

# **MONEYLETTER** *hotline*

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## **Welcome to the *MONEYLETTER* Hotline for Wednesday, February 17, 2016**

US stocks rose for the third straight day, the longest winning streak so far this year. More attractive valuations and signs of modest economic improvement are among the factors for the gains. Manufacturing production for January rose the most since July, and wholesale prices rose for the month. An increase in inflation to approximately 2% is part of the Federal Reserve's dual mandate; this was a small step in the right direction.

Minutes from the Fed Open Market Committee January meeting, however, showed members are concerned that plunging energy and stock prices are increasing downside risks to the US economic outlook. Their December projection to raise interest rates four times in 2016 seems to be off base given current conditions. Chairperson Janet Yellen reaffirmed to Congress last week that the course of monetary policy is not preset.

There is no change to your current allocations, and there are no trades recommended for the model portfolios this week.

**New Fund Changes** – For domestic stock funds, there are two new Buys this week: Mairs & Power Growth Investor (MPGFX) and Parnassus Mid-Cap (PARMX). There are no new Holds. There are two new Sells this week: iShares Morningstar Large-Cap Growth (JKE) and USAA Aggressive Growth (USAUX).

For international stock funds, there are two new Buys this week: Matthews Emerging Asia Investor (MEASX) and Matthews Asian Growth & Income Investor

(MACSX). There are four new Holds: Forward International Small Companies Investor (PISRFX), Fidelity Overseas (FOSFX), Vanguard International Explorer (VINEX) and American Century International Opportunity Investor (AIOIX).

Thank you for calling the MONEYLETTER Hotline. The Hotline will next be updated on Wednesday, February 24<sup>th</sup>, 2016 at 7pm.