

# **MONEYLETTER** *hotline*

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## **Welcome to the Hotline for Wednesday, June 28, 2017**

European Central Bankers let the world know early today that markets had misinterpreted Mario Draghi's comments yesterday. While today's action indicates that investors believe global economies can absorb a moderate increase in interest rates over time, no major policy change is at hand in Europe. However, as several of the Fed's policy makers pointed out yesterday, higher valuations in the US are an indication of increased risk taking, which must be watched closely.

Today's rally reversed yesterday's loss for the US benchmark index. Since the last Hotline on June 21<sup>st</sup> the S&P 500 moved ahead by about 0.3%; the Euro STOXX 50 recovered nicely today after a tough opening, and sits 0.5% lower than last week; finally, the Nikkei 225 was virtually flat for the period.

There are no changes to your asset allocations or model portfolios this week. There was a trade recommended in the model portfolios last week. Vanguard Conservative and Vanguard Venturesome investors were instructed to Sell Vanguard Strategic Equity (ticker: VSEQX); the replacement fund for both portfolios was Vanguard U.S. Growth (VWUSX).

**New Fund Changes** – For domestic stock funds, there are four new Buys this week: Value Line Larger Companies Focused (VALLX), PowerShares Russell MidCap Pure Growth (PXMG), Baron Asset Retail (BARAX) and Janus Forty T (JACTX). There are no new Holds. There are four new Sells this week: Oakmark Fund I (OAKMX), Pin Oak Equity

(POGSX), Dodge & Cox Stock (DODGX) and Guggenheim S&P Midcap 400 Pure Value ETF (RFV).

For international stock funds, there are two new Buys this week: Oberweis China Opportunities (OBCHX) and Guinness Atkinson China & Hong Kong (ICHKX). There are four new Holds: Driehaus International Small Cap Growth (the fund is closed, DRIOX), Longleaf Partners International (LLINX), Guggenheim Frontier Markets ETF (FRN) and iShares MSCI Eurozone (EZU). There is one new Sell this week: T. Rowe Price Latin America (PRLAX).

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, July 5<sup>th</sup> and it will be emailed on Thursday morning July 6<sup>th</sup>.