



The economic data so far

Simon Brown

6th May 2020



Total Confirmed

96,786

Confirmed Cases by Country/Region

- 80,411 Mainland China
- 6,088 South Korea
- 3,513 Iran
- 3,089 Italy
- 706 Others
- 444 Germany
- 360 Japan
- 288 France
- 248 Spain
- 162 US
- 117 Singapore
- 105 Hong Kong
- 95 Switzerland
- 90 UK
- 82 Netherlands
- 72 Norway
- 60 Sweden
- 58 Kuwait
- 55 Bahrain
- 52 Australia

Country/Region City, St/Prov

Last Updated at (M/D/YYYY)
3/5/2020, 4:23:03 PM



Cumulative Confirmed Cases Existing Cases

Lancet Inf Dis Article: [Here](#). Mobile Version: [Here](#). Visualization: JHU CSSE. Automation Support: Esri Living Atlas team and JHU APL.

Data sources: [WHO](#), [CDC](#), [ECDC](#), [NHC](#) and [DXY](#). Read more in this [blog](#). [Contact US](#).

Downloadable database: GitHub: [Here](#). Feature layer: [Here](#).

Point level: City level - US, Canada and Australia; Province level - China; Country level - other countries. All points shown on the map are based on geographic centroids, and are not representative of a specific address, building or any location at a spatial scale finer than a city.

Existing cases = total confirmed - total recovered - total deaths.

Total Deaths

3,303

2,902 deaths
Hubei Mainland China

107 deaths
Iran

107 deaths
Italy

35 deaths
South Korea

22 deaths
Henan Mainland China

13 deaths
Heilongjiang Mainland China

9 deaths
King County, WA US

8 deaths
Beijing Mainland China

7 deaths
Guangdong Mainland China

6 deaths
Japan

Total Recovered

53,610

40,574 recovered
Hubei Mainland China

1,239 recovered
Henan Mainland China

1,181 recovered
Guangdong Mainland China

1,124 recovered
Zhejiang Mainland China

970 recovered
Anhui Mainland China

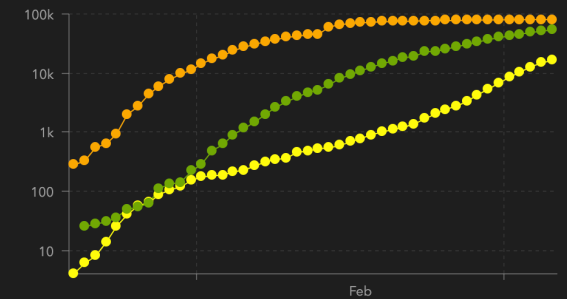
938 recovered
Hunan Mainland China

901 recovered
Jiangxi Mainland China

739 recovered
Iran

580 recovered
Jiangsu Mainland China

577 recovered
Shandong Mainland China



Mainland China Other Locations Total Recovered

Actual Logarithmic Daily Cases



Total Confirmed

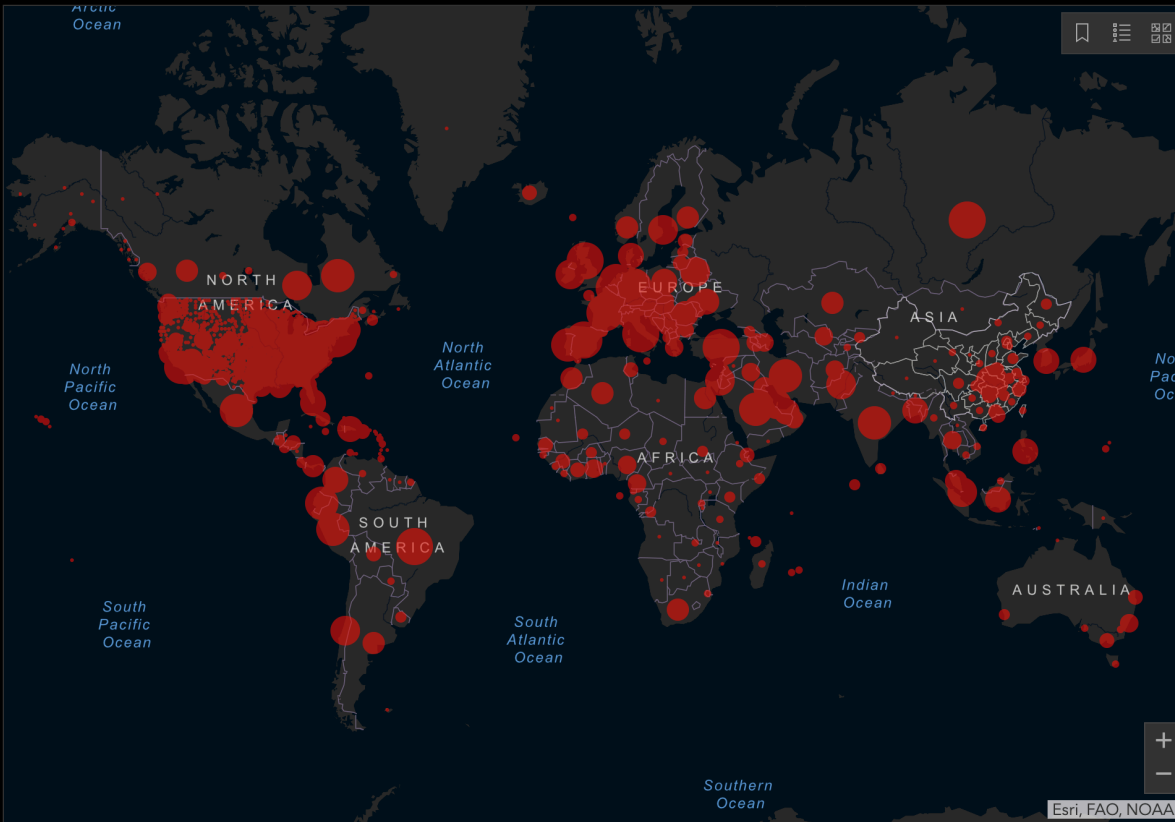
3,665,912

Confirmed Cases by Country/Region/Sovereignty

1,204,475	US
219,329	Spain
213,013	Italy
196,243	United Kingdom
170,694	France
167,007	Germany
155,370	Russia
129,491	Turkey
115,953	Brazil
99,970	Iran
83,968	China
63,215	Canada
51,189	Peru
50,509	Belgium
49,436	India
41,286	Netherlands

Admin0 Admin1 Admin2

Last Updated at (M/D/YYYY)
5/6/2020, 9:32:30 AM



Cumulative Confirmed Cases Active Cases Incidence Rate Case-Fatality Ratio Testing Rate Hospitalization Rate

187
countries/regions

Lancet Inf Dis Article: [Here](#). Mobile Version: [Here](#).

Lead by JHU CSSE. Automation Support: [Esri Living Atlas team](#) and [JHU APL](#). [Contact US](#). [FAQ](#).

Data sources: WHO, CDC, ECDC, NHC, DXY, 1point3acres, Worldometers.info, BNO, the COVID Tracking Project (testing and hospitalizations), state and national government health departments, and local media reports. [Read more in this blog.](#)

Global Deaths

257,337

71,078 deaths
US

29,501 deaths
United Kingdom

29,315 deaths
Italy

25,613 deaths
Spain

25,537 deaths
France

8,016 deaths
Belgium

7,958 deaths
Brazil

6,993 deaths

Global Deaths

US State Level
Deaths, Recovered

25,124 deaths, **58,950** recovered
New York US

8,244 deaths, **15,642** recovered
New Jersey US

4,212 deaths, **recovered**
Massachusetts US

4,183 deaths, **15,659** recovered
Michigan US

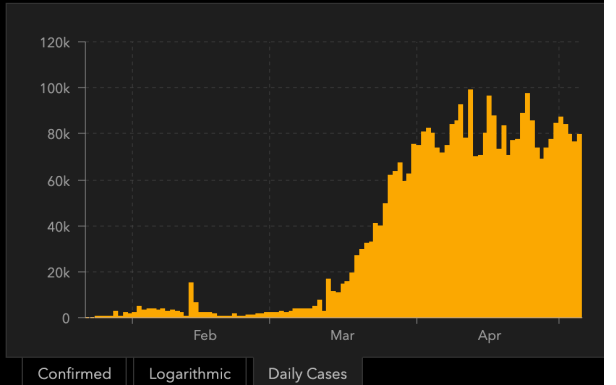
3,179 deaths, **recovered**
Pennsylvania US

