

Coronavirus!

Stupidest People Alive:

- This is crazy AF:
 - You gather together in a group of 50 to announce that everyone should avoid groups of ten or more?
 - The press doesn't ask: what are we doing here?
 - The general advisors do not ask: what are we doing here?
 - The *public health* advisors do not ask: what are we doing here?
- This sums up at least the American federal government's reaction to the coronavirus crisis.

Members of the public were told to avoid gatherings of 10 or more



ABC News

Trump warns coronavirus crisis could stretch into summer

Watch

Members of the public were told to avoid gatherings of 10 or more and older people and those with underlying condition were asked to stay home.

audio time

Where We Think We Are with Coronavirus

Where we think we are, as of Sa Apr 18 2020:

- We really do not know: no random samples...
 - If 1% *recorded* mortality from virus brushing close enough to confer temporary immunity...
 - And if two weeks from diagnosis to death...
 - Then U.S. in late March was catching one in fifteen cases
- And if that still holds than 10 million people in the U.S. have or have had the disease
- And 500,000 are catching it and gaining at least temporary immunity every day out the past week straight-line log:
 - The U.S. flattened but not bent down the curve:
 - $R[0] = 1$
 - 2500 *recorded* deaths/day
 - True mortality probably twice as high
 - 2.3 million total *confirmed* cases worldwide; 160 thousand *confirmed* dead...

Date	Deaths	Cases = Deaths x 100	Constant Weekly New Cases	Cases = 5 x Cases(-3)	Cases = 20 x Cases (-3)		Confirmed Cases	Inferred Cases / Confirmed Cases
2020-04-16	34617		4,858,400	8,356,000	33,424,000		639,664	
2020-04-09	16712		2,046,400	3,044,000	12,176,000		432,132	
2020-04-02	6088	3,461,700	456,600	648,000	2,592,000		216,721	16
2020-03-26	1298	1,671,200	70,100	103,000	412,000		69,194	24
2020-03-19	206	608,800	12,800	20,500	82,000		9,415	65
2020-03-12	41	129,600	4,500	6,000	24,000		1,312	99
2020-03-05	12	20,600	400	500	2,000		159	130
2020-02-27	1	4,100	0	0	0		59	69
2020-02-20		1,200					15	80
2020-02-13		100					14	7
2020-02-06							12	0
2020-01-30							5	0
							1	0

<https://www.icloud.com/numbers/0EzBEAaAQoiAi04VJWYWiWICQ>

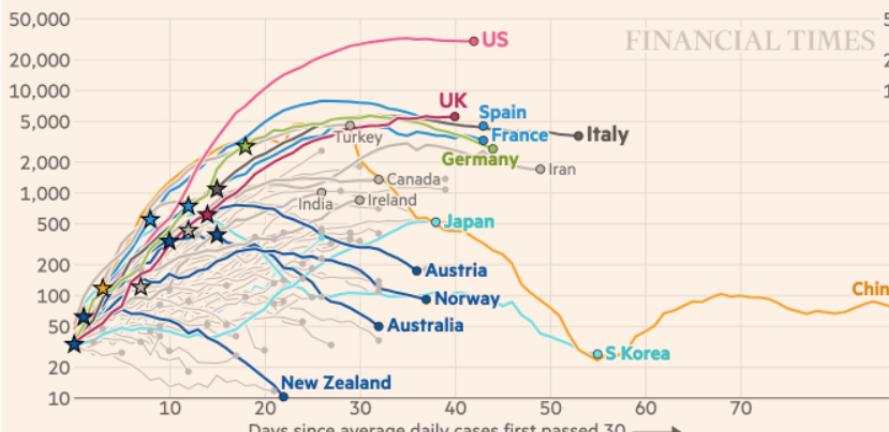
Several countries have turned the corner, with numbers of new cases now in decline

COVID-19 CORONAVIRUS PANDEMIC

Last updated: April 18, 2020, 23:24 GMT

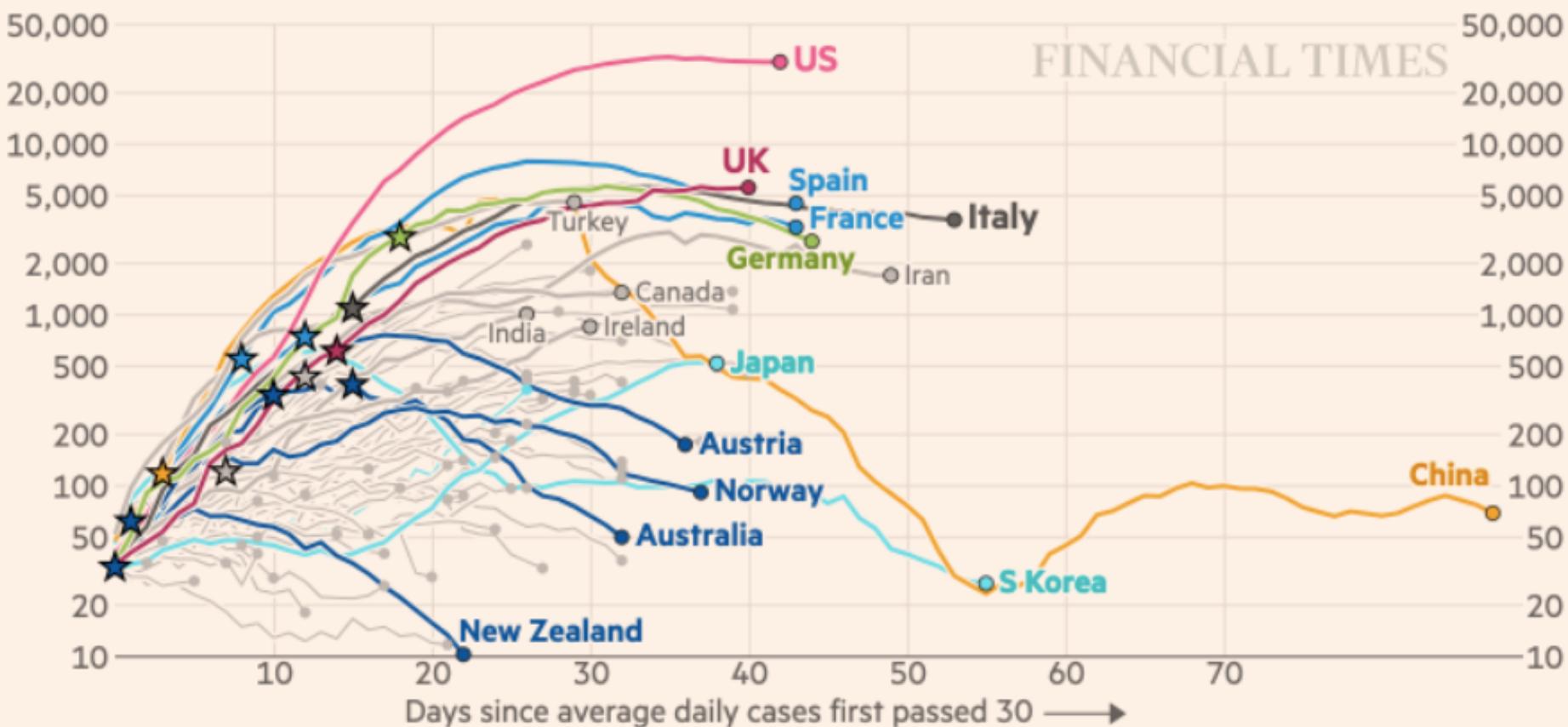
Daily confirmed cases (7-day rolling avg.), by number of days since 30 daily cases first recorded
Stars represent national lockdowns ★

[Entries](#) • [Death Rate](#) • [Symptoms](#) • [Incubation](#) • [Transmission](#)



Several countries have turned the corner, with numbers of new cases now in decline

Daily confirmed cases (7-day rolling avg.), by number of days since 30 daily cases first recorded
Stars represent national lockdowns ★



FT graphic: John Burn-Murdoch / @jburnmurdoch

Source: FT analysis of European Centre for Disease Prevention and Control; FT research. Data updated April 17, 19:24 BST

© FT

Coronavirus Extrapolations

Integrating Public Health with Economics

Best thing I have read:

- Comes from Jim Stock <<https://www.jimstock.org>>
- Jim Stock: *Coronavirus Data Gaps and the Policy Response* <<https://drive.google.com/file/d/12MV466ZZy5xHir4xdPhoTrL1oO8CbZU-/view>>:

- The basic SIR epidemiological model of contagion
- What policy should be hinges on the coronavirus non-testing rate
- Estimates in the epidemiological literature range from 0.18 to 0.86.
- That is a case-catching rate of no less than 1/7—half of what extrapolations from 1% suggest
- Does that mean we are dealing with a 2% virus?

$$\Delta S_t = -\beta I_{t-1} \frac{S_{t-1}}{N}$$

$$\Delta R_t = \gamma I_{t-1},$$

$$\Delta I_t = \beta I_{t-1} \frac{S_{t-1}}{N} - \gamma I_{t-1}$$

audio time

Figure 1. Two policy-induced paths of R_0

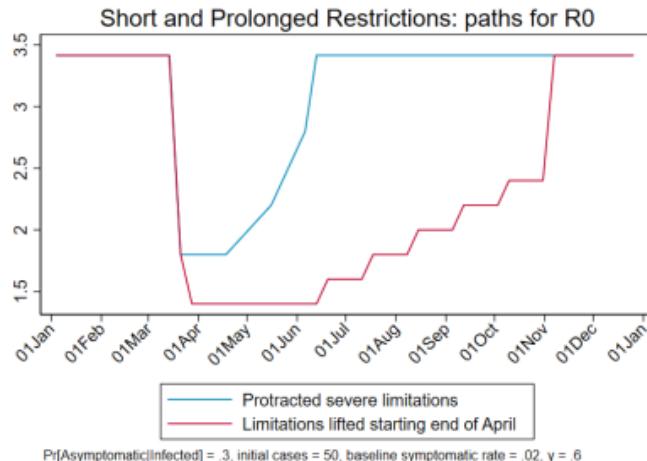


Figure 2. High asymptomatic rate, short-duration policy

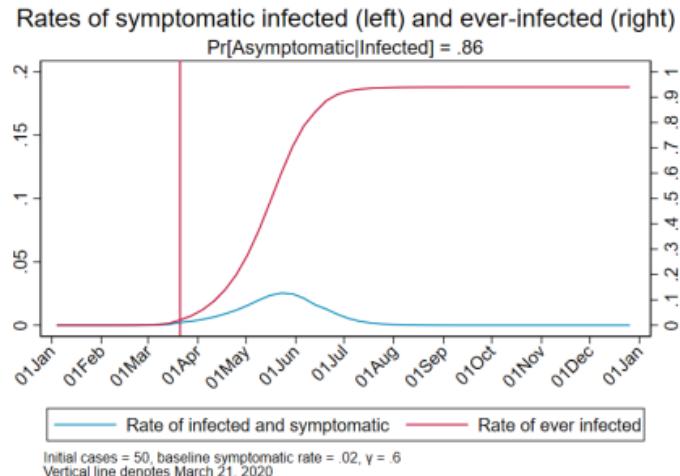


Figure 3. Low asymptomatic rate, short-duration policy

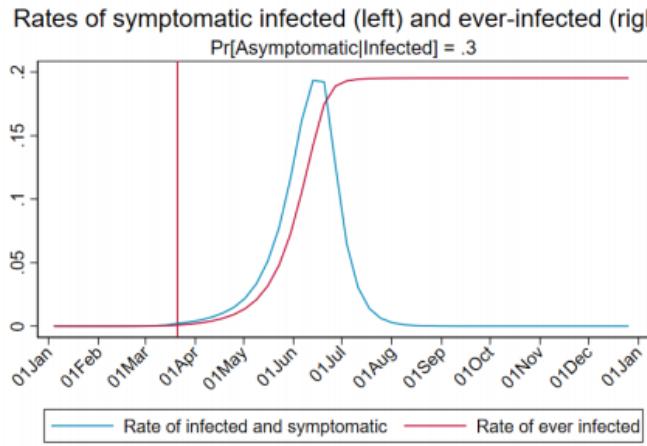
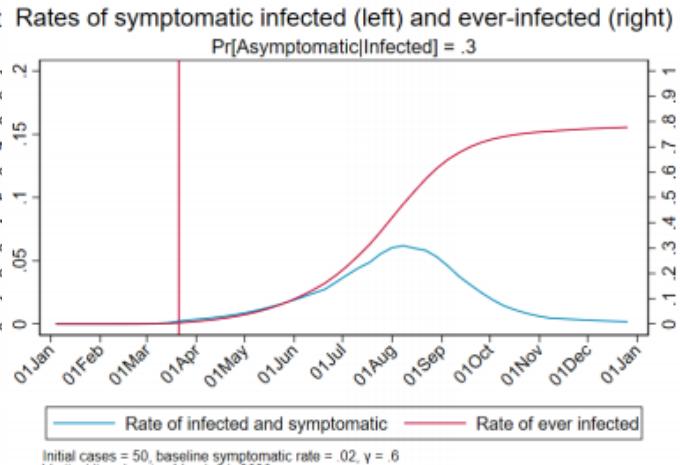


