

**Sun City Summerlin Computer Club**

**\$ Internet Investing SIG \$**

**Tom Burt**  
**August 17, 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:

September 21, 2023  
October 19, 2023  
November 16, 2023  
December 21, 2023  
January 18, 2024  
February 15, 2024

March 21, 2024  
April 18, 2024  
May 16, 2024  
June 20, 2024  
July 18, 2024  
August 15, 2024

# Fundamentals Review – August 16, 2023

- Dollar stronger against foreign currencies / commodities.
  - Oil (WTI) – still priced in dollars – has resurged to around **\$79.28** / barrel.
  - Stock indexes have been rising; but remain well below all-time highs.
  - Dow 30: **34,766** S&P 500: **4,404**, Nasdaq: **13,475**, Russell 2000: **1,872**, Gold: **\$1,923**, Silver: **\$22.47**, Bitcoin: **\$28,937**, EUR/USD: **\$1.088**
  - S&P PE ratio is **25.30** vs 16.0 long term historical average.
- Key interest rates have risen a bit; strong short-term inversion is still present
  - 1-year Treasury – about **5.36%**; 10-year Treasury - about **4.29%**; 30-year Treasury - about **4.36%**.
  - 30-year fixed mortgage – **7.61% Apr**; 15-year fixed mortgage – **6.85% Apr**.
- Federal Reserve raised July Fed Funds rate by .25% to 5.25% – 5.50%.  
Future rate hikes are uncertain; Fed likely to raise .25% to .5% in next few months.
- Gov't BLS Claims July US Job Unemployment was **3.5%**.
  - <https://www.bls.gov/news.release/pdf/empst.pdf>
  - This number has been improving, but many workers are staying on government payments.
- Official 2023 Inflation Rates (YoY) for July were: CPI **3.2%**, PPI **0.8%**
  - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
  - LV Regular Gasoline (**\$3.85** at Costco, **\$4.50** at Chevron).

# Fundamentals Review – July 19, 2023

- Dollar weakening against foreign currencies.
  - Oil (WTI) – still priced in dollars – has resurged to around **\$75.35** / barrel.
  - Stock indexes have been rising; but remain well below all-time highs.
  - Dow 30: **35,061** S&P 500: **4,566**, Nasdaq: **14,358**, Russell 2000: **1,985**, Gold: **\$1,981**, Silver: **\$25.35**, Bitcoin: **\$29,907**, EUR/USD: **\$1.120**
  - S&P PE ratio is **23.5** vs 16.0 long term historical average.
- Key interest Rates have risen a bit; strong inversion is still present
  - 1-year Treasury – about **5.32%**; 10-year Treasury - about **3.74%**; 30-year Treasury - about **3.94%**.
  - 30-year fixed mortgage – **7.16% Apr**; 15-year fixed mortgage – **6.57% Apr**.
- Federal Reserve June Fed Funds rate unchanged at 5.00% – 5.25%.  
Future rate hikes are uncertain; Fed may pause for a few months.
- Gov't BLS Claims June US Job Unemployment was **3.6%**.
  - <https://www.bls.gov/news.release/pdf/empst.pdf>
  - This number has been improving, but many workers staying on government payments.
- Official 2023 Inflation Rates (YoY) for June were: CPI **3.0%**, PPI **0.1%**
  - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
  - LV Gasoline (**\$3.72** at Costco, **\$4.30** at Chevron).

