Stawnychy FINANCIAL SERVICES

Registered Investment Advisor

FINANCIAL newsletter

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Seven Wise Ways
to save in late spring

With temperatures rising and summer just around the corner, many consumers are looking ahead to exciting times after an especially cold winter. Late spring is an excellent time to take a step back to see how your finances have progressed over the first several months of the year.

For those who made financial-related New Year's resolutions, this is a good check-in point to consider what has gone well thus far and what needs to change in the months moving forward to reach your 2019 goals. Also, now is the time to prepare for increases in spending as students return home on their summer break and activities become more frequent. Here are seven ways to save in late spring to get back on track for your goals and ready for fun in the coming months.

1. Leverage your tax refund

By now, most taxpayers have received their refunds or are expecting them in early May. Instead of blowing this newfound cash on a shopping spree, allocate this towards an upcoming event or vacation for you and the family.

According to Credit Sesame, the average tax refund of 2019 so far is $3,068, which can go a long way towards some family fun.

2. Cut traditional cable

Cutting ties with traditional cable TV remains one of the most popular ways Americans are cutting monthly costs, and for good reason. According to Fortune, cord-cutters save an average of $85 per month by ditching cable TV even if they keep subscriptions for internet and popular streaming services.

As the temperature heats up and schedules get busy with outdoor activities, many consumers will find forgoing cable a doable savings strategy.

3. Opt for outdoor exercise

Speaking of outdoor activities, canceling your gym membership in favor of outdoor exercise is a quick way to save on monthly bills. With the freezing cold of winter in the rearview mirror, outdoor jogs, walks, and other activities are excellent ways to improve fitness during the warmer months for next to nothing prices.

4. Take advantage of your cards

With some purchases becoming more common in the warmer weather, consider switching or applying to a credit card with benefits that will work in your favor. Websites such as NerdWallet offer tools to compare different types of credit cards and their benefits to best fit your needs. Perhaps you are planning a number of road-trips for the family once school gets out and will spend more than usual on gas and lodging. A card that rewards you heavily for these types of purchases will pay dividends.

5. Stock up on frozen foods

Busy schedules in the late spring and early summer can often lead to more takeout and delivery orders for food. And with kids back home from school, more meals will need to be prepared in the coming months.

Consider stocking up on quick and easy frozen meals that help cut costs when dinner is needed in a pinch or for the kids to make hassle-free when home alone.

6. Sell off unneeded items

In your spring cleaning, you may find a stash of items that are no longer needed but still have value. The kids' outgrown sports equipment, lawn tools that were rarely used, and more can have solid resell value.

Set up a garage sale for neighborhood and community residents to flock to on a sunny weekend or list unneeded items on eBay to both clean up clutter and make some cash.

7. Adopt a money tracking app

As schedules get busier, keeping in tune with finances can be more difficult. Thankfully, there are a variety of money-tracking apps and services that help keep tabs on springtime spending.

For example, Mint.com is a free personal financial management tool that easily tracks your spending habits and can help identify areas to cut back.

