

APR 29 – MAY 5

2020

Global Crisis Monitor

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

Weekly Status Update

May 7, 2020

TreasuryCoalition.com



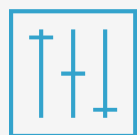
TREASURY
COALITION

LEVERAGE THIS REPORT

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

Seven weeks of the Global Crisis Monitor (GCM) are complete. The Monitor is brought to you by the Treasury Coalition (TC) and the nearly 1,000 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 related to: 1) topics that have been reconsidered or reemphasized since the crisis started and 2) perspectives on how vendors have been supporting their clients. See more details about this in the report.



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

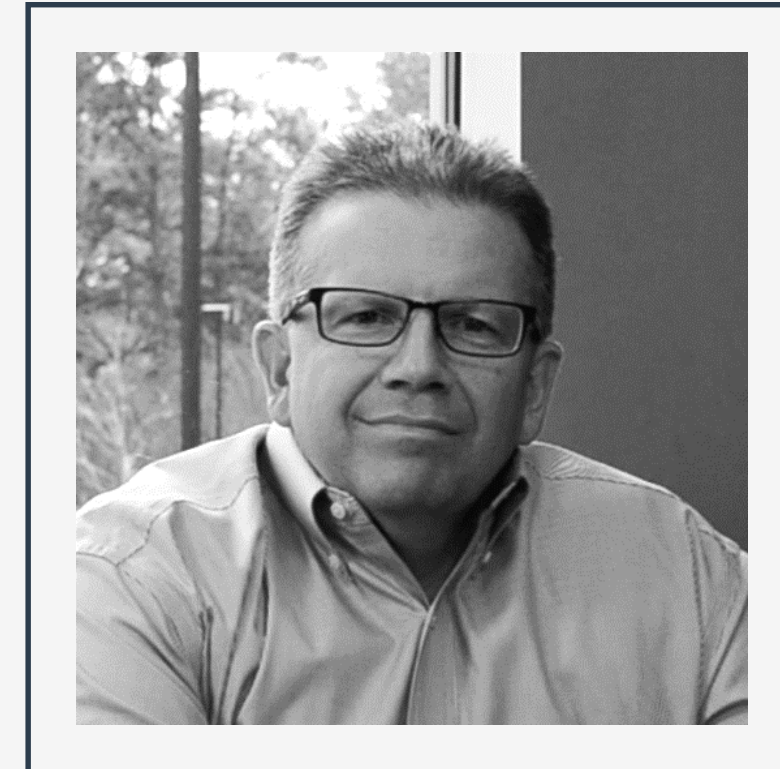
Instead of waiting until the end of the disruptive situation (health and economic impact in this case), we want to capture and share techniques and actions of others so that you may be able to benefit from a larger pool of experience.



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).



Help Us Help You. Spending a few minutes (~5) each week taking the survey and reading the results better arms you and your organization with the most up-to-date information on the crisis and recovery.

Thank you and kind regards,

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.

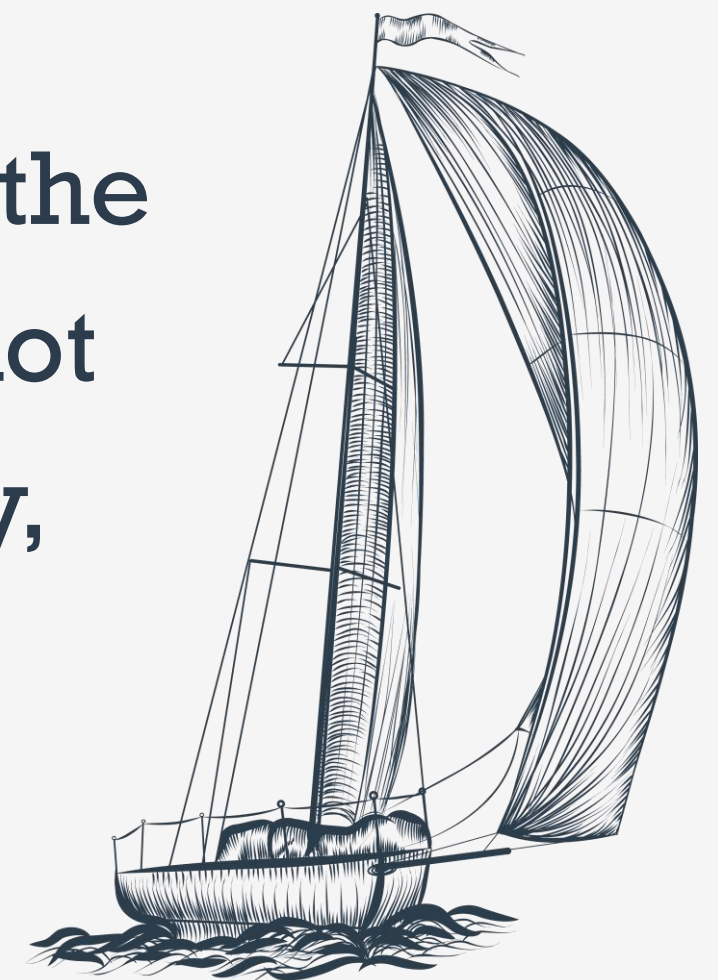
We believe that having information and insights sooner is better than later. As we gain insights over multiple events, we may as an industry gain better leading indicators that let us know when to expect the inflection point and a return to normalcy.

