



### [Stock Market and U.S. Economy Hit by Coronavirus Fears](#)

The continued spread of the coronavirus has impacted markets in the United States and abroad, as businesses and investors begin to feel the effects of the global pandemic. The U.S. stock market plunged to its worst week since the 2008 financial crisis, as the number of cases in the United States grew. The Federal Reserve and central banks around the world announced interest rate cuts to try and slow the downturn and boost confidence in the world economy. The death toll from the virus rose to 11 in the United States on Wednesday, with 126 diagnosed cases. Around the world, over 93,000 individuals have been diagnosed with the virus, including over 80,000 in China, where the outbreak began. To date, the coronavirus has claimed over 3,200 lives around the world.

Leaders of Britain, France, Germany, Japan, Canada, the United States, and Italy issued a joint statement pledging to work together to fight the virus and stand in solidarity with each other. Finance ministers of G7 nations pledged they were ready and able to take steps to assist their economies in response to the virus. Shortly after the G7 statement, the Federal Reserve announced it would be enacting an emergency interest rate cut, reducing the federal funds rate by .50 percent. President Trump had previously criticized Chairman of the Fed, Jerome Powell, for not acting quick enough to cut the interest rate, but this is a topic that Mr. Powell has drawn the president's ire on well before the outbreak of the virus. Moving forward, the Federal Reserve could cut interest rates again, but the European Central Bank and Bank of Japan have less flexibility to do so. Despite that, if the virus continues to spread uncertainty throughout the economy, both institutions will likely seek to adjust their policy. G7 nations were not the only countries to adjust their monetary policy in the face of the coronavirus. Malaysia, Australia, and others have also taken proactive steps to ensure their economies remain healthy.

Leading multinational corporations have begun to alter their business strategy as the coronavirus infects more countries around the world. United Airlines and British Airways have both begun cancelling and reducing the number of flights it offers. Twitter has banned all of its employees from undertaking non-essential travel, and is encouraging people to work from home. Foxconn, a Taiwanese technology company and key part of Apple's supply chain, has indicated that its operations will be harmed by the spread of the virus in Asia. Around the world, leading economists have warned that economic growth expectations for the coming year should be tempered.

Moving forward, the economy will likely continue to suffer as businesses are impacted by the spread of the virus. Companies across the world will encourage employees to work from home, which will minimize the risk of the disease spreading, but negatively impact profits. Additionally, the virus doesn't necessarily need to be widespread in a country for that nation to suffer economically. The impact it has on supply chains will affect companies, even if the disease isn't prevalent in that country.