

Summary

- **Equities:** Globally, stocks are mostly lower. In Europe, losses have been recorded by the CAC 40 (-0.9%), STOXX 600 (-0.7%), FTSE 250 and DAX (both -0.3%) this morning. In Asia, the TOPIX (-1.5%), S&P / ASX 200 (-0.7%) and CSI 300 (-0.1%) all closed lower. The KOSPI (+0.7%) and Hang Seng (+0.1%) were the exception, closing higher. In the US, futures for the S&P 500 are flat, while futures for the Dow Jones Industrial Average (DJIA) are -0.1%.
- **VIX:** Following a +6% increase over Monday, the CBOE market volatility index has since increased further this morning, up +2.0% to 17.6. The Euro Stoxx 50 volatility index is also higher, up +6.1% to 18.3. Despite the increases this morning, both the CBOE and Euro Stoxx vix remain below their long term averages of 19.9 and 23.9.
- **Bonds:** The US 10-year treasury yield has softened +2bps to 1.63%, while both the UK 10-year gilt yield and German 10-year bund yield are up +1bp to 0.77% and -0.23%, respectively. The German bund yield is currently at its highest level since February.
- **Currency:** Both sterling and the euro have appreciated to \$1.40 and \$1.21, their highest levels since early March. Currency hedging benefits for US dollar denominated investors into the UK and Eurozone are at 0.56% and 1.63% on a five year basis.
- **Oil:** Brent Crude and the West Texas Intermediate (WTI) have both increased +1.3% to \$67.90 and \$64.22, respectively. Brent Crude and the WTI are both currently at their highest levels since mid March.
- **UK Unemployment:** UK unemployment was 4.9% in Q1 2021, which was -0.1% lower than Q4 2020, albeit +0.9% higher than Q1 2020. Employment in Q1 2020 was at 75.1%, -1.4% lower than Q1 2020 and -0.1% below the previous quarter employment.
- **UK Climate Target:** The British government is due to accelerate its climate change target, by announcing a new pledge to reduce carbon emissions by 78% compared to 1990 levels, by 2035. This compares to the previous target of cutting emissions by 68% by 2030. This new pledge compares to a 55% emission cut by 2030 for the EU, 65% by 2030 for China and 33% - 35% reduction target by 2030 for India.

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Economic Dashboard

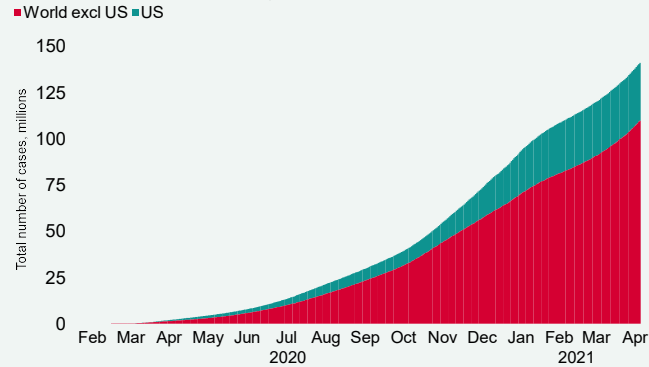


20 April 2021

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COVID-19

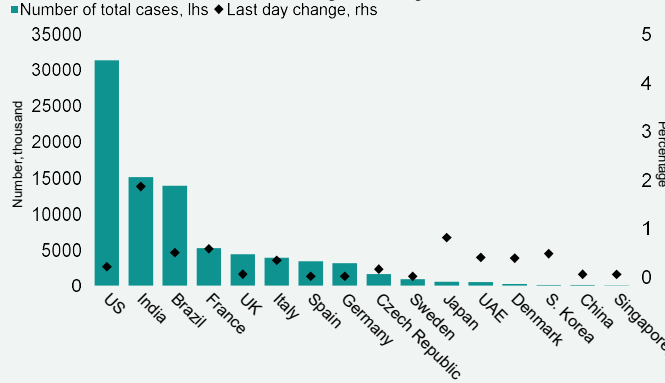
Cumulative number of global cases



Source: Knight Frank, Macrobond. Last modified: 19 April 2021 11:23 GMT.

