

Summary

- **Equities:** Globally, stocks are mostly higher. In Europe, gains have been recorded by the FTSE 250 (+0.9%), DAX (+0.5%) and STOXX 600 (+0.4%), while the CAC 40 is flat over the morning. In Asia, the CSI 300 (+0.9%), S&P / ASX 200 (+0.8%), Hang Seng (+0.7%), KOSPI (+0.7%) and TOPIX (+0.6%) all closed higher. Meanwhile, in the US, futures for the S&P 500 and the Dow Jones Industrial Average are down -0.3% and -0.2%.
- **VIX:** After decreasing -3% over Monday, the CBOE market volatility index has since increased +1.1% this morning to 20.2, just above its long term average (LTA) of 19.9. Meanwhile, the Euro Stoxx 50 volatility index has contracted this morning to its lowest level since January 2020, down -3.3% to 18.0, remaining below its LTA of 23.9.
- **Bonds:** The UK 10-year gilt yield has compressed -2bps to 0.79%, while the US 10-year treasury yield and German 10-year bund yield are both -1bp lower this morning at 1.60% and -0.34%.
- **Currency:** Sterling has depreciated to \$1.38 and the euro is currently \$1.19. Hedging benefits into the UK and the Eurozone are 0.56% and 1.69% on a five-year basis.
- **Oil:** Brent Crude and the West Texas Intermediate (WTI) have both decreased -1.6% to \$67.79 and \$64.36.
- **Baltic Dry:** The Baltic Dry increased for the first time in three sessions on Monday, up +1.2% to 1983, its highest level in over five months. Prices were pushed higher by capesize rates which increased +1.8% and panamax rates which rose +1.3% over yesterday to a near three week high.
- **Iron Ore:** In 2020, Iron ore was the best performing major commodity, increasing +75% over the year to \$160 per tonne, driven by strong demand from China and supply disruptions in Brazil and Australia. In early March, iron ore reached a 10-year high of \$178, however prices have since retreated to \$163.65, according to S&P Global Platts.
- **US Solar Industry:** By 2030, the US Solar Energy Industries Association (SEIA) forecast solar installations to quadruple, driven by an industry subsidy provided in late 2020 which has increased demand for carbon free power. It is expected that the sector will install 324GW of capacity in the next 10 years, more than three times the circa 100 GW installed by 2020. In 2020 alone, installations increased +43% to 19.2 GW, an annual record.

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Economic Dashboard

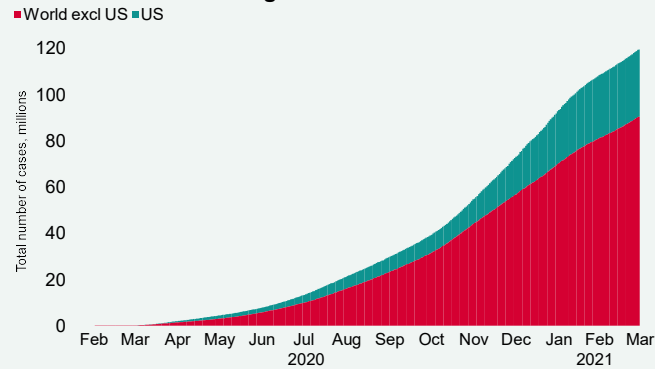


16 March 2021

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COVID-19

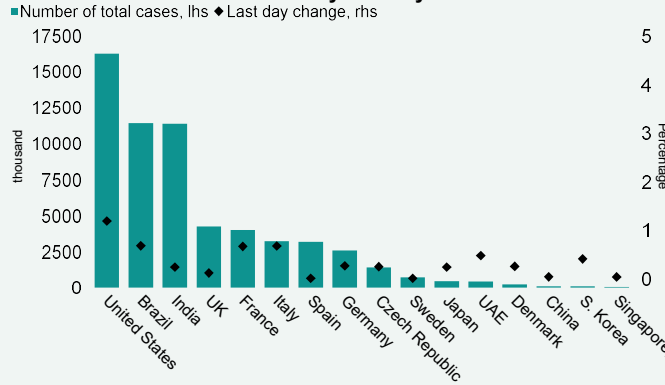
Cumulative number of global cases



Source: Knight Frank, Macrobond. Last modified: 15 March 2021 13:17 GMT.

The number of total confirmed cases reached 119.5 million on the 15 March, an increase of 244k new cases over the day prior.

