Technology Metals Report (03.01.2024): Biden Calls Chinese EVs a Security Threat and the Greenest Car in America May Surprise You?

written by InvestorNews | March 1, 2024

Welcome to the latest issue of the Technology Metals Report (TMR), brought to you by the Critical Minerals Institute (CMI). In this edition, we compile the most impactful stories shared by our members over the past week, reflecting the dynamic and evolving nature of the critical minerals and technology metals industry. Among the key stories featured in this report are President Joe Biden's initiatives to restrict Chinese electric vehicles (EVs) citing national security concerns, the American Council for an Energy Efficient Economy's report naming the Toyota Prius Prime SE as the greenest car in America, and insights into the lithium market with investors remaining keen despite a price plunge. We also delve into the broader context of these developments, including the potential solution to the rare earth crisis through tetrataenite, BYD's exploration for a factory location in Mexico, and the ongoing challenges and opportunities facing the global electric vehicle and critical minerals markets.

This week's report also highlights various strategic collaborations and developments, including the significant challenge posed by China's EV industry to Detroit's Big Three automakers and Australia's navigation of a critical minerals market meltdown amidst declining prices for key exports such as

iron ore, nickel, and lithium. Furthermore, we cover Lynas Rare Earths Ltd.'s (ASX: LYC) call for government vigilance in the volatile nickel market, China's lithium-ion battery industry facing excess inventory and production capacity issues, Energy Fuels Inc.'s (NYSE American: UUUU | TSX: EFR) record net income and uranium production ramp-up, and Mercedes-Benz's adjustment of its electrification goal. These stories underscore the rapidly changing landscape of the technology metals and critical minerals industry, spotlighting strategic collaborations, market dynamics, and the critical role of innovation and policy in shaping the future of sustainable technology and energy.

Biden Calls Chinese Electric Vehicles a Security Threat (February 29, 2024, Source) – President Joe Biden has initiated measures to potentially restrict the entry of internet-connected Chinese electric vehicles (EVs) into the U.S. market, citing national security concerns over their ability to transmit sensitive data to Beijing. The Commerce Department has launched an investigation into these security threats, marking the beginning of a broader strategy to prevent low-cost Chinese EVs from undermining U.S. automakers. This move comes amid growing tensions between the U.S. and China over trade and technology, with Biden emphasizing the need to protect the domestic auto industry from unfair Chinese practices. The investigation, a result of discussions with major automakers and unions, could lead to new regulations on vehicles using Chinese software, which is feared to collect extensive data on American users. This action is part of Biden's wider efforts to bolster U.S. technology restrictions against China and maintain competitiveness in the global auto market.

The 'greenest' car in America might surprise you (February 29, 2024, Source) – A new report from the American Council for an Energy Efficient Economy challenges the common perception that electric vehicles (EVs) are the greenest cars in America by

naming the Toyota Prius Prime SE, a plug-in hybrid, as the top environmentally friendly vehicle. The Prius Prime SE can travel 44 miles on electricity before switching to hybrid mode, combining electric and gasoline power. The report assesses over 1,200 vehicles on their road and manufacturing emissions, including pollutants beyond carbon dioxide. Despite the growing market for EVs, the report emphasizes that a car's green credentials depend on factors like weight, battery size, and overall efficiency, not just its electric capabilities. Plug-in hybrids like the Prius Prime offer a balance for drivers by allowing short electric commutes and longer gas-powered trips, presenting a practical alternative amidst America's evolving charging infrastructure. Critics argue that fully electric vehicles remain the best option for environmental benefits, especially as renewable energy sources increase. However, the report suggests the importance of offering consumers a range of environmentally friendly choices to suit different needs.

Lithium Investors Are Looking Beyond Price Plunge, Chile Minister Says (February 28, 2024, Source) – Despite a recent downturn in lithium prices, investors remain keen on new lithium projects in Chile, as confirmed by the country's Mining Minister, Aurora Williams. This interest is fueled by the long-term prospects associated with the global shift towards renewable energy and electric vehicles, rather than short-term price fluctuations. Chile, home to the world's largest lithium reserves, has seen prices drop significantly since the introduction of a new public-private partnership model aimed at attracting investment while ensuring major deposits remain under state control. Despite this, major international companies like Rio Tinto Group and Tsingshan Holding Group have continued discussions with Chilean authorities, demonstrating a sustained interest in the sector. Chile plans to offer exploration rights in certain salt flats, with the possibility of private investors

gaining either minority or majority stakes depending on the strategic importance of the area. This initiative is part of a broader effort to maintain Chile's status as a key player in the global lithium market, amidst growing competition and as the country also seeks to bolster its position in the copper industry.

