

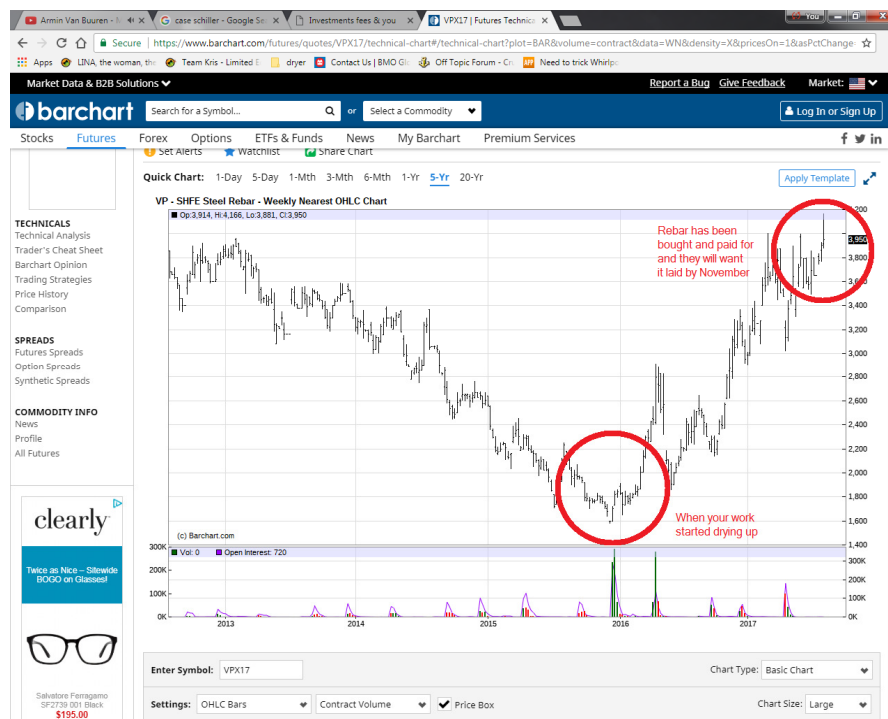
# Bulletin – Infrastructure

September 2017

While residential construction in hot markets such as Vancouver and Toronto have been booming, major infrastructure projects have been laggards. While this has benefited medium to large developers on medium sized projects (~\$100MM range) this has not resulted in the kind of multibillion dollar projects that drive serious real growth.

A good indicator of major infrastructure planning in North America is the US rebar futures market. Rebar is not a speculative product like gold or silver, it is useful for only one thing – building concrete buildings, roads, bridges, and other major infrastructure.

This is part of the reason why I like the NBI Global Infrastructure fund. It is well positioned to take advantage of this boom in infrastructure.



As you may note from this chart I created for a friend who works in infrastructure, fall 2016 was a poor time for major infrastructure. Futures, however, show that major buyers of rebar have been gobbling up futures to lock in prices for up to November 2017, more than doubling prices. This is indicative that there are a lot of projects on the drawing board and approved and that these people are ready to buy and lay down a lot of infrastructure.

Companies that make roads, bridges, commercial buildings, and other major projects are in for a significant boost this winter.

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