Andrew: HELLO THERE.
WELCOME TO "MARKET CALL."
STEPHEN TAKACSY IS ON OUR SHOW
TODAY, PRESIDENT, CEO, AND CHIEF
INVESTMENT OFFICER AT LESTER
ASSET MANAGEMENT.
STEPHEN, GREAT TO SEE YOU.
>> Stephen: THANKS FOR HAVING
ME.
>> Andrew: HE WILL TAKE YOUR
CALLS, EMAILS, AND TWEETS ON
CANADIAN STOCKS.
YOU CAN CALL HIM TOLL FREE,
1-855-326-6266.
OR SEND AN EMAIL TO
marketcall@bnnbloomberg.ca.
STEPHEN, ANY THOUGHTS ON THE
ELECTION?
IF MR. TRUDEAU HANGS ON TO
OFFICE BUT WITH A DIMINISHED
MAJORITY, WOULD THAT IN ANY WAY
CHANGE YOUR INVESTMENT STRATEGY?
>> Stephen: NOT AT ALL.
YOU KNOW, IT WOULD BE JUST SORT
OF MORE OF THE SAME.
I THINK THE CONSERVATIVES GET
IN, IT MIGHT CHANGE THE DYNAMICS
A LITTLE BIT.
BUT I DON'T SEE A REALLY BIG
IMPACT ON THE MARKET, YOU KNOW,
UNLESS THERE WAS A LIBERAL
MAJORITY OR SOME COALITION WITH
THE NDP WHERE, YOU KNOW, THEY
WOULD INCREASE CAPITAL GAINS
TAXES AND START TAXING YOUR
PRIMARY RESIDENCE AND THOSE TYPE
OF MEASURES.
THAT I THINK WOULD HAVE A
SERIOUS NEGATIVE EFFECT ON THE
MARKET.
BUT OTHER THAN THAT, I JUST
THINK IT'S GOING TO BE BUSINESS
AS USUAL.
>> Andrew: STEPHEN, YOU ARE
LOOKING ACROSS THE WORLD
FINANCIAL LANDSCAPE.
YOU SEE PLENTY OF BUBBLES.
I MEAN, EVEN IN CHINA, THAT
EVERGRANDE.
PEOPLE HAVE KNOWN FOR MONTHS IF NOT YEARS THAT THEY WERE OVEREXTENDED, BUT THERE'S CRYPTOCURRENCIES, ALL KINDS OF ASSETS HAVE GONE TO HUGE VALUATIONS. IS THERE GOING TO BE A PRICE TO BE PAID WITHIN THE NEXT YEARS?

>> Stephen: WELL, THERE'S ALWAYS A PRICE TO BE PAID WHEN YOU OVERPAY FOR SOMETHING AND, YOU KNOW, WE'RE IN THIS EXTREMELY LOW INTEREST RATE ENVIRONMENT. YOU KNOW, MAINLY DUE TO FIGHTING THE PANDEMIC. AND, YOU KNOW, THAT'S CREATED A LOT OF BUBBLES. THERE'S JUST TOO MUCH EASY MONEY OUT THERE, AND SO IT GOES FROM, YOU KNOW, GOOD, YOU KNOW, STABLE TRADITIONAL SECTORS INTO, YOU KNOW, SECTORS WHERE, YOU KNOW, SORT OF GREED TAKES OVER AND PEOPLE TRY AND MAKE A QUICK BUCK. SO YOU'RE SEEING, YOU KNOW, WHETHER IT'S CRYPTOCURRENCY OR THE WHOLE REDDIT/ROBINHOOD GAMBLING MENTALITY, HOUSING PRICES, YOU KNOW, EXTREME LEVERAGE IN THE PROPERTY MARKET IN CHINA, AS WE'RE SEEING TODAY. SO I'M NOT SURPRISED, YOU KNOW, THIS HAS BEEN GOING ON, WE'VE BEEN TALKING ABOUT IT FOR A WHILE.

YOU JUST DON'T KNOW WHEN, YOU KNOW, SOMETHING -- ANY OF THESE BUBBLES BURST, BUT THERE'S GOING TO BE A PRICE TO PAY FOR SURE SO I THINK INVESTORS SHOULD REMAIN VERY CAUTIOUS AND CONSERVATIVE IN THEIR INVESTMENT APPROACH.

>> Andrew: SPEAKING OF CAUTION, YOU HAVE GONE EASY ON SO-CALLED REOPENING STOCKS, SUCH AS VACATION COMPANIES OR CINEMAS OR AVIATION.

