

# COVID-19 Index

June 15, 2020

## Health

## Economy

## Markets

Topic	Current Status	Score
<b>Vaccine Testing Treatment</b>	Most reasonable timeline for a vaccine is 12-18 months, JP Morgan predicts mid-2021. The availability and accuracy of tests remain a controversy. According to Dr. Fauci, a 2nd wave of Covid-19 is "inevitable." Modest progress being made but be cautious of news reports.	
<b>New Cases</b>	Global confirmed cases are 7,578,078 as of June 12, 2020 according to JHU. Number of cases in US has hit 2 Million. Daily new cases from about 30,000 to about 20,000 per day. But, as more states are reopening, those numbers are slowly increasing (Texas, Arizona, Oregon).	
<b>Deaths</b>	According to JHU: Global deaths at 423,256 and US deaths at 114,195 as of June 12, 2020.	
<b>US GDP</b>	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.	
<b>ECRI</b>	Tracks initial jobless claims, mortgage applications, and high yield bond spreads, among other things. It is near 2008 levels, and around its lowest reading in history, but it has rebounded slightly. The market tends not to rebound until the ECRI trends positive.	
<b>Unemployment</b>	1 of every 5 Americans out of work. May unemployment rate dropped to 13.3% from 14.9% but there are talks of a misclassification error. Continuing jobless claims at 21.5 million. According to Powell, "it's a long road" until we get unemployment numbers down.	
<b>Federal Reserve</b>	Balance sheet is \$9.3T, 2020 deficit of \$3T. Dramatic measures: cut benchmark interest rate to nearly zero, engaged in open ended bond buying, and rolled out emergency lending programs. Extraordinary monetary stimulus of \$3T. No interest rate increase until 2022.	
<b>Consumer Spending</b>	US consumer spending -7.5% month-over-month. Lowest since 1959. Accounts for 2/3 of GDP. 41 states have permitted dine-in in restaurants across the country.	
<b>Global</b>	Europe is facing its worst recession ever as its economy is estimated to be -7.4% this year. China's GDP contracted -6.8% in Q1 for first time. China accounts for 28% global growth.	
<b>S&amp;P 500</b>	-5.86% YTD – not as bad as one would think. However, most everyone agrees that our economy is more than 5.86% "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.	
<b>Market Winners Are Few</b>	S&P being propped up by Technology stocks as they make up more than 20% of the S&P. The NASDAQ is +6.87% year-to-date as of June 12, 2020. Thursday, June 11, 2020 was the fourth largest point drop ever (nearly -1,900) for the Dow Jones. This week marked one of the worst weeks for stocks since mid-March.	
<b>Earnings</b>	Yardeni research predicts a -52% YOY decrease in Q2 earnings. 2020 YOY estimate: -26.4% Largest quarterly decline since Q3 2009. Healthy economy requires a healthy consumer. S&P 500 Forward PE Ratio currently 21.2x, a level not seen since Tech Bubble.	

# OVERALL



**Progress will be slow; hope for no 2<sup>nd</sup> wave; consensus for a "swoosh" recovery if we are lucky.**

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