

Sun City Summerlin Computer Club

\$ Internet Investing SIG \$

Tom Burt

November 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:

December 18, 2025
January 15, 2026
February 19, 2026
March 19, 2026
April 16, 2026
May 21, 2026

June 18, 2026
July 16, 2026
August 20, 2026
September 17, 2026
October 15, 2026
November 19, 2026

Fundamentals Review – November 19, 2025

- **Dollar slightly weaker against foreign currencies / commodities.**
 - *Oil (WTI) – still priced in dollars – is around **\$59.41** / barrel.*
 - *Stock indexes reached all-time highs in late October and have since faded.*
 - *Dow 30: **46,138** S&P 500: **6,642**, Nasdaq: **22,564**, Russell 2000: **2,348**, Gold: **\$4,078**, Silver: **\$51.07**, Bitcoin: **\$90,391**, EUR/USD: **\$1.154***
 - *S&P PE ratio is **29.8** vs 16.1 long term mean*
(https://www.gurufocus.com/economic_indicators/57/pe-ratio-ttm-for-the-sp-500).
- **Key interest rates have eased slightly (bond prices have risen).**
 - *1-year Treasury – about **3.70%**; 10-year Treasury - about **4.13**; 30-year Treasury - about **4.75%**.*
 - *30-year fixed mortgage – **6.39%**; 15-year fixed mortgage – **5.86%**. ; Prime – **7.0%***
- **Fed lowered FF rate by .25% to 3.88% (3.75% – 4.00% range). Next meeting is 12-09-25.**
- **Gov't BLS Claims August US Job Unemployment was **4.3%**. (No data for Sept., Oct.)**
 - *<https://www.bls.gov/news.release/pdf/empsit.pdf>*
- **Official Inflation Rates for October 2025 are unavailable due to the shutdown**
 - *<https://www.usinflationcalculator.com/inflation/current-inflation-rates/>*
 - *LV Regular Gasoline (**\$3.489**) at Costco, **\$4.269** at Chevron).*

Fundamentals Review – October 15, 2025

- Dollar slightly weaker against foreign currencies / commodities.
 - Oil (WTI) – still priced in dollars – is around **\$58.79** / barrel.
 - Stock indexes have rebounded from April dips, are near record highs
 - Dow 30: **46,253** S&P 500: **6,671**, Nasdaq: **22,670**, Russell 2000: **2,520**, Gold: **\$4,226**, Silver: **\$52.55**, Bitcoin: **\$111,233**, EUR/USD: **\$1.165**
 - S&P PE ratio is **27.9** vs 16.1 long term mean
(https://www.gurufocus.com/economic_indicators/57/pe-ratio-ttm-for-the-sp-500).
- Key interest rates have eased (bond prices have risen).
 - 1-year Treasury – about **3.58%**; 10-year Treasury - about **4.05**; 30-year Treasury - about **4.64%**.
 - 30-year fixed mortgage – **6.53%**; 15-year fixed mortgage – **5.89%**. ; Prime – **7.25%**
- Fed lowered FF rate by .25% to 4.13% (4.00% – 4.25% range). Next meeting is 10-28-25.
- Gov't BLS Claims August US Job Unemployment was **4.3%**. (No data for October)
 - <https://www.bls.gov/news.release/pdf/empsit.pdf>
- Official Inflation Rates for October 2025 are unavailable due to the shutdown
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Regular Gasoline (**\$3.479**) at Costco, **\$4.229** at Chevron).

Fundamentals Review – September 17, 2025

- Dollar slightly weaker against foreign currencies / commodities.
 - Oil (WTI) – still priced in dollars – is around **\$63.97** / barrel.
 - Stock indexes have rebounded from recent dips.
 - Dow 30: **46,018** S&P 500: **6,600**, Nasdaq: **22,261**, Russell 2000: **2,407**, Gold: **\$3,695**, Silver: **\$42.00**, Bitcoin: **\$115,903**, EUR/USD: **\$1.182**
 - S&P PE ratio is **25.90** vs 16.1 long term mean
(https://www.gurufocus.com/economic_indicators/57/pe-ratio-ttm-for-the-sp-500).
- Key interest rates have eased (bond prices have risen).
 - 1-year Treasury – about **3.92%**; 10-year Treasury - about **4.08**; 30-year Treasury - about **4.68%**.
 - 30-year fixed mortgage – **6.25%**; 15-year fixed mortgage – **5.29%**. ; Prime – **7.25%**
- Fed lowered FF rate by .25% to 4.13% (4.00% – 4.25% range). Next meeting is 10-28-25.
- Gov't BLS Claims August US Job Unemployment was **4.3%**.
 - <https://www.bls.gov/news.release/pdf/empsit.pdf>
- Official Inflation Rates for August 2025 were:
 - CPI: **+2.9% (YoY) +0.4% (MoM)**, PPI: **+2.6% (YoY) -0.1% (MoM)**
 - <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>
 - LV Regular Gasoline (**\$3.519**) at Costco, **\$4.269**) at Chevron).

