



These 3 Canadian Stocks Could Soar if Biden Beats Trump!

Description

The U.S. election is fast approaching. And that means just as much for Canadians as it does for Americans. The U.S. is Canada's largest trading partner, and current president Donald Trump is a hardliner on trade. In his first term, he imposed many tariffs on Canadian industries — most recently, aluminum. If his opponent Joe Biden wins the election, then it could be good news for Canadian exporters. With that in mind, here are four Canadian stocks that could soar if Biden beats Trump.

CN Railway

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) is a Canadian railway company that ships [\\$250 billion worth of goods a year](#). A good percentage of those are Canadian exports headed to the United States. Among the commodities shipped by CN are grain, coal, and auto parts. These are exactly the type of “raw commodities” that Trump typically targets in his trade wars. Already, Trump has imposed tariffs on Canadian commodity exports. Most of them have been walked back. But they could be re-imposed. If Biden wins, the trade wars we've been seeing are unlikely to continue. That's good for CNR, whose business is built heavily on shipping exports.

Canadian Pacific Railway

Canadian Pacific Railway ([TSX:CP](#))([NYSE:CP](#)) is another railway that ships goods into the United States. Like CN, it benefits the fewer barriers there are to international trade.

CP Railway ships an even wider variety of goods CN does. Its “industrial products” business ships items like steel and aluminum, which are among the items that have been targeted by Trump's tariffs. If Biden wins, they're less likely to be taxed again in the future. So, CP is another rail stock that could benefit from a Biden win.

Magna International

Magna International ([TSX:MG](#))([NYSE:MGA](#)) is a company that [supplies parts](#) to car companies. The items it sells include basic automotive components like seats, lighting, and control modules. In this role, it serves as a supplier to many U.S. auto makers. However, its business is one that could be vulnerable to Trump's tariffs. In previous trade wars, Trump threatened to slap tariffs on imported cars. He didn't actually make good on that promise, but he could in the future. The fact that Canada has a new trade deal with the U.S. and Mexico doesn't matter: his recent aluminum tariff came after the deal was signed.

A Biden win could therefore be a big plus for Magna international. As a car parts company that largely supplies U.S. customers, it's vulnerable to tariffs on auto parts. If Biden wins the election on November 3, then such tariffs are less likely to happen. That would benefit the company and likely send its stock higher.

However, the thesis for Magna is a bit weaker than the other two stocks on this list. Trump has already demonstrated a willingness to put tariffs on commodities, he's been less keen to do the same with auto parts. He actually *imposed* tariffs on metals, but only *threatened* to do the same with cars. Of the three stocks mentioned here, Magna is least at risk of Trumpian tariffs. But a Biden win would put such tariffs out the conversation entirely. So, it would be a net positive for Magna.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:CP (Canadian Pacific Railway)
3. NYSE:MGA (Magna International Inc.)
4. TSX:CNR (Canadian National Railway Company)
5. TSX:CP (Canadian Pacific Railway)
6. TSX:MG (Magna International Inc.)

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