

## Coronavirus Panic

Fans of the American thriller writer, Dean Koontz, have no doubt: the author of *The Eyes of Darkness*, published in 1981, predicted in that novel the arrival of the Coronavirus. The imaginary virus had been developed as a biological weapon in the laboratory of Wuhan, China, epicenter, in December 2019, of the much feared today COVID-19.

*“In around 2020 a severe pneumonia-like illness will spread throughout the globe, attacking the lungs and the bronchial tubes and resisting all known treatments. Almost more baffling than the illness itself will be the fact that it will suddenly vanish as quickly as it arrived, attack again ten years later, and then disappear completely”.*

When there are no adequate tools to frame the evolution of a new problem, a pandemic, the human mind also relies on the brilliant intuition of a novelist, forcing impossible analogies. Stock exchanges, on the other hand, do not accept excuses and, in uncertainty, deflate violently, while economists revise their visions in negative and the consumer becomes frightened. Even before the panic from Coronavirus, even the most optimistic people were

expecting a correction of 10-15%: the market was already discounting the first agreement on US-China duties, the business results turned out to be good (or at least less worse than expected) and Trump's re-election was given for certain to confirm that the fourth year of the president, for the stock exchanges, is statistically positive. Moreover, the global economic cycle seemed ready to restart, thanks in part to the synchronized generosity of the major central banks. Now, however, it should be remembered that world GDP is estimated to have grown by only 2.9% in 2019. This is the worst performance since the financial crisis of 2009 and far from the average growth of 3.8% between 2010 and 2018. Economists in the global economic cycle agree that the threshold that paves the way for a global recession is when growth falls tendentially below 2.5%. Now, since we cannot trust Dean Koontz's insights, it is impossible to estimate how much more the Coronavirus will spread. And, above all, how deeply it will affect the largest consumer in the world, the American consumer. The stock exchanges will react

positively to the first signs from the central banks, especially if they give the impression that they are under a common direction. But the consequences of a pandemic (which appeared at the very beginning of a difficult economic recovery) require profound changes in fiscal policies, normally difficult to decide. The new context could accelerate them: the fear of world growth below 2.5% is only equal to that of the Coronavirus.

*Translated with [www.DeepL.com/Translator](http://www.DeepL.com/Translator)*