

INVESTMENT FORUM AGENDA FOR WEDNESDAY, OCTOBER 7, 2020, 11:50AM

We will meet on-line, using Zoom webinar, at 11:50AM though the Fall term which ends on November 11. We will continue to meet after that date using Zoom until we are able to again meet in person.

The Zoom link is 82197098067, and the passcode is 357235.

Markets. Another week of head-spinning news events, some of which may or may not impact markets. For the week, the DOW was up 1.9%; the S&P up 1.5%; the NASDAQ up 1.5%; and the small-cap Russell 2000 up 4.4%. New jobs' numbers were down on Friday, indicating slowing recovery from the pandemic. Third quarter earnings roll out in two weeks, followed by the election. Another economic stimulus package remains in negotiation, which the markets want. Fasten your seat belts!

This week's poll.

We forgot to take last weeks poll at the beginning of the session. We will try this again this week.

Question: Which of the following will have the biggest impact (positive or negative) on stock markets between now and year-end?

- a) The pandemic and development of a vaccine.
- b) Unemployment numbers and business downturn or recovery.
- c) The election.
- d) A new Federal economic stimulus package.
- e) "October surprise" or something else.

Please send me poll questions you think are interesting.

Topics this Week

Stock Selection. Sy Sherman will give Part 1 of his stock analysis discussion this week, focussing on sources and tools available and screening to identify potential stock investments. Part 2 will address analysis of stocks, including valuation methods, stock comparison, and third party analysis. This will be particularly useful to fund investors, or who rely on advisors, but who are thinking about buying individual stocks.

Bob Baker will review the buys and sells.

Upcoming Topics.

To Diversify, or Not. Most Forum members (I think) have diversified portfolios, either with funds, or 20 or more individual stocks - really a self-managed mutual fund, that is likely to track markets. They may “dollar cost average” - with smaller incremental buys over time. Others, though, buy a smaller number of stocks (10 or so) going all-in, a riskier strategy hoping their picks to “beat the market.” The panel will meet during the Fall term.

Health Care sector. In the Fall, Tom Kaufman will discuss the health care sector, followed by Jim Dann looking at health care managed mutual funds.

Mid-Caps and Small-Caps. Mid-Cap stocks (market caps of \$2 billion to \$10 billion) and Small-Caps (market caps of \$300 million to \$2 billion) have underperformed large and mega cap stocks since the Great Recession. Are they now worth owning? I will look at small and mid cap ETFs.

Buys and Sells

Buys (week ending 10/2/2020)

Truist Financial Corp (TFC) - 2 buys

IShares Core S&P Small-Cap ETF (IJR)

Pacific Biosciences of California (PACB) - MC: \$2B

Albertsons (ACI)

Innovative Industrials Properties(IIPR)

Orsted A/S ADR (DNNGY) - European wind energy. MC: \$62B

BlackRock Future Health ETF (BMED) - new active ETF

Constellation Brands (STZ)

Laboratory Corp of America (LH)

Bank of Montreal (BMO)

Activision (ATVI)

Broadcom (AVGO)

NIO Inc, ADR (NIO) - Chinese electric vehicles

KraneShares CSI China Internet ETF (KWEB)

Main Street Capital (MAIN)

Gilead (GILD)

OGE Energy (OGE)

Cardinal Health (CAH)
AT&T (T)
Cisco Systems (CSC)

Sells (week ending 10/2/2020)

Kroger (KR)
Phillips 66 (PSX)

Thinking About

Unity Software (U) - MC: \$22B
XPO Logistics (XPO) - MC: \$8B
S&P Global (SPGI) - MC: \$87B
General Motors (GM)

Morningstar Dividend Investor. I distribute this monthly newsletter on dividend paying stocks, and a model portfolio, to Forum members who request it. Just let me know. It is also available through the Fairfax County Library website, using a library card number.

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