

Tracking the Impact of the Coronavirus

Key Information and Insights Gleaned from Recent Articles

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Introduction

The rapid development of the Coronavirus and the concerns it has triggered around the world make this a topic of significant current interest to the electronics, electronics components and electronics component distribution industries. Potential impact includes:

- Travel to and from China
- Travel within China
- Shut down of manufacturing facilities within China
- Disruption of components supply chain

In order to provide timely information to ECIA members, the following list of articles has been identified as providing helpful information and analysis on a wide range of topics that should provide helpful reading. Some of the publications will require subscriptions to see the complete article.

In addition, the sections below this list summarize key points from these articles. This is not original ECIA research, but summarized information sourced from the listed articles. The key topics covered are:

- The Situation
- Misinformation about Coronavirus
- The Importance of Wuhan
- Apple
- Automobile Manufacturing
- Transportation and Entertainment
- Status of Other Key Companies
- Semiconductors
- Economic Impact

Selected Articles on Coronavirus with Links

- **Tom's Guide:** ["Coronavirus threatens iPhone 9 production and entire electronics industry"](#)
- **Supply Chain Brain:** ["Coronavirus Update: How the Virus Is Affecting Global Business"](#)
- **South China Morning Post:** ["Apple supply chain braces for disruption from coronavirus outbreak"](#)
- **Bloomberg:** ["3M Cranks Up Face-Mask Production Amid Outbreak: Virus Impact"](#)

- **Axios:** [“Misinformation about coronavirus is spreading fast”](#)
- **Wall Street Journal:** [“Virus Outbreak Disrupts Global Car Makers in China”](#)
- **FedEx:** [“FedEx Pledges Transportation Support to Aid in Coronavirus Emergency”](#)
- **Market Watch:** [“Chip stocks catch brunt of tech decline, but coronavirus could benefit U.S. memory makers”](#)
- **The Verge:** [“iPhone maker Foxconn says coronavirus outbreak won’t affect production”](#)
- **Business Insider:** [“These are all the companies who have shut down operations in China over the deadly Wuhan coronavirus outbreak”](#)
- **The Register:** [“Finally, a technology angle on the coronavirus outbreak: Semiconductor biz stocks slip amid China supply chain fears”](#)
- **Financial Times:** [“The impact of coronavirus across industry and finance”](#)
- **Market Watch:** [“Opinion: Three reasons coronavirus won’t derail China’s economy”](#)
- **The Conversation:** [“What we know suggests the economic impact of Wuhan coronavirus will be limited”](#)
- **Wall Street Journal:** [“Coronavirus Tests Market’s Faith in Global Economy”](#)
- **Johns Hopkins CSSE:** [“Wuhan Coronavirus \(2019-nCoV\) Global Cases”](#)

The Situation

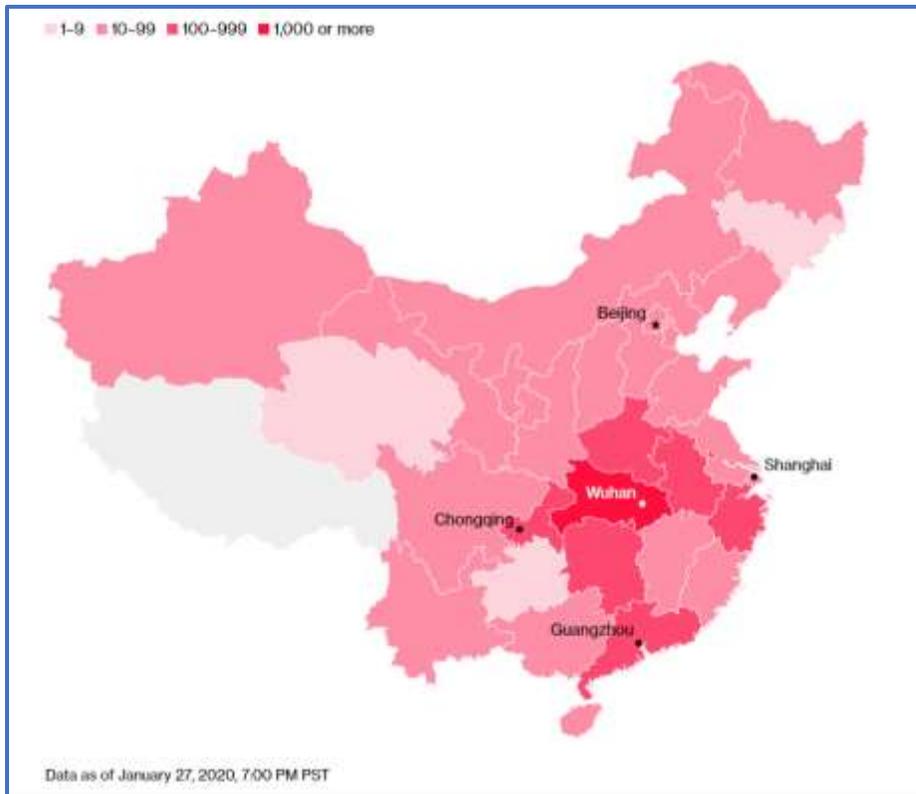
- An outbreak of a pneumonia-like illness that started in the city of Wuhan has put health authorities on high alert in China and around the world. The new coronavirus—named 2019-nCoV—is thought to have originated in the food market of the central China metropolis and has since infected more than 4,500 people. Deaths and cases are likely to rise until the outbreak is contained.
- China first reported the outbreak on Dec. 30. Most of the deaths have been in Hubei province, where Wuhan is the capital. Chinese authorities have restricted some travel to try and stop the illness’s spread during the Lunar New Year, which started on Jan. 25. China’s financial markets will remain closed until next Monday Feb. 3 after authorities extended the holiday break by three days.
- In Wuhan, public transportation and ride-hailing services have been suspended, trains and flights from the city have been stopped and people have been told to leave only for essential reasons. Similar travel restrictions were announced in at least 11 other Chinese cities, impacting more than 40 million people.

