

Investment Forum Program for Wednesday, October 22 at 11:30

Perspective: The first time the Dow Jones Industrial Average passed the 13,000 mark the forum held an impromptu celebration. In retrospect, the wisest way to celebrate the event would have been to begin taking profits and setting aside cash. Now that the group's mood has shifted, should investment strategies also be revised?

Inflation: Learn to separate personal consumer inflation concerns from investment inflation concerns. The latter are off the screen for now.

Strategies: Two prominent financial journalists who share their investment moves with readers have essentially embraced the same strategy. As discussed at last week's meeting, Knight Kiplinger editor-in-chief of the publishing empire that bears his family's name is price-averaging into a U.S. total market stock index fund. James Stewart who writes for www.smartmoney.com is following the same price-averaging strategy, but is dividing his purchases equally among four separate broad stock index funds: SPDR Trust (SPY), PowerShares QQQ Trust (QQQQ), iShares MSCI Emerging Markets Index (EEM) and iShares MSCI EAFE Index (EFA).

Sectors: Utilities have traditionally been attractive for retirees because of their supposed stability and reliable dividends (both of which came into question during the industry's experiment with partial deregulation). As interest rates declined in the aftermath of 9/11, the sector underwent a long-term bubble that now appears to be deflating. The September 29 issue of *Dow Theory Forecasts* reviews the sector and offers a buy list of 15 stocks.

O Canada: Canadians like to emphasize their differences with the U.S. One important difference that is emerging in the current market is their banking system. Canada's banking industry is proving to be much better run and much healthier than in the U.S.

He Said It: Money manager John Dorfman appearing on CNBC said that he'd rather be buying stocks, but his wealthy clients insist on selling them. Warren Buffett agrees.

For What It's Worth: Barron's is bullish: the economy, stocks, muni bonds, and gold. And, corporate insiders are demonstrating their bullishness with stock purchases. *Money* magazine columnist Paul Lim writing in *The New York Times* cautions otherwise.

On the Website: New articles which may be of interest to retired investors are posted regularly at www.olligmu.org/~finforum/.