Weekly Market Commentary

August 24, 2026

Moving Parts

Higher bond yields and oil prices pressured equity markets last week. For the week, the S&P 500 Index was -1.4%, the Dow Jones Industrials -0.8%, and the NASDAQ -2.4%. The Health Care, Energy, and Materials sectors led the S&P 500 Index for the week, while the Utilities, Industrials, and Technology sectors lagged. The 10-year U.S. Treasury note yield was 4.734% at Friday's close versus 4.688% the previous week.

Geopolitical concerns are back on the table as trade talks broke off between the U.S. and Canada on Friday, prompting both sides to enact additional tariffs on some goods not currently covered under the USMCA. The U.S. is also dialing up economic pressure on Iran with new sanctions expected this week.

On the domestic agenda, the Federal Reserve holds its Jackson Hole Economic Policy Symposium later this week. Fed Chairman Kevin Warsh is scheduled to speak on Friday morning. CME Fed funds futures currently show a single 0.25% increase at the September Federal Open Market Committee meeting.

This is the last significant week of earnings reports for the quarter with 24 companies in the S&P 500 Index scheduled to report. More than 93% of S&P 500 companies have now reported. Second quarter earnings are expected to grow by 50.9%, with revenue growth of 15.4%. Full-year 2026 earnings are expected to grow by 32.6%, with revenue growth of 11.7%.

In our Dissecting Headlines section, we look at the increase in the national debt to $40 trillion.

Financial Market Update

	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	-1.4%	12.9%	Aggregate Bond Index	-0.1%	0.0%
Dow Jones Industrial Average	-0.8%	12.0%	U.S. Dollar Index	-0.9%	0.5%
NASDAQ 100	-2.4%	16.5%	WTI Crude Oil	5.7%	51.6%
Russell 2000 (Small Cap Index)	-1.6%	22.5%	Gold	5.3%	6.8%
International Stocks (MSCI ex-US)	0.1%	17.8%	Real Estate (US REIT Index)	-0.4%	19.3%

Sources: S&P Global, FactSet

Dissecting Headlines: National Debt

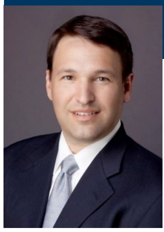
The U.S. national debt crossed $40 trillion this past week. Debt service is now approximately $1 trillion per year. The growing debt and resulting supply of Treasury securities are contributing factors to upward pressure on interest rates at the longer end of the yield curve. The U.S. 30-year Treasury bond ended the week at a 5.272% yield, its highest level since 2007.

Treasury Secretary Scott Bessent announced an expansion of buybacks of longer-dated Treasury securities designed to improve market liquidity and alleviate some pressure on long-term yields. The Treasury is issuing more shorter-term bills to meet financing needs. Greater reliance on shorter-term borrowing may reduce current financing costs but creates additional refinancing risk as that debt must be rolled over more frequently.

Looking at who owns U.S. government debt, approximately 46.0% is held by U.S. investors and institutions, 23.2% by foreign investors and governments, 19.4% by intragovernmental accounts, and 11.3% by the Federal Reserve. Interestingly, foreign ownership has not changed dramatically as a percentage of the total. In 2000, foreign investors and governments owned approximately $1.2 trillion, or 21.0% of U.S. government debt, compared with 23.2% today.

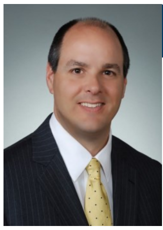
Reducing the debt burden ultimately requires some combination of faster economic growth, lower government spending, higher tax revenues, and lower interest costs. Stronger economic growth can increase tax revenues and reduce the debt burden relative to the size of the economy, but stabilizing the debt will require narrowing the gap between what the federal government spends and what it collects.

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

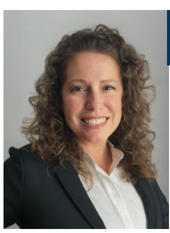
Alan has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a fixed income manager at both Spectrum Advisory Services and a private family office. Alan was also with the Bank Group division of Countrywide Capital Markets where he developed balance sheet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

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