

Investing for Successful Retirement

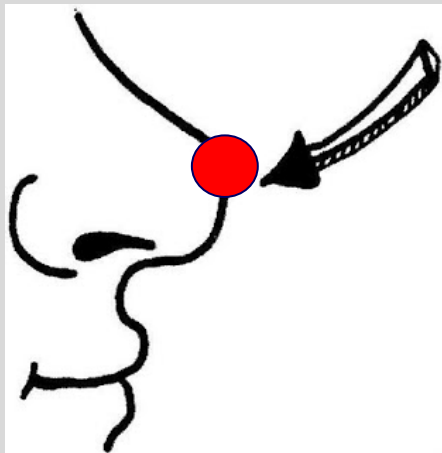
UD Osher – OLLI

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.

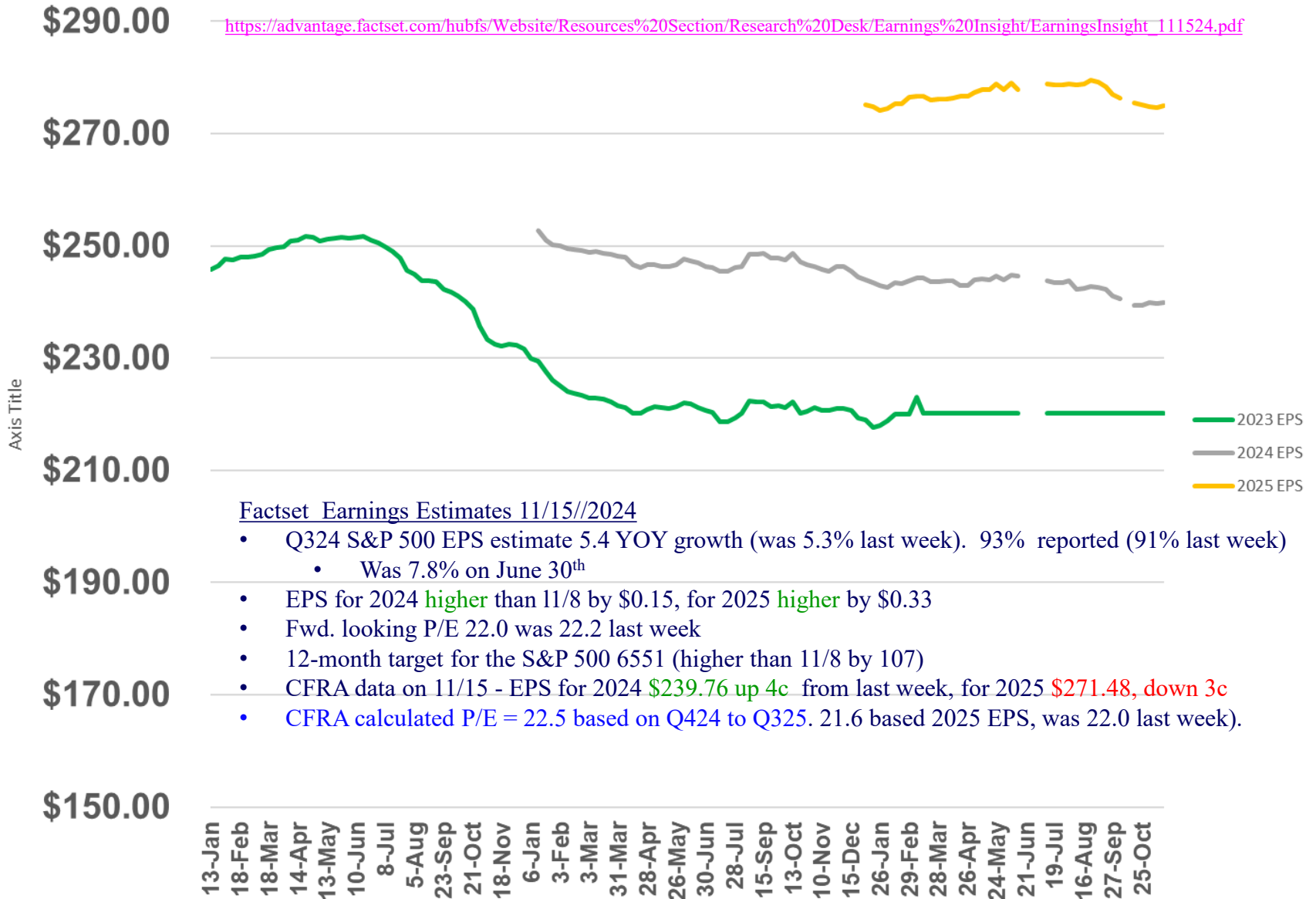
Form your own opinion, make your own investment decisions.

