

Fall

Stocks posted their third consecutive down week. The downside was felt more in the technology and growth-oriented sectors of the market. The S&P 500 Index has declined 5.17% since the beginning of September and the relatively higher technology weighted NASDAQ 100 Index has declined 9.69% over the same time frame.

At its recent meeting, the Fed kept interest rates unchanged and reiterated the pledge to use all tools at its disposal to support employment and price stability. The Fed will continue asset purchases and pledged to keep rates low for several years. The Fed does see relative improvement in GDP for 2020 with a current forecast of -3.7% versus their view of -6.5% from June. The Fed is likely going to remain accommodative even as economic conditions improve to make sure the economic recovery takes hold before being concerned about fighting inflation.

The third quarter reporting season is still several weeks away. Current expectations are for third quarter earnings for the S&P 500 to be down 21.8% year-over-year versus the 30.2% decline for the recently completed second quarter. The current estimate for calendar year 2020 earnings is -19.7% and the estimate for calendar year 2021 earnings is +27.9%.

In our *Dissecting Headlines* section, we look at how the national unemployment rate of 8.4% breaks out by state.

Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	-0.6%	2.7%	Aggregate Bond Index	0.0%	5.2%
Dow Jones Industrial Average	0.0%	-3.1%	U.S. Dollar Index	-0.4%	-3.5%
NASDAQ 100	-1.3%	25.2%	WTI Crude Oil	10.1%	-32.7%
Russell 2000 (Small Cap Index)	2.7%	-7.9%	Gold	0.4%	28.5%
International Stocks (MSCI ex-US)	0.6%	-4.7%	Real Estate (US REIT Index)	-0.2%	-18.2%

Sources: S&P Global, Thomson Reuters

Dissecting Headlines: State Level Unemployment

The August unemployment rate across the U.S. was 8.4%. While higher than the 3.6% January figure, it has also improved significantly from the 14.7% unemployment rate seen in April at the height of the COVID lockdowns.

Sixteen states plus the District of Columbia have higher than average unemployment rates and the remaining 34 are below the national average.

States still under restrictive lockdowns populate the top of the list. This should provide some optimism that job growth should return when these economies fully re-open. Tourist destination states like Nevada and Hawaii have high unemployment rates that are likely tourism / gaming related.

States that re-opened early like Georgia as well as those that never locked down such as South Dakota have well below average unemployment.

Only four states had increased unemployment levels in August versus July: Rhode Island, Kentucky, Arkansas and Missouri.

To keep making strides in employment nationally, the large, heavy hit states such as New York, California, Illinois, and New Jersey need to keep improving. This could happen as those states are able to further ease their COVID-related restrictions.

August Unemployment Rate			
Top 10	%	Bottom 10	%
Nevada	13.2	Nebraska	4.0
Rhode Island	12.8	Utah	4.1
Hawaii	12.5	Idaho	4.2
New York	12.5	Vermont	4.8
California	11.4	South Dakota	4.8
Massachusetts	11.3	North Dakota	5.0
New Mexico	11.3	Montana	5.6
Illinois	11.0	Georgia	5.6
New Jersey	10.9	Alabama	5.6
Pennsylvania	10.3	Oklahoma	5.7

Source: Bureau of Labor Statistics

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 / 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 an endurance athlete and three-time IRONMAN finisher.



Jeffery Wright, CFA / Managing Director & Portfolio Manager / jwright@novapointcapital.com

Jeff has 10 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).



Christina McGeehen, CPA / Managing Director – Accounting & Tax Strategies / cmcgeehen@novapointcapital.com

Christina has 25 year of accounting experience. She earned her CPA license in 1998 while working as a Senior Accountant for Bennett Thrasher PC. She has also worked in accounting roles in the financial services, public relations, and manufacturing industries. She earned her BS in Accounting at Miami University in Oxford, Ohio magna cum laude. She is a member of the American Institute of Certified Public Accountants (AICPA) and a member of the Georgia Society of CPAs.

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.