

Stock Love

Investors have shown stocks a lot of love so far this year, pushing the S&P 500 Index above the 5,000 level for the first time. For the week, the S&P 500 Index was +1.4%, the Dow was +0.1%, and the NASDAQ +1.8%. The S&P 500 Index was led by the Technology, Consumer Discretionary, and Health Care sectors, while the Utility, Consumer Staples, and Communication Services sectors lagged. The 10-year U.S. Treasury note yield increased to 4.187% at Friday's close versus 4.031% the previous week.

The next reports on inflation are scheduled for this week with the January Consumer Price Index (CPI) scheduled for release on Tuesday and the January Producer Price Index (PPI) scheduled for Friday. CME Fed funds futures currently indicate an 84.5% probability that the Federal Open Market Committee (FOMC) keeps interest rates the same at the March FOMC meeting and a 54.5% probability the first reduction in interest rates comes at the May meeting.

Fourth quarter earnings reports continue this week with 45 companies in the S&P 500 Index scheduled to report earnings. Current fourth quarter expectations for the S&P 500 Index are earnings growth of 9.0% and revenue growth of 3.4%. For full-year 2023, S&P 500 Index earnings are expected to grow by 3.9% with revenue growth of 2.1%. For full-year 2024, earnings are expected to grow by 9.7% with revenue growth of 4.8%.

In our *Dissecting Headlines* section, we look at the progress of the S&P 500 Index through its milestone levels.

Financial Market Update

	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	1.4%	5.5%	Aggregate Bond Index	-0.7%	-1.2%
Dow Jones Industrial Average	0.1%	2.7%	U.S. Dollar Index	-0.1%	2.7%
NASDAQ 100	1.8%	6.8%	WTI Crude Oil	6.3%	7.2%
Russell 2000 (Small Cap Index)	2.4%	-0.8%	Gold	-0.7%	-1.9%
International Stocks (MSCI ex-US)	0.3%	-1.1%	Real Estate (US REIT Index)	0.2%	-3.4%

Sources: S&P Global, Thomson Reuters

Dissecting Headlines: S&P 500 Index by the Thousands

If you look at a chart showing the price level of the S&P 500 Index over its history, two things stick out: first, it moves up over time, and second, it is volatile.

The price history of the S&P 500 Index goes back to 1926 when it was an index of 90 stocks. The 500 stock index came into being in 1957 and closed at a price level above 50 (yes, just a two digit number) in September 1958. It would then see the 500 level by March 1995.

The S&P 500 Index first achieved the 1,000 level in February 1998. It went on to 1,552 by March 2000 during the height of the dot-com bubble. Once the dot-com bubble burst, the Index didn't see that level again until July 2007. After achieving 1,565 in October 2007, it fell back below 1,000 again during the global financial crisis, getting as low as 666 in March 2009.

The Index hit the 2,000 level in August 2014 and the 3,000 level in July 2019. It rose further to 3,386 in February 2020, then fell back during the early days of the COVID-19 pandemic in March 2000 as low as 2,237. It regained the 3,000 level quickly by May 2020, then went onto the 4,000 level in April 2021. It fell as low as 3,577 during the recent October 2022 lows, and now has gone on to the 5,000 level this past Friday.

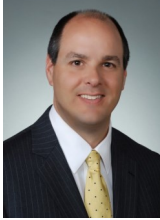
The take away is that investing provides growth in value over time, but economic and geopolitical uncertainty can cause severe volatility at different points in history. Time in the market can be better than timing the market.

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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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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Steven is a Vice President at NovaPoint. Prior to joining NovaPoint, Steven's financial experience includes corporate finance at The Home Depot, contributing on Seeking Alpha, and leading investments in real estate projects. Prior to starting his business career, he served in the U.S. Army as a Special Forces Medic with 1st Special Forces Group. Steven is currently attending the Georgia Institute of Technology, Scheller College of Business for his MBA. He also has a Master of Science in Finance degree from Auburn University and a Bachelor of Science in Mechanical Engineering degree from Georgia Southern University. He is currently a member of a local Special Forces Association Chapter.

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