

Investment Forum for Wednesday, July 20 at 11:45AM

Future Meetings Schedule

The Forum will meet for the Summer Schedule from June 15 to July 27 at 11:45AM. The Forum will then take two weeks off, and start meeting again on August 17 at 10AM, and will meet Wednesdays at 10AM until September 14. The Fall term will start September 21, back to the 11:45AM time.

The Week That Was: Equity markets were down 2% for the week, with concerns about Italian debt. Second quarter earnings season is off to a promising start, with good results from Google, Alcoa, and JP Morgan.

The debt ceiling. I guess we will have “Perils of Pauline” for several more weeks, with assorted proposals and temper tantrums occurring daily. Makes my head hurt. That the equity and debt markets have not priced in any downside from failure to raise the ceiling is a concern. But at least the public has learned a lot more about the US debt, who holds it, and that the deficit and the national debt are two different things.

All Utilities All the Time: That is the topic for the July 20 Forum. Tom Crooker and Ed Swoboda will talk about utilities, including the major types of companies in the sector, and several individual companies worthy of attention. Utilities, of course, are a favorite of retirees because of their good dividends and price stability. (Enron being an exception, if you actually consider it a utility.)

Searching for Yield: Speaking of utilities, XLU (Utilities Select Sector SPDR) is a popular ETF of utilities' stocks. The fund is fairly large (\$4.5 billion), widely traded, with a dividend yield of 3.96%, per Morningstar. The fund holds 34 large utilities, mostly electric and gas companies. The top ten holdings (Southern Company, Exelon, Dominion Resources, NextEra Energy, Duke Energy, FirstEnergy, American Electric, PG&E, Public Service, and PPL) comprise 55% of holdings. The expense ratio is 0.20%. Tom will show the price performance of XLU and compare it to others.

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Forum Presentations: Ludwig Benner's discussion of TNH at last week's Forum piqued the interest of several members. Some became interested in the fertilizer industry, and others want to learn more about the analyses, useful websites and sources of data, and the metrics used that signal "green, yellow, and red lights." It was suggested that members who did further research on the stock may wish to share their findings at the subsequent Forum meeting.

Members willing to do similar presentations on stocks that they own or are considering, can let me know and I will put you on the agenda. Assuming that we have Paul Howard or other tech-savvy help, we should be able to turn on the equipment and access websites with the equipment in the classrooms, rather than needing to bring your own.

Moderators: I will be out of town the next two weeks. Tom Crooker will moderate the 7/20 session. We do not have a moderator or program for the 7/27 session; volunteers are needed!

Al Smuzynski
asmuzynski@verizon.net