



YTD as of 9/30/2023

Alpha Portfolio **3.69%**
Smart Yield **3.74%**

MARKETS

DOW JONES **1.09%**
S&P 500 **11.78%**
NASDAQ 100 **34.54%**
REIT INDEX **-8.15%**
SMALL CAP **1.36%**
HIGH YIELD **.12%**

BOND YIELDS

10 YR TREAS **4.68%**
YTD CHANGE **20.65%**
30 YR TREAS **4.71%**
YTD CHANGE **18.34%**

SINCE INCEPTION

Through December 31, 2022
BROXTON **424.77%**
S&P 500 **333.17%**
DOW JONES **363.43%**



REIT Rebound Update?: The REIT index continued its drop falling close to 20% since July. Generally following the 10 year treasury bond lower. We Previously reported on Medical Properties Trust (MPW). The company reported slightly better than predicted earnings which provided a brief respite from its decline and may signal a bottom. [REPORT](#). The major bond indexes including municipal, corporate and mortgage hit new lows in October somewhat lagging the last rate raise in July. What does this mean for the regular stock market? There are two ways that we can sharpen our prediction here. The stock market **is affected** and will generally trade in line with bonds. More accurately the market will follow the yields of BB rated bonds. BB rated bonds are trading around 7% which gives us a price to earning multiple of around 14 X. It is predicted that the earnings of the S&P 500 for 2024 will be between \$200-250 for the index. This would price the S&P 500 index at 2800 to 3500. This coincides with the 2018 through 2020 consolidation area (orange rectangle) before the market got a major kick up from Covid cash, 0% interest rates and the strong post covid economic rebound. So these rate raises could cause the market to trade into this area.



Mid East Problems: The recent problems gave a strong spike to gold and oil. Brent crude hit close to \$135 per barrel after the beginning of the Russia Ukraine conflict and now has rallied to slightly over \$90. Gold on the other hand sits at close to \$2,000 per ounce only 3 or 4% from its all time high. The upmove in gold was also on the heels of strong consumer purchasing in China. We expect that if the conflict intensifies the effect could be larger on gold than oil. The gold chart (right) shows a consolidation at the price high, which is positive



Community Health Systems (CYH): CYH is a heavily indebted company that used the increased optimism surrounding Covid to beneficially rearrange the maturities of its bonds. We report on the senior secured notes. The company has over \$1 billion in liquidity and no bond maturities until 2026 giving management time to improve the financials. [REPORT](#)

Broxton Capital Advisors

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