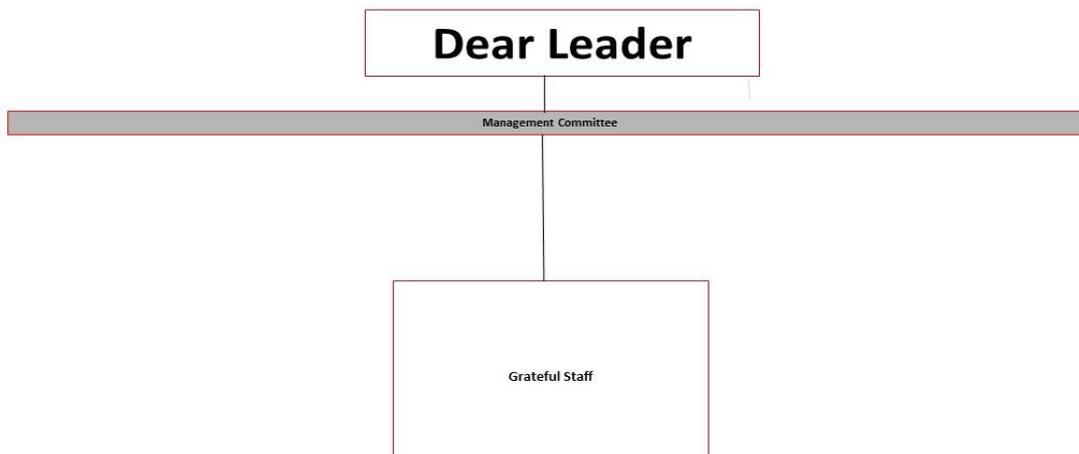




Our Dear leader remains ensconced in his Lair in the Capital. Any reports that he has fled to Constantine Bay, a coastal resort similar to Wonsan, are totally unfounded. This is despite him not attending the annual "Day of Sun for corporate finance" parade but we believe this is because he has been busy restructuring the Organisation chart at VSA in accordance with the FCA's new Senior Managers and Certification Regime:

VSA Capital Limited Organisational Chart



Our Dear Leader has also informed us all that in the future when he undertakes international travel it is very important that he flies in First Class. This is purely for social distancing reasons and nothing to do with his ego or need for BA points and it certainly isn't because he can't stretch out otherwise!

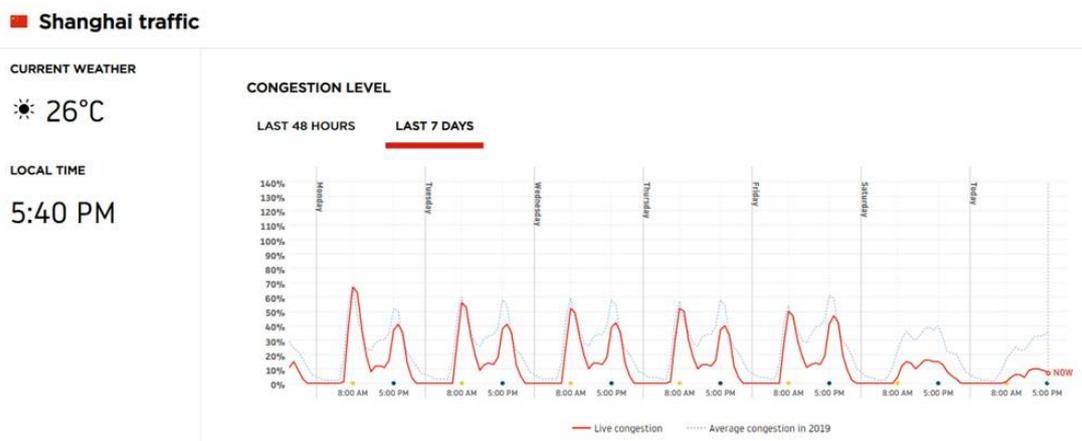
Actually, in fairness he has been very busy not just doing more Podcasts but also Video Blogs. We really are dreading what he will want to do when we return to the office as we can see him wanting to try and get an Oscar next. But he did have some good recordings and we have an interview with John Allan, the President of the CBI, and Non-Executive Chairman of Tesco, Barratt Developments and Worldpay and has been on the Boards of Dixons, Royal Mail, National Grid, PHS, Samsonite and Hamleys.

This podcast, which contains some fascinating insights, can be found [here](#) along with several others.

With another 3 weeks of lockdown, his prediction that May 11th is the key date for returning to work after the VE Day Bank Holiday, is looking quite likely, but we can't see that people will be allowed to return to packed public transport and once in the office will social distancing still be required? Perhaps a shift system will be used where you can choose to work Monday Wednesday and Thursday, or you can do Tuesday and Friday and, on the days, you don't go to the office you work from home. We shall see.

Our Dear Leader has not been to China now for nearly six months and he really doesn't know when he will be able to return but he still talks daily to the VSA team in Shanghai so that he has the latest news and views directly from the ground. They do report that life is slowly returning to normal and factories are now all basically re opened but of course demand for products has dropped right off. Hotels are open again and slowly occupancy rates are increasing. Shops and cafes are filling up. They estimate 90% of business is now back but consumer confidence is still weak and spending at only 50-60% of normal levels and many small businesses have gone bust.

Traffic in Shanghai is back to normal and very busy (traffic jams have returned!) and basically all domestic travel around China is back to normal. But when entering offices or shopping malls everyone will have their temperature taken and pretty much anywhere in public people are wearing masks. This maybe shows how the UK will go when we come out of lockdown.



We do expect demand for Commodities to pick up and we have seen some interesting jumps in some niche commodity prices like Vanadium which jumped 25% in China at the end of last week. Oil is likely to stay low as so much supply is still available, storage facilities are full, and demand globally remains weak but the fact that China is recovering whilst the USA is still declining perhaps explains the very unusually high differential between WTI and Brent (\$16 vs \$28).

China of course is well ahead of the curve globally as far as Covid 19 goes. There is no instruction manual for recovery and so it will be interesting to see what lessons can be learnt from China as the economy starts to recover and initiatives are taken to manage the crisis and accelerate growth. We will be reporting further on lessons to be learnt from China in future Dispatches. Meanwhile, VSA Capital Shanghai is actively in discussions with Chinese state- owned enterprises, private businesses and investment funds to explore and assist with their reconfigured investment criteria. We have already begun conversations on behalf of a number of western companies seeking capital from China.

Our Dear Leader has also been speaking to our colleagues in Johannesburg where their lockdown has been extended to at least the end of April and where there are real fears that the economy which was weak anyway will never recover. SAA the state Airline is now being wound down with all staff fired and all assets sold, sadly this is likely to be followed by more State-owned Companies. The Economy of South Africa does not look good! The biggest issue our colleagues appear to have though is the lack of alcohol as sales have been banned! The currency has been very weak and even against the Pound, which isn't a strong currency currently, you can get 23.5 Rand which to put into perspective, a bottle of beer will cost you about 20 Rand in a pub - fair to say Our Dear Leader is keen to get back out there!

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