

COVID-19 Dashboard

7 October 2020



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Summary

- **Equities:** In Europe, stocks are mostly lower with declines recorded by the DAX (-0.2%), CAC 40 and the STOXX 600 (both -0.1%). However, the FTSE 250 is +0.1% higher this morning. In Asia, stocks were mostly up on close, with the S&P / ASX 200 (+1.2%), Hang Seng (+1.1%) and the Kospi (+0.9%) recording gains, however the Topix closed flat. In the US, futures for the S&P 500 are up +0.5%
- **VIX:** After increasing +5.4% yesterday, the CBOE market volatility index has increased a further +0.2% over the morning to 29.5. The Euro Stoxx 50 vix has also increased, up +0.9% to 25.4. Both indices remain elevated.
- **Bonds:** The Italian 10-year bond yield has compressed -2bps to 0.77%, while the UK 10-year gilt yield has compressed -1bp to 0.28%. The US 10-year bond yield has softened +2bps to 0.76%, while the German 10-year bund yield is steady at -0.51%.
- **Currency:** Sterling has depreciated to \$1.29, while the euro is currently \$1.18. Hedging benefits for US dollar denominated investors into the UK and the eurozone are at 0.36% and 1.19% per annum on a five-year basis.
- **Oil:** The West Texas Intermediate (WTI) has declined below \$40 per barrel this morning after decreasing -1.7% to \$39.97. Brent Crude is also down this morning, contracting -1.4% to \$42.07. The latest Baker Hughes rig count found there were 266 active oil rigs in the US as at 2nd October 2020, compared to 855 one year ago. Internationally, the number of active oil rigs in September stood at 702, compared to 747 one month ago.
- **Baltic Dry:** The Baltic Dry increased +1.3% yesterday to 2,097, its highest level since September 2019. The index is +92% higher than it was at the start of January and + 7% above this year's previous peak in July.
- **Gold:** The price of gold decreased +1% yesterday to \$1,893 per troy ounce. Gold reached a record of \$2,063 on 6th August and has since declined -8%, however it remains +24% higher than it was at the start of January.
- **Tesco:** The UK grocery and general merchandise retailer reported group sales of £26.7 billion in the half year to August 29th, an increase of +6.6% compared to the same period last year. Higher demand for online shopping driven by the pandemic, saw Tesco more than double delivery capacity to 1.5 million slots a week during this period.

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COVID-19 Dashboard

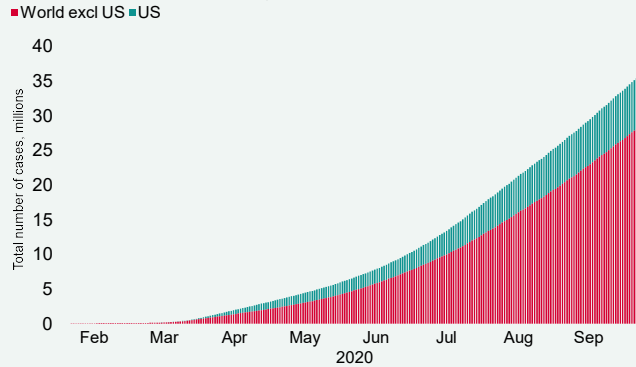
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COVID-19

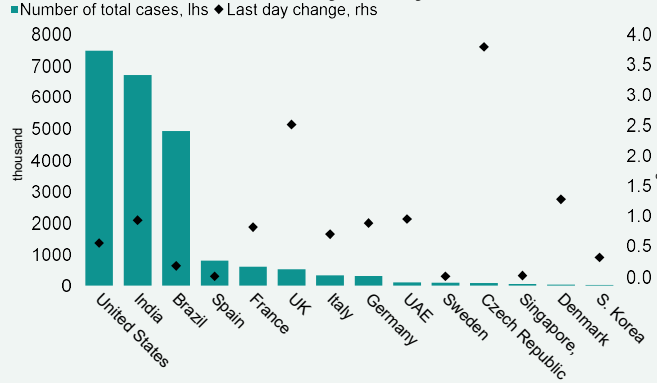
Cumulative number of global cases



Source: Knight Frank, Macrobond. Last modified: 06 October 2020 10:17 GMT.

The number of total confirmed cases reached 35.3 million on the 6 October, an increase of 236k new cases over the day prior.

