

APR 15 - 21  
2020

# Global Crisis Monitor

An Immediate & Ongoing Survey of **COVID-19** Impact & Response

**Weekly Status Update**

April 23, 2020

TreasuryCoalition.com



**TREASURY**  
COALITION

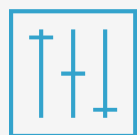


# LEVERAGE THIS REPORT

THROUGHOUT THE DISRUPTION CAUSED BY COVID-19  
A WEEKLY SURVEY AND REPORT WILL BE RELEASED

Five weeks have come and gone during the weekly Global Crisis Monitor (GCM) reporting. This is brought to you by the Treasury Coalition (TC) and the more than 600 treasury and finance professionals from around the world who have participated in this survey series. Read more about the GCM and the TC below and join your treasury colleagues in adding your voice and insights into the broader community to help each of us succeed.

Notes: This week there are some interesting data points about requirements for lifting the lockdown. Financial matters mattered for many, but medical matters mattered more. Parlez-vous Francais? Oui! Take the survey in French.



## Treasury Vitals Measurements

You'll want to monitor the key 'vitals' (measurements) of attitudes, situation and responses of organizations, banks and government across multiple dimensions including: liquidity, employee care, customer status. As we move through successive time blocks we'll be able to track positive and negative movements in both results and attitudes.



## Relevant and Timely Advice

Instead of waiting until the end of the disruptive situation (health and economic impact in this case) we want to capture and share techniques and actions of others that you may be able to benefit from a larger pool of experience.



## Three Important Actions

We ask that you give 5 minutes each week and get twice as much as you give:

1. **Take the new surveys** launched Wednesday mornings.
2. **Listen to the new podcasts** released Thursdays at noon (EDT).
3. **Read the new reports** released Fridays to the public (Thursdays to survey participants).



Spend 15 minutes weekly: 5 minutes taking the survey and 10 minutes reading the report.

Help your profession and your organization.

Craig Jeffery

*Managing Partner of Strategic Treasurer for the Treasury Coalition and the Treasury Profession*

[treasurycoalition.com](https://treasurycoalition.com)



**TAKE SURVEYS** » *Wednesdays*



**LISTEN TO PODCASTS** » *Thursdays*



**READ REPORTS** » *Fridays*

# GLOBAL CRISIS MONITOR

## IMMEDIATE AND ONGOING SURVEY OF THE IMPACT OF AND RESPONSE TO SIGNIFICANT GLOBALLY DISRUPTIVE EVENTS

Everyone loves dissecting an event after the fact: Seeing the start and then escalation of an event, watching awareness grow, seeing responses and reaching the inflection point. Then we note how the economy, company or global business environment recovers to a state of normalcy and then, perhaps, to accelerate out of the crisis or problem.

The finance profession generally and treasury specifically are a reasoning, pragmatic and unemotional bunch. They like to know facts, understand risks and communicate clearly. They are not distracted too easily by loud noises or major shifts. Nonetheless, from time to time there are events or disruptions that leave the profession wanting more information and seeing insights from a large number of their peers - and they want those insights and data quickly.

Hindsight is often closer to 20/20, but it arrives too late, like the response of 'watch your head' after you have bumped on the overhead bin. We think that it would be far more helpful to see what others are doing, learning and thinking more rapidly, to get closer to real-time when mid-course adjustments are in order, or simply to know that you are following what many leaders are doing for good reason.

The intent of this Treasury Coalition survey, the Global Crisis Monitor, is to provide rapid exploration and responsive reporting on major factors impacting the profession in collaboration with other leading treasury organizations. The coalition aspect is designed to find common points of concern, with multiple leading treasury organizations leveraging their networks to ensure the most rapid and comprehensive results for the good of the profession.

We believe that having information and insights sooner is better than later. As we gain insights over multiple events, we may as an industry gain better leading indicators that let us know when to expect the inflection point and a return to normalcy.