Figure 1 – Mapping the Coronavirus Outbreak Across the World



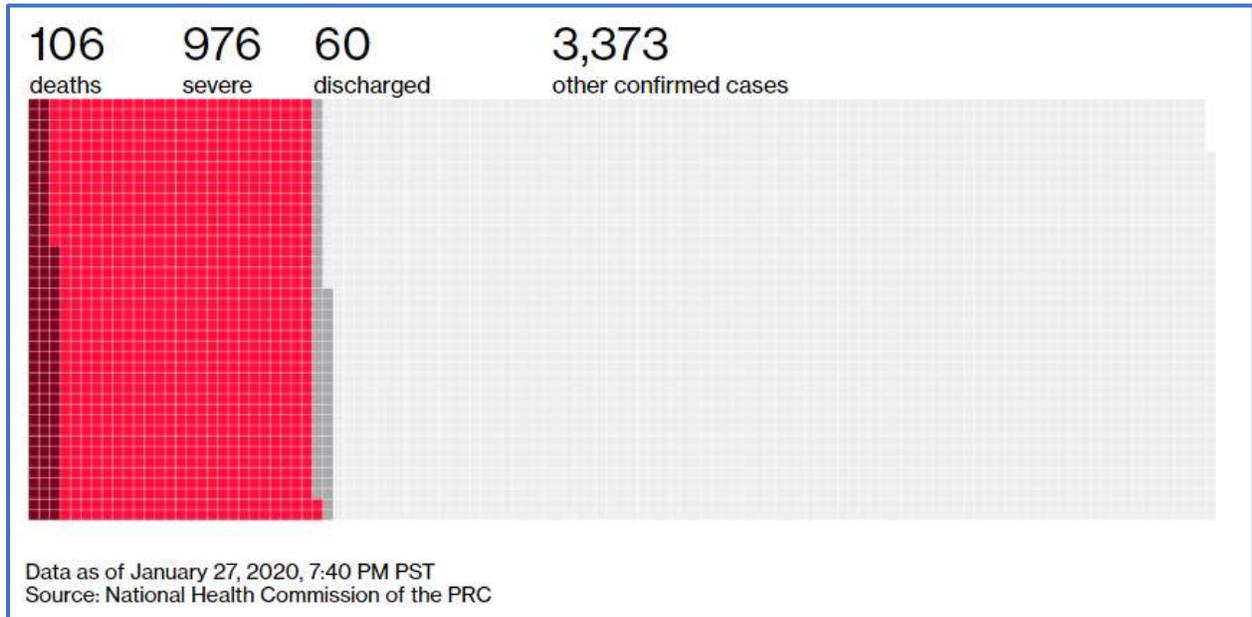
Source: Bloomberg

Figure 2 – Confirmed Cases in Mainland China by Province



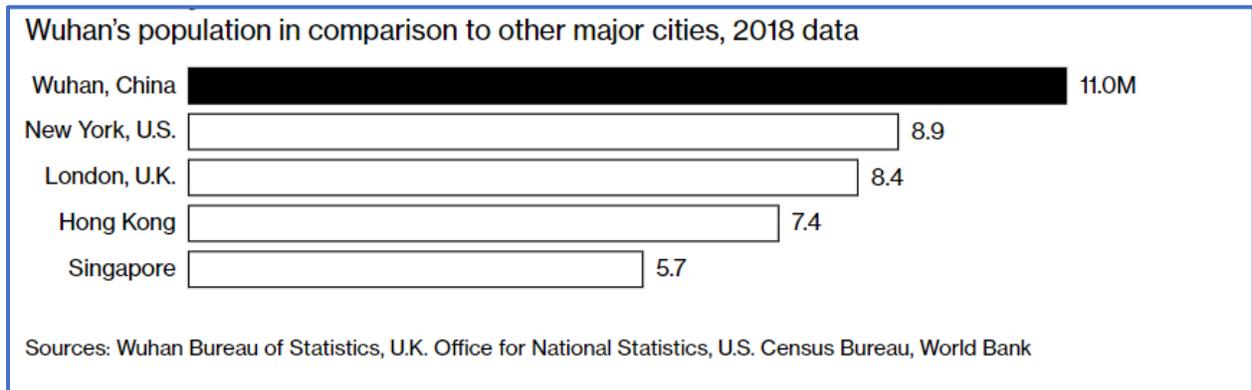
Source: Bloomberg

Figure 3 – 4,515 Confirmed Cases in Mainland China



Source: Bloomberg

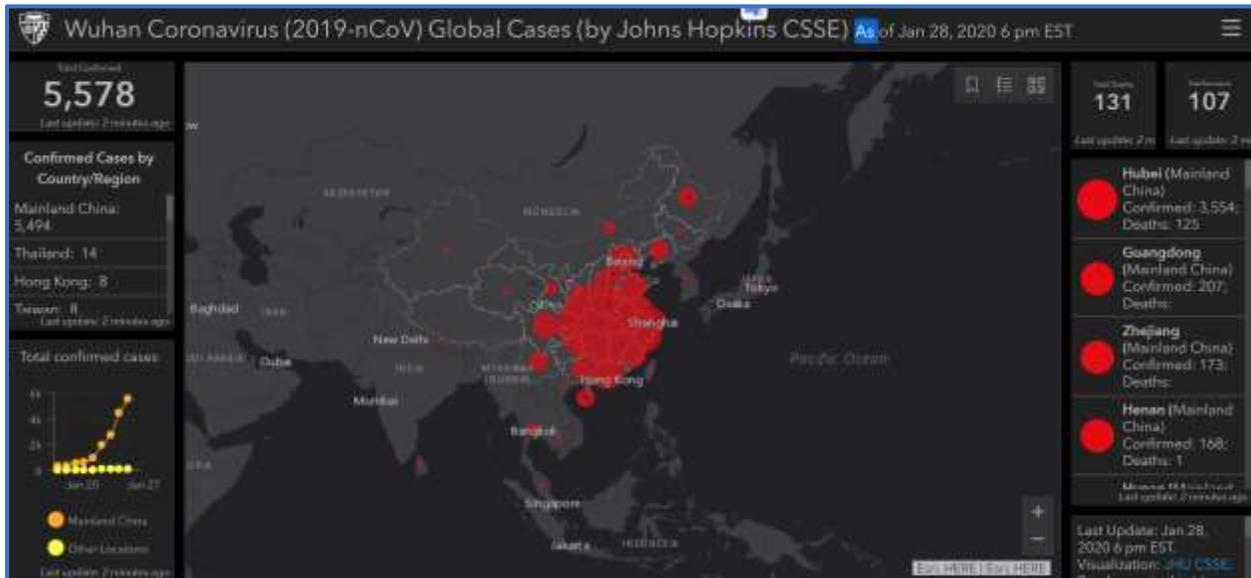
Figure 4 – Massive City on Lockdown



Source: Bloomberg

Figure 5 – Wuhan Coronavirus (2019-nCoV) Global Cases

The following link provides access to this application that provides live updates on the spread of the Coronavirus - [“Wuhan Coronavirus \(2019-nCoV\) Global Cases”](#)



Source: Johns Hopkins (CSEE)

- 3M Co. is ramping up production of protective face masks as the coronavirus spreads despite travel restrictions and other worldwide efforts to contain the disease. “We are focused on ramping up 24/7, not only in our China operations but in Asia, Europe and the U.S. to meet that demand,” 3M Chief Executive Officer Michael Roman said.

