

Sun City Summerlin Computer Club

\$ Internet Investing SIG \$

Tom Burt

November 21, 2024

SIG Meeting Schedule

- The Internet Investing SIG meets every month on the third Thursday morning at **10 AM**.
- Investing SIG Chat Line
 - *Subscribe:* SCSCCInvestingSIG+subscribe@groups.io
 - *Post:* SCSCCInvestingSIG@groups.io
- The upcoming session dates will be:

December 19, 2024
January 16, 2025
February 20, 2025
March 20, 2025
April 17, 2025
May 15, 2025

June 19, 2025
July 17, 2025
August 21, 2025
September 18, 2025
October 16, 2025
November 20, 2025

Fundamentals Review – November 20, 2024

- Dollar slightly weaker against foreign currencies / commodities.
 - Oil (WTI) – still priced in dollars – is around **\$68.95** / barrel.
 - Stock indexes have rebounded from recent dips and are at or near all-time highs.
 - Dow 30: **43,408** S&P 500: **5,917**, Nasdaq: **18,966**, Russell 2000: **2,287**, Gold: **\$2,653**, Silver: **\$30.97**, Bitcoin: **\$94,154**, EUR/USD: **\$1.055**
 - S&P PE ratio is **27.9** vs 17.1 long term median, 19.4 average
aver(https://www.gurufocus.com/economic_indicators/57/pe-ratio-ttm-for-the-sp-500).
- Key interest rates have risen; short-term inversion (1 yr vs 10 yr) is still present
 - 1-year Treasury – about **4.34%**; 10-year Treasury - about **4.06%**; 30-year Treasury - about **4.59%**.
 - 30-year fixed mortgage – **6.99% Apr**; 15-year fixed mortgage – **6.09% Apr.** ; Prime – **7.75%**
- Federal Reserve cut Fed Funds rate by .25% to 4.75% (4.5% – 5.0% range).
Next meeting is 12-17-24.
- Gov't BLS Claims October US Job Unemployment was **4.1%**.
 - <https://www.bls.gov/news.release/pdf/empsit.pdf>
 - This number has been improving, but many workers are still on government payments.
- Official 2024 Inflation Rates (YoY) for October were: Core CPI **3.3%**, PPI **3.1%**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Regular Gasoline (**\$3.31(.9)** at Costco, **\$3.86(.9)** at Chevron).

Fundamentals Review – October 16, 2024

- Dollar slightly weaker against foreign currencies / commodities.
 - Oil (WTI) – still priced in dollars – is around **\$70.69** / barrel.
 - Stock indexes have rebounded from recent dips and are at or near all-time highs.
 - Dow 30: **43,078** S&P 500: **5,842**, Nasdaq: **18,367**, Russell 2000: **2,287**, Gold: **\$2,689**, Silver: **\$31.90**, Bitcoin: **\$67,729**, EUR/USD: **\$1.086**
 - S&P PE ratio is **28.6** vs 17.9 long term median
(https://www.gurufocus.com/economic_indicators/57/pe-ratio-ttm-for-the-sp-500).
- Key interest rates have risen; short-term inversion (1 yr vs 10 yr) is still present
 - 1-year Treasury – about **4.30%**; 10-year Treasury - about **4.07%**; 30-year Treasury - about **4.30%**.
 - 30-year fixed mortgage – **6.50% Apr**; 15-year fixed mortgage – **5.75% Apr.** ; Prime – **8.0%**
- Federal Reserve cut Fed Funds rate by .5% to 4.87% (4.75% – 5.0% range).
Next meeting is 11-07-24.
- Gov't BLS Claims September US Job Unemployment was **4.1%**.
 - <https://www.bls.gov/news.release/pdf/empst.pdf>
 - This number has been improving, but many workers are still on government payments.
- Official 2024 Inflation Rates (YoY) for September were: Headline CPI **2.4%**, PPI **1.8%**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Regular Gasoline (**\$3.41(.9)** at Costco, **\$4.06(.9)** at Chevron).

Fundamentals Review – September 18, 2024

- Dollar slightly weaker against foreign currencies / commodities.
 - Oil (WTI) – still priced in dollars – is around **\$70.23** / barrel.
 - Stock indexes have rebounded from recent dips and are at or near all-time highs.
 - Dow 30: **41,503** S&P 500: **5,618**, Nasdaq: **17,573**, Russell 2000: **2,206**, Gold: **\$2,582**, Silver: **\$30.41**, Bitcoin: **\$60,614**, EUR/USD: **\$1.112**
 - S&P PE ratio is **28.6** vs 17.9 long term median
(https://www.gurufocus.com/economic_indicators/57/pe-ratio-ttm-for-the-sp-500).
- Key interest rates have risen; short-term inversion (1 yr vs 10 yr) is still present
 - 1-year Treasury – about **3.96%**; 10-year Treasury - about **3.69%**; 30-year Treasury - about **4.01%**.
 - 30-year fixed mortgage – **6.50% Apr**; 15-year fixed mortgage – **5.63% Apr.** ; Prime – **8.5%**
- Federal Reserve cut Fed Funds rate by .5% to 4.87% (4.75% – 5.0% range).
Next meeting is 11-07-24.
- Gov't BLS Claims August US Job Unemployment was **4.2%**.
 - <https://www.bls.gov/news.release/pdf/empst.pdf>
 - This number has been improving, but many workers are still on government payments.
- Official 2024 Inflation Rates (YoY) for August were: Headline CPI **2.5%**, PPI **1.7%**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Regular Gasoline (**\$3.57(.9)** at Costco, **\$4.10(.9)** at Chevron).

