

On the Move

Stocks rallied as tame inflation and progress on trade deals calmed fears. For the week, the S&P 500 Index was +5.3%, the Dow Jones Industrials +3.5%, and the NASDAQ +6.9%. The S&P 500 Index was led by the Technology, Consumer Discretionary, and Communication Services sectors, while the Health Care, Real Estate, and Consumer Staples sectors lagged. The 10-year U.S. Treasury note yield increased to 4.445% at Friday's close versus 4.369% the previous week.

The April Consumer Price Index (CPI) and Producer Price Index (PPI) showed a less inflationary economic environment. CPI was +0.2% month-over-month and +2.3% year-over-year and core CPI, which excludes the impact of food and energy prices, was +0.2% month-over-month and +2.8% year-over-year. The April Producer Price Index (PPI) was -0.5% month-over-month and +2.4% year-over-year and core PPI was -0.1% month-over-month and +2.9% year-over-year.

Fed officials continue to express concern on inflation due to trade and tariff policies, but the Fed will likely need to quantify its outlook at the June 18th Federal Open Market Committee (FOMC) meeting when an update to the Summary of Economic Projections is due. Current CME Fed funds futures show a total of 0.50% reduction in rates for the year. This is in line with the FOMC's March projections for monetary policy.

We are in the last legs of first quarter earnings season with 92% of companies in the S&P 500 Index complete on reporting. This week, 18 companies in the S&P 500 Index are scheduled to report earnings results. First quarter 2025 earnings growth is currently forecast at 13.6% year-over-year with 4.8% revenue growth. Full-year 2025 earnings are expected to grow by 9.0% with revenue growth of 4.9%.

In our *Dissecting Headlines* section, we look at the forecast for Memorial 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	5.3%	1.8%	Aggregate Bond Index	-0.2%	2.0%
Dow Jones Industrial Average	3.5%	0.9%	U.S. Dollar Index	0.8%	-6.8%
NASDAQ 100	6.9%	2.3%	WTI Crude Oil	2.4%	-12.9%
Russell 2000 (Small Cap Index)	4.5%	-4.8%	Gold	-3.8%	21.9%
International Stocks (MSCI ex-US)	1.7%	13.0%	Real Estate (US REIT Index)	1.7%	1.1%

Sources: S&P Global, FactSet

Dissecting Headlines: Memorial Day Travel

Despite concerns about tariffs, lower gasoline prices are fueling the opportunity to travel over Memorial Day weekend, the unofficial start of Summer. The American Automobile Association (AAA) forecasts 45.1 million Americans will travel more than 50 miles from their homes during the holiday weekend, a 3.2% increase year-over-year.

Auto travel is the most prevalent, with 39.4 million Americans expected to travel by car, a 3.1% increase year-over-year. National average gasoline prices are 11.5% lower year-over-year at \$3.179 per gallon providing an incentive to hit the road. This should help defray other travel expenses such as food away from home, which is 3.9% higher based on the most recent CPI report.

Airlines should carry 3.61 million travelers for the holiday weekend, 1.7% higher year-over-year. Airfares are 2.0% higher year-over-year. Other modes of travel, to include trains and buses, are expected to carry 2.08 million passengers, an increase of 8.3% year-over-year.

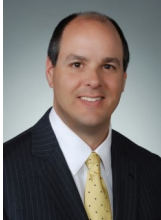
Hotel and motel prices are an average of 2.3% less expensive year-over-year based on recent CPI data. Other holiday weekend expenses are also lower, to include sports equipment down 3.7%, toys down 1.4%, and apparel down 0.7%. Higher expenses include movie and concert admissions up 3.4% and sporting events up 9.3%.

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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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.



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