

## Summary

- **Equities:** Globally, stocks are positive this morning as the announcement of a \$2.3tn spending plan made by the US president Joe Biden lifted optimism. In Europe, the FTSE 250 (+0.7%), the DAX (+0.6%), the Stoxx 600 (+0.5%) and the CAC 40 (+0.3%) are all positive. In Asia the Hang Seng (+1.9%) was the best performing index, followed by the CSI 300 (+1.2%), the KOSPI (+0.8%), the S&P / ASX 200 (+0.6%) and TOPIX (+0.2%). In the US, futures for the S&P 500 and the Dow Jones Industrial Average are up +0.4% and +0.1% so far this morning.
- **VIX:** The CBOE market volatility index and the Euro Stoxx 50 volatility both decreased by circa -4% today, down to 18.6 and 17.3 respectively, below their long term averages of 19.9 and 23.9.
- **Bonds:** The UK 10-year gilt yield and the German 10-year bund yield both compressed -1bp to 0.84% and -0.30%. The US 10-year treasury yield compressed -3bps to 1.71%, following the 14-month high of 1.78% reached earlier this week.
- **Currency:** Sterling and the euro are currently \$1.38 and \$1.17. Currency hedging benefits for US dollar denominated investors into the UK and Eurozone are 0.66% and 1.79% on a five year basis.
- **Oil:** Brent Crude and the West Texas Intermediate (WTI) are up +0.5% and +1.99% this morning at \$63.9 and \$60.3.
- **Baltic Dry:** The Baltic Dry declined for the third consecutive session on Wednesday, down by -2.7% to 2,046. While this level is -12% below the March peak of 2,319, it remains +50% higher than the start of the year.
- **Gold:** Gold increased by +0.3% this morning to \$1,720 per troy ounce, a level which is -11% below where it was three months ago, marking its largest quarterly decline since late 2016.
- **Eurozone PMI:** The eurozone manufacturing PMI was revised higher from 62.4 to 62.5 in March, the highest reading since the survey began in June 1997. Above 50 is considered expansionary. This has been led by output and new orders increasing at record rates, driven by exports.
- **International Trade:** the World Trade Organization (WTO) raised its trade growth projection for 2021 from 7.2% to 8.0%. This is the largest increase since 2010 and more than offset the -5.3% contraction recorded in 2020.

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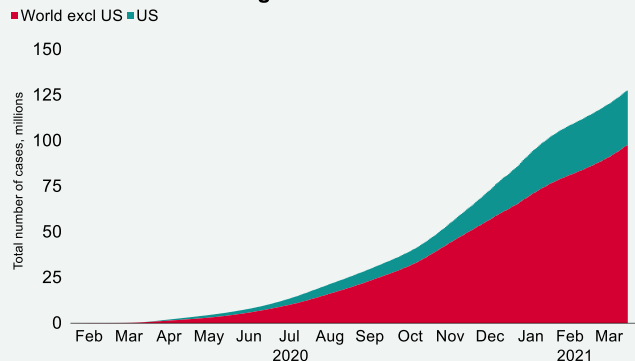
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## COVID-19

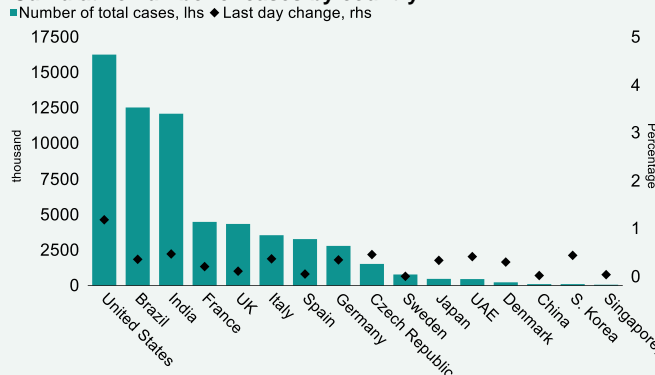
### Cumulative number of global cases



Source: Knight Frank, Macrobond. Last modified: 30 March 2021 12:21 GMT.

The number of total confirmed cases reached 127.3 million on the 30 March, an increase of 428k new cases over the day prior.

