



## **COVID-19 UPDATE: Stimulus is in the headlines. Daily COVID-19 cases rising, but not yet exponential = watch for that**

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### **STRATEGY: Markets are awaiting stimulus**

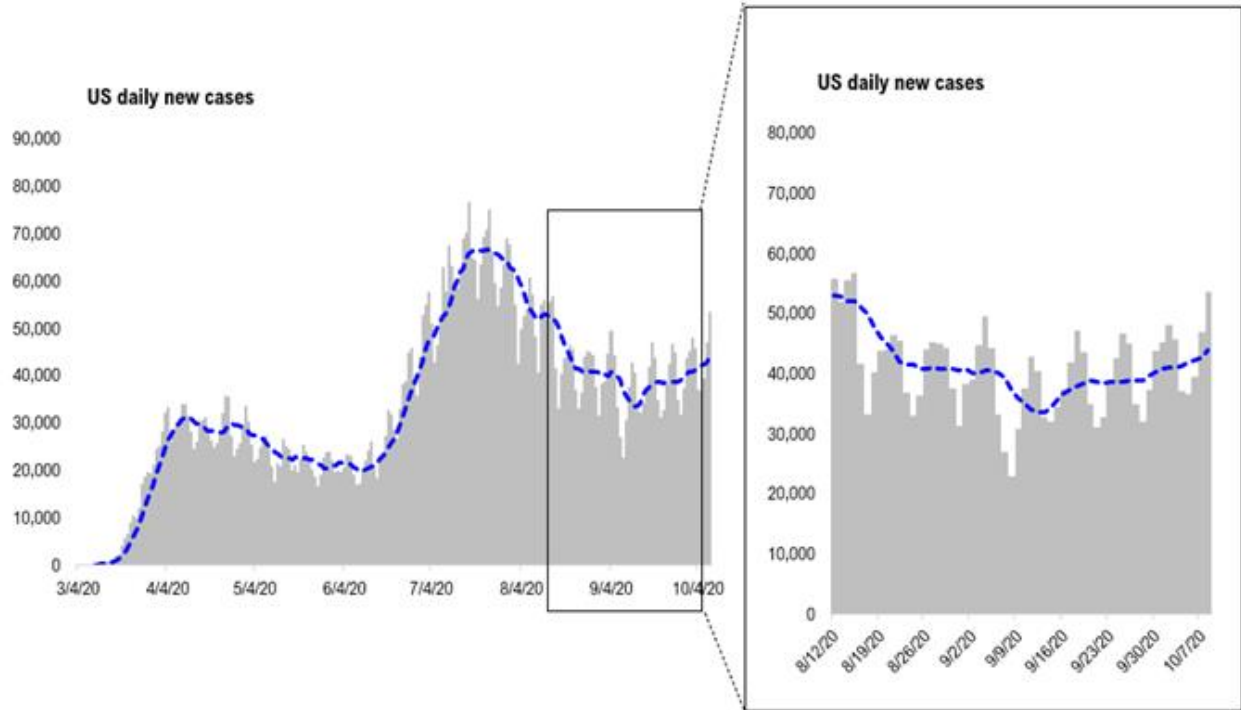
If I had to identify the biggest development in the past week, it is the miraculous recovery of President Trump. Recall, earlier this year, many people would have cited a "black swan event" for the 2020 elections is one of the two candidates getting COVID-19. Well, it happened, and in a few days, President Trump seems to be back in good health. And it seems like the ball has moved forward (maybe inches) on incremental progress on fiscal stimulus. This is a good development.

But the progress of COVID-19 has not been necessarily positive. Daily cases are rising and surged to 53,572, the first >50,000 daily cases figure since mid-August. There is an uptick in daily hospitalizations, but the coefficient is a lot lower. So, we are in that phase where one can credibly dismiss the rise as "more testing" or "mini-surge" but the thing that would worry me, is if this turns into an exponential rise.

This only highlights how important positive progress on therapeutics and/or a vaccine. President Trump's recovery seems to be a big win on the cure "column" and if that is correct, this rise in cases is less concerning. That is, because a timeline for a cure is also becoming more visible.

