

Opening Day

Some States have begun partial re-opening of previously closed businesses and activities, and several other States have been discussing re-opening plans. The opening of the economy is likely to be state-by-state and industry-by-industry. COVID cases have risen where testing has increased, but hospitalizations and deaths appear to have peaked in most States giving governors the confidence to begin loosening restrictions.

We are in the middle of corporate reporting season, but the company earnings reports feel like they are taking a backseat to “the COVID”. So far, 122 companies in the S&P 500 have reported earnings for the quarter with 65% beating reduced expectations and 30% reporting below expectations. This week 169 companies in the S&P 500 are scheduled to report earnings. Current consensus for the quarter is for earnings to be down 14.8% on a 0.3% decrease in revenue.

We continue to monitor employment as a key metric to gauge the potential economic impact from COVID-19. First-time unemployment claims for the week of April 18th decreased to 4.427 million versus 5.237 for the week of April 11th. The four-week moving average increased to 5.787 million. Continuing Claims for April 11th were 15.976 million, up from 11.912 million on April 4th.

In our *Dissecting Headlines* section we re-visit Consumer Confidence and Consumer Sentiment as additional metrics to monitor to measure the pace of re-opening the economy.

Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	-1.3%	-12.2%	Aggregate Bond Index	0.3%	4.4%
Dow Jones Industrial Average	-1.9%	-16.7%	U.S. Dollar Index	0.6%	3.7%
NASDAQ 100	-0.5%	0.6%	WTI Crude Oil	-7.3%	-72.3%
Russell 2000 (Small Cap Index)	0.3%	-26.1%	Gold	2.6%	13.9%
International Stocks (MSCI ex-US)	-1.0%	-20.6%	Real Estate (US REIT Index)	-4.8%	-26.5%

Sources: S&P Global, Thomson Reuters

Dissecting Headlines: Consumer Confidence and Consumer Sentiment

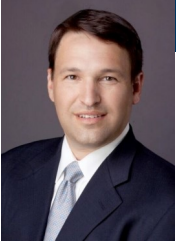
One measure of the health of the U.S. consumer is the Consumer Confidence Index (CCI). This indicator published by The Conference Board measures the degree of optimism on the state of the U.S. economy that consumers are expressing through their activities of savings and spending. The CCI measures responses 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 April MCSI was released on April 24th and fell significantly to 71.8 from 89.1 in March. Sentiment on current conditions declined to 74.3 from 103.7 in March and the index on expectations declined to 70.1 from 79.1.

March CCI decreased to 120.0 from 132.6 in February. Given the spread of the COVID crisis and the decline in the MCSI, we expect the April CCI reading to drop significantly. We will learn more when the April report is released on April 27th.

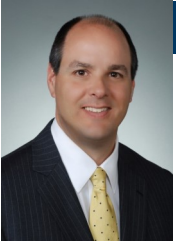
Both Indices are important to monitor as the economy re-opens to gauge the optimism of consumers to spend money and support the economy.

The NovaPoint Capital Team



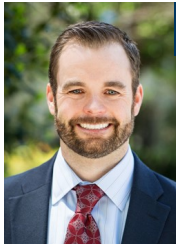
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Joe has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a portfolio manager at Spectrum Advisory Services and GMT Capital in Atlanta, and Epoch Investment Partners in New York. He has also worked 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.



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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).



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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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