

Summary

- **Equities:** Globally, stocks are mixed this morning. In Europe, the Stoxx 600, the FTSE 250 and the DAX remained unchanged so far, while the CAC 40 (-0.1%) is marginally down. In Asia the TOPIX (-1.2%) was the worst performing index, followed by the CSI 300 (-0.9%), the Hang Seng (-0.8%) and the KOSPI (-0.3%), while the S&P / ASX 200 (+0.8%) closed higher. In the US, futures for the S&P 500 and the Dow Jones Industrial Average are both down -0.1% so far this morning.
- **VIX:** The CBOE market volatility index increased slightly to 20.0, in line with its long term average of 19.9. The Euro Stoxx 50 volatility decreased by -1.8% to 18.1, below its LTA of 23.9.
- **Bonds:** The UK 10-year gilt yield and the German 10-year bund yield remained stable at 0.83% and -0.28% respectively. The US 10-year treasury yield softened +2bps to 1.73%, following the 14-month high of 1.78% reached yesterday.
- **Currency:** Sterling and the euro are currently \$1.38 and \$1.17, respectively. Currency hedging benefits for US dollar denominated investors into the UK and Eurozone are 0.67% and 1.77% on a five year basis.
- **Oil:** Oil is trading up today, ahead of the OPEC and allies meeting scheduled for tomorrow. Brent Crude and the West Texas Intermediate (WTI) are +0.5% and +0.4% higher this morning at \$64.5 and \$60.8, respectively.
- **Baltic Dry:** The Baltic Dry declined on Tuesday, down by -2.7% to 2,103. This level is -9% below the 22nd March peak of 2,319, but remains at a rate last seen in September 2019.
- **Gold:** After two days of decline, Gold remained stable this morning at \$1,685 per troy ounce, a level which is -11% below where it was at the start of the year.
- **UK economy:** The UK GDP grew +1.3% in the last quarter of 2020, revised up from a previous estimate of 1.0%. The annual figure for 2020 was also revised up to -9.8% from a -9.9%, but it still remains the largest fall in UK GDP ever recorded. Despite the last two quarters of growth, GDP remains -7.3% below its pre-pandemic level.

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Economic Dashboard

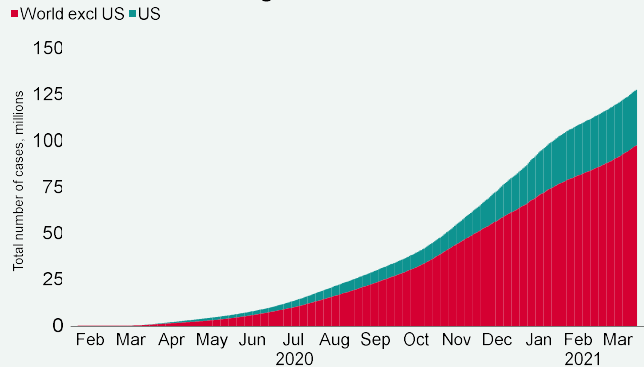


31 March 2021

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COVID-19

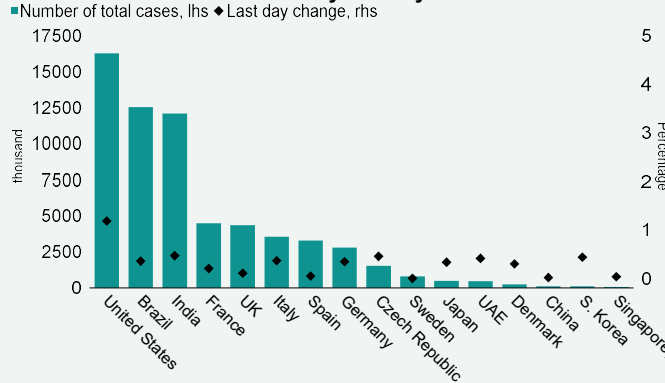
Cumulative number of global cases



Source: Knight Frank, Macrobond. Last modified: 30 March 2021 12:21 GMT.