Navigating the Climate Change Storm of ESG Withdrawal and Climate Change Commitment (February 28, 2024, Source) – Recent decisions by JPMorgan, State Street, and Pimco to exit Climate Action 100+ (CA+), amid political pressures, have sparked debate over the fate of global ESG initiatives. Nevertheless, CA+'s extensive network, including over 700 members and its collaborations with high-emission companies for a low-carbon transition, exemplifies the resilience of ESG efforts. Despite these withdrawals, the broader commitment to ESG principles, especially in the extractive industries with initiatives like Copper Mark and Responsible Steel, remains robust. This commitment is further reinforced by regulatory measures against greenwashing and heightened public activism for environmental protection and equitable benefits. These trends underscore that, far from diminishing, ESG remains a crucial driver of corporate strategy and societal expectations, suggesting a sustained impact on global business practices.

Tetrataenite as a solution to the rare earth crisis (February 28, 2024, Source) – The rare earth crisis, pivotal for modern technologies such as electric motors and wind turbines, stems from the scarcity and environmental impact of mining rare earth elements like yttrium and neodymium. As demand for these materials grows due to their importance in reducing fossil fuel reliance and combating climate change, shortages are anticipated. A potential breakthrough in 2023 by an international research team suggests tetrataenite, a meteorite mineral with similar magnetic properties to rare earths, as a

solution. Unlike its natural slow formation in space, the team discovered a method to synthesize tetrataenite on Earth rapidly using common materials like iron, nickel, and phosphorous, potentially offering an alternative to address the rare earth crisis.

Chinese automaker BYD looking for Mexico plant location, executive says (February 28, 2024, Source) – Chinese electric vehicle manufacturer BYD is scouting locations in Mexico for a new factory, targeting the local market to enhance its share, as stated by BYD Americas CEO Stella Li. With an annual production capacity of 150,000 cars, the company plans to finalize the plant location by year-end. Recently surpassing Tesla in global EV sales, BYD's expansion into Mexico signals a potential competitive challenge to U.S. auto companies, amidst concerns from the Alliance for American Manufacturing about low-cost Chinese cars impacting the U.S. auto sector's viability. BYD's strategy focuses on serving the Mexican market, particularly eyeing central and southern regions for factory sites. The company's cost competitiveness is attributed to early investments in EV technology and extensive vertical integration. BYD also announced the launch of its Dolphin Mini EV in Mexico, priced significantly lower than the cheapest Tesla, aiming to make electric cars accessible to more Mexican consumers. However, challenges remain, such as the limited network of charging stations in Mexico.

China's Electric Vehicles Are Going to Hit Detroit Like a Wrecking Ball (February 27, 2024, Source) – China's electric vehicle (EV) industry, led by automakers like BYD, poses a significant challenge to Detroit's Big Three (Ford, General Motors, and Stellantis). Despite recent profits and optimistic forecasts for 2024, these American giants are struggling with their EV sales goals amidst the rapid emergence of affordable and efficient Chinese EVs. BYD, in particular, has sold millions

of electrified vehicles, expanding its global manufacturing footprint to meet increasing demand. The competitive pricing and technological efficiency of Chinese EVs underscore China's evolving industrial capabilities, transitioning from basic manufacturing to complex, high-tech production including cars and batteries. This shift represents a broader challenge to American automakers, who must navigate a changing market landscape while addressing structural vulnerabilities in their business models, heavily reliant on sales of trucks and SUVs to a niche market. The U.S. government faces a delicate balance of supporting domestic industries through subsidies and trade restrictions while fostering a competitive environment that encourages innovation and adaptation to the global shift towards electrification.

