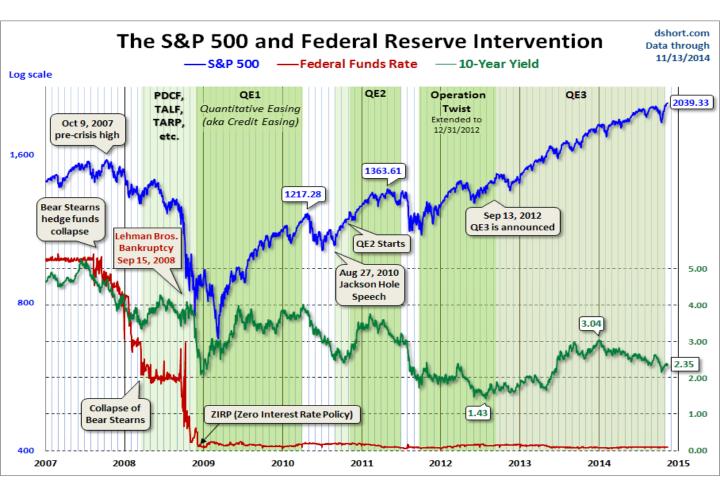
## BILLS ASSET MANAGEMENT BAM MARKET NOTE

**NOVEMBER 7, 2014** 

SAM BILLS (865) 525-1329 Bo BILLS (615) 371-5928



## **Our Point**

This is a little bit of a busy chart but there is lots of information to dissect from it. One key takeaway is the direct correlation between the Fed QE programs and market surges. The flip side of that has been large corrections when QE programs were removed. We are now 2 weeks past the end of QE3. To this point, the markets have shrugged at the removal and, in fact, surged after the minor correction in late September/early October. Since the bottom in mid-October, the S&P is up nearly 200% on an annualized basis. There is no doubt that the ascent of the rally cannot continue at its current rate much longer. In fact, the S&P has traded mostly flat over the last week. We will soon see if the market is resting before its next up-leg or if the rally is stalled. We are entering a VERY favorable time for the markets. Most market prognosticators are predicting a strong finish to the year – which always makes us a little nervous.

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