Our thanks to you, the reader and the respondent to these frequent mini-surveys, which allow us to monitor the situation together and respond in a more prepared manner. You help yourself, your company and the industry. We appreciate the teamwork.

*Organizational survey response details remain strictly confidential and are not shared or used for any other purpose than the survey itself.*

**“You don't throw  
a compass overboard  
because the ocean  
is calm.”**

*- Matshona Dhliwayo*



# TREASURY COALITION

## COLLABORATIVE EFFORT FOR THE BENEFIT OF THE TREASURY INDUSTRY FROM LEADING TREASURY SOLUTION PROVIDERS

When a global challenge or crisis confronts us or our profession, we want to push back and join forces. The Treasury Coalition is a group of treasury organizations who want to assist the industry in understanding what is going on and how others are viewing the situation.

We want to help find ways of gathering data and sharing insights that help our companies, our profession and the economic environment rebound effectively.

As the COVID-19 virus continued to spread and impact more countries with greater severity, Strategic Treasurer, a treasury consulting and research firm, decided to form the Treasury Coalition by inviting other treasury-focused organizations to join them.

Even in the midst of responding to rapidly changing events, two organizations joined within 24 hours of being invited. Others followed suit over the next few days. More have been added in subsequent weeks. If you are a solution provider and want to join forces, please let us know.

The intent is to share several things together, namely:

- Distribute the offer to take the survey broadly across all geographies by leveraging our client networks.
- Share the insights to the industry at large and to particular groups.

As always, we welcome your ideas.





# HOW HAS COVID-19 IMPACTED TREASURY?

## STILL STORMY WITH SIGNS OF DAYLIGHT

Concern about how long the lockdown/shelter-in-place/quarantine was going to drag out topped the open-ended list of issues people were having last week and finance people voted with their medical understanding for a lockdown lifting. Perceptions of organizational liquidity improved for the first time during the GCM's current run (five weeks).

To summarize the lockdown lifting advice we received from finance professionals: Money matters mattered for many, but medical matters mattered more.



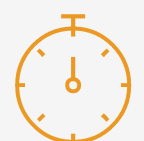
### FINANCIAL NORMALCY STABLE AT 9 MONTHS

Each week the timeframe to reach financial normalcy has grown until now. The median estimate stopped and held at 9 months this week.



### COMPANY LIQUIDITY: REVERSES

Changing perceptions on organizational liquidity shifted directions and had a net positive for the first time. 28% changed positively while only 16.9% were more negative.



### HEALTH AND ECONOMIC RECOVERY: STABLE VIEW

The inflection point for the virus and timing for COVID-19 to reach a minimal health impact were stable over last week's averages.



### BANK CREDIT MOVES POSITIVE

Access to bank credit was perceived by more respondents and improving over the past week after camping out in negative territory for the first four weekly measurements.



### 600+ GLOBAL RESPONDENTS

Over 600 professionals, representing all non-frozen continents around the globe, have been sharing their outlook, actions and concerns.



### UNEMPLOYMENT > GDP

Lifting the lockdown only had 37% of respondents picking economic metrics. Of those, unemployment figures were far more decisive (52% to 26%) than Gross Domestic Product measurements.



### FINANCIAL MATTERS, MEDICAL MORE SO

Lifting the lockdown (gradually) was a top issue. Medical waypoints (90%) were vastly more important than financial factors (37%) in determining when to ease lockdown restrictions.



### BROKEN RECORD A/R CONCERNS

The winner of the most negative liquidity concern for all 5 weeks in an unbroken streak. Exceeding negativity continues at a 'reduced' 7X+ factor over the prior week.



