

BNN BLOOMBERG MARKET CALL

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eResearch Corporation is pleased to provide two excerpts from Monday'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

Rick Stuchberry, Portfolio Manager at Wellington-Altus Private Wealth

Focus: Canadian large-Caps and International ADRs

We think the market is likely to go sideways through the summer and consolidate the gains in place. The secular market trend remains strong and we should see the market continue higher over time. As there are few financial investment alternatives to stocks, the market has been in melt-up mode to start the year.

Earnings have come in line with expectations; company balance sheets continue to look good, the consumer south of the border has low leverage and generally things look good for the longer term. U.S. unemployment is at a 50-year low at 3.6 per cent and even at this point in a hot economy the country just added over 250,000 jobs last month.

In our view, the single most important market event is the Fed keeping interest rates low. This is actually beneficial to stocks. It creates a real TINA (there is no alternative) situation that generally pushes stocks 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 in the short term but, over the longer term, it will be hard to take away.

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

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MARKET OUTLOOK

Hap Sneddon, Chief Portfolio Manager and Founder of CastleMoore

Focus: Technical Analysis

“Sell in May and go away” is an adage that does not really add up. Sure, the indexes can tread water or decline from May through to October, but there are many areas that perform quite well against the averages.

Typically, defensive areas such as health care, consumer staples, utilities, and REITs are strong during this period, but also many pro-growth or cyclical industries such as energy, technology, agriculture, and materials also show historical strength.

Fundamentally, the economic data in the U.S.A. is quite decent, the U.S. Fed has removed the upward rate bias for now on the level of the discount rate, and earnings expectations are rising. Weakness now is more political than anything according to the price and data trends. An allocation today favours pro-growth with a dash of undervalued defensives, as our top picks show.

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

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