

**KTS**  
CAPITAL  
MANAGEMENT



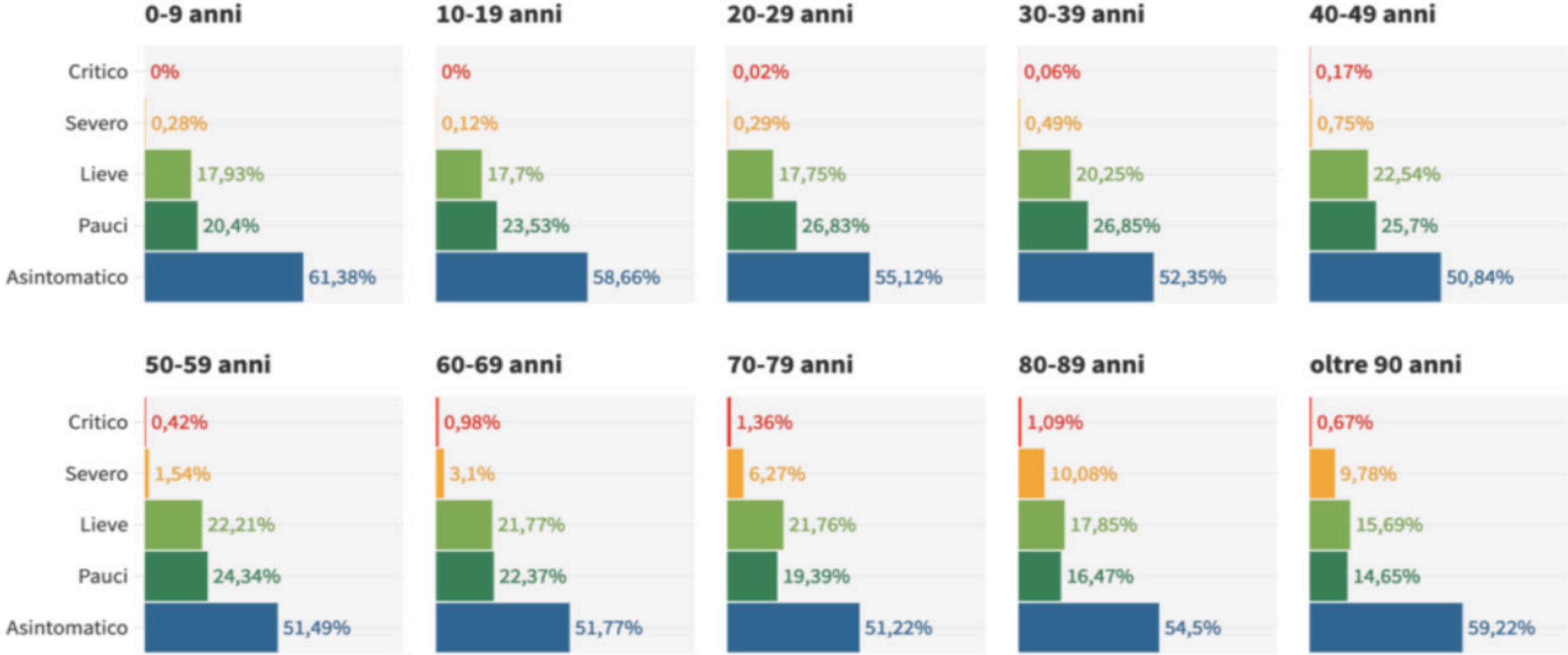
# KTS weekly update Nr. 1

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The 7<sup>th</sup> of January 2022

