

Sun City Summerlin Computer Club

**Internet Investing
SIG**

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December 17, 2015

SIG Meeting Schedule

- The Internet Investing SIG meets every other “even” month on the third Thursday morning at 9 AM. The next six meetings will be:
 - *February 18, 2016*
 - *April 21, 2016*
 - *June 16, 2016*
 - *August 18, 2016*
 - *October 20, 2016*
 - *December 15, 2016*

Recent Market Moves Discussion

- **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*
 - *Key Dow stocks: <http://money.cnn.com/data/dow30>*
- **The markets been trading in a higher range.**
 - *Dow has bounced up and down from 17,000 to 17,900.*
 - *Volatility still seems to be the norm.*
- **What did *YOU* do (if anything) in the past two months?**
 - *Buy on the dips? Sell (at the bottom or at the top)? Hold?*
 - *Did you buy Puts? Buy Calls? Sell Puts? Sell covered Calls?*
 - *Did you or will you buy in near the bottom?*
 - *Are you moving into or out of "safer" investments (bonds / CDs)*
- **What do *YOU* think will happen in the next 3-6 months?**

Fundamentals Review

- **Dollar remains fairly strong against foreign currencies.**
 - <http://www.schwab.com/public/schwab/nn/articles/What-Does-the-Dollars-Strength-Mean-for-Investors?cmp=em-QYB>
 - *Oil priced in dollars.*
 - *Saudis and Iran are still pumping and flooding the markets.*
 - *Crude oil (now about \$37) and many energy stocks are still very low.*
 - *Other commodity prices and stocks of producers still down.*
 - *Marginal drilling ventures are shutting down or may get bought out.*
- **New world currency announced for late in 2016**
 - *SDR basket run by the IMF to replace the dollar – WILL include the Yuan.*
- **ISIS and Russians in the middle east causing great concern.**
 - *“Flight to quality” (Selling stocks and buying US Govt. debt) has pushed bond yields down. But, the 10 year Treasury note now yields about 2.27%*
- **Obamacare policies kicking in – more cancellations, rate hikes.**
- **Eurozone – in *BIG* trouble due to hoards of refugees.**
- **Federal Reserve *might / might not* raise rates in December.**
- **U.S. Economy has about \$60 trillion in total public + private debt.**
 - <https://www.rt.com/usa/166352-us-total-debt-sixty-trillion/>

Year-End Tax and Finance Actions

- **Tax Considerations:**

- <http://www.schwab.com/public/schwab/nn/articles/Year-End-Tax-Tips-for-2015?cmp=em-QYB>
- *Itemized vs Standard Deductions – pre-calculate, decide whether to move income or expenses into current year or next year. E.g. paying property taxes in 2015 vs 2016, delaying business billings into 2016.*
- *Look at “realized” gains (from sale of assets) – consider realizing losses to offset. Watch out for 3.8% surtax on “investment income” in excess of \$200K (st) / \$250K (mfj).*
- *Look at RMDs on “qualified” accounts – make sure you take them to avoid penalties.*
- *Consider IRA to Roth conversions, but be mindful of exceeding thresholds where total income causes most SS income to become taxable.*

- **Financial Considerations:**

- *No Social Security COLA in 2016.*
- *Medicare premiums or deductibles going up in 2016 – especially for new enrollees.*
<https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html>
- *ACA (Obamacare) 2015 penalties going up to larger of 2% of household income or \$325.*
- *Evaluate equity accounts where significant cap gains have accumulated – consider rebalancing between equity (common stocks) and income assets (bonds, preferred stocks). Be wary of generating large taxable cap gains.*
- *Stock markets likely to have a big correction sometime in 2016. Consider selling any holding that’s dropped 5% from original purchase price (5% rule) to avoid big losses.*

Open Discussion