

MONEYLETTER

Hotline

Welcome to the Hotline for Wednesday, March 15, 2017

As expected, the Fed increased their benchmark rate by 25 basis points this afternoon. It is only the third increase since the financial crisis, and the Fed's projection still shows a total of three hikes for 2017. Near-full employment, higher inflation and consumer confidence were among the key factors.

US stocks rallied as the Fed continued to predict a gradual removal of accommodation. Since the last Hotline on March 8th the S&P 500 is up 0.9%, the Euro STOXX 50 is ahead by 0.6% and the Nikkei 225 is up 1.7% for the week.

There are no changes in our asset allocation advice. There is one trade to announce: We are Selling Vanguard Equity-Income (ticker: VEIPX) which is in all three Vanguard-only portfolios. The replacement in all three models is Vanguard Windsor (VWNDX).

New Fund Changes – For domestic stock funds, there are five new Buys this week: Vanguard Capital Opportunity (VHCOX), Oakmark Fund I (OAKMX), PowerShares Dynamic Large Cap Value ETF (PWV), Oakmark Select I (OAKLX) and Vanguard Windsor Investor. There are seven new Holds: T. Rowe Price Small-Cap Value (PRSVX), iShares Morningstar Small-Cap Value (JKL), Wells Fargo Intrinsic Small Cap Value A (WFSMX), SPDR S&P 600 Small Cap Value ETF (SLYV), PowerShares Russell 2000 Pure Value ETF (PSXV), Bridgeway Ultra-Small Company Market (BRSIX) and PowerShares Zacks Microcap ETF (PZI). There are two new Sells this week: Vanguard Equity-Income Investor and Kinetics Paradigm No Load (WWNPX).

For international stock funds, there are no new Buys this week. There are three new Holds: T. Rowe Price Latin America (PRLAX), Fidelity EMEA (FEMEX) and SPDR S&P Emerging Europe ETF (GUR). There is one new Sell this week: iShares MSCI Canada (EWC).

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 22nd and it will be emailed on Thursday morning March 23rd.