NovaPoint CAPITAL LLC

Weekly Market Commentary

August 30, 2021

Calming Effects

The greatly anticipated speech from Fed Chair Jerome Powell at the Jackson Hole Economic Symposium on Friday appeared to have a calming and positive impact on markets. He reiterated the comments of several Fed officials who said that economic conditions have improved, and the Fed can begin tapering its monthly bond purchases some time later this year. We'd look to the quarterly economic update at the September FOMC meeting as the next point when the taper can be formally announced. The S&P 500 Index closed the week +1.5%, the NASDAQ +2.3% and the Dow +1.0%. The U.S. 10-year Treasury bond yield increased to 1.310% at Friday's close versus 1.260% the previous week.

With 489 companies complete with 2Q earnings, earnings for the quarter should finish +95.4% higher year-over-year. Nine additional companies are scheduled to report earnings this week. Looking ahead, the current forecast for 3Q earnings for the S&P 500 Index is +29.8% year-over-year and the 4Q earnings forecast is +21.8%. This ramp down in growth reflects the impact of year-over-year comparisons versus the second half of 2020 as the economy was in its early rebound from the COVID-induced recession.

Initial unemployment claims for the week of August 21st increased to 353,000 versus the previous week at 349,000. Continuing claims for August 14th were 2.862 million versus 2.865 million the week prior. The August employment report is scheduled for release this Friday and could provide further support for the Fed's tapering plans.

In our *Dissecting Headlines* section, we look at the Money Supply.

Financial Market Update

	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	1.5%	21.2%	Aggregate Bond Index	-0.1%	-0.5%
Dow Jones Industrial Average	1.0%	17.3%	U.S. Dollar Index	-0.9%	3.1%
NASDAQ 100	2.3%	20.3%	WTI Crude Oil	10.3%	41.7%
Russell 2000 (Small Cap Index)	5.1%	16.0%	Gold	2.0%	-4.2%
International Stocks (MSCI ex-US)	2.4%	7.8%	Real Estate (US REIT Index)	0.6%	25.8%

Sources: S&P Global, Thomson Reuters

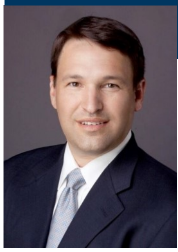
Dissecting Headlines: Money Supply

The money supply is all the currency and other liquid instruments in a country's economy. This includes cash, coins and bank account balances which include savings, checking and bank time deposits.

The amount of money in circulation impacts the rate of growth of the economy, interest rates, and inflation. Increasing the money supply is stimulative to the overall economy as it increases spending. This also reduces interest rates and can stimulate inflation. Reducing easing and shrinking the money supply will slow the growth of the economy and reduce inflation through increases in interest rates. Increasing or decreasing of the money supply can be done through a combination of fiscal policy enacted by the executive and legislative branches of government or through monetary policy carried out by the Federal Reserve.

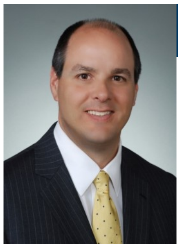
The money supply increased in the early days of the COVID-19 pandemic as both monetary and fiscal policy measures were enacted to support the economy. As the economy has recovered and we are experiencing above-average inflation, several Federal Reserve officials have recommended reducing the amount of quantitative easing currently being done by the Federal Reserve, i.e. "the Taper". The reduction in monthly bond buying by the Federal Reserve would reduce the money supply, resulting in an increase in interest rates and a slowing rate of inflation. At the same time, the infrastructure and other spending bills pending in Congress would be stimulative and potentially add to the money supply depending on how they are financed.

The NovaPoint Team



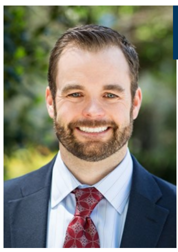
Joseph Sroka, CFA, CMT / Chief Investment Officer / jsroka@novapointcapital.com

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

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

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

Frederick has over 30 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).

Timothy Benbow, CFP / Managing Director & Portfolio Manager / tbenbow@novapointcapital.com

Tim has over 15 years of experience in the investment management industry. Prior to joining NovaPoint, Tim was the managing partner of Bull's Eye Wealth Management. Tim began his investment career at Raymond James & Associates and was a co-founder of Black Diamond Investment Partners. Following Black Diamond's merger with Waterloo Capital Management, Tim left to found Bull's Eye. He holds a BS from the University of South Carolina and an MBA from the University of Rochester. Tim is a Certified Financial Planner (CFP).