

Sun City Summerlin Computer Club

\$ Internet Investing SIG \$

Tom Burt

March 16, 2023

SIG Meeting Schedule

- The Internet Investing SIG meets every month on the third Thursday morning at **10 AM**.
- Investing SIG Chat Line
 - *Subscribe:* SCSCCInvestingSIG+subscribe@groups.io
 - *Post:* SCSCCInvestingSIG@groups.io
- The upcoming session dates will be:

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
March 21, 2024

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.

Fundamentals Review – March 15, 2023

- Dollar very strong against foreign currencies.
 - Oil (WTI) – still priced in dollars – has faded to around **\$68.28** / barrel.
 - Stock indexes have been choppy; but are now far off recent all-time highs.
 - Dow 30: **31,875** S&P 500: **3,892**, Nasdaq: **11,434**, Russell 2K: **1,746**, Gold: **\$1,923**, Silver: **\$21.92**, Bitcoin: **\$24,420**, EUR/USD: **1.058**
 - S&P PE ratio is **20.7** vs 16.0 long term historical average.
- Key interest Rates have been rising sharply:
 - 1-year Treasury – about **4.292%**; 10-year Treasury - about **3.492%**; 30-year Treasury - about **3.687%**.
 - 30-year fixed mortgage – **6.98% Apr**; 15-year fixed mortgage - **6.27% Apr**.
- Federal Reserve February Fed Funds rate raised .25% to 4.75% – 5.00%.
Expect more hikes in March, April and beyond.
- Gov't BLS Claims February US Job Unemployment was **3.6%**.
 - This number has been improving, but many workers staying on government payments.
- Official 2023 Inflation Rates (YoY) were February core CPI **6.0%**, February PPI **7.1%**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Gasoline (**\$4.00** at Costco, **\$4.50** at Chevron).
 - Federal Reserve has totally abandoned its 2% cap on inflation.

News Bits & Bytes

- **Bank Failures**

- <https://www.wnd.com/2023/03/breathtaking-step-ex-treasury-official-says-u-s-banks-verge-nationalization/>
- <https://www.zerohedge.com/markets/schiff-and-then-something-broke>
- <https://www.zerohedge.com/markets/yes-latest-bank-bailout-really-bailout-and-you-are-paying-it>
- <https://finance.yahoo.com/news/credit-suisse-shares-drop-fresh-093204454.html>
- <https://www.investors.com/etfs-and-funds/sectors/banks-report-most-exposed-to-uninsured-deposits/?src=A00220>

- **Biden Proposed Tax Hikes on Capital Gains / Wealth**

- <https://finance.yahoo.com/news/rich-biden-wants-double-capital-200308541.html>

- **Inflation**

- <https://apnews.com/article/inflation-federal-reserve-interest-rates-banks-economy-40c98d52a8bc71e21a228ed5c1cbde86>

- **High-Yield Bank CDs**

- <https://www.bankrate.com/banking/cds/cd-rates/>

How to Know When to Buy

- **Motley Fool Article**
 - <https://www.fool.com/investing/how-to-invest/stocks/good-time-to-buy-stocks/>
- **Buying short term (trading)**
 - *Price has reached desired buy point (can enter limit orders)*
 - *Look at sector and broad market trends*
 - *Look at related news and analyst reviews*
- **Buying long term (investing)**
 - *Good companies go up over the long term, buy price is less important*
 - *Study fundamentals: PE, dividend, cash flow, earnings forecast*
 - *Situation has changed (management, merger, company strategy, personal)*
 - *Never hurts to try to catch dips, but don't try for bottoms*
 - *Watch out for potential dividend cuts or earnings misses*

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 2023 – my wife's: Took RMD, Transferred shares***
- ***Bought 200 JEPI in Roth – putting cash to work***
- ***Ready to sell holdings in SPIP & TIP (too many missed dividends)***
- ***Bond yields have suddenly fallen (i.e. prices have been rising)
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

Internet Investing SIG