

Comfort Food

Stocks backed-off all-time highs last week as renewed concerns of increasing COVID case loads and restrictions in high-risk states pulled against investor optimism of vaccines on the way. The Dow Jones Average and S&P 500 Index declined 0.7% and the NASDAQ 100 Index declined 0.2%.

With 474 of 500 companies in the S&P 500 reported, the third quarter earnings season is near done. The current third quarter consensus is for earnings to be down 6.7% year-over-year, versus down 7.4% last week and down 21.7% at the start of earnings season. Revenue for the quarter is expected to decline 1.1%. During this short week, 13 companies in the S&P 500 Index are scheduled to report earnings. The current estimate for calendar 2020 earnings is -15.4% and the estimate for calendar 2021 earnings is +22.4%.

The labor market took a pause this past week with initial unemployment claims for the week of November 14th rising to 742,000 versus 711,000 the previous week. Continuing claims for the week of November 7th were 6.372 million versus 6.801 million the week prior.

In our *Dissecting Headlines* section, we look at Thanksgiving Week’s traditional events, Black Friday and Thanksgiving travel.

Financial Market Update

| | <u>Weekly Return</u> | <u>YTD Return</u> | | <u>Weekly Return</u> | <u>YTD Return</u> |
|-----------------------------------|----------------------|-------------------|-----------------------------|----------------------|-------------------|
| S&P 500 Index | -0.7% | 10.1% | Aggregate Bond Index | 0.6% | 5.3% |
| Dow Jones Industrial Average | -0.7% | 2.5% | U.S. Dollar Index | -0.4% | -4.1% |
| NASDAQ 100 | -0.2% | 36.3% | WTI Crude Oil | 5.0% | -31.0% |
| Russell 2000 (Small Cap Index) | 2.4% | 7.0% | Gold | -0.9% | 23.3% |
| International Stocks (MSCI ex-US) | 1.6% | 3.4% | Real Estate (US REIT Index) | -0.6% | -12.4% |

Sources: S&P Global, Thomson Reuters

Dissecting Headlines: Thanksgiving Changes

In a year that has been full of surprises and new normal, we should not be surprised that traditional events such as Black Friday shopping and Thanksgiving travel are going to look different.

A National Retail Federation survey found that 59% of shoppers have been making holiday purchases ahead of Black Friday. By November 10th, \$21.7 billion had been spent online, a 21% increase versus 2019. This may be due to concerns about crowded stores as the holidays approach or concerns about increased lock-down activity as COVID cases increase in some states.

Consumer desire to stay home and shop online has been embraced by many retailers. Most have spaced out shopping deals over the course of the month, start earlier than Thanksgiving weekend. More retailers will be closed on Thanksgiving this year and most are not offering “door buster” deals in the early morning due to a need to comply with social distancing guidelines

According to the American Automobile Association (“AAA”), air travel for Thanksgiving is expected to decline 50% year-over-year. Travel by other forms of mass transportation (Bus and Train) is expected to decline by 78%. Overall, travel over Thanksgiving weekend is expected to decline by 10% year-over-year with most travelers electing to travel by car due to uncertainty over COVID restrictions in many states and needing the flexibility to adjust travel at the last minute. Given the recent increase in COVID cases and proposed restrictions, this is likely the hardest Thanksgiving travel season to predict in decades.

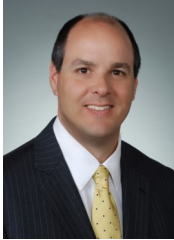
Our best wishes to everyone for a safe and happy Thanksgiving holiday.

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 an endurance athlete and three-time IRONMAN finisher.



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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).



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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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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.

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