

Welcome to the Hotline for Wednesday, September 28, 2016

Stocks rallied late in the day today as word of a potential cut in production by OPEC hit the markets. Brent Crude surged 5.2% in New York, and West Texas Intermediate was up 4.6%. OPEC's reported agreement -- its first in 8 years -- would cut output by approximately 750,000 barrels per day.

The Dow Industrials, which were in the red shortly before 2pm, rallied to finish up 111 points for the session. A report on durable goods for August was flat, indicating lingering weakness in manufacturing. The consumer continues to be supportive.

The major markets were mixed since the last Hotline. From September 21st through today the S&P 500 added 0.4%; the Euro STOXX 50 gained 0.3%; and the Nikkei 225 declined by 2.0%.

There are no changes to your asset allocation targets. There is one trade recommended. In the MONEYLETTER Venturesome portfolio Sell WisdomTree Europe SmallCap Dividend ETF (ticker: DFE). Put the proceeds into Matthews Emerging Asia (MEASX).

Last week, we Sold Mairs & Power Growth (MPGFX) in the MONEYLETTER portfolios. The replacement fund in all three models is Parnassus Endeavor (PARWX).

New Fund Changes – For domestic stock funds, there are two new Buys this week: iShares Microcap (IWC) and Wasatch Small Cap Value (WMCVX). There are no new Holds. There is one new Sell this week: Baron Partners Retail (BPTRX).

For international stock funds, there are two new Buys this week: PowerShares Golden Dragon China ETF (PGJ) and First Trust ISE Chindia ETF (FNI). There are three new Holds: Harding Loevner Emerging Markets Advisor (HLEMX), WisdomTree India Earnings ETF (EPI), and iShares China Large-Cap (FXI). There are two new Sells this week: SPDR S&P Emerging Middle East & Africa ETF (GAF) and WisdomTree Europe SmallCap Dividend ETF. There are no other changes.

The Hotline will next be updated on Wednesday, October 5th at 7pm (EDT).