>> Andrew: HI, THERE.
WELCOME TO "MARKET MARKET TODAY WE ARE
DISCUSSING U.S. EQUITIES.
GORDON REID IS TAKING YOUR
QUESTIONS.
GORDON IS PRESIDENT AND CEO OF
GOODREID INVESTMENT COUNCIL.
U.S. STOCKS ARE ON THE MENU.
THE NUMBER IS 1-855-326-6266 OR
SEND AN EMAIL TO
MARKETCALL@BNNBLOOMBERG.CA.
WE WILL GET TO GORDON IN JUST A
SEC BUT FIRST LET'S TAKE A LOOK
AT SOME OF THE STORIES WE ARE
BRINGING YOU FROM THE BNN
BLOOMBERG NEWSROOM.
CANADIAN HEADLINE INFLATION
COOLED LAST MONTH FOR THE FIRST
TIME IN A MORE THAN A YEAR.
INFLATION FELL TO 7.6% YEAR OVER
YEAR IN JULY.
DOWN FROM MORE THAN 8% IN JUNE.
NOW THAT DROP WAS ALMOST
ENTIRELY BECAUSE OF LOWER
GASOLINE PRICES IN THE MONTH AS
CONSUMERS GOT A BREAK AT THE
PUMPS.
>>> SHARES IN WALMART TRADING
HIGHER UP AROUND 6% AFTER
REVENUE AND PROFIT IN THE RETAIL
GIANT'S LATEST QUARTER TOPPED
ESTIMATES.
THOSE RESULTS COME JUST THREE
WEEKS AFTER WALMART CUT ITS
ANNUAL PROFIT FORECAST FOR THE
SECOND TIME.
SOME OF WALMART'S SALES GAINS
CAME FROM INFLATION WHICH DROVE
UP THE PRICES OF FOOD AND OTHER
ITEMS.
>>> AND HOME DEPOT ALSO TOPPED
EXPECTATIONS both on the top and
bottom line.
THE RETAILER SAYS IT'S SEEING
CONTINUED STRENGTH IN DEMAND
RELATED TO HOME IMPROVEMENT
PROJECTS.
JUST AS WITH WALMART INFLATION
BOOSTED THE NUMBERS.
THE NUMBER OF CUSTOMER
TRANSACTIONS ACTUALLY FELL IN THE QUARTER.
HERE IS A LOOK AT THE TSX.
IT IS HANGING IN TODAY DESPITE INFLATION NUMBERS THAT ECONOMISTS SAY WILL DO NOTHING TO DISSUADE THE BANK OF CANADA FROM RAISING INTEREST RATES AGAIN.
AND LET'S HAVE A LOOK AT THE U.S. MARKETS.
SOMETHING OF A SIGH OF RELIEF TODAY AFTER WALMART REPORTED BETTER THAN EXPECTED NUMBERS.
SO THERE WERE FEARS THAT A DESPERATE ROUND OF INVENTORY MARKDOWNS AND SALES WOULD HURT EARNINGS.
>>> LET'S BRING IN GORDON REID TO TALK MORE ABOUT THE MARKETS.
GORDON, CAN WE START OFF WITH WALMART.
IS THAT A STOCK THAT YOU HAVE OWNED OVER THE YEARS?
DO YOU OWN IT RIGHT NOW?
>> WE DON'T OWN IT, ANDY.
YOU'D HAVE TO GO BACK PROBABLY A COUPLE OF DECADES TO FIND IT IN OUR LIST OF STOCKS IN OUR LARGE CAP PORTFOLIO.
BUT WE DO OWN HOME DEPOT.
OR WE DID OWN HOME DEPOT, I AM SIMPLE.
WE OWN LOWE'S AT THIS POINT BUT WE ARE QUITE RECENTLY OWNED HOME DEPOT, SOLD IT IN FAVOUR OF LOWE'S BY THINK THE GENERAL THEME HERE IS THAT THE IS OKAY.
THERE IS NOT ANYTHING THAT WOULD CREATE A HEADLINE TO SAY THAT THERE IS AN ALL-CLEAR BEING SIGNALLED BUT THE DIRE PREDICTIONS OR FEARS THAT JUNE HAVE CERTAINLY NOT COME TO PASS EITHER WITH THE ECONOMIC NUMBERS OR WITH THE EARNINGS REPORTS THAT WE HAVE SEEN COME OUT IN JULY.
