

MONEYLETTER *hotline*

Welcome to the Hotline for Wednesday, October 12, 2016

US Stocks rose modestly after the release of minutes from the last Fed meeting confirmed participants' vision of a gradual increase in interest rates. December remains the likely target for the next hike. The minutes indicated several members favored a move "relatively soon."

The markets have been bumpy, but the net change is relatively small over the last week. From the last Hotline on October 5th through today the S&P 500 slipped about 1.0%; the Euro STOXX 50 declined by 0.6%; and the Nikkei 225 moved ahead by 0.1%.

Oil is holding around \$50 as the markets now wait to see if the agreed-upon OPEC production cuts come to fruition.

There are no changes to your asset allocation targets, and there are no trades for the model portfolios this week. There was one trade recommended last week: Due to the closing of the fund to new investors, we are Sold Wasatch International Opportunities (ticker: WAIOX) in the MONEYLETTER Moderate portfolio. The replacement fund is Matthews Emerging Asia (MEASX).

New Fund Changes – For domestic stock funds, there are three new Buys this week: Kinetics Small Cap Opportunity No Load (KSCOX), Kinetics Paradigm No Load (WWNPX), and Artisan Value Investor (ARTLX). There are two new Holds: T. Rowe Price New Horizons (the fund is closed, PRNHX) and Value Line Larger Companies Focused (VALLX). There is one new Sell this week: iShares Select Dividend (DVY).

For international stock funds, there is one new Buy this week: WisdomTree Australia Dividend ETF (AUSE). There are no new Holds or Sells.

Thank you for calling the MONEYLETTER Hotline. The Hotline will next be updated on Wednesday, October 19th at 7pm (EDT). Don't forget to log in to the Hotline at our website. See page 11 of the October MONEYLETTER issue for more details.