News Bits & Bytes

- **ZeroHedge: Zion's Bancorp & Western Alliance Bancorp Mess**
 - <https://www.zerohedge.com/economics/bizarre-bankruptcy-heart-latest-regional-bank-meltdown>
- **ZeroHedge: Debt Bubble Close to Bursting?**
 - <https://www.zerohedge.com/personal-finance/final-crisis-our-future>
- **ZeroHedge: US Household Debt Hits 18.6 Trillion**
 - <https://www.zerohedge.com/markets/us-household-debt-hits-record-186-trillion-student-loan-defaults-explode>
- **Yahoo Finance: Rising Medical Costs Hurting Insurers**
 - <https://finance.yahoo.com/news/molina-healthcare-stock-falls-as-medical-costs-spike-obamacare-worries-mount-171521043.html>
- **ZeroHedge: Obamacare Premiums Reaching Record Highs**
 - <https://www.foxnews.com/politics/obamacare-sticker-shock-three-factors-pushing-premiums-record-highs>
- **Schwab: Excellent Summary of OBBBA Tax Changes**
 - <https://www.schwab.com/learn/story/one-big-beautiful-bill-act-tax-cuts>
- **ZeroHedge: 3-Mile Island Reactor Restart**
 - <https://www.zerohedge.com/energy/constellation-gets-1-billion-loan-us-govt-restart-three-mile-island>
- **ZeroHedge: Nvidia Earnings are a Blowout**
 - <https://www.zerohedge.com/markets/gpus-are-sold-out-nvidia-soars-after-blowing-away-results-projections>

Tom's Recent (and Future) Financial Moves

- ***Disclaimer: These are not recommendations! Your financial situation and market circumstances are likely different.***
- **Trades: (None)**
 - *Still looking at longer term Treasuries (yield ~4.7%)*
- **Bond yields steady. Dollar has strengthened slightly.**
Yields on preferred stock ETFs, bank CDs, money market funds still fairly good.
Fixed income assets prices holding. May want to lock in yields.
- **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.*
May see more flight from NYC if Zohran Mamdani is elected mayor.
 - *Electric vehicles and utility transmission lines require lots of copper, rare earth metals, lithium.*
- **Boomers are Getting Older – Need More Health Care**

Listed Options (1) – Key Terminology

- Online Tutorial: <https://www.investopedia.com/options-basics-tutorial-4583012>
- Listed Options are standardized contracts bought & sold on the stock exchanges through your broker
 - *Right to BUY (CALL) or SELL (PUT) 100 shares of an underlying Stock or ETF at a specified price any time up to a specified expiration date*
- Strike Price
 - *Buy (CALL) / Sell (PUT) price of the underlying stock / ETF for this option contract*
- Expiration Date
 - *The date after which the option contract can no longer be exercised*
- Underlying Stock or ETF
 - *The actual stock or ETF to which the CALL or PUT option is linked*
- “In the Money” – Having some intrinsic value + time value
 - *A CALL option whose strike price is **below** the current market price*
 - *A PUT option whose strike price is **above** the current market price*
- “Out of the Money” – Having **NO** intrinsic value, only time value
 - *A CALL option whose strike price is **above** the current market price*
 - *A PUT option whose strike price is **below** the current market price*
- Premium – Total cost of the option
 - *Includes the amount you’re paying (or getting) for time and risk*

Listed Options (2) – Where to Find Pricing

- **Yahoo Finance Website:**
<https://Finance.Yahoo.com>
 - *Look up the stock or ETF to display the Quote screen (e.g. IBM)*
 - *Click the Options link to display the options chain screen.*
- **The options chain will list open Call options first, then open Put options. The list is for a specified expiration date.**
 - *You can change the expiration date using a dropdown just above the list.*

NYSE - Nasdaq Real Time Price - USD

International Business Machines Corporation (IBM) ★ Following ➕ Analyze with AI ● IBM: Risk or rebound?

305.69 +0.83 +(0.27%) **306.70** +1.01 +(0.33%)

At close: 4:00:02 PM EST After hours: 7:58:35 PM EST

Jan 16, 2026 305.00 List All Options

Calls In The Money

Contract Name	Last Trade Date (EST)	Expire Date	Last Price	Bid	Ask	Change	% Change	Volume	Open Interest	Implied Volatility
IBM251121C00305000	11/14/2025 3:58 PM	2025-11-21	5.40	5.25	5.55	-0.10	-1.82%	702	1,834	30.81%
IBM251128C00305000	11/14/2025 3:59 PM	2025-11-28	7.10	6.95	7.30	-0.15	-2.07%	89	284	29.13%
IBM251205C00305000	11/14/2025 1:12 PM	2025-12-05	9.30	8.65	9.10	-0.25	-2.62%	8	54	29.95%
IBM251212C00305000	11/14/2025 9:50 AM	2025-12-12	9.40	8.90	10.75	-0.89	-8.65%	5	21	30.84%
IBM251219C00305000	11/14/2025 3:50 PM	2025-12-19	12.00	11.10	12.25	-0.35	-2.83%	184	1,604	31.56%
IBM251226C00305000	11/14/2025 1:46 PM	2025-12-26	13.20	12.10	14.55	0.40	3.12%	14	45	34.38%
IBM260116C00305000	11/14/2025 1:17 PM	2026-01-16	16.85	15.25	17.45	-0.20	-1.17%	25	794	33.82%
IBM260220C00305000	11/14/2025 2:24 PM	2026-02-20	22.51	20.70	22.85	-0.32	-1.40%	20	28	35.70%
IBM260417C00305000	11/14/2025 10:13 AM	2026-04-17	24.85	26.25	28.50	+3.98	+13.81%	6	161	35.65%

