

## **BNN BLOOMBERG MARKET CALL**

**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**

**Joshua Varghese, Portfolio Manager at Signature Global Asset Management, CI Investments  
Focus: REITs**

---

The REIT markets have held up relatively well in the past two months of general market volatility.

Many equity markets have been down 6 to 8 per cent or more since the beginning of October, REITs have provided good diversification benefits with the Canadian REIT index flat, the U.S. REIT index up around 1.6% and the World Real Estate Index up around 1.2% over the same period.

REITs and real estate companies are generally in a very sound fundamental position as many landlords continue to see cash flow growth. However, we can no longer count on the global QE wave that propped up real estate valuations for many years. We believe higher interest rates and higher credit spreads will cause the REITs with lower leverage to have the upper hand in rent negotiations among tenants.

Broadly speaking REITs are fairly valued; however, we are seeing pockets of very good opportunity where we have been putting money to work.

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

<continued>

---

## MARKET OUTLOOK

**Lorne Steinberg, President of Lorne Steinberg Wealth Management Inc.  
Focus: Global Value Stocks and High-Yield Bonds**

---

The recent increase in market volatility is less related to politics and has more to do with rising interest rates, equity valuations, and where we are in the business cycle. This has been the longest recovery in the post-WW2 period and it has been driven to a great degree by record-low interest rates.

The era of near-zero rates has ended, valuations in most markets are not cheap, and there are signs that the economic recovery is starting to slow. All of this should suggest that markets will remain volatile, which should result in opportunities for those investors with cash to spend.

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

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

**WEBSITE:** [www.steinbergwealth.com](http://www.steinbergwealth.com)

**NEWSLETTER:** [www.steinbergwealth.com/subscribe](http://www.steinbergwealth.com/subscribe)

#####

## 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).

<continued>

## **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

<p><b>Note:</b> 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.</p>
--