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.

**“And when the
wind did not
blow her way,
she adjusted
her sails.”**

- Elizabeth Edwards



TREASURY COALITION EXPANDS AGAIN

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 aid our companies, our profession and the economic environment in rebounding 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?

MUCH MORE DAYLIGHT, FEWER CLOUDS

Company outlook on liquidity position and all four major sentiment factors moved positive this week, confirming that more light is remaining on a week to week basis at this point in the Monitor. The extreme extension of the health situation seen in the prior week's Monitor (shifted from 5 months to 10 months) has moderated a bit, pulling back toward the 8.5-month timeframe. Finances are also delivering positive signals, with financial normalcy shortening to about 10.5 months, while the 3- and 12-month economic indicators point to an 8-month equilibrium.



FINANCIAL NORMALCY PULLS BACK TO ~10 MONTHS

The timeframe to reach financial normalcy grew through week 6, reaching 11 months. Week 7 showed the first pull back, and it now sits at about 10 months.



HEALTH SERIOUSNESS RECEDES TO 8.5 MONTHS

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 in week 6 and pulled back a few weeks during this week's Monitor.



COMPANY LIQUIDITY: POSITIVE x3

Changing perceptions on organizational liquidity now at the 3rd straight week of improving outlook, with 27% indicating a positive movement and only 14% more negative.



BANK CREDIT STAYS POSITIVE

Access to bank credit continued the multi-week positive trend. Views on the Central Bank provided liquidity are quite positive too, as you can see on the detailed page in this monitor.



700+ GLOBAL RESPONDENTS

The audience continues to expand and has now surpassed 700 unique respondents covering the globe.



ECONOMIC EXUBERANCE?

The economic outlook for 12 months reached another record and now sits at 5.55 off a neutral base of 5.00. The 3-month outlook improved significantly (less negative) to 4.41 from 4.13.



FORCED RANK CONCERNS

Direct financial impact to the business and Access to adequate liquidity were the top two organizational concerns. Recession concerns ranked a solid 3rd.



A/R CONCERNS CONTINUE

Concerns about A/R maintain their undefeated streak as the most negative liquidity concern, again surpassing a 5 to 1 negative to positive 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 (>5.0) for the fourth time in a row. We were watching to see if week 4 represented an inflection point for those categories, and we feel comfortable in stating that this 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

