

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

Hap Sneddon, Chief Portfolio Manager and Founder at Castlemoore Inc.

Focus: Technical analysis

Our technical forecast continues to show that the strongest parts of the investment landscape since the December 24 low are pro-growth sectors. These include base metals, energy, industrials, technology, and financials.

Brazil, South Korea, China, and Canada represent indexes showing the same cyclical strength, but on a country basis. Seasonality also favours a pro-growth portfolio posture at present.

Fundamentals are a bit of a mixed bag in supporting an economic picture that matches both the technical and seasonals, however. Housing and inventories have been soft, lowered corporate earnings estimates of late have set the stage for positive surprises, and inflation and employment are bullish. A positive resolution to U.S.-China trade friction before the "hard" March 1 deadline would be very supportive of the market structure since those market lows.

As we process the gains since the end of the year, still the two most important factors determining liquidity and thus market direction are the U.S. dollar and the Fed.

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

WEBSITE: www.castlemoore.com

PERSONAL TWITTER: [@Hap_Sneddon](#)

COMPANY TWITTER: [@CastleMoore](#)

MARKET OUTLOOK

John O'Connell, Chairman and CEO of Davis Rea

Focus: North American Large Caps

After a tumultuous end to the year, the market has stormed back in January. We thought the sell-off was overdone at the time and the market has subsequently recovered some of the losses experienced in 2018.

The market is adjusting to a new normal of slowing economic growth and earnings estimates are in the process of coming down as the reality of the macro environment shows up in company reports and forward guidance. Having said that, valuations are looking more attractive.

As dovish commentary from the chairman of the U.S. Federal Reserve has provided a lift to markets, we think there is an opportunity for the market to check back and give up some of the gains experienced. However, there are some issues that remain unsolved: A trade deal is yet to be finalized with China and, although temporarily fixed, the U.S. government is still at risk of shutting down again.

Despite the recent rally in markets, we remain somewhat cautious and are holding on to cash to redeploy if and when things retrace.

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

WEBSITE: www.davisrea.com

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