The number of total confirmed cases reached 127.3 million on the 30 March, an increase of 428k new cases over the day prior.

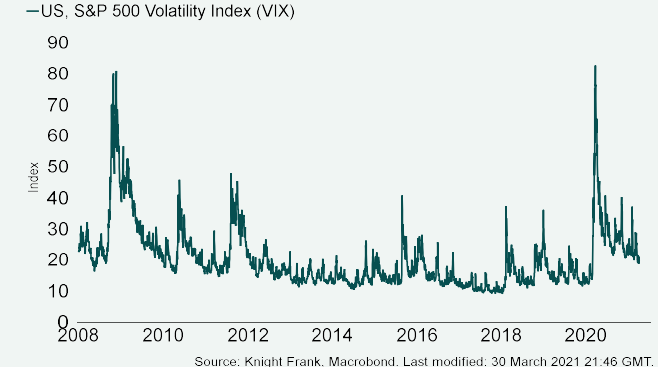
Cumulative number of cases by country



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

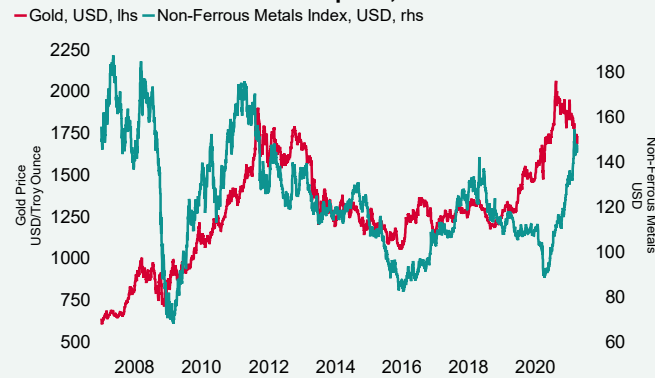


Source: Knight Frank, Macrobond. Last modified: 30 March 2021 21:46 GMT.

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

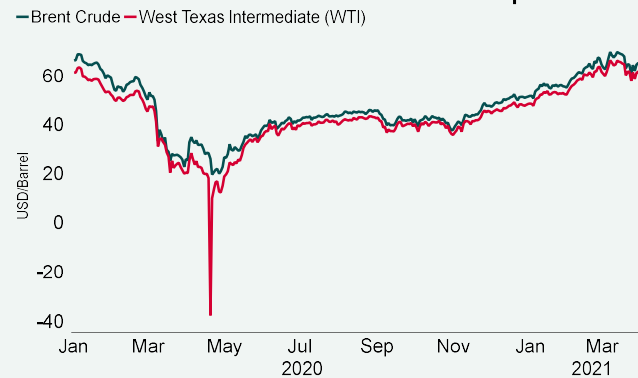
Gold and non-ferrous metals price, USD



Source: Knight Frank, Macrobond. Last modified: 31 March 2021 00:01 GMT.

	30 Mar	D/D (%)	YTD (%)
Gold, USD	1684	-2.8	-11.2
Non-Ferrous Metals, USD	147	0.9	13.6

Brent Crude and West Texas Intermediate oil price



Source: Knight Frank, Macrobond. Last modified: 30 March 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: 30 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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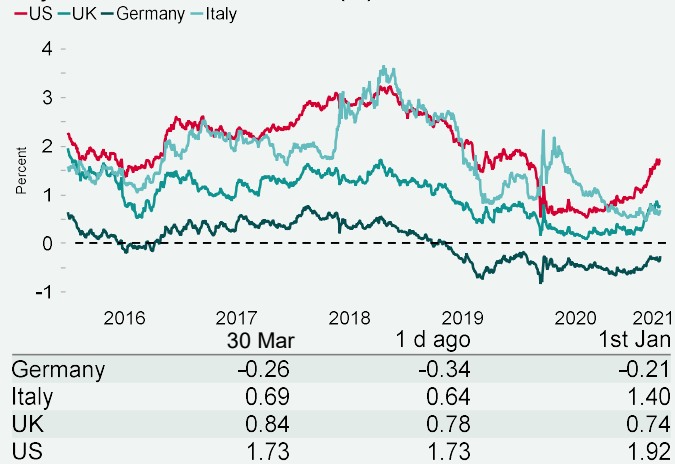