### **POINT 1: Daily cases surge Thursday >50,000, Flat is the new "good"**

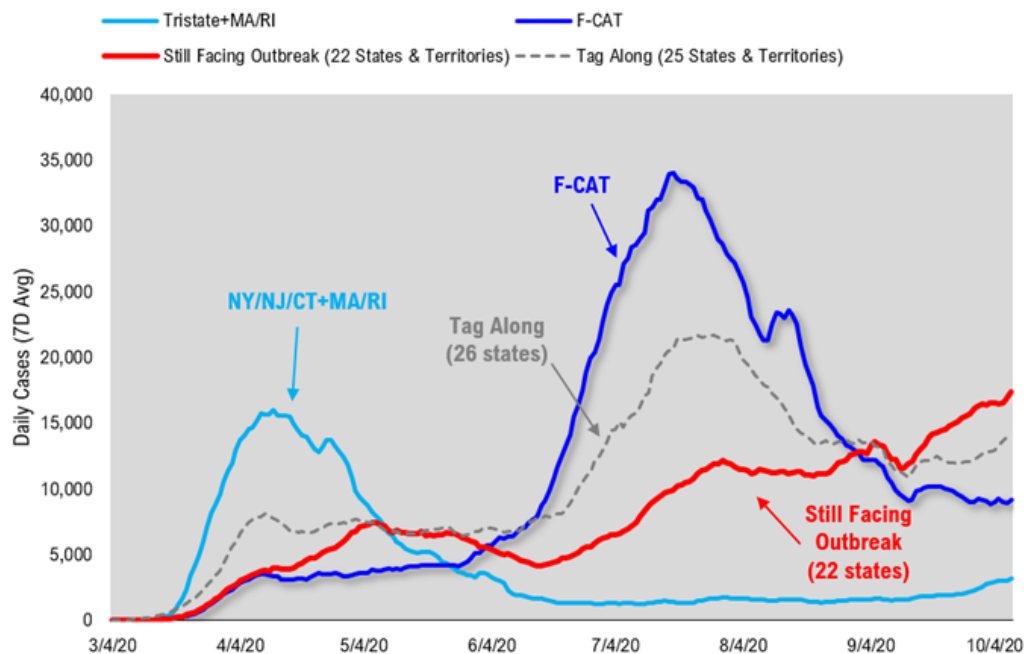
Daily new COVID-19 cases are rising, something apparent for the past few weeks, and rose to 53,572, the first >50,000 figure since mid-August. The 7D delta is also rising, so we are seeing a rise in cases.



Source: COVID-19 Tracking Project

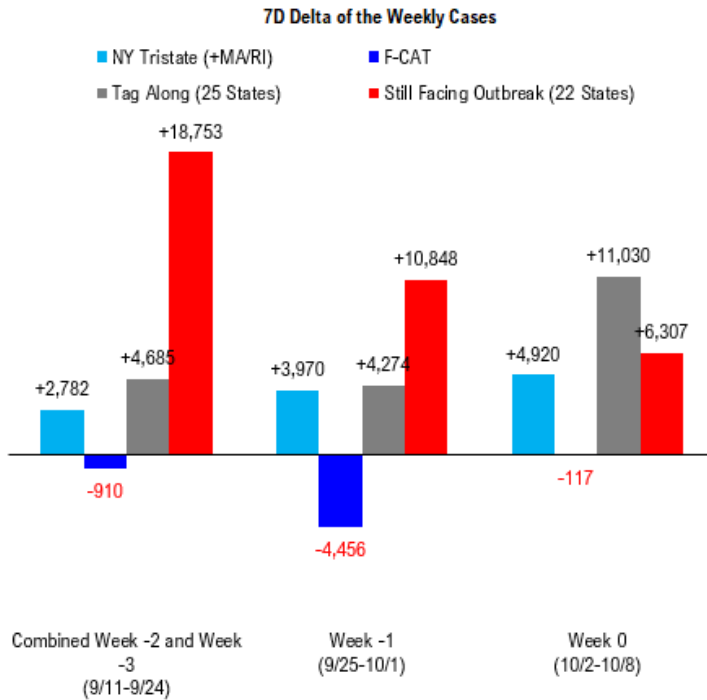
The natural question is where is this outbreak taking place? And as you can see, the surge in daily cases stems from the 22 states still facing an outbreak.

