

MAY 27 – JUNE 10

2020

Global Recovery Monitor

A Biweekly Survey of **COVID-19** Response and Economic Recovery

Period 10 Status Update

June 11, 2020

TreasuryCoalition.com



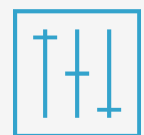
TREASURY
COALITION

LEVERAGE THIS REPORT

THROUGHOUT THE DISRUPTION & RECOVERY A FREQUENT SURVEY AND REPORT IS RELEASED AND SHARED

We have completed 10 periods of the Global Crisis Monitor (GCM) / Global Recovery Monitor (GRM) and see ongoing signs of recovery, less pessimism and more optimism. We are grateful for those who are participating by taking the survey, those reading this information, and the growing Coalition partners.

This is brought to you by the Treasury Coalition (TC) and the treasury and finance professionals from around the world, numbering over 1,000, many of whom take the Monitor during each period. The newer bi-weekly cycle started in period 9 and included an updated name reflecting a diminishing pessimism and growing optimism: The Global Recovery Monitor.



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 every other 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).



Invest 5 minutes every other week by taking the Monitor, and we'll give you a pulse on the recovery!

Only 5 minutes every other week will help your organization and our profession. Arm yourself with the most current, necessary information for treasury and finance teams in near real-time.

Thank you for participating, and be productive.

Craig Jeffery

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



TAKE SURVEYS » Wednesdays



LISTEN TO PODCASTS » Thursdays



READ REPORTS » Fridays

GLOBAL RECOVERY 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 Recovery 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’m not afraid
of storms, for I’m
learning how
to sail my ship.”**

- Louisa May Alcott



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.

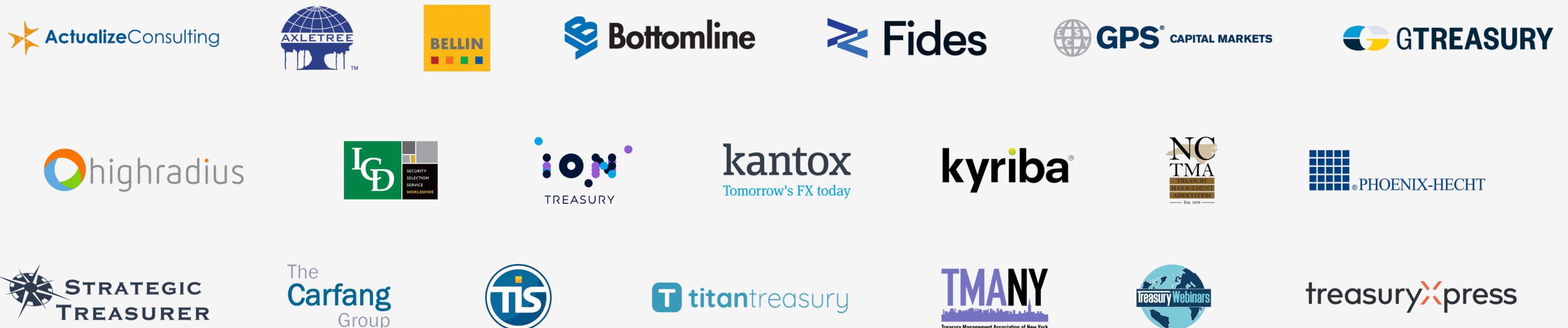
As the COVID-19 virus continued to spread and impact more countries with greater severity, Strategic Treasurer, a treasury consulting and research firm, decided to form the Treasury Coalition by inviting other treasury-focused organizations to join them.

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?

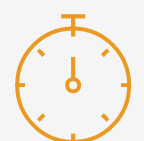
INCREMENTAL TRANSITIONS TO A W-SHAPED RECOVERY

Company outlook on liquidity position and the four major sentiment factors continued their positive ways this period. Company liquidity outlook not only continued to strengthen - it accelerated. Accounts Receivable concerns are becoming increasingly less negative. What does the economic recovery shape look like? W!



FINANCIAL NORMALCY: 10 MONTHS

Financial normalcy expected in April 2021. The 3 and 12 month economic measures indicate 6 months until equilibrium is reached.



HEALTH SERIOUSNESS SHORTENS to 8.5 MONTHS

The timeframe where the 'median' respondent believes COVID-19 will stop being a *serious* health concern contracts down to 8 months.



COMPANY LIQUIDITY: POSITIVE 6 PERIODS STRAIGHT

It is a period over period pattern of positivity. The level of positive outlooks versus negative has now topped 3 to 1 over the prior week.



W-SHAPED RECOVERY

The dominate expectation of the shape of the recovery is a W-shape. This outpaced the combined 2nd and 3rd choices of a Swoosh and U. This position solidified further from the prior Monitor.



