

Summary

- **Equities:** In Europe, stocks are lower, with declines led by the STOXX 600 (-0.4%), followed by the DAX (-0.3%), FTSE 250 and CAC 40 (both -0.2%). In Asia, the Hang Seng (+1.3%), CSI 300 (+0.9%), KOSPI (+0.3%), and S&P / ASX 200 (+0.1%) all closed higher. The TOPIX (-0.4%) was the exception, closing lower. In the US, futures for the S&P 500 and Dow Jones Industrial Average (DJIA) are +0.2% and +0.1%, respectively.
- **VIX:** Following a +7% increase over Thursday, the CBOE market volatility index has since declined this morning, down -2.1% to 18.3. Meanwhile, the Euro Stoxx 50 volatility index is higher, up +4.3% to 18.5. Both the CBOE and Euro Stoxx vix remaining below their long term average of 19.9 and 23.9, respectively.
- **Bonds:** The US 10-year treasury yield has softened +1bp to 1.56%, while the UK 10-year gilt yield has compressed -2bps to 0.72% and the German 10-year bund yield is -1bp lower at -0.27%.
- **Currency:** The euro has appreciated to \$1.21, while sterling is currently \$1.39. Currency hedging benefits for US dollar denominated investors into the UK and Eurozone are at 0.54% and 1.63% on a five year basis.
- **Oil:** Brent Crude and the West Texas Intermediate (WTI) are currently \$65.39 and \$61.52, respectively.
- **Baltic Dry:** The Baltic Dry increased for the seventh consecutive session on Thursday, up +1.5% to 2750, its highest level in ten and a half years. Prices were pushed higher yesterday by capesize rates which increased +1.6% to their highest level since early October 2020. The index is now +101% above where it was at the beginning of the year.
- **US Unemployment:** There were 547k new unemployment applications in the week to 17th April, below market expectations of 617k and lower than 586k in the week prior. This is the lowest level of jobless claims since March 2020, before the implications of COVID-19.
- **UK Borrowing:** Public sector net borrowing reached £303.1bn in the year to March, +£250bn above the level over the year prior and the highest level of government borrowing since the end of WWII, albeit below the OBR's forecast of £354.6bn. In the month of March, public sector net borrowing totalled £28bn, £21bn higher than March 2020.

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Economic Dashboard

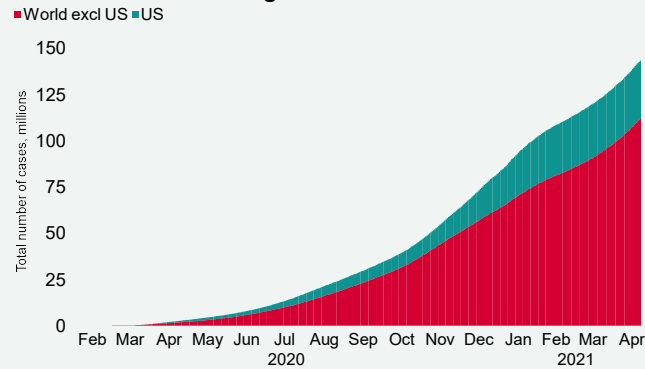


23 April 2021

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COVID-19

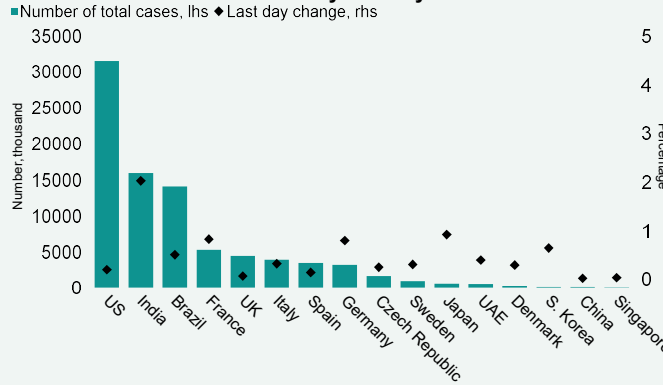
Cumulative number of global cases



Source: Knight Frank, Macrobond. Last modified: 22 April 2021 16:57 GMT.

The number of total confirmed cases reached 143.2 million on the 22 April, an increase of 627k new cases over the day prior.

