

APR 22 - 28
2020

Global Crisis Monitor

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

Weekly Status Update

April 30, 2020

TreasuryCoalition.com



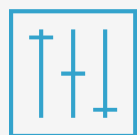
TREASURY
COALITION

LEVERAGE THIS REPORT

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

Six weeks have come and gone during the weekly Global Crisis Monitor (GCM) reporting. This monitor is brought to you by the Treasury Coalition (TC) and the many hundreds of 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 we cycled in some questions to gain insight about what was happening to projects in light of the disruption. The news isn't pretty, but it isn't as ugly as you might think. See more details on page 10.



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).



One Percent: Invest 1% of your work week with us: 5 minutes taking the survey and maybe 19 minutes reading the report and listening to the podcast. You'll be glad you did.

Craig Jeffery

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

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.

**“I can't control
the wind
but I can adjust
the sail.”**

- Ricky Skaggs



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?

MORE DAYLIGHT, HEALTH ISSUE DOUBLES TO 10 MONTHS

Company outlook on liquidity position and all four major sentiment factors moved positive this week, indicating more daylight may be breaking through. However, respondents doubled their estimate before COVID-19 becomes a minimal health issue. Finances send similar signals, with financial normalcy stretching to 10/11 months while the 3 and 12 month economic indicators point to 9 month equilibrium. Respondent answers indicate early 2021 for a return to financial health.

Nearly one-third of projects were paused and almost the same number were altered. One in nine firms started projects during the COVID-19 era.



FINANCIAL NORMALCY EXTENDS TO 10/11 MONTHS

Each week the timeframe to reach financial normalcy has grown until week 5. Week 6 continued the trend of expanding and now sits at nearly 11 months.



DOUBLING TO 10 MONTHS FOR HEALTH CRISIS TO ABATE

After living in the 5-6 month range for the life of the Monitor, the expectation for when COVID-19 would reach a minimal health impact doubled to 10 months.



COMPANY LIQUIDITY: POSITIVE

Changing perceptions on organizational liquidity repeated a week on week improvement in outlook. 30.1% changed positively, while only 15.7% were more negative.



BANK CREDIT MOVES POSITIVE

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



650+ GLOBAL RESPONDENTS

Over 650 professionals, representing all non-frozen or sunken continents around the globe, have been sharing their outlook, actions and concerns.



ECONOMIC 12 MONTH

The economic outlook for 12 months reached the highest level so far in six Monitors, reaching 5.46 off a neutral base of 5.00. The 3-month outlook improved (less negative) to 4.13, emerging from living in the 3s.



FORCED RANK CONCERNS

Direct financial impact to the business and Access to adequate liquidity were the top two organizational concerns. Staff safety protocols and Recession concerns were third and fourth respectively.



A/R CONCERNS CONTINUE

Concerns about AR continue to win the most negative liquidity concern, exceeding a 5 negative to 1 positive result ratio over the prior week.