# Fundamentals Review – June 14, 2023

- Dollar weakening against foreign currencies.
  - Oil (WTI) – still priced in dollars – has resurged to around **\$68.53** / barrel.
  - Stock indexes have been choppy; but remain far off recent all-time highs.
  - Dow 30: **33,979** S&P 500: **4,373**, Nasdaq: **13,626**, Russell 2000: **1,874**, Gold: **\$1,957**, Silver: **\$23.96**, Bitcoin: **\$25,119**, EUR/USD: **1.084**
  - S&P PE ratio is **24.1** vs 16.0 long term historical average.
- Key interest Rates have moderated a bit; strong inversion is still present
  - 1-year Treasury – about **5.41%**; 10-year Treasury - about **3.796%**; 30-year Treasury - about **3.881%**.
  - 30-year fixed mortgage – **7.05% Apr**; 15-year fixed mortgage – **6.53% Apr**.
- Federal Reserve June Fed Funds rate unchanged at 5.00% – 5.25%.  
Future rate hikes are uncertain; Fed will likely pause for a few months.
- Gov't BLS Claims May US Job Unemployment was **3.7%**.
  - This number has been improving, but many workers staying on government payments.
- Official 2023 Inflation Rates (YoY) were May CPI **4.0%**, May PPI **2.85%**
  - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
  - LV Gasoline (**\$3.79** at Costco, **\$4.36** at Chevron).
  - Federal Reserve has totally abandoned its 2% cap on inflation.

# News Bits & Bytes

- **EVs Not so Popular – Big Losses at Ford**
  - <https://www.wnd.com/2023/07/automaker-loses-4-5-billion-electric-cars-cuts-production-target>
- **Toyota Solid State Battery Technology – Potential 900 Mile Range**
  - <https://www.digitaltrends.com/cars/toyota-solid-state-battery-technology-explained/>
- **Investing in “The Next Big Thing”**
  - <https://www.bottomlineinc.com/money/stocks/best-bets-for-investing-in-the-next-big-thing>
- **Specialty Chemical Companies – Growth Industry?**
  - <https://www.bottomlineinc.com/money/investing/the-next-decades-big-growth-industry>
- **Magnificent 10 – Most Popular Stocks**
  - <https://www.investors.com/etfs-and-funds/sectors/sp500-investors-load-up-on-stocks-beyond-the-magnificent-seven/>

# Investing in Technology and Growth (1)

- **Articles:**
  - <https://money.usnews.com/investing/investing-advice/articles/high-return-low-risk-investments-for-retirees>
  - <https://www.forbes.com/advisor/retirement/best-retirement-income-funds/>
- **Why do seniors need to invest for growth?**
  - *Seniors are living longer and will need more assets and income. Usually, no longer working.*
  - *Inflation is eating away purchasing power of savings. Inflation for seniors is much higher than the stated CPI growth.*
  - *Social security and pensions may not keep up with inflation and there's a growing risk of default.*
- **Investment “Bucket Strategy” (Ken Himmeler et. al.)**
  - *1-year bucket: satisfies immediate cash needs – MMFs, short term treasuries & corporates.*
  - *5-year bucket: conservative investments – bonds, preferred stocks, big cap dividend stocks, CDs. Use the proceeds to replenish the 1-year bucket. Goal is 5% / year or more return.*
  - *10-year bucket: Technology and other growth stocks – mid to large caps, sector ETS. Use the proceeds to replenish the 5-year bucket. Goal is 10% / year or more return.*

# Investing in Technology and Growth (2)

- **Growth Stock Investments:**

- *Companies that reinvest earnings in growing the company.*
- *Don't pay much in dividends.*
- *May be volatile and risky; better to diversify via ETFs*

- **Technology ETFs:**

- *QQQ – Tracks the Nasdaq 100*
- *XLK – Tracks the Technology Select Sector index*

- **Growth ETFs:**

- <https://www.forbes.com/advisor/investing/best-growth-etfs/>
- <https://www.fool.com/investing/stock-market/types-of-stocks/growth-stocks/growth-etf/>
- <https://www.usatoday.com/money/blueprint/investing/best-growth-etfs/>



# Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- ***Bought \$50,000 more of Schwab Value Advantage MMF (SWVXX) 5.34% interest. (Putting cash to work).***
- ***Still looking at selling holdings in SPIP & TIP (dividends have resumed, but yields are lower).***
- ***Longer term bond yields have been rising again (i.e. prices have been falling)  
Yields on preferred stock ETFs, bank CDs, money market funds have rebounded.***
- ***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, rare earth metals, lithium.***

# **Open Discussion**

Internet Investing SIG