The number of total confirmed cases reached 140.9 million on the 19 April, an increase of 563k new cases over the day prior.

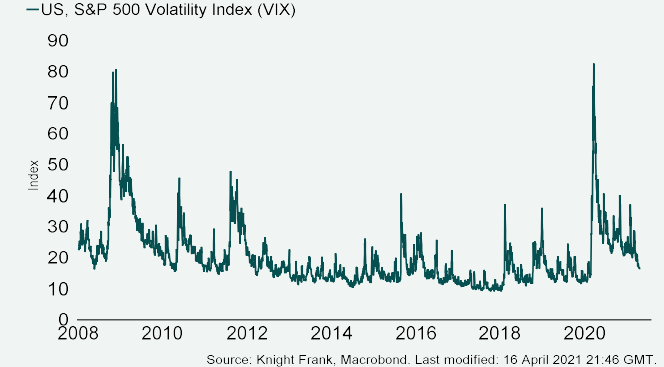
Cumulative number of cases by country



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

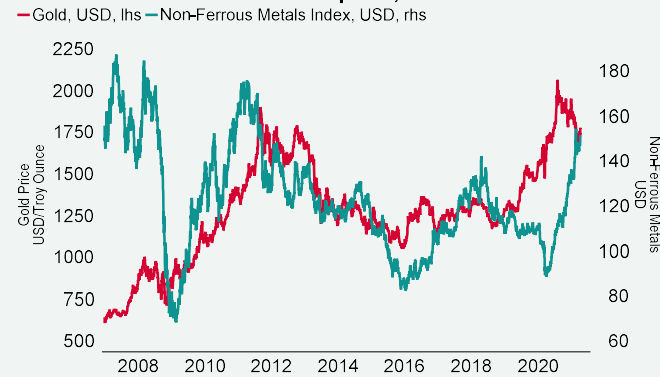


Source: Knight Frank, Macrobond. Last modified: 16 April 2021 21:46 GMT.

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

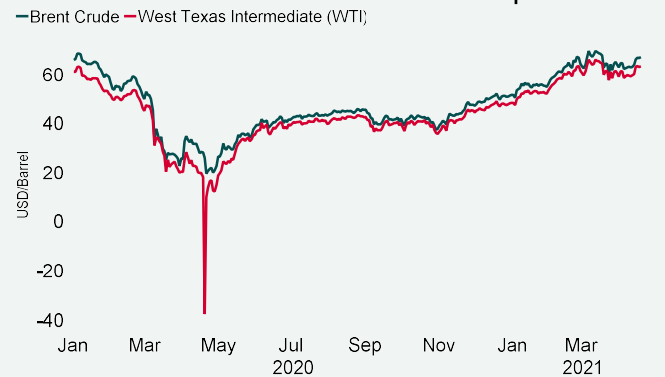
Gold and non-ferrous metals price, USD



Source: Knight Frank, Macrobond. Last modified: 20 April 2021 00:00 GMT.

	19 Apr	D/D (%)	YTD (%)
Gold, USD	1770	0.4	-6.7
Non-Ferrous Metals, USD	152	2.0	16.7

Brent Crude and West Texas Intermediate oil price



Source: Knight Frank, Macrobond. Last modified: 19 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: 19 April 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.

