

Summary

- **Equities:** Globally, stocks are mostly higher. In Europe, gains have been recorded by the CAC 40 (+0.4%), STOXX 600 (+0.3%) and the DAX (+0.1%), while the FTSE 250 is flat over the morning. In Asia, the Hang Seng (+1.2%), S&P / ASX 200 (+1.0%), KOSPI and CSI 300 (both +0.2%) all closed higher. The TOPIX was the exception, closing -0.8% down. In the US, futures for the S&P 500 are up +0.3%.
- **VIX:** After declining -5% over Wednesday, the CBOE market volatility index is down a further -0.9% this morning to 17.0, below its long term average of 19.9. The Euro Stoxx 50 volatility index is also lower, down -2.3% to 16.3, remaining comfortably below its long term average of 23.9. Both the CBOE and Euro Stoxx 50 vix are at their lowest levels since January 2020.
- **Bonds:** The UK 10-year gilt yield has softened +1bp to 0.79%, while the US 10-year treasury yield compressed -2bps to 1.66% and the German 10-year bund yield is down -1bp to -0.33%.
- **Currency:** Sterling has depreciated to \$1.37, while the euro is currently \$1.19. Currency hedging benefits for US dollar denominated investors into the UK and Eurozone are 0.58% and 1.77% on a five year basis.
- **Oil:** Brent Crude and the West Texas Intermediate (WTI) are down -0.4% and -0.7% to \$62.89 and \$59.38, respectively. The latest Baker Hughes rig count found there were 430 active oil rigs in the US as at 1st April 2021, compared to 413 one month ago and 664 last year. Internationally, the number of active oil rigs in March stood at 715, compared to 701 one month prior and 1,059 in March 2020.
- **Baltic Dry:** The Baltic Dry increased for the second consecutive session on Wednesday, up +1.7% to 2,127 its highest level in over a week. While this is -8% below the March peak of 2,319, it remains +56% higher than the start of the year. Prices have been pushed higher by the capesize index which increased +7.2% yesterday.
- **US Trade Deficit:** The US trade deficit widened \$3.3 billion to a record high of \$71.1 billion in February. The imbalance increased as total trade activity declined -1.5%, with imported goods (-2.0%) contracting less than exported goods (-5.3%), which recorded its second month of decline.

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Economic Dashboard

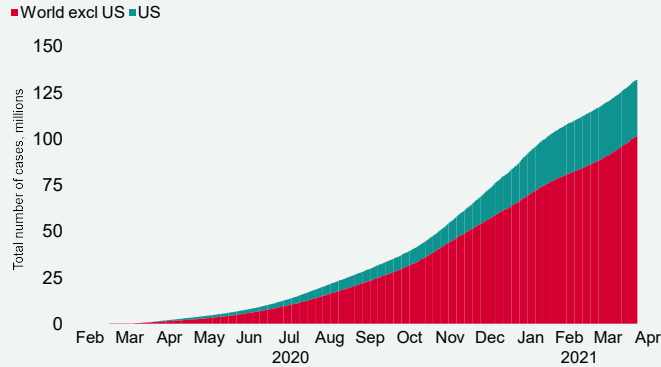


08 April 2021

Internal and key client use only

COVID-19

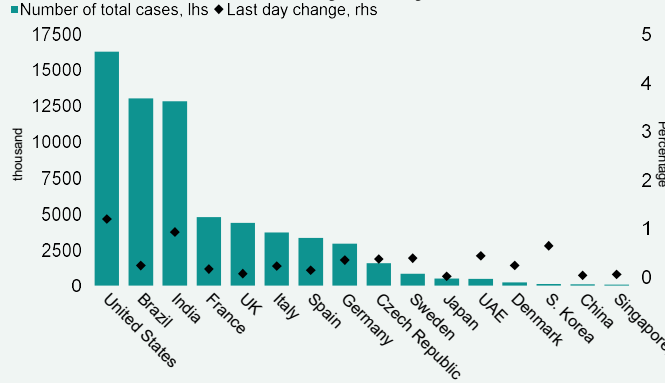
Cumulative number of global cases



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.

