

01.21.2022

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## 1. **HEADLINE INITIAL UNEMPLOYMENT CLAIMS RISE AGAIN**

For the third consecutive week, there was an increase in the seasonally adjusted initial weekly unemployment insurance claims. The 55,000 increase in initial claims brings the total initial claims for the week ending January 15 to 286,000 (last week's claims were revised up just slightly, by 1,000). Seasonal adjustment may prove to have an outsized influence on this number, with the combined influence of which-holiday-occurred-on-which-day-of-which-week-in-which-year, plus the chaotic events in the labor markets over the last two years (which may well have a strong influence on the seasonal adjustment applied this year). On an unadjusted basis, initial claims decreased, but by less than the very large amount that the seasonal factors expected, causing the reported increase in the seasonally adjusted headline total. Seasonal adjustment aside, there are indications that the labor market effects of the recent surge in COVID-19 cases are showing up first in the initial claims data. Reports of labor shortages at restaurants, grocery stores, schools, hospitals, and other businesses continue to impact daily life for Americans. Anticipation builds for the January Employment Situation Report forthcoming from the Bureau of Labor Statistics on February 4.

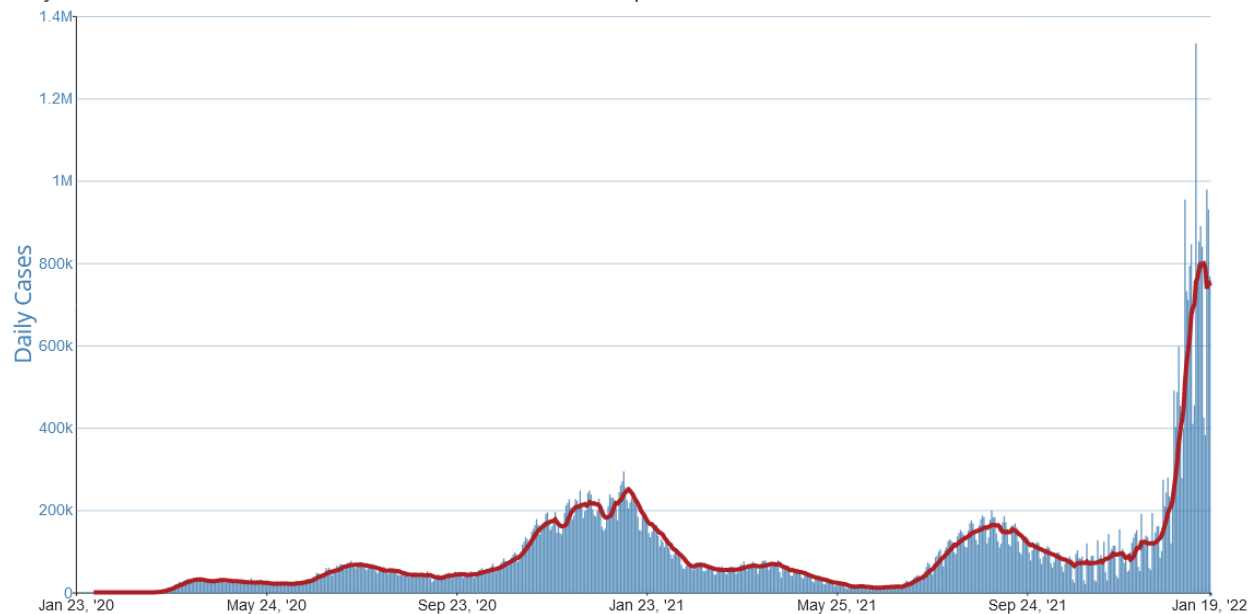
Continuing claims also increased by 84,000 to 1.635 million after falling by a revised 202,000 in the previous week. Generally, continued claims have been on a downward trend over the past several months, so it remains to be seen if this increase is temporary or the start of a new trend. And again, seasonal adjustment played a role in the increase. Stay tuned.

## 2. **PANDEMIC NEWS**

There are [early indications—really early indications](#)—that the Omicron wave of COVID-19 has begun to burn itself out in the United States—as a whole. This would follow patterns that have revealed themselves in South Africa and in the United Kingdom, two early landing spots for Omicron. This virus spreads like wildfire, and then (so far) seems to burn itself out, as it consumes all of the fuel in terms of persons susceptible to it. In the United States, the early spread was monumental, making the three previous waves look trivial in comparison. But the curve of the count of national infections may have begun to turn down. (This pattern must be noted with caution, because the often milder nature of an Omicron infection may allow some victims to refrain from testing; positive home tests are probably

