

## A Wing and a Leg

Equity markets consolidated last week after a large advance the week prior. The S&P 500 was -0.6%, the Dow was +0.1%, and the NASDAQ was -1.1%. The 10-year U.S. Treasury note yield decreased to 3.818% at Friday’s close versus 3.893% the previous week.

Following on the heels of the October Consumer Price Index (CPI) report, the October Producer Price Index (PPI) was +0.2% month-to-month and core PPI (excluding food and energy) was also +0.2% month-to-month. Year-over-year, PPI was +8.0% and core PPI was +5.4%. Like the CPI data released the week prior, the data was seen as “cooling inflation”. However, several Fed officials have been making the rounds to remind investors the Fed is not done yet. Fed Governor Christopher Waller indicated he would be open to a 0.50% increase at the December Federal Open Market Committee (FOMC), but that the Fed still has a “ways to go”. St. Louis Fed President James Bullard stated 5.00% to 5.25% is the minimum level he is aiming for on the Fed funds target rate.

The next FOMC meeting is December 13th and 14th. Between now and then, we will see reports on October Personal Consumption Expenditures (PCE) prices (Dec 1st), November employment report (Dec 2nd), November PPI (Dec 9th), November CPI (Dec 13th).

With 475 companies in the S&P 500 Index having reported third quarter earnings, we are almost complete for the reporting period. This week, 10 companies in the S&P 500 Index are scheduled to report earnings. The current consensus expectation for third quarter is 4.2% earnings growth on 11.6% revenue growth. For CY2022 earnings growth is currently forecast at 5.8% on 11.2% revenue growth.

In our *Dissecting Headlines* section, we look at Thanksgiving travel and food prices.

## Financial Market Update

	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	-0.6%	-15.6%	Aggregate Bond Index	0.5%	-12.7%
Dow Jones Industrial Average	0.1%	-5.4%	U.S. Dollar Index	0.6%	11.4%
NASDAQ 100	-1.1%	-27.9%	WTI Crude Oil	-10.0%	6.5%
Russell 2000 (Small Cap Index)	-1.7%	-16.6%	Gold	-1.2%	-4.3%
International Stocks (MSCI ex-US)	0.3%	-16.8%	Real Estate (US REIT Index)	-1.3%	-24.7%

Sources: S&P Global, Thomson Reuters

## Dissecting Headlines: Thanksgiving

Even with above-average inflation impacting the cost of just about everything, Americans seem undeterred from traveling and eating this year to celebrate one of the country’s most cherished holidays.

The American Automobile Association (AAA) predicts 54.6 million people will travel 50 miles or more from home this Thanksgiving, up 1.5% from 2021. After depressed travel levels during the COVID-19 pandemic, this year is projected to be the third-busiest Thanksgiving travel season since AAA started tracking it in 2000, with only 2005 and 2019 seeing higher levels of travel. Most travelers will be driving by car, with car travel increasing 0.4% by passenger volume. Air travel is expected to be 7.9% higher by passenger volume. Airline prices are higher as schedules are still reduced by approximately 20%. 1.43 million Americans plan to use other modes of travel to include buses, trains and even cruise ships, for a combined increase of 23.5%. Retail gasoline prices heading into the holiday week are \$3.662/gallon, 7.5% higher year-over-year.

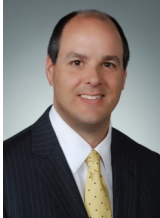
At the table, the American Farm Bureau survey shows the average Thanksgiving dinner for 10 people will cost \$64.05, 20% higher than 2021 and 37% higher than 2020. A 16-pound turkey costs 21% more year-over-year at \$28.96. A 4-pound ham costs 7% more at \$11.64. Stuffing costs 69% more than last year and pumpkin pie mix is 18% higher. One item on the Farm Bureau’s survey that is less expensive year-over-year is fresh cranberries which are 14% less expensive, so feel free to have a second helping there.

## 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).



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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.



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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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Allan has over 7 years of investment industry experience. Prior to joining NovaPoint, he worked at an independent RIA firm. Allan began his investment advisory career with Edward Jones. He earned his BA from the University of West Georgia.

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