

Summer Spend

Despite positive tailwinds of falling gasoline prices and bond yields, two of the three major U.S. equity indices declined last week. For the week, the S&P 500 Index was -1.9%, the Dow Jones Industrials +0.6%, and the NASDAQ -4.2%. The Health Care, Real Estate, and Utility sectors led the S&P 500 Index for the week, while the Communication Services, Technology, and Consumer Discretionary sectors lagged. The 10-year U.S. Treasury note yield was 4.370% at Friday's close versus 4.455% the previous week.

The May Personal Consumption Expenditures (PCE) Price Index was +0.4% month-over-month and +4.1% year-over-year. Excluding food and energy prices, core PCE was +0.3% month-over-month and +3.4% year-over-year. Part of the headline increase was due to higher energy prices. This should start to reverse itself in June, as national average gasoline prices have declined 12.6% over the past month.

The third estimate for first quarter Gross Domestic Product (GDP) showed economic growth at 2.1% versus the second estimate at 1.6% and the advance estimate at 2.0%. Strong domestic investment underpinned economic growth during the quarter. The Federal Reserve is forecasting 2.2% GDP growth for the full-year.

There are four companies in the S&P 500 Index scheduled to report earnings this week. Second quarter earnings are expected to grow by 23.1% and quarterly revenue growth is expected at 12.3%. Full-year 2026 earnings are expected to grow by 24.0% with revenue growth of 11.2%.

In our Dissecting Headlines section, we look at cookout costs and travel forecasts for the Independence Day holiday.

Financial Market Update

<u>MARKET DATA</u>	<u>Weekly Return</u>	<u>YTD Return</u>		<u>Weekly Return</u>	<u>YTD Return</u>
S&P 500 Index	-1.9%	8.1%	Aggregate Bond Index	0.4%	1.1%
Dow Jones Industrial Average	0.6%	8.8%	U.S. Dollar Index	0.5%	3.1%
NASDAQ 100	-4.2%	15.7%	WTI Crude Oil	-9.6%	20.6%
Russell 2000 (Small Cap Index)	1.0%	21.9%	Gold	-3.1%	-5.4%
International Stocks (MSCI ex-US)	-2.6%	12.9%	Real Estate (US REIT Index)	4.7%	20.1%

Sources: S&P Global, FactSet

Dissecting Headlines: Grilling and Driving

Based on data from the Fam Bureau, the cost of a July 4th Cookout for ten people should cost \$73.82, 4.1% higher year-over-year. For the traditional hamburger, ground beef is 5.5% higher year-over-year, buns are 7.7% higher, and cheese is 1.7% higher. Chicken breasts are 3.5% higher year-over-year and pork chops are 4.7% higher. Ingredients for lemonade are 3.9% higher, strawberries are 12.4% higher due to a spring freeze in Florida, chocolate chip cookies are 6.3% higher, and ice cream is 5.3% higher. The single highest increase in the basket comparison is pork and beans which are 13.8% higher due mainly to higher aluminum costs raising the can price. Two basket items have declined year-over-year as lower potato prices lowered the cost of potato chips by 0.8% and potato salad by 17.8%. Lower egg prices also contributed to the lower potato salad prices.

The American Automobile Association's (AAA) Independence Day travel forecast projects a new record with 72.2 million people planning to travel more than 50 miles from home. This is 0.6% higher than last year. The main mode of transportation is expected to be by automobile with 61.4 million travelers. This is marginally higher than 2025's 61.3 million auto travelers. Current gasoline prices are averaging \$3.867 per gallon, 21.1% higher year-over-year. There may be some lower sticker shock at the pump since gasoline prices peaked in May and have fallen 12.6% over the past month. Air travel is expected to see 5.85 million travelers, a 0.2% increase from 2025. Domestic airfare is averaging \$830 per ticket due to higher jet fuel prices. Bus, train, and cruise travel is expected at 4.93 million passengers, an increase of 5.3% from last year.

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 currently holds the Federal Retirement Consultant designation.

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