

Summary

- **COVID-19:** The total number of cases recorded globally has surpassed 114 million, according to Johns Hopkins University & Medicine. Circa 239.6 million people globally have been vaccinated, an increase of +16% over the week. Reported deaths have reached 2.5 million.
- **Equities:** Globally, stocks have rallied. In Europe, gains have been recorded by the FTSE 250 (+1.9%), STOXX 600 (+1.6%), CAC 40 (+1.6%) and DAX (+1.1%). In Asia, the TOPIX (+2.0%), S&P / ASX 200 (+1.7%), Hang Seng (+1.6%) and CSI 300 (+1.5%) all closed higher. In the US, futures for the S&P 500 are +1.2%.
- **VIX:** After decreasing -3% over Friday, the CBOE market volatility index has declined -11.0% this morning to 24.9, remaining elevated compared to its long term average (LTA) of 19.9. The Euro Stoxx 50 volatility index has declined -14.7% to 22.9, below its LTA of 23.9.
- **Bonds:** Following a sell off which saw investors favour more safe haven assets such as currencies, the 10-year US treasury yields rose to a one year high of 1.61% last week. However, the treasury yield is showing signs of stabilisation, currently at 1.43%. Meanwhile, the German 10-year bund yield has compressed -5bps to -0.30% and the UK 10-year gilt yield is down -4bps to 0.79%.
- **Currency:** Sterling and the euro are currently \$1.40 and \$1.21, respectively. Hedging benefits for US dollar denominated investors into the UK and the eurozone are at 0.49% and 1.58% per annum on a five-year basis.
- **Oil:** Brent Crude has declined -1.3% this morning to \$65.27, meanwhile the West Texas Intermediate (WTI) is up +1.4% to \$62.34 per barrel.
- **Baltic Dry:** The Baltic Dry declined for the third consecutive session on Friday, down -1.5% to 1675, its lowest level since mid February. Prices have been pushed lower by capesize rates which were down -16% over the week.
- **Eurozone PMIs:** The eurozone manufacturing PMI was 57.9 in February, the highest it has been in three years, up from 54.8 in January and above the flash estimates of 57.7. The strong demand for manufactured goods has seen factories across the eurozone increase their staffing levels for the first time in two years, according to Reuters.

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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Economic Dashboard

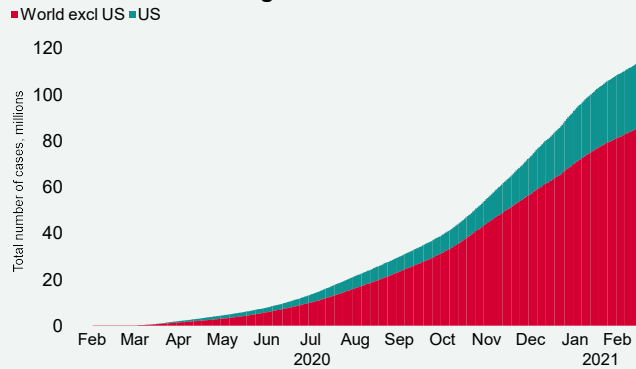


01 March 2021

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COVID-19

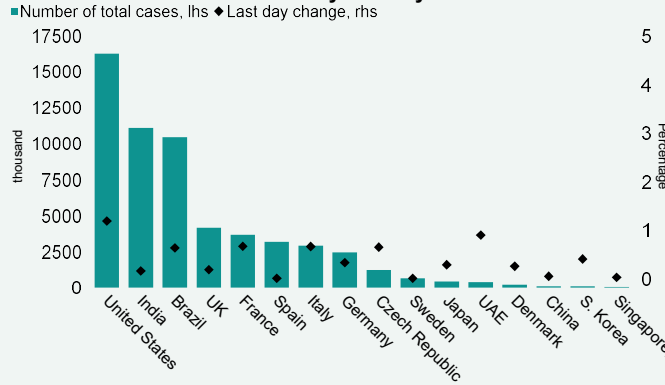
Cumulative number of global cases



Source: Knight Frank, Macrobond. Last modified: 28 February 2021 15:55 GMT.

