

Investing for Successful Retirement

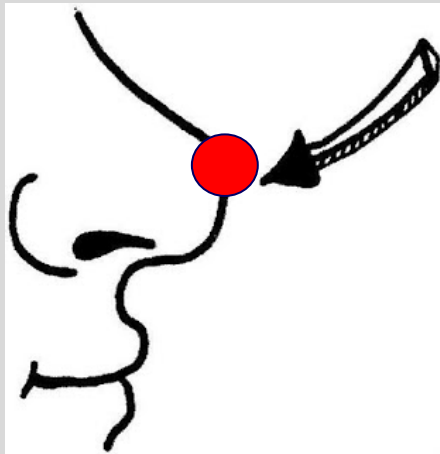
UD Osher – OLLI

Fall 2024

- **Rajeev A. Vaidya**
- **Ron Materniak**
- **Jane Roe-Fox**

Disclaimer in plain language

Disclaimer – in plain language:



Opinions are like noses, everyone has one !

You are going to see mine in this course !!

We are simply sharing our perspective.

This is not investment advice or recommendation.

Ron, Jane and I are not a financial advisors.

This course is for educational purposes only.

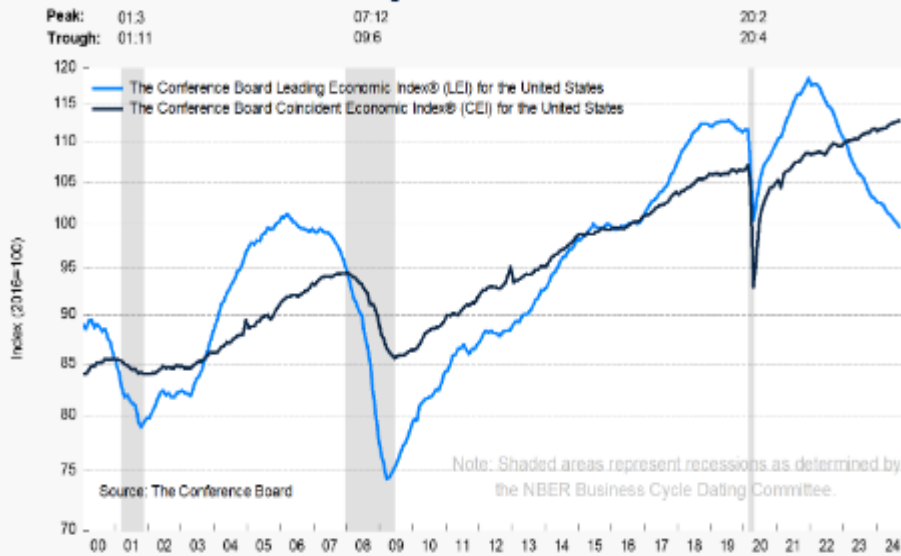
Form your own opinion, make your own investment decisions.

Class 10 – Nov. 6th

- Market Update – Rajeev – 20 minutes
- Precious Metals
 - Precious as defined today
 - Precious for green energy