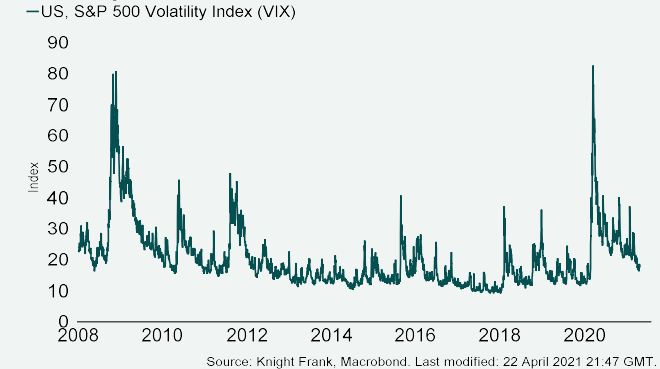
Cumulative number of cases by country



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

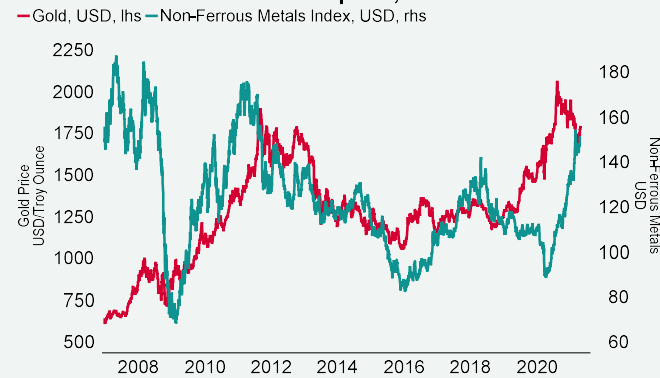


Source: Knight Frank, Macrobond. Last modified: 22 April 2021 21:47 GMT.

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

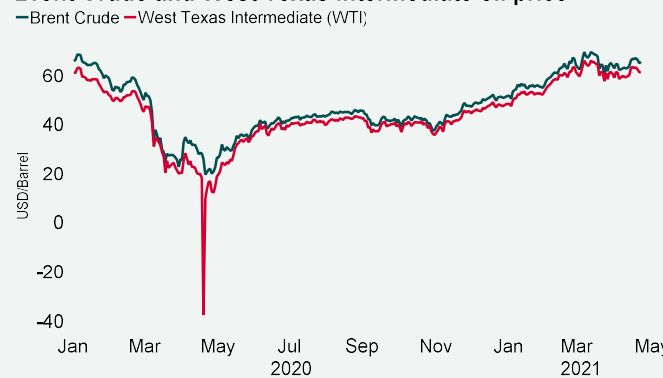
Gold and non-ferrous metals price, USD



Source: Knight Frank, Macrobond. Last modified: 23 April 2021 00:00 GMT.

	22 Apr	D/D (%)	YTD (%)
Gold, USD	1783	0.3	-6.0
Non-Ferrous Metals, USD	152	2.0	16.7

Brent Crude and West Texas Intermediate oil price



Source: Knight Frank, Macrobond. Last modified: 22 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: 22 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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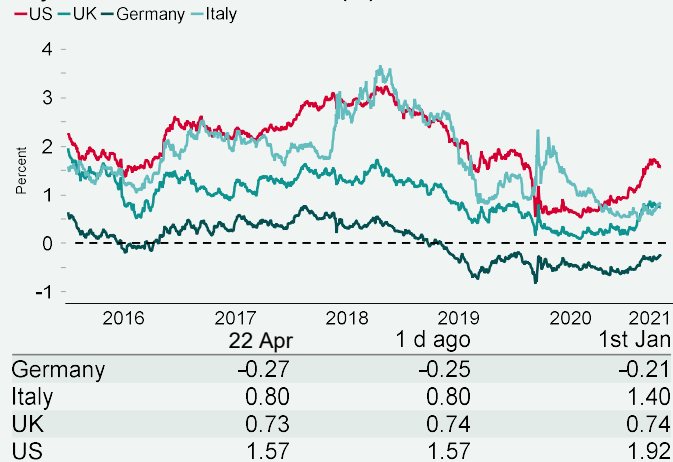


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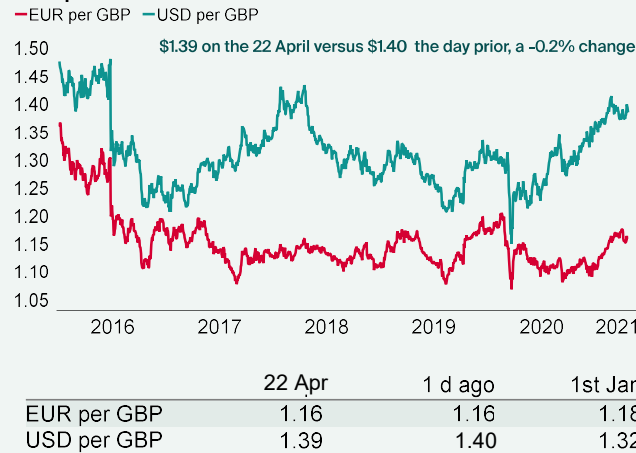
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Bonds and currencies