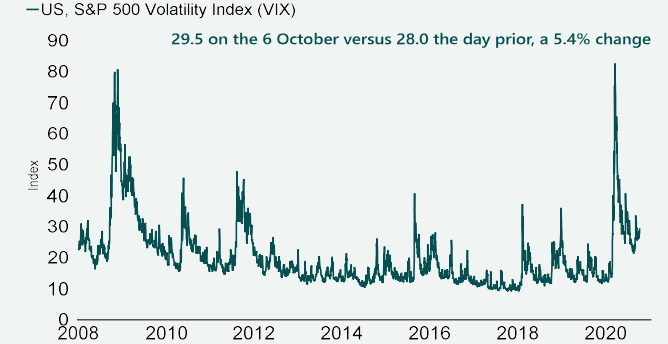
Cumulative number of cases by country



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

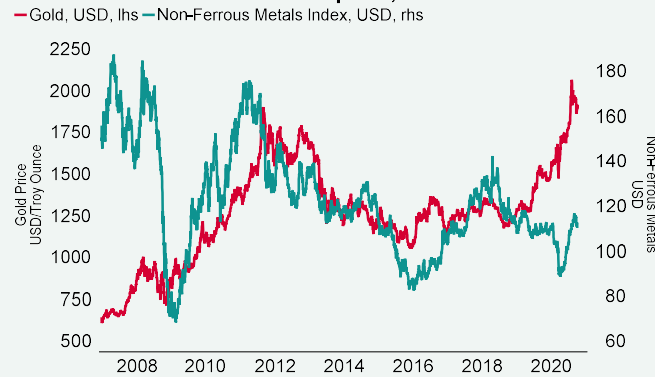


Source: Knight Frank, Macrobond. Last modified: 07 October 2020 03:15 GMT.

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

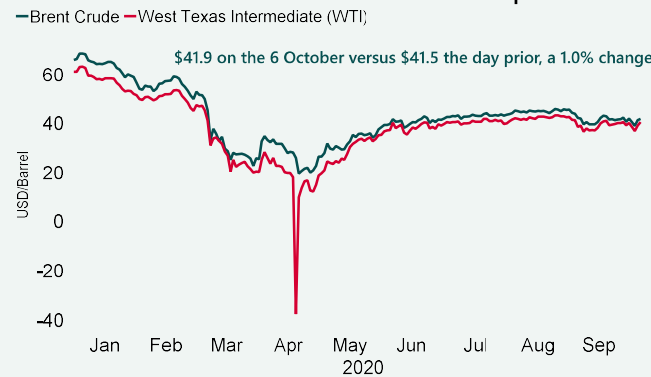
Gold and non-ferrous metals price, USD



Source: Knight Frank, Macrobond. Last modified: 07 October 2020 00:00 GMT.

	6 Oct	D/D (%)	YTD (%)
Gold, USD	1893	-0.3	24.8
Non-Ferrous Metals, USD	110	-2.1	-0.5

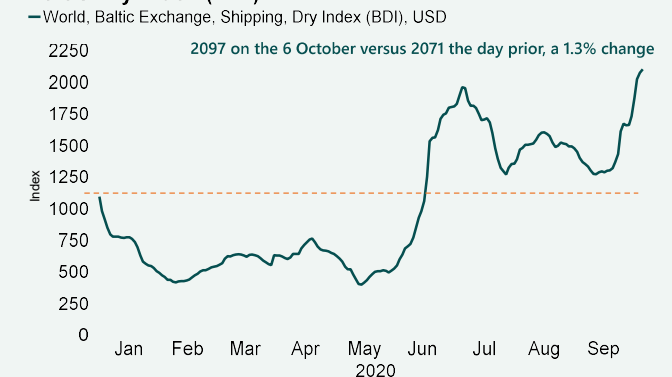
Brent Crude and West Texas Intermediate oil price



Source: Knight Frank, Macrobond. Last modified: 06 October 2020 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: 06 October 2020 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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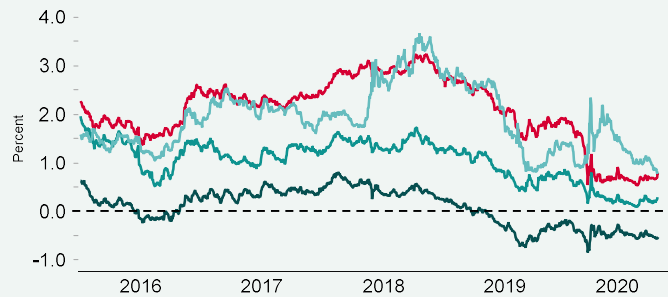


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Bonds and currencies

10y Government Bond Yield (%)