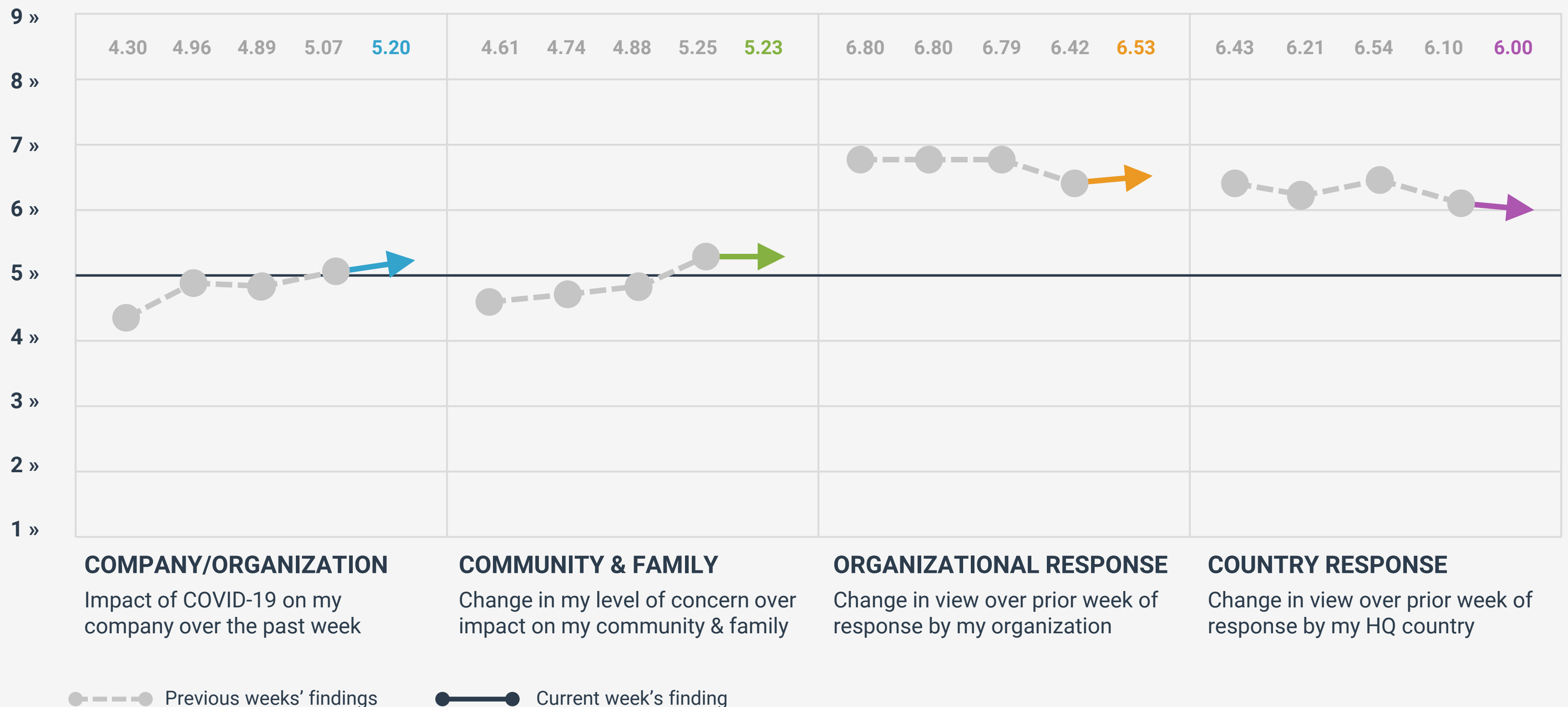
# PERSPECTIVES

## WHAT CHANGED IN SENTIMENT THIS WEEK?

Vital signs give us a quick indication of what is happening. This chart measures several vital signs in the form of changing perspectives. The perception of responses by organizations and HQ Country have a five-week track record of improving over the prior week.

The perception of the impact to the company and community & family improved over the prior week for the first time in the 4th edition of the Monitor and did so again this week. We wanted to watch to see if this is the primary inflection point for those categories, and this week gives us more optimism.