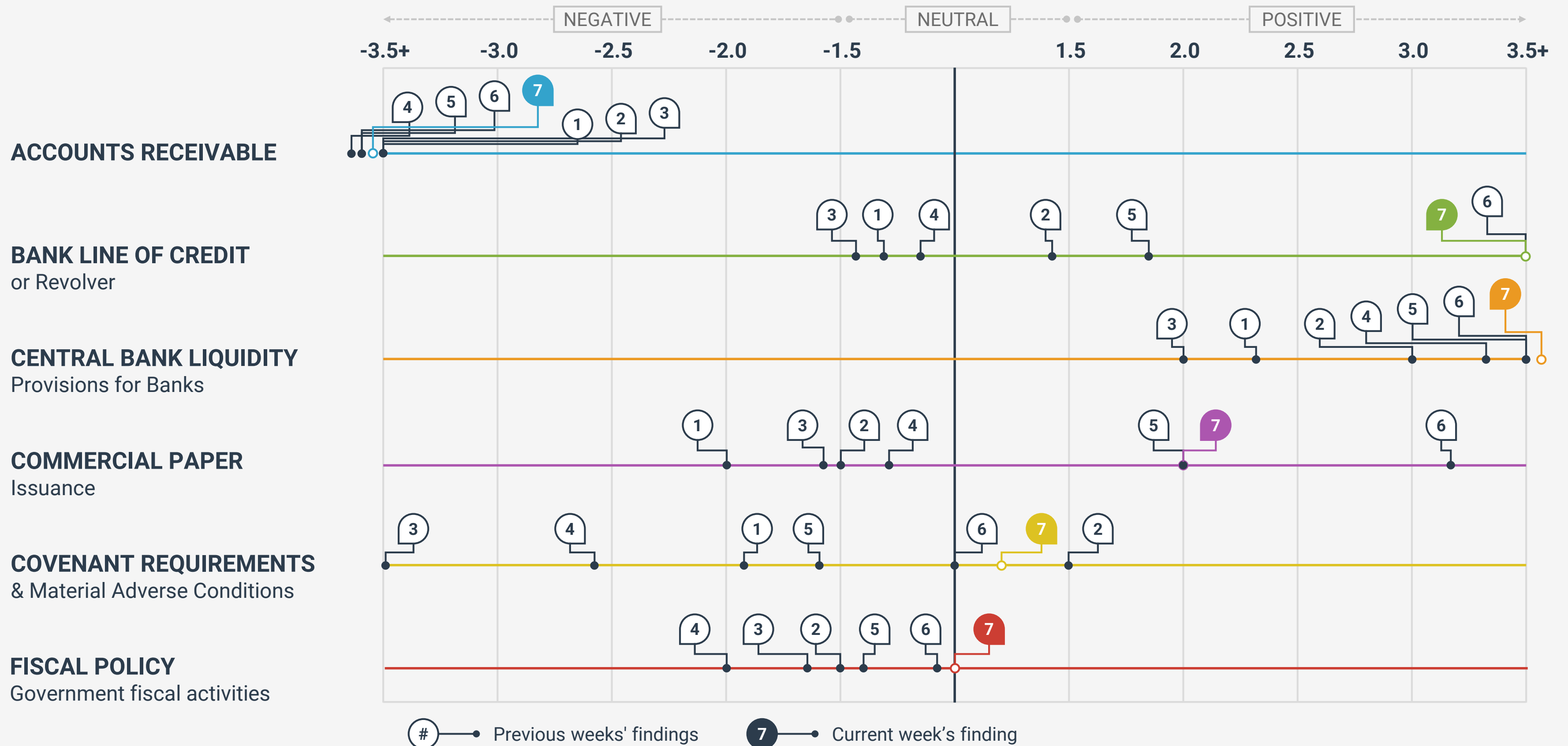
WHAT ACCESS DOES TREASURY HAVE?

Cash is King. In times of disruption and crisis, much attention is paid to the King. 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 seventh week in a row.

The remaining elements are now all in positive territory (or neutral). We are including Fiscal Policy, which moves to a solid neutral.

Understanding the chart: The teardrops replace the barbells and represent the ratio of more-concerned vs less-concerned. Numbers within the teardrop indicate historical positioning, with a 7 representing week 7 of the Monitor. Please note that the chart is bounded at <3.5 and >3.5.



