

INVESTMENT FORUM AGENDA FOR WEDNESDAY, JUNE 26, 2013, 11:50AM

The Forum will meet at 11:50AM on Wednesdays through July 24, in TA-1

Market Perspective. Did somebody get the number from that truck that hit the markets at 2PM on Wednesday, June 19? What looked (to me) to be mild comments and positive views on the economy from the Fed led to a two day rout in equities, bonds, and gold. Equities were down 2% for the week, and are down 4% (DOW,) and 4.6% (S&P) from their all time highs in May. But still up 12.9% and 11.7% YTD.

Interest rates, particularly long-term, continue their ascent, with the 10 year Treasury rising .38% to 2.51% for the week. The rate on the 10 year T has risen by 3/4% and the rate on the 30 year T has risen by 1% since April. The yield curve has steepened, so short term rates have risen less than long-term rates.

Technical Indicators. Gloria Loew will look at some technical charts she follows, for what they are telling us about the markets.

Closed-End Funds. Tom Crooker and I will look at CEFs, which we have not discussed much in several years. Tom will look at H&Q Healthcare Investors Common (HQH) and H&Q Life Sciences Investors Common (HQL.) I will look at two CEFs that Bill Gross recently purchased for his personal account, Pimco Income Strategy Fund II (PFN) and Pimco Dynamic Income Fund (PDI.) We will use CEFConnect, www.cefconnect.com, an excellent website for screening and analyzing Closed-End Funds. CEFs are an investment vehicle, that can provide high returns, but with higher risks for investors willing to understand their nuances.

Stock of the Week. Smuckers (SJM.) From the "Thinking About" list.

Buys and Sells (two weeks ending 6/19/2013)

Buys

Macy's (M)
Coca Cola (KO)
Intel (INTC) - 2 buys
EMC Corp (EMC) - tech infrastructure. 11.7PE, \$51B market cap
Pfizer (PFE)
USAA S&P 500 Index mutual fund (USSPX)
Under Armour (UA)
Gilead Science (GILD)
Consumer Discretionary Select Sector SPDR (XLY)
Cree, Inc (CREE) - energy saving lightbulbs
PNC Financial Services (PNC)

Sells

General Electric (GE)
Booz Allen Hamilton (BAH)
Vanguard VA Tax-Free Bond Fund (USVAX)
Mannkind Corp (MNKD) - took profits on half. Insulin drug.
Janus Research Fund (JAMRX)
American High Income Trust (AHITX)
American Income Fund of America (AMECX)

Thinking About

Smuckers (SJM) - buy
Agrium, Inc (AGU) - buy. Agricultural products
Carmax (KMX), Chipotle (CMG), General Electric (GE) - buy
Adobe (ADBE)
Vanguard 500 Fund (VFINX) - sell
Apple (AAPL)

Al Smuzynski
asmuzynski@verizon.net