Listed Options (3) – Basic Concepts

- **Listed Option Examples:**
 - Price is quoted *per share*; the Contract price is $100 * \text{quoted price} + \text{commission}$. Schwab's option commission is \$.65 per contract; e.g. The Schwab commission for 5 contracts (500 shares) is $5 * \$.65 = \3.25 .
 - A CALL option for 100 shares of IBM at \$305 expiring January 16, 2026. Symbol: **IBM260116C00305000** Last: \$16.85 Ask: \$17.45 Cost: \$1745 + \$.65.
 - A PUT option for 500 shares of SPY at \$670 expiring January 16, 2026. Symbol: **SPY260116P00670000** Last: \$15.94 Ask: \$16.05 Cost: \$8,025 + \$3.25.
- **Options Offer Leverage While Bounding Risk**
 - Control 100 shares of a stock / ETF for a small fraction of the full price.
 - Option price moves in concert with the price of the underlying stock / ETF. E.g. if stock goes up \$10, the CALL option goes up about \$10.
 - Can't lose more than the cost of an option (if they expire unexercised). unless selling "naked" (uncovered) CALLs (Don't try it!).
- **Options are a "Wasting Asset"**
 - Worth less as time remaining to exercise (buy or sell the stock) grows short..
 - Most options positions are closed out by selling (or buying) the option back.
- **Option trading volumes are often low**
 - Can be harder to get the desired price, especially for longer expirations.

Listed Options (4) – Examples

- **Example: Simple Speculative Leveraged Trade**

- *You think Qualcomm (chip maker) will go up a lot as 5G & AI roll out.*
- *Buy 10 CALLs (1000 shares) for QCOM (\$174) at a strike price of \$170 expiring January 16th, 2026.*
- *Symbol: **QCOM260126C00170000** Ask: \$12.05 Cost: \$12,050 + \$6.50.*
- *If Qualcomm stock goes up \$40 to \$214 your options gain could be about \$39,987.*
- *If Qualcomm stock goes up \$20 to \$194 your options gain could be about \$19,987.*
- *If Qualcomm stock drops or stays at \$174, you lose about \$12,057 if you hold the position until January 16th.*

- **Example: Simple Hedge Against a Drop in a Stock**

- *Buy a PUT option for the number of shares you hold at a STRIKE price close to the current market value, expiring 6 weeks to 3 months out.*
- *E.g. Buy two PUTs (200 shares) on MSFT (\$493) to sell at \$490 expiring January 16th.
Symbol: **MSFT260116P00490000** Ask: \$17.20 Cost: \$3,440 + \$1.30.*
- *If MSFT drops \$20 / share to 473, your PUT will increase by about \$18 / unit to \$35.20.
You can sell the PUT (closing it) and pocket the short-term gain.
Net pretax gain on the option trade = \$7,040 - 3,440 - 2 * 1.30 = \$3597.40.*

Listed Options (5) – Examples

- **Example: Generating Extra Income From a Holding (Selling Covered Calls)**
 - *You hold 1000 shares of VZ (Verizon) yielding 6.73% dividend, price \$41.48. You want to keep the dividend flow and make some extra cash.*
 - *Sell 10 CALLs (1000 shares) for VZ at an out-of-the-money strike price of \$44 expiring March 20, 2026.*
 - *Symbol: **VZ260320C000044000** Bid: \$.91 Proceeds: \$910 - \$6.50 = \$903.50.*
 - *If VZ stock goes up \$2.58 to \$44 your VZ will likely be bought for \$44. Your gain on the option trade is: \$903.50. You also realize, from the sale of the shares, a gain of \$44,000 - your original cost.*
 - *If VZ stays below \$44 until March 20, 2026, the option expires, and you keep the \$903.50 pre-tax gain from the option. You can then repeat by selling another Covered Call.*
- **Conclusions:**
 - *Listed options can be used as insurance (a hedge).*
 - *Listed options can be used to speculate without BIG risks (leverage).*
 - *Listed options take some mathematical skill (or a good trading program).*
 - *Volatile markets can make profitable options trading difficult. (Computer algorithms are way ahead of ordinary human traders.)*
 - *There are more exotic options trades (see the Investopedia tutorial).*
 - *Not easy for small players to make money.*

Open Discussion