Misinformation about coronavirus is spreading fast

- Misinformation about the coronavirus is testing governments, tech platforms and health officials — as well as a nervous public — in both the U.S. and China.
- Tech platforms — including Facebook, Twitter and Google — are scrambling to stop the spread of misinformation about the virus, much of which violates their own content rules.
- BuzzFeed News has documented several examples of misinformation about the virus, including fabricated government warnings and false information about the number of people affected in U.S. cities.
- Some of it's coming from private Facebook groups that popped up after the virus began spreading, The Washington Post reports.
- Some of the fastest-spreading misinformation about the crisis involves unfounded rumors that the Chinese government started the virus, according to an analysis from social media intelligence company Storyful.
- According to Storyful's Catherine Sanz, dozens of posts across Weibo, the Chinese messaging app, are making claims that the virus was engineered by either the Chinese

or the U.S. governments, a narrative that exploits the already strained relationship between the two counties.

- According to the data, nearly 13,000 posts across Twitter, public Facebook pages, and Reddit between January 24 and January 27 have propagated conspiracy theories about the virus, including that it may be a bioweapon or a depopulation method.
- Storyful found that Chinese state media has tweeted photos purporting to show a new hospital, but which were actually stock images from a company that sells modular containers.

The Importance of Wuhan

- The epicenter of the coronavirus outbreak is considered a “central hub for transport and industry” in China with the Yangtze river going across it, three railway stations and an airport.
- A major automobile, electronics, optics and fiber optics production location.
- 230 of the Fortune 500 companies have investment in the area.
- Of about 2,000 cities in China with factories and other facilities in Bloomberg's supply chain database, the city ranks 13th, with about 500 facilities. The province of Hubei has 1,016, making it seventh of 32 such jurisdictions.
- U.S.-based companies have 44 facilities there, and European ones about 40, the data show. Many plants are in the auto and transportation industries, and big names include PepsiCo Inc. and Siemens AG.

Apple

Much of the discussion surround the impact of the crisis on Electronics has focused on Apple's products. This section provides a summary of the information related to Apple.

- Apple Inc.'s supply chain is at risk of being disrupted. Virtually all of the world's iPhones are made in China by contract manufacturers, and the company had been increasing production to meet higher-than-anticipated demand. “Supply chain disruption is a worry if employees across Foxconn and other component manufacturing hubs in China are restricted,” analyst Dan Ives of Wedbush Securities Inc. said. “If the China outbreak becomes more spread it could negatively impact the supply chain which would be a major investor worry.”
- Apple has roughly 10,000 direct employees in China, across its retail and corporate entities. Its supply chain also has a few million workers manufacturing products like the iPad, iPhone and Apple Watch.
- “I can't imagine a scenario where the supply chain isn't disrupted.” Those are the words of Patrick Moorhead, a veteran electronics industry analyst talking about the coronavirus crisis and how it will affect the production of the iPhone and other electronics.
- Virtually all of the world's iPhones are made in China, primarily by Foxconn Technology Group – formally known as Hon Hai Precision Industry, the world's largest electronics contract manufacturer – at its so-called iPhone City in Zhengzhou and by Pegatron Corp at an assembly site near Shanghai. Each of those locations is more than 300 miles away from Wuhan in central China, the epicenter of the viral outbreak, but that distance does not immunize them from its effects.

- Talking about the new iPhone SE 2 (also known as the iPhone 9) to Bloomberg, Moorhead said that "if there's one major hiccup in the raw materials, fabrication, assembly, test, and shipping, it will be a disruption."
- Henan accounted for a quarter of China's smartphone exports last year, while the country's exports make up 27 per cent of global smartphone sales. Foxconn is estimated to account for more than 60 per cent of Henan's total trade.
- Talking to Bloomberg's Matthew Kanterman, those companies say they are in full alert and seemingly in damage control mode.
- "We can confirm that we have measures in place to ensure that we can continue to meet all global manufacturing obligations." Foxconn Spokesperson
- While Foxconn says this, it's declining to give any specifics on how production will be affected and if there's any disruption of production right now. We will know soon, though, as the virus effect may impact the release date of the iPhone SE2, which is supposed to go into production next month for a March release. This will be the first serious test for both Apple's providers.
- Apple prepares for extreme scenarios such as the coronavirus by mandating that major components be dual-sourced – both in terms of vendors and geography – and a major immediate impact to its production plans is unlikely for now, according to a person familiar with its operations. Apple put the redundancy policy in place after the 2011 earthquake and tsunami that hit Japan, which led to component constraints for the iPad 2 that the company launched that year
- Even so, the vast majority of its assembly work is done in China, and so a shortage of workers for assembly lines will have a direct impact on shipment numbers.
- An Apple spokeswoman declined a request for comment.
- Apple chief executive Tim Cook tweeted over the weekend that Apple "will be donating to groups on the ground helping support all of those affected" by the coronavirus.