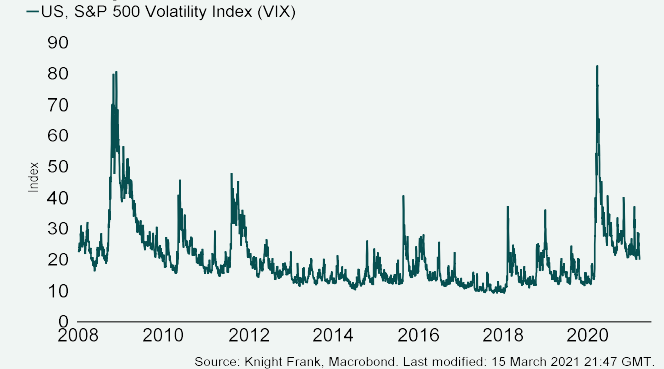
Cumulative number of cases by country



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

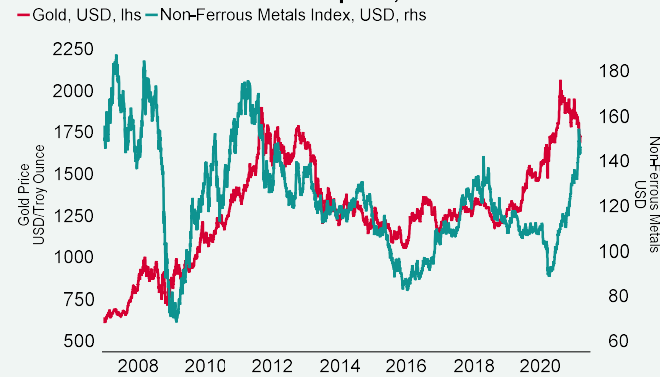


Source: Knight Frank, Macrobond. Last modified: 15 March 2021 21:47 GMT.

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

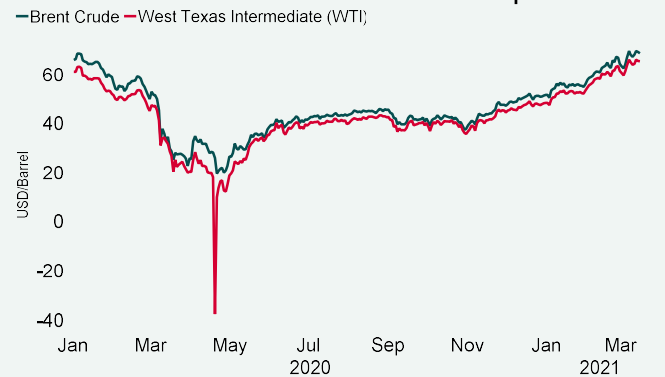
Gold and non-ferrous metals price, USD



Source: Knight Frank, Macrobond. Last modified: 15 March 2021 23:00 GMT.

	15 Mar	D/D (%)	YTD (%)
Gold, USD	1730	0.5	-8.8
Non-Ferrous Metals, USD	146	1.2	12.2

Brent Crude and West Texas Intermediate oil price



Source: Knight Frank, Macrobond. Last modified: 15 March 2021 22:10 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: 15 March 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.

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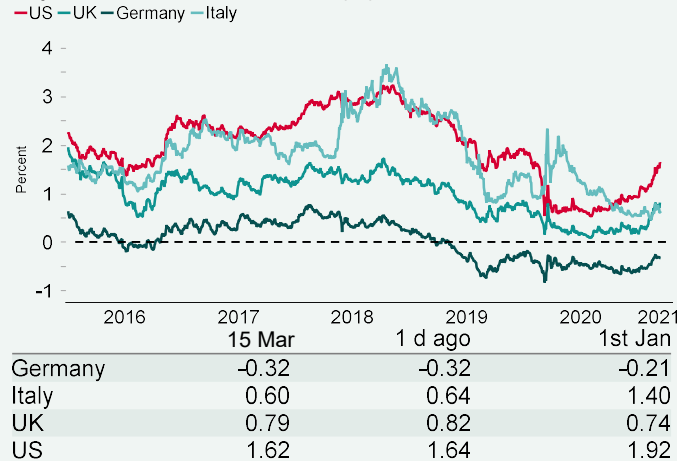


