

COVID-19 Update

New cases continue to accelerate in the US

Overall

Global cases are now around 10,000,000 and the number of deaths has sadly increased to 500,000. It is clear to us that the spreading of the virus is not slowing down because it is now summer.

We continue to be concerned about the development in many US states. As is *shown by this paper*, health concerns are a more important driver for private consumption than lockdowns. That COVID-19 is not under control in the US and that the reopening in some states is now on pause means that we may see a setback in the US consumption rebound we have seen so far. We still believe there is a rising risk that several US states could be forced to take new lockdown measures eventually, particularly if the pressure on hospitals rises significantly over coming weeks.

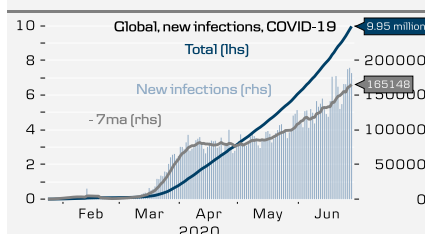
The small outbreaks/‘second waves’ in countries such as Israel, Iran and Turkey are good reminders that even if the situation seems under control, the virus may re-emerge if countries lower their guard too much and local measures may be necessary. Europe continues to improve despite small outbreaks, as authorities seem able to contain them so far. The same goes for China, with the small outbreaks in or near Beijing.

Details

US

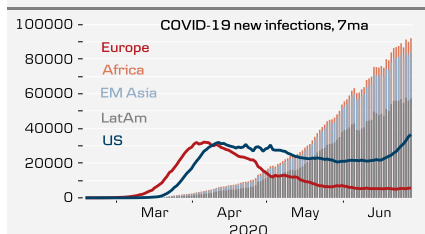
- **New cases per day (one-week average) reached a new high of nearly 36,500 yesterday.**
- **Tom Frieden, former director of the Centers for Disease Control (CDC), warned that the virus surge is likely to continue for weeks** and that many states have reopened too quickly.
- **On Sunday, the US health secretary warned that the ‘window is closing’ for the US to halt the virus spreading.** However, Vice-President Mike Pence said that ‘we are in a much better place to respond to these outbreaks’ and ‘we have also expanded our healthcare capacity across the country’.
- **A CBS poll released on Sunday shows 62% of Americans think the handling of COVID-19 is ‘going badly’,** up from 57% in early June. In our view, this is probably also reflected in Donald Trump’s approval rating, which is trending down right now.
- The number of US deaths has yet to spike but, unfortunately, we expect it to climb eventually, as there is a lag between the virus emerging and people dying. **Sadly, we have already seen this playing out in Arizona, with new deaths reaching a new record high.** That said, many of the newer cases are among younger people, who tend to suffer less from the virus.
- **The US reopening in some states has paused and other states may follow suit.** Texas governor Gregg Abbott announced on Friday that bars will be closed again, restaurants will be cut to half capacity and public gatherings will be limited to 100 people and he urged residents to wear facemasks. He also warned that ‘further preventive action’ may be needed.

Global new cases continue to rise



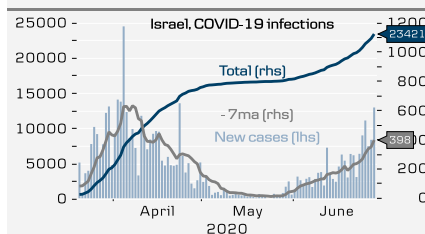
Sources: ECDC, Macrobond Financial

In particular, US and emerging markets look grim



Sources: ECDC, Macrobond Financial

Second waves are emerging in countries such as Israel



Sources: ECDC, Macrobond Financial

Senior Analyst
Mikael Olai Milhøj
+45 45 12 76 07
milh@danskebank.dk

- One month after Trump ordered the reopening of churches these have become the centre of attention, as many so-called super spreaders (i.e. a few people infecting many others) are participating in services. In Oregon, for example, it is possible to trace 258 cases back to the same church.
- A big problem in many states, besides approaching hospital capacity, is the lack of people to 'track and trace'. Florida, for example, has only 10% of the 15,000 people needed. **The lack of 'track and trace' workers may also imply that it will take longer for the economy to be able to reopen, as it will take longer than originally expected to get the virus under control.** For more details see *Politico*.
- White House Press Secretary Kayleigh McEnany said that Trump was joking when he said the US should test less and that Trump has not directed officials to slow down the pace of testing.

Europe

- Overall, things continue to improve but Europe has been hit by smaller outbreaks. **So far, it seems that the authorities are able to contain the outbreaks and there are no clear signs of a big second wave.**

Nordic countries

- **There is not much to report in Denmark and Norway**, with new cases moving sideways at low levels.
- **Sweden is still looking more fragile**, with 1,250 new cases per day on average over the past week. This is partly because of more testing but we plan to monitor new deaths closely, as the number has stabilised at 25 per day lately.

Japan and China

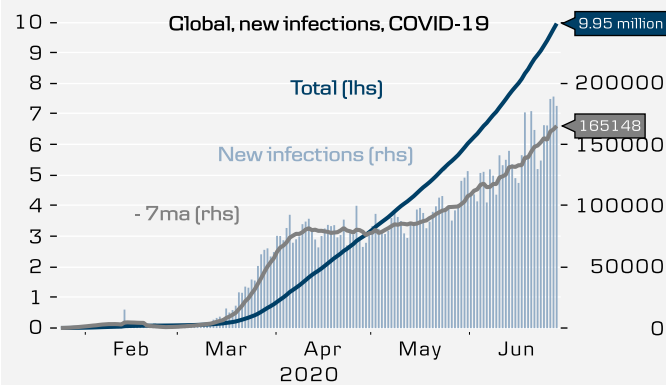
- **In Japan, cases in Tokyo rose by 60 on Sunday**, the highest increase since Japan started to lift restrictions.
- **In China, 12 cases were found around 150km outside Beijing** (most linked to the Xinfadi market where the latest Beijing outbreak began). The area is now in strict lockdown.
- China's *Global Times* has criticised the US for slowing the global economic recovery by its handling of COVID-19.