News Bits & Bytes

- **Bottom Line: Advanced Directives – Ensuring Your Wishes are Honored**
 - <https://www.bottomlineinc.com/life/death-dying/advance-directives-how-to-make-sure-your-end-of-life-decisions-are-followed>
- **Zero Hedge: High Cost of Owning a Home**
 - <https://www.zerohedge.com/personal-finance/cost-owning-home-soaring>
- **Zero Hedge: Cali Fuel Rule Changes Could Add \$.47 cost per gallon**
 - <https://www.zerohedge.com/markets/california-tightens-climate-fuel-rules-could-add-050gallon-gas-prices>
- **Bottom Line: Best Bond Funds for 2025**
 - <https://www.bottomlineinc.com/money/investing/best-bond-funds>
- **Schwab: Five-year Rules for Roth IRAs**
 - <https://www.schwab.com/learn/story/what-to-know-about-five-year-rule-roths>
- **CNBC: Business Spending on AI up 500% YoY**
 - <https://www.cnbc.com/2024/11/20/business-spending-on-ai-surged-500percent-this-year-to-13point8-billion-says-menlo-ventures.html>
- **Suze Orman: \$3 Million Not Enough for Retirement?**
 - <https://finance.yahoo.com/news/suze-orman-warns-3-million-181541895.html>

Trump / Vance Platform

- <https://www.donaldjtrump.com/platform>
- <https://rncplatform.donaldjtrump.com/>
- <https://budgetmodel.wharton.upenn.edu/issues/2024/8/26/trump-campaign-policy-proposals-2024>
- <https://taxfoundation.org/research/all/federal/donald-trump-tax-plan-2024/>
- **Enactment depends on which party controls the U.S. House & Senate**
 - *PA senate seat now in recount; non-citizen votes being counted in several counties.*
 - *Senate is currently is 53 Republican, 47 Democrat.*
 - *House is 218 Republican, 213 Democrat, 4 races unresolved. Several House Republicans appointed to Trump's cabinet. Will have to be replaced via special elections.*

Planning (Guessing?) Ahead 2025

- **Paradigm Shift to Online Shopping & Telecommuting**
 - *Amazon, Walmart, UPS & Fedex will continue to benefit.*
 - *Many businesses will stay with “work at home” / web collaboration.*
 - *Demand for higher Internet performance will grow.*
- **AI Adoption Will Continue – Both at Home and in Business**
 - *New data centers needed to support AI.*
 - *Much more power generation needed.*
- **Federal Fiscal Responsibility May Improve (But ... Talk is Cheap)**
 - *National Debt just hit \$36 Trillion.*
 - *Expect 2017 Tax Cuts to be Made Permanent in 2025.*
 - *May see some additional tax cuts (e.g. No tax on Social Security, tips).*
 - *Higher Federal & State property (wealth) taxes are probably dead for now.*
- **Probably See an Economic Recovery about Q3/2025**
 - *Reduced regulation.*
 - *Reduced energy prices (Drill baby, Drill!).*
 - *Lower taxes – Personal and Corporate.*
 - *Lower interest rates (bond prices rise, stocks rise).*
 - *Likely increase in housing demand, especially suburban & small-town.*

2025 Tax Brackets

- 2025 Tax Brackets for Single Filers, Married Couples Filing Jointly, and Heads of Households
Source: Internal Revenue Service
 - <https://taxfoundation.org/data/all/federal/2024-tax-brackets/>
- For 2025, so far there are few material changes in rates / deductions:
 - *Tax brackets, standard deduction and various credits adjusted for inflation:*
 - *Note the marriage penalty beginning at 35%*

Rate	For Single Filers	Married Filing Jointly	Head of Household
10%	\$0 to \$11,925	\$0 to \$23,850	\$0 to \$17,000
12%	\$11,926 to \$48,475	\$23,851 to \$96,950	\$17,001 to \$64,850
22%	\$48,476 to \$103,350	\$96,951 to \$206,700	\$64,851 to \$103,350
24%	\$103,351 to \$197,300	\$206,701 to \$394,600	\$103,351 to \$197,300
32%	\$197,301 to \$250,525	\$394,601 to \$501,050	\$197,301 to \$250,500
35%	\$250,526 to \$626,350	\$501,051 to \$751,600	\$250,501 to \$626,350
37%	\$626,351 or more	\$751,601 or more	\$626,351 or more
SD	\$15,000	\$30,000	\$22,500
65+	\$2,000	\$1,600	\$2,000
Blind	\$2,000	\$1,600	\$2,000

Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- **Trades**
 - *None since last month. Markets have been choppy.*
 - *Ready to do annual IRA to Roth Conversion ~\$30,000 in cash and stocks/ETFs*
- **Bond yields have been rising (i.e. bond prices falling)**
Yields on preferred stock ETFs, bank CDs, money market funds still good.
Fixed income assets prices likely steady until inauguration. May want to lock in yields.
- **EV car makers' problems are apparent. Batteries & range improving. Profits hard to earn.**
 - *May see the Federal EV subsidies discontinued in 2025.*
- **Still Looking at Utilities, Uranium miners, Copper, Robotics / Automation / AI**
 - *No way to meet future power demand with renewables (wind, solar); nuclear seeing a resurgence.*
 - *Flight from high-tax northern blue states to the south will increase demand for power there. Recent hurricanes may dissuade some from moving.*
 - *Electric vehicles and utility transmission lines require lots of copper, rare earth metals, lithium.*
- **Boomers are Getting Older – Need More Health Care**
- **Let's look at Tom's "Hot List"**

Open Discussion