Automobile Manufacturing

Automobile manufacturing is another major topic in its potential impact on electronics:

- The coronavirus outbreak, which has all but sealed off China's Hubei province from the rest of the world, could have an outsize impact on the global auto industry, which has a large footprint in the region in central China.
- The Chinese auto industry has grown from virtually nothing 30 years ago to become the world's largest market for new vehicles, surpassing the U.S. in 2009.
- Wuhan, Hubei's capital and the believed source of the outbreak, has in that period emerged as an auto-making hub, home to state-owned Chinese car manufacturer Dongfeng Motor Corp. and numerous assembly plants building cars for Honda Motor Co., PSA Group, General Motors Co. and others
- Analysts say it is still far too soon to estimate the potential damage to the auto industry from the outbreak, but pointed out that the short-term impact of the SARS outbreak in China in 2003 is a poor comparison, because China's car market at the time was much smaller.
- While China's car sales have boomed for much of the past decade, consumer demand there has begun to taper off. Industrywide sales fell for a second year in a row last year, and analysts warn that should the outbreak become more severe it could further hurt the auto sector.

- "The outbreak could cause vehicle purchases to be put on hold in the coming months, taking the market down further. Manufacturers may reduce planned output levels when it becomes clearer how the market has reacted to the crisis," said David Leggett, an automotive editor at GlobalData, an auto analytics firm.
- Auto makers in Wuhan are expected to produce 1.6 million vehicles this year, contributing 6% of overall Chinese output, according to IHS Markit data, cited by Credit Suisse in an investor note Tuesday.

A summary of what big automotive companies are saying so far about the impact:

Volkswagen AG

By far the largest foreign auto maker in China, producing around four million vehicles a year there, urged employees to refrain from any nonessential travel to China. It is asking about 3,500 employees in Beijing to work from home for two weeks, starting the first day following the city's Chinese New Year Holiday.

Honda Motor Co.

Honda said it wasn't sure when its three joint-venture vehicle plants in Wuhan would reopen in light of the epidemic, and it postponed the reopening of two motorcycle plants outside the Wuhan region. The three Wuhan factories, which make models such as the CR-V sport-utility vehicle and Civic sedan, together have the capability to build 600,000 vehicles a year—nearly half of Honda's total capacity in China. The automaker will evacuate from Wuhan about 30 Japanese staff, family members and employees visiting on business trips. A handful of staff needed to maintain local operations will remain in the city.

Groupe PSA

Its China factories are closed for the holiday and the company isn't allowing employee travel to China. The maker of Peugeot cars and other brands said it will evacuate its expatriate staff and their families from the Wuhan area. A total of 38 people will leave.

Nissan

Planned to evacuate most of its expatriates and their family members from Wuhan.

Tesla Inc. and Nio Inc.

About 8 million cars were sold last year in the roughly 40 Chinese cities that have 10 or more diagnosed coronavirus cases, or 36.8% of total retail volumes in the country, Bernstein analysts estimate. Those cities accounted for 82.5% of Tesla's retail volumes, and 68% of NIO's in China, according to Bernstein analysts. "The latter looks especially vulnerable to a prolonged slump in EV sales," they said.

General Motors Co.

Operates a car factory in Wuhan with joint-venture partner SAIC, said the plant has been idle since Jan. 24 for the holiday, and workers are tentatively scheduled to return Monday. The plant produces four models for the Chinese market, contributing about 19% of GM's total China production, according to Credit Suisse.

Ford Motor Co

Ford China, which has plants in the neighboring province of Chongqing, said it would extend a holiday break at its factories for the Lunar New Year celebration through this coming weekend and is reviewing whether to postpone normal business operations to Feb. 10.

Webasto SE

An auto-parts supplier based in Bavaria, confirmed that two employees had been infected by the virus after traveling to China. Webasto has 11 facilities in China, including in Wuhan. The company has banned employees from traveling to and from China for the next two weeks.

Transportation and Entertainment

Some of the key industries that have been impacted soonest are transportation & entertainment:

A summary of what big transportation and entertainment companies are saying so far about the impact:

United Airlines Holdings Inc.

The U.S. carrier was among the first global corporations to comment on the coronavirus on an earnings conference call. "We've been coordinating closely with the CDC to ensure that we're taking all the necessary steps to ensure that our customers and employees can travel safely," CEO Oscar Munoz said. "By working closely together, we have in the past effectively managed situations like this." It is paring service to China due to "a significant decline in demand for travel." Two dozen flights to Beijing, Hong Kong and Shanghai will be suspended starting Feb. 1. The plan includes flights from United's hubs in Chicago, San Francisco, Washington and Newark, New Jersey, although some service to China will continue.

