13 April 2021

Summary

- Internal and key client use only
- Equities: Globally, stocks are mostly higher. In Europe, gains have been recorded by the DAX (+0.4%), STOXX 600, CAC 40 (both +0.3%) and the FTSE 250 (+0.2%). In Asia, the KOSPI (+1.1%), TOPIX (+0.2%) and Hang Seng (+0.1%) were all higher on close, meanwhile the CSI 300 closed -0.2% down and the S&P / ASX 200 closed flat. In the US, futures for the S&P 500 and Dow Jones Industrial Average (DJIA) are both +0.1%.
- VIX: After increasing +1% over Monday, the CBOE market volatility index has decreased this morning, down -0.4% to 16.9, remaining below its long term average of 19.9. The Euro Stoxx 50 volatility index is also lower, down -4.2% to 16.3, remaining comfortably below its long term average of 23.9.
- Bonds: The US 10-year treasury yield has softened +2bps to 1.69%, while the UK 10-year gilt yield and German 10year bund yield are both up +1bp to 0.80% and -0.29%, respectively. The US treasury yield and German bund yield are both currently at their highest level since the end of March.
- Currency: Sterling has appreciated to \$1.38 and the euro is currently \$1.19. Currency hedging benefits for US dollar denominated investors into the UK and Eurozone are at 0.60% and 1.78% on a five year basis.
- Oil: The West Texas Intermediate (WTI) has increased back above \$60 per barrel for the first time since the end of March, after increasing +0.5% this morning to \$60.15. Brent Crude is also higher, up +1.0% to \$63.88, its strongest level in nearly two weeks.
- Baltic Dry: The Baltic Dry increased for the first time in three sessions on Monday, up +2.9% to 2,145, its highest level in two weeks and its largest daily increase in nearly a month. Prices were pushed upwards by capesize rates which increased +8.6% yesterday to a three month peak. The index is currently +57% above where it was at the start of the year, albeit -8% below the March peak of 2,319.
- Chinese Exports: China's exports in US\$ terms increased +30.6% over the year to March 2021, following a +60.6% annual increase over January and February combined. This saw exports grow +49% y-y in Q1 2021, up from +16.7% in Q4 2020. Oxford Economics expect momentum to remain robust in Q2, however global shipping delays could undermine the near-term export outlook.

Research

William Matthews Partner, Head of Commercial Research +44 20 3909 6842 william.matthews@knightfrank.com

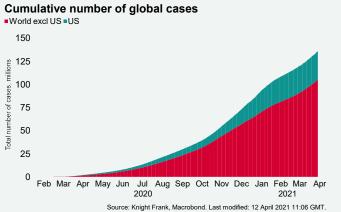
Victoria Ormond Dearther, Capital Markets Research Set 44 20 7861 5009 + victoria.ormond@knightfrank.com d

Daniel Tomaselli Senior Research Analyst, Capital Markets +44 20 8106 1392 daniel.tomaselli@knightfrank.com

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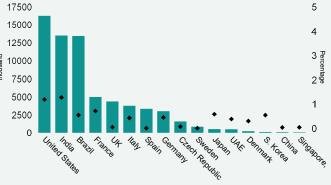
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COVID-19



The number of total confirmed cases reached 135.6 million on the 12 April, an increase of 676k new cases over the day prior.

Cumulative number of cases by country Number of total cases, lhs + Last day change, rhs



Volatility Index US, S&P 500 Volatility Index (VIX) 90 80 70 60 50 40 30 20 10 0 2008 2010 2018 2012 2014 2016 2020

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).

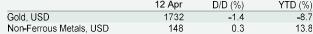
The CBOE VIX (colloquially known as the Investor fear gauge) is an indication of near term S&P 500 stock price volatility based on underlying options.

Commodities

Gold and non-ferrous metals price, USD

-Gold, USD, Ihs-Non-Ferrous Metals Index, USD, rhs





Brent Crude and West Texas Intermediate oil price -Brent Crude -West Texas Intermediate (W/TI)



Source: Knight Frank, Macrobond. Last modified: 12 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)

-World, Baltic Exchange, Shipping, Dry Index (BDI), USD



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.

