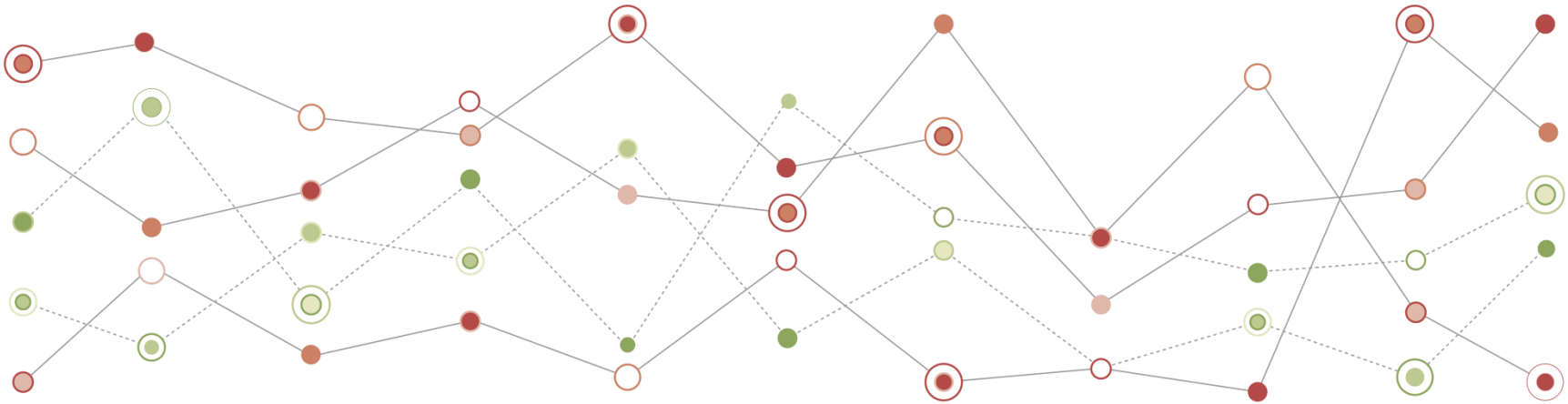
UBS Evidence Lab

Covid-19 Fact Pack

March 24, 2020



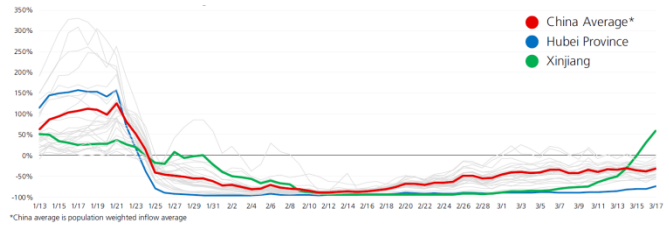
China

Coronavirus: Is activity recovering in China?

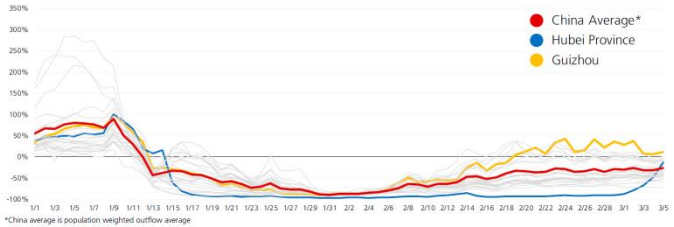
UBS Evidence Lab has developed a model showing the movement of people into, out of, and within regions of China, as well as movement out of the country. The model uses Baidu's Migration Index and covers hundreds of cities in China.

- Movement of people between provinces in China fell sharply in January vs. a year earlier but has been recovering gradually.
- Movement within Shanghai has increased by more than 2.5x since the first working day after Chinese New Year (CNY).
- 48 days after CNY, movement within Shanghai was still 25% below the pre-holiday level.
- In 2019, movement had virtually recovered within 17 days after CNY.

