

# **MONEYLETTER** *Hotline*

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## **Welcome to the Hotline for Wednesday, October 5, 2016**

After selling off three of the last four days, US stocks rallied today as reports on manufacturing were encouraging. Monday's PMI manufacturing index for September and today's factory orders provided investors with some confidence that the economy can withstand a hike in interest rates by the Fed in December. West Texas crude surged to nearly \$50 per barrel – a 3-month high – as US stockpiles dropped.

From the last Hotline on September 28<sup>th</sup> through today the S&P 500 slipped 0.5%; the Euro STOXX 50 gained 1.2%; and the Nikkei 225 jumped 2.1%.

There are no changes to your asset allocation targets. There is one trade recommended for this week: Due to the closing of the fund to new investors, we are Selling Wasatch International Opportunities (ticker: WAIOX) in the MONEYLETTER Moderate portfolio. The replacement fund is Matthews Emerging Asia (MEASX). There was one trade recommended last week. In the MONEYLETTER Venturesome portfolio we sold WisdomTree Europe SmallCap Dividend ETF (DFE). The proceeds were put into Matthews Emerging Asia (MEASX). There was a 3-day settlement period for the sale of DFE.

**New Fund Changes** – For domestic stock funds, there are three new Buys this week: Bridgeway Ultra-Small Company Market (BRSIX), Heartland Value (HRTVX), and Bogle Small Cap Growth Investor (BOGLX). There are four new Holds: T. Rowe Price Small-Cap Value (PRSVX), Vanguard Extended Market ETF (VXF), Vanguard

Extended Market Investor (VEXMX), and Fidelity Mid Cap Stock (FMCSX). There are no new Sells this week.

For international stock funds, there are two new Buys this week: Hennessy Japan Investor (HJPNX) and T. Rowe Price Japan (PRJPX). There are no new Holds or Sells.

Thank you for calling the MONEYLETTER Hotline. The Hotline will next be updated on Wednesday, October 12<sup>th</sup> at 7pm (EDT). Don't forget to log in to the Hotline at our website. See page 11 of this month's MONEYLETTER issue for more details.