



ARMADA

# **The May Rebound (Light at the End of the Tunnel?)**

## **Torrco Webinar April 30, 2020**

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Armada Corporate Intelligence



ARMADA

Analysis of the Forces Affecting Business

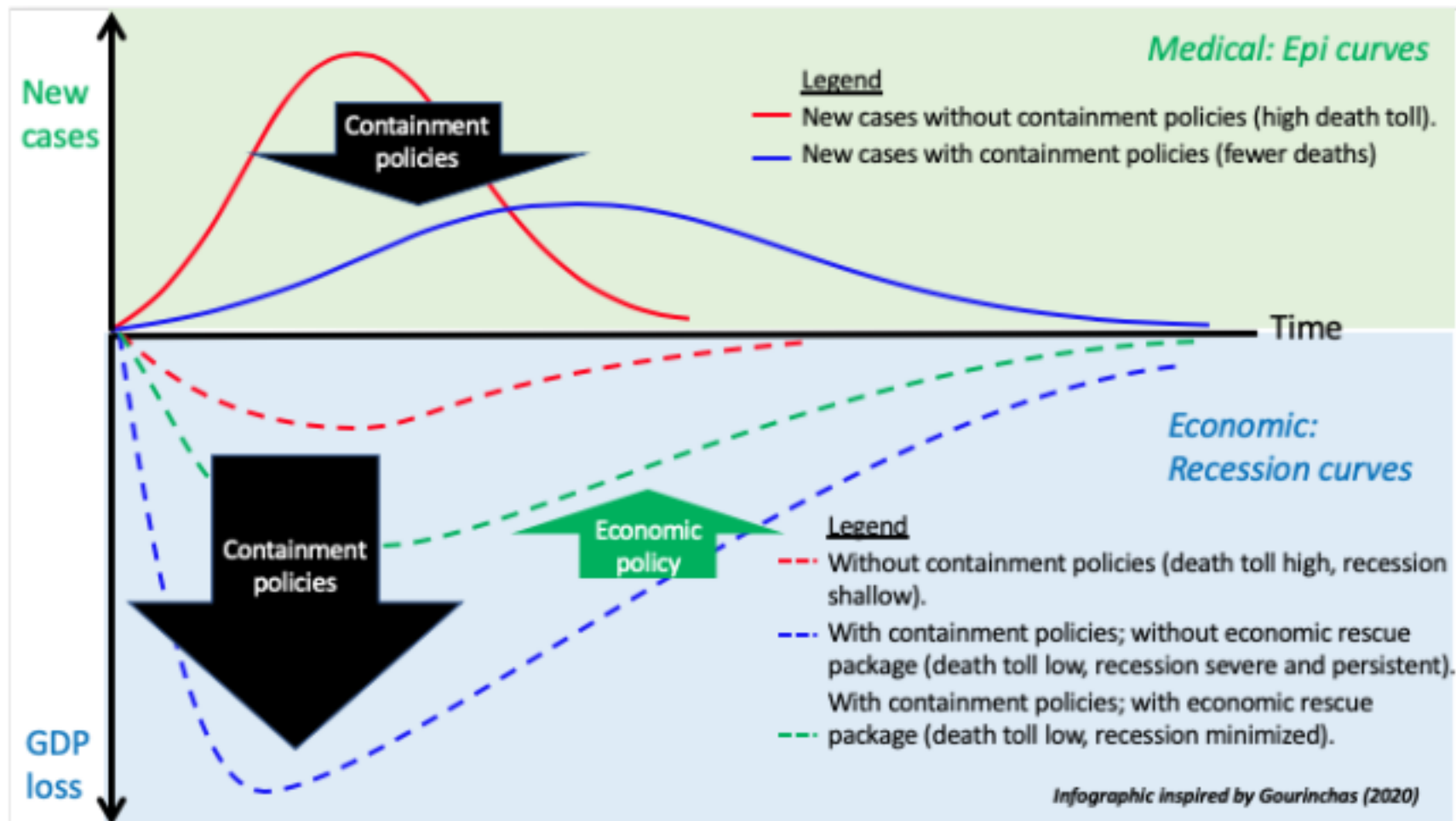
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April 30, 2020

# Starting to be Outnumbered?



# The Trade Off

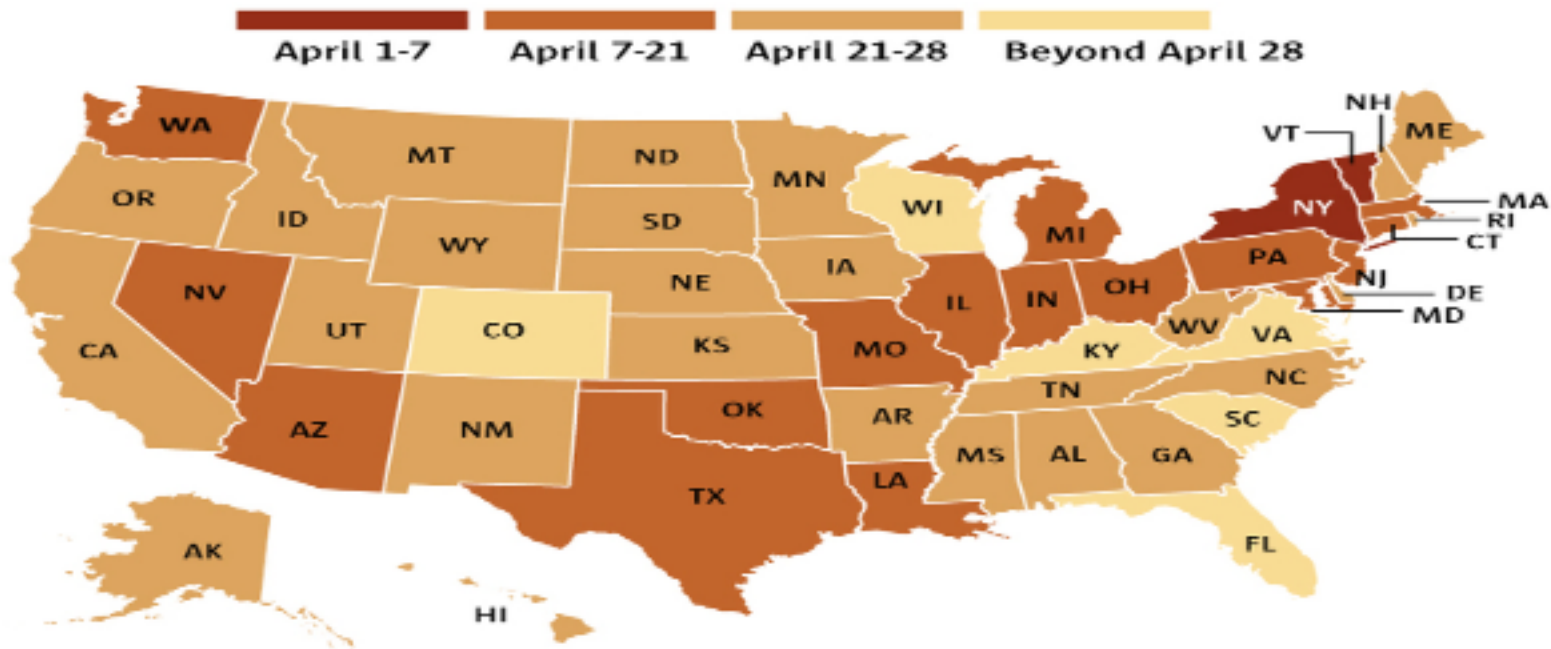


# First the Peak and Then Decline?



## When will the pandemic peak?

New modeling by University of Washington scientists suggests hospitalizations for COVID-19 will generally peak in mid-April, but the timing is likely to vary by state. The analysis is helping hospitals around the country prepare.



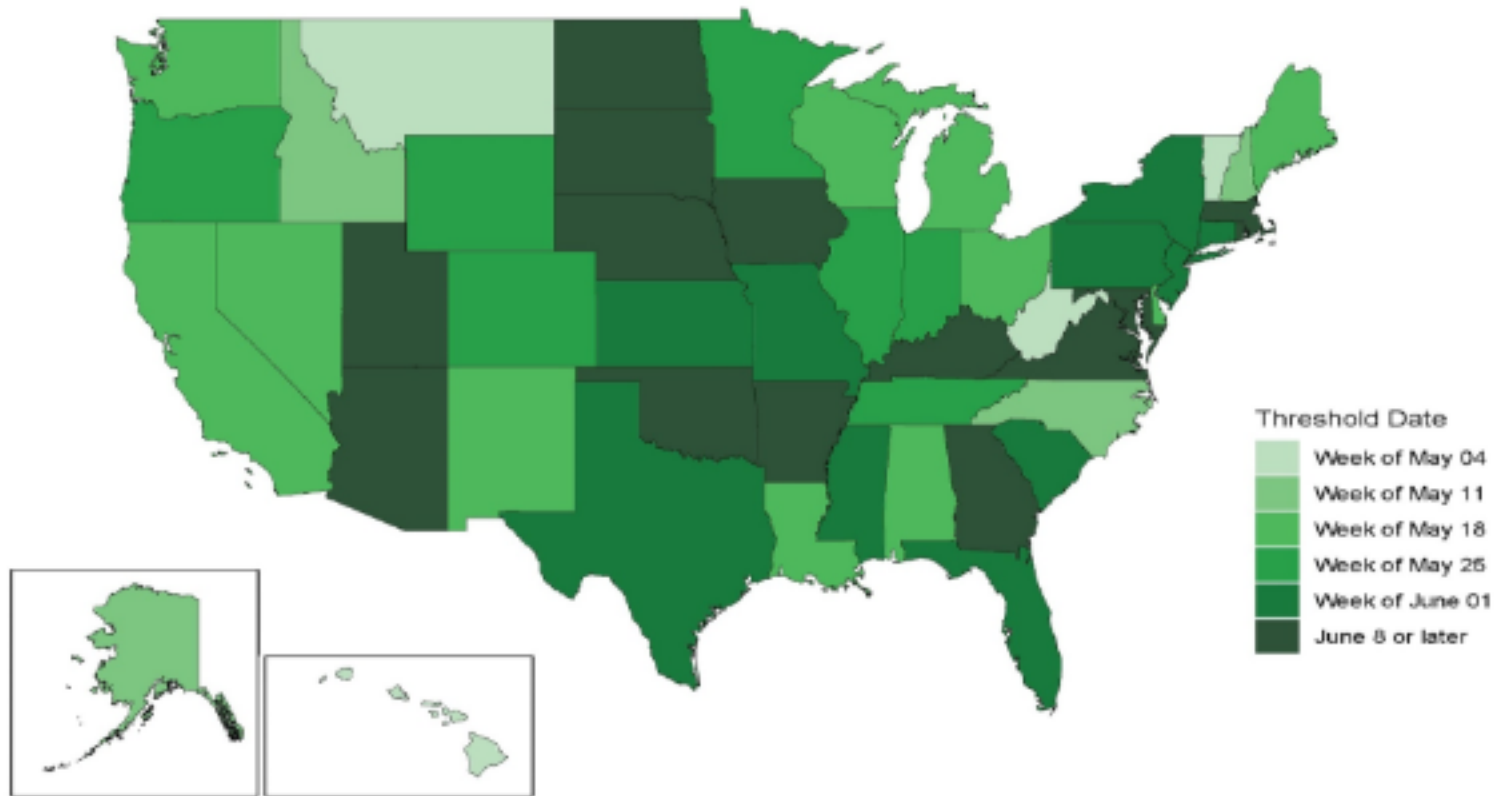
Source: IHME COVID-19 Projections

EMILY M. ENG / THE SEATTLE TIMES

# Possible Timetable?



Earliest date after which social distancing may be possible with containment strategies that include testing, contact tracing, isolation, and limiting gathering size



