

U.S. Municipal Bond Market Third Wave Worsens, Increases Potential for Shutdowns

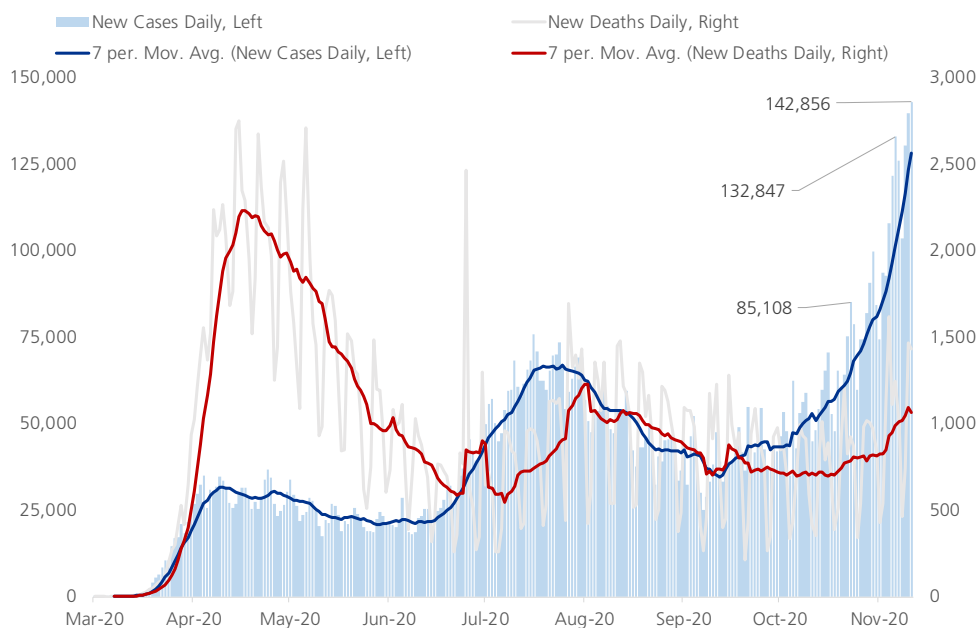
Summary

- Yesterday, the number of new COVID-19 cases leaped to another new record of 142,856, a 14-day increase of 69%.
- Hospital systems could see a larger capacity problem than they experienced during the first two COVID-19 waves.
- Today on CNN, Dr. Sanjay Gupta identified the U.S. pandemic as a, “humanitarian disaster” as Doctors Without Borders aid is being dispatched to deal with COVID-19 in the U.S.
- The rise in cases is continuing to impact industries and sectors such as hospitality, air travel, and higher education.
- COVID-19 cases have been reported among at least 252,000 students and employees at over 1,600 higher education institutions. We include a table of the top 10 states with the most cases reported on college campuses.
- President-elect Joe Biden is making COVID-19 front and center in his incoming administration. Biden announced a 12-member task force that would work to combat the spread of the virus. One of the 12 advisors said a U.S. lockdown of four to six weeks could help control the pandemic and help to bring back the economy.

COVID-19 Not Just Spreading, Called “Humanitarian Disaster”

About three weeks (Oct. 23) the number of new daily COVID-19 cases hit a new record at 85,108. Yesterday, the number of new cases leaped to another new record of 142,856, a 14-day increase of 69%.

Third Wave of COVID-19 Worsens, Rising New Cases and Deaths



Source: The New York Times and HilltopSecurities.

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Hospital systems could see a larger capacity problem than they experienced during the first two COVID-19 waves.

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The COVID-19 hot spots, or the counties with the highest number of recent cases per resident are concentrated in the Midwest and upper Midwest in states such as Iowa, North Dakota, Montana, Kansas, and Illinois per New York Times data. Two Texas counties, Childress and Jones, are number one and two on the list, and Texas' Gray County is number nine.

Strain Expected on U.S. Hospitals, Doctors Without Borders

A distinguishing factor of this third wave seems to be that cases are relatively more spread around the entire country. This is different than what we saw in March and April when cases were more concentrated in New York, and the second wave was more concentrated in the south. Dr. Scott Gottlieb notes that as a result, only a handful of hospital systems are overwhelmed right now because of this distinguishing factor.

This reality is expected to shift, however. The number of hospitalizations has also set a record. And while this number is not overly concentrated now, this could become a problem without containment measures say health professionals. "Hospitals across the nation face an even bigger capacity problem from the resurgent spread of Covid-19 than they did during the virus's earlier surges this year, pandemic preparedness experts said," according to the Wall Street Journal. Dr. Sanjay Gupta today on CNN identified the U.S. pandemic as a, "humanitarian disaster" as Doctors Without Borders aid is being dispatched to deal with COVID-19 in the U.S.

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Impact on Economic Activity and U.S. Public Finance

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Impact on Hospitality and Air Travel

TSA check-ins are beginning to drop. OpenTable reservations are also declining. The higher education sector has tried to deal with the pandemic in various ways, and we are seeing differing outcomes as a result.

Impact on Higher Education

Now, there seems to be a slight shift of thought in the higher education sector as the virus spreads. Seton Hall University announced a shift to remote learning to begin today. Ohio Governor Mike DeWine announced that higher education institutions may have to remain virtual in January 2021 unless the spread of the virus slows. Misericordia University, a liberal arts school of about 3,200 students southwest of Scranton in Dallas, Pennsylvania, not only announced layoffs and furloughs but also took the step to temporarily suspend tenure awards, and freeze new tenure track positions.

COVID-19 cases have been reported among at least 252,000 students and employees at over 1,600 higher education institutions. There have been at least 80 deaths, all according to New York Times data. Ohio is among the top 10 states with the most reported cases.

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10 States With Most Cases Reported on Campuses

State	Cases (# of)	Schools (# of)
Texas	20,036	83
Florida	13,650	87
Ohio	12,171	59
Georgia	11,406	37
Pennsylvania	10,817	103
North Carolina	10,296	48
Wisconsin	10,054	31
South Carolina	9,974	28
Alabama	9,858	28
Indiana	9,736	33
Top 10 total	117,998	537

Source: The New York Times and HilltopSecurities.

COVID-19 Containment to be Front and Center in New Administration

President-elect Joe Biden is making COVID-19 front and center for his incoming administration. At the end of last week, he announced a 12-member task force that would work to combat the spread of the virus.

One of the Biden task force members, Dr. Michael Osterholm, who is director of the Center of Infectious Disease Research and Policy at the University of Minnesota, has said a U.S. lockdown of four to six weeks could help control the pandemic and help to bring back the economy.

The president-elect took another step that signals how serious his administration is likely to take the pandemic. The Biden-Harris Transition announced that Ron Klain would serve as the president-elect's chief of staff. Klain was President Barack Obama's "Ebola Tsar," and was chief of staff to former Vice President Al Gore.

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