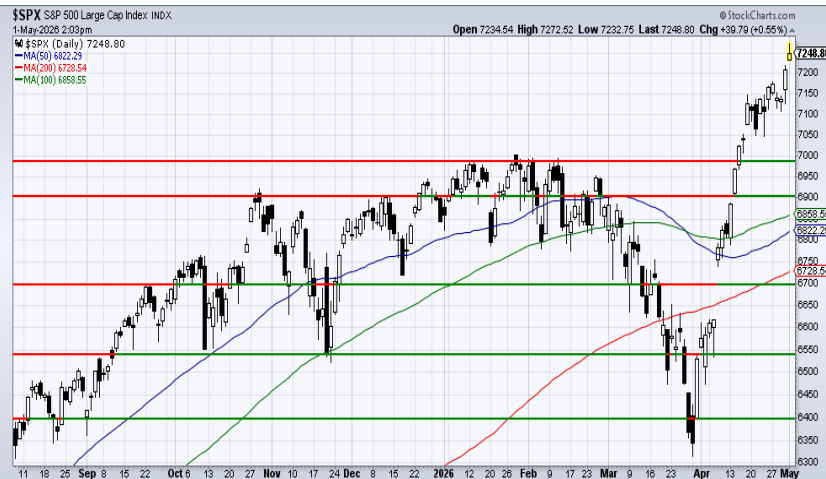


BILLS ASSET MANAGEMENT
BAM MARKET NOTE
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Last week, we noted that the sideways market set the stage for another leg up in the market if earnings came in strong. With mostly positive earnings, the market has done just that with the S&P logging another 1% gain this week. There was some weakness going into the Fed announcement, but earnings gave the market momentum yesterday and today. We are back to being a little overbought so another sideways or small decline next week would be constructive. This market just wants to go up. It is hard to chase the market at these levels if you have cash to invest but we still believe there is more room to run. Buy into weakness with any cash.

The dollar remains a chart that we look at daily. The dollar strengthened with the Middle East tensions but has since pulled back significantly. A falling dollar can often provide tailwinds for the market in general but especially for international holdings.

Our Point

There was a lot for the market to digest this week. The Fed kicked off the fireworks with their rate announcement on Wednesday afternoon. As nearly everyone expected, the Fed didn't change current rates. What was a little surprising was the nearly unprecedented lack of consensus. There were 4 dissents of the opinion – 3 members dissented on the language regarding future easing (bearish) and 1 member dissented thinking that a ¼ point cut should have been made. The lack of consensus leaves the market guessing on the rate path going forward. The meeting was also the last one for Chairman Powell – or so we thought. While Chairman Powell will no longer be Chairman, he did say that he was going to stay on the committee for the remainder of his term. The move was unusual as most Chairmen resign after their leadership is over. However, with the threat of legal action against him, Powell wanted to hold some leverage and prevent Trump from naming his own new committee member. It will be interesting to see how this plays out as Trump really wants to put his own person on the committee. We suspect a deal will be struck and Powell will resign in the coming months with Trump appointing what he views as a favorable member. The direction the Fed takes with new Chairman Warsh (assuming he gets confirmed – likely) and what the White House hopes will be a more dovish Fed, will shape the markets the remainder of this year and beyond. Besides all of the Fed news, we did get earnings from 5 of the Mag 7 companies. Google was the big winner and is up 12% this week. Meta was the loser with losses of 9%. The other 3 tech bellwethers reported solid earnings and traded up but not significantly. However, the market breathed a sigh of relief as all seems well on the tech front. Next week will be another full week with more earnings, Middle East developments, headlines leading up to the Trump/Xi summit the following week (additional China tariffs have been proposed) and the jobs report to end the week on Friday morning. Any or all of these could set the stage for more market gains or a sharp and quick correction. It is never boring. As April came to a close, the markets enjoyed one of their best months in history. Since 1974, there have only been 5 better months. Our portfolios kept pace with the market, and we are mostly fully invested. This week we added some additional international exposure on the dollar weakness to round out our holdings. It feels like an early spring day today and promises to be a nice and cool weekend in Tennessee. We will certainly enjoy it and trust that you will too!