

MONEYLETTER *hotline*

Welcome to the Hotline for Wednesday, December 28, 2016

Stocks prices have been quiet over the last week, although they did give some ground in today's session amidst slow holiday trading. The Dow Jones Industrial Average has flirted with the 20,000 level, but has not broken through it. US stocks are holding tight to their 2016 gains against the backdrop of decent, but somewhat mixed economic reports.

Existing and New Homes, 3rd Quarter GDP, and Consumer Confidence were the winners over the last week. Unemployment claims and Pending Home Sales were disappointing. Oil is at \$54 with OPEC and 11 other nations agreeing to cut production. Despite political uncertainty this year, the US dollar is trading near its highest level in 10+ years.

Since the last Hotline on December 21st, the Euro STOXX 50 is up 0.2%; the Nikkei 225 is down 0.2%; and the S&P 500 is 0.7% lower. The US stock benchmark is ahead by 10.1% year-to-date.

With our recent shift from bond funds to domestic stock funds (see the December 2016 MONEYLETTER for details), you are well positioned as we head into the New Year. There are no changes in our asset allocation advice and no trades in the model portfolios this week.

New Fund Changes – For domestic stock funds, there is one new Buy: Bridgeway Ultra-Small Company Market (ticker: BRSIX). There is one new Hold:

Champlain Small Company Advisor (the fund is closed, CIPSX). There are no new Sells this week.

For international stock funds, there is one new Buy this week: T. Rowe Price Emerging Europe (TREM). There are no new Holds. There is one new Sell this week: SPDR S&P China ETF (GXC).

Thank you for visiting the MONEYLETTER Hotline. The next Hotline will be available on our website in the Member Area at 11pm (EST) on Wednesday, January 4th and it will be emailed on Thursday morning January 5th. All of us here at MONEYLETTER wish you a safe and Happy New Year.