

MONEYLETTER *Hotline*

Welcome to the Hotline for Wednesday, May 3, 2017

Global stocks took a breather, but did not retreat, after surging in the week prior to the last Hotline. The introduction of the president's tax reform plan seems to have blunted some of the concerns over economic slowing in the first quarter. On the upside, we expect the consumer to rebound in the second quarter and beyond. The Fed held interest rates steady after its two-day meeting, but June remains very much in play for another hike.

Since the last Hotline on April 26th the S&P 500 was essentially flat; the Euro STOXX 50 edged up 0.1%; and the Nikkei 225 rose 0.8%.

There are no changes to our asset allocation advice. Despite considerable economic and political uncertainty, there are solid reasons why you should maintain your equity fund exposure. There is one model portfolio trade recommended: In the MONEYLETTER Venturesome model, Sell Artisan Value Investor (ticker: ARTLX). With the proceeds purchase Baron Partners Retail (BPTNX).

New Fund Changes – For domestic stock funds, there are two new Buys this week: iShares S&P SmallCap 600 Growth (IJT) and SPDR S&P 600 Small Cap Growth ETF (SLYG). There are three new Holds: First Trust Multi Cap Value AlphaDEX ETF (FAB), Heartland Value Plus (the fund is closed, HRVIX) and Barrett Opportunity (SAOPX). There are three new Sells this week: iShares Morningstar Mid Cap Value (JKI), Neuberger Berman Large Cap Value Investor (closed, NPRTX) and Artisan Value Investor.

For international stock funds, there are two new Buys this week: WisdomTree Europe SmallCap Dividend ETF (DFE) and T. Rowe Price Global Stock (PRGSX). There are three new Holds: PowerShares India ETF (PIN), Dreyfus Emerging Markets A (DRFMX) and Matthews India Investor (MINDX). 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 (ET) on Wednesday, May 10th and it will be emailed on Thursday morning May 11th.