

Asia COVID-19 & Vaccine Tracker

First to normalise

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Economics - Asia

- ◆ Asia is seeing a diverging story; some economies are easing restrictions while others are maintaining strict lockdowns
- ◆ Given vaccine shortages, economies are seeking to diversify their vaccine sources
- ◆ Despite Delta variant risks, the BoK is the first Asian central bank to start its normalisation process amid financial stability concerns

Delta divergence

While the outbreak of the Delta variant remains the dominant concern in Asia, the region appears to be showing a diverging story. For one, mainland China has largely contained the wave, as daily cases have fallen to single digits. Nanjing, where the latest wave started, resumed commercial flights on 26 August after its airport has been closed for a month. In ASEAN, Thailand and Indonesia have seen daily case numbers start to moderate, with the latter easing restrictions in many areas of Java from 24 August. Restaurants and shopping malls are allowed to operate at 25% and 50% capacity, respectively. That being said, Vietnam, the Philippines, and Malaysia continue to see a surge in cases, leading to a continuation of already stringent curbs. After 1.5 months of lockdown, Ho Chi Minh City (HCMC) has further tightened its restrictions by requesting its residents to “stay where they are” from 23 August, as the city remains the epicentre of the current wave. Elsewhere, New Zealand, which has low inoculation rates, has extended its national lockdown until 31 August, leading to a significant decline in mobility.

Vaccine diversification

For those Asian economies facing vaccine shortages, many are looking to diversify their source of vaccines, as part of their mass vaccination efforts. Indonesia has approved Sputnik V for emergency use while Taiwan has started to roll out its own vaccine, Medigen, which requires two jabs 28 days apart. While the latest wave is largely contained in Taiwan, its vaccination progress, particularly its full vaccination rate, lags that of its peers (Chart 2). On top of Taiwan's importation of 10m doses of vaccines and a recent 36m order of the Moderna vaccine in July, Medigen is likely to add a further 5m doses to its vaccine supply (CNN, 23 August), which is enough to fully vaccinate its entire population, although the delivery time for Moderna is unclear.

Monetary normalisation

Given mounting growth risks, most central banks in the region have maintained their accommodative monetary stance. That being said, the Bank of Korea (BoK) is the first Asian central bank that has kick-started its normalisation process. Despite rising COVID-19 cases, it delivered a 25bp rate hike to 0.75% on 26 August, as the central bank looks through near-term COVID-19 volatilities and is determined to address financial stability concerns. However, we expect the next rate hike to be pushed into 3Q22 given slower-than-expected growth and a complicated calendar. We expect its policy rate to be at 1.0% by the end of 2022.

This is an abridged version of a report by the same title published on 27-Aug-21. Please contact your HSBC representative or email AskResearch@hsbc.com for more information.

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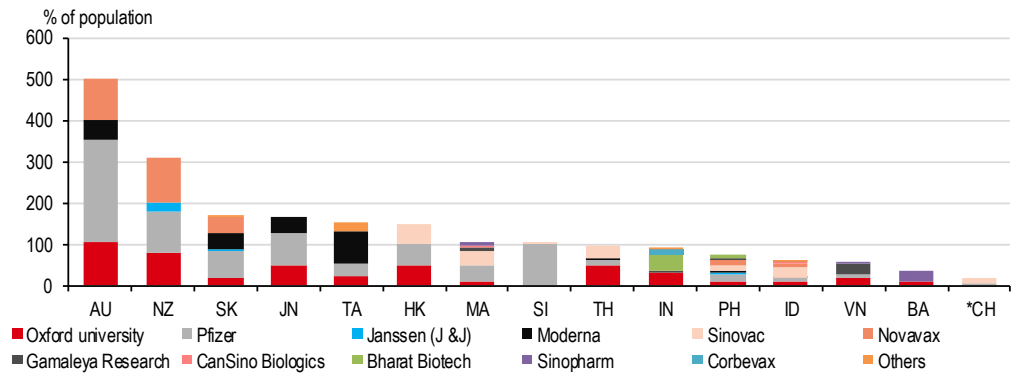
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Asia COVID-19 and Vaccine Tracker

Chart 1: Total confirmed vaccine doses by country and territory (% of population)

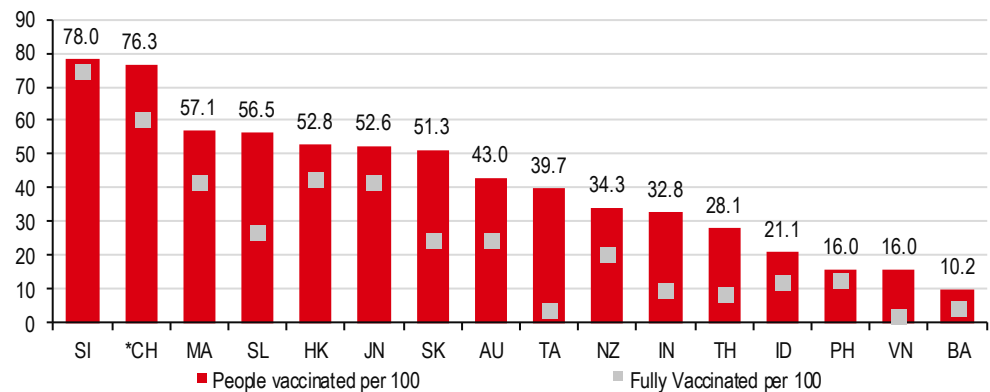
Most economies have secured enough vaccine doses to vaccinate at least 50% of their population