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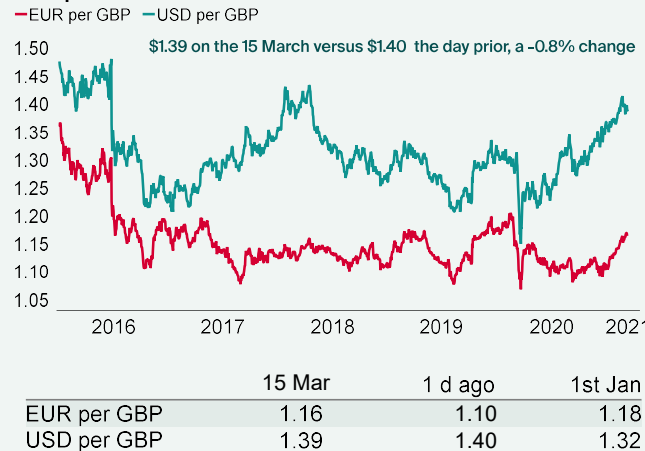
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Bonds and currencies

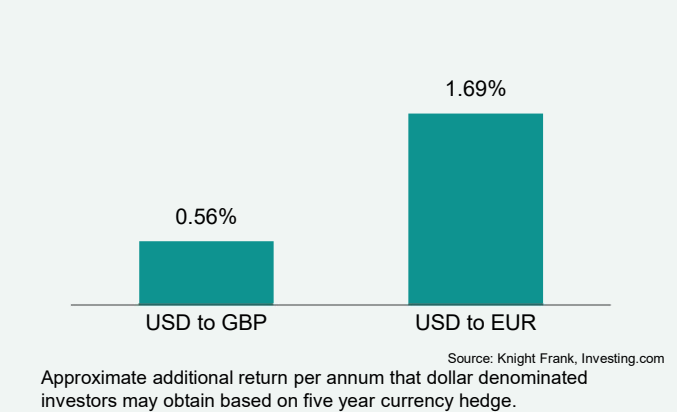
10y Government Bond Yield (%)



FX Spot Rates

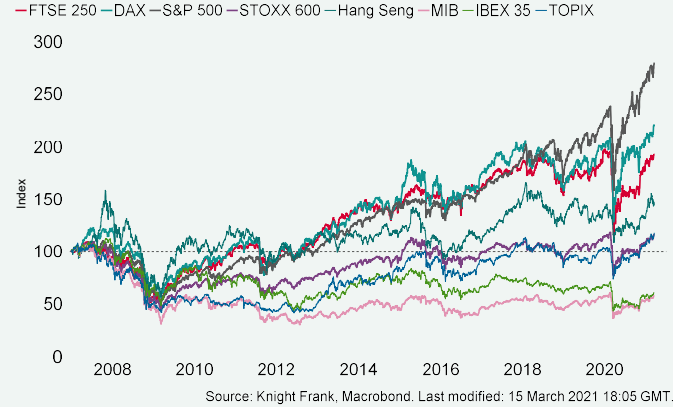


Currency hedging benefit p.a. based on a five year forward

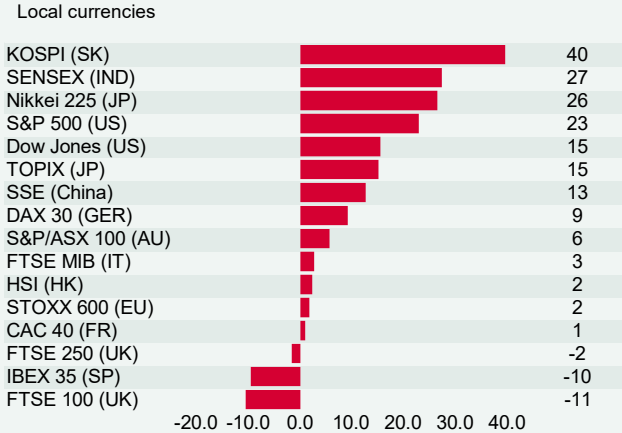


Equity and REIT

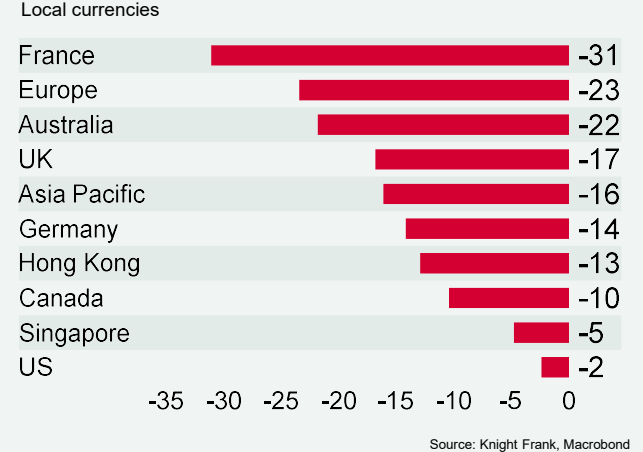
Equity performance: since previous cycle (1st Jan 2007 = 100)



