

US employment plunges in March



US President Donald Trump touted the record low unemployment rate for blacks and Hispanics as a signal achievement of his presidency, but the jobless rate is soaring
Washington

As the US economy craters amid the damage inflicted by the coronavirus shutdowns, businesses jettisoned jobs at an alarming rate last month, according to government data yesterday, and the situation is expected to get dramatically worse.

US employment plunged by 701,000 in March and the jobless rate surged to 4.4 per cent, the Labour Department reported.

Yet the department acknowledged its statistics could not yet capture the full extent of the damage, and its own weekly data on first-time claims for jobless benefits showed 10 million people lost their jobs in the last two weeks of the month.

With COVID-19 cases topping a million worldwide, a quarter of which are in the United States where the death toll is over 6,000, cities have turned into ghost towns and officials

are struggling to find ways to ease the ruinous damage to the economy and individuals.

“The drop in payrolls in March was unprecedented for the start of a recession and will get more than twenty times worse in April,” said Diane Swonk of Grant Thornton.

“We will easily lose more than twice as many jobs as we lost during the Great Recession during the first two months of this crisis alone,” she said in an analysis.

The monthly report reveals the worst job loss since the depths of the global financial crisis in March 2009 and the biggest single-month jump in the jobless rate in more than 45 years.

However, the Labor Department acknowledged it “cannot precisely quantify the effects of the pandemic on the job market in March,” and errors in counting those who lost jobs mean the unemployment rate was like a full point higher.

ADB warns global virus cost could top \$4 trn

● The estimated impact is equivalent to nearly five percent of worldwide output

● Close to five percent, or \$628 billion, of China's GDP could be lost.

AFP | Manila

The coronavirus pandemic could cost the global economy \$4.1 trillion as it ravages United States, Europe and other major economies, the Asian Development Bank warned yesterday.

The estimated impact is equivalent to nearly five percent of worldwide output based on a range of scenarios, but the lender said losses from “the worst pandemic in a century” could be higher.

“The estimated impact could be an underestimate, as additional channels such as...possible social and financial crises, and long-term effects on health care and education are excluded from the analysis,” the ADB said.

The Manila-based bank said a shorter containment period could pare the losses to \$2 trillion.

The crisis has sent equity markets spinning as traders



With billions of people in lockdown around the world, the global economy has almost come to a standstill

fret over the long-term impact on the world economy, though governments and central banks have stepped in to ease the pain, pledging more than \$5 trillion in stimulus and easing monetary policy.

Officially reported COVID-19 cases worldwide topped the one million mark on Thursday, with tens of thousands dead, while there are warnings the numbers will continue to balloon as the disease rapidly spreads.

With billions of people in lockdown and economies at a standstill, the ADB said Asia is forecast to grow 2.2 percent this year, its slowest pace since a 1.7 percent expansion during the Asian financial crisis in 1998.

“No one can say how widely the COVID-19 pandemic may spread, and containment may take longer than currently projected,” ADB chief economist Yasuyuki Sawada said.

“The possibility of severe fi-

nancial turmoil and financial crises cannot be discounted,” he added.

The forecasts assume the coronavirus outbreak will be contained this year and a return to normality in 2021.

However, there is still the potential for additional outbreaks and the severity of the pandemic remains uncertain.

“Outcomes can be worse than forecast and growth may not recover as quickly,” the bank said.

Growth in China, the region's largest economy, could slow to 2.3 per cent this year from 6.1pc in 2019, before bouncing back in 2021.

“The outbreak became a demand shock as people stayed home. It became a supply shock as companies suffered shortages of labor...and of materials as supply chains faltered,” ADB said.

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Temperature checks, masks new norm for Amazon employees

San Francisco

Amazon on Thursday said it is temperature-checking more than 100,000 workers daily and handing out masks as part of ramped-up defenses against the coronavirus pandemic.

The online e-commerce colossus made the announcement after a series of employee protests and complaints about safety for workers delivering food and supplies to people hunkered down in their homes.

Amazon this week began checking the temperature of workers arriving at US facilities, asking those with apparent fevers to go home, according to senior vice president of worldwide operations Dave Clark.