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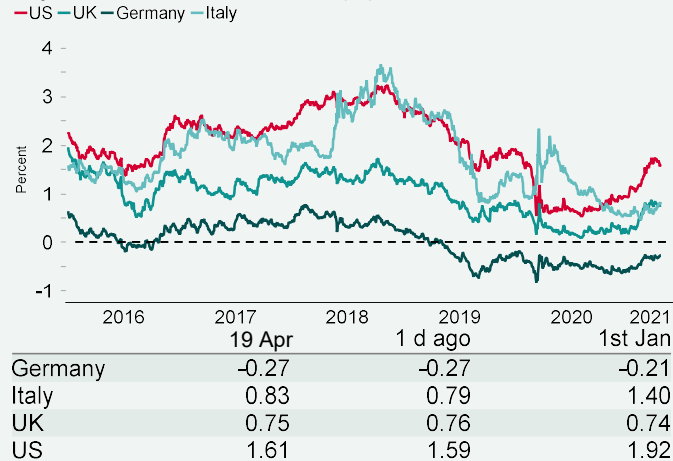


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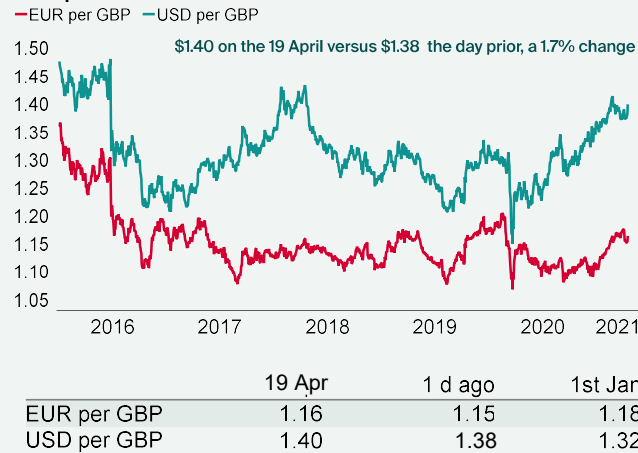
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Bonds and currencies

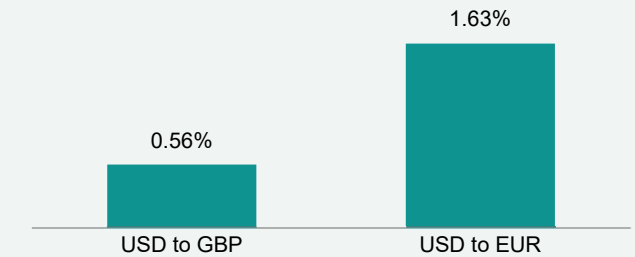
10y Government Bond Yield (%)