The number of total confirmed cases reached 113.5 million on the 28 February, an increase of 385k new cases over the day prior.

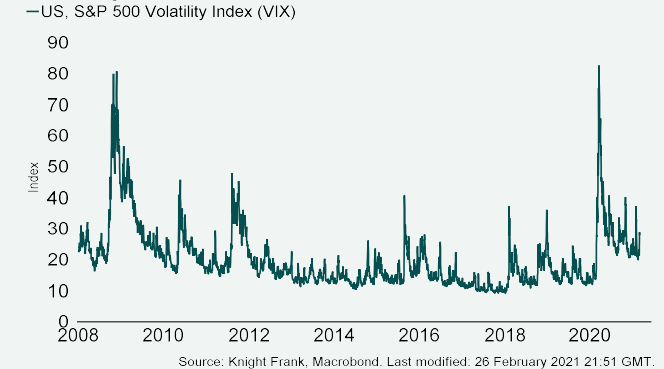
Cumulative number of cases by country



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

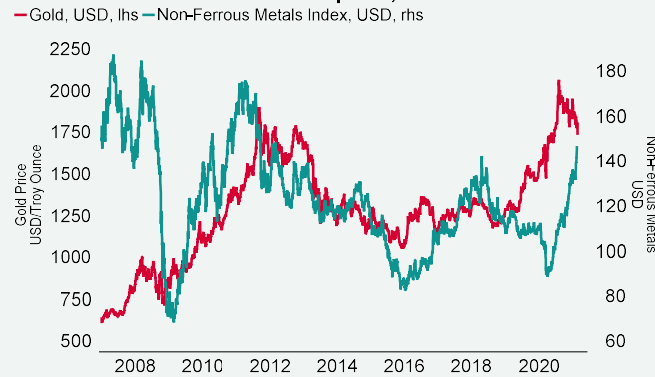


Source: Knight Frank, Macrobond. Last modified: 26 February 2021 21:51 GMT.

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

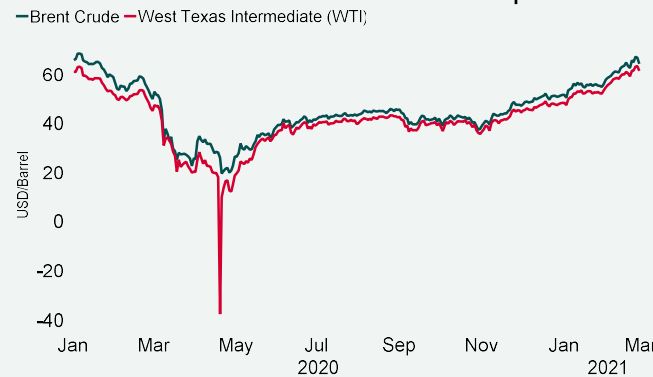
Gold and non-ferrous metals price, USD



Source: Knight Frank, Macrobond. Last modified: 27 February 2021 23:00 GMT.

	26 Feb	D/D (%)	YTD (%)
Gold, USD	1734	-3.9	-8.6
Non-Ferrous Metals, USD	147	3.2	13.0

Brent Crude and West Texas Intermediate oil price



Source: Knight Frank, Macrobond. Last modified: 01 March 2021 08:26 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: 26 February 2021 13:00 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.

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
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daniel.tomaselli@knightfrank.com

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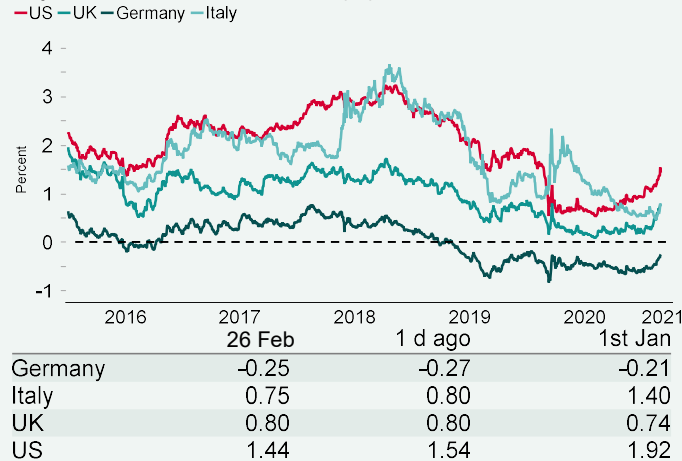


