

Trade Progress

The stock market finished the week higher and hit all-time highs after a US-China trade deal was agreed upon. The agreement, known as a phase-one deal, averted new tariffs on \$160 Billion of consumer goods set to start on December 15th. The agreement also reduced some current tariffs, with China agreeing to increase purchases of U.S. farm products over two years.

At its last meeting of the year, the Federal Reserve held short-term interest rates steady with a target range of 1.50% to 1.75%, and indicated that it does not currently see any need for rate increases in 2020. Inflation is well contained and the job market and consumer spending are healthy.

The week ahead will be geopolitical and macroeconomic focused with more details likely to come on the U.S.—China trade agreement, as well as the USMCA trade agreement and government funding.

In our *Dissecting Headlines* section, we explain some of the key points in the United States-Mexico-Canada Agreement (USMCA).

Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	0.8%	26.4%	Aggregate Bond Index	0.2%	5.9%
Dow Jones Industrial Average	0.5%	20.6%	U.S. Dollar Index	-0.5%	1.0%
NASDAQ 100	1.1%	34.1%	WTI Crude Oil	1.5%	32.3%
Russell 2000 (Small Cap Index)	0.3%	21.5%	Gold	1.1%	14.7%
International Stocks (MSCI ex-US)	2.0%	17.3%	Real Estate (US REIT Index)	-3.6%	16.3%

Sources: S&P Global, Thomson Reuters

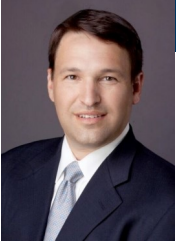
Dissecting Headlines: USMCA

The United States-Mexico-Canada Agreement, or USMCA, will replace the current North American Free Trade Agreement (NAFTA) that governs trade in North America. The USMCA was signed by U.S. President Donald Trump, Mexican President Enrique Peña Nieto, and Canadian Prime Minister Justin Trudeau on November 30, 2018, but has yet to be ratified by all three governments. Mexico ratified the agreement in June 2019. Canada and the U.S. still need to ratify.

The new Agreement would allow the U.S. better competitive position in the dairy industry in Canada, raise the content of automobile to 75% domestic in each country, provide more competition in automobiles by requiring higher wages for Mexican auto workers, and update some intellectual property protections.

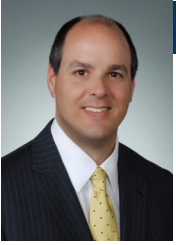
A long-term trade agreement in North America would be beneficial for all three economies.

The NovaPoint Capital Team



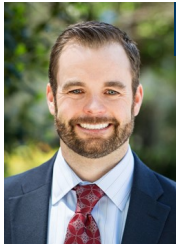
Joseph Sroka, CFA, CMT / Chief Investment Officer / jsroka@novapointcapital.com

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).



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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).

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