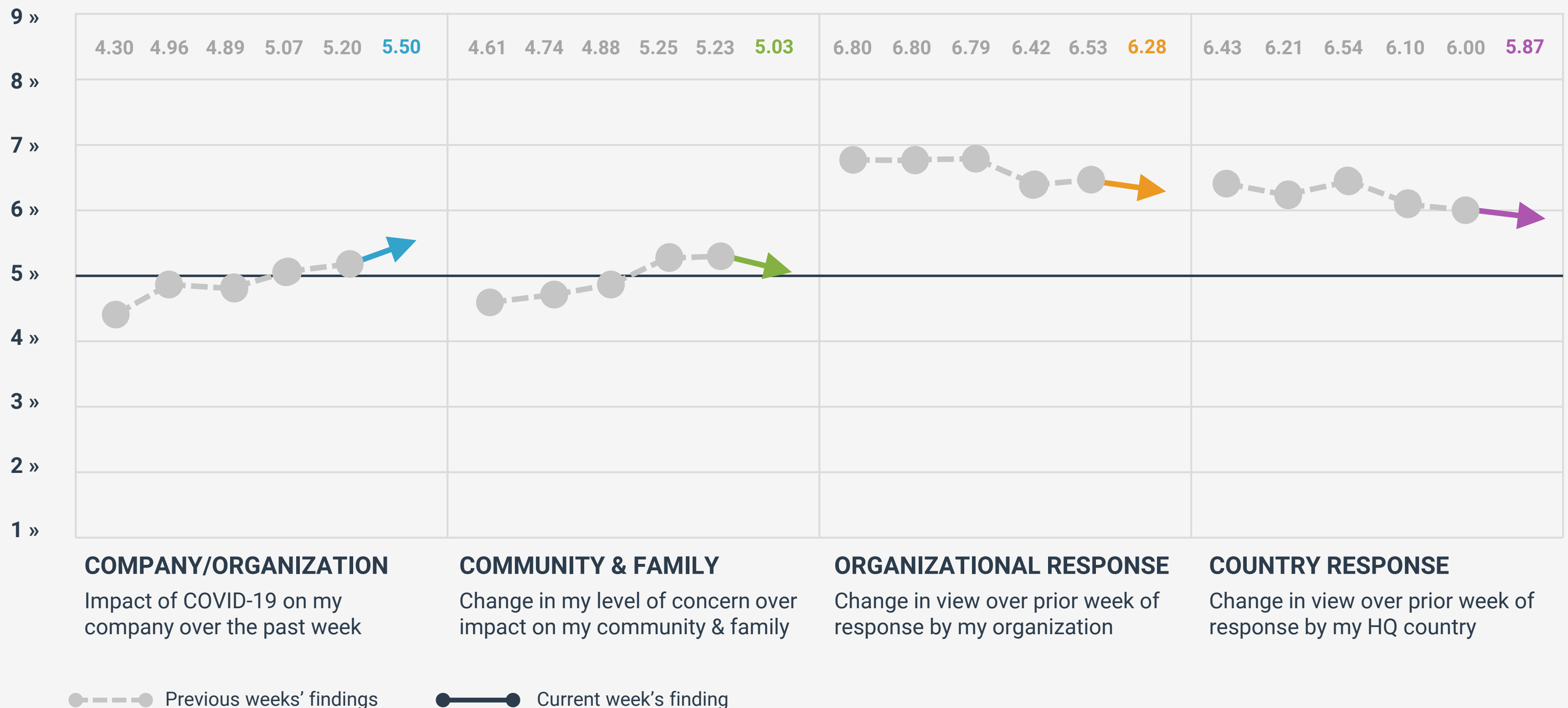
PERSPECTIVES

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 an unblemished track record of consistent improvements over the prior week.

The perception of the impact to the company and community & family both improved over the prior week for the third time in a row (>5.0). We were watching to see if week 4 represented an inflection point for those categories, and it is starting to look like that was the case.

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.