1,000+ RESPONDENTS & GROWING COALITION

The Monitor audience continues to expand globally as we scale up to well over 1,000 respondents across the globe. New coalition partners are joining.



GDP CHANGES: QUARTER OVER QUARTER

Q1 2021 versus Q4 2020 GDP expectations reflect a strongly positive move after two quarters of deterioration.



FORCED RANK CONCERNS – TOP CHOICE

1) Direct financial impact, 2) access to adequate liquidity and 3) Recession sit atop the chart for largest concerns. Staff safety dropped from #2 to #4 for the top choice but averages 2nd..



A/R CONCERNS...WE HAVE A PULSE!

Concerns about A/R continued their undefeated streak as "most negative liquidity concern". Happily, the negative week over week ratio has moved to about 2.5X negative. Progress off the bottom.

TOP CONCERNS

FORCE RANKING SEVEN AREAS

Most weeks we ask survey respondents to rank seven areas. Since we measure this over time, the gauges below show how the industry as a whole is adapting to changes on the ground and how that is

alleviating or increasing their concerns relative to the other categories. Survey questions are cycled in and out in order to keep the total questions of the Monitor low enough to be completed in 5 minutes.

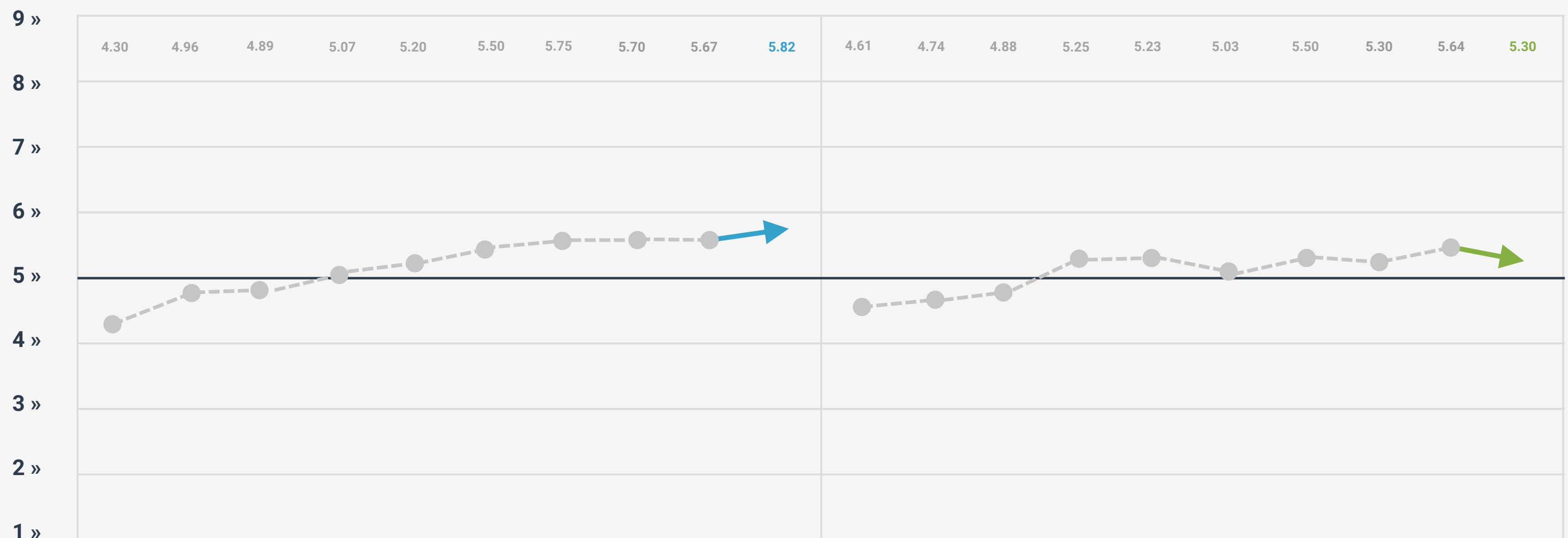
Areas of Inquiry	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Period 9	Period 10
Business Continuity Plan Completeness	1st	2nd (tie)	Not Asked	3rd	4th	4th	4th (tie)	5th	6th	6th
Staff Safety Protocols	3rd	4th		6th	6th	5th (tie)	6th	7th	2nd	4th
Staff Awareness of Plans	6th (tie)	5th		7th	7th	7th	7th	6th	7th	7th
Country Preparedness	6th (tie)	6th		5th	5th	5th (tie)	4th (tie)	4th	5th	5th
Direct Financial Impact to the Business	2nd	1st		1st (tie)	1st	1st	1st	1st	1st	1st
Access to Adequate Liquidity	4th	2nd (tie)		1st (tie)	2nd	2nd	2nd	3rd	3rd (tie)	2nd
Recession in the Regions We Operate In	5th	7th		4th	3rd	3rd	3rd	2nd	3rd (tie)	3rd

IMPACT SENTIMENT

ONGOING IMPROVEMENT FOR 7 PERIODS

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 the impact to the company and community show nine weeks (seven Monitor periods) of improving sentiment (>5.00) on the organization and community impact.

