



ACC NEWS



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INDUSTRY NEWSPAPER

- Week 21 of 2020

YOUR WEEKLY UPDATES



Ports



Retail



Rail



Shipping



Handling



Beverages



Road



Supply Chain



C-Stores



Healthcare



Thinking Differently – Executing Quickly

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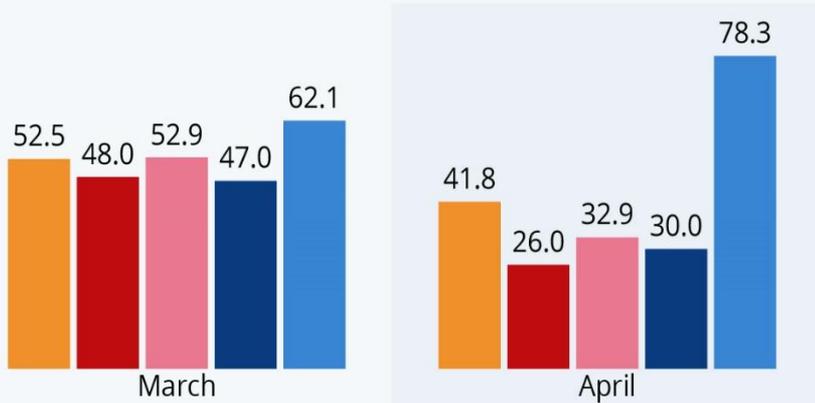
Why Larger Firms May Soon Face The Same Pressures As Main Street SMBs 3

- The conventional wisdom may be that larger firms — especially public ones — are able to weather the economic storm more adroitly than smaller brethren. To a certain extent, that's true. The situation facing the smallest firms on Main Street is dire, even with funding from the Paycheck Protection Program (PPP) in hand.
- SMBs from all sectors said they would only have enough cash to survive for just nine days — without the funding.
- There may be a groundswell of trouble brewing across other subsets of the corporate world — larger companies who had gotten the funds and voluntarily returning the money by a May 14th deadline, if not already.
- The trouble may bubble even with millions of dollars in cash on their respective balance sheets, because funding operations out of cash or through credit lines that still remain untapped is basically a game of waiting out the clock — in this case, betting that the cash cushion will outlast the pandemic. And that those credit lines will be available to them when they are ready to tap them. The ripple effect may be that, once the cash has run down, the businesses will shutter — or can come back only partway from an economic catastrophe where the breadth and depth are still uncertain. The path to recovery all depends upon consumer demand and consumers feeling comfortable engaging with businesses in the way they once did.
- The new guidelines for subsequent tranches of the PPP program require that companies certify with lenders that they need the loans and cannot access funding from other sources.
- Part of the issues lie with the fact that the PPP initiatives are a bit akin to building a rocket while flying it. The programs must be consistently fine-tuned over time to iron out frictions and unintended consequences.
- Beyond the controversies surrounding the PPP, and as reported last month by Nikkei Asian Review, large companies are facing liquidity issues. The issue could be a pressing one, as data show that out of 3,400 publicly listed companies, a quarter of them would run out of liquidity if faced with a 30 percent loss of revenues over the next six months. Even under a relatively sanguine scenario, about nine percent of firms would run out of liquidity if sales were off 10 percent.
- Absence of liquidity means that firms are not able to meet their current liabilities, which in turn — in a worst-case scenario — means companies go bankrupt or even dark. That would add to the economic miseries that are already underway.

Services Sector Shrinks for First Time in 10 Years

Performance of top indices from the Institute for Supply Management between March-April 2020 (in percent)

■ Non-manufacturing (NMI) ■ Business activity
■ New orders ■ Employment ■ Supplier deliveries

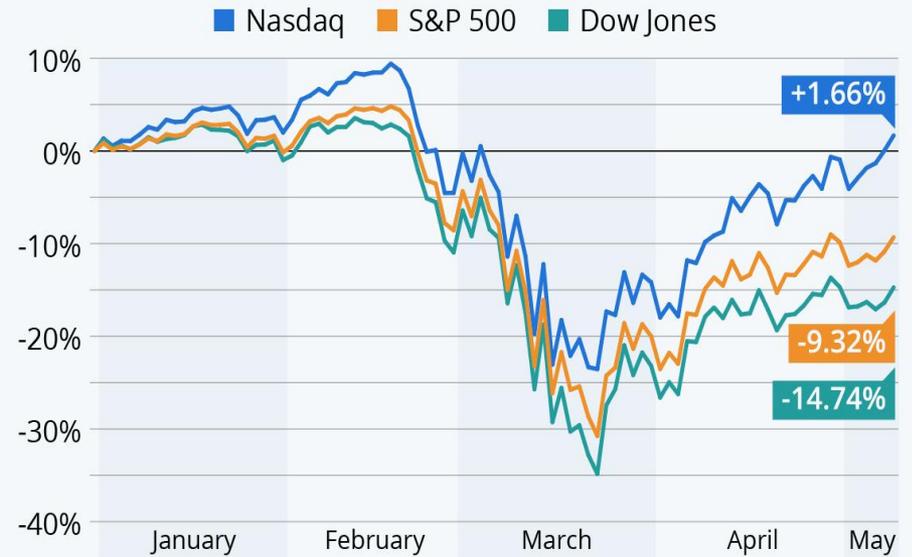


The NMI report measures data compiled from purchasing and supply executives nationwide

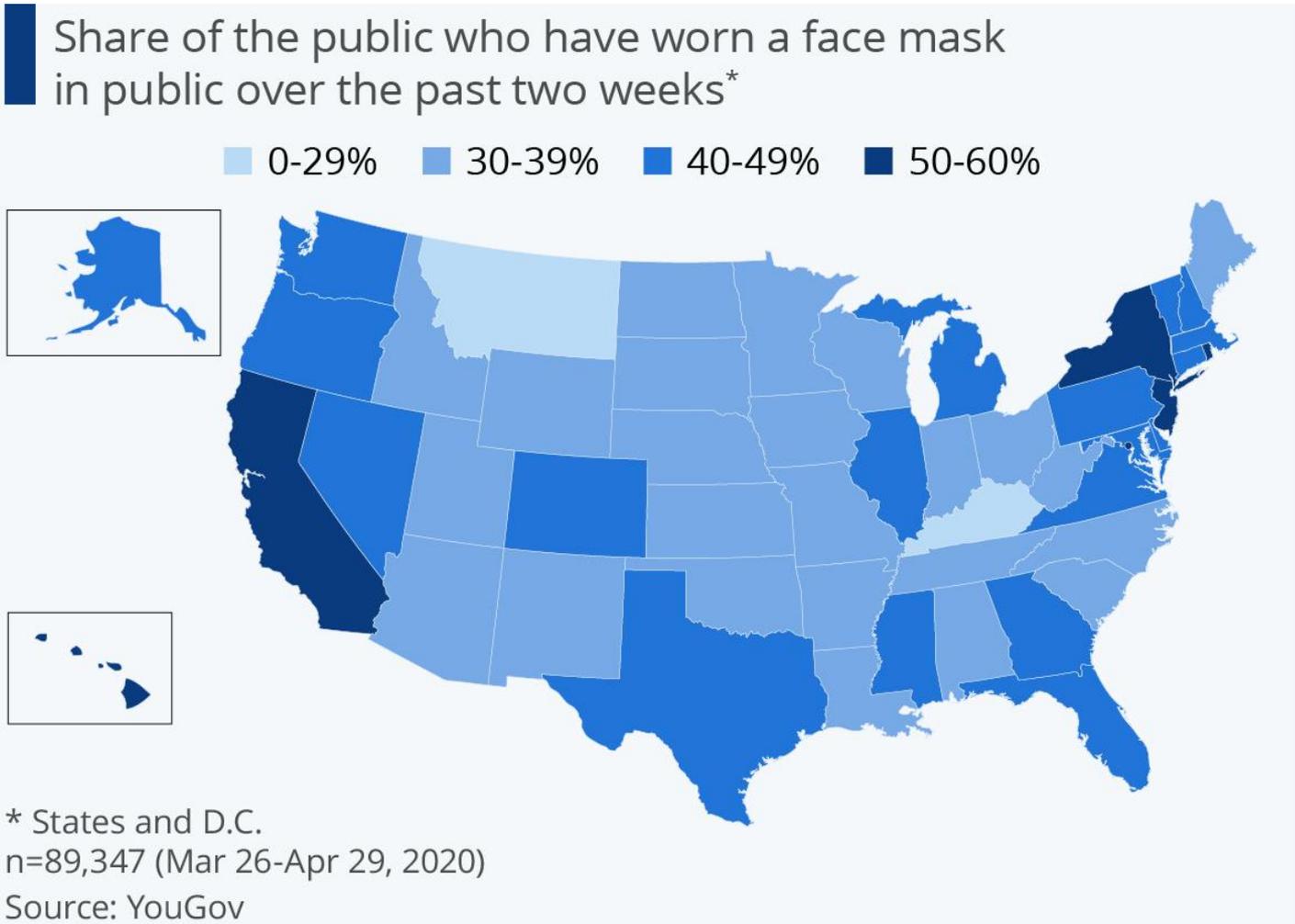
Source: Institute for Supply Management

Has the Stock Market Moved Past the COVID-19 Crisis?

Year-to-date performance of major U.S. stock market indices as of May 8, 2020

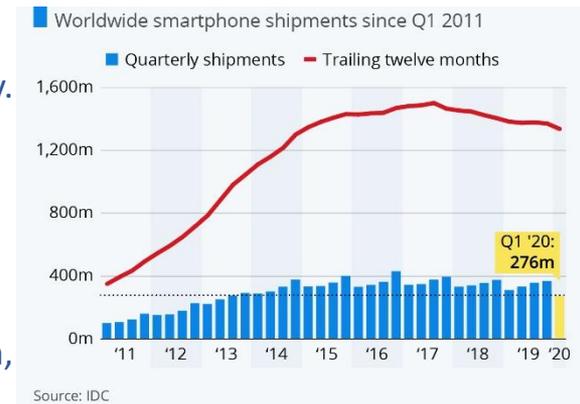


Source: Yahoo! Finance



Smartphone Shipments Drop to 7-Year Low in Q1 2020

- Worldwide smartphone shipments dropped 11.7 percent in the first quarter of 2020, marking the largest year-over-year decline for the once booming industry. Companies shipped 275.8 million units in the first three months of 2020, down from 312.3 million the year before.
- The results were heavily impacted by a steep decline of the Chinese market, which saw shipments drop by more than 20 percent amid the coronavirus lockdown. Partly due to supply chain issues caused by the Chinese lockdown, Western Europe and the United States also contributed to the global slowdown, with shipments down 18.3 and 16.1 percent, respectively.



Starbucks seeks rent relief for next 12 months

Starbucks is asking its landlords for a break on rent as COVID-19 takes a toll on sales. In a letter to landlords that the coffee giant sent earlier the month, the company asked them to “adapt to new realities” — including an anticipated \$225 billion hit to the American restaurant industry during the next three months, reported The Seattle Times.