- NY tristate (+MA+RI) is rising, but modestly
- FL, CA, AZ, TX is flat/down



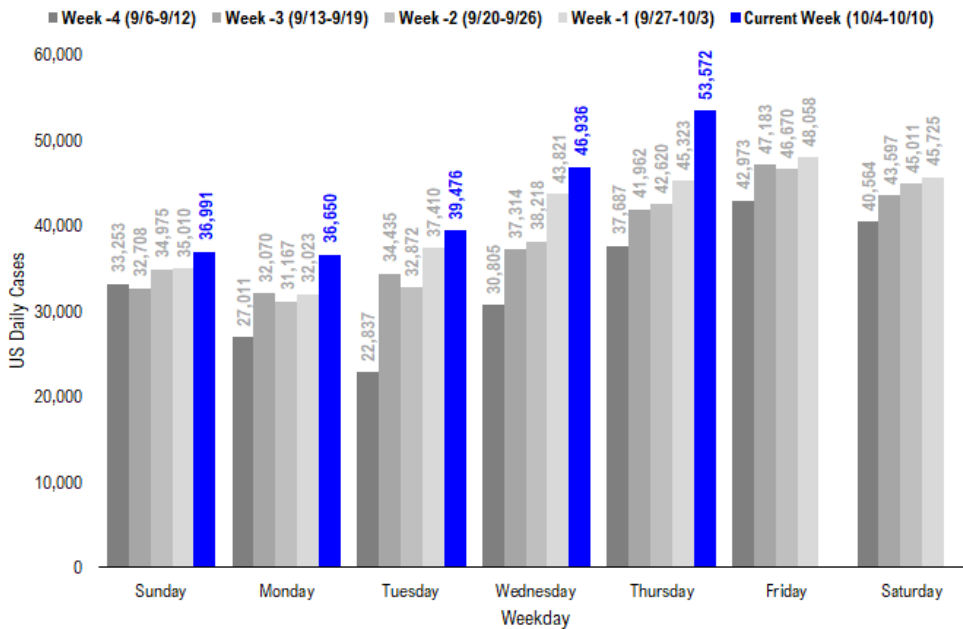
Source: COVID-19 Tracking Project

This is a breakdown for total new cases in the past week (right set of data) and you can see, the surge is coming from states outside the top 10 in the US (outside NY tristate and F-CAT).  
- but this does not minimize the fact daily cases are surging



Source: COVID-19 Tracking Project

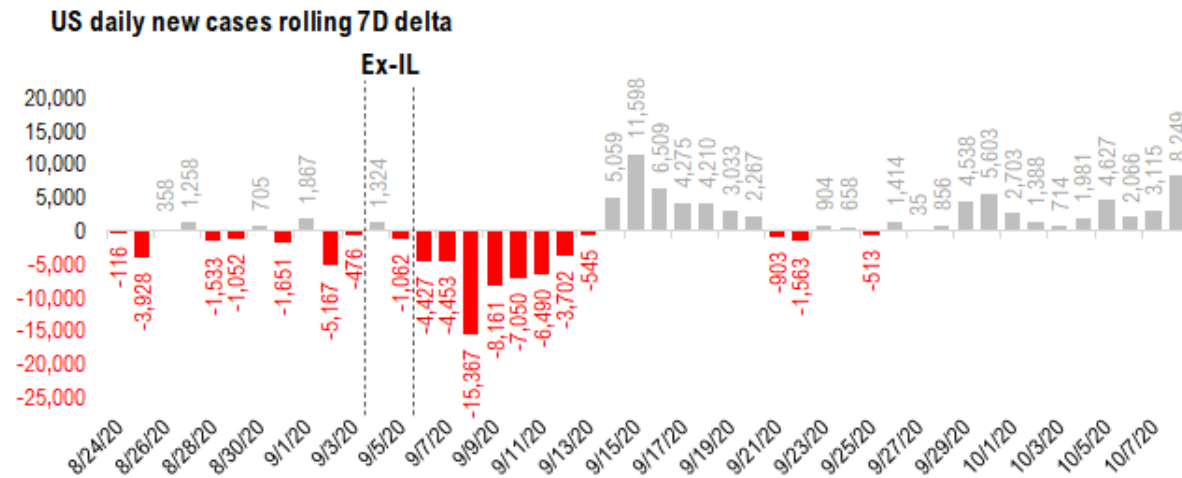
I think multiple factors explain this rise, but it comes down to America is letting down its guard. That is the unifying explanation.



