1. **UNEMPLOYMENT INSURANCE CLAIMS UP SLIGHTLY**

   New weekly unemployment insurance claims rose for the week ending April 3, the second consecutive rise indicating what could be a bumpy labor market recovery despite other signs that hiring has started to pick up again. The headline seasonally adjusted number increased by 16,000 to 744,000 (and was revised slightly higher for the previous week). The four-week moving average also rose slightly, interrupting a downward trend since the beginning of February. However, (unadjusted) initial claims for Pandemic Unemployment Assistance (PUA) for self-employed and gig workers fell for the fourth consecutive week.

   Overall, the total number of people receiving unemployment benefits, measured by continuing claims, continued to drop. Continuing claims for regular state programs, which have seen a general downward trend since May 2020, fell to their lowest level (3.7 million) in over a year. The total number of claimants on combined state and pandemic-related federal programs declined slightly to 18.2 million.

2. **IMF RAISES GLOBAL GROWTH PROJECTION FOR 2021**

   The [IMF detailed](#) that after an estimated contraction of −3.3 percent in 2020, the global economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022. The contraction for 2020 is 1.1 percentage points smaller than projected in the October 2020 WEO, reflecting the higher-than-expected growth outturns in the second half of 2020 for most regions after lockdowns were eased.

   The projections for 2021 and 2022 are 0.8 percentage point and 0.2 percentage point stronger than in the previous forecast, reflecting additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of the year.

   Beyond 2022 global growth is projected to moderate to 3.3 percent into the medium term. Persistent damage to supply potential across both advanced and emerging market economies and slower labor force growth because of population aging (largely in advanced economies, but also in a few emerging...
market economies), and necessary rebalancing to a sustainable growth path in China, are all expected to weigh on the growth outlook for the global economy in the medium term. GDP levels are projected to remain well below the pre-pandemic trend path through 2024 for most countries.

3. PANDEMIC NEWS

New COVID-19 cases are down slightly from last week, but remain higher than the week before. Dr. Anthony Fauci describes the current stasis as a plateau that remains too high. Hospitalizations continue to trend upward. COVID deaths, however, remain on a slow downward trend. Expert opinion suggests that the continued slow progress on mortality is surely due in part to better knowledge of treatment of the disease, aided further by the progress in inoculation of the most at-risk populations; the share of the population 65 and over having received at least one dose of vaccine is approaching 80 percent, and the fully vaccinated share is close to 60 percent. But concern remains that deaths may merely be lagging the slight upward trend of cases.
Meanwhile, the pattern of infections in the United States has taken a disturbing turn. **Five states** (Michigan, Florida, New York, New Jersey, and Pennsylvania) with 22 percent of the US population account for 44 percent of the new cases.
A troubling associated fact is that the states with the highest incidence of new cases align fairly closely with the states that appear to be reporting the highest incidence of the new B.1.1.7 (first identified in the United Kingdom) variant. (Minnesota, which is in the highest tier of case incidence, is reportedly experiencing rising B.1.1.7 infections, although they do not yet show up in full force in the official data shown here; and of course Minnesota adjoins Michigan, where B.1.1.7 presence is confirmed.) B.1.1.7 has now been identified in every state (although genomic testing in the United States is still considered inadequate), and is by far the most widespread “variant of concern” (as identified by the CDC). Nationwide, the CDC now considers it the “dominant” of all the varieties of the virus (including the original SARS-CoV-2).
This variant is estimated to be about two-thirds more transmissible than the original SARS-CoV-2 virus, and also about two-thirds more lethal. Fortunately, B.1.1.7 does appear to be avoidable through both the vaccines currently used in the United States, and the antibodies from prior infections. However, the concern is that so long as the virus can continue to circulate and propagate anywhere in the country, still further variants, potentially still more transmissible or more lethal (or both) can emerge later, and can potentially threaten everyone in the country, vaccinated or not.