Delta Air Lines Inc.

The Atlanta-based carrier issued a travel waiver that allows passengers traveling to, from or through Beijing and Shanghai between Jan. 24 and Jan. 31 to change their itinerary once without having to pay a fee.

American Airlines Group Inc.

President Robert Isom said it is too soon to see an impact. "Our network isn't that extensive in Asia. But we're on top of it," he said on a conference call. "We've seen viruses in the past that we've had to make accommodations for and to be prepared for, we're doing all those same things right now."

Walt Disney Co.

Closed its Disneyland resort in Shanghai. The company is offering refunds to guests who bought theme park tickets or reserved rooms in its hotels.

Wynn Resorts Ltd.

The Chinese Lunar New Year is peak time for profits at casino operators. Authorities in Macau, the world's largest gambling market, are requiring casinos to screen guests for

high temperatures and make their staff wear respirator masks. Many Chinese tourists are also heading to Las Vegas to celebrate.

Carnival Corp. and Royal Caribbean Cruises Ltd.

Carnival's Costa Cruises brand, working with the Chinese government, decided to suspend nine voyages leaving China from Jan. 25 to Feb. 4. In a separate statement, Royal Caribbean said it suspended Jan. 27 and Jan. 31 sailings. Both pledged to provide refunds to customers.

Status of Other Key Companies

Major players in the electronics and distribution industry have provided very little information on the impact of Coronavirus on their business and operations. This section provides what little information is available from other electronics, distribution, and shipping companies. There is a great deal of information published in various reports about the impact on retail business.

A summary of what other big companies are saying so far about the impact:

Avnet Inc.

States it hasn't seen an impact so far. "But if it gets worse and they start shutting down airplanes, et cetera, then that will have a different effect on shipments out of China," CEO Bill Amelio said on a conference call.

FedEx Corp.

FedEx has pledged transportation support to aid in the Coronavirus emergency. FedEx is committing transportation and logistics support to humanitarian relief agencies as they respond to the coronavirus outbreak. As part of these efforts, FedEx Express will ship today more than 200,000 surgical masks and personal protective equipment such as gowns and gloves to its Asia Pacific Hub in Guangzhou, China to assist the humanitarian work of Direct Relief. FedEx is working closely with China Post which will deliver the aid from Guangzhou to Wuhan Union Hospital.

Siemens

Siemens said the company "adheres to the guidance from relevant authorities and has furthermore put in place a series of measures to protect the health of our workforce," according to the South China Morning Post. It is not clear what the series of measures is, or whether the company will later suspend operations.

Facebook

Employees based in China and those who recently returned from trips to the country are also being told to work from home.

McDonald's Corp.

The fast-food giant, which had about 3,000 stores in China at the end of 2018, temporarily closed locations across five cities of the Hubei province due to the virus, including Wuhan. The Chicago-based company is taking extra preventative measures in the rest of the country, including taking the temperature of workers upon arrival and giving out hand sanitizers to diners.

Starbucks Corp.

The Seattle-based chain, with about 4,100 cafes in China, also said it's closing some locations, without providing more details.

Semiconductor Companies

Available information on the potential semiconductor impact focuses on two memory companies in Wuhan. Given their relative size their influence on the market and competitors is limited.

- Chip-related stocks fell at a faster rate than the broader market Monday, January 27th. But analysts contend that the outbreak could have a positive effect for some non-Chinese semiconductor companies.
- Shareholders seem concerned that Western semiconductor companies in any way linked to the manufacturing output in Wuhan, and China as a whole, will be affected financially by the mass quarantining. Any significant closure of factories and restrictions on businesses, shipping, and travel in the Middle Kingdom affect supply chains globally, after all.
- The PHLX Semiconductor Index (SOX) sank 3.9% to close at 1,848.86, for its worst day since Aug. 23, when the index fell 4.4%. The index closed at a record high of 1,945.37 on Thursday. In comparison, both the Dow Jones Industrial Average (DJIA) and the S&P 500 index (SPX) closed down 1.6%, and the tech-heavy Nasdaq Composite Index (COMP) declined 1.9%.
- From an investment standpoint, the coronavirus and the subsequent quarantining of Wuhan, China, poses a possible benefit to U.S. memory chip companies like Micron Technology Inc. and Western Digital Corp. Analysts noted that the outbreak will likely upset operations at Wuhan-based Yangtze Memory Technologies Co. and Wuhan Xinxin Semiconductor Manufacturing Corp., Chinese rivals to those memory manufacturers.
- Yangtze Memory Technologies is "China's leading NAND flash memory producer," Cowen analyst Krish Sankar wrote in a note.
- "While the Lunar holiday period is typically a slower time for business activity, the likely extended period of time to address the coronavirus and (more importantly) save lives could affect manufacturing activity at Yangtze Memory and potentially other fabs throughout China if the delivery of supplies and new fab tools is hindered or temporarily halted," Sankar wrote.

