



Covid-19 note

Friday 5 June 2020

The impact of the Covid-19 crisis is deepening poverty, hunger and unemployment around the world. The opening up of economies continues, but recovery will be impeded by lagged effects

Covid-19 dashboard: cases



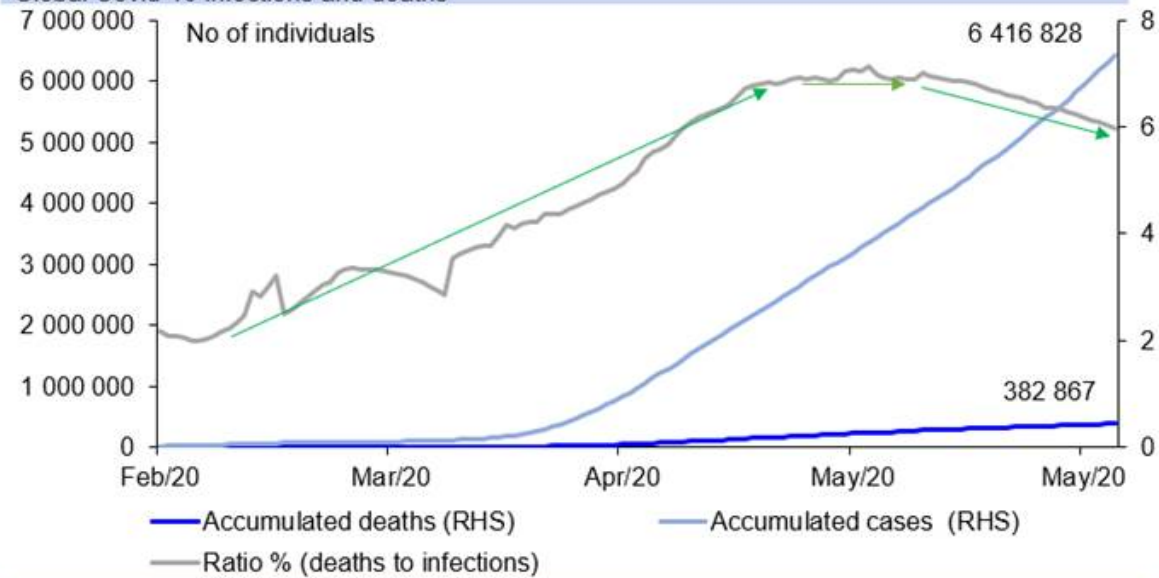
Source: World Health Organization

Covid-19 dashboard: deaths



Source: World Health Organization

Global Covid-19 infections and deaths



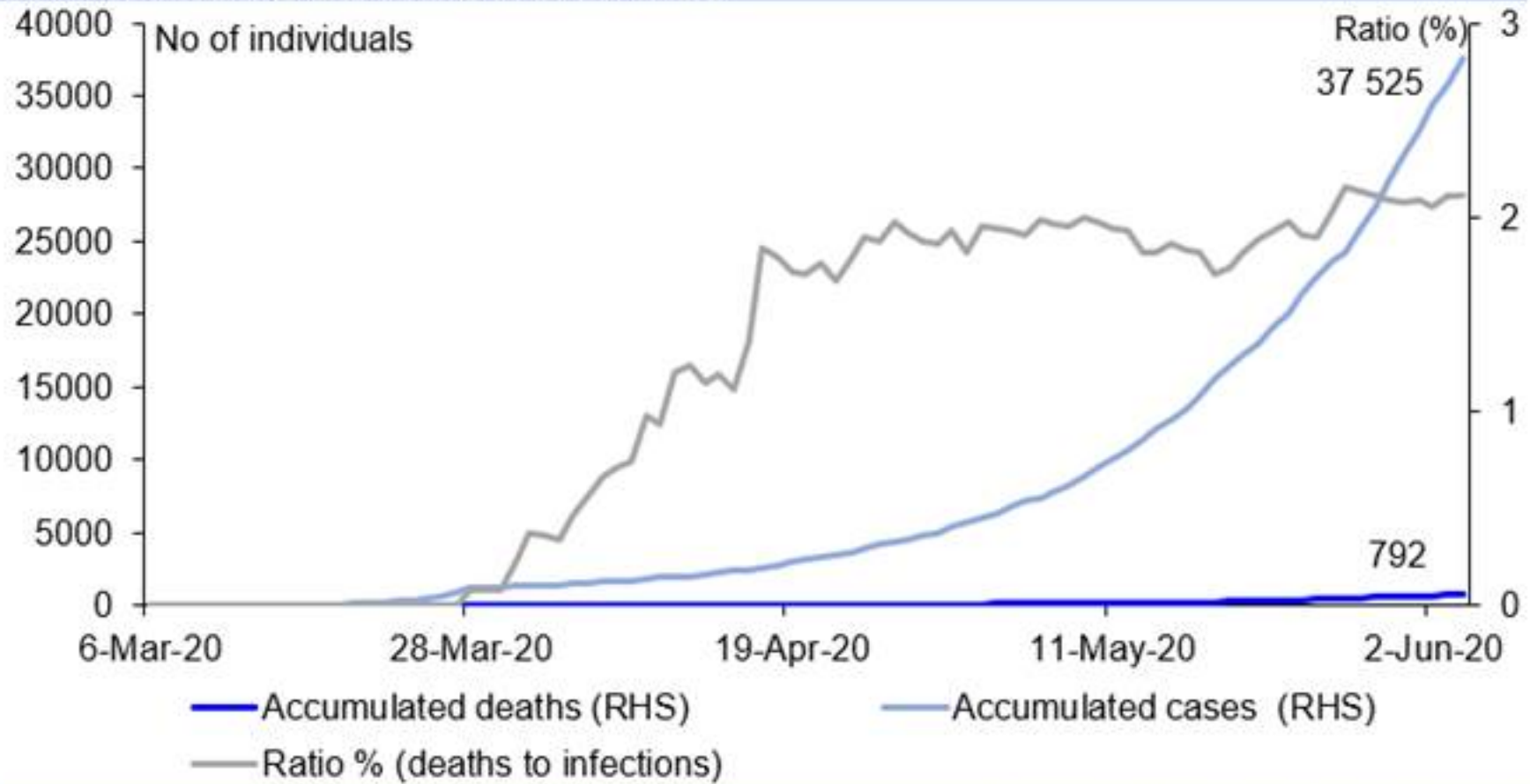
Source: World Health Organization

Covid-19 situation in numbers (total and new cases in past 24 hours for the 3rd June)

Reporting regions	Confirmed	Total confirmed new cases	Total Deaths	Total new deaths	Ratio of deaths to infections
European Region	2 211 148	19 758	182 308	911	8.2
Globally	6 416 828	129 281	382 867	4 842	6.0
Region of the Americas	3 022 824	73 369	168 553	3 242	5.6
Western Pacific Region	186 853	1 495	7 067	10	3.8
South-East Asia Region	309 597	12 977	8 610	333	2.8
African Region	115 639	4 153	2 858	69	2.5
Eastern Mediterranean Region	570 026	17 529	13 458	277	2.4
South Africa	37 525	1 713	792	37	2.1

