

**Sun City Summerlin Computer Club**

**\$ Internet Investing SIG \$**

**Tom Burt**  
**April 20, 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](mailto:SCSCCInvestingSIG+subscribe@groups.io)
  - *Post:* [SCSCCInvestingSIG@groups.io](mailto:SCSCCInvestingSIG@groups.io)
- The upcoming session dates will be:

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  
April 18, 2024

# 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.

# Fundamentals Review – April 19, 2023

- Dollar weakening against foreign currencies.
  - Oil (WTI) – still priced in dollars – has resurged to around **\$82.68** / barrel.
  - Stock indexes have been choppy; but are now far off recent all-time highs.
  - Dow 30: **33,897** S&P 500: **4,155**, Nasdaq: **12,157**, Russell 2000: **1,799**, Gold: **\$2,006**, Silver: **\$25.33**, Bitcoin: **\$28,719**, EUR/USD: **1.095**
  - S&P PE ratio is **20.7** vs 16.0 long term historical average.
- Key interest Rates have moderated a bit:
  - 1-year Treasury – about **4.818%**; 10-year Treasury - about **3.602%**; 30-year Treasury - about **3.789%**.
  - 30-year fixed mortgage – **6.525% Apr**; 15-year fixed mortgage - **5.783% Apr**.
- Federal Reserve March Fed Funds rate raised .25% to 4.75% – 5.00%.  
Expect a .25% hike in May. After that, uncertain.
- Gov't BLS Claims March US Job Unemployment was **3.5%**.
  - This number has been improving, but many workers staying on government payments.
- Official 2023 Inflation Rates (YoY) were March core CPI **6.0%**, March PPI **7.1%**
  - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
  - LV Gasoline (**\$3.79** at Costco, **\$4.50** at Chevron).
  - Federal Reserve has totally abandoned its 2% cap on inflation.

# News Bits & Bytes

- End of the Petro-dollar
  - <https://www.zerohedge.com/economics/rise-petroyuan-end-petrodollars-reign-and-impact-global-markets>
  -
- Interesting Tax Court Rulings
  - <https://www.bottomlineinc.com/money/taxes/lessons-from-us-tax-court>
- Mega-cap Stocks Dominate Indexes
  - <https://www.schwab.com/learn/story/elevation-largest-stocks-to-markets-rescue>
- Investing Strategy Comparison
  - <https://www.schwab.com/learn/story/when-markets-dip-dont-drop-out>

# Russell Stock Indexes

- **Russell 3000 Index**
  - *Seeks to benchmark the entire U.S. Stock market*
  - *Capitalization weighted using shares outstanding*
  - [https://www.investopedia.com/terms/r/russell\\_3000.asp](https://www.investopedia.com/terms/r/russell_3000.asp)
  - *Can buy iShares Russell 3000 ETF (IWM)*
- **Russell 1000 Index**
  - *Tracks the 1000 highest-ranking stocks of the Russell 3000 index*
  - [https://www.investopedia.com/terms/r/russell\\_1000index.asp](https://www.investopedia.com/terms/r/russell_1000index.asp)
  - *Can buy iShares Russell 1000 ETF (IWB)*
- **Russell 2000 Index**
  - *Tracks the 2000 smallest-ranking stocks of the Russell 3000 index*
  - <https://www.investopedia.com/terms/r/russell2000.asp>
  - *Can buy iShares Russell 2000 ETF (IWM)*

## Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- ***No buys or sells in past month***
- ***Still looking at selling holdings in SPIP & TIP (recurring 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