

## Summary

- **Equities:** In Europe, stocks are mixed this morning, with the DAX (+0.4%) and STOXX 600 (+0.3%) both higher, while the CAC 40 and the FTSE 250 are both down -0.2%. In Asia, most markets are closed due to the Lunar New Year holiday, however, the Hang Seng (+0.4%) closed higher, while the S&P / ASX 200 (-0.1%) was down on close. Futures for the S&P 500 and Dow Jones Industrial Average (DJIA) are both currently +0.3%.
- **VIX:** Following a +2% increase over Wednesday, the CBOE market volatility index has declined -1.0% this morning to 21.8, remaining above its long term average (LTA) of 19.5. The Euro Stoxx 50 volatility index is also lower, down -4.8% to 21.4, below its LTA of 23.9.
- **Bonds:** The UK 10-year gilt yield, German 10-year bund yield and Italian 10-year bond yield compressed -2bps this morning to 0.47%, -0.47%, and 0.48%. This takes the Italian 10-year bond yield to its lowest level on record.
- **Currency:** Sterling and the euro are currently \$1.38 and \$1.21, respectively. Hedging benefits for US dollar denominated investors into the UK and the eurozone are at 0.46% and 1.35% per annum on a five-year basis.
- **Baltic Dry:** The Baltic Dry declined for the third consecutive session on Wednesday, down -0.2% to 1303, its lowest level since mid December. The index remains -30% below the four-month high seen in mid January. Capesize rates continue to push prices downwards, with declines spanning the past 15 sessions, falling -5.4% yesterday to its lowest level since 9th December 2020.
- **Oil:** Oil prices have declined for the first time in ten days this morning with Brent Crude and the West Texas Intermediate (WTI) down -0.7% and -0.6% to \$61.06 and \$58.35, respectively.
- **US Unemployment:** There were 793k new unemployment applications in the week to 5<sup>th</sup> February, above market expectations of 757k, but lower than 812k last week. This is the lowest number of jobless claims in four weeks.
- **COVID-19 Vaccine:** The World Health Organisation have recommended the AstraZeneca vaccine for all adults, with the two doses administered 8-12 weeks apart. This comes as circa 151 million people globally have now been vaccinated, an increase of +12% since Monday.

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# Economic Dashboard

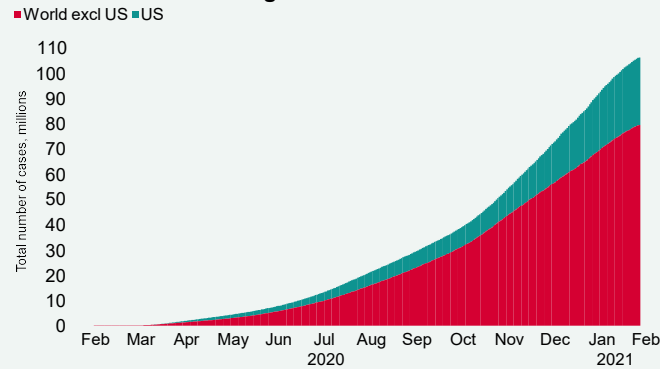


11 February 2021

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## COVID-19

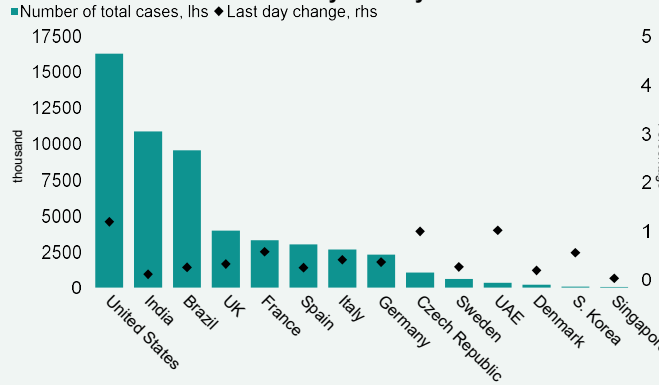
### Cumulative number of global cases



Source: Knight Frank, Macrobond. Last modified: 10 February 2021 10:41 GMT.