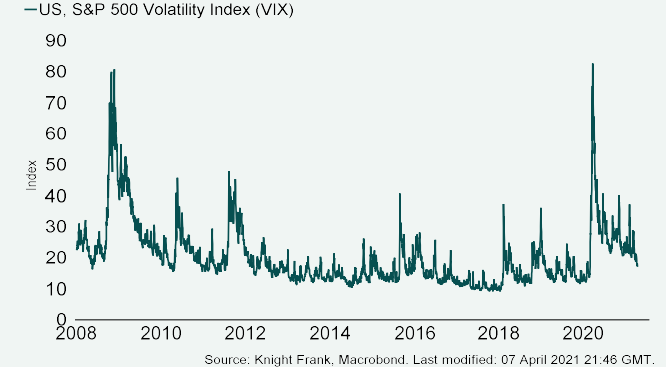
Cumulative number of cases by country



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

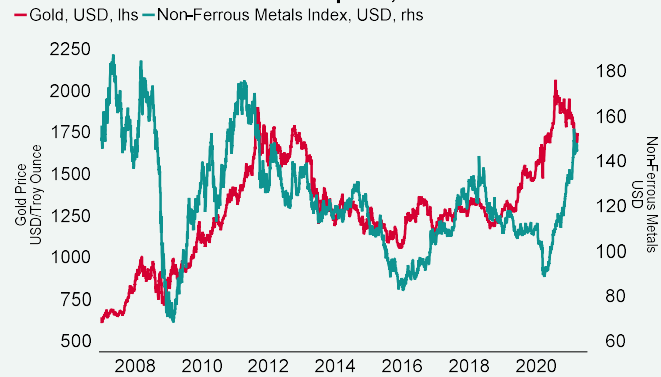


Source: Knight Frank, Macrobond. Last modified: 07 April 2021 21:46 GMT.

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

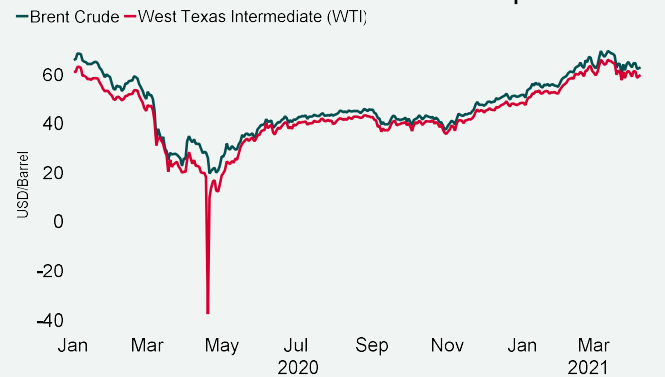
Gold and non-ferrous metals price, USD



Source: Knight Frank, Macrobond. Last modified: 08 April 2021 00:00 GMT.

	7 Apr	D/D (%)	YTD (%)
Gold, USD	1736	0.5	-8.5
Non-Ferrous Metals, USD	144	-0.5	11.2

Brent Crude and West Texas Intermediate oil price



Source: Knight Frank, Macrobond. Last modified: 07 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: 07 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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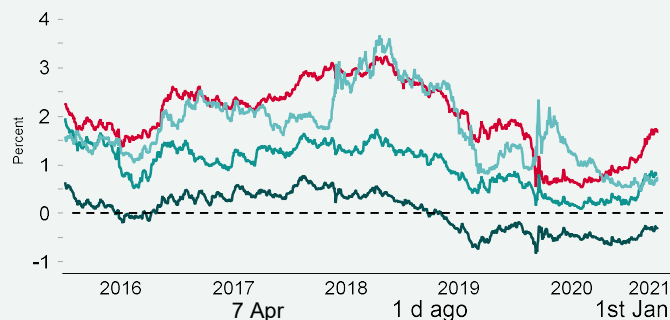
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Bonds and currencies

10y Government Bond Yield (%)