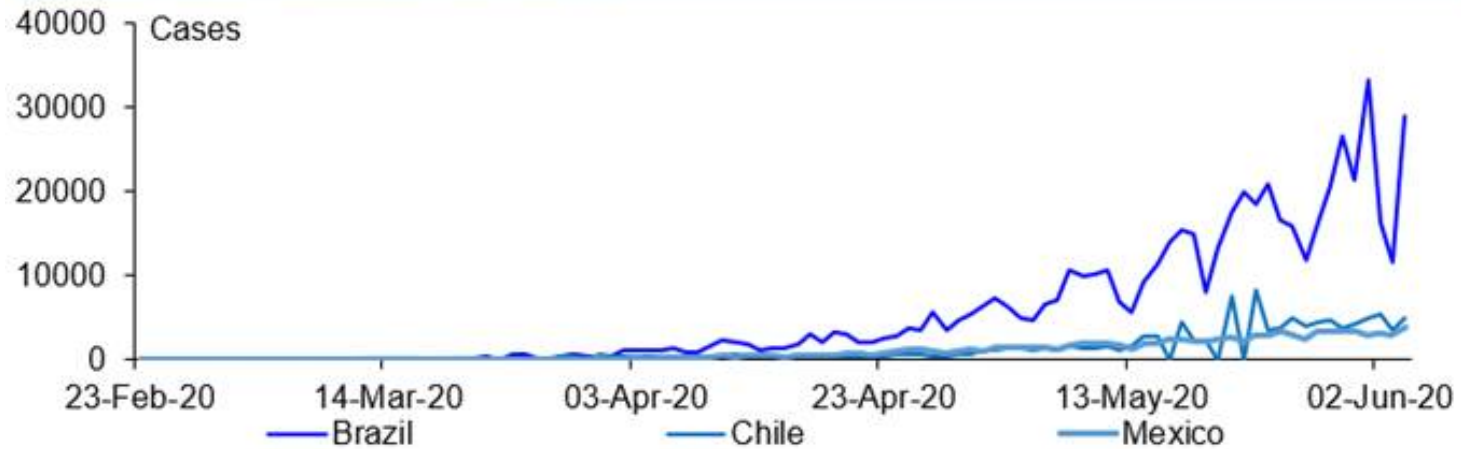
Source: World Health Organization

Covid-19 infections and deaths in South Africa



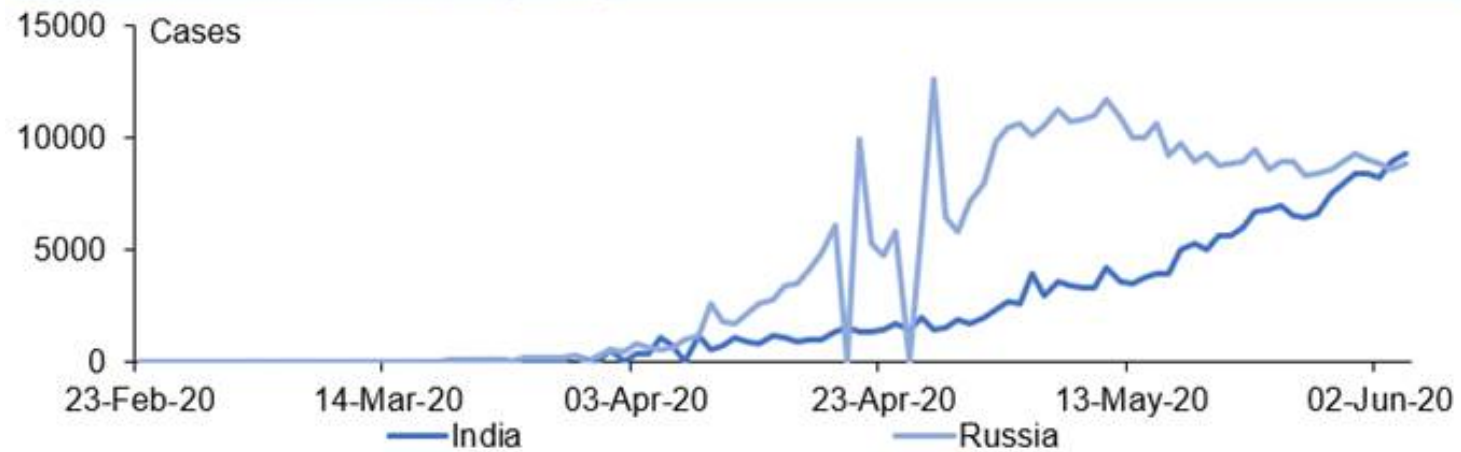
Source: World Health Organization

Number of new confirmed cases per day



Source: World Health Organization

Number of new confirmed cases per day

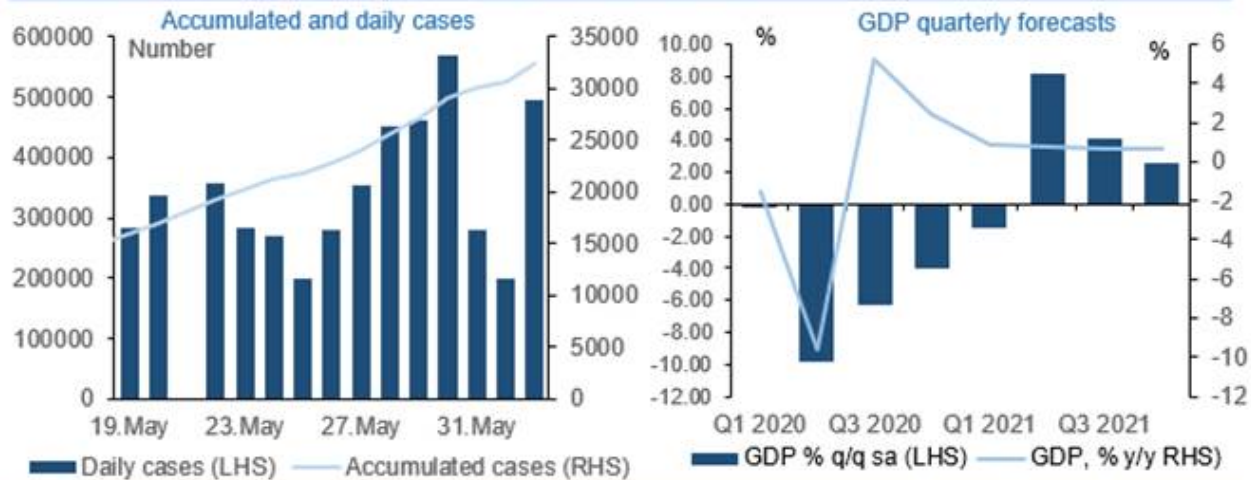


Source: World Health Organization

- This week the number of confirmed cases of Covid-19 have exceeded 6 million globally, at 6.4 million versus 5.6 million a week ago, while the number of deaths are at 382 867 versus 353 334 a week ago. With the epi-centre of Covid-19 now in Latin America, the region also faces an economic and health crisis from the effects of the spread of the pandemic.
- Latin America suffers from substantial inequality, with weak public finances and fragile health systems. In Brazil Covid-19 cases and deaths are surging, while politically the country is seen to be becoming more unstable, suffering also from poor responses to the crisis, with GDP contracting by -1.5% y/y in Q1.20 and expected to drop a further – 9% y/y in Q2.20.
- The number of Covid-19 cases in Brazil are around 600 000, with above 30 000 new cases a day now in a population of just above 200 million. Chile (population 19 million) and Argentina (45 million) are seeing fewer confirmed cases but are smaller populations, with their respective Covid-19 reported infections approaching 120 000 and respectively 20 000.
- Chile's economy contracted by -14% in April, and prolonged lockdown measures are expected to see a deeper contraction in May and June, with the country also suffering from social unrest. In Argentina economic activity fell 11.5% in March, with worse expected in Q2.20, and it defaulted on a US\$500m payment, and is in restructuring talks with bond holders.
