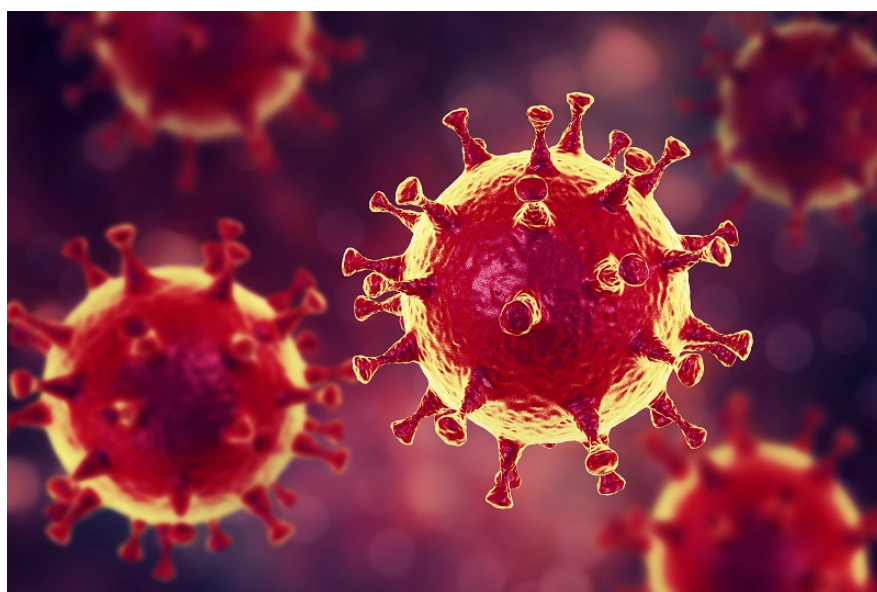


Flu season goes viral

So far, the Wuhan flu story is being treated as if it were an interesting aside - I suspect this may become a top headline in the coming days and weeks



Corona virus

IMF upgrades global GDP

One of the top stories on the newswires today is that the IMF has trimmed its growth forecast to 3.3%, but still sees it picking up in 2020 from 2.9% in 2019. A few things are wrong with this story.

1. It fails to mention that the 2019 figures is, according to some approaches, consistent with the IMF definition of global recession. That helps put 3.3% into perspective. It isn't great. But it isn't recession at least.
2. IMF forecasts (like most other forecasts) are not worth the paper they are written on. So 2020 is not as bad as 2019? Following the trade truce, and the bottoming of the tech slump, and all the monetary easing from the Fed and others in 2019? I think a child of six could probably have figured that one out. And as for whether the number is 3.3% or 3.4% or 3-point anything else, if you can't forecast with any degree of accuracy, then it is probably better not to give the sense that you can by using decimal places. Why not just say, it's better than 2019, but still terribly weak. That just about conveys all you need to know without providing any spurious scientific accuracy (I wish I could get away with that too, but it seems we seek comfort in such meaningless numbers).

You see the real problem with all of this is not the forecasts themselves, but it is that a story that doesn't make it into the top section this morning, might well do in a few weeks, and that is Wuhan flu, as it has come to be known.

Pass the paracetamol

Those of you old enough to remember the SARS epidemic will remember all too well how a disease which only infected [8098 people worldwide, and resulted in only 774 deaths in 37 countries \(thanks Wikipedia\)](#), a mortality rate of less than 10%, led to such widespread public alarm that it plunged Hong Kong into recession, and caused a serious slowdown in China. Other countries badly affected, included Canada, which held the symposium on the disease, bringing in health workers from around the world who had been exposed to the disease and stuffed them together into a conference hall in Toronto. Please, if there is a symposium on this new outbreak, do it by skype.

To put all this into perspective, in the 2017/2018 season, in the US, flu, the normal common all-garden variety, not SARS, not MERS, not any fancy animal crossover hybrid coronavirus, [killed 80,000 people according to the centre for disease control \(CDC\)](#). Although this was a high tally for a normal year, it didn't receive much attention, because each year, flu kills tens of thousands of people anyway.

What scared people about SARS is the mortality rate. In the UK in 2019, three times more people died of flu than normal, but still, the total was only 135 deaths from a total estimated infection of over 35 thousand (total population 65 million). That is a mortality rate of less than 0.4%, and normally it would be far lower.

Put into context, your chances of contracting and dying of SARS, were statistically far less than of dying of regular flu. But the response of the population of countries where there was a perceived greater risk, was huge. Presumably, the reasoning was, if I do get it, the odds aren't great.

