

MONEYLETTER *hotline*

Welcome to the Hotline for Wednesday, August 23, 2017

US stocks retreated today – after two days of gains – as comments by President Trump sparked concerns over debt ceiling negotiations and a potential government shutdown. The market rallied strongly yesterday after Treasury Secretary Steve Mnuchin said raising the debt ceiling and advancing tax reform were administration priorities.

Overseas, IHS Markit's Purchasing Manager's Index for the 19-country eurozone bloc showed continued strength so far in August. This provides an interesting backdrop for European Central Bank President Mario Draghi's speech on Friday at Jackson Hole, Wyoming. All eyes will be watching to see if Mr. Draghi's provides any hints on ECB policy.

Since the last Hotline on August 9th the benchmark S&P 500 was off by 1.0%; the Euro STOXX 50 lost 1.3%; and the Nikkei 225 declined by 1.5%. The S&P 500 is up 9.2% Year-to-Date; the Euro STOXX 50 is up 4.5%; and the Nikkei 225 is up by 1.7% for the year.

There are no changes to the asset allocation targets or model portfolios this week.

New Fund Changes – For domestic stock funds, there is one new Buy this week: Kinetics Small Cap Opportunity No Load (ticker: KSCOX). There are no new Holds or Sells this week.

For international stock funds, there is one new Buy this week: iShares MSCI Eurozone ETF (EZU). There are no new Holds. There is one new Sell this week: Guinness Atkinson Global Innovators Investor (IWIRX).

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, August 30th and it will be emailed on Thursday morning August 31st.