Australia's Precarious Position: Navigating a Critical Minerals Market Meltdown (February 26, 2024, Source) – Australia is at a critical juncture, facing a significant downturn in the prices of key exports such as iron ore, nickel, and lithium, which underscores the country's vulnerability due to its heavy reliance on these commodities and its dependence on China, its main buyer. The global implications of this market meltdown are profound, with the economic viability of mining and refining operations being challenged, as demonstrated by Lynas Rare Earths Ltd.'s (ASX: LYC) struggles at its Kalgoorlie ore processing plant. The decline in the nickel industry has uncovered manipulations of market prices, reflecting China's strategic dominance over the global supply chain for rare earth elements and other critical minerals. In response, Australia is attempting to reduce dependence on Chinese processing by offering subsidies to local mining and processing operations, while also dealing with the economic repercussions of collapsing metal prices. This situation necessitates a strategic reevaluation of Australia's role in the global minerals market,

exploring options like underwriting national processing facilities to enhance the value of its mineral exports and diversify its economic base amidst changing global trade dynamics.

Rare earths leader Lynas warns govt on nickel fallout (February 26, 2024, Source) – Lynas Rare Earths Ltd. (ASX: LYC), a leading rare earths producer, has highlighted the importance of government vigilance in response to the nickel market's volatility and its broader impact on the mining sector. The company reported a 74% decrease in net profit to $39.5 million for the half-year ending December 31, attributing this decline to subdued prices for critical minerals, largely due to China's dominance in supply. Despite the market challenges, Lynas, the largest producer of rare earths outside China, emphasizes its strategy of being a low-cost producer to sustain profitability even in a weak market. Lynas is expanding its operations, including projects in the United States, and making contingency plans for potential disruptions in supply chains, such as sourcing sulphuric acid due to the possible closure of BHP's nickel refinery. The company's experience underscores the interconnected nature of the minerals industry and the need for strategic planning and government engagement to ensure resilience and competitiveness, especially in securing sovereign supplies of critical minerals.

China's lithium-ion battery industry faces excess inventory, production capacity as EV market downshifts: industry analysts (February 25, 2024, Source) – China's lithium-ion battery industry, pivotal in the global EV market, is navigating through a phase of excess inventory and production capacity due to decreased demand for electric vehicles. Analysts predict a challenging year ahead, with companies facing losses amidst a price war triggered by overcapacity. The situation has led to significant price drops in lithium carbonate and battery cells,

exacerbated by reduced subsidies for EVs. With production far exceeding installation into products, further price declines are expected. The market is undergoing a clearing phase, with expectations of breaking even next year. Investment in new capacity is likely to decelerate. Despite a forecasted slowdown in domestic EV sales growth, the global lithium market faces a ballooning excess supply, raising concerns over the long-term growth prospects for lithium. Top battery and lithium mining firms may only see profitability by 2025, as the industry grapples with these challenges.

Energy Fuels Announces 2023 Results: Record Net Income and Earnings per Share, Uranium Production Ramp-Up, and Near-Term Production of Separated Rare Earth Elements (February 23, 2024, Source) – In 2023, Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR) announced significant achievements including a record annual net income of nearly $100 million and the commencement of uranium production across three mines, aiming for a production rate of 1.1 to 1.4 million pounds per year by mid-to-late 2024. The company highlighted a strong balance sheet with over $220 million in liquidity and no debt. Revenue was primarily driven by uranium sales, with significant contributions from rare earth elements (REE) and vanadium. The sale of the Alta Mesa project funded investments in uranium and REE production. Energy Fuels is preparing for the near-term production of separated REEs, anticipating to become a leading producer outside of China. With a focus on growth, the company is also exploring expansions into additional uranium and REE sources, aiming to significantly increase production capabilities while capitalizing on market opportunities in both sectors.

Mercedes-Benz delays electrification goal, beefs up combustion engine line-up (February 22, 2024, Source) – Mercedes-Benz announced a postponement of its electrification target by five years, aiming for electrified vehicles to comprise up to 50% of

its sales by 2030, a shift from the initial 2025 goal focused mainly on all-electric cars. This adjustment reflects a broader trend among automakers recognizing the slower-than-anticipated adoption of electric vehicles (EVs), as investments in EV technology and capacity have surpassed current demand. CEO Ola Kaellenius highlighted that even in Europe, a complete switch to electric vehicles by 2030 is unlikely, noting that EVs currently represent a small fraction of total sales. Mercedes-Benz reassured investors and customers of its commitment to refining its combustion engine vehicles alongside its EV ambitions, with plans for a significant lineup refresh by 2027. The announcement, coupled with a €3 billion share buyback program, positively impacted the company's stock, which saw a 5.9% increase. However, challenges such as economic slowdowns, supply chain issues, and geopolitical tensions have led the automaker to anticipate lower sales and reduced profitability for 2024.