The market at a glance

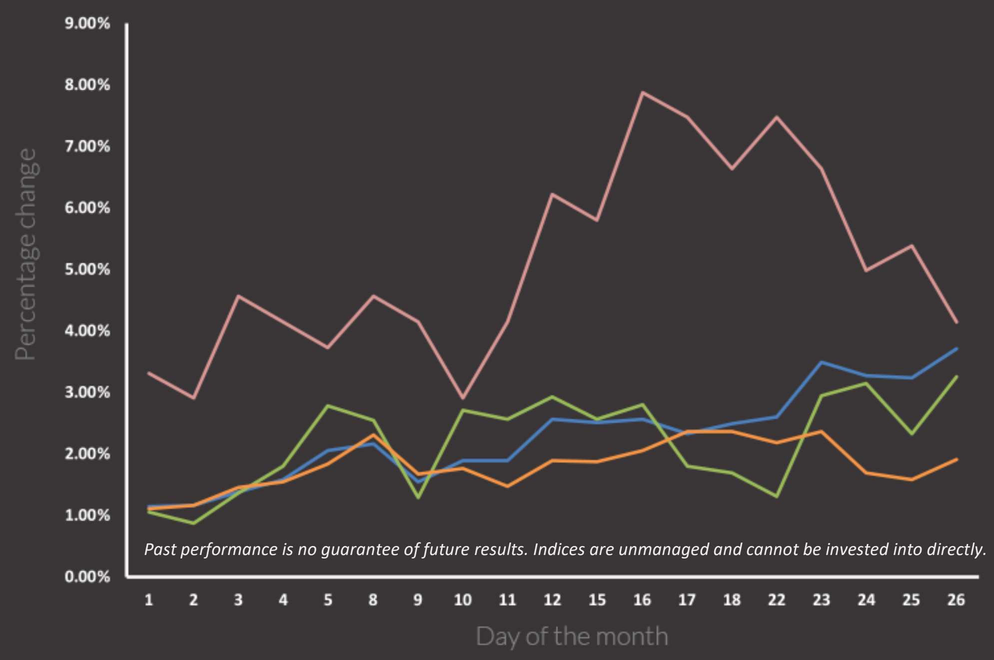
April

U.S. Large Cap
(S&P 500)
2,945.83 (3.93%) ▲

U.S. Mid/Small
(Russell 2000)
1,591.21 (3.34%) ▲

International Large
(NYSE International 100)
5,543.45 (2.40%) ▲

U.S. Treasuries
(U.S. 10-year Treasury yield rate)
2.51 (4.15%) ▲



The market in action

- After it lost more than $25 billion in market value following the global grounding of its flagship 737 max aircraft, Boeing reported a 21 percent drop in profit in its first-quarter earnings report. Rival airline manufacturer Airbus gained ground during Boeing's slip and saw a 24 percent increase in first-quarter sales. Airbus is now projected to surpass Boeing in terms of plane deliveries to retake the title of world's biggest plane manufacturer by the end of the year.

- Apple and Qualcomm have reached a settlement – of an undisclosed amount – over a patent royalty dispute related to the usage of Qualcomm's telecommunications chip technology in iPhone devices. The settlement ends a nearly two-year-long legal battle, in which Qualcomm claimed Apple was $7 billion behind in royalty payments. Following the news, shares of Qualcomm rose more than 20 percent, boosting its market cap by more than $14 billion.

- Target shares closed down 6 percent and Walmart shares down 2 percent following the announcement from their e-commerce rival, Amazon, that one-day shipping will be the standard for all Amazon Prime subscribers moving forward. Amazon Prime subscribers currently total more than 100 million and Amazon is expected to spend $800 million in warehouse and infrastructure improvements to meet the one-day shipping promise.

- Shares of electronic vehicle manufacturer, Tesla, dropped more than 10 percent in response to disappointing delivery numbers during the first quarter. Analysts had expected Tesla to deliver 76,000 electric vehicles to consumers in the first three months of the year, with actual deliveries coming in at 63,000. Responding to the news, Tesla reaffirmed confidence in meeting analysts' year-long forecast of 360,000 to 400,000 vehicles.

Biggest IPOs of the past decade

Just over a month has passed since ride-sharing and transportation service Lyft went public in late March and analysts are already looking ahead to what should be a busy remainder of the year for tech IPOs. Also expected to also go public in 2019 alongside Lyft's competitor Uber are Airbnb, Slack, Palantir, Robinhood, Pinterest, and Postmates.

Though most of these tech companies are widely recognized consumer services that will raise billions when its shares hit Wall Street, some of them will have a hard time ranking among the largest IPOs in recent history. Before these contestants hit the market, here is a look at the 10 largest IPOs of all-time.

10. Infineon

Date of IPO: March 13, 2000

Amount raised from IPO: $5.2 billion

Semiconductor manufacturer Infineon Technologies is based in Germany and produces chips for use in the automotive and industrial sectors along with chipcard and security products that can be found in phone SIM cards, chip-based passports, and more.

After its IPO in March of 2000, Infineon shares more than doubled the offering price making for quite a successful IPO. However, Infineon eventually delisted from the New York Stock Exchange (NYSE) in April of 2009 citing costs of listing as a primary factor. Today, the stock is still offered on the Frankfurt Stock Exchange in Germany.

9. United Parcel Service (UPS)

Date of IPO: November 10, 1999

Amount raised from IPO: $5.5 billion

American package delivery and supply chain management company UPS is based in Atlanta, GA and is one of the most recognized names in the U.S. shipping industry. Its largest divisions and subsidiaries include an airline cargo subsidiary, UPS Airlines, a freight-based trucking division, UPS Freight, and a retail-based packing and shipping center network, The UPS Store.

In 2018, UPS recorded an annual profit of $71.9 billion compared to its competitor FedEx, who recorded $65.5 billion. The two have been in a tight race for decades in the delivery service market and Statista currently reports that UPS currently trails competitor FedEx in the global delivery service market holding a 22 percent market share compared to FedEx's 24 percent.

8. Telecom Eireann

Date of IPO: July 8, 1999

Amount raised from IPO: $5.5 billion

The largest telecommunications company in Ireland, Telecom Eireann, debuted on the Irish, London, and New York Stock Exchange as a result of its privatization from state ownership in July of 1999. Though brand recognition in the U.S. and success on the NYSE was limited, over 20 percent of Ireland's adult population invested when it debuted in Dublin.