China Provinces: Year-Over-Year Migration Inflow Growth



China Provinces: Year-Over-Year Migration Outflow Growth



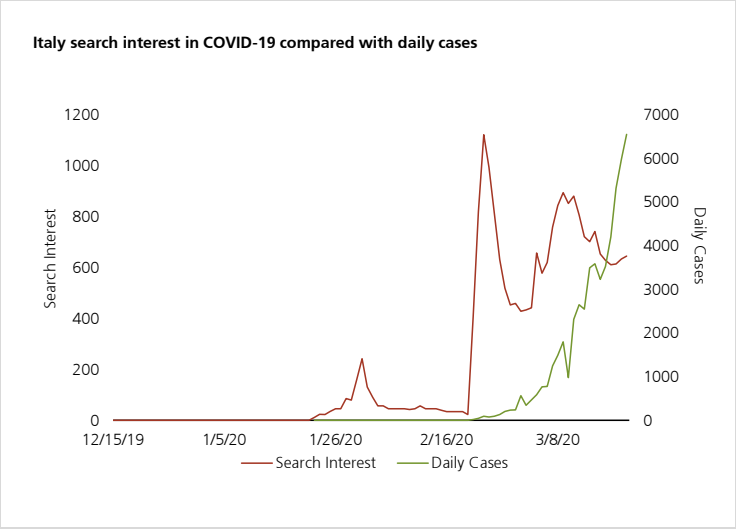
Source: UBS Evidence Lab, Baidu

Consumer

How are Coronavirus-related Google searches trending?

Search interest in COVID-19 has followed different trends in different geographies since the outbreak began.

- Search activity has typically increased before cases are officially reported in each country.
- Search activity for the virus is now highest in Europe, but the US is increasing toward similar levels. This contrasts with geographies in Asia such as Singapore and Hong Kong, where the initial increase in searches was muted and soon leveled out.
- Italy has had multiple spikes and has not begun to return to normal.



Source: UBS Evidence Lab, Google, Johns Hopkins University

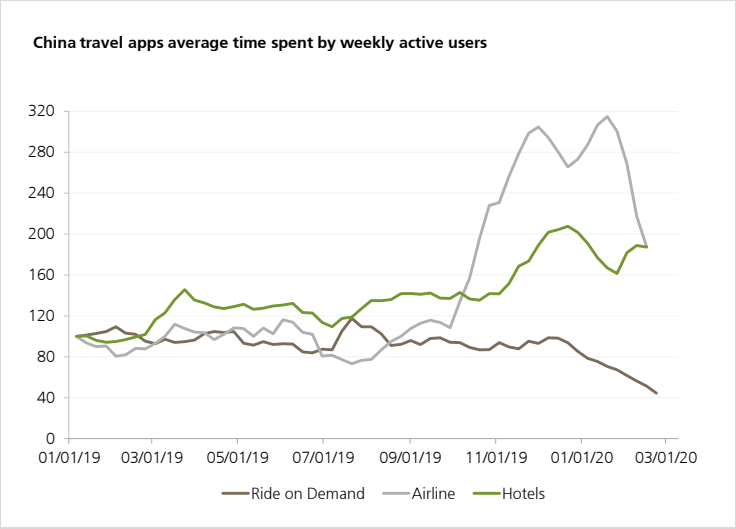
*Case counts will differ from other sources due to variations in the timing of daily collections and reporting

Consumer

How have Chinese consumers' travel plans changed?

With the Coronavirus affecting travel worldwide, time spent with Chinese travel-related apps has fallen since the beginning of the year.

- Time spent with ride-on-demand apps is down 35% YTD and is at its lowest level since UBS Evidence Lab started collecting data in January 2016.
- Airline app usage is down 35% YTD but still higher than it was a year ago.
- While hotel app usage initially declined at the start of the year, time spent is now close to flat relative to January 1, 2020 (down less than 2%).



Source: UBS Evidence Lab

Note: Chart shows weekly time spent for all apps in the category comp set and indexed to 100 as of January 2019.