Investor.News Critical Minerals Media Coverage:

- February 28, 2024 – Navigating the Climate Change Storm of ESG Withdrawal and Climate Change Commitment https://bit.ly/3SXymnP
- February 26, 2024 – Australia's Precarious Position: Navigating a Critical Minerals Market Meltdown https://bit.ly/3uWQoOZ

Investor.News Critical Minerals Videos:

- February 29, 2024 – PDAC President Raymond Goldie Bolsters

Toronto’s Status as Global Mining Investment Capital in Lead-Up to PDAC 2024 https://bit.ly/42VBDss

Critical Minerals IN8.Pro Member News Releases:

- March 1, 2024 – Voyageur Pharmaceuticals Ltd. Announces Closing of Private Placement https://bit.ly/432eRzi
- February 29, 2024 – Ucore Rare Metals to Present at the 2024 PDAC Conference https://bit.ly/3TglcUa
- February 28, 2024 – First Phosphate and Craler Sign MOU for the Development of Global Logistical Competencies to and from the Saguenay-Lac-St-Jean region of Quebec, Canada https://bit.ly/49xD5DI
- February 27, 2024 – American Rare Earths to present at two leading industry conferences in March PDAC and International Battery Seminar https://bit.ly/49uaFuu
- February 27, 2024 – Nano One Commences Feasibility Study for First Commercial LFP Plant and “Design-Once-Build-Many” Growth Strategy https://bit.ly/3TaFtum
- February 27, 2024 – Media Advisory – Neo Performance Materials Inc. Fourth Quarter 2023 Earnings Release & Conference Call https://bit.ly/3uSkeUQ
- February 26, 2024 – Appia Reports High-Grade Total Rare Earth Oxide Results up to 22,339 ppm or 2.23% on Diamond Drill Hole #1 Within Target IV at PCH IAC Project, Brazil https://bit.ly/48DKQHe
- February 26, 2024 – Kraken Energy Commences Drilling at Harts Point & Provides Corporate Update https://bit.ly/49r02bS

Can the Global Automotive Industry Source Enough Critical Minerals to Meet EV Production by 2030?

written by Jack Lifton | March 1, 2024

American President, Joe Biden, has decreed, and the U.S. Congress has mandated, that, by 2030, 50% of new domestic American OEM automotive production must be of electric vehicles (EVs). Further, the U.S. government now requires by law that, by 2028, for a new EV purchaser to receive a tax credit of up to $12,500, then 80% of the vehicle's components must have been made in the United States from raw materials produced and processed in the United States.

American OEM automakers are losing money hand-over-fist on making and selling EVs. Ironically, it is their profits from internal combustion engine (ICE) vehicles that are keeping them afloat. Without subsidies, also known as "tax credits," no one could continue to make and sell EVs. And, quite frankly, without ICEs, Tesla could not afford to be in the EV business. The supply chains for universal automotive components used both by ICEs and EVs could not exist without the scale and sales of the ICE industry.

Sourcing Critical Minerals for EV

production

I think that the idealogues, both elected and unelected, in North America and Europe need to answer some questions. Today I am asking, “How does the global non-Chinese OEM automotive industry plan to source enough critical minerals and metals, annually, to meet government-mandated, not market-driven goals for the production of EVs by 2030?

In the following discussion, I’m going to limit myself to the critical minerals and materials needed for the production of EVs just in the United States. Keep in mind that American domestic OEM automotive production is just 10% of the global annual total production.

The domestic American OEM automotive assembly industry most of which is owned and operated by foreign-owned manufacturers is building today, in North America, at least nine new factories to construct lithium-ion batteries for EVs. In addition, a half dozen EV drive train factories and a dozen assembly plants will be built or converted to pure EV production by the end of this decade.