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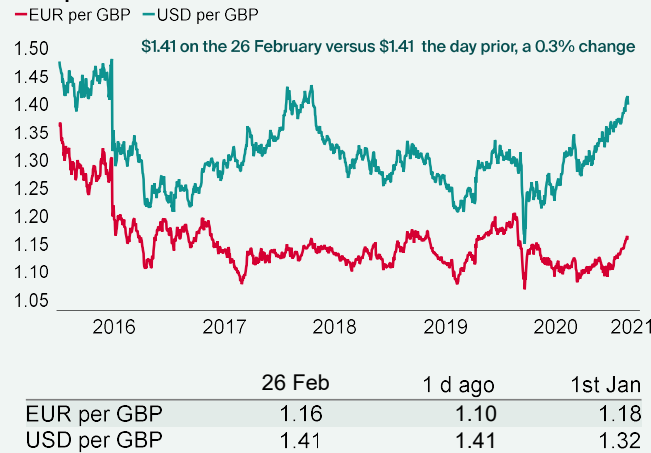
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Bonds and currencies

10y Government Bond Yield (%)



FX Spot Rates



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



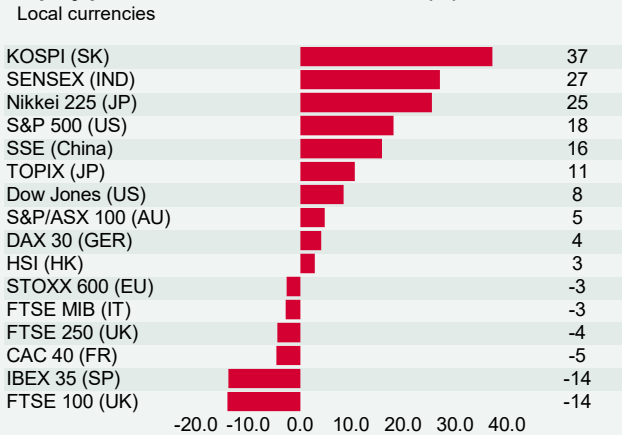
Equity and REIT

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

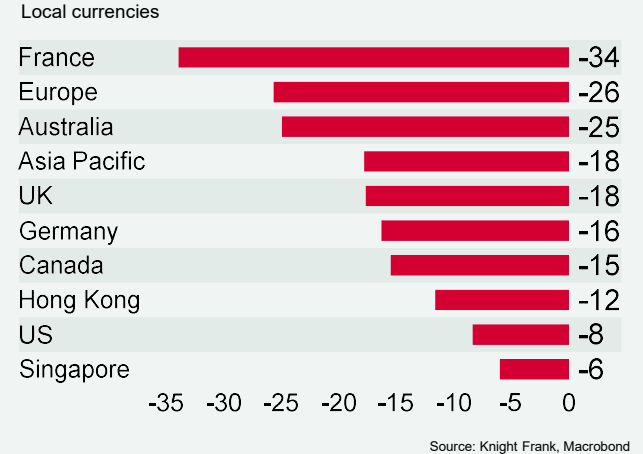


The chart presents the performance of selected equity indexes since the months prior to the global financial crisis (2007).

