

INVESTMENT FORUM AGENDA FOR WEDNESDAY, MAY 2, 2018 11:50AM,

TALLWOOD, TA-1

The Spring Term runs through May 18

The Forum will meet on May 23 at 11:50AM at Lord of Life. We will meet on May 30, June 6 and June 13, at 10:30AM at Tallwood TA-1. The Forum Summer Term begins June 20, at 11:50AM at Lord of Life.

Market Perspective. A typical week, it seems, for Spring 2018. Two big swing days (down on Tuesday, up on Thursday,) while in the midst of earnings' season, with mostly positive results. The freak-out on Tuesday was over the 10-year Treasury crossing 3%, and an unfortunate remark by the CEO of Caterpillar. For the week, the DOW was down 0.6%; the S&P was even, and the NASDAQ down 0.4%.

The Bond Market as Predictor of Recessions. It is often said that the bond market is a better predictor of future recessions than the stock market. We will follow-up last week's discuss with a look at one bond metric that has predicted all recessions since 1979, and where that metric stands today.

Stock Buy-Backs. Many companies have been buying back their own stock since the recession. We will look at the basics of stock buy-backs and try to figure out who this benefits: existing shareholders, the company, insiders, or other stakeholders. If a company wants to "return capital to its shareholders," would you rather it be cash dividends, or share buybacks? We will take a vote.

Searching for Yield. We will look under the hood of a closed-end-fund, Pimco Dynamic Credit and Mortgage Fund (PCI), which yields 8.6%. What kinds of risks are you taking to get that yield?

Future Topics

May 16. Stock Picking. Ingrid Hendershott, CFA, President of Hendershott Investments, will share her views on the market and stocks that she buys for her clients' portfolios. Ms. Hendershott has spoken to the Forum several times over the years.

Buys and Sells

Buys (week of 4/18/2018)

SPDR S&P Aerospace & Defense ETF (XAR)
Procter & Gamble (PG) - add to
Matthews Asia Growth Fund (MPACX)
PNC Financial Services Group (PNC) - add to

Buys (week of 4/25/2018)

Fidelity International Index (FSIVX)
ABB Ltd ADR (ABB) - Swiss power and automation. MC: \$50B
Johnson & Johnson (JNJ)
Schwab US Dividend Equity ETF (SCHD)
CVS (CVS)
Pepsico (PEP) - add to
IBM (IBM) - add to
Suntrust (STI)

Sells (week of 4/18/2018)

Energy Transfer Partners (ETP)
Matthews Asia Growth and Income Fund (MACSX)
General Electric (GE) - tax loss. Possible buy back in 31 days

Sells (week of 4/25/2018)

Wells Fargo (WFC)
Wells Fargo (WFC) - sold half of position

Thinking About . . .

Adding to JNJ
Vanguard Target Retirement Income (VTINX)
USAA Target Retirement Income (URINX)
Nordstrom (JWN)

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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