Amazon to bring new COVID-19 face shield model to market

- Amazon is applying its drone knowledge to produce face shields with a 3D printer.
- In early March 2020, a group of mechanical design and engineers from the Amazon Prime Air drone division joined a group of 3D printing enthusiasts in Washington who were designing and building open-source face shields by hand. In one week, the engineers, in coordination with the open-source group, took the initial design and improved it, including by making it reusable.
- Amazon will start mass-producing these face shields and aims to make hundreds of thousands available over the next few weeks, at-cost, on its site. Amazon has produced a detailed, open-sourced design package for both 3D printing and injection molding. This means that anyone, whether an individual or large company, can access and manufacture frames. The new design is also approved by the National Institutes of Health (NIH).

Survey: Retailers see BOPIS as gaining importance

- According to a recent survey of global retailers from RSR Research, 45% of respondents say BOPIS orders drive 11 to 40% of their revenue. Another 22% say BOPIS is responsible for 40 to 65% of revenue, while 18% say it drives 10% or less and 15% credit BOPIS orders for 65% of their revenue.
- Respondents generally see a positive future for BOPIS, as 42% think it will drive 11 to 40% of their revenue in three years. However, only 8% think it will create 10% or less of their revenue in three years, while 26% think it will generate 40 to 65% and 25% think BOPIS will drive 65% or more of their revenue in that time period.
- Interestingly, U.S. retailers showed different patterns in how they fulfill BOPIS orders than retailers from the U.K. and E.U. 67% of U.K./E.U. respondents most frequently plan on filling a BOPIS order from central inventory, compared to 50% of U.S. respondents. U.S. respondents were more likely than their non-U.S. counterparts to fill BOPIS orders directly from the store (34% vs. 24%) or from one store to another (16% vs. 10%).

Kroger hires 100,000 workers with help of expedited hiring process

The Kroger Co. has hired 100,000 employees during the past eight weeks, adding to the 460,000 workers the grocer had before the COVID-19 pandemic. The expedited hiring and onboarding process also directed immediate support to the expansion of Kroger Pickup availability, as well as enhanced cleaning and sanitization practices in its stores and facilities.

Dillard's swings to \$162M loss as Q1 sales plummet 47%

The Southern department store was slow to close some stores as the pandemic spread and will have reopened a majority of its fleet by next week.

Thousands of Pigs Rot in Compost as U.S. Faces Meat Shortage

- Thousands of pigs are rotting on compost heaps as grocers run out of meat.
- COVID-19 outbreaks at slaughterhouses have led to the largest pig culling effort the U.S. has ever seen. Hundreds of thousands of animals are already backed up, and CoBank estimates 7 million animals may have to be destroyed this quarter alone. That's about a billion pounds of meat lost to consumers.

Apparel collapse drags down retail in April

- With most nonessential stores shut due to the pandemic, retail sales in April in the key sectors tracked by Retail Dive plummeted 16% year over year, according to the U.S. Department of Commerce's preliminary results for the month. Retail trade sales as defined by the government fell 17.8% compared with the year ago period.
- Some sectors were particularly hard hit. Clothing and accessories sales plunged 89%; furniture and home sales fell 67%; electronics sales fell 65% and sporting goods and hobby sales fell 46%. General merchants, which in most cases were permitted to stay open thanks to sales of essential items, saw sales fall 14%, according to the report.
- Others did see a lift. E-commerce and other non-store sales rose 28%, and grocery stores rose 13.4%, the Commerce Department said.

Factories close for good as coronavirus cuts demand

- Factory furloughs across the U.S. are becoming permanent closings, a sign of the heavy damage the coronavirus pandemic and shutdowns are exerting on the industrial economy.
- Makers of dishware in North Carolina, furniture foam in Oregon and cutting boards in Michigan are companies closing factories in recent weeks. Caterpillar said it is considering closing plants in Germany and tire maker Goodyear plans to close a plant in Gadsden, Ala.
- The closures suggest that a growing share of the record job losses won't be temporary, said Gabriel Ehrlich, an economic forecaster at the University of Michigan. The more that job losses turn from temporary to permanent, he said, the harder the hit to consumer spending and every company that relies on it—including manufacturers.

Amazon opens more "dark" Whole Foods stores

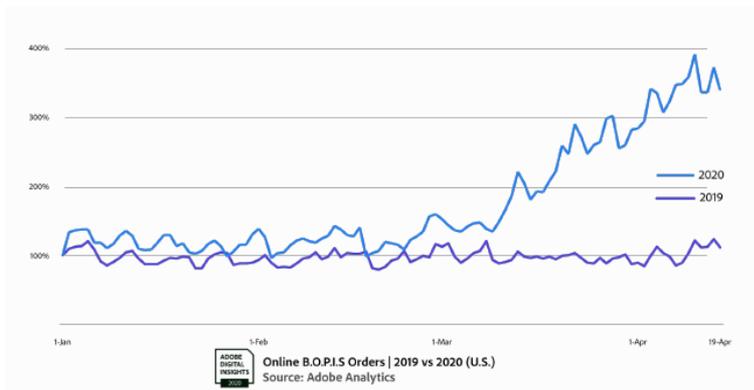
- Amazon-owned Whole Foods is converting its sixth location to a "dark store" that is dedicated to filling only online orders. "As we navigate the challenges associated with COVID-19, we continue to find ways to increase delivery availability while navigating safety measures and social distancing," an Amazon spokesperson said.
- Kroger, Stop & Shop, and HyVee have also been closing stores to the public to focus on delivery and pickup orders, as demand for online grocery services surges amid the pandemic.

Amazon makes space for struggling indie fashion brands

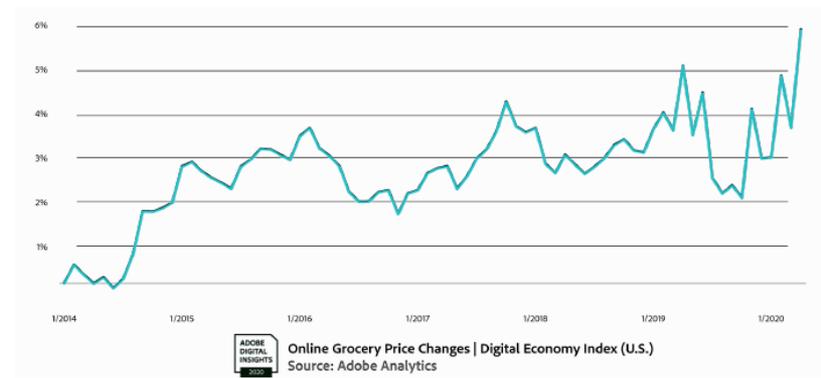
Amazon has teamed with Vogue and the Council of Fashion Designers of America to launch an e-commerce channel for independent luxury designers. The online store aims to help brands that have excess inventory after the pandemic forced retail partners to close stores and cancel orders.

Adobe Digital Economy Index

- Adobe’s Digital Economy Index (DEI) is a global economic measure for the 21st century, more quickly, comprehensively, and internationally measuring the increasing buying power of digital consumers—and doing it with greater detail than any other data source available.
- As online absorbs the off-line retail economy, inflation is being observed for the first time in years, especially in categories that have consistently experienced online deflation, like electronics.
- April Prices for Online Apparel dropped significantly and at a rate that is 4x higher than what is typically expected, for this time of the year.
- Online categories are continuing to see spikes, in sales, across certain categories. This is fueling an overall ecommerce boost that is showcasing that consumers are still spending and are willing to spend on products that will help them best manage the crisis.



Report attached



J.C. Penney files for Chapter 11 bankruptcy protection

The department store went into bankruptcy with a reorganization plan that will reduce its store footprint, though the company didn't say by how much.

Zoom is now worth more than the top 7 airlines combined



Retail sales in record drop in April, with clothing taking the biggest hit

- Retail sales dropped almost twice as much during April as they did in March, being down 14.1% seasonally adjusted from March and down 8.7% unadjusted year-over-year, according to the National Retail Federation.
- Total or overall retail sales fell 21.6% in April from a year earlier and were down 16.4% from March, when sales fell 8.3%, according to the U.S. Census Bureau. Every category of retail except online was down on a monthly basis in April, including grocery stores and others that had seen a surge in March as consumers stocked up. Clothing and accessory stores were in freefall, down 78.8% (and 89.3% year-over-year). Online sales rose 8.4% (and were up 21.2% year-over-year).
- *Building material and garden equipment: -3.4% / Grocery stores: -13.2% / Pharmacies and other health/personal care stores: -15.2% / Big-box stores: -20.8% / Department stores: -28.9% / Sporting goods, music and other hobby stores: -38% / Furniture/home furnishings stores: -58.7% / Electronics and appliance stores: -60.6% / Clothing and clothing accessory stores: -78.8%*

Office Depot to cut more than 13K jobs, close some stores

Office Depot announced a restructuring plan that includes "closing and/or consolidating distribution facilities and retail stores and the reduction of approximately 13,100 employee positions by the end of 2023."

Walmart Ecommerce Sales Rose 74% in First Quarter – Shuts Down Jet.com

- Walmart reported stronger-than-expected first-quarter earnings driven by a surge in e-commerce and higher traffic in stores as the coronavirus pandemic sparked massive purchases in household goods.
- Total revenue was \$134.6 billion, an increase of \$10.7 billion, or 8.6%. Excluding currency, total revenue would have increased by 9.7% to reach \$135.9 billion.

Fastest growing brands

10 fastest growing retail brands of 2020				
Brand	Brand Value 2020	Brand Value % Change 2020 Vs. 2019	Category	Country
lululemon	\$9.7B	40%	Apparel	Canada
Costco	\$28.7B	35%	Retail	U.S.
Amazon	\$415.9B	32%	Retail	U.S.
Target	\$10.6B	32%	Retail	U.S.
Walmart	\$45.8B	24%	Retail	U.S.
JD.com	\$25.5B	24%	Retail	China
Sam's Club	\$6.8B	19%	Retail	U.S.
Alibaba	\$152.5B	16%	Retail	China
Tanishq	\$2.8B	15%	Retail	India
Flipkart	\$4.7B	14%	Retail	India

Report has Amazon in talks with J.C. Penney; bankrupt chain to close 242 stores

- Amazon is said to be a contender for either all or parts of J.C. Penney, according to an exclusive report by WWD.
- “There is an Amazon team in Plano TX” said one source who does business with the online giant, reported WWD. “There is a dialogue and I’m told it has a lot to do with Amazon eager to expand its apparel business — for sure.”

Walmart tops expectations with blockbuster Q1

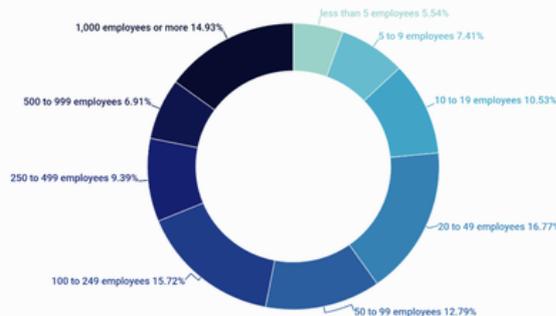
Walmart reported a strong first quarter as consumers beat a path to its online site and stores, which have remained open during the COVID-19 pandemic.

