



Post-Election Melt-Up: 2 Stocks That Could Soar 10% by Year's End

Description

What an incredible rally we had in the first week of November. The stock market came roaring back, as the U.S. election dragged on, with no conclusive winner until the weekend, when former Vice President Joe Biden was declared the winner. Now, investors have been preparing for a Biden victory for quite some time now, after having sold off viciously in the last week of October.

The greatest fear of many was not that Biden would take the oval office, but that a potential “Blue Wave” (a scenario that would have seen the Democrats control the House and Senate) would deliver a gut-punch to stocks amid surging coronavirus cases.

With a Senate that could be under Republican control and a relatively split House, the Blue Wave is off the table. That means the much-feared corporate tax hikes and stricter business regulations are no longer a given. The deterioration of the dreaded Blue Wave was what last week's rally was all about, and I think it has much more room to run.

A sweet November and a Santa Claus rally could be up ahead

Although it seems far-fetched now, the **S&P 500** could be headed back to fresh new all-time highs by year's end. Not to discount the negative impact of surging coronavirus cases, but the stage does look better-set for a sweet November and a potential Santa Claus rally than it did in the spooky month of October, a time when it seemed like investors couldn't catch a break. The better-than-feared election result served as such a much-needed break. And investors who've been longing for some good news shouldn't be taking it lightly.

This piece will have a look at two **TSX** stocks that could surge by as much as 10% by year's end as the post-election rally looks to extend. Consider shares of **Alimentation Couche-Tard** (TSX:ATD.B) and **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)), two U.S.-exposed Canadian stocks that now look to have the green light to rally higher in the final two months of this ridiculously choppy year.

Couche-Tard

Couche-Tard is a convenience store kingpin that picked up some major traction as the ballot-counting dragged on last week. Not only is the Canadian growth darling less likely to be on the receiving end of U.S. take hikes, but the firm is also starting to put its foot back on the M&A pedal with the acquisition of Convenience Retail Asia (the firm behind Circle K Hong Kong) in a deal worth US\$360 million, giving Couche its much-desired exposure to the Asian c-store market.

Couche's management team hinted at more similar deals to come. And with more than enough liquidity to take advantage of further opportunities in the Asian market, the stock has plenty of "rally fuel" left in the tank and think the stock could be on the verge of a major breakout, regardless of how bad this second COVID wave gets.

The stock trades at a modest 15 times trailing earnings and looks to be one of the few defensive growth retailers out there that won't suffer excessive business erosion at the hands of the COVID crisis.

Brookfield Asset Management

Brookfield Asset Management is a deep-value play that's suffered a brutal year, with shares imploding nearly 50% peak-to-trough back in February and March. Today, the stock has recovered around half of the ground lost in the vicious crash, but shares still reek of value, especially given the more compelling market environment that lies ahead.

As a best-in-class alternative asset manager, the "lower for longer" interest rate environment bodes well for BAM stock over the medium- to long-term. Like Couche, BAM has [a considerable amount of exposure to the U.S. market](#), and with U.S. corporate tax hikes likely off the table, I think the dirt-cheap stock (shares trade at just 1.6x book value) finally has a few reasons to make a huge comeback.

Although COVID pressures will continue to weigh on the firm, I am a fan of the risk/reward for the next two years as we [inch closer to a vaccine](#).

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