Equity performance: since 1st Jan 2020 (%)



REIT performance: since 1st Jan 2020 (%)



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
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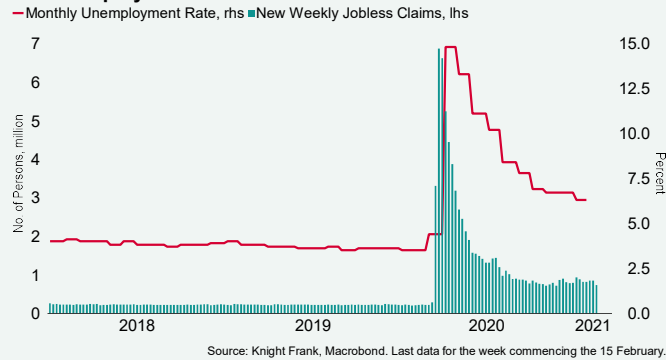


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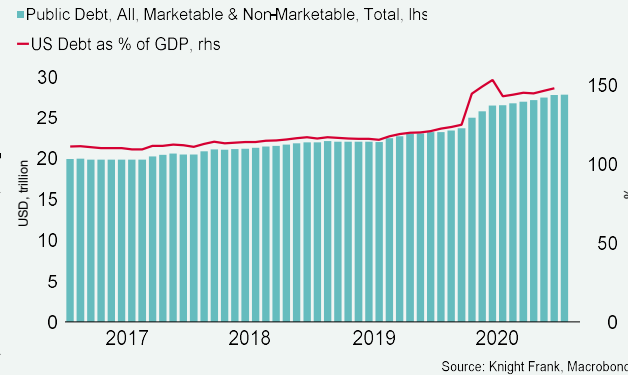
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US unemployment

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	2.00%	4.50%	0 bps
China	4.35%	4.35%	0 bps
India	4.00%	5.15%	0 bps
Mexico	4.00%	7.25%	-25 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	279 bn	9.0%	138.5%
Canada	441 bn	3.0%	389.7%
Euro Area	8.61 tn	1.0%	69.4%
France	2.1 tn	-1.5%	69.1%
Germany	3.01 tn	0.2%	63.6%
Italy	1.66 tn	-0.5%	48.5%
Sweden	162 bn	2.6%	74.8%
Japan	6.74 tn	-0.4%	30.0%
United Kingdom	1.09 tn	5.4%	88.5%
United States	7.59 tn	2.4%	82.4%
Developing Economies			
Brazil	455 bn	-1.1%	-7.1%
China	6.02 tn	1.4%	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	493 bn	0.3%	-3.3%
South Korea	493 bn	0.4%	16.2%
Turkey	112 bn	1.6%	-0.4%

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
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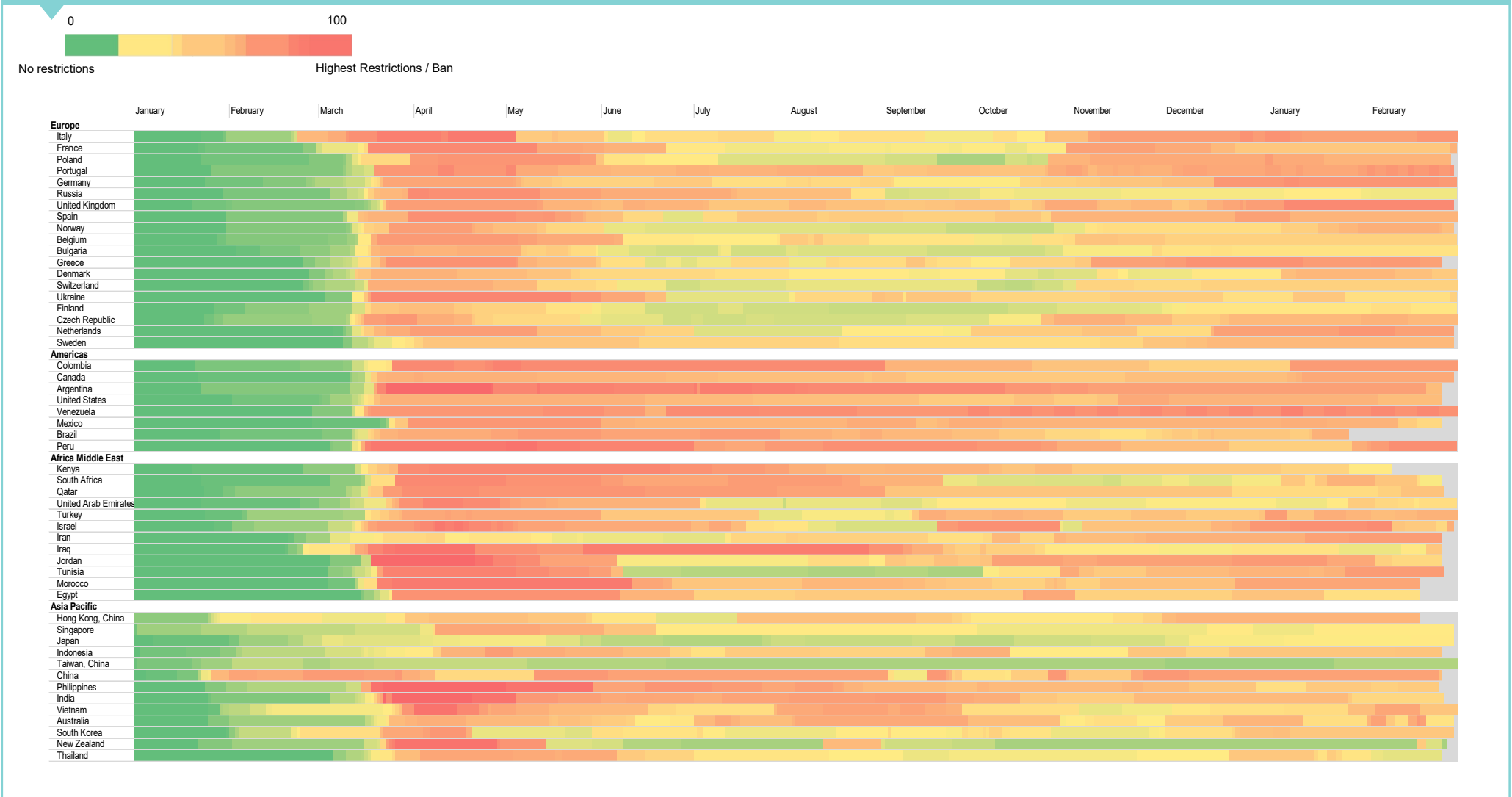
Economic Dashboard

