



October 7, 2020, 7:00 AM EST

THE MARKET WITH YOUR ESPRESSO

THE MARKET WITH YOUR ESPRESSO

Five News to Start Your Day

Macron Draws The Fishing Line

President Macron is standing firm on his demand that the French fishing industry keep the same access to British waters it enjoys today. This remains the second focus of concern over the talks, after concessions on state aid. The standstill comes just weeks before the Brexit deal is supposed to cross the finishing line. The entire UK-EU deal could fail over this issue.

No More Talks

President Trump ended talks with the Democratic Party leaders on a new stimulus package, just hours after Powell expressed the need for greater spending to avoid damaging the economy. The statement came from a series of tweets the president sent out Tuesday night saying he had called for his representatives in the negotiations to halt all talks until after the election.

Vaccine News

Germany is now experiencing virus resurgence across the nation, much like its neighbors, after its late-summer resistance to it. The nation has brought back restrictions, including closing bars early in Frankfurt and Berlin. French Intensive Care Unit numbers have reached May highs, & British hospital admissions have returned to highs seen in late June.

Break Them Up

A panel of US House Representatives advised Congress to vote for extensive antitrust reforms to curb the power of tech giants. The report describes them as gatekeepers of the digital economy that have abused their power to put down competitive threats, leading to less innovation. Its most consequential recommendation calls for breaking apart these companies.

The Markets

After President Trump called for a reduced group of stimulus in tweets last night, S&P and Nasdaq futures rose. Euro-area bonds lost gains prior to the EBC President speaks in Paris today. Volatility continues to pick up this month after Trump's Covid diagnosis.

The Day Was Oct 13

Apple announced that it will hold an online event for its biggest product launch event of the year on Oct 13. The company released the date of the event with a tagline "Hi, Speed", alluding to the new speed 5G will give browsing in phones. The new iPhone will put Apple toe to toe with Samsung, Google and others.

More Stimulus: Norway

Norway will be withdrawing \$1.1 T from its sovereign wealth fund, the second withdrawal of this year, to continue pumping historic amounts of stimulus in 2021 to fight back the "severe setback" triggered by Covid. Fund transfers are expected to reach 433 billion kroner this year, compared to last year's 229 billion

A Nuclear Agenda

The UK gov't is said to be weighing investing \$2.6 B in program to build small nuclear reactors. PM Boris Johnson pledged that Britain would become a "leader in low-cost clean power creation" in his speech to the Conservative party where he talked about the role nuclear power will play in Britain's energy future.

CommonPass

A mobile phone app that shows travelers are Covid-free will begin trials this month, a potential solution to the travel slump. The app will be tested on United Airlines services between Newark and London and Cathay Pacific Airways trips from Hong Kong to Singapore, said the World Economic Forum.

THE MARKET WITH YOUR ESPRESSO

Covid Aftermath

Researchers in France found that Covid-19 could make patients with the mildest illness risk suffer from symptoms for months. In the study, two-thirds of the patients who had mild-to-moderate cases of Covid reported symptoms 60 days after falling ill, and the other one-third reported still feeling sick or in a worse condition than when their Covid infection began.

The study is only more evidence that a portion of the millions known to have been infected by Covid will suffer lingering symptoms. Post-Covid clinics are opening up, to cater to “long-haulers”, survivors left with scarred lungs, chronic heart damage, post-viral fatigue, and other debilitating conditions. These findings tell us that Covid will involve a care burden long after it ends.

Climate Migration Woes

Experts have said that a new wave of immigrants will sweep the world in the coming decades as climate change makes more places unlivable. However, with cities that were expected to be “climate havens”, such as Buffalo in NY, struggling due to a Covid propelled economic crisis, these refugees seem less likely that even to sustain the influx of displaced residents.

The pandemic has decimated city revenues and disrupted many long-term initiatives. Still, some of the cities that are now facing the steepest projected losses are those “climate havens”, places whose geographic location, infrastructure and excess land make them perfect to take climate migrants. The reality of this is more present than ever as hurricanes and wildfires accelerate migration.

Animal Crossing and Stocks

At beginning of the pandemic, Animal Crossings: New Horizons became the hit game. It provided an enjoyable escape into a virtual, idyllic paradise alongside villagers who appear in the forms of dogs, birds, or even ostriches. However, for many their Animal Crossing dabbling has led to an unexpected outcome: it has turned them into stock investors. In the video game, you need money to develop your island and there are many ways you can make it, like breaking open rocks, shaking trees, catching and selling fish or you can invest in turnips on the “stalk market”. Thousands of players put hours into research on the best prices for their virtual root vegetables and even join marketplaces on websites like Turnip.Exchange or Reddit, where forums have around 319,000 followers. As these gamers experiment with the virtual economy, they are starting to dabble in the real stock market, realizing that much of the concepts used for the virtual game can be translated to real life. The switch from “stalk” markets to stock markets comes at a time when millions of new investors are starting their investment journey and flocking the markets.



BIONTECH

COVID MARKET WINNERS:

BIONTECH

BioNTech is an American biotech running in the race for a Covid-19 vaccine. The firm is working with Pharma giant Pfizer to find a vaccine for coronavirus. The duo originally had four vaccines but have settled on one after months of trials. They have now started phase 3/3 of their clinical trials in Europe and the US, got FDA fast-track designation approval, are currently in the process for fast-track approval in EU markets and have contracts with the US, UK, Japan, Canada and the EU to supply them with millions of vaccines as early as late 2020. And investors seem to have rewarded their efforts, with shares being up more than 97% this year and expected to keep on rising.