S&P Global Platts Analytics

In times of uncertainty, Platts Analytics can provide clarity into changes in commodity supply and demand flows, infrastructure, policy and more. With a global team of analysts that look across the supply chain of the energy and commodity complex, we understand the complex interdependencies that affect price movements.

Today, our in-depth and independent regional and global coverage spans 12 commodity services:

- Crude
- Refined
- Petrochemicals
- Shipping
- LNG
- Americas Gas & Power
- European Gas & Power
- Coal
- Nuclear
- Steel
- Metals
- Agriculture

For more information on how to access our analytics content as it is released, including detailed analysis and comprehensive market data, please complete this form and we will contact you as soon as possible.
Coronavirus cases in the world are increasing quickly, forcing social distancing and travel restriction measures almost everywhere in the world. Latest electricity and natural gas demand data from key countries confirms reduced activity. Next few weeks will be decisive if the world is to contain the pandemic: earlier suppression successes in China, S Korea, Singapore and Japan should instill some degree of optimism. Yet, enforcement and self-discipline will be crucial.

- The number of coronavirus cases has continued to expand significantly in Europe and the U.S.
- Electricity demand in major European economies has reflected the impact of activity shut-down. Data on European natural gas demand have also pointed to major losses in industrial activity.
- In the U.S., electricity use data in key places have already shown effects of social distancing and travel restrictions.
- Policymakers have maintained their all-in stance in attempt to counter negative economic effects of activity shut-down: the Fed has committed to buying as much financial assets as necessary to fulfill its mandate; and Germany is working on a large fiscal stimulus program.
- In China, the situation is increasingly normalizing, as Hubei province (the epicenter of the coronavirus outbreak in China) announced a resumption of subway and bus services; but international travel activity has been closely monitored to prevent a second-wave spreading of the coronavirus.
- Japan, Singapore, Saudi Arabia, and UAE also put further restrictions on travel.
- Jakarta and New Zealand decided to shut down economic activity on a large scale to reduce transmission risks.

Tracking the spread of the coronavirus – outbreak fast deteriorating in Europe and US, but under control in China, Japan and S Korea

China, Singapore, Japan & S Korea are now fine. RoW increasingly in trouble
Globally, the number of confirmed coronavirus cases topped 300,000 over the weekend, only four days after going above 200,000. In recent periods, the number of new cases has been around 30,000 daily.

Italy appears to have been the front-runner in Europe, but worryingly Switzerland and Spain are on a faster trajectory, once adjusted for population and time of the outbreak. The rest of Europe and most of the rest of the world looks set to experience – at least for the next few days – exponential growth rates, until the social distancing and travel restrictions rules start to slow down the virus spread. Speaking of which, it is now clear that the policies enacted by China, Japan, S Korea and Singapore have been successful at stemming and eventually stopping the outbreaks. The rest of the world must follow suit now!

**European natural gas / electricity metrics – pointing to large reductions in industrial activity**

Platts Analytics has been monitoring daily European data on natural gas consumption. The visible coronavirus impact on Italian gas demand continues to grow and can now also be seen in industry in France. It should become evident in regions across Western Europe as more stringent measures to combat coronavirus spread come into force in the coming days and weeks, and we forecast that overall European industrial demand will out-turn almost 10% lower in April and May.

Weather-adjusted daily electricity load data for Europe that we highlighted in this report last Friday also continue to reflect the coronavirus damages, especially in Italy.
Electricity demand in New York City – showing increasing weakness

In the U.S., efforts at social distancing started in earnest sometime two weeks ago – perhaps the turning point was when the National Basketball Association decided to suspend its season and cancel games on Wednesday, March 11. As social distancing has become increasingly the norm in large parts of the country, negative effects on the economy will become considerable.

Certain U.S. economic data (such as unemployment initial claims) are weekly and, therefore, can keep track of what is going on certain areas of the economy in a timely manner. But most statistics are time-lagged. So daily electricity load data will be of major value (though they are impacted heavily by prevailing temperatures).

The chart on the right shows daily data for New York City – for the last two weeks or so, electricity demand has been running considerably below recent years’ levels, even though weather has been generally mild. So measures to restrict activity to slow the spread of the coronavirus are having visible effects on data. We will continue to monitor electricity statistics from New York and other places in the U.S. to show how the economy is getting impacted by the coronavirus.

Macro policy developments – more policy actions from U.S. and Europe

In last week’s Economic Recap report, we discussed recent fiscal and monetary policy actions taken by major developed economies. Essentially, the message from key policymakers was that they are prepared to deploy all tools at their disposal to combat the negative economic effects from the coronavirus outbreak.

The Fed’s announcement today that it will purchase financial assets “in the amounts needed” to fulfill its mandate was in keeping with this commitment. But as of this writing, a negotiation to enact the third U.S. fiscal stimulus package (with a ballpark figure of around $1.3 trillion) has not been completed yet.

Separately, Germany has decided to suspend its policy of maintaining fiscal surpluses. In addition to measures already announced, Germany is now reportedly preparing a fiscal stimulus program worth €60 – 100 billion (1.8 – 3% of Germany’s 2019 nominal GDP).

China – activity is picking up gradually, but the country is on guard to prevent second-round spreading of the virus

Headlines out of China have continued to be encouraging. First, and most importantly, the number of new coronavirus cases dropped significantly – it was actually zero on March 22.

The number of vehicles on highways continued to be above a year-ago levels. China further loosened regulations on small-enterprise resuming operation – according to a press release from China’s State Council, individual industrial and commercial households that meet the requirements for the resumption of work may carry out their work according to law without specifically seeking approval.

