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1. WEEKLY JOBLESS CLAIMS CONTINUE SLOW DOWNWARD SLIDE

Same-new-same-new... Once again, weekly new claims for unemployment insurance benefits decline a little, to a new post-pandemic low, but still well above the pre-pandemic level. The headline seasonally adjusted number for the week ending November 13 was 268,000, a decline of 1,000. The four-week moving average was down 5,750 (to another new post-pandemic low). The numbers without seasonal adjustment were also down. It might seem like slow, halting progress, perhaps discouraging to some in light of recent Monthly Employment Situation reports. But read on to the next story...

2. SUBSTANTIAL UPWARD REVISIONS TO RECENT JOB CREATION NUMBERS

The Bureau of Labor Statistics of the Department of Labor [announced](#) its latest revisions to the employment figures derived from its monthly survey of business establishments—which were the [largest upward revisions to employment since 1979](#). Business responses to the survey are typically reasonably high, but timely responses have fallen off of late (from about 60 percent pre-pandemic to 49 percent in the most recent completed survey), possibly because of the high-pressure labor market and the resulting demands on the time of managers of smaller firms. However, some firms eventually report even if they are late, and others are conscientious enough to revise their reports if they find errors or if there are late developments, and those additional data are the sources of the BLS monthly updates. In this release, the third and final revisions to the job counts for June through August were increases of 112,000, 148,000, and 248,000 respectively. (The two earlier revisions to each of those months were all positive as well.) The first revision to September added 118,000. So this total revision over those four months added 626,000 new jobs, which makes the earlier estimates of uneven progress in the labor markets look more solid and steady. For example, the August job gains of 235,000, which were taken

upon release to be bad news when set against market expectations of 943,000, now stand at 483,000, which in company with the other upward revisions is much more upbeat.

3. PAULINE STATUS UPDATE

At the moment of this writing, [the Build Back Better reconciliation bill has passed the House](#). However, that is not real news, because it also remains clear that the bill as written will not pass the Senate. In part, but by no means totally, this is the result of a [CBO score](#) that the bill would result in an increase in cumulative budget deficits of \$367 billion over the next decade. Experts on Congress—which in this instance is analogous to saying experienced gamblers on the Strip in Vegas—say that Senate passage before the implicit end-of-year holiday deadline is far from a sure thing, and that the struggle may well continue on into the new year. Stay tuned for further reports.

4. COP26 READOUT

The United Nations climate meetings in Glasgow have [ended](#), with many statements of good intentions that left a lot of blank spaces to fill. Among the most important: Commitments to carbon reduction were heartfelt but insufficient; the attending nations have promised to come back next year with more. Developed nation delegates promised to continue discussions with the most vulnerable developing countries about compensation for “loss and damage;” but the developed nations are talking about outright disaster costs, whereas the developing countries want relief because of their lost of coastline and arable land, and the costs of electrification, among other ill effects. There was strong language about reduced use of coal, but less on oil and gas. And there are still massive investments in fossil-fuel-using technologies, and others that are dependent upon deforestation, which the owners and the owners’ nations are reluctant to write off. In sum, after a year of apparent manifestations of the early ill effects of climate change, this meeting is almost certainly not the beginning of the end, and only time will tell whether it can be the end of the beginning.

5. US BEGINS TRADE NEGOTIATIONS WITH ASIAN LEADERS IN CHALLENGE TO CHINA

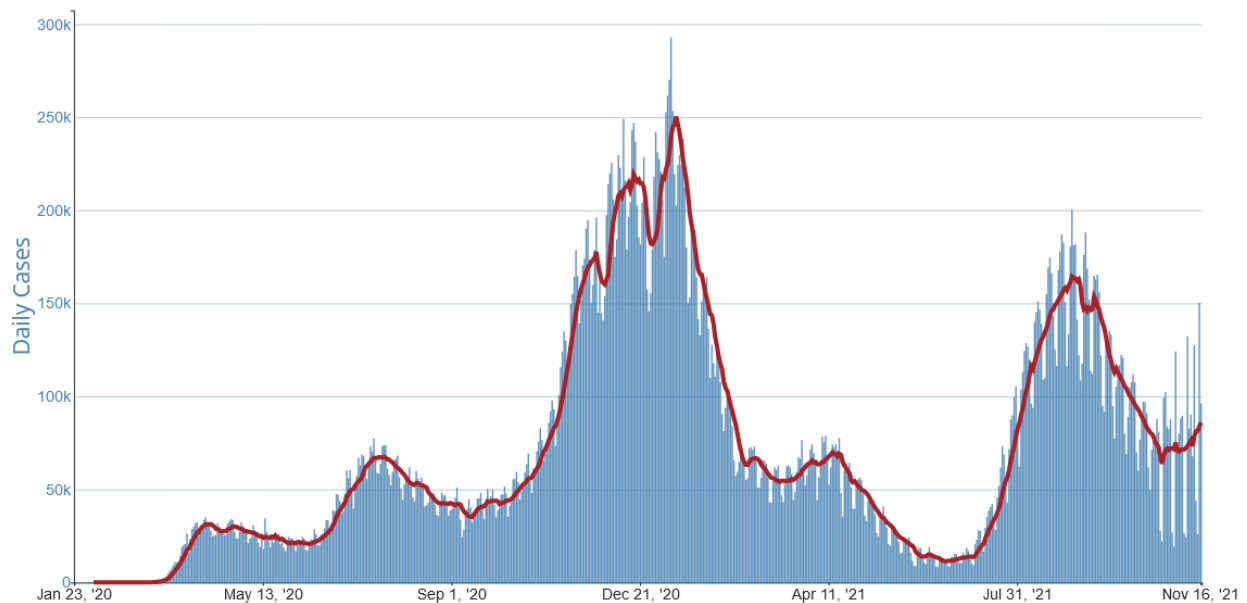
US trade officials are [meeting](#) this week with their counterparts from Japan, South Korea, India and other market-oriented nations of Asia. China is not on their itineraries. This appears to be a manifestation of the Administration’s goal of unifying market-based economies in opposition to China’s trading and economic practices that are perceived to use public funding to challenge profit-dependent private firms. At this stage, the Administration has expressed no intention to join any regional trade agreements, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP, which is the successor organization to the Trans-Pacific Partnership from which the United State withdrew in January of 2017. Therefore, the discussions are focused mostly on specific issues rather than complete agreements. Whether this US intention is driven purely to allow total focus on domestic issues, and could change at some future date, remains to be seen.

6. PANDEMIC NEWS

In company with the truly alarming COVID data coming from Europe (see the report on Austria below), the recent US figures are troubling indications of a potential winter surge here. The United States is not a strong performer terms of vaccination, so despite the natural tendency to look for a light at the end of tunnel, there are apparent feelings of foreboding among the experts here.