Note: *CH – Mainland China. Duke University's data do not include domestic supply for mainland China (not made publicly available).
Source: Duke University Health Innovation Center, HSBC

Chart 2: Percentage of people who received at least one dose and were fully vaccinated

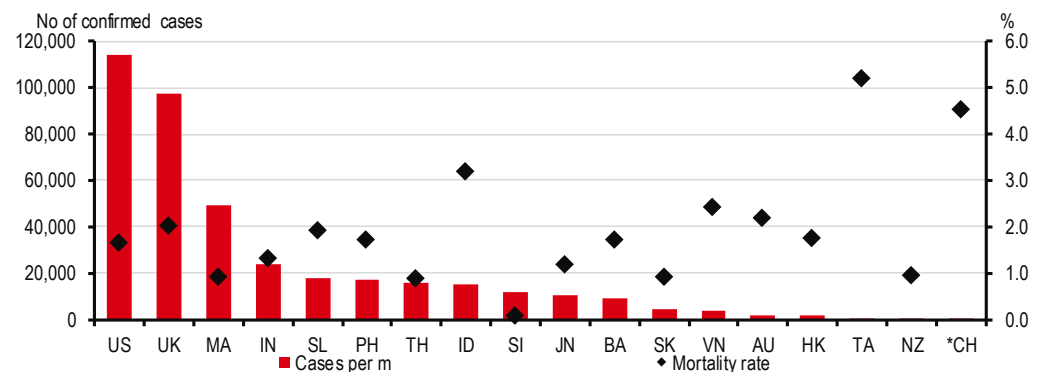
Singapore and Mainland China lead Asia in terms of vaccination progress



Note: *CH – Mainland China data is our estimated share of people vaccinated from total number of doses given. As of 12 August, 54% of the population is fully vaccinated.
Source: Our World in Data, HSBC

Chart 3: Cumulative confirmed COVID-19 cases per one million population

Number of confirmed COVID-19 cases (per one million people) in Asia remains far below those of Western economies

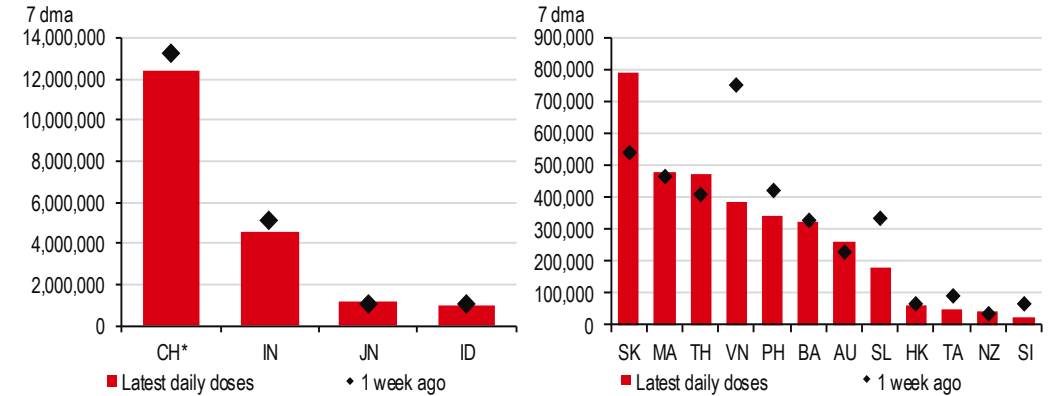


Note: *CH – Mainland China.
Source: CEIC, HSBC

Asia COVID-19 and Vaccine Tracker

Chart 4: Daily vaccination rate per economy (7-day moving average)

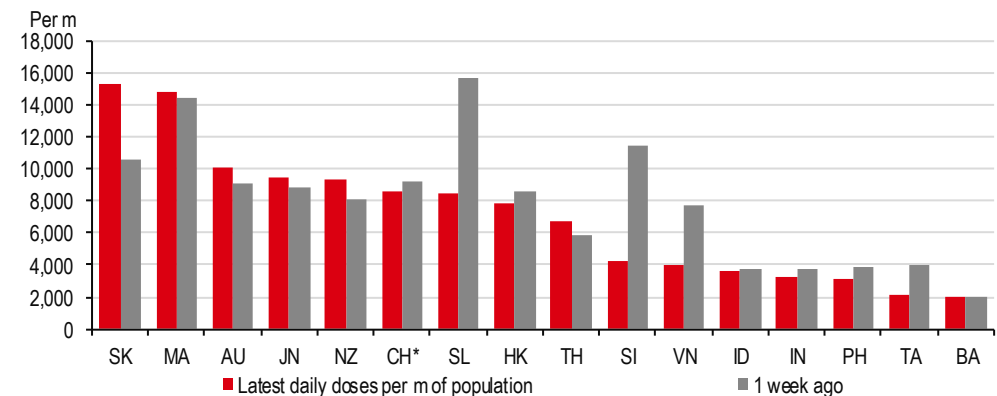
Vaccination rates in South Korea continued to gain pace