U.S. Small businesses

According to the most recent data from the U.S. Census Bureau, small businesses with fewer than 50 employees, make up approximately 95% of American business establishments and employ 40% of private sector workers. These 7.4 million small businesses (or 2.27 per 100 residents) also account for roughly a third of total private sector payroll. Small businesses in some industries have a larger economic impact than others. Among small businesses with fewer

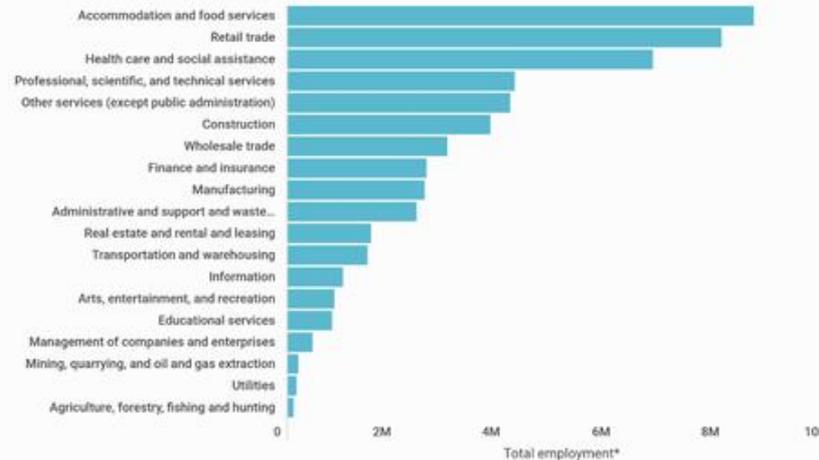
than 50 employees, those in accommodation, food services, and retail trade - coincidentally, the sectors hit hardest by COVID-19 - employ the most workers and account for more than 16 million employees and \$362 billion in annual payroll.

Small businesses with fewer than 50 employees account for 40% of private sector employment



Source: U.S. Census Bureau 2017 County Business Patterns

Small businesses in accommodation, food services, & retail employ more than 16M workers



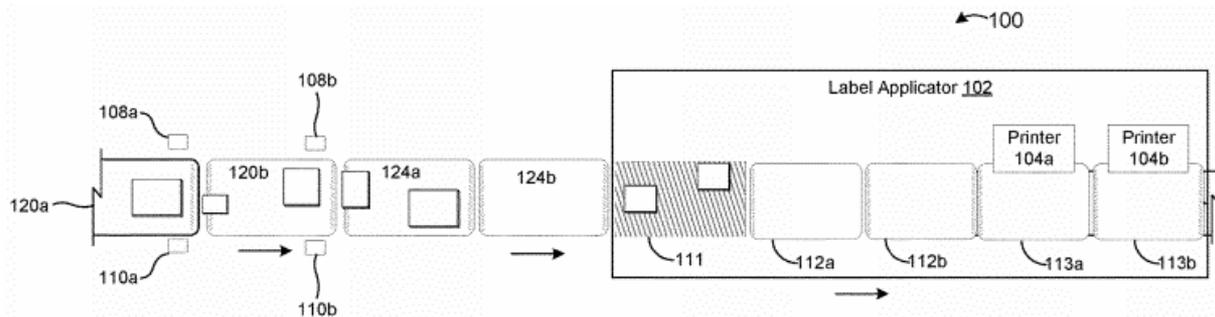
*Small businesses with fewer than 50 employees
Source: U.S. Census Bureau 2017 County Business Patterns

Shanghai Pudong airport continues to choke on cargo

- Cargo terminals at Shanghai's Pudong International Airport remain extremely congested, but logistics companies responsible for getting shipments from their customers and on planes say the flood of freight trapped in warehouses is slowly beginning to recede.
- The factors behind the choking levels of congestion remain the same: a tsunami of export orders for personal protective equipment and other medical supplies bound for countries combating the coronavirus outbreak; China Customs offices that are overwhelmed trying to manually inspect medical supplies after the government mandated checks for quality and fraud; and shortages of warehouse labor to process all the shipments.

Patent Pending: FedEx envisions automated picking process

- One of Amazon's ideas for shaving time off the fulfillment process tackles just such a detail: the space between packages on a conveyor belt.
- One of the bottlenecks in a fulfillment center setting is the label applicator, Amazon said in a patent application. A label applicator is an automated system that applies labels to boxes. If the space between boxes is too large then the label applicator isn't functioning as quickly as possible, too small and it can't keep up. The throughput of the entire system is partially reliant on the throughput of the applicators, so ensuring they're running at maximum capacity can be important. Amazon's idea for achieving maximum throughput involves changing the conveyor belt speeds leading up to the label applicator to ensure packages are spaced out in the most efficient way.



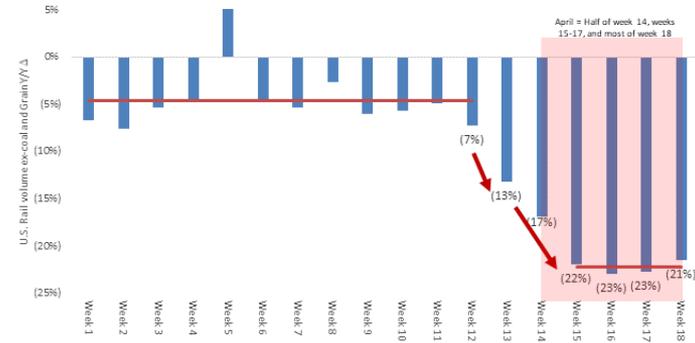
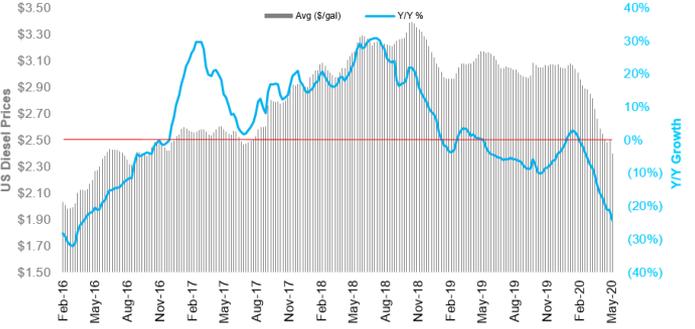
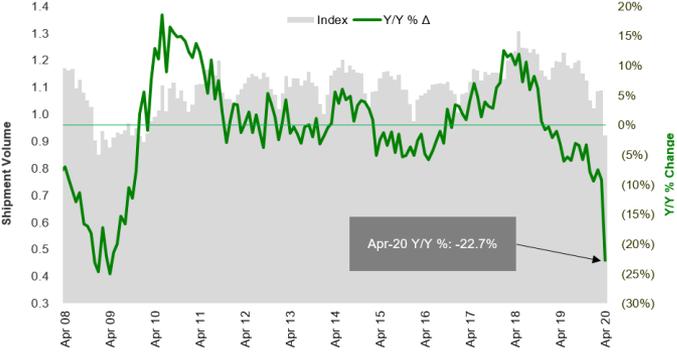
Sixth confirmed Amazon worker dies amid calls for the company to release data on coronavirus infections

- An Amazon warehouse worker at a facility in Bethpage, New York has died from the coronavirus.
- George Leigh, who worker at Amazon DNY4, died on April 9 and his last day at the facility was March 28.
- The worker’s death comes as the company faces growing pressure to disclose the number of workers who have tested positive or died from the virus.

Cass Transportation Index Report April 2020

The Cass Freight Index showed the expected big dip in activity last month, after all the March consumer panic buying subsided, leaving us with just the negative impact of shut-in orders and rising unemployment levels.

For April, the overall index for both shipments and expenditures fell sharply y/y to recessionary levels. This is concerning but would be more concerning if it weren’t a self-inflicted wound. Businesses and mobility were severely limited by unprecedented govt. restrictions in April. Expected to return to normal in June.



Charleston port gets import boost from new solar panel center

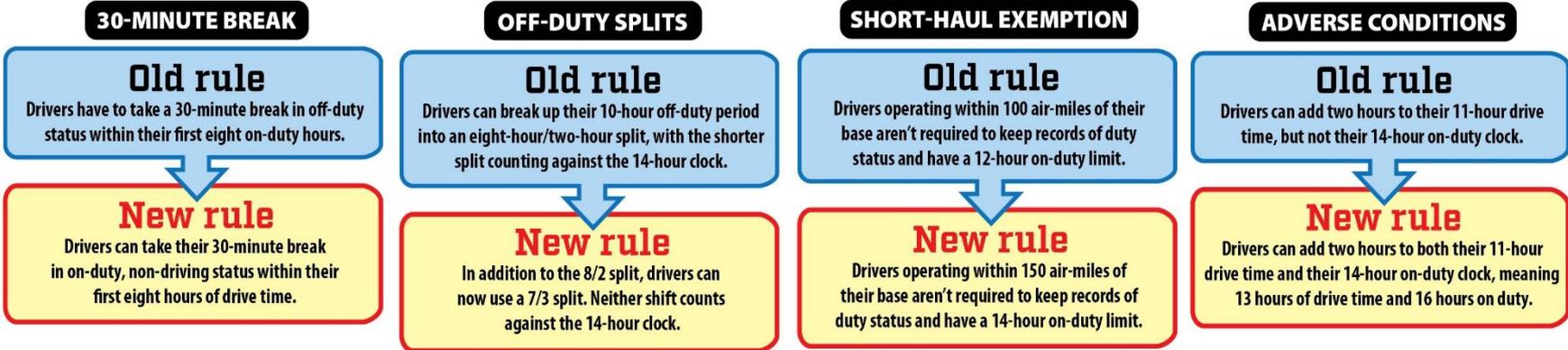
First Solar has opened a distribution center in South Carolina to handle solar panels, a growth industry in which US imports doubled last year.

Logistics automation company lands PSA financial backing

Automation software provider RPA Labs has been backed by a group of supply chain-focused investors as it seeks to equip third-party logistics providers with pre-built process “bots.”

FMCSA issues final rule on HOS

The U.S. Department of Transportation on Thursday announced that changes are soon coming to federal hours of service regs — perhaps taking effect as early as late September. The final changes to the HOS regs are slightly more muted than the proposal DOT issued last fall, but they still offer more flexibility around key areas of drivers’ complaints against the existing rule, such as the 30-minute break and a key change to drivers’ splitting their off-duty hours. This graphic details the key changes coming to hours of service regs:



Uber, Grubhub Combo Would Create Restaurant Delivery Giant

- Practically as soon as 2019 had ticked over into 2020, rumors began circulating that Grubhub was looking for a buyer as it saw its market share erode in a field crowded with other marquee players. At the time, DoorDash, Uber Eats and Postmates were all considered to be leading contenders to buy the company.
- Rumors are once again circulating about a possible Grubhub purchase. CNBC is reporting that Uber has made an offer to buy the company. Much about the deal remains unknown, such as what amount Uber offered – though Grubhub’s market cap is roughly \$5.4 billion since its jump in price after its earnings release last week.
- Whether Uber and Grubhub will end up being the first big dynamic duo to voluntarily come together with the blessing of regulators remains to be seen. If the acquisition is a real one, it may just be the most interesting thing either firm serves up all year.

