



THE VIRAL ECONOMYTM

PERSONAL AND FINANCIAL
HEALTH DURING COVID-19

THE RE-RISING TIDE

A STRATEGIC NEWS SERVICE[®]

EXCLUSIVE PUBLICATION





The Viral Economy

Week of May 11, 2020
Part 12

SECTIONS

1. Overview: The Re-Rising Tide
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3. Most-Affected Regions
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OVERVIEW: THE RE-RISING TIDE

By Evan Anderson

Author's Note: *It has come to my attention that some readers have likely missed the point of the Market Effects section. These are high-risk markets and assets that we've highlighted because of the likelihood of their value decreasing significantly. Their performance, by percentage, since the beginning of the pandemic is noted beside them. A savvy investor would use this information in their decision making.*

Last week's issue focused on the strange emerging dynamic wherein states, provinces, and countries began to pursue policies of opening up while still exhibiting a rapidly increasing number of active cases, ongoing community spread, and a huge amount of risk in reopening. Unsurprisingly, the last week has begun to bear out the predicted results, while still more countries and regions begin to pursue the same policy.

The first US states to begin opening up in this position were highlighted last week. Texas, Florida, and Georgia had some of the highest disease statistics when they began to remove restrictions. Yesterday, they were 4th, 6th, and

“Public health analysts from the Imperial College London, whose COVID-19 research has guided global policymakers, last week called Brazil’s anti-virus efforts ‘partially successful.’ ‘In the absence of the introduction of further control measures that will more strongly curb transmission, Brazil faces the prospect of an epidemic that will continue to grow exponentially,’ they wrote.” - [CBC](#)

9th in the nation for new cases. Colorado has chosen to follow a slower, multi-phase reopening plan, similar to those of Washington and California, and seems to be seeing the benefits. Meanwhile, despite its rising rank in the viral statistics, [Florida also seems to be manipulating its COVID data](#) in an attempt to underplay the severity of the outbreaks in the state.

More Nations Follow Suit, Others Retreat

Other countries have recently aligned the easing of lockdown with a high point of new infections. [Vladimir Putin announced a policy that will mimic the Trump administration’s attempts](#) to hand off

responsibility, with governors now allowed to decide whether lockdown or restrictions are necessary. From an epidemiological standpoint, such approaches create an ideal incubation system for ongoing infection, as local borders inside nations are extremely porous. Putin even used the same language to describe the change in policy as the US administration, stating:

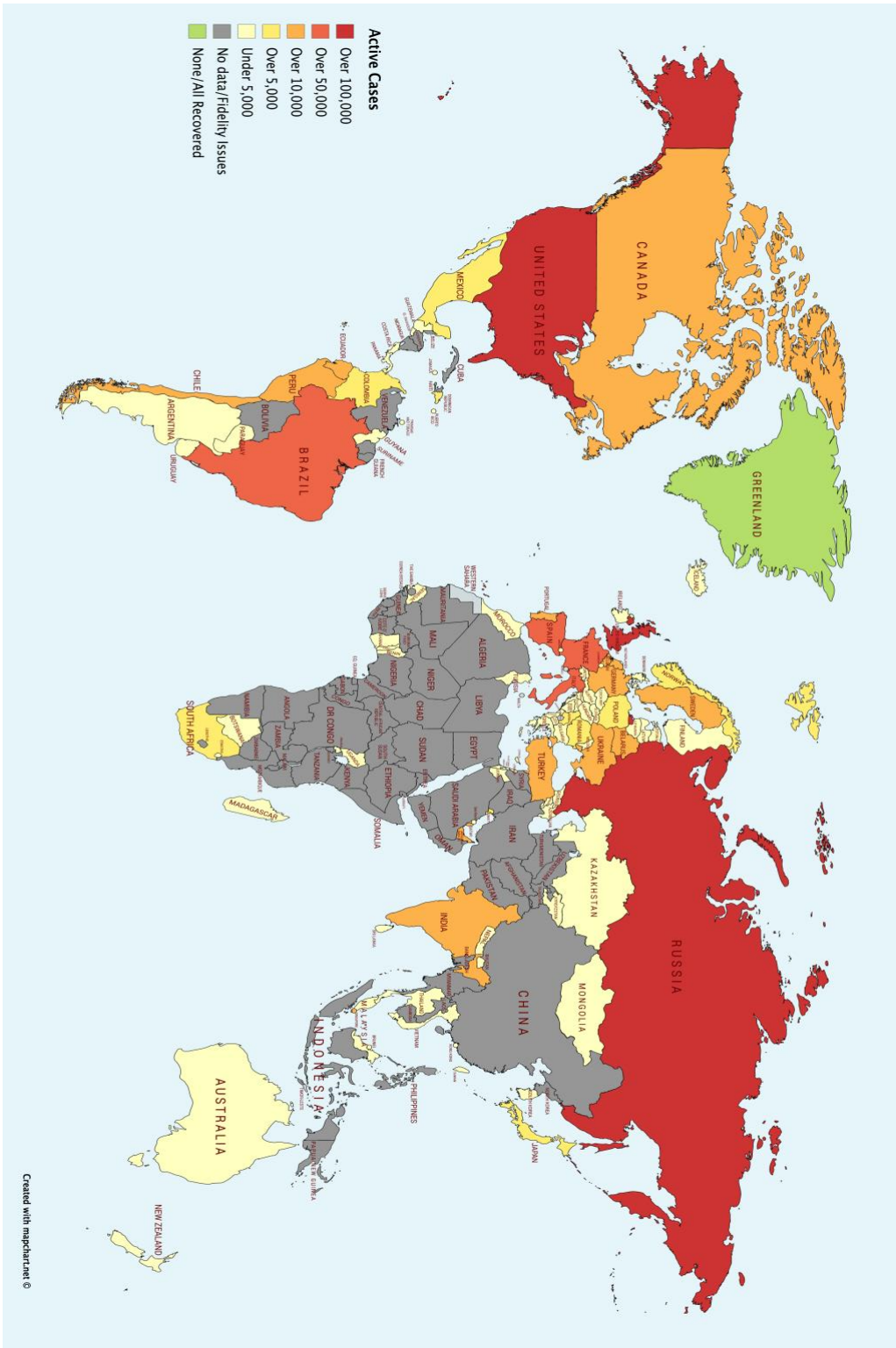
[We cannot be guided by a single blueprint because certain actions in some regions could create unnecessary risks to citizens while in other regions they could lead to pointless restrictions on people and businesses....](#)