Calculating the amount of Critical Minerals needed

The figures below are averages used in a variety of lithium-ion types. The only constants are for lithium and graphite, which are calculated for a 100 kWh Tesla battery no matter what the cathode chemistry.

The figures for material usage for rare earth permanent magnets are for one drive motor. American cars typically use two.

For the battery:

Material/Metal	Usage per BEV	For 7,500,000 EVs
Lithium (no matter which chemistry)	6-8 kg (measured as metal)	45-60,000 metric tonnes
Nickel	40 kg	300,000 metric tonnes
Cobalt	12.5 kg	93,750 metric tonnes
Manganese	24.5 kg	183,750 metric tonnes
Copper	53 kg	397,500 metric tonnes
Graphite	66 kg	495,000 metric tonnes

For the drive motor and the 25 accessory micro-motors:

Neodymium / praseodymium (75:25)	1.5 kg	56,250 metric tonnes
Dysprosium	0.05 kg	562 metric tonnes
Terbium	0.01 kg	112 metric tonnes
Gallium	tbd	

Note that the amounts above are annual needs for 50% of projected American domestic production using a production number baseline of 15,000,000 vehicles per year, which is more than 2022 production and sales but far less than the 21st-century average.

The material usage per vehicle comes from the most recent estimates of the International Energy Association (“IEA”).

Finally, note that the amount of lithium required, up to 60,000 tonnes, measured as metal, is equal to 360,000 tonnes, measured as lithium carbonate equivalent (LCE), which is more than half of the global production of LCE in 2022!

Assuming that 50% of global OEM automotive production in 2030

will be EVs, you need to multiply the above demand numbers each by a factor of between 5 and 10 just to assume that the total global production of vehicles remains the same in 2030 as today, about 100,000,000 vehicles per year.

The amount of lithium necessary for enough stationary storage to manage a world totally converted away from fossil fuels is estimated to be 3.5 times as much as is necessary for the conversion of the global automotive fleet, so you need to add that demand to the above totals. I do not know how much of the world's energy production in 2030 will be from non-fossil fuels, but even if it is just 20% of the total the above demand numbers would double.

The question we need to ask…

The core questions are:

1. Can the world's economies divert enough of their total capital and natural resources to effect the above transformation(s)?
2. Even, if so, are there sufficient resources of the critical minerals and processing capacity for transforming them into end user products to carry out even this percentage of the transformation in just 7 years?, and
3. Would even the attempt to transform the global energy production economy from fossil-fuels to alternate energy destroy wealth creation and its wide distribution bringing about the decline of the Western standard of living and the destruction of any hope that the developing world has of achieving that standard?

It's time to decide if it's all worth it.

Can Billion Dollar Buybacks Boost Stock Prices

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Stock buybacks, also known as share repurchases, have been a hot topic in recent years, as more and more companies are choosing to use this financial strategy as a way to deploy capital.

A stock buyback occurs when a company buys back its shares from the open market, reducing the number of outstanding shares. By doing so, the company is effectively removing some of the supply of its stock, which can drive up demand and increase the stock price.

In addition, reducing the number of outstanding shares can also increase the earnings per share (EPS), as the company's earnings are now spread out over a smaller number of shares.

Billion Dollar Buybacks

According to data from S&P Capital IQ, public companies bought back $675.9 billion of their stock in 2022. A big percentage comes from 15 companies that made up 50% of the dollar value of stock buybacks in 2022, including the top five – Apple Inc. (NASDAQ: AAPL), Alphabet Inc. (NASDAQ: GOOGL), Meta Platforms, Inc. (NASDAQ: META), Microsoft Corporation (NASDAQ :MSFT), and Shell plc (LSE: SHEL).

In January, Chevron Corporation (NYSE: CVX) announced a $75 billion share buyback, which could reduce the number of shares outstanding by as much as 20% and Exxon Mobil Corporation (NYSE:

XOM) announced it and authorized another $35 billion stock buyback plan over the next two years.

White House’s Reactions

After these buyback announcements, President Joe Biden criticized the oil companies for not helping to restrain the price of gasoline by investing in oil production and refining. Last summer, he signed into law a new 1% tax on share repurchases that politicians thought might help to reduce buybacks and divert money back to investment into capital goods, research, and employees. In the State of the Union address last night, President Biden called for a quadrupling of the tax to 4% on corporate stock buybacks.

