



Here Are 3 TSX Stocks to Sell if Joe Biden Becomes President

Description

United States citizens and international onlookers were treated to the first debate between U.S. president Donald Trump and his challenger Democratic nominee Joe Biden on September 29. Last month, I'd discussed how a chaotic U.S. election could have a [negative impact](#) on domestic and global equities. The debate was one of the wildest and most contentious in modern history. Regardless, Joe Biden continues to hold onto a dominant position in the polls. Today, I want to look at three TSX stocks that Canadians may want to bail on if Biden beats out Trump.

Joe Biden and cannabis: Why these TSX stocks are in trouble

Current president Donald Trump has been ambivalent on the cannabis question. He has been content to let individual states drive policy on cannabis. Still, this has disappointed big producers who are hoping for movement on the federal level.

Cannabis companies should not expect any positive breakthroughs for the next four years. This is especially true if Joe Biden wins the presidency. Biden has been forceful about his anti-cannabis stance for most of his career. In July, the "Biden-Sanders Unity Task Force" submitted a set of policy recommendations. The 110-page document contained a small paragraph on cannabis policy. Some of the recommendations included rescheduling cannabis through executive action, decriminalization, federal medical legalization, and continued deferment to states on adult-use cannabis.

Two cannabis stocks to avoid

TSX stocks in the cannabis space have struggled mightily in 2020. Biden and his team have shown little inclination to bend to the whims of his former opponent Bernie Sanders. A Biden victory will be a [net negative](#) for the cannabis industry in the United States.

Canopy Growth is the largest TSX stock in the cannabis sector by market capitalization. Its shares have dropped 31% in 2020 as of close on October 1. In the spring of 2019, Canopy Growth moved to acquire Acreage Holdings for \$3.4 billion. This cannabis company is backed by former U.S. speaker of

the House John Boehner.

The deal was designed to give Canopy Growth a launching pad to the U.S. market. Indeed, it was written so the purchase would go through “at such time as cannabis production and sale becomes federally legal in the United States.” As it stands today, that still looks a long way off.

Aurora Cannabis is another top Canadian producer that has staked a lot on legalization south of the border. Its stock has dropped 81% so far this year. Recently, strategist and billionaire investor Nelson Peltz concluded his relationship with the company. Aurora has had a brutal 2020, and a Biden win will only add to its woes.

TSX stocks: An emphasis on green energy?

TSX stocks in the energy space could also be impacted.

Joe Biden has stated that his administration intends to recommit to the Paris Agreement on climate change. Moreover, his platform says that his administration will aim to push nations around the world to “ramp up the ambition of their domestic climate targets.”

A renewed and vigorous global push for renewable energy could deal damage to the oil and gas sector. **Suncor** is a major player in Canada’s oil sands. It has already been hit hard because of the COVID-19 pandemic. Shares of Suncor have plunged 61% in 2020. A Biden presidency could cast a cloud over the oil and gas sector in the early 2020s. This is bad news for Suncor and its peers.

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