Note: *CH – Mainland China.
Source: Our World in Data, HSBC

Chart 5: Daily vaccine rate per million of population

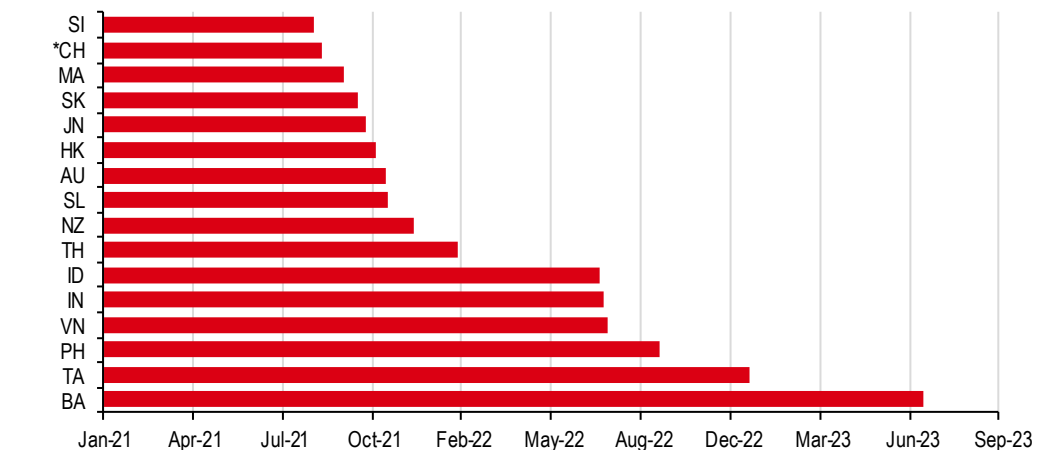
South Korea and Malaysia lead Asia in daily doses per million population



Note: *CH – Mainland China.
Source: Our World in Data, HSBC

Chart 6: Projected timeline, given the pace of daily vaccination, of reaching 70% population vaccination rates

At the current daily vaccination rate, when might 70% of the population be fully vaccinated?

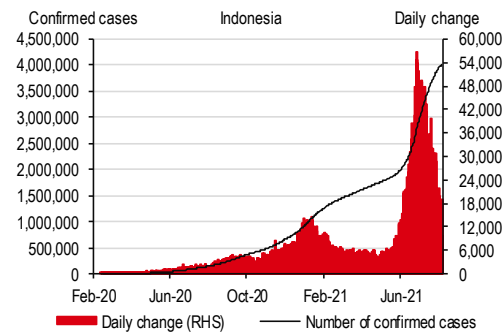


Note: *CH – Mainland China.
Source: Our World in Data, HSBC

COVID-19 in Asia

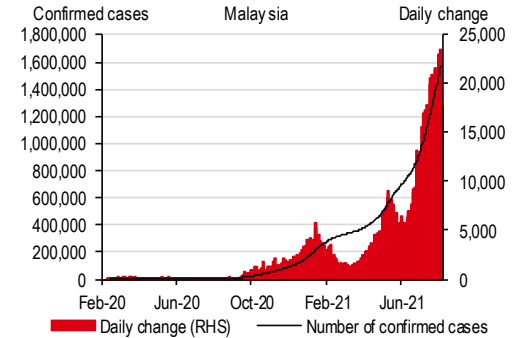
Chart 7: Indonesia

Daily cases continue to moderate in Indonesia, albeit at an elevated level; Malaysia's daily cases remain above 20k



Source: CEIC, HSBC

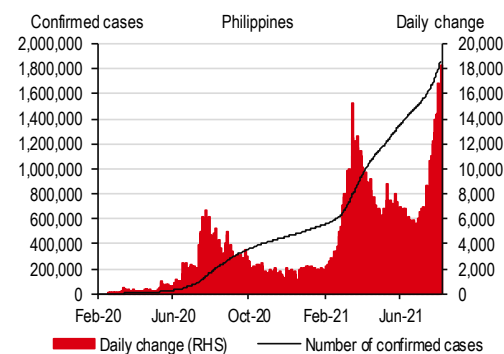
Chart 8: Malaysia



Source: CEIC, HSBC

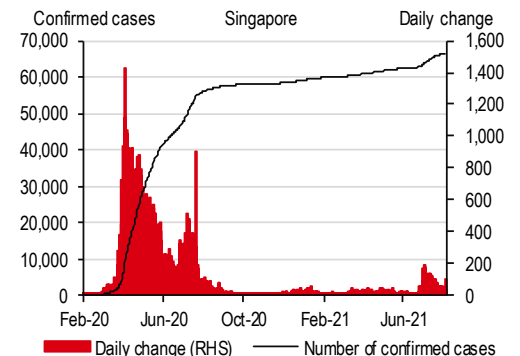
Chart 9: Philippines

Daily new cases in the Philippines is on a steep rise again; while it is moderating in Singapore