## **Some Numbers – Accurate Thus Far**

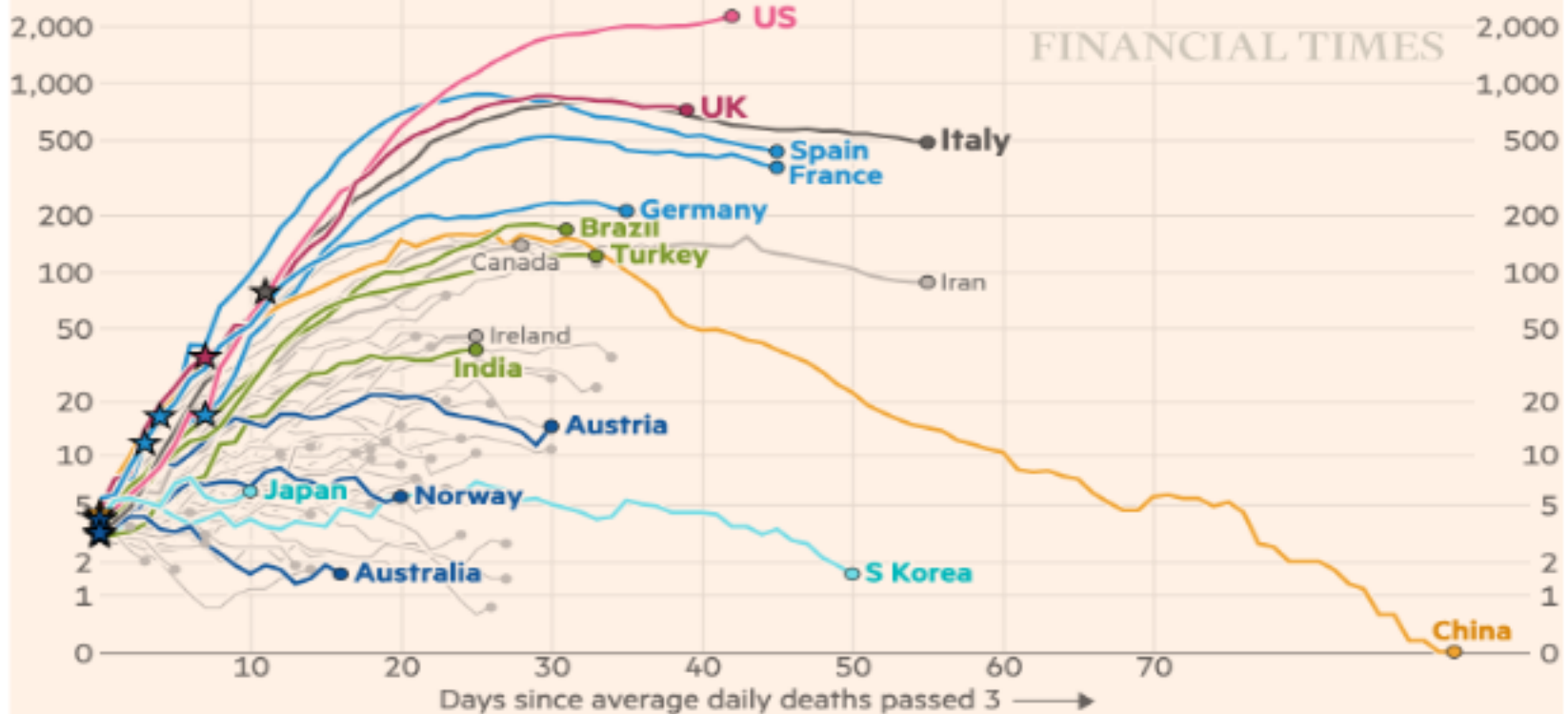
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- **COVID 19 Cases Worldwide – 3,244,358**
- **Deaths worldwide – 229,190**
- **Recovered – 1,016,490**
- **96% of cases judged to be minor – no hospitalization**
- **US Statistics**
  - **Deaths – 61,185**
  - **Deaths per one million – 186 (Spain is 525)**
  - **Serious condition – 18,851**
  - **Tests – 6,141,898**
  - **Tests per million – 18,555 (Germany is at 30,400, Iceland at 140,000)**
  - **Recoveries – 147,473**
  - **Active Cases – 855,469**
  - **Number of people out of work – 31 million**

# Trajectories

## Daily death tolls are now at their peak or falling in many western countries

Daily coronavirus deaths (7-day rolling avg.), by number of days since 3 daily deaths first recorded



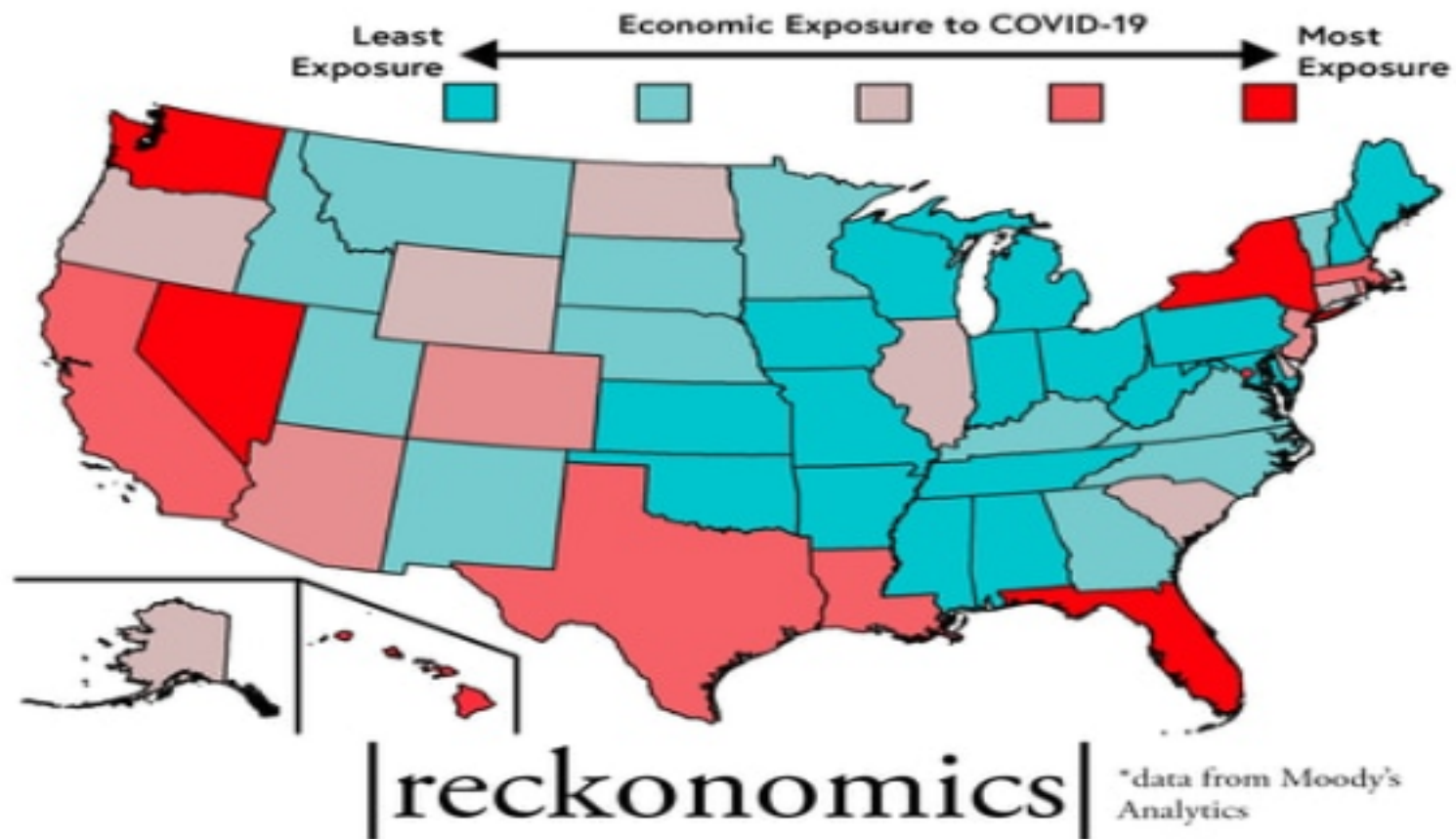
FT graphic: John Burn-Murdoch / @jburnmurdoch

Source: FT analysis of European Centre for Disease Prevention and Control; FT research. Data updated April 23, 23:28 BST

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# Moderate Exposure (still bad)

