

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

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## Markets and Economy

### Bullish and bearish COVID-19 developments: Promising vaccine news

**Boston** - Headlines tracking the scope of the coronavirus pandemic —such as new daily cases and death rates — may bedriving investor sentiment. We continue to monitor key reports to gain some visibility into how much longer the crisis could continue. Here are the latest developments that we consider either bullish or bearish, the health and public policy updates related to COVID-19, and the economic and market impacts.

#### Bullish virus developments

- **A COVID-19 vaccine being developed by two pharmaceutical firms prevented more than 90% of infections in a study of tens of thousands of volunteers.**  
"This is about the best the news could possibly be for the world and for the United States and for public health," said the senior vice president for vaccine clinical research and development at one of the firms, adding that it was better than even the best result he had hoped for.
- A nasal spray that blocks the absorption of the SARS-CoV-2 virus has completely protected the ferrets it was tested on, according to a new study. The spray is inexpensive and requires no refrigeration, and could be used daily as a prophylactic.
- A study published on November 5 found that children infected with the coronavirus produce fewer and weaker antibodies than adults. Paradoxically, this may be a good thing, meaning the severity of infections for children may be less.

#### Bearish virus developments

- Weekly cases among nursing home staff in surge states more than quadrupled, from 855 the week ended May 31 to 4,050 the week ended October 25. Infected staffers not yet showing symptoms are seen as the most likely way the virus gets into facilities.
- A team of researchers in the Boston area found that grocery store workers are five times as likely as other employees to have COVID-19. Of the 104 workers examined, 20 had a positive coronavirus test. Of that group, a staggering 76% were asymptomatic. Nearly half of the grocery store workers surveyed said they do not practice social distancing at work.
- China's northern port city of Tianjin said on November 8 that it plans to carry out tests on some cold storage facilities and their employees, after a confirmed coronavirus case involving a worker who had handled frozen pork imported from Germany.
- A *JAMA* editorial suggests COVID-19 testing fatigue may be emerging as individuals anecdotally begin to reject recommendations to be tested, just as they reject wearing a mask.
- *Washington Post* reports that some coronavirus patients have experienced *parosmia*, a temporary distortion of smells that can make a glass of wine smell



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like gasoline, for example.

- US total COVID-19 hospitalizations are approaching previous peaks, while COVID-19 hospitalizations in some European countries are exceeding previous peaks.

### US COVID-19 hospitalizations approach previous

peaksUSCovid19hospitalizations1108\_700pxSource: The COVID Tracking Project as of November 8, 2020.

### Health and policy updates

- Italy locked down six regions, including Lombardy — the area worst hit in the country's first wave.
- In England, the first hours of Lockdown 2.0, as local newspapers call it, looked very little like a lockdown at all as people used loopholes and ignored directives.
- With Denmark testing 20,000 people for a new variant strain of COVID-19 that originated on mink farms and has spread to some local communities, the UK "urgently" removed Denmark from the travel corridor list.
- Belgium's surging second wave of COVID-19 cases has forced it to move some severely ill patients, many on ventilators, to neighboring Germany.
- Melbourne, Australia lifted its "Ring of Steel" lockdown after the state of Victoria recorded no new cases over a nine-day period. New daily cases had peaked at 700 in August.
- US Department of Defense sent three medical teams to help El Paso cope with a deluge of virus patients.
- US President-elect Biden is announcing his COVID-19 task force on November 9.

### Economic and market impacts

- France's new four-week lockdown to curb the spread of COVID-19 is expected to reduce economic activity by about 15%, a Finance Ministry source said on November 3.
- Grocers have restored quantity limits on some purchases, including toilet paper. These pro-active limits are the result of a surge in COVID-19 cases, *not* a surge in demand for the products.

Source of all data: Eaton Vance Research as of November 9, 2020, unless otherwise specified.

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