Source: CEIC, HSBC

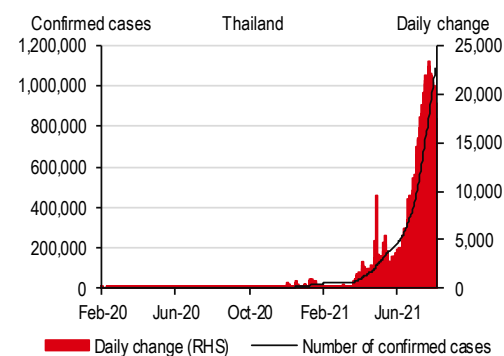
Chart 10: Singapore



Source: CEIC, HSBC

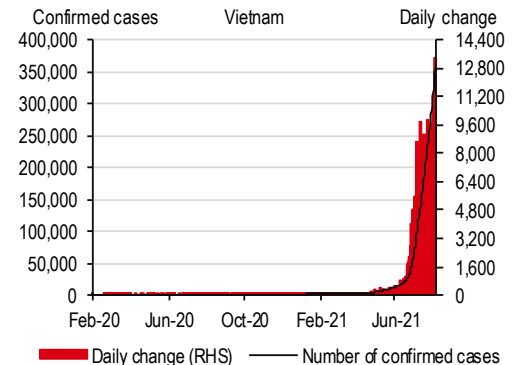
Chart 11: Thailand

Thailand's daily cases have started to fall; Vietnam's new cases remain above 10k



Source: CEIC, HSBC

Chart 12: Vietnam

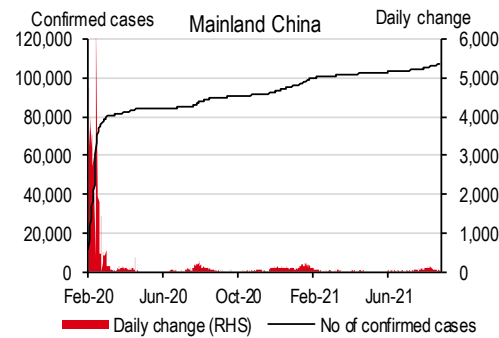


Source: CEIC, HSBC

COVID-19 in Asia

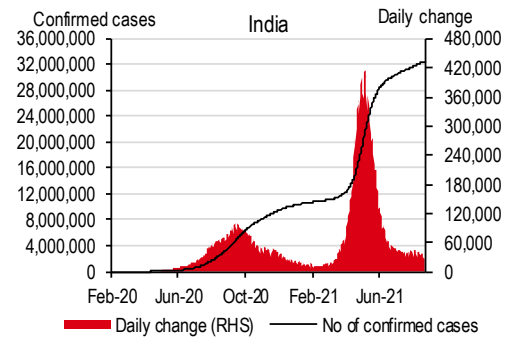
The Delta outbreak has been contained in mainland China; while new cases stabilised in India

Chart 13: Mainland China



Source: CEIC, HSBC

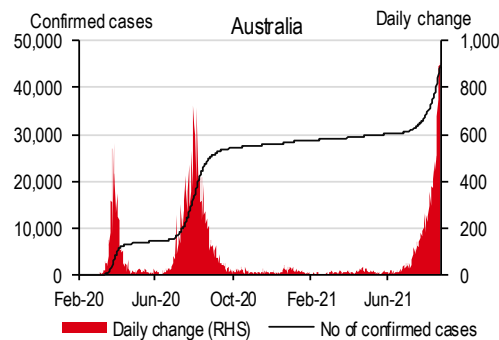
Chart 14: India



Source: CEIC, HSBC

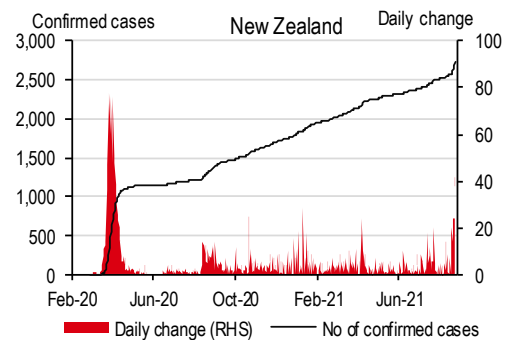
New cases continue to surge in Australia; while New Zealand also saw a rise in cases

Chart 15: Australia



Source: CEIC, HSBC

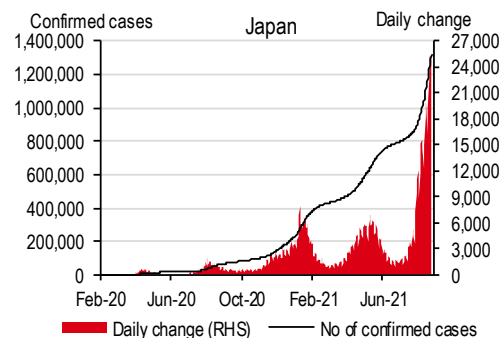
Chart 16: New Zealand



Source: CEIC, HSBC

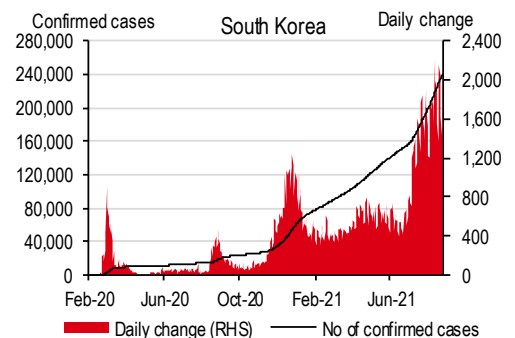
Japan continues to see a surge in daily cases; while new cases seem to be moderating in Korea