Meanwhile, Brazil, while still under no formal federal guidance to restrict movement, is beginning to reach a crisis point. As a result, states and cities are taking the situation into their own hands despite protestations from President Jair Bolsonaro. While the country’s largest cities still remain technically open, [Rio de Janeiro and Sao Paulo have begun to devise strategies to close neighborhoods and reduce traffic](#) in an attempt to stem the rapid spread of the virus through their populations.

Other countries, including [Lebanon](#), [South Korea](#), and [China](#), have again shut down various hubs and travel, mimicking [the challenges Singapore, Hong Kong, and Taiwan](#) have had with reopening.

Active Cases by Country

(Excluding those with fewer than 1,000 tests/million or that score lower than 6 on the CATO Institute Human Freedom Index)



Severity

Severity will be measured using four key indicators. Since there is drastically insufficient testing, particularly in the United States, we will not be estimating cases until mass testing is ramped up and a realistic sense of spread can be regained.

1. Apparent R_0 , or “R-Naught”

The number of new individuals each case will infect, based on Los Alamos’ most recent study. An R_0 below 1 means the disease is being contained.

2. Case Fatality Rate, or CFR

The number of deaths as a percentage of total resolved cases (percentage of deaths vs. individuals cured).

3. Total Confirmed Cases

The official number of reported confirmed cases, as of press time (per Johns Hopkins)

4. Total Estimated Cases

Based on the latest guidance from Imperial College London’s COVID-19 Response Team

May 13, 2020

Apparent R_0 = 6 - The European/East Coast Strain

CFR = ?

Total Confirmed Cases: 4,389,006

**Total Estimated Cases:
Estimates of CFR and Cases are not
useful without sufficient testing.**

**Official Death Count:
295,155**

Most-Affected Regions

Countries/regions experiencing the highest deaths per million

San Marino (1,208)	Sweden (343)	Luxembourg (165)
Belgium (763)	Netherlands (325)	Canada (138)
Andorra (634)	Ireland (301)	Ecuador (132)
Spain (580)	Isle of Man (270)	Bermuda (128)
Italy (514)	USA (253)	Portugal (115)
UK (489)	Channel Islands (242)	Monaco (102)
France (414)	Switzerland (216)	Germany (93)
Sint Maarten (350)	Montserrat (200)	Denmark (92)

Market Effects

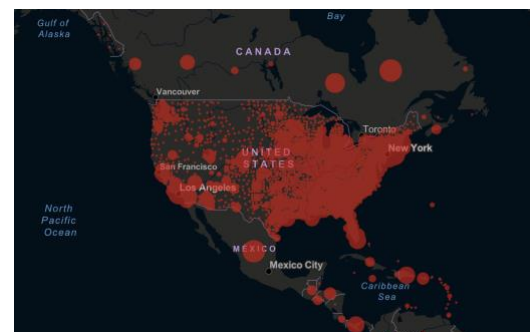
Percentage Change Since Outbreak, Select Viral Economy Metrics

Financial Markets

Shanghai Composite **-6.66**
Shenzhen Composite **+2.89**
Hang Seng **-14.62**
Nikkei **-14.03**
DJI **-18.94**
S&P 500 **-13.30**
FTSE 100 **-22.06**
Bovespa **-33.84**
Nasdaq **-2.75**

Commodities with High China Demand

WTI Crude **-59.73**
Brent Crude **-57.21**
Copper **-15.44**
Steel Rebar **-8.83**
Nickel **-12.07**
Iron Ore **-6.39**
Aluminum **-18.05**
Cotton **-12.04**



US Case Map as of May 13, 2020
(Courtesy Johns Hopkins)

Economies and Companies with Significant Exposure Selected by The Viral Economy in February

National ETFs

iShares MSCI China **-6.29**
iShares MSCI India **-23.25**
iShares MSCI Australia **-26.73**
iShares MSCI Japan **-11.87**
iShares MSCI South Korea **-16.89**
iShares MSCI Russia **-29.26**
iShares MSCI Philippines **-28.17**
iShares MSCI New Zealand **-14.35**
iShares MSCI Malaysia **-16.94**
iShares MSCI Singapore **-24.39**
iShares MSCI Thailand **-23.21**
VanEck Vectors Vietnam **-19.85**

US Equities

Skyworks Solutions **-10.11**
Wynn Resorts Ltd. **-45.23**
Qorvo **-14.07**
Qualcomm **-10.48**
Micron **-18.78**
Broadcom **-16.20**
NVIDIA **+30.69**
Texas Instruments **-13.71**
IPG Photonics **+4.13**
KLA-Tencor **-7.23**

It is clear from the experiences of nations ahead in the virus timeline that reopening is not as simple as many public figures would like us to believe. While further medical complications from COVID-19 continue to emerge in the research, the difficulty of opening up without a large spike in cases, even weeks after curves have begun to turn downward, shows the resiliency of the virus.

