

# COVID-19 Dashboard

23 April 2020



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## Summary

- **Equities:** Global equity markets have been broadly flat so far today. This follows declines yesterday as a result of continued supply and demand concerns in the oil industry. Equity markets are appearing to see almost a level of immunity to data.
- **VIX:** The “investor fear gauge”, the VIX volatility index, is currently at 40, down from 42.0 the day prior. This remains elevated, which suggests continued near term equity market volatility.
- **Bond Yields:** 10-year government bond yields have remained broadly stable over the last few days, aided by continued central bank support. The 10-year UK Gilt yield is currently 0.30%, 10-year German Bund -0.42% and the 10-year US Treasury 0.62%.
- **Currency:** Sterling is stable at \$1.23, with hedging benefits for US dollar denominated investors into the UK circa 0.13% per annum on a five-year basis. However, the currency hedging benefit of US dollar denominated investors into the Eurozone has continued to pare back, now at 0.97% per annum on a five-year basis.
- **Oil:** The oil sell off earlier in the week, compounded by storage issues, has largely stabilised, with Brent Crude back up above \$20, at \$21.7 a barrel.
- **Baltic Dry:** The Baltic Dry index dropped to a one-week low on Wednesday, falling overnight by -4.7% to \$694, its lowest level since April 14<sup>th</sup> due to weakened demand.
- **UK Borrowing:** The UK Treasury is looking to raise £180 billion in the next three months, which is more than quadruple its prior borrowing plans of circa £39 billion, according to the Financial Times. The economic impact of COVID-19 could push the UK’s budget deficit to as much as £260 billion, according to Paul Johnson, the Director of the Institute for Fiscal Studies. The latest figures show that the UK budget deficit was £48.7 billion over the 2019- 2020 financial year, which is £9.3 billion higher than the prior year and equal to 2.2% of GDP.

## Research

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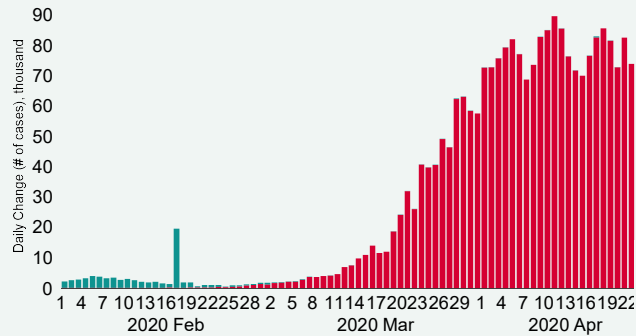


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## COVID-19

### New cases per day

■ World (ex-China) ■ China

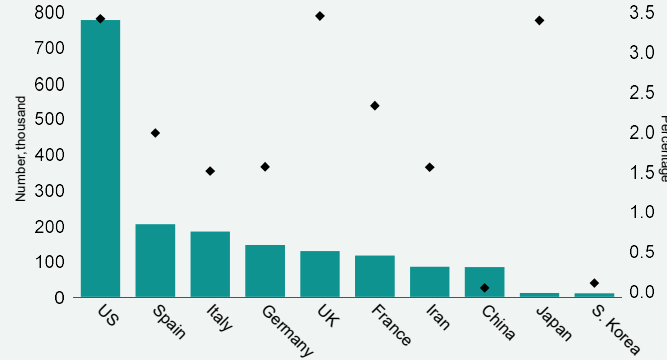


Source: Knight Frank, Macrobond. Last modified: 22 April 2020 20:05 GMT.

The number of total cases reached 2471k on the 22 April, an increase of 74k new cases over the day prior.