TIMING ESTIMATES

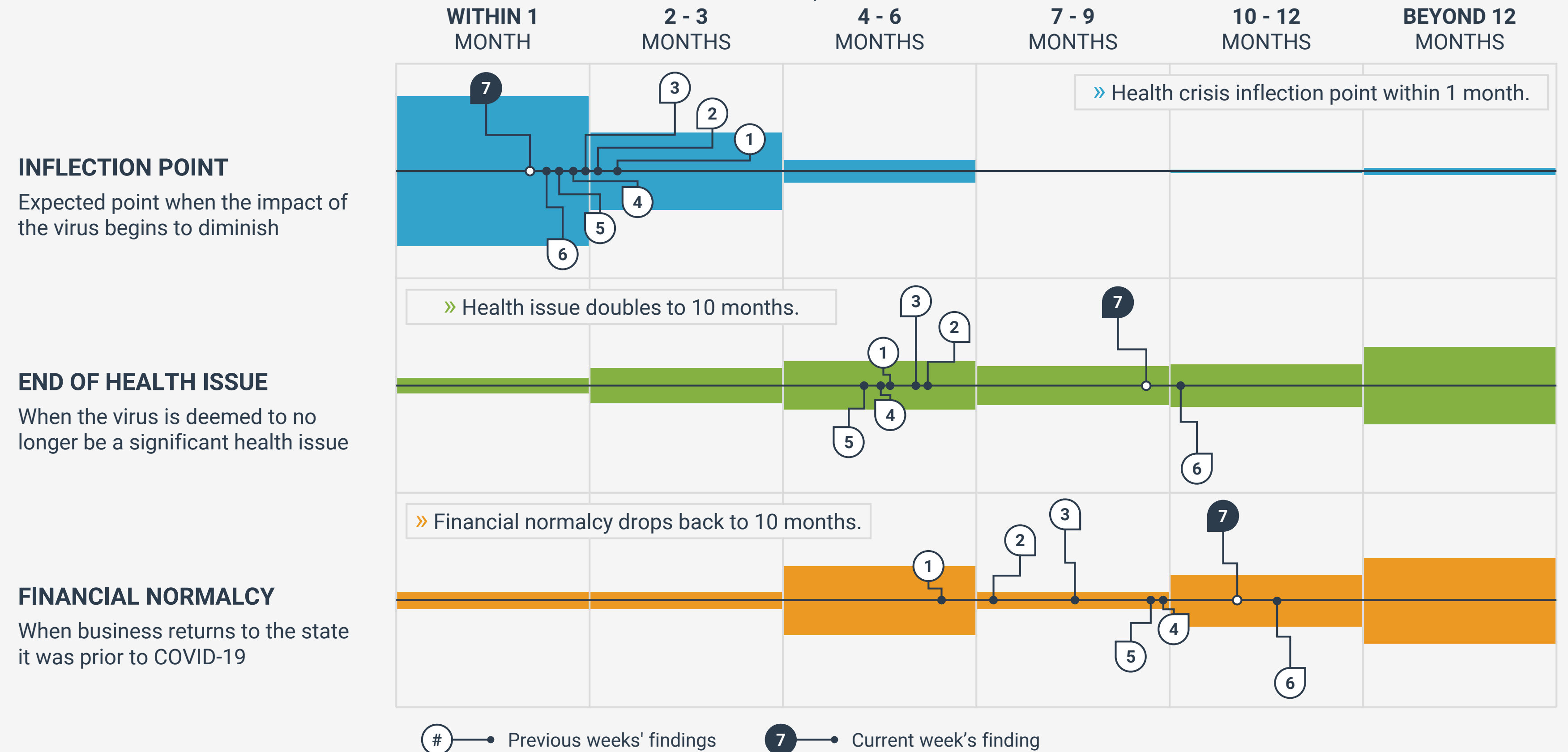
FINANCE NOW AT ~10 MONTHS

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 recently added 5 months, and expectations of a return to financial normalcy receded this week to about 10 months.

The rectangles below represent the proportionate amount of responses in each time domain. The tear drops represent the median response from all respondents. The numbers indicate the week of the Monitor.



ECONOMIC VIEWS

ECONOMIC EQUILIBRIUM: 8 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.

ECONOMIC TURNING POINT PULLS IN

The outlook for economic status in the 3-month and 12-month time domains both improved.

