

Summary

- **Equities:** In Europe, the FTSE 250 (+0.8%) is the best performing index over the morning, followed by the CAC 40 (+0.2%), the DAX (+0.1%) and the Stoxx 600 (0.0%). In the US, futures for the S&P 500 (+0.1%) and the Dow Jones Industrial Average (+0.1%) saw marginal gains. In Asia, the TOPIX (+0.7%), S&P / ASX 200 (+0.6%) and the Kospi (+0.3%) all closed higher, while the CSI 300 (-0.7%) and the Hang Seng (-0.9%) closed down over the day. Of the equity indexes we track, only the FTSE 100 and IBEX 35 have yet to recover to levels seen at the start of 2020. The best performing index over this period is South Korea's KOSPI, which is currently +43% higher than the start of January 2020.
- **VIX:** The Euro Stoxx 50 volatility index has declined to 16.8. This is the lowest level since February 2020 and comfortably below the long term average of 23.9. The CBOE market volatility index is also below its long term average of 19.9, currently 17.9.
- **Bonds:** The UK 10-year gilt yield, the German 10-year bund yield and the US 10-year treasury yield all compressed by -2bps, down to 0.78%, 1.64% and -0.34% respectively.
- **Currency:** Sterling and the euro are currently \$1.38 and \$1.19. Currency hedging benefits for US dollar denominated investors into the UK and Eurozone are 0.59% and 1.78% on a five year basis.
- **Oil:** Brent Crude and the West Texas Intermediate (WTI) are both up by circa 1% this morning to \$63.4 and \$59.9.
- **Baltic Dry:** The Baltic Dry increased by +1.0% to 2,092 on the 6th April. While this level is -10% below the March peak of 2,319, it remains +53% higher than the start of the year.
- **Gold:** Gold declined by -0.2% this morning to \$1,738 per troy ounce. Expectations of a faster global economic recovery could depress the price of gold going forward.
- **Global economy:** The IMF raised its global growth forecast for 2021 to 6% yesterday from 5.5% estimated in January. If achieved, this will be the fastest global growth rate since 1976. For 2022, the IMF predicts global growth to reach 4.4%, higher than the 4.2% previously projected.

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Economic Dashboard

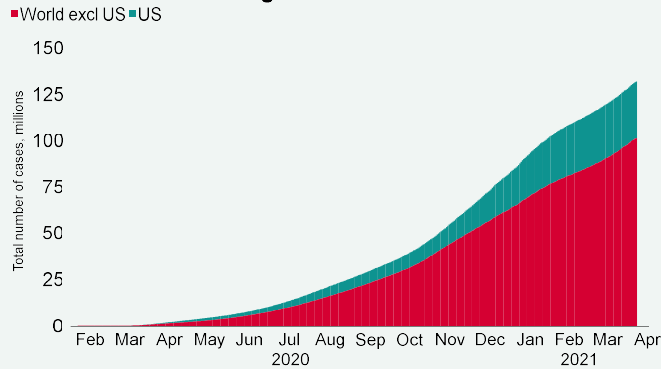


07 April 2021

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COVID-19

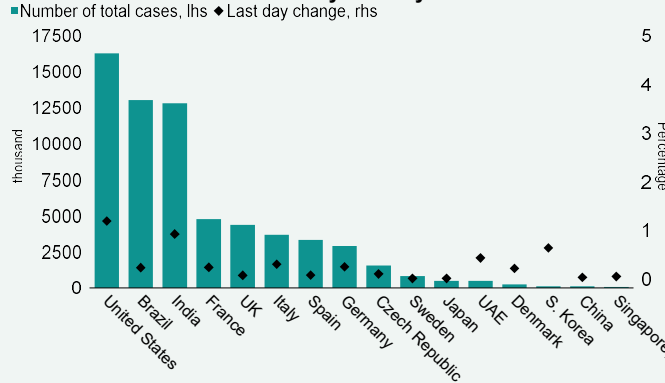
Cumulative number of global cases



Source: Knight Frank, Macrobond. Last modified: 07 April 2021 11:06 GMT.

The number of total confirmed cases reached 131.8 million on the 7 April, an increase of 339k new cases over the day prior.

