

MONEYLETTER *Hotline*

Welcome to the Hotline for Wednesday, March 1, 2017

The Dow Jones Industrials surged past 21,000 today as confidence in global economic conditions continues to grow. A report on factory activity in China showed faster-than-expected expansion in February. And a day after President Trump's speech to a joint session of Congress, optimism for our economy and growth prospects is holding firm.

Since the last Hotline on February 22nd the S&P 500 is up 1.4% and the Euro STOXX 50 is up 1.5%. The Nikkei 225 was up 0.1% for the week.

There are no changes in our asset allocation advice. There were two trades announced in the model portfolios last week. We sold PowerShares High-Yield Equity Dividend Achievers (ticker: PEY) in the MONEYLETTER Conservative, Moderate and Venturesome portfolios. The replacement in all three models is iShares Russell 2000 Value (IWN). Also, we sold Matthews Emerging Asia Investor (MEASX) in the MONEYLETTER Moderate and Venturesome portfolios. The replacement in both cases is Oakmark Global Investor (OAKGX).

New Fund Changes – For domestic stock funds, there is one new Buy this week: Legg Mason Opportunity FI (LMOFX). There are two new Holds: iShares Microcap (IWC) and Needham Small Cap Growth (NESGX). There are five new Sells this week: WisdomTree SmallCap Dividend ETF (DES), PRIMECAP Odyssey Aggressive Growth (the fund is closed, POAGX), Hodges Small Intrinsic Value (HDSVX), Wasatch Small Cap Value (WMCVX) and Berwyn Fund (BERWX).

For international stock funds, there are two new Buys this week: Hennessy Japan Small Cap Investor (HJPSX) and WisdomTree Japan SmallCap Dividend ETF (DFJ). There are two new Holds: WisdomTree Australia Dividend ETF (AUSE) and iShares MSCI Canada (EWC). 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, March 8th and it will be emailed on Thursday morning March 9th.