

BNN MARKET CALL

eResearch Corporation is pleased to provide an excerpt from yesterday's BNN Market Call Newsletter.

It features the Market Outlook from a leading investment analyst with a commentary (see below) and a 46-minute video interview (see link [HERE](#)).

MARKET OUTLOOK

Brian Acker, CEO, president, and Chief Investment Officer at Acker Finley
Focus: North American Large Caps

We believe we are in the middle stages of a secular bull market in the U.S. dollar (now four years since I first started mentioning this on BNN). This will ignite the rates of return of all U.S. assets, including equities, real estate, etc.

According to Model Price metrics, we believe the S&P 500 has a fair value of 3,400. That is 25 per cent higher than the index is trading today. Fair value is 3,975 twelve months from Feb. 21, 2019 assuming current earnings estimates.

For a value manager like us, there are many discarded, unloved and broken-down growth story stocks to choose from. If the U.S. economy can struggle along here or even accelerate, these value names would produce great rates of return, in our opinion.

At the same time, we are in the midst of ever-increasing interest rates (that is, interest rates in the U.S. are normalizing) and that is a good thing. Even though it is 2018, this market has the feel of 1994: our last bear market in fixed income. This U.S. equity market will keep on looking over its shoulder at the U.S. Treasury market.

As interest rates make new highs, U.S. equities go into a spasm, correction, until the U.S. Treasury market settles down. Then equities will try to move higher. Wash, rinse, and repeat throughout 2018.

BLOG: <http://modelprice.wordpress.com>

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Bob Weir, CFA, Director of Research

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