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COVID19 Snapshot

Queenslanders not playing just yet

Daily Summary					
New Cases of COVID19	26-May-20	25-May-20	24-May-20	23-May-20	22-May-20
Global	75,831	75,937	88,295	99,938	99,938
# countries >500 new	9	7	9	9	9
Most new infections	USA	USA	USA	USA	USA
#	17,742	17,553	17,192	21,929	24,002
Countries recording fewer new cases than the previous day	13	10	20	16	11
Active Cases (total infections less deaths and clearances)					
Global	2,889,258	2,869,046	2,848,876	2,820,500	2,809,457
Countries with fewer active cases than the previous day	14	11	7	10	14
Top 5 Countries with active case load					
USA	1,146,157	1,143,084	1,133,326	1,125,353	1,121,131
Russia	227,406	230,996	227,641	225,954	224,558
Brazil	200,325	197,047	194,872	191,203	182,798
France	88,313	89,311	89,600	89,500	89,590
Italy	52,942	55,300	56,594	57,555	57,752
Fewest Active Cases					
Norway	421	398	387	385	384
South Korea	681	713	711	708	705
Australia					
New Infections	15	4	3	16	14
Active cases	478	485	504	506	515

SOURCE: WORLDOMETER

The rate of new infections in the US has clearly started to trend down in the last week, despite the relaxation of social distancing rules. The US has now probably seen the peak of the virus, nevertheless the volume of COVID19 related deaths now exceeds 100,000. Within New York, the Bronx borough has the highest rates of cases, hospitalisations and deaths in the city while the most affluent borough of Manhattan has the lowest rates. Not surprisingly the Bronx also has amongst the highest rates of asthma, diabetes and high blood pressure all of which generally lead to severe complications from Coronavirus. These factors combined high unemployment, lack of access to medicines and hospitals have been a recipe for disaster.

Elsewhere in Europe and despite weeks of restrictions the rate of new infections in countries including the UK, Spain and Germany remains stubbornly high. The UK continues to record daily new infections rates >4,000 per day and has now recorded more deaths (37,000) related to COVID19 than any other country in Europe.

Closer to home and the debate about the re-opening of state borders rages on with Queensland in particular determined to remain isolated. Australian now has less than 500 active cases with active tracing in place for all know cases. Schools, restaurants, pubs and businesses have all reopened or are about to re-open, hence it does seem like overkill to keep the borders closed.

Overnight Queensland recorded its 7th COVID19 related death in the regional town of Blackwater. Queensland has recorded only 7 COVID19 related deaths in total and has just 7 active cases in the entire state, all of which are in isolation. In these circumstances the efforts of the likes of Hanson (QLD) and Palmer (WA) to force these State Governments via High Court challenges to lift border restrictions are probably not without merit.

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

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