Emerging markets/developing countries

- **Israel plans to start tightening restrictions on gatherings, as cases have begun to risen again following the reopening** (cases jumped 2.7% on Saturday, the biggest daily increase since April). New cases are now around 400 per day.
- In Mexico, Nayarit's governor Antonio Echevarría García said on Saturday that hospitals are full and funeral services are reaching capacity, which is at odds with what the federal government says. New cases in Mexico have risen above 5,000 per day.
- **New cases continue to increase in many emerging market/developing countries such as Brazil, India, South Africa, Indonesia, Nigeria and Mexico.**

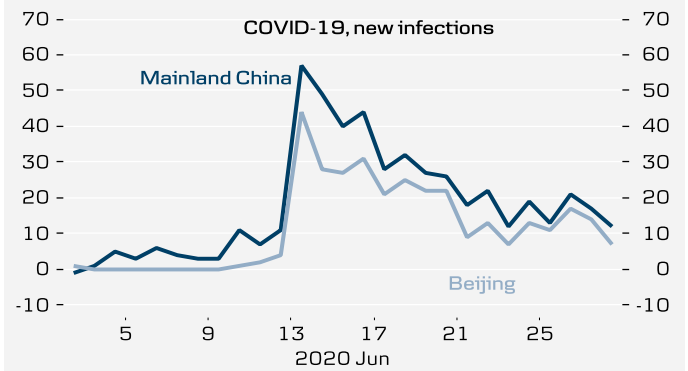
Charts

Global new infections keep pushing higher



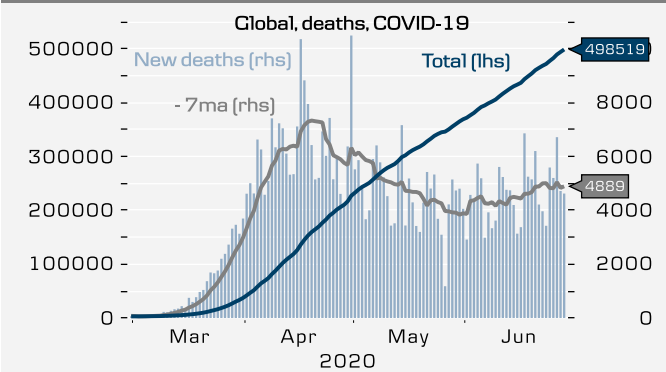
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

China: the outbreak looks to be under control



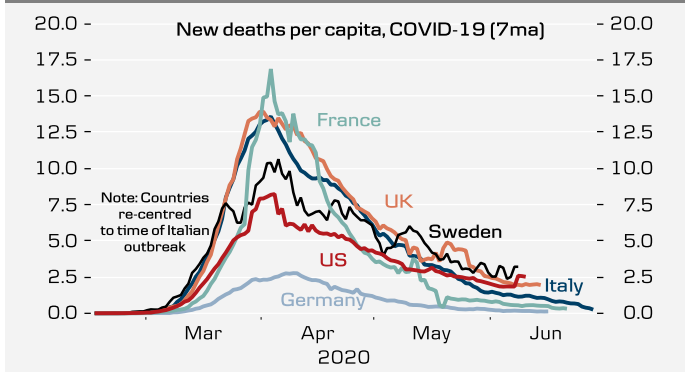
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Global new deaths continue to edge higher, now around 5,000 per day



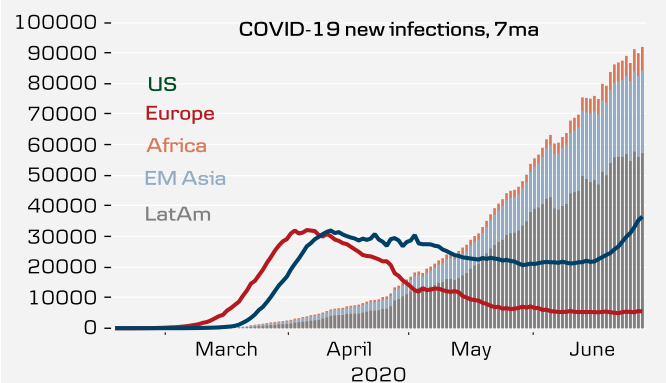
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

New deaths in developed economies still trending lower



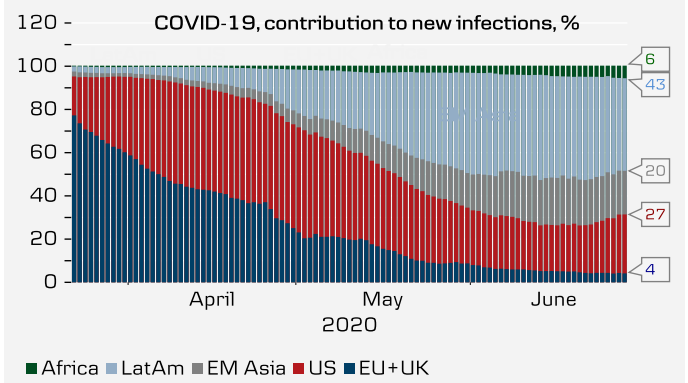
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

New infections higher in the US and LatAm. Europe moving sideways at low level still



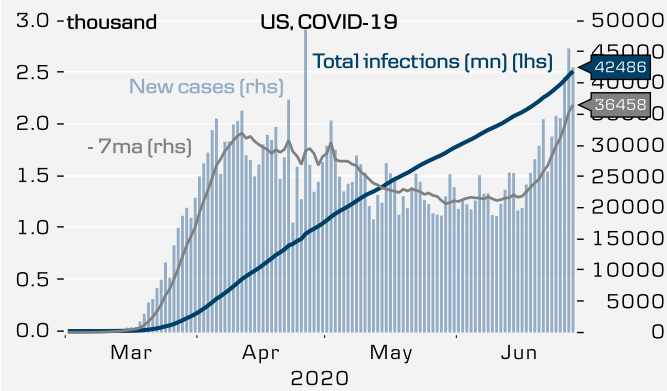
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

New US cases now account for more than 25% of total new cases



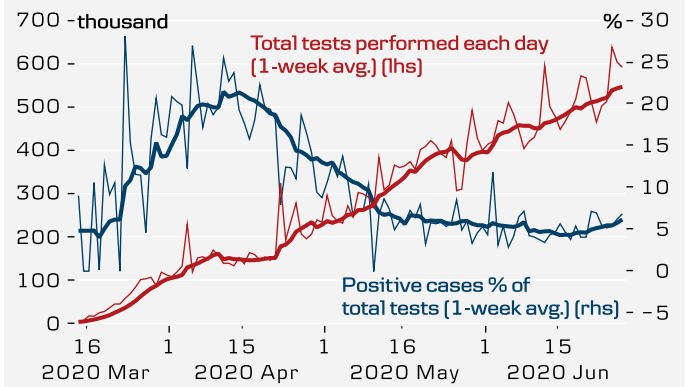
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