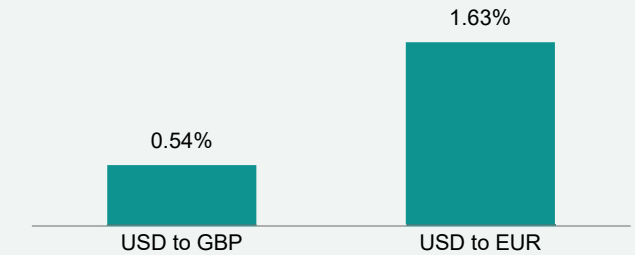
10y Government Bond Yield (%)



FX Spot Rates



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

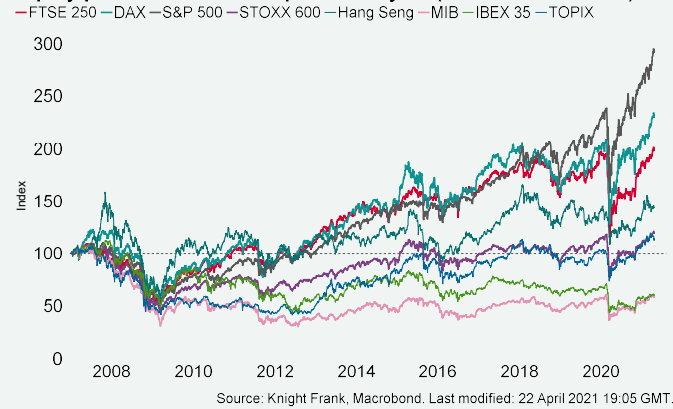


Source: Knight Frank, Investing.com

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

Equity and REIT

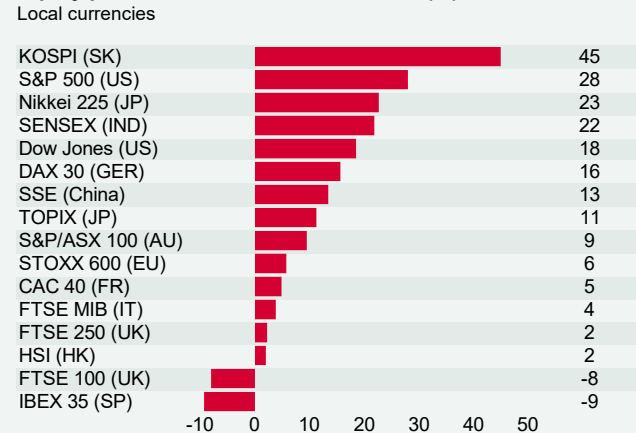
Equity performance: since previous cycle (1st Jan 2007 = 100)



Source: Knight Frank, Macrobond. Last modified: 22 April 2021 19:05 GMT.

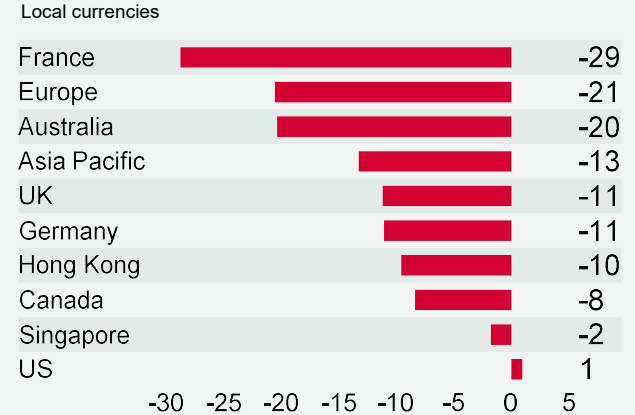
The chart presents the performance of selected equity indexes since the months prior to the global financial crisis (2007).