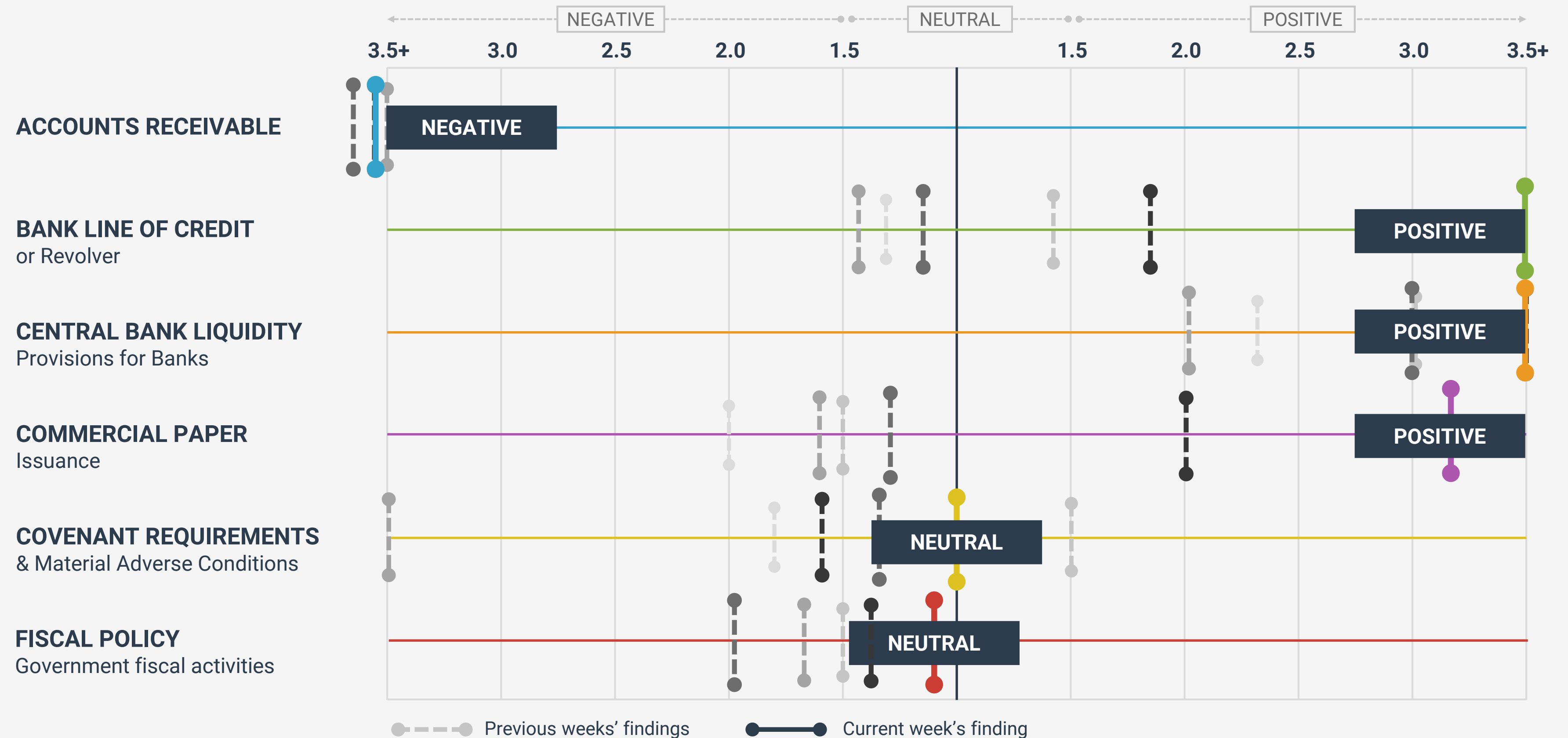
DEBT & LIQUIDITY

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 actually the entire royal family. This graphic measures a handful of elements that add to or detract from an organization's liquidity.

Once again, Accounts Receivable outlook is very pessimistic and seems content to stay pinned on the negative border of our chart for the sixth week in a row. Three elements that are now quite positive include 1) Bank Lines of Credit 2) Central Bank Liquidity and 3) Commercial Paper Issuance. Fiscal policy continues in the neutral range.

