

## COVID-19: An update since our last note

Living and adapting to a fluid environment seems to be the new normal. We bring you a weekly summary of some of the key changes over the past week.

### Key market indicators (weekly movement)

FTSE/JSE All Share TR ZAR Level: 48 245.11 ▲ 1.7%	FTSE/JSE Financials Index TR ZAR Level: 24 525.3 ▼ -5.6%	FTSE/JSE SA Industrials TR ZAR Level: 73 417.38 ▲ 3.6%	FTSE/JSE Fin&Ind TR ZAR Level: 65 353.86 ▲ 1.6%
FTSE/JSE All Bond TR ZAR Level: 667.752 ▲ 3.8%	S&P 500 TR USD Level: 2 799.55 ▲ 2.2%	DJ Industrial Ave TR USD Level: 23 537.68 ▲ 1.1%	FTSE: 100 TR GBP Level: 5 628.43 ▼ -0.5%
Hang Seng HSI TR HKD Level: 24 006.45 ▲ 0.1%	USD/ZAR Level: 18.8787 ▼ 4.0%	GBP/ZAR Level: 23.5147 ▼ 3.4%	EUR/ZAR Level: 20.4604 ▼ 3.5%

Data as at 20 April 2020. Measurement from Monday 13 April to Monday 20 April 2020. Percentage returns reflect weekly change. Source: Bloomberg.

### COVID-19 statistics for South Africa

121 510 tests	3 300 positive cases	1 055 recoveries	58 deaths
---------------	----------------------	------------------	-----------

Data as at 21 April 2020, 09h00. Source: <https://sacoronavirus.co.za/>

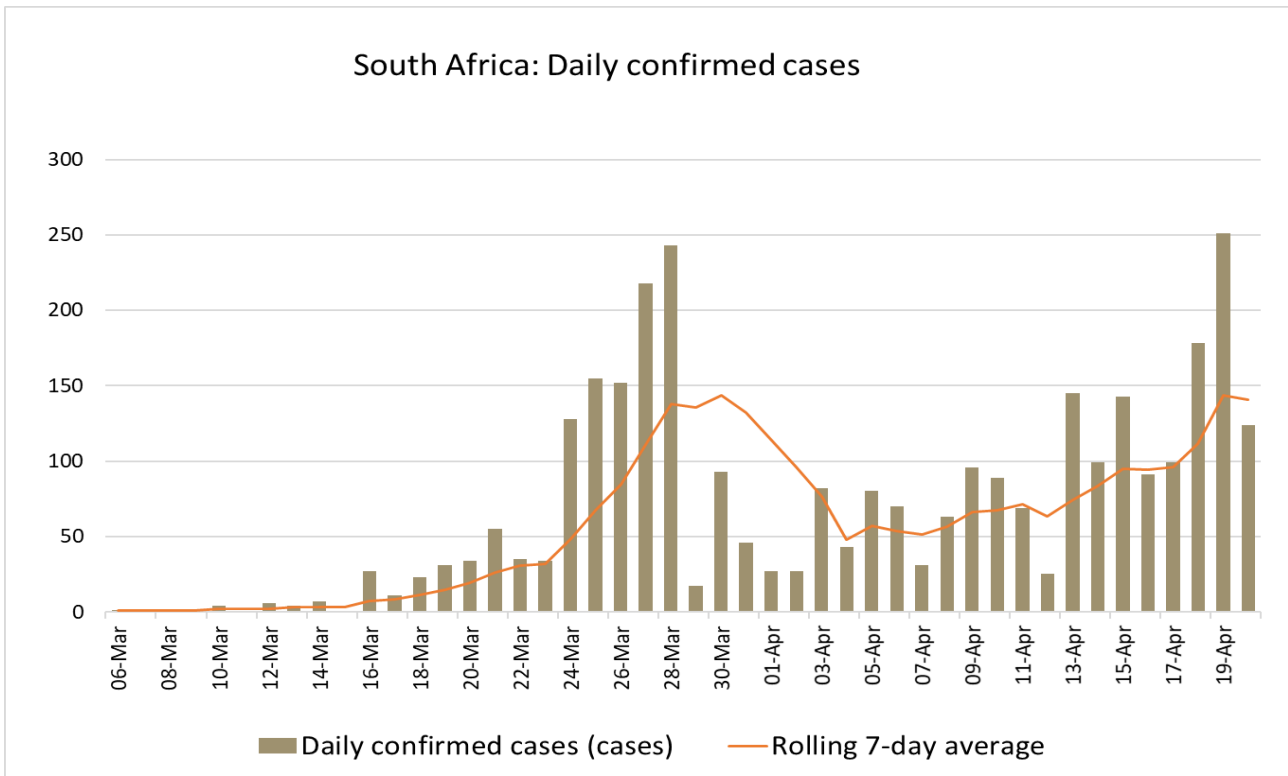
### Lockdown likely to be lifted in stages

