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## Markets and Economy

# Bullish and bearish COVID-19 developments: Pace of vaccine distribution increasing daily

By: Marshall L. Stocker, Ph.D., CFA | February 9, 2021

**Boston** - Headlines tracking the scope of the coronavirus pandemic can drive investor sentiment. We monitor key reports to gain visibility into how much longer the crisis could continue. Here are the latest developments that we consider either bullish or bearish, the health policy responses and the economic impacts related to COVID-19.

### **Bullish virus developments**

- According to Bloomberg's vaccine tracker as of February 1, more Americans have received at least one dose of a COVID-19 vaccine than have tested positive for the virus since the pandemic began, and the pace of vaccine distribution is increasing daily.
- The daily number of new U.S. COVID-19 cases fell below 100,000 for the first time since November 2.
- Johnson & Johnson filed for FDA authorization for its one-shot vaccine. The FDA could reach a decision on J&J's vaccine by the end of February.
- Cases of COVID-19 and hospitalizations in Israel have dropped markedly among people who have been vaccinated. "We say with caution, the magic has started," tweeted Eran Segal of the Weizmann Institute of Science in Rehovot.
- Russia's Sputnik V vaccine late-stage trials of 20,000 participants was reviewed in The Lancet. Results showed that the vaccine has a 91.6% success rate. Putin has still not said whether he has been vaccinated.
- Tweaking COVID vaccines to fight variants will not require big trials, FDA says.

### **Bearish virus developments**

- The Financial Times reports that the Oxford/AstraZeneca vaccine failed to prevent mild and moderate COVID-19 from South African strain. The FT had over 700 comments within three hours, many of which suggested the headline is misleading and the study is incomplete.
- Lead O/AZ researcher said their vaccine has a "reduction in efficacy" against the South African variant, but "there is still protection against deaths, hospitalizations and severe disease."
- Conversely, the University of Oxford issued a news release titled "ChAdOx1 nCov-19 [vaccine] provides minimal protection against mild-moderate COVID-19 infection from B.1.351 coronavirus variant in young South African adults."
- A prior episode of pneumonia was the second-greatest overall risk factor for death from COVID-19, according to a study of medical records. A single pneumonia case probably does not put someone at high risk, the researchers cautioned. Rather, it's more likely an indicator of underlying chronic disease.
- The virus variant first found in Britain is now spreading rapidly in the U.S. A new study bolsters the prediction by the Centers for Disease Control and Prevention that this variant will dominate COVID-19 cases by March.

### **Health policy responses**

- South Africa halted the rollout of the Oxford/AstraZeneca vaccine after preliminary evidence showed it did not protect against mild and moderate COVID-19 caused by a mutated strain detected in the country.
- Researchers and State Department officials said that Russian news outlets connected to the Kremlin ran disingenuous Spanish-language stories targeting vaccines made in the United States and Europe. According to an expert at an advocacy group that tracks Russian disinformation, "almost everything they are promoting about the vaccine is manipulated and put out without context."
- Britain will not introduce COVID-19 vaccine passports, but people will be able to seek proof from their doctor if needed for travel to other countries, vaccine deployment minister Nadhim Zahawi said.
- The CDC altered its recommendations, saying second doses of the Moderna and Pfizer/BioNTech vaccines can be given up to six weeks after the first.
- OSHA has finally released guidance on mitigating and preventing COVID-19 in the workplace. The guidance reminds employers that they have enforceable obligations to provide a workplace free from recognized hazards such as COVID-19. For one, OSHA states workplace testing for COVID-19 should be part of a prevention program.

### **Economic impacts and other developments**

- The hiring rate for entry-level college-graduate positions has fallen nearly by half (45%) since the start of the pandemic.
- After Long Beach CA required a \$4/hour "hero pay" increase for grocery store workers during the pandemic, supermarket chain Kroger closed stores rather than pay the bonus. The legislated wage had increased labor costs by 28%.
- Scientists have estimated that 56% of residents in India's capital of New Delhi have COVID-19 antibodies. According to one expert, over the past 10 to 12 days, the city has been reporting fewer than 200 COVID-19 cases every day and the positivity rate —which had reached 15% at one point — has now stabilized at lower than 1% for the past month.

- Scientists believe vaccinating your cat for COVID-19 will help to reduce the chance that felines become a COVID-19 "reservoir." A feline vaccine could be available by the end of the year.

Source of all data: Eaton Vance Research as of February 8, 2021 unless otherwise specified.

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