

## **BNN BLOOMBERG MARKET CALL**

**eResearch Corporation** is pleased to provide two excerpts from Monday'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**

**Josef Schachter, President of Schachter Energy Research Services Inc.**  
**Focus: Energy and Energy Service Stocks**

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I remain cautious on the energy market for the near term as it is likely that a general stock market correction is underway. The momentum and FAANG stocks are now showing deterioration after leading the stock market for years.

The Trump trade war is escalating, which will be the issue that moves investors from bullish to bearish. We expect crude oil to fall below US\$70 per barrel shortly. If the trade battle and stock market decline are significant (a 15% to 20% plunge), crude prices could fall below US\$60 for WTI in the coming months.

Downside for the S&P/TSX Energy Index is below 160 points (it is now around 210). Hold cash for a great buying opportunity in Q4/18 – maybe late October.

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

**WEBITE:** [www.schachterenergyreport.ca](http://www.schachterenergyreport.ca)

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## MARKET OUTLOOK

**Michael Sprung, President of Sprung Investment Management**  
**Focus: Canadian Large Caps**

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Until recently, markets shrugged off political and geopolitical developments. However, investors were shaken in the latter part of the second quarter as tensions intensified regarding global trade in reaction to a series of tariffs and counter-tariffs that were enacted.

Global stock market volatility increased as investors exited positions in June and markets lost some of the gains that had been achieved earlier.

It is becoming increasingly apparent that the U.S.A. is no longer going to accept what it views as asymmetrical trade and military alliances as the status quo. This state of affairs has enormous implications for the U.S.A. and its trading partners. Corporate profits would be severely impacted by a prolonged trade war. In this environment, we would advise caution. Value rather than momentum will become more important in stock selection as investors seek to minimize risk on the downside. Investors should continue to seek well-financed, well-managed companies that are selling at attractive price levels.

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

**TWITTER:** @Sprunginvest

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Bob Weir, CFA, Director of Research

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