### Cumulative number of cases

■ Number of total cases, lhs ◆ Last day change, rhs



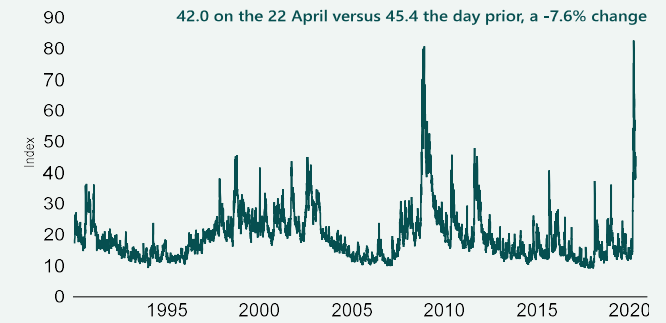
Source: Knight Frank, Macrobond. Last modified: 22 April 2020 00:00 GMT.

The chart presents the number of cumulative cases (left axis) and the percentage change of new cases against the day before (right axis).

## Investor sentiment

### Volatility Index

—US, S&P 500 Volatility Index (VIX)



Source: Knight Frank, Macrobond. Last modified: 23 April 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 silver price, USD

—Gold, USD, lhs —Silver, USD, rhs

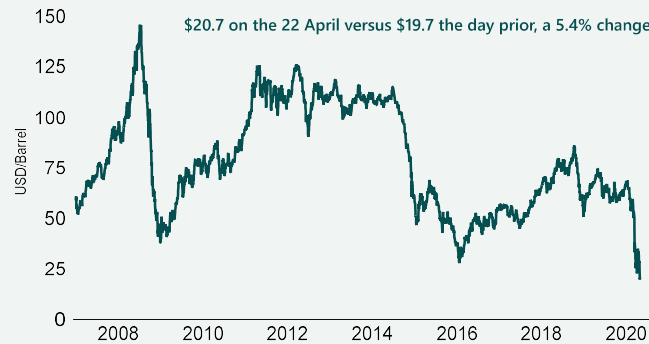


Source: Knight Frank, Macrobond. Last modified: 23 April 2020 06:30 GMT.

	22 April	D/D (%)	YTD (%)
Gold, USD	1714	1.2	13.0
Silver, USD	15.1	-1.3	-15.4

### Brent crude and global commodity price index

—Crude Oil, Brent

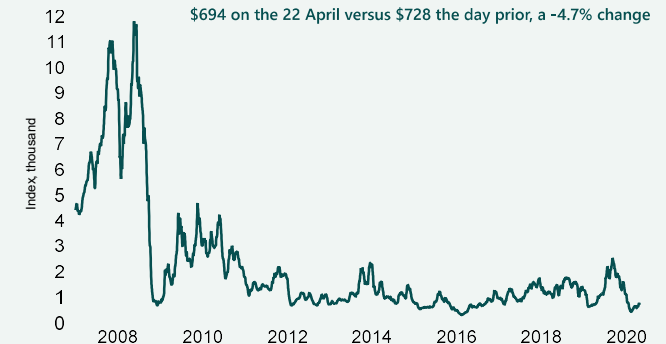


Source: Knight Frank, Macrobond. Last modified: 23 April 2020 02:30 GMT.

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



Source: Knight Frank, Macrobond. Last modified: 22 April 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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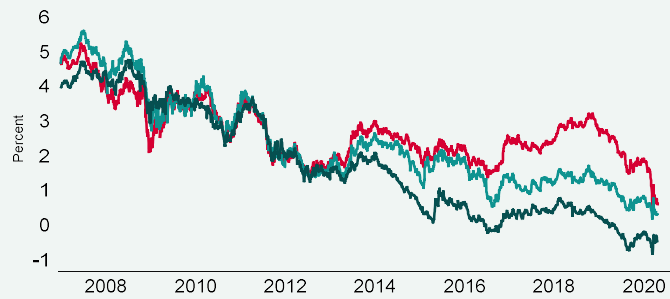