>> Andrew: LET'S HAVE A LOOK
AT A ONE-YEAR FOR THE S & P 500
BECAUSE THERE HAS BEEN THAT
SPECTACULAR RUN-UP FROM THE
BUT YOUR POINT I THINK --
ANOTHER POINT YOU ARE MAKING IS
THAT THE FUNDAMENTAL
HAS NOT CHANGED.
WE KNOW THAT INFLATION?
STARTING TO PEAK.
-- INFLATION IS STARTING TO
PEAK.
YOU MENTIONED THAT GASOLINE IN
THE HEAD HEADLINES IS FALLING IN MANY
STATES THAT'S PROVIDING RELIEF
AND MANY OF THE COMMODITY
COMPLEXES ARE SEEING A REAL
SELL-OFF WHETHER IT'S THE AG
COMPLEXORS THE METALS.
THERE IS A DEFINITE TOPPING
PROCESS GOING ON IN TERMS OF
INFLATION.
BUT IN TERMS OF THE FUNDAMENTALS
OF THE ECONOMY AND THE
FUNDAMENTALS OF COMPANIES WE ARE
STILL KIND OF WAITING FOR IT TO
ALL TO WASH OUT AND WHAT HAS
CHANGED THAT HAS ALLOWED THIS
VERY, VERY GOOD RALLY OFF THE
JUNE LOWS IS PSYCHOLOGY.
AND IT WAS DESPERATELY POOR IN
JUNE AND I'D SAY IT'S BORDERING
ON A LITTLE EXHUBERANCE WHERE WE
SIT NOW SO WE WILL PROBABLY
SETTLE OUT SOMEWHERE IN THE
MIDDLE.
I DON'T THINK THAT WE ARE LIKELY
TO TEST THE JUNE LOWS BUT WE
HAVE TO LET THE ECONOMIC NUMBERS
COME IN AND REACT TO REALITY AS
OPPOSED TO PERCEPTION.
>> Andrew: GORDON REID IS OUR
GUEST ON "MARKET CALL" TAKING
YOUR QUESTIONS ON U.S. EQUITIES
1-855-326-6266
Get more from Canadian
banks With HCAL,
the top performing Canadian
Bank ETF And HFIN,
diversified exposure to Canada's
banks and insurers HCAL and
HFIN, higher monthly income and
growth from Hamilton ETFs.
V
been named
the world's number one for both
rivers and oceans
by Travel and Leisure, as well
as Condé Nast Traveler.
But it is now time for us to
work even harder,
searching for meaningful
experiences
and new adventures for you to
embark upon.
They say when you reach the top,
there's only one way to go.
We say, that way is onwards.
Viking. Exploring the World in
Comfort.
Carbon credits on
the blockchain are the future.
And DeepMarkit is among
the first publicly listed
companies to democratize
access to
the global carbon market.
By minting offset credit
through NFT's
on the blockchain.
DeepMarkit.
Proprietary innovation.
Driving a significant ground
floor investment opportunity.
>> Andrew: WE HAVE AN EMAIL
FROM JEFF.
JEFF IS CURIOUS ABOUT MASONITE
INTERNATIONAL.
THE SYMBOL DOOR.
DOOR IN NEW YORK.
WHAT ARE YOUR THOUGHTS?
>> WELL, W
THIS STOCK IN OUR U.S. SMALL CAP
PORTFOLIO, ANDY, WE QUITE LIKE
THE PROSPECTS TRADING AT A VERY,
VERY REASONABLE MULTIPLE.
BUT ONE MIGHT EXPECT THAT
BECAUSE IT'S RELATED TO THE
HOUSING INDUSTRY AND I THINK
IT'S HARD TO ARGUE AGAINST THE
FACT THAT THE HOUSING INDUSTRY
IS IN A RECESSION.
ALL OF THE NUMBERS ARE POINTING TO THAT.
BUT I WOULD SAY DON'T CONFUSE THIS HOUSING RECESSION WITH THE ONE THAT WE HAD IN 2007, 2008, AND '09.
THERE ARE VAST DIFFERENCES.
AND PERHAPS MANY OF THEM LEARNED BECAUSE OF THE EXPERIENCES OF THE GREAT RECESSION.
SPECULATION BUILDING ON SPEC OBVIOUSLY A FINANCING SIDE OF HOW THINGS CHANGED DRAMATICALLY.