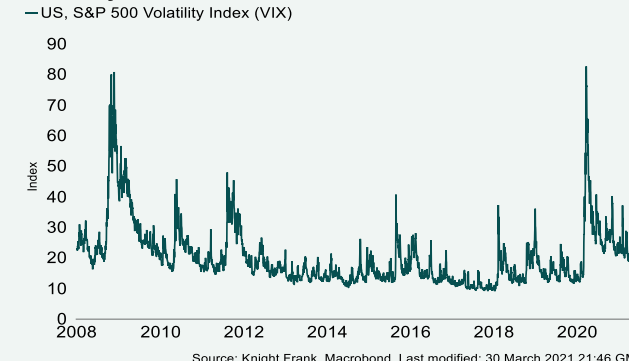
### Cumulative number of cases by country



Source: Knight Frank, Macrobond.

The chart presents the number of cumulative cases (left axis) and the percentage change of new cases against the day before (right axis).

### Volatility Index

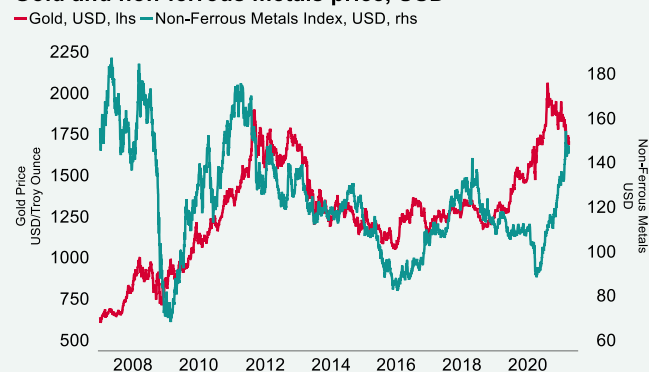


Source: Knight Frank, Macrobond. Last modified: 30 March 2021 21:46 GMT.

The CBOE VIX (colloquially known as the Investor fear gauge) is an indication of near term S&P 500 stock price volatility based on underlying options.

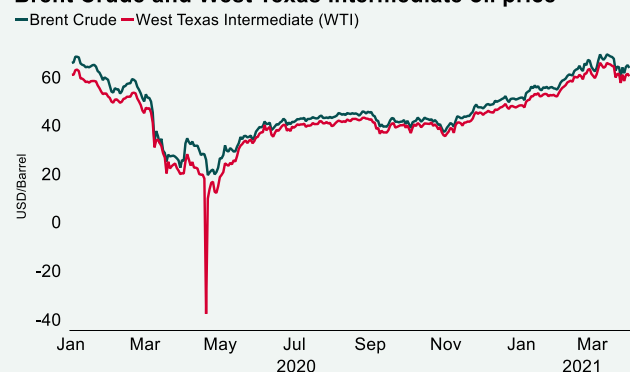
## Commodities

### Gold and non-ferrous metals price, USD



Source: Knight Frank, Macrobond. Last modified: 01 April 2021 00:00 GMT.

### Brent Crude and West Texas Intermediate oil price



Source: Knight Frank, Macrobond. Last modified: 30 March 2021 23:10 GMT.

Brent crude monitors the level of demand for raw materials and is a measure of economic activity. Lately also influenced by Saudi-Russia price war.

### Baltic Dry Index (BDI)



Source: Knight Frank, Macrobond. Last modified: 31 March 2021 13:30 GMT.

Baltic Dry Index is a measure of what it costs to ship raw materials and is a leading indicator of global demand. A lower value means lower demand.

