

>> Andrew: HELLO, THERE.
WELCOME TO "BERMAN'S CALL" ON
BLOOMBERG.
LARRY BERMAN IS HERE TO TAKE
YOUR QUESTIONS ON LARGE CAP
STOCKS AND ETFs.
YOU KNOW THAT NUMBER,
1-855-326-6266.
OR YOU CAN EMAIL LARRY RIGHT NOW
BERMANSCALL@BNNBLOOMBERG.CA.
LARRY, THANK YOU VERY MUCH FOR
JOINING US AS EVER.
START OFF WITH THE SEASONAL
TRENDS.
REMINDE US, NOVEMBER TYPICALLY
GREAT MONTH IN THE MARKETS.
>> TYPICALLY BUT THE BEST
SEASONAL TRENDS COME WHEN
SEPTEMBER AND OCTOBER ARE
INHERENTLY WEAK AND SO WE DIDN'T
SEE THAT BECAUSE IT'S OFTEN A
BIT OF A SNAPBACK BUT IN THE
CASE OF AN ELECTION YEAR THERE
IS SOME RELIEF AROUND THE
POST-ELECTION PERIOD.
WE HAVE ALREADY SEEN A LOT OF
THAT ALREADY.
SO THE QUESTION IS HOW MUCH MORE
IS LEFT.
AND WHEN YOU LOOK AT WHAT YOU
ARE HEARING OUT OF THE STREET IN
TERMS OF, OKAY, WE WILL TIGHTEN
UP OUR YEAR-END TARGETS
GENERALLY THEY ARE MOVING A
LITTLE BIT HIGHER BUT REALLY
MOST PEOPLE ARE PLAYING CATCH-UP
BECAUSE NOBODY WAS FORECASTING A
6,000 S & P TARGET, YOU KNOW,
SIX MONTHS AGO AND THREE MONTHS
AGO AND CERTAINLY 12 MONTHS AGO.
SO THE MARKETS HAVE SURPRISED
HERE TO THE UP SIDE AND THE
STREET IS GENERALLY PLAYING
CATCH-UP.
SO HOW MUCH MORE IS LEFT?
WELL, I THINK.
THERE IS AN AWFUL LOT OF
POSITIVES PRICED INTO THE MARKET
BUT AS LONG AS THERE IS NO
NEGATIVES THERE IS NO REASON FOR
PEOPLE TO SELL AND RUN.
AND SO NOW WE HAVE PRETTY MUCH
KNOW WHO TRUMP'S CABINET'S GOING
TO BE AND SURE THERE HAS TO BE
SOME APPROVALS BY THE SENATE BUT
ABSENCE OF MY DRAMATIC MOVES I

THINK THE MARKET'S QUITE SATISFIED WITH THE SLATE OVERALL AND NOW THAT WE KNOW WHO IS IN TREASURY.

>> Andrew: WE WILL HAVE MORE ON HIS CABINET LATER ON THE SHOW.

>>> INFLATION IN THE STATES, IS IT FAIR TO SAY THAT JAY POWELL HAS ACHIEVED MISSION ACCOMPLISHED?

HE'S GOT IT DOWN UNDER CONTROL?

>> SO POWELL THINKS SO.

THE FED THINKS SO.

THE DATA'S GOING PRESENT DIFFERENTLY.

SO, YOU KNOW, THE MARKET'S AT ALL TIME HIGHS AND SO WHY ARE THEY CUTTING RATES, RIGHT?

NOW YOU KNOW, YEAH, INFLATION'S COME DOWN BUT INFLATION PRINTS ARE UP AND SURPRISING TO THE UP SIDE.

SO IF PCE COMES IN AT THE CORE A LITTLE BIT HOTTER THAN EXPECTED THOSE ARE THE KIND OF THINGS THAT WILL UPSET THE APPLE CART. THOSE ARE THE KIND OF THINGS THAT WILL CAUSE INVESTORS TO WANT TO TAKE A LITTLE BIT OFF THE TABLE BECAUSE IT'S MANAGING INFLATION WHICH WOULD BE CERTAINLY NOT CUTTING RATES ANYMORE BUT, YOU KNOW, THEY DON'T WANT TO RAISE RATES ANYMORE THAT'S FOR SURE EITHER. SO I THINK IT'S REALLY ECONOMIC WEAKNESS THAT ULTIMATELY IS GOING TO DEFINE WHEN THE NEXT BIG PERIOD FOR MARKET UNREST IS GOING TO COME.

>> Andrew: MAYBE WE CAN HAVE A LOOK AT THE U.S. 10-YEAR BOND YIELD AS A BENCHMARK.

WE HAVE SEEN THAT MOVE UP.

WHY IS THAT, DO YOU THINK?

WHY ARE PEOPLE DEMANDING MORE FOR GOVERNMENT BONDS?

>> THE AMOUNT OF DEBT TO FINANCE IN THE NEXT FEW YEARS.

NOW WITH THE SENATE BEING A FISCAL CONSERVATIVE THE STREET IS CHEERING THAT.

BUT TREASURY HAS NOTHING DO WITH THE BUG.

THAT'S CONGRESS.

