Weekly Market Commentary

August 31, 2026

Transition Game

The impact of strong corporate earnings was slightly offset by hawkish comments from Federal Reserve Chairman Kevin Warsh, leaving equity markets with a small advance last week. For the week, the S&P 500 Index was +0.5%, the Dow Jones Industrials +0.6%, and the NASDAQ +0.4%. The Technology, Communication Services, and Financial sectors led the S&P 500 Index for the week, while the Energy, Health Care, and Industrial sectors lagged. The 10-year U.S. Treasury note yield was 4.726% at Friday's close versus 4.734% the previous week.

Chairman Warsh spoke at the Federal Reserve's Jackson Hole Economic Policy Symposium last week. He said both the economy and labor market are healthy, allowing the Fed to focus on inflation. Warsh reiterated the Fed's 2% inflation goal and said that setting short-term interest rates will be the Fed's main policy tool. That made the message clear that unless inflation recedes that the Fed would seek to increase rates to lower inflation. CME Fed funds futures currently show a 0.25% increase at the September Federal Open Market Committee meeting. We will get more information on the labor market later this week when the August Employment Situation report is released.

Earnings reports are at the tail-end for the quarter with 97% of S&P 500 Index companies reported. This week nine companies in the S&P 500 are scheduled to report. Second quarter earnings are expected to grow by 52.0%, with revenue growth of 15.5%. Full-year 2026 earnings are expected to grow by 31.2%, with revenue growth of 11.9%.

In our Dissecting Headlines section, we look at the Venezuelan oil announcement and U.S. Strategic Petroleum Reserve.

Financial Market Update

	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	0.5%	13.5%	Aggregate Bond Index	0.1%	0.1%
Dow Jones Industrial Average	0.6%	12.6%	U.S. Dollar Index	0.9%	1.4%
NASDAQ 100	0.4%	17.0%	WTI Crude Oil	-4.2%	45.2%
Russell 2000 (Small Cap Index)	-1.5%	20.6%	Gold	-3.2%	3.3%
International Stocks (MSCI ex-US)	0.0%	17.8%	Real Estate (US REIT Index)	-1.4%	17.7%

Sources: S&P Global, FactSet

Dissecting Headlines: Strategic Petroleum

The U.S. announced an agreement with Venezuela to secure development rights over 17 oil fields with approximately 65 billion barrels of recoverable reserves. This is heavy crude oil that can be refined on the U.S Gulf Coast.

Extracting the oil would require substantial investment as Venezuela's output had been curtailed and infrastructure neglected under the Maduro regime. Several U.S. companies to include Chevron, Exxon Mobil, ConocoPhillips, Halliburton, and Hunt Oil were mentioned as working with Venezuela's state-owned oil company (PDVSA) on the development. The agreement doesn't add any immediate physical supply but does create potential long-term reserves that can be extracted.

An increase in petroleum production, whether from Venezuela or domestically, is needed to replenish the U.S. Strategic Petroleum Reserve (SPR). At the end of 2021, the SPR held 594 million barrels but then was drawn down to 372 million barrels by the end of 2022 from emergency releases meant to stabilize oil markets at the outset of the Russian-Ukraine war. Stocks were further drawn down to 355 million barrels by the end of 2023 before a partial replenishment up to 413 million barrels by the end of 2025. The U.S.-Iran conflict and traffic restrictions in the Strait of Hormuz in 2026 resulted in another drawdown to the current level of 290 million barrels.

There is no legally mandated minimum level for the SPR, but the stated capacity is 680 million barrels. It was created in response to the 1973-74 oil embargo and during a time when the U.S. was more heavily reliant on imported oil. Its purpose was to buffer physical supply interruptions.

While the Venezuelan agreement won't have any immediate solution for a depleted SPR, a secure supply arrangement could bring Venezuela back to its late 1990's status when it supplied 17% of U.S. oil imports.

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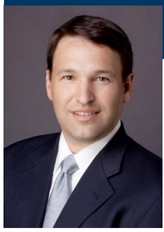
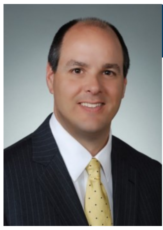
The NovaPoint Team



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).



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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.

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).

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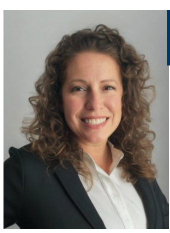
Larry leads NovaPoint's accounting, tax and outsourced CFO business. He built his previous company, Atlas Solutions, as a solo entrepreneur before merging into NovaPoint CFO. Larry began his career as a Field Artillery officer in the United States Army. Larry earned his Bachelor of Science degree from 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 holds both the Certified Financial Planner (CFP) and Federal Retirement Counselor (FRC) designations.