	31 Mar	D/D (%)	YTD (%)
Gold, USD	1684	-2.8	-11.2
Non-Ferrous Metals, USD	147	0.9	13.6

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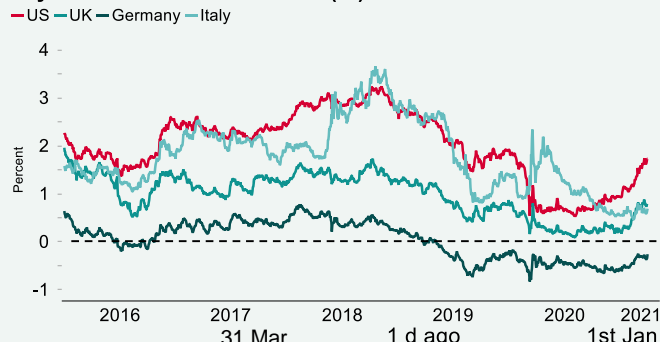
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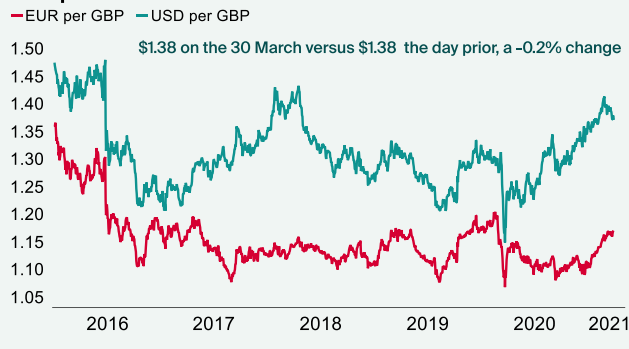
## Bonds and currencies

### 10y Government Bond Yield (%)



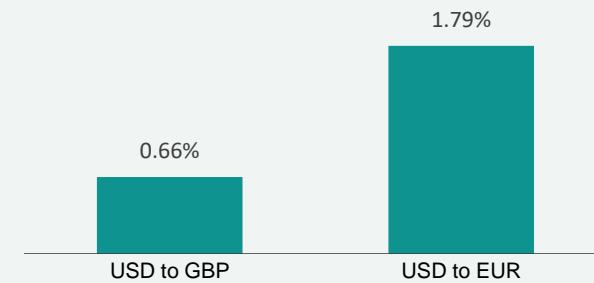
	31 Mar	1 d ago	1st Jan
Germany	-0.26	-0.34	-0.21
Italy	0.69	0.64	1.40
UK	0.84	0.78	0.74
US	1.73	1.73	1.92

### FX Spot Rates



	31 Mar	1 d ago	1st Jan
EUR per GBP	1.17	1.17	1.18
USD per GBP	1.38	1.39	1.32

### Currency hedging benefit p.a. based on a five year forward



Source: Knight Frank, Investing.com

Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

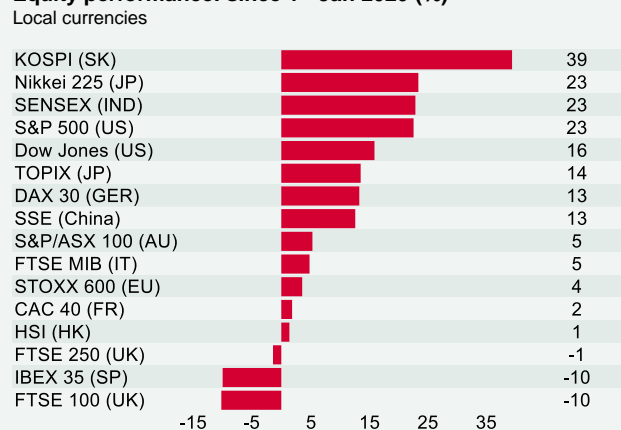
## Equity and REIT

### Equity performance: since previous cycle (1st Jan 2007 = 100)



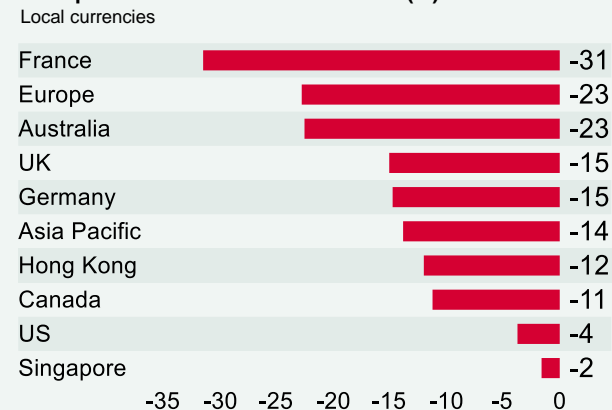
The chart presents the performance of selected equity indexes since the months prior the global financial crisis (2007).