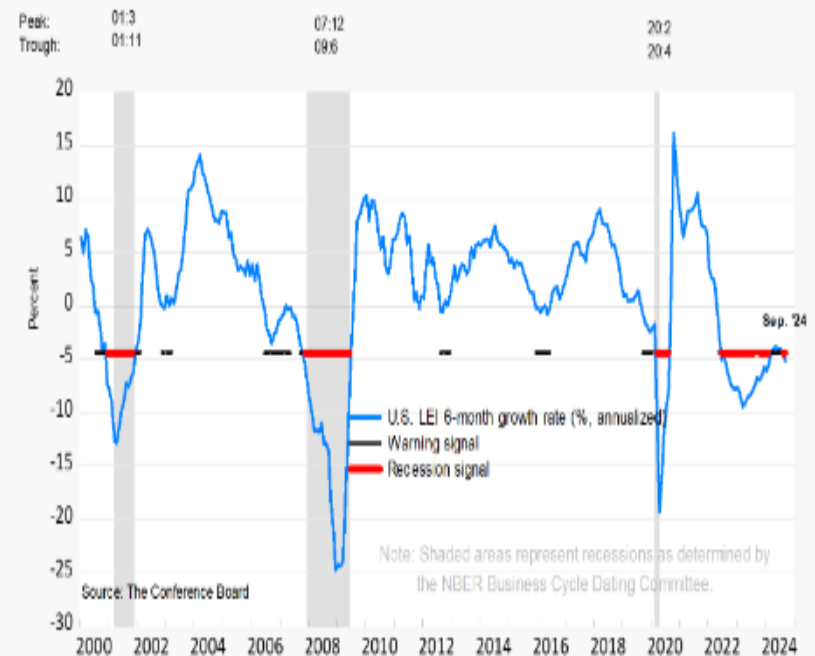
Conference board LEI

The LEI continued to decline in September

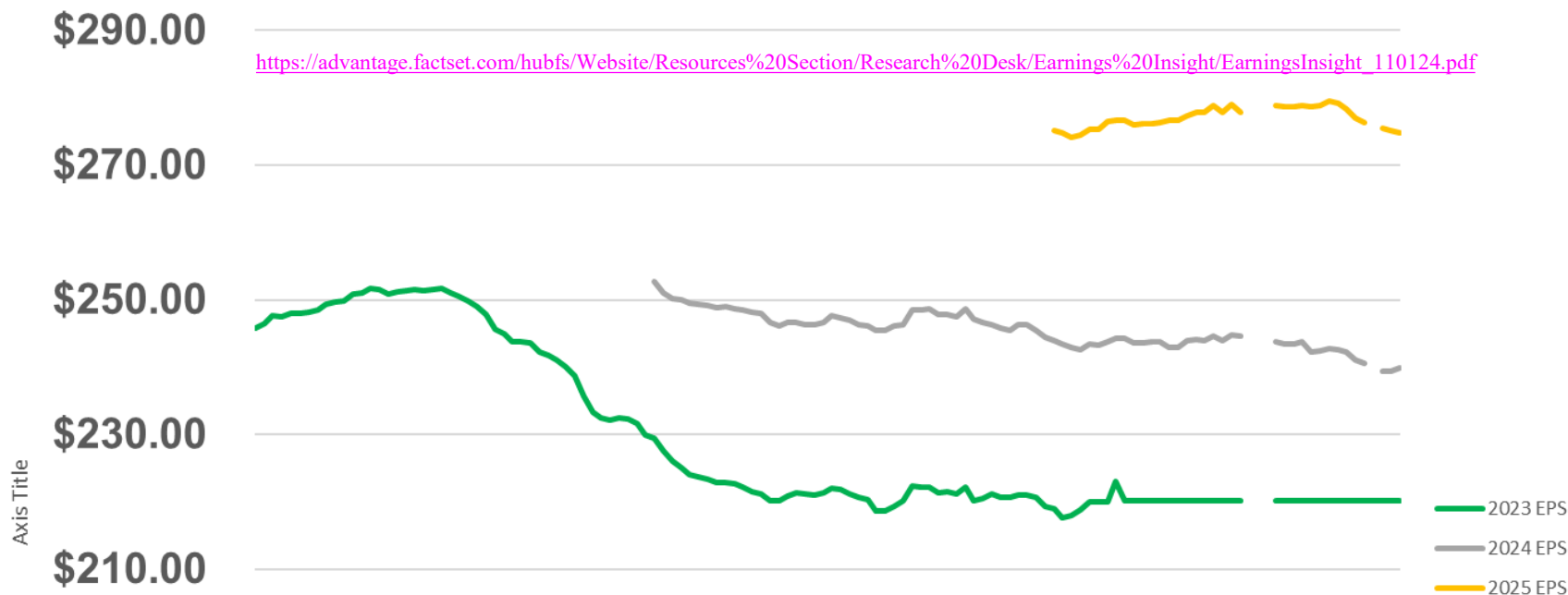


LEI weakness in September continued to be led by new orders and the yield spread

The US LEI signaled recession again in September, but the economy may only slow ahead



Factset(R) - S&P 500 Calendar year earnings forecast



Factset Earnings Estimates 11/01//2024

- Q324 S&P 500 EPS estimate 5.1 YOY growth (was 3.6% last week). 70% reported (37% last week)
 - Was 7.8% on June 30th
- EPS for 2024 **higher** than 10/18 by \$0.52, for 2025 **lower** by \$0.27
- Fwd. looking P/E 21.3 was 21.7 last week
- 12-month target for the S&P 500 6446 (higher than 10/25 by 34.74)
- CFRA data on 11/1 - EPS for 2024 **\$239.15 down 45c** from last week, for 2025 **\$272.13, down 35c**
- CFRA calculated P/E = 24.9 (was 25.2 last week) based on next 4 quarters. 21.0 based 2025 EPS, was 21.3 last week).

13-Jan
18-Feb
18-Mar
14-Apr
13-May
10-Jun
8-Jul
5-Aug
23-Sep
21-Oct
18-Nov
6-Jan
3-Feb
3-Mar
31-Mar
28-Apr
26-May
30-Jun
28-Jul
15-Sep
13-Oct
10-Nov
15-Dec
26-Jan
29-Feb
28-Mar
26-Apr
24-May
21-Jun
19-Jul
16-Aug
27-Sep
25-Oct