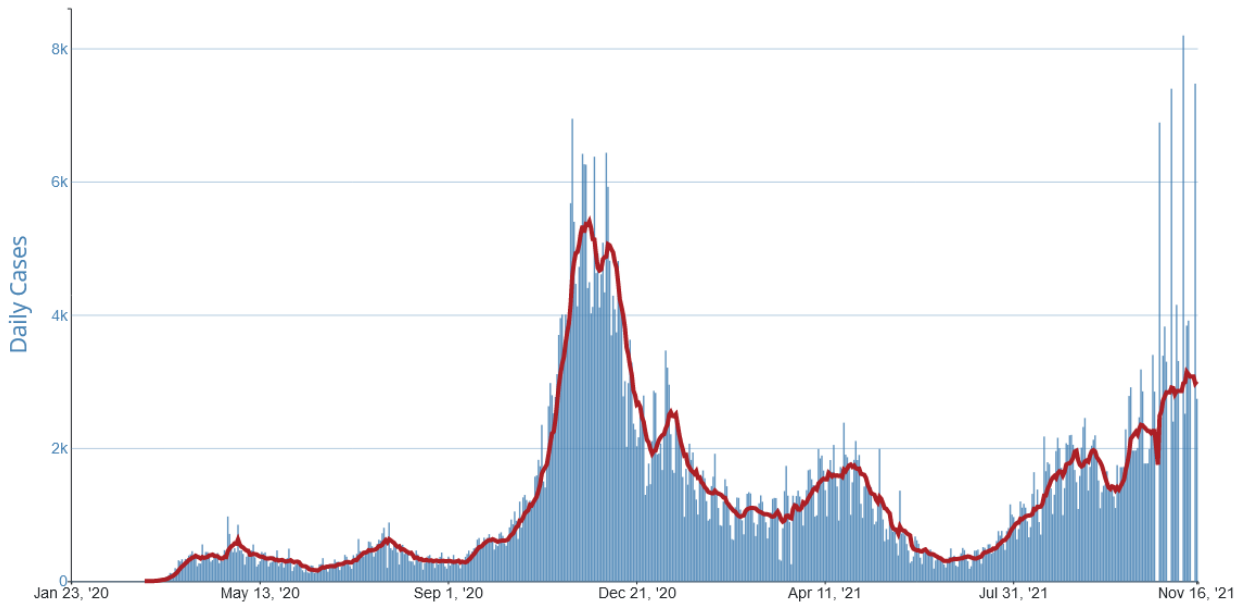
Exhibit A is the national uptick of identified COVID cases. The CDC seven-day moving average bottomed out at precisely 63,857 on October 24, and now (as of November 16) stands at 85,944. The one-day count on November 15 topped 150,000. Thus, cases are solidly trending up. And note that the 63,857 local minimum is almost six times the trough before the recent summer surge, and almost twice the bottom before the frightening winter rush of 2020-2021. And we continue to have these substantial case counts despite the availability of virtually unlimited amounts of vaccine. Perhaps we can write off the September peak as the result of the introduction of the Delta variant; but that phenomenon does not explain the current surge in Europe. No one knows the course of the virus itself, and of the potential impact of antiviral drugs, or the success of vaccination mandates. But the numbers today are disquieting.

Daily Trends in Number of COVID-19 Cases in The United States Reported to CDC

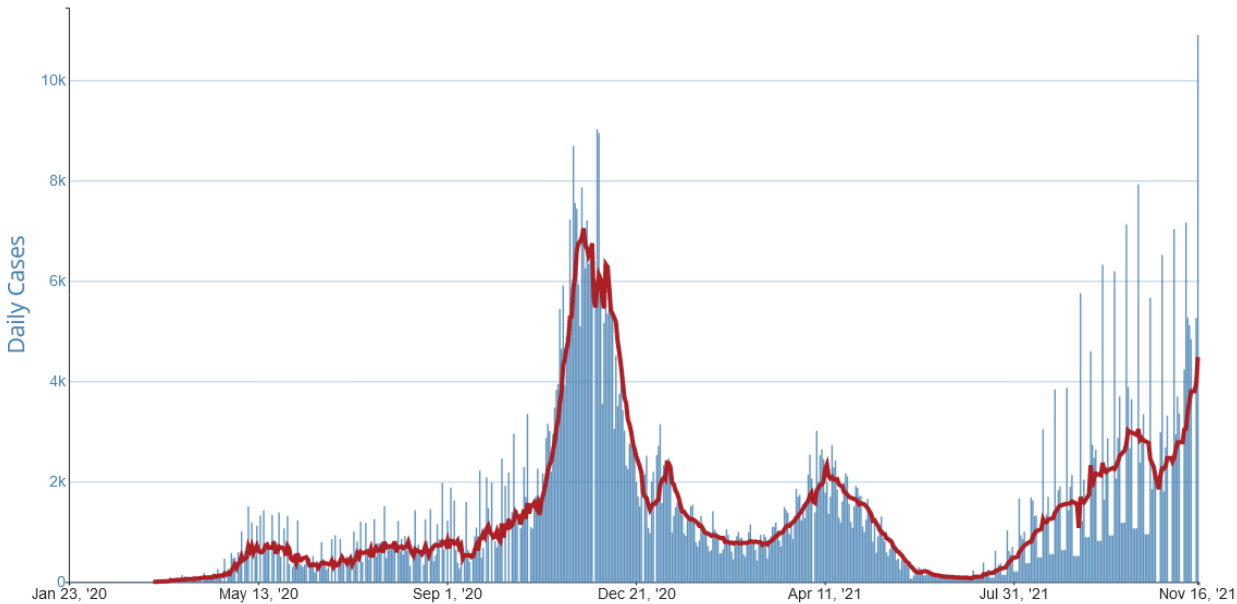


As we have noted, the national growth of cases is both a numerical and a causal result of rising case counts in isolated parts of the country. In recent weeks, Colorado has been a hotspot; but other states in the mountain regions and the upper Midwest have suffered as well. Minnesota is in a full-fledged surge. Wisconsin, which has been the scene of a controversy over [highly ambiguous statements and behavior](#) relating to vaccination by a local football hero, is facing its own new wave. So long as the virus is propagating anywhere, it will spread everywhere, and imperfections in the performance of vaccines and in public health practices can keep the pandemic going and impose pain on even the most conscientious.

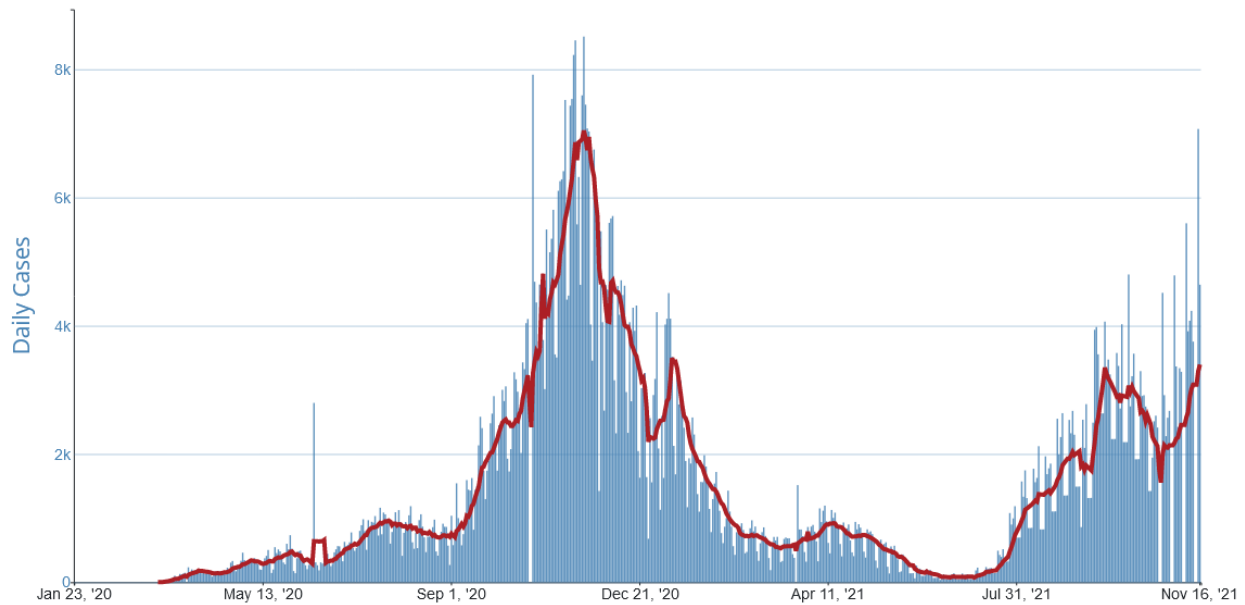
Daily Trends in Number of COVID-19 Cases in Colorado Reported to CDC



Daily Trends in Number of COVID-19 Cases in Minnesota Reported to CDC



Daily Trends in Number of COVID-19 Cases in Wisconsin Reported to CDC



From cases, hospitalizations are to follow, with a lag; and the data obey. The national count of hospitalizations was declining with cases but has bottomed out, and given some slow reporting has probably already begun to rise.

