

The Ballot Has Been Cast

The election is finally over. Donald Trump has been elected as the 45th President of the United States. As the nation begins to mull over this outcome, let's discuss how a Trump administration could impact key markets.

Healthcare

President-elect Trump's position on drug price regulation benefits pharmaceutical and biotechnology companies and may boost their profits. He also suggested allowing Americans to purchase drugs both domestically and overseas. Removing this barrier will give American consumers greater access to more affordable drugs and increased competition, thereby reducing medical costs. In addition, the Patient Protection and Affordable Care Act (ACA) will most likely undergo a full or partial repeal, a boon to insurance providers but trouble for managed healthcare companies.

Infrastructure

Throughout his campaign, President-elect Trump advocated adamantly for government investments into failing infrastructure. With this in mind, Van Leeuwen & Company forecasts with strong probability that infrastructure spending will pass easily through the Republican Congress, an obvious advantage for construction, building materials, and heavy machinery sectors.

National security

Given President-elect Trump's outspoken position on national security and defense spending increases, aerospace and defense companies will likely benefit from his administration.

Finance

Many speculate Mr. Trump will attempt to repeal the Dodd-Frank Wall Street Reform and Consumer Protection Act, which imposed strict regulations on banking in the wake of the 2008 financial crisis. Removal of these regulations will allow banks to more freely conduct business. Additional tailwinds for the financial sector include an interest rate increase by the Federal Reserve in December, a benefit to banks over the long term. Economists also expect interest rates to rise naturally over the next year.

Technology

Finally, President-elect Trump was quoted as saying that larger technology companies have "too much concentration of power in the hands of too few."¹ Trump's attention may be a headwind for big names in Silicon Valley, especially those looking to grow through mergers and acquisitions.

The Final Word

Even though the Dow Jones Industrial recently hit an all-time high, Van Leeuwen & Company will remain vigilant throughout the coming weeks. Ramifications from the 2016 election have not yet been fully realized. President-elect Trump still has many decisions to make that will undoubtedly influence the market.

We feel strongly that there will be many opportunities to come and aim to take full advantage of them as they arise.

¹ October 22, 2016, Gettysburg, PA