

Higher Hiring

The September Employment report pointed to a still strong economy and sparked a market rally on Friday. The weekly return for the S&P 500 Index was +0.5%, the Dow was -0.2%, and the NASDAQ was +1.8%. The Technology, Communication Services, and Health Care sectors led the market, while the Energy, Consumer Staples, and Utilities sectors were the biggest laggards. The 10-year U.S. Treasury note yield increased to 4.782% at Friday's close versus 4.571% the previous week.

The September Employment Situation report showed 336,000 jobs created versus an expectation of 170,000. The Unemployment Rate was unchanged from 3.8% in August. Current CME futures place a 78.9% probability the Fed will hold rates steady at the November 1st Federal Open Market Committee (FOMC) meeting.

The market impact of the terror attacks in Israel over the weekend along with reports on September inflation should set the tone for the week.

The third quarter earnings reporting period starts this week with eleven companies in the S&P 500 Index scheduled to report earnings. S&P 500 Index earnings are expected to grow by 1.3% year-over-year on revenue growth of 0.9%. For full-year 2023, S&P 500 Index earnings are expected to grow by 2.3% on revenue growth of 2.1%.

In our *Dissecting Headlines* section, we look at significant events in the U.S. and abroad that add an extra layer of complexity to the financial markets beyond economics and company earnings.

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%	13.7%	Aggregate Bond Index	-1.1%	-1.5%
Dow Jones Industrial Average	-0.2%	2.5%	U.S. Dollar Index	-0.2%	2.4%
NASDAQ 100	1.8%	37.8%	WTI Crude Oil	-8.8%	3.2%
Russell 2000 (Small Cap Index)	-2.2%	0.3%	Gold	-0.9%	0.4%
International Stocks (MSCI ex-US)	-1.9%	3.4%	Real Estate (US REIT Index)	-1.8%	-6.7%

Dissecting Headlines: Here and Abroad

While the main driver of investment returns over time are corporate earnings, there are periods where macroeconomic or geopolitical events can override sentiment in the near-term.

The terror attacks in Israel over the weekend caused a tragic and significant disruption to the economic-focused narrative that investors were considering when digesting the data in the September employment report on Friday. Heading into the new trading week, we see initial actions consistent with the worry over terrorist attacks. Oil is rising, defense stocks are trading higher, airlines stocks are trading lower, and other safe havens such as gold are trading higher. These initial reactions should play out over the week as Israel and other countries respond to the attacks.

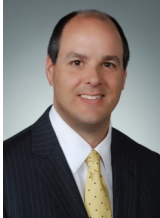
Back in the U.S., the ouster of House Speaker Kevin McCarthy last week is also a disruption to the plan to pass a bill to keep the government funded for the fiscal year. A new Speaker is likely to emerge this week, but the clock is already ticking on the 45-day stopgap funding bill that expires on November 17th. While this likely gets done on time, the change in the cast for the political theater is a distraction from the third quarter earnings season that begins this week.

The NovaPoint 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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Larry leads NovaPoint's accounting, tax and outsourced CFO business. He built his previous company, Atlas Solutions, as a solo entrepreneur before merging into NovaPoint CFO. Larry began his career as a Field Artillery officer in the United States Army. Larry earned his Bachelor of Science degree from the U.S. Military Academy at West Point, where he was a four-year letterman on the football team. Larry is a certified Enrolled Agent, recognized by the U.S. Department of the Treasury to represent taxpayers before the Internal Revenue Service.

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