

MONEYLETTER *hotline*

Welcome to the Hotline for Wednesday, September 21, 2016

As we expected, the Federal Reserve decided today to wait on an interest rate hike. The US central bank said it wanted to see more progress toward its goals. While the doves won this battle, there was significant dissent and the December meeting is still very much in play for a 25 basis point increase. US stocks rallied late in the day.

The major markets posted gains since the last Hotline. From September 14th through today the S&P 500 added 1.8%; the Nikkei 225 was up 1.2%; and the Euro STOXX 50 gained 0.6%.

There are no changes to your asset allocation targets. There is one trade recommended. In the MONEYLETTER portfolios Sell Mairs & Power Growth (ticker: MPGFX). The replacement fund in all three models is Parnassus Endeavor (PARWX).

New Fund Changes – For domestic stock funds, there are six new Buys this week: PRIMECAP Odyssey Aggressive Growth (the fund is closed, ticker: POAGX), T. Rowe Price New Horizons (closed, PRNHX), Value Line Larger Companies Focused (VALLX), PowerShares Russell 2000 Pure Growth ETF (PXSG), Parnassus Endeavor, and PowerShares Zacks Microcap ETF (PZI). There are five new Holds: Thompson Large Cap (THPGX), T. Rowe Price Mid Cap Value (closed, TRMCX), iShares Morningstar Small Value (JKL), Artisan Value Investor (ARTLX), and PowerShares Russell MidCap Pure Value ETF (PXMV). There are five new Sells this week: iShares US Industrials (IYJ), iShares S&P MidCap 400 Value Index (IJJ), Mairs & Power Growth

Investor, Guggenheim S&P SmallCap 600 Pure Value ETF (RZV), and Guggenheim S&P Midcap 400 Pure Value ETF (RFV).

For international stock funds, there are three new Buys this week: Matthews China Small Companies (MCSMX), Matthews China Dividend Investor (MCDFX), and iShares MSCI Hong Kong (EWH). There is one new Hold: SPDR S&P Emerging Latin America ETF (GML). There are three new Sells this week: WisdomTree Australia Dividend ETF (AUSE), Fidelity EMEA (FEMEX), and iShares MSCI Canada (EWC). There are no other changes.

The Hotline will next be updated on Wednesday, September 28th at 7pm (EDT).