2,834 deaths, **recovered**
Illinois US

2,633 deaths, **4,346** recovered
Connecticut US

2,388 deaths, **recovered**

US Deaths, Recovered



Confirmed Logarithmic Daily Cases

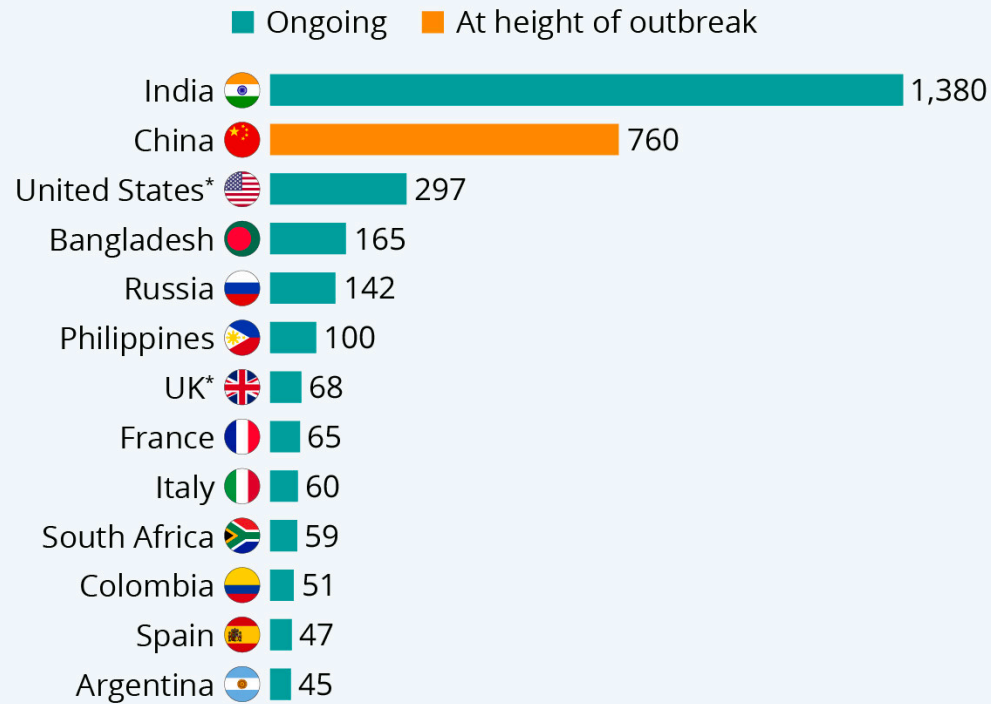




This is not a drill

The Size of Coronavirus Lockdowns

Number of people placed on enforced lockdown due to the coronavirus pandemic, per country (in million people)



* At least partly enforced

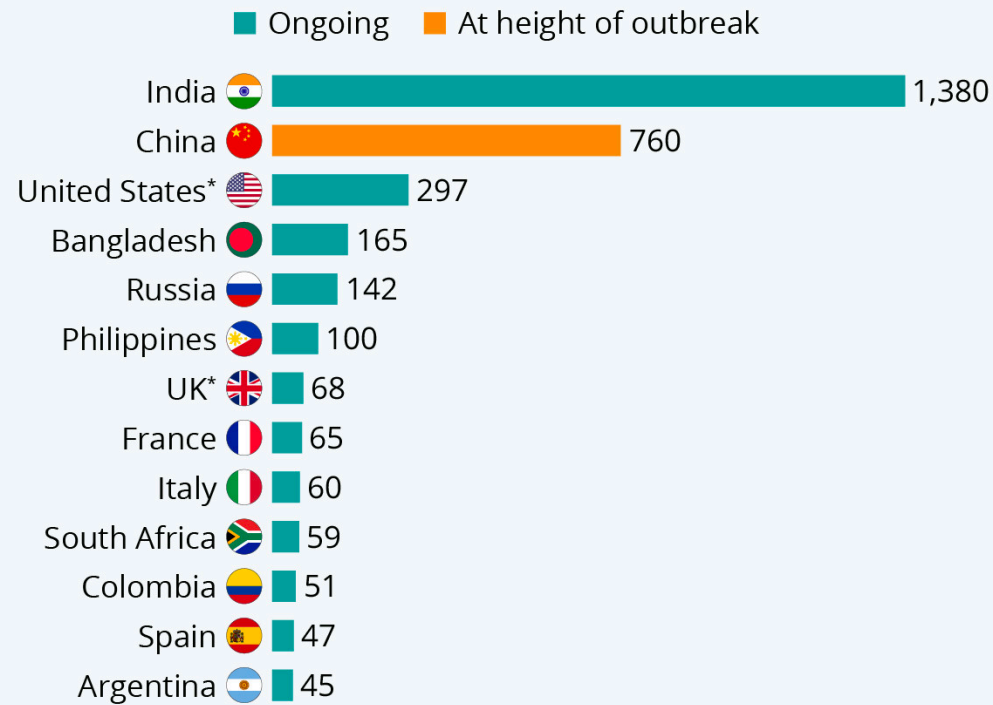
Source: Media reports



- Not in lockdown
 - Indonesia
 - Nigeria
 - Pakistan
 - Brazil
 - Mexico

The Size of Coronavirus Lockdowns

Number of people placed on enforced lockdown due to the coronavirus pandemic, per country (in million people)

