

Market Resource March 2026

1 message

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MARCH 2026

BROXTON CAPITAL ADVISORS



YTD as of 2/28/2026

ALPHA	-2.98%
PORTFOLIO	-2.59%
SMART YIELD	

MARKETS

as of 3/31/2026

DOW JONES	-3.62%
S&P 500	-4.63%
NASDAQ 100	-6.04%
REIT INDEX	.24%
SMALL CAP	.75%
HIGH YIELD	-1.33%

BOND YIELDS

10 YR TREAS	4.57
YTD CHANGE	9.86%
30 YR TREAS	4.89
YTD CHANGE	1.03%

Market Update

On 28 February 2026,

the United States and Israel conducted surprise airstrikes on sites and cities across Iran, assassinating Supreme Leader Ali Khamenei and destroying military infrastructure. Iran responded with missile and drone strikes against Israel, US bases, and US-allied countries in the Middle East. The Iranians also launched strikes against shipping and oil and gas facilities.

The move caused an unexpected side effect: oil prices rose almost 100% and European natural gas rose over 100%. The strike also had another side effect when bond yields started heading higher. This started a reaction in stocks which drove the markets down 10% from their 2026 highs. As of today there are some signs that the conflict could wind down with both sides commenting on de-escalation. At this point we would welcome ending the war but the Iranians still hold major bargaining points, such as their ability to keep the Hormuz passage closed to oil exporters. So negotiations may not be easy.

Private credit Meltdown?

Here is a good definition: "Private credit is debt financing provided by non-bank lenders directly to companies or projects through privately negotiated agreements. These loans are not issued or traded on public markets. Private credit gives businesses access to tailored funding solutions and helps fill the gap left by traditional bank lending."(CFI).

Trouble began last fall when two large 5-10 billion dollar companies went bankrupt. This led to a quote from Jamie Dimon which uneased the markets: "I probably shouldn't say this, but when you see one cockroach, there are probably more. And



so we should—everyone should be forewarned on this one,” However, the two large borrowers that went bankrupt were borrowing via syndicated bank loans and obviously had some poor oversight. So in general here, we blame the lenders.

Managers of private credit like KKR, Blue Owl Capital and KKR have seen their shares decline by 30-35% in 2026. However, Blue Owl reported better than expected earnings and KKR reported that: Q4 2025 total operating earnings grew 17% Y/Y, with fee-related earnings rising 15%, and highlighted record metrics for the full year 2025. This did nothing to stop the concern which was later combined with rumors of software companies financed by private credit were going to default due to AI. Although nothing has been seen yet! Private credit funds usually have the ability to limit net withdrawals to 20% per year or 5% per quarter because selling the assets sometimes takes time! But redemption requests also rose rapidly and Apollo Global Management Inc. and Ares Management Corp. this week became the latest firms to limit redemptions, joining firms like BlackRock Inc. and Morgan Stanley.

Although this is concerning, we are actually seeing no uptick in private credit defaults in the area we cover, which is the largest by far, the middle market segment. We saw that two of the largest lenders, that are publicly traded, did not report any increase in defaults in the most recent quarter. So we are not seeing anything that would correlate with an uptick in defaults or loans on non-Accrual Status. This is reminiscent of the avalanche of 2023 recession calls that never occurred, including many from Janie Dimon. 🙄🙄🙄🙄

Economy, Recession Watch 🔍🔍: As usual we examined the equifax consumer report. Auto loan delinquencies in February 2026 were 1.65%, unchanged from last year and slightly down since January. Bank credit card delinquencies were up .12% since last month and unchanged since February 2025. Private label cards were down slightly from 2025 and up slightly since January. Mortgage delinquencies were up to 99 basis points (.99%) a one year high, up from 73 basis points last year but still below the 2018 and 2019 levels. Home equity lines of credit also improved slightly compared to 2025. Blackbox Intelligence reported February restaurant sales were up 1.6% with traffic declining 2%. The latest GDPNow estimate for the first quarter of 2026 is 2%. NY Fed Nowcast stood at 2.1% as of March 31. So overall no signs of economic problems👉👉👉👉👉👉 However at this point we remind everyone that the Iran war started at the beginning of March!!

Arbor realty trust

Arbor (ABR) is a New York-based REIT specializing in two segments: lending and loan management in the multifamily and single-family rental (SFR) markets. At year-end 2025, the company held \$12.1 billion in loans and had \$36.2 billion in its servicing portfolio. The shares have traded down in 2025 and 2026 and are currently at 63% of book value and yielding 16%. At year-end 2025, the company held \$12.1 billion in loans and had \$36.2 billion in its servicing portfolio.

The shares have traded down in 2025 and 2026 and are currently at 63% of book value and yielding 16%. The lending portfolio has been volatile, with net interest earned peaking in 2023 at \$428 million and falling to \$238 million in 2025. The 4th quarter earnings showed some of the beginning signs of improvement in the portfolio. Arbor's agency business provides annuity like returns which we believe is a strong differentiator! Arbor has \$483 million in cash and is in good financial condition. [REPORT](#)

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