NovaPoint

Weekly Market Commentary

November 2, 2026

Defensive Shift

Underperformance in technology-related stocks and a shift toward more defensive sectors were evident last week. For the week, the S&P 500 Index declined 0.6%, the Dow Jones Industrial Average fell 0.8%, and the NASDAQ 100 fell 2.0%. The Health Care, Utilities, and Materials sectors led the S&P 500 Index for the week, while Communication Services, Technology, and Consumer Discretionary lagged. The 10-year U.S. Treasury note yield ended Friday at 4.910%, down from 4.998% the previous week.

The Fed held short-term interest rates steady at its October policy meeting. The FOMC voted 10-2 to maintain the federal funds target range at 3.75% to 4.00%, with two dissenters preferring a 25-basis-point increase. Current CME Fed funds futures point to a 25-basis-point increase at the December meeting and an additional 25-basis-point increase at the March meeting.

The advance estimate of third-quarter GDP showed annualized growth of 3.4%, up from 2.2% in the second quarter. Strong growth in personal consumption and fixed investment was partially offset by a drag from net exports. This week's economic calendar includes the October Employment Situation report scheduled for Friday.

About 60% of the companies in the S&P 500 Index have reported third-quarter results, and another 140 companies are scheduled to report results this week. Third-quarter earnings are expected to grow 30.2% year-over-year, with revenue growth of 13.4%. For full-year 2026, earnings are expected to grow 32.9%, with revenue growth of 13.0%.

In our Dissecting Headlines section, we look at the components of GDP growth.

Financial Market Update

	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	-0.6%	11.8%	Aggregate Bond Index	0.5%	-0.1%
Dow Jones Industrial Average	-0.8%	9.1%	U.S. Dollar Index	0.1%	3.6%
NASDAQ 100	-2.0%	13.0%	WTI Crude Oil	0.8%	81.3%
Russell 2000 (Small Cap Index)	1.3%	14.4%	Gold	-3.0%	-10.2%
International Stocks (MSCI ex-US)	0.3%	11.4%	Real Estate (US REIT Index)	1.2%	14.2%

Sources: S&P Global, FactSet

Dissecting Headlines: Third Quarter GDP

The U.S. economy grew at a 3.4% annualized rate in the third quarter, accelerating from 2.2% in the second quarter.

Consumer spending accounted for about three-quarters of GDP growth, with services spending growing 4.1% and goods spending increasing 3.0%. Hospitals, outpatient care, and restaurant meals were leading contributors within services, while prescription drugs led the increase in goods spending.

Private domestic investment grew 19.4%. Within investment, spending on information processing equipment rose 37.4%, software investment increased 9.6%, and research and development spending grew 7.5%. This strength aligns with the announcements from companies spending on the AI buildout. In contrast, housing investment declined 3.3%.

Trade subtracted from economic growth as exports declined 5.7% and imports increased 19.7%. Lower U.S. petroleum exports were a factor in the export decline. Capital goods, including computers and peripheral equipment, contributed to the increase in imports.

Government spending increased 5.3%, with federal spending increasing 15.8%, including an 11.7% increase in defense spending. State and local government spending declined 0.1%.

Overall, resilient consumer demand and strong business investment led growth, while weakness in housing and exports tempered expansion.

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Joe has over 25 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 United States 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 25 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.



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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. Frederick began his investment career in 1991 at Balentine & Co. 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 United States 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. Larry began his career as a Field Artillery officer in the United States Army. Larry holds a BS 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 is a Certified Financial Planner (CFP) and a Federal Retirement Consultant (FRC).

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