The number of total confirmed cases reached 106.3 million on the 10 February, an increase of 196k new cases over the day prior.

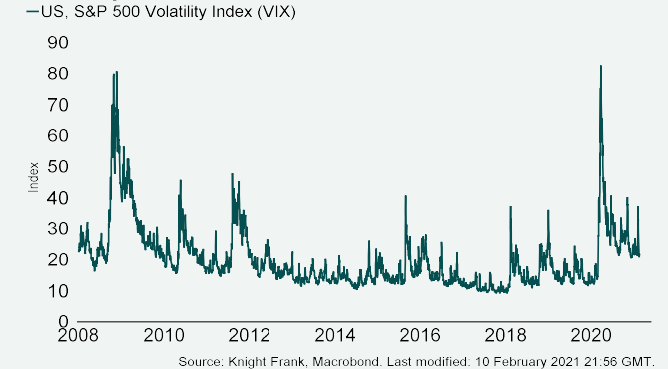
### Cumulative number of cases by country



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

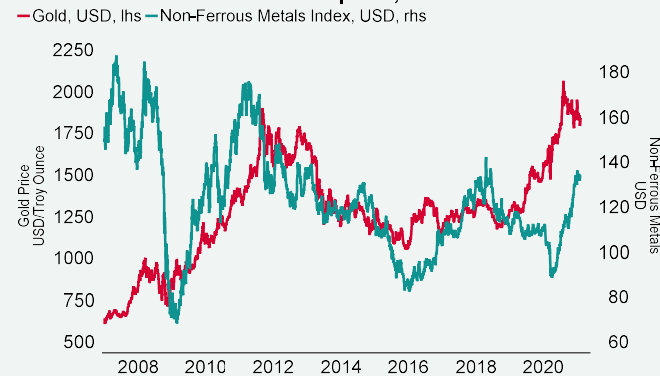


Source: Knight Frank, Macrobond. Last modified: 10 February 2021 21:56 GMT.

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

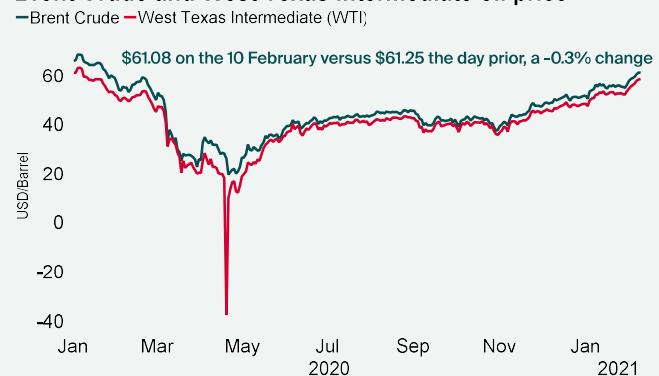
### Gold and non-ferrous metals price, USD



Source: Knight Frank, Macrobond. Last modified: 10 February 2021 23:00 GMT.

	10 Feb	D/D (%)	YTD (%)
Gold, USD	1841	0.6	-2.9
Non-Ferrous Metals, USD	134	1.3	3.3

### Brent Crude and West Texas Intermediate oil price



Source: Knight Frank, Macrobond. Last modified: 10 February 2021 23:15 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: 10 February 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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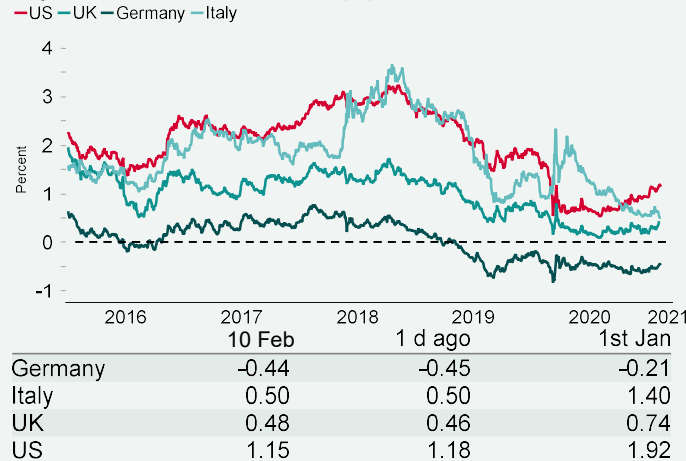