# Covid-19: detail statistic over age group

Femmine Maschi **Tutti**



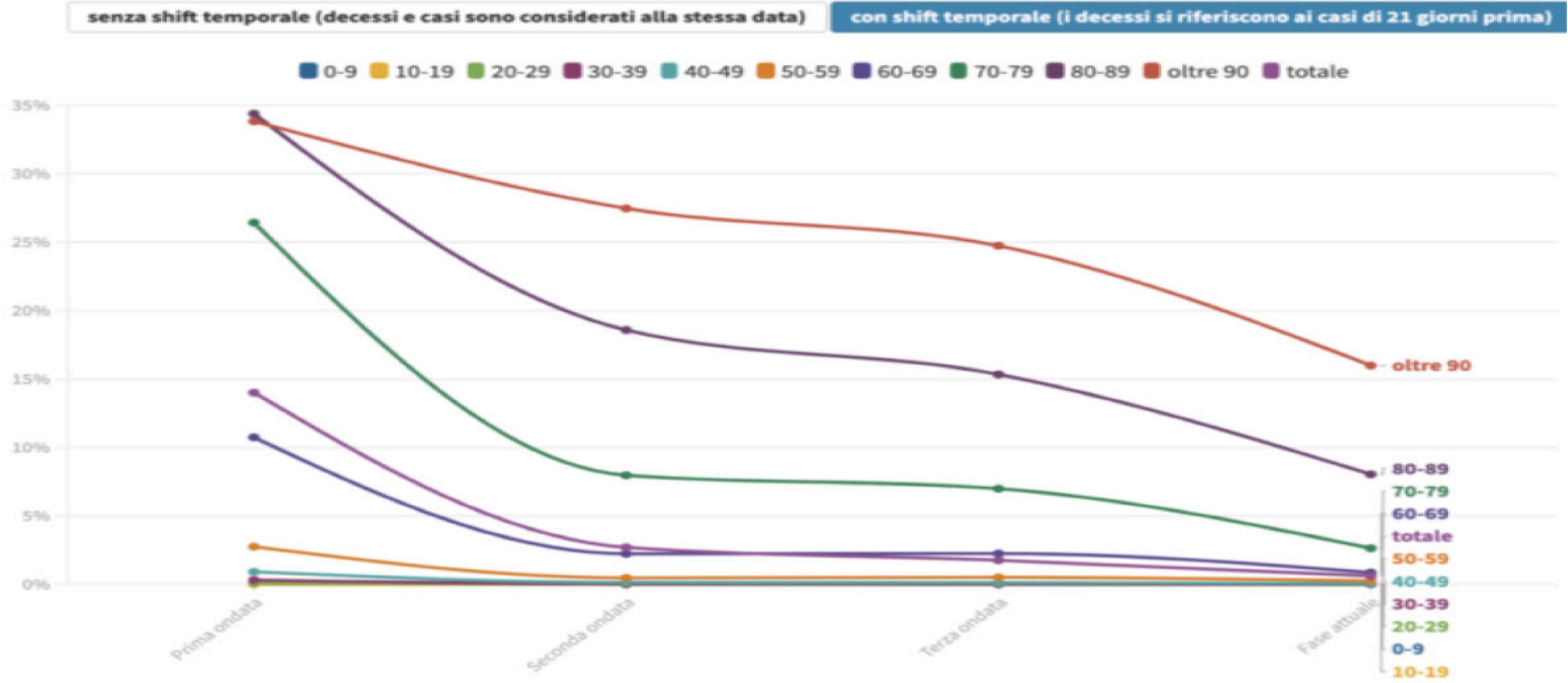
Source: Prof. Paolo Spada of Humanitas hospital Milano, via Mr. Leopoldo Gasbarro of nicolaporro-it

# Covid-19: detail statistic analysis

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- On the previous slide “Covid-19 detail statistics”, courtesy of Mr. Paolo Spada of Humanitas hospital in Milano (via Mr. Leopoldo Gasbarro), the journalist analyzes in detail the situation of new Covid cases, as at the 30<sup>th</sup> of December 2021. KTS could not check the accuracy of the data, but we have the feeling that the numbers and the sources are reliable. In addition, up until now this is the only source the KTS team could find that tries to solve the key problem of mainstream communication. Which is to study the real situation regarding new cases and we would expect government experts to monitor such data on a daily basis or, at least, to try to figure out the real situation of new cases.
- Basically, the journalist Mr. Gasbarro asserts that:
  - Almost any age group between 51% to 61% does not have any symptoms (so-called asymptomatic people). Of the over 127k new cases, as at 30<sup>th</sup> December 2021, around 74k showed no symptoms of the virus.
  - **Additionally, in all age groups age itself is not that important, with 22% experiencing very light symptoms. Therefore, 28k from 127k new cases (in total 102k of the new cases) should not be considered as sick, which means 80%!**
  - Analyzing further the data, 19% (24k people) have mild symptoms. **Therefore, 126k people did not experience severe symptoms over 127k new cases.**
  - **270 people needed serious assistance on arrival at hospital, less than 1% of the total, the remaining 730 had to be monitored or assisted at the hospital.**
  - **On the next slide, Mr. Gasbarro mentions an additional very important and positive trend of the pandemic, namely the sharp decrease in lethality of the virus in all age groups, arguing that we are now in the “endemic” phase.**