Prevalent Hospitalizations of Patients with Confirmed COVID-19, United States
August 01, 2020 – November 15, 2021

40,408

Current 7-Day Average

Nov 09, 2021 – Nov 15, 2021

40,277

Prior 7-Day Average

Nov 02, 2021 – Nov 08, 2021

123,899

Peak 7-Day Average

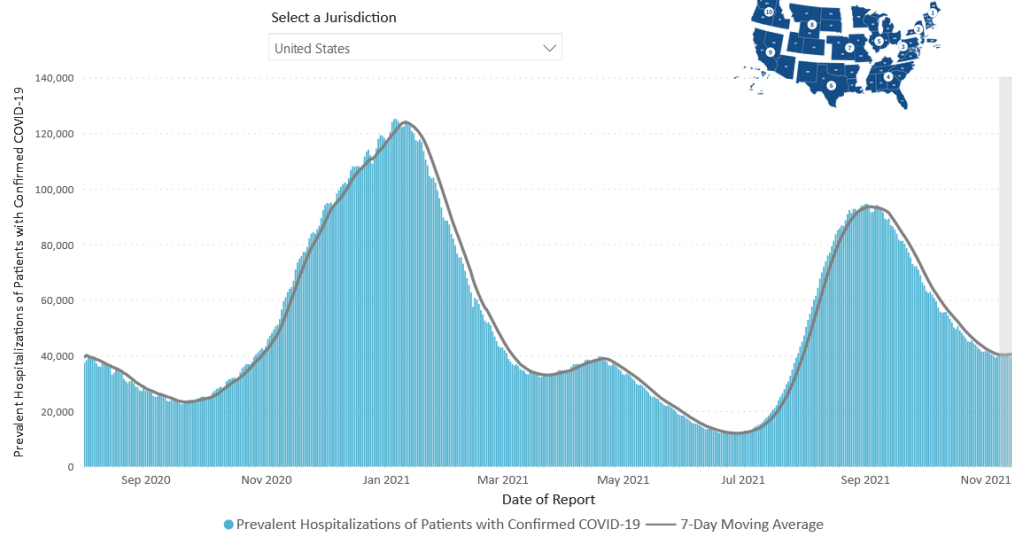
Jan 05, 2021 – Jan 11, 2021

+0.3%

Percent change from prior 7-day avg. of Nov 02, 2021 – Nov 08, 2021

-67.4%

Percent change from peak 7-day avg. of Jan 03, 2021 – Jan 09, 2021



To illustrate the regional variation, we include the data for a region running from Minnesota through Illinois and on to Ohio. Hospitalization there barely declined from the September surge, and now are rising again.

Prevalent Hospitalizations of Patients with Confirmed COVID-19, HHS Region 5 August 01, 2020 – November 15, 2021



10,167

Current 7-Day Average

Nov 09, 2021 – Nov 15, 2021

8,842

Prior 7-Day Average

Nov 02, 2021 – Nov 08, 2021

20,453

Peak 7-Day Average

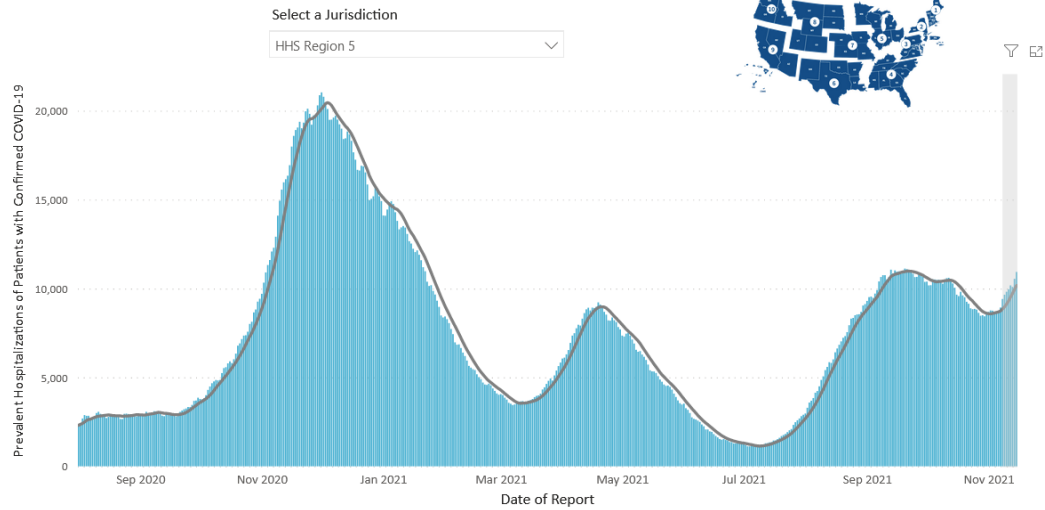
Nov 28, 2020 – Dec 04, 2020

+15.0%

Percent change from prior 7-day
avg. of Nov 02, 2021 – Nov 08, 2021

-50.3%

Percent change from peak 7-day
avg. of Nov 19, 2020 – Nov 25, 2020



The states we just discussed are all particularly beset. Perhaps the worst is Minnesota, which as the chart below shows had virtually no relief from the Delta wave and is now clearly on the upswing again.

Prevalent Hospitalizations of Patients with Confirmed COVID-19, Minnesota August 01, 2020 – November 15, 2021