### Equity performance: since 1st Jan 2020 (%)



Source: Knight Frank, Macrobond

### REIT performance: since 1st Jan 2020 (%)



Source: Knight Frank, Macrobond

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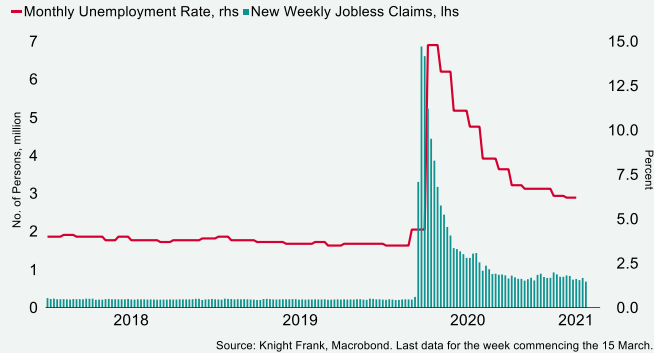
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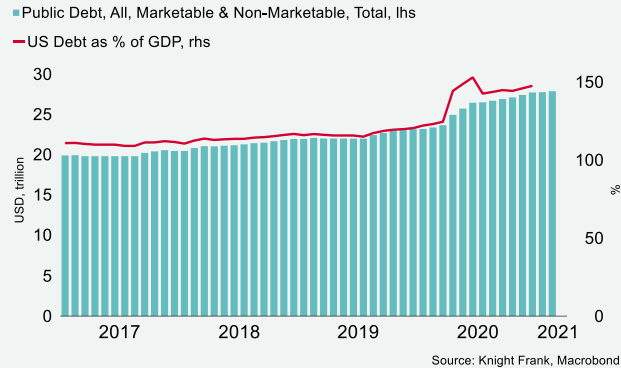
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## US unemployment

### US Unemployment



### US Public Debt



The chart presents the number of Americans that each week file for unemployment benefits (left axis) and the overall monthly unemployment rate (right axis)

The chart presents the amount of American government debt (left axis) compared to debt as a percentage of total US GDP (right axis).

## Monetary policy

### Central Banks Policy Rates

	Current Rate	Rate at 1/1/2020	YTD Change
<b>Advanced Economies</b>			
Australia	0.10%	0.75%	0 bps
Canada	0.25%	1.75%	0 bps
Euro Area	0.00%	0.00%	0 bps
France	0.00%	0.00%	0 bps
Germany	0.00%	0.00%	0 bps
Italy	0.00%	0.00%	0 bps
Sweden	0.00%	-0.25%	0 bps
Japan	-0.10%	-0.10%	0 bps
United Kingdom	0.10%	0.75%	0 bps
United States	0.25%	1.75%	0 bps
<b>Developing Economies</b>			
Brazil	2.75%	4.50%	75 bps
China	4.35%	4.35%	0 bps
India	4.00%	5.15%	0 bps
Mexico	4.00%	7.25%	-25 bps
Russia	4.50%	6.25%	25 bps
Saudi Arabia	1.00%	2.25%	0 bps
South Korea	0.50%	1.25%	0 bps
Turkey	19.00%	12.00%	200 bps

### Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
<b>Advanced Economies</b>			
Australia	299 bn	7.1%	96.9%
Canada	458 bn	4.1%	395.9%
Euro Area	8.88 tn	2.9%	62.4%
France	2.1 tn	-0.1%	69.4%
Germany	3.01 tn	0.3%	52.8%
Italy	1.66 tn	0.0%	50.4%
Sweden	162 bn	0.0%	81.3%
Japan	6.6 tn	-2.1%	23.7%
United Kingdom	1.09 tn	0.0%	91.0%
United States	7.72 tn	1.7%	49.3%
<b>Developing Economies</b>			
Brazil	436 bn	-4.2%	-10.5%
China	5.93 tn	-1.4%	15.0%
India	407 bn	1.0%	33.7%
Mexico	228 bn	-1.6%	10.8%
Russia	701 bn	0.0%	-0.9%
Saudi Arabia	489 bn	-0.9%	-3.2%
South Korea	482 bn	-2.2%	15.6%
Turkey	105 bn	-4.6%	1.2%

