



## Basis Points – March 17, 2020

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### Above the Fold

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#### *Nothing Subtle About Action, Reaction*

As societies and businesses around the world act in dramatic fashion to contain, prevent or stop the spread of the coronavirus (COVID-19), leaders are taking equally strong steps to counter the potentially catastrophic economic effects that are, ironically, a direct consequence of their actions to minimize the humanitarian impact of COVID-19.

The tremendous efforts and dramatic actions enacted by leaders and people across the globe are quite remarkable, even though some may seem extraordinary. From mass closures of schools, casinos, bars, restaurants and retail stores to the cancellation of sports games, concerts and church gatherings — all in an effort to cull the spread of the virus.

Restaurants are trying to adapt, with many retooling for takeout and delivery services only, with some being [legally limited](#). Even food delivery services, like DoorDash, are offering “contactless” dropoff, where goods are left in a secure location at the residence where diners can pick up after the driver is gone. This is how just one sector is working to stay profitable in this temporary “new normal” — others don’t have that luxury.

Combating the economic stress are a myriad monetary, fiscal and legislative ideas and actions from both the corporate, state and federal levels. The Federal Reserve, less than two weeks after a 50 basis point rate cut, announced an unprecedented rate cut to 0% (upper boundary of 0.25%), along with a \$700 billion quantitative easing program to keep our banking and money market system healthy. It has also extended the overnight borrowing limits for banks to 90 days, further adding to their funding abilities.

The house sent over a fiscal stimulus package late last week that includes mandated paid leave for workers at companies with less than 500 employees (funded by tax credits), broadening the unemployment insurance system, emergency nutritional options and fiscal benefits at the state level. The Senate is taking up the bill this week, with an optimistic outcome expected. Behind this bill is the likelihood of even [deeper](#) stimulus aimed at relief for airlines, hotels and other travel-related industries, with payroll tax cuts and even cold, hard [cash payments](#) for some or all Americans.

## Three Things

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1. *Big Tech to Help Attack Big (Not Digital) Virus* – The Technology and Research Task Force, which includes names like Google, Facebook, Amazon and Microsoft, is exponentially ramping up efforts to help consumers and governments deal with the effects of COVID-19. Formed just two weeks ago, the world’s top tech minds are coming together to solve logistical questions like virus spread rates and needed hospital beds, to solutions that will help keep small businesses thriving.
2. *Lithium-Ion 2.0 to Take Reins After 30 Years* – The first lithium-ion battery was integrated into products from Sony Corp. back in 1991. Since then, the power workhorse has worked its way into everything from smartphones and electric drills to electric vehicles — unfortunately, it needs a major upgrade. Solid state batteries, which do not use flammable liquids or gels for an electrolyte, are expected to be the next revolution. Companies like TDK Corp. and Murata Manufacturing Co. are already producing these small, yet energetic (and stable) power sources.

3. *No Windshield, No Problem* – There are plenty of cars out there offering a “convertible” option, which allows the driver to retract the top and let the fresh air in. Up until now, even the most expensive and advanced cars still needed a windshield to keep the air, elements and insects out of the face of the driver. But for the first time in history, the [Elva](#), manufactured by McLaren, will delete its windscreen and not require the driver to wear goggles or a helmet. Instead, the car’s Active Air Management System (AAMS) will generate a virtual “wind” shield to protect the occupants from wind, rain and even mosquitoes.

## Did You Know?

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### *COVID-19 Positives*

Though global cases of the virus topped [153,500](#) (CDC, March 15), the number of new cases in China is reportedly continuing to drop in what’s been a consistent pattern since peaking around Feb. 12. With just 27 new cases in the 24-hour period before March 15, China seems to have regained control, albeit using some drastic tactics.

Looking at [this chart](#) of new cases in the country where COVID-19 allegedly originated, the dramatically slowing new case rate gives hope to the rest of the world. And while China’s data may not be the most reliable, several large agencies are working within the communist nation and would hopefully sound the alarm if reports were that far off from reality.

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