

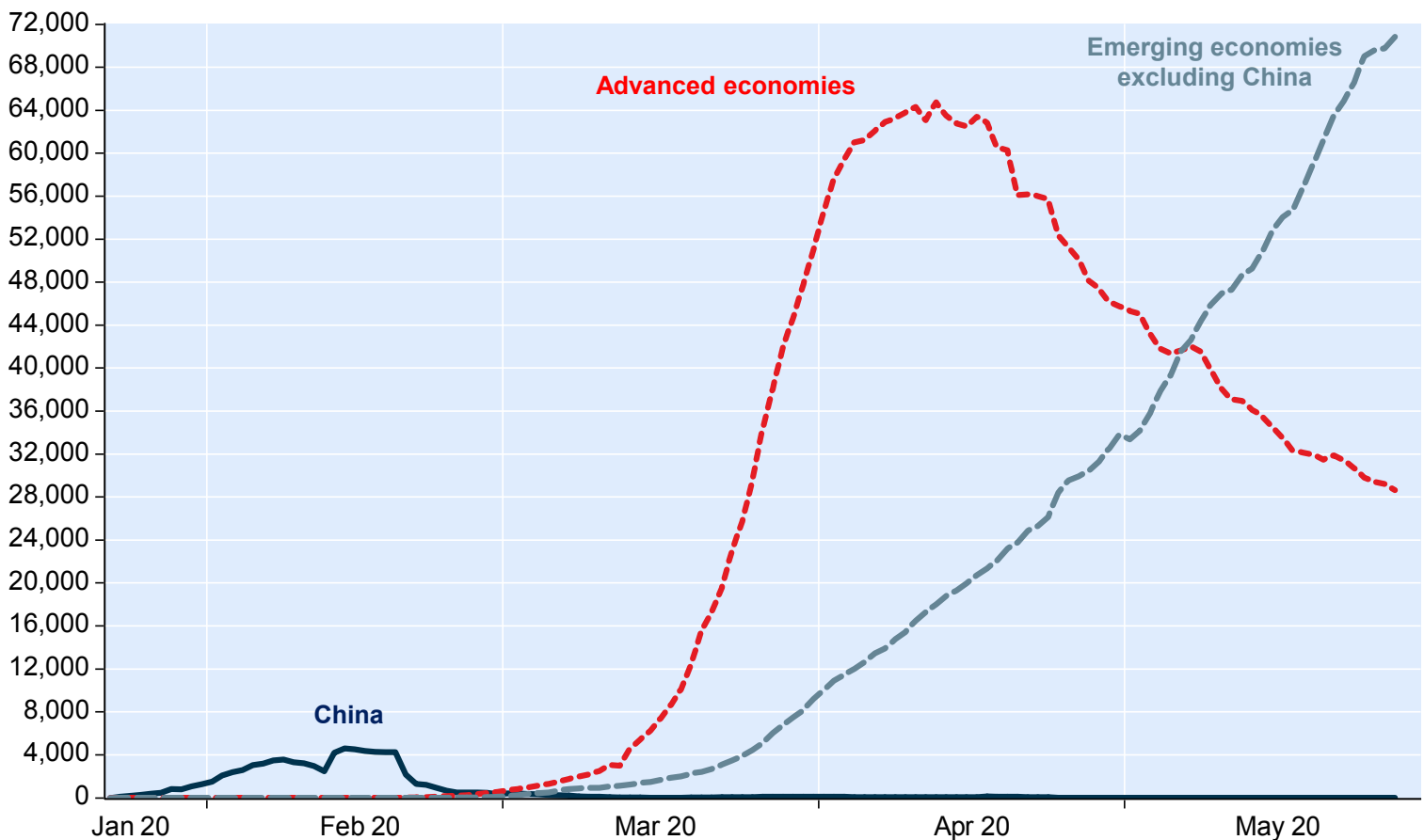
World Watch

By Krishen Rangasamy

Just looking at the global stock market rally of recent weeks, one would have thought the pandemic is over. Reopening of major economies is boosting optimism, but so is extraordinary fiscal and monetary policy stimulus provided by policymakers worldwide. Optimism about the development of potential vaccines also had investors bet that the worst of the coronavirus pandemic is now behind. But it's worth noting that significant uncertainties remain. The scientific community has cautioned repeatedly that, despite encouraging headlines about ongoing clinical trials, the availability of a reliable vaccine to the general public is far from guaranteed. There are also concerns a second wave of infections could cut short the expected recovery in affected economies. Just last week, amid concerns about the spike in new infections in several U.S. states, the Centers for Disease Control and Prevention cautioned "more intensive mitigation efforts such as what were implemented in March may be needed again". In emerging economies outside China, the situation is arguably even worse with many (including India, Brazil and South Africa) still going through the first wave of infections (see today's *Hot Chart*). And with emerging markets accounting for 60% of the world economy (on a purchasing-power-parity basis), the impact of the pandemic on global growth can be significant. So don't be surprised if the IMF yet again chops its GDP growth forecasts for the world economy when it presents updated projections later this month.

World: Pandemic still not under control in emerging markets

Daily new covid-19 cases





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