

Trade Worries Dominate Headlines

U.S.-China Trade dominated the headlines last week. As trade talks stalled, the U.S. increased the previously announced tariffs on Chinese goods from 10% to 25%. The U.S. is also investigating options for tariffs on an additional \$300 billion of Chinese-made goods not currently under tariffs. The Chinese Vice Premier spent last week in the U.S. at negotiations and expressed some cautious optimism after talks ended on Friday.

The breakdown in negotiations and increased tariffs shook the market this week, sending the S&P 500 Index down 2.2%. There was a relief rally on Friday afternoon, but downside looks to continue on Monday.

The U.S.-China headlines overshadowed continued good corporate earnings reports. Earnings continue to have a positive surprise averaging +6.1% above consensus. For the S&P 500, 448 out of 500 companies have reported with 75% beating expectations, 6% matching and 18% below expectations. The combined (reported and estimated) earnings growth for the first quarter now stands at +1.3% versus -2.3% a month ago.

Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	-2.2%	14.9%	International Stocks (MSCI ex-US)	-3.0%	10.3%
Dow Jones Industrial Average	-2.1%	11.2%	Aggregate Bond Index	0.3%	2.0%
NASDAQ 100	-3.3%	19.9%	U.S. Dollar Index	-0.2%	1.2%
Russell 2000 (Small Cap Index)	-2.5%	16.6%	WTI Crude Oil	-0.5%	35.8%

Sources: S&P Global, Thomson Reuters

Dissecting Headlines: Retail Sales

Consumer spending accounts for approximately two-thirds of U.S. GDP. One monthly data point that captures a real time look at spending is the Retail Sales Report. This report contains major retail categories to include furniture, building materials, food and beverage, health and personal care, department stores, automobiles, and online retailers.

Two headline numbers are usually reported: Retail Sales and Retail Sales ex Autos. We also like to analyze the data with and without the impact of gasoline stations because volatility in the price of gasoline can distort the monthly or annual comparisons.

Seasonality can also have a large impact on overall sales and within categories. The report issues data that is both seasonally-adjusted and non seasonally adjusted. The seasonally-adjusted data is good for month-to-month comparison and non seasonally adjusted is best for year-to-year comparisons.

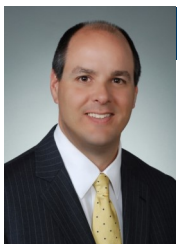
The April Retail Sales report will be released on May 15th and can offer good insight into the health and confidence of the U.S. consumer.

The NovaPoint Capital Team



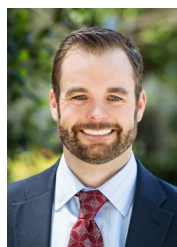
Joseph Sroka, CFA, CMT / Chief Investment Officer / jsroka@novapointcapital.com

Joe has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a portfolio manager at Spectrum Advisory Services and GMT Capital in Atlanta, and Epoch Investment Partners in New York. He has also worked as an equity research analyst at Merrill Lynch and ABN Amro. Before beginning his investment career, Joe was an Infantry officer in the U.S. Army. Joe holds a BS from the U.S. Military Academy at West Point and an MBA from the University of Chicago. He is both a Chartered Financial Analyst (CFA) and a Chartered Market Technician (CMT).



Alan J. Conner, CPFA / President and Chief Compliance Officer / aconner@novapointcapital.com

Alan has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a fixed income manager at both Spectrum Advisory Services and a private family office. Alan was also with the Bank Group division of Countrywide Capital Markets where he developed balance sheet strategies for depository institutions. He holds a BS in Banking and an MBA in Finance from Nova Southeastern University. Alan is Certified Plan Fiduciary Adviser (CPFA) and an endurance athlete and three-time IRONMAN finisher.



Jeffrey Wright, CFA / Managing Director & Portfolio Manager / jwright@novapointcapital.com

Jeff has 9 years of industry experience. Prior to joining NovaPoint, Jeff was a Vice President in the Private Banking and Investment Group at Merrill Lynch. Jeff also worked at Booz Allen Hamilton and the Department of Defense. Prior to his private sector career, Jeff was a Field Artillery officer in the U.S. Army. He holds a BA from the University of Texas and an MBA from the University of Maryland. Jeff is Chartered Financial Analyst (CFA).



Frederick Wright, CFA / Managing Director & Portfolio Manager / fwright@novapointcapital.com

Frederick has over 25 years of experience in the investment management industry. Prior to joining NovaPoint, Frederick was a Partner and Investment Advisor at Brightworth where he advised high net worth investors. Frederick began his investment career in 1991 and has also worked at Balentine & Co, Wright Investment Management, and Smith Howard Wealth Management. Prior to beginning his investment career, Frederick served as an Engineer officer in the United States Army. He holds a BS from the U.S. Military Academy at West Point and an MBA from Emory University. Frederick is a Chartered Financial Analyst (CFA).

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