

Sun City Summerlin Computer Club

\$ Internet Investing SIG \$

Tom Burt

January 16, 2025

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:

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
December 18, 2025
January 15, 2026

Fundamentals Review – January 15, 2024

- Dollar slightly weaker against foreign currencies / commodities.
 - Oil (WTI) – still priced in dollars – is around **\$80.34** / barrel.
 - Stock indexes have rebounded from recent dips and are at or near all-time highs.
 - Dow 30: **43,222** S&P 500: **5,950**, Nasdaq: **19,511**, Russell 2000: **2,263**, Gold: **\$2,725**, Silver: **\$31.60**, Bitcoin: **\$100,175**, EUR/USD: **\$1.029**
 - S&P PE ratio is **29.2** 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 **4.24%**; 10-year Treasury - about **4.65%**; 30-year Treasury - about **4.96%**.
 - 30-year fixed mortgage – **7.18% Apr**; 15-year fixed mortgage – **6.37% Apr.** ; Prime – **7.50%**
- Federal Reserve cut Fed Funds rate by .25% to 4.5% (4.25% – 4.75% range).
Next meeting is 01-28-25.
- Gov't BLS Claims December 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 Inflation Rates (YoY) for December 2024 were: Core CPI **3.2%**, PPI **3.5%**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Regular Gasoline (**\$3.19(.9)** at Costco, **\$3.50(.9)** at Chevron).

Fundamentals Review – December 18, 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 November 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 – 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.
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News Bits & Bytes

- **Zero Hedge: Credit Card Defaults Soar**
 - <https://www.zerohedge.com/markets/us-credit-card-defaults-soar-2010-levels-inflation-storm-financially-crushes-working-poor>
- **Bottom Line: Social Security Changes for 2025**
 - <https://www.bottomlineinc.com/money/social-security/what-changes-are-coming-to-social-security-in-2025>
- **Zero Hedge: Time to Run to Gold in 2025?**
 - <https://www.zerohedge.com/precious-metals/gold-2025-tragically-predictable>
- **Yahoo Finance: Inflation Still Happening**
 - <https://finance.yahoo.com/personal-finance/article/everyday-prices-keep-climbing-even-amid-steadier-overall-inflation-181129127.html>
- **Zero Hedge: LA fire Losses Could Exceed \$250 billion**
 - <https://www.zerohedge.com/weather/la-county-inferno-expected-top-250-billion-losses>
- **BLS: December CPI Report**
 - https://www.bls.gov/news.release/archives/cpi_01152025.htm
- **Times of Israel: Gaza Cease Fire – Hostage Release Deal**
 - <https://www.timesofisrael.com/after-15-months-of-war-israel-and-hamas-agree-to-a-ceasefire-hostage-release-deal/>

Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- **Trades**
 - *Sold 600 DVN @ \$32.07. Harvesting \$21,200 tax loss.*
 - *Bought 500 DOW @ \$38.60. Putting cash to work.*
- ***Longer term 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**

“Under New Management” 2025 (1)

- **Conservatives Will Control Executive Branch, Both Houses, Supreme Court, Military**
- **What the Pundits are Saying ...**
 - *Morgan Stanley: [2025 Investment Outlook: Get ready to pivot](#)*
 - *Schwab: <https://www.schwab.com/learn/story/stock-market-outlook>*
 - *Schwab: <https://www.schwab.com/learn/story/fixed-income-outlook>*
 - *CEPR: <https://cepr.org/voxeu/columns/america-under-trump-domestic-and-european-implications>*
 - *JP Morgan: <https://www.jpmorgan.com/insights/global-research/outlook/market-outlook>*
 - *Goldman Sachs: <https://www.goldmansachs.com/insights/outlooks>*
 - *Fidelity: <https://www.fidelity.com/learning-center/trading-investing/stock-market-outlook>*
 - *Fidelity: <https://www.fidelity.com/learning-center/trading-investing/top-money-moves-2025>*
- **Key Trump Administration Initiatives ...**
 - *<https://www.donaldjtrump.com/issues>*
 - *Extend and Enhance 2017 Tax Cut and Jobs Act (Keep taxes low)*
 - *Control the Border; Deport Illegals Committing Violent Crimes*
 - *Reduce Federal Spending – Cut Wasteful Spending; Reduce Federal Bureaucracy*
 - *Promote US Energy Industry (Lower energy costs, more economic growth)*

“Under New Management” 2025 (2)

- **Obstacles Facing Trump Administration ...**
 - *Endless lawsuits (opponents judge-shopping to get stays blocking Trump policies)*
 - *Unfaithful Republicans - Never Trumpers*
 - *Razor-thin margins in House and Senate*
 - *Many “Blue” State and Local Governments May Refuse to Cooperate / Follow Laws*
- **Major Economic / Political Concerns**
 - *Unsustainable Debt (Federal, State, Corporate, consumer); \$36 Trillion US Govt. Debt*
 - *Social Security and Medicare will need to be fixed soon or cut benefits*
 - *World Economy is Shaky; could bring down US economy*
 - *Market had a mini-correction, but may be in for another deep swoon in 2025*
 - *US Enemies (Russia, China, Iran, N. Korea) May Form Alliances Against US*
 - *Could see another Deadly Pandemic (Consider an Air-born Ebola virus)*
- **Investing Ideas for Seniors**
 - *Look into medium & long-term bonds or ETFs (good yields, safety, potential appreciation)*
 - *Look into large cap blue chips that pay decent dividends (some growth, steady income)*
 - *Hold modest growth positions (10% ?) to offset inflation.*

Open Discussion