

Sun City Summerlin Computer Club

\$ Internet Investing SIG \$

Tom Burt

December 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](https://groups.io/join/SCSCCInvestingSIG+subscribe)
 - *Post:* [SCSCCInvestingSIG@groups.io](https://groups.io/g/SCSCCInvestingSIG)
- The upcoming session dates will be:

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
November 21, 2024
December 19, 2024

Fundamentals Review – December 19, 2023

- Dollar slightly stronger against foreign currencies / commodities.
 - Oil (WTI) – still priced in dollars – is off recent lows to around **\$73.58** / barrel.
 - Stock indexes have been rising; but remain well below all-time highs.
 - Dow 30: **37,558** S&P 500: **4,768**, Nasdaq: **15,0033**, Russell 2000: **2,021**, Gold: **\$2,053**, Silver: **\$24.35**, Bitcoin: **\$42,381**, EUR/USD: **\$1.098**
 - 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 **4.95%**; 10-year Treasury - about **3.92%**; 30-year Treasury - about **4.05%**.
 - 30-year fixed mortgage – **7.34% Apr**; 15-year fixed mortgage – **6.78% Apr.** ; Prime – **8.5%**
- Federal Reserve held Fed Funds rate steady at 5.5% (5.25% – 5.50% range).
Next meeting is 01-30-24; Fed may still raise .25% to .5% in next few months.
- Gov't BLS Claims November US Job Unemployment was **3.7%**.
 - <https://www.bls.gov/news.release/pdf/empst.pdf>
 - This number has been improving, but many workers are still on government payments.
- Official 2023 Inflation Rates (YoY) for November were: CPI **3.1%**, PPI **2.5%**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Regular Gasoline (**\$3.36** at Costco, **\$4.10** at Chevron).

Fundamentals Review – November 15, 2023

- Dollar slightly stronger against foreign currencies / commodities.
 - Oil (WTI) – still priced in dollars – has faded to around **\$76.55** / barrel.
 - Stock indexes have been rising; but remain well below all-time highs.
 - Dow 30: **34,991** S&P 500: **4,503**, Nasdaq: **14,104**, Russell 2000: **1,801**, Gold: **\$1,963**, Silver: **\$23.52**, Bitcoin: **\$37,596**, EUR/USD: **\$1.085**
 - 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 **5.37%**; 10-year Treasury - about **4.54%**; 30-year Treasury - about **4.69%**.
 - 30-year fixed mortgage – **7.70% Apr.**; 15-year fixed mortgage – **7.02% Apr.** ; Prime – **8.5%**
- Federal Reserve held Fed Funds rate steady at 5.33% (5.25% – 5.50%).
Next meeting is 12-12-23; Fed may still raise .25% to .5% in next few months.
- Gov't BLS Claims October US Job Unemployment was **3.9%**.
 - <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 October were: CPI **3.2%**, PPI **-0.5%**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Regular Gasoline (**\$3.69** at Costco, **\$4.50** at Chevron).

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).

News Bits & Bytes

- **Solid State and Other Battery Technology to Help EVs**
 - <https://www.cnn.com/2023/11/23/cars/solid-state-battery-tech-promises-to-radically-change-evs/index.html>
- **Research Affiliates Fundamental Index (RAFI) Investing Strategies**
 - <https://www.researchaffiliates.com/publications/articles/616-which-rafi-index-strategy-is-right-for-you>
- **Jim Rickards – Forecasts for 2024**
 - <https://www.zerohedge.com/geopolitical/rickards-five-forecasts-2024>
- **Intel Announces New Core Ultra CPUs With AI Support**
 - <https://www.techrepublic.com/article/intel-ai-everywhere-event-2023/>
- **Calculating Return on Investment (ROI)**
 - <https://www.techrepublic.com/article/what-is-return-on-investment/>
- **Rules on Taxation of Social Security Benefits**
 - <https://finance.yahoo.com/news/avoid-social-security-tax-torpedo-160018318.html>

Robo-Advisor Investing Services

- Overview Articles:
 - <https://www.schwab.com/automated-investing/what-is-a-robo-advisor>
 - <https://www.grantthornton.com/insights/articles/asset-management/2023/ai-in-assetmanagement-3-key-use-cases>
 - <https://www.robotbulls.com/what-types-of-automated-portfolio-management-tools-are-available/>
 - <https://www.nerdwallet.com/best/investing/robo-advisors>
 - <https://www.investopedia.com/best-robo-advisors-4693125>
- Robo-advisors are tireless and have access to vast amounts of data.
 - *Not subject to emotion. Can and will automatically make trades.*
- Open an account with a Robo-advisor Service / Broker
 - *Link various brokerage and bank accounts as needed*
 - *Deposit some funds in the account (to cover fees, asset purchases)*
 - *Provide needed data: age, goals, time horizon, risk tolerance, estate plan, other factors*
 - *Periodically review performance of the service and make adjustments as needed.*
- Some robo-advisors allow more active participation by the investor
- Robo-advisor fees are low (some 0%) when compared to human portfolio managers

Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- ***Sold IRA holdings in BSV, CWB to raise cash for Roth conversion.***
- ***Transferred cash from IRA to Roth to implement a partial conversion.***
- ***Bought 500 PFXF ETF @ \$17.35 ~7% dividend – Putting cash to work***
- ***Still looking at selling holdings in SPIP & TIP (dividends have resumed, but yields are lower).***
- ***Bond yields have been fluctuating (i.e. bond prices rising & 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