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# COVID19 Snapshot

## Job Well Done or Gross Over Reaction?

Daily Summary					
New Cases of COVID19	28-May-20	27-May-20	26-May-20	25-May-20	24-May-20
Global	81,144	101,199	75,831	75,937	88,295
# countries >500 new	12	12	9	7	9
Most new infections	USA	Brazil	USA	USA	USA
#	20,307	19,461	17,742	17,553	17,192
Countries recording fewer new cases than the previous day	13	8	9	10	20
<b>Active Cases (total infections less deaths and clearances)</b>					
Global	2,937,948	2,931,936	2,889,258	2,869,046	2,848,876
Countries with fewer active cases than the previous day	8	14	14	11	7
<b>Top 5 Countries with active case load</b>					
USA	1,165,031	1,156,155	1,146,157	1,143,084	1,133,326
Russia	223,916	224,504	227,406	230,996	227,641
Brazil	201,093	219,576	200,325	197,047	194,872
France	90,385	87,733	88,313	89,311	89,600
Spain	60,909	59,773	59,264	58,685	57,142
<b>Fewest Active Cases</b>					
Norway	443	439	421	398	387
South Korea	735	701	681	713	711
<b>Australia</b>					
New Infections	11	6	15	4	3
Active cases	467	470	478	485	504

SOURCE: WORLDOMETER

Things are going from bad to worse in Brazil. Last Wednesday it recorded the highest number of daily infections for day, just tipping out the US.

As the initial drama from COVID19 perhaps begins to fade at least locally, we are left to deal with the not insubstantial aftermath. Leaving aside the human cost, the inevitable blame game has already begun as various agencies begin to assess what could have been done better.

Of the big matters, it is abundantly clear that Australia took key hard decisions early and these probably saved many lives and reduced the long term economic cost. These included the travel ban to China in January, the international border closures in early March together with the compulsory quarantine of all inbound travellers. The evidence is clear. Australia has to date experienced total COVID19 infections of 7,150 or 285 infections per 1m head of population. In comparison to the US (5,290 infections per 1m) and UK (3,988 infections per 1m) we are light years ahead. Many countries around the world have paid dearly for failing to heed the early warnings. Despite the stoic response by these populations and the bravery of their health care workers, it is reasonable to conclude that less conservative management has been a recipe for disaster.

Less clear is the value of the forecasting. On 16 March Australia was warned to expect a minimum infection rate of 20% of the population with a 1% death rate amongst those infected i.e. 50,000 deaths and up to 150,000 deaths in a worst case scenario. In hindsight this guidance was responsible for the very considerable panic levels in the community at that time including the stripping of supermarket shelves. We can only hope that next time we find ourselves in a similar situation, the plan does not include such poorly researched guess work as part of the response. Australia as had 103 deaths attributed to COVID19 to date. Estimated cost of job keeper: \$70bn.

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**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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