

# Alpha, Beta, Gamma, Delta...Omicron

## A Variant of Concern

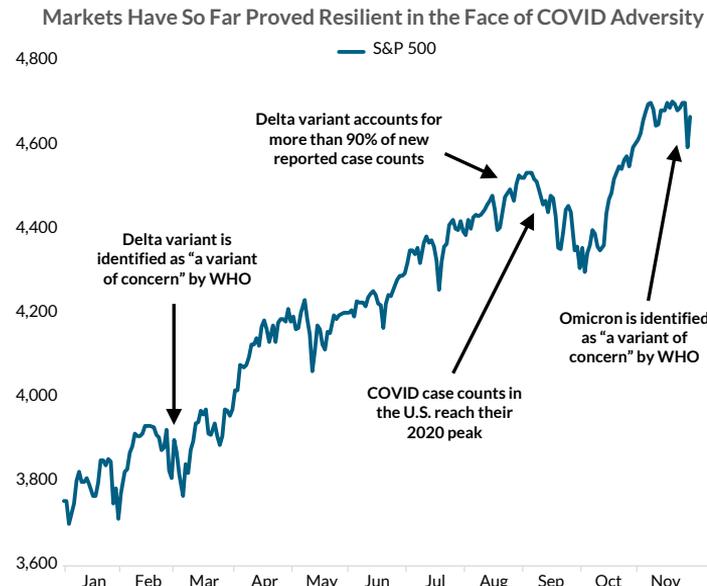
- What We Know.** A new COVID-19 variant (Omicron, B.1.1.529) has been labeled as a “variant of concern” by the WHO.\* This new variant has multiple mutations that could potentially make it more transmittable and infectious as well as more resistant to vaccine-derived antibodies. It has surged to seeming dominance in the Johannesburg region of South Africa and has also been identified in Belgium, Israel and Hong Kong. Several countries have implemented pre-emptive travel restrictions.
- What We Don’t Know and Are Watching.** While this variant appears more transmissible, it is unknown whether its mutations make it more resistant to vaccine-induced antibodies. Vaccination rates are low in South Africa, where the variant was first discovered, making it difficult to evaluate vaccine efficacy from the headline data. We also do not know if COVID cases associated with this variant are more severe; so far, hospitalizations have increased in South Africa. The number of severe cases still appears low, although it may still be too early since infection. It will take time for experts to measure current vaccine efficacy and the severity of related cases.
- Variant Concerns & Market Performance.** Investors should be careful not to automatically equate new pandemic adversity to expectations for a negative market event. For example, an investor who sold their equities\*\* when the WHO declared the Delta variant a “variant of concern” would have missed out on 14% total returns thereafter. Of greater importance is the economics behind how society copes or will cope with the new Omicron variant, which so far does not appear overly disruptive.

*The Omicron variant increases the risk of an economic impact, but so far warrants monitoring rather than action*

\*World Health Organization (WHO)

\*\*The S&P 500 Index is used as a proxy index for equities

## Chart of the Week:



Source: Glenmede, FactSet

Data through 11/28/2021  
Data shown is the price index level as of 2:30 P.M. on 11/11/21 for the S&P 500 Index, which is an index composed of large-cap stocks in the U.S. Past performance may not be indicative of future results. One cannot invest directly in an index.

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