SO I AM A LITTLE CONFUSED.
I THINK FOR THE MOST PART, IT'S
JUST SHORT COVERING THAT'S
REALLY DRIVEN IN TERMS OF TODAY
INTEREST RATES, YOU KNOW, COMING
OFF THEIR WORST LEVELS.
BUT IT'S WITH -- I WOULD SAY
IT'S WITH CERTAINTY IS NOT THE
RIGHT WORD.

WITH HIGH PROBABILITY THAT WE
ARE GOING TO TEST THE EXTREMES
THAT WE HAVE SEEN IN THE LAST
YEAR OR TWO AND THAT IS THE
LONGER END OF THE CURVE A LOT
CLOSER TO 5% THAN IT IS TODAY
BEFORE THINGS SETTLE IN.

SO I THINK THERE IS MORE
PRESSURE COMING ON THE YIELD
CURVE SIDE.

THE NEXT QUARTERLY REFUNDING
ANNOUNCEMENT WHICH IS WHERE THE
TREASURY TELLS US WHAT THE
COMPOSITION OF IT IS IS GOING TO
BE BISSETT.

IT WILL NOT BE YELLEN ANYMORE.
WE WILL SEE IF THERE IS A CHANGE
OF POLICY HOW THEY DEAL WITH THE
ISSUANCE BETWEEN BILLS AND
COUPONS.

MORE COUPONS THERE WERE THE MORE
NORMALIZATION OF THE PROCESS.
UNDER YELLEN FAR MORE ISSUANCE
OF BILLS.

THAT MAKES FINANCIAL CONDITIONS
EASIER.

THE MORE COUPONS THEY HAD THE
MORE DURATION THEY ARE LOOKING
FOR, THE MORE COMPETITION THAT
EQUITIES AND OTHER ASSETS HAVE
VERSUS BILLS.

>> Andrew: INTERESTING.

A WALL STREET GUY IS COMING IN
NOW AS TREASURY SECRETARY
WHEREAS YELLEN IS AN ECONOMIST.

>> YES, BUT IN THE PAST WE HAVE
HAD THAT.

WE HAD STEPHEN MNUCHIN BEFORE IN
THE TRUMP ADMINISTRATION.

>> Andrew: THAT'S RIGHT.

>>> LOTS MORE COMING FROM LARRY.

HE IS TAKING YOUR QUESTIONS ON
ETFs AND LARGE CAP STOCKS.

THERE IS THE NUMBER,
1-855-326-6266.

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>> Andrew: WELCOME BACK TO
"BERMAN'S CALL."

OURS FIRST QUESTION IS AN EMAIL
FROM DAVID.

LARRY, I HEARD YOU TALK ABOUT
PRIVATE CREDIT.

I WONDER IF BXFL, BLACKSTONE
SECURED LENDING WOULD BE USEFUL
HERE.

IT TRADES ON THE NEW YORK STOCK
EXCHANGE.

>> SO WHEN I AM TALKING ABOUT
THE PRIVATE MARKETS I AM TALKING
ABOUT STUFF THAT ISN'T LISTED ON
AN EXCHANGE AND ONE OF THE
BIGGEST DIFFERENCES IS THE
ABILITY TO TRADE IT EVERY DAY.
SO THERE ARE PRIVATE CREDIT
FUNDS LIKE THIS ONE THAT TRADE
PUBLICLY BUT ARE SUBJECT TO THE
MANIC MOVES OF THE INTRADAY, THE
EMOTION OF THE MARKET FROM
DAY-TO-DAY.

WHILE THE VALUATION OF THE
UNDERLYING PORTFOLIOS DON'T
CHANGE THAT MUCH.

SO WHAT I AM TALKING ABOUT WHEN
I TALK ABOUT PRIVATES IS THE
ABILITY TO EARN THE
ILL-LIQUIDITY PREMIUM YOU BUT
GOING INTO PRIVATE MARKETS WHERE
YOU CAN'T TRADE IT EVERY DAY.

YOU MIGHT HAVE LIQUIDITY ONCE A
MONTH, ONCE A QUARTER OR ONCE A
YEAR BUT THE GIVE-UP FOR THAT IS
THE VOLATILITY IN YOUR PORTFOLIO
IS A LOT BETTER AND SO FOR SOME
PEOPLE THAT MIGHT MAKE A LOT OF
SENSE BUT THAT'S WHAT I AM
REFERRING TO WHEN I TALK ABOUT
PRIVATE CREDIT MARKETS IS THAT
YOU ARE NOT SUBJECT TO THE SAME
VOLATILITY AS YOU ARE IN PUBLIC
MARKETS.

THE GIVE-UP IS THE LIQUIDITY BUT
THE PREMIUM IS THE EXTRA YIELD
THAT YOU ARE EARNING AND SO THAT
WOULDN'T BE XSL WHILE IT'S A
GREAT SUPREME COURT IS NOT WHAT

I AM TALKING ABOUT.

>> Andrew: WE HAVE SEAN
CALLING FROM KINGSTON, ONTARIO.

GO AHEAD, SEAN, PLEASE.