Optional Extra Class 12 – Nov. 20th

- Market Update – Rajeev – 20 minutes
- A few charts on REITs
- Open Mike class – ask any questions you want
- Same Zoom link and password if you want to attend

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

https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight_111524.pdf



Factset Earnings Estimates 11/15/2024

- Q324 S&P 500 EPS estimate 5.4 YOY growth (was 5.3% last week). 93% reported (91% last week)
 - Was 7.8% on June 30th
- EPS for 2024 higher than 11/8 by \$0.15, for 2025 higher by \$0.33
- Fwd. looking P/E 22.0 was 22.2 last week
- 12-month target for the S&P 500 6551 (higher than 11/8 by 107)
- CFRA data on 11/15 - EPS for 2024 \$239.76 up 4c from last week, for 2025 \$271.48, down 3c
- CFRA calculated P/E = 22.5 based on Q424 to Q325. 21.6 based 2025 EPS, was 22.0 last week).

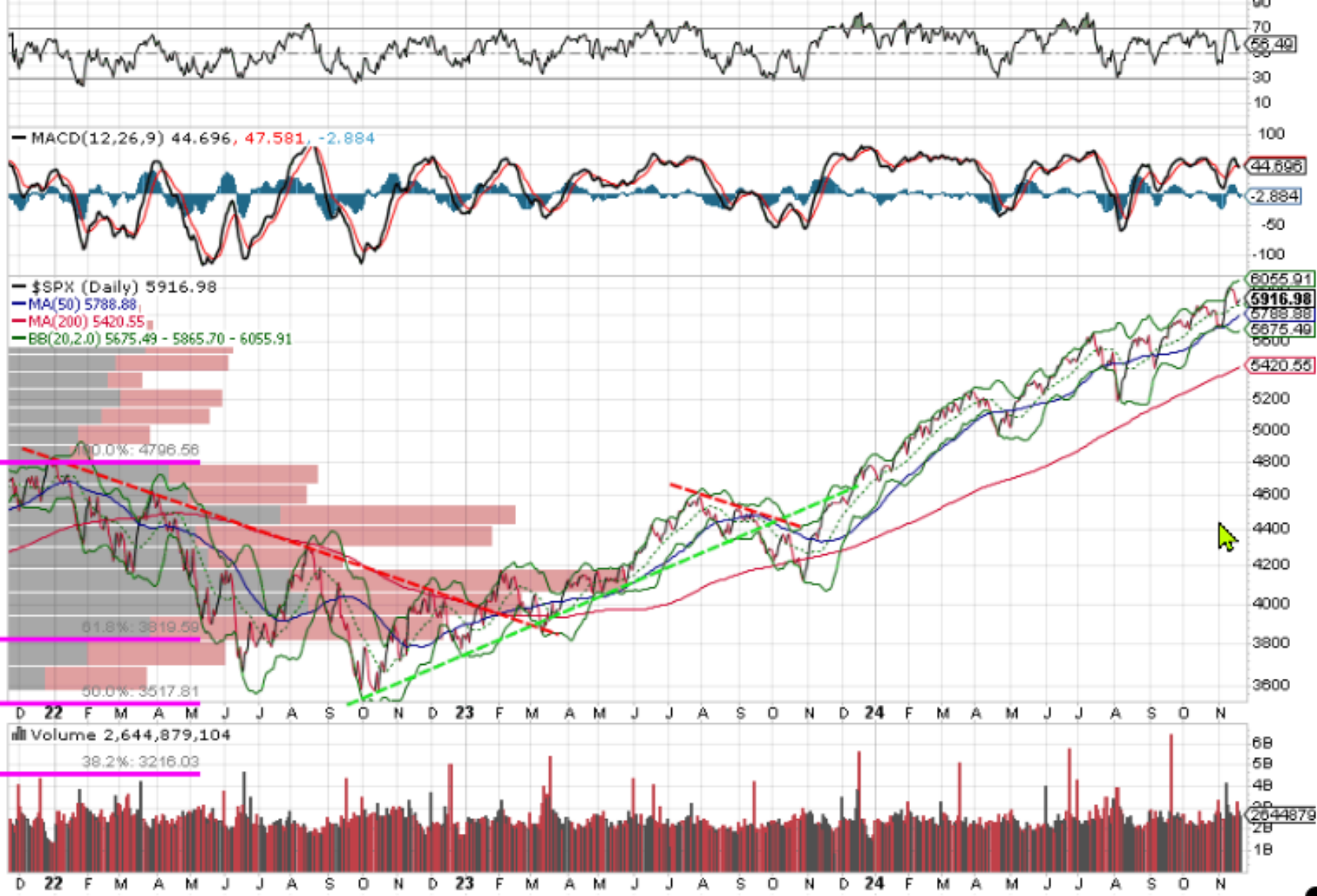
\$SPX S&P 500 Large Cap Index INDX

19-Nov-2024

Open 5870.05 High 5923.51 Low 5855.29 Close 5916.98 Volume 2.8B Chg +23.38 (+0.40%) ▲