- In Columbia, Covid-19 cases are around 30 000 with a population of 50 million, with its government lifting restrictions incrementally, while its economy is seeing very depressed consumer sentiment and its manufacturing sector also having shown deep contraction.
- Mexico is at around 100 000 cases (population 129 million), and is expected to see the deepest recession in Latin America, of -13.0% y/y in Q2.20, -9.2% y/y in Q3.20, -6.6% y/y in Q4.20 and -4.2 y/y in Q1.21, after contracting by -1.4% y/y in Q1.20. The lockdowns in the US are also negatively affecting activity in Mexico.
- In South Africa, there are 40 792 confirmed cases of Covid-19 to date, with 848 deaths, as the country with a population of 59 million is expected to see a deep recession this year. Public opposition to the lockdown restrictions are rising sharply, while incomes fall and a survey on hunger shows an increase from 4.3% to 7.0% in respondents.
- The survey from Statistics SA, on the impact of Covid-19 on employment and income in South Africa, conducted between 29th of April and 6th May, with no updated report published yet, also shows that “the percentage of respondents before who reported no income increased from 5.2% before the lockdown to 15.4% by the sixth week of national lockdown”.

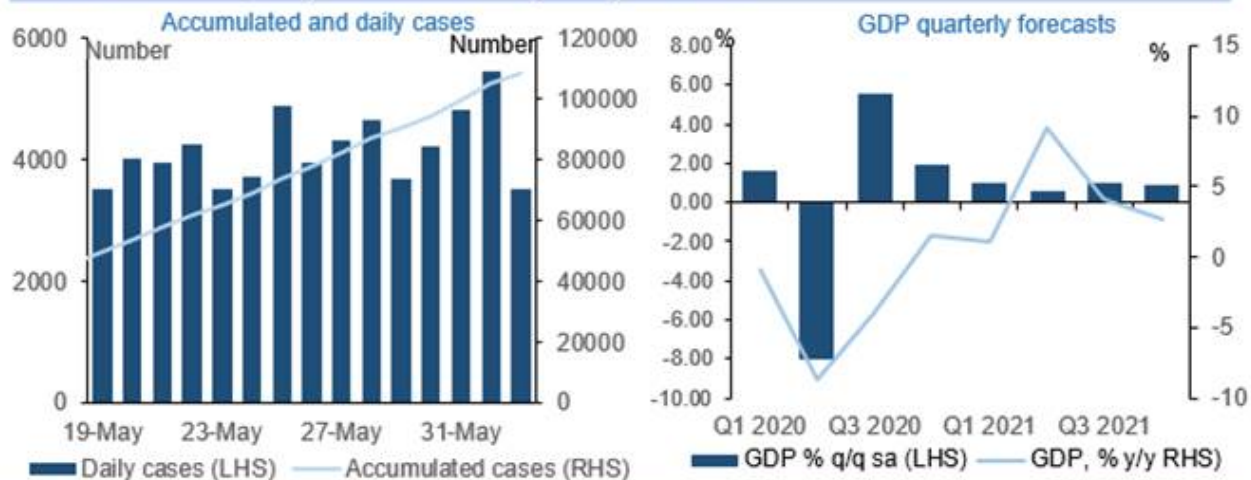
- Many individuals in South Africa are using savings, UIF payments, loans from family and friends, investments and social payments other than the UIF to survive, but all these sources of income will be eroded, and without a rapid opening up of the economy, will see more sink into deep financial hardship and so retard the recovery of economic growth later this year.