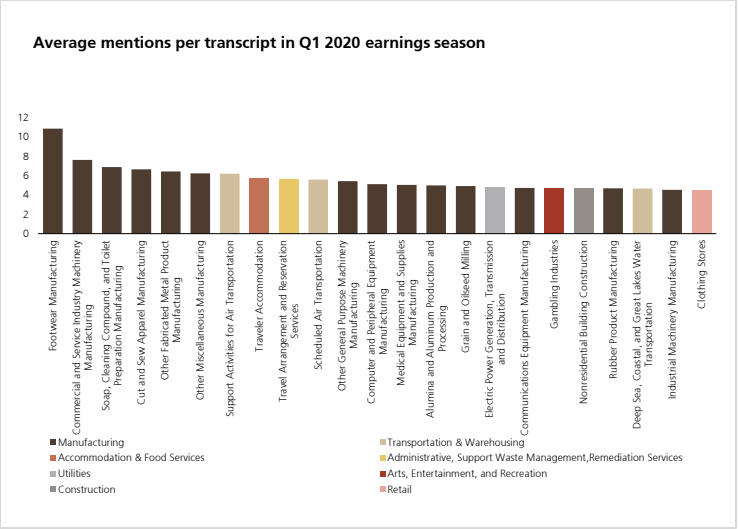
Ride-on-demand data as of February 23, 2020; other data as of February 16.

Multi-sector

Which industries are discussing Coronavirus most?

The Coronavirus was a frequent topic on earnings calls throughout Q1. The Earnings Call Theme Explorer monitors specific mentions of the virus to show which sectors are talking about it most.

- Manufacturing sector earnings calls had the most mentions of COVID-19.
- Within manufacturing, footwear discussed it the most often per call. Soap and other cleaning products were also high on the list.
- In the retail and entertainment categories, mentions of COVID-19 increased relative to earlier in the quarter.



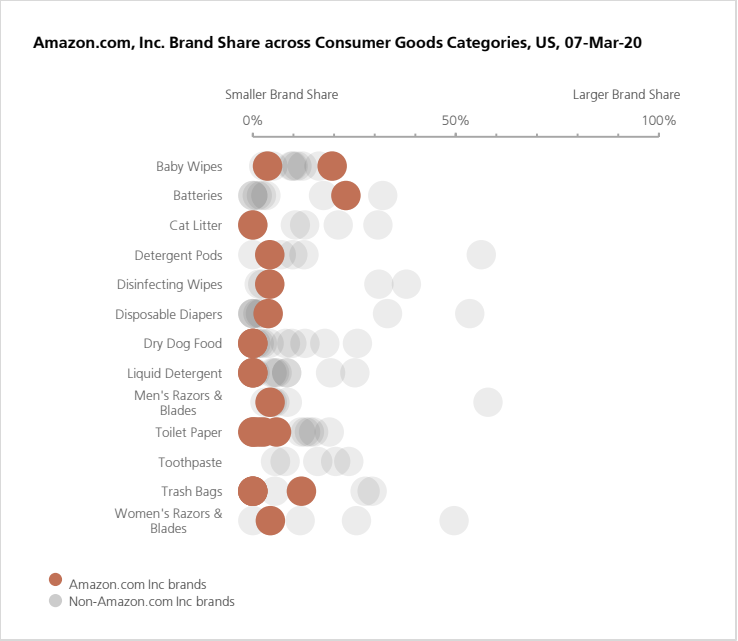
Source: UBS Evidence Lab

Ecommerce

Which consumer goods brands are most popular on Amazon?

With reports of US consumers stockpiling essential items, how do Amazon.com, Inc. brands compare with others sold on the platform?

- In the US, Amazon has the top-selling brand in the baby wipes category.
- Its battery brand is the No. 2 best-seller in its category.
- In contrast, Amazon brands of cat litter, dry dog food, and trash bags are among the least popular.