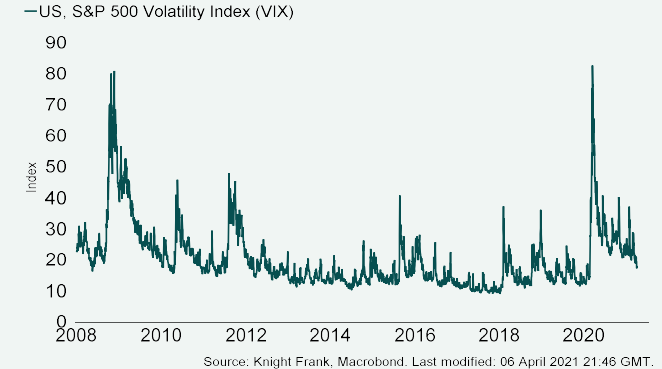
Cumulative number of cases by country



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

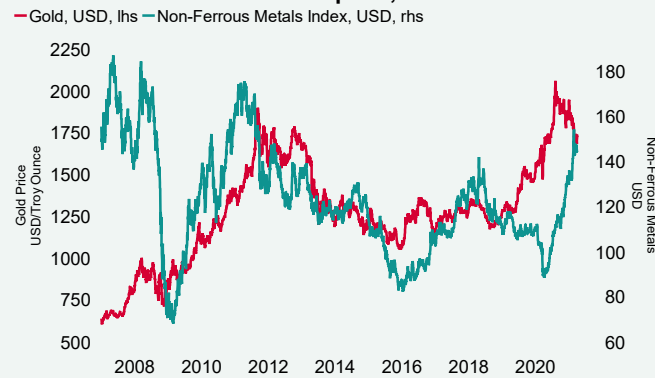


Source: Knight Frank, Macrobond. Last modified: 06 April 2021 21:46 GMT.

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

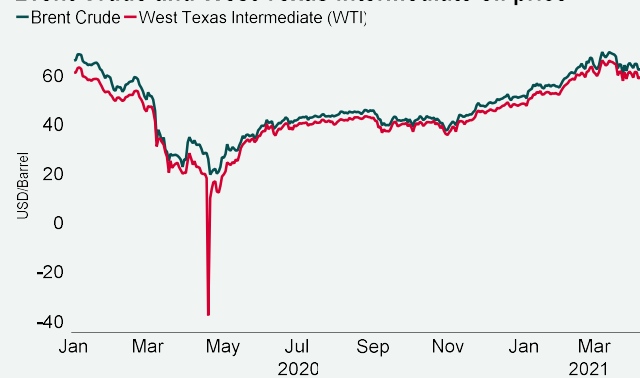
Gold and non-ferrous metals price, USD



Source: Knight Frank, Macrobond. Last modified: 07 April 2021 00:00 GMT.

	6 Apr	D/D (%)	YTD (%)
Gold, USD	1742	0.7	-8.2
Non-Ferrous Metals, USD	144	-0.5	11.2

Brent Crude and West Texas Intermediate oil price



Source: Knight Frank, Macrobond. Last modified: 06 April 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: 06 April 2021 13:00 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.

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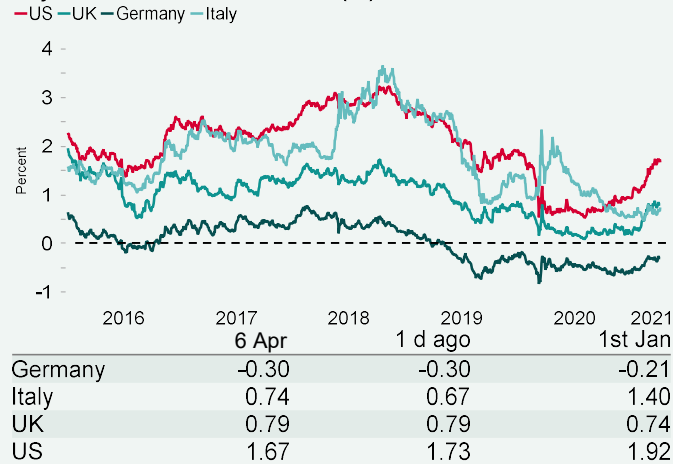