On Thursday 16 April Co-operative Governance and Traditional Affairs Minister Nkosazana Dlamini-Zuma stated that the lockdown would be lifted in stages. The first round of provisions has seen hardware stores being allowed to open to supply goods needed for essential services, and allowing vehicles needed to deliver essential goods to be repaired among other concessions. Restrictions are expected to be lifted in an incremental manner with new provisions being announced weekly. The ban on the sale of alcohol and tobacco has so far remained in place. To counter the impact of COVID-19 lockdown regulations, the President indicated in his *From the desk of the President* newsletter that Government is considering a wide range of economic stimulus measures, as concerns about economic recovery and the impact on especially poor and vulnerable households continue to increase.

Basic Education Minister Angie Motshekga is expected to table proposals in Cabinet this week, formalising plans on how to recover the academic year. It is widely expected that the school calendar will be revised, with the remaining school holidays being shortened.

### The importance of wide-spread testing

On Sunday 19 April, the country recorded its highest single-day increase in reported cases, adding 251 to its confirmed case count. Gauteng remains the province with the highest number of recorded cases (1170), followed by the Western Cape (940) and KwaZulu-Natal (639) (based on the 20 April press release). The rise in cases can be seen as partly a consequence of more wide-spread testing as community testing and screening has ramped up. However, some have argued that testing needs to be increased further before a decision can be made on lifting the lockdown.



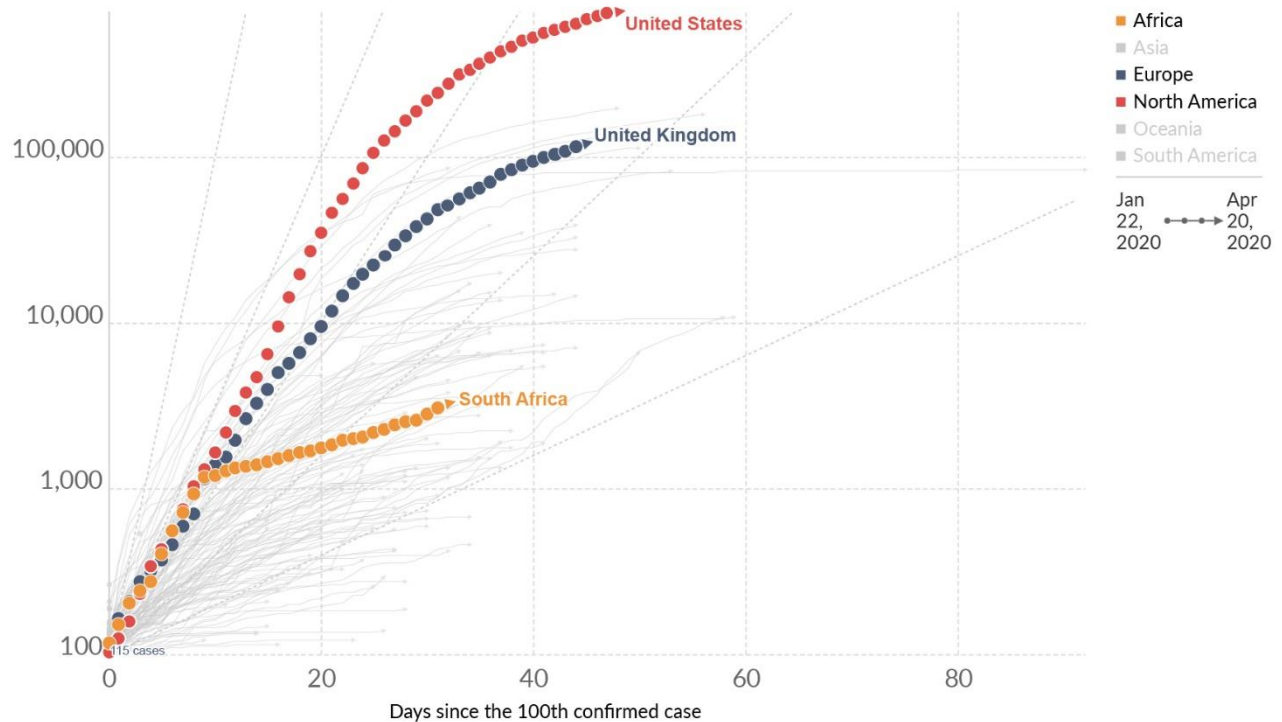
Source: Ourworldindata.org (as at 20 April 2020) and PSG Wealth