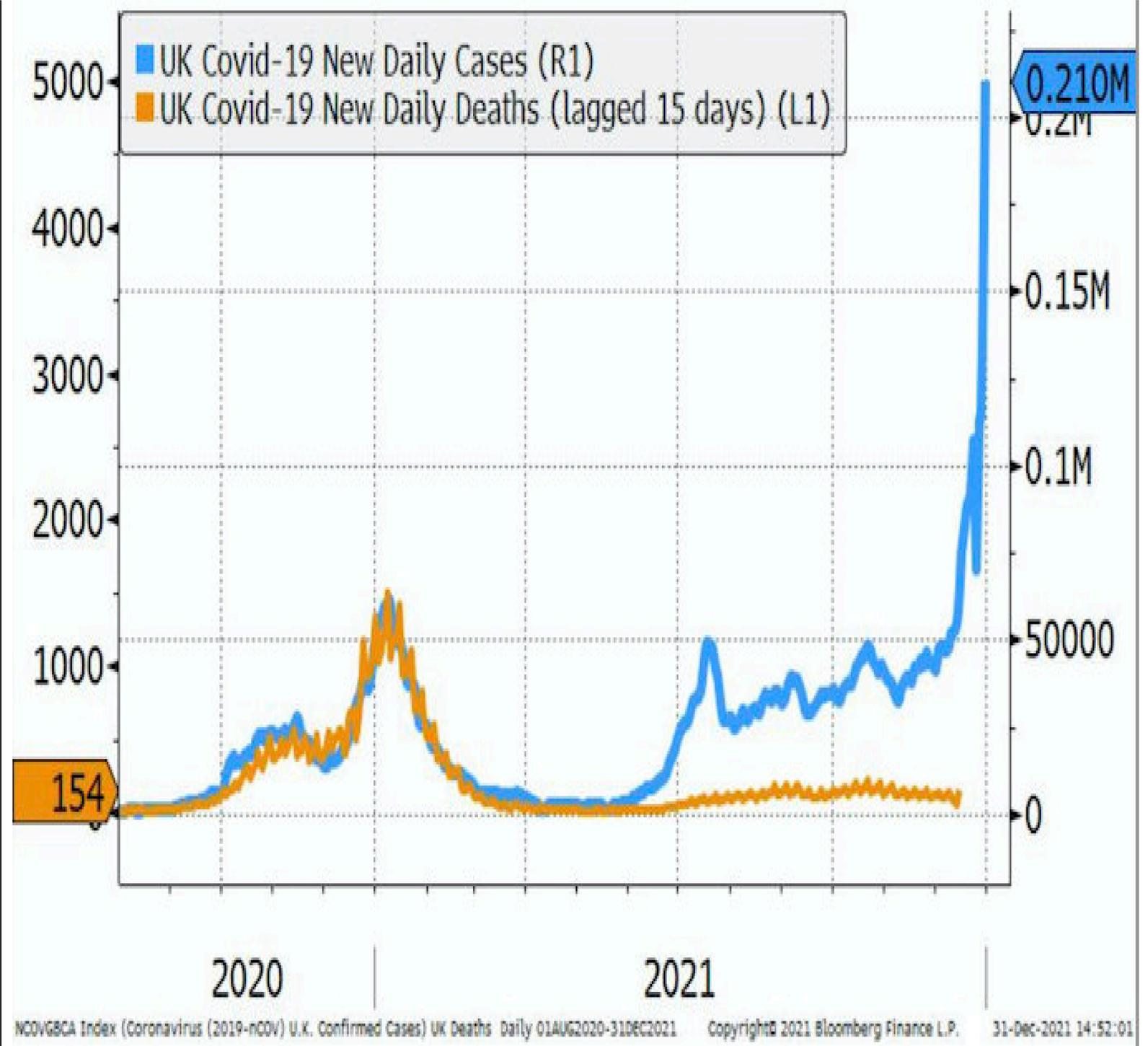
# Covid-19: lethality over time and for age group



Fonte dati: ISS. Infografica: Paolo Spada  
 Source Paolo Spada, ISS, via Leopoldo Gasbarro

# Covid19: lethality

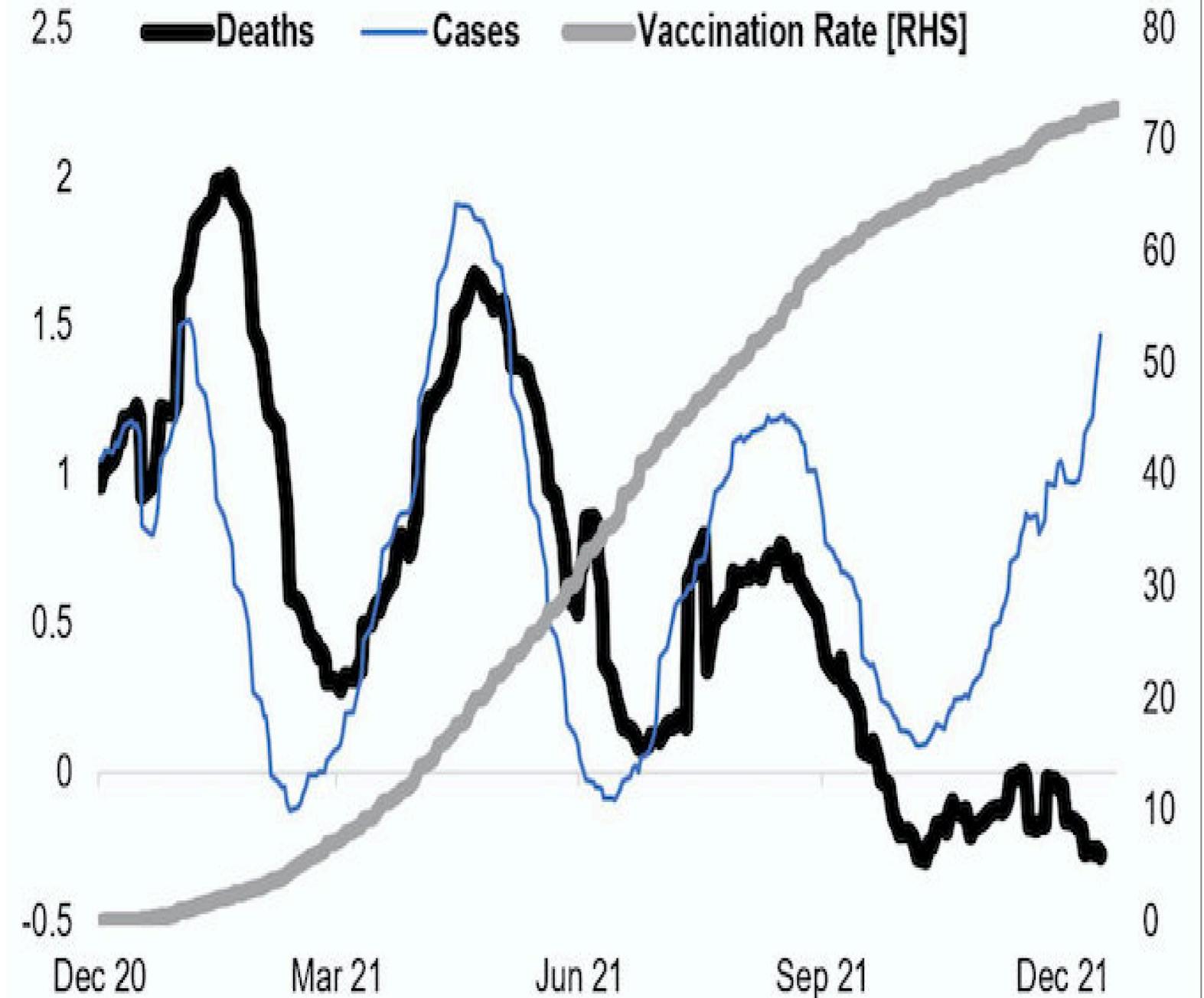
• On the right hand chart, courtesy Mr. Jeffrey Kleintop (CIO at Charles Schwab & Co), is confirmation of the low lethality data shown earlier by Mr. Gasbarro. We can see that in the UK Covid-19 new cases are exploding, but the death rate remains low relative to new cases and, therefore, asserting that it may be a game changer for how markets react to new waves. In our opinion this is already the case, as we analyze the positive start to the year from the equity markets.