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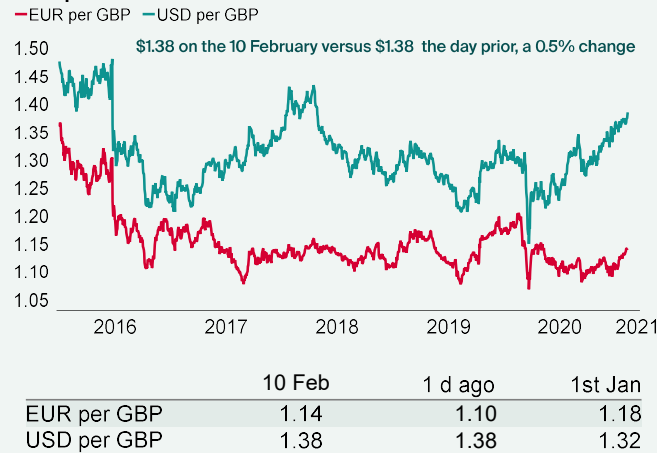
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## Bonds and currencies

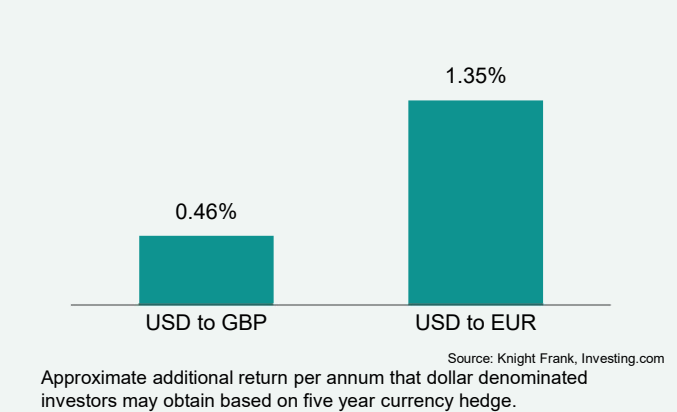
### 10y Government Bond Yield (%)



