

Comparing Canadian REITs to U.S. REITs

eResearch Corporation is pleased to provide an article by Keith Richards of **VALUETREND**.

In this article, Mr. Richards examines the indexes for the Canadian and the U.S. REIT sector. Both indexes are testing resistance, but still look relatively strong technically. However, the Author cautions that there may not be much growth potential in either.

The article is reproduced below, beginning on the next page, or you can go directly to it at the following link: <https://www.valuetrend.ca/comparing-canadian-reits-to-us-reits/>

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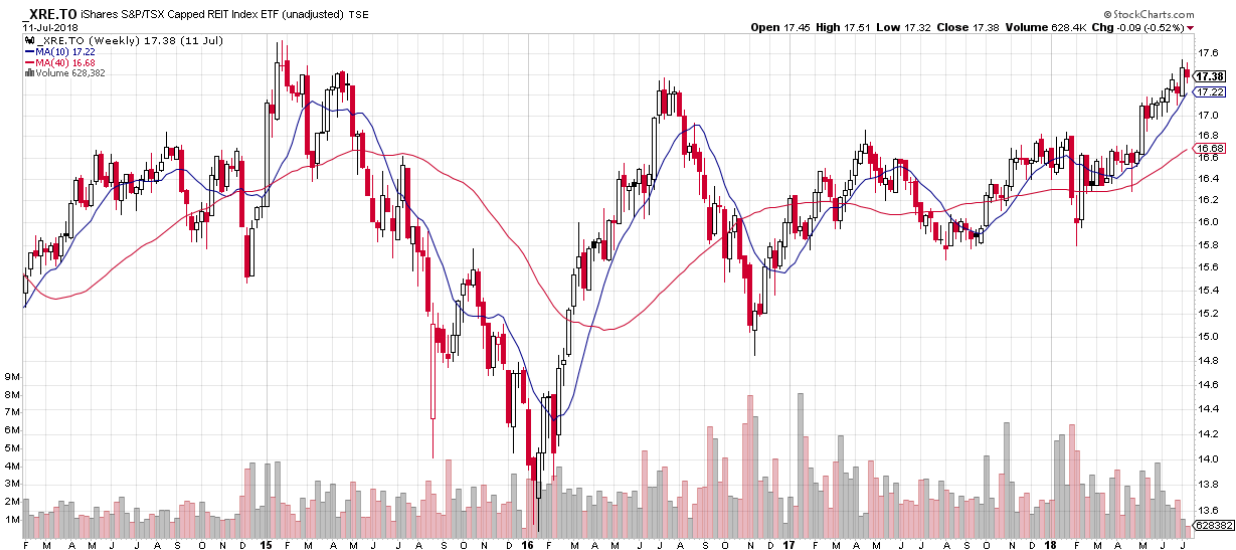
Comparing Canadian REITs to U.S. REITs

By: Keith Richards (bio at end)

Technically, the Canadian REIT scene is in pretty decent shape.

The iShares REIT ETF (XRE-T) seems to be happily moving up in a nice up-trend. It is following my key trending rules of making higher highs and higher lows on the weekly chart. That, and it is above its 200-day SMA. However, the sector is coming into an area of long-time overhead resistance at around the mid \$17.50-ish . Note that I opted NOT to use the cumulative dividend chart – this is a straight price chart. A dividend-inclusive chart changes the outlook to being through its technical resistance. Its price has not broken resistance. Higher dividend stocks should usually be approached with the non-dividend option if you use stockcharts.com.

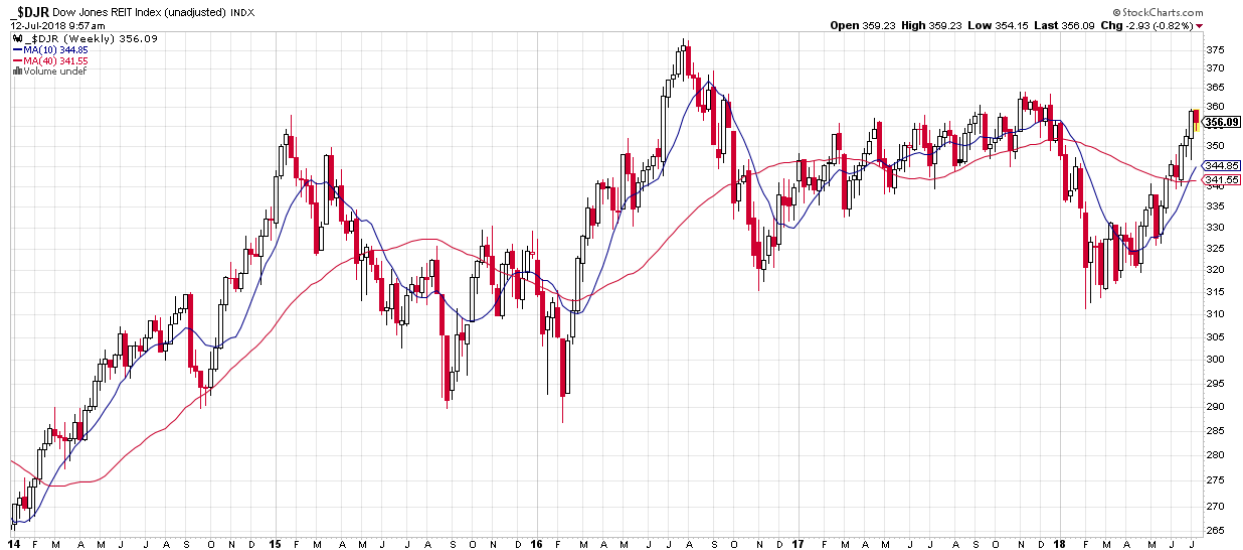
Anyhow, Canadian REITs may be a good place to look if you are after a higher-yielding security – but I am wary of the upside potential from here due to that overhead selling pressure potential.



<continued>

The Dow REIT sector index that represents the U.S. REITs has also been in an up-trend. However, it too is facing significant technical resistance at a level that has not been broken for some time.

The chart below shows us that the DJR index was in a minor up-trend last year, but failed to significantly break through the mid 300's level. The index is currently about to test its 2017 high of 360, and then 375. It will be interesting to see if it can successfully break either of those levels.



Canadian or U.S. REITs?

For my money, I would say both look okay, but I would not be expecting much growth potential on either play.

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ABOUT THE AUTHOR



ValueTrend Founder and Owner, Keith Richards, has been in the securities industry since 1990. ValueTrend manages over \$100 million through a discretionary investment service for high-net-worth clients.

Keith Richards has been in the securities industry since 1990 and is a highly regarded member of the small, exclusive community of Chartered Market Technicians in Canada. Mr. Richard's articles appear regularly in INVESTORS DIGEST, MONEYLETTER, GLOBE AND MAIL, and the TORONTO STAR newspapers.

His appearances on BNN Television have inspired producers to acknowledge him as **“one of [our] most accurate technical analysts.”** Mr. Richard's first book, SMARTBOUNCE: 3 ACTION STEPS TO PORTFOLIO RECOVERY, is available in bookstores and directly through his blog page www.valuetrend.ca/blog/. His second book, SIDEWAYS: USING THE POWER OF TECHNICAL ANALYSIS TO PROFIT IN UNCERTAIN TIMES was released in late 2011. He has been critical of the commission-based, follow-the-pack approach to investing – where brokers succeed regardless of performance.

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