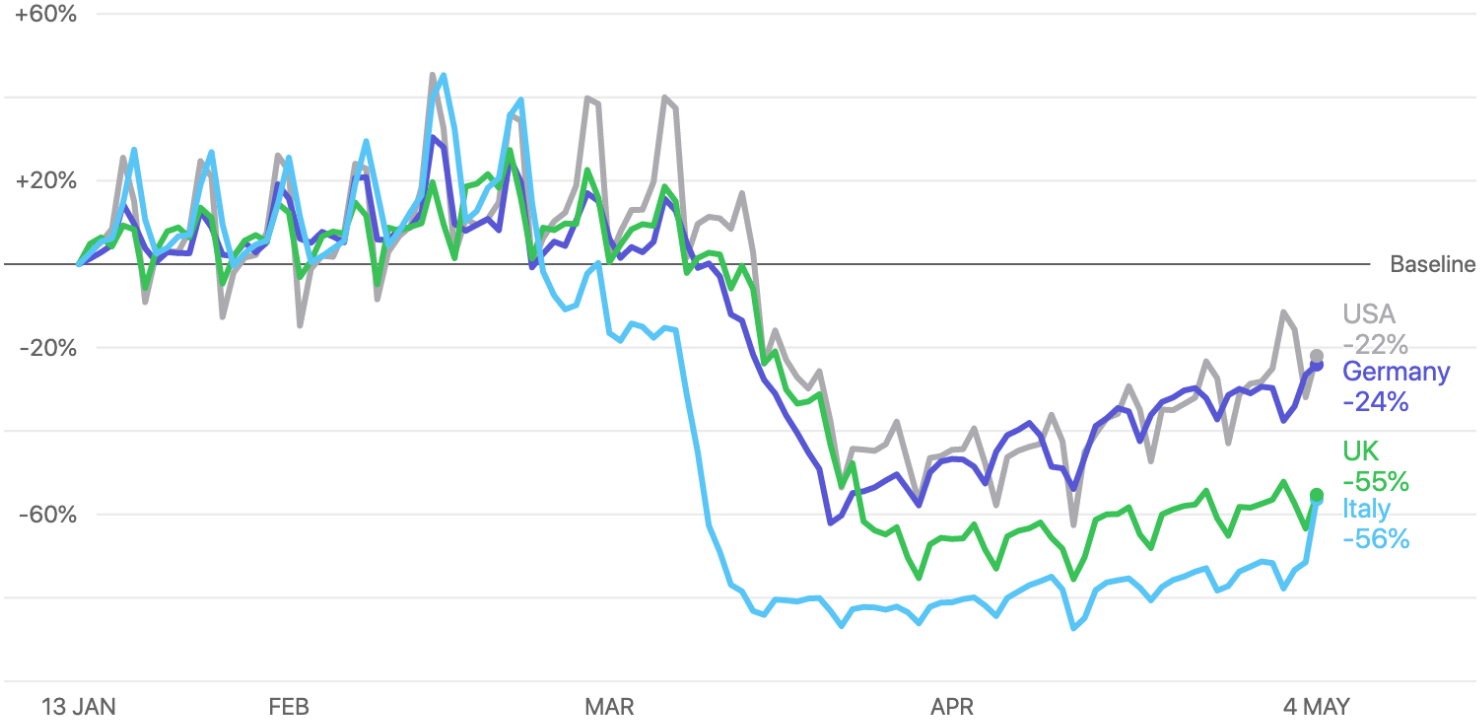


* At least partly enforced

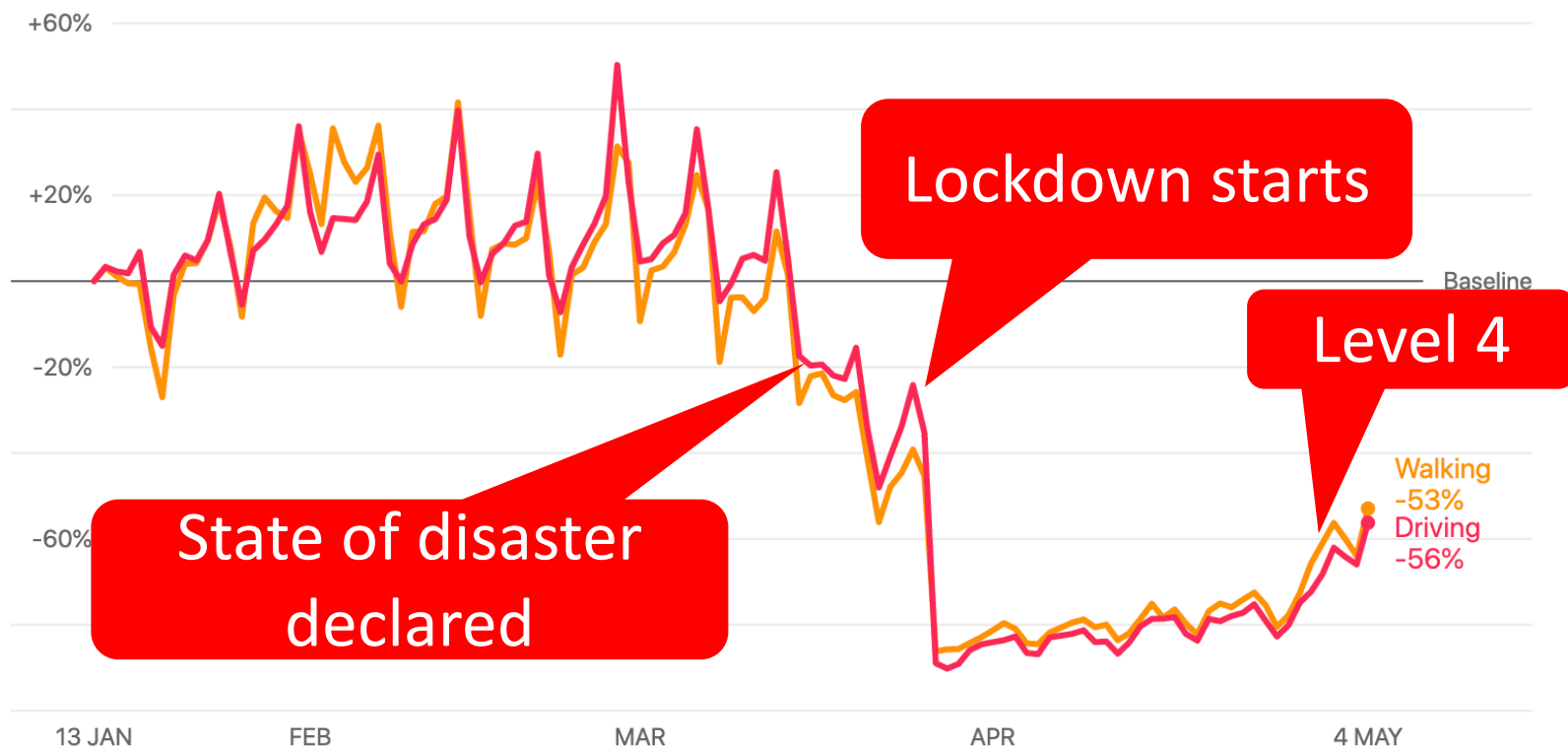
Source: Media reports



Apple mobility data



Apple mobility data ~ South Africa

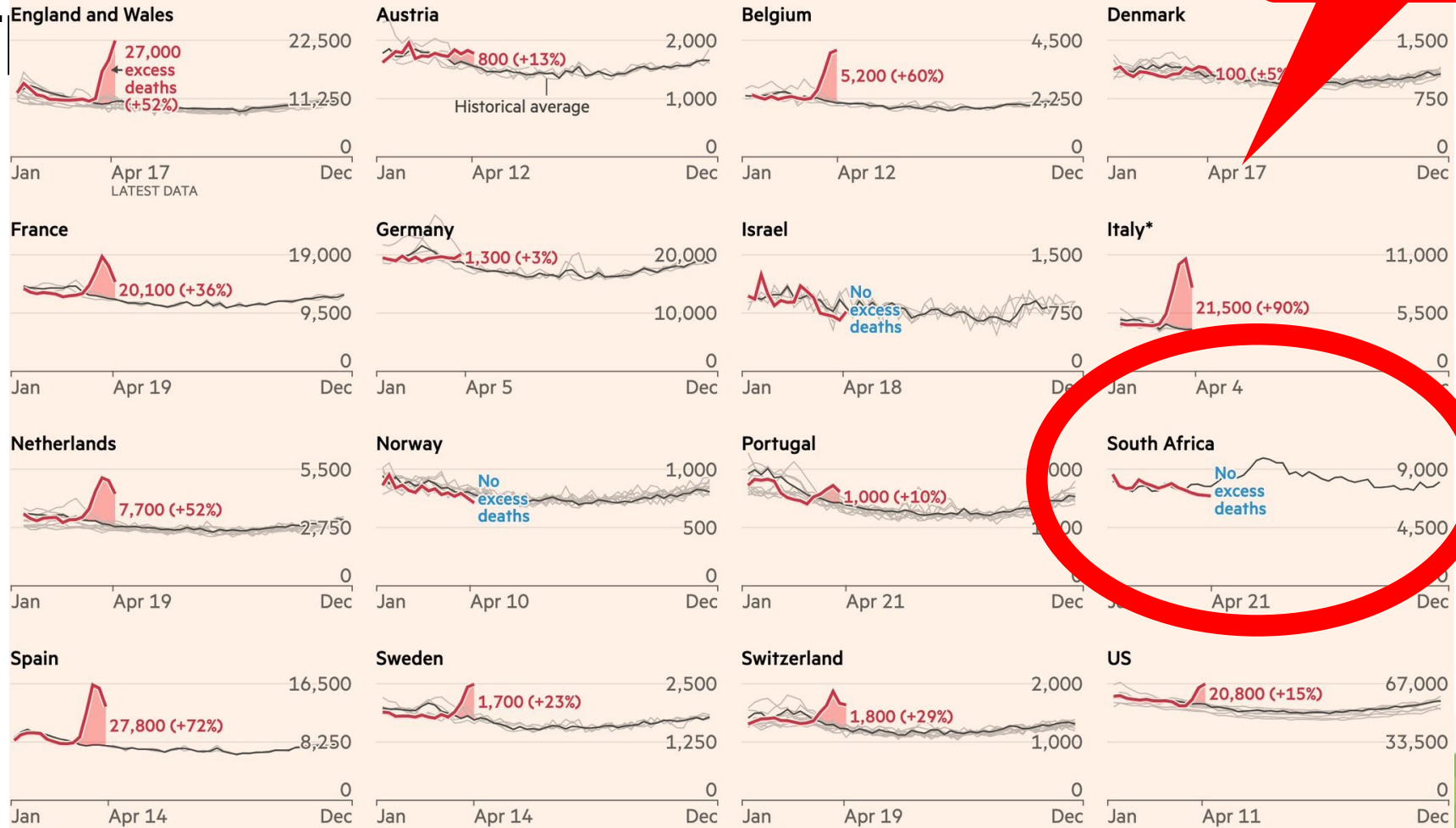


Death rates have climbed far above historical averages in many countries that have faced Covid-19 outbreaks

