fluctuations over the last two months are reflective of fluctuating new order patterns at Boeing. Boeing reported new orders for 8 civilian aircraft in April versus the 192 in March.
- Excluding the Transports sector orders were 0.2% higher in the month and 1.4% higher y/y.
- Overall, we believe the details of the report were solid with more categories seeing m/m gains, but there was also evidence of some growing hesitation on the part of businesses to invest in new equipment as the tariff situation rages on. Core durable goods (orders ex. aircraft and defense-related goods) were down 1.3% in the month
- On a year-over-year basis, total new orders were a solid 2.7% higher. Excluding the volatile transports sector, new orders were a modest 1.4% higher.
- The report's closely watched indicator of business investment spending, *new orders for nondefense capital goods excluding aircraft*, showed a 1.3% m/m decline but were +0.6% higher on a y/y basis.
- As seen in the chart at right, business investment spending has historically posted significant pullbacks during periods of economic contraction.
- *The chart below is sourced from FactSet and HAS been updated to reflect today's release.*

Business Investment Spending Remains Strong.



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%	1.2%	1.8%	3.0%	2.8%	2.3%	-0.3%	1.5%	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: May 20, 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**

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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: 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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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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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.

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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.

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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.

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