US: new cases (1-week average) continue to move higher



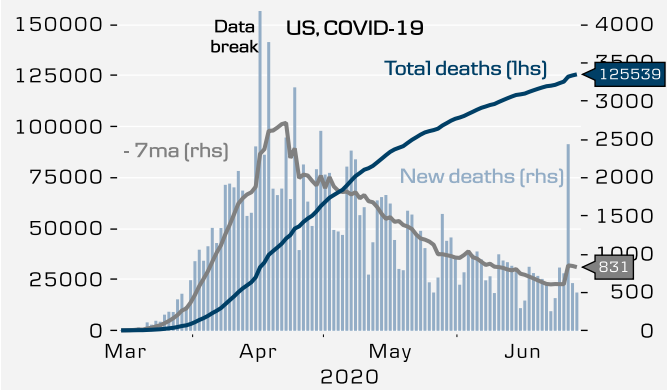
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

US: positive cases as % of total tests seems to be moving up



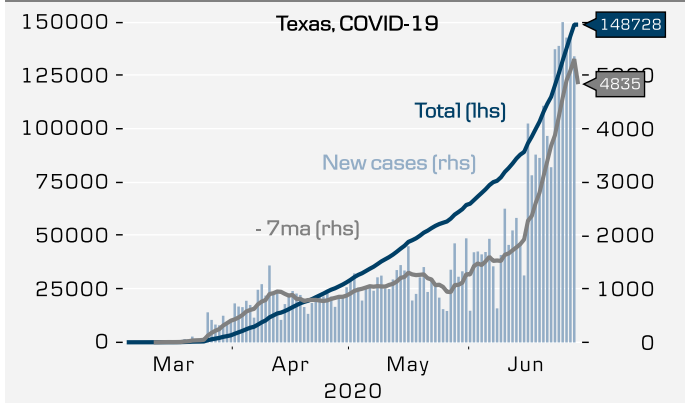
Source: Worldometer, Danske Bank

US: new deaths still not rising but it might come soon given the rise in hospitalisation that is happening



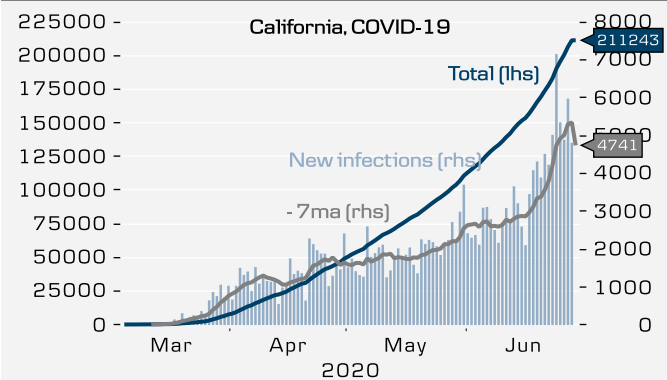
Source: Worldometer, Danske Bank

US: new infections rising very fast in Texas



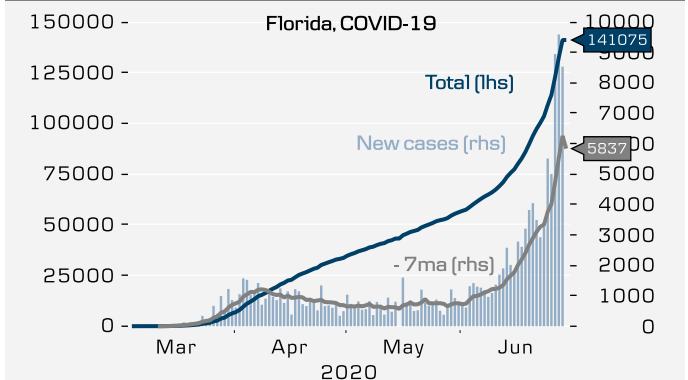
Source: Worldometer, Danske Bank

US: California has also seen an acceleration over past week



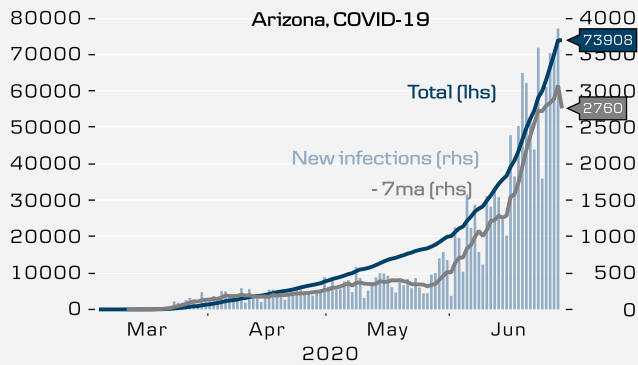
Source: Worldometer, Danske Bank

US: new infections in Florida are also increasing rapidly



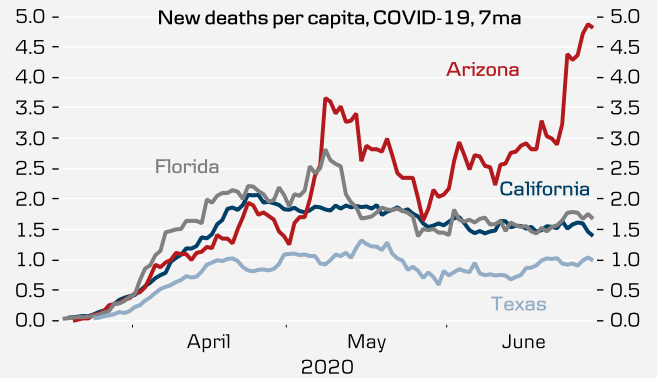
Source: Worldometer, Danske Bank

US: Arizona also one of the states with a sharp increase



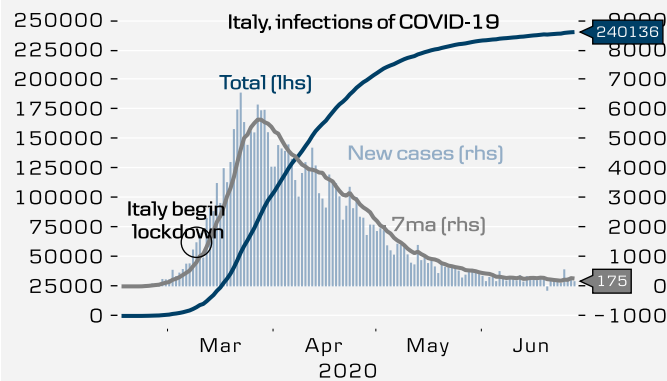
Source: Worldometer, Danske Bank

US: new deaths moving higher in Arizona, still not rising in the big states, though this might happen soon



