

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.

MARKET OUTLOOK

Gordon Reid, President and CEO of Goodreid Investment Counsel

Focus: U.S. Equities

The correction we have been going through seems to be in its final stages as individual stocks show signs of extreme oversold conditions.

That said, at Goodreid, we believe times are changing.

The strong economic conditions are forcing the hand of central bankers but the Fed may well react to slowing economic indicators and low inflation by slowing interest rate increases. Markets would react favourably and the economic cycle could be extended further than is now built into most models.

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

WEBSITE: goodreid.com

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MARKET OUTLOOK

Greg Newman, Director and Portfolio Manager at Scotia Wealth Management

Focus: North American Dividend Stocks and Protection Strategies

Well, it certainly feels like a bear market. Rallies were sold, endless volatility, crude oil has plummeted, and buyers seem to be on strike. As well, many stocks are trading at ridiculously low valuations suggesting that earnings are about to drop.

While there is no shortage of what investors can worry about (rising rates, tariffs, economic and earnings slowdown, Brexit, Trump, and yield curve inversion) there is still no recession on the horizon.

Historically when markets correct to this magnitude when there is no recession it has always been better to buy than sell.

So, is this time different?

Maybe a recession is around the corner and this is the market sniffing it out. Perhaps the market is pricing in high corporate debt that needs to roll over for the next few years. Or, these are the effects of the quantitative tightening, draining liquidity where a lower tide lowers all boats.

Since quantitative tightening and easing has never happened before it is understandable that we do not know all of the implications.

As such, continue selling the rallies if you are over-weight equity in your strategic allocation. If you are under-weight, then use the weakness to pick away.

Either way owning dividend stocks are going to help cushion your portfolio by paying you to wait.

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

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