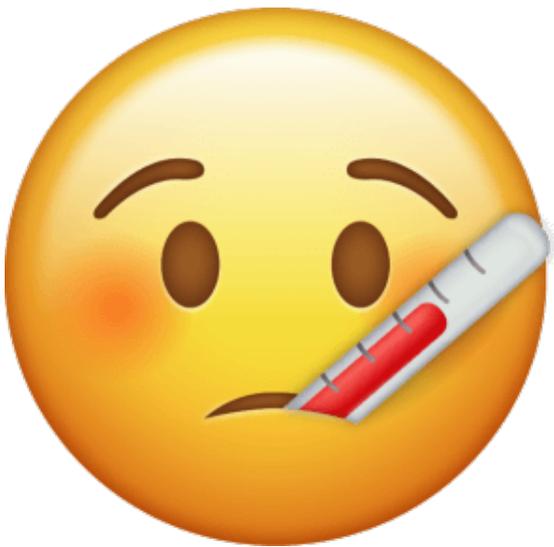


Coronavirus Update! Here's more on the virus, what you can do about it, and how it is affecting the stock markets.



Credit: emojiisland

Coronavirus Update: The illness caused by coronavirus has been spreading around the world. It seems like you can't go anywhere without people talking about it, vacation plans are up in the air, stores are running out of hand sanitiser (yes really!), and larger events are being cancelled. People are trying not to be at large parties where the chance of coming into contact with people who are sick are higher. Schools have asked parents to inform them about travel plans.

Is this a lot of hype? Well, this is what we know. It is a strong virus. It spreads through droplets released into the air by infected people when they cough or sneeze. A lot of those who are infected experience symptoms like the flu and do recover. Those infected and those who are suspected of being infected are being quarantined (kept apart from others) for two weeks so that they don't have a chance of spreading the virus to others.

Why are immigration lines at airports empty? People are preferring to cancel travel if they can, as they don't want to

be on long plane rides with people who might be sick. People at airports are being screened for a fever when they land.

Why is everyone so worried about this if it's like the flu? That's because (1) not everyone who is infected with the virus has the symptoms, and so can unknowingly infect others, and (2) the infection can be quite severe in those whose immunity is not very strong. And some of these people have died from this infection. We do not currently have any specific medicine or a vaccine for this illness, although researchers are working very hard to test out different candidates in clinical trials.

Should you be worried about this? At CurrentKids, we firmly believe that there's nothing you can solve by worrying! Here's what you CAN do:

1. Wash your hands with soap and water.
2. Avoid touching your face (the virus gets into your respiratory system from there).
3. Avoid touching railings and elevator doors and things like that in public places.
4. Stay a safe distance (about 3 feet) away from people you know have a cold and cough.
5. People around the world are starting to avoid shaking hands - maybe a simple namaste will do!
6. Tell your parents if you don't feel well, and get checked by the doctor. The first symptoms? A dry cough and fever.

The impact of the coronavirus on business. Because governments have been trying to contain the spread of this illness, factories in China (where the virus is thought to have originated) were shut for weeks. China actually supplies materials to factories all around the world. Many companies also have manufacturing units in China. China has not been able to complete these orders. As a result, the companies who use them as suppliers will not be able to make the quantities of product they had planned for. Some companies manufacture in other countries, and as the virus has been spreading, it has been affecting business across the world.

As a result, the global stock markets have been falling. Why is this? The price of a stock (share of a company that people buy and sell or trade) is decided upon by a few factors, including what people think the company is capable of producing or providing.

Manufacturing problems: Let's do this through an example. Apple, Inc, the makers of the iPhone, iPad, MacBooks and other products and services, manufactures a lot of its devices in China. It has warned its investors that because factories in China were shut for so long they will not have enough iPhones to sell to meet the demand for iPhones. So people have calculated that Apple's potential to earn money was higher before the coronavirus hit than it is right now, and what they are willing to pay for each share of Apple, Inc, will also be less today than it was before the news hit. This has happened to a lot of companies across the world as many companies get parts from China and also manufacture in China. Therefore, stock markets across the world are falling in value. So people who have invested in shares of these companies are suffering because their investments are then losing value every day!



Starbucks Stock Price, Monday March 9, 2020, in \$

Selling problems: Those companies who sell products and services in China (e.g. Starbucks) are also suffering as they don't have that many customers anymore. And as the infection rate across the globe increases, their business will continue to suffer as people will start to avoid going out. This has started to happen and is being reflected in their stock price. See the Starbucks stock price chart above. The price that people are willing to pay for a share of Starbucks was \$87 on February 10, but on March 9, it is \$75.31.

Travel restrictions: Because of the strong effort by most governments to control the spread of the virus, people have started to avoid travelling unless it is absolutely necessary. They want to avoid being on the plane for long periods of time to reduce their chance of catching the virus. In addition they want to avoid waiting in long lines at the airport to be screened for a fever. As a result, airline companies and hotels are really suffering. They don't have many takers for their services!

Oil: In addition, Saudi Arabia, one of the largest oil producers, just announced that it is cutting the price of oil as there will be too much supply as reduced manufacturing and travel means less oil consumption. The fall in oil prices has negatively affected all the oil producing countries as suddenly they won't be able to generate as much revenue as they had anticipated. This reduction in prices will be positive for the countries buying oil from Saudi Arabia.

So who can benefit from this? Companies who are selling products and services that can help people against the virus - those selling hand sanitizer, flu medicines, masks, vitamins, diagnostic services. These are some of the products that people are buying and making sure they use! As a result, the sellers of these products have increased the price of these products!

Stay tuned for more on the impact of the coronavirus.

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