

# **MONEYLETTER** *hotline*

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## **Welcome to the *MONEYLETTER* Hotline for Wednesday, June 8, 2016**

World central banks are doing their part to push stock prices higher this week. US stocks, measured by the S&P 500, are near their all-time highs as investors see the Fed holding off on its next interest rate hike and continuing to support current moderate economic growth. In addition, the European Central Bank began purchasing corporate bonds today in an effort to fuel inflation and lower financing costs across the euro area.

Emerging markets stocks have posted gains over each of the last five days. China reported a better-than-expected imports reading, which helped boost commodity prices and confidence in that key economy. Summer oil contracts are trading at more than \$51 per barrel.

The futures odds on a June hike by the Fed have fallen since last week's jobs report, and now sit at 2% for a hike next week and 25% for July. Since the last Hotline, the S&P 500 gained 0.9%, the EuroSTOXX 50 is down 0.6%, and the Nikkei 225 is off by 0.7%.

There is no change to your asset allocations. We are recommending two re-balancing trades for Venturesome investors. In the Fidelity Venturesome model portfolio Sell 160 shares of Fidelity Contrafund (ticker: FCNTX). Put the proceeds into Fidelity Cash Reserves, the model's money market fund. In the Vanguard Venturesome model, Sell 288 shares of Vanguard Dividend Growth (VDIGX). Put the proceeds into Vanguard Prime Money Market Fund/Investor.

**New Fund Changes** – For domestic stock funds, there are no new Buys, Holds, or Sells this week.

For international stock funds, there are two new Buys this week: iShares MSCI Canada (EWC) and Fidelity Canada (FICDX). There are no new Holds. There is one new Sell this week: iShares MSCI Pacific ex-Japan (EPP).

Thank you for calling the MONEYLETTER Hotline. The Hotline will next be updated on Wednesday, June 15<sup>th</sup>, 2016 at 7pm.