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

Norman Levine, Managing Director at Portfolio Management Corp.
Focus: North American Large Caps

We have been in a bull market and economic recovery for over nine years. Needless to say, we are closer to the end of both than to the beginning. That said, history shows a few things.

First, economic expansions and bull markets generally go longer and higher than most people expect and the gains made late in the cycle can be significant, but they come with increased risk.

Second, lots of things cause expansions and markets to end, including interest rates and external shocks. Overvaluation of stocks is rarely the reason. Most times, though, it is something that comes out of the blue.

Third, nobody knows when and why until it actually happens, so take with a big grain of salt the opinions of those who claim to know.

Fourth, it is prudent late in the cycle to give up some of the market gains in order to protect your capital. Over the next few months, we will be gradually increasing our cash as this bull gets even longer in the tooth.

VIDEO: Norman Levine 45-Minute Video Interview **<CTRL-CLICK>** HERE

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MARKET OUTLOOK

Jaime Carrasco, Portfolio Manager at Canaccord Genuity
Focus: North American Equities

Why own precious metals anymore?

The fact that 80% of the long-term performance of a portfolio is dependent on proper asset allocation is the most important lesson I have learned throughout my career. The first time I saw Canadian investors neglect this important fact was from 1998 to 1999, when they failed to consider the benefits of value-based investments such as those offered by Warren Buffett. Instead, they overloaded on the benefits of growth-based investments, such as those offered by the likes of Nortel, leading to massive losses once growth turned in 2000.

Today, that same mistake is re-occurring as investors neglect participation in the precious metals sector, for which asset allocation rules recommend that at least a 5% allocation be held during "normal times." Meanwhile, the fundamental factors of this sector keep getting stronger, something that Canaccord Genuity Research has fully recognized in its latest report, A Golden Opportunity - Technicals, Macro, and Fundamentals Aligning on Gold. Furthermore, these are not "normal times."

What concerns me is that neglecting this sector will be a very expensive lesson for investors. The precious metals sector is the best hedge for geopolitical instability, monetary instability, financial instability, and political instability. While all those continue increasing, the participation in the sector is nowhere to be seen, leaving behind an awesome opportunity for the savvy investor, as eventually the tide will turn and investors will come running back.

Canaccord Genuity Research's latest report pointed out the fact that the sector is offering investors a very low-risk entry point, reflecting the fact that investors interest is currently non-existent while its inherent benefits are glowing.

Going forward, I expect greater monetary instability as global currency devaluations accelerate and lead to rising inflation and higher cost of living, conditions that can only result in higher interest rates and further political instability. Call me contrarian, but I continue to recommend at least a 15% allocation in the best hedge for all these negative factors.

I manage three segregated portfolios designed to help our clients with their cash management needs, capital growth, and dividend income generation. Portfolios are tailored to meet each client's risk/return profile based on their individual investment needs and are not suitable for everyone.

The Special Opportunities Portfolio is designed as a stand-alone solution for those looking to get participation in the precious metals market, a sector long forgotten by most investment advisors.

The Equity Income Portfolio is designed for growth and income through a "top-down" industry-specific approach.

The Cash Management Portfolio is designed for short-term money management needs. All portfolios require a minimal investment account size of $300,000.

My views can best be followed through my LinkedIn page.

VIDEO: Jaime Carrasco 45-Minute Video Interview **<CTRL-CLICK>** **HERE**

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