The line at 5 represents an unchanged view from the prior period. 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.



COMPANY/ORGANIZATION

Impact of COVID-19 on my company over the past week

COMMUNITY & FAMILY

Change in my level of concern over impact on my community & family

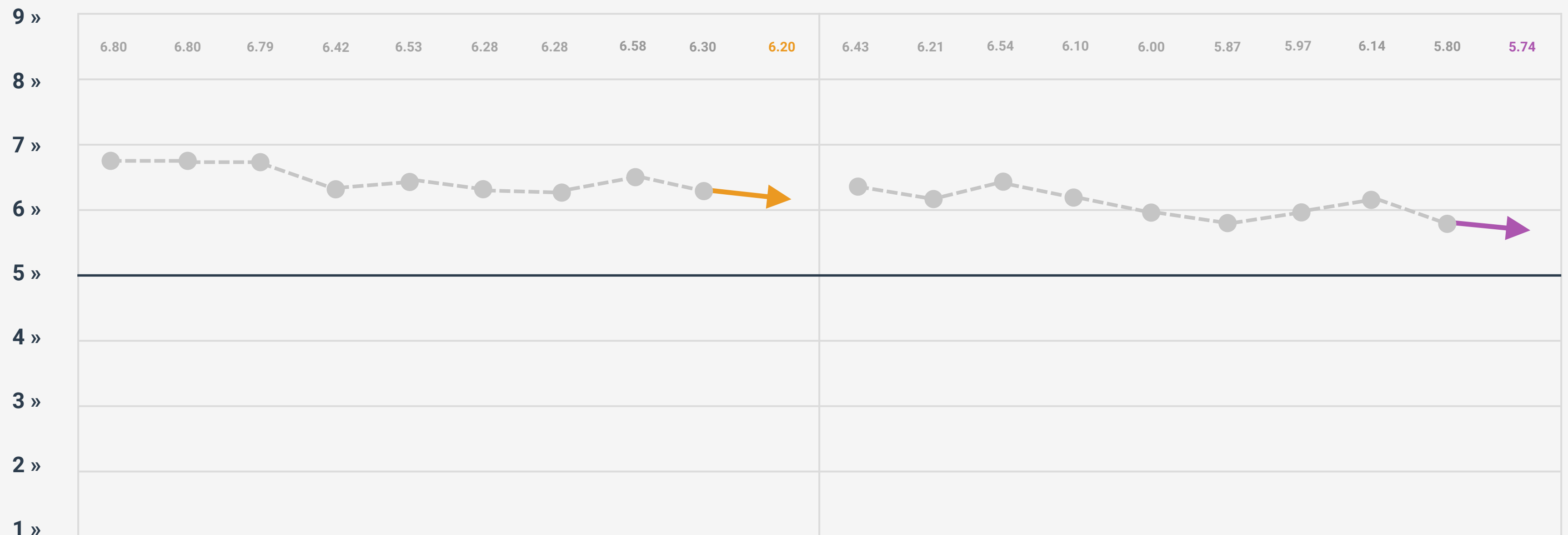
● — — — ● Previous periods' findings ● — — — ● Current period's finding

RESPONSE VIEWS

UNBROKEN ONGOING IMPROVEMENT

The perception of responses by organizations and HQ Country have an unblemished track record of consistent improvements over the prior period. This positivity covers the 10 periods spanning twelve weeks.

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.