Meanwhile, economies are beginning to show signs of serious strain. In the United States, official unemployment figures have already topped 15% (they were at roughly 25% during the Great Depression) and still obscure the true level of virus-related figures, as well as under-employment. [Record plunges in consumer spending](#), added to today's statement from the Fed that [the outlook is "highly uncertain,"](#) all while [Pres. Trump attempts unsuccessfully to push negative interest rates](#) a la Shinzo Abe, are clear signals that the US economic turmoil is still mid-swing.

Unfortunately, the same remains true in every major global economy.

RECOMMENDATIONS:

1. Stay home if possible, the virus can cause long-term health issues.
2. [Children appear to be susceptible to strange symptoms. Act accordingly.](#)
3. Do not visit hospitals unless absolutely necessary.
4. Expect the current market bump to lose momentum as earnings are reported.
5. Wash your hands frequently.
6. Practice social distancing, avoid crowds, and stay 10 feet away from others.
7. The virus appears to be more airborne than previously known. Wear a mask if possible when in shared spaces.



EVAN ANDERSON is the CEO of INVNT/IP and a senior staff writer at SNS. Infectious-disease epidemiology has been a strong interest since his work with tuberculosis in Haiti.

Appendix: Severity Tracker for Major Economies

The SNS Virus Severity Tracker© for major economies measures the trajectory of SARS-CoV-2 and its effect on the economy of each of the largest countries (by nominal GDP) whose data can be trusted. Notable exceptions in the top global economies are China, India, and Brazil, whose virus data cannot be trusted for varied reasons, running from lack of press freedom (China, Brazil) to evidence of tampering (China) to a simple lack of testing capabilities and robust medical infrastructure (India).

This tracker uses proprietary Viral and Economic indexes to serve as a guide for the global viral and economic outlook of these countries individually and in combination. The countries tracked represent more than 890 million people generating over \$44 trillion in annual GDP.

Overall Severity Index© Scores

(0=Unaffected, 1=Extremely Severe)

South Korea (0.05)
Japan (0.05)
Germany (0.11)
Australia (0.13)
France (0.25)
Italy (0.27)
Canada (0.28)
United Kingdom (0.34)
Spain (0.36)
United States (0.37)

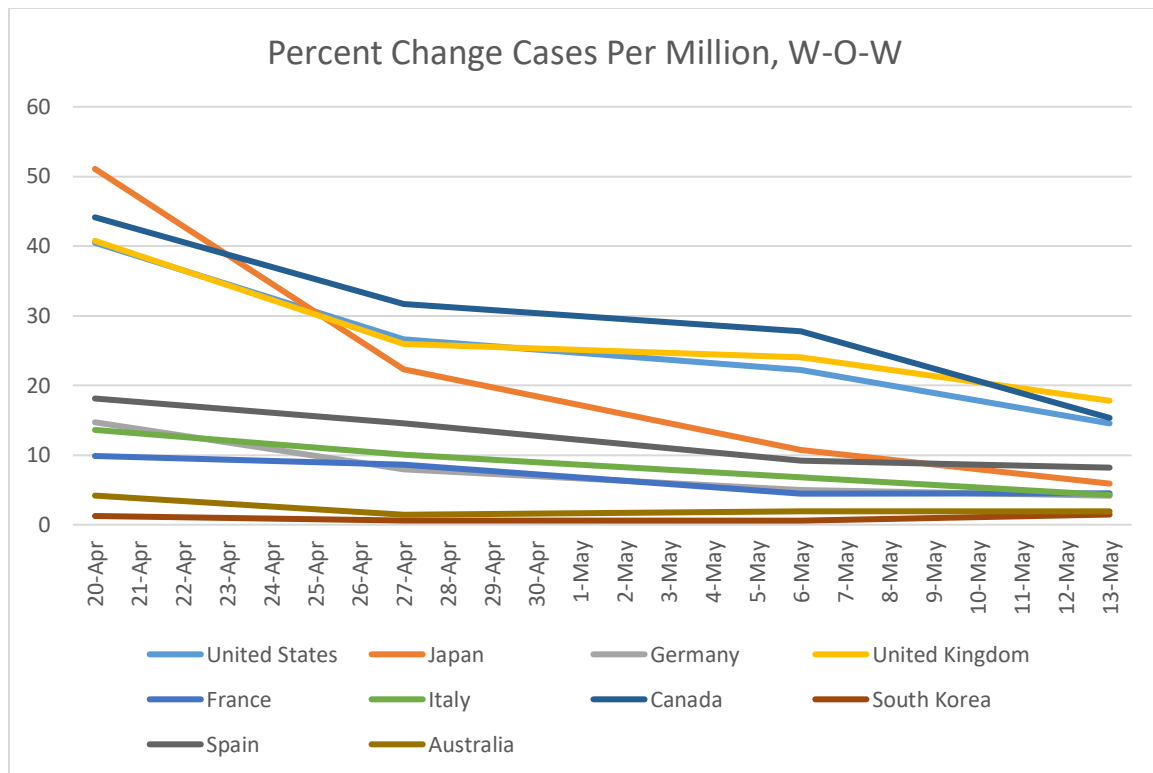
Expected Crisis Zones

(Hardest-hit regions with data fidelity issues, by current total case count)

Russia (242,271)	Ecuador (30,419)
Brazil (180,737)	Belarus (25,825)
Turkey (143,114)	Bangladesh (17,822)
Iran (112,725)	Indonesia (15,438)
China (82,926)	Philippines (11,618)
India (78,041)	Malaysia (6,779)
Peru (72,059)	Kazakhstan (5,417)
Mexico (38,324)	Afghanistan (5,226)
Chile (34,381)	Ghana (5,127)
Pakistan (34,336)	Nigeria (4,787)

Note: Readers will notice some significant changes from last week. While South Korea, Japan, and Germany remain relatively steady, Australia and Canada have dropped due to high job losses. The UK, Canada, and the United States have all seen a steady increase in viral severity, wherein case counts, deaths, and active cases continue to rise while other countries begin to see a decrease.