State economies likely to be most and least affected by COVID-19

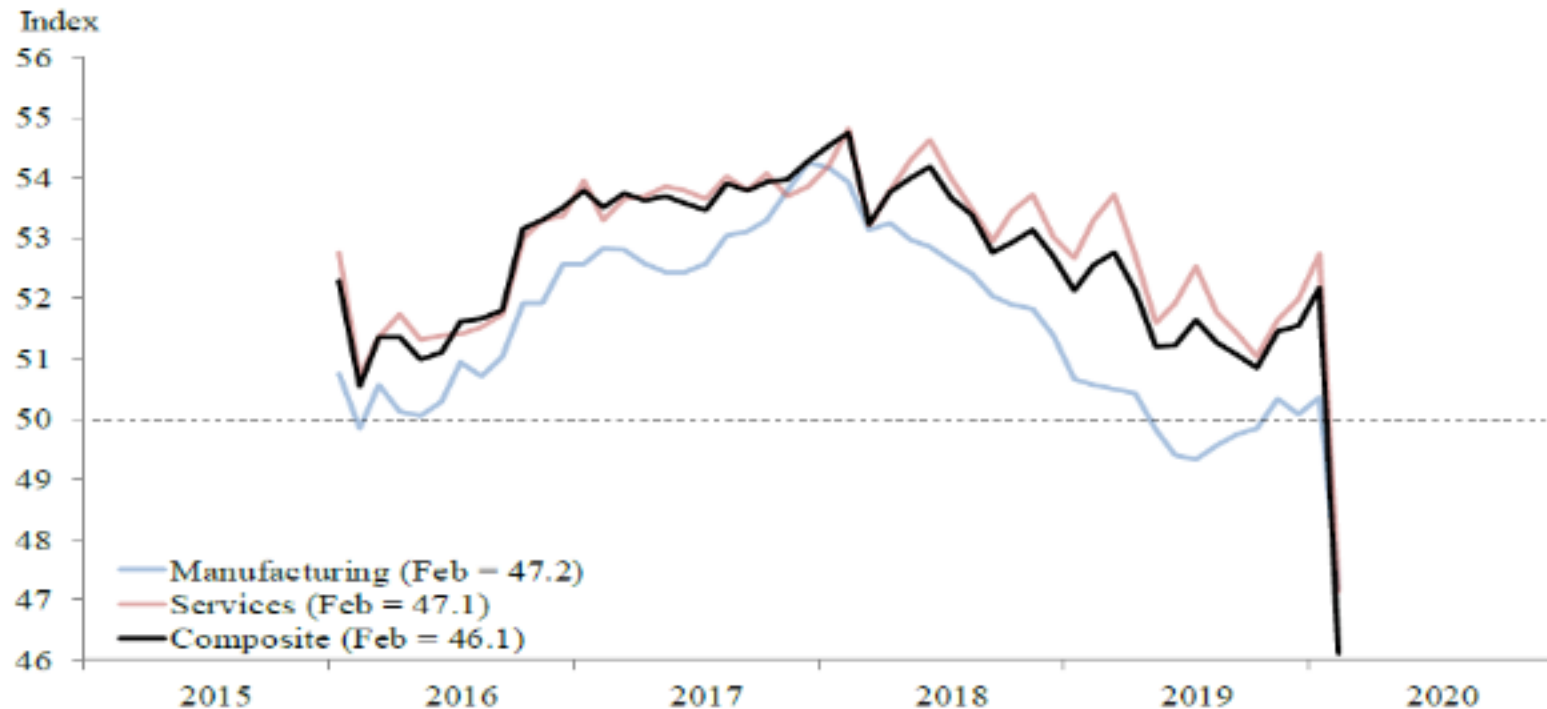




# Don't See Lines Like This Very Often



### Chart 3. Global Purchasing Managers Index



NOTE: This index measures purchasing managers' perspectives of current business conditions. An index value greater than 50 indicates economic expansion from the previous month, while a value below 50 indicates contraction.

Sources: JPMorgan; Bloomberg

Globalization & Monetary Policy Institute  
Federal Reserve Bank of Dallas

# A Recession Was Already Expected

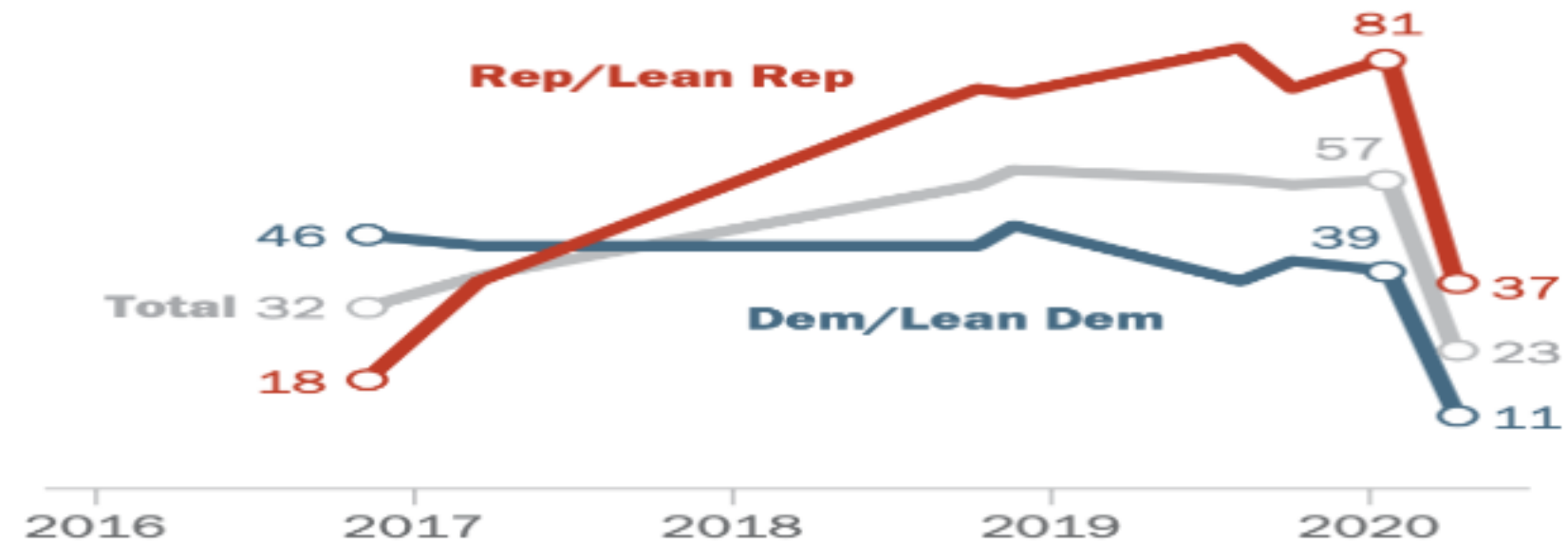


# Political Impact



## As coronavirus strikes the U.S., positive assessments of the economy plummet

*% who rate national economic conditions as excellent or good*



Source: Survey of U.S. adults conducted April 7-12, 2020.

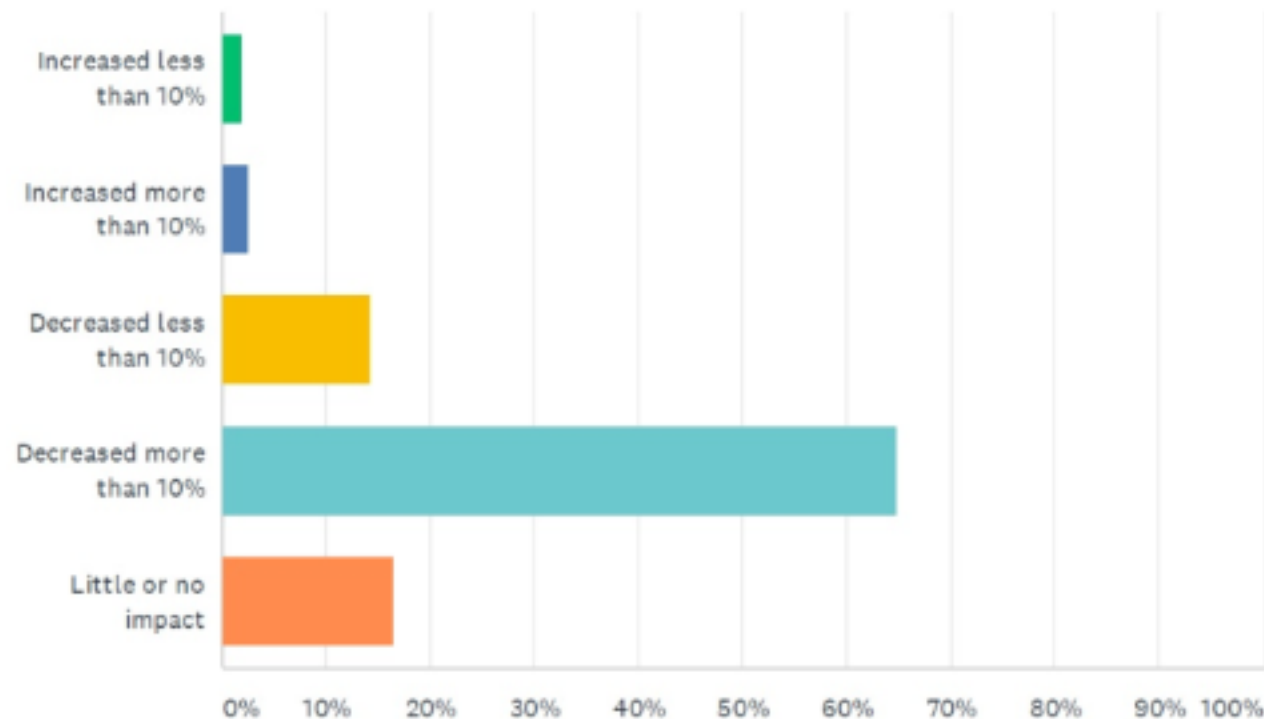
PEW RESEARCH CENTER

# Most Report Major Impact



How have the recently implemented COVID-19 mitigation measures affected your business revenues?

