



## Basis Points – April 28, 2020

 [westwoodgroup.com/weeklyblog/basis-points-april-28-2020/](https://westwoodgroup.com/weeklyblog/basis-points-april-28-2020/)

### Above the Fold

#### How the Pandemic May Cloud Analysis

The novel coronavirus (COVID-19) has dramatically altered the status quo of just about everything globally. For some, its effects have been catastrophic, both physically and monetarily. Others have found tremendous opportunities in the change COVID-19 has effected by offering short- and long-term solutions for this evolving complication.

When it comes to investing, analysts and stockholders often get accustomed to the typical earnings and sales cycles, using fairly simple models to gauge just how well a company is doing and whether a change in its normal patterns are bullish or bearish. But when global commerce is

disrupted, and perhaps changed forever, it may take a lot more work, and creativity, to separate “dirty data” from facts we can use to determine future earnings potential.

In short, investors may have to think beyond traditional theories (for now) and maybe shift to more subjective and/or creative analysis for the coming months. A more “hands on,” active approach may offer an advantage in a world where corporations and governments are quickly adopting new strategies to thrive in this new normal.

## Three Things

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1. *Move Over Zoom, Facebook Wants In* – Facebook announced a “Zoom killer” (not really) with its own invitation-based group video chat service. The new app, called Messenger Rooms, can accommodate up to 50 people with added gaming options and even ties into the new Facebook Dating service.
2. *Drug Hoarding Helps Aspirin Maker* – Aside from toilet paper, canned goods and spirits, the pandemic is benefiting drugmakers like Bayer AG. The German company announced a jump in profits as consumers stockpiled its products, but progress has slowed on resolving its potentially devastating U.S. legal battle related to Roundup herbicide.
3. *Drone Drops Drugs (Legally) in Florida* – With many seniors at high risk, UPS and CVS have teamed up to deliver prescriptions to one large community in Florida. Residents of The Villages will have their medicine transported via Matternet M2 drones to a drop point, with a UPS driver making the final deliveries.

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## Did You Know?

### The Latest (Fact-Checked) COVID-19 Positives

- Danish toy giant Lego retooled its factory in Denmark to produce up to 13,000 medical face shields per day for frontline workers. The company also plans to give away 500,000 Lego sets to children in need through their #LetsBuildTogether campaign.
- Hong Kong reported [no new cases](#) for the third time over the last week (up until Sunday). The population-dense city, already dealing with protests that have rattled its society, has only reported 1,037 cases in total.

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