Percent Change, Cases Per Million, Week-Over-Week



SNS Viral Severity Tracker: The United States

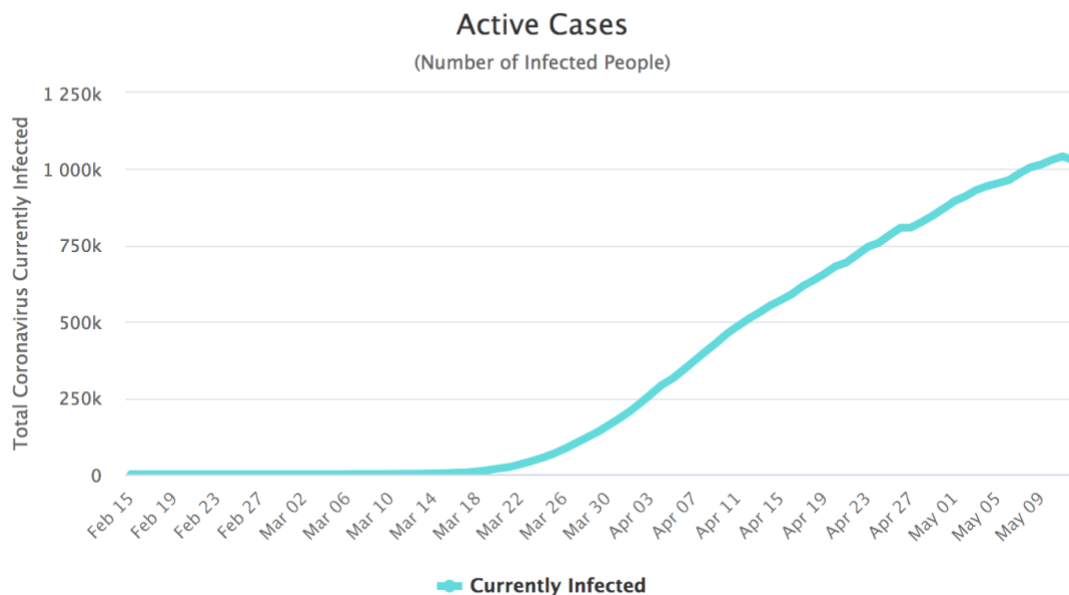
National outlook based on virus severity and economic indicators

Total Score: 0.37

SNS Viral Severity Index Score: 0.23

SNS Economic Severity Index Score: 0.51

Active Cases in the United States



All graphs by Worldometers

SNS Virus Severity Tracker: Japan

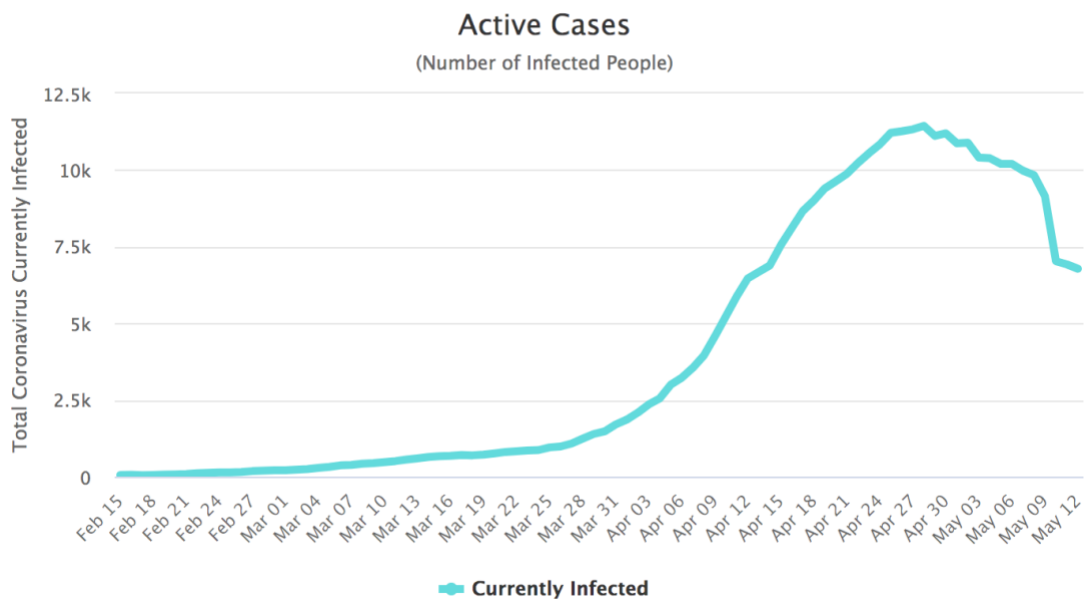
National outlook based on virus severity and economic indicators

