



Elections: A Biden Victory Will Boost These 3 Stocks

Description

Elections are nearly impossible to predict. I should know – I tried calling the results of the past three elections and got ALL of them wrong! So, I've decided not to predict the future but to prepare for it instead.

This week, I'm looking at winners and losers from any eventual outcome of next week's [U.S. presidential election](#). Here's a look at the top three stocks that could surge if Joe Biden wins the presidency and turns the White House blue.

Trump trade

It's fair to say that Trump wasn't a big fan of international trade unless it was U.S. goods being sold abroad. Anything coming into the country faced the ire of Trump or, at worst, outright tariffs and blockades.

These frictions impacted **Canadian National Railway**, which transports billions of dollars of raw materials and finished goods across the U.S.-Canada border every day. Trade barriers or uncertainty have a direct impact on the company's bottom line.

A Joe Biden victory in next week's election will hopefully end the trade war and boost business confidence to resume trade as usual, which means more volumes for Canadian National Rail to carry and, in turn, more earnings.

Canadian National's stock is trading 10.8% higher than at the start of the year. It has held up well despite economic hurdles. However, it's trading at just 27 times annual earnings and could pop if a trade-friendly president takes the White House next week.

Marijuana legalization

Legalizing cannabis in Canada was a historic step. However, Canada's market is not big enough. Manufacturers like **Canopy Growth Corp.** need access to the multi-billion-dollar U.S. market to kick their expansion into high gear.

While Donald Trump hasn't expressed any opinions about marijuana, his administration is clearly opposed to legalization on a federal level. This means consuming or producing cannabis remains illegal on a national level, even though some states have legalized the substance, making it difficult for a Canadian producer to enter the market.

The democratic party, however, could push for legalization on a federal level. Especially if they take control of the Senate in next week's elections, boosting Canopy Growth stock tremendously. After a rough year, investors in this stock definitely need some reprieve.

Green new deal

Joe Biden is clearly in favour of environmental protections and government subsidies for renewable energy, even if his plan isn't called the "Green New Deal," which means a Biden victory could boost **TransAlta Renewables Inc.** ([TSX:RNW](#)).

TransAlta already has renewable energy plants scattered across North America. However, government support and subsidies from the world's biggest energy consumer could boost the company's prospects tremendously.

Meanwhile, the stock seems to be trading at a bargain. The price-to-earnings ratio is 41, while the stock offers a 5.7% dividend yield. If Biden wins the election next week, TransAlta could be among a handful of stocks that see their valuation adjusted higher. Keep an eye on it.

CATEGORY

1. Cannabis Stocks
2. Investing

TICKERS GLOBAL

1. TSX:RNW (TransAlta Renewables)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Cannabis Stocks
2. Investing

Date

2025/08/24

Date Created

2020/10/30

Author

vraisinghani

default watermark

default watermark