



Will Remdesivir Save the Economy — and the World?

Description

Equity markets were trading higher on Friday, April 17, 2020, on reports that **Gilead's** (NYSE:GILD) antiviral medicine, remdesivir, is helping patients recover rapidly from COVID-19 symptoms.

According to a [detailed report](#) from *Stat News*, remdesivir was one of the first medicines to have been identified as a potential drug to fight the dreaded virus. The report states, "The University of Chicago Medicine recruited 125 people with Covid-19 into Gilead's two Phase 3 clinical trials. Of those people, 113 had severe disease. All of the patients have been treated with daily infusions of remdesivir."

There have been two patient deaths out of 113, which is below the global average of 6.9%. All 113 patients were severely impacted, another positive signal, as patients with high severity have a much higher mortality rate. However, it's far too early to determine whether remdesivir is actually a potential cure primarily due to a lack of data.

Gilead will continue with these clinical trials. Its severe COVID-19 study includes 2,400 participants from 152 clinical centres, while the moderate study includes 1,600 patients in 169 centres.

All eyes will be on remdesivir

We've seen how the COVID-19 pandemic has brought economies to a standstill. Several countries have announced lockdowns, which have led to business closures and a rise in unemployment rates.

Consumer spending has fallen significantly as people are buying only essential products. A number of consumer-facing companies, including **Apple**, **GoPro**, and **Samsung** have experienced a fall in stock prices.

Global equity markets, including the **iShares S&P/TSX 60 Index ETF** ([TSX:XIU](#)) fell over 30% between February 19 (when markets peaked) and March 18 (when markets reached a yearly low).

While XIU was down 36% in this period, the index has since gained 27% as the Canadian government has pumped in billions of dollars to help small businesses and individuals coupled with improving

public sentiment based on the reducing number of cases in China.

Several scientists are of the view that the coronavirus is impossible to contain. Even if the number of cases falls right now, there is a chance that the COVID-19 will come to haunt us back in a few months. The only way out may be to develop a vaccine or find a cure.

While lockdowns are a good temporary solution, economies need to open up for people to survive. If and when governments are able to reduce COVID-19 cases, the risk of a relapse will be higher when the lockdown is over. People all over the world will be hoping for remdesivir to be the wonder drug that can beat the COVID-19.

If the pandemic threat is neutralized, economies will start to function at normal levels, which will result in a significant uptick of the stock markets. Investors can look to buy ETFs such as the XIU, which provides [significant diversification](#).

XIU has an exposure to 60 of Canada's largest companies, which mitigates considerable risk for investors. The top four companies of the XIU with their respective dividend yields are:

- **Royal Bank of Canada:** 4.9%
- **Toronto-Dominion Bank:** 5.6%
- **Enbridge Inc:** 7.9%
- **Canadian National Railway:** 2.1%

An investment of \$20,000 in each of these stocks will generate an annual dividend income of close to \$4,100. XIU is the most liquid ETF in Canada, and long-term investors can look to buy this fund at every major dip to create wealth.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Energy Stocks
5. Investing

TICKERS GLOBAL

1. NASDAQ:GILD (Gilead Sciences, Inc.)
2. TSX:XIU (iShares S&P/TSX 60 Index ETF)

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