Shipping Blues: Infrastructure Staggers Under Digital Shift

- Evidence comes from the two major shipping companies, which are now dealing with Black Friday-level eCommerce levels. The volume has forced FedEx to limit the volume from dozens of retailers including Kohl’s, Nordstrom, Nieman Marcus and Bed, Bath & Beyond. The move is salt in the wound for retailers that have counted on eCommerce to keep revenue flowing and to keep creditors at bay.
- UPS suspended any kind of service guarantees on March 26. While there have been no reports of retail limits, the company has said that “the majority of our services continue with the same expected delivery timeframes our customers have come to expect.

Amazon Closes on \$3.2M Land Purchase in Little Rock Port

- Amazon has officially closed on its \$3.2 million acquisition of city-owned land at the Little Rock Port.
- Amazon.com Services LLC now owns 80 acres on Zeuber Road, where it plans to open a 3 million-SF distribution center with four levels, each about 850,000 SF.
- The port facility, first reported by Arkansas Business, is one of two projects Amazon has planned for Arkansas. The retailer also plans to open a facility in a warehouse off Interstate 30.

Speculation on YRC's survival ramps up

Following a mixed bag first quarter 2020, in which the carrier reported better-than-expected results, announced it was unlikely to meet future financial covenants and opted out of taking questions from analysts on its earnings call, Stifel Financial equity research analyst David Ross has tapped out. In a Tuesday report to clients, Ross announced that he has suspended his rating and estimates for the less-than-truckload (LTL) carrier.

The Boring Company finishes tunnel beneath Las Vegas Convention Center

The Boring Company has now completed the excavation phase of the high-speed transport system that will circle beneath the surface of the Las Vegas Convention Center, with public rides slated to kick off early next year.

US spot truck rates rise slowly amid COVID-19 restart

Produce season and the reopening of some states to business are beginning to jump-start truck demand and spur higher spot rates in some lanes, but a long recovery is forecast.

FedEx and Microsoft Join Forces to Compete Against Amazon for Package Shipping

FedEx and Microsoft are teaming to provide commercial shipping customers with early warnings of delays from weather, traffic, and other mishaps, giving the courier and the software maker another weapon as they compete with Amazon.

- This new strategic alliance represents a long-term commitment between the companies to fuel innovation, collaborate on product development, and share subject-matter expertise.
- Today, FedEx networks link more than 99% of the world's gross domestic product across 220 countries and territories, and Microsoft Azure is trusted by more than 95% of Fortune 500 companies.
- By combining the breadth and scale of the FedEx network and the Microsoft cloud, businesses will have an unprecedented level of control and insight into the global movement of goods.
- FedEx Surround, the first solution resulting from the FedEx and Microsoft collaboration, allows any business to enhance visibility into its supply chain by leveraging data to provide near-real-time analytics into shipment tracking, which will drive more precise logistics and inventory management.

WEEKLY FUEL REPORT

18 MAY 2020

* These figures do not include taxes or transportation costs.

USA	04/20/20	04/27/20	05/04/20	05/11/20	05/18/20
DOE AVERAGE	2.480	2.437	2.399	2.394	2.386
RETAIL TO WHOLESALE FUEL SPREAD*	1.416	1.670	1.521	1.397	1.328
RACK PRICE*	1.027	0.746	0.863	0.971	0.994
DIESEL TRUCK STOP ACTUAL PRICE PER GALLON	2.443	2.417	2.384	2.368	2.322



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FBX REPORT

18 MAY 2020

Numbers are expressed in USD, and rounded to the nearest dollar.

The Freightos Baltic Index (FBX) is the world's leading—and most accurate—index of market rates for 40' containers (FEUs).

Freightos Baltic Index Channel	03/16/20	04/02/20	04/16/20	05/04/20	05/18/20
.CNAE (S.E. ASIA — U.S.A. EAST COAST)	\$2623	\$2836	\$2688	\$2700	\$2606
.CNAW (S.E. ASIA — U.S.A. WEST COAST)	\$1407	\$1554	\$1584	\$1611	\$1679
.NAEE (U.S.A. EAST COAST — EUROPE)	\$419	\$441	\$401	\$417	\$432
.ENAE (EUROPE — U.S.A. EAST COAST)	\$1738	\$1983	\$2012	\$2003	\$1783
.GLBL (GLOBAL INDEX)	\$1356	\$1446	\$1467	\$1487	\$1472

TRUCKING FREIGHT FUTURES || MAY 15th, 2020

WEEKLY MARKET SUMMARY



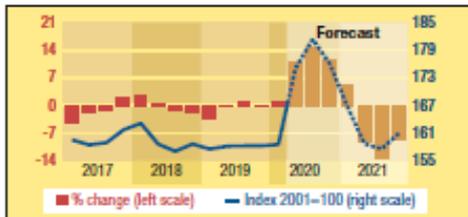
VAN LINE	RATE (PER MILE)	WEEKLY CHANGE
NATIONAL LONG HAUL	1.359	-0.001 (-0.07%)
EAST LONG HAUL VAN	1.404	-0.006 (-0.43%)
WEST LONG HAUL VAN	1.470	0.002 (0.14%)
SOUTH LONG HAUL VAN	1.203	0.000 (0.00%)

FREIGHTWAVES.COM/FREIGHTFUTURES

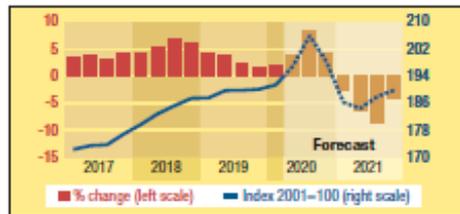




% CHANGE VS.:	1 month ago	6 mos. ago	1 yr. ago
General freight - local	1.0	1.4	2.2
TL	-3.7	-4.3	-4.7
LTL	-0.8	1.5	1.5
Tanker & other specialized freight	-0.1	0.1	0.7



% CHANGE VS.:	1 month ago	6 mos. ago	1 yr. ago
Air freight on scheduled flights	0.6	0.3	0.7
Air freight on chartered flights	-2.8	0.0	-2.4
Domestic air courier	0.2	4.4	4.3
International air courier	0.2	2.8	2.6



% CHANGE VS.:	1 month ago	6 mos. ago	1 yr. ago
Rail freight	-0.2	0.8	2.0
Intermodal	-1.1	-1.7	-1.1
Carload	0.0	1.3	2.7

TRUCKING

Among the eight transportation categories we check monthly, LTL trucking is the only one in which average transaction prices for the first quarter of 2020 escalated faster than we had forecasted. Less-than-truckload prices increased 2.6% in the first quarter, higher than our 1.7% projection. Higher LTL prices make sense intuitively given the online shopping surge and subsequent increased demand for trucking. Meanwhile, everywhere else prices fell faster than forecast and near-term price trend curves are shifting downward. Looking ahead, we've made no changes to 2021 forecasts. For 2020, however, average annual price escalation is now predicted to be up only 0.5% in the truckload market and to accelerate 4.2% in LTL.

AIR

With passengers now a rare commodity, new cargo-only flights are emerging and, if survey takers catch the shift, price trends should reflect it. In the meantime, the most recent surveys show U.S. air-liner prices down 7.9% in March and down 4.9% in the first quarter. Looking at air cargo only, domestic companies in March reported that prices for cargo flying in the belly of scheduled flights increased 0.6% while prices for flying cargo on unscheduled chartered planes declined 2.8%. Scheduled air cargo price trends are the only ones in the airline services and air courier markets to have managed to reverse the price line from falling to rising. We're calling U.S. air cargo prices to rise in 2020, but supply/demand factors will make it difficult.

RAIL

Take off points for our rail transportation price forecasts have shifted lower. In the intermodal rail sector, average prices had been projected to increase 2.9% in the first quarter of 2020. With the latest data in hand, intermodal prices actually declined by 1.3% from the final quarter of 2019 to the first quarter of 2020. Carload rail inflation data also saw a revision from a 4% price hike to a slower 1.3% rate. Coronavirus-crisis-induced slowdowns and shutdowns in manufacturing and agriculture means less demand for rail services. That said, the quarterly trend lines shows rail industry prices on a slow upswing. In 2020, intermodal prices now are forecast to rise 4.4% and carload to increase 5%.

Top 30 U.S. Ports

Import TEUs		2019			2018		
2019 Rank	Port	TEUs	% of Total	% of Change	5 year CAGR	TEUs	Rank
1	Los Angeles	4,872,906	16.9%	-3.3%	0.7%	5,039,363	1
2	Newark/New York	4,256,331	14.8%	1.4%	5.6%	4,196,372	3
3	Long Beach	3,972,104	13.8%	-9.0%	0.9%	4,364,771	2
4	Savannah	2,350,708	8.2%	5.7%	8.2%	2,223,628	4
5	Houston	1,952,504	6.8%	7.8%	6.0%	1,811,737	5
6	Seattle	1,479,165	5.1%	-5.7%	4.0%	1,567,803	6
7	Tacoma	1,354,209	4.7%	11.2%	-4.0%	1,217,316	8
8	Norfolk	1,340,087	4.7%	2.1%	4.2%	1,312,476	7
9	Charleston	1,213,734	4.2%	0.3%	5.1%	1,210,214	9
10	Oakland	1,096,646	3.8%	2.4%	2.1%	1,070,642	10
11	Miami	842,725	2.9%	12.2%	10.2%	750,801	11
12	Port Everglades	554,159	1.9%	-23.9%	-3.9%	728,461	12
13	Baltimore	520,288	1.8%	2.3%	7.8%	508,802	14
14	Philadelphia	466,296	1.6%	-11.4%	16.6%	526,056	13
15	New Orleans	376,365	1.3%	9.2%	10.5%	344,697	15
16	San Juan, PR	297,228	1.0%	-12.2%	2.2%	338,527	16
17	Jacksonville	262,675	0.9%	-1.3%	2.6%	266,226	17
18	Mobile	225,113	0.8%	29.1%	11.5%	174,430	19
19	Wilmington, DE	207,281	0.7%	5.2%	3.0%	196,904	18
20	Boston	168,599	0.6%	3.9%	8.4%	162,221	20
21	West Palm Beach	152,326	0.5%	-5.5%	1.8%	161,183	21
22	Wilmington, NC	134,670	0.5%	7.0%	2.8%	125,863	22
23	Chester, PA	112,182	0.4%	11.1%	13.5%	101,010	23
24	Gulfport, MI	94,202	0.3%	-6.0%	-0.5%	100,189	24
25	San Diego	72,087	0.3%	4.4%	6.0%	69,067	25
26	Port Hueneme	62,938	0.2%	-7.6%	5.1%	68,098	26
27	Tampa	62,648	0.2%	24.2%	19.1%	50,450	27
28	Freeport, TX	53,258	0.2%	12.8%	5.5%	47,217	28
29	Everett, WA	30,505	0.1%	-9.6%	-1.3%	33,726	30
30	Honolulu	29,179	0.1%	-22.1%	2.3%	37,449	29
National		28,939,514		-0.6%	3.3%	28,939,514	

April trailer orders plunge to 1990 levels

April trailer orders plummeted to the lowest level seen since 1990 — a mere 300 units. That marked a 98% drop year-over-year, according to an FTR report issued Friday. Trailer orders for the past 12 months now total 162,000 units.

