

>: 8 Stocks to Buy if McCain Wins

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Editor's Note: Our weekly telephone call to answer your questions has been posted. [Listen now](#) to hear Teeka answer more reader questions; including ...

- Oil fell \$5 to a 5-month low today after Hurricane Gustav wasn't as bad as feared. Now analysts are saying oil could go below \$100 in the coming weeks. Where do you see oil bottoming out?
- What are your thoughts on the Korean Development Bank's acknowledgment that it is interested in acquiring part of Lehman Brothers?
- Thailand's stock market crashed to a 19-month low and its currency is in a tailspin after the Prime Minister declared a state of emergency. Should I be concerned about emerging market investments in general now?

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This week's article will be short and to the point. I'm at the Republican National Convention and so far there is not a whole lot to report on. To date Hurricane Gustav has had everybody focused on issues bigger than politics. However, as the Gulf Coast appears to have been spared the worst of Gustav's wrath, the talk once again is returning to the political issues.

One of the big issues being bandied about this week centers around expanding domestic drilling for oil and natural gas. While many Americans support enlarging domestic oil and gas exploration, the Democrats have been more lukewarm to the idea.

If the Democrats win the election, I really don't see the oil and gas industry taking a huge hit unless the windfall profit tax idea takes hold. (*God help us all if it does!*) However, if McCain wins it could be hugely positive for the oil and gas guys along with the nuclear sector players.

On a McCain win, oil service stocks like **Cameron (CAM)**, **Transocean (RIG)**, **Diamond Offshore Drilling (DO)** and **Halliburton (HAL)** will be huge, huge beneficiaries of more liberal domestic drilling rules. Nuclear stocks such as **Cameco (CCJ)** and nuclear ETF **Market Vectors Nuclear Energy (NLR)** could experience massive upside moves.

At some point, the stigma attached to the nuclear industry will fall away under the unrelenting pressure of high oil prices. A quick look at oil prices clearly shows that the commodity is undergoing a consolidation phase. These periods can last quite a long time, even a year or more.

We would be engaging in the worst form of wishful thinking however if we were to believe that the oil run was over. Moderating oil prices will continue to buoy stock prices, but that will only last until oil gets ready to run again. When it does, we could finally have the necessary impetus to get serious about nuclear energy as a viable solution to our domestic energy needs.

The idea of nuclear stocks and coal stocks being growth industries again will strike many investors as odd. But over the summer, we saw coal stocks acting like internet stocks of yesteryear, witnessing massive runs in once staid companies like **James River Coal (JRCC)** - up almost 150% over the last six months - and **Alpha Natural Resources (ANR)** - up almost the same amount.

The next major growth industry in this country is alternative energy. Sure solar and wind get all the press, but the biggest investment dollars will flow to the most proven industries. That my friends is nuclear and "clean" coal (*clean coal still sounds like an oxymoron to me!*).

We as a country may ultimately make the leap to a completely green and renewable domestic energy source, but I can assure you that it will not just magically occur. Nuclear energy along with coal will be among the many stepping stones we use to cross that great divide between where we are now and where we want to go.

It benefits our country greatly if we can keep our dollars busy at work in our economy. Buying 2/3 of our energy from overseas is resulting in a massive wealth transfer from our wallets to foreign countries. Every dollar we spend on foreign oil is one less dollar at work here at home. The diminishing wealth effect of shipping so many of our dollars overseas cannot be overstated. It's an economic imperative for us to staunch the flow of these American dollars into overseas coffers. If opening up domestic drilling could redirect at least a portion of that wealth back into America then it is a policy that requires our utmost attention.

What are your thoughts on domestic drilling? Is this a policy that the U.S. should pursue, if not why not? Post a comment by following the link below.

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