

## Trade Dialogue

While there is currently a 90-day pause on the implementation of some tariffs, the impact and timing of trade negotiations with multiple countries presents a risk that is causing some investors to be tentative in buying equities. Last week, the S&P 500 Index was -1.5%, the Dow Jones Industrials -2.7%, and the NASDAQ -2.3%. The S&P 500 Index was led by the Real Estate, Energy, and Consumer Staples, while the Technology, Consumer Discretionary, and Communication Services sectors lagged. The 10-year U.S. Treasury note yield decreased to 4.337% at Thursday's close versus 4.468% the previous week.

Speaking at the Economic Club of Chicago last week, Fed president Jerome Powell was consistent in his view that the Fed needs to wait on data before making any changes to policy stance. He did express that tariffs were likely to increase inflation and potentially weaken economic growth and employment. While the Fed is awaiting data, the current CME Fed funds futures indicate there could be up to 1.0% in reductions to the Fed funds rate by December. Much of the uncertainty may resolve itself both in the progress of trade negotiations and economic data over the next few months. Current trade discussions are underway with key partners to include Japan, South Korea, India, the United Kingdom, and Italy on behalf of the European Union.

First quarter earnings season continues this week with 122 companies in the S&P 500 Index scheduled to report earnings results. First quarter 2025 earnings growth is currently forecast at 7.2% year-over-year with 4.3% revenue growth. Full-year 2025 earnings are expected to grow by 10.0% with revenue growth of 5.1%.

In our *Dissecting Headlines* section, we look at the upcoming report for first quarter Gross Domestic Product (GDP).

## 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%	-9.8%	Aggregate Bond Index	0.8%	1.9%
Dow Jones Industrial Average	-2.7%	-7.6%	U.S. Dollar Index	-0.7%	-8.4%
NASDAQ 100	-2.3%	-12.9%	WTI Crude Oil	5.2%	-9.8%
Russell 2000 (Small Cap Index)	1.1%	-15.3%	Gold	2.8%	26.8%
International Stocks (MSCI ex-US)	3.4%	4.4%	Real Estate (US REIT Index)	3.8%	-3.6%

Sources: S&P Global, FactSet

## Dissecting Headlines: Gross Domestic Product

First Quarter Gross Domestic Product (GDP) is scheduled for release on April 30th. The report will be the first gauge of economic growth since the new administration came to office in January and the initial tariffs went into effect for China, Mexico, and Canada later in the quarter.

Since the tariffs were not in effect for the full quarter, the thought that tariffs would negatively impact growth may not be seen until later quarters. Speaking over the weekend, Chicago Fed president Austan Goolsbee said he thinks the threat of tariffs may have caused some business to preemptively stock up on inventory. He thinks this could be followed by a drop off in economic activity over the summer.

The current consensus forecast for first quarter GDP is 2.3% year-over-year. Some of the regional Federal Reserve Banks that provide GDP forecasts are bracketed around that number with the Atlanta Fed at -2.2%, the New York Fed at +2.7%, and the St. Louis Fed at +2.8%.

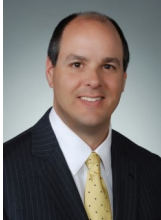
The results, and details within first quarter GDP, should help better refine the starting point for the economy as tariffs started to be implemented. Subsequent quarters may be reliant on the progress of current trade talks.

## The NovaPoint Team



**Joseph Sroka, CFA, CMT / Chief Investment Officer / [jsroka@novapointgroup.com](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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.