The line at 5 represents an unchanged view from the prior week. If the arrowhead is placed above the line, the perception has improved since the last period. Below the mid-point indicates a deterioration since the prior period. These scores are the average of all respondents on a 1-9 scale.



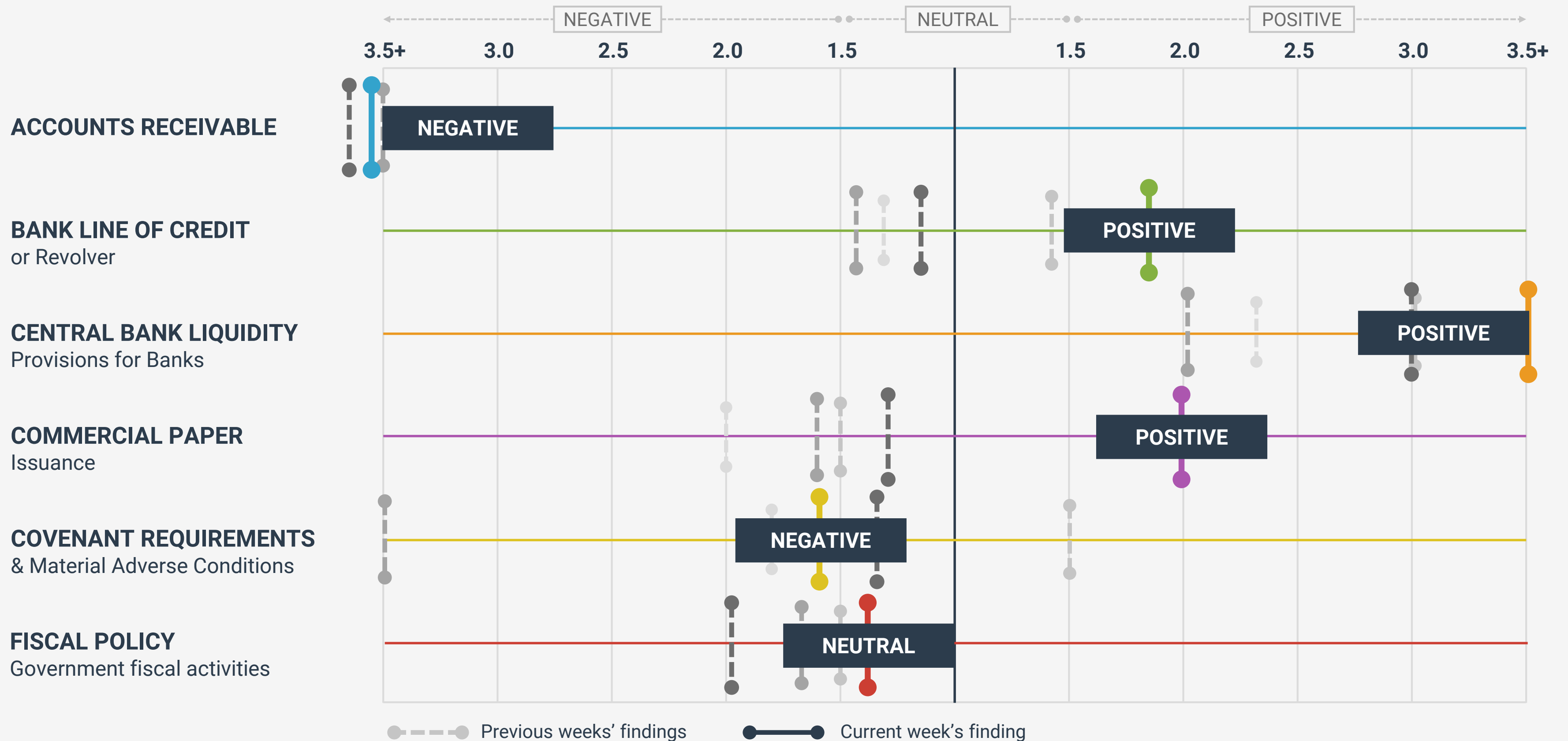
# DEBT & LIQUIDITY

## WHAT ACCESS DOES TREASURY HAVE?

Cash is king is true and easy to repeat. In times of disruption and crisis, much attention is paid to the king. Perhaps cash is the entire royal family. This graphic measures a handful of elements that add to or detract from an organization's liquidity.

