

Sun City Summerlin Computer Club

\$ Internet Investing SIG \$

Tom Burt

February 16, 2023

SIG Meeting Schedule

- The Internet Investing SIG meets every month on the third Thursday morning at **9:30 AM**.
- Investing SIG Chat Line
 - *Subscribe:* [SCSCCInvestingSIG+subscribe@groups.io](https://www.groups.io/join/SCSCCInvestingSIG+subscribe@groups.io)
 - *Post:* [SCSCCInvestingSIG@groups.io](https://www.groups.io/g/SCSCCInvestingSIG)
- The upcoming session dates will be:

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
January 18, 2024
February 15, 2024

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.

Fundamentals Review – February 15, 2023

- Dollar very strong against foreign currencies.
 - Oil (WTI) – still priced in dollars – has faded to around **\$78.45** / barrel.
 - Stock indexes have been choppy; but are now far off recent all-time highs.
 - Dow 30: **34,128** S&P 500: **4,148**, Nasdaq: **12,071**, Russell 2K: **1,961**, Gold: **\$1,846**, Silver: **\$21.62**, Bitcoin: **\$24,268**, EUR/USD: **1.069**
 - 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 **4.99%**; 10-year Treasury - about **3.809%**; 30-year Treasury - about **3.854%**.
 - 30-year fixed mortgage – **6.77% Apr**; 15-year fixed mortgage - **6.16% Apr**.
- Federal Reserve January Fed Funds rate raised .25% to 4.5% – 4.75%.
Expect more hikes in February, March and beyond.
- Gov't BLS Claims January US Job Unemployment was **3.4%**.
 - This number has been improving, but many workers staying on government payments.
- Official 2023 Inflation Rates (YoY) were January core CPI **6.4%**, December PPI **6.2%**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Gasoline (**\$3.55** at Costco, **\$4.50** at Chevron).
 - Federal Reserve has totally abandoned its 2% cap on inflation.

How to Know When to Sell

- **Motley Fool Article**
 - <https://www.fool.com/investing/how-to-invest/stocks/when-to-sell-stocks/>
- **Sell a capital investment at a profit (short or long term)**
 - *Price has reached pre-defined goal (decide when you buy)*
 - *Price dips to “stop loss” level (moving average or set percentage)*
 - *As price rises, can steadily move stop loss price up*
 - *Rebalancing portfolio (position is too large a percent of assets)*
 - *Situation has changed (management, merger, company strategy, personal)*
 - *Need or want the cash for something else*
- **Sell a capital investment at a loss (short or long term)**
 - *Cut losses quickly if a position turns adverse*
- **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.*
 - *Offsets other current or future short or long term capital gains*
 - *May offset up to \$3000 of ordinary income*
 - *Unused capital losses can be carried over to future years*

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>
- **IRAs With Trusts as Beneficiaries – New Tax Rules**
 - [New Rules Mean Higher Taxes for IRA Trusts | Bottom Line Inc](#)
- **Inflation Forecast**
 - [Inflation Is Here to Stay! | Bottom Line Inc](#)
- **REITs Leasing to Government**
 - <https://finance.yahoo.com/news/want-uncle-sams-landlord-earn-001500299.html>
- **High-Yield Bank CDs**
 - <https://www.marketwatch.com/picks/you-may-want-to-think-about-a-cd-some-cds-pay-4-5-or-more-right-now-should-you-get-one-01675975850?siteid=yhoof2>

Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- ***IRA to Roth Conversions – both mine and wife's – transferred shares***
- ***Sold 200 WBA – tax loss harvesting***
- ***Bought 400 JEPI – putting cash to work***
- ***Considering selling holdings in SPIP & TIP (missed dividends)***
- ***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