Equity performance: since 1st Jan 2020 (%)



Source: Knight Frank, Macrobond

REIT performance: since 1st Jan 2020 (%)



Source: Knight Frank, Macrobond

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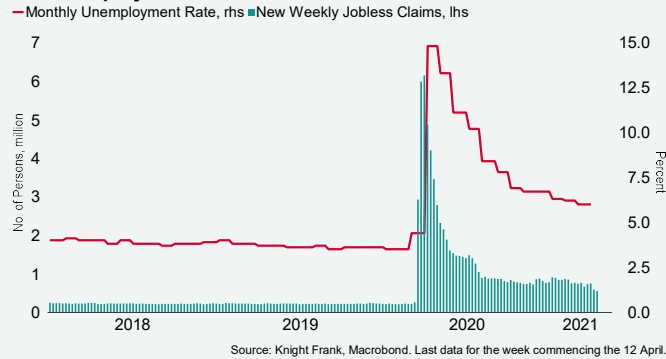


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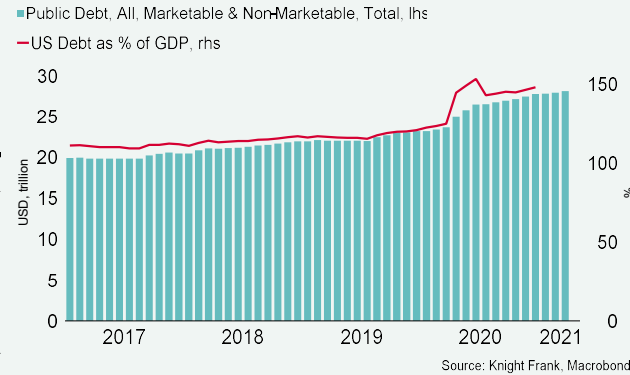
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US unemployment

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	319 bn	6.8%	92.1%
Canada	438 bn	-4.3%	217.0%
Euro Area	9 tn	5.7%	56.4%
France	2.1 tn	-0.1%	69.4%
Germany	3.05 tn	3.6%	44.9%
Italy	1.71 tn	3.3%	44.8%
Sweden	154 bn	-4.9%	32.9%
Japan	6.62 tn	0.3%	16.3%
United Kingdom	1.12 tn	3.2%	82.7%
United States	7.82 tn	1.5%	19.5%
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	109 bn	-5.6%	11.2%

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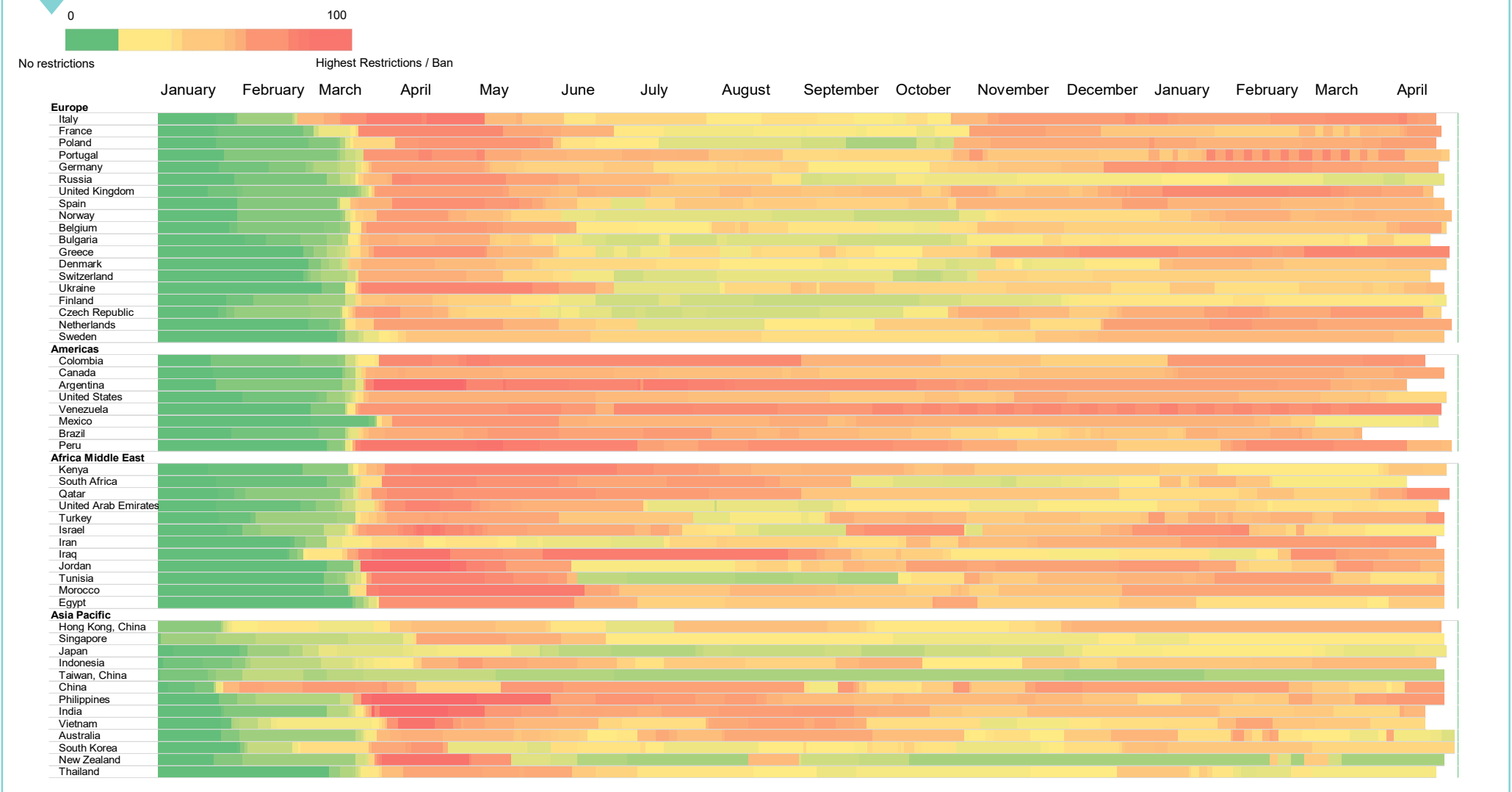
Economic Dashboard

