

BNN BLOOMBERG MARKET CALL

eResearch Corporation is pleased to provide two excerpts from Tuesday'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

**Christine Poole, CEO and Managing Director at GlobeInvest Capital
Management
Focus: North American Large Caps**

Trade tensions are weighing on stock prices and represent a headwind for sustainable price gains. Nonetheless, both hard and soft data suggest continued strength in the U.S. economy. The housing market is improving with housing starts, home prices, and household formation rising. The employment situation is healthy, with June's report showing broad-based job gains across most industries, rising labour force participation, and contained wage gains.

U.S. corporations are optimistic with the NFIB Small Business Optimism Index at near historical highs. Manufacturing and services survey data indicate continued strengthening economic activity, consistent with a solid rebound in Q2/18 GDP growth.

Second-quarter corporate earnings reports start this week, with revenues and earnings expected to grow 8% and 20% respectively from a year ago for the S&P 500 companies. Management commentary regarding the impact of trade tariffs on their respective businesses and overall sentiment will be closely monitored.

For now, our constructive view on equities remains unchanged. But we will be vigilant for any signs the tariffs are derailing economic growth.

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VIDEO: Christine Poole 45-Minute Video Interview <CTRL-CLICK> [HERE](#)

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MARKET OUTLOOK

Barry Schwartz, Chief Investment Officer and Portfolio Manager at Baskin Wealth Management
Focus: North American Large Caps

It has been a year of lots of "concerns." North Korea, rising interest rates, rising inflation, and the possibility of an inverting yield curve have roiled the markets. The concern du jour is the talk of a trade war. No question: a prolonged trade war could have wide ranging impacts.

But it is possible that some of these fears are already priced in. For example, China's stock market is in a bear market, auto manufacturers stock prices have been pummeled, and major exporters of industrial goods, like Boeing, have seen their stock prices crater.

In the meantime, corporate profits in the U.S.A. are set to reach record levels in 2018 without a commensurate rise in stock prices. Business conditions are also conducive for strong growth.

The most recent U.S. data showed increasing auto and truck sales, rising factory orders, record levels of truck tonnage and rail car loadings, expanding manufacturing and service levels, and employment continuing to be solid. Most importantly, we believe valuations are attractive and we have been using market pull-backs, and pull-backs on individual stocks, to increase our client's equity exposure.

VIDEO: Barry Schwartz 45-Minute Video Interview <CTRL-CLICK> [HERE](#)

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Bob Weir, CFA, Director of Research

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