

Coronavirus Vaccines and the Economy

Hopeful markets react.

Provided by DSA Financial Group

As the United States sees a rise in cases of COVID-19 across the nation, news of two promising vaccines out of hundreds being tested has offered a ray of hope for a fatigued world.¹

A positive reaction to these vaccines affects every aspect of human life, including the financial world. On Monday, November 16th, The Dow Jones Industrial Average rose 450 points on the news of a second effective vaccine, hitting a record high.²

Markets are not merely reacting to the positive news, but what a vaccine might mean for the economy. Investors are likely picturing people returning to something resembling their old lives. Stocks related to travel, such as airlines and cruise holidays, have seen an uptick. The properties of the vaccine itself might influence the markets - one of the vaccines spotlighted requires deep refrigeration, leading to a boost in trading for companies offering that service.³

While the hope the vaccine inspires feels reassuring, it's crucial to maintain the long view, just as the markets are. Investors may now see life after COVID-19 on the horizon, but we aren't there yet. Vaccines must be approved for use, distributed, and widely adopted before the full benefit can be realized. That will take time.⁴

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Citations

1. The Associated Press, November 16, 2020

2. CNBC.com, November 16, 2020
3. Barrons.com, November 10, 2020
4. Seattle Times, November 16, 2020