Buyback Benefits and Drawbacks

Buybacks can also be a way for companies to return excess cash to shareholders, as they can provide an alternative to dividends. Instead of paying out cash to shareholders, the company can use the cash to buy back its stock, which can then be sold by the shareholders for a profit.

Buybacks are a more tax-efficient way to return capital to shareholders than dividends because the investor does not incur any tax on the buyback sale process if they do not sell their shares. Tax is only applicable on the actual sale of shares and dividends also are taxable.

While buybacks can have some benefits, they can also be a source of controversy. Some critics argue that buybacks prioritize short-term gains for investors over long-term investments in the company. By using cash to buy back stock, companies are effectively taking money away from potential investments in research and development, capital expenditures, or employee

salaries and benefits.

Furthermore, some have argued that buybacks can lead to income inequality, as the majority of stock ownership is concentrated among a small group of wealthy individuals and investment funds. As such, buybacks can serve to further enrich these groups at the expense of ordinary workers.

Despite these criticisms, many companies continue to use buybacks as a financial strategy. One of the main reasons is that they can be an effective way to boost stock prices in the short term, which can have a positive impact on the company's financial performance. Additionally, buybacks can also be a way for companies to signal to the market that they have confidence in their stock, as they are essentially saying that they believe the stock is undervalued and that they are willing to buy it back at current prices.

10 Stocks with the Largest Buybacks in the Last Quarter

For our list of 10 Stocks, we used data from S&P Capital IQ for the company's latest quarter, primarily Q4/2022 financial information.

Company Name	Stock Repurchase in Latest Quarter (US$ B)	Year-over-Year Stock Price Gain
Apple Inc. (NASDAQ:AAPL)	21.79	-9.9%
Alphabet Inc. (NASDAQ:GOOGL)	15.41	-22.7%

Meta Platforms, Inc. (NASDAQ:META)	7.52	-14.8%
Microsoft Corporation (NASDAQ:MSFT)	5.46	-11.1%
Shell plc (LSE:SHEL)	5.02	19.1%
Exxon Mobil Corporation (NYSE:XOM)	4.68	39.5%
Lockheed Martin Corporation (NYSE:LMT)	4.21	19.4%
Lowe’s Companies, Inc. (NYSE:LOW)	4.00	-5.4%
Chevron Corporation (NYSE:CVX)	3.80	25.7%
NVIDIA Corporation (NASDAQ:NVDA)	3.78	-10.3%

Source: S&P Capital IQ

Final Thoughts

As an investor, it is important to understand the potential benefits and drawbacks of stock buybacks, as well as the larger implications for the company and the wider economy. When considering whether to invest in a company that is using buybacks, it is important to look at the underlying financial health of the company and to assess whether the buybacks are being used as a way to mask underlying problems, such as weak earnings or a lack of investment in the future of the business.

What stocks and sectors to win in the US Presidential election

written by InvestorNews | March 1, 2024

With the US Presidential election on November 3 many investors are looking at the implications of a Trump win versus a Biden win. Based on the current polls Biden is ahead which means some of the Biden related stocks have already partially priced in a Biden victory.

Sectors and stocks to do well if Trump wins

If we see a President Trump victory this week then investors can expect more of the same from the past 3 years in office. Trump is likely to continue with the China trade war and his tariff policy, which has so far had mixed results. Agriculture (soybeans etc.) has suffered some severe ups and downs as China retaliated then appeased Trump. Chinese student education and tourism to the US is significantly down.

Sectors that have generally been favored under Trump include oil/gas/coal/nuclear, military, possibly financials, possibly technology, and some industrials. Trump's policy to reduce corporate Americas tax rate from 35% to 21% was a huge win for corporate America and it helped boost stock markets at the time. The recent September 30 White House Executive Order ('EO') on critical minerals is aimed to give a huge boost to the critical minerals mining sector and supply chain, especially for US based projects.

