

## **BNN BLOOMBERG MARKET CALL**

**DISCLOSURE:** *The contents of these market commentaries and video interviews were compiled by **BNN Bloomberg**, and were put into this report format, and published and distributed by **eResearch Corporation**.*

**eResearch 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**

**Gordon Reid, President and CEO of Goodreid Investment Counsel**

**Focus: U.S. Equities**

---

While Goodreid believes that the fourth quarter correction was overdone, we are somewhat surprised by the dramatic snapback that we have witnessed in the first quarter of 2019. The rally has been largely spurred by a reversal in approach by the U.S. Federal Reserve. This year could well see a more tepid economic and corporate performance, but in a reversal from 2018 markets may surprise to the upside.

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

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

<continued>

---

## MARKET OUTLOOK

**David Driscoll, President and CEO of Liberty International Investment Management**

**Focus: Global Equities**

---

Corporations currently have a problem: They have massive amounts of debt to repay after acquisitions, limiting the amount of money they can allocate to share buybacks and dividend increases. These buybacks have been the reason the stock market has risen as much as it has. According to data from Goldman Sachs, net purchases from companies totaled \$1.6 trillion during the past three years while investors from pensions to mutual funds to individuals were sellers.

At \$17.6 billion, corporate buybacks so far in 2019 are 18 times as much as the total buying from hedge funds, the only other client group that is bullish on stocks. Charlie McElligott at Nomura cautioned investors to watch out for a market decline after the S&P 500's 20 per cent rally from its December low. The next month is "the window for the U.S. equities pullback as supply/demand would shift," McElligott wrote in a note. Other catalysts include quarter-end selling due to pension fund rebalancing and a pick-up in Federal Reserve balance sheet run-off in the final two weeks of this month, he said.

Finally, of the companies listed in the S&P, the average dividend increase in 2018 was 11 per cent. This year, it has been averaging 7 per cent, the historical norm but significantly lower than a year ago when companies began to pay lower corporate taxes.

For investors, it is important to pay attention to portfolio structure through proper diversification by avoiding correlation risk in equity holdings, concentration risk of any one stock, and holding enough cash to take advantage of any market corrections that may come our way.

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

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

#####

## **BNN.CA**

To access the BNN Home Page, <CTRL-CLICK> here: [BNN](#)

To go to BNN Market Call Afternoon, <CTRL-CLICK> here: [Market-Call-Afternoon](#)

To go to BNN Market Call Tonight, <CTRL-CLICK> here: [Market-Call-Tonight](#)

BNN's Morning Newsletter and evening Market Call Newsletter can be delivered to your inbox by going to <CTRL-CLICK> here: [www.bnn.ca/subscribe](http://www.bnn.ca/subscribe).

---

## **eResearch Corporation**

**eResearch** was established in 2000 as Canada's first equity issuer-sponsored research organization. As a primary source for professional investment research, our Subscribers (*subscription is free!!!*) benefit by having written research on a variety of small- and mid-cap, under-covered companies. We also provide unsponsored research reports on middle and larger-sized companies, using a combination of fundamental and technical analysis. We complement our corporate research coverage with a diversified selection of informative, insightful, and thought-provoking research publications from a wide variety of investment professionals. We provide our professional investment research and analysis directly to our extensive subscriber network of discerning investors, and electronically through our website: [www.eResearch.ca](http://www.eResearch.ca).

Bob Weir, CFA: Contributing Analyst

**Note:** All of the comments, views, opinions, suggestions, recommendations, etc., contained in this Article, and which is distributed by eResearch Corporation, are strictly those of the Authors and do not necessarily reflect those of eResearch Corporation.