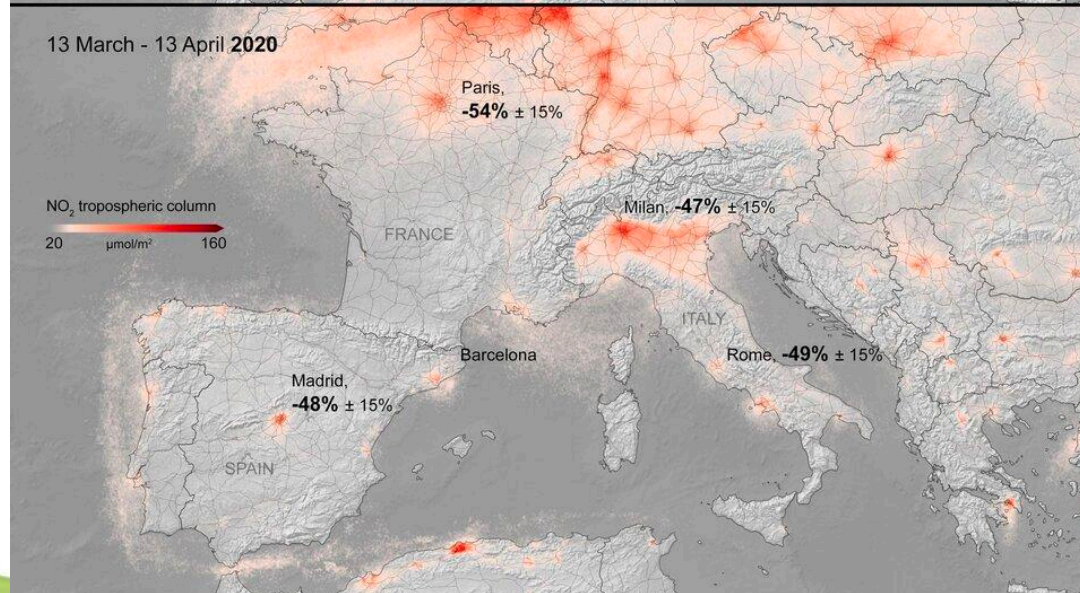
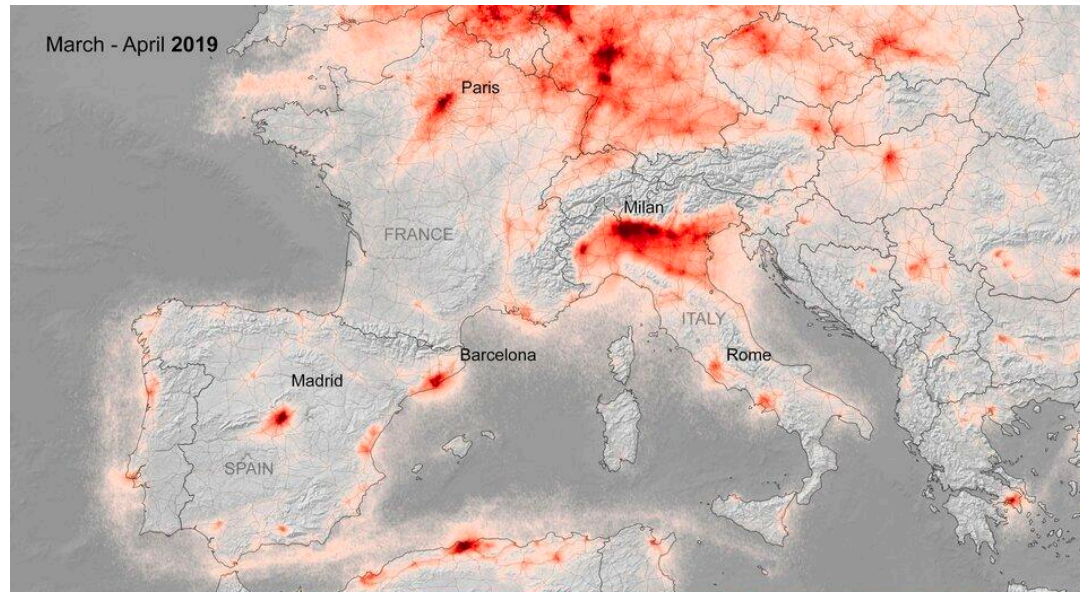
Number of deaths per week from all causes, 2020 vs recent years: Shading indicates total excess deaths during outbreak

Note dates

T



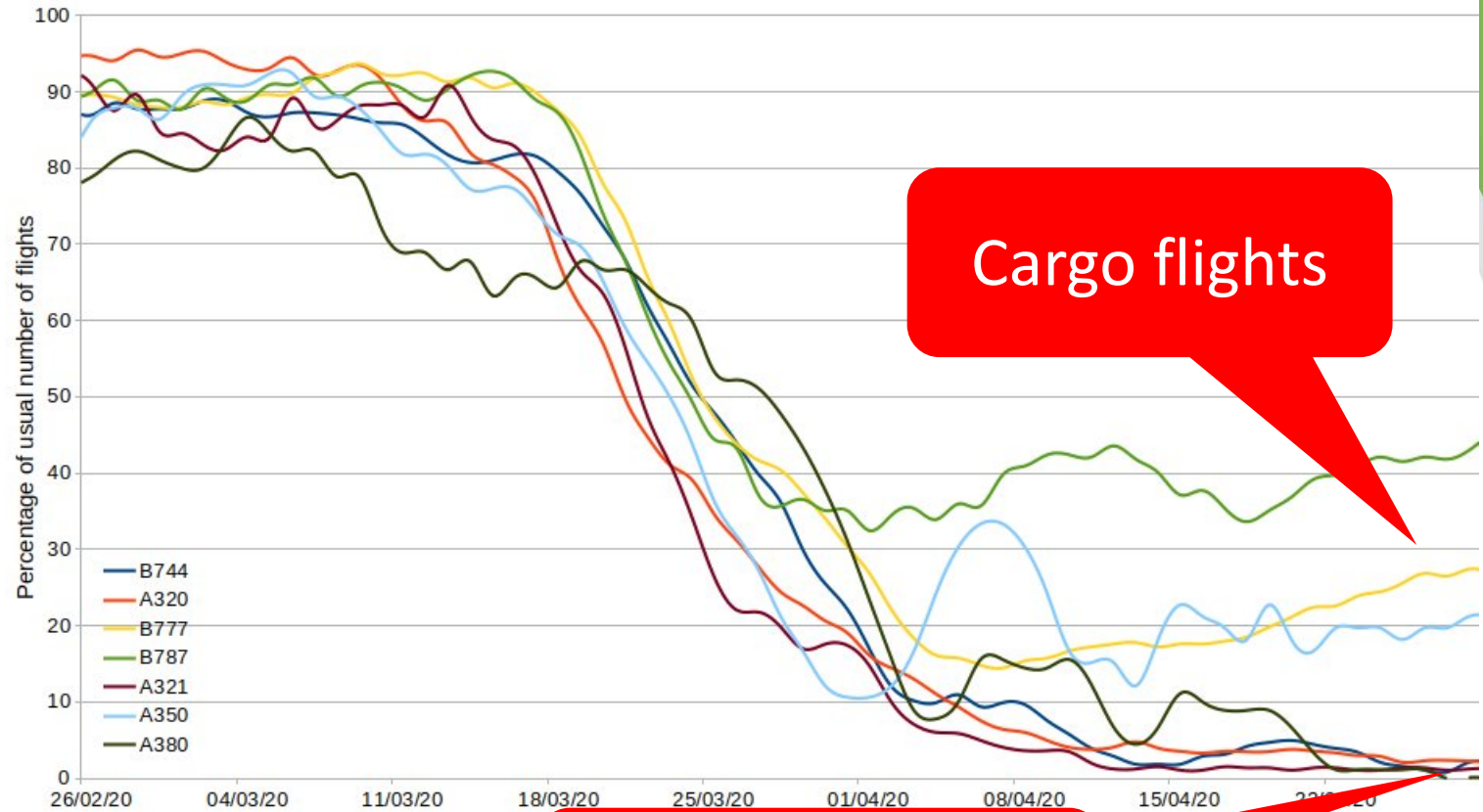
*Italian figures are for a subset of the country where data is available
 Source: FT analysis of mortality data. Data updated May 01
 FT graphic: John Burn-Murdoch / @jburnmurdoch
 © FT