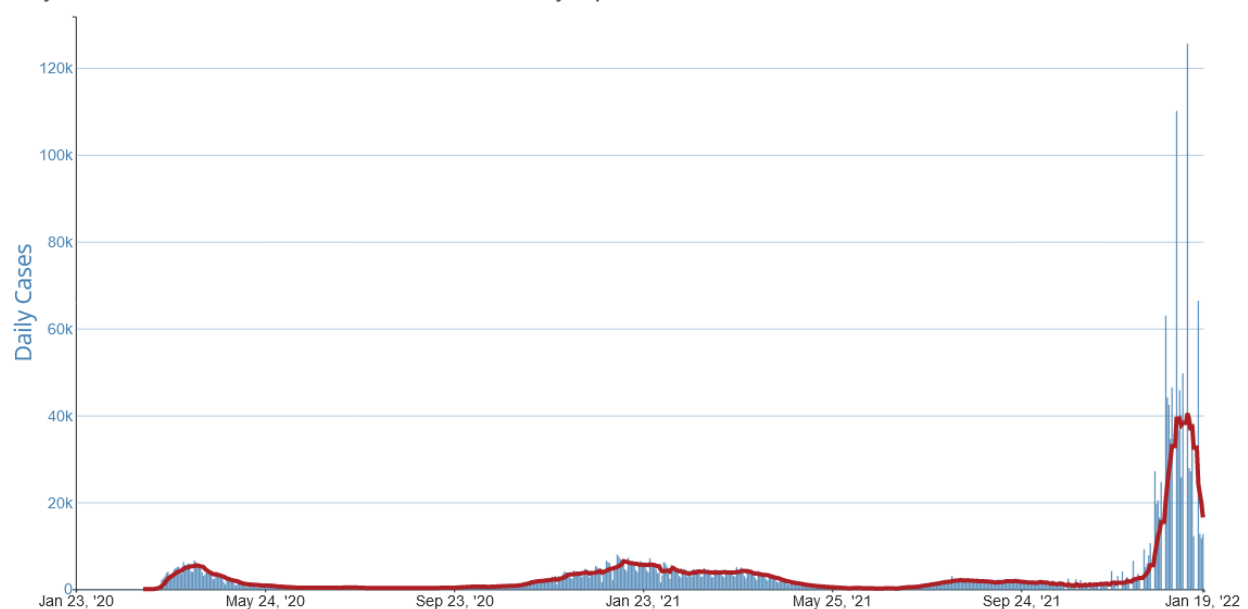
most often not reported or counted; and many hospitals may be so stressed (see below) that they lack the test kits and the workforce to administer and report tests in a timely manner.)

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



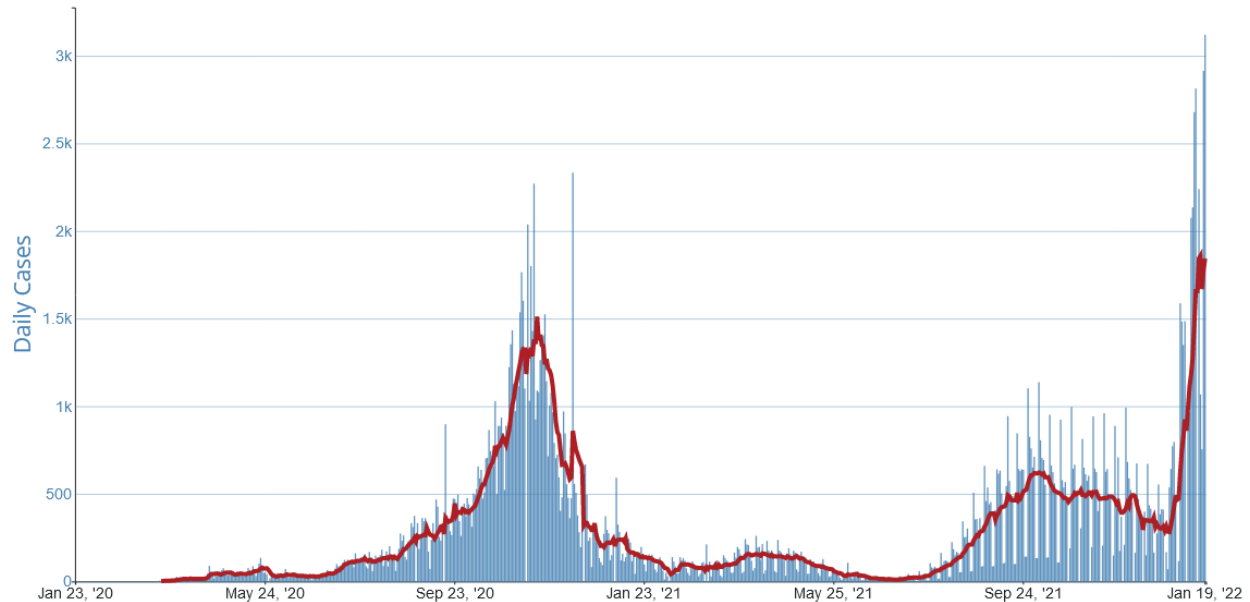
But as you know, the United States is a big place, much bigger than many contiguous nations in Europe or Asia whose case counts are considered separately. The Omicron wave landed in some parts of the US, and then spread later to others; it will burn out first where it landed first, and the other places will lag behind. Because the virus has been spread by travel, it landed in each of its variations on the coasts, with New York City among its first destinations. The [case count in New York City](#) rose frighteningly, but is already quite likely on its way down (accepting that the data are noisy, and can be revised).