Source: Mr. Jeffrey Kleintop

# Covid19: lethality

- We are also including an additional chart on lethality of Covid19, because there are multiple sources showing the positive trend of the pandemic, which is not mentioned in the mainstream media.
- According to the right hand chart, courtesy Topdown Charts, the global rollout of vaccines, rising immunity, social adaptation and therapeutics, have all helped lower the peaks in deaths and, therefore, the conclusion is: the light at the end of the tunnel appears a little brighter now.

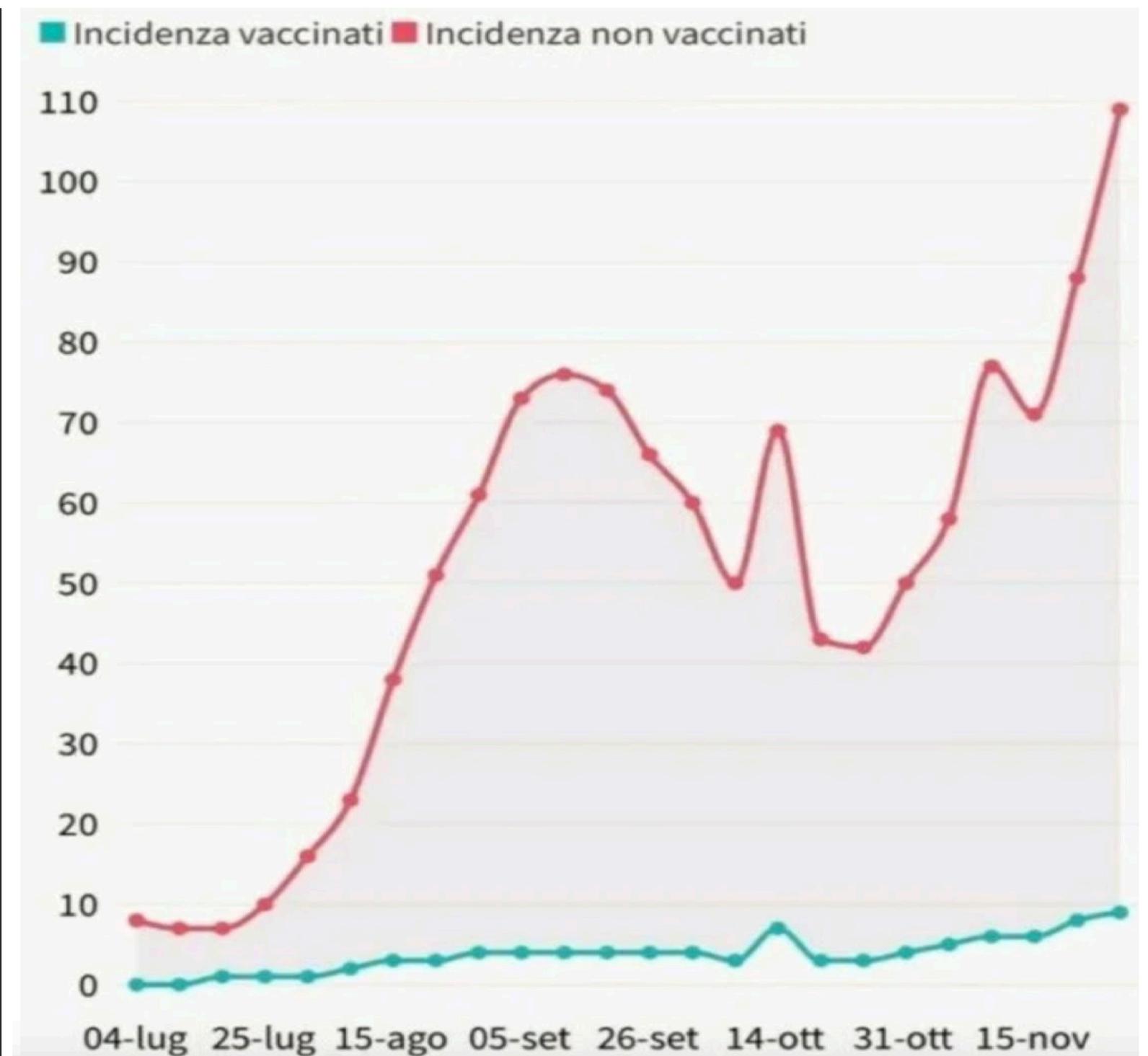


Source: Topdown Charts, Refinitiv Datastream, WHO topdowncharts.com

Covid case Trends (rolling 7-day change) Source: WHO, Topdown Charts

## New cases at ICUs (intensive care unit)

- The chart on the right, courtesy of the newspaper 24ore (lab24) via Mr. Leopoldo Gasbarro, shows the difference between the number of vaccinated (green line) and unvaccinated patients (red line) at Italian hospital ICUs.
- As we can see, the number of vaccinated cases is only marginally increasing and, therefore, this is confirmation that vaccines are efficient against Covid19.
- More detailed statistic of the same source, confirms that unvaccinated people are also the highest number by far in hospitals, ICU and deaths.
- We came across other statistics from other sources, showing that 85% of ICU patients are unvaccinated, therefore confirming this chart.
- The conclusion is clear: the situation is improving, even though we do not get this feeling from the mainstream media. Thanks to vaccinations and natural immunity, the virus is slowly but surely disappearing and with Omicron spreading faster, but with lower severity, the “endemic” phase is finally in motion.



Number of vaccinated vs. unvaccinated

## Further update on Omicron variant

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- **We are reading, at last, with immense pleasure in mainstream media** that experts are now debating that only observing the number of new cases on a daily basis is not enough and creates unnecessary panic. Instead, governments should focus on data about the severity of cases and deaths.
- **As an example, it is mentioned that in the US, where new cases reached record highs, hospitalizations increased by “only” 20% and, not surprisingly, the death rate was just 5% (in Italy even -10%).**
- The Guardian journalist Mr. Gandhi is also arguing that the number of new cases should not be mentioned at all in media because, as for the case of the yearly flu season, it can not be eliminated and people have to live with such reality. Therefore, it is important for health authorities to keep focus only on the severity of the cases and death rates. As mentioned recently, we were hoping for such a response, especially from the media and from governments. Because, aside from the fact that keeping focus on the severity's data is quite a logical and elementary strategy, observing the behavior of people, we can sense there is still unnecessary hysteria amongst people and the only way to “calm down” the population is only via the right information from media, which is definitely not only announcing the number of new Covid19 cases!
- In addition, we are reading that many hospitalized people with the Omicron variant are there for other reasons and have only mild Covid-19. Dr. Fauci has pointed out that this phenomenon is also evident in the US. According to the UK National Health Service, **1/3 of covid-positive cases in England on December 28 were admitted to the hospital for different reasons.** In South Africa the Medical research council also found a high rate of incidental cases.
- Finally, we would mention the fact that, statistically, this season has witnessed no announcements of flu' cases, another fact which is highly questionable.

## Update on Omicron variant

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- On CNBC we learn that a study in UK of over more than 528k omicron cases and 573k delta cases from Nov 22 though Dec 26, shows how the **Omicron hospitalization risk is about 1/3 that of delta and proves vaccines provide a good protection**, though a booster dose provides the best protection. The UK National Health Service is still cautious to draw a definitive conclusion because of the high transmissibility of Omicron and the rising cases in the over 60s population in England, keeping a significant pressure on the NHS in coming weeks. An argument from the WHO (World Health Organization) is that **Omicron is spreading around younger people and there is not enough data of how it impacts the elderly population**.
- **KTS would actually interpret Omicron not spreading amongst the elderly population as very positive**. It means that elderly people are have respect for the situation and remain cautious. This is more of a reason to let the contagion keep spreading as much as possible amongst children, whom we decided not to vaccinate, and youngsters. Then, finally we will enter the end of the pandemic.
- We are also reading in the Swiss NZZ newspaper that, at the end of the day, **the right solution would be to protect people “at risk” and let the “rest” of the population live a normal life**. The newspaper also mentioned that media should stop to keeping focus only on the new cases, which is not helpful.