People didn't take public transport, stayed away from work, stayed away from shops, restaurants, cinemas, conferences etc. The impact from the disease was massive on the economy, but almost all of it indirect, due to the precautionary behaviour of the population.

Cases of Wuhan flu have now risen to more than 300, though researchers at Imperial College, London suspect that the numbers may already be north of 1700.

I'm no doctor, but I do think I understand human nature well enough to realise the potential for another economic hit to growth from this source. That's certainly not in the IMF's global growth model.

Thailand relaxes mortgage lending rules

(Prakash Sakpal writes): The Bank of Thailand announced the relaxation of mortgage lending rules yesterday. The loan-to-value (LTV) limit for the first home of more than THB 10 million was raised to 90% from 80%, while buyers at all prices were also allowed an additional 10% loan for furniture and decorations. There is also easing of LTV rules for second home buyers and the risk-weight requirement for some home mortgages. The latest easing of mortgage rules follows tightening in April 2019 and we don't see these carrying any material impact for the economy plagued by persistently weak domestic demand.

IMF downgrades Indian growth prospects

(Prakash also adds): In a sharp downgrade, the IMF (reinforcing the earlier point about the value of forecasts) lowered India's FY2019-20 growth forecast to 4.8% from 6.1% in October. It cited slowing domestic demand and shadow bank stress amidst a weak global economic environment. No surprises here. The limited policy space after a significant easing of both fiscal and monetary policies last year is likely to keep the growth outlook weak for the coming year.

Author

Amrita Naik Nimbalkar

Junior Economist, Global Macro

amrita.naik.nimbalkar@ing.com

Alissa Lefebvre

Economist

alissa.lefebvre@ing.com

Deepali Bhargava

Regional Head of Research, Asia-Pacific

Deepali.Bhargava@ing.com

Ruben Dewitte

Economist

+32495364780

ruben.dewitte@ing.com

Kinga Havasi

Economic research trainee

kinga.havasi@ing.com

Marten van Garderen

Consumer Economist, Netherlands

marten.van.garderen@ing.com

David Havrlant

Chief Economist, Czech Republic

420 770 321 486

david.havrlant@ing.com

Sander Burgers

Senior Economist, Dutch Housing

sander.burgers@ing.com

Lynn Song

Chief Economist, Greater China

lynn.song@asia.ing.com

Michiel Tukker

Senior European Rates Strategist

michiel.tukker@ing.com

Michal Rubaszek

Senior Economist, Poland

michal.rubaszek@ing.pl

This is a test author

Stefan Posea

Economist, Romania

tiberiu-stefan.posea@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Jesse Norcross

Senior Sector Strategist, Real Estate

jesse.norcross@ing.com

Teise Stellema

Research Assistant, Energy Transition

teise.stellema@ing.com

Diederik Stadig

Sector Economist, TMT & Healthcare

diederik.stadig@ing.com

Diogo Gouveia

Sector Economist

diogo.duarte.vieira.de.gouveia@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Ewa Manthey

Commodities Strategist

ewa.manthey@ing.com

ING Analysts

James Wilson

EM Sovereign Strategist

James.wilson@ing.com

Sophie Smith

Digital Editor

sophie.smith@ing.com

Frantisek Taborsky

EMEA FX & FI Strategist

frantisek.taborsky@ing.com

Adam Antoniak

Senior Economist, Poland

adam.antoniak@ing.pl

Min Joo Kang

Senior Economist, South Korea and Japan

min.joo.kang@asia.ing.com

Coco Zhang

ESG Research

coco.zhang@ing.com

Jan Frederik Slijkerman

Senior Sector Strategist, TMT

jan.frederik.slijkerman@ing.com

Katinka Jongkind

Senior Economist, Services and Leisure

Katinka.Jongkind@ing.com

Marina Le Blanc

Sector Strategist, Financials

Marina.Le.Blanc@ing.com

Samuel Abettan

Junior Economist

samuel.abettan@ing.com

Franziska Biehl

Senior Economist, Germany

Franziska.Marie.Biehl@ing.de

Rebecca Byrne

Senior Editor and Supervisory Analyst

rebecca.byrne@ing.com

Mirjam Bani

Sector Economist, Commercial Real Estate & Public Sector (Netherlands)

