

Flip Flop

It was a volatile week in the stock and bond markets with each day providing a different catalyst to change market direction. The week started with continued concern over [U.S. dollar / Chinese yuan exchange rate](#) and trade/tariff issues. Optimism reigned on Tuesday as the White House announced a delay to some tariffs until December. Wednesday was the worse day of the year with the S&P 500 Index down 2.9% as a [yield curve inversion](#) between 2-year and 10-year interest rates stoked recession fears. This followed through early Thursday but the market closed higher on optimism partly sparked by Wal-Mart's earnings and a reversal of the yield curve's 2-year/10-year inversion. The market rallied on Friday as interest rates in the U.S. stabilized and investors anticipated global central bank stimulus could emerge to combat economic weakness.

On second quarter earnings, 463 companies in the S&P 500 have reported quarter-to-date. Seventy-three percent of companies have reported earnings above expectations, 18% below expectations, and 8% in-line. The [current consensus expectations](#) for the S&P 500 Index earnings growth for the second quarter increased to +2.9% from +2.8% the week prior and versus expectations for a 0.4% decline at the start of the earnings reporting season. The expectation for revenue growth for the quarter is 4.7%.

Headlines on economic and geopolitical events are likely to determine market direction for the next few weeks as the news flow from corporate earnings slows.

Disclosure: NovaPoint Capital owns Wal-Mart (WMT) in its Dividend Growth Strategy

Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	-0.9%	15.2%	International Stocks (MSCI ex-US)	-1.2%	5.2%
Dow Jones Industrial Average	-1.4%	11.0%	Aggregate Bond Index	0.8%	6.7%
NASDAQ 100	-0.5%	20.1%	U.S. Dollar Index	0.7%	2.1%
Russell 2000 (Small Cap Index)	-1.2%	10.8%	WTI Crude Oil	0.7%	20.8%

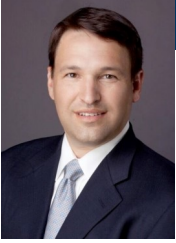
Sources: S&P Global, Thomson Reuters

Dissecting Headlines: Jackson Hole and Beyond

With the quarterly earnings season winding down, investors will likely take direction from macroeconomic and geopolitical headlines. This coming week the [minutes of the July FOMC meeting](#) will be released and the Fed Chairman Jerome Powell will be speaking at the Fed's Annual Jackson Hole Policy Symposium.

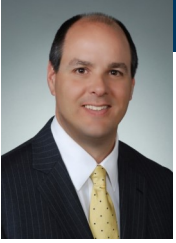
Depending on the contents of the meeting minutes and the tenor of the Fed Chairman's speech, market participants may re-evaluate their view of the potential for a reduction in the [Fed Funds](#) target rate at the September 18th Federal Open Market Committee meeting. Based on interest rate futures contracts, the market is currently pricing in a 78.8% chance that the FOMC reduces its Fed Funds target by 0.25% to a 1.75% - 2.00% range and a 21.2% chance that the FOMC reduces rates by 0.50% to a 1.50% - 1.75% range.

The NovaPoint Capital Team



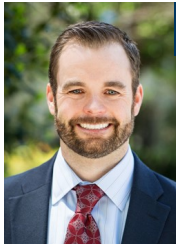
Joseph Sroka, CFA, CMT / Chief Investment Officer / jsroka@novapointcapital.com

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 U.S. 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).

NovaPoint Capital LLC (referred to herein as "NovaPoint" or "the Company") is registered with the SEC as an investment adviser, but registration does not imply any certain level of skill or training. The information contained in this document has not been filed with, reviewed by or approved by any regulatory or self-regulatory authority.

Not an offer of advisory services or securities: This document is limited to the dissemination of general information about the services provided by the Company and is provided for informational purposes only. This document is intended for residents of the United States only and the information contained herein does not constitute and should not be construed as an offering of advisory services or an offer to sell or solicitation to buy any securities or other financial instruments in any jurisdiction in which such offer or solicitation, purchase or sale would be unlawful under the securities, or other applicable laws of such jurisdiction. Nothing contained in this document constitutes tax, legal or investment advice. Responses to any inquiry which may involve the rendering of personalized investment advice for compensation or effecting or attempting to effect transactions in securities will not be made absent compliance with state broker-dealer, investment adviser, broker-dealer agent or investment adviser representative registration requirements, or applicable exemptions or exclusions from such requirements.

Investment risk: The Company makes no representation, and it should not be assumed, that past investment performance is any indication of future results. Moreover, wherever there is the potential for profit there also is the possibility of loss. Certain of the Company's strategies may involve investments that are illiquid, are subject to a substantial risk of loss and are not suitable for certain investors.

Limitation of liability: While the Company uses reasonable efforts to include accurate and up-to-date information in this document, errors or omissions sometimes occur. The Company makes no warranties or representations as to the accuracy of this document. Opinions expressed herein are subject to change without notice. Under no circumstances shall the Company or any party involved in creating, producing, or delivering this document be liable for any direct, incidental, consequential, indirect, or punitive damages that result from the use of the information contained in this document, even if the Company's authorized representative has been advised of the possibility of such damages. Applicable law may not allow the limitation or exclusion of liability or incidental or consequential damages, so the above limitation or exclusion may not apply to you.

Trademarks and copyrights: All trademarks, service marks, trade names, logos, and icons are proprietary to the Company. Nothing contained in this document should be construed as granting, by implication, estoppel, or otherwise, any license or right to use any trademark displayed in this document without the prior written permission of the Company or such third party that may own the trademarks displayed in this document. Your use of the trademarks displayed in this document, or any other content in this document, except as provided herein, is strictly prohibited.