## Fiscal policy

### Fiscal measures details

<b>UK</b>	<b>£330bn+</b> : Government backed loans and guarantees equivalent to 15% of UK GDP. SMEs given access to cash grants. Support for furloughed employees of 80% salary ≤£2,500 per month. Furlough scheme extended until October 2020 with employers sharing the cost from August. Taxable grant for self-employed <£50k trading profit, worth 80% of monthly profits up to £2.5k, paid as a lump sum.
<b>USA</b>	<b>\$3.0tn</b> : 2 <sup>nd</sup> package passed 23 <sup>rd</sup> April, worth \$483 billion, increasing US stimulus to \$3 trillion (15% GDP).
<b>EU</b>	<b>€1.35tn</b> : This includes €240bn to the European Stability Mechanism, and €200bn in EIB guarantees. On 4 <sup>th</sup> June, the ECB extended the pandemic purchase programme (PEPP) until June 2021, purchasing an additional €600bn in bonds, taking total stimulus to €1.35tn. <b>€750bn</b> : a new recovery package for EU member states announced in July including €390bn in grants and €360 in interest free loans.
<b>Germany</b>	<b>€880bn</b> : The emergency aid measure approved on Monday 23 <sup>rd</sup> of March. In June an additional €130bn fiscal stimulus programme including VAT rate cut to 16% from 19% and one off 'children's bonus' payment.
<b>Italy</b>	<b>€400bn</b> : The stimulus announced on the 7 <sup>th</sup> April <b>€25bn</b> : Emergency package to support businesses and families.
<b>France</b>	<b>€100bn</b> : : The stimulus announced on the 3 <sup>rd</sup> September <b>€45bn</b> : The aid package for SMEs and other hard-hit sectors announced by the French government on 17 <sup>th</sup> of March. Includes deferred corporate tax, social security charges and two months state payments to laid off workers. <b>€300bn</b> : government backed loans.
<b>Spain</b>	<b>€200bn</b> : the aid package includes government loan guarantees to ensure liquidity for SMEs (the government said it would provide businesses with "all the liquidity they need"), other government commitments and private money.
<b>Japan</b>	<b>\$2.2tn</b> : Further stimulus announced in late May added \$1.1 trillion to the country's stimulus package, bringing total stimulus to \$2.18 trillion or 40% of GDP.
<b>Hong Kong</b>	<b>HK\$10k</b> for every adult citizen (c.£7bn).

Source: Knight Frank, various sources

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# Economic Dashboard

01 April 2021



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## Timeline of Covid-19 containment measures and their stringency



This chart shows the change in severity of containment measures over time, up to the latest data. Green indicates a score of zero or no restrictions, while the darkest red indicates the highest restrictions or complete bans. Where grey, no new data is available.

Source: Knight Frank, Macrobond, Oxford University

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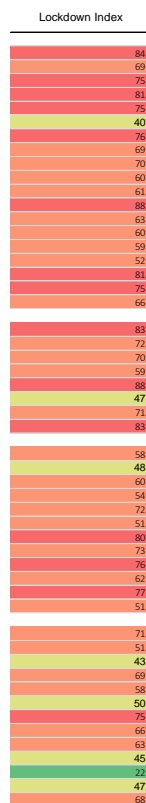


01 April 2021

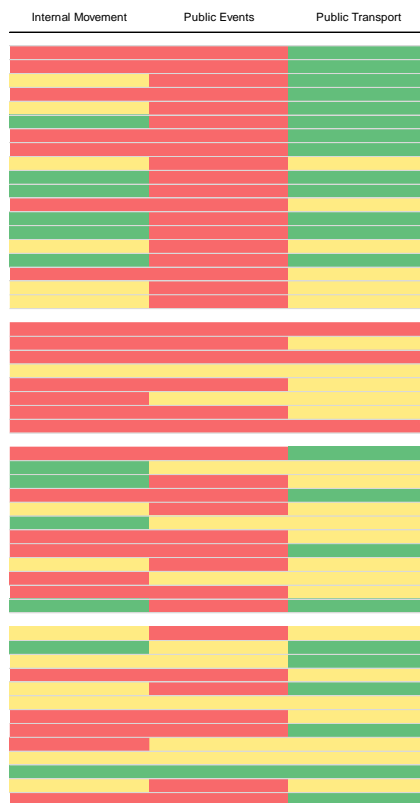
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## Overview of the severity of Covid-19 and the resulting containment measures

