What President-elect Trump means for every U.S. industry

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Donald Trump’s shock victory over Hillary Clinton in the presidential race has implications for all sectors of the economy, from the highly regulated health care, energy and financial sectors, to the much less-regulated tech sector that makes most of its parts and products overseas and employs many foreign workers.

Here’s what to expect for each:

**Health care**

Arguably the sector most vulnerable to Trump change is health care given his repeated pledge to “repeal and replace” the Affordable Care Act. That would leave about 20 million people without health insurance and end, unless replaced, even the most popular provisions in the much-debated Obamacare, such as free birth control and young adults’ coverage on their parents’ health insurance plans through age 26. While some more details on Trump’s plans have emerged, expect uncertainty to keep the stocks of health insurers and other industry stakeholders on the back foot.

Drug stocks, in contrast, are expected to benefit as the president-elect’s position on regulating prices appears less harsh than his opponent’s. A President Hillary Clinton was expected to push hard for regulations or price caps, after a series of drug-pricing scandals this year. Biotech stocks are expected to benefit for the same reason—a less punishing regulatory environment.

**Energy**

Alternative-energy companies, notably solar, took a drubbing on Wednesday Nov. 9, and are expected to be among the big losers from a Trump presidency. Trump has promised an energy revolution that is antiregulation and heavily focused on traditional fossil-fuel energy sources. He has pledged to revive the coal industry, despite a spate of bankruptcies, and is expected to roll back policies that favor renewables. A Trump presidency coupled with a Republican-led Congress poses “significant risks” to a potential reduction/elimination of the federal tax credits for solar, extended at the end of last year, said CFRA analyst Angelo Zino.

**Aerospace and defense**

Defense companies are expected to benefit from a Trump presidency and a Republican Congress. This party partnership could be expected to undo a sequester to free up military spending, said Citigroup analyst Jason Gursky. A Clinton presidency was expected to make budget changes harder to push through, given the current administration’s insistence on matching any increase in military spending with money for domestic funds.

“We expect the Pentagon can now view Trump as the guarantor of the extra ~$25B in funding that is in the current FY’18 plan (but we would lose under sequester) to keep funding flat with an elevated FY’17,” said Credit Suisse analyst Robert Spingarn, in a note.

**Financial stocks**

[Banks and other financial institutions](http://www.marketwatch.com/story/financial-stocks-bounce-into-positive-territory-to-buck-broad-market-selloff-2016-11-09)are expected to be big beneficiaries of a Trump presidency, which has raised expectations for some scaling back of post-financial crisis regulation. The wild card is Trump’s apparent support for bringing back the Glass-Steagall bill, which had forced banks to separate their retail, commercial and investment banking businesses. The elimination of Glass-Steagall is widely viewed as setting the tone for banks to take on unprecedented levels of risk, fueling the financial crisis of 2008.

For investment banks, Trump’s criticism of trade deals may curb cross-border mergers and acquisitions activity, while higher interest rates—bond yields spiked on Wednesday—and wider credit spreads could hurt deal activity. Trump is not expected to move quickly on scrapping the Labor Department’s fiduciary rule that goes into effect in April, as his strategists have suggested he would. That rule requires providers of retirement investment advice for 401(k)s, IRAs and similar plans to abide by a “fiduciary” standard — putting their clients’ best interest before their own profits.

**Infrastructure companies**

Engineering and construction companies are widely expected to benefit if Trump sticks to his promise to make American infrastructure “great again.” On Wednesday, a wide range of stocks struck out for multiyear records, including the stocks of companies that might help build his notorious border wall between the U.S. and Mexico. Trump has said he would set the unemployed to work repairing roads, highways and bridges.

**Technology**

Technology stocks were an ocean of red immediately after the result, as investors considered the implications of a Trump presidency for a sector whose executive leadership was roundly critical of the candidate and his campaign. Trump talked frequently of a tech bubble and slammed companies, including Apple Inc.[**AAPL, +0.51%**](http://www.marketwatch.com/investing/stock/aapl?mod=MW_story_quote)  , for manufacturing their products in China with the threat he would force them to bring their business back to the U.S.

His potential policy war on Mexico is expected to hurt companies that rely on that country for parts along much of their manufacturing and supply chain. His tough stance on immigration may hamper the ability of tech employers to find the global advanced-degree math and engineering graduates needed to drive innovation. Tech companies are heavy users of the government’s H-1B program.

On the other hand, Trump’s promise to slash the corporate tax rate may allow some tech players with massive cash holdings overseas to [bring that cash home](http://www.marketwatch.com/story/will-any-presidential-candidate-give-silicon-valley-what-it-wants-most-2015-12-28)without it being subjected to the current 35% rate. That would benefit shareholders if funds are used to buy back stock and pay dividends and could create jobs if the company chooses to invest in new businesses.

**Security and prison stocks**

Gun companies saw their stocks crumble on Wednesday, on expectations Trump will protect gun-carry laws and related legislation, removing the need to rush out and buy firearms. Trump repeatedly told supporters that Clinton would work to restrict their second-amendment rights, causing gun sales to surge, especially after domestic terror attacks.

Meanwhile, shares of Corrections Corp. of America [**PSRA, +7.30%**](http://www.marketwatch.com/investing/stock/psra?countrycode=de&mod=MW_story_quote)  and Geo Group Inc. [**GEO, +1.22%**](http://www.marketwatch.com/investing/stock/geo?mod=MW_story_quote)  rallied on expectations that plans unveiled by the Obama administration to phase out private prison use would be reversed.

Apple shares are up 0.4% in the year so far, while the Dow Jones Industrial Average[**DJIA, +0.43%**](http://www.marketwatch.com/investing/index/djia?mod=MW_story_quote)  has gained 8.3% and the S&P 500 [**SPX, +0.23%**](http://www.marketwatch.com/investing/index/spx?mod=MW_story_quote)  is up 5.9%.