

BILLS ASSET MANAGEMENT

BAM MARKET NOTE

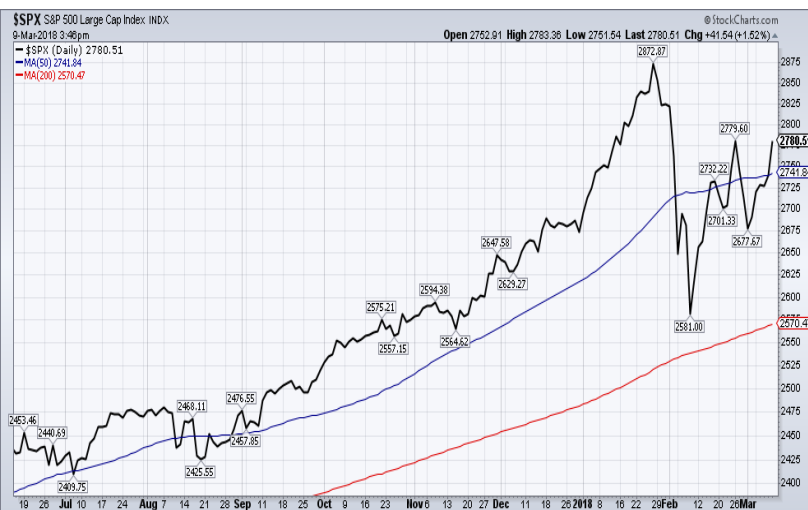
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SAM BILLS (865) 525-1329

BO BILLS (615) 371-5928



It has been a good week and the market is being led higher by the technology laden NASDAQ. In fact, this index has recovered all of its February losses and has reached new highs with today's surge. As long-time readers know, a market led by small-caps, tech shares, and other risk oriented investments is the sign of a healthy advance. With the NASDAQ up nearly 5% over the last 6 trading days, there is no denying the leadership of this important index.



While the S&P is still 3% off of its highs, it too has strengthened considerably this week and has established a higher high in the bounce off the February lows. Last week it seemed that the market was making its way back down to the February 8th low. However, the market has a way of making fools out of as many as possible. That is just one reason why we make our investment decisions based upon technical analysis and not on what we think the market might do. While opinions are an interesting exercise, the charts never lie.

Our Point

This morning's stellar jobs report points to continued economic strength. The report combined by the Fed (to this point) sticking to its planned 3 rate hikes this year led to an explosive rally today. Good news on the geopolitical front certainly didn't hurt as tensions with North Korea continue to temper and hopes of a positive and historic resolution to this long-time conflict seem possible. We have our doubts but things are certainly moving in the right direction. How quickly the tide turns. Last week it seemed like we were on the cusp of another breakdown and this week it seems like we are on the cusp of a new breakout! Volatility has certainly increased from what we have become accustomed to over the last couple of years. Today's upside surprise numbers on the job report will likely get the Fed talking next week. What they say or don't say will be a market mover next week as fears of inflation and raising rates too fast remain a concern for this market. March madness starts next week and conference tournaments wrap up this week so settle in and watch a few basketball games.

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