

Investors had hoped to celebrate the moment US lawmakers agreed on a new stimulus package to help America's ailing economy. Instead, the emergence of a new variant of the Covid-19 virus in the United Kingdom has sent markets plunging, as anxiety about the pandemic again comes to the fore.

What's happening: Over the weekend, the United Kingdom **reversed** plans to loosen restrictions over Christmas and announced strict lockdowns across much of the country, citing concerns about a variant of the coronavirus believed to be much more infectious. In the past 24 hours, the country has become increasingly isolated, with Canada, France and Israel among those banning UK travelers while they assess the situation.

The virus developments overshadowed a long-awaited breakthrough in US stimulus talks. Congressional leaders announced Sunday night that they'd **secured** a deal for a \$900 billion rescue package to deliver much-needed relief for small businesses, unemployed Americans and health care workers.

But good news out of Washington is already **taking the back seat**. "It is insufficient to alleviate the UK situation and immediate negative [sentiment]," said Stephen Innes, chief global markets strategist at Axi. S&P 500 futures were 1.6% lower as of 7:15 a.m. ET. Dow futures were down 1.3%, or more than 400 points, while Nasdaq futures were off 0.9%.