Myrtle Equities 2023 Q3 Overview

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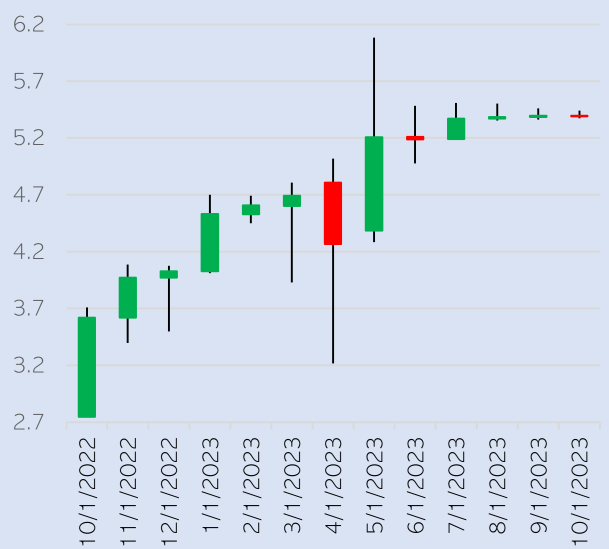
Executive Summary

Overview of The Financial Market

The third quarter of fiscal year 2023 brought many new possible pathways in terms of future performance for certain financial markets. The stock market has had an overly volatile quarter, primarily due to the rising concerns surrounding interest & inflation rates. The Federal Reserve's Monetary Policies helped decrease inflation rates from 9.1% in June of 2022 to 3% in June of 2023; however, during Q3 inflation began to rise once again and is now at 3.7%.

Other financial markets, such as bonds and forex, have responded positively to the rapid decline of inflation rates during the past year but the two have yet to show any effects related to the recent change in trajectory.

U.S. Gov 1-Month Bond Yield   Exhibit 1.1



Key Highlights and Trends

Artificial Intelligence (AI) is continuing to drive market volatility with more and more companies looking for way to incorporate this useful tool into its day-to-day operations.

In the Financial Sector, AI was able to substitute hundreds of jobs by being able to compute large data sets in record breaking times, cutting out the need for certain Data Analyst positions. Hedge funds and Asset Management Firms have begun using AI as a tool for calculating market performance and future growth. In other Sectors of the market, AI is now capable of predictive demand analysis, technology for cashier-free transactions, automatic stock control, and analysis of customer emotions.

So far, the main concern institutions are faced with is the regulatory issues that derived from the misuse of this new digital tool and/or the abuse of certain AI-based services. NYC's Automated Employment Decision Tool law, effective as of July, mandates that employers using AI for recruitment must inform job applicants of their utilization of such technology.

The SEC is also beginning the process of regulating how AI will be used by investment advisors; these regulations will include either the complete ban of the use of AI by investment advisors or the restriction of certain actions involving AI. Many regulatory bodies are also beginning to express their concerns pertaining to the dependability of artificial intelligence to offer investment advice by financial professionals

Performance Metrics

percent

Asset	Ticker	Performance
S&P 500	SPX	-3.65
Volatility S&P 500	VIX	28.84
USD Currency Index	DXY	3.16
Nasdaq 100	NDQ	3.06
Russell 2000	RUT	-5.49
Bitcoin	BTC	-11.5
Crude Oil Futures	CL	28.52
USD/EUR	USD/EUR	3.16
U.S. 1-Month Government Bond	US01M	4.07
U.S. 3-Month Government Bond	US03M	3.39
U.S. 5-Year Government Bond	US05	0.76
U.S. 10-Year Government Bond	US10	-1.77

Source: Data obtained from TradingView, Inc. (www.tradingview.com) and the Intercontinental Exchange, Inc. on October 4th, 2023. Asset and equity performance is subject to market volatility and various factors beyond individual control. Past performance is not indicative of future results, and investments may move against your favor, resulting in financial losses. It is advisable to consult with a qualified financial advisor before making investment decisions.

