

MONEYLETTER

hotline

Welcome to the Hotline for Wednesday, April 19, 2017

The lackluster pattern for US stocks continued over the last week amid increasing geopolitical risk. North Korea has emerged as a serious concern for global financial markets. The first round in a very tight election for French president is scheduled for Sunday.

Today's Beige Book showed the economy continuing to grow at a modest pace, but consumer readings were "varied." The Federal Reserve still seems to be on target for two more increases this year, although the odds of a hike at one of their spring meetings have dropped below 50%.

Earnings reports were mixed over the last week, with Morgan Stanley beating and IBM reporting another sales decline today. Since the last Hotline on April 12th the S&P 500 is down 0.3%, the Euro STOXX 50 is off by 1.4% and the Nikkei 225 is 0.6% lower.

There are no changes in our asset allocation advice.

New Fund Changes – For domestic stock funds, there are three new Buys this week: Baron Partners Retail (ticker: BPTRX), Barrett Opportunity (SAOPX) and Fidelity OTC Portfolio (FOCPX). There are three new Holds: Bridgeway Aggressive Investors 1 (BRAGX), Oakmark Select I (OAKLX) and Oakmark Fund I (OAKMX). There is one new Sell this week: Wells Fargo Advantage Intrinsic Small Cap Value A (WFSMX).

For international stock funds, there is one new Buy this week: Deutsche CROCI International S (SCINX). There are two new Holds: iShares Latin America 40 (ILF) and

SPDR S&P Emerging Latin America ETF (GML). There is one new Sell: WisdomTree Australia Dividend ETF (AUSE).

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 26th and it will be emailed on Thursday morning April 27th.