## Gavekal Intelligence Software

## **The Quant Corner**

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## "Timing the Peaks" - Update

By Didier Darcet didier.darcet@ gavekal-intelligence-software.com A few months ago, Gavekal Intelligence Software entered a scientific partnership with the Swiss Federal Institute of Technology (ETH Zurich) and the Southern University of Science and Technology in Shenzhen (SUSTech). The aim of this cooperation is to combine our expertise and research power in risk analysis and risk management.

The partnership will cover research on both natural risks with economic consequences, and financial risks. The first co-publications have focused on the COVID-19 pandemic.

You can access our latest update through the following link: Covid Update – ETH, SUSTech, Gavekal

The main conclusions are the following:

- 1) The final death rate of the COVID-19 is estimated at 0.01% to 0.07% of a given population. Our first estimate, in our previous note "<u>Timing the Peak</u>", 10 days ago, was 0.05%.
- 2) The deceleration of the daily mortality rate follows a regular path with no indication, so far, of any double-wage risk. The compounding death rate began at a daily rate of 35%. This fell to 6.5% after one month and is expected to collapse below 1% after two months. This is calculated by averaging 28 countries globally.
- 3) This average measure hides disparities across countries. Countries such as the UK, France, Sweden, and the USA follow remarkably similar paths, despite variations in the distancing measures and lockdown timings. Other countries around the globe show better results.

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The reasons for such disparities are unknown yet crucial for the monitoring of future pandemics. In our latest update, we open the discussion on the relative efficiency of preventive measures vs. policy reactions.

For instance, there is strong statistical support for the theory that countries with on-going and current BCG vaccination programs have significantly lower mortality rates than those that do not.

You can follow our daily updates on the following sites, from Gavekal Intelligence Software (projection charts), and from the ETH Zurich (extended analysis and discussion):

http://www.gavekal-intelligence-software.com/covid-19-update.html https://er.ethz.ch/Covid-19/Dailyforecasts.html

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