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## Bonds and currencies

### 10y Government Bond Yield (%)

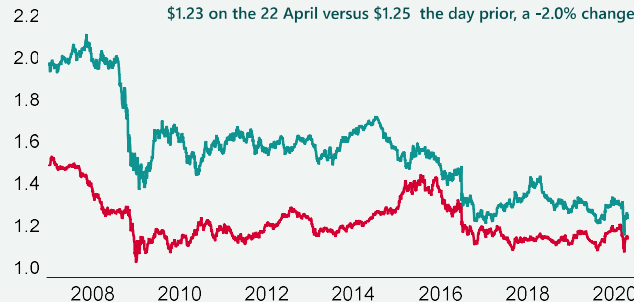
—US —UK —Germany



	22 Apr	1 d ago	1st Jan
Germany	-0.45	-0.46	-0.19
UK	0.26	0.24	0.74
US	0.63	0.58	1.92

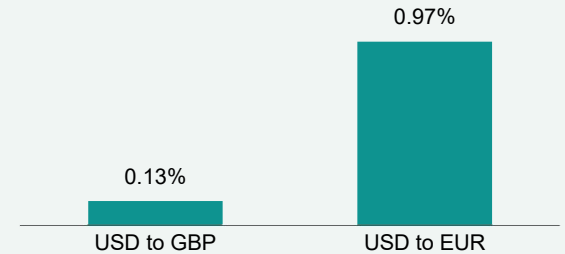
### FX Spot Rates

—EUR per GBP —USD per GBP



	22 Apr	1 d ago	1st Jan
EUR per GBP	1.13	1.13	1.18
USD per GBP	1.23	1.25	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)

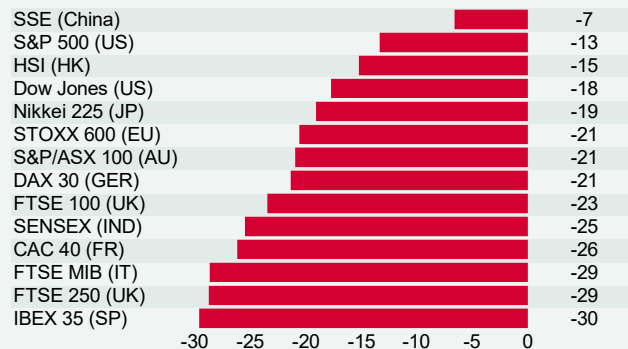
—FTSE 250 —DAX —FTSE 100 —S&P 500 —STOXX 600



Source: Knight Frank, Macrobond. Last modified: 22 April 2020 19:05 GMT.

### Equity performance: YTD (%)

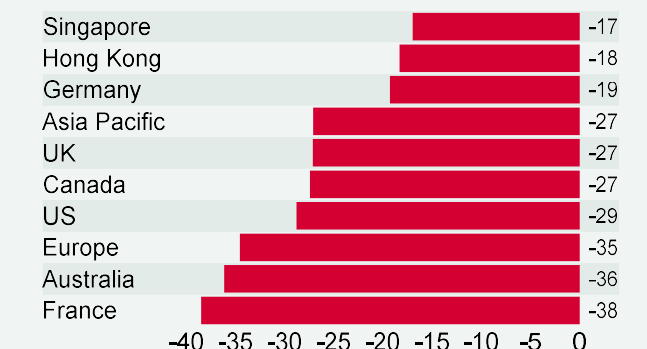
Local currencies



Source: Knight Frank, Macrobond

### REIT performance: YTD (%)

Local currencies



Source: Knight Frank, Macrobond

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

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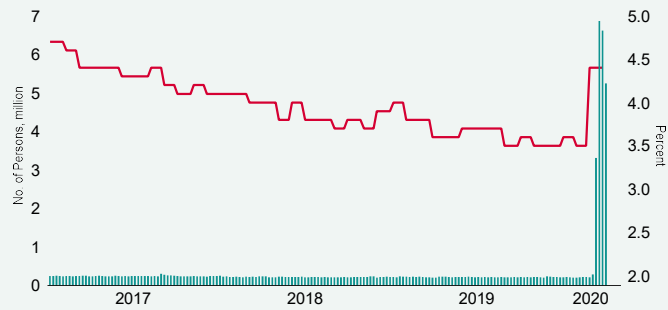


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## US indicator

### US Unemployment

— Monthly Unemployment Rate, rhs — New Weekly Jobless Claims, lhs



Source: Knight Frank, Macrobond. Last data for the week commencing the 6 April.