Economic Impact

While the technology sector was spooked along with the rest of the stock market, the analysis below presents a relatively optimistic outlook.

- Touted as China's Chicago, fast-growing Wuhan was expected to record a regional economic growth rate of up to 7.8 percent in 2020, according to local government estimates. This would make it a key pillar of growth in China's sluggish economy, which is expected to grow by just 6 percent, according to central government figures.
- China said that its finance ministry and National Health Commission have extended 60.33 billion yuan (\$8.74bn) to help contain the virus.

- International airlines ranging from Taiwan's China Airlines to Singapore's Scoot have cancelled flights to and from Wuhan. According to data from aviation data analytics firm Cirium, Wuhan receives 55 international flights each week from more than 20 countries.
- As consumption spending has become the most important growth driver for the Chinese economy in recent years, a key near-term risk is a negative effect the virus has on Chinese consumer sentiment, according to Rajiv Biswas, chief economist for Asia Pacific at IHS Markit.
- Other Asia-Pacific countries are also vulnerable to a further economic slowdown in China, as well as a decline in Chinese tourism as the country imposes travel bans on outgoing group tours, Biswas said.
- "The rapid rise in household incomes in China has triggered a boom in Chinese tourism visits abroad, which have risen from 20 million in 2003 to 150 million in 2018. Consequently, the vulnerability of many Asia-Pacific economies to a slowdown in Chinese tourism visits has increased significantly over the past two decades," he said.

Figure 6 – Why Wuhan Matters



Source: Al Jazeera

Figure 7 – How did SARS Affect the Global Economy?



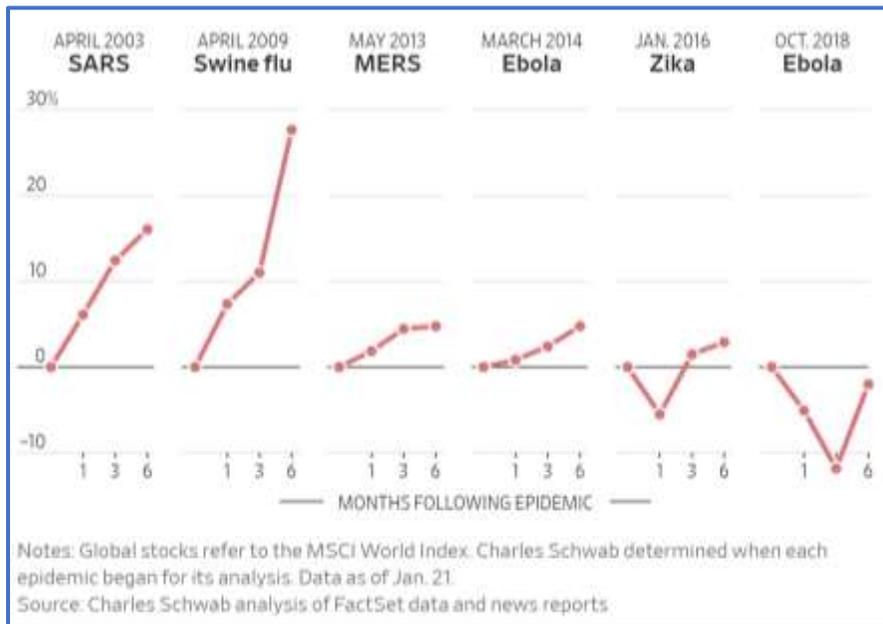
Source: Al Jazeera

- The panic generated by the coronavirus reminds many of the fear and uncertainty at the peak of the 2003 SARS crisis. China's stock market, after rising for months, has reversed itself in recent days, and global markets have followed suit, apparently reflecting concerns about the epidemic's impact on the Chinese economy and global growth. Are these worries justified?
- Shang-Jin Wei, a former chief economist at the Asian Development Bank, has published his assessment of the economic impact of the Coronavirus. His baseline projection is that the coronavirus outbreak will get worse before it gets better, with infections and deaths possibly peaking in the second or third week of February. But he expects that both the Chinese authorities and the World Health Organization will declare the epidemic to be under control by early April.
- Under this baseline scenario, his best estimate is that the virus will have only a limited negative economic impact. Its effect on the Chinese growth rate in 2020 is likely to be small, perhaps a decline on the order of 0.1 percentage point of gross domestic product.
- The effect in the first quarter of 2020 will be big, perhaps lowering growth by one percentage point on an annualized basis, but this will be substantially offset by above-trend growth during the rest of the year. The impact on world GDP growth will be even smaller.
- Such a prediction recalls the experience of the 2003 SARS crisis: a big decline in China's GDP growth in the second quarter of that year was then largely offset by higher growth in the subsequent two quarters. While the full-year growth rate in 2003 was about 10%, many investment banks' economists over-predicted the epidemic's negative impact on growth.

