



CORE|DATA

COVID-19 Longitudinal Analysis

APRIL 2020

Leading through the crisis with decisive and effective measures

Survey in field
from 25th March

WEEK 1

WEEK 2

WEEK 3

WEEK 4

Entertainment venues closed;
National borders closed, some
state borders closed;
Mass gatherings banned;
Social distancing rules in place

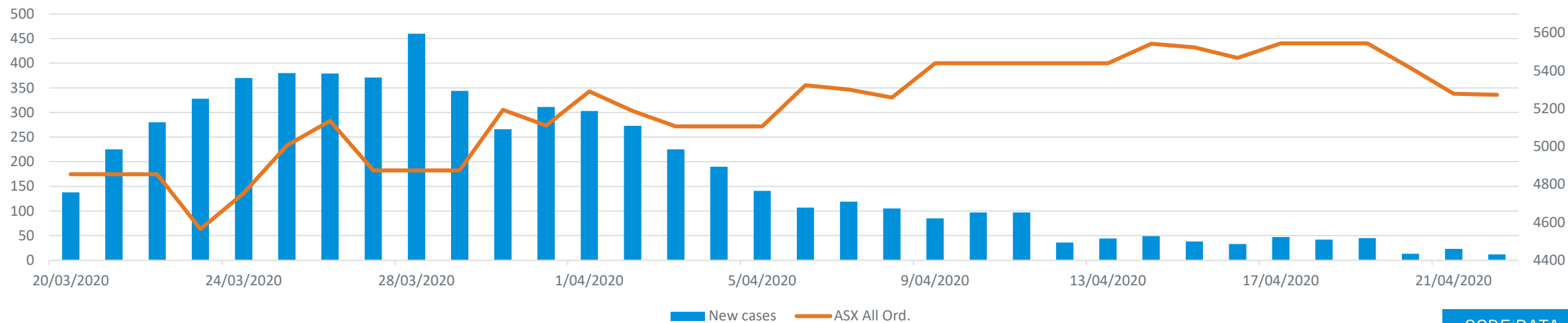
\$1.1 billion safety net package
announced;
Public gatherings limited to 2
people;
\$130 billion JobKeeper Payment
announced

Early Childhood Education
and Care Relief Package
announced;
Early data suggested
effectiveness of social
distancing measures