FX Spot Rates



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

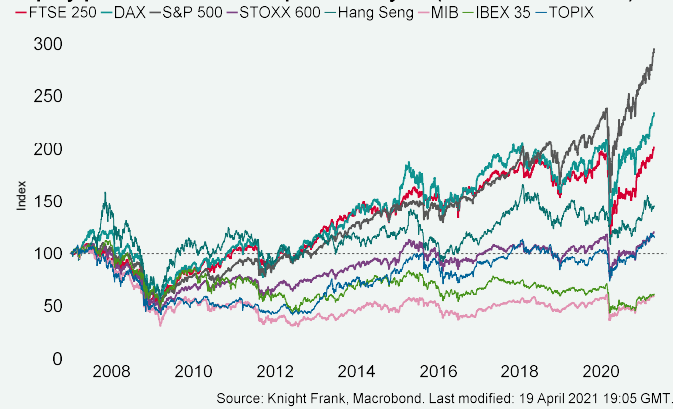


Source: Knight Frank, Investing.com

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

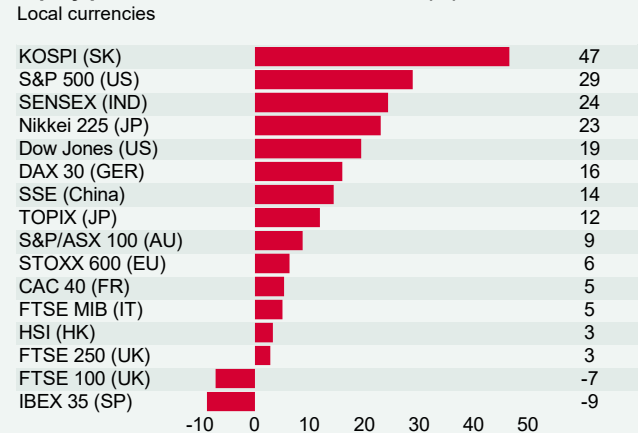
Equity and REIT

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



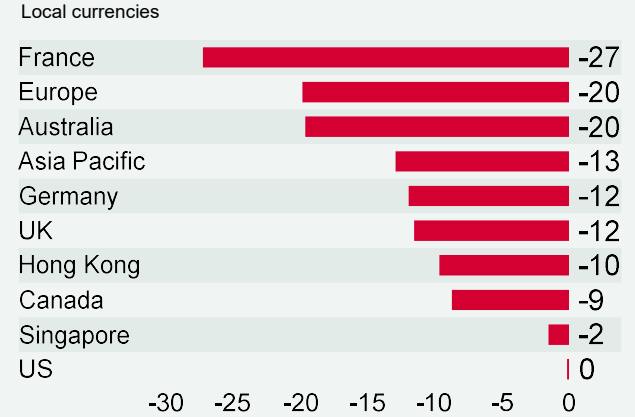
The chart presents the performance of selected equity indexes since the months prior to the global financial crisis (2007).

Equity performance: since 1st Jan 2020 (%)



Source: Knight Frank, Macrobond

REIT performance: since 1st Jan 2020 (%)



Source: Knight Frank, Macrobond

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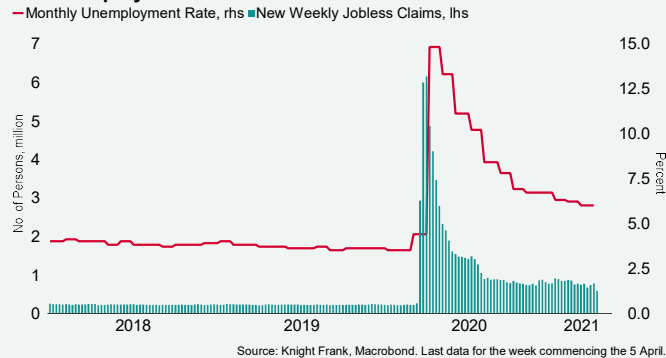


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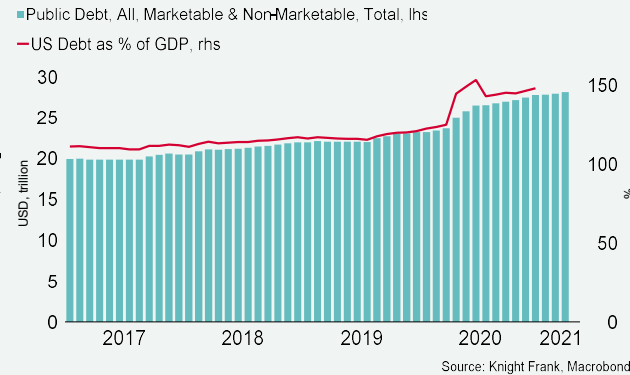
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US unemployment

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).

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	316 bn	6.3%	88.1%
Canada	438 bn	-4.3%	217.0%
Euro Area	8.93 tn	4.7%	56.3%
France	2.1 tn	-0.1%	69.4%
Germany	3.04 tn	3.5%	47.0%
Italy	1.71 tn	3.3%	44.8%
Sweden	154 bn	-4.9%	32.9%
Japan	6.53 tn	-0.5%	16.0%
United Kingdom	1.11 tn	1.7%	83.1%
United States	7.79 tn	1.9%	23.2%
Developing Economies			
Brazil	411 bn	-5.7%	-14.9%
China	5.85 tn	-1.4%	13.5%
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	-2.5%	13.2%