1,271

Current 7-Day Average

Nov 09, 2021 – Nov 15, 2021

1,035

Prior 7-Day Average

Nov 02, 2021 – Nov 08, 2021

1,860

Peak 7-Day Average

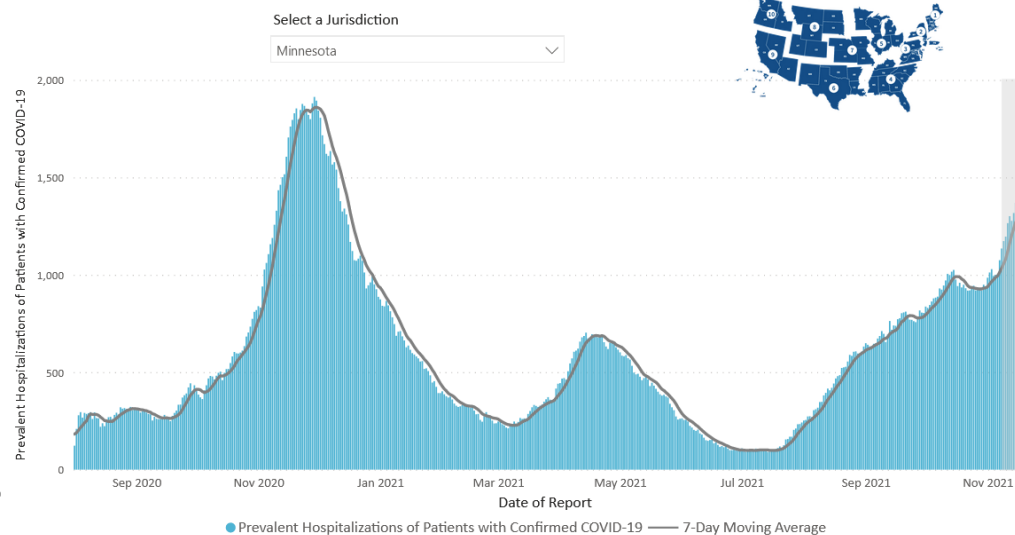
Nov 24, 2020 – Nov 30, 2020

+22.9%

Percent change from prior 7-day
avg. of Nov 02, 2021 – Nov 08, 2021

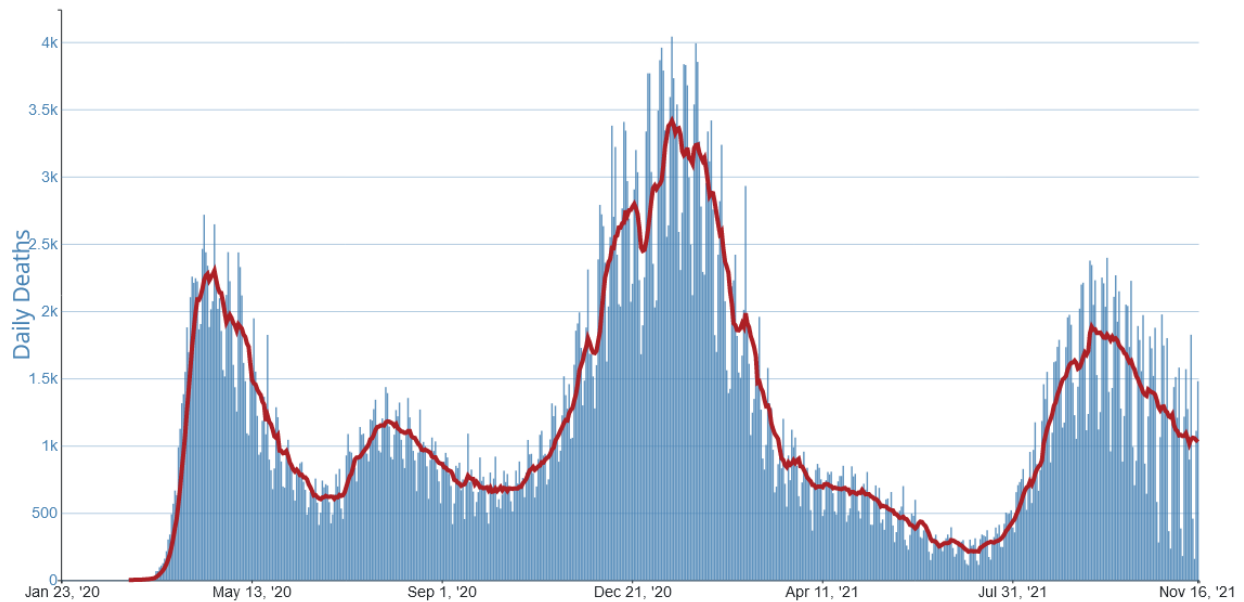
-31.7%

Percent change from peak 7-day
avg. of Nov 14, 2020 – Nov 20, 2020



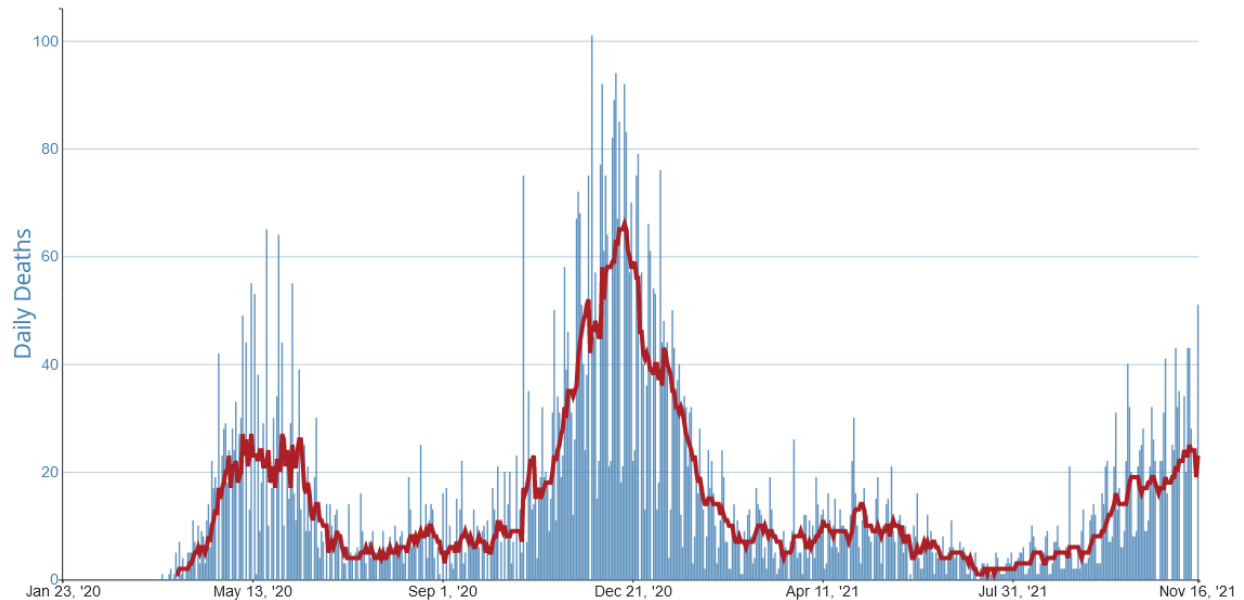
And yes, fatalities are sure to follow, although with better treatments and relatively more-thorough vaccination of vulnerable groups, the nation as a whole today sees just the beginning of an upturn in COVID death.

Daily Trends in Number of COVID-19 Deaths in The United States Reported to CDC



And Minnesota again illustrates the regionality of the problem, having seen very little relief from the Delta surge of September and then yet another upswing. (It is likely that the small apparent decline in the last few days is more an artifact of delays in reporting than it is a true reduction in COVID mortality.)

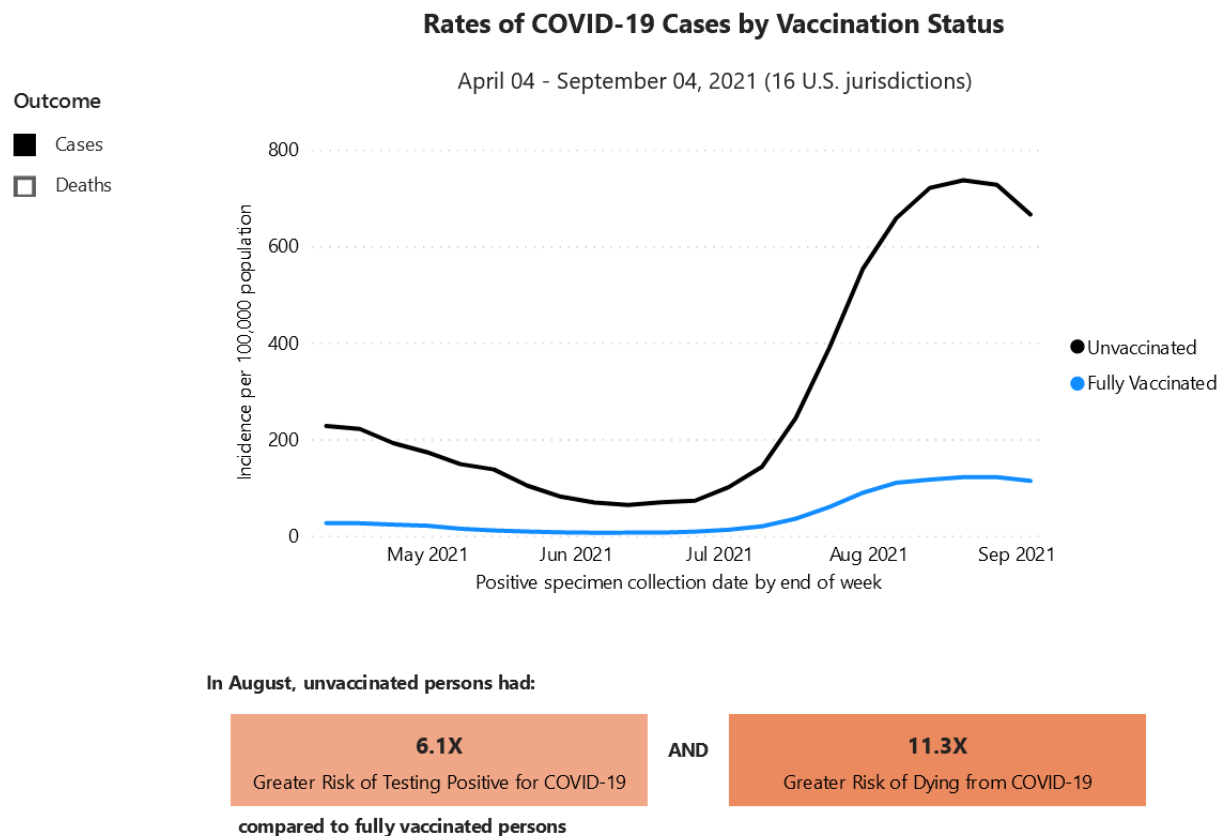
Daily Trends in Number of COVID-19 Deaths in Minnesota Reported to CDC



