BNN BLOOMBERG MARKET CALL

***e*Research Corporation** is pleased to provide two excerpts from Thursday'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

Rob Lauzon, Deputy Chief Investor Officer at Middlefield Capital Corporation

Focus: Global Equities

2018 ended on a very negative note, marked by extreme volatility and a 9.2% decline in the S&P 500 over the month. In fact, the index's monthly performance was the worst since 1931. Equities have since rebounded off dovish comments from the Federal Reserve in addition to a positive start to Q4 earnings season.

The rebound in the S&P 500 so far this year will give a boost to the index of leading economic indicators, which should help alleviate near-term recession worries. The market bounce will also help consumer sentiment over the next month assuming that there is not another government shutdown in the offing. We also expect that an amicable resolution in the U.S.-China trade talks will boost stock prices and consumer confidence.

Also helping to boost sentiment is yesterday's decision by the FOMC to pause rate hikes. Yesterday's statement signaled a more cautious and patient approach going forward in addition to more flexibility towards paring the Fed's balance sheet. If rates stay on pause while earnings meet expectations for the year, we think the S&P 500 can attempt a rally towards 3,000 by year-end.

Despite trade war headlines and uncertainty surrounding Brexit, we do not foresee a global recession in 2019. As for oil, prices have recently stabilized after selling off precipitously through the final months of the year.

Not all stocks are cheap, but we are finding pockets of value in North America and elsewhere. In terms of themes, we remain focused on innovation across sectors such as technology, healthcare, and real estate.

VIDEO: Rob Lauzon's 45-Minute Video Interview **<CTRL-CLICK>** **HERE**

WEBSITE: www.middlefield.com

MARKET OUTLOOK

Lorne Steinberg, President of Lorne Steinberg Wealth Management

Focus: Global Value Stocks and High-Yield Bonds

Volatile markets can cause investors to focus too much on daily price movements instead of on fundamentals. The reality is that global interest rates are rising, economic growth is decelerating, and all of this will eventually have some impact on corporate profits.

The issue is not if there will be a recession, but when. Regardless of timing, the companies that should out-perform in this environment are those which are financially strong, can generate increasing earnings and, most importantly, are trading at attractive valuations.

VIDEO: Lorne Steinberg's 45-Minute Video Interview **<CTRL-CLICK>** **HERE**

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