INVESTORS AND THE NEW COMMERCIAL POLICY OF PRESIDENT TRUMP

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Abstract

The purpose of this paper is to compare investors’ behavior before and after the election of President Trump. As the new president’s policies are regarded as protectionist, US-based multinational corporations are expected to be adversely affected in relation to domestic firms that could be benefited from new trade policies.

The hypothesis that investors anticipate the consequences of the new policies is formulated. Therefore, investors are likely to get rid of securities linked to global companies and invest in domestic firms.

In order to test the null hypothesis of no significant difference in yields in both periods, the thirty companies of the Dow Jones Index will be taken and their yields compared before and after the presidential election.

Keywords: Commercial policy, U.S.A., Trump, D.

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