

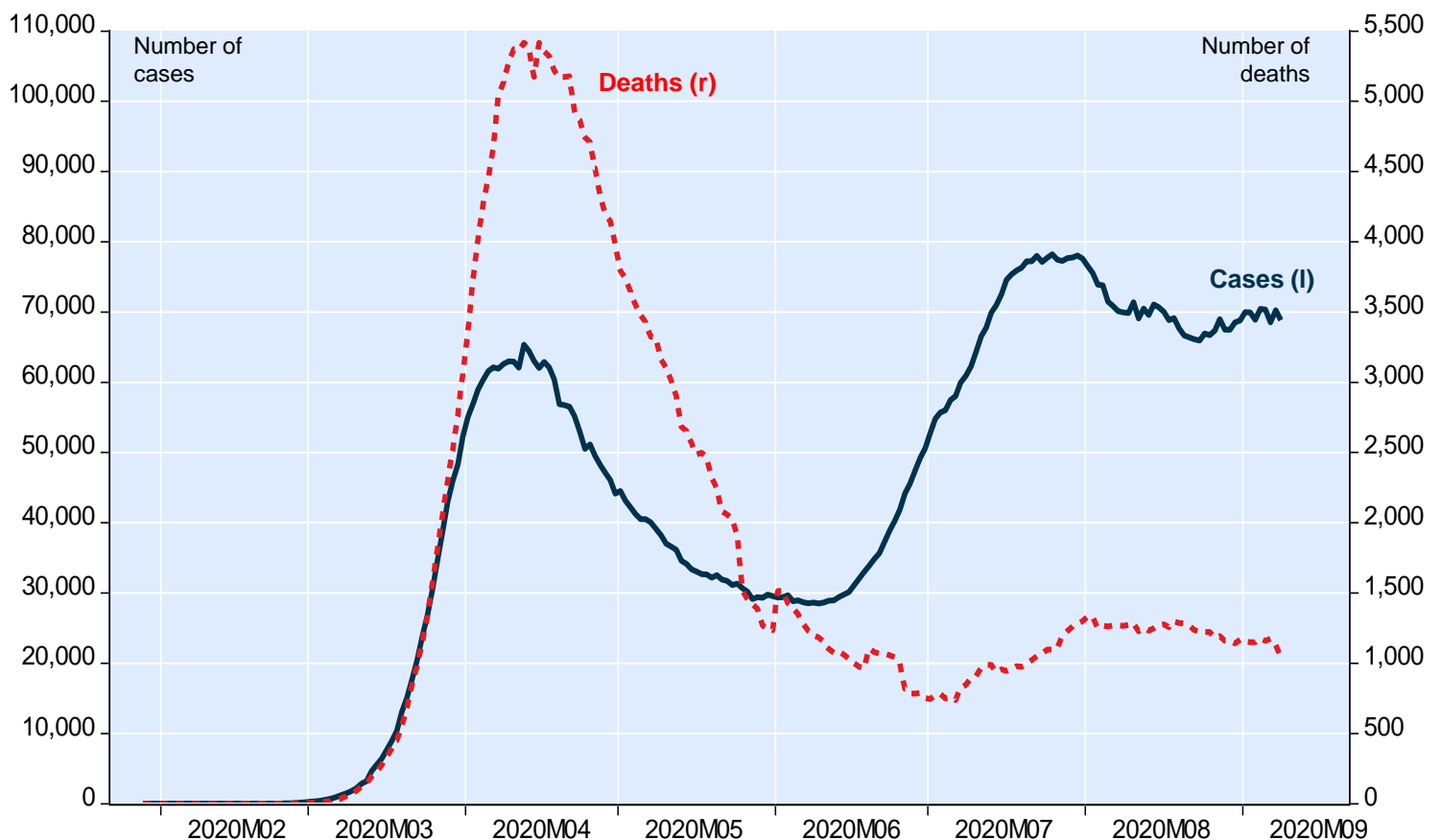
World Watch

By Matthieu Arseneau/Alexandra Ducharme

With many lockdown measures lifted or eased over the summer and with children returning to school this fall, the dreaded second wave of COVID-19 seems to have spread to many advanced economies. Questions are now rising as to whether the resurgence of cases will this time around be handled with lockdown measures as severe as those seen in the first half of 2020. In June, we suggested in a [report](#) that a generalized economic shutdown would likely not be privileged by the authorities during a second wave and that the emphasis would rather be put on other strategies to limit the number of victims without crimping the economy. This is still our base-case scenario. As today's *Hot Chart* shows, the recent increase in cases in the Western world has so far not resulted in an equivalently important surge in deaths. While there is reason to believe that part of the increase in reported cases could be explained by improved testing capacity (i.e. more positive cases are now detected), the changing demographics of confirmed cases could also be a factor in explaining the lower death rate. The pandemic is indeed now spreading among younger people, who are less susceptible to experience severe symptoms and die from the virus. Also, seniors and other people at risk are now taking more precautions and are better protected, particularly in nursing homes where the death toll was important during the first wave. For these reasons, we remain confident that a second generalized economic lockdown is unlikely. This said, policymakers must also keep in mind that an uncontrolled pandemic will have both a human and an economic cost as consumers' confidence in the health situation is key for a strong economic recovery.

World: A less deadly second wave?

New daily cases and deaths in Europe and North America, seven day moving average



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