## Update on Omicron variant

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- Finally, we read with pleasure the interview of Mr. John Bell, a regius professor of medicine at the University of Oxford and the U.K. Government's life sciences advisor. He states that the horrific scenes seen in previous Covid-19 waves are “now history”. His argumentations are based on the fact that, **even if hospital admissions are at their highest since March 2021, the number of people in ICUs who are vaccinated remains very, very low. In addition to the fact that in UK the population is basically vaccinated.** According to Mr. Bell, many people are spending a relatively short time in hospital (an average of 3 days) and don't need high-flow oxygen and, therefore, the conclusion is that this is not the same disease we were seeing a year ago. Again, if the population would grasp this, we are convinced that the hysteria would finally recede and people would start living “with the virus”, as we have always done, in the past, with the flu.
- In the New York Times we are reading about a new animal research, which suggests that **Omicron is less severe because it spares the lungs** (study from the University of Cambridge, Prof. Ravindra Gupta). Apparently, Omicron infections are more often limited largely to the upper airway: the nose, throat and windpipe. Similar findings came also from researchers at the University of Hong Kong, asserting that Omicron is spreading 70 times faster than delta, but is 10 times less efficient in the lungs. Also the Universities of Leuven (Belgium), Tokyo, Liverpool and Washington are coming up with similar results.
- As already argued recently and by analyzing the situation in India, Africa and most probably many other emerging markets it would appear that natural immunity is much stronger protection than that provided by vaccination. The Austrian Med University of Graz in collaboration with the US Harvard University were able to prove that naturally cured people still have a 91% protection against the virus (also against Omicron) after 8 months, on the contrary, vaccines' protection starts weakening after 5 months.

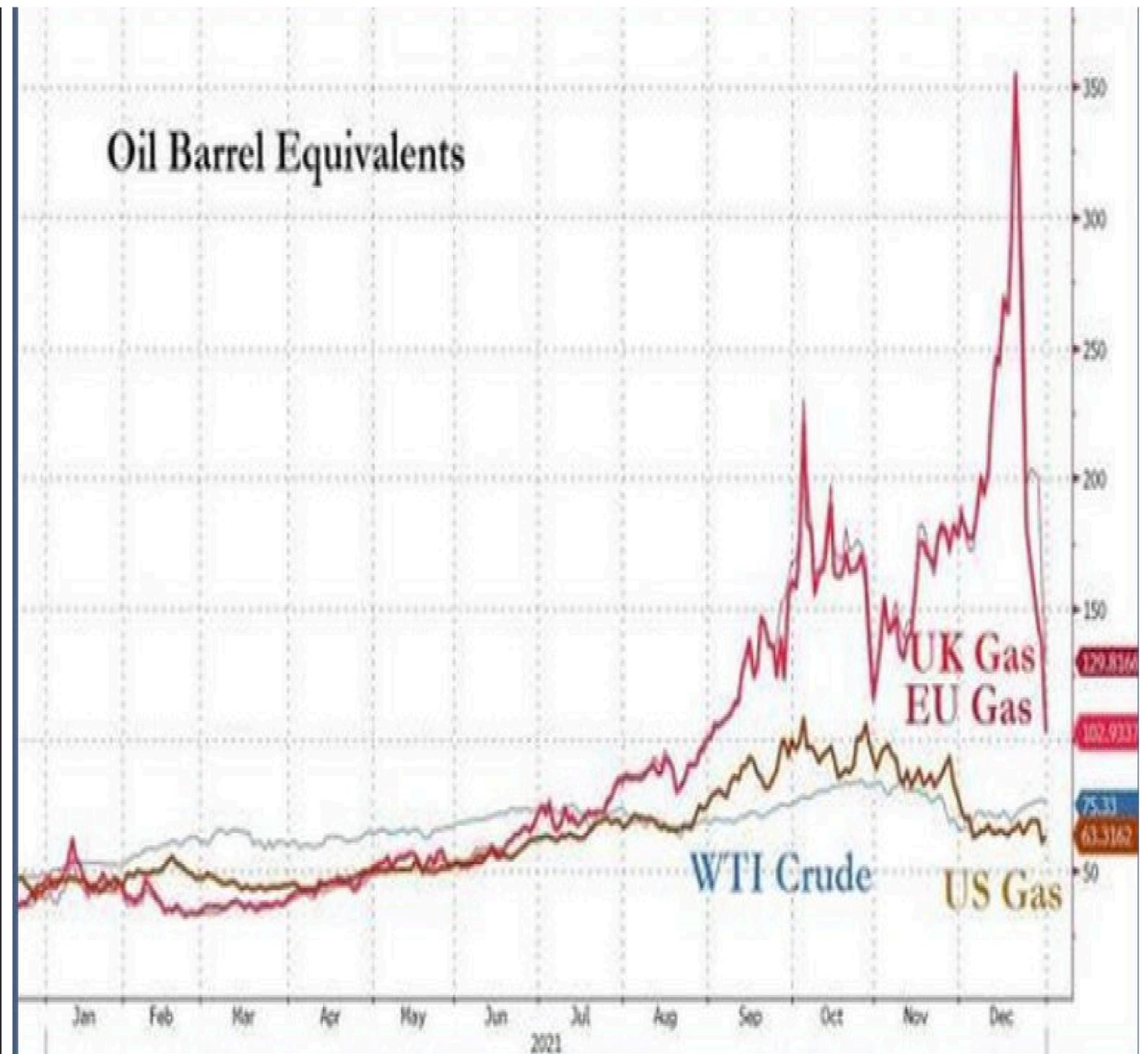
## Update on Omicron variant

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- Unfortunately, there is also some negative news from France, which we would not give too much weight to. A new variant from Cameroon has been detected. Apparently, it is spreading even faster than Omicron and has 46 mutations (vs. 37 of Omicron), but, as far as we can understand, is supposed to be not much different to Omicron. **Equity markets are still relaxed, especially because US President Biden has been insisting that they are no longer in the shutdown business and will not order any closure to contain the latest surge in coronavirus cases.** The US President considers that the current situation is not comparable to last year, because we have efficient vaccines, boosters and also different medications against the virus. Mr. Biden stressed that there is not any good reason to avoid being vaccinated and, currently, there is a pandemic of unvaccinated people.
- Also the UK Prime Minister Boris Johnson said that, despite the record surge in coronavirus cases, the limited restrictions in England was the right approach and would be maintained. Basically, asserting that the country has the chance to ride out the Omicron wave without shutting down the country once again, keeping schools and businesses open and finally finding the way to live with this virus.