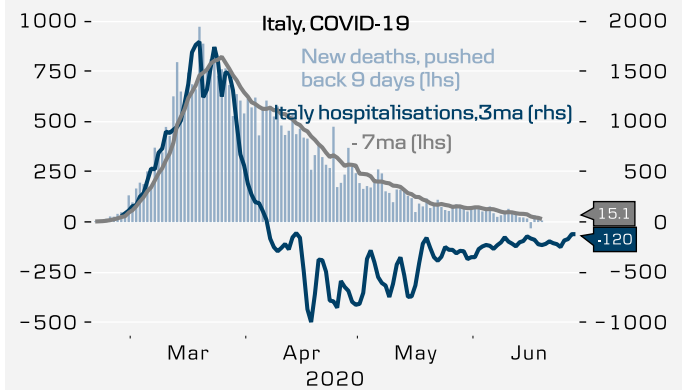
Source: Worldometer, Danske Bank

Italy: new infections broadly flat, R around 1



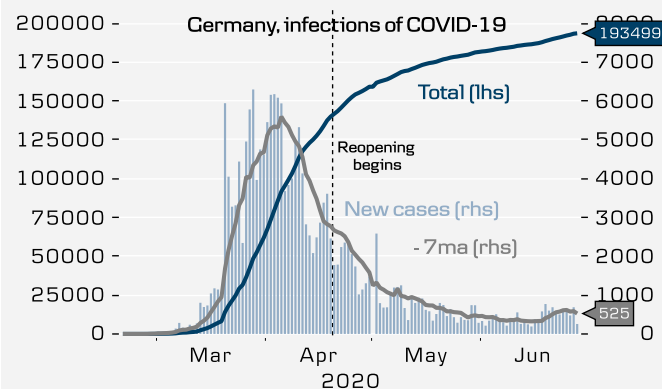
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Italy: new deaths has reached low level and still fall slightly



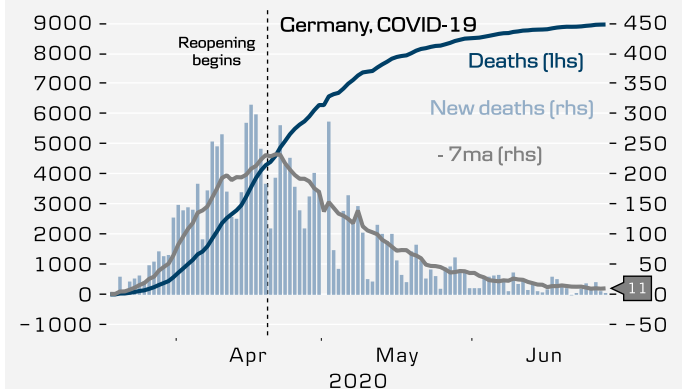
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Germany: new outbreak looks to be under control



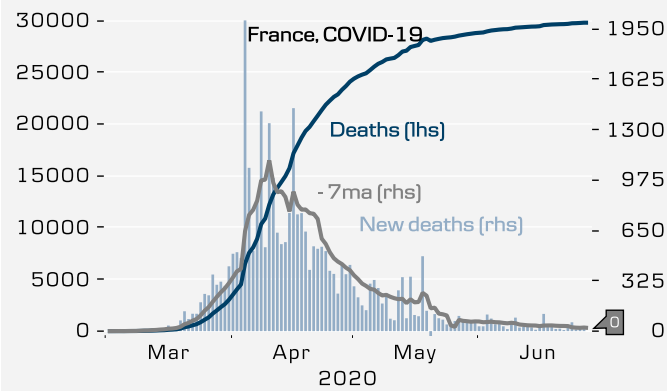
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Germany: new deaths broadly sideways at very low level



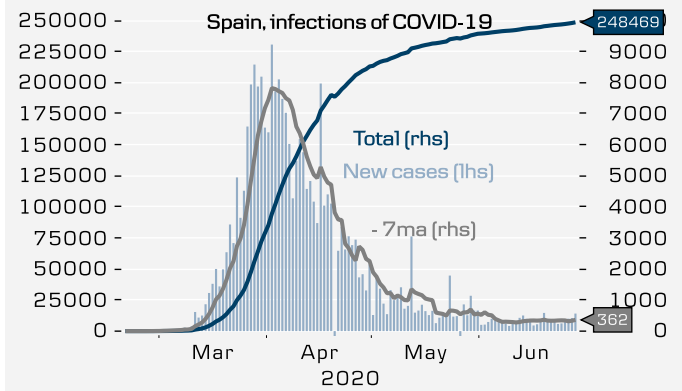
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

France: almost no new deaths



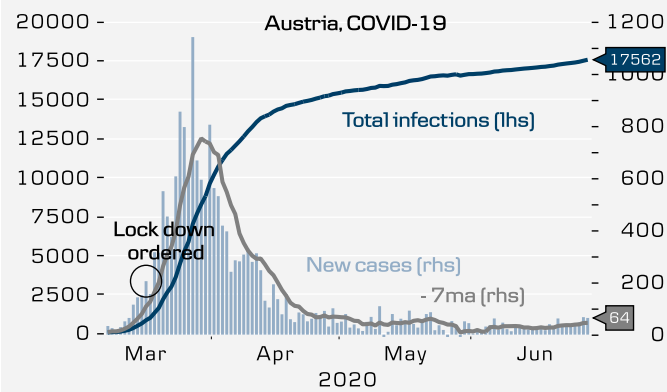
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Spain: new infections quite stable, R around 1



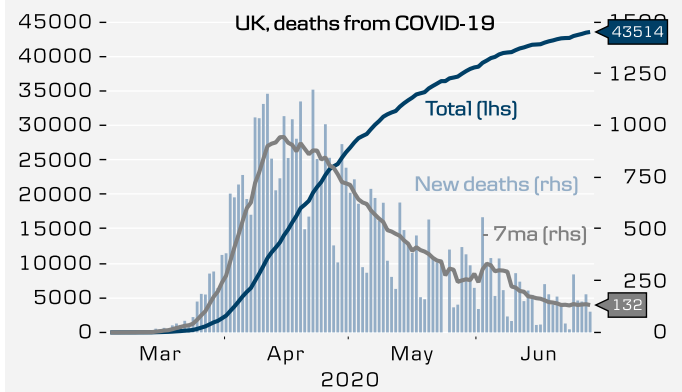
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Austria: new cases broadly flat



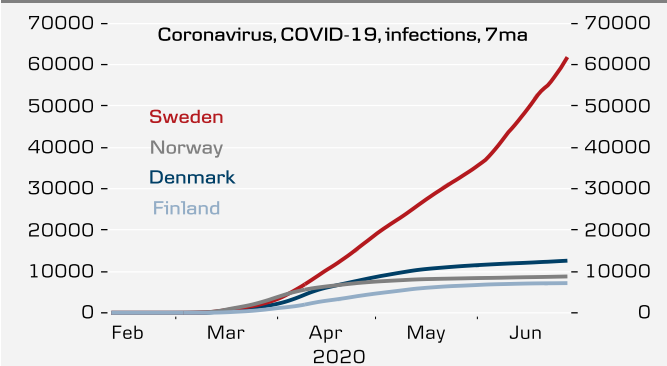
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