ORGANIZATIONAL RESPONSE

Change in view over prior week of response by my organization

COUNTRY RESPONSE

Change in view over prior week of response by my HQ country

Previous periods' findings Current period's finding

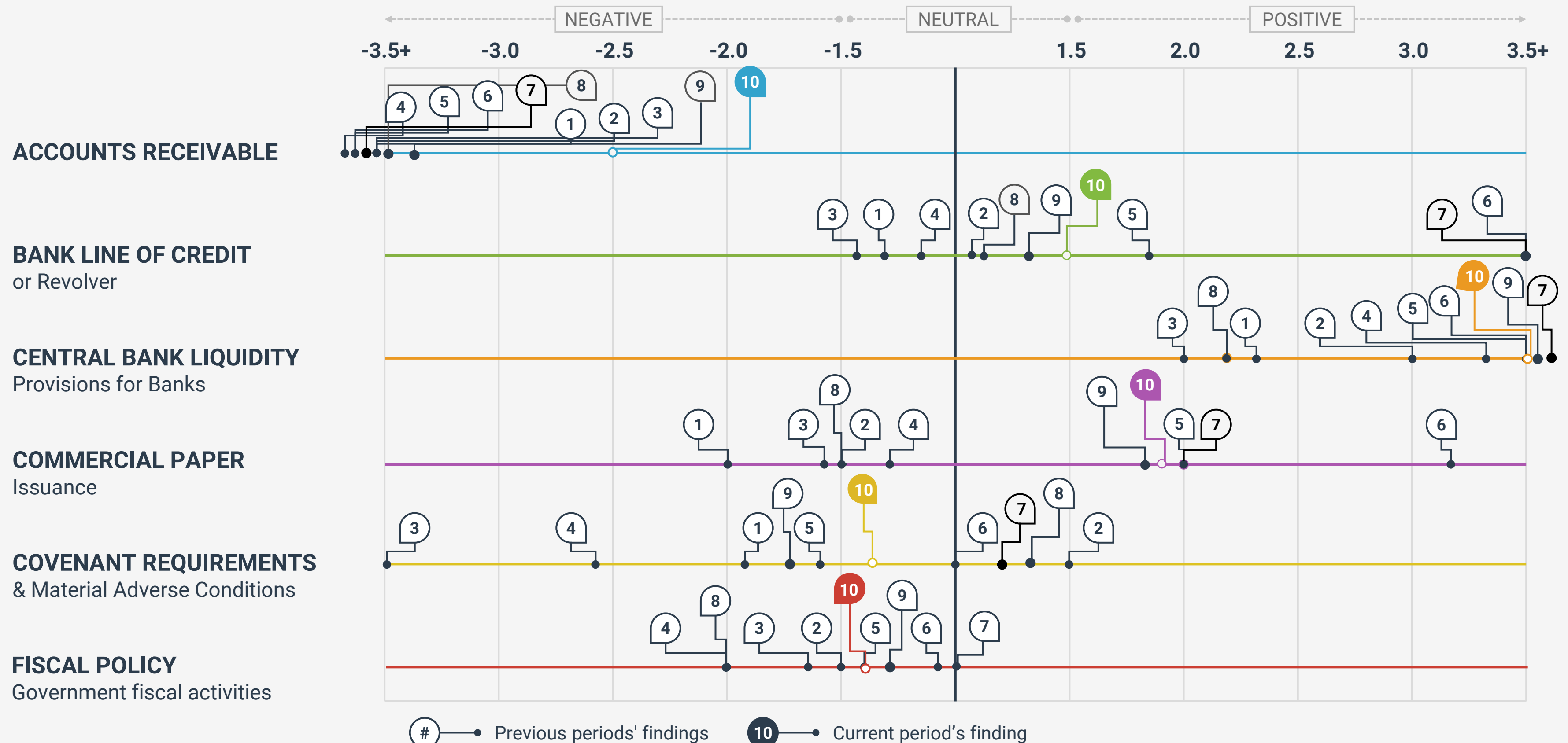
DEBT & LIQUIDITY

WHAT ACCESS DOES TREASURY HAVE?

Liquidity is vital and cash is the 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 on a period by period basis.

While the Accounts Receivable outlook remains the most pessimistic for the entirety of the Monitor, it has now moved inside the chart borders for the first time during the life of the Monitor.

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 9 representing period 9 of the Monitor. Please note that the chart is bounded at <3.5 and >3.5.



