BNN MARKET CALL

eResearch Corporation is pleased to provide two excerpts from Thursday's BNN Market Call Newsletters.

Set out below are the respective Market Outlook commentaries from two leading investment analysts, plus Links to their respective 45-minute video interviews.

MARKET OUTLOOK

Norman Levine, managing director of Portfolio Management Corp.
Focus: North American Large Caps

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Following sharp corrections in mid-February and again in late March, markets are trying to mount a recovery. It is too early to tell, though, if the recovery will be successful.

The difference is that market leadership appears to be changing. Stock markets appear to be moving into late-cycle mode. This bodes well for technology, transports, and commodity stocks, especially energy.

However, it is not favourable for consumer stocks, especially food, beverage, tobacco, household goods, and food retailers. These stocks historically do poorly in rising interest environments.

The renewed interest in energy stocks bodes well for the severely lagging S&P/TSX Composite, despite the efforts of various Canadian governments to make the country look like an unattractive place to invest.

VIDEO: Norm Levine 45-Minute Video Interview <CTRL-CLICK>   HERE

TWITTER: @levinepmc
WEBSITE: www.portfoliomanagement.ca

MARKET OUTLOOK

Ross Healy, chairman of Strategic Analysis Corporation;
portfolio manager at MacNicol & Associates Asset Management
Focus: North American Large Caps

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The Trump tax cut has introduced massive risks to the U.S. economy and, therefore, the stock market. In a nutshell, the U.S. economy cannot take on more dead weight in terms of unproductive debt, and pushing it to do so will prove to be grossly counter-productive. Still, things can drift along like they have been, although the stock market itself is fairly extended.

The market is bounded on the bottom by one of our technical support levels at roughly two-and-a-half times adjusted book value (2,475) and its fair market value on the top (2,900), its fundamental maximum value at this time. I would be enormously surprised if either boundary condition is broken for some time.

Two safe forecasts: the U.S. growth rate is not about to accelerate as some hope, and long-term interest rates will not rise to any appreciable degree, as many believe.

VIDEO: Ross Healey 45-Minute Video Interview <CTRL-CLICK> HERE

TWITTER: @SVAinsights
WEBSITE: Strategicanalysis.ca

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Bob Weir, CFA,   Director of Research

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