Equity performance: since 1st Jan 2020 (%)



REIT performance: since 1st Jan 2020 (%)



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

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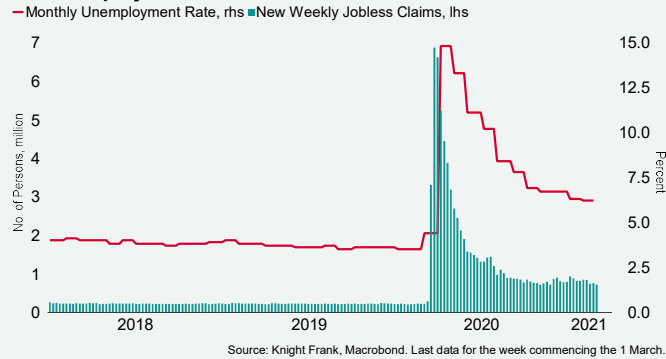


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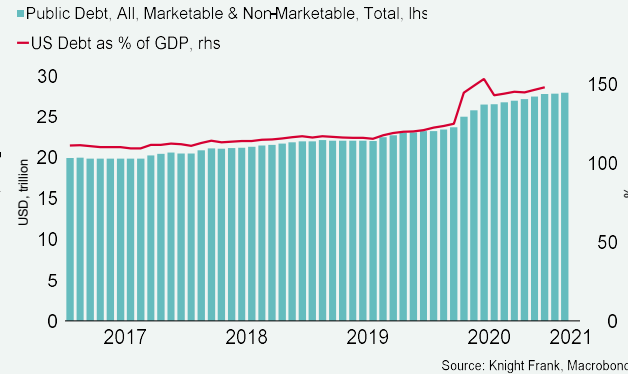
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US unemployment

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	295 bn	10.1%	140.4%
Canada	458 bn	4.1%	395.9%
Euro Area	8.58 tn	1.1%	63.8%
France	2.1 tn	-1.5%	69.1%
Germany	2.94 tn	-0.7%	56.2%
Italy	1.66 tn	0.0%	50.4%
Sweden	160 bn	0.3%	66.0%
Japan	6.56 tn	-3.3%	15.6%
United Kingdom	1.08 tn	2.9%	90.3%
United States	7.58 tn	1.8%	76.2%
Developing Economies			
Brazil	436 bn	-4.2%	-10.5%
China	5.93 tn	-1.4%	15.0%
India	407 bn	1.0%	33.7%
Mexico	228 bn	-1.6%	10.8%
Russia	701 bn	0.0%	-0.9%
Saudi Arabia	493 bn	0.3%	-3.3%
South Korea	493 bn	0.4%	16.2%
Turkey	108 bn	-4.7%	-2.1%

