

MONEYLETTER

Hotline

Welcome to the Hotline for Wednesday, January 25, 2017

The Dow Jones Industrial Average closed above the 20,000 mark for the first time today, after several recent attempts. The Dow gained 156 points to close at 20,069. Good corporate earnings reports and a flurry of executive orders are providing a booster shot to pro-growth optimism.

Economic reports due for release tomorrow and Friday should provide additional clarity. Initial jobless claims and new home sales will be reported tomorrow. The first estimate for 4th Quarter GDP, along with durable goods orders, will report on Friday.

Since the last Hotline on January 18th, the S&P 500 has gained about 1.2%. The Euro STOXX 50 is up 1.0%. The Nikkei 225 is ahead by 0.9%.

There are no changes in our asset allocation advice. There is one trade recommended for Fidelity investors. In the Fidelity Moderate and Fidelity Venturesome portfolios you should Sell Fidelity Strategic Dividend & Income (ticker: FSDIX). With the proceeds Buy Fidelity Growth & Income (FGRIX).

New Fund Changes – For domestic stock funds, there is one new Buy this week: Fidelity Growth & Income. There is one new Hold: Royce Special Equity Investor (RYSEX). There is one new Sell this week: Fidelity Strategic Dividend & Income.

For international stock funds, there are two new Buys this week: VanEck Vectors Africa ETF (AFK) and Guggenheim Frontier Markets ETF (FRN). 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, February 1st and it will be emailed on Thursday morning February 2nd.