

**Sun City Summerlin Computer Club**

**Internet Investing  
SIG**

**Tom Burt  
August 16, 2018**

# 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:
  - *October 18, 2018*
  - *December 20, 2018*
  - *February 21, 2019*
  - *April 18, 2019*
  - *June 20, 2019*
  - *August 15, 2018*

# Fundamentals Review – June 20, 2018

- Dollar has strengthened a bit against foreign currencies.
  - Oil priced in dollars (for now) – around \$66 / barrel.
  - Stock indexes in trading range at/near record highs – **still very topky**
  - Dow 30: **24,686**, S&P 500: **2771**, Nasdaq: **7794**
  - S&P PE ratio is 25.1 vs 15.7 long term historical average
  - Defense stocks (ITA) up. Healthcare (XLV) up, Big Tech (QQQ) up.
- Key interest Rates:
  - 10 year Treasury note - about 2.92%; 30 year Treasury note - about 3.05%.
  - 30 year fixed mortgage - 4.75%; 15-year fixed mortgage - 3.93%
- Federal Reserve raised Fed Funds (June 13) by .25% to 1.75-2.0%.
  - Expected to raise Fed Funds rate by .25% 2 more times in 2018.
  - Also selling off lots of treasury debt, pushing rates up.
  - Foreign governments also unloading U.S. Debt.
- Gov't Claims April US Job Unemployment at record low **3.9%**.
  - But BLS just makes up (estimates) numbers, so who really knows.
- Official 2018 CPI Inflation Rate as of May 31 was **2.8%** / year
  - NV Gasoline creeping up, but holding (\$2.95 at Costco)
  - Medical care & insurance is NOT cheap

# Fundamentals Review – August 16, 2018

- Dollar has strengthened a bit against foreign currencies.
  - Oil priced in dollars (for now) – around \$65.05 / barrel.
  - Stock indexes in trading range at/near record highs – **still very topky**
  - Dow 30: **25,096**, S&P 500: **2815**, Nasdaq: **7766**, Gold: **1183**
  - S&P PE ratio is 24.8 vs 15.7 long term historical average
  - Defense stocks (ITA) up. Healthcare (XLV) up, Big Tech (QQQ) up.
- Key interest Rates:
  - 10 year Treasury note - about 2.86%; 30 year Treasury note - about 3.03%.
  - 30 year fixed mortgage - 4.54%; 15-year fixed mortgage - 3.83%
- Federal Reserve raised Fed Funds (June 13) by .25% to 1.75-2.0%.
  - Expected to raise Fed Funds rate by .25% 2 more times in 2018.
  - Also selling off lots of treasury debt, pushing rates up.
  - Foreign governments also unloading U.S. Debt.
- Gov't Claims July US Job Unemployment at record low **3.9%**.
  - But BLS just makes up (estimates) numbers, so who really knows.
- Official 2018 CPI Inflation Rate as of June 30 was **2.9%** / year
  - NV Gasoline creeping up, but holding (\$2.95 at Costco)
  - Medical care & insurance is NOT cheap

# Strategies for Growth, Income and Safety

- Own “growth” holdings in regular accounts
  - *Favorable capital gains treatment*
- Own “Income” holdings in tax-exempt (Roth) accounts if possible
  - *All income in a Roth is tax-exempt*
- Favor low volatility, dividend-paying assets for safety
  - *Favor assets with consistent, long-term dividend growth, low Beta*
- Consider indexed fixed annuities
  - *Yields low, but guarantee no loss of principal*
- Look at converting regular IRAs to Roth IRAs
  - *Do conversion incrementally over time to avoid excess taxes*
- Yields on 2, 5 and 10-year treasuries getting more attractive
  - *Easy way to invest is buy ETFs (low fees, diversification)*
- CD rates also looking more attractive
  - *1-year CDS paying around 2.5%*

# TD Ameritrade's Free ThinkorSwim Trading Tool

- Free Download from TD Ameritrade
- Connect it to one or more of your TD Ameritrade Accounts
- Lots of views and graphs
- Runs on your PC or Mac desktop
- Allows you to set up many types of trades and then let the program automatically send them to TDA's trading servers
  - *E.g. Sell 300 RDS/A @\$75 / share, Limit, Good till canceled*
- Keeps track of your open / filled and canceled orders
- Let's Demo ...

# **Open Discussion**