

Investment Forum Program for Wednesday, September 26 at 11:30

Perspective: So, what is the accurate perspective? Conflicting opinions abound. The forum has devoted discussion in recent sessions to sharply divergent views on the future price of oil. On September 21, Steven Pearlstein writing in *The Washington Post* stated “There’s only one explanation for the unexpectedly bold moves this week by key economic policymakers around the world: They’re seriously worried about credit markets and the financial condition of major banks.” The October 1 edition of *BusinessWeek* carried an article entitled “The Debt Market: Signs of Life.” It stated “A budding recovery in the credit markets is the real good news.” It also went on to state “There’s growing evidence that parts of the debt markets that nearly shut down in August are coming back to life.” The same issue of *BusinessWeek* also opined “Broadly speaking, financial market shocks such as those in 1998, 2000 and 2007 are deflationary events.” On September 21, columnist and money manager Donald Luskin wrote for *SmartMoney.com* “Since the [Federal Reserve] rate cut on Tuesday, all indicators of inflation have moved into the red zone. The price will be paid for years by every one of us.” So, for individual investors faced with the task of putting cash to work, which foreseeable trends and events should guide our strategy?

Follow-Up: Last week’s presentations on covered calls brought forth the observation that there are closed-end funds that specialize in gathering income via such options. Three such funds exist: Madison/Claymore Covered Call Fund (MCN), S&P 500 Covered Call Fund (BEP), and Enhanced S&P 500 Covered Call Fund (BEO). All are relatively new and have yet to establish significant track records of performance. Also in the realm of follow-up, another contrarian voice on oil prices.

Carry-Over Topics from Previous Sessions: Comparisons between exchange traded and managed sector funds, and purported opportunities in Pfizer (PFE), Johnson & Johnson (JNJ), and Medtronic (MDT).

Hard Assets: Brief comments on gold as a safe-harbor investment.

Slim Pickings: The following list comprises the entire universe of both domestic and foreign stocks which merit top buy recommendations from both Citigroup and Morningstar: Bemis (BMS), Cemex (CX), Cintas (CTAS), Johnson & Johnson (JNJ), Lowes (LOW), Nustar Energy MLP (NS), Republic Services (RSG), and Wal-Mart (WMT).

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