

INVESTMENT FORUM AGENDA FOR WEDNESDAY, DECEMBER 5, 2018 10:30AM, TALLWOOD, TA-1

We will meet as a “club” weekly through January 16, at Tallwood. No registration is required, and guests are welcome.

Forum Moderator needed for February 6, 2019. I will prepare and distribute the agendas. Lee Cutler will be Moderator on January 9, and Ray Willson will be Moderator on March 6.

Registration for the Winter Term (starting January 21) will start Friday, November 30, and end Friday, December 7 at Noon.

Market Perspective. The Forum did not meet for two weeks, and the market was down 7%. We met last week, and the market had its best week since 2011. Coincidence??? For week ended November 30, the DOW was up 5.2%%; the S&P was up 4.9%; and the NASDAQ was up 5.6%. All of the averages are again up YTD.

Is this the beginning of a “Santa Claus rally?” Is it because of two words - “just below” neutral uttered by Fed Chair Powell on Wednesday? (Remember “irrational exuberance” from Alan Greenspan twenty years ago?) Is it signs that we are stepping back from a trade war with China and another round of tariffs? What else?

As we head toward the end of 2018, there are several things to watch.

Housing sales and production are slowing in some parts of the country. A canary in the coal mine?

Oil prices have fallen 20%. Good for filling up and travel; bad for oil stocks.

The yield curve has further flattened, with the 2-10 spread down to .19%.

Bitcoin, near \$20,000 a year ago, is now \$4,213, and as low as \$3,550 last week. Looks like there have been a few Bitcoin winners, and many Bitcoin losers. Does anybody know what Bitcoin is?

Mutual funds outflows in 2018 and sales of appreciated mutual fund holdings to meet redemptions, have resulted in mutual funds realizing gains, which will be distributed to investors this month, along with their tax liabilities.

Maturing Markets. Garrett Ruhl will discuss investing in a “maturing market,” and anticipating “headline worries.” Also, prospects in the defense industry and medical devices industry.

Upcoming

Forum 2019 Predictions. On December 19 - the last Forum in 2018, we will take a show of hands, of your market predictions for year-end 2019. The choices will be, for the S&P: up over 20%; up 10% to 20%; even to up 10%; even to down 10%; down 10% to 20%; down over 20%. We may also vote on interest rates, and GDP growth.

DOW 26,000 sheet cake. On December 19, we will also celebrate the end of the year, with a sheet cake. The DOW has crossed 26,000 several times in 2018, first in January, and again in August, before pulling back to 24,286 on November 23, then rallying last week up to 25,538 on Friday.

Friends of OLLI. Along with our sheet cake on December 19, we will have an envelope to collect tax-deductible contributions (check made payable to Friends of OLLI, or cash) that will be posted from the Tom Crooker Investment Forum, on the list of contributors. This is separate from your individual contributions to the Friends of OLLI. I note that Investment Forum members are well represented on Friends of OLLI contributors.

Munis. Zach Teich will talk about tax-free municipal bonds on December 12.

Morningstar Stock Investor. Tom Crooker will discuss this monthly newsletter (available through the Library website) on December 12.

Mutual Funds. On January 30, Jim Dann will follow-up on his discussion of mutual funds from two weeks ago, doing a deeper dive into several points he made, and allowing for more questions and member discussions of managed mutual funds.

Buys and Sells

Buys (week ending 11/28/2018)

Bayer AG ADR (BAYRY)

T Rowe Price (TROW)

Microsoft (MSFT)

Oracle (ORCL)

IBM (IBM) - add

Summit Hotel Properties (INN)

Servisfirst Bankshares (SFB)

Exxon Mobil (XOM)

Sells (week ending 11/28/2018)

Procter & Gamble (PG)

Harbor International Investor (HIINX)

ABB ADR (ABB) - robots

General Electric (GE)

Thinking About . . .
Apple (AAPL)

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