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Markets and Economy

Bullish and bearish COVID-19 developments: World Bank warns of "lost decade"

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 market impacts related to COVID-19.

Bullish virus developments

- Second round injections of the COVID-19 vaccine have begun in the United States.
- Several COVID-19 vaccines may likely protect against the new fast-spreading variants of the coronavirus that have emerged in the U.K. and South Africa, according to a study. In the test, the antibodies in the vaccinated people's blood did just as good a job at disarming the mutant virus as they did with the non-mutant version.
- China's COVID-19 vaccine shows 78% efficacy in Brazilian trials. The vaccine is administered in two doses and can be stored at refrigeration temperatures.

Bearish virus developments

- Dr. Anthony Fauci predicted that the daily death toll from COVID-19 would continue to rise for weeks. On January 7, the U.S. death toll exceeded 4,000 for the first time.
- People with no symptoms transmit more than half of all cases of COVID-19, according to a model developed by researchers at the CDC.
- A new study by the CDC found that infection rates were sharply higher in counties where universities held classes in person.
- After an 18-hour flight from Dubai landed in Auckland, New Zealand, in September, local health authorities discovered evidence of an outbreak that most likely occurred during the trip. Using seat maps and genetic analysis, the new study determined that one passenger initiated a chain of infection that spread to at least four others en route. The study concludes: "Despite pre-departure testing, multiple instances of in-flight SARS-CoV-2 transmission are likely."

Health policy responses

- U.K. Prime Minister Boris Johnson closed schools and declared a strict national lockdown in an attempt to contain a more contagious variant. Scotland also took similar action shortly before the announced lockdown in England. Johnson later confirmed there is no end date for the lockdown.
- Germany will extend its lockdown until the end of January. Shops, restaurants, hotels, schools and day-care centers are closed, while people living in districts with the highest infection rates will be restricted from moving farther than 15

Picture
of

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"The World Bank cited the impacts of the pandemic in warning of a 'lost decade' ahead for economic growth without aggressive policymaking and investments in health care, education and environmental protection."

kilometers from their hometown.

- New York Governor Andrew Cuomo called on the state's public and private hospitals to administer COVID-19 vaccines more quickly, warning of fines of as much as \$100,000 for those who don't comply.
- In Los Angeles County, emergency workers have been told to conserve oxygen and administer the minimum amount of oxygen to keep patients' oxygen saturation level at or just above 90%. Officials in the most populous U.S. county have said a person is being infected there every six seconds.
- China locked down more than 17 million residents of Shijiazhuang and Xingtai in Hebei to contain a local outbreak of 120 cases.

Economic and market impacts

- The U.S. Labor Department reported a loss of 140,000 jobs in December — the first net decline in payrolls since April.
- The World Bank projected the global economy's yearly average growth rate over the next decade will be 1.9%, down from a pre-pandemic 2.1% projection. The World Bank cited the impacts of the pandemic in warning of a "lost decade" ahead for economic growth without aggressive policymaking and investments in health care, education and environmental protection.
- 18% of U.S. workers expect to work from home every day after the pandemic ends, up from 7% beforehand.

Source of all data: Eaton Vance Research as of January 11, 2021 unless otherwise specified.

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