

Investment Forum Program for Wednesday, April 24 at 11:50

Milestone: A decade ago the Forum discussed McDonald's (MCD). It was deeply out of favor at the time and its share price had briefly touched single digits. Recently the share price has touched triple digits. The Forum (sometimes) rewards those with longevity and patience.

Perspective: So far this year, the U.S. stock market has been a notable bright spot in an otherwise mostly dreary global economy. In a recent missive to his devoted readers, Morningstar's Josh Peters asserts that stocks are the only game in town—but only a small cadre of underperforming stocks remain buy candidates using his dividend-based criteria. In other words, we are experiencing a world where cash yields nothing and almost nothing else appears attractive; not bonds (especially not TIPS), not gold, not commodities. An exception may be residential real estate for those who ventured in at the bottom of the housing market. Locally there are reports of the return of bidding contests among buyers. Meanwhile, in a column dated April 10, Mark Hulbert warns investors that persistent weak economic growth is a potential threat to stocks. Corporate America has grown profits, which underpin stock prices, through cost cutting and seeking more promising markets abroad. But, this strategy has limits and slower earnings growth lies ahead. He depicts this situation as a disconnect between Wall Street and Main Street. By way of contrast, the Fed's latest anecdotal Beige Book survey suggests a positive outlook for the economy.

Gold: Those who never liked gold in the first place (Warren Buffet prominent among them) are crowing over the recent sell-off in the precious metal. Meanwhile, coin dealers across Asia cannot meet demand spurred by lower prices.

Big Tech: Specifically, Apple (AAPL), Cisco (CSC), Intel (INTC) and Microsoft (MSFT) are deeply out of favor and priced accordingly—and not without good reason. However, they may yet prove to have virtue over time. We shall examine the arguments pro and con. The T. Rowe Price Science and Technology Fund (PRSCX) is among those who are very bullish on several of these stocks.

Roth IRA Conversions: Lou will walk us through the finer points of Roth IRA conversions.

Tom Crooker, 4/19/13