

Tracking the Consumer

Optimism on U.S.—China trade helped markets extend gains for the third straight week. Stocks are at record levels as the third quarter earnings season slows into its final weeks. Of the 446 companies in the S&P 500 that have reported 3Q earnings, 74% have exceeded expectations, 7% have met expectations and 19% have reported below expectations. Current expectation is for a 0.5% decline in year/year earnings on 3.9% revenue growth versus last week’s consensus of a 0.8% earnings decline on a 3.7% increase in revenue. Excluding the Energy sector, earnings are expected to grow 2.1% y/y. For the coming week, 16 companies in the S&P 500 are scheduled to report earnings.

Aside from earnings reports, there are several inflation focused data points in the coming week. The Consumer Price Index, which measured retail inflation, and the Producer Price Index, which measures wholesale inflation, for October will be released. October retail sales will also be released this week. Consumer spending has been a bright spot for the economy all year and will be important heading into the holiday spending season.

In our *Dissecting Headlines* section, we’ll explain two measures of the health of the consumer: the Consumer Confidence and University of Michigan Consumer Sentiment Indices.

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%	23.4%	International Stocks (MSCI ex-US)	0.8%	15.2%
Dow Jones Industrial Average	1.4%	18.7%	Aggregate Bond Index	-0.8%	5.0%
NASDAQ 100	1.2%	30.4%	U.S. Dollar Index	1.1%	2.3%
Russell 2000 (Small Cap Index)	0.6%	18.6%	WTI Crude Oil	1.9%	26.1%

Sources: S&P Global, Thomson Reuters

Dissecting Headlines: Consumer Confidence and Consumer Sentiment

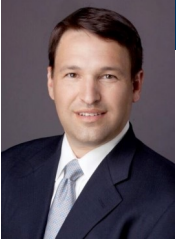
One measure of the health of the U.S. consumer is the Consumer Confidence Index (CCI). This indicator published by The Conference Board measures the degree of optimism on the state of the U.S. economy that consumers are expressing through their activities of savings and spending. The CCI measures responses from approximately 5,000 consumers each month. A second measure of consumer health is the University of Michigan Consumer Sentiment Index (MCSI) which surveys approximately 500 consumers, but asks more detailed questions. While similar in purpose, the results of these two surveys can differ from month-to-month, but show a correlated picture over longer time periods.

The October CCI decreased marginally in October to a reading of 125.9 versus 126.3 in September. The Present Situation Index (based on assessment of current business and labor market conditions) increased to 172.3 versus 170.6 and the Expectations Index (based on consumers’ short-term outlook for income, business and labor market conditions) declined to 94.9 versus 96.8.

Released on Friday, the preliminary MCSI for November rose to 95.7 versus 95.5 in October. Sentiment on current conditions declined to 110.9 in November versus 113.2 in October while expectations rose to 85.9 in November from 84.2 in October.

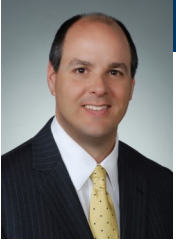
Both Indices are important to monitor, along with consumer spending and retail sales, as we head into the important holiday shopping season. The final November MCSI is scheduled for November 22nd and the November CCI is scheduled for November 26th.

The NovaPoint Capital Team



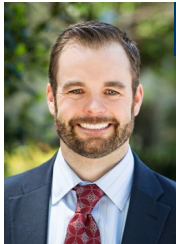
Joseph Sroka, CFA, CMT / Chief Investment Officer / jsroka@novapointcapital.com

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 at Balentine & Co where he rose to Partner. He also co-founded and served as Chief Investment Officer at Wright Investment Management and at 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.