Hard data

Airlines

- BA flights



Airlines

- US passenger travel



Transportation Security Administration

Best throughput since 29 March

Date	Total Traveler Throughput	Total Traveler Throughput (1 Year Ago - Same Weekday)
5/3/2020	170,254	2,512,598
5/2/2020	134,261	1,968,278
5/1/2020	171,563	2,546,029

93.3% down on previous year

Airlines

- Comair



“it is not anticipated that Comair will commence operating prior to October or November 2020”

Cautionary
30 April 2020

Airlines

- Comair



“The best option to ensure the long-term survival of the Company is to implement business rescue”

Cautionary
05 May 2020

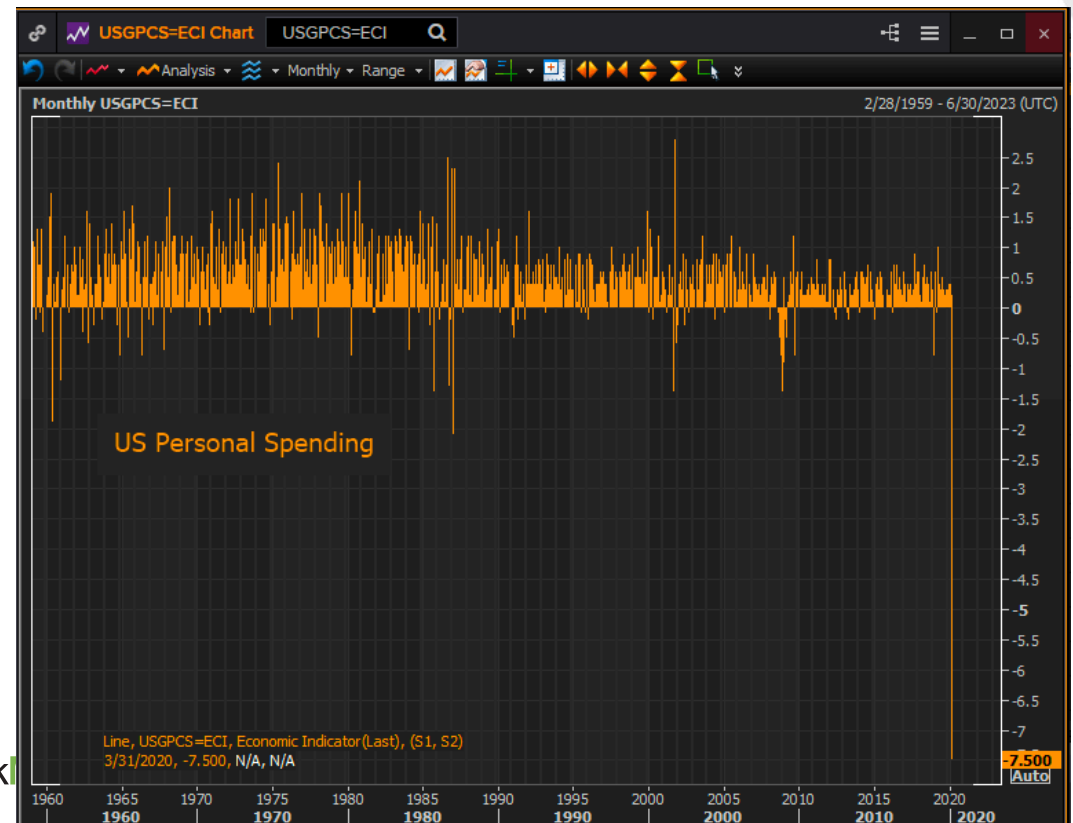
Personal spending

- South Africa
- Vehicle sales April ~ 574
 - -98.2% year-on-year
- Is the money being saved?
 - Not if you lost an income

Personal spending

- South Africa
- Vehicle sales April ~ 574
 - -98.2% year-on-year
- Is the money being saved?
 - Not if you lost an income

• US



GDP

- Quarter-on-Quarter (QoQ)
 - Annual less bad right now
- Seasonally adjusted
- 1st quarter 2020 (Jan – Mar)
- Early numbers = flash
 - Will be adjusted in time
- China -6.8% (first negative since 1992)
- US -4.8%
- EU -3.5%
- France -5.8%
- Italy -4.7%
- Spain -5.2%
- UK ~ 13 May
- Germany ~ 15 May
- South Africa ~ 30 June

GDP (IMF)

- Quarter-on-Quarter
- Annual less
- Seasonally adjusted
- 1st quarter 2021
- Early numbers
- Will be adjusted

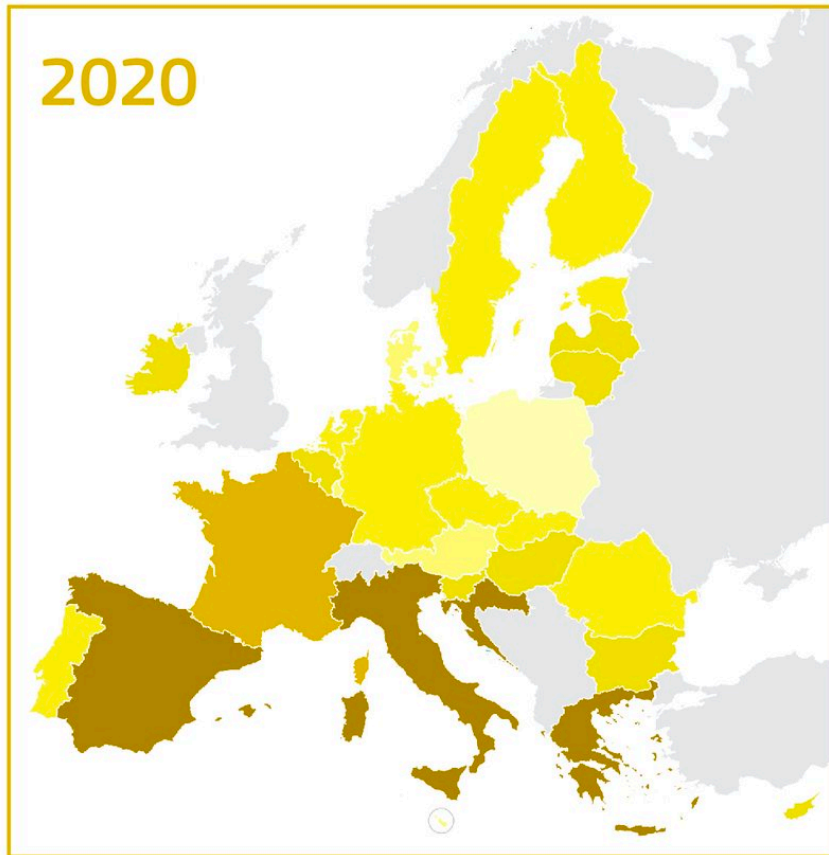
(real GDP, annual percent change)	2019	2020	2021
World Output	2.9	-3.0	5.8
Advanced Economies	1.7	-6.1	4.5
United States	2.3	-5.9	4.7
Euro Area	1.2	-7.5	4.7
Germany	0.6	-7.0	5.2
France	1.3	-7.2	4.5
Italy	0.3	-9.1	4.8
Spain	2.0	-8.0	4.3
Japan	0.7	-5.2	3.0
United Kingdom	1.4	-6.5	4.0
Canada	1.6	-6.2	4.2
Other Advanced Economies	1.7	-4.6	4.5
Emerging Markets and Developing Economies	3.7	-1.0	6.6
Emerging and Developing Asia	5.5	1.0	8.5
China	6.1	1.2	9.2
India	4.2	1.9	7.4
ASEAN-5	4.8	-0.6	7.8
Emerging and Developing Europe	2.1	-5.2	4.2
Russia	1.3	-5.5	3.5
Latin America and the Caribbean	0.1	-5.2	3.4
Brazil	1.1	-5.3	2.9
Mexico	-0.1	-6.6	3.0
Middle East and Central Asia	1.2	-2.8	4.0
Saudi Arabia	0.3	-2.3	2.9
Sub-Saharan Africa	3.1	-1.6	4.0
Nigeria	2.2	-3.4	2.4
South Africa	0.2	-5.8	4.0

Looks optimistic?