Market Analysis

Macroeconomic Factors

GDP Growth

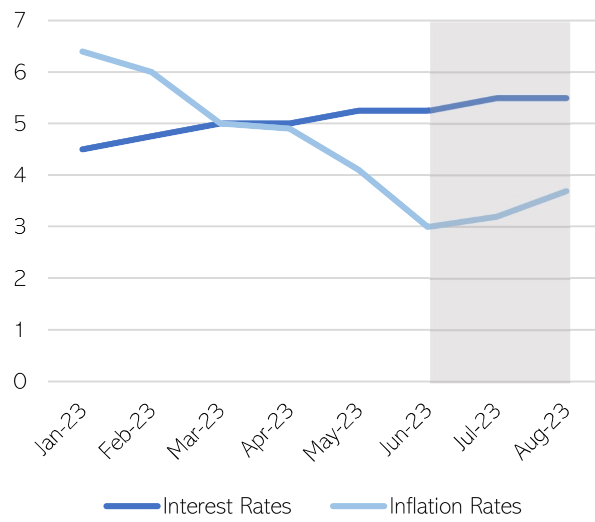
The United States Gross Domestic Produce continues to increase at a regular pace, furthering the distance between itself and other top world economies. The Federal Reserve Bank of Atlanta's GDPNow shows Q3 GDP Growth estimates of a 4.9% seasonally adjusted annual rate. This model uses previous GDP data to help estimate future outcomes. On an annual basis, Real GDP continues to head towards the 2.1% growth rate estimate which, solidifies Chairmen Powells point that the U.S. economy is at a healthy and stable point. In fact, the Federal Reserve Bank of Philadelphia stated in a recent survey of professional forecasters that GDP estimates have increased over the course of the last three months.

Inflation Rates

With the Federal Reserve's Federal Open Markets Committee successfully continuing down its path towards the goal of 2% inflation, Chairman Powell (along with other committee members) has decided to keep interest rates at their current position. The FOMC has previously been successful in bringing inflation rates down to only 3% from a 41-year high of 9.1% back in June 2022. However, recently the FOMC has begun loosening its monetary policies, thus, allowing for inflation rates to begin increasing once again (see Exhibit 2.1).

Inflation/Iterest Rates

Exhibit 2.1



Interest Rates

As depicted in Exhibit 2.1, the decision to pause interest rate hikes caused inflation to increase for the first time in 13 months. The last two FOMC decisions on Monetary Policy were the first time, since inflations peak in Jun 2022, that there had been more than one pause in interest rate changes. In terms of financial markets, many corporations have benefited from the federal reserve's approach to inflation as they are able to price their services at a more appropriate level, specifically retail, consumer staple, consumer discretionary, and consumer services.

With the next FOMC meeting coming soon, it is likely that Chairmen Powell and the other members will decide to increase interest rates again to see how it will affect inflation. Since a direct correlation between interest and inflation rates has been established, there is a high probability that if the FOMC was to, once again, take on an aggressive approach in lowering inflation rates another couple of rate increases will be necessary.

Unemployment Rates

Recent Bureau of Labor Statistics' reports show strong signs of future economic growth. Unemployment numbers have continued to flatten as we move farther away from the COVID-19 pandemic and as the U.S. economy continues down its path towards 2% inflation. As of September 2023, Unemployment Rates are at 3.8% with a total of 6.4M people unemployed.

Despite the recent U.S./Mexico border crisis, employment numbers in nearly every single sector have continued to increase at a normal pace. Professional and business services continue to have the highest number of employed individuals with health care and social assistance at #2.

Global Economic Landscape

International Trade

Recent geopolitical events have caused a rise in uncertainty over the future of international trade between leading world economies. Russia, being one of the leading producers of crude oil, has stopped selling its oil-filled barrels to any western countries (including certain European countries) with the hopes of destabilizing the global oil market.