© StockCharts.com

▲ RSI(14) 56.49



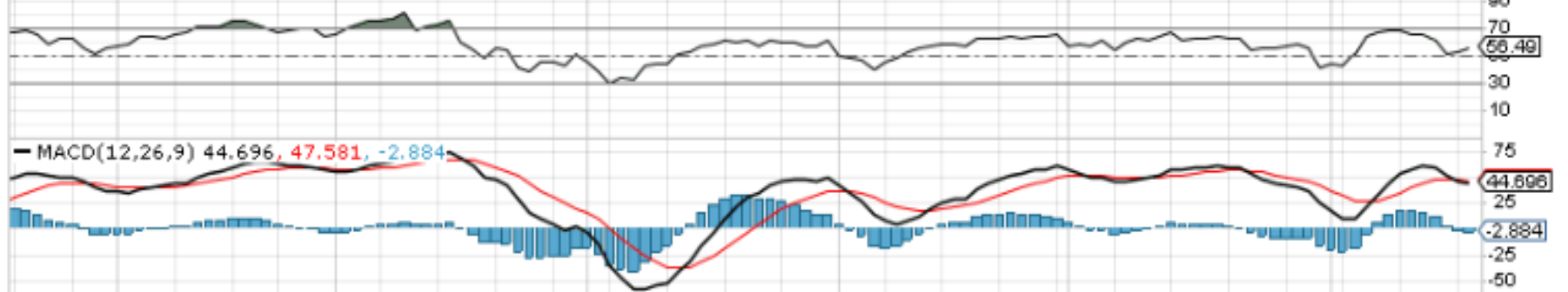
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📊 \$SPX (Daily) 5916.98

