



## **VACCINATION STRATEGIES: EUROPE DOES BETTER THAN THE USA.**

### **The prospects for economic growth bode well**

On the pandemic front, the month of August does not cause any particular concerns.

Covid-19 infections around the world do not stop, but the virus seems to be less scary. In fact, if during the first pandemic waves infections were mainly counted, now the focus is almost exclusively on hospitalizations.

Moreover, the vast vaccination campaign continues. The pace of the latter is more rapid in Europe, where the meticulous strategies of governments seem to pay off, compared to the United States which appear to lose ground.

The prospects for economic growth in the post-pandemic world remain intact.

### **The macro-economic picture**

Analysts report that China is slowing down after months of growth. This could make the market nervous in the short-term and, eventually, lead to an increased volatility.

On the other hand, in the United States, we are living today a completely new situation.

In fact, thanks to the enormous financial stimulus injected into the market by the Biden administration following the pandemic crisis, we are currently observing the most attractive financing conditions in the last thirty years.

Since this is an unprecedented scenario, very different from the post 2008 crisis and from the severe austerity policies we were used in Europe too, it remains very difficult to predict the future.

What is certain is that the fiscal stimulus and the easy monetary policy have been able to create a bridge through the difficult pandemic period.

The result will be noticeable in a wide range of positive economic outcomes, especially in companies' environment.

### **Risks**

In terms of risks, there are three variables to keep an eye on:

- **China**, as already mentioned, and its economic evolution in the coming months
- **the Fed policy**, as far as the possible increase in inflation in the medium-term remains a controversial issue
- **a potential fourth pandemic wave**, whose no one is really able to foresee the extent and its consequences



## **Markets front**

Analysts continue to favor stocks (mostly European) over bonds.

Among stocks, cyclical ones are preferred, namely those that go hand in hand with the economic situation (from industrial stocks to consumer discretionary stocks).

The moment is favorable because vaccinated people want now to travel and to spend.

Gold and commodities also remain very topical.

Furthermore, it is also important to underline that the Pandemic has triggered profound changes in the whole economic reality, opening new horizons and creating new investment opportunities.

A clear example is the green transition in the tech sector, further pushed by the lately call for action from UN climatic experts.

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