Some stocks and funds likely to do well in a Trump victory include oil/gas/coal/nuclear such as SPDR S&P Oil & Gas

Exploration & Production ETF (XOP) (assumes COVID-19 eases and oil prices increase), Exxon Mobil (XOM), Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR), Ur-Energy Inc. (NYSE American: URG | TSX: URE); defense stocks such as Northrop Grumman Corp. (NOC), Lockheed Martin Corp. (LMT), Raytheon Co. (RTN), and General Dynamics Corp. (GD); financials such as Bank of America (BOA), JP Morgan Chase (JPM); and the tech giants (Facebook FB), Amazon (AMZN), Alphabet (GOOGL) etc); US based critical minerals miners MP Materials Corp. (MP)(FVAC), Neo Performance Materials Inc. (TSX: NEO), and the other US critical mineral miners.

China related shares and funds would likely not do well if Trump wins and the recent renewable energy and EV stocks rally might reverse.

Donald Trump continues with 'make America great again'

Source

Sectors and stocks to do well if Biden wins

Biden's policy proposals are aimed at restoring equality and boosting the middle class as well as US manufacturing. Biden plans to work with other nations to solve global conflicts and less conflict with China. His other key policy pillar is green energy ('green new deal'). Biden's green plan is for the U.S. to have a carbon pollution-free power sector by 2035. This would be a massive boost to the renewable energy sectors such as solar and wind energy as well as more support to the electric vehicle (EV) industry. Biden also plans to boost spending on rural areas, agriculture, healthcare, child care and caregivers, as well as helping to reduce student debt and raising the US minimum wage to $15/hour. He plans to boost R&D spending by $300 billion on electric vehicles (EVs), lightweight materials, 5G

and artificial intelligence. To do all this he plans to raise corporate tax rate from 21% to 28%, and to raise taxes on individuals with incomes above $400,000, including raising individual income, capital gains, and payroll taxes. Also some capital gains tax increases for those on incomes above $1,000,000 pa.

Some stocks and funds likely to do well in a Biden victory include solar energy stocks and solar ETFs (TAN), SolarEdge Technologies Inc. (SEDG), First Solar (FSLR), Brookfield Renewable Partners LP (BEP), NextEra Energy (NEE); wind energy and wind stocks (FAN); US electric vehicle stocks such as Tesla (TSLA), Fisker (FSR); EV charging companies Blink (BLNK); and the miners that provide the raw materials for the clean energy sector. This would include miners in rare earths, lithium, cobalt, graphite, nickel, manganese, aluminum, and scandium etc. Also emissions reducing stocks such as dynaCERT Inc. (TSX: DYA | OTCQX: DYFSF) stand to benefit. US healthcare stocks such as United Health Group (UNH) and those focused on COVID-19 treatment and prevention should do well as Biden increases COVID-19 testing and therapies and drops medicare eligibility from 65 yo to 60 yo.

Joe Biden plans to help fix inequality and boost the middle class

Source

Sectors and stocks to do well no mater who wins

The technology sector has done well under Trump boosted by the corporate tax cut; however it is also likely to continue to do ok under Biden, despite a short term pull back due to higher corporate taxes. There is the Democrats (Biden) threat of more

regulation and possible breakups of big tech; but under Trump there is also greater pressure on big tech such as the recent Alphabet Google anti-trust lawsuit. Expanding rural broadband internet access under Biden is a small positive for tech.

The infrastructure sector should do well. If Trump wins the infrastructure to do well will be more based around older infrastructure such as highways, pipelines, and traditional energy (oil, gas). If Biden wins the benefits will go towards newer infrastructure such as his $2 trillion green infrastructure and jobs plan over his first term in office.

US critical materials related stocks look set to do well both under Trump and Biden.

Gold and precious metals will likely do well no mater who wins assuming continued US stimulus and money printing.

Closing remarks

InvestorIntel has no political bias, but rather seeks to help investors make informed decisions.

As a general rule if Trump wins the US election investors can expect the same stocks and sectors that did well the past 3 years to continue to do well. The best performing sector has been US technology. The lower corporate tax rate is a plus for US corporates in general.

If Biden were to win the winning sectors and stocks relate mostly around stocks that benefit from a supported lower and middle class, renewable energy including EVs, and government support (health care, child care, aged care).

Finally, how the US deals with the China trade war, COVID-19, and geo-political events going forward will also play a significant role in the US stock market over the next 4 years.

Good luck to all.