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

## Fiscal policy

### Fiscal measures by selected governments (YTD total, \$)

US	2.15 trillion
China	1.24 trillion
UK	497 billion
Italy	468 billion
Spain	255 billion
Australia	131 billion
Switzerland	84.4 billion
Germany	68.4 billion
France	48.8 billion
Hong Kong	37.9 billion
South Korea	17.6 billion
Netherlands	11.1 billion
Sweden	8.13 billion
Canada	697 million

Source: Knight Frank, Macrobond.

### Fiscal measures details

<b>UK</b>	<b>£330bn+</b> : Government backed loans and guarantees equivalent to 15% of UK GDP. SMEs will be granted access to cash grants of more than £25k to tackle the crisis. Support for furloughed employees equal to 80% of salary up to £2,500 per month. A taxable grant for self-employed with less than £50k trading profit, worth 80% of monthly profits up to £2.5k, paid as a lump sum in June.
<b>USA</b>	<b>\$2.2tn</b> : The largest economic rescue package in US history. It includes a \$1,200 payment to most adult Americans.
<b>EU</b>	Finance ministers discussing on an EU wide-strategy that may include the creation of pandemic bonds or new credit lines.
<b>Germany</b>	<b>€750bn</b> : The emergency aid measure approved by the German Cabinet on Monday 23 <sup>rd</sup> of March.
<b>Italy</b>	<b>€400bn</b> : The stimulus announced on the 7 April to help businesses hurt by a national lockdown. <b>€25bn</b> : The emergency package passed by the Italian government to support businesses and families in March.
<b>France</b>	<b>€45bn</b> : The aid package for SMEs and other hard-hit sectors announced by the French government on 17 <sup>th</sup> of March. Includes deferred corporate tax, social security charges and two months state payments to laid off workers. <b>€300bn</b> : government backed loans.
<b>Spain</b>	<b>€200bn</b> : 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.
<b>Japan</b>	<b>\$10bn</b> : The aid package issued in early March for SMEs and self-employed workers. Additional economic stimulus measures are expected.
<b>Hong Kong</b>	<b>HK\$10k</b> 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
<b>Advanced Economies</b>			
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
Japan	-0.10%	-0.10%	0 bps
United Kingdom	0.10%	0.75%	-65 bps
United States	0.25%	1.75%	-150 bps
<b>Developing Economies</b>			
Brazil	3.75%	4.50%	-75 bps
China	4.35%	4.35%	0 bps
India	4.40%	5.15%	-75 bps
Mexico	6.00%	7.25%	-125 bps
Russia	6.00%	6.25%	-25 bps
Saudi Arabia	1.00%	2.25%	-125 bps
South Korea	0.75%	1.25%	-50 bps
Turkey	8.75%	12.00%	-325 bps

Source: Knight Frank, Macrobond

### Central Bank Assets Purchasing Programme

	Latest (\$)	MoM (%)	YoY (%)
<b>Advanced Economies</b>			
Australia	133 bn	31.3%	42.8%
Canada	92.4 bn	49.6%	62.1%
Euro Area	5.31 tn	8.0%	8.4%
France	1.24 tn	-0.4%	-3.2%
Germany	1.98 tn	5.0%	4.2%
Italy	1.1 tn	7.3%	7.2%
Japan	5.67 tn	6.7%	13.7%
United Kingdom	800 bn	-1.4%	-1.9%
United States	4.31 tn	41.0%	61.9%
<b>Developing Economies</b>			
Brazil	487 bn	-0.9%	-12.8%
China	5.15 tn	0.0%	-0.8%
India	308 bn	8.6%	23.6%
Mexico	206 bn	-2.9%	6.4%
Russia	707 bn	-2.7%	16.7%
Saudi Arabia	510 bn	-1.0%	2.6%
South Korea	417 bn	-0.7%	-6.1%
Turkey	106 bn	-4.8%	4.1%

Source: Knight Frank, Macrobond

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