

**Sun City Summerlin Computer Club**

**Internet Investing  
SIG**

**Tom Burt**

**March 7, 2019**

**Recheduled from February 21, 2019**

# 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:
  - *April 18, 2019*
  - *June 20, 2019*
  - *August 15, 2019*
  - *October 17, 2019*
  - *December 19, 2019*
  - *February 20, 2020*

# Fundamentals Review – December 20, 2018

- **Dollar has strengthened a bit against foreign currencies.**
  - *Oil priced in dollars (for now) – down at around \$47.96 / barrel.*
  - *Stock indexes very choppy after dropping well off record highs*
  - *Dow 30: 23,324, S&P 500: 2507, Nasdaq: 6637, Gold: 1246, Bitcoin: 3751*
  - *S&P PE ratio is 19.25 vs 15.7 long term historical average*
  - *Defense stocks (ITA) down. Healthcare (XLV) down, Big Tech (QQQ) down.*
- **Key interest Rates Down Slightly:**
  - *10 year Treasury note - about 2.78%; 30 year Treasury note - about 2.99%.*
  - *30 year fixed mortgage - 4.5%; 15-year fixed mortgage - 3.9%*
- **Federal Reserve raised Fed Funds (Dec 19) by .25% to 2.25-2.5%.**
  - *Fed plans to raise Fed Funds rate by .25% twice in 2019.*
  - *Fed selling off lots of treasury debt (QT).*
  - *Foreign governments also unloading U.S. Debt.*
- **Gov't Claims November US Job Unemployment at record low 3.7%.**
  - *But BLS just makes up (estimates) numbers, so who really knows.*
- **Official 2018 CPI Inflation Rate as of November 30 was 2.2% / year**
  - *NV Gasoline (\$2.75 at Costco)*
  - *Medical care & insurance is NOT cheap*

# Fundamentals Review – March 7, 2019

- **Dollar has strengthened a bit against foreign currencies.**
  - *Oil [mostly] priced in dollars – up at around \$56 / barrel.*
  - *Stock indexes have recovered after dropping well off record highs*
  - *Dow 30: 25,673, S&P 500: 2771, Nasdaq: 7506, Gold: 1287, Bitcoin: 3873*
  - *S&P PE ratio is 21.3 vs 15.7 long term historical average*
- **Key interest Rates Down Slightly:**
  - *10 year Treasury note - about 2.69%; 30 year Treasury note - about 3.06%.*
  - *30 year fixed mortgage - 4.4%; 15-year fixed mortgage - 3.8%*
- **Federal Reserve raised Fed Funds (Dec 19) by .25% to 2.25-2.5%.**
  - *Fed has softened on plans to raise Fed Funds rate by .25% twice in 2019.*
  - *Fed still selling off treasury debt (QT).*
  - *Foreign governments also unloading U.S. Debt.*
- **Gov't Claims January US Job Unemployment up a bit at 4.0%.**
  - *Claim the government shutdown caused the increase.*
  - *But BLS just makes up (estimates) numbers, so who really knows.*
- **Official 2019 CPI Inflation Rate as of January 31 was 1.6% / year**
  - *NV Gasoline (\$2.63 at Costco)*
  - *Medical care, medications & insurance are NOT cheap*

# 10 Investing Axioms

<https://www.zerohedge.com/news/2019-01-29/10-investing-axioms-every-investor-should-learn>

1. You are a *Saver*, not an Investor
2. Don't forget the *Income*
3. You can't *Buy Low* if you don't *Sell High*
4. Patience and discipline are what Wins
5. Never Lose Money! (Buffet's Rule #1)
6. Your most irreplaceable commodity is *Time*
7. Don't mistake a *Cyclical Trend* as an *Infinite Direction*
8. Success breeds *Over-Confidence*
9. Being a Contrarian is Tough, Lonely and Generally Right
10. *Comparison* is your worst Investment Enemy

# 2019 Income Tax Rates

- For 2019, there were few material changes in rates / deductions:
  - If over 65, medical expense exclusion increases to 10.0% of AGI.
  - Tax brackets and standard deduction adjusted for inflation.
  - Marriage penalty kicks in at 35% bracket.

Marginal Tax Rate	Single	Married Filing Jointly	Head of Household	Married Filing Separately
10%	\$0-\$9,700	\$0-\$19,400	\$0-\$13,850	\$0-\$9,700
12%	\$9,701-\$39,475	\$19,401-\$78,950	\$13,851-\$52,850	\$9,701-\$39,475
22%	\$39,476-\$84,200	\$78,951-\$168,400	\$52,851-\$84,200	\$39,476-\$84,200
24%	\$84,201-\$160,725	\$168,401-\$321,450	\$84,201-\$160,700	\$84,201-\$160,725
32%	\$160,726-\$204,100	\$321,451-\$408,200	\$160,701-\$204,100	\$160,726-\$204,100
35%	\$204,101-\$510,300	\$408,201- <b>\$612,350</b>	\$204,101-\$510,300	\$204,101- <b>\$306,175</b>
37%	Over \$510,300	Over <b>\$612,350</b>	Over \$510,300	Over <b>\$306,175</b>

# Useful Excel Spreadsheets

- The three spreadsheets below can be found on the club website at [www.scsccl.com/SIGs](http://www.scsccl.com/SIGs). They are in a .zip file that you can download: **IIS\_Spreadsheets\_2019Feb.zip**.
- **Tax Estimator Spreadsheet**
  - *By Tom Burt*
  - *Based on 2018/2019 Tax Law*
  - *John & Mary Smith – Sun City Couple*
- **Portfolio Tracking Spreadsheet**
  - *By Tom Burt*
  - *Uses the new Stock data type from Excel 2019 / 365*
- **Retirement Planning Spreadsheet**
  - *By Suzanne Sharp*
  - *Projects Income and Expenses over a 40-year period*

# **Open Discussion**