

Market Resource November 2025:

1 message

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NOVEMBER 2025

BROXTON
CAPITAL ADVISORS



YTD as of 9/30/2025

AlphaPortfolio 4.62%

Smart Yield 3.90%

MARKETS

DOW JONES 11.79%

S&P 500 16.38%

NASDAQ 100 23.05%

REIT INDEX .11%

SMALL CAP 11.44%

HIGH YIELD 2.73%

BOND YIELDS

10 YR TREAS 4.10%

YTD CHANGE -10.28%

30 YR TREAS 4.67%

YTD CHANGE -2.42%

SINCE INCEPTION

Through December 31, 2024

BROXTON 462.93%

S&P 500 583.91%

DOW JONES 519.11%

The Market in focus

Inflation Update: Due to the government shutdown we had delayed data that came in on Tuesday. The data showed that: September wholesale inflation rose by 0.3%, keeping the annual level at 2.7%, according to the Bureau of Labor Statistics. Interesting, but basically meaningless. What we have seen in the last year or so is the massive amount of politicizing if we have inflation or not. All item CPI jumped from 2% before covid to 9% in 2022. Since 2022 we have been moving down until April of 2025 at which point we started a small rise. April of 2025? looks like this pop coincides with tariffmania imposed by Trump.

But is the beginning of something? In the years before covid all item CPI was mostly hanging around 2 or 3% annually, which is where it is now. How did a covid virus cause inflation? Oh yeah, the government gave everyone money multiple times. This caused demand-pull inflation which is driven by strong consumer demand for goods and services. We also had increases in production costs and some reduction in production capacity in many instances. The two main ingredients for inflation. But how much money did we give away? The Cares Act, The Consolidated Appropriations Act, and the American Rescue Plan Act of 2021 were all government programs totaling \$ 6.4 Trillion. Donald Trump actually signed and enacted the first 2 and Biden signed the last one. It seems that the giveaways were the root cause of the 2022 CPI spike to 9%. So if we allocate each Act to each administration that enacted and signed it we have to split the inflation blame 66.6% to Trump and 33.3% to Biden? O.K., but What about eggs, we keep hearing that the Trump administration dropped the price of eggs significantly. Actually as one of the few egg analysts around we can confirm that outside of the small upmove associated with covid the last 2 large spikes in egg prices were from our continuing bouts with highly pathogenic avian influenza (HPAI). The last up spike was in January of 2025 and 30 million laying hens were culled. This caused a brief spike over \$7.50 per dozen in early 2025. But again, when



Trump was elected and took office, egg prices rose by 200% and 30% respectively. But neither administration had anything to do with this. In 2025 the Trump administration announced a comprehensive program to fight the bird flu by doubling down on the existing USDA programs but also steadfastly blames Biden. It looks like both presidents are to blame at the aforementioned percentages for inflation and eggs prices are connected to HPAI. O.k. But is there any inflation coming? UMMMM no. It looks like there's not much of a chance of inflation doing much except continuing to be a political football 🙄🙄🙄

Economy, Recession Watch 🔍🔍 : Recently we saw some headlines and T.V. talking heads telling us that loan defaults are rising amidst consumers and could be close to or are heading for all time highs!!!! 🤯🤯🤯. Just saying...right now this doesn't exist in any data. And in fact the data is good.....Just shows that you need to use the actual data when predicting economic forecasts. [According to Equifax](#) year over year 60 day + bank credit card delinquencies are DOWN .2% or around 7%. Also "canary in the coal mine" private label credit cards (think Macy's or Lowes) serious delinquencies dropped over 10% year over year. This was [confirmed by Synchrony Financial](#) for 3rd Q. Citi was also improved. For October mortgage defaults were up slightly by .17% and consumer finance delinquencies improved by .32%. Student loans are still bad but improving and auto loans were unchanged year over year. O.K. settle down talking heads and Newsweek! They're also worried about total consumer debt of \$18 trillion but this is about 75% mortgage debt. Restaurants comped at .7% higher in October according to Black Box. The New York Fed Staff Nowcast stands at 2.3% for economic growth in the third quarter and the latest estimate from the Atlanta Fed GDPNow was for 3.9 percent GDP growth as of November 26th??? There's no sign of recession right now or increase in consumer defaults. 😊👍

Danaos Corporation (DAC): Danaos (DAC) is an international owner and lessor of containerships. The company owns 75 container vessels aggregating 477,491 TEUs, and has another 23 under construction aggregating 153,350 TEUs. TEU refers to the amount of 20 foot containers that fit on each ship. The company also owns 10 dry bulk vessels. Well known customers include CMA CGM, HMM, MSC, Yang Ming and ZIM Integrated Shipping Services Ltd. As of September 30, 2025, net debt stood at \$165 million, a ratio of net debt

to adjusted EBITDA ratio of 0.23x, while 53 out of 84 vessels are unencumbered and debt free. Since our 2023 report, the company's balance sheet has continued to improve. Book value per share has continued to increase from \$124 per share in 2023 to \$200 in 2025. **We see a continuation of the stable returns and note the dramatic discount to the S&P 500 as far as earnings and cash flows per share.** DAC has a 26.5% cash flow yield and trades at a 50% discount to book value. Our forecast for 2025 through 2027 retained cash flow is \$1.17 billion or \$63 per share. We consider the dividend to be well covered at 14% of free cash flow. Our \$170 price target is based on the low debt, 4% dividend yield and low PE of Danaos. \$170 per share equals a more reasonable 4.7 X enterprise value to EBITDA and 6.1 X our 2025 earnings. . [REPORT](#)

Have a good Thanksgiving!! 😊😊😊

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