

Sun City Summerlin Computer Club

**Internet Investing
SIG**

Tom Burt

October 18, 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:
 - *December 20, 2018*
 - *February 21, 2019*
 - *April 18, 2019*
 - *June 20, 2019*
 - *August 15, 2019*
 - *October 17, 2019*

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

Fundamentals Review – October 18, 2018

- **Dollar has strengthened a bit against foreign currencies.**
 - *Oil priced in dollars (for now) – around \$70.03 / barrel.*
 - *Stock indexes choppy after dropping from record highs – still very topy*
 - *Dow 30: 25,707, S&P 500: 2809, Nasdaq: 7643, Gold: 1226*
 - *S&P PE ratio is 22.5 vs 15.7 long term historical average*
 - *Defense stocks (ITA) down. Healthcare (XLV) down, Big Tech (QQQ) down.*
- **Key interest Rates:**
 - *10 year Treasury note - about 3.18%; 30 year Treasury note - about 3.3%.*
 - *30 year fixed mortgage - 4.9%; 15-year fixed mortgage - 4.3%*
- **Federal Reserve raised Fed Funds (Sept 26) by .25% to 2.0-2.25%.**
 - *Expected to raise Fed Funds rate again by .25% in December, 2018.*
 - *Fed selling off lots of treasury debt (QT), pushing rates up.*
 - *Foreign governments also unloading U.S. Debt.*
- **Gov't Claims July US Job Unemployment at record low 3.7%.**
 - *But BLS just makes up (estimates) numbers, so who really knows.*
- **Official 2018 CPI Inflation Rate as of Sept 30 was 2.3% / year**
 - *NV Gasoline creeping up, but holding (\$3.03 at Costco)*
 - *Medical care & insurance is NOT cheap*

Modifications to the “4% Rule”

- Zerohedge.com “On a long enough timeline the survival rate for everyone drops to zero.”
- https://bottomlineinc.com/money/portfolio-strategy/how-to-tweak-4-rule-for-safer-retirement?utm_campaign=2018_10_10_MI_NL_Cntrl_HeadlineOnly_SubjectLineTest&utm_source=newsletter&utm_content=4768&utm_medium=email
- First year, withdraw 4% of portfolio. Call this amount X.
- Subsequent years, withdraw $X * (1 + \text{previous year's inflation rate})$. Reset X to this inflated amount.
- Repeat for each subsequent year, checking to see if X exceeds or is below 4% of remaining portfolio.
- Example starting with portfolio of \$100,000 that appreciates 4% / year on average
 - Year 1: Withdraw 4% of \$100,000 = \$4000 leaving \$96,000 in portfolio. Inflation rate = 2%
 - Year 2: Withdraw $\$4000 * 1.02 = \4080 leaving \$91,920 + portfolio appreciation \$3840 = \$95,760
 - Year 3: Withdraw $\$4080 * 1.02 = \4162 leaving \$91,598 + portfolio appreciation \$3830 = \$99,570
- If your portfolio has a *bad* year, reduce the following year’s withdrawal to 4% of the portfolio’s *current* value.
- If your portfolio has a *good* year, increase the following year’s withdrawal to 4% of the portfolio’s *current* value.
- These steps will help assure you don’t run out of money while allowing you to enjoy life more if your portfolio does well.

TD Ameritrade's Free ThinkorSwim Trading Tool (1)

- Fairly New. 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
- See screen shot on next slide ...
- Let's Demo ...

TD Ameritrade's Free ThinkorSwim Trading Tool (2)

Connected Realtime data Oct. 16 15:15:50 Account: 492289269TDA ()

Monitor Trade Analyze Scan MarketWatch Charts Tools Education Help

Activity and Positions Account Statement FX Reports

Statement for account 492289269TDA () 1 days back from today Show by symbol:

Cash & Sweep Vehicle \$111,997.27 Transactions: All

Exec Date	Exec Time	Type	Ref#	Description	Misc Fees	Commissions & Fees	Amount	Balance
10/15/18	22:00:00	BAL	--	Cash balance at the start of business day 16.10 CST	--	--	--	77,556.01
10/16/18	12:08:23	TRD	--	SOLD -225 VB @153.10529	-0.48	-6.95	34,448.69	111,997.27

Order History: 0 working, 1 filled, 0 canceled

Trade History: 1 order, 1 fill

Equities \$447,175.07

Symbol	Description	Qty	Trade Price	Mark	Mark Value
AGZ	ISHARES AGENCY BOND ETF	+19	110.3511	110.3789	\$2,097.20
BKLN	INVESCO EXCHANGE-TRADED FD TR SR LFN ETF	+2,122	23.1464	23.18	\$48,187.96
BSV	VANGUARD SHORT TRM BOND ETF	+1	77.80	77.83	\$77.83
CWB	SPDR FTSE BLMRBG BRC CNVRT ETF	+457	51.00	51.82	\$23,661.74
LQD	ISHARES IBOXX INV CP ETF	+600	115.808398	113.40	\$68,040.00
MSFT	MICROSOFT CORP COM	+200	109.57	111.50	\$22,300.00
OKE	ONEOK INC COM	+602	65.02	67.46	\$40,610.92
PFE	PFIZER INC COM	+504	43.78	43.93	\$22,140.72
PFF	ISHARES S&P US PFD STK ETF	+400	36.318325	35.98	\$14,392.00
RDS/A	ROYAL DUTCH SHELL PLC ADR SPONSORED	+300	65.26	66.00	\$19,800.00
SCHH	SCHWAB US REIT ETF	+782	37.0779	40.31	\$31,522.42
SDIV	GLOBAL X FUNDS GLB X SUPERDIV ETF	+2,006	20.036	19.60	\$39,200.00
SFL	SHIP FINANCE INTERNATIONAL COM	+530	13.18	13.39	\$7,096.70
T	AT&T INC COM	+1,013	32.25	32.35	\$32,770.55
TUZ	PIMCO 1-3YR USTREIDX ETF	+2	49.80	49.81	\$99.62
VEA	VANGUARD FTSE DEV MKT ETF	+435	40.57	41.20	\$17,922.00
VTI	VANGUARD TOTAL STK MKT ETF	+139	141.37	143.99	\$20,014.61
VTV	VANGUARD VALUE ETF	+336	105.155	107.80	\$36,220.80
	SELECTED TOTALS				\$22,300.00

Profits and Losses N/A by Symbol

Account Summary Net Liquidating Value \$559,172.34

Net Liquidating Value \$559,172.34

Tickers: PFE 43.93 +81 (+1.88%), PFF 35.98 +07 (+0.19%), RDS/A 66.00 +59 (+0.90%), SCHH 40.31

Current account ... 2.65 (+4.09%)

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3:15 PM 10/16/2018

Top 8 Financial News Apps

- **Investopedia Article Listing 8 Best Financial News Apps for iOS and Android Smart Phones:**
 - https://www.investopedia.com/articles/markets/111315/top-6-apps-financial-news.asp?utm_source=personalized&utm_campaign=bouncex_3&utm_term=14753002&utm_medium=email
- **Thanks to Pat LeMay**

Open Discussion