

## Vaccination Acceleration

Continued progress on COVID-19 vaccine administration, stimulus, and quarterly earnings lifted equity markets last week. The Dow Jones Industrial Average was +1.1%, the S&P 500 Index was +1.3%, and the NASDAQ 100 Index was +1.5%.

With 372 companies in the S&P 500 Index having reported fourth quarter earnings, 82.0% have reported earnings above consensus. Earnings outlooks have continued to improve, consistent with economic data. Fourth quarter earnings are expected to increase 3.4% year-over-year versus an expectation of a 2.4% increase as of last week and an expectation of a 10.6% decline a month ago. Quarterly revenue is expected to increase 1.3% year-over-year versus a 1.1% increase last week and a 1.4% decline a month ago. Full-year 2020 earnings are expected to decline 12.0% year-over-year and full-year 2021 earnings are expected to rise 23.3% year-over-year. This week, another 55 companies in the S&P 500 are scheduled to report earnings.

Initial unemployment claims for the week of February 6th were 793,000 versus the previous week at 812,000. Continuing Claims for January 30th were 4.545 million versus 4.690 million the week prior.

In our *Dissecting Headlines* section, with so much of our economic growth riding on the COVID-19 vaccine program and further opening of restricted areas, we look at current progress in the COVID-19 vaccination programs globally.

## Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	1.3%	4.9%	Aggregate Bond Index	-0.1%	-1.0%
Dow Jones Industrial Average	1.1%	3.0%	U.S. Dollar Index	-0.6%	0.6%
NASDAQ 100	1.5%	7.2%	WTI Crude Oil	4.4%	22.6%
Russell 2000 (Small Cap Index)	2.5%	16.0%	Gold	0.7%	-3.9%
International Stocks (MSCI ex-US)	2.4%	6.9%	Real Estate (US REIT Index)	2.4%	5.4%

Sources: S&P Global, Thomson Reuters

## Dissecting Headlines: COVID-19 Update

Vaccines for COVID-19 started rolling out around the world in December. To date, more than 176 million doses have been administered globally and the rate of vaccination is 6.2 million doses per day. Israel has the highest rate of inoculation with 70.5 per every 100 people.

In the United States, over 54 million doses have been administered to almost 12% of the population. Current rate of vaccination is approximately 1.7 million doses per day. States like Alaska, West Virginia, and New Mexico lead based on the percentage of their populations that have received at least one dose.

The U.S. government shipped 1 million COVID-19 vaccine doses to retail chains last week as part of the Federal Retail Pharmacy Program. Initially 6,500 pharmacies received doses and that number is expected to ramp to 40,000. Retailers receiving the vaccines include Walmart, CVS, Walgreens, and Kroger. Walmart is receiving approximately 20% of the doses as it is being used as a primary distribution point in areas with scarcer healthcare resources.

Distributions of vaccines should continue to expand and the rate of dosage per day should increase. At present rates, it would take eight months to cover 75% of the population with the two dose vaccines. This level would be considered enough for the country to return to normalcy.

Disclaimer: NovaPoint owns Walmart (WMT) in client accounts

## 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).

**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.