

**Sun City Summerlin Computer Club**

**\$ Internet Investing SIG \$**

**Tom Burt**

**September 21, 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](https://groups.io/join/SCSCCInvestingSIG)
  - *Post:* [SCSCCInvestingSIG@groups.io](mailto:SCSCCInvestingSIG@groups.io)
- The upcoming session dates will be:

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  
September 19, 2023

# Fundamentals Review – September 20, 2023

- Dollar stronger against foreign currencies / commodities.
  - Oil (WTI) – still priced in dollars – has resurged to around **\$90.27** / barrel.
  - Stock indexes have been rising; but remain well below all-time highs.
  - Dow 30: **34,441** S&P 500: **4,402**, Nasdaq: **13,469**, Russell 2000: **1,810**, Gold: **\$1,951**, Silver: **\$23.52**, Bitcoin: **\$27,115**, EUR/USD: **\$1.066**
  - 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 **5.47%**; 10-year Treasury - about **4.35%**; 30-year Treasury - about **4.40%**.
  - 30-year fixed mortgage – **7.61% Apr**; 15-year fixed mortgage – **6.84% Apr**.
- Federal Reserve held Fed Funds rate by steady at 5.25% – 5.50%.  
Future rate hikes are uncertain; Fed likely to raise .25% to .5% in next few months.
- Gov't BLS Claims August US Job Unemployment was **3.8%**.
  - <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 August were: CPI **3.7%**, PPI **1.6%**
  - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
  - LV Regular Gasoline (**\$4.59** at Costco, **\$5.30** at Chevron).

# 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).

# News Bits & Bytes

- **New EPA Regulations for Trucks**
  - <https://www.foxnews.com/media/trucker-warns-bidens-epa-regulations-catastrophic-american-food-supply>
- **Gift Tax Rules, Regs and Gotchas to be Aware of**
  - <https://www.bottomlineinc.com/money/taxes/giving-a-gift-avoid-these-tax-reporting-mistakes>
- **Considerations for “Solo Aging”**
  - <https://www.bottomlineinc.com/health/longevity/are-you-prepared-to-grow-old-alone>
- **Wisdom Tree AI ETF (AI Index Tracking ETF)**
  - <https://finance.yahoo.com/quote/WTAI?p=WTAI&.tsrc=fin-srch>
- **Kroger / Albertson’s Merger Details**
  - <https://www.foxbusiness.com/markets/kroger-albertsons-plan-sell-over-400-stores-connection-24-6-billion-merger>
- **U.S. National Debt Hits \$33 Trillion**
  - <https://www.zerohedge.com/markets/us-debt-rises-above-33-trillion-first-time-surges-1-trillion-3-months>

# Year-end Tax Moves (1)

- <https://www.fidelity.com/learning-center/personal-finance/tax-moves>
- Take Required Minimum Distributions From IRA Accounts
  - *May want to take more than minimum while tax rates are low.*
  - *Can satisfy total RMD from any mix of IRA accounts*
- Arrange Qualified Charitable Donations from IRA (Lowers your Adjusted Gross Income)
  - *Have broker issue checks payable to the charities (or write directly if set up)*
  - *QCD counts toward satisfying your RMD*
- Convert All or Part of a Regular IRA to a Roth IRA
  - *Conversions may be restricted or completely banned in future tax laws*
  - *All RMDs must be satisfied before making a conversion*
  - *“Back door” tax-free conversions (after-tax IRA contributions) may be banned in future*
- Contribute to a Roth IRA
  - *Funds must come from earned income (wages or self employment)*
- Standard Deduction in 2023 is \$13850 (SF), \$27700 (MFJ)
  - *Add \$3000 each if both over 65*

# Year-end Tax Moves (2)

- **Harvest Capital Losses (Sell a losing position to realize the loss)**
  - *Capital losses offset capital gains one for one*
  - *Can also offset \$3000 of ordinary income (losses over \$3000 can carry over to future years)*
  - *Watch out for wash sale rule – can't buy back for 30 days after sale*
- **Consider Realizing Capital Gains While Rates are Low**
  - *Can sell an appreciated stock, pay the capital gains tax and buy back to reset the cost basis*
  - *Step up in basis rules may change in future tax laws*
- **Look at Opportunities for Shifting Income and Expenses**
  - *Try to realize income before tax rates rise*
  - *Try to push off deductible expenses to a year with lower income so you can itemize deductions*
- **May Want to Make Gifts to Children, Grandchildren**
  - *Estate tax exemption for 2023 is \$12.92 million (single) / \$25.86 million (couple)*
  - *Can gift up to \$17,000 per donor per recipient tax free*



# Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- ***No moves in past 30 days – waiting for move from TD Ameritrade to Schwab.***
- ***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.  
Fixed income assets prices may rise as Fed eases rates in 2024. May be time to buy.***
- ***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.***
- ***Let's look at Tom's "Hot List"***

# **Open Discussion**