Chart 17: Japan



Source: CEIC, HSBC

Chart 18: South Korea

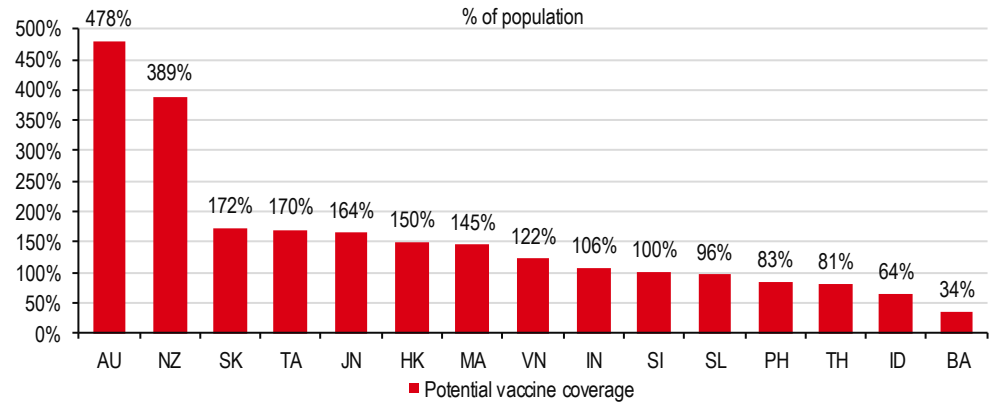


Source: CEIC, HSBC

Vaccine Data and Timelines

Chart 19: Potential vaccine coverage by population (confirmed doses + doses under negotiation)

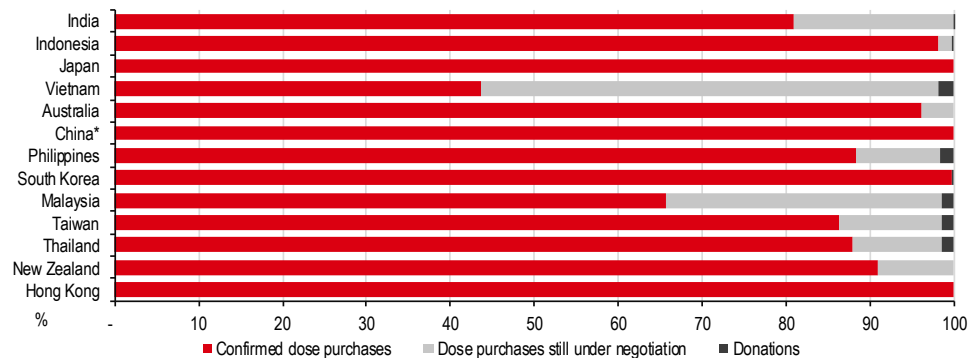
Potential vaccine coverage not yet 100% of population for few Asian economies



Source: Duke University Health Innovation Center, HSBC

Chart 20: Share of confirmed vaccine dose purchases vs. doses still under negotiation

A large portion of Vietnam's total vaccine commitment has not yet been finalised and is still under negotiation

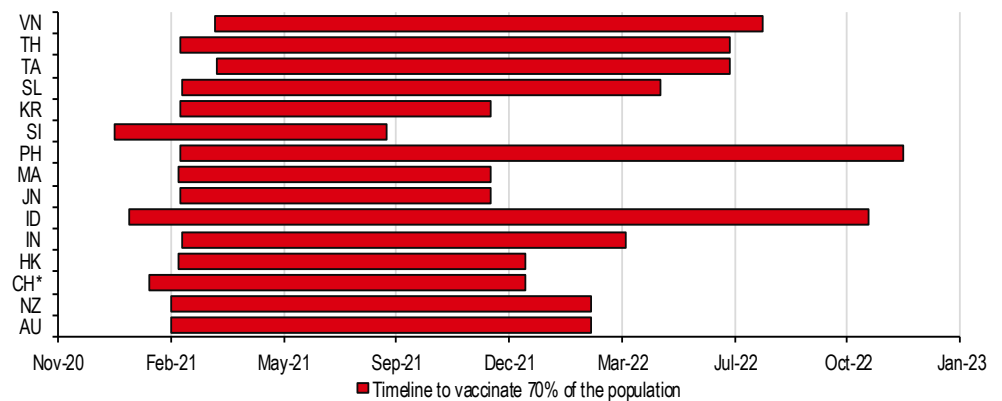


Note: China* – Mainland China.

