

**INVESTMENT FORUM AGENDA FOR WEDNESDAY, SEPTEMBER 2, 2015,
10:30AM, Tallwood, TA-1**

Please note the following dates and times for the Forum:

September 2, 9, 16 - 10:30AM Tallwood, TA-1
September 23 - beginning of Fall Term 11:50AM, Lord of Life

Market Perspective. Thanks to the Forum meeting last Wednesday and hearing our requests for a turnaround, markets reversed themselves and ended the week up: the DOW was up 1.1%; the S&P was up 0.9%; and the NASDAQ was up 2.6%. While the DOW is still in correction territory (down just over 10% from its all-time high,) the S&P is now down 7%, and the NASDAQ is down 8% from their all-time highs. Worries continue about Chinese markets and growth, but otherwise, economic news was mostly positive. Second quarter GDP growth in the US was revised upwards to 3.7%. The odds of the Fed increasing the Fed Funds rate in September seemed to decrease.

Last week was crazy. Volatility was off the charts, and big moves, up or down, were always a possibility. Add to that the trading glitches (“circuit breakers” triggered 1,300 times on Monday, for ETFs and common stocks.) For ordinary investors, rational responses were difficult.

What will this week bring? A return to sanity, or more volatility? Let’s devote some time to continue our discussion from last week, on how to react to the current markets, and what lies ahead.

Banks. Banks have recovered from the recession. Their balance sheets are the strongest in years, perhaps ever. Profits continue to grow. And while bank stock values have risen, but were hit hard last week. Still, bank stocks do not appear overvalued. And most banks will benefit from a rise in interest rates.

I will look at the financial sector, what is in it besides banks, and valuations. Then I will look at a few banks.

Future topics.

Over the next few weeks, we will look at:

Industrials. Warren Buffett is liking industrials. Should we?

Homebuilders. I don’t recall homebuilders ever being a Forum topic. With the housing market healthy, we will take a look at the sector and some of the bigger names.

Japan. Japan has been out of favor for 25 years. Is it time for us to give some love to Japanese markets?

Buys and Sells (from 8/26/2015)

Buys

Icahn Enterprises, LP (IEP) - MLP with diversified holdings. MC: \$9B.

Loews Corp (L)

Colfax Corp (CFX) - Industrial. MC: \$5B

SPDR S&P 500 ETF (SPY) - 2 buys

SPDR S&P Dividend ETF (SDY)

Abercrombie & Fitch (ANF) - MC: \$1.3B

Enterprise Products Partners LP (EPD)

Apple (AAPL) - Monday at 9:35AM @ \$95

Gilead (GILD)

Consumer Staples Select SPDR ETF (XLP)

Under Armour (UA)

Netflix (NFLX) - 10:00AM Monday

Bed Bath & Beyond (BBBY)

Apple (AAPL) - Monday AM @\$101

Northrop Grumman (NOC)

JP Morgan (JPM)

Apple (AAPL)

Boardwalk Pipeline Partners (BWP)

Vanguard Total Stock Market ETF (VTI)

Vanguard Small-Cap ETF (VB)

Vanguard FTSE All-World ETF (VEU)

Morgan Stanley (MS)

General Electric (GE)

Blackrock (BLK)

Sells

Chevron (CVX)

Procter & Gamble (PG)

Dow Chemical (DOW)

Yahoo (YHOO)

Intel (INTC)

Fidelity Biotech (FBIOX) - for RMD

Fidelity Contrafund (FCNKX) - for RMD

IShares Intermediate Credit Bond ETF (CIU) - partial sale to fund purchases

Thinking About . . .

Apple (AAPL)

Google (GOOG)

Facebook (FB)

Netflix (NFLX)

Alibaba (BABA)

Gilead (GILD)

Dogs of the DOW

Home Depot (HD)

MetLife (MET)

Interesting list of Buys and Sells, with more buying than usual. I surmise that some of you bought the broad markets because all stocks were oversold. Some “animal spirits,” with buys on Monday morning.

Al Smuzynski

Investment Forum Moderator

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