Barrels (Crude Oil) Exhibit 2.2

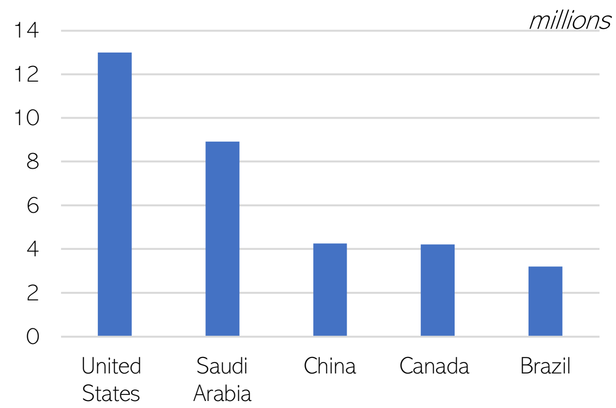


Exhibit 2.2 shows the top 5 oil producing countries along with their respective production amounts (excluding Russia, who would have been #2). The United States is currently the top country in terms of oil production with around 13M barrels per day; Saudi Arabia is more then 28% lower at #2 with 9.323M barrels per day. In terms of overall export, Japan leads G20 with over $530B (*USD*), nearly double that of China and the United States. However, only a small number of countries including South Africa, the United Kingdom, and Canada, experienced positive Export Growth MoM.

Geopolitical Events

One of the main global events that continues to send shockwaves throughout many financial markets around the world is the Russia/Ukraine War. Over the course of the last few months, a number of world powers had placed sanctions on Russia, banning any type of trade with with the Eastern European Empire. In order to overcome this financial barricade, Russia is forced to trade goods with a small group of countries who have not yet placed any trade blockages; one of these countries is the United Arab Emirates (UAE). For a few months now, Russia has been sending the UAE millions of crude oil barrels to sell on the global market.

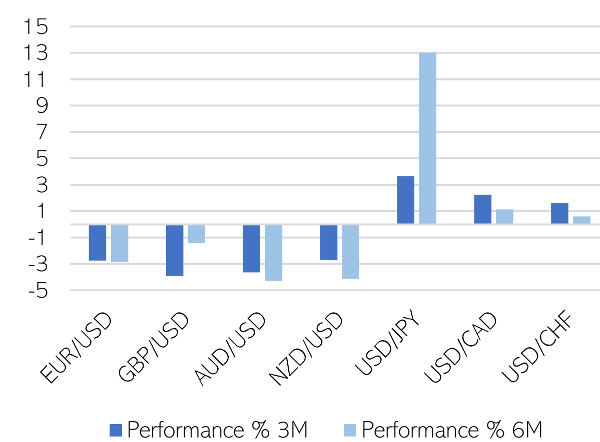
This strategy has so far proven to be somewhat successful as no country has stated their concerns with the Arabic Kingdom partaking in the sale of crude oil on behalf of Russia. And by partnering with Russia, the UAE is able to further expand its oil market share around the world. However, due to this partnership, Saudi Arabia crude oil production has dropped nearly 13% since a large portion of their oil barrels come from outside the country.

Foreign Exchange Markets.

Forex markets, like stock markets in certain countries, have stabilized after a long year of ups and downs for inflation rates. Many European countries were faced with extreme cases of inflation rate increases as their close proximity to certain geopolitical events caused uncertainty. These countries include Turkey, India, the United Kingdom, Poland, France, and many more. Argentine, although not being close to any geopolitical conflicts, is facing triple digit inflation which is a direct result of the country's internal political issues.

Top currency pairs are continuing down their previous trajectory, solidifying certain future paths that might have been established. Pairs such as EUR/USD, GBP/USD, AUDUSD, and NZD/USD continued to decrease, whereas pairs such as USD/JPY, USD/CAD, and USD/CHF have added to the previous quarter's gains. See Exhibit 2.3 for more information on foreign currency pair movement.

Currency Pair Change (%) Exhibit 2.3



Industry-Specific Analysis

Stock Market

A majority of stocks within major indexes such as the S&P 500, Nasdaq 100, and Russell 2000 have developed strong upward trendlines during Q3 that will allow for smoother growth and more natural volatility. Similarly, to the foreign exchange market, stocks are continuing to depart from their unusual movement caused by geopolitical and economic issues.

With more tech companies beginning to incorporat Artificial Intelligence (AI) into their services, during Q3, the technology sector saw a

Quarterly change of -5.63%. This comes as the original adaptation of AI was primarily seen during Q2 which leaves investors speculating whether the new digital tool will show bubble-like tendencies or whether the tech industry will identify a strong use case. As depicted in Exhibit 3.1, the S&P 500 had held onto key support and resistance levels during the entirety of Q3; in doing so, SPY had shown strong positive technical structure. When zooming-out, the S&P 500 experienced a temporary high at $457.79 which had not been reached since mid-December 2021.

