

BILLS ASSET MANAGEMENT

BAM MARKET NOTE

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Our Point

It was a mixed bag for earnings this week as Meta and Apple were rewarded and Tesla and Microsoft were punished. For the week, Meta and Apple are up 10% and 3%, respectively. On the other hand, Tesla and Microsoft are down 5% and 6%, respectively. Fortunately, other lesser names continue to post strong earnings and buoyed the market. For the week, the S&P looks to close up a little over .5%. The Nasdaq is up a similar amount. Today is the last trading day of January and the market will close with another strong month. The S&P, Nasdaq and Dow will all be up around 2% for the month. As we have mentioned over the last several market notes, the Russell 2000 remains the star and will close the month up nearly 7%. The Fed met this week and as expected, left interest rates unchanged. Chairman Powell's press conference after the announcement indicated a measured response going forward. Importantly, there were 2 dissents on the decision as 2 Fed governors voted to reduce interest rates by another 25 basis points. The dissents may indicate a more dovish Fed especially as a new Chairman of the Fed is installed in May when Powell's term ends. Speaking of a new Fed chairman, President Trump made his selection this morning. Kevin Warsh will be nominated to be the next Fed Chair. While there were a number of names floated to be Trump's nominee, Kevin Warsh was widely accepted to be a good choice. As a former Fed governor, Warsh has the experience and is seen as more independent than some of the other options considered. The markets had little reaction to the news which indicates favorable acceptance of the pick. Warsh still needs to get through Senate confirmation but will likely not face undue issues there. Earnings continue next week with another huge slate of results. Google and Amazon will report on Wednesday and Thursday and there will be a host of other important names reporting through the week. It will be one of the busiest earnings weeks of the quarter so it could be another market moving week. The most recent jobs report will also be released next Friday. The jobs report will provide more clarity on the health of the economy and future rate cuts. We made no changes to our portfolios and look to finish the month up strongly across our various portfolios. Our holdings are behaving as we expected. The markets are on solid footing, and we continue to push higher during the traditionally strong market period. We remain diligent in reacting to any changes but, for now, sunny skies remain. That was not the case for Nashville this week as the historic ice storm has crushed much of middle Tennessee. Unfortunately, we were not spared and, with close to 100,000 other neighbors, have been without power since Saturday night. We braved the frigid cold with generators for a few days but moved to a hotel to escape the cold when it became apparent that this was going to last longer than we expected. Kelly also slipped on the ice and broke a toe and a rib so it was time to call it quits! Fortunately, Carter had power restored a couple of days ago. Despite the inconvenience, we are blessed to have power restored for our kids and have a warm place to sleep at night. Unfortunately, that is not the case for all of those without power and our thoughts and prayers are with them. I hope you are some place warm, your family is safe, and you can enjoy a wonderful weekend.