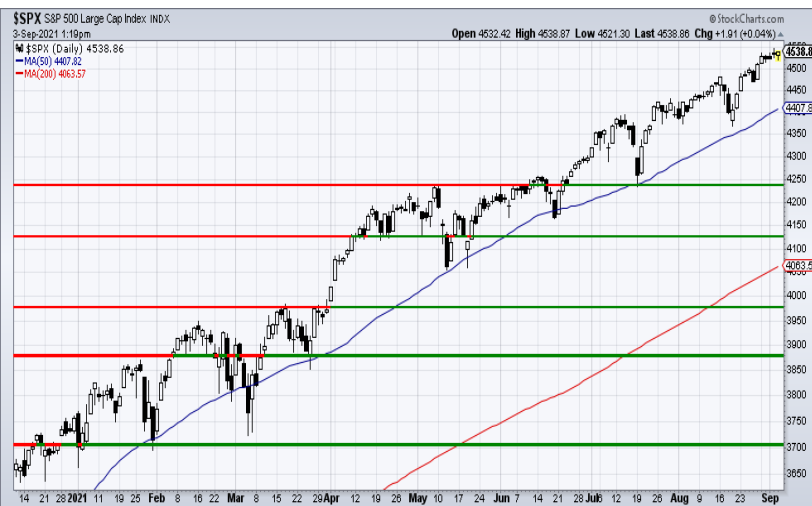
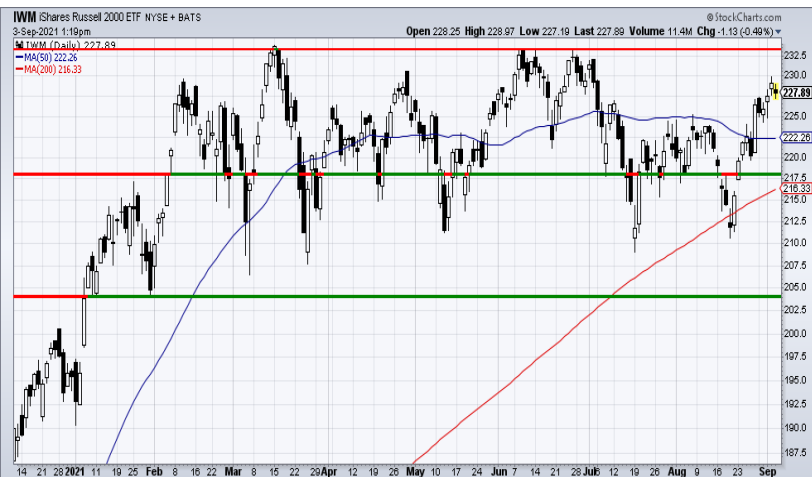


**BILLS ASSET MANAGEMENT**  
**BAM MARKET NOTE**  
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The large cap S&P continues its move upward with little to no volatility. The index continues to be stretched to the upside and is about to the point where we have seen some weakness in month's past. It would not be surprising to see a down week or two in the near future. We continue to believe that weakness should be bought but that getting overly aggressive at these levels could prove costly to your investments. Historically, September and October have been among the most challenging months. With markets at current levels, a logical time for the much-awaited correction would be over the next couple of months.



Small caps have had another good week (despite a little weakness today). The Russell 2000 continues to move up in the now 7-month long trading range and is nearing the top of the trading range. The strength in small caps is definitely helping the rest of the market. A break above the top of the trading range would provide a flood of new money and would lead to an acceleration of an already impressive market. High yields (not shown) have also been doing very well and show no signs of bond market concerns for the economy.

## Our Point

The relatively dismal jobs report this morning has had little to no effect on the markets proving once again that the market is much more concerned with Fed liquidity than economic strength. Who needs jobs when you have liquidity out the wazoo? The report indicated new jobs of 235,000 compared to the expectation of 720,000. It was another colossal miss by "the experts." The weak report provides cover for the Fed to patiently wait to taper (much less raise rates) and likely pushes any taper talk back another month or two. The report also gives the Biden administration an opportunity to walk a fine line of slow and steady economic recovery and a need for infrastructure spending. The situation in Afghanistan has derailed infrastructure talks over the last few weeks but the White House is hoping that international issues will give way to domestic ones. Senator Joe Manchin threw a little cold water on the more expansive \$3.5 trillion bill earlier this week, but the smaller \$1.5 trillion bill still seems likely to pass in some form or fashion. The continued flood of money lends credence to the idea of continuing bullish markets despite the significant longer-term issues that such easy money will lead to. It seems the market is resigned to viewing inflation and the other issues of current Fed policy as a problem for another day. We sold a position this week to free up some cash to reposition on any pullback or other opportunities that may presents themself. While we continue to be nervous about the overbought nature of the market and the longer-term effects of current Fed policy, there is no denying the persistent strength of the large cap indices. We remain conscious of market risk while also looking to capitalize on market strength. Thank you for your trust as we navigate these unusual markets. Enjoy your long labor day weekend. It promises to be a very nice one. And while I can, I would like to tout the undefeated Vols.

*The content of the BAM Market Note is provided for general informational purposes only and should not be construed as advice to purchase or to retain any interest in any of the investments mentioned. Any references to returns are not indicative of future performance and are subject to adjustment or revision.*