

INVESTMENT FORUM AGENDA FOR WEDNESDAY, JULY 3, 2013, 11:50AM

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

Market Perspective. Volatility is back! Seems like we have daily moves over 100 points in the DOW, up or down. For the week, the DOW was up 0.7%; the S&P up 0.9%; and the NASDAQ up 1.4%. For the first six months of the year, equities were up 13%, its best performance since 1999, despite being down since mid-May.

Bond prices rose for the week (long-term rates fell) and gold prices continued their decline.

Closed End Funds (continued.) CEFs, especially those that invest in fixed-income, have been hit hard in the past two months. Many trade at substantial discounts to Net Asset Value, and a number of pundits suggest that they are undervalued. Morningstar listed 25 CEFs that it believes are "on sale."

Last week we looked at several CEFs. This week we will examine some more, using www.cefconnect.com to look under the hood. (This week I will have my User ID and Password so we can get into the site!) CEFs are an interesting investment vehicle that are similar to managed mutual funds, trade like ETFs, and most use leverage to create good yields, but also involve risks that need to be understood.

Stock of the Week. Freeport McMoran (FCX.)
World's largest copper miner.

Buys and Sells for week ending 6/26/2013

Buys

General Electric (GE) - 2 buys
Kinder Morgan Energy Partners (KMP)
Freeport McMoran (FCX)
I Shares Russell 2000 index (IWN)
Vulcan Materials (VMC)
Aviva (AV) - insurance, 5.7% yield
JP Morgan Chase (JPM)
Consumer Discretionary Select SPDR (XLY)
Chevron (CVX), CVS Caremark (CVS), Home Depot (HD) - grandson's picks
Southern Company (SO)
Glaxo Smith Kline (GSK)

Sells

USAA Virginia Bond Fund (USVAX)
I Shares I Boxx Investment Grade Corporate Bond EFT (LQD)

Thinking About

General Electric (GE)
Apple (AAPL) - 2 thinking about
Huntsman Corp (HUN)
Gold Coins

Hoping For

A deep enough correction to produce buying opportunities

Next week (July 10) we will have a presentation from John Ryan of Dominion Wealth Management on investment advisors.

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