7. VACCINE NEWS

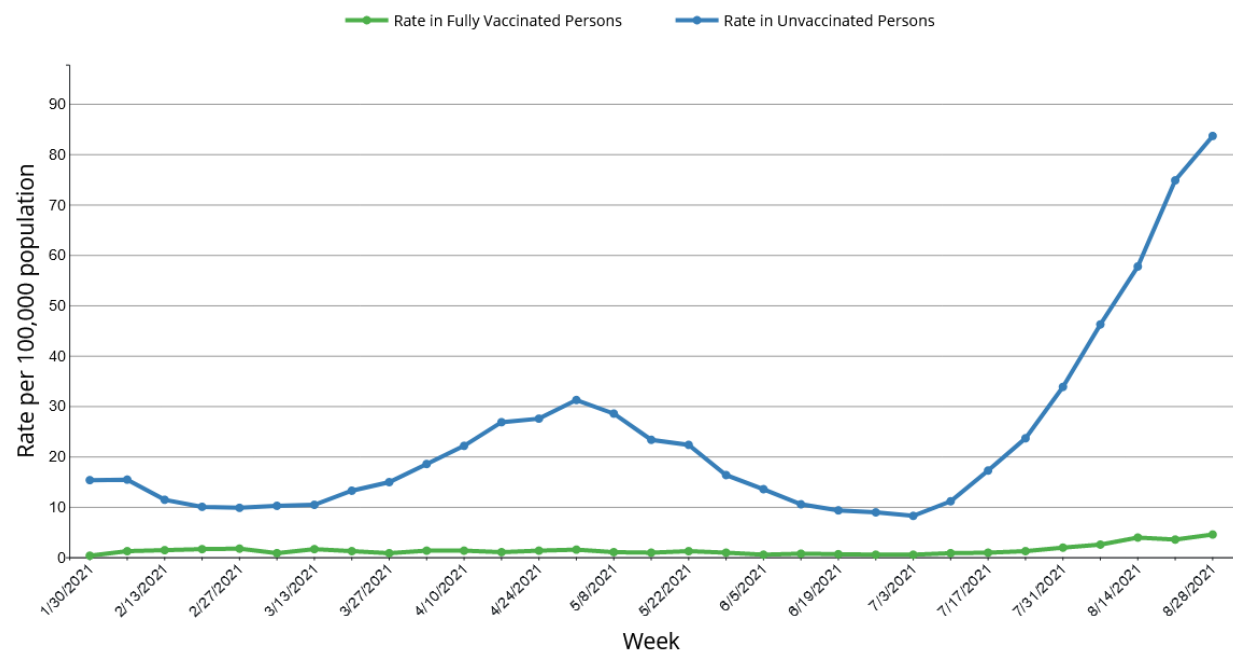
Before looking at the vaccination delivery data—which sadly have not changed very much—it is worth confirming the importance of vaccination in the first place. There has been enough dispute over the fundamental empirical information that some reassurance would be helpful.

To begin, vaccinated persons are far less likely to become infected by COVID. The vaccines are not foolproof, and even individual carries difference susceptibilities and vulnerabilities. But it is far safer to be vaccinated than not.



That protection carries over to hospitalization as well. Again, vaccination does not provide total protection, but the difference in risk is substantial.

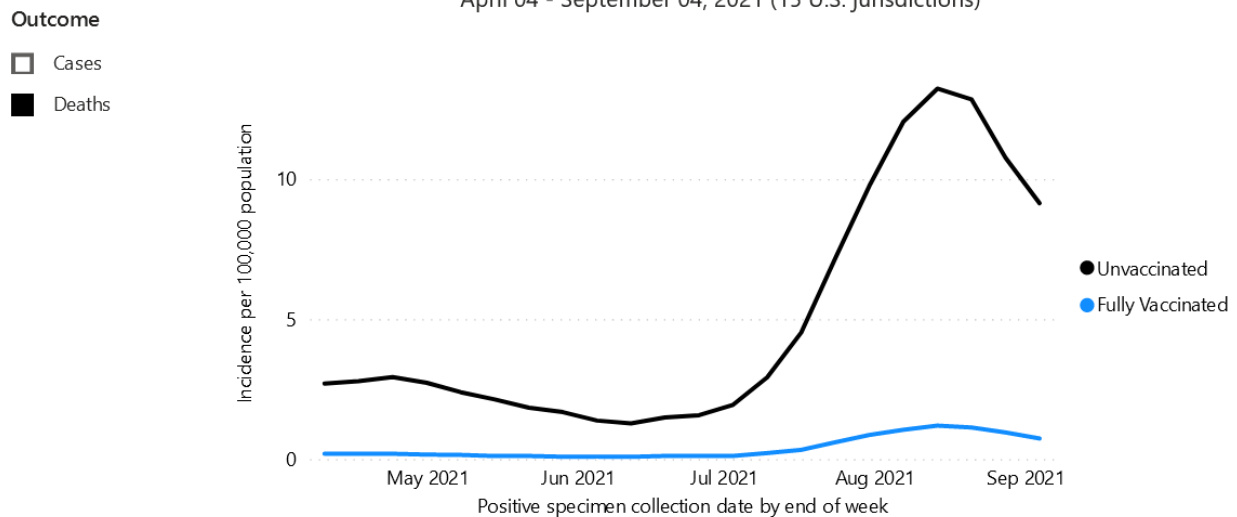
Age-Adjusted Rates of COVID-19-Associated Hospitalizations by Vaccine Status in Adults Aged ≥ 18 Years, January–August 2021



And finally, vaccinated persons are far less likely to die of COVID than are the unvaccinated.

Rates of COVID-19 Deaths by Vaccination Status

April 04 - September 04, 2021 (15 U.S. jurisdictions)



In August, unvaccinated persons had:

6.1X

Greater Risk of Testing Positive for COVID-19

AND

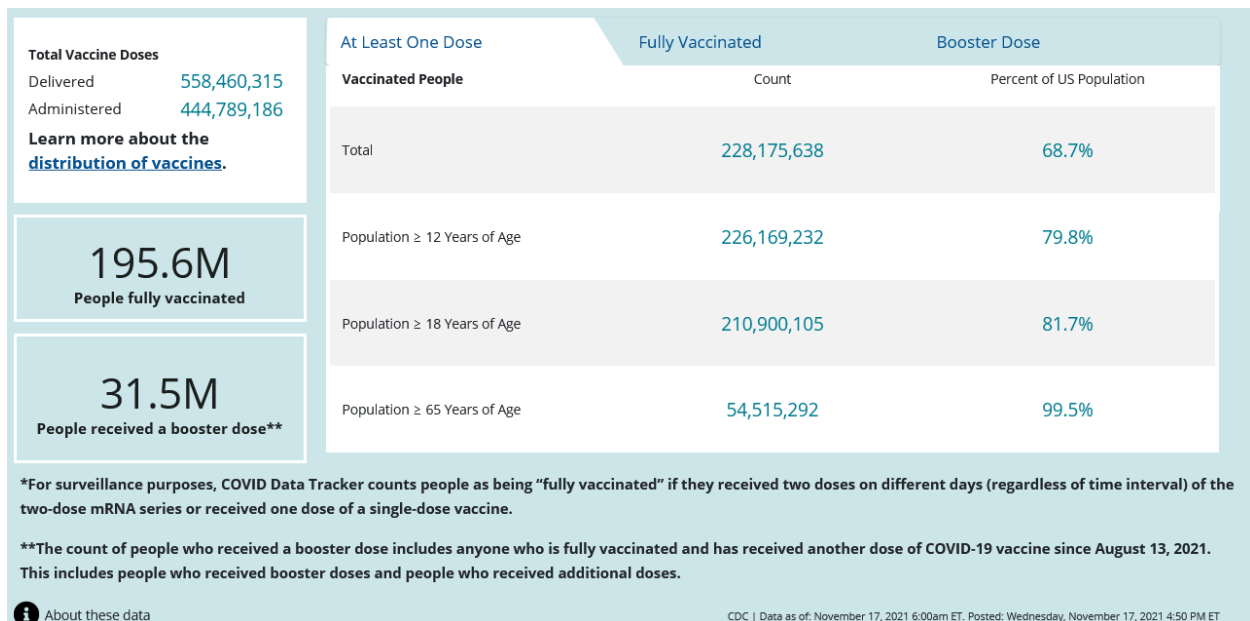
11.3X

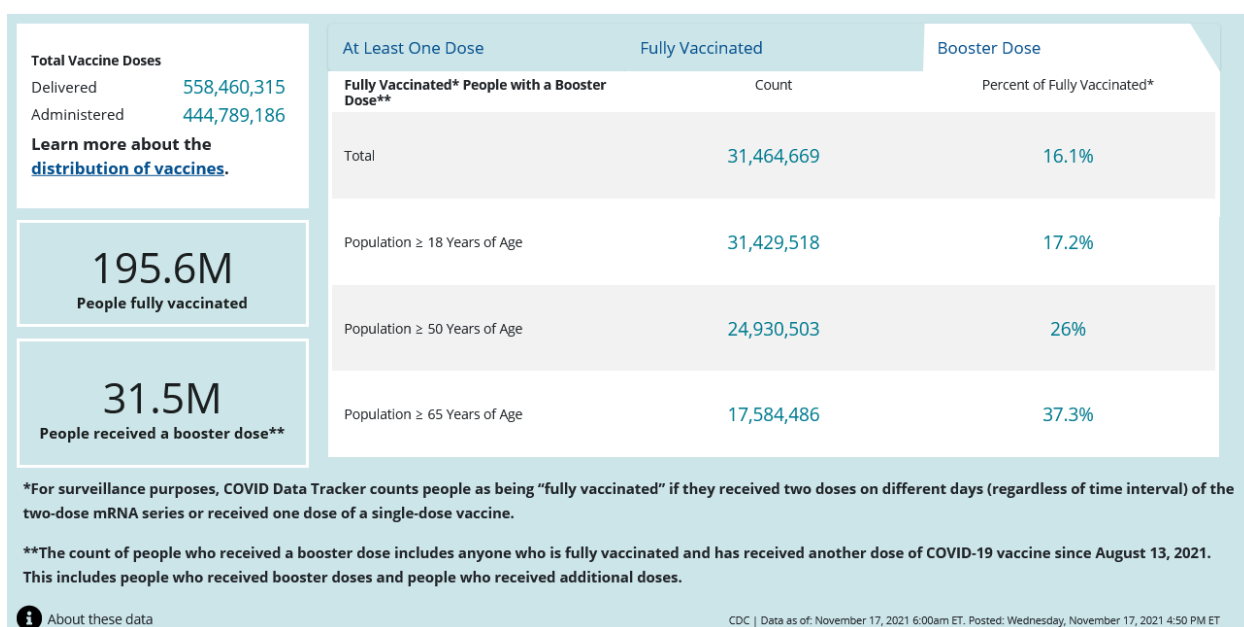
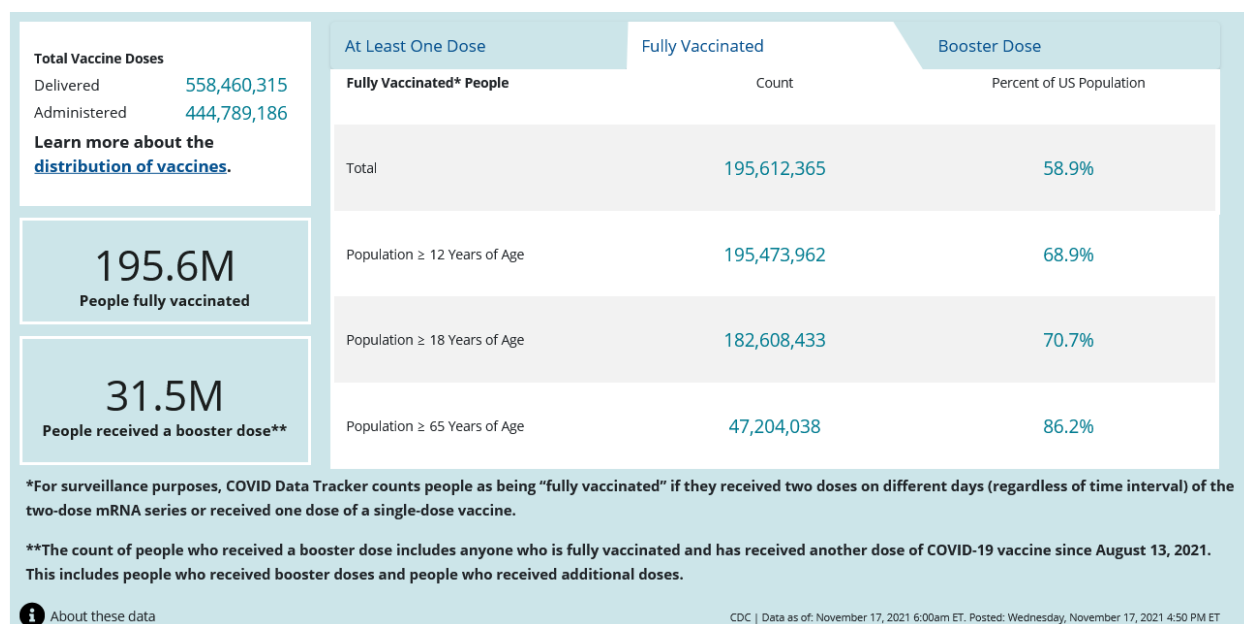
Greater Risk of Dying from COVID-19

compared to fully vaccinated persons

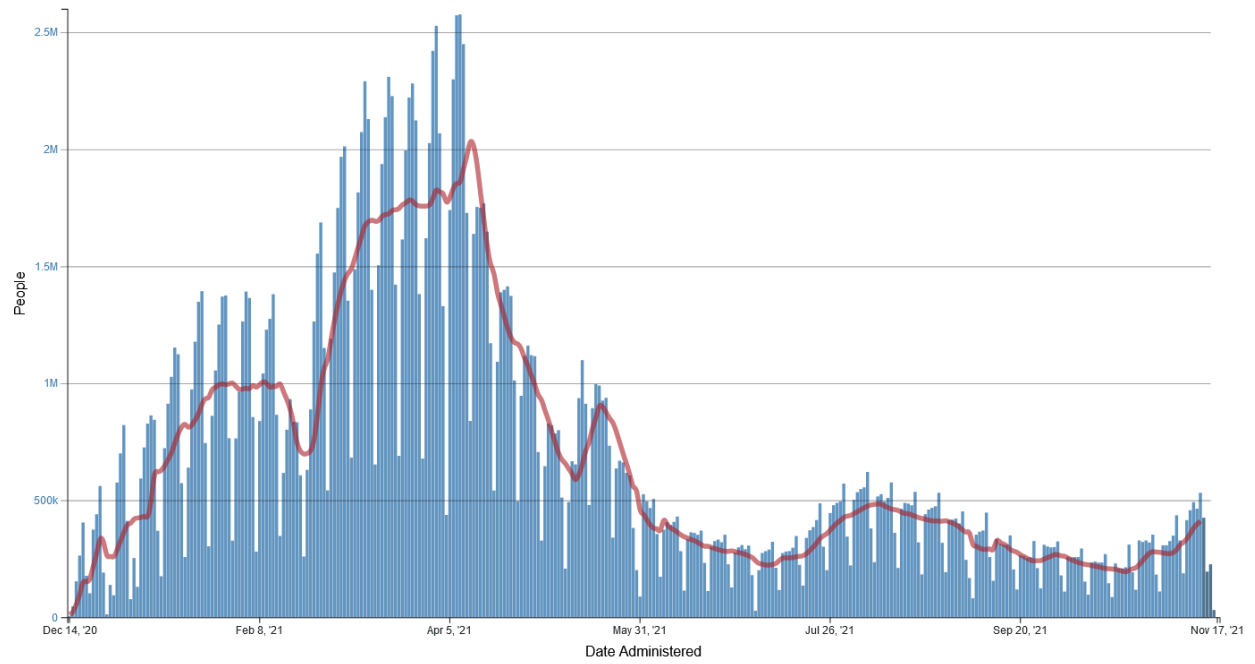
That having been established, it is possible that there has been some increase in risk for the vaccinated in recent weeks; the curves for vaccinated persons have risen a little. When booster doses were first discussed several weeks ago, some professionals expressed uncertainty at the need for boosters for typical members of the population, as opposed to the elderly, the immunocompromised, and frontline workers. For that reason, decisions on boosters were at least somewhat controversial. To some extent, that has changed. Evidence of waning of protection for vaccinated persons has slowly begun to accumulate, including from the experience in Israel. As a result, Pfizer and its partner BioNTech have [sought emergency use authorization for boosters for all adults](#), and [momentum seems to be building in that direction](#).