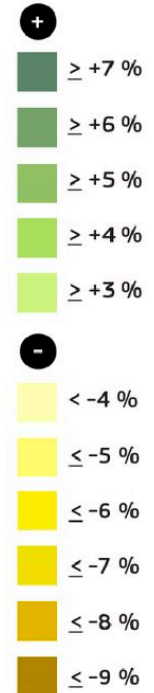
... negative since 1992

Below SARB and treasury

Growth map



% of GDP



Source: European Economic Forecast, Spring 2020

PMI ~ manufacturing

- Local April PMI

- Business activity - 5.1
- New sales orders – 8.9
 - Lowest ever
 - 2008/9 low 30s previous worst

Most up-to-date
data

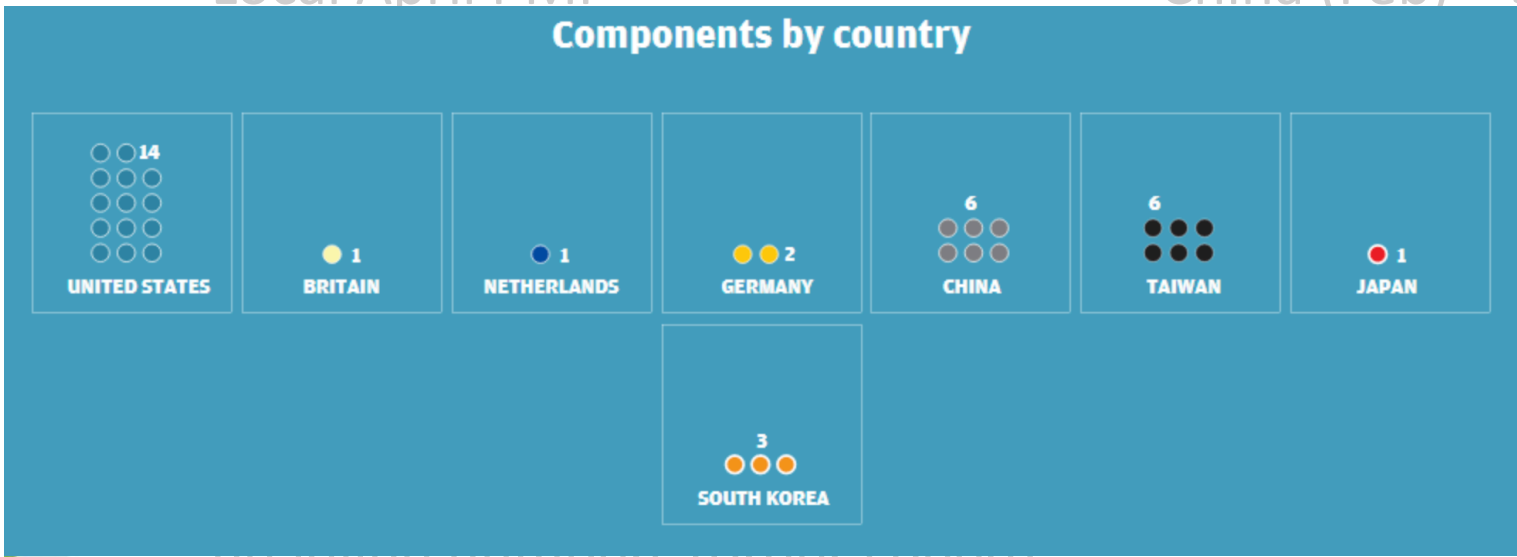
- Some statistical oddities in headline numbers (order speed)
- Supply chains slow to restart

- China (Feb) – 35.7
 - Mar 52.0 / Apr 50.8
- US – 41.5
- EU – 33.4
- France – 31.5
- Italy - 31.1
- Spain – 30.8
- UK – 32.6
- Germany – 34.5
- India (Services) - 5.4

PMI ~ manufacturing

• Local April PMI

• China (Feb) – 3

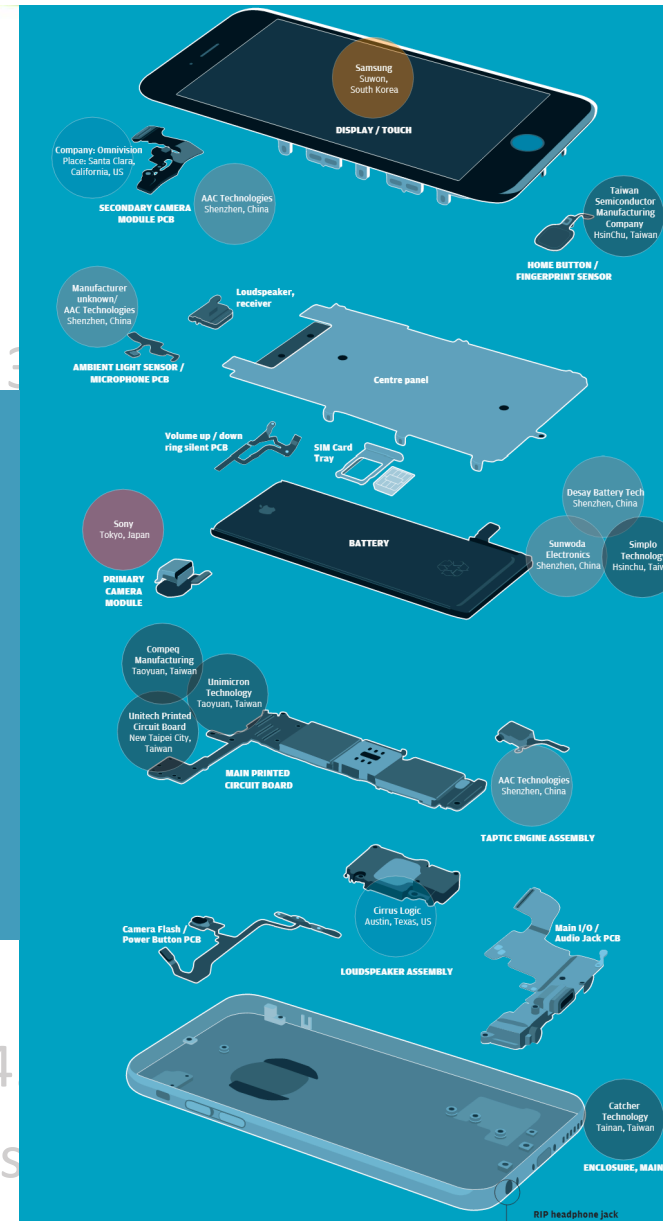


• Supply chains slow to restart

• UK – 32.6

• Germany – 34

• India (Services

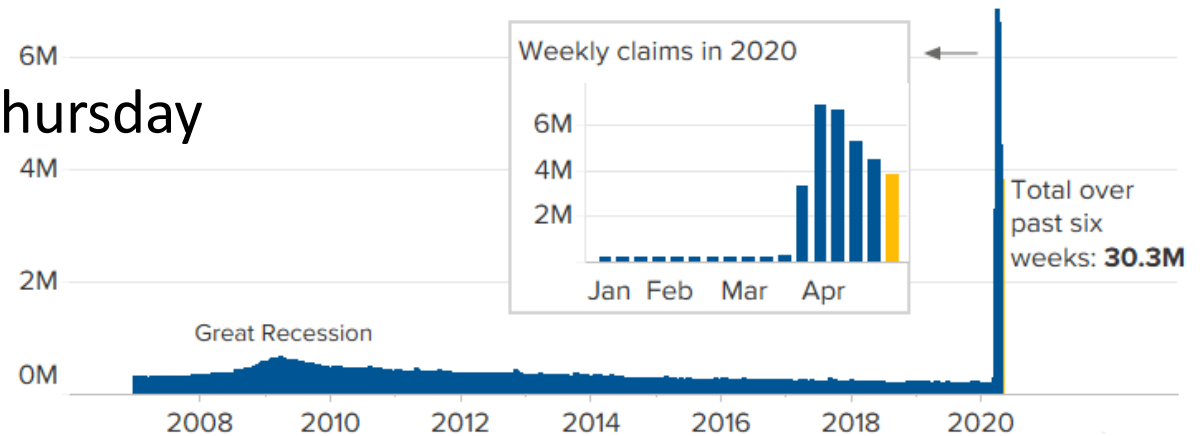


Unemployment

- US initial claims
 - Current = 30.3m in 6 weeks
 - Entire 2008/9 recession
 - 32million
- US unemployment rate due Thursday
 - To mid April 2020
 - US labour force +/- 160million
 - Expected +/- 16%
- Local unemployment
 - Always been a horror
 - +35% likely

