

**Sun City Summerlin Computer Club**

**Internet Investing  
SIG**

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**February 18, 2016**

# 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:**
  - *April 21, 2016*
  - *June 16, 2016*
  - *August 18, 2016*
  - *October 20, 2016*
  - *December 15, 2016*
  - *February 16, 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 lower range.**
  - *Dow has dropped from 17,500 to 15,600 with occasional upticks.*
  - *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 very 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 \$27 and many energy stocks are 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 1.75%*
- **China’s economy & markets tanking.**
- **Eurozone – in *BIG* trouble due to hoards of refugees.**
- **Federal Reserve *did* raise rates .25% 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/>

# Defensive Investing

- <http://www.latimes.com/business/la-fi-recession-money-20160216-story.html>
- **Despite deep drops, “Buy the dips” may be risky**
  - *Stock markets likely to have a BIG correction sometime in 2016. Consider selling any holding that’s dropped 5% from original purchase price or recent highs (5% rule) to avoid big losses.*
  - *Cash doesn’t gain much, but also doesn’t lose much.*
- **Inflation is *fairly* low**
  - *Some food prices have come down (beef, pork)*
  - *Gasoline is cheap*
  - *Medical care & insurance is NOT cheap*
- **Consider short term fixed income**
  - *Corporate bond funds*
  - *Preferred stock ETFs*
- **Consider Dividend-paying Blue Chip Stocks**
  - *S&P 500 / Dow 30*
- **Beware of Tech / Energy / Commodities Stocks**
- **Consider Indexed Income Annuities**
  - *No loss of principal*
  - *Gains track an index (capped)*

# **Open Discussion**