

## 'Tis the Season

The Thanksgiving week mood in the market was generally positive. The Dow Jones Average was +2.2%, the S&P 500 Index was +2.3%, and the NASDAQ 100 Index was +3.0%.

As we head into the last month of 2020, investors are likely to continue the focus on the optimism of COVID-19 vaccine distribution and their potential to return societies and economies back to normal, especially in hard hit areas still under extreme restrictions. They are also likely to focus on the rising number of COVID-19 cases, especially as gatherings and travel over the Thanksgiving holiday raise concerns that the virus spread may accelerate while the vaccines should not see widespread distribution for several months.

The labor market had a second consecutive increase in initial unemployment claims during the week of November 21st with claims rising to 778,000 versus 748,000 the previous week. Additional business restrictions in some states are likely contributing to the increase. Continuing claims for the week of November 14th were 6.071 million versus 6.370 million the week prior.

In our *Dissecting Headlines* section, we look at updated information on holiday shopping.

## Financial Market Update

|                                   | <u>Weekly Return</u> | <u>YTD Return</u> |                             | <u>Weekly Return</u> | <u>YTD Return</u> |
|-----------------------------------|----------------------|-------------------|-----------------------------|----------------------|-------------------|
| S&P 500 Index                     | 2.3%                 | 12.6%             | Aggregate Bond Index        | 0.0%                 | 5.3%              |
| Dow Jones Industrial Average      | 2.2%                 | 4.8%              | U.S. Dollar Index           | -0.7%                | -4.8%             |
| NASDAQ 100                        | 3.0%                 | 40.4%             | WTI Crude Oil               | 8.0%                 | -25.4%            |
| Russell 2000 (Small Cap Index)    | 3.9%                 | 11.2%             | Gold                        | -4.4%                | 17.9%             |
| International Stocks (MSCI ex-US) | 2.1%                 | 5.6%              | Real Estate (US REIT Index) | 0.0%                 | -12.4%            |

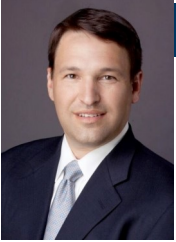
Sources: S&P Global, Thomson Reuters

## Dissecting Headlines: Holiday Shopping Update

Last week we reported on the National Retail Federation (NRF) survey that found 59% of shoppers had made holiday purchases ahead of Black Friday. This past Monday, the NRF came out with its annual Holiday sales forecast. The NRF is forecasting year-over-year holidays sales to increase in a range of 3.6% to 5.2%. As a comparison, 2019's holiday sales rose 4.0% and the average over the last five years has been a 3.5% increase. Many retailers have better positioned themselves for online versus in-store sales this year. The NRF estimates that online sales should be up 20% to 30%.

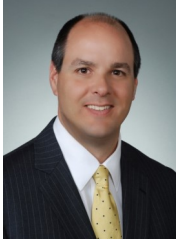
Black Friday in-store foot traffic was estimated to be down 50% from last year. This was likely due to a combination of factors comprising of COVID restrictions on store capacity and social distancing, as well as many retailers not offering "door buster" specials and instead focusing on online sale promotions. Online shopping on Black Friday rose 22% as measured by Adobe Analytics. However, this was at the low-end of Adobe's forecast of +20% to +42%. Adobe is forecasting today's Cyber Monday sales to grow 15% year-over-year. Given the hard shift to online shopping this year, we may see sales more spread out over the next few weeks rather than peak days normally seen during the period.

## The NovaPoint Capital Team



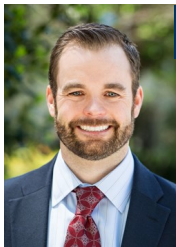
**Joseph Sroka, CFA, CMT / Chief Investment Officer / [jsroka@novapointcapital.com](mailto:jsroka@novapointcapital.com)**

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).

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