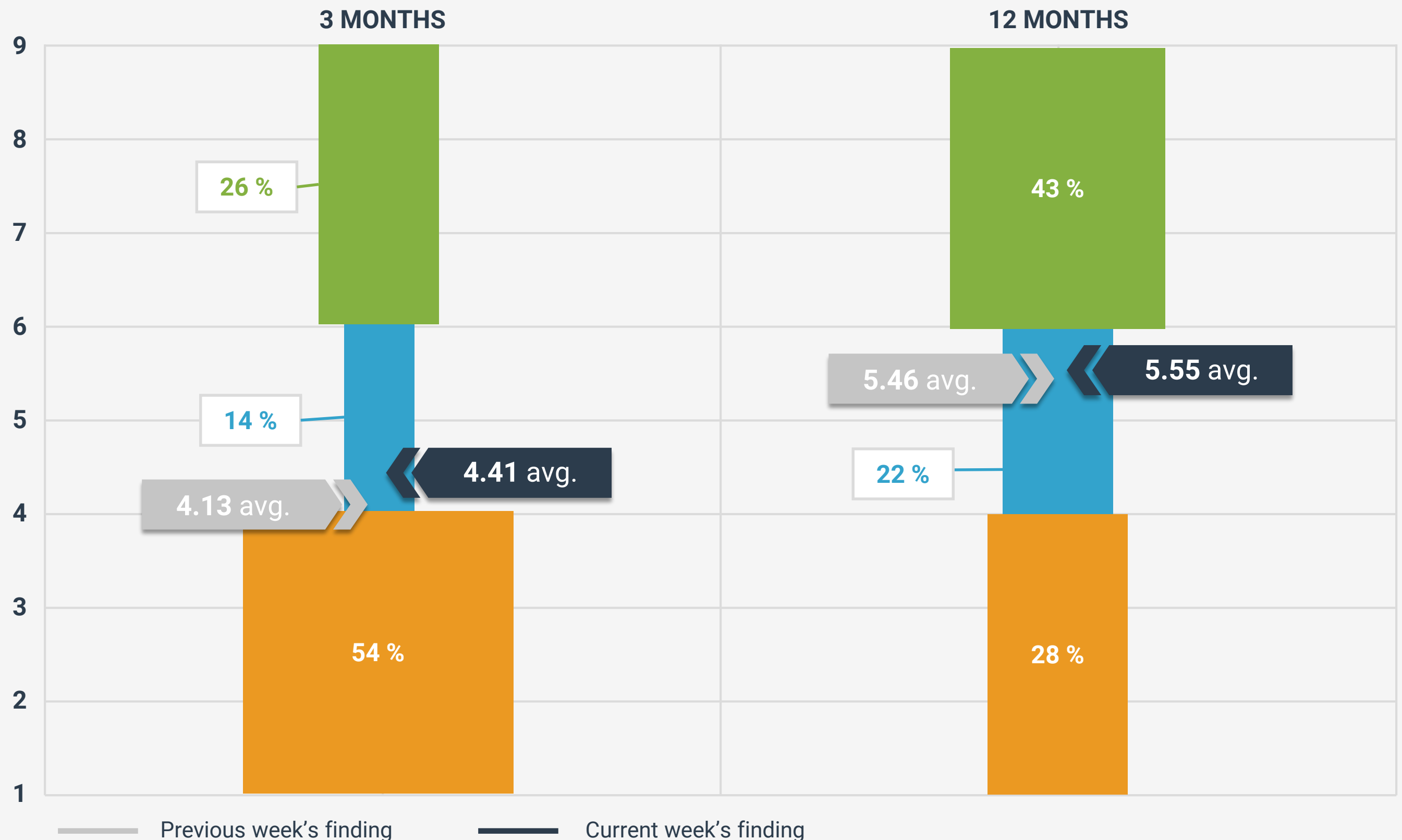
The 3-month outlook experienced a 2nd week in the "4s," showing a decline in pessimism in the near term.

Similarly, the 12-month outlook reached its highest level during the Monitor at .55 above equilibrium of 5.

Extrapolating, this means the economy is expected to achieve 'normal' status from this measure in early January 2021.

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.



RECONSIDERING: 81%

ACTIVITIES RECEIVING NEW LIFE DURING COVID-19

We asked respondents: "Has the current crisis and situation caused you to reconsider topics that were previously dismissed or were a lower priority?" Disruptive events have a way of focusing attention and realigning time, money and energy. In this environment, more than 4 out of 5 organizations realigned their priorities.








Forecasting/Liquidity planning took the expected lead position. Increased attention to counterparty risk was part of over 2 out of 5 respondents' answers, and payment security and payment security training both help address the process and people risks exposed in the new WFH environment.



19% have NOT reconsidered topics during the current disruption.

Of the 81% that HAVE reconsidered topics, here are their answers:

