

# **MONEYLETTER** *hotline*

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## **Welcome to the Hotline for Wednesday, April 12, 2017**

Global markets have posted some uninspiring returns as we enter the beginning of earnings season. Increasing geopolitical risk has been a key factor. In addition, questions remain regarding the future of Trump administration growth policies and the pace of Fed rate hikes.

A boost from positive earnings reports would help shake out the dreariness that has gripped prices since the beginning of March. Coming into the season, the forecast for S&P 500 earnings growth is 8.9%. Since the last Hotline on April 5<sup>th</sup> the S&P 500 is down 0.3%, the Euro STOXX 50 is off by 0.1% and the Nikkei 225 is 1.6% lower.

There are no changes in our asset allocation advice. There was one trade recommended last week: MONEYLETTER Venturesome investors should sell Hennessy Japan Investor (ticker: HJPNX). The replacement fund is Oakmark International (OAKIX).

**New Fund Changes** – For domestic stock funds, there is one new Buy this week: T. Rowe Price Small-Cap Value (PRSVX). There is one new Hold: Vanguard Capital Opportunity Investor (the fund is closed, VNCOX). There is one new Sell this week: Legg Mason Opportunity FI (LMOPX).

For international stock funds, there are four new Buys this week: WisdomTree India Earnings ETF (EPI), PowerShares India ETF (PIN), Matthews India Investor (MINDX) and T. Rowe Price Latin America (PRLAX). There are three new Holds:

Hennessy Japan Small Cap Investor (HJPSX), WisdomTree Japan SmallCap Dividend ETF (DFJ) and Fidelity EMEA (FEMEX).

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, April 19<sup>th</sup> and it will be emailed on Thursday morning April 20<sup>th</sup>.