

MONEYLETTER *hotline*

Welcome to the *MONEYLETTER* Hotline for Wednesday, July 20, 2016

Stocks prices continued to climb amidst better-than-expected quarterly earnings and a stronger dollar. In the US, Microsoft posted a good profit number and Morgan Stanley reported above-estimate trading revenue. In Europe, SAP and Volkswagen both beat expectations. The Fed is gaining more confidence that interest rates will be increased this year as the markets have stabilized since the Brexit vote.

Stocks prices around the globe are higher since the last Hotline. Over the period the Nikkei 225 gained 2.8%, the EuroSTOXX 50 moved ahead by 2.5%, and the S&P 500 was up 0.5%.

You are taking advantage, but be aware that signs point to an upcoming pause. There is no change to your asset allocations and there are no changes to our model portfolios this week.

New Fund Changes – Due to recent volatility, there is a rotation going on in our fund list. For domestic stock funds, there are three new Buys this week: Hodges Retail (ticker: HDPMX), SPDR S&P 600 Small Cap Value ETF (SLYV), and iShares S&P SmallCap 600 Value (IJS). There are nine new Holds: Vanguard Equity-Income Investor (VEIPX), Schwab U.S. Large-Cap Value ETF (SCHV), Vanguard High Dividend Yield Index Investor (VHDYX), iShares Morningstar Large Cap Value (JKF), Vanguard Dividend Appreciation ETF (VIG), T. Rowe Price Dividend Growth (PRDGX), Value Line Mid Cap Focused (VLIFX), Fidelity Strategic Dividend & Income (FSDIX), and

Vanguard Dividend Appreciation Index Investor (VDAIX). There is one new Sell this week: T. Rowe Price Capital Appreciation (the fund is closed, PRWCX).

For international stock funds, there are no new Buys this week. There are four new Holds: Fidelity Pacific Basin (FPBFX), T. Rowe Price Japan (PRJPX), Fidelity Japan Smaller Companies (FJSCX), and Mathews Japan Investor (MJFOX). There are two new Sells this week: Hennessy Japan Small Cap Investor (HJPSX) and Fidelity Global Balanced (FGBLX).

Thank you for calling the MONEYLETTER Hotline. The Hotline will next be updated on Wednesday, July 27th at 7pm Eastern Daylight Time.