UK: new deaths still in downward trend



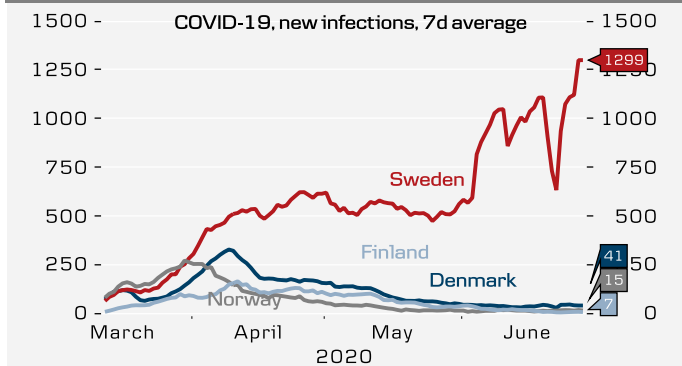
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Nordics: Sweden continues to see higher increase



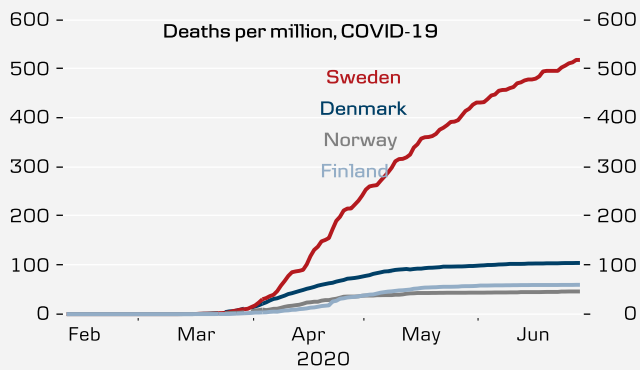
Source: ECDC, Worldometer, Danske Bank

Nordics: still very low levels in Denmark, Norway and Finland - Sweden close to 1,300 per day over past week



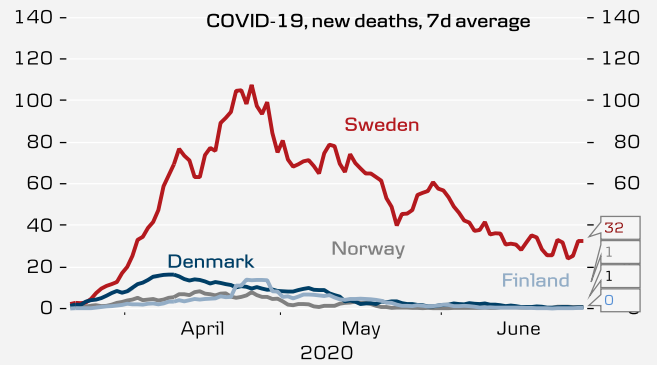
Source: ECDC, Worldometer, Danske Bank

Nordics: Sweden still sees death toll climb higher



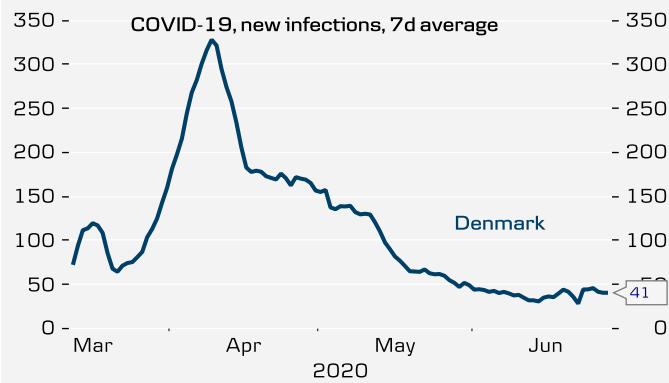
Source: ECDC, Worldometer, Danske Bank

Nordics: very low levels of new deaths in Denmark, Norway and Finland - early signs that new deaths in Sweden have stopped declining