Figure 4. Low asymptomatic rate, severe long-duration policy

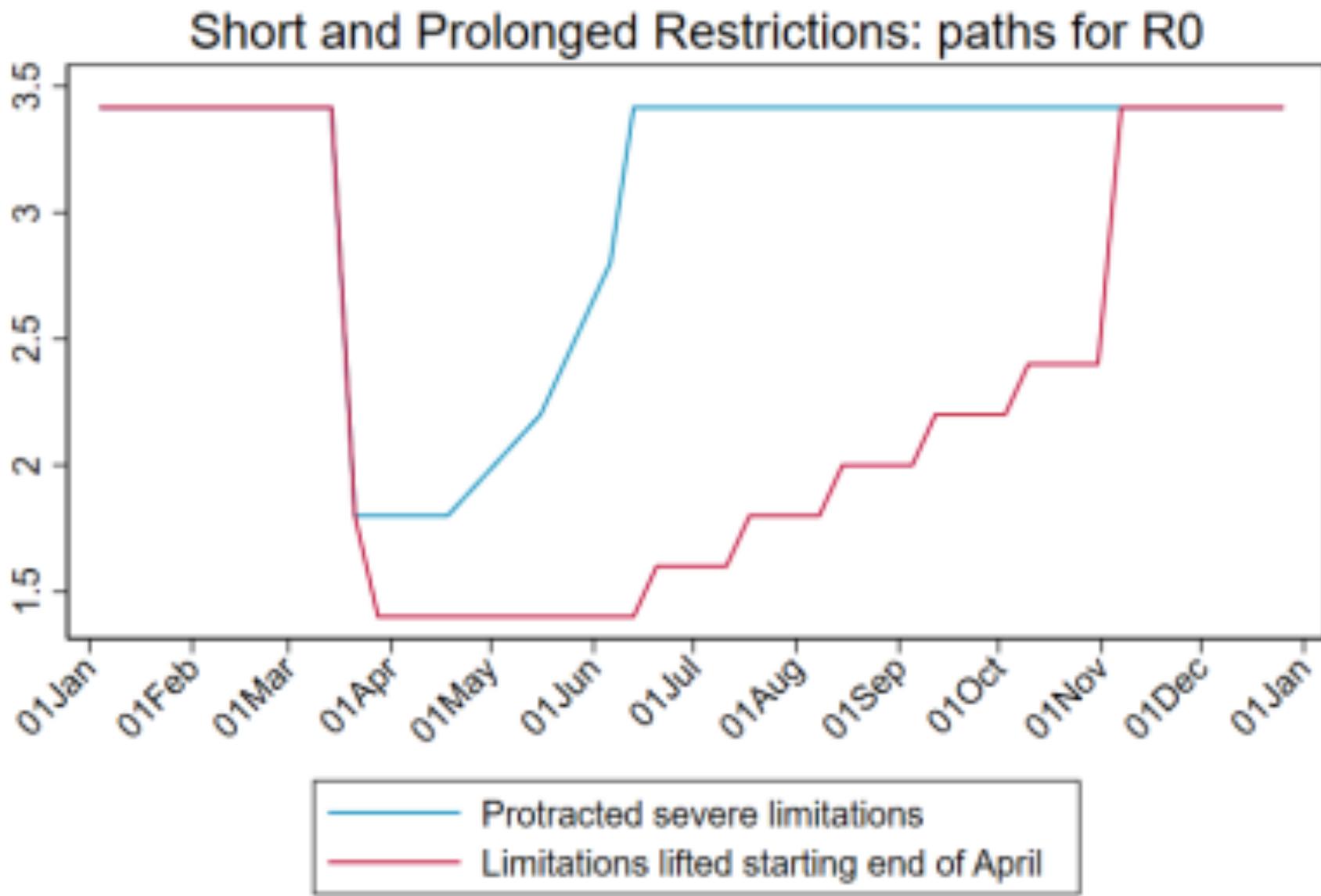


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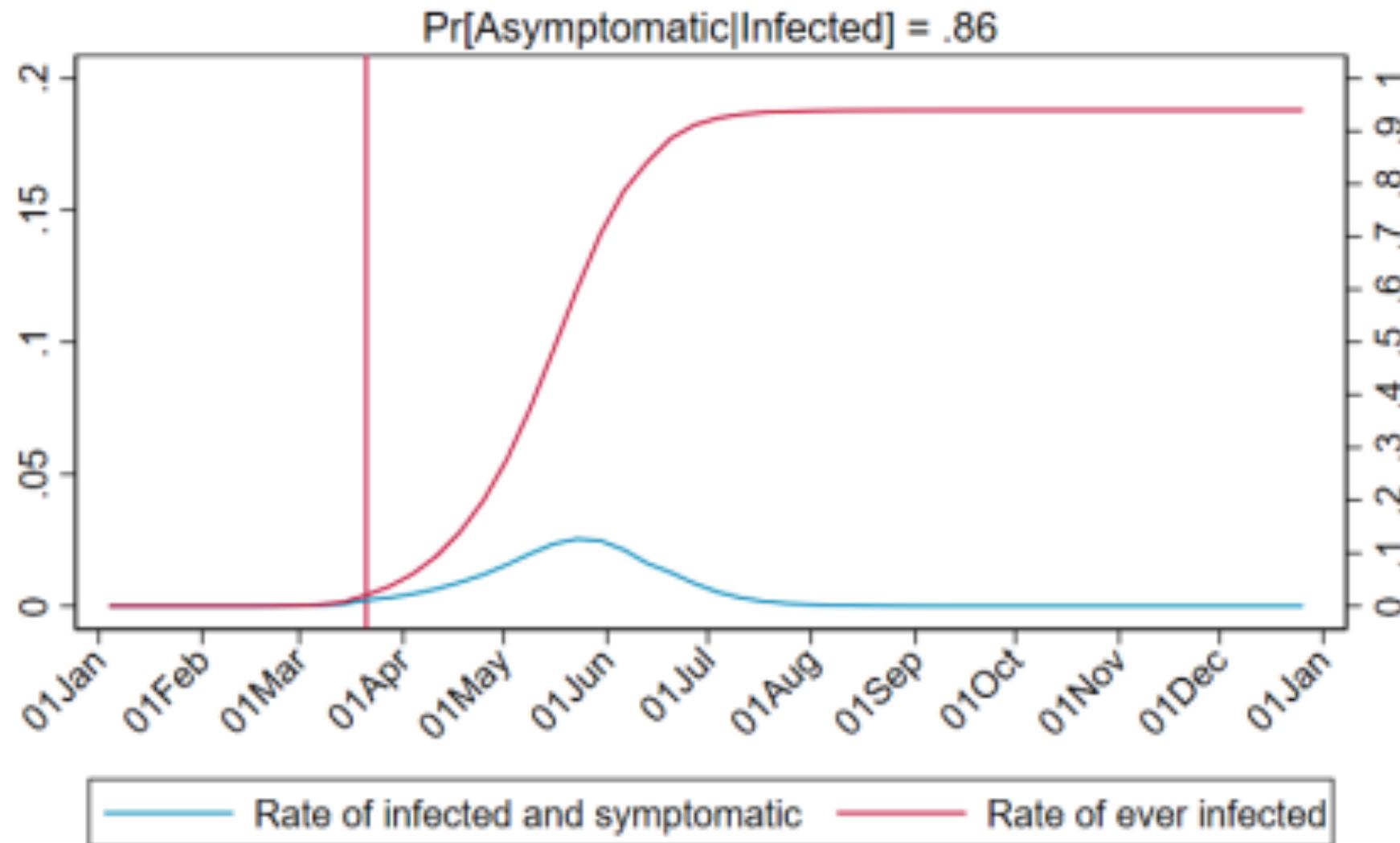
Figure 1. Two policy-induced paths of R_0



$\text{Pr}[\text{Asymptomatic} | \text{Infected}] = .3$, initial cases = 50, baseline symptomatic rate = .02, $\gamma = .6$

Figure 2. High asymptomatic rate, short-duration policy

Rates of symptomatic infected (left) and ever-infected (right)

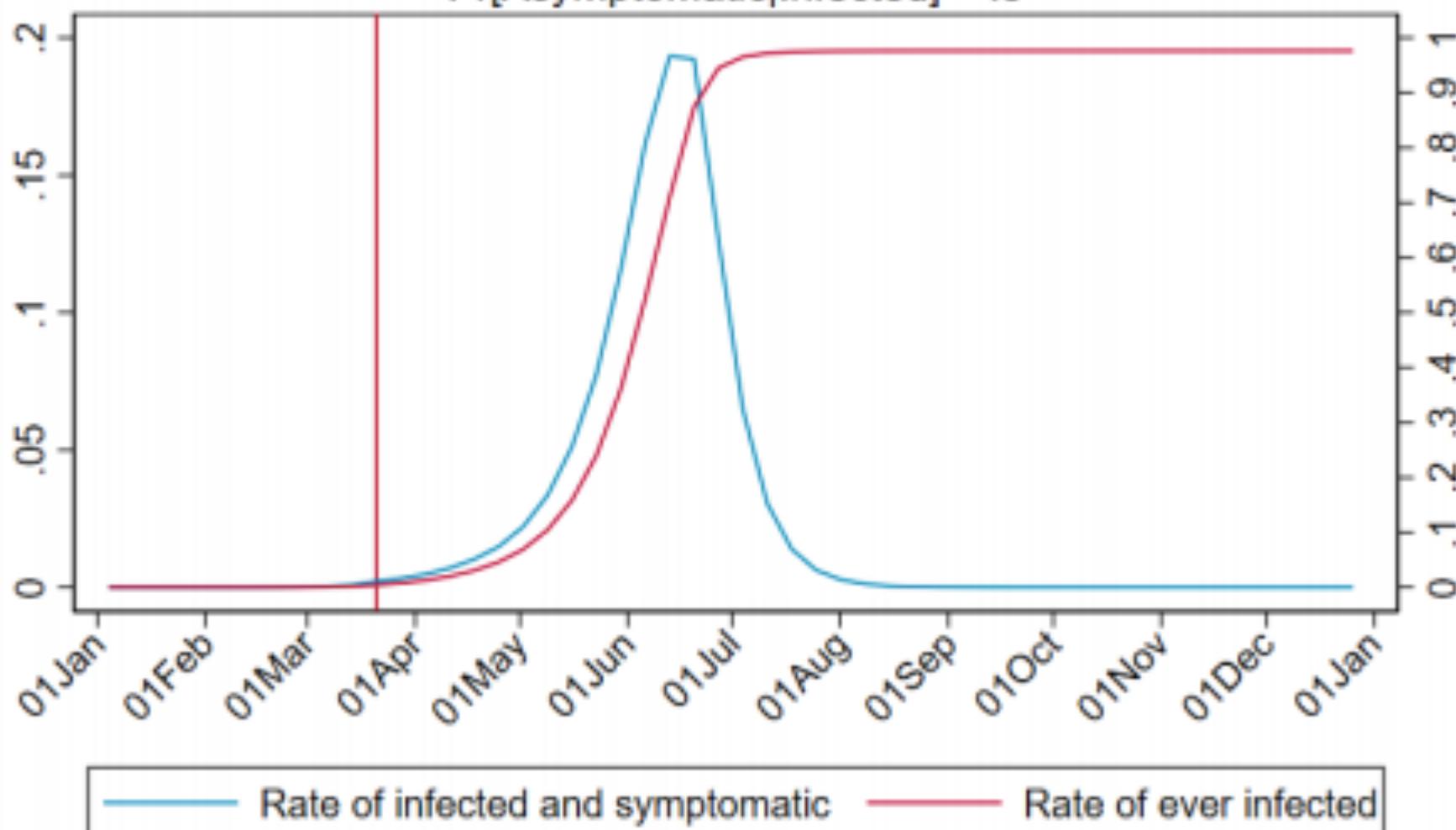


Initial cases = 50, baseline symptomatic rate = .02, $\gamma = .6$
Vertical line denotes March 21, 2020

Figure 3. Low asymptomatic rate, short-duration policy

Rates of symptomatic infected (left) and ever-infected (right)

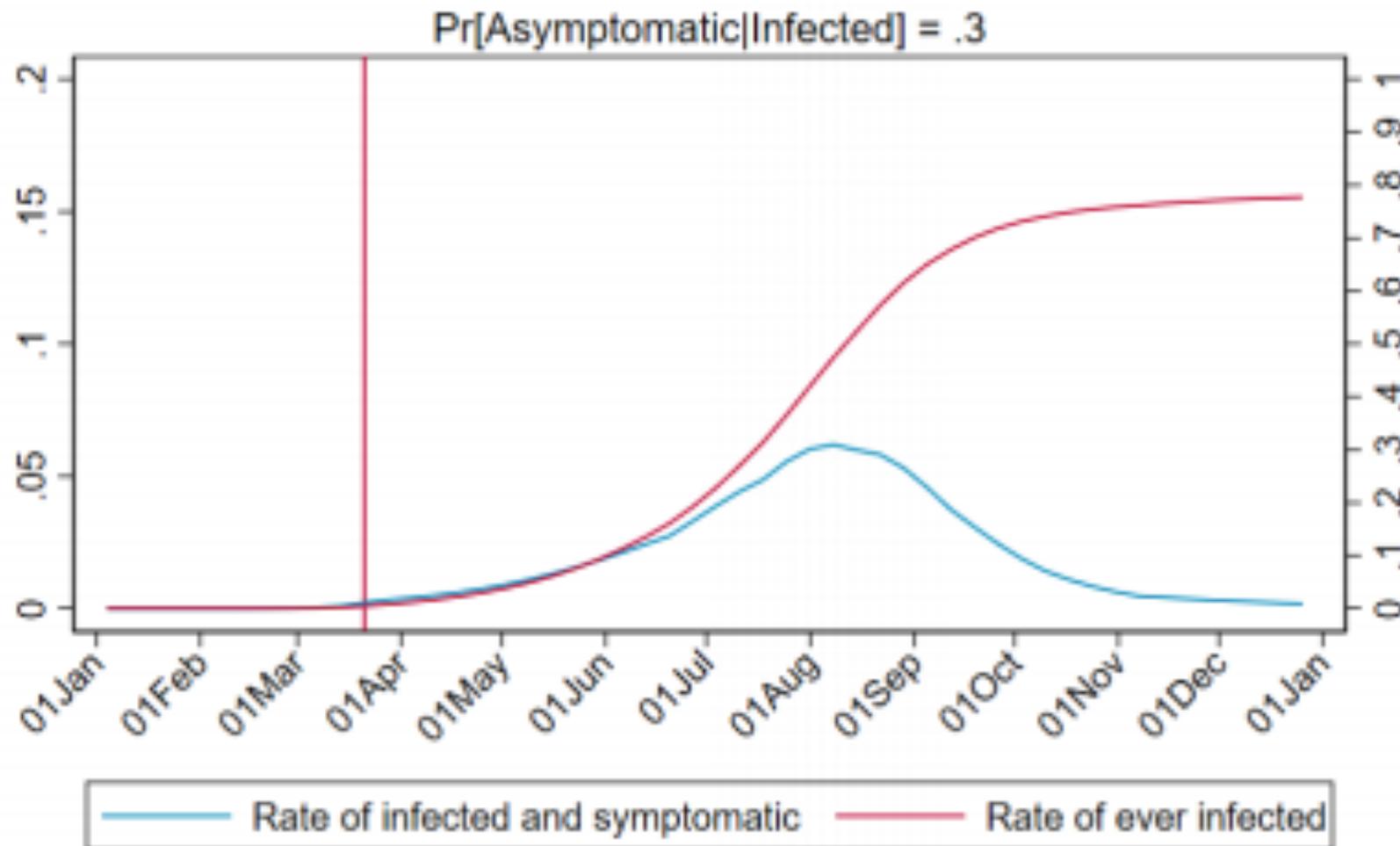
$$\Pr[\text{Asymptomatic} | \text{Infected}] = .3$$