TIMING ESTIMATES

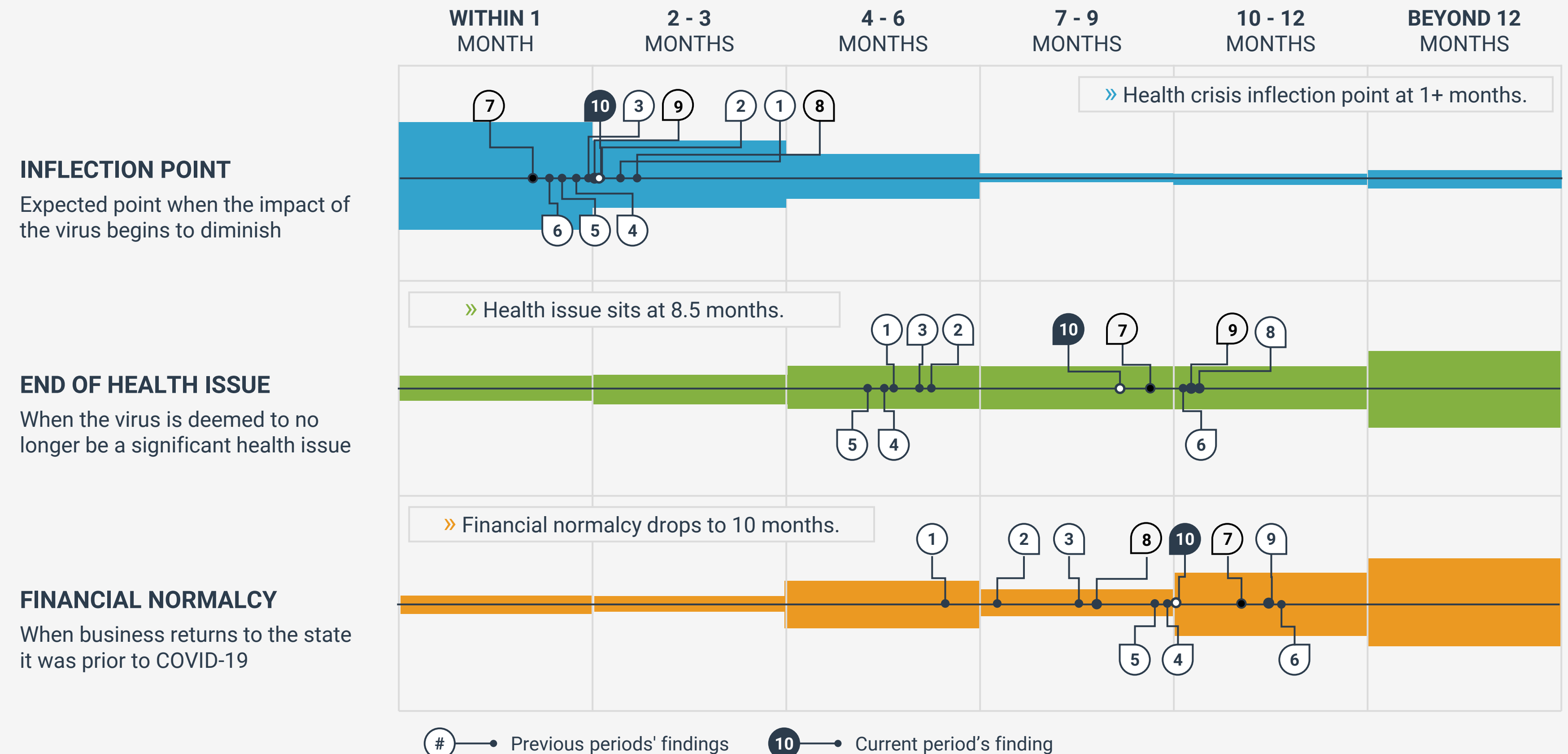
FINANCE NOW AT 10 MONTHS: APRIL 2021

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 length of COVID-19 remaining as a significant health issue dropped to 8.5 months, while expectation of a return to financial normalcy receded this period and indicates April 2021.

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: 6 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 PUSHED BACK

The outlooks for economic status in the 3-month and 12-month time domains made no significant moves this period, but the 12-month shifted slightly.

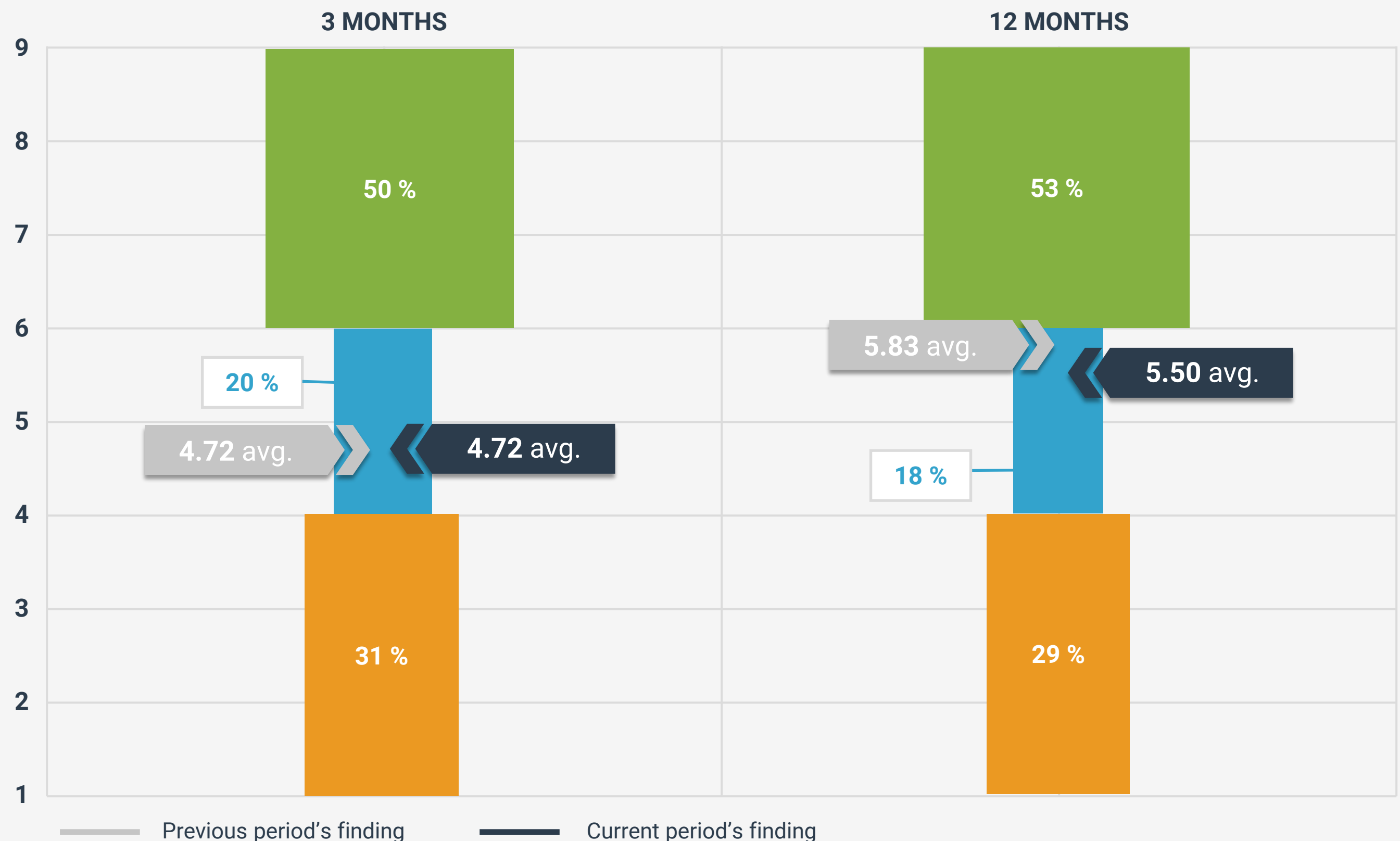
The 3-month outlook has spent many periods in the "4s" now and continues to approach equilibrium.