Source: COVID-19 Tracking Project

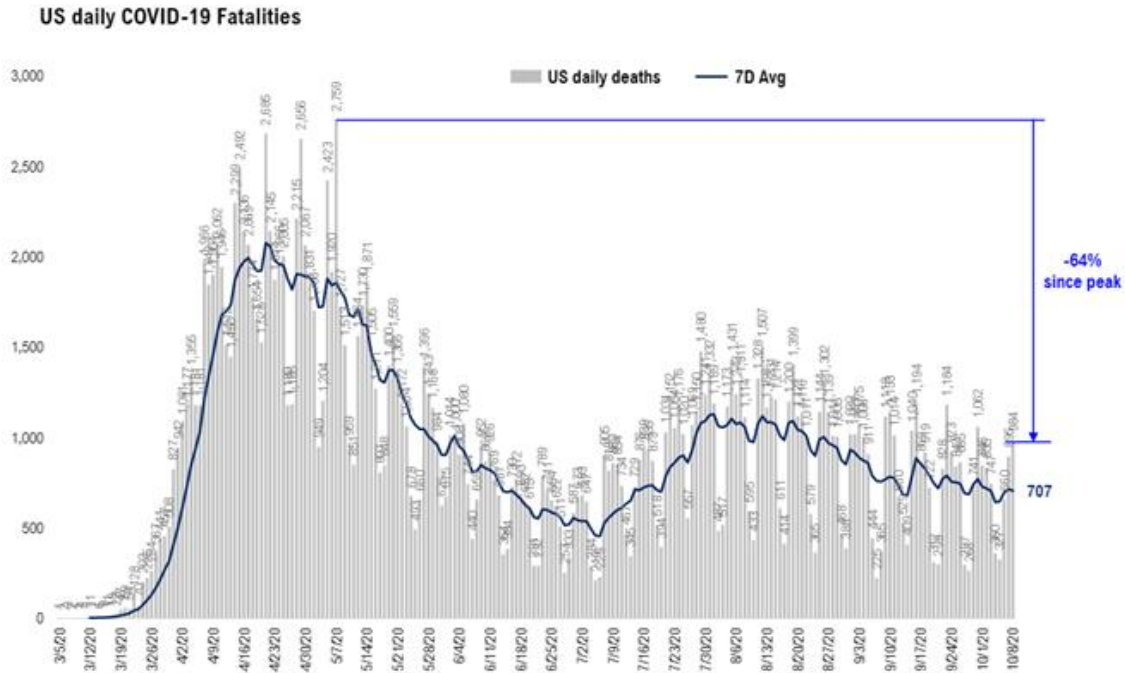
Again, the daily change vs 7D ago, in our view, is the leading indicator as it is what influences the 7D moving average.

- The next few days are key. But if daily cases rise vs 7D ago, we know the trend is now up.
- so far, we are not seeing 7D delta soar, so cases are not leading to an exponential spread
- the 7D delta is the highest in several months, and we need to go back to July to find a higher level
- the mid-Sept surge is distorted due to the Labor Day holiday.



Source: COVID-19 Tracking and Fundstrat

Daily deaths are still trending lower and for the moment, that is the good thing. In the US, about 700 Americans are dying each day from COVID-19. This is about 260,000 per year, so it is not a number to be ignored. And the key issue is keeping daily deaths low.



Source: COVID-19 Tracking and Fundstrat

**6 states with largest 7D delta in daily cases**

Illinois	3,059 vs 2,166 (-7D)	+893
Virginia	1,155 vs 450	+705
Tennessee	1,992 vs 1,293	+699
New Jersey	1,298 vs 614	+684
Florida	3,306 vs 2,628	+678
Texas	3,786 vs 3,234	+552
<b>Total</b>		<b>+4,211</b>

**6 states with largest 7D delta in daily cases**

Alabama	557 vs 1,043 (-7D)	-486
Massachusetts	444 vs 754	-310
Missouri	1,505 vs 1,799	-294
South Dakota	505 vs 747	-242
Mississippi	578 vs 696	-118
Louisiana	526 vs 608	-82
<b>Total</b>		<b>-1,532</b>

**Daily Case Increases (by State) (10/08)**

% total new cases (state cases/ total US cases)

% total US pop (state population/ total US population)

