

Ports in a Storm

Equity markets dropped last Monday on China credit concerns, then rallied back with help of a steady hand from the Federal Reserve at the FOMC meeting midweek. The S&P 500 was +0.5%, the Dow was +0.6%, and the NASDAQ was flat. Oil continued its recent climb. The U.S. 10-year Treasury bond yield increased to 1.453% at Friday's close versus 1.363% the previous week.

The Federal Reserve's Federal Open Market Committee (FOMC) met last week. As expected, there was no change to the Fed Funds target rate. It remains at 0% to 0.25%. The FOMC did not announce a start to tapering monthly bond purchases but said that the economy continues making progress and "the committee judges that a moderation in the pace of asset purchases may soon be warranted." Whether that means November, or December, or even January is unclear, but we should get a better idea after the September employment report is released. Jobs have been the main hold back on the Fed starting to taper bond purchases. The FOMC's report also indicated the potential for the first increase in the Fed Funds target rate in the second-half of 2022.

Initial unemployment claims for the week of September 18th increased to 351,000 versus the previous week at 335,000. Continuing claims for September 11th were 2.845 million versus 2.714 million the week prior. The September employment report is scheduled for release on October 8th.

Six companies in the S&P 500 are scheduled to report this week. The current forecast for 3Q earnings for the S&P 500 Index is +29.6% y/y.

In our *Dissecting Headlines* section, we look at the backup of ships waiting to unload cargo containers at U.S. ports.

Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	0.5%	19.9%	Aggregate Bond Index	-0.4%	-0.9%
Dow Jones Industrial Average	0.6%	15.3%	U.S. Dollar Index	0.1%	3.8%
NASDAQ 100	0.0%	19.6%	WTI Crude Oil	2.8%	52.5%
Russell 2000 (Small Cap Index)	0.5%	14.6%	Gold	-0.2%	-7.7%
International Stocks (MSCI ex-US)	-0.4%	6.8%	Real Estate (US REIT Index)	-0.7%	23.3%

Sources: S&P Global, Thomson Reuters

Dissecting Headlines: Cargo Container Backup

There has been a back-up of cargo ships waiting to unload at the ports of Long Beach and Los Angeles. The back-up stems from a combination of growing cargo volumes, a labor shortage, and COVID-related safety measures that slow the handling of each ship. There are currently 62 cargo ships off the coast waiting to unload cargo.

Los Angeles and Long Beach are the two largest cargo ports in the United States. About one-third of all imports to the U.S. pass through these two ports each year. We saw some of the knock-on effects last week when Nike said it would see reduced volumes due to supply chain issues and Costco saying it was limiting some key items for its shoppers such as toilet paper.

With 89 days to go until Christmas, there is potential for stock-outs in many different categories at retailers. This could contribute to some volatility in closely watched holiday shopping events such as Black Friday and Cyber Monday.

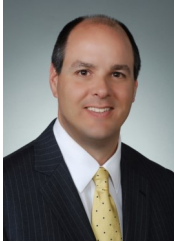
*NovaPoint owns Nike (NKE) in its Dividend Growth Strategy and Costco (COST) in its Growth Strategy.

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).

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.