

INVESTMENT FORUM AGENDA FOR WEDNESDAY, JULY 5, 2017 11:50AM,

LORD OF LIFE, FELLOWSHIP HALL

The Summer Term runs to July 19, 2017. We will begin meeting as a “club” on July 26 through September 18, at 10:30AM at Tallwood. There is no registration for club meetings.

Market Perspective. The market had a down week, to end an up quarter. For the week, the DOW was down 0.2%; the S&P was down 0.6%, and the NASDAQ was down 2%. Tech stocks seem to be taking a breather. Bank stocks moved up, after the large banks passed their “stress tests,” and will be returning more capital to shareholders via higher dividends and stock buybacks. (This old warhorse bank regulator observes, however, that every dollar paid to shareholders now is one less dollar available to absorb losses in the next financial crisis.)

For the first half of 2017, the stock market had its best first half in several years. The DOW was up 8.0%; the S&P was up 8.2%; and the NASDAQ was up a huge 14.1%, driven mainly by the FAAMGs (Facebook, Apple, Amazon, Microsoft, Google.) What will the second half bring? A 10% correction or worse? Or will the good times continue?

Value Investing. John Norris, a value-oriented investor, will be speaking to us about his investment approach. John lives in a village known as West Pennard, 3 hours west of London, and has been a guest of Kathy Barnard at the Forum on several occasions. Many of the stocks in his portfolio pay high dividends but incur more risk than the stocks typically bought by Forum members. His method of selection, buying, and selling should prove very interesting.

Upcoming.

On July 12, David Toms will discuss defensive strategies for an over-bought market, including minimal, moderate, and aggressive actions, and looking for sectors that are “recession-proof.”

Buys and Sells (week ending 6/21/2017)

Buys

Alibaba (BABA)

Bank of America (BAC) - 2 buys

Wells Fargo (WFC)

Gilead (GILD) - add to

JD.Com (JD) - Chinese Amazon. MC: \$56B

General Electric (GE)

Intel (INTC)

Sells

Nike (NKE)

Apple (AAPL) - sold 1/4 of holdings

Oracle (ORCL)

Leucadia National (LUK)

Thinking About . . .

TJX (buy)

United Parcel (UPS)

Investment Forum Website. The Investment Forum has its own website, www.olligmu.org/~finforum. Or from the OLLI website, www.olligmu.org, and from the Main Menu, click on “Clubs, Group Blogs, and Ongoing Activities,” and then “Investment Forum.” The current agenda and previous agendas are posted, as well as articles in the financial press that members recommend.

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Al Smuzynski
Investment Forum Moderator
asmuzynski@verizon.net