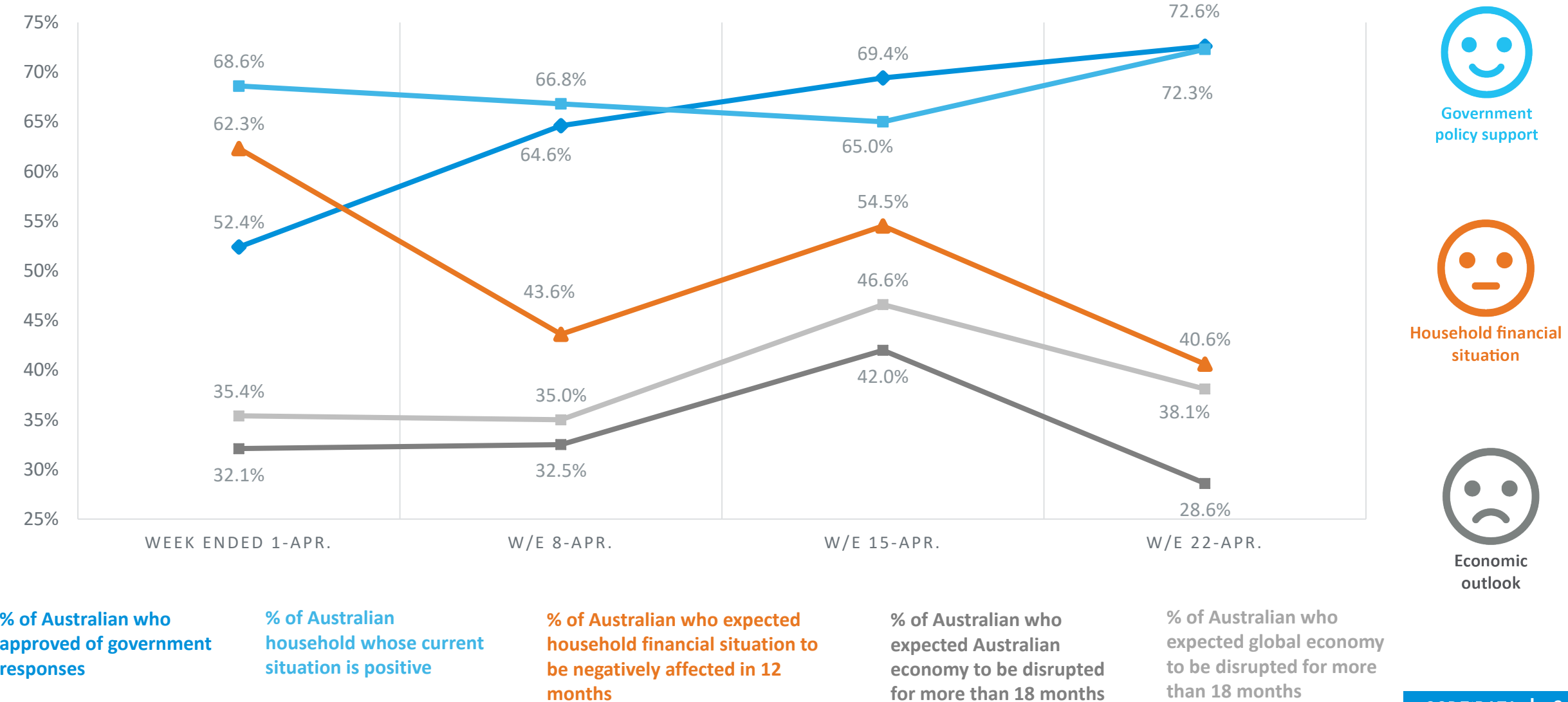
New Higher Education
Relief Package announced;
\$3 million funding for
training medical workers;
\$130 billion JobKeeper
Payment legislation passed

Strong evidence to support
a flattened curve;
Restrictions on elective
surgery to be gradually
eased;
Social distancing rules still
in place

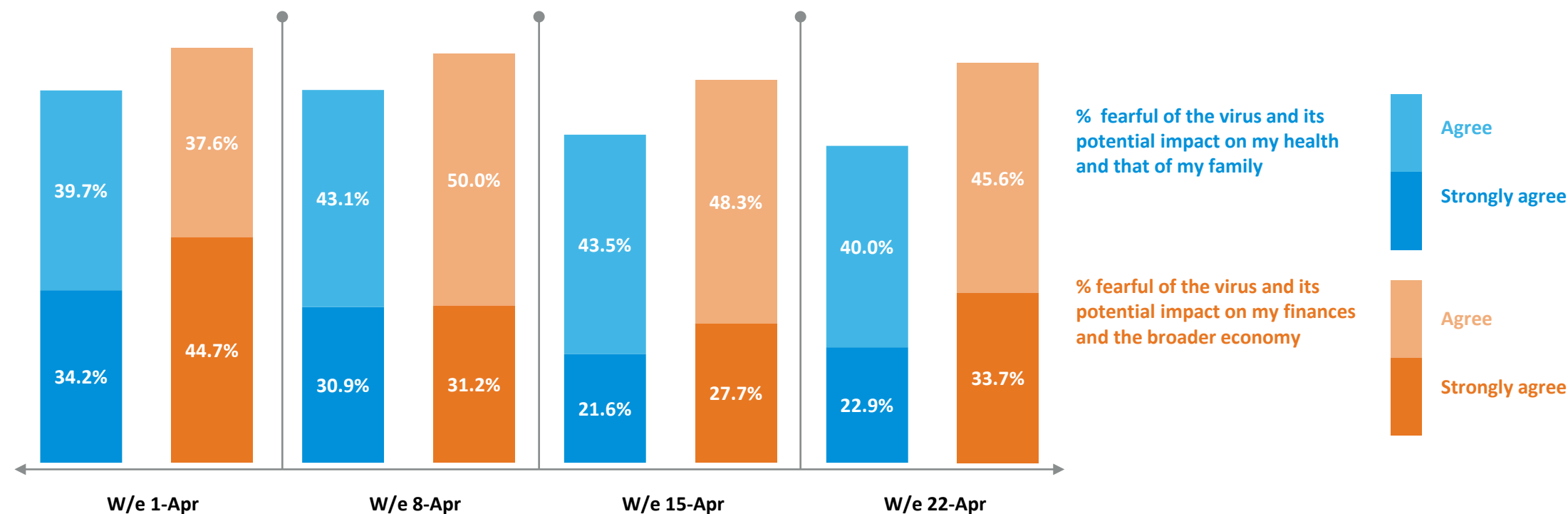
Shutdown works, investors responded positively despite the tightening financial conditions