S&P 500 Q3 Performance

Exhibit 3.1

Bond Market

One of the most rapidly changing and volatile markets during the past quarter has been the bond market. Similarly, to other financial markets, the bond market had been greatly affected by geopolitical issues in eastern Europe, as well as rising inflation rates in the United States.

Many institutional investors and financial professionals have had their eyes on the 10-year Treasury note whose yield has dropped over 40% in a rather unnatural amount of time. This specific financial product is heavily connected to the Federal Reserve's handling of inflation rates. Seeing as how the FED was recently unable to maintain the previous downward trend of inflation rates, the 10-Year Treasury note (along with other government/treasury bonds) had once again experienced increased volatility.

Although volatility is seen as a positive within many financial markets, such as the stock and foreign exchange market, the bonds market is mostly used for low risk investments that are meant to be stable. When yield rates of certain bonds change, it usually signals a transition within the health of the economy as well as a shift in the trajectory of other financial markets.

Exhibit 3.2 lists the latest and previous yield for some of the top bonds. All asset prices/values/yields are subject to unexpected change and might cause you to lose money. The prices/values/yields are as of October 8, 2023. Please conduct your own research before you decide to invest. This is, in no way, investment advice and should be used for educational and informative purposes only.

Bonds	Ticker	Latest Yield (%)	Previous (%)
United States 1-Month Government Bonds Yield	US01MY	5.431	5.398
United States 3-Month Government Bonds Yield	US03MY	5.515	5.474
United States 6-Month Government Bonds Yield	US06MY	5.586	5.552
United States 1-Year Government Bonds Yield	US01Y	5.433	5.470
United States 3-Year Government Bonds Yield	US03Y	4.890	4.805
United States 5-Year Government Bonds Yield	US05Y	4.758	4.613
United States 10-Year Government Bonds Yield	US10Y	4.805	4.575
United States 20-Year Government Bonds Yield	US20Y	5.174	4.901

Source: Data obtained from TradingView, Inc. (www.tradingview.com) and the Intercontinental Exchange, Inc. on October 8th, 2023. Asset and equity performance is subject to market volatility and various factors beyond individual control. Past performance is not indicative of future results, and investments may move against your favor, resulting in financial losses. It is advisable to consult with a qualified financial advisor before making investment decisions.

Real Estate Market

Real Estate in the United States has been gaining strength throughout the entirety of Q3. Many homeowners who bought properties around the end of 2021 have begun refinance with the hopes of lowering their monthly payments. Many of these homeowners are currently paying off their mortgages with a 6%+ interest rate which can add more than $1,000 in monthly payments compared to that of a much lower rate.

30Y Fixed Rate Mortgege Average U.S.

