

Sun City Summerlin Computer Club

\$ Internet Investing SIG \$

Tom Burt

October 19, 2023

SIG Meeting Schedule

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

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, 2024
October 17, 2024

Fundamentals Review – October 20, 2023

- Dollar slightly stronger against foreign currencies / commodities.
 - Oil (WTI) – still priced in dollars – has rebounded to around **\$88.16** / barrel.
 - Stock indexes have been rising; but remain well below all-time highs.
 - Dow 30: **33,665** S&P 500: **4,315**, Nasdaq: **13,314**, Russell 2000: **1,729**, Gold: **\$1,960**, Silver: **\$23.00**, Bitcoin: **\$28,282**, EUR/USD: **\$1.054**
 - S&P PE ratio is **24.6** vs 16.0 long term historical average.
- Key interest rates have risen; short-term inversion is still present
 - 1-year Treasury – about **5.48%**; 10-year Treasury - about **4.90%**; 30-year Treasury - about **4.99%**.
 - 30-year fixed mortgage – **7.97% Apr**; 15-year fixed mortgage – **6.81% Apr**.
- Federal Reserve held Fed Funds rate steady at 5.33% (5.25% – 5.50%).
Next meeting is 11-01-23; 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/empsit.pdf>
 - This number has been improving, but many workers are staying on government payments.
- Official 2023 Inflation Rates (YoY) for September were: CPI **3.7%**, PPI **2.1%**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Regular Gasoline (**\$4.29** at Costco, **\$4.90** at Chevron).

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).

News Bits & Bytes

- **New IRS Rule for Step-up in Basis for Irrevocable Trusts**
 - <https://finance.yahoo.com/news/want-leave-assets-heirs-irs-105000681.html>
- **Housing Affordability at Worst Levels Ever – Goldman Sachs**
 - <https://finance.yahoo.com/news/housing-never-unaffordable-home-prices-174501327.html>
- **T-Mobile is Fastest (Average Speed) of Fixed Wireless Providers**
 - <https://www.tvtechnology.com/news/ookla-updates-list-of-fastest-us-fixed-broadband-providers>
- **Home Foreclosure Filings in Q3 Up 34% YoY**
 - <https://www.foxbusiness.com/economy/home-foreclosures-upswing-nationwide>
- **UAW Strike Economic Cost Nearing \$8 Billion**
 - <https://www.foxbusiness.com/economy/united-auto-workers-strike-cost-us-economy-8-billion>
- **Social Security COLA Increase for 2024 is 3.2%**
 - <https://www.foxbusiness.com/money/social-security-benefits-pay-bump-next-year-see-how-much-money-you-could-receive>

Qualified Charitable Donations (1)

- **A Qualified Charitable Donation from Your IRA**
 - *Lowers your Adjusted Gross Income BEFORE subtracting the Standard Deduction*
 - *QCD counts toward satisfying your RMD*
 - *Have your broker issue checks payable to the charities*
- **Download IRA Distribution Form from your broker's website.**
- **Fill in the form fields if the PDF is an editable form, else use free PDFGear program (demo)**
 - *Fill in all the common fields first (name, account number, distribution type, tax withholding options)*
 - *Fill in the charity name and donated amount*
 - *Save the finished form. You can copy and edit it if you have more than one charity.*
- **Print the finished form to a PDF file (use Microsoft Print to PDF printer)**
- **Print the dated signature page to your printer.**
 - *Sign the printed page*
 - *Scan the signed and dated signature page into a separate 1-page PDF file.
(you need a scanner for this or use Google's scan app on your phone).*
- **Use PDFGear to remove the *unsigned* signature page and append the scan of the signed signature page. (Demo)**

Qualified Charitable Donations (2)

- Repeat the preceding steps for each charity
 - *You should now have a signed and dated PDF form for each QCD.*
- Double check your work – slowly and carefully. Mistakes are a big pain to resolve later.
- Log in to your brokerage account and navigate to the Message Center.
- Start a new message specifying that you are uploading x QCD PDF forms.
 - *Good idea to specify which account # and include your name.*
- Next, use the Attach Document feature and attach each of the QCD form PDFs.
 - *Watch out for maximum number of documents or maximum upload size limits.*
You may have to send multiple messages.
- Finally, Submit/Send the message with attachments.
- You should get email confirmations from the broker very quickly.
- The printed checks should arrive in your U.S. mail within about a week.
- Write cover letters and mail the checks to each charity.

Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- ***Bought 200 Citicorp (C) – Putting cash to work, 5% dividend. First trade on 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