



2 Stocks to Watch as the Trade War Heats Up

Description

The past week saw trade tensions between the United States and China worsen after the former announced additional tariffs on August 1. On August 5, the U.S. Department of Treasury officially declared China as a currency manipulator. China fired back and ordered state-owned enterprises to stop buying U.S. agricultural products.

The trade war has generated significant anxiety in the global economy. Analysts and economists had expected a slowdown into 2020, but renewed tensions have the potential to plunge the world economy into a full-blown recession. Back in the spring, I'd discussed how the trade war could impact stocks that have a [vested interest in China-based growth](#).

Today, I want to focus on two equities that will be impacted by reverberations on the North American continent.

Toronto-Dominion Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) stock rose 0.91% on August 8. Shares have climbed 13.7% in 2019 so far, but the stock has fallen 2% over the past month. TD Bank boasts a significant U.S. footprint, far and away the largest of its peers in Canada. This has allowed it to gorge on the U.S. Tax Cuts and Jobs Act and the subsequent bump in earnings that it provided. However, renewed volatility and an expected slowdown could make the stock a risky pick in August.

TD Bank is set to release its third-quarter 2019 results on August 29. The stock currently boasts a price-to-earnings ratio of 12, which is just barely on the pricey end compared to its peers. Shares had an RSI of 37 at the time of this writing, putting the stock just outside technically oversold territory. It last paid out a quarterly dividend of \$0.74 per share, which now represents a 3.9% yield.

B2Gold

Gold bulls have been the [big winners](#) since the spring. The spot price of gold surged above the \$1,500

mark this month for the first time in six years. **B2Gold** ([TSX:BTG](#))(NYSE:BTG), a Vancouver-based gold miner, has seen its stock jump 42% over the past three months. Shares are up 26% in 2019 so far.

In the second quarter, B2Gold reported record quarterly gold production of 246,000, which was above budget by 8%. The company expects its consolidated cash costs to remain low, while also forecasting production in the range of 935,000 and 970,000 ounces for the full year. B2Gold is in a great position to benefit from the most explosive bull run in the spot price of gold in the latter half of this decade.

Gold remains a speculative play at this juncture, but the bullish case has only strengthened into August. Central banks in the developed world appear to be in a race to the bottom when it comes to interest rates, and figures in U.S. ruling circles are openly pushing for a lower dollar in order to bolster competitiveness. The ongoing trade war is just the cherry on top for gold bulls right now. B2Gold is a mid-tier miner that offers nice value right now in comparison to some of its larger peers.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. NYSEMKT:BTG (B2Gold Corp.)
3. TSX:BTG (B2Gold Corp.)
4. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

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

Category

1. Investing

Date

2025/08/26

Date Created

2019/08/11

Author

aocallaghan

default watermark