Surge in initial claims continues

Weekly initial unemployment insurance claims



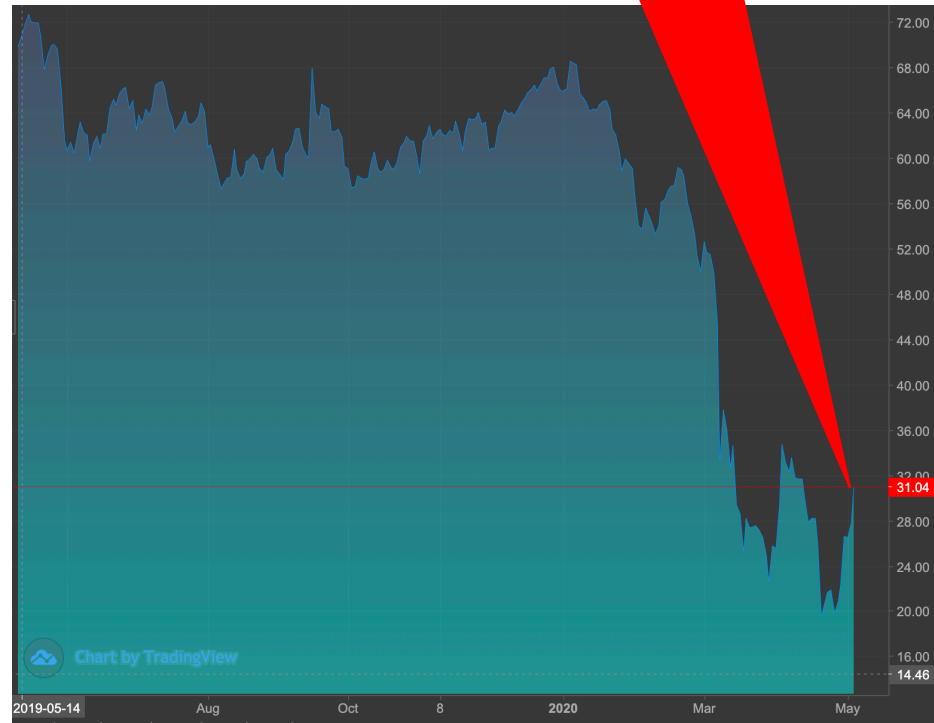
SOURCE: Department of Labor. Data is seasonally adjusted.



Commodities

- WTI negative late April
 - Price has recovered
 - Demand gone
- Brent also under pressure
 - But well off the lows
- Oil producer nations will struggle
- PGMs
 - Demand disappeared (vehicle sales)
- Gold
 - Safe haven
 - But sells off when markets collapse

Brent daily



Tax revenue?

- SARS tax loss of up to R285bn – Kieswetter
- No hard numbers yet
- But think;
 - VAT
 - Income tax
 - Company profit
 - Fuel levy
- This will be global



Results so far

- Local
- To end February / March 2020
 - Doesn't tell us much
- Clicks & Capitec* no dividend
 - Clicks has R2.3billion cash
 - Capitec responding to SARB & cautious
- REITs liquidity risks
 - REIT status under threat
 - 75% distributable income as dividend
 - But liquidity risk even bigger

Results so far

- Local

- To end February / March 2020

- Doesn't tell us much

- Clicks & Capitec* no dividend

- Clicks has R2.3billion cash
- Capitec responding to SARB & cautious

- REITs liquidity risks

- REIT status under threat
- 75% distributable income as dividend
- But liquidity risk even bigger

- US

- To end March 2020

- Apple ~ some weakness
- Amazon ~ strong
 - But \$4bn COVID-19 costs next Q
- J Crew chapter 11 bankruptcy
- Buffett bailed on airlines

- Guidance is being pulled

Stimulus packages

- US
 - Very aggressive
 - +US\$3trillion
- EU
 - Fraught with negotiations
 - Euro500billion
 - Individual countries also doing

- South Africa
 - Cautious (we have little)
 - R500billion
 - But not all 'hard' money
 - R200billion under writing loans
 - Social grants a real impact on poor



Sport

- Not happening in 2020
 - Logistics are impossible
 - Even for empty stadium
 - RugQuarantine;
 - Entire league
 - Support & medical staff
 - Media
 - Catering & accommodation
 - Bus drivers
 - by requires 250/game*
 - Excludes accommodation, transport & catering
- Niche one off non-team events
 - Maybe



Recession or depression?

- Recession
 - 2 quarters of negative GDP
- Severe recession
 - 3 quarters negative GDP
- How quickly can we rebound?
 - Depends on lockdown
 - Length
 - Severity
 - Adherence

Recession or depression?

- Recession

- 2 quarters of negative GDP

- Severe recession

- 3 quarters negative GDP

- How quickly can we rebound?

- Depends on lockdown
 - Length
 - Severity
 - Adherence

- Depression

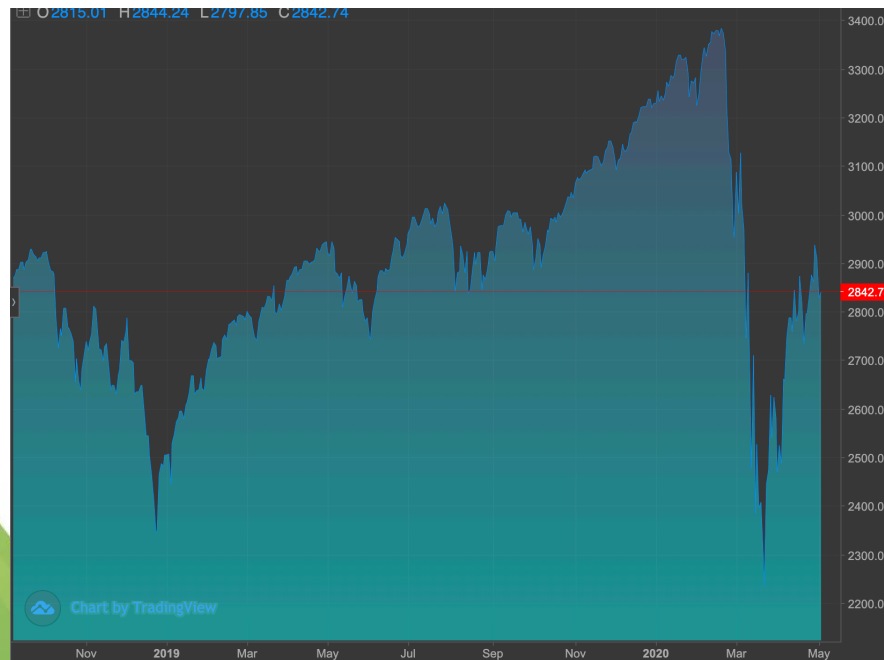
- “Long-term downturn in economic activity”
- +4 quarters negative GDP growth?

- Absent a cure or vaccine

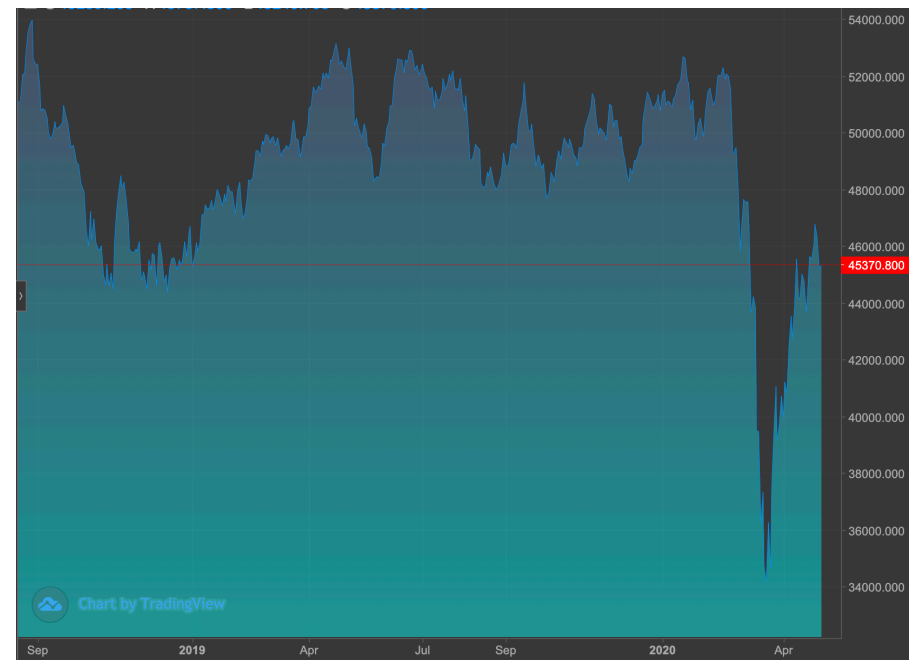
- Lockdown will remain in some form
- This hurts the economy
- Recovery will be slow
 - US = fire quick & hire slow
- Consumer confidence is low