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

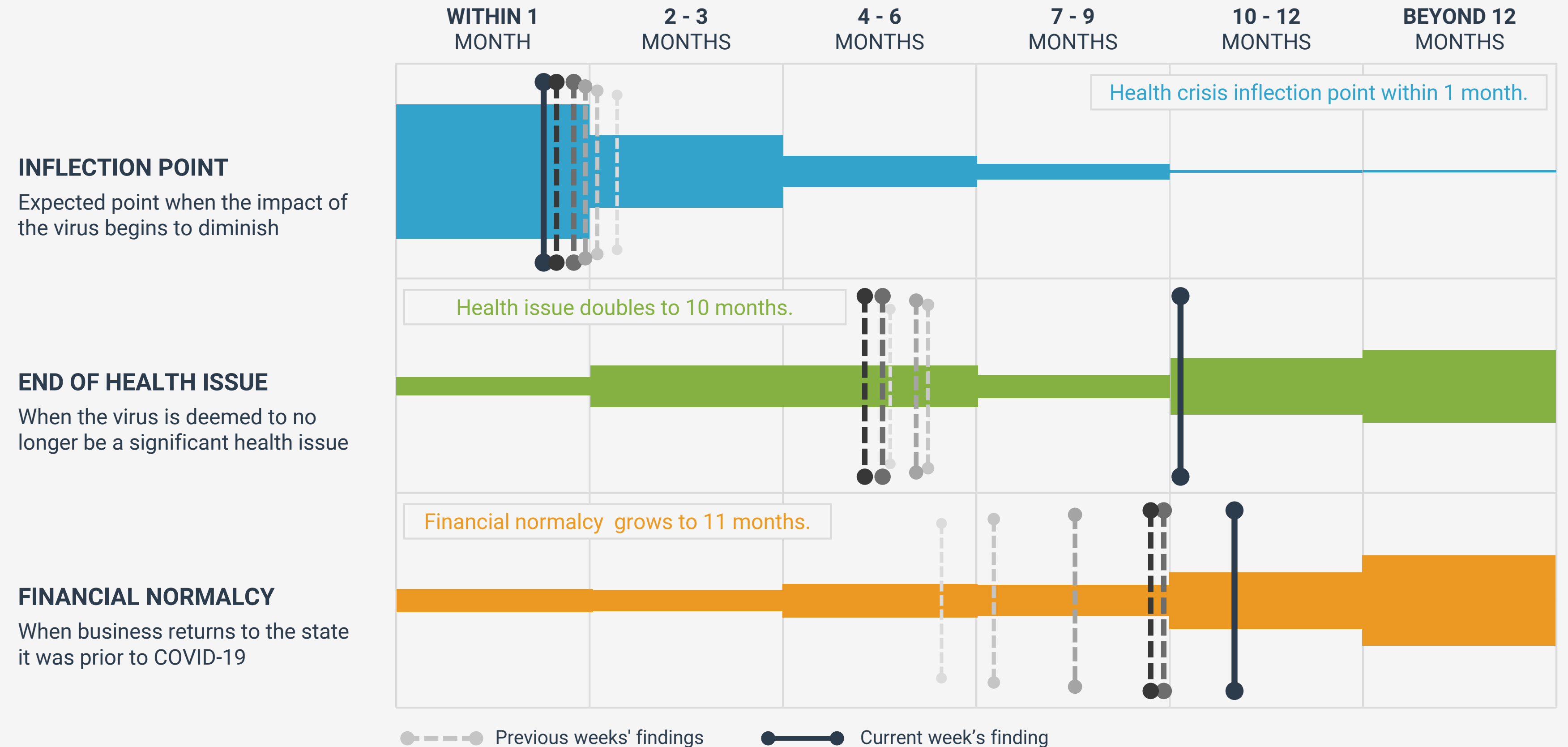
ADD ANOTHER MONTH FOR FINANCES

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 continue along the trend, while the end of COVID-19 as a significant health issue added 5 months and expectations of a return to financial normalcy grew again to between 10/11 months.

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? 9 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.

