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# COVID19 Snapshot

## Sweden - a long way from herd immunity

Daily Summary					
New Cases of COVID19	24-May-20	23-May-20	22-May-20	21-May-20	20-May-20
Global	88,295	99,938	99,938	107,085	97,137
# countries >500 new	9	9	9	10	12
Most new infections	USA	USA	USA	USA	USA
#	17,192	21,929	24,002	27,213	20,274
Countries recording fewer new cases than the previous day	21	16	11	12	11
<b>Active Cases (total infections less deaths and clearances)</b>					
Global	2,848,876	2,820,500	2,809,457	2,776,286	2,730,823
Countries with fewer active cases than the previous day	7	10	14	13	13
<b>Top 5 Countries with active case load</b>					
USA	1,133,326	1,125,353	1,121,131	1,141,600	1,126,281
Russia	227,641	225,954	224,558	221,774	220,341
Brazil	194,872	191,203	182,798	164,080	156,037
France	89,600	89,500	89,590	89,753	90,089
Italy	56,594	57,555	57,752	60,960	62,752
Sweden	24,490	24,312	24,225	23,330	22,721
<b>Fewest Active Cases</b>					
Austria	800	811	810	820	838
South Korea	711	708	705	723	781
<b>Australia Active Cases</b>					
New Infections	3	16	14	2	11
Active cases	504	506	515	509	535

SOURCE: WORLDOMETER

Some interesting analysis coming out of Sweden at the back end of last week. Sweden is one a few countries in Europe that did not impose a nation wide lock down in the hope of developing herd immunity to COVID19. Most businesses in the country have remained open including bars, restaurants and cinemas. Sweden has a relatively small population (11m) and a large public healthcare system which authorities believe has capacity to handle the epidemic. Based on data collected from only 1,118 tests over the course of a week, Sweden’s Public Health Authority believes that about 7% of the Stockholm population has developed antibodies to fight the virus. This is well below the target level of 70% – 90% thought required to develop herd immunity.

The 7% appears high in our view based only on the fact that there have been ~33,400 recorded cases across the country – representing about 0.3% of the population. Antibodies to the virus don’t develop other than through having been infected with the disease, hence either the 7% is way too high or the sample was not representative. Sweden has recorded 3,871 deaths, the majority of which have been amongst the elderly with many of those in aged care facilities. The rate of deaths per one million head of population in Sweden is 384, still well below the UK at 531 and Italy at 537. Sweden has one of the best public health care systems in Europe.

The daily rate of new infections (in Sweden) is stable at around 500 per day. Unlike in Australia the spread of the virus has not been contained but it probably has been slowed. Everywhere in Europe has been worse affected by the virus than in Australia as judged by infection rate and the number of deaths, but as we enter the next two quarters with recession in many countries probably inevitable, no doubt some of the focus will be on Sweden and whether it manages to avoid a deep recession.

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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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