

MONEYLETTER *hotline*

Welcome to the Hotline for Wednesday, February 1, 2017

US stocks were little changed today after the Fed announced that there would be no interest rate increase at this time. The outlook for three Fed hikes over the course of this year appears unchanged. Fed participants continue to differ on the potential effects of economic policies coming out of the new Congress and Administration.

US economic reports continue to be mixed. After last week's Hotline, New Home Sales, 4th Quarter GDP, and Durable Goods Orders all came in below expectations. Consumer and business confidence have been stronger since the election in November. European and Japanese stocks rebounded on Wednesday after concern over politics in the US put pressure on prices over the last few days.

Since the last Hotline on January 25th, the Nikkei 225 is ahead by 0.5%; the S&P 500 is off by 0.8%; and the Euro STOXX 50 is down 2.0%.

There are no changes in our asset allocation advice. There was one trade recommended for Fidelity investors last week. In the Fidelity Moderate and Fidelity Venturesome portfolios we sold Fidelity Strategic Dividend & Income (ticker: FSDIX). With the proceeds we bought Fidelity Growth & Income (FGRIX).

New Fund Changes – For domestic stock funds, there is one new Buy this week: Kinetics Paradigm No Load (WWNPX). There no new Holds or Sells this week.

For international stock funds, there is one new Buy this week: T. Rowe Price Latin America (PRLAX). There are two new Holds: WisdomTree Japan SmallCap

Dividend ETF (DFJ) and SPDR Global Dow ETF (DGT). There are no new 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 8th and it will be emailed on Thursday morning February 9th.