COVID-19 taking bite out of the driver pool

- Trucking companies are realigning hiring practices to focus on experienced drivers as the supply of student drivers falls dramatically because of COVID-19.
- The shift is a direct result of driving schools that have closed and state driver licensing agencies (SDLAs) that have either cut back hours or shut down entirely during the pandemic. This is constricting the pipeline of entry-level drivers that many carriers rely on for more than half of their driver positions.

Analysts see major impacts on auto industry from Hertz's possible bankruptcy

Travel bans, shelter-in-place orders and virtually no demand for rental cars created a domino effect that is hammering the auto industry amid the coronavirus pandemic.

Owner-operators seek DOT enforcement of broker regulations

- Owner-operators have stepped up their fight for greater broker transparency by formally petitioning the Trump Administration to levy fines on brokers for non-compliance.
- In a May 19 letter addressed to Mullen and DOT Secretary Elaine Chao, OOIDA petitioned FMCSA for two provisions: require brokers to automatically provide an electronic copy of each transaction record within 48 hours after service is completed; and prohibit brokers “from including any provision in their contracts that requires a carrier to waive their rights to access the transaction records as required by 49 CFR §371.3.”

Americold, Ahold Delhaize partner to build 2 automated cold chain warehouses

Ahold Delhaize will partner with Americold to build two fully-automated frozen warehouses. The facilities will expand the grocer's cold storage space by 500,000 sf² and are part of the retailer's previously announced supply chain transformation plan to grow Ahold Delhaize's distribution center network from 16 facilities to 23 by 2023.

Yang Ming reports \$27 million loss

- Taiwanese carrier among Asian container shipping lines criticized for government subsidies
- Yang Ming Marine Transport Corp. reported a first-quarter net loss of more than \$27 million on Thursday as it faced criticism for receiving government aid during the coronavirus crisis.
- The Taiwanese carrier's press release states that "several [economic] stimulus or bailout [packages have] been revealed by the government to support the shipping industry as it weathers the pandemic impact."
- But Asian shipping lines are not the only ones receiving federal aid. Reuters reported Wednesday that CMA CGM had received a €1.05 billion (\$1.1 billion) loan that will be 70% guaranteed by the French government.
- Yang Ming said Thursday its first-quarter container business earnings were weaker than expected because of the slow resumption of manufacturing after the Lunar New Year, coupled with a service and space reduction plan instituted by THE Alliance in response to the COVID-19 pandemic.
- Yang Ming is a member of THE Alliance, a space-sharing agreement on major east-west container routes, with Hapag-Lloyd, ONE and HMM.

Port of Long Beach volume down 17.3% in April

- The California port said while manufacturing in China is rebounding from the pandemic, U.S. demand remains below normal due to the ongoing crisis and it expected 16 sailings would be blanked between April 1 and June 30.
- The port moved 519,730 TEUs in April, down 17.3% from April 2019, LB's busiest April on record. Imports dropped 20.2% to 235,540 TEUs as consumer demand was down during stay-at-home mandates, according to the port, which said exports declined 17.2% to 102,502 TEUs and were hampered by a shift of carrier services.
- The port moved 2,202,650 TEUs during the first four months of 2020, down 9.5% from the same period in 2019.

Reefer volume and ship size up in North Carolina

The NC Ports Authority is celebrating a refrigerated container volume record and the expected arrival of the largest vessel ever to call the Port of Wilmington which NC Ports said moved 1,459 refrigerated containers — 2,918 TEUs — in April.

Panama Canal Emerges from Dry Season Promising Steady Draft Reliability

The Panama Canal says water conservation measures have been successful in securing steady draft reliability for the next several months as the waterway continues to seek long-term measures to ensure water levels are maintained.

Maersk Sees Sharp Drop in Global Container Shipping Demand This Year

Shipping group A.P. Moller-Maersk warned of a sharp drop in global container volumes due to the coronavirus pandemic, with weaker retail sales and depressed car production dampening demand.

CMA CGM Taps French Loan Scheme for \$1.1 Billion in COVID-19 Funds

Shipping group CMA CGM has obtained a \$1.1 billion loan to be 70% guaranteed by the French government as it seeks to bolster its cash position during the coronavirus pandemic, which has hammered international trade.

Top US Shippers: Food importers face consumption upheaval

While other industries have seen massive increases or decreases in demand, food importers have been affected by an upheaval in consumption patterns and the channels through which end-consumers purchase food.

Fixed-payment leases help ports weather COVID-19 crisis: Moody's

Most US ports have sufficient liquidity and debt service coverage and should be resilient enough to handle at least a 20 percent decline in cargo volume, according to Moody's Investors Service.

Maersk plans for 140 blank sailings, up to 25% volume drop in second quarter

The idle fleet grew to 9.4% (2.2 million TEUs) in the first quarter, which Maersk said was the "highest record in more than 10 years."

Discovery of ocean insect's secret could lead to slipperier ships

The "sea skater" is one of the few insects that lives full-time in a marine environment. Scientists are now taking a closer look at how the animal repels water, with an eye towards the development of more hydrodynamic ship hulls.

Market Rates

The \$250 to \$300 per container increase implemented on May 1st by ocean carriers has, for the most part, remained intact through May 14. Market rates should begin to deteriorate depending on the sub-trade. All water East coast services will have fewer blank sailings during the 2nd half of May, and we expect downward pressure on market rates. For West coast and inland points rates are expected to slowly drop or remain relatively flat due to the abundance of blank sailings. The recent announcement of extra loaders in the market is a good indicator the blank sailings are balancing supply with demand and actually creating capacity shortages for some port pairs into Southern California.

Extra Loaders

This week two ocean alliances (THE & OCEAN) announced additional sailings to relieve a capacity shortage by adding Los Angeles to the GME service week 21-23 and will omit Tampa to keep proforma transit time. ONE & Yang Ming will deploy a 3,000+ TEU vessel that will call on Shanghai on May 25th followed by Ningbo before departing to LGB/LAX. The ability of alliances to remove a tremendous amount of capacity in a very short period of time and add extra loaders on an ad-hoc basis is a trend that will continue during these challenging times as ocean carriers strive for that supply-demand equilibrium.

Should we expect a peak season surcharge this year?

It's early to talk about potential peak season surcharge as the ink has yet to dry on long-term fixed-rate contract. Last year, due to the ongoing trade war, a peak season surcharge never became a point in the market. The global pandemic and uncertainties that come along with it are a potential reason there may be a peak season surcharge in 2020 at some point. The potential exists as ocean carriers carefully manage capacity and future sailings based on shipper forecasts

Bulk Shipping 'At The Very Bottom' as Carrier Earnings Plunge

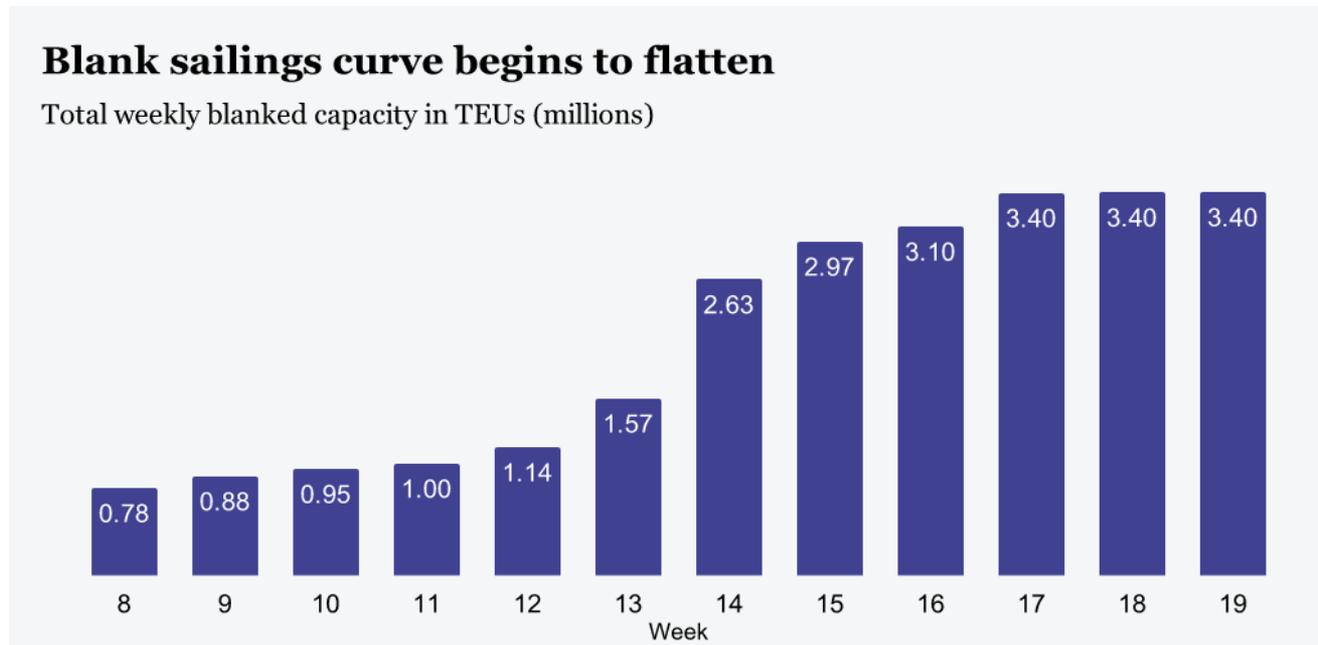
Vessels carrying dry bulk commodities are struggling to make a profit because of the double hit of lower seasonal demand for cargoes and the Covid-19 pandemic that's wrecking trade and industrial activity worldwide. The virus is an additional blow to a market already in pain with the early months of the year already seasonally weak.

Port automation clash brewing between ILWU, employers

Sources say there's little doubt that automation will be a major issue for the ILWU when negotiations begin, likely in early 2022. The question is how hard it will press the issue.

