

Information Flow

Equity markets rebounded last week as investors continue to absorb new information on the economy, government spending, and proposed tariffs at rapid speed. For the week, the S&P 500 Index was +1.5%, the Dow Jones Industrials +0.6%, and the NASDAQ +2.5%. The S&P 500 Index was led by the Technology, Communication Services, and Consumer Staples sectors, while the Health Care, Financials, and Industrials sectors lagged. The 10-year U.S. Treasury note yield decreased to 4.476% at Friday's close versus 4.488% the previous week.

Progress on inflation did not make any significant strides in January. The January Consumer Price Index (CPI) was +0.5% month-over-month and +3.0% year-over-year. Core CPI, which excludes food and energy prices, was +0.4% month-over-month and +3.3% year-over-year. The January Producer Price Index (PPI) was +0.4% month-over-month and +3.5% year-over-year. Core PPI, which excludes food, energy, and trade prices, was +0.3% month-over-month and +3.4% year-over-year. At his testimony to Congress last week, Fed Chair Jerome Powell kept a consistent message of the Fed being patient. Much of what could impact monetary policy this year is yet to be determined until a budget plan is passed by Congress. CME Fed funds futures reflect the Fed's patient stance with no rate cuts seen until July.

We continue the downslope of the fourth quarter earnings reporting period with 46 companies in the S&P 500 Index scheduled to report earnings this coming week. Fourth quarter earnings growth is currently forecast at 16.9% year-over-year with revenue growth of 5.2%. Full-year 2024 earnings for the S&P 500 Index are expected to grow by 10.2% with revenue growth of 5.2%. Full-year 2025 earnings are expected to grow by 12.7% with revenue growth of 5.5%.

In our *Dissecting Headlines* section, we look at a roundup of tariff news.

Financial Market Update

	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	1.5%	4.1%	Aggregate Bond Index	0.2%	1.1%
Dow Jones Industrial Average	0.6%	4.9%	U.S. Dollar Index	-1.2%	-1.6%
NASDAQ 100	2.5%	4.9%	WTI Crude Oil	-0.4%	-1.4%
Russell 2000 (Small Cap Index)	0.0%	2.3%	Gold	0.8%	9.8%
International Stocks (MSCI ex-US)	2.2%	7.0%	Real Estate (US REIT Index)	0.3%	2.5%

Sources: S&P Global, FactSet

Dissecting Headlines: Tariff Roundup

The initial tariff announcements from the Trump administration were 10% across the board on China and 25% on Canada and Mexico. The Canada and Mexico tariffs are currently on hold for 30 days after the two countries agreed to strengthen border security to stop the flow of illegal immigration and fentanyl.

The 25% steel and aluminum tariffs were announced second and those are scheduled to go into effect on March 12th. Those seem purely economic in design. They go into effect for all countries as of now, to include Canada and Mexico. Canada is the largest supplier of both aluminum and steel to the United States. The UAE, South Korea, Bahrain, and China round out the aluminum top five and Brazil, Mexico, South Korea, and German round out the steel top five.

The Trump administration is also exploring reciprocal tariffs on countries where there are tariffs being placed on U.S. goods. These are designed to exactly match existing tariffs, no more or no less. The administration is scheduled to announce decisions by April 1st. These are designed to level the playing field with countries where the administration feels unilateral tariffs and other financial methods are responsible for U.S. trade deficits with each country. The trade partners where the U.S. has the largest trade deficits are China, Mexico, Vietnam, Ireland, and Germany.

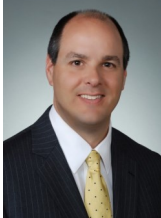
As we have seen so far, the tariff announcements have been designed to speed trade negotiations and get quick concessions from trade partners. We will have a better idea of the outcomes when the Canada and Mexico 30-day period expires in early March, and then at the March 12th steel and aluminum implementation, and the reciprocal tariff plan at the start of April.

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.



Meghan Hoover / Investment Associate / mhoover@novapointgroup.com

Meghan is an Investment Associate focusing on financial planning. Prior to joining NovaPoint, Meghan spent 18 years in government service as an Operations Officer in military intelligence. She holds two Bachelor of Science degrees from the University of Maryland and a Master of Science from the Joint Military Intelligence College. Meghan has additional education specializing in financial planning and is a member of the Financial Planning Association.



Blake McDaniel / Investment Associate / bmcDaniel@novapointgroup.com

Blake is an Investment Associate focusing on financial planning. Prior to joining NovaPoint, Blake served in the United States Army with 7th Special Forces Group, specializing in intelligence. Following his service, he worked as a financial planner in Atlanta. Blake has a Bachelor's degree in business administration and business analytics from the American Military University and a Bachelor's degree in finance from Georgia State University.

NovaPoint Capital LLC (referred to herein as "NovaPoint" or "the Company") is registered with the SEC as an investment adviser, but registration does not imply any certain level of skill or training. The information contained in this document has not been filed with, reviewed by or approved by any regulatory or self-regulatory authority.

Not an offer of advisory services or securities: This document is limited to the dissemination of general information about the services provided by the Company and is provided for informational purposes only. This document is intended for residents of the United States only and the information contained herein does not constitute an offering of advisory services or an offer to sell or solicitation to buy any securities or other financial instruments in any jurisdiction in which such offer or solicitation, purchase or sale would be unlawful under the securities, or other applicable laws of such jurisdiction. Nothing contained in this document constitutes tax, legal or investment advice. Responses to any inquiry which may involve the rendering of personalized investment advice for compensation or effecting or attempting to effect transactions in securities will not be made absent compliance with state broker-dealer, investment adviser, broker-dealer agent or investment adviser representative registration requirements, or applicable exemptions or exclusions from such requirements.

Investment risk: The Company makes no representation, and it should not be assumed, that past investment performance is any indication of future results. Moreover, wherever there is the potential for profit there also is the possibility of loss. Certain of the Company's strategies may involve investments that are illiquid, are subject to a substantial risk of loss and are not suitable for certain investors.

Limitation of liability: While the Company uses reasonable efforts to include accurate and up-to-date information in this document, errors or omissions sometimes occur. The Company makes no warranties or representations as to the accuracy of this document. Opinions expressed herein are subject to change without notice. Under no circumstances shall the Company or any party involved in creating, producing, or delivering this document be liable for any direct, incidental, consequential, indirect, or punitive damages that result from the use of the information contained in this document, even if the Company's authorized representative has been advised of the possibility of such damages. Applicable law may not allow the limitation or exclusion of liability or incidental or consequential damages, so the above limitation or exclusion may not apply to you.

Trademarks and copyrights: All trademarks, service marks, trade names, logos, and icons are proprietary to the Company. Nothing contained in this document should be construed as granting, by implication, estoppel, or otherwise, any license or right to use any trademark displayed in this document without the prior written permission of the Company or such third party that may own the trademarks displayed in this document. Your use of the trademarks displayed in this document, or any other content in this document, except as provided herein, is strictly prohibited.