Daily Trends in Number of COVID-19 Cases in New York City Reported to CDC

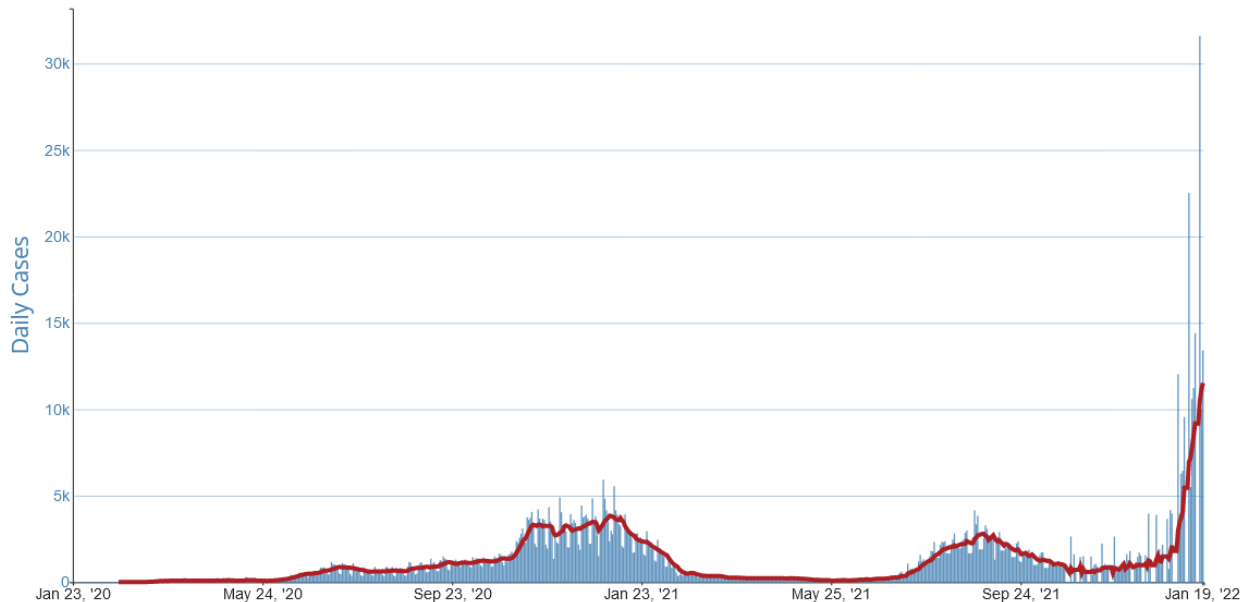


We also know, however, that unvaccinated persons are somewhat more likely to contract the virus, and significantly more likely to incur serious cases. And now the virus is burning out in highly vaccinated New York City, but is still growing in terms of far more dangerous cases in less-vaccinated parts of the country. One example is North Dakota. Oklahoma is another.