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Figure 4. Low asymptomatic rate, severe long-duration policy

Rates of symptomatic infected (left) and ever-infected (right)



Initial cases = 50, baseline symptomatic rate = .02, $\gamma = .6$
Vertical line denotes March 21, 2020

Most Afflicted States

40% of all cases in NY-NJ-CT:

- Other hot spots:
 - MA-RI (Biogen)
 - LA (Mardi Gras)
 - DC
 - MI
- But it looks like others will be coming up fast...
- As of 2020-

USA State	Total Cases	New Cases	Total Deaths	New Deaths	Active Cases	Tot Cases/1M pop	Deaths/1M pop	Total Tests	Tests/1M pop
New York	241,041	+7,090	17,671	+540	199,483	12,286	901	596,532	30,407
New Jersey	81,420	+2,953	4,070	+230	76,079	9,167	458	164,278	18,496
Massachusetts	36,372	+1,970	1,560	+156	26,694	5,325	228	156,806	22,958
Louisiana	23,580	+462	1,267	+54	22,263	5,056	272	137,999	29,591
Connecticut	17,550	+741	1,086	+50	16,399	4,900	303	58,213	16,254
Rhode Island	4,491	+314	137	+19	4,344	4,250	130	32,826	31,067
District Of Columbia	2,666	+190	91	+5	1,967	3,895	133	13,268	19,384
Michigan	30,791	+768	2,308	+81	25,246	3,092	232	102,366	10,280
Delaware	2,538	+215	67	+6	2,005	2,673	71	14,794	15,581
Pennsylvania	31,731	+1,810	1,102	+145	29,979	2,481	86	153,965	12,037
Illinois	29,160	+1,585	1,259	+125	27,851	2,274	98	137,404	10,717
USA Total	738,792	+29,057	39,014	+1,867	631,509	2,232	118	3,722,145	11,245
Maryland	12,308	+736	463	+38	11,074	2,050	77	65,370	10,889
South Dakota	1,542	+131	7		983	1,784	8	11,660	13,491
Georgia	17,841	+409	677	+9	17,133	1,733	66	74,208	7,206
Colorado	9,433	+386	411	+20	8,524	1,705	74	44,606	8,065
Washington	11,802	+643	624	+25	9,463	1,618	86	135,706	18,604
Indiana	10,641	+487	545	+26	10,082	1,603	82	56,873	8,569
Mississippi	3,974	+181	152	+12	3,822	1,330	51	38,765	12,970
Vermont	803	+24	38	+3	765	1,285	61	12,566	20,106
Nevada	3,626	+102	151	+9	2,306	1,241	52	35,955	12,301
Florida	25,492	+739	748	+22	24,058	1,238	36	253,183	12,292
Tennessee	6,762	+173	145	+3	3,383	1,017	22	90,586	13,620
New Hampshire	1,342	+55	38	+1	791	999	28	13,424	9,991
Idaho	1,668	+13	44	+1	1,171	988	26	16,183	9,588
Alabama	4,723	+151	147	+3	4,556	971	30	42,538	8,744
Utah	2,931	+126	25	+2	2,463	962	8	59,944	19,684
Virginia	8,053	+562	258	+27	6,685	957	31	51,931	6,172
Missouri	5,517	+234	184	+2	5,149	906	30	53,525	8,789
Ohio	10,222	+1,115	451	+33	9,651	878	39	83,131	7,141
New Mexico	1,798	+87	53	+2	1,280	859	25	36,632	17,507
South Carolina	4,246	+160	119	+3	3,389	857	24	38,833	7,836
Iowa	2,513	+181	74	+10	1,432	802	24	22,947	7,325

audio time

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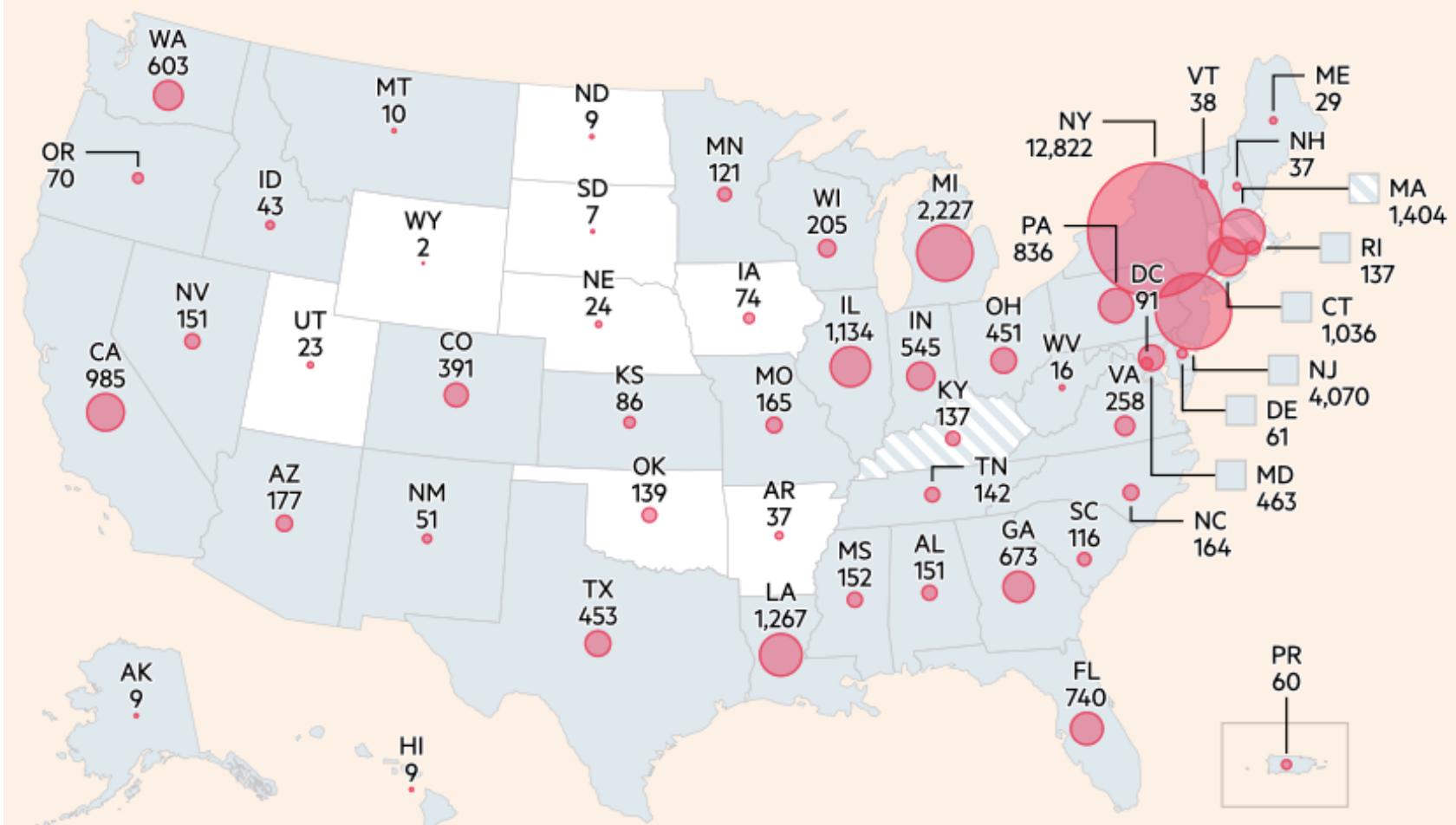
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Coronavirus situation in the US

Total deaths as of 7:36pm Apr 18 BST

- Statewide 'stay at home' order*
- Advisory 'stay at home' order**



Graphic: Steven Bernard and Cale Tilford

Sources: Johns Hopkins University, CSSE; Worldometers; FT research

© FT

*Includes 'shelter in place' orders

**Includes Kentucky's 'healthy at home' order

Bringing the Economy Back Up from Anæsthesia

Major issues:

- Certificates of immunity:
 - Which requires test, test, test:
 - And not just disease virus tests
 - Presence-of-antibodies tests
- How quickly can we match the immune with public-contact jobs?
- What jobs can be done with minimal infection risk?
- What minimal-infection substitutes can we find for previous jobs?
- How quickly can restrictions be relaxed without the virus coming roaring back?
- How do we avoid having the market give a “shutdown” signal to enterprises we in fact want restarted?
 - Which is pretty much all of them
- How much of the potential caseload do we want to push out beyond the vaccine-arrival date?

ALL THESE QUESTIONS ARE ANSWERABLE IF WE LEARN THE ASYMPTOMATIC HENCE NON-TESTED RATE!!

Keeping the Economy from Crashing During the Lockdown

Nick Rowe: We have a 50% output cut in 100% of the sectors:

- A temporary 100% output cut in 50% of the sectors (what the Coronavirus does) is very different from a 50% output cut in 100% of the sectors
- Nick's thought experiment:
 - In three months we are going to invent unobtanium:
 - Substantial intertemporal substitutability
 - Plus lower cross-good contemporaneous substitutability
 - Hence high desired savings rate now
 - Flex-price market thus produces a nominal rate at the zero lower bound and a high inflation rate over the next three to six months
 - Plus liquidity-constrained workers in affected sectors see their demand go to zero immediately
 - Can we get there? Should we get there? What should we do instead?
 - We need a good RBC economist: are there any?...

<https://worthwhile.typepad.com/worthwhile_canadian_initi/2020/03/relative-supply-shocks-unobtainium-walras-law-and-the-coronavirus.html>

audio time

Keeping the Economy from Crashing During the Lockdown II

Nick Rowe:

- <https://worthwhile.typepad.com/worthwhile_canadian_initi/2020/03/relative-supply-shocks-unobtainium-walras-law-and-the-coronavirus.html>
- Plus: to extend the thought experiment:
 - We just lost the ability to make “unobtainium”
 - So we *should* be substituting leisure for work, and moving workers into relatively unproductive labor, making the commodities we can still produce right now
 - How should relative prices move as a result? How should we make them move?

Plus: distributional issues

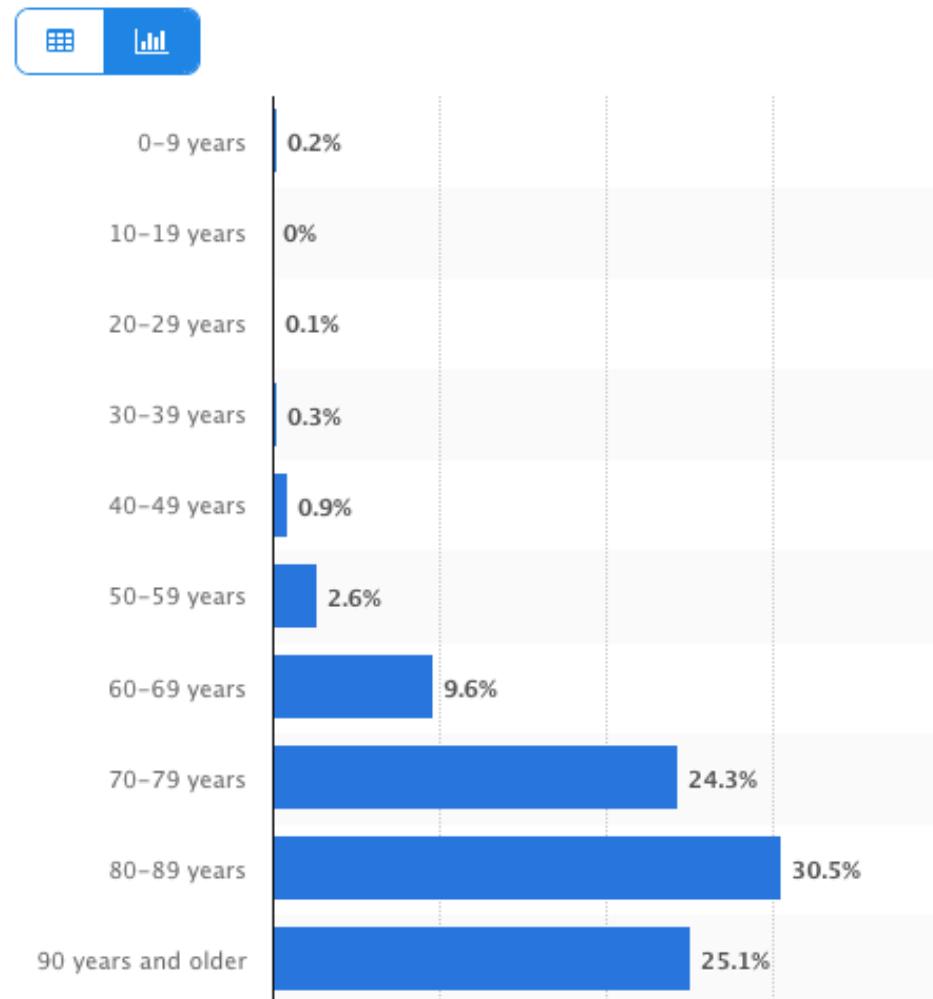
Plus: bankruptcy and credit chain issues

MOAR Coronavirus!

Death for Geezers!

