



COVID-19 Clinical Trials Could Cause the Stock Market to Skyrocket

Description

Is the stock market's month-over-month rally for real or due to a news flash? Investor sentiments are bullish because of reports the clinical trials for a COVID-19 vaccine are entering the final phase. The **TSX** finished July 2020 at 16,169.20, or 4.21% higher than the June closing. Year to date, the index is down by only 5.24%.

The economy is declining, yet stock prices surge due to the expensive stimulus packages that are feeding investing appetites. Market turbulence is lessening somehow, although [fears of another market crash](#) won't go away. But any time, global stock markets could explode once the results of COVID-19 clinical trials yield promising results.

Human trials ongoing

Developing a vaccine takes years, so the world's population is hoping against hope. Biotech firm **Moderna** in the U.S. is about to conduct tests on 30,000 adult enrollees. The results of the third and final phase of testing will come in the fall. People will be waiting.

There are at least 150 COVID-19 vaccines under development, the majority are in the early stages. The need for a vaccine is urgent, as it would minimize the devastating effects of the coronavirus on health and economies. As of June 29, 2020, testing of 13 vaccine candidates on humans are ongoing.

Best case scenario

Experts say the base case scenario is a vaccine becoming broadly available by the second quarter of 2021. A rollout by year-end 2020 is the best-case scenario. Stock markets, including the **TSX**, are displaying resiliency despite the absence of a vaccine. However, Canada's economy is shrinking at a record pace due to the expensive stimulus packages.

Learn to invest

Encouraging results from the COVID-19 vaccine clinical trials could spark a bull market run and quash all fears of another crash. Investors will have plenty of growth stocks to choose from for long-term gains. **Docebo** ([TSX:DCBO](#)) in the technology sector is a [promising investment](#).

The \$1.25 billion company from Toronto, Canada, sets the pace in learning management systems (LMS) with its powerful and easy-to-use top cloud-based LMS with AI superpowers. Educational institutions and corporations are starting to invest heavily in LMS. **Thomson Reuters** and **Walmart** are among Docebo's customers.

In 2020, the global LMS market size is US\$13.4 billion, but should be growing at a compound annual growth rate (CAGR) of 14.0% to US\$25.7 billion by 2025. Most organizations in the post-pandemic are moving from traditional to online training. Docebo integrates LMS, learning experience platform (LXP), and marketing platform into one integrated system.

Analysts covering this tech stock are recommending a "buy" rating. Docebo is on a spectacular run in 2020. Its gain since the beginning of the year is 157.5%. Had you invested \$5,000, your money would be worth \$12,873 today.

Big deal

The development of a vaccine is a big deal to investors. Businesses struggling due to lockdowns and social distancing will rebound and recover.

According to Wharton finance professor Jeremy Siegel, if there are no setbacks in the clinical trials, the positive outcome could be the game-changer. It will propel stock markets higher.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date

2025/08/25

Date Created

2020/08/05

Author

cliew

default watermark

default watermark