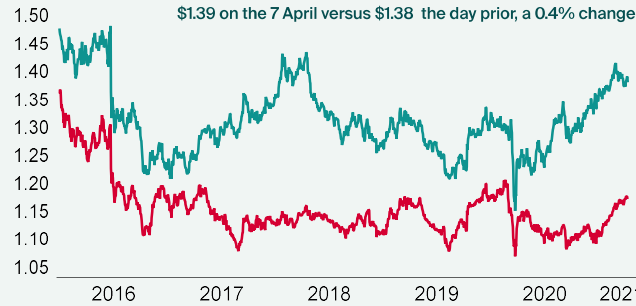
—US —UK —Germany —Italy



	7 Apr	1 d ago	1st Jan
Germany	-0.33	-0.30	-0.21
Italy	0.73	0.74	1.40
UK	0.78	0.79	0.74
US	1.68	1.67	1.92

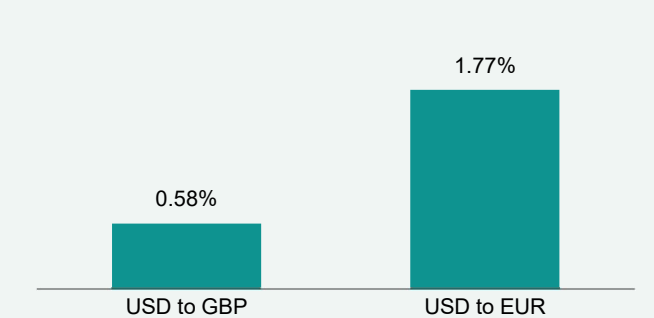
FX Spot Rates

—EUR per GBP —USD per GBP



	7 Apr	1 d ago	1st Jan
EUR per GBP	1.17	1.17	1.18
USD per GBP	1.39	1.38	1.32

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



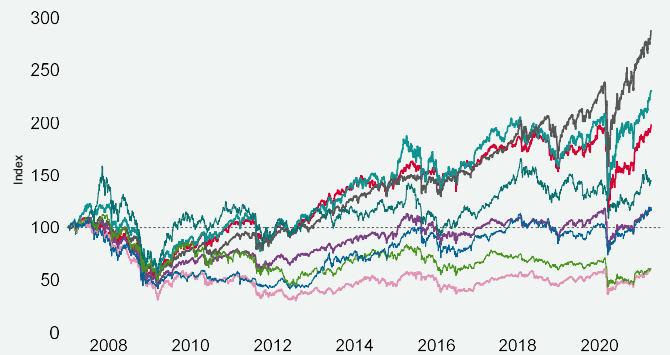
Source: Knight Frank, Investing.com

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)

—FTSE 250 —DAX —S&P 500 —STOXX 600 —Hang Seng —MIB —IBEX 35 —TOPIX

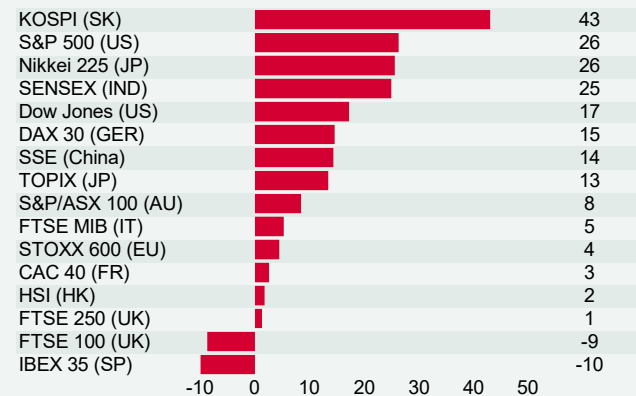


Source: Knight Frank, Macrobond. Last modified: 07 April 2021 19:05 GMT.

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 (%)

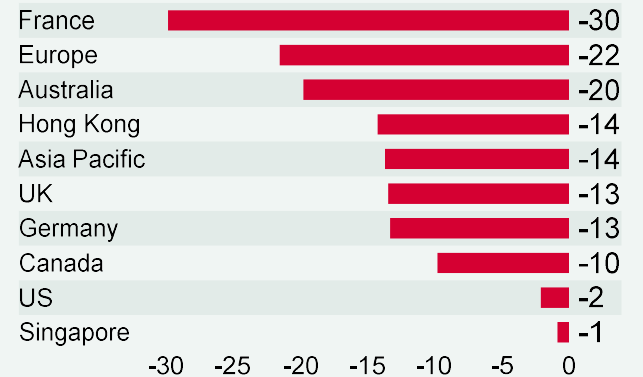
Local currencies



Source: Knight Frank, Macrobond

REIT performance: since 1st Jan 2020 (%)

