NovaPoint CAPITAL LLC

Weekly Market Commentary

December 29, 2025

Last Call

Stocks head into the final week of trading with double-digit gains for the year. Last week, the S&P 500 Index was +1.4 %, the Dow Jones Industrials +1.2%, and the NASDAQ +1.2%. The Materials, Technology, and Financial sectors led the S&P 500 Index for the week, while the Consumer Staples, Consumer Discretionary, and Health Care sectors lagged. The 10-year U.S. Treasury note yield was 4.129% at Friday's close versus 4.151% the previous week.

The first report on third quarter GDP showed 4.3% growth versus 3.0% consensus, and versus the final second quarter reading of 3.8%. Consumer spending, higher differential between exports and imports, and higher government spending all contributed to higher economic growth for the quarter.

For the first half of 2026, CME Fed funds futures are currently forecasting a single 0.25% reduction in the Fed funds rate at its March meeting.

Fourth quarter earnings for the S&P 500 Index earnings are expected to grow by 8.3% with revenue growth of 7.6%. Full-year 2025 earnings are expected to grow by 12.3% with revenue growth of 7.0%. Looking ahead, current expectations for 2026 full-year earnings are 15.0% with revenue growth of 7.2%.

In our *Dissecting Headlines* section, we look at the forecast for higher tax refunds.

Financial Market Update

	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	1.4%	19.3%	Aggregate Bond Index	0.2%	7.1%
Dow Jones Industrial Average	1.2%	16.5%	U.S. Dollar Index	-0.6%	-9.6%
NASDAQ 100	1.2%	22.9%	WTI Crude Oil	0.1%	-20.9%
Russell 2000 (Small Cap Index)	0.2%	15.1%	Gold	4.5%	72.7%
International Stocks (MSCI ex-US)	1.5%	33.1%	Real Estate (US REIT Index)	1.1%	3.5%

Sources: S&P Global, FactSet

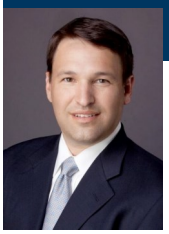
Dissecting Headlines: Tax Refunds

Data from the Tax Foundation shows that 2025 tax returns should see larger refunds than in recent years. The average tax refund for 2025 is expected at $3,800 versus $3,052 in 2024 and $3,004 in 2023. The larger refunds are due to the One Big Beautiful Bill Act, which reduced individual income taxes for 2025 by an estimated $144 billion. The IRS did not adjust withholding tables after the law passed mid-year, so most individuals continued to withhold taxes at the same rate as the start of the year versus adjusting to the changes in the Act. Most taxpayers will receive the difference when they file their 2025 tax returns in 2026.

The $144 billion tax reduction comes from several major changes in the Bill to include an increase in the child tax credit, increase in the standard deduction, the state and local tax deduction increase, the new additional deduction for seniors, the new auto loan interest deduction, the new deduction for tip income, and the new deduction for overtime income. Additional business deductions for bonus depreciation, full expensing for research and development costs, temporary expensing for manufacturing structures, and a more generous business interest deduction also contribute to individual tax returns of pass-through business owners.

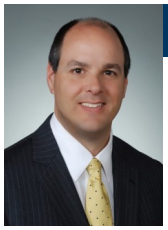
For 2026, withholding tables will adjust and taxpayers should receive higher take-home pay, creating a smoother impact across the year. The 2025 refunds along with lower withholding in 2026 should provide some support to consumer spending in what has been a struggling labor market.

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).

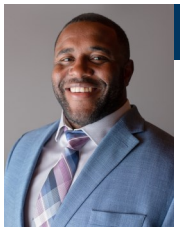


Alan J. Conner / President and Chief Compliance Officer / aconner@novapointgroup.com

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.

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