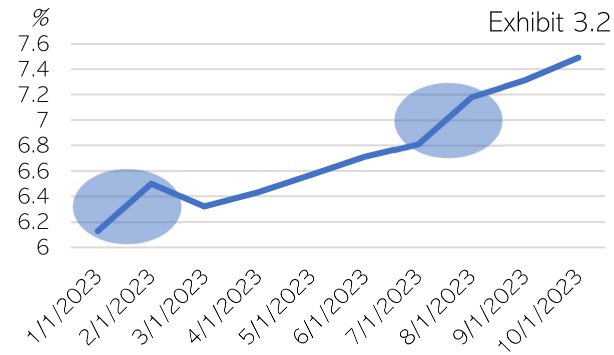


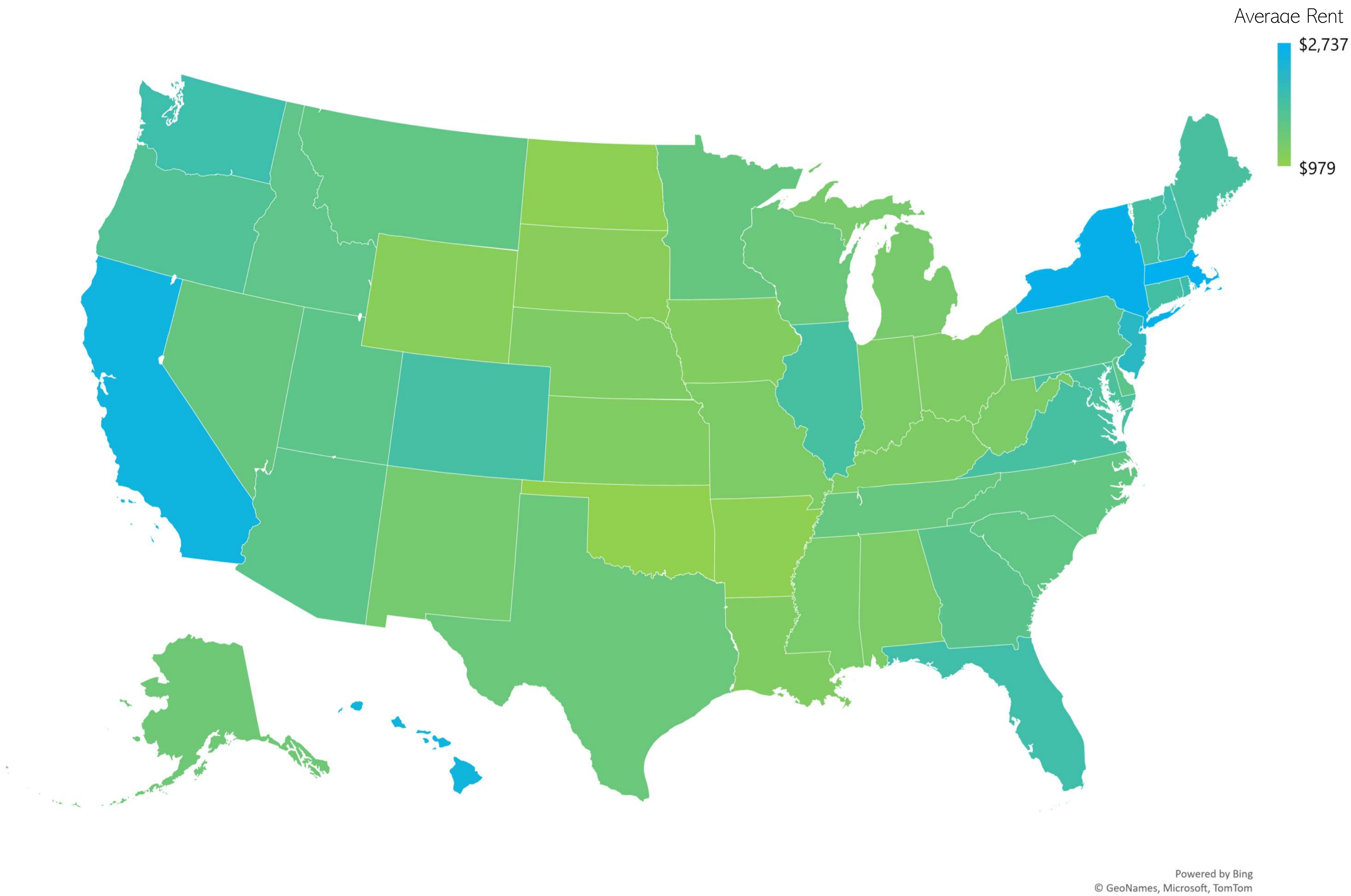
Exhibit 3.2

The beginning of Q3 saw the second largest increase (+5.43%) in 30-Year Mortgage Rates with the largest increase occurring in February when rates jumped from 6.13% to 6.5% (+6.03%). The last time rates reached such a high figure was in November 2000.