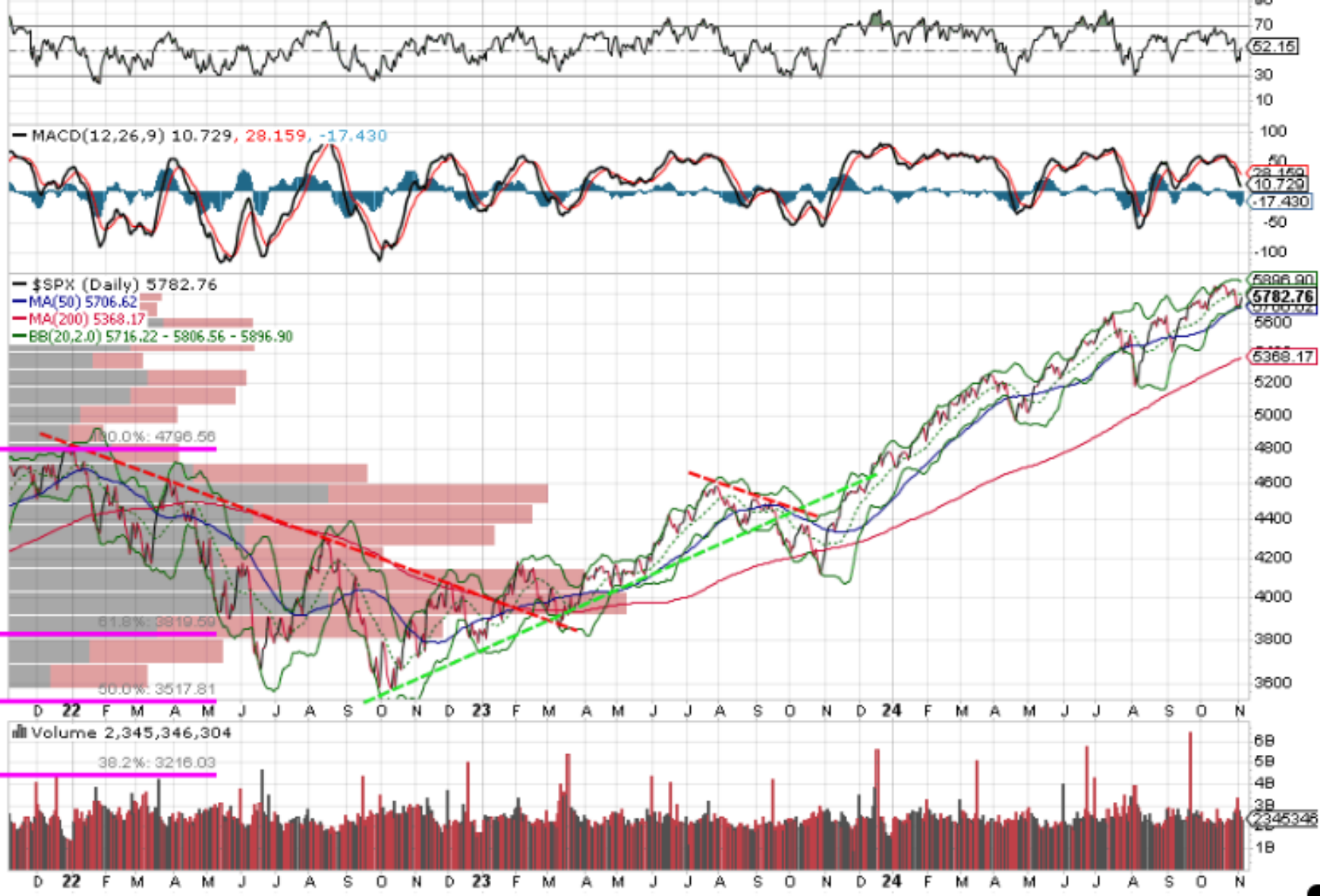
\$SPX S&P 500 Large Cap Index INDX

5-Nov-2024

Open 5722.43 High 5783.44 Low 5722.10 Close 5782.76 Volume 2.3B Chg +70.07 (+1.23%)