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

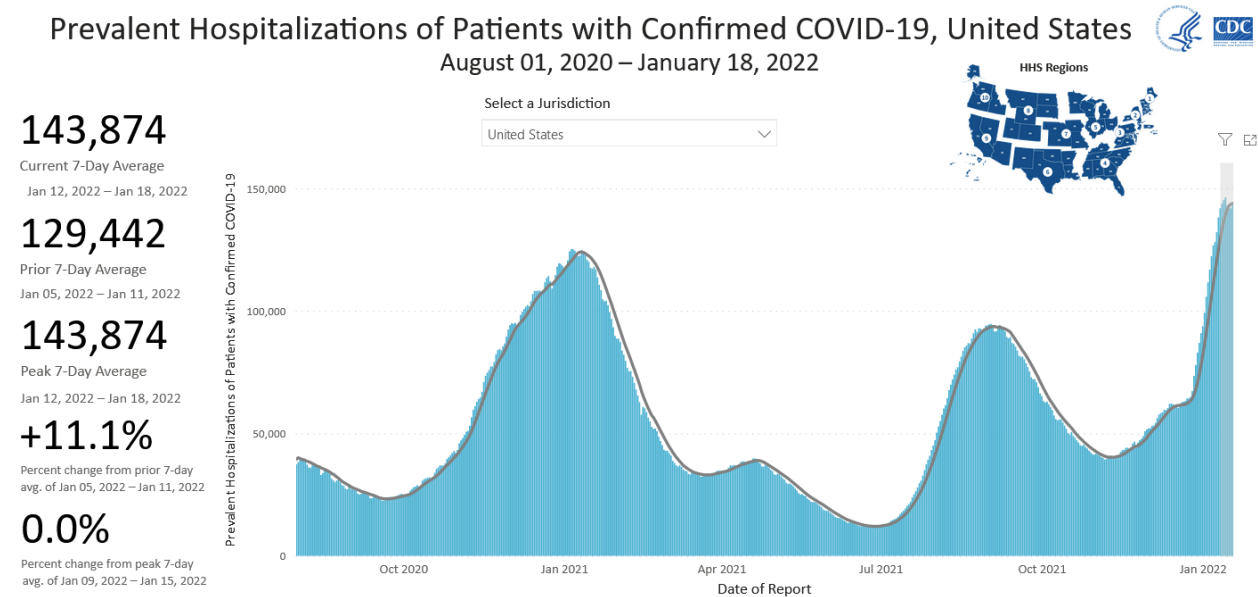


Daily Trends in Number of COVID-19 Cases in Oklahoma Reported to CDC

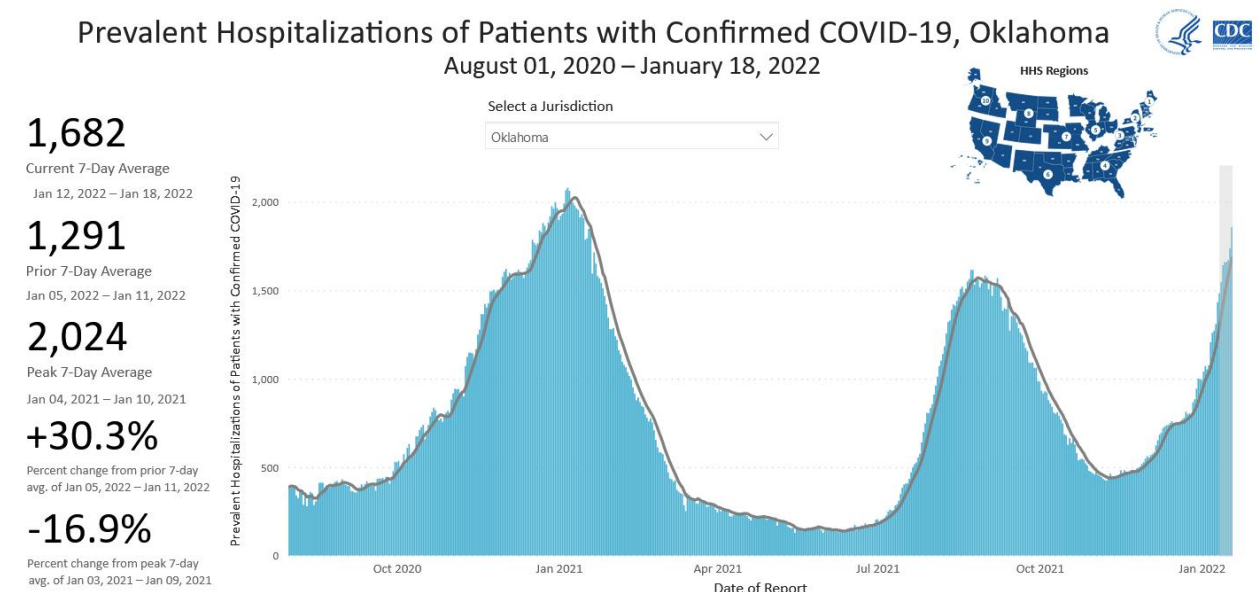


Despite the high level of cases nationally and in some states, epidemiologists are beginning to look toward the decline of the case count as an indication that relief—at least temporary relief—may be at hand. And not a moment too soon. Again, even though Omicron has proved less lethal than Delta and Alpha before it, the number of cases has been so large as to send more people into the hospital for care.

And the hospital system has been overburdened once again, which after the strains from Delta and last fall and winter is painful indeed. The picture nationally is indicative.



But again, all health care is local, and those parts of the country where cases are rising are under increasing pressure. Hospitalizations lag identified infections, as patients become sufficiently ill over time to require institutional care. Oklahoma has surpassed its hospitalization load from the Delta wave, and is approaching its even higher peak from the winter of 2020-2021, before the United States had effective and safe vaccines. Being so afflicted with a surplus of vaccines is a sad commentary.

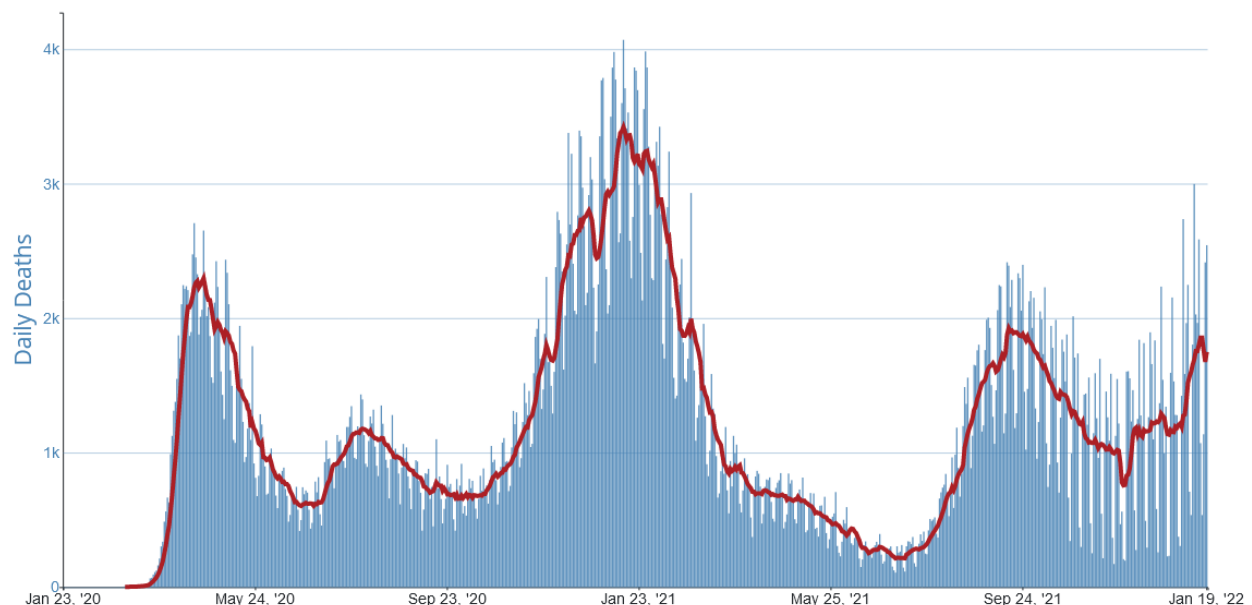


Leaders of the four major health care systems in Oklahoma City have written a plaintive open [letter](#), asking the public to stay away from the emergency room unless seriously ill, and “Get vaccinated. Get boosted. Wear your mask. Socially distance. Stay home if you’re sick.” They reported that on this past

Monday morning, they collectively had zero intensive care and zero inpatient beds available, and had 107 patients waiting for treatment in their emergency rooms. They raised the obvious specter of being unable to provide quality care to any patient for any illness or injury, not just for COVID patients.

And as we have come to understand, even though Omicron is less lethal in terms of serious illness or mortality, it is more than capable of laying low the unvaccinated, and its transmissibility has led to such a toll of infection that even at low lethality rates it can cause enormous loss of life. The daily death toll now approaches that of the Delta wave, and on some reporting days Omicron has killed more than Delta at its worst.

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



We have had relief in some parts of the country, and it appears likely that Omicron may burn itself out in the not-too-distant future. We can only hope that another variant, one that can evade existing immunities or that is more lethal, does not appear in the interim. In an even more ambitious moment, we can hope that [immunity from an Omicron infection will prove to be effective](#) against it and any future variant, and that the combination of near-universal exposure to Omicron plus widespread vaccination will finally yield the “herd immunity” that has been heralded so often. That must, of course, be a global wish, because continued propagation of the virus anywhere could lead to new variants that would inevitably and eventually travel around the world.