>> Stephen: YES, AND
COMMODITIES AS WELL.
PART OF THAT REOPENING/REFLATION TRADE.
SO, YOU KNOW, WE'VE SHIED AWAY FROM THAT AND WE'VE JUST STUCK TO, YOU KNOW, PORTFOLIOS THAT DID REALLY WELL LAST YEAR WERE OBVIOUSLY LAGGING THIS YEAR BECAUSE WE WEREN'T IN SOME OF THOSE SECTORS. BUT THEY'RE ALREADY CORRECTING. WE'VE SEEN A LOT OF COMMODITY STOCKS CORRECTING.
WE PREFER STAYING IN SOME OF THE TRADITIONAL SECTORS LIKE TELECOM, RENEWABLE ENERGY. WE'VE BEEN SAYING THAT THE ENERGY INFRASTRUCTURE STOCKS WERE CHEAP FOR A WHILE, AND THEY'VE ACTUALLY PERFORMED QUITE WELL. OBVIOUSLY HIGH OIL PRICES HELPED THAT AS WELL.
CONSUMER STAPLES.
SO, YOU KNOW, WE'VE SORT OF STUCK TO OUR GUNS THERE AND, YOU KNOW, WE'RE UNDERPERFORMED ON THE UPSIDE BUT WE TEND TO OUTPERFORM ON THE DOWNSIDE.
>> Andrew: WE ARE GOING TO JUMP -- WE'RE GOING TO TAKE A BREAK.
STEPHEN TAKACSY IS OUR GUEST TODAY ON "MARKET CALL."
YOU CAN REACH STEPHEN AT 1-855-326-6266.
AND THE QUESTIONS TODAY, PLEASE, ON CANADIAN STOCKS.
WE'LL BE RIGHT BACK.
[  ]
Male Announcer:
Market Call is brought to you by Polestar.
Experience the 100% electric Polestar 2 for yourself. Beautiful, powerful, electric. Available now.
We're taught that one plus one equals two. Simple... right?
But today's world isn't simple. So, what happens if we look at it from a new angle? Could we make something greater? If we bring together human ingenuity, passion and experience with the latest technology we start to make something more. Building trust for today and tomorrow. Because when a passionate community of solvers comes together, you get new solutions for a new day. That's The New Equation.

Flip or Fold, stand out with the all-new Samsung Galaxy Z Series 5G. Even better with Bell. Canada's fastest 5G network.

>> Andrew: ALAN IN DUNDAS, ONTARIO, SENT US AN EMAIL. ANDREW PELLER, THE WINE MAKER, IS THE SUBJECT. I'M LOOKING TO ADD TO MY POSITION IN ANDREW PELLER FOR A LONG-TERM HOLD GREATER THAN 5 YEARS. I WOULD BE INTERESTED IN STEPHEN'S INSIGHTS.

>> Stephen: NICE TO HEAR THAT THERE'S STILL LONG-TERM HOLDERS OUT THERE. SO, YEAH, THIS IS A REAL QUALITY COMPANY, VERY WELL-MANAGED, A GREAT BUSINESS WITH GREAT MARGINS, GREAT FREE CASH FLOW. SO IT'S BEEN A CORE HOLDING OF OURS FOR OVER 10 YEARS NOW. SO IT'S A GREAT TIME TO BUY IT. THE VALUATION HASN'T BEEN THIS CHEAP IN AT LEAST 8 TO 10 YEARS, AND, YOU KNOW, THE COMPANY GOT HIT A LITTLE BIT, LIKE MOST BEVERAGE PRODUCERS IN THAT SPACE, WITH LOWER EXPORT SALES,
LESS PEOPLE TRAVELLING, AND LOWER LICENCE SALES TO RESTAURANTS AND BARS.

THE SALES THROUGH THE RETAIL CHANNELS AND PARTICULARLY THE GROCERY CHANNELS THAT ARE OPENING UP IN ONTARIO AND ONLINE SALES, YOU KNOW, HAVE OFFSET A LARGE PART OF THAT DECLINE. OBVIOUSLY THERE ARE HIGHER SALES ON THE LOWER MARGIN PRODUCTS, SO THE MARGINS HAVE COME DOWN A BIT.

