

5th week in class activity

Name _____ Date _____

Please write your answer neatly. If your answers are not readable, no partial credit will be given.

Read carefully the following article and analyze **the effects of coronavirus outbreak on Bond market.** Your answer should include appropriate graphs (Supply and Demand for Bonds) with right labels. In addition, fully discuss or explain why you have your specific analysis.

China's coronavirus outbreak will likely dampen U.S. economic growth in the first quarter, according to a survey of economists by The Wall Street Journal.

The monthly survey of economists found 83% of economists expected the coronavirus outbreak will have a small impact on U.S. gross domestic product growth from January to March, or less than 0.5 percentage point. Just 5% of forecasters expected a significant reduction of more than 0.5 percentage point off the quarter's annual growth rate, while 10% expected no impact.

"The negative demand shock from coronavirus is significant," said Constance Hunter, chief economist at KPMG. "China's GDP will be impacted significantly and this will show up in everything from commodity prices to demand for global goods and services," she said. (By Harriet Torry and Anthony DeBarros, Updated Feb. 12, 2020 4:06 pm ET, The Wall Street Journal)