

Sun City Summerlin Computer Club

\$ Internet Investing SIG \$

Tom Burt

March 17, 2022

SIG Meeting Schedule

- The Internet Investing SIG meets every month on the third Thursday morning at **9:30 AM**.
 - *2022 looks to be a very volatile year. Suggest we alternate a month of free form Q&A / discussion or a guest speaker with my current format with topical material.*
- Investing SIG Chat Line
 - *Subscribe: SCSCCInvestingSIG+subscribe@groups.io*
 - *Post: SCSCCInvestingSIG@groups.io*
- The upcoming session dates will be:

April 21, 2022 – via Zoom
May 19, 2022
June 16, 2022
July 21, 2022
August 18, 2022
September 15, 2022

October 20, 2022
November 17, 2022
December 15, 2022
January 19, 2023
February 16, 2023
March 16, 2023

Fundamentals Review – January 20, 2022

- Dollar weakening against foreign currencies.
 - Oil (WTI) – still priced in dollars –around **\$86.14** / barrel.
 - Stock indexes have been rising steadily; but are now well off recent all-time highs.
 - Dow 30: **35,029**, S&P 500: **4,533**, Nasdaq: **14,340**, Russell 2K: **2063**, Gold: **\$1,840**, Silver: **\$24.17**, Bitcoin: **\$42352**, EUR/USD: **1.135**
 - S&P PE ratio is **25.85** vs 15.96 long term historical average.
- Key interest Rates have been slowly rebounding:
 - 10-year Treasury note - about **1.827%**; 30-year Treasury note - about **2.138%**.
 - Nevada 30-year fixed mortgage – **3.174% Apr**; 15-year fixed mortgage - **2.438% Apr**.
- Federal Reserve Fed Funds remains at 0.0 – 0.25% but look for rate hikes soon.
- Gov't BLS Claims December US Job Unemployment was **3.9%**.
 - This number has been improving, but many workers staying on government payments.
- Official December 2021 Inflation Rates (YoY) were CPI **7.0%**, PPI **9.7%**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Gasoline (**\$3.39** at Costco).
 - Federal Reserve has totally abandoned its 2% cap on inflation.

Fundamentals Review – February 16, 2022

- Dollar weakening against foreign currencies.
 - Oil (WTI) – still priced in dollars –around **\$91.08** / barrel.
 - Stock indexes have been rising steadily; but are now well off recent all-time highs.
 - Dow 30: **34,934**, S&P 500: **4,475**, Nasdaq: **14,124**, Russell 2K: **2079**, Gold: **\$1,873**, Silver: **\$23.60**, Bitcoin: **\$43,889**, EUR/USD: **1.139**
 - S&P PE ratio is **25.20** vs 15.97 long term historical average.
- Key interest Rates have been slowly rebounding:
 - 10-year Treasury note - about **2.047%**; 30-year Treasury note - about **2.365%**.
 - Nevada 30-year fixed mortgage – **3.549% Apr**; 15-year fixed mortgage - **2.863% Apr**.
- Federal Reserve Fed Funds remains at 0.0 – 0.25% but look for rate hikes soon.
- Gov't BLS Claims January US Job Unemployment was **4.0%**.
 - This number has been improving, but many workers staying on government payments.
- Official January 2022 Inflation Rates (YoY) were CPI **7.5%**, PPI **9.7%**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Gasoline (**\$3.49** at Costco).
 - Federal Reserve has totally abandoned its 2% cap on inflation.

Fundamentals Review – March 16, 2022

- Dollar weakening against foreign currencies.
 - Oil (WTI) – still priced in dollars –around **\$94.93** / barrel.
 - Stock indexes have been rising steadily; but are now well off recent all-time highs.
 - Dow 30: **34,063**, S&P 500: **4,358**, Nasdaq: **13,437**, Russell 2K: **2,031**, Gold: **\$1,928**, Silver: **\$25.23**, Bitcoin: **\$41,136**, EUR/USD: **1.103**
 - S&P PE ratio is **24.6** vs 15.97 long term historical average.
- Key interest Rates have been slowly rebounding:
 - 10-year Treasury note - about **2.188%**; 30-year Treasury note - about **2.459%**.
 - 30-year fixed mortgage – **3.90% Apr**; 15-year fixed mortgage - **3.06% Apr**.
- Federal Reserve Fed Funds raised to 0.25% – 0.50%. Expect more rate hikes soon.
- Gov't BLS Claims February US Job Unemployment was **3.9%**.
 - This number has been improving, but many workers staying on government payments.
- Official February 2022 Inflation Rates (YoY) were CPI **7.9%**, PPI **10.0%**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Gasoline (**\$4.59** at Costco).
 - Federal Reserve has totally abandoned its 2% cap on inflation.

Things to Be Aware Of

- **Tax Filing is 4 Weeks Away**
 - *Watch for 1099 Forms and K1 forms (K1s tend to come late).*
 - *AARP free service is fully subscribed.*
 - *H&R Block & Quicken Updates should be about done.*
 - *Check out <https://eftps.gov> for electronic tax payments.*
 - *Can file for an extension (but must pay tax by April 15th).*
- **Supply Chain Concerns Continue**
 - *Prudent to stock up on staples (canned foods, flour, pasta, rice, batteries, toilet paper, ...).*
 - *Buy and freeze meat bargains.*
- **RMDs**
 - *New RMD life expectancy tables in effect in 2022.*
 - *General effect is to make RMDs smaller.*
 - *RMD age likely to be raised to 75.*
 - *If under 75, wait to take RMD until this has been passed into law – may not have to take this year.*
 - *If 75 or over, take RMDs as soon as circumstances allow.*

Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- ***Assessing Blackrock Capital (BKCC) – 9.7% yield, but ... iffy history, prospects***
- ***Considering adding to holdings in AAAU and SLV (Inflation protection)***
- ***Looking at big oil companies (SHEL, CHV, BP, XON) – crude prices rising***
- ***Bond yields are rising (i.e. prices are falling) – may add to bond ETF holdings after first wave of Fed rate hikes.***
- ***Starting to look at Bank stocks. Rising rates produce higher profits.***
- ***Looking at Utilities, Uranium miners, Copper, Robotics / Automation / AI***
 - ***Move to electric vehicles will increase demand for electric power everywhere.***
 - ***No way to meet demand with renewables (wind, solar), so nuclear will see a resurgence.***
 - ***Flight from high-tax northern blue states to the south will increase demand for power there.***
 - ***Electric vehicles and utility transmission lines require lots of copper.***

Open Discussion

Internet Investing SIG