As of March 20, 120,000 migrant workers have departed Hubei Province, the area hit hardest by the coronavirus, in designated trains. Authorities in Hubei also decided to resume operations of buses and subways.
But at the same time, Chinese policymakers have apparently become increasingly concerned about a possible second wave of the coronavirus spreading. They appear particularly worried about cases outside of China entering China. So starting on Monday, all international flights to Beijing must first divert to one of the 12 designated entry points in other cities, and passengers must go through virus screenings. Airports in Shanghai and Guangzhou also introduced testing regimes for international passengers.

Finally, it was announced that the 127th spring Canton fair will not be held as scheduled on April 15, according to press release from Guangdong province. The Canton fair is a prestigious and important platform for companies involved in China's foreign trade. So while the situation has been normalizing in China, it has not recovered to a point where China can host a large-scale gathering of international attendees.

Other Asia / ANZ – Korea reporting fewer cases, but other parts of Asia are on guard, putting more restrictions measures

In South Korea, like in China, news about the number of new coronavirus cases has been increasingly encouraging. In the last day, there were 64 new cases, which was the fewest since the peak in late February.

In Japan, the situation is not quite under control – there were 16 new cases in densely populated Tokyo yesterday (taking Japanese capital city’s total to 152), hinting that there may be more cases there. Japan put even tighter restrictions on entries from foreign countries – for example, those coming from the U.S. will now be required to self-quarantine for 14 days after their arrivals to Japan.

Others also announced more restrictions:

- Singapore announced on Sunday to halt entry and transit of all short-term visitors, restrict returning work pass holders to only essential workers, signalling the city state's latest response to coronavirus (see other measures taken by Asian countries in the attached with tracked changes for newer updates). Singapore Airlines said it will cut 96% of its capacity, ground 138 planes out of its total fleet of 147. Scoot Airlines will also suspend most of its network, grounding 47 of its fleet of 49 aircraft.

- On March 20, Indonesia’s capital Jakarta declared a state of emergency for the next two weeks, starting 23 Mar. Public entertainments will be shut and public transportation to be limited. The Governor Anies Baswedan also urged businesses to allow employees to work from home.

- New Zealand announced a one-month lockdown on economic activity, closing schools and businesses.

Asian LNG – current demand resilient, but future prices point to weak demand in the summer

Asia Pacific LNG demand continues to be remarkably resilient so far this year despite the strong year-over-year declines in China, which had previously been the main growth engine for regional demand in the previous few years. However, as the COVID-19 outbreak starts to hit other Asian markets, there is already signs of weakening regional demand, which is tracking closer to year-ago levels in recent weeks.

Countries in South Asia such as India or Pakistan could revert back to using liquids products amid the oil price crash instead of spot LNG, which would weigh on demand significantly and effectively wipe out the growth in regional demand this year.

JKM has seen significant downward pressure further out on the curve, indicating a lack of buying interest outside of prompt delivery, which further indicates the demand destruction coming this summer.
Middle East – more restrictions on travel, coronavirus impact seen on Iraqi oil production

- The UAE is suspending all passenger flights for two weeks from March 25th, except emergency evacuation and cargo flights. Emirates Airlines is suspending almost all passenger flights with the exception of some repatriations.

- Saudi Arabia suspended all domestic passenger flights, trains, buses, and taxi services for two weeks starting from March 21st, to prevent the further spread of coronavirus. The kingdom had already begun banning international flights last week.

- Production at the Gharraf oil field in southern Iraq has been suspended due to Baghdad’s decision to close all airports in the Middle Eastern country as part of its measures against the coronavirus. Production at the Gharraf oil field dipped to an average of around 93,000 b/d in January due to delays in drilling works, but stakeholders remained committed to raising the output to 230,000 b/d by the end of 2020.

**UNIVERSAL STATES CORONAVIRUS ACTIVE CASES, AS OF MARCH 23, 2020**

<table>
<thead>
<tr>
<th>Country</th>
<th>Active Cases</th>
<th>Cumulative Cases</th>
<th>Recovered</th>
<th>Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>35,057</td>
<td>238,779</td>
<td>100,462</td>
<td>15,436</td>
</tr>
<tr>
<td>Worldwide</td>
<td>354,677</td>
<td>862,000</td>
<td>405,850</td>
<td>14,900</td>
</tr>
</tbody>
</table>

Sources: Johns Hopkins University (CSSE), World Health Organization, Centers for Disease Control, European Centre for Disease Prevention and Control, DXY, 1point3acres, Worldometers.info, BNO, state and national government health departments, and local media reports.
EUROPEAN CORONAVIRUS ACTIVE CASES, AS OF MARCH 23, 2020

238,779 worldwide

354,677 total cumulative cases worldwide

100,462 total recovered worldwide

15,436 total deaths worldwide

Active cases = total cumulative cases - total recovered - total deaths

Sources: Johns Hopkins University (CSSE), World Health Organization, Centers for Disease Control, European Centre for Disease Prevention and Control, DXY, 1point3acres, Worldometers.info, BNO, state and national government health departments, and local media reports.
GLOBAL CORONAVIRUS ACTIVE CASES, AS OF MARCH 23, 2020

238,779 worldwide

354,677 total cumulative cases worldwide
100,462 total recovered worldwide
15,436 total deaths worldwide

Active cases = total cumulative cases - total recovered - total deaths

Sources: Johns Hopkins University (CSSE), World Health Organization, Centers for Disease Control, European Centre for Disease Prevention and Control, DXY, 1point3acres, Worldometers.info, BNO, state and national government health departments, and local media reports.

- Alan Struth, globaloilanalytics@spglobal.com
- JY Lim
- Alexander Yap
- Jianan Sun
- Jeffrey Moore
- Samer Mosis
- Rob Stier
- Dave Zinamon
- Bruno Brunetti
- Zhuwei Wang
- Xiaoshu Wang
- Kang Wu
- Claudio Galimberti