

MONEYLETTER *hotline*

Welcome to the Hotline for Wednesday, August 24, 2016

World markets are in a bit of a holding pattern as investors wait for monetary policy clues from Janet Yellen. The Fed Chair is scheduled to deliver remarks Friday from the annual symposium hosted by the Kansas City Fed in Jackson Hole, Wyoming. Futures odds indicate a 28 percent chance of a small increase in interest rates by the Fed in September.

Recent economic reports have not been convincing – either way. A good example is the all-important housing sector. Yesterday, new home sales for July exceeded expectations, increasing for the third time since March. But today existing home sales declined by 3.2%, the first dip since February. Durable Goods and the second estimate for 2nd Quarter GDP come out later this week.

J.P. Morgan upgraded emerging market equities this week due to an improved outlook for capital spending. We will be keeping an eye on opportunities in this area.

Since the last Hotline, the Euro STOXX 50 gained 0.9%, the S&P 500 dipped by 0.3%, and the Nikkei 225 declined by 0.9%.

Our model portfolios have you properly positioned for current conditions. There are no changes to our asset allocation advice and there are no model portfolio trades for this week.

New Fund Changes – For domestic stock funds, there are two new Buys this week: Longleaf Partners (ticker: LLPFX) and Thompson Large Cap (THPGX). There are

no new Holds. There are two new Sells this week: ASTON/River Road Small Cap Value N (ARSVX) and Appleseed Fund (APPLX).

For international stock funds, there are two new Buys this week: SPDR S&P BRIC 40 ETF (BIK) and SPDR S&P Emerging Markets ETF (GMM). There are no new Holds. There is one new Sell this week: Matthews Japan Investor (MJFOX).

Thank you for calling the MONEYLETTER Hotline. The Hotline will next be updated on Wednesday, August 31st at 7pm (EDT).