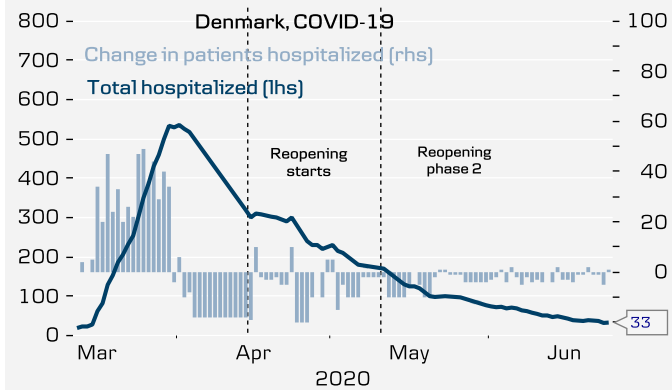
Source: ECDC, Worldometer, Danske Bank

Denmark: new infections have stabilised around 40



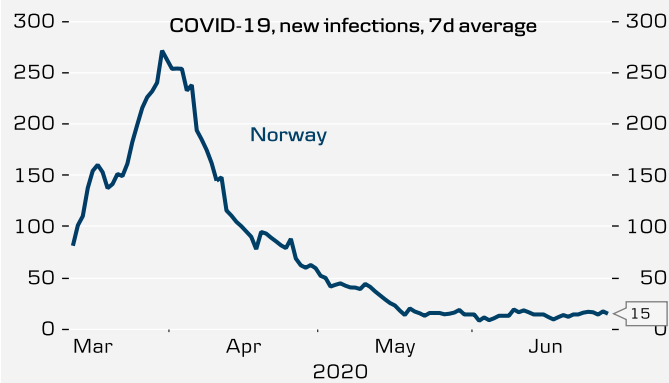
Source: Health authorities, Danske Bank

Denmark: patients in hospitals still declining



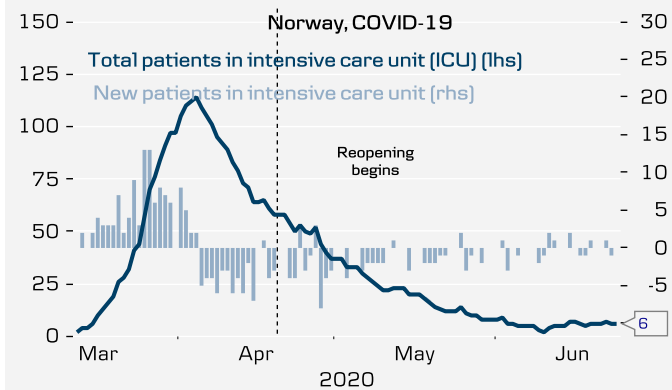
Source: Health authorities, Danske Bank

Norway: new infections low, broadly sideways indicating R around 1



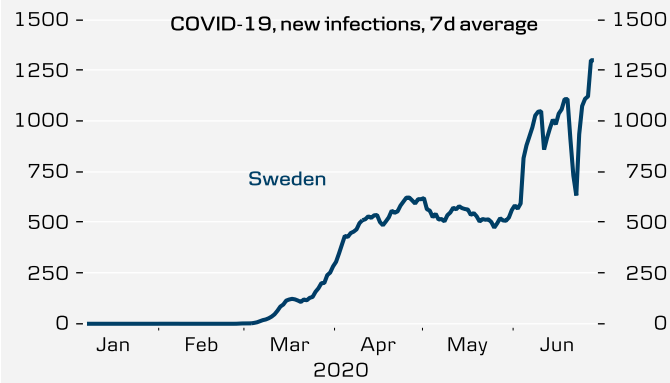
Source: Health authorities, Danske Bank

Norway: only few people in ICU, flat development confirms R around 1



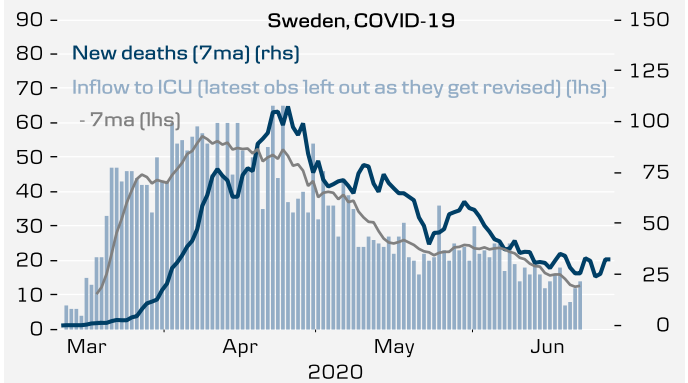
Source: Health authorities, Danske Bank

Sweden: new infections has reached nearly 1,300 per day



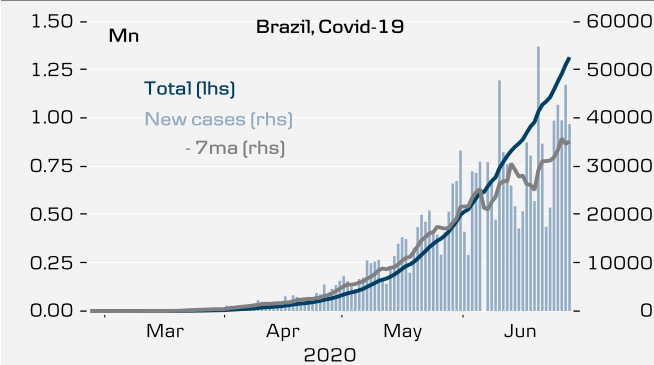
Source: Health authorities, Danske Bank

Sweden: new patients in ICU trending lower, R seems to be below 1



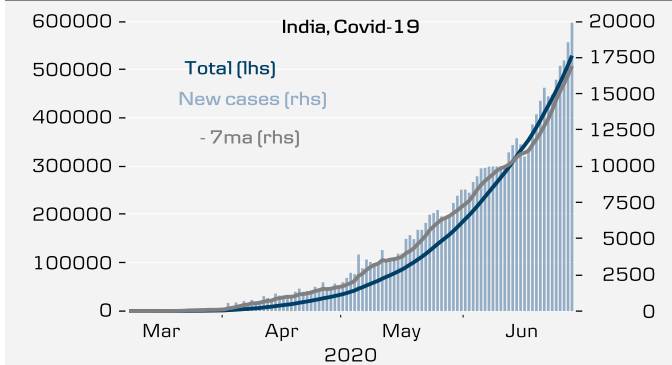
Source: Health authorities, Danske Bank

Brazil: new infections higher again



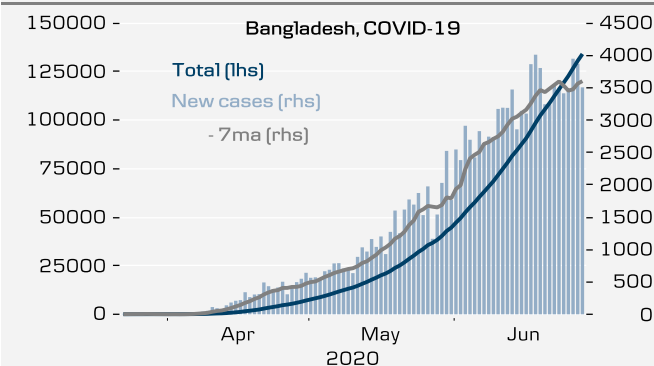
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

India: still no signs of a peak



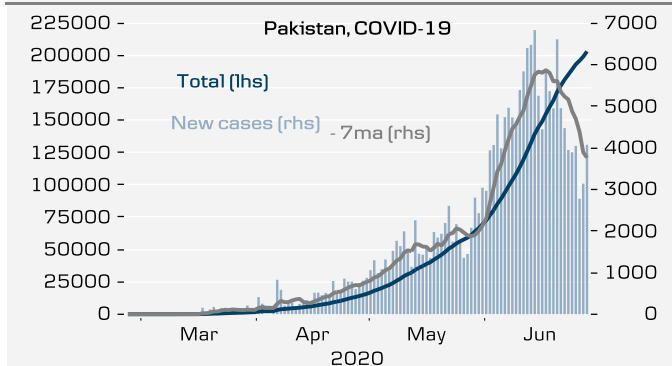
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Bangladesh: new cases keep rising



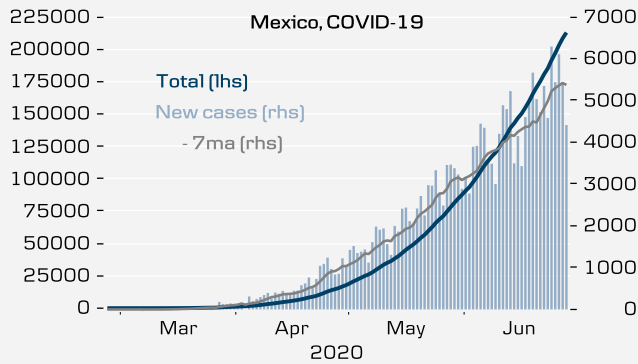
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Pakistan: improving



