NovaPoint

Weekly Market Commentary

July 13, 2026

Back to Fundamentals

Equity markets were mixed last week with the S&P 500 Index and NASDAQ higher and the Dow Jones lower. For the week, the S&P 500 Index was +1.3%, the Dow Jones Industrials -0.5%, and the NASDAQ +1.7%. The Technology, Energy, and Communication Services sectors led the S&P 500 Index for the week, while the Materials, Health Care, and Consumer Staples sectors lagged. The 10-year U.S. Treasury note yield was 4.563% at Friday's close versus 4.471% the previous week.

The minutes of the June Federal Open Market Committee (FOMC) meeting indicated that inflation was the main point of discussion for policy decisions. If inflation cools, rates could eventually remain steady or move lower. If inflation remains persistent, additional rate increases could become appropriate. The FOMC also sees an economy with strong growth, productivity gains, healthy business investment, a stable labor market, and unemployment relatively low. CME Fed funds futures currently show a single 0.25% interest rate increase at the September meeting, inline with the recent policy projection from the FOMC.

We will get data on June inflation with the Consumer Price Index scheduled for Tuesday and Producer Price Index for Wednesday. We will also see data on June retail sales and regional economic insights from the Fed Beige Book.

We return to a focus on fundamentals this week as the main part of the second quarter earnings reporting season begins with 31 companies in the S&P 500 Index scheduled to report earnings. Second quarter earnings are expected to grow by 23.6% and quarterly revenue growth is expected at 12.3%. Full-year 2026 earnings are expected to grow by 24.2% with revenue growth of 10.7%.

In our Dissecting Headlines section, we look at sector level earnings expectations for the second quarter reporting period.

Financial Market Update

MARKET DATA	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	1.3%	11.4%	Aggregate Bond Index	-0.4%	0.3%
Dow Jones Industrial Average	-0.5%	10.5%	U.S. Dollar Index	0.1%	2.7%
NASDAQ 100	1.7%	18.5%	WTI Crude Oil	4.0%	24.4%
Russell 2000 (Small Cap Index)	-0.6%	20.7%	Gold	-0.3%	-4.7%
International Stocks (MSCI ex-US)	-0.1%	13.7%	Real Estate (US REIT Index)	-0.9%	18.6%

Sources: S&P Global, FactSet

Dissecting Headlines: Second Quarter Earnings

For the second quarter of 2026, S&P 500 Index earnings growth is currently forecast at +23.6%. Data from FactSet shows ten of the eleven sectors are forecast to show year-over-year earnings growth. The Energy sector is expected to have the highest year-over-year growth at +122.9%, followed by the Technology sector at +63.3%, and the Materials sector at +35.3%. Rounding out the growing sectors are Utilities at +13.4%, Industrials at +10.0%, Communication Services at +7.2%, Consumer Discretionary at +6.7%, Financials at +6.6%, Consumer Staples at +5.2%, and Real Estate at +5.1%. The only sector expected to show a decline in year-over-year earnings is the Health Care sector at -9.0%.

Second quarter revenue growth for the S&P 500 Index is currently forecast at +12.3%. The highest revenue growth is expected in the Technology sector at +34.2%, followed by Energy at +27.0%, Communication Services at +13.7%, and Financials at +9.5%. All eleven sectors are forecast to show year-over-year revenue growth. The remaining seven sectors are Real Estate at +9.2%, Utilities at +8.3%, Consumer Staples at +7.7%, Industrials at +7.6%, Consumer Discretionary at +7.5%, Materials at +7.0%, and Health Care at +4.5%.

Key themes are likely to be capital spending on AI and anticipated return on that spending, the health of the consumer, bank loan growth and credit quality, and the impact of higher energy prices.

The forward 12-month Price-to-Earnings (P/E) ratio for the S&P 500 is 20.5x. This is above the 5-year average of 19.9x and the10-year average of 19.0x. Quarterly results and second half outlooks will be essential to equity performance.

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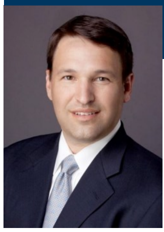
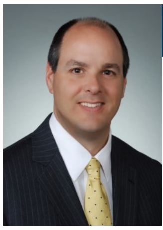
The NovaPoint Team



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

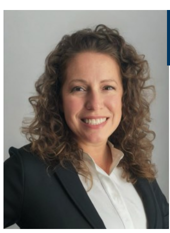
Alan has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a fixed income manager at both Spectrum Advisory Services and a private family office. Alan was also with the Bank Group division of Countrywide Capital Markets where he developed balance sheet 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.



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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.