Maersk plans for 140 blank sailings, up to 25% volume drop in second quarter

- Maersk expects to cancel 140 sailings in Q2 after issuing 90 blank sailings earlier this year, the carrier said.
- This allows the carrier to cut costs as demand for ocean freight falls due to lockdown measures stemming from the coronavirus pandemic. Maersk expects demand to fall 20% to 25% in the second quarter across all its businesses.
- The company's global container fleet has grown to 23.3 million as of the end of the first quarter. The idle fleet grew to 9.4% (2.2 million TEUs) in the first quarter, which Maersk said was the "highest record in more than 10 years."



Hapag-Lloyd quarterly profit off 73.9pc to US\$27 million as revenue rises 6pc

Hapag-Lloyd's first quarter net profit fell 73.9 per cent year on year to EUR25 million (US\$27 million), drawn on revenues of €3.3 billion, up 6%.

MSC to apply US\$200/FEU rate hike from US Gulf ports to Far East June 15

MSC will impose a general rate increase of US\$180 per TEU and a \$200 per FEU on dry cargo from US Gulf ports of Houston, Mobile and New Orleans to Asia and Southeast Asia from June 15.

Chem giant Dow set to sell ports, marine terminals, storage, rail facilities

Dow is exploring the sale of its ports on the US Gulf Coast and 6 railway hubs to refocus on chemicals, says Bloomberg.

Container import roller coaster: down, up, down ... up?

- U.S. container imports are certainly on a wild ride.
- The numbers plunged after the initial coronavirus outbreak in Wuhan, China. They briefly bounced back when delayed bookings were loaded after China came back online. Then they sank again after social-distancing rules shut down U.S. businesses and container carriers blanked sailings.
- Now, it looks like there could be at least some momentum in the positive direction, which might mean that container lines that blanked around 20% of inbound capacity in May and June could cancel fewer sailings starting in July.
- Some importers may think they pulled back too much on cargo orders in light of renewed demand after states began reopening. As a result, carriers may have overshot a bit with their U.S.-bound cancellations.
- THE Alliance (Hapag Lloyd, ONE, Yang Ming) announced Thursday that “in view of increasing demand,” it was reinstating two trans-Pacific sailings: the voyage of the YM Mandate, with a capacity of 6,572 twenty-foot equivalent units (TEUs), leaving China May 29 and arriving in Los Angeles on June 16, and the sailing of the 10,000-TEU Seaspan Brightness, departing China May 25 and arriving in Los Angeles June 10.
- Flexport recently told FreightWaves that most current trans-Pacific sailings are full, with excess cargo having to be “rolled” to subsequent sailings.

Electronic Bills of Lading Could Save Shipping Billions Per Year

- The container shipping industry could save itself up to \$4bn a year if half of all bills of lading (B/Ls) were dealt with digitally, according to the Digital Container Shipping Association (DCSA).
- The DCSA is using the coronavirus pandemic to accelerate introduction of electronic B/Ls to the shipping industry.
- CEO Thomas Bagge told The Loadstar yesterday the association's financial modelling had concluded that container shipping could save \$4bn a year with just a 50% adoption rate of eB/Ls.

Capacity cuts raise container line rates despite falling demand

The spot market rates are well above year over year levels, despite an evaporation of demand that has hit carriers hardest this second quarter.

Port Everglades pushes for funds to upgrade infrastructure

Port Everglades is seeking more funding to dredge and improve infrastructure in order to handle larger vessels on the north-south and east-west lanes.

Growing demand for space pushes carriers to reinstate blanked voyages

- As demand for container shipping appears set to increase, the top priority for shippers is securing space on vessels and container equipment, according to a new survey of European Shippers' Council members.
- The survey, conducted in conjunction with Drewry Supply Chain Advisors, also found shippers were becoming increasingly nervous about the financial position of their transport providers.
- Despite the drop in volumes, blanked sailings meant utilization stayed high and, according to SeaIntelligence Consulting, this has meant freight rates on the major trades are well above last year's levels.
- "Carriers have been particularly good at maintaining freight rates and, net of fuel, spot rates are actually up 25-40% in some trades compared with 2019. Carriers achieved this through rapid and hard capacity cuts," SeaIntelligence chief executive Alan Murphy said earlier this year.
- There have been fledgling signs this week of a recovery in demand on its way.

Hemp-based wood startup gaining market traction despite tariff, pandemic obstacles

- Wilson started his flooring company in 2016.
- Looking to return to the U.S. from China and enter the new hemp industry, he scouted locations in states with hemp pilot programs and landed on an enthusiastic offer from Murray State University in western Kentucky. The university invited him to set up shop using Kentucky hemp fibers and offered students to help get the startup going.
- Fibonacci received a 10-year tax incentive worth \$300,000 from the Kentucky Economic Development Finance Authority for its investment.
- Fibonacci was ready to begin production in 2018. Then the trade war with China started, levying tariffs on parts coming from China. Wilson had to spend more than a year fighting the tariff – a success with the help of his local member of Congress, hemp advocate and former Kentucky Agriculture Secretary Rep. James Comer.
- The company finally started offering products in late 2019 and saw demand beyond the flooring industry. Fibonacci's expanded products include picture frames / wood-turning blocks / tables / desks.

Charlotte's Web cites falling revenues, higher expenses as it turns in loss for Q1

Prominent CBD maker Charlotte's Web Holdings is pointing to market saturation, legal uncertainty and rising expenses as it reported a loss of \$11.5 million last quarter.

Arkansas hemp industry growing despite 94% of farmers losing money in 2019

According to a survey of hemp growers by the Arkansas Department of Agriculture, 94% of hemp growers lost money last year.

CBRE: Restaurants will re-open slowly and cautiously

- The restaurants, bars, food halls, and brew pubs that have been top traffic-builders in new town centers and mixed-use projects will need time to re-establish themselves as markets re-open.
- A new report from CBRE estimated that most such establishments will re-open at a maximum of 50% of capacity and will need special help from landlords to become operational.

Altria Submits PMTAs for Oral Nicotine Products for FDA Review

Altria filed 35 premarket tobacco applications (PMTAs) to the FDA for on! oral nicotine pouches for regulatory review, for on! products on behalf of Helix Innovations LLC, an Altria joint venture.

American Express & Discover Join Visa in Delaying EMV Compliance

On May 13, Discover agreed to extend the outdoor EMV compliance six months, from Oct. 16, 2020 to April 16, 2021.

TravelCenters of America Navigates Through a Challenging First Quarter of 2020

TA reported a net loss of \$18.5 million during the first quarter, compared to a net loss of \$12.7 million during Q1 2019. Adjusted EBITDA for the period was \$10.3 million, compared to \$11.4 million one year prior.

Parkland Completes Deal for ConoMart Super Stores

Parkland Fuel Corp., through its Parkland USA subsidiary, closed on its deal to acquire ConoMart Super Stores.

C-stores See Lift in In-Store Category Performance

Convenience channel in-store spending has entered into positive territory. After more than a month of lagging performance amid stay-at-home orders, consumer spending finally turned the corner for the week ended May 3 compared with the year-ago week as trip declines continued to slow, the latest weekly report from PDI and NACS on how COVID-19 is impacting consumer behavior revealed.

COVID-19 Keeps NACS Busy on the Government Affairs Front

In almost 28 years of working in government relations on behalf of the convenience store industry, Lyle Beckwith has never encountered as serious a situation as the impact of government restrictions on consumers and businesses designed to stop the spread of the COVID-19 virus. Normally, most of the activities of NACS' government relations staff revolves around issues affecting the profitability of convenience stores. "Now, we are working on survival. This is a much more serious situation," Beckwith said. NACS' first priority was ensuring that convenience stores would be included in the government's list of essential businesses that could remain in operation.

U.S. Retail ViewPoint COVID-19 Implications for Reopening Restaurants

- COVID-19 has hit the \$2.5 trillion food & beverage industry harder than any other sector of the economy, with restaurants accounting for 60% of the 16.8 million jobs lost between March 19 and April 9. The National Restaurant Association estimates the industry lost more than \$50 billion in sales in April as a result of closures.
- Some restaurants with preestablished takeout/delivery service and the ability to mobilize for curbside pickup have been able to cover minimum expenses with ongoing off-premises services. However, this often generates only 10% to 20% of total sales and is insufficient to sustain the business full-time or, in many instances, until reopening.
- There is growing concern about permanent closures, mounting debt and the uncertainty of loan issuance and forgiveness under the PPP. A survey conducted by the James Beard Foundation on April 16 revealed that 28% of small and independent restaurant owners don't believe they can survive another month of closure. Furthermore, only one out of five are confident they can sustain their businesses until normal operations resume.
- As the U.S. prepares for phased reopening over the coming months and cautious consumers reemerge from lockdown, restaurant operators and their landlords must prepare for operational and economic challenges.

Trying not to cry over 60 million ounces of spilt beer

- Few people understand the repercussions of that disruption more than Doug Hertz, chairman and CEO of United Distributors, the largest alcohol wholesaler in Georgia.
- “Beer goes bad,” Hertz said during a couple of telephone interviews over the past two weeks. The shelf-life of draft beer is between 30 and 45 days. Now that the economy is beginning to reopen, customers have been calling United to “come and pick up the bad beer.” Hertz has calculated the damage.
- “Numbers are more astounding than I thought – unfortunately,” Hertz wrote in a follow-up email. “We may have to pick up/destroy 42,500 kegs at a cost to our customers of nearly \$5 million and dumping 60 million ounces of beer!!! That will make a lot of people sad!!!”
- “It’s a huge hit,” Hertz said. “On top of that, not only do we have to issue refunds, we have to ship it and dump it at a place where it can be properly disposed of (according Environmental Protection Agency protocols).”
- When asked about the emotional toll on him, Hertz said he’s more worried about his associates – that they’re safe.

COVID-19 telehealth waivers won't last forever, but permanent regulatory changes are afoot

Reimbursement levels will go back to pre-coronavirus levels when the pandemic ends, but Congress may be pressured to make lasting change. Healthcare providers who were only passingly familiar with telehealth before the COVID-19 pandemic are certainly acquainted with it now – either due to its high-profile rise in popularity or because waivers from the Centers for Medicare and Medicaid Services have allowed them to start implementing it themselves. These waivers are temporary, of course. But long-term change will likely be permanent.

The financial hit to nonprofit hospitals hinges on federal aid and restarting elective surgeries

The stimulus and emergency response funding will blunt some of the losses, but hospitals won't be fully compensated, Moody's found.

- While the effects of the COVID-19 coronavirus are many and varied, Moody's Investors Service has added one more item to that list: credit risk. While nonprofit hospitals are unlikely to miss debt service payments, the huge revenue hit caused by the postponement and cancellation of nonemergency and elective services will weaken financial performance, causing many hospitals to breach financial covenants during the fiscal year.
- The stimulus and emergency-response funding from the federal government will blunt some of those losses, but hospitals won't be fully compensated. Financial recovery from the public health crisis depends on restarting elective services, but the pace and timing with which that happens will vary greatly by geography depending on when restrictions are lifted.
- A number of other variables will also affect patient volume, including hospitals' access to rapid coronavirus testing, supply chains, government policy, potential surges in more coronavirus cases, job losses and related changes in insurance coverage, and consumer fears about returning to a hospital.
- States and local governments are lifting restrictions at different paces, and Moody's said that will impact hospitals' ability to ramp up nonemergency services.
- While some states have recently begun to lift restrictions, as many as half of them – representing nearly 45% of the U.S. population – mandated suspension of nonemergency care and elective surgeries as the scope of the pandemic grew.