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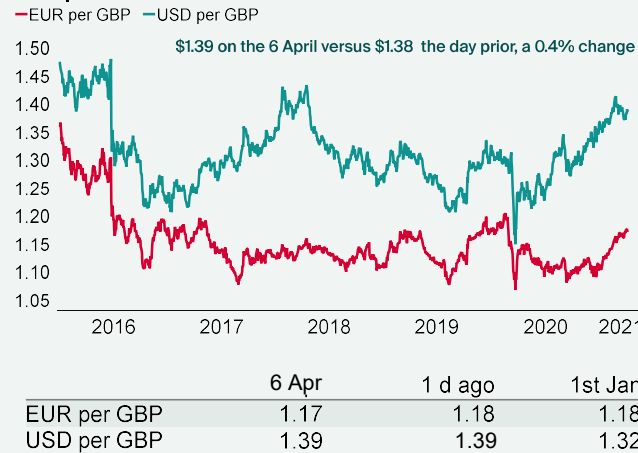
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Bonds and currencies

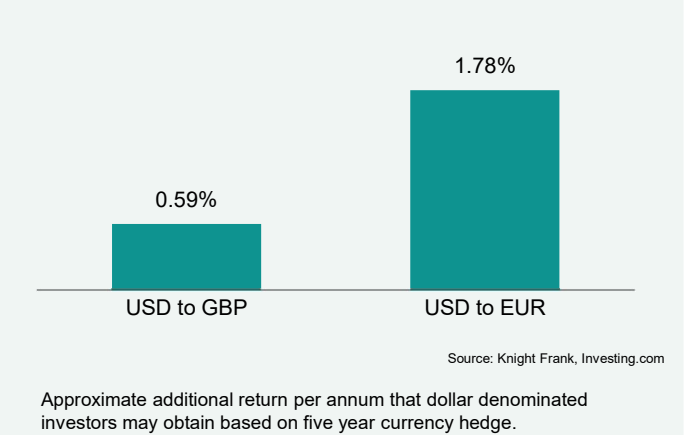
10y Government Bond Yield (%)



FX Spot Rates

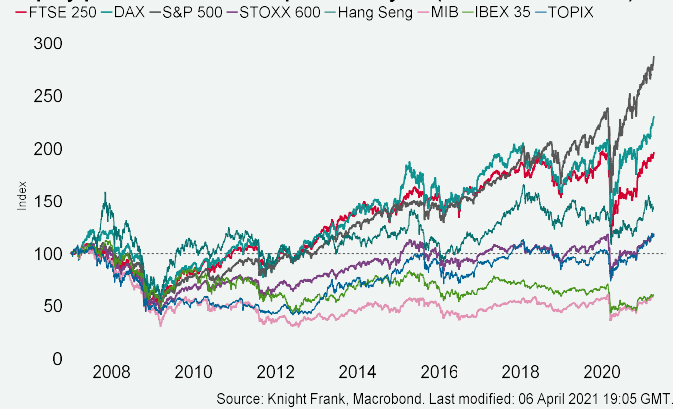


Currency hedging benefit p.a. based on a five year forward



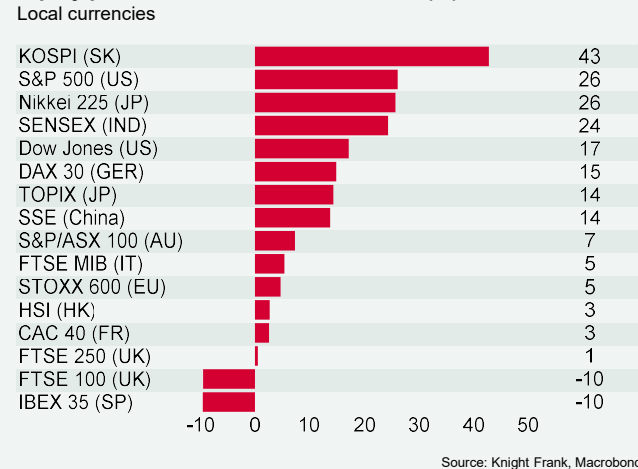
Equity and REIT

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

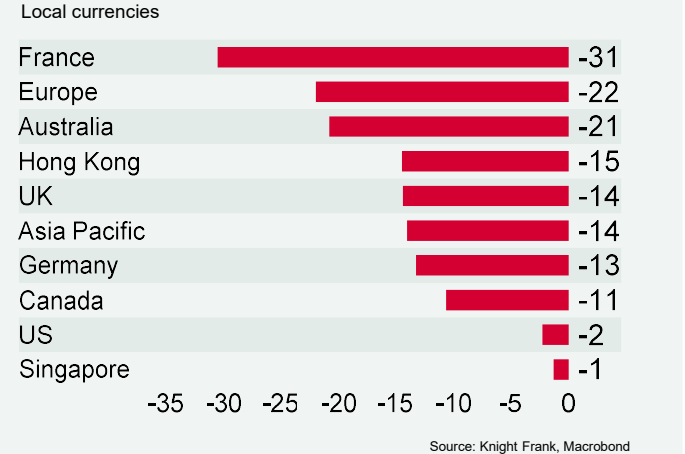


The chart presents the performance of selected equity indexes since the months prior to the global financial crisis (2007).

