

Shiny Quarter

Stocks closed out a strong first quarter of the year with moderate gains during a holiday shortened week. For the week, the S&P 500 Index was +0.4%, the Dow was +0.8%, and the NASDAQ was -0.3%. The best performing sectors in the S&P 500 Index were the Utility, Real Estate, and Materials sectors, while the Consumer Discretionary, Technology, and Communication Services sectors lagged. The 10-year U.S. Treasury note yield decreased to 4.206% at Thursday's close versus 4.215% the previous week. For the first quarter of the year, the S&P 500 Index was +10.6%, the Dow was +6.1%, and the NASDAQ was +9.3%.

Speaking in California on Friday, Fed Chair Jerome Powell indicated that economic growth gives the Fed the time to make sure inflation has subsided before lowering interest rates. Based on CME Fed funds futures, investors are forecasting a 68.5% probability the first rate reduction could come at the June FOMC meeting.

The next economic data point for the labor market is the March Employment Situation Report scheduled for this Friday. Economists are expecting monthly job growth in the 180,000 to 200,000 range with the unemployment rate remaining at 3.9%.

The first quarter earnings reporting period begins next week. The current first quarter consensus forecast for the S&P 500 Index is 5.1% earnings growth with revenue growth of 3.3%. Full-year 2024 earnings for the S&P 500 Index are expected to grow by 9.9% with revenue growth of 4.7%.

In our *Dissecting Headlines* section, we look at the current investor sentiment.

Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	0.4%	10.6%	Aggregate Bond Index	0.2%	-0.6%
Dow Jones Industrial Average	0.8%	6.1%	U.S. Dollar Index	0.1%	3.2%
NASDAQ 100	-0.5%	8.7%	WTI Crude Oil	3.2%	16.1%
Russell 2000 (Small Cap Index)	2.6%	5.2%	Gold	3.1%	8.1%
International Stocks (MSCI ex-US)	0.2%	4.7%	Real Estate (US REIT Index)	2.5%	-0.4%

Sources: S&P Global, FactSet

Dissecting Headlines: Investor Sentiment

After a strong first quarter, investor sentiment is bullish on stocks. Based on the weekly sentiment survey from the American Association of Individual Investors (AAII), the March 27th survey had Bullish sentiment of 50.0% versus 48.6% at the start of the year and the historical average of 37.5%. Bearish sentiment of 22.4% for the week was lower than the 23.5% at the start of the year and the historical average of 31.0%.

The survey data is based on the question, "What direction do you feel the stock market will be in the next six months?" The results are often seen as a contrarian indicator since below-average market returns have often followed unusually high levels of optimism while above-average market returns have often followed unusually low levels of optimism.

Last week's survey also asked a question on the current state of the economy. "Great" received only a 9.0% response, "Good" received the highest response with 43.6%, "Mixed" had a 38.8% response, and "Lousy" was at 8.0%. The feeling of Good/Mixed seems appropriate given an economy that is sitting in limbo between a monetary tightening cycle and a monetary easing cycle.

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).



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.



Steven Chrysosferidis / Vice President / schrysosferidis@novapointgroup.com

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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