



3 TSX Stocks to Buy if Donald Trump Stays President

Description

The United States Presidential election is less than a month away. It looks like the first debate between Donald Trump and Joe Biden will also be the last as both camps have dug in their heels on terms. Last week, I'd discussed which stocks [could suffer](#) if Trump stays President. Today, I want to look at three stocks that could thrive if Donald Trump hangs onto the White House.

Why this TSX stock can rise with a Donald Trump win

CAE ([TSX:CAE](#))([NYSE:CAE](#)) is a Montreal-based company that provides training solutions for the civil aviation, defence and security, and healthcare markets worldwide. Shares of CAE have dropped 38% in 2020 as of close on October 14. The aviation industry has been throttled this year, but it still boasts a promising defence division. Defence spending has ballooned in the U.S. under Donald Trump, and this has had a spillover effect in Canada.

In 2017, Canada pledged to boost defence spending by 73% over the next 20 years. That is good news for this **TSX** stock. It released its first- quarter fiscal 2021 results on August 12. Revenue fell 33% year over year to \$550.5 million. Meanwhile, it reported a segment operating loss of \$110.3 million – down from operating income of \$113.3 million in the prior year.

Defence revenue fell 13% year over year to \$280.2 million. This was largely due to delays in the execution of programs as a result of the COVID-19 pandemic. CAE is a TSX stock that looks like a buy-low candidate right now, especially if Donald Trump manages to pull off a win next month.

I'm bullish on this stock in 2020 and beyond

While the COVID-19 pandemic has hurt many consumer-driven sectors, alcohol is not one of them. Unlike cannabis, this is a space that is worth your attention no matter who wins in November. Younger consumers are drifting more to wine and liquor, which is great news for **Corby Spirit and Wine** ([TSX:CSW.A](#)). Donald Trump may be a teetotaler, but I'm buying alcohol stocks even if he wins.

Shares of this TSX stock have climbed 4.4% so far this year. Corby released its fourth-quarter and full-year results for 2020 on August 26. Net earnings rose to \$26.7 million or \$0.94 per share – up 4% from the prior year. Moreover, revenue increased 2% from 2019 on the back of a strong performance from Corby-owned brands in domestic and international markets. Its brands remained resilient in the face of the COVID-19 pandemic.

Corby stock last possessed a price-to-earnings ratio of 16 and a price-to-book value of 2.5, putting this TSX stock in favourable value territory. Better yet, it offers a quarterly dividend of \$0.20 per share, which represents a strong 5.1% yield.

A Donald Trump win will also be positive for TSX stocks in the banking sector

Goldman Sachs recently projected that a Biden win would be [positive](#) for the U.S. economy and its banks. That does not mean a Donald Trump win will be a negative for this space. Trump's tax cuts provided a huge near-term boost for banks in the U.S., as well as for Canadian institutions with a sizable footprint south of the border.

Royal Bank is Canada's largest financial institution. This TSX stock has dropped 2.4% in 2020. It still has a favourable P/E ratio of 12 and a P/B value of 1.7. Moreover, it offers a quarterly dividend of \$1.08 per share. This represents a 4.4% yield.

CATEGORY

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2. TSX:CAE (CAE Inc.)
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