

# THE ALCIVAX

**Alcimed** examines the weakest link in the global economy and wonders whether the rest of the world will just move on.

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## Bad Role Models

"It takes many good deeds to build a good reputation, and only one bad one to lose it," - Benjamin Franklin. It is likely that the Founding Father wouldn't not have imagined this would also be true of a countries collective behavior, let alone his own. Yet if America's inability to control the COVID-19 endangers the global economic recovery, is it time for industries to be less US market focused in order to remain resilient?

### Import/Export is a two way street

The IMF has been warning for months that the key to economic recovery was containing COVID. The global economy has long used US fiscal policy to shore up global market expansion. This has also now made it vulnerable to further losses if the US's COVID 1st wave requires more lock downs to try and regain control.

Global sensitivities to the potential US recovery plateau as some states reimpose lock downs, is best illustrated by import/export activity. US imports have dropped 13% in 2020. Even countries like Germany already in recovery are in danger as US exports have dropped 36% in May compared to 2019. Germany's auto industry is especially hard hit as it's highest US export. Japan, Canada, and Mexico will also be in similar trouble.

### Trust and Trade go hand in hand

The real fragility in US import exports is declining US/China relations. China represents 18% of US trade, but sparing over COVID has heightening tensions between the two nations led to the closure of a Chinese consulate in Houston over allegations of spying. The effects were immediately felt on the Asian markets. The US also imposed sanctions against 11 Chinese companies and DC/Beijing bickering has devolved into insults traded over social media, dragging Southeast Asia into the fray. China has vowed "to do whatever it takes" for economic recovery from COVID, promoting its reforms to bring it inline with Western business practices and touting its openness to the WHO's investigation of the beginning of the pandemic, to maintain its reputation outside of US circles. China's real estate industry is already taking aggressive steps towards a post-COVID future with big investments in commercial real estate aimed at growing tech, the financial sector, and cultural tourism.

### Buy American?

Having to lock back down to control new waves of COVID is disastrous to tenuous recovery efforts and has motivated countries to be highly selective about opening up their borders. Currently, 35 countries have banned entry to US travelers, despite much needed tourism dollars and have expressed real curiosity as to how mask wearing became such a political flash point in American society. According to a government survey, most Americans are in line with other countries in the lengths they take to avoid contracting COVID, but the vocal minority opposition is further eroding confidence in the US as cases continue to rise quickly.

The EU approved another \$2 trillion in COVID recovery aid over the next 7 years. The deal signals a new level of bloc solidarity as the public debt will be shared by all countries. This new level of European cooperation will make it possible for EU companies to rethink whether US export strategies should be central to their recovery and future growth. If the US doesn't begin regaining some international trust, what started as a pandemic related recession may turn into a larger scale economic collapse in America, forcing international companies in all countries to reorient towards non-US dependent growth.

## The FAANGs Are Out



The FAANG stocks, a group of tech stocks that include Facebook, Apple, Amazon, Netflix, and Google's parent company Alphabet, reached record highs this week, as escalating viral infection numbers signaled to US investors that there is not a quick fix coming for the pandemic induced recession. Of the 5, Alphabet's is the only one to not do so, though it's still trading at 12% over last year. Microsoft is also seeing record highs.

Netflix with its 60% growth is well ahead of the other 4 FAANG stocks, but subscription growth is slowing and new content production is largely on hold with lock downs, making it unclear if they can hold on to these gains in the long run. In fact, all of the FAANG companies are trying not to remain idle in this uncertain economic environment.

- Apple's retail stores in the US still remain largely closed, but the work from home push has allowed the tech giant to remain steady, though consumers prefer the more economical iPhones when purchasing.
- Apple will also need to rethink some of its supply chain as some of its suppliers are on the list of sanctioned Chinese companies.
- Facebook (Instagram Shop) and Google (Shooploop) are stepping up their eCommerce presence to attempt to capture some of Amazon's essential status, while Amazon continues to expand its grocery capacities.

Investment in tech startups in the FAANG environment continue unabated in the pandemic, while startups in other sectors have struggling with cash flow. This reflects the larger economic reshuffle that is inevitable, as the US market seems divorced from the reality on the ground and may be set soon for a readjustment to reflect the real uncertainty on the ground. In the meanwhile, some traditionally US centered

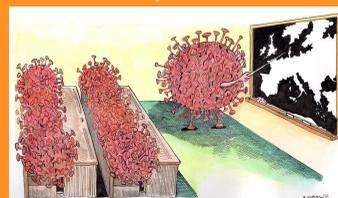


Image Credit: [Andrzej Krauze](#)

industries, such as the movies are planning to premiere new movies internationally, rather than wait for the US to get its act together.