### FX Spot Rates

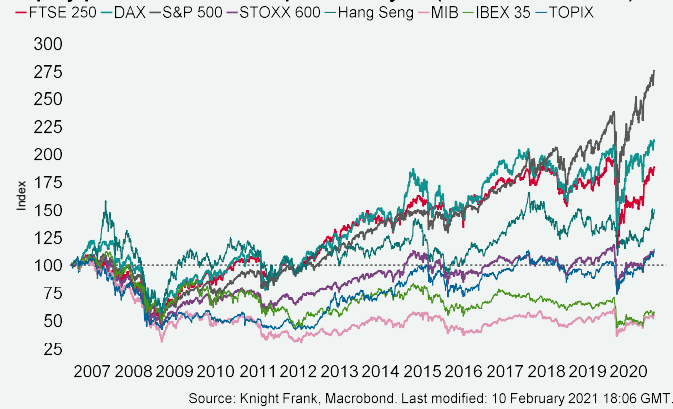


### Currency hedging benefit p.a. based on a five year forward



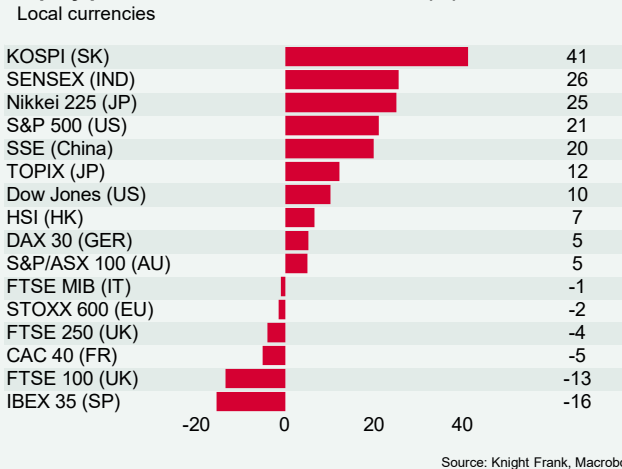
## Equity and REIT

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

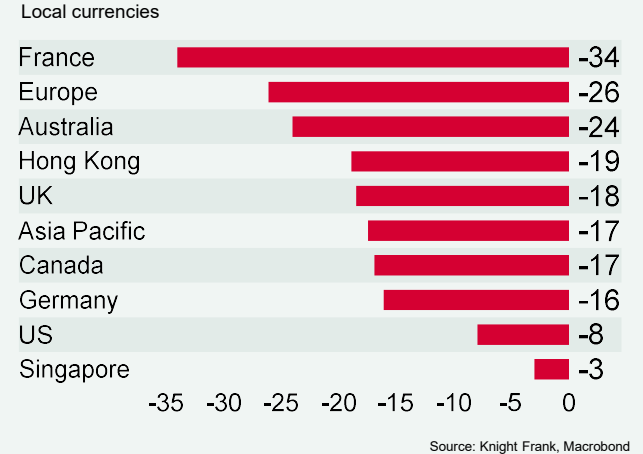


The chart presents the performance of selected equity indexes since the months prior to the global financial crisis (2007).

### Equity performance: since 1st Jan 2020 (%)



### REIT performance: since 1st Jan 2020 (%)



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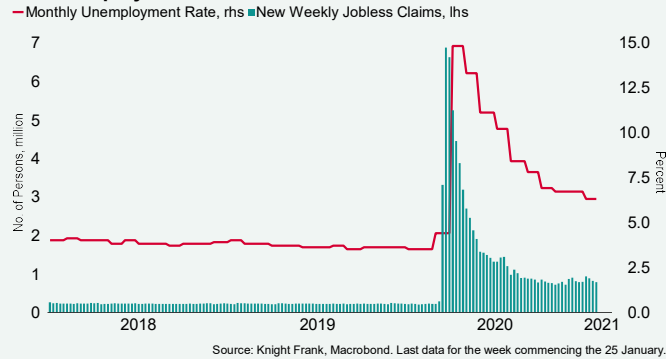


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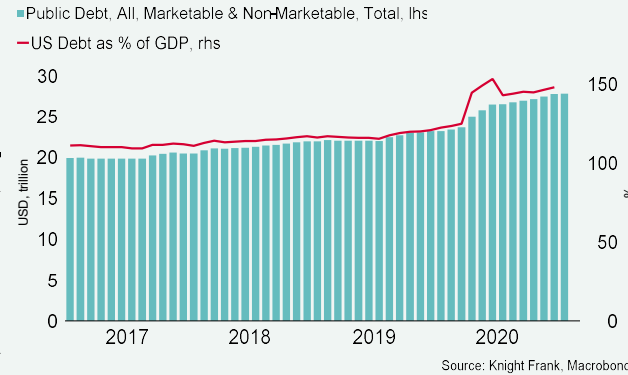
## US unemployment

### 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

<b>UK</b>	<b>£330bn+</b> : 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.
<b>USA</b>	<b>\$3.0tn</b> : 2 <sup>nd</sup> package passed 23 <sup>rd</sup> April, worth \$483 billion, increasing US stimulus to \$3 trillion (15% GDP).
<b>EU</b>	<b>€1.35tn</b> : This includes €240bn to the European Stability Mechanism, and €200bn in EIB guarantees. On 4 <sup>th</sup> June, the ECB extended the pandemic purchase programme (PEPP) until June 2021, purchasing an additional €600bn in bonds, taking total stimulus to €1.35tn. <b>€750bn</b> : a new recovery package for EU member states announced in July including €390bn in grants and €360 in interest free loans.
<b>Germany</b>	<b>€880bn</b> : The emergency aid measure approved on Monday 23 <sup>rd</sup> 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.
<b>Italy</b>	<b>€400bn</b> : The stimulus announced on the 7 <sup>th</sup> April <b>€25bn</b> : Emergency package to support businesses and families.
<b>France</b>	<b>€100bn</b> : The stimulus announced on the 3 <sup>rd</sup> September <b>€45bn</b> : The aid package for SMEs and other hard-hit sectors announced by the French government on 17 <sup>th</sup> of March. Includes deferred corporate tax, social security charges and two months state payments to laid off workers. <b>€300bn</b> : government backed loans.
<b>Spain</b>	<b>€200bn</b> : 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.
<b>Japan</b>	<b>\$2.2tn</b> : 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.
<b>Hong Kong</b>	<b>HK\$10k</b> 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
<b>Advanced Economies</b>			
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
<b>Developing Economies</b>			
Brazil	2.00%	4.50%	0 bps
China	4.35%	4.35%	0 bps
India	4.00%	5.15%	0 bps
Mexico	4.25%	7.25%	0 bps
Russia	4.25%	6.25%	0 bps
Saudi Arabia	1.00%	2.25%	0 bps
South Korea	0.50%	1.25%	0 bps
Turkey	17.00%	12.00%	0 bps

### Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
<b>Advanced Economies</b>			
Australia	262 bn	4.6%	129.9%
Canada	428 bn	4.1%	368.0%
Euro Area	8.48 tn	-0.9%	65.1%
France	2.14 tn	6.7%	66.7%
Germany	2.96 tn	-4.2%	57.8%
Italy	1.66 tn	-0.5%	48.5%
Sweden	159 bn	0.9%	66.8%
Japan	6.78 tn	-0.4%	27.0%
United Kingdom	1.04 tn	2.1%	78.6%
United States	7.41 tn	0.9%	78.0%
<b>Developing Economies</b>			
Brazil	460 bn	-4.3%	-1.2%
China	5.94 tn	2.2%	11.8%
India	405 bn	0.9%	35.6%
Mexico	232 bn	0.6%	14.2%
Russia	669 bn	-1.5%	0.0%
Saudi Arabia	492 bn	-0.7%	-3.5%
South Korea	491 bn	4.3%	17.3%
Turkey	113 bn	3.5%	0.6%

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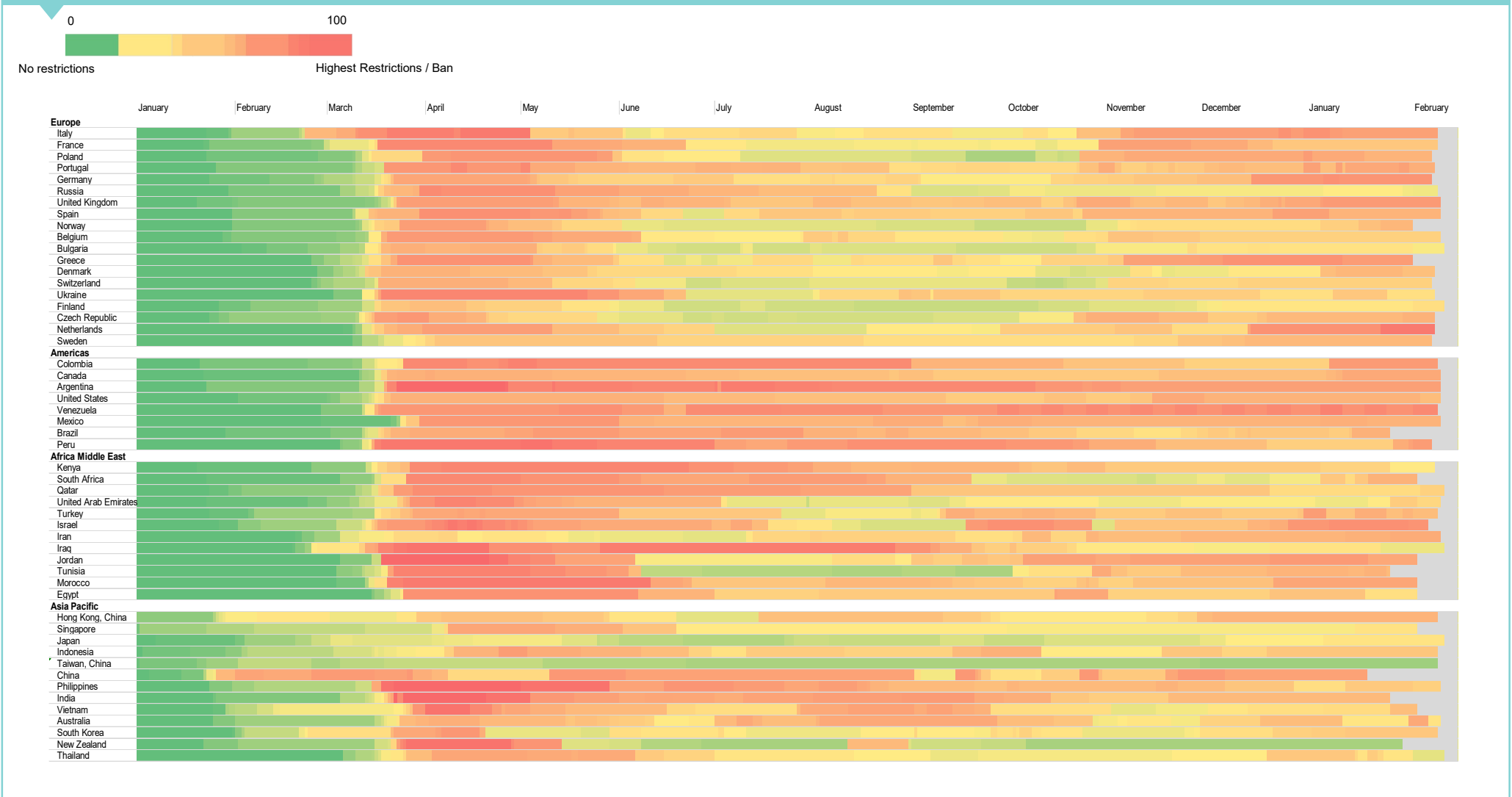
# Economic Dashboard