	<i>Sorted</i>				
	7D Ago		Last 3-day Trend		
	10/1/20	10/6/20	10/7/20	10/8/20	vs 7D ago
United States	45,323	39,476	46,936	53,572	+8,249
<b>States:</b>					
1 Texas	3,234	3,872	3,776	3,786	
2 California	3,062	1,677	2,764	3,575	
3 Florida	2,628	2,251	2,582	3,306	<-higher
4 Wisconsin	2,887	2,020	2,319	3,132	
5 Illinois	2,166	1,617	2,630	3,059	<-higher
6 North Carolina	2,277	1,504	1,711	2,428	
7 Tennessee	1,293	1,676	2,080	1,992	<-higher
8 New York	1,382	1,393	1,360	1,836	<-higher
9 Ohio	1,327	1,335	1,424	1,539	
10 Missouri	1,799	1,165	1,068	1,505	
11 Utah	1,008	716	1,007	1,501	<-higher
12 Indiana	1,157	970	1,281	1,450	<-higher
13 Pennsylvania	1,156	1,036	1,309	1,376	
14 New Jersey	614	629	508	1,298	<-higher
15 Minnesota	1,066	941	911	1,271	
16 Georgia	1,308	936	1,492	1,265	
17 Iowa	1,038	474	950	1,261	<-higher
18 Oklahoma	1,170	1,364	1,006	1,212	
19 Michigan	891	903	1,016	1,197	<-higher
20 Virginia	450	625	1,198	1,155	<-higher
21 Arkansas	921	532	684	1,066	
22 South Carolina	761	824	674	1,050	<-higher
23 Kentucky	888	1,036	921	868	
24 Colorado	682	654	731	863	<-higher
25 Arizona	705	864	604	863	<-higher
26 Maryland	785	413	460	761	
27 Idaho	513	660	671	673	<-higher
28 Nebraska	520	452	498	639	<-higher
29 Montana	429	500	716	614	<-higher
30 Mississippi	696	975	563	578	
31 Alabama	1,043	764	941	557	
32 Washington	480	402	387	545	
33 North Dakota	372	502	493	527	<-higher
34 Louisiana	608	506	1,052	526	
35 South Dakota	747	278	1,030	505	
36 Oregon	353	291	294	482	<-higher
37 Nevada	430	479	431	480	
38 Massachusetts	754	495	535	444	
39 New Mexico	226	315	425	384	<-higher
40 Connecticut	192	121	123	384	<-higher
41 Puerto Rico	230	238	23	352	<-higher
42 Rhode Island	166	177	180	269	<-higher
43 Wyoming	135	141	129	193	<-higher
44 West Virginia	176	194	203	186	
45 Delaware	174	103	84	132	
46 Alaska	124	139	126	127	
47 Hawaii	107	81	110	101	
48 New Hampshire	51	51	69	78	<-higher
49 District of Columbia	32	105	45	68	<-higher
50 Guam	62	61	54	66	
51 Maine	40	20	39	35	
52 Vermont	3	4	6	11	<-higher
53 U.S. Virgin Islands	5	-5	-1	1	
54 Northern Mariana Islands	0	0	0	0	
55 Kansas	0	0	1,244	0	
56 American Samoa	0	0	0	0	

Source: COVID-19 Tracking and Fundstrat

**POINT 2: 20 largest states = 80% US GDP. Every state <100 deaths per day**

We thought it would be helpful to end this week by looking at the state of COVID-19 within the top 20 states of the US. Collectively, these 20 states are 80% of US GDP, so the direction of cases in these states is the most important, arguably.

- below are summary stats
- but to highlight some key trends, we made a few charts to make this more apparent

