

## Grinding

The rally in equities ground to a halt last week with the S&P 500 Index -1.4%, the Dow -1.7%, and the NASDAQ -1.3%. The 10-year U.S. Treasury note yield decreased to 3.739% at Friday's close versus 3.769% the previous week.

Fed Chair Jerome Powell testified to Congress last week. He reiterated that the effort to bring the rate of inflation back to 2% "has a long way to go". Despite holding rates steady at the June Federal Open Market Committee (FOMC) meeting, he said that nearly all Committee participants expect further rate increases will be appropriate by the end of the year. The odds of a 0.25% increase in Fed funds at the July FOMC meeting is currently 71.9%.

This week, the May Personal Consumption Expenditures (PCE) Price Index is scheduled for release on Friday. The PCE Price Index is the Federal Reserve's main data set to measure inflation. At the last FOMC meeting, the Committee raised its 2023 outlook for core inflation to 3.9% versus 3.6% previously. Powell stressed the FOMC would be data dependent on decision for future interest rate policy and the progress on lowering the pace of inflation is a key component to that decision making.

Second quarter earnings expectations for the S&P 500 Index is a 5.6% year-over-year earnings decline on a revenue decline of 0.6%. Current expectations for full year 2023 earnings are an increase of 1.4% on revenue growth of 1.8%.

In our *Dissecting Headlines* section, we look at the Independence Day travel forecast and cost of a barbeque.

## Financial Market Update

	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	-1.4%	14.2%	Aggregate Bond Index	0.2%	2.5%
Dow Jones Industrial Average	-1.7%	2.9%	U.S. Dollar Index	0.6%	-0.6%
NASDAQ 100	-1.3%	36.7%	WTI Crude Oil	-3.7%	-13.8%
Russell 2000 (Small Cap Index)	-2.9%	4.2%	Gold	-1.8%	5.3%
International Stocks (MSCI ex-US)	-3.4%	8.0%	Real Estate (US REIT Index)	-4.9%	-1.6%

Sources: S&P Global, Thomson Reuters

## Dissecting Headlines: Independence Day

The American Automobile Association (AAA) projects 50.7 million Americans will travel 50 miles or more from home this Independence Day weekend. This level of travel would set a new record for the holiday. Domestic travel is forecasted to increase by 2.1 million people compared to 2022, the previous record set in 2019 of 49 million travelers.

AAA expects 43.2 million people will drive to their destinations (+2.4% year-over-year and +4% versus 2019). Gasoline prices are lower versus last year at \$3.55 per gallon versus \$4.80 per gallon in 2022.

Air travel is also expected to set a new record. AAA projects 4.17 million Americans will fly to their destinations this Independence Day weekend (+11.2% year-over-year and +6.6% versus 2019).

For those attending a traditional barbeque, costs are approximately 3% higher year-over-year to \$97 for a 10-person meal according to the Rabobank BBQ Index. Beef prices remain high, while some other ingredients such as chicken, lettuce, and tomatoes are lower year-over-year.

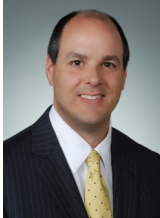
## The NovaPoint Capital Team

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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).

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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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