

ECONOMY

Covid-19 is Surging Again, and the Race for the Cure Becomes Critical

THINK STRATEGICALLY:

The Perception of Purpose

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The most recent Covid-19 numbers reveal that the pandemic has hit Latin America and the Caribbean much harder than other parts of the world in both human and economic devastation terms. While the impact on most residents' lives is evident, the numbers for the region are shocking. The rate of infection in the world is north of 8.2 percent of the population, while for the LatAm & Caribbean region, the rate is 28 percent to 34 percent in deaths by early October.

To analyze the impact, we have utilized the period from Aug. 23 to Oct. 2 to see how the surge impacts not only our region but some of the 50 U.S. states. Below are the six worst locations:

- Jamaica's cases increased by 883.8 percent.
- Puerto Rico's cases increased by 263.4 percent.
- Colombia's cases increased by 238 percent.
- Cuba's cases increased by 149.4 percent.
- New York's cases increased by 154.2 percent.
- Illinois' cases increased by 152 percent.

Last week, the FDA approved Gilead Sciences' Remdesivir to treat patients

hospitalized with Covid-19; it had been limited for emergency use until now; this development will help thousands of patients in many communities worldwide.

As a final thought, the International Monetary Fund (IMF) projects a contraction of 8.1 percent for calendar year 2020, with total employment contracting 20 percent to 40 percent.

- North America will contract by 4.9 percent.
- South America will contract by 8.1 percent.
- Central America will contract by 5.9 percent.
- Caribbean Region will contract by 9.9 percent.
- Puerto Rico will contract by 7.5 percent.
- The United States will contract by 4.3 percent.

Week in Markets: Stimulus Angst Creates Global Volatility

After a three-week rally, the U.S. stock market closed the week with losses. Most investors are anxiously waiting for the approval of the stimulus package. There are differing messages on negotiations between Republicans and

Democrats about agreement on a deal. House Speaker Nancy Pelosi indicates that a deal could happen; however, late on Friday, White House Chief of Staff Mark Meadows told reporters that a deal could emerge as soon as the next day or two, but had not as of this writing. The reality is that with Covid-19 surging in many states, the need for federal aid is becoming more necessary than ever.

Key Metrics Continue Reflecting Positive Signs:

The Fed's October Beige Book showed that economic activity continued to increase across the United States, with the pace of growth characterized as slight to modest. Manufacturing activity generally grew at a moderate rate.

Residential housing markets continued to experience steady demand for new and existing homes, with activity constrained by low inventories. U.S. New Single-Family Houses Sold rose to 1.1 million, up from 965,000 last month, or 4.77 percent higher than the previous month and 43.2 percent from the same year ago period.

- U.S. Existing Home Sales increased to 6.54 million, up 9.36 percent from last month, and 20.89 percent from a year ago.

- New Claims for Unemployment Insurance fell to 787,000, or 6.53 percent lower than the 842,000 the previous week.
- Employment and Wages Employment increased, though growth remained slow.

As the general election quickly approaches, investors should expect volatility to increase. Recalling that Oct. 19 was the 33rd anniversary of 1987's "Black Monday Crash," we posit that we must brace for a bumpier ride as we work our way to, and through, the election.

We do not see the general election making any particular degree of impact, barring harsher market conditions. Wall Street is usually focused on the future. The election process, while divisive and media-focused, will have little impact on the overall market results.

Most investors are focused on the negotiations between Congress and the Trump administration to agree on a new stimulus package. During these past three weeks, you have noted how market fortunes have risen or fallen according to the nuggets of information that those involved in the negotiations provide. We view that a stimulus bill is needed and that it will be agreed upon soon enough, but it will not be enough for many suffering industries. In our view, these are the top two items for consideration.

—The continued need for additional fiscal relief will determine the health of the economic recovery.

—Economic metrics and corporate earnings are the best measure of a healthy economy and are the driving force for stock market performance.

While we continue to project that the current economic expansion will continue during the next few years, every investor should know that this growth will happen regardless of who is elected to the Oval Office.

As for the eurozone, we report that the third-quarter reporting season arrived and reveals a broader snapshot of the economy and corporate health in the wake of the Covid-19 pandemic. We can now say that 3Q should come with much better earnings announcements.

Results for the Week Ending Oct. 23

- The Dow Jones Industrial Average closed at 28,335.37, down 28.09 points, or 0.1 percent.
- The Standard & Poor's 500 Index closed at 3,465.39, up 11.9 points, or 0.34 percent.
- The NASDAQ Composite closed at

11,548.28, up 42.28 points, or 0.37 percent.

- The Birling Capital Puerto Rico Stock Index closed at 1,695.70, up 1.42 points, or 0.08 percent.s
- The 10-year note of the United States Treasury closed higher, at 0.85 percent.
- The 2-year note from the United States Treasury closed higher, at 0.18 percent.

The Final Word: The Perception of Purpose

One of the most critical questions people ask their mentors is: "How do I become successful?"

To respond to this question, we must always realize that what success looks like must be defined, as well as how to recognize it, for anyone to become successful. People need to discover and pursue their perception of purpose.

Success can be seen in many ways and may mean different things for different people. For some people, success may look like having a Jeff Bezos fortune, the imagination of Bob Iger, the intelligence of Thomas Edison or the charisma of Barack Obama.

However, if we attempt to become someone else, an idealization of success, we scrap the possibility of becoming who we are truly meant to be.

How Do We Embark on a Self-Discovery of Our Own Life's Purpose?

There are four questions that we must ask ourselves:

- What is it that I am seeking?
- What are my natural gifts?
- Do I believe in my future?
- When do I begin?

Some people never try to learn their purpose in life and go about their lives ask followers when they could have been leaders. Others realize their purpose and never act on it, waiting for a sign or inspiration or even an invitation, never understanding that delaying the discovery of your purpose is a dangerous, life-altering determination.

The answer is always: Begin right away, your perception of purpose cannot wait.

In conclusion, I will share one of my favorite quotes from John C. Maxwell: "Success is...knowing your purpose in life, growing to reach your maximum potential, and sowing seeds that benefit others."

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