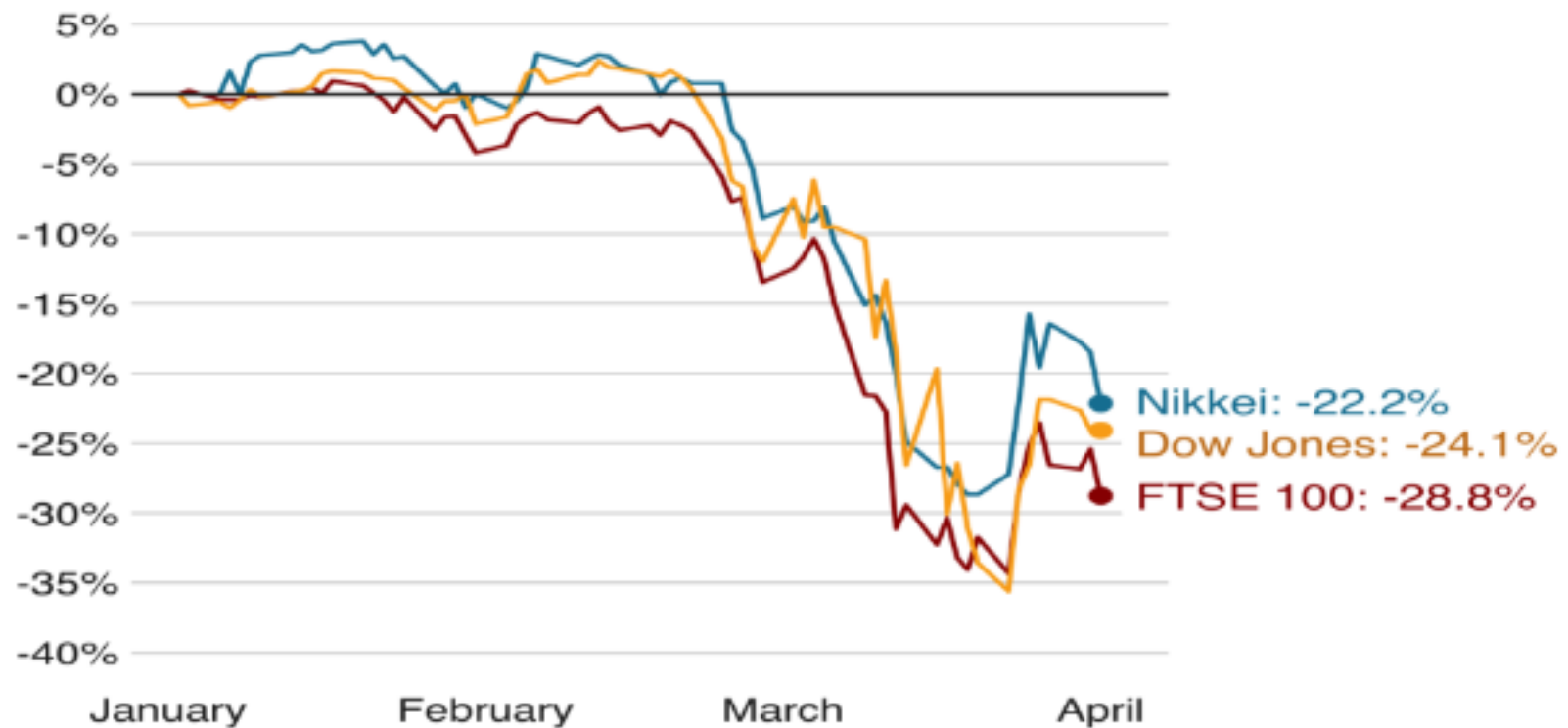
Answered: 321 Skipped: 7



# Market Impact



## The impact of coronavirus on stock markets since the start of the outbreak



Source: Bloomberg, 01 April 2020, 09:00 GMT

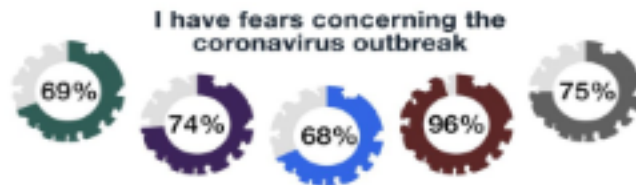


# Consumer Reaction

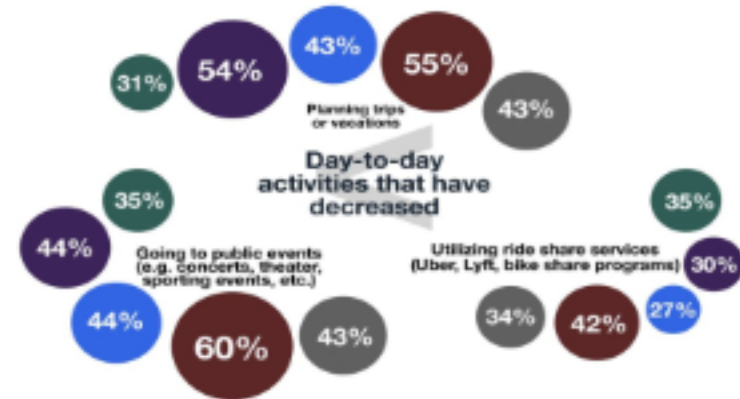
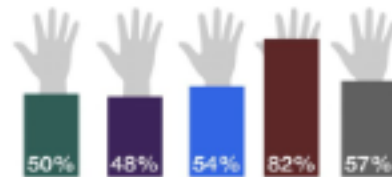


## COVID-19 and the Global Consumer: Concerns & Sentiment

- US
- Canada
- Europe
- Middle East
- Average of all areas

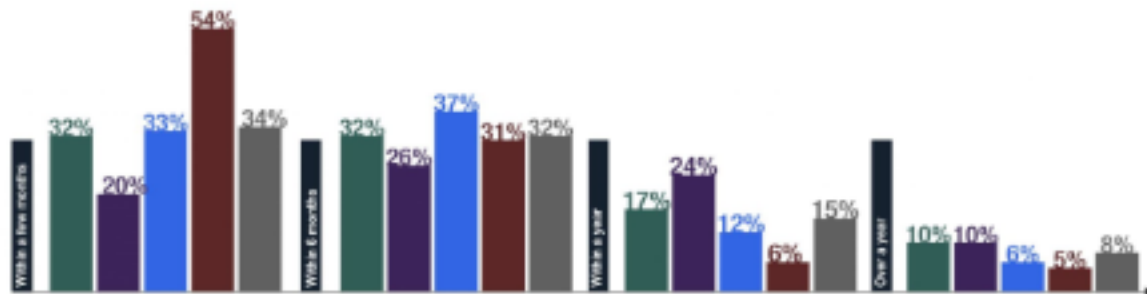


I have altered my day-to-day activities to be as "contactless" as possible



### PREDICTIONS

When shoppers feel COVID-19 will be under control or eradicated



## Health Care, Food and Savings Profit From Pandemic

Net share of U.S. consumers who said they would spend more/less on the following in the next six months



Survey of 3,465 U.S. consumers, March 6-9, 2020

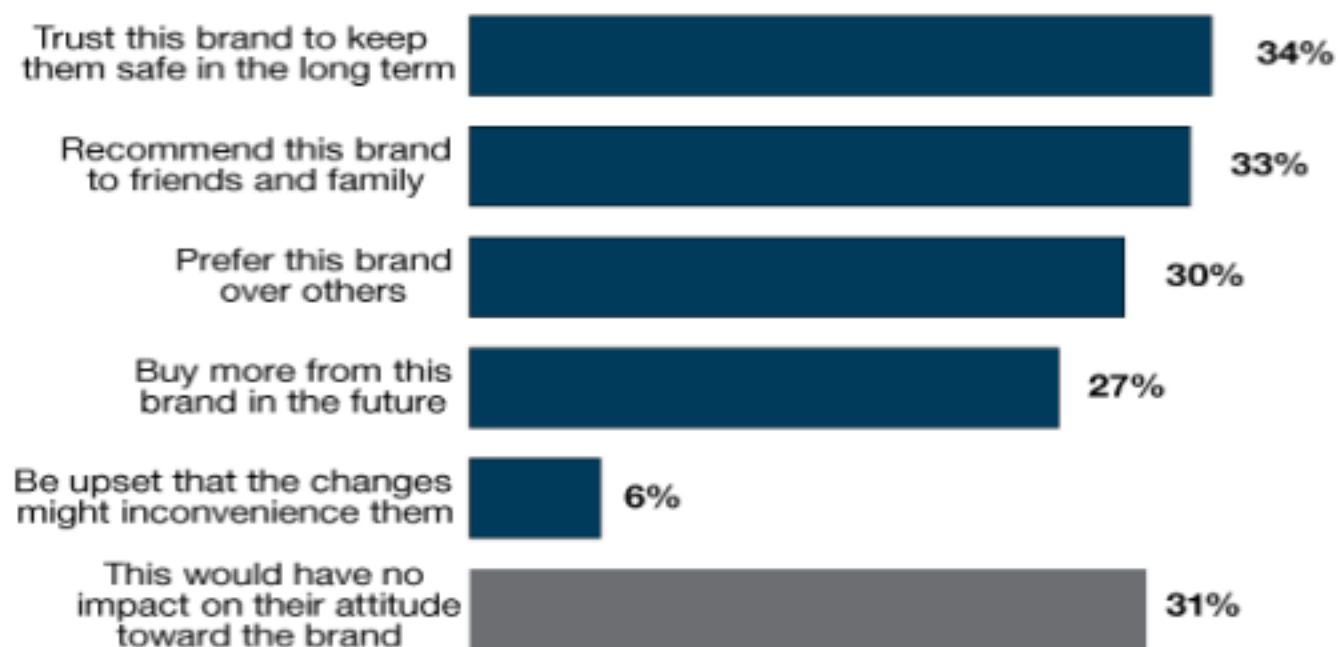
\* includes diagnostics and testing

Source: Boston Consulting Group



## Reactions to Brand Message

When consumers understand how a company is changing products, services, or experiences to protect customers from the threat of COVID-19, consumers would do the following:



Base: 501 US online adults

Source: Forrester's Consumer Energy Index Online Survey, US Consumers, March 2020

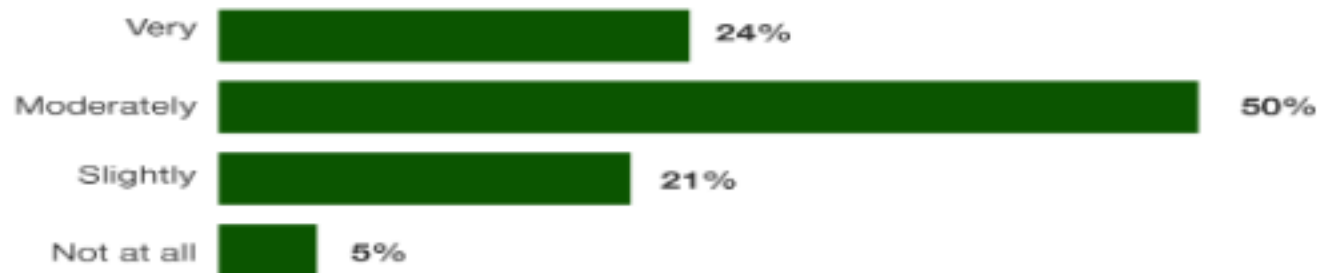


# Fear Factor



## Three-quarters of US online adults feel knowledgeable about COVID-19:

How familiar are you with details of COVID-19?