# European Natural Gas price

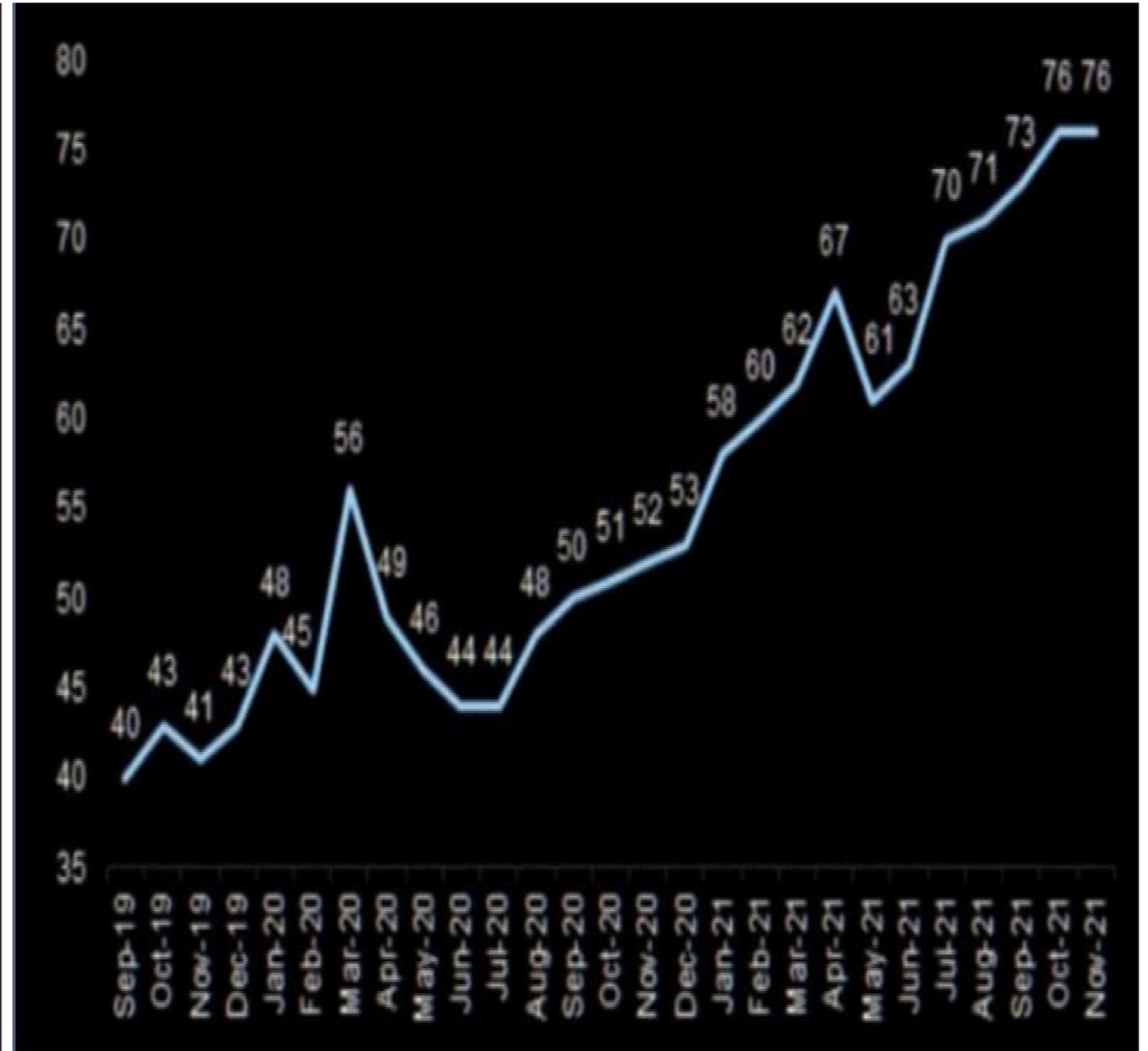
- The chart on the right does not need much comment to be added.
- Back in November 2021 many market participants were predicting an energy crisis with the same catastrophic extent of the 70s.
- It looks like the huge delivery of LNG vessels from USA is going to solve Europe's demand for Natural Gas and, as a consequence, EU gas prices have crashed back to reality.



