28 January 2021

Summary

- Equities: In Europe, the STOXX 600, FTSE 250 and DAX are all down -1.9%, followed by the CAC 40 (-1.6%). In Asia, the CSI 300 (-2.7%), Hang Seng (-2.5%), S&P / ASX 200 (-1.9%), KOSPI (-1.7%) and the TOPIX (-1.1%) all closed lower. In the US, following the one of the steepest selloffs of the S&P500 since October 2020, declining -2.6%, futures for the S&P 500 and Dow Jones Industrial Average (DJIA) are currently -0.7% and -0.5% lower.
- VIX: The 'investor fear gauge', the CBOE market volatility index, spiked +62% yesterday on close and is currently trading at 33.39, the highest level since early November 2020. The Euro Stoxx 50 volatility index is also up by +18.8% to 31.8. Both indices are above their long term averages. A combination of retail trading in the US, the Federal Reserve announcement that interest rate and asset purchase policy is to remain unchanged, as well as possible vaccine delays in Europe have contributed to the rise.
- **Bonds:** The UK 10-year gilt yield compressed by -2bps to 0.25% while the German 10-year bund yield and the US 10-year treasury yield compressed by -1bp to -0.55% and 1.0% respectively.
- **Currency:** Sterling and Euro are currently \$1.36 and \$1.21. Hedging benefits for US dollar denominated investors into the UK and the eurozone are at 0.57% and 1.35% per annum on a five-year basis.
- Baltic Dry: The Baltic Dry decreased for the forth successive session yesterday, declining by -7.2% to 1,540, a level which is -17.0% lower than the four-month high seen last week.
- Oil: Brent Crude and the West Texas Intermediate (WTI) are down by -1.3% and -0.9% to \$55.06 and \$52.34 per barrel, respectively.
- **US Unemployment:** There were 847k new unemployment applications in the week to 23rd January 2021, below market expectations of 875k and smaller than the previous week's reading of 914k.

Research

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

Partner, Capital Markets Research +44 20 8106 1392 victoria ormond@knightfrank.com

Victoria Ormond

+44 20 7861 5009

Daniel Tomaselli Senior Research Analyst, Capital Markets daniel.tomaselli@knightfrank.com

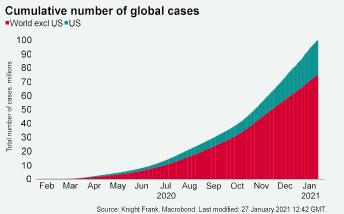
Antonia Haralambous Research Analyst, Capital Markets +44 20 3866 8033 antonia.haralambous@knightfrank.com

© Kright Frank LLP 2020 – 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 presented in this report no responsibility or liability whatsoever can be accepted by Knight 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 presented in this topic, in the exponentiation of the expected of high relative to the expected of high relative to the expected of the expect list of members' names



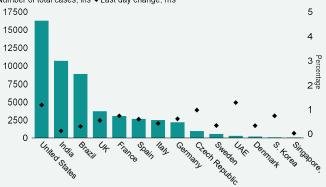
28 January 2021

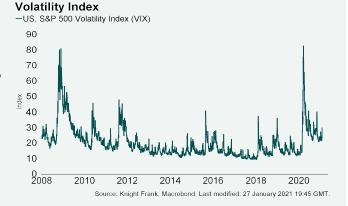
COVID-19



The number of total confirmed cases reached 99.6 million on the 27 January, an increase of 273k new cases over the day prior.

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





Internal and key client use only

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.

Gold and non-ferrous metals price, USD



D/D (%) YTD (%) 1840 -0.7 -3.0 Non-Ferrous Metals, USD 132 1.8 Brent Crude and West Texas Intermediate oil price -Brent Crude - West Texas Intermediate (WTI)

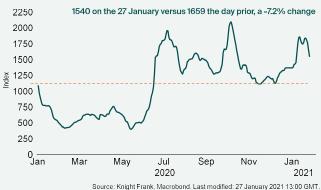


Source: Knight Frank, Macrobond, Last modified: 27 January 2021 23:15 GMT

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)

-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

Gold, USD

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

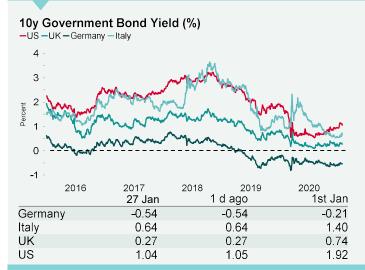
Daniel Tomaselli Senior Research Analyst, Capital Markets +44 20 8106 1392 daniel.tomaselli@knightfrank.com

