



Climate impact of the Covid-19 Black Swan event?

For a long time, the view was that all swans were white then in 1697 the Dutch explorer, Willem de Vlamingh, discovered black swans in Australia. The 'surprise' discovery of black swans gave rise to the definition of 'black swan events'. Black swan events are characterized by their extreme rarity, their severe impact, and the widespread insistence that they were obvious in hindsight (I highly recommend *The Black Swan: The Impact of the Highly Improbable* by Nassim Taleb, a fascinating read).

The black swan theory of investing came to prominence in 1987 after the Black Monday Wall Street crash.

In January this year, the Bank of International Settlements predicted that a black swan event related to climate change was more likely to bring down the global financial system than any other black swan event.

With the data that we will garner from this highly unusual period, that would not otherwise have been possible, can we prevent climate change risk from becoming a 'black swan'? Will this period of history provide us with the evidence and impetus that we need to make a difference to our carbon footprint?

It has been reported that lockdown has caused a reduction in air pollution across the world with satellite images showing a fall in air pollution over urban areas in several European cities. Cities including Brussels, Paris, Madrid, Milan and Frankfurt showed a reduction in average levels of noxious nitrogen dioxide from the 5th to the 25th March, compared with the same period last year, which is likely to be due to the drastic reduction in traffic.

In Madrid, average nitrogen dioxide levels decreased by 56% week-on-week after the Spanish government banned nonessential travel on the 14th March. For the world's biggest polluter China, the average number of 'good quality air days' increased by 21.5% in February, when compared to the same period last year, and according to Nasa, nitrogen dioxide levels have dropped by between 10% and 30% across eastern and central China. And for the first time in decades, there are swans and fish back on the canals in Venice!

Analysing the data from the lockdown period will help us to understand and demonstrate the impact of our behaviour. With proven, tangible evidence, we will have the leverage to instigate change that could help mitigate a future climate black swan event.

And there may be other potential benefits associated with the lockdown period. We are not producing as many toxins and pollutants, so could we see a reduction in certain diseases such as lung cancer and strokes for instance? Could the new hand-washing habits reduce or eradicate some diseases altogether? It is impossible to be certain at this time, but it could provide us all with a better chance for these outcomes to come to fruition.

Lockdown is extremely tough for us all, but we will take some positives from it. With demonstrable evidence, we can do things differently. Life after coronavirus could see a drastic change in behaviour and habits for the better.

Take care and stay safe.

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