Total Score: 0.05

SNS Viral Severity Index Score: 0.04

SNS Economic Severity Index Score: 0.06

Active Cases in Japan



SNS Virus Severity Tracker: Germany

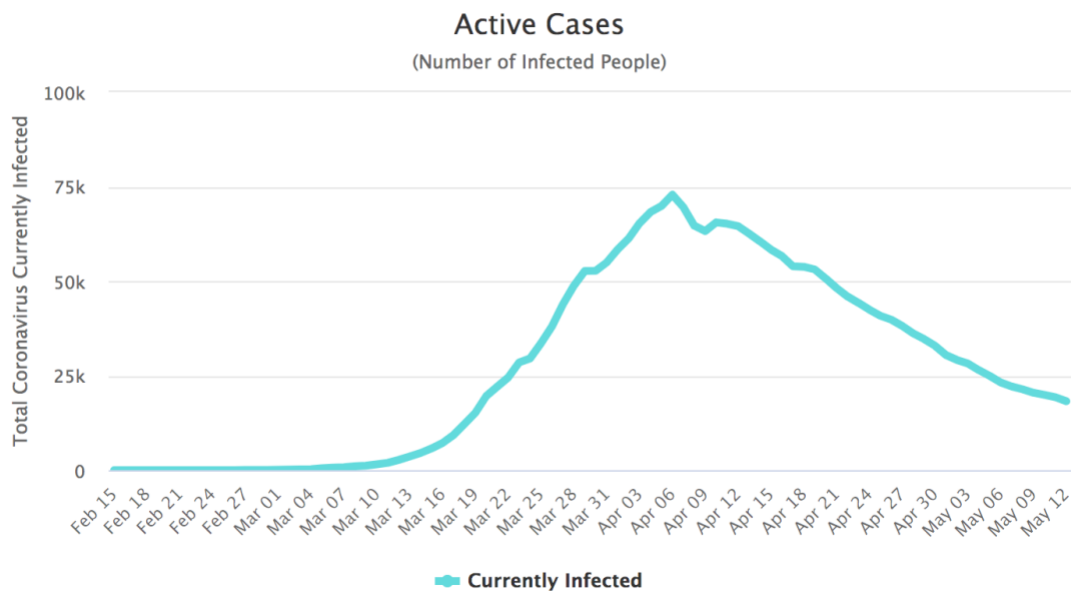
National outlook based on virus severity and economic indicators

Total Score: 0.11

SNS Viral Severity Index Score: 0.04

SNS Economic Severity Index Score: 0.18

Active Cases in Germany



SNS Virus Severity Tracker: United Kingdom

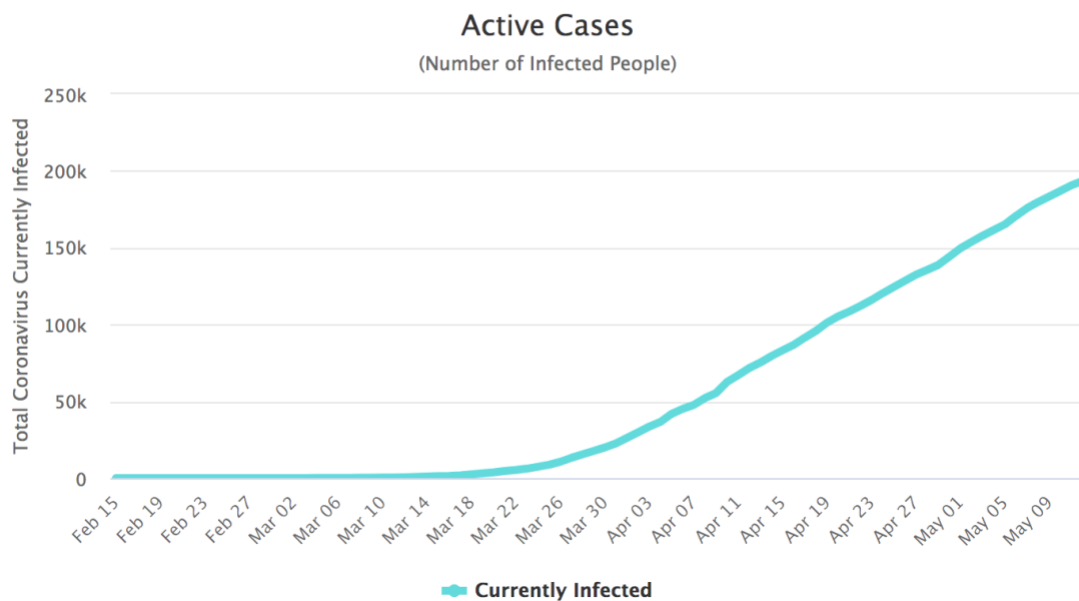
National outlook based on virus severity and economic indicators