Just one year later, the company split into two divisions – one of which sold to Vodafone for just over $5 billion (€4.5 billion). Vodafone Ireland remains the largest mobile phone operator in Ireland, while it currently competes with the other division from the split – Eircom.

7. Kraft Foods

Date of IPO: June 13, 2001

Amount raised from IPO: $8.7 billion

American grocery manufacturing and processing conglomerate, Kraft Foods, went public in June of 2001 with a strong portfolio of consumers brands that included Kraft Macaroni & Cheese, Maxwell House coffee, Philadelphia Cream Cheese, Oreo cookies, and Oscar Mayer meats. Despite these widely popular household name brands, the stock opening with little investor interest and rose just one percent on the first day of trading.

A restructuring in 2012 spun off Kraft Foods Inc. into two publicly traded companies: Kraft Foods Group, Inc. and Mondelez International. Kraft Foods Group retained the grocery brands while Mondelez International focused on snack and confection brands. Then, in 2015, Kraft Foods Group merged with Heinz to become Kraft Heinz, which is currently the third-largest food and beverage company in North America.

6. AT&T Wireless

Date of IPO: April 27, 2000

Amount raised from IPO: $10.6 billion

Parent company AT&T wanted to capitalize on the success of its wireless division by debuting AT&T Wireless as a "trading stock," which trades on the performance of a company's division but does not yield control of the unit or require the division to spin off into a separate entity.

AT&T Wireless struggled in the years that followed the IPO and was purchased by competitor Cingular in 2004 for $41 billion. When parent company AT&T was purchased by Southwestern Bell Corporation (SBC) in 2005, the better-known AT&T brand name was chosen to be the primary marketing vehicle for Cingular's services. Today, AT&T Wireless is the largest mobile provider in the U.S. with 155.7 million subscribers, ahead of Verizon's 153.2 million.

5. General Motors

Date of IPO: November 18, 2010

Amount raised from IPO: $15.8 billion

As an automobile designer, manufacturer, marketer, and distributor, General Motors (GM) currently manages the Chevrolet, Buick, GMC, and Cadillac brands in the U.S. Additionally, GM has ownership or joint ventures with automobile companies across the world including Korea, China, India, Russia, South Africa, and more.

The financial crisis of 2008 crippled GM leading to a bankruptcy filing in 2009 that included a $50 billion bailout from the U.S. government. With the bailout, aggressive cost-cutting, and streamlined operations, GM was able to successfully conduct an IPO in 2010 and returned to profitability in 2011.

4. Facebook

Date of IPO: May 18, 2012

Amount raised from IPO: $16.0 billion

Social media company, Facebook, had an eventful IPO day as a technical error with the Nasdaq delayed trading of its stock leading to losses of roughly $500 million to investors. Still, the offering stands as the fourth-largest of all time and the largest of any social media company.

Though Facebook remains as one of the top five largest publicly traded companies in the U.S., it became the first-ever company to lose more than $100 billion in value in one day after reporting disappointing sales figures in July of 2018.

3. Enel

Date of IPO: November 2, 1999

Amount raised from IPO: $16.5 billion

Italian utility company, Enel, had a path similar to that of number eight on this list, Telecom Eireann. Privatization in 1999 made 31.7 percent of the company privatized, while the remainder was listed on the Italian Stock Exchange and raised $16.5 billion (€14.8 billion).

Enel found its public listing to be low-volume in the years that followed and chose to delist from the NYSE in 2007. Today, Enel is the largest integrated utility company in Europe by capitalization.

2. Visa

Date of IPO: March 18, 2008

Amount raised from IPO: $17.9 billion

Visa, the popular American financial services company that offers payment processing and credit, debit, and cash-access programs to thousands of financial institutions, went public in March of 2008 after a corporate restructuring and merger of various business units.

While the move was considered risky at the time, Visa saw shares rise 28 percent on its opening day and have since risen more than 1,000 percent from the initial offer price. As of 2018, Visa holds a 52.7 percent market share in credit card payments by dollar amount according to Forbes.

1. Alibaba

Date of IPO: September 19, 2014

Amount raised from IPO: $25.0 billion

Alibaba remains the biggest IPO in U.S. history and raised more money in its NYSE offering than household names like Google, Facebook, and Twitter combined. The IPO performed so well that Alibaba management exercised a greenshoe option to sell 15 percent more shares than originally planned, pushing the final amount raised past $25 billion.

Since the record-setting IPO in September of 2014, shares of Alibaba have performed positively, just over doubling in price as of May 2019. Still, with a market cap of $481.1 billion, the Chinese e-commerce company trails U.S. e-commerce giant Amazon, who holds a market cap of $949.3 billion.

Zoriana Stawnychy
zoriana@stawnychyfinancial.com

(973) 283-0024
http://www.stawnychyfinancial.com/

135 Kinnelon Rd. Suite 101 Kinnelon, NJ 07405