

Sun City Summerlin Computer Club

\$ Internet Investing SIG \$

Tom Burt

January 18, 2024

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:

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
January 16, 2025

Fundamentals Review – January 17, 2023

- Dollar slightly stronger against foreign currencies / commodities.
 - Oil (WTI) – still priced in dollars – is off recent lows to around **\$72.86** / barrel.
 - Stock indexes have been rising and are near all-time highs.
 - Dow 30: **37,267** S&P 500: **4,739**, Nasdaq: **14,856**, Russell 2000: **1,913**, Gold: **\$2,011**, Silver: **\$22.73**, Bitcoin: **\$42,677**, EUR/USD: **\$1.088**
 - S&P PE ratio is **26.3** vs 17.9 long term historical average (www.GuruFocus.com).
- Key interest rates have risen; short-term inversion is still present
 - 1-year Treasury – about **4.70%**; 10-year Treasury - about **4.11%**; 30-year Treasury - about **4.31%**.
 - 30-year fixed mortgage – **6.49% Apr**; 15-year fixed mortgage – **5.62% 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 December US Job Unemployment was **3.7%**.
 - <https://www.bls.gov/news.release/pdf/empsit.pdf>
 - This number has been improving, but many workers are still on government payments.
- Official 2023 Inflation Rates (YoY) for December were: CPI **3.4%**, PPI **1.0%**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Regular Gasoline (**\$3.36** at Costco, **\$4.00** at Chevron).

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/empsit.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/empst.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).

News Bits & Bytes

- **Used EVs Not Popular – Hurting New EV Sales**
 - <https://finance.yahoo.com/news/no-one-wants-used-evs-050011036.html>
- **Protect Your Credit Score After Retirement**
 - <https://www.bottomlineinc.com/money/retirement-planning/how-to-protect-your-credit-score-after-you-retire>
- **Bitcoin ETFs Launched**
 - <https://www.fool.com/investing/2024/01/12/bitcoin-etfs-are-here-which-one-should-you-buy-if/>
- **Managing Investment Risk**
 - <https://www.bottomlineinc.com/money/investing/investment-risk>
- **America's Office Space 20% Empty**
 - <https://www.foxbusiness.com/media/americas-offices-emptiest-least-four-decades-according-report>
- **U.S. National Debt Tops \$34 Trillion**
 - <https://www.foxbusiness.com/economy/us-national-debt-tops-34t-how-much-debt-is-too-much-debt>

Investing Ideas for 2024 for Seniors

- **Overview Articles:**
 - <https://due.com/financial-tips-for-seniors-to-thrive-on-a-budget-in-2024>
 - <https://money.usnews.com/investing/articles/10-best-investments-for-2024>
 - <https://investorplace.com/2023/12/7-income-investing-strategies-for-consistent-returns-in-2024/>
 - <https://www.morningstar.com/financial-advice/our-best-investment-ideas-2024>
- **Key Goals:**
 - *Asset Preservation (through diversification, hedging, low risk investments)*
 - *Income (to live on)*
 - *Moderate Growth (to offset inflation)*
- **Investment Classes:**
 - *Bank savings accounts and CDs (safe, insured, yields fairly good)*
 - *Fixed indexed annuities (fairly safe, combines income with insurance; yields only so-so)*
 - *Treasury and corporate bonds and bond ETFs (mostly safe, yields quite good)*
 - *Preferred stocks and ETFs (mostly safe, yields quite good)*
 - *Common stocks (best for capital appreciation; higher risk; more work)*
 - *Common stock ETFs (broad market indexes, sector indexes; more diverse than single stocks)*
 - *REITs and REIT ETFs (real estate without the work, diverse)*
 - *Real Estate (lots of work, higher risk)*
 - *Commodity ETFs (Gold, Copper, Silver, Oil, etc. – volatile, risky, no dividends)*
 - *Crypto-currency “spot” ETFs (new, very volatile, no dividends)*

Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- ***Bought 500 Altria (MO) @ \$40.23 ~9.5% yield – Putting cash to work***
- ***Sold 1500 SPIP – Missed dividend again, yield down, raised cash in Roth***
- ***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.
Real estate should also rebound; may be time to buy REITs.***
- ***EV's problems becoming apparent but government mandates will continue.
Very bad market for used EVs.***
- ***Still Looking at Utilities, Uranium miners, Copper, Robotics / Automation / AI***
 - ***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

Internet Investing SIG