

Sun City Summerlin Computer Club

\$ Internet Investing SIG \$

Tom Burt

February 15, 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:

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

February 20, 2025

Fundamentals Review – February 14, 2024

- Dollar slightly stronger against foreign currencies / commodities.
 - Oil (WTI) – still priced in dollars – is off recent lows to around **\$76.56** / barrel.
 - Stock indexes have been rising and are near all-time highs.
 - Dow 30: **38,424** S&P 500: **5,001**, Nasdaq: **15,859**, Russell 2000: **2,012**, Gold: **\$2,005**, Silver: **\$22.42**, Bitcoin: **\$51,814**, EUR/USD: **\$1.073**
 - S&P PE ratio is **23.3** 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 **4.99%**; 10-year Treasury - about **4.27%**; 30-year Treasury - about **4.37%**.
 - 30-year fixed mortgage – **7.40% Apr**; 15-year fixed mortgage – **6.88% Apr.** ; Prime – **8.5%**
- Federal Reserve held Fed Funds rate steady at 5.5% (5.25% – 5.50% range).
Next meeting is 03-19-24; Fed unlikely to cut rates in next few months.
- Gov't BLS Claims Janury 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 2024 Inflation Rates (YoY) for January were: CPI **3.1%**, PPI (**available 2-16-24**)
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Regular Gasoline (**\$3.49** at Costco, **\$4.30** at Chevron).

Fundamentals Review – January 17, 2024

- 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/empst.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).

News Bits & Bytes

- **Firehose of 2024 Tech Layoffs**
 - <https://www.zerohedge.com/economics/cisco-fire-thousands-adding-firehose-tech-layoffs-beginning-2024>
- **GM Equinox EV – Starts at \$35K**
 - <https://finance.yahoo.com/news/gm-confirms-equinox-ev-to-start-at-34995-range-319-miles-180716712.html>
- **Bitcoin Hits \$50,000**
 - <https://finance.yahoo.com/news/bitcoin-surges-50-000-first-172118377.html>
- **Tax Trap in New RMD Rules**
 - <https://www.bottomlineinc.com/money/taxes/hidden-tax-trap-in-new-rmd-rules>
- **AI Stocks to Buy and Sell (Motley Fool)**
 - <https://finance.yahoo.com/news/3-artificial-intelligence-ai-stocks-095000320.html>
- **Georgia Power Nuclear Reactor Reaches Initial Criticality**
 - <https://finance.yahoo.com/news/1-georgia-power-says-vogtle-174836398.html>

Central Bank Digital Currencies

- **Overview Articles:**
 - <https://www.investopedia.com/terms/d/digital-money.asp>
 - <https://www.federalreserve.gov/central-bank-digital-currency.htm>
 - <https://www.federalreserve.gov/cbdc-faqs.htm>
 - <https://www.coindesk.com/consensus-magazine/2023/05/04/central-bank-digital-currencies-are-unexpectedly-becoming-a-presidential-election-issue/>
- **Key Concepts:**
 - *Digital version of the US dollar.*
 - *Every person would have a CBDC account / wallet.*
 - *Centrally controlled by the Federal Reserve.*
 - *Claims to promote safety, security and efficiency.*
 - *All transactions trackable.*
- **CBDC Pros:**
 - *Easy and efficient way to receive and spend money.*
 - *Probably will work via an app on your phone and/or via a new CBDC debit card w chip.*
 - *Efficient system for processing payments.*
- **CBDC Cons:**
 - *System can go offline in power outages, other disasters.*
 - *May lose all financial privacy.*
 - *Government can block access to your wallet or impose other restrictions / penalties.*

Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- ***No action since last month. Markets are very topy.***
- ***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