

## The Homestretch

With 24 stock market trading days left for the year, we are in the homestretch for what has been a dismal 2022. This past week, equity markets gained during the Thanksgiving holiday shortened week. The S&P 500 was +1.6%, the Dow was +1.8%, and the NASDAQ was +0.7%. The 10-year U.S. Treasury note yield decreased to 3.702% at Friday's close versus 3.818% the previous week.

The release of the minutes from the Federal Open Market Committee (FOMC) November meeting indicated that the committee was not done raising short-term interest rates, but that moderating the pace of the remaining increases could be warranted as the committee considers the impact of the cumulative tightening of monetary policy to date and the lags between monetary policy actions and the behavior of economic activity and inflation. The next FOMC meeting is scheduled for December 13th and 14th, and an increase of 0.50% in the Fed funds target rate is widely expected.

With 485 companies in the S&P 500 Index having reported third quarter earnings, we are almost complete for the reporting period. This week, nine companies in the S&P 500 Index are scheduled to report earnings. The current consensus expectation for the quarter is 4.3% earnings growth on 11.7% revenue growth. For CY2022 earnings growth is currently forecast at 5.8% on 11.4% revenue growth.

In our *Dissecting Headlines* section, we look at the remaining potential market catalysts for the year.

## Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	1.6%	-14.3%	Aggregate Bond Index	1.0%	-11.8%
Dow Jones Industrial Average	1.8%	-3.7%	U.S. Dollar Index	-0.9%	10.4%
NASDAQ 100	0.7%	-27.4%	WTI Crude Oil	-4.7%	1.4%
Russell 2000 (Small Cap Index)	1.1%	-15.7%	Gold	0.4%	-4.0%
International Stocks (MSCI ex-US)	1.5%	-15.6%	Real Estate (US REIT Index)	1.7%	-23.5%

Sources: S&P Global, Thomson Reuters

## Dissecting Headlines: December Cometh

We enter December this week, but there is still a steady flow of economic data that could determine how the financial markets close for the year. The major event is the December FOMC meeting scheduled for December 13th and 14th. Leading up to the FOMC meeting, we have several data points on inflation and employment for the committee members to consider.

This week the October Personal Consumption Expenditures (PCE) Price Index is scheduled for Thursday. This is the Fed's preferred inflation metric, so it is important to watch. Also this week, the November employment report is scheduled for Friday. While we have seen several layoff announcements over the past few weeks, we have yet to see a meaningful uptick in the unemployment rate. Prior to the FOMC meeting, we will also see inflation data with the November Producer Price Index (PPI) scheduled for December 9th and the November Consumer Price Index (CPI) scheduled for December 13th.

Post the FOMC meeting there is potentially little market moving information for the second half of December. Continued updates on the holiday shopping season should be a good gauge on the health of the consumer. November retail sales is scheduled for December 15th and the November PCE Price Index report is scheduled for December 23rd.

## 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.



**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).



**Allan Duncan / Investment Adviser / [aduncan@novapointcapital.com](mailto:aduncan@novapointcapital.com)**

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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