



Rotary Opens Opportunities
Le Rotary ouvre des opportunités

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ROTARY CLUB OF WEST OTTAWA
Caroline DeWitt, President

January 19 2021 Meeting Scribe: Don Butler
Online meeting

Program: The Prognosticators: **Carol Bell Thompson**, Real Estate; **Rocco Disipio**, Sports; & Linas Pilypaitis. Finance

Meeting video

<https://youtu.be/JllruB4G9YQ>

Meeting Begins:

President **Caroline DeWitt** welcomed us to our 27th meeting of this Rotary Year, and 38th on-line with the thought that it was 60 days until spring. After an English and French mixed verse of O Canada **Clive Talbot** gave us an **Invocation** reminding us to be grateful that we can meet via Zoom and that we can help the less fortunate. We should pray that we will be able to make a difference.

Anup Subedi followed as **Toastmaster** and referred to the article on migration in the January 2021 issue of Rotary by a World Bank economist. As an immigrant himself **Anup** recognizes the impact of immigration on the receiving country and is very aware of the impact on the immigrant. Remittances to the country of origin are important. Remittances apparently contribute 26.9% of Nepalese GDP. Rotary can help mitigate the negative aspects of migration by promoting projects to employ immigrants and raising awareness of the positive aspects of immigration and countering common misconceptions of the negative effects.

Guests: Linas Pilypaitis with Ryan Nobb and Dereck Ralph from his BMO Nesbitt Burns office, Keith Nixon, Leorah Granholm, guest of **Susan Dalati**

Birthdays: none this week

President's Announcements

-**Tribute to 60 year members PP Len Baird and Music Master Rod Holmes** who have **contributed** much to the Club. **Len** was excited about the tribute. He and Barbara could not be at the meeting and looks forward to when we can meet face to face

- **Commemoration of Martin Luther King** whose Day had been Jan 18. **President Caroline** played recordings of some of King's memorable statements and reminded us of his Nobel Peace Prize.

-Paul Harris Fellow pins would be presented to **Keith Henry, Doreen Ide, Dr Cletus Peters** and **Jill Yarnell**

-Letter of thanks from Grade 3 at WH Gowling school for Dictionary for Life and gifts bags. Kudos to **Linda Flynn, Ken Murray** and **Bob Harrison** who had delivered them.

-January is Vocational Service Month and we are reminded to look for opportunities to volunteer in our classifications.

-Thanks to Rocco Disipio for reminding us about our now traditional New Year look forward with The Prognosticators in Real Estate, Sports and Finance

The Prognosticators

Andrew Young gave us some background on our presenters. **Carol Bell Thompson** has been in real estate for 40 years, **Rocco Disippio** is a self-described 'sports junkie', and former Club member Linas Pilypaitis manages over \$200 million and has always give us useful info in the past.

Carol began by noting 2020 had seen "spectacular changes" and **real estate** was no exception. Sales drop in April and May bore out pessimistic predictions but when the lock-downs ended the low inventory made over asking bids common. As spending on travel and going out dropped money was available for house purchases and renovation. Building materials are in short supply. The number of sales transactions in Ottawa was up 2% over 2019 and would have been higher if inventory had been available. The average price of a house in Ottawa was about \$640,000, and that of a condo was \$361,700 both up about 19% over 2019. Price increases in Ottawa were up 4-6% but those in rural and semirural areas prices ranged up to 25% and more. Demand is still high and supply is short so the outlook for 2021 is probably more of the same.

Carol kindly sent me a good overview which I draw from here:

- **space and privacy** are the new mantra, both in houses and lot sizes are sought by owners working from home. 'Stay at home' restrictions make **private, personal space more important for each member of the family** (open concept may be declining). More outdoor **space is wanted for physical exercise and psychological well being**
- savings brought by the lockdown and working from home are spurring both home renovations and relocations to a new home outside the city limits
- rising prices in the city have also spurred the **move to smaller towns** where prices have traditionally been lower)
- now is a good time **for investors/renovators** to find, buy and renovate older homes for the growing number of buyers who don't want to do the work
- **multiple offers may become the new norm** and the days of looking at many houses before deciding may be gone at least in the short term
- with positive outcomes from vaccinations **travel and entertaining** will return and some markets will cool down.

Carol offered to send a chart of annual average prices for houses and condos for the years 2004 to 2020 to those interested

President Caroline thanked **Carol** and deferred questions until the end of the presentations. She then called on **Rocco Dissipio** to give us his view of **sports**.

Rocco started by welcoming again Linas's colleagues Derek and whom he knows as keen sports fans. He then listed his correct predictions in past years: the winner of the 2019 Masters; the winners of the 2020 Super Bowl, the Stanley Cup, the OHL scoring race and the NBA championship along with naming many of the award players and coaches. **Rocco** modestly says it his ancient Ouija board, but we know that it is hours of poring over sports information and thinking about it. Listen again to the recording and be impressed by his

situation analyses. Even if you are not a sports fan it is hard not to be interested by the sheer quality of his work. His predictions for 2021 include Tampa Bay over Kansas city in the Super Bowl with Tom Brady as MVP. In NHL hockey it will be the Maple Leafs as Northern Division champions. He predicts the course of the action of the other three NHL divisions has the Stanley cup going to the Colorado Avalanche over the Philadelphia Flyers. If there is CFL action this year **Rocco** has Ticats over Roughriders for the Grey Cup. After an interesting discussion of NBA prospects-Raptors will not be prominent- **Rocco** has Lakers winning an “uncontested” sweep over the 76ers for the championship. There was much more covering OHL, NCAA, ML Baseball, golf, soccer and women’s sports.

