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STOCK WATCH

Election Aftermath: Financial Winners and Losers

The Democratic victory will likely benefit some investments -- and dampen others.

By Thomas M. Anderson

Besides the potential for big gains in the company that makes the stamp for presidential vetoes, it's clear that several sectors stand to win or lose as a result of the dramatic remaking of the political landscape.

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It also might be a little easier to be green under a Democrat-controlled Congress. Stocks of companies that invest in alternative-energy technology may do well in such a legislative environment, Goldman says. **PowerShares WilderHill Clean Energy (PBW)**, an EFT that holds companies associated with clean energy, gained 1.4%, to \$17.76. But energy companies as whole also fared well. The **Energy Select Sector SPDR** exchange-traded fund (**XLE**) fund rose 1.7%, to \$57.52.

Most pundits projected before election day that the Democrats would take control of the House, but many on Wall Street were surprised to see the Senate within the party's grasp. "The thing the market hates the most is uncertainty," Goldman says. He expects most stocks to drift down for a while, then rally back in December and January.

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In any case, you can't expect President George Bush and presumptive Speaker of the House Nancy Pelosi to act on the basis of what's best for your portfolio. Your best bet is to resist the urge to change your investments dramatically based solely on Washington's political whims.