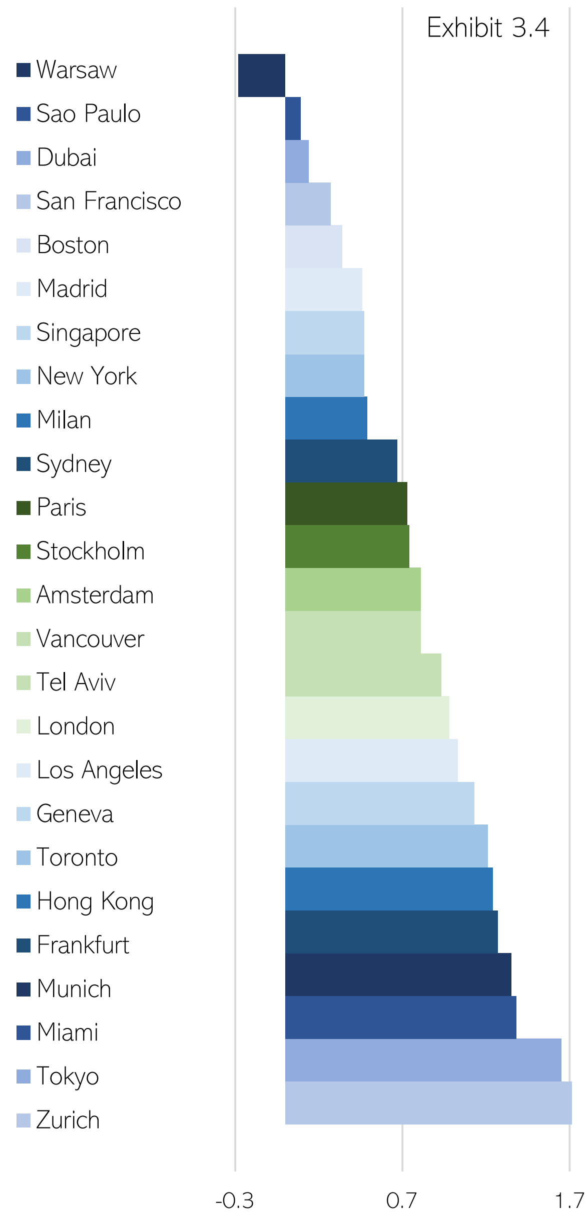
As inflation causes rates of nearly every mortgage type to increase, rent in many major cities is reaching new highs. Exhibit 3.3 shows a map of the United States and the average rent within each state. Massachusetts overtakes both New York and California, in terms of highestmonthly rent payment, with an average rent of $2,737. With the Federal Reserve taking a more relaxed approach, as of late, high rent prices will be expected for atleast six more months. Internationaly, Poland became one of the most stable housing markets with a -0.28 on the UBS Global Real Estate Bubble Index. For information on this index can be found in Exhibit 3.4 below.