Markets (April best month since 1987)

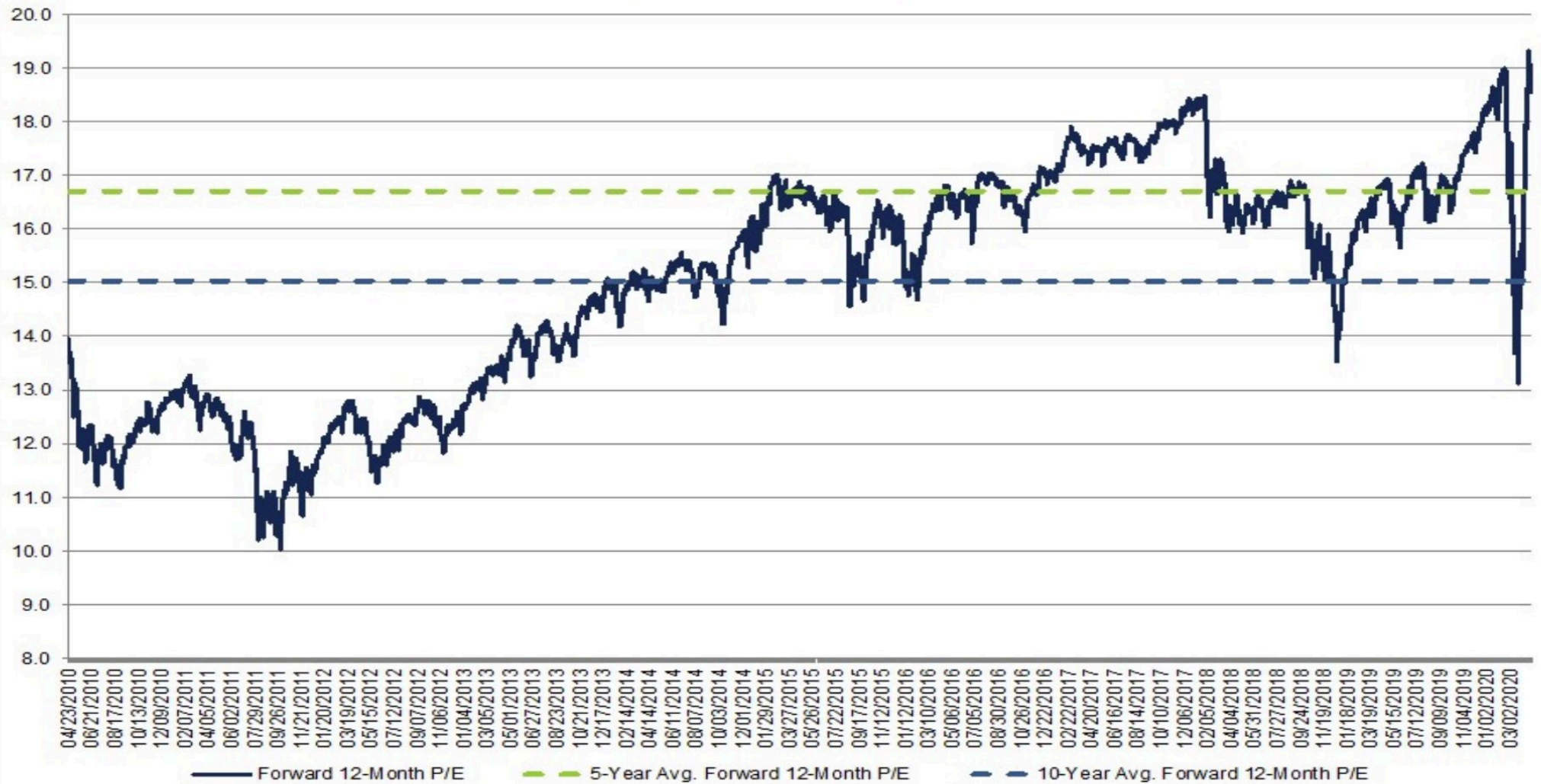
S&P500



Top40



S&P 500 Forward 12-Month P/E Ratio: 10 Years (Source: FactSet)



Conclusion

- Most data is still early days
 - April PMI & US initial claims the exceptions (projecting massive Q2 GDP drop)
- But so far what we're seeing is bleak
 - This is impact of a necessary hard lockdown
- Lifting lockdown will give us new data
 - Lag of 3-4 weeks due to incubation / testing and lifting process is slow & staggered
 - Watching; Spain (13 Apr) / Germany (20 Apr) / New Zealand (27 Apr) / Italy (04 May)
- Expect Q2 data to be a horror show
 - PMI showing us how bad Q2 GDP will be, watch for May & June PMI
- How quick a bounce back for the economy?
 - Stock market says quick / epidemiologist way more cautious

What do I think?

- Ignore what markets are saying
 - Trade it for sure, but the market knows no more than we do

What do I think?

- Ignore what markets are saying
 - Trade it for sure, but the market knows no more than we do
- Cure or vaccine is what will improve the situation
 - Not promises, actual hard data. Currently vaccine earliest is H2 2021
- Watch countries lifting lockdown
 - Does infection rate start to rise again? Do they go back into lockdown?
 - Lockdown very hard to do for long periods. Mobility data shows that
- Severe recession = certainly / depression = very likely
 - Data so far is as bad (or worse) than I expected. Watch the data (economic / medical)
- COVID-19 will be here for a long while and it hurts
 - People are not all rushing out after lockdown (lack of confidence)

A last thought

- No new normal
 - A chance at a new reality
 - That we get to define
 - Once the pandemic ends*;
 - 54% of Americans say they want to work from home primarily
 - 75% say occasionally
 - 10% said would stay away from bars and restaurants for the rest of the year
- * IBM survey of 25,000 adult Americans during April 2020
- How soon do you;
 - Go to a bar? Take a flight?
 - Elderly, sick, cautious?

A last thought

- No returning to pre COVID-19 economic activity
 - Not before 2022
 - Unless some miracle happens
 - Post lockdown is NOT back to normal
- So far, all projections have under shot
 - Expect economic data to be worse
 - Take longer to recover
- Confidence by all is what is needed
 - That's a long way off

Thank you & stay safe

JustOneLap.com

simon@justonelap.com



@SimonPB

This document and any associated verbal presentation has been prepared and presented by Simon Brown and is not an official confirmation of terms, does not represent an express or implied offer, nor does it create any liability or obligation on ThinkMarkets. Any rates, levels and prices quoted herein or verbally presented are indicative only and although reflective of market conditions prevailing at the relevant time do not constitute an offer to transact at such levels and are supplied for illustrative purposes only. Any transaction or agreement to perform certain services that may be concluded pursuant to this document and/or any associated verbal presentation shall be in terms of and confirmed by the signing of appropriate documentation, on terms to be agreed between the relevant parties. ThinkMarkets, or an associated company, may have effected or may effect transactions for its own account in any securities or other investments outlined in this document and any associated verbal presentation or any investment related to such an investment. Prospective investors should obtain independent advice in respect of any product detailed in this document and/or associated verbal presentation, as ThinkMarkets provides no opinion or advice including investment, tax or legal advice and makes no representation or warranty about the suitability of a product for a particular client or circumstance. Transactions described in this document and any associated verbal presentation may give rise to substantial risk and are not suitable for all investors. ThinkMarkets will only provide investment advice if specifically agreed to by ThinkMarkets in appropriate documentation, signed by ThinkMarkets. This information is to be used at your own risk, and ThinkMarkets makes no representation with regards to the correctness of the information herein. By accepting this document, you agree to be bound by the foregoing limitations.