



Philequity Corner (March 8, 2021)

By Wilson Sy

Doctors to the rescue

Our country finally commenced its vaccine rollout last week. Initially, there was low acceptance of Sinovac for various reasons. However, sentiment quickly improved when the country's top doctors volunteered to be the first ones to be vaccinated.

PSEi outperforms on vaccine rollout

Our stock market was an outperformer as the country's vaccination rollout began. The PSEi gained 1.3% for the week even as most global markets performed poorly. The index was up four consecutive days from February 26 to March 3. Before this turnaround, the PSEi was down 4.6% in the previous nine trading days. Clearly, the vaccine rollout stabilized our weak market and drove its strong performance last week.

Leading by example

The first Filipino to be officially inoculated was renowned neurosurgeon Dr. Gerardo Legaspi, director of the Philippine General Hospital (PGH). Dr. Legaspi said that Sinovac may have a lower efficacy rate compared to other western vaccines, but a closer analysis would show its important positive benefits. Many prominent doctors such as Infectious Diseases expert Dr. Edsel Salvana and surgical oncologist Dr. Samuel Ang were also inoculated to shore up support for the vaccine rollout. The actions of the country's esteemed doctors have turned the tide on the acceptance of the vaccine. St. Luke's Medical Center, Cardinal Santos Medical Center, and other private hospitals also placed significant orders for Sinovac and participated in the vaccine rollout last week. Vaccine czar Carlito Galvez, Jr. reported that he has received growing requests for Sinovac after prominent doctors received their shots.

A bird in hand

There were strong initial apprehensions regarding Sinovac because many healthcare personnel wanted to wait for western vaccines with higher efficacy rates. However, many doctors and health experts explained that virus protection is urgently needed for our front-liners. Though Sinovac only registered a 50.4% efficacy rate for medical professionals in the Brazil clinical trials, it was proven to be extremely effective in lowering severe COVID-19 cases and deaths. Meanwhile, those that still contract the coronavirus after receiving the vaccine would most likely experience only mild to moderate symptoms.

Amid fears and concerns regarding Sinovac, Dr. Lulu Bravo, executive director of the Philippine Foundation for Vaccination, said that "the best vaccine is the one in your arm." She commented there is no guarantee when the country would receive its share of western vaccines due to an ongoing global shortage. In fact, many doctors have explained that taking the vaccine now is better than having no vaccine. As the popular adage states, "A bird in the hand is worth more than two in the bush." A successful vaccination program would enable the country to achieve herd immunity and prevent the coronavirus from mutating into other variants.

Additional supply to come in

According to Secretary Galvez, he expects an additional one million doses of Sinovac to arrive this month. This is part of a total order of 25 million. In 2Q21, 5.5 million to 9.3 million doses of AstraZeneca and 117,000 doses of Pfizer are expected to come in. The country has reportedly secured 6 million doses of Johnson & Johnson's vaccine although the company has not been able to commit to a delivery date yet. Most importantly, demand for vaccines in the whole world will significantly decline following US President Joe Biden's announcement. Biden said that there will be enough vaccines for all qualified Americans in May. For the coming months, additional supply is expected from the production of Johnson & Johnson, Novavax, and other vaccines. These developments should increase the country's chances of procuring vaccines.

Aside from the national government, local government units (LGUs) and private sector donors have also purchased AstraZeneca doses. The ICTSI Foundation is spearheading a move for many companies to acquire Moderna vaccines. Meanwhile, Unilab is the official distributor of Novavax to the private sector. These efforts should augment vaccine supply and address comments by the Asian Development Bank (ADB) and the Economist Intelligence Unit that the Philippines would only attain herd immunity in 2023.

Market direction depends on vaccine rollout

Last Friday, the Department of Health (DoH) reported that the country logged 3,045 new cases, the highest single-day count since October last year. There have been reports that COVID-19 wards of some hospitals are becoming overwhelmed, and that healthcare professionals are also starting to get infected. OCTA Research warned that we are now registering drastically higher reproduction and positivity rates, signifying a potential new wave of coronavirus cases. Thus, the first arrival of vaccines and the start of the rollout was crucial because our front-liners urgently need strong protection from COVID-19 as they continue to save lives.

Moving forward, it is important for the government, the medical community, and the private sector to work together in securing adequate vaccine supply for all Filipinos while staving off the recent wave of COVID-19 cases. The direction of the stock market and the performance of the economy will ultimately depend on a successful vaccination program and the country's ability to keep infection rates low.

Modern-day heroes

Our doctors and nurses rescue lives on a daily basis. They are not only life-savers but they have led by example in showing strong support for the government's vaccination program. They volunteered for vaccination to instill confidence in the available vaccines. They explained their reasons for doing so because of the initial apprehensions of many healthcare workers. Our healthcare professionals are now instrumental in erasing the negative stigma on vaccines and helping our country's vaccine rollout to succeed. Indeed, Filipino doctors, nurses, and medical front-liners are our modern-day heroes.

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