Research

William Matthews Partner, Head of Commercial Research +44 20 3909 6842 william.matthews@knightfrank.com Victoria Ormond Partner, Capital Markets Research +44 20 7861 5009 victoria.ormond@knightfrank.com

Daniel Tomaselli Senior Research Analyst, Capital Markets +44 20 8106 1392 daniel.tomaselli@knightfrank.com

Antonia Haralambous Research Analyst, Capital Markets +44 20 3866 8033 antonia.haralambous@knightfrank.com

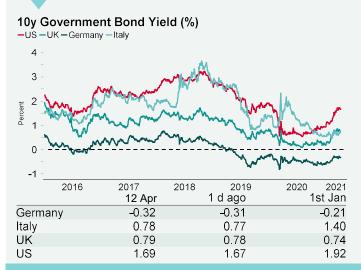
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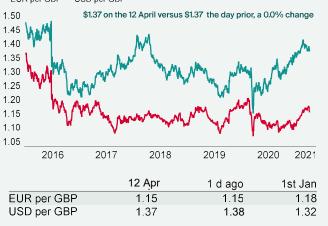
Source: Knight Frank, Macrobond. Last modified: 12 April 2021 21:46 GMT.

13 April 2021

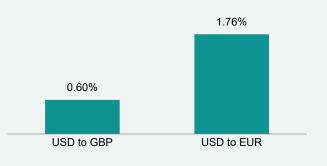
Bonds and currencies



FX Spot Rates -EUR per GBP -USD per GBP



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



Source: Knight Frank, Investing.com

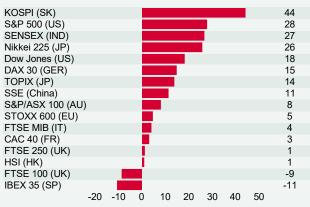
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

Equity and REIT



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

Equity performance: since 1st Jan 2020 (%) Local currencies



REIT performance: since 1st Jan 2020 (%) Local currencies

France								-31
Europe								-22
Australia								-20
Hong Kong								-14
Germany								-14
UK								-14
Asia Pacific	2							-14
Canada								-9
Singapore								- 2
US								- 2
	- 35	-30	- 25	- 20	- 15	-10	- 5	0

Source: Knight Frank, Macrobond

Source: Knight Frank, Macrobond

Research

William Matthews Partner, Head of Commercial Research +44 20 3909 6842 william matthews@knightfrank.com Victoria Ormond Partner, Capital Markets Research +44 20 7861 5009 victoria.ormond@knightfrank.com

The chart presents the performance of selected equity indexes since the

months prior the global financial crisis (2007).

Daniel Tomaselli ch Senior Research Analyst, Capital Markett +44 20 8106 1392 n daniel.tomaselli@knightfrank.com

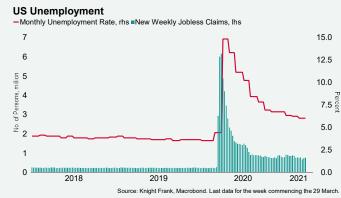
Antonia Haralambous

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US unemployment



US Public Debt

Public Debt, All, Marketable & Non-Marketable, Total, Ihs



The chart presents the amount of American government debt (left axis)

compared to debt as a percentage of total US GDP (right axis).

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

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	306 bn	3.9%	76.0%	
Canada	458 bn	4.1%	395.9%	
Euro Area	8.81 tn	2.4%	55.9%	
France	2.1 tn	-0.1%	69.4%	
Germany	3.01 tn	0.2%	45.8%	
Italy	1.71 tn	3.3%	44.8%	
Sweden	151 bn	-5.2%	34.7%	
Japan	6.53 tn	-0.5%	16.0%	
United Kingdom	1.1 tn	1.4%	88.9%	
United States	7.71 tn	1.8%	27.5%	
Developing Economies				
Brazil	436 bn	-4.2%	-10.5%	
China	5.93 tn	-1.4%	15.0%	
India	782 bn	92.4%	137.6%	
Mexico	224 bn	-1.5%	12.3%	
Russia	666 bn	-5.0%	-3.4%	
Saudi Arabia	489 bn	-0.9%	-3.2%	
South Korea	487 bn	0.8%	17.5%	
Turkey	112 bn	-0.4%	10.6%	

