

Hittin' the Road

Despite increased tensions with Iran and the start of the summer driving season, crude oil had its steepest decline since the late December lows, down 6.6% for the week. The equity markets also extended their recent decline with most averages adding to multi-week declines.

As a follow-up to last week's comments on the American Association of Individual Investor (AAII) survey, Bullish sentiment slid again from 29.8% to 24.7%. Bearish sentiment also declined from 39.3% to 36.1%. An abnormally high percentage of respondents are now Neutral (39.2% of respondents). This could be attributed to positive factors such as a strong U.S. economy, a Fed on hold, and the completion of a good First Quarter earnings season, countered by worries about international trade. As mentioned, the Survey has typically been a contrarian signal in the market, so pessimism may present opportunity.

With First Quarter earnings nearly complete (483 out of 500 companies have reported), 75% of companies have beat expectations, 6% matched and 19% were below expectations. The combined (reported and estimated) earnings growth for the first quarter now stands at +1.5% versus -2.3% six weeks ago.

Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	-1.2%	12.7%	International Stocks (MSCI ex-US)	-0.3%	8.2%
Dow Jones Industrial Average	-0.7%	9.7%	Aggregate Bond Index	0.4%	2.7%
NASDAQ 100	-2.7%	15.3%	U.S. Dollar Index	-0.4%	1.5%
Russell 2000 (Small Cap Index)	-1.4%	12.3%	WTI Crude Oil	-6.6%	29.1%

Sources: S&P Global, Thomson Reuters

Dissecting Headlines: Memorial Day Travel

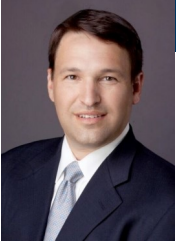
The American Automobile Association (AAA) monitors travel on major U.S. holidays. For Memorial Day 2019, AAA forecasts that nearly 43 million American will travel over the holiday weekend, a 3.6% increase from last year.

Most travelers, 37.6 million, will drive as their means of travel, up 3.5% from last year. Gasoline prices currently average \$2.94/gallon versus \$2.99 this time last year. Air travel is forecasted to increase 4.5% from last year. Other forms of travel (train, bus and cruise ship) are forecasted to increase 3.8%.

This holiday travel benefits a large portion of the consumer economy from gasoline stations to lodging to restaurants. Retailers may also benefit as consumers prepare for summer and spend on apparel and outdoor items.

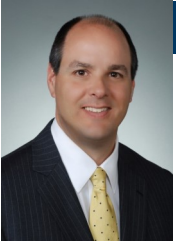
The health of the U.S. consumer has a great impact on the economy and the stock market. We consistently monitor consumer data as part our investment research.

The NovaPoint Capital Team



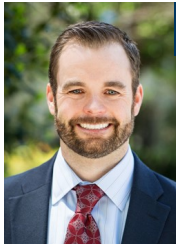
Joseph Sroka, CFA, CMT / Chief Investment Officer / jsroka@novapointcapital.com

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.



Jeffery 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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