11 February 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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## 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
<b>Europe</b>									
Italy	2,668,266	92,338	79						
France	3,370,645	80,045	64						
Poland	1,563,645	39,721	71						
Portugal	774,889	14,718	73						
Germany	2,311,297	63,672	83						
Russia	3,968,228	76,873	46						
United Kingdom	3,985,161	114,851	81						
Spain	3,023,601	63,704	71						
Norway	65,547	592	70						
Belgium	730,951	21,512	60						
Bulgaria	226,974	9,527	48						
Greece	167,549	6,034	81						
Denmark	202,887	2,255	67						
Switzerland	538,118	9,711	60						
Ukraine	1,297,537	25,195	55						
Finland	48,807	703	55						
Czech Republic	1,055,415	17,642	72						
Netherlands	1,012,908	14,590	94						
Sweden	600,244	12,326	69						
<b>Americas</b>									
Colombia	2,173,347	56,733	81						
Canada	618,755	21,007	75						
Argentina	2,001,034	49,574	78						
United States	27,285,621	471,422	68						
Venezuela	131,476	1,253	88						
Mexico	1,957,889	169,760	72						
Brazil	9,659,167	234,850	73						
Peru	1,196,778	42,626	81						
<b>Africa Middle East</b>									
Kenya	102,221	1,791	51						
South Africa	1,482,412	47,145	72						
Qatar	155,453	253	60						
United Arab Emirates	336,142	956	58						
Turkey	2,556,837	27,093	68						
Israel	709,729	5,257	84						
Iran	1,488,981	58,686	75						
Iraq	634,539	13,140	44						
Jordan	340,177	4,411	76						
Tunisia	219,650	7,378	69						
Morocco	476,689	8,436	77						
Egypt	171,390	9,804	55						
<b>Asia Pacific</b>									
Hong Kong, China	10,710	189	71						
Singapore	59,747	29	54						
Japan	410,434	6,722	53						
Indonesia	1,183,555	32,167	64						
South Korea	82,434	1,496	64						
China	89,736	4,636	78						
Philippines	541,560	11,401	61						
India	10,871,294	155,360	69						
Vietnam	2,091	35	68						
Australia	28,879	909	53						
New Zealand	2,324	25	22						
Thailand	24,104	80	42						
Malaysia	251,604	923	77						

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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