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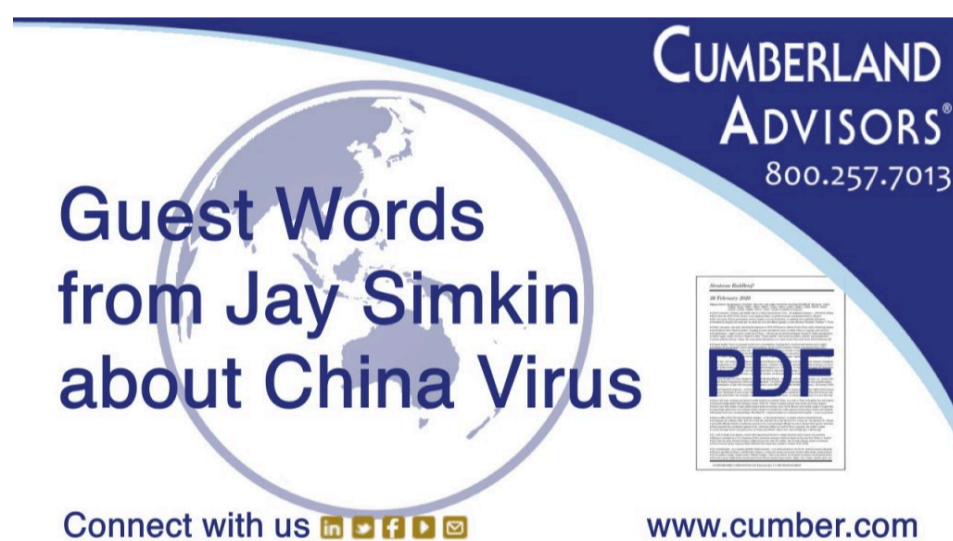
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Cumberland Advisors Guest Commentary - Guest Words from Jay Simkin about China Virus

Jay Simkin & David R. Kotok

Sat Feb 29, 2020

Jay Simkin is a skilled global observer who consults privately on global risks. We have exchanged information for many years.



Sometimes we don't agree, but we always maintain a candid exchange and respect for each other's work. Jay emailed me his own view on the coronavirus and China, and I asked permission to share his note and his Stratecon RiskBrief! with readers. He was kind enough to say yes. Readers are invited to [email him directly](#) with any questions.

Jay sources his statistics in the note below from the WHO website and their "Coronavirus disease (COVID-2019) situation reports." They are available from this URL: <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/situation-reports>

Here is Jay's note, followed by the Feb 26 ***Stratecon RiskBrief!*** summary. -David

From: jesecon@juno.com

To: David Kotok

Subject: Stratecon RiskBrief!: China

Dear David,

Good a.m. and may this find Well, You – and All with You. Please see the attached, wherein I describe some of the longer-term impacts of COVID-19.

The number of new cases in China rises at a rate below one percent per day – for four straight days – as of today (Wednesday, 26 Feb 20). The total number of cases is 78,191. The total number of deaths in China is 2,716. The rate of rise of deaths is under 10%/day, for the past five days.

These data are simply not consistent with a rapidly-expanding problem. Rather, they suggest that the problem starts to subside. Absent a mutation – which cannot be foretold – COVID-19 will subside in China and then elsewhere.

Outside of China, the number of those ill has risen by an average of 19.5%/day for the past five days. The total number of those ill is 2,918. The number of deaths outside of China is 43. The disease is present in 37 countries.

“Pandemic” – as a term – may fit some CDC definition. But the number of ill and dead – even if understated by the above-stated data by a factor of 10 – does not make COVID-19 as lethal as is ordinary flu in the U.S.

“CDC estimates that the burden of illness during the 2018–2019 season included an estimated 35.5 million people getting sick with influenza, 16.5 million people going to a health care provider for their illness, 490,600 hospitalizations, and 34,200 deaths from influenza.” (<https://www.cdc.gov/flu/about/burden/2018-2019.html>)

I do not recall the CDC having characterized this incidence of influenza in 2018–19 as a “pandemic”. Indeed, “Peak activity during the 2018–2019 influenza season was classified as having moderate severity across ages in the population. Compared with the 2017–2018 season, which was classified as high severity, the overall rates and burden of influenza were much lower during the 2018–2019 season...” (same source as above).

In short, for the CDC to characterize COVID-19 as a “pandemic” is not consistent with its description of ordinary influenza morbidity and mortality in the U.S. By that metric, COVID-19 – while new and perhaps frightening as there’s no vaccine – hardly registers.

Were COVID-19 better adapted to human noses/throats – as to temperature and/or chemical conditions – it would be a major problem. But in the realm of viruses, “minor misalignments” of receptor format and chemistry seem to make or to break a virus’ capacity to bond with host cells and so to gain access to replication capacity.

Absent Xi’s terrorization, Beijing might have figured out far sooner that it had a problem, and so used its huge coercive capacity to contain COVID-19. With any new disease – especially one for which there’s no obvious cure – rapid containment is critical. Sailors

With every warm, best wish, I remain,

Yours faithfully,
Jay E.

Read the February 26 *Stratecon RiskBrief!* at this link: <https://cumber.com/pdf/RB-26FB20.pdf>



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