



# Bay Area Bulls Investment Club

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## Minutes for August 16, 2001

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**Attendees:**

Earl Cory, Jim Hickey, John Florence, David Nakamura, Jeanne Cherbeneau, Robert Weeks, Sandra Dellafiora, and Ruby Taylor.

**Absent:**

Dick O'Brien

**Guests:**

Ajay

**Location/Time:**

David's house, meeting started at 7:06

**Minutes Corrections:**

Minutes for July were reviewed and accepted as written.

**Treasurer's Report:**

Report passed out by John. Looked over without comment. Approved as presented.

**Attendance:**

Jim reported that we are in good shape; no one is in default.

**Contact information:**

No changes were noted.

**Member News**

John said that he prefers MSNBC's web site. They are presenting information that can not be found on others, for example, it has a new institutional investors report.

**Old Business**

None

**New Business**

None

**Stock Selection**

Ruby – They are looking at the Thrift Industry. Not very interesting. She feels that Washington Mutual is worth looking at. (Vibeke called in the middle of presentation, I forgot to turn off my phone.

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**Financial Report**

Robert – Bond Market

He described the various types of bonds. Bonds have many characteristics such as the way they pay their interest, the market they are issued in, the currency they are payable in, protective features and their legal status. Bond issuers may be governments, corporations, special purpose trusts or even non-profit organizations. Usually it is the type of issuer or the particular nature of a bond that sets it apart in its own category.

- Asset-Backed Securities
- Convertible Bonds
- Corporate Bonds
- Eurobonds
- Extendible/Retractable Bonds
- Foreign Currency Bonds
- Government Bonds
- High Yield or "Junk" Bonds
- Inflation-Linked Bonds
- U.S. Treasury Inflation-Protected Securities (TIPS)
- Mortgage-Backed Securities
- Zero Coupon or "Strip" Bonds

He also briefly discussed the Producer price index.

The Producer Price Index (PPI) is a family of indexes that measures average changes in selling prices received by domestic producers for their output. The PPI tracks changes in prices for nearly every goods producing industry in the domestic economy, including agriculture, electricity and natural gas, forestry, fisheries, manufacturing, and mining.

There are three primary publication structures for the PPI: industry; commodity; and stage-of-processing. The industry structure organizes products according to the Standard Industrial Classification (SIC) system.

Thus, prices of products from the same industry are computed together. The commodity structure organizes products by material composition or similarity of end uses.

**Portfolio Review:**

EMC, INTEL – Ruby

EMC – Difficult year. IT departments will require more storage, therefore upgrades. Japan is coming out of doldrums, growth is at high single digit rate.

(Sandra comes in at 7:42)

Value Line doesn't like it as much as it has in the past. Currently in strong buy range.

Revenues are down a little.

Intel – Conditions have stabilized. Slashed prices in April. Their gross margin is 49%.

Lowe's – David

Lowe's is moving into our area. Still a good investment, in HOLD range.

Merck – Sandra

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Merck-MedCo received a Federal Contract for retired military. In BUY range.

**Stock Study**

David Reported on AAON INC.

They manufacture Air Conditioners. It is in the hold range and has a beta of 0.7 David likes the company.

John reported on Prima Energy

The beta is 0.55. They do crude oil and natural gas. It is in the BUY range.

John reported on Timberland Co.

Shoe manufacture in the BUY range. All indicators look good.

David feels that if we buy something like Prima, we should decide on a sell point.

**Assignments:**

Stock Study	Ruby and Jim - Thrift Industry
Financial Report	Earl
Stock Selection:	Sandra/Dick
Portfolio Review	BMET, KLAC – John CAH – Robert MDCT, ORCL - Earl

<b>Next Meeting:</b>	<b>September 20, 2001; 7:00pm</b>
<b>Location:</b>	<b>David's Home</b>
<b>Meeting adjourned:</b>	<b>8:52 pm.</b>