NovaPoint

Weekly Market Commentary

September 21, 2026

Enduring the Hike

Equities finished mixed last week as investors digested the Federal Reserve's interest rate increase and the prospect of additional tightening by year-end. For the week, the S&P 500 Index was -0.1%, the Dow Jones Industrials -1.6%, and the NASDAQ +0.9%. The Health Care, Communication Services, and Technology sectors led the S&P 500 Index for the week, while Utilities, Financials, and Real Estate lagged. The 10-year U.S. Treasury note yield was 5.006% at Friday's close, versus 4.973% the previous week.

In a unanimous vote, the Federal Open Market Committee (FOMC) raised the federal funds rate by 0.25% to a target range of 3.75% to 4.00%. The updated Summary of Economic Projections shows a 2026 year-end target range of 4.00% to 4.25%, implying one additional increase this year, but no further increases in 2027. CME fed funds futures are currently pricing in a 0.25% increase at the October meeting and an additional 0.25% increase at the January meeting which is more aggressive than the FOMC's current outlook.

This week's economic calendar is light, but the focus will be on U.S.–China trade as Presidents Trump and Xi meet on Thursday. Topics of discussion will likely include tariffs, artificial intelligence, and global security.

This week, six companies in the S&P 500 Index are scheduled to report third-quarter earnings. Third-quarter earnings are expected to grow by 28.9%, with revenue growth of 11.9%. Full-year 2026 earnings are expected to grow by 31.8%, with revenue growth of 12.1%.

In our Dissecting Headlines section, we review the Federal Reserve's updated outlook for the U.S. economy.

Financial Market Update

	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	-0.1%	12.7%	Aggregate Bond Index	0.0%	-1.0%
Dow Jones Industrial Average	-1.6%	8.8%	U.S. Dollar Index	1.1%	1.9%
NASDAQ 100	0.9%	17.9%	WTI Crude Oil	0.2%	74.7%
Russell 2000 (Small Cap Index)	-1.5%	16.2%	Gold	0.7%	1.5%
International Stocks (MSCI ex-US)	-1.2%	15.2%	Real Estate (US REIT Index)	-1.8%	12.8%

Sources: S&P Global, FactSet

Dissecting Headlines: The Fed's Outlook

At the conclusion of its policy meeting last week, the Federal Reserve published its updated Summary of Economic Projections. The report presents the individual forecasts of Federal Reserve Board members and Reserve Bank presidents, including their assessments of the appropriate path for monetary policy.

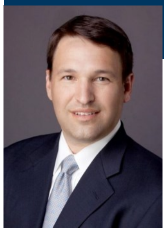
Overall economic growth, as measured by Gross Domestic Product (GDP) is projected at 2.3% for 2026, a touch higher than the Committee's previous projection of 2.2%. Growth for 2027 is also projected slightly higher at 2.4% versus 2.3% previously. Capital spending on artificial intelligence and other technology initiatives has underpinned growth in recent quarters.

Fed Chairman Kevin Warsh has repeatedly said that employment conditions remain solid. That view is reflected in the updated projection of the unemployment rate for 2026 at 4.1% versus 4.3% previously. The unemployment rate for 2027 is also projected at 4.1% versus 4.3% previously. Employment in skilled trades and other occupations less susceptible to displacement by artificial intelligence has been particularly strong.

Inflation has been the primary area of concern for the Committee, and the decision to raise the federal funds target rate was intended to speed a return to better price stability. The Committee projects inflation, as measured by the Personal Consumption Expenditures (PCE) Price Index at 3.7% in 2026 versus 3.6% previously. Similarly, it sees core PCE, which excludes the impact of food and energy price changes, to be 3.4% for 2026 versus a previous projection of 3.3%. The Committee does see inflation moderating to 2.3% in 2027 and core inflation moderating to 2.5%, followed by further moderation in 2028 and 2029.

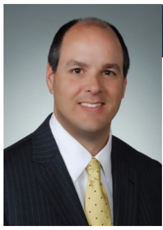
Based on this outlook, the median projection of Committee participants sees a total of 0.50% in increases to the fed funds rate for 2026, with no further need for increases in 2027. It also sees the potential for rate reductions in 2028 and 2029, assuming the current policy decisions produce the results the Committee is expecting.

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

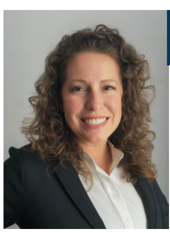
Alan has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a fixed income manager at both Spectrum Advisory Services and a private family office. Alan was also with the Bank Group division of Countrywide Capital Markets where he developed balance sheet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

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