© StockCharts.com

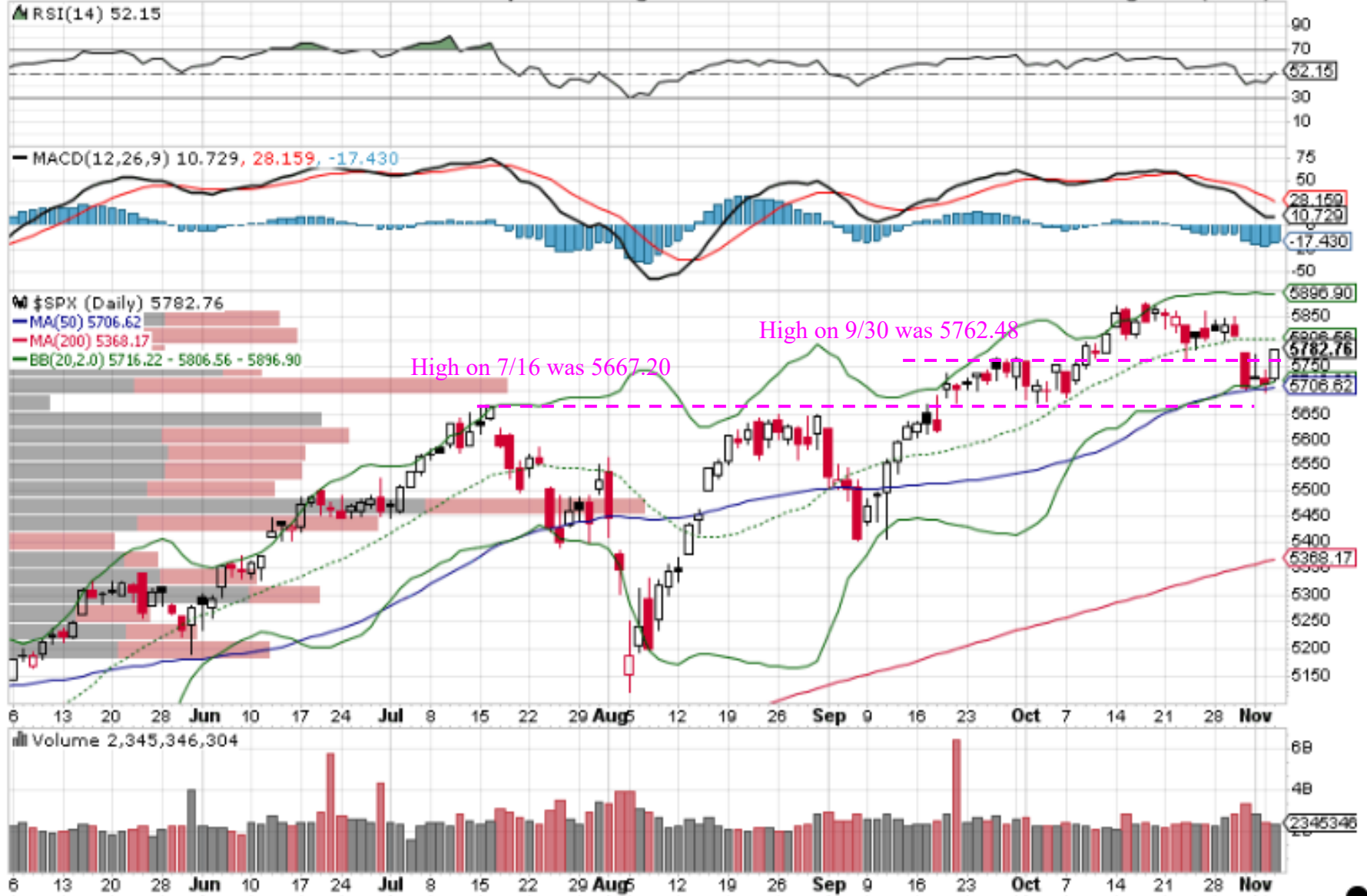
▲ RSI(14) 52.15



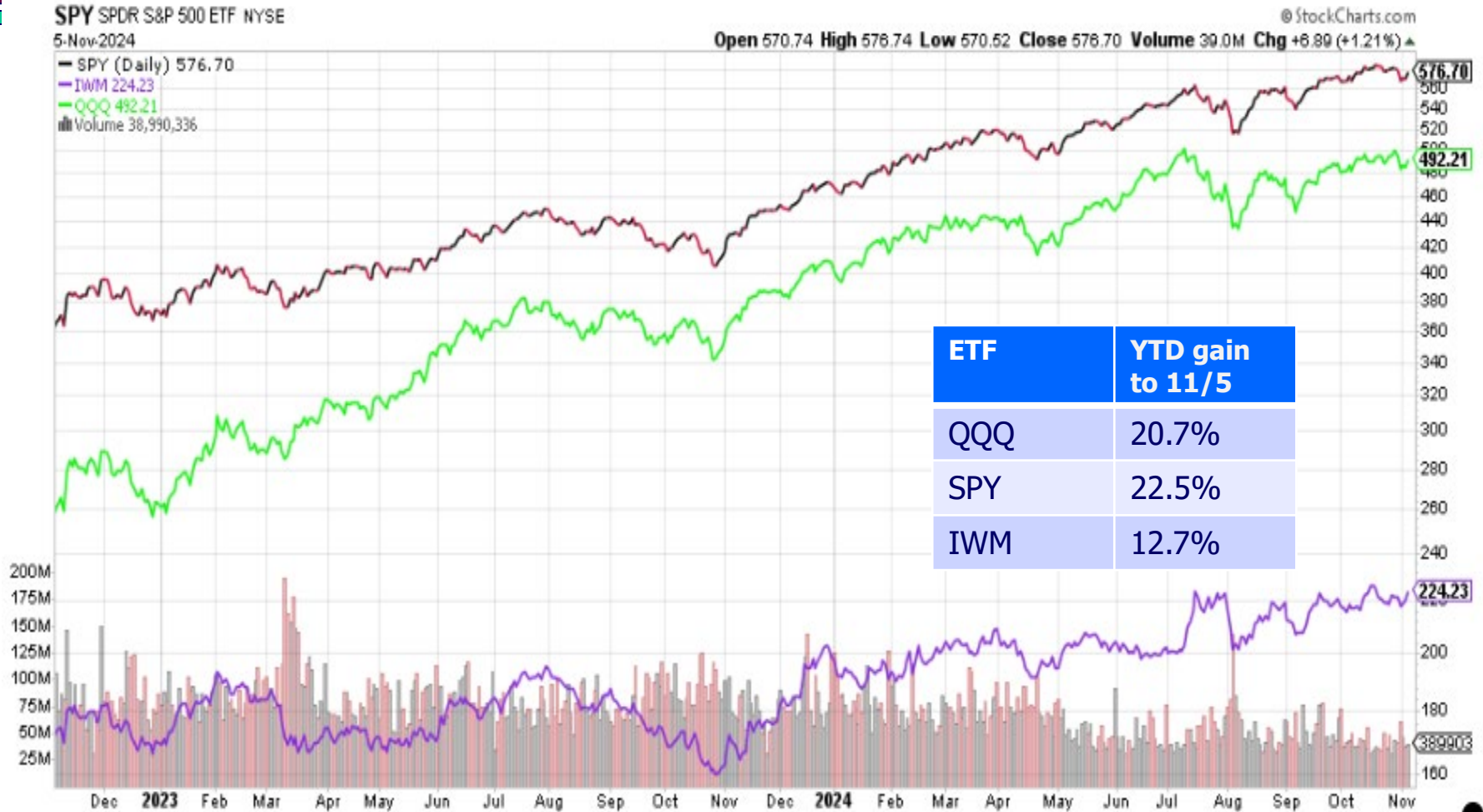
\$SPX S&P 500 Large Cap Index INDX

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Market Breadth – another way

