

Sun City Summerlin Computer Club

Internet Investing SIG

Tom Burt

December 19, 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:
 - *February 20, 2020*
 - *April 16, 2020*
 - *June 18, 2020*
 - *August 20, 2020*
 - *October 15, 2020*
 - *December 17, 2020*

Fundamentals Review – October 17, 2019

- Dollar has strengthened a bit against foreign currencies.
 - Oil still priced in dollars – down to around **\$53.29** / barrel.
 - Stock indexes have been choppy, back near all-time highs
 - Dow 30: **27,002**, S&P 500: **2990**, Nasdaq: **8124**, Gold: **\$1494**, Bitcoin: **\$8010**
 - S&P PE ratio is **22.3** vs 15.8 long term historical average
- Key interest Rates Down Significantly:
 - 10-year Treasury note - about **1.75%**; 30-year Treasury note - about **2.23%**.
 - 30-year fixed mortgage - **3.66%**; 15-year fixed mortgage - **3.17%**
- Federal Reserve cut Fed Funds in Sept. by .25% to 1.75 - 2.0%.
 - Fed likely to cut Fed Funds rate further this year – could see 1.5%.
 - Fed is again buying U.S. Treasury debt (\$60 Billion / month)
 - Foreign corporations & money managers again buying U.S. Debt (safety).
- Gov't Claims July US Job Unemployment at 50-Year Low **3.5%**.
 - BLS just makes up (estimates) numbers, so can't really know.
- Official 2019 CPI Inflation Rate as of Sept. was **1.7%** / year
 - LV Gasoline (**\$3.13** at Costco)
 - <http://www.in2013dollars.com>

Fundamentals Review – December 18, 2019

- Dollar has strengthened a bit against foreign currencies.
 - Oil still priced in dollars – down to around **\$60.84** / barrel.
 - Stock indexes have been choppy, at or above all-time highs
 - Dow 30: **28,239**, S&P 500: **3169**, Nasdaq: **8827**, Gold: **\$1480**, Bitcoin: **\$7285**
 - S&P PE ratio is **23.9** vs 15.8 long term historical average
- Key interest Rates Down Significantly:
 - 10-year Treasury note - about **1.92%**; 30-year Treasury note - about **2.35%**.
 - 30-year fixed mortgage - **3.87%**; 15-year fixed mortgage - **3.20%**
- Federal Reserve cut Fed Funds in Oct. by .25% to 1.5 – 1.75%.
 - Fed not cutting Fed Funds rate further this year or in 2020.
 - Fed is again buying U.S. Treasury debt (\$60 Billion / month – QE4)
 - Foreign corporations & money managers again buying U.S. Debt (safety).
- Gov't Claims Nov US Job Unemployment at 50-Year Low **3.5%**.
 - BLS just makes up (estimates) numbers, so can't really know.
- Official 2019 CPI Inflation Rate as of Nov. was **2.1%** / year
 - LV Gasoline (**\$2.75** at Costco)
 - <http://www.in2013dollars.com>

Recent Interesting News Hyperlinks

- **Schwab – TD Ameritrade Merger Considerations**
 - <https://www.marketwatch.com/story/why-investors-need-to-be-smarter-than-ever-about-their-money-if-a-schwab-ameritrade-merger-happens-2019-11-22>
- **China Trade Deal**
 - <https://www.zerohedge.com/markets/stocks-re-surge-reports-deal-agreed-principle-china>
- **Fed to Flood Repo Market with \$500 Billion Dec-Jan**
 - <https://www.zerohedge.com/markets/avoid-repo-crisis-fed-will-flood-market-gargantuan-365-billion-year-end-liquidity>
- **Active vs Passive Fund Investing**
 - <https://www.zerohedge.com/markets/active-vs-passive-simple-reasons-you-cant-beat-index>
- **Income Tax Marriage Penalties**
 - <https://bottomlineinc.com/money/tax-planning/there-are-still-tax-penalties-for-getting-married>

Tom's Recent Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- **Moved Schwab IRA to T.D. Ameritrade**
 - *Entire account*
 - *Cash + Equities*
 - *\$600 cash reward from TDA*
- **Sold Off Fractional Holdings in several accounts**
 - *Cleaning up prior to move*
 - *Simplifying tracking of assets and tax estimating*
- **Bought 400 SLV ETF @ 15.95**
 - *Hedge against surprise inflationary burst*
- **Bought 200 AAAU ETF @ 14.65**
 - *Hedge against surprise inflationary burst*

Asset Allocation

- How to allocate your portfolio between stocks, fixed income and Annuities.
- No “right” allocation – depends on circumstances, your estate plan, risk tolerance, needs, tax situation.
 - *General idea is to minimize risk of large capital loss while maintaining a sufficient income stream to allow a satisfactory life-style.*
- Bond and other fixed-income yields only so-so.
 - *Corporate bonds yield more than Treasuries*
 - *May want to buy bond ETFs to diversify, reduce risk*
- Stock dividend yields fair, but stocks are riskier.
 - *Favor low volatility (low Beta), dividend-paying stocks*
 - *Look at Preferred Stock ETFs*
 - *Look at Utilities, Telecomms*
- Rule of thumb for seniors: 70% Fixed income, 30% stocks

Stock Data Tools for Spreadsheets

- **Excel 365 Stock Data Tool**
 - *Select a cell*
 - *Enter a ticker symbol*
 - *Go to the Data menu*
 - *Click on “Stocks”*
 - *Other cells refer to the “data” cell . Desired data point*
 - *Demo ...*
 - *Sadly ... NO dividend data available*
- **Google Sheets =GoogleFinance() function**
 - <https://support.google.com/docs/answer/3093281?hl=en>
 - *Select a cell*
 - *Enter =GoogleFinance("<ticker>", "<attribute>")*
E.g. =GoogleFinance("JNJ", "price")
 - *Demo ...*
 - *Sadly ... NO dividend data available for stocks*
- **I'm currently looking at IEX.com**
 - *They have a web programming interface*

Open Discussion

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