There is some positive news on that front. Early [research](#) has suggested that at least pre-Omicron infections (Omicron is too new to be studied in this fashion) have provided immunity that may be greater than that from a normal vaccine regimen (two doses of an mRNA vaccine). The interpretation is subtle. Recent vaccinations appear superior to an infection; however, over time and perhaps because of the waning of vaccine efficacy, infection surpasses vaccination in protection. However, vaccination plus infection is superior to either alone; and indications are that two doses plus a booster would be superior to infection. To prevent people from leaping to the conclusion that they should seek out infection to forestall infection, the researchers note that the risk of serious illness certainly does not justify deliberate infection as a preventive for the more-distant future.

### 3. VACCINE NEWS

On the vaccine front, Israel is experimenting with [fourth doses](#) of an mRNA vaccine. Results are highly preliminary, and have not been published with peer review. Early discussion suggests that a fourth dose might be helpful for the highly vulnerable, but that for most people, the boost in antibodies is not significant, and would provide no meaningful additional protection against the highly sticky Omicron variant. And experts have expressed some concern that repeated inoculation might eventually reduce the body's ability to produce its own protection, and so additional doses should be administered only if there are concrete signs of benefit.

There is other news on therapeutics. New [NIH guidelines](#) report that two monoclonal antibody treatments (from Regeneron and Eli Lilly) are not effective against the Omicron variant. However, a third monoclonal treatment (from GlaxoSmithKline and Vir Biotechnology) is found to be effective.

And Pfizer's antiviral, Paxlovid, has been [found effective](#) against Omicron in three separate and independent laboratory tests. These findings were reported in a press release, and have not yet been fully published or peer reviewed.

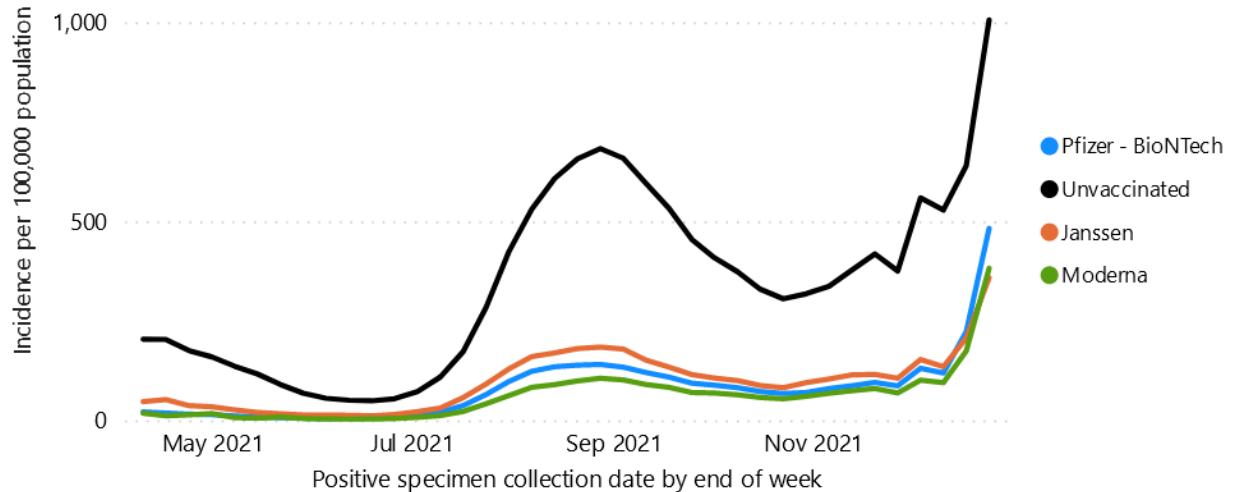
As we discussed last week, the administration's proposed OSHA vaccination mandate for large employers has been struck down by the Supreme Court ([Starbucks](#), as one example, has dropped its own vaccination mandate), but the mandate for health care providers receiving federal funds has not. Impending mandates for health providers are about to be imposed, and [providers are reported to fear](#) the possible consequences if many of their employees choose to resign rather than accept vaccination.

On testing, the administration has begun its rollout of distribution of [free home test kits](#). But on the dark side of the ledger, there are increasingly numerous reports of [scammers](#) among the streetcorner test sites. This totally new cottage industry poses a challenge to authorities trying to ensure that tests are accurate, timely and safe. The risks actually extend beyond public health, though, as some testers have collected personal information and appear poised to engage in identity theft. [Minnesota](#) has already sued two companies for allegedly falsifying or failing to deliver test results.

Some new data have come in on hospitalizations and deaths by vaccinations status. The data show that Omicron is highly transmissible, even among the vaccinated, but vaccinated persons continue to be far less at risk than those who have not been vaccinated—especially from serious disease and death.

