

INVESTMENT FORUM AGENDA FOR WEDNESDAY, OCTOBER 14, 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. Markets were up, for the second straight week. For the week, the DOW was up 3.3% (up 0.2% YTD;) the S&P was up 3.8% (up 7.6% YTD;) the NASDAQ was up 4.6% (up 29.1% YTD;) and the Russell 2000 was up 6.4% (down 1.9% YTD.) Gains are wider now, across the markets, rather than concentrated in some of the big growth names. The equal weighted S&P 500 (RSP) is outperforming the market-cap weighted S&P 500 last three months.

Markets clearly want another fiscal stimulus package, which is again at an impasse (as of Sunday afternoon,) but which may come in the event of a “blue wave” election in three weeks.

Earnings reports commence on Tuesday, with JP Morgan first out of the box.

Last week's poll.

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. - **18 (24%)**
- b) Unemployment numbers and business downturn or recovery. - **13 (18%)**
- c) The election. - **25 (34%)**
- d) A new Federal economic stimulus package. **14 (19%)**
- e) “October surprise” or something else. - **4 (5%)**

This week's poll.

Sector allocations.

Question: Have you changed your investment allocations to more heavily weight specific sectors, in the past six months?

- a) Yes
- b) No
- c) Not yet, but I expect to move to other sectors soon.

Topics this Week

Stock Selection. Sy Sherman will give Part 2 of his stock analysis discussion this week, which will address analysis of stocks, including valuation methods, stock comparison, and third party analysis. This discussion will continue to Part 3 on October 21. 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 10/9/2020)

Truist Financial Corp (TFC) - add
IShares Core S&P Small-Cap ETF (IJR) - add
Technology Select SPDR ETF (XLK)
Bank of America (BAC)
Gilead (GILD)
MSC Industrial (MSM)
Sturm Ruger & Co (RGR)
Aflac (AFL)
Akamai Technologies (AKAM)

Iron Mountain (IRM)
Meritage Homes (MTH)
Morgan Stanley (MS)

Sells (week ending 10/9/2020)

Conoco Phillips (COP)
Procter & Gamble (PG)
Alerian MLP ETF (AMLP)
Cisco (CSC)
Valero (VLO)
VEREIT (VER)
Parsley Energy (PE)
Murphy Oil (MUR)
Alliance Bernstein (AB) - asset manager. MC: \$3B)
Icahn Enterprises LP (IEP) - MC: \$11B
Sold to close 10/16 call on Big Lots (BIG)

Thinking About

Goldman Sachs (GS)
Eaton Corporation (ETN)
Quanta Services (PWR)
iShares Russell 2000 ETF (IWM)

Investment Forum Website. The Investment Forum website may be accessed directly at <http://olligmu.org/finforum/index.html>, or through the OLLI website at oli.gmu.edu, then pressing the “Clubs/Groups” link at the upper right of the home page, followed by the “Inve\$tment Forum” link on the dropdown list. Please contact Jim Coile, the Webmaster with any presentation contributions, article suggestion, or improvements by emailing jcoile@gmu.edu. The website has current and past agendas and buy/sell list presentations.

Specific steps to access the Fairfax County Library website for premium services and newsletters can be found in previous agendas, posted on the Forum website.

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