

Sun City Summerlin Computer Club

**Internet Investing
SIG**

Tom Burt

December 18, 2014

SIG Meeting Schedule

- **Currently, I expect the Internet Investing SIG to meet every other “even” month on the third Thursday morning at 9 AM. The next six meetings will be:**
 - *February 19, 2015*
 - *April 16, 2015*
 - *June 18, 2015*
 - *August 20, 2015*
 - *October 15, 2014*
 - *December 17, 2014*

A Perfect Storm – Part 2

- **Dollar has gained against foreign currencies.**
 - *Oil priced in dollars.*
 - *Saudis and Iran are pumping and flooding the markets*
 - *Crude oil (now \$58) and many energy stocks have tanked.*
 - *Other commodity prices and stocks of producers still down.*
 - *Marginal drilling ventures may shut down or get bought out.*
 - *Gasoline is cheap*
- **ISIS in the middle east causing great concern.**
 - *“Flight to quality” (Selling stocks and buying US Govt. debt) has pushed bond yields down. 10 year Treasury note yield about 2%*
- **Ebola virus outbreak has faded as a news item, but the outbreak is still severe.**
- **Obamacare policies kicking in – more cancellations, rate hikes.**
- **Republicans won the 2015 House and Senate.**
- **General sense that the government doesn’t know how to deal with these issues.**
- ***May be time to consider buying carefully.***

Recent Market Moves

- **Let's Look at Recent Charts for Market Averages**
 - *Dow Jones Industrials Chart ^DJI*
 - *S&P 500 Chart ^GSPC*
 - *Nasdaq 100 Chart ^IXIC*
 - *Russell 2000 Chart ^RUT*
- **The markets have been dropping.**
 - *Dow has now about retreated to about 16,140 (down 450 intraday) after getting above 17,500. This is a 7.8% drop from the highs.*
- **What did *YOU* do (if anything) in the past two months?**
 - *Sell before? Or just hold?*
 - *Did you buy Puts? Sell covered Calls?*
 - *Did you or will you buy in near the bottom?*
- **What do *YOU* think will happen in the next 3-6 months?**
- **What's the best strategy to follow?**

Year-end Financial Moves

- **Consider tax-loss selling to offset other gains**
 - *Cap losses offset cap gains dollar for dollar*
 - *\$3000 of cap losses can offset ordinary income*
 - *Unused cap losses carry forward to the next year*
- **Determine if you will be itemizing or taking standard deduction**
 - *If itemizing, accelerate discretionary expenses into current year
e.g. Property tax payments, mortgage payments, health-care expenses, ...*
 - *If taking standard deduction, try to defer expenses to next year to increase total deductions.*
- **Take required minimum distributions from any IRA / 401K accounts if over 70½.**
- **Consider regular IRA to Roth IRA conversions.**
- **Don't know if the Cromnibus bill restored the sales tax deduction.**
- **Good time to review your asset allocation and do some rebalancing between stocks, bonds, cash, annuities.**
- **Discussion – what are you doing, if anything?**

Open Discussion