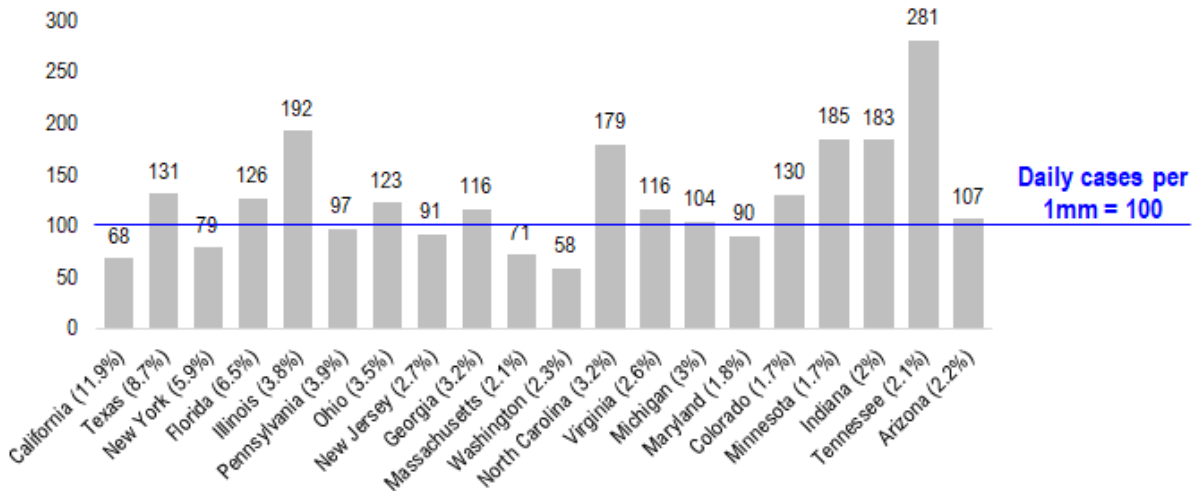
	% US Pop	% US GDP	Sorted Daily Cases		Daily Cases (3D avg) per 1mm residents		Since Peak		Positivity rate		Hospitalizations		Daily Deaths	
			10/8/20	7D Delta	10/8/20	7D Delta	# Days	% Decline in Daily Cases	3D Cumulative Positivity Rate	7D delta	Total hospitalized	7D Delta	Daily deaths (7D avg)	7D Delta
United States	100%	100%	53,572	+8,249	142	+14	83	-35%	5.6%	-0.1%	34,341	+3,598	687	-16
<b>States:</b>														
1 California	11.9%	14.6%	3,875	+513	68	-3	76	-77%	2.5%	-0.4%	3,186	-19	68	-14
2 Texas	8.7%	8.8%	3,786	+552	131	-11	83	-68%	8.8%	-2.5%	3,656	+128	73	-6
3 New York	5.9%	8.1%	1,836	+454	79	+17	181	-86%	1.3%	-0.1%	754	+142	9	+2
4 Florida	6.5%	5.0%	3,306	+678	126	+5	87	-79%	10.6%	-1.7%	2,141	+61	91	-3
5 Illinois	3.8%	4.2%	3,059	+893	192	+40	32	-25%	4.0%	-0.6%	1,755	+120	31	+8
6 Pennsylvania	3.9%	3.8%	1,376	+220	97	+11	181	-31%	7.8%	-1.0%	687	+129	20	+8
7 Ohio	3.5%	3.3%	1,539	+212	123	+22	69	-8%	4.2%	+1.6%	863	+164	24	+9
8 New Jersey	2.7%	3.0%	1,298	+684	91	+25	186	-80%	2.9%	-0.9%	652	+129	5	-1
9 Georgia	3.2%	2.9%	1,265	-43	116	-11	75	-71%	7.3%	-0.1%	1,742	-116	33	-1
10 Massachusetts	2.1%	2.8%	444	-310	71	-16	166	-86%	3.4%	-0.4%	484	+48	12	-5
11 Washington	2.3%	2.7%	545	+65	58	+4	85	-57%	2.6%	-1.5%	256	-12	7	+1
12 North Carolina	3.2%	2.7%	2,428	+151	179	+31	82	-16%	7.5%	-0.4%	1,051	+112	20	-11
13 Virginia	2.6%	2.6%	1,155	+705	116	+33	60	-29%	5.9%	+1.4%	933	+20	14	-2
14 Michigan	3.0%	2.6%	1,197	+306	104	+9	157	-15%	3.0%	-0.1%	862	+184	13	+1
15 Maryland	1.8%	2.0%	761	-24	90	+0	140	-57%	5.8%	-0.7%	403	+72	4	-1
16 Colorado	1.7%	1.8%	863	+181	130	+30	0	0%	8.2%	+1.8%	369	+105	6	+3
17 Minnesota	1.7%	1.8%	1,271	+205	185	+33	11	-16%	9.6%	+1.6%	457	+117	8	-1
18 Indiana	2.0%	1.8%	1,450	+293	183	+42	5	-8%	14.1%	+0.8%	1,110	+191	14	+0
19 Tennessee	2.1%	1.8%	1,992	+699	281	+100	72	-30%	7.6%	+1.0%	1,149	+150	29	+2
20 Arizona	2.2%	1.7%	863	+158	107	+29	98	-82%	8.2%	-0.7%	728	+108	10	-7

Source: COVID-19 Tracking Project and Fundstrat

**About half of these states have "good" levels of spread: daily cases per 1mm <100...**

A decent benchmark for measuring the rate of spread in a state is daily cases of less than 100 per 1mm residents. This ends up annualizing to an annual confirmed rate of 4% per year. So keeping daily cases <100 is a level of "contained spread"

- 9 of 20 states have daily cases <100
- Of the top 20, CA, MA, NY and WA have the lowest levels
- Given these low levels, does NY state's new stricter measures seem overkill?