Equity performance: since 1st Jan 2020 (%)



REIT performance: since 1st Jan 2020 (%)



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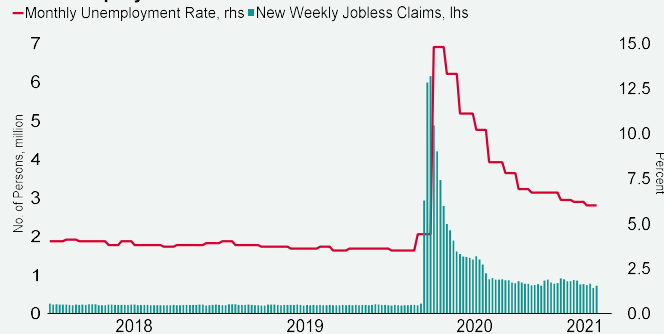


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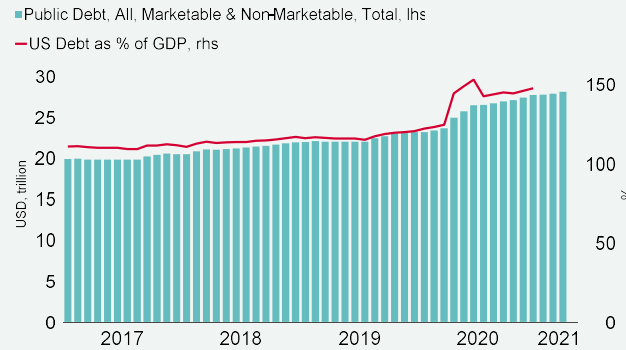
US unemployment

US Unemployment



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

US Public Debt



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

Fiscal policy

Fiscal measures details

UK	£330bn+ : 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.
USA	\$3.0tn : 2 nd package passed 23 rd April, worth \$483 billion, increasing US stimulus to \$3 trillion (15% GDP).
EU	€1.35tn : This includes €240bn to the European Stability Mechanism, and €200bn in EIB guarantees. On 4 th June, the ECB extended the pandemic purchase programme (PEPP) until June 2021, purchasing an additional €600bn in bonds, taking total stimulus to €1.35tn. €750bn : a new recovery package for EU member states announced in July including €390bn in grants and €360 in interest free loans.
Germany	€880bn : The emergency aid measure approved on Monday 23 rd 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.
Italy	€400bn : The stimulus announced on the 7 th April €25bn : Emergency package to support businesses and families.
France	€100bn : The stimulus announced on the 3 rd September €45bn : The aid package for SMEs and other hard-hit sectors announced by the French government on 17 th of March. Includes deferred corporate tax, social security charges and two months state payments to laid off workers. €300bn : government backed loans.
Spain	€200bn : 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.
Japan	\$2.2tn : 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.
Hong Kong	HK\$10k for every adult citizen (c.£7bn).

Source: Knight Frank, various sources

Monetary policy

Central Banks Policy Rates

	Current Rate	Rate at 1/1/2020	YTD Change
Advanced Economies			
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
Developing Economies			
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 (%)
Advanced Economies			
Australia	304 bn	5.8%	81.0%
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	6.46 tn	-3.4%	15.4%
United Kingdom	1.1 tn	0.9%	92.6%
United States	7.69 tn	1.6%	34.1%
Developing Economies			
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	666 bn	-5.0%	-3.4%
Saudi Arabia	489 bn	-0.9%	-3.2%
South Korea	482 bn	-2.2%	15.6%
Turkey	109 bn	0.0%	8.9%

