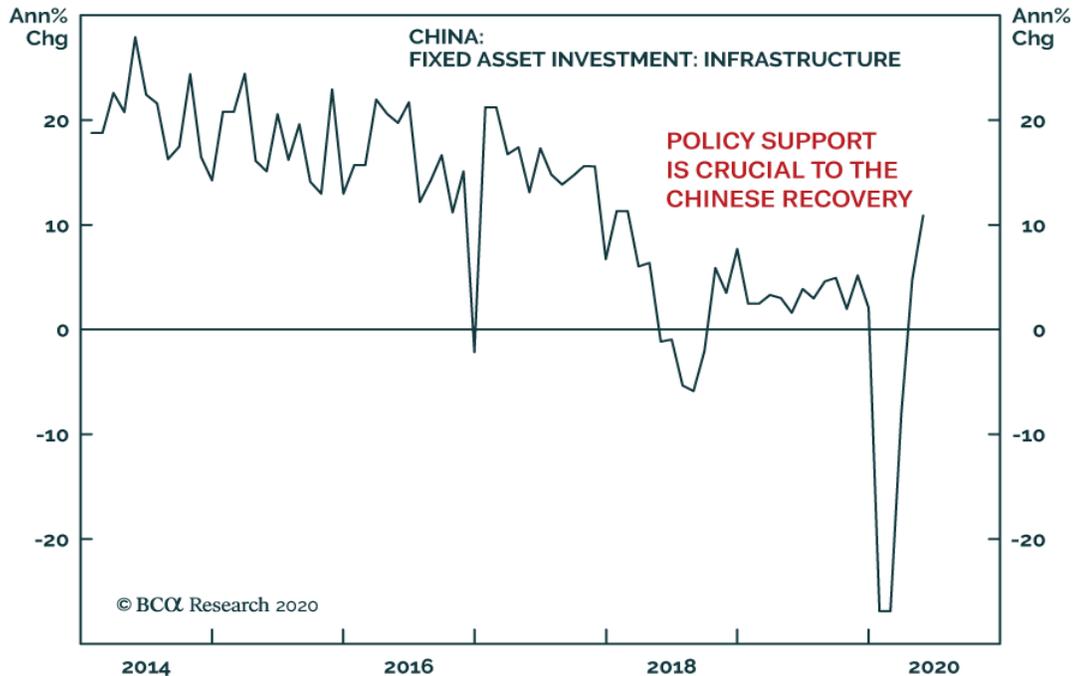


## China's "V" Shaped Recovery



Source: BCA Research as of 6/16/2020

- Several months back we put out a [Chart of Interest](#) highlighting China's growth trajectory as they are at the forefront of the COVID-19 pandemic where economic activity is about 2 months ahead of the rest of the world. Our base case at the time was for an estimated "V" shaped economic event with an intense recession.
- The chart above on China's Infrastructure spending is a strong indication of actual economic activity that points to a "V" shaped recovery unfolding as a result of historic global stimulus. Policy support helped activity in China bottom in February and looks to have helped activity in most of the rest of the world bottom in April.
- Policy support has been larger and more quickly deployed than expected. As lockdown restrictions continue to ease, we are encouraged by recent global economic data releases. If a recovery is indeed underway, as equity markets suggest, we could be at the beginning of a new bull market that lasts years.

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