Total Score: 0.34

SNS Viral Severity Index Score: 0.48

SNS Economic Severity Index Score: 0.20

Active Cases in the United Kingdom



SNS Virus Severity Tracker: France

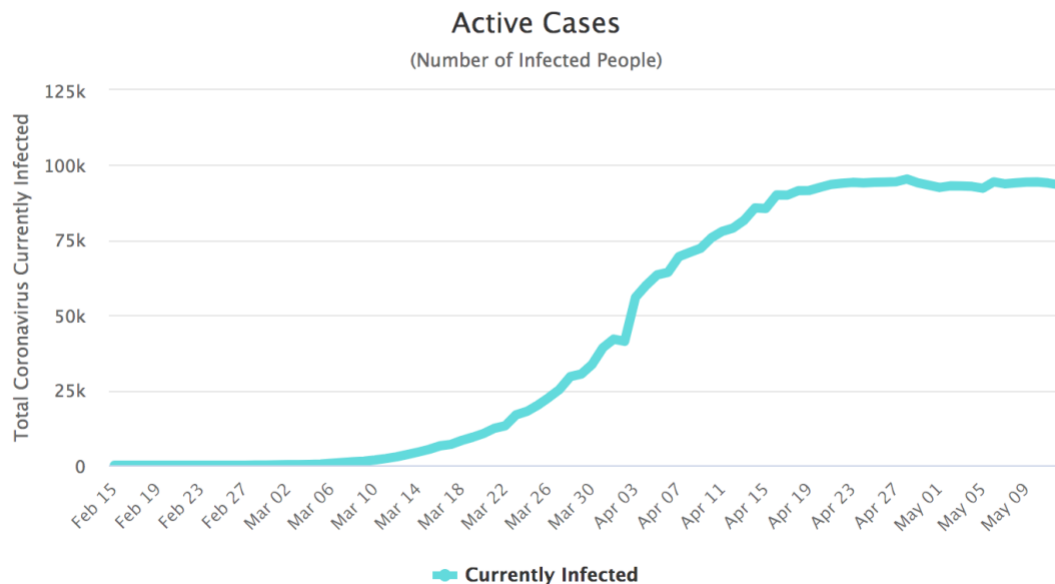
National outlook based on virus severity and economic indicators

Total Score: 0.25

SNS Viral Severity Index Score: 0.17

SNS Economic Severity Index Score: 0.34

Active Cases in France



SNS Virus Severity Tracker: Italy

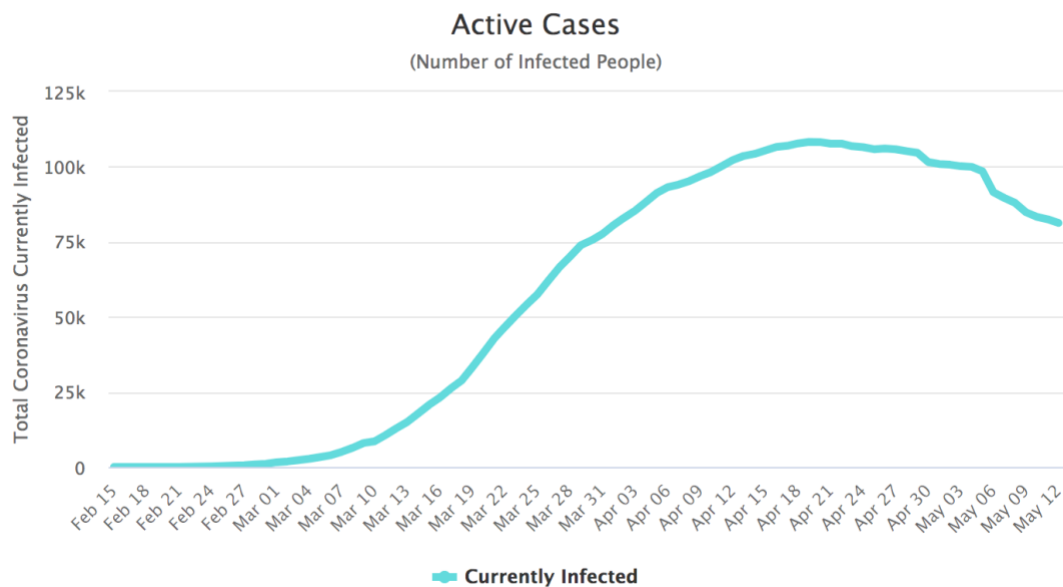
National outlook based on virus severity and economic indicators

Total Score: 0.27

SNS Viral Severity Index Score: 0.13

SNS Economic Severity Index Score: 0.42

Active Cases in Italy



SNS Virus Severity Tracker: Canada

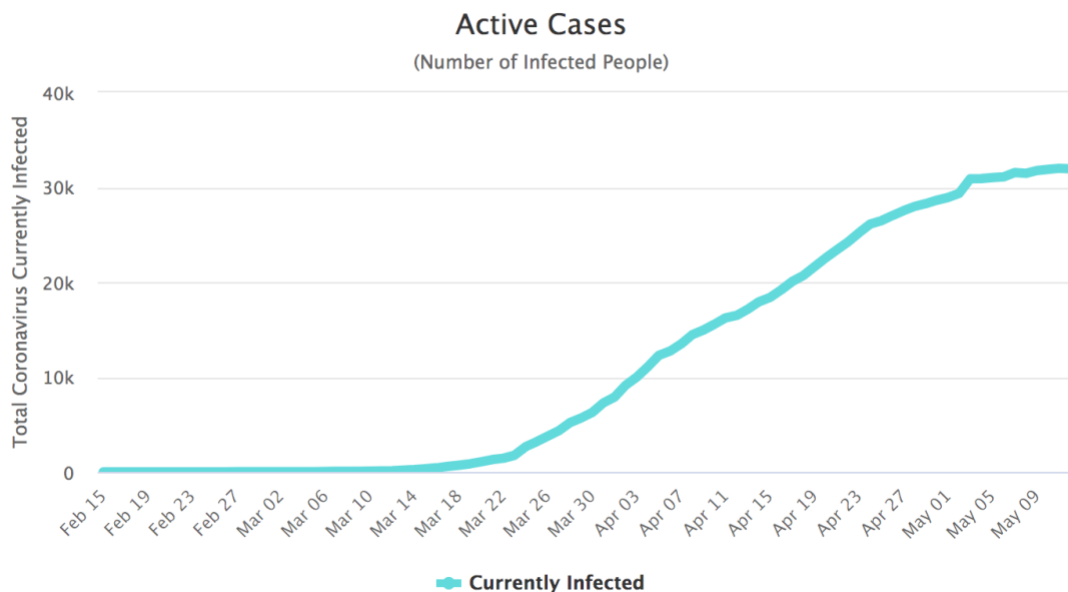
National outlook based on virus severity and economic indicators