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Economic Dashboard

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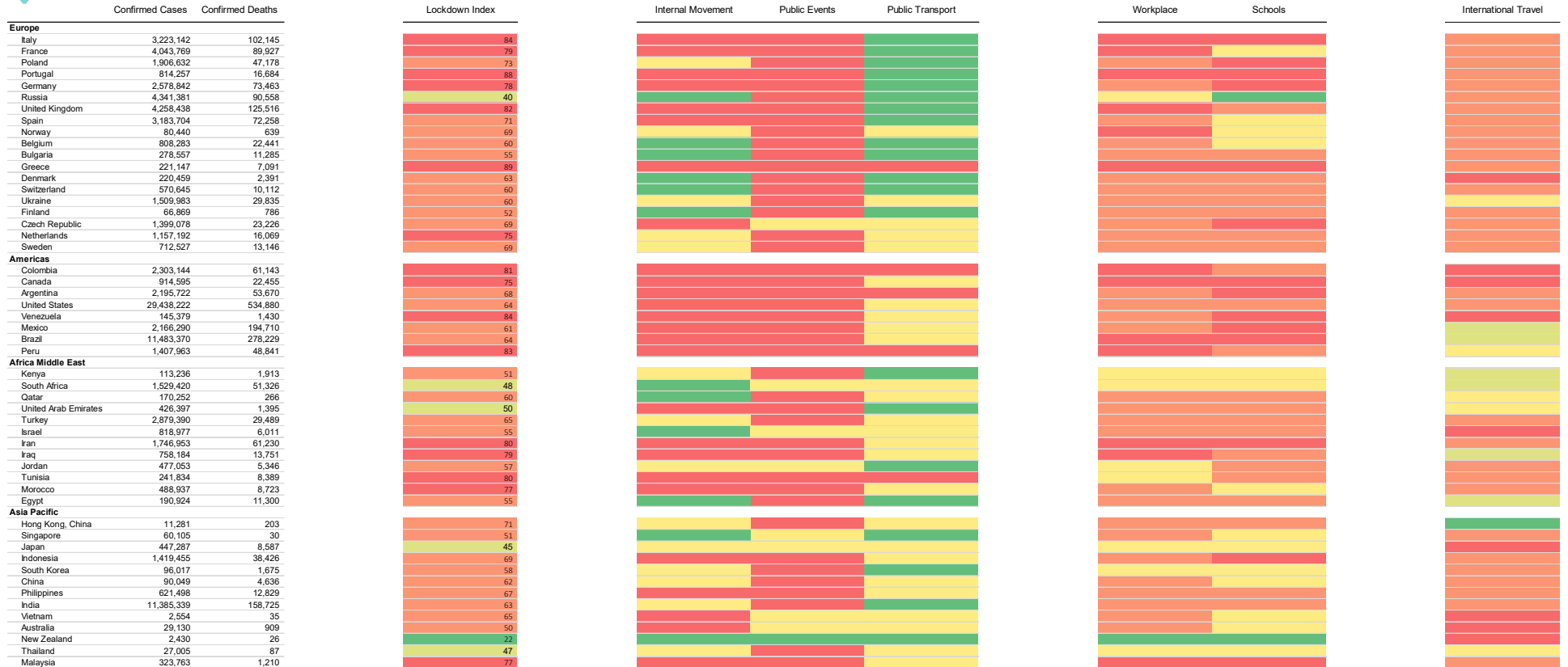
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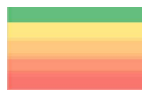
Overview of the severity of Covid-19 and the resulting containment measures



	Confirmed Cases	Confirmed Deaths	Lockdown Index
Europe			
Italy	3,223,142	102,145	84
France	4,043,769	89,927	79
Poland	1,906,632	47,178	73
Portugal	814,257	16,684	88
Germany	2,578,842	73,463	78
Russia	4,341,381	90,558	40
United Kingdom	4,258,438	125,516	82
Spain	3,183,704	72,258	71
Norway	80,440	639	69
Belgium	808,283	22,441	60
Bulgaria	278,557	11,285	55
Greece	221,147	7,091	89
Denmark	220,459	2,391	63
Switzerland	570,645	10,112	60
Ukraine	1,509,983	29,835	60
Finland	66,869	786	52
Czech Republic	1,399,078	23,226	69
Netherlands	1,157,192	16,069	75
Sweden	712,527	13,146	69
Americas			
Colombia	2,303,144	61,143	81
Canada	914,595	22,455	75
Argentina	2,195,722	53,670	68
United States	29,438,222	534,880	64
Venezuela	145,379	1,430	84
Mexico	2,166,290	194,710	61
Brazil	11,483,370	278,229	64
Peru	1,407,963	48,841	83
Africa Middle East			
Kenya	113,236	1,913	51
South Africa	1,529,420	51,326	48
Qatar	170,252	266	60
United Arab Emirates	426,397	1,395	60
Turkey	2,879,390	29,469	65
Israel	818,977	8,011	55
Iran	1,746,953	61,230	80
Iraq	758,184	13,751	79
Jordan	477,053	5,346	57
Tunisia	241,834	8,389	80
Morocco	488,937	8,723	77
Egypt	190,924	11,300	55
Asia Pacific			
Hong Kong, China	11,281	203	71
Singapore	60,105	30	51
Japan	447,287	8,587	45
Indonesia	1,419,455	38,426	69
South Korea	96,017	1,675	58
China	90,049	4,636	62
Philippines	621,498	12,829	67
India	11,385,339	158,725	63
Vietnam	2,554	35	65
Australia	29,130	909	50
New Zealand	2,430	26	22
Thailand	27,005	87	47
Malaysia	323,763	1,210	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
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

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