

## Summer Solstice

Stocks posted gains during the holiday shortened week. For the week, the S&P 500 Index was +0.6%, the Dow was +1.5%, and the NASDAQ was +0.2%. Within the S&P 500 Index, the Consumer Discretionary, Energy, and Financial sectors led, while the Utility, Real Estate, and Technology sectors lagged. The 10-year U.S. Treasury note yield increased to 4.253% at Friday's close versus 4.209% the previous week.

Key economic data out this week includes the Personal Consumption Expenditures (PCE) Price Index for May, set for release on Friday. Investors will be looking for signs that inflation is on a sustainable path toward the Fed's 2% target. Based on CME Fed funds futures, the probability of a September rate cut is currently 65.9%. Futures also imply a second rate cut by year end, contrary to the Fed's current projections.

Six companies in the S&P 500 Index are scheduled to report second quarter earnings this week. For the second quarter, earnings growth is expected to be 8.8% higher year-over-year with revenue growth of 4.6%. Full-year 2024 earnings for the S&P 500 Index are expected to grow by 11.3% with revenue growth of 5.0%.

In our *Dissecting Headlines* section, we look at the American Automobile Association's (AAA) forecast for Independence Day travel.

## Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	0.6%	15.4%	Aggregate Bond Index	-0.1%	0.3%
Dow Jones Industrial Average	1.5%	4.9%	U.S. Dollar Index	0.2%	4.4%
NASDAQ 100	0.2%	17.6%	WTI Crude Oil	2.9%	12.7%
Russell 2000 (Small Cap Index)	0.8%	0.4%	Gold	-0.5%	12.4%
International Stocks (MSCI ex-US)	0.3%	5.6%	Real Estate (US REIT Index)	0.1%	-1.7%

Sources: S&P Global, FactSet

## Dissecting Headlines: Independence Day Travel

The American Automobile Association's (AAA) Independence Day travel forecast projects a new record with 70.9 million people planning to travel more than 50 miles from home. This is 5.2% higher than last year and surpasses 2019's pre-pandemic level by 8.7%.

The main mode of transportation is expected to be automobile with 60.6 million travelers. This is a 4.8% increase from 2023 and a 9.6% increase from 2019. Current gasoline prices are averaging \$3.448/gallon. This is 3.6% lower year-over-year, so while inflation remains resilient in several consumer categories, there is some relief at the pump for holiday driving.

Air travel is expected to see 5.74 million travelers. This is a 6.9% increase from 2023 and a 12.3% increase from 2019. Based on data from the May Consumer Price Index (CPI), air fares are 5.9% lower year-over-year.

Other travel categories are also seeing some deflation year-over-year with hotel and motel prices down 1.7% and car rental prices down 8.8%. Food away from home is higher by 4.0% year-over-year.

With July 4th falling on a Thursday this year, there is likely to be travel demand on both weekends bookending the holiday. Travel remains a strong component of overall consumer spending.

## 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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