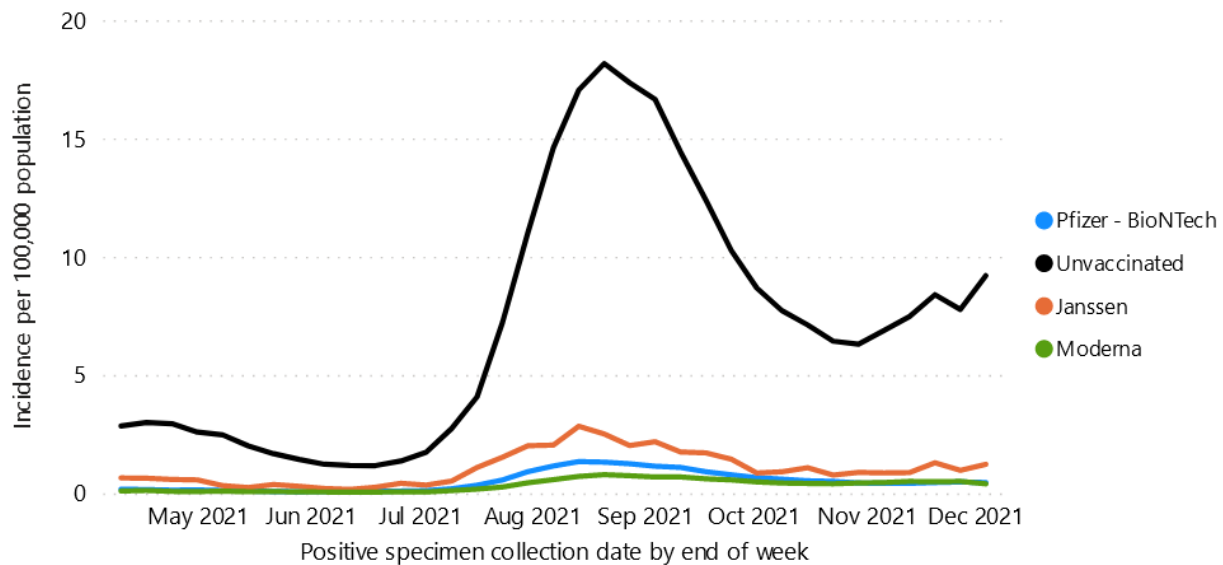
## Rates of COVID-19 Cases by Vaccination Status and Vaccine Product

April 04 - December 25, 2021 (28 U.S. jurisdictions)



## Rates of COVID-19 Deaths by Vaccination Status and Vaccine Product

April 04 - December 25, 2021 (28 U.S. jurisdictions)



In November, unvaccinated adults aged 18 years and older ha...

**4X**

*Risk of Testing Positive for COVID-19*

AND

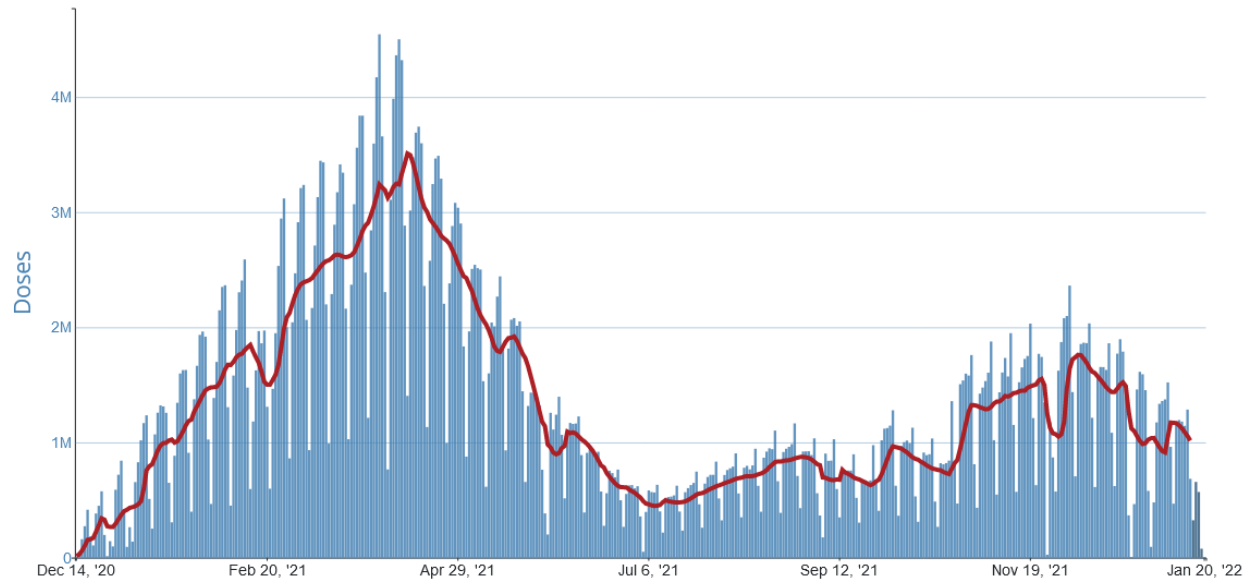
**15X**

*Risk of Dying from COVID-19*

compared to fully vaccinated adults

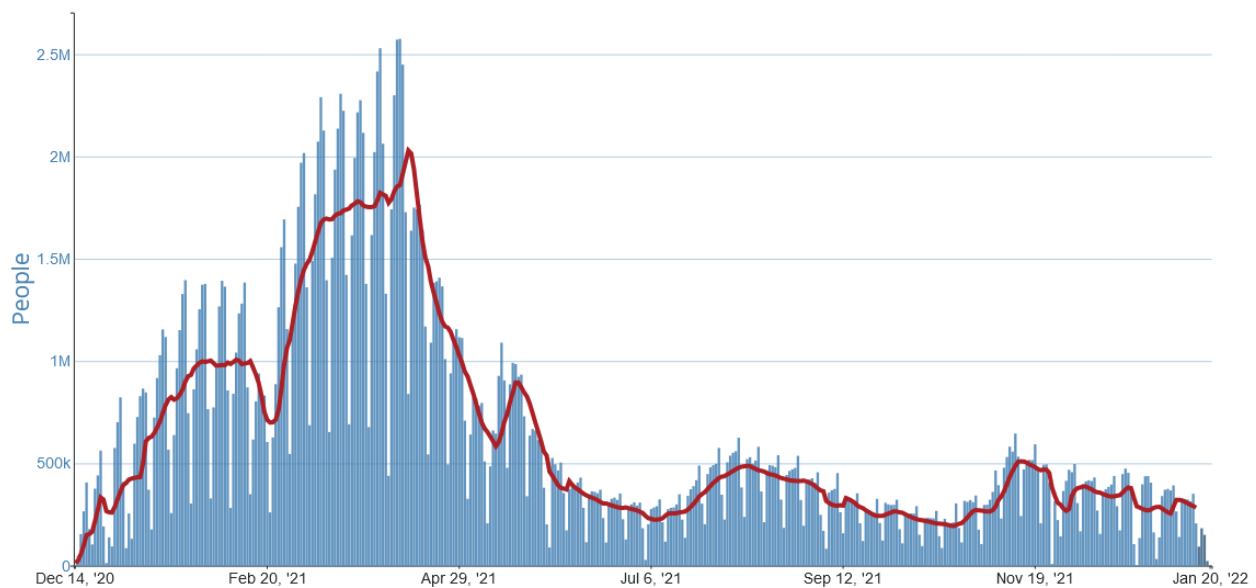
And just in case you were wondering, trends in delivery of vaccination continue disappointing. The number of shots delivered each day continues to decline...