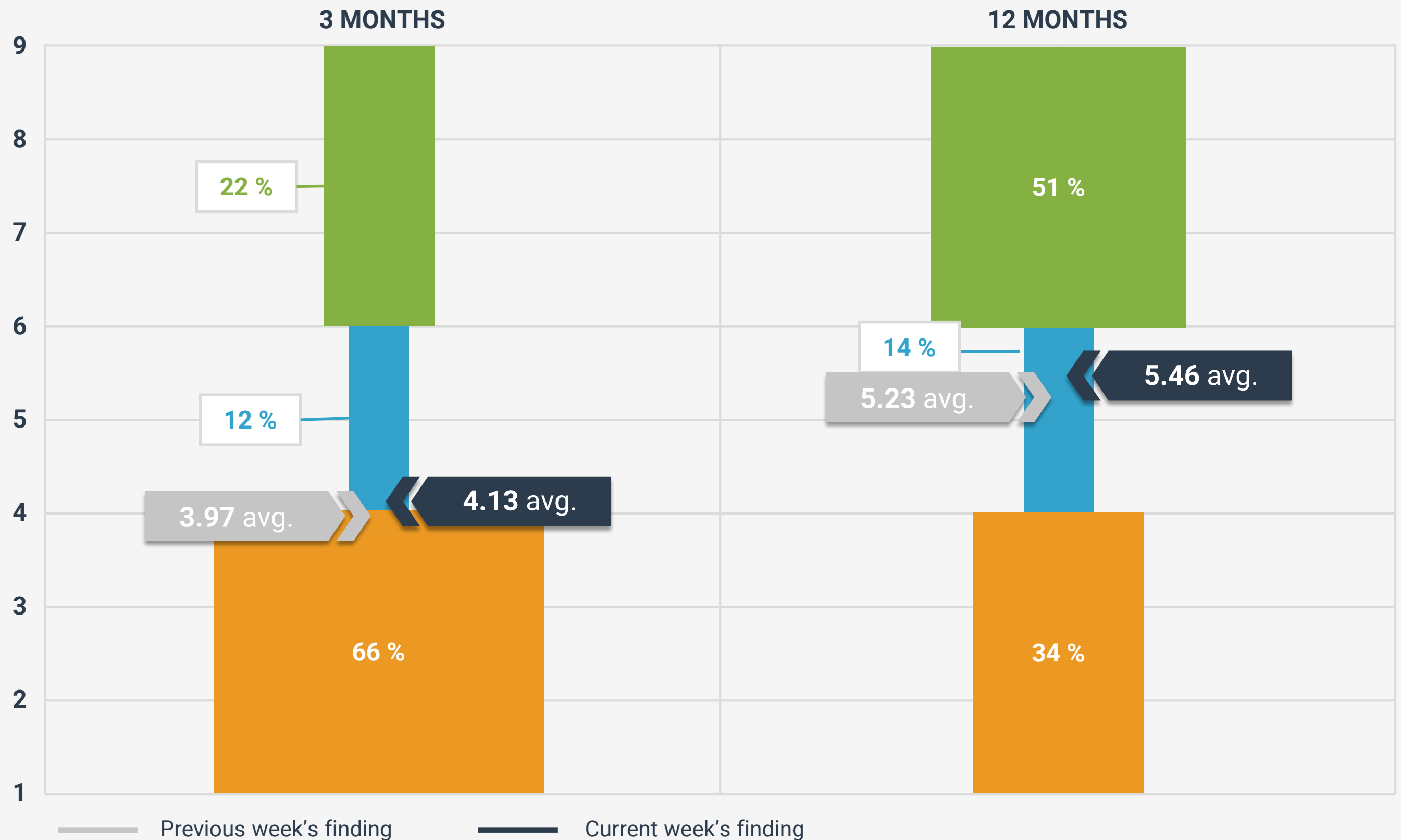
The rectangles represent the outlook on the economy, and their size and number reflect the proportion of the views for each time domain. The green is the optimistic viewpoint (6-9 from the survey). Orange are pessimistic viewpoints (options 1-4) and the blue show the neutral. The dark arrow blocks show 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 9 months from now or January 2021.

The 3-month outlook remains negative.



