



3 Stocks That Could Gain From Disorder in 2018

Description

In August, Ray Dalio, founder of the investment firm Bridgewater Associates, [warned](#) that politics could play a greater role in affecting markets in the coming years. Stock markets in North America appeared to vindicate that position in 2017.

The U.S. stock market tore upward over the course of the year largely on the expectation that the Trump administration would pass its massive tax-reform package. Trump signed tax legislation into law in December that will see corporate taxes reduced from 35% to 21%. Corporate revenues have been projected to rise by up to \$6 trillion over the next decade as a result of the reform package.

[Geopolitical tensions in the Middle East](#) coupled with a production cut extension from OPEC have driven oil prices to a two-year high.

In a recent interview with the *Wall Street Journal*, Dalio warned that high stock valuations had not translated into elevated economic growth in the long term. Dalio is concerned that tax cuts and higher stock valuations will do little for the bottom 60% of U.S. households. He argued this could lead to further polarization, political resentment, and an all-against-all mentality going forward.

As we head into a year that will see the U.S. hold crucial midterms in November, let's take a look at three stocks that could benefit from a tumultuous political environment in North America and beyond.

Yamana Gold Inc. ([TSX:YRI](#))([NYSE:AUY](#))

Yamana has climbed 7.4% in 2018 as of close on January 16. The spot price of gold hit its highest point since early September 2017. The U.S. dollar has continued to display weakness in early 2018. The precipitous decline of Bitcoin and other cryptocurrencies in January may have also fueled demand for investors to return to the yellow metal as a safe haven and speculative asset.

Yamana posted net earnings of \$38.3 million in the third quarter of 2017 compared to a net loss of \$2.1 million in Q3 2016. As usual, gold stocks stand to gain from political turbulence at home and abroad.

BlackBerry Ltd. ([TSX:BB](#))([NYSE:BB](#))

BlackBerry stock has soared 22.3% so far in 2018. The company made a splash recently because of its foray into the autonomous vehicle industry, but investors should also be excited about its cybersecurity segment. On January 15, BlackBerry launched Jarvis, a new cybersecurity software that identifies vulnerabilities in programs used in self-driving vehicles.

BlackBerry also provides mobile security to a number of governments around the world. Cyberattacks are projected to steadily increase well into the next decade.

Silvercorp Metals Inc. ([TSX:SVM](#))(NYSE:SVM)

Silvercorp stock has risen 9.7% in 2018 thus far. The spot price of silver has increased with gold to start 2018. In the second quarter of 2017, Silvercorp saw net income dip to \$11.1 million, or \$0.07 per share, compared to \$12.4 million, or \$0.07 per share, in the prior year. The company did report a 3% increase in sales to \$47.5 million. The stock also offers a modest dividend of \$0.01 per share with a 0.7% dividend yield.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:AUY (Yamana Gold)
2. NYSE:BB (BlackBerry)
3. TSX:BB (BlackBerry)
4. TSX:SVM (Silvercorp Metals Inc.)
5. TSX:YRI (Yamana Gold)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Tags

1. Editor's Choice

Date

2025/08/18

Date Created

2018/01/18

Author

aocallaghan

default watermark

default watermark