

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.

MARKET OUTLOOK

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

The last time I was on Market Call I was still in the bear camp on crude oil, but bullish on natural gas. Since then, our three checklist items to turn overall bullish on both oil and natural gas have occurred:

We wanted to see WTI below US\$60 per barrel (US\$75 on October 9, when I was on last). Done.

We wanted to see the S&P/TSX Energy Index below 160 (it was 193 on October 9). Done.

We wanted to see the S&P Energy Bullish Percentage Index fall below 10 per cent (it was over 75 per cent bullish on October 9). Done.

The current cathartic tax-loss liquidation is the final phase of this brief bear market and we see this ending over the next two to three weeks. Thereafter, a new energy bull market that could last over five years should start. Natural gas will be the best-performing commodity at first. That is clearly being seen by the sharp rise in NYMEX natural gas, as low inventories and colder winter weather affect demand. The more bearish the rhetoric, the more we like what we see.

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

TWITTER: [@josefschachter](#)

WEBSITE: www.schachterenergyreport.ca

MARKET OUTLOOK

Colin Stewart, CEO and Portfolio Manager at JC Clark Limited
Focus: North American Large Caps

Continued trade concerns between the U.S.A. and China, and the upward movement in interest rates (which typically puts downward pressure on price-to-earnings ratios) appear to be the main culprits for the recent sell-off. While it is unclear if the recent volatility is the beginning of the next bear market or a more normal correction in the context of a rising market (of which we suspect the latter), we continue to believe that we are in the late stages of this economic and market cycle. Economic data and corporate earnings are generally strong, but interest rates are rising, global liquidity is contracting, and valuation multiples are unlikely to expand. These late cycle characteristics suggest that risks are elevated and a more defensive posture is warranted.

VIDEO: Colin Stewart's 45-Minute Video Interview <CTRL-CLICK> [HERE](#)

WEBSITE: <http://www.jcclark.com/>

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Bob Weir, CFA, Director of Research

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