The World Health Organisation recommends wide-spread testing in the bid to curb the outbreak of COVID-19. This is because asymptomatic people or those with mild symptoms, can then self-isolate and not infect others. In his [April 18 Update on COVID-19](#), Minister of Health Zwelini Mkhize stated that South Africa leads the way in terms of testing on the African continent. He also clarified that the number of tests included in the daily figures, does not include repeat tests to check if an individual has successfully cleared the infection. “To illustrate this, today we report that we have conducted 108 021 [tests]. However, the total [number of tests] tests done to date (including repeat tests) is 123 008,” he stated.

While US President Donald Trump is in a hurry to reopen the US economy, researchers from the [Harvard Global Health Institute](#) have indicated that testing would need to increase from 150 000 daily tests to 500 000 per day by 1 May. They also indicated that fewer people would need to test positive before any restrictions could safely be lifted. With growing concern about the economic impact of the outbreak (both locally and abroad), deciding how, and when, to ease restrictions becomes a crucial question for many countries.

## Total confirmed cases: how rapidly are they increasing?

The number of confirmed COVID-19 cases is lower than the number of total cases. The main reason for this is limited testing.



Source: European CDC - Situation Update Worldwide - Last updated 20th April, 11:30 (London time) OurWorldInData.org/coronavirus • CC BY

Source: Ourworldindata.org as at 20 April 2020.

## China sees its first economic contraction in decades, revises death toll upward

China reported that its gross domestic product (GDP) shrank 6.8% in the first quarter, compared to the same period for 2019. The figure was slightly better than the 8.2% forecast in an AFP poll. With China slowly emerging from lockdown, economic activity levels are expected to increase.

Meanwhile, the Chinese city of Wuhan, which first reported the outbreak of COVID-19, revised its official death toll up to 3 869 on Friday 17 April. The revision represents a 50% increase from the original 2 579 reported fatalities. Chinese officials said the underreporting was due to some individuals dying at home and not being included in the official numbers, and deaths that had not been properly reported by hospitals or on death certificates.

## Oil futures enter negative territory for the first time in history

With continued tension between OPEC oil producers Russia and Saudi Arabia, oil supplies have remained high while global demand has dwindled in light of the COVID-19 shutdown. The price of oil for delivery in May (WTI crude oil for delivery to Cushing) slid into negative territory for a historic first time, on worries that storage capacity would run out.

### COVID-19 snippets

- The Department of Home Affairs is not issuing birth certificates at this time. Information obtained from Discovery Health seems to indicate medical aids are accommodating newborns on the scheme at this time, subject to birth certificates being furnished in the future.
- The Unemployment Insurance Fund's (UIF)'s Temporary Employer/Employee Relief scheme indicated that 1.6 million South Africans had applied and that R1.1 billion in COVID-19 support had been paid out already (as at 16 April).

### Remain alert to fake news

We remind all investors to be selective about the sources of information they trust at times like these. Always consult your financial adviser before making changes to your financial portfolio. The official government site for COVID-19 news is: <https://sacoronavirus.co.za/> and our previous communication on the topic can be found at: <https://www.psg.co.za/support/faq/general/covid-19>

Note: This report was produced before President Ramaphosa's address scheduled for 21 April 2020.