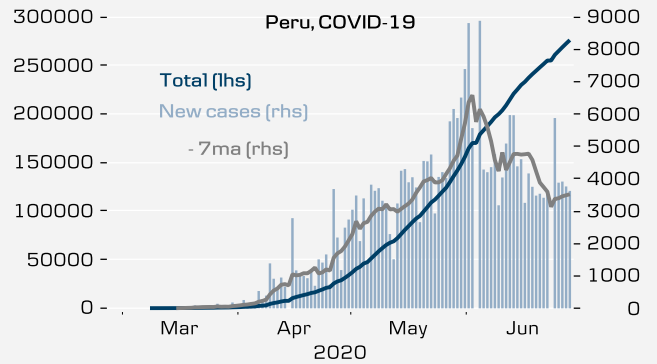
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Mexico: rising path



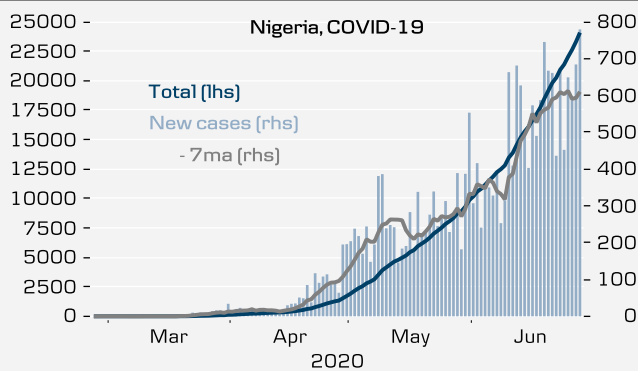
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Peru: new infections coming down



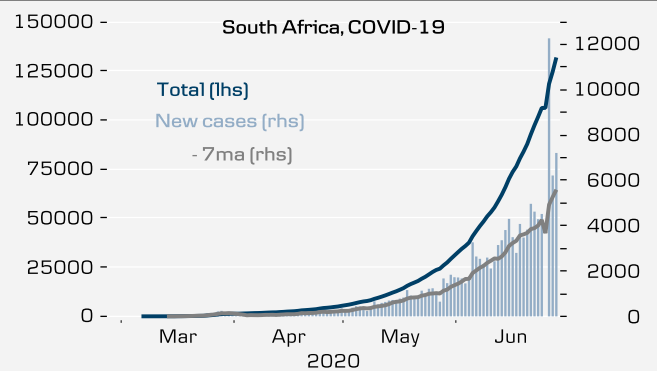
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Nigeria: rising trend



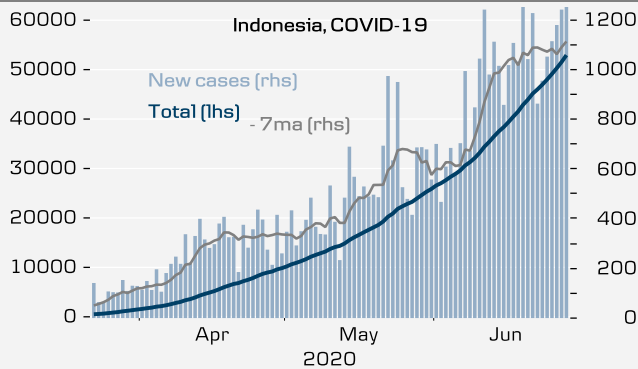
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

South Africa: still no sign of a peak



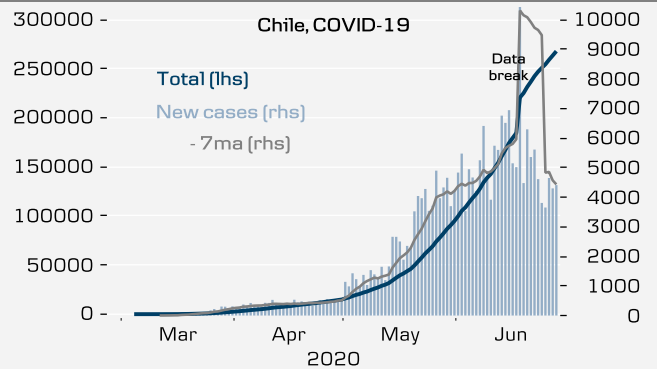
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Indonesia: new infections keep rising



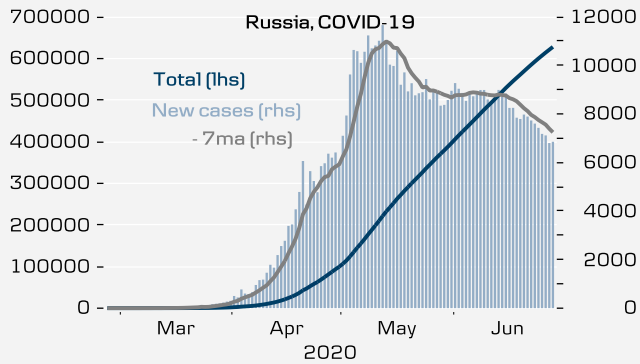
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Chile: data break makes latest development hard to interpret



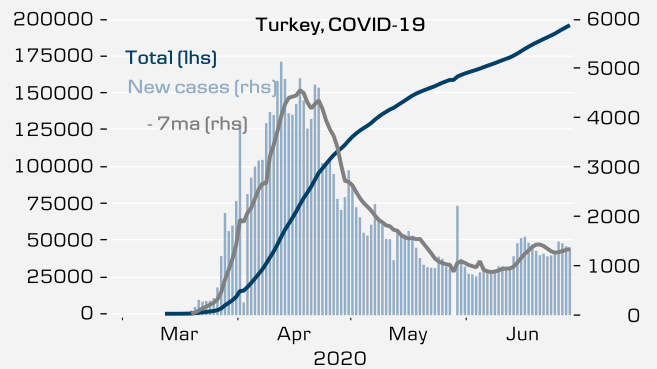
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Russia: new infections slightly lower again over past week



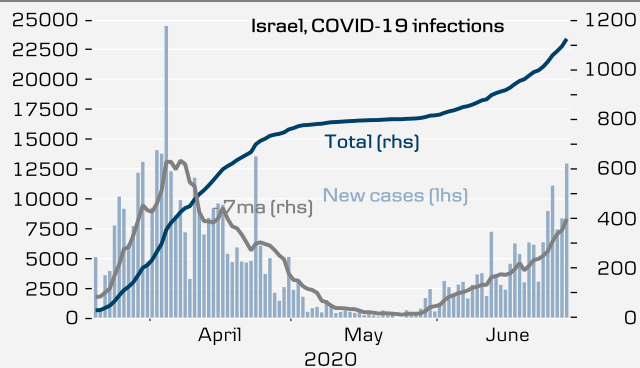
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Turkey: some stabilisation in new infections again



