



YTD as of 1/31/2022

Alpha Portfolio + .12%

MARKETS

DOW JONES -3.37%  
 S&P 500 -5.72%  
 NASDAQ 100 -8.74%  
 REIT INDEX -8.42%  
 SMALL CAP -9.53%  
 HIGH YIELD -2.65%

BOND YIELDS

10 YR TREAS 1.78%  
 YTD CHANGE +27%  
 30 YR TREAS 2.10%  
 YTD CHANGE +19%

SINCE INCEPTION

THROUGH Dec 31, 2021

BROXTON 485.18%  
 S&P 500 428.97%  
 DOW JONES 397.57%



Markets were initially roiled by the increasing anticipation over the beginning of the Russian invasion of Ukraine, with the Nasdaq index dropping more than 20% year to date. However, the invasion itself caused a major relief rally for several reasons. Primarily, investors were relieved that Ukraine was the only location of fighting. Secondly, the U.S. and its' allies did not levy the harshest sanctions, which would have involved halting oil exports and removing Russia from the Swift global payment network. Swift (the Society for Worldwide Interbank Financial Telecommunication) is the main secure messaging system that banks use to make rapid and secure cross-border payments. These sanctions could have caused widespread commodity turmoil and increased tensions. Basically, the initial threats in February were a sharp deviation from historical U.S. policies involving Russia but the bluff was called, and markets are reacting favorably with a hopeful return to normalcy.



Does this mean that there is a resumption of the tech stock rally for Wall Street? Possibly but more likely it is the end of the first down move in the Nasdaq 100. We expect the Nasdaq 100 to eventually fall further. We believe there is a 50-80% correlation with the original tech bubble which crashed 85% from its highs and expect that this could result in the current tech bubble falling around 40-60% from its all-time highs.



Broxton recommendation [Bloomin Brands](#) recently reported earnings, which included the announcement of the resumption of the companies' stock dividend. Bloomin is the owner of Outback Steakhouse (and other brands). CEO David Deno remarked: " We saw good sales growth in Q4 as sales outpaced the industry by 240 basis points on a two-year basis". We noted in November: Bloomin is having a stronger than average recovery in 2021 due to strategies initiated in 2019 to support off-premise, digital ordering, and loyalty programs.



## Broxton Capital Advisors

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[www.broxtoncapital.com](http://www.broxtoncapital.com) 310 208 2151