

## Market Resource April 2025:

1 message

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# APRIL 2025

**BROXTON**  
CAPITAL ADVISORS



YTD as of 3/31/2025

AlphaPortfolio 1.55%  
Smart Yield 2.12%

### MARKETS

DOW JONES -1.32%  
S&P 500 -4.55%  
NASDAQ 100 -8.27%  
REIT INDEX 1.64%  
SMALL CAP -9.72%  
HIGH YIELD .31%

### BOND YIELDS

10 YR TREAS 4.26%  
YTD CHANGE -6.89%  
30 YR TREAS 4.21%  
YTD CHANGE -12.04%

### SINCE INCEPTION

Through December 31, 2024  
BROXTON 462.93%  
S&P 500 583.91%  
DOW JONES 519.11%

### The Market in focus

(above) Tourist on the old chinese silk road

**What is going on??:** April turned into a rough month for the indexes which dropped as much as 15-20% before almost completely recovering and in some instances posting gains for the month. Of course the tariffs were to blame once again. On April 9th president Trump signaled a possible reversal on some of the draconian tariff measures which signaled that the tariffs may be a negotiating tool and this caused a strong stock market rally.

Currently, The [Tax Foundation](#) (a world leader in nonpartisan tax analysis) predicts the following: "President Trump has threatened to impose International Emergency Economic Powers Act (IEEPA) tariffs related to an economic national emergency.... The April 2 so-called reciprocal tariffs will raise \$1.0 trillion in revenue over the next decade" but the foundation goes on to say that: The tariffs will reduce after-tax income by an average of 1.2 percent and amount to an average tax increase of \$1,243 per US household in 2025. Also they estimate tariffs will cause imports to fall by nearly \$800 billion in 2025, or 23 percent."

**The Economic Times opined on if the tariffs can work: "The odds are against it but it isn't impossible. There's an off-ramp from global economic mayhem to a tolerable outcome for the US and its (former) friends and allies.** Trump has said multiple times that the tariffs can be summed up in one simple phrase: **"They charge us, we charge them."** So perhaps all a negotiating tool.

**Restaurant Stocks:** A rough year so far for some restaurant stocks. So far this year Denny's, Outback Steakhouse, Jack in the Box, Ihop and Shake Shack have all sank more than 30%! What's worse is that some of the company's shares were already in serious decline previous to 2025. Although Jack in the Box put out decent first quarter earnings the company unveiled its "jack on Track" program to close 150-200 Jack stores and sell the Del Taco chain as well as selling some real estate. The company also discontinued its dividend



and share buyback plans. The shares had traded as high as \$124 after the covid lockdowns when restaurants did really well, but recently was trading around \$25. Looks like the upcoming maturities of debt are responsible for some of the plans, but overall a good chain trading at around 5 X this year's net income. Even mighty Chipotle saw a small same store sales drop in the first quarter. However, what gives?? Taco Bell posted a 9% gain in the same quarter. Some of the answer is related to the timing and history of price increases. Taco Bell was able to deliver value and raise prices slightly in the quarter and has not raised much over the last 10 years while Chipotle seems to have taken (way) more. Also keeping an eye on Outback Steakhouse (BLMN). Powerhouse investor Starboard Value took a stake in late 2023 and announced plans to [make it better](#). However the shares are down 75% since then? to \$7.

**Economy:** Despite the above restaurant news, NRA reported: Eating and drinking places registered total sales of \$98.3 billion on a seasonally adjusted basis in March, according to preliminary data from the U.S. Census Bureau. That was up 1.8% from February (and 5% from 2024) and represented the strongest monthly increase in more than 2 years. 😊 WOW. Another WOW: Synchrony Financial (one of the largest credit card issuers) reported that delinquencies dropped by 7% year over year. The U.S. department of commerce predicts that GDP fell in the first quarter but this was due to a rush to import goods ahead of the tariffs. NY Fed Nowcast predicts a 2.7% gain for 2nd quarter and Atlanta Fed GDPNow also predicts a gain of 2.4%. The Synchrony info was confirmed by [Equifax](#), which showed similar improvements in private label credit cards and auto loans. ***So at this time delinquencies are improving, and despite all of the pessimism we have no indication of an incoming recession. So we need to see the April numbers to see if the tariff storm has had any effect.***

**FIRST SOLAR, INC.. (FSLR):** First Solar (FSLR) is the largest domestic manufacturer of solar modules and is focused on utility scale projects. Tariff disruption from the 1st quarter and lowered guidance may offer a buying opportunity. U.S. electricity demand is expected to grow by 50% by 2050 due to data center growth and transportation electrification. The shares dropped as much as 13% on Wednesday after the company issued earnings and lowered guidance. Mark Windmar (CEO) commented: "Despite the near-term challenges presented by the new tariff regime, we believe that the long-term outlook for solar demand, particularly in our core U.S. market, remains strong, and that First Solar remains well-positioned to serve this demand." [REPORT](#)

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