23 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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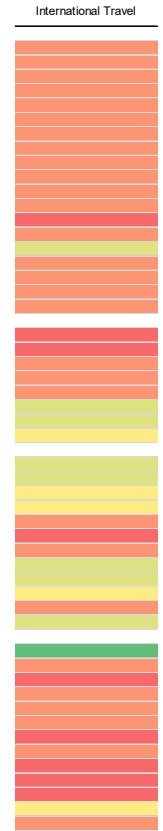
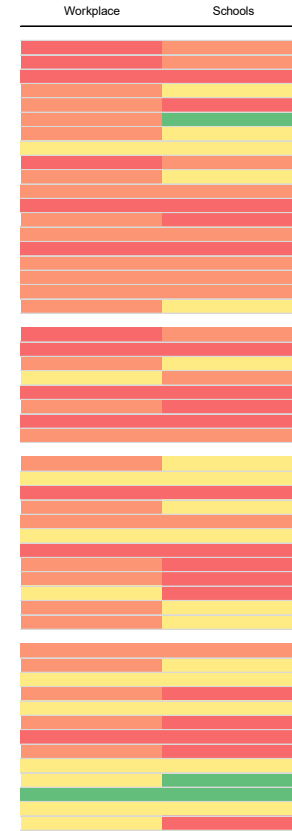
23 April 2021



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

	Confirmed Cases	Confirmed Deaths
Europe		
Italy	3,870,131	116,927
France	5,249,622	100,075
Poland	2,688,025	62,032
Portugal	831,001	16,945
Germany	3,155,522	80,052
Russia	4,649,044	103,834
United Kingdom	4,387,820	127,270
Spain	3,407,283	76,981
Norway	107,510	708
Belgium	949,995	23,747
Bulgaria	386,381	15,195
Greece	315,273	9,462
Denmark	242,633	2,455
Switzerland	632,399	10,508
Ukraine	1,999,567	41,534
Finland	84,131	887
Czech Republic	1,601,881	28,426
Netherlands	1,403,833	16,916
Sweden	900,138	13,788
Americas		
Colombia	2,652,947	68,328
Canada	1,129,371	23,611
Argentina	2,694,014	59,228
United States	31,670,031	567,217
Venezuela	183,190	1,905
Mexico	2,305,602	212,339
Brazil	13,943,071	373,335
Peru	1,697,626	56,797
Africa Middle East		
Kenya	151,653	2,481
South Africa	1,566,769	53,736
Qatar	196,580	382
United Arab Emirates	497,154	1,554
Turkey	4,268,447	35,926
Israel	837,047	6,335
Iran	2,237,089	66,732
Iraq	977,175	14,981
Jordan	685,973	8,246
Tunisia	285,490	9,783
Morocco	505,811	8,945
Egypt	216,334	12,738
Asia Pacific		
Hong Kong, China	11,683	209
Singapore	60,831	30
Japan	535,220	9,610
Indonesia	1,604,348	43,424
South Korea	114,646	1,801
China	90,510	4,636
Philippines	936,133	15,960
India	15,061,805	178,769
Vietnam	2,785	35
Australia	29,533	910
New Zealand	2,596	26
Thailand	42,352	101
Malaysia	375,054	1,378



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
Quarantine arrivals from high risk regions	1
Ban on high risk regions	2
Total border closure	3

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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