

Sun City Summerlin Computer Club

\$ Internet Investing SIG \$

Tom Burt

March 21, 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:

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
March 20, 2025

Fundamentals Review – March 20, 2024

- Dollar slightly stronger against foreign currencies / commodities.
 - Oil (WTI) – still priced in dollars – is off recent lows to around **\$81.84** / barrel.
 - Stock indexes have been rising and are near all-time highs.
 - Dow 30: **39,512** S&P 500: **5,225**, Nasdaq: **16,369**, Russell 2000: **2,075**, Gold: **\$2,208**, Silver: **\$25.86**, Bitcoin: **\$67,862**, EUR/USD: **\$1.094**
 - S&P PE ratio is **28.4** vs 16.1 long term average (<https://www.multpl.com/s-p-500-pe-ratio>).
- Key interest rates have risen; short-term inversion is still present
 - 1-year Treasury – about **5.06%**; 10-year Treasury - about **4.27%**; 30-year Treasury - about **4.46%**.
 - 30-year fixed mortgage – **7.13% Apr**; 15-year fixed mortgage – **6.50% Apr.** ; Prime – **8.5%**
- Federal Reserve held Fed Funds rate steady at 5.5% (5.25% – 5.50% range).
Next meeting is 04-30-24; Fed hints at 3 rate cuts in 2024.
- Gov't BLS Claims February US Job Unemployment was **3.9%**.
 - <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 February were: CPI **3.2%**, PPI **1.6%**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Regular Gasoline (**\$3.85** at Costco, **\$4.56** at Chevron).

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/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).

News Bits & Bytes

- **First Tesla Cyber Truck Sells for \$244,000 on Mannheim**
 - <https://www.zerohedge.com/technology/watch-first-cybertruck-sells-manheim-244000>
- **Uranium Price Soaring**
 - <https://www.zerohedge.com/markets/nuclear-boom-here-uranium-projects-jump-back-line-price-soars>
- **Is Bitcoin in a Bubble?**
 - <https://www.zerohedge.com/crypto/complete-graphic-history-bitcoin-bubble>
- **Bottom Line: Securitized Income ETFs**
 - <https://www.bottomlineinc.com/money/mutual-funds-etfs/securitized-income-etfs>
- **Bottom Line: Interest Rate Projections**
 - <https://www.bottomlineinc.com/money/economy/what-the-history-of-interest-rates-can-tell-us-about-todays-rates>
- **Watch Out for IRMAA Medicare Premium Surcharges**
 - <https://www.bottomlineinc.com/money/social-security/dont-get-hit-with-this-medicare-surcharge>
 - <https://www.cms.gov/newsroom/fact-sheets/2024-medicare-parts-b-premiums-and-deductibles>

Value Investing

- **Overview Articles:**
 - <https://www.nerdwallet.com/article/investing/value-investing>
 - <https://www.fool.com/investing/stock-market/types-of-stocks/value-stocks/value-investing-guide/>
 - <https://www.investopedia.com/terms/v/valueinvesting.asp>
 - <https://www.investopedia.com/articles/fundamental-analysis/09/five-must-have-metrics-value-investors.asp>
- **Key Concepts:**
 - *Find and buy stocks whose prices are below their intrinsic value (i.e. they're bargains)*
 - *Price may be low due to broad market declines or due to unusual adverse events*
 - *May have to wait some time for the price to rise back to or above that intrinsic value*
 - *Value stocks should have less risk of loss (but no guarantees)*
- **Things to Look for (relative to sector and broad market):**
 - *Low Price to Earnings Ratio*
 - *Low Price to Sales Ratio*
 - *Low Price to Book Value Ratio*
 - *Low Debt to Equity Ratio*
 - *High Cash Reserves (May lead to higher dividends or Share buybacks)*
 - *Record of Increasing Earnings – Price to Earnings Growth (PEG) Ratio*
- **Let's Look at Some Examples or at Your Picks**

Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- **Trades**
 - *Bought 500 Pfizer 3/11/24 @28.05 – putting cash to work ~6% yield.*
 - *Bought 50,000 SWVXX (MMF) 3/1/24 – putting cash to work 5.32% yield.*
- ***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. Chinese now dumping new EVs in fields.***
- ***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