

Bounce

The equity market bounce continued last week. For the week, the S&P 500 was +4.0%, the Dow was +3.0%, and the NASDAQ was +5.4%. Within the S&P 500 Index, the Technology, Consumer Discretionary, and Financial sectors led the market, while the Real Estate, Communication Services, and Utilities sectors lagged. The 10-year U.S. Treasury note yield decreased to 3.888% at Friday’s close versus 3.932% the previous week.

July inflation readings in the Consumer Price Index (CPI) and Producer Price Index (PPI) were in-line with forecasts, leading to investor expectations that the Federal Reserve will lower interest rates at its September meeting. CME Fed funds futures for September imply a 0.25% reduction in the Fed funds rate to a 5.00% - 5.25% target range. Between now and year-end, a total of 1.00% in rate cuts is currently forecast. This week, the minutes of the July Federal Open Market Committee (FOMC) meeting are scheduled for release on Wednesday and Fed Chair Jerome Powell is scheduled to speak at the Jackson Hole Economic Symposium on Friday.

We are 93% done with second quarter earnings reports. Another 14 companies in the S&P 500 Index are scheduled to report earnings this week. For the second quarter, earnings growth is expected to be 10.9% higher year-over-year with revenue growth of 5.2%. Full-year 2024 earnings for the S&P 500 Index are expected to grow by 10.1% with revenue growth of 5.1%.

In our *Dissecting Headlines* section, we look at the upcoming Jackson Hole Economic Symposium and the road to the September FOMC meeting.

Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	4.0%	17.5%	Aggregate Bond Index	0.5%	3.0%
Dow Jones Industrial Average	3.0%	9.2%	U.S. Dollar Index	-0.7%	1.1%
NASDAQ 100	5.4%	16.6%	WTI Crude Oil	-0.2%	7.0%
Russell 2000 (Small Cap Index)	3.0%	6.6%	Gold	3.2%	21.4%
International Stocks (MSCI ex-US)	3.7%	8.8%	Real Estate (US REIT Index)	0.3%	7.9%

Sources: S&P Global, FactSet

Dissecting Headlines: Jackson Hole

The Jackson Hole Economic Symposium is an annual event held by the Federal Reserve Bank of Kansas City in Jackson Hole, Wyoming. The event brings together economists, financial market participants, academics, U.S. government representatives and news media to discuss long-term policy issues of mutual concern.

The highlight of the meeting is a speech by Chairman of the Federal Reserve, Jerome Powell, who is scheduled to speak on Friday morning. With recent market volatility and a pending rate cut forecast for the September Federal Open Market Committee (FOMC) Meeting, this speech should receive above-average attention.

In a span of two to three months, market expectations have gone from “is a rate cut even necessary” to “the Fed is behind the curve in lowering rates,” so investors will be looking for assurance that the FOMC is on-track to deliver a rate cut at the September meeting.

The next FOMC meeting is September 17-18th. Between now and the meeting, the Committee will be able to evaluate Personal Consumption Expenditures Prices for July on August 30th, the August Employment Situation Report on September 6th, August CPI on September 11th, and August PPI on September 12th.

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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