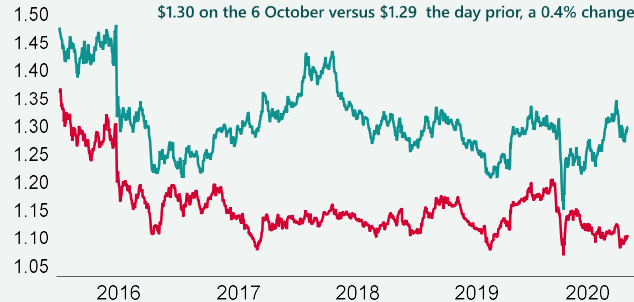
—US —UK —Germany —Italy



	6 Oct	1 d ago	1st Jan
Germany	-0.53	-0.56	-0.19
Italy	0.79	0.80	1.40
UK	0.29	0.28	0.74
US	0.76	0.78	1.92

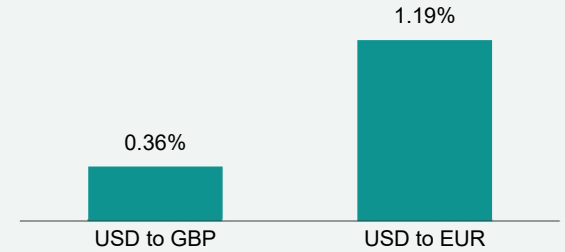
FX Spot Rates

—EUR per GBP —USD per GBP



	6 Oct	1 d ago	1st Jan
EUR per GBP	1.10	1.10	1.18
USD per GBP	1.30	1.30	1.32

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

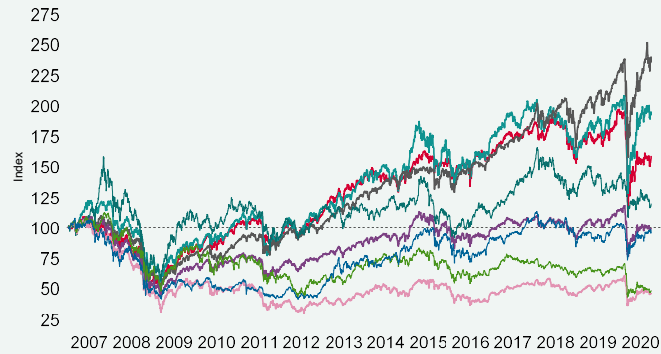


Source: Knight Frank, Investing.com
Approximate additional return per annum that dollar denominated investors may obtain based on five year currency hedge.

Equity and REIT

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

—FTSE 250 —DAX —S&P 500 —STOXX 600 —Hang Seng —MIB —IBEX 35 —TOPIX

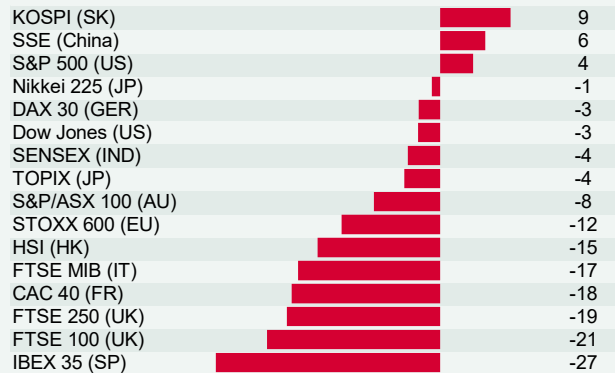


Source: Knight Frank, Macrobond. Last modified: 06 October 2020 19:05 GMT.

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

Equity performance: YTD (%)

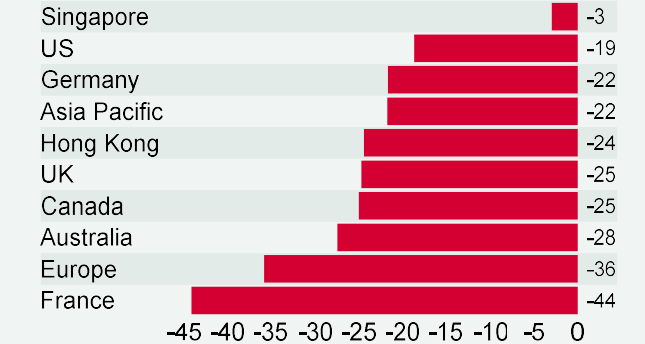
Local currencies



Source: Knight Frank, Macrobond

REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

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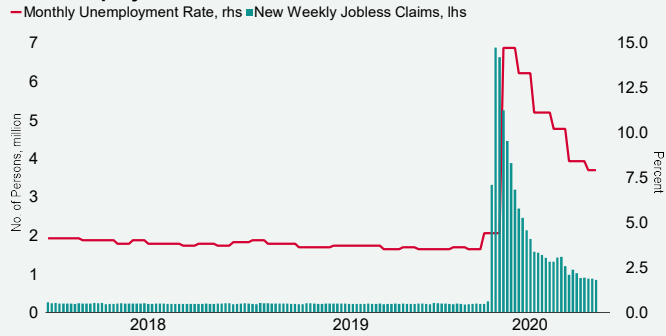
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US indicators

US Unemployment



Source: Knight Frank, Macrobond. Last data for the week commencing the 21 September.