Research

William Matthews Partner, Head of Commercial Research +44 20 3909 6842 william.matthews@knightfrank.com

s Victoria Ormond mercial Research Partner, Capital Markets Research +44 20 7861 5009 ghtfrank.com victoria.ormond@knightfrank.com

baniel Toma sts Research Senior Research +44 20 8106 13

Daniel Tomaselli Senior Research Analyst, Capital Markets +44 20 8106 1392 daniel.tomaselli@knightfrank.com

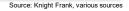
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Fiscal measures details

Fiscal me	asures 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 billon, 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 4th 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).





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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

Research

William Matthews Partner, Head of Commercial Research +44 20 3909 6842 william.matthews@knightfrank.com Victoria Ormond Partner, Capital Markets Research +44 20 7861 5009 victoria.ormond@knightfrank.com

Daniel Tomaselli Senior Research Analyst, Capital Markets +44 20 8106 1392 daniel.tomaselli@knightfrank.com

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

	Confirmed Cases Confir	rmed Deaths
	Commission Commission	
taly	3,779,594	114,612
France	5,030,401	98,503
Poland	2,586,647	58,481
Portugal	827,765	16,918
Germany	3,024,604	78,796
Russia	4,597,400	101,552
United Kingdom	4,373,343	127,100
Spain	3,370,256	76,525
Norway Belgium	104,269 927,229	687 23,503
Bulgaria	375,115	14,619
Greece	297,086	8,961
Denmark	238,306	2,443
Switzerland	623,126	10,466
Ukraine	1,913,415	39,012
Finland	82,278	874
Czech Republic	1,581,184	27,918
Netherlands	1,357,340	16,791
Sweden	857,401	13,621
mericas		
Colombia	2,552,937	66,156
Canada	1,078,482	23,336
Argentina	2,551,999	57,957
United States Venezuela	31,267,359 175,812	562,521 1,795
Mexico	2,281,840	209,702
Brazil	13,517,808	354,617
Peru	1,653,320	55,230
rica Middle East	.,,	
Kenya	146,156	2,368
South Africa	1,559,113	53,356
Qatar	190,998	335
United Arab Emirates	485,675	1,533
Turkey	3,903,573	34,182
Israel	836,158	6,304
Iran	2,093,452	64,764
Iraq	932,899	14,757
Jordan Eupioio	669,300 272,940	9,332
Tunisia Morocco	272,940 502,277	9,332
Egypt	211,307	12,487
a Pacific	211,007	.2,407
Hong Kong, China	11,594	207
Singapore	60,678	30
Japan	508,350	9,393
Indonesia	1,571,824	42,656
South Korea	110,688	1,775
China	90,435	4,636
Philippines	876,225	15,149
India	13,527,717	170,179
Vietnam	2,705	35
Australia	29,429	910
New Zealand	2,587	26
Thailand	33,610	97
Malaysia	362,173	1,333
	Lockdown In	ndex key & Scale
	No Restriction	ns: 0 – 25
		ed Restrictions: 26 - 50
		strictions: 51 – 75
		rictions / Ban: 76 – 100
	riightoot Neou	

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

Total border closure

Research

William Matthews Partner, Head of Commercial Research

Partner, Head of Commercial Research +44 20 3909 6842 william.matthews@knightfrank.com
 Victoria Ormond
 Danie

 Partner, Capital Markets Research
 Senior

 +44 20 7861 5009
 +44 20

 victoria.ormond@knightfrank.com
 daniel.tr

Daniel Tomaselli Senior Research Analyst, Capital Markets +44 20 8106 1392 daniel.tomaselli@knightfrank.com

Antonia Haralambous

Research Analyst, Capital Markets +44 20 3866 8033 antonia haralambous@knightfrank.com Important Notice (c) Knjpht Frank LLP 2021 – This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or lability whatsoever can be accepted by Knjpht Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knjpht Frank LLP in relianto no prancidar properties or projects. Reproduction of this report in which or in parts is not allowed without prior writinght Frank LLP in ensition to particular properties or projects. Reproduction of this report in which is the parts is not allowed without prior writinght Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' manes.

Required closure for all All schools required to

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