

Bounce Back

A pause on interest rates at the Federal Open Market Committee (FOMC) meeting followed by a tame employment report helped stocks rally from an oversold condition last week. The weekly return for the S&P 500 Index was +5.9%, the Dow was +5.1%, and the NASDAQ was +6.5%. All eleven S&P 500 sectors were positive for the week, led by the Real Estate, Financials, and Consumer Discretionary sectors. The 10-year U.S. Treasury note yield decreased to 4.558% at Friday's close versus 4.845% the previous week.

As expected, the FOMC held the Fed funds rate steady in its 5.25% to 5.50% range. While the Committee stated it plans to stay vigilant on inflation, the market is currently pricing no increase in short-term interest rates for the December FOMC meeting with CME futures placing a 90.2% probability the Fed holds rates steady at its last meeting of the year. A tame employment report for October showing only 150,000 net new jobs created versus expectation of 175,000 served to reinforce the premise that the rate increase cycle could be over.

We are on the downslope of the third quarter earnings reporting period with 403 companies in the S&P 500 Index having reported. Another 50 companies are scheduled to report earnings this week. S&P 500 Index earnings are expected to grow by 5.7% year-over-year on revenue growth of 1.2%. 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 2.4% on revenue growth of 2.0%.

In our *Dissecting Headlines* section, we look at the two major economic events that moved the market last week, the FOMC rate decision and the October Employment Situation Report.

Financial Market Update

	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	5.9%	15.0%	Aggregate Bond Index	1.7%	0.2%
Dow Jones Industrial Average	5.1%	4.3%	U.S. Dollar Index	-1.4%	1.4%
NASDAQ 100	6.5%	39.0%	WTI Crude Oil	-5.9%	0.3%
Russell 2000 (Small Cap Index)	7.6%	1.2%	Gold	-0.7%	9.2%
International Stocks (MSCI ex-US)	4.3%	5.3%	Real Estate (US REIT Index)	8.2%	-3.9%

Sources: S&P Global, Thomson Reuters

Dissecting Headlines: Economic Review

After a 10% decline from the year's high at the end of July, the S&P 500 Index rallied last week after another pause on interest rates by the FOMC and a tame employment report. The consensus was likely that the economy was cooling sufficiently for the Federal Reserve to stop raising interest rates, but that the economy wasn't decelerating too rapidly.

In the FOMC's official statement, the Committee stated it believes that current tighter financial and credit conditions are likely to weigh on economic activity, hiring, and inflation. It paused on an increase in the Fed funds rate as it needs to take into account the impact of the cumulative tightening of monetary policy including lagging effects which may have not been observed yet. While interest rates may remain higher for longer since inflation is not yet down to the Fed's 2% target, investors are anticipating the Fed is likely done raising short-term interest rates for this cycle unless there is an inflationary upturn in the economy.

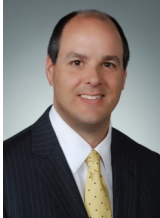
The Fed's wait-and-see stance was validated on Friday when the October Employment Situation Report showed 150,000 net new jobs created versus an expectation of 175,000. In addition, both the August and September data was revised down by a total of 101,000 jobs. A slowing of employment and spending, coupled with an increase in supply of goods and services is necessary to reduce the high levels of inflation that have plagued the economy since the recovery from the pandemic when there were built-up savings to spend and supply chain disruptions. Last week's data may have given investors the confidence that things are trending in the right direction.

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.