Source: Duke University Health Innovation Center, HSBC

Chart 21: Vaccination timelines to reach 70% vaccination rate (analyst estimates)

Most economies in Asia could reach 70% vaccination rates by 1H22e, but it may take longer for ASEAN



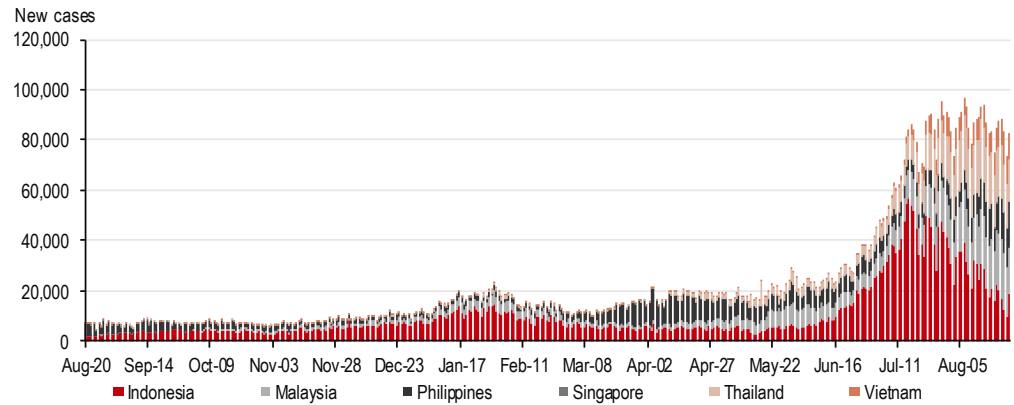
Note: *CH – Mainland China.

Source: HSBC projections extrapolated from current rates of vaccination and vaccine supply.

ASEAN COVID-19 Trends

Chart 22: Daily new COVID-19 cases

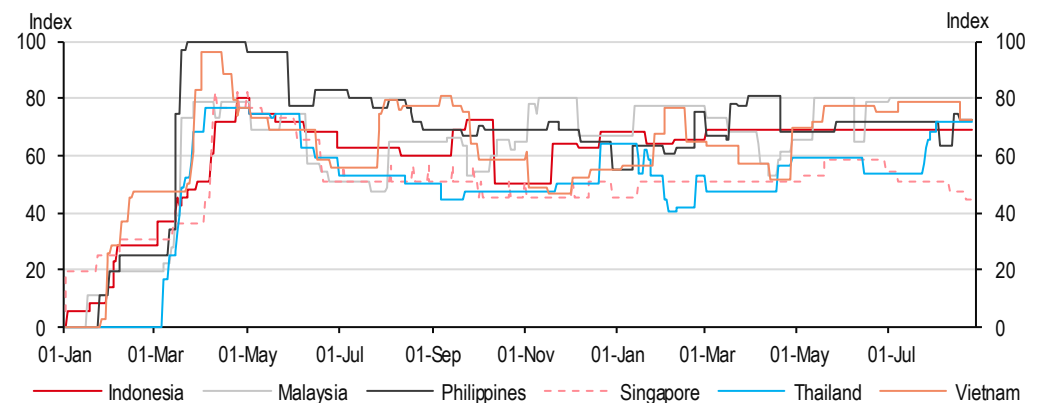
Daily new COVID-19 cases in ASEAN remain elevated as the Delta variant spreads through the region, but cases in Indonesia have declined



Source: CEIC, HSBC

Chart 23: Oxford Stringency Index time series

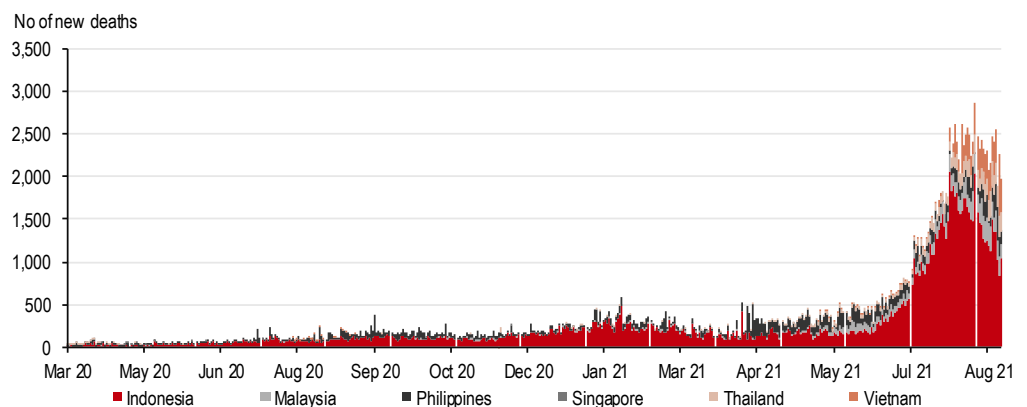
Government containment measures persist across ASEAN, with a downtick in Singapore



