

BILLS ASSET MANAGEMENT

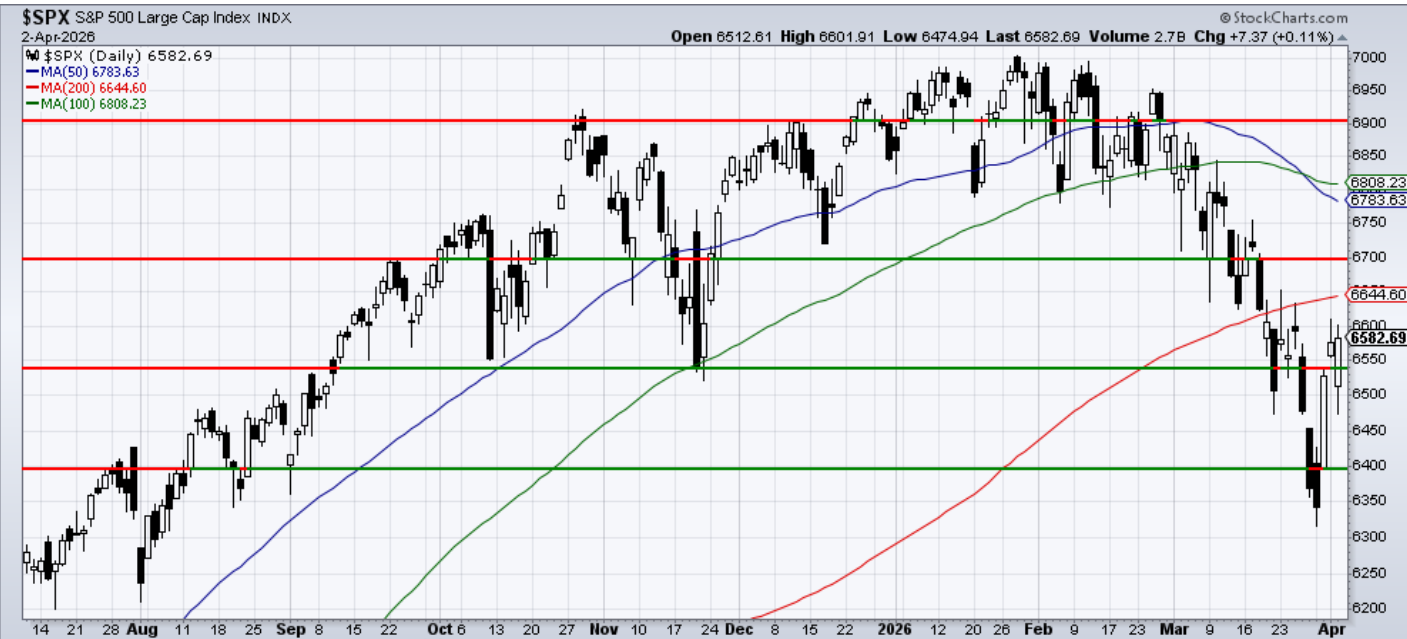
BAM MARKET NOTE

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Our Point

Markets are closed today for Good Friday so this will be an abbreviated note. The markets recovered a bit this week as the S&P logged a gain of over 3%. The surge on Tuesday got some follow-through on Wednesday and Thursday. The rally is beginning to repair some of the technical damage done. One of the broken support lines was recaptured and has held so far. That support now becomes important again for the bulls to hold and defend. We are not under the illusion that all is better, and we are on our way back to new highs, but we'll take a bit of positive news. As with the tariff tantrum last year, at some point headlines become less and less important as the markets adjust to the new environment. We are beginning to see this. However, major headlines and developments in Iran will still rule the markets. Have we reached the bottom? The decline earlier this week that pierced the 6400 support may well be the bottom, but we wouldn't be surprised if the markets test that level again before the selling is done. It really depends entirely on the Strait of Hormuz and a resolution of some kind to the conflict with Iran. On the economic front, we got good news this week with a strong retail sales report (the consumer is still spending) and the jobs report (employers are still hiring). Both point to a resilient US economy. In some respects, these reports are more important than the Middle East. While the issues with Iran will eventually be settled, the market looks through everything to see its effects on the economy. The stronger than expected economic reports are encouraging and could point to a strong recovery in the markets once the Iran war is settled. We remain wary but optimistic. Investors should remain cautious but should be compiling a list of names to put money to work as things settled down a bit. We have some cash available in our portfolios and are looking for names and areas of the market that could recover quickly. Our list is growing and opportunities come out of weakness like we have seen. Thank you for your trust in these tumultuous times. We hope you have a wonderful Easter weekend surrounded by friends and family.