

Vaccine Hopes Buoyed
July 20, 2020



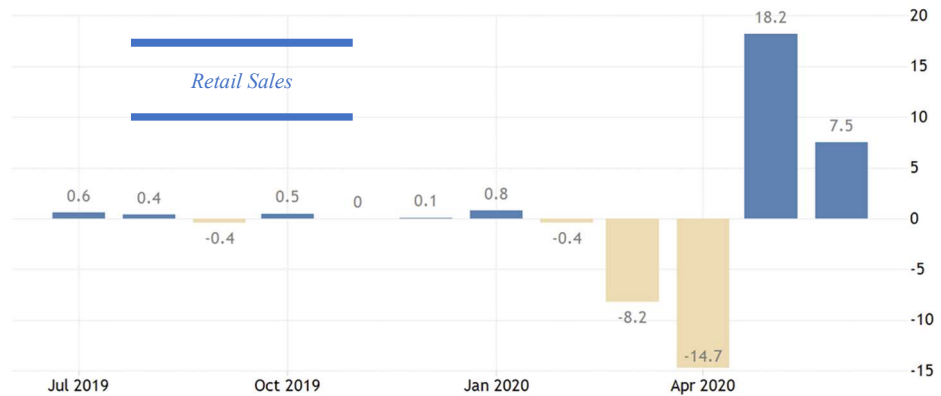
The stock market gained during Monday’s trading session. The S&P 500 moved into positive territory for the year again increasing 27 points, or 0.84% closing at 3,252. The Dow Jones Industrial Average fought to end the session above water rising 9 points, or 0.03% to close at 26,680. The Nasdaq Composite surged 264 points, or 2.51%, closing at 10,767 - another record, and the Russell 2000 dropped 5 points, or -0.36% to close at 1,468.

Investors were greeted to the new trading week with positive news on Covid-19 vaccine front. A third vaccine pioneered by the AstraZeneca and the University of Oxford was found to generate antibody formation when administered in humans. For those keeping count (like us), Moderna, Pfizer with their partner BioNTech, and now AstraZeneca/University of Oxford have all reported positive developments relative to the generation of coronavirus neutralizing antibodies in all of their trial’s patients. While Moderna and Pfizer both reported that the antibody generation was larger than the levels seen in recovered Covid-19 patients, the AstraZeneca/University of Oxford result showed lower levels of antibodies than recovering Covid-19 patients.

Furthermore, Pfizer/BioNTech and the AstraZeneca/University of Oxford both announced that their vaccine candidates produced a T-cell response in participants in addition to antibodies. This is important because it **may** indicate a more durable form of immunity than just an antibody response. Now what remains as the companies move to the more expansive Phase III trial, is the evidence that the vaccine induced antibodies actually create protection from the coronavirus, the level of antibodies needed to provide durable protection and the role of the T-cell generation in the process.

While many question remain unanswered, that makes three vaccine candidates and all are generating antibodies in each human participant and at least two generating T-cell response. That is a strong signal that they are on the right path.

Late last week, the US Census Bureau announced that retail sales in the United States jumped 7.5% in June, following an upwardly revised record 18.2% rise in May. The announced growth in retail sales beat market forecasts of a 5% gain as more businesses reopened and domestic trade



SOURCE: TRADINGECONOMICS.COM | U.S. CENSUS BUREAU

continues to recover from the coronavirus lockdown induced retail slump. The biggest increases were seen in sales at clothing stores (105.1%); electronics and appliances (37.4%); furniture (32.5%); sporting goods, music and books (26.5%); food services and drinking places (20%); miscellaneous (17.7%); and gasoline stations (15.3%). Sales also increased at motor vehicle dealers (8.2%); health and personal care (3.5%); and general merchandise (2.7%). In contrast, sales fell for nonstore retailers (-2.4%); food and beverages stores (-1.2%); and building material and gardening equipment (-0.3%).