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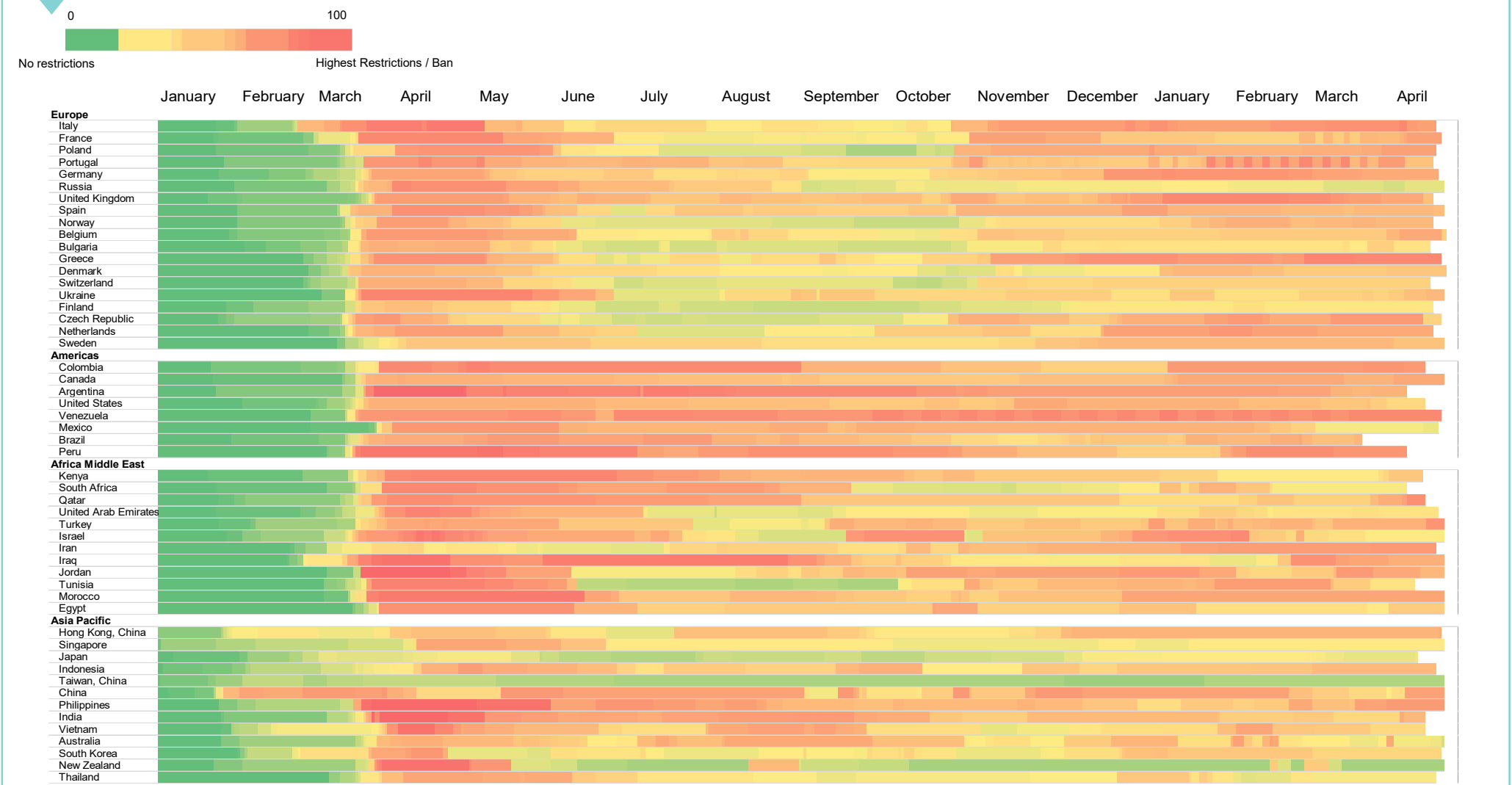
Economic Dashboard