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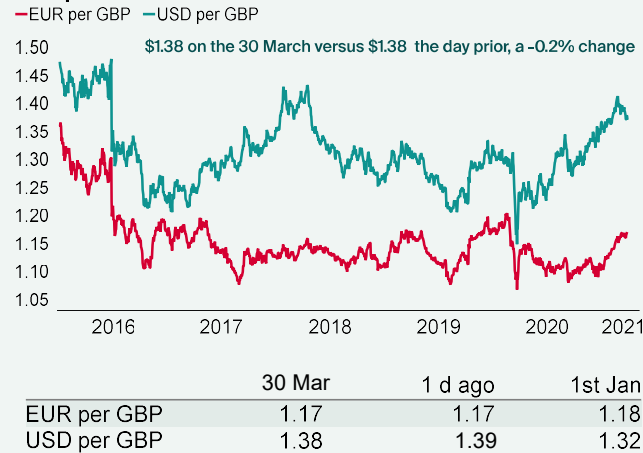
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Bonds and currencies

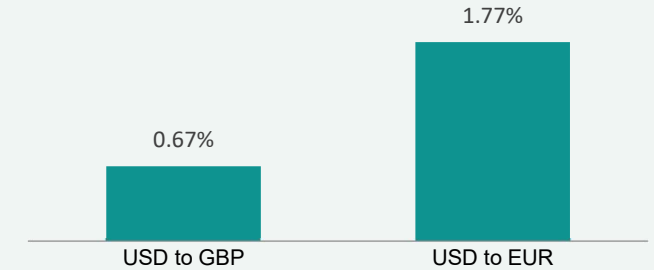
10y Government Bond Yield (%)



