

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

Cameron Hurst, Chief Investment Officer at Equium Capital Management

Focus: U.S. Equities

Acknowledging the inconvenient reality that bounces are the most difficult markets to call, Equium Capital's investment process relies upon a conservative approach of waiting for technical confirmation before adding exposure.

The firm's primary goal is capital preservation, which is most poorly served by buying dips. For example, the fourth quarter was littered with examples of buyers stepping in on a valuation argument only to suffer mightily under continued selling pressure.

Unfortunately for retail and institutional investors alike, the fourth quarter sell-off was the inevitable manifestation of accumulating excesses and unsustainable bullish sentiment resulting from a long bull market run. In other words, it was very emotional.

Indeed, it was not until the historically significant Christmas Eve sell-off that the market found its footing. Immediately following that decline, the advance/decline volume ratio made a multi-year high and put/call ratios finally spiked, all while short-term oscillators were at rock bottom oversold levels.

Pairing this technical confirmation with a fundamental outlook which supported higher valuations, our process added significant equity exposure back into portfolios before the start of 2019.

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From here, the bulls will note supportive conditional indicators, such as:

1. Coincident corporate spread tightening;
2. Improved U.S. financial conditions indexes;
3. An expansion in equity breadth, though not jaw-dropping in magnitude; and
- 4 Sustained improvement in semis' relative strength, which put in a double bottom back in October/November.

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

WEBSITE: equiumcapital.com

MARKET OUTLOOK

Gordon Reid, President and CEO of Goodreid Investment Counsel

Focus: U.S. Equities

While Goodreid believed the fourth quarter correction was overdone, we were not prepared for the dramatic snap-back that we witnessed in January. Partly technical, but also spurred by a reversal in approach by the U.S. Federal Reserve, January's market performance was the strongest since 1987. This year could well see a more tepid economic and corporate performance but, in a reversal from 2018, market performance may surprise to the upside.

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

WEBSITE: goodreid.com

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Bob Weir, CFA - Contributing Analyst

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