- Mortality for the Youngs very low...
- It's the flu for them—for you...
- For the olders:
 - And an extra doubling—or is it 5%?—mortality for the asthmatic
 - And an extra doubling—or is it 5%?—mortality for the overweight
 - And an extra ???? if you have high blood pressure
 - And an extra ???? if you have high blood sugar

Coronavirus (COVID-19) death rate in Italy as of April 17, 2020, by age group

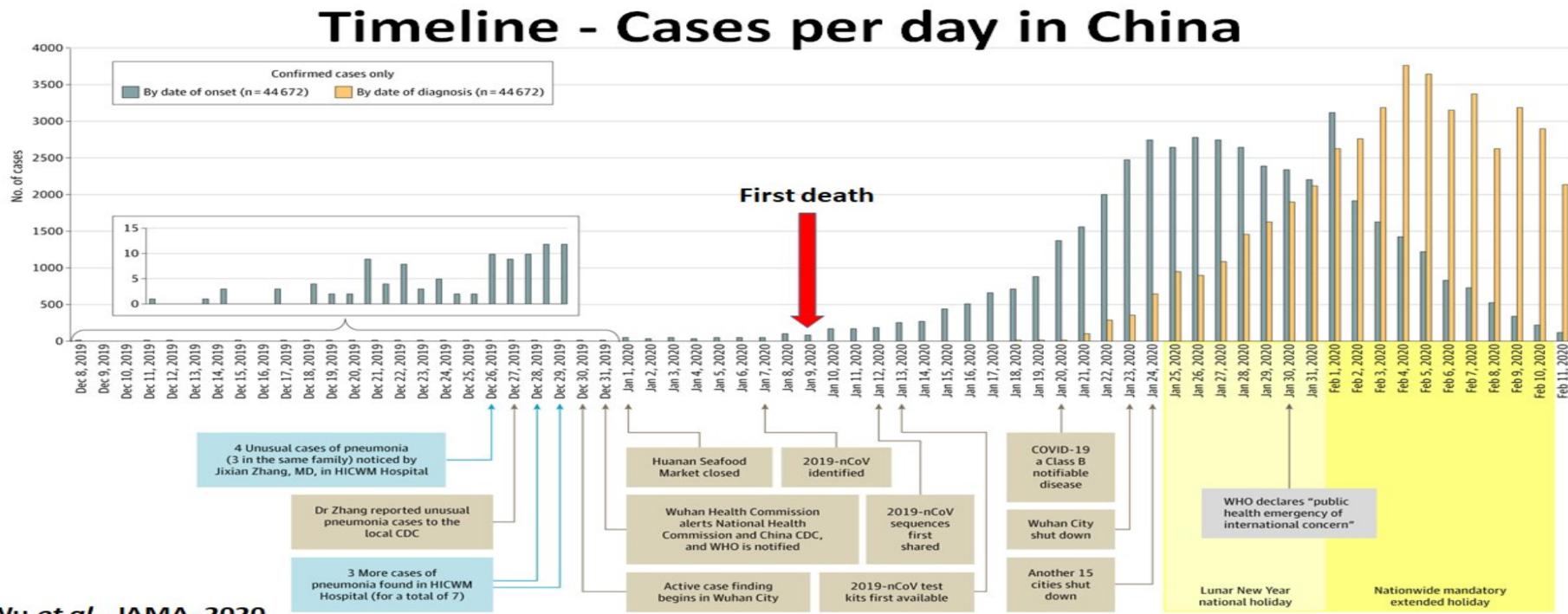


audio time

What We Think Happened in Wuhan

Wuhan beat it quickly—we think

- Shut down Wuhan when there were 200 cases per day
- Seems to have been a good choice



Wu et al., JAMA, 2020

audio time

References

Directly cited here:

- **Financial Times** (2020): Coronavirus Tracked: The Latest Figures as the Pandemic Spreads <<https://www.ft.com/coronavirus-latest>>
- **Nick Rowe** (2020): *Relative Supply Shocks, Unobtainium, Walras' Law, and the Coronavirus* <https://worthwhile.typepad.com/worthwhile_canadian_initi/2020/03/relative-supply-shocks-unobtainium-walras-law-and-the-coronavirus.html>
- **Jim Stock** (2020): *Coronavirus Data Gaps and the Policy Response* <<https://drive.google.com/file/d/12MV466ZZy5xHir4xdPhoTrL1oO8CbZU-/view>>

What I am watching:

- **Jim Stock** (2020): *Coronavirus Data Gaps and the Policy Response* <<https://drive.google.com/file/d/12MV466ZZy5xHir4xdPhoTrL1oO8CbZU-/view>>
- **Max Roser & Hannah Ritchie**: *Coronavirus Disease (COVID-19)* <<https://ourworldindata.org/coronavirus>>...
- **Worldometer**: *Coronavirus Update (Live)* <<https://www.worldometers.info/coronavirus/>>...
- **FT Coronavirus Tracker** <<https://www.ft.com/content/a26fbf7e-48f8-11ea-aeb3-955839e06441>>
- **Josh Marshall's COVID Twitter List** <<https://twitter.com/i/lists/1233998285779632128>>
- **NEJM Group**: *Updates on the Covid-19 Pandemic* <http://m.n.nejm.org/nl/jsp/m.jsp?c=%40kxNtXckRDOq8oG0jJvAXsIzN4mPECIPhltxoTSdTU9k%3D&cid=DM89089_NEJM_COVID-19_Newsletter&bid=173498255>; 'From the New England Journal of Medicine, NEJM Journal Watch, NEJM Catalyst, and other trusted sources...'

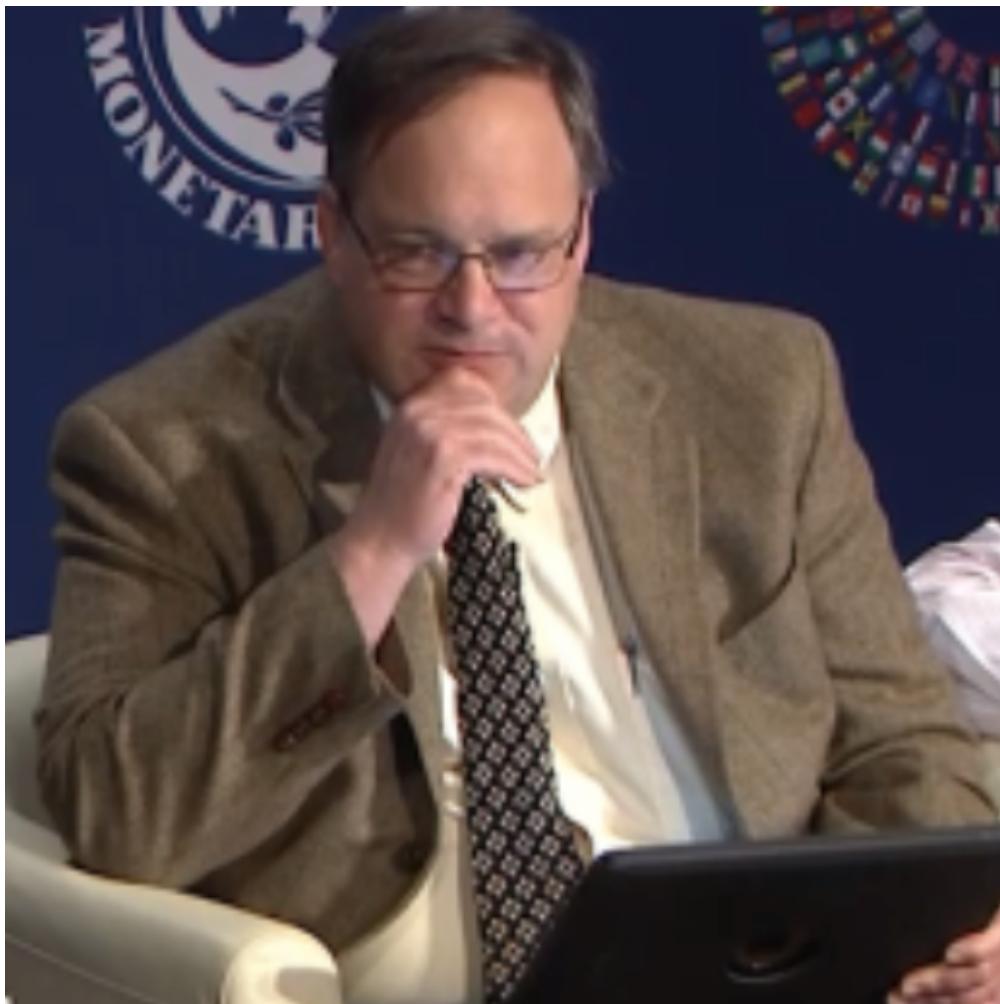
Catch Our Breath...

Continue the Discussion:

- Ask a couple of questions?
- Make a couple of comments?
- Any more readings to recommend?

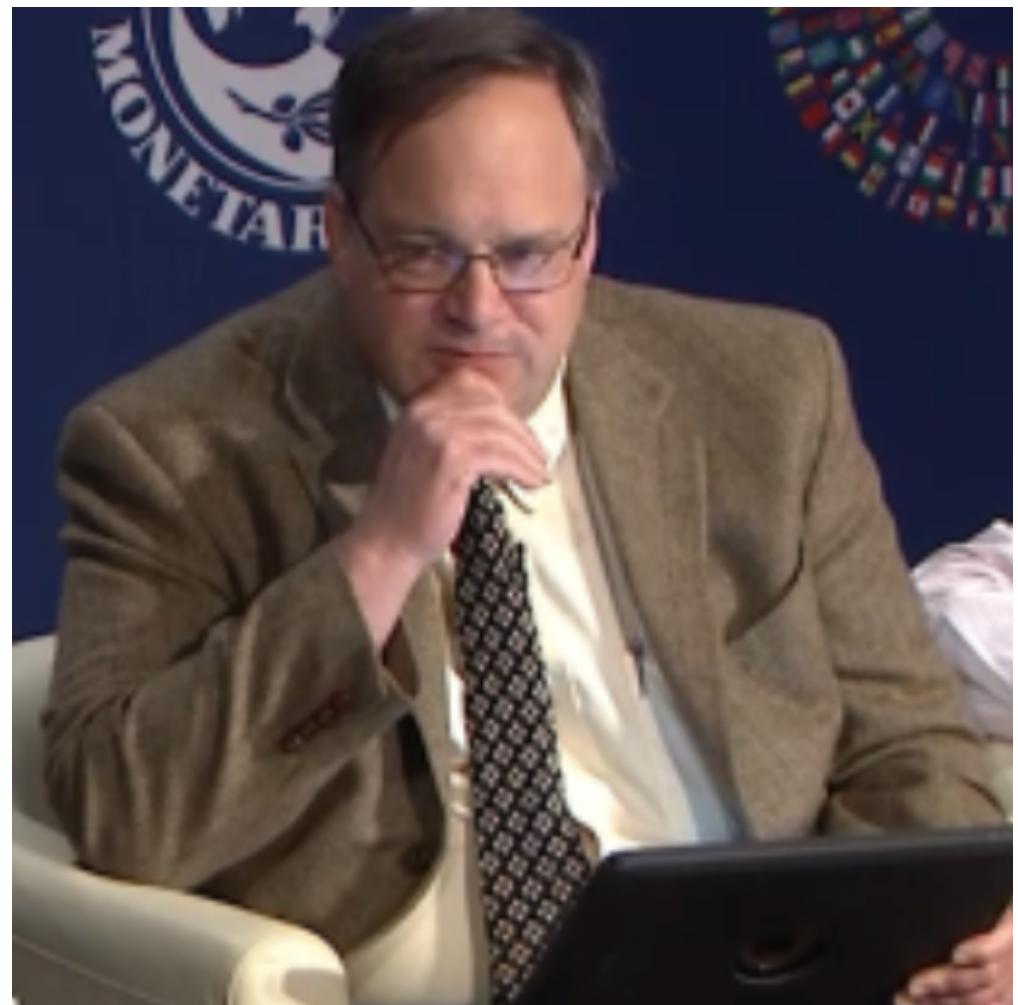
Files:

- <<https://www.icloud.com/keynote/0YKEi7HeOrVGvKYtt9FEqH7nA>>
- <<https://www.bradford-delong.com/2020/04/coronavirus.html>>
- github:<<https://github.com;braddelong/public-files/blob/master/coronavirus.pptx>>
- <https://github.com;braddelong/public-files/blob/master/coronavirus.pdf>>
- html file: <<https://www.bradford-delong.com/2020/04/coronavirus.html>>
 - html edit: <<https://www.typepad.com/site/blogs/6a00e551f08003883400e551f080068834/post/6a00e551f080038834025d9b3bd66a200c/edit>>
- <<https://delong.typepad.com/files/2020-04-01-coronavirus.pdf>>



audio time

Notes



2020-04-06 Coronavirus

Where we think we are, as of Mo Apr 6:

- We really do not know
- No random samples...
- If we extrapolate out the past week straight-line log:
 - We will have 440,000 deaths in three weeks
 - But it is unlikely to be that bad
- Best thing I have read comes from Jim Stock <<https://drive.google.com/file/d/12MV466ZZy5xHir4xdPhoTrL1oQ8CbZU-/view>>:
 - The basic SIR epidemiological model of contagion
 - The effect of social distancing and business shutdowns on epidemic dynamics enters the model through a single parameter: the case transmission rate β
 - Re-express the model in terms of β and the asymptomatic (or not very symptomatic) hence non-tested rate—the fraction of the infected who are not tested
 - The COVID-19 non-testing rate is unidentified in our model
 - Estimates in the epidemiological literature range from 0.18 to 0.86.
 - The asymptomatic rate could be estimated accurately and quickly by testing a random sample
- The optimal policy response and its economic consequences hinge critically on the asymptomatic rate

Coronavirus Extrapolations						
Date	Deaths	Cases = Deaths x 100	Constant Weekly New Cases	Cases = 5 x Cases(-3)	Cases = 20 x Cases (-3)	Cases = Cases (-3) x exp(3 x week ch)
2020-04-05	9618		3,102,000	4,809,000	19,236,000	55,832,145
2020-03-29	2484		869,400	1,242,000	4,968,000	53,654,400
2020-03-22	414		144,900	207,000	828,000	8,942,400
2020-03-15	69	961,800	19,800	34,500	138,000	128,966
2020-03-08	26	248,400	10,100	13,000	52,000	45,697,600
2020-03-01	1	41,400	370	500	2,000	100,000
2020-02-23		6,900	37	50	200	10,000
2020-02-16		2,600	4	5	20	
2020-02-09		100				
2020-02-02		10				
2020-01-26		1				
		0				

<https://www.incloud.com/numbers/0FzRFAnAOnIAin4VJWWiWIC0>

Coronavirus Cases:  United States

1,342,235

[view by country](#)

Coronavirus Cases:

364,059

Deaths:

74,554

Deaths:

10,792

Recovered:

278,182

Recovered:

19,536

USA State	Tot Cases/ 1M pop	Deaths/ 1M pop
USA Total	1,100	33
New York	6,662	243
New Jersey	4,626	113
Michigan	1,729	73
California	404	10
Louisiana	3,188	110
Massachusetts	2,026	38
Florida	662	12
Pennsylvania	1,016	13
Illinois	956	24
Washington	1,095	46
Texas	263	5
Georgia	710	22