Source: UBS Evidence Lab, Amazon.com, Inc.
Note: Share presented is brand share within target category, for products within top 100
Based on 13 consumer goods categories included in the analysis; data for the week ending March 7, 2020.

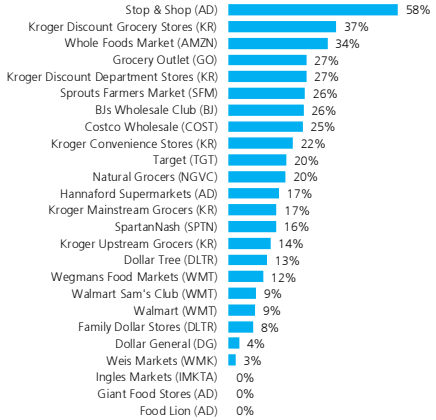
Consumer

Which companies are most geographically exposed?

In the US, clustered Coronavirus outbreaks are causing changes in consumer behavior, federal and local government preparedness actions, and efforts across various industry segments around containment and quarantine. The Regional Exposure Framework shows companies' exposure to different parts of the country.

- Stop & Shop has the highest percentage of US locations in the hardest-hit regions*, with nearly 60% of its locations there.
- Kroger's Discount Grocery concepts (37%) and Whole Foods (34%) have the No. 2 and No. 3 highest exposures.
- The least exposed brands are Food Lion, Giant Food Stores and Ingles Market.

US Grocery Regional Exposure: Share of US locations in metro areas with high Coronavirus exposure



Source: UBS Evidence Lab

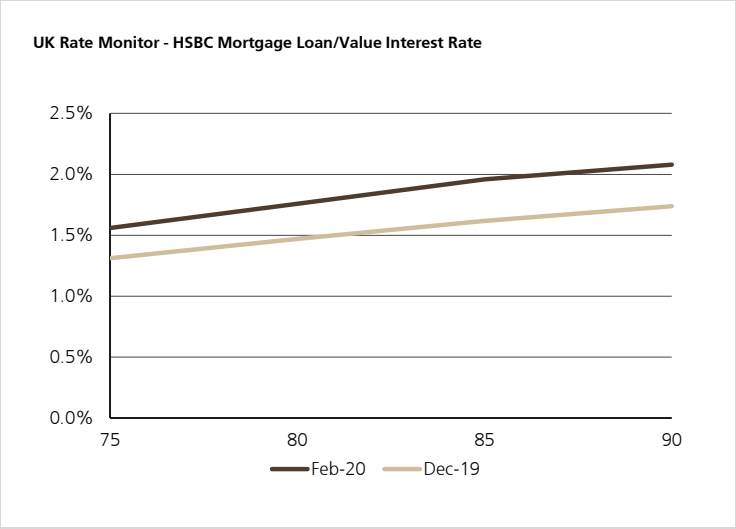
*As of early March, high-exposure metropolitan areas included Boston-Cambridge-Newton, MA-NH, Colorado Springs, CO, Denver-Aurora-Lakewood, CO, Houston-The Woodlands-Sugar Land, TX, Los Angeles-Long Beach-Anaheim, CA, New York-Newark-Jersey City, NY-NJ-PA, Omaha-Council Bluffs, NE-IA, San Antonio-New Braunfels, TX, San Francisco-Oakland-Hayward, CA, Seattle-Tacoma-Bellevue, WA

Financials

How have UK mortgage rates been affected?

Given uncertainty over the Coronavirus and its implications for global financial markets, risk premiums have been rising. The UK Financial Rate Tracker provides an indication of whether banks are passing this on to higher loan-to-value mortgage rates.

- Barclays UK's interest rate for mortgages with a 90% LTV ratio increased from 1.8% to 2.2% between December 2019 and February 2020.
- At HSBC, the rate for LTV ratios of 75% or higher rose 30-40bps over the same period.
- Meanwhile, Lloyds has not shown any rate increase for similar loan-to-value mortgages.



