

MONEYLETTER

Hotline

Welcome to the Hotline for Wednesday, January 18, 2017

US stocks were mostly flat today as evidence of strengthening inflation was weighed down by disappointing holiday sales results reported by Target. The Fed Beige Book showed continued moderate employment gains and upward pressure on wages. Companies are generally optimistic for 2017.

Since the last Hotline on January 11th, the S&P 500 lost about 0.2%. The Euro STOXX 50 is off by 0.4%. European stocks have been volatile, focusing on Great Britain and their plans to leave the EU. The Nikkei 225 is down 2.4%. Japanese stocks have tumbled about 3.5% recently as investors have shunned risk due to a stronger yen. The yen has increased from 118 per dollar to 113 between January 3rd and the 17th.

No action is needed at this moment. There are no changes in our asset allocation advice and no trades in the model portfolios this week.

New Fund Changes – For domestic stock funds, there are three new Buys this week: Kinetics Small Cap Opportunity No Load (ticker: KSCOX), iShares Morningstar Small Value (JKL), and First Trust Multi Cap Value AlphaDEX ETF (FAB). There are four new Holds: Bridgeway Small Cap Value (BRSVX), CRM Small Cap Value Investor (CRMSX), Hodges Small Intrinsic Value (HDSVX), and WisdomTree SmallCap Dividend ETF (DES). There are no new Sells this week.

For international stock funds, there is one new Buy this week: SPDR S&P Emerging Latin American ETF (GML). There are no new Holds or Sells this week.

Thank you for visiting the MONEYLETTER Hotline. The next Hotline will be available on our website in the Member Area at 11pm (EST) on Wednesday, January 25th and it will be emailed on Thursday morning January 26th.