NovaPoint

Weekly Market Commentary

July 27, 2026

Feeling the Heat

Escalation in the conflict between the U.S. and Iran pushed energy prices higher and created a risk-off mood in the equity markets last week. For the week, the S&P 500 Index was -0.6%, the Dow Jones Industrials -0.4%, and the NASDAQ -1.6%. The Energy, Utilities, and Industrial sectors led the S&P 500 Index for the week, while the Communication Services, Consumer Discretionary, and Consumer Staples sectors lagged. The 10-year U.S. Treasury note yield was 4.683% at Friday's close versus 4.593% the previous week.

There was little economic data last week, but that changes this week with reports on Consumer Confidence, second quarter Gross Domestic Product (GDP), Personal Consumption Expenditures (PCE) Prices, and the July Federal Open Market Committee (FOMC) meeting. The FOMC is not expected to increase the Fed funds at the meeting, but CME Fed funds futures are currently forecasting two 0.25% increases between now and year-end.

The meat of the second quarter earnings reporting season arrives this week with 177 companies in the S&P 500 Index scheduled to report earnings. Second quarter earnings are expected to grow by 37.9% and quarterly revenue growth is expected at 13.2%. This is already a significant increase versus the 23.3% earnings growth expected at the start of the reporting cycle earlier this month. Full-year 2026 earnings are expected to grow by 27.3% with revenue growth of 11.0%.

In our Dissecting Headlines section, we look at the Back-to-School shopping season.

Financial Market Update

MARKET DATA	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	-0.6%	9.0%	Aggregate Bond Index	-0.7%	-0.2%
Dow Jones Industrial Average	-0.4%	9.0%	U.S. Dollar Index	0.7%	3.2%
NASDAQ 100	-1.6%	11.8%	WTI Crude Oil	8.3%	55.5%
Russell 2000 (Small Cap Index)	-1.1%	18.8%	Gold	1.1%	-6.0%
International Stocks (MSCI ex-US)	0.4%	12.2%	Real Estate (US REIT Index)	1.6%	24.2%

Sources: S&P Global, FactSet

Dissecting Headlines: Back-to-School Shopping

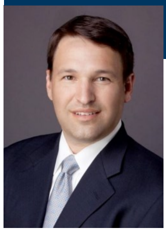
Even though it is prime time barbecue and swimming season, consumers are hitting the stores for back-to-school shopping. The National Retail Federation is forecasting 2026 spending to increase 14.5% to $146.8 billion. Most of the spending is for college students at $103.5 billion, a 16.6% annual increase. K through 12 spending is forecast at $43.3 billion, a 9.9% increase.

While 62% of shoppers have already taken advantage of June promotions at Amazon Prime Day, Walmart Deals, and Target Circle Deal Days, others are still waiting for better deals, some are spreading spending across pay periods, and others report still trying to figure out what they need. Given that the forecasted spending per family is $1,437.79 per college family and $863.86 per K through 12 family, it makes sense that consumers are deal seeking, only buying what they need, and looking to spread costs.

The main categories for college shopping are electronics representing nearly a quarter of all spending, followed by dorm furnishings, clothing, food, and personal care items. K through 12 spending is also focused on electronics, followed by clothing, shoes, and school supplies.

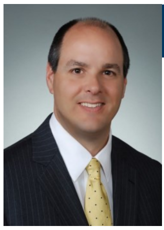
Only half of the survey respondents indicated they would be shopping online this year versus 55% last year. Other destinations include department stores, discount stores, and clothing stores.

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

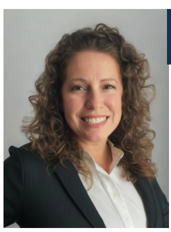
Alan has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a fixed income manager at both Spectrum Advisory Services and a private family office. Alan was also with the Bank Group division of Countrywide Capital Markets where he developed balance sheet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