

# BILLS ASSET MANAGEMENT

## BAM MARKET NOTE

JULY 18, 2025

BO BILLS (615) 371-5928

CARTER BILLS (615) 585-6867



## Our Point

The stock market notched another positive week, with the tech-heavy Nasdaq leading the charge, up about 1.5%, and the S&P 500 on track to close just shy of a 1% gain. These gains come despite renewed tariff turbulence, as President Trump threatened both Mexico and the EU with a 30% levy on imported goods. Just a few months ago, such headlines might have sent markets sharply lower. But investors appear increasingly resilient to tariff talk, as more countries reluctantly come to the negotiating table. Earnings season is now underway and could provide the momentum needed for the S&P 500 to push higher. Several major banks reported earnings earlier this week, with mixed results. Last night, Netflix beat expectations and raised forward guidance during its earnings call. Yet, the stock is trading down nearly 5% today. This is a reminder that even a solid report isn't always enough to satisfy investors. Over the next couple of weeks, many other major players will release earnings, and we'll be watching closely for insights into potential market direction. CPI and PPI inflation data was released mid-week. While CPI came in slightly above expectations, PPI - the more closely watched of the two - came in flat, defying forecasts for a modest increase. This unexpectedly soft PPI reading helped ease Treasury yields and may encourage some movement out of "safe haven" assets and back into equities, where investors continue to seek higher returns. This morning, June retail sales data showed stronger than expected growth, signaling robust consumer spending, a key driver that could offer additional support to the market in the months ahead. Next week, Alphabet (Google) will be the first of the "Magnificent 7" to report earnings. Thursday of next week will also bring a slew of economic data to sift through, including Jobless Claims and new homes sales. With ongoing geopolitical risks and the always uncertain tariff policy, we will have plenty to watch over the coming weeks. Our portfolios continue to benefit from the market's upward trend. While we did not make any changes this week, we remain vigilant and ready to act should new opportunities arise. We're well-positioned to take advantage of continued strength in the market. We are grateful for your trust and we thank you for reading. We wish you a blessed weekend, wherever it may find you. Bo will be back in town next week and will write next week's note. Please reach out to us if you have any questions in the meantime!