




COVID-19 Index


May 13, 2020


Health

Topic	Current Status	Score
Vaccine Testing Treatment	Most reasonable timeline for a vaccine is 12-18 months. The availability and accuracy of tests remain a controversy. According to Dr. Fauci, a second wave of Covid-19 is "inevitable."	


New Cases	Peak cases worldwide 95,845 on May 9; 82,591 on May 12. Number has tapered off since the peak thanks to social distancing. But, once economies reopen, those numbers are likely to go back up again.	
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US Deaths	According to JHU, 82,356 deaths as of May 12; could reach 3,000 per day.	
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US GDP	JP Morgan foresees a -40% Q2 GDP. It was -4.8% in Q1. Biggest drop in quarterly economic output since Q4 of 2008.	
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ECRI	Tracks initial jobless claims, mortgage applications, and high yield bond spreads, among other things. It is at 2008 levels, and near its lowest reading in history. The market tends not to rebound until the ECRI trends positive.	
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Unemployment	April unemployment rate: 14.7%. The number of job losses is the biggest on record dating back to 1939. Fed Chair Powell expects peak in May.	
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Federal Reserve	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 \$3 trillion. According to Powell, the "path ahead is both highly uncertain and subject to significant downside risks."	
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Consumer Spending	US consumer spending -7.5% month-over-month. Lowest since 1959.	
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Global	Europe is facing its worst recession ever as its economy is estimated to be -7.4% this year. China's GDP contracted by -6.8% in Q1 for first time ever.	
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S&P 500	-12% YTD – not as bad as one would think. However, most everyone agrees that our economy is more than 12% "messed up" right now.	
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Market Winners Are Few	S&P being propped up by stocks such as Facebook, Google, Apple, Microsoft, and Amazon. These five companies make up nearly 20% of the S&P and have fared well during the pandemic. NASDAQ is -3% year-to-date.	
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Earnings	EPS growth year-over-year projection for Q2 2020 is -40%. Largest quarterly decline since Q3 of 2009. Healthy economy requires a healthy consumer.	
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Markets

OVERALL



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