Disney to furlough some employees

Los Angeles

The Walt Disney company said on Thursday it plans to furlough some of its employees starting later this month as the coronavirus pandemic keeps its theme parks and other businesses shuttered.

The furlough will begin the following day, Disney said, stressing that affected staff would receive full healthcare benefits for the duration.

Trump Organisation, hit by virus, tries to delay loan payments: report



Trump, shown here with his wife Melania arriving in Palm Beach

New York

US President Donald Trump's family company is asking creditors such as Deutsche Bank if it can delay loan payments as the economic impact of the coronavirus pandemic deepens, *The New York Times* reported Thursday.

The Trump Organisation -- the conglomerate of companies created by Trump and now run by his sons -- is, like many others, losing money as the restrictions put in place to lessen the spread of deadly COVID-19 bring the US to a grinding halt.

The New York Times said the Trump Organization contacted Deutsche Bank, seen as the only major lender willing to do business with the company, at the end of March to ask about extending some repayment deadlines.

“These days, everybody is working together,” Trump's son Eric, the Organization's

executive vice president, said in a statement sent to AFP.

“Tenants are working with landlords -- landlords are working with banks. The whole world is working together as we fight through this pandemic,” the statement continued.

The Trump Organisation still owes Deutsche Bank several hundred million dollars, according to the *Times*.

The group, whose main business is real estate development, also contacted Palm Beach County to see if it could suspend rent payments on land occupied by the Trump International Golf Club, a 27-hole course and clubhouse on more than 120 hectares.

Negotiations have so far not led to any change in the financial conditions of the Trump Organisation.

Eric Trump and his brother Donald Jr took over the organisation after their father's inauguration.



Delta Air Lines passenger planes are seen parked due to flight reductions made to slow the spread of coronavirus disease at Birmingham-Shuttlesworth International Airport in Birmingham, Alabama

Grounded planes insured for more than \$160 billion: report

Reuters | London

Aeroplanes with a total insured value of more than \$160 billion are grounded around the world, presenting risks for insurers, a report said yesterday.

Singapore has the largest number of planes standing idle at airports, at 205, with Hong Kong second at 178, the report by insurance broker Gallagher said.

There are 158 planes on the ground in Madrid though only 40 in New York, with planes at the world's 20 biggest airports having a total insured value of \$164 billion.

Airlines have seen revenues

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slump as a result of the coronavirus pandemic which has led to travel lockdowns around the world.

“There will be airline failures, meaning unpaid premiums and bad debt,” Bruce Carman, Chief Underwriting Officer at Hive Aero, said in the report.

The airlines will likely seek some of their premiums back because passenger numbers are

heavily reduced, he added.

Groups of grounded aircraft also present risks for so-called “aviation war” underwriters, as they are a far larger target for terror attacks.

The lead insurers in consortia of aviation underwriters are turning down some renewal business, with particular concerns including non-Western built aircraft and older aircraft, the report said.

Where insurers are offering cover, they are seeking rate increases of at least 20-25%, Gallagher said. Aviation insurance rates have been falling for many years due to an improving safety record and steep competition.

Gold edges up

Reuters

Gold prices inched higher on Friday and were stuck in a narrow range as the dollar strengthened ahead of US nonfarm payrolls data.

Spot gold was up 0.2 per cent at \$1,616 per ounce by 1205 GMT. The metal has declined nearly 0.5pc so far this week after an 8pc jump in the previous week.

US gold futures edged 0.1pc higher to \$1,639.40 per ounce.

“The US dollar is moderately stronger and that's weighing on the gold prices,” said Bank of China International analyst Xiao Fu.

“It's still a tug-of-war situation for gold between the virus and the equity markets; when equity markets further sell off, there is request for margin calls again. So it's very unclear if there will be an upward trend, and gold is expected to be range-bound in the near-term.”

On Thursday, gold gained 1.2pc after the number of Americans filing claims for unemployment benefits last week shot to another record high as more jurisdictions enforced stay-at-home measures to curb the pandemic.

Palladium slipped 1.5pc to \$2,179.56 an ounce on Friday, while platinum dipped 0.7pc to \$722.58. Both metals were set to register a weekly loss.

Silver shed 0.7pc to \$14.43 per ounce.