Accounts Receivable remains pinned on the negative border again (now at about 7x negative). Making a move into positive territory was Bank Lines of Credit and CP. The lone positive from last week, central bank provided liquidity, moved to the right even more this week. Fiscal policy is in the neutral range now.

Understanding the chart: The vertical barbells represent the ratio of more-concerned vs less-concerned. Lighter bars indicate historical positioning. Please note that the chart is bounded at <3.5 and >3.5.



# TIMING ESTIMATES

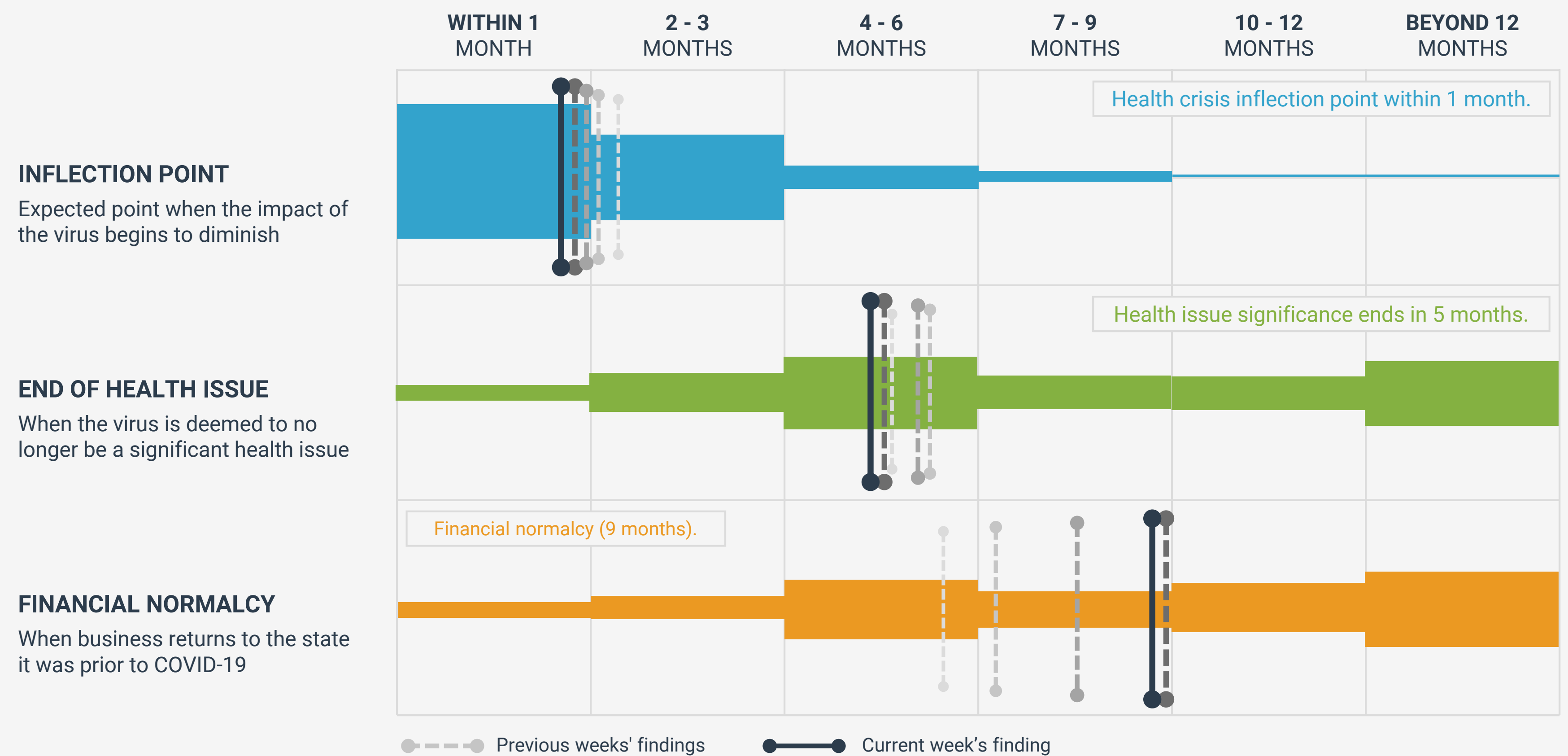
## ADD ANOTHER MONTH FOR FINANCES

These three graphics represent key milestones in the recovery and return to normal times medically and financially. We believe it useful to see others' expectations on the timing of these milestone events for the current disruption. We also expect this may help gauge the level of

pessimism or optimism of treasury/finance professionals and assist us even more with future events as we understand any collective bias.

The views for the virus inflection point, the end of Covid-19 as a significant health issue remained at almost the exact same positions as last week.

The rectangles below represent the proportionate amount of responses in each time domain. The bars represent the median response from all respondents. Over time the bars should move to the left as we move forward in time.





# ECONOMIC VIEWS

## ECONOMIC RECOVERY TIMING? 10 MONTHS

This graphic shows the perspectives on the overall economy across two time domains: 3 and 12 months. There are three separate rectangles from top to bottom showing positive, neutral and negative economic outlook.

The numbers in the middle of the chart show the average selection. A 5 represents neutral view. Below 5 is pessimistic, and numbers above 5 show optimism.