Coronavirus II

We do not really know where we are, as of Mo Apr 6:

- Best thing I have read comes from Jim Stock <<https://drive.google.com/file/d/12MV466ZZy5xHir4xdPhoTrL1oO8CbZU-/view>>:
 - The basic SIR epidemiological model of contagion
 - The effect of social distancing and business shutdowns on epidemic dynamics enters the model through a single parameter: the case transmission rate β
 - Re-express the model in terms of β and the asymptomatic (or not very symptomatic) hence non-tested rate—the fraction of the infected who are not tested
 - The COVID-19 non-testing rate is unidentified in our model
 - Estimates in the epidemiological literature range from 0.18 to 0.86.
 - The asymptomatic rate could be estimated accurately and quickly by testing a random sample
 - The optimal policy response and its economic consequences hinge critically on the asymptomatic rate

Coronavirus Extrapolations						
Date	Deaths	Cases = Deaths x 100	Constant Weekly New Cases	Cases = 5 x Cases(-3)	Cases = 20 x Cases (-3)	Cases = Cases (-3) x exp(3 x week ch)
2020-04-05	9618		3,102,000	4,809,000	19,236,000	55,832,145
2020-03-29	2484		869,400	1,242,000	4,968,000	53,654,400
2020-03-22	414		144,900	207,000	828,000	8,942,400
2020-03-15	69	961,800	19,800	34,500	138,000	128,966
2020-03-08	26	248,400	10,100	13,000	52,000	45,697,600
2020-03-01	1	41,400	370	500	2,000	100,000
2020-02-23		6,900	37	50	200	10,000
2020-02-16		2,600	4	5	20	
2020-02-09		100				
2020-02-02		10				
2020-01-26		1				
		0				

<https://www.incloud.com/numbers/0FzRFAaAOnIAin4VJWWiWIC0>

Coronavirus Cases:  United States

1,342,235

[view by country](#)

Coronavirus Cases:

364,059

Deaths:

74,554

Deaths:

10,792

Recovered:

278,182

Recovered:

19,536

USA State	Tot Cases/ 1M pop	Deaths/ 1M pop
USA Total	1,100	33
New York	6,662	243
New Jersey	4,626	113
Michigan	1,729	73
California	404	10
Louisiana	3,188	110
Massachusetts	2,026	38
Florida	662	12
Pennsylvania	1,016	13
Illinois	956	24
Washington	1,095	46
Texas	263	5
Georgia	710	22

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Coronavirus Case



United States

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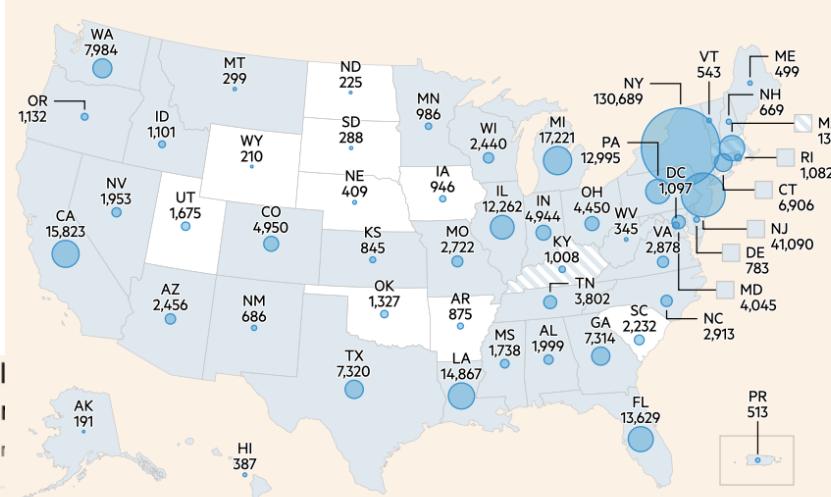
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Financial Times Graphs Blown Up...

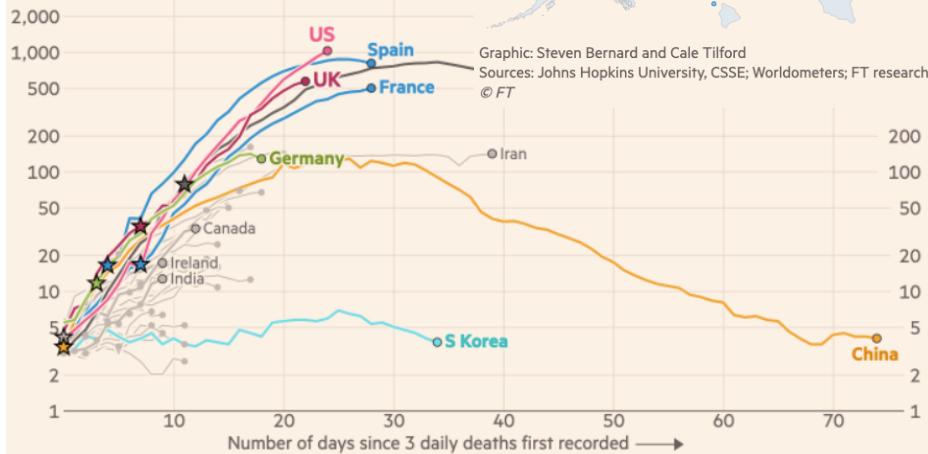
Coronavirus situation in the US
Total cases confirmed as of 11:21pm Apr 6 BST

Statewide 'stay at home' order*
Advisory 'stay at home' order**



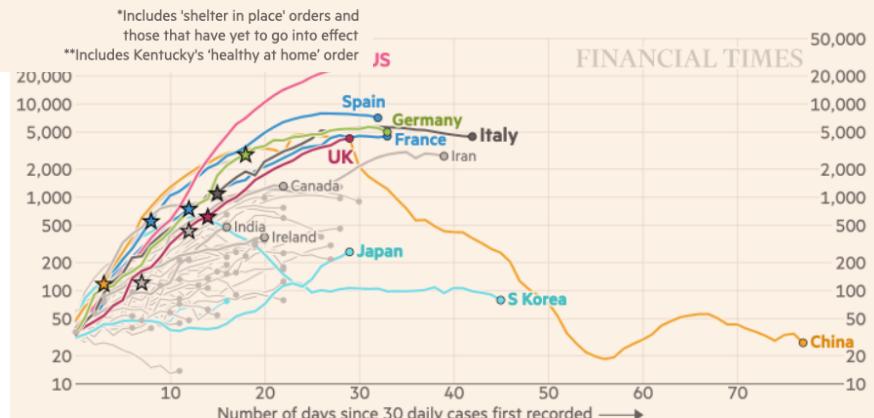
Italy and Spain's daily death tolls are plateauing, while the US and UK are still rising.
Every day brings more new deaths than the day before.

Daily coronavirus deaths (7-day rolling avg.), by number of days since 30 daily cases first recorded



numbers of new cases now in decline,

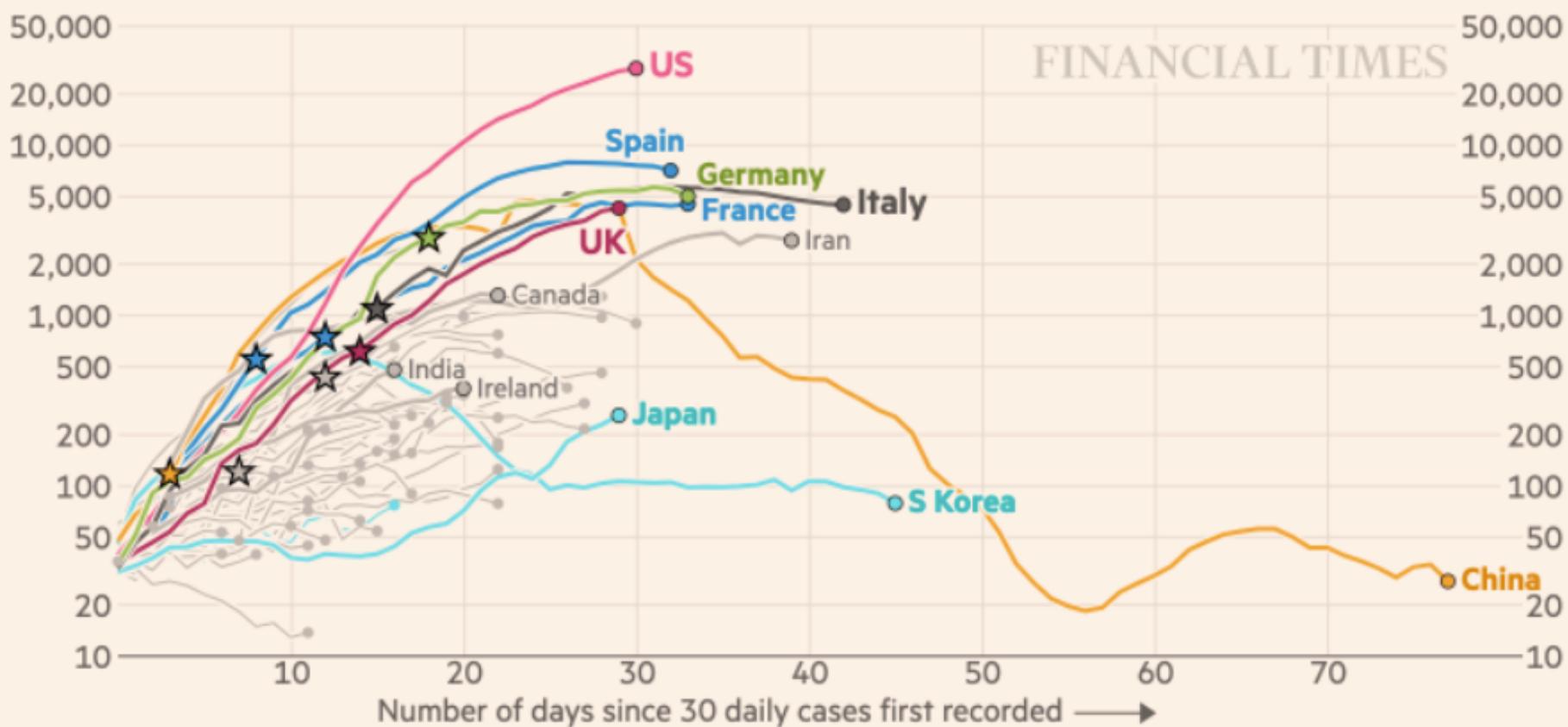
by number of days since 30 daily cases first recorded



Italy has turned the corner, with numbers of new cases now in decline, following in China's footsteps

Daily confirmed cases (7-day rolling avg.), by number of days since 30 daily cases first recorded

Stars represent national lockdowns ★



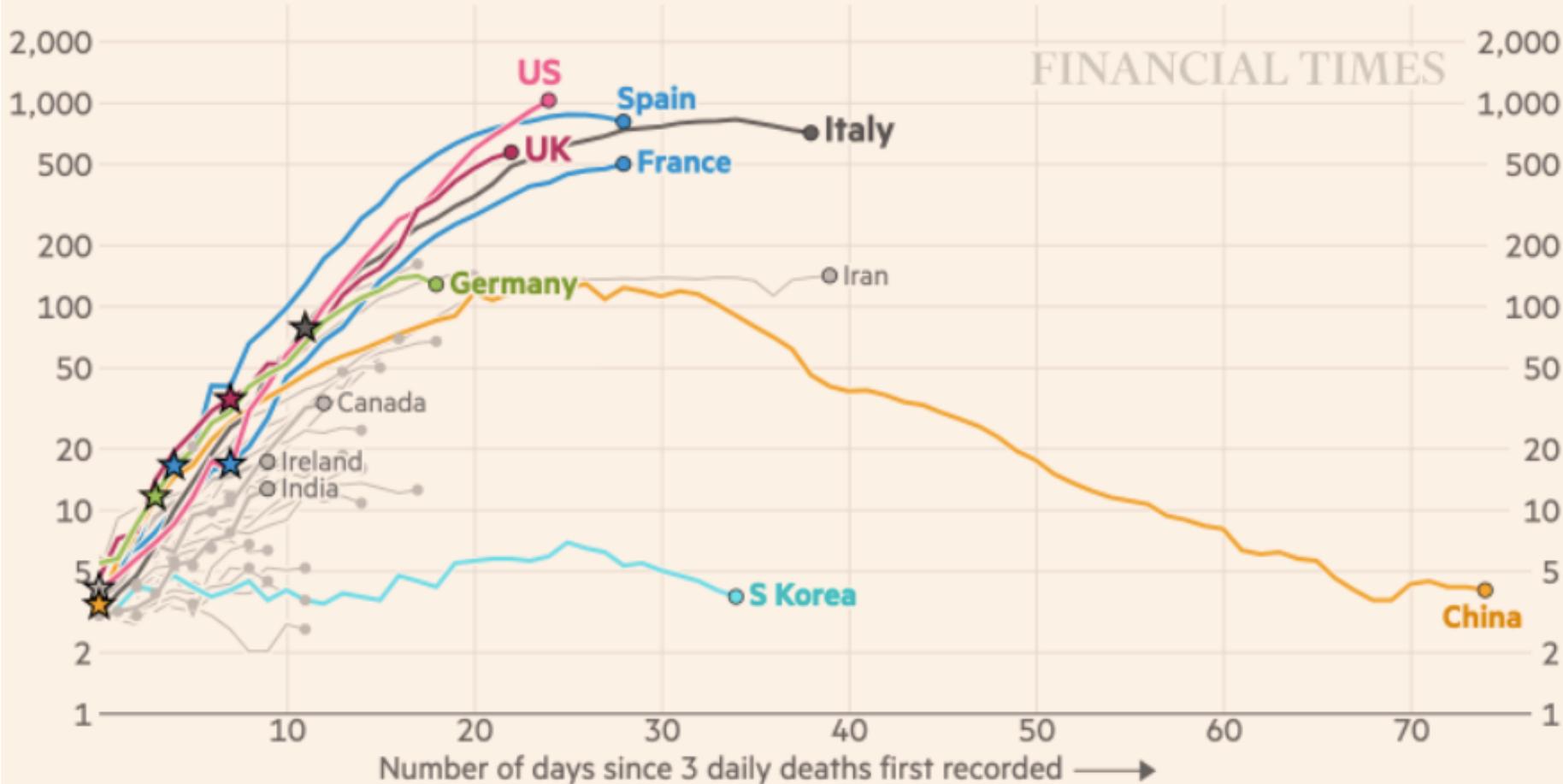
FT graphic: John Burn-Murdoch / @jburnmurdoch