FX Spot Rates



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

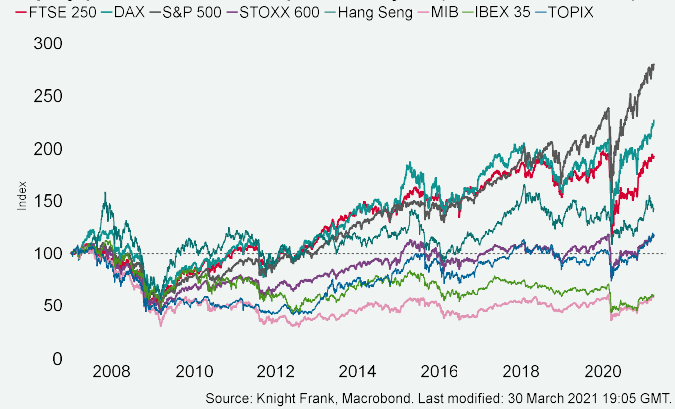


Source: Knight Frank, Investing.com

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

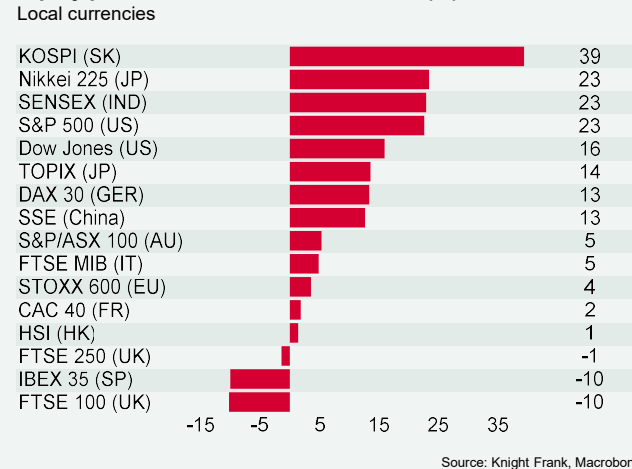
Equity and REIT

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

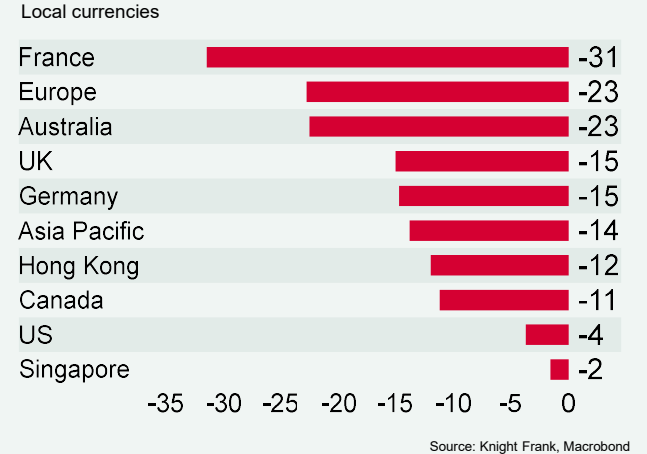


The chart presents the performance of selected equity indexes since the months prior to the global financial crisis (2007).

Equity performance: since 1st Jan 2020 (%)



REIT performance: since 1st Jan 2020 (%)



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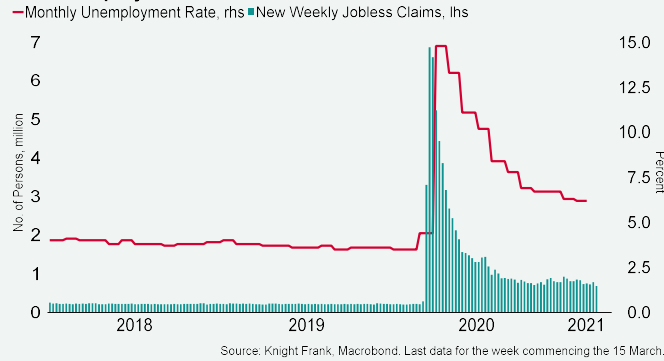
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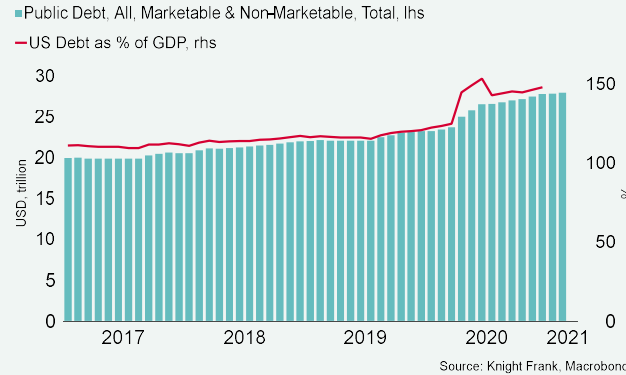
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US unemployment

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	299 bn	7.1%	96.9%
Canada	458 bn	4.1%	395.9%
Euro Area	8.88 tn	2.9%	62.4%
France	2.1 tn	-0.1%	69.4%
Germany	3.01 tn	0.3%	52.8%
Italy	1.66 tn	0.0%	50.4%
Sweden	162 bn	0.0%	81.3%
Japan	6.6 tn	-2.1%	23.7%
United Kingdom	1.09 tn	0.0%	91.0%
United States	7.72 tn	1.7%	49.3%
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	489 bn	-0.9%	-3.2%
South Korea	482 bn	-2.2%	15.6%
Turkey	105 bn	-4.6%	1.2%