Source: CEIC, HSBC

Chart 24: Number of new fatalities per day

Daily fatalities in ASEAN remain elevated

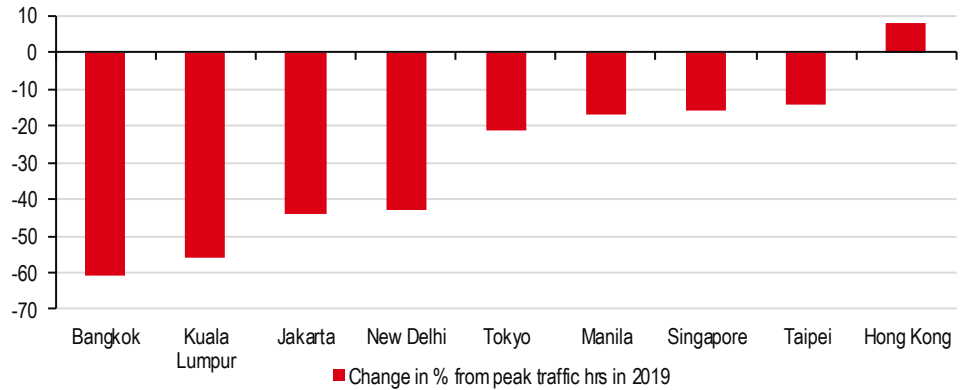


Source: CEIC, HSBC

Economic Indicators

Chart 25: Ground traffic trends in capital cities

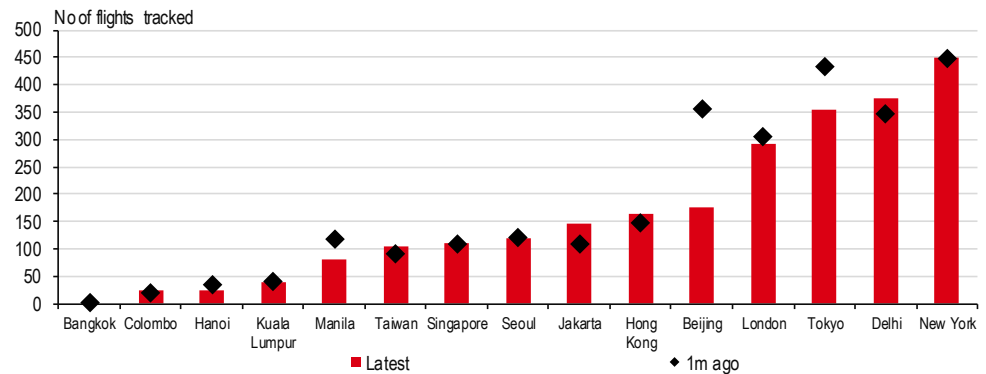
Ground traffic in key ASEAN cities remain depressed, given the ongoing strict restrictions



Source: TomTom, HSBC

Chart 26: Air traffic trends across Asia

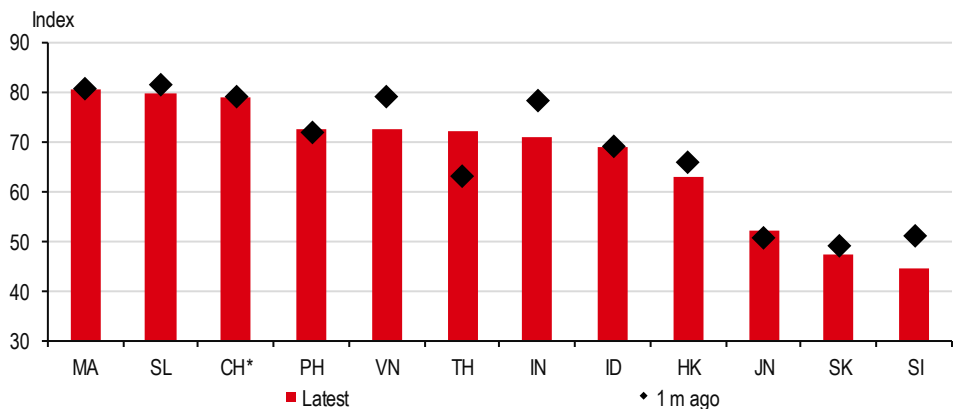
Air traffic has remained broadly stable across Asia from the previous month, except in Beijing and Tokyo



Source: Flight Tracker, HSBC

Chart 27: Oxford Stringency Index

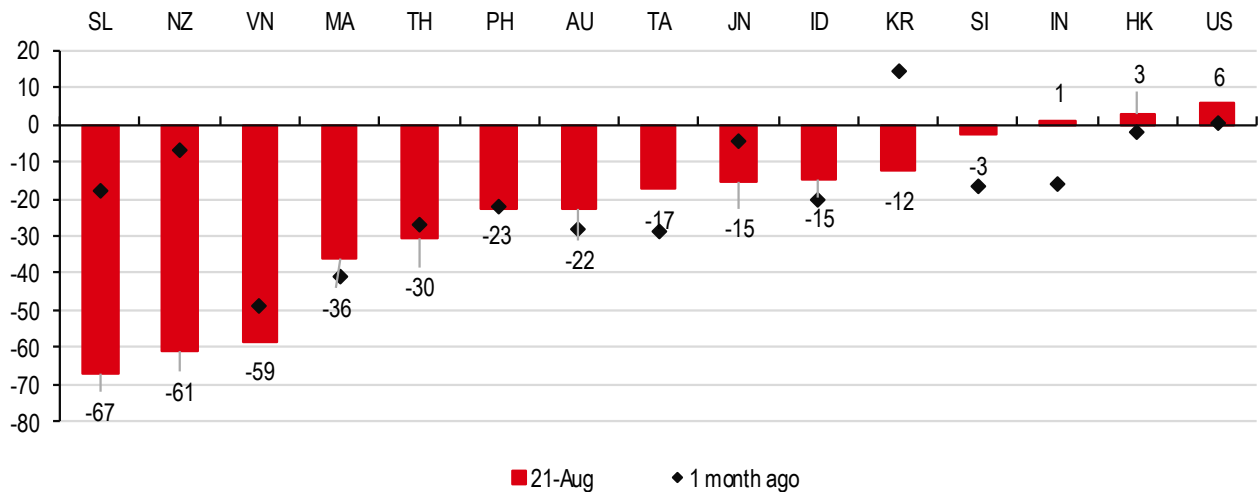
Government stringency measures remain broadly unchanged in Asia, except in Thailand where more provinces have been included in the "Dark Red Zone"



