

Sun City Summerlin Computer Club

**Internet Investing
SIG**

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October 15, 2015

SIG Meeting Schedule

- **The Internet Investing SIG meets every other “even” month on the third Thursday morning at 9 AM. The next six meetings will be:**
 - *December 17, 2015*
 - *February 18, 2016*
 - *April 21, 2016*
 - *June 16, 2016*
 - *August 18, 2016*
 - *October 20, 2016*

Recent Market Moves Discussion

- **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*
 - *Key Dow stocks: <http://money.cnn.com/data/dow30>*
- **The markets been trading in a lower range.**
 - *Dow has bounced up and down from 15,660 to 17,100.*
 - *Volatility still seems to be the norm.*
- **What did *YOU* do (if anything) in the past two months?**
 - *Buy on the dips? Sell (at the bottom or at the top)? Hold?*
 - *Did you buy Puts? Buy Calls? Sell Puts? Sell covered Calls?*
 - *Did you or will you buy in near the bottom?*
 - *Are you moving into or out of "safer" investments (bonds / CDs)*
- **What do *YOU* think will happen in the next 3-6 months?**

Fundamentals Review

- **Dollar fairly strong against foreign currencies.**
 - <http://www.schwab.com/public/schwab/nn/articles/What-Does-the-Dollars-Strength-Mean-for-Investors?cmp=em-QYB>
 - *Oil priced in dollars.*
 - *Saudis and Iran are still pumping and flooding the markets.*
 - *Crude oil (now about \$47) and many energy stocks are still very low.*
 - *Other commodity prices and stocks of producers still down.*
 - *Marginal drilling ventures are shutting down or may get bought out.*
- **Predictions of a new world currency by end of 2015**
 - *SDR basket run by the IMF to replace the dollar – but won't include the Yuan.*
- **ISIS and Russians in the middle east causing great concern.**
 - *“Flight to quality” (Selling stocks and buying US Govt. debt) has pushed bond yields down. But, the 10 year Treasury note now yields about 2.1%*
- **Obamacare policies kicking in – more cancellations, rate hikes.**
- **Eurozone – in *BIG* trouble due to hoards of refugees.**
- **Federal Reserve *might* raise rates in December.**
- **U.S. Economy now has \$56 trillion in total public / private debt.**

Fixed Income Indexed Annuities

- <https://www.fidelity.com/viewpoints/retirement/considering-indexed-annuities>
- <http://www.marketwatch.com/story/behind-the-indexed-annuity-curtain-2013-01-14>
- Usually sold as a “single premium” annuity.
- Can be funded with either pre-tax or after tax money.
 - *Roll over a 401K or IRA into an annuity (all withdrawals then taxable & subject to RMD).*
 - *Use after tax – only appreciation is taxable.*
- Often come with an “up front” bonus (5 to 10%)
- Often also have “bonus appreciation” (6% to 7%) for first 10 years
- Appreciation linked to a major index like S&P 500
 - *Normally also a guaranteed minimum annual appreciation (1%) regardless of index’s performance.*
 - *Normally maximum annual performance is capped and may also be limited by participation rate.*
- Most contracts also include a death benefit (life insurance).
- Most have a diminishing withdrawal penalty over 7 to 10 years.
- Usually you can withdraw up to 10% in any year *without* penalty.
- Some contracts now also offer long term care benefits or extra benefits if disabled.
- Can add a guaranteed income for life rider - but consider circumstances.

- There are many products out there.
- Important to be educated before buying.
- Fidelity studies indicate you can do just about as well with conservative investing.

Open Discussion