

Sun City Summerlin Computer Club

\$ Internet Investing SIG \$

Tom Burt
August 19, 2021

SIG Meeting Schedule

- The Internet Investing SIG meets every other “even” month on the third Thursday morning at **9:30 AM**.
- Investing SIG Chat Line
 - *Subscribe:* SCSCCInvestingSIG+subscribe@groups.io
 - *Post:* SCSCCInvestingSIG@groups.io
- The next six session dates will be:
 - *October 21, 2021 – via Zoom*
 - *December 16, 2021*
 - *February 17, 2022*
 - *April 21, 2022*
 - *June 16, 2022*
 - *August 18, 2022*

Fundamentals Review – April 14, 2021

- **Dollar weakening against foreign currencies.**
 - *Oil still priced in dollars – moderate at around **\$62.75** / barrel.*
 - *Stock indexes have been rising steadily; near all-time highs.*
 - *Dow 30: **33,731**, S&P 500: **4,125**, Nasdaq: **13,858**, Gold: **\$1,737**, Silver: **\$25.48**, Bitcoin: **\$62,911**, EUR/USD: **1.198***
 - *S&P PE ratio is **34.2** vs 15.8 long term historical average.*
- **Key interest Rates have been slowly rebounding:**
 - *10-year Treasury note - about **1.64%**; 30-year Treasury note - about **2.33%**.*
 - *30-year fixed mortgage – **3.07% Apr**; 15-year fixed mortgage - **2.37% Apr**.*
- **Federal Reserve Fed Funds remains at 0.0 – 0.25%.**
 - *Fed is massively buying U.S. Treasury debt; may be covertly buying stocks*
 - *Investors having to sell gold and bonds to raise cash for margin calls.*
- **Gov't Claims April 2 US Job Unemployment was **6.0%**.**
 - *Despite the Coronavirus closures, this number has been improving.*
- **Official CPI Inflation Rate for April 2020 was **2.6%** / year**
 - *LV Gasoline (**\$3.05** at Costco).*
 - *Federal Reserve has abandoned its 2% cap on inflation.*

Fundamentals Review – June 16, 2021

- **Dollar weakening against foreign currencies.**
 - *Oil (WTI) – still priced in dollars – up at around **\$71.66** / barrel.*
 - *Stock indexes have been rising steadily; near all-time highs.*
 - *Dow 30: **34,034**, S&P 500: **4,224**, Nasdaq: **14,040**, Gold: **\$1,813**, Silver: **\$27.05**, Bitcoin: **\$38,722**, EUR/USD: **1.199***
 - *S&P PE ratio is **45.0** vs 15.9 long term historical average.*
- **Key interest Rates have been slowly rebounding:**
 - *10-year Treasury note - about **1.569%**; 30-year Treasury note - about **2.209%**.*
 - *30-year fixed mortgage – **3.05 Apr**; 15-year fixed mortgage - **2.29% Apr**.*
- **Federal Reserve Fed Funds remains at 0.0 – 0.25%.**
 - *Fed is massively buying U.S. Treasury debt; may be covertly buying stocks*
 - *Investors having to sell gold and bonds to raise cash for margin calls.*
- **Gov't BLS Claims May US Job Unemployment was **5.8%**.**
 - *This number has been improving, but many workers staying on government payments.*
- **Official CPI Inflation Rate (YoY) for May 2021 was **5.0%** / year**
 - *<https://www.usinflationcalculator.com/inflation/current-inflation-rates/>*
 - *LV Gasoline (**\$3.29** at Costco).*
 - *Federal Reserve has abandoned its 2% cap on inflation.*

Fundamentals Review – August 19, 2021

- **Dollar weakening against foreign currencies.**
 - *Oil (WTI) – still priced in dollars – off at around **\$64.39** / barrel.*
 - *Stock indexes have been rising steadily; slightly off from all-time highs.*
 - *Dow 30: **34,961**, S&P 500: **4,400**, Nasdaq: **14,526**, Gold: **\$1,790**, Silver: **\$23.49**, Bitcoin: **\$44,622**, EUR/USD: **1.171***
 - *S&P PE ratio is **35.9** vs 15.9 long term historical average.*
- **Key interest Rates have been slowly rebounding:**
 - *10-year Treasury note - about **1.273%**; 30-year Treasury note - about **1.95%**.*
 - *30-year fixed mortgage – **3.06 Apr**; 15-year fixed mortgage - **2.25% Apr**.*
- **Federal Reserve Fed Funds remains at 0.0 – 0.25%.**
 - *Fed is massively buying U.S. Treasury debt; may be covertly buying stocks*
 - *Investors having to sell gold and bonds to raise cash for margin calls.*
- **Gov't BLS Claims July US Job Unemployment was **5.4%**.**
 - *This number has been improving, but many workers staying on government payments.*
- **Official CPI Inflation Rate (YoY) for July 2021 was **5.4%** / year**
 - *<https://www.usinflationcalculator.com/inflation/current-inflation-rates/>*
 - *LV Gasoline (**\$3.49** at Costco).*
 - *Federal Reserve has abandoned its 2% cap on inflation.*