- Looking at annual real GDP growth rates from 2000 to 2006, it is very hard to see a SARS effect in the data.
- But three important factors may limit the virus's impact.
 - **First**, in contrast to the SARS outbreak, China is now in the internet commerce age, with consumers increasingly doing their shopping online. Much of the reduction in offline sales owing to the virus will likely be offset by an increase in online purchases.
 - And most of the vacations canceled today will probably be replaced by future trips, because better-off households have already set aside a holiday travel budget.
 - Many factories have scheduled production stoppages during the Chinese New Year holidays anyway, so the timing of the epidemic may minimize the need for further shutdowns. Similarly, many government offices and schools had planned holiday closures independently of the virus outbreak.
 - The government has just announced an extension of the holiday period, but many companies will find ways to make up the lost time later in the year. The short-term negative impact is thus likely to be concentrated among restaurants, hotels, and airlines.
 - **Second**, all reports indicate that the Wuhan coronavirus is less deadly than SARS (although it may have a faster rate of transmission initially). Equally important, the Chinese authorities have been much swifter than they were during the SARS episode in moving from controlling information to controlling the spread of the virus.
 - By implementing aggressive measures to isolate actual and potential patients from the rest of the population, the authorities have improved their chances of containing the epidemic much sooner. That, in turn, increases the likelihood that the lost economic output this quarter will be offset by increased activity in the remainder of the year.
 - **Third**, whether or not China's trade negotiators realized the severity of the Wuhan virus when they signed the "phase one" trade deal with the United States on Jan. 15, the timing of the agreement has turned out to be fortunate.
 - By greatly increasing its imports of facemasks and medical supplies from the U.S. (and elsewhere), China can simultaneously tackle the health crisis and fulfill its promise under the deal to import more goods.
- The virus's impact on other economies will be even more limited.
- During the last half-decade, many major central banks have developed models to gauge the impact of a slowdown in China on their economies. These models were not built with the current health crisis in mind, but they do take into account trade and financial linkages between China and their respective economies.
- As a rule of thumb, the negative impact of a decrease in China's GDP growth on the U.S. and European economies is about one-fifth as large in percentage terms.
- For example, if the current coronavirus epidemic lowers China's growth rate by 0.1 percentage point, then growth in the U.S. and Europe is likely to slow by about 0.02 percentage point. The impact on Australia's economy may be twice as large, given its stronger commodity-trade and tourism links with China, but a 0.04-percentage-point reduction in growth is still small.
- Of course, the impact on China and other economies could be more severe if the coronavirus crisis were to last much longer than this baseline scenario assumes.
- The coronavirus outbreak is understandably causing alarm in China and elsewhere. But from an economic perspective, it is too early to panic.

- Other Investors who began the year feeling largely sanguine about the stock market are struggling to make sense of whether a growing coronavirus outbreak could upend their bets on a global economic recovery. Now that view is being tested. The Coronavirus threatens to hamper an already-slowing Chinese economy, in turn potentially jeopardizing the global recovery that many investors had counted on to materialize this year.
- After a steep drop on Monday, January 27th, markets bounced higher on Tuesday paring losses after anxiety over the outbreak sent stocks from Japan to Germany to the U.S. to their biggest one-day declines in months.

Figure 8 – Global Stock Performance Following Epidemics



- During prior outbreaks, markets proved resilient.
- Charles Schwab analysts found the MSCI World Index declined 5.5% in the month after January 2016, when the Zika virus spread to several countries, but returned 2.9% over the course of six months. In their analysis of 13 outbreaks since 1981, analysts at the firm found the index returned an average of 0.8% over a one-month period following an outbreak and 7.1% over a six-month period.
- Morningstar analysts came to a similar conclusion, finding that, among the companies they covered, none suffered a long-term effect from the 2003 SARS outbreak.
- In other words, even when stocks have taken a short-term hit from disease-related worries, they have tended to bounce back in the following months. That is because in recent decades it has been rare, if not unheard of, for a contagious disease to bring consumer spending to a halt around the world.