Total Score: 0.28

SNS Viral Severity Index Score: 0.12

SNS Economic Severity Index Score: 0.44

Active Cases in Canada



SNS Virus Severity Tracker: South Korea

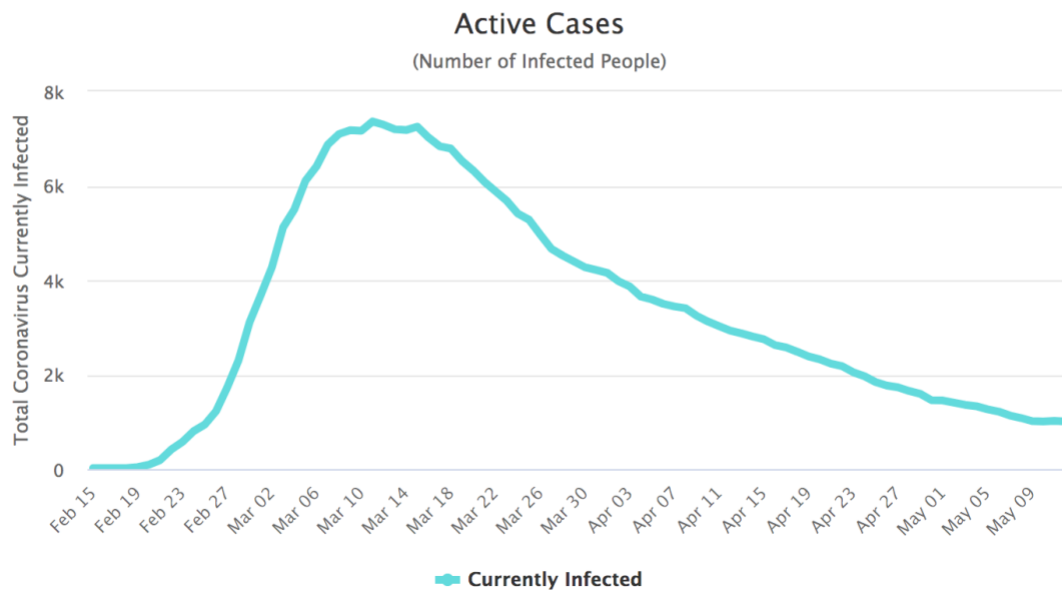
National outlook based on virus severity and economic indicators

Total Score: 0.05

SNS Viral Severity Index Score: 0.01

SNS Economic Severity Index Score: 0.08

Active Cases in South Korea



SNS Virus Severity Tracker: Spain

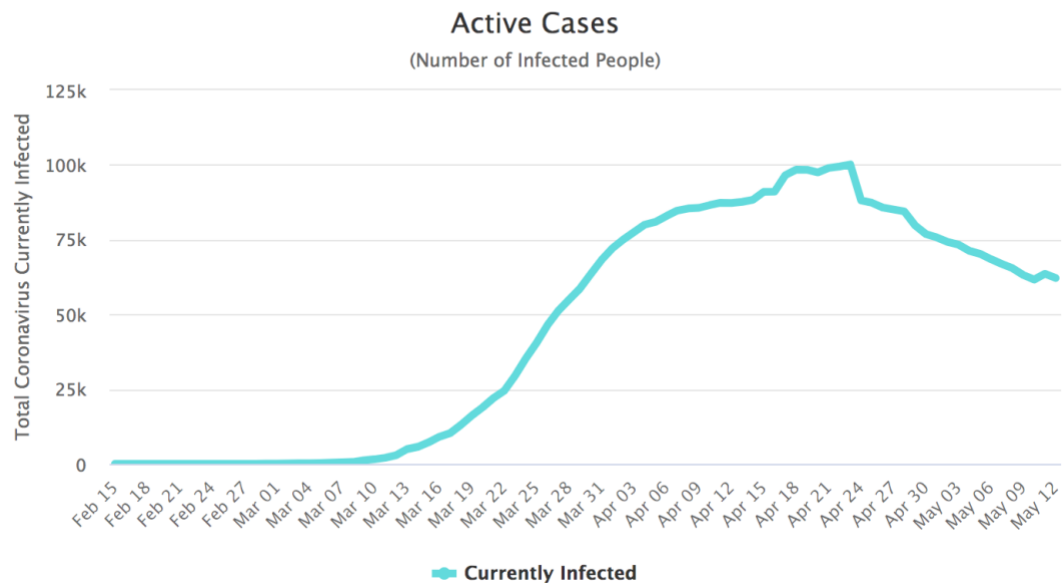
National outlook based on virus severity and economic indicators

