

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 summary of some of the key changes over the past week.

Key market indicators (weekly movement)

FTSE/JSE All Share TR ZAR Level: 49 527.23 ▲ 1.4%	FTSE/JSE Financials Index TR ZAR Level: 2 4370 ▼ -1.0%	FTSE/JSE SA Industrials TR ZAR Level: 73 905.12 ▶ 0.0%	FTSE/JSE Fin&Ind TR ZAR Level: 6 340.02 ▼ -0.3%
FTSE/JSE All Bond TR ZAR Level: 666.775 ▼ -1.1%	S&P 500 TR USD Level: 2 878.48 ▲ 2.0%	DJ Industrial Ave TR USD Level: 2 4133.78 ▲ 2.0%	FTSE: 100 TR GBP Level: 5 846.79 ▲ 0.6%
Hang Seng HSI TR HKD Level: 24 280.14 ▼ -0.2%	USD/ZAR Level: 18.798 ▲ 0.3%	GBP/ZAR Level: 23.3508 ▲ 0.4%	EUR/ZAR Level: 20.3581 ▲ 0.6%

Data as at 27 April 2020. Measurement from Monday 20 April to Monday 27 April 2020. Percentage returns reflect weekly change. Source: Bloomberg.

COVID-19 statistics for South Africa

178 470 tests	4 793 positive cases	1 473 recoveries	90 deaths
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Data as at 28 April 2020, 09h30. Source: <https://sacoronavirus.co.za/>

National lockdown moves to level 4

On Thursday 23 April, President Ramaphosa announced a risk-adjusted strategy to lifting the national lockdown. The country is scheduled to move to level 4 from 1 May 2020. The regulations that detail the easings for specific industries are still to be promulgated, but indications provided by a panel of Ministers on Saturday 25 April, are that Government is broadening the range of primary and essential industries that may be active. The public were given the opportunity to comment and make submissions on the proposed regulations until 12h00 on 27 April. Under the revised lockdown regulations, it will be possible for different provinces to be at different levels.

Under level 4 measures proposed to take effect from 1 May 2020, cigarettes may be sold, and exercise will be allowed under strict guidelines. It is proposed that restaurants may offer a delivery-only service. From 1 May 2020, everyone must wear facemasks in public. The sale of alcohol is still prohibited, as are physical conferences, conventions, sporting events and religious and cultural gatherings. The address by the Minister of Education, Angie Motshekga, to detail plans on reopening schools was delayed to later in the week. The final regulations are only expected to be made public on Thursday 30 April.

The President also revealed further stimulus measures amounting to R500 billion in his earlier address on 21 April. These include, among others: R100 billion being earmarked to protect and create jobs and tax relief measures of R70 billion being targeted. Increases in social grants are expected to reach R50 billion over the next six months, with R20 billion being allocated to municipalities. A revised budget is expected to be tabled on how the stimulus plans will be funded.

South Africa's infection numbers

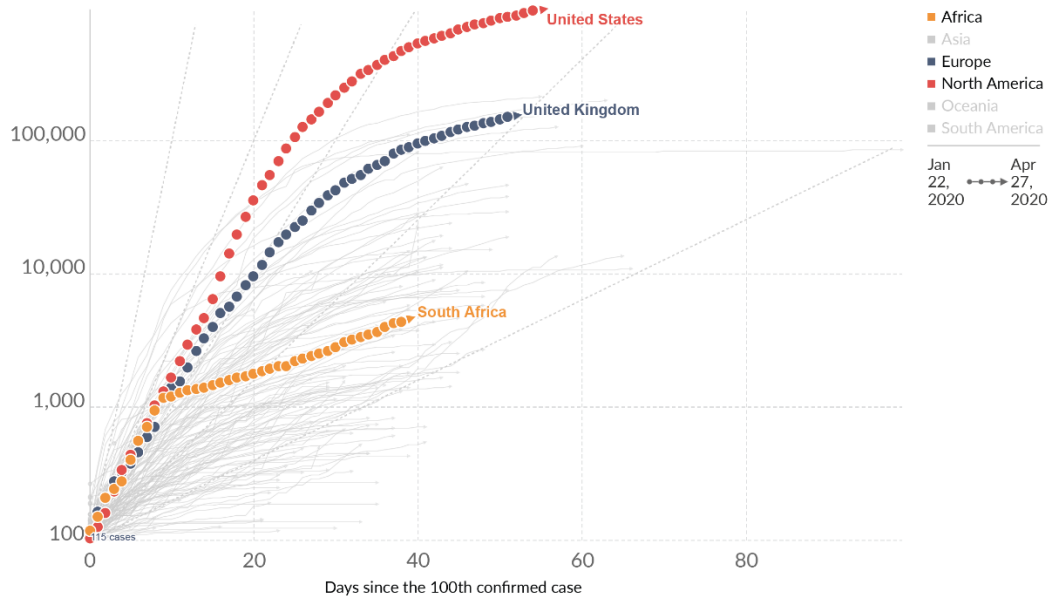
The number of cases in the Western Cape has increased sharply, with this being driven in large part by a rise in cases among essential workers. Numbers in the Eastern Cape also rose as the outbreak took root in the

province's correctional services facilities. Earlier in the week, the Premier of KwaZulu-Natal, Sihle Zikalala, indicated that eThekweni may remain at level 5 after 1 May. KwaZulu-Natal has contributed 21% of the country's positive cases, and has also seen a large number of infections among healthcare workers (121).