## Consumers with the highest fear levels prefer to buy items, conduct work, and connect with friends while staying indoors:



**40%** believe COVID-19 will have a longer-term negative impact on their quality of life.



**35%** are afraid of the spread of the virus.



**37%** currently prefer to get things done from home.

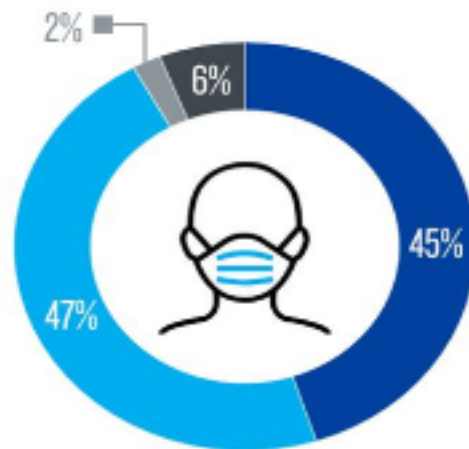
Base: 501 US online adults

Source: Forrester's Consumer Energy Index Online Survey, US Consumers, March 2020

# Chinese Attitude



CHINESE CONSUMERS HAVE AN OPTIMISTIC OUTLOOK  
ON THE BATTLE AGAINST COVID-19



92%

CONSUMERS EXPRESSED  
CONFIDENCE IN BATTLING  
AGAINST THE VIRUS

- Very confident
- Confident
- Generally confident
- Lacking in confidence
- Not confident at all

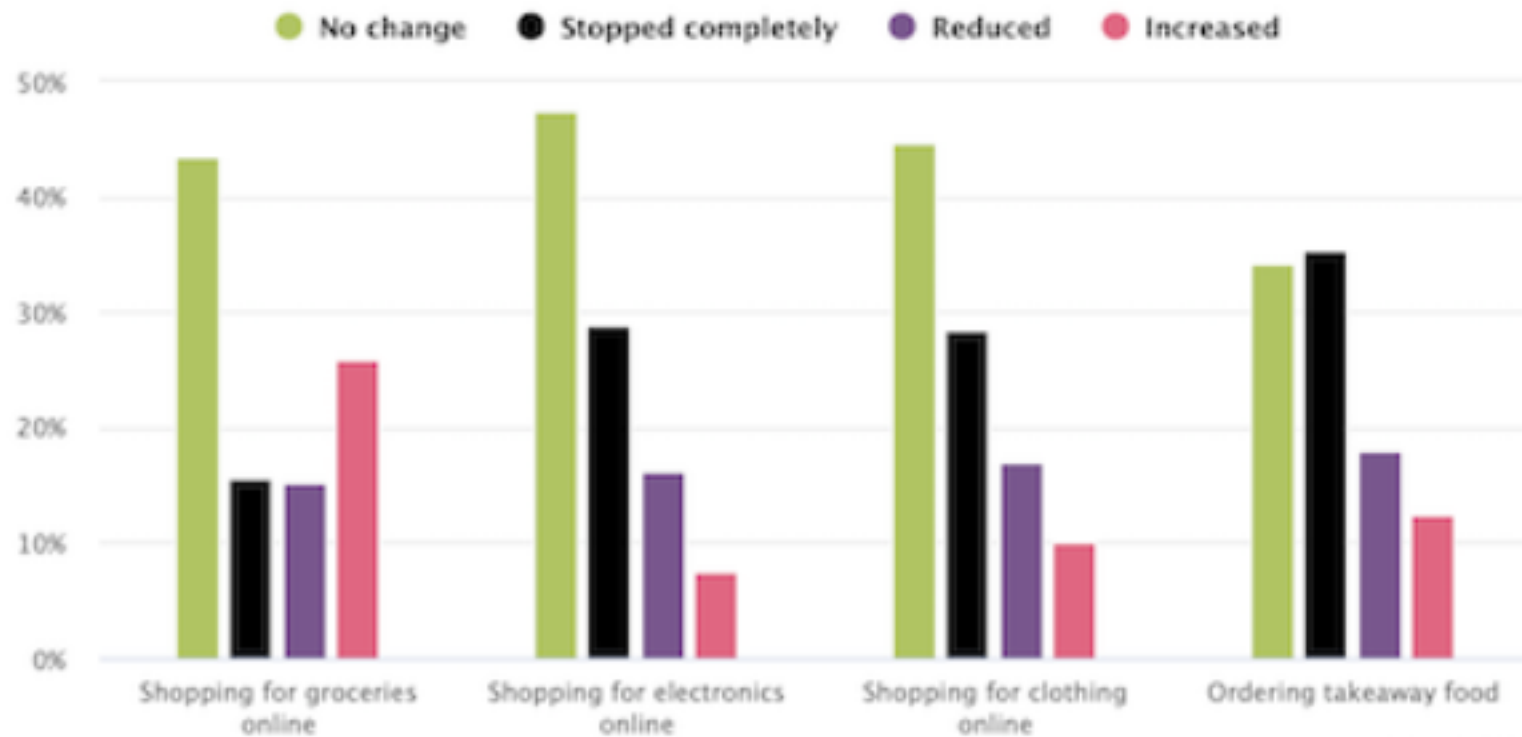
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# Reaction by Shoppers