Despite that the Government's response to COVID-19 has been effective on containing the virus and has been increasingly approved by Australians, the dilemma of lives and livelihoods is expected to stay for the long-term



As the curve has been flattened, fear of health risk has been slowly declining, whereas fear of financial risk has remained high



The lockdown has been effective and the flattened curve has relieved Australians’ fear about health risk, but the unique challenge of COVID-19 health crisis is here to stay as no one is 100% safe until everyone is 100% safe.

Although several fiscal stimulus policies including lower interest rate, income subsidies, and loose lending policies etc. are already in place, fear of financial risk has been consistently more intensive than the fear of health risk.

Sentiment on Australian economy ticked up but wide pessimism is still observed

Percentage of Australians who expected a “U” shaped recovery had increased from 38.0% to 42.9% while less expected an “L” shaped recovery

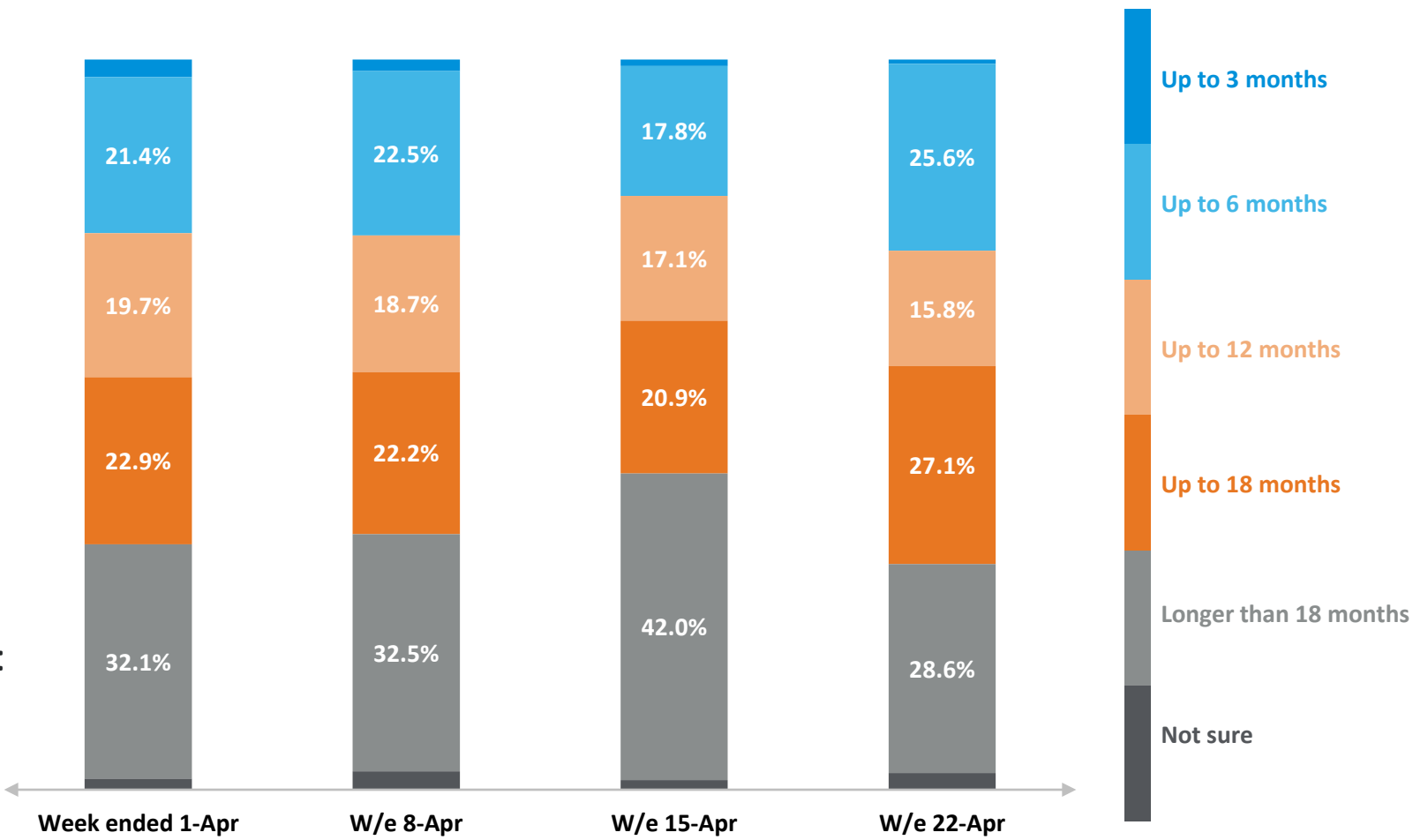
3 scenarios of economic recovery – redefining pessimism in the time of virus