PROJECT STATUS

SIGNIFICANT ADJUSTMENTS TO PROJECT WORK

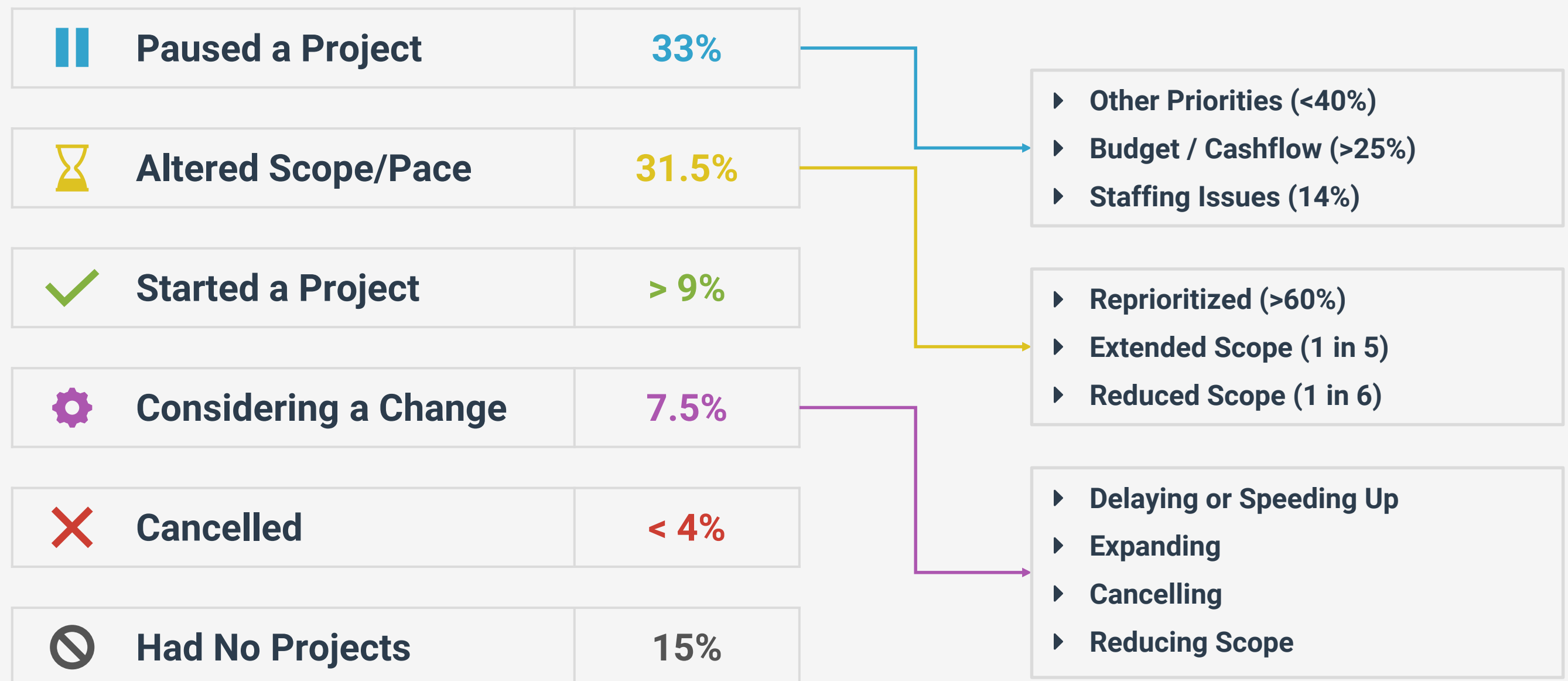
How organizations have responded to the crisis across multiple dimensions is a key insight we seek from the monitor. This week's edition sought to find out the level at which projects were being cancelled, delayed, or minimized, or if projects were expanded or started.

The obvious headline is that one-third of projects were paused, and nearly the same number of projects were altered in scope or pace. However, of those that were altered, you can see that more project added scope (1/5) than those that reduced scope (1/6). And, more than 9% of firms started projects during this time.



For projects that involve banks and technology partners, since the scaling up of the COVID-19 responses, we:

Select All That Apply



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



icdportal.com



iongroup.com



kyriba.com



thecarfanggroup.com



tis.biz



3vfinance.com



treasury-webinars.com



treasuryxpress.com