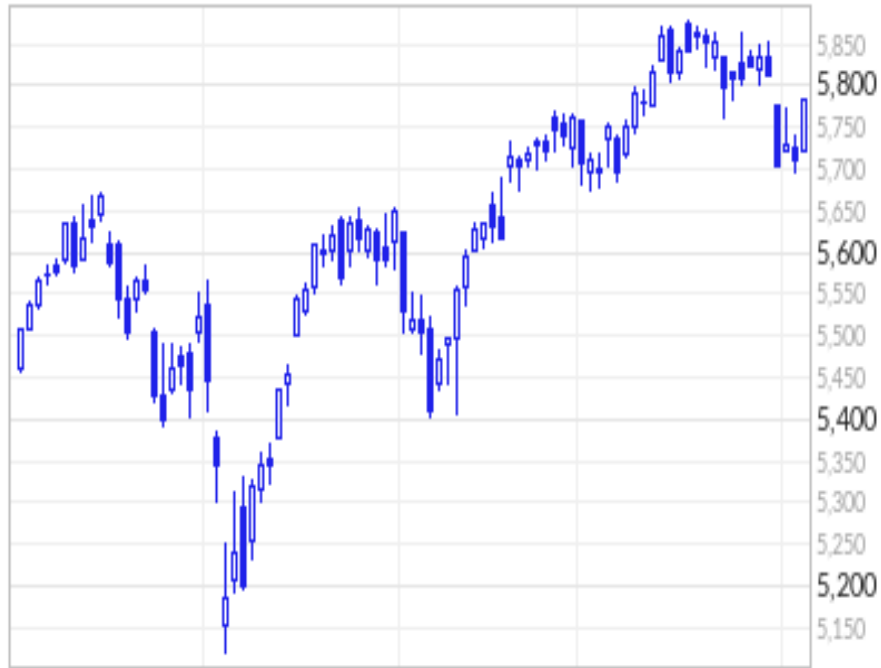


5-Nov-2024

Open 40107.00 High 40107.00 Low 40107.00 Close 40107.00 Chg +1785.00 (+4.66%) ▲



SP500.I S&P 500 5,782.76 +70.07 +1.23% D



Advance / Decline Line, thousands 105.88



RUSSELL2000.I Russell 2000 2,260.84 +41.81 +1.88% D



Advance / Decline Line, thousands 43.43





This is NOT investment advice

Weekly market direction

Prof. Guy Werner

Guy.werner@verizon.net

DATE	MARKET PULSE (IBD) FOR THE WEEK	DISTRIBUTION DAYS		S&P 500 TRIPLE SCREEN							NASDAQ TRIPLE SCREEN				
		S&P 500	NASDAQ	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE
SAT 10/19/24	FOR THE WEEK							49	0.84%					147	0.80%
SUN 10/20/24	YTD							1095	22.96%					3,478	23.17%
MON 10/21/24	CONFIRMED UP (80% -100%)	4	5	P	P	P	5,853	-11	-0.19%	P	P	P	18,540	51	0.28%
TUE 10/22/24	CONFIRMED UP (80% -100%)	3	5	P	P	P	5,851	-2	-0.03%	P	P	P	18,573	33	0.18%
WED 10/23/24	CONFIRMED UP (80% -100%)	3	5	P	F	P	5,797	-54	-0.92%	P	F	P	18,276	-297	-1.60%
THUR 10/24/24	CONFIRMED UP (80% -100%)	3	5	P	F	P	5,809	12	0.21%	P	F	P	18,415	139	0.76%
FRI 10/25/24	CONFIRMED UP (80% -100%)	3	4	P	F	P	5,808	-1	-0.02%	P	F	P	18,518	103	0.56%
SAT 10/26/24	FOR THE WEEK							-56	-0.95%					29	0.16%
SUN 10/27/24	YTD							1039	21.79%					3,507	23.36%
MON 10/28/24	CONFIRMED UP (80% -100%)	3	4	P	F	P	5,823	15	0.26%	P	0	P	18,567	49	0.26%
TUE 10/29/24	CONFIRMED UP (80% -100%)	3	4	P	F	P	5,832	9	0.15%	P	P	P	18,712	145	0.78%
WED 10/30/24	CONFIRMED UP (80% -100%)	3	4	P	F	P	5,813	-19	-0.33%	P	0	P	18,607	-105	-0.56%
THUR 10/31/24	CONFIRMED UP (60% -80%)	4	4	P	F	F	5,705	-108	-1.86%	P	F	F	18,095	-512	-2.75%
FRI 11/01/24	CONFIRMED UP (60% -80%)	4	4	0	F	F	5,728	23	0.40%	P	F	F	18,239	144	0.80%
SAT 11/02/24	FOR THE WEEK							-80	-1.38%					-279	-1.51%
SUN 11/03/24	YTD							959	20.11%					3,228	21.50%
MON 11/04/24	CONFIRMED UP (60% -80%)	4	4	F	F	F	5,712	-16	-0.28%	P	F	F	18,179	-60	-0.33%
TUE 11/05/24	CONFIRMED UP (60% -80%)	4	4	F	F	P	5,782	70	1.23%	P	F	P	18,439	260	1.43%

https://drive.google.com/drive/folders/0B6Qc_gjpsHXMelkzQ245d2R1eTQ?resourcekey=0-5pWgInqaJPJ12L2qYurMWg

TLT – 20 yr U.S. Treasury ETF



U.S. Dollar

\$USD US Dollar - Cash Settle FOREX

6-Nov-2024 12:38am

\$USD (Weekly) 103.37

MA(40) 103.66

Volume undef

Open 103.78 High 103.89 Low 103.29 Last 103.37 Chg -0.83 (-0.80%)

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A rise in the dollar
Negative for Big tech
Lowers commodity prices

Class 10 – Nov. 6th

- Market Update – Rajeev – 20 minutes
- Precious Metals
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 - Precious for green energy



Asset class returns

GTM | U.S. | 60

2009-2023		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
Ann.	Vol.																
