

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: Second vaccine nears authorization

Boston - Headlines tracking the scope of the coronavirus pandemic may be driving 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 and other impacts related to COVID-19.

Bullish virus developments

- The US regulator found Moderna's vaccine to be safe and "highly effective," clearing the way for emergency use authorization. A second document published on the FDA website on December 15 showed that asymptomatic infection was reduced by 63% after the first shot of the Moderna vaccine.
- Fauci said the average person with no underlying conditions would get the vaccine by the end of March or beginning of April, with most people vaccinated by late spring or early summer. We doubt this timing will be met.
- The FDA issued an emergency authorization for the country's first COVID-19 test that can be run from start to finish at home, without the need for a prescription. In people without symptoms, the test is 91% accurate. The tests are expected to cost \$30 or less, with 20 million tests expected to be available by June 2021. The US is currently conducting 13 million COVID-19 tests per week.
- For very sick patients, an arthritis drug *baricitinib* might speed up recovery when added to COVID-19 treatment regimens that include the antiviral drug *remdesivir*, according to a new study. The cocktail also leads to higher odds of improvement in clinical status.

Bearish virus developments

- The UK has warned of the threat from a new COVID-19 strain variant that could be contributing to a rapid rise in infections in some parts of the country. Researchers are urgently investigating whether the new strain is more transmissible than previous variants. So far more than 1,000 cases with the new variant have been detected, mainly in the south of England.
- Nearly 2000 doses of the Pfizer vaccine were sent back to the company from California locations because they were colder than they were supposed to be. The same problem happened in Alabama.

Health policy responses

- Brazil said it would announce final results from late-stage trials of China's Sinovac vaccine on December 23, which can be kept in a standard refrigerator — making it easier to transport and store in less-developed regions.
- Russian President Vladimir Putin, 68, said he is not yet ready to take the Sputnik V vaccine against COVID-19 because it is only authorized for use on people up to 60. However, prominent officials above that age — including Defense Minister Sergei Shoigu, 65, and ultranationalist leader Vladimir Zhirinovskiy, 74 — have been shown on national television taking the shots.



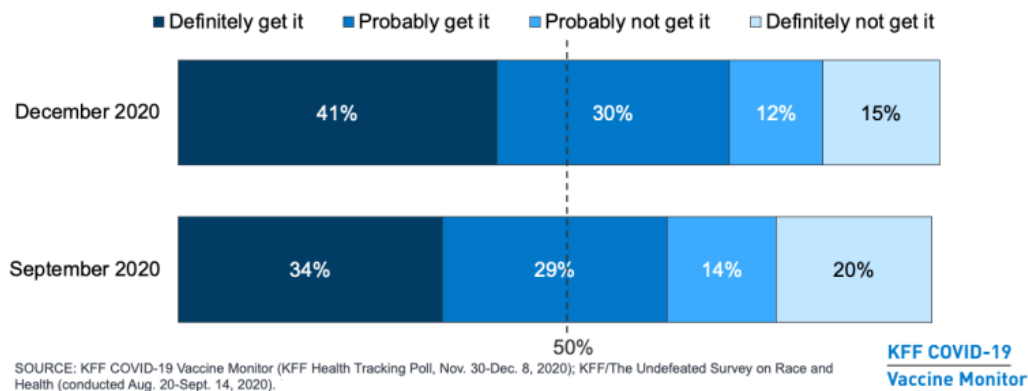
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"Dr. Fauci said the average person with no underlying conditions would get the vaccine by the end of March or beginning of April, with most people vaccinated by late spring or early summer. We doubt this timing will be met."

- Russia's Aeroflot airline will allocate special seating for passengers who refuse to wear face masks on flights. The mask-less seats will be the last two rows on the right-hand side of economy cabins.
- The Netherlands will lock down for at least five weeks. Schools, shops, gyms and cinemas will stay closed until mid-January.
- Melbourne lifted its "Ring of Steel" lockdown after the Australian state of Victoria recorded no new cases over a nine-day period. New daily cases had peaked at 700 in August.
- The CDC has rolled out a smart phone application for users to report vaccine side-effects and to remind users to receive their second dose of the vaccine.
- Major airlines — including United, JetBlue and Lufthansa — plan to introduce a health passport app that will verify passengers' COVID-19 test results and, perhaps soon, their vaccination status.
- Nearly a quarter of the world's population may not have access to a COVID-19 vaccine until at least 2022, according to a British Medical Journal study.
- A new survey from the Kaiser Family Foundation found that 41% of US respondents said they would *definitely* get a vaccine, a seven point increase from September. Another 30% said they would *probably* get the vaccine.

Share Saying They Would Get A COVID-19 Vaccine If It Were Free And Deemed Safe By Scientists Has Increased Since September

If a COVID-19 vaccine was determined to be safe by scientists and available for free to everyone who wanted it, would you...?



Economic and other impacts

- Congressional leaders are closing in on a stimulus deal to inject as much as \$900 billion into the US economy.
- The Federal Reserve said it would keep buying at least \$120 billion of debt until "substantial further progress has been made" in the economic recovery.
- Prime Minister Ambrose Dlamini, 52, of Eswatini (formerly known as Swaziland, with a population of 1.1 million) died of COVID-19 on December 13.
- French President Emmanuel Macron, 42, tested positive for COVID-19 after showing mild symptoms of the disease. He will isolate for seven days and continue to work.
- A 28-year-old man was jailed for four weeks for defying pandemic restrictions by taking a jet ski across the Irish Sea to see his girlfriend.
- Scientists in Latvia, which has Europe's second highest percentage of cat ownership per household, have found plenty of cats with COVID-19 antibodies, but none with active infections. This suggests that cats recover much more quickly than humans.
- "Pandemonium," a new BBC sitcom about life during the pandemic, will test whether audiences are ready to laugh about COVID-19. The show will premiere on December 30.

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