

INVESTMENT FORUM AGENDA FOR NOVEMBER 2, 2011 at 11:45AM

The week that was. What a difference four weeks makes. From the interday low of 1078 on 10/4, the S&P has rallied 19.2% and is up 14.6% for the month, with one day to go. What changed? Well, the European Union may be getting its arms around the Greek debt, with banks taking a 50% haircut on the Greek debt they hold, and then getting new capital from various sources, public and private. It looks a lot like the US response to subprime losses with TARP, which was originally going to purchase toxic assets from US banks, but then switched gears and instead bought capital in banks. We shall see if the EU solution resolves the Greek debt problem, keeps Spain from default, and if the banks are able to sell new equity and pay back the bailout capital as quickly as most US banks did. Or, will the Greek and Italian, Spanish, and Portugese debt continue to plague world financial market, and volatility continue in equities?

Then, the US GDP numbers came out pretty good at 2.5% growth in the third quarter. And fourth quarter corporate earnings continued to be strong, as they have been for the past two years.

So, the likelihood of a "double dip," which seemed high in early October, now seems much less likely.

Anybody who bought stocks or junk bonds in September and early October is smiling now.

Gloria's technical chart. It will be chosen Tuesday night, based on the most recent market moves.

The Ed Strategy. Ed Swoboda will deliver his personal introduction, and combine it with the investment strategy he has used for the last fifteen years. It will be radically different than the Cassidy/Denver strategy, that has been the topic of the last three Forum sessions.

A tour of ETFdb. Time allowing, I will tour the website, www.ETFdb.com, which is the most popular website for screening and analyzing Exchange Traded Funds.

Movie review: "Margin Call"

"Margin Call" is currently playing only at Shirlington and Arlington Courthouse. It has gotten good reviews. I give it 3 stars (out of 4). It all takes place in 24 hours of an investment bank that has bet wrong on mortgages, and the business and ethical dilemmas of several people at various levels. The firm is obviously Lehman Bros. The CEO in the movie is named "Tuld," not to be confused with the real Lehman Bros. CEO Dick Fuld. Jeremy Irons plays Tuld. Demi Moore plays the role of Erin Callan, the real-life CFO of Lehman Bros in over her head. Kevin Spacey plays a mid level manager who is faced with a choice to compromise his ethics to save the firm. The movie is surprisingly fast-paced and, in my opinion, worth the price of a senior discounted ticket.

Other movie reviews:

In addition to the books I have read on the financial crisis (and I previously reviewed and rated) I will rate other movies on the crisis. Yes, as I have previously admitted, any guy who spends as much time as I do reading books and watching movies about bank and financial crises needs to get a life!

"Inside Job." 1 star. This is a typical Michael Moore hatchet job. Many of the "facts" are not and most of the conclusions are wrong. A former colleague of mine (Bill Black) is featured as a talking head.

"Too Big to Fail." 4 stars. An HBO movie still being shown on TV. It follows the equally excellent book of the same name.

"Wall Street." 4 stars. The classic from 1987, starring Charlie Sheen (before he went around the bend) and Michael Douglas as Gordon (Greed is Good) Gekko, one of movies' great villains. I believe that Gordon Gekko is based on Ivan Boesky, the 1980s corporate raider who went to the slammer for insider trading.

"Wall Street: Money Never Sleeps." 3 stars. The 2010 sequel to the first "Wall Street," with Michael Douglas again playing Gordon Gekko. If you saw and liked the original, you will like the sequel, despite several lame plot lines. Is he the same Gordon Gekko, or has he changed? If you have seen neither, watch the original and then the sequel which are sometimes shown back to back on cable tv.

"The Smartest Guys in the Room." 3 1/2 stars. This is a 2005 documentary on the collapse of Enron. It is still be shown on cable tv (usually CNBC or the History Channel) and does an excellent job dissecting Enron and its manipulation of the energy industry.

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