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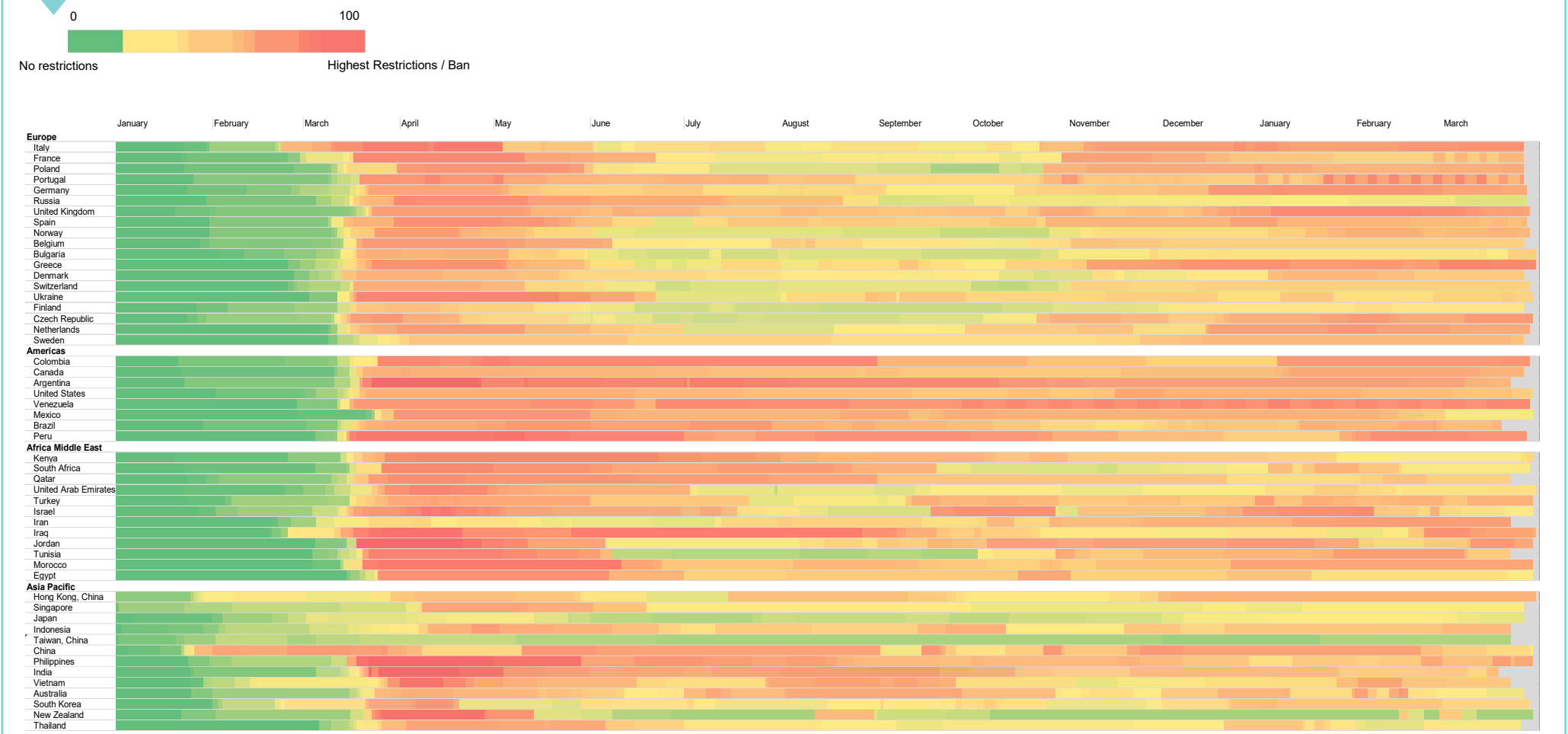
Economic Dashboard

31 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

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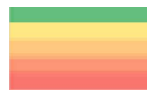
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Overview of the severity of Covid-19 and the resulting containment measures



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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