Average Rent In Each State

Exhibit 3.3



UBS Global Real Estate Bubble Index



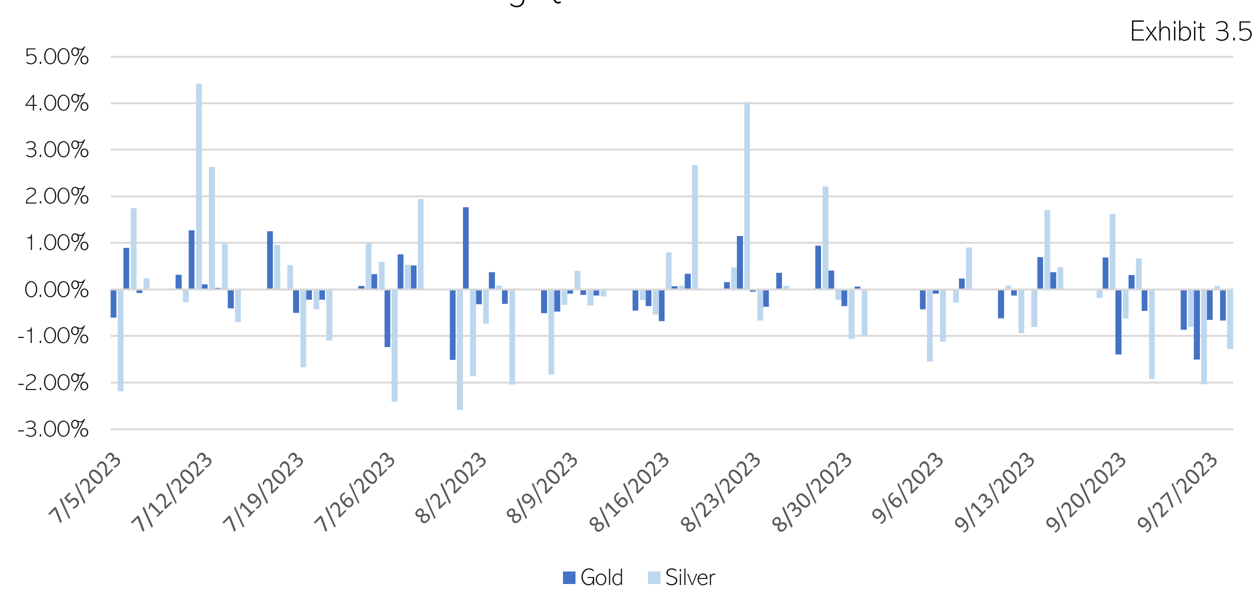
Commodities Market

Unlike other financial markets, commodities have experienced steady growth that is more natural and expected in many of the current economic situations around the world. Some of the top oil producers have continued to excavate their resources to make up for losses within other sectors and industries. As mentioned previously, Russia and the United Arab Emirates (UAE) have begun a partnership in which Russia will supply the UAE with its oil production in exchange for FMV compensation. By doing so, Russia is able to bypass the sanctions that were imposed by a multitude of countries within the EMEA region.

Gold continues to be one of the "go-to", safe, long term, investments that yield a high ROI YoY. The current price of gold is $1,872.93/ounce. During Q3, the United States, as well as other European countries, has continued to add to its gold reserves since the demand for precious metals keeps increasing. Silver prices per ounce have decreased 11.39% during the past quarter, furthering the chaos within its market.

Exhibit 3.5 represents the percent change of gold and silver within Q3 '23. During this time frame, gold saw an average % change of -0.04%, while silver saw an average of -0.03%. Such a low average in percent change can signal a compromise between the two ends of a specific market. These two commodities have been one of the most promising in terms of long-term investments as their values are very rarely affected by systematic risk.

Gold & Silver Percent Chane During Q3



The most important indicator that causes changes to the momentum of gold and silver is the current supply within their respective market.

Cryptocurrency Market

During Q3, BlackRock continued working on its Bitcoin Spot ETF which will track the price of BTC within a specifically designed fund. As BlackRock gets closer to the launch of this ETF, the crypto market's volatility is beginning to increase due to the ETF's ability to revolutionize the entire crypto sector. Franklyn Templeton is another financial institution that is currently looking into creating its own Bitcoin ETF. This ETF would be structured similarly to that of BlackRock's; however, FT might implement a different price tracking design or asset format that will give investors a different variety of Bitcoin-backed ETFs.

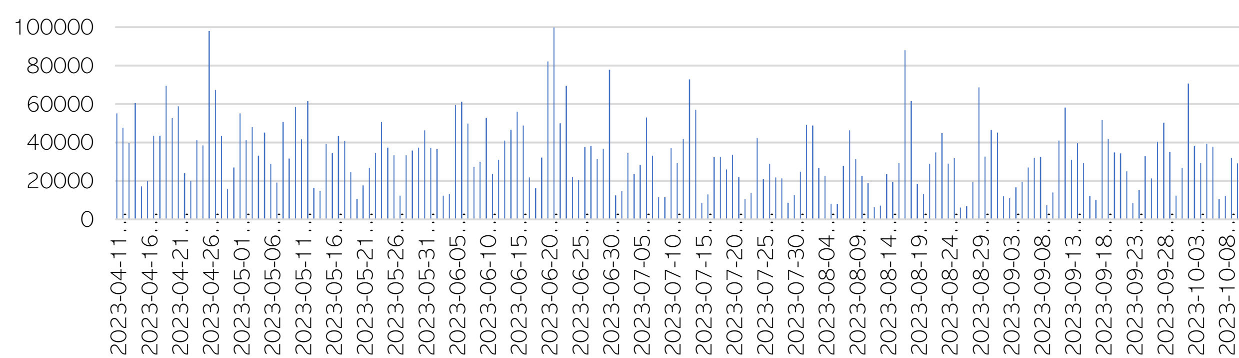
Many investors continued to maintain their current BTC positions with many adding on to already existent holdings. As seen in Exhibit 3.7, Bitcoin Volume continues to stay at a steady support level even as its price drops during Q3. Bitcoins daily volume average stayed above 33,000 during the entirety of Q3, showing signs of strong investor support.

BTC/USD Q3 Chart

Exhibit 3.6

BTC/USD Daily Volume

Exhibit 3.7



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