Brazil: accumulated, daily cases and GDP quarterly forecasts



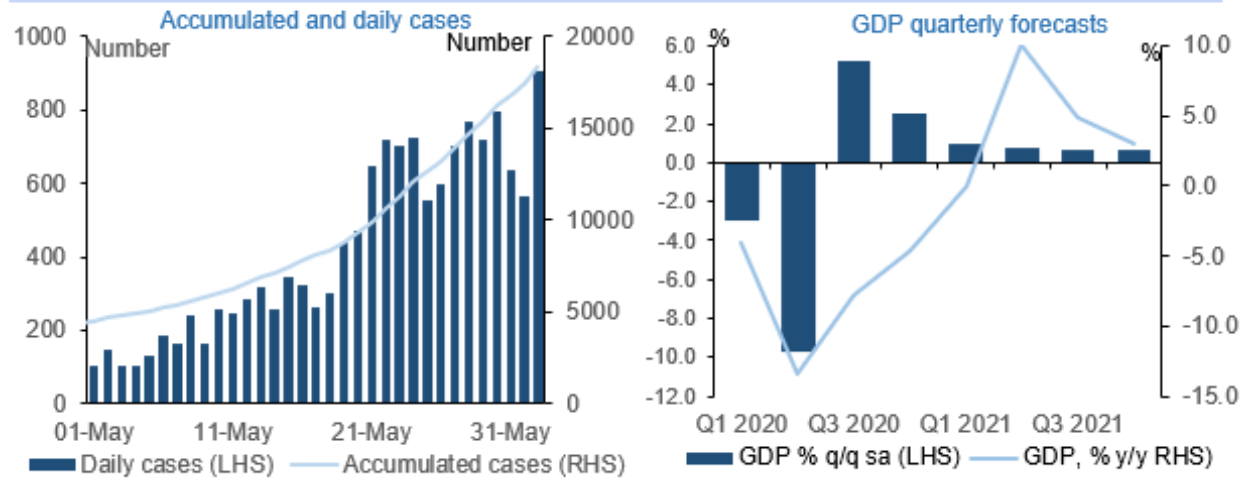
Source: Focus Economics

Chile: accumulated, daily cases and GDP quarterly forecasts



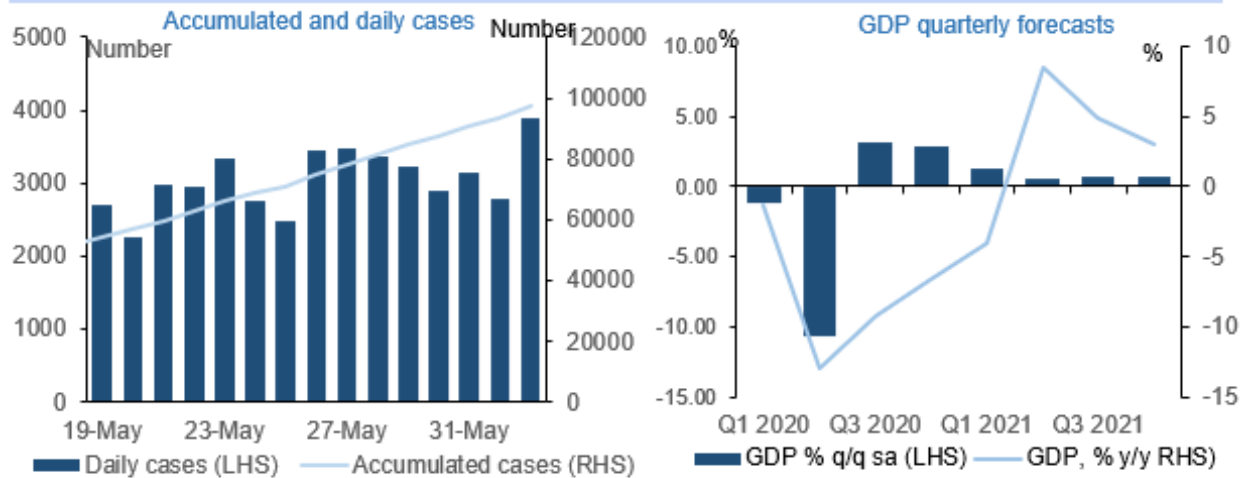
Source: Focus Economics

Argentina: accumulated, daily cases and GDP quarterly forecasts



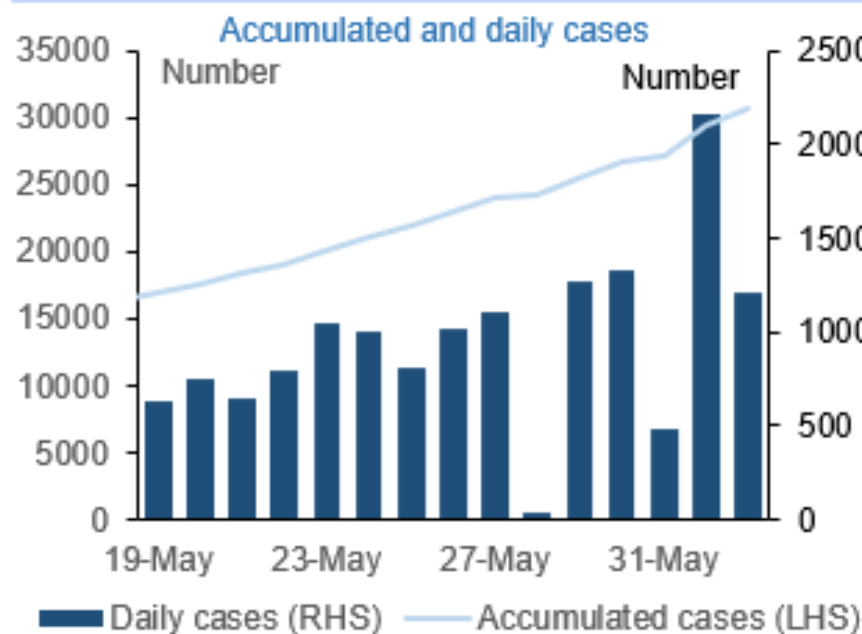
Source: Focus Economics

Mexico: accumulated, daily cases and GDP quarterly forecasts



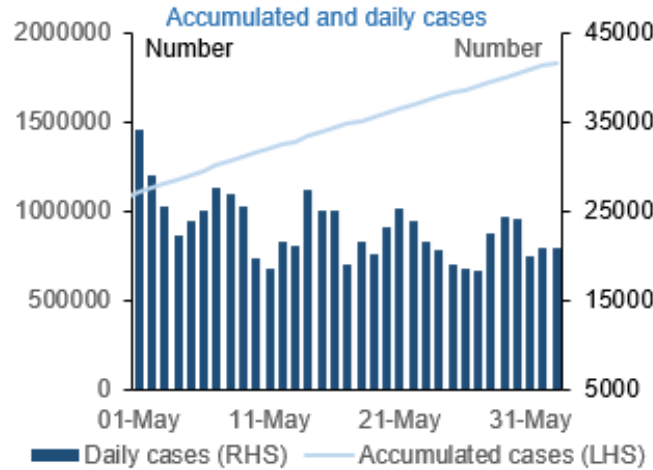
Source: Focus Economics

Colombia: accumulated and daily cases



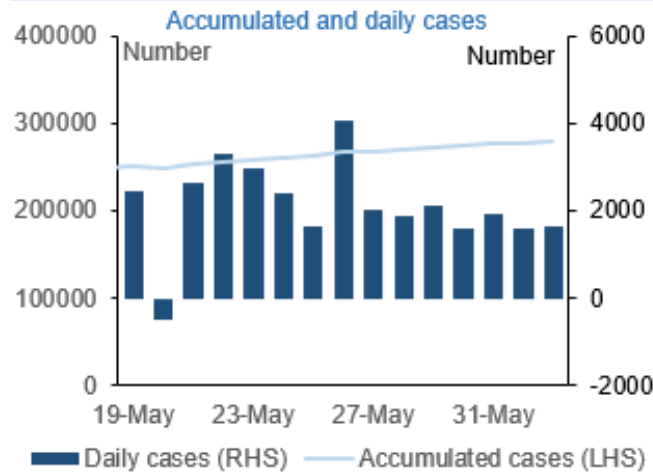
Source: Focus Economics

US: accumulated and daily cases



Source: Focus Economics

UK: accumulated and daily cases

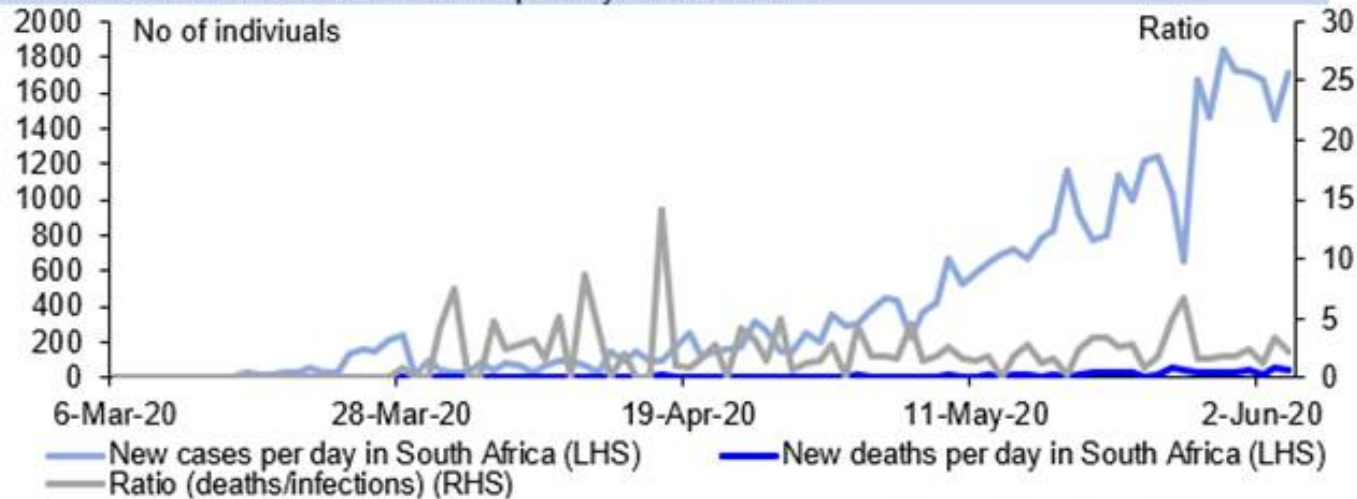


Source: Focus Economics

- The survey has only 2 688 respondents (all South African adults), and was accessible on the Stats SA website, through various social media platforms and sent to those on the Stats SA database. However, those at greatest risk will not necessarily be electronically connected and would see a higher response on experiencing hunger.
- The largest number of survey respondents are 35 to 44 years old, with Gauteng accounting for over 50% of the respondents, followed by the Western Cape. The lockdown in SA has seen only some people able to work, salaries and wages cut (including to nothing), while only some (usually electronically connected) have been able to work from home.
- There has also been a reduction in wages, while for many it has not been possible to work from home, and this contributed to business closures, job losses and even permanent closures of businesses. While level three has seen most businesses able to operate, it has only been a few days and there have been over two months of financial hardship.
