

BNN BLOOMBERG MARKET CALL

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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.

MARKET OUTLOOK

Chris Stuchberry, Portfolio Manager at Wellington-Altus Private Wealth

Focus: North American Large Caps and Global ADRs

In the simplest of terms, two wrongs make a right. The market's December plunge was not warranted in our view and the instantaneous bounce-back straight up was also abnormal. Nevertheless, here we are back to within 5% of the record highs, and the sentiment for 2019 is actually much more negative than during the same time last year. All the positives in 2018 are still here, tax reform has made corporations much more profitable, the unemployment rate is at record lows, and the consumer remains strong.

Interest rates were increased four times last year to give us a bit of room in the event of a recession and the new policy is to hold steady on interest rates and not increase. In our view, this is the single most important market event. Keeping interest rates low is actually beneficial to stocks, creating a real TINA (there is no alternative) situation that generally pushes them higher as the most likely asset class to earn a higher return. By keeping interest rates lower for longer, the Federal Reserve has effectively done its best to prevent downside in the stock market. This is a positive thing short-term but, over the long-term, it produces more risks.

VIDEO: Chris Stuchberrys' 45-Minute Video Interview <CTRL-CLICK> [HERE](#)

WEBSITE: stuchberrygroup.ca

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MARKET OUTLOOK

John Hood, President and Portfolio Manager at J.C. Hood Investment Counsel

Focus: Options and ETFs

I remain bullish on the U.S. economy. The inverted yield curve scare has been diluted and bond yields are up a bit, U.S. markets have had their best quarter in 10 years following the December plunge, there are lower inflation expectations, the S&P 500 is at 2,860 (just off the October highs of 2,930), the Fed seems unlikely to hike rates more than once this year, trade talks with China are progressing ... What is not to like?

Canada will no doubt be helped along by the still-strong U.S. economy, but obviously energy policy is a dead duck and investors are heading elsewhere.

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

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