

MONEYLETTER

Hotline

Welcome to the Hotline for Wednesday, March 8, 2017

Stocks retreated again amidst a drop of more than 5% in oil prices. Energy producers declined by around 2% today as lower OPEC production has not reduced US inventories. Today's decline was the third straight for the S&P 500. As we point out in the March issue of MONEYLETTER, we expect investors to take profits in the days ahead.

Since the last Hotline on March 1st the S&P 500 is down 1.4%, the Euro STOXX 50 is flat and the Nikkei 225 is off by 0.7% for the week.

We won't be using any market pullback as an exit opportunity. The economy is now strong enough to absorb some profit taking and volatility. 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 two new Buys this week: Dodge & Cox Stock (ticker: DODGX) and Pin Oak Equity (POGSX). There are five new Holds: Guggenheim S&P Small Cap 600 Pure Value ETF (RZV), Bogle Small Cap Growth Investor (BOGLX), iShares Core S&P SmallCap (IJR), SPDR S&P 600 Small Cap ETF (SLY) and Kinetics Small Cap Opportunity No Load (KSCOX). There is one new Sell this week: CRM Small Cap Value Investor (CRMSX).

For international stock funds, there are no new Buys this week. There are two new Holds: BLDRs Emerging Markets 50 ADR ETF (ADRE) and T. Rowe Price Emerging Europe (TREM). There is one new Sell this week: VanEck Vectors Africa ETF (AFK).

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 15th and it will be emailed on Thursday morning March 16th.