

Detroit Free Press

Dow Jones soars amid news of 90% effective COVID-19 vaccine candidate

By Susan Tompor (excerpt)
November 9, 2020

So much for watching your 401(k)s go to hell, as President Donald Trump famously suggested would happen if Democrat Joe Biden won the race for the White House.

Not so on Monday, anyway.

On Monday, Wall Street bet on the odds that America could indeed get back to work — if an effective vaccine to fight COVID-19 is discovered.

The Dow Jones Industrial Average soared by 4.47% — gaining 1,266.06 points — to trade at 29,589.46 points shortly after 10 a.m., a half an hour after the market opened in New York. The Dow was trading at record levels.

Shortly before 11:30 a.m., the Dow pulled back slightly and was up by 3.8% and a bit more than 1,000 points.

The rally was fueled by news reports that significant progress is being made toward a vaccine that would fight the spread of COVID-19.

Monday also is the first day of trading on Wall Street since Saturday's news that former Vice President Biden had won the angst-packed presidential contest. (Trump plans to wage a last-ditch legal battle, even though many experts say the margin is too big for Trump to claim a second term.)

Wall Street also appeared to gain some hope that a much-needed economic stimulus package could make its way through Congress soon, possibly even in the lame duck session. ...

... David Kudla, CEO of Mainstay Capital Management, said the stock market views the presidential election as now essentially decided — eliminating the uncertainty that had been building up in recent weeks.

The news on developments relating to a vaccine, he said, is probably even a larger driver for stock gains.

"As COVID cases have continued to rise setting new daily infection rates over the past weeks," Kudla said, "a vaccine becomes more and more important to our personal health and health of the economy." ...

© 2020 Detroit Free Press.
Reprinted with permission.