Andrew Young thanked **Rocco** heartily “Absolutely amazing!”. It was.

President Caroline then called on Linas Pilypaitis for his views on **finance**. Linas recalled that this annual event used to be called The Three Wise Men/Guys/Women and we will see next year how wise they actually were.

-2021 should be a good year in North America. Unprecedented stimulus so growth in North America. No need to seek elsewhere. TSX is up 8.8% and S&P 12%. Canadian dollar at US\$ 0.78 and should go to US\$ 0.825. Interest rates are low and inflation is less than 2%. Oil prices should be \$50-60. Commodity prices will go up. Gold prices will rise as US dollar weakens.

Linas bases this optimism the “5 Cs”: Covid will cause working from home (WFH) and Staying at home (SAH) to grow, and, as vaccination begins to reduce covid spread, financials and travel and leisure sectors will come back; Growing Confidence will improve retail sales and capital expenditure; unemployment claims will reduce as technical innovation creates jobs; Credit will be available thanks to stimulus policies and China’s growing economy will increase demand for commodities.

His team is thus investing overweight in financials seeing i.a. economic expansion from Covid lows Also overweight in materials (e.g lumber prices up from construction and renovation mentioned by **Carol**) and China economic expansion. They are going equal weight in technology (WFH, E-Commerce and investment in productivity equipment) and consumer discretionary (to cope with WFH/SAH.) They will be underweight Real estate and utilities where the major growth is seen to have happened already.

This meant value investing in low P/Er ratios, Covid losers, safe investment in high quality and dividend payers and for growth in WFH/SAH, lumber and electric vehicles (EV). Re EV Linas noted that the actual builders are already expensive and the trick is to find companies that serve EV users and suppliers. (Adage, in a gold rush the wise choice is to sell shovels) What to own? CAE, BMO, Costco, CN, Microsoft, Apple, Lundin Mining (copper) and Magna (sells parts to EV industry).

For speculation? Suncor energy (beaten up but fluctuation may offer opportunities); Element (manages vehicle fleets including Amazon’s); BOTZ (robotics and AI ETF. Better own the sector than one company in it); Norbord (lumber. Being taken over by West Fraser which will be NYSE listed); Airbnb (expensive but travel will come back after Covid controlled)

Answering **Dave Morton** on President Biden’s cancellation of the Keystone XL pipeline permit Linas said that his team had never considered investment in TransCanada but

thought the cancellation would hurt. Linas had said earlier he did not see energy as a long term investment but more a short-term trade.

Answering **Ron Doll Rocco Disippio** said he thought that condo construction had not slowed down. To **Nigel Lever** Linas thought that Tesla stock was way overpriced, more a “ult stock” and not a good investment. **Denzil Feinberg** told how he had bought Tesla stock a few years ago because Elon Musk had gone to school near him in South Africa. Tesla was now worth 20 times what he had paid so he was giving some of it to charity which would avoid the capital gains tax

Happy Dollars

Rob Shaw Wood called first on **Dave Morton** who told how a recipient of a Bushtuckah gift card wanted to give something to the Mission so **Dave** took the card and used his employee discount to load up on socks, mitts and the like and took those to the Mission.

Next came **Rod Holmes** expressing appreciation to the Club for recognizing his and **Len’s** 60 years of Club membership. He would make an appropriate donation to the Cluh foundation

Nigel Lever thanked those who had complimented him on his story of immigrating to Canada would be making a donation as well.

Denzil Feinberg was happy that the Ottawa Hospital had dealt with a medical problem of his in two hours and would be donating some Tesla stock to them.

Andrew Young had also visited his dermatologist who had dealt with Andrew’s problem using liquid nitrogen.

Graeme Fraser thought we should compliment **Denzil** on his headphones

Ed Balys hoped we could have the Club picnic again in 2021 at his place.

Johnny Marquez is happy that conductor Rafael Payare ,who is becoming music director of the Montreal Symphony Orchestra, is Venezuelan

Jim Maxwelll had a message from **Bea Osome** that another well in west Kenya which RCWO helped finance has been completed and will be formally opened this month. She and Ben are also working on a 20th well financed from other sources.

Sucha Mann advised that Rotary Clubs in the great Lakes area are planning a clean up of water courses in the spring. RCWO is in touch with Ottawa Riverkeeper about a joint clean-up activity April 24 if Covid allows

Bill Rolph bemoaned the fact that he could not have frequent contact with his grandchildren and hopes this will be possible in summer.

Rob himself was happy to see **PP Pardeep Ahluwalia’s** Guatemalan Zoom backdrop

Closing remarks

President Caroline told us about the next meeting’s speaker and thanked again the Prognosticators for their presentations and all who made this meeting possible. She then adjourned the meeting.

Tuesday, 26 January 2021 12:30pm

Sarah Champagne, Rotary Peace Fellow

Intro: **Caroline DeWitt** Thanks: **Joan Heyland**

Editor: **Rich Fisher**

Invocation: **Mike Traub** Toastmaster: **Ginette Thomas**

Meeting at Zoom <https://us02web.zoom.us/j/82444180906>
See **President Caroline** message Jan 24 for log-in details and agenda

February 2 Ian & Janine Maxwell: Update on Project Canaan” Intro and Thanks **Jim Maxwell**