Total Score: 0.36

SNS Viral Severity Index Score: 0.11

SNS Economic Severity Index Score: 0.61

Active Cases in Spain



SNS Virus Severity Tracker: Australia

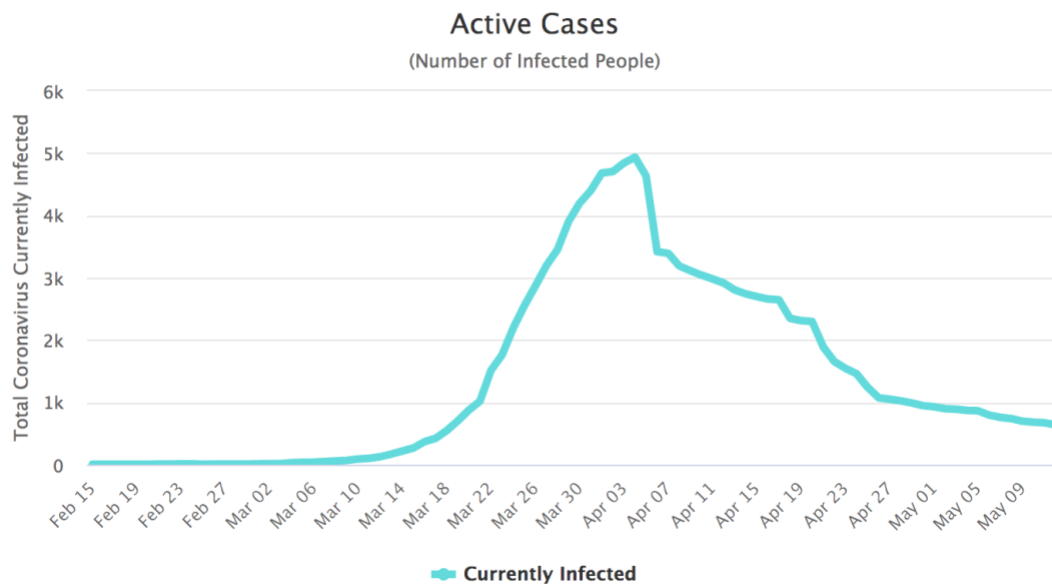
National outlook based on virus severity and economic indicators

Total Score: 0.13

SNS Viral Severity Index Score: 0.01

SNS Economic Severity Index Score: 0.25

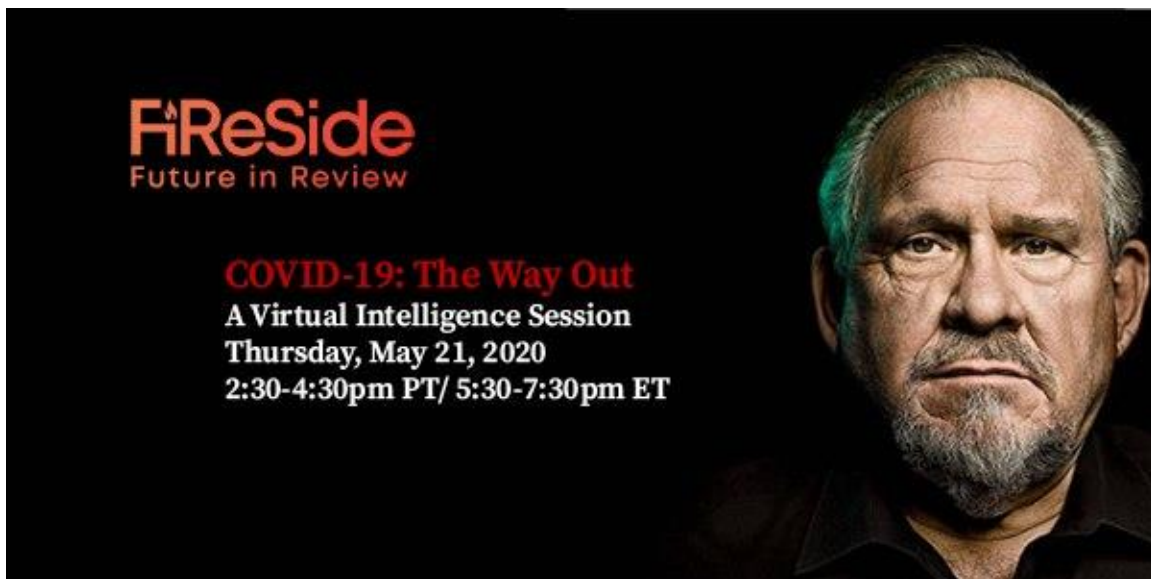
Active Cases in Australia



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A Virtual Intelligence Session with Dr. Larry Brilliant

Thursday, May 21, 2020
5:30-7:30pm ET • 2:30-4:30pm PT

As countries and regions struggle to contain the spread of coronavirus and find their economic footing, we're learning new lessons about how to combat this novel pathogen. What strategies are most effective in containing the virus? How can we safely reenter a productive society? What does a successful route to a desirable "new normal" look like, and what can we do, as individuals and organizations, to speed it along?

Join Strategic News Service for a FiReSide evening of advanced insight about the road ahead to inform your personal and professional decision making.

COVID-19: The Way Out | Epidemiologist Larry Brilliant



Best-known for his work with WHO to eradicate smallpox, epidemiologist Dr. Larry Brilliant has worked for decades fighting disease in the most difficult of environments. Brilliant was the inaugural executive director of Google.org and the first CEO of Skoll Global Threats Fund, established in 2009 to address climate change, pandemics, water security, nuclear proliferation, and conflict in the Middle East. Today he serves as the chair of Ending Pandemics, is on the boards of the Skoll Foundation, Salesforce.org, The Seva Foundation, and Dharma Platform, and is a regular guest expert on CNN on the coronavirus.

Moderator | Strategic News Service CEO Mark Anderson



Strategic News Service CEO and FiRe Chair Mark Anderson was the first to call the global economic collapse of 2008 and to identify the Chinese Communist Party's national business model as based on stealing other nations' intellectual property. Here, he talks about how and why China has lied about its data on COVID-19 and what that means for the global economy in the next 18 months.

Additional Speakers | TBA

Host | Strategic New Service Director of Programs Berit Anderson

[Pick Up Your Tickets!](#)

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