

# **MONEYLETTER** *hotline*

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## **Welcome to the *MONEYLETTER* Hotline for Wednesday, February 24, 2016**

US stocks erased early losses and finished the day in positive territory. Yesterday's decline continued this morning after a weak report on the US services sector and another decline in crude prices. Investors got a reminder this week that concerns over global growth and energy persist. But the markets rallied strongly this afternoon. And prior to yesterday, the benchmark S&P 500 had recovered 6.4% since February 11<sup>th</sup>.

The "R" word is starting to pop up in the financial press. Today's Markit Service report was the weakest since October 2013, and new home sales for January fell more than expected. These sectors are typically better able to handle falling energy prices than manufacturing. Durable goods for January are due tomorrow. While growth momentum has clearly slowed over the last two quarters, we don't expect to fall into recession.

There are no changes to your current allocations, and there are no trades recommended for the model portfolios this week. As we said in our January Outlook issue, we expect better conditions for equities in the second half of this year. Disciplined investors should stay the course despite the tough opening act of 2016.

**New Fund Changes** – For domestic stock funds, there is one new Buy this week: Janus Growth & Income T (JAGIX). There are no new Holds or Sells this week.

For international stock funds, there is one new Buy this week: Fidelity Pacific Basin (FPBFX). There are two new Holds: WisdomTree Japan Small Cap Dividend ETF

(DFJ) and Hennessy Japan Small Cap Investor (HJPSX). There are no new Sells this week:

Thank you for calling the MONEYLETTER Hotline. The Hotline will next be updated on Wednesday, March 2<sup>nd</sup>, 2016 at 7pm.