Hospitals begin road to recovery

Phases 2 and 3 of vaccine clinical trials are expected by early summer and their success will be known by early winter, Fauci says.

- Hospitals want and need to get back to semi-normal, having suffered enormous financial losses from COVID-19, resulting in staff furloughs and wage reductions.
- The \$100 billion in the Coronavirus Aid, Relief, and Economic Security Act helped providers stay afloat. Hospitals received \$50 billion directly. The remaining \$50 billion went to pay for the claims of the uninsured and to target COVID-19 hot spots, rural hospitals and Indian Health Service facilities.
- The money did not go far enough to keep health systems from having to cut expenses, which in most cases meant personnel.

Old alcoholism drug shows potential as new anti-obesity treatment

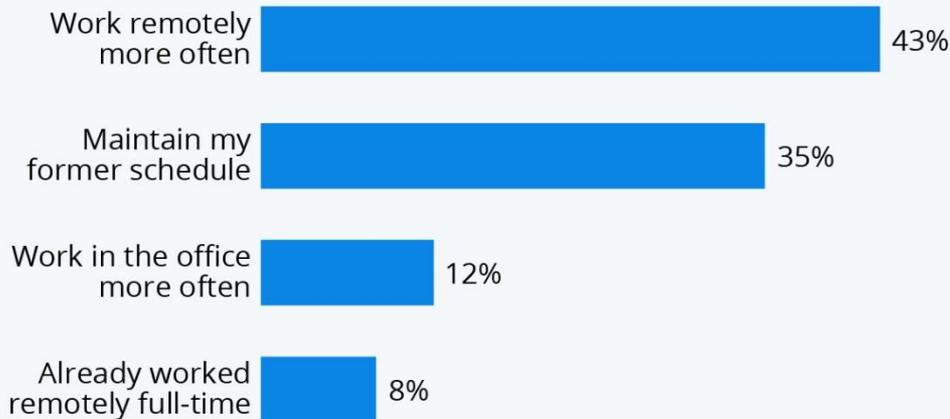
Research has found an old drug, used for over ½ a century to treat alcoholism, could be repurposed as an anti-obesity medication. The animal study saw the drug prevent obesity and improve metabolic health in mice fed a high-fat diet.

Inhaler shortages emerge amid pandemic

- The pandemic has affected prescription fill patterns, causing shortages of several inhaler types, as per GoodRx.
- The prescription discount company said that in the first two weeks of March, there was a large uptick in fill requests for inhalers, and now many are seeing shortages.
- The largest inhalers that saw fill request increases were for generic versions of rescue inhalers, like Proventil and Ventolin. Proventil's generic saw a 70% increase and Ventolin's generic saw an 80% increase rate from March 1-15.
- As a result, across the country there have been shortages of several inhalers reported from practitioners or patients.
- Following is a list:
 - (i) ProAir HFA and its generic,
 - (ii) Ventolin HFA and its generic,
 - (iii) Generic Proventil HFA,
 - (iv) Flovent HFA and
 - (v) Flovent Diskus

Is Working From Home Here to Stay?

% of respondents who would like to change their work schedule after COVID-19 has been contained

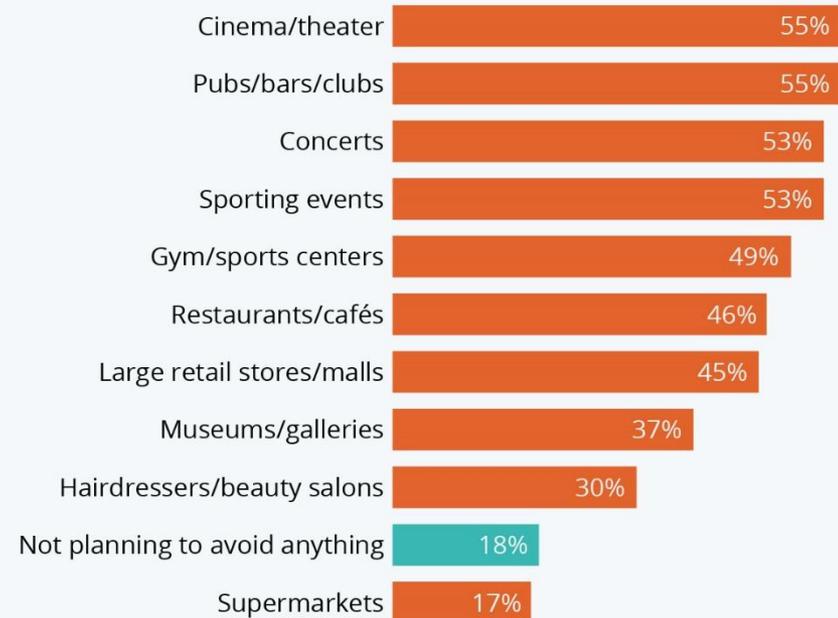


Based on a survey of 1,200 full-time employees in the U.S. conducted April 16-17, 2020

Source: getAbstract

Should I Stay or Should I Go?

% of respondents likely to avoid the following for a while even after COVID-19 restrictions are lifted



Based on an online survey of 720 U.S. adults conducted May 4-10, 2020

Source: Statista COVID-19 Barometer



HOW ARE CENTRAL BANKS SUPPORTING A PANDEMIC-RIDDEN ECONOMY?

Central banks play a critical role in preserving economic stability during crises.

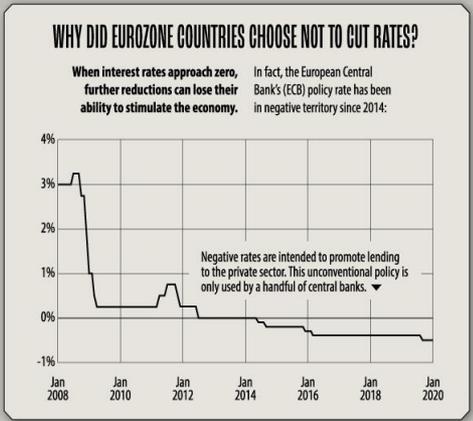
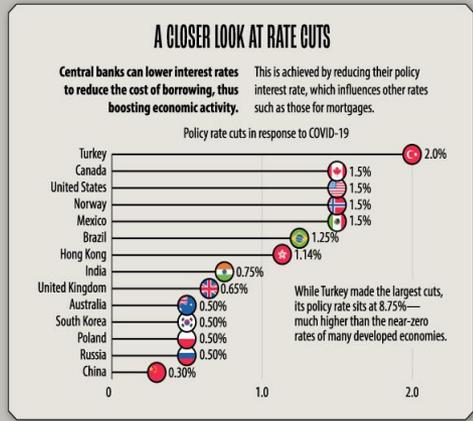
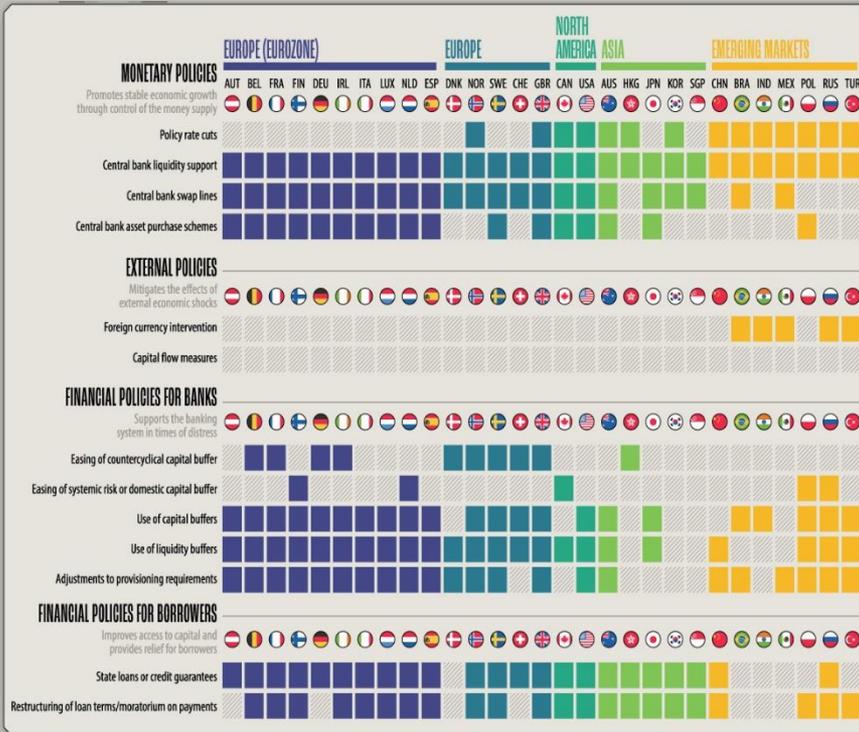
In response to COVID-19, measures have included:

- Cutting interest rates
- Increasing loans to states and businesses
- Easing restrictions on commercial banks

However, these represent just a subset of a central bank's full toolkit.

Below is a broad comparison of policy responses from some of the world's most systemically important economies:

How to Read This
 Yes No



WILL THE U.S. ALSO EXPERIENCE NEGATIVE INTEREST RATES?

The U.S. Fed has so far dismissed the use of negative rates in response to COVID-19. However, with the extent of economic damage still uncertain, this sentiment could change in the future.

The committee's view on negative rates has not changed. This is not something we're looking at.

