

**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.

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**MARKET OUTLOOK**

**Chris Stuchberry, Portfolio Manager at Wellington-Altus Private Wealth  
Focus: North American Large Caps and ADRs**

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In the short term, the market has had a good June rally to make up for the difficult May.

Currently, we are slightly overbought. We expect a sideways to slightly positive summer. We believe Q2 earnings season will be good, but guidance declines have occurred that could be painful for individual equities.

Longer term, we think the risk remains to the upside. The Fed is virtually certain to cut interest rates, and in doing so, it will stimulate an already strong economy and stock market. As interest rates decline, stocks generally go up; that tailwind could help give us a positive summer in the markets.

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

**TWITTER:** [@stuchberrygroup](#)

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## MARKET OUTLOOK

**Mike Philbrick, President of ReSolve Asset Management**

**Focus: ETFs**

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I have noted previously that there should be an emphasis on return “of” capital rather than return “on” capital. Make sure your risk is right. Closer to the end of market cycles, investors’ risk appetites begin to expand; they increase equity exposures and reach for yield via credit in their bond portfolios, making them more equity-like. This leaves portfolios exposed to larger downside fluctuations during growth shocks.

It has been amazing how defensive the recent gains in the S&P 500 have felt, with low volatility in particular chalking up a market-beating performance over the past 12 months. Comparisons between larger and smaller U.S. stock performances present a similarly contrary picture, with the large-cap benchmark’s 9-per-cent return over the last 12 months exceeding mid-caps by 11 per cent and micro-caps by a whopping 22 per cent. These internals are suggesting there may be more to worry about than the headline large-cap indexes are suggesting. That is, new highs are only occurring in large-cap and defensive sectors in equities and bonds.

**VIDEO:** Mike Philbrick’s 45-Minute Video Interview <CTRL-CLICK> [HERE](#)

**COMPANY TWITTER:** [@investresolve](#)

**PERSONAL TWITTER:** [@MikePhilbrick99](#)

**WEBSITE:** [www.investresolve.com](#)

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Bob Weir, CFA: Contributing Analyst

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