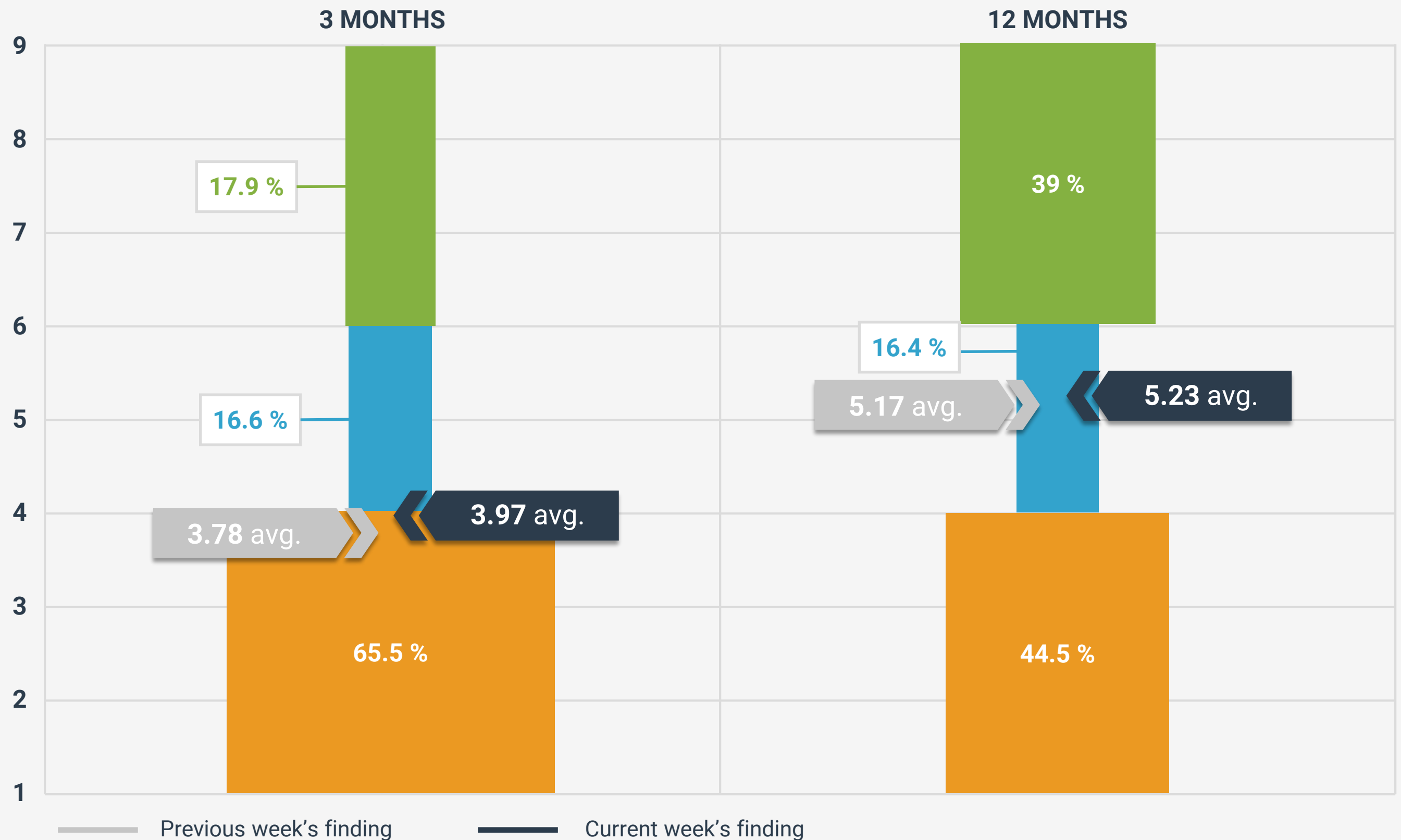
The rectangles represent the outlook on the economy, and their size and number reflect the proportion of the views for each time domain. The green is the optimistic viewpoint (6-9 from the survey). Orange are pessimistic viewpoints (options 1-4) and the blue show the neutral. The dark arrow blocks show the median response from all respondents.

### ECONOMIC TURNING POINT

Less pessimism is a good descriptor of both time domains in this week's monitor. Both the 3-month and 12-month time domains improved over the prior period.

This equates to the economy achieving 'normal' status from this measure at about 10 months from now or February 2021.

The 3-month outlook remains substantially negative.