20 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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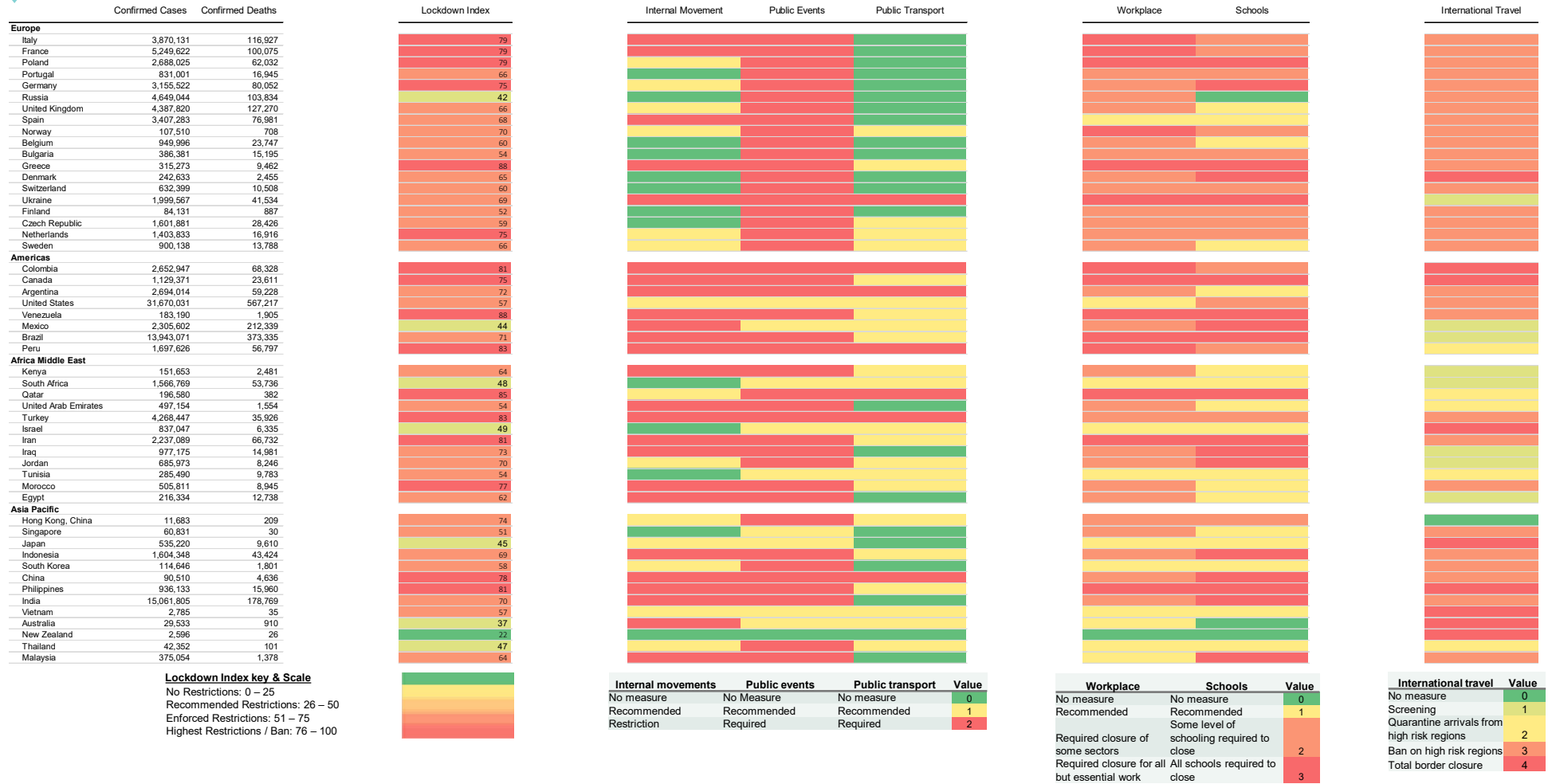
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20 April 2021



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



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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