



Basis Points – July 22, 2021

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Above the Fold

Delta Surge and Inflation Fears Fueling Volatility: What You Need to Know

The Delta variant of the SARS-CoV-2 virus (which causes COVID-19) is a more contagious strain that's leading a surge of new cases globally. The variant is now in 124 countries and has fueled a 12% increase in the number of cases last week compared to the week prior. According to the World Health Organization (WHO), Delta now accounts for more than 75% of all virus sequencing samples. Though there has been an uptick in positive tests, the number of new cases is still much less than it was during the peaks in January and May.

The changing trajectory of the virus and counter-economic effects, such as renewed mask-wearing mandates and limitations on large gatherings like the Tokyo Olympics, are altering some analysts' and economists' models when it comes to economic and corporate growth. The good news is that vaccinations continue to be distributed and are considered effective at reducing the risk of serious illness or death. Experts also believe that this jump in cases could motivate more people to get the vaccine.

Equity and bond markets have also been skittish as inflation readings continue to show rising prices. While this has been “known” for many months, investors are now linking a potential step back in the economic recovery with stubbornly high consumer costs. The fear is that another lockdown or increased COVID-19 restrictions would have an amplified, negative effect on a recovery. For now, it's best not to panic. It might be a good time to meet with your financial professional to see if any adjustments need to be made to your portfolio to better mesh with the current climate.

Three Things

1. *Netflix's Growth Chills* – After experiencing a meteoric rise in subscribers last year, the video-streaming giant is experiencing a slowdown in growth, adding just 1.5 million new users in the second quarter. With 209.2 million subscribers worldwide, Netflix still dominates the streaming space, but is under increasing pressure from competition such as Amazon, Apple, Disney and others. That said, Netflix executives say they don't need to get bigger (through acquisitions) to stay on top. The company will be adding games to its subscriptions to entice new buyers.
2. *Bezos Follows Branson Into Space, Thanks Amazon Customers* – Jeff Bezos and his brother Mark were joined by 18-year-old Oliver Daemen and 82-year-old Wally Funk for a 10-minute space flight aboard the New Shepard spacecraft. Upon landing, the former CEO of Amazon wasn't afraid to acknowledge that Amazon employees and customers [paid](#) for the trip. Bezos' company, Blue Origin, hopes to capitalize on regular, high-dollar commercial space flights similar to Richard Branson's Virgin Galactic.
3. *Make a YouTube Video, Get a Tip* – In addition to revenue for ads posted before, after and during video clips, YouTube creators will soon have a new way to get money through tips. A new tool called “Super Thanks” will allow users to tip creators directly. Video watchers will be able to choose from one of four price points between \$2 and \$50 (or the regional currency equivalent), and the tip will appear below the video in the comments section where the creator can also respond.

Did You Know?

New Shepard Facts

Built as a reusable spacecraft, the 60-foot-tall New Shepard made 15 uncrewed test launches before its journey on Tuesday. In November 2015, it was the first reclaimable rocket to [make a successful soft landing on the ground](#). The landing was achieved several weeks before Elon Musk's more famous SpaceX Falcon 9 booster. Bezos has said that his space company, Blue Origin, is more important than Amazon and was recently awarded \$1 billion from NASA to produce designs for a human-landing system for the Artemis 3 mission, which is expected to land humans on the moon in 2024.

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