NovaPoint

Weekly Market Commentary

July 20, 2026

Progress and Pullbacks

Despite cooling inflation, an escalation of military action in the Middle East and a pullback in semiconductor and AI-related stocks led markets lower last week. For the week, the S&P 500 Index was -1.5%, the Dow Jones Industrials -0.9%, and the NASDAQ -4.1%. The Energy, Real Estate, and Consumer Staples sectors led the S&P 500 Index for the week, while the Technology, Communication Services, and Industrial sectors lagged. The 10-year U.S. Treasury note yield was 4.549% at Friday's close versus 4.563% the previous week.

June inflation data reflected lower energy prices month-over-month with the Consumer Price Index (CPI) 0.4% lower and the Producer Price Index (PPI) 0.3% lower. The rate of core inflation also cooled month-over-month with core CPI flat and core PPI only 0.1% higher. Recent military action in the Middle East has reversed the downward move in energy prices with national average gasoline prices +3.4% for the week and diesel prices +4.8%. CME Fed funds futures currently show no projected increase in interest rates for the July 29th Federal Open Market Committee (FOMC) meeting and a single 0.25% interest rate increase for the year at the September meeting. This is in line with the policy projections from the FOMC.

The tempo of the second quarter earnings reporting season increases this week with 86 companies in the S&P 500 Index scheduled to report earnings. Second quarter earnings are expected to grow by 24.7% and quarterly revenue growth is expected at 12.8%. Full-year 2026 earnings are expected to grow by 24.5% with revenue growth of 10.9%.

In our Dissecting Headlines section, we look at items within the CPI that can influence consumer perceptions of inflation.

Financial Market Update

MARKET DATA	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	-1.5%	9.6%	Aggregate Bond Index	0.1%	0.4%
Dow Jones Industrial Average	-0.9%	9.4%	U.S. Dollar Index	-0.2%	2.5%
NASDAQ 100	-4.1%	13.6%	WTI Crude Oil	15.5%	43.7%
Russell 2000 (Small Cap Index)	-0.5%	20.1%	Gold	-2.5%	-7.1%
International Stocks (MSCI ex-US)	-1.7%	11.8%	Real Estate (US REIT Index)	3.1%	22.3%

Sources: S&P Global, FactSet

Dissecting Headlines: Inside the CPI

Economic data like the Consumer Price Index, doesn't get seen or analyzed by the average consumer. Those consumers are building their thoughts on inflation and the economy from their personal experiences when they are shopping, pumping gas, and writing a rent check.

Groceries ("Food at Home") were 0.2% higher in June versus May and 2.7% higher year-over-year. Within this data consumers see the actual prices at the store where ground beef is 12.4% higher year-over-year and milk is 9.0% higher, but eggs are 27.9% lower and chicken is 2.3% lower. Consumers will adjust their shopping behavior based on price changes. Restaurants ("Food Away from Home") showed prices 0.2% higher monthly and 3.6% higher year-over-year.

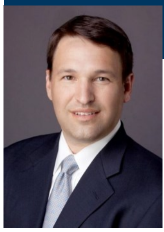
Gasoline prices were lower in June versus May by 8.5% but still 22.5% higher year-over-year. While some driving miles may be influenced by gasoline prices, it is also the case that money spent on gasoline can draw away from other discretionary expenses. Other auto-related expenses show auto insurance down 0.2% in June versus May. Auto insurance is still 5.7% higher year-over-year and has increase for the past few years due to more expensive cost of repairs from a combination of more technology being damaged in each accident and higher labor costs. Vehicle repair and maintenance costs are 4.4% higher year-over-year.

A persistently higher category within the core CPI is housing. Housing prices were 0.3% higher in June and 3.9% higher year-over-year. This is a large portion of a consumer's monthly budget and heavily impacts behavior.

There are some bright spots as cell phone service was 0.3% lower monthly in June and 1.3% lower year-over-year as there is a high degree of competition among service providers. Medical care costs were 0.1% lower monthly in June and only 2.1% higher year-over-year.

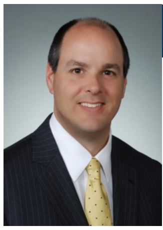
Overall, consumer prices are still growing above the Fed's 2.0% target level and the University of Michigan Consumer Survey shows more than half of consumers say high prices are weighing on their personal finances.

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

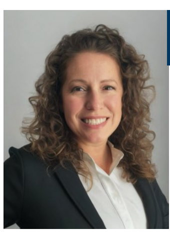
Alan has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a fixed income manager at both Spectrum Advisory Services and a private family office. Alan was also with the Bank Group division of Countrywide Capital Markets where he developed balance sheet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