“V” shaped rebound – the most optimistic: Expect economy to be disrupted for less than 6 months

“U” shaped rebound – less optimistic but not pessimistic: Expect the economy to be disrupted for more than 6 months bus less than 18 months

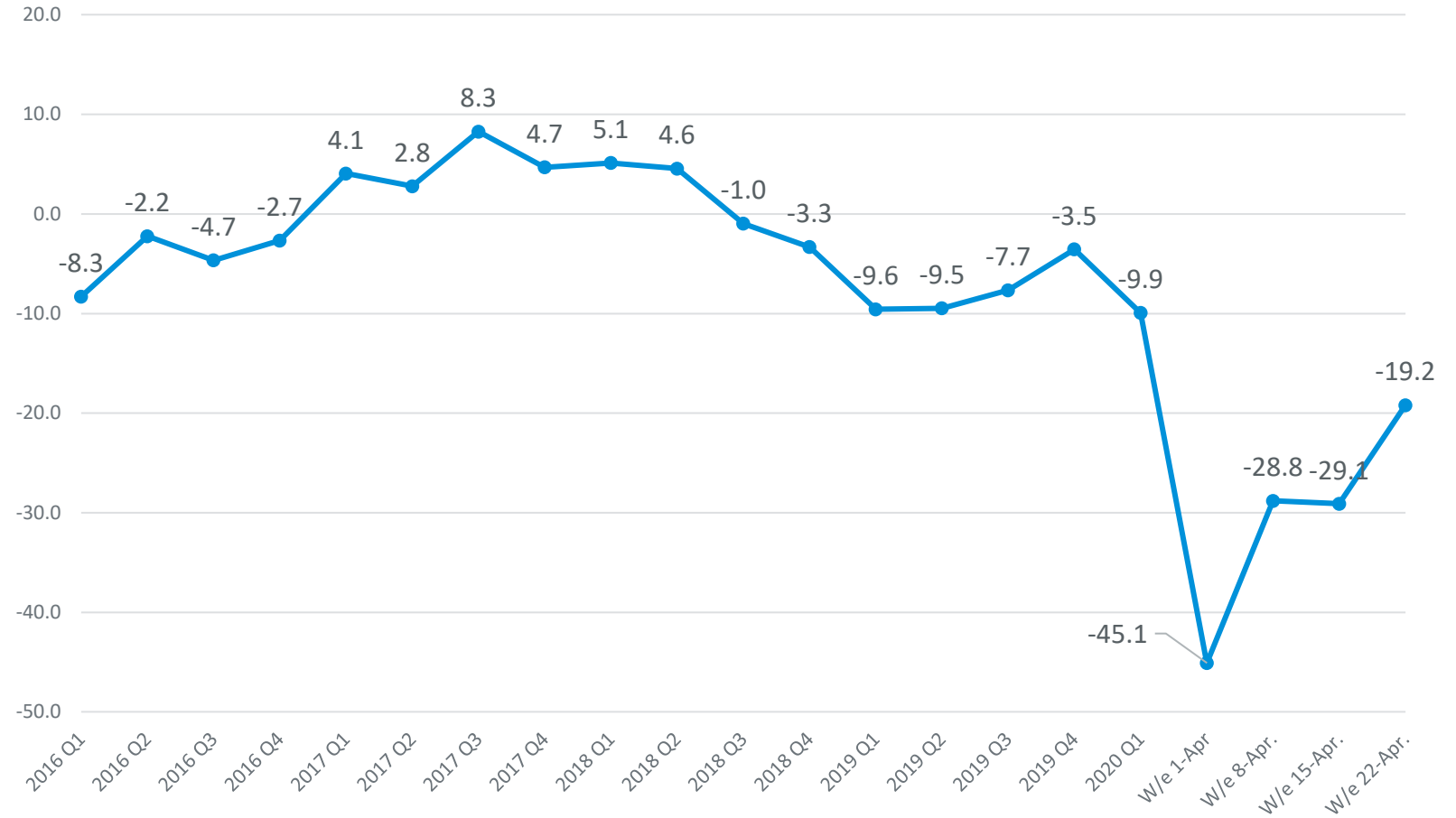
“L” shaped rebound – the most pessimistic: Expect the economy to be disrupted for more than 18 months

