

Below is a snapshot of last week's market performance and what to watch in the weeks ahead from Chadd Mason, Cabana CEO and co-founder.

U.S. and international equity markets posted another strong week last week. We saw huge moves up in commodities, especially copper. Copper is considered a great indicator of the health of the world economy, so much so that it is often referred to as "doctor copper". This is due to its use in areas of manufacturing and industrial processes. Following that line of thinking, it appears the patient is improving. The iPath Bloomberg Copper Index jumped almost six percent last week.

The strength in commodities coincides with out-performance in emerging markets, like China and Brazil. It has been a long time since those markets have outperformed anything. These conditions are also consistent with the pullback in the U.S. dollar. Commodities and commodity-producing economies generally perform better when the dollar weakens.

Despite all this good news over the past week (and since the new year began), we have yet to see a bounce in interest rates, which would be expected in the face of renewed growth prospects. This may simply be the result of ongoing weakness in Europe. If Europe's interest rates remain depressed, particularly Germany's, downward pressure is put on U.S. interest rates. The continued subdued interest rates do help corporate bonds, real estate and dividend paying stocks. Utilities are at all-time highs. All in all, it was a really good week!

Finally, the volatility index (VIX) broke below 16 and is now at 13.51. This index drops when investors begin to feel more confident and rises when they become anxious. Its current level is approaching the lows of last year and suggests that people are feeling much better than they did a mere two months ago. For reference, it was at 25 for much of the fourth quarter of 2018 and reached 39 at the end of the year.

You have to be amazed at the workings of our markets. It truly is a microcosm of the entire world's psychology. At one point it seems bleak, dark and hopeless, and a few short weeks later, the clouds have parted and the sun is shining.

Last week's market commentary is available [here](#).



G. Chadd Mason
CEO, Cabana Holdings

For more information about Cabana, including its services, portfolio performance, professional opinion articles and industry news, visit www.cabanaportfolio.com.



IMPORTANT DISCLAIMERS

This material is prepared by Cabana, LLC, dba Cabana Asset Management and/or its affiliates (together “Cabana”) for informational purposes only and is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The opinions expressed reflect the judgement of the author, are as of the date of its publication and may change as subsequent conditions vary. The information and opinions contained in this material are derived from proprietary and nonproprietary sources deemed by Cabana to be reliable, are not necessarily all-inclusive and are not guaranteed as to accuracy. As such, no warranty of accuracy or reliability is given and no responsibility arising in any other way for errors and omissions (including responsibility to any person by reason of negligence) is accepted by Cabana, its officers, employees or agents.

This material may contain ‘forward looking’ information that is not purely historical in nature. Such information may include, among other things, projections and forecasts. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy. All investment strategies have the potential for profit or loss. All strategies have different degrees of risk. There is no guarantee that any specific investment or strategy will be suitable or profitable for a particular client. The information provided here is neither tax nor legal advice. Investors should speak to their tax professional for specific information regarding their tax situation. Investment involves risk including possible loss of principal.

Cabana LLC, dba Cabana Asset Management (“Cabana”), is an SEC registered investment adviser with offices in Fayetteville, AR and Plano, TX. The firm only transacts business in states where it is properly registered or is exempted from registration requirements. Registration as an investment adviser is not an endorsement of the firm by securities regulators and does not mean the adviser has achieved a specific level of skill or ability. Additional information regarding Cabana, including its fees, can be found in Cabana’s Form ADV, Part 2. A copy of which is available upon request or online at www.adviserinfo.sec.gov/.

The Financial Advisor Magazine 2018 Top 50 Fastest-Growing Firms ranking is not indicative of Cabana's future performance and may not be representative of actual client experiences. Cabana did not pay a fee to participate in the ranking and survey and is not affiliated with Financial Advisor magazine. RIAs were ranked based on percentage growth in year-end 2017 AUM over year-end 2016 AUM with a minimum AUM of \$250 million, assets per client, and growth in percentage assets per client. Visit www.fa-mag.com for more information regarding the ranking.

Cabana claims compliance with the Global Investment Performance Standards (GIPS®). In addition to the firm’s third-party verification, six of Cabana’s core portfolios have been performance examined consistent with GIPS® standards. The Global Investment Performance Standards are a trademark of the CFA Institute. The CFA Institute has not been involved in the preparation or review of this report/advertisement. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation unless an independent performance examination has been conducted for a specific time period. Past performance is not indicative of future results. Due to various factors, including changing market conditions, the portfolios may no longer be reflective of current positions.

