

MONEYLETTER *hotline*

Welcome to the Hotline for Wednesday, November 9, 2016

US stocks rebounded from a massive decline in overnight futures prices as investors warmed up to the idea of business-friendly policies under a Donald Trump Administration. The Dow Jones Industrials finished the day up 257 points – or 1.4% -- after plunging about 800 points overnight when it appeared an upset win by Trump was possible. The S&P 500 gained 1.1%.

Several industries had banner days. Healthcare shares surged when threats of heavier regulation by a Clinton presidency were dashed. Bank stocks similarly gained. Steel producers and oil and gas drillers were among many others that moved ahead. However, it should be noted that historically the “day after” performance of the market is not a reliable harbinger for stock prices.

With the help of a cooperative Congress, we expect fiscal stimulus to support the market as we move forward from here. There are no changes to your asset allocation targets and there are no trades for the model portfolios this week.

New Fund Changes – For domestic stock funds, there are six new Buys this week: Royce Special Equity Investor (ticker: RYSEX), Pin Oak Equity (POGSX), Oakmark Fund I (OAKMX), Berwyn Fund (BERWX), PowerShares QQQ ETF (QQQ), and First Trust NASDAQ-100 Equal Weight ETF (QQEW). There are four new Holds: ClearBridge Small Cap C (LMASX), Artisan Small Cap Investor (ARTSX), William Blair Small Cap Growth N (WBSNX), and Wasatch Small Cap Value (WMCVX). There are

three new Sells this week: Conestoga Small Cap Investor (CCASX), T. Rowe Price New Horizons (the fund is closed, PRNHX), and iShares Microcap (IWC).

For international stock funds, there are two new Buys this week: Fidelity Japan Small Companies (FJSCX) and Hennessy Japan Small Cap Investor (HJPSX). There are no new Holds or Sells this week.

Thank you for calling the MONEYLETTER Hotline. The next Hotline will be available on our website in the MONEYLETTER Member Area at 11pm (EST) on Wednesday, November 16th. It will also be sent via email on Thursday, by noon. See page 11 of the October MONEYLETTER issue for more details.