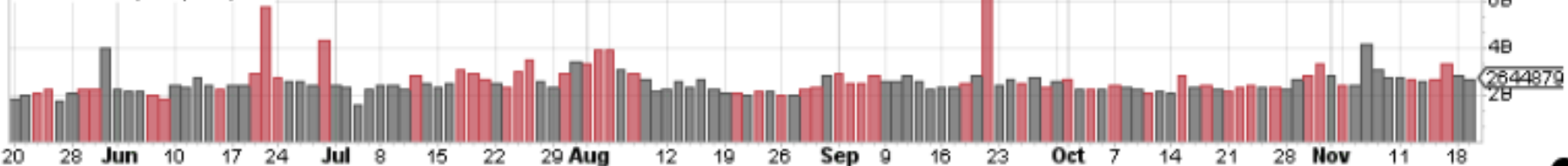
— MA(50) 5788.88

— MA(200) 5420.55

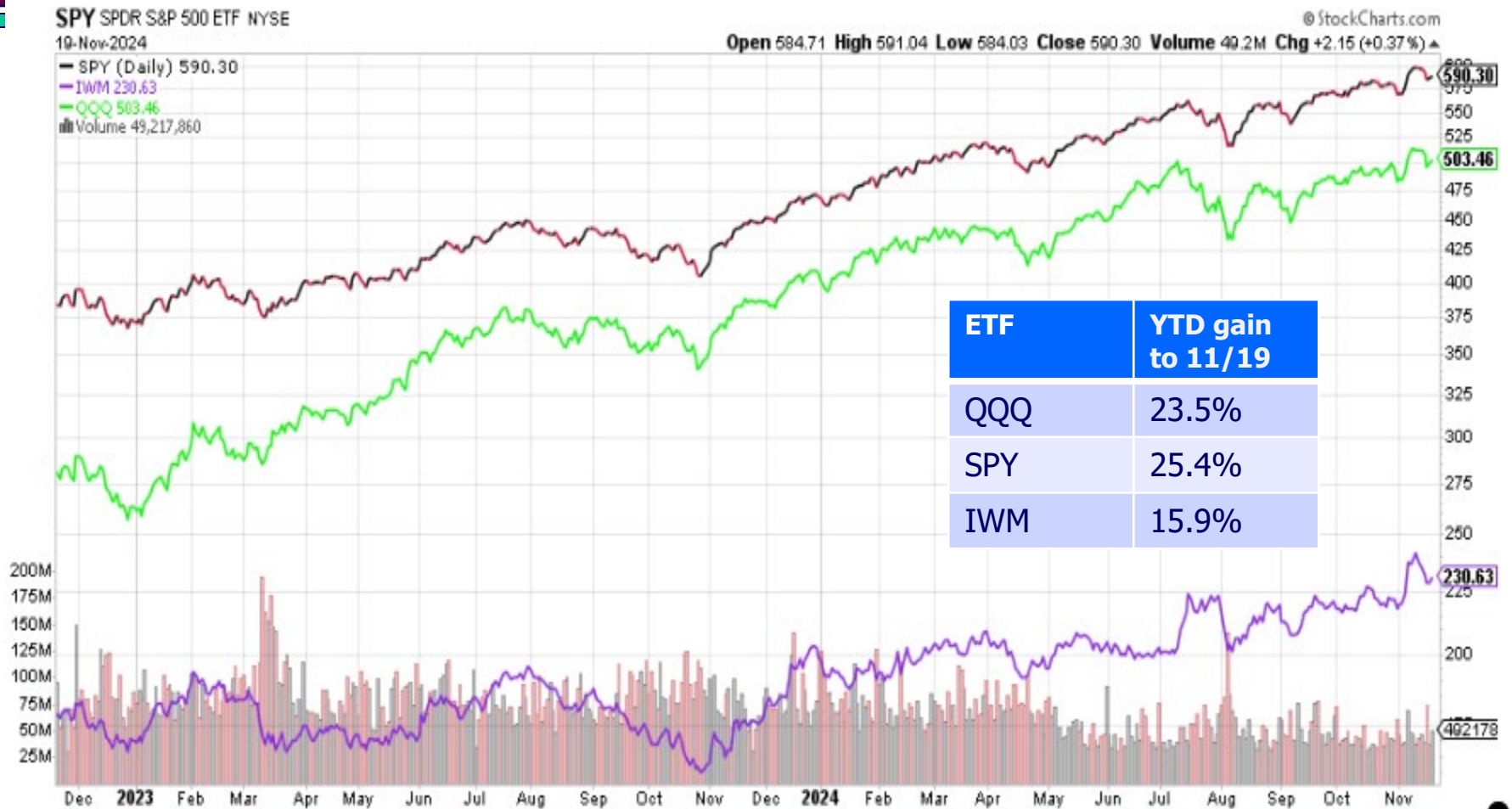
— BB(20,2,0) 5675.49 - 5865.70 - 6055.91



📊 Volume 2,644,879,104



Market Breadth – another way



\$NYAD NYSE - Advance-Decline Issues INDX

19-Nov-2024

© StockCharts.com
Open 36588.00 High 36588.00 Low 36588.00 Close 36588.00 Chg -100.00 (-0.27%)







This is NOT investment advice

Weekly market direction

Prof. Guy Werner

Guy.werner@verizon.net

COLUMNS CD&E ARE FROM IBD AND ARE PROVIDED BY DAVE (IN THE NORTH) SMITH

	DATE	MARKET PULSE (IBD)	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	11/09/24	FOR THE WEEK							267	4.66%				1047	5.74%	
SUN	11/10/24	YTD							1226	25.71%				4,275	28.48%	
MON	11/11/24	CONFIRMED UP (80% -100%)	2		P	P	P	6,001	6	0.10%	P	P	P	19,298	12	0.06%
TUE	11/12/24	CONFIRMED UP (80% -100%)	2		P	P	P	5,983	-18	-0.30%	P	P	P	19,281	-17	-0.09%
WED	11/13/24	CONFIRMED UP (80% -100%)	2	1	P	P	P	5,985	2	0.03%	P	P	P	19,230	-51	-0.26%
THUR	11/14/24	CONFIRMED UP (80% -100%)	2	1	P	P	P	5,949	-36	-0.60%	P	P	P	19,107	-123	-0.64%
FRI	11/15/24	CONFIRMED UP (80% -100%)	3	1	P	P	P	5,870	-79	-1.33%	P	0	0	18,680	-427	-2.23%
SAT	11/16/24	FOR THE WEEK							-125	-2.09%				-606	-3.14%	
SUN	11/17/24	YTD							1101	23.09%				3,669	24.44%	
MON	11/18/24	CONFIRMED UP (80% -100%)	3	1	P	0	P	5,893	23	0.39%	P	F	P	18,791	111	0.59%
TUE	11/19/24	CONFIRMED UP (80% -100%)	3	1	P	F	P	5,916	23	0.39%	P	F	P	18,987	196	1.04%

https://drive.google.com/drive/folders/0B6Qc_gjshXMelkzQ245d2R1eTQ?resourcekey=0-5pWglNqaJPJ12L2qYurMWg