- In the end April early May survey, 78% said they were working from home during the lockdown, while 96% said their place of work before the lockdown was in a non-residential building. Only 1.4% of respondents to the survey said they worked in their own home before the lockdown. 11% Were self-employed, and 78% employed on a permanent basis.
- The survey further showed that 88% were working from home in a suburb, and 5% from a township (1.6% from a farm, 1% in a rural area, 4% in a CBD). This further supports the expected likely low response from the low income categories, those in temporary work and other highly vulnerable groups exposed to hunger.
- Close to 40% said their incomes have been reduced, while 30% have had their hours reduced, 5% reported no income before the lockdown and 15% during the lockdown. Furthermore, 75% of respondents said they had reduced their spending to fill the income gap, 52% accessed savings and 37% had to rely on family and friends.
- Also worryingly, 41% who had reduced income had to incur more debt to cover their expenses, while 77% of respondents with a reduced income used their savings to cover their living expenses. As a result 68% of respondents said they are more concerned about the long-term impact of the Covid-19 crisis than the short-term impact.
- The recession induced by the impact of Covid-19 on business activity in South Africa, will see a slow recovery due to the lagged effects of the lockdowns on the economy. Economic growth in Q3.20 is expected to be much lower than the quantum of contraction in Q2.20 (+16.3% qqsaa in Q3.20 versus -48.2% qqsaa in Q2.20).

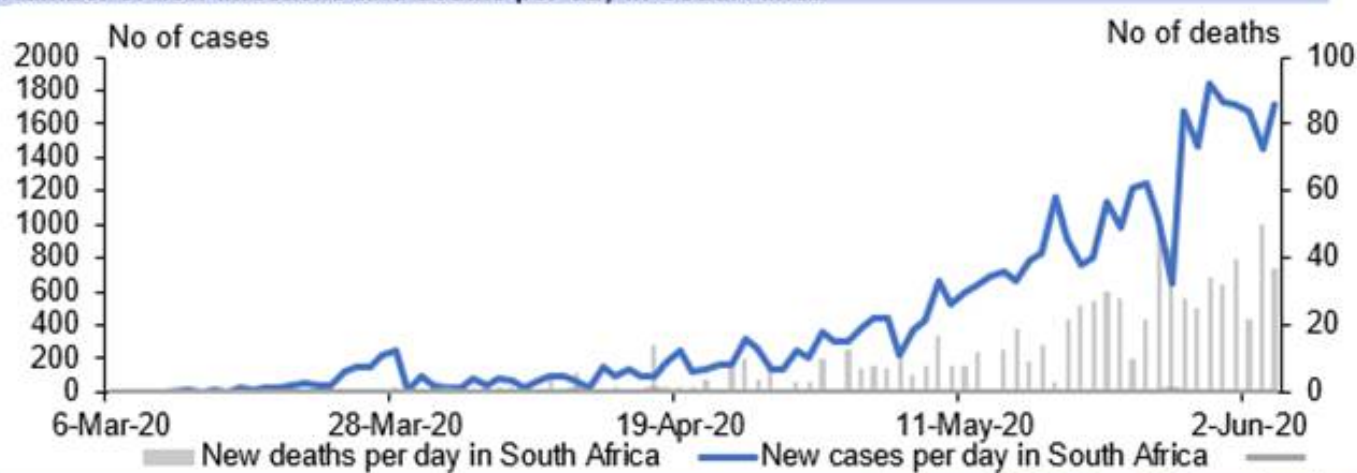
- Consumers, and businesses will take a lengthy period to recovery from the negative impact of the Covid-19 crisis induced lockdowns. This will slow economic recovery, along with the still weak fundamentals of the domestic economy, and the lack of appetite of government to reduce the regulatory burden, which is needed to improve the ease of doing business.