# Prevention & Treatment

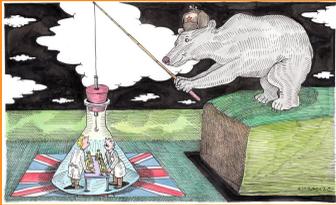


Image Credit: Andrzej Krauze

The vaccine stakes are getting higher as it will impact not just economic recovery but international relations. Russia has not only been accused of hacking into COVID vaccine data, but denies the accusations touting the recent deal with AstraZenca to produce its vaccine. Doubts are further cast over Russia's sincerity now that it has surfaced that several hundred Russian elites have

been dosed with the Gamaleya Institute's COVID vaccine candidate outside clinical trials. Though these volunteer's are not illegal, the activity is not restoring global confidence in Russia's good faith pandemic efforts.

COVID deal making is ongoing. Pfizer/BioNTech's \$2B deal with the US sets a \$20 per dose price benchmark that rivals will now have to adjust to. The deal comes as Pfizer candidate joins the ranks of vaccines with early positive data. The UK has struck a deal with Pfizer and Valneva, while the Qatar Investment Authority (QIA) invests in CureVac.

Human challenge models for COVID vaccines is gaining volunteers, but solving the logistics of how to produce the needed virus and provide the proper containment units may tank the momentum before the ethics does. The development of a surrogate virus for SARS-CoV-2 could potentially be used in preliminary studies in addition to being used as an in vitro tool.

Synairgen, inhaled interferon beta, reduces ventilation by almost 80% in a promising new study. The positive benefits of dexamethasone have also been confirmed by trials showing reduced mortality on and off the ventilator. Other steroids may have the same effect, but should only be used in patients with high blood levels of C-reactive protein as steroid treatments in patients with low levels can increase risk.



## Well Defined Patient Pathways

One of the things that has been largely missing during the pandemic is a well defined patient pathway. The variety of symptoms and outcomes possible for COVID have made it more challenging to get a clear picture of how the disease will progress in different people. Researchers at King's College in London have analyzed the data from symptom tracker apps to reveal 6 types of COVID based on the symptom clusters. Creating COVID classifications based on symptomology is a huge step in getting a handle on how to treat patients effectively. Types 4-6 are more likely to end up in the hospital, for example helping to define monitoring needs and early interventions to create better outcomes. The 6 types are outlined below:

1. 'Flu-like' with no fever: Headache, loss of smell, muscle pains, cough, sore throat, chest pain, no fever.
2. 'Flu-like' with fever: Headache, loss of smell, cough, sore throat, hoarseness, fever, loss of appetite.
3. Gastrointestinal: Headache, loss of smell, loss of appetite, diarrhea, sore throat, chest pain, no cough.
4. Severe level one, fatigue: Headache, loss of smell, cough, fever, hoarseness, chest pain, fatigue.
5. Severe level two, confusion: Headache, loss of smell, loss of appetite, cough, fever, hoarseness, sore throat, chest pain, fatigue, confusion, muscle pain.
6. Severe level three, abdominal and respiratory: Headache, loss of smell, loss of appetite, cough, fever, hoarseness, sore throat, chest pain, fatigue, confusion, muscle pain, shortness of breath, diarrhea, abdominal pain.

Many of these symptoms, such as headaches and loss of appetite, have not been publicized as much as the now characteristic cough, loss of smell, and fever, but they now provide further refinement to the COVID treatment decision making tree, which can be supplemented by the online AI prediction tools developed by Tencent. Such early interventions may help to prevent unnecessary hospitalizations in coming new waves of COVID cases.



## The Future of Food

The extended pandemic is rearranging a lot in our lives including the way we eat. The most obvious casualty is the food buffet. Typically, only found outside the US in hotels, which have universally ended the practice, even the all you can eat buffet restaurants in the US have been going out of business faster than others in the industry. While some are trying a more "cafeteria style environment" it is unclear how many of them will survive.

Faux meat has seen a large growth during the pandemic as consumers have struggled with meat shortages, COVID outbreaks in meat processing plants, and factory farming's contribution to the potential for a new zoonotic pandemic.



Click the picture at the left to read more about how the soft drink industry is changing to meet the demands of more health conscious consumers.

Also make sure you don't miss our new position paper on what food will look like in 2050! Click the picture at the right to download the full paper [in French].



## All joking aside



Image Credit: Getty Images

While Africa is not fully ready to open up to international travelers yet, Tanzania is open for visitors and Kenya is opening on August 1st. So you may still be able to

take that summer safari if you want to brave the airport, but you can also now take virtual safaris.

Disney World's reopening last week has already had to revise safety protocols. While guests have to wear a mask except while eating or swimming, Disney had to amend protocols to ban eating while walking, to keep compliance levels high.

This week, we learned that sulfur-containing molecules methanliol is 0.4 nanometers in diameter making it possible to still smell farts through a mask. Why do we know this? An anti-mask protester claimed this week that masks don't work because you could still smell them. However, should you discover that your mask is preventing you from smelling passed gas, you might just have COVID (60-140 nanometers).

## COVID World Traveling: 14 y.o. shows her brother the world with driveway chalk

Frostbite Free Summits

Paddle board Paradise

No Rules Safari

Safe Polar Bear Sightings

Dune Balloons