Planning (Guessing?) Ahead

- **Corona Virus starting to succumb to vaccines**
 - *Vaccines still rolling out. Long term effectiveness & side effects unknown (concerns growing).*
 - <https://www.wnd.com/2021/08/stunning-study-pfizer-vaccine-42-effective/>
 - *COVID-19 is mutating; “breakthrough infections” occurring; could require a yearly vaccine booster.*
 - *Nevada and rest of country were opening up in June; masks are now back, shutdowns possible.*
- **Paradigm Shift to Online Shopping, Telecommuting and Telemedicine**
 - *Amazon, Walmart, UPS & Fedex will continue to benefit.*
 - *Many businesses will stay with “work at home” / web collaboration.*
 - *Microsoft, Google & Zoom will continue to benefit.*
 - *Demand for higher Internet performance will grow.*
- **Watch out for big federal and state tax hikes effective in 2022 (maybe 2021).**
 - *\$4 Trillion or more (bills pending) deficit potential for FY 2021; more in 2022 and beyond.*
 - *Federal Reserve can’t print money forever to pump the economy (but still pumping now).*
 - *Watch out for higher Federal & State property (wealth) taxes.*
- **On track to see a business recovery about Q3/2021 (but new taxes may impact that)**
 - *Housing demand & prices very high, especially suburban & small-town.*
- **Inflation Surging**
 - <https://www.cnbc.com/2021/08/11/cpi-report-july-2021.html>

Tom's Tax Estimator

- **Excel Workbook With 5 Worksheets + Tax Calculation Macro**
 - *His Income*
 - *Her Income*
 - *Roll-up and Tax Calculations (quarterly estimated)*
 - *Pub 505 Worksheet 5 for capital gains, dividends and other special income*
 - *Taxable Social Security Worksheet*
 - *Also Compatible with LibreOffice 7*
 - *Don't know about Google Sheets (macros may need adjusting)*
- **Nice for “What If” Experiments**
 - *Play with Itemized Deductions (e.g. Elective Medical Procedures Timing, Size of QCDs)*
 - *IRA to Roth Conversions – When? How Much?*
- **May Serve as Backup Documentation in Event of a Dispute**
- **DEMO - Copy the Previous Quarter's Estimate, then Edit / Update for the Current Quarter**
- **Free on request, but no guarantees and little, if any, tech support.**

News and Educational Bits

- **Treasury Inflation-Protected Securities (TIPS)**
 - <https://www.investopedia.com/articles/investing/092215/top-5-tips-etfs.asp>
- **Electric Vehicle Powertrain Materials**
 - <https://www.prnewswire.com/news-releases/market-for-electric-vehicle-powertrain-materials-to-reach-47-bn-by-2030-301122181.html>
- **Asset Protection Basics Seminar (Ken Himmler)**
 - [*Asset Protection Basics – YouTube*](#)
- **Market Valuation: The Buffet Indicator**
 - <https://www.currentmarketvaluation.com/models/buffett-indicator.php>
- **Inflation Hedges**
 - <https://www.bankrate.com/investing/inflation-hedges-to-protect-against-rising-prices/>

Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- ***Sold 500 SPTS – Yield down to .2%***
- ***Bought 1000 SPIP – Yield about 2.7%, inflation protection***
- ***Bought 236 Newmont (NEM) – Yield about 3.7%; gold play***
- ***Looking at adding more Altria (MO) – 7.1% yield, rising earnings, diversification***
- ***Looking at Utilities, Uranium miners, Copper, Robotics / Automation***
 - ***Move to electric vehicles will increase demand for electric power everywhere.***
 - ***No way to meet demand with renewables (wind, solar), so nuclear will see a resurgence.***
 - ***Flight from high-tax blue states to the south will increase demand for power there.***
 - ***Electric vehicles and utility transmission lines require lots of copper.***

Open Discussion