

**Sun City Summerlin Computer Club**

**Internet Investing  
SIG**

**Tom Burt**

**October 16, 2014**

# SIG Meeting Schedule

- **Currently, I expect the Internet Investing SIG to meet every other “even” month on the third Thursday morning at 9 AM. The next six meetings will be:**
  - *October 16, 2014*
  - *December 18, 2014*
  - *February 19, 2015*
  - *April 16, 2015*
  - *June 18, 2015*
  - *August 20, 2015*

# A Perfect Storm

- **Dollar has gained against foreign currencies.**
  - *Oil priced in dollars*
  - *Saudis and Iran are pumping and flooding the markets*
  - *Crude oil (now \$82) and many energy stocks have dropped.*
  - *Other commodity prices and stocks of producers down.*
- **ISIS in the middle east causing great concern.**
  - *“Flight to quality” (Selling stocks and buying US Govt. debt) has pushed bond yields down. 10 year Treasury note yield about 2%*
- **Ebola virus outbreak has investors worried about how it will affect the economy**
  - *Air and train travel*
  - *Cruises*
  - *Conventions*
  - *Movies and restaurants*
- **Obamacare policies kicking in – more cancellations.**
- **General sense that the government doesn’t know how to deal with these issues.**

# Recent Market Moves

- **Let's Look at Recent Charts for Market Averages**
  - *Dow Jones Industrials Chart ^DJI*
  - *S&P 500 Chart ^GSPC*
  - *Nasdaq 100 Chart ^IXIC*
  - *Russell 2000 Chart ^RUT*
- **The markets have been dropping.**
  - *Dow has now about retreated to about 16,140 (down 450 intraday) after getting above 17,500. This is a 7.8% drop from the highs.*
- **What did *YOU* do (if anything) in the past two months?**
  - *Sell before? Or just hold?*
  - *Did you buy Puts? Sell covered Calls?*
  - *Did you or will you buy in near the bottom?*
- **What do *YOU* think will happen in the next 3-6 months?**
- **What's the best strategy to follow?**

# Exchange Traded Funds

- ETFs are mutual funds that trade all day like stocks
- ETFs typically track some index – not *actively* managed
- ETFs have relatively low expenses (commonly < .5%)
- There are now thousands of ETFs to choose from
  - *Sector ETFs*
  - *Broad index ETFs (S&P, Russell, Nasdaq, Dow 30, ...)*
  - *Look at SCHD as an example*
- Let's do some research ...
  - *Google Searches*
  - *iShares*
  - *Blackrock*
  - *Schwab*

# **Open Discussion**