Daily Count of Total Doses Administered and Reported to CDC by Date Administered, United States



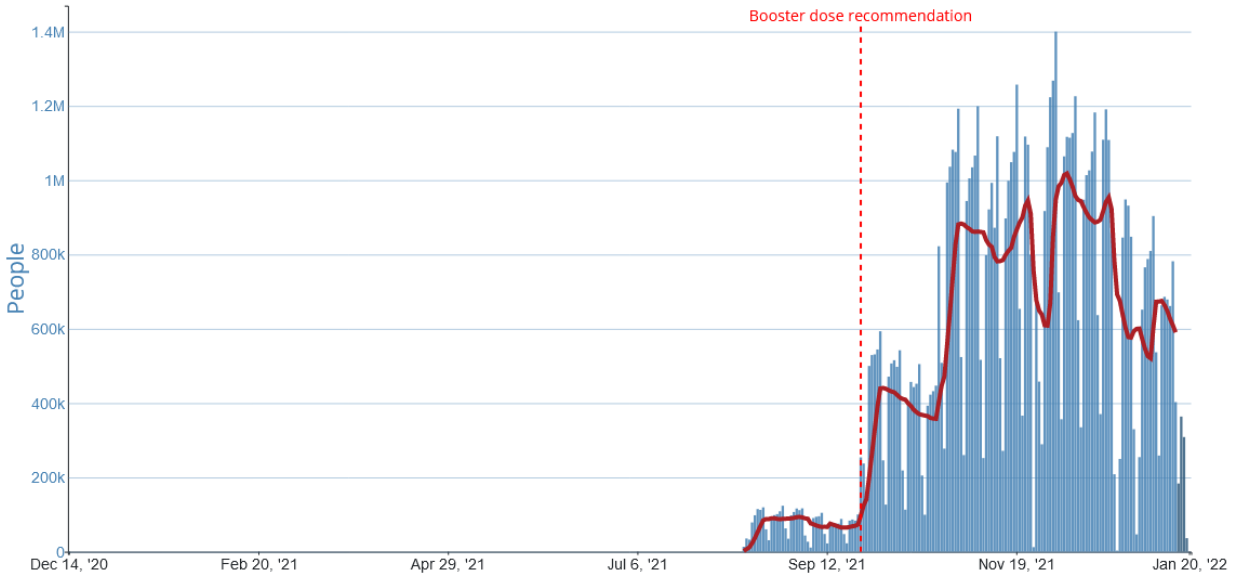
...and only a small fraction of those shots are going to persons not yet vaccinated; about twice as many are going as boosters for people who already have a meaningful level of protection.

Daily Count of People Receiving Dose 1 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



