

## **BNN BLOOMBERG MARKET CALL**

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

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

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### **MARKET OUTLOOK**

Alex Ruus, Portfolio Manager at Arrow Capital Management  
Focus: North American Equities

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After some stock market volatility to start 2018, prospects for the coming year look solid. Both the U.S. and global economies are growing at their best rates since the great recession, unemployment is at its lowest level in a decade, and interest rates remain reasonable.

As a growing U.S. economy leads the global economy forward, the backdrop for the coming year is solid. The increased volatility so far this year is generating heartburn for some skittish investors, but ultimately leads to better investing opportunities for those willing to focus on buying solid leaders when the market provides the opportunities.

Security selection is likely to be increasingly important over the coming year as we see some remarkable divergences in performance from different areas of the market. In this environment, the Leaders fund will produce solid returns.

**VIDEO:** Alex Ruus 45-Minute Video Interview <CTRL-CLICK> [HERE](#)

**COMPANY TWITTER:** [@ArrowCapital](#)

**COMPANY WEBSITE:** [www.arrowcapital.com](http://www.arrowcapital.com)

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## MARKET OUTLOOK

Stephen Takacsy, President, CEO and Chief Investment Officer at Lester Asset Management  
Focus: Canadian Equities

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World stock markets continue to be complacent, trading at rich valuations despite tepid growth, which risks being derailed by anti-globalization and increasing financial risks, such as high debt levels combined with rising interest rates.

A sure sign of a near-top are the massive inflows from investors piling into ETFs, which mindlessly buy stocks irrespective of valuations or prospects, and various speculative manias such as bitcoin/cryptocurrencies, blockchain, and marijuana-related stocks trading at nonsensical levels. In addition, we are now witnessing the start of trade wars, which we warned about shortly after Trump was elected. For this reason, we continue holding larger cash balances than usual.

Nevertheless, there are attractive opportunities in the less liquid and under-followed Canadian small/mid-cap segments, the valuations of which have not been driven up by fund flows because they are not part of any ETF basket of stocks. In fact, some companies are trading near the low end of their historic valuation range despite prospects never having been better. Also, some yield stocks have pulled back to attractive levels due to rising interest rates.

**VIDEO:** Stephen Takacsy 45-Minute Video Interview <CTRL-CLICK> [HERE](#)

**WEBSITE:** [www.lesterasset.com](http://www.lesterasset.com)

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Bob Weir, CFA, Director of Research

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