### MARKET RECORDS

**12 years**
The last time the S&P 500 posted such a large single day loss.\(^1\)

**33 years**
Length of time since the Dow last had such a bad quarter.\(^3\)

**March 11**
The date the 11 year old US bull market came to an end.\(^4\)

**82.69**
The CBOE Volatility Index closed as its highest level ever.\(^2\)

### GOING VIRAL\(^5\)

**March 26**
The date the US overtook China in the number of confirmed cases of Covid-19 Coronavirus.

**180**
The number of countries with confirmed cases of the Covid-19.

**861,000**
The number of confirmed cases of Covid-19 Coronavirus across the globe.

### LOCKDOWN

**US$230**
The fine amount for citizens in Italy who don’t abide by the Covid-19 lockdown.\(^7\)

**21 days**
The length of the lockdown announced for India’s population of 1.3 billion.\(^8\)

**1/3**
An estimated proportion of the global population under some form of Covid-19 lockdown.\(^9\)

**701,000**
The number of US jobs lost in March, largely due to disruption from the lockdown.\(^10\)

### CENTRAL BANK ACTION\(^11\)

**March 15**
The date the Fed cut rates by a full basis point to a range of zero and 0.25%.

**$750bn**
The amount pledged by the ECB for the purchase of government and private bonds, as well as commercial paper.\(^12\)

**0.1%**
The current headline interest rate mandated by the BOE — its lowest level in history.\(^13\)

**$700bn**
The size of the quantitative easing program the Fed announced.

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5. BBC: Coronavirus – A visual guide to the pandemic, April 1, 2020.
10. March 15
The subsequent surge in volatility and market correction reflects markets pricing in outcomes from our two downside scenarios – globalization flatlines and financial market shakeout.

The Global Investment and Economics Analysis team at BNY Mellon Investment Management

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**S&P 500 Implied Volatility**

Source: BNY Mellon using data from Bloomberg.

14Weekly data as of March 17, 2020. The CBOE Volatility Index (VIX) is a measure of expected price fluctuations in the S&P 500 Index options over the next 30 days. SKEW measures the perceived tail risk of the distribution of S&P 500 investment returns over a 30-day horizon.
Going Viral

Source: European CDC. April 6, 2020
The main economic impact is likely to be felt through the measures taken to contain it — for instance, travel restrictions, reduced working time and, in extremis, quarantine. A number of countries have already gone into effective lockdown, including the US and much of Europe and this will have a dramatic impact on GDP in the first half of the year and possibly beyond. Already, a global recession in 2020 looks more likely than not.

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**The Percentage of Global GDP in Lockdown**

Includes extreme social distancing measures. Source: BNY Mellon using data from TS Lombard and International Monetary Fund. Where is corresponding
Interest rate expectations were relatively stable for the first half of Q1 as there was increasing evidence that the global economy had bottomed and was starting to improve, particularly in the manufacturing sector. The market initially brushed off concerns stemming from the coronavirus but as cases started to grow outside China, risk-aversion escalated dramatically. After a surprise 50 basis points (bps) cut on March 3 and another 100bps on March 15, the market expects rates to remain unchanged until 2022.

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