

Seeking Sufficient Restrictiveness

Stocks added to gains last week. The weekly return for the S&P 500 Index was +1.4%, the Dow was +0.7%, and the NASDAQ was +2.9%. The S&P 500 Index was led by the Technology, Communication Services, and Industrial sectors. The Energy, Utility, and Real Estate sectors were the biggest laggards. The 10-year U.S. Treasury note yield increased to 4.628% at Friday's close versus 4.558% the previous week.

There was no significant economic data last week, but Federal Reserve Chairman Jerome Powell, speaking at a meeting of the International Monetary Fund, stated the Fed is committed to a sufficiently restrictive monetary policy stance to bring inflation down to 2%, but he is not confident they are there yet. Based on Fed funds futures, expectations for the Federal Open Market Committee (FOMC) to hold rates steady at the December meeting are currently 85.9%, a decline from 90.2% at this time last week. Important economic data for this week includes the Consumer Price Index (CPI) report on Tuesday and Producer Price Index (PPI) report on Wednesday.

Large retail companies are in focus this week for third quarter earnings. To date, 455 companies in the S&P 500 Index have reported earnings and another 13 companies are scheduled to report this week. S&P 500 Index earnings are expected to grow by 6.3% year-over-year on revenue growth of 1.4%. This is an increase from the 1.6% earnings and 0.8% revenue growth forecasted at the start of the earnings reporting period. For full-year 2023, S&P 500 Index earnings are expected to grow by 2.3% on revenue growth of 2.0%.

In our *Dissecting Headlines* section, we look at the forecast for Thanksgiving travel.

Financial Market Update

| | Weekly Return | YTD Return | | Weekly Return | YTD Return |
|-----------------------------------|---------------|------------|-----------------------------|---------------|------------|
| S&P 500 Index | 1.4% | 16.6% | Aggregate Bond Index | -0.2% | 0.0% |
| Dow Jones Industrial Average | 0.7% | 5.0% | U.S. Dollar Index | 0.7% | 2.2% |
| NASDAQ 100 | 2.9% | 43.0% | WTI Crude Oil | -4.1% | -3.8% |
| Russell 2000 (Small Cap Index) | -3.1% | -1.9% | Gold | -2.8% | 6.2% |
| International Stocks (MSCI ex-US) | -0.7% | 4.6% | Real Estate (US REIT Index) | -2.5% | -6.3% |

Sources: S&P Global, Thomson Reuters

Dissecting Headlines: Thanksgiving Travel Forecast

The American Automobile Association (AAA) projects 55.4 million travelers will head 50 miles or more from home over the Thanksgiving holiday travel period, a 2.3% increase versus 2022. This is the third-highest volume for a Thanksgiving forecast since AAA began tracking holiday travel in 2000. The top two years were 2005 and 2019. Travel for 2023 versus 2019, the pre-pandemic year, is forecast to be 1.1% lower.

Volumes are expected to increase across all major modes of travel. Auto, the largest category, is expected to increase 1.7% year-over-year to 49.13 million travelers. Air travel is expected to increase 6.6% to 4.69 million. All other travel, which includes train, bus, and cruise, is expected to increase 10.9% to 1.55 million.

Annual changes in cost of travel varies. The current average price of regular gasoline nationwide is \$3.365 per gallon, down 11% year-over-year. The average price of a domestic flight is 5% higher to \$681. The average prices of a hotel stay for the long weekend is 12% lower to \$598. Average domestic cruise prices are also lower, down 12% year-over-year to \$1,507.

Travel remains a priority for Americans since the end of the pandemic.

The NovaPoint Team



Joseph Sroka, CFA, CMT / Chief Investment Officer / jsroka@novapointgroup.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@novapointgroup.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@novapointgroup.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@novapointgroup.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).



Larry Dixon, EA / Tax Managing Partner / ldixon@novapointgroup.com

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.

NovaPoint Capital LLC (referred to herein as "NovaPoint" or "the Company") is registered with the SEC as an investment adviser, but registration does not imply any certain level of skill or training. The information contained in this document has not been filed with, reviewed by or approved by any regulatory or self-regulatory authority.

Not an offer of advisory services or securities: This document is limited to the dissemination of general information about the services provided by the Company and is provided for informational purposes only. This document is intended for residents of the United States only and the information contained herein does not constitute and should not be construed as an offering of advisory services or an offer to sell or solicitation to buy any securities or other financial instruments in any jurisdiction in which such offer or solicitation, purchase or sale would be unlawful under the securities, or other applicable laws of such jurisdiction. Nothing contained in this document constitutes tax, legal or investment advice. Responses to any inquiry which may involve the rendering of personalized investment advice for compensation or effecting or attempting to effect transactions in securities will not be made absent compliance with state broker-dealer, investment adviser, broker-dealer agent or investment adviser representative registration requirements, or applicable exemptions or exclusions from such requirements.

Investment risk: The Company makes no representation, and it should not be assumed, that past investment performance is any indication of future results. Moreover, wherever there is the potential for profit there also is the possibility of loss. Certain of the Company's strategies may involve investments that are illiquid, are subject to a substantial risk of loss and are not suitable for certain investors.

Limitation of liability: While the Company uses reasonable efforts to include accurate and up-to-date information in this document, errors or omissions sometimes occur. The Company makes no warranties or representations as to the accuracy of this document. Opinions expressed herein are subject to change without notice. Under no circumstances shall the Company or any party involved in creating, producing, or delivering this document be liable for any direct, incidental, consequential, indirect, or punitive damages that result from the use of the information contained in this document, even if the Company's authorized representative has been advised of the possibility of such damages. Applicable law may not allow the limitation or exclusion of liability or incidental or consequential damages, so the above limitation or exclusion may not apply to you.

Trademarks and copyrights: All trademarks, service marks, trade names, logos, and icons are proprietary to the Company. Nothing contained in this document should be construed as granting, by implication, estoppel, or otherwise, any license or right to use any trademark displayed in this document without the prior written permission of the Company or such third party that may own the trademarks displayed in this document. Your use of the trademarks displayed in this document, or any other content in this document, except as provided herein, is strictly prohibited.