AND WHAT HAS HAPPENED OVER THE LAST 15 YEARS IS THAT THERE HAS BEEN A CHRONIC UNDERINVESTMENT IN HOUSING IN THE UNITED STATES BY MANY ACCOUNTS THERE ARE 5 TO 7 MILLION UNITS UNDER WHERE THEY SHOULD BE TO ACCOMMODATE THEIR POPULATION GROWTH HAPPENING ORGANICALLY AND THROUGH IMMIGRATION.
>>> SO A COMPANY LIKE DOOR MASONITE IS IN A GREAT POSITION TO SATISFY A NEED THAT HAS TO BE SATISFIED.
SO THE MARKET WILL GO THROUGH ITS UPS AND DOWNS.
THE ECONOMY ITS UPS AND DOWNS BUT WE THINK OVER PERHAPS THE NEXT FIVE YEARS THERE IS AN OPPORTUNITY FOR MASONITE TO GROW THEIR EARNINGS AS MUCH AS 50 TO 60% AND THIS IS A COMPANY THAT'S TRADING AT 10 TIMES EARNINGS TODAY.
>>> SO A LOT OF CAPITAL APPRECIATION OPPORTUNITY IN THIS NAME.
>> Andrew: TARAVER IS ON THE LINE FROM PHOENIX.
GO AHEAD.
>> Caller: THANK YOU.
MY QUESTION WAS EITHER ON GM OR APPLE.
I DON'T KNOW WHICH ONE WOULD YOU TAKE.
BUT FOR EITHER/OR MY QUESTION IS
WOULD THAT STOCK FIT INTO A
LEGACY INVESTMENT PORTFOLIO FOR
GRANDKIDS WHERE YOU PUT A LITTLE
BIT OF MONEY IN AND LET IT
COMPOUND.
EITHER GM OR APPLE.
>> SURE, SURE.
THANK YOU, TARAVER.
IF I AM ASKED ABOUT A LEGACY
COMPANY INVESTMENT OF THE TWO I
WOULD GO WITH APPLE.
IT'S GOT MORE LEGS FROM A
SECULAR STANDPOINT.
GM IS A CYCLICAL OBVIOUSLY IN
THE AUTO BUSINESS.
WE THINK THAT GM IS AT A GREAT
POSITION WITHIN THE CYCLE AT THE
BEGINNING OF A NEW CYCLE OF
ELECTRIFIED VEHICLES.
OBVIOUSLY THE SUPPLY CHAIN
ISSUES HAVE AFFECTED THEIR
ABILITY TO SATISFY DEMAND BUT
THAT DEMAND IS ABSOLUTELY STILL
THE
SO THERE IS A GREAT OPPORTUNITY
FOR GM IN THE SHORT-TERM BUT
OVER MULTIPLE CYCLES I WOULD SAY
APPLE WOULD BE MY CHOICE.
THIS IS A COMPANY THAT'S GOT
1.5 BILLION INSTALLED DEVICE
AROUND THE WORLD.
IT'S GOT A VERY, VERY HIGH
LOYALTY RATE IN THE MID-‘90s.
SO AS CYCLES TURN OVER AS WE
MOVE INTO 5G AS THEY REAP THE
BENEFITS OF THEIR TENS OF
BILLIONS OF ANNUAL R & D
SPENDING WE ARE GOING TO SEE NEW
EXCITING DEVELOPMENTS AND NEW
ECONOMIC OPPORTUNITIES FOR
APPLE.
SO I WOULD PROBABLY OF THE TWO
GO WITH APPLE.
>> Andrew: WE HAVE PETER IN
VANCOUVER.
PETER, KEEP IT TIGHT.
GO AHEAD, PLEASE.
>> Caller: THANK YOU.
IT WAS PENDING --
[indiscernible] BNN BREAK DOWN
SO NOW I CAN WATCH MY FAVOURITE SHOW, GOOD HOST AND GOOD GUEST.
>> Andrew: THANK YOU.
>> Caller: Mr. GORDON REID TECHNOLOGY EXPERT, CAN I ASK YOU, PLEASE, ABOUT ALPHABET? G-O-O-G.
SNEAK SOMETHING IN FOR YOUR PLEASE, G-O-O-G, AMAZON OR DISNEY. BUT GOOGL.
>> WE ARE EXCITED ABOUT THE OPPORTUNITIES THAT GOOGLE HAS. THEY ARE GROWING AT 15 TO 18%