Jerome Powell
Chair of the Federal Reserve (May 2020)



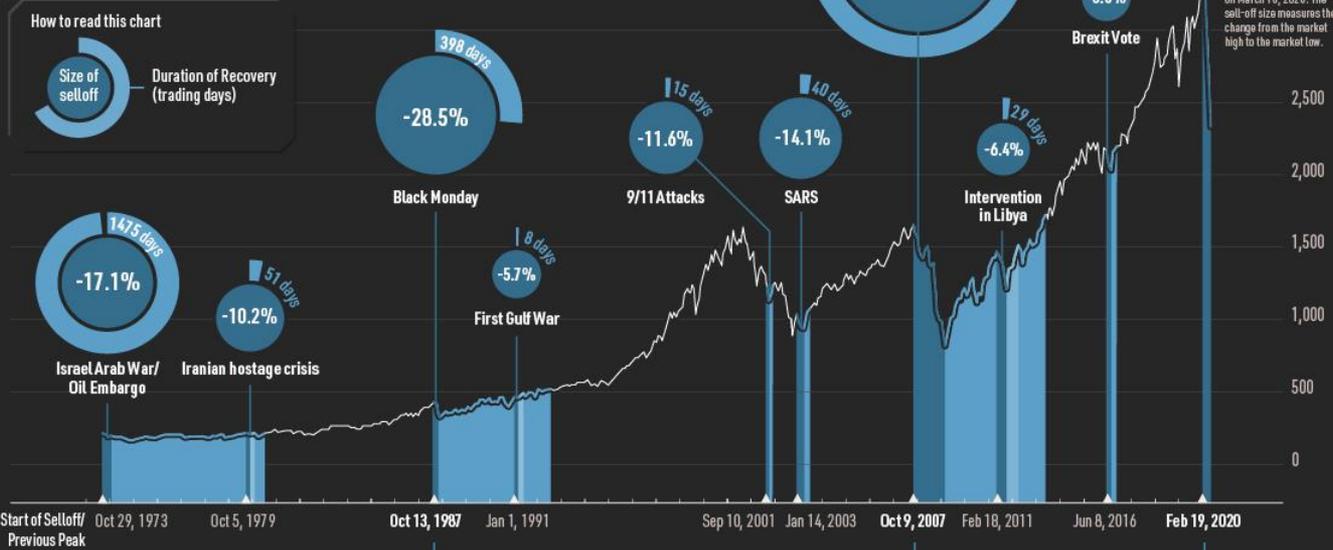
Source: International Monetary Fund (May 2020)
European Central Bank (May 2020)

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Rare, unexpected events—known as Black Swans—can have severe consequences in the stock market. Below, we compare the COVID-19 reaction with other historical events, charting their downturn and length of recovery.

S&P 500 Performance (October 1, 1973 to March 18, 2020)

SOURCE: HAVIER, DEUTSCHE BANK VIA ZERODEDGE (SEP 2017), YAHOO FINANCE (MAR 2020)



BLACK MONDAY

On October 19, 1987, the S&P 500 dropped over 20%, the largest one-day loss in its history.

High stock valuations, and portfolio insurance that spurred excessive risk-taking, have both been cited as potential causes of the crash.

SOURCE: S&P GLOBAL (MAR 2020), INVESTOPEDIA (MAR 2019)

GLOBAL FINANCIAL CRISIS

A significant rise in subprime loans—loans provided to riskier borrowers—was a main catalyst of the financial crisis.

— Subprime share of entire mortgage market

Year	Subprime share of entire mortgage market
'96	9.5%
'97	10.6%
'98	9.8%
'99	10.4%
'00	10.1%
'01	7.6%
'02	7.4%
'03	8.3%
'04	20.9%
'05	22.7%
'06	23.5%

SOURCE: FINANCIAL CRISIS INQUIRY COMMISSION (JAN 2011)

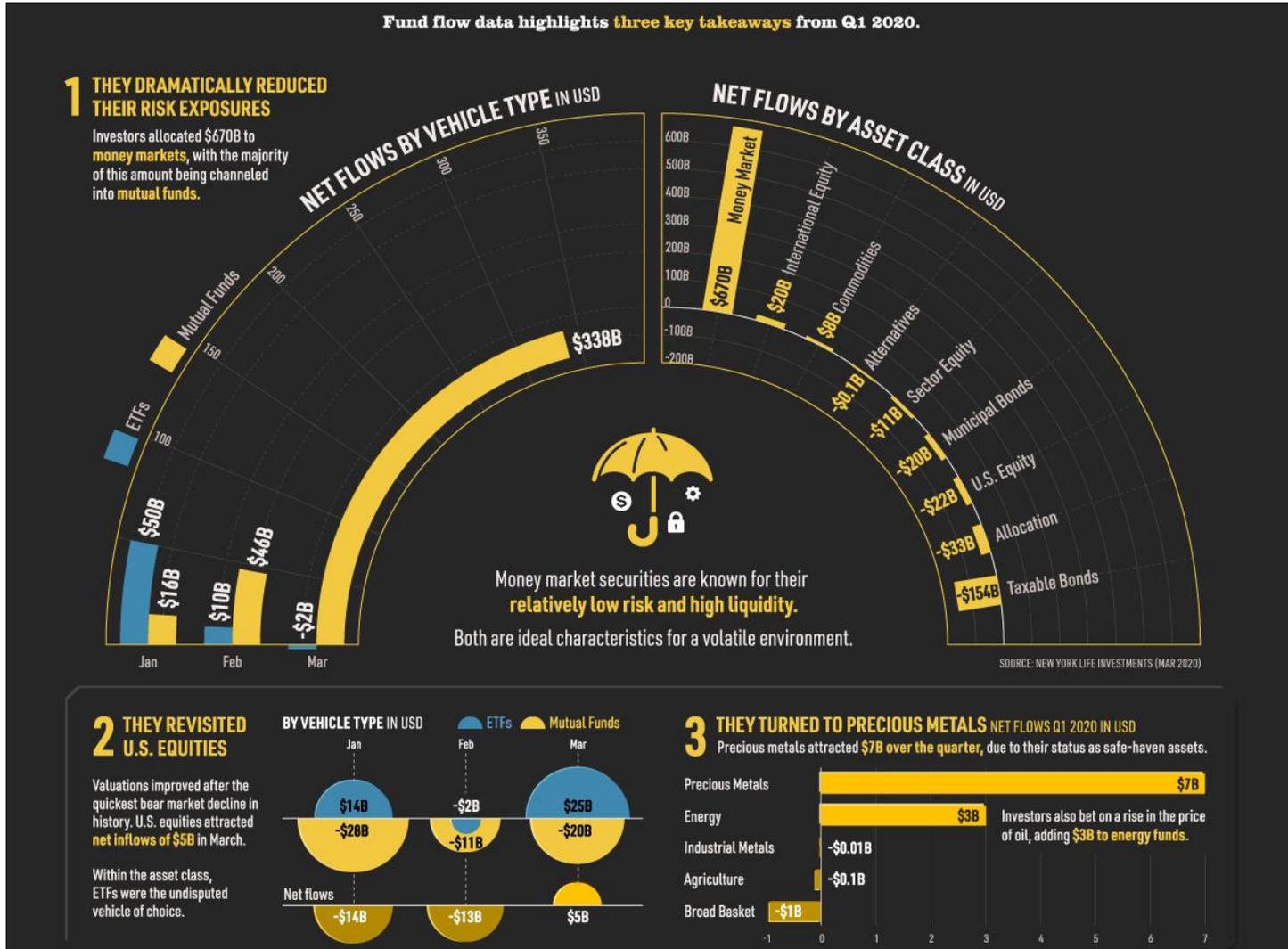
COVID-19

Wall Street's reaction to epidemics has historically been short-lived, with the S&P 500 seeing 6-month gains in most cases.

% change calculated based on end-of-month performance

Event	% change
HIV/AIDS	-0.3%
SARS	14.59%
MERS	10.74%
Ebola	5.34%
Measles Rubeola	0.20%
Zika	12.03%

SOURCE: MARKETWATCH (FEB 2020)



THE FASTEST GROWING AND DECLINING RETAIL BRANDS

The global retail industry has experienced a catastrophic start to 2020 due to the ongoing pandemic, and no retailer has been immune to its effects.

However, several brands have experienced an increase in brand value when compared to 2019.

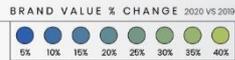


The following data comes from Kantar's BrandZ 2020 report, and incorporates financial data up until mid-April 2020.

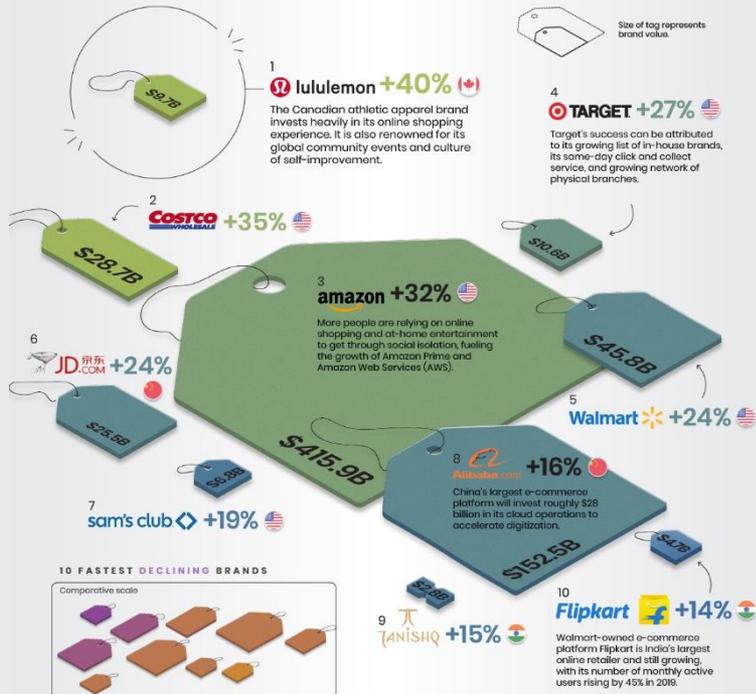
KANTAR calculates the value of a brand by using global data from:

3.7M consumers 165K brands 50 markets

BIGGEST WINS 10 FASTEST GROWING BRANDS

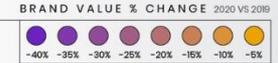


Size of tag represents brand value.

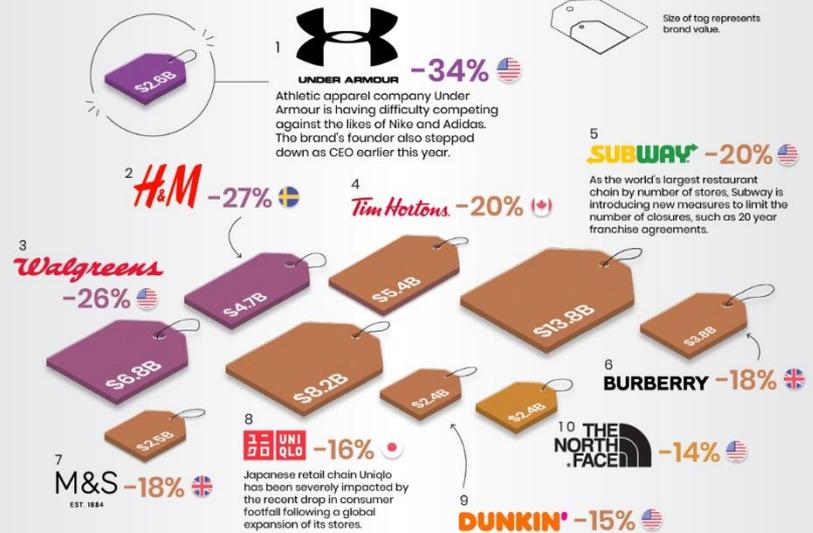


BIGGEST LOSSES 10 FASTEST DECLINING BRANDS

Scaled 200% for illustrative purposes.



Size of tag represents brand value.



Even as the economy begins to open up again post-COVID-19, the future of retail is very uncertain. How these brands react in the coming months will determine their value in the next edition of these rankings.