

## Positives and Negatives

All major U.S. equity indices were positive for the week. The Dow Jones Industrial Average was +1.9%, while the S&P 500 Index was +1.5% and the NASDAQ 100 Index was +1.0%. It was a dramatic headline week with the Presidential debate, September Employment Report, and the positive COVID tests for the President and First Lady.

The Labor Department reported that nonfarm payrolls increased by 661,000 in September. While this was lower than the consensus expectation for 750,000 net new jobs, it was a continued improvement in the economy which has now recovered half the jobs lost since the COVID induced lockdowns and business closures in the Spring. The August employment figures were also upwardly revised from 1.371 million jobs to 1.489 million. The unemployment rate fell to 7.9% in September from 8.4% in August.

The weekly employment data is also continuing to make positive strides. Initial unemployment claims for the week of September 26th were 837,000 versus the previous week at 873,000. Continuing Claims for the week of September 19th were 11.767 million versus 12.747 million the week prior. As we saw in the recent State-level unemployment data, most unemployed workers are in States with still high levels of lockdowns or other restricted activity (CA, NY, NJ, IL, etc.) or are tourist destinations such as Hawaii and Nevada.

Third quarter earnings reports kick into gear the week of October 12th. Current expectations are for third quarter earnings for the S&P 500 to be down 21.5% year-over-year versus the 30.6% decline for the second quarter. The current estimate for calendar year 2020 earnings is down 19.7% and the estimate for calendar year 2021 earnings is growth of 27.6%.

In our *Dissecting Headlines* section, we review the recent improvement in the Consumer Confidence Index.

## Financial Market Update

	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	1.5%	3.6%	Aggregate Bond Index	-0.1%	4.9%
Dow Jones Industrial Average	1.9%	-3.0%	U.S. Dollar Index	-0.8%	-2.7%
NASDAQ 100	1.0%	28.9%	WTI Crude Oil	-8.0%	-39.3%
Russell 2000 (Small Cap Index)	4.4%	-7.7%	Gold	2.1%	25.2%
International Stocks (MSCI ex-US)	1.7%	-6.1%	Real Estate (US REIT Index)	5.8%	-16.0%

Sources: S&P Global, Thomson Reuters

## Dissecting Headlines: Consumer Confidence

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.

The Consumer Confidence Index for September increased to 101.8 versus 86.3 in August. This was the largest month-to-month gain in 17-years. The original August level had been 84.8 reported last month but was revised up to 86.3.

The Index is broken into two components, the Present Situation Index meaning how consumers feel about the current business and labor market conditions, and the Expectations Index meaning how they feel about how the next six months should go for their own income, business and labor. The Present Situations Index increased from 85.8 to 98.5 and the Expectations Index increased from 86.6 to 104.0.

These are the highest reading for the Index since the 120.0 level seen in March at the start of the COVID.

## The NovaPoint Capital Team



**Joseph Sroka, CFA, CMT / Chief Investment Officer / [jsroka@novapointcapital.com](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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.