Local currencies



Source: Knight Frank, Macrobond

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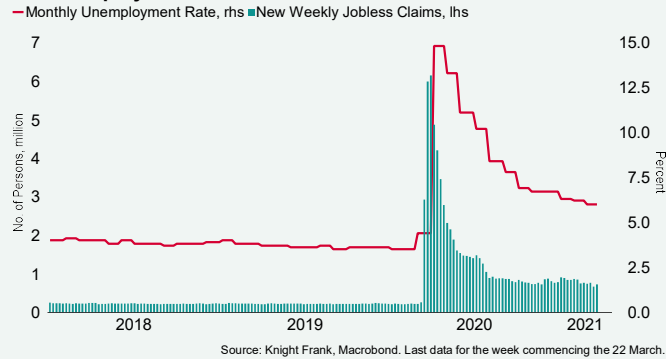


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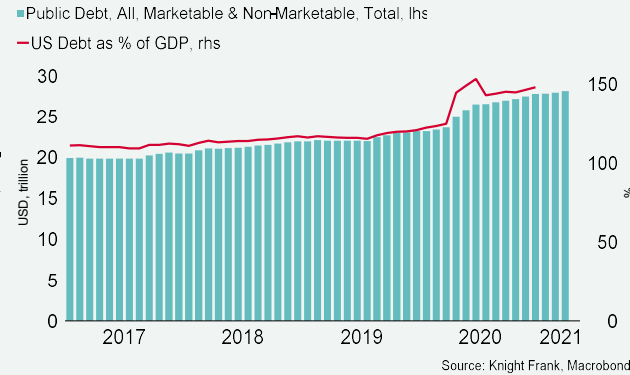
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US unemployment

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).

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	0.1%	10.5%

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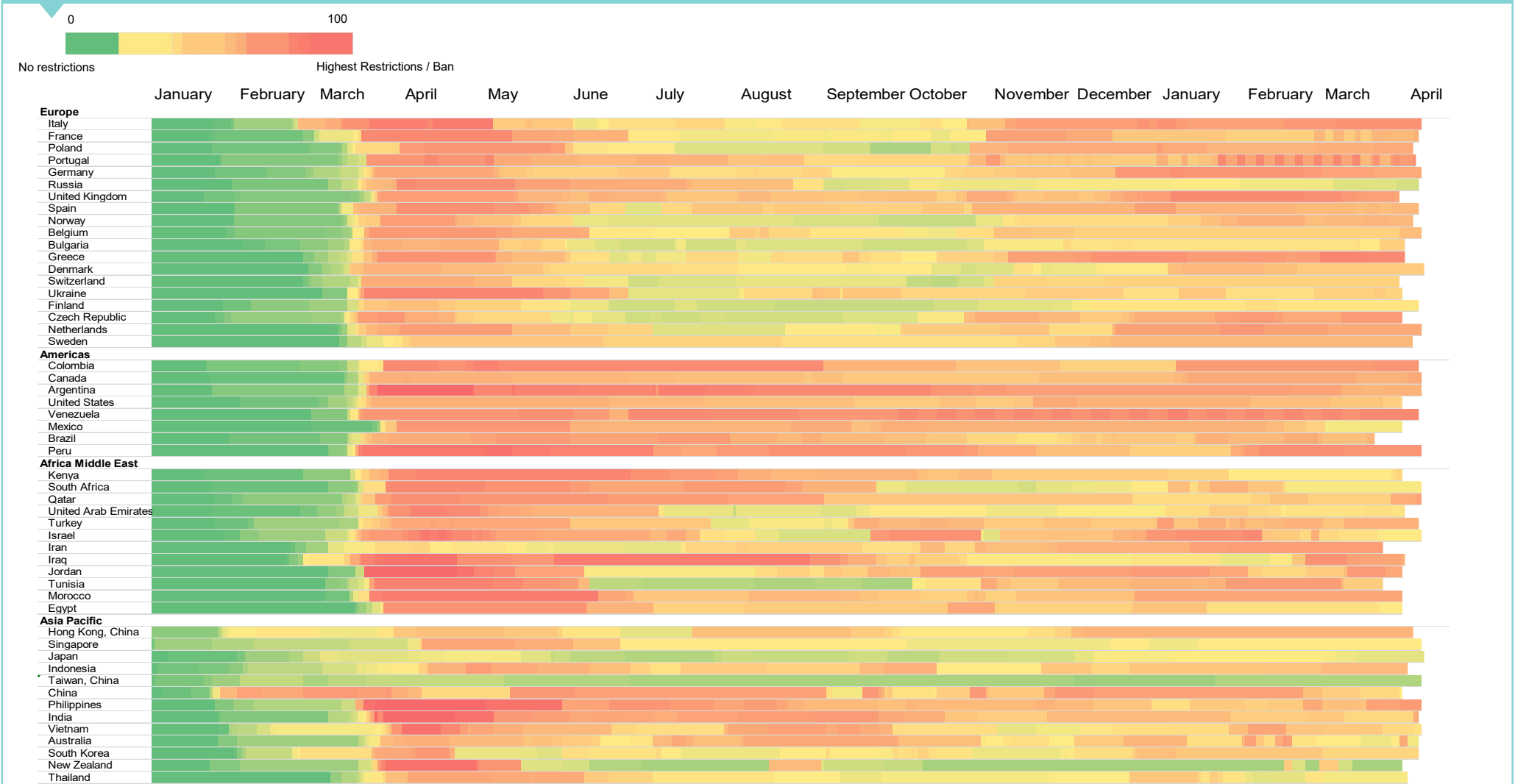
Economic Dashboard

