

MONEYLETTER *Hotline*

Welcome to the Hotline for Wednesday, May 10, 2017

It has been a good week for global equities. With 83% of S&P 500 companies reporting so far, 1st Quarter earnings growth is the strongest in 5½ years. In addition, the election of French moderate Emmanuel Macron as president has served to ease political risks in Europe.

Since the last Hotline on May 3rd the S&P 500 was up 0.5%; the Euro STOXX 50 continued its strong rally, moving ahead by another 1.6%; and the Nikkei 225 rose by 2.3%.

There are no changes to our asset allocation advice. There is one model portfolio trade recommended: Sell Fidelity Mid Cap Stock (ticker: FMCSX) in all three Fidelity-only models. The replacement fund is Fidelity Blue Chip Growth (FBGRX). Last week, in the MONEYLETTER Venturesome model, we Sold Artisan Value Investor (ARTLX). The proceeds were used to purchase Baron Partners Retail (BPTRX).

New Fund Changes – There is a lot of activity this week. For domestic stock funds, there are nine new Buys this week: PRIMECAP Odyssey Aggressive Growth (the fund is closed, POAGX), Wells Fargo Advantage Discovery A (WFDAX), Conestoga Small Cap Investor (CCASX), T. Rowe Price New Horizons (closed, PRNHX), Fidelity Growth Company (closed, FDGRX), Vanguard Capital Opportunity (closed, VHCOX), PowerShares Russell 2000 Pure Growth ETF (PXSG), PowerShares QQQ ETF (QQQ) and Baron Growth Retail (BGRFX). There are three new Holds: Champlain Small Company Advisor (closed, CIPSX), Royce Special Equity Investor (RYSEX) and PowerShares Russell 2000 Pure Value

ETF (PXSX). There are three new Sells this week: Bridgeway Small-Cap Value (BRSVX), Fidelity Mid Cap Stock and T. Rowe Price Dividend Growth (PRDGX).

For international stock funds, there is one new Buy this week: SPDR EURO STOXX 50 ETF (FEZ). There are three new Holds: Guggenheim Frontier Markets ETF (FRN), Third Avenue International Value Investor (TVIVX) and Matthews China Investor (MCHFX). There is one new Sell this week: WisdomTree Emerging Markets SmallCap Dividend ETF (DGS).

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 17th and it will be emailed on Thursday morning May 18th.