BUT THESE AREAS ARE ALREADY RECOVERING WITH THE REOPENING OF BARS AND RESTAURANTS AND ALSO PEOPLE STARTING TO TRAVEL AGAIN. SO I WOULD EXPECT THE RESULTS TO IMPROVE SIGNIFICANTLY GOING FORWARD, AND THE MARGINS TO IMPROVE AS WELL.

I CAN SEE THE COMPANY BUYING BACK STOCK AT THESE LEVELS. SO I THINK IT'S A GREAT TIME TO GET IN AND PARTICULARLY IF YOU'RE A LONG-TERM HOLDER.

>> Andrew: WHAT SORT OF WINE IS IT? IS IT A WHOLE RANGE FROM HIGH END TO JUST TABLE WINE?


>> Andrew: ANDREW PELLER. TARABOR IN PHOENIX, GO AHEAD.
THANKS FOR CALLING.

>> (CALLER): THANK YOU, ANDY.
STEPHEN TAKACSY, I'M ANOTHER
LONG-TERM INVESTOR.
I HOLD FOR LONG TERM.
AND MY QUESTION IS ON FAN TECH.
IT HAS SINCE DOUBLED.
I'D LIKE TO KEEP HOLDING IT
BECAUSE IT'S NOT A BIG PART OF
MY PORTFOLIO.
DO YOU SEE THEM BEING EFFICIENT
AND GENERATING COMPOUNDING
RETURNS GOING FORWARD?
THANK YOU.

>> Andrew: THANK YOU.
>> Stephen: RIGHT, YEAH.
STANTEC, YOU'VE HELD IT THROUGH
A GOOD PERIOD, A TRANSITION
PERIOD WHERE THEY'RE TRYING TO
BECOME MUCH MORE OF A CONSULTANT
COMPANY, SUCH AS WSP, AND
GETTING OUT OF THE ENGINEERING
AND CONSTRUCTION SIDE.
THEY MADE A FEW FAUX PAS MANY
YEARS AGO BY MAKING ACQUISITIONS
IN THOSE RISKIER SECTORS.
THEY HAVE FINALLY, I GUESS,
LEARNED THEIR LESSON AND BEEN
TRANSITIONING.
YOU'VE HELD IT DURING A GOOD
PERIOD.
IT'S NOT A CHEAP STOCK, BUT I
WOULD HANG ONTO IT.
THEY'RE IN A GOOD SPACE.
THERE'S A LOT OF INFRASTRUCTURE
SPENDING THAT WILL CONTINUE
TAKING PLACE GLOBALLY AND I
THINK THEY'RE WELL-POSITIONED TO
BENEFIT FROM THAT.

>> Andrew: LET'S HEAD TO
TORONTO.
MATT IS ON THE LINE.
MATT, GO AHEAD, PLEASE.

>> (Caller): HI.
I JUST WANTED TO ASK ABOUT
BAILIN TECHNOLOGIES.
IF STEPHEN LIKES IT AND AT A
52-WEEK LOW, ESPECIALLY THE
POSITION SIZE BY THE CHAIRMAN OF
THE BOARD.
Stephen: RIGHT. IT IS STILL HAVING SOME PROBLEMS DURING THE PANDEMIC. SOME OF THEIR BUSINESSES HAVE STILL BEEN IMPACTED. AND THEIR PLANT IN VIETNAM, THEY STILL CAN'T GET IT GOING BECAUSE OF THE TRAVEL RESTRICTIONS. YOU KNOW, THE COMPANY WAS EXPECTING A GOOD TURN-AROUND IN THE LAST SIX MONTHS BUT IT HASN'T HAPPENED. THE MAJOR SHAREHOLDER JEFF IS COMMITTED TOWARDS THE COMPANY, HE'S A MAKE SHAREHOLDER OF SHAW COMMUNICATIONS AS WELL AND VERY SUPPORTIVE OF THE COMPANY. SO I WOULD HANG ONTO MY SHARES. THEY HAVE WORLD LEADING WIRELESS TECHNOLOGY FOR MANY DIFFERENT APPLICATIONS, INFRASTRUCTURE, SATELLITE BEDDED, MOBILE PHONES, ET CETERA. AND THERE'S NEW MANAGEMENT IN PLACE. A TEAM FROM THE UNITED STATES THAT HAS A LOT OF EXPERIENCE, WHO IS REALLY FOCUSED ON INCREASING THE SALES BY LOWERS THE SALES CYCLE. SO I WOULD HANG ONTO IT. ALSO, IF THIS COMPANY WAS SOLD TOMORROW TO A COMPETITOR, IT