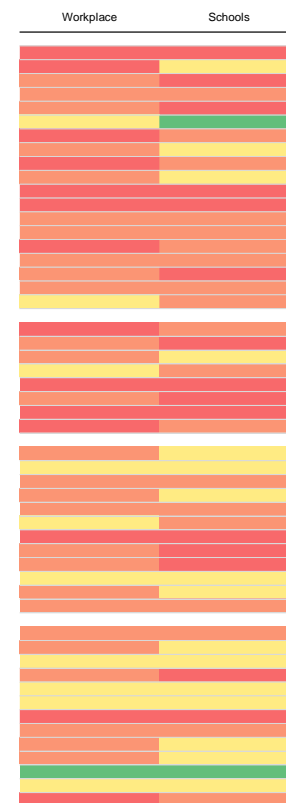
	Confirmed Cases	Confirmed Deaths
<b>Europe</b>		
Italy	3,584,899	109,346
France	4,611,392	95,052
Poland	2,321,717	53,045
Portugal	821,722	16,848
Germany	2,843,644	76,589
Russia	4,494,234	97,219
United Kingdom	4,345,788	126,713
Spain	3,284,353	75,459
Norway	96,079	673
Belgium	882,453	23,016
Bulgaria	342,633	13,197
Greece	263,689	8,093
Denmark	230,603	2,419
Switzerland	601,124	10,337
Ukraine	1,725,029	34,456
Finland	77,452	844
Czech Republic	1,532,332	26,421
Netherlands	1,272,616	16,538
Sweden	804,886	13,465
<b>Americas</b>		
Colombia	2,406,377	63,422
Canada	988,808	22,960
Argentina	2,348,821	55,858
United States	30,459,874	552,038
Venezuela	160,497	1,602
Mexico	2,238,897	203,210
Brazil	12,748,747	321,515
Peru	1,548,807	52,008
<b>Africa Middle East</b>		
Kenya	134,058	2,153
South Africa	1,548,157	52,846
Qatar	179,964	291
United Arab Emirates	461,444	1,497
Turkey	3,317,182	31,537
Israel	833,105	6,209
Iran	1,885,564	62,665
Iraq	850,924	14,323
Jordan	611,577	6,858
Tunisia	254,018	8,812
Morocco	496,097	8,818
Egypt	202,131	11,995
<b>Asia Pacific</b>		
Hong Kong, China	11,467	205
Singapore	60,381	30
Japan	474,641	9,155
Indonesia	1,511,712	40,858
South Korea	103,639	1,735
China	90,217	4,636
Philippines	747,288	13,297
India	12,149,335	162,468
Vietnam	2,603	35
Australia	29,322	909
New Zealand	2,501	26
Thailand	28,863	94
Malaysia	345,500	1,272



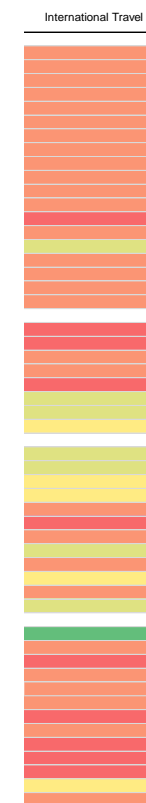
**Lockdown Index key & Scale**  
 No Restrictions: 0 – 25  
 Recommended Restrictions: 26 – 50  
 Enforced Restrictions: 51 – 75  
 Highest Restrictions / Ban: 76 – 100



Internal movements	Public events	Public transport	Value
No measure	No Measure	No measure	0
Recommended	Recommended	Recommended	1
Restriction	Required	Required	2



Workplace	Schools	Value
No measure	No measure	0
Recommended	Recommended	1
Required closure of some sectors	Some level of schooling required to close	2
Required closure for all but essential work	All schools required to close	3



International travel	Value
No measure	0
Screening	1
Quarantine arrivals from high risk regions	2
Ban on high risk regions	3
Total border closure	4

In line with some of the fewest reported cases and the smallest reported deaths attributed to COVID-19, New Zealand has the lowest 'lockdown index' score at 22, indicating the restrictions in place are generally recommendations and are not enforced. Countries including Iraq, Argentina and Colombia have some of the highest 'lockdown index' scores.

For most countries, public transport has the most relaxed restrictions. Tunisia, Norway, Poland, Netherlands and Greece are the only countries with no measures implemented on public events. Meanwhile, across the world, there is some measure of restriction on international travel. However, France is the exception, where international travel is freely permitted with no measures implemented.

Source: Knight Frank, Macrobond, Oxford University

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