

**INVESTMENT FORUM AGENDA FOR WEDNESDAY, DECEMBER 16, 2015,
10:30AM, Tallwood, TA-1**

This will be the last Forum of 2015. Next meeting will be Wednesday, January 6, 2016, 10:30AM, in Tallwood, TA-1. Happy Holidays to all!

Market Perspective. Bad week, to say the least. The DOW was down 3.3%, and is negative 3.1% YTD. The S&P was down 3.8%, and is negative 2.3% YTD. The NASDAQ was down 4.1%, and is positive 4.2% YTD. Barring a late “Santa Claus rally,” this will be the first down year for the DOW and S&P since the recession. The drivers this week were falling junk bond prices, and oil dropping below \$36. The dividend cut by KMI (more MLP distribution cuts to come?) and the merger of DOW and Dupont were noteworthy.

This week, all eyes will be on the Fed, and whether it raises the Fed Funds rate by 1/4% on Wednesday. Current odds are 72% that it will raise rates, down from 78% a week earlier.

Sectors. Pundits have often said that it is more important to be invested in the right sector, rather than the right stock. Gloria Loew will talk about sector rotation - moving to sectors at different parts of the economic cycle and in response to market indicators. The proliferation of sector ETFs makes this easy to do.

Gloria is a technical investor, and closely follows price movements.

Investment Forum 2016 Market Predictions. We will take our annual vote on what Mr. Market will do in 2016.

As of Friday, December 11, 2015, the S&P was 2012. A year ago, December 17, 2014, these were your votes for what the S&P would be on December 31, 2015.

S&P as of 12/31/2015

1900 or below	2 votes
1900 - 2000	0
2000 - 2100	20
2100 - 2200	12
2200 - 2300	1
2300 - 2400	1
above 2400	0

These will be our choices this week, via a show of hands

S&P as of 12/31/2016

1900 or below	down over 5.8% from 12/11/2015
1900 to 2000	down 5.8% to down .1% from 12/11/2015
2000 to 2100	down .1% to up 4.4%
2100 to 2200	up 4.4% to up 9.3%
2200 to 2300	up 9.3% to up 14.3%
2300 to 2400	up 14.3% to up 19.3%
over 2400	up over 19.3%.

Given the importance of the price of oil on global markets and our portfolios, let us take a second vote on the price of oil as of December 31, 2016. Crude was \$36 per barrel - a seven year low, on 12/11/2015. These will be the choices, by a show of hands.

Oil as of 12/31/2016

- Below \$20
- \$20 - \$30
- \$30 - \$40
- \$40 - \$50
- \$50 - \$60
- Over \$60

Buys and Sells (week ending December 9)

Buys

CVR Partners (UAN)

Sells

- Financial Sector Select SPDR ETF (XLF)
- Vanguard Total Bond Market ETF (BND) - tax loss
- Vanguard Short-Term Bond ETF (BSV) - tax loss
- Southern Company (SO) - rebalancing

Thinking About . . .

- SPDR Wells Fargo Preferred Stock ETF (PSK)
- Under Armour (UA)
- Energy Transfer Equity LP (ETE)
- Nike (NKE)

Remaining between term “club” meetings, 10:30AM, Tallwood, TA-1

December 16

January 6, 2016

January 13

The Winter term begins January 20.

Thank You. To Jim Dann, for his excellent discussion of the airline industry and airline stocks last week. Whether an airline investor or a flyer, we all leaned something useful.

Al Smuzynski
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