

## **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**

**John Hood, President & Portfolio Manager at J.C. Hood Investment Counsel**

**Focus: Options and ETFs**

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Whenever there has been volatility, particularly after a sharp correction like in December, it underlines the importance of having a strategy to deal with it. This begins broadly with asset allocation, such as what percentage of equities versus bonds do I hold in the portfolio. You would be surprised to learn how many investors have no "seatbelt", which is no or inadequate bond portfolios.

I send my clients a monthly newsletter advising them on what I believe is happening in the market and, for early December, describing how this market appeared to be a normal correction of 10 to 12 per cent with the S&P 500 down around 2600 to 2650. Well, that level was breached down to about 2350 and is now up to at around 2500.

I sent clients a follow-up newsletter last week describing what I was going to do in response, which was to rebalance their portfolios. Beginning December 21 and again at the opening on Boxing Day, I added the [Vanguard Value Index Fund ETF](#) (\$91.78), a value oriented ETF in USD to portfolios and the [Energy Select Sector SPDR](#) (\$53.93).

The purpose of rebalancing and buying at lower prices is that portfolios will recover faster. If the market continues to slide, I will continue to cautiously rebalance but unless you have a predetermined strategy, investors will flounder.

**VIDEO:** John Hood's 45-Minute Video Interview <CTRL-CLICK> [HERE](#)

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## MARKET OUTLOOK

**Bruce Campbell, Chairman and Portfolio Manager at Campbell, Lee & Ross**

**Focus: Canadian Large Caps**

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Markets late in the year took a nasty downturn. December was the fourth worst month since 1900 in New York. Equities are trying to adjust to slower growth forecasts for the global economy in 2019. Markets hate uncertainty, and issues around China, trade, tariffs, economic slowing, and government shutdowns add to the worry.

As long as there is not a recession soon (and we believe that is not quite likely yet), then we have likely over-adjusted. Price-to-earnings (P/E) ratios are now below the long-term averages and, since almost every asset class and every sector declined, there are good values to be had. Holding above-average cash and having defensive holdings are the way to go for a while. New purchases can be averaged into the market over the next few months; there is no rush.

**VIDEO:** Bruce Campbell's 45-Minute Video Interview <CTRL-CLICK> [HERE](#)

**TWITTER:** [@campbellleeross](#)

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