Select All That Apply

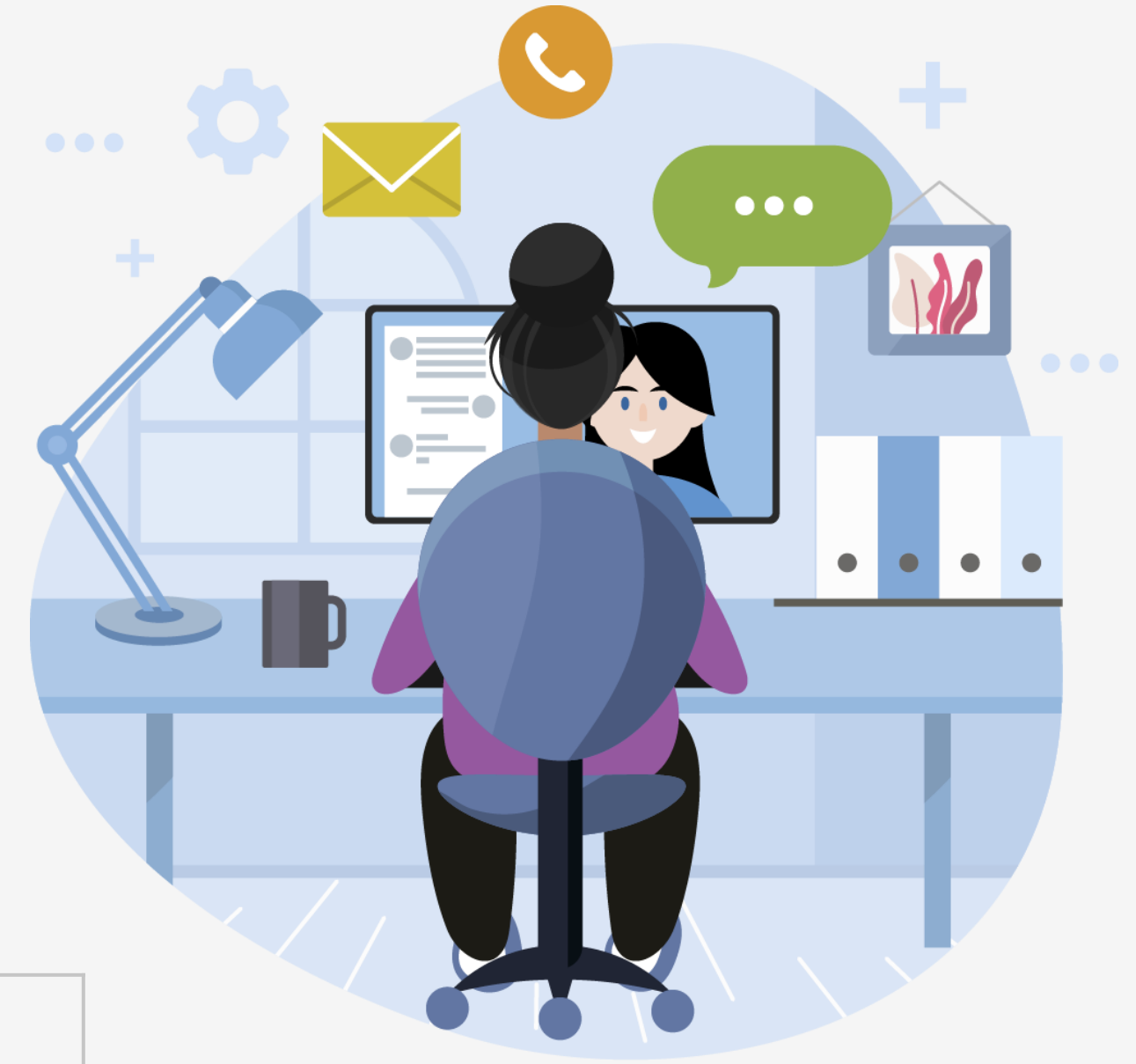
	Liquidity Planning & Forecasting	56%		Visibility and Communication with Banks	31%
	Counterparty Risk Management	42%		Hedging	17%
	Payment Process / System Security	40%		Other	8%
RELATED AREAS					
	Payment Security Training	28%			

VENDOR SUPPORT

COMPANIES ARE FEELING SUPPORTED BY PARTNERS



We asked if survey respondents felt supported by their primary vendor partner. The answer was unequivocally "yes," with a minimal number of respondents indicating they felt a lack of support. Only 6% indicated that their primary partner vendor has not contacted them during this disruption.


The chart below provides a few of the top measures of that support. We'll share more details around these responses in an upcoming webinar.



Vendor Partners have been active in reaching out to their clients who in turn feel supported.

Select All That Apply

	I feel supported by them.	29.5%
	They have asked how they could help.	23%
	They have contacted us by phone or web meeting.	20.5%
	They have made specific offers of services, assistance, or information.	18%

	They have not contacted us.	6%
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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



phoenixhecht.com



thecarfanggroup.com



tis.biz



3vfinance.com



tmany.org



treasury-webinars.com



treasuryxpress.com