## How has COVID-19 (coronavirus) affected your shopping?

RetailX Coronavirus Consumer Confidence Tracker - 25th March

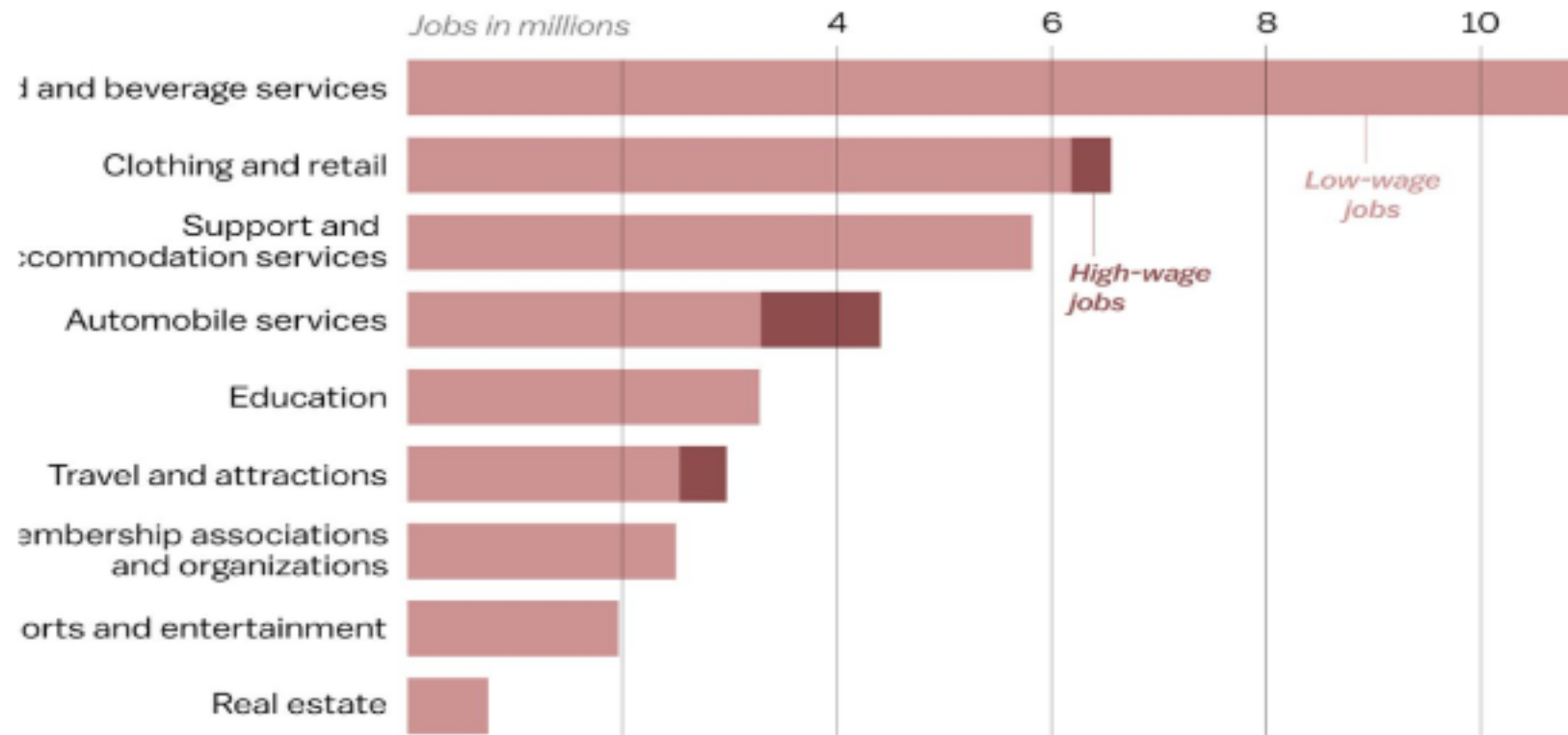


© RetailX 2020

# Service Sector and Lower Paid Hit Hard



## Jobs vulnerable to layoffs during the Covid-19 pandemic in the US by industry

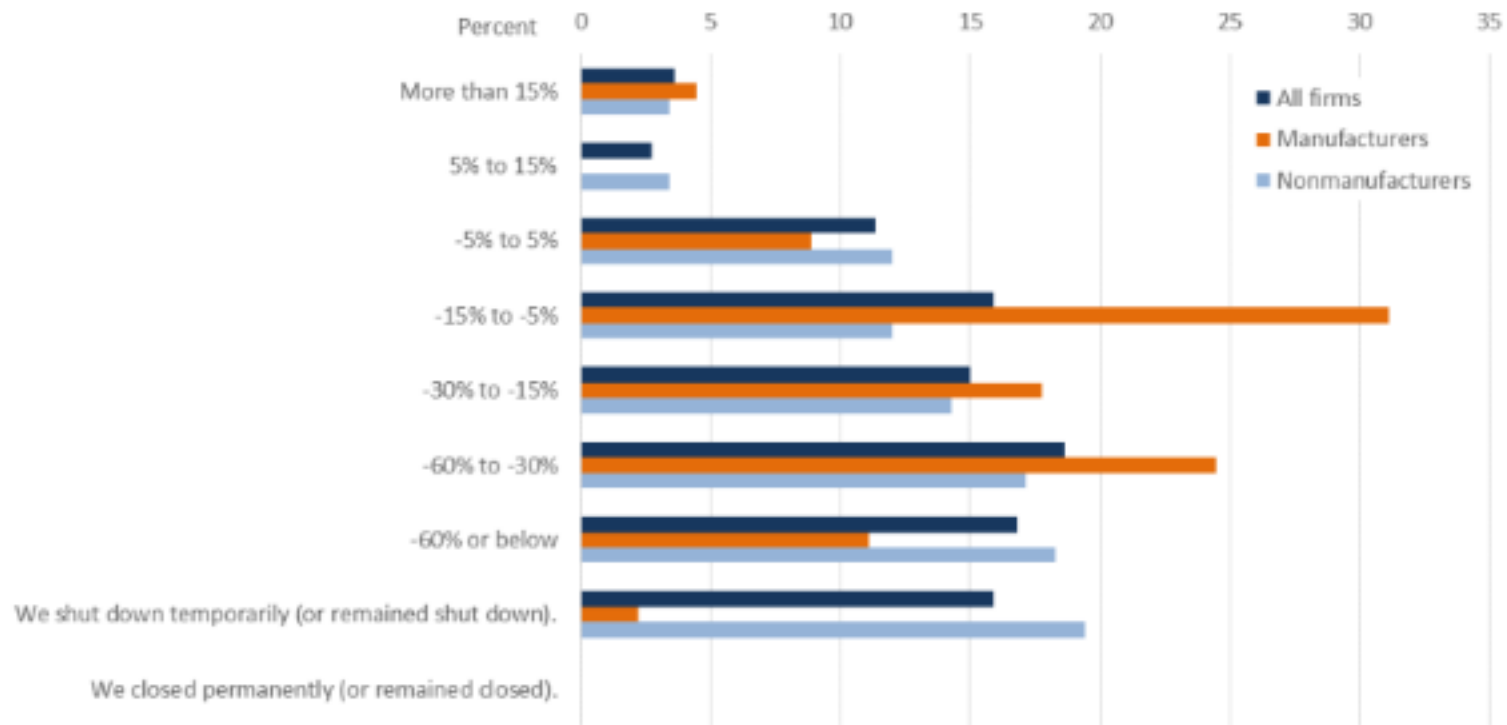


"Low income" jobs are defined as making a weekly income less than \$801.47. Values are rounded.  
US Private Sector Job Quality Index

# Overall Impact on Sales



How have the COVID-19 outbreak and associated effects impacted the past week's new orders or sales?  
For week ending April 19, 2020