Number of new infections and deaths per day in South Africa



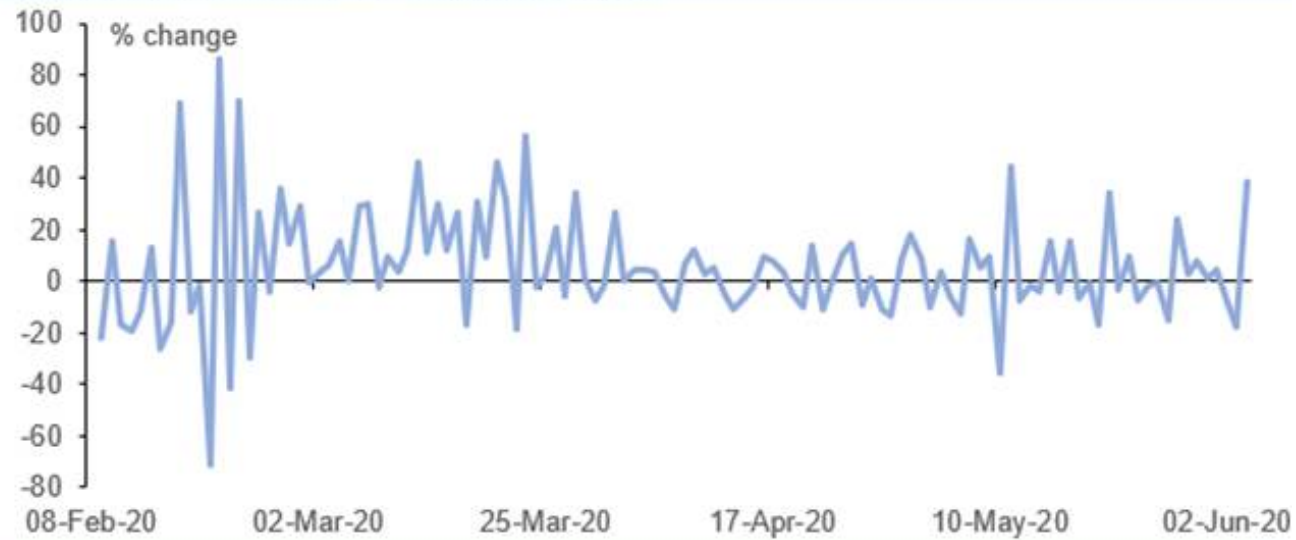
Source: World Health Organization

Number of new infections and deaths per day in South Africa



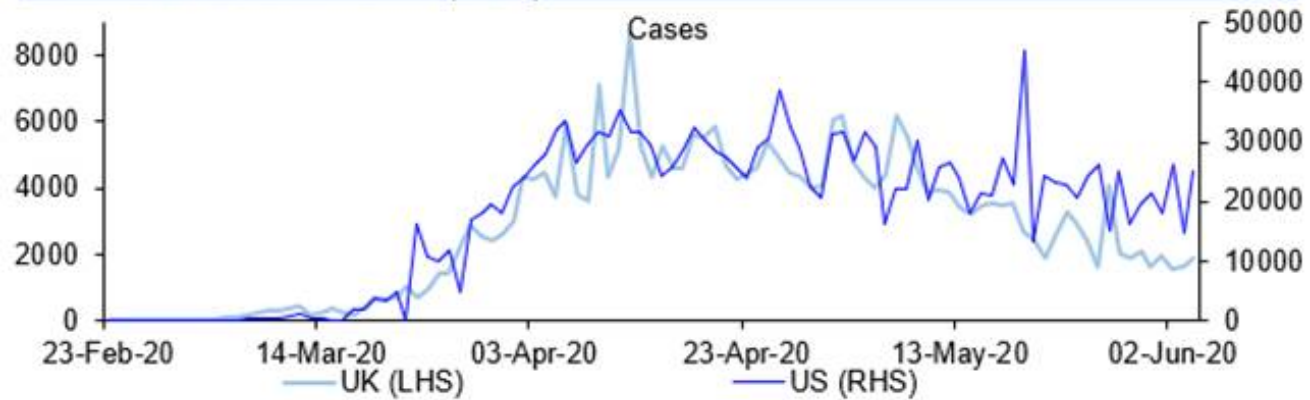
Source: World Health Organization

Daily % change in COVID 19 – new cases globally

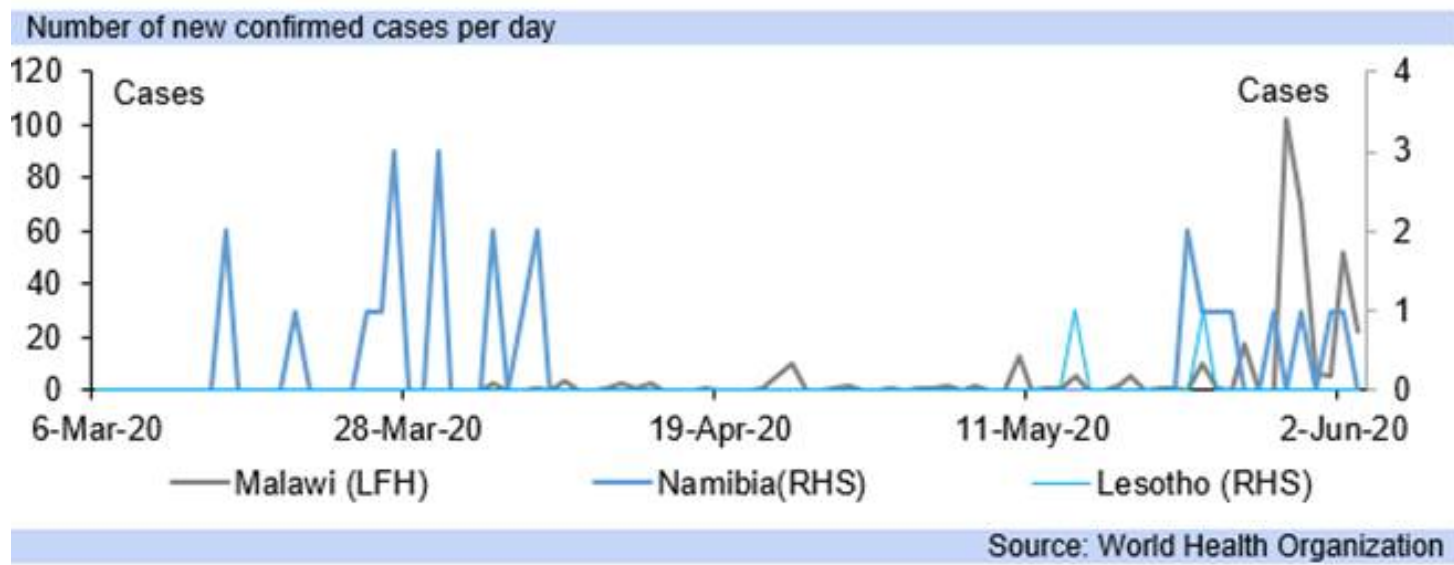
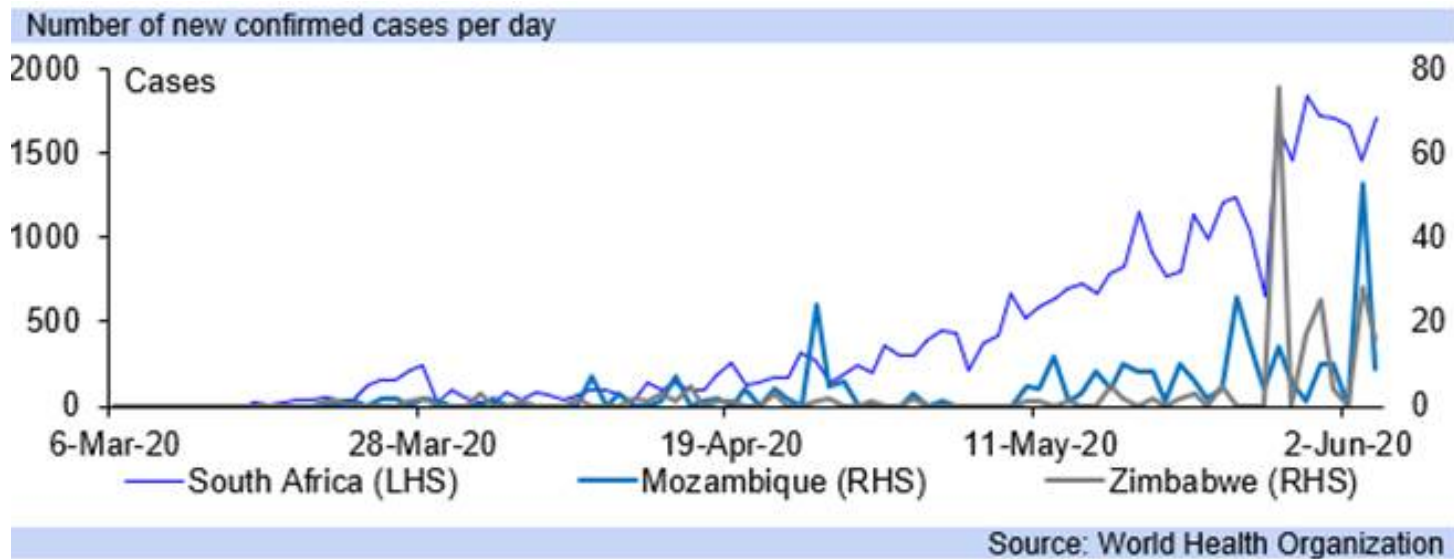