Still, there is no question that the best destination for a dose of vaccine is the arm of an unvaccinated person, rather than someone who has had what was hitherto considered a full regimen. And by that standard, the United States is failing miserably. We are still under 70 percent of the total population with at least one injection, and under 60 percent for a full regimen. That is far below national average levels commensurate with anything like “herd immunity;” throw in the geographic unevenness of vaccination, leaving some parts of the country highly exposed, and the risk to our population is even clearer. And the same time, the marginal injection is going disproportionately to already immunized people seeking a booster shot, rather than the unvaccinated and unprotected.

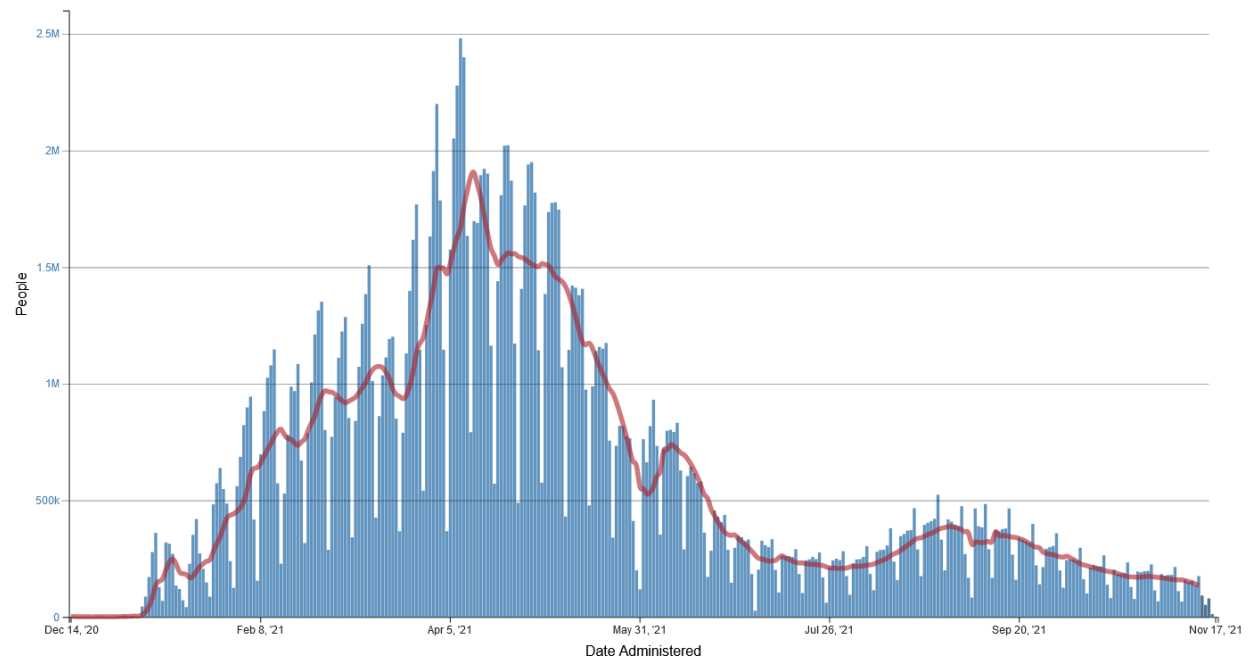




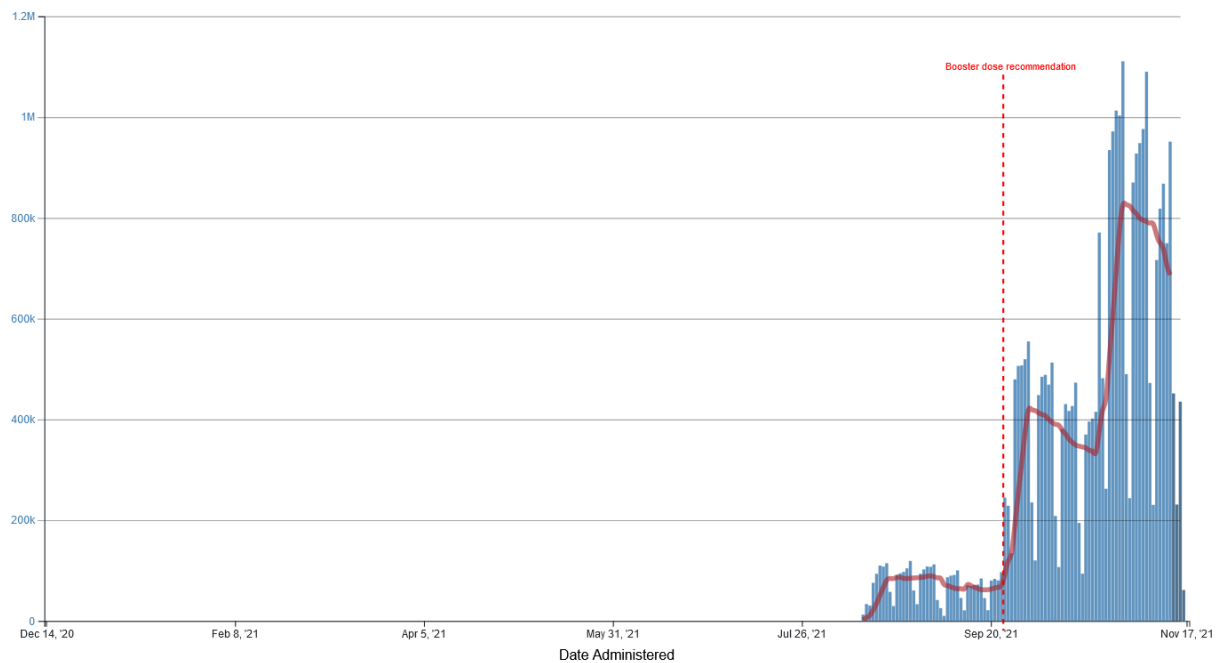
Daily Count of People Receiving Dose 1 Reported to CDC by Date Administered, United States



Daily Count of Fully Vaccinated People Reported to CDC by Date Administered, United States



Daily Count of Fully Vaccinated People Receiving a Booster Dose Reported to CDC by Date Administered, United States



From the charts above, almost 800,000 persons per day are receiving booster doses, while the number of unvaccinated persons receiving first doses is about half that, and the number completing their regimens is even less.

If you want some good news, there are two antiviral treatments (not preventives) before federal regulators for approvals for emergency use. [Both Pfizer and Merck claim impressive results in clinical trials](#), with significant reductions in the likelihood of hospitalization or death. These drugs will help us to live (literally) with the virus, and for that we must be grateful; but better that we make use of the earlier miracles to put the virus down entirely.

8. SPOTLIGHT ON REOPENING: AUSTRIA CRACKS DOWN ON THE UNVACCINATED

Fourteen years ago, I returned from a delightful scholarly trip to Vienna with a gift for my first grandchild: a tee shirt with the image of a whimsical road sign explained by the caption, “No Kangaroos in Austria.” Well, if you were on the streets in Austria today, you would see not many more unvaccinated people than kangaroos—and not because everyone is vaccinated.

Austrian COVID-19 cases hit a [new daily record](#) on Wednesday at 14,416 confirmed cases. To put that number into perspective, the peak of the biggest wave of infections before the current one was 9,586 per day a year ago, when Austria went into a full lockdown. Soaring cases are putting a strain on hospitals in two of Austria’s nine provinces, Upper Austria and Salzburg, with Salzburg preparing for triage in the event that the number of people needing intensive care beds exceeds hospital supply. Approximately 65 percent of Austria’s population is fully vaccinated, giving it one of the lowest rates in

