

INVESTMENT FORUM AGENDA FOR WEDNESDAY, JULY 16, 2014, 11:50AM, TA-3

The Forum will meet at 11:50AM through July 23

OLLI will be closed the weeks of August 4 and August 11, so the Forum will not meet on 8/6 or 8/13

Market Perspective. Markets were down for the week. The DOW was down 0.73%; the S&P down 0.90%; and the NASDAQ down 1.57%.

While the DOW has slipped below 17,000, we will still have our DOW 17,000 sheet cake this week, courtesy of Ed Swoboda and continuing a long-running Investment Forum tradition. (The DOW finished above 17,000 the week ending 7/3.) We will also celebrate Ed's birthday, however, we will not embarrass him by singing "Happy Birthday, Ed" nor will we have candles on the cake, which would no doubt violate fire codes.

Small cap stocks were down 4% for the week. News of the week included the Fed stopping its bond buying this Fall (which sent the market up on Wednesday) and a Portuguese bank (Banco Espirito Santo . . . now there's a household name) that is wobbling. A Portuguese bank in trouble roiled markets????

Transocean (RIG) and Seadrill (SDRL.) These two offshore oil drilling companies were on the "Buy" list last week, and the purchasers (Larry Branch and Carl Prieser) will discuss their decisions. Both companies pay giant dividends (5.67% for Transocean, and 10.18% for Seadrill) have reasonable P/Es, and market caps around \$16B. But they involve considerable risks. (Can anybody say "BP?")

Forum Program, July 23. Ingrid Hendershot, Principal of Hendershot Investments, will be speaking to the Forum on July 23. Ms. Hendershot and her company are financial managers and advisors, and well known to Forum members, some of whom use her investment services. She publishes a newsletter. www.hendershotinvestments.com.

Ms. Hendershot will discuss her methodology for her stock selections ("HI-Quality Companies"), with most recent picks, and she will answer questions you may have.

Buys and Sells (week ending 7/9/2014)

Buys

Noodles and Company (NDLS)
iShares Select Dividend ETF (DVY)
SPDR Gold Shares (GLD)
T. Rowe Price Health sciences (PRHSX)

Sells

Canadian National Railway (CNI)
American Funds Capital Income Builder A (CAIBX)
American Funds Washington Mutual A (AWSHX)
Laboratory Corporation (LH)
Bed Bath & Beyond (BBBY)
Boeing (BA)
General Mills (GIS)

Thinking About . . .

General Electric (GE) - still thinking, waiting for better price
Morgan Stanley (MS)
Lincoln National (LNC)
Arch Coal (ACI)
iShares iBoxx High Yield Corporate Bond ETF (HYG) - sell. Time to exit junk?

Al Smuzynski
Investment Forum Moderator
asmuzynski@verizon.net