Source: World Health Organization

Number of new confirmed cases per day



Source: World Health Organization



Reporting Country/territory/Area*	Total confirmed cases ²	Total confirmed new cases	Total deaths	Total new deaths	Ratio of deaths to infections	Ratio of new deaths to new infections	Days last reported case
South Africa	37 525	1 713	792	37	2.1	2.2	0
Nigeria	11 166	347	315	1	2.8	0.3	0
Algeria	9 733	107	673	6	6.9	5.6	0
Ghana	8 548	251	38	0	0.4	-	0
Cameroon	6 752	167	200	0	3.0	-	0
Guinea	3 933	47	23	0	0.6	-	0
Senegal	3 932	96	45	2	1.1	2.1	0
Democratic Republic of the Congo	3 494	169	74	3	2.1	1.8	0
Côte d'Ivoire	3 110	86	35	2	1.1	2.3	0
Gabon	2 902	99	20	0	0.7	-	0
Kenya	2 216	123	74	3	3.3	2.4	0
Ethiopia	1 486	142	17	3	1.1	2.1	0
Mali	1 386	35	79	1	5.7	2.9	0
Guinea-Bissau	1 346	7	9	1	0.7	14.3	0
South Sudan	1 317	323	14	4	1.1	1.2	0
Central African Republic	1 189	120	4	0	0.3	-	0
Zambia	1 089	0	7	0	0.6	-	2
Equatorial Guinea	1 043	0	12	0	1.2	-	11
Niger	961	1	65	0	6.8	-	0
Sierra Leone	909	13	47	1	5.2	7.7	0
Madagascar	908	63	6	0	0.7	-	0
Burkina Faso	884	0	53	0	6.0	-	1
Chad	820	17	66	0	8.0	-	0
Mauritania	668	80	31	5	4.6	6.3	0
Uganda	636	50	0	0	-	-	0
Congo	632	14	20	0	3.2	-	0
United Republic of Tanzania	509	0	21	0	4.1	-	27
Cabo Verde	477	11	5	0	1.0	-	0
Togo	452	7	13	0	2.9	-	0
Rwanda	397	13	2	0	0.5	-	0
Malawi	369	11	4	0	1.1	-	0
Mauritius	335	0	10	0	3.0	-	5
Liberia	316	5	28	0	8.9	-	0
Mozambique	316	9	2	0	0.6	-	0
Eswatini	295	1	3	0	1.0	-	0
São Tomé and Príncipe	295	0	10	0	3.4	-	8
Benin	244	0	3	0	1.2	-	1
Zimbabwe	222	16	4	0	1.8	-	0
Angola	86	0	4	0	4.7	-	3
Burundi	63	0	1	0	1.6	-	3
Comoros	62	0	2	0	3.2	-	3
Botswana	40	0	1	0	2.5	-	1
Eritrea	39	0	0	0	-	-	46
Gambia	26	0	1	0	3.8	-	1
Namibia	25	0	0	0	-	-	2
Seychelles	11	0	0	0	-	-	58
Lesotho	4	2	0	0	-	-	0
Territories**							
Mayotte	1993	7	24	0	1.2	-	0
Réunion	478	1	1	0	0.2	-	0
Total Africa	115639	4153	2858	69	2.5	1.7	
Subtotal for all regions	6 416 087	129 281	382 854	4 842	6.0	3.7	
Other*	741	0	13	0	1.8	-	
Grand total	6 416 828	129 281	382 867	4 842	6.0	3.7	

Caution must be taken when interpreting all data presented. Differences are to be expected between information products published by WHO, national public health authorities, and other sources using different inclusion criteria and different data cut-off times. While steps are taken to ensure accuracy and reliability, all data are subject to continuous verification and change. Case detection, definitions, testing strategies, reporting practice, and lag times differ between countries/territories/areas. These factors, amongst others, influence the counts presented with variable underestimation of true case and death counts, and variable delays to reflecting these data at global level.

The designations employed, and the presentation of these materials do not imply the expression of any opinion whatsoever on the part of WHO concerning the legal status of any country, territory or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. Dotted and dashed lines on maps represent approximate border lines for which there may not yet be full agreement. Countries, territories and areas are arranged under the administering WHO region.

The mention of specific companies or of certain manufacturers' products does not imply that they are endorsed or recommended by WHO in preference to others of a similar nature that are not mentioned. Errors and omissions excepted, the names of proprietary products are distinguished by initial capital letters.

[1] All references to Kosovo should be understood to be in the context of the United Nations Security Council resolution 1244 (1999). In the map, number of cases of Serbia and Kosovo (UNSCR 1244, 1999) have been aggregated for visualization purposes.

Counts reflect laboratory-confirmed cases and deaths, based on WHO case definitions, unless stated otherwise (see Country, territory, or area-specific updates and errata), and include both domestic and repatriated cases.

* Other: includes cases reported from international conveyances.

Due to the recent trend of countries conducting data reconciliation exercises which remove large numbers of cases or deaths from their total counts, WHO will now display such data as negative numbers in the "new cases" / "new deaths" columns as appropriate. This will aid readers in identifying when such adjustments occur. When additional details become available that allow the subtractions to be suitably apportioned to previous days, graphics will be updated accordingly. Prior situation reports will not be edited; see covid19.who.int for the most up-to-date data.

Additional table notes

i Transmission classification is based on a process of country/territory/area self-reporting. Classifications are reviewed on a weekly basis, may be revised as new information becomes available, and are based on the highest category reported. Differing degrees of transmission may be present within countries/territories/areas. Categories:

- No cases: with no confirmed cases
- Sporadic cases: with one or more cases, imported or locally detected.

- Clusters of cases: experiencing cases, clustered in time, geographic location and/or by common exposures.
- Community transmission: experiencing larger outbreaks of local transmission defined through an assessment of factors including, but not limited to: large numbers of cases not linkable to transmission chains; large numbers of cases from sentinel lab surveillance; and/or multiple unrelated clusters in several areas of the country/territory/area.
- Pending: transmission classification has not been reported to WHO.

ii "Territories" include territories, areas, overseas dependencies and other jurisdictions of similar status.

