



YTD as of 10/31/2023

Alpha Portfolio **2.96%**
Smart Yield **2.50%**

MARKETS

DOW JONES **-0.26%**
S&P 500 **9.35%**
NASDAQ 100 **31.76%**
REIT INDEX **-11.59%**
SMALL CAP **-5.64%**
HIGH YIELD **-1.44%**

BOND YIELDS

10 YR TREAS **4.88%**
YTD CHANGE **25.81%**
30 YR TREAS **5.02%**
YTD CHANGE **26.13%**

SINCE INCEPTION

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



REIT Rebound Update #3: Investors suddenly showed a voracious demand for stocks following the last federal Reserve meeting in the hopes that the Fed was done raising interest rates. The meeting was followed up by a lower than expected inflation number in November adding fuel to the stock & bond rally. This led to an over all rally of around 10% for stocks and about 14% for REITS. The beleaguered REIT index had fallen 40% from the late 2021 highs. However, could bonds be ahead of themselves? Fed Funds indicate that currently traders are expecting 3 rate cuts before the end of 2024 but officials are indicating no cuts at this time with inflation at 3.7% for October and the target at 2%. To the right the fall in ten year interest rates compared to the rise in REIT stocks. Price drops in airline tickets, energy prices and used vehicles were the largest contributors to the reduced inflation numbers. Helping the stock rally was a slight return to positive earnings growth for companies in the 3rd quarter (up 4.3%) the first growth since third quarter of 2022.



Fisker stumbled after reporting 3rd quarter earnings. The company encountered logistical and delivery problems. This may easily improve in the next few quarters, but we estimate that Fisker will need to be producing 22,000 cars per quarter in order break even on EBITDA and will also need as much as \$1.5 billion in additional capital. Ultimately, the company may offer a compelling investment opportunity if production and capital concerns are resolved! [REPORT](#)



Harmony Gold Mining Co. (HMY): HMY Recently, Harmony demonstrated several substantial financial improvements for the 3rd quarter of 2023. Operating costs dropped 7% and there was a 17% increase in production. The company also reduced long-term debt to zero and reported a strong increase in cash flow. Our price target of \$10 is based on 10 X 2024 projected earnings and 5.4 X our 2024 projected EBITDA. The company's Wafi project is now 50% partnered with top gold producer Newmont (NEM). And the project is expected to produce over \$15 billion in cash flow. This compares favorably to Harmony's \$3 billion enterprise value, and we do not believe that this opportunity is priced into the shares. [REPORT](#)

Broxton Capital Advisors

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