

Skating

Equities skated into the Christmas holiday weekend with eight consecutive weekly gains. The weekly return for the S&P 500 Index was +0.8%, the Dow was +0.2%, and the NASDAQ was +0.9%. The S&P 500 Index was led by the Communication Services, Energy, and Health Care sectors. The Utility and Real Estate sectors lagged. The 10-year U.S. Treasury note yield decreased to 3.908% at Friday’s close versus 3.928% the previous week.

The November Personal Consumption Expenditures (PCE) Price Index was -0.1% month-to-month and core PCE, which excludes food and energy, was +0.1% month-to-month. Year-over-year, PCE prices were +2.6% and core PCE prices were +3.2%. This supports the Fed’s softening policy stance for 2024 if the pace of inflation continues to decline. Current CME Fed funds futures anticipate an initial reduction in the Fed funds rate as early as March 2024.

For full-year 2023, S&P 500 Index earnings are expected to grow by 3.1% with revenue growth of 1.9%. Looking ahead, current consensus for full-year 2024 is 11.1% earnings growth with 5.1% revenue growth.

In our *Dissecting Headlines* section, we look at some of the potential headlines we will need to dissect in 2024 for the Federal Reserve and the 2024 election cycle.

Financial Market Update

	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	0.8%	25.9%	Aggregate Bond Index	0.2%	5.4%
Dow Jones Industrial Average	0.2%	15.0%	U.S. Dollar Index	-0.8%	-1.7%
NASDAQ 100	0.9%	54.7%	WTI Crude Oil	3.0%	-8.3%
Russell 2000 (Small Cap Index)	2.5%	17.3%	Gold	1.7%	12.5%
International Stocks (MSCI ex-US)	0.6%	14.3%	Real Estate (US REIT Index)	0.0%	12.9%

Sources: S&P Global, Thomson Reuters

Dissecting Headlines: Looking Ahead to 2024

We look forward to every new year with hope, anticipation, and even a little anxiety. 2024 will likely be no different. The S&P 500 Index is coming off a great recovery from 2022’s down year and forecasted earnings are expected to grow into the new year.

The Federal Reserve anticipates inflation should continue to decline causing appropriate monetary policy to call for lower short-term interest rates. A key question is when. Current CME Fed funds futures anticipate an initial reduction in the Fed funds rate as early as March 2024. The first Federal Open Market Committee (FOMC) meeting of the year is scheduled for January 31st to February 1st, followed by its second meeting from March 21st to 22nd. Data should start to inform investors if the FOMC is likely to lower the Fed funds rate at the March meeting.

There will be a presidential election in 2024. With former President Trump the current Republican frontrunner, the Party’s Iowa Caucus scheduled for January 15th should be closely watched. Primaries continue over first half of the year leading up to the Republican National Convention in July. The Democratic National Convention is scheduled for August. We should hopefully have clarity on the two presidential candidates at that time. The first presidential debate is scheduled for September 16th and Election Day is November 5th.

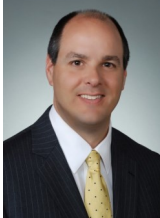
While these events can start to build a framework for the year, the geopolitical, business, economic, and other unknowns that are likely to occur in 2024 may ultimately shape the year in a way we are not currently anticipating.

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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