

## **BNN BLOOMBERG MARKET CALL**

**eResearch Corporation** is pleased to provide two excerpts from Tuesday'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**

**Brian Madden, Senior Vice President and Portfolio Manager at Goodreid Investment Counsel**

**Focus: Canadian Equities**

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The Canadian stock market has recovered mightily, with a 16% bounce off of the Christmas Eve low point with substantially all stocks participating in the rally (222 of 238 index constituents are up over that time-frame).

The character of the rally has been very much "risk on", with the strongest gains, approaching 100% in some cases, occurring in the marijuana sector, followed closely by the gold mining group and the mining sector in general.

It remains to be seen whether this rally is being driven by improved prospects for an economic soft landing, which we acknowledge has increased in likelihood following the dovish change in tone at the Federal Reserve in January, or simply by FOMO (fear of missing out) as investors scramble to re-risk portfolios after evacuating the stock market in droves in Q4 2018. Analysts are calling for TSX earnings to grow 17% in 2019 vs. last year, although those growth forecasts have been pared back dramatically since the start of the year when growth forecasts stood at 24%. Growth forecasts are also very back-end loaded, with difficult year-over-year growth comparisons in Q1 and Q2 of this year. In our view, the best way to navigate this shifting, but still uncertain, economic environment remains via the ownership of a predominantly "best of breed" portfolio of stocks with representation across sectors and comprising a sensible, but not static, mix of cyclicals, secular growth stocks, and defensive income plays.

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

**WEBSITE:** [goodreid.com](http://goodreid.com)

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## MARKET OUTLOOK

**Jamie Murray, Head of Research at the Murray Wealth Group**

**Focus: North American Equities**

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Equity markets have rebounded strongly from their lows in December and many market indicators have returned to levels that accommodate further gains. Interest rates have declined sharply and the Federal Reserve is moving to pause its rate hike cycle, commodity prices are low, and inflation is non-existent. The volatility index has declined back into the mid-teens, which indicates normal expectations of volatility going forward. Earnings estimates have fallen in coincident with the fourth quarter sell-off and conservative company guidance is setting the stage for earnings to beat expectations. We remain bullish on the prospects for U.S. equities.

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

**WEBSITE:** [murraywealthgroup.com](http://murraywealthgroup.com)

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Bob Weir, CFA  
Contributing Analyst

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