

## 'Tis the Season

All four weeks in October were positive in the equity markets. This past week, the S&P 500 was +1.3%, the Dow was +0.4% and the NASDAQ was +3.2%. Oil snapped its multi-week rally, finishing down 0.2%. The U.S. 10-year Treasury bond yield decreased to 1.554% at Friday's close versus 1.653% the previous week.

Current forecast for the S&P 500 Index is for Third Quarter earnings growth to be +39.2% year-over-year versus an expectation of +34.8% last week. At the outset of the earnings season in early October, the Third Quarter year-over-year growth was expected to be 29.4%. This week 169 companies in the S&P 500 are scheduled to report earnings. Quarter-to-date, 82.1% of companies have reported earnings above analyst estimates. This compares to a long-term average of 65.8% and prior four quarter average of 84.7%. We heard similar commentary as last week with logistic issues, product shortages, and the impacts of inflation detracting from quarterly performance among some companies.

The major event for the week is the Federal Open Market Committee (FOMC) meeting on Wednesday. It is largely expected the FOMC will announce a start to the tapering of monthly bond purchases.

Initial unemployment claims for the week of October 23rd decreased to 281,000 versus the previous week at 291,000. Continuing claims for October 16th were 2.243 million versus 2.480 million the week prior. The October employment report is also scheduled for release on Friday.

In our *Dissecting Headlines* section, we look at predictions for the upcoming holiday shopping season.

## 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%	24.0%	Aggregate Bond Index	0.5%	-1.3%
Dow Jones Industrial Average	0.4%	18.8%	U.S. Dollar Index	0.5%	4.7%
NASDAQ 100	3.2%	23.7%	WTI Crude Oil	-0.2%	72.2%
Russell 2000 (Small Cap Index)	0.3%	17.2%	Gold	-0.5%	-6.0%
International Stocks (MSCI ex-US)	-0.7%	7.6%	Real Estate (US REIT Index)	0.3%	29.3%

Sources: S&P Global, Thomson Reuters

## Dissecting Headlines: Holiday Shopping

It is 54 days until Christmas. The National Retail Federation (NRF) is forecasting holiday sales during November and December will grow between 8.5% and 10.5% over 2020 to between \$843.4 billion and \$859.0 billion. October retail sales data is scheduled for release in mid-November and that could shed light on whether potential product shortages are prompting consumers to start their holiday shopping earlier.

With reduced pandemic concerns in many areas of the country, households are expected to shift back to in-store shopping and a more traditional holiday shopping experience. Online sales should also see strong growth. NRF expects that online and other non-store sales, which are included in the total, will increase between 11% and 15% to a total of between \$218.3 billion and \$226.2 billion (approx. 26% of total sales) driven by online purchases.

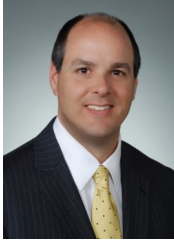
Temporary hiring should also be higher this year. NRF expects retailers will hire between 500,000 and 665,000 seasonal workers versus 486,000 seasonal hires in 2020. Some of this hiring may have been pulled into October as many retailers encouraged households to shop early to avoid a lack of inventory and shipping delays. With the earlier start, retailers have announced thousands of open positions in bricks-and-mortar stores and warehouse and distribution centers. This opportunity could result in some unemployed individuals seeking temporary work rather than commit to a full-time position, if they are undecided about when and where to re-enter the job force on a permanent basis.

## The NovaPoint Team



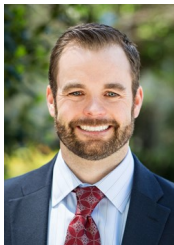
**Joseph Sroka, CFA, CMT / Chief Investment Officer / [jsroka@novapointcapital.com](mailto:jsroka@novapointcapital.com)**

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 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](mailto: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).

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