



3 Stocks Set to Soar if Trump Wins Re-Election

Description

We're just a few weeks away from the biggest event of 2020. On November 3, Americans go to the polls to decide who'll be their next president. After four incredibly controversial years, we'll know whether Donald Trump gets four more of them.

The consequences for us in Canada are arguably just as significant as they are for Americans. The U.S. is our largest trading partner, and Donald Trump has taken a hard line on trade. Just recently, he slapped a 10% tariff on \$3.6 billion worth of Canadian aluminum. A year earlier, he targeted other Canadian goods in a sweeping round of tariffs.

If Trump wins, a lot of Canadian companies will suffer. Particularly exporters of raw commodities. But there are other Canadian companies that could actually benefit from a Trump win. As you're about to see, energy companies and Canadian companies that invest in the U.S. could benefit from Trump's economic policies. The following are three stocks that fit that description.

Enbridge

Enbridge Inc ([TSX:ENB](#))([NYSE:ENB](#)) is an energy company that sports a [whopping 8.2% yield](#) at today's prices. It's been a loser so far in 2020, down 23% for the year. But it stands to benefit next year if Trump wins re-election. Trump generally favours the oil & gas industry. While he has been hostile to many Canadian exports, energy hasn't been among them.

He has granted many permits for Canadian pipeline companies building infrastructure in the States. Enbridge is currently working on such a pipeline: a replacement of its Line III heading into the Mid West. If Trump wins, then Enbridge will likely have permission to proceed with construction on the U.S. side.

ONEX

The **ONEX Corporation** ([TSX:ONEX](#)) is a Canadian [private equity firm](#) that invests heavily in the

United States. As a private equity company, it stands to benefit from the low interest rates President Trump is pushing. Private Equity firms generally borrow heavily to finance acquisitions. As such, they can acquire assets more cheaply in low interest rate environments.

Throughout his presidency, Donald Trump has consistently advocated for low interest rates. And he seems to have influenced the Federal Reserve to follow his lead, as they've cut rates several times since the 2016 election. Economists (like Alan Greenspan) have generally taken a negative view of Trump's efforts to influence the fed. But for PE firms like ONEX, at least, the policies he's advocating do lead to cheaper acquisitions.

Alimentation Couche-Tard

Alimentation Couche-Tard Inc (TSX:ATD.B) is Canada's largest convenience store company. It's also one of the largest convenience store companies in the United States. It acquired the Circle K chain from **ConocoPhillips** in 2003, giving ATD.B a huge foothold in the U.S. gas station market. Later, the company grew Circle K to be one of the largest gas station chains in Canada.

ATD.B would likely benefit from a Trump win. First, as a company with a huge U.S. presence, it would benefit from low interest rates should it choose to invest further in that country. Second, as a gas station company, it benefits from Trump's lax treatment of fossil fuels. Both of these factors make doing business in the U.S. easier for Alimentation Couche-Tard. And both will remain in effect if Trump is re-elected.

CATEGORY

1. Dividend Stocks

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:ONEX (Onex Corporation)

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