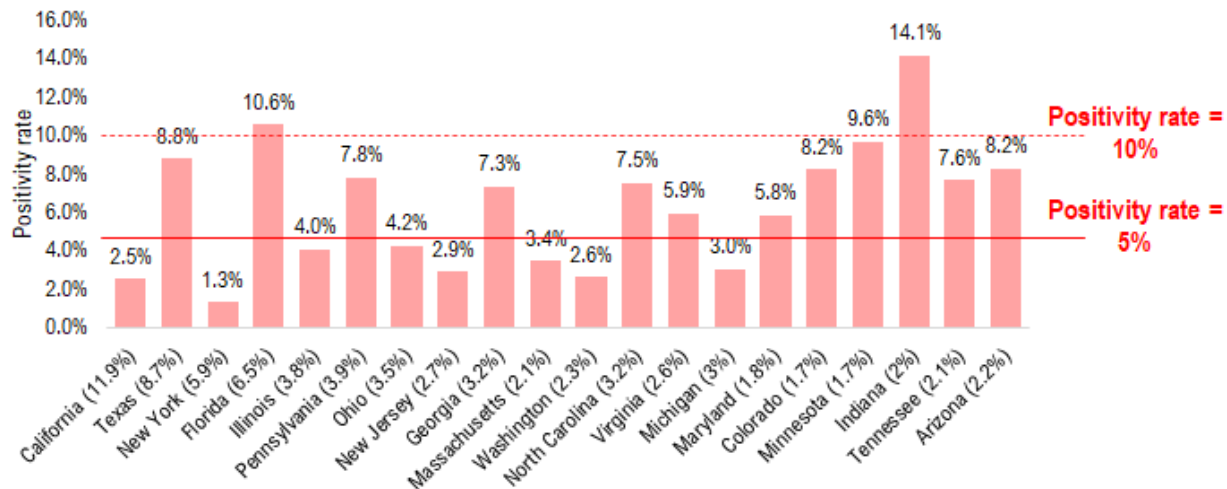


Source: COVID-19 Tracking Project and Fundstrat

**9 of 12 Top 20 states have positivity rates <5%**

The WHO views a positivity rate <10% as a controlled level of infection. And a figure <5% is considered very well controlled. 9 of the 12 states have positivity rates <5%.

- NY and CA are among the lowest
- Only FL and IN have a level above 10%, which is considered by WHO as less controlled



