

Confidence
must be earned

Amundi
ASSET MANAGEMENT
東方匯理 資產管理

PLAY AND SHOP AT HOME THE INDIVIDUAL RETHINKS HIS PERSONAL TIME

During this period of confinement, a large majority of our free time is devoted to the consumption of digital content and purchases made online. This trend is clearly reflected in recent figures.



Companies benefiting from the rise in consumer engagement show significant potential, which will boost revenue in the fall. Gaming stocks are also likely to continue doing well, as in-game monetization ramps up (Ubisoft and CD Projekt in Europe). Subscription-based music and movies also appear attractive within this theme.



UNITED STATES
IN THE WEEK OF
16 MARCH

urban residential
downstream data
consumption increased

+98%

WhatsApp

Peak traffic
increase

+500%

NETFLIX

Peak traffic
increase

+55%

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COVID-19 is significantly impacting China's economic growth in the first calendar quarter, reflected in the sharp decline of smartphone and automobile unit sales. The decline in the distribution of consumer electronics products and the shutdown of our customers' factories in China created headwinds for us going into the second quarter of the year. In China, lower consumer demand was offset by stronger data centre demand due to increased gaming activity, e-commerce and remote working practices. Looking to the third quarter, a supply shortage may take place considering that these trends are also taking shape worldwide and that data centre demand in all regions looks strong.

- Sanjay Mehrotra, CEO of Micron

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In addition, the shift to online payments is gathering momentum in the current environment, as e-commerce continues to accelerate. For example, **auto retailers have been rather slow in embracing e-commerce practices, but the Coronavirus pandemic is changing that.** Their websites' online traffic has risen whilst in-person vehicle showroom visits have stopped. Auto dealers are now using digital tools to close deals as they arrange for vehicles to be picked up or delivered to customers without having to physically come to the stores.

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