Source: FT analysis of European Centre for Disease Prevention and Control; Worldometers; FT research. Data updated April 06, 19:00 GMT

© FT

Italy and Spain's daily death tolls are plateauing, but in the UK and US every day brings more new deaths than the last

Daily coronavirus deaths (7-day rolling avg.), by number of days since 3 daily deaths first recorded



FT graphic: John Burn-Murdoch / @jburnmurdoch

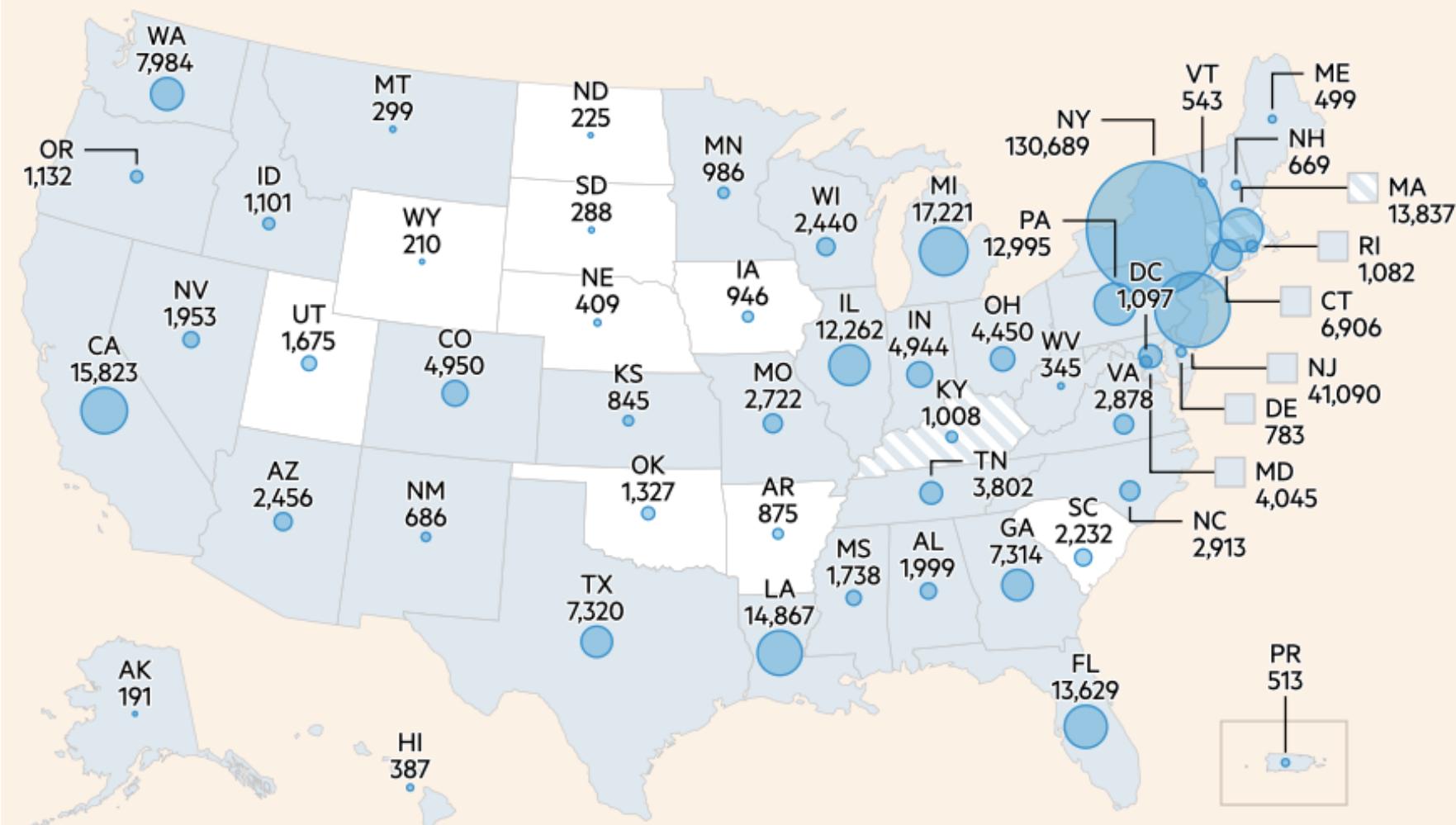
Source: FT analysis of European Centre for Disease Prevention and Control; Worldometers; FT research. Data updated April 06, 19:00 GMT

© FT

Coronavirus situation in the US

Total cases confirmed as of 11:21pm Apr 6 BST

- Statewide 'stay at home' order*
- Advisory 'stay at home' order**



Graphic: Steven Bernard and Cale Tilford

Sources: Johns Hopkins University, CSSE; Worldometers; FT research

© FT

*Includes 'shelter in place' orders and those that have yet to go into effect

**Includes Kentucky's 'healthy at home' order

James Stock (2020)

Standard SIR model: <<https://drive.google.com/file/d/12MV466ZZy5xHir4xdPhoTrL1oO8CbZU-/view>>:

- Susceptible, Infected, Recovered (& immune), transmission rate β , recovery rate γ , reproduction number R_0 , asymptomatic hence non-tested rate π_0
- Calibration: half-life of infection one week: $\gamma = 0.5$, $s_0 = 0.02$, 50 cases on Jan 24
- For March 21, 2020, the positive test rate in the United States is approximately 10%...

$$\Delta S_t = -\beta I_{t-1} \frac{S_{t-1}}{N}$$

$$\Delta R_t = \gamma I_{t-1},$$

$$\Delta I_t = \beta I_{t-1} \frac{S_{t-1}}{N} - \gamma I_{t-1}$$

<<https://drive.google.com/file/d/12MV466ZZy5xHir4xdPhoTrL1oO8CbZU-/view>>

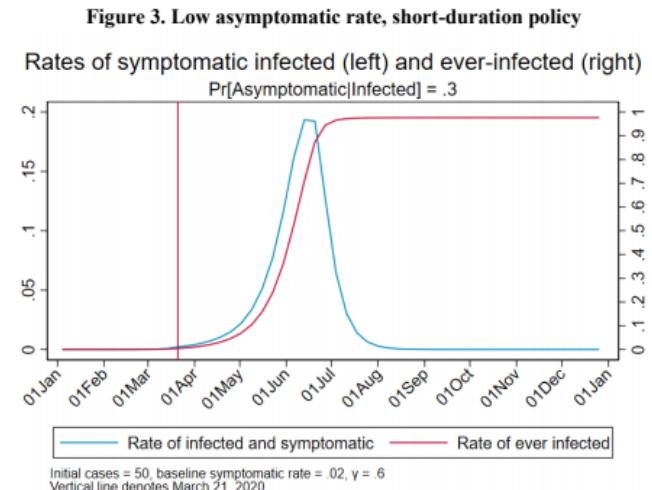


Figure 2. High asymptomatic rate, short-duration policy

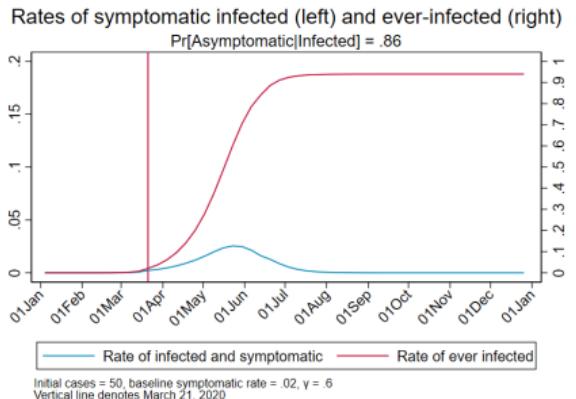


Figure 4. Low asymptomatic rate, severe long-duration policy

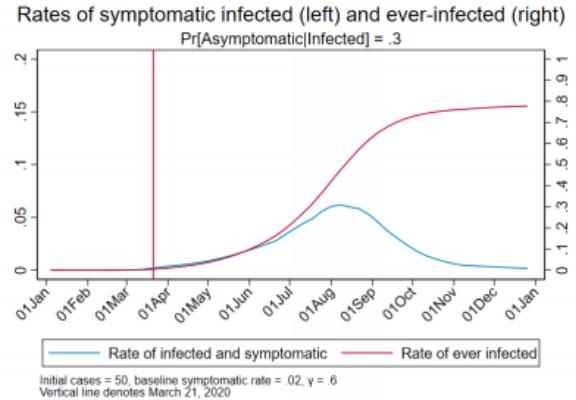
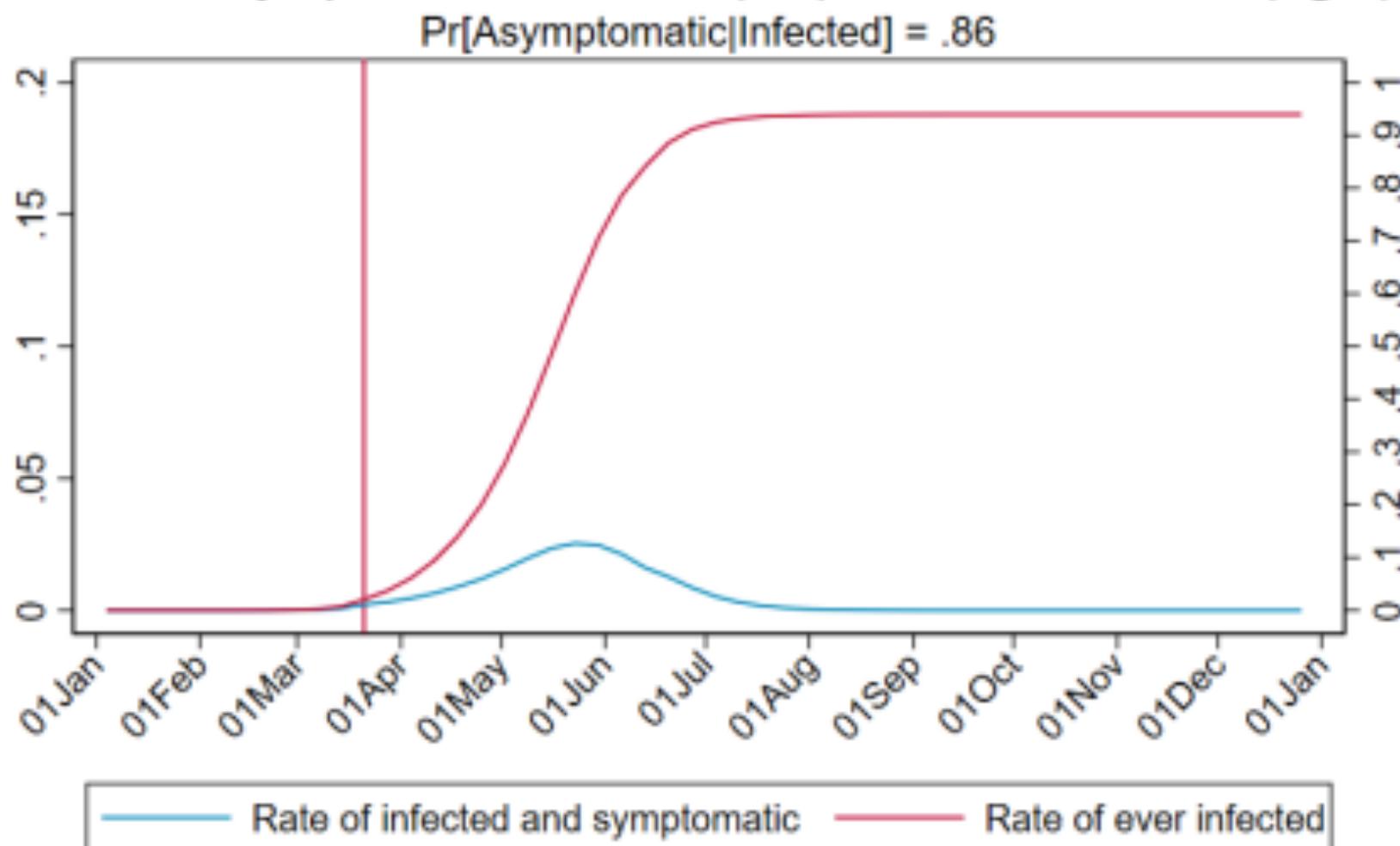


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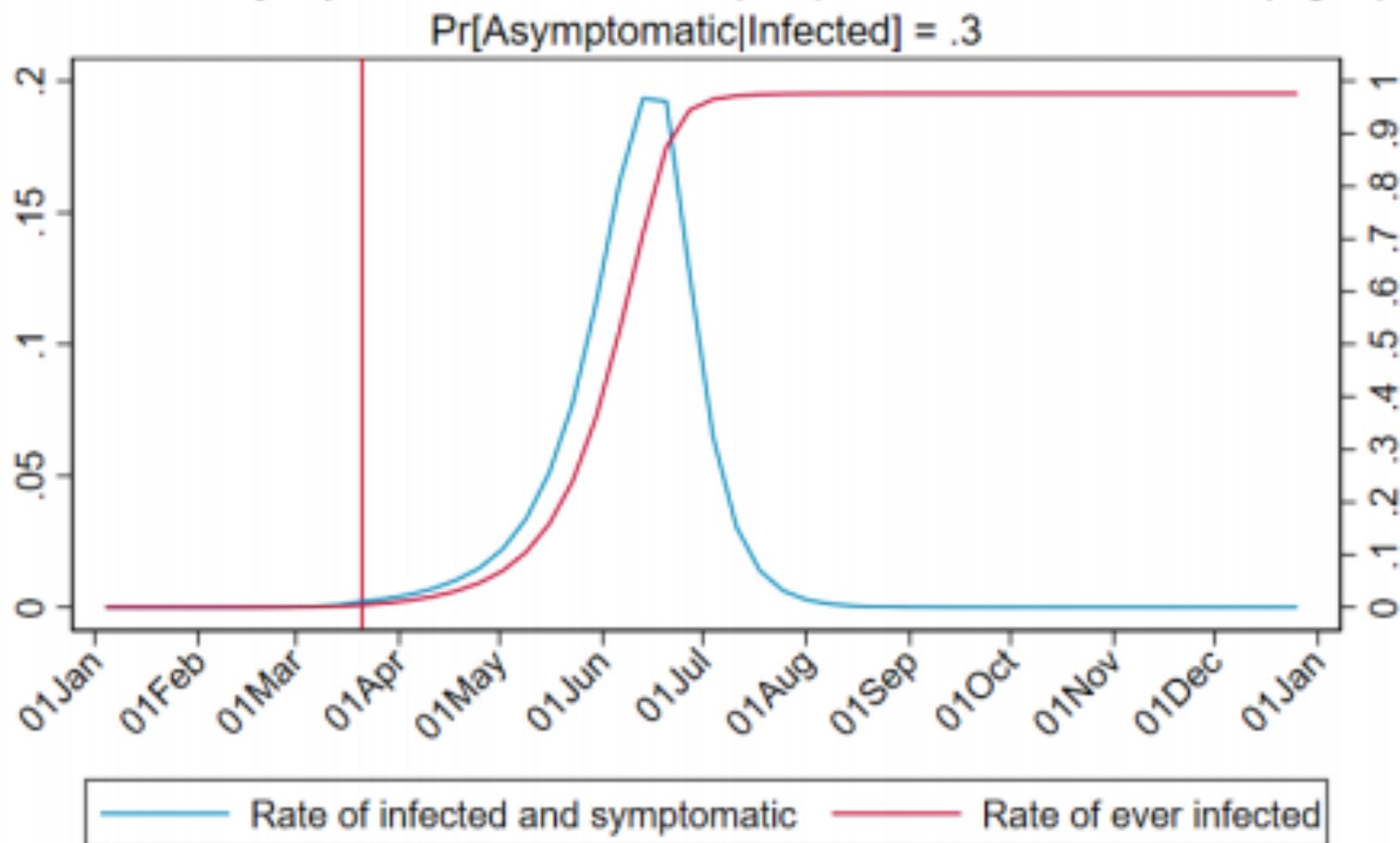
Rates of symptomatic infected (left) and ever-infected (right)



