

WFH TO.....

A big change is afoot: **"WFH" to "GOAA", Get Out and About**". Ok, I made this one up.

One of the new three letter acronyms of 2020 was WFH – **Work From Home**. The global efforts to curb Covid-19 transmission resulted, as we all are painfully aware, in many sectors being totally shutdown, while many others were forced to make a rapid transition in order to maintain a viable business with a workforce largely confined to home. Not surprisingly, many of last year's big stock market winners were beneficiaries of this seismic shift.

As 2020 ended, the most over owned and most widely recommended sectors by investment firm strategists were Technology and Healthcare. It is no surprise then so far in 2021 that the worst performing sectors have been Technology and Healthcare. Not too far behind are consumer companies that also benefited from the Work (and Stay) at home demand.

A few notable examples with their one month declines:

- Peloton down 30%
- Zoom minus 19%
- Apple, Walmart, Salesforce all have fallen about 11%
- Biotech shares, on average, lower by 17% and healthcare overall down about 5%

The winners, of course, were companies benefitting from a re-emerging **and surging** economy – that should be no surprise, as I have written previously, I expect discretionary revenue spending to be HUGE. Cruise line companies are already reporting waitlists for 2022 cruises.

The big worry to derail all this is another huge increase of pandemic cases. And US, and especially Canadian, medical experts are relentless in their dire warnings.

So this week perhaps I can inject some optimism for all the locked-up Canadians:

The IHME, the American *Institute for Health Metrics and Evaluation*, a think-tank that has been central in making projections for COVID-19, has just released their latest forecast:

- Predicting there will be no Wave 4 in March/April, which could have led to COVID cases surging towards 200,000 per day. .
- Their latest forecast shows daily cases/infections to drop 50% by early April 2021, and potentially fall to near zero by May 2021.

The reasons for this forecast are most likely reflecting the success of the vaccination program and perhaps also explains why more states are lifting COVID-19 restrictions. Even California!!

IHME forecasts are used by the White House and, so one can presume, have an impact on their policymaking. While sadly, Canada is far behind in its vaccine program, the potential for our southern neighbor to be largely Covid-free by early June is hugely encouraging.