

**INVESTMENT FORUM AGENDA FOR WEDNESDAY, JANUARY 9, 2019 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.

Lee Cutler will be the Moderator this week.

Market Perspective. No doubt, everybody has followed the market’s extreme volatility in December, as the major averages slipped into or very near bear markets, recovering somewhat the last few days of the year. For 2018, the DOW was down 5.6%; the S&P down 3.9%; and the NASDAQ down 6.2% - the worst performance since the recession. Over the next few weeks, we will chew on what happened, why, what may happen in 2019, and whether opportunities now exist.

Lee Cutler will talk about two important tools for investors. Yield on Cost (YOC) and the relationship between Income, Rate, and Value (IRV), using ValueLine and The Buffettology Workbook by Buffett and Clark. Buffett’s Coca Cola (KO) purchase in 1988 demonstrates the importance of determining YOC. Using ValueLine to analyze the past 5 and then 10 year periods for General Electric (GE) will underscore how using IRV can help calm one’s panic and facilitate focus during volatile times like we are currently experiencing.

Time permitting, Tom Crooker will discuss a recent front page article in the Wall Street Journal, “Stock Rout Fueled by Market on Auto.”

Forum 2019 Predictions. When we last met on December 12 (seems like a long time ago!) we voted on our predictions of market performance in calendar 2019, for the S&P. These are the results

Change in S&P 500 for calendar year 2019

Up over 20%	0
Up 10% to Up 20%	8
Even to Up 10%	27
Even to Down 10%	16
Down 10% to Down 20%	0
Down over 20%	1

Upcoming

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 12/12/2018)

Cleveland-Cliffs, Inc (CLF) - iron mines. MC: \$2.3B

Apple (AAPL)

F (Ford) - 2 buys

Microsoft (MSFT)

Blackrock TCP Capital Corp (TCPC)

AT&T (T) - add

More CDs

Vanguard Value ETF (VTV)

General Mills (GIS)

Financial Sector SPDR ETF (XLF)

Sells (week ending 12/12/2018)

Olin Corp (OLN)

Vanguard FTSE ETF (VGK)

Schlumberger (SLB)

Citigroup (C)

Invesco Dynamic Leisure and Entertainment ETF (PEJ)

Frontier Communications (FTR)

Merck (MRK) - trim

Vodaphone (VOD)

Cisco Systems (CSCO)

Annaly Capital (NLY)

Fidelity Emerging Asia Fund (FSEAX)

General Electric (GE) - tax loss

Thinking About . . .

ON Semiconductor Corp (ON)

Skyline Champion Corp (SKY) - manufactured housing. MC: \$800M

Schwab Short-Term US Treasury ETF (SCHO)

Vanguard Short-Term Corporate Bond ETF (VCSH)

CDs

General Electric (GE)

Lee Cutler

Investment Forum Moderator

velmalee_13@yahoo.com