How long do you expect the coronavirus (COVID-19) pandemic to continue to have a negative impact on Australian economy?



**Bearish
sentiment
corresponded
to pessimistic
mood**

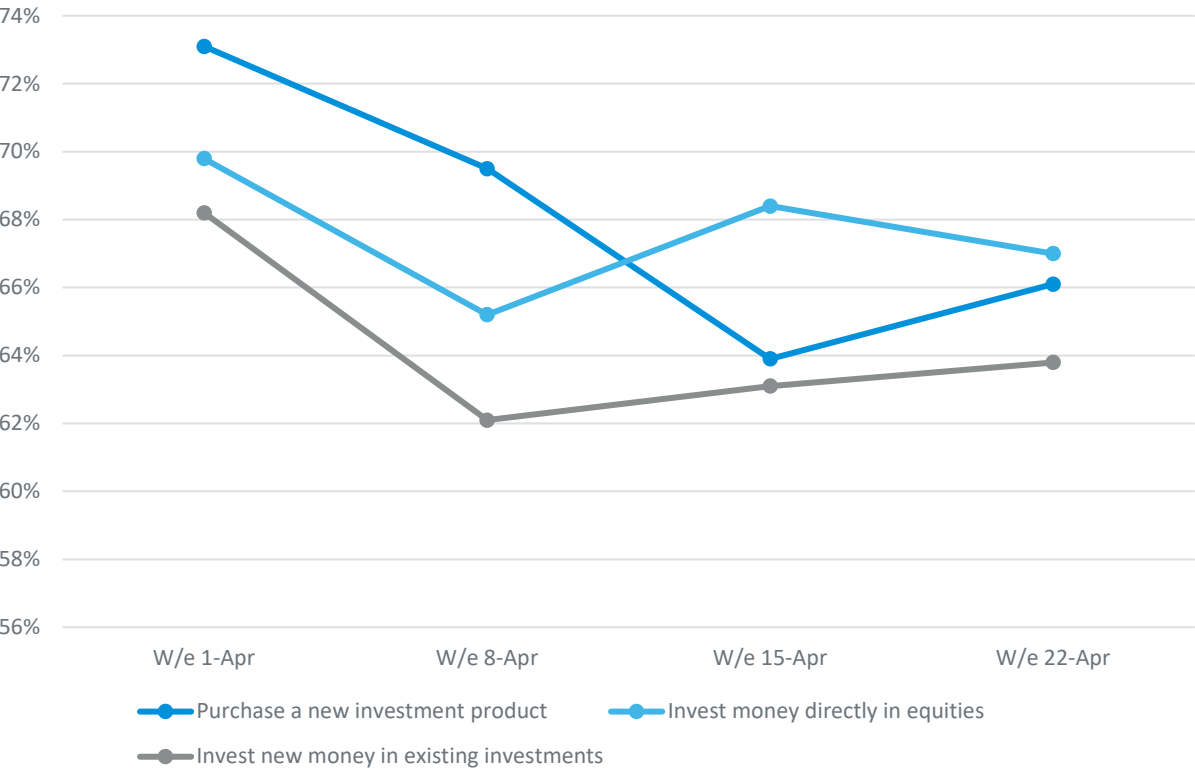
Overall Investor Sentiment Index



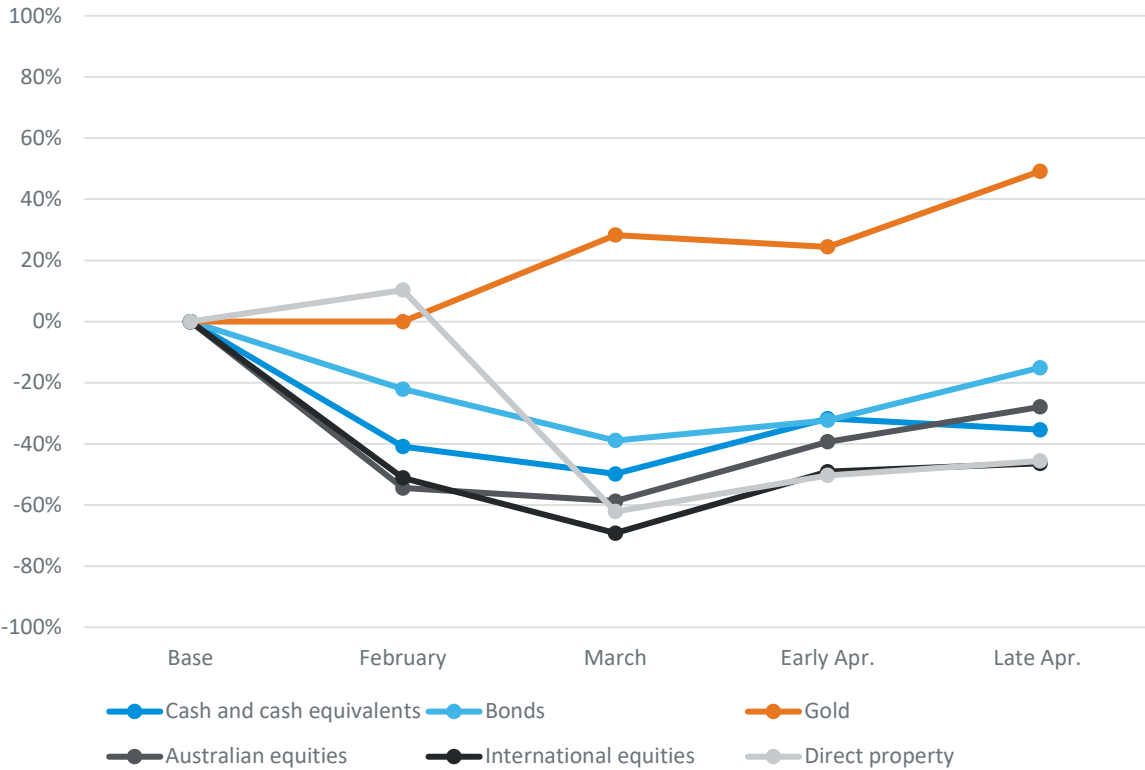
The sentiment index ranges from strongly pessimistic (-50) to strongly optimistic (+50) with 0 being a neutral reading. Although the index has rebounded from its trough, it still sits in the pessimistic territory.

Fear and pessimism increases risk aversion and prods investors to fly to safety

Percentage of Australian unlikely to invest



Asset Class Net Sentiment Score



Investment intention remains low: as pessimism infused the market, Australians have been reluctant to invest.

Gold is an exception in the pessimism-infused market due to the insurance it provides against adverse market events while the performance outlook of cash remains negative, likely due to lower interest rate, potential inflation as a result of liquidity injection and the depreciating value of Australian dollars relative to U.S. dollars.

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