

## Stocktober

The next few weeks should give investors a lot to digest. The third quarter earnings season is in full swing, there is a hotly contested election in 22 days, and the next monetary policy decision from the Federal Reserve is two days after the election. For last week, optimism won out and U.S. equity markets closed higher with the S&P 500 +1.1%, the Dow +1.2%, and the NASDAQ +1.2%. Within the S&P 500 Index, the Technology, Industrial, and Financial sectors led the market. The Utility, Communication Services, and Consumer Discretionary sectors lagged. The 10-year U.S. Treasury note yield increased to 4.084% at Friday's close versus 3.976% the previous week.

Inflation reports were relatively in line with the September Consumer Price Index (CPI) +0.2% month-over-month and +2.4% year-over-year, and core CPI, which excludes food and energy prices, +0.3% month-over-month and +3.3% year-over-year. Wholesale inflation, as measured by the Producer Price Index (PPI), was flat versus August and +1.8% year-over-year, and core PPI was +0.1% month-over-month and +3.2% year-over-year. Based on CME fed funds futures, the market is anticipating a total of 0.50% reduction in the fed funds rate between now and year-end.

The third quarter earnings reporting period continues this week with 43 companies in the S&P 500 Index scheduled to report earnings. Third quarter earnings growth is currently forecast at 4.1% year-over-year with revenue growth of 4.6%. Full-year 2024 earnings for the S&P 500 Index are expected to grow by 9.7% with revenue growth of 5.0%.

In our *Dissecting Headlines* section, we look at Halloween spending trends.

## Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	1.1%	23.3%	Aggregate Bond Index	-0.4%	3.2%
Dow Jones Industrial Average	1.2%	15.4%	U.S. Dollar Index	0.4%	1.5%
NASDAQ 100	1.2%	21.3%	WTI Crude Oil	1.6%	5.5%
Russell 2000 (Small Cap Index)	1.0%	11.4%	Gold	0.2%	28.7%
International Stocks (MSCI ex-US)	-0.4%	13.0%	Real Estate (US REIT Index)	-0.4%	12.8%

Sources: S&P Global, FactSet

## Dissecting Headlines: Halloween

Consumers have been fighting inflation by reducing spending on some discretionary items. Halloween is not immune and some modest reductions in spending are forecast for the holiday. Based on data from the National Retail Federation, total Halloween spending is expected to be \$11.6 billion, 4.9% lower than 2023. Shopping in 2023 was 15.0% higher than 2022 as the impact of the pandemic continued to wain. As a comparison, total Halloween spending was \$8.0 billion in 2020.

Across spending categories, candy spending is expected to reach \$3.5 billion, down modestly from \$3.6 billion in 2023. Total spending on decorations is expected to be \$3.8 billion, followed by costumes at \$3.8 billion, and greeting cards at \$0.5 billion. Within costumes, total spending on adult costumes is expected to be \$1.8 billion, children's costumes is anticipated to be \$1.3 billion, and pet costumes is expected to be \$0.7 billion.

At retail, discount stores are the top destination for Halloween items with approximately 37% survey respondents saying they plan to shop there, followed by specialty Halloween and costume stores at 33%, and online shopping at 33%. Most survey respondents shop at more than one option.

Average pumpkin prices are expected to be \$5.47, which is 4.4% higher than 2023.

## 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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