Source: Bank Syz / zero hedge

## Door-to-door shipping days

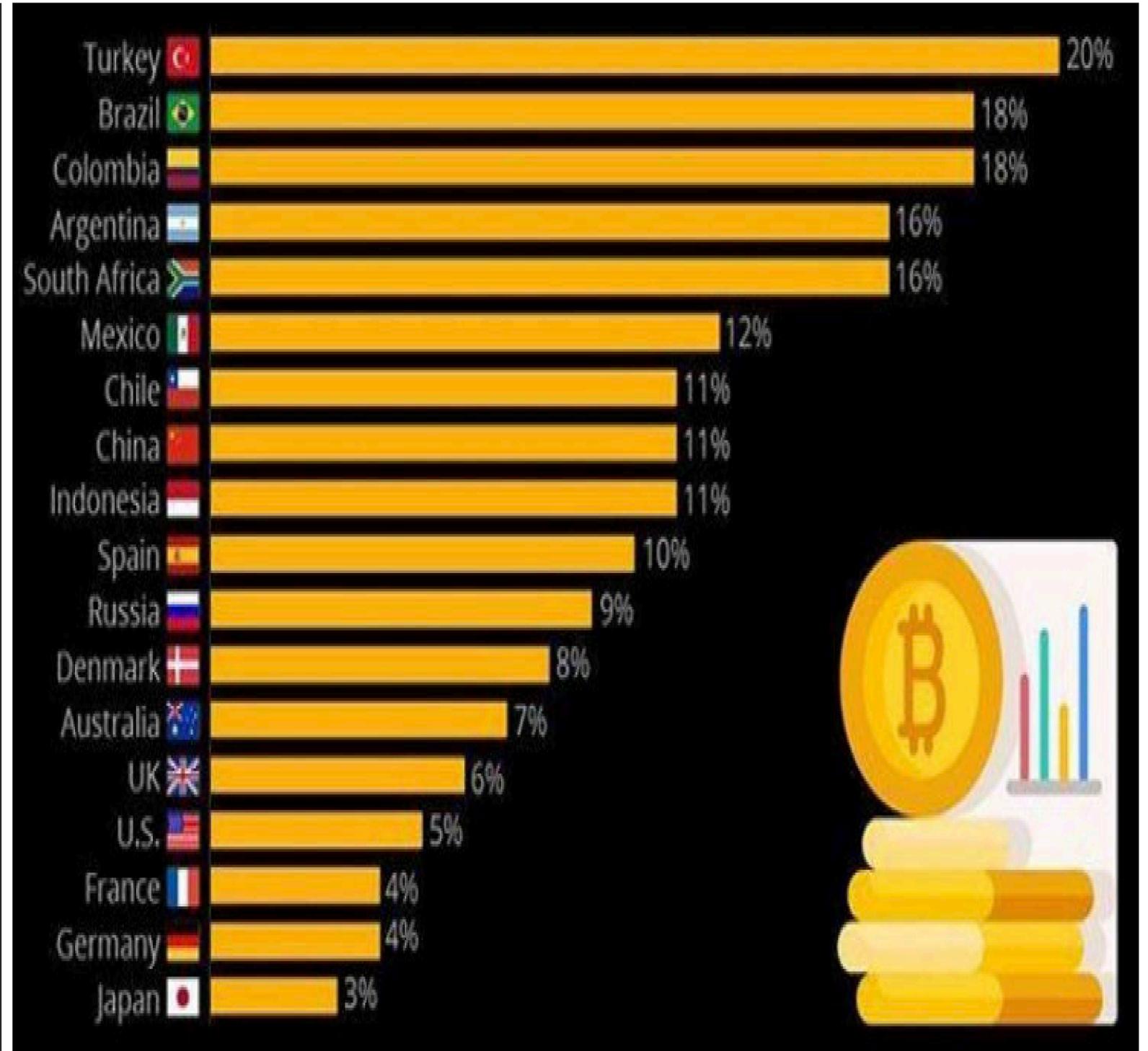
- Door-to-door shipping days from China to US are flat since October 2021, though remain at a high level of 76 days; back in 2020 the average was around 44-50 days.
- With some ports in China under lockdown, this is quite comforting news, but of course, we all have to hope that Chinese authorities are not reacting too hawkishly on the Omicron outbreak. Supply bottlenecks are one of the main reasons causing high inflation, and during 2022 we need a normalization, in order to have central banks maintaining their accommodative monetary policies.
- As previously analyzed, new Covid case statistics are showing a tremendous improvement and we are confident that the situation is going to improve sooner, rather than later.



Source: Bank Syz / Freightos

# Who uses cryptos

- On the right hand chart, courtesy Statista (via Bank Syz), we notice how **citizens of emerging market countries with weak currencies are also invested into cryptos as diversification.**
- 20% of Turkish respondents to the survey said that they used or owned crypto currencies, followed by Brazilian with 18%, Colombia with also 18%, Argentinian (16%), South Africa (16%).



Source: Statista (via Bank Syz)

## General news

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- According to the World Economic Forum, Switzerland tops the rankings as most innovative economy for the 11<sup>th</sup> year. According to the study, the success is due to constant yearly investments in research and development (around 3% of GDP), in addition to its high-ranking universities, which are a melting pot of foreign talents. KTS intends to be well positioned to “catch up” with Swiss innovation and attractive start ups via an investment into the Swisscom Venture Capital structure II, which is going to invest 50% of its capital into Swiss innovative start ups.
- The UK and US gastronomy sector has suffered in particular from the Omicron variant, seeing revenues falling around 15% in the month of December. But analyzing performance of the entertainment and traveling sector for YTD 2022, many stocks have had a tremendous positive jump, as if market participants are discounting the end of the pandemic?!

# DISCLAIMER

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