

MONEYLETTER *hotline*

Welcome to the Hotline for Wednesday, July 12, 2017

US stocks rallied today as Fed chief Janet Yellen indicated the Fed would continue to tighten monetary policy cautiously. Today's Beige Book report showed continued "slight to moderate" economic growth across most of the Fed districts. With the economy still growing, unemployment very low, and labor shortages in some industries, it is puzzling why wages and prices have not boosted inflation. Fed participants are struggling with maintaining their current track with inflation stubbornly below the 2% target.

Today's action turned some of the weekly returns positive. Since the last Hotline on July 5th the S&P 500 is up 0.4%; the Euro STOXX 50 gained 1.2% (with 1.6% of that coming today); and the Nikkei 225 was 0.1% higher for the period.

There are no changes to your asset allocations or the model portfolios this week.

New Fund Changes – For domestic stock funds, there is one new Buy this week: PowerShares DWA NASDAQ Momentum ETF (ticker: DWAQ). There is one new Hold: Vanguard Meg Cap Growth ETF (MGK). There are four new Sells this week: Champlain Small Company Advisor (the fund is closed, CIPSX), First Trust Multi Cap Value AlphaDEX ETF (FAB), Heartland Value Plus I (closed, HRVIX), and PowerShares Russell 2000 Pure Value ETF (PXSX).

For international stock funds, there is one new Buy this week: WisdomTree Europe SmallCap Dividend ETF (DFE). There are no new Holds. There is one new Sell this week: Third Avenue International Value Investor (TVIVX).

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 19th and it will be emailed on Thursday morning July 20th.