

# MONEYLETTER

---

## Hotline

### **Welcome to the Hotline for Wednesday, October 26, 2016**

Earnings season has been uninspiring as big corporations like Apple, Chipotle Mexican Grill, and Southwest Airlines failed to contribute to a positive outlook. Investors also appear to be somewhat spooked by the upcoming election and a likely Fed interest rate hike in December. Oil dropped below \$50 per barrel, despite a drop in US stockpiles.

US economic reports remained mixed. We don't expect a significant upside move for domestic equities with the Fed meeting scheduled for next week and the election on November 8<sup>th</sup>. Japanese stocks have done well over the last month, returning about 5%. From the last Hotline on October 19<sup>th</sup> through today the S&P 500 slipped 0.2%; the Euro STOXX 50 gained 0.8%; and the Nikkei 225 jumped 2.3%.

There are no changes to your asset allocation targets. There is one model portfolio trade recommended: MONEYLETTER Conservative investors should Sell Royce International Premier Service (ticker: RYIPX). The replacement fund is T. Rowe Price Global Stock (PRGSX).

**New Fund Changes** – For domestic stock funds, there is one new Buy this week: PowerShares Russell MidCap Pure Value ETF (PXMV). There are two new Holds: iShares Microcap (IWC) and Meridian Growth Legacy (the fund is closed, MERDX). There are no new Sells this week.

For international stock funds, there are no new Buys or Holds this week. There is one new Sell this week: Royce International Premier Service.

Thank you for calling the MONEYLETTER Hotline. The Hotline will next be updated on Wednesday, November 2<sup>nd</sup> 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.