

**Sun City Summerlin Computer Club**

**Internet Investing  
SIG**

**Tom Burt  
June 21, 2018**

# SIG Meeting Schedule

- The Internet Investing SIG meets every other “even” month on the third Thursday morning at **9:30 AM**.
- The next six meeting dates will be:
  - *August 16, 2018*
  - *October 18, 2018*
  - *December 20, 2018*
  - *February 21, 2019*
  - *April 18, 2019*
  - *June 20, 2019*

# Fundamentals Review – Apr 18, 2018

- Dollar has strengthened a bit against foreign currencies.
  - *Oil priced in dollars (for now) – around \$67 / barrel.*
  - *Dow 30: 24,774, S&P 500: 2714, Nasdaq: 7312*
  - *S&P forward PE ratio is ~24.6 vs 15.7 long term historical average*
- Headlines: Iran, Russians in Syria, North Korea, terrorism.
  - *“Flight to quality” (Selling stocks and buying US Govt. debt) has eased bond yields down. The 10-year Treasury note now yields about 2.85%  
The 30 year Treasury note yield is about 3.03%.*
- State & Municipal Pension Liabilities Coming Due
  - *<https://www.zerohedge.com/news/2018-04-16/first-domino-falls-illinois-400-more-funds-follow>*
- Federal Reserve expected to raise Fed Funds rate by .25% 3 times in 2018. Also selling off lots of treasury debt, pushing rates up.
- Crypto-currencies all way off highs (Bitcoin: 8146)
- Gov’t Claims US Job / Employment Situation is Improved.
  - *But BLS just makes up numbers, so who really knows.*
- Official 2018 Inflation Rate as of April 11 was 2.4% / year
  - *NV Gasoline creeping up (\$2.93 at Costco)*
  - *Medical care & insurance is NOT cheap*

# Fundamentals Review – June 20, 2018

- Dollar has strengthened a bit against foreign currencies.
  - Oil priced in dollars (for now) – around \$66 / barrel.
  - Stock indexes in trading range at/near record highs – **still very topky**
  - Dow 30: **24,686**, S&P 500: **2771**, Nasdaq: **7794**
  - S&P PE ratio is 25.1 vs 15.7 long term historical average
  - Defense stocks (ITA) up. Healthcare (XLV) up, Big Tech (QQQ) up.
- Key interest Rates:
  - 10 year Treasury note - about 2.92%; 30 year Treasury note - about 3.05%.
  - 30 year fixed mortgage - 4.75%; 15-year fixed mortgage - 3.93%
- Federal Reserve raised Fed Funds (June 13) by .25% to 1.75-2.0%.
  - Expected to raise Fed Funds rate by .25% 2 more times in 2018.
  - Also selling off lots of treasury debt, pushing rates up.
  - Foreign governments also unloading U.S. Debt.
- Gov't Claims April US Job Unemployment at record low **3.9%**.
  - But BLS just makes up (estimates) numbers, so who really knows.
- Official 2018 CPI Inflation Rate as of May 31 was **2.8%** / year
  - NV Gasoline creeping up, but holding (\$2.95 at Costco)
  - Medical care & insurance is NOT cheap

# Free Stock Quote Add-in for MS Excel



- **Stock Connector by Michael Saunders**
  - <https://michael-saunders.com/stocksapp/pages/info.html>
- **Can install from the Microsoft Store:**
  - <https://appssource.microsoft.com/en-us/product/office/WA104379220?src=office&corrid=07a7c2b2-30e7-4dd7-a83c-d4892b1dd227&omexanonuid=ad7de82c-fbfe-4775-a499-f33279397e96>
- **Free to use, but donations accepted**
- **Works in MS Excel 2013 and 2016, not 2007 or 2010**
- **Limit of 100 stocks / funds per workbook**
- **Great for portfolio tracking on the privacy of your own hard drive!**
- **Easy to use – let's demo ...**

# Income Tax Updates

- QCD Caution – If take a QCD, don't also itemize on Schedule A
  - *This causes a “double-dip” and understates taxable income.*
  - *I slipped up and had to amend my 2018 return – owed about \$600 more.*
  - *Amended returns and Form 1040X must be filed on paper and mailed in.*
- Tax rate on qualified dividends and long term capital gains:  
0% if your **taxable income** is  $\leq$  \$77,200
  - *With new \$26,600 standard deduction, this means you can have an AGI up to \$103,800 before qualified dividends and long term capital gains are taxable.*
  - *For taxable income above that, the excess is taxed at whatever bracket you're in (calculations are complicated).*
  - *This does not refer to dividends and capital gains in tax-deferred accounts, which are always taxed as ordinary income when taken out.*
  - *Dividends and capital in Roth IRAs are [almost] never taxable.*
- Deadline for Q2 1040ES payments was June 15<sup>th</sup>.
  - *I highly recommend paying via the EFTPS system.*

# **Open Discussion**