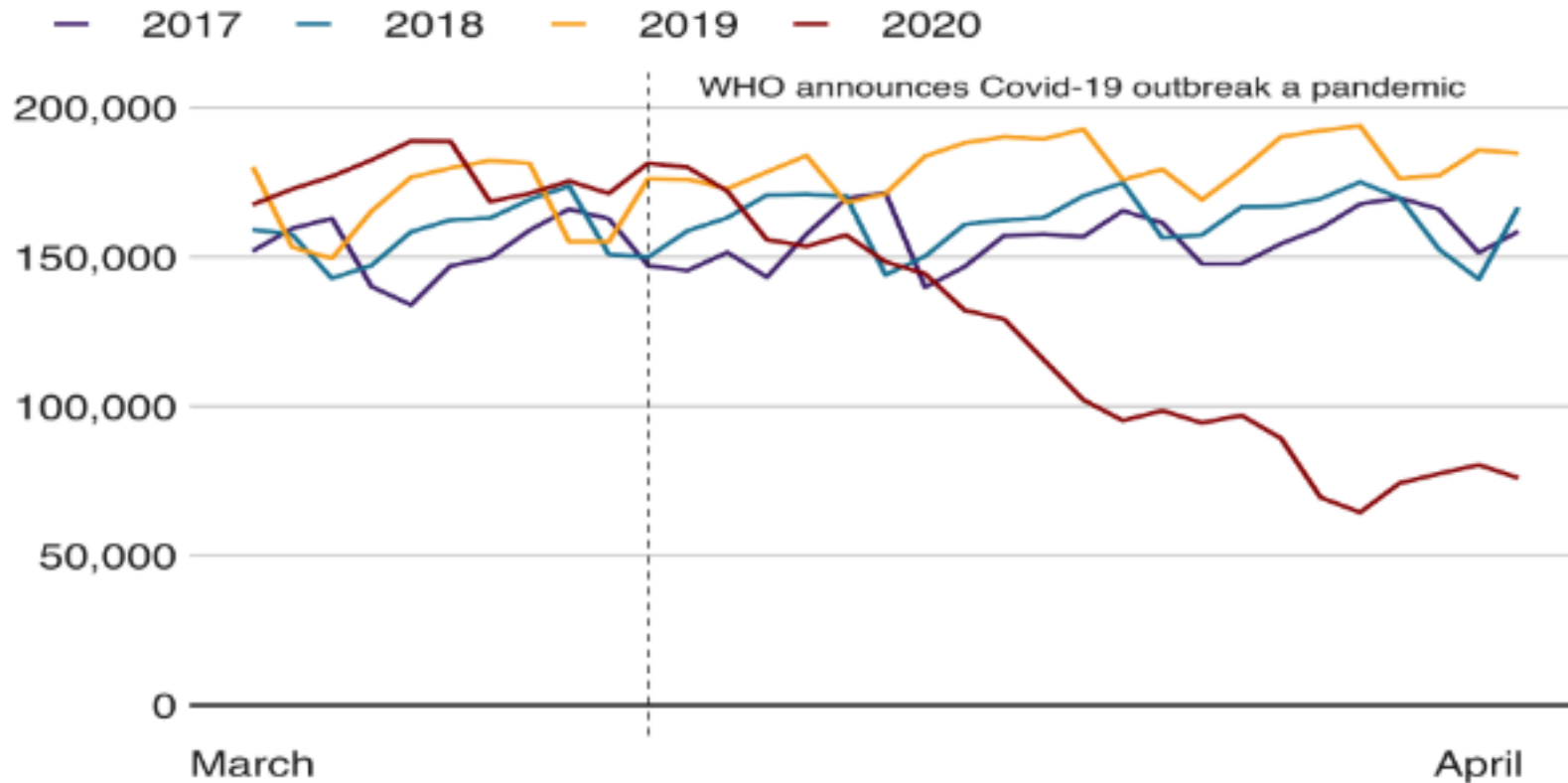


# Air Travel Impact



## Far fewer flights

Number of total daily flights



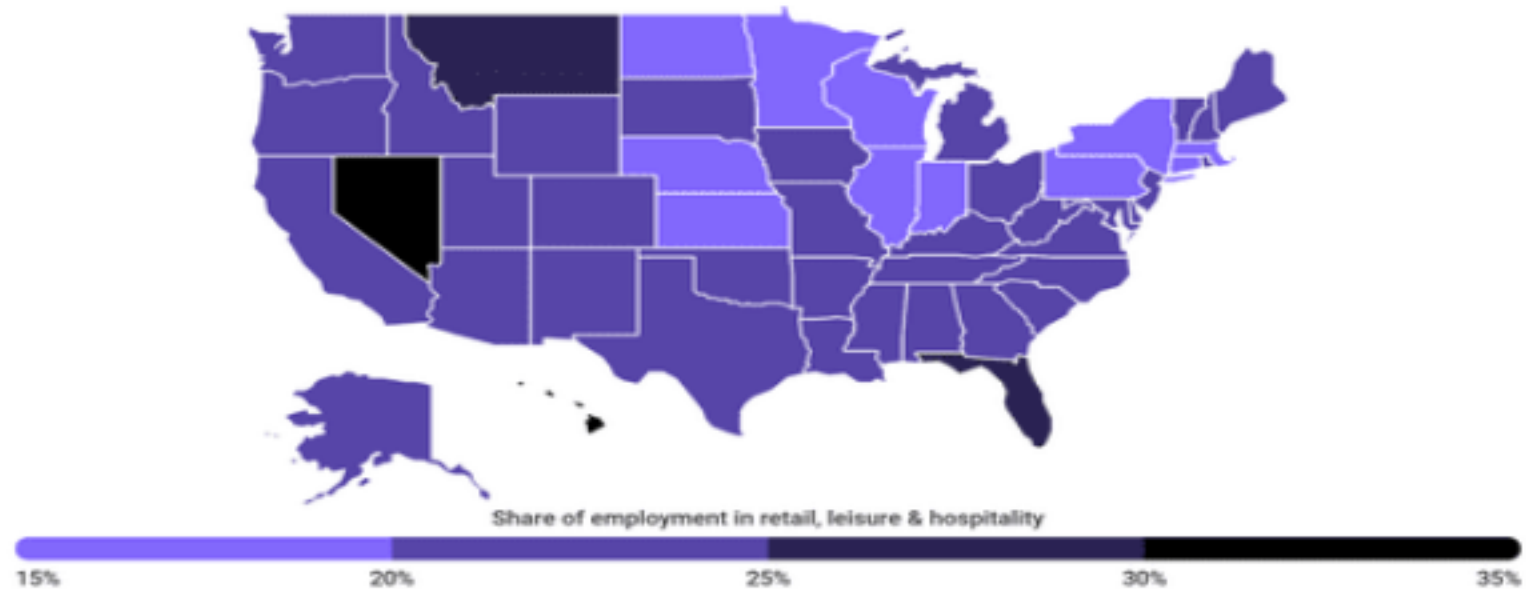
Source: Flightradar24, 03 April 2020



# Hardest Hit States

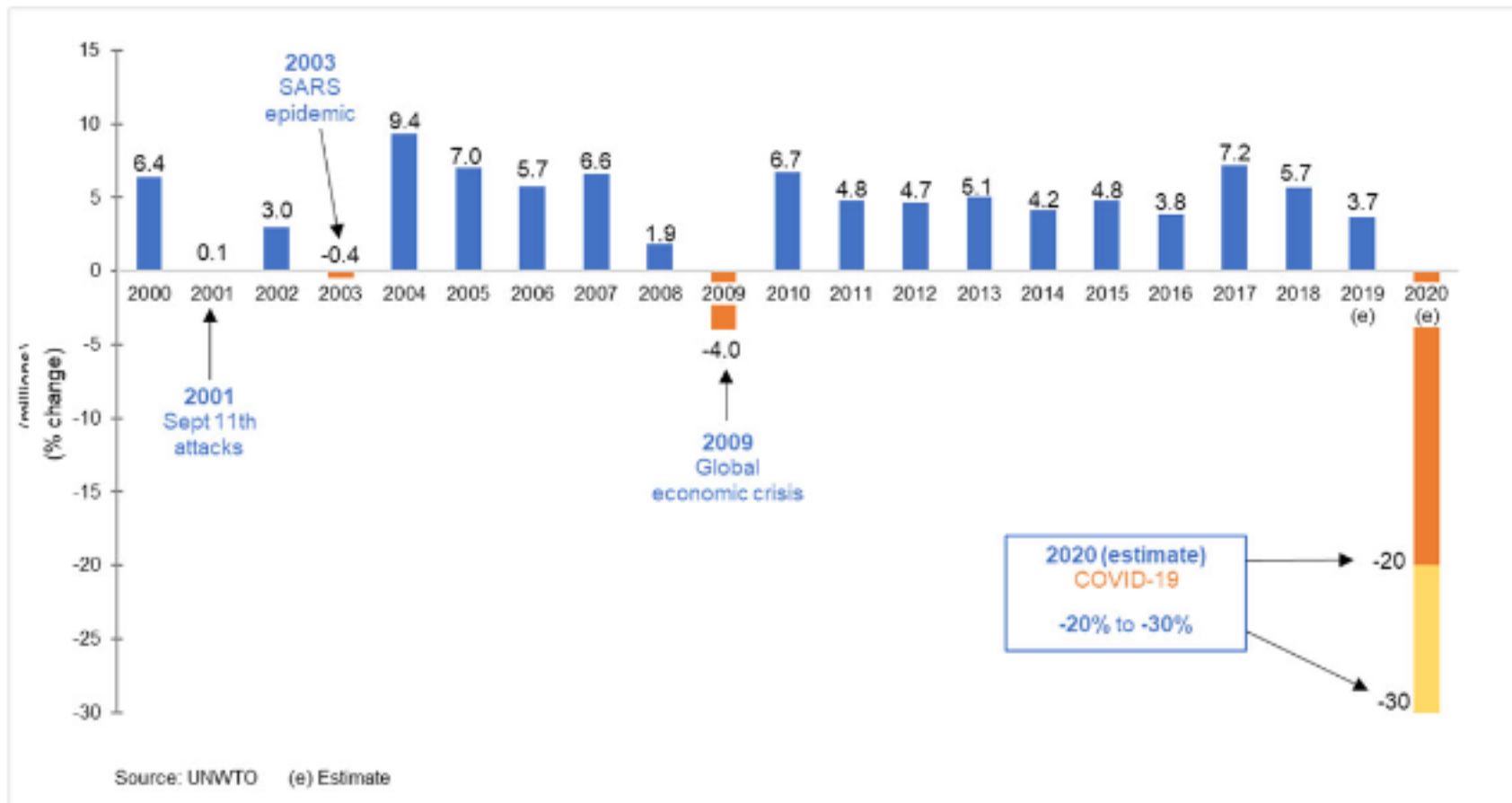


**Nevada has the largest share of employment in retail, leisure & hospitality in the nation**



Source: U.S. Bureau of Labor Statistics's 2019 Current Employment Statistics Survey

# Impact on Tourism





## SURGE IN REMOTE WORK

To measure the employer response to the COVID-19 crisis, law firm Seyfarth sent a flash survey to its clients and collected responses from 550 U.S. employers from March 12 to March 16.

The results showed:



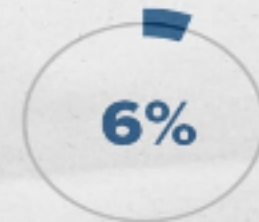
67%  
of employers surveyed were taking steps to allow employees to work from home who don't normally do so.



36%  
were actively encouraging all employees to work from home in some or all parts of the country as of mid-March.

