

# **MONEYLETTER** *hotline*

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## **Welcome to the *MONEYLETTER* Hotline for Wednesday, March 16, 2016**

The Federal Reserve's Open Market Committee decided to stand pat coming out of their two-day meeting this afternoon. The members' median projections see the fed funds rate at 0.875 percent at the end of this year, which would indicate two quarter-point increases this year rather than the four that were forecast in December. The target range is currently 0.25% - 0.5%.

Prospects for slower global growth are concerning to Fed members, and market shocks over the first six weeks of 2016 were clearly a factor in their decision to wait. Closer to home the signs have been better, with core inflation rising and factory data stronger for the second straight month. Chair Janet Yellen highlighted the U.S. economy's resilience in her remarks today.

There are no changes to your current asset allocations.

Last week's trade: All Vanguard investors should Sell Vanguard U.S. Growth (ticker: VWUSX). With the proceeds, Buy Vanguard Equity-Income (VEIPX).

**New Fund Changes** – For domestic stock funds, there are three new Buys this week: iShares Morningstar Mid Cap Value (JKI), Schwab U.S. Large-Cap Value ETF (SCHV) and Vanguard Mega Cap Value ETF (MGV). There are three new Holds: Parnassus Mid-Cap (PARMX), Northern Income Equity (NOIEX) and T. Rowe Price Capital Appreciation (the fund is closed, PRWCX). There are five new Sells this week: GAMCO Growth AAA (GABGX), Dreyfus Research Growth Z (closed, DREQX),

PowerShares Dynamic Large Cap Growth ETF (PWB), American Century Select Investor (TWCIX) and Intrepid Endurance Investor (ICMAX).

For international stock funds, there are four new Buys this week: T. Rowe Price Latin America (PRLAX), WisdomTree Australia Dividend ETF (AUSE), BLDRs Emerging Markets 50 ADR ETF (ADRE) and iShares MSCI Pacific ex-Japan (EPP). There is one new Hold: Matthews China Small Companies (MCSMX). There are two new Sells this week: Forward International Small Companies Investor (PISRX) and Driehaus International Small Cap Growth (closed, DRIOX).

Thank you for calling the MONEYLETTER Hotline. The Hotline will next be updated on Wednesday, March 23<sup>rd</sup>, 2016 at 7pm.