The 12-month outlook deteriorated slightly from the last period.

Extrapolating from these numbers, we see the expectation that the economy achieves 'normal' status in about six months, representing December 2020.

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 average response from all respondents.



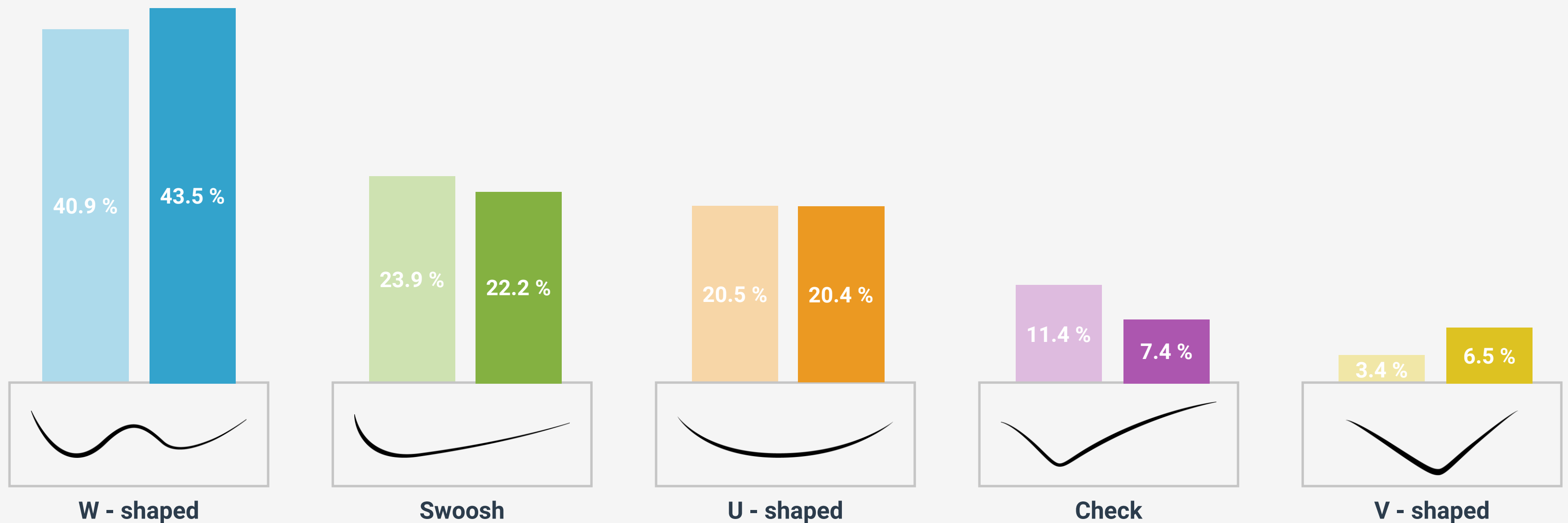
RECOVERY CURVE

HOW WILL THE RECOVERY LOOK?