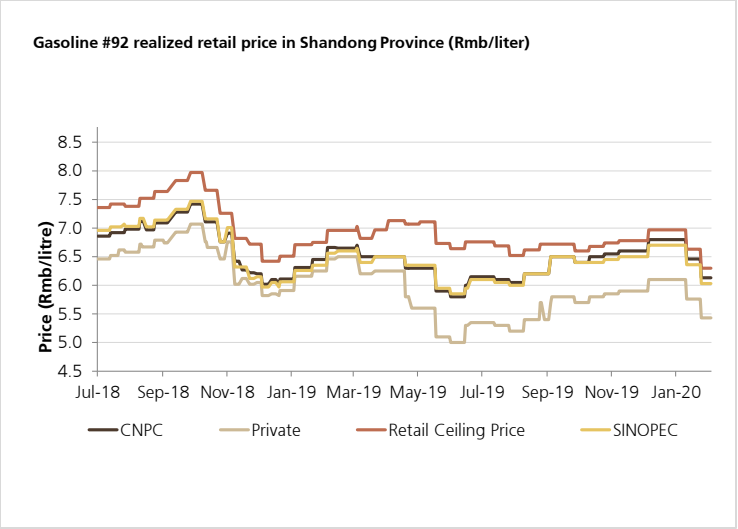
Source: UBS Evidence Lab

Energy

How are fuel prices in China being affected?

Global oil prices have fallen by 50% since early March, as demand has been affected by consumers remaining home, and OPEC announced it was not cutting supply.

- The highest price of #92 gasoline across all fuel retailers in Shandong Province is down 7% YoY.
- Private fuel retailers have cut prices 13% YoY, more than Sinopec and CNPC (both -5%).
- Prices were firmer earlier in 2020, when there was potential for supply chain constraints.



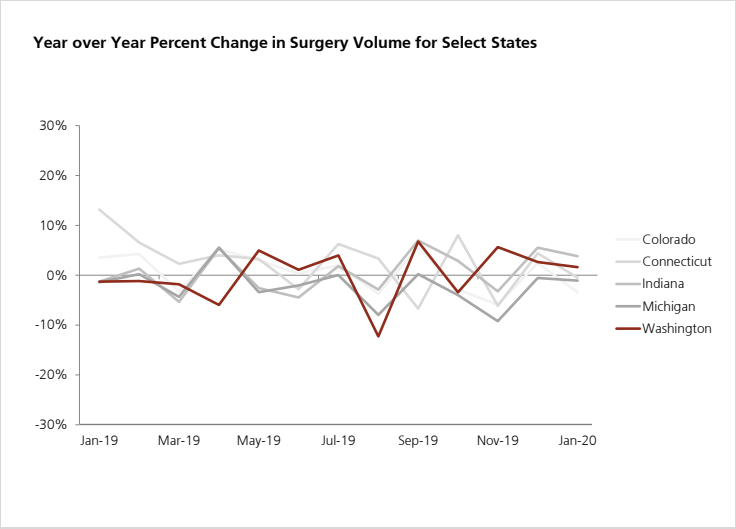
Source: UBS Evidence Lab

Healthcare

How might US hospitals' surgery volumes be affected?

The first coronavirus case in the US was confirmed on January 21 in Washington state, and cases have now been reported in all states. Some health systems are now complying with recommendations by the Centers for Medicare & Medicaid Services, the Surgeon General and the American College of Surgeons to cancel elective procedures in an effort to slow the spread and make room for patients.

- The US Hospital Admittance Monitor can help track the impact of COVID-19 on hospital volumes, measuring YoY change for 17 measures across 12 states.
- New data comes out twice a month – the next wave will show preliminary data for February.



Source: UBS Evidence Lab, Colorado Hospital Association Databank Program

The UBS Evidence Lab US Hospital Admittance Monitor, released twice a month, captures 17 measures from 400-600 hospitals across 12 states, all of which have confirmed cases of COVID-19. These measures include inpatient surgeries, ambulatory surgeries, emergency department visits and total inpatient days.

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