Large Cap	Small Cap	EM Equity	REITs	REITs	REITs	Small Cap	REITs	REITs	Small Cap	EM Equity	Cash	Large Cap	Small Cap	REITs	Comdty.	Large Cap	Large Cap
14.0%	21.9%	79.0%	27.9%	8.3%	19.7%	38.8%	28.0%	2.8%	21.3%	37.8%	1.8%	31.5%	20.0%	41.3%	16.1%	26.3%	22.1%
Small Cap	REITs	High Yield	Small Cap	Fixed Income	High Yield	Large Cap	Large Cap	Large Cap	High Yield	DM Equity	Fixed Income	REITs	EM Equity	Large Cap	Cash	DM Equity	EM Equity
11.3%	21.2%	59.4%	26.9%	7.8%	19.6%	32.4%	13.7%	1.4%	14.3%	25.6%	0.0%	28.7%	18.7%	28.7%	1.5%	18.9%	17.2%
REITs	EM Equity	DM Equity	EM Equity	High Yield	EM Equity	DM Equity	Fixed Income	Fixed Income	Large Cap	Large Cap	REITs	Small Cap	Large Cap	Comdty.	High Yield	Small Cap	REITs
10.9%	20.3%	32.5%	19.2%	3.1%	18.6%	23.3%	6.0%	0.5%	12.0%	21.8%	-4.0%	25.5%	18.4%	27.1%	-12.7%	16.9%	14.2%
High Yield	DM Equity	REITs	Comdty.	Large Cap	DM Equity	Asset Alloc.	Asset Alloc.	Cash	Comdty.	Small Cap	High Yield	DM Equity	Asset Alloc.	Small Cap	Fixed Income	Asset Alloc.	DM Equity
8.6%	18.4%	28.0%	16.8%	2.1%	17.9%	14.9%	5.2%	0.0%	11.8%	14.6%	-4.1%	22.7%	10.6%	14.8%	-13.0%	14.1%	13.5%
Asset Alloc.	Comdty.	Small Cap	Large Cap	Cash	Small Cap	High Yield	Small Cap	DM Equity	EM Equity	Asset Alloc.	Large Cap	Asset Alloc.	DM Equity	Asset Alloc.	Asset Alloc.	High Yield	Asset Alloc.
8.1%	16.6%	27.2%	15.1%	0.1%	16.3%	7.3%	4.9%	-0.4%	11.6%	14.6%	-4.4%	19.5%	8.3%	13.5%	-13.9%	14.0%	12.3%
DM Equity	Large Cap	Large Cap	High Yield	Asset Alloc.	Large Cap	REITs	Cash	Asset Alloc.	REITs	High Yield	Asset Alloc.	EM Equity	Fixed Income	DM Equity	DM Equity	REITs	Small Cap
7.4%	16.1%	26.5%	14.8%	-0.7%	16.0%	2.9%	0.0%	-2.0%	8.6%	10.4%	-5.8%	18.9%	7.5%	11.8%	-14.0%	11.4%	11.2%
EM Equity	High Yield	Asset Alloc.	Asset Alloc.	Small Cap	Asset Alloc.	Cash	High Yield	High Yield	Asset Alloc.	REITs	Small Cap	High Yield	High Yield	High Yield	Large Cap	EM Equity	High Yield
6.9%	11.5%	25.0%	13.3%	-4.2%	12.2%	0.0%	0.0%	-2.7%	8.3%	8.7%	-11.0%	12.6%	7.0%	1.0%	-18.1%	10.3%	9.6%
Fixed Income	Asset Alloc.	Comdty.	DM Equity	DM Equity	Fixed Income	Fixed Income	EM Equity	Small Cap	Fixed Income	Fixed Income	Comdty.	Fixed Income	Cash	Cash	EM Equity	Fixed Income	Comdty.
2.7%	11.5%	18.9%	8.2%	-11.7%	4.2%	-2.0%	-1.8%	-4.4%	2.6%	3.5%	-11.2%	8.7%	0.5%	0.0%	-19.7%	5.5%	5.9%
Cash	Fixed Income	Fixed Income	Fixed Income	Comdty.	Cash	EM Equity	DM Equity	EM Equity	DM Equity	Comdty.	DM Equity	Comdty.	Comdty.	Fixed Income	Small Cap	Cash	Fixed Income
0.8%	4.5%	5.9%	6.5%	-13.3%	0.1%	-2.3%	-4.5%	-14.6%	1.5%	1.7%	-13.4%	7.7%	-3.1%	-1.5%	-20.4%	5.1%	4.4%
Comdty.	Cash	Cash	Cash	EM Equity	Comdty.	Comdty.	Comdty.	Comdty.	Cash	Cash	EM Equity	Cash	REITs	EM Equity	REITs	Comdty.	Cash
-0.2%	0.7%	0.1%	0.1%	-18.2%	-1.1%	-9.5%	-17.0%	-24.7%	0.3%	0.8%	-14.2%	2.2%	-5.1%	-2.2%	-24.9%	-7.9%	4.1%