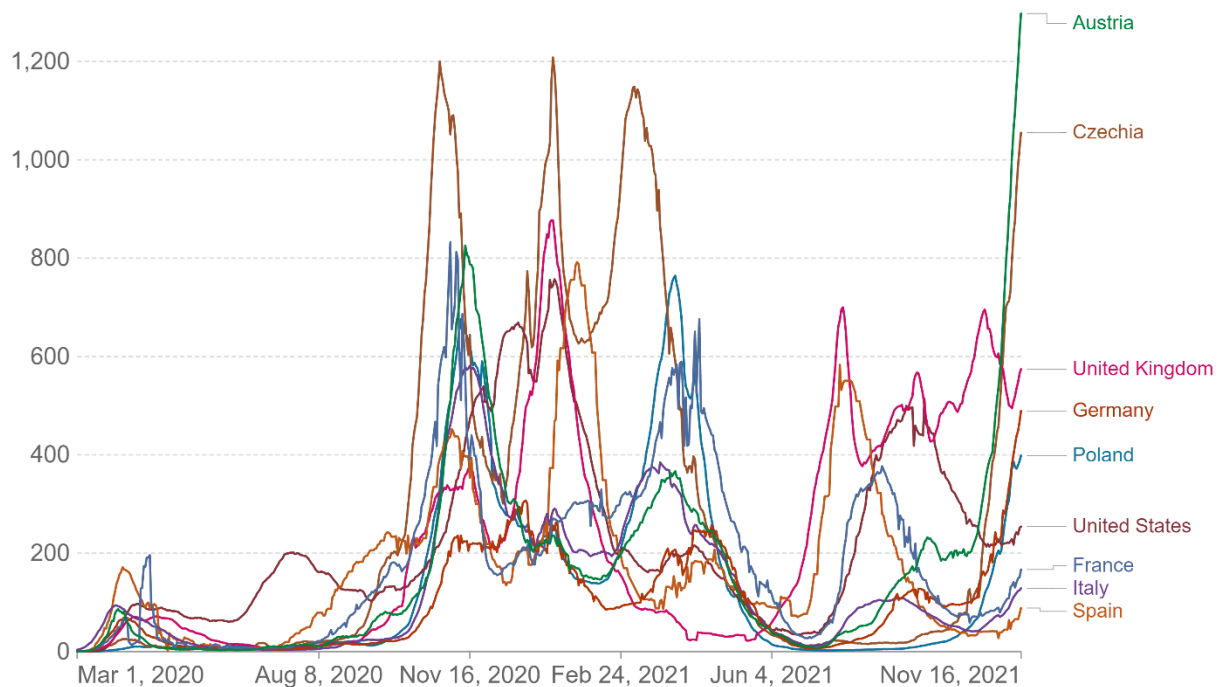
Western Europe. (For reference, the US full-vaccination rate is 58.9 percent.) Likewise, the [seven-day infection rate](#) of over 800 cases per 100,000 people is among the highest in the region. (The US is at 181.2.) Austria's initial response: the imposition of a lockdown on the country's two million people who have not been fully vaccinated against COVID-19. Unvaccinated people were already barred from visiting restaurants, theatres, and hairdressers, but are now [expected to stay home](#) except to buy groceries, seek medical care, or travel to school or work.

Then, today, November 19, Austria became the first country in Europe to return to a full nationwide lockdown and introduce a [general vaccination mandate](#). Beginning Monday, a [nationwide lockdown](#) will be imposed on all residents, regardless of vaccination status. The lockdown will resemble those imposed throughout Europe last winter, before vaccines were available, and will last for at least ten days. Schools and essential businesses will remain open. All residents of Austria will need to receive a COVID-19 vaccine as of February 1 to be able to participate in public life, including working outside the home. Details on the mandate, as well as how it will be imposed, are still being drafted.

Daily new confirmed COVID-19 cases per million people

7-day rolling average. Due to limited testing, the number of confirmed cases is lower than the true number of infections.

Our World
in Data



Source: Johns Hopkins University CSSE COVID-19 Data

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The Austrian lockdown applies to all people over the age of 12 who have not received two doses of the vaccine; people who have recently recovered from the virus are exempt. No new restrictions have been imposed on the vaccinated. "My aim is very clearly to get the unvaccinated to get themselves vaccinated and not to lock down the vaccinated," Chancellor Alexander Schallenberg told Austria's Ö1 radio, according to The Associated Press. "In the long term, the way out of this vicious circle we are in — and it is a vicious circle, we are stumbling from wave to lockdown, and that can't carry on ad infinitum — is

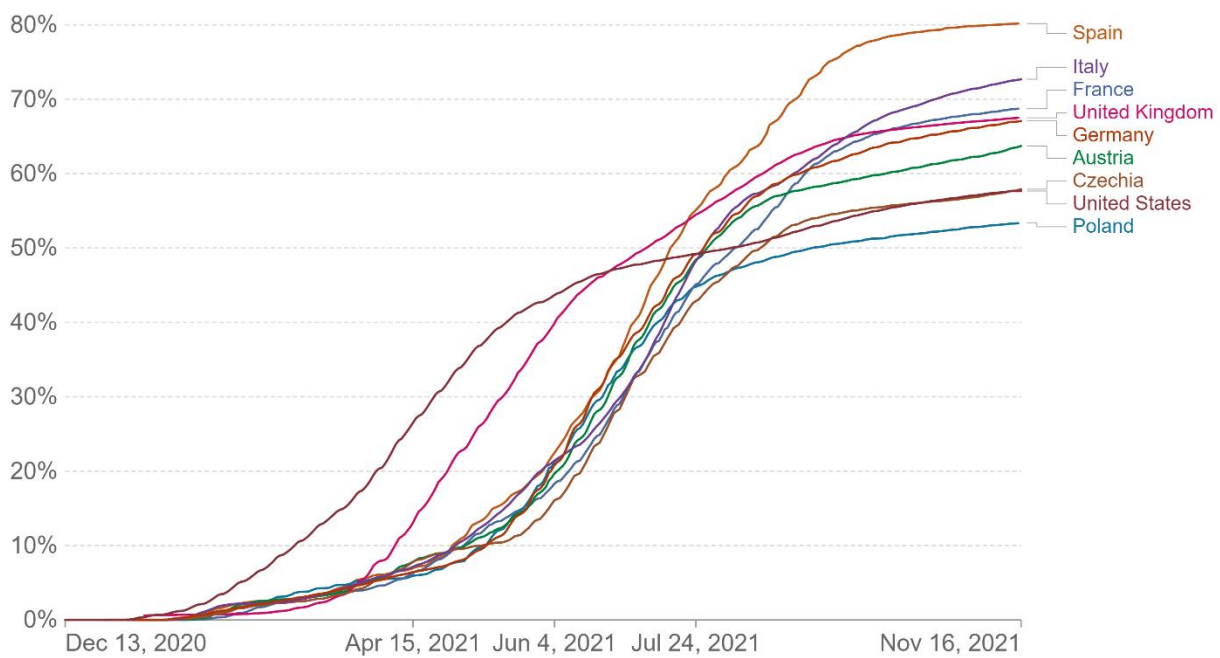
only vaccination.” The new rules began on Monday, and are expected to remain in place until at least November 24.

Austria’s Interior Ministry noted that police checks will be conducted on all, meaning that no one should leave their home without carrying proof of vaccination. Unvaccinated individuals who breach the lockdown rules [face fines](#) up to 500 euros, and individuals who refuse to comply with vaccination status checks face fines up to 1,450 euros. Only vaccines approved by Europe’s medical regulator – Pfizer, Astra-Zeneca, Johnson & Johnson, and Moderna – will be accepted by Austrian authorities.

Share of the population fully vaccinated against COVID-19

Total number of people who received all doses prescribed by the vaccination protocol, divided by the total population of the country.

Our World
in Data



Source: Official data collated by Our World in Data. Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2-dose protocol, are ignored to maximize comparability between countries.
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Austria is not the only country in [Europe experiencing an increase in cases](#). Germany is battling its highest daily case numbers since the start of the pandemic. In Berlin, only the fully vaccinated and those who recently recovered from COVID-19 are allowed to visit restaurants, theatres, and sporting facilities. Germany has resumed giving [free COVID-19 testing](#) just a month after the government stopped paying for them. [Czechia](#) will ban the unvaccinated from access to public events and services, announced Prime Minister Andrej Babiš on Monday, and negative tests will no longer be recognized as qualification for exemption. The Netherlands is also back in a partial lockdown with early closings on bars and restaurants, but has not singled out the unvaccinated for more severe restrictions on movement. However, the UK, which has one of the highest infection rates in the region, has yet to reintroduce restrictions despite health leaders calling for measures as basic as the wearing of face coverings in crowded, enclosed spaces.

With similar or better vaccination rates than the US, and with if anything more restrictive public health policies, Europe is a sobering image as we approach the winter. For all of the popular sense that the worst is past, especially given vaccination levels, it is certainly conceivable that the current upswing here could become a full-fledged fourth wave of infections.