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.

Earnings reports have been released for 390 of the 500 S&P 500 companies. According to FactSet, 76% have beaten estimates. That is a pretty good percentage and supports the increase in stock prices that we saw during the first quarter.

On Friday, a blowout jobs report was released, which propelled the entire equity space higher and more than made up for the perceived hawkish comments made last Wednesday by Fed Chairman, Jerome Powell. Investors were looking for the Federal Reserve to hint at lowering interest rates, given that we are still not seeing inflation within the supply chain. Chairman Powell stood his ground and indicated that lower rates are not coming any time soon. The jobs number reflects a new low in unemployment as well as some positive wage gains. Interest rates remain contained. As an example, the 10 Year Treasury Yield is right where it started the year, despite most equity markets rising more than 15%. The moderate interest rates have provided support to bonds, real estate and dividend-paying equities. As I described several weeks ago, this has resulted in a "Goldilocks scenario," whereby things are neither too hot or too cold. This is a great spot to be in as an investor and should be enjoyed while it lasts. The first threat on the horizon is that of a trade war with China. President Trump tweeted yesterday that this coming Friday the U.S. will begin imposing additional tariffs on several hundred billion dollars in Chinese imports. Apparently, China is backtracking on parts of the proposed trade deal. Whether this is all gamesmanship or a serious threat to global trade remains to be seen. World stock markets opened down between 2% and 4% this morning, but recouped most of the losses by today's close. This indicates to me that investors aren't quite ready to throw in the towel on a deal. We shall see if they are right as the week plays out.

One additional thing worth mentioning is the shift in performance within the energy/commodity sector. Those assets outperformed everything else this year up until the last two weeks. The continued strength in the U.S. dollar looks like it has finally taken its toll. The U.S. dollar and commodities are typically inversely correlated. As such, a strong dollar puts pressure on many international markets in addition to the whole energy sector. This may be one of the reasons investors were hoping for lower rates out of the Federal Reserve. In other words, lower rates could help to weaken the dollar and push commodity prices up. It would also help our multinational companies that rely on their ability to export, since those goods are priced in dollars. A strong dollar makes those items expensive when purchased abroad in another currency.


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**.

RIA SURVEY & RANKING 2018

Cabana Asset Management
Ranked #1 Fastest-Growing Firm in the U.S. in *Financial Advisor* magazine's 2018 ranking and survey.

CABANA

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.

No client should assume that the future performance of any specific investment or strategy will be profitable or equal to past performance. 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 any investor. Asset allocation and diversification will not necessarily improve an investor’s returns and cannot eliminate the risk of investment losses. While loss tolerance and targeted "drawdown" are identified on the front end for each portfolio, Cabana's algorithm does not take any one client's situation into account. It is the responsibility of the advisor to determine what is suitable for the client. An advisor should not simply rely on the name of any portfolio to determine what is suitable. Cabana manages assets on multiple custodial platforms. Performance results for specific investors may vary based upon differences in associated costs and asset availability.

CABANA