TLT – 20 yr U.S. Treasury ETF



U.S. Dollar

\$USD US Dollar - Cash Settle FOREX

10-Nov-2024 11:48pm

\$USD (Weekly) 106.14

MA(40) 103.81

Volume undef

Open 106.71 High 106.75 Low 106.04 Last 106.14 Chg -0.47 (-0.44%)

© StockCharts.com



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

REIT Industry Characteristics

- Source – Investopedia, *Value Line, CFRA Market Scope Advisor*
- REIT – must invest >75% of assets in Real Estate & must distribute > 90% of their annual taxable profits as dividends.
- Sales – Rental Income ... % occupancy and ability to raise rental rates ... long term leases, low tenant turnover.
- Financing – Debt ... typically > 50% of capital. Equity – dilutive.
- Income ... Relatively fixed expenses. Depreciation and interest, two of the biggest “expenses” for taxable earnings. FFO = owner earnings.
- Valuation – Price to FFO, Yield, % payout based on FFO, Book value unreliable.
- Macro factors – sector specific trends, LOCAL economy, interest rates.
- Individual factors – Growth in rental income and FFO, return on capital, leverage.

CFRA - REIT Industry Survey



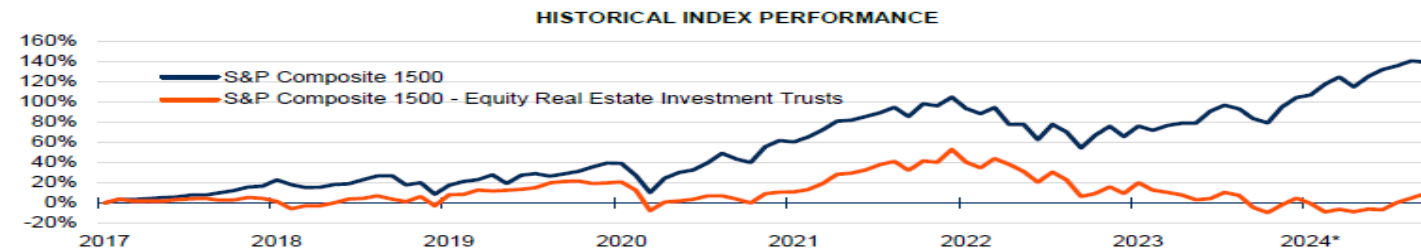
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This is NOT investment advice

Industry Outlook

- As of 9/20/24 YTD – DJ all REIT Index rose 9.4% compared to 19.4% for the S&P 500



*Data through September 18.
Source: CFRA, S&P Global Market Intelligence.

- Macro factors
 - Interest rate direction. Headwind or tailwind?
 - Tailwinds – Strength of the economy.
- REIT Sector ratings
 - CFRA – Neutral on REITs.
 - VL industry timeliness rank – #91 out of 97 as of this week

ETFs focused on REITS – VNQ, BBRE, PSR, RINC

REIT Industry Characteristics contd.

- Source – Investopedia and Value Line
- REITs – many sub sectors
 - Mortgage REITs – finance companies ... do not own real estate
 - Sector specific factors
 - Healthcare – Demand / demographics, reimbursement trends
 - Self Storage has done better than industrial REITs (pricing power)
 - Retail Shopping – grocery anchored shopping centers are doing better
 - Residential REITs – Manufactured homes, apartments
 - Office Buildings – office occupancy rates (hybrid work)
 - Data Center REITS – not enough capacity (Pricing power)
- Good REIT
 - High quality properties, in a growth industry, managed well

Open mike time

- Ask questions you have wanted to either connected to the topics this semester or not. Please be brief and to the point.
- Present a perspective different than what you heard from me. Again please be brief.
- Don't hold back
 - The only bad question is the one you do not ask.
 - If you have an alternate view, that's great. We want to hear it.
 - If Ron, Jane and I don't know the answer to a question, but you do, speak up.

Class website

- Will stay open with all charts for a few weeks
- Download charts if you have not but, please do not share outside the class
 - Copyrights etc.
 - My intellectual property
- After a few weeks, will get website ready for Spring 2025.

Thanks !!

- Happy Holidays & Happy Investing !!
- **My EMail**
 - diyinvst@udel.edu
- **Class website**
 - <http://udel.edu/~diyinvst>