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

David Burrows, President and Chief Investment Strategist at Barometer Capital Management
Focus: North American Markets

"[2018] was a very challenging year for a lot of people because every year there is some kind of sell-off — some bigger than others —,but there is only one other year in 50 years where you had two sell-offs in one year like we did ... and that was in 1994 [during] a mid-cycle slowdown and a bull market correction and, despite being incredibly frustrating, the following year was up 38% ... I think last year was much like that same type of event."

VIDEO: David Burrows's 45-Minute Video Interview **<CTRL-CLICK>** [HERE]

WEBSITE: barometercapital.ca

TWITTER: @BarometerCap

<continued>

MARKET OUTLOOK

Terry Shaunessy, President/Portfolio Manager at Shaunessy Investment Counsel
Focus: ETFs

Focus on asset classes: Asset allocation rather than single security investing is the key to rising above the daily gibberish from financial pundits and the media. The biggest risk in the current environment still is being out of risk assets because of volatility. Basic, inexpensive ETFs are perfect vehicles to accomplish this goal.

Maintain maximum equity exposure: Volatility, while uncomfortable, is no reason to abandon a healthy allocation to stocks if you use index-tracking ETFs. In the wake of 2018's correction, major equity indexes offer compelling value at current forward price-to-earnings ratios and dividend yields when compared to returns on cash and government bonds.

Attractive entry points outside U.S. equities: Uncertainty prompted indiscriminate selling of Canadian, European, and large-cap Asian equities in 2018. This has resulted in an attractive entry point. We believe non-U.S. equity indexes will out-perform the S&P 500 considerably over the next 12 months and that the U.S. dollar index will peak, which could lift non-energy commodity prices.

Shift from narrow to broader market leadership: Over the past two years, the U.S. technology sector has accounted for most of the rise in equity index values. We expect a more broadly-based rise in global equity markets to support our bullish position on international stocks in 2019. Consider equal weight index ETFs for maximum breadth.

Focus on your investment time horizon: Experiencing negative annual investment returns is not pleasant but is quite rare for balanced portfolios. Remember that a minimum investment horizon should be three to five years. Periods following market turbulence generally initiate new investment cycles that are best captured through portfolio rebalancing.

VIDEO: Terry Shaunessy's 45-Minute Video Interview **<CTRL-CLICK>** **HERE**

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