-0.8

Antonia Haralambous Research Analyst, Capital Markets +44 20 3866 8033 antonia.haralambous@knightfrank.com Important Notice © Knight Frank LLP 2020 – 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 liability whatsoever can be accepted by Knight 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 presented in this topic, in the exponentiation of the expected of high relative to the expected of high relative to the expected of the expect list of members' names

28 January 2021

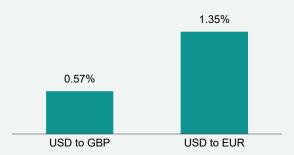
Bonds and currencies



FX Spot Rates -EUR per GBP -USD per GBP



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

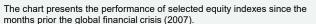


Source: Knight Frank, Investing.com

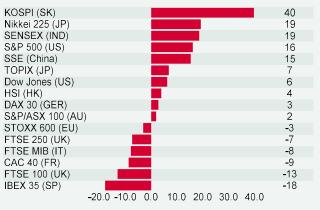
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.



Source: Knight Frank, Macrobond. Last modified: 27 January 2021 18:06 GMT.



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



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

France								-32
Europe								-26
Australia			1					-23
UK								-19
Canada								-18
Asia Pacific	5			- I				-18
Hong Kong	I							-17
Germany								-14
US								-12
Singapore								I -1
	-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

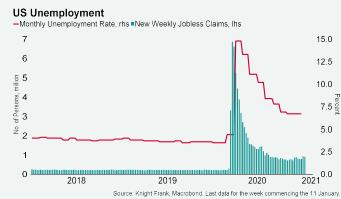
Daniel Tomaselli Senior Research Analyst, Capital Markets +44 20 8106 1392 daniel.tomaselli@knightfrank.com

Antonia Haralambous

Research Analyst, Capital Markets +44 20 3866 8033 antonia.haralambous@knightfrank.com Important Notice © Knight Frank LLP 2020 – 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 liability whatsoever can be accepted by Knight 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 presented in this topol, in the sponsion of th list of members' names

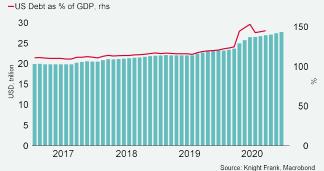


28 January 2021



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)

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	2.00%	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 (%)	-
Advanced Economies				
Australia	255 bn	4.5%	120.9%	
Canada	411 bn	4.3%	365.4%	
Euro Area	8.52 tn	-0.3%	64.5%	
France	2.14 tn	6.4%	66.7%	
Germany	3 tn	-0.4%	59.9%	
Italy	1.67 tn	4.5%	50.0%	
Sweden	158 bn	-1.3%	68.3%	
Japan	6.77 tn	-1.6%	30.0%	
Jnited Kingdom	1.03 tn	2.6%	75.8%	
United States	7.41 tn	0.4%	78.5%	
Developing Economies				
Brazil	460 bn	-4.3%	-1.2%	
China	5.94 tn	2.2%	11.8%	
India	398 bn	0.9%	38.4%	
Mexico	231 bn	-1.2%	14.3%	
Russia	669 bn	-1.5%	0.0%	
Saudi Arabia	496 bn	2.1%	-3.2%	
South Korea	491 bn	4.3%	17.3%	
Turkey	114 bn	0.6%	0.4%	

Eigenl 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.
, D	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

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

Research

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 Important Notice © Knight Frank LLP 2020 – 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 liability whatsoever can be accepted by Knight 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 Knight Frank LLP in reliation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to form and content within which it happens. Knight Frank LLP is networked line (Ling Marcel Autor) by the standards have been used and a start of the start of the start of the report of the network of list of members' names