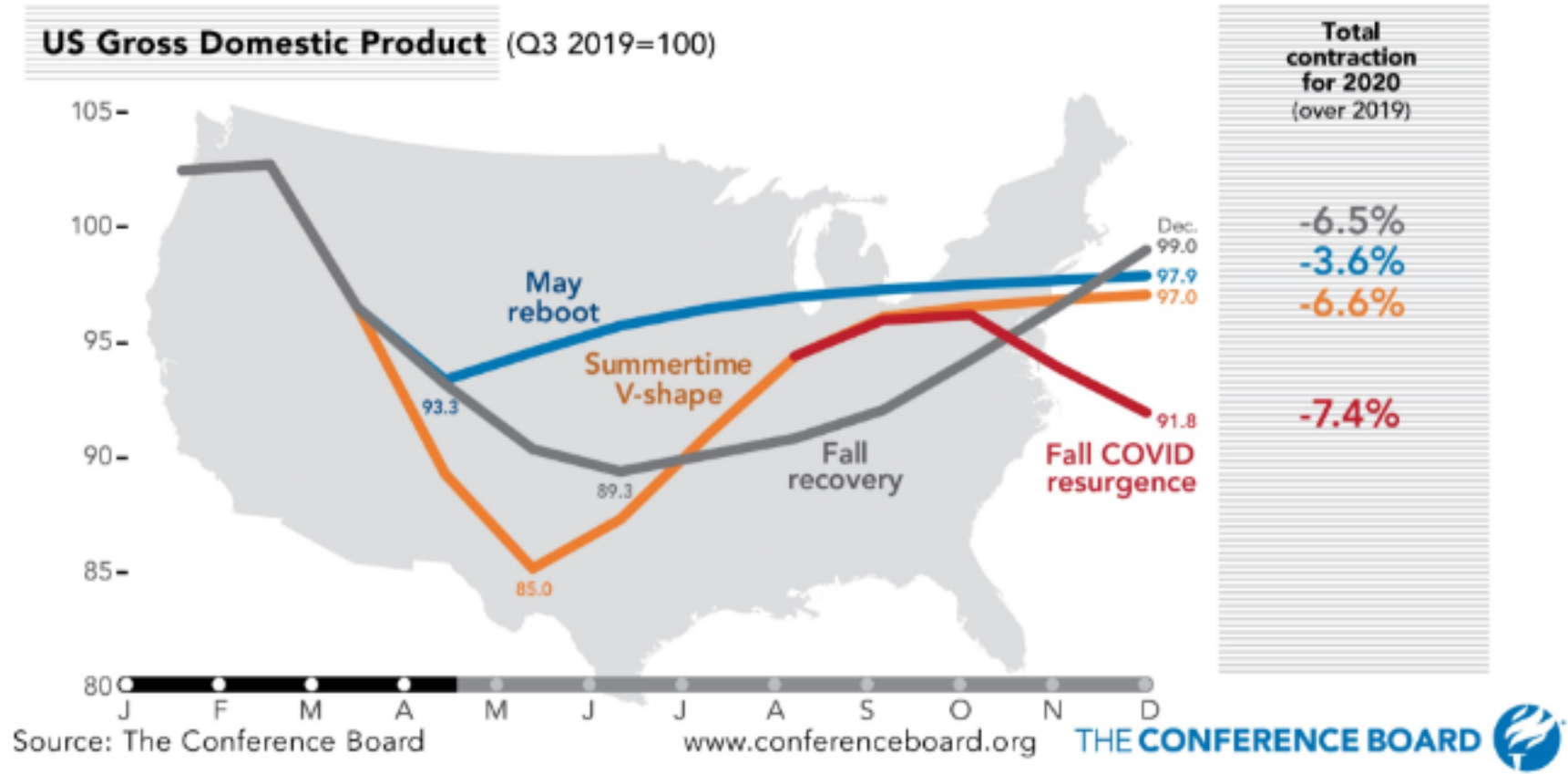


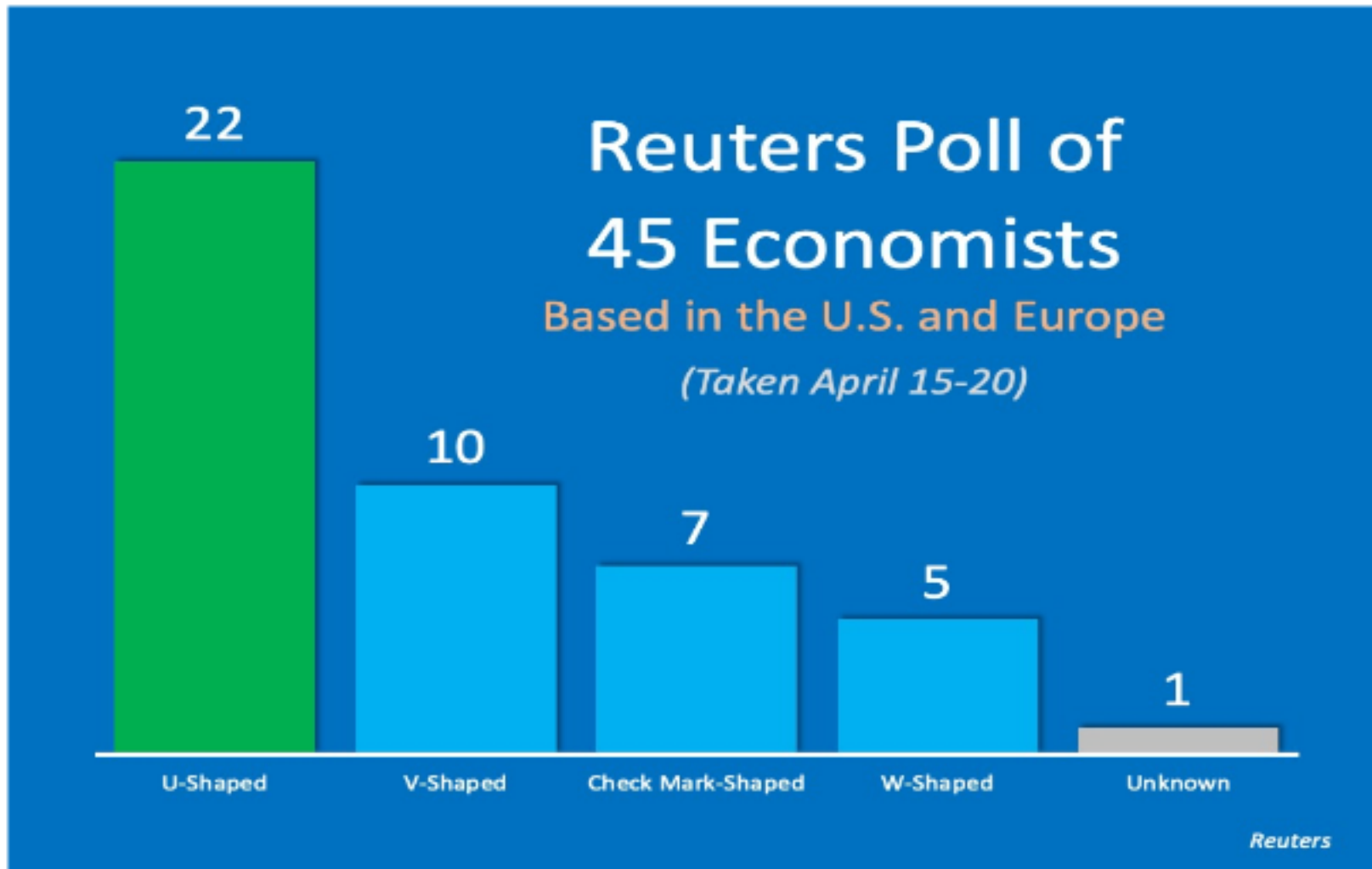
42%  
were encouraging employees to work from home on a case-by-case basis.



6%  
were encouraging employees to work from home in hot spots.

# Recovery Still Depends on Timing

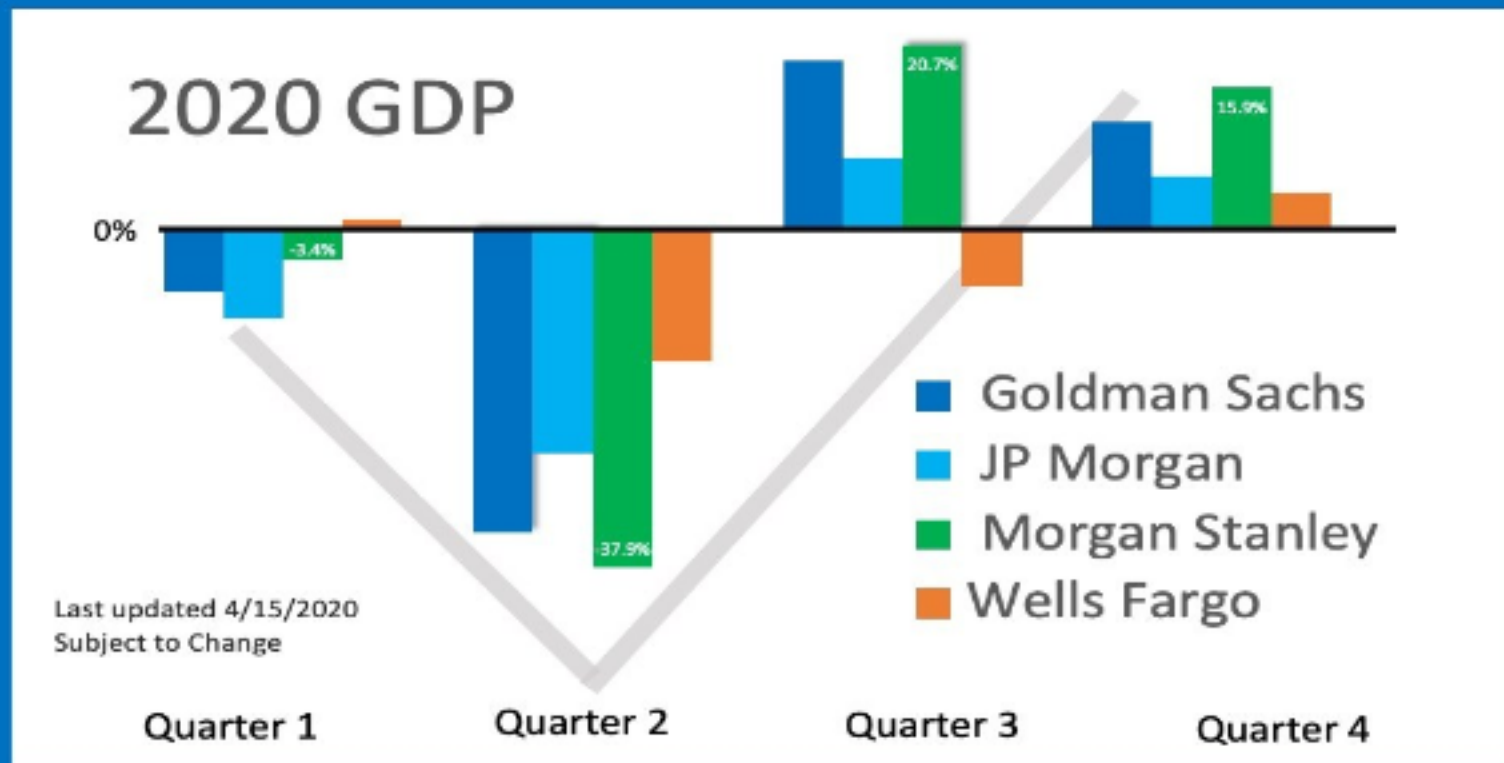




# Faith in the Arrival of the “V”



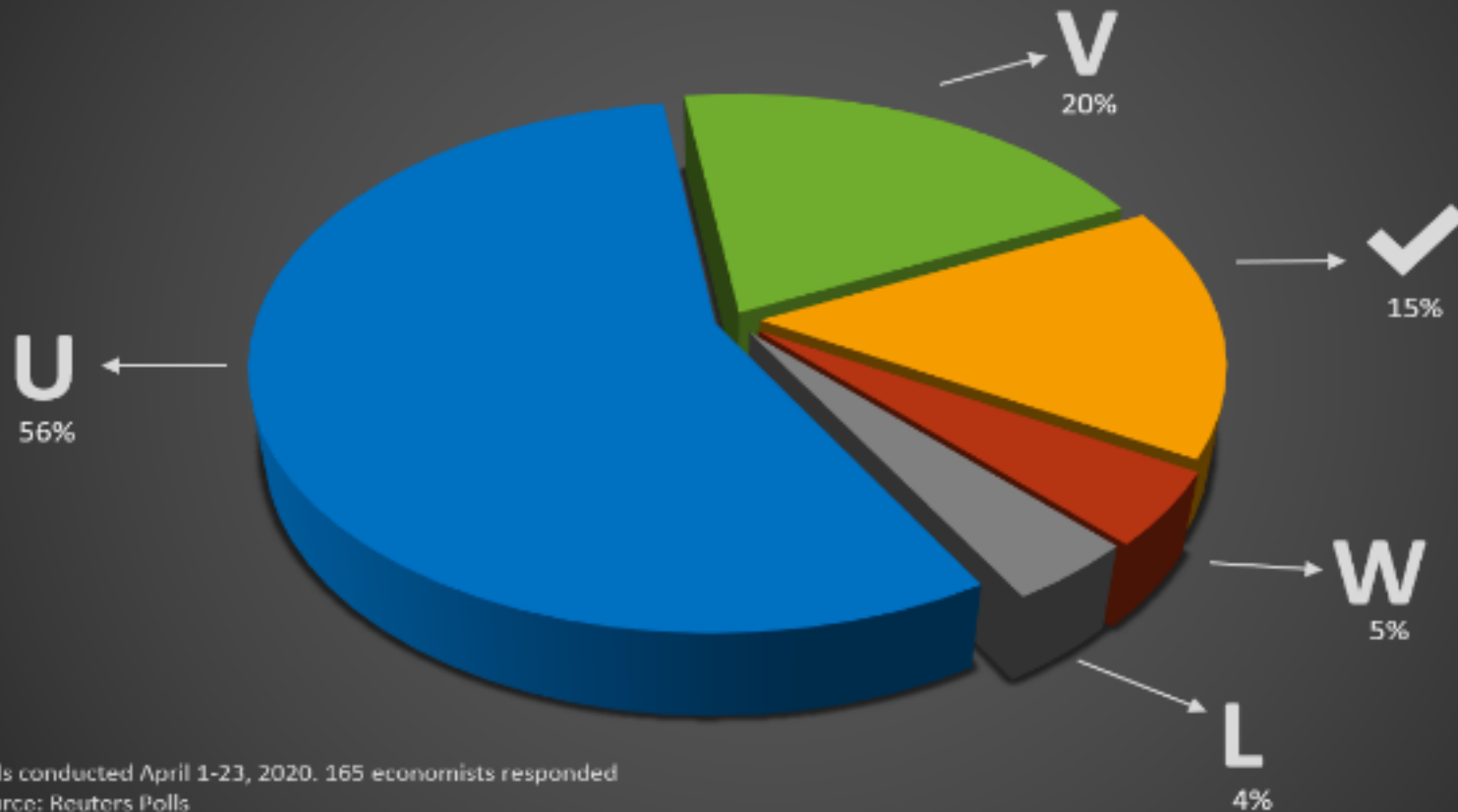
## Major financial institutions are calling for a V-shaped recovery



# What Does the Public Think?



## Reuters Poll: Expected shape of the global economic recovery



Polls conducted April 1-23, 2020. 165 economists responded  
Source: Reuters Polls  
Mumal Rathore, Indradip Ghosh and Vivek Mishra | REUTERS GRAPHICS

## Life has Altered

My dog walking himself since he can't get Coronavirus:



## You KNOW You Want More



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