

MONEYLETTER *hotline*

Welcome to the Hotline for Wednesday, November 16, 2016

US stocks took a bit of a breather today after gaining nearly 2% since the election. The market has been sorting through expectations that a new pro-business administration will push the economy forward. The S&P 500 is up about 4.5% since November 4th.

There is some concern that the market has come too far, too fast. The odds of a Fed interest rate hike in mid-December have grown by the day, and the markets are at or near all-time highs. In addition, even though it appears at this time that our analysis regarding fiscal stimulus is correct, none of that will materialize until next year.

From the last Hotline on November 9th through today the S&P 500 gained 0.6%; the Euro STOXX 50 declined by 0.9%; and the Nikkei 225 jumped 9.9%. It should be noted that the return from Japan is from the low posted overnight during the election results.

Maintain your asset allocations. There are no trades in the MONEYLETTER model portfolios this week.

New Fund Changes – For domestic stock funds, there is one new Buy this week: T. Rowe Price Small-Cap Value (ticker: PRSVX). There are five new Holds: Longleaf Partners (LLPFX), Kinetics Paradigm No Load (WWNPX), PowerShares Russell MidCap Pure Value ETF (PXMV), Artisan Value Investor (ARTLX), and Fidelity OTC

Portfolio (FOCPX). There is one new Sell this week: Value Line Larger Companies Focused (VALLX).

For international stock funds, there are no new Buys this week. There are five new Holds: iShares Latin America 40 (ILF), T. Rowe Price Emerging Markets Stock (PRMSX), SPDR S&P Emerging Latin American ETF (GML), T. Rowe Price Latin America (PRLAX), and Fidelity Latin America (FLATX). There are no new Sells this week.

Thank you for checking out the MONEYLETTER Hotline. The next Hotline will be available on our website in the Member Area at 11pm (EST) on Wednesday, November 23rd. Due to Thanksgiving it will be emailed on Monday morning November 28th.