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Stock Market Investing Tips, Techniques, and Resources



Post-election Stock Market Rally

By www.ProfitableInvestingTips.com

What are the chances of a significant post-election stock market rally? A Biden victory coupled with Democratic control of the senate will stimulate the economy but will it stimulate the market? The stock market has gone up 650 points to start Election Day and futures indicate a likely [rally post-election](#) according to *Investor's Business Daily*.

Dow Jones futures and S&P 500 futures jumped early Tuesday, while Nasdaq futures rose modestly. With a market correction in force, a new stock market rally attempt is underway with Election 2020 finally here, with the latest IBD/TIPP Trump vs. Biden poll showing a tighter race.

There are two pieces to the issue of who will be governing the country over the next years. Biden appears to have the edge over Trump but that will not be certain until all votes are counted and all court challenges have been dealt with. A more likely case is that Democrats will probably gain control of the US Senate by a few votes. This by itself could lead to stimulus payments before the start of the next year and would be a boost for both the economy and the markets.

Investing Government Spending on Infrastructure

We have written about the sorry state of US infrastructure and how infrastructure spending on everything from roads and bridges to [5G](#) will drive the US economy. Interest rates are extremely low and likely to remain so for years. Thus, any government borrowing will be subject to low interest rates. A Democratic Congress along with a Democratic President will likely invest in a Made in America program focusing on infrastructure, green energy, bringing more manufacturing back to the USA, and driving consumer spending higher.

The [shape of the economic recovery](#) has been starting to look like an "L" or really wide "U" instead of the hoped for "V". We could be looking at a recession that lasts for years, like the Great Depression, if a stimulus does not happen. A new administration with the same party in control of Congress will likely spend without concern for the budget until they get the economy moving and healthy again. This would provide a stimulus similar to WWII spending that forklifted the US economy out of the Great Depression.

Investing in a Post-election Stock Market Rally

If there is a strong post-election stock market rally, which sectors will benefit the most? If stimulus checks resume it will put money in consumers' hands at the base of the economy and the result will be a surge of spending on consumer goods. When infrastructure spending starts it will benefit construction and materials suppliers as well as the general economy because there will be more jobs. For many years the big tech stocks have been the best bet but that will no longer be the case. As such, the [FAANG](#) stocks may not fall but they may cool off. If we see a positive economic result from infrastructure spending, it will be repeated. That bodes

well for long term investors in the sectors that will benefit.

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