

Timely insights from portfolio managers and industry experts on key financial, economic and political issues.

The views expressed in these posts are those of the authors and are current only through the date stated. These views are subject to change at any time based upon market or other conditions, and Eaton Vance disclaims any responsibility to update such views. These views may not be relied upon as investment advice and, because investment decisions for Eaton Vance are based on many factors, may not be relied upon as an indication of trading intent on behalf of any Eaton Vance strategy. The discussion herein is general in nature and is provided for informational purposes only. There is no guarantee as to its accuracy or completeness.

FEBRUARY 9, 2021

Markets and Economy

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

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.



Marshall L. Stocker, Ph.D., CFA
Director of Country Research and Portfolio Manager
Eaton Vance Management

"More Americans have received at least one dose of a COVID-19 vaccine than have tested positive for the virus since the pandemic began."

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.

This material is presented for informational and illustrative purposes only. This material should not be construed as investment advice, a recommendation to purchase or sell specific securities, or to adopt any particular investment strategy; it has been prepared on the basis of publicly available information, internally developed data and other third-party sources believed to be reliable. However, no assurances are provided regarding the reliability of such information and Eaton Vance has not sought to independently verify information taken from public and third-party sources.

[Accessibility](#) | [Privacy & Security](#) | [Terms & Conditions](#) | [Form CRS](#) | [Contact](#)

Eaton Vance is part of Morgan Stanley Investment Management, the asset management division of Morgan Stanley

The information on this Web site is for U.S. residents only. The information on this Web site does not constitute an offer to sell, or a solicitation of an offer to purchase, securities in any jurisdiction to any person to whom it is not lawful to make such an offer.

There are no guarantees regarding the achievement of investment objectives, target returns, portfolio construction, allocations or measurements such as alpha, tracking error, stock weightings and other information ratios. The views and strategies described may not be suitable for all investors. Not all of Eaton Vance's recommendations have been or will be profitable. Eaton Vance does not provide tax or legal advice. Investing entails risks and there can be no assurance that Eaton Vance (and its brands) will achieve profits or avoid incurring losses. Prospective investors should consult with a tax or legal advisor before making any investment decision.

NOT FDIC INSURED | OFFER NO BANK GUARANTEE | MAY LOSE VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | NOT A DEPOSIT

© Eaton Vance Management. All rights reserved. Two International Place, Boston, MA 02110