



Trump's Coronavirus Diagnosis: What Does it Mean for Canadian Stocks?

Description

Last night's news that Trump has tested positive for coronavirus has rattled the markets across the world. U.S. futures are plunging, while Canadian stocks could be on the verge a correction, too. Here's what this latest development in an unbelievably eventful year means for your portfolio and finances.

Political uncertainty

Trump's coronavirus diagnosis just weeks away from the election causes tremendous political uncertainty. We have no idea if our closest neighbour, ally, and biggest export market will have to postpone the election. If Trump is incapacitated, Vice-President Mike Pence (who has tested negative recently) will assume control.

Political uncertainty is toxic for stock prices. Investors do not deal well with lack of visibility and unclear outcomes. So, expect the stock market to be extremely volatile for the next two weeks, as Trump hopefully recovers and the election resumes as usual.

Opportunities for dip buyers

For investors with an appetite for risk, this volatility could create opportunities. Stock prices could get beaten down, which means you can snap them up for cheaper.

I'm keeping a close eye on high-growth tech stocks that have been trading too aggressively for my taste this year. **Shopify**, in particular, is a stock I'd be delighted to add to my portfolio at cheaper prices.

I'll admit I missed the 160% rally in this incredible stock this year. I believe the company has plenty of runway for growth ahead. Global retail, after all, is a multi-trillion-dollar opportunity, and Shopify's unique business model gives it an undeniable edge here. But the stock does appear overbought. If this recent wave of volatility deflates the price even slightly, I'll probably jump in.

At the time of writing, the stock is down 1.5% — not enough, in my opinion.

Seeking safety

Of course, some investors would rather wait the volatility out and safeguard their wealth instead of betting speculatively. I have the perfect safe haven for these investors: **NorthWest Healthcare Properties** ([TSX:NWH.UN](#)).

The stock is down a mere 0.35% this morning. I wouldn't expect much volatility ahead either. The stock has been remarkably stable throughout this year, despite unprecedented volatility.

NorthWest's tenants are healthcare clinics and hospitals across the country. These tenants are perfectly insulated from the rest of the economy and politics. The company's average lease term is 14.4 years, while 85% of its tenants are funded by government agencies.

If you're looking for a safe spot to park your money and perhaps earn a [7% dividend yield](#) while you're at it, NorthWest deserves your attention.

Bottom line

Trump's coronavirus diagnosis is unfortunate. I'm not a fan of the president, but I wish him a speedy recovery. While he recovers, I expect the stock market to be historically volatile. This creates opportunities for greedy investors like me. Keep an eye on the most overvalued growth opportunities around.

However, if this latest development has made you anxious, and you're looking to preserve capital, consider healthcare properties as a safe haven.

CATEGORY

1. Coronavirus
2. Investing

POST TAG

1. Editor's Choice

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1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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