BNN BLOOMBERG MARKET CALL

***e*Research Corporation** is pleased to provide two excerpts from Wednesday'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.

MARKET OUTLOOK

Don Lato, President of Padlock Investment Management
Focus: North American Equities

As trade war rhetoric has intensified, markets have reacted negatively, trimming the solid returns that had been achieved during the second quarter. Although no portfolios can be totally immune, a well-diversified portfolio that has holdings across many industries can help soften the blow while the current uncertainty dissipates. Companies negatively impacted by reduced trade and a curtailment of the global economic expansion will be hurt, but those whose business is more domestic and/or less dependent on a strong economy, should fare relatively better.

Overall market valuations continue to be reasonable. The strong reported earnings in the first quarter are expected to continue as companies begin to report second-quarter results three weeks from now. Padlock continues to be constructive over the medium- to long-term as increased reported earnings should help to limit significant further downside. Should the current volatility continue on the downside, valuations could move from "reasonable" to "attractive," with the possibility of a price-to-earnings (P/E) multiple expansion coming into play. Investors should be looking at the current market environment as one that is presenting opportunities to enter as opposed to one which suggest exiting equities.

VIDEO: Don Lato 45-Minute Video Interview **<CTRL-CLICK>** **HERE**

WEBSITE: http://padlockinvestment.com

MARKET OUTLOOK

Kash Pashootan, CEO and Chief Investment Officer at First Avenue Investment Counsel
Focus: North American Dividend Stocks and Portfolio Construction

There is a tug-of-war that is taking place depending on which day you tune in to your Twitter account and the news channels but, in the short term, we have seen Trump's team backing off.

I think that is going to be the main driver in the coming months. The markets will be focused on what these tariffs and this back-and-forth from a geopolitical perspective will mean to businesses and economies moving forward compared to the usual, which is looking more at the fundamentals.

I think the fundamentals will be secondary in the short term to what is going on out there.

VIDEO: Kash Pashootan 45-Minute Video Interview **<CTRL-CLICK>** **HERE**

TWITTER: @kashpashootan
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Bob Weir, CFA, Director of Research