We sought to gauge how finance as a group saw the recovery playing out. Using letters of the alphabet and some common symbols as a way of picturing the recovery would give us a different view of a return to financial normalcy.

The W model dominates the view, surpassing the Swoosh and U-shaped recovery curves combined. Those choosing the Check Mark and the V only represent about one in seven respondents.

Four out of nine organizations now expect to see a recovery and a re-dip before rising to pre-COVID levels. Two in nine firms expect a long, steady climb out of the trough (swoosh). 20% see the economy largely sitting in the trough and then eventually recovering rather quickly once it gets moving. The curve illustrated by the checkmark shows a long, steady climb that brings the overall economy to new heights. Few respondents indicated they expected a mirrored reversal providing a rapid economic return to normal (the V).



— Previous period's finding — Current period's finding

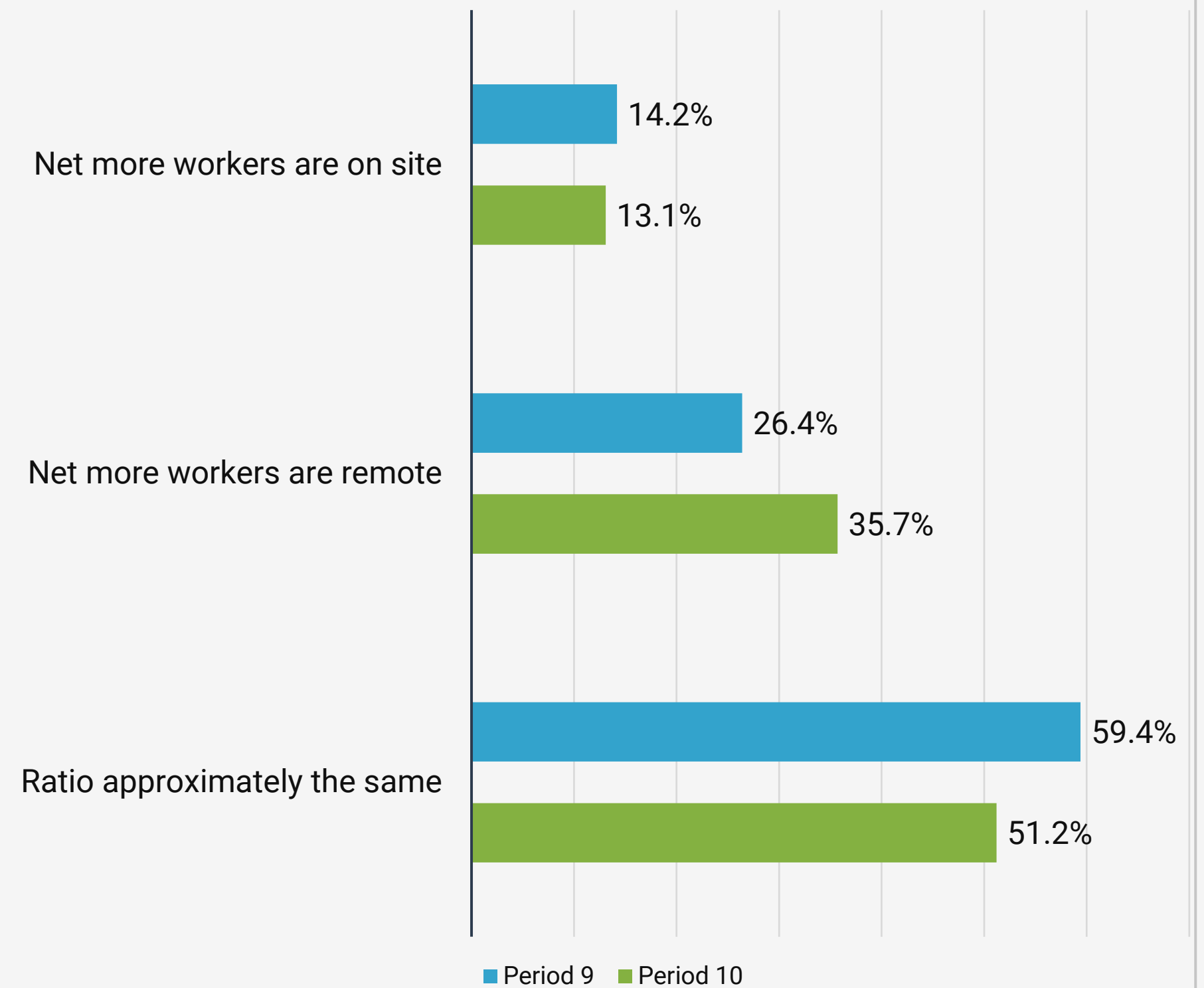
STAFF LOCATION

WHERE ARE THEY NOW?

While some workers are returning to the office, well over half of the organizations have no communicated plans. The back to work safety protocols are being defined or refined by most.