mirjam.bani@ing.com

Timothy Rahill

Credit Strategist

timothy.rahill@ing.com

Leszek Kasek

Senior Economist, Poland

leszek.kasek@ing.pl

Oleksiy Soroka, CFA

Senior High Yield Credit Strategist

oleksiy.soroka@ing.com

Antoine Bouvet

Head of European Rates Strategy

antoine.bouvet@ing.com

Jeroen van den Broek

Global Head of Sector Research

jeroen.van.den.broek@ing.com

Edse Dantuma

Senior Sector Economist, Industry and Healthcare

edse.dantuma@ing.com

Francesco Pesole

FX Strategist

francesco.pesole@ing.com

Rico Luman

Senior Sector Economist, Transport and Logistics

Rico.Luman@ing.com

Jurjen Witteveen

Sector Economist

jurjen.witteveen@ing.com

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

Nicholas Mapa

Senior Economist, Philippines

nicholas.antonio.mapa@asia.ing.com

Egor Fedorov

Senior Credit Analyst

egor.fedorov@ing.com

Sebastian Franke

Consumer Economist

sebastian.franke@ing.de

Gerben Hieminga

Senior Sector Economist, Energy

gerben.hieminga@ing.com

Nadège Tillier

Head of Corporates Sector Strategy

nadege.tillier@ing.com

Charlotte de Montpellier

Senior Economist, France and Switzerland

charlotte.de.montpellier@ing.com

Laura Straeter

Behavioural Scientist

+31(0)611172684

laura.Straeter@ing.com

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

James Smith

Developed Markets Economist, UK

james.smith@ing.com

Suvi Platerink Kosonen

Senior Sector Strategist, Financials

suvi.platerink-kosonen@ing.com

Thijs Geijer

Senior Sector Economist, Food & Agri

thijs.geijer@ing.com

Maurice van Sante

Senior Economist Construction & Team Lead Sectors

maurice.van.sante@ing.com

Marcel Klok

Senior Economist, Netherlands

marcel.klok@ing.com

Piotr Poplawski

Senior Economist, Poland
piotr.poplawski@ing.pl

Paolo Pizzoli
Senior Economist, Italy, Greece
paolo.pizzoli@ing.com

Marieke Blom
Chief Economist and Global Head of Research
marieke.blom@ing.com

Raoul Leering
Senior Macro Economist
raoul.leering@ing.com

Maarten Leen
Head of Global IFRS9 ME Scenarios
maarten.leen@ing.com

Maureen Schuller
Head of Financials Sector Strategy
Maureen.Schuller@ing.com

Warren Patterson
Head of Commodities Strategy
Warren.Patterson@asia.ing.com

Rafal Benecki
Chief Economist, Poland
rafal.benecki@ing.pl

Philippe Ledent
Senior Economist, Belgium, Luxembourg
philippe.ledent@ing.com

Peter Virovacz
Senior Economist, Hungary
peter.virovacz@ing.com

Inga Fechner
Senior Economist, Germany, Global Trade
inga.fechner@ing.de

Dimitry Fleming
Senior Data Analyst, Netherlands
Dimitry.Fleming@ing.com

Ciprian Dascalu

Chief Economist, Romania
+40 31 406 8990
ciprian.dascalu@ing.com

Muhammet Mercan
Chief Economist, Turkey
muhammet.mercan@ingbank.com.tr

Iris Pang
Chief Economist, Greater China
iris.pang@asia.ing.com

Sophie Freeman
Writer, Group Research
+44 20 7767 6209
Sophie.Freeman@uk.ing.com

Padhraic Garvey, CFA
Regional Head of Research, Americas
padhraic.garvey@ing.com

James Knightley
Chief International Economist, US
james.knightley@ing.com

Tim Condon
Asia Chief Economist
+65 6232-6020

Martin van Vliet
Senior Interest Rate Strategist
+31 20 563 8801
martin.van.vliet@ing.com

Karol Pogorzelski
Senior Economist, Poland
Karol.Pogorzelski@ing.pl

Carsten Brzeski
Global Head of Macro
carsten.brzeski@ing.de

Viraj Patel
Foreign Exchange Strategist
+44 20 7767 6405
viraj.patel@ing.com

Owen Thomas

Global Head of Editorial Content
+44 (0) 207 767 5331
owen.thomas@ing.com

Bert Colijn
Chief Economist, Netherlands
bert.colijn@ing.com

Peter Vanden Houte
Chief Economist, Belgium, Luxembourg, Eurozone
peter.vandenhoute@ing.com

Benjamin Schroeder
Senior Rates Strategist
benjamin.schroeder@ing.com

Chris Turner
Global Head of Markets and Regional Head of Research for UK & CEE
chris.turner@ing.com

Gustavo Rangel
Chief Economist, LATAM
+1 646 424 6464
gustavo.rangel@ing.com

Carlo Cocuzzo
Economist, Digital Finance
+44 20 7767 5306
carlo.cocuzzo@ing.com