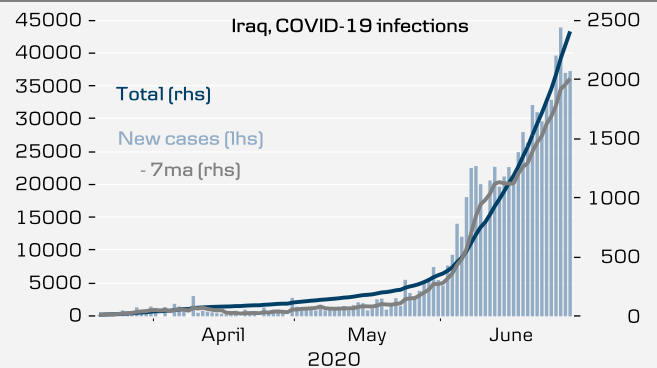
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Israel: second wave seems to be gathering pace



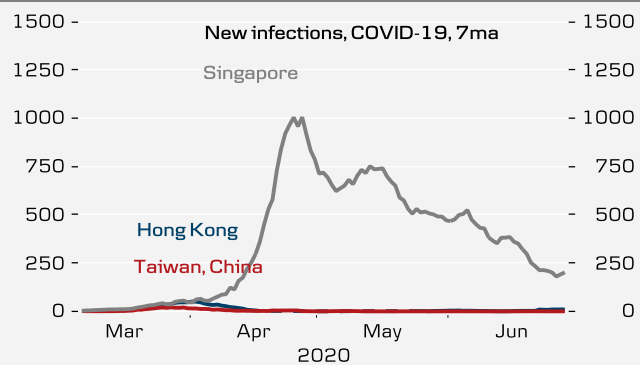
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Iraq: new infections trending higher



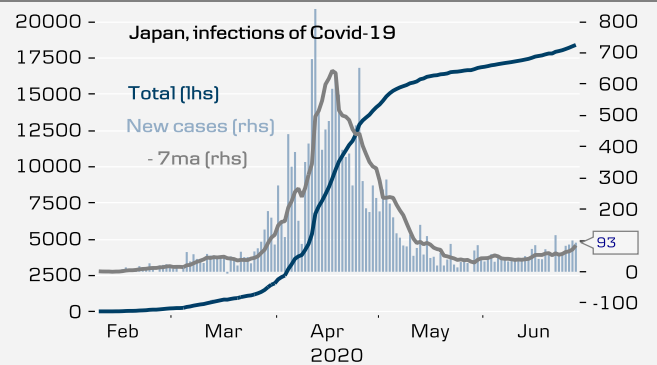
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Asia: Singapore getting outbreak under control



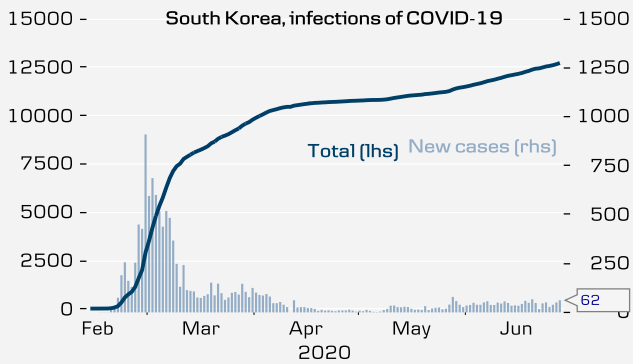
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Japan: new infections slightly higher but level still low



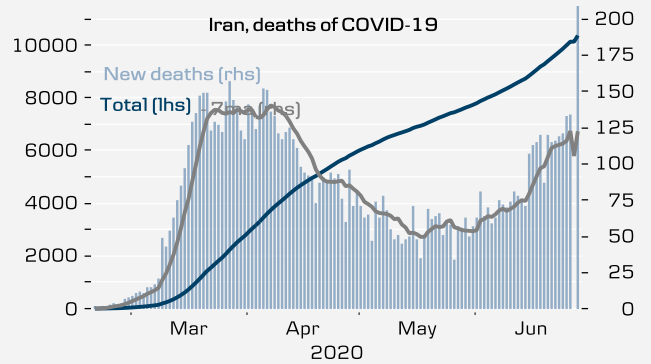
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

South Korea: new cases stabilising around 50 per day



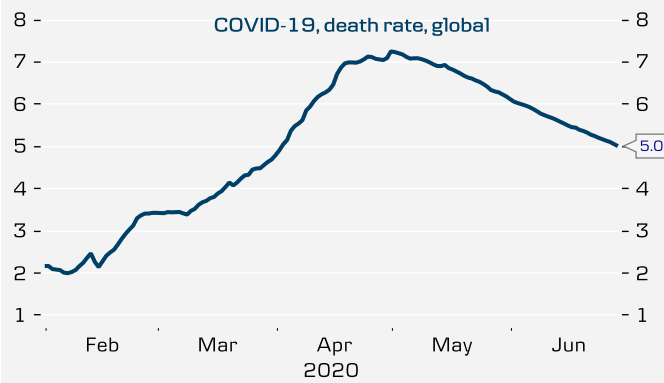
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Iran: new deaths keep moving higher, R clearly above 1 again



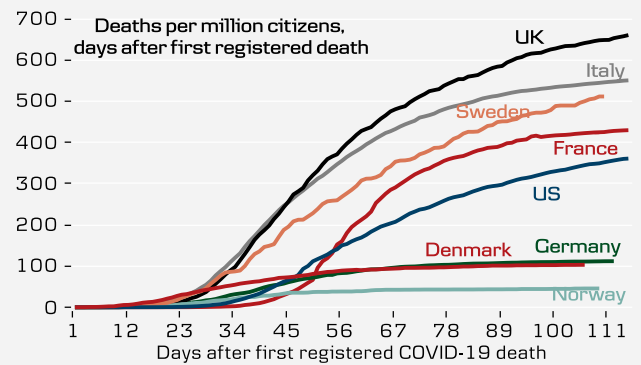
Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Global death rate moving lower - more tests pushes it down but it could also be a reflection of lower mortality due to use of new drugs and summer weather



Source: ECDC

Deaths per capita across countries



Source: ECDC, Worldometer, John Hopkins University, Danske Bank

Disclosures

This research report has been prepared by Danske Bank A/S ('Danske Bank'). The author of this research report is Mikael Olai Milhøj, Senior Analyst.

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Expected updates

Each Monday and Thursday.

Date of first publication

See the front page of this research report for the date of first publication.

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