

# **MONEYLETTER** *hotline*

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## **Welcome to the *MONEYLETTER* Hotline for Wednesday, June 1, 2016**

US stocks just completed their third consecutive month of gains, but the S&P 500 seems to have hit a ceiling of late at the 2,100 level. The benchmark index rose 6.6% in March, 0.3% in April, and 1.5% in May. But despite a positive report on manufacturing activity, the market was little changed today and sits at 2098.

The ISM Manufacturing Index for May supports the case that a recession is not imminent. With global growth still subdued and the potential for carryover to the US economy, that report was welcome news. New home sales and durable goods reports last week have contributed to the thinking that the US economy can withstand higher interest rates.

The futures odds on a June hike by the Fed have fallen in the last week, but now sit at 53% for a hike by July. Since the last Hotline, the S&P 500 has gained 0.4% and the Nikkei 225 is up 1.2%. The EuroSTOXX 50 is down 0.7%

There is no change to your asset allocations, and there are no trades to report in our model portfolios.

**New Fund Changes** – For domestic stock funds, there are two new Buys this week: Clipper Fund (ticker: CFIMX) and ASTON/River Road Small Cap Value N (ARSVX). There is one new Hold: WisdomTree SmallCap Dividend ETF (DES). There are no new Sells this week.

For international stock funds, there are two new Buys this week: WisdomTree Europe SmallCap Dividend ETF (DFE) and VanEck Vectors Africa ETF (AFK). There are no new Holds. There is one new Sell this week: iShares Latin America 40 (ILF).

Thank you for calling the MONEYLETTER Hotline. The Hotline will next be updated on Wednesday, June 8<sup>th</sup>, 2016 at 7pm.