

**Sun City Summerlin Computer Club**

**\$ Internet Investing SIG \$**

**Tom Burt**

**December 15, 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](https://groups.io/join/SCSCCInvestingSIG)*
  - *Post: [SCSCCInvestingSIG@groups.io](https://groups.io/g/SCSCCInvestingSIG)*
- The upcoming session dates will be:

January 19, 2023  
February 16, 2023  
March 16, 2023  
April 20, 2023  
May 18, 2023  
June 15, 2023

July 20, 2023  
August 17, 2023  
September 21, 2023  
October 19, 2023  
November 16, 2023  
December 21, 2023

# Fundamentals Review – October 19, 2022

- Dollar very strong against foreign currencies.
  - Oil (WTI) – still priced in dollars – has faded to around **\$86.00** / barrel.
  - Stock indexes have been choppy; but are now far off recent all-time highs.
  - Dow 30: **30,424** S&P 500: **3,695**, Nasdaq: **10,681**, Russell 2K: **1,726**, Gold: **\$1,634**, Silver: **\$18.41**, Bitcoin: **\$19,203**, EUR/USD: **.9773**
  - S&P PE ratio is **19.9** vs 15.97 long term historical average.
- Key interest Rates have been rising sharply:
  - 2-year Treasury – about **4.43%**; 10-year Treasury - about **4.13%**; 30-year Treasury - about **4.13%**.
  - 30-year fixed mortgage – **7.20% Apr**; 15-year fixed mortgage - **6.32% Apr**.
- Federal Reserve Fed Funds raised to 3.75% – 4.00%. Expect .75% more in late Dec.
- Gov't BLS Claims September US Job Unemployment was **3.5%**.
  - This number has been improving, but many workers staying on government payments.
- Official September 2022 Inflation Rates (YoY) were CPI **8.2%**, PPI **8.5%**
  - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
  - LV Gasoline (**\$4.59** at Costco, **\$5.30** at Chevron).
  - Federal Reserve has totally abandoned its 2% cap on inflation.

# Fundamentals Review – November 16, 2022

- Dollar very strong against foreign currencies.
  - Oil (WTI) – still priced in dollars – has faded to around **\$85.26** / barrel.
  - Stock indexes have been choppy; but are now far off recent all-time highs.
  - Dow 30: **33,966** S&P 500: **3,995**, Nasdaq: **11,171**, Russell 2K: **1,820**, Gold: **\$1,819**, Silver: **\$21.53**, Bitcoin: **\$16,562**, EUR/USD: **1.039**
  - S&P PE ratio is **19.7** vs 15.97 long term historical average.
- Key interest Rates have been rising sharply:
  - 2-year Treasury – about **4.37%**; 10-year Treasury - about **3.692%**; 30-year Treasury - about **3.860%**.
  - 30-year fixed mortgage – **6.93% Apr**; 15-year fixed mortgage - **6.17% Apr**.
- Federal Reserve Fed Funds raised to 3.75% – 4.00%. Expect .75% more in Dec.
- Gov't BLS Claims October US Job Unemployment was **3.7%**.
  - This number has been improving, but many workers staying on government payments.
- Official October 2022 Inflation Rates (YoY) were CPI **7.75%**, PPI **7.97%**
  - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
  - LV Gasoline (**\$4.33** at Costco, **\$5.20** at Chevron).
  - Federal Reserve has totally abandoned its 2% cap on inflation.

# Fundamentals Review – December 14, 2022

- Dollar very strong against foreign currencies.
  - Oil (WTI) – still priced in dollars – has faded to around **\$77.24** / barrel.
  - Stock indexes have been choppy; but are now far off recent all-time highs.
  - Dow 30: **33,554** S&P 500: **3,959**, Nasdaq: **11,184**, Russell 2K: **1,853**, Gold: **\$1,778**, Silver: **\$24.17**, Bitcoin: **\$17,834**, EUR/USD: **1.068**
  - S&P PE ratio is **20.8** vs 15.99 long term historical average.
- Key interest Rates have been rising sharply:
  - 1-year Treasury – about **4.64%**; 10-year Treasury - about **3.503%**; 30-year Treasury - about **3.539%**.
  - 30-year fixed mortgage – **6.22% Apr**; 15-year fixed mortgage - **5.92% Apr**.
- Federal Reserve Fed Funds raised .5% to 4.25% – 4.50%. Expect more in Jan.
- Gov't BLS Claims November US Job Unemployment was **3.7%**.
  - This number has been improving, but many workers staying on government payments.
- Official November 2022 Inflation Rates (YoY) were CPI **7.1%**, PPI **7.4%**
  - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
  - LV Gasoline (**\$3.75** at Costco, **\$4.16** at Chevron).
  - Federal Reserve has totally abandoned its 2% cap on inflation.

# Capital Loss Harvesting for Tax Savings

- **Article on Tax Loss Harvesting**
  - <https://finance.yahoo.com/news/know-tax-loss-harvesting-capital-140034331.html>
- **Sell a capital investment at a loss (short or long term)**
  - *Offsets other short or long term capital gains*
  - *May offset up to \$3000 of ordinary income*
  - *Unused capital losses can be carried over to future years*
- **Beware of Wash Sale rules**
  - *Can't buy a "substantially similar" investment 30 days before or after the sale.*  
*NOTE - IRS does not explicitly define "substantially similar".*
  - *Can't buy in a different account, including spouse's.*
  - *Wash sale rules do not apply if you sell at a gain and then immediately buy back.*  
*This triggers a capital gain event but also resets the basis of the asset.*
- **Tax loss selling only makes sense in a taxable account.**
  - *In a regular IRA or 401K, all withdrawals are taxed as ordinary income.*
  - *In a Roth IRA, all withdrawals are tax free.*

# News Bits & Bytes

- **Cash Payments Reporting Threshold Reduced to \$600**
  - <https://www.foxbusiness.com/money/new-irs-rule-venmo-cash-app-payments-threatens-sweep-millions-americans>
  -
- **EV Demand Waning**
  - <https://www.investors.com/news/the-brakes-are-screaching-on-ev-demand-analyst-says-these-stocks-are-getting-slammed>
- **Signs of Recession – Home buyers “under water” on mortgages**
  - <https://finance.yahoo.com/news/us-home-prices-decline-number-173724331.html>

# Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- ***Bought 200 shares of Devon Energy (DVN) – Adding to holdings (now 600 shares)***
- ***Considering adding to holdings in AAAU and SLV (Inflation protection?)***
- ***Bond yields have been rising (i.e. prices have been falling)  
Foreign flight to U.S. bonds is offsetting this trend. Looking at Treasury ETFs and short-term treasury bonds.***
- ***Still 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 should 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**