Investing Principles

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management. Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg US Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg US Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period from 12/31/2008 to 12/31/2023. Please see disclosure page at end for index definitions. All data represents total return for stated period. The "Asset Allocation" portfolio is for illustrative purposes only. Past performance is not indicative of future returns. Guide to the Markets - U.S. Data are as of September 30, 2024.

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ASSET MANAGEMENT



Correlations and volatility

GTM U.S. 54

Alternatives

	U.S. Large Cap	EAFE	EME	Bonds	Corp. HY	Munis	Currency	EMD	Comdy.	REITs	Hedge funds	Private equity	Gold	Ann. Volatility
U.S. Large Cap	1.00	0.89	0.80	0.32	0.86	0.42	-0.47	0.76	0.40	0.78	0.82	0.76	0.24	16%
EAFE		1.00	0.90	0.33	0.86	0.48	-0.62	0.81	0.42	0.67	0.79	0.77	0.31	16%
EME			1.00	0.31	0.83	0.41	-0.69	0.80	0.46	0.55	0.75	0.76	0.40	18%
Bonds				1.00	0.41	0.88	-0.42	0.68	-0.30	0.50	-0.04	0.16	0.60	5%
Corp. HY					1.00	0.48	-0.52	0.88	0.45	0.70	0.76	0.72	0.34	9%
Munis						1.00	-0.46	0.74	-0.26	0.61	0.09	0.28	0.46	5%
Currencies							1.00	-0.62	-0.35	-0.31	-0.28	-0.56	-0.61	5%
EMD								1.00	0.18	0.67	0.54	0.59	0.52	8%
Commodities									1.00	0.25	0.64	0.59	0.19	17%
REITs										1.00	0.56	0.63	0.24	17%
Hedge funds											1.00	0.74	0.09	5%
Private equity												1.00	0.10	7%
Gold													1.00	13%

Source: Bloomberg, Burgiss, Credit Suisse/Tremont, FactSet, Federal Reserve, MSCI, Standard & Poor's, J.P. Morgan Asset Management. Indices used - Large Cap: S&P 500 Index; Currencies: Federal Reserve Trade-Weighted Dollar; EAFE: MSCI EAFE; EME: MSCI Emerging Markets; Bonds: Bloomberg Aggregate; Corp HY: Bloomberg Corporate High Yield; EMD: Bloomberg Emerging Market; Comdy.: Bloomberg Commodity Index; REITs: NAREIT All Equity Index; Hedge funds: CS/Tremont Hedge Fund Index; Private equity: Time weighted returns from Burgiss; Gold: Gold continuous contract (\$/oz). Private equity data are reported on a one- to two-quarter lag. All correlation coefficients and annualized volatility are calculated based on quarterly total return data for period from 9/30/2014 to 6/30/2024, except for Private equity, which is based on the period from 6/30/2014 to 3/31/2024. This chart is for illustrative purposes only. Guide to the Markets - U.S. Data are as of September 30, 2024.

