

## Injections

The previous week's stimulus talks seem to have stalled as the week went on. This, coupled with an uptick in Initial Jobless Claims and COVID cases, pushed the equity market down from record highs. The Dow Jones Industrial Average was -0.5%, the S&P 500 Index was -0.9%, and the NASDAQ 100 Index was -1.2%.

Initial unemployment claims during the week of December 5th increased to 853,000 versus 716,000 the previous week. Continuing claims for the week of November 28th were 5.757 million versus 5.527 million the week prior. Restrictions on businesses due to a resurgence of COVID-19 in some areas of the country may be having a impact on employment. While many factors will play into the economic recovery, we view employment as the key factor since approximately two-thirds of the U.S. economy is based on consumer spending on goods and services.

Ensuring both the physical and economic health of U.S. consumers should be the key factors in focus this week. The first of the COVID vaccines has received FDA approval and will start being administered this week. Talks should also continue to find bipartisan agreement on an additional set of economic stimulus measures. The Federal Reserve also meets this week for its final meeting of 2020. We expect no change in interest rate policy.

In our *Dissecting Headlines* section, we look at the year-end phenomenon known as the Santa Claus Rally.

## Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	-0.9%	13.4%	Aggregate Bond Index	0.4%	5.0%
Dow Jones Industrial Average	-0.5%	5.3%	U.S. Dollar Index	0.3%	-5.6%
NASDAQ 100	-1.2%	41.7%	WTI Crude Oil	0.7%	-23.7%
Russell 2000 (Small Cap Index)	1.0%	14.6%	Gold	0.1%	21.2%
International Stocks (MSCI ex-US)	-0.3%	6.6%	Real Estate (US REIT Index)	-2.5%	-12.7%

Sources: S&P Global, Thomson Reuters

## Dissecting Headlines: Santa Claus Rally

The Santa Claus Rally is a year-end phenomenon where investors are looking for better than coal in their investment stockings. According to the Stock Trader's Almanac, the time period to measure the rally is the five final trading days of the year and the first two trading days of January. Over the past 70 years, the S&P 500 Index has recorded a positive return on 55 occasions. The average increase over those seven trading days has been +1.3%.

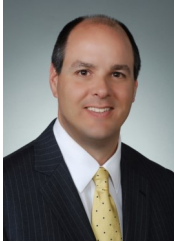
Whether it is optimism surrounding the U.S. consumer spending money, institutional positioning ahead of the new year, or just the holiday spirit, the impact has been a positive one over the years. Given that 2020 has been anything but normal, it will be interesting to see if the rally visits again this year.

## The NovaPoint Capital Team



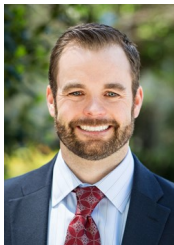
**Joseph Sroka, CFA, CMT / Chief Investment Officer / [jsroka@novapointcapital.com](mailto:jsroka@novapointcapital.com)**

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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