

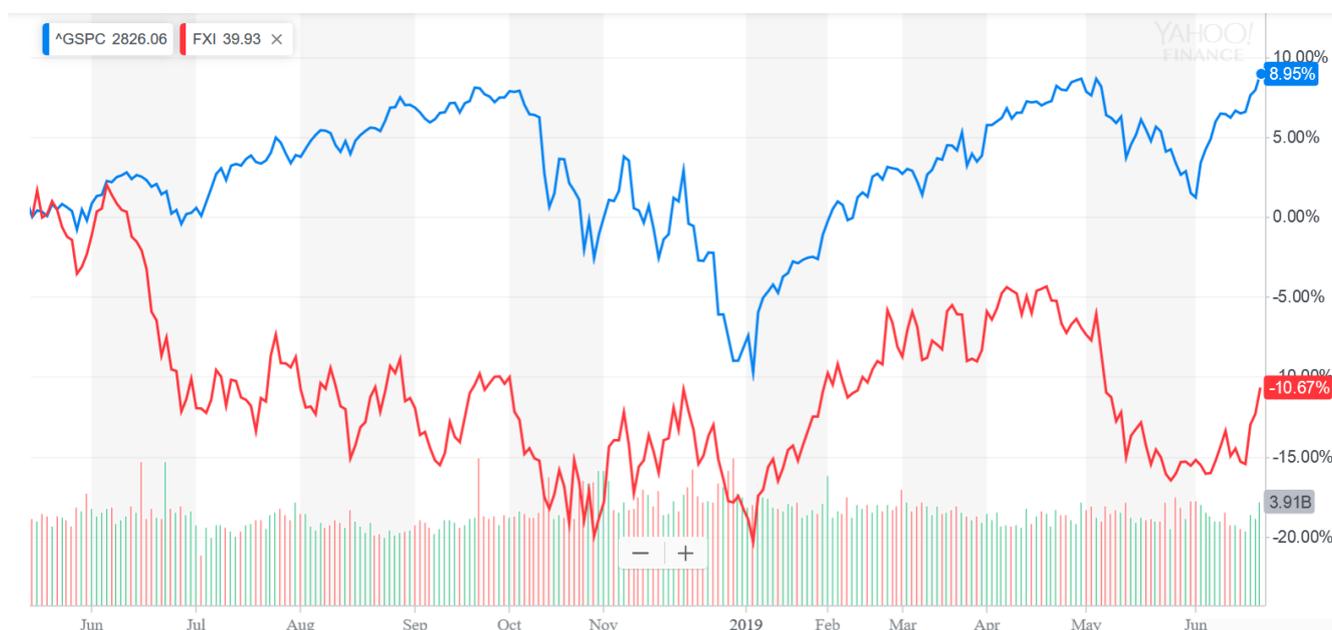
# Winners from the US-China trade war (so far)

Trade wars – What will happen next? What will happen this week at the G20? Who are the winners of the trade war so far!

The US-China trade war has been ongoing for about a year now so I decided to take a look at the winners so far. It would stand to reason that if the trade war worsens these winners will continue to do well. Generally speaking US equities and defensive sectors have done well, whereas anything China related (includes many mining stocks) have done very poorly. Of course should the trade war be solved, the past years losers are likely to recover strongly.

The US share market has done well with China's share market doing poorly

The US equity market has been the clear winner (shown below in blue) as it is up 8.95% over the past year compared to the iShares China (red) which is down 10.67%. Note I chose the iShares China as it is in USD currency and hence it removes the currency effect for this comparison.



## US S&P500 (blue) versus iShares China (red)

US domestic sectors have done well the past year

As we would expect US sectors that have no direct trade war exposure have done well. Returns quoted below are the past 1 year returns as of June 20, 2019. US real estate and utilities were big winners, with consumer staples and health care not far behind.

- US real estate up 21.7%
- US utilities up 19.1% – iShares U.S. Utilities ETF (IDU) – PE 22.0
- US Consumer staples up 15.9% – PE 25
- US health care up 14.7% – iShares U.S. Healthcare ETF (IYH) – PE 26.5
- US manufacturing up 6% – iShares US Industrials ETF (IYJ) – PE 21
- US consumer goods up 3.2% – iShares U.S. Consumer Goods ETF (NYSEARCA: IYK) – PE 19.0
- Some of US stocks the past year – Advanced Micro Devices (AMD) up 93%, Chipotle Mexican Grill Inc. (CMG) up 56%, Zerox Corp (XRX) up 32%, and Amazon (AMZN) up 11.3%.

US sectors 1 year returns comparison (as of March 8, 2019)

03-08-2019 ■ Communication Services 7.45% ✕ ■ Consumer Discretionary -4.33% ✕  
 ■ Consumer Staples 6.21% ✕ ■ Energy -15.15% ✕ ■ Financials -5.76% ✕  
 ■ Health Care 5.32% ✕ ■ Industrials -1.08% ✕ ■ Information Technology -3.45% ✕  
 ■ Materials -8.53% ✕ ■ Real Estate 10.66% ✕ ■ Utilities 15.06% ✕  
 ■ S&P 500 INDEX -1.11% ✕



US sectors 1 year returns to March 8, 2019

Global winners so far from the trade war

*Vietnam* – Vietnam is starting to benefit as the trade war worsens and firms start to relocate from China to Vietnam. The VanEck Vectors Vietnam ETF (VNM) is up 11.5% year to date.

Gold – Gold has just hit year highs on fears the trade war may soon get much worse. Physical gold funds such as the SPDR Gold Trust ETF (GLD) was up 9% the past year, whereas the iShares MSCI Global Gold Miners ETF (RING) was up 14.4% over the past year.

Miscellaneous – Airbus (EADSY) has done well at [Boeing's \(BA\) expense](#), non-US soybean exporters (Brazil, Argentina) have done well, and the non-Chinese rare earth exporter Lynas Corporation (ASX:LYC) and other rare earths companies may do well if China bans rare earth exports to the USA. For more on the later investors can read ["A rare earths war – What should investors do next?"](#)

Top performing InvestorIntel members in the past year

- [StageZero Life Sciences Ltd.](#) (TSX: SZLS) – Up 153.33% on TSX
- [Alkane Resources Ltd.](#) (ASX: ALK | OTCQX: ANLKY) – Up 91.30% on ASX
- [Western Uranium & Vanadium Corp.](#) (CSE: WUC | OTCQX: WSTRF) – Up 59.30% on CSE
- [Siyata Mobile Inc.](#) (TSXV: SIM | OTCQX: SYATF) – Up 39.13% on TSXV
- [Energy Fuels Inc.](#) (NYSE American: UUUU | TSX: EFR) – Up 23.95% on TSX

The past year trade disputes have been ongoing between the US and several other countries and not just China. For example, the US has had disputes with Canada, Mexico, Europe, Turkey, Japan, and India.

Trump and Xi have agreed to an [extended meeting](#) at next week's G20 Summit on June 28/29 in Japan, so we will see very soon what happens next. It might be time to fasten your seat belt.