Initial cases = 50, baseline symptomatic rate = .02, $\gamma = .6$
Vertical line denotes March 21, 2020

Figure 3. Low asymptomatic rate, short-duration policy

Rates of symptomatic infected (left) and ever-infected (right)

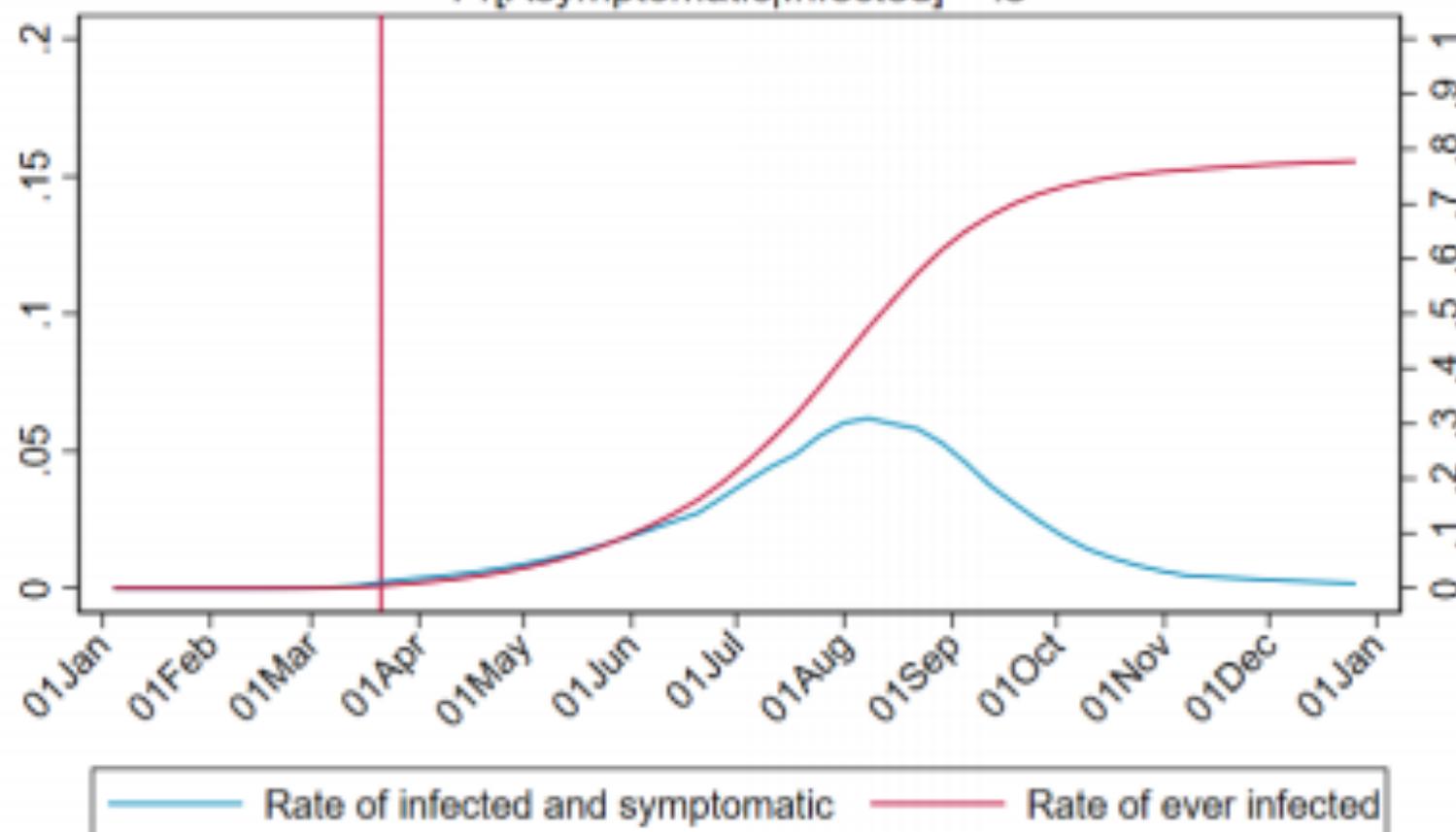


Initial cases = 50, baseline symptomatic rate = .02, $\gamma = .6$
Vertical line denotes March 21, 2020

Figure 4. Low asymptomatic rate, severe long-duration policy

Rates of symptomatic infected (left) and ever-infected (right)

$$\Pr[\text{Asymptomatic} | \text{Infected}] = .3$$



Initial cases = 50, baseline symptomatic rate = .02, $\gamma = .6$
Vertical line denotes March 21, 2020

$$\Delta S_t = -\beta I_{t-1} \frac{S_{t-1}}{N}$$

$$\Delta R_t = \gamma I_{t-1},$$

$$\Delta I_t = \beta I_{t-1} \frac{S_{t-1}}{N} - \gamma I_{t-1}$$

Bringing the Economy Back Up from Anæsthesia

Major issues:

- Certificates of immunity:
 - Which requires test, test, test:
 - And not just disease virus tests
 - Presence-of-antibodies tests
- How quickly can we match the immune with public-contact jobs?
- What jobs can be done with minimal infection risk?
- What minimal-infection substitutes can we find for previous jobs?
- How quickly can restrictions be relaxed without the virus coming roaring back?
- How do we avoid having the market give a “shutdown” signal to enterprises we in fact want restarted?
 - Which is pretty much all of them
- How much of the potential caseload do we want to push out beyond the vaccine-arrival date?

ALL THESE QUESTIONS ARE ANSWERABLE IF WE LEARN THE ASYMPTOMATIC HENCE NON-TESTED RATE!!

Keeping the Economy from Crashing During the Lockdown

Nick Rowe: We have a 50% output cut in 100% of the sectors:

- A temporary 100% output cut in 50% of the sectors (what the Coronavirus does) is very different from a 50% output cut in 100% of the sectors
- Nick's thought experiment:
 - In three months we are going to invent unobtanium:
 - Substantial intertemporal substitutability
 - Plus lower cross-good contemporaneous substitutability
 - Hence high desired savings rate now
 - Flex-price market thus produces a nominal rate at the zero lower bound and a high inflation rate over the next three to six months
 - Plus liquidity-constrained workers in affected sectors see their demand go to zero immediately
 - Can we get there? Should we get there? What should we do instead?
 - We need a good RBC economist: are there any?...

Keeping the Economy from Crashing During the Lockdown II

Nick Rowe:

- <https://worthwhile.typepad.com/worthwhile_canadian_initi/2020/03/relative-supply-shocks-unobtainium-walras-law-and-the-coronavirus.html>
- Plus: to extend the thought experiment:
 - We just lost the ability to make “unobtainium”
 - So we *should* be substituting leisure for work, and moving workers into relatively unproductive labor, making the commodities we can still produce right now
 - How should relative prices move as a result? How should we make them move?

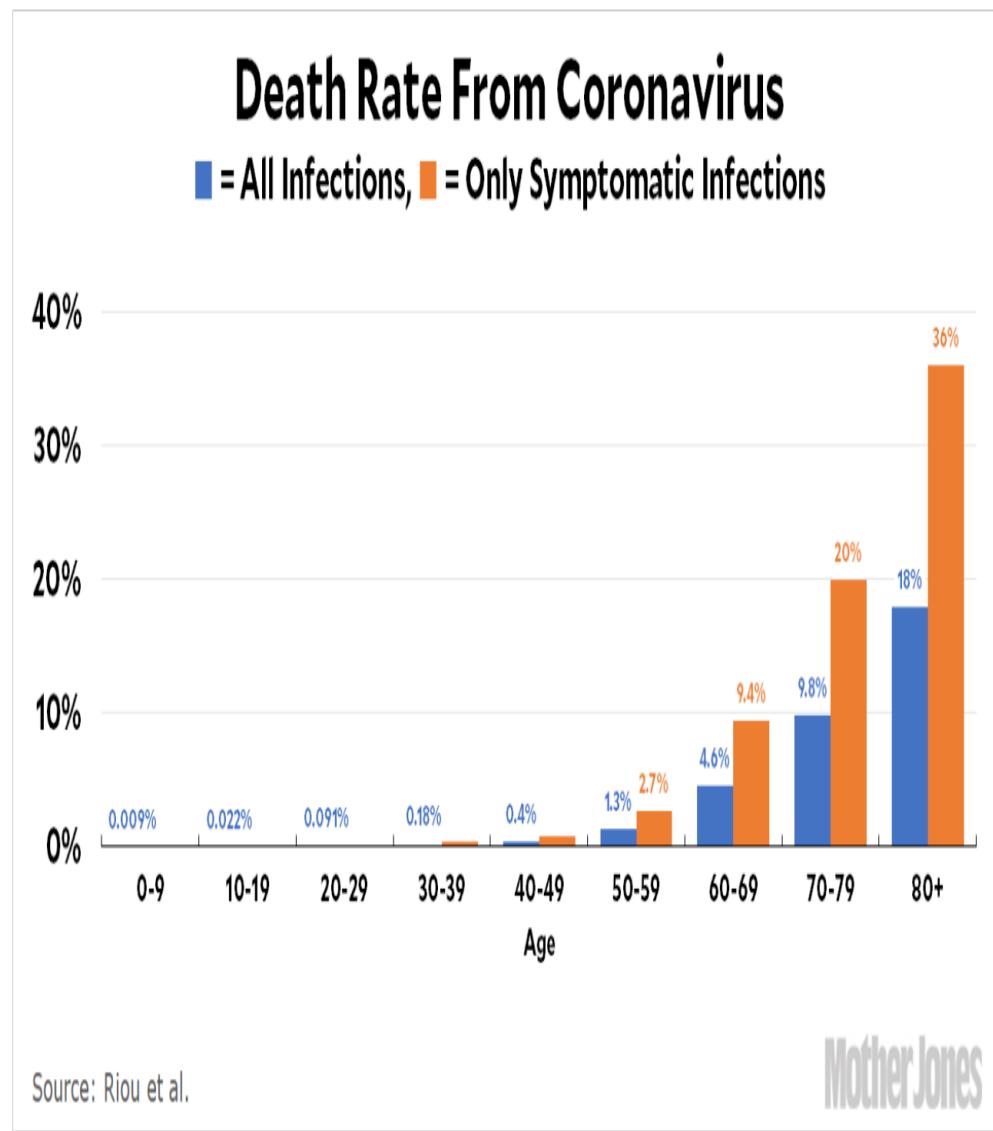
Plus: distributional issues

Plus: bankruptcy and credit chain issues

MOAR Coronavirus!

Death for Geezers!

