

Market Resource June 2026

1 message

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JUNE 2026

BROXTON CAPITAL ADVISORS



YTD as of 3/31/2026

ALPHA	
PORTFOLIO	-5.02%
SMART YIELD	-4.85%

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

above: An AI data center build out

Last week, tech indexes saw a sudden selloff of around 5% as investors grew concerned about the massive AI-related buildout by the big tech companies. This spending exceeds anything in the history of technology. Microsoft, Amazon, Alphabet, Meta, and Oracle are expected to spend \$725 billion this year and over a trillion next year, mainly on AI infrastructure. Alphabet (Google) alone has guided to \$180 to \$190 billion in spending for 2026. For reference this is more than Google's 2025 cash flow. Amazon's spend will also most likely exceed its cash flow. In 2025 Amazon produced \$139 billion in cash flow but spent \$131 billion on PP&E (property plant and equipment, including AI infrastructure). This year they will most likely need to borrow around \$50-70 billion to continue the build out. This means that the **companies will continue to borrow hundreds of billions of dollars in 2026**. Alphabet, Amazon, Meta, Microsoft, and Oracle—have issued roughly \$159 billion in bonds recently and Morgan Stanley predicts that global AI-related debt issuance will reach a record \$570 billion in 2026. An astonishing number!

Many investors are also unaware that **these buildouts don't immediately impact earnings, but as the equipment is depreciated, earnings at companies like Amazon will decrease by \$30 or \$40 billion per year (\$3 or \$4 per share)**. In addition interest payments will add billions in costs. The investor concern was also fueled by questions on the demand. [CBS News](#): "Fresh data is raising questions about whether enough consumers and businesses are willing to pay up for these (AI) services. One team examined annualized revenue estimates for two AI companies, OpenAI and Anthropic, to assess whether they're adding users fast enough to cover their spending commitments (they are customers of the big tech companies). Their conclusion: NO but if demand continues to increase it will become a yes. So there is a possibility that the spend could exceed the demand but right now we are in a huge build out boom for AI infrastructure.

Is the Iran war Over?



It seems to keep stopping and starting. What is the reality. Well we got this recent headline: **Iran war updates: Trump announces Qatar talks; Tehran says nothing planned.** Israeli Defense Minister Israel Katz said Monday that Israel could find itself at war with Iran "within two days" if Iran fires missiles at Israeli territory. One problem: the israelis don't want to adhere to the deal and pull out of Lebanon but the first understanding of the deal is that: Both sides agreed to "the immediate and permanent end to military operations on all fronts, including in Lebanon." Israel has stated that it is not required to adhere to the peace accord and remains in Lebanon. So that's the basic problem and it does not seem that we have advanced to a resolution, although the U.S. has mostly agreed to the Iranian terms. **But, we do have the continuous rhetoric suggesting an agreement exists!!** 🙄🙄🙄🙄

Economy, Recession Watch 🔍 🔍 : The U.S. National Consumer Credit Trends Report - Portfolio from Equifax showed that auto loan delinquencies were unchanged versus the previous month, bankcard, private label card, and mortgage delinquencies dropped or remained unchanged. Severe mortgage delinquencies remained at 1%, pretty much unchanged. GDPNow stood at 2.5% growth for the second quarter, and NY Fed nowcast was at 2.7%. Super boring.....but no signs of recession 🙄🙄🙄

MNTN, Inc.

MNTN Inc. (MNTN) is a next generation media advertising company assisting companies with video advertising technology and strategies on multiple platforms. For the most part television has been undergoing a transformation from broadcast / cable, also known as linear, to on demand viewing on connected TV platforms like Netflix. Connected TV advertising spend to reach a whopping \$37.95 billion this year.

Importantly, companies can get profiles of people and households that use connected TV, in order to deliver targeted ads that can also be measured by the user's interaction with the products web site or purchase of the product. This allows advertisers to refine and measure marketing strategies for higher returns. MNTN concentrates on the smaller advertisers that for the first time can now buy targeted television ads in an amount that fits into their budget. "Connected TV advertising continues to grow at a 12% compound annual growth rate, comfortably ahead of digital advertising overall." [\(Teads\)](#)

MNTN has shown strong growth and is beginning to show the benefits of targeted advertising on connected media. The company is trading at a net enterprise value of 3.6X our 2026 EBITDA target. Our price target of 18 equals 13.5 X our 2027 adjusted earnings. [REPORT](#)

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