08 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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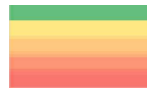
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Overview of the severity of Covid-19 and the resulting containment measures

Confirmed Cases	Confirmed Deaths	Lockdown Index	Internal Movement	Public Events	Public Transport	Workplace	Schools	International Travel
Europe								
Italy	3,686,707	111,747	84					
France	4,807,123	96,672	72					
Poland	2,456,709	55,065	75					
Portugal	824,368	16,887	84					
Germany	2,909,902	77,245	75					
Russia	4,546,307	99,431	37					
United Kingdom	4,364,529	126,882	76					
Spain	3,317,948	75,911	69					
Norway	100,149	677	70					
Belgium	904,673	23,247	68					
Bulgaria	356,859	13,786	61					
Greece	281,570	8,532	88					
Denmark	234,317	2,432	61					
Switzerland	610,274	10,403	60					
Ukraine	1,820,725	36,692	59					
Finland	80,068	860	52					
Czech Republic	1,555,245	27,169	81					
Netherlands	1,313,007	16,649	75					
Sweden	834,993	13,533	69					
Americas								
Colombia	2,468,236	64,524	83					
Canada	1,027,854	23,132	75					
Argentina	2,428,029	56,634	72					
United States	30,847,348	556,546	59					
Venezuela	169,074	1,693	88					
Mexico	2,256,509	204,985	47					
Brazil	13,100,580	336,947	71					
Peru	1,590,209	53,138	83					
Africa Middle East								
Kenya	139,842	2,258	58					
South Africa	1,552,853	53,032	48					
Qatar	185,261	312	78					
United Arab Emirates	474,136	1,516	54					
Turkey	3,579,185	32,667	72					
Israel	834,920	6,257	51					
Iran	1,963,394	63,506	80					
Iraq	887,291	14,535	73					
Jordan	645,449	7,383	76					
Tunisia	263,043	9,039	62					
Morocco	499,025	8,865	77					
Egypt	206,510	12,253	51					
Asia Pacific								
Hong Kong, China	11,531	205	71					
Singapore	60,519	30	51					
Japan	489,407	9,251	42					
Indonesia	1,542,516	41,977	69					
South Korea	106,898	1,756	58					
China	90,341	4,636	50					
Philippines	812,760	13,817	81					
India	12,801,785	166,177	75					
Vietnam	2,648	35	54					
Australia	29,379	909	47					
New Zealand	2,531	26	22					
Thailand	29,571	95	47					
Malaysia	353,329	1,300	64					

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
Some level of	Some level of	
Required closure of some sectors	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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