Note: *CH – Mainland China.
Source: CEIC, HSBC

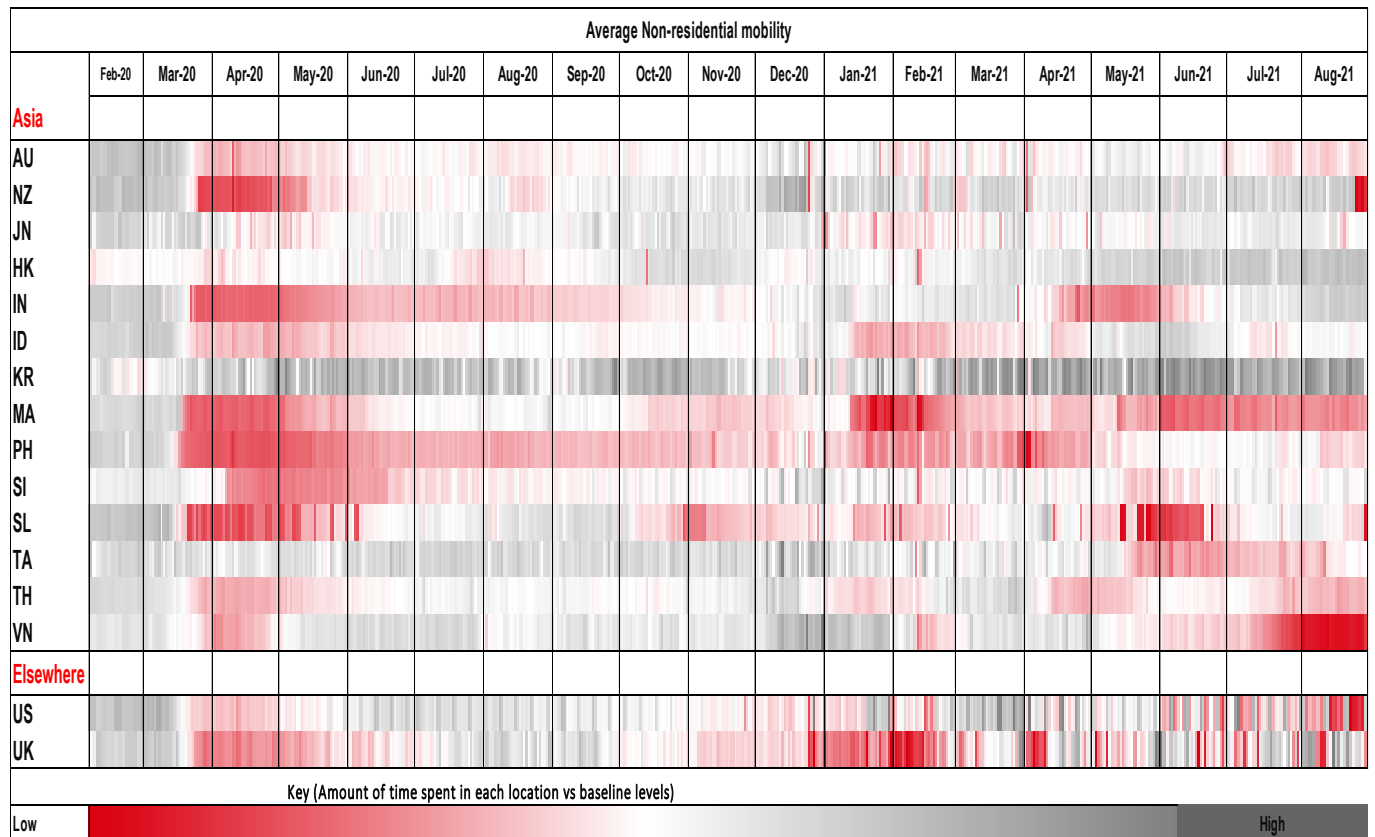
Economic Indicators

Chart 28: Average non-residential mobility (recent vs. one month ago)



Note: Comparison to Google baseline. The baseline is the median value, for the corresponding day of the week, during the five-week period of 3 January 2020-6 February 2020.
Source: CEIC, HSBC

Chart 29: Mobility data: Average non-residential COVID-19 tracker



Note: Comparison to Google baseline. The baseline is the median value, for the corresponding day of the week, during the five-week period of 3 January 2020-6 February 2020.
Source: CEIC, HSBC

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