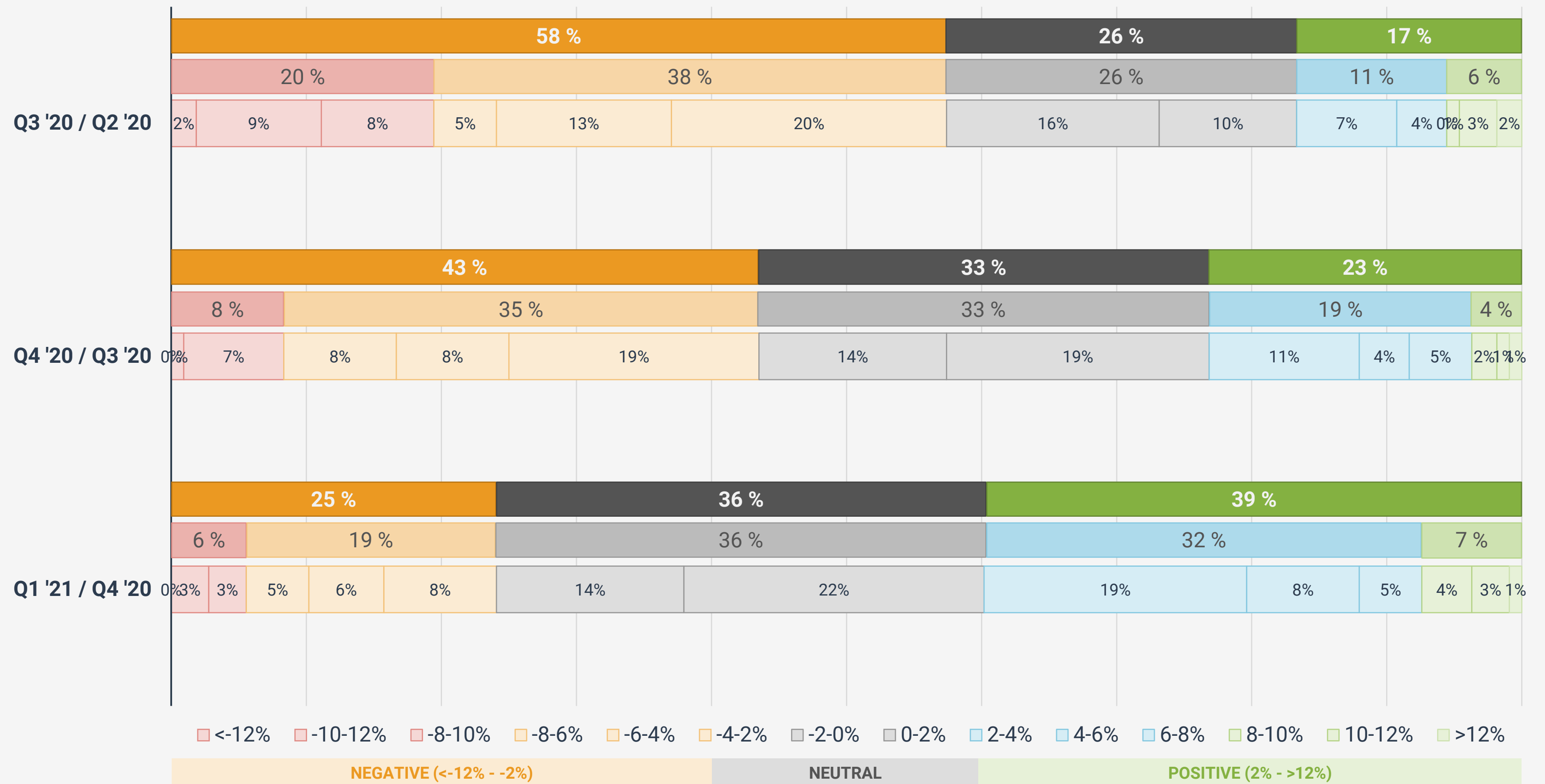
In the past week, the location of where our staff is working has:



GDP OUTLOOK

EXPECTED CHANGE IN "YOUR COUNTRY"

Quarter over quarter expected GDP changes indicate a moderate recovery through 2020 Q4 with very positive improvements expected by 2021 Q1.



IMPORTANT BI-WEEKLY ACTIONS



TAKE THE SURVEYS



LISTEN TO PODCASTS



READ THE REPORTS

THANKS TO OUR PARTNERS



actualizeconsulting.com



axletrees.com



bellin.com



bottomline.com



fides.ch



gpsfx.com



gtreasury.com



highradius.com



icdportal.com



iongroup.com



kantox.com



kyriba.com



nctma.org



phoenixhecht.com



thecarfanggroup.com



tis.biz



3vfinance.com



tmany.org



treasury-webinars.com



treasuryxpress.com