The chart presents the number of Americans that each week file for unemployment benefits (left axis) and the overall monthly unemployment rate (right axis)

2020 Presidential Winner (probability of winning, %)



Source: Knight Frank, Macrobond. Last modified: 07 October 2020 09:00 GMT.

	7 Oct	1 week ago	1 month ago
Trump	37%	42%	43%
Biden	66%	62%	59%

Monetary policy

Central Banks Policy Rates

	Current Rate	Rate at 1/1/2020	YTD Change
Advanced Economies			
Australia	0.25%	0.75%	-50 bps
Canada	0.25%	1.75%	-150 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%	25 bps
Japan	-0.10%	-0.10%	0 bps
United Kingdom	0.10%	0.75%	-65 bps
United States	0.25%	1.75%	-150 bps
Developing Economies			
Brazil	2.00%	4.50%	-250 bps
China	4.35%	4.35%	0 bps
India	4.00%	5.15%	-115 bps
Mexico	4.25%	7.25%	-300 bps
Russia	4.25%	6.25%	-200 bps
Saudi Arabia	1.00%	2.25%	-125 bps
South Korea	0.50%	1.25%	-75 bps
Turkey	10.25%	12.00%	-175 bps

Central Bank Assets Purchasing Programme

	Lastest (\$)	MoM (%)	YoY (%)
Advanced Economies			
Australia	218 bn	2.2%	78.0%
Canada	413 bn	1.9%	357.1%
Euro Area	7.63 tn	0.2%	49.5%
France	1.86 tn	-0.2%	48.9%
Germany	2.7 tn	0.8%	38.8%
Italy	1.51 tn	1.5%	32.7%
Sweden	144 bn	0.9%	49.0%
Japan	6.54 tn	3.7%	24.0%
United Kingdom	773 bn	-0.2%	-2.7%
United States	7.06 tn	0.7%	80.0%
Developing Economies			
Brazil	502 bn	-12.1%	-4.8%
China	5.3 tn	3.7%	5.2%
India	377 bn	0.7%	37.4%
Mexico	220 bn	1.1%	11.1%
Russia	677 bn	-1.0%	5.0%
Saudi Arabia	490 bn	1.4%	-5.4%
South Korea	443 bn	-6.0%	5.7%
Turkey	97.2 bn	-3.6%	-11.5%

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

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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
Europe											
Italy	327,586	36,002			38						
France	624,274	32,299			47						
Poland	102,080	2,659			19						
Portugal	79,885	2,016			43						
Germany	303,258	9,546			43						
Russia	1,225,889	21,475			41						
United Kingdom	515,571	42,369			68						
Spain	813,412	32,225			55						
Norway	14,457	275			26						
Belgium	132,109	10,078			51						
Bulgaria	21,870	854			35						
Greece	20,142	417			51						
Denmark	30,057	659			31						
Switzerland	55,803	1,786			43						
Ukraine	230,236	4,430			64						
Finland	10,702	346			32						
Czech Republic	85,566	758			39						
Netherlands	140,321	6,452			44						
Sweden	94,283	5,895			37						
Americas											
Colombia	862,158	26,844			51						
Canada	168,960	9,504			61						
Argentina	809,715	21,468			92						
United States	7,458,550	210,192			63						
Venezuela	79,117	658			82						
Mexico	765,082	79,268			74						
Brazil	4,927,235	146,675			73						
Peru	829,999	32,834			85						
Africa Middle East											
Kenya	39,449	735			68						
South Africa	682,215	17,016			42						
Qatar	126,692	216			55						
United Arab Emirates	99,733	429			53						
Turkey	326,046	8,498			60						
Israel	272,309	1,757			85						
Iran	475,674	27,192			57						
Iraq	382,949	9,464			73						
Jordan	17,464	110			66						
Tunisia	23,453	321			27						
Morocco	134,695	2,369			68						
Egypt	103,781	5,990			63						
Asia Pacific											
Hong Kong	5,124	105			59						
Singapore	57,819	27			55						
Japan	86,047	1,602			31						
Indonesia	307,120	11,253			69						
Taiwan	-	-			19						
South Korea	24,239	422			57						
China	90,652	4,739			46						
Philippines	324,762	5,840			55						
India	6,685,082	103,569			75						
Vietnam	1,097	35			75						
Australia	27,149	894			68						
New Zealand	1,502	25			32						
Thailand	3,600	59			44						
Malaysia	12,813	137			51						

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, Taiwan has the lowest 'lockdown index' score at 19, 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. Taiwan, 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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