# LIFTING THE LOCKDOWN

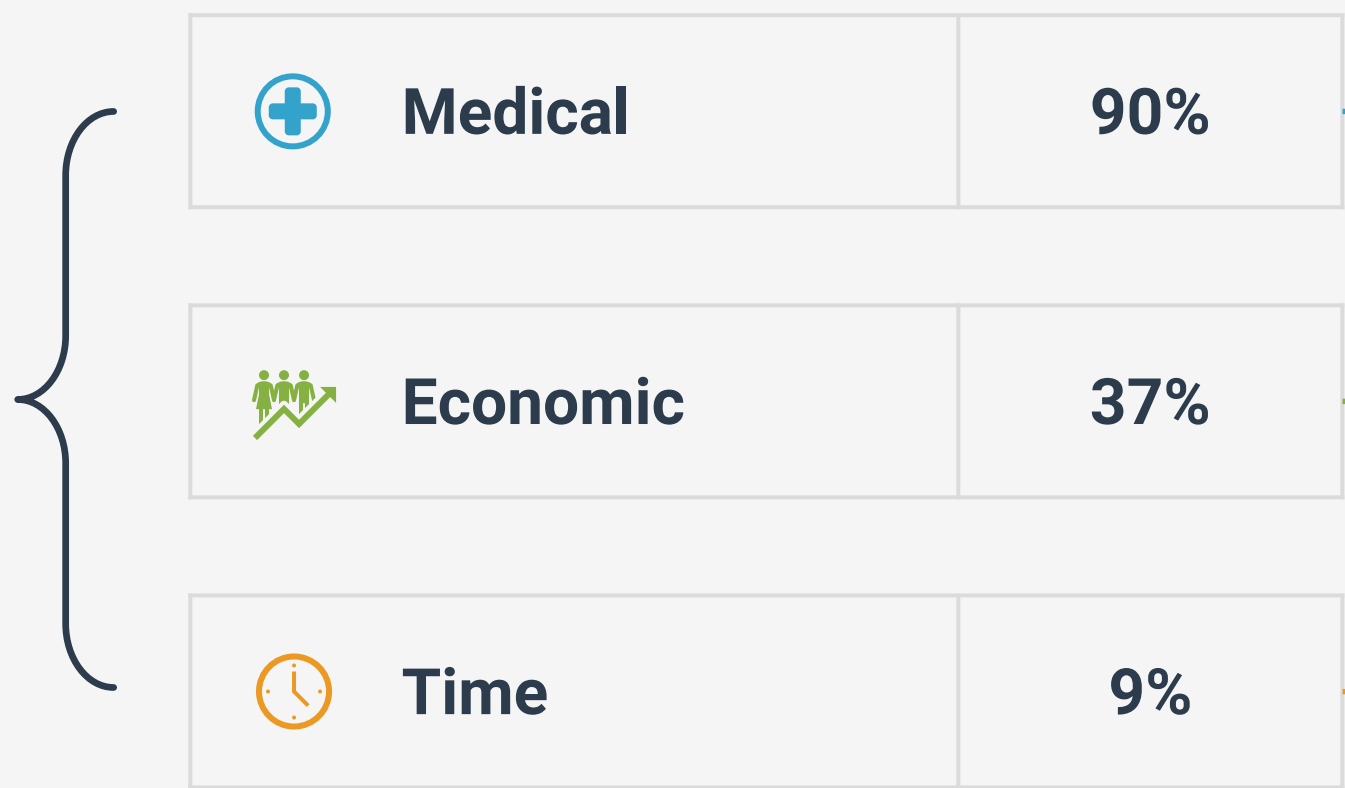
## MEDICAL MATTERS MATTERED MORE THAN MONEY

Widespread concerns about the lockdown were the top issue during a previous Monitor. For week 5 we added a question with multiple subquestions to determine what mattered to finance and treasury for lifting the lockdown.

- *Medical Matters Mattered to Most (90%). The top selections were: 1) broader testing for the virus and 2) broad availability of medication and treatment for the virus. Being able to have 3) a track record of declining COVID-19 cases edged out 4) broad availability of Personal Protective Equipment.*
- *Money Matters Mattered to Many (37%). Unemployment considerations outpaced 2) user entered elements and 3) gross domestic product changes.*



**In Your Opinion,  
How Should the  
Lock Down be Lifted?**  
Select All That Apply



<b>Broader Testing for Virus</b>	<b>78%</b>
<b>Medication / Treatment (Broad Availability)</b>	<b>61%</b>
<b>Declining Cases (Over 1 Week+)</b>	<b>55%</b>
<b>PPE (Broad Availability)</b>	<b>50%</b>
Sufficient # of Ventilators / Care Capacity	44%
Vaccine (Pass 1 <sup>st</sup> Clinical Trial)	28%
Vaccine (Fully Approved)	22%
<b>Unemployment</b>	<b>52%</b>
Other	26%
GDP	22%
<b>Breakouts Not Statistically Significant</b>	<b>n/a</b>

IMPORTANT WEEKLY ACTIONS



TAKE THE SURVEYS



LISTEN TO PODCASTS



READ THE REPORTS

THANKS TO OUR PARTNERS



axletrees.com



bellin.com



bottomline.com



fides.ch



gpsfx.com



gtreasury.com



highradius.com



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