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. stock markets continue to climb the "wall of worry". It has been two steps forward and one step back over the past month. This is exactly what we want to see in a healthy bull market. The blast off from the December lows is over and we are now witnessing a return to lower volatility trading.

Over the past several weeks, we have discussed the outperformance of emerging markets (like China) during the first quarter. This helps a variety of asset classes and markets. First and foremost, there is buying across the commodity sector - energy and copper are standouts. This helps the transportation index, as well commodity-based economies around the world, such as Latin America. Additionally, strength in China may finally help pull Europe out of the doldrums. Let's not forget that China is the second largest economy in the world. I will try not to beat a dead horse, but I have said many times over the past year that we need participation from other economies for the U.S. to continue to move forward. The lack of strength around the world, in my opinion, played a big part in the selloff we saw here last year. Conversely, the strength we see now around the world helps our stock markets regain their footing. Interest rates remain subdued and provide support for real estate, bonds and dividend payers.

How long this "Goldilocks" economy will last is anyone's guess, but a climb to new highs by the S&P 500 and the other broad indexes seems inevitable. We remain bullish.

Last week's market commentary is available here.

Key Terms

Wall of worry is generally used in connection with the stock markets, referring to their resilience when running into a temporary stumbling block, rather than a permanent impediment to a market advance.

A **Goldilocks economy** is an economy that is not so hot that it causes inflation and not so cold that it causes a recession.

G. Chadd Mason
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