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ASSET MANAGEMENT





This is not
investment
advice

Precious Metals as a Hedge

Change in value from January 31, 1990 to January 31, 2020				
S&P 500	Gold	Silver	Platinum	Palladium
880%	280%	244%	88%	1526%

	First 10 years	Next 13 years	Last 7 Years
S&P 500	355%	1%	113%
Gold	-33%	493%	-5%
Silver	-4%	531%	-43%
Platinum	-5%	245%	-43%
Palladium	335%	28%	191%

Data from issue 9 of the newsletter [inve\\$ted](#)

This is not investment advice

Gold as a Hedge

Date	Gold	Gold % Change	S&P 500	S&P 500 % Change	75% equity 25% gold portfolio	Portfolio % Change
January 31, 1990	417.80		329.08		351.26	
March 31, 2000	281.40	-33%	1498.58	355%	1194.29	240%
February 1, 2013	1667.50	493%	1513.17	1%	1551.75	30%
January 31, 2020	1587.90	-5%	3225.52	113%	2816.12	81%
November 4, 2024	2746.20	73%	5712.69	77%	4971.07	77%
	557%		1636%		1315%	

↑
This is an illustration of how a hedge works. It is NOT a portfolio allocation recommendation.

Gold

This is not
investment
advice

- Has done better than Silver over time
- Has not done better than the S&P 500 over the last 35 years
 - Has performed better when the equity market is not growing
- Has performed reasonably well has a hedge in market downturns.
 - Silver, Platinum and Palladium have more industrial uses.
- Is inversely correlated to
 - The US Dollar
 - Interest Rates

Investing in Gold

□ How?

- The physical metal

 - Coins

- Gold funds

- Gold Mining Companies

 - Individual companies or Funds

- Gold Trading companies

This is not
investment
advice

Precious Metals ETFs

Investment Focus	Example ETFs
<u>Individual Precious Metals</u>	
Gold	IAU, GLD, SGOL
Gold Miners	GDX, RING, GOEX
Silver	SLV, SIVR,
Silver Miners	SIL, SLVP
Platinum	PPLT, PLTM
Palladium	PALL
<u>Precious Metal baskets</u>	
Palladium + Platinum	SPPP
Gold + Silver + Platinum + Palladium	GLTR

Green Energy metals

- Electricity demand is rising
- The wind does not blow every day
- The sun does not shine everyday

- My green energy bets have been
 - Uranium – Cameco (CCJ)
 - Copper – Freeport McMoran (FCX)
 - Lithium – (ALB and SQM), ETFs - LIT, BATT

CCJ:SPY Cameco Corp./SPDR S&P 500 ETF NYSE

4 Nov 2024

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Open 0.090 High 0.091 Low 0.088 Close 0.090 Chg -0.002 (-2.38%)



FCX:SPY Freeport-McMoRan, Inc./SPDR S&P 500 ETF NYSE

4 Nov 2024

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Open 0.081 High 0.082 Low 0.080 Close 0.081 Chg +0.001 (+1.71%) ▲



- Electric Cars need 4x the copper compared to an IC car
- Distributed generation requires more copper
- Local Grid upgrades need more copper



Current Lithium Reserves and Production

1. **Reserves:** The world currently has around **22 million tonnes of lithium reserves**, which could theoretically support the production of approximately **2.8 billion electric vehicles (EVs)**, assuming each vehicle requires about **8 kilograms of lithium**.
2. This suggests that, in terms of raw materials, there is enough lithium available for a significant number of EVs.
2. **Production Capacity:** Despite the ample reserves, the current production rate is a critical issue. As of now, global lithium production is around **100,000 tonnes per year**, but projections indicate that by 2030, this figure needs to increase to between **240,000 and 450,000 tonnes annually** to keep pace with demand ² ³. This gap indicates a potential bottleneck in the supply chain as demand for EV batteries continues to rise sharply.

Source
Perplexity.ai

REM:SPY VanEck Vectors Rare Earth/Strategic Metals ETF/SPDR S&P 500 ETF NYSE

4-Nov-2024

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Open 0.084 High 0.086 Low 0.084 Close 0.085 Chg +0.001 (+0.92%) ▲



Class 11 – Nov. 13th

- Market Update – Rajeev – 20 minutes
- Disciplined selling

- Class 12 – November 20th
 - Market update + 1 chart on REITs
 - Open Mike class – ask any questions you want

Thanks !!

□ Happy Investing !!

□ **My EMail**

□ diyinvst@udel.edu

□ **Class website**

□ <http://udel.edu/~diyinvst>