Country, territory, or area-specific updates and errata

- **Errata 4 June 2020, Spain:** Due to a technical error, cases and deaths were inaccurately reported for Spain since 27 May. Counts have been adjusted here.

Annabel Bishop

annabel.bishop@investec.co.za

Tel: +27 (11) 286 7188

https://www.investec.com/en_za/focus/economy.html



Specialist Banking / Asset Management / Wealth & Investment

Disclaimer

For the purposes of this disclaimer, Investec shall include Investec Bank Limited, its ultimate holding company, a subsidiary (or a subsidiary of a subsidiary) of that entity, a holding company of that entity or any other subsidiary of that holding company, and any affiliated entity of any such entities. "Investec Affiliates" shall mean any directors, officers, representatives, employees, advisers or agents of any part of Investec.

The information and materials presented in this report are provided to you solely for general information and should not be considered as an offer or solicitation of an offer to sell, buy or subscribe to any securities or any derivative instrument or any other rights pertaining thereto.

The information in this report has been compiled from sources believed to be reliable, but neither Investec nor any Investec Affiliates accept liability for any loss arising from the use hereof or makes any representations as to its accuracy and completeness. Any opinions, forecasts or estimates herein constitute a judgement as at the date of this report. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. Past performance should not be taken as an indication or guarantee of future

performance, and no representation or warranty, express or implied is made regarding future performance. The information in this report and the report itself is subject to change without notice. This report as well as any other related documents or information may be incomplete, condensed and/or may not contain all material information concerning the subject of the report; its accuracy cannot be guaranteed. There is no obligation of any kind on Investec or any Investec Affiliates to update this report or any of the information, opinions, forecasts or estimates contained herein.

Investec (or its directors, officers or employees) may, to the extent permitted by law, own or have a position or interest in the financial instruments or services referred to herein, and may add to or dispose of any such position or may make a market or act as a principal in any transaction in such financial instruments. Investec (or its directors, officers or employees) may, to the extent permitted by law, act upon or use the information or opinions presented herein, or research or analysis on which they are based prior to the material being published. Investec may have issued other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them. The value of any securities or financial instruments mentioned in this report can fall as well as rise. Foreign currency denominated securities and financial instruments are subject to fluctuations in exchange rates that may have a positive or adverse effect on the value, price or income of such securities or financial instruments. Certain transactions, including those involving futures, options and other derivative instruments, can give rise to substantial risk and are not suitable for all investors.

This report does not contain advice, except as defined by the Corporations Act 2001 (Australia). Specifically, it does not take into account the objectives, financial situation or needs of any particular person. Investors should not do anything or forebear to do anything on the basis of this report. Before entering into any arrangement or transaction, investors must consider whether it is appropriate to do so based on their personal objectives, financial situation and needs and seek financial advice where needed.

No representation or warranty, express or implied, is or will be made in relation to, and no responsibility or liability is or will be accepted by Investec or any Investec Affiliates as to, or in relation to, the accuracy, reliability, or completeness of the contents of this report and each entity within Investec (for itself and on behalf of all Investec Affiliates) hereby expressly disclaims any and all responsibility or liability for the accuracy, reliability and completeness of such information or this research report generally.

The securities or financial instruments described herein may not have been registered under the US Securities Act of 1933, and may not be offered or sold in the United States of America or to US persons unless they have been registered under such Act, or except in compliance with an exemption from the registration requirements of such Act. US entities that are interested in trading securities listed in this report should contact a US registered broker dealer.

For readers of this report in South Africa: this report is produced by Investec Bank Limited, an authorised financial services provider and a member of the JSE Limited.

For readers of this report in United Kingdom and Europe: this report is produced by Investec Bank Plc ("IBP") and was prepared by the analyst named in this report. IBP is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is a member of the London Stock Exchange. This report is not intended for retail clients and may only be issued to professional clients and eligible counterparties, and investment professionals as described in S19 of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005.

For readers of this report in Ireland: this report is produced by Investec Bank plc (Irish Branch) and was prepared by the analyst named in this report. Investec Bank plc (Irish Branch) is authorised by the Prudential Regulation Authority in the United Kingdom and is regulated by the Central Bank of Ireland for conduct of business rules.

For readers of this report in Australia: this report is issued by Investec Australia Limited, holder of Australian Financial Services License No. 342737 only to 'Wholesale Clients' as defined by S761G of the Corporations Act 2001.

For readers of this report in Hong Kong: this report is distributed in Hong Kong by Investec Capital Asia Limited, a Securities and Futures Commission licensed corporation (Central Entity Number AFT069) and is intended for distribution to professional investors (as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) only. This report is personal to the recipient and any unauthorised use, redistribution, retransmission or reprinting of this report (whether by digital, mechanical or other means) is strictly prohibited.

For readers of this report in India: this report is issued by Investec Capital Services (India) Private Limited which is registered with the Securities and Exchange Board of India.

For readers of this report in Singapore: this report is produced by IBP and issued and distributed in Singapore through Investec Singapore Pte. Ltd. ("ISPL"), an exempt financial adviser which is regulated by the Monetary Authority of Singapore as a capital markets services licence holder. This material is intended only for, and may be issued and distributed in Singapore only to, accredited investors and institutional investors, as defined in Section 4A of the Securities and Futures Act, Cap. 289 ("SFA"). This material is not intended to be issued or distributed to any retail or other investors. ISPL may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Singapore recipients of this document should contact ISPL at the above address in respect of any matters arising from, or in connection with, this report.

For readers of this report in Canada: this report is issued by IBP, and may only be issued to persons in Canada who are able to be categorised as a "permitted client" under National Instrument 31-103 Registration Requirements and Exemptions or to any other person to whom this report may be lawfully directed. This report may not be relied upon by any person other than the intended recipient.

The distribution of this document in other jurisdictions may be prohibited by rules, regulations and/or laws of such jurisdiction. Any failure to comply with such restrictions may constitute a violation of United States securities laws or the laws of any such other jurisdiction.

This report may have been issued to you by one entity within Investec in the fulfilment of another Investec entity's agreement to do so. In doing so, the entity providing the research is in no way acting as agent of the entity with whom you have any such agreement and in no way is standing as principal or a party to that arrangement.

This publication is confidential for the information of the addressee only and may not be reproduced in whole or in part, copies circulated, or disclosed to another party, without the prior written consent of an entity within Investec. Securities referred to in this report may not be eligible for sale in those jurisdictions where an entity within Investec is not authorised or permitted by local law to do so. In the event that you contact any representative of Investec in connection with receipt of this report, including any analyst, you should be advised that this disclaimer applies to any conversation or correspondence that occurs as a result, which is also engaged in by Investec and any relevant Investec Affiliate solely for the purposes of providing general information only. Any subsequent business you choose to transact shall be subject to the relevant terms thereof. We may monitor e-mail traffic data and the content of email. Calls may be monitored and recorded. Investec does not allow the redistribution of this report to non-professional investors or persons outside the jurisdictions referred to above and Investec cannot be held responsible in any way for third parties who effect such redistribution or recipients thereof. © 2019.