

BILLS ASSET MANAGEMENT

BAM MARKET NOTE

DECEMBER 19, 2014

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\$SPX S&P 500 Large Cap Index INDX

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18-Dec-2014

Open 2018.98 High 2061.23 Low 2018.98 Close 2061.23 Volume 2.7B Chg +48.34 (+2.40%) ▲

— \$SPX (Daily) 2061.23
— MA(50) 2004.74
— MA(200) 1949.06



Our Point

December started out roughly with the S&P falling 5% in 7 trading days. However, as has been the case, the markets rallied strongly the last 2 days and have recovered all but a fraction of the losses. This is the 5th V shaped bottom this year marked above. At some point one of these declines will have a small bounce and then take a dive further – but not yet! With the strong move on Wednesday and the equally strong follow through yesterday, it would seem that this market wants to continue this rally for a bit longer. With the strong moves over the last two days, it would be normal and healthy for the market to pause for a few days before moving to new highs to finish out 2014. Seasonal strength should provide some tailwinds. Our portfolios weathered the correction and have rallied back with the market. All in all it has been an exciting and tumultuous two weeks but we are basically back where we started the month.