

Sun City Summerlin Computer Club

\$ Internet Investing SIG \$

Tom Burt

February 20, 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:

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
February 19, 2025

Fundamentals Review – February 19, 2025

- Dollar slightly weaker against foreign currencies / commodities.
 - Oil (WTI) – still priced in dollars – is around **\$72.18** / barrel.
 - Stock indexes have rebounded from recent dips and are at or near all-time highs.
 - Dow 30: **44,628** S&P 500: **6,144**, Nasdaq: **20,056**, Russell 2000: **2,282**, Gold: **\$2,950**, Silver: **\$33.14**, Bitcoin: **\$96,618**, EUR/USD: **\$1.042**
 - 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 **4.23%**; 10-year Treasury - about **4.54%**; 30-year Treasury - about **4.77%**.
 - 30-year fixed mortgage – **7.13% Apr**; 15-year fixed mortgage – **6.63% Apr.** ; Prime – **7.50%**
- Fed *held* rate unchanged at 4.37% (4.25% – 4.50% range). Next meeting is 03-19-25.
- Gov't BLS Claims December US Job Unemployment was **4.0%**.
 - <https://www.bls.gov/news.release/pdf/empst.pdf>
- Official Inflation Rates for January 2025 were:
 - CPI: **+3.0% (YoY) +0.5% (MoM)**, PPI: **+3.5% (YoY) +0.6% (MoM)**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Regular Gasoline (**\$3.49(.9)** at Costco, **\$4.20(.9)** at Chevron).

Fundamentals Review – January 15, 2025

- 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).

News Bits & Bytes

- **Bottom Line: Auto Gap Insurance – worth It?**
 - <https://www.bottomlineinc.com/money/insurance/is-gap-insurance-worth-it>
- **Schwab: Required Minimum Distributions**
 - <https://www.schwab.com/learn/story/required-minimum-distributions-what-you-should-know>
- **Bottom Line: Causes of Gas Prices Rising or Falling**
 - <https://www.bottomlineinc.com/life/automotive/who-controls-gas-prices-what-causes-prices-to-rise-or-drop>
- **Bottom Line: Lessons From the US Tax Court**
 - <https://www.bottomlineinc.com/money/taxes/lessons-from-us-tax-court-2>
- **Bottom Line: Lab-grown vs Natural Diamonds**
 - <https://www.bottomlineinc.com/life/consumer-goods/lab-grown-diamonds-vs-natural-whats-the-difference>
- **Gold-Silver Ratio near 90 – Time to Buy Silver?**
 - <https://www.zerohedge.com/precious-metals/gold-silver-ratio-silver-breakout-incoming>
- **Robert Kiyosaki: Gloom and Doom Ahead**
 - <https://finance.yahoo.com/news/robert-kiyosaki-predicts-wall-street-190039013.html>
 -

Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- **Trades**
 - *Bought 400 CRDO @ \$55.42. Putting cash to work, buying the dip, possible takeover.*
 - *Bought 1000 GOLD @ \$17.42. 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**

Impact of Tariffs on Investing (1)

- **Trump is Proceeding with Imposing Various Tariffs**
 - *Gemini: explain U.S. tariffs on foreign goods. Who pays and how are the tariffs collected?*
 - <https://www.zerohedge.com/markets/impact-tariffs-not-bearish-fearmongered>
 - <https://www.epi.org/publication/tariffs-everything-you-need-to-know-but-were-afraid-to-ask/>
- **Key Points:**
 - *A tariff is a tax paid by the importer, collected by the Customs & Border Patrol Agency.*
 - *General effect is to increase the cost of imported foreign goods.*
 - *Tariffs may force foreign exporters to meet standards for safety, worker welfare, environment.*
 - *Tariffs are often, but not always, passed through to consumers.*
 - *Tariffs are a consumption tax and may weigh more heavily on low-income consumers.*
 - *Tariffs may be countered by exporting countries by levying their own tariffs against U.S.*

Impact of Tariffs on Investing (2)

- **Impact of Tariffs on the Economy**
 - *May favor U.S. companies over foreign by making U.S. goods more competitive.*
 - *May impact supply chains of domestic companies, increasing their costs and either lowering profits or increasing their prices.*
 - *Possibility of tariff wars can lead to market instability, “stagflation”, economic recession, higher prices, job losses.*
- **Impact of Tariffs for Investors**
 - *At times, foreign exporters will cut prices to help offset the tariffs.*
 - *At times, U.S. importers will cut prices to help offset the tariffs.*
 - *Difficult to predict impact on stock markets – highly variable by industry.*

Open Discussion