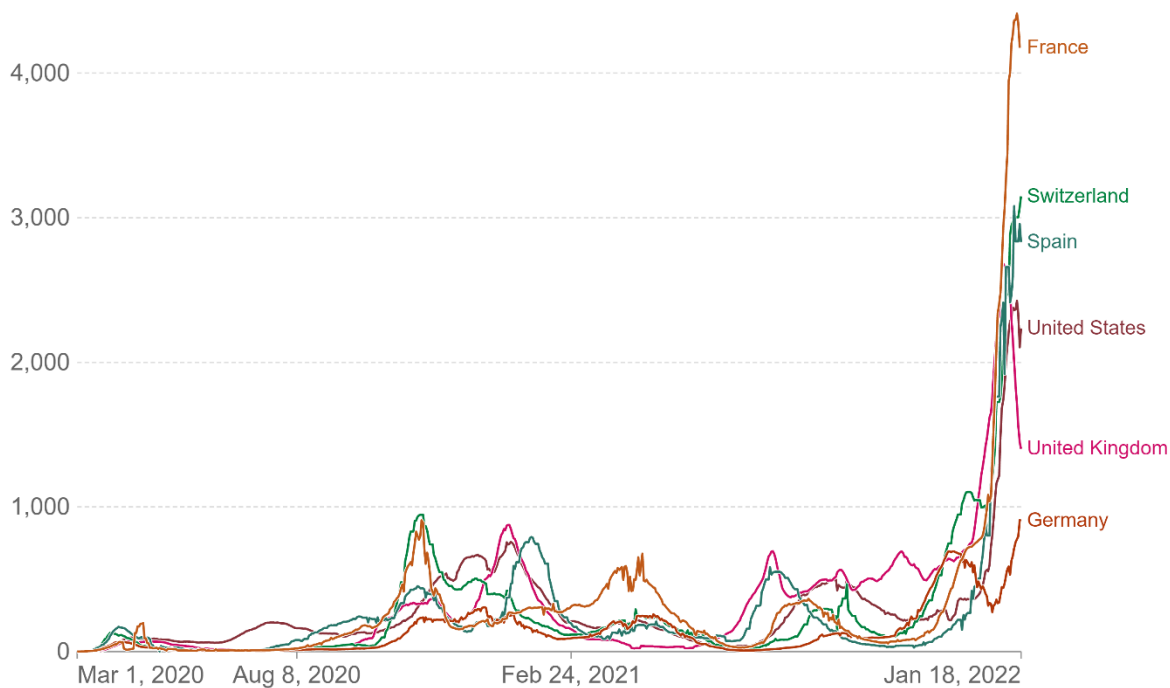
#### 4. SPOTLIGHT ON REOPENING: SWITZERLAND HOLES UP AGAINST OMICRON

Switzerland, like many other countries in Europe, is suffering from the Omicron wave. Despite the drastic rise in caseload, the country's interior minister said the transition from pandemic to a stage where the population learns to live with COVID-19, like the flu, may be in sight. "We may be on the eve of a watershed, the transition from a pandemic phase to an [endemic phase](#)," Alain Berset, whose ministry includes health, said at a media conference on January 12. His comments follow a call made by Spanish Prime Minister Pedro Sanchez to consider [treating the Omicron wave differently](#), given that the variant has not led to as many hospitalizations and deaths proportional to case numbers versus previous variants. "We have to evaluate the evolution of Covid from pandemic to an endemic illness," Sanchez said in a radio interview January 10, adding that European governments may need to assess the disease differently than they have so far. In countries seeing no sign of case numbers tapering off, it may be too soon for such talk. However, if an Omicron infection provides some degree of lasting immunity (which is not yet certain), and if almost everyone is exposed to Omicron, the world may indeed transit from the pandemic to an endemic phase of potentially very long duration.

## 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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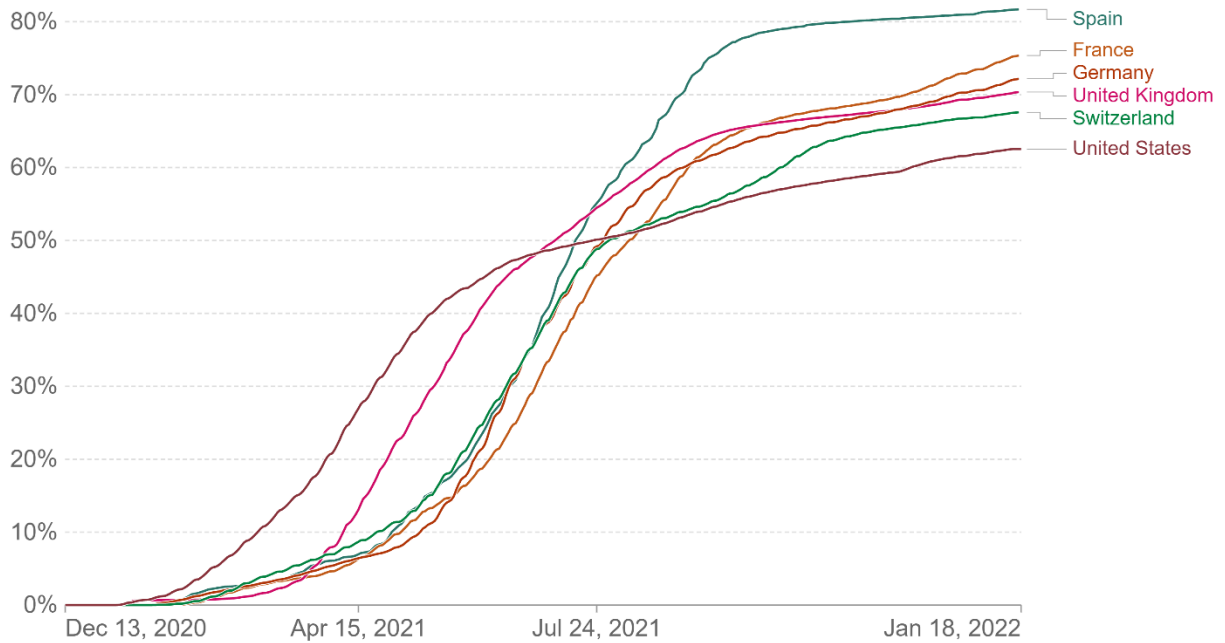
Vaccination until now has been central in preventing serious illness and hospitalization, but it has been less effective at halting the spread of the Omicron variant. This highly contagious (but less deadly) wave of the infection has left politicians struggling to contain the spread, especially as vocal groups in their countries are frustrated with restrictions on daily life. Switzerland, like many other countries, has [shortened its isolation and quarantine](#) period to five days from ten in an effort to avoid disruption to essential services. Individuals ending isolation will need to be symptom-free for 48 hours. Those who have had the virus or a vaccine within the past four months do not have to go into contact quarantine. Approximately 160,000 people out of a population of 8.5 million are [in quarantine or isolation](#) after testing positive or coming into contact with an infected person.

On Wednesday, Switzerland decided to extend its work-from-home order to the end of February. Entry to restaurants, bars, and gyms will continue to be restricted to those who are vaccinated or have recovered from the virus through the end of March. Home to private banks and large commodities traders, Switzerland has taken a hands-off approach to the COVID-19 crisis, having mostly avoided strict lockdowns and restrictions to daily life.

## Share of the population fully vaccinated against COVID-19

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

Our World  
in Data



Source: Official data collated by Our World in Data

Note: 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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