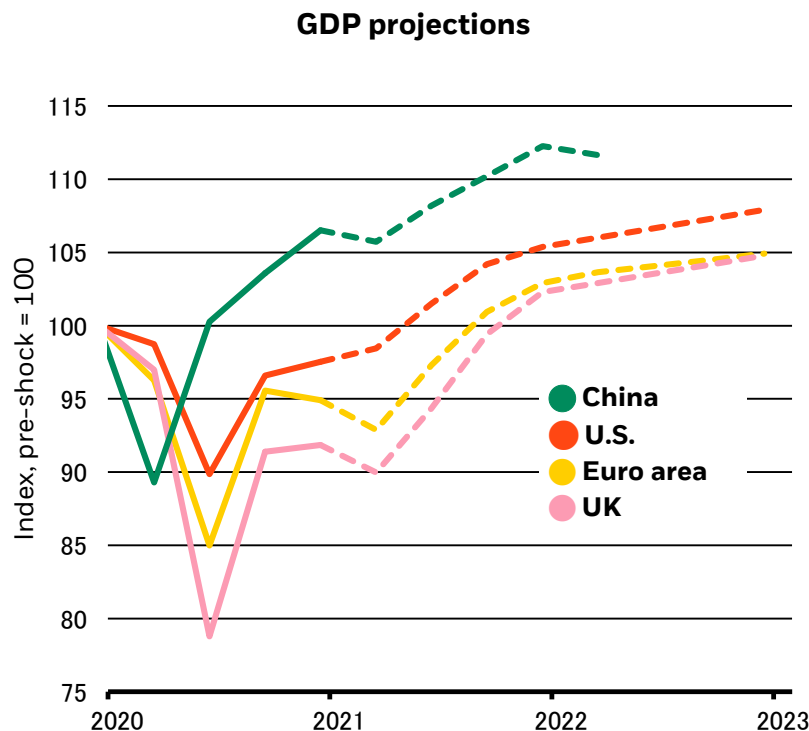
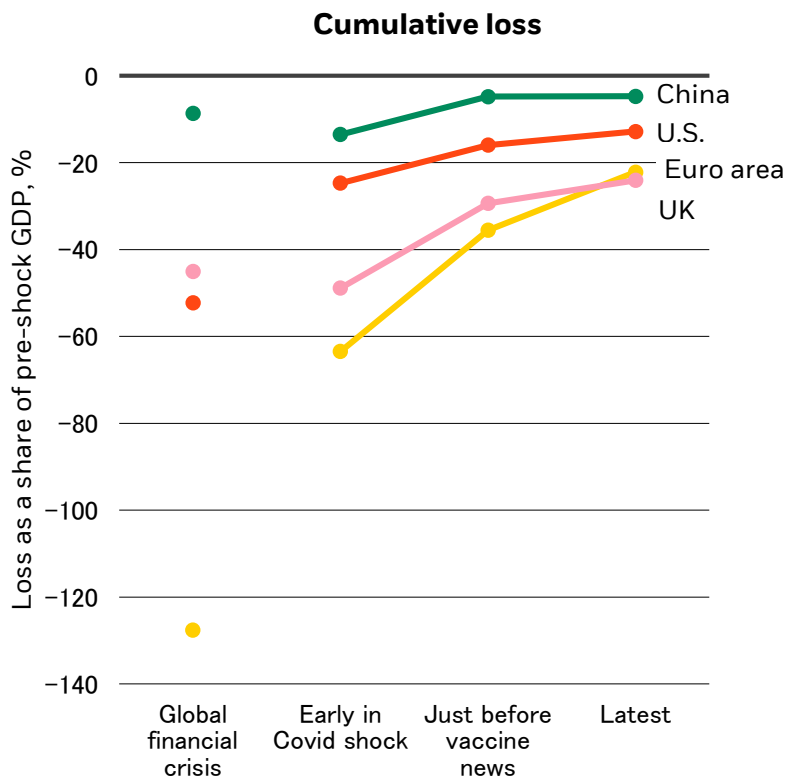


Reduced estimates of Covid-19 activity impact

Consensus expectations of the size of the shock have been revised down materially, particularly for the euro area. We believe vaccine rollouts are likely to stoke a sharper-than-anticipated rebound.

Estimated cumulative loss from the Covid-19 shock and GDP estimate, February 2021



Forward looking estimates may not come to pass. Sources: BlackRock Investment Institute, with data from Refinitiv Datastream and Reuters News, February 2021. The left chart tracks the evolution of consensus estimates for the cumulative loss in GDP due to the Covid shock. The standalone dots on the left show the total cumulative loss as a result of the global financial crisis. Lines show the evolution of the most pessimistic estimates of the cumulative loss in GDP arising from the Covid shock, based on data and consensus forecasts available at each point in time. The numbers change over time due to the publication of GDP data and updated consensus forecasts of future GDP growth. Early aftermath forecasts were dated from April for China, and June for the U.S. and Euro area, reflecting the fact that the Covid shock hit China GDP most in 2020Q1, but in other countries in 2020Q2. The middle estimates 'Just before vaccine news' are dated from early November 2020, prior to the first announcement of an effective globally available vaccine in mid-November. The 'Latest' forecasts are based on GDP data up to 2020Q4 in all economies, and consensus forecasts of GDP growth as of late January 2021.