

INVESTMENT FORUM AGENDA FOR WEDNESDAY, AUGUST 22, 2018 10:30AM,

TALLWOOD, TA-1

We will meet as a “club” starting August 15, at 10:30AM, Tallwood TA-1, until the start of the Fall Term on September 19. No registration is needed for “club” meetings, and guests are welcome.

Registration for the Fall Term runs from August 14 to Thursday, August 23 at 12 Noon.

Market Perspective. A good week, with the DOW up 1.4%; the S&P up 0.6% (and less than 1% from its all time high on 1/26/2018); and the NASDAQ down 0.3%. Filtering out Turkey’s problems and the usual noise on tariffs and trade posturing, and earnings are strong, especially retail, which has had a good rebound. The 2-10 spread (difference between the yields on the 2 and 10 year Treasuries) continues to narrow, and now stands at 0.25%.

Bear sightings. It seems that there are more warnings on the economy and whether a bear market is near. Time to take some risk off the table?

Quarterly or semi-annual earnings’ reporting. Short term management goals is widely viewed as a problem in corporate America, but would it be fixed by going to semi-annual earnings’s reports? What would be given up? We’ll take a vote whether this is a good idea or not.

BBB rated bonds in corporate bond funds. This week’s Barron’s had an article on the growing percentage of BBB rated bonds (the lowest investment-grade credit rating) in the corporate bond universe, and that this is a growing risk. Is it?

AI buys a covered call. I have dusted off a discussion of the basics of options, that I late gave in 2013. I will also pretend buy a covered call, and look at the yield and risks, boiled down to a few, simple calculations. The technology I will use (iPhone pictures of the trade, projected on the screen) are a bit tricky, and I may not be able to pull it off.

This topic may have to wait, if other topics generate much discussion.

Buys and Sells

Buys (three weeks ending 8/15/2018)

Vanguard Short-Term Corporate Bond ETF (VCSH) - 2 buys - add to
Enbridge, Inc (ENB) - add to
Magna International (MGA) - auto components
Target (TGT)
Invesco S&P 500 Equal Weight ETF (RSP)
Berkshire Hathaway (BRKB)
Starbucks (SBUX)
MasterCard (MA)
MVB Financial (MV) - bank. MC: \$200M
Dominion Energy (D)
Ford (F)
AT&T (T) - 2 buys
Tandem Diabetes (TNDM)
Blackrock Global Allocation Fund (MALOX)
Enterprise Products Partners LP (EPD)
Enbridge Energy Management (EEQ)
Enterprise Energy Partners LP (EEP)
Magellan Midstream Partners (MMP)
Five9, Inc (FIVN) - cloud software. MC: \$2.5B
Buy to open Disney (DIS) 6/20/20 115 calls
Ventas (VTR)
Kimco Realty (KIM)
Gold ETF (GLD) - "nibble"
Vanguard Dividend Appreciation ETF (VIG)
Bank of New York Mellon (BK)

Sells (three weeks ending 8/15/2018)

Nuveen Credit Strategies Income CEF (JQC) - partial sale
Southern Company (SO)
Sell to open 9/19/2018 AEP \$72.50 call option
American Eagle Outfitters (AEO)
Abercrombie & Fitch (ANF)
Jefferies Financial Group Inc (JEF)
Skyworks Solutions (SWKS)
Western Pacific (WPZ)
Kinder Morgan (KMI)
Sell to open Disney 6/20/2020 110 puts
VF Corporation (VFC)
Intel (INTC) - trim
Kohls (KSS) - trim

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