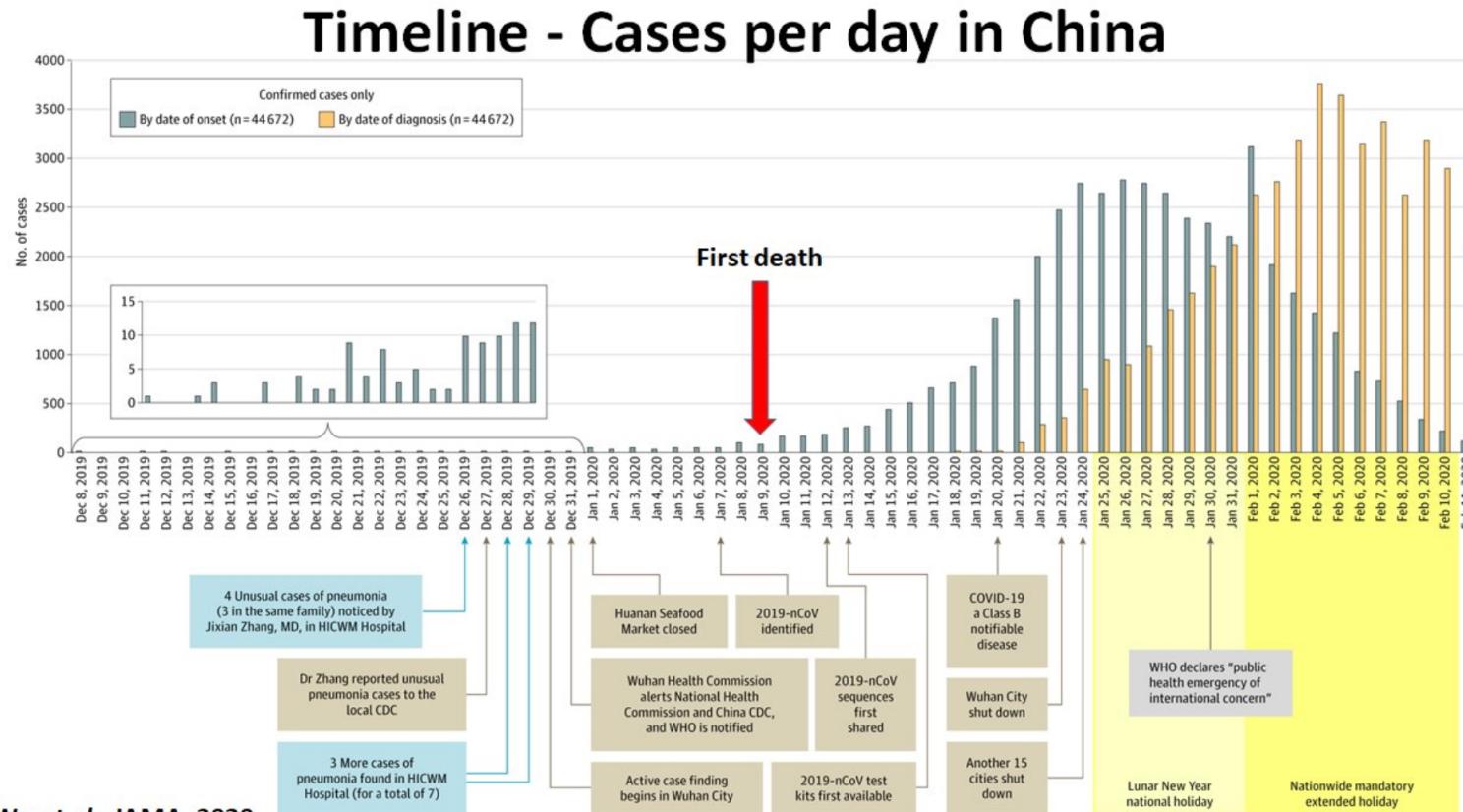
- Mortality for the Youngs very low...
- It's the flu for them—for you...
- And an extra doubling—or is it 5%?—mortality for the asthmatic
- And an extra doubling—or is it 5%?—mortality for the overweight



What We Think Happened in Wuhan

China beat it quickly & relatively easily!

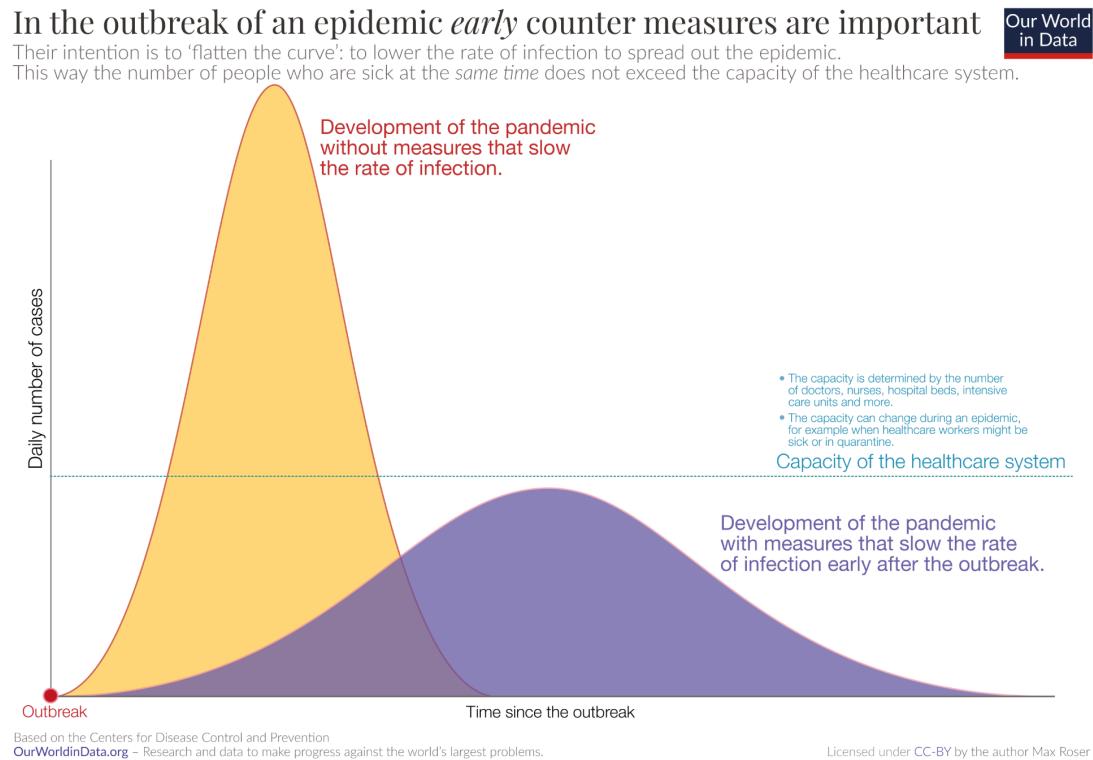
- We think
- Shut down Wuhan when 200 cases per day
- That seems to have been a good decision



The Goal

When Is It Appropriate to Move on This?

- Immediate social distancing...
- Self-isolate if you have a cough and a fever...
- Hope that warmer temperatures will do to this what they did to SARS...
- Otherwise, when do you want to start spreading out transmission. It seems that early is as good as later, so do it early...
 - I have no good intuition on why you want to move early
 - Plus your moving early will be wasted if you get reinfected
 - Plus the sparks you throw off making others' lives more difficult



References

- **Financial Times** (2020): Coronavirus Tracked: The Latest Figures as the Pandemic Spreads <<https://www.ft.com/coronavirus-latest>>
- **Nick Rowe** (2020): *Relative Supply Shocks, Unobtainium, Walras' Law, and the Coronavirus* <https://worthwhile.typepad.com/worthwhile_canadian_initi/2020/03/relative-supply-shocks-unobtainium-walras-law-and-the-coronavirus.html>
- **Jim Stock** (2020): *Coronavirus Data Gaps and the Policy Response* <<https://drive.google.com/file/d/12MV466ZZy5xHir4xdPhoTrL1oO8CbZU-/view>>

MOAR Coronavirus!

What I am watching:

- **Max Roser & Hannah Ritchie:** *Coronavirus Disease (COVID-19)* <<https://ourworldindata.org/coronavirus>>...
- **Worldometer:** *Coronavirus Update (Live)* <<https://www.worldometers.info/coronavirus/>>: '125,599 Cases and 4,605 Deaths from COVID-19 Virus Outbreak...'
- *FT Coronavirus Tracker* <<https://www.ft.com/content/a26fbf7e-48f8-11ea-aeb3-955839e06441>>
- Josh Marshall's COVID Twitter List <<https://twitter.com/i/lists/1233998285779632128>>
- NEJM Group: Updates on the Covid-19 Pandemic <http://m.n.nejm.org/nl/jsp/m.jsp?c=%40kxNtXckRDOq8oG0jJvAXsIzN4mPECIPhtxoTSdTU9k%3D&cid=DM89089NEJM_COVID-19_Newsletter&bid=173498255>: 'From the New England Journal of Medicine, NEJM Journal Watch, NEJM Catalyst, and other trusted sources...'

Catch Our Breath...

- Ask a couple of questions?
 - Make a couple of comments?
 - Any more readings to recommend?
-
- <<https://www.icloud.com/keynote/0YKEi7HeOrVGvKYtt9FEqH7nA>>
 - <<https://www.bradford-delong.com/2020/04/coronavirus.html>>
 - github:<<https://github.com/braddelong/public-files/blob/master/coronavirus.pptx>>
 - <https://github.com/braddelong/public-files/blob/master/coronavirus.pdf>
 - html File: <<https://www.bradford-delong.com/2020/04/coronavirus.html>>
 - Edit This File: <<https://www.typepad.com/site/blogs/6a00e551f08003883400e551f080068834/post/6a00e551f080038834025d9b3bd66a200c/edit>>
 - <<https://delong.typepad.com/files/2020-04-01-coronavirus.pdf>>



Coronavirus! (March 16)

With 31 deaths in the U.S. as of March 11, a 1% death rate, and up to 4 weeks between infection and death, that means that as of Feb 12 there were 3100 coronavirus cases in the United States.

With 87 deaths in the U.S. as of Mar 16, a 1% death rate, and up to 4 weeks between infection and death, that means that as of Feb 17 there were 8700 coronavirus cases in the United States

If it is doubling every seven days, then now about 150,000 people have and in the next week about 150,000 more people in the U.S. will catch coronavirus—which means 1/2200, currently 3500 of the 7.6 million inhabitants of San Francisco Bay. Touch a hard surface that any of those 3500 has touched in the last 48 hours, and the virus has a chance to jump to you...

These numbers could be five times too big. These numbers are probably not five times too small unless the thing is a lot less deadly, and there are a lot of asymptomatic cases...

- What is wrong with this analysis?

MOAR Coronavirus!

As of March 21: Things are not moving in the right direction:

- What is the R_0 ?
- How can the R_0 be changed?
- How will the R_0 change?
- What is the asymptote share of the population?
- What is the mortality rate?

Country, Other	Total Cases	New Cases	Total Deaths	New Deaths	Total Recovered	Active Cases	Serious, Critical	Tot Cases/1M pop
China	80,880	+36	3,213	+14	67,819	9,848	3,226	56.2
Italy	27,980	+3,233	2,158	+349	2,749	23,073	1,851	462.8
Iran	14,991	+1,053	853	+129	4,590	9,548		178.5
Spain	9,428	+1,440	335	+41	530	8,563	272	201.6
S. Korea	8,236	+74	75		1,137	7,024	59	160.6
Germany	7,241	+1,428	15	+2	65	7,161	2	86.4
France	5,423		127		12	5,284	400	83.1
USA	4,186	+506	73	+5	73	4,040	12	12.6
Switzerland	2,353	+136	19	+5	4	2,330		271.9
UK	1,543	+152	55	+20	52	1,436	20	22.7
Netherlands	1,413	+278	24	+4	2	1,387	45	82.5
Norway	1,323	+67	3		1	1,319	27	244.0

Coronavirus Cases:

179,836

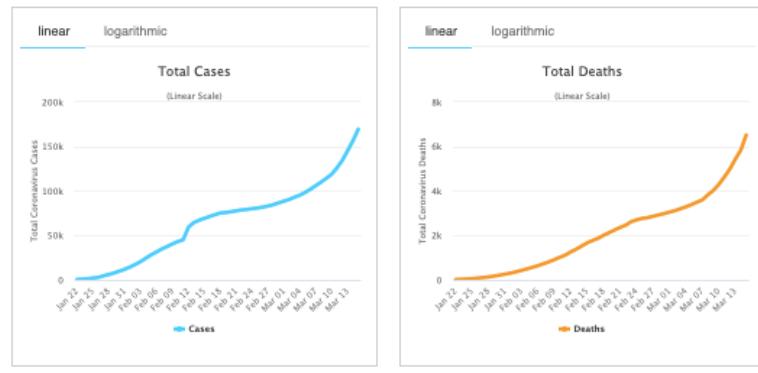
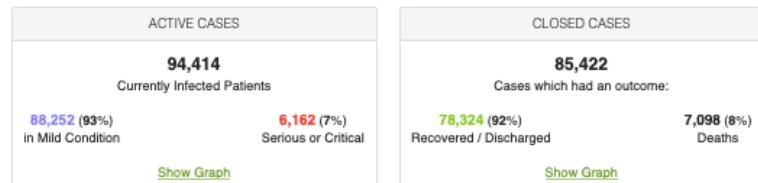
[view by country](#)

Deaths:

7,098

Recovered:

78,324



MOAR Coronavirus!

As of March 10: Things are not moving in the right direction:

- What is the R_0 ?
- How can the R_0 be changed?
- How will the R_0 change?
- What is the asymptote share of the population?
- What is the mortality rate?

Coronavirus Cases:

125,599

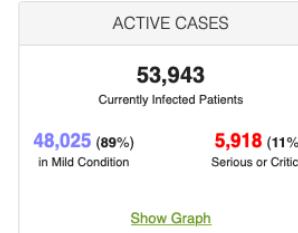
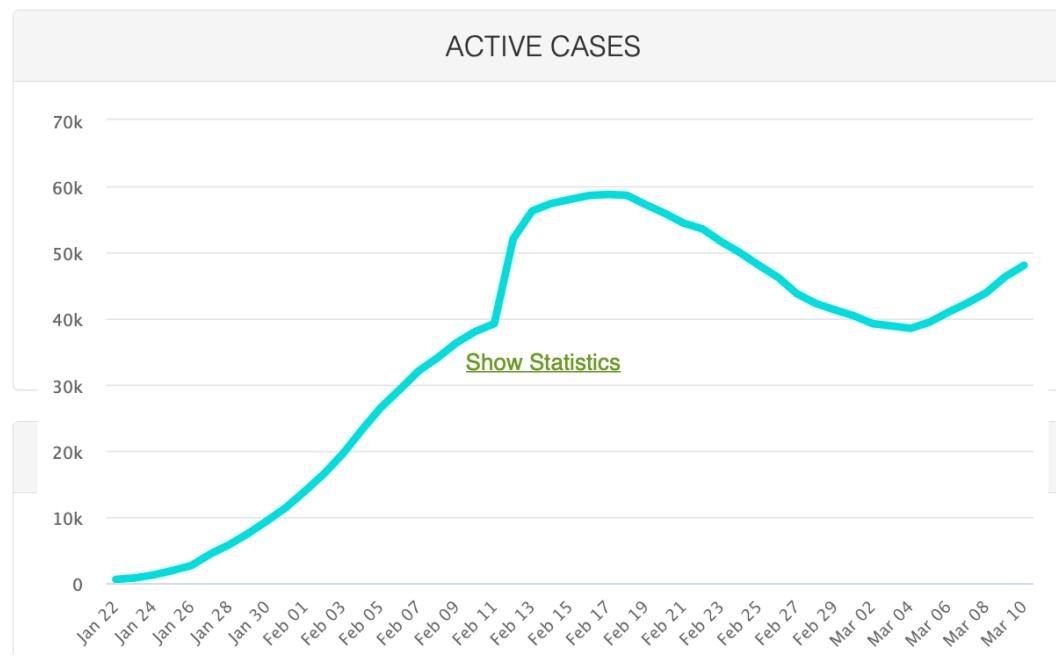
[view by country](#)

Deaths:

4,605

Recovered:

67,051



Notes