Source: COVID-19 Tracking Project and Fundstrat

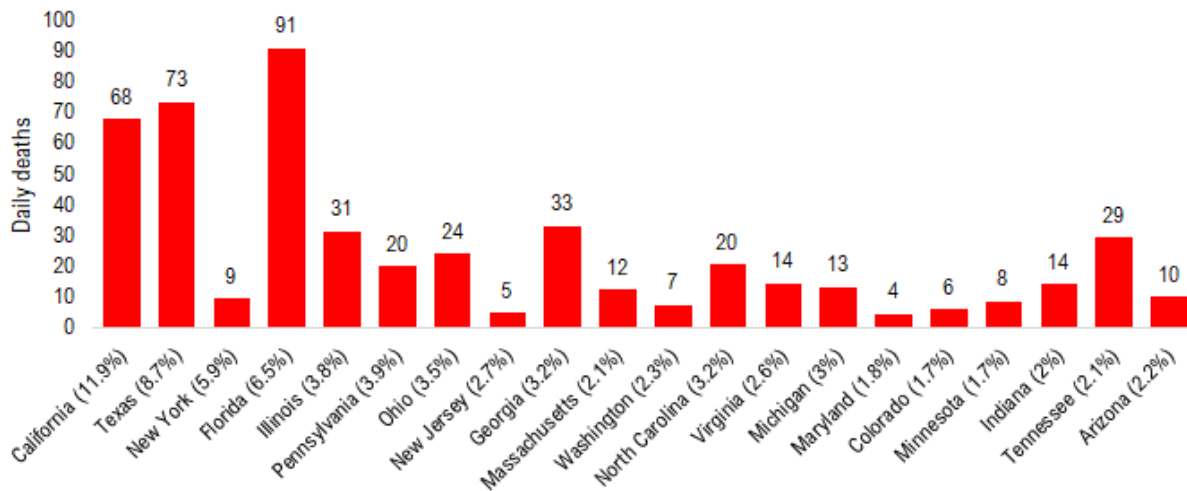


***Mortality is still very low in these states...***

We also thought it helpful to look at the absolute level of daily deaths in these 20 states. The reason daily deaths matter is this gives us an idea of the magnitude of the pandemic tragedy within these states.

- FL has the highest number of daily deaths at 91 (7D avg)
- NY state has 9 per day but this is the state implementing new restrictions (overkill?)

This is the key metric. There are many healthcare forecasters who expect daily deaths to begin surging this winter (IHME, for instance) and this is something we need to watch.



Source: COVID-19 Tracking Project and Fundstrat

**POINT 3: Only "post-infected" can forget masks. The rest of us need some protection**  
If President Trump is indeed recovered from COVID-19, this is one of the most positive

developments regarding the path of this pandemic. Why? There are multiple reasons, but the things that came to the top of mind:

- Pres. Trump was admitted to the hospital due to low oxygen levels, which seems to suggest some problems and risks in the lungs
- Pres. Trump has multiple risk factors including age (>70) and being overweight, but does not look obese

Yet, a mere few days after his testing COVID-19 positive, he is well enough to return home. And his tweet storm of the past few days shows he is back in strong form.



NEWS

## Trump calls COVID-19 diagnosis a 'blessing from God' in new video message

By **Ebony Bowden**

October 7, 2020 | 6:13pm | Updated



Source: NY Post

President Trump was administered multiple treatments over the past few days, including:

- Zinc and Vitamin D
- Remdesivir
- Regeneron antibody treatment
- steroids

This combination of treatments seems to have been quite effective, and as the video above shows, the President seems to have largely recovered. And while we do not know if one of the above treatments is responsible for its success, the real takeaway is the President seems largely cured. In this video, he also suggests he will make multiple doses of this cocktail available for sick Americans for no out of pocket cost.

As I have written about multiple times, COVID-19 is a mysterious disease, and even attempting to forecast the future path is extremely difficult. We have been fairly convinced of the forward path of the disease multiple times in the past 8 months, only to see COVID-19 follow a completely different path.

As we comment above, COVID-19 is spreading in the US, and while the mortality is well managed, we are all at the individual risk of exposure. So, from a practical perspective, below is a list of the most important things we can individually do. Each of these below is backed by credible science and studies:

- take Vitamin D/Zinc supplements, since this boosts our immune system
- wash our hands, since that is what is most commonly in touch with our nose and mouth, thus, clean hands = less risk
- use some protection against the pathogen, which is a mask or social distance

***Because of all the intimations that I am an anti-masker, here is my personal regimen...***

I have a few kids in school, one of which is in high school, I am not taking risks of infection -- I don't want to be the parent that is the one that shut the school down.

I have a pile of KN95 masks in my car. My daughter's friend happens to own a factory that makes these masks and he sent me a boatload.



And I have hand sanitizer in the glove box -- can't have too much of this around



Of course, this in my pocket



And don't forget the Vitamin D! Dr. Fauci takes this!!!



**Regarding the masks, a few versions were sent to me that I found humorous...**

This is not a mega-wedgie. This is an intentional use of briefs as a mask.



And our Head of Global Portfolio Strategy, Brian Rauscher, shared a funny article from the Daily Mail showing some other odd masks seen on the NYC subway (MTA). The link to the article is here --> [Daily Mail article](#)





**Crazy ideas: This man appears to have put a bucket on his head**



Knock knock, anyone there? The woman can't possibly be comfortable with a wooden crate over her head



**Lookin' good:** This man seems to have thought wearing swim goggles and a funnel were better  
<https://www.fox.com/story/2020/10/09/subway-creatures-lookin-good-10/3411111001>



**Bubble girl: A few people are taking no chances and creating even bigger barriers between themselves and others**

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