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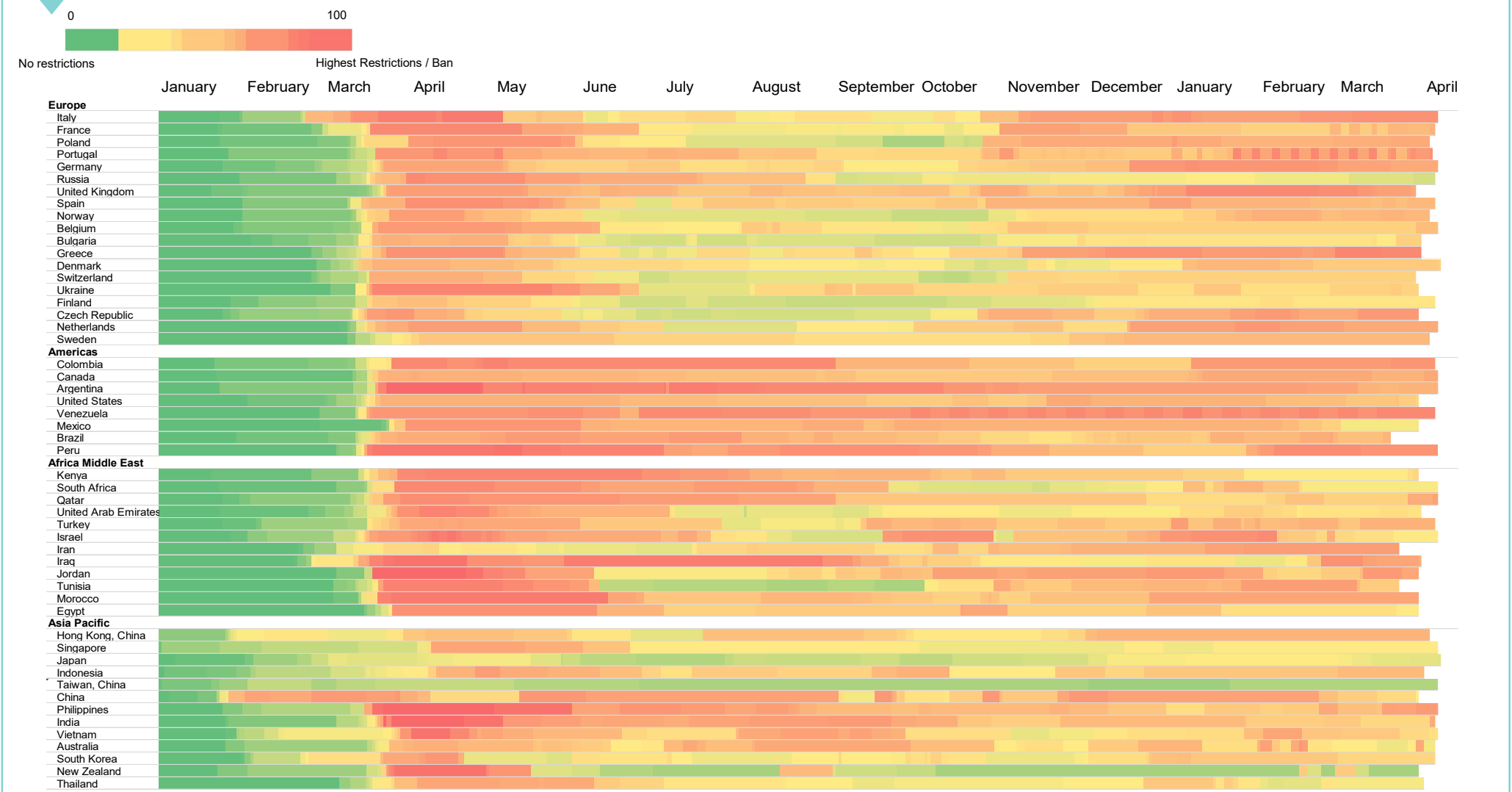
Economic Dashboard