The number of cases per province (27 April press release) were as follows: Western Cape 1737, Gauteng 1353, Kwa-Zulu-Natal 902 and the Eastern Cape 588.

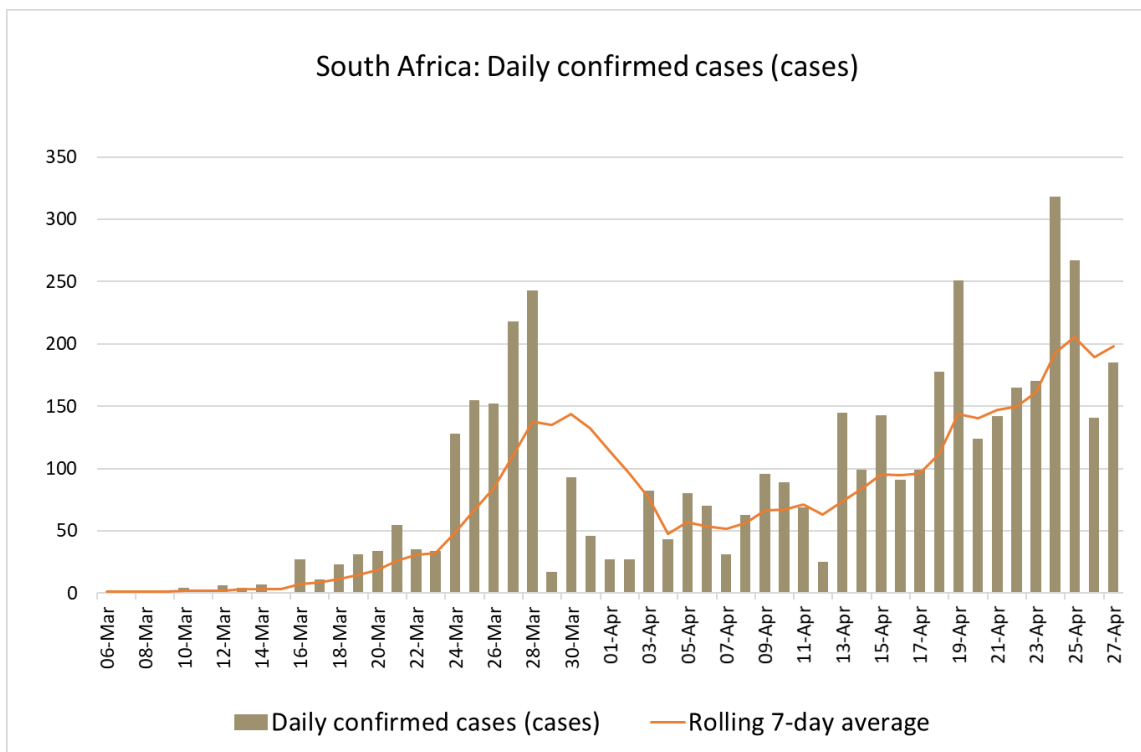
Total confirmed COVID-19 cases: how rapidly are they increasing?

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 27th April, 11:15 (London time) OurWorldInData.org/coronavirus • CC BY

Source: Ourworldindata.org as at 27 April 2020.



Source: Ourworldindata.org as at 27 April 2020.

Cuban doctors arrive in South Africa

More than 200 medical personnel from Cuba (including family physicians, epidemiologists, biostatisticians and healthcare technology engineers) arrived on 27 April to assist with South Africa's national response to the epidemic. The team will spend two weeks in isolation, before joining South Africa's fight against COVID-19.

How are other countries faring?

- On 27 April, New Zealand's Prime Minister, Jacinda Ardern, announced that the [virus was eliminated](#) in the country following on single-figure increases in cases being recorded for several days. New Zealand's pandemic responses included closing its borders early on, enforcing quarantine on new arrivals, and extensive contact tracing and testing.
- Coronavirus cases in the USA are [approaching the 1 million-case mark](#) with 54 833 reported deaths, even as some states were preparing to reopen their economies in the coming weeks.
- Italy was preparing to ease the country's lockdown restrictions from 4 May, as it recorded its lowest daily number of deaths in several weeks.

WHO moves to ensure fair access to COVID-19 medicines and vaccines

On 24 April 2020, the World Health Organisation (WHO) announced [an initiative](#) to ensure equitable access to medicines and vaccines while also enhancing global collaboration. While a vaccine is yet to be developed, ensuring all countries can benefit when it is available is important to ensure equitable outcomes.

South Africa due to be removed from the World Government Bond Index (WGBI)

Following on the Moody's downgrade on 27 March, South Africa will be removed from the WGBI on 30 April. Investment managers who are only mandated to include investment-grade bonds in their portfolios, will have to sell South African government bonds. For the year to date, non-resident South Africans have already sold R64 billion of bonds and R38 billion of equities. Many believe the markets have already priced in much of the bad news.

Moody's sees a contraction of 6.5% for the year

The ratings agency indicated that it expected the lockdown and other containment measures would reduce production and cut household consumption in South Africa. They expect a 6.5% contraction in gross domestic product (GDP) for 2020.

Consider any action on investments with care

We remind all investors to continue being selective about the sources of information they trust. We expect volatility to continue for some time. If your portfolio is correctly structured for your needs, the best policy may be to do nothing. Being selective is key, and quality remains a crucial determinant in investment decisions. Relying on thorough analysis and trusted advice is important. Before making any investment decisions, always consult with your financial adviser, who is best placed to help you ensure that your overall financial plan stays on track.

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>