



Basis Points – January 19, 2021

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Above the Fold

The Unexpected Winner of the 2020 GDP Race

It was on this day last year that the World Health Organization (WHO) first tweeted that there was evidence of limited human-to-human transmission of the novel coronavirus. Shortly after, the WHO sent a team to Wuhan to meet with health officials there to learn how they were responding to the new cluster of cases. And by Jan. 21, 2020, the United States reported its first confirmed case of what would come to be known as COVID-19.

China's response to the virus was reportedly (and arguably) swift and aggressive. Early last year, images of deserted streets and large vehicles spraying chemical disinfectants in urban areas were broadcast around the world from the communist nation. Wuhan was placed on a strict lockdown for 76 days and personal protective equipment was not only easy to procure (being that much of it is made in China), but quickly and aggressively adopted by citizens. And while Chinese data certainly isn't the most reliable, the country reported (according to Johns Hopkins) just 0.34 deaths per 100k of the population, compared to the U.K. and U.S. at 134.5 and 121.51, respectively.

On some level, China's tactics are working, as recent data showed it was the only major economy to report any economic growth in 2020. After a dramatic contraction early last year, the Chinese economic engine roared back to register a 2.3% expansion (gross domestic product) for the full year. Comparatively, the World Bank sees a contraction of 3.6% for the U.S. economy and a global economic pullback of 4.3%.

Three Things

1. *It's Not Just Netflix Shares That Are Rising* – The streaming giant will again raise prices for most of its services. A U.S. premium subscription will jump \$2 to \$17.99, a 125% hike from its original cost back in 2011, while standard subscriptions are increasing \$1 to \$13.99. The good news is that the cost for the standard definition package (for just one device) remains at \$8.99.
2. *NASA's Virgin Delivery Successful* – On Sunday, a Virgin Orbit rocket deployed from the wing of a Boeing 747 aircraft successfully reached orbit and released a payload of NASA satellites. The mission was a huge win for the sister company of Richard Branson's Virgin Galactic, which has its own even bigger aspirations to make "space tourism" a thing.
3. *Folds and Favorites Reportedly Coming to iPhone* – Bloomberg recently reported that Apple has begun internally prototyping foldable phones. For now, the company is focused on the screen itself, with the body design to follow. And even though an origami iPhone is still likely years away, a separate report revealed that Touch ID is returning! The next-gen fingerprint sensor is expected to be beneath the screen's surface; so don't get your hopes up for a home button comeback.

Did You Know?

A Little History on Presidential Inauguration

The inauguration of Joe Biden will certainly look different than years past. Given the pandemic and heightened security concerns, there will be a limited attendance of roughly 1,000 people. President-elect Biden will be sworn in at noon on the Capitol's West Front, as is tradition. The formal ceremony used to be held on March 4, but was moved to Jan. 20 by the 20th (Lame Duck) Amendment in 1933 to better align the swearing in of the new president with the new Congress. The oath of office is traditionally taken with a hand on the bible, but John Quincy Adams chose to take his oath of office on a law book that contained the Constitution. It's also interesting to note that the vice presidential oath is quite different from that of the president.

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