

INVESTMENT FORUM AGENDA FOR WEDNESDAY, APRIL 18, 2018 11:50AM,

TALLWOOD, TA-1

The Spring Term runs through May 16

Market Perspective. We seem to be in a pattern of alternating days of sizable up and down moves. And since a normal trading week is five days, there will be one more up or down day each week. For the week, the DOW ended up 1.8%; the S&P was up 2.0%; and the NASDAQ up 2.8%.

Oil prices have been climbing, and are now \$70 per barrel - which you have no doubt noticed at the pump. At this price, further exploration may take place. Impact on energy stocks? And we are now in earnings' season. Big banks led off on Friday, with good results, but bank stocks were hit. (Poor business loan demand was blamed - something you have heard me complaining about for nine years.)

Tax Reform. Brenda Bloch-Young will discuss the tax bill. (This topic was scheduled for February 7 and March 21, but was postponed both times as OLLI was closed for weather. If it snows this Wednesday, we will take that as an ominous sign . . .)

The Tax Cuts and Jobs Act has sweeping changes for the corporations we invest in. While the 1986 Act had 202 technical corrections, we should anticipate many, many more due to the haste with which the act was passed. Early guidance from Treasury suggests that they intend to focus on pass-through and GILTI (Global Intangible Low-Taxed Income) first.

Before we attempt to understand the new act, it may be helpful to devote some time to understanding some of the complex strategies that have been used in recent years by major corporations to reduce their US Federal Income taxes. Base Erosion has been an important focus of the EU over the last few years to shut down some of the loopholes, and the new TCJA has a provision known as BEAT (BASE Erosion Anti-Abuse Tax.)

The Wall Street Journal guide to the new tax has been posted on the Forum website. The information for investors begins at page 59. Keep in mind that company specific facts and circumstances make it difficult to identify clear "winners" and "losers" under the new Act.

Upcoming Topics

April 25. International Stocks and Funds. James Dann will look at international stocks and funds, which provided good returns in 2017. Is that likely to continue?

May 16. Stock Picking. Ingrid Hendershott, CFA, President of Hendershott Investments, will share her views on the market and stocks that she buys for her clients' portfolios. Ms. Hendershott has spoken to the Forum several times over the years.

Buys and Sells

Buys (week of 4/11/2018)

Dominion Energy (D)

Vanguard S&P 500 ETF (VOO)

First Dow Jones Internet ETF (FDN)

HP Inc (HPQ) - formerly Hewlett Packard. MC: \$36B

Target (TGT)

Vanguard Emerging Markets Government Bond ETF (VWOB)

Sells (week of 4/11/2018)

Carnival Corporation (CCL)

Merck (MRK)

Gilead (GILD)

Thinking About . . .

Nvidia (NVDA)

Omicron Group (OMC)

Investment Forum Website. The Investment Forum has its own website, www.olligmu.org/~finforum. Or from the OLLI website, www.olligmu.org, and from the Main Menu, click on "Clubs, Group Blogs, and Ongoing Activities," and then "Investment Forum." The current agenda and previous agendas are posted, as well as articles in the financial press that members recommend.

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