01 March 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

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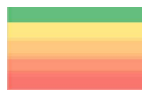
Overview of the severity of Covid-19 and the resulting containment measures



	Confirmed Cases	Confirmed Deaths
Europe		
Italy	2,925,265	97,699
France	3,664,050	85,141
Poland	1,706,986	43,769
Portugal	804,562	16,317
Germany	2,450,295	70,152
Russia	4,198,400	84,700
United Kingdom	4,176,554	122,849
Spain	3,188,553	69,142
Norway	71,005	522
Belgium	771,511	22,077
Bulgaria	247,038	10,191
Greece	191,100	6,504
Denmark	211,195	2,361
Switzerland	554,932	9,966
Ukraine	1,395,528	27,404
Finland	57,672	742
Czech Republic	1,235,480	20,339
Netherlands	1,086,690	15,563
Sweden	657,309	12,826
Americas		
Colombia	2,251,690	59,766
Canada	871,694	21,990
Argentina	2,107,365	51,965
United States	28,605,669	513,091
Venezuela	139,116	1,344
Mexico	2,086,938	185,715
Brazil	10,551,259	254,942
Peru	1,323,863	46,299
Africa Middle East		
Kenya	105,973	1,856
South Africa	1,513,393	49,993
Qatar	163,664	258
United Arab Emirates	391,524	1,221
Turkey	2,701,588	28,569
Israel	775,807	5,752
Iran	1,631,169	60,073
Iraq	695,489	13,406
Jordan	391,090	4,701
Tunisia	233,277	8,001
Morocco	483,654	8,623
Egypt	182,424	10,688
Asia Pacific		
Hong Kong, China	11,005	199
Singapore	59,936	29
Japan	432,090	7,869
Indonesia	1,334,634	36,166
South Korea	90,031	1,605
China	89,912	4,636
Philippines	576,352	12,318
India	11,112,241	157,157
Vietnam	2,448	35
Australia	28,978	909
New Zealand	2,378	26
Thailand	26,031	83
Malaysia	300,752	1,130

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
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
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

Research

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

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 Partner, Capital Markets Research
 +44 20 7861 5009
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