>> Caller: GOOD AFTERNOON,
GENTLEMEN.

THANK YOU FOR TAKING MY CALL.

>> Andrew: PLEASURE.

>> Caller: IN LIGHT OF THE COP
29 CHAIR'S REMARKSES ON THE
WEEKEND WITH RESPECT TO THE
INSUFFICIENT CLIMATE CHANGE
INVESTMENTS AND YOUR SOCIAL MAP
POLITICAL SHIFTS SUCH AS THE
TRUMP PRESIDENCY NOT DETERRING
THE GLOBAL CLEAN ENERGY
TRANSITION, LARRY, MAY WE HAVE
YOUR PERSPECTIVE ON THE
ISHARES GLOBAL CLEAN ENERGY ETF
ICLN AS A LONG-TERM INVESTMENT.

>> Andrew: OKAY.

THAT'S --

>> Caller: YOU ARE IN -- IT'S
A THREE, FOUR-YEAR DOWNTURN IN
THIS SECTOR SORT OF VIEWED AS A
TEMPORARY SETBACK OR WOULD YOU
RECOMMEND INITIATING OR ADDING
TO A POSITION, SAY, AT # 1, 12
BUCKS?

THANK YOU.

[Mixed Voices]

>> Andrew: LN NOT M.

>> I LIKE IT LONG-TERM.

AND THE CHALLENGE IS THAT UNDER
A FRIENDLY BUY -- TOWARDS
CLIMATE A FRIENDLY BIDEN
ADMINISTRATION IT DID SO POORLY
BUT I THINK WE NEED -- IF WE CAN
DO THE ICLN ETF IF NOT TRY ZCLN
WHICH IS THE CANADIAN VERSION OF
THAT THAT BMO HAS THAT WOULD
TRADE IN TORONTO.

SO IF WE CAN BRING UP ONE OF
THOSE TWO CHARTS ON A KNIFE YEAR
THAT WOULD BE GREAT BECAUSE YOU
NEED PERSPECTIVE HERE.

WHEN BIDEN GOT ELECTED A LOT OF
THE CLEAN ENERGY NAMES THERE WAS
A LOT OF EXCITEMENT AROUND IT
BECAUSE THERE WOULD BE MORE
INVESTMENT THERE REALLY SHOT UP
IN A BIG WAY AND THERE WASN'T
REALLY ANY EXTRA FOLLOW-THROUGH
IN THAT SENSE AND SO IT SEEMS
LIKE IT'S BEEN A MULTI-YEAR LULL
HERE.

CERTAINLY NOT GOING TO IMPROVE UNDER A DONALD TRUMP PRESIDENCY IN TERMS OF YOU KNOW GOVERNMENT SUPPORT FOR IT.

BUT I LIKE IT.

IT'S CHEAP RELATIVE TO A LOT OF THINGS OUT THERE.

BUT WHEN TRUMP WON THE NOMINATION YOU SAW A LOT OF CLEAN ENERGY IN SOLAR STOCKS GET ABSOLUTELY CRUSHED.

SO IF YOU ARE A LONG-TERM THINKER, YOU KNOW, THIS IS THE TIME AS WARREN SAYS BUY WHEN THERE IS BLOOD IN THE STREETS I LIKE IT HERE.

IT HAS BEEN DISAPPOINTING FOR THE LAST COUPLE OF YEARS THERE IS NO DOUBT ABOUT IT.

>> Andrew: WE ARE HAVING TROUBLE WITH THE CHART, SORRY ABOUT.

THAT SO YOU ARE GETTING A LITTLE MORE INTERESTED IN CLEAN ENERGY, RENEWABLE ENERGY?

>> IT'S A CORE THEMATIC THAT I LIKE LONG-TERM.

I TRADE THE POSITION AROUND A LITTLE BIT AND RIGHT NOW I WOULD LOOK -- I WOULD BE LOOKING TO ACCUMULATE.

>> Andrew: WE HAVE KEN ON THE LINE IN VANCOUVER.

AND I THINK KEN WANTS TO ASK ABOUT THE iSHARES FLOATING RATE INDEX ETF.

IS THAT RIGHT, KEN?

>> Caller: YEAH, I WOULD LIKE LARRY'S OPINION ON FLOATING RATE BOND ETFs GENERALLY AT THIS POINT BUT SPECIFICALLY XFR FLOATING RATE BOND ETF.

IT'S GOT A 5% YIELD AND IT'S GOT VERY LOW VOLATILITY COMPARED TO ITS PEERS LIKE ZFH.

I AM WONDERING WHY THAT IS.

WHAT IS SPECIAL ABOUT THIS FLOATING RATE BOND ETF?

>> Andrew: THANK YOU.

>> SO YOU WANT FLOATING RATES IN YOUR PORTFOLIO WHEN YIELDS ARE GOING UP BECAUSE IT MITIGATES THE NEGATIVE IMPACT OF PRICES CHANGING BECAUSE THE FLOATING NATURE OF IT MEANS THE COUPONS RESET A LOT MORE FREQUENTLY THAN

DOES A 10-YEAR BOND.
IF YOU THINK ABOUT A SERIES OF