



RIO REGULAR INVESTMENT ACCOUNT USD

Those invested in this account in late 2016 will recall that during the last US presidential election the investment recorded a gain of 18% during November, election month. The US election this year is by no means normal and any win is likely to be contested by either the Republicans or the Democrats. The fact that millions of Americans are voting by mail coupled with the differences on deadlines and legal challenges have all added to the election uncertainty in 2020.

That said, from an investment stand point I am more than familiar with the stocks which would most likely benefit from a Trump victory, as I have traded a selection of these equities regularly since his last victory in 2016. My team and I have also spent weeks analyzing and discussing the stocks which would benefit from a Biden win and a liberal landslide would be rocket fuel for certain sectors, for example; clean and renewable energy, health care, cannabis, and online gambling. Wall Street will face a deluge of market-moving events in the coming weeks.

US Stock market

Looking back, stocks posted gains Friday on hopes of a second corona virus bailout before the US election on the 3rd November, that now looks very remote. Donald Trump and Nancy Pelosi both continue to blame each other for the stalemate on the stimulus talks, lobbying each other to act and make compromise. Steven Mnuchin, the Secretary of the Treasury, commented that if Pelosi compromises, there would be a deal.

The last Presidential debate

In the final debate Donald Trump was well prepared and disciplined, he was also clear and on message. In the first 30 minutes debating both the corona virus and the economy the president was calm and concise, positive, well-informed and even invigorating.

Joe Biden on the other hand was a poor second in this debate in my opinion.

Both candidates jostled vigorously on Covid with Trump coming up trumps (pardon the pun). The debate saw both continue to lock horns on race, while trading corruption charges but again it looked like Donald won the day.

I feel that people have grown tired of lockdowns and with Joe Biden not ruling out more lockdowns which have often lead to job losses and or worse bankruptcies, his stance may lose him votes. Trump has stated that it is time to reopen the US and get back to work.

Trump claimed Biden had personally profited from his son's business dealings, claims which had the presidential challenger noticeably vexed.

The coming US Election

Due to the amount of radical changes surrounding this year's election my analysts and I have been working around the clock to identify which stocks will gain from the election of the new president, the selection very much differs dependant on the victor. With the presidential debates now over the campaigns have entered the final stage which involves rushing around visiting battleground states.

Donald Trump is being very active here as he concentrates his efforts on collecting Electoral College votes.

Some polls are predicting a Joe Biden victory, this would be very bad for FAANG stocks, such as Amazon, Apple, Alphabet etc as they are likely to become taxed more heavily and are almost certain to face anti-trust action. This in turn would stifle or even end the tech rally. Biden is also bad news for bonds (rising yields, falling prices), however "Old man Joe" is good news for renewable energy stocks and maybe good for economic growth as Democrats typically spend, spend, spend - but the question is where will they get the money from given recent events?

Stocks

Elbit Systems Ltd

The account has traded this stock successfully since Trump won the 2016 election, helping it to continue to post significant gains to date. Any member following the stock would have seen that it has fallen back in to its previous range, the reason it fell 6.5% to close at \$112.10 was the fact that the company said it expects a \$60M asset write off due to reduced demand. The company announced that, as a result of the impact of the COVID-19 pandemic, they experienced reduced demand for the products and services it supplies to the commercial aviation markets. The company's military contracts continue unaffected by the COVID-19 pandemic, and in fact over the past few weeks alone Elbit have been awarded several new government contracts. A Trump victory would result in further military spending and a rally in this stock.

RIO Regular have just added two new stocks to its current selection, more information on these next month.

William Gray
The RIO Club