



Election Fears? 1 TSX Stock To Buy Right Now

Description

The first debate between sitting president Donald Trump and Democrat hopeful Joe Biden didn't exactly overwhelm viewers. With the election now only a few weeks away, polls are showing an American electorate on a knife-edge. Investors are similarly split as the world watches the biggest economic power with baited breath.

A frothy fourth quarter for stock markets

Will the new year see Trump hanging onto power, or find the Democrats back in the saddle? Though it's still too close to call, each camp is predicting their own landslide victory. For investors, though, the biggest question is, "What effect will the election have on the markets?"

There's a compelling theory that the markets might not take kindly to a profound political change right now. The pandemic has already brought challenges aplenty; the election threatens to heap more uncertainty on investors. Political preferences aside, further upheaval of any kind could cause considerable [volatility in the markets](#) this fall. A second-wave of COVID-19 and no vaccine won't help.

If Trump gets his second term, corporate sectors could rally. Investors might expect to see improving share prices in U.S.-weighted names like **TD Bank** and **American Hotels REIT**. On the other hand, if Biden takes the Democrats back to the White House, investors might expect to see improvements in green economy stocks. Consider adding to positions in **Northland Power** for key renewable exposure.

This single TSX stock ticks many boxes

One asset class that might improve this fall no matter who takes the top prize is gold. The only certainty that investors can bet on in this market is uncertainty itself. In other words, safe haven assets are likely to continue to appreciate. Expect TSX stocks like **Newmont** ([TSX:NGT](#))([NYSE:NEM](#)) to rise as investors navigate 2020's treacherous Q4.

Why buy ahead of time? Because this TSX stock is likely to sell at a premium as risk ratchets up in the

coming weeks. If holding a world-class gold miner and locking in a richer dividend yield appeals, it's better to buy Newmont shares sooner rather than later. Friday saw a dry run of the election's potential to upend the markets when Trump [tested positive for the coronavirus](#). The news nudged Newmont up 0.35%.

Newmont stands out because it still exhibits better valuation than the majority of its peers. Granted, a P/B of 2.3 times book could be better. However, it undercuts the Canadian metals and mining average of 2.8. This is especially important for super long-term investors seeking the widest margins. Not many TSX stocks can match value plus passive income with the ultimate in low-risk market performance.

Current estimates see Newmont rewarding shareholders with total returns of 66% in the next 12 months. That also makes this a top TSX stock to buy for shorter term gains. Bear in mind that the thesis for a continuation of a gold bull run is still fairly strong, perhaps stronger than the growth thesis is some overvalued tech stocks. If it's quick capital gains you're looking for, Newmont scratches that particular itch, too.

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