

BILLS ASSET MANAGEMENT

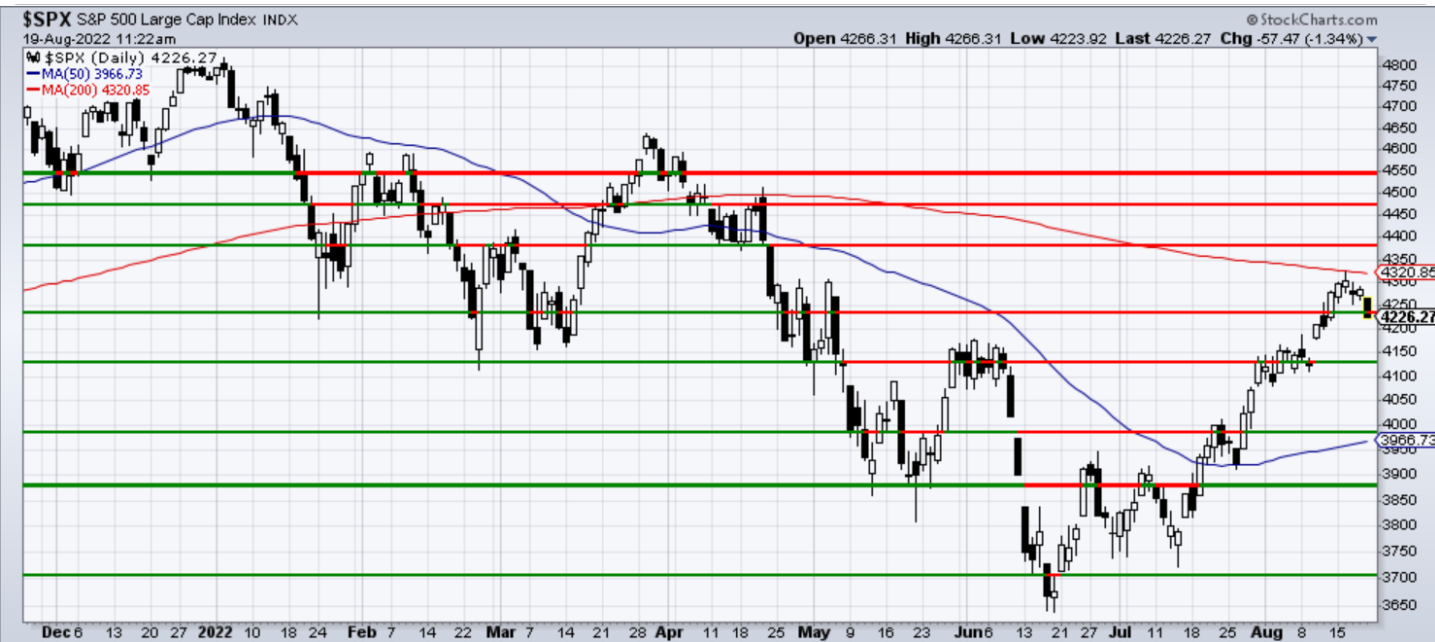
BAM MARKET NOTE

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Our Point

BAM Market Note readers, today is a very special day as Bo celebrates his 56th birthday! Give the old man your birthday wishes next time you speak with him. He is truly an amazing father and half-decent business partner as well. I am beyond fortunate to work alongside him and draw from his experience in both life and in the finance realm. Accordingly, Bo will be taking the day off from writing this note, and I (Carter) will be lending you my thoughts and market commentary. We mentioned in the last market note that the 200-day moving average for the SP500 was less than 2% away and that it was likely to be tested sooner than later. The bulls were able to test that level on Tuesday, with a large intra-day push that went right up to the key indicator. However, the advance was brief, and sellers stepped in to turn away the surging bulls. The market has traded lower since that moment and has added to its losses today. The bears are making a stand for now. Last week, we highlighted the possibility of a counter-trend move as options expire today and the overbought conditions warranted a pullback. That is exactly what has played out as we look to finish the week down approximately 1% in the major indices, with nearly all that damage being done today. If the bulls are able to make a stand here near the 4230 support level (shown above), then the market will be in a tight range between the 200-day moving average and the support level that it currently rests on. A break either way could spur a larger move in that direction. Investors are still trying to anticipate if the Fed will pivot from their current hawkish stance at next month's meeting. The market as a whole is still largely overbought and due for a minor correction or some sideways consolidation at a minimum. While uncertainties loom large, the market's rally off of the June lows has been impressive. We will be watching the market action closely the next few weeks as the bulls and the bears play tug of war for the validity of the recent rally. We made a minor change in our portfolios this week as we increased our exposure in one of the positions we were already holding. More changes can be expected as we monitor the markets over the next few weeks. Have a blessed weekend and as always thank you for reading.

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