Markets in (semi)Panic

As I write this, markets are down ~5% on the year and maybe 11% from their all time highs reached in late January. Markets are up around 11% over the past year.

Read that sentence again. It's a bit funny to title a blog post "markets in panic" when describing a market up 11% over the past year, but it certainly does feel like a panicked market. Almost every stock I follow / own is down 10% over the past few days, often on no news (and many times on solid earnings / guidance / management commentary!).

Maybe this is the start of a 2008 like crash. Maybe the sell off is caused by continued unwind of the volatility products. Maybe it's caused by a rise in interest rates. Who knows? I certainly don't.

Writing is cathartic, and I could certainly use some catharsis after the past week. So while I don't know anything about the general market and what's causing this weakness, here's a very quick note on some things I do know

- Altaba's (disclosure: long) NAV discount today is approaching the levels it was at before tax reform. Management is very aligned with shareholders to close that NAV gap, and the cheaper the stock gets, the more their share buybacks move the needle.
- So far this year, Spectrum Brands (SPB) has announced strategic alternatives for two of their business lines, sold one business at a very nice multiple, announced solid earnings, and consistently stated their intentions to direct cash flow to repurchase shares. Despite all that, shares are down ~6% on the year and trade at a decent discount to most of their peers. You can play SPB at a discount through HRG (disclosure: long), and I would be shocked if that discount wasn't collapsed in

the next few months.

- Forbes thinks the Rangers are worth $1.5B (up ~20% YoY) and the Knicks are worth $3.6B (up 9% YoY), and I think both would fetch dramatically more in a sale. MSG (disclosure: long) has a market cap of under $5B right now. I've stressed the sum of the parts story for MSG several times, but I'm not trying to highlight that (ok, maybe I am trying to highlight it just a little); instead, I'm trying to highlight that the great thing about MSG is the parts that make up its sum will continue to compound at a nice clip for a long time.
- Charter (CHTR; disclosure: long through Liberty) reported Q4 earnings that beat expectations and said that Q4 marked "the low point of our EBITDA growth rate for cable." They're semi-controlled by maybe the greatest capital allocator of all time, and last year they repurchased >10% of shares outstanding at an average price of ~$347 (i.e. a tick above today's share price). They did all of those share repurchases **before** tax reform (which is a bonanza for every cable company's long term cash flow) was a certainty / passed.

Again, I don't know where the market goes over the next day, week, month, or even year. What I do know is that today seems much better than yesterday / yesteryear for all of those companies, yet all of those companies are trading at or below yesteryear's prices. All of those companies are making it a point to repurchase shares at today's prices, so lower prices should prove a good thing over the long term as it allows them to repurchase more shares.
It's tough for me to see investors in any / all of them not being rewarded in the long term. While today may not be a 2008 like panic, there are still plenty of bargains to be had for investors who are willing to stomach a bit of noise.