07 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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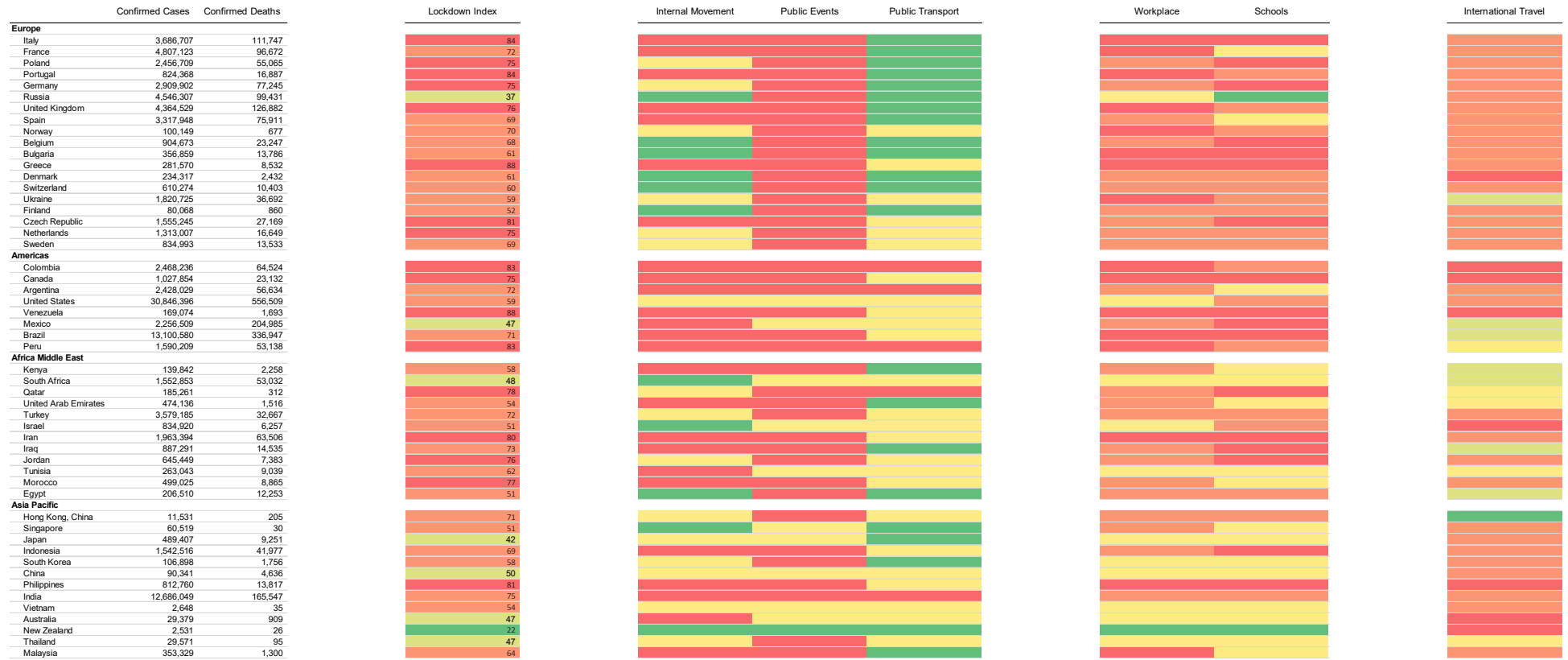
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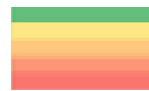
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Overview of the severity of Covid-19 and the resulting containment measures



	Confirmed Cases	Confirmed Deaths
Europe		
Italy	3,686,707	111,747
France	4,807,123	96,672
Poland	2,456,709	55,065
Portugal	824,368	16,887
Germany	2,909,902	77,245
Russia	4,546,307	99,431
United Kingdom	4,364,529	126,882
Spain	3,317,948	75,911
Norway	100,149	677
Belgium	904,673	23,247
Bulgaria	356,859	13,786
Greece	281,570	8,532
Denmark	234,317	2,432
Switzerland	610,274	10,403
Ukraine	1,820,725	36,692
Finland	80,068	860
Czech Republic	1,555,245	27,169
Netherlands	1,313,007	16,649
Sweden	834,993	13,533
Americas		
Colombia	2,488,236	64,524
Canada	1,027,854	23,132
Argentina	2,428,029	56,634
United States	30,846,396	556,509
Venezuela	169,074	1,693
Mexico	2,256,509	204,985
Brazil	13,100,580	336,947
Peru	1,590,209	53,138
Africa Middle East		
Kenya	139,842	2,258
South Africa	1,552,853	53,032
Qatar	185,261	312
United Arab Emirates	474,136	1,516
Turkey	3,579,185	32,667
Israel	834,920	6,257
Iran	1,963,394	63,506
Iraq	887,291	14,535
Jordan	645,449	7,383
Tunisia	263,043	9,039
Morocco	499,025	8,865
Egypt	206,510	12,253
Asia Pacific		
Hong Kong, China	11,531	205
Singapore	60,519	30
Japan	469,407	9,251
Indonesia	1,542,516	41,977
South Korea	106,898	1,756
China	90,341	4,636
Philippines	812,760	13,817
India	12,686,049	165,547
Vietnam	2,648	35
Australia	29,379	909
New Zealand	2,531	26
Thailand	29,571	95
Malaysia	353,329	1,300

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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