












COVID-19 Index

July 13, 2020

Health

Economy

Markets

Topic	Current Status	Score
Vaccine Testing Treatment	Most reasonable timeline for a vaccine is 12-18 months, JP Morgan predicts mid-2021. The availability and accuracy of tests remain a controversy. The Trump administration has said they aim to have a vaccine by January 2021 as part of Operation Warp Speed.	
New Cases	Global confirmed cases are 12,294,117 as of July 10, 2020 according to JHU. Number of cases in US is 3,118,168. More than 60,000 new coronavirus cases were confirmed in the U.S. on Thursday, July 9, 2020. Dr. Anthony Fauci said that states with severe Covid-19 outbreaks are going to “seriously look at shutting down.”	
Deaths	According to JHU: Global deaths at 555,531 and US deaths at 133,291 as of July 10, 2020. Per the WHO, the Covid-19 crisis is “far from over” and “the worst has yet to come.”	
US GDP	Fed forecasts US economy will shrink -6.5% this year. JPM and Goldman estimated -35-40% Q2 GDP. It was -4.8% in Q1. Biggest drop in quarterly economic output since Q4 2008.	
ECRI	ECRI’s U.S. Weekly Leading Index (WLI) stands at -7.7% as of July 3, 2020. The ECRI has trended positive for the past eight weeks. The market tends not to rebound until the ECRI trends positive. It is not as low as 2009 levels anymore.	
Unemployment	June unemployment rate fell to 11.1% from 13.3%. New first-time jobless benefit claims were 1.314 million last week. They fell by almost 100,000, the biggest decline in a month. Continuing jobless claims fell by 698,000 to 18.06 million, the lowest level since April 17, 2020. However, Underemployment (U-6) stands at 18%, above the highs from 2009.	
Federal Reserve	Fed Chair Powell warned Congress of the risks to the economy if lawmakers do not pass additional fiscal aid. “The path forward for the economy is extraordinarily uncertain and will depend in large part on our success in containing the virus,” says Powell.	
Consumer Sentiment	Consumer Sentiment declined to 42.9 last week, its first decline since early May on concerns of additional outbreaks.	
Global	The eurozone economy will fall into a deeper recession this year than initially thought, and the recovery in 2021 will be less robust. The European Commission expects a downturn of -8.3% expected for 2020 before growing by +5.8% in 2021.	
S&P 500	-1.42% YTD – not as bad as one would think. However, most everyone agrees that our economy is more than 1.42% “messed up” right now. Goldman Sachs predicts the S&P 500 will close the year at about 3,000-3,200 and recommends income producing investments.	
Emerging Markets	The MSCI Emerging Markets (EM) Index is +15.6% since May 28, well ahead of the S&P 500 (+4.6%) and developed international MSCI EAFE (+4.2%) for that same time period.	
Earnings	S&P 500 Forward P/E Ratio currently 21.97x, a level not seen since Tech Bubble. Second-quarter earnings are estimated to drop -44% for companies in the S&P 500.	

OVERALL



Progress will be slow; hope for no 2nd wave; consensus for a “swoosh” recovery if we are lucky.

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