



Basis Points – November 17, 2020

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Above the Fold

Vaccines, the Future of Virtual and More...

The novel coronavirus has wreaked havoc on the global status quo, but not all its effects have been negative. This deadly virus has managed to expedite technological prowess for those of us who were perfectly happy reading a printed newspaper or chatting away with our friends or colleagues at the local coffee shop. In other words, there are millions more consumers around the world who have become accustomed and even comfortable with virtual interactions as well the devices used. Even more than a technological revolution, the pandemic has reshaped our commerce, health care system and more.

With Moderna's recent announcement that its COVID-19 vaccine is nearly 95% effective (based on early results) and Pfizer's vaccine looking to be about 90% effective, the world is starting to feel a bit better about our health and economic outlooks for 2021, even as infection rates continue to climb in many areas. Treatments for high-risk patients are expected to begin as early as December, with hundreds of millions of doses to be distributed throughout the upcoming year.

And while many of us are likely to take that vacation we've been holding out on, or visit family members or friends we may have not been able to, the social effects and aforementioned trends of the pandemic are likely to endure. Investors should continue to explore quality tech and online commerce companies, as remote work is likely to remain a *"thing"*. The crisis was an agility and technological "wake-up call" for many corporations, and they are still evolving, despite the coming vaccines. Lower *costs* and geographic flexibility are just a couple of the many benefits of remote work, even if only a portion of the workforce works from home. Reductions in traffic, greenhouse gasses and infrastructure strain make the option more appealing from a government perspective as well.

Three Things

1. *NASA Can Finally Stop Buying Russian* – SpaceX launched its first official, fully operational, NASA-certified mission to the International Space Station this weekend. The trip marks the beginning of regularly scheduled flights to the ISS with Elon Musk's Crew Dragon and Falcon 9 rocket as the new standard. Since the Shuttle program ended in 2011, NASA has been using mostly Russian rockets and capsules to get into orbit.
2. *GM's Chinese Gem* – The Hongguang Mini is a \$4,300 electric car that tops out at 62 MPH. While that doesn't sound impressive, the little vehicle, made by General Motors' Wuling Brand, is taking the Chinese market by storm. Unlike Tesla's line that starts close to \$40,000, GM's mini cars are marketed to workers in China's smaller, less wealthy cities. It's hyper-affordable transportation for the masses and harkens back to Ford's Model T strategy.
3. *Forget the Bricks, Walmart Wants Clicks* – The global retail giant continues to divest out of investments in international physical stores to focus on domestic ecommerce. Walmart is selling 85% of its stake in Tokyo-based Seiyu GK for just over \$1.6 billion; the deal marks the third major sale of various overseas holdings in less than two months.

Did You Know?

Winter Is Coming...

For some, the cool temperatures are a welcome change; for others, the chilly season spells travel nightmares and more time indoors. Just be thankful that you don't live in Aomori City in northern Japan. As the snowiest city on Earth, Aomori gets blanketed with an average of 312 inches or 26 feet of the white stuff annually. And in case you were wondering, normal snow (not sleet or

freezing rain) falls at 1 to 6 feet per second. And snow sometimes falls in the least expected places, like Hawaii or even the Atacama Desert in Chile, which in 2011, received 32 inches after a rare Antarctic cold front swept in.

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