4. **VACCINE NEWS**

Vaccinations in the United States are proceeding apace. The nation just enjoyed four consecutive days of more than three million vaccinations delivered, after three days in the previous week. (The last few days of data in the CDC’s chart shown below are incomplete, and will be revised upward shortly.) The seven-day moving average is approaching three million inoculations daily. Almost 110 million people—about one-third of the US population—have received at least one injection (and almost 65 million people—about one-fifth of the population—are fully vaccinated). In all 50 states, all adults will be able to get in line to be vaccinated—but will not necessarily actually be vaccinated—by April 19.
If the current pace could be held, the nation could reach some measure of “herd immunity” by July. The question would be whether enough Americans would actually show up for vaccination. The news on that side is actually improving; tracking of attitudes by the Kaiser Family Foundation shows a favorable trend. In December of 2020, when the first vaccines were just being cleared for emergency use, 34 percent of Americans said that they planned to be vaccinated as soon as possible, with the rest of the population showing varying gradations of lesser enthusiasm. Today, 32 percent report that they have already been vaccinated, and another 30 percent say they will obtain vaccination as soon as possible. Those two categories together are not sufficient to achieve the common standard for herd immunity, but they come close, and the trend is clearly favorable. Another 17 percent say that they will “wait and see,” and once they have waited and seen, we will have reached the herd immunity standard. However, there seems to be a frustratingly stubborn denier population, virtually unchanged at 20 to 24 percent over the duration of the survey, who say they will be vaccinated only if required to do so, or that they will refuse. Other polling questions indicate that this group is accurately identified by their religious or political beliefs.
Another favorable story on the vaccination front is that some “long haulers,” infected persons who seemingly escaped the worst of the disease but then found themselves subject to other symptoms for months on end, report that vaccination has helped to relieve their symptoms. There is no immediate medical assessment of these claims—that is why they call it a “novel” coronavirus—but such promising indications are worthy of investigation.

But the troubles of the AstraZeneca/University of Oxford vaccine just keep on coming. Researchers in Europe have concluded that they cannot at this time rule out a causal link between the vaccine and a rare form of blood clotting, which has been associated with adverse health events (such as a form of stroke) and some deaths. The clotting is most likely to occur in younger people, which leaves the risk-reward calculus of this vaccine on the edge, because younger persons are the least likely to suffer serious consequences of the virus. European regulators have issued only guidance, not rulings, and so different European countries have responded in different ways; a few have suspended use of the vaccine, while other countries have restricted it to older persons. (The FDA has not yet approved the AstraZeneca vaccine for emergency use in the United States.) The worst of the tragedy is that the reputation of the vaccine—the cheapest and easiest to store, and therefore the hope of the developing world—is being scarred, perhaps irreparably. And meanwhile, Europe is scrounging for other vaccines, after having built its lagging vaccinations program around the AstraZeneca product.

And vaccine issues continue: Slovakia has complained that the Russian Sputnik V vaccines that it has received do not match the characteristics described in the studies through which the vaccine was approved for use. And Emergent BioSolutions, which recently was forced to discard between 13 and 15 million doses of Johnson & Johnson vaccine, was reportedly cited for manufacturing irregularities in connection with vaccine production 10 months ago. The Department of Health and Human Services has put Johnson & Johnson in charge of the Emergent BioSolutions plant, in an extraordinary move, and has prohibited the plant from manufacturing the AstraZeneca vaccine, as it was also slated to do.

Further Reading CED Solutions Brief: Vaccinating America
5. SPOTLIGHT ON REOPENING: BRAZIL—NEW EVIDENCE OF THE POSSIBILITY OF REINFECTION

In the United States, with nearly 20 percent of the population fully vaccinated and a speedy ramp up of the vaccination campaign in full swing, a growing share of Americans are getting back to their pre-COVID lives. But evidence that the virus will cause a long-term disruption—through ongoing mutations and the possibility of reinfection, possibly requiring annual reformulations of the vaccine and booster shots, similar to the common annual influenza—have emerged, with potential implications for global vaccination policy and distribution for years to come.

Much of this evidence comes from the experiences in Manaus, Brazil (the capital city of the Brazilian state of Amazonas), where the P.1 variant emerged in December 2020. During the initial wave of the SARS-CoV-2 pandemic in Spring 2020, an estimated 75 percent of the city’s population was infected, suggesting that herd immunity had been reached in the area. However, at the end of the year, COVID-19 cases surged again past previous peaks. A recent and increasingly cited study suggests that persons previously infected by earlier versions of the virus can be reinfected by the P.1 variant.

This new information comes at time when both daily recorded COVID-19 cases (see chart) and deaths in the country have recently reached record highs and the federal government, led by President Bolsonaro, opposes a national lockdown or other restrictive quarantine measures.

In addition to vaccinations, which can still reduce the spread of more transmissible mutations, the rising possibility of reinfection suggests that policies that further reduce the risks of outbreaks and reinfections (such as masks and social distancing) may need to continue for longer.

As noted above with data from the CDC, the P.1 variant is present in the United States. However, for whatever reason, it seems to have remained comparatively rare, and has not spread to all of the states. The developments in Brazil are another indication that the United States needs to increase its capacity for genomic tracing, to keep track of such threats to the campaign against the virus.
Daily new confirmed COVID-19 cases

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.