28 January 2021



0			100										
restrictions			Highest Restri	ictions / Ban									
	January	February	March	April	Мау	June	July	August	September	October	November	December	January
urope	January	Cordary	March	Арш	IVILIY	June	outy	August	Ochtemper	October	November	Becomber	Sandary
taly rance													
Poland													
Portugal													
Germany													
Russia United Kingdom													
Jnited Kingdom													
Spain Norway													
Belgium													
Bulgaria													
Bulgaria Greece													
Denmark													
Switzerland Jkraine													
Finland													
Zzech Republic													
letherlands													
Sweden													
nericas													
colombia Canada													
Argentina Jnited States													
Venezuela													
Mexico													
Brazil													
Peru frica Middle East													
Kenva													
Kenya South Africa													
Qatar													
Jnited Arab Emirates													
Furkey srael													
ran													
raq													
Jordan													
Funisia													
Morocco													
Egypt iia Pacific long Kong, China													
long Kong, China													
Singapore													
lapan ndonesia													
ndonesia													
Taiwan, China China													
Philippines													
ndia													
/ietnam													
ustralia													
South Korea													
New Zealand													

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

Thailand

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 +44 20 8106 1392

Senior Research Analyst, Capital Markets daniel.tomaselli@knightfrank.com

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

Important Notice © Knight Frank LLP 2020 – 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 liability whatsoever can be accepted by Knight 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 Knight Frank LLP in relation to particular properties or prigets. Reproductors of this report, in whole or in part is not allowed without prior written approval of Knight Frank LLP to form and content within which it appears. Knight Frank LLP in interesting registered on thes (200594). Our registered office is 55 Baker Street, London, WI U BAN, where you many look at a list of members' names.

28 January 2021



International Travel

Lockdown Index

	Confirmed Cases	Confirmed Deaths
Europe		
Italy	2,501,147	86,889
France	3,097,374	74,075
Poland	1,489,512	36,054
Portugal	668,951	11,305
Germany	2,179,679	54,498
Russia	3,733,692	69,971
United Kingdom	3,715,054	101,887
Spain	2,670,102	57,291
Norway	61,961	556
Belgium	699,662	20,933
Bulgaria	217,014	8,944
Greece	154,083	5,724
Denmark	196,540	2,050
Switzerland	517,705	9,260
Ukraine	1,241,863	23,307
Finland	43,616	660
Czech Republic	956,155	15,791
Netherlands	961,593	13,733
Sweden	560,472	11.425
Americas		
Colombia	2.055.305	52.523
Canada	765.865	19.060
Argentina	1,896,053	47,435
United States	25,598,061	429,195
Venezuela	124,958	1,165
Mexico	1.806.849	153.639
Brazil	8,996,876	220.161
Peru	1,107,239	40,107
Africa Middle East	1,101,200	40,101
Kenya	100,323	1,751
South Africa	1,430,648	42,550
Qatar	149.933	248
United Arab Emirates	289.086	811
Turkey	2.449.839	25.476
Israel	621,590	4,605
Iran		
	1,392,314	57,651
Iraq	616,259	13,018
Jordan	323,111	4,262
Tunisia	202,323	6,446
Morocco	468,383	8,207
Egypt	163,761	9,115
Asia Pacific		
Hong Kong, China	10,282	175
Singapore	59,391	29
Japan	376,482	5,388
Indonesia	1,024,298	28,855
South Korea	76,926	1,386
China	89,326	4,636
Philippines	518,407	10,481
India	10,701,193	153,847
Vietnam	1,553	35
Australia	28,794	909
New Zealand	2,299	25
Thailand	15,465	76
Malaysia	194,114	707

Lockdown Index key & Scale No Restrictions: 0 - 25 Recommended Restrictions: 26 - 50 Enforced Restrictions: 51 - 75 Highest Restrictions / Ban: 76 - 100

Internal movements

Internal Movemen

Public Events

Public Transport

Public events Public transport Value No measure No Measure No measure 0 Recommended Recommended Recommended Restriction Required Required

110hpha00	00110015		
	and the second		
			and the second
	and the second		
	0-h-s-t	N-L	International travel
Workplace	Schools	Value	International travel
measure	No measure	Value 0	No measure
No measure	No measure	0	No measure
Workplace No measure Recommended	No measure Recommended		No measure Screening
No measure	No measure	0	No measure

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.

Required closure of

but essential work

some sectors

Workplace

Schools

Source: Knight Frank, Macrobond, Oxford University

2

3

high risk regions

Total border closure

Ban on high risk regions

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

Research Analyst, Capital Markets +44 20 3866 8033 antonia.haralambous@knightfrank.com Important Notice © Knight Frank LLP 2020 – 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 liability whatsoever can be accepted by Knight 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 Knight Frank LLP in reliation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to there you may look at a form and content within which it happens. Knight Frank LLP is on there you may look at a list of members' names

close

Required closure for all All schools required to

close

schooling required to

Antonia Haralambous