

## **BNN BLOOMBERG MARKET CALL**

**eResearch 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.

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### **MARKET OUTLOOK**

**Jeff Parent, Chief Investment Officer at Castlemoore Inc.**  
**Focus: Technical Analysis**

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Earnings volatility is abating. Not all earnings were positive, but the indexes continue to push towards their tops. A profit-taking pull-back is a possibility here.

Short-term support needs to be held or this may develop into a double top reversal with significant downside. This support is at 16,050 on the TSX and 2,780 on the S&P500.

With Canada's overweight exposure to natural resources, we may see hesitation to move higher as many of larger caps in this area are struggling (materials) or stalling (energies).

In the U.S., techs are disproportionately in the headlines, but many large-cap names are doing quite well, like pharma and global banks, and present many opportunities.

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

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

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## MARKET OUTLOOK

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

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While there is a lot of rhetoric and noise in the news, our focus is on the underlying fundamentals: the global economy is growing and corporate profits are rising. Corporate stock repurchases and dividend increases are also tailwinds for stocks.

The longevity of the current U.S. business cycle, now entering its 128th month, can be attributed to the severity of the 2008 financial crisis and the sluggish recovery that followed. Economic cycle indicators are still supportive for growth over the foreseeable future.

The fundamental backdrop for corporations and consumers remains healthy. U.S. corporations are reporting improving earnings attributable to both tax reform and healthy top-line revenue growth. Consumer confidence is high, reflecting a healthy labour market, rising wages, and rising home prices.

So far, Q2/18 profit growth for the S&P 500 companies are coming in better than the consensus expectations of revenues and earnings per share (EPS) growth of 8 per cent and 20 per cent year-over-year, respectively.

EPS growth is expected to remain in the high teens for the balance of the year and 10% in 2019, providing fundamental support for stock prices. For the TSX, EPS is expected to be up 16% in 2018 and 12% in 2019.

The impact of tariffs and trade wars on the global economy will be closely monitored for signs of potentially derailing the recovery.

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

**TWITTER:** [@christine\\_globe](#)

**WEBSITE:** [www.globe-invest.com](http://www.globe-invest.com)

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Bob Weir, CFA, Director of Research

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