

**Sun City Summerlin  
Computer Club**

**Internet Investing \$IG**

**February 16, 2017**

**Tom Burt**

# SIG Meeting Schedule

- The Internet Investing SIG meets every other “even” month on the third Thursday morning at **9:30 AM**.
- The next six meeting dates will be:
  - *April 20, 2017*
  - *June 15, 2017*
  - *August 17, 2017*
  - *October 19, 2017*
  - *December 21, 2017*
  - *February 15, 2017*

# Market Fundamentals Review

- **Dollar remains strong against foreign currencies.**
  - *Oil and many commodities priced in dollars.*
  - *Saudis and Iran cut production modestly.*
  - *Crude oil now about \$53-\$54. Many energy stocks have risen.*
  - *Other commodity prices and stocks of producers still down.*
- **“Trump Rally”**
  - *Stock indexes at records highs (Dow over 20,100)*
  - *“The 10 year Treasury note now yields about 2.4% !  
The 30 year Treasury note yield is now about 3.04%”*
  - *Keystone & Dakota pipelines may finally move ahead.*
- **Eurozone – in *BIG* trouble**
  - *Mid-east Refugees.*
  - *EU slowly coming apart as voters reject globalist agenda.*
- **Official Inflation rate (Core CPI) as of 12-31 is 2.2% / year**
  - *[https://ycharts.com/indicators/us\\_core\\_inflation\\_rate](https://ycharts.com/indicators/us_core_inflation_rate)*
  - *Real inflation rates much higher: <http://www.chapwoodindex.com/>*
  - *Some food prices have come down (beef, pork, shrimp) on specials.*
  - *LV gasoline (\$2.23 at Costco) <http://www.vegasgasprices.com/gaspricesearch.aspx>*
  - *Medical care & insurance is NOT cheap.*

# Indexed Annuities vs ETFs & Bonds

- **Concerns over performance, limitations of FIAs**
  - <https://www.fidelity.com/viewpoints/retirement/considering-indexed-annuities>
  - <http://www.cbsnews.com/news/six-questions-to-ask-before-buying-a-fixed-indexed-annuity/>
- **Caps and participation rates have been lowered, leading to lower returns.**
  - *May want to consider gradual drawdown (10% / year). Reinvest proceeds in other conservative instruments.*
- **Conservative Investment Strategy:**
  - <http://investorplace.com/2015/07/3-specialized-etfs-for-conservative-investing-etf-splv-qai-cpi/#.WJzOiX-ldjg>
  - <http://www.marketwatch.com/story/5-higher-yielding-etfs-for-conservative-investors-2016-09-28>
  - *If possible, own such conservative ETFs in a Roth IRA to save taxes.*
  - *Portfolio Allocation:*  
[http://www.schwab.com/public/schwab/investing/retirement\\_and\\_planning/retirement\\_income/portfolio\\_allocation](http://www.schwab.com/public/schwab/investing/retirement_and_planning/retirement_income/portfolio_allocation)
- **Drawdown Strategy:**
  - <http://www.schwab.com/insights/retirement/write-your-own-retirement-check?cmp=em-QYB>

# **Open Discussion**